

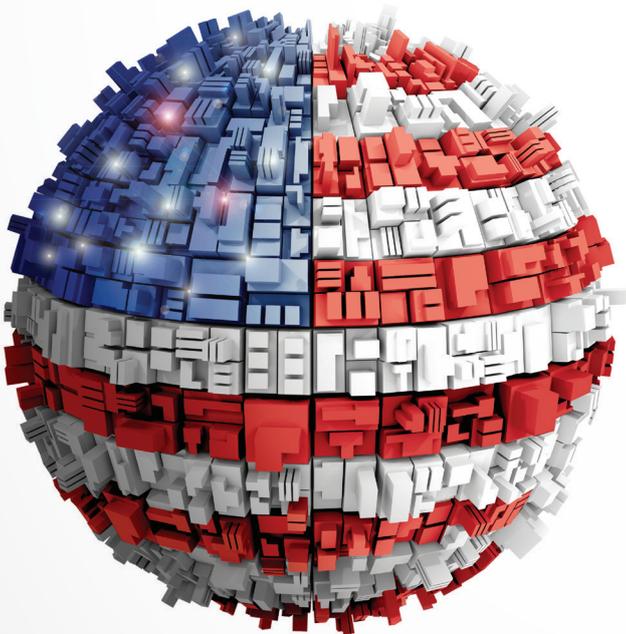
INDEPENDENT EXPERTISE. **SINGULAR FOCUS**

LEGG MASON

CLEARBRIDGE

TACTICAL DIVIDEND

INCOME FUND



Investing in a diverse selection
of companies paying high and
growing dividends

MAR 2014

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AUTHORISED INTERMEDIARIES. NOT FOR USE BY PRIVATE INDIVIDUALS.

AN INNOVATIVE APPROACH

The Legg Mason ClearBridge Tactical Dividend Income Fund aims to deliver a high and consistent level of income, with income growth and capital appreciation as important secondary objectives. The Fund has a considerable allocation to income generating energy infrastructure companies and real estate investment trusts (REITs). This combination offers investors invaluable exposure to the improving US economy at a time when the environment for US dividends is increasingly positive.

Seeks diverse income opportunities through

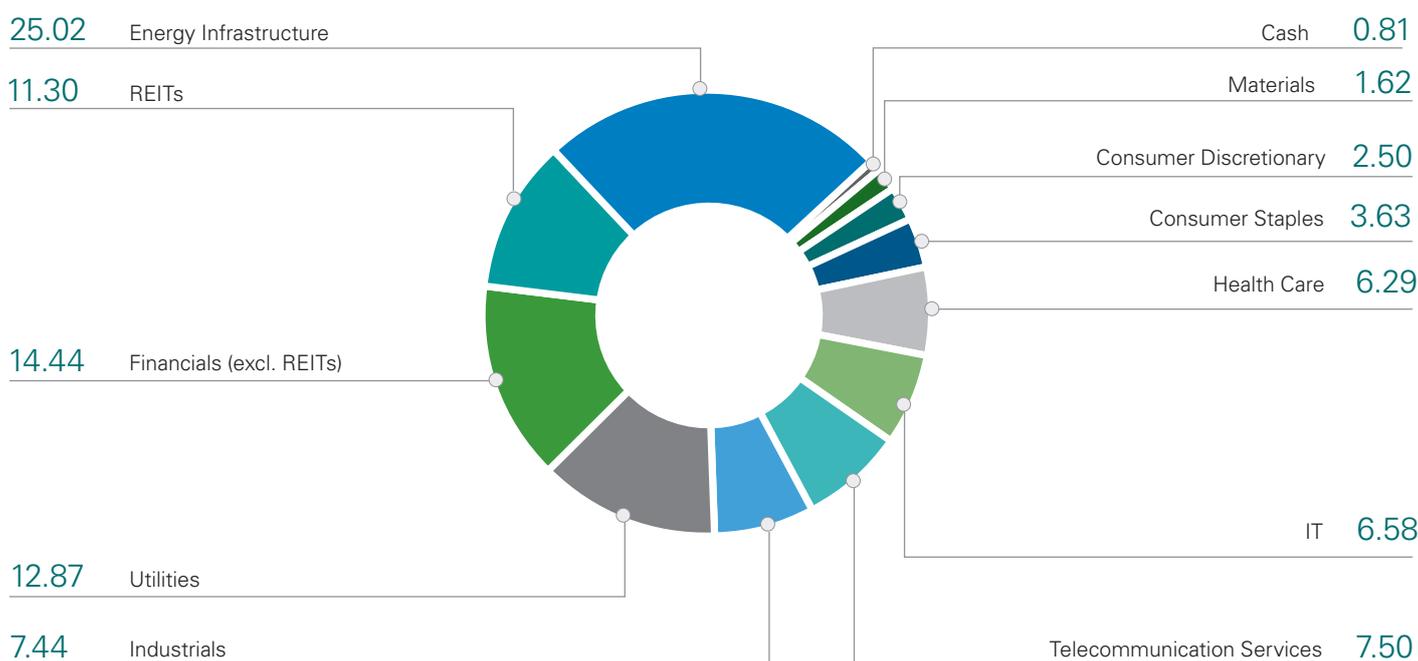
- Companies paying high and growing dividends.
- The energy infrastructure growth story.
- Income generating real estate opportunities.

