

Legg Mason Global Funds Plc
An umbrella fund with segregated liability between sub-funds

Annual Report

For the year ended February 28, 2010

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* Effective November 16, 2009, all Funds under the Legg Mason Global Funds plc umbrella changed names in accordance with Appendix 1.

^ Not authorised in Hong Kong and not available to Hong Kong residents.

General Information

Board of Directors**

John Alldis (Luxembourg)
 Brian Collins (*appointed September 2, 2009*)
 Joseph Keane
 Joseph LaRocque (U.S.)
 ***Frank Ennis resigned as director on August 25, 2009 and Brian Collins was appointed as a director on September 2, 2009.*

Registered Office

Riverside Two
 Sir John Rogerson's Quay
 Grand Canal Dock
 Dublin 2, Ireland

Secretary

Bradwell Limited
 Arthur Cox Building
 Earlsfort Terrace
 Dublin 2, Ireland

Distributors and Shareholder Servicing Agents

Legg Mason Investor Services, LLC
 100 International Drive
 Baltimore, Maryland 21202
 U.S.A.

Legg Mason Investments (Europe) Limited
 75 King William Street
 London EC4N 7BE
 United Kingdom

Legg Mason Asset Management Hong Kong Limited
 12/F, York House
 The Landmark
 15 Queen's Road, Central
 Hong Kong

Legg Mason International Equities Asset Management (Singapore) Pte. Limited
 1 George Street, # 23-02
 Singapore 049145

Legg Mason Investments (Taiwan) Limited
 55 Floor — 1, Taipei 101 Tower
 Xin Yi Road
 Section 5, Taipei, 110
 Taiwan

Distributor Status (relevant to U.K. Shareholders only)

Legg Mason Global Funds plc (the "Company") has pursued a distribution policy designed to enable certification to be obtained for each launched distributing share class of each of the funds of the Company (the "funds") in respect of the twelve-month period ended 28 February 2010. There is no guarantee, however, that the certification will be obtained.

The exception to this is the Legg Mason Permal Global Absolute sub fund; it will apply for its relevant share classes to be treated as reporting share classes from 1 March 2010.

UK shareholders should be aware that HM Revenue and Customs enacted new UK Offshore Fund rules in 2009 that fundamentally changes the old Distributor Status regime. The Company will seek to comply with the requirements of the new Reporting Fund regime in order to ensure a comparable tax position for UK shareholders in the Funds and share classes previously benefitting from the certification as a distributing fund. For the year from March 1, 2008 to February 28, 2009 certification was obtained for the following share classes:

Fund	Share Class
Legg Mason Western Asset US Money Market Fund	Class A US\$ Distributing (D), Class B US\$ Distributing (D), Class C US\$ Distributing (D)
Legg Mason Western Asset US Core Bond Fund	Class A US\$ Distributing (D), Class B US\$ Distributing (D), Class C US\$ Distributing (D)
Legg Mason Western Asset US Core Plus Bond Fund	Class A US\$ Distributing (D), Class B US\$ Distributing (D), Class C US\$ Distributing (D)
Legg Mason Western Asset Euro Core Plus Bond Fund	Class A US\$ Distributing (D), Class A Euro Distributing (D), Class B US\$ Distributing (D), Class C US\$ Distributing (D)
Legg Mason Western Asset Diversified Strategic Income Fund	Class A US\$ Distributing (D), Class A US\$ Distributing (M), Class B US\$ Distributing (D), Class C US\$ Distributing (D)
Legg Mason Western Asset Global Multi Strategy Fund	Class A US\$ Distributing (D), Class A US\$ Distributing (M), Class A GBP Distributing (M) (Hedged), Class A EUR Distributing (M) (Hedged), Class B US\$ Distributing (D), Class C US\$ Distributing (D), Premier Class US\$ Distributing (D), Premier Class US\$ Distributing (M) and Premier Class GBP Distributing (M) (Hedged)
Legg Mason Western Asset US High Yield Fund	Class A US\$ Distributing (D), Class B US\$ Distributing (D), Class C US\$ Distributing (D), LM Class US\$ Distributing (M)
Legg Mason Western Asset Emerging Markets Bond Fund	Class A US\$ Distributing (D), Class A US\$ Distributing (M), Class B US\$ Distributing (D), Class C US\$ Distributing (D)
Legg Mason Western Asset Global High Yield Fund	Class A US\$ Distributing (D), Class A US\$ Distributing (M), Class B US\$ Distributing (D), Class C US\$ Distributing (D)

General Information – (continued)

Fund	Share Class
Legg Mason Western Asset US Short-Term Government Fund	Class A US\$ Distributing (D), Class B US\$ Distributing (D), Class C US\$ Distributing (D)
Legg Mason Western Asset US Adjustable Rate Fund	Class A US\$ Distributing (D), Class B US\$ Distributing (D), Class C US\$ Distributing (D)
Legg Mason Western Asset Inflation Management Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason Western Asset Asian Opportunities Fund	Class A US\$ Distributing (D), Premier Class US\$ Distributing (D)
Legg Mason Brandywine Global Fixed Income Fund	Class A US\$ Distributing (S), Class A GBP Distributing (S) (Hedged), Class B US\$ Distributing (S), Class C US\$ Distributing (S)
Legg Mason Capital Management Value Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A), Galleon Class
Legg Mason Capital Management Growth Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason Capital Management Opportunity Fund [^]	Class A US\$ Distributing (A)
Legg Mason Batterymarch Emerging Markets Equity Fund	Class A GBP Distributing (A)
Legg Mason ClearBridge US Appreciation Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason ClearBridge US Fundamental Value Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason ClearBridge US Large Cap Growth Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason ClearBridge US Aggressive Growth Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason Royce US Small Cap Opportunity Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason Royce Smaller Companies Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason PCM US Equity Fund	Class A US\$ Distributing (A), Class A Euro Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason GC Global Equity Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason Batterymarch European Equity Fund	Class A US\$ Distributing (A), Class A Euro Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason Batterymarch Asia Pacific Equity Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)
Legg Mason Batterymarch 130/30 Global Equity Fund [^]	Class A US\$ Distributing (A), Premier Class US\$ Distributing (A)
Legg Mason Batterymarch International Large Cap Fund	Class A US\$ Distributing (A), Class B US\$ Distributing (A), Class C US\$ Distributing (A)

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

General Information – (continued)

Swiss Representative and Paying Agent:

BBG, Banque Genevoise de Gestion
Rue Rodolphe-Toeffer 15
1206 Geneva
Switzerland

BBG, Banque Genevoise de Gestion is acting as the Company's Swiss representative and paying agent for shares distributed in or from Switzerland.

The prospectus, the simplified prospectus, the memorandum and articles of association of the Company, the annual and semi-annual reports and the breakdown of the purchase and sale transaction of the Funds, may be obtained free of charge at the office of the Swiss representative.

Irish Legal Adviser

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2, Ireland

Custodian

PNC International Bank Limited
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2, Ireland

Independent Auditors

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1, Ireland

Administrator

PNC Global Investment Servicing (Europe) Limited
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2, Ireland

Sponsoring Broker

Davy Stockbrokers Limited
Davy House
49 Dawson Street
Dublin 2, Ireland

Investment Manager: Legg Mason Capital Management Value Fund

Legg Mason Capital Management, Inc.
100 International Drive
Baltimore, Maryland 21202
U.S.A.

Investment Manager: All Funds except Legg Mason Capital Management Value Fund

Legg Mason Investments (Europe) Limited
75 King William Street
London EC4N 7BE
United Kingdom

Sub-Investment Manager Legg Mason Western Asset
US Money Market Fund
Legg Mason Western Asset
US Limited Duration Fund †^
Legg Mason Western Asset
US Core Bond Fund
Legg Mason Western Asset
US Core Plus Bond Fund
Legg Mason Western Asset Euro
Core Plus Bond Fund
Legg Mason Western Asset Euro
Absolute Return Bond Fund †
Legg Mason Western Asset
Diversified Strategic Income Fund
Legg Mason Western Asset Global
Multi Strategy Fund
Legg Mason Western Asset
US High Yield Fund
Legg Mason Western Asset
Emerging Markets Bond Fund
Legg Mason Western Asset Global
High Yield Bond Fund
Legg Mason Western Asset
US Short-Term Government Fund
Legg Mason Western Asset
US Adjustable Rate Fund
Legg Mason Western Asset
Inflation Management Fund
Legg Mason Western Asset Asian
Bond Fund †
Legg Mason Western Asset Asian
Opportunities Fund
Legg Mason Western Asset Global
Blue Chip Bond Fund^‡
Legg Mason Western Asset Euro
High Yield Fund †^
Legg Mason Western Asset UKE
Limited Duration Fund †^
Legg Mason Western Asset UKE
Core Plus Bond Fund †^
Legg Mason Western Asset UKE
Long Duration Fund †^
Legg Mason Western Asset UKE
Credit Plus Fund †^
Legg Mason Western Asset UKE
Inflation-Linked Plus Fund †^
Legg Mason Western Asset Euro
Core Bond Fund †^
Legg Mason Western Asset Global
Sovereign Fund †^
Legg Mason Western Asset Global
Credit Fund †^
Legg Mason Western Asset Global
Core Plus Bond Fund †^

^ Not authorised in Hong Kong and not available to Hong Kong residents.

