ClearBridge Energy MLP Opportunity Fund Inc.
Form N-14 8C
July 12, 2018
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As filed with the Securities and Exchange Commission on July 12, 2018

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Investment Company Act File No. 811-22546

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-14

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933
Pre-Effective Amendment No.
Post-Effective Amendment No.

CLEARBRIDGE ENERGY MLP OPPORTUNITY FUND INC.

(Exact Name of Registrant as Specified in Charter)

620 Eighth Avenue

New York, New York 10018

(Address of Principal Executive Offices: Number, Street, City, State, Zip Code)

1-888-777-0102

(Area Code and Telephone Number)

Jane Trust

Legg Mason & Co., LLC

100 International Drive

Baltimore, MD 21202

(Name and Address of Agent for Services)

with copies to:

Sarah E. Cogan, Esq.
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

Robert I. Frenkel, Esq.
Legg Mason & Co., LLC
100 First Stamford Place
Stamford, Connecticut 06902

Calculation of Registration Fee under the Securities Act of 1933:

Title of Securities Being Registered	Amount Being Registered(1)	Proposed Maximum Offering Price per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock ($.001 par value)	41,000,000	$11.49	$471,090,000	$58,650.71

(1) Estimated solely for the purpose of calculating the registration fee.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said section 8(a), may determine.

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CLEARBRIDGE AMERICAN ENERGY MLP FUND INC.

CLEARBRIDGE ENERGY MLP OPPORTUNITY FUND INC.

620 Eighth Avenue

New York, New York 10018

, 2018

Dear Stockholder:

A Joint Special Meeting of Stockholders (the Meeting) of ClearBridge American Energy MLP Fund Inc. (CBA) and ClearBridge Energy MLP Opportunity Fund Inc. (EMO and together with CBA, the Funds) will be held at 620 Eighth Avenue, 49th Floor, New York, New York, on November 7, 2018 at 10:00 a.m., Eastern Time, for the purposes of considering and voting upon a proposal (the Proposal) to approve the merger of CBA with and into EMO in accordance with the Maryland General Corporation Law (the Merger).

The attached Proxy Statement/Prospectus asks for your approval of the proposal. **After careful consideration, the Board of each Fund recommends that you vote FOR the Proposal.**

As a result of the Merger, each share of common stock of CBA would convert into an equivalent dollar amount (to the nearest $0.001) of full shares of common stock of EMO, based on the net asset value of each Fund on the date preceding the Merger. EMO will not issue fractional shares to CBA stockholders. In lieu of issuing fractional shares, EMO will pay cash to each former holder of CBA common stock in an amount equal to the value of the fractional shares of EMO common stock that the investor would otherwise have received in the Merger. The currently issued and outstanding common stock of EMO will remain issued and outstanding.

In addition, EMO would issue and deliver to CBA for distribution to holders of CBA MRPS the same number of newly issued shares of Series D, E, F and G mandatory redeemable preferred stock (MRPS, Preferred Shares or Preferred Stock) as that number of shares of CBA s Series A, B, C and D MRPS issued and outstanding immediately before the date of the Merger, with terms identical to the terms of CBA s Series A, B, C, and D MRPS. The aggregate liquidation preference of EMO MRPS to be distributed to the holders of CBA in the event of liquidation of EMO would equal the aggregate liquidation preference of CBA MRPS held immediately before the date of the Merger. The newly issued EMO MRPS would have equal priority with any other outstanding EMO MRPS as to the payment of dividends and as to the distribution of assets upon dissolution, liquidation or winding up of the affairs of EMO. The accrual for CBA MRPS with respect to any accrued and unpaid dividends as of the date of the Merger would be assumed by EMO and would apply and be payable on an equivalent share-for-share basis and on the same dividend payment schedule.

Both CBA and EMO are closed-end, diversified management investment companies listed on the New York Stock Exchange. CBA s investment objective is to provide a high level of total return, with an equal emphasis on current distributions and capital appreciation. Similarly, EMO s investment objective is to provide long-term investors a high level of total return with an emphasis on cash distributions. A more detailed comparison of the Funds investment objectives and policies appears in the attached Proxy Statement/Prospectus. The current investment objectives and policies of EMO will continue unchanged if the Merger occurs.

The Board believes that the Merger is in the best interests of both CBA stockholders and EMO stockholders. CBA and EMO have substantially similar investment objectives and substantially similar policies and strategies, which will allow CBA stockholders to continue to have exposure to a high level of total return. Moreover, the combined Fund will likely benefit from economies of scale, as one set of fixed expenses would be spread over a larger asset base, as well as from enhanced market liquidity and additional opportunities for diversification. Furthermore, the Merger will result in a more streamlined product offering, allowing for more focused marketing and stockholder servicing efforts. No material portfolio turnover is expected as a result of the Merger.

Your vote is very important to us regardless of the number of shares you own. Whether or not you plan to attend the Meeting in person, please read the Proxy Statement/Prospectus and cast your vote promptly. To vote, simply date, sign and return the proxy card in the enclosed postage-paid envelope or follow the instructions on the proxy card for voting by touch-tone telephone or on the Internet.

If you have any questions about the proposal to be voted on, please call Broadridge Financial Solutions, Inc. at 1-855-723-7819 or Legg Mason & Co., LLC at 1-888-777-0102.

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

Sincerely,

Jane Trust

President and Chief Executive Officer

ClearBridge American Energy MLP Fund Inc.

ClearBridge Energy MLP Opportunity Fund Inc.

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CLEARBRIDGE AMERICAN ENERGY MLP FUND INC.

CLEARBRIDGE ENERGY MLP OPPORTUNITY FUND INC.

IMPORTANT NEWS FOR STOCKHOLDERS

The enclosed combined Proxy Statement/Prospectus describes a proposal to merge ClearBridge American Energy MLP Fund Inc. (CBA) with and into ClearBridge Energy MLP Opportunity Fund Inc. (EMO, and together with CBA, the Funds) in accordance with the Maryland General Corporation Law (the Merger).

While we encourage you to read the full text of the enclosed combined Proxy Statement/Prospectus, here is a brief overview of the proposals. Please refer to the more complete information contained elsewhere in the combined Proxy Statement/Prospectus about the proposal.

COMMON QUESTIONS ABOUT THE PROPOSED MERGER

Q. Why am I receiving the Proxy Statement/Prospectus?

A. As a stockholder of either CBA or EMO, you are being asked to vote in favor of a proposal to merge CBA with and into EMO in accordance with the Maryland General Corporation Law (the Proposal). If approved, this Proposal will be implemented concurrently with an amendment to EMO s name and 80% policy that is further described below.

Q. How will the Merger affect me?

A. If the Merger is approved, CBA will be merged with and into EMO in accordance with the Maryland General Corporation Law. CBA s assets and liabilities will be combined with the assets and liabilities of EMO, and stockholders of CBA will become stockholders of EMO.

Q. What will happen to the stock of CBA and/or EMO that I currently own as a result of the Merger?

A. As a result of the Merger, each share of common stock of CBA would convert into an equivalent dollar amount (to the nearest $0.001) of full shares of common stock of EMO, based on the net asset value of each Fund on the date preceding the Merger. EMO will not issue fractional shares to CBA stockholders. In lieu of issuing fractional shares, EMO will pay cash to each former CBA stockholder in an amount equal to the value of the fractional shares of EMO common stock that the investor would otherwise have received in the Merger. The currently issued and outstanding shares of EMO common stock will remain issued and outstanding. Stockholders of EMO will be stockholders in a larger fund.

In addition, EMO would issue and deliver to CBA for distribution to holders of CBA MRPS the same number of newly issued shares of Series D, E, F and G MRPS as that number of shares of CBA s Series A, B, C and D MRPS issued and outstanding immediately before the date of the Merger, with terms identical to the terms of CBA s existing Series A, B, C and D MRPS. The aggregate liquidation preference of EMO MRPS to be distributed to the holders of CBA MRPS in the event of liquidation of EMO would equal the aggregate liquidation preference of CBA MRPS held immediately before the date of the Merger. The newly issued EMO MRPS would have equal priority with any other outstanding EMO MRPS as to the payment of dividends and as to the distribution of assets upon dissolution, liquidation or winding up of the affairs of EMO. Any accrued and unpaid dividends on the CBA MRPS as of date of the Merger would be assumed by EMO and would apply and be payable on an equivalent share-for-share basis and on the same dividend payment schedule.

Upon the consummation of the Merger, all shares of CBA common stock and MRPS shall cease to be outstanding, shall automatically be cancelled and shall cease to exist, and the holders of certificates or book entry shares which, immediately prior to the effective date of the Merger, represented such shares of CBA common stock and/or MRPS, as the case may be, shall cease to have any rights with respect thereto, except the right to receive the consideration described above.

Q. What are the benefits of the Merger?

A. The Board of Directors of each Fund believes that the Merger is in the best interests of both CBA stockholders and EMO stockholders. CBA and EMO have substantially similar investment objectives and substantially similar policies and

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strategies, which will allow CBA stockholders to continue to have exposure to total return. In addition, after careful consideration, the Board of Directors for CBA and EMO believe that the Merger will benefit the stockholders of each Fund for the following reasons:

Cost savings through elimination of duplicative expenses and greater economies of scale

It is anticipated that the combined company would have a lower expense level with estimated aggregate cost savings of approximately $647,000 annually, the majority of which is expected to be attributable to reduced operating costs. The following table shows the expenses of each Fund and on a pro forma basis on February 28, 2018.

	CBA	EMO	Pro Forma Combined Fund
Management Fees (% of Net Assets)	1.44%	1.47%	1.45%
Other Expenses (% of Net Assets)	0.24%	0.28%	0.19%
Sub-Total Expenses (% of Net Assets)	1.68%	1.75%	1.64%
Interest/Leverage	1.66%	1.65%	1.65%
Total Expenses (% of Net Assets)	3.34%	3.40%	3.29%

Larger Asset Base of the Combined Fund Relative to the Current Funds

The larger asset base of the combined Fund relative to each Fund may provide greater financial flexibility. In particular, as the merged larger entity, EMO stockholders may benefit from access to more attractive leverage terms (i.e. lower borrowing costs on debt and preferred stock) and a wider range of alternatives for raising capital to growing capital.

Enhanced Market Liquidity

A larger fund size and additional trading has the potential to make the merged fund more attractive to traditional and institutional investors. There is also the potential for tighter bid/ask spreads in the secondary market and guiding the Fund s market price to trade closer to its NAV.

Additional diversification from a larger pool of assets, a broader investment mandate and a more streamlined product offering

In addition to diversification from a larger pool of assets, a more streamlined product will allow for more focused marketing and stockholder servicing efforts.

At a meeting held on May 22, 2018, the Board of Directors of each Fund, including all of the Directors who are not interested persons of the Funds under the Investment Company Act of 1940, as amended (the Independent Directors), unanimously approved an Agreement and Plan of Merger with respect to both Funds.

Q. Who do we expect to vote on the Merger?

A: CBA s common and preferred stockholders are being asked to vote, together as a class, on the Merger. CBA preferred stockholders will also vote on the Merger as a separate class. Similarly, EMO s common and preferred stockholders are being asked to vote, together as a class, on the Merger. EMO preferred stockholders will also vote on the Merger as a separate class.

Q. Are EMO s investment objectives and policies similar to those of CBA?

A. CBA and EMO have substantially similar investment objectives and substantially similar policies and strategies.

CBA s investment objective is to provide a high level of total return, with an equal emphasis on current distributions and capital appreciation. Similarly, EMO s investment objective is to provide long-term investors a high level of total return with an emphasis on cash distributions. On May 29, 2018, the Board of Directors of EMO announced that it had approved an amendment to EMO s name and 80% policy that will go into effect at the time of the Merger.

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Pursuant to EMO s amended policy, under normal market conditions, EMO will invest at least 80% of its managed assets in energy midstream entities including entities structured as both partnerships and corporations. For purposes of the 80% policy, EMO considers investments in midstream entities as those entities that provide midstream services including the gathering, transporting, processing, fractionation, storing, refining, and distribution of oil, natural gas liquids and natural gas. EMO considers an entity to be within the energy sector if it derives at least 50% of its revenues from the business of exploring, developing, producing, gathering, transporting, processing, fractionating, storing, refining, distributing, mining or marketing natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal. In addition, concurrent with the implementation of EMO s amended 80% policy, EMO will also change its name to ClearBridge Energy Midstream Opportunity Fund Inc. No material change in the portfolio construction of EMO is expected in the near term because of the policy change.

In seeking to fulfill its investment objectives, CBA invests, under normal market conditions, at least 80% of its managed assets in U.S. based energy master limited partnerships (MLPs). For purposes of the 80% policy, the Fund considers investments in MLPs to include investments that offer economic exposure to public and private MLPs in the form of MLP equity securities, securities of entities holding primarily general partner or managing member interests in MLPs, securities that are derivatives of interests in MLPs, including I-Shares, exchange-traded funds that primarily hold MLP interests and debt securities of MLPs. An issuer will be deemed to be U.S. based if (1) it is organized in the United States, or (2) it is organized elsewhere but headquartered in the United States. Energy entities are engaged in the business of exploring, developing, producing, gathering, transporting, processing, fractionating, storing, refining, distributing, mining or marketing natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal. It may invest up to 20% of its managed assets in securities of issuers that are not MLPs. This 20% allocation may be in any of the securities described in the Prospectus/Proxy Statement, including securities of non-MLP companies engaged primarily in the energy sector.

The table below shows the portfolio mix of each Fund and on a pro forma basis.

	EMO	**CBA**	**Pro Forma Combined Fund**
Crude oil / refined products pipeline MLPs	22.65%	17.41%	19.96%
Natural gas / natural gas liquids pipeline MLPs	46.06%	41.47%	43.96%
Gathering and processing MLPs	27.01%	28.01%	26.59%
Oil and gas production MLPs	0.00%	0.00%	0.00%
Other	3.75%	12.62%	9.09%
Cash	0.53%	0.49%	0.40%

Please see Comparison of Investment Objectives, Principal Investment Strategies, and Principal Risks in the Proxy Statement/Prospectus for a more complete comparison of the Funds investment objectives, policies and a summary of the principal risks of investing in the Funds.

Q. Why is EMO changing its name and investment policy?

A. EMO is changing its name and policy to add potential investment flexibility by including midstream companies in EMO s 80% policy and expanding EMO s investment policy beyond MLPs. No material change in the portfolio construction of EMO is expected in the near term because of the policy change.

Q. When will this name and policy change occur?

A. The name and policy change are intended to be effective concurrent with the Merger. No material change in the portfolio construction of EMO is expected in the near term because of the name and policy change.

Q. How does CBA s performance compare to EMO?

A. For each Fund, set forth below are the average annual total returns for the Fund s common stock, on the basis of NAV price, for various periods ended March 31, 2018, as well as comparative performance information for each Fund s performance benchmark, Lipper peer group category average and ranking.

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Performance History (Through 3/31/2018)

Average Annual Total Returns	1 Year	3 Years
CBA (Target Fund) NAV	-28.70%	-18.48%
Alerian MLP Index	-20.07%	-11.24%
Lipper Category Average Energy MLP Funds	-20.64%	-15.69%
Lipper Category & Ranking Energy MLP Funds	22/24	18/23

Performance History (Through 3/31/2018)

Average Annual Total Returns	1 Year	3 Years	5 Years
EMO (Acquiring Fund) NAV	-21.55%	-16.29%	-7.85%
Alerian MLP Index	-20.07%	-11.24%	-5.85%
Lipper Category Average Energy MLP Funds	-20.64%	-15.69%	-8.79%
Lipper Category & Ranking Energy MLP Funds	12/24	15/23	10/16

Q. How will the Merger affect fees and expenses?

A. It is anticipated that CBA s stockholders total expense ratio will decline by 0.05% and EMO s stockholders total expense ratio will decline by 0.11% as a result of the Merger. Legg Mason Partners Fund Adviser, LLC (LMPFA) provides administrative and certain oversight services to CBA. CBA pays an investment management fee, calculated daily and paid monthly, at an annual rate of 1.44% of CBA s average daily net assets as of February 28, 2018. EMO currently pays LMPFA, which is also EMO s investment manager, an investment management fee, calculated daily and paid monthly, at an annual rate of 1.47% of average daily net assets as of February 28, 2018.

Q. What impact will the Merger have on leverage levels?

A. The amount of leverage as a percentage of total assets following the Merger is not expected to significantly change from that of each company s standalone leverage levels. The table below illustrates the leverage of each company on both a standalone and pro forma basis.

($ in millions) as of 2/28/18	**CBA**	**EMO**	**Pro Forma Combined Company**
Total Net Assets plus Leverage	$ 695	$ 531	$ 1,226
Loan/Fixed Rate Notes	$ 211	$ 160	$ 371
Preferred Shares	$ 25	$ 23	$ 48
Leverage	$ 236	$ 183	$ 419
Leverage as % of total net assets plus leverage	34.0%	34.5%	34.2%

Q. What are the Funds net operating loss and capital loss carryovers?

A. Net operating loss and capital loss carryovers are favorable tax assets that can be used by a Fund to offset income and gains in future taxable periods. As of November 30, 2017, the Funds are entitled to net operating loss and capital loss carryovers for federal income tax purposes. See Pro Forma Financial Statements.

Q. Will I have to pay any taxes as a result of the Merger?

A. The Merger is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). Assuming the Merger qualifies for such treatment, you generally will not recognize a gain or loss for federal income tax purposes as a result of the Merger. CBA stockholders may, however, recognize gain or loss with respect to any cash those stockholders receive pursuant to the Merger in lieu of fractional shares. As a condition to the closing of the Merger, CBA and EMO will each receive an opinion of counsel to the effect that the Merger will qualify for such treatment. Opinions of counsel are not binding on the Internal Revenue Service or the courts. You should talk to your tax advisor about any state, local and other tax consequences of the Merger. See Information About the Proposed Merger Federal Income Tax Consequences.

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Q. Who will pay for the Merger?

A. LMPFA, or an affiliate thereof, will bear 100% of each Fund s Merger costs whether or not the Merger is consummated. The costs of the Merger, which are anticipated to be $978,775 in total, including the costs of preparing, printing, assembling and mailing material in connection with this solicitation of proxies are estimated to be approximately $403,000 for CBA and approximately $575,775 for EMO.

Q. How does the Board of each Fund recommend that I vote on the Merger?

A. After careful consideration, CBA s Board of Directors, including all of the Independent Directors, and EMO s Board of Directors, including all of the Independent Directors, unanimously recommend that you vote FOR the Merger.

Q. What will happen if the Merger is not approved? Will the name change and 80% policy change still occur?

A. If the Merger is not approved, CBA and EMO will continue as separate investment companies, and each Board will consider such alternatives as it determines to be in the best interests of such Fund s stockholders, including reproposing the Merger. However, to the extent the Merger is not approved, EMO s name change and amended 80% policy will still be implemented.

Q. When is the Merger expected to happen?

A. If each Fund s stockholders approve the Merger, the Merger is expected to occur on or about November 16, 2018.

Q. Will my vote make a difference?

A. Your vote is very important and can make a difference in the governance of each Fund, no matter how many shares you own. Your vote can help ensure that the proposal recommended by the Board of Directors of each Fund can be implemented. We encourage all stockholders to participate in the governance of each Fund.

Q. Whom do I call if I have questions?

A. If you need more information, or have any questions about voting, please call Broadridge Financial Solutions, Inc., the proxy solicitor, at 1-855-723-7819 or Legg Mason & Co., LLC at 1-888-777-0102.

Q. How do I vote my shares?

A. You can provide voting instructions by telephone by calling the toll-free number on the enclosed proxy card or electronically by going to the Internet address provided on the proxy card and following the instructions, using your proxy card as a guide. Alternatively, you can vote your shares by signing and dating the enclosed proxy card and mailing it in the enclosed postage-paid envelope.

A stockholder may revoke a proxy at any time on or before the Meeting by (1) submitting to the applicable Fund a subsequently dated proxy, (2) delivering to the applicable Fund a written notice of revocation (addressed to the Secretary at the principal executive office of the Funds at the address shown at the beginning of this Proxy Statement/Prospectus) or (3) otherwise giving notice of revocation at the Meeting, at all times prior to the exercise of the authority granted in the proxy card. 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 proposals.

You may also attend the Meeting and vote in person. However, even if you intend to attend the Meeting, we encourage you to provide voting instructions by one of the methods described above.

It is important that you vote promptly.

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CLEARBRIDGE AMERICAN ENERGY MLP FUND INC.

CLEARBRIDGE ENERGY MLP OPPORTUNITY FUND INC.

620 Eighth Avenue

New York, New York 10018

NOTICE OF A JOINT SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders:

A Joint Special Meeting of Stockholders (the Meeting) of ClearBridge American Energy MLP Fund Inc. (CBA) and ClearBridge Energy MLP Opportunity Fund Inc. (EMO, and together with CBA, the Funds) will be held at 620 Eighth Avenue, 49th Floor, New York, New York, on Friday, November 7, 2018 at 10:00 a.m., Eastern Time, to consider and vote upon a proposal (the Proposal) to approve the merger of CBA with and into EMO in accordance with the Maryland General Corporation Law (the Merger).

The Board of each Fund recommends that you vote FOR the Proposal upon which you are being asked to vote.

Stockholders of record at the close of business on September 5, 2018 are entitled to vote at the Meeting and at any adjournments or postponements thereof.

By order of the Board of Directors,

Robert I. Frenkel

Secretary

ClearBridge American Energy MLP Fund Inc.

ClearBridge Energy MLP Opportunity Fund Inc.

, 2018

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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 CBA involved 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:

Registration		Valid Signature
Corporate Accounts		
(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
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)	John B. Smith	John B. Smith, Jr., Executor

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The information contained in this Proxy Statement/Prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This Proxy Statement/Prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 12, 2018

PROXY STATEMENT/PROSPECTUS

, 2018

PROXY STATEMENT FOR:

CLEARBRIDGE AMERICAN ENERGY MLP FUND INC.

CLEARBRIDGE ENERGY MLP OPPORTUNITY FUND INC.

620 Eighth Avenue

New York, New York 10018

888-777-0102

PROSPECTUS FOR:

CLEARBRIDGE ENERGY MLP OPPORTUNITY FUND INC.

620 Eighth Avenue

New York, New York 10018

888-777-0102

This combined Proxy Statement and Prospectus (the Proxy Statement/Prospectus) is being furnished in connection with the solicitation of proxies by the Board of Directors (the Board) of ClearBridge American Energy MLP Fund Inc. (CBA) and ClearBridge Energy MLP Opportunity Fund Inc. (EMO, and together with CBA, the Funds) for a Joint Special Meeting of Stockholders (the Meeting) for each Fund. The Meeting will be held Friday, November 7, 2018 at 620 Eighth Avenue, 49th Floor, New York, New York at 10:00 a.m., Eastern Time. At the Meeting, stockholders of CBA and EMO will be asked to consider and vote upon a proposal to approve the merger of CBA with and into EMO in accordance with the Maryland General Corporation Law (the Merger).

If the Merger is approved, each share of common stock, par value $0.001 per share, of CBA (the CBA Common Shares) would convert into an equivalent dollar amount (to the nearest $0.001) of full shares of common stock, par value $0.001 per share, of EMO (the EMO Common Shares), based on the net asset value of each Fund on the date preceding the Merger. EMO will not issue fractional EMO Common Shares to holders of CBA Common Shares. In lieu of issuing fractional shares, EMO will pay cash to each former holder of CBA Common Shares in an amount equal to the value of the fractional EMO Common Shares that the investor would otherwise have received in the Merger. Although the EMO Common Shares received in the Merger will have the same total net asset value as the CBA Common Shares held immediately before the Merger (disregarding fractional shares), their stock price on the New York Stock Exchange (NYSE) may be greater or less than that of the CBA Common Shares, based on current market prices existing at the time of the Merger. All EMO Common Shares currently issued and outstanding will remain issued and outstanding following the Merger.

In addition, EMO would issue and deliver to CBA for distribution to holders of CBA MRPS the same number of newly issued shares of Series D, E, F and G mandatory redeemable preferred stock (MRPS, Preferred Shares or Preferred Stock) as that number of shares of CBA s Series A, B, C and D MRPS issued and outstanding immediately before the date of the Merger, with terms identical to the terms of CBA s Series A, B, C and D MRPS. The aggregate liquidation preference of EMO MRPS to be distributed to the holders of CBA MRPS in the event of liquidation of EMO would equal the aggregate liquidation preference of CBA MRPS held immediately before the date of the Merger. The newly issued EMO

MRPS would have equal priority with any other outstanding EMO MRPS as to the payment of dividends and as to the distribution of assets upon dissolution, liquidation or winding up of the affairs of EMO. The accrual for CBA MRPS with respect to any accrued and unpaid dividends as of date of the Merger would be assumed by EMO and would apply and be payable on an equivalent share-for-share basis and on the same dividend payment schedule.

