

Western Asset  
Core Plus Bond Fund

Share class (Symbol): A (WAPAX), C (WAPCX), FI (WACIX), I (WACPX), IS (WAPSX)

# A MANAGER FOR ALL SEASONS

**The Western Asset Core Plus Bond Fund offers:**

- Diversification
- Active management
- Enhanced income potential

**Fund facts**

★★★★★ Class I  
★★★★★ Class C  
**Overall Morningstar Rating™**

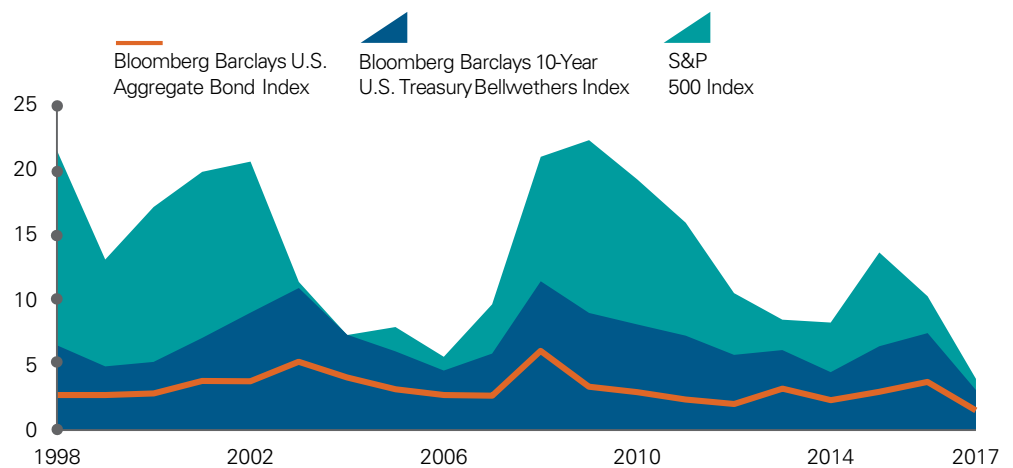
As of March 31, 2018, Class I and C shares were each rated 5 and 4 stars, respectively, among 858 Intermediate-Term Bond funds, based upon risk-adjusted returns derived from a weighted average of the performance figures associated with 3-, 5- and 10-year (if applicable) Morningstar Ratings metrics.†

Years of historically low interest rates have not deterred investors from investing in fixed income, and for good reason. Historically, bonds have provided investors with a reliable source of steady income while helping to reduce volatility in their overall portfolio — an investment strategy that never goes out of style.

But even the best investment strategies are only as good as the managers behind them. With over 45 years of fixed-income experience, Western Asset has managed risk and sought value through multiple business cycles and economic environments. While market volatility is inevitable, the severity of its impact on a portfolio doesn't have to be.

**When volatility rises, experience and flexibility may be the key**

Rolling one-year standard deviation (%)



Source: Morningstar, as of December 31, 2017. Please see back cover for important index definitions. Please note, an investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

**Past performance does not guarantee future performance.** Treasuries are backed by the full faith and credit of the U.S. government. **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.

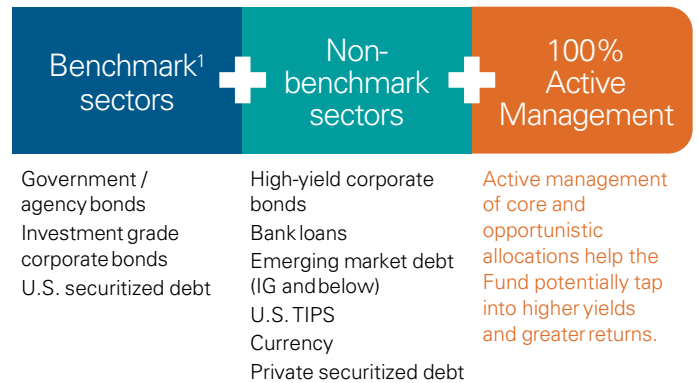
Investments in fixed income securities involve interest rate, credit, inflation and reinvestment risks; and possible loss of principal. An increase in interest rates will reduce the value of fixed income securities. Income and yields will fluctuate and are not guaranteed. Active management and diversification do not ensure gains or protect against market declines.