General Information – (continued)

	Legg Mason Western Asset Global Inflation-Linked Fund †^ Legg Mason Western Asset Brazil Bond Fund †^ Legg Mason Western Asset Emerging Domestic Debt Fund †^	Sub-Investment Manager Legg Mason Brandywine Global Fixed Income Fund Brandywine Global Investment Management, LLC 2929 Arch Street Suite 800 Philadelphia, Pennsylvania 19104 U.S.A.
Western Asset Management Company Limited 10 Exchange Square Primrose Street London EC2A 2EN United Kingdom		Sub-Investment Manager Legg Mason GC Global Equity Fund Legg Mason GC Global SRI Equity Fund † Legg Mason GC Global Equity Income Fund †^ Global Currents Investment Management, LLC Delaware Corporate Centre II 2 Righter Parkway Wilmington, Delaware 19803 U.S.A.
Western Asset Management Company 385 East Colorado Boulevard Pasadena, California 91101 U.S.A.		Sub-Investment Manager Legg Mason Capital Management Growth Fund Legg Mason Capital Management, Inc. 100 International Drive Baltimore, Maryland 21202 U.S.A.
Sub-Investment Manager Legg Mason Western Asset Global Blue Chip Bond Fund^‡ Western Asset Management Company Limited Shin-Marunouchi Building 5-1 Marunouchi 1-Chome, Chiyoda-ku Tokyo 100-6536 Japan		Sub-Investment Manager Legg Mason Capital Management Opportunity Fund ^ LMM LLC 100 International Drive Baltimore, Maryland 21202 U.S.A.
Sub-Investment Manager Legg Mason Western Asset Asian Bond Fund † Legg Mason Western Asset Asian Opportunities Fund Legg Mason Western Asset Global Blue Chip Bond Fund^‡ Legg Mason Western Asset Euro High Yield Fund †^ Legg Mason Western Asset UK£ Limited Duration Fund †^ Legg Mason Western Asset UK£ Core Plus Bond Fund †^ Legg Mason Western Asset UK£ Long Duration Fund †^ Legg Mason Western Asset UK£ Credit Plus Fund †^ Legg Mason Western Asset UK£ Inflation-Linked Plus Fund †^ Legg Mason Western Asset US Limited Duration Fund †^ Legg Mason Western Asset Global Sovereign Fund †^ Legg Mason Western Asset Global Credit Fund †^ Legg Mason Western Asset Global Core Plus Bond Fund †^ Legg Mason Western Asset Global Inflation-Linked Fund †^		Sub-Investment Manager Legg Mason ClearBridge US Appreciation Fund Legg Mason ClearBridge US Fundamental Value Fund Legg Mason ClearBridge US Large Cap Growth Fund Legg Mason ClearBridge US Aggressive Growth Fund ClearBridge Advisors, LLC 620 8 th Avenue, 48 th Floor New York, New York 10018 U.S.A.
Western Asset Management Company Pte. Limited 1 George Street, 23-02 Singapore 049145		Sub-Investment Manager Legg Mason Royce US Small Cap Opportunity Fund Legg Mason Royce Smaller Companies Fund Legg Mason Royce European Smaller Companies Fund^‡ Legg Mason Royce Global Smaller Companies Fund^‡ Royce & Associates LLC 745 5 th Avenue New York, New York 10151 U.S.A.

^ Not authorised in Hong Kong and not available to Hong Kong residents.

General Information – (continued)

Sub-Investment Manager Legg Mason PCM US Equity Fund

Private Capital Management, L.P.
8889 Pelican Bay Boulevard
Suite 500
Naples, Florida 34108
U.S.A.

Sub-Investment Manager Legg Mason Esemplia Emerging Markets Select Equity Fund †^

Legg Mason International Equities Limited
9th Floor, 10 Exchange Square
Primrose Street
London EC2A 2EN
United Kingdom

**Sub-Investment Manager Legg Mason Batterymarch European Equity Fund
Legg Mason Batterymarch Asia Pacific Equity Fund
Legg Mason Batterymarch 130/30 Global Equity Fund^‡‡
Legg Mason Batterymarch International Large Cap Fund
Legg Mason Batterymarch Emerging Markets Equity Fund
Legg Mason Batterymarch US Large Cap Fund †
Legg Mason Batterymarch Global Equity Fund †^**

Batterymarch Financial Management, Inc.
200 Clarendon Street
Boston, Massachusetts 02116
U.S.A.

**Sub-Investment Manager Legg Mason Western Asset Brazil Bond Fund†^
Legg Mason Western Asset Brazil Equity Fund†^**

Western Asset Management Company
Distribuidora de Títulos e Valores Mobiliários Limitada
Av. Pres. Juscelino Kubitschek
No. 1455 – 15th Floor – 04543011
São Paulo – SP – Brazil

**Sub-Investment Manager Legg Mason LMHK China Fund^‡
Legg Mason LMHK Greater China Fund †
Legg Mason LMHK Hong Kong Equity Fund †^**

Legg Mason Asset Management Hong Kong Limited
12/F, York House
The Landmark
15 Queen's Road Central
Hong Kong

**Sub-Investment Manager Legg Mason Congruix Asia Enterprise Equity Fund†^
Legg Mason Congruix Japan Equity Fund
Legg Mason Congruix Pacific Rim Fund^ ∞ †
Legg Mason Congruix Asia Pacific Fund^ ∞ ‡**

Legg Mason International Asset Management Singapore Pte. Limited
as a registered business of "Congruix Investment Management"
1 George Street 23-02
Singapore 049145

Sub-Investment Advisor Legg Mason Permal Global Absolute Fund^ ‡

Legg Mason Global Asset Allocation, LLC
620 8th Avenue
New York, New York 10018

Permal Investment Management Services Company
12 St. James's Square
London SW1Y 4LB
United Kingdom

^ Not authorised in Hong Kong and not available to Hong Kong residents.

General Information – (continued)

Fund Launch Dates

Legg Mason Western Asset US Money Market Fund:
February 27, 2004

Legg Mason Western Asset US Core Bond Fund: August 31, 2002

Legg Mason Western US Core Plus Bond Fund: April 20, 2007

Legg Mason Western Asset Euro Core Plus Bond Fund:
October 1, 2003

Legg Mason Western Asset Diversified Strategic Income Fund:
February 24, 2004

Legg Mason Western Asset Global Multi Strategy Fund:
August 29, 2002

Legg Mason Western Asset US High Yield Fund: February 27, 2004

Legg Mason Western Asset Emerging Market Bond Fund:
February 24, 2004

Legg Mason Western Asset Global High Yield Fund: April 20 2007

Legg Mason Western Asset US Short-Term Government Fund:
April 20, 2007

Legg Mason Western Asset US Adjustable Rate Fund: April 20, 2007

Legg Mason Western Asset Inflation Management Fund:
April 20, 2007

Legg Mason Western Asset Asian Opportunities Fund: June 12, 2008

Legg Mason Western Asset Global Blue Chip Bond Fund:
June 3, 2009[^] ‡

Legg Mason Brandywine Global Fixed Income Fund: October 1, 2003

Legg Mason Capital Management Value Fund: March 20, 1998

Legg Mason Capital Management Growth Fund: February 25, 2004

Legg Mason Capital Management Opportunity Fund:
February 4, 2009[^]

Legg Mason ClearBridge US Appreciation Fund: April 20, 2007

Legg Mason ClearBridge US Fundamental Value Fund: April 20, 2007

Legg Mason ClearBridge US Large Cap Growth Fund: April 20, 2007

Legg Mason ClearBridge US Aggressive Growth Fund: April 20, 2007

Legg Mason Royce European Smaller Companies Fund:
December 31, 2009^{‡^}

Legg Mason Royce Global Smaller Companies Fund:
December 31, 2009^{‡^}

Legg Mason Royce US Small Cap Opportunity Fund:
November 8, 2002

Legg Mason Royce Smaller Companies Fund: March 1, 2004

Legg Mason PCM US Equity Fund: January 2, 2008

Legg Mason GC Global Equity Fund: September 1, 2006

Legg Mason Batterymarch European Equity Fund: August 31, 2002

Legg Mason Batterymarch Asia Pacific Equity Fund:
February 25, 2004

Legg Mason Batterymarch 130/30 Global Equity Fund: June 27, 2008
^{‡^}

Legg Mason Batterymarch International Large Cap Fund:
April 20, 2007

Legg Mason Batterymarch Emerging Markets Equity Fund:
April 28, 2008

Legg Mason Congruix Japan Equity Fund: October 2, 2008

Legg Mason Congruix Asia Pacific Fund: November 11, 2009^{‡^∞}

Legg Mason Permal Global Absolute Fund: September 24, 2009^{‡^}

Legg Mason LMHK China Fund: November 30, 2009^{‡^}

† As at February 28, 2010 these Funds have not commenced trading.

‡ Commenced trading during the period.

‡‡ Ceased trading effective January 20, 2010.

∞ Congruix Asia Quant Fund and Congruix Global Emerging Market Quant Fund changed their names to Legg Mason Congruix Pacific Rim Fund and Legg Mason Congruix Asia Pacific Fund respectively on July 16, 2009.

Effective 16 November, 2009, certain of the funds under the Legg Mason Global Funds plc umbrella changed names as disclosed in Appendix 1.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

General Information – *(continued)*

For More Information

For further information on the range of Funds within Legg Mason Global Funds Plc, contact:

For professional investors in the U.K. and Europe

Legg Mason Investments (Europe) Limited
75 King William Street
London EC4N 7BE
United Kingdom
Tel: + 44 (0) 207 070 7444

www.leggmason.co.uk

For authorised dealers in the Americas

Legg Mason Investments
1395 Brickell Avenue
Suite 1550
Miami, Florida 33131, U.S.A.
Tel: + 305 529 4400

www.leggmasonamericas.com

Go to the relevant website for information on:

- Daily prices
- Literature, including fact sheets providing the latest information on each Fund
- More information about Legg Mason's asset management affiliates managing the Funds

Letter to Shareholders

Dear Shareholder,

We are pleased to provide you with the annual report for Legg Mason Global Funds Plc (the "Company") for the year ending February 28, 2010. In this report we highlight the key drivers behind the performance of bond and equity markets over the year.

Fixed Income Markets

The riskier sectors of the global bond market extended their gains over the reporting period on the back of improvements in both economic conditions and the functioning of the financial system. Following the tentative signs of improvement in economic data that emerged over the second quarter of 2009, the remainder of the year saw further progress. However, while improvements were significant, central bankers warned against overreacting to positive economic data.

Policy rates in the major developed economies remained unchanged at low levels. With policy rates (interest rates) already close to zero in the US, the Federal Reserve maintained its focus on other, more innovative, measures, including the purchase of agency mortgage assets and Treasuries to add cash to the financial system (quantitative easing). The Bank of England (BoE) moved its key policy rate to a record low of 0.5% and left it there for the remainder of the period, while the European Central Bank (ECB) lowered its policy rate to 1.0% in May. Both the BoE and ECB implemented quantitative easing programmes to support the financial system. While speculation over central banks' exit strategies from their supportive policy stance increased over the period under review, most central bank officials indicated that their policies would remain highly supportive for an extended period of time and warned against a premature removal of policy stimulus. In terms of the outlook for inflation, investors worried about the potential inflationary impact of quantitative easing, although some observers believe this fear is overplayed.

In 2010, political developments took centre stage, overshadowing the impact of economic releases and central bank activity on investor expectations. In Europe, concerns increased over the growing budget deficit in Greece and the risks embedded in lending to a country that is struggling under the common currency framework. In the US, meanwhile, President Obama's proposed reforms of the US banking industry led to concerns about the profitability of the banks as well as the longer term impact on the economic recovery.

Against this backdrop, the non-government bond sectors recorded broad-based gains over the period, with bonds issued by financials and high yield corporate bonds performing particularly well. Developed government bond markets largely recorded modest gains over the period, as investors scaled back their expectations for interest rate increases by the major central banks.

