

WESTERN ASSET MANAGED MUNICIPALS FUND INC.  
Form DEF 14A  
August 28, 2018

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e) (2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

**Western Asset Managed Municipals Fund Inc.**

**(Name of Registrant as Specified in Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i) (4) and 0-11.

(1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:
  
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
  
- (4) Proposed maximum aggregate value of transaction:
  
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a) (2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  
- (2) Form, Schedule or Registration Statement No.:
  
- (3) Filing Party:
  
- (4) Date Filed:



WESTERN ASSET MANAGED MUNICIPALS FUND INC.

(NYSE: MMU)

**620 Eighth Avenue, 49th Floor, New York, New York 10018**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

August 28, 2018

*To the Stockholders:*

The Annual Meeting of Stockholders of Western Asset Managed Municipals Fund Inc. (the Fund ) will be held at 620 Eighth Avenue (at 41st Street), 49th Floor, New York, New York, on Friday, September 28, 2018 at 10:00 a.m., New York time, for the following purposes:

1. A proposal to elect two Class I Directors to be elected by the holders of Common Stock and Preferred Shares, voting together as a single class, to the Fund's Board of Directors; and one Class I Director to be elected by the holders of Preferred Shares to the Fund's Board of Directors (Proposal No. 1); and
2. The transaction of such other business as may properly come before the meeting or any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on July 24, 2018 as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting and any adjournments or postponements thereof.

By Order of the Board of Directors

Robert I. Frenkel

Secretary

August 28, 2018

**IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING IN PERSON OR BY PROXY; IF YOU DO NOT EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE PROXY CARD (which will be made available to you separately) OR PROVIDE VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET.**

**Instructions for Signing Proxy Cards**

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

1. *Individual Accounts:* Sign your name exactly as it appears in the registration on the proxy card.
2. *Joint Accounts:* Either party may sign, but the name of the party signing should conform exactly to a name shown in the registration.
3. *All Other Accounts:* The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

| <b>Registration</b>                                     | <b>Valid Signature</b>             |
|---|------------------------------------|
| <b><u>Corporate Accounts</u></b>                        |                                    |
| (1) ABC Corp  | ABC Corp. (by John Doe, Treasurer) |
| (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                  |
| <b><u>Trust Accounts</u></b>                            |                                    |
| (1) ABC Trust   | Jane B. Doe, Trustee               |
| (2) Jane B. Doe, Trustee, u/t/d 12/28/78                | Jane B. Doe                        |
| <b><u>Custodial or Estate Accounts</u></b>              |                                    |
| (1) John B. Smith, Cust., f/b/o John B. Smith, Jr. UGMA | John B. Smith                      |
| (2) John B. Smith                                       | John B. Smith, Jr., Executor       |

**Instructions for Telephone/Internet Voting**

Various brokerage firms may offer the convenience of providing you with voting instructions via telephone or the Internet for shares held through such firms. Instructions for Internet and telephonic voting are included with the proxy card or voting instruction form.

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

(NYSE: MMU)

**620 Eighth Avenue, 49th Floor, New York, New York 10018**

### PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation by the Board of Directors (the **Board**) of Western Asset Managed Municipals Fund Inc. (the **Fund**) of proxies to be voted at the Annual Meeting of Stockholders of the Fund to be held at 620 Eighth Avenue (at 41st Street), 49th Floor, New York, New York, on Friday, September 28, 2018 at 10:00 a.m., New York time, and at any adjournments or postponements thereof (the **Meeting**), for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders (the **Notice**).

This Proxy Statement and the accompanying materials are being made available to stockholders on or about August 28, 2018.

The Fund is organized as a Maryland corporation and is a registered investment company.

Legg Mason Partners Fund Advisor, LLC ( **LMPFA** ), whose principal business address is 620 Eighth Avenue, New York, NY 10018, is the Fund's investment adviser and administrator. Pursuant to a sub-advisory agreement with Western Asset Management Company, LLC (formerly known as Western Asset Management Company) ( **Western Asset** ), Western Asset serves as the Fund's sub-investment advisor. Western Asset has offices at 385 East Colorado Boulevard, Pasadena, California 91101 and 620 Eighth Avenue, New York, New York 10018. LMPFA and Western Asset are all wholly-owned subsidiaries of Legg Mason, Inc. ( **Legg Mason** ).

Even if you plan to attend the Meeting, please sign, date and return a proxy card, or provide voting instructions by telephone or over the Internet. If you vote by telephone or over the Internet, you will be asked to enter a unique code that has been assigned to you and which is printed on your proxy card. This code is designed to confirm your identity, provide access into the voting sites and confirm that your instructions are properly recorded. If you require additional information, please call toll free at 1-866-875-8614.

All properly executed proxies received prior to the Meeting will be voted at the Meeting in accordance with the instructions marked thereon or otherwise as provided therein. Unless instructions to the contrary are marked, shares represented by the proxies will be voted **FOR** the election of each nominee in Proposal 1. Stockholders who execute proxies may revoke them at any time before they are voted by filing with the Fund a written notice of revocation, by delivering a duly executed proxy bearing a later date or by attending the Meeting and voting in person. In accordance with the Fund's By-Laws, a quorum is constituted by the presence in person or by proxy of the holders of record of a majority of the outstanding shares of the Fund's common stock entitled to vote at the Meeting. For purposes of determining the presence of a quorum for transacting business at the Meeting, abstentions will be treated as shares that are present but which have not been voted.

The Board has fixed the close of business on July 24, 2018 as the record date (the **Record Date**) for the determination of stockholders of the Fund entitled to notice of and to vote at the Meeting or any adjournment or



postponement thereof. As of the Record Date, the Fund has two classes of shares: Common Stock, par value \$.001 per share, and preferred shares, consisting of municipal auction rate cumulative preferred stock ( ARPS ) and variable rate demand preferred stock ( VRDPS and together, the Preferred Shares ), which have a liquidation preference in the amount of \$25,000 per share (collectively with the Common Stock, the Shares ). Shareholders of the Fund as of the Record Date will be entitled to one vote on each matter for each Share held and a fractional vote with respect to fractional Shares, with no cumulative voting rights. As of the Record Date, the Fund had outstanding 43,288,734 shares of Common Stock, 1,283 shares of ARPS outstanding and 8,703 shares of VRDPS outstanding.

**Annual reports are sent to stockholders of record of the Fund following the Fund's fiscal year end. The Fund will furnish, without charge, a copy of its annual report and most recent semi-annual report succeeding the annual report, if any, to a stockholder upon request. Such requests should be directed to the Fund at 620 Eighth Avenue, 49th Floor, New York, New York 10018 or by calling toll free at 888-777-0102. Copies of annual and semi-annual reports of the Fund are also available on the Fund's website at [lmcef.com](http://lmcef.com) or on the EDGAR Database on the Securities and Exchange Commission's Internet site at [www.sec.gov](http://www.sec.gov).**

Please note that only one annual or semi-annual report or Proxy Statement may be delivered to two or more stockholders of the Fund who share an address, unless the Fund has received instructions to the contrary. To request a separate copy of an annual or semi-annual report or the Proxy Statement, or for instructions as to how to request a separate copy of these documents or as to how to request a single copy if multiple copies of these documents are received, stockholders should contact the Fund at the address and phone number set forth above.

#### **Vote Required and Manner of Voting Proxies**

A quorum of stockholders is required to take action at the Meeting. A majority of the shares of the Fund entitled to vote at the Meeting, represented in person or by proxy, will constitute a quorum of stockholders at the Meeting.

