

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.

UPDATE: Combination of The Permal Group and EnTrust Capital (Proxy Statement Attached)

Permal Alternative Core Fund

Permal Alternative Select Fund

As communicated on March 4, 2016, Legg Mason announced on January 22, 2016 that it had entered into an agreement to combine the businesses of The Permal Group ("Permal"), Legg Mason's existing hedge fund platform, with EnTrust Capital ("EnTrust"). Permal Asset Management LLC, the investment manager to Permal Alternative Select Fund and the subadviser to Permal Alternative Core Fund, is a member of Permal.

As a result of the Combination, a new combined entity, EnTrustPermal LLC, will be formed with Legg Mason owning 65% of the new entity and Gregg S. Hymowitz, EnTrust's Co-founder and Managing Partner, and entities controlled by him owning 35%.

There will be a "change in control" in the ultimate ownership of Permal Asset Management LLC for purposes of the Investment Company Act of 1940, and the current management and subadvisory agreements with respect to the Funds noted above will terminate upon consummation of the Combination. On March 3, 2016 the Funds' Board approved new management and subadvisory agreements, and fund shareholders will be proxied to approve these new agreements. A proxy statement (attached) describing the Combination and requesting shareholder approvals of the new management and subadvisory agreements will be mailed to shareholders on or about April 6, 2016. The Combination is currently scheduled to be completed during the second calendar quarter of 2016 and is subject to the satisfaction of customary closing conditions.

Renaming of Legg Mason Funds Managed by Permal

After shareholder approvals of the new management and subadvisory agreements noted above and after the closing of the Combination, it is anticipated that each of the Funds will be rebranded "EnTrustPermal".

Only the names of the funds will change - CUSIPs and NASDAQ symbols will remain the same.

See Excel spreadsheet (attached) for impacted funds/share classes.

Timeline (subject to change):

- March 21 (close of business): Record date for proxy statements
- On or about April 6: Proxy statement mailing
- May 20: Special meeting of shareholders
- TBD upon shareholder approval of the new agreements and the closing of the Combination of The Permal Group and EnTrust Capital: Effective date of new agreements and fund name changes

Reorganization Update of Closed End Fund - LMP Real Estate Income Fund Inc. -- NYSE SYMBOL: RIT

(Proxy statement attached)

Effective on or about June 10, 2016

As communicated on October 1, 2015, LMP Real Estate Income Fund Inc. (NYSE: RIT) announced its intention to convert the Fund from a closed-end fund to an open-end fund pending shareholders' approval the fund will be reorganized into the ClearBridge Real Estate Opportunities Fund Class O Share (CREOX) on or about close of business June 10, 2016.

Timeline for Reorganization (subject to change):

- On or about April 5, 2016: Proxy statement (attached) mailing
- April 5, 2016 to May 18, 2016: Proxy solicitation period
- May 18, 2016: Shareholder meeting
- On or about June 10, 2016, on or about close of business: Anticipated closing date of the reorganization, subject to approval of reorganization by RIT shareholders

See excel spreadsheet (attached) for impacted fund and share class.

Intended Only For Use with Institutions and Financial Professionals. Not For Use with the Public.

Legg Mason Product Updates

Permal Alternative Select Fund – Change in Subadvisers

Effective on or about June 5, 2016 and on or about June 30, 2016 respectively, TT International and River Canyon Fund Management (a wholly-owned subsidiary of Canyon Capital Advisors LLC) will no longer serve as subadvisers to the Permal Alternative Select Fund. 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), Electron Capital Partners, LLC and First Quadrant, LP remain as subadvisers for the Fund. Permal is the Fund's Investment Manager.

Shareholder Communication

Further information is reflected in a prospectus supplement (attached) dated April 7, 2016, which will mail to existing shareholders.

Certain Legg Mason Funds – Conversion of Class B Shares to Class Shares

Effective July 1, 2011, Legg Mason closed B shares to purchases for new and existing investors. Class B shares are currently available for incoming exchanges and dividend reinvestments. The share classes are reviewed periodically to assess ongoing viability and to attempt to protect shareholders from rising costs that may be associated with a declining asset base. Effective on or about close of business June 30, 2016, Legg Mason has determined to accelerate the conversion of Class B shares to Class A shares for all shareholders for the following funds:

ClearBridge Mid Cap Fund Class B
QS Growth Fund Class B
QS Moderate Growth Fund Class B
Western Asset Liquid Reserves Class B
Western Asset Managed Municipals Fund Class B
Western Asset Tax Free Reserves Class B

See excel spreadsheet (attached) for impacted funds/share classes.

Timeline:

On or about close of business June 28: Close Class B shares of impacted funds to incoming exchanges

On or about close of business June 30: Convert Class B shares of impacted funds to Class A shares

Shareholder communication

These changes are reflected in a prospectus supplement (attached) dated April 6, 2016 which will be mailed to Class B shareholders.

Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value (NAV) is total assets less total liabilities divided by the number of shares outstanding. At the time of sale, your shares may have a market price that is above or below NAV. Shares of closed-end funds frequently trade at a market price that is below their net asset value. There is no assurance that the fund will achieve its investment objective. The fund is subject to investment risks, including the possible loss of principal invested.

The closed-end funds are not sold or distributed by Legg Mason Investor Services, LLC ("LMIS") or any affiliate of Legg Mason, Inc. Shares of the funds are bought and sold through non-affiliated broker/dealers and trade on the NYSE / NYSE Alternext.

All investments involve risk, including the loss of principal.

©2016 Legg Mason Investor Services, LLC. member FINRA, SIPC. Legg Mason Investor Services, LLC and all entities mentioned above are subsidiaries of Legg Mason, Inc.

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. PLEASE READ THE PROSPECTUS CAREFULLY.

Intended Only For Use with Institutions and Financial Professionals. Not For Use with the Public.

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