WESTERN ASSET GLOBAL HIGH INCOME FUND INC.
Form N-14 8C/A
April 25, 2016

As filed with the Securities and Exchange Commission on April 25, 2016

Securities Act File No. 333-209666

Investment Company Act File No. 811-21337

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-14

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

x **Pre-Effective Amendment No.1** ¨ **Post-Effective Amendment No.**

Western Asset Global High Income 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 E. 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(2)
Common Stock ($.001 par value)	14,290,553 shares	$135,868,000	$9.50	$13,682

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

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.

WESTERN ASSET GLOBAL PARTNERS INCOME FUND INC.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

620 Eighth Avenue

New York, New York 10018

, 2016

Dear Stockholder:

A Joint Special Meeting of Stockholders (the Meeting) of Western Asset Global Partners Income Fund Inc. (GDF) and Western Asset Global High Income Fund Inc. (EHI and together with GDF, the Funds) will be held at 620 Eighth Avenue, 49th Floor, New York, New York, on Friday, June 17, 2016 at 10:00 a.m., Eastern Time, for the purposes of considering and voting on a proposal to approve the merger of GDF with and into EHI in accordance with the Maryland General Corporation Law (the Merger). The attached Proxy Statement/Prospectus asks for your approval of the proposed Merger. **After careful consideration, the Board of each Fund recommends that you vote FOR the proposed Merger.**

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

Both GDF and EHI are closed-end, diversified management investment companies listed on the New York Stock Exchange. GDF and EHI have identical primary investment objectives, different secondary investment objectives and similar policies and strategies. GDF seeks to maintain a high level of current income. Capital appreciation is a secondary objective. EHI s primary investment objective is high current income and EHI s secondary investment objective is total return. 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 EHI will continue unchanged if the Merger occurs.

The Board believes that the Merger is in the best interests of both GDF stockholders and EHI stockholders. GDF and EHI have identical primary investment objectives and similar policies and strategies, which will allow GDF stockholders to continue to have exposure to emerging market and high yield securities. 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 more streamlined high yield product offering, allowing for more focused marketing and stockholder servicing efforts.

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 Georgeson Inc., the proxy solicitor, at 888-565-5190.

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

Sincerely,

Jane E. Trust

President and Chief Executive Officer

Western Asset Global Partners Income Fund Inc.

Western Asset Global High Income Fund Inc.

WESTERN ASSET GLOBAL PARTNERS INCOME FUND INC.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

IMPORTANT NEWS FOR STOCKHOLDERS

The enclosed combined Proxy Statement/Prospectus describes a proposal to merge Western Asset Global Partners Income Fund Inc. (GDF) with and into Western Asset Global High Income Fund Inc. (EHI, and together with GDF, 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 proposed Merger. Please refer to the more complete information contained elsewhere in the combined Proxy Statement/Prospectus about the Merger.

COMMON QUESTIONS ABOUT THE PROPOSED MERGER

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

A. As a stockholder of either GDF or EHI, you are being asked to vote in favor of a proposal to merge GDF with and into EHI in accordance with the Maryland General Corporation Law.

Q. How will the Merger affect me?

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

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

Q. Why is the Merger being recommended?

A. The Board believes that the Merger is in the best interests of both GDF stockholders and EHI stockholders. GDF and EHI have identical primary investment objectives and similar policies and strategies, which will allow GDF stockholders to continue to have exposure to emerging market and high yield securities. 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 more streamlined high yield product offering, allowing for more focused marketing and stockholder servicing efforts.

At a meeting held on November 11 and 12, 2015, 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. Are EHI s investment objectives and policies similar to those of GDF?

A. GDF and EHI have identical primary investment objectives, different secondary investment objectives and similar policies and strategies.

GDF seeks to maintain a high level of current income. Capital appreciation is a secondary objective. EHI s primary investment objective is high current income and EHI s secondary investment objective is total return.

