

WESTERN ASSET HIGH YIELD FUND

Investment overview

Seeks to maximize total return mainly through a portfolio of U.S. dollar denominated high yield debt or fixed income securities

Uses the global breadth of Western Asset's investment platform, fundamental value-oriented investment philosophy and a process that combines top down macro economic views with bottom up fundamental research

Investors seeking to generate income from a high yield bond portfolio that offers attractive risk/return potential with low correlations to other asset classes may find this fund appropriate

Morningstar Rating™

Overall Rating as of March 31, 2021



Class I

Class C

As of 03/31/21, Class I and C shares rated 4 and 3 stars, respectively, among 630 High Yield Bond funds, based upon risk-adjusted returns derived from a weighted average of the performance figures associated with 3-, 5- and 10-year (if applicable) Morningstar Ratings metrics.†

Average annual total returns & fund expenses[^] (%) as of Mar. 31, 2021

| | Without sales charges | | | | | With maximum sales charges | | | | | Expenses | | 30-day SEC yield | Inception date |
|-----------|-----------------------|------|------|-------|-----------|----------------------------|------|------|-------|-----------|----------|------|------------------|----------------|
| | 1-Yr | 3-Yr | 5-Yr | 10-Yr | Inception | 1-Yr | 3-Yr | 5-Yr | 10-Yr | Inception | Gross | Net | | |
| Class A | 25.51 | 6.36 | 7.89 | — | 5.45 | 20.22 | 4.84 | 6.96 | — | 4.94 | 1.04 | 1.04 | 3.60 | 04/30/12 |
| Class A2 | 25.74 | 6.41 | 7.90 | — | 4.14 | 20.44 | 4.89 | 6.98 | — | 3.47 | 1.00 | 1.00 | 3.63 | 08/01/14 |
| Class C | 24.60 | 5.57 | 7.08 | — | 4.57 | 23.60 | 5.57 | 7.08 | — | 4.57 | 1.80 | 1.80 | 2.98 | 04/30/12 |
| Class I | 25.84 | 6.67 | 8.18 | 5.53 | 6.96 | 25.84 | 6.67 | 8.18 | 5.53 | 6.96 | 0.76 | 0.76 | 3.95 | 09/28/01 |
| Class IS | 25.96 | 6.69 | 8.21 | 5.57 | 7.11 | 25.96 | 6.69 | 8.21 | 5.57 | 7.11 | 0.69 | 0.66 | 4.08 | 08/04/08 |
| Class R | 25.30 | 6.05 | 7.58 | — | 5.05 | 25.30 | 6.05 | 7.58 | — | 5.05 | 1.70 | 1.31 | 3.46 | 04/30/12 |
| Benchmark | 23.65 | 6.82 | 8.04 | 6.47 | — | 23.65 | 6.82 | 8.04 | 6.47 | — | | | | |

Cumulative total returns (%) as of Mar. 31, 2021 (without sales charges)

| | 3 Mo | YTD | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-----------|------|------|------|-------|-------|------|-------|-------|-------|------|-------|
| Class A | 1.18 | 1.18 | 6.16 | 14.62 | -3.05 | 6.78 | 15.62 | -7.47 | -0.50 | 8.26 | — |
| Class A2 | 1.19 | 1.19 | 6.37 | 14.66 | -3.25 | 6.81 | 15.59 | -7.41 | — | — | — |
| Class C | 0.98 | 0.98 | 5.52 | 13.87 | -4.10 | 6.01 | 14.82 | -8.17 | -1.20 | 6.59 | — |
| Class I | 1.23 | 1.23 | 6.61 | 14.88 | -2.96 | 7.09 | 15.98 | -7.19 | -0.11 | 7.64 | 17.76 |
| Class IS | 1.26 | 1.26 | 6.55 | 15.09 | -3.00 | 7.26 | 15.92 | -7.16 | -0.05 | 7.82 | 17.67 |
| Class R | 1.10 | 1.10 | 6.00 | 14.34 | -3.65 | 6.59 | 15.31 | -7.76 | -0.70 | 7.03 | — |
| Benchmark | 0.86 | 0.86 | 7.05 | 14.32 | -2.08 | 7.50 | 17.13 | -4.43 | 2.46 | 7.44 | 15.78 |