Global Equity Markets

After a tumultuous start to 2009, the 12-month reporting period to the end of February 2010 proved far more positive for global equity markets than initially expected. Indeed, global equities as measured by the MSCI World Index rose over 54% in dollar terms over the period as the rally that began last March gained momentum over the summer months and, with the exception of slight fall backs in October and January, continued to rise for the 12 months to the end of February 2010.

The unprecedented fiscal and monetary stimulus initiated by the world's central banks helped to stimulate this rebound and continued to support it as the global recovery gained traction. By the third

quarter, GDP growth in both the US and the Eurozone had ticked up, although the UK economy remained in recession. Investors' aversion to risk, meanwhile, declined as the worst of the credit crisis appeared to be over.

In the UK, the stock market was helped by companies with an international dimension, which performed strongly in the rally, despite the difficulties experienced domestically where consumer confidence remained weak and retail sales were low. In continental Europe, manufacturing output grew, suggesting a faster economic recovery than previously expected. The top performing sectors in Europe included banks and financials ex-banks, together with the industrials and materials sectors, which all benefited from the government stimulus packages.

In Asia, cyclical industry groups such as automobiles & components, retailing and materials were among the leading performers over the period while more defensive groups such as utilities and telecoms lagged behind. More generally, while domestic consumption and infrastructure projects continued to support Asian markets, exports within the region and to emerging markets in other regions continued to grow in importance. This helped to reduce the region's dependence on the US and Europe. In the US itself, the S&P 500 Index rose over 52% in dollar terms over the twelve months with some of the largest contributions to performance coming from the technology and financial sectors.

We thank you for your continued support and look forward to helping you to continue to meet your financial goals.

Yours sincerely,

Legg Mason Investments Europe Limited

Past performance is no guarantee of future results. The information is not intended to be a forecast of future events, a guarantee of future results or investment advice.

Directors' Report

The directors of the Company (the "Directors") submit their report together with the audited financial statements for the year ended February 28, 2010.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland.

Irish company law requires the Directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether Financial Reporting standards have been followed, subject to any material departures explained within the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts 1963 to 2005, Part 2 and 3 of the Investment Funds Companies and Miscellaneous Provisions Act 2006 and Companies Amendment Act 2009 (the "Companies Acts") and all regulations to be construed as one with those acts, including the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) (the "UCITS Regulations").

The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. To ensure that proper books of account are kept, the Company has appointed PNC Global Investment Servicing (Europe) Limited to provide it with fund accounting, fund administration and transfer agency services.

The books of account are kept at the following address:

Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Under the UCITS Regulations, the Directors are required to entrust the assets of the Company to the custodian, PNC International Bank Limited (the "Custodian"), for safekeeping. In carrying out this duty, the Custodian has delegated custody of the Company's assets to the sub custodians, Citibank and PFPC Trust Company.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Review of business and future developments

The Letter to Shareholders contains a review of the factors which contributed to the performance of the Funds for the year. The Directors do not anticipate any changes to the investment objectives of the existing Funds.

As at February 28, 2010 the Company has 36 Funds (2009: 31 Funds) in operation.

The following Funds commenced trading during the year:

Directors' Report – (continued)

Fund	Commencement of trading
Legg Mason Western Asset Global Blue Chip Bond Fund [^]	June 3, 2009
Legg Mason Permal Global Absolute Fund [^]	September 25, 2009
Legg Mason Congruix Asia Pacific Fund [^]	November 12, 2009
Legg Mason LMHK China Fund [^]	December 1, 2009
Legg Mason Royce European Smaller Companies Fund [^]	January 4, 2010
Legg Mason Royce Global Smaller Companies Fund [^]	January 4, 2010

The Legg Mason Batterymarch 130/30 Global Equity Fund ceased trading effective January 20, 2010.

Risk management objectives and policies

Information in relation to certain of the Company's risk management objectives and policies are included in the notes to financial statements.

Results for the year and state of affairs at February 28, 2010

The Balance Sheet as at February 28, 2010 and February 28, 2009 and the Profit and Loss Account for the year ended February 28, 2010 and February 28, 2009 are set out on pages 136 to 195 and 196 to 206 respectively.

Distributions to holders of Redeemable Participating Shares

The distributions to holders of Redeemable Participating Shares for the year ended February 28, 2010 and February 28, 2009 are set out in the Profit and Loss Account.

Significant Events

See note 16 for details of Significant events during the year.

Subsequent Events

There are no significant events subsequent to the year end other than those disclosed in Note 19.

Directors

The names of the persons who are currently Directors or who served as a Director at any time during the year are set out below.

John Alldis (Luxembourg)
 Brian Collins *
 Frank Ennis *
 Joseph Keane
 Joseph LaRocque (U.S.)

* Frank Ennis resigned as director on August 25, 2009 and Brian Collins was appointed as a director on September 2, 2009.

Directors' and secretary's interests

The Directors and secretary and their families had no interests in the shares of the Company at February 28, 2010 or February 28, 2009. No Director had at any time during the year, a material interest in any contract of significance, subsisting during or at the end of the year, in relation to the business of the Company.

Independent Auditors

The independent auditors, PricewaterhouseCoopers, will be re-appointed in accordance with section 160(2) of the Companies Act, 1963.

On behalf of the Board

Director

Director

June 2, 2010

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Independent Auditors' Report

Independent Auditors' Report to the members of Legg Mason Global Funds Plc (the "Company")

We have audited the Company's financial statements for the year ended February 28, 2010 which comprise the Portfolio of Investments, the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Assets Attributable to holders of Redeemable Participating Shares, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (U.K. and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 193 of the Companies Act 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended and the Hong Kong Securities and Futures Commission's Code on Unit Trusts and Mutual Funds. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the Company has kept proper books of account; and
- whether the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not disclosed and where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (U.K. and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs at February 28, 2010 and of its results for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, (as amended) and the Hong Kong Securities and Futures Commission's Code on Unit Trusts and Mutual Funds.

Independent Auditors' Report – *(continued)*

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company's Balance Sheet is in agreement with the books of account. In our opinion the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

June 16, 2010

Custodian's Report

To the members of the Legg Mason Global Funds Plc (the "Company")

We have enquired into the conduct of the Company for the year ended February 28, 2010 in our capacity as custodian of the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Financial Regulator's UCITS Notice 4, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Financial Regulator's UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period, in accordance with the provisions of the Company's memorandum and articles of association and the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2003, as amended, (the "UCITS Regulations"). It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Financial Regulator's UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed: (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations; and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the year, in all material respects:

- a) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the memorandum and articles of association and the UCITS Regulations; and
- b) otherwise in accordance with the provisions of the memorandum and articles of association and the UCITS Regulations.

PNC International Bank Limited

June 2, 2010

Legg Mason Western Asset US Money Market Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate/Yield %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate/Yield %	Maturity Date	Value (000's) \$	% of Net Asset Value		
Commercial Paper — (continued)					40,000	Dexia Delaware LLC	0.150	3/1/2010	40,000	1.01	
30,000	Bank of Nova Scotia	0.280	7/12/2010	29,969	0.76	69,000	DNB Nor Bank ASA	0.130	3/1/2010	69,000	1.75
40,000	BNZ International Funding Ltd.	0.420	3/1/2010	40,000	1.01	89,000	Natixis Banq	0.140	3/1/2010	89,000	2.25
22,775	BNZ International Funding Ltd.	0.325	5/14/2010	22,760	0.58	98,741	Royal Bank of Canada	0.125	3/1/2010	98,741	2.50
10,000	BNZ International Funding Ltd.	0.326	5/14/2010	9,993	0.25	Total Time Deposits (Cost \$552,721)				552,721	13.98
30,000	Caisse d'Amortissement	0.170	3/3/2010	30,000	0.76	Total Investments (Cost \$3,970,731)				3,970,731	100.45
45,000	Caisse d'Amortissement	0.190	3/29/2010	44,993	1.14	Liabilities in Excess of Other Assets				(17,772)	(0.45)
56,960	CBA Finance	0.195	3/3/2010	56,959	1.44	Total Net Assets				\$3,952,959	100.00
25,000	CBA Finance	0.200	3/10/2010	24,999	0.63	144A	Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$52,499,090 or 1.33% of net assets.				
15,000	CBA Finance	0.300	6/11/2010	14,987	0.38	*	Variable rate security. The interest rate shown reflects the rate in effect at February 28, 2010				
22,000	Danske Corp.	0.200	3/1/2010	22,000	0.56	∞	Security is valued in good faith at fair value by or at the discretion of the Investment Manager.				
30,000	Danske Corp.	0.200	3/11/2010	29,998	0.76	ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR TIME DEPOSITS, WHICH ARE DEPOSITED WITH CREDIT INSTITUTIONS.					
13,750	Danske Corp.	0.200	3/12/2010	13,749	0.35	Analysis of Total Assets (Unaudited)				% of Total Assets	
30,000	Danske Corp.	0.205	4/6/2010	29,994	0.76	Transferable securities and money market instruments admitted to official stock exchange listing or traded on a regulated market				84.32	
50,000	Deutsche Bank NY	0.190	4/7/2010	50,000	1.26	Deposits with credit institutions				13.63	
22,000	Dexia Delaware LLC	0.210	3/1/2010	22,000	0.56	Other assets				2.05	
75,000	Dexia Delaware LLC	0.360	3/1/2010	75,000	1.90	Total Assets				100.00	
25,000	DNB Nor Bank ASA	0.300	6/11/2010	24,979	0.63						
20,000	DNB Nor Bank ASA	0.300	8/24/2010	19,971	0.51						
45,000	General Electric Capital Corp.	0.290	7/12/2010	44,952	1.14						
35,000	HSBC USA, Inc.	0.371	6/14/2010	34,962	0.88						
10,000	HSBC USA, Inc.	0.280	8/10/2010	9,987	0.25						
20,870	ING (US) Funding LLC	0.150	3/2/2010	20,870	0.53						
25,000	JPMorgan Chase & Co.	0.290	4/5/2010	24,993	0.63						
25,000	JPMorgan Chase & Co.	0.250	7/14/2010	24,977	0.63						
35,000	Natixis Banq	0.380	7/23/2010	34,947	0.88						
35,000	Nordea	0.185	4/8/2010	34,993	0.89						
8,650	Santander Central Hispano	0.431	9/3/2010	8,631	0.22						
25,000	Skandinav Enskilda Banken AG	0.260	3/26/2010	24,996	0.63						
20,000	Societe de Prise Participation de l'Etat	0.190	5/12/2010	19,992	0.51						
35,000	Societe de Prise Participation de l'Etat	0.250	5/27/2010	34,979	0.89						
40,000	Societe Generale North America	0.150	3/1/2010	40,000	1.01						
59,800	Societe Generale North America	0.230	3/5/2010	59,799	1.51						
12,000	Societe Generale North America	0.240	4/1/2010	11,998	0.30						
25,000	Societe Generale North America	0.300	8/23/2010	24,964	0.63						
15,000	State Street Corp.	0.200	3/2/2010	15,000	0.38						
40,000	State Street Corp.	0.180	4/14/2010	39,991	1.01						
40,000	State Street Corp.	0.200	5/18/2010	39,983	1.01						
20,000	Sumitomo Mitsui Banking Corp.	0.200	3/1/2010	20,000	0.51						
12,000	Sumitomo Mitsui Banking Corp.	0.210	4/7/2010	11,997	0.30						
15,000	Swedish Export Credit	0.341	3/29/2010	14,996	0.38						
10,000	Swedish Export Credit	0.310	4/1/2010	9,997	0.25						
46,250	Swedish Export Credit	0.250	6/16/2010	46,216	1.17						
30,000	Toronto Dominion Bank	0.321	5/26/2010	29,977	0.76						
45,000	Toyota Motor Credit Corp.	0.200	4/21/2010	44,987	1.14						
6,826	UBS Finance Delaware Corp.	0.150	3/1/2010	6,826	0.17						
20,000	UBS Finance Delaware Corp.	0.552	4/30/2010	19,982	0.51						
55,000	UBS Finance Delaware Corp.	0.341	8/23/2010	54,909	1.39						
20,000	Unicredito Italiano	0.520	5/18/2010	19,977	0.51						
Total Commercial Paper (Cost \$1,518,183)			1,518,183	38.41							
Time Deposits — 13.98%											
30,000	Bank of Tokyo Mitsubishi	0.160	3/1/2010	30,000	0.76						
42,000	BNP Paribas	0.120	3/1/2010	42,000	1.06						
74,000	CitiBank N.A.	0.140	3/1/2010	74,000	1.87						
35,000	Commerzbank U.S. Finance, Inc.	0.243	5/24/2010	34,980	0.88						
75,000	Credit Agricole S.A.	0.150	3/1/2010	75,000	1.90						

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US Core Bond Fund

Portfolio of Investments as at February 28, 2010

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	
Asset-Backed Securities — 2.43%					1,497		LB-UBS Commercial Mortgage Trust, Series 2001-C3, Class X, 144A †	14	0.09	
31		0.582 11/15/2028	21	0.14	120	4.989	8/13/2042	123	0.82	
150	5.809	9/15/2039	140	0.00	209	6.001	6/25/2037	113	0.76	
60	5.694	9/15/2014	59	0.00	12	2.795	8/25/2034	10	0.07	
30	5.290	3/25/2016	31	0.21	39	0.579	3/25/2035	29	0.19	
99	0.529	10/25/2045	77	0.51	179	0.482	3/16/2030	49	0.33	
15	0.689	6/25/2031	10	0.07	Total Collateralised Mortgage-Backed Obligations (Cost \$2,650)					
105	3.212	10/25/2037	26	0.17					1,455	9.73
Total Asset-Backed Securities (Cost \$421)										
			364	2.43	Corporate Bonds and Notes — 30.57%					
Collateralised Mortgage-Backed Obligations — 9.73%					Aerospace/Defense — 0.14%					
194	0.456	10/25/2046	97	0.65	20 The Boeing Co., Senior Unsecured					
35	0.579	4/25/2044	24	0.16	Agriculture — 0.31%					
122	4.821	11/25/2034	85	0.57	10 Altria Group, Inc., Company Guaranteed					
148	5.126	11/25/2034	129	0.86	10 Altria Group, Inc., Company Guaranteed					
154	0.489	6/25/2035	89	0.59	20 Reynolds American, Inc., Company Guaranteed					
244	0.579	9/25/2035	137	0.92						
117	0.439	5/20/2046	57	0.38						
97	0.529	3/25/2035	55	0.37	Airlines — 0.76%					
150	0.519	4/25/2035	88	0.59	84 Delta Air Lines, Inc., Pass Through Certificates					
104	0.449	6/25/2045	62	0.41	35 Northwest Airlines, Inc., Pass Through Certificates					
138	0.449	5/19/2035	82	0.55						
622	0.479	1/25/2047	171	1.14						
40	5.280	1/12/2043	41	0.28	Consumer, Non-cyclical — 0.55%					
					30 Anheuser-Busch InBev Worldwide, Inc., Company Guaranteed					
					40 PepsiCo, Inc., Senior Unsecured					
					Electric — 0.36%					
					20 The Cleveland Electric Illuminating Co., Senior Unsecured					
					30 FirstEnergy Corp., Senior Unsecured					
					Energy — 2.41%					
					60 Anadarko Petroleum Corp., Senior Unsecured					

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US Core Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value						
Corporate Bonds and Notes — (continued)															
Insurance — (continued)															
145					300										
MetLife, Inc., Junior Subordinated		6.400	12/15/2036	125	0.83	Sonat, Inc., Senior Unsecured		7.625	7/15/2011	312	2.09				
60	The Travelers Cos., Inc., Junior Subordinated *		6.250	3/15/2037	57	0.38				440	2.94				
				285	1.90	Total Corporate Bonds and Notes (Cost \$5,268)				4,571	30.57				
Media — 2.01%					U.S. Denominated Bonds and Notes — 9.02%										
Australia — 0.20%															
180	Comcast Corp., Company Guaranteed		6.500	1/15/2015	204	1.37	20		Commonwealth Bank of Australia, Senior Unsecured, 144A		3.750	10/15/2014	20	0.13	
10	News America, Inc., Company Guaranteed		6.650	11/15/2037	11	0.07	10		Commonwealth Bank of Australia, Senior Unsecured, 144A		5.000	10/15/2019	10	0.07	
10	Time Warner Cable, Inc., Company Guaranteed		8.750	2/14/2019	12	0.08					30	0.20			
60	Time Warner Cable, Inc., Company Guaranteed		8.250	4/1/2019	73	0.49									
				300	2.01	Cayman Islands — 1.11%									
Pharmaceuticals — 0.21%															
30	Wyeth, Senior Unsecured		5.950	4/1/2037	32	0.21	22		Petrobras International Finance Co., Company Guaranteed		5.750	1/20/2020	22	0.15	
Retail — 1.06%															
141	CVS Pass-Through Trust, Pass Through Certificates, 144A		5.789	1/10/2026	139	0.93	85		Resona Preferred Global Securities Cayman Ltd., Junior Subordinated, 144A *		7.191	Perpetual	77	0.52	
9	CVS Pass-Through Trust, Pass Through Certificates		5.880	1/10/2028	9	0.06	120		Shinsei Finance Cayman Ltd., Junior Subordinated, 144A *		6.418	Perpetual	66	0.44	
10	Wal-Mart Stores, Inc., Senior Unsecured		6.200	4/15/2038	11	0.07					165	1.11			
				159	1.06	Dominican Republic — 0.15%									
Technology — 3.44%															
500	International Business Machines Corp., Senior Unsecured		5.600	11/30/2039	515	3.44	20		Teachers Insurance & Annuity Association of America, Senior Unsecured		6.850	12/16/2039	22	0.15	
Telecommunications — 2.02%															
20	American International Group, Inc., Senior Unsecured		5.850	1/16/2018	16	0.11	10		Hypothesenbank in Essen AG, Pfandbriefe, 144A		5.000	1/20/2012	11	0.07	
90	AT&T, Inc., Senior Unsecured		5.800	2/15/2019	96	0.64	Iceland — 0.60%								
10	Celco Partnership / Verizon Wireless Capital LLC, Senior Unsecured		8.500	11/15/2018	13	0.09	100		Glitnir Banki HF, Subordinated Notes, 144A * † €		6.693	6/15/2016	-	-	
100	Sprint Capital Corp., Company Guaranteed		6.900	5/1/2019	88	0.59	100		Glitnir Banki HF, Notes, 144A * † €		6.375	9/25/2012	26	0.17	
40	Verizon Communications, Inc., Senior Unsecured		6.100	4/15/2018	44	0.29	140		Kaupthing Bank HF, Subordinated, 144A * † €		7.125	5/19/2016	-	-	
40	Verizon Global Funding Corp., Senior Unsecured		7.375	9/1/2012	45	0.30	260		Kaupthing Bank HF, Senior Notes, 144A † €		7.625	2/28/2015	65	0.43	
				302	2.02					91	0.60				
Utilities — 2.94%					Ireland — 0.67%										
60	Kinder Morgan Energy Partners LP, Senior Unsecured		6.000	2/1/2017	65	0.43	100		The Governor & Co. of the Bank of Ireland, Government Liquidity Guaranteed		2.750	3/2/2012	100	0.67	
10	Kinder Morgan Energy Partners LP, Senior Unsecured		6.950	1/15/2038	11	0.07	Japan — 0.67%								
50	Pacific Gas & Electric Co., Senior Unsecured		6.050	3/1/2034	52	0.35	100		Japan Bank for International Cooperation, Series DTC		2.875	2/2/2015	100	0.67	
					Kyrgyzstan — 0.21%										
					30					Vale Overseas Ltd., Company Guaranteed		6.875	11/21/2036	31	0.21

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US Core Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares/ Units (000's)	Value (000's) \$	% of Net Asset Value
Preferred Stock — (continued)		
6 Motors Liquidation Co., New Money	39	0.26
Total Preferred Stock (Cost \$812)	111	0.73
Total Investments Excluding Options (Cost \$17,727)	14,813	99.05
Contracts (000's)		
Options — (0.03%)		
Written Options — (0.03%)		
– Euro Dollar Call 99.00 June 2010	(5)	(0.03)
Total Investments (Cost \$17,723)	14,808	99.02
Other Assets in Excess of Liabilities	147	0.98
Total Net Assets	\$14,955	100.00

- Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.
- 144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$897,980 or 6.00% of net assets.
- * Variable rate security. The interest rate shown reflects the rate in effect at February 28, 2010
- † Illiquid
- ε Security is in default as at February 28, 2010.
- γ Security (in whole or part) held as collateral for future contracts trading as at February 28, 2010.
- ± Securities purchased on a to-be-announced basis (Note 1).
- § TIPS
- β The rate of interest on this type of security is tied to the Consumer Price Index (CPI). The coupon rate is the rate as of February 28, 2010.
- ∞ Security is valued in good faith at fair value by or at the discretion of the Investment Manager.

ABBREVIATIONS:

- TBA – To Be Announced
- TIPS – Treasury Inflation Protected Security
- Perpetual – A bond with no maturity date. Perpetual bonds are not redeemable but pay a steady stream of interest.

ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FUTURES AND OPTIONS, WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	77.35
Financial derivative instruments	(0.04)
Other assets	22.69
Total Assets	100.00

Legg Mason Western Asset US Core Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) \$	Notional Value (000's) \$	Unrealised Gains (000's) \$	Unrealised Losses (000's) \$	Net Unrealised Gain/ (Loss) (000's) \$
90 Day Euro\$ December 2010	(6)	1,475	1,488	–	(13)	(13)
90 Day Euro\$ December 2011	6	1,455	1,467	11	–	11
U.S. 10 Year Note March 2010	(1)	119	119	–	–	–
U.S. 10 Year Note June 2010	(4)	463	470	–	(7)	(7)
U.S. 5 Year Note (CBT) June 2010	13	1,497	1,507	11	–	11
U.S. Long Bond (CBT) June 2010	(2)	230	235	–	(5)	(5)
Total Market Value of Future Contracts	6	\$5,239	\$5,286	\$22	\$(25)	\$(3)

Legg Mason Western Asset US Core Plus Bond Fund

Portfolio of Investments as at February 28, 2010

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
Asset-Backed Securities — 5.12%									
USD 72					88				
Bear Stearns Second Lien Trust, 144A *	0.449	12/25/2036	51	0.19	Homestar Mortgage Acceptance Corp. *	0.679	7/25/2034	61	0.23
40 California Street – Build America Bonds	7.300	10/1/2039	38	0.14	69 Impac Secured Assets CMN Owner Trust *	0.429	5/25/2036	28	0.10
195 CDC Mortgage Capital Trust, Series 2003-HE1 M1 *	1.579	8/25/2033	143	0.53	203 MASTR Adjustable Rate Mortgages Trust, 144A *	5.594	11/25/2035	115	0.42
95 Countrywide Asset-Backed Certificates *	0.899	7/25/2034	30	0.11	200 MASTR Adjustable Rate Mortgages Trust, Series 13 *	3.097	11/21/2034	176	0.65
244 Countrywide Asset-Backed Certificates	5.071	4/25/2035	111	0.41	285 MASTR Adjustable Rate Mortgages Trust, Series 2007-3, Class 12A1 *	0.429	5/25/2047	145	0.54
340 GSAA Trust *	0.529	3/25/2037	170	0.63	195 MASTR Reperforming Loan Trust, 144A *	0.579	5/25/2035	159	0.59
170 GSAA Trust *	0.529	5/25/2037	98	0.36	200 Merrill Lynch Mortgage Trust *	5.233	11/12/2037	207	0.76
350 GSAA Trust *	0.549	4/25/2047	136	0.50	85 Ownit Mortgage Loan Asset Backed Certificates *	0.679	3/25/2036	83	0.31
50 Hertz Vehicle Financing LLC, Series 2A, 144A *	5.290	3/25/2016	52	0.19	114 RBSGC Mortgage Pass Through Certificates *	0.679	1/25/2037	63	0.23
161 Morgan Stanley ABS Capital I *	1.249	10/25/2033	129	0.48	150 Residential Asset Securitization Trust	6.000	7/25/2037	58	0.21
70 Nelnet Student Loan Trust *	1.729	4/25/2024	74	0.27	150 Residential Asset Securitization Trust	6.250	9/25/2037	76	0.28
330 Nomura Asset Acceptance Corp.	6.431	8/25/2036	136	0.50	188 Structured Asset Mortgage Investments, Inc. *	0.459	2/25/2036	108	0.40
141 Residential Asset Securities Corp.	6.349	3/25/2032	115	0.42	250 Washington Mutual Mortgage Pass Through Certificates *	5.732	11/25/2036	182	0.67
110 Residential Asset Securities Corp., Series 2004-KS3, Class A14	3.770	1/25/2032	107	0.39	216 Washington Mutual Mortgage Pass Through Certificates *	0.549	8/25/2045	164	0.61
Total Asset-Backed Securities (Cost \$1,786)			1,390	5.12	209 Washington Mutual Mortgage Pass Through Certificates, Series 2005-AR8, Class 1A1A *	0.499	7/25/2045	152	0.56
Collateralised Mortgage-Backed Obligations — 11.16%					125 Washington Mutual MSC Mortgage Pass Through Certificates	7.000	7/25/2033	125	0.46
USD 217					Total Collateralised Mortgage-Backed Obligations (Cost \$3,858)				
Bear Stearns Alt-A Trust	5.871	5/25/2036	106	0.39	Foreign Government Obligations — 0.30%				
143 Countrywide Alternative Loan Trust, Series 2005-J12, Class 2A1 *	0.499	8/25/2035	73	0.27	Greece — 0.30%				
173 Countrywide Alternative Loan Trust, Series 2006-OA10, Class 4A1 *	0.419	8/25/2046	90	0.33	EUR 60				
46 Countrywide Home Loan Mortgage Pass Through Trust *	0.519	2/25/2035	25	0.09	Hellenic Republic Government Bond	6.100	8/20/2015	80	0.30
90 Countrywide Home Loan Mortgage Pass Through Trust *	0.539	3/25/2035	51	0.19	Total Foreign Government Obligations (Cost \$84)				
46 Deutsche Alt-A Securities, Inc. Alternate Loan Trust *	0.729	2/25/2035	36	0.13	U.S. Corporate Bonds and Notes — 27.36%				
130 Deutsche Mortgage Securities, Inc., 144A *	5.159	6/26/2035	101	0.37	Aerospace/Defense — 0.15%				
220 Finance America Mortgage Loan Trust *	1.279	9/25/2033	162	0.60	USD 40				
63 First Horizon Alternative Mortgage Securities *	0.599	2/25/2037	31	0.11	The Boeing Co., Senior Unsecured	4.875	2/15/2020	41	0.15
127 GMAC Mortgage Corp. Loan Trust, Series 2006-HE1, Class A *	0.439	11/25/2036	55	0.20	Agriculture — 0.25%				
121 Greenpoint Mortgage Funding Trust *	0.629	9/25/2034	87	0.32	USD 20				
223 Greenpoint Mortgage Funding Trust, Series 2007-AR1, Class 1A1A *	0.309	2/25/2047	171	0.63	Altria Group, Inc., Company Guaranteed	8.500	11/10/2013	24	0.09
70 GS Mortgage Securities Corp. II, 144A	6.712	8/15/2018	73	0.27	10 Altria Group, Inc., Company Guaranteed	9.250	8/6/2019	12	0.04
112 Harborview Mortgage Loan Trust *	1.229	11/25/2047	65	0.24	30 Reynolds American, Inc., Company Guaranteed	7.250	6/1/2012	33	0.12
					Total U.S. Corporate Bonds and Notes (Cost \$84)				
					69				

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US Core Plus Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)				
Airlines — 0.07%				
USD 20	United Air Lines, Inc., Pass Through Certificates	9.750 1/15/2017	21	0.07
Basic Materials — 0.56%				
USD 140	Freeport-McMoRan Copper & Gold, Inc., Senior Unsecured	8.375 4/1/2017	152	0.56
Beverages — 0.19%				
USD 50	Anheuser-Busch InBev Worldwide, Inc., Company Guaranteed	5.375 1/15/2020	52	0.19
Energy — 3.17%				
USD 30	Chesapeake Energy Corp., Company Guaranteed	7.250 12/15/2018	29	0.11
45	Dynegy Holdings, Inc., Senior Unsecured	7.750 6/1/2019	35	0.13
420	El Paso Corp., Notes	7.800 8/1/2031	408	1.50
170	Kerr-McGee Corp., Company Guaranteed	7.875 9/15/2031	199	0.73
45	Pemex Project Funding Master Trust, Company Guaranteed	6.625 6/15/2035	43	0.16
20	SandRidge Energy, Inc., Senior Unsecured, 144A	9.875 5/15/2016	21	0.08
5	SandRidge Energy, Inc., Company Guaranteed, 144A	8.750 1/15/2020	5	0.02
110	XTO Energy, Inc., Senior Unsecured	5.500 6/15/2018	120	0.44
			860	3.17
Financials – Banks — 3.06%				
USD 60	Bank of America Corp., Senior Unsecured	7.625 6/1/2019	68	0.25
10	Citigroup, Inc., Senior Unsecured	5.500 10/15/2014	10	0.04
60	Citigroup, Inc., Senior Unsecured	6.010 1/15/2015	63	0.23
31	GMAC, Inc., Company Guaranteed	7.500 12/31/2013	31	0.11
25	GMAC, Inc., Subordinated	8.000 12/31/2018	23	0.09
90	The Goldman Sachs Group, Inc., Senior Unsecured	5.450 11/1/2012	96	0.35
130	SunTrust Capital VIII, Bank Guaranteed *	6.100 12/15/2036	100	0.37
160	Wachovia Capital Trust III, Company Guaranteed *	5.800 3/15/2042	129	0.48
100	Wachovia Corp., Subordinated	5.625 10/15/2016	103	0.38
110	Wachovia Corp., Senior Unsecured	5.750 2/1/2018	116	0.43
100	Wells Fargo Capital X, Company Guaranteed	5.950 12/15/2036	90	0.33
			829	3.06
Financials – Capital Markets — 0.00%				
USD 170	Lehman Brothers Holdings, Inc., Junior Subordinated ε	6.500 7/19/2017	-	-

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
160	Lehman Brothers Holdings, Inc., Subordinated * ε	6.000 5/3/2032	-	-
			-	-
Financials – Diversified — 8.59%				
USD 70	American Express Co., Subordinated *	6.800 9/1/2066	66	0.24
90	American Express Credit Corp., Senior Unsecured	5.125 8/25/2014	96	0.36
120	The Bear Stearns Cos. LLC, Senior Unsecured	6.400 10/2/2017	132	0.49
20	Boeing Capital Corp., Senior Unsecured	4.700 10/27/2019	20	0.07
420	Capital One Capital IV, Company Guaranteed *	6.745 2/17/2037	349	1.29
10	Citigroup, Inc., Senior Unsecured	6.375 8/12/2014	11	0.04
170	Citigroup, Inc., Senior Unsecured	6.125 11/21/2017	172	0.63
10	Citigroup, Inc., Unsecured	8.500 5/22/2019	12	0.04
100	Citigroup, Inc., Senior Unsecured	6.875 3/5/2038	99	0.37
230	Countrywide Financial Corp., Company Guaranteed	5.800 6/7/2012	245	0.90
90	Ford Motor Credit Co. LLC, Senior Unsecured	7.500 8/1/2012	90	0.33
90	General Electric Capital Corp., Senior Unsecured	6.000 8/7/2019	94	0.35
210	General Electric Capital Corp., Subordinated *	6.375 11/15/2067	187	0.69
230	JP Morgan Chase Capital XVIII, Company Guaranteed	6.950 8/17/2036	225	0.83
120	McGuire Air Force Base/Fort Dix Privatized Military Housing Project, Bonds, 144A	5.611 9/15/2051	90	0.33
130	Merrill Lynch & Co., Inc., Senior Unsecured	5.450 2/5/2013	138	0.51
110	Morgan Stanley, Senior Unsecured	6.625 4/1/2018	117	0.43
70	SLM Corp., Senior Unsecured	5.000 10/1/2013	66	0.24
160	SLM Corp., Senior Unsecured	5.625 8/1/2033	123	0.45
			2,332	8.59
Food — 0.31%				
USD 80	Kraft Foods, Inc., Senior Unsecured	5.375 2/10/2020	83	0.31
Healthcare – Services — 1.48%				
USD 40	DaVita, Inc., Company Guaranteed	6.625 3/15/2013	40	0.15
153	HCA, Inc., Senior Secured *	9.625 11/15/2016	163	0.60
30	Roche Holdings, Inc., Company Guaranteed, 144A	6.000 3/1/2019	33	0.12
20	Tenet Healthcare Corp., Senior Secured, 144A	9.000 5/1/2015	21	0.08
5	Tenet Healthcare Corp., Senior Secured, 144A	10.000 5/1/2018	6	0.02
70	UnitedHealth Group, Inc., Senior Unsecured	4.875 2/15/2013	75	0.27