# A HISTORY OF PERFORMANCE

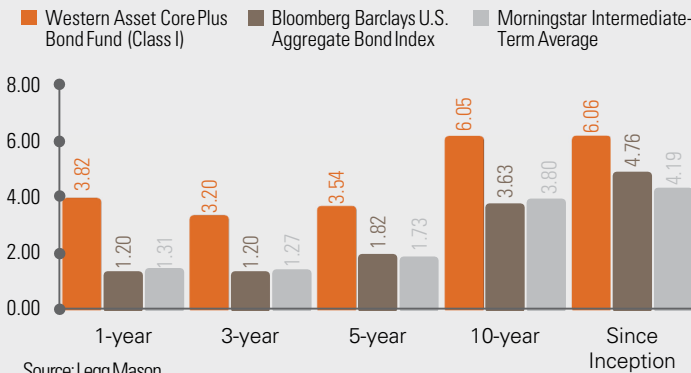
The **Western Asset Core Plus Bond Fund** seeks to maximize total return via an actively managed, well-diversified core fixed income strategy that includes limited exposure to opportunistic debt sectors.

The **Western Asset Core Plus Bond Fund** seeks to achieve diversification among its key investment themes so that no single position overwhelms performance. In essence, the Fund aims to exceed the performance of the Bloomberg Barclays U.S. Aggregate Index while approximating its level of overall risk.

Diversifying across a range of complementary bond sectors can help reduce portfolio volatility and enhance income potential.



## Western Asset Core Plus Bond performance versus its peers and the benchmark for all standardized time periods since inception (%) as of Mar. 31, 2018

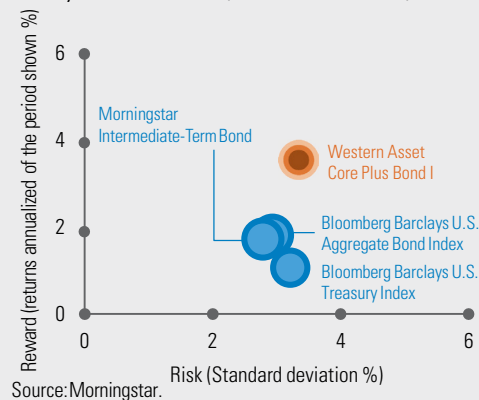


### Performance shown represents past performance and is no guarantee of future results.

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 4.25%. Absent reimbursements and/or fee waivers, the Fund's 30-day SEC yield for Class I would have been 3.11% and 2.67% for Class A. 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. To obtain the most recent month-end information, please visit [www.LeggMason.com](http://www.LeggMason.com). Current to the most recent prospectus, the Fund's gross/net expense ratio for the Class A and I shares of the Fund is 0.82%/0.82% and 0.52%/0.45%, respectively. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than indicated. Gross expenses are the Fund's total annual operating expenses for the share class(es) shown. Net expenses for Class(es) A and I reflect contractual fee waivers and/or reimbursements, where these reductions reduce the Fund's gross expenses, which cannot be terminated prior to December 31, 2018 without Board consent. Diversification does not ensure a profit or protect against investment loss.

## Greater return does not have to equal higher risk (%)

Five-year risk/return, as of March 31, 2018



## Average annual total returns (%) as of March 31, 2018

	Without sales charges				With maximum sales charges				Since inception	30-day SEC yield	Inception date	
	1-yr	3-yr	5-yr	10-yr	1-yr	3-yr	5-yr	10-yr				
Class A	3.44	2.83	3.16	—	3.57	-0.93	1.36	2.26	—	2.82	2.68, 2.67	4/30/12
Class I	3.82	3.20	3.54	6.05	6.06	3.82	3.20	3.54	3.05	6.06	3.17, 3.11	7/8/98
Benchmark	1.20	1.20	1.82	3.63	—	1.20	1.20	1.82	3.63	—	—	—

Source: Legg Mason.

