

Western Asset

A Solution for your Liquidity Needs

LIQUIDITY EXPERTISE

Western Asset provides a wide range of liquidity and enhanced liquidity strategies to institutional investors worldwide. With over **\$147 billion*** in liquidity assets under management, Western Asset has the breadth and depth of resources to offer liquidity investment solutions to our clients.

DISCIPLINED INVESTMENT PROCESS

Western Asset's liquidity strategies are actively team-managed and employ a top-down economic interest rate outlook, combined with a bottom-up security selection process. We seek to provide our liquidity clients with a high level of current income consistent with preservation of capital.

WHY WESTERN ASSET?

Since its inception in 1971, Western Asset has dedicated all of its resources to managing fixed income portfolios. A significant portion of these resources is committed to the management of Liquidity and Short Term portfolios. Regardless of the size of your mandate or specific investment guidelines, we believe Western Asset has an investment strategy for your needs.

Some compelling distinctions of Western Asset include:

- 44% of the Fortune 100 Companies are clients
- Money Market Funds for both **U.S.** and **Non-U.S. Investors**
- Money Market Funds rated **AAAm/Aaa by Standard & Poors†** and Moodys
- **NAIC approved** money funds
- **Taxable** and **Tax-Exempt** Funds
- **Late Day** Subscriptions and Redemptions
- Cash Management Specialists with industry expertise and a consultative approach to liquidity management

For larger mandates requiring greater flexibility, a separately managed account or specially tailored mutual fund may be of interest.

For more information on Western Asset's liquidity management capabilities, please contact one of the Western Asset Client Service Executives below.

Ratings do not remove market risk.

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* Assets under management by Western Asset and its supervised affiliates. As of March 31, 2010.

† Please refer to the rating disclosure on page two.

This document is for informational purposes only and should not be construed as a solicitation of any offer to sell the products mentioned in it.

Selected Institutional Money Market

Name	Ticker	Rating	Permissible Investments	Max Average Maturity	Current Average Maturity	Liquidity	Daily Cut Off Time	Assets (\$MM)***	7-Day Yield** (As of 3.31.10)	NAV
Prime Funds										
Western Asset Institutional Cash Reserves*	(CARXX)	AAAm/Aaa	<ul style="list-style-type: none"> • US Treasuries • C/P • Bank Obligations • Agencies • Repos 	60 Days [§]	51 Days	Daily	5:00 PM (E.S.T.)	19,230	0.13%	Constant \$1
Western Asset Institutional Liquid Reserves*	(CILXX)	2a-7 /Not Rated	<ul style="list-style-type: none"> • US Treasuries • C/P • Bank Obligations • Agencies • Repos 	90 Days	50 Days	Daily	4:00 PM (E.S.T.)	40,852	0.16%	Constant \$1
Treasury Only										
Western Asset Institutional U.S. Treasury Reserves*	(CIIXX)	AAAm/Aaa	<ul style="list-style-type: none"> • Treasuries Only 	60 Days [§]	58 Days	Daily	2:00 PM (E.S.T.)	24,305	0.01%	Constant \$1
Government Only										
Western Asset Institutional Government Money Market	(INGXX)	AAAm/Aaa	<ul style="list-style-type: none"> • US Treasuries • Agencies • Repos 	60 Days [§]	51 Days	Daily	4:00 PM (E.S.T.)	11,974	0.05%	Constant \$1
Tax-Exempt										
Western Asset Institutional Tax Free Reserves*	(CIFXX)	AAAm	<ul style="list-style-type: none"> • Municipal bonds/notes • C/P • Variable demand instruments • Participation interests • Taxable securities (up to 20%) 	90 Days	27 Days	Daily	12:00 PM (E.S.T.)	2,449	0.17%	Constant \$1

As of March 31, 2010

The 'AAAm' rating, Standard & Poor's highest money market fund rating is based on analysis of the Fund's management, investment guidelines, portfolio holdings, and market price exposure. The rating indicates the Fund's superior capacity to maintain principal value (\$1.00 per share value) and limit exposure to loss. Standard & Poor's ratings represent an opinion only, are not recommendations to buy, sell or hold securities of a Fund, and may be revised or withdrawn at any time. The "Aaa" rating, Moody's Investors Services' highest money market fund rating is based on Moody's assessment of a fund's published investment objectives and policies, the credit worthiness of the assets held by the fund, as well as the management characteristics of the fund. The ratings are not intended to consider the prospective performance of a fund with respect to appreciation, volatility of net asset value, or yield. Moody's ratings represent an opinion only, are not recommendations to buy, sell or hold securities of a fund, and may be revised or withdrawn at any time.