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US Core Plus Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Denominated Bonds and Notes — 6.83%									
Australia — 0.15%									
30					170				
Commonwealth Bank of Australia, Senior Unsecured, 144A					Landsbanki Islands HF, Junior Subordinated, 144A * † €				
	3.750	10/15/2014	30	0.11		7.431	Perpetual	—	—
					63 0.23				
Ireland — 0.66%									
10					180				
Commonwealth Bank of Australia, Senior Unsecured, 144A					The Governor & Co. of the Bank of Ireland, Government Liquidity Guaranteed				
	5.000	10/15/2019	10	0.04		2.750	3/2/2012	180	0.66
					40 0.15				
Bermuda — 0.08%									
20					Kyrgystan — 0.15%				
Intelsat Jackson Holdings Ltd., Company Guaranteed					40 Vale Overseas Ltd., Company Guaranteed				
	9.500	6/15/2016	21	0.08		6.875	11/21/2036	41	0.15
Canada — 0.42%									
60					Luxembourg — 0.35%				
Rogers Communications, Inc., Company Guaranteed					70 Telecom Italia Capital S.A., Company Guaranteed				
	6.250	6/15/2013	66	0.24		5.250	10/1/2015	74	0.27
30					20				
Rogers Communications, Inc., Company Guaranteed					Tyco International Ltd. / Tyco International Finance S.A., Company Guaranteed				
	6.800	8/15/2018	34	0.13		6.875	1/15/2021	23	0.08
5									
Teck Resources Ltd., Senior Secured									
	9.750	5/15/2014	6	0.02					
5									
Teck Resources Ltd., Senior Secured									
	10.750	5/15/2019	6	0.03					
					97 0.35				
					Mexico — 0.17%				
					20 America Movil SAB de CV, Company Guaranteed				
						6.375	3/1/2035	20	0.07
					20 America Movil SAB de CV, Company Guaranteed				
						6.125	11/15/2037	20	0.07
					7 Kansas City Southern de Mexico S.A. de CV, Senior Unsecured				
						9.375	5/1/2012	7	0.03
					47 0.17				
Cayman Islands — 0.36%									
37					Netherlands — 0.55%				
Petrobras International Finance Co., Company Guaranteed					50 Deutsche Telekom International Finance BV, Company Guaranteed				
	5.750	1/20/2020	38	0.14		8.750	6/15/2030	63	0.23
110					70				
Shinsei Finance Cayman Ltd., Junior Subordinated, 144A *					Koninklijke KPN NV, Senior Unsecured				
	6.418	Perpetual	60	0.22		8.375	10/1/2030	87	0.32
					150 0.55				
					Spain — 0.63%				
					80 Telefonica Emisiones SAU, Company Guaranteed				
						5.855	2/4/2013	88	0.32
					75 Telefonica Emisiones SAU, Company Guaranteed				
						7.045	6/20/2036	83	0.31
					171 0.63				
					Sweden — 0.37%				
					100 Nordea Bank AB, Senior Notes				
						4.875	1/27/2020	100	0.37
					United Kingdom — 2.04%				
					160 Barclays Bank PLC, Junior Subordinated *				
						6.278	Perpetual	122	0.45
					80 British Telecommunications PLC, Senior Unsecured				
						9.625	12/15/2030	102	0.38
					60 Diageo Capital PLC, Company Guaranteed				
						5.750	10/23/2017	65	0.24
					100 Lloyds TSB Bank PLC, Bank Guaranteed				
						4.375	1/12/2015	98	0.36

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US Core Plus Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Denominated Bonds and Notes — (continued)				
United Kingdom — (continued)				
20	Royal Bank of Scotland Group PLC, Subordinated	5.000 11/12/2013	19	0.07
20	Royal Bank of Scotland Group PLC, Subordinated	5.000 10/1/2014	18	0.07
30	Royal Bank of Scotland Group PLC, Subordinated	5.050 1/8/2015	27	0.10
100	Royal Bank of Scotland Group PLC, Senior Unsecured	6.400 10/21/2019	101	0.37
			552	2.04
Total U.S. Denominated Bonds and Notes (Cost \$2,787)			1,853	6.83
U.S. Denominated Debt Obligations — 0.19%				
Mexico — 0.19%				
48	Mexico Government International Bond	6.750 9/27/2034	52	0.19
Total U.S. Denominated Debt Obligations (Cost \$53)			52	0.19
U.S. Government Agency Discount Notes — 3.31%				
Federal National Mortgage Association (FNMA) — 3.31%				
USD 900	FNMA Discount Notes	zero coupon 4/7/2010	900	3.31
Total U.S. Government Agency Discount Notes (Cost \$900)			900	3.31
U.S. Government Agency Mortgage-Backed Securities — 27.02%				
Federal Home Loan Mortgage Corporation (FHLMC) — 5.54%				
USD 190	FHLMC Corp.	5.000 2/16/2017	210	0.77
414	FHLMC Corp.	5.500 4/1/2038	439	1.62
823	FHLMC Corp. Non Gold Pool *	5.604 12/1/2037	855	3.15
			1,504	5.54
Federal National Mortgage Association (FNMA) — 16.82%				
USD 120	FNMA	5.250 8/1/2012	130	0.48
330	FNMA	zero coupon 10/9/2019	194	0.72
400	FNMA, 15 Year March TBA ±	5.500 3/15/2025	426	1.57
100	FNMA, 15 Year April TBA ±	4.500 4/15/2025	104	0.38
300	FNMA, 15 Year April TBA, Bonds ±	5.000 4/15/2025	316	1.16
775	FNMA, Pool #735580	5.000 6/1/2035	807	2.97
277	FNMA	5.000 6/1/2035	288	1.06
240	FNMA	5.625 7/15/2037	259	0.95
535	FNMA	6.000 7/1/2038	568	2.09
200	FNMA, 30 Year March TBA ±	4.500 3/15/2040	202	0.74
400	FNMA, 30 Year March TBA, Bonds ±	6.000 3/15/2040	425	1.57
100	FNMA, 30 Year April TBA ±	4.500 4/15/2040	101	0.37
100	FNMA, 30 Year April TBA ±	5.500 4/15/2040	105	0.39
600	FNMA, 30 Year April TBA, Bonds ±	6.500 4/15/2040	643	2.37
			4,568	16.82
Government National Mortgage Association (GNMA) — 4.66%				
USD 500	GNMA, 30 Year March TBA ±	3/15/2040	520	1.92
500	GNMA, 30 Year March TBA ±	6.000 3/15/2040	537	1.98

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
200	GNMA, Series H01 *	1.381 11/20/2059	205	0.76
			1,262	4.66
Total U.S. Government Agency Mortgage-Backed Securities (Cost \$7,198)			7,334	27.02
U.S. Government Agency Obligations — 2.02%				
USD 30	Tennessee Valley Authority	5.250 9/15/2039	30	0.11
Financials – Diversified — 0.98%				
USD 250	Farmer Mac Guaranteed Notes Trust, Series 2007-1, 144A	5.125 4/19/2017	266	0.98
Financing Corporation — 0.93%				
USD 20	Financing Corp.	zero coupon 2/8/2018	14	0.05
50	Financing Corp.	zero coupon 4/6/2018	36	0.13
60	Financing Corp.	zero coupon 5/11/2018	43	0.16
150	Financing Corp.	zero coupon 8/3/2018	105	0.38
50	Financing Corp.	zero coupon 11/2/2018	34	0.13
20	Financing Corp., Series 15P	zero coupon 3/7/2019	13	0.05
10	Financing Corp.	zero coupon 6/6/2019	7	0.03
			252	0.93
Total U.S. Government Agency Obligations (Cost \$542)			548	2.02
U.S. Treasury Obligations — 15.48%				
USD 270	U.S. Treasury Bond	4.500 8/15/2039	269	0.99
610	U.S. Treasury Bond	4.375 11/15/2039	595	2.19
460	U.S. Treasury Inflationary Index Bond § γ β	1.750 1/15/2028	451	1.66
240	U.S. Treasury Inflationary Index Bond § β	2.125 2/15/2040	239	0.88
144	U.S. Treasury Note	1.000 12/31/2011	145	0.54
120	U.S. Treasury Note	1.375 2/15/2013	120	0.44
390	U.S. Treasury Note	3.250 12/31/2016	396	1.46
110	U.S. Treasury Note	3.125 1/31/2017	111	0.41
220	U.S. Treasury Note	3.000 2/28/2017	219	0.81
1,360	U.S. Treasury Note γ	3.375 11/15/2019	1,336	4.92
320	U.S. Treasury Note	3.625 2/15/2020	321	1.18
Total U.S. Treasury Obligations (Cost \$4,224)			4,202	15.48
Shares/ Units (000's)				
Common Stock — 0.01% (Cost \$39)				
	– SemGroup Corp.		2	0.01
Preferred Stock — 0.39%				
	2 FHLMC Corp., New Money		2	–
	4 FNMA, New Money		5	0.02
	– GMAC, Inc., New Money, 144A		100	0.37
Total Preferred Stock (Cost \$194)			107	0.39

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US Core Plus Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares/ Units (000's)	Value (000's) \$	% of Net Asset Value
Warrants — 0.00% (Cost \$0)		
– SemGroup Corp.	–	–
Total Investments Excluding Options (Cost \$29,570)	26,923	99.19
Contracts (000's)		
Options — (0.23%)		
Written Options — (0.23%)		
– Euro Dollar Call 98.75 September 2010	(25)	(0.09)
– Euro Dollar Call 99.00 June 2010	(8)	(0.03)
– Euro Dollar Call 99.00 March 2010	(4)	(0.02)
– Euro Dollar Call 99.25 September 2010	(1)	–
– Euro Dollar Call 99.37 June 2010	(7)	(0.03)
– Euro Dollar Call 99.37 September 2010	(3)	(0.01)
– Euro Dollar Put 98.37 March 2010	–	–
– Euro Dollar Put 98.50 March 2010	–	–
– Euro Dollar Put 98.75 September 2010	(1)	–
– Euro Dollar Put 99.25 September 2010	(1)	–
– U.S. 10 Year Note, May 2010, Call 120.0	(4)	(0.02)
– U.S. 10 Year Note, May 2010, Put 113.00	(1)	–
– U.S. 10 Year Note, June 2010, Call 119.00	(6)	(0.02)
– U.S. 10 Year Note, June 2010, Put 112.00	(1)	(0.01)
	(62)	(0.23)
Purchased Options — 0.00%		
– Euro Dollar Put 98.62 March 2010	–	–
– Euro Dollar Put 99.12 March 2010	–	–
	–	–
Total Options (Cost \$(60))	(62)	(0.23)
Total Investments (Cost \$29,510)	26,861	98.96
Other Assets in Excess of Liabilities	281	1.04
Total Net Assets	\$27,142	100.00

- Amounts designated as “-” are either \$0, less than \$1,000 or less than 1,000 shares.
- 144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$1,488,901 or 5.49% of net assets.
- * Variable rate security. The interest rate shown reflects the rate in effect at February 28, 2010
- ε Security is in default as at February 28, 2010.
- ∞ Security is valued in good faith at fair value by or at the discretion of the Investment Manager.
- † Illiquid
- ± Securities purchased on a to-be-announced basis (Note 1).
- § TIPS
- γ Security (in whole or part) held as collateral for future contracts trading as at February 28, 2010.
- β The rate of interest on this type of security is tied to the Consumer Price Index (CPI). The coupon rate is the rate as of February 28, 2010.

ABBREVIATIONS:

TBA	– To Be Announced
TIPS	– Treasury Inflation Protected Security
Perpetual	– A bond with no maturity date. Perpetual bonds are not redeemable but pay a steady stream of interest.
EUR	– Euro

ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FUTURES AND OPTIONS, WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	81.87
Financial derivative instruments	(0.22)
Other assets	18.35
Total Assets	100.00

Legg Mason Western Asset US Core Plus Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) \$	Notional Value (000's) \$	Unrealised Gains (000's) \$	Unrealised Losses (000's) \$	Net Unrealised Gain/ (Loss) (000's) \$
90 Day Euro\$ December 2010	(11)	2,704	2,728	–	(23)	(23)
90 Day Euro\$ December 2011	11	2,668	2,689	21	–	21
Euro-Bund March 2010	(2)	337	339	–	(3)	(3)
U.S. 10 Year Note June 2010	(2)	232	235	–	(3)	(3)
U.S. 5 Year Note (CBT) June 2010	27	3,107	3,130	23	–	23
U.S. Long Bond (CBT) June 2010	(9)	1,034	1,059	–	(25)	(25)
Total Market Value of Future Contracts	14	\$10,082	\$10,180	\$44	\$(54)	\$(10)

Legg Mason Western Asset Euro Core Plus Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) €	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) €	% of Net Asset Value		
Government Securities — (continued)					10 Edison Mission Energy, Senior Unsecured	7.200	5/15/2019	5	0.06		
130					116 Energy Future Holdings Corp., Company Guaranteed *	11.250	11/1/2017	60	0.69		
	4.750	7/4/2034	147	1.68	20 Freeport-McMoRan Copper & Gold, Inc., Senior Unsecured	8.375	4/1/2017	16	0.18		
530					5 HCA, Inc., Senior Unsecured	6.300	10/1/2012	4	0.05		
	3.750	1/4/2015	570	6.53	11 HCA, Inc., Senior Secured *	9.625	11/15/2016	8	0.09		
410					5 The Hertz Corp., Company Guaranteed	8.875	1/1/2014	4	0.05		
	4.000	1/4/2037	418	4.79	10 MGM Mirage, Company Guaranteed	7.625	1/15/2017	6	0.07		
270					5 NRG Energy, Inc., Company Guaranteed	7.250	2/1/2014	4	0.04		
	4.750	7/4/2040	312	3.57	5 NRG Energy, Inc., Company Guaranteed	7.375	1/15/2017	3	0.03		
480					10 Qwest Corp., Senior Unsecured	6.875	9/15/2033	7	0.08		
	3.750	1/4/2019	507	5.81	10 Reynolds American, Inc., Company Guaranteed	6.750	6/15/2017	8	0.09		
270					5 SandRidge Energy, Inc., Senior Unsecured, 144A	9.875	5/15/2016	4	0.05		
	5.750	10/25/2032	340	3.89	10 SemGroup Corp. Escrow, 144A	zero	Perpetual	–	–		
20					5 Service Corp. International, Senior Unsecured	7.500	4/1/2027	3	0.03		
	4.750	4/25/2035	22	0.25	20 SLM Corp., Senior Unsecured	5.000	10/1/2013	14	0.16		
230					65 SLM Corp., Senior Unsecured	5.375	5/15/2014	44	0.50		
	4.000	4/25/2055	228	2.61	20 SLM Corp., Senior Unsecured	5.050	11/14/2014	13	0.15		
360					5 Station Casinos, Inc., Senior Unsecured * † €	7.750	8/15/2016	1	0.01		
	3.700	7/20/2015	314	3.60	5 Steel Dynamics, Inc., Company Guaranteed	7.375	11/1/2012	4	0.05		
220					5 Steel Dynamics, Inc., Company Guaranteed	6.750	4/1/2015	3	0.03		
	2.300	7/25/2030	160	1.83	5 Tenet Healthcare Corp., Senior Secured, 144A	10.000	5/1/2018	4	0.04		
NOK					10 Ventas Realty LP / Ventas Capital Corp., Company Guaranteed α	6.750	4/1/2017	7	0.08		
	5.000	5/15/2015	102	1.17	10 Windstream Corp., Company Guaranteed	8.625	8/1/2016	7	0.08		
	4.250	5/19/2017	359	4.11				324	3.71		
PLN											
	5.750	9/23/2022	303	3.47							
Total Government Securities (Cost €4,574)			4,684	53.64	Total U.S. Denominated Bonds and Notes (Cost €471)					379	4.34
U.S. Denominated Bonds and Notes — 4.34%					Shares/Units (000's)					Value (000's) €	% of Net Asset Value
Canada — 0.07%					Common Stock — 0.01% (Cost €7)						
					– SemGroup Corp.					–	–
10					Warrants — 0.00% (Cost €0)						
					– SemGroup Corp.					–	–
					Total Investments Excluding Options (Cost €8,548)					8,210	94.02
	8.250	12/15/2014	6	0.07							
Cayman Islands — 0.18%											
22											
	5.750	1/20/2020	16	0.18							
Iceland — 0.33%											
160											
	7.625	2/28/2015	29	0.33							
Mexico — 0.05%											
5											
	12.500	4/1/2016	4	0.05							
United States — 3.71%											
5											
	8.000	6/1/2016	4	0.05							
5											
	6.375	6/15/2015	4	0.05							
10											
	8.875	7/15/2015	7	0.08							
10											
	8.000	12/15/2016	7	0.08							
70											
	6.250	5/15/2016	53	0.61							
5											
	7.750	5/15/2016	4	0.04							
5											
	8.625	2/15/2019	4	0.05							
5											
	7.250	3/15/2015	4	0.05							
10											
	7.000	10/1/2013	8	0.09							

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Euro Core Plus Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Contracts (000's)	Value (000's) €	% of Net Asset Value
Options — 0.03%		
Purchased Options — 0.06%		
– Euro-Bond, March 2010, Call 125.00	–	–
– U.S. 10 Year Note, April 2010, Call 119.00	5	0.06
Written Options — (0.03%)		
– U.S. 10 Year Note, April 2010, Put 115.00	(3)	(0.04)
Total Investments (Cost €8,546)	8,212	94.05
Other Assets in Excess of Liabilities	520	5.95
Total Net Assets	€8,732	100.00

– Amounts designated as "-" are either €0, less than €1,000 or less than 1,000 shares.

144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to €44,890 or 0.51% of net assets.

* Variable rate security. The interest rate shown reflects the rate in effect at February 28, 2010

€ Security is in default as at February 28, 2010.

§ TIPS

† Illiquid

∞ Security is valued in good faith at fair value by or at the discretion of the Investment Manager.

α REITS – Real Estate Investment Trusts

ABBREVIATIONS:

TIPS – Treasury Inflation Protected Security

Perpetual – A bond with no maturity date. Perpetual bonds are not redeemable but pay a steady stream of interest.

AUD – Australian Dollar

EUR – Euro

GBP – British Pound

NOK – Norwegian Krone

PLN – Polish Zloty

USD – United States Dollar

ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FUTURES, OPTIONS AND SWAPS WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	89.77
Financial Derivative Instruments	(0.74)
Other assets	10.97
Total Assets	100.00

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Euro Core Plus Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) €	Notional Value (000's) €	Unrealised Gains (000's) €	Unrealised Losses (000's) €	Net Unrealised Gain/ (Loss) (000's) €
Australia 3 Year Bond March 2010	(6)	394	407	–	–	–
Australia 10 Year Bond March 2010	5	333	342	1	–	1
Euro-Bobl March 2010	(22)	2,562	2,603	–	(40)	(40)
Euro-Bund March 2010	(2)	247	249	–	(2)	(2)
Euro-Schatz March 2010	(7)	756	764	–	(8)	(8)
Long Gilt June 2010	(1)	128	128	–	(2)	(2)
Total Market Value of Future Contracts	(33)	€ 4,420	€ 4,493	€ 1	€ (52)	€ (51)

Schedule of Credit Default Swaps

Counterparty	Reference Entity	Buy/Sell Protection	Pay/Receive	Expiration Date	Notional Amount (000's)	Value (000's)
Goldman Sachs	ITRAXX EUROPE, 1.00%, due 12/20/14, 1.00%, due 12/20/14	Pay	1.00%	12/20/14	(272)	€ (1)
JPMorgan Chase Bank	ITRAXX EUROPE, 1.00%, due 12/20/14, 1.00%, due 12/20/14	Pay	1.00%	12/20/14	(140)	€ (2)
						€ (3)
Credit Default Swaps – Total Financial Assets at Fair Value						–
Credit Default Swaps – Total Financial Liabilities at Fair Value						(3)
Credit Default Swaps – Total Financial Assets and Liabilities at Fair Value						€ (3)