Income and growth potential

- Emphasises companies with sustainable and growing income streams.
- Exposure to a diverse set of equity securities and asset classes
- Uses tactical rotation for flexibility in finding income opportunities.

Seeking opportunities across income-producing equity securities

Fund sector allocations (%)



Source: Legg Mason as at 31st January 2014. Income and dividends are not guaranteed and will fluctuate. Equity securities are subject to fluctuation and loss of principal.

WHY DIVIDENDS?

US dividend-paying stocks have a strong performance history, and have outperformed those that don't pay dividends. In ClearBridge's view, there are several factors which make dividend-paying stocks a compelling option, including: demographic trends, current payout dynamics and dividend-payers' history of outperformance.

Demographic trends

US "baby boomers" have already begun retiring in large numbers, and 76 million US citizens are approaching retirement age. However, as a group they are unprepared financially and have only saved 25% of what will be needed to maintain their lifestyles.¹

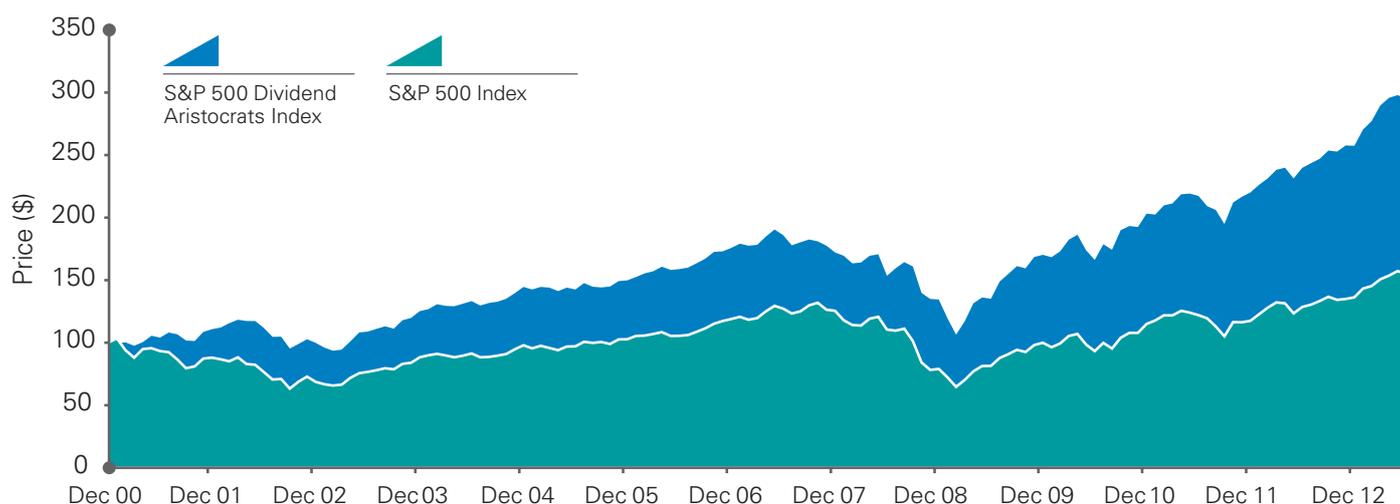
Dividend payout dynamics

Current levels of dividend payouts from US companies are at historic lows. However, this is changing and higher dividend payments are becoming increasingly widespread in the US.

