

Prospectus

July 1, 2024

Share class (Symbol): A (SHRCX), C (SCACX), FI (—), I (LMCUX), IS (SHRSX)

# WESTERN ASSET

# CALIFORNIA MUNICIPALS

# FUND



**FRANKLIN**  
**TEMPLETON**

The Securities and Exchange Commission has not approved or disapproved these securities or determined whether this Prospectus is accurate or complete. Any statement to the contrary is a crime.

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



**LEGG MASON GLOBAL ASSET MANAGEMENT TRUST  
LEGG MASON PARTNERS INCOME TRUST  
LEGG MASON PARTNERS INVESTMENT TRUST  
WESTERN ASSET FUNDS, INC.  
SUPPLEMENT DATED MAY 14, 2025 TO THE  
PROSPECTUS OF EACH FUND LISTED IN SCHEDULE A**

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**For each of the funds listed in Schedule A, the following disclosure replaces and supersedes the corresponding Stifel, Nicolaus & Company, Inc. disclosure in each fund's Prospectus in the appendix titled "Appendix: Waivers and Discounts Available from Certain Service Agents":**

**STIFEL, NICOLAUS & COMPANY, INCORPORATED AND ITS  
BROKER DEALER AFFILIATES ("STIFEL")**

Shareholders purchasing or holding fund shares, including existing fund shareholders, through a Stifel or affiliated platform that provides trade execution, clearance, and/or custody services, will be eligible for the following sales charge load waivers (including front-end sales charge waivers and contingent deferred, or back-end, ("CDSC") sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this prospectus or the fund's SAI.

**Class A Shares**

As described elsewhere in this prospectus, Stifel may receive compensation out of the front-end sales charge if you purchase Class A shares through Stifel.

**Rights of Accumulation**

- Rights of accumulation ("ROA") that entitle shareholders to breakpoint discounts on front-end sales charges will be calculated by Stifel based on the aggregated holding of eligible assets in Franklin Templeton funds held by accounts within the purchaser's

household at Stifel. Ineligible assets include Class A Money Market Funds not assessed a sales charge. Fund family assets not held at Stifel may be included in the calculation of ROA only if the shareholder notifies his or her financial advisor about such assets.

- The employer maintaining a SEP IRA plan and/or SIMPLE IRA plan may elect to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping as opposed to including all share classes at a shareholder or pricing group level.

### **Front-end Sales Charge Waivers on Class A Shares Available at Stifel**

Sales charges may be waived for the following shareholders and in the following situations:

- Class C shares that have been held for more than seven (7) years may be converted to Class A shares or other front-end share class(es) shares of the same fund pursuant to Stifel's policies and procedures. To the extent that this prospectus elsewhere provides for a waiver with respect to the exchange or conversion of such shares following a shorter holding period, those provisions shall continue to apply.
- Shares purchased by employees and registered representatives of Stifel or its affiliates and their family members as designated by Stifel.
- Shares purchased in a Stifel fee-based advisory program, often referred to as a "wrap" program.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same or other fund within the fund family.
- Shares purchased from the proceeds of redeemed shares of the same fund family so long as the proceeds are from the sale of shares from an account with the same owner/beneficiary within 90 days of the purchase. For the absence of doubt, automated transactions (i.e. systematic purchases, including salary deferral transactions and withdrawals) and purchases made after shares are sold to cover Stifel Nicolaus' account maintenance fees are not eligible for rights of reinstatement.
- Shares from rollovers into Stifel from retirement plans to IRAs.

- Shares exchanged into Class A shares from another share class so long as the exchange is into the same fund and was initiated at the direction of Stifel. Stifel is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in this prospectus.
- Purchases of Class 529-A shares through a rollover from another 529 plan.
- Purchases of Class 529-A shares made for reinvestment of refunded amounts.
- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs.
- Charitable organizations and foundations, notably 501(c)(3) organizations.

### **Contingent Deferred Sales Charges Waivers on Class A and C Shares**

- Death or disability of the shareholder or, in the case of 529 plans, the account beneficiary.
- Shares sold as part of a systematic withdrawal plan not to exceed 12% annually.
- Return of excess contributions from an IRA Account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations.
- Shares acquired through a right of reinstatement.
- Shares sold to pay Stifel fees or costs in such cases where the transaction is initiated by Stifel.
- Shares exchanged or sold in a Stifel fee-based program.

### **Share Class Conversions in Advisory Accounts**

- Stifel continually looks to provide our clients with the lowest cost share class available based on account type. Stifel reserves the right to convert shares to the lowest cost share class available at Stifel upon transfer of shares into an advisory program.

## **SCHEDULE A**

| <b><u>Fund</u></b>   | <b><u>Date of Prospectus</u></b> |
|--|----------------------------------|
| <b><u>LEGG MASON GLOBAL ASSET MANAGEMENT TRUST</u></b>                   |                                  |
| BrandywineGLOBAL – Alternative Credit Fund . . .                         | March 1, 2025                    |
| BrandywineGLOBAL – Diversified US Large Cap Value Fund . . . . .         | February 1, 2025                 |
| BrandywineGLOBAL – Flexible Bond Fund . . . . .                          | May 1, 2025                      |
| BrandywineGLOBAL – Global Opportunities Bond Fund . . . . .              | May 1, 2025                      |
| BrandywineGLOBAL – Global Unconstrained Bond Fund . . . . .              | March 1, 2025                    |
| ClearBridge Global Infrastructure Income Fund . .                        | February 1, 2025                 |
| ClearBridge International Growth Fund . . . . .                          | March 1, 2025                    |
| ClearBridge Small Cap Fund . . . . .                                     | March 1, 2025                    |
| ClearBridge Value Fund . . . . .   | March 1, 2025                    |
| Franklin International Equity Fund . . . . .                             | February 1, 2025                 |
| Franklin U.S. Small Cap Equity Fund . . . . .                            | May 1, 2025                      |
| Martin Currie Emerging Markets Fund . . . . .                            | February 1, 2025                 |
| <b><u>LEGG MASON PARTNERS INCOME TRUST</u></b>                           |                                  |
| Western Asset California Municipals Fund . . . . .                       | July 1, 2024                     |
| Western Asset Corporate Bond Fund . . . . .                              | May 1, 2025                      |
| Western Asset Income Fund . . . . .                                      | December 1, 2024                 |
| Western Asset Intermediate Maturity California Municipals Fund . . . . . | April 1, 2025                    |
| Western Asset Intermediate Maturity New York Municipals Fund . . . . .   | April 1, 2025                    |
| Western Asset Intermediate-Term Municipals Fund . . . . .                | August 1, 2024                   |
| Western Asset Managed Municipals Fund . . . . .                          | July 1, 2024                     |
| Western Asset Massachusetts Municipals Fund . . . . .                    | April 1, 2025                    |
| Western Asset Mortgage Total Return Fund . . . . .                       | May 1, 2025                      |
| Western Asset Municipal High Income Fund . . . . .                       | December 1, 2024                 |
| Western Asset New Jersey Municipals Fund . . . .                         | August 1, 2024                   |
| Western Asset New York Municipals Fund . . . . .                         | August 1, 2024                   |
| Western Asset Oregon Municipals Fund . . . . .                           | September 1, 2024                |
| Western Asset Pennsylvania Municipals Fund . .                           | August 1, 2024                   |
| Western Asset Short Duration High Income Fund . . . . .                  | December 1, 2024                 |

| <b>Fund</b>  | <b>Date of Prospectus</b> |
|--|---------------------------|
| Western Asset Short Duration Municipal Income Fund ..... | July 1, 2024              |
| Western Asset Short-Term Bond Fund .....                 | May 1, 2025               |
| Western Asset Ultra-Short Income Fund .....              | October 1, 2024           |

### **LEGG MASON PARTNERS INVESTMENT TRUST**

|   |                 |
|---|-----------------|
| BrandywineGLOBAL – Corporate Credit Fund ...        | May 1, 2025     |
| BrandywineGLOBAL – High Yield Fund .....            | May 1, 2025     |
| ClearBridge Appreciation Fund .....                 | March 1, 2025   |
| ClearBridge Dividend Strategy Fund .....            | May 1, 2025     |
| ClearBridge Growth Fund .....                       | January 1, 2025 |
| ClearBridge International Value Fund .....          | March 1, 2025   |
| ClearBridge Large Cap Growth Fund .....             | April 1, 2025   |
| ClearBridge Large Cap Value Fund .....              | March 1, 2025   |
| ClearBridge Mid Cap Fund .....                      | March 1, 2025   |
| ClearBridge Mid Cap Growth Fund .....               | March 1, 2025   |
| ClearBridge Select Fund .....                       | March 1, 2025   |
| ClearBridge Small Cap Growth Fund .....             | March 1, 2025   |
| ClearBridge Sustainability Leaders Fund .....       | March 1, 2025   |
| ClearBridge Tactical Dividend Income Fund .....     | March 1, 2025   |
| Franklin Global Equity Fund .....                   | March 1, 2025   |
| Franklin Multi-Asset Conservative Growth Fund ..... | June 1, 2024    |
| Franklin Multi-Asset Defensive Growth Fund .....    | June 1, 2024    |
| Franklin Multi-Asset Growth Fund .....              | June 1, 2024    |
| Franklin Multi-Asset Moderate Growth Fund .....     | June 1, 2024    |
| Franklin U.S. Large Cap Equity Fund .....           | April 1, 2025   |

### **WESTERN ASSET FUNDS, INC.**

|  |                 |
|--|-----------------|
| Western Asset Core Bond Fund .....                   | May 1, 2025     |
| Western Asset Core Plus Bond Fund .....              | May 1, 2025     |
| Western Asset High Yield Fund .....                  | October 1, 2024 |
| Western Asset Inflation Indexed Plus Bond Fund ..... | May 1, 2025     |
| Western Asset Intermediate Bond Fund .....           | October 1, 2024 |
| Western Asset Total Return Unconstrained Fund .....  | October 1, 2024 |

**Please retain this supplement for future reference.**



**LEGG MASON GLOBAL ASSET MANAGEMENT TRUST  
LEGG MASON PARTNERS INCOME TRUST  
LEGG MASON PARTNERS INVESTMENT TRUST  
WESTERN ASSET FUNDS, INC.  
SUPPLEMENT DATED NOVEMBER 20, 2024 TO THE  
PROSPECTUS OF EACH FUND LISTED IN SCHEDULE A**

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**For each of the funds listed in Schedule A, the following disclosure replaces and supersedes the corresponding Ameriprise Financial disclosure in each fund's Prospectus in the appendix titled "Appendix: Waivers and Discounts Available from Certain Service Agents":**

**AMERIPRISE FINANCIAL**

**Front-end sales charge reductions on Class A shares purchased through Ameriprise Financial**

Shareholders purchasing Class A shares of the fund through an Ameriprise Financial platform or account are eligible only for the following sales charge reductions, which may differ from those disclosed elsewhere in this prospectus or the SAI. Such shareholders can reduce their initial sales charge on the purchase of Class A shares as follows:

- *Transaction size breakpoints*, as described in this Prospectus or the SAI.
- *Rights of accumulation (ROA)*, as described in this Prospectus or the SAI.
- *Letter of intent*, as described in this Prospectus or the SAI.

**Front-end sales charge waivers on Class A shares purchased through Ameriprise Financial**

Shareholders purchasing Class A shares of the fund through an Ameriprise Financial platform or account are eligible only for the

following sales charge waivers, which may differ from those disclosed elsewhere in this prospectus or the SAI. Such shareholders may purchase Class A shares at NAV without payment of a sales charge as follows:

- Shares purchased by employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs.
- Shares purchased through reinvestment of capital gains and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the same fund family).
- Shares exchanged from Class C shares of the same fund in the month of or following the seven-year anniversary of the purchase date. To the extent that this prospectus elsewhere provides for a waiver with respect to such shares following a shorter holding period, that waiver will apply to exchanges following such shorter period. To the extent that this prospectus elsewhere provides for a waiver with respect to exchanges of Class C shares for load waived shares, that waiver will also apply to such exchanges.
- Shares purchased by employees and registered representatives of Ameriprise Financial or its affiliates and their immediate family members.
- Shares purchased by or through qualified accounts (including IRAs, Coverdell Education Savings Accounts, 401(k)s, 403(b) TSCAs subject to ERISA and defined benefit plans) that are held by a covered family member, defined as an Ameriprise Financial advisor and/or the advisor's spouse, advisor's lineal ascendant (mother, father, grandmother, grandfather, great grandmother, great grandfather), advisor's lineal descendant (son, step-son, daughter, step-daughter, grandson, granddaughter, great grandson, great granddaughter) or any spouse of a covered family member who is a lineal descendant.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e. Rights of Reinstatement).



**CDSC waivers on Class A and C shares purchased through Ameriprise Financial**

Fund shares purchased through an Ameriprise Financial platform or account are eligible only for the following CDSC waivers, which may differ from those disclosed elsewhere in this prospectus or the SAI:

- Redemptions due to death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in this Prospectus or the SAI.
- Redemptions made in connection with a return of excess contributions from an IRA account.
- Shares purchased through a Right of Reinstatement (as defined above).
- Redemptions made as part of a required minimum distribution for IRA and retirement accounts pursuant to the Internal Revenue Code.

**SCHEDULE A**

| <b><u>Fund</u></b>   | <b><u>Date of Prospectus</u></b> |
|--|----------------------------------|
| <b>LEGG MASON GLOBAL ASSET MANAGEMENT TRUST</b>                  |                                  |
| BrandywineGLOBAL – Alternative Credit Fund . . . .               | March 1, 2024                    |
| BrandywineGLOBAL – Diversified US Large Cap Value Fund . . . . . | January 31, 2024                 |
| BrandywineGLOBAL – Flexible Bond Fund . . . . .                  | May 1, 2024                      |
| BrandywineGLOBAL – Global Opportunities Bond Fund . . . . .      | May 1, 2024                      |
| BrandywineGLOBAL – Global Unconstrained Bond Fund . . . . .      | March 1, 2024                    |
| ClearBridge Global Infrastructure Income Fund . . .              | January 31, 2024                 |
| ClearBridge International Growth Fund . . . . .                  | March 1, 2024                    |
| ClearBridge Small Cap Fund . . . . .                             | March 1, 2024                    |
| ClearBridge Value Fund . . . . .                                 | March 1, 2024                    |
| Franklin International Equity Fund . . . . .                     | January 31, 2024                 |
| Franklin U.S. Small Cap Equity Fund . . . . .                    | May 1, 2024                      |
| Martin Currie Emerging Markets Fund . . . . .                    | January 31, 2024                 |

| <b>Fund</b>  | <b>Date of Prospectus</b> |
|--|---------------------------|
| <b>LEGG MASON PARTNERS INCOME TRUST</b>                                  |                           |
| Western Asset California Municipals Fund . . . . .                       | July 1, 2024              |
| Western Asset Corporate Bond Fund . . . . .                              | May 1, 2024               |
| Western Asset Income Fund . . . . .                                      | December 1, 2023          |
| Western Asset Intermediate Maturity California Municipals Fund . . . . . | April 1, 2024             |
| Western Asset Intermediate Maturity New York Municipals Fund . . . . .   | April 1, 2024             |
| Western Asset Intermediate-Term Municipals Fund . . . . .                | August 1, 2024            |
| Western Asset Managed Municipals Fund . . . . .                          | July 1, 2024              |
| Western Asset Massachusetts Municipals Fund . . . . .                    | April 1, 2024             |
| Western Asset Mortgage Total Return Fund . . . . .                       | May 1, 2024               |
| Western Asset Municipal High Income Fund . . . . .                       | December 1, 2023          |
| Western Asset New Jersey Municipals Fund . . . . .                       | August 1, 2024            |
| Western Asset New York Municipals Fund . . . . .                         | August 1, 2024            |
| Western Asset Oregon Municipals Fund . . . . .                           | September 1, 2024         |
| Western Asset Pennsylvania Municipals Fund . . . . .                     | August 1, 2024            |
| Western Asset Short Duration High Income Fund . . . . .                  | December 1, 2023          |
| Western Asset Short Duration Municipal Income Fund . . . . .             | July 1, 2024              |
| Western Asset Short-Term Bond Fund . . . . .                             | May 1, 2024               |
| Western Asset Ultra-Short Income Fund . . . . .                          | October 1, 2024           |
| <b>LEGG MASON PARTNERS INVESTMENT TRUST</b>                              |                           |
| BrandywineGLOBAL – Corporate Credit Fund . . . . .                       | May 1, 2024               |
| BrandywineGLOBAL – High Yield Fund . . . . .                             | May 1, 2024               |
| ClearBridge Appreciation Fund . . . . .                                  | March 1, 2024             |
| ClearBridge Dividend Strategy Fund . . . . .                             | May 1, 2024               |
| ClearBridge Growth Fund . . . . .  | December 29, 2023         |
| ClearBridge International Value Fund . . . . .                           | March 1, 2024             |
| ClearBridge Large Cap Growth Fund . . . . .                              | April 1, 2024             |
| ClearBridge Large Cap Value Fund . . . . .                               | March 1, 2024             |
| ClearBridge Mid Cap Fund . . . . .                                       | March 1, 2024             |
| ClearBridge Mid Cap Growth Fund . . . . .                                | March 1, 2024             |
| ClearBridge Select Fund . . . . .  | March 1, 2024             |
| ClearBridge Small Cap Growth Fund . . . . .                              | March 1, 2024             |

| <b>Fund</b>   | <b>Date of Prospectus</b> |
|---|---------------------------|
| ClearBridge Sustainability Leaders Fund . . . . .     | March 1, 2024             |
| ClearBridge Tactical Dividend Income Fund . . . . .   | March 1, 2024             |
| Franklin Global Equity Fund . . . . .                 | March 1, 2024             |
| Franklin Multi-Asset Conservative Growth Fund . . . . | June 1, 2024              |
| Franklin Multi-Asset Defensive Growth Fund . . . . .  | June 1, 2024              |
| Franklin Multi-Asset Growth Fund . . . . .            | June 1, 2024              |
| Franklin Multi-Asset Moderate Growth Fund . . . . .   | June 1, 2024              |
| Franklin U.S. Large Cap Equity Fund . . . . .         | April 1, 2024             |

**WESTERN ASSET FUNDS, INC.**

|  |                 |
|--|-----------------|
| Western Asset Core Bond Fund . . . . .               | May 1, 2024     |
| Western Asset Core Plus Bond Fund . . . . .          | May 1, 2024     |
| Western Asset High Yield Fund . . . . .              | October 1, 2024 |
| Western Asset Inflation Indexed Plus Bond Fund . . . | May 1, 2024     |
| Western Asset Intermediate Bond Fund . . . . .       | October 1, 2024 |
| Western Asset Total Return Unconstrained Fund . . .  | October 1, 2024 |

**Please retain this supplement for future reference.**



**LEGG MASON GLOBAL ASSET MANAGEMENT TRUST  
LEGG MASON PARTNERS INCOME TRUST  
LEGG MASON PARTNERS INVESTMENT TRUST  
WESTERN ASSET FUNDS, INC.  
SUPPLEMENT DATED SEPTEMBER 3, 2024 TO THE  
PROSPECTUS OF EACH FUND LISTED IN SCHEDULE A**

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- I. For each of the funds listed in Schedule A, the following disclosure replaces and supersedes the corresponding Edward D. Jones & Co., L.P. disclosure in each fund's Prospectus in the appendix titled "Appendix: Waivers and Discounts Available from Certain Service Agents":**

**EDWARD D. JONES & CO., L.P. ("EDWARD JONES")**

**Policies Regarding Transactions Through Edward Jones**

Effective on or after September 3, 2024, the following information supersedes prior information with respect to transactions and positions held in fund shares through an Edward Jones system. Clients of Edward Jones (also referred to as "shareholders") purchasing fund shares on the Edward Jones commission and fee-based platforms are eligible only for the following sales charge discounts (also referred to as "breakpoints") and waivers, which can differ from discounts and waivers described elsewhere in the mutual fund Prospectus or statement of additional information ("SAI") or through another broker-dealer. In all instances, it is the shareholder's responsibility to inform Edward Jones at the time of purchase of any relationship, holdings of Franklin Templeton funds, or other facts qualifying the purchaser for discounts or waivers. Edward Jones can ask for documentation of such circumstance. Shareholders should contact Edward Jones if they have questions regarding their eligibility for these discounts and waivers.

**Breakpoints**

- Breakpoint pricing, otherwise known as volume pricing, at dollar thresholds as described in the Prospectus.

## **Rights of Accumulation (“ROA”)**

- The applicable sales charge on a purchase of Class A shares is determined by taking into account all share classes (except certain money market funds and any assets held in group retirement plans) of the Franklin Templeton fund family held by the shareholder or in an account grouped by Edward Jones with other accounts for the purpose of providing certain pricing considerations (“pricing groups”). If grouping assets as a shareholder, this includes all share classes held on the Edward Jones platform and/or held on another platform. The inclusion of eligible fund family assets in the ROA calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Money market funds are included only if such shares were sold with a sales charge at the time of purchase or acquired in exchange for shares purchased with a sales charge.
- The employer maintaining a SEP IRA plan and/or SIMPLE IRA plan may elect to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping as opposed to including all share classes at a shareholder or pricing group level.
- ROA is determined by calculating the higher of cost minus redemptions or market value (current shares x NAV).

## **Letter of Intent (“LOI”)**

- Through a LOI, shareholders can receive the sales charge and breakpoint discounts for purchases shareholders intend to make over a 13-month period from the date Edward Jones receives the LOI. The LOI is determined by calculating the higher of cost or market value of qualifying holdings at LOI initiation in combination with the value that the shareholder intends to buy over a 13-month period to calculate the front-end sales charge and any breakpoint discounts. Each purchase the shareholder makes during that 13-month period will receive the sales charge and breakpoint discount that applies to the total amount. The inclusion of eligible fund family assets in the LOI calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Purchases made before the LOI is received by Edward Jones are not adjusted under the LOI and will not reduce the sales charge previously paid. Sales charges will be adjusted if LOI is not met.

- If the employer maintaining a SEP IRA plan and/or SIMPLE IRA plan has elected to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping, LOIs will also be at the plan-level and may only be established by the employer.

## **Sales Charge Waivers**

Sales charges are waived for the following shareholders and in the following situations:

- Associates of Edward Jones and its affiliates and other accounts in the same pricing group (as determined by Edward Jones under its policies and procedures) as the associate. This waiver will continue for the remainder of the associate's life if the associate retires from Edward Jones in good-standing and remains in good standing pursuant to Edward Jones' policies and procedures.
- Shares purchased in an Edward Jones fee-based program.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment.
- Shares purchased from the proceeds of redeemed shares of the same fund family so long as the following conditions are met: the proceeds are from the sale of shares within 60 days of the purchase, the sale and purchase are made from a share class that charges a front load and one of the following ("Right of Reinstatement"):
  - The redemption and repurchase occur in the same account.
  - The redemption proceeds are used to process an: IRA contribution, excess contributions, conversion, recharacterizing of contributions, or distribution, and the repurchase is done in an account within the same Edward Jones grouping for ROA.

The Right of Reinstatement excludes systematic or automatic transactions including, but not limited to, purchases made through payroll deductions, liquidations to cover account fees, and reinvestments from non-mutual fund products.

- Shares exchanged into Class A shares from another share class so long as the exchange is into the same fund and was initiated at the discretion of Edward Jones. Edward Jones is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the Prospectus.

- Exchanges from Class C shares to Class A shares of the same fund, generally, in the 84<sup>th</sup> month following the anniversary of the purchase date or earlier at the discretion of Edward Jones.
- Purchases of Class 529-A shares through a rollover from either another education savings plan or a security used for qualified distributions.
- Purchases of Class 529-A shares made for recontribution of refunded amounts.

### **Contingent Deferred Sales Charge (“CDSC”) Waivers**

If the shareholder purchases shares that are subject to a CDSC and those shares are redeemed before the CDSC is expired, the shareholder is responsible to pay the CDSC except in the following conditions:

- The death or disability of the shareholder.
- Systematic withdrawals with up to 10% per year of the account value.
- Return of excess contributions from an Individual Retirement Account (IRA).
- Shares redeemed as part of a required minimum distribution for IRA and retirement accounts if the redemption is taken in or after the year the shareholder reaches qualified age based on applicable IRS regulations.
- Shares redeemed to pay Edward Jones fees or costs in such cases where the transaction is initiated by Edward Jones.
- Shares exchanged in an Edward Jones fee-based program.
- Shares acquired through NAV reinstatement.
- Shares redeemed at the discretion of Edward Jones for Minimum Balances, as described below.

### **Other Important Information Regarding Transactions Through Edward Jones**

#### **Minimum Purchase Amounts**

- Initial purchase minimum: \$250
- Subsequent purchase minimum: none

## **Minimum Balances**

- Edward Jones has the right to redeem at its discretion fund holdings with a balance of \$250 or less. The following are examples of accounts that are not included in this policy:
  - A fee-based account held on an Edward Jones platform
  - A 529 account held on an Edward Jones platform
  - An account with an active systematic investment plan or LOI

## **Exchanging Share Classes**

- At any time it deems necessary, Edward Jones has the authority to exchange at NAV a shareholder's holdings in a fund to Class A shares of the same fund.

## **II. For each of the funds listed in Schedule A, the following disclosure replaces and supersedes the corresponding Stifel, Nicolaus & Company, Inc. disclosure in each fund's Prospectus in the appendix titled "Appendix: Waivers and Discounts Available from Certain Service Agents":**

### **STIFEL, NICOLAUS & COMPANY, INCORPORATED AND ITS BROKER DEALER AFFILIATES ("STIFEL")**

Effective September 3, 2024, shareholders purchasing or holding fund shares, including existing fund shareholders, through a Stifel, Nicolaus & Company, Incorporated or affiliated platform that provides trade execution, clearance, and/or custody services, will be eligible for the following sales charge load waivers (including front-end sales charge waivers and contingent deferred, or back-end, ("CDSC") sales charge waivers) and discounts, which may differ from those disclosed elsewhere in the Fund's Prospectus or SAI.

### **Class A Shares**

As described elsewhere in this Prospectus, Stifel may receive compensation out of the front-end sales charge if you purchase Class A shares through Stifel.

### **Rights of Accumulation**

- Rights of accumulation ("ROA") that entitle shareholders to breakpoint discounts on front-end sales charges will be calculated



by Stifel based on the aggregated holding of eligible assets in all classes of shares of Franklin Templeton funds held by accounts within the purchaser's household at Stifel. Ineligible assets include class A Money Market Funds not assessed a sales charge. Fund family assets not held at Stifel may be included in the calculation of ROA only if the shareholder notifies his or her financial advisor about such assets.

- The employer maintaining a SEP IRA plan and/or SIMPLE IRA plan may elect to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping as opposed to including all share classes at a shareholder or pricing group level.

### **Front-end Sales Charge Waivers on Class A Shares Available at Stifel**

Sales charges may be waived for the following shareholders and in the following situations:

- **Class C** shares that have been held for more than seven (7) years may be converted to **Class A or other Front-end share class(es)** shares of the same fund pursuant to Stifel's policies and procedures. To the extent that this Prospectus elsewhere provides for a waiver with respect to the exchange or conversion of such shares following a shorter holding period, those provisions shall continue to apply.
- Shares purchased by employees and registered representatives of Stifel or its affiliates and their family members as designated by Stifel.
- Shares purchased in an Stifel fee-based advisory program, often referred to as a "wrap" program.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same or other fund within the fund family.
- Shares purchased from the proceeds of redeemed shares of the same fund family so long as the proceeds are from the sale of shares from an account with the same owner/beneficiary within 90 days of the purchase. For the absence of doubt, automated transactions (i.e. systematic purchases, including salary deferral transactions and withdrawals) and purchases made after shares are sold to cover Stifel Nicolaus' account maintenance fees are not eligible for rights of reinstatement.

- Shares from rollovers into Stifel from retirement plans to IRAs.
- Shares exchanged into Class A shares from another share class so long as the exchange is into the same fund and was initiated at the direction of Stifel. Stifel is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the Prospectus.
- Purchases of Class 529-A shares through a rollover from another 529 plan.
- Purchases of Class 529-A shares made for reinvestment of refunded amounts.
- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs.

### **Contingent Deferred Sales Charges Waivers on Class A and C Shares**

- Death or disability of the shareholder or, in the case of 529 plans, the account beneficiary.
- Shares sold as part of a systematic withdrawal plan not to exceed 12% annually.
- Return of excess contributions from an IRA Account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations.
- Shares acquired through a right of reinstatement.
- Shares sold to pay Stifel fees or costs in such cases where the transaction is initiated by Stifel.
- Shares exchanged or sold in a Stifel fee-based program.

### **Share Class Conversions in Advisory Accounts**

- Stifel continually looks to provide our clients with the lowest cost share class available based on account type. Stifel reserves the right to convert shares to the lowest cost share class available at Stifel upon transfer of shares into an advisory program.