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The Board believes that the Merger is in the best interests of both CBA stockholders and EMO stockholders. CBA and EMO have substantially similar investment objectives and substantially similar policies and strategies, which will allow CBA stockholders to continue to have exposure to total return. Moreover, the combined Fund will likely benefit from economies of scale, as one set of fixed expenses would be spread over a larger asset base, as well as from enhanced market liquidity and additional opportunities for diversification. Furthermore, the Merger will result in a more streamlined product offering, allowing for more focused marketing and stockholder servicing efforts.

At a meeting held on May 22, 2018, the Board of Directors of each Fund, including all of the Directors who are not interested persons of the Funds under the Investment Company Act of 1940, as amended (the 1940 Act) (the Independent Directors), unanimously approved an Agreement and Plan of Merger with respect to both Funds.

EMO was incorporated in Maryland on April 5, 2011; CBA was incorporated in Maryland on February 21, 2013. Both CBA and EMO are closed-end, diversified management investment companies listed on the NYSE.

EMO s investment objective is to provide long-term investors a high level of total return with an emphasis on cash distributions. On May 29, 2018, the Board of Directors of EMO announced that it had approved an amendment to EMO s 80% policy that will go into effect at the time of the Merger. Pursuant to EMO s amended policy, under normal market conditions, EMO will invest at least 80% of its managed assets in energy midstream entities including entities structured as both partnerships and corporations. For purposes of the 80% policy, EMO considers investments in midstream entities as those entities that provide midstream services including the gathering, transporting, processing, fractionation, storing, refining, and distribution of oil, natural gas liquids and natural gas. EMO considers an entity to be within the energy sector if it derives at least 50% of its revenues from the business of exploring, developing, producing, gathering, transporting, processing, fractionating, storing, refining, distributing, mining or marketing natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal. In addition, concurrent with the implementation of EMO s amended 80% policy, EMO will also change its name to ClearBridge Energy Midstream Opportunity Fund Inc. EMO is changing its name and policy to add potential investment flexibility by including midstream companies in EMO s 80% policy and expanding EMO s investment policy beyond MLPs.

Similarly, CBA s investment objective is to provide a high level of total return, with an equal emphasis on current distributions and capital appreciation The current investment policies of EMO will be changed at the time of the Merger. Please see Comparison of Investment Objectives, Principal Investment Strategies, and Principal Risks in the Proxy Statement/Prospectus for a more complete comparison of the Funds investment objectives and policies.

The Merger will be effected pursuant to an Agreement and Plan of Merger, a form of which is attached to this Proxy Statement/Prospectus as Appendix A. The material terms and conditions of the Agreement and Plan of Merger are summarized in this Proxy Statement/Prospectus. See Information About the Proposed Merger The Agreement and Plan of Merger.

This Proxy Statement/Prospectus serves as a prospectus for EMO Common Shares under the Securities Act of 1933, as amended (the Securities Act), in connection with the issuance of EMO Common Shares in the Merger.

Assuming the holders of CBA Common Shares approve the Merger and all other conditions to the consummation of the Merger are satisfied or waived, the Funds will jointly file articles of merger (the Articles of Merger) with the State Department of Assessments and Taxation of Maryland (the SDAT). The Merger will become effective when the SDAT accepts for record the Articles of Merger or at such later time, which may not exceed 30 days after the Articles of Merger are accepted for record, as specified in the Articles of Merger. The date when the Articles of Merger are accepted for record, or the later date, is referred to in this Proxy Statement/Prospectus as the Closing Date. CBA, as soon as practicable after the Closing Date, will withdraw its registration under the 1940 Act.

The Merger is being structured as a tax-free reorganization for federal income tax purposes. See Information About the Proposed Merger Federal Income Tax Consequences. Stockholders should consult their tax advisors to determine the actual impact of the Merger on them in light of their individual tax circumstances.

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You should retain this Proxy Statement/Prospectus for future reference as it sets forth concisely information about CBA and EMO that you should know before voting on the proposal described below.

A Statement of Additional Information (SAI) dated , 2018, which contains additional information about the Merger and the Funds, has been filed with the Securities and Exchange Commission (SEC). The SAI, as well as CBA s Annual Report to Stockholders for the Fiscal Year Ended November 30, 2017, filed on January 31, 2018 (accession no. 0001193125-18-027288) and EMO s Annual Report to Stockholders for the Fiscal Year Ended November 30, 2017, filed with the SEC on January 31, 2018 (accession no. 0001193125-18-027278), and, which highlight certain important information such as investment performance and expense and financial information, are incorporated by reference into this Proxy Statement/Prospectus. In addition, stockholder reports, proxy materials and other information concerning CBA (File No. 811-22805) and EMO (File No. 811-22546) can be inspected at the NYSE. You may receive free of charge a copy of the SAI, or the annual report and semi-annual report for either Fund, by contacting CBA and EMO at 888-777-0102, by writing either Fund at the address listed above or by visiting our website at www.lmcef.com.

In addition, you can copy and review this Proxy Statement/Prospectus and the complete filing on Form N-14 containing the Proxy Statement/Prospectus (File No. 333-) 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 also 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.

CBA Common Shares are listed on the NYSE under the symbol CBA, and EMO Common Shares are listed on the NYSE under the symbol EMO. After the Closing Date, EMO Common Shares will continue to be listed on the NYSE under the symbol EMO.

The information contained herein concerning CBA and EMO has been provided by, and is included herein in reliance upon, CBA and EMO, respectively.

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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PROPOSAL TO APPROVE THE MERGER OF CBA WITH AND INTO EMO IN ACCORDANCE WITH THE MARYLAND GENERAL CORPORATION LAW

Summary

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

Proposed Merger

The Board believes that the Merger is in the best interests of both CBA stockholders and EMO stockholders. CBA and EMO have substantially similar investment objectives and substantially similar policies and strategies, which will allow CBA stockholders to continue to total return. Moreover, the combined Fund will likely benefit from economies of scale, as one set of fixed expenses would be spread over a larger asset base, as well as from enhanced market liquidity and additional opportunities for diversification. Furthermore, the Merger will result in a more streamlined product offering, allowing for more focused marketing and stockholder servicing efforts.

At a meeting held on May 22, 2018, the Boards of CBA and EMO, including all of the Independent Directors, unanimously approved the Agreement and Plan of Merger with respect to each Fund. As a result of the Merger:

- each CBA Common Share will convert into an equivalent dollar amount (to the nearest $0.001) of full EMO Common Shares, based on the net asset value per share of each Fund calculated at 4:00 p.m. on the business day preceding the Closing Date;

- each holder of CBA Common Shares will become a holder of EMO Common Shares and will receive, on the Closing Date, that number of EMO Common Shares having an aggregate net asset value (disregarding fractional shares) equal to the aggregate net asset value of such stockholder s CBA Common Shares as of the close of business on the business day preceding the Closing Date;

- EMO will not issue any fractional EMO Common Shares to CBA holders of Common Shares. In lieu thereof, EMO will pay cash to each former holder of CBA Common Shares in an amount equal to the value of the fractional EMO Common Shares that the investor would otherwise have received in the Merger; and

- EMO will issue and deliver to CBA for distribution to holders of CBA MRPS the same number of newly issued shares of Series D, E, F and G MRPS as that number of shares of CBA s Series A, B, C and D MRPS issued and outstanding immediately before the date of the Merger, with terms identical to the terms of CBA s Series A, B, C and D MRPS. The aggregate liquidation preference of EMO MRPS to be distributed to the holders of CBA MRPS in the event of liquidation of EMO will equal the aggregate liquidation preference of CBA MRPS held immediately before the date of the Merger. The newly issued EMO MRPS will have equal priority with any other outstanding EMO MRPS as to the payment of dividends and as to the distribution of assets upon dissolution, liquidation or winding up of the affairs of EMO. The accrual for CBA MRPS with respect to any accrued and unpaid dividends as of date of the Merger will be assumed by EMO and would apply and be payable on an equivalent share-for-share basis and on the same dividend payment schedule.

If the Merger is not approved, each Fund will continue as a separate investment company, and the Boards of CBA and EMO will consider such alternatives as they determine to be in the best interests of their respective stockholders, including reproposing the Merger.

For the reasons set forth below in Information About the Proposed Merger Reasons for the Merger and Board Considerations, the Boards of CBA and EMO, including all of the Independent Directors, have concluded that the Merger would be in the best interests of each Fund, and that the interests of the holders of CBA Common Shares and EMO Common Shares would not be diluted as a result of the Merger. **The Board of each Fund, therefore, is hereby submitting the Merger to the holders of CBA Common Shares and MRPS and EMO Common Shares and MRPS and recommends that stockholders of CBA and EMO vote FOR the Merger.**

Because the Merger has been approved by at least 75% of CBA s Continuing Directors as that term is defined in CBA s charter, approval of the Merger requires the affirmative vote of (i) the holders of a majority of the issued and outstanding CBA common and preferred stock (voting as a class) and (ii) the holders of a majority of the issued and outstanding CBA preferred stock (CBA Preferred Shares) (voting as a separate class). Similarly, because the Merger has been approved by at least 75% of EMO s Continuing Directors (as that term is defined in EMO s Bylaws) approval of the Merger requires the affirmative vote of (i) the holders of a majority of the issued and outstanding EMO common and preferred stock (voting as a class) and (ii) the holders of a majority of the issued and outstanding EMO preferred stock (EMO Preferred Shares) (voting as a separate class). See Voting Information below. If stockholders of each Fund approve the Merger, the Closing Date of the Merger is expected to be on or about , 2018.

Prior to completion of the Merger, CBA and EMO will each have received an opinion of Simpson Thacher & Bartlett LLP to the effect that the Merger will qualify as a tax-free reorganization for federal income tax purposes. Accordingly, for federal income tax purposes, (i) no gain or loss will generally be recognized by CBA (except for consequences regularly attributable to a termination of CBA s taxable year) or (subject to the following sentence) the holders of CBA Common Shares or CBA Preferred Shares, as applicable, as a result of the Merger, (ii) the aggregate tax basis of the EMO Common Shares (including fractional EMO Common Shares purchased by EMO) received by the holders of CBA Common Shares will be the same as the aggregate tax basis of the holders CBA Common Shares immediately prior to the completion of the Merger, (iii) the aggregate tax basis of the EMO Preferred Shares received by the holders of CBA Preferred Shares will be the same as the aggregate tax basis of the holders CBA Preferred Shares immediately prior to the completion of the Merger, (iv) a holder s holding period for EMO Common Shares (including that of fractional EMO Common Shares purchased by EMO) will generally be determined by including the period for which such stockholder held CBA Common Shares converted pursuant to the Merger, provided that such shares were held by such stockholder as capital assets, and (v) a holder s holding period for EMO Preferred Shares will generally be determined by including the period for which such stockholder held CBA Preferred Shares converted pursuant to the Merger, provided that such shares were held by such stockholder as capital assets. Holders of CBA Common Shares may, however, recognize gain or loss with respect to cash such holders receive pursuant to the Merger in lieu of fractional shares. For more information about the federal income tax consequences of the Merger, see Information about the Proposed Merger Federal Income Tax Consequences below.

Comparison of Investment Objectives, Principal Investment Strategies and Principal Risks

CBA and EMO have substantially similar investment objectives and substantially similar policies and strategies.

CBA s investment objective is to provide a high level of total return, with an equal emphasis on current distributions and capital appreciation. Similarly, EMO s investment objective is to provide long-term investors a high level of total return with an emphasis on cash distributions. On May 29, 2018, the Board of Directors of EMO announced that it had approved an amendment to EMO s 80% policy that will go into effect at the time of the Merger. Pursuant to EMO s amended policy, under normal market conditions, EMO will invest at least 80% of its managed assets in energy midstream entities including entities structured as both partnerships and corporations. For purposes of the 80% policy, EMO considers investments in midstream entities as those entities that provide midstream services including the gathering, transporting, processing, fractionation, storing, refining, and distribution of oil, natural gas liquids and natural gas. EMO considers an entity to be within the energy sector if it derives at least 50% of its revenues from the business of exploring, developing, producing, gathering, transporting, processing, fractionating, storing, refining, distributing, mining or marketing natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal. In addition, concurrent with the implementation of EMO s amended 80% policy, EMO will also change its name to ClearBridge Energy Midstream Opportunity Fund Inc. To the extent the Merger is not approved, EMO will still implement its amended 80% policy and name change. No material change in the portfolio construction of EMO is expected in the near term because of the policy change.

Neither Fund is intended to be a complete investment program, and there is no assurance that either Fund will achieve its objectives.

The preceding summary of the Funds investment objectives and certain policies should be considered in conjunction with the discussion below under Comparison of Investment Objectives, Strategies and Principal Risks of Investing in the Funds Investment Objectives, Principal Investment Strategies, Fundamental Investment Restrictions and Risk Factors.

Effect on Expenses

It is anticipated that CBA s stockholders total expense ratio will decline by 0.05% and EMO s stockholders total expense ratio will decline by 0.11% as a result of the Merger. LMPFA provides administrative and certain oversight services to CBA. CBA pays an investment management fee, calculated daily and paid monthly, at an annual rate of 1.44% of CBA s average daily net assets as of February 28, 2018. Similarly, EMO currently pays LMPFA, which is also EMO s investment manager, an investment management fee, calculated daily and paid monthly, at an annual rate of 1.47% of average daily net assets as of February 28, 2018. CBA incurs 1.90% in other expenses, including financing expenses, based on its average daily net assets, whereas EMO incurs 1.93% in other expenses based on its average daily net assets.

Fee Table and Expense Example

The table below (1) compares the estimated fees and expenses of each Fund, as of February 28, 2018, and (2) shows the estimated fees and expenses of the combined Fund on a pro forma basis as if the Merger occurred on February 28, 2018. The estimates are based on the contracts and agreements in effect as of February 28, 2018 and reflect the operating expense accrual rates on that date, which are based on each Fund s net assets as of February 28, 2018. Accordingly, the actual fees and expenses of each Fund and the combined Fund as of the Closing Date of the Merger may differ from those reflected in the tables below due to changes in net assets from those at such dates. No amount of any prior fee waiver or expense reimbursement to EMO or CBA may be recovered by any person.

Changes in net assets may result from market appreciation or depreciation and other factors occurring between February 28, 2018 and the Closing Date of the Merger. As a general matter, changes (positive or negative) in a Fund s expense ratio resulting from fluctuations in the Fund s net assets will be borne by the stockholders of that Fund and the combined Fund. For information concerning the net assets of each Fund as of November 30, 2017, please see Capitalization.

The estimated expenses of CBA and EMO and pro forma expenses following the proposed Merger are set forth below. The percentages in the table below are percentages of the Funds net assets attributable to the Funds Common Shares on February 28, 2018.

Fee Table

	Pre-Merger		
	CBA (Target Fund)	**EMO (Acquiring Fund)**	**EMO (Pro Forma Combined Fund)**
ANNUAL EXPENSES			
Management Fees[(1)]	1.44%	1.47%	1.45%
Interest Payment on Borrowed Funds[(2)]	1.45%	1.40%	1.43%
Dividends on Preferred Stock[(3)]	0.21%	0.25%	0.22%
Other Expenses[(4)]	0.24%	0.28%	0.19%
Annual Expenses (exclusive of current and deferred income tax expense)	3.34%	3.40%	3.29%
Current/Deferred Income Tax Expense[(5)]	%	%	%
TOTAL ANNUAL EXPENSES (including current and deferred income tax expense)	**3.34%**	**3.40%**	**3.29%**

(1) Each Fund pays LMPFA an investment management fee, calculated daily and paid monthly, at an annual rate of 1.00% of the Fund s average daily managed assets. Managed Assets means net assets plus the amount of any Borrowings and assets attributable to any Preferred Stock that may be outstanding. For the purposes of this table, we have assumed that CBA has utilized leverage in an aggregate amount of 31% of its Managed Assets (the actual average amount of Borrowings and Preferred Stock during the period ended February 28, 2018) and EMO has utilized leverage in an aggregate amount of 32% of its Managed Assets (the actual average amount of Borrowings and Preferred Stock during the period ended February 28, 2018). If CBA were to use leverage in excess of 31% of its Managed Assets or EMO

were to use leverage in excess of 32% of its Managed Assets, the management fees shown for each Fund would be higher.

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(2) For the purposes of this table, we have assumed that EMO has utilized Borrowings in an aggregate amount of 28% of its Managed Assets and that CBA has utilized Borrowings in an aggregate amount of 28% of its Managed Assets (which equals the average level of leverage for the period ended February 28, 2018). The expenses and rates associated with leverage may vary as and when Borrowings or issuances of Preferred Stock are made.

(3) Assumes the dividend rate for each series of the MRPS is the applicable rate and is not increased as a result of any downgrade in the ratings of the MRPS. If the ratings of any series of the MRPS are downgraded, each Fund s dividend expense may increase.

(4) Estimated based on amounts incurred in the period ended February 28, 2018.

(5) For the period ended February 28, 2018, CBA had a net income tax benefit of 0.10%, and EMO had a net income tax benefit of 2.30%. The net income tax benefit is not reflected in Fund expense ratios and is not annualized.

Example

The following example helps you compare the costs of investing in the Funds Common Shares with the costs of investing in other funds. The example assumes that you invest $1,000 in the Funds Common Shares 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:

	1 Year	3 Years	5 Years	10 Years
CBA	$ 34	$ 103	$ 174	$ 363
EMO	$ 34	$ 104	$ 177	$ 369
Pro Forma Combined Fund	$ 33	$ 101	$ 172	$ 359

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Comparison of Investment Objectives, Strategies and

Principal Risks of Investing in the Funds

The following chart lists the investment objectives, principal investment policies and fundamental investment restrictions of CBA and EMO and describes the principal differences between the Funds respective policies. The chart provides CBA and EMO stockholders with a means of comparing the investment objectives, policies and strategies of CBA and EMO. On May 29, 2018, the Board of Directors of EMO announced that it had approved an amendment to EMO s 80% policy, which is reflected in the chart below and that will go into effect at the time of the Merger.

	ClearBridge American Energy MLP Fund Inc.	**ClearBridge Energy MLP Opportunity Fund Inc.**	**Differences between EMO and CBA**
Investment Objective(s)	CBA s investment objective is to provide a high level of total return, with an equal emphasis on current distributions and capital appreciation.	EMO s investment objective is to provide long-term investors a high level of total return with an emphasis on cash distributions.	EMO s objective refers only to long-term investors and emphasizes only cash distributions. CBA s objective has an equal emphasis on current distributions and capital appreciation
Principal Investment Policies and Strategies	Under normal market conditions, CBA will invest at least 80% of its Managed Assets (as defined below) in U.S. based energy MLPs (the 80% policy). For purposes of the 80% policy, CBA considers investments in MLPs to include investments that offer economic exposure to public and private MLPs in the form of MLP equity securities, securities of entities holding primarily general partner or managing member interests in MLPs, securities that are derivatives of interests in MLPs, including I-Shares, exchange-traded funds that primarily hold MLP interests and debt securities of MLPs. An issuer will be deemed to be U.S. based if (1) it is organized in the United States, or (2) it is organized elsewhere but headquartered in the United States. Energy entities are engaged in the business of exploring, developing, producing, gathering, transporting, processing, storing, refining, distributing, mining or	Under normal market conditions, EMO invests at least 80% of its Managed Assets (as defined below) in energy midstream entities including entities structured as both partnerships and corporations (the 80% policy). For purposes of the 80% policy, EMO considers investments in midstream entities as those entities that provide midstream services including the gathering, transporting, processing, fractionation, storing, refining, and distribution of oil, natural gas liquids, natural gas, refined petroleum products or coal. EMO considers an entity to be within the energy sector if it derives at least 50% of its revenues from the business of exploring, developing, producing, gathering, transporting, processing, fractionating, storing, refining, distributing, mining or marketing natural gas, natural gas liquids	CBA s 80% policy is restricted to only U.S. based energy MLPs and its investment policy defines what it means for an issuer to be U.S. based. EMO s 80% policy is restricted to energy midstream entities and does not have a geographic restriction. CBA s investment strategy contains a focus on investments in MLPs that Clearbridge believes are poised to benefit from the growing production and use of natural gas, while minimizing exposure to commodity price fluctuations. EMO instead focuses on investments in midstream entities that provide midstream services for oil, natural gas liquids, natural gas, refined petroleum products or coal. EMO s investment strategy defines entities that are within the energy sector as deriving at least 50% of revenues from certain activities. CBA s definition for energy entity does not contain a specific percentage of revenue derived from the energy sector.

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ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
marketing natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal.	(including propane), crude oil, refined petroleum products or coal.	
For as long as American Energy MLP is in the name of CBA, CBA will invest at least 80% of its Managed Assets in U.S. based energy MLPs. CBA may not change its policy to invest at least 80% of its Managed Assets in U.S. based energy MLPs unless it provides stockholders with at least 60 days written notice of such change.	For as long as Energy Midstream is in the name of EMO, EMO will invest at least 80% of its Managed Assets in energy midstream entities. EMO may not change its policy to invest at least 80% of its Managed Assets in energy midstream entities unless it provides stockholders with at least 60 days written notice of such change.	
Managed Assets means net assets plus the amount of any borrowings and the liquidation preference of any preferred stock that may be outstanding.	Managed Assets means net assets plus the amount of any borrowings and assets attributable to any preferred stock that may be outstanding.	Essentially no difference in definition of managed assets.
CBA may invest up to 20% of its Managed Assets in securities of issuers that are not MLPs. This 20% allocation may be in any of the securities described in the prospectus and the SAI. Such issuers may be treated as corporations for U.S. federal income tax purposes and, therefore, may not offer the tax benefits of investing in MLPs described in the prospectus.	EMO may invest up to 20% of its Managed Assets in securities of issuers that are not energy midstream entities. This 20% allocation may be in any of the securities described in the prospectus and the SAI, including securities of non-MLP companies engaged primarily in the energy sector. Such issuers may be treated as corporations for United States federal income tax purposes and, therefore, may not offer the tax benefits of investing in MLPs described in the prospectus.	Essentially no difference in 20% policy.
CBA may invest up to 30% of its Managed Assets in unregistered or otherwise restricted securities.	EMO may invest up to 30% of its Managed Assets in unregistered or otherwise restricted	Both EMO and CBA may invest up to 30% of their Managed Assets in restricted securities. CBA includes

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ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
Restricted securities are securities that are unregistered, held by control persons of the issuer or subject to contractual restrictions on resale. In connection with its investments in restricted securities generally, CBA may invest up to 15% of its Managed Assets in restricted securities issued by non-public companies.	securities. Restricted securities are securities that are unregistered or subject to contractual or other legal restrictions on resale. EMO typically acquires restricted securities in directly negotiated transactions.	securities held by control persons of the issuer in its definition of a restricted security. EMO may invest in restricted securities of non-public companies with certain expectations that CBA does not address.
	In connection with its investments in restricted securities generally, EMO may invest up to 15% of its Managed Assets in restricted securities issued by non-public companies. In some instances, such an investment may be made with the expectation that the assets of such non-public company will be contributed to a newly-formed MLP or sold to or merged with an existing MLP in the future.	
CBA may invest up to 20% of its Managed Assets in debt securities of MLPs and other issuers, including both investment grade debt securities and debt securities rated below investment grade (that is, rated Ba or lower by Moody s, BB+ or lower by S&P or Fitch, comparably rated by another NRSRO, or, if unrated, as determined by ClearBridge to be of comparable credit quality). CBA may invest in debt securities without regard for their maturity.	EMO may invest up to 20% of its Managed Assets in debt securities of MLPs and other issuers, including debt securities rated below investment grade (that is, rated Ba or lower by Moody s Investors Service, Inc. (Moody s), BB+ or lower by Standard & Poor s Ratings Group (S&P) or Fitch Ratings (Fitch), comparably rated by another nationally recognized statistical rating organization (NRSRO), or, if unrated, determined by ClearBridge to be of comparable credit quality). EMO may invest in debt securities without regard for their maturity.	Essentially no difference in 20% policy.