Under normal market conditions, GDF will invest at least 33% of its total assets in high yield U.S. corporate debt securities. GDF also will be able to invest up to 33% of its total assets in a broad range of other U.S. and non-U.S. fixed income securities, both investment grade and high yield securities, including but not limited to corporate bonds, loans, mortgage- and asset-backed securities, preferred stock and sovereign debt, derivative instruments of the foregoing securities and dollar rolls. In addition, under normal market conditions, GDF will invest at least 33% of its total assets in securities of issuers that are, or are incorporated in or generate the majority of their revenue in, emerging market countries. GDF may invest up to 50% of its total assets in non-U.S. dollar denominated securities.

Under normal market conditions, EHI will invest (i) at least 10% of its total assets in below investment grade (high yield) fixed income (debt) securities issued by corporate issuers and (ii) at least 10% and up to 80% of its assets in emerging market fixed income securities or investment grade fixed income securities. The Fund has broad discretion to allocate its assets among the following segments of the global market for below investment and investment grade fixed income securities: corporate bonds, loans, preferred stock, mortgage and asset-backed securities and sovereign debt, and derivatives instruments of the foregoing securities.

The current investment objectives and policies of EHI will continue unchanged if the Merger occurs.

It is currently anticipated that minimal, if any, portfolio turnover will occur as a result of the Merger. Additionally, GDF utilizes Western Management Company Ltd. (Western Japan) for investment in Japan, while EHI does not utilize Western Japan as a subadviser. Because GDF does not have any investments in Japan, nor are any investments in Japan currently being contemplated, it is not anticipated that any changes to EHI s portfolio will be made as a result of the non-utilization of Western Japan.

Please see Comparison of Investment Objectives, Strategies, and Principal Risks of Investing in the Funds 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. How will the Merger affect fees and expenses?

A. Legg Mason Partners Fund Adviser, LLC (LMPFA) provides administrative and certain oversight services to GDF. GDF pays an investment management fee, calculated daily and paid monthly, at an annual rate of 1.05% of GDF s average weekly net assets. Similarly, EHI currently pays LMPFA, which is also EHI s investment manager, an investment management fee, calculated daily and paid monthly, at an annual rate of 0.85% of average daily net assets plus the proceeds of any outstanding borrowings (managed assets), along with a voluntary investment management fee waiver of 0.05%, which reduced the annual rate of that fee to 0.80% of the average daily managed assets. LMPFA implemented a voluntary investment management fee waiver on EHI of 0.05% beginning on March 1, 2010 through December 31, 2016. LMPFA has a financial interest in the Merger because its respective fees under agreements with EHI, which are based on managed assets that take into account the use of leverage, are higher than under the respective agreements with GDF, which are based on net assets and do not account for the use leverage, and increase as the assets of EHI increase, including the use of leverage. In addition, it is anticipated that former stockholders of GDF will experience a management fee increase of 0.07% following the Merger as a result of EHI s management fee being calculated on managed assets, rather than net assets. GDF also pays % in other expenses based on its average daily net assets, whereas EHI only pays % in other expenses based on its average daily net assets. It is anticipated that GDF s total expense ratio will decline by % and EHI s will decline by % as a result of the Merger.

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. 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. GDF 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, GDF and EHI 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 Proposal 1 Information About the Proposed Merger Federal Income Tax Consequences.

Q. Who will pay for the Merger?

A. The costs of Merger, including the costs of preparing, printing, assembling and mailing material in connection with this solicitation of proxies for GDF and EHI are estimated to be approximately $216,700 and $250,700, respectively. LMPFA will bear 50% of each Fund s costs of the Merger, with the remaining costs shared equally by the Funds.

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

A. After careful consideration, GDF s Board of Directors, including all of the Independent Directors, and EHI 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?

A. If the Merger is not approved, GDF and EHI 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.

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 July 1, 2016.

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 Georgeson Inc., the proxy solicitor, at 888-565-5190.

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 proposed Merger.