Attractive fundamentals

Companies that have demonstrated a history of increasing their dividends have outperformed the market on both an absolute and risk-adjusted basis.

The US market has been favouring strong dividend-payers



Source: Bloomberg, as of 31st December 2013; prices rebased to 100.

Dividends represent past performance and there is no guarantee they will continue to be paid. While dividends may cushion returns in down markets, investments are still subject to loss of the principal amount invested.

¹ Based on data from the Federal Reserve and analysed by the Center for Retirement Research.

² **Payout ratio** represents the earnings paid out in dividends to shareholders, as calculated by dividing dividends-per-share by earnings-per-share. The payout ratio indicates how well earnings support the dividend payments. Typically, the lower the ratio, the more secure the dividend is considered.

S&P 500 Index is an unmanaged index of 500 stocks that is generally representative of the performance of larger companies in the U.S. **S&P 500 Dividend Aristocrats Index** measures the performance of large-cap, blue-chip companies within the S&P 500 that have increased their dividends every year for at least 25 consecutive years. It had 51 constituents as of 2012.

Investors cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges.

A BRIGHT FUTURE FOR ENERGY INFRASTRUCTURE

The US is producing more natural gas, crude oil and natural gas liquids (NGL) than ever before while imports continue to decline. With the resurgence of North American hydrocarbon production, there is a multi-decade requirement for more energy infrastructure.

The appeal of energy infrastructure investing

Energy infrastructure is key. As energy production grows, so does the need for infrastructure to gather, transport, process and store these fuels.

Much of this infrastructure capital sits within tax efficient energy MLPs (Master Limited Partnerships), an attractive income producing investment.

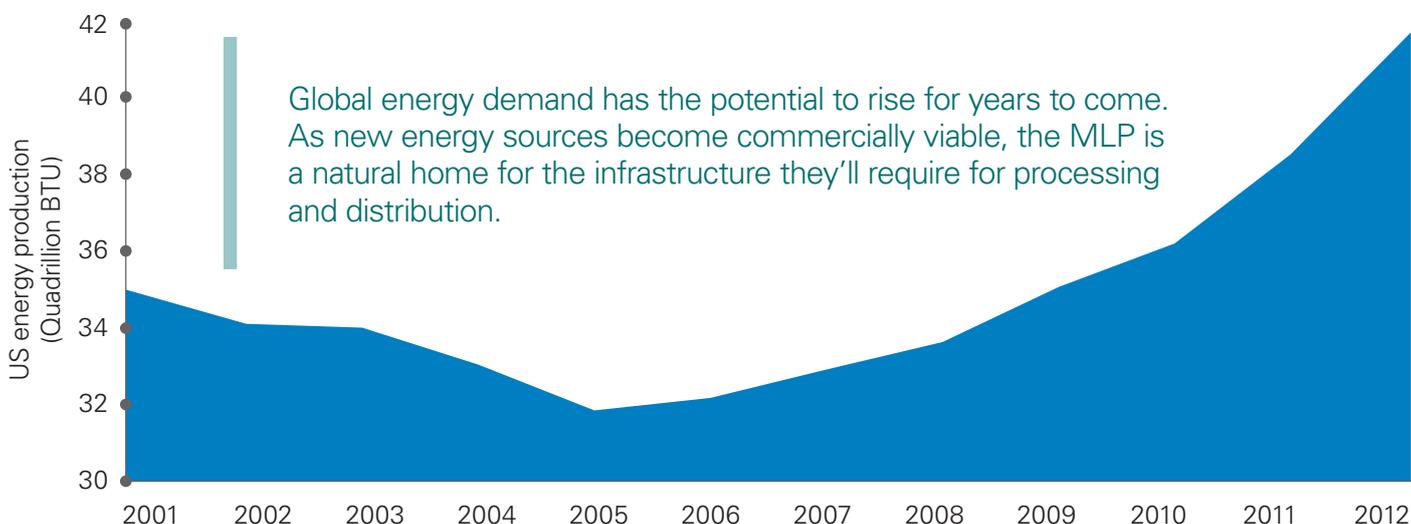
Energy infrastructure investments have a history of attractive and growing income distributions.

