

Share class (Symbol): A (LPTAX), C (LPTCX), I (LPTIX)

# Legg Mason Permal Tactical Allocation Fund



It's not often that a mutual fund is designed to take advantage of changing market conditions. **Legg Mason Permal Tactical Allocation Fund (LPTAX)** is a flexible portfolio in a complex world: It invests globally, utilizes traditional and alternative asset classes, and seeks to capitalize on market opportunities by tactically shifting its asset allocation among asset classes, regions and strategies.

### Flexible and opportunistic









Tactical allocation uses flexible multi-strategy fund-of-funds structure to implement Permal's top-down worldviews in seeking to capitalize on market opportunities

### Open architecture

Open-architecture approach utilizes Legg Mason-affiliated mutual funds as well as non-affiliated open-end, closed-end and exchange-traded funds

### Access to top investment minds

With its long history as an alternative fund-of-funds manager, Permal has direct access to some of the best-known investing minds

	Legg Mason Permal Tactical Allocation Fund	Traditional 60/30/10 strategy
<b>Asset class</b>	<b>Allocation ranges and investments</b>	<b>Allocations and investments</b>
<b>Equity:</b> U.S. International Emerging markets	 <b>20% – 80%</b> Open-end funds Closed-end funds Exchange-traded funds	 <b>60%</b> Equity securities
<b>Fixed income:</b> U.S. government Corporates Bank loans Convertible bonds International Emerging markets TIPS	 <b>10% – 60%</b> Open-end funds Closed-end funds Exchange-traded funds Exchange-traded notes	 <b>30%</b> Fixed-income securities
<b>Cash equivalents:</b> T-bills	 <b>0% – 40%</b> T-bills Money market funds Cash	 <b>10%</b> T-bills Money market funds Cash
<b>Alternatives (including long or short strategies):</b> Commodities Real estate Infrastructure Foreign currencies Hedge fund strategies	 <b>0% – 40%</b> Open-end funds Closed-end funds Exchange-traded funds Exchange-traded notes Master limited partnerships Hedge fund strategies	 <b>0%</b>

In choosing open-end funds for investment, the Fund will favor Legg Mason-affiliated products when available. In such cases, the Legg Mason-affiliated fund must offer access to an asset class or employ a strategy that Permal wishes to utilize and, in Permal's judgment, the Legg Mason-affiliated fund can accommodate the Fund's investments.

The use of tactical allocation strategies and alternative investments involves additional risks. The Fund is not intended to be a complete investment program and may not be suitable for all investors. See back page for details.

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

# Legg Mason Permal Tactical Allocation Fund

## Average annual total returns & fund expenses (%) as of June 30, 2010

	Without sales charges					With maximum sales charges					Expenses		Inception date
	1-yr	3-yr	5-yr	10-yr	Since inception	1-yr	3-yr	5-yr	10-yr	Since inception	(Gross) <sup>1</sup>	(Net) <sup>2</sup>	
Class A	7.96	—	—	—	13.90	1.72	—	—	—	8.46	3.63	1.82	4/13/09
Index blend	9.67	—	—	—	15.23	9.67	—	—	—	15.23	—	—	—

Performance shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate, so shares, when redeemed, may be worth more or less than the original cost. Class A shares reflect a maximum front-end sales charge of 5.75%. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Performance data do not reflect trade-date adjustments made to the NAV at month-end. Performance would have been lower if fees had not been waived in various periods. To obtain the most recent month-end information, please visit [www.leggmason.com/individualinvestors](http://www.leggmason.com/individualinvestors). Performance for other share classes will vary due to differences in sales charge structure and class expenses.

## Meet the Permal Group

- Among the oldest and largest alternative fund-of-funds managers
- Recognized leader in top-down global asset allocation and bottom-up fund selection

### Portfolio managers

Christopher Zuehlsdorff, CFA  
7 years' experience

Alexander Pillersdorf  
7 years' experience

### Investment committee

Isaac Souede, CEO  
James Hodge, CIO

Robert Kaplan, EVP  
Judy Tchou, EVP

Index blend is composed of 60% MSCI World Index, 30% Barclays Capital U.S. Aggregate Bond Index and 10% 90-Day Treasury Bill Index. The MSCI World Index is an unmanaged index considered representative of growth stocks of developed countries. Index performance is calculated with net dividends. The Barclays Capital U.S. Aggregate Bond Index is a broad-based bond index composed of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher and having at least one year to maturity. The 90-Day Treasury Bill Index is an unmanaged index generally representative of the average yield of 90-day Treasury bills. Please note that an investor cannot invest in an index.

<sup>1</sup> Gross expenses are the Fund's total annual operating expenses for the share classes indicated as of the date of the Fund's most current prospectus and do not reflect fee waivers or reimbursements. These expenses include management fees, 12b-1 distribution and service fees, and other expenses. In periods of market volatility, assets may significantly decline, causing total annual Fund operating expenses to become higher than the numbers shown in the table above.

<sup>2</sup> Net expenses are the Fund's total annual operating expenses for the share classes indicated as of the date of the Fund's most current prospectus and reflect contractual fee waivers and/or reimbursements. The Fund's manager has contractually agreed to waive fees and/or reimburse operating expenses for certain share classes until April 30, 2012 to limit total annual operating expenses to 1.75% for Class A shares of the Fund's average daily net assets attributable to Class A shares.

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## What should I know before investing?

All investments are subject to risk, including the possible loss of principal. The Fund is a newly organized, open-end investment company with a limited history of operations. In addition to the Fund's operating expenses, you will indirectly bear the operating expenses of the underlying funds. The Fund may invest in unregistered hedge funds which are highly speculative investments that employ aggressive investment strategies and carry substantial risk. Investments in hedge funds are generally illiquid, difficult to value and may carry significant restrictions for transferring assets. Some of the underlying funds employ leverage, which increases the volatility of investment returns and subjects the Fund to magnified losses if an underlying fund's investments decline in value. The Fund and some of the underlying funds may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. Some of the underlying funds may employ short selling, a speculative strategy. 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. The Fund and each underlying fund may engage in active and frequent trading, resulting in higher portfolio turnover and transaction costs. There is no assurance that these and other strategies used by the Fund or underlying funds will be successful. International investments are subject to special risks including currency fluctuations, social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. Fixed income securities involve interest rate, credit, inflation, and reinvestment risks. As interest rates rise, the value of fixed income securities fall. High yield bonds possess greater price volatility, illiquidity, and possibility of default. Please see the prospectus for a more complete discussion of the Fund's risks.

## Where can I find more information?

Talk to your financial advisor about the role Legg Mason Permal Tactical Allocation Fund can play as a part of a well-diversified portfolio.

For more information, visit [www.leggmason.com/individualinvestors](http://www.leggmason.com/individualinvestors).

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, VISIT [WWW.LEGGMASON.COM/INDIVIDUALINVESTORS](http://WWW.LEGGMASON.COM/INDIVIDUALINVESTORS). AN INVESTOR SHOULD READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.