Votes cast by proxy or in person at the Meeting will be tabulated by the inspector of election appointed for the Meeting. The inspector of election, who is an employee of the proxy solicitor engaged by the Fund, will determine whether or not a quorum is present at the Meeting. The inspector of election will treat abstentions and broker non-votes (i.e., shares held by brokers or nominees, typically in street name, as to which proxies have been returned but (a) instructions have not been received from the beneficial owners or persons entitled to vote and (b) the broker or nominee does not have discretionary voting power on a particular matter) as present for purposes of determining a quorum.

If you hold shares directly (not through a broker-dealer, bank or other financial intermediary) and if you return a signed proxy card that does not specify how you wish to vote on a proposal, your shares will be voted FOR Proposal 1.

Broker-dealer firms holding shares of the 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 on each Proposal before the Meeting. A signed proxy card or other authorization by a beneficial owner of Fund shares that does not specify how the beneficial owner's shares should be voted on a proposal will be deemed an instruction to vote such shares in favor of Proposal 1.

If you hold shares of the Fund through a service agent that has entered into a service agreement with the 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 stockholder that does not specify how the stockholder's shares should be voted on a proposal may be deemed to authorize a service agent to vote such shares in favor of Proposal 1. 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. This practice is commonly referred to as "echo voting."

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.

### **Required Vote**

Two Directors are elected by a plurality of the votes cast by the holders of shares of the Fund's Common Stock and Preferred Shares, voting together as a single class, present in person or represented by proxy at a Meeting at which a quorum is present.

One Director is elected by plurality of the votes cast only by the holders of shares of the Fund's Preferred Shares present in person or represented by proxy at a Meeting at which a quorum is present.

For purposes of the election of Directors, abstentions and broker non-votes will not be considered votes cast, and do not affect the plurality vote required for the election of Directors.

If the necessary quorum to transact business or the vote required to approve Proposal 1 is not obtained at the Meeting, the chairman of the Meeting or the persons named as proxies may propose one or more adjournments or postponements of the Meeting in accordance with applicable law to permit further solicitation of proxies. If in the judgment of the chairman of the Meeting, it is advisable to defer action on the Proposal, the chairman of the Meeting may propose one or more adjournments of the Meeting with respect to the Proposal for a reasonable period or periods. The Meeting may be adjourned up to 120 days after the original record date for the Meeting without further notice other than announcement at the Meeting.

### **Important Notice Regarding the Availability of Proxy Materials for the Meeting to be Held on September 28, 2018**

**The proxy statement and related materials are available at [www.proxy-direct.com/lmf-30042](http://www.proxy-direct.com/lmf-30042).**

### **Proposal No. 1: Election of Directors**

In accordance with the Fund's charter, the Fund's Board of Directors is divided into three classes: Class I, Class II and Class III. Under the terms of the Fund's charter, the holders of Preferred Shares are entitled as a class, to the exclusion of the holders of Common Stock, to elect two Directors of the Fund (the "Preferred Share Directors"). Paolo M. Cucchi and Leslie H. Gelb have been designated as the Preferred Share Directors. Mr. Cucchi is nominated for election at this meeting. The charter also provides that the remaining Directors shall be elected by holders of Common Stock and Preferred Shares, voting together as a single class. At the Meeting, the holders of the Fund's Common Stock and Preferred Shares voting together as a single class will be asked to elect two Class I Directors, Carol L. Colman and

Jane Trust. The terms of office of the Class I Directors expire at the Annual Meetings of Stockholders in the year 2021, or thereafter in each case when their

respective successors are duly elected and qualified. The terms of the remaining Class II and Class III Directors expire at the year 2019 and 2020 Annual Meeting of Shareholders, respectively, or thereafter until their successors have been duly elected and qualified or until they resign or otherwise removed. The effect of these staggered terms is to limit the ability of other entities or persons to acquire control of the Fund by delaying the replacement of a majority of the Board of Directors.

The persons named in the proxy intend to vote at the Meeting (unless directed not to vote) FOR the election of the nominees named below. Each of the nominees is currently a member of the Fund's Board of Directors and has indicated that he or she will serve if elected. However, if any nominee should be unable to serve, the proxy will be voted for any other person determined by the persons named in the proxy in their discretion.

Certain information concerning the nominees is set forth on the following page.

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**Persons Nominated for Election as Directors**

| Name, Address <sup>(1)</sup> and Birth Year   | Position(s) Held with Fund  | Term of Office and Length Time Served | Principal Occupation During Past Five Years   | Number of Portfolios in Fund Complex**<br>Overseen by Other Directorships Held by Director |
|---|---|---------------------------------------|---|--|
| <b>Nominees to serve as Class I Directors until 2021 Annual Meeting of Stockholders</b> |   |                                       |   |  |
| <b>NON-INTERESTED DIRECTOR NOMINEES</b>   |   |                                       |   |  |
| Carol L. Colman<br><br>Birth year: 1946   | Director and Member of Audit, Nominating, Compensation and Pricing and Valuation Committees | Since 2006                            | President, Colman Consulting Co.  | 25 None  |
| Paolo M. Cucchi<br><br>Birth year: 1941   | Director and Member of Audit, Nominating, Compensation and Pricing and Valuation Committees | Since 2001                            | Emeritus Professor of French and Italian at Drew University (since 2014); formerly, Vice President and Dean of College of Liberal Arts at Drew University (1984 to 2009); Professor of French and Italian at Drew University (2009 to 2014)   | 25 None  |
| <b>INTERESTED DIRECTOR NOMINEE</b>  |   |                                       |   |  |
| Jane E. Trust, CFA*<br><br>Born 1962  | Chairman, President and Chief Executive Officer   | Since 2015                            | Senior Managing Director of Legg Mason & Co. (since 2018); formerly, Managing Director of Legg Mason & Co. (2016 to 2018); Officer and/or Trustee/Director of 148 funds associated with LMPFA or its affiliates (since 2015); President and Chief Executive Officer of LMPFA (since 2015); formerly, Senior Vice President of LMPFA (2015). | 139 None   |

Formerly, Director of  
ClearBridge, LLC  
(formerly, Legg Mason  
Capital Management,  
LLC) (2007 to 2014);  
Managing Director of  
Legg Mason Investment  
Counsel & Trust Co.  
(2000 to 2007).

(1) Unless otherwise indicated, the business address of the persons listed above is c/o Chairman of the Fund, Legg Mason & Co. LLC ( Legg Mason & Co. ) 620 Eighth Avenue, 49th Floor, New York, NY 10018.

\* Ms. Trust is an interested person as defined in the Investment Company Act of 1940, as amended (the 1940 Act ), because she is an officer of LMPFA and certain of its affiliates.

\*\* The term Fund Complex means two or more registered investment companies that:

- (a) Hold themselves out to investors as related companies for purposes of investment and investor services; or
- (b) Have a common investment adviser or have an investment adviser that is an affiliated person of the investment adviser of any of the other registered investment companies.

| Name, Address <sup>(1)</sup> and Birth Year | Position(s) Held with Fund | Term of Office and Length Time Served | Principal Occupations During Past Five Years | Number of Portfolios in Fund Complex** Overseen by Director | Other Directorships Held by Director |
|---|----------------------------|---------------------------------------|--|---|--------------------------------------|
|---|----------------------------|---------------------------------------|--|---|--------------------------------------|

The following table provides information concerning the remaining Directors of the Fund:  
Class II Directors serving until the 2019 Annual Meeting of Stockholders