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.

WESTERN ASSET GLOBAL PARTNERS INCOME FUND INC.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC. 620 Eighth Avenue New York, New York 10018

NOTICE OF A JOINT SPECIAL MEETING OF STOCKHOLDERS

, 2016

To the Stockholders:

A Joint Special Meeting of Stockholders (the Meeting) of Western Asset Global Partners Income Fund Inc. (GDF) and Western Asset Global High Income Fund Inc. (EHI, and together with GDF, the Funds) will be held at 620 Eighth Avenue, 49th Floor, New York, New York, on Friday, June 17, 2016 at 10:00 a.m., Eastern Time, to consider and vote on a proposal to approve the merger of GDF with and into EHI in accordance with the Maryland General Corporation Law (the Merger).

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

Stockholders of record at the close of business on May 3, 2016 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

Western Asset Global Partners Income Fund Inc.

Western Asset Global High Income Fund Inc.

, 2016

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 GDF and EHI 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

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 APRIL 25, 2016

PROXY STATEMENT/PROSPECTUS

, 2016

PROXY STATEMENT FOR:

WESTERN ASSET GLOBAL PARTNERS INCOME FUND INC.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

620 Eighth Avenue

New York, New York 10018

888-777-0102

PROSPECTUS FOR:

WESTERN ASSET GLOBAL HIGH INCOME 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 Western Asset Global Partners Income Fund Inc. (GDF) and Western Asset Global High Income Fund Inc. (EHI, and together with GDF, the Funds) for a Joint Special Meeting of Stockholders (the Meeting) for each Fund. The Meeting will be held Friday, June 17, 2016 at 620 Eighth Avenue, 49th Floor, New York, New York at 10:00 a.m., Eastern Time. At the Meeting, stockholders of GDF and EHI will be asked to consider and act upon a proposal to approve the merger of GDF with and into EHI 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 GDF (the GDF 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 EHI (the EHI Common Shares), based on the net asset value of each Fund on the date preceding the Merger. EHI will not issue fractional EHI Common Shares to holders of GDF Common Shares. In lieu of issuing fractional shares, EHI will pay cash to each former holder of GDF Common Shares in an amount equal to the value of the fractional EHI Common Shares that the investor would otherwise have received in the Merger. Although the EHI Common Shares received in the Merger will have the same total net asset value as the GDF 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 GDF Common Shares, based on current market prices persisting at the time of the Merger. All EHI Common Shares currently issued and outstanding will remain issued and outstanding following the Merger.

The Board believes that the Merger is in the best interests of both GDF stockholders and EHI stockholders. GDF and EHI have identical primary investment objectives and similar policies and strategies, which will allow GDF stockholders to continue to have exposure to emerging market and high yield securities. 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 more streamlined high yield product offering, allowing for more focused marketing and stockholder servicing efforts.

At a meeting held on November 11 and 12, 2015, 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.

GDF was incorporated in Maryland on September 3, 1993; EHI was incorporated in Maryland on April 16, 2003. Both GDF and EHI are closed-end, non-diversified management investment companies listed on the NYSE.

GDF seeks to maintain a high level of current income. Capital appreciation is a secondary objective. EHI s primary investment objective is high current income and EHI s secondary investment objective is total return. The current investment policies of EHI, which differ from those of GDF, will continue unchanged if the Merger occurs. Please see Proposal 1 Comparison of Investment Objectives, Strategies, and Principal Risks of Investing in the Funds 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 Proposal 1 Information About the Proposed Merger-The Agreement and Plan of Merger.

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

Assuming the holders of GDF 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. GDF, 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 Proposal 1 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.

