

# Western Asset Short Duration Municipal Income Fund

**Class A: SHDAX Class C: SHDLX Class I: SMDYX Class IS: SHDSX**

**Municipals | Factsheet as of June 30, 2025**

## Investment Overview

Strives to provide investors with high current income exempt from regular federal income tax while preserving capital. Focuses on sector rotation and issuer selection primarily within short term investment grade municipal securities. Utilizes a time-tested, value-oriented investment process led by a deep and experienced team of municipal bond specialists.

## Average Annual Total Returns (%)

|           | Without Sales Charges |      |      |       |           | With Sales Charges |      |      |       |           | Inception Date |
|-----------|-----------------------|------|------|-------|-----------|--------------------|------|------|-------|-----------|----------------|
|           | 1-Yr                  | 3-Yr | 5-Yr | 10-Yr | Inception | 1-Yr               | 3-Yr | 5-Yr | 10-Yr | Inception |                |
| Class A   | 3.86                  | 2.61 | 1.25 | 1.31  | 1.82      | 1.61               | 1.86 | 0.78 | 1.07  | 1.72      | 3/17/2003      |
| Class C   | 3.27                  | 2.25 | 0.89 | 0.95  | 1.47      | 3.27               | 2.25 | 0.89 | 0.95  | 1.47      | 3/18/2003      |
| Class I   | 4.01                  | 2.75 | 1.39 | 1.44  | 1.95      | 4.01               | 2.75 | 1.39 | 1.44  | 1.95      | 11/14/2003     |
| Class IS  | 4.06                  | 2.88 | 1.49 | —     | 1.62      | 4.06               | 2.88 | 1.49 | —     | 1.62      | 9/15/2017      |
| Benchmark | 4.08                  | 2.55 | 1.10 | 1.52  | —         | 4.08               | 2.55 | 1.10 | 1.52  | —         | —              |

## Cumulative Total Returns (% Without Sales Charge)

|           | 3-Mo | YTD  | 2024 | 2023 | 2022  | 2021  | 2020 | 2019 | 2018 | 2017 | 2016  | 2015  |
|-----------|------|------|------|------|-------|-------|------|------|------|------|-------|-------|
| Class A   | 1.02 | 1.84 | 2.24 | 3.65 | -3.31 | 0.19  | 2.57 | 3.25 | 1.01 | 1.40 | 0.07  | 0.31  |
| Class C   | 0.92 | 1.66 | 1.87 | 3.28 | -3.65 | -0.16 | 2.23 | 2.89 | 0.67 | 1.04 | -0.28 | -0.04 |
| Class I   | 1.06 | 1.91 | 2.39 | 3.80 | -3.19 | 0.53  | 2.53 | 3.40 | 1.17 | 1.47 | 0.15  | 0.39  |
| Class IS  | 1.27 | 2.14 | 2.44 | 3.85 | -3.11 | 0.40  | 2.78 | 3.24 | 1.22 | —    | —     | —     |
| Benchmark | 1.05 | 2.08 | 2.04 | 3.46 | -3.39 | 0.40  | 2.97 | 3.67 | 1.76 | 1.56 | 0.08  | 1.18  |

**Performance data quoted represents past performance, which does not guarantee future results.** Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit [franklintempleton.com](http://franklintempleton.com).

Effective August 2, 2021, except as noted below, Class C [including Class C, Class C-1 & Class C-2] shares will automatically convert to Class A shares after the shares have been held for 8 years from their original purchase date. The initial conversion took place on August 16, 2021. Refer to the fund's prospectus or contact your Service Agent for more information.

## Share Class Details

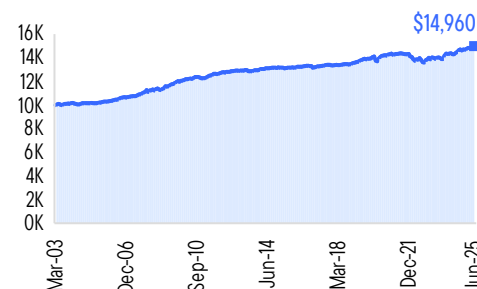
|          | CUSIP     | Ticker | Sales Charges (%) |      | Expenses (%) |      | Taxable Equivalent Yield |             |                |             |
|----------|-----------|--------|-------------------|------|--------------|------|--------------------------|-------------|----------------|-------------|
|          |           |        | Max               | CDSC | Gross        | Net  | 30-Day SEC Yield (%)     |             |                |             |
|          |           |        |                   |      |              |      | Without Waiver           | With Waiver | Without Waiver | With Waiver |
| Class A  | 52469F192 | SHDAX  | 2.25              | —    | 0.60         | 0.55 | 2.35                     | 2.42        | 3.97           | 4.09        |
| Class C  | 52469F184 | SHDLX  | 0.00              | —    | 0.95         | 0.95 | 2.04                     | 2.08        | 3.45           | 3.51        |
| Class I  | 52469F176 | SMDYX  | 0.00              | —    | 0.47         | 0.40 | 2.54                     | 2.63        | 4.29           | 4.44        |
| Class IS | 52468A632 | SHDSX  | 0.00              | —    | 0.39         | 0.35 | 2.63                     | 2.67        | 4.44           | 4.51        |