**NON-INTERESTED DIRECTORS**

|  |   |            |   |    |   |
|--|---|------------|---|----|---|
| Daniel P. Cronin<br>Birth year: 1946   | Director and Member of Audit, Nominating, Compensation and Pricing and Valuation Committees | Since 2006 | Retired; formerly, Associate General Counsel, Pfizer, Inc.  | 25 | None  |
| Leslie H. Gelb<br>Birth year: 1937     | Director and Member of Audit, Nominating, Compensation and Pricing and Valuation Committees | Since 2006 | Consultant and Lecturer; President Emeritus (since 2003); formerly, Senior Board Fellow (2003 to 2015) and President, (prior to 2003), the Council on Foreign Relations; formerly, Columnist, Deputy Editorial Page Editor and Editor, Op-Ed Page, The New York Times   | 25 | Director of two registered investment companies advised by Aberdeen Asset Management Asia Limited (since 1994); Director, Encyclopedia Britannica; Director, Centre Partners IV and V, LP and Affiliates  |
| Eileen A. Kamerick<br>Birth year: 1958 | Director and Member of Audit, Nominating, Compensation and Pricing and Valuation Committees | Since 2013 | National Association of Corporate Directors Board Leadership Fellow and financial expert; Adjunct Professor, The University of Chicago Law School (since 2018); Adjunct Professor, Washington University in St. Louis and University of Iowa law schools (since 2007); formerly, Senior Advisor to the Chief Executive Officer and Executive Vice President and Chief Financial Officer of ConnectWise, Inc. (software and services company) (2015 to | 25 | Trustee of AIG Funds and Anchor Series Trust (since 2018); Hochschild Mining plc (precious metals company) (since 2016); Director of Associated Banc-Corp (financial services company) (since 2007); Westell Technologies, Inc. (technology company) (2003 to 2016) |

2016); Chief Financial Officer, Press Ganey Associates (health care informatics company) (2012 to 2014); Managing Director and Chief Financial Officer, Houlihan Lokey (international investment bank) and President, Houlihan Lokey Foundation (2010 to 2012)

(1) Unless otherwise indicated, the business address of the persons listed above is c/o Chairman of the Fund, Legg Mason & Co. LLC ( Legg Mason & Co. ) 620 Eighth Avenue, 49th Floor, New York, NY 10018.

\*\* The term Fund Complex means two or more registered investment companies that:

- (a) Hold themselves out to investors as related companies for purposes of investment and investor services; or
- (b) Have a common investment adviser or have an investment adviser that is an affiliated person of the investment adviser of any of the other registered investment companies.

Pursuant to the Fund's retirement policy, Messrs. Gelb and Roett will retire as Directors of the Fund on December 31, 2018.

| Name, Address <sup>(1)</sup> and Birth Year                                  | Position(s) Held with Fund  | Term of Office and Length Time Served | Principal Occupation During Past Five Years   | Number of Portfolios in Fund Complex** | Overseen by Other Directorships Held by Director  |
|--|---|---------------------------------------|---|--|---|
| <b>Class III Directors serving until 2020 Annual Meeting of Stockholders</b> |   |                                       |   |  |   |
| <b>NON-INTERESTED DIRECTORS</b>  |   |                                       |   |  |   |
| Robert D. Agdern<br>Year of birth: 1950                                      | Director and Member of Nominating, Audit, Compensation and Pricing and Valuation Committees | Since 2015                            | Member of the Advisory Committee of the Dispute Resolution Research Center at the Kellogg Graduate School of Business, Northwestern University since 2002; Deputy General Counsel responsible for western hemisphere matters for BP PLC from 1999 to 2001; Associate General Counsel at Amoco Corporation responsible for corporate, chemical, and refining and marketing matters and special assignments from 1993 to 1998 (Amoco merged with British Petroleum in 1998 forming BP PLC). | 25                                     | None  |
| William R. Hutchinson<br>Birth year: 1942                                    | Director and Member of Audit, Nominating, Compensation and Pricing and Valuation Committees | Since 1995                            | President, W.R. Hutchinson & Associates Inc. (consulting)   | 25                                     | Director (Non-Executive Chairman of the Board (since December 1, 2009)), Associated Banc-Corp. (since 1994) |
| Dr. Riordan Roett<br>Birth year: 1938  | Director and Member of Audit, Nominating, Compensation and Pricing and Valuation Committees | Since 2007                            | The Sarita and Don Johnston Professor of Political Science and Director of Latin American Studies, Paul H. Nitze School of Advanced International Studies, The Johns Hopkins University   | 25                                     | None  |



(since 1973)

(1) Unless otherwise indicated, the business address of the persons listed above is c/o Chairman of the Fund, Legg Mason & Co. LLC ( Legg Mason & Co. ) 620 Eighth Avenue, 49th Floor, New York, NY 10018.

\*\* The term Fund Complex means two or more registered investment companies that:

- (a) Hold themselves out to investors as related companies for purposes of investment and investor services; or
- (b) Have a common investment adviser or have an investment adviser that is an affiliated person of the investment adviser of any of the other registered investment companies.

Pursuant to the Fund's retirement policy, Messrs. Gelb and Roett will retire as Directors of the Fund on December 31, 2018.

Each of the Directors has served as a director of the Fund as indicated in the table above. The Directors were selected to join the Board based upon the following as to each Board Member: his or her character and integrity; such person's service as a board member of other funds in the Legg Mason fund complex; such person's willingness to serve and willingness and ability to commit the time necessary to perform the duties of a Director; as to each Director other than Ms. Trust, his or her status as not being an interested person as defined in the 1940 Act; and, as to Ms. Trust, her role with Legg Mason. No factor, by itself, was controlling.

In addition to the information provided in the table included above, each Director possesses the following attributes: Mr. Agdern, experience in business and as a legal professional; Ms. Colman, experience as a consultant and investment professional; Mr. Cronin, legal and managerial experience; Mr. Cucchi, experience as a college professor and leadership experience as an academic dean; Mr. Gelb, academic and world affairs and foreign relations experience and service as a board member of other registered investment companies; Mr. Hutchinson, experience in accounting and working with auditors, consulting, business and finance and service as a board member of another financial services company; Ms. Kamerick, experience in business and finance, including financial reporting, and experience as a board member of a highly regulated financial services company; Dr. Roett, expertise in Latin and South American societies and economies and academic leadership experience; and Ms. Trust, investment management and risk oversight experience as an executive and portfolio manager and leadership roles within Legg Mason and affiliated entities. References to the qualifications, attributes and skills of the Directors are pursuant to requirements of the Securities and Exchange Commission, do not constitute holding out of the Board or any Director as having any special expertise or experience, and shall not impose any greater responsibility or liability on any such person or on the Board by reason thereof.

### Security Ownership of Management

The following table provides information concerning the dollar range of equity securities owned beneficially by each Director and nominee for election as Director as of December 31, 2017:

| Name of Director/Nominee        | Dollar Range <sup>(1)</sup> of Equity Securities in all Funds Overseen by Director/Nominee in Family of Investment Companies <sup>(2)</sup> |   |
|---------------------------------|---|---|
|                                 | Securities in the Fund  |   |
| <b>NON-INTERESTED DIRECTORS</b> |   |   |
| Robert D. Agdern                | C   | E |
| Carol L. Colman                 | A   | E |
| Daniel P. Cronin                | C   | E |
| Paolo M. Cucchi                 | A   | D |
| Leslie H. Gelb                  | A   | A |
| William R. Hutchinson           | E   | E |
| Eileen A. Kamerick              | A   | E |
| Dr. Riordan Roett               | A   | B |
| <b>INTERESTED DIRECTOR</b>      |   |   |
| Jane E. Trust                   | A   | E |

(1)

The dollar ranges are as follows: A = None; B = \$1-\$10,000; C = \$10,001-\$50,000; D = \$50,001-\$100,000; E Over \$100,000.

- (2) The term, Family of Investment Companies , means any two or more registered investment companies that share the same investment adviser or principal underwriter or hold themselves out to investors as related companies for purposes of investment and investor services.

At July 24, 2018, the nominees, Directors and officers of the Fund as a group beneficially owned less than 1% of the outstanding shares of the Fund's Common Stock and Preferred Shares.

