

LEGG MASON'S EQUITY INVESTMENT SOLUTIONS

Equity Investing the LMCM Way

Managed by LEGG MASON CAPITAL MANAGEMENT

Legg Mason Capital Management, one of Legg Mason's independent investment management firms, has developed six distinctive equity strategies that cover all market capitalizations and different levels of risk tolerance. Investors can access these strategies through six mutual funds offered by Legg Mason — all with a long-term, valuation-driven investment process, all managed by LMCM's premier team of more than 40 investment professionals.

Talk to your financial advisor to see if an allocation to one or more of these Funds makes sense for you as part of a diversified portfolio. As with any investment, these Funds entail varying levels of risk and may not be suitable for all investors.

AN INVESTOR SHOULD CONSIDER A FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES CAREFULLY BEFORE INVESTING. FOR A FREE PROSPECTUS, WHICH CONTAINS THIS AND OTHER INFORMATION ON ANY LEGG MASON FUND OR LEGG MASON PARTNERS FUND, VISIT WWW.LEGGMASON.COM/INDIVIDUALINVESTORS. AN INVESTOR SHOULD READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

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

A closer look at six equity strategies developed by LMCM

Strategy: Large-cap value

Portfolio managers:

Bill Miller, CFA, and Mary Chris Gay

Strategy highlights:

Designed for investors seeking long-term capital appreciation through an investment in a concentrated portfolio of large-cap securities trading at a significant discount to LMCM's assessment of their expected value. The strategy adheres to a rigorous investment process that is focused on identifying expectation gaps, which are situations where the market's normally efficient pricing mechanism has broken down due to behavioral influences or market uncertainty about a company's prospects.

Legg Mason Fund:

Legg Mason Value Trust

Investment objective¹

Long-term capital growth

Strategy: Mid-cap value

Portfolio manager:

Sam Peters, CFA

Strategy highlights:

Designed for investors seeking long-term capital appreciation through an investment in securities in the mid-cap segment of U.S. markets that are trading at a significant discount to their expected value. The strategy focuses on stocks of companies facing special situations, such as unusual or possibly one-time developments that the manager believes make them attractive for investment. The strategy also focuses on the company's ability to generate excess cash flow, earn high returns on capital, and allocate capital efficiently.

Legg Mason Fund:

Legg Mason Special Investment Trust

Investment objective¹

Capital appreciation

Strategy: Large-cap growth

Portfolio manager:

Robert Hagstrom, CFA

Strategy highlights:

Designed for investors seeking a secularly-advantaged, concentrated approach to large-cap growth. Typically invests in U.S. equity securities with market capitalizations generally greater than \$5 billion at the time of purchase, targeting those companies that exhibit secular growth characteristics, sustainable competitive advantages, good management, and low valuations based on the investment team's analysis of expected value.

Legg Mason Fund:

Legg Mason Growth Trust

Investment objective¹

Maximum long-term capital appreciation with minimum long-term risk to principal

“Successful investing involves the disciplined and patient execution of a long-term strategy, especially when it is emotionally difficult. That is usually the time the opportunities are the greatest.”

— Bill Miller, October 1990

¹ There is no guarantee the Fund's investment objective will be met.

Six distinctive strategies. Six distinctive funds.

STRATEGY	FUND	DISTINGUISHING FEATURES
Large-cap value	Legg Mason Value Trust	Seeks cyclically- and secularly-mispriced stocks with solid long-term appreciation potential.
Large-cap growth	Legg Mason Growth Trust	Looks for stocks with faster growth potential and has a distinctive valuation emphasis.
“Blue chip”	Legg Mason American Leading Companies Trust	A more diversified fund that tends to own household names that dominate the marketplace.
Mid-cap value	Legg Mason Special Investment Trust	Focuses on mid-cap stocks, or one-time special buying opportunities in the marketplace.
“Go-anywhere”	Legg Mason Opportunity Trust	Not constrained by style, sector or market capitalization; looks for the best ideas from across the financial markets.
All-cap value	Legg Mason Partners All Cap Fund	May own undervalued stocks of any market capitalization; emphasizes companies undergoing dramatic change.

