**DIAMOND HILL FUNDS**

**Diamond Hill Corporate Credit Fund**
**Diamond Hill High Yield Fund**

**325 John H. McConnell Boulevard, Suite 200**
**Columbus, Ohio 43215**

**Special Meeting of Shareholders to Be Held on June 11, 2021**

April 12, 2021

Dear Shareholder:

Shareholders of Diamond Hill Corporate Credit Fund and Diamond Hill High Yield Fund (the "Funds") are being asked to vote on proposed reorganization transactions related to those Funds. You are being asked to vote on the transaction(s) related to the Fund(s) that you own.

The transaction for each Fund involves a proposal to reorganize the Fund into an acquiring fund (a "Reorganization"), as follows:

| Your Fund | Acquiring Fund |
|---|---|
| Diamond Hill Corporate Credit Fund | BrandywineGLOBAL – Corporate Credit Fund |
| Diamond Hill High Yield Fund | BrandywineGLOBAL – High Yield Fund |

The Board of Trustees of the Funds has called a special meeting of shareholders ("Meeting") of the Funds to consider and vote on the transactions, to be held on June 11, 2021, at the offices of Diamond Hill Funds, 325 John H. McConnell Boulevard, Suite 200, Columbus, Ohio 43215 at 10:00 a.m., Eastern time. However, we intend to monitor the recommendations of public health officials and governmental restrictions as the COVID-19 pandemic continues. If we decide to hold a meeting at a different time, in a different location, or partially or entirely by means of remote communication (i.e., a virtual meeting), we will make an announcement in the manner discussed in these materials.

The attached Proxy Statement/Prospectus asks for your approval of the proposed Reorganization for your Fund(s) and contains detailed information about each of the proposals.

The Board of Trustees recommends that you vote "FOR" the proposed Reorganization of your Fund(s). Before you vote, please read the Proxy Statement/Prospectus for an explanation of the proposals.

In light of the continuing risk posed by the coronavirus (COVID-19) pandemic, we strongly encourage shareholders to return the proxy card or vote by phone or electronically prior to the Meeting rather than attending in person.

**Your vote on this matter is important. Please promptly follow the enclosed instructions to submit voting instructions by telephone or over the Internet. Alternatively, you may submit voting instructions by signing and dating each proxy card and returning it in the accompanying postage-paid return envelope.**

It is important that your vote be received no later than the time of the Meeting.

Sincerely,

Thomas E. Line
President
Diamond Hill Funds

**DIAMOND HILL FUNDS**
**Diamond Hill Corporate Credit Fund**
**Diamond Hill High Yield Fund**
**325 John H. McConnell Boulevard, Suite 200**
**Columbus, Ohio 43215**
**Special Meeting of Shareholders to Be Held on June 11, 2021**

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IMPORTANT NEWS FOR SHAREHOLDERS OF EACH FUND

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The enclosed combined Proxy Statement/Prospectus describes a proposal to reorganize your fund into a corresponding acquiring fund. While we encourage you to read the full text of the enclosed combined Proxy Statement/Prospectus, here is a brief overview of the proposed reorganizations. Please refer to the more complete information about the reorganizations, including the Form of Agreement and Plan of Reorganization, contained elsewhere in the combined Proxy Statement/Prospectus.

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YOUR VOTE IS VERY IMPORTANT!

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## COMMON QUESTIONS ABOUT THE PROPOSED REORGANIZATION

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**Q. WHY IS A SHAREHOLDER MEETING BEING HELD?**

A. The Board of Trustees (the "Board") of your fund (a "Target Fund") has approved a reorganization, subject to shareholder approval, under which your fund would be reorganized into a newly organized fund (an "Acquiring Fund") managed by Legg Mason Partners Fund Advisor, LLC and subadvised by Brandywine Global Investment Management, LLC ("Brandywine Global" or the "subdviser" and the proposed reorganization, the "Reorganization"). The new Acquiring Fund and your fund have the same portfolio managers, the same investment objective, and substantially similar principal investment strategies (see below for information about differences in the funds' investment strategies and policies). If shareholders of your fund approve the Reorganization, you would become a shareholder of the corresponding acquiring fund shown in the chart below.

| **Your Fund (Target Fund)** | **Acquiring Fund** |
|---|---|
| Diamond Hill Corporate Credit Fund | BrandywineGLOBAL – Corporate Credit Fund |
| Diamond Hill High Yield Fund | BrandywineGLOBAL – High Yield Fund |

**Q. HOW WILL THE REORGANIZATION AFFECT ME?**

A. If the Reorganization of your fund is approved, your fund's assets will be transferred to, and its liabilities will be assumed by, the corresponding Acquiring Fund and you will become a shareholder of the Acquiring Fund. You will receive shares of the Acquiring Fund with a value equal to the value of your current fund's shares, calculated using the Acquiring Fund's valuation procedures. See "Information about the Proposed Reorganizations—The Reorganization Agreement" below for additional information.

**Q. WHY IS THE REORGANIZATION BEING RECOMMENDED?**

A. Your fund's investment adviser, Diamond Hill Capital Management, Inc. ("Diamond Hill"), has agreed to sell certain assets relating to its management of the Target Funds to Brandywine Global (the "Adviser Transaction"). In connection with the Adviser Transaction, John McClain and William Zox, the portfolio managers of the Target Funds, have agreed to join Brandywine Global and to serve as the portfolio managers of the Acquiring Funds following the Reorganizations.

Diamond Hill has recommended that your fund's Board approve the Reorganization of your fund described above. The Board determined that the Reorganizations are in the best interests of each Target Fund and its shareholders. The Board considered a number of factors in recommending each Reorganization, including the following:

- that Diamond Hill has agreed to sell certain assets relating to its management of the Target Funds to Brandywine Global;
- that the portfolio managers of the Target Funds have agreed to join Brandywine Global and to serve as the portfolio managers of the Acquiring Fund following the Reorganizations;
- that each Acquiring Fund has the same investment objective and substantially similar principal investment strategies as the corresponding Target Fund;
- that each Acquiring Fund will assume the historical performance of the corresponding Target Fund;
- the reputation, financial strength, resources, distribution networks, and capabilities of Franklin Resources, Inc. ("Franklin Resources"), Legg Mason Partners Fund Advisor, LLC ("LMPFA" or the "manager") and Brandywine Global;
- that shares of the Acquiring Funds will be exchangeable for shares of a large number of other funds managed by LMPFA;
- that no sales load, contingent deferred sales charge, commission, redemption fee or other transactional fee will be charged in consummating the Reorganizations;
- that neither the Target Funds nor the Acquiring Funds will bear any expenses relating to the reorganization;
- that the Reorganization is expected to constitute a tax-free reorganization and, therefore, that it is expected that Target Fund shareholders will not recognize gain or loss for federal income tax purposes as a direct result of the Reorganization;
- that the estimated total annual operating expenses of the Acquiring Funds are generally expected to be the same or lower than the total annual operating expenses of the Target Funds, except that estimated total annual fund operating expenses for Class IS shares of the BrandywineGLOBAL – High Yield Fund are estimated to be 0.01% higher than those of the corresponding class of Diamond Hill High Yield Fund; and
- that the manager of the Acquiring Funds has agreed to waive expenses and/or reimburse certain operating expenses until December 31, 2022.

For more information on factors considered by the Board, please see "Information about the Proposed Reorganizations—Reasons for the Reorganizations and Board Considerations" below.

**Q. WHAT ARE LMPFA AND BRANDYWINE GLOBAL?**

A. LMPFA and Brandywine Global are indirect, wholly-owned subsidiaries of Franklin Resources. Franklin Resources is a global investment management organization operating, together with its subsidiaries, as Franklin Templeton. As of December 31, 2020, Franklin Templeton's asset management operations had aggregate assets under management of approximately $1.5 trillion.

If the Reorganization of your fund is approved, LMPFA would serve as the manager of the corresponding Acquiring Fund. LMPFA provides administrative and certain oversight services to a number of registered investment companies and other investment vehicles in the Franklin Templeton fund family. As of December 31, 2020, LMPFA's total assets under management were approximately $214.6 billion.

If the Reorganization of your fund is approved, Brandywine Global would serve as the subadviser of the corresponding Acquiring Fund and would be responsible for the day-to-day portfolio management of the Acquiring Fund. Brandywine Global provides investment advisory services to a number of registered investment companies and other investment vehicles in the Franklin Templeton fund family. Since 1986, Brandywine Global has provided a range of differentiated fixed income, equity, and alternative solutions to clients worldwide. As of December 31, 2020, Brandywine Global's total assets under management were approximately $63.8 billion. See "Information About Management of the Acquiring Funds" below for additional information.

**Q. WHO WILL BE THE PORTFOLIO MANAGERS OF MY FUND?**

A. John McClain and William Zox, the portfolio managers of your fund, have agreed to join Brandywine Global and to serve as the portfolio managers of the Acquiring Funds in connection with the Reorganization and Adviser Transaction.

**Q. ARE MY FUND'S INVESTMENT OBJECTIVES, PRINCIPAL INVESTMENT STRATEGIES AND RELATED POLICIES SIMILAR TO THOSE OF THE ACQUIRING FUND?**

A. The Target Funds and the corresponding Acquiring Funds have the same investment objective and substantially similar principal investment strategies. For more information, please see "Comparison of Investment Objectives, Strategies and Principal Risks of Investing in the Funds" in the Proxy Statement/Prospectus.

**Q. WILL THE MANAGEMENT FEE PAID BY MY FUND CHANGE?**

A. No. Each Acquiring Fund will pay a management fee at the same rate as the management fee paid by the corresponding Target Fund.

**Q. HOW WILL THE REORGANIZATION AFFECT FUND FEES AND EXPENSES?**

A. Following is a summary of the anticipated effects that the Reorganization will have on the fees and expenses of the corresponding classes of your fund:

Diamond Hill Corporate Credit Fund into BrandywineGLOBAL – Corporate Credit Fund

Total annual fund operating expenses for Class A, Class I and Class IS shares of the Acquiring Fund are each estimated to be lower than those of the corresponding class of the Target Fund. The manager of the Acquiring Fund has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses, and acquired fund fees and expenses) until December 31, 2022, so that total annual operating expenses for Class A, Class I, and Class IS shares of the Acquiring Fund will not exceed total annual operating expenses of the corresponding class of the Target Fund for the year ended December 31, 2020, except to the extent any excess is due to the expense items that are excluded from the agreement to waive and/or reimburse expenses. The Acquiring Fund will commence operations upon consummation of the Reorganization, so the Acquiring Fund's fees and expenses have been estimated. Actual fees and expenses may be higher or lower. Please see "Summary—Comparison of Fees and Expenses" in the Proxy Statement/Prospectus for a detailed breakdown of the fees and expenses paid by your fund in comparison with those paid by the Acquiring Fund.

There is no initial or deferred sales charge on purchases or sales of Class I or Class Y shares of the Target Funds or the corresponding classes of the Acquiring Funds, respectively. Investor Class shares of the Target Funds do not bear an initial or deferred sales charge. Class A shares of the Acquiring Funds will bear a sales charge of up to 3.50%, which will decrease as the size of the investment increases to certain levels. A shareholder does not pay an initial sales charge when it buys $1,000,000 or more of Class A shares, but will pay a contingent deferred sales charge of 1.00% if the Class A shares are redeemed within 18 months of purchase. Please see "Summary—Fee and Expense Comparison Tables" and "Summary—Comparison of Sales Loads, Distribution and Shareholder Servicing Arrangements and Purchase, Redemption and Exchange Policies and Procedures" in the Proxy Statement/Prospectus for more information.

Diamond Hill High Yield Fund into BrandywineGLOBAL – High Yield Fund

Total annual fund operating expenses for Class A and Class I shares of the Acquiring Fund are estimated to be lower than or equal to those of the corresponding class of shares of the Target Fund. Total annual fund operating expenses for Class IS shares of the Acquiring Fund are estimated to be 0.01% higher than those of the corresponding class of the Target Fund. However, the manager of the Acquiring Fund has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses, and acquired fund fees and expenses) until December 31, 2022, so that total annual operating expenses for Class A, Class I and Class IS shares of the Acquiring Fund will not exceed total annual operating expenses of the corresponding class of the Target Fund for the year ended December 31, 2020, except to the extent any excess is due to the expense items that are excluded from the agreement to waive and/or reimburse expenses. The Acquiring Fund will commence operations upon consummation of the Reorganization, so the Acquiring Fund's fees and expenses have been estimated. Actual fees and expenses may be higher or lower. Please see "Summary—Comparison of Fees and Expenses" in the Proxy Statement/Prospectus for a detailed breakdown of the fees and expenses paid by your fund in comparison with those paid by the Acquiring Fund.

There is no initial or deferred sales charge on purchases or sales of Class I or Class Y shares of the Target Funds or the corresponding classes of the Acquiring Funds, respectively. Investor Class shares of the Target Funds do not bear an initial or deferred sales charge. Class A shares of the Acquiring Funds will bear a sales charge of up to 3.50%, which will decrease as the size of the investment increases to certain levels. A shareholder does not pay an initial sales charge when it buys $1,000,000 or more of Class A shares, but will pay a contingent deferred sales charge of 1.00% if the Class A shares are redeemed within 18 months of purchase. Please see "Summary—Fee and Expense Comparison Tables" and "Summary—Comparison of Sales Loads, Distribution and Shareholder Servicing Arrangements and Purchase, Redemption and Exchange Policies and Procedures" in the Proxy Statement/Prospectus for more information.

**Q. WILL I HAVE TO PAY ANY SALES LOAD, CHARGE OR OTHER COMMISSION IN CONNECTION WITH A REORGANIZATION?**

A. No. No sales load, contingent deferred sales charge, commission, redemption fee or other transactional fee will be charged as a result of the Reorganization. New purchases of Class A shares of an Acquiring Fund will be subject to an initial sales charge and/or a contingent deferred sales charge. Please see "Summary—Comparison of Fees and Expenses" and "Summary—Comparison of Sales Loads, Distribution and Shareholder Servicing Arrangements and Purchase, Redemption and Exchange Policies and Procedures" in the Proxy Statement/Prospectus for more information.

**Q. WHAT CLASSES OF SHARES WILL I RECEIVE?**

A. Shareholders of each Target Fund will receive the following:

If you hold Investor shares (formerly Class A) of a Target Fund, you will receive Class A shares of the corresponding Acquiring Fund.

If you hold Class I shares of a Target Fund, you will receive Class I shares of the corresponding Acquiring Fund.

If you hold Class Y shares of a Target Fund, you will receive Class IS shares of the corresponding Acquiring Fund.

**Q. WHAT IF I REDEEM OR EXCHANGE MY SHARES BEFORE THE CLOSING OF THE REORGANIZATION FOR MY FUND(S)?**

A. Redemptions or exchanges of a Target Fund's shares that occur on or before the closing date of the Reorganization of that Target Fund will be processed according to the Target Fund's policies and procedures in effect at the time of the redemption or exchange. Any such redemptions or exchanges will likely result in your recognition of taxable gain or loss for U.S. federal income tax purposes.

Even if you redeem shares of your fund prior to the shareholder meeting, you are entitled to vote those shares and are encouraged to do so.

**Q. WILL MY SHAREHOLDER PRIVILEGES CHANGE AS A RESULT OF THE REORGANIZATION FOR MY FUND(S)?**

A. Yes. Currently, shares of your fund are exchangeable for shares of other funds managed by Diamond Hill. If the Reorganization of your fund is consummated, shares of the Acquiring Fund you receive in the Reorganization will no longer be exchangeable for shares of other funds managed by Diamond Hill. However, they will be exchangeable for shares of a large number of other funds managed by LMPFA, 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.

Please see "Purchases, Redemptions and Exchanges of Fund Shares; Other Shareholder Information" in the Proxy Statement/Prospectus for a description of the differences of shareholder privileges among fund classes.

**Q. CAN I PURCHASE ADDITIONAL SHARES OF MY FUND PRIOR TO THE REORGANIZATION?**

A. Yes. You may continue to purchase shares of a Target Fund prior to and on the closing date of the Reorganization of that Target Fund. Any such purchases will be processed according to the Target Fund's policies and procedures in effect at the time of the purchase.

**Q. WILL I HAVE TO PAY ANY TAXES AS A RESULT OF THE REORGANIZATION?**

A. The Reorganization is expected to be a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Assuming the Reorganization of your fund is a "reorganization," it is not expected that you will recognize a gain or loss for federal income tax purposes as a direct result of the Reorganization. As a closing condition to the Reorganization of your fund, it will receive an opinion of Morgan, Lewis & Bockius LLP to the effect that its Reorganization will be a "reorganization." Opinions of counsel are not binding on the Internal Revenue Service or the courts. You should talk to your tax adviser about any state, local, and other tax consequences of your fund's Reorganization.

**Q. WHO WILL PAY FOR THE REORGANIZATIONS?**

A. Neither the Target Funds nor the Acquiring Funds will bear any expenses relating to the Reorganizations. All expenses associated with the preparing and mailing of this Proxy Statement/Prospectus and related proxy solicitation costs, will be borne by Diamond Hill or its affiliates, whether or not the Reorganizations are approved.

**Q. HOW DOES THE BOARD RECOMMEND THAT I VOTE?**

A. The Board unanimously recommends that you vote "FOR" the Reorganization of your fund.

**Q. WHAT HAPPENS IF THE REORGANIZATION IS NOT APPROVED?**

A. If the shareholders of your fund do not approve the Reorganization of your fund, then you will remain a shareholder of your fund.

**Q. WHAT HAPPENS IF SHAREHOLDERS OF ONE FUND APPROVE ITS REORGANIZATION, WHILE SHAREHOLDERS OF THE OTHER FUND DO NOT?**

A. The Reorganization of each Target Fund is contingent upon the closing of the Reorganization of the other Target Fund and the closing of the Adviser Transaction. If those other events do not occur, then you will remain a shareholder of your fund. So, even if the shareholders of your fund approve its Reorganization, there is a possibility that the Reorganization will not take place.

**Q. I AM AN INVESTOR WHO HOLDS A SMALL NUMBER OF SHARES. WHY SHOULD I VOTE?**

A. Your vote makes a difference. If many shareholders like you fail to vote their proxies, your fund may not receive enough votes to go forward with the shareholder meeting.

**Q. WHEN IS THE REORGANIZATION OF MY FUND EXPECTED TO HAPPEN?**

A. If shareholders approve the Reorganization of your fund, the Reorganization of your fund is expected to occur on or about July 30, 2021.

**Q. HOW CAN I VOTE OR AUTHORIZE A PROXY TO VOTE?**

A. In addition to voting at the shareholder meeting, you also may follow the enclosed instructions to submit voting instructions by telephone or over the Internet. Alternatively, you may submit voting instructions by signing and dating the enclosed proxy card and returning it in the accompanying postage-paid return envelope.

**Q. WHO GETS TO VOTE?**

A. If you owned shares of your fund at the close of business on March 31, 2021, you are entitled to vote those shares and are encouraged to do so, even if you are no longer a shareholder of the fund.

**Q. WHOM DO I CALL IF I HAVE QUESTIONS?**

A. If you need more information or have any questions about how to authorize a proxy to cast your vote, please call Broadridge Financial Solutions, Inc., your fund's proxy solicitor, at 1-800-690-6903.

**Your vote is important. Please authorize a proxy to vote promptly to avoid the additional expense of another solicitation.**

**DIAMOND HILL FUNDS**
**An Ohio business statutory trust**

**Diamond Hill Corporate Credit Fund**
**Diamond Hill High Yield Fund**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**
**To Be Held on June 11, 2021**

Please take notice that a Special Meeting of Shareholders (the "Meeting") of each of the above-referenced Funds (each, a "Target Fund"), is scheduled to be held at the offices of Diamond Hill Funds, 325 John H. McConnell Boulevard, Suite 200, Columbus, Ohio 43215 on June 11, 2021, at 10:00 a.m., Eastern time, to consider the proposed reorganization of each Target Fund into a newly organized corresponding series of Legg Mason Partners Equity Trust.

At the Meeting, you and the other shareholders of the Target Funds will be asked to consider and vote separately upon the following proposals, as applicable:

PROPOSAL 1: To consider and vote upon the Agreement and Plan of Reorganization, providing for (i) the acquisition by BrandywineGLOBAL – Corporate Credit Fund of all of the assets and liabilities of Diamond Hill Corporate Credit Fund, in exchange for shares of BrandywineGLOBAL – Corporate Credit Fund to be distributed to the shareholders of Diamond Hill Corporate Credit Fund and (ii) the subsequent termination of Diamond Hill Corporate Credit Fund.

PROPOSAL 2: To consider and vote upon the Agreement and Plan of Reorganization, providing for (i) the acquisition by BrandywineGLOBAL – High Yield Fund of all of the assets and liabilities of Diamond Hill High Yield Fund, in exchange for shares of BrandywineGLOBAL – High Yield Fund to be distributed to the shareholders of Diamond Hill High Yield Fund and (ii) the subsequent termination of Diamond Hill High Yield Fund.

PROPOSAL 3: To transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The appointed proxies will vote in their discretion on any other business as may properly come before the Meeting or any adjournments or postponements thereof.

Shareholders of record of each Target Fund at the close of business on March 31, 2021 are entitled to notice of, and to vote at, the Meeting and at any adjournments or postponements thereof.

In light of the continuing risk posed by the coronavirus (COVID-19) pandemic, we strongly encourage shareholders to return the proxy card or vote by phone or electronically prior to the Meeting rather than attending in person.

**PLEASE NOTE:** If it is determined that the Meeting will be held at a different time, in a different location, or partially or entirely by means of remote communication (i.e., a virtual meeting), an announcement of any such updates will be provided by means of a press release, which will be posted on our website http://www.diamond-hill.com. We encourage you to check the website prior to the Meeting if you plan to attend the Meeting. An announcement of any change will also be filed with the Securities and Exchange Commission via its EDGAR system. You do not need to attend the Meeting if you submit your votes on the proposals by proxy promptly.

**YOUR VOTE ON THIS MATTER IS IMPORTANT. PLEASE AUTHORIZE A PROXY TO VOTE YOUR SHARES PROMPTLY BY SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE ACCOMPANYING POSTAGE-PAID RETURN ENVELOPE OR BY FOLLOWING THE ENCLOSED INSTRUCTIONS TO AUTHORIZE A PROXY TO VOTE YOUR SHARES BY TELEPHONE OR OVER THE INTERNET.**

By order of the Board of Trustees,

Karen Colvin
Secretary
Diamond Hill Funds

April 12, 2021

**PROXY STATEMENT/PROSPECTUS**

**April 12, 2021**

**PROXY STATEMENT FOR:**

**DIAMOND HILL FUNDS**
DIAMOND HILL CORPORATE CREDIT FUND
DIAMOND HILL HIGH YIELD FUND
*(each, a "Target Fund," and, together, the "Target Funds")*

**325 John H. McConnell Boulevard, Suite 200**
**Columbus, Ohio 43215**
**1-614-255-3333**

**PROSPECTUS FOR:**

**LEGG MASON PARTNERS EQUITY TRUST**
BRANDYWINEGLOBAL – CORPORATE CREDIT FUND
BRANDYWINEGLOBAL – HIGH YIELD FUND
*(each, an "Acquiring Fund," and, together, the "Acquiring Funds")*

*(each a "Fund" and, together, the "Funds")*

**620 Eighth Avenue, 47th Floor**
**New York, New York 10018**
**1-877-721-1926**

This combined Proxy Statement and Prospectus (the "Proxy Statement/Prospectus") is being furnished in connection with the solicitation of proxies by the Board of Trustees (the "Board") of the Target Funds for a joint Special Meeting of Shareholders of the Target Funds (the "Meeting"). The Meeting is scheduled to be held on June 11, 2021, at 10:00 a.m., Eastern time, at the offices of the Diamond Hill Funds, 325 John H. McConnell Boulevard, Suite 200, Columbus, Ohio 43215.

However, we intend to monitor the recommendations of public health officials and governmental restrictions as the COVID-19 pandemic continues. If we decide to hold a meeting at a different time, in a different location, or partially or entirely by means of remote communication (i.e., a virtual meeting), we will make an announcement in the manner discussed in these materials.

At the Meeting, shareholders of each Target Fund as of the close of business on March 31, 2021 (the "Record Date") will be asked to consider and act upon the following, as applicable:

PROPOSAL 1: To consider and vote upon the Agreement and Plan of Reorganization, providing for (i) the acquisition by BrandywineGLOBAL – Corporate Credit Fund of all of the assets and liabilities of Diamond Hill Corporate Credit Fund, in exchange for shares of BrandywineGLOBAL – Corporate Credit Fund to be distributed to the shareholders of Diamond Hill Corporate Credit Fund and (ii) the subsequent termination of Diamond Hill Corporate Credit Fund.

PROPOSAL 2: To consider and vote upon the Agreement and Plan of Reorganization, providing for (i) the acquisition by BrandywineGLOBAL – High Yield Fund of all of the assets and liabilities of Diamond Hill High Yield Fund, in exchange for shares of BrandywineGLOBAL – High Yield Fund to be distributed to the shareholders of Diamond Hill High Yield Fund and (ii) the subsequent termination of Diamond Hill High Yield Fund.

PROPOSAL 3: To transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

Each Agreement and Plan of Reorganization (each, a "Reorganization Agreement") contemplates the transfer of all of the assets and liabilities of the applicable Target Fund to the corresponding Acquiring Fund, in exchange for shares of the corresponding Acquiring Fund having an aggregate net asset value equal to the aggregate net asset value of such Target Fund. Such Target Fund would then, on a class-by-class basis, distribute to its shareholders the portion of the shares of the corresponding Acquiring Fund to which each such shareholder is entitled, with each shareholder receiving shares of the corresponding Acquiring Fund having an aggregate net asset value equal to the aggregate net asset value of the shares of such Target Fund held by that shareholder as of the close of business on the day of the closing of the Reorganization. To facilitate the Reorganization, the net asset value of the shares of the Target Fund that you own on the closing date of the Reorganization will be computed using the valuation procedures established by the Acquiring Fund's Board for valuing the Acquiring Fund's assets. See "Information about the Proposed Reorganizations—The Reorganization Agreement" below for additional information. Thereafter, such Target Fund would be terminated.

As a shareholder of a Target Fund, you are being asked to consider and vote upon the approval of the Reorganization Agreement pursuant to which the Reorganization of such Target Fund would be accomplished. Because the Reorganization will result in shareholders of such Target Fund holding shares of the corresponding Acquiring Fund, this Proxy Statement also serves as a Prospectus for the corresponding Acquiring Fund.

If the Reorganization of a Target Fund is approved, the shareholders of such Target Fund will receive full and fractional shares of the corresponding class of the corresponding Acquiring Fund according to the following charts:

Diamond Hill Corporate Credit Fund into BrandywineGLOBAL – Corporate Credit Fund

| Target Fund—Share Class Exchanged | Acquiring Fund—Share Class Received* |
|---|---|
| Investor shares (formerly Class A shares) | Class A |
| Class I | Class I |
| Class Y | Class IS |

* The Acquiring Fund also offers Class C and Class R shares. These classes are not offered by this Proxy Statement/ Prospectus.

Diamond Hill High Yield Fund into BrandywineGLOBAL – High Yield Fund

| Target Fund—Share Class Exchanged | Acquiring Fund—Share Class Received* |
|---|---|
| Investor shares (formerly Class A shares) | Class A |
| Class I | Class I |
| Class Y | Class IS |

* The Acquiring Fund also offers Class C and Class R shares. These classes are not offered by this Proxy Statement/ Prospectus.

No sales charge will be imposed on the shares of the Acquiring Fund received by Target Fund shareholders in connection with the Reorganization. For more information about the classes of shares offered by each of the Funds, see "Summary—Comparison of Sales Loads, Distribution and Shareholder Servicing Arrangements and Purchase, Redemption and Exchange Policies and Procedures" and "Purchases, Redemptions and Exchanges of Fund Shares; Other Shareholder Information" in this Proxy Statement/Prospectus.

Each Reorganization is expected to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). See "Information about the Proposed Reorganization—Federal Income Tax Consequences" below. Shareholders should consult their tax advisers to determine the actual impact of the Reorganization in light of their individual tax circumstances.

Each Target Fund is a separate series of a registered open-end management investment company organized as an Ohio business trust. Each Acquiring Fund is a separate series of a registered open-end management investment company organized as a Maryland statutory trust. The investment objectives, principal investment strategies, policies and principal risks of each

Target Fund are much like those of the corresponding Acquiring Fund. However, there are certain differences. Please see "Summary—Comparison of Investment Objectives and Principal Investment Strategies," "Summary—Comparison of Principal Risks" and "Comparison of Investment Objectives, Principal Investment Strategies, Principal Risks and Fundamental Investment Policies of the Funds" in this Proxy Statement/Prospectus.

This Proxy Statement/Prospectus, which you should retain for future reference, sets forth concisely the information about each Acquiring Fund that a prospective investor should know before investing. A Statement of Additional Information (the "Reorganization SAI") dated April 12, 2021, relating to this Proxy Statement/Prospectus and the Reorganization has been filed with the Securities and Exchange Commission (the "SEC") and is incorporated by reference into this Proxy Statement/Prospectus. A copy of the Reorganization SAI is available upon request and without charge by writing to the applicable Acquiring Fund at the address listed above or calling 1-877-721-1926.

For more information regarding the Target Funds, see the current prospectus and statement of additional information of the Target Funds filed with the SEC. The prospectus and SAI of the Target Funds are incorporated into this Proxy Statement/Prospectus by reference.

The audited financial statements and related independent registered public accounting firm's report for each Target Fund contained in the Target Funds' annual reports for the fiscal year ended December 31, 2020 are incorporated herein by reference. You may receive without charge a copy of the Prospectus, SAI, and annual report for each Target Fund by calling 1-888-226-5595, or by writing the Funds at the address listed above.

No financial highlights are provided for the Acquiring Funds because the Acquiring Funds are newly organized and have not yet offered shares. Each Acquiring Fund, as accounting successor to the corresponding Target Fund, will assume the Target Fund's historical performance after the consummation of the Reorganization.

You can copy and review this Proxy Statement/Prospectus and the complete filing on Form N-14 containing the Proxy Statement/Prospectus and any of the above-referenced documents at the SEC's Public Reference Room in Washington, DC. You may obtain information about the operation of the Public Reference Room by calling the SEC at (202) 551-8090. Reports and other information about each Fund are available on the EDGAR Database on the SEC's Internet site at *www.sec.gov*. You may obtain copies of this information, after paying a duplicating fee, by electronic request at the following e-mail address: *publicinfo@sec.gov*, or by writing the SEC's Public Reference Room, 100 F Street, N.E., Washington, DC 20549.

A copy of the form of Reorganization Agreement pertaining to each Reorganization accompanies this Proxy Statement/Prospectus as Appendix A.

The information contained herein concerning the Target Funds has been provided by, and is included herein in reliance upon, the Target Funds. The information contained herein concerning the Acquiring Funds has been provided by, and is included herein in reliance upon, the Acquiring Funds.

**THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES NOR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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## SUMMARY

*This summary is qualified in its entirety by reference to the additional information contained elsewhere in this Proxy Statement/Prospectus and the Reorganization Agreements, the form of which is attached to this Proxy Statement/Prospectus as Appendix A.*

### Proposed Reorganization

At meetings held on March 3, 2021 and March 4, 2021, respectively, the Target Funds' Board and the Acquiring Funds' Board, including all of the Board members who are not "interested persons" of the Funds under the Investment Company Act of 1940, as amended (the "1940 Act") ("Independent Board Members"), unanimously approved the Reorganization Agreements. Each Reorganization Agreement provides for:

1. the transfer of all of the assets and liabilities of the applicable Target Fund to the corresponding Acquiring Fund, in exchange for shares of the Acquiring Fund having an aggregate net asset value equal to the aggregate net asset value of the shares of such Target Fund computed using the valuation procedures established by the Acquiring Fund's Board for valuing the Acquiring Fund's assets (see "Information about the Proposed Reorganizations—The Reorganization Agreement" below for additional information);
2. the distribution of shares of the corresponding Acquiring Fund to the shareholders of such Target Fund on a class-by-class basis; and
3. the termination of such Target Fund.

Each Reorganization Agreement is subject to approval by the shareholders of the respective Target Fund. Each Reorganization, if approved by shareholders of the respective Target Fund, is scheduled to be effective as of the close of business on July 30, 2021, or on such later date as the parties may agree ("Closing Date"). As a result of the Reorganizations, each shareholder of each Target Fund will become the owner of the number of full and fractional shares of the corresponding Acquiring Fund having an aggregate net asset value equal to the aggregate net asset value of the shareholder's Target Fund shares as of the close of business on the Closing Date. To facilitate the Reorganization, the net asset value of the shares of the Target Fund that you own on the Closing Date will be computed using the valuation procedures established by the Acquiring Fund's Board for valuing the Acquiring Fund's assets. As a result of using the Acquiring Fund's valuation procedures, your fund's net asset value per share is expected to be higher than it would be if your fund's valuation procedures were used. For more information about the classes of shares offered by the Funds, see "Summary—Comparison of Sales Loads, Distribution and Shareholder Servicing Arrangements and Purchase, Redemption and Exchange Policies and Procedures" below and "Purchases, Redemptions and Exchanges of Fund Shares; Other Shareholder Information" below.

The Reorganization of each Target Fund is contingent upon the closing of the Reorganization of the other Target Fund and upon the closing of the sale by Diamond Hill Capital Management, Inc. ("Diamond Hill") to Brandywine Global Investment Management, LLC ("Brandywine Global") of certain assets relating to Diamond Hill's management of the Target Funds (the "Adviser Transaction"). Similarly, the closing of the Adviser Transaction is contingent on the closing of the Reorganization of each of the Target Funds.

For the reasons set forth below in "Information about the Proposed Reorganizations—Reasons for the Reorganizations and Board Considerations," the Target Funds' Board, including all of the Independent Board Members, has concluded that the Target Funds' participation in the Reorganization is in the best interests of the Target Funds and their shareholders. **The Target Funds' Board, therefore, is hereby submitting each Reorganization Agreement to the shareholders of the respective Target Fund and recommending that shareholders of such Target Fund vote "FOR" the Reorganization Agreement effecting the Reorganization.** The Acquiring Funds' Board has also approved the Reorganizations on behalf of the Acquiring Funds.

Approval of the Reorganization of each Target Fund will require the affirmative vote of a majority of the outstanding shares of such Target Fund, as defined in the 1940 Act. A "majority of the outstanding voting shares" of a Target Fund is defined in the 1940 Act as the lesser of: (a) 67% or more of the shares of such Target Fund present at the Meeting, if the holders of more than 50% of the outstanding shares of the Target Fund are present at the Meeting or represented by proxy, or (b) more than 50% of the outstanding shares of such Target Fund. See "Additional Information about the Target Funds and the Acquiring Funds—Voting Information" below.

As a condition to the closing of each Reorganization, each party to the respective Agreement and Plan of Reorganization, must receive an opinion of Morgan, Lewis & Bockius LLP to the effect that such Reorganization will be treated as a "reorganization" within the meaning of Section 368 of the Code. Accordingly, subject to the limited exceptions described below under the heading "Information about the Proposed Reorganizations—Federal Income Tax Consequences," it is expected that neither Target Fund nor its shareholders will recognize gain or loss as a result of the respective Reorganization, and that the aggregate tax basis of the corresponding Acquiring Fund shares received by each shareholder of such Target Fund will be the same as the aggregate tax basis of such shareholder's Target Fund shares immediately before the transaction. For more information about the federal income tax consequences of the Reorganizations, see "Information about the Proposed Reorganizations—Federal Income Tax Consequences" below.

### Certain Defined Terms Used in this Proxy Statement/Prospectus

Each Target Fund is a series of an Ohio business trust, and each Acquiring Fund is a series of a Maryland statutory trust. For ease of reference and clarity of presentation, shares of beneficial interest of the Acquiring Funds and Target Funds are hereinafter referred to as "shares," holders of shares are hereinafter referred to as "shareholders," the Board of Trustees overseeing the Acquiring Funds is referred to herein as the "Acquiring Funds' Board" and the Board of Trustees overseeing the Target Funds is referred to herein as the "Target Funds' Board" (and, together, the "Boards").

### Comparison of Investment Objectives and Principal Investment Strategies

This section will help you compare the investment objectives and principal investment strategies of each Target Fund and the corresponding Acquiring Fund. Please be aware that this section is only a brief summary. More detailed comparisons of the Funds, including risks, and a chart providing a side-by-side comparison of the Funds and their investment objectives, principal investment strategies, and management, appear below in this Proxy Statement/Prospectus.

The investment objectives, principal investment strategies, policies, and principal risks of each Target Fund are much like those of the corresponding Acquiring Fund. However, there are certain differences. The following charts provide a brief summary of notable information regarding the Funds, including certain differences, as considered by the Board. The Funds do not believe any of the differences noted below are likely to be material to shareholders.