How does the fund invest in energy infrastructure?

The Fund will achieve economic exposure to US-domiciled MLPs through holding the listed common stock that owns the general partner managing the MLP. The Fund can also invest directly into non-US domiciled MLPs, traded and listed in the US.

US energy production has increased dramatically

US natural gas, crude oil and natural gas liquid (NGL) production, 2000-2012



Source: Energy Information Administration, as of 31st December 2012.

Past performance does not guarantee future results and does not purport to show the performance of the Fund or any other specific investment. Diversification does not guarantee a profit or protect against a loss.

REITS: WORTH A CLOSER LOOK

Real Estate Investment Trusts (REITs) offer an efficient way to invest in the \$11 trillion US commercial real estate industry³. Equity REITs are publicly-traded securities that own, and usually operate, income-producing real estate, while mortgage REITs engage in real estate financing. REITs are required to distribute at least 90% of their taxable income to investors. In exchange, they pay little, if any, income tax at the corporate level.

Key features of REITs

Have generated attractive income and total return over the long term and across most market cycles.

With historically low correlations to many other asset classes, REITs offer attractive diversification benefits.

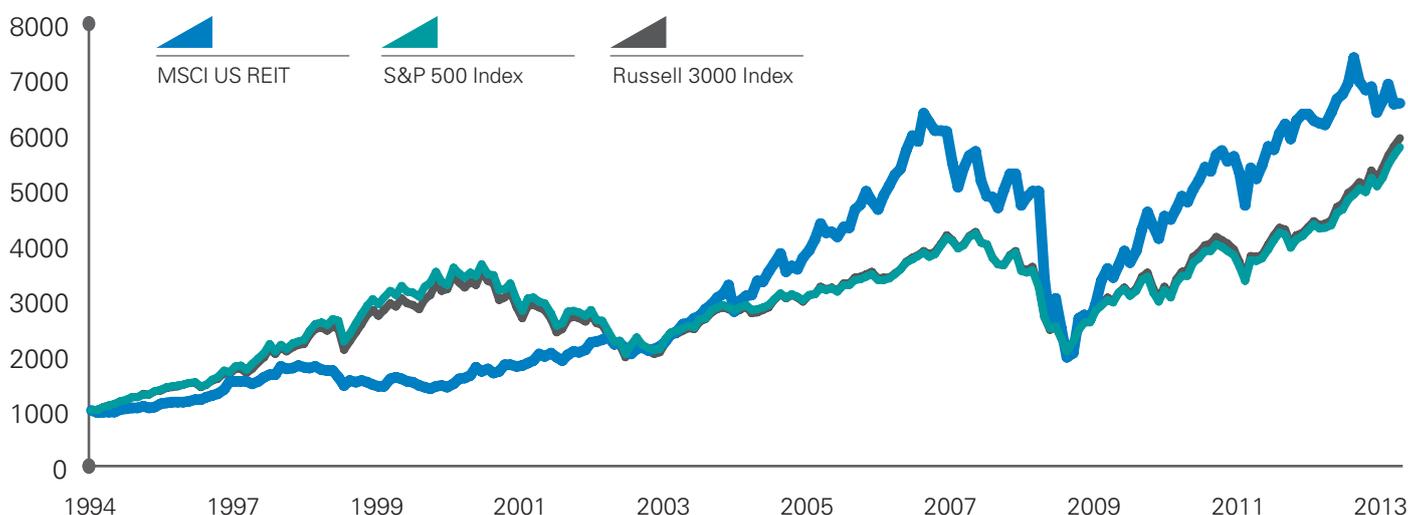
Attractive income potential.