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 and A2 shares have a maximum front-end sales charge of 4.25%. Class C shares have a one-year CDSC of 1.0%. If sales charges were included, performance shown would be lower. Performance for other share classes will vary due to differences in sales charge structure and class expenses. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Total return figures are based on the NAV per share applied to shareholder subscriptions and redemptions, which may differ from the NAV per share disclosed in Fund shareholder reports. Performance would have been lower if fees had not been waived in various periods. Absent reimbursements and/or fee waivers, the Fund's 30-day SEC yield for Class A, A2, C, I, IS and R would have been 3.56%, 3.60%, 2.94%, 3.91%, 4.05%, and 3.09%. YTD is calculated from January 1 of the reporting year. All classes of shares may not be available to all investors or through all distribution channels. To obtain the most recent month-end information, please visit www.leggmasonfunds.com. **Returns shown include gains from settlement of security litigations. Performance would have been lower without these gains.**

Effective April 15, 2019, Class C shares became eligible for conversion to Class A shares, after the shares have been held for 10 years. Class C share performance shown has not been adjusted to reflect the conversion. Customers of certain Service Agents may be subject to different terms or conditions as set by their Service Agent, including non-conversion. Please refer to the Prospectus for more information, or contact your Service Agent directly.

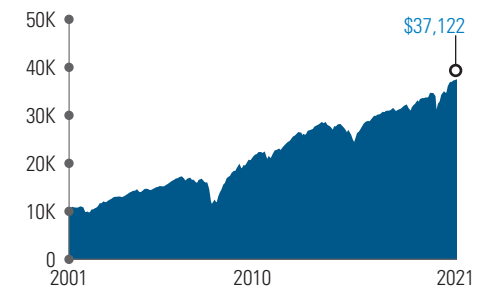
Sector allocation (%) as of Mar. 31, 2021

| | | | |
|----------------------------|------|----------------------------------|-----|
| High Yield Corporate Bonds | 79.2 | Emerging Market | 2.6 |
| Bank Loans | 9.1 | Investment Grade Corporate Bonds | 1.5 |
| Asset-Backed Securities | 4.9 | | |
| Cash & Other Securities | 2.8 | | |

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

Growth of \$10,000

Class I shares – Inception through Mar. 31, 2021
Excluding the effects of sales charges



Share class codes

| Symbol | CUSIP | Symbol | CUSIP |
|--------|-----------------|--------|-----------------|
| A | WAYAX 957663396 | IS | WAHSX 957663636 |
| A2 | WHAYX 957663131 | R | WAYRX 957663370 |
| C | WAYCX 957663388 | | |
| I | WAHYX 957663842 | | |

Benchmark (BM)

Bloomberg Barclays U.S. Corporate High Yield - 2% Issuer Capped Index (USD)

Fund facts as of Mar. 31, 2021

| | |
|----------------------------|---------------------|
| Dividend frequency, if any | Daily, paid monthly |
| Morningstar category | High Yield Bond |
| Lipper category | High Yield Funds |
| Turnover (fiscal yr) | 83% |

[^]Gross expenses are the Fund's total annual operating expenses for the share class(es) shown. Net expenses for Class(es) A, A2, C, IS & R reflect contractual fee waivers and/or reimbursements, where these reductions reduce the Fund's gross expenses, which cannot be terminated prior to Dec 31, 2021 without Board consent. For Class(es) I there are currently no fee waivers in effect, so gross and net expenses are identical. The Gross and Net Expenses listed include 0.01 of Acquired Fund Fees and Expenses ("AFFE") that are required to be shown in the Fund's prospectus. AFFE reflects the Fund's pro rata share of fees and expenses relating to its investments in acquired funds; however, AFFE are not incurred directly by the Fund. Therefore, AFFE are not reflected in the Fund's audited financial statements or financial highlights. Percentages are based on total portfolio as of quarter-end and are subject to change at any time. For informational purposes only and not to be considered a recommendation to purchase or sell any security. Negative allocations and allocations in excess of 100% are primarily due to the Fund's unsettled trade activity.