Diamond Hill Corporate Credit Fund into BrandywineGLOBAL – Corporate Credit Fund

| | Target Fund | Acquiring Fund |
|---|---|---|
| **Investment Objective** | High current income consistent with the preservation of capital over a five-year time horizon. | High current income consistent with the preservation of capital over a five-year time horizon. |
| **Principal Investments** | Under normal market conditions, the fund intends to provide exposure to corporate debt securities by investing at least 80% of its net assets in a diversified portfolio of corporate debt securities including those rated investment grade, below investment grade, or are unrated. Below investment grade securities are also known as "junk bonds," "high yield bonds," and "non-investment grade bonds." Such securities may be public or privately placed U.S. dollar denominated debt securities issued by U.S. and non-U.S. companies of any size, which Diamond Hill believes represent an attractive investment opportunity. | Under normal market conditions, the fund intends to provide exposure to corporate debt securities by investing at least 80% of its net assets in a diversified portfolio of corporate debt securities including those rated investment grade, below investment grade, or are unrated. Below investment grade securities are securities rated below Baa/BBB assigned by at least one Nationally Recognized Statistical Rating Organization ("NRSRO") or unrated securities determined by the subadviser to be of comparable credit quality. Below investment grade securities are also known as "junk bonds," "high yield bonds," and "non-investment grade bonds." Such securities may be public or privately placed U.S. dollar denominated debt securities issued by U.S. and non-U.S. companies of any size, which the subadviser believes represent an attractive investment opportunity. |

| | Target Fund | Acquiring Fund |
|---|---|---|
| **Additional Investments** | In addition to corporate bonds, the fund may invest in other debt securities such as trust preferred securities, convertible securities, preferred stock, equity securities, U.S. Government and Agency securities, and mortgage or asset-backed securities. | In addition to corporate bonds, the fund may invest in other securities such as trust preferred securities, convertible securities, preferred stock, equity securities, U.S. Government and Agency securities, and mortgage or asset-backed securities. |
| **Duration** | Under normal circumstances, the fund will maintain a dollar-weighted effective duration of less than five, although it may invest in individual fixed income securities with effective durations in excess of five. | Under normal circumstances, the fund will maintain a dollar-weighted effective duration of less than five years, although it may invest in individual fixed income securities with effective durations in excess of five years. |
| **Below Investment Grade Securities** | The fund will not typically invest more than 10% of its assets in securities rated at or below Caa1 by Moody's, CCC+ by Standard & Poor's and CCC+ by Fitch at time of purchase. | The fund will not typically invest more than 10% of its assets in securities rated at or below Caa1 by Moody's, CCC+ by Standard & Poor's and CCC+ by Fitch at time of purchase. |
| **Selection Process** | In selecting securities for the fund, the Adviser performs a risk/ reward analysis that includes an evaluation of credit risk, interest rate risk, and the legal and technical structure of the security. The Adviser will attempt to take advantage of inefficiencies that it believes exist in the fixed-income markets. The Adviser seeks to invest in securities that the Adviser expects to offer attractive prospects for current income and capital appreciation in relation to the risk borne | In selecting securities for the fund, the subadviser performs a risk/reward analysis that includes an evaluation of credit risk, interest rate risk, and the legal and technical structure of the security. The subadviser will attempt to take advantage of inefficiencies that it believes exist in the fixed-income markets by purchasing securities at prices below the subadviser's estimate of their fair value with the goal of selling securities as they approach or exceed the subadviser's estimate of their fair value. The subadviser seeks to invest in securities that the subadviser expects to offer attractive prospects for current income and/or capital appreciation in relation to the risk borne. |

Diamond Hill High Yield Fund into BrandywineGLOBAL – High Yield Fund

| | Target Fund | Acquiring Fund |
|---|---|---|
| **Investment Objective** | High current income with the opportunity for capital appreciation. | High current income with the opportunity for capital appreciation. |
| **Principal Investments** | Under normal market conditions, the fund intends to provide exposure to high yield securities by investing at least 80% of its net assets in a diversified portfolio of corporate debt securities that are rated at the time of purchase below investment grade or are unrated. These investments are also known as "junk bonds," "high yield bonds," and "non-investment grade bonds," and may include so called "distressed debt." Such securities may be public or privately placed U.S. dollar denominated debt securities issued by U.S. and non-U.S. companies of any size, which Diamond Hill believes represent an attractive investment opportunity. The fund also may invest in other securities including investment grade securities. | Under normal market conditions, the fund intends to provide exposure to high yield securities by investing at least 80% of its net assets in a diversified portfolio of corporate debt securities that are rated at the time of purchase below investment grade (that is, securities rated below Baa/BBB assigned by at least one Nationally Recognized Statistical Rating Organization ("NRSRO")) or unrated securities determined by the subadviser to be of comparable credit quality. These investments are also known as "junk bonds," "high yield bonds," and "non-investment grade bonds," and may include so called "distressed debt." Such securities may be public or privately placed U.S. dollar denominated debt securities issued by U.S. and non-U.S. companies |

| | Target Fund | Acquiring Fund |
|---|---|---|
| | | of any size, which the subadviser believes represent an attractive investment opportunity. The fund also may invest in other securities including investment grade securities. |
| **Additional Investments** | While not a part of the fund's principal investment strategy of investing in corporate bonds, the fund may invest in other debt securities such as trust preferred securities, convertible securities, preferred stock, equity securities, U.S. Government and Agency securities, and mortgage or asset-backed securities. | While not a part of the fund's principal investment strategy of investing in corporate bonds, the fund may invest in other securities such as trust preferred securities, convertible securities, preferred stock, equity securities, U.S. Government and Agency securities, and mortgage or asset-backed securities. |
| **Selection Process** | In selecting securities for the fund, Diamond Hill performs a risk/reward analysis that includes an evaluation of credit risk, interest rate risk, and the legal and technical structure of the security. Diamond Hill will attempt to take advantage of inefficiencies that it believes exist in the fixed-income markets. Diamond Hill seeks to invest in securities that Diamond Hill expects to offer attractive prospects for current income and/or capital appreciation in relation to the risk borne. | In selecting securities for the fund, the subadviser performs a risk/reward analysis that includes an evaluation of credit risk, interest rate risk, and the legal and technical structure of the security. The subadviser will attempt to take advantage of inefficiencies that it believes exist in the fixed-income markets by purchasing securities at prices below the subadviser's estimate of their fair value with the goal of selling securities as they approach or exceed the subadviser's estimate of their fair value. The subadviser seeks to invest in securities that the subadviser expects to offer attractive prospects for current income and/or capital appreciation in relation to the risk borne. |

**Comparison of Principal Risks**

Because the Funds have the same investment objective and substantially similar principal investment strategies, they are subject to the same principal risks. However, the prospectuses of the Acquiring Funds identify certain additional risks as being principal risks. You could lose money on your investment in either Fund and either Fund may not perform as well as other investments. For more information about the principal risks of the Funds, see "Comparison of Investment Objectives, Principal Investment Strategies, Principal Risks and Fundamental Investment Policies of the Funds" below.

**Comparison of Fees and Expenses**

Each Acquiring Fund's management fee is the same as the corresponding Target Fund's management fee.

For Diamond Hill Corporate Credit Fund, total annual fund operating expenses for Class A, Class I and Class IS shares of the Acquiring Fund are each estimated to be lower than those of the corresponding class of the Target Fund.

For Diamond Hill High Yield Fund, total annual fund operating expenses for Class A and Class I shares of the Acquiring Fund are estimated to be lower than or equal to those of the corresponding class of the Target Fund. Total annual fund operating expenses for Class IS shares of the Acquiring Fund are estimated to be 0.01% higher than those of the corresponding class of the Target Fund.

For both Acquiring Funds, the manager has agreed to waive fees and/or reimburse operating expenses for Class A, Class I, and Class IS shares of each Acquiring Fund (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses and acquired fund fees and expenses) to the level of total annual operating expenses of the corresponding classes of the corresponding Target Fund for the year ended December 31, 2020, except to the extent any excess is due to the expense items that are excluded from the agreement to waive and/or reimburse expenses. The manager has also agreed that the ratio of total annual fund operating expenses for Class IS shares of each Acquiring Fund will not exceed the ratio of total annual fund operating expenses for Class I shares of the Acquiring Fund. These arrangements are expected to continue for each Acquiring Fund until December 31, 2022. The manager is also permitted to recapture amounts waived and/or reimbursed to a class of an Acquiring Fund within three 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 limit described above. In no case will the manager recapture any amount that would result, on any particular business day of the Acquiring Fund, in the class' total annual fund operating expenses exceeding the applicable limits described above or any other lower limit then in effect. For more information about fees and expenses, see "Summary—Comparison of Fees and Expenses" and "Information About Management of the Acquiring Funds—Management fee" and "- Expense limitations."

New purchases of Class A shares of an Acquiring Fund will be subject to an initial sales charge and/or a contingent deferred sales charge as described in the tables below. Please see "Summary—Comparison of Sales Loads, Distribution and Shareholder Servicing Arrangements and Purchase, Redemption and Exchange Policies and Procedures" in the Proxy Statement/Prospectus for more information.

Because maintaining small accounts is costly for a Fund, both the Target Funds and the Acquiring Funds encourage shareholders to keep their accounts above the Fund's minimum. Each Acquiring Fund may charge a fee of $3.75 per quarter (with an annual maximum of $15.00 per account) if the value of your account with that Fund 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 the small account. The Target Funds do not currently charge a small account fee. However, until February 28, 2021, each Target Fund reserved the right to charge a fee of $5.00 per quarter for accounts valued below $2,500. For more information about small account fees, see "Purchases, Redemptions and Exchanges of Fund Shares; Other Shareholder Information—Small account fees/Mandatory redemptions."

### *Fee and Expense Comparison Tables*

The tables below compare the fees and expenses of each class of shares of each Target Fund with those of the corresponding Acquiring Fund. Fees and expenses of each Target Fund are derived from the Target Fund's current prospectus, dated as of February 28, 2021. The Acquiring Funds are newly organized and will commence operations upon consummation of the Reorganizations. Therefore, the fees and expenses for the Acquiring Funds have been estimated. Actual fees and expenses may be higher or lower. The tables also show the estimated fees and expenses of each class of shares of the Acquiring Funds on a pro forma basis, after giving effect to the applicable Reorganization. The actual fees and expenses of the Funds as of the Closing Date may differ from those reflected in the tables below.

Comparison of Diamond Hill Corporate Credit Fund with BrandywineGLOBAL – Corporate Credit Fund

**Investor Shares (formerly Class A Shares)**

| | **Diamond Hill Corporate Credit Fund** | **Acquiring Fund** | **Acquiring Fund** *(Pro Forma)* |
|---|---|---|---|
| | **Investor Shares (formerly Class A)** | **Class A** | **Class A** |
| **Shareholder fees (fees paid directly from your investment)** | | | |
| Maximum sales charge (load) imposed on purchases (as a % of offering price) | None | 3.50%[1,2] | 3.50%[1,2] |
| Maximum deferred sales charge (load) (as a % of the lower of net asset value at purchase | None | None[3] | None[3] |
| Small account fee | None | $ 15[4] | $ 15[4] |
| **Annual Fund operating expenses (expenses that you pay each year as a percentage of the value of your investment) (%)** | | | |
| Management fees | 0.45% | 0.45% | 0.45% |
| Distribution and/or service (12b-1) fees | 0.25% | 0.25% | 0.25% |
| Other expenses | 0.21% | 0.14% | 0.14% |
| Acquired fund fees and expenses | 0.01% | 0.01% | 0.01% |
| Total annual Fund operating expenses | 0.92% | 0.85% | 0.85% |
| Fee waivers[5] | — | — | — |
| Total annual Fund operating expenses after fee waivers | 0.92% | 0.85% | 0.85% |

1 The sales charge is waived for shareholders purchasing Class A shares through accounts where Legg Mason Investor Services, LLC ("LMIS") is the broker-dealer of record ("LMIS Accounts").

[2] Shareholders purchasing Class A shares through certain Service Agents (defined below) or in certain types of accounts may be eligible for a waiver of the sales charge. For additional information, see "Purchases, Redemptions and Exchanges of Fund Shares; Other Shareholder Information—Additional information about each share class — Sales charges" in this Proxy Statement/Prospectus." "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 LMIS to sell shares of the fund.

[3] You may buy Class A shares in amounts of $1,000,000 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%.

[4] If the value of your account with the Fund is below $1,000 ($250 for retirement plans that are not employer-sponsored), 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.

[5] The manager has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses and acquired fund fees and expenses) so that the ratio of total annual fund operating expenses will not exceed 0.92% for Class A shares. This arrangement cannot be terminated prior to December 31, 2022 without the consent of the Acquiring Funds' Board. The manager is also permitted to recapture amounts waived and/or reimbursed to a class within three 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 limit described above. In no case will the manager recapture any amount that would result, on any particular business day of the Acquiring Fund, in the class' total annual fund operating expenses exceeding the applicable limits described above or any other lower limit then in effect.

The following examples help you compare the costs of investing in Investor Shares (formerly Class A shares) of the Target Fund, Class A shares of the Acquiring Fund, and Class A shares of the Acquiring Fund on a pro forma basis, after giving effect to the applicable Reorganization, with the costs of investing in other mutual funds. The examples assume that you invest $10,000 for the periods shown, that your investment has a 5% return each year, that you reinvest all distributions and dividends, and that the Funds' operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

WITH OR WITHOUT REDEMPTION OF SHARES:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| Diamond Hill Corporate Credit Fund—**Investor Shares (formerly Class A shares)** | $ 94 | $293 | $509 | $1,131 |
| Acquiring Fund—**Class A** | $434 | $612 | $806 | $1,364 |
| Acquiring Fund (pro forma)—**Class A** | $434 | $612 | $806 | $1,364 |

**Class I Shares**

| | Diamond Hill Corporate Credit Fund | Acquiring Fund | Acquiring Fund *(Pro Forma)* |
|---|---|---|---|
| | Class I | Class I | Class I |
| **Shareholder fees (fees paid directly from your investment)** | | | |
| Maximum sales charge (load) imposed on purchases (as a % of offering price) | None | None | None |
| Maximum deferred sales charge (load) (as a % of the lower of net asset value at purchase | None | None | None |
| Small account fees | None | None | None |
| **Annual Fund operating expenses (expenses that you pay each year as a percentage of the value of your investment) (%)** | | | |
| Management fees | 0.45% | 0.45% | 0.45% |
| Distribution and/or service (12b-1) fees | None | None | None |
| Other expenses | 0.17% | 0.14% | 0.14% |
| Acquired fund fees and expenses | 0.01% | 0.01% | 0.01% |
| Total annual Fund operating expenses | 0.63% | 0.60% | 0.60% |
| Fee waivers[1] | — | — | — |
| Total annual Fund operating expenses after fee waivers | 0.63% | 0.60% | 0.60% |

1 The manager has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses and acquired fund fees and expenses) so that the ratio of total annual fund operating expenses will not exceed 0.63% for Class I shares. This arrangement cannot be terminated prior to December 31, 2022 without the consent of the Acquiring Funds' Board. The manager is also permitted to recapture amounts waived and/or reimbursed to a class within three 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 limit described above. In no case will the manager recapture any amount that would result, on any particular business day of the Acquiring Fund, in the class' total annual fund operating expenses exceeding the applicable limits described above or any other lower limit then in effect.

The following examples help you compare the costs of investing in Class I shares of the Target Fund, Class I shares of the Acquiring Fund, and Class I shares of the Acquiring Fund on a pro forma basis, after giving effect to the applicable Reorganization with the costs of investing in other mutual funds. The examples assume that you invest $10,000 for the periods shown, that your investment has a 5% return each year, that you reinvest all distributions and dividends, and that the Funds' operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

WITH OR WITHOUT REDEMPTION OF SHARES:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| Diamond Hill Corporate Credit Fund—**Class I** | $64 | $202 | $351 | $786 |
| Acquiring Fund—**Class I** | $61 | $192 | $335 | $750 |
| Acquiring Fund (pro forma)—**Class I** | $61 | $192 | $335 | $750 |

**Class Y Shares**

| | Diamond Hill Corporate Credit Fund | Acquiring Fund | Acquiring Fund *(Pro Forma)* |
|---|---|---|---|
| | Class Y | Class IS | Class IS |
| **Shareholder fees (fees paid directly from your investment)** | | | |
| Maximum sales charge (load) imposed on purchases (as a % of offering price) | None | None | None |
| Maximum deferred sales charge (load) (as a % of the lower of net asset value at purchase | None | None | None |
| Small account fees | None | None | None |
| **Annual Fund operating expenses (expenses that you pay each year as a percentage of the value of your investment) (%)** | | | |
| Management fees | 0.45% | 0.45% | 0.45% |
| Distribution and/or service (12b-1) fees | None | None | None |
| Other expenses | 0.05% | 0.04% | 0.04% |
| Acquired fund fees and expenses | 0.01% | 0.01% | 0.01% |
| Total annual Fund operating expenses | 0.51% | 0.50% | 0.50% |
| Fee waivers[1] | — | — | — |
| Total annual Fund operating expenses after fee waivers | 0.51% | 0.50% | 0.50% |

[1] The manager has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses and acquired fund fees and expenses) so that the ratio of total annual fund operating expenses will not exceed 0.51% for Class IS shares. 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, 2022 without the consent of the Acquiring Funds' Board. The manager is also permitted to recapture amounts waived and/or reimbursed to a class within three 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 limit described above. In no case will the manager recapture any amount that would result, on any particular business day of the Acquiring Fund, in the class' total annual fund operating expenses exceeding the applicable limits described above or any other lower limit then in effect.

The following examples help you compare the costs of investing in Class Y shares of the Target Fund, Class IS shares of the Acquiring Fund, and Class IS shares of the Acquiring Fund on a pro forma basis, after giving effect to the applicable Reorganization, with the costs of investing in other mutual funds. The examples assume that you invest $10,000 for the periods shown, that your investment has a 5% return each year, that you reinvest all distributions and dividends, and that the Funds' operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

WITH OR WITHOUT REDEMPTION OF SHARES:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| Diamond Hill Corporate Credit Fund—**Class Y** | $52 | $164 | $285 | $640 |
| Acquiring Fund—**Class IS** | $51 | $160 | $279 | $629 |
| Acquiring Fund (pro forma)—**Class IS** | $51 | $160 | $279 | $629 |

Comparison of Diamond Hill High Yield Fund with BrandywineGLOBAL – High Yield Fund

**Investor Shares (formerly Class A Shares)**

| | Diamond Hill High Yield Fund | Acquiring Fund | Acquiring Fund *(Pro Forma)* |
|---|---|---|---|
| | Investor Shares (formerly Class A) | Class A | Class A |
| **Shareholder fees (fees paid directly from your investment)** | | | |
| Maximum sales charge (load) imposed on purchases (as a % of offering price) | None | 3.50%[1,2] | 3.50% |
| Maximum deferred sales charge (load) (as a % of the lower of net asset value at purchase | None | None[3] | None[3] |
| Small account fees | None | $ 15[4] | $ 15[4] |
| **Annual Fund operating expenses (expenses that you pay each year as a percentage of the value of your investment) (%)** | | | |
| Management fees | 0.50% | 0.50% | 0.50% |
| Distribution and/or service (12b-1) fees | 0.25% | 0.25% | 0.25% |
| Other expenses | 0.21% | 0.16% | 0.16% |
| Acquired fund fees and expenses | — | 0.01% | 0.01% |
| Total annual Fund operating expenses | 0.96% | 0.92% | 0.92% |
| Fee waivers[5] | — | — | — |
| Total annual Fund operating expenses after fee waivers | 0.96% | 0.92% | 0.92% |

1 The sales charge is waived for shareholders purchasing Class A shares through accounts where LMIS is the broker-dealer of record ("LMIS Accounts").

2 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 "Purchases, Redemptions and Exchanges of Fund Shares; Other Shareholder Information—Additional information about each share class—Sales charges" in this Proxy Statement/Prospectus." "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 LMIS to sell shares of the fund.

3 You may buy Class A shares in amounts of $1,000,000 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%.

4 If the value of your account with the Fund is below $1,000 ($250 for retirement plans that are not employer-sponsored), 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.

5 The manager has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses and acquired fund fees and expenses) so that the ratio of total annual fund operating expenses will not exceed 0.96% for Class A shares. This arrangement cannot be terminated prior to December 31, 2022 without the consent of the Acquiring Funds' Board. The manager is also permitted to recapture amounts waived and/or reimbursed to a class within three 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 limit described above. In no case will the manager recapture any amount that would result, on any particular business day of the Acquiring Fund, in the class' total annual fund operating expenses exceeding the applicable limits described above or any other lower limit then in effect.

The following examples help you compare the costs of investing in Investor Shares (formerly Class A shares) of the Target Fund, Class A shares of the Acquiring Fund, and Class A shares of the Acquiring Fund on a pro forma basis, after giving effect to the applicable Reorganization, with the costs of investing in other mutual funds. The examples assume that you invest $10,000 for the periods shown, that your investment has a 5% return each year, that you reinvest all distributions and dividends, and that the Funds' operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

WITH OR WITHOUT REDEMPTION OF SHARES:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| Diamond Hill High Yield Fund—**Investor Shares (formerly Class A shares)** | $ 98 | $306 | $531 | $1,178 |
| Acquiring Fund—**Class A** | $441 | $633 | $841 | $1,442 |
| Acquiring Fund (pro forma)—**Class A** | $441 | $633 | $841 | $1,442 |

**Class I Shares**

| | Diamond Hill High Yield Fund | Acquiring Fund | Acquiring Fund *(Pro Forma)* |
|---|---|---|---|
| | Class I | Class I | Class I |
| **Shareholder fees (fees paid directly from your investment)** | | | |
| Maximum sales charge (load) imposed on purchases (as a % of offering price) | None | None | None |
| Maximum deferred sales charge (load) (as a % of the lower of net asset value at purchase | None | None | None |
| Small account fees | None | None | None |
| **Annual Fund operating expenses (expenses that you pay each year as a percentage of the value of your investment) (%)** | | | |
| Management fees | 0.50% | 0.50% | 0.50% |
| Distribution and/or service (12b-1) fees | None | None | None |
| Other expenses | 0.17% | 0.16% | 0.16% |
| Acquired fund fees and expenses | — | 0.01% | 0.01% |
| Total annual Fund operating expenses | 0.67% | 0.67% | 0.67% |
| Fee waivers[1] | — | — | — |
| Total annual Fund operating expenses after fee waivers | 0.67 | 0.67% | 0.67% |

1 The manager has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses and acquired fund fees and expenses) so that the ratio of total annual fund operating expenses will not exceed 0.67% for Class I shares. This arrangement cannot be terminated prior to December 31, 2022 without the consent of the Acquiring Funds' Board. The manager is also permitted to recapture amounts waived and/or reimbursed to a class within three 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 limit described above. In no case will the manager recapture any amount that would result, on any particular business day of the Acquiring Fund, in the class' total annual fund operating expenses exceeding the applicable limits described above or any other lower limit then in effect.

The following examples help you compare the costs of investing in Class I shares of the Target Fund, Class I shares of the Acquiring Fund, and Class I shares of the Acquiring Fund on a pro forma basis, after giving effect to the applicable Reorganization, with the costs of investing in other mutual funds. The examples assume that you invest $10,000 for the periods shown, that your investment has a 5% return each year, that you reinvest all distributions and dividends, and that the Funds' operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

WITH OR WITHOUT REDEMPTION OF SHARES:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| Diamond Hill High Yield Fund—**Class I** | $68 | $214 | $373 | $835 |
| Acquiring Fund—**Class I** | $68 | $214 | $373 | $834 |
| Acquiring Fund (pro forma)—**Class I** | $68 | $214 | $373 | $834 |

**Class Y Shares**

| | Diamond Hill High Yield Fund<br>Class Y | Acquiring Fund<br>Class IS | Acquiring Fund *(Pro Forma)*<br>Class IS |
|---|---|---|---|
| **Shareholder fees (fees paid directly from your investment)** | | | |
| Maximum sales charge (load) imposed on purchases (as a % of offering price) | None | None | None |
| Maximum deferred sales charge (load) (as a % of the lower of net asset value at purchase | None | None | None |
| Small account fees | None | None | None |
| **Annual Fund operating expenses (expenses that you pay each year as a percentage of the value of your investment) (%)** | | | |
| Management fees | 0.50% | 0.50% | 0.50% |
| Distribution and/or service (12b-1) fees | None | None | None |
| Other expenses | 0.05% | 0.06% | 0.06% |
| Acquired fund fees and expenses | — | 0.01% | 0.01% |
| Total annual Fund operating expenses | 0.55% | 0.57% | 0.57% |
| Fee waivers[1] | — | (0.01%) | (0.01%) |
| Total annual Fund operating expenses after fee waivers | 0.55% | 0.56%[2] | 0.56%[2] |

1 The manager has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses and acquired fund fees and expenses) so that the ratio of total annual fund operating expenses will not exceed 0.55% for Class IS shares. 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, 2022 without the consent of the Acquiring Funds' Board. The manager is also permitted to recapture amounts waived and/or reimbursed to a class within three 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 limit described above. In no case will the manager recapture any amount that would result, on any particular business day of the Acquiring Fund, in the class' total annual fund operating expenses exceeding the applicable limits described above or any other lower limit then in effect.

2 Total estimated annual fund operating expenses (after waiving fees and/or reimbursing expenses, as applicable) are higher than the expense cap amounts for Class IS shares due to acquired fund fees and expenses.

The following examples help you compare the costs of investing in Class Y shares of the Target Fund, Class IS shares of the Acquiring Fund, and Class IS shares of the Acquiring Fund on a pro forma basis, after giving effect to the applicable Reorganization, with the costs of investing in other mutual funds. The examples assume that you invest $10,000 for the periods shown, that your investment has a 5% return each year, that you reinvest all distributions and dividends, and that the Funds' operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

WITH OR WITHOUT REDEMPTION OF SHARES:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|
| Diamond Hill High Yield Fund—**Class Y** | $56 | $176 | $307 | $689 |
| Acquiring Fund—**Class IS** | $57 | $182 | $317 | $712 |
| Acquiring Fund (pro forma)—**Class IS** | $57 | $182 | $317 | $712 |

**Comparison of Sales Loads, Distribution and Shareholder Servicing Arrangements and Purchase, Redemption and Exchange Policies and Procedures**

No sales loads or deferred sales charges will be incurred by Target Fund shareholders as a result of the Reorganization.

In general, Class A shares of the Acquiring Fund are purchased at the offering price, which is the net asset value plus a sales charge of up to 3.50%. For each Acquiring Fund, this sales charge decreases as the size of the investment increases to certain levels called breakpoints. For each Acquiring Fund, a shareholder does not pay an initial sales charge when it buys \$1,000,000 or more of Class A shares. However, if a shareholder redeems these Class A shares within 18 months of purchase, the shareholder will pay a contingent deferred sales charge of 1.00%.

Until February 28, 2021, purchases of Class A shares of each Target Fund similarly included an initial sales charge of up to 3.50%, which amount similarly decreased as the size of the investment increased. No initial sales charge applied to purchases of \$1,000,000 or more. The initial sales charge on purchases of Class A shares of the Target Funds was eliminated when such shares were renamed Investor Class shares as of February 28, 2021.

There is no initial or deferred sales charge on purchases or sales of Class I or Class IS shares of the Target Funds or the Acquiring Funds.

Each Acquiring Fund has adopted a shareholder services and distribution plan pursuant to Rule 12b-1 under the 1940 Act. Under the plan, an Acquiring Fund pays distribution and/or service fees based on an annualized percentage of average daily net assets of up to 0.25% for Class A shares. Payments by the Acquiring Fund under the plan go to LMIS, 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. Investor Class shares of each Target Fund also pay a 0.25% fee under a similar plan for similar purposes.

Neither Class I shares or Class IS shares of the Acquiring Funds nor Class I shares or Class Y shares of the Target Funds are subject to distribution and/or service fees.

Shares of each Acquiring Fund and each Target Fund may be purchased, redeemed, or exchanged each day the New York Stock Exchange is open, at the relevant Fund's net asset value determined after receipt of a request in good order, subject to any applicable sales charge.

Shares of each Target Fund are exchangeable for shares of other funds managed by Diamond Hill. If the Reorganization of a Target Fund is consummated, shares of the corresponding Acquiring Fund will be exchangeable for shares of the same class of any other Legg Mason fund, provided that the Legg Mason 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.

More information about the sales load, distribution and shareholder servicing arrangements for the shares of the Acquiring Fund and the procedures for making purchases, redemptions and exchanges of shares are set forth in "Purchases, Redemptions and Exchanges of Fund Shares; Other Shareholder Information" below.

## PROPOSAL 1: TO APPROVE THE AGREEMENT AND PLAN OF REORGANIZATION

## FOR DIAMOND HILL CORPORATE CREDIT FUND

Shareholders of record of Diamond Hill Corporate Credit Fund are requested to approve the Reorganization of Diamond Hill Corporate Credit Fund into BrandywineGLOBAL – Corporate Credit Fund, a newly organized open-end fund that will commence operations upon consummation of the Reorganization.

LMPFA will act as investment adviser of the Acquiring Fund and Brandywine Global will act as subadviser of the Acquiring Fund following the Reorganization. In addition, John McClain and William Zox, the portfolio managers of the Target Fund, have agreed to join Brandywine Global and to serve as the portfolio managers of the Acquiring Fund following the Reorganization.

The investment objectives, principal investment strategies, principal risks, and fundamental investment policies of the Target Fund are compared below with those of the Acquiring Fund.

More on the Acquiring Fund's investment strategies, investments, and risks can be found in this Proxy Statement/Prospectus under "More on the Investment Strategies, Investments and Risks of the Funds" and in the Statement of Additional Information accompanying this Proxy Statement/Prospectus.

In addition, please also review the information included below in the section titled "Comparison of Fundamental and Non-Fundamental Investment Policies."

### Comparison of Investment Objective and Principal Investment Strategies

The Target Fund and the Acquiring Fund have the same investment objective and substantially similar principal investment strategies. The Funds do not believe any of the differences noted below are likely to be material to shareholders.

The following is a comparison of the investment objectives, principal investment strategies and certain other aspects of the Funds:

| | Target Fund | Acquiring Fund |
|---|---|---|
| **Investment Objective** | High current income consistent with the preservation of capital over a five-year time horizon. | High current income consistent with the preservation of capital over a five-year time horizon. |
| **Principal Investment Strategy** | Under normal market conditions, the fund intends to provide exposure to corporate debt securities by investing at least 80% of its net assets in a diversified portfolio of corporate debt securities including those rated investment grade, below investment grade, or are unrated. Below investment grade securities are also known as "junk bonds," "high yield bonds," and "non-investment grade bonds." Such securities may be public or privately placed U.S. dollar denominated debt securities issued by U.S. and non-U.S. companies of any size, which Diamond Hill Capital Management, Inc. (the "Adviser") believes represent an attractive investment opportunity. Under normal circumstances, the fund will maintain a dollar-weighted effective duration of less than five, although it may invest in | Under normal market conditions, the fund intends to provide exposure to corporate debt securities by investing at least 80% of its net assets in a diversified portfolio of corporate debt securities including those rated investment grade, below investment grade, or are unrated. Below investment grade securities are securities rated below Baa/BBB assigned by at least one Nationally Recognized Statistical Rating Organization ("NRSRO") or unrated securities determined by the subadviser to be of comparable credit quality. These investments are also known as "junk bonds," "high yield bonds," and "non-investment grade bonds." Such securities may be public or privately placed U.S. dollar denominated debt securities issued by U.S. and non-U.S. companies of any size, which the |

| | Target Fund | Acquiring Fund |
|---|---|---|
| | individual fixed income securities with effective durations in excess of five.<br><br>In addition to corporate bonds, the fund may invest in other debt securities such as trust preferred securities, convertible securities, preferred stock, equity securities, U.S. Government and Agency securities, and mortgage or asset-backed securities.<br><br>The fund will not typically invest more than 10% of its assets in securities rated at or below Caa1 by Moody's, CCC+ by Standard & Poor's and CCC+ by Fitch at time of purchase.<br><br>In selecting securities for the fund, the Adviser performs a risk/reward analysis that includes an evaluation of credit risk, interest rate risk, and the legal and technical structure of the security. The Adviser will attempt to take advantage of inefficiencies that it believes exist in the fixed-income markets. The Adviser seeks to invest in securities that the Adviser expects to offer attractive prospects for current income and capital appreciation in relation to the risk borne. | subadviser believes represent an attractive investment opportunity. Under normal circumstances, the fund will maintain a dollar-weighted effective duration of less than five years, although it may invest in individual fixed income securities with effective durations in excess of five years.<br><br>In addition to corporate bonds, the fund may invest in other securities such as trust preferred securities, convertible securities, preferred stock, equity securities, U.S. Government and Agency securities, and mortgage or asset-backed securities.<br><br>The fund will not typically invest more than 10% of its assets in securities rated at or below Caa1 by Moody's, CCC+ by Standard & Poor's and CCC+ by Fitch at time of purchase.<br><br>In selecting securities for the fund, the subadviser performs a risk/reward analysis that includes an evaluation of credit risk, interest rate risk, and the legal and technical structure of the security. The subadviser will attempt to take advantage of inefficiencies that it believes exist in the fixed-income markets by purchasing securities at prices below the subadviser's estimate of their fair value with the goal of selling securities as they approach or exceed the subadviser's estimate of their fair value. The subadviser seeks to invest in securities that the subadviser expects to offer attractive prospects for current income and capital appreciation in relation to the risk borne. |
| **Diversified Status** | The fund is classified as a diversified fund under the 1940 Act. | The fund is classified as a diversified fund under the 1940 Act. |
| **Portfolio Turnover (fiscal year ended December 31, 2020)** | 173% | N/A |
| **Investment Manager** | Diamond Hill Capital Management, Inc. | LMPFA |
| **Subadviser** | None | Brandywine Global |
| **Portfolio Managers** | John McClain<br>William Zox | John McClain<br>William Zox |
| **Fiscal Year End** | December 31 | December 31 |
| **Net Assets (as of December 31, 2020)** | $2,020,118,953 | N/A |

### Comparison of Principal Risks

Because the Target Fund and the Acquiring Fund have the same investment objectives and substantially similar principal investment strategies, they are subject to substantially similar principal risks. However, the Acquiring Fund identifies certain additional risks as being principal risks. The Funds do not believe any of the differences noted below are likely to be material to shareholders. You could lose money on your investment in either Fund, and either Fund may not perform as well as other investments.