No Director or nominee for election as Director who is not an interested person of the Fund as defined in the 1940 Act, nor any immediate family members, to the best of the Fund's knowledge, had any interest in the Fund's investment adviser, or any person or entity (other than the Fund) directly or indirectly controlling, controlled by, or under common control with Legg Mason as of December 31, 2017.

### Director Compensation

Under the federal securities laws, and in connection with the Meeting, the Fund is required to provide to stockholders in connection with the Meeting information regarding compensation paid to the Directors by the Fund, as well as by the various other investment companies advised by LMPFA. The following table provides information concerning the compensation paid to each Director by the Fund during the fiscal year ended May 31, 2018 and the total compensation paid to each Director during the calendar year ended December 31, 2017. The Directors listed below are members of the Fund's Audit, Nominating, Compensation and Pricing and Valuation Committees, as well as committees of the boards of certain other investment companies advised by LMPFA. Accordingly, the amounts provided in the table include compensation for service on all such committees. The Fund does not provide any pension or retirement benefits to Directors. In addition, no remuneration was paid during the fiscal year ended May 31, 2018 by the Fund to Ms. Trust who is an interested person as defined in the 1940 Act.

| Name of Directors                  | Aggregate<br>Compensation<br>from the Fund<br>for Fiscal<br>Year Ended<br>05/31/18 (\$) | Total Compensation<br>from the Fund and<br>Fund Complex <sup>(1)</sup><br>for<br>Calendar Year Ended<br>12/31/17 (\$) |
|------------------------------------|---|---|
| <b>Directorships<sup>(2)</sup></b> |   |   |
| Robert D. Agdern                   | 17,282  | 264,000   |
| Carol L. Colman                    | 19,448  | 294,000   |
| Daniel P. Cronin                   | 19,280  | 292,000   |
| Paolo M. Cucchi                    | 18,280  | 277,000   |
| Leslie H. Gelb                     | 18,280  | 279,000   |
| William R. Hutchinson              | 21,775  | 329,000   |
| Eileen A. Kamerick                 | 20,446  | 309,000   |
| Dr. Riordan Roett                  | 18,280  | 279,000   |

(1) Fund Complex means two or more Funds (a registrant or, where the registrant is a series company, a separate portfolio of the registrant) that hold themselves out to investors as related companies for purposes of investment and investor services or have a common investment adviser or have an investment adviser that is an affiliated person of the investment adviser of any of the other Funds.

(2) Each Director currently holds 25 investment company directorships within this Fund Complex.

### Responsibilities of the Board of Directors

The Board of Directors is responsible under applicable state law for overseeing generally the management and operations of the Fund. The Directors oversee the Fund's operations by, among other things, meeting at its regularly scheduled meetings and as otherwise needed with the Fund's management and evaluating the performance of the Fund's service providers including LMPFA and Western Asset, the custodian and the transfer agent. As part of this process, the Directors consult with the Fund's independent auditors and with their own separate independent counsel.

The Directors review the Fund's financial statements, performance, net asset value and market price and the relationship between them, as well as the quality of the services being provided to the Fund. As part of this process, the Directors review the Fund's fees and expenses in light of the nature, quality and scope of the services being received while also seeking to ensure that the Fund continues to have access to high quality services in the future.

The Board of Directors has four regularly scheduled meetings each year, and additional meetings may be scheduled as needed. In addition, the Board has a standing Audit Committee, Corporate Governance and Nominating Committee (the Nominating Committee), Compensation Committee and Pricing and Valuation Committee that meet periodically and whose responsibilities are described below.

During the fiscal year ended May 31, 2018, the Board of Directors held four regular meetings and one special meeting. Each Director attended at least 75% of the aggregate number of meetings of the Board and the committees for which he or she was eligible. The Fund does not have a formal policy regarding attendance by Directors at annual meetings of stockholders.

Each of the Audit Committee, the Nominating Committee, Compensation Committee and Pricing and Valuation Committee is composed of all Directors who have been determined not to be interested persons of the Fund, LMPFA, Western Asset or their affiliates within the meaning of the 1940 Act, and who are independent as defined in the New York Stock Exchange listing standards (Independent Directors), and is chaired by an Independent Director. The Board in its discretion from time to time may establish *ad hoc* committees.

The Board of Directors is currently comprised of nine directors, eight of whom are Independent Directors. Jane E. Trust serves as Chairman of the Board. Ms. Trust is an interested person of the Fund. The appointment of Ms. Trust as Chairman reflects the Board's belief that her experience, familiarity with the Fund's day-to-day operations and access to individuals with responsibility for the Fund's management and operations provides the Board with insight into the Fund's business and activities and, with her access to appropriate administrative support, facilitates the efficient development of meeting agendas that address the Fund's business, legal and other needs and the orderly conduct of board meetings. Mr. Hutchinson serves as Lead Independent Director. The Chairman develops agendas for Board meetings in consultation with the Lead Independent Director and presides at all meetings of the Board. The Lead Independent Director, among other things, chairs executive sessions of the Independent Directors, serves as a spokesperson for the Independent Directors and serves as a liaison between the Independent Directors and the Fund's management between Board meetings. The Independent Directors regularly meet outside the presence of management and are advised by independent legal counsel. The Board also has determined that its leadership structure, as described above, is appropriate in light of the size and complexity of the Fund, the number of Independent Directors (who constitute a super-majority of the Board's membership) and the Board's general oversight responsibility. The Board also believes that its leadership structure not only facilitates the orderly and efficient flow of information to the Independent Directors from management, including Western Asset, the Fund's subadviser, but also enhances the independent and orderly exercise of its responsibilities.

#### **Audit Committee**

The Fund's Audit Committee is composed entirely of all of the Independent Directors: Mses. Colman and Kamerick and Messrs. Agdern, Cronin, Cucchi, Gelb, Hutchinson and Roett. Ms. Kamerick serves as the Chair of the Audit Committee and has been determined by the Board to be an audit committee financial expert. The principal functions of the Audit Committee are: to (a) oversee the scope of the Fund's audit, the Fund's accounting

and financial reporting policies and practices and its internal controls and enhance the quality and objectivity of the audit function; (b) approve, and recommend to the Independent Board Members (as such term is defined in the Audit Committee Charter) for their ratification, the selection, appointment, retention or termination of the Fund's independent registered public accounting firm, as well as approving the compensation thereof; and (c) approve all audit and permissible non-audit services provided to the Fund and certain other persons by the Fund's independent registered public accounting firm. This Committee met two times during the fiscal year ended May 31, 2018. The Audit Committee operates under a written charter adopted and approved by the Board, a copy of which is available on the Fund's website at [www.lmcef.com](http://www.lmcef.com) and click on the name of the Fund.

### **Nominating Committee**

The Fund's Nominating Committee, the principal function of which is to select and nominate candidates for election as Directors of the Fund, is composed of all of the Independent Directors: Mses. Colman and Kamerick and Messrs. Agdern, Cronin, Cucchi, Gelb, Hutchinson and Roett. Mr. Cronin serves as the Chair of the Nominating Committee. The Nominating Committee may consider nominees recommended by the stockholder as it deems appropriate. Stockholders who wish to recommend a nominee should send recommendations to the Fund's Secretary that include all information relating to such person that is required to be disclosed in solicitations of proxies for the election of Directors. A recommendation must be accompanied by a written consent of the individual to stand for election if nominated by the Board of Directors and to serve if elected by the stockholders. The Nominating Committee met once during the fiscal year ended May 31, 2018. The Nominating Committee operates under a written charter adopted and approved by the Board, a copy of which is available on the Fund's website at [www.lmcef.com](http://www.lmcef.com) and click on the name of the Fund.

The Nominating Committee identifies potential nominees through its network of contacts, and in its discretion may also engage a professional search firm. The Nominating Committee meets to discuss and consider such candidates qualifications and then chooses a candidate by majority vote. The Nominating Committee does not have specific, minimum qualifications for nominees and has not established specific qualities or skills that it regards as necessary for one or more of the Fund's Directors to possess (other than any qualities or skills that may be required by applicable law, regulation or listing standard). However, as set forth in the Nominating Committee Charter, in evaluating a person as a potential nominee to serve as a Director of the Fund, the Nominee Committee may consider the following factors, among any others it may deem relevant:

whether or not the person is an interested person as defined in the 1940 Act and whether the person is otherwise qualified under applicable laws and regulations to serve as a Director of the Fund;

whether or not the person has any relationships that might impair his or her independence, such as any business, financial or family relationships with Fund management, the investment manager of the Fund, Fund service providers or their affiliates;

whether or not the person serves on boards of, or is otherwise affiliated with, competing financial service organizations or their related mutual fund complexes;

whether or not the person is willing to serve, and willing and able to commit the time necessary for the performance of the duties of a Director of the Fund;

the contribution which the person can make to the Board and the Fund (or, if the person has previously served as a Director of the Fund, the contribution which the person made to the Board during his or her



previous term of service), with consideration being given to the person's business and professional experience, education and such other factors as the Committee may consider relevant;

the character and integrity of the person; and

whether or not the selection and nomination of the person would be consistent with the requirements of the Fund's retirement policies.

The Nominating Committee does not have a formal diversity policy with regard to the consideration of diversity in identifying potential director nominees but may consider diversity of professional experience, education and skills when evaluating potential nominees for Board membership.

### **Pricing and Valuation Committee**

The Fund's Pricing and Valuation Committee is composed of all of the Independent Directors. The members of the Pricing and Valuation Committee are Mses. Colman and Kamerick and Messrs. Agdern, Cronin, Cucchi, Gelb, Hutchinson and Roett. Ms. Colman serves as Chair of the Fund's Pricing and Valuation Committee. The principal function of the Pricing and Valuation Committee is to assist the Board with its oversight of the process for valuing portfolio securities in light of applicable law, regulatory guidance and applicable policies and procedures adopted by the Fund. The Pricing and Valuation Committee met four times during the fiscal year ended May 31, 2018.

### **Compensation Committee**

The Fund's Compensation Committee is composed of all of the Independent Directors. The members of the Compensation Committee are Mses. Colman and Kamerick and Messrs. Agdern, Cronin, Cucchi, Gelb, Hutchinson and Roett. Mr. Cucchi serves as Chair of the Fund's Compensation Committee. The principal function of the Compensation Committee is to recommend the appropriate compensation of the Independent Directors for their service on the Board and the committees of the Board. The Compensation Committee met once during the fiscal year ended May 31, 2018. The Compensation Committee operates under a written charter adopted and approved by the Board, a copy of which is available on the Fund's website at [www.lmcef.com](http://www.lmcef.com) and click on the name of the Fund.

### **Risk Oversight**

The Board's role in risk oversight of the Fund reflects its responsibility under applicable state law to oversee generally, rather than to manage, the operations of the Fund. In line with this oversight responsibility, the Board receives reports and makes inquiry at its regular meetings and as needed regarding the nature and extent of significant Fund risks (including investment, compliance and valuation risks) that potentially could have a materially adverse impact on the business operations, investment performance or reputation of the Fund, but relies upon the Fund's management (including the Fund's portfolio managers) and Chief Compliance Officer, who reports directly to the Board, and the Manager to assist it in identifying and understanding the nature and extent of such risks and determining whether, and to what extent, such risks may be eliminated or mitigated. In addition to reports and other information received from Fund management and the Manager regarding the Fund's investment program and activities, the Board as part of its risk oversight efforts meets at its regular meetings and as needed with the Fund's Chief Compliance Officer to discuss, among other things, risk issues and issues regarding the policies, procedures and controls of the Fund. The Board may be assisted in

performing aspects of its role in risk oversight by the Audit Committee and such other standing or special committees as may be established from time to time by the Board. For example, the Audit Committee of the Board regularly meets with the Fund's independent public accounting firm to review, among other things, reports on the Fund's internal controls for financial reporting.

The Board believes that not all risks that may affect the Fund can be identified, that it may not be practical or cost-effective to eliminate or mitigate certain risks, that it may be necessary to bear certain risks (such as investment-related risks) to achieve the Fund's goals, and that the processes, procedures and controls employed to address certain risks may be limited in their effectiveness. Moreover, reports received by the Directors as to risk management matters are typically summaries of relevant information and may be inaccurate or incomplete. As a result of the foregoing and other factors, the Board's risk management oversight is subject to substantial limitations.

## Officers

The Fund's executive officers are chosen each year at a regular meeting of the Board of Directors of the Fund, to hold office until their respective successors are duly elected and qualified. Officers of the Fund receive no compensation from the Fund although they may be reimbursed by the Fund for reasonable out-of-pocket travel expenses for attending Board meetings. In addition to Ms. Trust, the Fund's Chairman, CEO and President, the executive officers of the Fund currently are:

| <b>Name, Address and Age</b>   | <b>Position(s) Held<br/>with Fund</b> | <b>Length of<br/>Time<br/>Served</b> | <b>Principal Occupation(s)<br/>During Past 5 years</b>   |
|--|---------------------------------------|--------------------------------------|--|
| Richard F. Sennett<br>Legg Mason & Co.<br>100 International Drive<br>Baltimore, MD 21202<br>Birth year: 1970         | Principal<br>Financial Officer        | Since 2011                           | Principal Financial Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2011); Managing Director of Legg Mason & Co. and Senior Manager of the Treasury Policy group for Legg Mason & Co.'s Global Fiduciary Platform (since 2011); formerly, Chief Accountant within the SEC's Division of Investment Management (2007 to 2011); formerly, Assistant Chief Accountant within the SEC's Division of Investment Management (2002 to 2007) |
| Todd F. Kuehl<br>Legg Mason & Co.<br>100 International Drive<br>9th Floor<br>Baltimore, MD 21202<br>Birth year: 1969 | Chief Compliance<br>Officer           | Since 2017                           | Managing Director of Legg Mason & Co. (since 2011); Chief Compliance Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006); formerly, Chief Compliance Officer of  |

Legg Mason Private Portfolio  
Group (prior to 2010); formerly,  
Branch Chief, Division of  
Investment Management, U.S.  
Securities and Exchange  
Commission (2002 to 2006)

| <b>Name, Address and Age</b>  | <b>Position(s) Held<br/>with Fund</b>   | <b>Length of<br/>Time<br/>Served</b> | <b>Principal Occupation(s)<br/>During Past 5 years</b>  |
|---|---|--------------------------------------|---|
| Jenna Bailey<br>Legg Mason & Co.<br>100 First Stamford Place,<br>Stamford, CT 06902<br>Birth Year: 1978                 | Identity Theft<br>Prevention Officer    | Since 2015                           | Identity Theft Prevention Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2015); Compliance Officer of Legg Mason & Co. (since 2013); Associate Compliance Officer of Legg Mason & Co. (2011-2013); Assistant Vice President of Legg Mason & Co. (since 2011); formerly, Risk Manager of U.S. Distribution of Legg Mason & Co. (2007 to 2011).  |
| Jennifer S. Berg<br>Legg Mason & Co.<br>100 International Drive<br>7th Floor<br>Baltimore, MD 21202<br>Birth Year: 1973 | Treasurer                               | Since 2018                           | Director of Legg Mason & Co. (since 2014); Treasurer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2018); formerly, Vice President of Legg Mason & Co. (2011 to 2014)   |
| Robert I. Frenkel<br>Legg Mason & Co.<br>100 First Stamford Place<br>Stamford, CT 06902<br>Birth year: 1954             | Secretary and<br>Chief Legal<br>Officer | Since 2003                           | Managing Director and General Counsel of U.S. Mutual Funds for Legg Mason and its predecessor (since 1994); Secretary and Chief Legal Officer of mutual funds associated with Legg Mason (since 2003); formerly, Secretary of CFM (2001-2004)   |
| Thomas C. Mandia<br>Legg Mason & Co.<br>100 First Stamford Place<br>6th Floor<br>Stamford, CT 06902<br>Birth year: 1962 | Assistant Secretary                     | Since 2006                           | Managing Director and Deputy General Counsel of Legg Mason & Co. (since 2005) and Legg Mason & Co. predecessors (prior to 2005); Secretary of LMPFA (since 2006); Assistant Secretary of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006) and Legg Mason & Co. predecessors (prior to 2006); Secretary of LM Asset Services, LLC ( LMAS ) (since 2002) and Legg Mason Fund Asset Management, Inc. ( LMFAM ) |