## **SCHEDULE A**

| <b><u>Fund</u></b>   | <b><u>Date of Prospectus</u></b> |
|--|----------------------------------|
| <b>LEGG MASON GLOBAL ASSET MANAGEMENT TRUST</b>                      |                                  |
| BrandywineGLOBAL – Alternative Credit Fund .....                     | March 1, 2024                    |
| BrandywineGLOBAL – Diversified US Large Cap Value Fund .....         | January 31, 2024                 |
| BrandywineGLOBAL – Flexible Bond Fund ....                           | May 1, 2024                      |
| BrandywineGLOBAL – Global Opportunities Bond Fund .....              | May 1, 2024                      |
| BrandywineGLOBAL – Global Unconstrained Bond Fund .....              | March 1, 2024                    |
| BrandywineGLOBAL – Small Cap Value Fund .....                        | May 1, 2024                      |
| ClearBridge Global Infrastructure Income Fund .....                  | January 31, 2024                 |
| ClearBridge International Growth Fund .....                          | March 1, 2024                    |
| ClearBridge Small Cap Fund .....                                     | March 1, 2024                    |
| ClearBridge Value Fund .....   | March 1, 2024                    |
| Franklin International Equity Fund .....                             | January 31, 2024                 |
| Franklin U.S. Small Cap Equity Fund .....                            | May 1, 2024                      |
| Martin Currie Emerging Markets Fund .....                            | January 31, 2024                 |
| <b>LEGG MASON PARTNERS INCOME TRUST</b>                              |                                  |
| Western Asset California Municipals Fund ....                        | July 1, 2024                     |
| Western Asset Corporate Bond Fund .....                              | May 1, 2024                      |
| Western Asset Income Fund .....                                      | December 1, 2023                 |
| Western Asset Intermediate Maturity California Municipals Fund ..... | April 1, 2024                    |
| Western Asset Intermediate Maturity New York Municipals Fund .....   | April 1, 2024                    |
| Western Asset Intermediate-Term Municipals Fund .....                | August 1, 2024                   |
| Western Asset Managed Municipals Fund ....                           | July 1, 2024                     |
| Western Asset Massachusetts Municipals Fund .....                    | April 1, 2024                    |

| <b>Fund</b>  | <b>Date of Prospectus</b> |
|--|---------------------------|
| Western Asset Mortgage Total Return Fund . . .               | May 1, 2024               |
| Western Asset Municipal High Income Fund . . .               | December 1, 2023          |
| Western Asset New Jersey Municipals Fund . .                 | August 1, 2024            |
| Western Asset New York Municipals Fund . . .                 | August 1, 2024            |
| Western Asset Pennsylvania Municipals Fund . . . . .         | August 1, 2024            |
| Western Asset Oregon Municipals Fund . . . . .               | September 1, 2024         |
| Western Asset Short Duration High Income Fund . . . . .      | December 1, 2023          |
| Western Asset Short Duration Municipal Income Fund . . . . . | July 1, 2024              |
| Western Asset Short-Term Bond Fund . . . . .                 | May 1, 2024               |
| Western Asset Ultra-Short Income Fund . . . . .              | September 29, 2023        |

## **LEGG MASON PARTNERS INVESTMENT TRUST**

|   |                   |
|---|-------------------|
| BrandywineGLOBAL – Corporate Credit Fund . . . . .      | May 1, 2024       |
| BrandywineGLOBAL – High Yield Fund . . . . .            | May 1, 2024       |
| ClearBridge Appreciation Fund . . . . .                 | March 1, 2024     |
| ClearBridge Dividend Strategy Fund . . . . .            | May 1, 2024       |
| ClearBridge Growth Fund . . . . .                       | December 29, 2023 |
| ClearBridge International Value Fund . . . . .          | March 1, 2024     |
| ClearBridge Large Cap Growth Fund . . . . .             | April 1, 2024     |
| ClearBridge Large Cap Value Fund . . . . .              | March 1, 2024     |
| ClearBridge Mid Cap Fund . . . . .                      | March 1, 2024     |
| ClearBridge Mid Cap Growth Fund . . . . .               | March 1, 2024     |
| ClearBridge Select Fund . . . . .                       | March 1, 2024     |
| ClearBridge Small Cap Growth Fund . . . . .             | March 1, 2024     |
| ClearBridge Small Cap Value Fund . . . . .              | January 31, 2024  |
| ClearBridge Sustainability Leaders Fund . . . . .       | March 1, 2024     |
| ClearBridge Tactical Dividend Income Fund . . .         | March 1, 2024     |
| Franklin Global Equity Fund . . . . .                   | March 1, 2024     |
| Franklin Multi-Asset Conservative Growth Fund . . . . . | June 1, 2024      |
| Franklin Multi-Asset Defensive Growth Fund . .          | June 1, 2024      |

| <b>Fund</b>  | <b>Date of Prospectus</b> |
|--|---------------------------|
| Franklin Multi-Asset Growth Fund . . . . .               | June 1, 2024              |
| Franklin Multi-Asset Moderate Growth Fund . . .          | June 1, 2024              |
| Franklin U.S. Large Cap Equity Fund . . . . .            | April 1, 2024             |
| <b>WESTERN ASSET FUNDS, INC.</b>                         |                           |
| Western Asset Core Bond Fund . . . . .                   | May 1, 2024               |
| Western Asset Core Plus Bond Fund . . . . .              | May 1, 2024               |
| Western Asset High Yield Fund . . . . .                  | September 29, 2023        |
| Western Asset Inflation Indexed Plus Bond Fund . . . . . | May 1, 2024               |
| Western Asset Intermediate Bond Fund . . . . .           | September 29, 2023        |
| Western Asset Macro Opportunities Fund . . . . .         | March 1, 2024             |
| Western Asset Total Return Unconstrained Fund . . . . .  | September 29, 2023        |

**Please retain this supplement for future reference.**



**LEGG MASON GLOBAL ASSET MANAGEMENT TRUST  
LEGG MASON PARTNERS INCOME TRUST  
LEGG MASON PARTNERS INVESTMENT TRUST  
WESTERN ASSET FUNDS, INC.  
SUPPLEMENT DATED AUGUST 2, 2024 TO THE  
SUMMARY PROSPECTUS (AS APPLICABLE), PROSPECTUS  
AND STATEMENT OF ADDITIONAL INFORMATION (“SAI”)  
OF EACH FUND LISTED IN SCHEDULES A and B**

Effective August 2, 2024, all references to “fund(s) distributed through Franklin Distributors, LLC” in the Summary Prospectus of each fund listed in Schedule A and all references to “fund(s) sold by the Distributor” in the Prospectus and SAI of each fund listed in Schedules A and B, for the avoidance of doubt, do not include any series of Putnam Investments Funds.

**SCHEDULE A**

| <b><u>Fund</u></b>   | <b><u>Date of Summary Prospectus, Prospectus and SAI</u></b> |
|--|--|
| <b><u>LEGG MASON GLOBAL ASSET MANAGEMENT TRUST</u></b>               |  |
| BrandywineGLOBAL – Alternative Credit Fund .....                     | March 1, 2024  |
| BrandywineGLOBAL – Diversified US Large Cap Value Fund .....         | January 31, 2024   |
| BrandywineGLOBAL – Flexible Bond Fund .....                          | May 1, 2024  |
| BrandywineGLOBAL – Global Opportunities Bond Fund .....              | May 1, 2024  |
| BrandywineGLOBAL – Global Unconstrained Bond Fund .....              | March 1, 2024  |
| BrandywineGLOBAL – Small Cap Value Fund .....                        | May 1, 2024  |
| ClearBridge Global Infrastructure Income Fund .....                  | January 31, 2024   |
| ClearBridge International Growth Fund .....                          | March 1, 2024  |
| ClearBridge Small Cap Fund .....                                     | March 1, 2024  |
| ClearBridge Value Fund .....   | March 1, 2024  |
| Franklin International Equity Fund .....                             | January 31, 2024   |
| Franklin U.S. Small Cap Equity Fund .....                            | May 1, 2024  |
| Martin Currie Emerging Markets Fund .....                            | January 31, 2024   |
| <b><u>LEGG MASON PARTNERS INCOME TRUST</u></b>                       |  |
| Western Asset California Municipals Fund .....                       | July 1, 2024   |
| Western Asset Corporate Bond Fund .....                              | May 1, 2024  |
| Western Asset Income Fund .....                                      | December 1, 2023   |
| Western Asset Intermediate Maturity California Municipals Fund ..... | April 1, 2024  |
| Western Asset Intermediate Maturity New York Municipals Fund .....   | April 1, 2024  |
| Western Asset Intermediate-Term Municipals Fund .....                | August 1, 2024   |
| Western Asset Managed Municipals Fund .....                          | July 1, 2024   |
| Western Asset Massachusetts Municipals Fund .....                    | April 1, 2024  |
| Western Asset Mortgage Total Return Fund .....                       | May 1, 2024  |
| Western Asset Municipal High Income Fund .....                       | December 1, 2023   |
| Western Asset New Jersey Municipals Fund .....                       | August 1, 2024   |
| Western Asset New York Municipals Fund .....                         | August 1, 2024   |
| Western Asset Oregon Municipals Fund .....                           | August 30, 2023  |
| Western Asset Pennsylvania Municipals Fund .....                     | August 1, 2024   |
| Western Asset Short Duration High Income Fund .....                  | December 1, 2023   |
| Western Asset Short Duration Municipal Income Fund .....             | July 1, 2024   |
| Western Asset Short-Term Bond Fund .....                             | May 1, 2024  |

| <b><u>Fund</u></b>                                   | <b><u>Date of Summary Prospectus, Prospectus and SAI</u></b> |
|--|--|
| <b><u>LEGG MASON PARTNERS INVESTMENT TRUST</u></b>   |  |
| BrandywineGLOBAL – Corporate Credit Fund .....       | May 1, 2024  |
| BrandywineGLOBAL – High Yield Fund .....             | May 1, 2024  |
| ClearBridge All Cap Value Fund .....                 | January 31, 2024   |
| ClearBridge Appreciation Fund .....                  | March 1, 2024  |
| ClearBridge Dividend Strategy Fund .....             | May 1, 2024  |
| ClearBridge Growth Fund .....                        | December 29, 2023  |
| ClearBridge International Value Fund .....           | March 1, 2024  |
| ClearBridge Large Cap Growth Fund .....              | April 1, 2024  |
| ClearBridge Large Cap Value Fund .....               | March 1, 2024  |
| ClearBridge Mid Cap Fund .....                       | March 1, 2024  |
| ClearBridge Mid Cap Growth Fund .....                | March 1, 2024  |
| ClearBridge Select Fund .....                        | March 1, 2024  |
| ClearBridge Small Cap Growth Fund .....              | March 1, 2024  |
| ClearBridge Small Cap Value Fund .....               | January 31, 2024   |
| ClearBridge Sustainability Leaders Fund .....        | March 1, 2024  |
| ClearBridge Tactical Dividend Income Fund .....      | March 1, 2024  |
| Franklin Global Equity Fund .....                    | March 1, 2024  |
| Franklin Multi-Asset Conservative Growth Fund .....  | June 1, 2024   |
| Franklin Multi-Asset Defensive Growth Fund .....     | June 1, 2024   |
| Franklin Multi-Asset Growth Fund .....               | June 1, 2024   |
| Franklin Multi-Asset Moderate Growth Fund .....      | June 1, 2024   |
| Franklin U.S. Large Cap Equity Fund .....            | April 1, 2024  |
| <b><u>WESTERN ASSET FUNDS, INC.</u></b>              |  |
| Western Asset Core Bond Fund .....                   | May 1, 2024  |
| Western Asset Core Plus Bond Fund .....              | May 1, 2024  |
| Western Asset High Yield Fund .....                  | September 29, 2023   |
| Western Asset Inflation Indexed Plus Bond Fund ..... | May 1, 2024  |
| Western Asset Intermediate Bond Fund .....           | September 29, 2023   |
| Western Asset Macro Opportunities Fund .....         | March 1, 2024  |
| Western Asset Total Return Unconstrained Fund .....  | September 29, 2023   |

## **SCHEDULE B**

| <b><u>Fund</u></b>                                 | <b><u>Date of Prospectus and SAI</u></b> |
|--|--|
| <b><u>LEGG MASON PARTNERS INCOME TRUST</u></b>     |  |
| Western Asset Ultra-Short Income Fund .....        | September 29, 2023                       |
| <b><u>LEGG MASON PARTNERS INVESTMENT TRUST</u></b> |  |
| Franklin S&P 500 Index Fund .....                  | January 31, 2024                         |

**Please retain this supplement for future reference.**

**LEGG MASON GLOBAL ASSET MANAGEMENT TRUST  
LEGG MASON PARTNERS INCOME TRUST  
LEGG MASON PARTNERS INVESTMENT TRUST  
WESTERN ASSET FUNDS, INC.  
SUPPLEMENT DATED AUGUST 1, 2024 TO THE  
PROSPECTUS OF EACH FUND LISTED IN SCHEDULE A**

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**For each of the funds listed in Schedule A, the following disclosure replaces and supersedes the corresponding disclosure in each fund's Prospectus in the appendix titled "Appendix: Waivers and Discounts Available from Certain Service Agents":**

**PFS INVESTMENTS INC. ("PFSI")**

**Policies Regarding Transactions Through PFSI**

Effective August 1, 2024, the following information supersedes all prior information with respect to transactions and positions held in fund shares purchased through PFSI and held on the mutual fund platform of its affiliate, Primerica Shareholder Services ("PSS"). Clients of PFSI (also referred to as "shareholders") purchasing fund shares on the PSS platform are eligible only for the following share classes, sales charge discounts (also referred to as "breakpoints") and waivers, which can differ from share classes, discounts and waivers described elsewhere in this prospectus or the related statement of additional information ("SAI") or through another broker-dealer.

**Share Classes**

- Class A shares: in non-retirement accounts, individual retirement accounts (IRA), SEP IRAs, SIMPLE IRAs, Keogh Plans, and all other account types unless expressly provided for below.
- Class A1 and Class C shares: only in accounts that already hold such shares.

**Breakpoints**

- Breakpoint pricing at dollar thresholds as described in the prospectus of the fund you are purchasing.

**Rights of Accumulation ("ROA")**

- The applicable sales charge on a purchase of Class A or Class A1 shares is determined by taking into account all share classes (except any assets held in group retirement plans) of Franklin Templeton funds held by the shareholder on the PSS platform.
- It is the shareholder's responsibility to inform PFSI of all eligible fund family assets at the time of calculation. Shares of money market funds are included only if such shares were acquired in exchange for shares of another Franklin Templeton fund purchased with a sales charge. No shares of Franklin Templeton funds held by the shareholder away from the PSS platform will be granted ROA with shares of any Franklin Templeton fund purchased on the PSS platform.
- Any SEP IRA plan, any SIMPLE IRA plan or any Payroll Deduction plan ("PDP") on the PSS platform will be defaulted to plan-level grouping for purposes of ROA, which allows each participating employee ROA with all other eligible shares held in plan accounts on the PSS platform. At any time, a participating employee may elect to exercise a one-time option to change grouping for purposes of ROA to shareholder-level grouping, which allows the plan account of the electing employee ROA with her other eligible holdings on the PSS platform, but not with all other eligible participant holdings in the plan. Eligible shares held in plan accounts electing shareholder-level grouping will not be available for purposes of ROA to plan accounts electing plan-level grouping.



- ROA is determined by calculating the higher of cost minus redemptions or current market value (current shares x NAV).

### **Letter of Intent (“LOI”)**

- By executing a LOI, shareholders can receive the sales charge and breakpoint discounts for purchases shareholders intend to make over a 13-month period through PFSI, from the date PSS receives the LOI. The purchase price of the LOI is determined by calculating the higher of cost or market value of qualifying holdings at LOI initiation in combination with the dollar amount the shareholder intends to invest over a 13-month period to arrive at total investment for purposes of determining any breakpoint discount and the applicable front-end sales charge. Each purchase the shareholder makes during that 13-month period will receive the sales charge and breakpoint discount that applies to the projected total investment.
- Only holdings of Franklin Templeton funds on the PSS platform are eligible for inclusion in the LOI calculation and the shareholder must notify PFSI of all eligible assets at the time of calculation. It is the shareholder’s responsibility to inform PFSI at the time of a purchase of all holdings of Franklin Templeton funds on the PSS platform, or other facts qualifying the purchaser for this discount.
- Purchases made before the LOI is received by PSS are not adjusted under the LOI, and the LOI will not reduce any sales charge previously paid. Sales charges will be automatically adjusted if the total purchases required by the LOI are not met.
- If an employer maintaining a SEP IRA plan, SIMPLE IRA plan or non-IRA PDP on the PSS platform has elected to establish or change ROA for the accounts associated with the plan to a plan-level grouping, LOIs will also be at the plan-level and may only be established by the employer. LOIs are not available to PDP IRA plans on the PSS platform with plan-level grouping for purposes of ROA, but are available to any participating employee that elects shareholder-level grouping for purposes of ROA.

### **Sales Charge Waivers**

Sales charges are waived for the following shareholders and in the following situations:

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment.
- Shares purchased with the proceeds of redeemed shares of the same fund family so long as the following conditions are met: 1) the proceeds are from the sale of shares within 90 days of the purchase, 2) the sale and purchase are made in the same share class and the same account or the purchase is made in an individual retirement account with proceeds from liquidations in a non-retirement account, and 3) the redeemed shares were subject to a front-end or deferred sales load. Automated transactions (i.e. systematic purchases and withdrawals), full or partial transfers or rollovers of retirement accounts, and purchases made after shares are automatically sold to pay account maintenance fees are not eligible for this sales charge waiver.
- Shares exchanged into Class A or Class A1 shares from another share class so long as the exchange is into the same fund and was initiated at the discretion of PFSI. PFSI is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the prospectus.

### **Policies Regarding Fund Purchases Through PFSI That Are Not Held on the PSS Platform**

- Class R shares are available through PFSI only in 401(k) plans covering a business owner with no employees, commonly referred to as a one-participant 401(k) plan or solo 401(k).

PFSI may request reasonable documentation of facts qualifying the purchaser for the discounts and waivers identified above, and condition the granting of any discount or waiver on the timely receipt of such documents. Shareholders should contact PSS if they have questions regarding their eligibility for these discounts and waivers.

## **SCHEDULE A**

### **Fund**

### **Date of Prospectus**

#### **LEGG MASON GLOBAL ASSET MANAGEMENT TRUST**

|  |                  |
|--|------------------|
| BrandywineGLOBAL – Alternative Credit Fund .....             | March 1, 2024    |
| BrandywineGLOBAL – Diversified US Large Cap Value Fund ..... | January 31, 2024 |
| BrandywineGLOBAL – Flexible Bond Fund .....                  | May 1, 2024      |
| BrandywineGLOBAL – Global Opportunities Bond Fund .....      | May 1, 2024      |
| BrandywineGLOBAL – Global Unconstrained Bond Fund .....      | March 1, 2024    |
| BrandywineGLOBAL – Small Cap Value Fund .....                | May 1, 2024      |
| ClearBridge Global Infrastructure Income Fund .....          | January 31, 2024 |
| ClearBridge International Growth Fund .....                  | March 1, 2024    |
| ClearBridge Small Cap Fund .....                             | March 1, 2024    |
| ClearBridge Value Fund .....                                 | March 1, 2024    |
| Franklin International Equity Fund .....                     | January 31, 2024 |
| Franklin U.S. Small Cap Equity Fund .....                    | May 1, 2024      |
| Martin Currie Emerging Markets Fund .....                    | January 31, 2024 |

#### **LEGG MASON PARTNERS INCOME TRUST**

|  |                    |
|--|--------------------|
| Western Asset California Municipals Fund .....                       | July 1, 2024       |
| Western Asset Corporate Bond Fund .....                              | May 1, 2024        |
| Western Asset Income Fund .....                                      | December 1, 2023   |
| Western Asset Intermediate Maturity California Municipals Fund ..... | April 1, 2024      |
| Western Asset Intermediate Maturity New York Municipals Fund .....   | April 1, 2024      |
| Western Asset Managed Municipals Fund .....                          | July 1, 2024       |
| Western Asset Massachusetts Municipals Fund .....                    | April 1, 2024      |
| Western Asset Mortgage Total Return Fund .....                       | May 1, 2024        |
| Western Asset Municipal High Income Fund .....                       | December 1, 2023   |
| Western Asset Oregon Municipals Fund .....                           | August 30, 2023    |
| Western Asset Short Duration High Income Fund .....                  | December 1, 2023   |
| Western Asset Short Duration Municipal Income Fund .....             | July 1, 2024       |
| Western Asset Short-Term Bond Fund .....                             | May 1, 2024        |
| Western Asset Ultra-Short Income Fund .....                          | September 29, 2023 |

#### **LEGG MASON PARTNERS INVESTMENT TRUST**

|   |                   |
|---|-------------------|
| BrandywineGLOBAL – Corporate Credit Fund .....      | May 1, 2024       |
| BrandywineGLOBAL – High Yield Fund .....            | May 1, 2024       |
| ClearBridge All Cap Value Fund .....                | January 31, 2024  |
| ClearBridge Appreciation Fund .....                 | March 1, 2024     |
| ClearBridge Dividend Strategy Fund .....            | May 1, 2024       |
| ClearBridge Growth Fund .....                       | December 29, 2023 |
| ClearBridge International Value Fund .....          | March 1, 2024     |
| ClearBridge Large Cap Growth Fund .....             | April 1, 2024     |
| ClearBridge Large Cap Value Fund .....              | March 1, 2024     |
| ClearBridge Mid Cap Fund .....                      | March 1, 2024     |
| ClearBridge Mid Cap Growth Fund .....               | March 1, 2024     |
| ClearBridge Select Fund .....                       | March 1, 2024     |
| ClearBridge Small Cap Growth Fund .....             | March 1, 2024     |
| ClearBridge Small Cap Value Fund .....              | January 31, 2024  |
| ClearBridge Sustainability Leaders Fund .....       | March 1, 2024     |
| ClearBridge Tactical Dividend Income Fund .....     | March 1, 2024     |
| Franklin Global Equity Fund .....                   | March 1, 2024     |
| Franklin Multi-Asset Conservative Growth Fund ..... | June 1, 2024      |
| Franklin Multi-Asset Defensive Growth Fund .....    | June 1, 2024      |
| Franklin Multi-Asset Growth Fund .....              | June 1, 2024      |
| Franklin Multi-Asset Moderate Growth Fund .....     | June 1, 2024      |
| Franklin U.S. Large Cap Equity Fund .....           | April 1, 2024     |

**Fund****Date of  
Prospectus**

---

**WESTERN ASSET FUNDS, INC.**

|  |                    |
|--|--------------------|
| Western Asset Core Bond Fund .....                   | May 1, 2024        |
| Western Asset Core Plus Bond Fund .....              | May 1, 2024        |
| Western Asset High Yield Fund .....                  | September 29, 2023 |
| Western Asset Inflation Indexed Plus Bond Fund ..... | May 1, 2024        |
| Western Asset Intermediate Bond Fund .....           | September 29, 2023 |
| Western Asset Macro Opportunities Fund .....         | March 1, 2024      |
| Western Asset Total Return Unconstrained Fund .....  | September 29, 2023 |

**Please retain this supplement for future reference.**

## Investment objective

The fund seeks to provide California investors with as high a level of current income exempt from regular federal income taxes and California state personal income taxes as is consistent with the preservation of capital.

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## Fees and expenses of the fund

The accompanying table describes the fees and expenses that you may pay if you buy, hold and sell shares of the fund. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and examples below.

You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$100,000 in funds distributed through Franklin Distributors, LLC ("Franklin Distributors" or the "Distributor"), the fund's distributor. More information about these and other discounts is available from your Service Agent, in the fund's Prospectus on page 27 under the heading "Additional information about each share class," in the appendix titled "Appendix: Waivers and Discounts Available from Certain Service Agents" on page A-1 of the fund's Prospectus and in the fund's Statement of Additional Information ("SAI") on page 86 under the heading "Sales Charge Waivers and Reductions for Class A Shares." "Service Agents" include banks, brokers, dealers, insurance companies, investment advisers, financial consultants or advisers, mutual fund supermarkets and other financial intermediaries that have entered into an agreement with the Distributor to sell shares of the fund.

If you purchase Class I shares or Class IS shares through a Service Agent acting solely as an agent on behalf of its customers, that Service Agent may charge you a commission. Such commissions, if any, are not charged by the fund and are not reflected in the fee table or expense example below.

### Shareholder fees

(fees paid directly from your investment)

|  | Class A             | Class C | Class FI | Class I | Class IS |
|--|---------------------|---------|----------|---------|----------|
| Maximum sales charge (load) imposed on purchases (as a % of offering price)  | 3.75 <sup>1,2</sup> | None    | None     | None    | None     |
| Maximum deferred sales charge (load) (as a % of the lower of net asset value at purchase or redemption) <sup>3</sup> | None <sup>4</sup>   | 1.00    | None     | None    | None     |
| Small account fee <sup>5</sup>   | \$15                | \$15    | None     | None    | None     |

### Annual fund operating expenses (%)

(expenses that you pay each year as a percentage of the value of your investment)

|   | Class A | Class C | Class FI          | Class I | Class IS |
|---|---------|---------|-------------------|---------|----------|
| Management fees   | 0.45    | 0.45    | 0.45              | 0.45    | 0.45     |
| Distribution and/or service (12b-1) fees  | 0.15    | 0.70    | 0.25              | None    | None     |
| Other expenses  | 0.15    | 0.13    | 0.28 <sup>6</sup> | 0.16    | 0.09     |
| Total annual fund operating expenses  | 0.75    | 1.28    | 0.98              | 0.61    | 0.54     |
| Fees waived and/or expenses reimbursed <sup>7</sup>                                 | N/A     | N/A     | (0.13)            | (0.06)  | (0.02)   |
| Total annual fund operating expenses after waiving fees and/or reimbursing expenses | 0.75    | 1.28    | 0.85              | 0.55    | 0.52     |

<sup>1</sup> The sales charge is waived for shareholders purchasing Class A shares through accounts where Franklin Distributors is the broker-dealer of record ("Distributor Accounts").

<sup>2</sup> Shareholders purchasing Class A shares through certain Service Agents or in certain types of accounts may be eligible for a waiver of the sales charge. For additional information, see "Additional information about each share class — Sales charges" in the Prospectus.

<sup>3</sup> Maximum deferred sales charge (load) may be reduced over time.

<sup>4</sup> You may buy Class A shares in amounts of \$250,000 or more at net asset value (without an initial sales charge), but if you redeem those shares within 18 months of their purchase, you will pay a contingent deferred sales charge of 1.00%.

<sup>5</sup> If the value of your account is below \$1,000, the fund may charge you a fee of \$3.75 per account that is determined and assessed quarterly by the fund or your Service Agent (with an annual maximum of \$15.00 per account). Please contact your Service Agent or the fund for more information.

<sup>6</sup> Other expenses for Class FI shares are estimated for the current fiscal year. Actual expenses may differ from estimates.

<sup>7</sup> The manager has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses) so that the ratio of total annual fund operating expenses will not exceed 0.85% for Class FI shares, 0.55% for Class I shares and 0.52% for Class IS shares, subject to recapture as described below. In addition, the ratio of total annual fund operating expenses for Class IS shares will not exceed the ratio of total annual fund operating expenses for Class I shares, subject to recapture as described below. These arrangements cannot be terminated prior to December 31, 2025 without the Board of Trustees' consent. The manager is permitted to recapture amounts waived and/or reimbursed to a class within two years after the fiscal year in which the manager earned the fee or incurred the expense if the class' total annual fund operating expenses have fallen to a level below the limits described above. In no case will the manager recapture any amount that would result, on any particular business day of the fund, in the class' total annual fund operating expenses exceeding the applicable limits described above or any other lower limit then in effect. In addition, the manager has agreed to waive the fund's management fee to an extent sufficient to offset the net management fee payable in connection with any investment in an affiliated money market fund. This management fee waiver is not subject to the recapture provision discussed above.

## Example

This example is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The example assumes:

- You invest \$10,000 in the fund for the time periods indicated
- Your investment has a 5% return each year and the fund's operating expenses remain the same (except that any applicable fee waiver or expense reimbursement is reflected only through its expiration date)
- You reinvest all distributions and dividends without a sales charge

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| Number of years you own your shares (\$)               | 1 year | 3 years | 5 years | 10 years |
|--|--------|---------|---------|----------|
| Class A (with or without redemption at end of period)  | 449    | 606     | 777     | 1,272    |
| Class C (with redemption at end of period)             | 230    | 405     | 701     | 1,398    |
| Class C (without redemption at end of period)          | 130    | 405     | 701     | 1,398    |
| Class FI (with or without redemption at end of period) | 87     | 299     | 529     | 1,190    |
| Class I (with or without redemption at end of period)  | 56     | 189     | 334     | 756      |
| Class IS (with or without redemption at end of period) | 53     | 171     | 300     | 676      |

**Portfolio turnover.** The fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the fund's performance. During the most recent fiscal year, the fund's portfolio turnover rate was 4% of the average value of its portfolio.

## Principal investment strategies

Under normal circumstances, the fund invests at least 80% of its assets in California municipal securities and other investments with similar economic characteristics, the interest on which is exempt from regular federal income tax and California state personal income tax but which may be subject to the federal alternative minimum tax. The fund's 80% policy may not be changed without a shareholder vote.

California municipal securities include debt obligations issued by the State of California and its political subdivisions, agencies and public authorities, certain other governmental issuers (such as Puerto Rico, the U.S. Virgin Islands and Guam) and other qualifying issuers. These securities include participation or other interests in municipal securities issued or backed by banks, insurance companies and other financial institutions.

The fund normally invests in intermediate-term and long-term municipal securities that have remaining maturities from one to more than thirty years at the time of purchase. The fund focuses on investment grade bonds (that is, securities rated in the Baa/BBB categories or above or, if unrated or deemed to be unrated by the subadviser, determined to be of comparable credit quality by the subadviser), but may invest up to 20% of its assets in below investment grade bonds (commonly known as "high yield" or "junk" bonds).

Some municipal securities, such as general obligation issues, are backed by the issuer's taxing authority, while other municipal securities, such as revenue issues, are backed only by revenues from certain facilities or other sources and not by the issuer itself.

The fund may also invest in securities of other open-end or closed-end investment companies, including exchange-traded funds ("ETFs"), that invest primarily in municipal securities.

Instead of, and/or in addition to, investing directly in particular securities, the fund may use instruments such as derivatives, including options, futures contracts and inverse floating rate instruments issued in tender option bond transactions, and other synthetic instruments that are intended to provide economic exposure to the securities or the issuer or to be used as a hedging technique. The fund may use one or more types of these instruments without limit, subject to applicable regulatory requirements. These instruments are taken into account when determining compliance

with the fund's 80% policy. For additional information regarding derivatives, see "More on the fund's investment strategies, investments and risks—Derivatives" in the Prospectus.

The fund may also engage in a variety of transactions using derivatives in order to change the investment characteristics of its portfolio (such as shortening or lengthening duration) and for other purposes. The fund may leverage its assets by investing proceeds received through tender option bond transactions, which is considered a form of borrowing. See "More on the fund's investment strategies, investments and risks—Tender option bonds" in the Prospectus.

The fund is classified as "non-diversified," which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund.

## Principal risks

Risk is inherent in all investing. The value of your investment in the fund, as well as the amount of return you receive on your investment, may fluctuate significantly. You may lose part or all of your investment in the fund or your investment may not perform as well as other similar investments. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or government agency. The following is a summary description of certain risks of investing in the fund. The relative significance of the risks of investing in the fund may change over time.

**Market and interest rate risk.** The market prices of securities held by the fund may go up or down, sometimes rapidly or unpredictably. If the market prices of the fund's securities fall, the value of your investment in the fund will decline. The market price of a security may fall due to general market conditions, such as real or perceived adverse economic or political conditions or trends, tariffs and trade disruptions, inflation, substantial economic downturn or recession, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. Changes in market conditions will not typically have the same impact on all types of securities.

The value of your investment will generally go down when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the fund. Recently, there have been inflationary price movements. As a result, fixed income securities markets may experience heightened levels of interest rate volatility and liquidity risk. The U.S. Federal Reserve has raised interest rates from historically low levels. It may continue to raise interest rates. In addition, changes in monetary policy may exacerbate the risks associated with changing interest rates. Any additional interest rate increases in the future could cause the value of the fund's holdings to decrease. It cannot be predicted when inflation will return to more normalized levels or how long financial authorities will counter inflationary pressures with monetary tightening.

The maturity of a security may be significantly longer than its duration. A security's maturity and other features may be more relevant than its duration in determining the security's sensitivity to other factors affecting the issuer or markets generally such as changes in credit quality or in the yield premium that the market may establish for certain types of securities.

**Market events risk.** The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to factors such as economic events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes, labor strikes or other factors, political developments, armed conflicts, economic sanctions and countermeasures in response to sanctions, major cybersecurity events, the global and domestic effects of widespread or local health, weather or climate events, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, wars, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries or markets directly affected, the value and liquidity of the fund's investments may be negatively affected. Following Russia's invasion of Ukraine in 2022, Russian stocks lost all, or nearly all, of their market value. Other securities or markets could be similarly affected by past or future geopolitical or other events or conditions. Furthermore, events involving limited liquidity, defaults, non-performance or other adverse developments that affect one industry, such as the financial services industry, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, may spread to other industries, and could negatively affect the value and liquidity of the fund's investments.

Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. government is authorized to borrow could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets in the U.S. and elsewhere. Recently, inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of the fund's investments, impair the fund's ability to satisfy redemption requests, and negatively impact the fund's performance.

**Inflation risk.** Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as prices go up and the purchasing power of money goes down. The market prices of debt securities generally fall as inflation increases because the purchasing power of the principal and income is expected to be less when paid. Inflation often is accompanied or followed by a recession, or period of decline in economic activity, which may include job loss and other hardships and may cause the value of securities to go down generally.