The following summarizes the principal risks of investing in the Funds, as identified in their prospectuses:

| Target Fund | Acquiring Fund |
|---|---|
| ***Credit Risk.*** There is a risk that issuers and counterparties will not make payments on securities and repurchase agreements held by a fund. Such default could result in losses to the fund. In addition, the credit quality of securities held by the fund may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security and in shares of the fund. Lower credit quality also may affect liquidity and make it difficult for the fund to sell the security. | ***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 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. |
| ***Fixed Income Risk.*** The fund invests in fixed income securities. These securities will increase or decrease in value based on changes in interest rates. If rates increase, the value of the fund's fixed income securities generally declines. On the other hand, if rates fall, the value of the fixed income securities generally increases. Your investment will decline in value if the value of the fund's investments decreases. While interest rates in the U.S. have increased recently, they remain low by historical standards and are expected to rise further. Consequently, the risk associated with rising interest rates is heightened at this time. | ***Market and interest rate risk.*** The market prices of the fund's securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, tariffs and trade disruptions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. If the market prices of the fund's securities fall, the value of your investment will decline. 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.<br><br>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. |
| ***High Portfolio Turnover Risk.*** The fund may engage in active and frequent trading leading to increased portfolio turnover and higher transaction costs, which may adversely affect the fund's performance and may produce increased taxable distributions. | ***Portfolio turnover risk.*** Active and frequent trading may increase a shareholder's tax liability and the fund's transaction costs, which could detract from fund performance. |

| Target Fund | Acquiring Fund |
|---|---|
| ***High Yield Securities Risk.*** The fund will purchase fixed income securities rated below the investment grade category. Securities in this rating category are speculative. Changes in economic conditions or other circumstances may have a greater effect on the ability of issuers of these securities to make principal and interest payments than they do on issuers of higher grade securities. | ***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. |
| ***Inflation Risk.*** Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade will be reduced to compensate for the fact that the income they produce is worth less. This potential decrease in market value would be the measure of the inflation risk incurred by the fund. | ***Inflation Risk.*** Inflation risk is the risk that the value of certain fixed income assets or income from investments will be worth less in the future as inflation decreases the value of money although this risk is decreased to the extent a substantial portion of the fund is invested in U.S. TIPS or other inflation-protected securities. As inflation increases, the real value of the fund's shares and distributions can decline. |
| ***Management Risk.*** The Adviser's judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security in which the fund invests may prove to be incorrect and there is no guarantee that individual investments will perform as anticipated. | ***Portfolio management risk.*** The value of your investment may decrease if the subadviser's judgment about the attractiveness or value of, or market trends affecting, a particular security, industry, sector or region, or about market movements, 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. |
| ***Market Risk.*** The value of the fund's investments may decrease, sometimes rapidly or unexpectedly, due to factors affecting an issuer held by the fund, particular industries or overall securities markets. When the value of the fund's investments goes down, your investment in the fund decreases in value. A variety of factors including interest rate levels, recessions, inflation, U.S. economic growth, war or acts of terrorism, natural disasters, political events and widespread public health issues affect the securities markets. The global spread of novel coronavirus disease ("COVID-19") was declared a pandemic by the World Health Organization. COVID-19 has caused volatility, severe market dislocations and liquidity constraints in many markets, including markets for the securities the funds hold, and may adversely affect the funds' investments and operations. In addition, COVID-19 and governmental responses to COVID-19 may negatively impact the capabilities of the fund's service providers and disrupt the fund's operations. This pandemic may result in substantial market volatility and may adversely impact the prices and liquidity of the fund's investments. | ***Market events risk.*** The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment, the global and domestic effects of a pandemic, 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, 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 directly affected, the value and liquidity of the fund's investments may be negatively affected. |

| Target Fund | Acquiring Fund |
| --- | --- |
| | The rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many instruments; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained domestic or even global economic downturn or recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Developing or emerging market countries may be more impacted by the COVID-19 pandemic as they may have less established health care systems and may be less able to control or mitigate the effects of the pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, are taking extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic, including by pushing interest rates to very low levels. This and other government intervention into the economy and financial markets to address the COVID-19 pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. Government actions to mitigate the economic impact of the pandemic have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. The COVID-19 pandemic 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. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the fund by its service providers. |
| ***Non-U.S. and Emerging Markets Risk.*** The fund may invest in non-U.S. securities and U.S. securities of companies domiciled in non-U.S. countries that may experience more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies. These companies may be subject to additional risks, including political and economic risks, civil conflicts and war, greater volatility, | ***Foreign investments and emerging markets risk.*** The fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly domestic exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the fund's investments may |

| Target Fund | Acquiring Fund |
| --- | --- |
| expropriation and nationalization risks, currency fluctuations, higher transaction costs, delayed settlement, possible non-U.S. controls on investments, and less stringent investor protection and disclosure standards of non-U.S. markets. The departure of one or more other countries from the European Union may have significant political and financial consequences for global markets. These risks are magnified in emerging markets as events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. The market for the securities of issuers in emerging markets is typically small and low, and nonexistent trading volumes in those securities may result in a lack of liquidity and price volatility. | decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards, lack of information and political, economic, financial or social instability. To the extent the fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such country or region may have a greater impact on fund performance relative to a more geographically diversified fund.<br><br>The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The fund may be unable or may choose not to hedge its foreign currency exposure.<br><br>Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer).<br><br>The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility. |
| ***Prepayment and Call Risk.*** The issuer of certain securities may repay principal in advance, especially when yields fall. Changes in the rate at which prepayments occur can affect the return on investment of these securities. When debt obligations are prepaid or when securities are called, the fund may have to reinvest in securities with a lower yield. The fund also may fail to recover additional amounts (i.e., premiums) paid for securities with higher coupons, resulting in an unexpected capital loss. | ***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 will 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. |

| Target Fund | Acquiring Fund |
|---|---|
| Not noted as a principal risk. | ***Stock market and equity securities risk.*** The stock markets are volatile and the market prices of the fund's equity securities may decline generally. Equity securities may have greater price volatility than other asset classes, such as fixed income securities, and may fluctuate in price based on actual or perceived changes in a company's financial condition and overall market and economic conditions and perceptions. If the market prices of the equity securities owned by the fund fall, the value of your investment in the fund will decline. |
| Not noted as a principal risk. | ***Issuer risk.*** The market price of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, due to factors specifically relating to the security's issuer, such as disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, changes in management, corporate actions, negative perception in the marketplace, or major litigation or changes in government regulations affecting the issuer or the competitive environment. An individual security may also be affected by factors relating to the industry or sector of the issuer. The fund may experience a substantial or complete loss on an individual security. |
| Not noted as a principal risk. | ***LIBOR risk.*** The fund's investments, payment obligations, and financing terms may be based on floating rates, such as the London Interbank Offered Rate, or "LIBOR," which is the offered rate for short-term Eurodollar deposits between major international banks. In 2017, the head of the UK Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. The administrator of LIBOR recently announced a possible delay in the phase out of a majority of the U.S. dollar LIBOR publications until mid-2023, with the remainder of the LIBOR publications to end at the end of 2021. There remains uncertainty regarding the nature of any replacement rate and the impact of the transition from LIBOR on the fund's transactions and the financial markets generally. As such, the potential effect of a transition away from LIBOR on the fund or the fund's investments cannot yet be determined. |
| Not noted as a principal risk. | ***Illiquidity risk.*** Some assets held by the fund may be or become impossible or difficult to sell, particularly during times of market turmoil. These illiquid assets may also be difficult to value. 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 recently have been less willing to make markets for fixed income securities. If the fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, the fund may be forced to sell at a substantial loss or may not be able to sell at all. |

| Target Fund | Acquiring Fund |
|---|---|
| Not noted as a principal risk. | ***Convertible securities risk.*** Convertible securities are subject to both stock market risk associated with equity securities and the credit and interest rate risks associated with fixed income securities. Credit risk is the risk that the issuer or obligor will not make timely payments of principal or interest or that its credit may be downgraded or perceived to be less creditworthy. Interest rate risk is the risk that the value of a fixed income security will fall 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. As the market price of the equity security underlying a convertible security falls, the convertible security tends to trade on the basis of its yield and other fixed income characteristics. As the market price of the equity security underlying a convertible security rises, the convertible security tends to trade on the basis of its equity conversion features. |
| Not noted as a principal risk. | ***Zero coupon bond risk.*** Zero coupon securities pay no interest during the life of the obligation but trade 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. |
| Not noted as a principal risk. | ***Mortgage-backed and asset-backed securities risk.*** When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, mortgage refinancings and prepayments slow, which lengthens the effective duration of these securities. As a result, the negative effect of the interest rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of the fund. Conversely, when market interest rates decline, while the value of mortgage-backed securities may increase, the rate of prepayment of the underlying mortgages also tends to increase, which shortens the effective duration of these securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgage may decline in value and be insufficient, upon foreclosure, to repay the associated loan. Investments in asset-backed securities are subject to similar risks. |
| Not noted as a principal risk. | ***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. |

| Target Fund | Acquiring Fund |
|---|---|
| Not noted as a principal risk. | ***Sovereign debt risk.*** Sovereign government and supranational debt involve many of the risks of foreign and emerging markets investments as well as the risk of debt moratorium, repudiation or renegotiation, and the fund may be unable to enforce its rights against the issuers. Sovereign debt risk is increased for emerging market issuers. |
| Not noted as a principal risk. | ***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. 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. |
| Not noted as a principal risk. | ***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 NAV, performance, or ability to satisfy redemptions in a timely manner, which could cause the value of your investment to decline. |
| Not noted as a principal risk. | ***Cybersecurity risk.*** Cybersecurity incidents, both intentional and unintentional, 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 or receiving distributions. 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 or the manager. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent 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. |

## Past Performance

The Acquiring Fund is a newly organized fund that will commence operations upon consummation of the proposed Reorganization, and therefore, has no performance history. As accounting successor to the Target Fund, the Acquiring Fund will assume the Target Fund's historical performance after the consummation of the Reorganization.

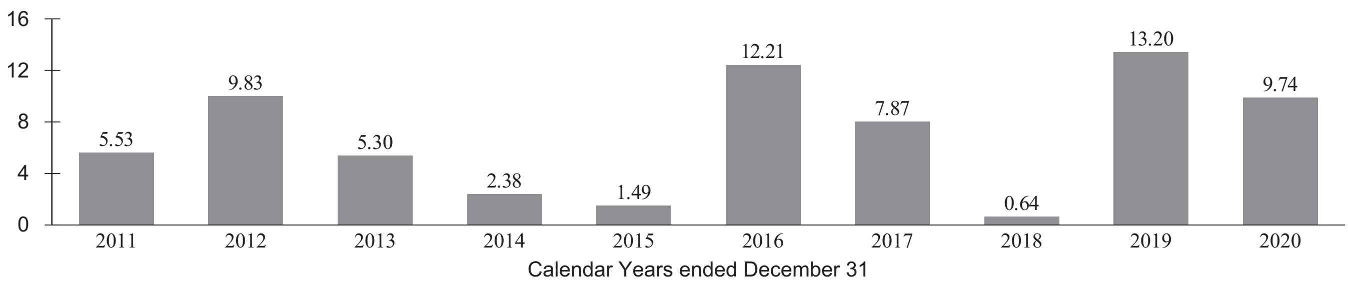
The accompanying bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Target Fund's performance from year to year for Class I shares. The table shows the average annual total returns of each class of the Target Fund and also compares the Target Fund's performance with the average annual total returns of an index or other benchmark. Performance for classes other than those shown may vary from the performance shown to the extent the expenses for those classes differ. Updated performance information for the Target Fund is available at no cost by visiting www.diamond-hill.com or by calling 1-888-226-5595. After consummation of the Reorganization, the Acquiring Fund will make updated performance information, including its current net asset value, available at www.leggmason.com/mutualfunds (select fund and share class), or by calling the fund at 1-877-721-1926.

*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.

**CLASS I ANNUAL TOTAL RETURN-YEARS ENDED 12/31**

**Total returns (%)**




**Best Quarter:** 2Q 2020, +11.12%
**Worst Quarter:** 1Q 2020, -11.02%

**AVERAGE ANNUAL TOTAL RETURNS AS OF 12/31/2020**

| | Inception Date of Class | One Year | Five Year | Ten Year |
|---|---|---|---|---|
| **Class I** Before Taxes | 01/31/05 | 9.74% | 8.64% | 6.74% |
| After Taxes on Distributions | | 6.90 | 5.96 | 4.29 |
| After Taxes on Distributions and Sale of Fund Shares | | 5.66 | 5.45 | 4.11 |
| **Investor** Before Taxes | 9/30/02 | 9.49 | 8.32 | 6.44 |
| **Class Y** Before Taxes | 12/30/11 | 9.88 | 8.75 | 6.82 |
| ICE BofA U.S. Corporate and High Yield Index | | 9.34 | 7.07 | 5.83 |
| Consumer Price Index—All Urban Consumers from the Bureau of Labor Statistics plus 3% annual risk premium | | 4.36 | 4.95 | 4.74 |

The after-tax returns are shown only for Class I shares of the Target Fund, 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 returns shown, and the after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. After-tax returns for classes other than Class I shares will vary from returns shown for Class I shares.

## PROPOSAL 2: TO APPROVE THE AGREEMENT AND PLAN OF REORGANIZATION FOR DIAMOND HILL HIGH YIELD FUND

Shareholders of record of Diamond Hill High Yield Fund are requested to approve the Reorganization of Diamond Hill High Yield Fund into BrandywineGLOBAL – High Yield Fund, a newly organized open-end fund that will commence operations upon consummation of the Reorganization.

LMPFA will act as investment adviser of the Acquiring Fund and Brandywine Global will act as subadviser of the Acquiring Fund following the Reorganization. In addition, John McClain and William Zox, the portfolio managers of the Target Fund, have agreed to join Brandywine Global and to serve as the portfolio managers of the Acquiring Fund following the Reorganization.

The investment objectives, principal investment strategies, principal risks, and fundamental investment policies of the Target Fund are compared below with those of the Acquiring Fund.

More on the Acquiring Fund's investment strategies, investments, and risks can be found in this Proxy Statement/ Prospectus under "More on the Investment Strategies, Investments and Risks of the Funds" and in the Statement of Additional Information accompanying this Proxy Statement/Prospectus.

In addition, please also review the information included below in the section titled "Comparison of Fundamental and Non-Fundamental Investment Policies."

### Comparison of Investment Objective and Principal Investment Strategies

The Target Fund and the Acquiring Fund have the same investment objective and substantially similar principal investment strategies. The Funds do not believe any of the differences noted below are likely to be material to shareholders.

The following is a comparison of the investment objectives, principal investment strategies and certain other aspects of the Funds:

| | Target Fund | Acquiring Fund |
|---|---|---|
| **Investment Objective** | High current income with the opportunity for capital appreciation. | High current income with the opportunity for capital appreciation. |
| **Principal Investment Strategy** | Under normal market conditions, the fund intends to provide exposure to high yield securities by investing at least 80% of its net assets in a diversified portfolio of corporate debt securities that are rated at the time of purchase below investment grade or are unrated. These investments are also known as "junk bonds," "high yield bonds," and "non-investment grade bonds," and may include so called "distressed debt." Such securities may be public or privately placed U.S. dollar denominated debt securities issued by U.S. and non-U.S. companies of any size, which Diamond Hill Capital Management, Inc. (the "Adviser") believes represent an attractive investment opportunity. The fund also may invest in other securities including investment grade securities. | Under normal market conditions, the fund intends to provide exposure to high yield securities by investing at least 80% of its net assets in a diversified portfolio of corporate debt securities that are rated at the time of purchase below investment grade (that is, securities rated below Baa/BBB assigned by at least one Nationally Recognized Statistical Rating Organization ("NRSRO")) or unrated securities determined by the subadviser to be of comparable credit quality. These investments are also known as "junk bonds," "high yield bonds," and "non-investment grade bonds," and may include so called "distressed debt." Such securities may be public or privately placed U.S. dollar denominated debt securities issued by U.S. and non-U.S. companies of any size, which the subadviser believes represent an attractive investment |

| | Target Fund | Acquiring Fund |
|---|---|---|
| | While not a part of the fund's principal investment strategy of investing in corporate bonds, the fund may invest in other debt securities such as trust preferred securities, convertible securities, preferred stock, equity securities, U.S. Government and Agency securities, and mortgage or asset-backed securities. In selecting securities for the fund, the Adviser performs a risk/reward analysis that includes an evaluation of credit risk, interest rate risk, and the legal and technical structure of the security. The Adviser will attempt to take advantage of inefficiencies that it believes exist in the fixed-income markets. The Adviser seeks to invest in securities that the Adviser expects to offer attractive prospects for current income and/or capital appreciation in relation to the risk borne. | opportunity. The fund also may invest in other securities including investment grade securities.<br><br>While not a part of the fund's principal investment strategy of investing in corporate bonds, the fund may invest in other securities such as trust preferred securities, convertible securities, preferred stock, equity securities, U.S. Government and Agency securities, and mortgage or asset-backed securities. In selecting securities for the fund, the Subadviser performs a risk/reward analysis that includes an evaluation of credit risk, interest rate risk, and the legal and technical structure of the security. The subadviser will attempt to take advantage of inefficiencies that it believes exist in the fixed-income markets. The subdviser seeks to invest in securities that the subadviser expects to offer attractive prospects for current income and/or capital appreciation in relation to the risk borne. |
| **Diversified Status** | The fund is classified as a diversified fund under the 1940 Act. | The fund is classified as a diversified fund under the 1940 Act. |
| **Portfolio Turnover (fiscal year ended December 31, 2020)** | 186% | N/A |
| **Investment Manager** | Diamond Hill Capital Management, Inc. | LMPFA |
| **Subadviser** | None | Brandywine Global |
| **Portfolio Managers** | John McClain<br>William Zox | John McClain<br>William Zox |
| **Fiscal Year End** | December 31 | December 31 |
| **Net Assets (as of December 31, 2020)** | $723,502,948 | N/A |

### Comparison of Principal Risks

Because the Target Fund and the Acquiring Fund have the same investment objective and substantially similar principal investment strategies, they are subject to substantially similar principal risks. However, the Acquiring Fund identifies certain additional risks as being principal risks. The Funds do not believe any of the differences noted below are likely to be material to shareholders. You could lose money on your investment in either Fund and either Fund may not perform as well as other investments.

The following summarizes the principal risks of investing in the Funds, as identified in their prospectuses:

| Target Fund | Acquiring Fund |
|---|---|
| ***Credit Risk.*** There is a risk that issuers and counterparties will not make payments on securities and repurchase agreements held by a fund. Such default could result in losses to the fund. In addition, the credit quality of securities held by the fund may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security and in shares of the fund. Lower credit quality also may affect liquidity and make it difficult for the fund to sell the security. | ***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 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. |
| ***Fixed Income Risk.*** The fund invests in fixed income securities. These securities will increase or decrease in value based on changes in interest rates. If rates increase, the value of the fund's fixed income securities generally declines. On the other hand, if rates fall, the value of the fixed income securities generally increases. Your investment will decline in value if the value of the fund's investments decreases. While interest rates in the U.S. have increased recently, they remain low by historical standards and are expected to rise further. Consequently, the risk associated with rising interest rates is heightened at this time. | ***Market and interest rate risk.*** The market prices of the fund's securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, tariffs and trade disruptions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. If the market prices of the fund's securities fall, the value of your investment will decline. 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.<br><br>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. |
| ***High Portfolio Turnover Risk.*** The fund may engage in active and frequent trading leading to increased portfolio turnover and higher transaction costs, which may adversely affect the fund's performance and may produce increased taxable distributions. | ***Portfolio turnover risk.*** Active and frequent trading may increase a shareholder's tax liability and the fund's transaction costs, which could detract from fund performance. |

| Target Fund | Acquiring Fund |
|---|---|
| ***High Yield Securities Risk.*** The fund will purchase fixed income securities rated below the investment grade category. Securities in this rating category are speculative. Changes in economic conditions or other circumstances may have a greater effect on the ability of issuers of these securities to make principal and interest payments than they do on issuers of higher grade securities. | ***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. |
| ***Inflation Risk.*** Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade will be reduced to compensate for the fact that the income they produce is worth less. This potential decrease in market value would be the measure of the inflation risk incurred by the fund. | ***Inflation Risk.*** Inflation risk is the risk that the value of certain fixed income assets or income from investments will be worth less in the future as inflation decreases the value of money although this risk is decreased to the extent a substantial portion of the fund is invested in U.S. TIPS or other inflation-protected securities. As inflation increases, the real value of the fund's shares and distributions can decline. |
| ***Management Risk.*** The Adviser's judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security in which the fund invests may prove to be incorrect and there is no guarantee that individual investments will perform as anticipated. | ***Portfolio management risk.*** The value of your investment may decrease if the subadviser's judgment about the attractiveness or value of, or market trends affecting, a particular security, industry, sector or region, or about market movements, 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. |
| ***Market Risk.*** The value of the fund's investments may decrease, sometimes rapidly or unexpectedly, due to factors affecting an issuer held by the fund, particular industries or overall securities markets. When the value of the fund's investments goes down, your investment in the fund decreases in value. A variety of factors including interest rate levels, recessions, inflation, U.S. economic growth, war or acts of terrorism, natural disasters, political events and widespread public health issues affect the securities markets. The global spread of novel coronavirus disease (COVID-19) was declared a pandemic by the World Health Organization. COVID-19 has caused volatility, severe market dislocations and liquidity constraints in many markets, including markets for the securities the funds hold, and may adversely affect the funds' investments and operations. In addition, COVID-19 and governmental responses to COVID-19 may negatively impact the capabilities of the fund's service providers and disrupt the fund's operations. This pandemic may result in substantial market volatility and may adversely impact the prices and liquidity of the fund's investments. | ***Market events risk.*** The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment, the global and domestic effects of a pandemic, 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, 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 directly affected, the value and liquidity of the fund's investments may be negatively affected. |

| Target Fund | Acquiring Fund |
|---|---|
| | The rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many instruments; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained domestic or even global economic downturn or recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Developing or emerging market countries may be more impacted by the COVID-19 pandemic as they may have less established health care systems and may be less able to control or mitigate the effects of the pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, are taking extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic, including by pushing interest rates to very low levels. This and other government intervention into the economy and financial markets to address the COVID-19 pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. Government actions to mitigate the economic impact of the pandemic have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. The COVID-19 pandemic 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. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the fund by its service providers. |
| ***Non-U.S. and Emerging Markets Risk.*** The fund may invest in non-U.S. securities and U.S. securities of companies domiciled in non-U.S. countries that may experience more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies. These companies may be subject to additional risks, including political and economic risks, civil conflicts and war, greater volatility, | ***Foreign investments and emerging markets risk.*** The fund's investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly domestic exposure, such as less liquid, less transparent, less regulated and more volatile markets. The value of the fund's investments may |

| Target Fund | Acquiring Fund |
| --- | --- |
| expropriation and nationalization risks, currency fluctuations, higher transaction costs, delayed settlement, possible non-U.S. controls on investments, and less stringent investor protection and disclosure standards of non-U.S. markets. The departure of one or more other countries from the European Union may have significant political and financial consequences for global markets. These risks are magnified in emerging markets as events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. The market for the securities of issuers in emerging markets is typically small and low, and nonexistent trading volumes in those securities may result in a lack of liquidity and price volatility. | decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, inadequate accounting standards, lack of information and political, economic, financial or social instability. To the extent the fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such country or region may have a greater impact on fund performance relative to a more geographically diversified fund.<br><br>The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The fund may be unable or may choose not to hedge its foreign currency exposure.<br><br>Less developed markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by local banks, agents and depositories. Settlement of trades in these markets can take longer than in other markets and the fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer).<br><br>The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility. |
| ***Prepayment and Call Risk.*** The issuer of certain securities may repay principal in advance, especially when yields fall. Changes in the rate at which prepayments occur can affect the return on investment of these securities. When debt obligations are prepaid or when securities are called, the fund may have to reinvest in securities with a lower yield. The fund also may fail to recover additional amounts (i.e., premiums) paid for securities with higher coupons, resulting in an unexpected capital loss. | ***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 will 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. |

| Target Fund | Acquiring Fund |
|---|---|
| Not noted as a principal risk. | ***Stock market and equity securities risk.*** The stock markets are volatile and the market prices of the fund's equity securities may decline generally. Equity securities may have greater price volatility than other asset classes, such as fixed income securities, and may fluctuate in price based on actual or perceived changes in a company's financial condition and overall market and economic conditions and perceptions. If the market prices of the equity securities owned by the fund fall, the value of your investment in the fund will decline. |
| Not noted as a principal risk. | ***Issuer risk.*** The market price of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, due to factors specifically relating to the security's issuer, such as disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, changes in management, corporate actions, negative perception in the marketplace, or major litigation or changes in government regulations affecting the issuer or the competitive environment. An individual security may also be affected by factors relating to the industry or sector of the issuer. The fund may experience a substantial or complete loss on an individual security. |
| Not noted as a principal risk. | ***LIBOR risk.*** The fund's investments, payment obligations, and financing terms may be based on floating rates, such as the London Interbank Offered Rate, or "LIBOR," which is the offered rate for short-term Eurodollar deposits between major international banks. In 2017, the head of the UK Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. The administrator of LIBOR recently announced a possible delay in the phase out of a majority of the U.S. dollar LIBOR publications until mid-2023, with the remainder of the LIBOR publications to end at the end of 2021. There remains uncertainty regarding the nature of any replacement rate and the impact of the transition from LIBOR on the fund's transactions and the financial markets generally. As such, the potential effect of a transition away from LIBOR on the fund or the fund's investments cannot yet be determined. |
| Not noted as a principal risk. | ***Illiquidity risk.*** Some assets held by the fund may be or become impossible or difficult to sell, particularly during times of market turmoil. These illiquid assets may also be difficult to value. 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 recently have been less willing to make markets for fixed income securities. If the fund is forced to sell an illiquid asset to meet redemption requests or other cash needs, the fund may be forced to sell at a substantial loss or may not be able to sell at all. |

| Target Fund | Acquiring Fund |
|---|---|
| Not noted as a principal risk. | ***Convertible securities risk.*** Convertible securities are subject to both stock market risk associated with equity securities and the credit and interest rate risks associated with fixed income securities. Credit risk is the risk that the issuer or obligor will not make timely payments of principal or interest or that its credit may be downgraded or perceived to be less creditworthy. Interest rate risk is the risk that the value of a fixed income security will fall 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. As the market price of the equity security underlying a convertible security falls, the convertible security tends to trade on the basis of its yield and other fixed income characteristics. As the market price of the equity security underlying a convertible security rises, the convertible security tends to trade on the basis of its equity conversion features. |
| Not noted as a principal risk. | ***Zero coupon bond risk.*** Zero coupon securities pay no interest during the life of the obligation but trade 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. |
| Not noted as a principal risk. | ***Mortgage-backed and asset-backed securities risk.*** When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, mortgage refinancings and prepayments slow, which lengthens the effective duration of these securities. As a result, the negative effect of the interest rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of the fund. Conversely, when market interest rates decline, while the value of mortgage-backed securities may increase, the rate of prepayment of the underlying mortgages also tends to increase, which shortens the effective duration of these securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgage may decline in value and be insufficient, upon foreclosure, to repay the associated loan. Investments in asset-backed securities are subject to similar risks. |
| Not noted as a principal risk. | ***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 |

| Target Fund | Acquiring Fund |
|---|---|
| | declined due to the rise in interest rates alone. This may cause the fund's share price to be more volatile. |
| Not noted as a principal risk. | ***Sovereign debt risk.*** Sovereign government and supranational debt involve many of the risks of foreign and emerging markets investments as well as the risk of debt moratorium, repudiation or renegotiation, and the fund may be unable to enforce its rights against the issuers. Sovereign debt risk is increased for emerging market issuers. |
| Not noted as a principal risk. | ***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. 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. |
| Not noted as a principal risk. | ***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 NAV, performance, or ability to satisfy redemptions in a timely manner, which could cause the value of your investment to decline. |
| Not noted as a principal risk. | ***Cybersecurity risk.*** Cybersecurity incidents, both intentional and unintentional, 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 or receiving distributions. 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 or the manager. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent 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. |

**Past Performance**

The Acquiring Fund is a newly organized fund that will commence operations upon consummation of the Reorganization, and therefore, has no performance history. As accounting successor to the Target Fund, the Acquiring Fund will assume the Target Fund's historical performance after the consummation of the Reorganization.

The accompanying bar chart and table provide some indication of the risks of investing in the Target Fund. The bar chart shows changes in the Target Fund's performance from year to year for Class I shares. The table shows the average annual total returns of each class of the Target Fund and compares the Target Fund's performance with the average annual total returns of an index or other benchmark. Performance for classes other than those classes shown may vary from the performance shown to the extent the expenses for those classes differ. Updated performance information for the Target Fund is available at no cost by visiting www.diamond-hill.com or by calling 1-888-226-5595. After the consummation of the Reorganization, the Acquiring Fund will make updated performance information, including its current net asset value, available at www.leggmason.com/mutualfunds (select fund and share class), or by calling the fund at 1-877-721-1926.

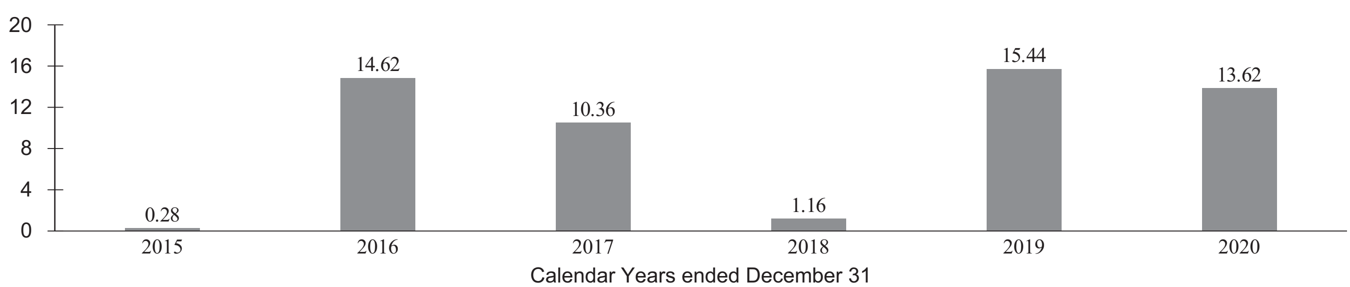
Prior to calendar year 2016, the bar chart and table reflect the past performance of Diamond Hill High Yield Fund, LP (the "High Yield Partnership"), a private fund managed with full investment authority by Diamond Hill Capital Management, Inc. ("Diamond Hill"). The Target Fund is managed in all material respects in a manner equivalent to the management of the High Yield Partnership. The Target Fund's objectives, policies, guidelines, and restrictions are in all material respects equivalent to those of the High Yield Partnership, and the Target Fund was created for reasons entirely unrelated to the establishment of a performance record. The assets of the High Yield Partnership were converted, based on their value on December 31, 2015, into assets of the fund prior to commencement of operations of the Target Fund. The performance of the High Yield Partnership has been restated to reflect the net expenses and maximum applicable sales charge of the fund for its initial years of investment operations. The High Yield Partnership was not registered under the 1940 Act, and therefore, was not subject to certain investment restrictions imposed by the 1940 Act. Further, the Target Fund is subject to certain restrictions under the Code to which the High Yield Partnership was not subject. If the High Yield Partnership had been registered under the 1940 Act and had been subject to the provisions of the Code applicable to the Target Fund, its performance may have been adversely affected. Performance of the fund prior to calendar year 2016, is measured from December 4, 2014, the inception of the High Yield Partnership, and is not the performance of the Target Fund.

*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.

**CLASS I ANNUAL TOTAL RETURN-YEARS ENDED 12/31**

**Total returns (%)**




| | |
|---|---|
| **Best Quarter:** | 2Q 2020, +13.38% |
| **Worst Quarter:** | 1Q 2020, -11.14% |

**AVERAGE ANNUAL TOTAL RETURNS AS OF 12/31/2020**

| | Inception Date of Class | One Year | Five Year | Since Inception 12/4/14 |
|---|---|---|---|---|
| **Class I** Before Taxes | 12/31/15 | 13.62% | 10.91% | 9.01% |
| After Taxes on Distributions | | 9.34 | 7.27 | N/A |
| After Taxes on Distributions and Sale of Fund Shares | | 7.92 | 6.76 | N/A |
| **Investor** Before Taxes | 12/31/15 | 13.40 | 10.61 | 8.71 |
| **Class Y** Before Taxes | 12/31/15 | 13.92 | 11.06 | 9.16 |
| ICE BofA U.S. High Yield Index | | 6.17 | 8.43 | 5.95 |

The after-tax returns are shown only for Investor Class shares (formerly Class A shares) of the Target Fund, 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 returns shown, and the after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. After-tax returns for classes other than Investor Class shares will vary from returns shown for Investor Class shares.

## COMPARISON OF FUNDAMENTAL AND NON-FUNDAMENTAL INVESTMENT POLICIES

### Fundamental Investment Policies

Each Target Fund and each Acquiring Fund has adopted certain fundamental investment policies which may not be changed without the affirmative vote of the holders of a "majority of the outstanding voting securities" (as defined in the 1940 Act) of the Fund. Under the 1940 Act, the vote of a majority of the outstanding voting securities means the affirmative vote of the lesser of (i) 67% or more of the shares of a fund represented at the meeting, if at least 50% of all outstanding shares of the fund are represented at the meeting, or (ii) 50% or more of the outstanding shares of a fund entitled to vote at the meeting. Unless otherwise stated, all policies and limitations of the Funds other than the fundamental investment policies described below are non-fundamental and can be changed by the Fund's Board without shareholder approval.

The following tables list the fundamental investment policies for each Target Fund and the fundamental investment policies for each corresponding Acquiring Fund. The Funds do not believe any of the differences noted below are likely to be material to shareholders.

| | Target Fund | Acquiring Fund |
|---|---|---|
| **Borrowings** | A Fund will not borrow money, except (a) from a bank or from another Fund of the Trust, provided that immediately after such borrowing there is an asset coverage of 300% for all borrowings of the Fund; or (b) from a bank or other persons for temporary purposes only, provided that such temporary borrowings are in an amount not exceeding 5% of the Fund's total assets at the time when the borrowing is made. This limitation does not preclude a Fund from entering into reverse repurchase transactions, provided that the Fund has an asset coverage of 300% for all borrowing and repurchase commitments of the Fund pursuant to reverse repurchase transactions. | The Fund may not borrow money, except (1) in an amount not exceeding 33 1/3% of the Fund's total assets (including the amount borrowed) less liabilities (other than borrowings) or (2) by entering into reverse repurchase agreements or dollar rolls. |
| **Senior Securities** | A Fund will not issue senior securities. This limitation is not applicable to activities that may be deemed to involve the issuance or sale of a senior security by a Fund, provided that the Fund's engagement in such activities is (a) consistent with or permitted by the 1940 Act the rules and regulations promulgated thereunder or interpretations of the Securities and Exchange Commission or its staff and (b) as described in the Prospectus and the Statement of Additional Information. | The Fund may not issue senior securities, except as permitted by the 1940 Act, and the rules and regulations promulgated thereunder, as such statute, rules, and regulations are amended from time to time or are interpreted from time to time by the SEC or SEC staff or to the extent that the Fund may be permitted to do so by exemptive order or other relief from the SEC or SEC staff (collectively, "1940 Act Laws, Interpretations and Exemptions"). |
| **Underwriting** | A Fund will not act as underwriter of securities issued by other persons. This limitation is not applicable to the extent that, in connection with the disposition of portfolio securities (including restricted securities), a Fund may be deemed an underwriter under certain federal securities laws. | The Fund may not engage in the business of underwriting the securities of other issuers, except as permitted by the 1940 Act, and the rules and regulations promulgated thereunder, as such statute, rules, and regulations are amended from time to time or are interpreted from time to time by the SEC or SEC staff or to the extent that the Fund may be permitted to do so by exemptive order or other relief from the SEC or SEC staff (collectively, "1940 Act Laws, Interpretations and Exemptions"). This |

| | Target Fund | Acquiring Fund |
|---|---|---|
| | | restriction does not prevent the Fund from engaging in transactions involving the acquisition, disposition or resale of portfolio securities, regardless of whether the Fund may be considered to be an underwriter under the Securities Exchange Act of 1933, as amended. |
| **Real Estate** | A Fund will not purchase or sell real estate. This limitation is not applicable to investments in marketable securities that are secured by or represent interests in real estate. This limitation does not preclude a Fund from investing in mortgage-related securities or investing in companies engaged in the real estate business or that have a significant portion of their assets in real estate (including real estate investment trusts). | The Fund may not purchase or sell real estate unless acquired as a result of ownership of securities or other instruments. This restriction does not prevent the Fund from investing in issuers that invest, deal, or otherwise engage in transactions in or hold real estate or interests therein, investing in instruments that are secured by real estate or interests therein, or exercising rights under agreements relating to such securities, including the right to enforce security interests. |
| **Commodities** | A Fund will not purchase or sell commodities unless acquired as a result of ownership of securities or other investments. This limitation does not preclude a Fund from purchasing or selling options or futures contracts, from investing in securities or other instruments backed by commodities or from investing in companies that are engaged in a commodities business or have a significant portion of their assets in commodities. | The Fund may not purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments. This restriction does not prevent the Fund from engaging in transactions involving foreign currency, futures contracts and options, forward contracts, swaps, caps, floors, collars, securities purchased or sold on a forward-commitment or delayed-delivery basis or other similar financial instruments, or investing in securities or other instruments that are secured by physical commodities. |
| **Lending** | A Fund will not lend any security or make any other loan if, as a result, more than 33 1/3% of its total assets would be lent to other parties, but this limitation does not apply to purchases of debt securities or to repurchase agreements, or to acquisitions of loans, loan participations or other forms of debt instruments. | The Fund may not lend money or other assets, except to the extent permitted by the 1940 Act Laws, Interpretations and Exemptions. This restriction does not prevent the Fund from purchasing debt obligations in pursuit of its investment program, or for defensive or cash management purposes, entering into repurchase agreements, loaning its portfolio securities to financial intermediaries, institutions or institutional investors, or investing in loans, including assignments and participation interests; |
| **Concentration** | A Fund will not invest 25% or more of their respective total assets in any particular industry. This limitation is not applicable to investments in obligations issued or guaranteed by the U.S. government, its agencies and instrumentalities or repurchase agreements with respect thereto. | The Fund may not make any investment if, as a result, the Fund's investments will be concentrated (as that term may be defined or interpreted by the 1940 Act Laws, Interpretations and Exemptions) in any particular industry. This restriction does not limit the Fund's investment in securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities and repurchase agreements with respect thereto, or securities of municipal issuers. |

With respect to the fundamental policy relating to issuing senior securities set forth above, "senior securities" are defined as fund obligations that have a priority over the Fund's shares with respect to the payment of dividends or the distribution of Fund assets. The 1940 Act prohibits a fund from issuing senior securities except that the fund may borrow money in amounts of up to one third of the fund's total assets from banks for any purpose. A fund may also borrow up to 5% of the fund's total assets from banks or other lenders for temporary purposes, and these borrowings are not considered senior securities. The issuance of senior securities by the Fund can increase the speculative character of the Fund's outstanding shares through leveraging. Leveraging of the Fund's portfolio through the issuance of senior securities magnifies the potential for gain or loss on monies, because even though the Fund's net assets remain the same, the total risk to investors is increased to the extent of the Fund's gross assets. The policy above will be interpreted not to prevent collateral arrangements with respect to swaps, options, forward or futures contracts or other derivatives, or the posting of initial or variation margin.

Although not a part of the Fund's fundamental investment limitation on concentration, it is the current position of the SEC staff that a fund's investments are concentrated in an industry when 25% or more of the fund's net assets are invested in issuers whose principal business is in that industry.

**Non-Fundamental Investment Policies**

In addition to the fundamental investment policies described above, the Acquiring Funds have adopted the non-fundamental policies described below. The Funds do not believe that the differences among the Funds' non-fundamental policies are likely to be material to shareholders.