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

A Statement of Additional Information (SAI) dated , 2016, 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 GDF s Annual Report to Stockholders for the Fiscal Year Ended August 31, 2015, filed with the SEC on October 22, 2015 (accession no. 0001193125-15-350735), EHI s Annual Report to Stockholders for the Fiscal Year Ended May 31, 2015, filed with the SEC on July 27, 2015 (accession no. 0001193125-15-263659), and EHI s Semi-Annual Report to Stockholders for the six-month period ended November 30, 2015, filed with the SEC on January 25, 2016 (accession no. 0001193125-16-436681), 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 EHI (File No. 811-07994) and GDF (File No. 811-21337) 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 GDF and EHI 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. 333-209666) 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.

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

The information contained herein concerning GDF and EHI has been provided by, and is included herein in reliance upon, GDF and EHI, 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.

TABLE OF CONTENTS

PROPOSAL 1 TO APPROVE THE MERGER OF GDF WITH AND INTO EHI 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 GDF stockholders and EHI stockholders. GDF and EHI have identical primary investment objectives and similar policies and strategies, which will allow GDF stockholders to continue to have exposure to emerging market and high yield securities. 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 more streamlined high yield product offering, allowing for more focused marketing and stockholder servicing efforts.

At a meeting held on November 11 and 12, 2015, the Boards of GDF and EHI, 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 GDF Common Share will convert into an equivalent dollar amount (to the nearest $0.001) of full EHI 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 GDF Common Shares will become a holder of EHI Common Shares and will receive, on the Closing Date, that number of EHI Common Shares having an aggregate net asset value (disregarding fractional shares) equal to the aggregate net asset value of such stockholder s GDF Common Shares as of the close of business on the business day preceding the Closing Date; and

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

If the Merger is not approved, each Fund will continue as a separate investment company, and the Boards of GDF and EHI 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 GDF and EHI, 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 GDF Common Shares and EHI 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 GDF Common Shares and EHI Common shares and recommends that stockholders of GDF and EHI vote FOR the Merger.**

Because the Merger has been approved by at least 75% of GDF s Continuing Directors (as that term is defined in GDF s charter), approval of the Merger requires the affirmative vote of the holders of a majority of the outstanding GDF Common Shares. Similarly, because the Merger has been approved by at least 75% of EHI s Continuing Directors (as that term is defined in EHI s charter), approval of the Merger requires the affirmative vote of the holders of a majority of the outstanding EHI Common Shares. 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 July 1, 2016.

Prior to completion of the Merger, GDF and EHI 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 GDF (except for consequences regularly attributable to a termination of GDF s taxable year) or (subject to the following sentence) the holders of GDF Common Shares as a result of the Merger, (ii) the aggregate tax basis of the EHI Common Shares (including fractional EHI Common

Shares purchased by EHI) received by the holders of GDF Common Shares will be the same as the aggregate tax basis of the holders GDF Common Shares immediately prior to the completion of the Merger and (iii) a holder s holding period for EHI Common Shares (including that of fractional EHI Common Shares purchased by EHI) will generally be determined by including the period for which such stockholder held GDF Common Shares converted pursuant to the Merger, provided that such shares were held by such stockholder as capital assets. Holders of GDF 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

GDF and EHI have identical primary investment objectives, different secondary investment objectives and similar policies and strategies.

GDF seeks to maintain a high level of current income. Capital appreciation is a secondary objective. EHI s primary investment objective is high current income and EHI s secondary investment objective is total return.

Under normal market conditions, GDF will invest at least 33% of its total assets in high yield U.S. corporate debt securities. GDF also will be able to invest up to 33% of its total assets in a broad range of other U.S. and non-U.S. fixed income securities, both investment grade and high yield securities, including but not limited to corporate bonds, loans, mortgage- and asset-backed securities, preferred stock and sovereign debt, derivative instruments of the foregoing securities and dollar rolls. In addition, under normal market conditions, GDF will invest at least 33% of its total assets in securities of issuers that are, or are incorporated in or generate the majority of their revenue in, emerging market countries. GDF may invest up to 50% of its total assets in non-U.S. dollar denominated securities.