What should I know about investing in REITs?⁴

REITs, which are closely linked to the performance of the real estate markets, are subject to illiquidity, credit and interest-rate risks, as well as risks associated with small- and mid-cap investments.

REITs have been long-term outperformers

(31/12/94 - 31/12/13)



Source: Factset 31st December 2013

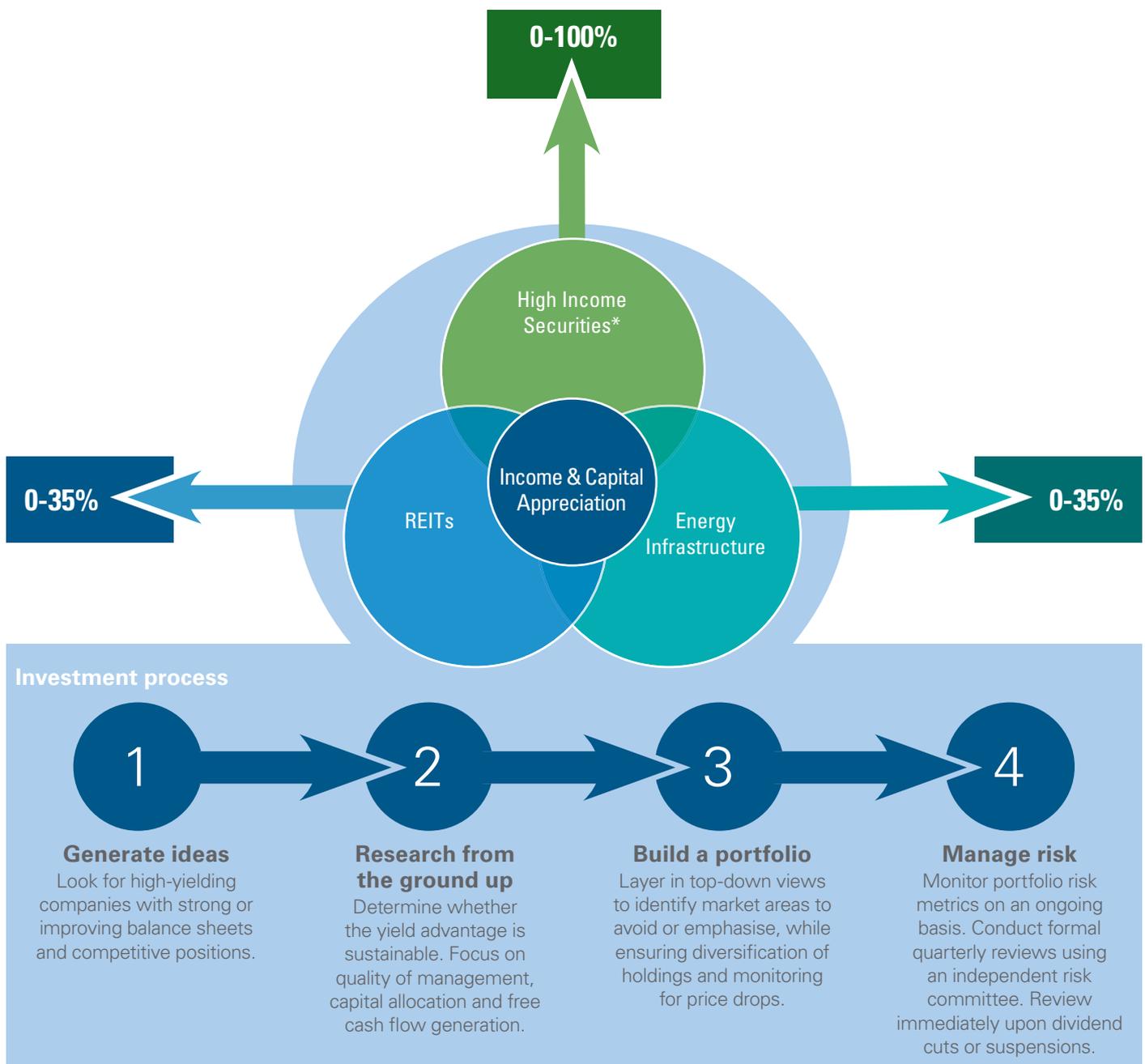
³ "Slicing, Dicing, and Scoping the Size of the U.S. Commercial Real Estate Market"; by Andrew C. Florance, Norm G. Miller, Jay Spivey and Ruijue Peng, *Journal of Real Estate Portfolio Management*, Volume 16, No. 2, 2010.

⁴ Please see last page for a complete discussion of risks involved with investing in REITs.

Past performance is no guarantee of future returns.

DEDICATED TO INCOME A DISTINCT BLEND

The Legg Mason ClearBridge Tactical Dividend Income Fund draws on a rigorous active management approach to deliver a well diversified, attractive, current yield.



There is no guarantee the investment process described herein will be successful.

*High Income Securities refers to Common Stock, Preferreds and Convertibles. Please note these are target guidelines and are subject to change.

DEDICATED TO QUALITY



Peter Vanderlee, CFA

*Managing Director,
Portfolio Manager*

Mark McAllister, CFA

*Managing Director,
Portfolio Manager*

A firm focused on quality and guided by fundamentals, ClearBridge believes in investing in high-quality companies for the long term, using fundamental analysis to select those companies and determine their intrinsic value. A trusted manager with an equity-income focus, ClearBridge oversees \$23 billion in income strategies.⁵

“ A diverse set of equity investments with the potential to grow dividend payments can offer investors a weapon to fight persistently low interest rates and inflation ”

Peter Vanderlee, ClearBridge Investments

A well-established, global equity manager focusing on proprietary research and fundamental investing

Over 45 years of experience building portfolios for clients seeking income solutions, high active share⁶ or managed volatility

Long-tenured portfolio managers provide strong leadership in a centralised investment structure

To find out more about the Legg Mason ClearBridge Tactical Dividend Income Fund, visit www.leggmasonglobal.com/usa

⁵ As of 31st December 2013.

⁶ **Active share** is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index.

Batterymarch

Brandywine Global

ClearBridge Investments

Legg Mason Capital Management

LMM

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Royce & Associates

Western Asset Management

 leggmasonglobal.com

 **UK & Scandinavia:**
+44 (0) 20 7070 7444

 **France & Benelux:**
+33 15805 3347

 **Germany & Austria:**
+49 69 71914 3720

 **Italy:**
+39 02 8734 3325

 **Switzerland:**
+41 22 747 7707

 **Spain:**
+34 91702 6745

This is a sub-fund of Legg Mason Global Funds plc, an umbrella fund with segregated liability between sub-funds, established as an open-ended investment company with variable capital and incorporated with limited liability under the laws of Ireland with registered number 278601. It qualifies, and is authorised in Ireland by the Central Bank of Ireland as an undertaking for collective investment in transferable securities.

All investments involve risk, including the possible loss of principal. The value of investments and the income from them can be affected by changes in interest rates, in exchange rates, general market conditions, political, social and economic developments and other variable factors.

The fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries.

The fund may invest in MLPs, which may offer fewer protections to investors than investments in corporations. MLPs may be difficult to sell quickly and subject to volatile price movements.

Investment in REITs poses similar risks as investing directly in real estate, such as fluctuations in value resulting from general and local economic conditions, changes in tax rules or other laws affecting real estate, overbuilding and increased competition, and changes in demand and fluctuations in interest rates.

Investment in derivatives may cause the fund to lose as much as or more than the amount invested.

Please refer to the Key Investor Information document (KIID) and the Prospectus, which describe the full objective and risk factors associated with this Fund.

Copies of prospectuses, KIID, semi-annual and annual reports, if published, may be obtained in a number of local languages at BNY Mellon Investment Servicing (International) Limited, Riverside Two, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2, Ireland.

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INDEPENDENT EXPERTISE. SINGULAR FOCUS.

Legg Mason is a leading global investment company committed to helping clients reach their financial goals through long-term, actively managed investment strategies.

A pioneer of the multi-investment boutique approach, we allow our independent investment managers to focus on what they do best: uncovering investment opportunities and delivering long-term performance. That's why investors trust Legg Mason to manage \$680¹ billion on their behalf.

¹ Source: Legg Mason as at 31st January 2014