**Credit risk.** If an issuer or guarantor of a security held by the fund or a counterparty to a financial contract with the fund defaults or its credit is downgraded, or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of your investment will



typically decline. Changes in actual or perceived creditworthiness may occur quickly. The fund could be delayed or hindered in its enforcement of rights against an issuer, guarantor or counterparty. Subordinated securities (meaning securities that rank below other securities with respect to claims on the issuer's assets) are more likely to suffer a credit loss than non-subordinated securities of the same issuer and will be disproportionately affected by a default, downgrade or perceived decline in creditworthiness.

**Risks associated with focusing on investments in California municipal securities.** The fund focuses its investments in California municipal securities. The fund may be affected significantly by adverse economic, political or other events affecting California municipal issuers. Certain issuers of California municipal securities have experienced serious financial difficulties in the past and reoccurrence of these difficulties may impair the ability of certain California issuers to pay principal or interest on their obligations. Provisions of the California Constitution and State statutes that limit the taxing and spending authority of California governmental entities may impair the ability of California issuers to pay principal and/or interest on their obligations. Future California political and economic developments, constitutional amendments, legislative measures, executive orders, administrative regulations, litigation and voter initiatives could have an adverse effect on the debt obligations of California issuers. Also, the fund may be more volatile than a more geographically diverse fund.

**High yield ("junk") bonds risk.** High yield bonds are generally subject to greater credit risks than higher-grade bonds, including the risk of default on the payment of interest or principal. High yield bonds are considered speculative, typically have lower liquidity and are more difficult to value than higher grade bonds. High yield bonds tend to be volatile and more susceptible to adverse events, credit downgrades and negative sentiments and may be difficult to sell at a desired price, or at all, during periods of uncertainty or market turmoil.

**Derivatives risk.** Using derivatives can increase fund losses and reduce opportunities for gains, such as when market prices, interest rates, or the derivatives themselves, behave in a way not anticipated by the fund's subadvisor. Using derivatives also can have a leveraging effect and increase fund volatility. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Derivatives may not be available at the time or price desired, may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the fund. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative. The value of a derivative may fluctuate more than the underlying assets, rates, indices or other indicators to which it relates. Use of derivatives may have different tax consequences for the fund than an investment in the underlying asset, and those differences may affect the amount, timing and character of income distributed to shareholders, including the proportion of income consisting of exempt-interest dividends. The U.S. government and foreign governments have adopted and implemented regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance or disrupt markets.

**Leverage risk.** The value of your investment may be more volatile if the fund borrows or uses instruments, such as derivatives, that have a leveraging effect on the fund's portfolio. Other risks described in the Prospectus also will be compounded because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than the fund would otherwise have had. The fund may also have to sell assets at inopportune times to satisfy its obligations created by the use of leverage or derivatives. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount, and possibly all, of the fund's assets. In addition, the fund's portfolio will be leveraged if it exercises its right to delay payment on a redemption, and losses will result if the value of the fund's assets declines between the time a redemption request is deemed to be received by the fund and the time the fund liquidates assets to meet redemption requests.

**Tender option bond risk.** Tender option bond ("TOB") transactions expose the fund to leverage and credit risk, and generally involve greater risk than direct investments in fixed rate municipal bonds, including the risk of loss of principal. The interest payments that the fund would typically receive in connection with a TOB transaction ("inverse floaters") vary inversely with short-term interest rates and will be reduced (and potentially eliminated) when short-term interest rates increase. In addition, the fund will be subject to leverage risk to the extent that the fund uses the proceeds that it receives from a TOB transaction to invest in other securities. The fund's investment in a TOB will generally underperform the market for fixed rate municipal securities when interest rates rise. The value and market for such inverse floaters can be volatile and can have limited liquidity. Investments in inverse floaters issued in TOB transactions are derivative instruments and, therefore, are also subject to the risks generally applicable to investments in derivatives.

**Illiquidity risk.** Some assets held by the fund may be or become impossible or difficult to sell and some assets that the fund wants to invest in may be impossible or difficult to purchase, particularly during times of market turmoil or due to adverse changes in the conditions of a particular issuer. These illiquid assets may also be volatile and difficult to value. Markets may become illiquid quickly. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers have been less willing to make markets in recent years. Federal banking regulations may also cause certain dealers to reduce their inventories of certain securities, which may further decrease the fund's ability to buy or sell such securities. During times of market turmoil, there have been, and may be, no buyers or sellers for securities in entire asset classes. If the fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, or to try to limit losses, the fund may be forced to sell at a substantial loss or may not be able to sell at all. The fund may not receive its proceeds from the sale of certain securities for an extended period (for example, several weeks or even longer).

**Tax risk.** The income on the fund's municipal securities could become subject to federal income and/or California state personal income taxes due to noncompliant conduct by issuers, unfavorable legislation or litigation or adverse interpretations by regulatory authorities. All or a portion of the

fund's dividends that are exempt from regular federal income tax may nevertheless be taken into account for purposes of the federal alternative minimum tax.

**Prepayment or call risk.** Many issuers have a right to prepay their fixed income securities. Issuers may be more likely to prepay their securities if interest rates fall. If this happens, the fund may not benefit from the rise in the market price of the securities that normally accompanies a decline in interest rates, and will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on prepaid securities. The fund may also lose any premium it paid to purchase the securities.

**Extension risk.** When interest rates rise, repayments of fixed income securities, particularly asset- and mortgage-backed securities, may occur more slowly than anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline more than they would have declined due to the rise in interest rates alone. This may cause the fund's share price to be more volatile.

**Non-diversification risk.** The fund is classified as "non-diversified," which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund. To the extent the fund invests its assets in a smaller number of issuers, the fund will be more susceptible to negative events affecting those issuers than a diversified fund.

**Risks relating to investments in municipal securities.** Municipal issuers may be adversely affected by rising health care costs, increasing unfunded pension liabilities, and by the phasing out of federal programs providing financial support. Unfavorable conditions and developments relating to projects financed with municipal securities can result in lower revenues to issuers of municipal securities, potentially resulting in defaults. The value of municipal securities can also be adversely affected by changes in the financial condition of one or more individual municipal issuers or insurers of municipal issuers, regulatory and political developments, tax law changes or other legislative actions, and by uncertainties and public perceptions concerning these and other factors. In the past, a number of municipal issuers defaulted on obligations, were downgraded or commenced insolvency proceedings. Financial difficulties of municipal issuers may experience a resurgence, particularly in the event of economic or market turmoil or a recession.

**Investing in ETFs risk.** Unlike shares of typical mutual funds or unit investment trusts, shares of ETFs are traded on an exchange and may trade throughout a trading day. ETFs are bought and sold based on market values and not at net asset value, and therefore may trade at either a premium or discount to net asset value and may experience volatility in certain market conditions. The fund will pay brokerage commissions in connection with the purchase and sales of shares of ETFs. In addition, the fund will indirectly bear its pro rata share of fees and expenses incurred by an ETF in which it invests, including advisory fees. These expenses are in addition to management fees and other expenses that the fund bears directly in connection with its own operations. Certain ETFs are also subject to portfolio management risk. Investments in ETFs are subject to the risk that the listing exchange may halt trading of an ETF's shares, in which case the fund would be unable to sell its ETF shares unless and until trading is resumed.

**Valuation risk.** The sales price the fund could receive for any particular portfolio investment may differ from the fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect fund investments more broadly during periods of market volatility. Investors who purchase or redeem fund shares on days when the fund is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the fund had not fair-valued securities or had used a different valuation methodology. The fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the fund's investments involves subjective judgment, which may prove to be incorrect.

**Portfolio management risk.** The value of your investment may decrease if the subadviser's judgment about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, or about interest rates or other market factors, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadviser. In addition, the fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadviser and could have an adverse effect on the value or performance of the fund.

**Redemption risk.** The fund may experience heavy redemptions that could cause the fund to liquidate its assets at inopportune times or unfavorable prices or increase or accelerate taxable gains or transaction costs and may negatively affect the fund's net asset value, performance, or ability to satisfy redemptions in a timely manner, which could cause the value of your investment to decline.

**Cybersecurity risk.** Like other funds and business enterprises, the fund, the manager, the subadviser and their service providers are subject to the risk of cyber incidents occurring from time to time. Cybersecurity incidents, whether intentionally caused by third parties or otherwise, may allow an unauthorized party to gain access to fund assets, fund or customer data (including private shareholder information) or proprietary information, cause the fund, the manager, the subadviser and/or their service providers (including, but not limited to, fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality, or prevent fund investors from purchasing, redeeming or exchanging shares, receiving distributions or receiving timely information regarding the fund or their investment in the fund. The fund, the manager, and the subadviser have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the fund, the manager, and/or the subadviser. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent or mitigate any future cybersecurity incidents. Issuers of securities in which the fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.



New ways to carry out cyber attacks continue to develop. There is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the fund's ability to plan for or respond to a cyber attack.

These and other risks are discussed in more detail in the Prospectus or in the Statement of Additional Information.

## Performance

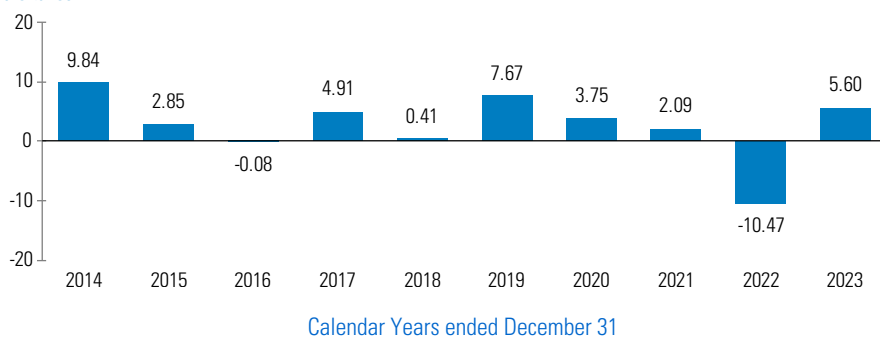
The accompanying bar chart and table provide some indication of the risks of investing in the fund. The bar chart shows changes in the fund's performance from year to year for Class A shares. The table shows the average annual total returns of each class of the fund that has been in operation for at least one full calendar year and also compares the fund's performance with the average annual total returns of an index or other benchmark and an average. Performance for classes other than those shown may vary from the performance shown to the extent the expenses for those classes differ. The fund makes updated performance information, including its current net asset value, available at [www.franklintempleton.com/mutualfunds](http://www.franklintempleton.com/mutualfunds) (select fund and share class), or by calling the fund at 877-6LM-FUND/656-3863.

*The fund's past performance (before and after taxes) is not necessarily an indication of how the fund will perform in the future.*

Sales charges are not reflected in the accompanying bar chart, and if those charges were included, returns would be less than those shown.

### Total returns (%)

Before taxes



**Best Quarter** (12/31/2023): 6.58 **Worst Quarter** (03/31/2022): (6.32)

The year-to-date return as of the most recent calendar quarter, which ended March 31, 2024, was 0.31

### Average annual total returns (%)

(for periods ended December 31, 2023)

| Class A   | 1 year | 5 years | 10 years | Since inception | Inception date |
|---|--------|---------|----------|-----------------|----------------|
| Return before taxes   | 1.61   | 0.64    | 2.07     |                 |                |
| Return after taxes on distributions   | 1.61   | 0.47    | 1.98     |                 |                |
| Return after taxes on distributions and sale of fund shares   | 2.10   | 1.12    | 2.36     |                 |                |
| <b>Other Classes (Return before taxes only)</b>   |        |         |          |                 |                |
| Class C   | 4.05   | 0.96    | 1.95     |                 |                |
| Class I   | 5.80   | 1.69    | 2.68     |                 |                |
| Class IS  | 5.91   | N/A     | N/A      | 0.39            | 08/09/2019     |
| Bloomberg California Municipal Bond Index (reflects no deduction for fees, expenses or taxes) <sup>1</sup>                                    | 6.22   | 2.26    | 3.10     |                 |                |
| Lipper California Municipal Debt Funds Category Average (reflects fees and expenses but no deduction for sales charges or taxes) <sup>2</sup> | 6.33   | 1.77    | 3.08     |                 |                |

<sup>1</sup> For Class IS shares, for the period from the class' inception date to December 31, 2023, the average annual total return of the Bloomberg California Municipal Bond Index was 0.94%.

<sup>2</sup> For Class IS shares, for the period from the class' inception date to December 31, 2023, the average annual total return of the Lipper California Municipal Debt Funds Category Average was 0.38%.

The after-tax returns are shown only for Class A shares, are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns for classes other than Class A will vary from returns shown for Class A. Returns after taxes on distributions and sale of fund shares are higher than returns before taxes for certain periods shown because they reflect the tax benefit of capital losses realized on the redemption of fund shares.

## Management

**Investment manager:** Franklin Templeton Fund Adviser, LLC ("FTFA") (formerly known as Legg Mason Partners Fund Advisor, LLC)

**Subadviser:** Western Asset Management Company, LLC ("Western Asset")

**Investment professionals:** Primary responsibility for the day-to-day management of the fund lies with the following investment professionals. These investment professionals, all of whom are employed by Western Asset, work together with a broader investment management team.

| Investment professional | Title  | Investment professional of the fund since |
|-------------------------|--|---|
| Michael C. Buchanan     | Co-Chief Investment Officer                                  | March 2024                                |
| Robert E. Amodeo        | Head of Municipals   | 2007                                      |
| Ryan K. Brist           | Head of Global Investment Grade Credit and Portfolio Manager | March 2024                                |
| David T. Fare           | Portfolio Manager  | 2004                                      |
| John Mooney             | Portfolio Manager  | 2023                                      |

## Purchase and sale of fund shares

You may purchase, redeem or exchange shares of the fund each day the New York Stock Exchange is open, at the fund's net asset value determined after receipt of your request in good order, subject to any applicable sales charge.

The fund's initial and subsequent investment minimums generally are set forth in the accompanying table:

| Investment minimum initial/additional investment (\$) |               |                      |                       |                                   |                            |
|---|---------------|----------------------|-----------------------|-----------------------------------|----------------------------|
|   | Class A       | Class C <sup>1</sup> | Class FI <sup>2</sup> | Class I                           | Class IS                   |
| General   | 1,000/50      | 1,000/50             | N/A                   | 1 million/<br>None <sup>3</sup>   | N/A                        |
| Uniform Gifts or Transfers to Minor Accounts          | 1,000/50      | 1,000/50             | N/A                   | 1 million/<br>None <sup>3</sup>   | N/A                        |
| Systematic Investment Plans                           | 25/25         | 25/25                | N/A                   | 1 million/<br>None <sup>3,4</sup> | N/A <sup>4</sup>           |
| Clients of Eligible Financial Intermediaries          | None/<br>None | N/A                  | None/<br>None         | None/<br>None <sup>5</sup>        | None/<br>None <sup>5</sup> |
| Eligible Investment Programs                          | None/<br>None | N/A                  | None/<br>None         | None/<br>None                     | None/<br>None              |
| Institutional Investors                               | 1,000/50      | 1,000/50             | N/A                   | 1 million/<br>None                | 1 million/<br>None         |

<sup>1</sup> Class C shares are not available for purchase through Distributor Accounts.

<sup>2</sup> Class FI shares are not available for purchase through Distributor Accounts.

<sup>3</sup> Available to investors investing directly with the fund.

<sup>4</sup> Investors investing through a Systematic Investment Plan who purchase Class I or Class IS shares through a Service Agent acting as agent on behalf of its customers are subject to the initial and subsequent minimums of \$25/\$25. If a Service Agent does not have this arrangement in place with the Distributor, the initial and subsequent minimums listed in the table apply. Please contact your Service Agent for more information.

<sup>5</sup> Individual investors who purchase Class I shares or Class IS shares through a Service Agent acting as agent on behalf of its customers are subject to the initial and subsequent minimums of \$1,000/\$50. If a Service Agent does not have this arrangement in place with the Distributor, the initial and subsequent minimums listed in the table apply. Please contact your Service Agent for more information.

Your Service Agent may impose higher or lower investment minimums, or may impose no minimum investment requirement.

For more information about how to purchase, redeem or exchange shares, and to learn which classes of shares are available to you, you should contact your Service Agent, or, if you hold your shares or plan to purchase shares through the fund, you should contact the fund by phone at 877-6LM-FUND/656-3863, by regular mail at Legg Mason Funds, P.O. Box 33030, St. Petersburg, FL 33733-8030 or by express, certified or registered mail at Legg Mason Funds, 100 Fountain Parkway, St. Petersburg, FL 33716-1205.

## Tax information

The fund intends to distribute income that is generally exempt from regular federal income tax and California state personal income taxes. A portion of the fund's distributions may be subject to such taxes and/or to the federal alternative minimum tax.

**Payments to broker/dealers and other financial intermediaries**

The fund's related companies pay Service Agents for the sale of fund shares, shareholder services and other purposes. These payments create a conflict of interest by influencing your Service Agent or its employees or associated persons to recommend the fund over another investment. Ask your financial adviser or salesperson or visit your Service Agent's or salesperson's website for more information.

## More on the fund's investment strategies, investments and risks

### Important information

The fund seeks to provide California investors with as high a level of current income exempt from regular federal income taxes and California state personal income taxes as is consistent with the preservation of capital.

The fund's investment objective may be changed by the Board of Trustees (the "Board") without shareholder approval and on notice to shareholders.

There is no assurance that the fund will meet its investment objective.

Under normal circumstances, the fund invests at least 80% of its assets in California municipal securities and other investments with similar economic characteristics, the interest on which is exempt from regular federal income tax and California state personal income tax but which may be subject to the federal alternative minimum tax.

The fund's 80% investment policy may not be changed without shareholder approval.

The fund's other investment strategies and policies may be changed from time to time without shareholder approval, unless specifically stated otherwise in this Prospectus or in the Statement of Additional Information ("SAI").

The fund is classified as "non-diversified," which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund.

### California municipal securities

California municipal securities include debt obligations issued by the State of California and its political subdivisions, agencies and public authorities, certain other governmental issuers (such as Puerto Rico, the U.S. Virgin Islands and Guam) and other qualifying issuers, and investments with similar economic characteristics, the income from which is exempt from regular federal income and California state personal income taxes.

Although municipal securities are issued by qualifying issuers, payments of principal and interest on municipal securities may be derived solely from revenues from certain facilities, mortgages or private industries, and may not be backed by the issuers themselves. These securities include participation or other interests in municipal securities issued or backed by banks, insurance companies and other financial institutions.

California municipal securities include general obligation bonds, revenue bonds, housing authority bonds, private activity bonds, industrial development bonds, residual interest bonds, tender option bonds, tax and revenue anticipation notes, bond anticipation notes, tax-exempt commercial paper, municipal leases, participation certificates and custodial receipts. General obligation bonds are backed by the full faith and credit of the issuing entity. Revenue bonds are typically used to fund particular projects, such as those relating to education, health care, transportation and utilities, that are expected to produce income sufficient to make the payments on the bonds, since they are not backed by the full taxing power of the municipality. Housing authority bonds are used primarily to fund low to middle income residential projects and may be backed by the payments made on the underlying mortgages. Tax and revenue anticipation notes are generally issued in order to finance short-term cash needs or, occasionally, to finance construction. Tax and revenue anticipation notes are expected to be repaid from taxes or designated revenues in the related period, and they may or may not be general obligations of the issuing entity. Bond anticipation notes are issued with the expectation that their principal and interest will be paid out of proceeds from renewal notes or bonds and may be issued to finance such items as land acquisition, facility acquisition and/or construction and capital improvement projects.

Municipal securities include municipal lease obligations, which are undivided interests issued by a state or municipality in a lease or installment purchase contract which generally relates to equipment or facilities. In some cases payments under municipal leases do not have to be made unless money is specifically approved for that purpose by an appropriate legislative body.

The fund may invest more than 25% of its assets in municipal securities that derive income from similar types of projects or that are otherwise related in such a way that an economic, business or political development or change affecting one of the securities would also affect the others.

The fund purchases municipal securities the interest on which, in the opinion of bond counsel at the time the securities are issued, is exempt from regular federal income and California state personal income taxes. There is no guarantee that this opinion is correct, and there is no assurance that the Internal Revenue Service (the "IRS") or state authorities will agree with bond counsel's opinion. If the IRS or a state authority determines that an issuer of a municipal security has not complied with applicable requirements, interest from the security could become subject to regular federal income and/or California state personal income taxes, possibly retroactively to the date the security was issued, and the value of the security could decline significantly and a portion of the distributions to fund shareholders could be recharacterized as taxable. Future litigation or legislation could adversely affect the tax treatment of municipal securities held by the fund.

Some of the fund's income distributions may be, and distributions of any gains generally will be, subject to regular federal income and California state personal income taxes. Some of the fund's income that is exempt from regular federal income tax may be subject to the federal alternative minimum tax. In addition, under current law, distributions of the fund's income and gains generally are subject to state and local tax for investors that reside in states other than California.

Subject to the fund's 80% policy, the fund may purchase other securities whose interest is subject to regular federal income and California state personal income taxes.

### **Maturity**

The fund normally invests in intermediate-term and long-term municipal securities that have remaining maturities at the time of purchase from one to more than thirty years. The maturity of a fixed income security is a measure of the time remaining until the final payment on the security is due.

### **Credit quality**

The fund focuses on investment grade bonds (that is, securities rated in the Baa/BBB categories or above, or, if unrated or deemed to be unrated by the subadviser, determined to be of comparable credit quality by the subadviser), but may invest up to 20% of its assets in below investment grade bonds (that is, securities rated below the Baa/BBB categories, or, if unrated or deemed to be unrated by the subadviser, determined to be below investment grade by the subadviser). Below investment grade securities are commonly referred to as "high yield" or "junk" bonds.

If a security is rated by multiple nationally recognized statistical rating organizations ("NRSROs") and receives different ratings, the fund will treat the security as being rated in the highest rating category received from an NRSRO. Rating categories may include sub-categories or gradations indicating relative standing.

### **Derivatives**

The fund may engage in a variety of transactions using derivatives, such as futures, options, inverse floating rate instruments issued in tender option bond transactions, interest rate swaps and other swaps (including buying and selling credit default swaps), warrants and other synthetic instruments. Derivatives are financial instruments whose value depends upon, or is derived from, the value of something else, such as one or more underlying investments or indexes. Derivatives may be used by the fund for any of the following purposes:

- As a hedging technique in an attempt to manage risk in the fund's portfolio
- As a means of changing investment characteristics of the fund's portfolio
- As a means of attempting to enhance returns
- As a means of providing additional exposure to types of investments or market factors
- As a substitute for buying or selling securities
- As a cash flow management technique

The fund from time to time may sell protection on debt securities by entering into credit default swaps. In these transactions, the fund is generally required to pay the par (or other agreed-upon) value of a referenced debt security to the counterparty in the event of a default on or downgrade of the debt security and/or a similar credit event. In return, the fund receives from the counterparty a periodic stream of payments over the term of the contract. If no default occurs, the fund keeps the stream of payments and has no payment obligations. As the seller, the fund would effectively add leverage to its portfolio because, in addition to its net assets, the fund would be subject to loss on the par (or other agreed-upon) value it had undertaken to pay. Credit default swaps may also be structured based on an index or the debt of a basket of issuers, rather than a single issuer, and may be customized with respect to the default event that triggers purchase or other factors (for example, a particular number of defaults within a basket, or defaults by a particular combination of issuers within the basket, may trigger a payment obligation).

The fund may buy credit default swaps to hedge against the risk of default of debt securities held in its portfolio or for other reasons. As the buyer of a credit default swap, the fund would make the stream of payments described in the preceding paragraph to the seller of the credit default swap and would expect to receive from the seller a payment in the event of a default on the underlying debt security or other specified event.

Using derivatives, especially for non-hedging purposes, may involve greater risks to the fund than investing directly in securities, particularly as these instruments may be very complex and may not behave in the manner anticipated by the fund. Certain derivative transactions may have a leveraging effect on the fund.

Use of derivatives or similar instruments may have different tax consequences for the fund than an investment in the underlying asset, and those differences may affect the amount, timing and character of income distributed to shareholders, including the proportion of income consisting of exempt-interest dividends.

Instead of, and/or in addition to, investing directly in particular securities, the fund may use derivatives and other synthetic instruments that are intended to provide economic exposure to securities, issuers or other measures of market or economic value. The fund may use one or more types of these instruments without limit, subject to applicable regulatory requirements. These instruments are taken into account when determining compliance with the fund's 80% policy.

Registered investment companies are subject to regulatory limitations on their use of derivative investments and certain financing transactions (e.g. reverse repurchase agreements). Among other things, a fund that invests in derivative instruments beyond a specified limited amount must apply a value-at-risk based limit to its use of certain derivative instruments and financing transactions and must adopt and implement a derivatives risk management program. A fund that uses derivative instruments in a limited amount is not subject to the same restrictions. Regulatory restrictions may limit the fund's ability to use derivatives as part of its investment strategy and may not work as intended to limit losses from derivatives.

The fund's subadviser may choose not to make use of derivatives.

### Other fixed income securities

Subject to the fund's 80% policy, the fund may purchase fixed income securities that pay interest that is subject to regular federal income and/or state income taxes. Fixed income securities represent obligations of corporations, governments and other entities to repay money borrowed, usually at the maturity of the security. These securities may pay fixed, variable or floating rates of interest. However, some fixed income securities, such as zero coupon bonds, do not pay current interest but are issued at a discount from their face values. Other debt instruments, such as certain mortgage-backed and other asset-backed securities, make periodic payments of interest and/or principal. Some debt instruments are partially or fully secured by collateral supporting the payment of interest and principal. "Fixed income securities" are commonly referred to as "fixed income instruments," "fixed income obligations," "notes," "loans," "debt," "debt obligations," "debt instruments," "debt securities," "corporate debt," "bonds" and "corporate bonds." Fixed income securities also include certain hybrid securities, such as preferred stock. When these terms are used in this Prospectus, they are not intended to be limiting.

### Variable and floating rate securities

Variable rate securities reset at specified intervals, while floating rate securities reset whenever there is a change in a specified index rate. In most cases, these reset provisions reduce the impact of changes in market interest rates on the value of the security. However, the value of these securities may decline if their interest rates do not rise as much, or as quickly, as other interest rates. Conversely, these securities will not generally increase in value if interest rates decline. The fund may also invest in inverse floating rate debt instruments ("inverse floaters"). Interest payments on inverse floaters vary inversely with changes in interest rates. Inverse floaters pay higher interest (and therefore generally increase in value) when interest rates decline, and vice versa. An inverse floater may exhibit greater price volatility than a fixed rate obligation of similar credit quality.

### Structured instruments

The fund may invest in various types of structured instruments, including securities that have demand, tender or put features, or interest rate reset features. These may include instruments issued by structured investment or special purpose vehicles or conduits, and may be asset-backed or mortgage-backed securities. Structured instruments may take the form of participation interests or receipts in underlying securities or other assets, and in some cases are backed by a financial institution serving as a liquidity provider. The interest rate or principal amount payable at maturity on a structured instrument may vary based on changes in one or more specified reference factors, such as currencies, interest rates, commodities, indices or other financial indicators. Changes in the underlying reference factors may result in disproportionate changes in amounts payable under a structured instrument. Some of these instruments may have an interest rate swap feature which substitutes a floating or variable interest rate for the fixed interest rate on an underlying asset or index. Structured instruments are a type of derivative instrument and the payment and credit qualities of these instruments derive from the assets embedded in the structure. For structured securities that have embedded leverage features, small changes in interest or prepayment rates may cause large and sudden price movements. Structured instruments are often subject to heightened illiquidity risk.

### Tender option bonds

In a tender option bond ("TOB") transaction, a tender option bond trust ("TOB Trust") issues floating rate certificates ("TOB Floaters") and residual interest certificates ("TOB Residuals" also known as an "inverse floaters") and utilizes the proceeds of such issuance to purchase a bond, typically a fixed-rate municipal bond ("Fixed Rate Bond"). The fund may invest in both TOB Floaters and TOB Residuals. The fund may purchase a TOB Residual in the secondary market or purchase a TOB Residual from a TOB Trust where the Fixed-Rate Bond held by the TOB Trust was either owned or identified by the fund. TOB Floater holders typically receive interest payments based on short-term rates that are reset periodically and may tender the TOB Floater to the TOB Trust at par plus accrued interest. As consideration for providing the tender option and other services, the TOB Trust administrative agent, trustee and/or liquidity provider receive periodic fees. Where the Fixed-Rate Bond held by the TOB Trust was either owned or identified by the fund, the net proceeds of the sale of the TOB Floaters, after expenses, may be received by the fund and may be invested in additional securities. TOB Residual holders are entitled to the portion, if any after TOB Trust expenses, of interest payments received by the TOB Trust that is not payable to TOB Floater holders, and may bear the risk that the Fixed-Rate Bond may decline in value. The TOB Residuals are inverse floaters, as the return on those bonds is inversely related to changes in an interest rate on the TOB Floaters. The distributions on the TOB Residuals paid to the fund will be reduced or, in the extreme, eliminated as short-term interest rates rise and will increase when such interest rates fall. Other TOB Residuals issued by a TOB Trust may be senior to the TOB Residuals held by the fund. The fund may enter into TOB transactions on either a non-recourse or recourse basis. If the fund invests in a TOB Trust on a recourse basis, it will bear the risk of loss with respect to any liquidation of the TOB Trust. The fund will look through to the underlying securities held by a TOB Trust for purposes of calculating compliance with the fund's 80% policy. TOB transactions create leverage to the extent the fund invests the net proceeds of the TOB Floaters in additional securities and may be treated as a form of borrowing.

### Equity securities

Although the fund invests principally in fixed income securities and related investments, the fund may from time to time invest in or receive equity securities and equity-like securities, which may include warrants, rights, exchange traded and over-the-counter common stocks, preferred stock, depositary receipts, trust certificates, limited partnership interests and shares of other investment companies, including exchange-traded funds, and real estate investment trusts. The fund may invest in or receive equity securities for which there exists no private or public market.

Equity securities represent an ownership interest in the issuing company. Holders of equity securities are not creditors of the company, and in the event of the liquidation of the company, would be entitled to their pro rata share of the company's assets, if any, after creditors, including the holders

of fixed income securities, and holders of any senior equity securities are paid. Equity securities typically fluctuate in price more than fixed income securities.

Warrants and rights permit, but do not obligate, their holders to subscribe for other securities. Warrants and rights are subject to the same market risks as stocks, but may be more volatile in price. An investment in warrants or rights may be considered speculative. In addition, the value of a warrant or right does not necessarily change with the value of the underlying securities and a warrant or right ceases to have value if it is not exercised prior to its expiration date.

### **Zero coupon, pay-in-kind and deferred interest securities**

Zero coupon, pay-in-kind and deferred interest securities may be used by issuers to manage cash flow and maintain liquidity. Zero coupon securities pay no interest during the life of the obligation but are issued at prices below their stated maturity value. Because zero coupon securities pay no interest until maturity, their prices may fluctuate more than other types of securities with the same maturity in the secondary market. However, zero coupon bonds are useful as a tool for managing duration.

Pay-in-kind securities have a stated coupon, but the interest is generally paid in the form of obligations of the same type as the underlying pay-in-kind securities (e.g., bonds) rather than in cash. These securities are more sensitive to the credit quality of the underlying issuer and their secondary market prices may fluctuate more than other types of securities with the same maturity.