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	ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
	CBA intends to primarily invest in MLPs receiving partnership taxation treatment under the Code, and whose interests or units are traded on securities exchanges like shares of corporate stock.	EMO intends to primarily invest in MLPs receiving partnership taxation treatment under the Code, and whose interests or units are traded on securities exchanges like shares of corporate stock.	No difference.
Fundamental Investment Restrictions	CBA may not issue senior securities, except to the extent permitted by (i) the 1940 Act, or interpretations or modifications by the SEC, the SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.	EMO may not issue senior securities, except to the extent permitted by (i) the Investment Company Act of 1940, as amended (the 1940 Act), or interpretations or modifications by the SEC, the SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.	No difference.
	CBA may not make loans to other persons, except as permitted by (i) the 1940 Act, or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.	EMO may not make loans to other persons, except as permitted by (i) the 1940 Act, or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.	No difference.
	CBA may not underwrite the securities of other issuers, except insofar as CBA may be deemed to be an underwriter under the Securities Act of 1933, as amended (the 1933 Act), in connection with the sale and purchase of portfolio securities	EMO may not underwrite the securities of other issuers, except insofar as EMO may be deemed to be an underwriter under the 1933 Act, in connection with the sale and purchase of portfolio securities	No difference.
	CBA may not invest 25% or more of the value of its total assets in any one industry provided that such limitation shall not be	EMO may not invest 25% or more of the value of its total assets in any one industry provided that such limitation shall not	No difference.

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	ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
	applicable to industries in the energy sector and obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities.	be applicable to industries in the energy sector and obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities.	
	CBA may not purchase or sell real estate or interests therein other than corporate securities secured by real estate or interests therein.	EMO may not purchase or sell real estate or interests therein other than corporate securities secured by real estate or interests therein.	No difference.
	CBA may not purchase or sell commodities, commodity futures contracts or commodity options except as permitted by (i) the 1940 Act, or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.	EMO may not borrow money, except as permitted by (i) the 1940 Act, or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.	No difference.
Additional Investment Policies and Strategies	CBA will typically purchase MLP common units through open market transactions and underwritten offerings, but may also acquire MLP common units through direct placements and privately negotiated transactions. CBA may invest in different classes of common units.	EMO typically purchases such common units through open market transactions and underwritten offerings, but may also acquire common units through direct placements and privately negotiated transactions. EMO may invest in different classes of common units.	Essentially no difference.
	CBA will typically purchase MLP subordinated units through negotiated transactions directly with holders of such units or newly issued subordinated units directly from the issuer. CBA may invest in different classes of subordinated units.	EMO typically purchases MLP subordinated units through negotiated transactions directly with holders of such units or newly issued subordinated units directly from the issuer. EMO may invest in different classes of subordinated units.	No difference.

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ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
CBA will typically purchase MLP preferred units through negotiated transactions directly with MLPs, affiliates of MLPs and institutional holders of such units.	EMO typically purchases MLP preferred units through negotiated transactions directly with MLPs, affiliates of MLPs and institutional holders of such units.	
CBA may invest in equity securities issued by affiliates of MLPs, including the general partners or managing members of MLPs. Such issuers may be organized and/or taxed as corporations and therefore may not offer the advantageous tax characteristics of MLP units. CBA intends to purchase equity securities through market transactions, but may also acquire equity securities through direct placements.	EMO may invest in equity securities issued by affiliates of MLPs, including the general partners or managing members of MLPs. Such issuers may be organized and/or taxed as corporations and therefore may not offer the advantageous tax characteristics of MLP units. EMO intends to purchase equity securities through market transactions, but may also acquire equity securities through direct placements.	No difference.
For purposes of CBA s 80% policy, securities that are derivatives of interests in MLPs include I-Shares and other derivative securities that have economic characteristics of MLP securities.	For purposes of EMO s 80% policy, securities that are derivatives of interests in MLPs include I-Shares and other derivative securities that have economic characteristics of MLP securities.	No difference.
CBA also may invest in common and preferred stock, convertible securities, warrants and depository receipts of companies that are organized as corporations, limited liability companies or limited partnerships.	EMO also may invest in common and preferred stock, convertible securities, warrants and depository receipts of companies that are organized as corporations, limited liability companies or limited partnerships.	No difference.
A portion of CBA s portfolio may include investments in non-cumulative preferred securities, whereby the	A portion of EMO s portfolio may include investments in non-cumulative preferred securities, whereby the	No difference.

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	ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
	issuer does not have an obligation to make up any arrearages to its shareholders. There is no assurance that dividends or distributions on non-cumulative preferred stocks in which CBA invests will be declared or otherwise paid.	issuer does not have an obligation to make up any arrearages to its shareholders. There is no assurance that dividends or distributions on non-cumulative preferred stocks in which EMO invests will be declared or otherwise paid.	
	CBA may invest in warrants or rights (including those acquired in units or attached to other securities) that entitle the holder to buy equity securities at a specific price for a specific period of time but will do so only if such equity securities are deemed appropriate by ClearBridge for inclusion in CBA s portfolio.	EMO may invest in warrants or rights (including those acquired in units or attached to other securities) that entitle the holder to buy equity securities at a specific price for a specific period of time but will do so only if such equity securities are deemed appropriate by ClearBridge for inclusion in EMO s portfolio.	No difference.
	CBA may purchase Rule 144A securities for which there may be a secondary market of qualified institutional buyers as contemplated by Rule 144A under the 1933 Act.	EMO may purchase Rule 144A securities for which there may be a secondary market of qualified institutional buyers as contemplated by Rule 144A under the 1933 Act.	No difference.
	CBA may invest in royalty trusts. However, such investments do not count towards CBA s 80% policy.	EMO may invest in royalty trusts. However, such investments do not count towards EMO s 80% policy.	No difference.
	CBA may invest in MLPs or MLP affiliates in other sectors of the economy. For instance, CBA may invest in entities operating in the natural resources sector including companies principally engaged in owning or developing non-energy natural resources (including timber and minerals) and industrial materials, or supplying goods or services to such	EMO may invest in MLPs or MLP affiliates in other sectors of the economy. For instance, EMO may invest in entities operating in the natural resources sector including companies principally engaged in owning or developing non-energy natural resources (including timber and minerals) and industrial materials, or supplying	No difference.

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	ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
	companies. Additionally, CBA may invest in MLPs that focus on developing infrastructure assets.	goods or services to such companies. Additionally, EMO may invest in MLPs that focus on developing infrastructure assets.	
	CBA may invest in securities of foreign issuers including securities traded on non-U.S. exchanges and of emerging markets issuers. Such investments in securities of foreign issuers may include investments in American Depositary Receipts (ADRs). CBA considers a country to be an emerging market country if, at the time of investment, it is represented in the J.P. Morgan Emerging Markets Bond Index Global or categorized by the World Bank in its annual categorization as middle or low-income.	EMO may invest in securities of foreign issuers including securities traded on non-U.S. exchanges and of emerging market issuers. Such investments in securities of foreign issuers may include investments in ADRs. EMO considers a country to be an emerging market country if, at the time of investment, it is represented in the J.P. Morgan Emerging Markets Bond Index Global or categorized by the World Bank in its annual categorization as middle or low-income.	No difference.
	CBA may enter into derivative transactions, such as interest rate swaps, options contracts, futures contracts, forward contracts, options on futures contracts and indexed securities for investment, hedging and risk management purposes; provided that CBA s exposure to derivative instruments, as measured by the total notional amount of all such instruments, will not exceed 33 $^{1}/_{3}$% of its Managed Assets. With respect to this limitation, CBA may calculate its exposure in respect of derivatives transactions by netting offsetting positions (for example, if CBA purchases and sells identical call options on the same	EMO may enter into derivative transactions, such as interest rate swaps, options contracts, futures contracts, forward contracts, options on futures contracts and indexed securities for investment, hedging and risk management purposes; provided that EMO s exposure to derivative instruments, as measured by the total notional amount of all such instruments, will not exceed 20% of its Managed Assets. With respect to this limitation, EMO may net derivatives with opposite exposure to the same underlying instrument. To the extent that the security or index underlying the derivative	EMO s exposure to derivative instruments will not exceed 20%, whereas CBA s exposure will not exceed 33 $^{1}/_{3}$%. Essentially no difference in how EMO and CBA calculate exposure to derivate instruments, although CBA s policy is more explicit. Essentially no difference in how derivatives count towards the 80% policy, except that CBA s is limited to U.S. based energy MLPs. No difference in the ability to sell securities short. EMO includes disclosure that its ability to pursue its strategies with respect to derivatives has

regulatory limitations.

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ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
underlying security, with the same strike price) where appropriate. CBA may use such net calculations, where appropriate, for purposes of determining its total derivatives position with respect to the 33 $^{1}/_{3}$% limitation. CBA may sell certain equity securities short for investment and/or hedging purposes. To the extent that the security or index underlying the derivative or synthetic instrument is or is composed of securities of U.S. based energy MLPs, CBA will include such derivative and synthetic instruments for the purposes of CBA s 80% policy. CBA may sell certain securities short. CBA may use any or all of these techniques at any time, and the use of any particular derivative transaction will depend on market conditions.	or synthetic instrument is or is composed of securities of energy MLPs, EMO will include such derivative and synthetic instruments, at market value, for the purposes of EMO s 80% policy. EMO may sell certain equity securities short for investment and/or hedging purposes. he Fund may use any or all of these techniques at any time, and the use of any particular derivative transaction will depend on market conditions. EMO s ability to pursue certain of these strategies may be limited by applicable regulations of the CFTC, SEC, or other applicable regulators.	
CBA is operated by persons who have claimed an exclusion, granted to operators of registered investment companies like CBA, from registration as a commodity pool operator with respect to CBA under the CEA, and, therefore, are not subject to registration or regulation with respect to CBA under the CEA. CBA is limited in its ability to use commodity futures (which include futures on broad-based securities indexes and interest rate futures) (collectively, commodity interests) or options on commodity futures, engage in certain swaps transactions or make	EMO is operated by persons who have claimed an exclusion, granted to operators of registered investment companies like EMO, from registration as a commodity pool operator with respect to EMO under the Commodity Exchange Act (the CEA), and, therefore, are not subject to registration or regulation with respect to EMO under the CEA. As a result, since December 31, 2012, EMO has been limited in its ability to use commodity futures (which include futures on broad-based	Essentially no difference.

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ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
certain other investments (whether directly or indirectly through investments in other investment vehicles) for purposes other than bona fide hedging, as defined in the rules of the Commodity Futures Trading Commission. With respect to transactions other than for bona fide hedging purposes, either: (1) the aggregate initial margin and premiums required to establish CBA s positions in such investments may not exceed 5% of the liquidation value of CBA s portfolio (after accounting for unrealized profits and unrealized losses on any such investments); or (2) the aggregate net notional value of such instruments, determined at the time the most recent position was established, may not exceed 100% of the liquidation value of CBA s portfolio (after accounting for unrealized profits and unrealized losses on any such positions). In addition to meeting one of the foregoing trading limitations, CBA may not market itself as a commodity pool or otherwise as a vehicle for trading in the futures, options or swaps markets.	securities indexes and interest rate futures) (collectively, commodity interests) or options on commodity futures, engage in certain swaps transactions or make certain other investments (whether directly or indirectly through investments in other investment vehicles) for purposes other than bona fide hedging, as defined in the rules of the Commodity Futures Trading Commission. With respect to transactions other than for bona fide hedging purposes, either: (1) the aggregate initial margin and premiums required to establish EMO s positions in such investments may not exceed 5% of the liquidation value of EMO s portfolio (after accounting for unrealized profits and unrealized losses on any such investments); or (2) the aggregate net notional value of such instruments, determined at the time the most recent position was established, may not exceed 100% of the liquidation value of EMO s portfolio (after accounting for unrealized profits and unrealized losses on any such positions). In addition to meeting one of the foregoing trading limitations, EMO may not market itself as a commodity pool or otherwise as a vehicle for trading in the futures, options or swaps markets.	

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	ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
	CBA may use interest rate swaps for hedging purposes only and not as a speculative investment and would typically use interest rate swaps to shorten the average interest rate reset time of CBA s holdings. Interest rate swaps involve the exchange by CBA with another party of their respective commitments to pay or receive interest (e.g., an exchange of fixed rate payments for floating rate payments). CBA will only enter into interest rate swaps on a net basis, which means that the two payment streams are netted out in a cash settlement on the payment date or dates specified in the interest rate swap, with CBA receiving or paying, as the case may be, only the net amount of the two payments. If the other party to an interest rate swap defaults, CBA s risk of loss consists of the net amount of payments that CBA is contractually entitled to receive. The net amount of the excess, if any, of CBA s obligations over its entitlements will be maintained in a segregated account by CBA s custodian. CBA will not enter into any interest rate swap unless the claims-paying ability of the other party thereto is considered to be investment grade by ClearBridge. If there is a default by the other party to such a transaction, CBA will have contractual remedies pursuant to the agreements related to the transaction, which may or may not be limited by	EMO may use interest rate swaps for hedging purposes only and not as a speculative investment and would typically use interest rate swaps to shorten the average interest rate reset time of EMO s holdings. Interest rate swaps involve the exchange by EMO with another party of their respective commitments to pay or receive interest (e.g., an exchange of fixed rate payments for floating rate payments). EMO will only enter into interest rate swaps on a net basis, which means that the two payment streams are netted out in a cash settlement on the payment date or dates specified in the interest rate swap, with EMO receiving or paying, as the case may be, only the net amount of the two payments. If the other party to an interest rate swap defaults, EMO s risk of loss consists of the net amount of payments that EMO is contractually entitled to receive. The net amount of the excess, if any, of EMO s obligations over its entitlements will be maintained in a segregated account by EMO s custodian. EMO will not enter into any interest rate swap unless the claims-paying ability of the other party thereto is considered to be investment grade by ClearBridge. If there is a default by the other party to such a transaction,	CBA explains that it may purchase an interest rate swap to hedge against a change in an interest rate of a security, and then decide not to go forward with purchasing the security as planned, which will result in a loss on the interest rate swap.

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ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
applicable bankruptcy, receivership, or other insolvency laws. These instruments have historically traded in the over-the-counter market, however certain interest rate swaps have already become subject to mandatory clearing and though in the future may also be required to be traded on a swap execution facility or a contract market. If CBA purchases an interest rate swap to hedge against a change in an interest rate of a security CBA anticipates buying, and such interest rate changes unfavorably for CBA, CBA may determine not to invest in the securities as planned and will realize a loss on the interest rate swap that is not offset by a change in the interest rates or the price of the securities.	EMO will have contractual remedies pursuant to the agreements related to the transaction, which may or may not be limited by applicable bankruptcy, receivership, or other insolvency laws. These instruments are traded in the over-the-counter market, though in the future may be required to be traded through a derivatives clearing organization and/or a swap execution facility.	
CBA may, but has no current intention to, invest in securities of other closed-end or open-end investment companies that invest primarily in MLP entities in which CBA may invest directly to the extent permitted by the 1940 Act. CBA may invest in other investment companies during periods when it has large amounts of uninvested cash, such as the period shortly after CBA receives the proceeds of the offering of its Common Stock, during periods when there is a shortage of attractive MLP securities available in the market, or when ClearBridge believes share prices of other investment	EMO may, but has no current intention to, invest in securities of other closed-end or open-end investment companies, including exchange-traded funds, that invest primarily in MLP entities in which EMO may invest directly to the extent permitted by the 1940 Act. EMO may invest in other investment companies during periods when it has large amounts of uninvested cash, such as the period shortly after EMO receives the proceeds of the offering of its securities, during periods when there is a shortage of attractive MLP securities available	Substantially similar, except EMO specifies exchange-traded funds in the types of investments companies it may invest.

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ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
companies offer attractive values. CBA may invest in investment companies that are advised by ClearBridge or its affiliates to the extent permitted by applicable law and/or pursuant to exemptive relief from the SEC. Other investment companies may have investment policies that differ from those of CBA. In addition, to the extent CBA invests in other investment companies, CBA will be dependent upon the investment and research abilities of persons other than ClearBridge.	in the market, or when ClearBridge believes share prices of other investment companies offer attractive values. EMO may invest in investment companies that are advised by ClearBridge or its affiliates to the extent permitted by applicable law and/or pursuant to exemptive relief from the SEC. Other investment companies may have investment policies that differ from those of EMO. In addition, to the extent EMO invests in other investment companies, EMO is dependent upon the investment and research abilities of persons other than ClearBridge.	
ClearBridge expects, consistent with CBA s investment objective and policies, to invest in such new types of securities and to engage in such new types of practices if ClearBridge believes that these investments and investment techniques may assist CBA in achieving its investment objective. In addition, ClearBridge may use investment techniques and instruments that are not specifically described herein.	ClearBridge expects, consistent with EMO s investment objective and policies, to invest in such new types of securities and to engage in such new types of investment practices if ClearBridge believes that these investments and investment techniques may assist EMO in achieving its investment objective. In addition, ClearBridge may use investment techniques and instruments that are not specifically described herein	No difference.
At times ClearBridge may judge that conditions in the markets for securities of MLP entities make pursuing CBA s primary investment strategy inconsistent with the best interests of its	At times ClearBridge may judge that conditions in the markets for securities of MLP entities make pursuing EMO s primary investment strategy inconsistent with the best	No difference.

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ClearBridge American Energy MLP Fund Inc.	ClearBridge Energy MLP Opportunity Fund Inc.	Differences between EMO and CBA
stockholders. At such times ClearBridge may, temporarily, use alternative strategies primarily designed to reduce fluctuations in the value of CBA s assets. If CBA takes a temporary defensive position, it may be unable to achieve its investment objective.	interests of its stockholders. At such times ClearBridge may, temporarily, use alternative strategies primarily designed to reduce fluctuations in the value of EMO s assets. If EMO takes a temporary defensive position, it may be unable to achieve its investment objective.	
In implementing these defensive strategies, CBA may invest all or a portion of its assets in cash, obligations of the U.S. government, its agencies or instrumentalities; other investment grade debt securities; investment grade commercial paper; certificates of deposit and bankers acceptances; or any other fixed income securities that ClearBridge considers consistent with this strategy. It is impossible to predict if, when or for how long CBA will use these alternative strategies. There can be no assurance that such strategies will be successful.	In implementing these defensive strategies, EMO may invest all or a portion of its assets in cash, obligations of the U.S. government, its agencies or instrumentalities; other investment grade debt securities; investment grade commercial paper; certificates of deposit and bankers acceptances; or any other fixed income securities that ClearBridge considers consistent with this strategy. It is impossible to predict if, when or for how long EMO will use these alternative strategies. There can be no assurance that such strategies will be successful.	
It is not CBA s policy to engage in transactions with the objective of seeking profits from short-term trading. However, CBA may engage in active and frequent trading when ClearBridge believes such trading is, in light of prevailing economic and market conditions, in the best interests of CBA s stockholders. Frequent trading also increases transaction costs, which could detract from CBA s performance.	It is not EMO s policy to engage in transactions with the objective of seeking profits from short-term trading. However, EMO may engage in active and frequent trading when ClearBridge believes such trading is, in light of prevailing economic and market conditions, in the best interests of EMO s stockholders. Frequent trading also increases transaction costs, which could detract from EMO s performance.	No difference.

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Risk Factors

There is no assurance that EMO or CBA will meet their investment objectives. You may lose money on your investment in either Fund. The value of each Fund s shares may go up or down, sometimes rapidly and unpredictably. Market conditions, financial conditions of issuers represented in each Fund s portfolio, investment strategies, portfolio management, and other factors affect the volatility of each Fund s shares. An investment in EMO is not insured or guaranteed by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

The following section includes a summary of the principal risks of investing in EMO. References to we, us, our or the Fund in this section are references to EMO and CBA. Except as described below, your investment in CBA is subject to the same risks.

Investment and Market Risk. An investment in the Fund is subject to investment risk, including the possible loss of the entire amount that you invest. Your investment in securities represents an indirect investment in MLPs and other securities owned by the Fund, most of which could be purchased directly. An investment in our common stock is not intended to constitute a complete investment program and should not be viewed as such. The value of the Fund s portfolio securities may move up or down, sometimes rapidly and unpredictably. At any point in time, your securities may be worth less than your original investment. We are primarily a long-term investment vehicle and should not be used for short-term trading.

Risks of Investing in MLP Units. An investment in MLP units involves risks that differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of MLP units have the rights typically afforded to limited partners in a limited partnership. As compared to common stockholders of a corporation, holders of MLP units have more limited control and limited rights to vote on matters affecting the partnership. Holders of MLP units are also exposed to the risk that they will be required to repay amounts to the MLP that are wrongfully distributed to them. Additionally, conflicts of interest may exist among common unit holders, subordinated unit holders and the general partner or managing member of an MLP; for example, a conflict may arise as a result of incentive distribution payments, and the general partner does not generally have any duty to the limited partners beyond a good faith standard. For example, over the last few years there have been several simplification transactions in which the incentive distribution rights were eliminated by either (i) a purchase of the outstanding MLP units by the general partner or (ii) by the purchase of the incentive distribution rights by the MLP. These simplification transactions present a conflict of interest between the general partner and the MLP and may be structured in a way that is unfavorable to the MLP. There are also certain tax risks associated with an investment in MLP units (described below).

Tax Risks of Investing in Equity Securities of MLPs. Partnerships do not pay United States federal income tax at the partnership level. Rather, each partner of a partnership, in computing its United States federal income tax liability, will include its allocable share of the partnership s income, gains, losses, deductions and expenses. A change in current tax law, a change in the business of a given MLP, or a change in the types of income earned by a given MLP, could result in an MLP being treated as a corporation for United States federal income tax purposes, which would result in such MLP being required to pay United States federal income tax on its taxable income. The classification of an MLP as a corporation for United States federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP and causing any such distributions received by the Fund to be taxed as dividend income to the extent of the MLP s current or accumulated earnings and profits. Thus, if any of the MLPs owned by the Fund were treated as corporations for United States federal income tax purposes, the after-tax return to the Fund with respect to its investment in such MLPs could be materially reduced, which could cause a substantial decline in the value of the Fund s shares of common stock (the Common Stock).

The Fund is treated as a regular corporation, or a C corporation, for United States federal income tax purposes and, as a result, unlike most investment companies, is subject to corporate income tax to the extent the Fund recognizes positive returns. Any taxes paid by the Fund reduce the amount available to pay distributions to Common Stockholders, and therefore investors in the Fund will likely receive lower distributions than if they invested directly in MLPs.

To the extent that the Fund invests in the equity securities of an MLP, the Fund will be a partner in such MLP. Accordingly, the Fund is required to include in its taxable income the Fund s allocable share of the income, gains, losses, deductions and expenses recognized by each such MLP, regardless of whether the MLP distributes cash to the Fund. Historically, MLPs have been able to offset a significant portion of their income with tax deductions. The Fund incurs a current tax liability on its allocable share of an MLP s income and gains that are not offset by the MLP s tax deductions, losses and credits, or its net operating loss carryovers, if any. The portion, if any, of a distribution received by the Fund from an MLP that is offset by the MLP s tax deductions, losses or credits is treated as a return of capital. However, those distributions reduce the Fund s adjusted tax basis in the equity securities of the MLP, which results in an increase in the amount of gain (or decrease in the amount of loss) that is recognized by the Fund for United States federal income tax purposes upon the sale of any such equity securities or upon subsequent distributions in respect of such equity securities. The percentage of an MLP s income and gains that are offset by tax deductions, losses and credits will fluctuate over time for various reasons. A significant slowdown in acquisition activity or capital spending by MLPs held in the Fund s portfolio could result in a reduction of accelerated depreciation generated by new acquisitions, which may result in increased current tax liability for the Fund.

The Fund accrues deferred income taxes for its future tax liability associated with the difference between the Fund s tax basis in an MLP security and the fair market value of the MLP security. Upon the Fund s sale of an MLP security, the Fund will be liable for previously deferred taxes on taxable realized gains from such sale. The Fund relies to some extent on information provided by MLPs, which may not necessarily be timely, to estimate its deferred tax liability for purposes of financial statement reporting and determining its net asset value. From time to time, the Fund may modify its estimates or assumptions regarding its deferred tax liability as new information becomes available.

A corporation s earnings and profits are generally calculated by making certain adjustments to the corporation s reported taxable income. However, because of the Fund s investment in equity securities of MLPs, its earnings and profits may be calculated using accounting methods that are different from those used for calculating taxable income. Due to these differences, the Fund may make distributions out of its current or accumulated earnings and profits, which will be treated as dividends, that are in excess of its taxable income.

In addition, changes in tax laws or regulations, or future interpretations of such laws or regulations, could adversely affect the Fund or the MLP investments in which the Fund invests. For instance, the recently enacted Tax Cuts and Jobs Act has resulted in significant changes to the federal tax law. Some of these changes, such as partial limitations on the deductibility of business interest expense and the use of net operating loss carryovers, may have an adverse impact on the Fund or the MLPs in which it invests.