(formerly registered investment advisers) (since 2013)

|   |  |                   |  |
|---|--|-------------------|--|
| <p>Jeanne M. Kelly<br/>                 Legg Mason &amp; Co.<br/>                 620 Eighth Avenue<br/>                 49th Floor<br/>                 New York, NY 10018<br/>                 Birth year: 1951</p> | <p>Senior Vice<br/><br/>                 President</p> | <p>Since 2007</p> | <p>Senior Vice President of certain mutual funds associated with Legg Mason &amp; Co. or its affiliates (since 2007); Senior Vice President of LMPFA (since 2006); President and Chief Executive Officer of LMAS and LMFAM (since 2015); Managing Director of Legg Mason &amp; Co. (since 2005) and Legg Mason &amp; Co. predecessors (prior to 2005); formerly, Senior Vice President of LMFAM (2013 to 2015)</p> |
|---|--|-------------------|--|

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended (the 1934 Act ) and Section 30(h) of the 1940 Act in combination require the Fund's Directors and officers and persons who own more than 10% of the Fund's common stock, as well as LMPFA and certain of its affiliated persons, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ( SEC ) and the New York Stock Exchange, Inc. ( NYSE ). Such persons and entities are required by SEC regulations to furnish the Fund with copies of all such filings. Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons, the Fund believes that, during the fiscal year ended May 31, 2018, all such filing requirements were met with respect to the Fund.

### **Report of the Audit Committee**

Pursuant to a meeting of the Audit Committee on July 18, 2018, the Audit Committee reports that it has: (i) reviewed and discussed the Fund's audited financial statements with management; (ii) discussed with PricewaterhouseCoopers LLP ( PwC ), the independent registered public accounting firm of the Fund, the matters required to be discussed by Statement on Auditing Standards ( SAS ) No. 114, which supersedes SAS No. 61, as amended, as adopted by the Public Company Accounting Oversight Board; and (iii) previously received written confirmation from PwC that it is independent and written disclosures regarding such independence as required by the standards of the Public Company Accounting Oversight Board, and discussed with PwC the independent registered public accounting firm's independence.

Pursuant to the Audit Committee Charter adopted by the Fund's Board, the Audit Committee is responsible for conferring with the Fund's independent registered public accounting firm, reviewing annual financial statements and recommending the selection of the Fund's independent registered public accounting firm. The Audit Committee advises the full Board with respect to accounting, auditing and financial matters affecting the Fund. The independent registered public accounting firm is responsible for planning and carrying out the proper audits and reviews of the Fund's financial statements and expressing an opinion as to their conformity with accounting principles generally accepted in the United States of America.

The members of the Audit Committee are not professionally engaged in the practice of auditing or accounting and are responsible for oversight. Moreover, the Audit Committee relies on and makes no independent verification of the facts presented to it or representations made by management or the independent registered public accounting firm. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principals and policies, or internal controls and procedures, designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not provide assurance that the audit of the Fund's financial statements has been carried out in accordance with generally accepted accounting standards or that the financial statements are presented in accordance with generally accepted accounting principles.

Based on the review and discussions referred to in items (i) through (iii) above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Fund's annual report for the Fund's fiscal year ended May 31, 2018.

Submitted by the Audit Committee

of the Fund's Board of Directors

Robert D. Agdern

Carol L. Colman

Daniel P. Cronin

Paolo M. Cucchi

Leslie H. Gelb

William R. Hutchinson

Eileen A. Kamerick

Riordan Roett

July 18, 2018

### **Board Recommendation and Required Vote**

Two Directors are elected by a plurality of the votes cast by the holders of shares of the Fund's Common Stock and Preferred Shares, voting together as a single class, present in person or represented by proxy at a meeting at which a quorum is present; and one Director is elected by a plurality of votes cast only by the holders of shares of the Fund's Preferred Shares present in person or represented by proxy at a meeting at which a quorum is present. For purposes of the election of Directors, abstentions and broker non-votes will not be considered votes cast, and do not affect the plurality vote required for Directors.

**The Board of Directors, including the Directors who are not interested persons unanimously recommends that stockholders of the Fund vote FOR each of the nominees for Director.**

### **Disclosure of Fees Paid to Independent Registered Public Accounting Firm\***

**Audit Fees.** The aggregate fees billed in the last two fiscal years ending May 31, 2017 and May 31, 2018 for professional services rendered by KPMG or PwC for the audit of the Fund's annual financial statements, or services that are normally provided in connection with the statutory and regulatory filings or engagements were \$49,800 in 2017 and \$77,927 in 2018.

**Audit-Related Fees.** The aggregate fees billed by KPMG or PwC in connection with assurance and related services related to the annual audit of the Fund and for review of the Fund's financial statements, other than the Audit Fees described above, for the fiscal years ended May 31, 2017 and May 31, 2018 was \$14,700 and \$46,227, respectively.

In addition, there were no Audit Related Fees billed in the fiscal years ended May 31, 2017 and May 31, 2018 for assurance and related services by KPMG or PwC to LMPFA and any entity controlling, controlled by or under common control with LMPFA that provides ongoing services to the Fund (LMPFA and such other entities together, the Service Affiliates), that were related to the operations and financial reporting of the Fund.

**Tax Fees.** The aggregate fees billed by KPMG or PwC for tax compliance, tax advice and tax planning services, which include the filing and amendment of federal, state and local income tax returns, timely regulated investment company qualification review and tax distribution and analysis planning to the Fund for the fiscal years ended May 31, 2017 and May 31, 2018 were \$7,800 and \$4,000, respectively.

There were no fees billed by KPMG or PwC to the Service Affiliates for tax services for the fiscal years ended May 31, 2017 and May 31, 2018 that were required to be approved by the Fund's Audit Committee.

**All Other Fees.** There were no other fees billed for other non-audit services rendered by KPMG or PwC to the Fund for the fiscal years ended May 31, 2017 and May 31, 2018.

There were no other non-audit services rendered by KPMG or PwC to the Service Affiliates in the fiscal years ended May 31, 2017 and May 31, 2018.

\* On August 14, 2017, KPMG LLP (KPMG) resigned as the independent registered public accounting firm for the Fund at the request of the Fund. On August 10, 2017, upon the recommendation of its Audit Committee, the Fund's Board of Directors approved the engagement of PricewaterhouseCoopers LLP (PwC) as the independent registered public accounting firm for the Fund for the fiscal year ending April 30, 2018, effective August 14, 2017. The



selection of PwC did not reflect any disagreements with or dissatisfaction by the Fund or the Board of Directors with the performance of the Fund's prior independent registered public accounting firm, KPMG.

Generally, the Audit Committee must approve (a) all audit and permissible non-audit services to be provided to the Fund and (b) all permissible non-audit services to be provided to the Service Affiliates that relate directly to the operations and financial reporting of the Fund. The Audit Committee may implement policies and procedures by which such services are approved other than by the full Committee but has not yet done so.