Morningstar Intermediate Term Bond Category includes funds that focus on corporate, government, foreign or other issues with an average duration of greater than or equal to 3.5 years but less than or equal to six years, or an average effective maturity of more than four years but less than 10 years. Morningstar categories include fees and expenses, but do not include sales charges. Effective June 1, 2017, the Fund changed its security pricing methodology to now use the mean value of the bid and ask prices (of underlying fund holdings) to calculate the NAV. Funds may show a one-time increase of the NAV, which is due to this change in pricing methodology. Active management does not ensure gains or protect against market declines.

<sup>1</sup> **Benchmark sectors** refers to fixed income sectors represented in the Bloomberg Barclays U.S. Aggregate Bond Index only.

# RISK FOCUSED

Western Asset's time-tested approach has fared well through multiple market cycles and provided clients with diversified portfolios managed for the long term. An experienced fixed income manager like Western Asset doesn't follow the crowd.

## Teamwork at its core

For over 45 years, Western Asset has employed a team-based approach to navigating fixed income markets around the globe. All investment decisions are thoroughly debated by Western Asset's deep pool of over 125 investment professionals who average 22 years of industry experience.

At Western Asset, risk management's role is to fine-tune return patterns and ensure that the appropriate amount of risk is being taken for a given set of client expectations. With volatility as an ongoing reality in global capital markets, Western Asset's strong risk management program fuels the firm's pursuit of positive, risk-adjusted returns.

## Risk metrics

Average effective duration is maintained to within 30% of the Bloomberg Barclays U.S. Aggregate Bond Index, generally ranging between 2.5 to 7 years.

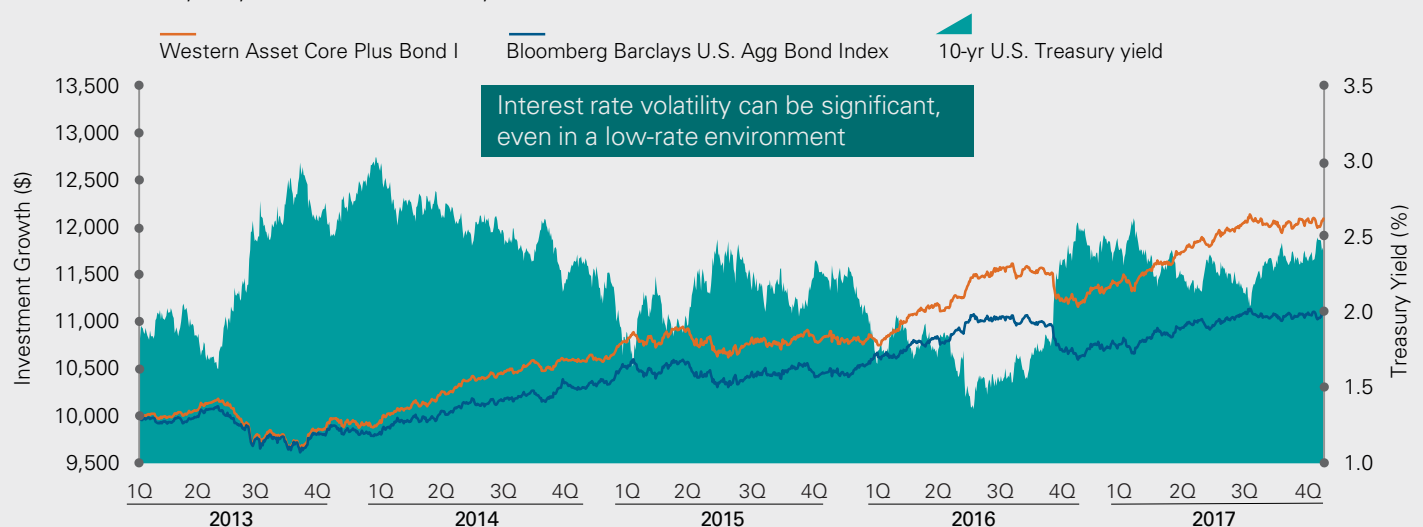
May allocate up to 25% in non-U.S. domiciled issuers.

