

WESTERN ASSET SHORT DURATION HIGH INCOME FUND

Investment overview

Seeks high current income while minimizing interest rate volatility exposure via short duration, high income debt, including floating-rate instruments

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

Income investors seeking high current income and lower sensitivity to rising interest rates may find this fund appropriate

Average annual total returns & fund expenses^A (%) as of Jun. 30, 2019

	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	4.70	6.78	2.05	8.01	6.01	2.39	5.96	1.59	7.77	5.92	1.00	1.00	4.74	11/06/92
Class C	3.76	5.97	1.29	—	3.57	2.77	5.97	1.29	—	3.57	1.70	1.70	4.13	08/01/12
Class I	5.00	7.08	2.35	8.24	5.57	5.00	7.08	2.35	8.24	5.57	0.71	0.71	5.11	02/05/96
Benchmark	5.33	7.04	4.15	8.18	—	5.33	7.04	4.15	8.18	—				

Cumulative total returns (%) as of Jun. 30, 2019 (without sales charges)

	3 Mo	YTD	2018	2017	2016	2015	2014	2013	2012	2011	2010
Class A	1.68	7.78	-0.90	6.30	11.79	-8.26	-0.99	8.71	17.17	2.28	16.27
Class C	1.30	7.21	-1.60	5.55	11.03	-8.94	-1.68	8.07	—	—	—
Class I	1.55	7.91	-0.56	6.57	12.10	-8.00	-0.84	9.14	17.43	2.49	16.09
Benchmark	1.42	7.24	0.12	6.38	16.19	-5.08	0.67	8.61	14.83	2.92	14.14

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 have a maximum front-end sales charge of 2.25%. Class C shares have a one-year CDSC of 1.0%. Absent reimbursements and/or fee waivers, the Fund's 30-day SEC yield for Class A, C and I, respectively, would have been: 4.72%, 4.13%, 5.11%. Numbers may be the same due to rounding. If sales charges were included, performance shown would be lower. 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. 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. For the most recent month-end information, please visit www.leggmasonfunds.com.

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.

^A Gross expenses are the Fund's total annual operating expenses for the share class(es) shown. Net expenses for Class(es) A, C, I & 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, 2020 without Board consent. For Class(es) C1 there are currently no fee waivers in effect, so gross and net expenses are identical.

Sector allocation (%) as of Jun. 30, 2019

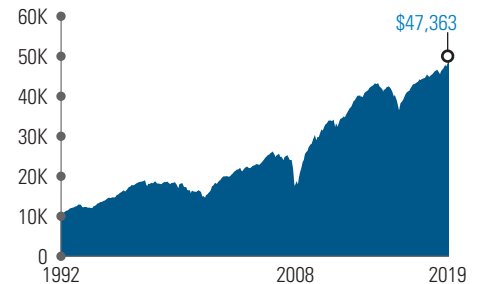
High Yield Corporate Bonds	69.1
Bank Loans	10.9
Asset-Backed Securities	9.9
Cash & Other Securities	2.9
Mortgage-Backed Securities	2.8
Emerging Market	2.5
Investment Grade Corporate Bonds	1.9

Detail of mortgage-backed security allocation (%)

Non-Agency MBS	2.8
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Growth of \$10,000

Class A shares – Inception through Jun. 30, 2019
Excluding the effects of sales charges



Share class codes

Symbol	CUSIP	Symbol	CUSIP
A	SHIAX 52469F630	I	SHIYX 52469F598
C	LWHIX 52468A772	R	LWSRX 52470V608
C1	SHICX 52469F614		

Benchmark (BM)

Bloomberg Barclays US High Yield 1-5 Year Cash Pay
2% Constrained Index (USD)

Fund facts as of Jun. 30, 2019

Dividend frequency, if any	Daily, paid monthly
Morningstar category	High Yield Bond
Lipper category	Short High Yield Funds
Turnover (fiscal yr)	61%

Statistics as of Jun. 30, 2019

Net assets	\$411.9M
30-day SEC yield – Class A	4.74%
Effective duration	1.7 yrs
Weighted average life	3.2 yrs

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

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Credit quality allocation (%) as of Jun. 30, 2019

AAA	0.2
A	0.7
BBB	5.8
BB	34.1
B	42.4
CCC	9.6
CC	0.4
D	0.4
Not Rated	6.4

Top currencies (%) as of Jun. 30, 2019

US Dollar	99.8
Australian Dollar	0.1

Risk statistics as of Jun. 30, 2019

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

	Fund
Beta	1.23
R-squared	0.93
Sharpe ratio	1.14
Standard deviation(%)	6.56

Top high yield sectors (%) as of Jun. 30, 2019

Communications	12.8
Consumer Cyclical	12.5
Consumer Non Cyclical	10.2
Energy	10.0
Basic Industry	5.7
Capital Goods	5.1
Finance Companies	2.6
Technology	2.1
Banking	2.0
Transportation	1.4

Emerging Markets Debt (EMD) sectors (%) as of Jun. 30, 2019

Corporates External Currency	1.9
Sovereign Debt External Currency	0.6

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.

Legg Mason's unique structure provides you with access to this specialized expertise. We offer a powerful portfolio of solutions through our independent investment management firms.

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. 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. Leverage may increase volatility and possibility of loss. Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. Asset-backed, mortgage-backed or mortgage-related securities are subject to prepayment and extension risks.

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.

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.

Bloomberg Barclays U.S. High Yield 1-5 Yr Cash Pay 2% Constrained Index is an index that measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. The index follows the same rules as the uncapped index but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index-wide on a pro-rata basis. This index only allows issues with a remaining maturity of 1-5 years. Pay-in-kinds and partial pay-in-kinds are excluded. 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.