- *Borrowing*. The Fund will not borrow to leverage the portfolio. This does not limit the Fund's ability to undertake indebtedness to its custodian, transfer agent or other service providers in the course of daily operations, or its ability to draw on a line of credit for temporary purpose.
- *Illiquid Securities*. The Fund may invest up to 15% of its net assets in illiquid securities. If, due to subsequent fluctuations in value or any other reasons, the value of the Fund's illiquid securities exceeds the percentage limitation applicable at the time of acquisition, the Fund will consider what actions, if any, are necessary to maintain adequate liquidity. The Fund monitors the portion of its total assets that is invested in illiquid securities on an ongoing basis, not only at the time of investment in such securities.
- *Margin Purchases*. The Fund may not purchase securities on margin, except that (1) the Fund may obtain such short-term credits as are necessary for the clearance of transactions and (2) the Fund may make margin payments in connection with foreign currency, futures contracts, options, forward contracts, swaps, caps, floors, collars, securities purchased or sold on a forward-commitment or delayed-delivery basis or other financial instruments.
- *Investment Companies*. The Fund may not invest in other registered open-end investment companies and registered unit investment trusts in reliance upon the provisions of subparagraphs (G) or (F) of Section 12(d)(1) of the 1940 Act. The foregoing investment policy does not restrict the Fund from (i) acquiring securities of other registered investment companies in connection with a merger, consolidation, reorganization, or acquisition of assets; or (ii) purchasing the securities of registered closed-end investment companies, to the extent permissible under Section 12(d)(1)(G) of the 1940 Act.

Each Target Fund has adopted the following non-fundamental investment policies, which are not policies of the Acquiring Funds (except that the Acquiring Fund's non-fundamental policy relating to margin purchases is similar to that of the Target Fund):

- *Pledging*. A Fund will not mortgage, pledge, hypothecate or in any manner transfer, as security for indebtedness, any of its assets except as may be necessary in connection with borrowings described in limitation (1) above. Margin deposits, security interests, liens and collateral arrangements with respect to transactions involving options, futures contracts, short sales and other permitted investments and techniques are not deemed to be a mortgage, pledge or hypothecation of assets for purposes of this limitation.
- *Borrowing*. A Fund will not purchase any security while borrowings (including reverse repurchase agreements) representing more than 5% of its total assets are outstanding.
- *Margin Purchases*. A Fund will not purchase securities or evidences of interest thereon on "margin." This limitation is not applicable to short term credit obtained by a Fund for the clearance of purchases and sales or

redemption of securities, or to arrangements with respect to transactions involving options, futures contracts, short sales and other permitted investments and techniques.

- *Options*. A Fund will not purchase or sell puts, calls, options or straddles, except as described in the Prospectus and the Statement of Additional Information.
- *Reverse Repurchase Agreements*. A Fund will not enter into reverse repurchase agreements.

For more information about the Acquiring Funds' investment practices, see "More on the Investment Strategies, Investments and Risks of the Funds" above and the Statement of Additional Information accompanying this Proxy Statement/Prospectus.

## INFORMATION ABOUT THE PROPOSED REORGANIZATIONS

### The Reorganization Agreements

The following summary of the Reorganization Agreements is qualified in its entirety by reference to the form of Reorganization Agreement attached as Appendix A to this Proxy Statement/Prospectus, which applies to each Reorganization. The Reorganization Agreement for each Reorganization provides for: (1) the transfer of all of the assets and liabilities of the applicable Target Fund to the corresponding Acquiring Fund, in exchange for shares of the Acquiring Fund having an aggregate net asset value equal to the aggregate net asset value of the shares of the Target Fund (calculated as described below), (2) the distribution of shares of the Acquiring Fund to the shareholders of the Target Fund in redemption of the Target Fund shares; and (3) the termination of the Target Fund. Subject to the satisfaction of the conditions described below, each Reorganization is scheduled to occur as of the close of business on July 30, 2021, or on such later date as the parties may agree ("Closing Date").

If the Reorganization of a Target Fund is approved, shareholders of Investor Shares (formerly Class A shares) of that Target Fund will receive Class A shares of the corresponding Acquiring Fund, shareholders of Class I shares of that Target Fund will receive Class I shares of the corresponding Acquiring Fund, and shareholders of Class Y shares of that Target Fund will receive Class IS shares of the corresponding Acquiring Fund, in each case as applicable.

The number of full and fractional shares of each class of shares of the corresponding Acquiring Fund to be received by each Target Fund shareholder in the Reorganization will be equal in aggregate net asset value to the aggregate net asset value of the corresponding class of shares of the Target Fund held by that shareholder as of the close of regularly scheduled trading on the New York Stock Exchange ("NYSE") on the Closing Date or such later time as the Target Fund's net asset value is calculated. As promptly as practicable after the Closing Date, each Target Fund will distribute pro rata to its shareholders of record, as of the close of regularly scheduled trading on the NYSE on the Closing Date, the shares of the corresponding Acquiring Fund received by the Target Fund in the Reorganization, and will terminate. The distribution of each Acquiring Fund's shares will be accomplished by the transfer of the corresponding Acquiring Fund shares then credited to the account of the corresponding Target Fund on the books of the Acquiring Fund to open accounts on the share records of the Acquiring Fund in the names of the Target Fund's shareholders.

To facilitate the Reorganization of each Target Fund, the net asset value of the shares of the Target Fund on the date of the Reorganization will be calculated using the valuation procedures established by the corresponding Acquiring Fund's Board for valuing the Acquiring Fund's assets. The Target Funds value their fixed income securities at the last closing bid price, whereas the Acquiring Funds value their fixed income securities at the mean of the last closing bid and asked prices. As a result of using the corresponding Acquiring Fund's valuation procedures, the net asset value of your shares calculated for purposes of the Reorganization is expected to be higher than it would be if your fund's valuation procedures were used. The net asset value per share of the Acquiring Funds also will be determined using the valuation procedures established by the Acquiring Funds' Board.

After such distribution, the Target Fund will take all necessary steps under Ohio law, its Declaration of Trust and any other applicable law to effect its termination.

Each Reorganization Agreement may be terminated and the Reorganization abandoned at any time prior to the Closing Date if circumstances develop that, in the opinion of the Board of the applicable Target Fund or the corresponding Acquiring Fund, make proceeding with the Reorganization inadvisable. Each Reorganization Agreement provides that the applicable Target Fund and the corresponding Acquiring Fund may waive compliance with any of the covenants or conditions made therein for the benefit of either Fund, other than the requirements that: (a) the Reorganization Agreement be approved by shareholders of the Target Fund; and (b) the Funds receive the opinion of Morgan, Lewis & Bockius LLP that the transaction contemplated by the Reorganization Agreement will constitute a "reorganization" within the meaning of Section 368(a) of the Code. Each Reorganization Agreement may be amended, modified or supplemented in such manner as may be deemed necessary or advisable by the authorized officers of the applicable Target Fund and the corresponding Acquiring Fund, provided, however, that following the Meeting, no such amendment shall have the effect of changing the provisions for determining the number of Acquiring Fund shares to be issued to Target Fund shareholders to the detriment of such shareholders without their further approval.

The proposed Reorganization of each Target Fund is contingent upon the closing of the Reorganization of the other Target Fund and the closing of the Adviser Transaction.

Approval of each Reorganization Agreement will require the affirmative vote of a majority of the outstanding voting securities, as defined in the 1940 Act, of the relevant Target Fund. See “Additional Information about the Target Funds and the Acquiring Funds—Voting Information” below.

**Description of the Acquiring Funds’ Shares**

Holders of Investor Shares (formerly Class A shares), Class I shares and Class Y shares of each Target Fund will receive Class A shares, Class I shares and Class IS shares of the corresponding Acquiring Fund, respectively. Each such share will be fully paid and non-assessable when issued and will have no preemptive or conversion rights. The Acquiring Fund will not issue share certificates in the Reorganization.

**Reasons for the Reorganization and Board Considerations**

The proposed Reorganizations were presented to the Target Funds’ Board for consideration at a Board meeting held on March 3, 2021, and were approved at that meeting. In its review of each Reorganization, the Independent Board Members were assisted by independent legal counsel. Following extensive discussions of the advantages and disadvantages to each Target Fund, based on its evaluation of all material factors, including those described below, the Target Funds’ Board, including the Independent Board Members, determined participation in the proposed Reorganization is in the best interests of each Target Fund and its shareholders. In considering the proposals, the Board did not identify any single factor or piece of information as all-important or controlling and each Independent Board Member may have attributed different weights to different factors.

The Target Funds’ Board considered a number of factors in recommending each Reorganization, including the following:

- that Diamond Hill has agreed to sell certain assets relating to its management of the Target Funds to Brandywine Global;
- that the portfolio managers of the Target Funds have agreed to join Brandywine Global and to serve as the portfolio managers of the Acquiring Fund following the Reorganizations;
- that each Acquiring Fund has the same investment objective and substantially similar principal investment strategies as the corresponding Target Fund;
- that each Acquiring Fund will assume the historical performance of the corresponding Target Fund;
- the reputation, financial strength, resources, distribution networks, and capabilities of Franklin Resources, LMPFA, and Brandywine Global;
- that shares of the Acquiring Funds will be exchangeable for shares of a large number of other funds managed by LMPFA;
- that no sales load, contingent deferred sales charge, commission, redemption fee or other transactional fee will be charged in consummating the Reorganizations;
- that neither the Target Funds nor the Acquiring Funds will bear any expenses relating to the Reorganizations;
- that each Reorganization is expected to constitute a tax-free reorganization and, therefore, that it is expected that Target Fund shareholders will not recognize gain or loss for federal income tax purposes as a direct result of the Reorganization;
- that the estimated total annual operating expenses of the Acquiring Funds are generally expected to be the same or lower than the total annual operating expenses of the Target Funds, except that estimated total annual fund operating expenses for Class IS shares of the BrandywineGLOBAL – High Yield Fund are estimated to be 0.01% higher than those of the corresponding class of Diamond Hill High Yield Fund; and

- that the manager of the Acquiring Funds has agreed to waive expenses and/or reimburse certain operating expenses until December 31, 2022.

The Target Funds' Board also considered the following:

- that estimated other expenses for certain share classes of the Acquiring Funds were expected to exceed estimated other expenses of the corresponding Target Funds, if the manager of the Acquiring Funds had not agreed to waive certain expenses and/or reimburse fees through December 31, 2022;
- that, although the Target Funds had recently removed a 3.5% initial sales charge for sales of Investor Class shares, new purchases of Class A shares of the Acquiring Funds will be subject to an initial sales charge of 3.5% or a contingent deferred sales charge of 1.00% for purchases of $1 million or more that are redeemed within 18 months; and
- that, following the Reorganizations, shareholders of the Target Funds would no longer be able to exchange shares for shares of other funds advised by Diamond Hill.

The Board also considered the potential benefits to Diamond Hill and Brandywine Global and its affiliates. If the Reorganizations are consummated, Diamond Hill is expected to receive compensation from Brandywine Global in connection with the sale of certain assets relating to its management of the Target Funds, which will facilitate each Acquiring Fund's ability to present the corresponding Target Fund's historical performance. LMPFA and Brandywine Global are expected to benefit from the receipt of fees for managing the Funds. The Board did not consider alternatives, such as liquidation of the Target Funds or the continued management of the Target Funds by Diamond Hill, as they believed the Reorganizations to be in the best interest of Target Fund shareholders.

The proposed Reorganizations were presented to the Acquiring Funds' Board, on behalf of each Acquiring Fund, for consideration at a Board meeting held on March 4, 2021. The Acquiring Funds' Board, on behalf of each Acquiring Fund, including all of the Independent Board Members, determined that the Reorganization is in the best interests of each Acquiring Fund and its shareholders.

**Federal Income Tax Consequences**

Each of the Reorganizations is conditioned upon the receipt by the parties to the applicable Reorganization Agreement (other than LMPFA) of an opinion from Morgan, Lewis & Bockius LLP, substantially to the effect that, based upon certain facts, assumptions and representations of the parties, as further described below, for federal income tax purposes:

(i) The acquisition by the applicable Acquiring Fund of all of the assets of the corresponding Target Fund solely in exchange for shares of the Acquiring Fund and the assumption by the Acquiring Fund of all of the liabilities of the Target Fund, followed by the distribution by the Target Fund to its shareholders of the shares of the Acquiring Fund and the termination of the Target Fund, all pursuant to the Reorganization Agreement, will constitute a "reorganization" within the meaning of Section 368(a) of the Code, and the Target Fund and the Acquiring Fund will each be a "party to a reorganization" within the meaning of Section 368(b) of the Code;

(ii) The Target Fund will not recognize gain or loss upon the transfer of all of its assets to the Acquiring Fund solely in exchange for shares of the Acquiring Fund and the assumption of all of the liabilities of the Target Fund by the Acquiring Fund, or upon the distribution by the Target Fund to the Target Fund's shareholders of the shares of the Acquiring Fund in liquidation of Target Fund, except for: (A) gain or loss that may be recognized on the transfer of "section 1256 contracts" as defined in Section 1256(b) of the Code, (B) gain that may be recognized on the transfer of stock in a "passive foreign investment company" as defined in Section 1297(a) of the Code, and (C) any other gain or loss that may be required to be recognized upon the transfer of an asset regardless of whether such transfer would otherwise be a non-recognition transaction under the Code;

(iii) Shareholders of the Target Fund will not recognize gain or loss on the receipt of shares of the Acquiring Fund solely in exchange for shares of the Target Fund pursuant to the Reorganization;

(iv) The aggregate tax basis of the shares of the Acquiring Fund received by each Target Fund shareholder pursuant to the Reorganization will be the same as the aggregate tax basis of the shares of the Target Fund exchanged therefor;

(v) The holding period of the shares of the Acquiring Fund received by each Target Fund shareholder pursuant to the Reorganization will include the holding period of the shares of the Target Fund exchanged therefor, provided that the Target Fund shareholder held the shares of the Target Fund as capital assets at the time of the Reorganization;

(vi) The Acquiring Fund will not recognize gain or loss upon the receipt of all of the assets of the Target Fund solely in exchange for shares of the Acquiring Fund and the assumption by the Acquiring Fund of all of the liabilities of the Target Fund;

(vii) The tax basis of each asset of the Target Fund transferred to the Acquiring Fund in the Reorganization will be the same in the hands of the Acquiring Fund as the tax basis of such asset in the hands of the Target Fund immediately prior to the transfer thereof, increased by the amount of gain (or decreased by the amount of loss), if any, recognized by the Acquiring Fund on the transfer;

(viii) The holding period of each asset of the Target Fund transferred to the Acquiring Fund in the Reorganization in the hands of the Acquiring Fund, other than assets to with respect to which gain or loss is required to be recognized, will include the Target Fund's holding for such asset (expect where investment activities of the Acquiring Fund have the effect of reducing or eliminating the holding period with respect to an asset); and

(ix) The taxable year of the Target Fund will not end as a result of the Reorganization.

Each opinion will be based on certain factual certifications made by officers of the applicable Target Fund and corresponding Acquiring Fund and will also be based on customary assumptions. No tax ruling has been or will be received from the Internal Revenue Service ("IRS") in connection with either Reorganization. An opinion of counsel is not binding on the IRS or a court, and no assurance can be given that the IRS would not assert, or a court would not sustain, a contrary position.

**Termination of the Target Fund**

If the Reorganization of a Target Fund is effected, the Target Fund will be terminated.

**Portfolio Securities**

Neither of the Target Funds is expected to sell any material portion of its portfolio assets in order to facilitate its Reorganization. Accordingly, as of the date hereof, neither Target Fund is expected to recognize any capital gains or losses in connection with its Reorganization. However, a Fund may realize capital gains or losses in connection with portfolio transactions prior to or after the Reorganization, depending on market conditions and other factors.

On or as soon as practicable prior to its Reorganization, each Target Fund expects to pay a dividend or dividends, which together with all previous dividends, are intended to have the effect of distributing to its shareholders substantially all of its investment company taxable income and net tax-exempt income through the Closing Date (computed without regard to any deduction for dividends paid). Such dividends will generally be included in the taxable income of each of the Target Fund's shareholders.

**Additional Information**

It is expected that the name of the Acquiring Funds' Trust will change from Legg Mason Partners Equity Trust to Legg Mason Partners Investment Trust approximately thirty days after the Closing Date.

## MORE ON THE INVESTMENT STRATEGIES, INVESTMENTS AND RISKS OF THE FUNDS

*In the following sections of this Proxy Statement/Prospectus, the term "fund" means each Acquiring Fund unless otherwise specified.*

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

#### Maturity and duration

The fund may invest in securities of any maturity. The maturity of a fixed income security is a measure of the time remaining until the final payment on the security is due.

Effective duration seeks to measure the expected sensitivity of market price to changes in interest rates, taking into account the anticipated effects of particular features of a security (for example, some bonds can be prepaid by the issuer). The assumptions that are made about a security's features and options when calculating effective duration may prove to be incorrect. As a result, investors should be aware that effective duration is not an exact measurement and may not reliably predict a security's price sensitivity to changes in yield or interest rates.

Generally, the longer a fund's effective duration, the more sensitive it will be to changes in interest rates. For example, if interest rates rise by 1%, a fund with a two year effective duration would expect the value of its portfolio to decrease by 2% and a fund with a ten year effective duration would expect the value of its portfolio to decrease by 10%, all other factors being equal.

The maturity of a security may be significantly longer than its effective duration. A security's maturity may be more relevant than its effective duration in determining the security's sensitivity to other factors such as changes in credit quality or in the difference in yield between U.S. Treasuries and certain other types of securities.

#### Credit quality

The fund may hold debt securities of any credit quality, whether rated or unrated. Securities rated below investment grade are commonly referred to as "junk" bonds or "high yield securities." High yield bonds are those rated below investment grade (that is, securities rated below the Baa/BBB categories by at least one Nationally Recognized Statistical Rating Organization) or, if unrated, determined to be of comparable credit quality by the subadviser. Rating categories may include sub-categories or gradations indicating relative standing.

#### Fixed income securities

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.

Fixed income securities in which the fund may invest are high yield debt (often called "junk bonds"); debt securities issued or guaranteed by national governments, their agencies or instrumentalities and political sub-divisions (including inflation index linked securities and municipal bonds); debt securities of supranational organizations such as bonds, debentures and freely transferable promissory notes; corporate debt securities, including debentures, bonds (including zero coupon bonds), convertible and non-convertible notes, commercial paper, certificates of deposits, freely transferable promissory notes and bankers acceptances issued by industrial, utility, finance, commercial banking or bank holding company organizations; mortgage-backed securities (including collateralized debt obligations); asset-backed securities; and emerging markets debt.

**Corporate debt**

Corporate debt securities are fixed income securities usually issued by businesses to finance their operations. Various types of business entities may issue these securities, including corporations, trusts, limited partnerships, limited liability companies and other types of non-governmental legal entities. Notes, bonds, debentures and commercial paper are the most common types of corporate debt securities, with the primary difference being their maturities and secured or unsecured status. Commercial paper has the shortest term and is usually unsecured. The broad category of corporate debt securities includes debt issued by U.S. or non-U.S. companies of all kinds, including those with small, mid and large capitalizations. Corporate debt may carry variable or floating rates of interest.

**Loans**

The primary risk in an investment in loans is that borrowers may be unable to meet their interest and/or principal payment obligations. Loans in which the fund invests may be made to finance highly leveraged borrowers which may make such loans especially vulnerable to adverse changes in economic or market conditions. Loans in which the fund may invest may be either collateralized or uncollateralized and senior or subordinate (including covenant lite loans). Investments in uncollateralized and/or subordinate loans entail a greater risk of nonpayment than do investments in loans that hold a more senior position in the borrower's capital structure and/or are secured with collateral. In addition, loans are generally subject to illiquidity risk. The fund may acquire an interest in loans by purchasing participations in and/or assignments of portions of loans from third parties or by investing in pools of loans, such as collateralized debt obligations as further described under "Mortgage-backed and asset-backed securities." Transactions in loans may settle on a delayed basis. As a result, the proceeds from the sale of a loan may not be available to make additional investments or to meet the fund's redemption obligations. Bank loans may not be considered securities and therefore, the fund may not have the protections afforded by U.S. federal securities laws with respect to such investments.

**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.

**Foreign and emerging markets securities**

The fund may invest without limit in both U.S. dollar and non-U.S. dollar denominated securities of foreign issuers. The value of the fund's foreign securities may decline because of unfavorable government actions, political instability or the more limited availability of accurate information about foreign issuers, as well as factors affecting the particular issuers. The fund may invest in foreign securities issued by issuers located in emerging market countries. To the extent the fund invests in these securities, the risks associated with investment in foreign issuers will generally be more pronounced.

**Sovereign debt**

The fund may invest in sovereign debt, including emerging market sovereign debt. Sovereign debt securities may include:

- Fixed income securities issued or guaranteed by governments, governmental agencies or instrumentalities and their political subdivisions
- Fixed income securities issued by government-owned, controlled or sponsored entities
- Interests issued for the purpose of restructuring the investment characteristics of instruments issued by any of the above issuers

- Brady Bonds, which are debt securities issued under the framework of the Brady Plan as a means for debtor nations to restructure their outstanding external indebtedness
- Participations in loans between governments and financial institutions
- Fixed income securities issued by supranational entities such as the World Bank. A supranational entity is a bank, commission or company established or financially supported by the national governments of one or more countries to promote reconstruction or development

Sovereign government and supranational debt involve many of the risks of foreign and emerging markets investments as well as the risk of debt moratorium, repudiation or renegotiation and the fund may be unable to enforce its rights against the issuers.

**U.S. government obligations**

U.S. government obligations include U.S. Treasury obligations and other obligations of, or guaranteed by, the U.S. government, its agencies or government-sponsored entities. Although the U.S. government guarantees principal and interest payments on securities issued by the U.S. government and some of its agencies, such as securities issued by the U.S. Government National Mortgage Association ("Ginnie Mae"), this guarantee does not apply to losses resulting from declines in the market value of these securities. U.S. government obligations include zero coupon securities that make payments of interest and principal only upon maturity and which therefore tend to be subject to greater volatility than interest bearing securities with comparable maturities.

Some of the U.S. government securities that the fund may hold are not guaranteed or backed by the full faith and credit of the U.S. government, such as those issued by Fannie Mae (formally known as the Federal National Mortgage Association) and Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation). The maximum potential liability of the issuers of some U.S. government obligations may greatly exceed their current resources, including any legal right to support from the U.S. government.

**Mortgage-backed and asset-backed securities**

Mortgage-backed securities may be issued by private issuers, by U.S. government-sponsored entities such as Fannie Mae or Freddie Mac or by agencies of the U.S. government, such as Ginnie Mae. Mortgage-backed securities represent direct or indirect participations in, or are collateralized by and payable from, mortgage loans secured by real property.

Unlike mortgage-backed securities issued or guaranteed by agencies of the U.S. government or government-sponsored entities, mortgage-backed securities issued by private issuers do not have a government or government-sponsored entity guarantee (but may have other credit enhancement), and may, and frequently do, have less favorable collateral, credit risk or other underwriting characteristics.

Residential mortgage-backed securities ("RMBS") are comprised of a pool of mortgage loans created by banks and other financial institutions. Commercial mortgage-backed securities ("CMBS") are a type of mortgage-backed security backed by commercial mortgages rather than residential real estate.

Asset-backed securities represent participations in, or are secured by and payable from, assets such as installment sales or loan contracts, leases, credit card receivables and other categories of receivables.

Collateralized mortgage obligations ("CMOs") are debt obligations collateralized by mortgage loans or mortgage pass-through securities. CMOs are a type of mortgage-backed security. Typically, CMOs are collateralized by Ginnie Mae, Fannie Mae or Freddie Mac Certificates, but may also be collateralized by whole loans or private pass-throughs (referred to as "Mortgage Assets"). Payments of principal and of interest on the Mortgage Assets, and any reinvestment income thereon, provide the issuer with income to pay debt service on the CMOs. In a CMO, a series of bonds or certificates is issued in multiple classes. Each class of CMOs, often referred to as a "tranche," is issued at a specified fixed or floating coupon rate and has a stated maturity or final distribution date. Principal prepayments on the Mortgage Assets may cause the CMOs to be retired substantially earlier than their stated maturities or final distribution dates. Interest is paid or accrues on all classes of the CMOs on a monthly, quarterly or semi-annual basis. The principal of and interest on the Mortgage Assets may be allocated among the several classes of a series of a CMO in innumerable ways. As market conditions change, and particularly during periods of rapid or unanticipated changes in market interest rates, the attractiveness of the CMO classes and the ability of the structure to provide the anticipated investment characteristics may be significantly reduced. Such changes can result in volatility in the market value, and in some instances reduced liquidity, of the CMO class.

Collateralized debt obligations ("CDOs") are a type of asset-backed security. CDOs include collateralized bond obligations ("CBOs"), collateralized loan obligations ("CLOs") and other similarly structured securities. A CBO is a trust or other special purpose entity which is typically backed by a diversified pool of fixed income securities (which may include high risk, below investment grade securities). A CLO is a trust or other special purpose entity that is typically collateralized by a pool of loans, which may also include, among others, domestic and non-U.S. senior secured loans, senior unsecured loans, and subordinated corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. Like CMOs, CDOs generally issue separate series or "tranches" which vary with respect to risk and yield. These tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to collateral default and disappearance of subordinate tranches, market anticipation of defaults, as well as investor aversion to CDO securities as a class. Interest on certain tranches of a CDO may be paid in kind (paid in the form of obligations of the same type rather than cash), which involves continued exposure to default risk with respect to such payments.

**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. The fund will set aside assets to pay for these securities at the time of the agreement. Such transactions involve a risk of loss, for example, if the value of the securities declines prior to the settlement date or if the assets set aside to pay for these securities decline in value 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, although the fund may earn income on securities it has set aside to cover these positions. Recently finalized rules of the Financial Industry Regulatory Authority ("FINRA") impose mandatory margin requirements for certain types of when-issued, to be announced or forward commitment transactions, with limited exceptions. Such transactions historically have not been required to be collateralized, and mandatory collateralization could increase the cost of such transactions and impose added operational complexity.

**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.

**Forward roll transactions**

In a forward roll transaction (also referred to as a mortgage dollar roll), the fund sells a mortgage-backed security while simultaneously agreeing to purchase a similar security from the same party (the counterparty) on a specified future date at a lower fixed price. During the roll period, the fund forgoes principal and interest paid on the securities. The fund is compensated by the difference between the current sales price and the forward price for the future purchase as well as by the interest earned on the cash proceeds of the initial sale. The fund may enter into a forward roll transaction with the intention of entering into an offsetting transaction whereby, rather than accepting delivery of the security on the specified date, the fund sells the security and agrees to repurchase a similar security at a later time.

Investments in forward roll transactions involve a risk of loss if the value of the securities that the fund is obligated to purchase declines below the purchase price prior to the repurchase date. Forward roll transactions may have a leveraging effect on the fund (see "When-issued securities, delayed delivery, to be announced and forward commitment transactions").

**Preferred stock and convertible securities**

The fund may invest in preferred stock and convertible securities, including contingent convertible securities ("CoCos"). Preferred stock represents equity ownership of an issuer that generally entitles the holder to receive, in preference to the holders of common stock, dividends and a fixed share of the proceeds resulting from a liquidation of the company. Preferred stocks may pay dividends at fixed or variable rates. Convertible fixed income securities convert into shares of common stock of their issuer. Preferred stock and convertible fixed income securities share investment characteristics of both fixed income and equity securities. However, the value of these securities tends to vary more with fluctuations in the underlying common stock and less with fluctuations in interest rates and tends to exhibit greater volatility.

**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.

**Portfolio turnover**

The fund may engage in active and frequent trading to achieve its investment objective, resulting in high portfolio turnover.

**Repurchase agreements**

In a repurchase agreement, the fund purchases securities from a counterparty, upon the agreement of the counterparty to repurchase the securities from the fund at a later date, and at a specified price, which is typically higher than the purchase price paid by the fund. The securities purchased serve as the fund's collateral for the obligation of the counterparty to repurchase the securities. If the counterparty does not repurchase the securities, the fund is entitled to sell the securities, but the fund may not be able to sell them for the price at which they were purchased, thus causing a loss. Additionally, if the counterparty becomes insolvent, there is some risk that the fund will not have a right to the securities, or the immediate right to sell the securities.

**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.

**Cash management**

The fund may hold cash pending investment, may invest in money market instruments and may enter into repurchase agreements and reverse repurchase agreements (which have characteristics like borrowings) for cash management purposes. The fund may invest in money market funds, which may or may not be affiliated with the fund's manager or the subadviser. The amount of assets the fund may hold for cash management purposes will depend on market conditions and the need to meet expected redemption requests.

**Defensive investing**

The fund may depart from its principal investment strategies in response to adverse market, economic or political conditions by taking temporary defensive positions, including by investing in any type of money market instruments and short-term debt securities or holding cash without regard to any percentage limitations. 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.

**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**

***BrandywineGLOBAL – Corporate Credit Fund***

In selecting securities for the fund, the subadviser performs a risk/reward analysis that includes an evaluation of credit risk, interest rate risk, and the legal and technical structure of the security. The subadviser will attempt to take advantage of inefficiencies that it believes exist in the fixed-income markets by purchasing securities at prices below the subadviser's estimate of their fair value with the goal of selling securities as they approach or exceed the subadviser's estimate of their fair value. The subadviser seeks to invest in securities that the subadviser expects to offer attractive prospects for current income and/or capital appreciation in relation to the risk borne.

The fund invests primarily in income producing securities. The subadviser attempts to select securities offering attractive risk adjusted yields over comparable Treasury securities. Corporate and debt securities offer higher yields compared to Treasury securities to compensate for their additional risks, such as credit risk.

***BrandywineGLOBAL – High Yield Fund***

In selecting securities for the fund, the subadviser performs a risk/reward analysis that includes an evaluation of credit risk, interest rate risk, and the legal and technical structure of the security.

The subadviser will attempt to take advantage of inefficiencies that it believes exist in the fixed-income markets by purchasing securities at prices below the subadviser's estimate of their fair value with the goal of selling securities as they approach or exceed the subadviser's estimate of their fair value. The subadviser seeks to invest in securities that the subadviser expects to offer attractive prospects for current income and/or capital appreciation in relation to the risk borne.

The fund invests primarily in income producing securities. The subadviser attempts to select securities offering attractive risk- adjusted yields over comparable Treasury securities. Corporate and debt securities offer higher yields compared to Treasury securities to compensate for their additional risks, such as credit risk.

**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 the fund's securities 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, tariffs and trade disruptions, inflation, 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. 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.

**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, 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, which are rated below the Baa/BBB categories or unrated securities of comparable quality ("junk" bonds).

The fund may invest in securities which are subordinated to more senior securities of the issuer, or 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.

**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.

**Issuer risk.** The market price of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, due to factors specifically relating to the security's issuer, such as disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, changes in management, corporate actions, negative perception in the marketplace, or major litigation or changes in government regulations affecting the issuer or the competitive environment. An individual security may also be affected by factors relating to the industry or sector of the issuer. The fund may experience a substantial or complete loss on an individual security. Historically, the prices of securities of small and medium capitalization companies have generally been more volatile than those of large capitalization companies.

**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, 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.

**Portfolio turnover risk.** Active and frequent trading may increase a shareholder's tax liability and the fund's transaction costs, which could detract from fund performance.

**Illiquidity risk.** Illiquidity risk exists when particular investments are 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 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 recently have been less willing to make markets for fixed income securities. Recent 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, 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).

**Convertible securities risk.** Convertible securities are subject to both stock market risk associated with equity securities and the credit and interest rate risks associated with fixed income securities. Credit risk is the risk that the issuer or obligor will not make timely payments of principal or interest or that its credit may be downgraded or perceived to be less creditworthy. Interest rate risk is the risk that the value of a fixed income security will fall 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. As the market price of the equity security underlying a convertible security falls, the convertible security tends to trade on the basis of its yield and other fixed income characteristics. As the market price of the equity security underlying a convertible security rises, the convertible security tends to trade on the basis of its equity conversion features.

**Zero coupon bond risk.** The value of zero coupon bonds is subject to greater fluctuation in response to changes in market interest rates than bonds which make regular payments of interest. This type of bond allows an issuer to avoid the need to generate cash to meet current interest payments. Accordingly, such bonds may involve greater credit risks than bonds which make regular payments of interest. Even though zero coupon bonds do not pay current interest in cash, the fund is required to accrue interest income on such investments and may be required to distribute that income at least annually to shareholders. Thus, the fund could be required at times to liquidate other investments in order to satisfy its dividend requirements.

**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 will 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. Mortgage-backed and asset-backed securities risk. Mortgage-backed securities are particularly susceptible to prepayment and extension risks, because prepayments on the underlying mortgages tend to increase when interest rates fall and decrease when interest rates rise. Prepayments may also occur on a scheduled basis or due to foreclosure. When market interest rates increase, mortgage refinancings and prepayments slow, which lengthens the effective duration of these securities. As a result, the negative effect of the interest rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of the fund. Conversely, when market interest rates decline, while the value of mortgage-backed securities may increase, the rates of prepayment of the underlying mortgages tend to increase, which shortens the effective duration of these securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations.

At times, some of the mortgage-backed securities in which the fund may invest will have higher than market interest rates and therefore will be purchased at a premium above their par value. Prepayments may cause losses on securities purchased at a premium.

The value of mortgage-backed securities may be affected by changes in credit quality or value of the mortgage loans or other assets that support the securities. In addition, for mortgage-backed securities, when market conditions result in an increase in the default rates on the underlying mortgages and the foreclosure values of the underlying real estate are below the outstanding amount of the underlying mortgages, collection of the full amount of accrued interest and principal on these investments may be doubtful. For mortgage derivatives and structured securities that have embedded leverage features, small changes in interest or prepayment rates may cause large and sudden price movements. Mortgage derivatives can also become illiquid and hard to value in declining markets.

Asset-backed securities are structured like mortgage-backed securities and are subject to many of the same risks. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets or to otherwise recover from the underlying obligor may be limited. Certain asset-backed securities present a heightened level of risk because, in the event of default, the liquidation value of the underlying assets may be inadequate to pay any unpaid principal or interest.

**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.

**Foreign investments and emerging markets risk.** The fund’s investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk as compared to investments in U.S. securities or issuers with predominantly domestic exposure, such as less liquid, less regulated, less transparent and more volatile markets. The markets for some foreign securities are relatively new, and the rules and policies relating to these markets are not fully developed and may change. The value of the fund’s investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, tariffs and tax disputes, reduction of government or central bank support, inadequate accounting standards, lack of information and political, economic, financial or social instability. The Public Company Accounting Oversight Board, which regulates auditors of U.S. public companies, is unable to inspect audit work papers in certain foreign countries. Investors in foreign countries often have limited rights and few practical remedies to pursue shareholder claims, including class actions or fraud claims, and the ability of the Securities and Exchange Commission, the U.S. Department of Justice and other authorities to bring and enforce actions against foreign issuers or foreign persons is limited. Foreign investments may also be adversely affected by U.S. government or international interventions, restrictions or economic sanctions, which could negatively affect the value of an investment or result in the fund selling an investment at a disadvantageous time. To the extent the fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such country or region may have a greater impact on fund performance relative to a more geographically diversified fund.

The value of the fund’s foreign investments may also be affected by foreign tax laws, special U.S. tax considerations and restrictions on receiving the investment proceeds from a foreign country. Dividends or interest on, or proceeds from the sale or disposition of, foreign securities may be subject to non-U.S. withholding or other taxes. It may be difficult for the fund to pursue claims against a foreign issuer or other parties in the courts of a foreign country. Some securities issued by non-U.S. governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of such governments. Even where a security is backed by the full faith and credit of a government, it may be difficult for the fund to pursue its rights against the government. In the past, some non-U.S. governments have defaulted on principal and interest payments.

If the fund buys securities denominated in a foreign currency, receives income in foreign currencies, or holds foreign currencies from time to time, the value of the fund's assets, as measured in U.S. dollars, can be affected unfavorably by changes in exchange rates relative to the U.S. dollar or other foreign currencies. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. The fund may be unable or may choose not to hedge its foreign currency exposure.

In certain foreign markets, settlement and clearance of trades may experience delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments. Settlement of trades in these markets can take longer than in other markets and the fund may not receive its proceeds from the sale of certain securities for an extended period (possibly several weeks or even longer) due to, among other factors, low trading volumes and volatile prices. The custody or holding of securities, cash and other assets by local banks, agents and depositories insecurities markets outside the United States may entail additional risks. Governments or trade groups may compel local agents to hold securities in designated depositories that may not be subject to independent evaluation. Local agents are held only to the standards of care of their local markets, and thus may be subject to limited or no government oversight. In extreme cases, the fund's securities may be misappropriated or the fund may be unable to sell its securities. In general, the less developed a country's securities market is, the greater the likelihood of custody problems.

The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. Their economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a pandemic. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility. Investors should be able to tolerate sudden, sometimes substantial, fluctuations in the value of investments in emerging markets. Emerging market countries may have policies that restrict investment by foreigners or that prevent foreign investors from withdrawing their money at will.