The Audit Committee approved 100% of the Audit Related Fees, Tax Fees and Other Fees, if any, for each of the fiscal years ended May 31, 2017 and May 31, 2018.

The Audit Committee shall not approve non-audit services that the Committee believes may impair the independence of the registered public accounting firm. As of the date of the approval of the Audit Committee Charter, permissible non-audit services include any professional services (including tax services), that are not prohibited services as described below, provided to the Fund by the independent registered public accounting firm, other than those provided to the Fund in connection with an audit or a review of the financial statements of the Fund. Permissible non-audit services may not include: (i) bookkeeping or other services related to the accounting records or financial statements of the Fund; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, fairness opinions or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management functions or human resources; (vii) broker or dealer, investment adviser or investment banking services; (viii) legal services and expert services unrelated to the audit; and (ix) any other service the Public Company Accounting Oversight Board determines, by regulation, is impermissible.

Pre-approval by the Audit Committee of any permissible non-audit services is not required so long as: (i) the aggregate amount of all such permissible non-audit services provided to the Fund, the Manager and any Covered Service Provider constitutes not more than 5% of the total amount of revenues paid to the independent registered public accounting firm during the fiscal year in which the permissible non-audit services are provided to (a) the Fund, (b) LMPFA and (c) any entity partially controlled by or under common control with LMPFA that provides ongoing services to the Fund during the fiscal year in which the services are provided that would not have to be approved by the Committee; (ii) the permissible non-audit services were not recognized by the Fund at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Audit Committee and approved by the Audit Committee (or its delegate(s)) prior to the completion of the audit.

The aggregate non-audit fees billed by KPMG or PwC for non-audit services rendered to the Fund and Service Affiliates for the fiscal years ended May 31, 2017 and May 31, 2018 were \$0 and \$432,645, respectively.

A representative of PwC, if requested by any stockholder, will be present via telephone at the Meeting to respond to appropriate questions from stockholders and will have an opportunity to make a statement if he or she chooses to do so.

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**5% Beneficial Ownership**

At July 24, 2018, to the knowledge of management, the registered stockholders who owned of record or owned beneficially more than 5% of the Fund's capital stock outstanding are noted in the table below. As of the close of business on July 24, 2018, Cede & Co., a nominee for participants in the Depository Trust Company, held of record 43,151,261 shares, equal to approximately 99% of the Fund's outstanding shares of Common Stock and 9,986 Preferred Shares or 100% of the Fund's Preferred Shares, including the shares shown below.

| <b>Class</b>                | <b>Percent</b> | <b>Name</b>   | <b>Address</b>                      |
|-----------------------------|----------------|---|-------------------------------------|
| Common Stock <sup>(1)</sup> | 7.9%           | Morgan Stanley and Morgan Stanley<br>Smith Barney LLC | 1585 Broadway<br>New York, NY 10036 |

(1) Based upon information obtained from Schedule 13G/A filed with SEC on February 13, 2018.

### **Submission of Stockholder Proposals and Other Stockholder Communications**

All proposals by stockholders of the Fund that are intended to be presented at the 2019 Annual Meeting of Stockholders must be received by the Fund for inclusion in the Fund's proxy statement and proxy relating to that meeting no later than April 30, 2019. Any stockholder who desires to bring a proposal at the 2019 Annual Meeting of Stockholders without including such proposal in the Fund's proxy statement must deliver written notice thereof to the Secretary of the Fund (addressed to c/o Legg Mason, 100 First Stamford Place, 6th Floor, Stamford, CT 06902) during the period from June 30, 2019 to July 30, 2019. However, if the Fund's 2019 Annual Meeting of Stockholders is held earlier than August 29, 2019 or later than November 27, 2019, such written notice must be delivered to the Secretary of the Fund no earlier than 90 days before the date of the 2019 Annual Meeting of Stockholders and no later than the later of 60 days prior to the date of the 2019 Annual Meeting of Stockholders or 10 days following the public announcement of the date of the 2019 Annual Meeting of Stockholders. Stockholder proposals are subject to certain regulations under the federal securities laws.

The Fund's Audit Committee has established guidelines and procedures regarding the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters (collectively, Accounting Matters). Persons with complaints or concerns regarding Accounting Matters may submit their complaints to the Chief Compliance Officer (CCO). Persons who are uncomfortable submitting complaints to the CCO, including complaints involving the CCO, may submit complaints directly to the Fund's Audit Committee Chair (together with the CCO, Complaint Officers). Complaints may be submitted on an anonymous basis.

The CCO may be contacted at:

Legg Mason & Co., LLC

Compliance Department

620 Eighth Avenue, 49th Floor

New York, New York 10018

Complaints may also be submitted by telephone at 1-800-742-5274. Complaints submitted through this number will be received by the CCO.

The Fund's Audit Committee Chair may be contacted at:

Western Asset Managed Municipals Fund Inc.

Audit Committee Chair

c/o Robert K. Fulton, Esq.

Stradley Ronon Stevens & Young, LLP

2005 Market Street

Suite 2600

Philadelphia, PA 19103

A stockholder who wishes to send any other communications to the Board should also deliver such communications to the Secretary of the Fund at 100 First Stamford Place, 6th Floor, Stamford, CT 06902. The Secretary is responsible for determining, in consultation with other officers of the Fund, counsel, and other advisers as appropriate, which stockholder communications will be relayed to the Board.

### **Expenses of Proxy Solicitation**

The costs of preparing, assembling and mailing material in connection with this solicitation of proxies will be borne by the Fund and are expected to be approximately \$33,000. Proxies may also be solicited in-person by officers of the Fund and by regular employees of LMPFA or its affiliates, or other representatives of the Fund or by telephone, in addition to the use of mails. Brokerage houses, banks and other fiduciaries may be requested to forward proxy solicitation material to their principals to obtain authorization for the execution of proxies, and will be reimbursed by the Fund for such out-of-pocket expenses.

### **Other Business**

The Fund's Board of Directors does not know of any other matter that may come before the Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the proxy to vote the proxies in accordance with their judgment on that matter.

By Order of the Board of Directors,

Robert I. Frenkel

Secretary

August 28, 2018

**IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. STOCKHOLDERS WHO DO NOT EXPECT TO ATTEND THE MEETING ARE THEREFORE URGED TO COMPLETE AND SIGN, DATE AND RETURN THE PROXY CARD AS SOON AS POSSIBLE IN THE ENCLOSED POSTAGE-PAID ENVELOPE.**

**EVERY STOCKHOLDER S VOTE IS IMPORTANT**

**EASY VOTING OPTIONS:**

**VOTE ON THE INTERNET**

**Log on to:**

**[www.proxy-direct.com](http://www.proxy-direct.com)**

**or scan the QR code**

**Follow the on-screen  
instructions**

*available 24 hours*

**VOTE BY PHONE**

**Call 1-800-337-3503**

**Follow the recorded  
instructions**

*available 24 hours*

**VOTE BY MAIL**

**Vote, sign and date this Proxy**

**Card and return in the**

**postage-paid envelope**

**VOTE IN PERSON**

**Attend Stockholder Meeting  
620 Eighth Avenue, 49<sup>th</sup> Floor  
New York, New York  
on September 28, 2018**

**Please detach at perforation before mailing.**

**PROXY**

**WESTERN ASSET MANAGED MUNICIPALS FUND INC.  
PROXY FOR THE ANNUAL MEETING OF COMMON STOCKHOLDERS  
TO BE HELD ON SEPTEMBER 28, 2018**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.** The undersigned hereby appoints Robert I. Frenkel, Jeanne M. Kelly, George P. Hoyt, Michael Kocur, Barbara Allen, Tara Gormel and Angela Velez and each of them, attorneys and proxies for the undersigned, with full power of substitution and revocation to represent the undersigned and to vote on behalf of the undersigned all shares of Common Stock of Western Asset Managed Municipals Fund Inc. (the Fund ) which the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Fund to be held at 620 Eighth Avenue, 49th Floor, New York, New York on September 28, 2018, at 10:00 a.m. Eastern Daylight Time and at any adjournments thereof (the Meeting ). The undersigned hereby acknowledges receipt of the Notice of Meeting and accompanying proxy statement and hereby instructs said attorneys and proxies to vote said shares of Common Stock, of Western Asset Managed Municipals Fund Inc. as indicated hereon. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting. A majority of the proxies present and acting at the Meeting in person or by substitute (or, if only one shall be so present, then that one) shall have and may exercise all of the power and authority of said proxies hereunder. The undersigned hereby revokes any proxy previously given.

**This proxy, if properly executed, will be voted in the manner directed by the stockholder. If no direction is made, this proxy will be voted FOR the election of the nominees as directors.**

**VOTE VIA THE INTERNET:**

**[www.proxy-direct.com](http://www.proxy-direct.com)**

**VOTE VIA THE TELEPHONE: 1-800-337-3503**



**CHANGE OF ADDRESS**

**PLEASE MARK, SIGN, DATE ON THE REVERSE SIDE AND RETURN THIS PROXY PROMPTLY USING THE ENCLOSED ENVELOPE.**

**MMU\_30042\_082218**



**EVERY STOCKHOLDER S VOTE IS IMPORTANT**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Common Stockholders to Be Held on September 28, 2018.**

**The Proxy Statement and Proxy Card are available at:**

**<https://www.proxy-direct.com/lmf-30042>**

**Please detach at perforation before mailing.**

**If no specific instructions are provided, this proxy will be voted FOR the proposal and in the discretion of the proxies upon such other business as may properly come before the meeting.**

**TO VOTE MARK BLOCKS BELOW IN BLUE OR BLACK INK AS SHOWN IN THIS EXAMPLE:**

**A Proposal      The Board of Directors unanimously recommends a vote FOR for the following proposal.**

|   |            |                 |                |
|---|------------|-----------------|----------------|
| 1. Election of Class I Directors, to serve until the 2021 Annual Meeting of Stockholders: | <b>FOR</b> | <b>WITHHOLD</b> | <b>FOR ALL</b> |
| 01. Carol L. Colman      02. Jane Trust   | <b>ALL</b> | <b>ALL</b>      | <b>EXCEPT</b>  |

**INSTRUCTIONS:** To withhold authority to vote for any individual director nominee(s), mark the FOR ALL EXCEPT box and write the name of the nominee(s) for which you would like to withhold authority on the following line.

Any other business that may properly come before the Meeting.

**B Authorized Signatures      This section must be completed for your vote to be counted. Sign and Date Below**

**Note:** Please sign exactly as your name(s) appear(s) on this proxy card, and date it. When shares are held jointly, each holder should sign. When signing as attorney, executor, administrator, trustee, officer of corporation or other entity or in another representative capacity, please give the full title under the signature.

(/yyyy) Please print date below    Signature 1    Please keep signature within the box    Signature 2    Please keep signature with

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**EVERY STOCKHOLDER S VOTE IS IMPORTANT**

**EASY VOTING OPTIONS:**

**VOTE ON THE INTERNET**

**Log on to:**  
**[www.proxy-direct.com](http://www.proxy-direct.com)**  
**or scan the QR code**  
**Follow the on-screen**  
**instructions**  
*available 24 hours*

**VOTE BY PHONE**

**Call 1-800-337-3503**

**Follow the recorded**  
**instructions**

*available 24 hours*

**VOTE BY MAIL**

**Vote, sign and date this Proxy**  
**Card and return in the**  
**postage-paid envelope**

**VOTE IN PERSON**

**Attend Stockholder Meeting**  
**620 Eighth Avenue, 49<sup>th</sup> Floor**  
**New York, New York**  
**on September 28, 2018**

**Please detach at perforation before mailing.**

**PROXY**

**WESTERN ASSET MANAGED MUNICIPALS FUND INC.**  
**PROXY FOR THE ANNUAL MEETING OF PREFERRED STOCKHOLDERS**  
**TO BE HELD ON SEPTEMBER 28, 2018**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.** The undersigned hereby appoints Robert I. Frenkel, Jeanne M. Kelly, George P. Hoyt, Michael Kocur, Barbara Allen, Tara Gormel and Angela Velez and each of them, attorneys and proxies for the undersigned, with full power of substitution and revocation to represent the undersigned and to vote on behalf of the undersigned all shares of Auction Rate Cumulative Preferred Stock and Variable Rate Demand Preferred Stock, voting together as a single class, of Western Asset Managed Municipals Fund Inc. (the Fund ) which the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Fund to be held at 620 Eighth Avenue, 49th Floor, New York, New York on September 28, 2018, at 10:00 a.m. Eastern Daylight Time and at any adjournments thereof (the Meeting ). The undersigned hereby acknowledges receipt of the Notice of Meeting and accompanying proxy statement and hereby instructs said attorneys and proxies to vote

said shares of Auction Rate Cumulative Preferred Stock and Variable Rate Demand Preferred Stock of Western Asset Managed Municipals Fund Inc. as indicated hereon. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting. A majority of the proxies present and acting at the Meeting in person or by substitute (or, if only one shall be so present, then that one) shall have and may exercise all of the power and authority of said proxies hereunder. The undersigned hereby revokes any proxy previously given.

**This proxy, if properly executed, will be voted in the manner directed by the stockholder. If no direction is made, this proxy will be voted FOR the election of the nominees as directors.**

**VOTE VIA THE INTERNET:**

**[www.proxy-direct.com](http://www.proxy-direct.com)**

**VOTE VIA THE TELEPHONE: 1-800-337-3503**



**CHANGE OF ADDRESS**

**PLEASE MARK, SIGN, DATE ON THE REVERSE SIDE AND RETURN THIS PROXY PROMPTLY USING THE ENCLOSED ENVELOPE.**

**MMU\_30042\_082218\_Pref**

**EVERY STOCKHOLDER S VOTE IS IMPORTANT**

**Important Notice Regarding the Availability of Proxy Materials for the  
Annual Meeting of Preferred Stockholders to Be Held on September 28, 2018.**

**The Proxy Statement and Proxy Card are available at:**

**<https://www.proxy-direct.com/lmf-30042>**

**Please detach at perforation before mailing.**

**If no specific instructions are provided, this proxy will be voted FOR the proposal and in the discretion of the proxies upon such other business as may properly come before the meeting.**

**TO VOTE MARK BLOCKS BELOW IN BLUE OR BLACK INK AS SHOWN IN THIS EXAMPLE:**

**A Proposal    The Board of Directors unanimously recommends a vote FOR for the following proposal.**

|   |                     |                 |                |
|---|---------------------|-----------------|----------------|
| 1. Election of Class I Directors, to serve until the 2021 Annual Meeting of Stockholders: | <b>FOR</b>          | <b>WITHHOLD</b> | <b>FOR ALL</b> |
|   | <b>ALL</b>          | <b>ALL</b>      | <b>EXCEPT</b>  |
| 01. Carol L. Colman Trust   | 02. Paolo M. Cucchi | 03. Jane        |                |

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**Note:** Please sign exactly as your name(s) appear(s) on this proxy card, and date it. When shares are held jointly, each holder should sign. When signing as attorney, executor, administrator, trustee, officer of corporation or other entity or in another representative capacity, please give the full title under the signature.

(dd/yyyy) Please print date below Signature 1 Please keep signature within the box Signature 2 Please keep signature within the box

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