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 12/31/2026 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

## Growth of \$10,000

Class A Shares—Inception through June 30, 2025

Excluding Effects of Sales Charges



## Fund Overview

|                            |                            |
|----------------------------|----------------------------|
| Dividend Frequency, if any | Monthly                    |
| Morningstar Category       | Muni National Short        |
| Lipper Classification      | Short Municipal Debt Funds |
| Turnover (fiscal yr)       | 26%                        |

## Benchmark(s)

Bloomberg Municipal 3 Year (2-4)

## Fund Characteristics

|                    | Fund             |
|--------------------|------------------|
| Total Net Assets   | \$310.83 Million |
| Number of Holdings | 150              |
| Average Life       | 2.53 Years       |
| Effective Duration | 2.29 Years       |
| AMT Exposure       | 24.79%           |

## Risk Statistics (3-Year—Class A)

|                        | Fund  |
|------------------------|-------|
| Beta                   | 0.82  |
| R-Squared              | 0.97  |
| Sharpe Ratio           | -0.76 |
| Standard Deviation (%) | 2.68  |

Sector Allocation (% of Total)

|                          | Fund  |
|--------------------------|-------|
| Industrial Revenue       | 24.91 |
| Transportation           | 21.16 |
| Power                    | 13.01 |
| State General Obligation | 10.41 |
| Local General Obligation | 6.79  |
| Special Tax              | 6.25  |
| Leasing                  | 5.78  |
| Hospital/Healthcare      | 5.37  |
| Other                    | 8.48  |
| Cash & Cash Equivalents  | -2.16 |

Credit Quality Allocation (% of Total)

|                         | Fund  |
|-------------------------|-------|
| AAA                     | 9.76  |
| AA                      | 44.72 |
| A                       | 43.08 |
| BBB                     | 3.21  |
| BB                      | 1.14  |
| NR                      | 0.25  |
| Cash & Cash Equivalents | -2.16 |

Portfolio Data Information

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

Portfolio Description

Western Asset Management is one of the world's leading global fixed income managers. Founded in 1971, the firm is known for team management and proprietary research, supported by robust risk management and a long-term fundamental value approach. Each group of sector specialists utilizes their expertise in bottom-up analysis of each portfolio sector.

What should I know before investing?

**All investments involve risks, including possible loss of principal. Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. An investor may be subject to the federal **Alternative Minimum Tax**, and state and local taxes may apply. These and other risks are discussed in the fund's prospectus.

Glossary

**Beta:** A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market. **R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe Ratio** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance. **Standard Deviation:** Measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return. The **30-day SEC yield** is calculated using the net income (interest and dividends) per share earned over a trailing 30-day period (annualized), divided by the fund's share price at the end of that period. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders. **Turnover** is a measure of the fund's trading activity which represents the portion of the fund's holdings that has changed over a twelve-month period through the fiscal year end. There is no assurance that the fund will maintain its current level of turnover. **Taxable Equivalent Yield:** The Taxable Equivalent Yield assumes the maximum regular federal income tax rate, maximum state personal income tax, and Medicare tax in effect on June 2025. **Average Life:** An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings. **Effective Duration** is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes. **AMT Exposure** measures the percentage of a fund's assets invested in bonds with income subject to the alternative minimum tax (AMT).

Important Information

**Negative Cash Weightings:** The negative cash position reflects a temporary position that is a result of a delay in securities settlement transactions. Top fixed Income Issuers excludes repurchase agreement. The **Bloomberg Three-Year Municipal Bond Index** is a broad measure of the municipal bond market with maturities of approximately three years. Source: Bloomberg Indices. Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com). All data is subject to change. © Franklin Distributors, LLC. Member FINRA/SIPC. Western Asset Management Company, LLC, and Franklin Distributors, LLC, are Franklin Templeton companies.

**Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at [www.franklintempleton.com](http://www.franklintempleton.com). Please read it carefully.**