**Sovereign debt risk.** Sovereign government and supranational debt involve many of the risks of foreign and emerging markets investments as well as the risk of debt moratorium, repudiation or renegotiation, and the fund may be unable to enforce its rights against the issuers. Sovereign debt risk is increased for emerging market issuers.

**Inflation Risk.** Inflation risk is the risk that the value of certain fixed income assets or income from investments will be worth less in the future as inflation decreases the value of money although this risk is decreased to the extent a substantial portion of the fund is invested in U.S. TIPS or other inflation-protected securities. As inflation increases, the real value of the fund's shares and distributions can decline.

**Borrowing risk.** Certain borrowings may create an opportunity for increased return but, at the same time, create special risks. For example, if the fund invests the proceeds of the borrowing, it will have a leveraging effect on its portfolio, the value of the fund will be more volatile and all other risks tend to be compounded. This is because leverage generally magnifies the effect of any increase or decrease in the value of the fund's underlying assets or creates investment risk with respect to a larger pool of assets than the fund would otherwise have. The fund may be required to liquidate fund securities at a time when it would be disadvantageous to do so in order to make payments with respect to any borrowing. Interest on any borrowing will be a fund expense and will reduce the value of the fund's shares.

**Investing in ETFs risk.** Investing in securities issued by ETFs 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. The trading price of an index-based ETF is expected to (but may not) closely track the net asset value of the ETF, and the fund will generally gain or lose value consistent with the performance of the ETF's 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. 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.

**Securities of other investment companies risk.** Investments in other investment companies are subject to market and portfolio selection risk. In addition, if the fund acquires shares of other investment companies, shareholders may have to bear both their proportionate share of expenses in the fund and, indirectly, the expenses of the other investment companies.

**Short positions risk.** Short positions involve leverage and there is no limit on the potential amount of loss on a security that is sold short. The fund may suffer significant losses if assets that the fund sells short appreciate rather than depreciate in value. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest, or expenses the fund may be required to pay in connection with the short sale.

**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.

**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.

**Market events risk.** The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment, the global and domestic effects of a pandemic, 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, 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 directly affected, the value and liquidity of the fund's investments may be negatively affected.

The rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many instruments; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained domestic or even global economic downturn or recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Developing or emerging market countries may be more impacted by the COVID-19 pandemic as they may have less established health care systems and may be less able to control or mitigate the effects of the pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, are taking extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic, including by pushing interest rates to very low levels. This and other government intervention into the economy and financial markets to address the COVID-19 pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. Government actions to mitigate the economic impact of the pandemic have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. The COVID-19 pandemic 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. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the fund by its service providers.

**LIBOR risk.** The fund's investments, payment obligations, and financing terms may be based on floating rates, such as the London Interbank Offered Rate, or "LIBOR," which is the offered rate for short-term Eurodollar deposits between major international banks. In 2017, the head of the UK Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. The administrator of LIBOR recently announced a possible delay in the phase out of a majority of the U.S. dollar LIBOR publications until mid-2023, with the remainder of the LIBOR publications to end at the end of 2021. There remains uncertainty regarding the nature of any replacement rate and the impact of the transition from LIBOR on the fund's transactions and the financial markets generally. As such, the potential effect of a transition away from LIBOR on the fund or the fund's investments cannot yet be determined.

**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.

**Redemptions by affiliated funds and by other significant investors.** The fund may be an investment option for mutual funds and ETFs that are managed by LMPFA and its affiliates, including Franklin Templeton investment managers, as "funds of funds," unaffiliated mutual funds and ETFs and other investors with substantial investments in the fund. As a result, from time to time, the fund may experience relatively large redemptions and could be required to liquidate its assets at inopportune times or at a loss or depressed value, which could cause the value of your investment to decline.

**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, 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 completely eliminate or mitigate the occurrence of such failures. The fund and its shareholders could be negatively impacted as a result.

**Cybersecurity risk.** Cybersecurity incidents, both intentional and unintentional, 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 or receiving distributions. 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 or the manager. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent 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.

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.

## INFORMATION ABOUT MANAGEMENT OF THE ACQUIRING FUNDS

Legg Mason Partners Fund Advisor, LLC ("LMPFA" or the "manager") is the fund's investment manager. LMPFA, with offices at 620 Eighth Avenue, New York, New York 10018, also serves as the investment manager of other Legg Mason-sponsored funds. LMPFA provides administrative and certain oversight services to the fund. As of December 31, 2020, LMPFA's total assets under management were approximately $214.6 billion (including approximately $259.2 million for which LMPFA provides non-discretionary investment models to certain institutional clients).

Brandywine Global Investment Management, LLC ("Brandywine Global" or the "subadviser") provides the day-to-day portfolio management of the fund. Brandywine Global has offices at 1735 Market Street, 18th Floor, Philadelphia, Pennsylvania 19103. Brandywine Global acts as adviser or subadviser to individuals, public funds, corporations, pension and profit-sharing plans, Taft-Hartley Plans, endowments and foundations, as well as to investment company portfolios. As of December 31, 2020, Brandywine Global's total assets under management were approximately $63.8 billion.

LMPFA and Brandywine Global 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 December 31, 2020, after giving effect to the transaction described below, Franklin Templeton's asset management operations had aggregate assets under management of approximately $1.5 trillion.

### Portfolio Managers of the Acquiring Funds

Information about the portfolio managers of each Acquiring Fund is listed below. Each of the portfolio managers has agreed to become an employee of Brandywine Global in connection with the Reorganizations and to serve as a portfolio manager of each of the Acquiring Funds.

| Portfolio manager | Title and recent biography |
|---|---|
| John McClain | Mr. McClain has a Bachelor of Science in Business Economics from University of Kentucky (magna cum laude), a Master of Business Administration from Carnegie Mellon University, and holds the CFA designation. He has been an investment professional with Diamond Hill since June 2014. Mr. McClain currently serves as a Portfolio Manager for Diamond Hill. From 2010 to 2014, Mr. McClain was Senior Vice President — Credit at Standard Life Investments. From 2007 to 2010, he was at Nationwide Mutual Insurance Company as a Management Associate in the Financial Leadership Rotation Program and then an Investment Analyst in Distressed Debt. |
| William Zox | Mr. Zox has a Bachelor of Arts degree in Political Science from Williams College, a Juris Doctor degree from the Moritz College of Law at The Ohio State University (with honors) and a Masters of Law degree from the University of Florida, College of Law in taxation and holds the CFA designation. He has been an investment professional with Diamond Hill since January 2001. Mr. Zox currently serves as a Portfolio Manager for Diamond Hill. From 1993 to 2000, he was a tax associate and then a tax partner with the law firm of Schottenstein, Zox & Dunn Co., L.P.A. |

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

### Management fee

BrandywineGLOBAL – Corporate Credit Fund pays a management fee at an annual rate of 0.45% of the fund's average daily net assets.

BrandywineGLOBAL – High Yield Fund pays a management fee at an annual rate of 0.50% of the fund's average daily net assets.

A discussion regarding the basis for the Board's approval of each fund's management agreement and subadvisory agreement will be available in the fund's first shareholder report following its Reorganization.

**Expense Limitation**

For BrandywineGLOBAL – Corporate Credit Fund, the manager has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses and acquired fund fees and expenses) so that the ratio of total annual fund operating expenses will not exceed 0.92% for Class A shares, 0.63% for Class I shares and 0.51% 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.

For BrandywineGLOBAL – High Yield Fund, the manager has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage commissions, dividend expense on short sales, taxes, extraordinary expenses and acquired fund fees and expenses) so that the ratio of total annual fund operating expenses will not exceed 0.96% for Class A shares, 0.67% for Class I shares and 0.55% 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, 2022, 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 permitted to recapture amounts waived and/or reimbursed to a class within three 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 Acquiring Fund, in the class' total annual fund operating expenses exceeding the applicable limits described above or any other lower limit then in effect.

**Additional information**

The fund enters into contractual arrangements with various parties, including, among others, the fund's investment 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 Proxy Statement/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 Proxy Statement/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**

Legg Mason Investor Services, LLC ("LMIS"), an indirect, wholly-owned broker/dealer subsidiary of Franklin Resources, serves as the fund's sole and exclusive distributor.

Each Acquiring Fund has adopted a shareholder services and distribution plan pursuant to Rule 12b-1 under the 1940 Act. Under the plan, the fund pays distribution and/or service fees based on an annualized percentage of average daily net assets of up to 0.25% for Class A shares; up to 1.00% for Class C shares; up to 0.25% for Class FI shares; and up to 0.50% for Class R shares. Payments by the fund under its plan go to LMIS, 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, LMIS 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.

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 fund's 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.

**Portfolio Holdings**

A description of the fund's policies and procedures with respect to the disclosure of its portfolio holdings is available in the SAI. The fund posts its complete portfolio holdings at www.leggmason.com/mutualfunds (click on the name of the fund) on a quarterly basis. The fund intends to post its complete portfolio holdings 14 calendar days following the quarter-end. The fund intends to post partial information concerning the fund's portfolio holdings (such as top 10 holdings or sector breakdowns, for example) on the Legg Mason funds' website on a monthly basis. The fund intends to post this partial information 10 business days following each month-end. Such information will remain available until the next month's or quarter's holdings are posted.

## PURCHASES, REDEMPTIONS AND EXCHANGES OF FUND SHARES; OTHER SHAREHOLDER INFORMATION

This section describes some of the classes of shares that each Acquiring Fund will make available after the Reorganization and how shareholders may buy and sell those Fund shares. It also describes how each Acquiring Fund values its securities and the Fund's policies on frequent trading of Fund shares. The information in this section applies to each Acquiring Fund except where noted.

### 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 Legg Mason funds' 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 Legg Mason Investor Services, LLC (the "Distributor" or "LMIS").

**Share class features summary**

The following table summarizes key features of the share classes currently offered by the fund. 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[1] | Initial sales charge | Contingent deferred sales charge | Annual Distribution and/or service (12b-1) fees | Exchange privilege[2] | Conversion to Class A shares |
|---|---|---|---|---|---|---|
| Class A | Generally, $1,000 for all accounts except:<br>(i) $50 if establishing a Systematic Investment Plan;<br>(ii) $250 for IRAs; and<br>(iii) none for certain fee-based programs and retirement plans | Up to 3.50%; reduced or waived for large purchases and certain investors. No charge for purchases of $1 million or more | 1.00% on purchases of $1 million or more if you redeem within 18 months of purchase; waived for certain investors | 0.25% of average daily net assets | Class A shares of funds sold by the Distributor | N/A |
| Class C | Generally, $1,000 for all accounts except:<br>(i) $50 if establishing a Systematic Investment Plan;<br>(ii) $250 for IRAs; and<br>(iii) none for certain fee-based programs and retirement plans | None | 1.00% if you redeem within 1 year of purchase; waived for certain investors | 1.00% of average daily net assets | Class C shares of funds sold by the Distributor | Yes; generally converts to Class A on the next monthly conversion processing date (generally, the fifteenth day of the month) after the shares have been held for 10 years from the purchase date; please consult your Service Agent for more information |
| Class R | None | None | None | 0.50% of average daily net assets | Class R shares of funds sold by the Distributor | No |
| Class I | • $1,000,000;<br>• Waived for certain Service Agents with arrangements with the Distributor, Omnibus Retirement Plans and certain individuals affiliated with Legg Mason;<br>• However, investors investing through a Service Agent acting as agent on behalf of its customers will be subject to the following minimums:<br>(i) if investing through a Systematic Investment Plan, $50;<br>(ii) if an individual investor, $1,000; and<br>(iii) none for certain fee based programs | None | None | None | Class I shares of funds sold by the Distributor | No |

| | Minimum initial investments[1] | Initial sales charge | Contingent deferred sales charge | Annual Distribution and/or service (12b-1) fees | Exchange privilege[2] | Conversion to Class A shares |
|---|---|---|---|---|---|---|
| Class IS | • $1,000,000;<br>• Waived for certain Service Agents with arrangements with the Distributor, Omnibus Retirement Plans and certain individuals affiliated with Legg Mason;<br>• However, investors investing through a Service Agent acting as agent on behalf of its customers will be subject to the following minimums:<br>(i) if investing through a Systematic Investment Plan, $50;<br>(ii) if an individual investor, $1,000; and<br>(iii) none for certain fee based programs | None | None | None | Class IS shares of funds sold by the Distributor | No |

1. 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.
2. You or your Service Agent may instruct the fund to exchange shares of any class for shares of the same class of any other Legg Mason fund, 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 retirement and benefit plans or fee-based programs, you should contact your Service Agent that administers your plan or sponsors the fee-based program to request an exchange. Certain retirement plan programs with exchange features in effect prior to November 20, 2006, as approved by the Distributor, remain eligible for exchange from Class C shares to Class A shares in accordance with the program terms. Please see the SAI for more details. 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.

**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.

Plan sponsors, plan fiduciaries and other 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 plan sponsor, plan fiduciary or Service Agent to impose such differing requirements. Please consult with your plan sponsor, plan fiduciary or 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[1] | R | I | IS |
|---|---|---|---|---|---|
| Individual Investors | ✓ | ✓ | | ✓[2, 3] | ✓[2] |
| Omnibus Retirement Plans | ✓ | ✓ | ✓[1] | ✓ | ✓ |
| Individual Retirement Plans | ✓ | ✓ | | ✓ | |
| Clients of Eligible Financial Intermediaries | ✓ | ✓ | ✓ | ✓[4] | ✓[4] |
| Institutional Investors | ✓ | ✓ | | ✓ | ✓ |

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

2 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.

3 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 Legg Mason; (iv) current and former board members of Legg Mason; 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 under the age of 21 (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.

4 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.

**Omnibus Retirement Plans are retirement plans held on the books of the fund in a plan level or omnibus level account and include:** *(i) 401(k) plans; (ii) 457 plans; (iii) employer-sponsored 403(b) plans; (iv) profit-sharing plans; (v) non-qualified deferred compensation plans; (vi) employer-sponsored benefit plans (including health savings accounts); (vii) other similar employer-sponsored retirement and benefit plans; (viii) individual retirement accounts that are administered on the same IRA recordkeeping platform and that invest in the fund through a single omnibus account pursuant to a special contractual arrangement with the fund or the Distributor; and (ix) investors who rollover fund shares from a retirement plan into an individual retirement account administered on the same retirement plan platform. SIMPLE IRAs are considered Omnibus Retirement Plans if they are employer-sponsored and held at the plan level.*

**Individual Retirement Plans include:** *(i) retirement plans investing through brokerage accounts; (ii) certain retirement plans with direct relationships to the fund that are not Institutional Investors nor investing through omnibus accounts; and (iii) individual retirement vehicles not held through an omnibus account, such as: (a) traditional and Roth IRAs; (b) Coverdell education savings accounts; (c) individual 403(b)(7) custodial accounts; (d) Keogh plans; (e) SEPs; (f) SARSEPs; and (g) SIMPLE IRAs or similar accounts. Individual Retirement Plans include plans held at the individual participant level. Individual Retirement Plans are treated like individual investors for purposes of determining sales charges and any applicable sales charge reductions or waivers.*

| |
|---|
| **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 R, 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, (viii) defined benefit plans and (ix) 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.leggmason.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 Legg Mason 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 0.25% of the average daily net assets represented by the Class A shares serviced by them.

The Distributor may not pay Service Agents selling Class A shares to Omnibus Retirement Plans a commission on the purchase price of Class A shares sold by them. However, for Omnibus Retirement Plans that are permitted to purchase shares at net asset value, the distributor may pay Service Agents commissions of up to 0.25% of the purchase price of the Class A shares that are purchased with regular ongoing plan contributions. Please contact your Service Agent for more information.

| Amount of investment | Sales charge as a % of offering price | Sales charge as a % of net amount invested | Service Agent commission as a % of offering price |
|---|---|---|---|
| Less than $100,000 | 3.50 | 3.63 | 3.00% |
| $100,000 but less than $250,000 | 2.75 | 2.83 | 2.50% |
| $250,000 but less than $500,000 | 2.00 | 2.04 | 1.75% |
| $500,000 but less than $750,000 | 1.25 | 1.27 | 1.00% |
| $750,000 but less than $1 million | 0.50 | 0.50 | 0.50% |
| $1 million or more[1] | -0- | -0- | 0.25% |

[1] The Distributor may pay a commission of up to 0.25% to a Service Agent for purchase amounts of $1 million 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 0.25% 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 $1,000,000 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 Legg Mason or Franklin Templeton; and (ii) units of a Section 529 Plan managed by Legg Mason or Franklin Templeton. 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, QS Investors 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 or Legg Mason Partners Variable Income Trust.

Eligible Accounts include shares of Legg Mason or 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 under the age of 21;
- 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 and 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 investors**

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

- Shareholders investing in Class A shares through LMIS Accounts
- Investors who redeemed at least the same amount of Class A shares of a Legg Mason or Franklin Templeton fund in the past 90 days, if the investor's Service Agent is notified

- Directors and officers of any Legg Mason-sponsored fund
- Employees of Franklin Resources and its subsidiaries
- Investors investing through certain retirement plans
- Investors who rollover fund shares from an employer-sponsored retirement plan into an individual retirement account administered on the same retirement plan platform

If you qualify for a waiver of the Class A initial sales charge, you must notify your Service Agent or the fund at 1-877-721-1926 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 in Appendix D.**

*For additional information regarding waivers of Class A initial sales charges, contact your Service Agent or the fund, consult the SAI or visit the Legg Mason funds' website, www.leggmason.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 Legg Mason 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%. Omnibus Retirement Plans may not be subject to a contingent deferred sales charge.

Except as noted below, the Distributor generally will pay Service Agents selling Class C shares a commission of up to 1.00% 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 1.00% 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 1.00% of the average daily net assets represented by the Class C shares serviced by them. The Distributor may not pay Service Agents selling Class C shares to Omnibus Retirement Plans a commission on the purchase price of Class C shares sold by them. Instead, immediately after purchase, the Distributor may pay these Service Agents an annual distribution and/or service fee of up to 1.00% 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 10 years from the purchase date; the shares will be converted on the next monthly conversion processing date after the 10 year anniversary of purchase (generally, on the fifteenth of the month, or the next business day if the fifteenth is not a business day). 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 10 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 Appendix D 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:

- When you exchange shares for shares of the same share class of another fund sold by the Distributor
- On shares representing reinvested distributions and dividends
- 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 Legg Mason or Franklin Templeton Fund 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 Legg Mason or Franklin Templeton Fund 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:

- On payments made through certain systematic withdrawal plans
- On certain distributions from a retirement plan
- For certain Omnibus Retirement Plans
- For involuntary redemptions of small account balances
- For 12 months following the death or disability of a shareholder
- On redemptions with respect to investors where the distributor did not pay the Service Agent a commission

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 in Appendix D.**

*For additional information regarding waivers of contingent deferred sales charges, contact your Service Agent or the fund, consult the SAI or visit the Legg Mason funds' website, www.leggmason.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 Legg Mason Funds sales charge and breakpoint information."*

**Class R shares**

You buy Class R 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 0.50% of the average daily net assets represented by the Class R 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.<br><br>**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.**<br><br>You must provide the following information for your order to be processed:<br>• Name of fund being bought<br>• Class of shares being bought<br>• Dollar amount or number of shares being bought (as applicable)<br>• Account number (if existing account) |
| **Through a Service Agent** | You should contact your Service Agent to open a brokerage account and make arrangements to buy shares.<br><br>Your Service Agent may charge an annual account maintenance fee. |
| **Through the fund** | Investors should contact the fund at 1-877-721-1926 to open an account and make arrangements to buy shares.<br><br>For initial purchases, complete and send your account application to the fund at one of the following addresses:<br><br>Regular Mail:<br>Legg Mason Funds<br>P.O. Box 9699<br>Providence, RI 02940-9699<br><br>Express, Certified or Registered Mail:<br>Legg Mason Funds<br>4400 Computer Drive<br>Westborough, MA 01581<br><br>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.<br><br>*For more information, please call the fund between 8:00 a.m. and 5:30 p.m. (Eastern time).* |
| **Through a systematic investment plan** | You may authorize your Service Agent or the 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 Legg Mason fund or (iv) certain money market funds, in order to buy shares on a regular basis.<br>• Amounts transferred must meet the applicable minimums (see "Purchase and sale of fund shares")<br>• Amounts may be transferred monthly, every alternate month, quarterly, semi-annually or annually<br>• If you do not have sufficient funds in your account on a transfer date, you may be charged a fee<br>• For amount transferred from other Legg Mason funds, please see the section titled "Exchanging shares—Through a systematic exchange plan" in such fund's prospectus<br><br>*For more information, please contact your Service Agent or the fund or consult the SAI.* |

**Additional information about purchases**

If you pay with a check or ACH transfer 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, money orders, third-party checks, starter checks, internet checks, cashier checks if not received from a financial institution in connection with a transfer of assets, credit card convenience checks and traveler's checks for purchase of fund shares. 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 9699
Providence, RI 02940-9699

Express, Certified or Registered Mail:

Legg Mason Funds
4400 Computer Drive
Westborough, MA 01581

## Exchanging Shares

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| **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 Legg Mason Fund, 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. 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 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.<br><br>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, unless you are investing through an IRA, 401(k) or other tax-advantaged account. 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 advisor before making an exchange.<br><br>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. |
| **Legg Mason 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.<br>• 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<br>• If you bought shares directly from the fund, contact the fund at 1-877-721-1926 to learn which funds are available to you for exchanges<br>• Exchanges may be made only between accounts that have identical registrations<br>• Not all funds offer all classes<br>• 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<br>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<br>• 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<br>• 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)<br>• Your exchange will also be subject to any other requirements of the fund or share class into which you are exchanging shares<br>• The fund may suspend or terminate your exchange privilege if you engage in a pattern of excessive exchanges |
| **By telephone** | Contact your Service Agent or, if you hold shares directly with the fund, call the fund at 1-877-721-1926 between 8:00 a.m. and 5:30 p.m. (Eastern time) 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:<br><br>Regular Mail:<br><br>Legg Mason Funds<br>P.O. Box 9699<br>Providence, RI 02940-9699<br><br>Express, Certified or Registered Mail:<br><br>Legg Mason Funds<br>4400 Computer Drive<br>Westborough, MA 01581 |
| **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:<br><br>• Exchanges may be made monthly, every alternate month, quarterly, semi-annually or annually<br><br>• Each exchange must meet the applicable investment minimums for systematic investment plans (see "Purchase and sale of fund shares")<br><br>*For more information, please contact your Service Agent or the fund or consult the SAI.* |

**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 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 “Redemption Facility”) that may be used as an additional source of liquidity to fund redemptions of shares. There can be no assurance that the Redemption Facility will remain available to the fund generally or that any available credit under the Redemption Facility will be available to the fund when the fund seeks to draw on the Redemption 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.

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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:<br><br>Regular Mail:<br><br>Legg Mason Funds<br>P.O. Box 9699<br>Providence, RI 02940-9699<br><br>Express, Certified or Registered Mail:<br><br>Legg Mason Funds<br>4400 Computer Drive<br>Westborough, MA 01581<br><br>Your written request must provide the following:<br><br>• The fund name, the class of shares being redeemed and your account number<br>• The dollar amount or number of shares being redeemed<br>• Signature of each owner exactly as the account is registered<br>• 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 1-877-721-1926 between 8:00 a.m. and 5:30 p.m. (Eastern time) for more information. Please have the following information ready when you call:<br><br>• Name of fund being redeemed<br>• Class of shares being redeemed<br>• The dollar amount or number of shares being redeemed<br>• Account number |
| **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 and $150 quarterly per fund.<br><br>The following conditions apply:<br><br>• Redemptions may be made monthly, quarterly, semi-annually or annually<br>• 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 are equal to or less than 2% per month of your account balance on the date the redemptions commence, up to a maximum of 12% in one year<br>• You must elect to have all dividends and distributions reinvested<br>• Your Service Agent may impose a lower minimum amount for each automatic redemption on a monthly and quarterly basis.<br><br>*For more information, please contact your Service Agent or the fund or consult the SAI.* |

**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.

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
- Close your account after a period of inactivity, as determined by state law, and transfer your shares to the appropriate state

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, your redemption request must include a Medallion signature guarantee 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 Legg Mason fund with a different account registration
- changed your account registration or your address within 30 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 1-877-721-1926 or 1-203-703-6002.

**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 LMIS for LMIS 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 LMIS 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) Legg Mason 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 R, 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 Legg Mason funds 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 the aggregate value of the fund shares in your account is less than $500 or $250 for retirement plans that are not employer-sponsored for any reason (including solely due to declines in net asset value and/or failure to invest at least $500 or $250 for retirement plans that are not employer-sponsored within a reasonable period). You will be notified in writing and will have 60 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 60-day period, the fund may close your account and send you the redemption proceeds. If your share class is no longer offered, you may not be able to bring your account up to the minimum investment amount.

Some shareholders who hold accounts in multiple classes of the same fund may have those accounts aggregated for the purposes of these calculations. 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) employer-sponsored retirement plans (such as 401(k) plans, 403(b) plans, profit sharing plans and money purchase plans); (iii) accounts with an active systematic investment plan; (iv) accounts with an active systematic withdrawal plan; (v) accounts that do not have a valid address as evidenced by mail being returned to the fund or its agents and (vi) 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**

Frequent purchases and redemptions of fund shares may, in many cases, interfere with the efficient management of the fund, increase fund transaction costs, and have a negative effect on the fund's long-term shareholders. For example, in order to handle large flows of cash into and out of the fund, the subadviser may need to allocate more assets to cash or other short-term investments or sell securities, rather than maintaining full investment in securities selected to achieve the fund's investment objective. Frequent trading may cause the fund to sell securities at less favorable prices. Transaction costs, such as brokerage commissions and market spreads, can detract from the fund's performance. In addition, the return received by long-term shareholders may be reduced when trades by other shareholders are made in an effort to take advantage of certain pricing discrepancies, when, for example, it is believed that the fund's share price, which is determined at the close of the NYSE on each trading day, does not accurately reflect the value of the fund's investments. Funds investing in foreign securities have been particularly susceptible to this form of arbitrage, but other funds could also be affected.

Because of the potential harm to funds sold by the fund's distributor and their long-term shareholders, the Board has approved policies and procedures that are intended to detect and discourage excessive trading and market timing abuses through the use of various surveillance techniques. Under these policies and procedures, the fund may limit additional exchanges or purchases of fund shares by shareholders who are believed by the manager to be engaged in these abusive trading activities in the fund or in other funds sold by the distributor. In the event that an exchange or purchase request is rejected, the shareholder may nonetheless redeem its shares. The intent of the policies and procedures is not to inhibit legitimate strategies, such as asset allocation, dollar cost averaging, or similar activities that may nonetheless result in frequent trading of fund shares.

Under the fund's policies and procedures, the fund reserves the right to restrict or reject purchases of shares (including exchanges) without prior notice whenever a pattern of excessive trading by a shareholder is detected in funds sold by the distributor. A committee established by the manager administers the policy. The policy provides that the committee may take action, which may include using its best efforts to restrict a shareholder's trading privileges in funds sold by the distributor, if that shareholder has engaged in one or more "Round Trips" across all funds sold by the distributor. However, the committee has the discretion to determine that action is not necessary if it is determined that the pattern of trading is not abusive or harmful. In making such a determination, the committee will consider, among other things, the nature of the shareholder's account, the reason for the frequent trading, the amount of trading and the particular funds in which the trading has occurred. Additionally, the committee has the discretion to make inquiries or to take any action against a shareholder whose trading appears inconsistent with the frequent trading policy, regardless of the number of Round Trips. Examples of the types of actions the committee may take include heightened surveillance of a shareholder account, providing a written warning letter to an account holder, restricting the shareholder from purchasing additional shares in the fund altogether or imposing other restrictions (such as requiring purchase orders to be submitted by mail) that would deter the shareholder from trading frequently in the fund. The committee will generally follow a system of progressive deterrence, although it is not required to do so.

A "Round Trip" is defined as a purchase (including subscriptions and exchanges) into a fund sold by the distributor either preceded or followed by a sale (including redemptions and exchanges) of the same or a similar number of shares out of that fund within 30 days of such purchase. Purchases and sales of the fund's shares pursuant to an automatic investment plan or similar program for periodic transactions are not considered in determining Round Trips. These policies and procedures do not apply to money market funds sold by the distributor.

The policies apply to any account, whether a direct account or accounts with financial intermediaries such as investment advisers, broker/dealers or retirement plan administrators, commonly called omnibus accounts, where the intermediary holds fund shares for a number of its customers in one account. The fund's ability to monitor trading in omnibus accounts may, however, be severely limited due to the lack of access to an individual investor's trading activity when orders are placed through these types of accounts. There may also be operational and technological limitations on the ability of the fund's service providers to identify or terminate frequent trading activity within the various types of omnibus accounts. The distributor has entered into agreements with intermediaries requiring the intermediaries to, among other things, help identify frequent trading activity and prohibit further purchases or exchanges by a shareholder identified as having engaged in frequent trading.

The fund has also adopted policies and procedures to prevent the selective release of information about the fund's holdings, as such information may be used for market-timing and similar abusive practices.

The policies provide for ongoing assessment of the effectiveness of current policies and surveillance tools, and the Board reserves the right to modify these or adopt additional policies and restrictions in the future. Shareholders should be aware, however, that any surveillance techniques currently employed by the fund or other techniques that may be adopted in the future may not be effective, particularly where the trading takes place through certain types of omnibus accounts. Furthermore, the fund may not apply its policies consistently or uniformly, resulting in the risk that some shareholders may be able to engage in frequent trading while others will bear the costs and effects of that trading.

Although the fund will attempt to monitor shareholder transactions for certain patterns of frequent trading activity, there can be no assurance that all such trading activity can be identified, prevented or terminated. Monitoring of shareholder transactions may only occur for shareholder transactions that exceed a certain transaction amount threshold, which may change from time to time. The fund reserves the right to refuse any client or reject any purchase order for shares (including exchanges) for any reason.

**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, provided that the dividend and/or distribution is $10.00 or more, by check. If you choose to receive dividends and/or distributions via check, amounts less than $10.00 will automatically be reinvested in fund shares as described above.

If you do not want dividends and/or distributions in amounts less than $10.00 to be reinvested in fund shares, you must elect to receive dividends and distributions via a direct deposit to your bank account.

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, subject to the following conditions:

- You have a minimum account balance of $10,000 in the 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 adviser about federal, state, local and/or foreign tax considerations that may be relevant to your particular situation.

In general, redeeming shares, exchanging shares and receiving dividends and distributions (whether received in cash or reinvested in 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** |
|---|---|
| Redemption or exchange of shares | Usually capital gain or loss; long-term only if shares are owned more than one year |
| Dividends of investment income and distributions of net short-term capital gain | Ordinary income |
| Distributions of net capital gain (excess of net long-term capital gain over net short-term capital loss) | Long-term capital gain |

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. 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 adviser 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 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.

The fund's investment in certain foreign securities, foreign currencies or foreign currency derivatives may affect the amount, timing, and character of fund distributions to shareholders.

After the end of each year, your Service Agent or the fund will provide you with information about the distributions and dividends you received 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 adviser 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 procedures approved by the Board. These procedures delegate most valuation functions to the manager, which generally uses independent third party pricing services approved by the Board. Under the procedures, assets are valued as follows:

- 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 NAV 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 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.
- 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 may price securities using fair value procedures approved by the Board. These procedures permit, among other things, the use of a formula or other method that takes into consideration market indices, yield curves and other specific adjustments 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. The fund may also use fair value procedures 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. A fund that uses fair value methodologies may value those 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. The fund's fair value policies and procedures and valuation practices may be subject to change as a result of new Rule 2a-5 under the 1940 Act. However, no material changes to the fair valuation methodologies are currently anticipated.

## ADDITIONAL INFORMATION ABOUT THE TARGET FUNDS AND THE ACQUIRING FUNDS

Legg Mason and certain of the Acquiring Funds' service providers, which include Legg Mason-affiliated service providers, have a financial interest in the Reorganizations because their respective fees under agreements with the Acquiring Funds generally increase as the amount of the assets of the Acquiring Funds increases, and the amount of those assets will increase as a result of the Reorganizations.

Additional information about the Target Funds is included in the Target Funds' Prospectuses, SAIs and annual reports filed with the SEC and dated as set forth below:

| Fund | Prospectus and SAI Dated | Annual Reports |
|---|---|---|
| Diamond Hill Corporate Credit Fund | February 28, 2021 (filed on February 26, 2021) | December 31, 2020 (filed on February 26, 2021) |
| Diamond Hill High Yield Fund | February 28, 2021 (filed on February 26, 2021) | December 31, 2020 (filed on February 26, 2021) |

Copies of all these documents and any subsequently released shareholder reports are available upon request and without charge by calling Diamond Hill Funds at 1-888-226-5595, by writing to Diamond Hill Funds at 325 John H. McConnell Boulevard, Suite 200, Columbus, OH 43215 99, or by visiting the Funds' website at www.diamond-hill.com. Copies of the Reorganization SAI are available upon request and without charge by calling Legg Mason at 1-877-721-1926, by writing to Legg Mason Funds, P.O. Box 9699, Providence, RI 02940-9699 or by visiting the Funds' website at *www.leggmason.com/individualinvestors*.

All of the Funds are subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith file reports and other information including proxy materials, reports and charter documents with the SEC. These reports and other information can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, NE, Washington, DC 20549. Reports and other information about each Fund are available on the EDGAR Database on the SEC's website at *www.sec.gov*. Copies of such material can also be obtained from the Public Reference Branch, Office of Consumer Affairs and Information Services, SEC, 100 F Street, NE, Washington, DC 20549 at prescribed rates.

### Section 15(f) Safe Harbor

LMPFA has agreed to use commercially reasonable efforts to assure compliance with the conditions of Section 15(f) of the 1940 Act. Section 15(f) provides a non-exclusive safe harbor for an investment adviser or any affiliated persons thereof to receive any amount or benefit in connection with a sale of securities of, or any other interest in, such adviser which results in an assignment of an investment advisory contract with an investment company as long as two conditions are met. First, no "unfair burden" may be imposed on the investment company as a result of the transaction, or any express or implied terms, conditions or understandings applicable thereto. As defined in the 1940 Act, the term "unfair burden" includes any arrangement during the two-year period after the date on which such transaction occurs whereby the investment adviser (or predecessor or successor adviser) or any interested person of any such adviser receives or is entitled to receive any compensation, directly or indirectly, from the investment company or its security holders (other than fees for bona fide investment advisory or other services), or from any person in connection with the purchase or sale of securities or other property to, from or on behalf of the investment company (other than bona fide ordinary compensation as principal underwriter of the investment company). The Trustees of the Target Funds were advised that LMPFA was not aware of any circumstances relating to the Reorganization that might result in the imposition of such an "unfair burden" on either Target Fund as a result of the Adviser Transaction. Second, during the three-year period immediately following the transaction, at least 75% of an investment company's board of directors must not be "interested persons" of the investment adviser or the predecessor investment adviser within the meaning of the 1940 Act. The Acquiring Funds Trustees will satisfy this condition at the time of the Reorganizations.

### Financial Highlights

The most recent fiscal year end of each of the Target Funds is December 31, 2020. The financial statements of the Target Funds incorporated in this Proxy Statement/Prospectus by reference from the Target Funds' Annual Report on

Form N-CSR for the fiscal year ended December 31, 2020 have been audited by Cohen & Company, Ltd., an independent registered public accounting firm, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

No financial highlights are provided for the Acquiring Funds, because the Acquiring Funds are newly organized and have not yet offered shares. For financial statement purposes, the Target Fund will be the accounting survivor of each Reorganization. As the accounting survivor, the operating history of each Target Fund will be used for the corresponding Acquiring Fund's financial reporting purposes as of the consummation of the Reorganizations.

**Rights of Shareholders**

As discussed in more detail below, the rights of shareholders of each Fund are similar in many ways, but there are also some differences. One of the more significant differences is in the way Fund shareholders vote. Although each Fund limits shareholder voting to matters specified in the applicable governing documents, the Diamond Hill Declaration (as defined below) provides that each shareholder is entitled to one vote for each share held, and a fractional vote for each fractional share, while the Acquiring Funds Trust Declaration (as defined below) provides for "dollar-weighted voting," which means that a shareholder's voting power is determined, not by the number of shares he or she owns, but by the dollar value of those shares. None of the Funds provide for annual meetings of shareholders, and meetings are generally held only under limited circumstances where a vote is required under the 1940 Act or the applicable governing documents. However, shareholders may also request that shareholder meetings be held, and under the Acquiring Funds Trust Declaration, a majority of the shareholders entitled to vote at the meeting are required to request such a meeting, while under the Diamond Hill Declaration, 25% of shareholders are entitled to request the meeting. Each Fund permits its Trustees to amend the applicable declaration of trust without a shareholder vote in many circumstances, but the Diamond Hill Declaration requires a vote by a majority of the affected shareholders to amend the declaration in a manner that adversely affects the rights of shareholders, while the Acquiring Funds Trust Declaration has no similar requirement.