Deferred interest securities are obligations that generally provide for a period of delay before the regular payment of interest begins and are issued at a significant discount from face value.

Certain zero coupon, pay-in-kind and deferred interest securities are subject to tax rules applicable to debt obligations acquired with "original issue discount." The fund would generally have to accrue income on these securities for federal income tax purposes before it receives corresponding cash payments. Because the fund intends to make sufficient annual distributions of its taxable income, including accrued non-cash income, in order to maintain its federal income tax status and avoid fund-level income and excise taxes, the fund might be required to liquidate portfolio securities at a disadvantageous time, or borrow cash, to make these distributions. The fund also accrues income on these securities prior to receipt for accounting purposes. To the extent it is deemed collectible, accrued income is taken into account when calculating the value of these securities and the fund's net asset value per share, in accordance with the fund's valuation policies.

### **When-issued securities, delayed delivery, to be announced and forward commitment transactions**

Securities purchased in when-issued, delayed delivery, to be announced or forward commitment transactions will not be delivered or paid for immediately. Such transactions involve a risk of loss, for example, if the value of the securities declines prior to the settlement date. Therefore, these transactions may have a leveraging effect on the fund, making the value of an investment in the fund more volatile and increasing the fund's overall investment exposure. Typically, no income accrues on securities the fund has committed to purchase prior to the time delivery of the securities is made.

### **Short-term investments**

The fund may invest, directly or indirectly, in cash, money market instruments and short-term securities, including repurchase agreements, U.S. government securities, bank obligations and commercial paper. Bank obligations include bank notes, certificates of deposit, time deposits, banker's acceptances and other similar obligations. A repurchase agreement is a transaction in which the fund purchases a security from a seller, subject to the obligation of the seller to repurchase that security from the fund at a higher price. The repurchase agreement thereby determines the yield during the fund's holding period, while the seller's obligation to repurchase is secured by the value of the underlying security held by the fund. The fund may also invest in money market funds, which may or may not be registered under the Investment Company Act of 1940, as amended, and/or affiliated with the fund's manager or the subadviser. The return on investment in these money market funds may be reduced by such money market funds' operating expenses in addition to the fund's own fees and expenses. As such, there is a layering of fees and expenses.

### **Borrowings and reverse repurchase agreements**

The fund may enter into borrowing transactions. Borrowing may make the value of an investment in the fund more volatile and increase the fund's overall investment exposure. The fund may be required to liquidate portfolio securities at a time when it would be disadvantageous to do so in order to make payments with respect to any borrowings. Interest on any borrowings will be a fund expense and will reduce the value of the fund's shares.

The fund may enter into reverse repurchase agreements, which have characteristics like borrowings. In a reverse repurchase agreement, the fund sells securities to a counterparty, in return for cash, and the fund agrees to repurchase the securities at a later date and for a higher price, representing the cost to the fund for the cash received.

### **Credit downgrades and other credit events**

Credit rating or credit quality of a security is determined at the time of purchase. If, after purchase, the credit rating on a security is downgraded or the credit quality deteriorates, or if the duration of a security is extended, the subadviser will decide whether the security should be held or sold. Upon the occurrence of certain triggering events or defaults on a security held by the fund, or if an obligor of such a security has difficulty meeting its obligations, the fund may obtain a new or restructured security or underlying assets. In that case, the fund may become the holder of securities or



other assets that it could not purchase or might not otherwise hold (for example, because they are of lower quality or are subordinated to other obligations of the issuer) at a time when those assets may be difficult to sell or can be sold only at a loss. In addition, the fund may incur expenses in an effort to protect the fund's interest in securities experiencing these events.

### **Defensive investing**

The fund may depart from its principal investment strategies in response to adverse market, economic, political or other conditions by taking temporary defensive positions, including by investing in any type of taxable money market instruments and short-term debt securities or holding cash without regard to any percentage limitations. If a significant amount of the fund's assets is used for defensive investing purposes, the fund will be less likely to achieve its investment objective. Although the subadviser has the ability to take defensive positions, it may choose not to do so for a variety of reasons, even during volatile market conditions.

### **Other investments**

The fund may also use other strategies and invest in other investments that are described, along with their risks, in the Statement of Additional Information ("SAI"). However, the fund might not use all of the strategies and techniques or invest in all of the types of investments described in this Prospectus or in the SAI. New types of mortgage-backed and asset-backed securities, derivative instruments, hedging instruments and other securities or instruments are developed and marketed from time to time. Consistent with its investment limitations, the fund may invest in new types of securities and instruments.

### **Percentage and other limitations**

For purposes of the fund's limitations expressed as a percentage of assets or net assets, the term "assets" or "net assets," as applicable, means net assets plus the amount of any borrowings for investment purposes. The fund's compliance with its investment limitations and requirements described in this Prospectus is usually determined at the time of investment. If such a percentage limitation is complied with at the time of an investment, any subsequent change in percentage resulting from a change in asset values or characteristics, a sale of securities or a change in credit quality will not constitute a violation of that limitation.

### **Selection process**

The subadviser selects securities primarily by identifying undervalued sectors and individual securities, while also selecting securities it believes will benefit from anticipated changes in market conditions. In selecting individual securities, the subadviser:

- Uses fundamental credit analysis to estimate the relative value and attractiveness of various securities and sectors and to exploit opportunities in the municipal bond market
- May trade between general obligation and revenue bonds and among various revenue bond sectors, such as education, housing, hospital and industrial development, based on their apparent relative values
- Considers the yields available for securities with different maturities and a security's maturity in light of the outlook for the issuer, its sector and interest rates
- Seeks to identify individual securities with the most potential for added value, such as those involving unusual situations, new issuers, the potential for credit upgrades, unique structural characteristics or innovative features

### **More on risks of investing in the fund**

Following is more information on the principal risks summarized above and additional risks of investing in the fund.

**Market and interest rate risk.** The market prices of securities held by the fund may go up or down, sometimes rapidly or unpredictably. If the market prices of the fund's securities fall, the value of your investment in the fund will decline. The market price of a security may fall due to general market conditions, such as real or perceived adverse economic or political conditions or trends, tariffs and trade disruptions, inflation, substantial economic downturn or recession, changes in interest or currency rates, lack of liquidity in the bond markets or adverse investor sentiment. Changes in market conditions will not typically have the same impact on all types of securities. The market price of a security may also fall due to specific conditions that affect a particular sector of the securities market or a particular issuer. Your fund shares at any point in time may be worth less than what you invested, even after taking into account the reinvestment of fund dividends and distributions.

The market prices of securities may fluctuate significantly when interest rates change. When interest rates rise, the value of fixed income securities, and therefore the value of your investment in the fund, generally goes down. Generally, the longer the maturity or duration of a fixed income security, the greater the impact of a rise in interest rates on the security's market price. However, calculations of duration and maturity may be based on estimates and may not reliably predict a security's price sensitivity to changes in interest rates. Recently, there have been inflationary price movements. As a result, fixed income securities markets may experience heightened levels of interest rate volatility and liquidity risk. The U.S. Federal Reserve has raised interest rates from historically low levels. It may continue to raise interest rates. In addition, changes in monetary policy may exacerbate the risks associated with changing interest rates. Any additional interest rate increases in the future could cause the value of the fund's holdings to decrease. It cannot be predicted when inflation will return to more normalized levels or how long financial authorities will counter inflationary pressures with monetary tightening. Moreover, securities can change in value in response to other factors, such as credit risk. In addition, different interest rate measures (such as short- and long-term interest rates and U.S. and non-U.S. interest rates), or interest rates on



different types of securities or securities of different issuers, may not necessarily change in the same amount or in the same direction. When interest rates go down, the fund's yield will decline. Also, when interest rates decline, investments made by the fund may pay a lower interest rate, which would reduce the income received by the fund.

**Market events risk.** The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to factors such as economic events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes, labor strikes or other factors, political developments, armed conflicts, economic sanctions and countermeasures in response to sanctions, major cybersecurity events, the global and domestic effects of widespread or local health, weather or climate events, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, wars, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries or markets directly affected, the value and liquidity of the fund's investments may be negatively affected. Following Russia's invasion of Ukraine in 2022, Russian stocks lost all, or nearly all, of their market value. Other securities or markets could be similarly affected by past or future geopolitical or other events or conditions. Furthermore, events involving limited liquidity, defaults, non-performance or other adverse developments that affect one industry, such as the financial services industry, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, may spread to other industries, and could negatively affect the value and liquidity of the fund's investments.

The long-term impact of the COVID-19 pandemic and its subsequent variants on economies, markets, industries and individual issuers is not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets, reduced liquidity of many instruments, increased government debt, inflation, and disruptions to supply chains, consumer demand and employee availability, may continue for some time. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, took extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic. This and other government intervention into the economy and financial markets may not work as intended, and have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. In addition, the COVID-19 pandemic, and measures taken to mitigate its effects, could result in disruptions to the services provided to the fund by its service providers.

Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. government is authorized to borrow could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets in the U.S. and elsewhere. Recently, inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of the fund's investments, impair the fund's ability to satisfy redemption requests, and negatively impact the fund's performance.

**Inflation risk.** Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as prices go up and the purchasing power of money goes down. The market prices of debt securities generally fall as inflation increases because the purchasing power of the principal and income is expected to be less when paid. Inflation often is accompanied or followed by a recession, or period of decline in economic activity, which may include job loss and other hardships and may cause the value of securities to go down generally. Inflation risk is greater for fixed-income instruments with longer maturities. In addition, this risk may be significantly elevated compared to normal conditions because of recent monetary policy measures and the current interest rate environment. Inflation has recently increased and it cannot be predicted whether it may decline.

**Credit risk.** The value of your investment in the fund could decline if the issuer of a security held by the fund or another obligor for that security (such as a party offering credit enhancement) fails to pay, otherwise defaults, is perceived to be less creditworthy, becomes insolvent or files for bankruptcy. The value of your investment in the fund could also decline if the credit rating of a security held by the fund is downgraded or the credit quality or value of any assets underlying the security declines. Changes in actual or perceived creditworthiness may occur quickly. If the fund enters into financial contracts (such as certain derivatives, repurchase agreements, reverse repurchase agreements, and when-issued, delayed delivery and forward commitment transactions), the fund will be subject to the credit risk presented by the counterparty. In addition, changes in the financial condition of an individual municipal insurer may affect the overall municipal market. Also, the fund may incur expenses in an effort to protect the fund's interests or to enforce its rights against an issuer, guarantor or counterparty or may be hindered or delayed in exercising those rights. Credit risk is broadly gauged by the credit ratings of the securities in which the fund invests. However, ratings are only the opinions of the companies issuing them and are not guarantees as to quality. Securities rated in the lowest category of investment grade (Baa/BBB) may possess certain speculative characteristics. Credit risk is typically greatest for the fund's high yield debt securities ("junk" bonds), which are rated below the Baa/BBB categories or unrated securities of comparable quality.

The fund may invest in subordinated securities, which are securities that rank below other securities with respect to claims on an issuer's assets, or securities which represent interests in pools of such subordinated securities. The fund is more likely to suffer a credit loss on subordinated securities than on non-subordinated securities of the same issuer. If there is a default, bankruptcy or liquidation of the issuer, most subordinated securities are paid only if sufficient assets remain after payment of the issuer's non-subordinated securities. In addition, any recovery of interest or principal may take more time. As a result, even a perceived decline in creditworthiness of the issuer is likely to have a greater adverse impact on subordinated securities.

**Risks associated with focusing on investments in California municipal securities.** The fund focuses its investments in California municipal securities. The fund may be affected significantly by adverse economic, political or other events affecting California municipal issuers. Certain

issuers of California municipal securities have experienced serious financial difficulties in the past and reoccurrence of these difficulties may impair the ability of certain California issuers to pay principal or interest on their obligations. Provisions of the California Constitution and State statutes that limit the taxing and spending authority of California governmental entities may impair the ability of California issuers to pay principal and/or interest on their obligations. While California's economy is broad, it does have major concentrations in advanced technology, aerospace and defense-related manufacturing, trade, entertainment, real estate and financial services, and may be sensitive to economic problems affecting those industries. Future California political and economic developments, constitutional amendments, legislative measures, executive orders, administrative regulations, litigation and voter initiatives could have an adverse effect on the debt obligations of California issuers. In addition, wildfires, drought and other extreme weather events, which are expected to increase in frequency and intensity, impose a significant financial burden on State and local governments. The State is also facing financial challenges as a result of the COVID-19 crisis, which increased pressure on its budgets and adversely affected its ability to meet its outstanding debt obligations. Changes in federal law or regulation, federal budgetary changes, trade disputes or other actions may lead to reductions in federal spending. Further reductions in federal funding or other changes that increase state spending could place additional strain on the State and local governments and may have a negative effect on their ability to meet their obligations. These and other factors may affect adversely the ability of the issuers of California municipal securities to make required payments of interest and principal, as well as the market value and marketability of municipal securities held by the fund. The foregoing and other factors may result in losses to the fund. In addition, if the fund has difficulty finding high quality California municipal securities to purchase, the amount of the fund's income that is subject to California taxes could increase. In addition, prolonged inflationary pressures could adversely affect California's economy. Also, the fund may be more volatile than a more geographically diverse fund. More detailed information about the economy of California may be found in the SAI.

**High yield ("junk") bonds risk.** High yield bonds, often called "junk" bonds, have a higher risk of issuer default or may be in default and are considered speculative. Changes in economic conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of such securities to make principal and interest payments than is the case for higher grade debt securities. The value of lower-quality debt securities often fluctuates in response to company, political, or economic developments and can decline significantly over short as well as long periods of time or during periods of general or regional economic difficulty. High yield bonds may also have lower liquidity as compared to higher-rated securities, which means the fund may have difficulty selling them at times, and it may have to apply a greater degree of judgment in establishing a price for purposes of valuing fund shares. High yield bonds generally are issued by less creditworthy issuers. Issuers of high yield bonds may have a larger amount of outstanding debt relative to their assets than issuers of investment grade bonds. In the event of an issuer's bankruptcy, claims of other creditors may have priority over the claims of high yield bond holders, leaving few or no assets available to repay high yield bond holders. The fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting issuer. High yield bonds frequently have redemption features that permit an issuer to repurchase the security from the fund before it matures. If the issuer redeems high yield bonds, the fund may have to invest the proceeds in bonds with lower yields and may lose income.

**Derivatives risk.** Derivatives involve special risks and costs and may result in losses to the fund, even when used for hedging purposes. Using derivatives can increase losses and reduce opportunities for gains, such as when market prices, interest rates, or the derivatives themselves behave in a way not anticipated by the fund's subadviser, especially in abnormal market conditions. Using derivatives also can have a leveraging effect which may increase investment losses and increase the fund's volatility, which is the degree to which the fund's share price may fluctuate within a short time period. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. The other parties to certain derivatives transactions present the same types of credit risk as issuers of fixed income securities.

The fund's counterparty to a derivative transaction may not honor its obligations in respect to the transaction. In certain cases, the fund may be hindered or delayed in exercising remedies against or closing out derivative instruments with a counterparty, which may result in additional losses.

Derivatives also tend to involve greater illiquidity risk and they may be difficult to value. The fund may be unable to terminate or sell its derivative positions. In fact, many over-the-counter derivatives will not have liquidity except through the counterparty to the instrument. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative. The value of a derivative may fluctuate more than the underlying assets, rates, indices or other indicators to which it relates. Use of derivatives or similar instruments may have different tax consequences for the fund than an investment in the underlying asset, and those differences may affect the amount, timing and character of income distributed to shareholders, including the proportion of income consisting of exempt-interest dividends. The fund's use of derivatives may also increase the amount of taxes payable by shareholders. The U.S. government and foreign governments have adopted and implemented regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin, and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance or disrupt markets. The fund may be exposed to additional risks as a result of the additional regulations. The extent and impact of the additional regulations are not yet fully known and may not be for some time.

Investments by the fund in structured securities, a type of derivative, raise certain tax, legal, regulatory and accounting issues that may not be presented by direct investments in securities. These issues could be resolved in a manner that could hurt the performance of the fund.

Swap agreements tend to shift the fund's investment exposure from one type of investment to another. For example, the fund may enter into interest rate swaps, which involve the exchange of interest payments by the fund with another party, such as an exchange of floating rate payments for fixed interest rate payments with respect to a notional amount of principal. If an interest rate swap intended to be used as a hedge negates a favorable interest rate movement, the investment performance of the fund would be less than what it would have been if the fund had not entered into the interest rate swap.

Credit default swap contracts involve heightened risks and may result in losses to the fund. Credit default swaps may be illiquid and difficult to value. If the fund buys a credit default swap, it will be subject to the risk that the credit default swap may expire worthless, as the credit default swap would only generate income in the event of a default on the underlying debt security or other specified event. As a buyer, the fund would also be subject to credit risk relating to the seller's payment of its obligations in the event of a default (or similar event). If the fund sells a credit default swap, it will be exposed to the credit risk of the issuer of the obligation to which the credit default swap relates. As a seller, the fund would also be subject to leverage risk, because it would be liable for the full notional amount of the swap in the event of a default (or similar event).

The absence of a central exchange or market for over-the-counter swap transactions may lead, in some instances, to difficulties in trading and valuation, especially in the event of market disruptions. Relatively recent legislation requires certain swaps to be executed through a centralized exchange or regulated facility and be cleared through a regulated clearinghouse. Although this clearing mechanism is generally expected to reduce counterparty credit risk, it may disrupt or limit the swap market and may not result in swaps being easier to trade or value. As swaps become more standardized, the fund may not be able to enter into swaps that meet its investment needs. The fund also may not be able to find a clearinghouse willing to accept a swap for clearing. In a cleared swap, a central clearing organization will be the counterparty to the transaction. The fund will assume the risk that the clearinghouse and/or the broker through which it holds its position may be unable to perform its obligations.

The fund will be required to maintain its positions with a clearing organization through one or more clearing brokers. The clearing organization will require the fund to post margin and the broker may require the fund to post additional margin to secure the fund's obligations. The amount of margin required may change from time to time. In addition, cleared transactions may be more expensive to maintain than over-the-counter transactions and may require the fund to deposit larger amounts of margin. The fund may not be able to recover margin amounts if the broker has financial difficulties. Also, the broker may require the fund to terminate a derivatives position under certain circumstances. This may cause the fund to lose money.

Futures are standardized, exchange-traded contracts that obligate a purchaser to buy, and a seller to sell, a specific amount of an asset on a specified future date at a specified price. The primary risks associated with the use of futures contracts are: (a) the imperfect correlation between the change in market value of the instruments held by the fund and the price of the futures contract; (b) the possible lack of a liquid secondary market for a futures contract and the resulting inability to close a futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; (d) the subadviser's inability to predict correctly the direction of securities prices, interest rates, currency exchange rates and other economic factors; and (e) the possibility that the counterparty will default in the performance of its obligations.

An option is an agreement that, for a premium payment or fee, gives the option holder (the purchaser) the right but not the obligation to buy (a "call option") or sell (a "put option") the underlying asset (or settle for cash in an amount based on an underlying asset, rate, or index) at a specified price (the "exercise price") during a period of time or on a specified date. The fund may write a call option where it (i) owns the underlying security (sometimes referred to as a "covered option"), or (ii) does not own such security (sometimes referred to as a "naked option"). When the fund purchases an option, it may lose the total premium paid for it if the price of the underlying security or other assets decreased, remained the same or failed to increase to a level at or beyond the exercise price (in the case of a call option) or increased, remained the same or failed to decrease to a level at or below the exercise price (in the case of a put option). If a put or call option purchased by the fund were permitted to expire without being sold or exercised, its premium would represent a loss to the fund. To the extent that the fund writes or sells an option, in particular a naked option, if the decline or increase in the underlying asset is significantly below or above the exercise price of the written option, the fund could experience a substantial loss.

Risks associated with the use of derivatives are magnified to the extent that an increased portion of the fund's assets is committed to derivatives in general or is invested in just one or a few types of derivatives.

**Leverage risk.** The use of traditional borrowing (including to meet redemption requests), reverse repurchase agreements and derivatives creates leverage (i.e., a fund's investment exposures exceed its net asset value). Leverage increases a fund's losses when the value of its investments (including derivatives) declines. Because many derivatives have a leverage component (i.e., a notional value in excess of the assets needed to establish or maintain the derivative position), adverse changes in the value or level of the underlying asset, rate, or index may result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Some derivatives, similar to short sales, have the potential for unlimited loss, regardless of the size of the initial investment. Similarly, the fund's portfolio will be leveraged and can incur losses if the value of the fund's assets declines between the time a redemption request is received or deemed to be received by the fund (which in some cases may be the business day prior to actual receipt of the transaction activity by the fund) and the time at which the fund liquidates assets to meet redemption requests. In the case of redemptions representing a significant portion of the fund's portfolio, the leverage effects described above can be significant and could expose a fund and non-redeeming shareholders to material losses. Leveraging transactions pursued by the fund may also increase its duration and sensitivity to interest rate movements.

The fund may manage some of its derivative positions by offsetting derivative positions against one another or against other assets. To the extent offsetting positions do not behave in relation to one another as expected, the fund may perform as if it were leveraged.

To the extent the fund purchases securities on margin or sells securities short, it will create leverage in the fund's portfolio. To the extent the market prices of securities pledged to counterparties to secure the fund's margin account or short sale decline, the fund may be required to deposit additional funds with the counterparty to avoid having the pledged securities liquidated to compensate for the decline.

New derivatives regulations require the fund, to the extent it uses derivatives beyond a specified limited amount, to, among other things, comply with certain overall limits on leverage. These regulations may limit the ability of the fund to pursue its investment strategies and may not be effective to mitigate the fund's risk of loss from derivatives.

**Tender option bond risk.** TOB transactions expose the fund to credit risk, may involve the use of leverage by the fund, and generally involve greater risk than direct investments in fixed rate municipal bonds, including the risk of loss of principal. The interest payments that the fund would typically receive in connection with a TOB transaction ("inverse floaters") vary inversely with short-term interest rates and will be reduced (and potentially eliminated) when short-term interest rates increase. In addition, the fund will be subject to leverage risk to the extent that the fund uses the proceeds that it receives from a TOB transaction to invest in other securities. The fund's investment in a TOB transaction will generally underperform the market for fixed rate municipal securities when interest rates rise. The value and market for such inverse floaters can be volatile and can have limited liquidity. Investments in inverse floaters issued in TOB transactions are derivative instruments and, therefore, are also subject to the risks generally applicable to investments in derivatives. TOB transactions may not receive the tax, accounting or regulatory treatment that is anticipated by the fund. For example, the fund may not be considered the owner of a TOB for federal income tax purposes, and in that case it would not be entitled to treat such interest as exempt from federal income tax. Certain TOBs may be illiquid or may become illiquid as a result of a credit rating downgrade, a payment default or a disqualification from tax-exempt status. In certain instances, the tender option may be terminated if, for example, the issuer of the underlying municipal bond or security defaults on interest payments.

Additionally, both Section 619 (the "Volcker Rule") and Section 941 (the "Risk Retention Rules") of the Dodd-Frank Wall Street Reform and Consumer Protection Act apply to tender option bond programs and place restrictions on the way certain sponsors may participate in tender option bond programs. As a result of the Volcker Rule and the Risk Retention Rules, one or more investors in each TOB trust's inverse floaters must serve as the "sponsor" of the trust and undertake certain responsibilities. Specifically, the Volcker Rule generally prohibits banking entities from engaging in proprietary trading or from acquiring or retaining an ownership interest in, or sponsoring, a hedge fund or private equity fund ("covered fund"), subject to certain exemptions and limitations. Tender option bond programs generally are considered to be covered funds under the Volcker Rule, and, thus, may not be sponsored by a banking entity absent an applicable exemption. The Volcker Rule does not provide for any exemption that would allow banking entities to sponsor tender option bonds in the same manner as they did prior to the Volcker Rule's July 21, 2017 compliance date. To the extent the fund serves as such a sponsor, although the fund may use a third-party service provider to complete some of these additional responsibilities, being the sponsor of the trust may give rise to certain additional risks including compliance, securities law and operational risks.

The Risk Retention Rules took effect in December 2016 and require the sponsor to a TOB trust to retain at least five percent of the credit risk of the underlying assets supporting the TOB trust's municipal bonds. The Risk Retention Rules may adversely affect the fund's ability to engage in TOB trust transactions or increase the costs of such transactions in certain circumstances.

The fund has restructured its TOB Trusts in conformity with regulatory guidelines. Under the TOB Trust structure, the liquidity provider (i.e., liquidity facility provided by a third party bank or other financial institution) or remarketing agent will no longer purchase the tendered TOB Floaters, even in the event of failed remarketing. This may increase the likelihood that a TOB Trust will need to be collapsed and liquidated in order to purchase the tendered TOB Floaters. The TOB Trust may draw upon a loan from the liquidity provider to purchase the tendered TOB Floaters. Any loans made by the liquidity provider will be secured by the purchased TOB Floaters held by the TOB Trust and will be subject to an increased rate based on the number of days the loan is outstanding.

**Illiquidity risk.** Illiquidity risk exists when particular investments are or may become impossible or difficult to sell and some assets that the fund wants to invest in may be impossible or difficult to purchase. Although most of the fund's investments must be liquid at the time of investment, investments may be or become illiquid after purchase by the fund, particularly during periods of market turmoil or due to adverse changes in the conditions of a particular issuer. Markets may become illiquid quickly. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities. As a general matter, dealers have been less willing to make markets in recent years. Federal banking regulations may also cause certain dealers to reduce their inventories of certain securities, which may further decrease the ability to buy or sell such securities. When the fund holds illiquid investments, the portfolio may be harder to value, especially in changing markets, and if the fund is forced to sell these investments to meet redemption requests or for other cash needs, or to try to limit losses, the fund may be forced to sell at a loss or may not be able to sell at all. The fund may experience heavy redemptions that could cause the fund to liquidate its assets at inopportune times or at a loss or depressed value, which could cause the value of your investment to decline. In addition, when there is illiquidity in the market for certain investments, the fund, due to limitations on illiquid investments, may be unable to achieve its desired level of exposure to a certain sector, industry or issuer. The liquidity of certain assets, particularly of privately-issued and non-investment grade mortgage-backed securities and asset-backed securities, may be difficult to ascertain and may change over time. Transactions in less liquid or illiquid securities may entail transaction costs that are higher than those for transactions in liquid securities. Further, such securities, once sold, may not settle for an extended period (for example, several weeks or even longer). The fund will not receive its sales proceeds until that time, which may constrain the fund's ability to meet its obligations (including obligations to redeeming shareholders).

**Risk of increase in expenses.** Your actual costs of investing in the fund may be higher than the expenses shown in "Annual fund operating expenses" for a variety of reasons. For example, expenses may be higher if the fund's average net assets decrease, as a result of redemptions or otherwise, or if a fee limitation is changed or terminated. Net assets are more likely to decrease and fund expense ratios are more likely to increase when markets are volatile.

**Tax risk.** There is no guarantee that the income on the fund's municipal securities will remain exempt from regular federal income and/or California state personal income taxes. Unfavorable legislation, adverse interpretations by federal or state authorities, litigation or noncompliant conduct by the issuer of a municipal security could affect the tax-exempt status of municipal securities. If the Internal Revenue Service or a state authority determines that an issuer of a municipal security has not complied with applicable requirements, interest from the security could become subject to regular federal income tax and/or California state personal income tax, possibly retroactively to the date the security was issued, the value of the security could decline significantly, and a portion of the distributions to fund shareholders could be recharacterized as taxable.

Some of the fund's income distributions may be subject to regular federal income tax and/or California state personal income tax, and distributions of any capital gains generally will be subject to regular federal income and California state personal income taxes. All or a portion of the fund's dividends that are exempt from regular federal income tax may nevertheless be taken into account for purposes of the federal alternative minimum tax. In addition, distributions of the fund's income and capital gains will generally be subject to state and local taxes for investors that reside in states other than California that impose such taxes.

**Prepayment or call risk.** Many fixed income securities give the issuer the option to repay or call the security prior to its maturity date. Issuers often exercise this right when interest rates fall. Accordingly, if the fund holds a fixed income security subject to prepayment or call risk, it may not benefit fully from the increase in value that other fixed income securities generally experience when interest rates fall. Upon prepayment of the security, the fund would also be forced to reinvest the proceeds at then current yields, which would be lower than the yield of the security that was paid off. In addition, if the fund purchases a fixed income security at a premium (at a price that exceeds its stated par or principal value), the fund may lose the amount of the premium paid in the event of prepayment. Prepayment further tends to reduce the yield to maturity and the average life of the security.

**Extension risk.** When interest rates rise, repayments of fixed income securities, particularly asset- and mortgage-backed securities, may occur more slowly than anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline more than they would have declined due to the rise in interest rates alone. This may cause the fund's share price to be more volatile.

**Non-diversification risk.** The fund is classified as "non-diversified," which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund. To the extent the fund invests its assets in a smaller number of issuers, the fund will be more susceptible to negative events affecting those issuers than a diversified fund.

**Risks relating to investments in municipal securities.** Issuers of municipal securities tend to derive a significant portion of their revenue from taxes, particularly property and income taxes, and decreases in personal income levels and property values and other unfavorable economic factors, such as a general economic recession, adversely affect municipal securities. Municipal issuers may also be adversely affected by rising health care costs, increasing unfunded pension liabilities and by the phasing out of U.S. federal programs providing financial support. Also, if the Internal Revenue Service determines that an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could decline significantly in value. Where municipal securities are issued to finance particular projects, such as those relating to education, health care, transportation, and utilities, issuers often depend on revenues from those projects to make principal and interest payments. Adverse conditions and developments in those sectors can result in lower revenues to issuers of municipal securities, potentially resulting in defaults, and can also have an adverse effect on the broader municipal securities market.

There may be less public information available on municipal issuers or projects than other issuers, and valuing municipal securities may be more difficult. In addition, the secondary market for municipal securities is less well developed and may have lower liquidity as compared to other markets, and dealers may be less willing to offer and sell municipal securities in times of market turbulence. Changes in the financial condition of one or more individual municipal issuers (or one or more insurers of municipal issuers), or one or more defaults by municipal issuers or insurers, can adversely affect liquidity and valuations in the overall market for municipal securities. The value of municipal securities can also be adversely affected by regulatory and political developments affecting the ability of municipal issuers to pay interest or repay principal, actual or anticipated tax law changes or other legislative actions, and by uncertainties and public perceptions concerning these and other factors. In the past, a number of municipal issuers have defaulted on obligations, were downgraded or commenced insolvency proceedings.

The cost associated with combating the novel coronavirus (COVID-19) and its negative impact on tax revenues has adversely affected the financial condition of state and local governments. The lingering economic effects of this outbreak could continue to affect the ability of state and local governments to make payments on debt obligations when due and could adversely impact the value of their bonds, which could negatively impact the performance of the fund.

**Investing in ETFs risk.** An investment in an ETF is subject to the risks of investing in other investment companies. Investing in securities issued by ETFs also involves risks similar to those of investing directly in the securities and other assets held by the ETF. Unlike shares of typical mutual funds, shares of ETFs are generally traded on an exchange throughout a trading day and bought and sold based on market values and not at net asset value. For this reason, shares could trade at either a premium or discount to net asset value, which may be substantial during periods of market stress. An ETF will generally gain or lose value consistent with the performance of its portfolio securities. The fund will pay brokerage commissions in connection with the purchase and sale of shares of ETFs. In addition, the fund will indirectly bear its pro rata share of the fees and expenses incurred by an ETF in which it invests, including advisory fees. These expenses are in addition to management fees and other expenses that the fund bears directly in connection with its own operations. Certain ETFs are also subject to portfolio management risk. An index-based ETF may not replicate exactly the performance of the benchmark index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the



temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held. Investments in ETFs are subject to the risk that the listing exchange may halt trading of an ETF's shares, in which case the fund would be unable to sell its ETF shares unless and until trading is resumed.

**Valuation risk.** Many factors may influence the price at which the fund could sell any particular portfolio investment. The sales price may well differ—higher or lower—from the fund's last valuation, and such differences could be significant, particularly for illiquid securities and securities that trade in relatively thin markets and/or markets that experience extreme volatility. If market conditions make it difficult to value some investments, the fund may value these investments using more subjective methods, such as fair value methodologies. These differences may increase significantly and affect fund investments more broadly during periods of market volatility. Investors who purchase or redeem fund shares on days when the fund is holding fair-valued securities may receive fewer or more shares, or lower or higher redemption proceeds, than they would have received if the fund had not fair-valued securities or had used a different valuation methodology. The value of non-U.S. securities, certain fixed income securities and currencies, as applicable, may be materially affected by events after the close of the markets in which they are traded, but before the fund determines its net asset value. The fund's ability to value its investments may also be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the fund's investments involves subjective judgment, which may prove to be incorrect.

**Cash management and defensive investing risk.** The value of the investments held by the fund for cash management or defensive investing purposes can fluctuate. Like other fixed income securities, they are subject to risk, including market, interest rate and credit risk. If the fund holds cash uninvested, the cash will be subject to the credit risk of the depository institution holding the cash and the fund will not earn income on the cash. If a significant amount of the fund's assets is used for cash management or defensive investing purposes, the fund will be less likely to achieve its investment objective. Defensive investing may not work as intended and the value of an investment in the fund may still decline.

**Portfolio management risk.** The value of your investment may decrease if the subadviser's judgment about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, or about interest rates or other market factors, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the models, tools and data used by the subadviser. In addition, the fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadviser and could have an adverse effect on the value or performance of the fund.

**Not a money market fund.** The fund is not a money market fund and is not subject to the strict rules that govern the quality, maturity, liquidity and other features of securities that money market funds may purchase. The fund also does not qualify for the special tax treatment or related accounting methods accorded money market funds under Treasury regulations. Under normal conditions, the fund's investments may be more susceptible than a money market fund to interest rate risk, valuation risk, credit risk and other risks relevant to the fund's investments. The fund does not attempt to maintain a stable net asset value. Therefore, the fund's net asset value per share will fluctuate.

**Redemption risk.** The fund may experience periods of heavy redemptions, particularly during periods of declining or illiquid markets, that could cause the fund to liquidate its assets at inopportune times or unfavorable prices or increase or accelerate taxable gains or transaction costs and may negatively affect the fund's net asset value, performance, or ability to satisfy redemptions in a timely manner which could cause the value of your investment to decline. Redemption risk is greater to the extent that the fund has investors with large shareholdings, short investment horizons, unpredictable cash flow needs or where one decision maker has control of fund shares owned by separate fund shareholders, including clients or affiliates of the fund's manager. In addition, redemption risk is heightened during periods of overall market turmoil. The redemption by one or more large shareholders of their holdings in the fund could hurt performance and/or cause the remaining shareholders in the fund to lose money.

**Operational risk.** Your ability to transact with the fund or the valuation of your investment may be negatively impacted because of the operational risks arising from factors such as processing errors and human errors, inadequate or failed internal or external processes, failures in systems and technology (including those due to cybersecurity incidents), changes in personnel, and errors caused by third party service providers or trading counterparties. It is not possible to identify all of the operational risks that may affect the fund or to develop processes and controls that eliminate or mitigate the occurrence of such failures. The fund and its shareholders could be negatively impacted as a result.

**Investment in other investment companies risk.** Investments in other investment companies are subject to market and portfolio selection risk, as well as portfolio management risk. If the fund acquires shares of investment companies, including ones affiliated with the fund, shareholders bear both their proportionate share of expenses in the fund (including management and advisory fees) and, indirectly, the expenses of the investment companies.

**Cybersecurity risk.** Like other funds and business enterprises, the fund, the manager, the subadviser and their service providers are subject to the risk of cyber incidents occurring from time to time. Cybersecurity incidents, whether intentionally caused by third parties or otherwise, may allow an unauthorized party to gain access to fund assets, fund or customer data (including private shareholder information) or proprietary information, cause the fund, the manager, the subadviser and/or their service providers (including, but not limited to, fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality, or prevent fund investors from purchasing, redeeming or exchanging shares, receiving distributions or receiving timely information regarding the fund or their investment in the fund. The fund, the manager, and the subadviser have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the fund, the manager, and/or the subadviser. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent or

mitigate any future cybersecurity incidents. Issuers of securities in which the fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

New ways to carry out cyber attacks continue to develop. There is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the fund's ability to plan for or respond to a cyber attack.

Please note that there are other factors that could adversely affect your investment and that could prevent the fund from achieving its investment objective. More information about risks appears in the SAI. Before investing, you should carefully consider the risks that you will assume.

### **Portfolio holdings**

A description of the fund's policies and procedures with respect to the disclosure of the fund's portfolio holdings is available in the SAI. The fund intends to make complete portfolio holdings information available on a monthly basis at [www.franklintempleton.com/mutualfunds](http://www.franklintempleton.com/mutualfunds) (click on the name of the fund) no sooner than 8 business days following the month-end.

## More on fund management

Franklin Templeton Fund Adviser, LLC ("FTFA" or the "manager") (formerly known as Legg Mason Partners Fund Advisor, LLC) is the fund's investment manager. FTFA, with offices at 280 Park Avenue, New York, New York 10017, also serves as the investment manager of other Franklin Templeton-sponsored funds. FTFA provides administrative and certain oversight services to the fund. As of March 31, 2024, FTFA's total assets under management were approximately \$180.09 billion.

Western Asset Management Company, LLC ("Western Asset") provides the day-to-day portfolio management of the fund as subadviser. Western Asset, established in 1971, has offices at 385 East Colorado Boulevard, Pasadena, California 91101 and 620 Eighth Avenue, New York, New York 10018. Western Asset acts as investment adviser to institutional accounts, such as corporate pension plans, mutual funds and endowment funds. As of March 31, 2024, the total assets under management of Western Asset and its supervised affiliates were approximately \$380.55 billion.

FTFA pays the subadviser a portion of the management fee that it receives from the fund. The fund does not pay any additional advisory or other fees for advisory services provided by Western Asset.

FTFA and Western Asset are indirect, wholly-owned subsidiaries of Franklin Resources, Inc. ("Franklin Resources"). Franklin Resources, whose principal executive offices are at One Franklin Parkway, San Mateo, California 94403, is a global investment management organization operating, together with its subsidiaries, as Franklin Templeton. As of March 31, 2024, Franklin Templeton's asset management operations had aggregate assets under management of approximately \$1.64 trillion.

## Investment professionals

Primary responsibility for the day-to-day portfolio management, development of investment strategy, oversight and coordination of the fund lies with the following investment professionals. The fund is managed by a broad team of investment professionals. Senior members of the portfolio management team are responsible for the development of investment strategy and oversight for the fund and coordination of other relevant investment team members. They work together with the broader Western Asset investment management team on portfolio structure, duration weighting and term structure decisions.

| Investment professional | Title and recent biography   | Investment professional of the fund since |
|-------------------------|--|---|
| Michael C. Buchanan     | Co-Chief Investment Officer and has been employed by Western Asset as an investment professional for at least the past five years.                               | March 2024                                |
| Robert E. Amodeo        | Head of Municipals and has been employed by Western Asset as an investment professional for at least the past five years.  | 2007                                      |
| Ryan K. Brist           | Head of Global Investment Grade Credit, Portfolio Manager and has been employed by Western Asset as an investment professional for at least the past five years. | March 2024                                |
| David T. Fare           | Portfolio Manager and has been employed by Western Asset as an investment professional for at least the past five years.   | 2004                                      |
| John Mooney             | Portfolio Manager and has been employed by Western Asset as an investment professional for at least the past five years.   | 2023                                      |

The SAI provides information about the compensation of the investment professionals, other accounts managed by the investment professionals and any fund shares held by the investment professionals.

## Management fee

The fund pays a management fee at an annual rate of 0.45% of its average daily net assets.

For the fiscal year ended February 29, 2024, the fund paid FTFA an effective management fee of 0.43% of the fund's average daily net assets for management services.

A discussion regarding the basis for the Board's approval of the fund's management agreement and subadvisory agreement is available in the fund's Semi-Annual Report for the period ended August 31, 2023.



## Expense limitation

The manager has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses) so that the ratio of total annual fund operating expenses will not exceed 0.85% for Class FI shares, 0.55% for Class I shares and 0.52% for Class IS shares, subject to recapture as described below. In addition, the ratio of total annual fund operating expenses for Class IS shares will not exceed the ratio of total annual fund operating expenses for Class I shares, subject to recapture as described below. These arrangements are expected to continue until December 31, 2025, may be terminated prior to that date by agreement of the manager and the Board, and may be terminated at any time after that date by the manager. These arrangements, however, may be modified by the manager to decrease total annual fund operating expenses at any time. The manager is also permitted to recapture amounts waived and/or reimbursed to a class within two years after the fiscal year in which the manager earned the fee or incurred the expense if the class' total annual fund operating expenses have fallen to a level below the limits described above. In no case will the manager recapture any amount that would result, on any particular business day of the fund, in the class' total annual fund operating expenses exceeding the applicable limits described above or any other lower limit then in effect. The manager has agreed to waive the fund's management fee to an extent sufficient to offset the net management fee payable in connection with any investment in an affiliated money market fund. This management fee waiver is not subject to recapture.

## Additional information

The fund enters into contractual arrangements with various parties, including, among others, the fund's manager and the subadviser, who provide services to the fund. Shareholders are not parties to, or intended (or "third-party") beneficiaries of, those contractual arrangements.

This Prospectus and the SAI provide information concerning the fund that you should consider in determining whether to purchase shares of the fund. The fund may make changes to this information from time to time. Neither this Prospectus nor the SAI is intended to give rise to any contract rights or other rights in any shareholder, other than rights conferred by federal or state securities laws.

## Distribution

Franklin Distributors, LLC ("Franklin Distributors" or the "Distributor"), an indirect, wholly-owned broker/dealer subsidiary of Franklin Resources, serves as the fund's sole and exclusive distributor.

The fund has adopted a shareholder services and distribution plan pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended. Under the plan, the fund pays distribution and/or service fees based on an annualized percentage of average daily net assets of up to 0.15% for Class A shares; up to 0.70% for Class C shares; and up to 0.25% for Class FI shares. Payments by the fund under its plan go to the Distributor, financial intermediaries and other parties that provide services in connection with or are otherwise involved in the distribution of its shares or administration of plans or programs that use its shares as their funding medium, and to reimburse certain other expenses and payments. From time to time, the Distributor and/or financial intermediaries may agree to a reduction or waiver of these fees. These fees are an ongoing expense and, over time, will increase the cost of your investment and may cost you more than other types of sales charges. Class I shares and Class IS shares are not subject to distribution and/or service fees under the plan.

## Additional payments

In addition to payments made to intermediaries under the fund's shareholder services and distribution plan and other payments made by the fund for shareholder services and/or recordkeeping, the Distributor, the manager and/or their affiliates make payments for distribution, shareholder servicing, marketing and promotional activities and related expenses out of their profits and other available sources, including profits from their relationships with the fund. These payments are not reflected as additional expenses in the fee table contained in this Prospectus. The recipients of these payments may include the Distributor and affiliates of the manager, as well as Service Agents through which investors may purchase shares of the fund, including your Service Agent. The total amount of these payments is substantial, may be substantial to any given recipient and may exceed the costs and expenses incurred by the recipient for any fund-related marketing or shareholder servicing activities. The payments described in this paragraph are often referred to as "revenue sharing payments." Revenue sharing arrangements are separately negotiated between the Distributor, the manager and/or their affiliates, and the recipients of these payments.

Revenue sharing payments create an incentive for an intermediary or its employees or associated persons to recommend or sell shares of the fund to you. Contact your Service Agent for details about revenue sharing payments it receives or may receive. Additional information about revenue sharing payments is available in the SAI. Revenue sharing payments, as well as payments by the fund under the shareholder services and distribution plan or for recordkeeping and/or shareholder services, also benefit the manager, the Distributor and their affiliates to the extent the payments result in more assets being invested in the fund on which fees are being charged.

## Choosing a share class

The fund offers multiple share classes. Each share class represents an investment in the same portfolio of securities, but each has different availability (for example, not all Service Agents offer all share classes), eligibility criteria, expense structures and arrangements for shareholder services or distribution, allowing you to choose the class that best meets your needs. You should read this section carefully and speak with your Service Agent (if applicable) to determine which share class is most appropriate for you. When choosing the appropriate share class, you should consider the following factors:

- the amount you plan to invest;
- the length of time you expect to own the shares;
- the total costs associated with your investment, including any sales charges that you pay when you buy or sell fund shares and expenses that are paid out of fund assets over time;
- whether you qualify for any reduction or waiver of the sales charge;
- the availability of the share class;
- the services that will be available to you and whether you meet any eligibility criteria; and
- the amount of compensation that your Service Agent will receive.

For example, when choosing between Class A or Class C shares, you should be aware that, generally speaking, the larger the size of your investment and the longer your investment horizon, the more likely it will be that Class C shares will not be as advantageous as Class A shares. The annual distribution and/or service fees on Class C shares may cost you more over the longer term than the front-end sales charge and service fees you would pay for larger purchases of Class A shares. If you are eligible to purchase Class I shares, you should be aware that Class I shares are not subject to a front-end sales charge or distribution or service fees and generally have lower annual expenses than Class A or Class C shares.

Generally speaking, Class A shares have lower annual operating expenses than Class C shares but not as low as Class I/Class IS shares. Overall, Class IS shares generally have the lowest annual expenses of all share classes.

More information about the fund's classes of shares is available through the fund's website. You'll find detailed information, free of charge and in a clear and prominent format, about sales charges and ways you can qualify for reduced or waived sales charges.

The fund's shares are distributed by Franklin Distributors.

## Share class features summary

The following table summarizes key features of the fund's share classes. In addition, you should read carefully this Prospectus, including the fee table and the expense example at the front of this Prospectus before choosing your share class. If you are not purchasing shares directly from the fund, you should contact your Service Agent for help choosing a share class that may be appropriate for you. Capitalized terms used in the table have the definition given to them in this Prospectus.

|                 | Minimum initial investments <sup>1</sup>  | Initial sales charge   | Contingent deferred sales charge   | Annual distribution and/or service (12b-1) fees | Exchange privilege <sup>2</sup>                   | Conversion to Class A shares  |
|-----------------|---|--|--|---|---|---|
| <b>Class A</b>  | Generally, \$1,000 for all accounts except:<br>(i) \$25 if establishing a Systematic Investment Plan; and<br>(ii) none for certain fee-based programs | Up to 3.75%; reduced or waived for large purchases and certain investors. No charge for purchases of \$250,000 or more | 1.00% on purchases of \$250,000 or more if you redeem within 18 months of purchase; waived for certain investors | 0.15% of average daily net assets               | Class A shares of funds sold by the Distributor   | N/A   |
| <b>Class C</b>  | Generally, \$1,000 for all accounts except:<br>(i) \$25 if establishing a Systematic Investment Plan; and<br>(ii) none for certain fee-based programs | None   | 1.00% if you redeem within 1 year of purchase; waived for certain investors                                      | 0.70% of average daily net assets               | Class C shares of funds sold by the Distributor   | Yes; generally converts to Class A in the month of, or the month following, the 8 year anniversary of the Class C share purchase date (conversion date occurs typically on a Friday in the middle of the month); please consult your Service Agent for more information |
| <b>Class FI</b> | None  | None   | None   | 0.25% of average daily net assets               | Class FI shares of funds sold by the Distributor* | No  |
| <b>Class I</b>  | • \$1,000,000;<br>• Waived for certain Service  | None   | None   | None  | Class I shares of funds sold by the Distributor*  | No  |

Agents with arrangements with the Distributor and certain individuals affiliated with Franklin Templeton

- However, investors investing through a Service Agent acting as agent on behalf of its customers will be subject to the following minimums:
  - (i) if investing through a Systematic Investment Plan, \$25;
  - (ii) if an individual investor \$1,000; and
  - (iii) none for certain fee-based programs

|                 |  |      |      |      |   |    |
|-----------------|--|------|------|------|---|----|
| <b>Class IS</b> | <ul style="list-style-type: none"> <li>• \$1,000,000;</li> <li>• Waived for certain Service Agents with arrangements with the Distributor</li> <li>• However, investors investing through a Service Agent acting as agent on behalf of its customers will be subject to the following minimums:               <ul style="list-style-type: none"> <li>(i) if investing through a Systematic Investment Plan, \$25;</li> <li>(ii) if an individual investor \$1,000; and</li> <li>(iii) none for certain fee-based programs</li> </ul> </li> </ul> | None | None | None | Class IS shares of funds sold by the Distributor* | No |
|-----------------|--|------|------|------|---|----|

<sup>1</sup> Please note that the minimum initial investment amount must be met on a per class basis. In addition, your Service Agent may impose higher or lower investment minimums, or may impose no minimum investment requirement.

<sup>2</sup> You or your Service Agent may instruct the fund to exchange shares of any class for shares of the same class of any other fund sold by the Distributor, provided that the fund shares to be acquired in the exchange are available to new investors in such other fund and that you are eligible to invest in such shares. For investors investing through fee-based programs, you should contact your Service Agent that sponsors the fee-based program to request an exchange. In addition, you may exchange shares of the fund for another share class of the same fund if you meet the eligibility requirements of that particular class. Please contact your Service Agent or the fund about funds available for exchange.

\* If this share class is not available, you may be eligible to exchange into a different share class of such fund; see “Exchanging shares — Exchangeability between funds without the same share class” below.

## Share class availability

You may buy shares of the fund either directly from the fund or through a Service Agent. Please note that your Service Agent may not offer all classes of shares since each Service Agent determines which share class(es) to make available to its clients. Your Service Agent may receive different compensation for selling one class of shares than for selling another class, which may depend on, among other things, the type of investor account and the practices adopted by your Service Agent. Each class of shares, except Class IS shares, is authorized to pay fees for recordkeeping services, account servicing, networking, or similar services to Service Agents. As a result, operating expenses of classes that incur new or additional recordkeeping fees may increase over time. Certain Service Agents may impose their own investment fees and maintain their own practices for purchasing and selling fund shares, including higher or lower investment minimums or none at all; these practices are not described in this Prospectus or the SAI and will depend on the policies, procedures and trading platforms of the Service Agent. Your Service Agent may provide shareholder services that differ from the services provided by other Service Agents. Services provided by your Service Agent may vary by class.

Service Agents may choose to impose qualification requirements that differ from the fund's share class eligibility standards as stated in this Prospectus. In certain cases, this could result in the selection of a share class with higher distribution and/or service fees than otherwise would have been incurred. The fund is not responsible for, and has no control over, the decision of any Service Agent to impose such differing requirements. Please consult with your Service Agent for more information about available share classes.

Please contact your Service Agent about the availability of fund shares, the shareholder services it provides for each class, the compensation it receives in connection with the sale of each share class and the Service Agent's practices and other information.

The following table provides information on the availability of each share class based on investor type, subject to the share class' eligibility requirements. Your Service Agent can help you determine which share class is appropriate for you. **The fund reserves the right to modify or waive the eligibility policies for share class availability at any time.**

|  | A | C <sup>1</sup> | F <sup>1</sup> | I                 | IS             |
|--|---|----------------|----------------|-------------------|----------------|
| Individual Investors                         | ✓ | ✓              |                | ✓ <sup>2, 3</sup> | ✓ <sup>2</sup> |
| Clients of Eligible Financial Intermediaries | ✓ | ✓              | ✓              | ✓ <sup>4</sup>    | ✓ <sup>3</sup> |
| Institutional Investors                      | ✓ | ✓              |                | ✓                 | ✓              |

<sup>1</sup> Shares are not available for purchase through accounts where the Distributor is the broker-dealer of record ("Distributor Accounts").

<sup>2</sup> Individual investors investing through a Service Agent may be eligible to invest in Class I or Class IS shares, if such Service Agent is acting solely as an agent on behalf of its customers pursuant to an agreement with the Distributor and such investor's shares are held in an omnibus account on the books of the fund. Please contact your Service Agent for more information.

<sup>3</sup> Class I shares may be purchased directly from the fund by the following persons: (i) current employees of the manager and its affiliates; (ii) former employees of the manager and its affiliates with existing accounts; (iii) current and former board members of investment companies managed by affiliates of Franklin Resources; (iv) current and former board members of Franklin Resources; and (v) the "immediate families" of such persons. "Immediate families" are such person's spouse (including the surviving spouse of a deceased board member), parents, grandparents, and children and grandchildren (including step-relationships). For such investors, the minimum initial investment is \$1,000 and the minimum for each purchase of additional shares is \$50. Current employees may purchase additional Class I shares through a systematic investment plan.

<sup>4</sup> Investors who qualify as Clients of Eligible Financial Intermediaries or who participate in Eligible Investment Programs made available through their Service Agents (such as investors in fee-based advisory or mutual fund "wrap" programs) are eligible to purchase, directly or via exchange, Class I or Class IS shares, among other share classes. In such cases your ability to hold Class I or Class IS shares may be premised on your continuing participation in a fee-based advisory or mutual fund wrap program. Your Service Agent may reserve the right to redeem your Class I or Class IS shares or exchange your Class I or Class IS shares or exchange them for Class A shares of the same fund, as applicable, if you terminate your fee-based advisory or mutual fund wrap program and are no longer eligible for Class I or Class IS shares. You may be subject to an initial sales charge in connection with such exchange, and you will be subject to the annual distribution and/or service fee applicable to Class A shares. Any redemption may generate a taxable gain or loss and significantly change the asset allocation of your account.

**Clients of Eligible Financial Intermediaries include:** *investors who invest in the fund through Service Agents that (a) charge such investors an ongoing fee for advisory, investment, consulting or similar services, or (b) have entered into an agreement with the Distributor to offer Class A, Class C, Class I or Class IS shares through a no-load network or platform (including college savings vehicles) ("Eligible Investment Programs"). These investors may include (i) investors who invest in the fund through the program of a Service Agent where the investor typically invests \$10 million or more in assets under management in accounts with the Service Agent ("Management Accounts"); (ii) pension and profit sharing plans; (iii) other employee benefit trusts; (iv) endowments; (v) foundations; (vi) corporations; (vii) college savings vehicles such as Section 529 plans; and (viii) direct retail investment platforms through mutual fund "supermarkets," where the sponsor links its client's account (including IRA accounts on such platforms) to a master account in the sponsor's name.*

**Institutional Investors may include:** *(i) corporations; (ii) banks; (iii) trust companies; (iv) insurance companies; (v) investment companies; (vi) foundations; (vii) endowments; and (viii) other similar entities. The Distributor or the Service Agent may impose additional eligibility requirements or criteria to determine if an investor, including the types of investors listed above, qualifies as an Institutional Investor.*

*To visit the website, go to [www.franklintempleton.com/mutualfunds](http://www.franklintempleton.com/mutualfunds), and click on the name of the fund. On the selected fund's page, scroll to the bottom of the page and click on the disclosure labeled "Click here for funds sales charge and breakpoint information."*

## Additional information about each share class

### Class A shares

The public offering price of Class A shares is the net asset value per share plus the applicable sales charge, unless you qualify for a sales charge waiver.

### Sales charges

The following table shows the front-end sales charge that you may pay, depending on the amount you purchase. You pay a lower rate as the size of your investment increases to certain levels called breakpoints. You do not pay a sales charge on the fund's distributions or dividends that you reinvest in additional Class A shares.

It also shows the amount of compensation that will be paid to your Service Agent out of the sales charge if you buy shares from a Service Agent. As shown below, the sales charge may be allocated between your Service Agent and the Distributor. Service Agents will receive a distribution and/or service fee payable on Class A shares at an annual rate of up to 0.15% of the average daily net assets represented by the Class A shares serviced by them. Please contact your Service Agent for more information.

| Amount of investment              | Sales charge<br>as a % of<br>offering price | Sales charge<br>as a % of net<br>amount<br>invested | Service Agent<br>commission as<br>a % of<br>offering price |
|-----------------------------------|---|---|--|
| Less than \$100,000               | 3.75  | 3.90  | 3.50   |
| \$100,000 but less than \$250,000 | 3.25  | 3.36  | 3.00   |
| \$250,000 or more <sup>1</sup>    | -0-   | -0-   | up to 1.00   |

<sup>1</sup> The Distributor may pay a commission of up to 1.00% to a Service Agent for purchase amounts of \$250,000 or more. In such cases, starting in the thirteenth month after purchase, the Service Agent will also receive an annual distribution and/or service fee of up to 0.15% of the average daily net assets represented by the Class A shares held by its clients. Prior to the thirteenth month, the Distributor will retain this fee. Where the Service Agent does not receive the payment of this commission, the Service Agent will instead receive the annual distribution and/or service fee starting immediately after purchase. Please contact your Service Agent for more information.

## Reductions, waivers or elimination of sales charges for Class A shares

### Larger purchases

You may reduce or eliminate your Class A front-end sales charge by purchasing greater quantities. You pay a lower rate as the size of your investment increases to the breakpoint levels indicated in the chart above. You do not pay an initial sales charge when you buy \$250,000 or more of Class A shares. However, if you redeem these Class A shares within 18 months of purchase, you will pay a contingent deferred sales charge of 1.00%. Please see "Contingent deferred sales charges—Class A and Class C shares" below.

### Letter of intent and accumulation privilege

There are several ways you can combine Eligible Purchases (as defined below) within Eligible Accounts (as defined below) to take advantage of the breakpoints in the Class A sales charge schedule. In order to take advantage of reductions in sales charges that may be available to you when you purchase fund shares, you must inform your Service Agent or the fund if you believe you are eligible for a letter of intent or a right of accumulation. Whether you made Eligible Purchases through one or more Service Agents, directly from the fund or through a combination of the foregoing, it is your responsibility to inform your Service Agent or the fund if you own Eligible Purchases that you believe are eligible to be aggregated with your purchases. **If you do not do so, you may not receive all sales charge reductions for which you are eligible.** Account statements may be necessary in order to verify your eligibility for a reduced sales charge.

Eligible Purchases include: (i) any class of shares of any other Legg Mason or Franklin Templeton fund other than shares of such funds offered through separately managed accounts that are managed by a Franklin Templeton affiliate; and (ii) units of a Section 529 Plan managed by a Franklin Templeton affiliate. For purposes of a letter of intent and the accumulation privilege, Legg Mason and Franklin Templeton funds include BrandywineGLOBAL funds, ClearBridge Investments funds, Martin Currie funds, and Western Asset funds. They do not include the funds in the Franklin Templeton Variable Insurance Products Trust, Legg Mason Partners Variable Equity Trust, Legg Mason Partners Variable Income Trust or Legg Mason Partners Money Market Trust (except for shares held in Distributor Accounts). Please contact your Service Agent or the fund for more information.

Eligible Accounts include shares of Legg Mason and Franklin Templeton funds registered to (or held by a financial intermediary for):

- You, individually;
- Your "family member," defined as your spouse or domestic partner, as recognized by applicable state law, or your children;
- You jointly with one or more family members;
- You jointly with one or more persons who are not family members if that other person has not included the value of the jointly-owned shares for purposes of the accumulation privilege (as described below) for that person's separate investments in Legg Mason or Franklin Templeton fund shares;
- A Coverdell Education Savings account for which you or a family member is the identified responsible person;

- A trustee/custodian of an IRA (which includes a Roth IRA and an employer sponsored IRA such as a SIMPLE IRA) or your non-ERISA covered 403(b) plan account, if the shares are registered/recorded under your or a family member's Social Security number;
- A 529 college savings plan over which you or a family member has investment discretion and control;
- Any entity over which you or a family member has individual or shared authority, as principal, has investment discretion and control (for example, an UGMA/UTMA account for a child on which you or a family member is the custodian, a trust on which you or a family member is the trustee, a business account (not to include retirement plans) for your solely owned business (or the solely owned business of a family member) on which you or a family member is the authorized signer); or
- A trust established by you or a family member as grantor.

Legg Mason and Franklin Templeton fund shares held through an administrator or trustee/custodian of an Employer Sponsored Retirement Plan (see definition below) such as a 401(k) plan do not qualify for the accumulation privilege.

Legg Mason and Franklin Templeton fund assets held in multiple Employer Sponsored Retirement Plans (as defined below) may be combined in order to qualify for sales charge breakpoints at the plan level if the plans are sponsored by the same employer.

An "Employer Sponsored Retirement Plan" is a Qualified Retirement Plan (as defined below), ERISA covered 403(b) plan or certain non-qualified deferred compensation arrangements that operate in a similar manner to a Qualified Retirement Plan, such as 457 plans and executive deferred compensation arrangements, but not including employer sponsored IRAs. A "Qualified Retirement Plan" is an employer sponsored pension or profit sharing plan that qualifies under section 401(a) of the Internal Revenue Code, including 401(k), money purchase pension, profit sharing and defined benefit plans.

**Letter of intent.** You may qualify for a reduced front-end sales charge by signing a "Letter of Intent". A Letter of Intent allows you to combine the current or cost value, whichever is higher, of Eligible Purchases in Eligible Accounts with the value that you intend to purchase within the next 13 months, which would, if bought all at once, qualify you for a reduced sales charge. In addition, current holdings under the accumulation privilege may be included in the Letter of Intent. Shares or units redeemed or sold prior to reaching the threshold for a reduced sales charge will not be counted for these purposes. The 13-month period begins when the Letter of Intent is received by the fund or your Service Agent and you must inform your Service Agent or the fund that later purchases are subject to a Letter of Intent. Account statements may be necessary in order to verify your eligibility. If you hold Eligible Purchases in accounts at two or more Service Agents, please contact your Service Agent to determine which shares/units may be credited toward the Letter of Intent. Certain directors, trustees and fiduciaries may be entitled to combine accounts in determining their sales charge.

During the term of the Letter of Intent, the fund will hold Class A shares representing up to 5% of the indicated amount in an escrow account for payment of the sales charge due if you do not meet the intended asset level goal during the 13-month term of the Letter of Intent. If the full amount is not purchased during the 13-month period, shares in the amount of any sales charge due, based on the amount of actual purchases will be redeemed from your account.

**Accumulation privilege.** The accumulation privilege allows you to combine the current or cost value, whichever is higher, of Eligible Purchases in Eligible Accounts with the dollar amount of your next purchase of Class A shares in determining whether you qualify for a breakpoint and a reduced front-end sales charge. The current value of shares is determined by multiplying the number of shares as of the day prior to your current purchase by their public offering price. The cost value of shares is determined by aggregating the amount of Eligible Purchases in Eligible Accounts (including reinvested dividends and capital gains, but excluding capital appreciation), less any withdrawals, as of the date prior to your current purchase. The cost value of Eligible Purchases in Eligible Accounts, however, may only be aggregated for share purchases that took place within 18 months of your current purchase or your letter of intent start date, if applicable. You must inform your Service Agent or the fund if you are eligible for the accumulation privilege and of the other Eligible Purchases you own that are eligible to be aggregated with your purchases. Account statements may be necessary in order to verify your eligibility. If you hold Eligible Purchases in accounts at two or more Service Agents, please contact your Service Agent to determine which Eligible Purchases may be credited toward the accumulation privilege.

### **Waivers for certain Class A shareholders**

Class A initial sales charges are waived for certain types of investors, including:

1. Shareholders investing in Class A shares through Distributor Accounts;
2. Investors who redeemed at least the same amount of Class A shares of a fund sold by the Distributor in the past 90 days, if the investor's Service Agent is notified;
3. Directors and officers of any Franklin Templeton sponsored fund;
4. Employees of Franklin Resources and its subsidiaries; and
5. Franklin Templeton donor-advised funds (such as the Franklin or Fiduciary Trust Charitable Programs) or investors purchasing through such funds.

If you qualify for a waiver of the Class A initial sales charge, you must notify your Service Agent or the fund at 877-6LM-FUND/656-3863 at the time of purchase and provide sufficient information at the time of purchase to permit verification that the purchase qualifies for the initial sales charge waiver.

**Different Service Agents may impose different sales loads or offer different ways to reduce sales loads. These variations are described at the end of this Prospectus in the appendix titled “Appendix: Waivers and Discounts Available from Certain Service Agents.”**

*For additional information regarding waivers of Class A initial sales charges, contact your Service Agent or the fund, consult the SAI or visit [www.franklintempleton.com/mutualfunds](http://www.franklintempleton.com/mutualfunds) and click on the name of the fund. On the selected fund’s page, scroll to the bottom of the page and click on the disclosure labeled “Click here for funds sales charge and breakpoint information.”*

### **Class C shares**

You buy Class C shares at net asset value with no initial sales charge. However, if you redeem your Class C shares within one year of purchase, you will pay a contingent deferred sales charge of 1.00%.

The Distributor generally will pay Service Agents selling Class C shares a commission of up to 0.75% of the purchase price of the Class C shares they sell. The Distributor will retain the contingent deferred sales charges and an annual distribution and/or service fee of up to 0.70% of the average daily net assets represented by the Class C shares serviced by these Service Agents until the thirteenth month after purchase. Starting in the thirteenth month after purchase, these Service Agents will receive an annual distribution and/or service fee of up to 0.70% of the average daily net assets represented by the Class C shares serviced by them.

### **Class C share conversion**

Except as noted below, Class C shares automatically convert to Class A shares after the shares have been held for 8 years from the purchase date; the shares will be converted in the month of, or the month following, the 8-year anniversary of purchase. The monthly conversion processing date typically occurs around the middle of every month and generally falls on a Friday. It is the responsibility of your Service Agent and not the fund or the Distributor to ensure that you are credited with the proper holding period. If your Service Agent does not have records verifying that your shares have been held for at least 8 years, your Service Agent may not convert your Class C shares to Class A shares. Group retirement plans held in an omnibus recordkeeping platform through a Service Agent that does not track participant-level share lot aging may not convert Class C shares to Class A shares. Customers of certain Service Agents may be subject to different terms or conditions, as set by their Service Agent, in connection with such conversions. Please refer to the appendix titled “Appendix: Waivers and Discounts Available from Certain Service Agents” on page A-1 of this Prospectus or contact your Service Agent for more information.

For Class C shares that have been acquired through an exchange from another fund sold by the Distributor, the purchase date is calculated from the date the shares were originally acquired in the other fund. When Class C shares that a shareholder acquired through a purchase or exchange convert, any other Class C shares that the shareholder acquired as reinvested dividends and distributions related to those shares also will convert into Class A shares on a pro rata basis.

All conversions from Class C shares to Class A shares will be based on the per share net asset value without the imposition of any sales load, fee or other charge. The conversion from Class C shares to Class A shares is not considered a taxable event for federal income tax purposes.

### **Contingent deferred sales charges – Class A and Class C shares**

The contingent deferred sales charge is based on the net asset value at the time of purchase or redemption, whichever is less, and therefore you do not pay a sales charge on amounts representing appreciation or depreciation.

In addition, you do not pay a contingent deferred sales charge:

1. when you exchange shares for shares of the same share class of another fund sold by the Distributor;
2. on shares representing reinvested distributions and dividends; and
3. on shares no longer subject to the contingent deferred sales charge.

Each time you place a request to redeem shares, the fund will first redeem any shares in your account that are not subject to a contingent deferred sales charge and then redeem the shares in your account that have been held the longest.

If you redeem shares of a fund sold by the Distributor and pay a contingent deferred sales charge, you may, under certain circumstances, reinvest all or part of the redemption proceeds within 90 days in any other fund sold by the Distributor and receive pro rata credit for any contingent deferred sales charge imposed on the prior redemption. Please contact your Service Agent or the fund for additional information.

The Distributor receives contingent deferred sales charges as partial compensation for its expenses in selling shares, including the payment of compensation to your Service Agent.

### **Contingent deferred sales charge waivers**

The contingent deferred sales charge for each share class will generally be waived:

1. on payments made through certain systematic withdrawal plans;
2. for involuntary redemptions of small account balances;
3. for 12 months following the death or disability of a shareholder;



4. on redemptions with respect to investors where the Distributor did not pay the Service Agent a commission; and
5. on redemptions of Class A shares purchased by or through a Franklin Templeton donor-advised fund (such as the Franklin or Fiduciary Trust Charitable Program).

To have your contingent deferred sales charge waived, you or your Service Agent must let the fund know at the time you redeem shares that you qualify for such a waiver.

**Different Service Agents may offer different contingent deferred sales charge waivers. These variations are described at the end of this Prospectus in the appendix titled “Appendix: Waivers and Discounts Available from Certain Service Agents.”**

*For additional information regarding waivers of contingent deferred sales charges, contact your Service Agent or the fund, consult the SAI or visit the fund’s website, [www.franklintempleton.com/mutualfunds](http://www.franklintempleton.com/mutualfunds), and click on the name of the fund. On the selected fund’s page, scroll to the bottom of the page and click on the disclosure labeled “Click here for funds sales charge and breakpoint information.”*

### **Class FI shares**

You buy Class FI shares at net asset value with no initial sales charge and no contingent deferred sales charge when redeemed. Service Agents receive an annual distribution and/or service fee of up to 0.25% of the average daily net assets represented by the Class FI shares serviced by them.

### **Class I and Class IS shares**

You buy Class I or Class IS shares at net asset value with no initial sales charge, no contingent deferred sales charge when redeemed and no asset-based fee for sales or distribution. However, if you purchase Class I or Class IS shares through a Service Agent acting solely as an agent on behalf of its customers pursuant to an agreement with the Distributor, that Service Agent may charge you a commission in an amount determined and separately disclosed to you by the Service Agent.

Because the fund is not a party to any commission arrangement between you and your Service Agent, any purchases and redemptions of Class I or Class IS shares will be made by the fund at the applicable net asset value (before imposition of the sales commission). Any commissions charged by a Service Agent are not reflected in the fees and expenses listed in the fee table or expense example in this Prospectus nor are they reflected in the performance in the bar chart and table in this Prospectus because these commissions are not charged by the fund.



## Buying shares

### Generally

You may buy shares at their net asset value next determined after receipt by your Service Agent or the transfer agent of your purchase request in good order, plus any applicable sales charge.

**The fund may not be available for sale in certain states. Prospective investors should inquire as to whether the fund is available for sale in their state of residence.**

You must provide the following information for your order to be processed:

- Name of fund being bought
- Class of shares being bought
- Dollar amount or number of shares being bought (as applicable)
- Account number (if existing account)

### Through a Service Agent

You should contact your Service Agent to open an account and make arrangements to buy shares.

Your Service Agent may charge an annual account maintenance fee.

### Through the fund

Investors should contact the fund at 877-6LM-FUND/656-3863 to open an account and make arrangements to buy shares.

For initial purchases, complete and send your account application to the fund at one of the following addresses:

Regular Mail:

Legg Mason Funds  
P.O. Box 33030  
St. Petersburg, FL 33733-8030

Express, Certified or Registered Mail:

Legg Mason Funds  
100 Fountain Parkway  
St. Petersburg, FL 33716-1205

Subsequent purchases should be sent to the same address. Enclose a check to pay for the shares. The fund will accept checks from other fund families and investment companies as long as the registration name on your fund account is the same as that listed on the check.

### Through a systematic investment plan

You may authorize your Service Agent or the fund transfer agent to transfer funds automatically from (i) a regular bank account, (ii) cash held in a brokerage account with a Service Agent, (iii) another fund sold by the Distributor or (iv) certain money market funds, in order to buy shares on a regular basis.

- Amounts transferred must meet the applicable minimums (see "Purchase and sale of fund shares")
- If you do not have sufficient funds in your account on a transfer date, you may be charged a fee
- For amounts transferred from other funds sold by the Distributor, please see the section titled "Exchanging shares—Through a systematic exchange plan" in such fund's prospectus

*For more information, please contact your Service Agent or the fund, or consult the SAI.*

### Franklin Templeton VIP Services®

You may be eligible for Franklin Templeton VIP Services® if you currently have \$500,000 or more invested in Franklin Templeton affiliated funds based solely on shares registered directly with the fund and excluding shares held indirectly through brokerage accounts. Franklin Templeton VIP Services® shareholders enjoy enhanced services and transaction capabilities. Please contact Shareholder Services at (800) 632-2301 for additional information on this program.

## Additional information about purchases

If you pay with a check or electronic transfer (ACH) that does not clear or if your payment is not received in a timely manner, your purchase may be cancelled and you may be liable for any loss to the fund. Please note that the fund will not accept cash, third-party checks, credit card convenience checks, pre-paid debit cards, non-bank money orders, traveler's checks or checks drawn on foreign banks for purchase of fund shares. The fund will

accept checks payable to the shareholders that have been issued by a U.S. state or federal government agency. The fund and its agents have the right to reject or cancel any purchase due to nonpayment.

### **Account registration changes**

Changes in registration or certain account options for accounts held directly with the fund must be made in writing. Medallion signature guarantees may be required. (See “Other things to know about transactions—Medallion signature guarantees” below.) All correspondence must include the account number and must be sent to one of the following addresses:

#### **Regular Mail:**

Legg Mason Funds  
P.O. Box 33030  
St. Petersburg, FL 33733-8030

#### **Express, Certified or Registered Mail:**

Legg Mason Funds  
100 Fountain Parkway  
St. Petersburg, FL 33716-1205

## Exchanging shares

### Generally

You or your Service Agent may instruct the fund to exchange shares of any class for shares of the same class of any other fund sold by the Distributor, provided that the fund shares to be acquired in the exchange are available to new investors in such other fund and you are eligible to invest in such shares. Additionally, if the fund into which you wish to exchange your shares does not offer the class of shares in which you are currently invested, you may be able to exchange for a different share class (see “Exchangeability between funds without the same share class” below).

In addition, you may exchange shares of a fund for a different share class of the same fund provided you meet the eligibility requirements of the share class into which you are exchanging. You may exchange shares of the fund for the same class of shares (or a different share class, if permitted) of other funds sold by the Distributor on any day that both the fund and the fund into which you are exchanging are open for business. Please contact your Service Agent or the fund about funds available for exchange.

An exchange of shares of one fund for shares of another fund is considered a sale and generally results in a capital gain or loss for federal income tax purposes. An exchange of shares of one class directly for shares of another class of the same fund normally should not be taxable for federal income tax purposes. You should talk to your tax professional before making an exchange.

The exchange privilege is not intended as a vehicle for short-term trading. The fund may suspend or terminate your exchange privilege if you engage in a pattern of excessive exchanges.

### Exchangeability between funds without the same share class

If the fund you are exchanging into does not offer your share class, you may be able to exchange your shares for a different share class.

| Exchange from share class | Exchangeable for  |
|---------------------------|---|
| Class I                   | Class A shares of Franklin U.S. Government Money Fund, Advisor Class or Class Z |
| Class IS                  | Advisor Class, Class Z or Class R6  |
| Class FI                  | Class R   |

### Franklin Templeton offers a distinctive family of funds tailored to help meet the varying needs of large and small investors

You may exchange shares at their net asset value next determined after receipt by your Service Agent or the transfer agent of your exchange request in good order.

- If you bought shares through a Service Agent, contact your Service Agent to learn which funds your Service Agent makes available to you for exchanges
- If you bought shares directly from the fund, contact the fund at 877-6LM-FUND/656-3863 to learn which funds are available to you for exchanges
- Generally, exchanges may be made only between accounts that have identical registrations, unless you send written instructions with a signature guarantee
- Not all funds offer all classes
- Some funds are offered only in a limited number of states. Your Service Agent or the fund will provide information about the funds offered in your state

Always be sure to read the prospectus of the fund into which you are exchanging shares.

### Investment minimums, sales charges and other requirements

- In most instances, your shares will not be subject to an initial sales charge or a contingent deferred sales charge at the time of the exchange. You may be charged an initial or contingent deferred sales charge if the shares being exchanged were not subject to a sales charge
- Except as noted above, your contingent deferred sales charge (if any) will continue to be measured from the date of your original purchase of shares subject to a contingent deferred sales charge, and you will be subject to the contingent deferred sales charge of the fund that you originally purchased
- You will generally be required to meet the minimum investment requirement for the class of shares of the fund or share class into which your exchange is made (except in the case of systematic exchange plans or in exchanges of an entire account balance)
- Your exchange will also be subject to any other requirements of the fund or share class into which you are exchanging shares
- The fund may suspend or terminate your exchange privilege if you engage in a pattern of excessive exchanges

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**By telephone**

Contact your Service Agent or, if you hold shares directly with the fund, call the fund at 877-6LM-FUND/656-3863 for information. Exchanges are priced at the net asset value next determined. Telephone exchanges may be made only between accounts that have identical registrations and may be made on any day the New York Stock Exchange ("NYSE") is open.

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**By mail**

Contact your Service Agent or, if you hold shares directly with the fund, write to the fund at one of the following addresses:

Regular Mail:

Legg Mason Funds  
P.O. Box 33030  
St. Petersburg, FL 33733-8030

Express, Certified or Registered Mail:

Legg Mason Funds  
100 Fountain Parkway  
St. Petersburg, FL 33716-1205

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**Through a systematic exchange plan**

You may be permitted to schedule automatic exchanges of shares of the fund for shares of other funds available for exchange. All requirements for exchanging shares described above apply to these exchanges. In addition:

- Exchanges may be made monthly, every alternate month, quarterly, semi-annually or annually
- Each exchange must meet the applicable investment minimums for systematic investment plans (see "Purchase and sale of fund shares")

*For more information, please contact your Service Agent or the fund or consult the SAI.*

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## Redeeming shares

### Generally

You may redeem shares at their net asset value next determined after receipt by your Service Agent or the fund transfer agent of your redemption request in good order, less any applicable contingent deferred sales charge. Redemptions made through your Service Agent may be subject to transaction fees or other conditions as set by your Service Agent.

If the shares are held by a fiduciary or corporation, partnership or similar entity, other documents may be required.

### Redemption proceeds

Your redemption proceeds normally will be sent within 2 business days after your request is received in good order, but in any event within 7 days, regardless of the method the fund uses to make such payment (e.g., check, wire or electronic transfer (ACH)). If you make a redemption request before the fund has collected payment for the purchase of shares, the fund may delay your proceeds until payment is collected, for up to 10 days.

Your redemption proceeds may be delayed, or your right to receive redemption proceeds suspended beyond 7 days, if the NYSE is closed (other than on weekends or holidays) or trading is restricted, if an emergency exists, or otherwise as permitted by order of the Securities and Exchange Commission ("SEC").

If you have a brokerage account with a Service Agent, your redemption proceeds may be sent to your Service Agent. Your redemption proceeds can be sent by check to your address of record or by wire or electronic transfer (ACH) to a bank account designated by you. To change the bank account designated to receive wire or electronic transfers, you will be required to deliver a new written authorization and may be asked to provide other documents. You may be charged a fee by your bank on a wire or an electronic transfer (ACH).

In other cases, unless you direct otherwise, your proceeds will be paid by check mailed to your address of record.

Under normal circumstances, the fund expects to meet redemption requests by using cash or cash equivalents in its portfolio and/or selling portfolio assets to generate cash. The fund also may pay redemption proceeds using cash obtained through borrowing arrangements that may be available from time to time.

The fund may pay all or a portion of your redemption proceeds by giving you securities (for example, if the fund reasonably believes that a cash redemption may have a substantial impact on the fund and its remaining shareholders). You may pay transaction costs to dispose of the securities, and you may receive less for them than the price at which they were valued for purposes of the redemption.

The fund has available an unsecured revolving credit facility (the "Global Credit Facility") that may be used as an additional source of liquidity to fund redemptions of shares. There can be no assurance that the Global Credit Facility will remain available to the fund generally or that any available credit under the Global Credit Facility will be available to the fund when the fund seeks to draw on the Global Credit Facility.

During periods of deteriorating or stressed market conditions, when an increased portion of the fund's portfolio may be comprised of investments that have lower liquidity, or during extraordinary or emergency circumstances, the fund may be more likely to pay redemption proceeds with cash obtained through short-term borrowing arrangements (if available) or by giving you securities.

### By mail

Contact your Service Agent or, if you hold shares directly with the fund, write to the fund at one of the following addresses:

Regular Mail:

Legg Mason Funds  
P.O. Box 33030  
St. Petersburg, FL 33733-8030

Express, Certified or Registered Mail:

Legg Mason Funds  
100 Fountain Parkway  
St. Petersburg, FL 33716-1205

Your written request must provide the following:

- The fund name, the class of shares being redeemed and your account number
- The dollar amount or number of shares being redeemed
- Signature of each owner exactly as the account is registered
- Medallion signature guarantees, as applicable (see "Other things to know about transactions")

### By telephone

If your account application permits, you may be eligible to redeem shares by telephone. Contact your Service Agent or, if you

hold shares directly with the fund, call 877-6LM-FUND/656-3863 for more information. Please have the following information ready when you call:

- Name of fund being redeemed
- Class of shares being redeemed
- The dollar amount or number of shares being redeemed
- Account number

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#### **Systematic withdrawal plans**

You may be permitted to schedule automatic redemptions of a portion of your shares. To qualify, you must own shares of the fund with a value of at least \$5,000 and each automatic redemption must be at least \$50 per transaction per month. For retirement plans subject to mandatory distribution requirements, the minimum withdrawal amounts will not apply.

The following conditions apply:

- Redemptions may be made monthly, quarterly, semi-annually or annually. Redemptions may be processed on the 1<sup>st</sup>, 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup> and 25<sup>th</sup> days of the month, if no day is indicated, redemptions will be made on the 20<sup>th</sup> day of the month.
- If your shares are subject to a contingent deferred sales charge, the charge will be required to be paid upon redemption. However, the charge will be waived if your automatic redemptions do not exceed 1% monthly, 3% quarterly, 6% semiannually or 12% annually of your account's net asset value, depending on the frequency of your plan.
- Your Service Agent may impose a lower minimum amount for each automatic redemption on a monthly and quarterly basis.

*For more information, please contact your Service Agent or the fund or consult the SAI.*

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## Other things to know about transactions

When you buy, exchange or redeem shares, your request must be in good order. This means you have provided the following information, without which your request may not be processed:

- Name of the fund
- Your account number
- In the case of a purchase (including a purchase as part of an exchange transaction), the class of shares being bought
- In the case of an exchange or redemption, the class of shares being exchanged or redeemed (if you own more than one class)
- Dollar amount or number of shares being bought, exchanged or redeemed
- In certain circumstances, the signature of each owner exactly as the account is registered (see "Redeeming shares")

In certain circumstances, such as during periods of market volatility, severe weather and emergencies, shareholders may experience difficulties placing exchange or redemption orders by telephone. In that case, shareholders should consider using the fund's other exchange and redemption procedures described under "Exchanging shares" and "Redeeming shares."

The transfer agent or the fund will employ reasonable procedures to confirm that any telephone, electronic or other exchange or redemption request is genuine, which may include recording calls, asking the caller to provide certain personal identification information, employing identification numbers, sending you a written confirmation or requiring other confirmation procedures from time to time. If these procedures are followed, neither the fund nor its agents will bear any liability for these transactions, subject to applicable law.

The fund does not consider the U.S. Postal Service or private delivery services to be its agents. Therefore, deposits in the mail or with such delivery services, or receipt at the fund's post office box, of purchase requests or redemption orders, do not constitute receipt by the fund or its transfer agent.

Purchase, redemption and exchange requests mailed to Franklin Templeton's address in San Mateo, California, rather than to the address set forth in the "Buying shares" and "Redeeming shares" sections above, will be date- and time-stamped when received in San Mateo. If these requests are in good order, such orders will be priced at the next net asset value calculated after the date and time indicated by the stamp on the request.

The fund has the right to:

- Suspend the offering of shares permanently or for a period of time
- Waive or change minimum initial and additional investment amounts
- Reject any purchase or exchange order
- Change, revoke or suspend the exchange privilege
- Suspend telephone transactions
- Suspend or postpone redemptions of shares on any day when trading on the NYSE is restricted or as otherwise permitted by the SEC
- Redeem shares if information provided in the application should prove to be incorrect in any manner judged by the fund to be material (e.g., in a manner such as to render the shareholder ineligible to purchase shares of that class)
- Delay sending out redemption proceeds for up to seven days if, in the judgment of the subadviser, the fund could be adversely affected by immediate payment. The fund may delay redemptions beyond seven days, or suspend redemptions, only as permitted by the SEC or the Investment Company Act of 1940, as amended

The fund may be required to close your account after a period of inactivity, as determined by applicable U.S. state or territory abandoned or unclaimed property laws and regulations, and transfer your shares to the appropriate U.S. state or territory. If your shares are transferred to an applicable U.S. state or territory from an IRA account, that could be treated as a taxable distribution from your IRA to you. For more information on unclaimed property and how to maintain an active account, please contact your Service Agent or the fund's transfer agent.

For your protection, the fund or your Service Agent may request additional information in connection with large redemptions, unusual activity in your account, or otherwise to ensure your redemption request is in good order. Please contact your Service Agent or the fund for more information.

## Medallion signature guarantees

To be in good order, you may be asked to include a Medallion signature guarantee with your redemption request if you:

- are redeeming shares and sending the proceeds to an address or bank account not currently on file or to an account in another fund sold by the Distributor with a different account registration
- are redeeming more than \$250,000 worth of shares
- changed your account registration or your address within 15 calendar days
- want the check paid to someone other than the account owner(s)
- are transferring the redemption proceeds to an account with a different registration

For other types of transactions involving changes to your account registration information, please contact the fund or your Service Agent.

When a Medallion signature guarantee is called for, the shareholder should have a Medallion signature guarantee stamped under his or her signature. You can obtain a signature guarantee from most banks, dealers, brokers, credit unions and federal savings and loan institutions, national securities exchanges, registered securities associations and clearing agencies (each an "Eligible Guarantor Institution"), but not from a notary public.

The fund and its agents reserve the right to reject any Medallion signature guarantee pursuant to written signature guarantee standards or procedures, which may be revised in the future to permit them to reject Medallion signature guarantees from Eligible Guarantor Institutions. The fund may change the signature guarantee requirements from time to time without prior notice to shareholders.



### **Restrictions on the availability of the fund outside the United States**

The distribution of this Prospectus and the offering of shares of the fund are restricted in certain jurisdictions. This Prospectus is not an offer or solicitation in any jurisdiction where such offer or solicitation is unlawful, where the person making an offer or solicitation is not authorized to make it or a person receiving an offer or solicitation may not lawfully receive it or may not lawfully invest in the fund. Investors should inform themselves as to the legal requirements within their own country before investing in the fund.

This Prospectus, and the offer of shares hereunder, are not directed at persons outside the United States. In particular, the fund is not intended to be marketed to prospective investors in any member state of the European Union, Iceland, Liechtenstein or Norway (collectively, the "European Economic Area" or "EEA"). No notification or application has been made to the competent authority of any member state of the EEA under the Alternative Investment Fund Managers Directive (or any applicable legislation or regulations made thereunder) to market the fund to investors in the EEA and it is not intended that any such notification or application shall be made.

U.S. citizens with addresses in the United States, and non-U.S. citizens who reside in the United States and have U.S. addresses, are permitted to establish accounts with the fund. For these purposes, the "United States" and "U.S." include U.S. territories.

The fund generally does not permit persons who do not reside in the United States or who do not have U.S. addresses to establish accounts. Therefore, U.S. citizens residing in foreign countries, as well as non-U.S. citizens residing in foreign countries, generally will not be permitted to establish accounts with the fund.

For further information, you or your Service Agent may contact the fund at 877-6LM-FUND/656-3863.

### **Anti-money laundering**

Federal anti-money laundering regulations require all financial institutions to obtain, verify and record information that identifies each person who opens an account. When you sign your account application, you may be asked to provide additional information in order for the fund to verify your identity in accordance with these regulations. If you are opening the account in the name of a legal entity (e.g. partnership, limited liability company, business trust, corporation, etc.), you may also be required to supply the identity of the beneficial owners and a control individual with management authority, prior to the opening of your account. Accounts may be restricted and/or closed, and the monies withheld, pending verification of this information or as otherwise required under these and other federal regulations.

### **Small account fees/Mandatory redemptions**

Small accounts may be subject to a small account fee or to mandatory redemption, as described below. Please contact your Service Agent or the fund for information on the policy applicable to your account.

#### *Small account fees*

To offset the relatively higher impact on fund expenses of servicing smaller accounts, the fund may charge you a fee of \$3.75 per account that is determined and assessed quarterly by your Service Agent or by the Distributor for Distributor Accounts on the next-to-last business day of the quarter (with an annual maximum of \$15.00 per account) if the value of your account is below \$1,000 (if applicable, \$250 for retirement plans that are not employer-sponsored) for any reason (including declines in net asset value). The small account fee will be charged by redeeming shares in your account. If the value of your account is \$3.75 or less, the amount in the account may be exhausted to pay the small account fee. If your Service Agent or the Distributor assesses a small account fee, the small account fee will not be assessed on systematic investment plans until the end of the first quarter after the account has been established for 21 months. Payment of the small account fee through a redemption of fund shares may result in tax consequences to you (see "Taxes" for more information).

The small account fee will not be charged on, if applicable: (i) retirement plans (but will be charged on other plans that are not employer-sponsored such as traditional and Roth individual retirement accounts, Coverdell education savings accounts, individual 403(b)(7) custodial accounts, Keogh plans, SEPs, SARSEPs, SIMPLE IRAs or similar accounts); (ii) Franklin Templeton funds that have been closed to subsequent purchases for all classes; (iii) accounts that do not have a valid address as evidenced by mail being returned to the fund or its agents; (iv) Class FI, Class I and Class IS shares; and (v) for new accounts (except for new accounts opened by way of an exchange), a small account fee will not be charged during the calendar quarter in which you open your account.

If your share class is no longer offered, you may not be able to bring your account up to the minimum investment amount (although you may exchange into existing accounts of other funds sold by the Distributor in which you hold the same share class, to the extent otherwise permitted by those funds and subject to any applicable sales charges).

The small account fee is calculated on a fund-by-fund basis. If you have accounts in multiple funds, they will not be aggregated for the purpose of calculating the small account fee.

Some shareholders who hold accounts in Classes A and C of the same fund may have those accounts aggregated for the purposes of these calculations. Please contact the fund or your Service Agent for more information.

#### *Small account balance liquidations*

The fund reserves the right to ask you to bring your account up to a minimum investment amount determined by your Service Agent if your account has been open for more than one year and the aggregate value of the fund shares in your account is less than \$500. You will be notified in writing

and will have 30 days to make an additional investment to bring your account value up to the required level. If you choose not to do so within this 30-day period, the fund may close your account and send you the redemption proceeds. You will not be charged a contingent deferred sales charge, if applicable, if your account is closed for this reason. If your share class is no longer offered, you may not be able to bring your account up to the minimum investment amount.

If your account is closed, you will not be eligible to have your account reinstated without imposition of any sales charges that may apply to your new purchase. Please contact your Service Agent for more information. Any redemption of fund shares may result in tax consequences to you (see "Taxes" for more information).

This policy does not apply to: (i) certain broker-controlled accounts established through the National Securities Clearing Corporation's Networking system; (ii) Class A accounts established pursuant to a conversion from Class C or C1, and any remaining Class C or C1 accounts involved in the conversion with a low balance due to the conversion; (iii) tax-advantaged retirement plan accounts; (iv) accounts with an active systematic investment plan; (v) accounts held through a 529 college saving program; (vi) accounts that do not have a valid address as evidenced by mail being returned to the fund or its agents, (vii) Coverdell Education Saving Plan accounts; and (viii) accounts identified to us by the applicable Service Agent as being fee-based accounts.

### *General*

The fund may, with prior notice, change the minimum size of accounts subject to mandatory redemption, which may vary by class, implement fees for other small accounts or change the amount of the fee for small direct accounts.

Subject to applicable law, the fund may, with prior notice, adopt other policies from time to time requiring mandatory redemption of shares in certain circumstances.

*For more information, please contact your Service Agent or the fund or consult the SAI.*

### **Frequent trading of fund shares**

The Board has adopted the following policies and procedures with respect to frequent trading in fund shares ("Frequent Trading Policy").

The fund does not intend to accommodate short-term or frequent purchases and redemptions of fund shares that may be detrimental to the fund. For example, this type of trading activity could interfere with the efficient management of the fund's portfolio or materially increase the fund's transaction costs, administrative costs or taxes.

Since the fund may invest in securities that are, or may be, restricted, unlisted, traded infrequently, thinly traded, or relatively illiquid ("relatively illiquid securities"), it may be particularly vulnerable to arbitrage short-term trading. Such arbitrage traders may seek to take advantage of a possible differential between the last available market prices for one or more of those relatively illiquid securities that are used to calculate the fund's net asset value and the latest indications of market values for those securities. One of the objectives of the fund's fair value pricing procedures is to minimize the possibilities of this type of arbitrage; however, there can be no assurance that the fund's valuation procedures will be successful in eliminating it.

Through its transfer agent, the fund performs ongoing monitoring of shareholder trading in shares of the fund and other Franklin Templeton affiliated funds in order to try and identify shareholder trading patterns that suggest an ongoing short-term trading strategy. If shareholder trading patterns identified by the transfer agent through monitoring or from other information regarding the shareholder's trading activity in non-Franklin Templeton affiliated funds leads the transfer agent to reasonably conclude that such trading may be detrimental to the fund as described in this Frequent Trading Policy, the transfer agent, on behalf of the fund, may temporarily or permanently bar future purchases into the fund or, alternatively, may limit the amount, number or frequency of any future purchases and/or the method by which you may request future purchases and redemptions (including purchases and/or redemptions by an exchange or transfer between the fund and any other mutual fund).

In considering an investor's trading patterns, the fund may consider, among other factors, the investor's trading history both directly and, if known, through financial intermediaries, in the fund, in other Franklin Templeton affiliated funds, in non-Franklin Templeton affiliated mutual funds, or in accounts under common control or ownership. The transfer agent may also reject any purchase request, whether or not it represents part of any ongoing trading pattern, if the manager or the fund's transfer agent reasonably concludes that the amount of the requested transaction may disrupt or otherwise interfere with the efficient management of the fund's portfolio. In determining what actions should be taken, the fund's transfer agent may consider a variety of factors, including the potential impact of such remedial actions on the fund and its shareholders. If the fund is a "fund of funds," the fund's transfer agent may consider the impact of the trading activity and of any proposed remedial action on both the fund and the affiliated underlying funds in which the fund invests.

**Frequent trading through financial intermediaries.** You are an investor subject to this Frequent Trading Policy whether you are a direct shareholder of the fund or you are investing indirectly in the fund through a financial intermediary, such as a broker-dealer, bank, trust company, insurance company product such as an annuity contract, investment advisor, or an administrator or trustee of an IRS-recognized tax-advantaged savings plan such as a 401(k) retirement plan and a 529 college savings plan.

Some financial intermediaries maintain master accounts with the fund on behalf of their customers ("omnibus accounts"). The fund has entered into "information sharing agreements" with these financial intermediaries, which permit the fund to obtain, upon request, information about the trading activity of the intermediary's customers that invest in the fund. If the fund's transfer agent identifies omnibus account level trading patterns that

have the potential to be detrimental to the fund, the transfer agent may, in its sole discretion, request from the financial intermediary information concerning the trading activity of its customers. Based upon its review of the information, if the transfer agent determines that the trading activity of any customer may be detrimental to the fund, it may, in its sole discretion, request the financial intermediary to restrict or limit further trading in the fund by that customer. There can be no assurance that the transfer agent's monitoring of omnibus account level trading patterns will enable it to identify all short-term trading by a financial intermediary's customers.

### **Record ownership**

If you hold shares through a Service Agent, your Service Agent may establish and maintain your account and be the shareholder of record. In the event that the fund holds a shareholder meeting, your Service Agent, as record holder, will be entitled to vote your shares and may seek voting instructions from you. If you do not give your Service Agent voting instructions, your Service Agent, under certain circumstances, may nonetheless be entitled to vote your shares.

### **Confirmations and account statements**

If you bought shares directly from the fund, you will receive a confirmation from the fund after each transaction (except a reinvestment of dividends or capital gain distributions, an investment made through the Systematic Investment Plan, exchanges made through a systematic exchange plan and withdrawals made through the Systematic Withdrawal Plan). Shareholders will receive periodic account statements.

To assist you in the management of your account you may direct the transfer agent to send copies of your confirmations and/or periodic statements to another party whom you designate, at no charge.

## Dividends, other distributions and taxes

### Dividends and other distributions

The fund declares dividends from any net investment income daily and pays them monthly. Shares will generally begin to earn dividends on the settlement date of purchase. The fund generally distributes capital gain, if any, once a year, typically in December. The fund may pay additional distributions and dividends in order to avoid a federal tax.

You can elect to receive dividends and/or other distributions in cash.

Unless you elect to receive dividends and/or other distributions in cash, your dividends and capital gain distributions will be automatically reinvested in shares of the same class you hold, at the net asset value determined on the reinvestment date. You do not pay a sales charge on reinvested distributions or dividends.

If you hold shares directly with the fund and you elect to receive dividends and/or distributions in cash, you have the option to receive such dividends and/or distributions via a direct deposit to your bank account or by check.

If you hold Class A or Class C shares directly with the fund, you may instruct the fund to have your dividends and/or distributions invested in the corresponding class of shares of another fund sold by the Distributor (excluding Western Asset Government Reserves), subject to the following conditions:

- You meet the minimum initial investment requirement of the other fund; and
- The other fund is available for sale in your state.

To change those instructions, you must notify your Service Agent or the fund at least three days before the next distribution is to be paid.

Please contact your Service Agent or the fund to discuss what options are available to you for receiving your dividends and other distributions.

The Board reserves the right to revise the dividend policy or postpone the payment of dividends, if warranted in the Board's judgment, due to unusual circumstances.

### Taxes

The following discussion is very general, applies only to shareholders who are U.S. persons, and does not address shareholders subject to special rules, such as those who hold fund shares through an IRA, 401(k) plan or other tax-advantaged account. Except as specifically noted, the discussion is limited to federal income tax matters, and does not address state, local, foreign or non-income taxes. Further information regarding taxes, including certain federal income tax considerations relevant to non-U.S. persons, is included in the SAI. Because each shareholder's circumstances are different and special tax rules may apply, you should consult your tax professional about federal, state, local and/or foreign tax considerations that may be relevant to your particular situation.

You may receive three different types of distributions from the fund: exempt-interest dividends, ordinary dividends and capital gain dividends. Most distributions are expected to be exempt-interest dividends, which are exempt from federal income tax but may be subject to state or local income taxes. Exempt-interest dividends from California municipal securities will also be exempt from California personal income tax. In general, redeeming shares, exchanging shares and receiving distributions other than exempt-interest dividends (whether in cash, additional shares or shares of another fund) are all taxable events. An exchange between classes of shares of the same fund normally is not taxable for federal income tax purposes, whether or not the shares are held in a taxable account.

The following table summarizes the tax status of certain transactions related to the fund.

| Transaction   | Federal income tax status   | California personal income tax status   |
|---|---|---|
| Redemption or exchange of shares  | Usually capital gain or loss; long-term only if shares are owned more than one year | Usually capital gain or loss; long-term only if shares are owned more than one year                       |
| Exempt-interest dividends   | Excludable from gross income  | Exempt from tax if from interest on California municipal securities; otherwise, generally ordinary income |
| Dividends of taxable investment income and distributions of net short-term capital gain                   | Ordinary income   | Ordinary income   |
| Distributions of net capital gain (excess of net long-term capital gain over net short-term capital loss) | Long-term capital gain if reported as capital gain dividends by the fund            | Long-term capital gain  |

For personal income tax purposes, California does not provide reduced tax rates for dividends and long-term capital gains.

Distributions attributable to short-term capital gains are taxable to you as ordinary income. The fund does not expect any distributions to be treated as qualified dividend income, which for noncorporate shareholders may be taxable at reduced rates. Some exempt-interest dividends may be subject to the federal alternative minimum tax. Distributions of net capital gain reported by the fund as capital gain dividends are taxable to you as long-term

capital gain regardless of how long you have owned your shares. Noncorporate shareholders ordinarily pay tax at reduced rates on long-term capital gain.

If the fund realizes capital gains in excess of realized capital losses in any fiscal year, it generally expects to make capital gain distributions to shareholders. You may receive distributions that are attributable to appreciation of portfolio securities that happened before you made your investment but had not been realized at the time you made your investment, or that are attributable to capital gains or other income that, although realized by the fund, had not yet been distributed at the time you made your investment. Unless you purchase shares through a tax-advantaged account, these distributions will be taxable to you even though they economically represent a return of a portion of your investment. You may want to avoid buying shares when the fund is about to declare a dividend or capital gain distribution. You should consult your tax professional before buying shares no matter when you are investing.

A Medicare contribution tax is imposed at the rate of 3.8% on all or a portion of net investment income of U.S. individuals if their income exceeds specified thresholds and on all or a portion of undistributed net investment income of certain estates and trusts. Net investment income generally includes for this purpose dividends (other than exempt-interest dividends) and capital gain distributions paid by the fund and gain on the redemption or exchange of fund shares.

A dividend declared by the fund in October, November or December and paid during January of the following year will, in certain circumstances, be treated as paid in December for tax purposes.

After the end of each year, your Service Agent or the fund will provide you with information about the distributions and dividends you received, including exempt-interest dividends, and any redemptions of shares during the previous year. Because each shareholder's circumstances are different and special tax rules may apply, you should consult your tax professional about your investment in the fund.

## Share price

You may buy, exchange or redeem shares at their net asset value next determined after receipt of your request in good order, adjusted for any applicable sales charge. The fund's net asset value per share is the value of its assets minus its liabilities divided by the number of shares outstanding. Net asset value is calculated separately for each class of shares.

The fund calculates its net asset value every day the NYSE is open. The fund generally values its securities and other assets and calculates its net asset value as of the scheduled close of regular trading on the NYSE, normally at 4:00 p.m. (Eastern time). If the NYSE closes at a time other than the scheduled closing time, the fund will calculate its net asset value as of the scheduled closing time. The NYSE is closed on certain holidays listed in the SAI.

In order to buy, redeem or exchange shares at a certain day's price, you must place your order with your Service Agent or the fund transfer agent before the scheduled close of regular trading on the NYSE on that day to receive that day's price. If the NYSE closes early on that day, you must place your order prior to the scheduled closing time. It is the responsibility of the Service Agent to transmit all orders to buy, exchange or redeem shares to the fund transfer agent on a timely basis.

Valuation of the fund's securities and other assets is performed in accordance with the valuation policy approved by the Board. The fund's manager serves as the fund's valuation designee for purposes of compliance with Rule 2a-5 under the Investment Company Act of 1940, as amended. Under the valuation policy, assets are valued as follows:

- The valuations for fixed income securities and certain derivative instruments are typically the prices supplied by independent third party pricing services, which may use market prices or broker/dealer quotations or a variety of fair valuation techniques and methodologies.
- Equity securities and certain derivative instruments that are traded on an exchange are valued at the closing price (which may be reported at a different time than the time at which the fund's net asset value is calculated) or, if that price is unavailable or deemed by the manager not representative of market value, the last sale price. Where a security is traded on more than one exchange (as is often the case overseas), the security is generally valued at the price on the exchange considered by the manager to be the primary exchange. In the case of securities not traded on an exchange, or if exchange prices are not otherwise available, the prices are typically determined by independent third party pricing services that use a variety of techniques and methodologies. Investments in mutual funds are valued at the net asset value per share of the class of the underlying fund held by the fund as determined on each business day.
- The valuations of securities traded on foreign markets and certain fixed income securities will generally be based on prices determined as of the earlier closing time of the markets in which they primarily trade. The prices of foreign equity securities typically are adjusted using a fair value model developed by an independent third party pricing service to estimate the value of those securities at the time of closing of the NYSE. When the fund holds securities or other assets that are denominated in a foreign currency, the fund will normally use the currency exchange rates as of 4:00 p.m. (Eastern time). Foreign markets are open for trading on weekends and other days when the fund does not price its shares. Therefore, the value of the fund's shares may change on days when you will not be able to purchase or redeem the fund's shares.
- If independent third party pricing services are unable to supply prices for a portfolio investment, or if the prices supplied are deemed by the manager to be unreliable, the market price may be determined by the manager using quotations from one or more broker/dealers. When such prices or quotations are not available, or when the manager believes that they are unreliable, the manager will price securities in accordance with the valuation policy. Among other things, the use of a formula or other method that takes into consideration market indices, yield curves and other specific adjustments may be used to determine fair value. Fair value of a security is the amount, as determined by the manager in good faith, that the fund might reasonably expect to receive upon a current sale of the security. Fair value procedures may also be used if the manager determines that a significant event has occurred between the time at which a market price is determined and the time at which the fund's net asset value is calculated.

Many factors may influence the price at which the fund could sell any particular portfolio investment. The sales price may well differ—higher or lower—from the fund's last valuation, and such differences could be significant, particularly for securities that trade in relatively thin markets and/or markets that experience extreme volatility. Moreover, valuing securities using fair value methodologies involves greater reliance on judgment than valuing securities based on market quotations. Fair value methodologies may value securities higher or lower than another fund using market quotations or its own fair value methodologies to price the same securities. There can be no assurance that the fund could obtain the value assigned to a security if it were to sell the security at approximately the time at which the fund determines its net asset value. Investors who purchase or redeem fund shares on days when the fund is holding fair-valued securities may receive a greater or lesser number of shares, or higher or lower redemption proceeds, than they would have received if the fund had not fair-valued the security or had used a different methodology.

## Financial highlights

The financial highlights tables are intended to help you understand the performance of each class for the past five years, unless otherwise noted. No financial highlights are presented for Class FI shares because no Class FI shares were outstanding for the periods shown. The returns for Class FI shares will differ from those of the other classes to the extent their expenses differ. Certain information reflects financial results for a single fund share. Total return represents the rate that an investor would have earned (or lost) on an investment in the fund, assuming reinvestment of all dividends and other distributions. Unless otherwise noted, this information has been audited by the fund's independent registered public accounting firm, PricewaterhouseCoopers LLP, whose report, along with the fund's financial statements, is incorporated by reference into the fund's SAI (see back cover) and is included in the fund's annual report. The fund's annual report is available upon request by calling toll-free 877-6LM-FUND/656-3863 or via the following hyperlink: (<https://www.sec.gov/Archives/edgar/data/764624/000119312524112280/d777319dncsr.htm>).

| For a share of each class of beneficial interest outstanding throughout each year ended February 28, unless otherwise noted: |                   |                |                |                |                   |
|--|-------------------|----------------|----------------|----------------|-------------------|
| Class A Shares <sup>1</sup>  | 2024 <sup>2</sup> | 2023           | 2022           | 2021           | 2020 <sup>2</sup> |
| Net asset value, beginning of year   | \$13.81           | \$15.20        | \$15.76        | \$16.55        | \$15.58           |
| <b>Income (loss) from operations:</b>  |                   |                |                |                |                   |
| Net investment income  | 0.40              | 0.36           | 0.36           | 0.42           | 0.50              |
| Net realized and unrealized gain (loss)  | 0.25              | (1.36)         | (0.38)         | (0.55)         | 1.05              |
| <b>Total income (loss) from operations</b>   | <b>0.65</b>       | <b>(1.00)</b>  | <b>(0.02)</b>  | <b>(0.13)</b>  | <b>1.55</b>       |
| <b>Less distributions from:</b>  |                   |                |                |                |                   |
| Net investment income  | (0.40)            | (0.36)         | (0.35)         | (0.41)         | (0.49)            |
| Net realized gains   | —                 | (0.03)         | (0.19)         | (0.25)         | (0.09)            |
| <b>Total distributions</b>   | <b>(0.40)</b>     | <b>(0.39)</b>  | <b>(0.54)</b>  | <b>(0.66)</b>  | <b>(0.58)</b>     |
| Net asset value, end of year   | \$14.06           | \$13.81        | \$15.20        | \$15.76        | \$16.55           |
| <b>Total return<sup>3</sup></b>  | <b>4.81%</b>      | <b>(6.57)%</b> | <b>(0.19)%</b> | <b>(0.70)%</b> | <b>10.10%</b>     |
| Net assets, end of year (millions)   | \$204             | \$241          | \$290          | \$318          | \$346             |
| <b>Ratios to average net assets:</b>   |                   |                |                |                |                   |
| Gross expenses   | 0.75%             | 0.77%          | 0.77%          | 0.77%          | 0.77%             |
| Net expenses <sup>4</sup>  | 0.74              | 0.76           | 0.76           | 0.77           | 0.76              |
| Net investment income  | 2.93              | 2.59           | 2.25           | 2.64           | 3.09              |
| <b>Portfolio turnover rate</b>   | <b>4%</b>         | <b>21%</b>     | <b>17%</b>     | <b>16%</b>     | <b>31%</b>        |

<sup>1</sup> Per share amounts have been calculated using the average shares method.

<sup>2</sup> For the year ended February 29.

<sup>3</sup> Performance figures, exclusive of sales charges, may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results.

<sup>4</sup> Reflects fee waivers and/or expense reimbursements.

| For a share of each class of beneficial interest outstanding throughout each year ended February 28, unless otherwise noted: |                   |                |                |                |                   |
|--|-------------------|----------------|----------------|----------------|-------------------|
| Class C Shares <sup>1</sup>  | 2024 <sup>2</sup> | 2023           | 2022           | 2021           | 2020 <sup>2</sup> |
| Net asset value, beginning of year   | \$13.77           | \$15.15        | \$15.72        | \$16.50        | \$15.54           |
| <b>Income (loss) from operations:</b>  |                   |                |                |                |                   |
| Net investment income  | 0.33              | 0.29           | 0.27           | 0.33           | 0.42              |
| Net realized and unrealized gain (loss)  | 0.25              | (1.36)         | (0.38)         | (0.53)         | 1.03              |
| <i>Total income (loss) from operations</i>   | <i>0.58</i>       | <i>(1.07)</i>  | <i>(0.11)</i>  | <i>(0.20)</i>  | <i>1.45</i>       |
| <b>Less distributions from:</b>  |                   |                |                |                |                   |
| Net investment income  | (0.33)            | (0.28)         | (0.27)         | (0.33)         | (0.40)            |
| Net realized gains   | —                 | (0.03)         | (0.19)         | (0.25)         | (0.09)            |
| <i>Total distributions</i>   | <i>(0.33)</i>     | <i>(0.31)</i>  | <i>(0.46)</i>  | <i>(0.58)</i>  | <i>(0.49)</i>     |
| Net asset value, end of year   | \$14.02           | \$13.77        | \$15.15        | \$15.72        | \$16.50           |
| <i>Total return<sup>3</sup></i>  | <i>4.26%</i>      | <i>(7.02)%</i> | <i>(0.81)%</i> | <i>(1.18)%</i> | <i>9.44%</i>      |
| Net assets, end of year (000s)   | \$3,626           | \$7,378        | \$11,708       | \$17,351       | \$24,506          |
| <b>Ratios to average net assets:</b>   |                   |                |                |                |                   |
| Gross expenses   | 1.28%             | 1.31%          | 1.31%          | 1.32%          | 1.33%             |
| Net expenses <sup>4</sup>  | 1.27              | 1.29           | 1.31           | 1.32           | 1.32              |
| Net investment income  | 2.38              | 2.04           | 1.70           | 2.10           | 2.60              |
| <b>Portfolio turnover rate</b>   | <b>4%</b>         | <b>21%</b>     | <b>17%</b>     | <b>16%</b>     | <b>31%</b>        |

<sup>1</sup> Per share amounts have been calculated using the average shares method.

<sup>2</sup> For the year ended February 29.

<sup>3</sup> Performance figures, exclusive of CDSC, may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results.

<sup>4</sup> Reflects fee waivers and/or expense reimbursements.



| For a share of each class of beneficial interest outstanding throughout each year ended February 28, unless otherwise noted: |                   |                |                |                |                   |
|--|-------------------|----------------|----------------|----------------|-------------------|
| Class I Shares <sup>1</sup>  | 2024 <sup>2</sup> | 2023           | 2022           | 2021           | 2020 <sup>2</sup> |
| Net asset value, beginning of year   | \$13.81           | \$15.20        | \$15.76        | \$16.55        | \$15.58           |
| <b>Income (loss) from operations:</b>  |                   |                |                |                |                   |
| Net investment income  | 0.43              | 0.39           | 0.38           | 0.45           | 0.52              |
| Net realized and unrealized gain (loss)  | 0.25              | (1.37)         | (0.37)         | (0.55)         | 1.06              |
| <b>Total income (loss) from operations</b>   | <b>0.68</b>       | <b>(0.98)</b>  | <b>0.01</b>    | <b>(0.10)</b>  | <b>1.58</b>       |
| <b>Less distributions from:</b>  |                   |                |                |                |                   |
| Net investment income  | (0.43)            | (0.38)         | (0.38)         | (0.44)         | (0.52)            |
| Net realized gains   | —                 | (0.03)         | (0.19)         | (0.25)         | (0.09)            |
| <b>Total distributions</b>   | <b>(0.43)</b>     | <b>(0.41)</b>  | <b>(0.57)</b>  | <b>(0.69)</b>  | <b>(0.61)</b>     |
| Net asset value, end of year   | \$14.06           | \$13.81        | \$15.20        | \$15.76        | \$16.55           |
| <b>Total return<sup>3</sup></b>  | <b>5.01%</b>      | <b>(6.41)%</b> | <b>(0.03)%</b> | <b>(0.53)%</b> | <b>10.29%</b>     |
| Net assets, end of year (000s)   | \$34,358          | \$43,979       | \$72,278       | \$55,204       | \$65,699          |
| <b>Ratios to average net assets:</b>   |                   |                |                |                |                   |
| Gross expenses   | 0.61%             | 0.63%          | 0.63%          | 0.63%          | 0.61%             |
| Net expenses <sup>4,5</sup>  | 0.55              | 0.59           | 0.60           | 0.60           | 0.60              |
| Net investment income  | 3.11              | 2.74           | 2.41           | 2.82           | 3.26              |
| <b>Portfolio turnover rate</b>   | <b>4%</b>         | <b>21%</b>     | <b>17%</b>     | <b>16%</b>     | <b>31%</b>        |

<sup>1</sup> Per share amounts have been calculated using the average shares method.

<sup>2</sup> For the year ended February 29.

<sup>3</sup> Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results.

<sup>4</sup> As a result of an expense limitation arrangement, effective December 1, 2022, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class I shares did not exceed 0.55%. This expense limitation arrangement cannot be terminated prior to December 31, 2025 without the Board of Trustees' consent. Prior to December 1, 2022, the expense limitation was 0.60%.

<sup>5</sup> Reflects fee waivers and/or expense reimbursements.

| For a share of each class of beneficial interest outstanding throughout each year ended February 28, unless otherwise noted: |                   |                |                |                |                        |
|--|-------------------|----------------|----------------|----------------|------------------------|
| Class IS Shares <sup>1</sup>   | 2024 <sup>2</sup> | 2023           | 2022           | 2021           | 2020 <sup>3</sup>      |
| Net asset value, beginning of year   | \$13.79           | \$15.17        | \$15.76        | \$16.55        | \$16.29                |
| <b>Income (loss) from operations:</b>  |                   |                |                |                |                        |
| Net investment income  | 0.45              | 0.40           | 0.39           | 0.47           | 0.28                   |
| Net realized and unrealized gain (loss)  | 0.23              | (1.36)         | (0.39)         | (0.53)         | 0.34                   |
| <b>Total income (loss) from operations</b>   | <b>0.68</b>       | <b>(0.96)</b>  | <b>0.00</b>    | <b>(0.06)</b>  | <b>0.62</b>            |
| <b>Less distributions from:</b>  |                   |                |                |                |                        |
| Net investment income  | (0.43)            | (0.39)         | (0.40)         | (0.48)         | (0.27)                 |
| Net realized gains   | —                 | (0.03)         | (0.19)         | (0.25)         | (0.09)                 |
| <b>Total distributions</b>   | <b>(0.43)</b>     | <b>(0.42)</b>  | <b>(0.59)</b>  | <b>(0.73)</b>  | <b>(0.36)</b>          |
| Net asset value, end of year   | \$14.04           | \$13.79        | \$15.17        | \$15.76        | \$16.55                |
| <b>Total return<sup>4</sup></b>  | <b>5.04%</b>      | <b>(6.31)%</b> | <b>(0.07)%</b> | <b>(0.30)%</b> | <b>3.87%</b>           |
| Net assets, end of year (000s)   | \$3,519           | \$158          | \$68           | \$70           | \$302                  |
| <b>Ratios to average net assets:</b>   |                   |                |                |                |                        |
| Gross expenses   | 0.54%             | 0.59%          | 0.59%          | 0.47%          | 0.90% <sup>5</sup>     |
| Net expenses <sup>6,7</sup>  | 0.52              | 0.54           | 0.55           | 0.47           | 0.55 <sup>5</sup>      |
| Net investment income  | 3.23              | 2.84           | 2.46           | 3.00           | 3.07 <sup>5</sup>      |
| <b>Portfolio turnover rate</b>   | <b>4%</b>         | <b>21%</b>     | <b>17%</b>     | <b>16%</b>     | <b>31%<sup>8</sup></b> |

<sup>1</sup> Per share amounts have been calculated using the average shares method. <sup>/</sup>

<sup>2</sup> For the year ended February 29.

<sup>3</sup> For the period August 9, 2019 (inception date) to February 29, 2020.

<sup>4</sup> Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results. Total returns for periods of less than one year are not annualized.

<sup>5</sup> Annualized.

<sup>6</sup> As a result of an expense limitation arrangement, effective December 1, 2022, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class IS shares did not exceed 0.52%. In addition, the ratio of total annual fund operating expenses for Class IS shares did not exceed the ratio of total annual fund operating expenses for Class I shares. These expense limitation arrangements cannot be terminated prior to December 31, 2025 without the Board of Trustees' consent. Prior to December 1, 2022, the expense limitation was 0.55%.

<sup>7</sup> Reflects fee waivers and/or expense reimbursements.

<sup>8</sup> For the year ended February 29, 2020.

# Appendix: Waivers and Discounts Available from Certain Service Agents

The availability of certain sales charge waivers and discounts will depend on whether you purchase your shares directly from the fund or through a financial intermediary. Financial intermediaries may have different policies and procedures regarding the availability of front-end sales load waivers or contingent deferred (back-end) sales load waivers, which are discussed below. In all instances, it is the purchaser's responsibility to notify the fund or the purchaser's financial intermediary at the time of purchase of any relationship or other facts qualifying the purchaser for sales charge waivers or discounts. For waivers and discounts not available through a particular financial intermediary, shareholders will have to purchase fund shares directly from the fund or through another financial intermediary to receive these waivers or discounts.

The information below has been provided by the named financial intermediaries. Please contact the applicable financial intermediary with any questions regarding how it applies the policies described below and for assistance in determining whether you may qualify for a particular sales charge waiver or discount.

## MERRILL LYNCH

Purchases or sales of front-end (i.e., Class A) or level-load (i.e., Class C) mutual fund shares through a Merrill platform or account will be eligible only for the following sales load waivers (front-end, contingent deferred, or back-end waivers) and discounts, which differ from those disclosed elsewhere in this fund's Prospectus. Purchasers will have to buy mutual fund shares directly from the mutual fund company or through another intermediary to be eligible for waivers or discounts not listed below.

It is the client's responsibility to notify Merrill at the time of purchase or sale of any relationship or other facts that qualify the transaction for a waiver or discount. A Merrill representative may ask for reasonable documentation of such facts and Merrill may condition the granting of a waiver or discount on the timely receipt of such documentation.

Additional information on waivers and discounts is available in the Merrill Sales Load Waiver and Discounts Supplement (the "Merrill SLWD Supplement") and in the Mutual Fund Investing at Merrill pamphlet at [ml.com/funds](http://ml.com/funds). Clients are encouraged to review these documents and speak with their financial advisor to determine whether a transaction is eligible for a waiver or discount.

### Front-end Sales Load Waivers Available at Merrill

- Shares of mutual funds available for purchase by employer-sponsored retirement, deferred compensation, and employee benefit plans (including health savings accounts) and trusts used to fund those plans provided the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan. For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans
- Shares purchased through a Merrill investment advisory program
- Brokerage class shares exchanged from advisory class shares due to the holdings moving from a Merrill investment advisory program to a Merrill brokerage account
- Shares purchased through the Merrill Edge Self-Directed platform
- Shares purchased through the systematic reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same mutual fund in the same account
- Shares exchanged from level-load shares to front-end load shares of the same mutual fund in accordance with the description in the Merrill SLWD Supplement
- Shares purchased by eligible employees of Merrill or its affiliates and their family members who purchase shares in accounts within the employee's Merrill Household (as defined in the Merrill SLWD Supplement)
- Shares purchased by eligible persons associated with the fund as defined in this Prospectus (e.g., the fund's officers or trustees)
- Shares purchased from the proceeds of a mutual fund redemption in front-end load shares provided: (1) the repurchase is in a mutual fund within the same fund family; (2) the repurchase occurs within 90 calendar days from the redemption trade date; and (3) the redemption and purchase occur in the same account (known as Rights of Reinstatement). Automated transactions (i.e., systematic purchases and withdrawals) and purchases made after shares are automatically sold to pay Merrill's account maintenance fees are not eligible for Rights of Reinstatement

### Contingent Deferred Sales Charge ("CDSC") Waivers on Front-end, Back-end, and Level Load Shares Available at Merrill

- Shares sold due to the client's death or disability (as defined by Internal Revenue Code Section 22e(3))
- Shares sold pursuant to a systematic withdrawal program subject to Merrill's maximum systematic withdrawal limits as described in the Merrill SLWD Supplement
- Shares sold due to return of excess contributions from an IRA account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the investor reaching the qualified age based on applicable IRS regulation

- Front-end or level-load shares held in commission-based, non-taxable retirement brokerage accounts (e.g., traditional, Roth, rollover, SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans) that are transferred to fee-based accounts or platforms and exchanged for a lower cost share class of the same mutual fund

### **Front-end Load Discounts Available at Merrill: Breakpoints, Rights of Accumulation & Letters of Intent**

- Breakpoint discounts, as described in this Prospectus, where the sales load is at or below the maximum sales load that Merrill permits to be assessed to a front-end load purchase, as described in the Merrill SLWD Supplement
- Rights of Accumulation ("ROA"), as described in the Merrill SLWD Supplement, which entitle clients to breakpoint discounts based on the aggregated holdings of mutual fund family assets held in accounts in their Merrill Household
- Letters of Intent ("LOI"), which allow for breakpoint discounts on eligible new purchases based on anticipated future eligible purchases within a fund family at Merrill, in accounts within your Merrill Household, as further described in the Merrill SLWD Supplement

## **AMERIPRISE FINANCIAL**

### **Class A Shares Front-End Sales Charge Waivers Available at Ameriprise Financial:**

The following information applies to Class A share purchases if you have an account with or otherwise purchase fund shares through Ameriprise Financial:

Effective January 15, 2021, shareholders purchasing fund shares through an Ameriprise Financial retail brokerage account are eligible for the following front-end sales charge waivers, which may differ from those disclosed elsewhere in this fund's Prospectus or SAI:

- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the same fund family).
- Shares exchanged from Class C shares of the same fund in the month of or following the 7-year anniversary of the purchase date. To the extent that this Prospectus elsewhere provides for a waiver with respect to exchanges of Class C shares or conversions of Class C shares following a shorter holding period, that waiver will apply.
- Employees and registered representatives of Ameriprise Financial or its affiliates and their immediate family members.
- Shares purchased by or through qualified accounts (including IRAs, Coverdell Education Savings Accounts, 401(k)s, 403(b) TSCAs subject to ERISA and defined benefit plans) that are held by a covered family member, defined as an Ameriprise Financial advisor and/or the advisor's spouse, advisor's lineal ascendant (mother, father, grandmother, grandfather, great grandmother, great grandfather), advisor's lineal descendant (son, step-son, daughter, step-daughter, grandson, granddaughter, great grandson, great granddaughter) or any spouse of a covered family member who is a lineal descendant.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e. Rights of Reinstatement).

## **MORGAN STANLEY WEALTH MANAGEMENT**

### **Front-end Sales Charge Waivers on Class A Shares available at Morgan Stanley Wealth Management:**

Shareholders purchasing Fund shares through a Morgan Stanley Wealth Management brokerage account will be eligible only for the following front-end sales charge waivers with respect to Class A shares, which may differ from and may be more limited than those disclosed elsewhere in this Fund's Prospectus or SAI.

- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans
- Morgan Stanley employee and employee-related accounts according to Morgan Stanley's account linking rules
- Shares purchased through reinvestment of dividends and capital gains distributions when purchasing shares of the same fund
- Shares purchased through a Morgan Stanley self-directed brokerage account
- Class C (i.e., level-load) and Class C2 shares, as applicable, that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Morgan Stanley Wealth Management's share class conversion program
- Shares purchased from the proceeds of redemptions within the same fund family, provided (i) the repurchase occurs within 90 days' following the redemption, (ii) the redemption and purchase occur in the same account, and (iii) redeemed shares were subject to a front-end or deferred sales charge.
- Morgan Stanley, on your behalf, can convert Class P shares, as applicable, to Class A shares, generally on a tax-free basis, without clients being subject to a front-end sales charge.