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Credit quality allocation (%) as of Mar. 31, 2021

| | |
|-----------|------|
| AA | 2.7 |
| BBB | 3.8 |
| BB | 29.4 |
| B | 48.3 |
| Not Rated | 3.3 |

Emerging Markets Debt (EMD) sectors (%) as of Mar. 31, 2021

| | |
|----------------------------------|-----|
| Corporates External Currency | 2.2 |
| Sovereign Debt External Currency | 0.4 |

Risk statistics as of Mar. 31, 2021

Measures based on a trailing 10-year period
Class I shares

| | Fund |
|-----------------------|------|
| Beta | 1.05 |
| R-squared | 0.95 |
| Sharpe ratio | 0.67 |
| Standard deviation(%) | 7.61 |

Top high yield sectors (%) as of Mar. 31, 2021

| | |
|-----------------------|------|
| Consumer Cyclical | 17.8 |
| Communications | 10.9 |
| Consumer Non Cyclical | 10.8 |
| Energy | 9.3 |
| Capital Goods | 7.0 |
| Financial Other | 4.2 |
| Technology | 3.5 |
| Transportation | 3.1 |
| Reits | 2.9 |
| Basic Industry | 2.6 |

Statistics as of Mar. 31, 2021

| | |
|----------------------------|----------|
| Net assets | \$188.8M |
| 30-day SEC yield – Class I | 3.95% |
| Effective duration | 4.1 yrs |
| Weighted average life | 5.6 yrs |

Portfolio management

Western Asset Management is one of the world's leading fixed-income managers. With a focus on long-term fundamental value investing that employs a top-down and bottom-up approach, the firm has nine offices around the globe and deep experience across the range of fixed-income sectors. Founded in 1971, Western Asset has been recognized for an approach emphasizing team management and intensive proprietary research, supported by robust risk management.

Where can I find more information?

You'll find the most current performance data, commentary, prospectus and more information on each of our managers and products at www.leggmasonfunds.com.

[†]The Morningstar Rating™ for funds, or "star rating", is as of March 31, 2021 and is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts), exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history, and subject to change monthly. Current monthly ratings can be found at leggmason.com. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total return, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total return. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effects of sales charges and loads. Class I and C shares of the Fund were rated against 630, 556, and 358 High Yield Bond funds over the 3-, 5- and 10-year periods, respectively. With respect to these funds, Class I and C shares of the Fund received Morningstar Ratings of 4, 5, and 3; 3, 3, and n/a stars for the 3-, 5- and 10-year periods, respectively. Ratings shown are for the highest and lowest rated share classes only, when available. Morningstar Rating is for the specified share class(es) only; other classes may have different performance characteristics. A 4- or 5-star rating does not necessarily imply that a fund achieved positive results for the period.

What should I know before investing?

Fixed-income securities involve interest rate, credit, inflation, and reinvestment risks; and possible loss of principal. As interest rates rise, the value of fixed-income securities falls. High yield bonds are subject to greater price volatility, illiquidity, and possibility of default. Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. Leverage may increase volatility and possibility of loss. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. Asset-backed, mortgage-backed or mortgage-related securities are subject to prepayment and extension risks.

Credit quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by Standard and Poor's, Moody's Investors Service and/or Fitch Ratings, Ltd. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, if two or more of the agencies have assigned differing ratings to a security, the lowest rating is used. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the Fund's portfolio does not apply to the stability or safety of the Fund. These ratings are updated monthly and may change over time. **Please note, the Fund itself has not been rated by an independent rating agency.**

Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark. **R-squared** measures the strength of the linear relationship between the Fund and its benchmark. R Squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe ratio** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance. **Standard deviation** indicates the percentage by which a fund's performance has varied from its average performance in any given month during the period indicated. The higher the standard deviation, the greater the range of performance, indicating greater volatility. **Turnover** is a measure of the Fund's trading activity which represents the portion of the Fund's holdings that has changed over a year. There is no assurance that the Fund will maintain its current level of turnover.

Effective Duration is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. **Duration** measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

The **30-day SEC yield**, calculated pursuant to the standard SEC formula, is based on a Fund's investments over an annualized trailing 30-day period and not on the distributions paid by the Fund, which may differ.

The **Bloomberg Barclays U.S. Corporate High Yield - 2% Issuer Cap Index** is a market valuetype index that tracks the daily price-only, coupon and total return performance of non-investment-grade, fixed-rate, publicly placed, dollar-denominated and nonconvertible debt registered with the Securities and Exchange Commission. The Index limits the maximum exposure to any one issuer to 2%. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

A general rise in interest rates may lead to increased portfolio volatility.

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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, or summary prospectus, if available, which is available at www.leggmasonfunds.com. Please read it carefully.

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