There are also differences relating to possible litigation by shareholders against a Fund or its officers or trustees. Each Fund requires that a demand be made prior to bringing a derivative action on behalf of the Fund, but the Acquiring Funds also require that 5% of affected shareholders join in making the demand while the Target Funds have no similar requirement. In addition, the Acquiring Fund Trust Declaration provides that shareholders bringing a derivative action may be liable for the Acquiring Fund's expenses in considering or defending the action under certain circumstances. Each Fund has adopted a forum selection provision that requires litigation by shareholders to be brought only in certain courts, and the Target Funds' provision provides that shareholders may be required to reimburse the Diamond Hill Trust, its trustees and officers, for the expenses incurred in connection with any successful action on behalf of the Diamond Hill Trust to enforce the forum selection requirement. The Acquiring Funds Trust Declaration also provides that the right to jury trial be waived to the fullest extent permitted by law, while the Target Funds have no similar provision. Finally, the Target Funds permit shareholder access to Fund books and records to the same extent as is permitted to stockholders of an Ohio corporation while the Acquiring Funds permit such access as may be granted from time to time by the Trustees in their sole discretion.

*Overview.* Each of the Acquiring Funds is a series of Legg Mason Partners Equity Trust (the "Acquiring Funds Trust"), which has been organized as a Maryland Statutory Trust under the Maryland Statutory Trust Act (the "Maryland Act"). The Target Funds are series of Diamond Hill Funds (the "Diamond Hill Trust"), which has been organized as an Ohio business trust under Chapter 1746 of the 2006 Ohio Revised Code (the "Ohio Code").

A Maryland statutory trust is an unincorporated business association that is established under, and governed by, Maryland law. Maryland law provides a statutory framework for the powers, duties, rights and obligations of the Trustees and shareholders of a statutory trust, while the more specific powers, duties, rights and obligations of the Trustees and the shareholders are determined by the trustees as set forth in a trust's declaration of trust. Under the Ohio Code, a business trust is an unincorporated business association which is created by a trust instrument, pursuant to common law or enabling legislation, under which property is held, managed, administered, controlled, invested, reinvested, and operated, by a trustee or trustees for the benefit and profit of such person or persons as are or may become the holders of transferable shares of beneficial interest in the trust estate. Each of the Maryland Act and the Ohio Code provide flexibility to a trust organized under its jurisdiction to provide for many of the terms of its governance in its declaration or other instrument of trust.

Each Acquiring Fund is governed by the Amended and Restated Declaration of Trust of Legg Mason Partners Equity Trust dated as of August 4, 2011 (the "Acquiring Funds Trust Declaration") and the Amended and Restated By-Laws of the Acquiring Funds Trust dated as of April 7, 2020 (the "Acquiring Funds Trust By-Laws"). Each Target Fund is governed by the Third Amended and Restated Agreement and Declaration of Trust of Diamond Hill Funds dated as of February 28, 2021, as amended to the date hereof (the "Diamond Hill Declaration") and by the Amended and Restated By-Laws dated November 14, 2018 (the "Diamond Hill By-Laws") (the Acquiring Funds Trust Declaration and Acquiring Funds Trust By-Laws are collectively referred to as the "Acquiring Funds Trust Governing Documents" and the Diamond Hill Declaration and Diamond Hill By-Laws are collectively referred to as the "Diamond Hill Governing Documents". The following summary of certain of the rights of shareholders of each Acquiring Fund and certain rights of shareholders of each Target Fund is based on relevant provisions of the Maryland Act and the Ohio Code and the applicable Governing Documents. This summary does not purport to be complete, and we refer you to applicable Maryland and Ohio law and each Fund's Governing Documents.

*General.* The Acquiring Funds Trust Declaration provides that the business and affairs of the Acquiring Funds Trust is managed under the direction of the Trustees and gives the Trustees exclusive and absolute control over the property and business of the Trust. In construing the provisions of the Acquiring Funds Trust Declaration, the presumption is in favor of a grant of power to the Trustees. The Acquiring Funds Trust Declaration also provides that by becoming a shareholder of an Acquiring Fund, each shareholder shall be expressly held to have agreed to be bound by the provisions of the Acquiring Funds Trust Declaration and any other governing instrument of the Trust, such as the Acquiring Funds Trust By-laws.

Under the Diamond Hill Declaration, the business and affairs of the Trust is managed by or under the direction of the Trustees, and the Trustees may take all action they deem necessary or desirable to promote the interest of the Trust. Any determination as to what is in the interests of the Target Fund made by the Trustees in good faith is conclusive. The Diamond Hill Declaration provides that by virtue of having become a shareholder of a Target Fund, a Shareholder shall be held to have expressly assented and agreed to the terms of the Diamond Hill Declaration and to have become a party thereto.

*Shares of beneficial interests*. An Acquiring Fund may issue an unlimited number of shares for such consideration and on such terms as the Trustees may determine, and all such shares, when issued, will be fully paid and non-assessable. The Acquiring Funds Trust Declaration provides that the Trustees may establish series and classes in addition to those currently established and that the Trustees may determine the rights and preferences, limitations and restrictions, including qualifications for ownership, conversion and exchange features, minimum purchase and account size, expenses and charges, and other features of the series and classes. The Trustees may change any of those features, terminate any series or class, combine series with other series in the Acquiring Funds Trust, combine one or more classes of a series with another class in that series or convert the shares of one class into shares of another class. Each share of an Acquiring Fund, as a series of the Acquiring Funds Trust, represents an interest in the Acquiring Fund only and not in the assets of any other series of the Acquiring Funds Trust.

The Target Fund is authorized to issue an unlimited number of shares of beneficial interest without par value. Under the Diamond Hill Declaration, the Trustees have the authority to issue shares in one or more series of shares, as they deem necessary or desirable, and to fix and determine the relative rights and preferences as between the different series as to right of redemption and the price, terms and manner of redemption, special and relative rights as to dividends and other distributions and on liquidation, conversion rights and conditions under which the several series shall have separate voting rights. In addition, the Trustees may from time to time divide the shares of any series into classes. The Diamond Hill Declaration provides that each share of a series shall represent an equal beneficial interest in the net assets of such series and that all consideration received by the Trust for the issuance of shares of a series or class and all income, earnings, profits and proceeds thereof shall irrevocably belong to that series or class for all purposes, subject only to the rights of creditors.

*Term of Trustees; Removal of Trustees*. The Acquiring Funds Trust Declaration provides that the Trustees of the Acquiring Funds Trust may establish the number of Trustees and that vacancies on the Board may be filled by the remaining Trustees, except when election of Trustees by the shareholders is required under the 1940 Act. When a vote of shareholders is required to elect Trustees, the Acquiring Funds Trust Declaration provides that such Trustees shall be elected by a plurality of votes cast by shareholders at a meeting at which a quorum is present. The Acquiring Funds Trust Declaration also provides that a mandatory retirement age may be set by action of two-thirds of the Trustees and that Trustees may be removed, with or without cause, by a vote of shareholders holding two-thirds of the voting power of the Trust, or by a vote of two-thirds of the remaining Trustees. The provisions of the Acquiring Funds Trust Declaration relating to the election and removal of Trustees may not be amended without the approval of two-thirds of the Trustees.

The Diamond Hill Declaration provides that Trustees may increase or decrease the number of Trustees to a number not less than three, and provides that the Trustees shall serve for a term of unlimited duration, subject to their resignation, death, retirement, or removal; however, the Target Funds' Board has established Fund Governance Guidelines that impose a 15-year term limit for Trustees. Any Diamond Hill Trustee may be removed with or without cause by vote of two-thirds of the Trustees or two-thirds of the shares then outstanding. Vacancies on the Target Funds' Board may be filled by a majority of the Trustees, except when election of Trustees by the shareholders is required under the 1940 Act. When a vote of shareholders is required to elect a Trustee, the Diamond Hill Declaration provides that such Trustee shall be elected by a plurality of votes cast by shareholders at a meeting at which a quorum is present.

*Trustee Liability and Indemnification*. The Acquiring Funds Trust Declaration provides that a Trustee acting in his or her capacity as a Trustee is not personally liable to any person, other than the Trust or its shareholders, in connection with the affairs of the Trust. Each Trustee is required to perform his or her duties in good faith and in a manner he or she believes to be in the best interests of the Trust. All actions and omissions of Trustees are presumed to be in accordance with the foregoing standard of performance, and any person alleging the contrary has the burden of proving that allegation.

The Acquiring Funds Trust Declaration limits a Trustee's liability to the Trust or any shareholder to the fullest extent permitted under current Maryland law by providing that a Trustee is liable to the Acquiring Funds Trust or its shareholders for monetary damages only (a) to the extent that it is proved that he or she actually received an improper benefit or profit in money, property, or services or (b) to the extent that a judgment or other final adjudication adverse to the Trustee is entered in a proceeding based on a finding in the proceeding that the Trustee's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. The Acquiring Funds Trust Declaration requires the Acquiring Funds Trust to indemnify any persons who are or who have been Trustees, officers or employees of the Trust to the fullest extent permitted by law against liability and expenses in connection with any claim or proceeding in which he or she is involved by virtue of having been a Trustee, officer or employee. Subject to applicable federal law, expenses related to the defense against any claim to which indemnification may apply shall be advanced by the Acquiring Funds Trust upon receipt of an undertaking by or on behalf of the recipient of those expenses to repay the advanced amount if it is ultimately found that he or she is not entitled to indemnification. In making any determination as to whether a person has engaged in conduct for which indemnification is not available, or as to whether there is reason to believe that such person ultimately will be found entitled to indemnification, such person shall be afforded a rebuttable presumption that he or she did not engage in conduct for which indemnification is not available.

The Acquiring Funds Trust Declaration provides that any Trustee who serves as chair of the Board, a member or chair of a committee of the Board, lead independent Trustee, audit committee financial expert, or in any other similar capacity will not be subject to any greater standard of care or liability because of such position.

Under the Ohio Code, unless otherwise set forth in the trust instrument, a trustee of a business trust such as the Diamond Hill Trust that has made certain state filings shall be liable to the business trust, its shareholders, and its other trustees only to the same extent as a director of an Ohio corporation. Under the Diamond Hill Declaration, a Trustee is liable for his own willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of the office of Trustee. The Diamond Hill Declaration provides that the Trust shall indemnify each of its past, present and future Trustees and officers against all liabilities, including any fines, penalties and expenses, subject to the limitations of the Securities Act of 1933, as amended, and the 1940 Act, and except in the case of each such Trustee's or officer's own willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of such Trustee's or officer's office. The Diamond Hill Trust is required to advance attorneys' fees and other expenses of defending an action against a Trustee to the full extent permitted by the Securities Act of 1933, as amended, the 1940 Act, and the Ohio Code, and to the extent of any conflict of the federal securities laws and the Ohio Code, the federal securities laws will govern. The rights of indemnification under the Diamond Hill Declaration are not exclusive and shall not affect any rights to indemnification to which a Trustee or officer may be entitled.

*Shareholder Meetings.* Under the Acquiring Funds Trust Documents, an Acquiring Fund is not required to hold an annual meeting of shareholders but will call special meetings of shareholders whenever required by the 1940 Act or by the terms of the Acquiring Funds Trust Declaration. Under the Acquiring Funds Trust By-Laws, meetings of shareholders will also be called upon the written request of the shareholders holding shares representing in the aggregate not less than a majority of the voting power of the shares entitled to vote on the matters specified in such written request provided that the request states the purposes of such meeting and the matters proposed to be acted on, and the shareholders requesting such meeting have paid to the Trust the reasonably estimated cost of preparing and mailing and/or delivering the notice of the meeting.

Diamond Hill's Governing Documents provide that a meeting of the shareholders of the Trust shall be held whenever called by the Trustees, whenever election of a Trustee or Trustees by shareholders is required by the provisions of Section 16(a) of the 1940 Act for that purpose or whenever otherwise required pursuant to the Declaration of Trust. In addition, a meeting of shareholders may be called by shareholders holding at least 25% of the then outstanding shares of the Diamond Hill Trust, or a series or class of the Diamond Hills Trust.

*Voting Rights.* Under the Acquiring Funds Trust Declaration, the Trustees have broad authority to direct the business and affairs of the Trust without a vote of shareholders. The Acquiring Funds Trust Declaration provides that shareholders shall not have the power to vote on any matter except: (i) for the election or removal of Trustees to the extent and as provided in the Declaration, and (ii) with respect to such additional matters relating to the Trust as may be required by law or as the Trustees may consider and determine necessary or desirable. Any action taken by shareholders shall require the affirmative vote of the holders of shares representing a majority, except in the case of the election of Trustees which shall only require a plurality, of votes cast at a meeting of shareholders at which a quorum is present, except as may be otherwise required by applicable law or by the Acquiring Funds Governing Document. Consistent with the Maryland Act, any other actions may be taken by the Trustees without seeking the consent of shareholders. For example, the Trustees are empowered to amend the Acquiring Funds Trust Declaration or authorize the merger or consolidation of the Acquiring Funds Trust or an Acquiring Fund into another trust or entity, reorganize the Trust or an Acquiring Fund into another trust or entity or a series or class of another entity, sell all or substantially all of the assets of the Trust or an Acquiring Fund to another entity, or a series or class of another entity, terminate the Trust or any series or class, or adopt or amend the by-laws of the Trust, in each case without shareholder approval if the 1940 Act would not require such approval.

The Acquiring Funds Trust Declaration provides for "dollar-weighted voting" which means that a shareholder's voting power is determined, not by the number of shares he or she owns, but by the dollar value of those shares determined on the record date. All shareholders of record of all series and classes of the Acquiring Funds Trust vote together, except where required by the 1940 Act to vote separately by series or by class, or when the Trustees have determined that a matter affects only the interests of one or more series or classes of shares. There is no cumulative voting on any matter submitted to a vote of the shareholders.

*S*hareholders of a Target Fund generally have the power to vote only for (i) the election or removal of Trustees, (ii) any contract to which shareholder approval is required by the 1940 Act, (iii) any reorganization of the Target Fund if such shareholder approval is required by the 1940 Act, (iv) certain amendments to the Diamond Hill Declaration as described below, (v) to the same extent as stockholders of an Ohio business corporation as to whether or not a court action, proceeding or claim should or should not be brought or maintained derivatively or as a class action on behalf of the Trust or the shareholders; and (vi) such additional matters required by the 1940 Act, Diamond Hill's Declaration or By-Laws or any registration of the Trust with the Securities and Exchange Commission or any state, or as the Trustees may consider necessary or desirable.

All shares of the Diamond Hill Trust have "equal voting rights" as such term is defined in the 1940 Act. On any matter submitted to a vote of shareholders, all shares of the Diamond Hill Trust then entitled to vote are voted in the aggregate as a single class without regard to series or class except when required by the 1940 Act or when the Trustees have determined that the matter affects one or more series or classes materially differently, shares are voted by individual series or class, and when the Trustees have determined that the matter affects only the interests of one or more series or classes, then only shareholders of such series or classes are entitled to vote. Shares have non-cumulative voting rights. Except when a different vote is otherwise required under the Diamond Hill Governing Documents or applicable law, a majority of shares voted on a matter decides that matter and a plurality of shares elect a Trustee. There is no cumulative voting on the election of Trustees.

*Shareholder Liability.* The Acquiring Funds Trust Declaration provides that shareholders of an Acquiring Fund are not personally liable for the obligations of the Acquiring Fund and requires the Acquiring Fund to indemnify a shareholder against any loss or expense claimed solely because of the shareholder's being or having been a shareholder. The Acquiring Fund will assume the defense of any claim against a shareholder for personal liability at the request of the shareholder.

Under Ohio law, shareholders of a business trust like the Diamond Hill Trust are generally afforded by statute the same limited liability as their corporate counterparts and are permitted liberal indemnification rights. The Diamond Hill Declaration provides that in case any shareholder or former shareholder is charged or held personally liable for any obligation or liability of the Diamond Hill Trust solely by reason of being or having been a shareholder, such shareholder shall be entitled out of the assets of the of the Trust to be held harmless from and indemnified against all loss and expense arising from such liability, and upon proper and timely request by a shareholder, the Trust shall assume the defense of such shareholder and satisfy any judgment thereon.

*Inspection Rights*. The Acquiring Funds Trust Documents provide that shareholders shall only have such right to inspect the records, documents, accounts and books of the Acquiring Funds Trust or any series or class thereof as may be granted from time to time by the Trustees in their sole discretion.

The Diamond Hill Declaration provides that the records of the Trust shall be open to inspection by shareholders to the same extent as is permitted to stockholders of an Ohio corporation under the Ohio General Corporation Law.

*Involuntary Redemption by Trust*. Under the Acquiring Funds Trust Declaration, an Acquiring Fund may involuntarily redeem a shareholder's shares upon certain conditions as may be determined by the Trustees, including, for example, if the shareholder fails to provide the Acquiring Fund with identification required by law, or if the Acquiring Fund is unable to verify the information received from the shareholder. Additionally, shares of the Acquiring Fund may be redeemed in connection with the closing of small accounts.

The Diamond Hill Declaration permits the Target Fund to involuntarily redeem shares held by a shareholder upon such conditions as may from time to time be determined by the Trustees and as set forth in a Target Fund's current prospectus.

*Disclosure of Shareholder Holdings.* The Acquiring Funds Trust Declaration specifically requires shareholders, upon demand, to disclose to an Acquiring Fund such information with respect to their ownership of shares of the Acquiring Fund, whether direct or indirect, as the Trustees may deem necessary in order to comply with various laws or regulations or for such other purpose as the Trustees may decide. The Acquiring Fund may disclose such ownership information if required by law or regulation, or as the Trustees otherwise decide.

The Diamond Hill Governing Documents do not contain a similar provision.

*Derivative Actions*. The Acquiring Funds Trust Declaration provides a detailed process for the bringing of derivative actions by shareholders in order to permit legitimate inquiries and claims while avoiding the time, expense, distraction, and other harm that can be caused to an Acquiring Fund or its shareholders as a result of spurious shareholder demands and derivative actions. Prior to bringing a derivative action, a demand by no fewer than three unrelated shareholders must be made on the Trustees. The Acquiring Funds Trust Declaration details information, certifications, undertakings and acknowledgements that must be included in the demand. The Trustees of the Acquiring Funds Trust are not required to consider a demand that is not submitted in accordance with the requirements contained in the Acquiring Funds Trust Declaration. The Acquiring Funds Trust Declaration also requires that, in order to bring a derivative action, the complaining shareholders must be joined in the action by shareholders owning, at the time of the alleged wrongdoing, at the time of demand, and at the time the action is commenced, shares representing at least 5% of the voting power of the affected funds. The Trustees of the Acquiring Funds Trust have a period of 90 days, which may be extended for an additional period not to exceed 60 days, to consider the demand. If a majority of the Trustees who are considered independent for the purposes of considering the demand determine that a suit should be maintained, then the Acquiring Funds Trust will commence the suit and the suit will proceed directly and not derivatively. If a majority of the Acquiring Funds Trust's independent Trustees determines that maintaining the suit would not be in the best interests of the Acquiring Fund, the Trustees are required to reject the demand and the complaining shareholders may not proceed with the derivative action unless the shareholders are able to sustain the burden of proof to a court that the decision of the Trustees not to pursue the requested action was not consistent with the standard of performance required of the Trustees in performing their duties. If a demand is rejected, the complaining shareholders will be responsible for the costs and expenses (including attorneys' fees) incurred by the Trust in connection with the consideration of the demand, if, in the judgment of the Acquiring Funds Trust's independent Trustees, the demand was made without reasonable cause or for an improper purpose. If a derivative action is brought in violation of the Acquiring Funds Trust Declaration, the shareholders bringing the action may be responsible for the Fund's costs, including attorneys' fees.

The Acquiring Funds Trust Declaration further provides that an Acquiring Fund shall be responsible for payment of attorneys' fees and legal expenses incurred by a complaining shareholder only if required by law, and any attorneys' fees that the Acquiring Fund is obligated to pay shall be calculated using reasonable hourly rates. The Acquiring Funds Trust Declaration further provides that no provision of the Acquiring Funds Trust Declaration will be effective to require a waiver of compliance with any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the 1940 Act, or of any valid rule, regulation or order of the Commission thereunder.

Under the Diamond Hill Declaration, no action may be brought by a shareholder of the Target Fund on behalf of the Diamond Hill Trust unless a prior demand regarding such matter has been made on the Trustees and shareholders of the Trust.

*Forum Selection*: The Acquiring Funds Trust Declaration requires that actions by shareholders against the Acquiring Funds Trust or an Acquiring Fund be brought only in the U.S. District Court for the District of Maryland (Baltimore Division), or if such action may not be brought in that court, then such action shall be brought in the Circuit Court for Baltimore City and that the right to jury trial be waived to the fullest extent permitted by law.

The Diamond Hill By-Laws provide for the exclusive forum of the courts of the State of Ohio sitting in Franklin County and the United States District Court for the Southern District of Ohio, Eastern Division shall, to the fullest extent permitted by law, for (i) any action against the Diamond Hill Trust, its Trustees or officers, its investment adviser or manager, or its transfer, shareholder servicing or similar agent related to, arising out of or concerning the Trust, its business or its operations (ii) any derivative action or proceeding brought on behalf of the Diamond Hill Trust, (iii) any action asserting a claim of breach of any duty owed by any Trustee or officer or other employee of the Diamond Hill Trust to the Trust or to the shareholders of the Trust, (iv) any action asserting a claim against the Diamond Hill Trust or any Trustee or officer or other employee of the Trust arising pursuant to any provision of the Ohio Code, the Diamond Hill Declaration or By-Laws, or (v) any action to interpret, apply, enforce or determine the validity of the Diamond Hill Declaration or By-Laws, except if otherwise determined by the Trustees (collectively, "Covered Actions"). If a shareholder of the Diamond Hill Trust commences a Covered Action in other than those courts without the written consent of the Trust, then, except as prohibited by applicable law, each such shareholder is obligated, jointly and severally, to reimburse the Trust and any Trustee or officer of the Trust made a party to such proceeding for the costs and expenses (including attorneys' fees) incurred in connection with any successful action on behalf of the Diamond Hill Trust to enforce the forum selection requirement.

*Preemptive Rights.* Under the Acquiring Funds Trust Declaration, shareholders of an Acquiring Fund are not entitled to any appraisal rights with respect to their shares and, except as the Trustees may determine, shall have no preemptive, conversion, exchange or similar rights.

Under the Diamond Hill Declaration, shareholders of the Target Fund have no preemptive or other rights to receive, purchase or subscribe for any additional shares.

*Amendments to Governing Documents*. The Acquiring Funds Trust Declaration generally may be amended by action of a majority of the Trustees without the vote of shareholders, but no amendment may be made to the Acquiring Funds Trust Declaration that impairs the exemption from personal liability granted in the Acquiring Funds Trust Declaration to persons who are or have been shareholders, Trustees, officers or, employees of the Acquiring Funds Trust or that limits the rights to indemnification, advancement of expenses or insurance provided in the Acquiring Funds Trust Declaration with respect to actions or omissions of persons entitled to indemnification, advancement of expenses or insurance under the Acquiring Funds Trust Declaration prior to the amendment. The Acquiring Funds Trust By-Laws may be amended by action of a majority of the Trustees.

The Diamond Hill Declaration may be amended by vote of a majority of the Trustees without the vote of shareholders except that any amendment to the Diamond Hill Declaration that adversely affects the rights of any shareholder with respect to which such amendment is or purports to be applicable, requires a majority shareholder vote and provided that no amendment shall repeal the limitations on personal liability of any shareholder or Trustee or repeal the prohibition on assessment upon the shareholders without the express consent of each shareholder or Trustee involved. The Diamond Hill By-Laws may be amended by action of a majority of the Trustees.

## Capitalization

The following tables set forth the unaudited capitalization of each Target Fund and each Acquiring Fund as of the date set out below, and on a pro forma basis as of that date, giving effect to the proposed acquisition of assets at net asset value. The pro forma capitalization information is for informational purposes only. No assurance can be given as to how many shares of the applicable Acquiring Fund shareholders of a Target Fund will receive on the Closing Date, and the information below should not be relied upon to reflect the number of shares of the Acquiring Fund that actually will be received.

**Pro Forma Combined Capitalization Table**
**Diamond Hill Corporate Credit Fund and**
**BrandywineGLOBAL – Corporate Credit Fund**
**As of February 28, 2021 (Unaudited)**

| | Target Fund | Acquiring Fund | Pro Forma Adjustments* | Pro Forma Acquiring Fund |
|---|---|---|---|---|
| **Investor Class / Class A:** | | | | |
| Net Assets | $ 195,904,374.71 | — | $ 407,706.85 | $ 196,312,081.56 |
| Shares outstanding | 16,590,843.79 | — | N/A | 16,590,843.79 |
| Net Asset Value Per Share | $ 11.81 | — | $ 0.02 | $ 11.83 |
| **Class I:** | | | | |
| Net Assets | $1,840,427,735.54 | — | $3,830,210.50 | $1,844,257,946.04 |
| Shares outstanding | 156,429,497.05 | — | N/A | 156,429,497.05 |
| Net Asset Value Per Share | $ 11.77 | — | $ 0.02 | $ 11.79 |
| **Class Y / IS:** | | | | |
| Net Assets | $ 104,027,803.25 | — | $ 216,497.71 | $ 104,244,300.96 |
| Shares outstanding | 8,845,723.08 | — | N/A | 8,845,723.08 |
| Net Asset Value Per Share | $ 11.76 | — | $ 0.02 | $ 11.78 |

* The Target Fund values its fixed income securities at the last closing bid price, whereas the Acquiring Fund values its fixed income securities at the mean of the last closing bid and asked prices. The Pro Forma Adjustments represents the impact of this change in valuation policy.

**Pro Forma Combined Capitalization Table**
**Diamond Hill High Yield Fund and**
**BrandywineGLOBAL – High Yield Fund**
**As of February 28, 2021 (Unaudited)**

| | Target Fund | Acquiring Fund | Pro Forma Adjustments* | Pro Forma Acquiring Fund |
|---|---|---|---|---|
| **Investor Class / Class A:** | | | | |
| Net Assets | $ 61,813,723.85 | — | $ 129,526.34 | $ 61,943,250.19 |
| Shares outstanding | 5,408,439.74 | — | N/A | 5,408,439.74 |
| Net Asset Value Per Share | $ 11.43 | — | $ 0.02 | $ 11.45 |
| **Class I:** | | | | |
| Net Assets | $790,479,660.57 | — | $1,656,394.85 | $792,136,055.42 |
| Shares outstanding | 69,124,325,87 | — | N/A | 69,124,325.87 |
| Net Asset Value Per Share | $ 11.44 | — | $ 0.02 | $ 11.46 |
| **Class Y / IS:** | | | | |
| Net Assets | $ 46,300,114.22 | — | $ 97,018.65 | $ 46,397,132.87 |
| Shares outstanding | 4,044,072.51 | — | N/A | 4,044,072.51 |
| Net Asset Value Per Share | $ 11.45 | — | $ 0.02 | $ 11.47 |

* The Target Fund values its fixed income securities at the last closing bid price, whereas the Acquiring Fund values its fixed income securities at the mean of the last closing bid and asked prices. The Pro Forma Adjustments represents the impact of this change in valuation policy.

### Other Business

The Target Funds' Board does not intend to present any other business at the Meeting. If, however, any other matters are properly brought before the Meeting or any adjournment or postponement thereof, the persons named as proxies will vote thereon in accordance with their discretion.

### Shareholder Communications with the Board

The Target Funds' Board believes that it is important for shareholders to have a process to send communications to the Board. Accordingly, pursuant to the Trust's "Policy Regarding General Shareholder Communications to the Board of Trustees of the Diamond Hill Trust," a shareholder of the Trust wishing to communicate with the Board may do so in writing, signed by the shareholder and setting forth: (a) the name and address of the shareholder; (b) the number of shares owned by the shareholder; (c) the Fund or Funds in which the shareholder owns shares; and (d) if the shares are owned indirectly through a broker or other record owner, the name of the broker or other record owner. These communications should be addressed as follows: Secretary, Diamond Hill Funds, 325 John H. McConnell Boulevard, Suite 200, Columbus, Ohio 43215.

The Secretary of the Trust is responsible for collecting, reviewing, and organizing all properly submitted shareholder communications. With respect to each properly-submitted shareholder communication, the Secretary, in most instances, either will: (i) provide a copy of the communication to the appropriate Committee of the Board or to the full Board at the Committee's or Board's next regularly-scheduled meeting; or (ii) if the Secretary determines that the communication requires more immediate attention, forward the communication to the appropriate Committee of the Board or to the full Board promptly after receipt.

The Secretary, in good faith, may determine that a shareholder communication should not be provided to the appropriate Committee of the Board or to the full Board because the communication: (i) does not reasonably relate to the Trust or the Trust's operations, management, activities, policies, service providers, Board, or one of the Committees of the Board, officers, or shareholders, or other matters relating to an investment in the Trust; or (ii) is ministerial in nature (such as a request for Trust literature, share data, or financial information).

### Voting Information

This Proxy Statement/Prospectus is furnished in connection with a solicitation of proxies by the Target Funds' Board to be used at the Meeting. This Proxy Statement/Prospectus, along with the Notice of Special Meeting and a proxy card, are first being mailed to shareholders of each Target Fund on or about April 12, 2021 or as soon as practicable thereafter. Only shareholders of record as of the close of business on the Record Date will be entitled to notice of, and to vote at, the Meeting, and at any adjournments or postponements thereof. If the enclosed proxy card is properly completed, signed and dated and returned in time to be voted at the Meeting, the proxies named thereon will vote the shares represented by the proxy card in accordance with the instructions marked thereon. Unmarked but properly signed and dated proxy cards will be voted "FOR" approval of the applicable Reorganization Agreement and "FOR" any other matters the proxies deem appropriate. Please see Appendix B to this Proxy Statement/Prospectus for instructions on how to sign your proxy card. The inspectors of election will treat abstentions and "broker non-votes" (*i.e.,* proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares on a particular matter with respect to which the brokers or nominees do not have discretionary power) as present for purposes of determining whether a quorum exists. Broker non-votes are not expected with respect to the matters to be voted on, because brokers are required to receive instructions from the beneficial owners or persons entitled to vote in order to submit proxies.

A shareholder may revoke a proxy at any time prior to its exercise at the Meeting by (1) submitting to the applicable Target Fund a subsequently executed proxy, (2) delivering to the applicable Target Fund a written notice of revocation (addressed to the Assistant Secretary at the principal executive office of the Target Fund at the address shown at the beginning of this Proxy Statement/Prospectus) or (3) otherwise giving notice of revocation at the Meeting. Merely attending the Meeting, however, will not revoke any previously executed proxy. Unless revoked, all valid and executed proxies will be voted in accordance with the specifications thereon or, in the absence of such specifications, for approval of the Reorganization Agreement and the Reorganization contemplated thereby. Even if you plan to attend the Meeting, we ask that you sign, date and return the enclosed proxy card or authorize your vote by telephone or Internet. This will help us ensure that an adequate number of shares are present for the Meeting to be held. Votes cast by proxy or in person at the Meeting will be tabulated by the inspectors of election appointed for the Meeting. The inspectors of election will determine whether or not a quorum is present at the Meeting.

Broker/dealer firms holding shares of the Target Fund in “street name” for the benefit of their customers and clients will request the instructions of such customers and clients on how to vote their shares with respect to approval of the Reorganization Agreement before the Meeting. The NYSE takes the position that a broker/dealer that is a member of the NYSE and that has not received instructions from a customer or client prior to the date specified in the broker/dealer firm’s request for voting instructions may not vote such customer’s or client’s shares with respect to approval of the Reorganization Agreement. A signed proxy card or other authorization by a beneficial owner of Target Fund shares that does not specify how the beneficial owner’s shares should be voted on the applicable proposals may be deemed an instruction to vote such shares in favor of the proposals.

If you hold shares of a Target Fund through a bank or other financial institution or intermediary (called a Service Agent) that has entered into a service agreement with the Target Fund or the distributor of the Target Fund, the service agent may be the record holder of your shares. At the Meeting, a Service Agent will vote shares for which it receives instructions from its customers in accordance with those instructions. A signed proxy card or other authorization by a shareholder that does not specify how the shareholder’s shares should be voted on the applicable proposals may be deemed an instruction to vote such shares in favor of the proposals. Depending on its policies, applicable law or contractual or other restrictions, a service agent may be permitted to vote shares with respect to which it has not received specific voting instructions from its customers. In those cases, the Service Agent may, but may not be required to, vote such shares in the same proportion as those shares for which the service agent has received voting instructions.

If you beneficially own shares that are held in “street name” through a broker/dealer or that are held of record by a Service Agent, and if you do not give specific voting instructions for your shares, they may not be voted at all or, as described above, they may be voted in a manner that you may not intend. Therefore, you are strongly encouraged to give your broker/dealer or service agent specific instructions as to how you want your shares to be voted.

Satisfactory evidence of ownership of Fund shares will be required to vote at the Meeting. If you plan to attend the Meeting at the location specified in the notice, we request that you bring photographic identification and a copy of the proxy card included with this Proxy Statement.

***Proxy Solicitation***

The Target Funds’ Board is making this proxy solicitation. Diamond Hill will be responsible for the cost of preparing and mailing this Proxy Statement, the accompanying Notice of Special Meeting, the proxy card and any additional materials relating to the meeting, which is anticipated to total between $225,000 and $250,000. In addition to solicitation by mail, solicitations also may be made by email, facsimile transmission (“fax”) or other electronic media, or personal contacts. Diamond Hill will request that broker/dealer firms, custodians, nominees, and fiduciaries forward proxy materials to the beneficial owners of the shares of record. Diamond Hill/The Target Funds may reimburse broker/dealer firms, custodians, nominees, and fiduciaries for their reasonable expenses incurred in connection with such proxy solicitation. In addition, officers and employees of Diamond Hill, Brandywine Global and their respective affiliates, without extra compensation, may conduct additional solicitations by telephone, fax, email and personal interviews. Diamond Hill Funds has engaged Broadridge Financial Solutions, Inc. to solicit proxies from brokers, banks, institutional holders and individual shareholders at an anticipated cost of $150,000, including out of pocket expenses, which will be borne by Diamond Hill. Fees and expenses may be greater depending on the effort necessary to obtain shareholder votes.

***Quorum***

The presence in person or by proxy of the holders of record of one-third of a Target Fund’s shares outstanding and entitled to vote at the Meeting constitutes a quorum for each Target Fund.

### *Vote Required*

The affirmative vote of a majority of the outstanding voting securities of each Target Fund is required to approve the Reorganization Agreement with respect to that Fund's reorganization, which under applicable law means the vote of the lesser of: (a) 67% or more of the shares of the Target Fund entitled to vote thereon present at the Meeting, if the holders of more than 50% of such outstanding shares are present at the Meeting or represented by proxy, or (b) more than 50% of the voting power of the shares of the Target Fund entitled to vote thereon.

### *Effect of Abstentions and Broker "Non-Votes"*

For purposes of determining the presence of a quorum for transacting business at the Meeting, executed proxies marked as abstentions and "broker non-votes," if any (*i.e.,* proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares on a particular matter with respect to which the brokers or nominees do not have discretionary power, but as noted above, broker non-votes are not expected with respect to the matters to be voted on), will be treated as shares that are present for quorum purposes but which have not been voted. Accordingly, abstentions and broker non-votes will have the effect of a vote against approval of the Reorganization. *As a result, shareholders are urged to sign and date their proxy card and forward their voting instructions promptly.*

### *Adjournments*

If (a) a quorum is not present at the meeting, or (b) a quorum is present but sufficient votes in favor of a proposal have not been obtained, then the meeting may be adjourned from time to time by the vote of a majority of the shares represented at the Meeting, whether or not a quorum is present, to permit further solicitation of proxies. The persons named as proxies may also adjourn the Meeting for any other reason in their discretion. Any adjourned meeting may be held, within a reasonable time after the date set for the original Meeting, without the necessity of further notice unless a new record date of the adjourned Meeting is fixed. The persons named as proxies will vote those proxies that such persons are required to vote FOR the proposal, as well as proxies for which no vote has been directed, in favor of such an adjournment and will vote those proxies required to be voted AGAINST such proposal against such adjournment. In determining whether to vote for adjournment, the persons named as proxies shall consider all relevant factors, including the nature of the proposal, the percentage of votes then cast, the percentage of negative votes then cast, the nature of the proposed solicitation activities and the nature of the reasons for such further solicitation, in determining that an adjournment and additional solicitation is reasonable and in the interests of shareholders. At any adjourned Meeting, the Trust may transact any business which might have been transacted at the original Meeting.

### *Future Shareholder Proposals*

The Target Funds do not hold annual meetings of shareholders. A shareholder proposal intended to be presented at a future special meeting of shareholders of a Target Fund must be received at the offices of the Target Fund, 325 John H. McConnell Boulevard, Suite 200, Columbus, Ohio 43215, in accordance with the time periods set forth for advance notice in the bylaws applicable to the Target Fund or, if no such time period is specified, at a reasonable time before the Target Fund begins to print and mail its proxy materials. Timely submission of a proposal does not guarantee that such proposal will be included in a proxy statement.

### *Record Date and Outstanding Shares*

Only shareholders of record of a Target Fund at the close of business on the Record Date are entitled to notice of and to vote at the Meeting and at any postponements or adjournments thereof. The chart below lists the number of Investor Class shares (formerly Class A shares), Class I shares and Class Y shares of each Target Fund that were outstanding and entitled to vote as of the close of business on the Record Date.

Diamond Hill Corporate Credit Fund

| Class | Total Shares Outstanding |
|---|---|
| Investor Shares (formerly Class A) | 16,864,352.893 |
| Class I | 157,876,705.538 |
| Class Y | 7,558,990.991 |

Diamond Hill High Yield Fund

| Class | Total Shares Outstanding |
|---|---|
| Investor Shares (formerly Class A) | 5,720,470.322 |
| Class I | 74,767,593.503 |
| Class Y | 3,827,796.637 |

To the knowledge of the Funds, as of the Record Date, except as set forth on Appendix C, no person owned beneficially or of record 5% or more of any class of a Target Fund's outstanding shares.

To the knowledge of the Funds, as of March 31, 2021, less than 1% of the outstanding shares of each Target Fund were owned directly or beneficially in the aggregate by the Board members and officers of each Target Fund and each Acquiring Fund.

**THE BOARD OF EACH TARGET FUND, INCLUDING THE INDEPENDENT BOARD MEMBERS, UNANIMOUSLY RECOMMENDS APPROVAL OF THE REORGANIZATION AGREEMENT FOR THAT TARGET FUND.**

**ANY SIGNED AND DATED, BUT UNMARKED, PROXIES WITHOUT INSTRUCTIONS TO THE CONTRARY WILL BE VOTED IN FAVOR OF APPROVAL OF THE RELEVANT REORGANIZATION AGREEMENT.**

By order of the Boards of Trustees,

Thomas E. Line
President
Diamond Hill Funds

## INDEX OF APPENDICES

**APPENDIX A**

**Form of Agreement and Plan of Reorganization**

This AGREEMENT AND PLAN OF REORGANIZATION ("Agreement") is made as of this [ ] day of [ ], 2021, by and among Legg Mason Partners Equity Trust, a Maryland statutory trust (the "Acquiring Trust"), with its principal place of business at 620 Eighth Avenue, New York, New York 10018, on behalf of its series Brandywine GLOBAL—[ ] Fund (the "Acquiring Fund" or a "Fund"), and Diamond Hill Funds, an Ohio business trust (the "Target Trust"), with its principal place of business at 325 John H. McConnell Blvd., Suite 200, Columbus, Ohio, on behalf of its series Diamond Hill [ ] Fund (the "Target Fund" or a "Fund"), and, solely for purposes of paragraph 10.2 hereof, Brandywine Global Investment Management, LLC ("Brandywine Global") and Diamond Hill Capital Management, Inc. ("Diamond Hill").

WHEREAS, Acquiring Fund is a series of the Acquiring Trust, an open-end management investment company registered pursuant to the Investment Company Act of 1940, as amended (the "1940 Act");

WHEREAS, Target Fund is a series of the Target Trust, an open-end management investment company registered pursuant to the 1940 Act;

WHEREAS, it is intended that, for United States federal income tax purposes (i) the transactions contemplated by this Agreement constitute a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) this Agreement constitutes a plan of reorganization within the meaning of Section 368 of the Code and Treasury Regulations Section 1.368-2(g);

WHEREAS, the reorganization will consist of (1) the sale, assignment, conveyance, transfer and delivery of all of the property and assets of the Target Fund to the Acquiring Fund in exchange solely for shares of beneficial interest of the Acquiring Fund (the "Acquiring Fund Shares") of the classes corresponding to the classes of outstanding shares of beneficial interest of the Target Fund (the "Target Fund Shares"), as described herein, and the assumption by the Acquiring Fund of all liabilities of the Target Fund, and (2) the distribution of the Acquiring Fund Shares to the shareholders of the Target Fund in complete liquidation of the Target Fund and the termination of the Target Fund as a series of the Target Trust, as provided herein (the "Reorganization"), all upon the terms and conditions hereinafter set forth in this Agreement;

WHEREAS, the Target Fund currently owns securities and other assets that are generally assets of the character in which the Acquiring Fund is permitted to invest;

WHEREAS, the Board of Trustees of the Acquiring Trust (the "Acquiring Board"), including a majority of its members who are not "interested persons" (as that term is defined in the 1940 Act) of the Acquiring Trust, has determined, with respect to the Acquiring Fund, that the sale, assignment, conveyance, transfer and delivery of all of the property and assets of the Target Fund for Acquiring Fund Shares and the assumption of all liabilities of the Target Fund by the Acquiring Fund is in the best interests of the Acquiring Fund and that the interests of the existing shareholders of the Acquiring Fund will not be diluted as a result of the Reorganization;

WHEREAS, the Board of Trustees of the Target Trust (the "Target Board"), including a majority of its members who are not "interested persons" (as that term is defined in the 1940 Act) of the Target Trust, has determined, with respect to the Target Fund, that the sale, assignment, conveyance, transfer and delivery of all of the property and assets of the Target Fund for Acquiring Fund Shares and the assumption of all liabilities of the Target Fund by the Acquiring Fund is in the best interests of the Target Fund and that the interests of the existing shareholders of the Target Fund will not be diluted as a result of the Reorganization; and

WHEREAS, in this Agreement, any references to a Fund taking action shall mean and include all necessary actions of the Acquiring Trust or Target Trust, as applicable, on behalf of the Fund, unless the context of this Agreement or the 1940 Act requires otherwise;

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter set forth, the parties hereto covenant and agree as follows:

## 1. TRANSFER OF ASSETS OF THE TARGET FUND TO THE ACQUIRING FUND IN EXCHANGE FOR ACQUIRING FUND SHARES, ASSUMPTION OF ALL TARGET FUND LIABILITIES AND TERMINATION OF THE TARGET FUND

1.1 (a) Subject to requisite approvals and the other terms and conditions herein set forth and on the basis of the representations and warranties contained herein, the Target Trust, on behalf of the Target Fund, agrees to sell, assign, convey, transfer and deliver all of the Target Fund's Assets, as defined and set forth in paragraph 1.2, to the Acquiring Fund, and the Acquiring Trust, on behalf of the Acquiring Fund, agrees in exchange therefor: (i) to deliver to the Target Fund the number, determined in accordance with paragraph 2.3, of full and fractional Acquiring Fund Shares of each class corresponding to a class of Target Fund Shares as of the time and date set forth in paragraph 3.1, determined by dividing the value of the Target Fund's net assets attributable to that class of Target Fund Shares (computed in the manner and as of the time and date set forth in paragraph 2.1) by the net asset value of one share of the corresponding class of Acquiring Fund Shares (computed in the manner and as of the time and date set forth in paragraph 2.2); and (ii) to assume all of the Target Fund's Liabilities (as defined and set forth in paragraph 1.2). Such transactions shall take place on a closing date as provided for in paragraph 3.1 (the "Closing Date"). For purposes of this Agreement, the Investor Class shares of the Target Fund correspond to the Class A shares of the Acquiring Fund, the Class I shares of the Target Fund correspond to the Class I shares of the Acquiring Fund, and the Class Y shares of the Target Fund correspond to the Class IS shares of the Acquiring Fund, and the terms "Target Fund Shares" and "Acquiring Fund Shares" shall be read to include the Investor Class shares, Class I shares and Class Y shares of the Target Fund and the Class A shares, Class I shares and Class IS shares of the Acquiring Fund, respectively.

1.2 The property and assets of the Target Trust attributable to the Target Fund to be sold, assigned, conveyed, transferred and delivered to and acquired by the Acquiring Trust, on behalf of the Acquiring Fund, shall consist of all assets and property of every kind and nature of the Target Fund, including, without limitation, all rights, receivables (including dividend, interest and other receivables), cash, cash equivalents, claims (whether absolute or contingent, known or unknown), securities, commodities and futures interests, good will and other intangible property, any deferred or prepaid expenses and all interests, rights, privileges and powers, that the Target Fund owns at the Valuation Date (as defined in paragraph 2.1) (collectively, "Assets"). The Acquiring Trust, on behalf of the Acquiring Fund, shall assume all of the liabilities and obligations of the Target Fund, whether accrued or contingent, known or unknown, existing at the Valuation Date except for (a) obligations of the Target Fund arising under this Agreement and (b) all expenses borne by any person or entity other than the Target Fund pursuant to paragraph 10.2 (such assumed liabilities and obligations, collectively, "Liabilities"). The Target Fund will sell, assign, convey, transfer and deliver to the Acquiring Trust, on behalf of the Acquiring Fund, any rights, payments, stock dividends, or other securities received by the Target Fund after the Closing Date as payments, stock dividends or other distributions on or with respect to the Assets transferred, which rights, payments, stock dividends, and other securities shall be deemed included in the property and assets transferred to the Acquiring Trust, on behalf of the Acquiring Fund, at the Closing Date and shall not be separately valued, in which case any such distribution that remains unpaid as of the Closing Date shall be included in the determination of the value of the Assets acquired by the Acquiring Trust on behalf of the Acquiring Fund.

1.3 (a) At least ten business days prior to the Valuation Date, the Target Fund will provide the Acquiring Fund with a schedule of the securities and other assets and Liabilities of the Target Fund. Prior to the execution of this Agreement, the Acquiring Fund has provided the Target Fund with a copy of its current investment objective, investment policies, principal investment strategies, and restrictions and will provide the Target Fund with a written notice of any changes thereto through the Valuation Date. The Target Fund reserves the right to sell any of the securities or other assets shown on the schedule it provides to the Acquiring Fund pursuant to this paragraph 1.3(a) in the ordinary course, including as necessary to meet distribution and redemption requirements prior to the Valuation Time but will not, without the prior approval of the Acquiring Fund, acquire any additional securities other than securities which the Acquiring Fund may purchase in accordance with its stated investment objective and policies.

(b) At least five business days prior to the Valuation Date, the Acquiring Fund will advise the Target Fund of any investments of the Target Fund shown on the Target Fund's schedule provided pursuant to paragraph 1.3(a) which the Acquiring Fund would not be permitted to hold (i) under its investment objective, principal investment strategies or investment restrictions; (ii) under applicable Law; or (iii) because the transfer of such investments would result in material operational or administrative difficulties to the Acquiring Fund in connection with facilitating the orderly transition of the Target Fund's Assets. Under such circumstances, to the extent practicable, the Target Fund will, if requested by the Acquiring Fund and, to the extent permissible and consistent with the Target Fund's own investment objectives and policies and Diamond Hill's fiduciary duties, dispose of such investments prior to the Valuation Date.

1.4 The Target Fund will make reasonable efforts to discharge all of its known Liabilities prior to the Valuation Date. If prior to the Closing either party identifies a liability that the parties mutually agree should not be assumed by the Acquiring Fund, such liability shall be excluded from the Liabilities to be assumed by the Acquiring Fund and shall be listed on a "Schedule of Excluded Liabilities" to be signed by the parties at the Closing.

1.5 On or as soon as practicable prior to the Closing Date, the Target Fund will declare and pay to its shareholders of record one or more dividends so that it will have distributed substantially all of the sum of (i) its investment company taxable income as defined in the Code (computed without regard to any deduction for dividends paid) and (ii) the excess of its investment income excludible from gross income under Section 103 of the Code, if any, over its deductions disallowed under Sections 265 and 171 of the Code ("net tax-exempt income"), in each case for all tax periods ending on or before the Closing Date (but treating the current taxable year as ending on the Closing Date), such that the Target Fund would have no tax liability under Section 852 or Section 4982 of the Code, other than under Section 852(b)(3), for the current and any prior tax periods if the Target Fund's current tax period were to have ended on the Closing Date.

1.6 Immediately following the actions contemplated by paragraph 1.1, the Target Trust shall take such actions as may be necessary or appropriate to complete the liquidation of the Target Fund. To complete the liquidation, the Target Trust, on behalf of the Target Fund, shall (a) on the Closing Date, distribute to the shareholders of record with respect to each class of the Target Fund Shares as of the Closing Date ("Target Fund Shareholders"), on a *pro rata* basis within that share class, the Acquiring Fund Shares of the corresponding class received by the Target Trust, on behalf of the Target Fund, pursuant to paragraph 1.1, (b) on the Closing Date, cancel the shares of the Target Fund and (c) terminate the Target Fund as a series of the Target Trust in accordance with Ohio law. Such distribution and cancellation shall be accomplished, with respect to each class of the Target Fund Shares, by the transfer on the Closing Date of the corresponding class of Acquiring Fund Shares then credited to the account of the Target Fund on the books of the Acquiring Fund to open accounts on the share records of the Acquiring Fund in the names of the Target Fund Shareholders. The aggregate net asset value of the Acquiring Fund Shares of each class to be so credited to each Target Fund Shareholder holding Target Fund Shares of the corresponding class shall be equal to the aggregate net asset value of the Target Fund Shares of that class owned by that Target Fund Shareholder on the Closing Date. All issued and outstanding Target Fund Shares will be cancelled on the books of the Target Fund. The Acquiring Fund shall not issue certificates representing any class of Acquiring Fund Shares in connection with such exchange.

1.7 Ownership of Acquiring Fund Shares will be shown on the books of the Acquiring Fund's transfer agent for the credit of the respective accounts of the Target Fund Shareholders.

1.8 Any reporting responsibility of the Target Fund, including, but not limited to, the responsibility for filing regulatory reports, tax returns for taxable years ending on or prior to the Closing Date, or other documents with the Securities and Exchange Commission ("Commission"), any state securities commission, and, for any taxable year ending on or prior to the Closing Date, any federal, state or local tax authorities or any other relevant regulatory authority, is and shall remain the responsibility of the Target Trust, on behalf of the Target Fund. The Target Trust shall take all reasonable steps to the extent necessary or desirable for these responsibilities to be discharged.

## 2. VALUATION

2.1 The value of the Assets and the amount of the Liabilities shall be determined as of the time for calculation of net asset value as set forth in the then-current prospectus for the Target Fund and after the declaration and payment of any dividends and/or other distributions by the Target Fund, on the Closing Date (such time and date being hereinafter called the "Valuation Date"), computed using the valuation procedures established by the Acquiring Board. All computations of value and amounts shall be made by The Bank of New York Mellon, in its capacity as accounting agent for the Acquiring Fund in accordance with the valuation procedures of the Acquiring Trust established by the Acquiring Board.

2.2. The net asset value per share of each class of Acquiring Fund Shares shall be determined to the nearest full cent on the Valuation Date, using the valuation procedures established by the Acquiring Board. All computations of value shall be made by Bank of New York Mellon, in its capacity as accounting agent for the Acquiring Fund in accordance with the valuation procedures of the Acquiring Trust established by the Acquiring Board.

2.3. The number of full and fractional shares of each class of Acquiring Fund Shares to be issued in exchange for the Assets shall be determined by dividing the value of the net assets with respect to the corresponding class of Target Fund Shares, determined using the same valuation procedures referred to in paragraph 2.1, by the net asset value of that class of Acquiring Fund Shares, determined using the same valuation procedures referred to in paragraph 2.2.

**3. CLOSING AND CLOSING DATE**

3.1 Subject to the terms and conditions set forth herein, the Closing Date shall be [ ], 2021, or such other date as the parties may agree. All acts taking place at the closing of the transactions provided for in this Agreement ("Closing") shall be deemed to take place simultaneously as of the "close of business" on the Closing Date unless otherwise agreed to by the parties. The close of business on the Closing Date shall be as of 4:00 p.m., Eastern Time or such later time on that date as the Target Fund's net asset value is calculated in accordance with paragraph 2.1 and after the declaration and payment of any dividends. The Closing shall take place remotely by means of an electronic exchange of documents and signatures, or shall be held at such place as the parties may agree.

3.2 The Target Trust, on behalf of the Target Fund, shall instruct its custodian, State Street Bank and Trust Company (the "Target Fund Custodian"), to deliver to the Acquiring Trust, on behalf of the Acquiring Fund, at the Closing a certificate of an authorized officer stating that the Assets of the Target Fund have been delivered in proper form to the Acquiring Fund on the Closing Date. The custodian of the Acquiring Fund, The Bank of New York Mellon, shall deliver to Acquiring Trust, on behalf of the Acquiring Fund, at Closing a certificate of an authorized officer stating that the Assets of the Target Fund have been received by the Acquiring Fund in proper form.

3.3 The Target Trust shall direct its transfer agent, Ultimus Fund Solutions, LLC (the "Transfer Agent"), to deliver to the Acquiring Trust at the Closing a certificate of an authorized officer stating that its records contain the name and address of each Target Fund Shareholder and the number and percentage ownership of the outstanding class of Target Fund Shares owned by each such shareholder immediately prior to the Closing. The Acquiring Fund shall deliver to the Secretary of the Target Trust, on behalf of the Target Fund, a confirmation evidencing that (a) the appropriate number of Acquiring Fund Shares have been credited to the Target Fund's account on the books of the Acquiring Fund pursuant to paragraph 1.1 prior to the actions contemplated by paragraph 1.6 and (b) the appropriate number of Acquiring Fund Shares have been credited to the accounts of the Target Fund Shareholders on the books of the Acquiring Fund pursuant to paragraph 1.6. At the Closing, each Fund shall deliver to the other Fund such bills of sale, checks, assignments, share certificates, if any, receipts or other documents as the other Fund or its counsel may reasonably request.

3.4 In the event that on the Valuation Date (a) the New York Stock Exchange or another primary trading market for portfolio securities of the Acquiring Fund or the Target Fund (each, an "Exchange") shall be closed to trading or trading thereupon shall be restricted, or (b) trading or the reporting of trading on such Exchange or elsewhere shall be disrupted so that accurate appraisal of the value of the net assets of the Target Fund or the Acquiring Fund is impracticable (in the judgment of the Acquiring Board or the Target Board), the Closing Date shall be postponed until the first Friday (that is also a business day) after the day when trading shall have been fully resumed and reporting shall have been restored, or such other date as the parties may agree.

**4. REPRESENTATIONS AND WARRANTIES**

4.1 The Target Trust, on behalf of the Target Fund, represents and warrants to the Acquiring Fund as follows:

(a) The Target Fund is duly established as a series of the Target Trust, which is a business trust duly organized, validly existing and in good standing under the laws of the State of Ohio, with power under its Declaration of Trust, as amended or supplemented (the "Charter"), to own all of its assets and to carry on its business as it is being conducted as of the date hereof. The Target Trust is duly qualified to do business as a foreign corporation in each jurisdiction in which the conduct of its business makes such qualification necessary except where the failure to so qualify would not have a material adverse effect on the condition (financial or otherwise), business, properties, net assets or results of operations of the Target Trust. The Target Trust has all necessary federal, state and local authorizations to carry on its business as now being conducted and to fulfill the terms of this Agreement, except as described in paragraph 4.1(c).

(b) The Target Trust is a registered open-end management investment company, and its registration with the Commission as an investment company under the 1940 Act, and the registration of each class of Target Fund Shares under the Securities Act of 1933, as amended ("1933 Act"), is in full force and effect and the Target Fund is in compliance in all material respects with the 1940 Act and 1933 Act and rules and regulations under each.

(c) No consent, approval, authorization, or order of any court or governmental authority is required for the consummation by the Target Fund of the transactions contemplated herein, except such as may be required under the 1933 Act, the Securities Exchange Act of 1934, as amended ("1934 Act"), the 1940 Act, state securities laws and the Hart-Scott-Rodino Act.

(d) The current prospectus and statement of additional information of the Target Fund (true and correct copies of which have been delivered to the Acquiring Fund) and each prospectus and statement of additional information of the Target Fund used during the five (5) years prior to the date of this Agreement conforms or conformed at the time of its use in all material respects to the applicable requirements of the 1933 Act and the 1940 Act and the rules and regulations of the Commission thereunder and does not or did not at the time of its use include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not materially misleading.

(e) On the Closing Date, the Target Trust, on behalf of the Target Fund, will have good title to the Assets and full right, power and authority to sell, assign, convey, transfer and deliver such Assets hereunder free of any liens or other encumbrances, and upon delivery and payment for the Assets, the Acquiring Trust, on behalf of the Acquiring Fund, will acquire good title thereto, subject to no restrictions on the full transfer thereof, excluding such restrictions as might arise under the 1933 Act.

(f) The Target Fund is not engaged currently, and the execution, delivery and performance of this Agreement by the Target Trust, on behalf of the Target Fund, will not result, in a material violation of Ohio law or of the Charter or the bylaws, as amended, of the Target Trust, or of any agreement, indenture, instrument, contract, lease or other undertaking to which the Target Trust, on behalf of the Target Fund, is a party or by which it is bound, and the execution, delivery and performance of this Agreement by the Target Trust, on behalf of the Target Fund, will not result in the acceleration of any material obligation, or the imposition of any material penalty, under any agreement, indenture, instrument, contract, lease, other undertaking, judgment or decree to which the Target Trust, on behalf of the Target Fund, is a party or by which it is bound.

(g) All material contracts or other commitments of the Target Fund (other than this Agreement and contracts or other commitments entered into in order to effect the transactions contemplated by this Agreement, certain investment contracts, including options, futures, swaps and forward contracts, and those contracts listed in Schedule 4.1(g)) will terminate without liability to the Target Fund on or prior to the Closing Date. Each contract listed in Schedule 4.1(g) is a valid, binding and enforceable obligation of the Target Fund and, to the Target Fund's knowledge, the other parties thereto (assuming due authorization, execution and delivery by the other parties thereto) and the assignment by the Target Fund to the Acquiring Fund of each such contract will not result in the termination of such contract, any breach or default thereunder by the Target Fund or the imposition of any penalty thereunder.

(h) The Target Fund currently complies in all material respects with, and for the five (5) year period ending on the date of this Agreement, has complied in all material respects with, the requirements of, and the rules and regulations under, the 1940 Act, the 1933 Act, the 1934 Act, state "Blue Sky" laws and all other applicable federal and state laws or regulations. The Target Fund currently complies in all material respects with, and for the five (5) year period ending on the date of this Agreement has complied in all material respects with, all investment objectives, policies, guidelines and restrictions and any compliance procedures established by the Target Trust with respect to the Target Fund. All advertising and sales material used by the Target Fund comply in all material respects with, and for the five (5) year period ending on the date of this Agreement has complied in all material respects with, the applicable requirements of the 1933 Act, the 1940 Act, the rules and regulations of the Commission promulgated thereunder, and, to the extent applicable, the Conduct Rules of the Financial Industry Regulatory Authority ("FINRA") and any applicable state regulatory authority.

(i) No litigation or administrative proceeding or investigation of or before any court or governmental body is pending or, to the Target Trust's knowledge, threatened against the Target Trust, with respect to the Target Fund or any of its properties or assets, that, if adversely determined, would materially and adversely affect its financial condition or the conduct of the Target Fund's business. The Target Trust, on behalf of the Target Fund, is not a party to or subject to the provisions of any order, decree or judgment of any court or governmental body that materially and adversely affects the Target Fund's business or the Target Trust's ability to consummate the transactions herein contemplated on behalf of the Target Fund.

(j) The Statement of Assets and Liabilities, Statements of Operations and Changes in Net Assets and Schedule of Investments of the Target Fund (i) as of the last day of and for the fiscal years of the Target Fund ended December 31, 2018, 2019, and 2020 have been audited by Cohen & Company, Ltd., an independent registered public accounting firm, and (ii) as of the last day of and for the fiscal years of the Target Fund ended December 31, 2016 and 2017 were audited by a predecessor independent registered public accounting firm, in each case in accordance with accounting principles generally accepted in the United States of America ("GAAP") consistently applied, and such statements (true and correct copies of which have been furnished to the Target Trust) present fairly, in all material respects, the financial condition of the Target Fund as of such dates and for such periods in accordance with GAAP, and there are no known contingent, accrued or other liabilities of the Target Fund required to be reflected on a balance sheet (including the notes thereto) in accordance with GAAP as of any such date that are not disclosed therein. To the extent applicable, the Statement of Assets and Liabilities, Statements of Operations and Changes in Net Assets and Schedule of Investments (unaudited) of the Target Fund as of the last day of and for the most recently completed fiscal half year of the Target Fund following the date of the most recently completed audited annual statements referenced above are in accordance with GAAP consistently applied, and such statements (true and correct copies of which have been furnished to the Acquiring Fund) present fairly, in all material respects, the financial condition of the Target Fund, and all known contingent, accrued or other liabilities of the Target Fund required to be reflected on a balance sheet (including the notes thereto) in accordance with GAAP as of such date are disclosed therein.

(k) Since the last day of the most recently completed fiscal year of the Target Fund prior to the date of this Agreement, there has not been any material adverse change in the Target Fund's financial condition, assets, liabilities or business, other than changes occurring in the ordinary course of business, or any incurrence by the Target Fund of indebtedness for money borrowed maturing more than one year from the date such indebtedness was incurred. For the purposes of this subparagraph (k), a decline in net asset value per share of Target Fund Shares due to declines in market values of securities held by the Target Fund, the discharge of Target Fund liabilities, or the redemption of Target Fund Shares by shareholders of the Target Fund shall not constitute a material adverse change.

(l) On the Closing Date, all federal and other tax returns, and other tax-related forms and reports of the Target Fund required by law to have been filed by such date (taking into account any extensions) shall have been filed and shall be correct in all material respects, and all federal and other taxes shown as due or required to be shown as due on said returns, forms and reports shall have been paid or provision shall have been made for the payment thereof and, to the best of the Target Trust's knowledge, no such return is currently under audit and no assessment has been asserted with respect to such returns. The Target Fund is in compliance in all material respects with all applicable provisions of the Code and all applicable Treasury regulations pertaining to the reporting of dividends and other distributions on and redemptions of its shares of beneficial interest and to withholding in respect of dividends and other distributions to shareholders and redemption of shares, and is not liable for any material penalties that could be imposed thereunder.

(m) The Target Fund is a separate series of the Target Trust and is treated as a corporation separate from any and all other series of the Target Trust under Section 851(g) of the Code. For each taxable year of its operation (including the taxable year that includes the Closing Date), the Target Fund has met (or, for the taxable year that includes the Closing Date, subject to the accuracy of the representations and warranties in paragraph 4.2(h), expects to meet) the requirements of Subchapter M of Chapter 1 of the Code for qualification and treatment as a "regulated investment company," has had in effect an election to be treated as such, has been (or, for the taxable year that includes the Closing Date, subject to the accuracy of the representations and warranties in paragraph 4.2(h), expects to be) eligible to compute and has computed (or, for the taxable year that includes the Closing Date, subject to the accuracy of the representations and warranties in paragraph 4.2(h), expects to compute) its federal income tax under Section 852 of the Code, and on or before the Closing Date, will have declared and paid dividends sufficient to distribute substantially all of (a) the sum of (i) its net tax-exempt income, (ii) its investment company taxable income (as defined in the Code) (computed without regard to any deduction for dividends paid) and (iii) any net capital gain (as defined in the Code), and (b) any other amounts as necessary, in each case for all tax periods ending on or before the Closing Date, as dividends qualifying for the dividends-paid deduction under Section 562 of the Code, such that the Target Fund will have no tax liability under Section 852 or Section 4982 of the Code for any tax period ending on or before the Closing Date. The Target Fund has no earnings and profits accumulated with respect to any taxable year in which the provisions of Subchapter M of the Code did not apply.

(n) All issued and outstanding Target Fund Shares are, and on the Closing Date will be, duly authorized and validly and legally issued and outstanding, fully paid and non-assessable by the Target Trust, have been offered and sold in any state or territory (including, without limitation, the District of Columbia) in which they have been offered or sold, in compliance in all material respects with applicable registration requirements of all applicable federal and state securities laws and are not subject to preemptive or dissenter's rights. All of the issued and outstanding Target Fund Shares will, at the time of Closing, be held by the persons and in the amounts set forth in the records of the Transfer Agent, on behalf of the Target Fund, as provided in paragraph 3.3. The Target Fund does not have outstanding any options, warrants or other rights to subscribe for or purchase any of the Target Fund Shares, nor is there outstanding any security convertible into any of the Target Fund Shares.

(o) The execution, delivery and performance of this Agreement, and the transactions contemplated herein, have been duly authorized by all necessary action on the part of the Target Board, on behalf of the Target Fund, and this Agreement constitutes a valid and binding obligation of the Target Trust, on behalf of the Target Fund, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights and to general equity principles.

(p) The information regarding the Target Fund and its shares that has been furnished to the Acquiring Trust by the Target Trust for inclusion in the combined proxy statement and prospectus ("Proxy Statement") comprising part of the Registration Statement (as defined in paragraph 5.6), from the effective date of the Registration Statement through the date of the meeting of shareholders of the Target Fund contemplated therein and on the Closing Date, will (i) not contain any statement which, at the time and in light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading (provided that this representation and warranty shall not apply to statements in or omissions from the Proxy Statement made in reliance upon and in conformity with information that was furnished by the Acquiring Trust for use therein) and (ii) comply in all material respects with the provisions of the 1933 Act, 1934 Act and the 1940 Act and the rules and regulations thereunder. The information to be furnished by the Target Fund for use in registration statements and other documents filed or to be filed with any federal, state or local regulatory authority (including the Financial Industry Regulatory Authority ("FINRA")), as may be prepared in connection with the transactions contemplated hereby, shall be accurate and complete in all material respects and shall comply in all material respects with federal securities and other laws and regulations thereunder applicable thereto.

4.2 The Acquiring Trust, on behalf of the Acquiring Fund, represents and warrants to the Target Fund as follows:

(a) The Acquiring Fund is duly established as a series of the Acquiring Trust, which is a statutory trust duly organized, validly existing and in good standing under the laws of the State of Maryland, with the power under its Declaration of Trust, as amended or supplemented (the "Declaration") to own all of its assets and to carry on its business as it is being conducted as of the date hereof. The Acquiring Trust is duly qualified to do business as a foreign corporation (or other entity, as prescribed by applicable law) in each jurisdiction in which the conduct of its business makes such qualification necessary except where the failure to so qualify would not have a material adverse effect on the condition (financial or otherwise), business, properties, net assets or results of operations of the Acquiring Trust. The Acquiring Trust has all necessary federal, state and local authorizations to carry on its business as now being conducted and to fulfill the terms of this Agreement, except as described in paragraph 4.2(c).

(b) The Acquiring Trust is a registered open-end management investment company, and its registration with the Commission as an investment company under the 1940 Act, and the registration of each class of Acquiring Fund Shares under the 1933 Act, is in full force and effect or will be in full force and effect as of the Closing Date.

(c) No consent, approval, authorization, or order of any court or governmental authority is required for the consummation by the Acquiring Fund of the transactions contemplated herein, except such as may be required under the 1933 Act, the 1934 Act, the 1940 Act, state securities laws and the Hart-Scott-Rodino Act.

(d) The Acquiring Trust's registration statement on Form N-1A with respect to the Acquiring Fund that will be in effect on the Closing Date (true and correct copies of which have been delivered to the Target Fund) will conform at the time of its use in all material respects to the applicable requirements of the 1933 Act and the 1940 Act and the rules and regulations of the Commission thereunder and will not at the time of its use include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not materially misleading.

(e) The Acquiring Fund is not engaged currently, and the execution, delivery and performance of this Agreement by the Acquiring Trust, on behalf of the Acquiring Fund, will not result, in a material violation of Maryland law or the Declaration or the bylaws, as amended, of the Acquiring Trust, or of any agreement, indenture, instrument, contract, lease or other undertaking to which the Acquiring Trust, on behalf of the Acquiring Fund, is a party or by which it is bound, and the execution, delivery and performance of this Agreement by the Acquiring Trust, on behalf of the Acquiring Fund, will not result in the acceleration of any material obligation, or the imposition of any material penalty, under any agreement, indenture, instrument, contract, lease, other undertaking, judgment or decree to which the Acquiring Trust, on behalf of the Acquiring Fund, is a party or by which it is bound.

(f) The Acquiring Fund currently complies in all material respects with, and since the time of its formation has complied in all material respects with, the requirements of, and the rules and regulations under, the 1940 Act, the 1933 Act, the 1934 Act, state "Blue Sky" laws and all other applicable federal and state laws or regulations. The Acquiring Fund currently complies in all material respects with, and since the time of its formation has complied in all material respects with, all investment objectives, policies, guidelines and restrictions and any compliance procedures established by the Acquiring Trust with respect to the Acquiring Fund. All advertising and sales material used by the Acquiring Fund comply in all material respects with, and since the time of the Acquiring Fund's formation have complied in all material respects with, the applicable requirements of the 1933 Act, the 1940 Act, the rules and regulations of the Commission promulgated thereunder, and, to the extent applicable, the Conduct Rules of FINRA and any applicable state regulatory authority.

(g) No litigation or administrative proceeding or investigation of or before any court or governmental body is pending or, to the Acquiring Trust's knowledge, threatened against the Acquiring Trust, with respect to the Acquiring Fund, or any of its properties or assets, that, if adversely determined, would materially and adversely affect its financial condition or the conduct of the Acquiring Fund's business. The Acquiring Trust, on behalf of the Acquiring Fund, is not a party to or subject to the provisions of any order, decree or judgment of any court or governmental body that materially and adversely affects the Acquiring Fund's business or the Acquiring Trust's ability to consummate the transactions herein contemplated on behalf of the Acquiring Fund.

(h) Subject to the accuracy of the representations and warranties in paragraph 4.1(m), for the taxable year that includes the Closing Date, Acquiring Trust expects that the Acquiring Fund will meet the requirements of Chapter 1, Part I of Subchapter M of the Code for qualification as a regulated investment company and will be eligible to, and will, compute its federal income tax under Section 852 of the Code. After the Closing, the Acquiring Fund will be a fund that is treated as a separate corporation under Section 851(g) of the Code.

(i) There shall be no issued and outstanding shares of the Acquiring Fund prior to the Closing Date other than a nominal number of shares ("Initial Shares") issued to a seed capital investor (which shall be the investment advisor of the Acquiring Fund or an affiliate thereof) to vote on the investment advisory and sub-advisory contracts, distribution and service plan under Rule 12b-1 of the 1940 Act, this Agreement and other agreements and plans as may be required by the 1940 Act and to take whatever action it may be required to take as the Acquiring Fund's sole shareholders. The Initial Shares have been or will be redeemed by the Acquiring Fund prior to the Closing for the price for which they were issued, and any price paid for the Initial Shares shall at all times have been held by the Acquiring Fund in a non-interest bearing account.

(j) All issued and outstanding Acquiring Fund Shares are, and on the Closing Date will be, duly authorized and validly and legally issued and outstanding, fully paid and non-assessable by the Acquiring Trust and will have been offered and sold in any state or territory (including, without limitation, the District of Columbia) in which they have been offered or sold, in compliance in all material respects with applicable registration requirements of all applicable federal and state securities laws. The Acquiring Fund does not have outstanding any options, warrants or other rights to subscribe for or purchase any Acquiring Fund Shares, nor is there outstanding any security convertible into any Acquiring Fund Shares. All of the Acquiring Fund Shares to be issued and delivered to the Target Trust, for the account of the Target Fund Shareholders, pursuant to this Agreement, will on the Closing Date have been duly authorized and, when so issued and delivered, will be duly and validly and legally issued Acquiring Fund Shares and be fully paid and non-assessable by the Target Trust.

(k) The Acquiring Fund is, and will be at the time of Closing, a newly created series without assets (other than the seed capital provided in exchange for Initial Shares) and without liabilities, created for the purpose of acquiring the assets and assuming the liabilities of the Acquired Fund, and, prior to the Closing, will not carry on any business activities (other than such activities as are customary to the organization of a new series of a registered investment company prior to its commencement of investment operations).

(l) The execution, delivery and performance of this Agreement, and the transactions contemplated herein, have been duly authorized by all necessary action on the part of the Acquiring Board, on behalf of the Acquiring Fund, and this Agreement constitutes a valid and binding obligation of the Acquiring Trust, on behalf of the Acquiring Fund, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights and to general equity principles.

(m) The Proxy Statement to be included in the Registration Statement (as defined in paragraph 5.6), insofar as it relates to the Acquiring Fund and the Acquiring Fund Shares, from the effective date of the Registration Statement through the date of the meeting of shareholders of the Target Fund and on the Closing Date, will (i) not contain any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary to make the statements therein not false or misleading (provided that this representation and warranty shall not apply to statements in or omissions from the Proxy Statement made in reliance upon and in conformity with information that was furnished by the Target Trust for use therein) and (ii) comply in all material respects with the provisions of the 1933 Act and the 1940 Act and the rules and regulations thereunder. The information to be furnished by the Acquiring Fund for use in registration statements and other documents filed or to be filed with any federal, state or local regulatory authority (including FINRA), as may be prepared in connection with the transactions contemplated hereby, shall be accurate and complete in all material respects and shall comply in all material respects with federal securities and other laws and regulations applicable thereto.

## 5. COVENANTS

The Target Trust, on behalf of the Target Fund, and the Acquiring Trust, on behalf of the Acquiring Fund, hereby further covenant as follows:

5.1 The Target Fund and the Acquiring Fund each will operate its business in the ordinary course and shall comply in all material respects with all applicable laws, rules and regulations between the date hereof and the Closing Date, it being understood that such ordinary course of business will include the declaration and payment of customary dividends and other distributions, and any other distribution that may be advisable.

5.2 The Target Trust will call and hold a meeting of the shareholders of the Target Fund to consider and act upon this Agreement and to take all other action necessary to obtain approval of the transactions contemplated herein. As soon as reasonably practicable after the Closing, the Target Trust shall (a) distribute to the Target Fund Shareholders, on a pro rata basis within each share class, the corresponding class of Acquiring Fund Shares received by the Target Trust, on behalf of the Target Fund, pursuant to paragraph 1.1 in cancellation of Target Fund Shares in accordance with Ohio law and (b) terminate the Target Fund as a series of the Target Trust as described in paragraph 1.6.

5.3 The Acquiring Fund Shares to be acquired by the Target Fund hereunder are not being acquired for the purpose of making any distribution thereof, other than in accordance with the terms of this Agreement.

5.4 The Target Trust, on behalf of the Target Fund, will assist in obtaining such information as the Acquiring Fund reasonably requests concerning the beneficial ownership of the Target Fund Shares.

5.5 Subject to the provisions of this Agreement, the Acquiring Trust, on behalf of the Acquiring Fund, and the Target Trust, on behalf of the Target Fund, will each take, or cause to be taken, all action, and do or cause to be done, all things reasonably necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

5.6 The Acquiring Trust, on behalf of the Acquiring Fund, shall prepare and file a Registration Statement on Form N-14 in compliance with the 1933 Act and the 1940 Act and the rules and regulations thereunder with respect to the Reorganization (the "Registration Statement"). The Target Trust, on behalf of the Target Fund, will provide to the Acquiring Fund such information regarding the Target Fund as may be reasonably necessary for the preparation of the Registration Statement.

5.7 The Acquiring Trust, on behalf of the Acquiring Fund, and the Target Trust, on behalf of the Target Fund, will each use all reasonable efforts to fulfill or obtain the fulfillment of the conditions precedent to effect the transactions contemplated by this Agreement as promptly as practicable.

5.8 (a) The Target Trust, on behalf of the Target Fund, will, from time to time, as and when reasonably requested by the Acquiring Fund, execute and deliver or cause to be executed and delivered all such assignments and other instruments and will take or cause to be taken such further action as the Acquiring Trust, on behalf of the Acquiring Fund, may reasonably deem necessary or desirable in order to vest in and confirm (i) the Target Trust's title to and possession of the Acquiring Fund Shares to be delivered hereunder and (ii) the Acquiring Trust's title to and possession of all the Assets, and to otherwise carry out the intent and purpose of this Agreement.

5.9 The Acquiring Trust, on behalf of the Acquiring Fund, will use all reasonable efforts to obtain such approvals and authorizations required by the 1933 Act, the 1940 Act and such of the state blue sky or securities laws as may be necessary in order to continue its operations after the Closing Date.

5.10 The Acquiring Trust shall not change the Declaration or the Acquiring Fund's prospectus or statement of additional information so as to restrict permitted investments for the Acquiring Fund, except as required by the Commission prior to the Closing.

5.11 The Acquiring Fund and the Target Fund intend that the Reorganization will qualify as a reorganization described in Section 368(a)(1)(F) of the Code. Neither the Acquiring Fund nor the Target Fund shall take any action or cause any action to be taken (including, without limitation the filing of any tax return) that is inconsistent with such treatment or results in the failure of the Reorganization to qualify as a reorganization described in Section 368(a)(1)(F) of the Code.

## 6. CONDITIONS PRECEDENT TO OBLIGATIONS OF TARGET TRUST, ON BEHALF OF THE TARGET FUND

The obligations of the Target Trust, on behalf of the Target Fund, to consummate the transactions provided for herein shall be subject, at the Target Trust's election, to the following conditions:

6.1 All representations and warranties of the Acquiring Trust, on behalf of the Acquiring Fund, contained in this Agreement shall be true and correct in all material respects as of the date hereof and, except as they may be affected by the transactions contemplated by this Agreement, as of the Closing Date, with the same force and effect as if made on and as of the Closing Date.

6.2 The Acquiring Trust, on behalf of the Acquiring Fund, shall have performed all of the covenants and complied with all of the provisions required by this Agreement to be performed or complied with by the Acquiring Trust, on behalf of the Acquiring Fund, on or before the Closing Date.

6.3 The Acquiring Trust, on behalf of the Acquiring Fund, shall have executed and delivered an assumption of the Liabilities and all such other agreements and instruments as the Target Trust may reasonably deem necessary or desirable in order to vest in and confirm (a) the Target Fund's title to and possession of the Acquiring Fund Shares to be delivered hereunder and (b) the Acquiring Trust's assumption of all of the Liabilities, and to otherwise carry out the intent and purpose of this Agreement.

6.4 The Acquiring Trust, on behalf of the Acquiring Fund, shall have delivered to the Target Fund a certificate executed in the name of the Acquiring Trust, on behalf of the Acquiring Fund, by the Acquiring Trust's President or Vice President and its Treasurer or Assistant Treasurer, in a form reasonably satisfactory to the Target Fund and dated as of the Closing Date, as to the matters set forth in paragraphs 6.1 and 6.2 and as to such other matters as the Target Fund shall reasonably request.

6.5 The Acquiring Trust, on behalf of the Acquiring Fund, and the Target Trust, on behalf of the Target Fund, shall have agreed on the number of full and fractional Acquiring Fund Shares of each class to be issued in connection with the Reorganization after such number has been calculated in accordance with paragraph 1.1.

## 7. CONDITIONS PRECEDENT TO OBLIGATIONS OF ACQUIRING TRUST, ON BEHALF OF THE ACQUIRING FUND

The obligations of the Acquiring Trust, on behalf of the Acquiring Fund, to consummate the transactions provided for herein shall be subject, at the Acquiring Trust's election, to the following conditions:

7.1 All representations and warranties of the Target Trust, on behalf of the Target Fund, contained in this Agreement shall be true and correct in all material respects as of the date hereof and, except as they may be affected by the transactions contemplated by this Agreement, as of the Closing Date, with the same force and effect as if made on and as of the Closing Date.

7.2 The Target Trust, on behalf of the Target Fund, shall have performed all of the covenants and complied with all of the provisions required by this Agreement to be performed or complied with by the Target Trust, on behalf of the Target Fund, on or before the Closing Date.

7.3 The Target Trust, on behalf of the Target Fund, shall have delivered to the Acquiring Fund a Statement of Assets and Liabilities of the Target Fund as of the Closing Date, including a schedule of investments, certified by the Treasurer of the Target Trust on behalf of the Target Fund. The Target Trust, on behalf of the Target Fund, shall have executed and delivered all such assignments and other instruments of transfer, including transfer instructions to the Target Fund Custodian, as the Acquiring Fund may reasonably deem necessary or desirable in order to vest in and confirm (a) the Target Fund's title to and possession of the Acquiring Fund Shares to be delivered hereunder and (b) the Acquiring Fund's title to and possession of all the Assets and to otherwise carry out the intent and purpose of this Agreement. The Target Trust, on behalf of the Target Fund, shall have delivered to the Acquiring Fund a certificate of an authorized officer stating that all necessary taxes in connection with the delivery of the Assets of the Target Fund, including all applicable federal and state stock transfer stamps, if any, have been paid or provision for payment has been made.

7.4 The Target Trust, on behalf of the Target Fund, shall have delivered to the Acquiring Fund a certificate executed in the name of the Target Trust, on behalf of the Target Fund, by the Target Trust's President or Vice President and its Treasurer or Assistant Treasurer, in a form reasonably satisfactory to the Acquiring Fund and dated as of the Closing Date, as to the matters set forth in paragraphs 7.1 and 7.2 and as to such other matters as the Acquiring Fund shall reasonably request.

7.5 The Target Trust, on behalf of the Target Fund, and the Acquiring Trust, on behalf of the Acquiring Fund, shall have agreed on the number of full and fractional Acquiring Fund Shares of each class to be issued in connection with the Reorganization after such number has been calculated in accordance with paragraph 1.1.

## 8. FURTHER CONDITIONS PRECEDENT TO OBLIGATIONS OF THE TARGET TRUST AND ACQUIRING TRUST

If any of the conditions set forth in paragraph 8.1 or paragraph 8.7 have not been satisfied on or before the Closing Date, the Reorganization contemplated by this Agreement shall not be consummated. If any of the other conditions set forth below have not been satisfied on or before the Closing Date with respect to the Target Fund or the Acquiring Fund, the other party to this Agreement, on behalf of the Target Fund or the Acquiring Fund, as applicable, shall be entitled, at its option, to refuse to consummate the transactions contemplated by this Agreement:

8.1 This Agreement and the transactions contemplated herein shall have been approved by the requisite vote of the holders of the outstanding shares of the Target Fund, in accordance with the provisions of the 1940 Act and the Charter, the bylaws, as amended, of the Target Trust, as applicable, and certified copies of the report of the inspector of elections evidencing such approval, if any such approval is required, shall have been delivered to the Acquiring Fund. Notwithstanding anything herein to the contrary, neither the Target Trust nor the Acquiring Trust may waive the condition set forth in this paragraph 8.1.

8.2 On the Closing Date, no court or governmental agency of competent jurisdiction shall have issued any order that remains in effect and that restrains or enjoins the Target Trust, with respect to the Target Fund, or the Acquiring Trust, with respect to the Acquiring Fund, from completing the transactions contemplated by this Agreement.

8.3 All consents of other parties and all other consents, orders and permits of federal, state and local regulatory authorities deemed necessary by the Target Trust or the Acquiring Trust to permit consummation, in all material respects, of the transactions contemplated hereby shall have been obtained, except where failure to obtain any such consent, order or permit would not involve a risk of a material adverse effect on the assets or properties of the Acquiring Fund or the Target Fund.

8.4 The Registration Statement shall have become effective under the 1933 Act and no stop orders suspending the effectiveness thereof shall have been issued and, to the best knowledge of the parties hereto, no investigation or proceeding for that purpose shall have been instituted or be pending.

8.5 The parties (other than Brandywine Global) shall have received the opinion of Morgan, Lewis & Bockius LLP, dated the Closing Date, substantially to the effect that, based upon certain facts, assumptions and representations and upon certifications made by the Target Trust, on behalf of the Target Fund, and the Acquiring Trust, on behalf of the Acquiring Fund, and their respective authorized officers, for U.S. federal income tax purposes: (i) the Reorganization will constitute a "reorganization" within the meaning of Section 368(a) of the Code, and the Acquiring Fund and the Target Fund will each be a "party to a reorganization" within the meaning of Section 368(b) of the Code; (ii) no gain or loss will be recognized by the Target Fund upon the transfer of the Assets to the Acquiring Fund solely in exchange for the Acquiring Fund Shares and the assumption by the Acquiring Fund of the Liabilities, or upon the distribution of the Acquiring Fund Shares by the Target Fund to its shareholders in liquidation of the Target Fund, except for (A) any gain or loss that may be recognized on the transfer of "section 1256 contracts" as defined in Section 1256(b) of the Code, (B) any gain that may be recognized on the transfer of stock in a "passive foreign investment company" as defined in Section 1297(a) of the Code and (C) any other gain or loss that may be required to be recognized upon the transfer of an asset regardless of whether such transfer would otherwise be a nonrecognition transaction under the Code; (iii) Target Fund Shareholders will not recognize gain or loss on the receipt of the Acquiring Fund Shares solely in exchange for the Target Fund Shares pursuant to the Reorganization; (iv) the aggregate tax basis of the Acquiring Fund Shares received by each Target Fund shareholder pursuant to the Reorganization will be the same as the aggregate tax basis of the Target Fund Shares exchanged therefor; (v) the holding period of the Acquiring Fund Shares received by each Target Fund Shareholder pursuant to the Reorganization will include the holding period of the Target Fund Shares exchanged therefor, provided that the Target Fund Shareholder held the Target Fund Shares as capital assets at the time of the Reorganization; (vi) the Acquiring Fund will not recognize gain or loss upon the receipt of all of the Assets of the Target Fund solely in exchange for the Acquiring Fund Shares and the assumption by the Acquiring Fund of all of the Liabilities; (vii) the tax basis of each asset of the Target Fund transferred to the Acquiring Fund in the Reorganization will be the same in the hands of the Acquiring Fund as the tax basis of such asset in the hands of the Target Fund immediately prior to the transfer thereof, increased by the amount of gain (or decreased by the amount of loss), if any, recognized by the Acquired Fund on the transfer; (viii) the holding period of each asset of the Target Fund transferred to the Acquiring Fund in the Reorganization in the hands of the Acquiring Fund, other than assets to with respect to which gain or loss is required to be recognized, will include the Target Fund's holding for such asset (expect where investment activities of the Acquiring Fund have the effect of reducing or eliminating the holding period with respect to an asset); and (ix) the taxable year of the Target Fund will not end as a result of the Reorganization. Notwithstanding anything herein to the contrary, no party hereto may waive the condition set forth in this paragraph 8.5.

8.6 The requisite shareholders of Diamond Hill [ ] Fund (the "Other Target Fund") shall have approved a similar reorganization between the Target Trust, on behalf of the Other Target Fund, and the Acquiring Trust, on behalf of the [*insert name of other acquiring fund*] (the "Other Reorganization"), and the closing of such Other Reorganization shall occur simultaneously with the Closing on the Closing Date.

8.7 The closing of the transactions contemplated by that certain Asset Purchase Agreement dated February 2, 2021 by and between the Brandywine Global and Diamond Hill Capital Management, Inc. shall occur simultaneously with the Closing on the Closing Date.

8.8 The Acquiring Trust, on behalf of the Acquiring Fund, shall have received on the Closing Date an opinion of Thompson Hine LLP, in a form reasonably satisfactory to the Acquiring Trust, and dated as of the Closing Date, substantially to the effect that, based upon certain facts and certifications made by the Target Trust, on behalf of the Target Fund, and its authorized officers: (a) the Target Trust is a business trust validly existing under the laws of the State of Ohio; (b) the Target Trust, with respect to the Target Fund, has the corporate power to conduct the business of an open-end management investment company as set forth in the Charter; (c) this Agreement has been duly authorized, executed and, assuming delivery by the Target Trust, on behalf of the Target Fund, this Agreement constitutes a valid and legally binding obligation of the Target Trust, on behalf of the Target Fund, enforceable against the Target Trust in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and laws of general applicability relating to or affecting creditors' rights and to general equity principles (whether in a proceeding under equity or at law); provided that Thompson Hine LLP shall be entitled to state that it expresses no opinion with respect to the validity, binding effect or enforceability of any contractual provisions purporting to provide indemnification of any person for any claims, damages, liabilities or expenses which may be limited by any applicable federal or state securities laws or as a matter of public policy; (d) the execution and delivery of this Agreement did not, and the transfer of the Assets for Acquiring Fund Shares and the assumption by the Acquiring Fund of the Liabilities pursuant to this Agreement will not, violate the Charter or the bylaws, as amended, of the Target Trust; (e) to the knowledge of Thompson Hine LLP, all regulatory or court consents, authorizations, approvals, orders or filings required to be obtained or made by the Target Trust, on behalf of the Target Fund, under the federal laws of the United States or the laws of the State of Ohio for the transfer of the Assets for Acquiring Fund Shares and the assumption by the Acquiring Fund of the Liabilities pursuant to this Agreement have been obtained or made, except such as may be required under state securities or blue sky laws as to which Thompson Hine LLP need express no opinion; (f) to the knowledge of Thompson Hine LLP, and without any independent investigation, other than as previously communicated to the Acquiring Trust pursuant to paragraph 4.1 of this Agreement, the Target Fund is not subject to any litigation or administrative proceeding that could reasonably be expected to have a materially adverse effect on the operations of the Target Fund; and (g) the Target Trust is registered as an open-end management investment company with the Commission and the Target Fund is not subject to any stop order. Such opinion may contain such assumptions and limitations as shall be in the opinion of Thompson Hine LLP appropriate to render the opinions expressed therein. Such opinion may state that it is solely for the benefit of the Acquiring Trust and the Acquiring Board.

8.9 The Target Trust, on behalf of the Target Fund, shall have received on the Closing Date an opinion of Morgan, Lewis & Bockius LLP, in a form reasonably satisfactory to the Target Trust, and dated as of the Closing Date, substantially to the effect that, based upon certain facts and certifications made by the Acquiring Trust, on behalf of the Acquiring Fund and its authorized officers: (a) the Acquiring Trust is a statutory trust validly existing under the laws of the State of Maryland; (b) the Acquiring Trust, with respect to the Acquiring Fund, has the Acquiring Trust power to conduct the business of an open-end management investment company as set forth in the Declaration; (c) this Agreement has been duly authorized, executed and, assuming delivery by the Acquiring Trust, on behalf of the Acquiring Fund, this Agreement constitutes a valid and legally binding obligation of the Acquiring Trust, on behalf of the Acquiring Fund, enforceable against the Acquiring Trust in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency, fraudulent transfer, reorganization, receivership, moratorium and other laws affecting the rights and remedies of creditors or secured parties generally and to general equity principles (whether in a proceeding under equity or at law); provided that Morgan, Lewis & Bockius LLP shall be entitled to state that it expresses no opinion with respect to the validity, binding effect or enforceability of any contractual provisions purporting to provide indemnification of any person for any claims, damages, liabilities or expenses that may be limited by any applicable federal or state securities laws or as a matter of public policy; (d) the execution and delivery of this Agreement did not, and the issuance of the Acquiring Fund Shares and the assumption of the Liabilities in exchange for the transfer of the Assets pursuant to this Agreement will not, violate the Declaration or the bylaws, as amended, of the Acquiring Trust; (e) to the knowledge of Morgan, Lewis & Bockius LLP, all regulatory or court consents, authorizations, approvals, orders or filings required to be obtained or made by the Acquiring Trust, on behalf of the Acquiring Fund, under the federal laws of the United States or the laws of the State of Maryland with respect to the issuance of the Acquiring Fund Shares, the receipt of the Assets and the assumption of the Liabilities pursuant to this Agreement have been obtained or made, except such as may be required under state securities or blue sky laws, as to which Morgan, Lewis & Bockius LLP need express no opinion; (f) to the knowledge of Morgan, Lewis & Bockius LLP, and without any independent investigation, other than as previously communicated to the Target Trust pursuant to paragraph 4.2 of this Agreement, the Acquiring Fund is not subject to any litigation or administrative proceeding that could reasonably be expected to have a materially adverse effect on the operations of the Acquiring Fund; and (g) the Acquiring Trust is registered as an open-end management investment company with the Commission and the Acquiring Fund is not subject to any stop order. Such opinion may contain such assumptions and limitations as shall be in the opinion of Morgan, Lewis & Bockius LLP appropriate to render the opinions expressed therein. Such opinion may state that it is solely for the benefit of the Target Trust and the Target Board. With respect to all matters of Maryland law, Morgan, Lewis & Bockius LLP shall be entitled to state that, with the approval of the Target Trust, they have relied on the opinion of Venable LLP and that their opinion is subject to the same assumptions, qualifications and limitations with respect to such matters as are contained in the opinion of Venable LLP.

8.10 The Assets will include no assets which the Acquiring Fund, by reason of limitations contained in the Declaration or in the Acquiring Fund's investment restrictions in effect on the Closing Date, may not properly acquire.

**9. INDEMNIFICATION**

9.1 The Acquiring Trust, out of the Acquiring Fund's assets and property (including any amounts paid to the Acquiring Fund pursuant to any applicable liability insurance policies or indemnification agreements), agrees to indemnify and hold harmless the members of the Target Board and the Target Trust's officers from and against any and all losses, claims, damages, liabilities or expenses (including, without limitation, the payment of reasonable legal fees and reasonable costs of investigation) to which the Target Trust and those members of the Target Board and officers may become subject, insofar as such loss, claim, damage, liability or expense (or actions with respect thereto) arises out of or is based on (a) any breach by the Acquiring Trust, on behalf of the Acquiring Fund, of any of its representations, warranties, covenants or agreements set forth in this Agreement or (b) any act, error, omission, neglect, misstatement, materially misleading statement, breach of duty or other act wrongfully done or attempted to be committed by the Acquiring Trust or the members of the Acquiring Board or the Acquiring Trust's officers prior to the Closing Date, in each case on behalf of the Acquiring Fund, provided that such indemnification by the Acquiring Trust is not (i) in violation of any applicable law or (ii) otherwise prohibited as a result of any applicable order or decree issued by any governing regulatory authority or court of competent jurisdiction.

9.2 The Target Trust, out of the Target Fund's assets and property (including any amounts paid to the Target Fund pursuant to any applicable liability insurance policies or indemnification agreements), agrees to indemnify and hold harmless the members of the Acquiring Board and the Acquiring Trust's officers from and against any and all losses, claims, damages, liabilities or expenses (including, without limitation, the payment of reasonable legal fees and reasonable costs of investigation) to which the Acquiring Trust and those members of the Acquiring Board and officers may become subject, insofar as such loss, claim, damage, liability or expense (or actions with respect thereto) arises out of or is based on (a) any breach by the Target Trust, on behalf of the Target Fund, of any of its representations, warranties, covenants or agreements set forth in this Agreement or (b) any act, error, omission, neglect, misstatement, materially misleading statement, breach of duty or other act wrongfully done or attempted to be committed by the Target Trust or the members of the Target Board or the Target Trust's officers prior to the Closing Date, in each case on behalf of the Target Fund, provided that such indemnification by the Target Trust is not (i) in violation of any applicable law or (ii) otherwise prohibited as a result of any applicable order or decree issued by any governing regulatory authority or court of competent jurisdiction.

**10. BROKER FEES AND EXPENSES**

10.1 The Acquiring Trust, on behalf of the Acquiring Fund, and the Target Trust, on behalf of the Target Fund, represents and warrants that there are no brokers or finders entitled to receive any payments in connection with the transactions provided for herein.

10.2 Brandywine Global will pay all of the direct and indirect expenses and the out-of-pocket costs and expenses of the Reorganization incurred by the Acquiring Fund. Diamond Hill will pay all of the direct and indirect expenses and the out-of-pocket costs and expenses of the Reorganization incurred by the Target Fund (including the cost of printing and mailing the Proxy Statement, accompanying notice of special meeting and proxy card, along with postage and proxy solicitation costs). Notwithstanding any of the foregoing, (a) expenses will in any event be paid by the party directly incurring such expenses if and to the extent that the payment by another person or entity of such expenses would result in a Fund's failure to qualify for treatment as a "regulated investment company" within the meaning of Section 851 of the Code or would prevent the Reorganization from qualifying as a reorganization within the meaning of Section 368(a) of the Code and (b) if any expenses of the Target Fund are to be paid or assumed by a person or entity other than the Target Fund, such person or entity shall pay or assume only those expenses of the Target Fund that are solely and directly related to the Reorganization and will do so only in accordance with the guidelines established in Revenue Rule 73-54, 1973-1 C.B. 187.

**11. ENTIRE AGREEMENT; SURVIVAL OF WARRANTIES**

11.1 The Target Trust and Acquiring Trust each agree that it has not made any representation, warranty or covenant, on behalf of either the Target Fund or Acquiring Fund, respectively, not set forth herein and that this Agreement constitutes the entire agreement between the parties.

11.2 The covenants to be performed after the Closing by both the Target Trust and Acquiring Trust, and the obligations of the Acquiring Trust, on behalf of the Acquiring Fund, and the Target Trust, on behalf of the Target Fund, in Article 9, shall survive the Closing. All other representations, warranties and covenants contained in this Agreement or in any document delivered pursuant hereto or in connection herewith shall not survive the consummation of the transactions contemplated hereunder and shall terminate on the Closing.

**12. TERMINATION**

This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date without penalty to either Fund by resolution of the Acquiring Board or Target Board, if circumstances should develop that, in the opinion of that Board, make proceeding with the Agreement inadvisable with respect to the Acquiring Fund or the Target Fund. Any such termination resolution will be effective when communicated to the other party. The obligations of each of Brandywine Global and Diamond Hill set forth in paragraph 10.2 shall survive termination of this Agreement.

**13. AMENDMENTS**

This Agreement may be amended, modified or supplemented in such manner as may be deemed necessary or advisable by the authorized officers of the Target Trust and Acquiring Trust; provided, however, that following the meeting of the shareholders of the Target Fund called by the Target Fund pursuant to paragraph 5.2 of this Agreement, no such amendment may have the effect of changing the provisions for determining the number of Acquiring Fund Shares to be issued to Target Fund Shareholders under this Agreement to the detriment of such shareholders without their further approval.

**14. NOTICES**

Any notice, report, statement or demand required or permitted by any provisions of this Agreement shall be in writing and shall be given by facsimile, electronic delivery (*i.e.*, e-mail), personal service or prepaid or certified mail addressed to the Target Trust or the Acquiring Trust at its address set forth in the preamble to this Agreement, to the attention of its President.

**15. HEADINGS; COUNTERPARTS; GOVERNING LAW; SEVERABILITY; ASSIGNMENT; LIMITATION OF LIABILITY**

15.1 The article headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

15.2 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

15.3 This Agreement shall be governed by and construed and interpreted in accordance with the internal laws of the State of Maryland.

15.4 This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns, but no assignment or transfer hereof or of any rights or obligations hereunder shall be made by any party without the written consent of the other parties. Nothing herein expressed or implied is intended or shall be construed to confer upon or give any person, firm or corporation, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

15.5 Consistent with the Declaration, the obligations of the Acquiring Trust with respect to the Acquiring Fund, entered into in the name or on behalf of the Acquiring Trust by any of its Trustees, officers, employees or agents are made not individually, but in such capacities, and are not binding upon any of the Acquiring Trust's Trustees, officers, employees, agents or shareholders of the Acquiring Trust, personally, but bind only the assets of the Acquiring Trust belonging to the Acquiring Fund, and all persons dealing with any series or funds of the Acquiring Trust must look solely to the assets of the Acquiring Trust belonging to such series or fund for the enforcement of any claims against the Acquiring Trust.

15.6 Consistent with the Charter, the obligations of the Target Trust with respect to the Target Fund, entered into in the name or on behalf of the Target Trust by any of its Trustees, officers, employees or agents are not made individually, but in such capacities, and are binding only upon the assets and property of the Target Trust belonging to the Target Fund, and all persons having any claim against any series or funds of the Target Trust must look solely to the assets of the Target Trust belonging to the Target Fund for payment of any claims against the Target Trust.

[Remainder of page intentionally left blank.]

**IN WITNESS WHEREOF,** each of the parties hereto has caused this Agreement to be executed by its duly authorized officer.

**DIAMOND HILL FUNDS,**
**on behalf of its series Diamond Hill [ ] Fund**

By: ______________________________
Name:
Title:

**LEGG MASON PARTNERS EQUITY TRUST,**
**on behalf of its series BrandywineGLOBAL – [ ] Fund**

By: ______________________________
Name: Jane Trust
Title: President and Chief Executive Officer

Solely for purposes of paragraph 10.2 of the Agreement:

**BRANDYWINE GLOBAL INVESTMENT MANAGEMENT, LLC**

By: ______________________________
Name:
Title:

Solely for purposes of paragraph 10.2 of the Agreement:

**DIAMOND HILL CAPITAL MANAGEMENT, INC.**

By: ______________________________
Name:
Title:

**APPENDIX B**

## Instructions for Signing the Proxy Card

The following general rules for signing the voting instruction card may be of assistance to you and avoid the time and expense involved in validating your vote if you fail to sign your voting instruction card properly.

1. *Individual Accounts:* Sign your name exactly as it appears in the registration on the voting instruction card.

2. *Joint Accounts:* Either party may sign, but the name of the party signing should conform exactly to the name shown in the registration on the voting instruction card.

3. *All Other Accounts:* The capacity of the individual signing the voting instruction card should be indicated unless it is reflected in the form of registration. For example:

| Registration | Valid Signature |
|---|---|
| **Corporate Accounts** | |
| (1) ABC Corp. | ABC Corp. |
| (2) ABC Corp. | John Doe, Treasurer |
| (3) ABC Corp., c/o John Doe, Treasurer | John Doe |
| (4) ABC Corp. Profit Sharing Plan | John Doe, Trustee |
| **Trust Accounts** | |
| (1) ABC Trust | Jane B. Doe, Trustee |
| (2) Jane B. Doe, Trustee, u/t/d 12/28/78 | Jane B. Doe |
| **Custodial or Estate Accounts** | |
| (1) John B. Smith, Cust., f/b/o John B. Smith, Jr. UGMA | John B. Smith |
| (2) Estate of John B. Smith | John B. Smith Jr., Executor |

APPENDIX C

## 5% Shareholders of the Target Funds

| SHAREHOLDER NAME AND ADDRESS | % OWNERSHIP |
|---|---|
| **DIAMOND HILL CORPORATE CREDIT FUND—INVESTOR SHARES** | |
| CHARLES SCHWAB<br>FOR THE EXCLUSIVE BENEFIT OF CLIENTS<br>101 MONTGOMERY ST<br>SAN FRANCISCO, CA 94104 | 46.36% |
| TD AMERITRADE INC FOR THE<br>EXCLUSIVE BENEFIT OF OUR CLIENTS<br>PO BOX 2226<br>OMAHA, NE 68103-2226 | 15.99% |
| CHARLES SCHWAB & CO INC<br>SPECIAL CUSTODY ACCT FBO CUSTOMERS<br>211 MAIN STREET<br>SAN FRANCISCO, CA 94105 | 12.31% |
| MERRILL LYNCH PIERCE FENNER & SMITH INC<br>FOR THE SOLE BENEFIT OF ITS CUSTOMERS<br>4800 DEER LAKE DR EAST<br>JACKSONVILLE, FL 32246 | 5.88% |
| **DIAMOND HILL CORPORATE CREDIT FUND—CLASS I** | |
| CHARLES SCHWAB<br>FOR THE EXCLUSIVE BENEFIT OF CLIENTS<br>101 MONTGOMERY ST<br>SAN FRANCISCO, CA 94104 | 15.72% |
| WELLS FARGO CLEARING SERVICES, LLC<br>SPECIAL CUSTODY ACCT<br>2801 MARKET STREET<br>SAINT LOUIS, MO 63103 | 11.02% |
| MORGAN STANLEY SMITH BARNEY LLC<br>FOR THE EXCLUSIVE BENEFIT OF ITS CUSTOMERS<br>NEW YORK, NY 10004-1901 | 9.57% |
| PERSHING LLC<br>1 PERSHING PLAZA<br>JERSEY CITY, NJ 07399-0002 | 5.85% |
| **DIAMOND HILL CORPORATE CREDIT FUND—CLASS Y** | |
| NATIONWIDE TRUST COMPANY, FSB<br>C/O IPO PORTFOLIO ACCOUNTING<br>PO BOX 182029<br>COLUMBUS, OHIO 43218-2029 | 10.01% |
| SEI PRIVATE TRUST COMPANY C/O FIRST HORIZON ID 683<br>ATTN MUTUAL FUND ADMIN<br>ONE FREEDOM VALLEY DRIVE<br>OAKS, PA 19456 | 8.39% |

| SHAREHOLDER NAME AND ADDRESS | % OWNERSHIP |
|---|---|
| NATIONAL FINANCIAL SERVICES LLC<br>499 WASHINGTON BLVD<br>JERSEY CITY, NJ 07310 | 7.36% |
| LINCOLN RETIREMENT SERVICES COMPANY<br>FBO TORRANCE HEALTH ASSOC 403B<br>PO BOX 7876<br>FORT WAYNE, IN 46801-7876 | 6.60% |
| NATIONAL FINANCIAL SERVICES LLC<br>499 WASHINGTON BLVD<br>JERSEY CITY, NJ 07310 | 5.03% |
| **DIAMOND HILL HIGH YIELD FUND—INVESTOR SHARES** | |
| CHARLES SCHWAB<br>FOR THE EXCLUSIVE BENEFIT OF CLIENTS<br>101 MONTGOMERY ST<br>SAN FRANCISCO, CA 94104 | 60.62% |
| TD AMERITRADE INC FOR THE<br>EXCLUSIVE BENEFIT OF OUR CLIENTS<br>PO BOX 2226<br>OMAHA, NE 68103-2226 | 25.74% |
| **DIAMOND HILL HIGH YIELD FUND—CLASS I** | |
| PERSHING LLC<br>1 PERSHING PLAZA<br>JERSEY CITY, NJ 07399-0002 | 16.93% |
| CHARLES SCHWAB<br>FOR THE EXCLUSIVE BENEFIT OF CLIENTS<br>101 MONTGOMERY ST<br>SAN FRANCISCO, CA 94104 | 13.57% |
| RAYMOND JAMES<br>OMNIBUS FOR MUTUAL FUNDS HOUSE ACCT FIRM<br>880 CARILLON PKWY<br>ST PETERSBURG, FL 33716 | 10.43% |
| MORGAN STANLEY SMITH BARNEY LLC<br>FOR THE EXCLUSIVE BENEFIT OF ITS CUSTOMERS<br>NEW YORK, NY 10004-1901 | 8.66% |
| UBS FINANCIAL SERVICES INC. FBO<br>UBS WM USA<br>OMNI ACCOUNT M/F<br>1000 HARBOR BLVD<br>WEEHAWKEN NJ 07086-6761 | 5.26% |
| **DIAMOND HILL HIGH YIELD FUND—CLASS Y** | |
| PFM MULTI MANAGER SERIES TRUST<br>UAD 8/11/2017<br>213 MARKET ST<br>HARRISBURG, PA 17101 | 39.94% |

| SHAREHOLDER NAME AND ADDRESS | % OWNERSHIP |
|---|---|
| SEI PRIVATE TRUST COMPANY C/O FIRST HAWAIIAN BANK<br>ONE FREEDOM VALLEY DRIVE<br>OAKS, PA 19456 | 23.08% |
| NATIONAL FINANCIAL SERVICES LLC<br>499 WASHINGTON BLVD<br>JERSEY CITY, NJ 07310 | 12.38% |
| JOHN HANCOCK TRUST COMPANY LLC<br>690 CANTON ST SUITE 100<br>WESTWOOD, MA 02090 | 8.32% |
| NATIONAL FINANCIAL SERVICES LLC<br>499 WASHINGTON BLVD<br>JERSEY CITY, NJ 07310 | 5.47% |

**APPENDIX D**

## 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.

### MERRILL LYNCH

Effective June 30, 2020, shareholders purchasing fund shares through a Merrill Lynch platform or account will be 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 Merrill Lynch

- 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 a 529 Plan (does not include 529 Plan units or 529-specific share classes or equivalents)
- Shares purchased through a Merrill Lynch affiliated investment advisory program
- Shares exchanged due to the holdings moving from a Merrill Lynch affiliated investment advisory program to a Merrill Lynch brokerage (non-advisory) account pursuant to Merrill Lynch's policies relating to sales load discounts and waivers
- Shares purchased by third party investment advisors on behalf of their advisory clients through Merrill Lynch's platform
- Shares of funds purchased through the Merrill Edge Self-Directed platform (if applicable)
- 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 exchanged from Class C (i.e. level-load) shares of the same fund pursuant to Merrill Lynch's policies relating to sales load discounts and waivers
- Employees and registered representatives of Merrill Lynch 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
- Eligible 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 Reinstatement). Automated transactions (i.e. systematic purchases and withdrawals) and purchases made after shares are automatically sold to pay Merrill Lynch's account maintenance fees are not eligible for reinstatement

### CDSC Waivers on A, B and C Shares available at Merrill Lynch

- 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 pursuant to the Internal Revenue Code
- Shares sold to pay Merrill Lynch fees but only if the transaction is initiated by Merrill Lynch
- Shares acquired through a right of reinstatement
- Shares held in retirement brokerage accounts, that are exchanged for a lower cost share class due to transfer to certain fee based accounts or platforms (applicable to A and C shares only)
- Shares received through an exchange due to the holdings moving from a Merrill Lynch affiliated investment advisory program to a Merrill Lynch brokerage (non-advisory) account pursuant to Merrill Lynch's policies relating to sales load discounts and waivers

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

- Breakpoints as described in this 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 (including 529 program holdings, where applicable) within the purchaser's household at Merrill Lynch. Eligible fund family assets not held at Merrill Lynch may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets
- Letters of Intent (LOI) which allow for breakpoint discounts based on anticipated purchases within a fund family, through Merrill Lynch, over a 13-month period of time (if applicable)

**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 transactional brokerage account are 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.
- Service Agents, on behalf of their clients, can convert Class P shares, as applicable, to Class A shares, generally on a tax-free basis, without clients being subject to an initial sales charge; for eligibility, please consult your Service Agent for more information.

**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 JONES

**Policies Regarding Transactions Through Edward Jones:**

Effective on or after January 1, 2021, 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 the 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 their family members who are 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: 1) the proceeds are from the sale of shares within 60 days of the purchase, and 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.
- 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.

**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 sold 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 sold 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**

**1.1 Minimum Purchase Amounts**

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

**1.2 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 letter of intent (LOI)

**1.3 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.

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

**OPPENHEIMER & CO. INC.**

Effective May 15th, 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

**WAIVERS SPECIFIC TO STIFEL, NICOLAUS & COMPANY, INCORPORATED ("STIFEL")**

Effective July 1, 2020, shareholders purchasing fund shares through a Stifel platform or account or who own shares for which Stifel or an affiliate is the broker-dealer of record are eligible for the following additional sales charge waiver.

**Front-end Sales Load Waiver on Class A Shares**

- Class C shares that have been held for more than seven (7) years will be converted to Class A shares of the same fund pursuant to Stifel's policies and procedures. All other sales charge waivers and reductions described elsewhere in the fund's Prospectus or Statement of Additional Information ("SAI") still apply.