Strategy: “Go-anywhere”

Portfolio manager:

Bill Miller, CFA

Strategy highlights:

Designed for investors seeking long-term growth of capital, who are comfortable with the risks inherent in a flexible investment strategy. This strategy is not restrained by investment style, type of security, industry sector, location, size or market capitalization; it invests primarily in U.S. common stocks.

Legg Mason Fund:

Legg Mason Opportunity Trust

Investment objective¹

Long-term capital growth

Strategy: All-cap value

Portfolio manager

Jay Leopold, CFA

Strategy highlights:

Designed for investors seeking a U.S. equity strategy that is not constrained by investment style or market capitalization. The all-cap strategy adheres to a research-intensive investment process, focusing on assessing the expected value of companies and buying stocks at significant discounts to the investment team's assessment of their worth.

Legg Mason Partners Fund:

Legg Mason Partners All Cap Fund

Investment objective¹

Long-term capital growth

Strategy: “Blue chip”

Portfolio manager:

David Nelson, CFA

Strategy highlights:

Designed for investors seeking long-term capital appreciation consistent with prudent investment management. It invests primarily in companies that have a major market share in one or more products or services.

Legg Mason Fund:

Legg Mason American Leading Companies Trust

Investment objective¹

Long-term capital growth

¹ There is no guarantee the Fund's investment objective will be met.

Legg Mason Capital Management's investment process

While the firm has developed six distinctive equity strategies, it applies one investment process to all of its portfolios.



Important fund risks

The Funds are subject to several risks, including the risk that prices of securities will go down because of the interplay of market forces. Diversification does not assure a profit or protect against market loss.

Legg Mason Value Trust, Legg Mason Growth Trust, Legg Mason Special Investment Trust, Legg Mason American Leading Companies Trust risks: The value approach to investing involves the risk that those stocks deemed to be undervalued by the portfolio manager may remain undervalued. Because these Funds expect to hold a concentrated portfolio of a limited number of securities, a decline in the value of these investments would cause the Funds' overall value to decline to a greater degree than a less concentrated portfolio. The Funds may focus investments in certain regions or industries, thereby increasing the potential vulnerability to market volatility.

Special Investment Trust, Opportunity Trust, All Cap Fund risks: Smaller companies may involve higher risk than funds that invests in larger, more established companies. Smaller companies may have limited product lines, markets or financial resources. **Special Investment Trust risks:** High-yield bonds involve greater credit and liquidity risk than investment grade bonds.

Growth Trust risks: As a "non-diversified" fund, an investment in the fund will entail greater price risk than an investment in a diversified fund because a higher percentage of investments among fewer issuers may result in greater fluctuation in the total market value of the fund's portfolio. International investments are subject to currency fluctuations, social, economic and

political risks. **Opportunity Trust risks:** Investment in shares of this Fund is more volatile and risky than some other forms of investment. Investments in securities that involve special circumstances may involve greater risks of loss than investments in securities of well-established companies with a history of consistent operating patterns. The Fund may suffer significant losses on assets that the fund sells short. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short. This Fund can invest in debt securities, which can be subject to interest rate, credit, and inflation risk. As a "non diversified" fund, an investment in the Fund will entail greater price risk than an investment in a diversified fund because a higher percentage of investments among fewer issuers may result in greater fluctuation in the total market value of the Fund's portfolio. International investments are subject to currency fluctuations, social, economic and political risks. Bonds are subject to a variety of risks including interest rate, credit and inflation risk. As interest rates rise, bond prices fall, reducing the value of a fixed-income investment. **All Cap Fund risks:** The Fund may use derivatives, such as options and future, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. The Fund is non-diversified, which means that the Fund may invest more than 5% of its assets in the securities of any one issuer. To the extent the Fund concentrates its assets in fewer issuers, the Fund will be more susceptible to negative events affecting those issuers.

*Ranked ninth-largest money manager in 2007, according to *Pensions & Investments*, based on 12/31/06 assets under management.