Lack of Diversification of MLP Customers and Suppliers. Certain MLPs in which the Fund invests or may invest in the future depend upon a limited number of customers for substantially all of their revenue. Similarly, certain MLPs in which the Fund invests or may invest in the future depend upon a limited number of suppliers of goods or services to continue their operations. The loss of any such customers or suppliers could materially adversely affect such MLPs results of operations and cash flow, and their ability to make distributions to unit holders, such as the Fund, would therefore be materially adversely affected.

Affiliated Party Risk. Certain MLPs in which the Fund may invest depend upon their parent or sponsor entities for the majority of their revenues. If their parent or sponsor entities fail to make such payments or satisfy their obligations, the revenues and cash flows of such MLPs and ability of such MLPs to make distributions to unit holders, such as the Fund, would be adversely affected.

Equity Securities Risk. A substantial percentage of the Fund s assets are invested in equity securities, including MLP common units, MLP subordinated units, MLP preferred units, equity securities of MLP affiliates, including I-Shares, and common stocks of other issuers. Equity risk is the risk that MLP units or other equity securities held by the Fund will fall due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, changes in interest rates, and the particular circumstances and performance of particular companies whose securities the Fund holds. The price of an equity security of an issuer may be particularly sensitive to general movements in the stock market, or a drop in the stock market may depress the price of most or all of the equity securities held by the Fund. In addition, MLP units or other equity securities held by the Fund may decline in price if the issuer fails to make anticipated distributions or dividend payments because, among other reasons, the issuer experiences a decline in its financial condition. In general, the equity securities of MLPs that are publicly traded partnerships tend to be less liquid than the equity securities of corporations, which means that the Fund could have difficulty selling such securities at the time it would prefer and at a price it believes would reflect the value of the security.

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MLP subordinated units typically are convertible to MLP common units at a one-to-one ratio. The price of MLP subordinated units is typically tied to the price of the corresponding MLP common unit, less a discount. The size of the discount depends upon a variety of factors, including the likelihood of conversion, the length of time remaining until conversion and the size of the block of subordinated units being purchased or sold.

I-Shares represent an indirect investment in MLP I-units. Prices and volatilities of I-Shares tend to correlate to the price of common units. Holders of I-Shares are subject to the same risks as holders of MLP common units. In addition, I-Shares may trade less frequently, particularly those of issuers with smaller capitalizations. Given their potential for limited trading volume, I-Shares may display volatile or erratic price movements. In addition, I-Shares often may be subordinated in terms of liquidation rights to MLP common units.

If the Fund invests in equity securities of other open- or closed-end investment companies, including exchange-traded funds, the Fund will bear its ratable share of that investment company s expenses, and Common Stockholders would remain subject to payment of the Fund s investment management fees with respect to the assets so invested. Common Stockholders would therefore be subject to duplicative expenses to the extent the Fund invests in other investment companies.

Energy Sector Risks. MLPs and other entities operating in the energy sector are subject to many operating risks, including: equipment failure causing outages; structural, maintenance, impairment and safety problems; transmission or transportation constraints, inoperability or inefficiencies; dependence on a specified fuel source; changes in electricity and fuel usage; availability of competitively priced alternative energy sources; changes in generation efficiency and market heat rates; lack of sufficient capital to maintain facilities; significant capital expenditures to keep older assets operating efficiently; seasonality; changes in supply and demand for energy; catastrophic and/or weather-related events such as spills, leaks, well blowouts, uncontrollable flows, ruptures, fires, explosions, floods, earthquakes, hurricanes, discharges of toxic gases and similar occurrences; storage, handling, disposal and decommissioning costs; and environmental compliance. Breakdown or failure of an energy company s assets may prevent it from performing under applicable sales agreements, which in certain situations could result in termination of the agreement or incurring a liability for liquidated damages. As a result of the above risks and other potential hazards associated with energy companies, certain companies may become exposed to significant liabilities for which they may not have adequate insurance coverage. Any of the aforementioned risks could have a material adverse effect on the business, financial condition, results of operations and cash flows of energy companies.

Because the Fund invests, under normal market conditions, at least 80% of its managed assets in energy midstream entities including entities structured as both partnerships and corporations, concentration in the energy sector may present more risks than if the Fund were broadly diversified over numerous sectors of the economy. A downturn in the energy sector of the economy, adverse political, legislative or regulatory developments, material declines in energy-related commodity prices (such as those experienced over the last few years) or other events could have a larger impact on the Fund than on an investment company that does not concentrate in the sector. At times, the performance of securities of companies in the sector may lag the performance of other sectors or the broader market as a whole. In addition, there are several specific risks associated with investments in the energy sector, including the following:

Regulatory Risk. The energy sector is highly regulated. MLPs and other entities operating in the energy sector are subject to significant regulation of nearly every aspect of their operations by federal, state and local governmental agencies. Such regulation can change rapidly or over time in both scope and intensity. For example, a particular by-product or process, including hydraulic fracturing, may be declared hazardous sometimes retroactively by a regulatory agency and unexpectedly increase production costs or limit ability to develop some reserves. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and may materially adversely affect the financial performance of MLPs.

Specifically, the operations of wells, gathering systems, pipelines, refineries and other facilities are subject to stringent and complex federal, state and local environmental laws and regulations. These include, for example:

- the federal Clean Air Act and comparable state laws and regulations that impose obligations related to air emissions;

- the federal Clean Water Act and comparable state laws and regulations that impose obligations related to discharges of pollutants into regulated bodies of water;

- RCRA and comparable state laws and regulations that impose requirements for the handling and disposal of waste from facilities; and

- CERCLA, also known as Superfund, and comparable state laws and regulations that regulate the cleanup of hazardous substances that may have been released at properties currently or previously owned or operated by MLPs or at locations to which they have sent waste for disposal.

Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements, and the issuance of orders enjoining future operations. Certain environmental statutes, including RCRA, CERCLA, the federal Oil Pollution Act and analogous state laws and regulations, impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed of or otherwise released. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances or other waste products into the environment.

There is an inherent risk that MLPs may incur environmental costs and liabilities due to the nature of their businesses and the substances they handle. For example, an accidental release from wells or gathering pipelines could subject them to substantial liabilities for environmental cleanup and restoration costs, claims made by neighboring landowners and other third parties for personal injury and property damage, and fines or penalties for related violations of environmental laws or regulations. Moreover, the possibility exists that stricter laws, regulations or enforcement policies could significantly increase the compliance costs of MLPs or limit their ability to develop some reserves. For example, hydraulic fracturing, a technique used in the completion of certain oil and gas wells, has become a subject of increasing regulatory scrutiny and may be subject in the future to more stringent, and more costly to comply with, requirements. Similarly, the implementation of more stringent environmental requirements could significantly increase the cost of any remediation that may become necessary. MLPs may not be able to recover these costs from insurance.

Voluntary initiatives and mandatory controls have been adopted or are being discussed both in the United States and worldwide to reduce emissions of greenhouse gases such as carbon dioxide, a by-product of burning fossil fuels, and methane, the major constituent of natural gas, which many scientists and policymakers believe contribute to global climate change. These measures and future measures could result in increased costs to certain companies in which the Fund may invest to operate and maintain facilities and administer and manage a greenhouse gas emissions program and may reduce demand for fuels that generate greenhouse gases and that are managed or produced by companies in which the Fund may invest.

Federal, state and local governments may enact laws, and federal, state and local agencies (such as the Environmental Protection Agency) may promulgate rules or regulations, that prohibit or significantly regulate the operation of energy assets. For instance, in the wake of a Supreme Court decision holding that the EPA has some legal authority to deal with climate change under the Clean Air Act, the EPA and the Department of Transportation jointly wrote regulations to cut gasoline use and control greenhouse gas emissions from cars and trucks. The EPA has also taken action to require certain entities to measure and report greenhouse gas emissions and certain facilities may be required to control emissions of greenhouse gases pursuant to EPA air permitting and other regulatory programs. While the current administration has sought to roll back some of these requirements, it is unclear whether this rollback will be sustained in the face of pending judicial challenges. Some states are also pushing back, and the net effect of these challenges is unclear. These measures, and other programs addressing greenhouse gas emissions, could reduce demand for energy or raise prices, which may adversely affect the total return of certain of the Fund s investments.

Commodity Price Risk. MLPs and other entities operating in the energy sector may be affected by fluctuations in the prices of energy commodities, including, for example, natural gas, natural gas liquids, crude oil and coal, in the short- and long-term. Fluctuations in energy commodity prices would impact directly companies that own such energy commodities and could impact indirectly companies that engage in transportation, storage, processing, distribution or marketing of such energy commodities. Fluctuations in energy commodity prices can result from changes in general economic conditions or political circumstances (especially of key energy producing and consuming countries); market conditions; weather patterns; domestic production levels; volume of imports; energy conservation; domestic and foreign governmental regulation; international politics; policies of OPEC; taxation; tariffs; and the availability and costs of local, intrastate and interstate transportation methods. The energy sector as a whole may also be impacted by the perception that the performance of energy sector companies is directly linked to commodity prices. High commodity prices may drive further energy conservation efforts, and a slowing economy may adversely impact energy consumption, which may adversely affect the performance of MLPs and other companies operating in the energy sector. Recent economic and market events have fueled concerns regarding potential liquidations of commodity futures and options positions.

Depletion Risk. MLPs and other entities engaged in the exploration, development, management or production of energy commodities face the risk that commodity reserves are depleted over time. Such companies seek to increase their reserves through expansion of their current businesses, acquisitions, further development of their existing sources of energy commodities, exploration of new sources of energy commodities or by entering into long-term contracts for additional reserves; however, there are risks associated with each of these potential strategies. If such companies fail to acquire additional reserves in a cost-effective manner and at a rate at least equal to the rate at which their existing reserves decline, their financial performance may suffer. Additionally, failure to replenish reserves could reduce the amount and affect the tax characterization of the distributions paid by such companies.

Supply and Demand Risk. MLPs and other entities operating in the energy sector could be adversely affected by reductions in the supply of or demand for energy commodities. The volume of production of energy commodities and the volume of energy commodities available for transportation, storage, processing or distribution could be affected by a variety of factors, including depletion of resources; depressed commodity prices; catastrophic events; labor relations; increased environmental or other governmental regulation; equipment malfunctions and maintenance difficulties; import volumes; international politics, policies of OPEC; and increased competition from alternative energy sources. Alternatively, a decline in demand for energy commodities could result from factors such as adverse economic conditions (especially in key energy-consuming countries); increased taxation; increased environmental or other governmental regulation; increased fuel economy; increased energy conservation or use of alternative energy sources; legislation intended to promote the use of alternative energy sources; or increased commodity prices.

Acquisition Risk. MLP investments owned by the Fund may depend on their ability to make acquisitions that increase adjusted operating surplus per unit in order to increase distributions to unit holders. The ability of such MLPs to make future acquisitions is dependent on their ability to identify suitable targets, negotiate favorable purchase contracts, obtain acceptable financing and outbid competing potential acquirers. To the extent that such MLPs are unable to make future acquisitions, or such future acquisitions fail to increase the adjusted operating surplus per unit, their growth and ability to make distributions to unit holders will be limited. There are risks inherent in any acquisition, including erroneous assumptions regarding revenues, acquisition expenses, operating expenses, cost savings and synergies; assumption of liabilities; indemnification; customer losses; key employee defections; distraction from other business operations; and unanticipated difficulties in operating or integrating new product areas and geographic regions.

Weather Risks. Weather plays a role in the seasonality of some MLPs cash flows. MLPs in the propane industry, for example, rely on the winter season to generate almost all of their earnings. In an unusually warm winter season, propane MLPs experience decreased demand for their product. Although most MLPs can reasonably predict seasonal weather demand based on normal weather patterns, extreme weather conditions, such as the hurricanes that severely damaged cities along the U.S. Gulf Coast in recent years, demonstrate that no amount of preparation can protect an MLP from the unpredictability of the weather or possible climate change. The damage done by extreme weather also may serve to increase many MLPs insurance premiums and could adversely affect such companies financial condition and ability to pay distributions to shareholders.

Cyclical Industry Risk. The energy industry is cyclical and from time to time may experience a shortage of drilling rigs, equipment, supplies, or qualified personnel, or due to significant demand, such services may not be available on commercially reasonable terms. An MLP s ability to successfully and timely complete capital improvements to existing or other capital projects is contingent upon many variables. Should any such efforts be unsuccessful, an MLP could be subject to additional costs and/or the write-off of its investment in the project or improvement. The marketability of oil and gas production depends in large part on the availability, proximity and capacity of pipeline systems owned by third parties. Oil and gas properties are subject to royalty interests, liens and other burdens, encumbrances, easements or restrictions, all of which could impact the production of a particular MLP. Oil and gas MLPs operate in a highly competitive and cyclical industry, with intense price competition. A significant portion of their revenues may depend on a relatively small number of customers, including governmental entities and utilities.

Catastrophic Event Risk. MLPs and other entities operating in the energy sector are subject to many dangers inherent in the production, exploration, management, transportation, processing and distribution of natural gas, natural gas liquids, crude oil, refined petroleum and petroleum products and other hydrocarbons. These dangers include leaks, fires, explosions, damage to facilities and equipment resulting from natural disasters, inadvertent damage to facilities and equipment (such as those suffered by BP s Deepwater Horizon drilling platform in 2010 or spills by various onshore oil pipelines) and terrorist acts. Since the September 11th terrorist attacks, the U.S. government has issued warnings that energy assets, specifically U.S. pipeline infrastructure, may be targeted in future terrorist attacks. These dangers give rise to risks of substantial losses as a result of loss or destruction of commodity reserves; damage to or destruction of property, facilities and equipment; pollution and environmental damage; and personal injury or loss of life. Any occurrence of such catastrophic events could bring about a limitation, suspension or discontinuation of the operations of MLPs and other entities operating in the energy sector. MLPs and other entities operating in the energy sector may not be fully insured against all risks inherent in their business operations and therefore accidents and catastrophic events could adversely affect such companies financial condition and ability to pay distributions to shareholders. It is expected that increased governmental regulation will mitigate such catastrophic risk, such as the recent oil spills referred to above, which could increase insurance premiums and other operating costs for MLPs.

Industry Specific Risks. MLPs and other entities operating in the energy sector are also subject to risks that are specific to the industry they serve.

Pipelines. Pipeline companies are subject to (i) the demand for natural gas, natural gas liquids, crude oil or refined products in the markets they serve, (ii) changes in the availability of products for gathering, transportation, processing or sale due to natural declines in reserves and production in the supply areas serviced by the companies facilities, (iii) sharp decreases in crude oil or natural gas prices that cause producers to curtail production or reduce capital spending for exploration activities, and (iv) environmental regulation. Demand for gasoline, which accounts for a substantial portion of refined product transportation, depends on price, prevailing economic conditions in the markets served, and demographic and seasonal factors. Companies that own interstate pipelines that transport natural gas, natural gas liquids, crude oil or refined petroleum products are subject to regulation by the Federal Energy Regulatory Commission (FERC) with respect to the tariff rates they may charge for transportation services. An adverse determination by FERC with respect to the tariff rates of such companies could have a material adverse effect on their business, financial condition, results of operations and cash flows and their ability to pay cash distributions or dividends.

Further, effective January 2018, the 2017 Tax Cuts and Jobs Act changed several provisions of the federal tax code, including a reduction in the maximum corporate tax rate. Following the 2017 Tax Cuts and Jobs Act being signed into law, filings have been made at FERC requesting that FERC require natural gas and liquids pipelines to lower their transportation rates to account for lower taxes. Following the effective date of the law, FERC orders granting certificates to construct proposed natural gas pipeline facilities have directed pipelines proposing new rates for service on those facilities to re-file such rates so that the rates reflect the reduction in the corporate tax rate, and FERC has issued data requests in pending certificate proceedings for proposed natural gas pipeline facilities requesting pipelines to explain the impacts of the reduction in the corporate tax rate on the rate proposals in those proceedings and to provide re-calculated initial rates for service on the proposed pipeline facilities. Furthermore, on March 15, 2018, the FERC took a number of actions that could materially adversely impact MLPs. First, the FERC reversed a long-standing policy that allowed MLPs to include an income tax allowance when calculating the transportation rates for cost-of-service pipelines owned by such MLPs. Second, the FERC issued a notice of proposed rulemaking to create a process to determine whether cost-of-service natural gas pipelines subject to FERC jurisdiction are overearning in light of either the lower corporate tax rate or the FERC s policy change related to an MLP s ability to recover an income tax allowance. Third, with respect to cost-of-service oil and refined products pipelines, the FERC announced that it will account for the lower corporate tax rate and the FERC s policy change related to an MLP s ability to recover an income tax allowance in 2020 when setting the next cost inflation index level, which index level sets the maximum allowable rate increases for oil and refined products pipelines and is set by FERC every five years. Finally, the FERC issued a notice of inquiry requesting comments as to how FERC should address accumulated deferred income tax balances on the regulatory books of pipelines regulated by FERC as well as comments on any other effects of the 2017 Tax Cuts and Jobs Act. Many experts believe it is likely that the proposed rule concerning natural gas pipelines will be adopted as-is or in a form very close to what the FERC has proposed. As a result, many natural gas pipelines could be required to lower their transportation rates, either through the FERC process or because shippers may challenge their rates. In addition, oil and refined products pipelines may be forced to reduce rates in 2020 or may not be able to increase rates as previously expected. Finally, the notice of inquiry could result in additional adverse outcomes for pipeline owners, including potentially compensating shippers for the reduction in accumulated deferred income taxes resulting from either the lower corporate tax rate or the FERC s policy change related to an MLP s ability to recover an income tax allowance, which compensation could take the form of material cash payments. The MLPs that own the affected natural gas, oil or refined products pipelines could experience a material reduction in revenues and cash flows, which may in turn materially adversely affect their financial condition and results of operations. FERC may enact other regulations or issue further requests to pipelines which may lead to lower rates. Any such change could have an adverse impact on the financial condition, results of operations or cash flows of MLPs.

Gathering and processing. Gathering and processing companies are subject to natural declines in the production of oil and natural gas fields, which utilize their gathering and processing facilities as a way to market their production, prolonged declines in the price of natural gas or crude oil, which curtails drilling activity and therefore production, and declines in the prices of natural gas liquids and refined petroleum products, which cause lower processing margins. In addition, some gathering and processing contracts subject the gathering or processing company to direct commodities price risk.

Midstream. Midstream MLPs and other entities that provide crude oil, refined product and natural gas services are subject to supply and demand fluctuations in the markets they serve which may be impacted by a wide range of factors including fluctuating commodity prices, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, accidents or catastrophic events, and economic conditions, among others.

Exploration and production. Exploration, development and production companies are particularly vulnerable to declines in the demand for and prices of crude oil and natural gas. Reductions in prices for crude oil and natural gas can cause a given reservoir to become uneconomic for continued production earlier than it would if prices were higher, resulting in the plugging and abandonment of, and cessation of production from, that reservoir. In addition, lower commodity prices not only reduce revenues but also can result in substantial downward adjustments in reserve estimates. The accuracy of any reserve estimate is a function of the quality of available data, the accuracy of assumptions regarding future commodity prices and future exploration and development costs and engineering and geological interpretations and judgments. Different reserve engineers may make different estimates of reserve quantities and related revenue based on the same data. Actual oil and gas prices, development expenditures and operating expenses will vary from those assumed in reserve estimates, and these variances may be significant. Any significant variance from the assumptions used could result in the actual quantity of reserves and future net cash flow being materially different from those estimated in reserve reports. In addition, results of drilling, testing and production and changes in prices after the date of reserve estimates may result in downward revisions to such estimates. Substantial downward adjustments in reserve estimates could have a material adverse effect on a given exploration and production company s financial position and results of operations. In addition, due to natural declines in reserves and production, exploration and production companies must economically find or acquire and develop additional reserves in order to maintain and grow their revenues and distributions.

Propane. Propane MLPs are subject to earnings variability based upon weather conditions in the markets they serve, fluctuating commodity prices, increased use of alternative fuels, increased governmental or environmental regulation, and accidents or catastrophic events, among others.

Coal. MLP entities and other entities with coal assets are subject to supply and demand fluctuations in the markets they serve, which may be impacted by a wide range of factors including fluctuating commodity prices, the level of their customers coal stockpiles, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, mining accidents or catastrophic events, health claims and economic conditions, among others. It has become increasingly difficult to obtain and maintain the permits necessary to mine coal. Further, such permits, if obtained, have increasingly contained more stringent, and more difficult and costly to comply with, provisions relating to environmental protection.

Marine shipping. Marine shipping (or tanker companies) are exposed to many of the same risks as other energy companies. In addition, the highly cyclical nature of the tanker industry may lead to volatile changes in charter rates and vessel values, which may adversely affect the earnings of tanker companies in our portfolio. Fluctuations in charter rates and vessel values result from changes in the supply and demand for tanker capacity and changes in the supply and demand for oil and oil products. Historically, the tanker markets have been volatile because many conditions and factors can affect the supply and demand for tanker capacity. Changes in demand for transportation of oil over longer distances and supply of tankers to carry that oil may materially affect revenues, profitability and cash flows of tanker companies. The successful operation of vessels in the charter market depends upon, among other things, obtaining profitable spot charters and minimizing time spent waiting for charters and traveling unladen to pick up cargo. The value of tanker vessels may fluctuate and could adversely affect the value of tanker company securities in our portfolio. Declining tanker values could affect the ability of tanker companies to raise cash by limiting their ability to refinance their vessels, thereby adversely impacting tanker company liquidity. Tanker company vessels are at risk of damage or loss because of events such as mechanical failure, collision, human error, war, terrorism, piracy, cargo loss and bad weather. Tanker vessels are also subject to international environmental regulations, including increasingly stringent engine efficiency and ballast water exchange requirements, and older vessels that have not been retrofitted may be limited in the ports they can access. In addition, changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes, boycotts and government requisitioning of vessels. These sorts of events could interfere with shipping lanes and result in market disruptions and a significant loss of tanker company earnings.

Energy and Energy Infrastructure Sector Risk. EMO is subject to the risk of focusing investments in the energy sector, which makes it more susceptible to factors adversely affecting issuers within that industry than would a fund investing in a more diversified portfolio of securities. A downturn in the energy sector of the economy could have an adverse impact on EMO. At times, the performance of securities of companies in the energy sector of the economy may lag the performance of other sectors or the broader market as a whole. The profitability of companies in the energy infrastructure sector is related to worldwide energy prices and costs related to energy production. The energy sector is cyclical and highly dependent on commodity prices. Energy-related companies can be significantly affected by the supply of, and demand for, particular energy products (such as oil and natural gas). Companies in the energy infrastructure sector may be adversely affected by natural disasters or other catastrophes. These companies may be at risk for environmental damage claims and other types of litigation. Companies in the energy infrastructure sector also may be adversely affected by changes in exchange rates, interest rates, economic conditions, tax treatment, government regulation and intervention, negative perception, efforts at energy conservation and world events in the regions in which the companies operate (e.g., expropriation, nationalization, confiscation of assets and property or the imposition of restrictions on foreign investments and repatriation of capital, military coups, social unrest, violence or labor unrest). Companies in the energy infrastructure sector may have significant capital investments in, or engage in transactions involving, emerging market countries, which may heighten these risks.

Interest Rate Risk. Rising interest rates could increase the costs of capital thereby increasing operating costs and reducing the ability of MLPs and other entities operating in the energy sector to carry out acquisitions or expansions in a cost-effective manner. As a result, rising interest rates could negatively affect the financial performance of MLPs and other entities operating in the energy sector. Rising interest rates may also impact the price of the securities of MLPs and other entities operating in the energy sector as the yields on alternative investments increase. During periods of rising interest rates, the market price of such securities generally declines. Conversely, during periods of declining interest rates, the market price of fixed income securities generally rises.

Inflation/Deflation Risk. Inflation risk is the risk that the value of certain assets or income from the Fund s investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Common Stock and distributions on the Common Stock can decline. Most of the securities in which the Fund invests pay quarterly dividends/distributions to investors and are viewed by investors as yield-based investments. As a result, the equity prices of such securities may decline when interest rates rise.

In addition, during any periods of rising inflation, the dividend rates or borrowing costs associated with the Fund s use of leverage would likely increase, which would tend to further reduce returns to Common Stockholders. Deflation risk is the risk that prices throughout the economy decline over time the opposite of inflation. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer defaults more likely, which may result in a decline in the value of the Fund s portfolio.