In addition, effective November 12, 2021, for the purpose of calculating rights of accumulation and letters of intent with respect to purchases made in a Morgan Stanley Wealth Management brokerage account, the following definition for “Eligible Purchases” applies. This definition may be more limited than the one contained in this Fund’s Prospectus or SAI. It is the shareholder’s responsibility to inform Morgan Stanley at the time of purchase of any relationship, holdings, or other facts qualifying the purchaser for a discount. Morgan Stanley can ask for documentation of such circumstance. Shareholders should contact Morgan Stanley if they have questions.

#### **Eligible Purchases include:**

- Any class of shares of any Franklin Templeton or Legg Mason fund that is registered in the U.S.; and
- Units of a Section 529 Plan where Franklin Templeton or Legg Mason is the program manager.

For purposes of this section, Franklin Templeton and Legg Mason funds also include BrandywineGLOBAL funds, ClearBridge Investments funds, Martin Currie funds, Western Asset funds and certain other funds managed by affiliated investment advisers. They do not include the funds in the Franklin Templeton Variable Insurance Products Trust, Legg Mason Partners Variable Equity Trust or Legg Mason Partners Variable Income Trust.

#### **RAYMOND JAMES & ASSOCIATES, INC., RAYMOND JAMES FINANCIAL SERVICES, INC. AND EACH ENTITY’S AFFILIATES (“RAYMOND JAMES”)**

Effective March 1, 2019, shareholders purchasing fund shares through a Raymond James platform or account, or through an introducing broker-dealer or independent registered investment adviser for which Raymond James provides trade execution, clearance, and/or custody services, are eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this fund’s Prospectus or SAI.

#### **Front-End Sales Charge Waivers on Class A Shares Available at Raymond James**

- Shares purchased in an investment advisory program.
- Shares purchased within the same fund family through a systematic reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).
- Employees and registered representatives of Raymond James or its affiliates and their family members as designated by Raymond James.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs with 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Reinstatement).
- A shareholder in the fund’s Class C shares will have their shares converted at net asset value to Class A shares (or the appropriate share class) of the fund if the shares are no longer subject to a contingent deferred sales charge and the conversion is in line with the policies and procedures of Raymond James.

#### **Contingent Deferred Sales Charge Waivers on Class A and Class C Shares Available at Raymond James**

- Death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund’s Prospectus.
- Return of excess contributions from an IRA Account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations as described in the fund’s Prospectus.
- Shares sold to pay Raymond James fees but only if the transaction is initiated by Raymond James.
- Shares acquired through a right of reinstatement.

#### **Front-End Load Discounts Available at Raymond James: Breakpoints, Rights of Accumulation, and/or Letters of Intent**

- Breakpoints as described in the fund’s Prospectus.
- Rights of accumulation (“ROA”), which entitle shareholders to breakpoint discounts, will be automatically calculated based on the aggregated holding of the fund family assets held by accounts within the purchaser’s household at Raymond James. Eligible fund family assets not held at Raymond James may be included in the calculation of rights of accumulation only if the shareholder notifies his or her financial advisor about such assets.
- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family over a 13-month time period. Eligible fund family assets not held at Raymond James may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

#### **EDWARD D. JONES & CO., L.P. (“EDWARD JONES”)**

#### **Policies Regarding Transactions Through Edward Jones:**

Effective on or after January 1<sup>st</sup>, 2024, the following information supersedes prior information with respect to transactions and positions held in fund shares through an Edward Jones system. Clients of Edward Jones (also referred to as “shareholders”) purchasing fund shares on the Edward Jones

commission and fee-based platforms are eligible only for the following sales charge discounts (also referred to as “breakpoints”) and waivers, which can differ from discounts and waivers described elsewhere in the mutual fund Prospectus or statement of additional information (“SAI”) or through another broker-dealer. In all instances, it is the shareholder’s responsibility to inform Edward Jones at the time of purchase of any relationship, holdings of Franklin Templeton and Legg Mason Funds (including holdings of 529 Plans where Franklin Templeton or Legg Mason serve as the primary distributor), or other facts qualifying the purchaser for discounts or waivers. Edward Jones can ask for documentation of such circumstance. Shareholders should contact Edward Jones if they have questions regarding their eligibility for these discounts and waivers.

### **Breakpoints**

- Breakpoint pricing, otherwise known as volume pricing, at dollar thresholds as described in the Prospectus.

### **Rights of Accumulation (“ROA”)**

- The applicable sales charge on a purchase of Class A shares is determined by taking into account all share classes (except certain money market funds and any assets held in group retirement plans) of the Franklin Templeton and Legg Mason Funds held by the shareholder or in an account grouped by Edward Jones with other accounts for the purpose of providing certain pricing considerations (“pricing groups”). If grouping assets as a shareholder, this includes all share classes held on the Edward Jones platform and/or held on another platform. The inclusion of eligible fund family assets in the ROA calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Money market funds are included only if such shares were sold with a sales charge at the time of purchase or acquired in exchange for shares purchased with a sales charge.
- The employer maintaining a SEP IRA plan and/or SIMPLE IRA plan may elect to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping as opposed to including all share classes at a shareholder or pricing group level.
- ROA is determined by calculating the higher of cost minus redemptions or market value (current shares x NAV).

### **Letter of Intent (“LOI”)**

- Through a LOI, shareholders can receive the sales charge and breakpoint discounts for purchases shareholders intend to make over a 13-month period from the date Edward Jones receives the LOI. The LOI is determined by calculating the higher of cost or market value of qualifying holdings at LOI initiation in combination with the value that the shareholder intends to buy over a 13-month period to calculate the front-end sales charge and any breakpoint discounts. Each purchase the shareholder makes during that 13-month period will receive the sales charge and breakpoint discount that applies to the total amount. The inclusion of eligible fund family assets in the LOI calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Purchases made before the LOI is received by Edward Jones are not adjusted under the LOI and will not reduce the sales charge previously paid. Sales charges will be adjusted if LOI is not met.
- If the employer maintaining a SEP IRA plan and/or SIMPLE IRA plan has elected to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping, LOIs will also be at the plan-level and may only be established by the employer.

### **Sales Charge Waivers**

Sales charges are waived for the following shareholders and in the following situations:

- Associates of Edward Jones and its affiliates and other accounts in the same pricing group (as determined by Edward Jones under its policies and procedures) as the associate. This waiver will continue for the remainder of the associate’s life if the associate retires from Edward Jones in good-standing and remains in good standing pursuant to Edward Jones’ policies and procedures.
- Shares purchased in an Edward Jones fee-based program.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment.
- Shares purchased from the proceeds of redeemed shares of the same fund family so long as the following conditions are met: the proceeds are from the sale of shares within 60 days of the purchase, the sale and purchase are made from a share class that charges a front load and one of the following:
  - The redemption and repurchase occur in the same account.
  - The redemption proceeds are used to process an: IRA contribution, excess contributions, conversion, recharacterizing of contributions, or distribution, and the repurchase is done in an account within the same Edward Jones grouping for ROA.
- Shares exchanged into Class A shares from another share class so long as the exchange is into the same fund and was initiated at the discretion of Edward Jones. Edward Jones is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the Prospectus.
- Exchanges from Class C shares to Class A shares of the same fund, generally, in the 84th month following the anniversary of the purchase date or earlier at the discretion of Edward Jones.
- Purchases of Class 529-A shares through a rollover from either another education savings plan or a security used for qualified distributions.
- Purchases of Class 529 shares made for recontribution of refunded amounts.

### **Contingent Deferred Sales Charge (“CDSC”) Waivers**

If the shareholder purchases shares that are subject to a CDSC and those shares are redeemed before the CDSC is expired, the shareholder is responsible to pay the CDSC except in the following conditions:

- The death or disability of the shareholder.
- Systematic withdrawals with up to 10% per year of the account value.
- Return of excess contributions from an Individual Retirement Account (IRA).
- Shares redeemed as part of a required minimum distribution for IRA and retirement accounts if the redemption is taken in or after the year the shareholder reaches qualified age based on applicable IRS regulations.
- Shares redeemed to pay Edward Jones fees or costs in such cases where the transaction is initiated by Edward Jones.
- Shares exchanged in an Edward Jones fee-based program.
- Shares acquired through NAV reinstatement.
- Shares redeemed at the discretion of Edward Jones for Minimum Balances, as described below.

## **Other Important Information Regarding Transactions Through Edward Jones**

### **Minimum Purchase Amounts**

- Initial purchase minimum: \$250
- Subsequent purchase minimum: none

### **Minimum Balances**

- Edward Jones has the right to redeem at its discretion fund holdings with a balance of \$250 or less. The following are examples of accounts that are not included in this policy:
  - A fee-based account held on an Edward Jones platform
  - A 529 account held on an Edward Jones platform
  - An account with an active systematic investment plan or LOI

### **Exchanging Share Classes**

- At any time it deems necessary, Edward Jones has the authority to exchange at NAV a shareholder's holdings in a fund to Class A shares of the same fund.

## **JANNEY MONTGOMERY SCOTT LLC ("JANNEY")**

Effective May 1, 2020, if you purchase fund shares through a Janney brokerage account, you will be eligible for the following load waivers (front-end sales charge waivers and contingent deferred sales charge ("CDSC"), or back-end sales charge, waivers) and discounts, which may differ from those disclosed elsewhere in this fund's Prospectus or SAI.

### **Front-end sales charge\* waivers on Class A shares available at Janney**

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).
- Shares purchased by employees and registered representatives of Janney or its affiliates and their family members as designated by Janney.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within ninety (90) days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e., right of reinstatement).
- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans.
- Shares acquired through a right of reinstatement.
- Class C shares that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Janney's policies and procedures.

### **CDSC waivers on Class A and C shares available at Janney**

- Shares sold upon the death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's Prospectus.
- Shares purchased in connection with a return of excess contributions from an IRA account.
- Shares sold as part of a required minimum distribution for IRA and other retirement accounts due to the shareholder reaching age 70½ as described in the fund's Prospectus.
- Shares sold to pay Janney fees but only if the transaction is initiated by Janney.
- Shares acquired through a right of reinstatement.
- Shares exchanged into the same share class of a different fund.



### **Front-end sales charge\* discounts available at Janney: breakpoints, rights of accumulation, and/or letters of intent**

- Breakpoints as described in the fund's Prospectus.
- Rights of accumulation ("ROA"), which entitle shareholders to breakpoint discounts, will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Janney. Eligible fund family assets not held at Janney may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets.
- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at Janney Montgomery Scott may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

\*Also referred to as an "initial sales charge."

### **OPPENHEIMER & CO. INC.**

Effective May 15, 2020, shareholders purchasing fund shares through an Oppenheimer & Co. Inc. ("OPCO") platform or account are eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this fund's Prospectus or SAI.

#### **Front-end Sales Load Waivers on Class A Shares available at OPCO**

- Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan
- Shares purchased by or through a 529 Plan
- Shares purchased through a OPCO affiliated investment advisory program
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family)
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Restatement).
- A shareholder in the fund's Class C shares will have their shares converted at net asset value to Class A shares (or the appropriate share class) of the fund if the shares are no longer subject to a CDSC and the conversion is in line with the policies and procedures of OPCO
- Employees and registered representatives of OPCO or its affiliates and their family members
- Directors or Trustees of the fund, and employees of the fund's investment adviser or any of its affiliates, as described in this Prospectus

#### **CDSC Waivers on A, B and C Shares available at OPCO**

- Death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the fund's Prospectus
- Return of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations as described in the Prospectus
- Shares sold to pay OPCO fees but only if the transaction is initiated by OPCO
- Shares acquired through a right of reinstatement

#### **Front-end load Discounts Available at OPCO: Breakpoints, Rights of Accumulation & Letters of Intent**

- Breakpoints as described in this Prospectus.
- Rights of Accumulation (ROA) which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at OPCO. Eligible fund family assets not held at OPCO may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets.

### **BAIRD**

Effective June 15, 2020, shareholders purchasing fund shares through a Baird platform or account will only be eligible for the following sales charge waivers (front-end sales charge waivers and CDSC waivers) and discounts, which may differ from those disclosed elsewhere in this Prospectus or the SAI

#### **Front-End Sales Charge Waivers on Class A-shares Available at Baird**

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund
- Shares purchased by employees and registered representatives of Baird or its affiliate and their family members as designated by Baird



- Shares purchased from the proceeds of redemptions from another Legg Mason-sponsored fund, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same accounts, and (3) redeemed shares were subject to a front-end or deferred sales charge (known as rights of reinstatement)
- A shareholder in the funds' Class C Shares will have their share converted at net asset value to Class A shares of the fund if the shares are no longer subject to CDSC and the conversion is in line with the policies and procedures of Baird
- Employer-sponsored retirement plans or charitable accounts in a transactional brokerage account at Baird, including 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans. For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs

#### **CDSC Waivers on Class A and C shares Available at Baird**

- Shares sold due to death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the fund's Prospectus
- Shares bought due to returns of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable Internal Revenue Service regulations as described in the Fund's Prospectus
- Shares sold to pay Baird fees but only if the transaction is initiated by Baird
- Shares acquired through a right of reinstatement

#### **Front-End Sales Charge Discounts Available at Baird: Breakpoints and/or Rights of Accumulations**

- Breakpoints as described in this Prospectus
- Rights of accumulations which entitles shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of Legg Mason-sponsored fund assets held by accounts within the purchaser's household at Baird. Eligible Legg Mason-sponsored fund assets not held at Baird may be included in the rights of accumulations calculation only if the shareholder notifies his or her financial advisor about such assets
- Letters of Intent (LOI) allow for breakpoint discounts based on anticipated purchases of Legg Mason-sponsored funds through Baird, over a 13-month period of time

#### **STIFEL, NICOLAUS & COMPANY, INCORPORATED AND ITS BROKER DEALER AFFILIATES ("STIFEL")**

Effective December 1, 2023, shareholders purchasing or holding fund shares, including existing fund shareholders, through a Stifel, Nicolaus & Company, Incorporated or affiliated platform that provides trade execution, clearance, and/or custody services, will be eligible for the following sales charge load waivers (including front-end sales charge waivers and contingent deferred, or back-end, ("CDSC") sales charge waivers) and discounts, which may differ from those disclosed elsewhere in the Fund's Prospectus or SAI.

#### **Class A Shares**

As described elsewhere in this Prospectus, Stifel may receive compensation out of the front-end sales charge if you purchase Class A shares through Stifel.

#### **Rights of Accumulation**

- Rights of accumulation ("ROA") that entitle shareholders to breakpoint discounts on front-end sales charges will be calculated by Stifel based on the aggregated holding of all assets in all classes of shares of Franklin Templeton and Legg Mason funds held by accounts within the purchaser's household at Stifel. Eligible fund family assets not held at Stifel may be included in the calculation of ROA only if the shareholder notifies his or her financial advisor about such assets.
- The employer maintaining a SEP IRA plan and/or SIMPLE IRA plan may elect to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping as opposed to including all share classes at a shareholder or pricing group level.

#### **Front-end Sales Charge Waivers on Class A Shares Available at Stifel**

Sales charges may be waived for the following shareholders and in the following situations:

- **Class C** shares that have been held for more than seven (7) years may be converted to **Class A or other Front-end share class(es)** shares of the same fund pursuant to Stifel's policies and procedures. To the extent that this Prospectus elsewhere provides for a waiver with respect to the exchange or conversion of such shares following a shorter holding period, those provisions shall continue to apply.
- Shares purchased by employees and registered representatives of Stifel or its affiliates and their family members as designated by Stifel.
- Shares purchased in an Stifel fee-based advisory program, often referred to as a "wrap" program.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same or other fund within the fund family.

- Shares purchased from the proceeds of redeemed shares of the same fund family so long as the proceeds are from the sale of shares from an account with the same owner/beneficiary within 90 days of the purchase. For the absence of doubt, shares redeemed through a Systematic Withdrawal Plan are not eligible for rights of reinstatement.
- Shares from rollovers into Stifel from retirement plans to IRAs.
- Shares exchanged into Class A shares from another share class so long as the exchange is into the same fund and was initiated at the direction of Stifel. Stifel is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the prospectus.
- Purchases of Class 529-A shares through a rollover from another 529 plan.
- Purchases of Class 529-A shares made for reinvestment of refunded amounts.
- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs.
- All other sales charge waivers and reductions described elsewhere in the fund's prospectus or SAI still apply.

### **Contingent Deferred Sales Charges Waivers on Class A and C Shares**

- Death or disability of the shareholder or, in the case of 529 plans, the account beneficiary.
- Shares sold as part of a systematic withdrawal plan not to exceed 12% annually.
- Return of excess contributions from an IRA Account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations.
- Shares acquired through a right of reinstatement.
- Shares sold to pay Stifel fees or costs in such cases where the transaction is initiated by Stifel.
- Shares exchanged or sold in a Stifel fee-based program.
- All other sales charge waivers and reductions described elsewhere in the fund's prospectus or SAI still apply.

### **Share Class Conversions in Advisory Accounts**

- Stifel continually looks to provide our clients with the lowest cost share class available based on account type. Stifel reserves the right to convert shares to the lowest cost share class available at Stifel upon transfer of shares into an advisory program.

## **PFS INVESTMENTS INC. ("PFSI")**

### **Policies Regarding Fund Purchases on the PSS Platform**

The following information supersedes all prior information with respect to transactions and positions held in fund shares purchased through PFSI and held on the mutual fund platform of its affiliate, Primerica Shareholder Services ("PSS"). Clients of PFSI (also referred to as "shareholders") purchasing fund shares on the PSS platform are eligible only for the following share classes, sales charge discounts (also referred to as "breakpoints") and waivers, which can differ from share classes, discounts and waivers described elsewhere in this Prospectus or the related statement of additional information ("SAI") or through another broker-dealer. In all instances, it is the shareholder's responsibility to inform PFSI at the time of a purchase of all holdings of the Franklin Templeton and Legg Mason Funds on the PSS platform, or other facts qualifying the purchaser for discounts or waivers. PFSI may request reasonable documentation of such facts and condition the granting of any discount or waiver on the timely receipt of such documents. Shareholders should contact PSS if they have questions regarding their eligibility for these discounts and waivers.

### **Share Classes**

Shareholders purchasing fund shares on the PSS platform are eligible only for the following share classes:

- Class A shares are available in non-retirement accounts, individual retirement accounts (IRA), SEP IRAs, SIMPLE IRAs, Keogh Plans, and all other account types.
- Class A1 and Class C shares are available only in accounts that already hold such shares.

### **Breakpoints**

- Breakpoint pricing at dollar thresholds as described in the prospectus of the fund you are purchasing.

### **Rights of Accumulation ("ROA")**

- The applicable sales charge on a purchase of Class A or Class A1 shares is determined by taking into account all share classes (except any assets held in group retirement plans) of the Franklin Templeton and Legg Mason Funds held by the shareholder on the PSS platform. The inclusion of eligible fund family assets in the ROA calculation is dependent on the shareholder notifying PFSI of such assets at the time of calculation. Shares of money market funds are included only if such shares were acquired in exchange for shares of another Franklin Templeton or Legg Mason Fund purchased with a sales charge. No shares of the Franklin Templeton and Legg Mason Funds held by the shareholder away from the PSS platform, will be granted ROA with shares of any Franklin Templeton or Legg Mason Fund purchased on the PSS platform.

- Any SEP IRA plan, any SIMPLE IRA plan or any Payroll Deduction Plan (“PDP”) on the PSS platform will be defaulted to plan-level grouping for purposes of ROA, which allows each participating employee ROA with all other eligible shares held in plan accounts on the PSS platform. At any time, a participating employee may elect to exercise a one-time option to change grouping for purposes of ROA to shareholder-level grouping, which allows the plan account of the electing employee ROA with her other eligible holdings on the PSS platform, but not with all other eligible participant holdings in the plan. Eligible shares held in plan accounts electing shareholder-level grouping will not be available for purposes of ROA to plan accounts electing plan-level grouping.
- ROA is determined by calculating the higher of cost minus redemptions or current market value (current shares x NAV).

### Letter of Intent (“LOI”)

- By executing a LOI, shareholders can receive the sales charge and breakpoint discounts for purchases shareholders intend to make over a 13-month period through PFSI, from the date PSS receives the LOI. The purchase price of the LOI is determined by calculating the higher of cost or market value of qualifying holdings at LOI initiation in combination with the dollar amount the shareholder intends to invest over a 13-month period to arrive at total investment for purposes of determining any breakpoint discount and the applicable front-end sales charge. Each purchase the shareholder makes during that 13-month period will receive the sales charge and breakpoint discount that applies to the projected total investment.
- Only holdings of Franklin Templeton and Legg Mason Funds on the PSS platform are eligible for inclusion in the LOI calculation and the shareholder must notify PFSI of all eligible assets at the time of calculation.
- Purchases made before the LOI is received by PSS are not adjusted under the LOI, and the LOI will not reduce any sales charge previously paid. Sales charges will be automatically adjusted if the total purchases required by the LOI are not met.
- If an employer maintaining a SEP IRA plan, SIMPLE IRA or non-IRA PDP plan on the PSS platform has elected to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping, LOIs will also be at the plan-level and may only be established by the employer. LOIs are not available to PDP IRA plans on the PSS platform with plan-level grouping for purposes of ROA, but are available to any participating employee that elects shareholder-level grouping for purposes of ROA.

### Sales Charge Waivers

Sales charges are waived for the following shareholders and in the following situations:

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment.
- Shares purchased with the proceeds of redeemed shares of either the Franklin Templeton or Legg Mason fund families so long as the following conditions are met: 1) the proceeds are from the sale of shares within 90 days of the purchase, 2) the sale and purchase are made in the same share class and the same account or the purchase is made in an individual retirement account with proceeds from liquidations in a non-retirement account, and 3) the redeemed shares were subject to a front-end or deferred sales load. Automated transactions (i.e., systematic purchases and withdrawals), full or partial transfers or rollovers of retirement accounts, and purchases made after shares are automatically sold to pay account maintenance fees are not eligible for this sales charge waiver.
- Shares exchanged into Class A or Class A1 shares from another share class so long as the exchange is into the same fund and was initiated at the discretion of PFSI. PFSI is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the prospectus.

### Policies Regarding Fund Purchases That Are Not Held on the PSS Platform

Class R shares are available through PFSI only in 401(k) plans covering a business owner with no employees, commonly referred to as a one-participant 401(k) plan or solo 401(k) and which are not held on the PSS platform.

### D.A. DAVIDSON

Effective September 1, 2021, shareholders purchasing Fund shares including existing Fund shareholders through a D.A. Davidson & Co. (“D.A. Davidson”) platform or account, or through an introducing broker-dealer or independent registered investment advisor for which D.A. Davidson provides trade execution, clearance, and/or custody services, will be eligible for the following sales charge waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this Prospectus or the Fund’s SAI.

#### Front-End Sales Charge Waivers on Class A Shares available at D.A. Davidson

- Shares purchased within the same fund family through a systematic reinvestment of capital gains and dividend distributions.
- Employees and registered representatives of D.A. Davidson or its affiliates and their family members as designated by D.A. Davidson.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales charge (known as Rights of Reinstatement).
- A shareholder in the Fund’s Class C Shares will have their shares converted at net asset value to Class A Shares (or the appropriate share class) of the Fund if the shares are no longer subject to a CDSC and the conversion is consistent with D.A. Davidson’s policies and procedures.

### **CDSC Waivers on Class A and Class C Shares available at D.A. Davidson**

- Death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the Fund's prospectus.
- Return of excess contributions from an IRA account.
- Shares sold as part of a required minimum distribution for IRA or other qualifying retirement accounts pursuant to the Internal Revenue Code.
- Shares acquired through a right of reinstatement.

### **Front-end sales charge discounts available at D.A. Davidson: breakpoints, rights of accumulation and/or letters of intent**

- Breakpoints as described in this Prospectus.
- Rights of accumulation which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at D.A. Davidson. Eligible fund family assets not held at D.A. Davidson may be included in the calculation of rights of accumulation only if the shareholder notifies his or her financial advisor about such assets.
- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at D.A. Davidson may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

## **J.P. MORGAN SECURITIES LLC**

Effective September 29, 2023, if you purchase or hold fund shares through an applicable J.P. Morgan Securities LLC brokerage account, you will be eligible for the following sales charge waivers (front-end sales charge waivers and contingent deferred sales charge ("CDSC"), or back-end sales charge, waivers), share class conversion policy and discounts, which may differ from those disclosed elsewhere in this fund's prospectus or Statement of Additional Information ("SAI").

### **Front-end sales charge waivers on Class A shares available at J.P. Morgan Securities LLC**

- Shares exchanged from Class C (i.e., level-load) shares that are no longer subject to a CDSC and are exchanged into Class A shares of the same fund pursuant to J.P. Morgan Securities LLC's share class exchange policy.
- Qualified employer-sponsored defined contribution and defined benefit retirement plans, nonqualified deferred compensation plans, other employee benefit plans and trusts used to fund those plans. For purposes of this provision, such plans do not include SEP IRAs, SIMPLE IRAs, SAR-SEPs or 501(c)(3) accounts.
- Shares of funds purchased through J.P. Morgan Securities LLC Self-Directed Investing accounts.
- Shares purchased through rights of reinstatement.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).
- Shares purchased by employees and registered representatives of J.P. Morgan Securities LLC or its affiliates and their spouse or financial dependent as defined by J.P. Morgan Securities LLC.

### **Class C to Class A share conversion**

- A shareholder in the fund's Class C shares will have their shares converted by J.P. Morgan Securities LLC to Class A shares (or the appropriate share class) of the same fund if the shares are no longer subject to a CDSC and the conversion is consistent with J.P. Morgan Securities LLC's policies and procedures.

### **CDSC waivers on Class A and C shares available at J.P. Morgan Securities LLC**

- Shares sold upon the death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's prospectus.
- Shares purchased in connection with a return of excess contributions from an IRA account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts pursuant to the Internal Revenue Code.
- Shares acquired through a right of reinstatement.

### **Front-end load discounts available at J.P. Morgan Securities LLC: breakpoints, rights of accumulation & letters of intent**

- Breakpoints as described in the prospectus.
- Rights of Accumulation ("ROA") which entitle shareholders to breakpoint discounts as described in the fund's prospectus will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at J.P. Morgan Securities LLC. Eligible fund family assets not held at J.P. Morgan Securities LLC (including 529 program holdings, where applicable) may be included in the ROA calculation only if the shareholder notifies their financial advisor about such assets.
- Letters of Intent ("LOI") which allow for breakpoint discounts based on anticipated purchases within a fund family, through J.P. Morgan Securities LLC, over a 13-month period of time (if applicable).

# Franklin Templeton Funds Privacy and Security Notice

Franklin Templeton\* is committed to safeguarding your personal information. This notice is designed to provide you with a summary of the non-public personal information Franklin Templeton may collect and maintain about current or former individual investors; our policy regarding the use of that information; and the measures we take to safeguard the information. We do not sell individual investors' non-public personal information to anyone and only share it as described in this notice.

## Information We Collect

When you invest with us, you provide us with your non-public personal information. We collect and use this information to service your accounts and respond to your requests. The non-public personal information we may collect falls into the following categories:

- Information we receive from you or your financial intermediary on applications or other forms, whether we receive the form in writing or electronically. For example, this information may include your name, address, tax identification number, birth date, investment selection, beneficiary information, and your personal bank account information and/or email address if you have provided that information.
- Information about your transactions and account history with us, or with other companies that are part of Franklin Templeton, including transactions you request on our website or in our app. This category also includes your communications to us concerning your investments.
- Information we receive from third parties (for example, to update your address if you move, obtain or verify your email address or obtain additional information to verify your identity).
- Information collected from you online, such as your IP address or device ID and data gathered from your browsing activity and location. (For example, we may use cookies to collect device and browser information so our website recognizes your online preferences and device information.) Our website contains more information about cookies and similar technologies and ways you may limit them.
- Other general information that we may obtain about you such as demographic information.

## Disclosure Policy

To better service your accounts and process transactions or services you requested, we may share non-public personal information with other Franklin Templeton companies. From time to time we may also send you information about products/services offered by other Franklin Templeton companies although we will not share your non-public personal information with these companies without first offering you the opportunity to prevent that sharing.

We will only share non-public personal information with outside parties in the limited circumstances permitted by law. For example, this includes situations where we need to share information with companies who work on our behalf to service or maintain your account or process transactions you requested, when the disclosure is to companies assisting us with our own marketing efforts, when the disclosure is to a party representing you, or when required by law (for example, in response to legal process). Additionally, we will ensure that any outside companies working on our behalf, or with whom we have joint marketing agreements, are under contractual obligations to protect the confidentiality of your information, and to use it only to provide the services we asked them to perform.

## Confidentiality and Security

Our employees are required to follow procedures with respect to maintaining the confidentiality of our investors' non-public personal information. Additionally, we maintain physical, electronic and procedural safeguards to protect the information. This includes performing ongoing evaluations of our systems containing investor information and making changes when appropriate.

At all times, you may view our current privacy notice on our website at <https://www.franklintempleton.com/help/privacy-policy> or contact us for a copy at (800) 632-2301.

\*For purposes of this privacy notice Franklin Templeton shall refer to the following entities:

Fiduciary Trust International of the South (FTIOS), as custodian for individual retirement plans

Franklin Advisers, Inc.

Franklin Distributors, LLC, including as program manager of the Franklin Templeton 529 College Savings Plan and the NJBEST 529 College Savings Plan

Franklin Mutual Advisers, LLC

Franklin, Templeton and Mutual Series Funds

Franklin Templeton Institutional, LLC

Franklin Templeton Investments Corp., Canada

Franklin Templeton Investments Management, Limited UK

Legg Mason Funds

Templeton Asset Management, Limited

Templeton Global Advisors, Limited

Templeton Investment Counsel, LLC

If you are a customer of other Franklin Templeton affiliates and you receive notices from them, you will need to read those notices separately.

# Western Asset

## California Municipals Fund

You may visit [www.franklintempleton.com/mutualfundsliterature](http://www.franklintempleton.com/mutualfundsliterature) for a free copy of a Prospectus, Statement of Additional Information ("SAI") or an Annual or Semi-Annual Report.

**Shareholder reports** Additional information about the fund's investments is available in the fund's Annual and Semi-Annual Reports to shareholders. In the fund's Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected the fund's performance during its last fiscal year. The independent registered public accounting firm's report and financial statements in the fund's Annual Report are incorporated by reference into (are legally a part of) this Prospectus (<https://www.sec.gov/Archives/edgar/data/764624/000119312524112280/d777319dncsr.htm>).

The fund sends only one report to a household if more than one account has the same last name and same address. Contact your Service Agent or the fund if you do not want this policy to apply to you.

**Statement of additional information** The SAI provides more detailed information about the fund and is incorporated by reference into (is legally a part of) this Prospectus.

You can make inquiries about the fund or obtain shareholder reports or the SAI (without charge) by contacting your Service Agent, by calling the fund at 877-6LM-FUND/656-3863, or by writing to the fund at Legg Mason Funds, P.O. Box 33030, St. Petersburg, FL 33733-8030.

Reports and other information about the fund are available on the EDGAR Database on the Securities and Exchange Commission's Internet site at <http://www.sec.gov>. Copies of this information may be obtained for a duplicating fee by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

If someone makes a statement about the fund that is not in this Prospectus, you should not rely upon that information. Neither the fund nor the Distributor is offering to sell shares of the fund to any person to whom the fund may not lawfully sell its shares.