Below investment grade allocations cannot exceed 20%.<sup>3</sup>

Non-U.S. dollar allocations cannot exceed 20%.

## Core Plus has outperformed the benchmark through multiple interest rate environments

Growth of \$10,000, as of December 31, 2017



Source: Morningstar, Bloomberg.

**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.

**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. 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. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. Fixed income investments in high yield, international and emerging markets sectors involve more risk and volatility than securities issued by the U.S. government. There is no guarantee the investment strategy described herein will be successful. U.S. Treasuries are direct debt obligations issued and backed by the "full faith and credit" of the U.S. government. The U.S. government guarantees the principal and interest payments on U.S. Treasuries when the securities are held to maturity.


<sup>3</sup> Rating requirement applies to time of purchase.

Brandywine Global  
Clarion Partners  
ClearBridge Investments  
EnTrustPermal  
Martin Currie  
QS Investors  
RARE Infrastructure  
Royce & Associates  
Western Asset

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### 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. 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. Potential active and frequent trading may result in higher transaction costs and increased investor liability. Active management does not ensure gains or protect against market declines.

\* As of December 31, 2017.

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.

† Investment shares (WACPX): Beat among 187 Core Bond Funds for 5-year period ending 11/20/17 based on risk-adjusted performance. From Thomson Reuters Lipper Awards, ©2018 Thomson Reuters. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution or retransmission of this content without express written permission is permitted. The 2017 Lipper Fund Award winners are selected based on the highest risk-adjusted performance among funds within a given category. The calculation periods extend over 36, 60, and 120 months. The highest Lipper Leader for Consistent Return (Effective Return) value within each eligible classification determines the fund classification winner over three, five, or 10 years. A high Lipper rating does not necessarily imply that a fund had the best total performance or that the fund achieved positive results for that period. Lipper Inc. is a major independent mutual fund tracking organization. Other share classes may have different performance characteristics. **Past performance is no guarantee of future results.**

‡ The Morningstar Rating™ for funds, or “star rating” is as of March 31, 2018 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](http://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, and 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-years 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 858, 784 and 561 Intermediate-Term 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 5, 5, and 5; 5, 4 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 has achieved positive results for the period.

The **S&P 500 Index** is an unmanaged index of common stock performance. Please note, an investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. The **Bloomberg Barclays U.S. Aggregate Bond Index** is an unmanaged index that measures the performance of the investment-grade universe of bonds issued in the United States. The index includes institutionally traded U.S. Treasury, government sponsored, mortgage and corporate securities. The **Bloomberg Barclays 10-Year U.S. Treasury Bellwethers Index** is an unmanaged universe of U.S. Treasury bonds, and used as a benchmark against the market for long-term maturity fixed-income securities. The index assumes reinvestment of all distributions and interest payments. U.S. Treasuries are direct debt obligations issued by the U.S. government and backed by its “full faith and credit.” The U.S. government guarantees the principal and interest payments on U.S. Treasuries when the securities are held to maturity. Asset-backed, mortgage-backed or mortgage-related securities are subject to prepayment and extension risks. 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.

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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, AND SUMMARY PROSPECTUS, IF AVAILABLE, AT [WWW.LEGGMASON.COM](http://WWW.LEGGMASON.COM). PLEASE READ THE PROSPECTUS CAREFULLY.