Ratings do not remove market risk

The funds' yields quoted above represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the performance shown. Calculations assume reinvestment of all distributions at net asset value and deduction of all fund expenses. Yields shown for Western Asset Institutional Cash Reserves*, Western Asset Institutional Liquid Reserves*, Western Asset Institutional U.S. Treasury Reserves*, Western Asset Institutional Government Money Market and Western Asset Institutional Tax-Free Reserves* reflect voluntary fee waivers and/or reimbursements which may be reduced or terminated at any time. Without these fee waivers and/or reimbursements, the fund's yield would have been -0.51%, 0.02%, -0.58%, 0.00%, and -0.02%, respectively. Performance of other share classes varies. For performance data current to the most recent month-end, visit www.leggmason.com/individualinvestors. Performance data does not reflect trade date adjustments made to the NAV at month-end.

Please note that an investment in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a Fund.

Investors should consider a fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about a fund. To obtain a free prospectus, please view the product specific page on this website and click on the prospectus link. An investor should read the prospectus carefully before investing.

All investments involve risk, including possible loss of principal. Although these Funds seek to preserve the value of your investment at one dollar per share, it is possible to lose money by investing in the Funds, or the Funds could underperform other short-term debt instruments or money market funds if:

- interest rates rise sharply;
- an issuer or guarantor of securities held by certain of these funds defaults or has its credit rating downgraded; or
- the manager's judgment about the value or credit quality of a particular security held by certain of these funds proves to be incorrect.

To the extent that certain of these funds invest in asset-backed, mortgage-backed or mortgage-related securities, their exposure to prepayment and extension risks may be greater than investments in other fixed income securities. Derivatives, such as options and futures, can be illiquid and may disproportionately have a potentially large impact on performance.

Although Western Asset Institutional U.S. Treasury Reserves* and Western Asset Institutional Government Money Market Fund invests in U.S. government obligations, an investment in these Funds is neither insured nor guaranteed by the U.S. government.

As a non-diversified fund, Western Asset Institutional Tax Free Reserves* can invest a larger percentage of its assets in fewer issues than a diversified fund. This may magnify the Fund's losses from events affecting a particular issuer.

Certain investors may be subject to the Federal Alternative Minimum Tax (AMT), and state and local taxes may apply. Capital gains, if any, are fully taxable. You should consult your own tax advisor about your particular situation.

* Prior to May 31, 2010, the fund was branded "Western Asset / Citi". Citi is a registered service mark owned by Citigroup, and is used under license. Legg Mason and its affiliates, as well as the funds' investment adviser, are not affiliated with Citigroup. Investments in the funds referenced herein are not bank deposits or obligations of Citibank.

**Current 7-day yield represents net interest income generated by the investments for the past 7 days and assumes that the same income is generated each week over a 365-day period. The 7-day yield more closely reflects current fund earnings than does total return.

*** The fund invests in securities through underlying mutual funds. The assets shown represent total hub assets of the Liquid Reserves, US Treasury Reserves, Prime Cash Reserves, Tax Free Reserves Portfolio and Western Asset Government Portfolios.

§Although the Fund is permitted by the prospectus to extend its average maturity to a maximum of 90 days, it does not anticipate exceeding 60 days in order to maintain its AAAm and Aaa ratings with Standard & Poor's and Moody's, respectively.

All investments involve risk, including possible loss of principal.

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Legg Mason Partners Fund Advisor, LLC is the investment manager and Western Asset Management Company is the subadviser of these funds.

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