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Liquidity Risk. Although the equity securities of the MLPs in which the Fund invests generally trade on major stock exchanges, certain securities owned by the Fund may trade less frequently, particularly those of MLPs and other issuers with smaller capitalizations. Securities with limited trading volumes may display volatile or erratic price movements. Also, the Fund may be one of the largest investors in certain sub-sectors of the energy or natural resource sectors. Thus, it may be more difficult for the Fund to buy and sell significant amounts of such securities without an unfavorable impact on prevailing market prices. Larger purchases or sales of these securities by the Fund in a short period of time may cause abnormal movements in the market price of these securities. As a result, these securities may be difficult to dispose of at a fair price at the times when ClearBridge believe it is desirable to do so. If these securities are private securities, they are more difficult to value, and market quotations may not accurately reflect the value of such securities. Investment of our capital in securities that are less actively traded or over time experience decreased trading volume may restrict our ability to take advantage of other market opportunities.

Natural Resources Sector Risks. The natural resources sector includes companies principally engaged in owning or developing non-energy natural resources (including timber and minerals) and industrial materials, or supplying goods or services to such companies. The Fund s investments in MLPs and other entities operating in the natural resources sector will be subject to the risk that prices of these securities may fluctuate widely in response to the level and volatility of commodity prices; exchange rates; import controls; domestic and global competition; environmental regulation and liability for environmental damage; mandated expenditures for safety or pollution control; the success of exploration projects; depletion of resources; tax policies; and other governmental regulation. Investments in the natural resources sector can be significantly affected by changes in the supply of or demand for various natural resources. The value of investments in the natural resources sector may be adversely affected by a change in inflation.

Small Capitalization Risk. The Fund may invest in securities of MLPs and other issuers that have comparatively smaller capitalizations relative to issuers whose securities are included in major benchmark indexes, which presents unique investment risks. These companies often have limited product lines, markets, distribution channels or financial resources, and the management of such companies may be dependent upon one or a few key people. The market movements of equity securities issued by MLPs with smaller capitalizations may be more abrupt or erratic than the market movements of equity securities of larger, more established companies or the stock market in general. Historically, smaller capitalization companies have sometimes gone through extended periods when they did not perform as well as larger companies. In addition, equity securities of smaller capitalization companies generally are less liquid than those of larger companies. Finally, small-cap securities may not be widely followed by the investment community, which may result in reduced demand. This means that the Fund could have greater difficulty selling such securities at the time and price that the Fund would like.

Competition Risk. A number of alternatives available to the Fund as vehicles for investment in a portfolio of energy MLPs and their affiliates currently exist, including other publicly traded investment companies, structured notes and private funds. These competitive conditions may adversely impact our ability to meet our investment objective, which in turn could adversely impact our ability to make distributions.

Restricted Securities Risk. The Fund may invest up to 30% of its Managed Assets in unregistered or otherwise restricted securities. The term restricted securities refers to securities that are unregistered, held by control persons of the issuer or are subject to contractual restrictions on their resale. Restricted securities are often purchased at a discount from the market price of unrestricted securities of the same issuer reflecting the fact that such securities may not be readily marketable without some time delay. Such securities are often more difficult to value and the sale of such securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of liquid securities trading on national securities exchanges or in the over-the-counter markets. Contractual restrictions on the resale of securities result from negotiations between the issuer and purchaser of such securities and therefore vary substantially in length and scope. To dispose of a restricted security that the Fund has a contractual right to sell, the Fund may first be required to cause the security to be registered. A considerable period may elapse between a decision to sell the securities and the time when the Fund would be permitted to sell, during which time the Fund would bear market risks. The difficulties and delays associated with selling restricted securities could result in our inability to realize a favorable price upon disposition of such securities, and at times might make disposition of such securities impossible.

Cash Flow Risk. The Fund expects that a substantial portion of the cash flow it receives will be derived from its investments in equity securities of MLPs. The amount and tax characterization of cash available for distribution by an MLP depends upon the amount of cash generated by such entity s operations. Cash available for distribution by MLPs will vary widely from quarter to quarter and is affected by various factors affecting the entity s operations and the energy industry at large. Large declines in commodity prices (such as those experienced from mid-2014 to early 2016) can result in material declines in cash flow from operations. Further, covenants in debt instruments issued by MLPs in which the Fund intends to invest may restrict distributions to equity holders or, in certain circumstances, may not allow distributions to be made to equity holders. Finally, the acquisition of an MLP by an acquiror with a lower yield could result in lower distributions to the equity holders of the acquired MLP. These kind of transactions have become more prevalent in recent years. To the extent MLPs that the Fund owns reduce their distributions to equity holders, this will result in reduced levels of net distributable income and can cause the Fund to reduce its distributions. In addition to the risks described herein, operating costs, capital expenditures, acquisition costs, construction costs, exploration costs and borrowing costs may reduce the amount of cash that an MLP has available for distribution in a given period.

Capital Market Risk. Global financial markets and economic conditions have been, and continue to be, volatile due to a variety of factors, including significant write-offs in the financial services sector. As a result, the cost of raising capital in the debt and equity capital markets has increased substantially while the ability to raise capital from those markets has diminished significantly, and these challenges remain even though crude oil and natural gas liquids prices have increased significantly since the lows of February 2016. In particular, as a result of concerns about the general stability of financial markets and specifically the solvency of lending counterparties, the cost of raising capital from the credit markets generally has increased as many lenders and institutional investors have increased interest rates, enacted tighter lending standards, refused to refinance debt on existing terms or at all and reduced, or in some cases ceased to provide, funding to borrowers. In addition, lending counterparties under existing credit facilities and other debt instruments may be unwilling or unable to meet their funding obligations. Due to these factors, MLPs may be unable to obtain new debt or equity financing on acceptable terms or at all. If funding is not available when needed, or is available only on unfavorable terms, MLPs may not be able to meet their obligations as they come due, which may include multi-year capital expenditure commitments, and may have to reduce their distributions (and many have done so over the last few years) to manage their funding needs. Moreover, without adequate funding, MLPs may be unable to execute their growth strategies, complete future acquisitions, take advantage of other business opportunities or respond to competitive pressures, any of which could have a material adverse effect on their revenues and results of operations.

Valuation Risk. To the extent the Fund invests in private securities, market prices generally are unavailable for such investments, including MLP subordinated units, direct ownership of general partner or managing member interests and restricted or unregistered securities of certain MLPs and private companies. The values of such securities will ordinarily be determined by fair valuations determined by the Board of Directors or its designee in accordance with procedures governing the valuation of portfolio securities adopted by the Board of Directors. Proper valuation of such securities may require more reliance on the judgment of ClearBridge than valuation of securities for which an active trading market exists. As a limited partner in the MLPs, the Fund includes its allocable share of the MLP s taxable income in computing its own taxable income. Deferred income taxes in the financial statements of the Fund reflect (i) taxes on unrealized gains/losses, which are attributable to the temporary difference between fair market value and the cost basis of the Fund s assets for financial reporting purposes, (ii) the net tax effects of temporary differences between the carrying amount and the cost basis of such assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and, as applicable, (iii) the net tax benefit of accumulated net operating losses, capital losses and tax credit carryovers. To the extent the Fund has a deferred tax asset, consideration is given as to whether or not a valuation allowance is required. The need to establish a valuation allowance for deferred tax assets is assessed periodically by the Fund based on the criterion established by Financial Accounting Standards Board Codification Topic 740, Income Taxes (formerly Statement of Financial Accounting Standards No. 109) that it is more likely than not that some portion or all of the deferred tax asset will not be realized. In the assessment for a valuation allowance, consideration is given to all positive and negative evidence related to the realization of the deferred tax asset. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability (which are highly dependent on future allocations of taxable income and future cash distributions from the Fund s MLP holdings), the duration of statutory carryover periods and the associated risk that net operating loss, capital loss and tax credit carryovers may expire unused.

The Fund may rely to some extent on information provided by the MLPs, which may not necessarily be timely, to estimate taxable income allocable to the MLP units held in the portfolio and to estimate the associated deferred tax asset or

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liability. Such estimates are made in good faith. From time to time, as new information becomes available, the Fund modifies its estimates or assumptions regarding the deferred tax asset or liability.

Deferred tax assets may constitute a relatively high percentage of the Fund s net asset value. Any valuation allowance required against such deferred tax assets or future adjustments to a valuation allowance may reduce the Fund s deferred tax assets and could have a material impact on the Fund s net asset value and results of operations in the period the valuation allowance is recorded or adjusted.

Royalty Trust Risk. Royalty trusts are exposed to many of the same risks as other MLPs. In addition, the value of the equity securities of the royalty trusts in which the Fund invests may fluctuate in accordance with changes in the financial condition of those royalty trusts, the condition of equity markets generally, commodity prices, and other factors. Distributions on royalty trusts in which the Fund may invest will depend upon the declaration of distributions from the constituent royalty trusts, but there can be no assurance that those royalty trusts will pay distributions on their securities. Typically royalty trusts own the rights to royalties on the production and sales of a natural resource, including oil, gas, minerals and timber As these deplete, production and cash flows steadily decline, which may decrease distributions. The declaration of such distributions generally depends upon various factors, including the operating performance and financial condition of the royalty trust and general economic conditions.

In many circumstances, the royalty trusts in which the Fund may invest may have limited operating histories. The value of royalty trust securities in which the Fund invests are influenced by factors that are not within the Fund s control, including the financial performance of the respective issuers, interest rates, exchange rates and commodity prices (which will vary and are determined by supply and demand factors including weather and general economic and political conditions), the hedging policies employed by such issuers, issues relating to the regulation of the energy industry and operational risks relating to the energy industry.

Market Discount from Net Asset Value Risk. EMO s Common Stock has traded both at a premium and at a discount to its net asset value. The last reported sale price, as of May 31, 2018 was $11.05 per share. Our net asset value per share and percentage discount to net asset value per share of our Common Stock as of May 31, 2018 were $11.67 and 5.31%, respectively. There is no assurance that this discount will not continue after the date of this Prospectus or that EMO s Common Stock will again trade at a premium. Shares of closed-end investment companies frequently trade at a discount to their net asset value. This characteristic is a risk separate and distinct from the risk that our net asset value could decrease as a result of our investment activities and may be greater for investors expecting to sell their shares in a relatively short period following completion of any offering under this Prospectus. Although the value of our net assets is generally considered by market participants in determining whether to purchase or sell shares, whether investors will realize gains or losses upon the sale of EMO s Common Stock depends upon whether the market price of EMO s Common Stock at the time of sale is above or below the investor s purchase price for EMO s Common Stock. Because the market price of EMO s Common Stock is affected by factors such as net asset value, dividend or distribution levels (which are dependent, in part, on expenses), supply of and demand for EMO s Common Stock, stability of distributions, trading volume of EMO s Common Stock, general market and economic conditions, and other factors beyond our control, EMO cannot predict whether the Common Stock will trade at, below or above net asset value or at, below or above the offering price. EMO s Common Stock is designed primarily for long-term investors and you should not view EMO as a vehicle for trading purposes.

Dilution Risk. The voting power of current Common Stockholders of EMO will be diluted to the extent that such current Common Stockholders do not purchase Common Stock in any future offerings of Common Stock or do not purchase sufficient Common Stock to maintain their percentage interest. If EMO is unable to invest the proceeds of such offerings as intended, EMO s per share distributions may decrease and EMO may not participate in market advances to the same extent as if such proceeds were fully invested as planned.

Below Investment Grade (High Yield or Junk Bond) Securities Risk. The Fund may invest up to 20% of its Managed Assets in fixed income securities of below investment grade quality. Fixed income securities rated below investment grade are commonly referred to as high yield securities or junk bonds and are regarded as having predominantly speculative characteristics with respect to the issuer s capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. Fixed income securities rated as low as C by Moody s, CCC or lower by S&P or CC or lower by Fitch are considered to have extremely poor prospects of ever attaining any real

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investment standing, to have a current identifiable vulnerability to default, to be unlikely to have the capacity to pay interest and repay principal when due in the event of adverse business, financial or economic conditions and/or to be in default or not current in the payment of interest or principal. Ratings may not accurately reflect the actual credit risk associated with a corporate security.

Fixed income securities rated below investment grade generally offer a higher current yield than that available from higher grade issues, but typically involve greater risk. These securities are especially sensitive to adverse changes in general economic conditions, to changes in the financial condition of their issuers and to price fluctuation in response to changes in interest rates. During periods of economic downturn or rising interest rates, issuers of below investment grade instruments may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default. The secondary market for high yield securities may not be as liquid as the secondary market for more highly rated securities, a factor which may have an adverse effect on the Fund s ability to dispose of a particular security. There are fewer dealers in the market for high yield securities than for investment grade obligations. The prices quoted by different dealers may vary significantly, and the spread between the bid and ask price is generally much larger for high yield securities than for higher quality instruments. Under adverse market or economic conditions, the secondary market for high yield securities could contract further, independent of any specific adverse changes in the condition of a particular issuer, and these securities may become illiquid. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of below investment grade securities, especially in a market characterized by a low volume of trading.

Default, or the market s perception that an issuer is likely to default, could reduce the value and liquidity of securities held by the Fund, thereby reducing the value of your investment in the Fund s securities. In addition, default may cause the Fund to incur expenses in seeking recovery of principal or interest on its portfolio holdings. In any reorganization or liquidation proceeding relating to a portfolio company, the Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. Among the risks inherent in investments in a troubled entity is the fact that it frequently may be difficult to obtain information as to the true financial condition of such issuer. ClearBridge s judgment about the credit quality of an issuer and the relative value of its securities may prove to be wrong. Investments in below investment grade securities may present special tax issues for the Fund to the extent that the issuers of these securities default on their obligations pertaining thereto, and the federal income tax consequences to the Fund as a holder of such distressed securities may not be clear.

Foreign Securities and Emerging Markets Risk. A fund that invests in foreign (non-U.S.) securities may experience more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies. The securities markets of many foreign countries are relatively small, with a limited number of companies representing a small number of industries. Investments in foreign securities (including those denominated in U.S. dollars) are subject to economic and political developments in the countries and regions where the issuers operate or are domiciled, or where the securities are traded, such as changes in economic or monetary policies. Values may also be affected by restrictions on receiving the investment proceeds from a foreign country. Less information may be publicly available about foreign companies than about U.S. companies. Foreign companies are generally not subject to the same accounting, auditing and financial reporting standards as are U.S. companies. In addition, the Fund s investments in foreign securities may be subject to the risk of nationalization or expropriation of assets, imposition of currency exchange controls or restrictions on the repatriation of foreign currency, confiscatory taxation, political or financial instability and adverse diplomatic developments. In addition, there may be difficulty in obtaining or enforcing a court judgment abroad. Dividends or interest on, or proceeds from the sale of, foreign securities may be subject to non-U.S. withholding taxes, and special U.S. tax considerations may apply.

The risks of foreign investment are greater for investments in emerging markets. The Fund considers a country to be an emerging market country if, at the time of investment, it is represented in the J.P. Morgan Emerging Markets Bond Index Global or categorized by the World Bank in its annual categorization as middle- or low-income. Emerging market countries typically have economic and political systems that are less fully developed, and that can be expected to be less stable, than those of more advanced countries. Low trading volumes may result in a lack of liquidity and in price volatility. Emerging market countries may have policies that restrict investment by foreigners, that require governmental approval prior to investments by foreign persons, or that prevent foreign investors from withdrawing their money at will. An investment in emerging market securities should be considered speculative.

Currency Risk. If the Fund invests directly in securities that trade in, and receive revenues in, foreign (non-U.S.) currencies, it will be subject to the risk that those currencies will decline in value relative to the U.S. dollar. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or the imposition of currency controls or other political developments in the United States or abroad. As a result, the Fund s investments in foreign currency denominated securities may reduce the returns of the Fund.

Leverage Risk. As of May 31, 2018, EMO had outstanding senior secured notes, a revolving credit facility with a financial institution and outstanding MRPS. Leverage may result in greater volatility of the net asset value and market price of the Common Stock because changes in the value of the Fund s portfolio investments, including investments purchased with the proceeds from borrowings, including loans from certain financial institutions and/or the issuance of debt securities (collectively, Borrowings), and the issuance of the Fund s preferred stock (Preferred Stock) are borne entirely by the holders of Common Stock. Common Stock income may fall if the interest rate on Borrowings or the dividend rate on Preferred Stock rises, and may fluctuate as the interest rate on Borrowings or the dividend rate on Preferred Stock varies. The Fund s use of leverage results in increased operating costs. Thus, to the extent that the then-current cost of any leverage, together with other related expenses, approaches the net return on the Fund s investment portfolio, the benefit of leverage to holders of Common Stock will be reduced, and if the then-current cost of any leverage together with related expenses were to exceed the net return on the Fund s portfolio, the Fund s leveraged capital structure would result in a lower rate of return to holders of Common Stock than if the Fund were not so leveraged and a decline in the Fund s net asset value. There can be no assurance that the Fund s leveraging strategy will be successful.

During periods when the Fund is using leverage through Borrowings or the issuance of Preferred Stock, the fees paid to LMPFA and ClearBridge for advisory services will be higher than if the Fund did not use leverage because the fees paid will be calculated on the basis of the Fund s Managed Assets, which includes the amount of Borrowings and any assets attributable to the issuance of Preferred Stock. This means that LMPFA and ClearBridge have a financial incentive to increase the Fund s use of leverage.

Any decline in the net asset value of the Fund will be borne entirely by the holders of Common Stock. Borrowings and Preferred Stock leverage investments in Common Stock. Therefore, if the market value of the Fund s portfolio declines, the Fund s use of leverage will result in a greater decrease in net asset value to holders of Common Stock than if the Fund were not leveraged. Such greater net asset value decrease will also tend to cause a greater decline in the market price for the Common Stock.

Certain types of Borrowings, including the Fund s current Borrowings, result in the Fund being subject to covenants relating to asset coverage, credit ratings, portfolio composition or otherwise. In addition, the Fund may be subject to certain restrictions imposed by guidelines of one or more rating agencies which issue ratings for the notes and Preferred Stock issued by the Fund. Such restrictions are more stringent than those imposed by the 1940 Act. In addition, the terms of the Fund s current Borrowings also require that the Fund pledge its assets as collateral.

Holders of the Fund s Preferred Stock also have certain voting rights, including the right to elect two of our directors. The interests of holders of Preferred Stock may not be aligned with the interests of Common Stockholders and holders of Preferred Stock may vote in a manner adverse to the interests of Common Stockholders.

Derivatives Risk. The Fund may utilize a variety of derivative instruments such as interest rate swaps, options contracts, futures contracts, forward contracts, options on futures contracts and indexed securities. Generally, derivatives are financial transactions whose value depends on, or is derived from, the value of an underlying asset, reference rate or index, and may relate to individual debt or equity instruments, interest rates, currencies or currency exchange rates, commodities, related indexes and other assets. Derivatives are subject to a number of risks described elsewhere in this Prospectus, such as liquidity risk, interest rate risk, credit risk and management risk. Derivatives are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation to the Fund. Changes in the credit quality of the companies that serve as the Fund s counterparties with respect to its derivative transactions will affect the value of those instruments. By using derivatives that expose the Fund to counterparties, the Fund assumes the risk that its counterparties could experience financial hardships that could call into question their continued ability to perform their obligations. In addition, in the event of the insolvency of a counterparty to a derivative transaction, the derivative transaction would

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typically be terminated at its fair market value. If the Fund is owed this fair market value in the termination of the derivative transaction and its claim is unsecured, the Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying reference asset or security. As a result, concentrations of such derivatives in any one counterparty would subject the Fund to an additional degree of risk with respect to defaults by such counterparty. Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not correlate perfectly with an underlying asset, interest rate or index. Suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial. If the Fund invests in a derivative instrument, it could lose more than the principal amount invested. Changes to the derivatives markets as a result of rules promulgated pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act and other government regulation may have an adverse effect on the Fund s ability to make use of derivative transactions.

Derivative instruments can be illiquid, may disproportionately increase losses and may have a potentially large impact on Fund performance.

Short Sales Risk. To the extent the Fund makes use of short sales for investment and/or risk management purposes, the Fund may be subject to risks associated with selling short. Short sales are transactions in which the Fund sells securities or other instruments that the Fund does not own. Short sales expose the Fund to the risk that it will be required to cover its short position at a time when the securities have appreciated in value, thus resulting in a loss to the Fund. The Fund may engage in short sales where it does not own or have the right to acquire the security sold short at no additional cost. The Fund s loss on a short sale theoretically could be unlimited in a case where the Fund is unable, for whatever reason, to close out its short position. In addition, the Fund s short selling strategies may limit its ability to benefit from increases in the markets. If the Fund engages in short sales, it will segregate liquid assets, enter into offsetting transactions or own positions covering its obligations; however, such segregation and cover requirements will not limit or offset losses on related positions. Short selling also involves a form of financial leverage that may exaggerate any losses realized by the Fund. Also, there is the risk that the counterparty to a short sale may fail to honor its contractual terms, causing a loss to the Fund. The Fund will incur transaction costs with any short sales, which will be borne by shareholders. Finally, regulations imposed by the SEC or other regulatory bodies relating to short selling may restrict the Fund s ability to engage in short selling.

The Fund s obligation to replace a borrowed security is secured by collateral deposited with the broker-dealer, usually cash, U.S. government securities or other liquid securities similar to those borrowed. The Fund is also required to segregate similar collateral to the extent, if any, necessary so that the value of both collateral amounts in the aggregate is at all times equal to at least 100% of the current market value of the security sold short. Depending on arrangements made with the broker-dealer from which the Fund borrowed the security regarding payment over of any payments received by us on such security, the Fund may not receive any payments (including interest) on the collateral deposited with such broker-dealer.

Legal and Regulatory Risk. Legal, tax and regulatory changes could occur and may adversely affect the Fund and its ability to pursue its investment strategies and/or increase the costs of implementing such strategies. New (or revised) laws or regulations may be imposed by the CFTC, the SEC, the U.S. Federal Reserve or other banking regulators, other governmental regulatory authorities or self-regulatory organizations that supervise the financial markets that could adversely affect the Fund. In particular, these agencies are empowered to promulgate a variety of new rules pursuant to recently enacted financial reform legislation in the United States. The Fund also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations.

In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The CFTC, the SEC, the Federal Deposit Insurance Corporation, other regulators and self-regulatory organizations and exchanges are authorized under these statutes, regulations and otherwise to take extraordinary actions in the event of market emergencies. The Fund and the Investment Manager have historically been eligible for exemptions from certain regulations. However, there is no assurance that the Fund and LMPFA will continue to be eligible for such exemptions.

The U.S. Government enacted legislation that provides for new regulation of the derivatives market, including clearing, margin, reporting, recordkeeping, and registration requirements. Although the CFTC has released final rules relating to

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clearing, reporting, recordkeeping and registration requirements under the legislation, certain of the provisions are subject to further final rule making, and thus its ultimate impact remains unclear. New regulations could, among other things, restrict the Fund s ability to engage in derivatives transactions (for example, by making certain types of derivatives transactions no longer available to the Fund) and/or increase the costs of such derivatives transactions (for example, by increasing margin or capital requirements), and the Fund may be unable to execute its investment strategies as a result. It is unclear how the regulatory changes will affect counterparty risk.

The CFTC and certain futures exchanges have established limits, referred to as position limits, on the maximum net long or net short positions which any person may hold or control in particular options and futures contracts; those position limits may also apply to certain other derivatives positions the Fund may wish to take. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Fund does not intend to exceed applicable position limits, it is possible that different clients managed by the Investment Manager and its affiliates may be aggregated for this purpose. Therefore it is possible that the trading decisions of the Investment Manager may have to be modified and that positions held by the Fund may have to be liquidated in order to avoid exceeding such limits. The modification of investment decisions or the elimination of open positions, if it occurs, may adversely affect the performance of the Fund.

The SEC has in the past adopted interim rules requiring reporting of all short positions above a certain de minimis threshold and may adopt rules requiring monthly public disclosure in the future. In addition, other non-U.S. jurisdictions where the Fund may trade have adopted reporting requirements. If the Fund s short positions or its strategy become generally known, it could have a significant effect on ClearBridge s ability to implement its investment strategy. In particular, it would make it more likely that other investors could cause a short squeeze in the securities held short by the Fund, forcing the Fund to cover its positions at a loss. Such reporting requirements also may limit the Investment Manager s ability to access management and other personnel at certain companies where ClearBridge seeks to take a short position. In addition, if other investors engage in copycat behavior by taking positions in the same issuers as the Fund, the cost of borrowing securities to sell short could increase drastically and the availability of such securities to the Fund could decrease drastically. Such events could make the Fund unable to execute its investment strategy. In addition, the SEC and other regulatory and self-regulatory authorities have implemented various rules and may adopt additional rules in the future that may impact those engaging in short selling activity. If additional rules were adopted regarding short sales, they could restrict the Fund s ability to engage in short sales in certain circumstances, and the Fund may be unable to execute its investment strategy as a result.

The SEC and regulatory authorities in other jurisdictions may adopt (and in certain cases, have adopted) bans on short sales of certain securities in response to market events. Bans on short selling may make it impossible for the Fund to execute certain investment strategies and may have a material adverse effect on the Fund s ability to generate returns.

Counterparty Risk. The Fund will be subject to credit risk with respect to the counterparties to the derivative contracts (whether a clearing corporation in the case of exchange-traded instruments or another party in the case of over-the-counter instruments) and other instruments entered into directly by the Fund or held by special purpose or structured vehicles in which the Fund invests. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties or otherwise, the Fund may experience significant delays in obtaining any recovery under the derivative contract in a dissolution, assignment for the benefit of creditors, liquidation, winding-up, bankruptcy, or other analogous proceeding. In addition, in the event of the insolvency of a counterparty to a derivative transaction, the derivative transaction would typically be terminated at its fair market value. If the Fund is owed this fair market value in the termination of the derivative transaction and its claim is unsecured, the Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying reference asset or security. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances.

Counterparty risk with respect to certain exchange-traded and over-the-counter derivatives may be further complicated by U.S. financial reform legislation.

Privately Held Company Risk. Privately held companies are not subject to SEC reporting requirements, are not required to maintain their accounting records in accordance with generally accepted accounting principles, and are not required to maintain effective internal controls over financial reporting. As a result, ClearBridge may not have timely or accurate information about the business, financial condition and results of operations of the privately held companies in which the Fund invests.

Debt Securities Risks. Debt securities in which the Fund invests are subject to many of the risks described elsewhere in this section. In addition, they are subject to credit risk, interest rate risk, and, depending on their quality, other special risks. An issuer of a debt security may be unable to make interest payments and repay principal. The Fund could lose money if the issuer of a debt obligation is, or is perceived to be, unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. The downgrade of a security by rating agencies may further decrease its value. Certain debt instruments, particularly below investment grade securities, may contain call or redemption provisions which would allow the issuer thereof to prepay principal prior to the debt instrument s stated maturity. This is known as prepayment risk. Prepayment risk is greater during a falling interest rate environment as issuers can reduce their cost of capital by refinancing higher yielding debt instruments with lower yielding debt instruments. An issuer may also elect to refinance its debt instruments with lower yielding debt instruments if the credit standing of the issuer improves. To the extent debt securities in its portfolio are called or redeemed, the Fund may be forced to reinvest in lower yielding securities. Debt securities have reinvestment risk, which is the risk that income from the Fund s portfolio will decline if and when the Fund invests the proceeds from matured, traded or called fixed income instruments at market interest rates that are below the portfolio s current earnings rate. A decline in income could affect the Fund s Common Stock price or its overall return.

Redenomination Risk. Continuing uncertainty as to the status of the euro and the EMU has created significant volatility in currency and financial markets generally. Any partial or complete dissolution of the EMU could have significant adverse effects on currency and financial markets, and on the values of the Fund s portfolio investments. If one or more EMU countries were to stop using the euro as its primary currency, the Fund s investments in such countries may be redenominated into a different or newly adopted currency. As a result, the value of those investments could decline significantly and unpredictably. In addition, securities or other investments that are redenominated may be subject to foreign currency risk, liquidity risk and valuation risk to a greater extent than similar investments currently denominated in euros. To the extent a currency used for redenomination purposes is not specified in respect of certain EMU- related investments, or should the euro cease to be used entirely, the currency in which such investments are denominated may be unclear, making such investments particularly difficult to value or dispose of. The Fund may incur additional expenses to the extent it is required to seek judicial or other clarification of the denomination or value of such securities.

Management Risk and Reliance on Key Personnel. The Fund is subject to management risk because it is an actively managed investment portfolio. ClearBridge and each individual portfolio manager may not be successful in selecting the best performing securities or investment techniques, and the Fund s performance may lag behind that of similar funds. The Fund depends upon the diligence and skill of ClearBridge s portfolio managers, who evaluate, negotiate, structure and monitor its investments. These individuals do not have long-term employment contracts with ClearBridge, although they do have equity interests and other financial incentives to remain with ClearBridge. The Fund also depends on the senior management of LMPFA, and the departure of any of the senior management of LMPFA could have a material adverse effect on the Fund s ability to achieve its investment objective. In addition, there is no guarantee that ClearBridge will remain our investment adviser.

Potential Conflicts of Interest Risk. LMPFA, ClearBridge and the portfolio managers have interests which may conflict with the interests of the Fund. In particular, LMPFA also manages, and ClearBridge serves as subadviser to, other closed-end investment companies listed on the NYSE that have investment objectives and investment strategies that are substantially similar to those of the Fund. Further, LMPFA and ClearBridge may at some time in the future manage and/or advise other investment funds or accounts with the same or substantially similar investment objective and strategies as the Fund. As a result, LMPFA, ClearBridge and the Fund s portfolio managers may devote unequal time and attention to the management of the Fund and those other funds and accounts, and may not be able to formulate as complete a strategy or identify equally attractive investment opportunities as might be the case if they were to devote substantially more attention to the management of the Fund. LMPFA, ClearBridge and the Fund s portfolio managers may identify a limited investment opportunity that may be suitable for multiple funds and accounts, and the opportunity may be allocated among these several funds and accounts, which may limit the Fund s ability to take full advantage of the investment opportunity. Additionally, transaction orders may be aggregated for multiple accounts for purpose of execution, which may cause the price or brokerage costs to be less favorable to the Fund than if similar transactions were not being executed concurrently for other accounts. At times, a portfolio manager may determine that an investment opportunity may be appropriate for only some of the funds and accounts for which he or she exercises investment responsibility, or may decide that certain of the funds and accounts should take differing positions with respect to a particular security. In these cases, the portfolio manager may place separate transactions for one or more funds or accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other funds and accounts. For example, a portfolio manager

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may determine that it would be in the interest of another account to sell a security that the Fund holds, potentially resulting in a decrease in the market value of the security held by the Fund.

The portfolio managers may also engage in cross trades between funds and accounts, may select brokers or dealers to execute securities transactions based in part on brokerage and research services provided to LMPFA or ClearBridge which may not benefit all funds and accounts equally and may receive different amounts of financial or other benefits for managing different funds and accounts. Finally, LMPFA or its affiliates may provide more services to some types of funds and accounts than others.

There is no guarantee that the policies and procedures adopted by LMPFA, ClearBridge and the Fund will be able to identify or mitigate the conflicts of interest that arise between the Fund and any other investment funds or accounts that LMPFA and/or ClearBridge may manage or advise from time to time.

Market Disruption and Geopolitical Risk. The aftermath of the war in Iraq, instability in Afghanistan, Pakistan and the Middle East and terrorist attacks in the United States and around the world may result in market volatility, may have long-term effects on the U.S. and worldwide financial markets and may cause further economic uncertainties in the United States and worldwide. The Fund does not know how long the securities markets may be affected by these events and cannot predict the effects of these events or similar events in the future on the U.S. economy and securities markets. The wars and occupation, terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Those events also could have an acute effect on individual issuers or related groups of issuers. These risks also could adversely affect individual issuers and securities markets, interest rates, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to the Fund s investments and the market value and net asset value of the Common Stock.

Portfolio Turnover. EMO s annual portfolio turnover rate was 16% in 2017 and may vary greatly from year to year. A higher portfolio turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by the Fund. Portfolio turnover may result in the Fund s recognition of gains that will be taxable to the Fund. Such gains will generally also increase the Fund s current and accumulated earnings and profits, possibly resulting in a greater portion of the Fund s distributions being treated as a dividend to the Common Stockholders.

Government Intervention in Financial Markets Risk. United States federal and state governments and foreign governments, their regulatory agencies or self-regulatory organizations may take actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity that affect the regulation of the securities in which the Fund invests, or the issuers of such securities, in ways that are unforeseeable Issuers of corporate fixed income securities might seek protection under the bankruptcy laws. Legislation or regulation may also change the way in which the Fund itself is regulated. Such legislation or regulation could limit or preclude the Fund s ability to achieve its investment objective. ClearBridge monitors developments and seeks to manage the Fund s portfolio in a manner consistent with achieving the Fund s investment objective, but there can be no assurance that it will be successful in doing so.

Temporary Defensive Strategies Risk. When ClearBridge anticipates unusual market or other conditions, the Fund may temporarily depart from its primary investment strategy as a defensive measure and invest all or a portion of its assets in cash, obligations of the U.S. government, its agencies or instrumentalities; other investment grade debt securities; investment grade commercial paper; certificates of deposit and bankers acceptances; or any other fixed income securities that ClearBridge considers consistent with this strategy. To the extent that the Fund invests defensively, it may not achieve its investment objective.

Non-Diversification Risk. The Fund is classified as non-diversified under the 1940 Act. As a result, it can invest a greater portion of its assets in obligations of a single issuer than a diversified fund. The Fund may therefore be more susceptible than a diversified fund to being adversely affected by any single corporate, economic, political or regulatory occurrence.

Anti-Takeover Provisions. The Fund s Articles of Incorporation and By-Laws include provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to an open-end fund. These provisions could have the effect of depriving Common Stockholders of opportunities to sell their Common Stock at a premium over the then-current market price of the Common Stock.

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INFORMATION ABOUT THE PROPOSED MERGER

The Agreement and Plan of Merger

The following is a summary of the material terms and conditions of the Agreement and Plan of Merger. This summary is qualified in its entirety by reference to the Form of Agreement and Plan of Merger attached as Appendix A to this Proxy Statement/Prospectus. Under the Agreement and Plan of Merger, CBA will merge with and into EMO on the Closing Date. As a result of the Merger and on the Closing Date:

- CBA will no longer exist, and
- EMO will be the surviving corporation

CBA will then:

- deregister as an investment company under the 1940 Act,
- cease its separate existence under Maryland law,
- remove its Common Shares from listing on the NYSE, and
- withdraw from registration under the Securities Exchange Act of 1934, as amended (the 1934 Act).

Each outstanding CBA Common Share will be converted into an equivalent dollar amount (to the nearest one tenth of one cent) of full EMO Common Shares, based on the net asset value per share of each of the parties at 4:00 p.m. Eastern Time on the business day prior to the Closing Date. No fractional EMO Common Shares will be issued to the holders of CBA Common Shares. In lieu thereof, EMO will pay cash to each former holder of CBA Common Shares in an amount equal to the value of the fractional EMO Common Shares that the investor would otherwise have received in the Merger.

In addition, EMO will issue and deliver to CBA for distribution to holders of CBA MRPS the same number of newly issued shares of Series D, E, F and G MRPS as that number of shares of CBA s Series A, B, C and D MRPS issued and outstanding immediately before the date of the Merger, with terms identical to the terms of CBA s existing Series A, B, C and D MRPS. The aggregate liquidation preference of EMO MRPS to be distributed to the holders of CBA MRPS in the event of liquidation of EMO will equal the aggregate liquidation preference of CBA MRPS held immediately before the date of the Merger. The newly issued EMO MRPS would have equal priority with any other outstanding EMO MRPS as to the payment of dividends and as to the distribution of assets upon dissolution, liquidation or winding up of the affairs of EMO. The accrual for CBA MRPS with respect to any accrued and unpaid dividends as of date of the Merger will be assumed by EMO and will apply and be payable on an equivalent share-for-share basis and on the same dividend payment schedule.

No sales charge or fee of any kind will be charged to holders of CBA Common Shares in connection with their receipt of EMO Common Shares in the Merger.

From and after the Closing Date, EMO will possess all of the properties, assets, rights, privileges and powers and shall be subject to all of the restrictions, liabilities, obligations, disabilities and duties of CBA, all as provided under Maryland law.

Under Maryland law, stockholders of a corporation whose shares are traded publicly on a national securities exchange, such as the Funds Common Shares, are not entitled to demand the fair value of their shares upon a merger; therefore, the holders of the Funds Common Shares will be bound by the terms of the Merger, if approved. However, any holder of either Fund s Common Shares may sell his or her Common Shares on the NYSE at any time prior to the Merger.

The Agreement and Plan of Merger may be terminated and the Merger abandoned, whether before or after approval by CBA s stockholders, at any time prior to the Closing Date by resolution of either Fund s Board, if circumstances should develop that, in the opinion of that Board, make proceeding with the Merger inadvisable with respect to EMO or CBA, respectively.

The Agreement and Plan of Merger provides that either Fund may waive compliance with any of the terms or conditions made therein for the benefit of that Fund, other than the requirements that: (a) the Agreement and Plan of Merger be

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approved by stockholders of EMO and CBA, and (b) CBA and EMO receive the opinion of Simpson Thacher & Bartlett LLP that the transactions contemplated by the Agreement and Plan of Merger will constitute a tax-free reorganization for federal income tax purposes, if, in the judgment of the Fund s Board, after consultation with Fund counsel, such waiver will not have a material adverse effect on the benefits intended to be provided by the Merger to the stockholders of the Fund.

Under the Agreement and Plan of Merger, each Fund, out of its assets and property, will indemnify and hold harmless the other Fund and the members of the Board and officers of the other Fund 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 other Fund and those board members 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 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 Fund or the members of the Board or officers of the Fund prior to the Closing Date, provided that such indemnification by the Fund 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. In no event will a Fund or the members of the Board or officers of a Fund be indemnified for any losses, claims, damages, liabilities or expenses arising out of or based on conduct constituting willful misfeasance, bad faith, gross negligence or the reckless disregard of duties.

The Board of each Fund, including the Independent Directors, has determined, with respect to its Fund, that the interests of the holders of that Fund s Common Shares will not be diluted as a result of the Merger and that participation in the Merger is in the best interests of that Fund. LMPFA, or an affiliate thereof, will bear the costs of the Merger, whether or not the Merger is consummated. Such expenses shall also include, but not be limited to, all costs related to the preparation and distribution of this Proxy Statement/Prospectus, proxy solicitation expenses, SEC registration fees and NYSE listing fees.

Approval of the Agreement and Plan of Merger requires (i) the affirmative vote of a majority of the issued and outstanding CBA Common Shares and CBA Preferred Shares (voting together), (ii) the affirmative vote of a majority of the issued and outstanding CBA Preferred Shares (voting as a separate class), (iii) the affirmative vote of a majority of the issued and outstanding EMO Common Shares and EMO Preferred Shares (voting together) and (iv) the affirmative vote of a majority of the issued and outstanding EMO Preferred Shares (voting as a separate class). See Voting Information below.

Reasons for the Merger and Board Considerations

Board Considerations

The Funds may be deemed affiliated investment companies as a result of LMPFA and ClearBridge serving as each Fund s investment advisers. In connection with a merger of affiliated investment companies, Rule 17a-8 requires the board of each affiliated investment company, including a majority of the directors who are not interested persons of the investment company, to determine that (1) participation in the transaction is in the best interests of the investment company, and (2) the interests of the existing stockholders of the investment company will not be diluted as a result of the transaction.

Moreover, Rule 17a-8 requires that the directors request and evaluate such information as may reasonably be necessary to make their findings. Rule 17a-8 does not specify the factors to be considered in making the findings required by the rule. In making its finding that the interests of the Fund s existing stockholders will not be diluted as a result of the Merger, the Board of each Fund considered that the Merger would be conducted on the basis of the Funds relative net asset values. The SEC has recommended that boards consider the following factors in determining whether a transaction is in the best interests of the investment company, in addition to any others that may be appropriate under the circumstances:

- any fees or expenses that will be borne directly or indirectly by the fund in connection with the merger (Factor 1);
- any effect of the merger on annual fund operating expenses and stockholder fees and services (Factor 2);
- any change in the fund s investment objectives, policies and restrictions that will result from the merger (Factor 3); and

any direct or indirect federal income tax consequences of the transaction to fund stockholders (Factor 4).

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A proposal for the Merger was first presented to the Boards for discussion at simultaneous in-person meetings on May 9 and 10, 2018 (the Informational Meeting). Prior to the Informational Meeting, LMPFA provided the Board with information and analyses regarding the Merger. Following the Informational Meeting, the Board submitted requests to LMPFA for additional information relevant (the Merger Evaluation Information), in its judgment, to making the findings required by Rule 17a-8, including information regarding cost savings or other potential benefits to LMPFA and its affiliates resulting from the Merger; responsibility for costs of the Merger in light of, among other things, any such cost savings or other potential benefits; and investment advisory fees to be paid to LMPFA and its affiliates by the combined Fund following the Merger, particularly in light of any such cost savings or other potential benefits. The Merger was approved by both Boards at a meeting (the Approval Meeting) held by conference telephone call on May 22, 2018. At the Approval Meeting, the Boards considered and approved the Merger in light of the Merger Evaluation Information received at the Informational Meeting together with additional Merger Evaluation Information received subsequent to the Informational Meeting. The discussion below reflects all of the discussions and reviews at both Informational and Approval Meetings. The Boards considered LMPFA s recommendation of the Merger and its belief that the Merger would be in the best interest of each Fund. With respect to each of the above Factors, the Boards considered:

Factor 1

LMPFA, ClearBridge and their affiliates do not expect to realize significant cost savings or other benefits as a result of the Merger. Nevertheless, all of the expenses associated with the Merger will be paid by LMPFA, or an affiliate thereof.

EMO Common Shares may experience near term price volatility as a result of the Merger.

Factor 2

It is anticipated that CBA s stockholders total expense ratio will be reduced by 5 basis points (0.05%) and EMO s stockholders total expense ratio will be reduced by 11 basis points (0.11%) as a result of the Merger.

The stockholders of each Fund may benefit from economies of scale, as one set of fixed expenses would be spread over a larger asset base. The larger asset base of the combined Fund may have a greater ability to utilize net operating loss and/or capital loss carryovers.

A larger asset base may increase access by the combined Fund to more attractive leverage terms (i.e., lower borrowing costs on debt and preferred stock) and a wider range of alternatives for raising capital to grow a combined fund.

The stockholders of each Fund may benefit from enhanced market liquidity and improved market price trading relative to NAV for the combined Fund.

The combined Fund may benefit from potential cost savings from better trade executions as a result of increased trading liquidity and tighter spreads.

The stockholders of each Fund may benefit from a more streamlined product offering, allowing for more focused marketing and stockholder servicing efforts in support of the combined Fund.

A larger fund size and additional trading liquidity following the Merger can make EMO more attractive to traditional and institutional investors and reduce the risk of activism and associated costs.

CBA and EMO have identical investment management fees of 1.00% of average daily managed assets, while having similar investment performance, with CBA returning -28.70% and -18.48% over the one and three year periods, and EMO returning -21.55%, -16.29% and -7.85% over the one, three and five-year periods ended March 31, 2018. The combined Fund will have the same investment management fee as CBA and EMO 1.00%.

Factor 3

LMPFA and ClearBridge are expected to continue to manage EMO, and stockholders of CBA and EMO may benefit from the continuing experience and expertise of LMPFA and ClearBridge and their commitment to the substantially similar investment style and strategies to be used in managing the assets of EMO.

CBA and EMO have, and following the Merger will have, substantially similar investment objectives and substantially similar investment policies.

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The stockholders of each Fund may benefit from additional diversification from a larger pool of assets and a broader investment mandate for the combined Fund.

Factor 4

The Merger is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. Assuming the Merger qualifies for such treatment, CBA stockholders generally will not recognize a gain or loss for federal income tax purposes as a result of the Merger. CBA stockholders may, however, recognize gain or loss with respect to any cash those stockholders receive pursuant to the Merger in lieu of fractional shares.

EMO s pre-Merger tax losses will be subject to an annual limitation under Code Section 382 of approximately $8.5 million. Approximately 64.6% of EMO s $73.0 million capital loss carryover may be forfeited as a result of the Merger. No forfeitures are anticipated for EMO s net operating loss carryover. The annual limitation and potential loss forfeitures are based on information currently available and could change significantly by the time of the Merger.

Net operating loss and capital loss carryovers are favorable tax assets that can be used by a Fund to offset income and gains in future taxable periods. $332.2 million of CBA s net operating loss and capital loss carryovers will transfer to the combined Fund. However, CBA s pre-Merger losses will not be available to use against EMO s pre-Merger built-in gains (net tax unrealized gains) for a five-year period following the Merger. Gains realized attributable to post-Merger appreciation are available to use against CBA s loss carryovers.

CBA s pre-Merger tax loss carryovers will lose a year of expiration as a result of the Merger, which may increase the likelihood that its capital loss carryover of $168.8 million expiring November 30, 2021 will expire unused. However, there is no assurance that these losses would be utilized prior to expiration in the absence of the Merger.

In light of the forgoing and other relevant factors, the Board of each Fund determined, under the circumstances, that the Merger (1) would be in the best interests of the shareholders of such Fund and (2) the Merger would not result in the dilution of the interests of such Fund or its shareholders. The principal factor considered by the Board of each Fund in determining that the Merger would not result in a dilution of the interests of such Fund or its shareholders was that the Merger would be effected on the basis of the relative net asset values of the Fund. Otherwise, no single factor was identified by the Board as the principal factor in making the findings required by Rule 17a-8. The Independent Directors of each Board were represented throughout their evaluation of the Merger by independent counsel. Prior to the Informational Meeting, each Board received a memorandum from LMPFA discussing its responsibilities in connection with the Merger as part of the Merger Evaluation Information and, prior to the Approval Meeting, the Independent Directors of each Board separately received a memorandum discussing such responsibilities from their independent counsel.

Federal Income Tax Consequences

The following is a summary of the material federal income tax consequences of the Merger applicable to a holder of CBA Common Shares or CBA Preferred Shares that receives EMO Common Shares or EMO Preferred Shares in the Merger. This discussion is based upon the Code, Treasury regulations, judicial authorities, published positions of the Internal Revenue Service (the IRS) and other applicable authorities, all as currently in effect and all of which are subject to change or differing interpretations (possibly with retroactive effect). This discussion is limited to U.S. holders (as defined below) that hold their CBA Common Shares or CBA Preferred Shares as capital assets for federal income tax purposes (generally, assets held for investment). This discussion does not address all of the tax consequences that may be relevant to a particular CBA stockholder or to CBA stockholders that are subject to special treatment under federal income tax laws.

This discussion does not address the tax consequences of the Merger under state, local or foreign tax laws. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences set forth below.

Holders of CBA Common Shares or CBA Preferred Shares are urged to consult with their own tax advisors as to the tax consequences of the Merger in their particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local or foreign and other tax laws and of changes in those laws.

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For purposes of this section, the term U.S. holder means a beneficial owner of CBA Common Shares or CBA Preferred Shares, as applicable, that for federal income tax purposes is:

- an individual citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State or the District of Columbia;
- an estate that is subject to federal income tax on its income regardless of its source; or
- a trust, the substantial decisions of which are controlled by one or more U.S. persons and which is subject to the primary supervision of a court within the United States, or a trust that validly has elected under applicable Treasury regulations to be treated as a U.S. person for federal income tax purposes.

Tax Consequences of the Merger Generally

CBA and EMO intend the Merger to qualify as a tax-free reorganization within the meaning of Section 368(a)(1) of the Code. The Merger is conditioned upon the receipt by both CBA and EMO of an opinion from Simpson Thacher & Bartlett LLP to the effect that, based upon certain facts, assumptions and representations of the parties, for federal income tax purposes:

(i) the Merger will constitute a reorganization within the meaning of Section 368(a)(1) of the Code and that CBA and EMO will each be a party to a reorganization within the meaning of Section 368(b) of the Code;

(ii) except for consequences regularly attributable to a termination of CBA s taxable year, no gain or loss will be recognized by CBA as a result of the Merger or upon the conversion of (a) CBA Common Shares into EMO Common Shares and (b) CBA Preferred Shares into EMO Preferred Shares;

(iii) no gain or loss will be recognized by EMO as a result of the Merger or upon the conversion of (a)CBA Common Shares into EMO Common Shares and (b) CBA Preferred Shares into EMO Preferred Shares;

(iv) no gain or loss will be recognized by the holders of CBA Common Shares upon the conversion of their CBA Common Shares into EMO Common Shares, except to the extent such holders are paid cash in lieu of fractional EMO Common Shares in the Merger;

(v) no gain or loss will be recognized by the holders of CBA Preferred Shares upon the conversion of their CBA Preferred Shares into EMO Preferred Shares;

(vi) the tax basis of CBA assets in the hands of EMO will be the same as the tax basis of such assets in the hands of CBA immediately prior to the consummation of the Merger;

(vii) immediately after the Merger, (a) the aggregate tax basis of the EMO Common Shares received by each holder of CBA Common Shares in the Merger (including that of fractional share interests purchased by EMO) will be equal to the aggregate tax basis of the CBA Common Shares owned by such holder immediately prior to the Merger and (b) the aggregate tax basis of the EMO Preferred Shares received by each holder of CBA Preferred Shares in the Merger will be equal to the aggregate tax basis of the CBA Preferred Shares owned by such holder immediately prior to the Merger;

(viii) a stockholder s holding period for EMO Common Shares (including that of fractional share interests purchased by EMO) will be determined by including the period for which such stockholder held CBA Common Shares converted pursuant to the Merger, provided that such CBA Common Shares were held by such stockholder as capital assets;

(ix) a stockholder s holding period for EMO Preferred Shares will be determined by including the period for which such stockholder held CBA Preferred Shares converted pursuant to the Merger, provided that such CBA Preferred Shares were held by such stockholder as capital assets;

(x) EMO s holding period with respect to the CBA assets transferred pursuant to the Merger will include the period for which such assets were held by CBA; and

(xi) the payment of cash to the holders of CBA Common Shares in lieu of fractional EMO Common Shares will be treated as though such fractional shares were distributed as part of the Merger and then redeemed by EMO with the

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result that the holder of CBA Common Shares will generally have a capital gain or loss to the extent the cash distribution differs from such stockholder s basis allocable to the fractional EMO Common Shares (assuming such CBA Common Shares were held by such stockholder as capital assets).

Assuming that, in accordance with the opinion referred to above, the Merger qualifies as a reorganization within the meaning of Section 368(a)(1) of the Code, the Merger will result in the tax consequences described above in clauses (i) through (xi).

Information Reporting and Backup Withholding

Cash payments received in lieu of fractional EMO Common Shares by a U.S. holder will generally be subject to information reporting unless the holder is an exempt recipient. In addition, backup withholding at a rate of 24% may apply to the cash payable to a U.S. holder, unless the holder furnishes its taxpayer identification number (in the case of individuals, their social security number) and otherwise complies with applicable requirements of the backup withholding rules, or the holder otherwise establishes an exemption. Any amounts withheld from payments to a holder under the backup withholding rules are not additional tax and will be allowed as a refund or credit against the holder s federal income tax liability, provided the required information is timely furnished to the IRS.

Reporting Requirements

A holder of CBA Common Shares or CBA Preferred Shares who receives EMO Common Shares or EMO Preferred Shares, as applicable, as a result of the Merger will be required to retain records pertaining to the Merger. Each holder of CBA Common Shares or CBA Preferred Shares who is required to file a U.S. tax return and who is a significant holder that receives EMO Common Shares or EMO Preferred Shares in the Merger will be required to file a statement with the holder s federal income tax return setting forth certain information, including such holder s basis in and the fair market value of such holder s CBA Common Shares or CBA Preferred Shares surrendered in the Merger. Holders of CBA Common Shares or CBA Preferred Shares should consult with their own tax advisors regarding the application of these reporting requirements.

Other Tax Considerations

While neither EMO nor CBA is aware of any adverse state or local tax consequences of the Merger, they have not requested any ruling or opinion with respect to such consequences, and stockholders should consult their own tax advisor with respect to such matters.

Information Regarding Net Operating Loss and Capital Loss Carryovers

As of November 30, 2017, the Funds are entitled to net operating loss and capital loss carryovers for federal income tax purposes in the amounts set forth below:

	CBA (as of November 30, 2017)			**EMO (as of November 30, 2017)**	
	Amount of Carryover	**Fiscal Year of Expiration Prior to Merger**		**Amount of Carryover**	**Fiscal Year of Expiration Prior to Merger**
Net Operating Loss Carryover:	$59,995,060	11/30/2034	**Net Operating Loss Carryover:**	$12,540,554	11/30/2037
	$103,447,182	11/30/2035			
Capital Loss Carryover:	$168,805,903	11/30/2021	**Capital Loss Carryover:**	$72,953,415	11/30/2021
Total	$332,248,145			$85,493,969	

The Merger will cause the taxable year of CBA to close, which will accelerate by one year the schedule for expiration of its net operating loss and capital loss carryovers. In addition, for a five-year period following the Merger, pursuant to Section 384 of the Code, EMO will be limited in its ability to use loss carryovers of CBA that existed at the time of the Merger to offset the recognition of built-in gains in assets that were held by EMO at the time of the Merger.

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In addition, the Merger is expected to result in a limitation on EMO s ability to use its existing net operating loss and capital loss carryovers. This limitation, imposed by Section 382 of the Code, will apply if, as expected, the stockholders of EMO own less than 50% of EMO immediately after the Merger, and will be imposed on an annual basis. The annual Section 382 limitation for periods following the Merger generally will equal the product of the value of EMO s equity immediately prior to the Merger and the long-term tax-exempt rate, published by the IRS, in effect at the time of the Merger. It is currently expected that the stockholders of CBA will own more than 50% of EMO immediately after the Merger, in which case there will be no limitation imposed by Section 382 of the Code on the use of CBA s loss carryovers. If, however, the stockholders of CBA own less than 50% of EMO immediately after the Merger, the limitation imposed by Section 382 of the Code (described above) would apply with respect to the use of CBA s loss carryovers (and such limitation would be based on the value of CBA s equity immediately prior to the Merger). The following discussion assumes that the limitation imposed by Section 382 of the Code will apply to the loss carryovers of EMO (and not those of CBA).

CBA

CBA s net operating loss and capital loss carryovers will transfer to the combined Fund, and thus will benefit the stockholders of the combined Fund, rather than only the stockholders of CBA. However, because of the acceleration of the expiration of CBA s loss carryovers and the Section 384 limitation described above, there may be an increased likelihood that some portion of CBA s loss carryovers (in particular its capital loss carryover) will expire unused. It should be noted, however, that there would be no assurances that CBA would be able to use such loss carryovers in the absence of the Merger. Additionally, CBA stockholders may benefit from the use of EMO s loss carryovers by the combined Fund after the Merger.

EMO

After the Merger, EMO s net operating loss and capital loss carryovers will benefit the stockholders of the combined Fund, rather than only the stockholders of EMO. However, pursuant to the limitation imposed by Section 382 of the Code, the aggregate amount of the carryovers that could be utilized in any taxable year would be limited to the product of the long-term tax-exempt rate at the time of the Merger and the value of EMO s equity at that time (approximately $8.5 million per year based on data as of a recent date). As a result, it is currently expected that approximately 64.6% of EMO s capital loss carryover may be forfeited as a result of the Merger. No forfeitures are anticipated for EMO s net operating loss carryover. The annual limitation and potential loss forfeitures are based on information currently available and could change significantly by the time of the Merger.

Information Applicable to Both Funds

The net operating loss and capital loss carryovers and limitations described above may change significantly between now and the Closing Date. Further, the ability of each Fund to use loss carryovers (even in the absence of the Merger) depends on factors other than loss limitations, such as the future realization of income, gains or losses.

Board Recommendation and Required Vote

Because the Merger in the Proposal has been approved by at least 75% of CBA s Continuing Directors, as that term is defined in CBA s Charter, that Proposal must be approved by (i) the holders of a majority of the issued and outstanding CBA common and preferred stock (voting as a class) and (ii) the holders of a majority of the issued and outstanding CBA preferred stock (voting as a separate class). Similarly, because the Merger in the Proposal has been approved by at least 75% of EMO s Continuing Directors, as that term is defined in EMO s Bylaws, the Proposal must be approved by (i) the holders of a majority of the issued and outstanding EMO common and preferred stock (voting as a class) and (ii) the holders of a majority of the issued and outstanding EMO preferred stock (voting as a separate class). Approval of the Proposal will occur only if a sufficient number of votes at the Meeting are cast FOR the Proposal. Abstentions effectively result in a vote AGAINST the Proposal. Any broker non-votes would effectively be treated as a vote AGAINST the Proposal.

Each Fund s Board of Directors, including the Independent Directors, unanimously recommends that stockholders of each Fund vote FOR the approval of the merger of CBA with and into EMO in accordance with the Maryland General Corporation Law.

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PORTFOLIO SECURITIES

The securities in which CBA may invest are permissible for investment under EMO s investment objectives and strategies. Based on current market conditions which may change, LMPFA estimates that the Funds will not experience any significant portfolio turnover in connection with the Merger.

No securities of EMO need to be sold in order for EMO to comply with its investment restrictions or policies. The Funds may buy and sell securities in the normal course of their operations.

INFORMATION ABOUT MANAGEMENT OF THE FUNDS

Information About Directors and Officers

The overall management of the business and affairs is vested in the Board of Directors of each Fund. In accordance with each Fund s charter, each Board of Directors is divided into three classes: Class I, Class II and Class III. Each Board approves all significant agreements between such Fund and persons or companies furnishing services to the Fund. The day-to-day operation of the Fund is delegated to the officers of each Fund, LMPFA and ClearBridge, subject always to the investment objectives, restrictions and policies of each Fund and to the general supervision of the Board. The following table provides information concerning the Directors of each Fund.

Name, Address and Age	Position(s) Held with the Funds	Length of Term Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex[(1)] Overseen by Nominee (Including the Fund)	Other Directorships Held by Nominee
Robert D. Agdern c/o Chairman of the Fund Legg Mason & Co., LLC (Legg Mason & Co.) 620 Eighth Avenue, 49th Floor New York, NY 10018 Birth year: 1950	Director and Member of Audit, Nominating, Compensation, Pricing and Valuation Committees; Class III (EMO), Class III (CBA)	Since 2015 (EMO), Since 2015 (CBA)	Member of the Advisory Committee of the Dispute Resolution Research Center at the Kellogg Graduate School of Business, Northwestern University (2002-2016); 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

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Name, Address and Age	Position(s) Held with the Funds	Length of Term Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex(1) Overseen by Nominee (Including the Fund)	Other Directorships Held by Nominee
Carol L. Colman c/o Chairman of the Fund Legg Mason & Co. 620 Eighth Avenue New York, NY 10018 Birth Year: 1946	Director and Member of Audit, Nominating, Compensation, Pricing and Valuation Committees; Class I (EMO), Class I (CBA)	Since 2011 (EMO), Since 2013 (CBA)	President, Coleman Consulting Company.	25	None
Daniel P. Cronin c/o Chairman of the Fund Legg Mason & Co., LLC 620 Eighth Avenue New York, NY 10018 Birth Year: 1946	Director and Member of Audit, Nominating, Compensation, Pricing and Valuation Committees; Class I (EMO), Class I (CBA)	Since 2011 (EMO), Since 2013 (CBA)	Retired; formerly, Associate General Counsel, Pfizer, Inc.	25	None
Paolo M. Cucchi c/o Chairman of the Fund Legg Mason & Co. 620 Eighth Avenue New York, NY 10018 Birth Year: 1941	Director and Member of Audit, Nominating, Compensation, Pricing and Valuation Committees; Class I (EMO), Class I (CBA)	Since 2011 (EMO), Since 2013 (CBA)	Emeritus Professor of French and Italian at Drew University (since 2014); formerly, Professor of French and Italian at Drew University (2009 to 2014); Vice President and Dean of College of Liberal Arts at Drew University (1984 to 2009).	25	None
Leslie H. Gelb c/o Chairman of the Fund Legg Mason & Co. 620 Eighth Avenue New York, NY 10018 Birth Year: 1937	Director and Member of Audit, Nominating, Compensation, Pricing and Valuation Committees; Class II (EMO), Class II (CBA)	Since 2011 (EMO), Since 2013 (CBA)	President Emeritus (since 2003), formerly Senior Board Fellow (2003-2015) and President (prior to 2003) of The Council on Foreign Relations; formerly, Columnist, Deputy Editorial Page Editor and Editor, Op-Ed Page, The New York Times	25	Director of one registered investment company advised by Aberdeen Asset Management Asia Limited (since 1994); Director, Encyclopedia Brittanica; Director, Centre Partners IV and V, LP and Affiliates

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Name, Address and Age	Position(s) Held with the Funds	Length of Term Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex[(1)] Overseen by Nominee (Including the Fund)	Other Directorships Held by Nominee
William R. Hutchinson c/o Chairman of the Fund Legg Mason & Co. 620 Eighth Avenue New York, NY 10018 Birth year: 1942	Director and Member of Audit, Nominating, Compensation, Pricing and Valuation Committees; Class II (EMO), Class II (CBA)	Since 2011 (EMO), Since 2013 (EMO)	President, W.R. Hutchinson & Associates Inc. (consulting)	25	Director (Non-Executive Chairman of the Board (since December 1, 2009)), Associated Banc-Corp. (since 1994)
Eileen Kamerick c/o Chairman of the Fund Legg Mason & Co. 620 Eighth Avenue New York, NY 10018 Birth Year: 1958	Director and Member of Audit, Nominating, Compensation, Pricing and Valuation Committees; Class III (EMO), Class III (CBA)	Since 2013 (EMO), Since 2013 (CBA)	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 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)	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)

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Name, Address and Age	Position(s) Held with the Funds	Length of Term Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex(1) Overseen by Nominee (Including the Fund)	Other Directorships Held by Nominee
Dr. Riordan Roett c/o Chairman of the Fund Legg Mason & Co. 620 Eighth Avenue New York, NY 10018 Birth Year: 1938	Director and Member of Audit, Nominating, Compensation, Pricing and Valuation Committees; Class III (EMO), Class III (CBA)	Since 2011 (EMO), Since 2013 (EMO)	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 (since 1973)	25	None
Jane Trust, CFA[2] Legg Mason & Co. 100 International Drive Baltimore, MD 21202 Birth year: 1962	Chairman, CEO, President and Director Class II (EMO), Class II (CBA)	Since 2015 (EMO), Since 2015 (CBA)	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 149 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). 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).	140	None

(1) 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 that have an investment adviser that is an affiliated person of the investment adviser of any of the other registered investment companies.

(2) Ms. Trust is an interested person as defined in the 1940 Act because she is an officer of LMPFA and certain of its affiliates.

The Directors were selected to join each Board based upon the following as to each Director: his or her character and integrity; such person s service as a board member of other funds in the Legg Mason, Inc. 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

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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, Inc. 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 highly regulated financial services company; Ms. Kamerick, experience in business and finance, including financial reporting, and service as a board member of another 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	Dollar Range of Equity Securities in CBA	Dollar Range of Equity Securities in EMO	Aggregate Dollar Range of Equity Securities in all Funds Overseen by Director in Family of Investment Companies[(1)]
NON-INTERESTED DIRECTORS			
Robert D. Agdern	None	None	Over $100,000
Carol L. Colman	None	None	Over $100,000
Daniel P. Cronin	$10,001-$50,000	$10,001-$50,000	Over $100,000
Paolo M. Cucchi	None	None	$50,001-$100,000
Leslie H. Gelb	None	None	None
William R. Hutchinson	None	None	Over $100,000
Eileen Kamerick	None	$10,001-$50,000	Over $100,000
Riordan Roett	None	None	$1-$10,000
INTERESTED DIRECTOR			
Jane Trust	None	None	Over $100,000

(1) 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 January 22, 2018, the Directors and officers of the Funds as a group beneficially owned less than 1% of the outstanding shares of each Fund s common stock.

No Director or nominee for election as Director who is not an interested person of the Funds as defined in the 1940 Act, nor any immediate family members, to the best of the Funds knowledge, had any interest in the Funds investment adviser, or any person or entity (other than the Funds) 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 Funds are required to provide to stockholders in connection with the Meeting information regarding compensation paid to the Directors by the Funds, 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 Funds and the Fund Complex during the calendar year ended December 31, 2017 and the total compensation paid to each Director during the fiscal years ended November 30, 2017. Certain of the Directors listed below are members of the Funds Audit and Nominating Committees, as well as other 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 Funds do not provide any pension or retirement benefits to Directors. In addition, no remuneration was paid during the fiscal year ended November 30, 2017 to Ms. Trust who is an interested person as defined in the 1940 Act.

Name of Directors	Aggregate Compensation from CBA for Fiscal Year Ended 11/30/17	Aggregate Compensation from EMO for Fiscal Year Ended 11/30/17	Total Pension or Retirement Benefits Paid as Part of Fund Expenses	Total Compensation from the Funds and Fund Complex(1) for Calendar Year Ended 12/31/17	Directorships(2)
Robert D. Agdern	$ 16,103	$ 11,743	$ 0	$ 264,000	25
Carol L. Colman	$ 17,980	$ 13,111	$ 0	$ 294,000	25
Daniel P. Cronin	$ 17,849	$ 13,015	$ 0	$ 292,000	25
Paolo M. Cucchi	$ 16,907	$ 12,329	$ 0	$ 277,000	25
Leslie H. Gelb	$ 17,038	$ 12,425	$ 0	$ 279,000	25
William R Hutchinson	$ 20,163	$ 14,701	$ 0	$ 329,000	25
Eileen A. Kamerick	$ 18,915	$ 13,792	$ 0	$ 309,000	25
Riordan Roett	$ 17,038	$ 12,425	$ 0	$ 279,000	25

(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) The numbers indicate the applicable number of investment companies in the Fund Complex overseen by that Director as of November 30, 2017.

As of January 1, 2016, the Funds paid each of the Independent Directors an annual fee of $150,000, plus $22,500 for each regularly scheduled Board meeting attended in person and $2,000 for each telephonic meeting of the Board. In addition to the payments described above, (a) the Lead Independent Director of the Board receives $50,000; (b) the chairperson of the Audit Committee receives $30,000; (c) the chairperson of the Nominating Committee receives $15,000; (d) the chairperson of the Pricing and Valuation Committee receives $15,000; (e) the chairperson of the Compensation Committee receives $15,000; and (f) each member of the Audit Sub-Committee receives $15,000.

Responsibilities of the Board of CBA and EMO

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

The Directors review each 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 each 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 each 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.

With respect to CBA, during the fiscal year ended November 30, 2017, the Board of Directors held four regular meetings and three special meetings. 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. With respect to EMO, during the fiscal year ended November 30, 2017, the Board of Directors held four regular meetings and three special meetings. 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 Funds do not have a formal policy regarding attendance by Directors at annual meetings of stockholders.

Each of the Audit Committee, the Nominating Committee, the Compensation Committee and the Pricing and Valuation Committee is composed of all Directors who have been determined not to be interested persons of each Fund, LMPFA, ClearBridge 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 Trust serves as Chairman of the Board. Ms. Trust is an interested person of each Fund. The appointment of Ms. Trust as Chairman reflects the Board s belief that her experience, familiarity with each Fund s day-to-day operations and access to individuals with responsibility for each Fund s management and operations provides the Board with insight into each Fund s business and activities and, with her access to appropriate administrative support, facilitates the efficient development of meeting agendas that address each 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 each 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 each 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 ClearBridge, each Fund s subadviser, but also enhances the independent and orderly exercise of its responsibilities.

Audit Committee

Each 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 each Fund s audit, each 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 each 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 each Fund and certain other persons by each Fund s independent registered public accounting firm. Each Fund s Audit Committee met two times during the fiscal year ended November 30, 2017. Each Fund s 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 and click on the name of the Fund.

Nominating Committee

Each Fund s Nominating Committee, the principal function of which is to select and nominate candidates for election as Directors of each 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. Each Fund s Nominating Committee met once during the fiscal year ended November 30,

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2017. Each Fund s 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 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 each 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

Each 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 each 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 each Fund. Each Fund s Pricing and Valuation Committee met four times during the fiscal year ended November 30, 2017.

Compensation Committee

Each 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 each 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. Each Fund s Compensation Committee met once during the fiscal year ended November 30, 2017. Each Fund s 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 and click on the name of the Fund.

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Officers

Each 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. The same individuals serve as officers of both CBA and EMO. In addition to Ms. Trust, each Fund s Chairman, CEO and President, the executive officers of the Funds currently are:

Name, Address and Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years
Richard F. Sennett Legg Mason & Co. 100 International Drive, Baltimore, MD 21202 Birth year: 1970	Principal Financial Officer	Since 2011 (EMO); Since 2013 (CBA)	Principal Financial Officer and Treasurer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2011 and 2013); 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 Legg Mason & Co. 100 International Drive, Baltimore, MD 21202 Birth year: 1969	Chief Compliance Officer	Since 2017 (EMO); Since 2017 (CBA)	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)
Jenna Bailey Legg Mason & Co. 100 First Stamford Place, Stamford, CT 06902 Birth Year: 1978	Identity Theft Prevention Officer	Since 2015 (EMO); Since 2015 (CBA)	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); Assistant Vice President of Legg Mason & Co. (since 2011); formerly, Associate Compliance Officer of Legg Mason & Co. (2011 to 2013)
Robert I. Frenkel Legg Mason & Co. 100 First Stamford Place Stamford, CT 06902 Birth year: 1954	Secretary and Chief Legal Officer	Since 2011 (EMO); Since 2013 (CBA)	Vice President and Deputy General Counsel of Legg Mason (since 2006); Managing Director and General Counsel of Global Mutual Funds for Legg Mason & Co. (since 2006) and Legg Mason & Co. predecessors (since 1994); Secretary and Chief Legal Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006) and Legg Mason & Co. predecessors (prior to 2006)
Jennifer S. Berg[1] Legg Mason & Co.	Treasurer	Since 2018 (EMO); Since 2018 (CBA)	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.

100 International Drive,	(2011 to 2014)
Baltimore, MD 21202	
Birth year: 1973	

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Name, Address and Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years
Thomas C. Mandia Legg Mason & Co. 100 First Stamford Place Stamford, CT 06902 Birth year: 1962	Assistant Secretary	Since 2011 (EMO); Since 2013 (CBA)	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) (since 2013) (formerly registered investment advisers)
Jeanne M. Kelly Legg Mason & Co. 620 Eighth Ave, 49th Floor New York, NY 10018	Senior Vice President	Since 2011 (EMO); Since 2013 (CBA)	Senior Vice President of certain mutual funds associated with Legg Mason & 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 & Co. (since 2005) and Legg Mason & Co. predecessors (prior to 2005); formerly, Senior Vice President of LMFAM (2013 to 2015)

1 Effective January 1, 2018, Ms. Berg became Treasurer.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the 1934 Act and Section 30(h) of the 1940 Act in combination require each Fund s Directors and principal officers, persons who own more than 10% of the Funds common stock, LMPFA and certain of its affiliates, to file reports of ownership and changes in ownership with the SEC and the NYSE. Such persons and entities are required by SEC regulations to furnish each of the Funds 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, CBA believes that, during the fiscal year ended November 30, 2017, all such filing requirements were met with respect to CBA. In addition, with respect to EMO and based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons, EMO believes that, during the fiscal year ended November 30, 2017, all such filing requirements were met with respect to EMO, with the exception of an amendment to an initial statement of beneficial interest on Form 3 for Scott Glasser, which was filed late due to an administrative oversight.

Investment Manager and Sub-Advisers

LMPFA has served as each Fund s investment manager since EMO and CBA were created in 2011 and 2013, respectively. LMPFA, located at 620 Eighth Avenue, New York, NY 10018, is a registered investment adviser that provides administrative and compliance oversight services to each Fund.

Under each Fund s management agreement with LMPFA (the Management Agreements), subject to the supervision and direction of each Fund s Board, LMPFA is delegated the responsibility of managing the Fund s portfolio in accordance with the Fund s stated investment objective and policies, making investment decisions for the Fund and placing orders to purchase and sell securities. LMPFA performs administrative and management services necessary for the operation of each Fund, such as (i) supervising the overall administration of the Fund, including negotiation of contracts and fees with and the monitoring of performance and billings of the Fund s transfer agent, stockholder servicing agents, custodian and other independent contractors or agents; (ii) providing certain compliance, Fund accounting, regulatory reporting, and tax reporting services; (iii) preparing or participating in the preparation of Board materials, registration statements, proxy statements and reports and other communications to stockholders; (iv) maintaining the Fund s existence, and (v) maintaining the registration and qualification of the Fund s shares under federal and state laws.

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Each Fund s Management Agreement will continue in effect from year to year provided such continuance is specifically approved at least annually (a) by the Fund s Board or by a majority of the outstanding voting securities of the Fund (as defined in the 1940 Act), and (b) in either event, by a majority of the Independent Directors with such Independent Directors casting votes in person at a meeting called for such purpose. Each Fund s Management Agreement provides that LMPFA may render services to others. Each Fund s Management Agreement is terminable without penalty on not more than 60 days nor less than 30 days written notice by the Fund when authorized either by a vote of holders of shares representing a majority of the voting power of the outstanding voting securities of the Fund (as defined in the 1940 Act) or by a vote of a majority of the Fund s Directors, or by LMPFA on not less than 90 days written notice, and will automatically terminate in the event of its assignment. Each Fund s Management Agreement provides that neither LMPFA nor its personnel shall be liable for any error of judgment or mistake of law or for any loss arising out of any investment or for any act or omission in the execution of security transactions for the Fund, except for willful misfeasance, bad faith or gross negligence or reckless disregard of its or their obligations and duties.

LMPFA does not provide day-to-day portfolio management services. Rather, portfolio management for each Fund is provided by ClearBridge, located at 620 Eighth Avenue, New York, New York 10018.

ClearBridge provides services to each Fund pursuant to a sub-advisory agreement between LMPFA and ClearBridge (the ClearBridge Sub-Advisory Agreements). Under each ClearBridge Asset Sub-Advisory Agreement, subject to the supervision and direction of each Fund s Board and LMPFA, ClearBridge will manage the Fund s portfolio in accordance with the Fund s stated investment objective and policies, assist in supervising all aspects of the Fund s operations, make investment decisions for the Fund, place orders to purchase and sell securities, and employ professional portfolio managers and securities analysts who provide research services to the Fund.

The ClearBridge Sub-Advisory Agreements will continue in effect from year to year provided such continuance is specifically approved at least annually (a) by the Board or by a majority of the outstanding voting securities of the Fund (as defined in the 1940 Act), and (b) in either event, by a majority of the Independent Directors with such Independent Directors casting votes in person at a meeting called for such purpose. The Board or a majority of the outstanding voting securities of each Fund (as defined in the 1940 Act) may terminate that ClearBridge Sub-Advisory Agreement without penalty, in each case on not more than 60 days nor less than 30 days written notice to ClearBridge. ClearBridge may terminate each ClearBridge Sub-Advisory Agreement on 90 days written notice to each Fund and LMPFA. LMPFA and ClearBridge may terminate each ClearBridge Sub-Advisory Agreement upon their mutual written consent. Each ClearBridge Sub-Advisory Agreement will terminate automatically in the event of assignment by ClearBridge and shall not be assignable by LMPFA without the consent of ClearBridge.

EMO currently pays LMPFA an investment management fee, calculated daily and paid monthly, at an annual rate of 1.00% of EMO s average daily managed assets. CBA currently pays LMPFA an investment management fee, calculated daily and paid monthly, at an annual rate of 1.00% of CBA s average daily managed assets. The total dollar amounts paid to LMPFA under the Management Agreements with each Fund for the last three fiscal years are as follows:

	CBA	EMO
2015	$ 12,874,400	$ 9,643,295
2016	7,276,109	5,710,916
2017	8,019,646	6,008,681
Total	$ 28,170,155	$ 21,362,892

With respect to each Fund, LMPFA pays sub-advisory fees to ClearBridge at the rate of 70% of the management fee paid to LMPFA.

LMPFA and ClearBridge are wholly-owned subsidiaries of Legg Mason. Legg Mason, whose principal executive offices are at 100 International Drive, Baltimore, Maryland 21202, is a global asset management company.

Additional information about the factors considered by the Board of EMO in approving its Management Agreement and Sub-Advisory Agreements is set forth in EMO s Semi-Annual Report to Stockholders for the Annual Period ending

November 30, 2017. Additional information about the factors considered by the Board of CBA in approving its Management Agreement and Sub-Advisory Agreements is set forth in CBA s Annual Report to Stockholders for the Fiscal Year ended November 30, 2017.

Codes of Ethics

Pursuant to Rule 17j-1 under the 1940 Act, each of the Funds, LMPFA and ClearBridge have adopted codes of ethics that permit their respective personnel to invest in securities for their own accounts, including securities that may be purchased or held by the Funds (the Codes of Ethics). All personnel must place the interests of clients first and avoid activities, interests and relationships that might interfere with the duty to make decisions in the best interests of the clients. All personal securities transactions by employees must adhere to the requirements of the applicable Codes of Ethics and must be conducted in such a manner as to avoid any actual or potential conflict of interest, the appearance of such a conflict, or the abuse of an employee s position of trust and responsibility.

When personnel covered by either Fund s Code of Ethics are employed by more than one of the managers affiliated with Legg Mason, those employees may be subject to such affiliate s Code of Ethics adopted pursuant to Rule 17j-1, rather than the Codes of Ethics of the Funds.

The Codes of Ethics of the Funds, LMPFA, and ClearBridge can be reviewed and copied at the SEC s Public Reference Room in Washington, DC, that information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-202-551-8090, that these codes of ethics are available on the EDGAR Database on the SEC s Internet site at http://www.sec.gov, and that copies of these codes of ethics may be obtained, after paying a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov, or by writing the SEC s Public Reference Section, Washington, DC, 20549-0102.

Proxy Voting Policies

Although individual Directors may not agree with particular policies or votes by LMPFA or ClearBridge each Fund s Board has delegated proxy voting discretion to LMPFA and/or ClearBridge, believing that LMPFA and/or ClearBridge should be responsible for voting because it is a matter relating to the investment decision making process.

LMPFA delegates the responsibility for voting proxies for each Fund to ClearBridge through its contracts with ClearBridge. ClearBridge will use its own proxy voting policies and procedures to vote proxies. Accordingly, LMPFA does not expect to have proxy-voting responsibility for the Funds. Should LMPFA become responsible for voting proxies for any reason, such as the inability of ClearBridge to provide investment advisory services, LMPFA shall utilize the proxy voting guidelines established by the most recent subadviser to vote proxies until a new subadviser is retained. In the case of a material conflict between the interests of LMPFA (or its affiliates if such conflict is known to persons responsible for voting at LMPFA) and either Fund, the Board of Directors of LMPFA shall consider how to address the conflict and/or how to vote the proxies. LMPFA shall maintain records of all proxy votes in accordance with applicable securities laws and regulations, to the extent that LMPFA votes proxies. LMPFA shall be responsible for gathering relevant documents and records related to proxy voting from ClearBridge and providing them to the relevant Fund as required for the Fund to comply with applicable rules under the 1940 Act.

LMPFA s and ClearBridge s Proxy Voting Policies and Procedures govern in determining how proxies relating to each Fund s portfolio securities are voted and are attached as Appendix C and D, respectively, to this Proxy Statement/Prospectus. Information regarding how each Fund voted proxies (if any) relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge (1) by calling 888-777-0102, (2) on the Fund s website at *http://www.lmcef.com* and (3) on the SEC s website at *http://www.sec.gov*.

Investment Professionals of the Funds

Below is summary information for the Funds investment professionals. Certain employees of ClearBridge listed below are members of the management teams of both CBA and EMO; others are involved in the management of only one of the Funds.

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Name and Address	Length of Time Served	Principal Occupation(s) During Last Five Years
Michael Clarfeld, CFA ClearBridge Investments, LLC 620 Eighth Avenue New York, NY 10018	Since 2011 (EMO); Since 2013 (CBA)	Co-portfolio manager of the fund; Managing Director and Portfolio Manager of ClearBridge; he has been with ClearBridge since 2006 and has 17 years of investment industry experience. Prior to joining ClearBridge, Mr. Clarfeld was an equity analyst with Hygrove Partners, LLC and a financial analyst with Goldman Sachs.
Chris Eades ClearBridge Investments, LLC 620 Eighth Avenue New York, NY 10018	Since 2011 (EMO); Since 2013 (CBA)	Co-portfolio manager of the fund; Managing Director, Co-Director of Research, Senior Research Analyst for Energy joined ClearBridge in 2006 as a senior research analyst for energy and was named co-director of research in 2009. He has 25 years of investment industry experience. Prior to joining ClearBridge, Mr. Eades served as an energy analyst and portfolio manager at Saranac Capital from 2002 to 2006.
Richard Freeman ClearBridge Investments, LLC 620 Eighth Avenue New York, NY 10018	Since 2011 (EMO); Since 2013 (CBA)	Co-portfolio manager of the fund; Mr. Freeman is a Senior Portfolio Manager and Managing Director of ClearBridge and has 41 years of investment industry experience. Mr. Freeman joined the subadviser or its predecessor in 1983.
Peter Vanderlee, CFA ClearBridge Investments, LLC 620 Eighth Avenue New York, NY 10018	Since 2011 (EMO); Since 2013 (CBA)	Co-portfolio manager of the fund; Managing Director and Portfolio Manager with ClearBridge. Mr. Vanderlee has 18 years of investment industry experience.

Other Accounts Managed by Investment Professionals

The table below identifies the number of accounts (other than the Funds) for which the each Fund s investment professionals have day-to-day management responsibilities and the total assets in such accounts, within each of the following categories: registered investment companies, other pooled investment vehicles and other accounts. Data for registered investment companies is based on the specific investment professionals that are named in the applicable disclosure documents. Data for other pooled investment vehicles and other accounts is based on ClearBridge s practice of naming a particular individual to maintain oversight responsibility for each vehicle/account. Where the named individual has been assigned primary responsibility for oversight of another pooled investment vehicle or other account, that vehicle/account has been allocated exclusively to that individual for disclosure purposes. For each category, the number of accounts and total assets in the accounts where fees are based on performance is also indicated as of November 30, 2017.

CBA:

Name of PM	Type of Account	Number of Accounts Managed	Total Assets Managed	Number of Accounts Managed for which Advisory Fee is Performance-Based	Assets Managed for which Advisory Fee is Performance-Based
Michael Clarfeld	Other Registered Investment Companies	8	$ 10.3 billion	None	None
	Other Pooled Vehicles	2	$ 490 million	None	None
	Other Accounts	32,864	$ 10.4 billion	None	None

Chris Eades	Other Registered Investment Companies	4	$ 1.9 billion	None	None
	Other Pooled Vehicles	1	$ 400 million	None	None
	Other Accounts	2	$ 7 million	None	None
Richard Freeman	Other Registered Investment Companies	9	$ 17.6 billion	None	None
	Other Pooled Vehicles	3	$ 2.3 billion	None	None
	Other Accounts	76,394	$ 24.9 billion	None	None

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Name of PM	Type of Account	Number of Accounts Managed	Total Assets Managed	Number of Accounts Managed for which Advisory Fee is Performance- Based	Assets Managed for which Advisory Fee is Performance-Based
Peter Vanderlee	Other Registered Investment Companies	9	$ 11.1 billion	None	None
	Other Pooled Vehicles	6	$ 1.7 billion	None	None
	Other Accounts	34,823	$ 10.9 billion	None	None

EMO:

Name of PM	Type of Account	Number of Accounts Managed	Total Assets Managed	Number of Accounts Managed for which Advisory Fee is Performance-Based	Assets Managed for which Advisory Fee is Performance-Based
Michael Clarfeld	Other Registered Investment Companies	8	$ 10.3 billion	None	None
	Other Pooled Vehicles	2	$ 490 million	None	None
	Other Accounts	32,864	$ 10.4 billion	None	None
Chris Eades	Other Registered Investment Companies	4	$ 1.9 billion	None	None
	Other Pooled Vehicles	1	$ 400 million	None	None
	Other Accounts	2	$ 7 million	None	None
Richard Freeman	Other Registered Investment Companies	9	$ 17.6 billion	None	None
	Other Pooled Vehicles	3	$ 2.3 billion	None	None
	Other Accounts	76,394	$ 24.9 billion	None	None
Peter Vanderlee	Other Registered Investment Companies	9	$ 11.1 billion	None	None
	Other Pooled Vehicles	6	$ 1.7 billion	None	None
	Other Accounts	34,823	$ 10.9 billion	None	None

Investment Professional Compensation

ClearBridge s portfolio managers participate in a competitive compensation program that is designed to attract and retain outstanding investment professionals and closely align the interests of its investment professionals with those of its clients and overall firm results. The total compensation program includes a significant incentive component that rewards high performance standards, integrity, and collaboration consistent with the firm s values. Portfolio manager compensation is reviewed and modified each year as appropriate to reflect changes in the market and to ensure the continued alignment with the goals stated above. ClearBridges s portfolio managers and other investment professionals receive a combination of base compensation and discretionary compensation, comprising a cash incentive award and deferred incentive plans described below.

Base salary compensation. Base salary is fixed and primarily determined based on market factors and the experience and responsibilities of the investment professional within the firm.

Discretionary compensation. In addition to base compensation managers may receive discretionary compensation.

Discretionary compensation can include:

Cash Incentive Award

ClearBridge s Deferred Incentive Plan (CDIP) a mandatory program that typically defers 15% of discretionary year-end compensation into ClearBridge managed products. For portfolio managers, one-third of this deferral tracks the performance of their primary managed product, one-third tracks the performance of a composite portfolio of the firm s new

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products and one-third can be elected to track the performance of one or more of ClearBridge managed funds. Consequently, portfolio managers can have two-thirds of their CDIP award tracking the performance of their primary managed product.

For centralized research analysts, two-thirds of their deferral is elected to track the performance of one of more of ClearBridge managed funds, while one-third tracks the performance of the new product composite.

ClearBridge then makes a company investment in the proprietary managed funds equal to the deferral amounts by fund. This investment is a company asset held on the balance sheet and paid out to the employees in shares subject to vesting requirements.

Legg Mason Restricted Stock Deferral a mandatory program that typically defers 5% of discretionary year-end compensation into Legg Mason restricted stock. The award is paid out to employees in shares subject to vesting requirements.

Legg Mason Restricted Stock and Stock Option Grants a discretionary program that may be utilized as part of the total compensation program. These special grants reward and recognize significant contributions to our clients, shareholders and the firm and aid in retaining key talent.

Several factors are considered by ClearBridge Senior Management when determining discretionary compensation for portfolio managers. These include but are not limited to:

Investment performance. A portfolio manager s compensation is linked to the pre-tax investment performance of the fund/accounts managed by the portfolio manager. Investment performance is calculated for 1-, 3-, and 5-year periods measured against the applicable product benchmark (e.g., a securities index and, with respect to a fund, the benchmark set forth in the fund s Prospectus) and relative to applicable industry peer groups. The greatest weight is generally placed on 3- and 5-year performance;

Appropriate risk positioning that is consistent with ClearBridge s investment philosophy and the Investment Committee/CIO approach to generation of alpha;

Overall firm profitability and performance;

Amount and nature of assets managed by the portfolio manager;

Contributions for asset retention, gathering and client satisfaction;

Contribution to mentoring, coaching and/or supervising;

Contribution and communication of investment ideas in ClearBridge s Investment Committee meetings and on a day to day basis;

Market compensation survey research by independent third parties.

Potential Conflicts of Interest

Potential conflicts of interest may arise when the fund s portfolio managers also have day-to-day management responsibilities with respect to one or more other funds or other accounts, as is the case for the fund s portfolio managers.

The subadviser and the fund have adopted compliance policies and procedures that are designed to address various conflicts of interest that may arise for the subadviser and the individuals that each employs. For example, the manager and the subadviser each seek to minimize the effects of competing interests for the time and attention of portfolio managers by assigning portfolio managers to manage funds and accounts that share a similar investment style. The subadviser has also adopted trade allocation procedures that are designed to facilitate the fair allocation of limited investment opportunities among multiple funds and accounts. There is no guarantee, however, that the policies and procedures adopted by the subadviser and the fund will be able to detect and/or prevent every situation in which an actual or potential conflict may appear. These potential conflicts include:

Allocation of Limited Time and Attention. A portfolio manager who is responsible for managing multiple funds and/or accounts may devote unequal time and attention to the management of those funds and/or accounts. As a result, the portfolio manager may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those accounts as might be the case if he or she were to devote substantially more attention to the management of a single fund. The effects of this potential conflict may be more pronounced where funds and/or accounts overseen by a particular portfolio manager have different investment strategies.

Allocation of Investment Opportunities. If a portfolio manager identifies an investment opportunity that may be suitable for multiple funds and/or accounts, the opportunity may be allocated among these several funds or accounts, which may limit a fund s ability to take full advantage of the investment opportunity.

Pursuit of Differing Strategies. At times, a portfolio manager may determine that an investment opportunity may be appropriate for only some of the funds and/or accounts for which he or she exercises investment responsibility, or may decide that certain of the funds and/or accounts should take differing positions with respect to a particular security. In these cases, the portfolio manager may place separate transactions for one or more funds or accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other funds and/or accounts.

Selection of Broker/Dealers. In addition to executing trades, some broker/dealers provide brokerage and research services (as those terms are defined in Section 28(e) of the 1934 Act), which may result in the payment of higher brokerage fees than might have otherwise been available. These services may be more beneficial to certain funds or accounts than to others. For this reason, the subadviser has formed a brokerage committee that reviews, among other things, the allocation of brokerage to broker/dealers, best execution and soft dollar usage.

Variation in Compensation. A conflict of interest may arise where the financial or other benefits available to the portfolio manager differ among the funds and/or accounts that he or she manages. If the structure of the manager s management fee (and the percentage paid to the subadviser) and/or the portfolio manager s compensation differs among funds and/or accounts (such as where certain funds or accounts pay higher management fees or performance-based management fees), the portfolio manager might be motivated to help certain funds and/or accounts over others. The portfolio manager might be motivated to favor funds and/or accounts in which he or she has an interest or in which the manager and/or its affiliates have interests. Similarly, the desire to maintain assets under management or to enhance the portfolio manager s performance record or to derive other rewards, financial or otherwise, could influence the portfolio manager in affording preferential treatment to those funds and/or accounts that could most significantly benefit the portfolio manager.

Investment Professional Securities Ownership

The table below identifies the dollar range of securities beneficially owned by the investment professionals of each Fund as of November 30, 2017.

Investment Professional	Dollar Range of EMO Securities Beneficially Owned	Dollar Range of CBA Securities Beneficially Owned	Aggregate dollar Range of Fund Securities Beneficially Owned
Michael Clarfeld	C	B	C
Chris Eades	D	D	E
Richard Freeman	E	C	E
Peter Vanderlee	C	A	C

Dollar Range ownership is as follows:

A: none; B: $1 - $10,000; C: 10,001 - $50,000; D: $50,001 - $100,000; E: $100,001 - $500,000; F: $500,001 - $1 million; G: over $1 million

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ADDITIONAL INFORMATION ABOUT THE FUNDS

Further information about EMO is included in EMO s Annual Report to Stockholders for the Fiscal Year Ended November 30, 2017, filed with the SEC on January 31, 2018 (accession no. 0001193125-18-027278), and CBA s Annual Report to Stockholders for the Fiscal Year Ended November 30, 2017, filed with the SEC on January 31, 2018 (accession no. 0001193125-18-027288). Copies of these documents, the SAI related to this Proxy Statement/Prospectus and any subsequently released stockholder reports are available upon request and without charge, by writing to the Funds at 620 Eighth Avenue, New York, New York 10041, by visiting the Funds website at www.lmcef.com or by calling the Funds at 888-777-0102.

The Funds are subject to the informational requirements of the 1934 Act and in accordance therewith, file reports and other information including proxy material, 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. You may obtain information about the operation of the Public Reference Room by calling the SEC at 202-551-8090.

FINANCIAL HIGHLIGHTS

The financial highlights tables are intended to help you understand the performance of each Fund for the past five years. Certain information reflects financial results for a single share. Total return represents the rate that a stockholder would have earned (or lost) on a Fund share assuming reinvestment of all dividends and distributions. The information in the following tables has been derived from the Funds financial statements for the fiscal year ended 2017, which have been audited by PricewaterhouseCoopers LLP (PwC), an independent registered public accounting firm, whose reports, along with the Funds financial statements, are included in the Funds annual reports (available upon request). The information for the years or periods prior to the fiscal year ended 2017 was audited by the prior independent registered accounting firm of the Funds.

Financial Highlights for EMO (Acquiring Fund)

For a common share of capital stock outstanding throughout each year ended November 30:

	2017[1]	2016[1]	2015[1]	2014[1]	2013[1]
Net asset value, beginning of year	$ 13.84	$ 15.25	$ 25.80	$ 23.53	$ 20.04
Income (loss) from operations:					
Net investment loss	(0.20)	(0.40)	(0.18)	(0.29)	(0.31)
Net realized and unrealized gain (loss)	(0.99)	0.27	(8.86)	3.96	5.17
Total income (loss) from operations	***(1.19)***	***(0.13)***	***(9.04)***	***3.67***	***4.86***
Less distributions to common shareholders from:					
Dividends					(0.78)
Return of capital	(1.28)	(1.28)	(1.51)	(1.40)	(0.59)
Total distributions common shareholders	***(1.28)***	***(1.28)***	***(1.51)***	***(1.40)***	***(1.37)***
Net asset value, end of year	$ 11.37	$ 13.84	$ 15.25	$ 25.80	$ 23.53
Market price, end of year	$ 10.47	$ 12.83	$ 14.71	$ 23.55	$ 23.02
Total return, based on NAV[2,3]	***(9.34)%***	***0.68%***	***(36.35)%***	***15.64%***	***24.56%***
Total return, based on Market Price[4]	***(9.54)%***	***(2.83)%***	***(32.14)%***	***8.38%***	***19.98%***
Net assets applicable to common shareholders, end of year (000s)	$ 355	$ 432	$ 473	$ 798	$ 728

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	2017[1]	2016[1]	2015[1]	2014[1]	2013[1]
Ratios to average net assets:					
Management fees	1.43%	1.43%	1.44%	1.27%	1.29%
Other expenses	1.72	2.65[5]	1.49	0.93	0.99
Subtotal	***3.15***	***4.08***[5]	***2.93***	***2.20***	***2.28***
Income tax expense	[6]	0.10	[6]	8.20	12.59
Total expenses	***3.15***	***4.18***[5]	***2.93***	***10.40***	***14.87***
Net investment loss, net of income taxes	(1.45)	(3.12)[5]	(0.84)	(1.15)	(1.38)
Portfolio turnover rate	**16%**	**23%**	**8%**	**10%**	**25%**
Supplemental data:					
Loan and Debt Issuance Outstanding, End of Year (000s)	$ 158,000	$ 147,000	$ 235,000	$ 250,000	$ 210,000
Asset Coverage Ratio for Loan and Debt Issuance Outstanding[7]	339%	409%	331%	419%	446%
Asset Coverage, per $1,000 Principal Amount of Loan and Debt Issuance Outstanding[7]	$ 3,390	$ 4,093	$ 3,312	$ 4,191[8]	$ 4,465[8]
Weighted Average Loan and Debt Issuance (000s)	$ 157,819	$ 137,883	$ 247,384	$ 217,260	$ 202,800
Weighted Average Interest Rate on Loan and Debt Issuance	3.32%	4.38%[9]	2.76%	2.90%	2.65%
Mandatory Redeemable Preferred Stock at Liquidation Value, End of Year (000s)	$ 23,000	$ 23,000	$ 70,000		
Asset Coverage Ratio for Mandatory Redeemable Preferred Stock[10]	296%	354%	255%		
Asset Coverage, per $100,000 Liquidation Value per Share of Mandatory Redeemable Preferred Stock[10]	$ 295,913	$ 353,918	$ 255,188		

1 Per share amounts have been calculated using the average shares method.

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

3 The total return calculation assumes that distributions are reinvested at NAV. Past performance is no guarantee of future results.

4 The total return calculation assumes that distributions are reinvested in accordance with the Fund s dividend reinvestment plan. Past performance is no guarantee of future results.

5 Includes non-recurring prepayment penalties, the write off of debt issuance and offering costs and the write off of preferred stock offering costs recognized during the period totaling 0.66% of average assets.

6 For the years ended November 30, 2017 and 2015, the net income tax benefit was 5.27% and 24.45%, respectively. The net income tax benefit is not reflected in the Fund s expense ratios.

7 Represents value of net assets plus the loan outstanding, debt issuance outstanding and mandatory redeemable preferred stock at the end of the period divided by the loan and debt issuance outstanding at the end of the period.

8 Added to conform to current period presentation.

9 Includes prepayment penalties recognized during the period.

10 Represents value of net assets plus the loan outstanding, debt issuance outstanding and mandatory redeemable preferred stock at the end of the period divided by the loan, debt issuance and mandatory redeemable preferred stock outstanding at the end of the period.

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Financial Highlights for CBA (Target Fund)

	2017[1]	2016[1]	2015[1]	2014[1]	2013[1,2]
Net asset value, beginning of year	$ 9.98	$ 10.34	$ 18.80	$ 18.62	$ 19.06[3]
Income (loss) from operations:					
Net investment loss	(0.21)	(0.39)	(0.15)	(0.29)	(0.09)
Net realized and unrealized gain (loss)	(0.76)	0.83	(7.09)	1.68	0.25
Total income (loss) from operations	***(0.97)***	***0.44***	***(7.24)***	***1.39***	***0.16***
Less distributions to common shareholders from:					
Dividends	(0.80)				
Return of capital		(0.80)	(1.22)		