Under normal market conditions, EHI will invest (i) at least 10% of its total assets in below investment grade (high yield) fixed income (debt) securities issued by corporate issuers and (ii) at least 10% and up to 80% of its assets in emerging market fixed income securities or investment grade fixed income securities.

The current investment objectives and policies of EHI will continue unchanged if the Merger occurs.

It is currently anticipated that minimal, if any, portfolio turnover will occur as a result of the Merger. Additionally, GDF utilizes Western Management Company Ltd. (Western Japan) for investment in Japan, while EHI does not utilize Western Japan as a subadviser. Because GDF does not have any investments in Japan, nor are any investments in Japan currently being contemplated, it is not anticipated that any changes to EHI s portfolio will be made as a result of the non-utilization of Western Japan.

Please see Comparison of Investment Objectives, Strategies, and Principal Risks of Investing in the Funds 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.

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

Effect on Expen ses

Legg Mason Partners Fund Adviser, LLC (LMPFA) provides administrative and certain oversight services to GDF. GDF pays an investment management fee, calculated daily and paid monthly, at an annual rate of 1.05% of GDF s average weekly net assets. Similarly, EHI currently pays LMPFA, which is also EHI s investment manager, an investment management fee, calculated daily and paid monthly, at an annual rate of 0.85% average daily net assets plus the proceeds of any outstanding borrowings (managed assets), along with a voluntary investment management fee of 0.05%, which reduced the annual rate of that fee to 0.80% of the average daily managed assets. LMPFA implemented a voluntary investment management fee waiver on EHI of 0.05% beginning on March 1, 2010 through December 31, 2016. LMPFA, Western Asset and Non-U.S. Subadvisers (as defined below), have a financial interest in the Merger because their respective fees under agreements with EHI, which are based on managed assets that take into account the use of leverage, are higher than under the respective agreements with GDF, which are based on net assets and do not account for the use leverage, and increase as the assets of EHI increase, including the use of leverage. In addition, it is anticipated that former stockholders of GDF will experience a management fee increase of 0.07% following the Merger as a result of EHI s management fee being calculated on managed assets, rather than net assets. GDF also pays % in other expenses based on its average daily net assets, whereas EHI only pays % in other expenses based on its average daily net assets. It is anticipated that GDF s total expense ratio will decline by % and EHI s will decline by % as a result of the Merger.

EHI s assets will increase as a result of the Merger (although this increase in assets is expected to be offset by the concomitant loss of GDF s assets and the related fees).

Fee Table and Expense Example

The table below (1) compares the fees and expenses of GDF and EHI as of February 29, 2016 and (2) shows the estimated fees and expenses of the combined Fund, on a pro forma basis, as of February 29, 2016. The estimates are based on the contracts and agreements in effect for GDF and EHI as of February 29, 2016 and reflect the operating expense accrual rates on such date. 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 February 29, 2016 for GDF and EHI. No amount of any prior fee waiver or expense reimbursement to EHI or GDF may be recovered by any person.

Changes in net assets may result from market appreciation or depreciation and other factors occurring between November 30, 2015 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, 2015, please see Capitalization.

The estimated expenses of GDF and EHI 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 Common Shares.

Fee Table

	Pre-Merger		
	GDF (Target Fund)	EHI (Acquiring Fund)	EHI (Pro Forma Combined Fund)
Management Fee	%	%[1]	%[2]
Other expenses	%	%	%
Total Annual Fund Operating Expenses	%	%	%

(1) Percentage of net assets attributable to common stock (assumes leverage is used).

(2) LMPFA has a financial interest in the Merger because its respective fees under agreements with EHI, which are based on managed assets that take into account the use of leverage, are higher than under the respective agreements with GDF, which are based on net assets and do not account for the use leverage, and increase as the assets of EHI increase, including the use of leverage. In addition, it is anticipated that former stockholders of GDF will experience a management fee increase of 0.07% following the Merger as a result of EHI s management fee being calculated on managed assets, rather than net assets.

Example

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