

# Legg Mason Product Updates

As part of our ongoing commitment to keep you informed about our product line-up, included below are updates to existing products offered by Legg Mason.

## **Permal Alternative Select Fund – Addition of Subadviser**

Effective May 2, 2016, First Quadrant, LP (“First Quadrant”) will be added as a subadviser for the Permal Alternative Select Fund. First Quadrant will manage the Global Macro (Systematic) strategy and joins Apex Capital, LLC, Atlantic Investment Management, Inc., BH-DG Systematic Trading LLP (part of a joint venture arrangement between David Gorton and Brevan Howard Investment Holdings Limited) (trading advisor), River Canyon Fund Management LLC (a wholly-owned subsidiary of Canyon Capital Advisors LLC), and TT International as subadvisers for the Fund. Permal is the Fund’s Investment Manager. The addition of First Quadrant did not result in any modifications to the Fund’s principal investment objectives or the management fee payable by the Fund.

## **Shareholder Communication**

Information about First Quadrant is reflected in a prospectus supplement (attached) dated February 4, 2016, which is for fulfillment only. The information will be included in the annual prospectus update dated March 1, 2016 which will be mailed to shareholders. An information statement will be provided within 90 days of the May 2 effective date.

## **Reorganization of QS Batterymarch Financial Management, Inc. and QS Legg Mason Global Asset Allocation, LLC into QS Investors, LLC**

Since Legg Mason acquired QS Investors, LLC (“QS Investors”) in 2014, QS Investors personnel have been integrated into the advisory businesses of QS Legg Mason Global Asset Allocation, LLC (“QS LMGAA”) and QS Batterymarch Financial Management, Inc. (“QS Batterymarch”), respectively. Effective on or about March 31, 2016, QS LMGAA and QS Batterymarch will be consolidated into QS Investors. As a result, on April 1, 2016, each of the funds currently subadvised by QS Batterymarch and QS LMGAA will be rebranded and QS Investors will replace QS LMGAA and QS Batterymarch as an investment adviser to each fund. The same portfolio managers will continue to manage the funds and there will be no changes to investment objectives, strategies or policies as a result of the consolidation.

**The names of the funds will change - CUSIPs and NASDAQ symbols will remain the same. Please see excel spreadsheet (attached) for impacted funds/share classes.**

## **Shareholder Communication**

This information is reflected in prospectus supplements (attached) dated February 4, 2016 which will be mailed to existing shareholders.

## **Legg Mason BW Alternative Credit Fund - Change in Dividend Policy**

Effective April 1, 2016, the Legg Mason BW Alternative Credit Fund will change its dividend payment frequency from monthly to quarterly distributions. On March 31, 2016 shareholders will be paid final monthly payments under the existing policy. On June 30, 2016 shareholders will be paid first quarterly payments under the new policy, provided there is net income to pay.

Due to the funds’ currency exposure and tax consequences the funds’ Board has deemed it more appropriate to make distributions on a quarterly rather than monthly basis. Changing the dividend payment frequency to quarterly significantly increases Legg Mason’s ability to effectively manage the dividends for the funds.

## **Shareholder Communication**

This change will be reflected in the annual prospectus update dated March 1, 2016. A shareholder notice will be mailed with the fund’s prospectus.

*All investments involve risk, including the loss of principal.*

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BEFORE INVESTING, CAREFULLY CONSIDER A FUND’S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. YOU CAN FIND THIS AND OTHER INFORMATION IN EACH PROSPECTUS, AND SUMMARY PROSPECTUS, IF AVAILABLE, AT [WWW.LEGGMASON.COM/INDIVIDUALINVESTORS](http://WWW.LEGGMASON.COM/INDIVIDUALINVESTORS). PLEASE READ THE PROSPECTUS CAREFULLY.

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INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE