

## 2015 Legg Mason Tax Guide

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# IMPORTANT TAX INFORMATION REGARDING YOUR MUTUAL FUNDS

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This guide is a summary of tax information for certain Legg Mason, ClearBridge Investments, Brandywine Global, QS Investors, Martin Currie, Permal and Western Asset closed-end and open-end funds. This information may be useful to you, as an investor, in the preparation of your 2015 Federal and state income tax returns. We recommend that you consult your tax advisor for assistance with how this information will impact your specific tax situation.

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# SECTION 1

In this section you will find information for the Western Asset multi-state funds that have paid income dividends which are tax-exempt for regular Federal income tax purposes. The percentages of income earned by the funds from each state or U.S. Territory are listed below.

Exempt interest income — Multi-state funds													
	Western Asset Intermediate-Term Municipals Fund		Western Asset Managed Municipals Fund		Western Asset Municipal High Income Fund and Western Asset Municipal High Income SMASh Fund		Western Asset Short Duration Municipal Income Fund		Western Asset Institutional AMT Free Municipal Money Market Fund (a)		Western Asset Institutional Tax Free Reserves and Western Asset Tax Free Reserves		
		%		%		%		%		%		%	
Alabama	0.32		2.91		3.52		1.15		0.45		0.94		
Alaska	-		0.20		-		0.86		0.68		0.06		
Arizona	0.23		0.44		1.26		0.76		-		0.66		
Arkansas	-		-		-		0.12		-		-		
California	14.42		20.70		11.05		6.08		4.44		6.44		
Colorado	3.62		2.49		4.29		1.73		0.90		0.28		
Connecticut	0.11		1.07		-		2.02		2.23		1.70		
Delaware	-		0.24		1.36		-		0.04		0.12		
District of Columbia	-		0.33		0.77		0.28		0.83		0.56		
Florida	8.31		8.94		3.48		5.55		2.15		2.72		
Georgia	3.19		5.54		0.57		3.92		0.36		4.11		
Guam	-		-		-		-		-		-		
Hawaii	-		-		1.33		0.17		1.61		1.53		
Idaho	-		-		-		-		-		0.09		
Illinois	4.28		5.02		6.92		7.01		6.89		5.73		
Indiana	3.65		1.62		1.98		4.19		1.15		1.65		
Iowa	2.57		1.38		2.18		3.76		0.05		0.72		
Kansas	0.15		0.14		-		0.06		-		-		
Kentucky	0.40		0.93		2.22		1.47		0.31		1.46		
Louisiana	0.79		0.66		0.20		0.02		1.60		0.60		
Maine	-		-		-		-		-		-		
Maryland	1.20		1.49		6.67		0.10		0.52		0.58		
Massachusetts	1.02		2.38		3.99		0.97		1.54		2.06		
Michigan	8.36		4.54		3.14		9.13		0.54		0.65		
Minnesota	0.46		0.45		-		0.01		0.24		0.49		
Mississippi	-		0.09		-		0.21		0.12		0.26		
Missouri	1.04		1.50		1.36		0.28		0.50		2.42		
Montana	-		-		-		-		-		-		
Nebraska	-		-		-		0.43		-		-		
Nevada	0.84		0.52		0.31		0.07		-		-		
New Hampshire	-		0.18		-		0.30		0.05		0.39		
New Jersey	4.41		6.87		5.43		7.95		7.80		6.83		
New Mexico	1.38		0.57		0.32		2.05		0.32		0.47		
New York	6.53		4.77		5.51		7.64		44.97		41.74		
North Carolina	1.90		1.65		0.14		0.11		3.30		2.08		
North Dakota	-		-		-		0.15		-		0.10		
Ohio	2.56		0.86		2.26		2.85		1.41		0.55		
Oklahoma	-		0.09		1.48		0.20		0.03		0.10		
Oregon	0.57		0.68		-		0.47		0.10		0.53		
Pennsylvania	2.95		3.19		4.13		7.20		3.61		2.25		
Puerto Rico	0.64		1.28		1.82		-		-		-		
Rhode Island	0.06		0.21		-		-		0.05		0.50		
South Carolina	0.28		0.56		0.04		0.91		-		0.62		
South Dakota	-		-		-		-		0.34		0.06		
Tennessee	5.28		1.70		0.15		2.88		0.19		0.29		
Texas	11.35		10.41		18.66		13.03		2.57		2.44		
U.S. Virgin Islands	0.52		0.07		1.30		-		-		-		
Utah	0.01		-		-		1.27		0.17		0.07		
Vermont	0.23		0.10		-		-		1.15		0.50		
Virginia	1.38		0.61		1.70		1.74		1.77		0.59		
Washington	1.84		1.03		0.05		0.35		3.78		1.73		
West Virginia	0.96		0.36		-		0.49		0.02		-		
Wisconsin	1.47		0.92		0.41		0.06		1.11		2.27		
Wyoming	0.72		0.31		-		-		0.11		0.06		
Other U.S. Territories	-		-		-		-		-		-		
<b>Alternative Minimum Tax Percentage:</b>	<b>9.18</b>	<b>%</b>	<b>5.89</b>	<b>%</b>	<b>10.71</b>	<b>%</b>	<b>14.78</b>	<b>%</b>	<b>-</b>	<b>%</b>	<b>16.79</b>	<b>%</b>	

(a) Western Asset Institutional AMT Free Municipal Money Market Fund reorganized into Western Asset Institutional Tax Free Reserves at the close of business on July 24, 2015.

# SECTION 1

In this section you will find information for the Western Asset multi-state funds that have paid income dividends which are tax-exempt for regular Federal income tax purposes. The percentages of income earned by the funds from each state or U.S. Territory are listed below.

Exempt interest income — Multi-state funds										
	Western Asset Intermediate Muni Fund Inc. (SBI)		Western Asset Managed Municipals Fund Inc. (MMU)		Western Asset Municipal Defined Opportunity Trust Inc. (MTT)		Western Asset Municipal High Income Fund Inc. (MHF)		Western Asset Municipal Partners Fund Inc. (MNP)	
	0.87	%	3.98	%	2.71	%	4.67	%	1.18	%
Alabama	-		-		-		-		-	
Alaska	-		-		-		-		-	
Arizona	2.77		3.33		2.51		1.69		1.64	
Arkansas	-		-		-		-		-	
California	11.98		14.26		2.98		8.72		15.37	
Colorado	5.29		8.39		2.64		5.11		4.66	
Connecticut	1.00		-		-		-		-	
Delaware	-		-		-		3.20		-	
District of Columbia	-		1.94		-		1.40		-	
Florida	8.06		7.61		3.88		4.91		2.72	
Georgia	4.22		3.59		7.41		3.19		-	
Guam	-		-		-		-		-	
Hawaii	-		0.90		-		1.50		-	
Idaho	-		-		-		-		-	
Illinois	3.93		6.18		1.22		1.83		7.34	
Indiana	6.21		3.19		7.42		2.11		1.41	
Iowa	1.34		1.27		1.51		3.05		1.48	
Kansas	-		-		-		0.60		-	
Kentucky	-		1.48		-		1.44		-	
Louisiana	1.54		0.51		4.36		-		0.04	
Maine	-		-		-		-		-	
Maryland	-		-		4.08		2.19		1.52	
Massachusetts	0.10		4.22		-		0.80		1.04	
Michigan	5.61		2.83		12.48		3.32		4.51	
Minnesota	-		0.16		-		-		0.09	
Mississippi	-		-		-		-		-	
Missouri	-		1.95		-		2.77		1.07	
Montana	-		-		-		-		-	
Nebraska	-		0.33		-		1.93		-	
Nevada	2.65		1.75		-		0.33		0.73	
New Hampshire	4.09		-		-		-		-	
New Jersey	10.24		5.75		6.02		6.89		5.56	
New Mexico	1.35		0.80		-		-		-	
New York	3.63		8.10		4.38		2.67		18.30	
North Carolina	1.06		0.13		0.10		0.16		2.51	
North Dakota	-		-		-		-		-	
Ohio	1.26		1.27		5.02		2.24		2.43	
Oklahoma	1.65		-		-		1.16		1.05	
Oregon	0.30		0.08		-		-		0.08	
Pennsylvania	2.74		2.11		4.50		3.16		4.67	
Puerto Rico	-		1.86		0.34		1.26		0.57	
Rhode Island	-		0.90		4.90		-		-	
South Carolina	-		0.34		-		-		-	
South Dakota	-		-		-		-		-	
Tennessee	4.63		0.07		2.79		1.66		3.45	
Texas	5.64		9.98		10.97		20.60		9.53	
U.S. Virgin Islands	-		-		2.33		1.95		-	
Utah	-		-		-		-		-	
Vermont	-		-		-		-		-	
Virginia	4.21		0.69		0.59		1.87		-	
Washington	1.00		0.05		0.19		-		2.82	
West Virginia	-		-		-		1.51		-	
Wisconsin	2.63		-		4.67		0.11		3.44	
Wyoming	-		-		-		-		-	
Other U.S. Territories	-		-		-		-		-	
Alternative Minimum Tax Percentage:	12.87	%	11.86	%	7.45	%	15.79	%	5.60	%

# SECTION 2

In this section you will find information for the Western Asset single state funds that have paid income dividends which are tax-exempt for regular Federal income tax purposes.

## Exempt interest income — Single state funds

Fund Name	Specified state	Percentage of income from obligations exempt in specified state	Percentage of income from obligations of Puerto Rico, U.S. Virgin Islands and Guam	Percentage of income from obligations of other states	Alternative Minimum Tax Percentage
Western Asset California Municipals Fund	California	97.83 %	2.16 %	0.01 %	2.61 %
Western Asset California Tax Free Money Market Fund	California	99.98	-	0.02	25.51
Western Asset Connecticut Municipal Money Market Fund (b)	Connecticut	96.97	-	3.03	4.88
Western Asset Intermediate Maturity California Municipals Fund	California	93.43	6.49	0.08	0.26
Western Asset Intermediate Maturity New York Municipals Fund	New York	95.16	4.82	0.02	5.28
Western Asset Massachusetts Municipals Fund	Massachusetts	94.13	5.74	0.13	1.87
Western Asset New Jersey Municipals Fund	New Jersey	98.57	1.40	0.03	16.08
Western Asset New York Municipals Fund	New York	96.56	3.43	0.01	7.14
Western Asset New York Tax Free Money Market Fund	New York	100.00	-	-	7.66
Western Asset Oregon Municipals Fund	Oregon	92.29	7.53	0.18	2.69
Western Asset Pennsylvania Municipals Fund	Pennsylvania	98.80	1.17	0.03	2.04

(b) Western Asset Connecticut Municipal Money Market Fund redeemed all of its shareholders pursuant to a plan of liquidation at the close of business on December 18, 2015.

# SECTION 3

Certain states may exempt the portion of dividends (reported in Box 1 on Form 1099-DIV) derived from assets backed by the full faith and credit of the U.S. Government.\*

The table below provides the percentages of those dividends available for this exclusion. Only those Funds that appear in this section have distributed income that qualifies for this exclusion.

Income from Federal obligations	
Fund Name	Percentage
Legg Mason BW Absolute Return Opportunities Fund	0.67 %
Legg Mason BW Global Opportunities Bond Fund	9.96
QS Legg Mason Conservative Growth Fund	4.44
QS Legg Mason Defensive Growth Fund	5.34
QS Legg Mason Dynamic Multi-Strategy Fund	4.20
QS Legg Mason Growth Fund	1.05
QS Legg Mason Moderate Growth Fund	2.98
Western Asset Adjustable Rate Income Fund	3.09
Western Asset Core Bond Fund	7.99
Western Asset Core Plus Bond Fund	9.76
Western Asset Corporate Bond Fund	0.94
Western Asset Government Reserves	47.03
Western Asset Inflation Indexed Plus Bond Fund ** (c)	83.79
Western Asset Institutional Cash Reserves	4.43
Western Asset Institutional Government Reserves	53.50
Western Asset Institutional Liquid Reserves	4.38
Western Asset Institutional U.S. Treasury Reserves **	98.80
Western Asset Intermediate Bond Fund	14.76
Western Asset Liquid Reserves	2.39
Western Asset Macro Opportunities Fund	6.75
Western Asset Mortgage Backed Securities Fund	0.68
Western Asset Premium Liquid Reserves	2.48
Western Asset Premium U.S. Treasury Reserves **	99.83
Western Asset Short-Term Bond Fund	1.92
Western Asset Short-Term Yield Fund	2.76
Western Asset SMASh Series M Fund	15.45
Western Asset Total Return Unconstrained Fund	7.31
Western Asset U.S. Treasury Obligations Money Market Fund **	66.17
Western Asset U.S. Treasury Reserves **	99.57

\* Includes U.S. Treasury Bills, U.S. Treasury Notes, U.S. Treasury Bonds, and obligations issued by the Federal Home Loan Bank, Federal Credit Banks and the Student Loan Marketing Association.

\*\* These Funds have met the quarterly asset requirements for California, Connecticut and New York resident shareholders.

(c) The Fund has made certain reclassifications affecting the tax character of the distributions paid. The Percentage of Income from Federal Obligations is expressed as a percentage of the Ordinary Income per share after these reclassifications as disclosed in the Fund's Form 8937 - Report of Organizational Actions Affecting the Basis of Securities which may be found in the Tax Center of the Legg Mason website. In order to compute the amount of dividends derived from Federal Obligations, a shareholder should multiply the Percentage listed above by the product of the Ordinary Income per Share on the Fund's Form 8937 and the number of shares held on the record date of the distribution.

# SECTION 4

This information is provided for those shareholders electing to take the foreign tax credit for Federal income tax purposes.

**Shareholders taking an itemized deduction for foreign taxes paid:** Include the amount shown in Box 6 on Form 1099-DIV as an itemized deduction on Schedule A (Form 1040).

**Shareholders electing to claim the Foreign Tax Credit on either Form 1116 ("Foreign Tax Credit") for individuals, or Form 1118 ("Foreign Tax Credit - corporations") for corporate shareholders:** Please note that shareholders claiming a foreign tax credit on income passed through from a mutual fund are no longer required to report foreign source income and foreign taxes paid on a country-by-country basis. Corporate shareholders, please refer to the 2015 Distribution Reclassifications which may be found in the Tax Center of the Legg Mason website for the per share amount of the Foreign Withholding Taxes paid. Please refer to the instructions for Form 1116 or 1118 and consult your tax advisor for further assistance.

Foreign source income					
Fund Name	Payable Date	Percentage of Income from Foreign Sources		Percentage of Income from Foreign Source Dividends (3)	
ClearBridge International Small Cap Fund	12/22/2015	67.68	% (1)	67.68	%
ClearBridge International Value Fund	12/10/2015	87.02	(1)	87.02	
Legg Mason BW Absolute Return Opportunities Fund	Quarterly March - December	68.05	(2)	—	
	12/22/2015	56.84	(2)	—	
Legg Mason BW Global Income Opportunities Fund (BWG) Common Shareholders	Monthly January - September	62.95	(d) (2)	—	
	10/30/2015	70.19	(d) (2)	—	
	Monthly November - December	84.06	(d) (2)	—	
Legg Mason BW Global Income Opportunities Fund (BWG) Mandatory Redeemable Preferred Stockholders	05/29/2015, 08/31/2015 & 11/30/2015	84.06	(2)	—	
	3/31/2015	93.95	(2)	—	
Legg Mason BW Global Opportunities Bond Fund	Quarterly June - December	100.00	(2)	—	
	12/22/2015	100.00	(1)	100.00	
Martin Currie Emerging Markets Fund	12/22/2015	100.00	(1)	100.00	
QS BatteryMarch Emerging Markets Fund	12/09/2015	100.00	(1)	100.00	
QS BatteryMarch International Dividend Fund	Quarterly March - September	94.02	(2)	94.02	
	12/10/15 & 12/22/15	100.00	(2)	100.00	
QS BatteryMarch International Equity Fund	12/09/2015	100.00	(1)	100.00	
QS Legg Mason Conservative Growth Fund	03/31/2015	4.28	(2)	4.27	
	Quarterly June - December	8.89	(2)	8.88	
QS Legg Mason Defensive Growth Fund	03/31/2015	2.68	(2)	2.68	
	Quarterly June - December	4.32	(2)	4.32	
QS Legg Mason Dynamic Multi-Strategy Fund	06/24/2015	15.45	(2)	13.80	
	12/29/2015	34.33	(2)	27.08	
QS Legg Mason Growth Fund	06/24/2015	44.28	(2)	44.28	
	12/23/2015	28.70	(2)	28.68	
QS Legg Mason Moderate Growth Fund	06/24/2015	0.35	(2)	0.35	
	12/23/2015	16.03	(2)	16.02	

(1) To determine your share of the Fund's foreign source income, multiply the total foreign source percentage indicated by the amount shown in Box 1a of Form 1099-DIV.

(2) To determine your share of the Fund's foreign source income, multiply the total foreign source percentage indicated by the distribution received on the indicated date. **Do not multiply this percentage by the amount shown on Box 1a of Form 1099-DIV.**

(3) As a result of lower tax rates on qualified dividends, in computing your foreign tax credit, you may need to make certain adjustments based on your foreign source qualified dividends. To compute your amount of foreign source qualified dividends, multiply the Percentage of Income from Foreign Source Dividends by the amount shown in Box 1a of Form 1099-DIV.

(d) The Fund has made certain reclassifications affecting the tax character of this distribution. The Percentage of income from Foreign Sources is expressed as a percentage of the Ordinary Income per Share after these reclassifications as disclosed in the 2015 Distribution Reclassifications which may be found in the Tax Center of the Legg Mason website. In order to compute the amount of dividends derived from Foreign Sources, a shareholder should multiply the Percentage of Income from Foreign Sources by the product of the Ordinary Income per Share on the 2015 Distribution Reclassifications and the number of shares held on the record date of the distribution.

# SECTION 5

The list below provides **corporate shareholders** with the percentages of their gross ordinary dividends that qualify for the dividends received deduction for corporations. Only those Funds that appear in this section have distributed income that qualifies for this deduction.

## Dividends Received Deduction for Corporations

Fund Name	Payable Date	Qualifying Percentage	Payable Date	Qualifying Percentage
ClearBridge All Cap Value Fund	12/10/2015	100.00 %	–	–
ClearBridge Appreciation Fund	12/22/2015	100.00	–	–
ClearBridge Dividend Strategy Fund	Quarterly March - December	100.00 (e)	–	–
ClearBridge Energy MLP & Infrastructure Fund	Quarterly March - December	100.00	–	–
ClearBridge Large Cap Growth Fund	12/10/2015	88.22	–	–
ClearBridge Large Cap Value Fund	Quarterly March - December	100.00	–	–
ClearBridge Small Cap Fund	12/09/2015	39.11 (e)	–	–
ClearBridge Small Cap Value Fund	12/10/2015	100.00	–	–
ClearBridge Sustainability Leaders Fund	12/10/2015	58.34	12/22/2015	70.99 %
Clearbridge Tactical Dividend Income Fund	Quarterly March - December	71.23 (e)(f)	12/22/2015	37.53
ClearBridge Value Trust	12/09/2015	100.00	–	–
Legg Mason BW Diversified Large Cap Value Fund	12/09/2015	100.00	–	–
Legg Mason BW Dynamic Large Cap Value Fund	12/09/2015	36.73	12/22/2015	54.49
Miller Income Opportunity Trust	Quarterly June - September	25.66 (f)	12/22/2015	19.90
Permal Alternative Core Fund	06/24/2015	78.16	12/29/2015	9.79
Permal Alternative Select Fund	06/24/2015	0.97	12/29/2015	7.54
QS Batterymarch Global Dividend Fund	Quarterly March - September	41.42 (e)	12/22/2015	61.88
	12/10/2015	40.85	–	–
QS Batterymarch Global Equity Fund	12/09/2015	100.00	–	–
QS Batterymarch S&P 500 Index Fund	12/09/2015	100.00	–	–
QS Batterymarch U.S. Large Cap Equity Fund	12/09/2015	100.00	–	–
QS Batterymarch U.S. Small Capitalization Equity Fund	06/24/2015	99.89	12/09/2015 & 12/22/2015	74.77
QS Legg Mason Conservative Growth Fund	03/31/2015	15.40	Quarterly June - December	25.04
QS Legg Mason Defensive Growth Fund	03/31/2015	8.01	Quarterly June - December	12.82

# SECTION 5

The list below provides **corporate shareholders** with the percentages of their gross ordinary dividends that qualify for the dividends received deduction for corporations. Only those Funds that appear in this section have distributed income that qualifies for this deduction.

## Dividends Received Deduction for Corporations

Fund Name	Payable Date	Qualifying Percentage	Payable Date	Qualifying Percentage
QS Legg Mason Dynamic Multi-Strategy Fund	06/24/2015	61.23	12/29/2015	74.26
QS Legg Mason Growth Fund	06/24/2015	98.26	12/23/2015	75.08
QS Legg Mason Moderate Growth Fund	06/24/2015	8.01	12/23/2015	46.42
LMP Capital and Income Fund Inc. (SCD)	Quarterly March - September	37.05	12/23/2015	6.98
Western Asset Adjustable Rate Income Fund	Monthly January - June	3.42	Monthly August - December	3.71
	07/31/2015	3.53	–	–
Western Asset Core Bond Fund	01/30/2015	2.10	Monthly February - December	2.13
Western Asset Core Plus Bond Fund	01/30/2015	1.41	Monthly March - December	1.61
	02/27/2015	1.42	–	–
Western Asset Corporate Bond Fund	01/30/2015	5.23	Monthly February - December	5.67
Western Asset Global Corporate Defined Opportunity Fund Inc. (GDO)	01/30/2015	3.13	Monthly March - December	4.73
	02/27/2015	4.61	–	–
Western Asset Global High Income Fund Inc. (EHI)	Monthly January - August	2.04	Monthly October - December	3.23
	09/25/2015	2.68	–	–
Western Asset Global High Yield Bond Fund	01/30/2015	0.40	Monthly March - December	1.49
	02/27/2015	0.95	–	–
Western Asset Global Partners Income Fund Inc. (GDF)	Monthly January - August	1.08	10/30/2015	1.23
	09/25/2015	1.30	Monthly November - December	1.20
Western Asset High Income Fund II Inc. (HIX)	Monthly January - May	1.68	Monthly July - December	2.09
	06/26/2015	1.96	–	–
Western Asset High Income Opportunity Fund Inc. (HIO)	Monthly January - September	1.62	Monthly November - December	1.87
	10/30/2015	2.22	–	–
Western Asset High Yield Defined Opportunity Fund Inc. (HYI)	Monthly January - September	1.63	Monthly November - December	2.02
	10/30/2015	2.01	–	–
Western Asset High Yield Fund	Monthly January - May	1.39	Monthly July - December	1.47
	06/30/2015	1.46	–	–



# SECTION 5

The list below provides **corporate shareholders** with the percentages of their gross ordinary dividends that qualify for the dividends received deduction for corporations. Only those Funds that appear in this section have distributed income that qualifies for this deduction.

## Dividends Received Deduction for Corporations

Fund Name	Payable Date	Qualifying Percentage	Payable Date	Qualifying Percentage
Western Asset Income Fund (PAI)	01/30/2015	4.59	Monthly March - December	4.96
	02/27/2015	4.60	–	–
Western Asset Intermediate Bond Fund	Monthly January - May	2.18	Monthly July - December	1.74
	06/30/2015	1.92	12/10/2015	1.77
Western Asset Investment Grade Defined Opportunity Trust Inc. (IGI)	Monthly January - February	3.90	Monthly March - December	4.24
Western Asset Macro Opportunities Fund	12/22/2015	8.34	–	–
Western Asset Managed High Income Inc. (MHY)	Monthly January - February	1.33	Monthly April - December	1.70
	03/27/2015	1.60	–	–
Western Asset Premier Bond Fund (WEA)	Monthly January - June	4.02	Monthly August - December	0.41
	07/31/2015	1.12	–	–
Western Asset Short-Term Bond Fund	01/30/2015	1.41	Monthly February - December	1.39
Western Asset SMASh Series C Fund	Monthly January - October	0.38	12/15/2015	0.73
	11/13/2015	0.41	–	–
Western Asset Total Return Unconstrained Fund	Monthly January - May	2.11	Monthly July - December	3.33
	06/30/2015	2.95	–	–
Western Asset Variable Rate Strategic Fund Inc. (GFY)	01/30/2015	10.56 (f)	Monthly October - December	11.49
	Monthly February - September	23.66 (f)	–	–

(e) The Fund has made certain reclassifications affecting the tax character of this distribution. The Qualifying Percentage is expressed as a percentage of the Ordinary Income per Share after these reclassifications as disclosed in the 2015 Distribution Reclassifications which may be found in the Tax Center of the Legg Mason website. In order to compute the amount of dividends qualifying for the dividends received deduction, a shareholder should multiply the Qualifying Percentage by the product of the Ordinary Income per Share on the 2015 Distribution Reclassifications and the number of shares held on the record date of the distribution.

(f) The Fund has made certain reclassifications affecting the tax character of this distribution. The Qualifying Percentage is expressed as a percentage of the Ordinary Income per Share after these reclassifications as disclosed in the Fund's Form 8937 - Report of Organizational Actions Affecting the Basis of Securities which may be found in the Tax Center of the Legg Mason website. In order to compute the amount of dividends qualifying for the dividends received deduction, a shareholder should multiply the Qualifying Percentage by the product of the Ordinary Income per Share on the Fund's Form 8937 and the number of shares held on the record date of the distribution.

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