Legg Mason Western Asset Diversified Strategic Income Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value		
Foreign Bonds and Notes — (continued)											
Euro Bonds — (continued)											
150	Generali Finance BV Multi Line Insurance, Company Guaranteed *	5.317	Perpetual	184	0.25	250	American Express Credit Corp., Senior Unsecured	5.125	8/25/2014	266	0.36
19	Heidelbergcement AG	8.000	1/31/2017	27	0.04	10	American Greetings Corp., Senior Unsecured	7.375	6/1/2016	10	0.01
29	Heidelbergcement AG	8.500	10/31/2019	40	0.05	110	Appleton Papers, Inc., Senior Secured, 144A	11.250	12/15/2015	93	0.13
27	Heidelbergcement AG	7.500	4/3/2020	35	0.05	41	Ashtead Capital, Inc., Secured, 144A	9.000	8/15/2016	41	0.06
490	Hellenic Republic Government Bond	3.700	7/20/2015	582	0.79	13	Ashton Woods USA LLC/Ashton Woods Finance Co., Company Guaranteed, 144A †	zero coupon	6/30/2015	4	–
880	Hellenic Republic Government Bond \$	2.300	7/25/2030	870	1.19	130	AT&T, Inc., Senior Unsecured	6.550	2/15/2039	137	0.19
271	Hollandwide Parent BV, Subordinated	zero coupon	8/1/2014	2	0.01	30	Bank of America Corp., Senior Unsecured	5.375	8/15/2011	32	0.04
170	HSBC Holdings PLC, Subordinated *	3.625	6/29/2020	229	0.31	EUR 250	Bank of America Corp., Subordinated	4.625	2/7/2017	319	0.43
52	HSH Nordbank AG, Subordinated *	0.962	2/14/2017	43	0.06	200	Bank of America Corp., Subordinated	5.420	3/15/2017	195	0.27
100	Intesa Sanpaolo S.p.A. *	8.375	Perpetual	141	0.19	100	Belden & Blake Corp., Secured	8.750	7/15/2012	92	0.13
112	ISS Financing PLC, Senior Secured	11.000	6/15/2014	164	0.22	20	Berry Petroleum Co., Senior Notes	10.250	6/1/2014	22	0.03
134	Kerling PLC, Senior Secured	10.625	1/28/2017	185	0.25	39	Blockbuster, Inc., Senior Secured, 144A	11.750	10/1/2014	28	0.04
99	Korreden S.A., Senior Subordinated *	11.000	8/1/2014	40	0.05	110	Boyd Gaming Corp., Senior Subordinated	6.750	4/15/2014	94	0.13
100	Lloyds TSB Bank PLC, Notes	6.375	6/17/2016	147	0.20	35	Buffets Restaurants Holdings, Inc. Escrow † ∞ €	zero coupon	11/1/2014	–	–
700	MUFG Capital Finance 2 Ltd., Bank Guaranteed *	4.850	Perpetual	808	1.10	60	CC Holdings GS V LLC/Crown Castle GS III Corp., Senior Secured, 144A	7.750	5/1/2017	65	0.09
133	PE Paper Escrow GmbH, Senior Secured	11.750	8/1/2014	196	0.27	19	CCH II LLC / CCH II Capital Corp., Senior Notes, 144A	13.500	11/30/2016	22	0.03
99	Rexel S.A., Senior Notes	8.250	12/15/2016	139	0.19	55	CCM Merger, Inc., Notes, 144A	8.000	8/1/2013	45	0.06
530	The Royal Bank of Scotland PLC, Senior Unsecured	4.875	1/20/2017	707	0.97	32	Ceridian Corp., Company Guaranteed *	12.250	11/15/2015	31	0.04
147	Seat Pagine Gialle S.p.A., Senior Secured	10.500	1/31/2017	185	0.25	95	Chesapeake Energy Corp., Company Guaranteed	6.250	1/15/2018	89	0.12
125	UPC Holding BV, Senior Notes	9.750	4/15/2018	175	0.24	20	Chesapeake Energy Corp., Company Guaranteed	7.250	12/15/2018	20	0.03
				8,575	11.68	330	Citigroup, Inc., Senior Unsecured	6.375	8/12/2014	350	0.48
Polish Zloty Bonds — 1.77%					EUR						
PLN 3,880	Poland Government Bond	5.750	9/23/2022	1,301	1.77	220	Citigroup, Inc., Senior Unsecured	7.375	9/4/2019	330	0.45
Total Foreign Bonds and Notes (Cost \$14,654)				12,916	17.60	110	The Cleveland Electric Illuminating Co., Senior Unsecured	5.650	12/15/2013	120	0.16
U.S. Corporate Bonds and Notes — 19.48%					140	Comcast Corp., Company Guaranteed	6.500	1/15/2017	156	0.21	
25	ACCO Brands Corp., Senior Secured, 144A	10.625	3/15/2015	27	0.04	EUR 300	Commerzbank Capital Funding Trust I, Bank Guaranteed *	5.012	Perpetual	190	0.26
5	Advanced Micro Devices, Inc., Senior Unsecured, 144A	8.125	12/15/2017	5	0.01	45	Complete Production Services, Inc., Company Guaranteed	8.000	12/15/2016	44	0.06
60	The AES Corp., Senior Unsecured	9.375	9/15/2010	62	0.08	8	Continental Airlines, Inc., Pass Through Certificates	8.312	4/2/2011	8	0.01
210	The AES Corp., Senior Unsecured	8.875	2/15/2011	217	0.30	35	Cricket Communications, Inc., Senior Secured	7.750	5/15/2016	36	0.05
105	Affinion Group, Inc., Company Guaranteed	10.125	10/15/2013	106	0.14	100	CSC Holdings, Inc., Senior Unsecured	6.750	4/15/2012	104	0.14
380	AIG SunAmerica Global Financing VI, Senior Secured, 144A	6.300	5/10/2011	387	0.53						
10	Alliance One International, Inc., Senior Unsecured, 144A	10.000	7/15/2016	10	0.01						
70	Altegrity, Inc., Company Guaranteed, 144A	10.500	11/1/2015	65	0.09						

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Diversified Strategic Income Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)									
10					30				
					H&E Equipment Services, Inc., Company Guaranteed	8.375	7/15/2016	30	0.04
					30				
					Harrah's Operating Co., Inc., Company Guaranteed	10.750	2/1/2016	23	0.03
25					40				
					Harrah's Operating Co., Inc., Senior Secured	11.250	6/1/2017	42	0.06
70					30				
					Hawaiian Telcom Communications, Inc., Series B, Company Guaranteed * † €	12.500	5/1/2015	–	–
40					GBP 140				
					HCA, Inc., Senior Unsecured	8.750	11/1/2010	217	0.30
					10				
					HCA, Inc., Senior Unsecured	6.300	10/1/2012	10	0.01
110					–				
					HCA, Inc., Senior Secured *	9.625	11/15/2016	–	–
					20				
					Headwaters, Inc., Senior Secured, 144A	11.375	11/1/2014	15	0.02
20					20				
					Hercules Offshore, Inc., Senior Secured, 144A	10.500	10/15/2017	20	0.03
150					90				
					Hess Corp., Senior Unsecured	7.300	8/15/2031	104	0.14
10					75				
					Inn of the Mountain Gods Resort & Casino, Company Guaranteed * † €	12.000	11/15/2010	36	0.05
90					60				
					Intelsat Corp., Senior Unsecured	9.250	8/15/2014	62	0.08
90					35				
					International Coal Group, Inc., Company Guaranteed	10.250	7/15/2014	36	0.05
75					EUR 112				
					Jarden Corp., Company Guaranteed	7.500	1/15/2020	150	0.20
495					250				
					JPMorgan Chase & Co., Subordinated	5.125	9/15/2014	264	0.36
250					30				
					JPMorgan Chase & Co., Subordinated	5.150	10/1/2015	32	0.04
45					EUR 200				
					JPMorgan Chase Bank NA, Subordinated *	4.375	11/30/2021	268	0.37
195					230				
					Kerr-McGee Corp., Company Guaranteed	6.950	7/1/2024	260	0.35
30					45				
					Keystone Automotive Operations, Inc., Company Guaranteed	9.750	11/1/2013	19	0.03
50					150				
					Kraft Foods, Inc., Senior Unsecured	5.375	2/10/2020	155	0.21
335					10				
					Landry's Restaurants, Inc., Senior Secured, 144A	11.625	12/1/2015	11	0.01
					10				
					Level 3 Financing, Inc., Company Guaranteed	9.250	11/1/2014	10	0.01
95					25				
					Mandalay Resort Group, Company Guaranteed	7.625	7/15/2013	22	0.03
20					55				
					Mariner Energy, Inc., Company Guaranteed	7.500	4/15/2013	55	0.07
30					70				
					Mead Johnson Nutrition Co., Senior Unsecured, 144A	4.900	11/1/2019	70	0.09
30					20				
					Mead Johnson Nutrition Co., Senior Unsecured, 144A	5.900	11/1/2039	20	0.03
150					75				
					Metals USA, Inc., Senior Secured	11.125	12/1/2015	76	0.10
10					50				
					MGM Mirage, Company Guaranteed	8.375	2/1/2011	49	0.07
EUR 434					50				
					MGM Mirage, Company Guaranteed	6.750	9/1/2012	46	0.06
514					20				
					Michaels Stores, Inc., Company Guaranteed ∞	10.000	11/1/2014	20	0.03
					EUR 200				
					The Goldman Sachs Group, Inc., Senior Unsecured	5.125	10/23/2019	275	0.37

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Diversified Strategic Income Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	
U.S. Denominated Bonds and Notes — (continued)					Luxembourg — 0.27%					
Canada — (continued)					150 TNK-BP Finance S.A., Company Guaranteed, 144A					
30						7.500	7/18/2016	160	0.22	
					22 Tyco International Ltd. / Tyco International Finance S.A., Company Guaranteed					
	8.250	12/15/2014	27	0.04		6.875	1/15/2021	25	0.03	
30					13 Tyco International Ltd. / Tyco International Finance S.A., Company Guaranteed					
	7.625	2/15/2013	28	0.04		7.000	6/15/2028	15	0.02	
15								200	0.27	
	9.750	5/15/2014	17	0.02	<hr/>					
10					Mali — 0.04%					
	10.250	5/15/2016	12	0.02	30 Teekay Corp., Senior Unsecured					
25						8.500	1/15/2020	31	0.04	
	10.750	5/15/2019	31	0.04	<hr/>					
			161	0.22	Mexico — 0.12%					
<hr/>					10 Kansas City Southern de Mexico S.A. de CV, Senior Unsecured					
Cayman Islands — 0.41%						7.625	12/1/2013	10	0.02	
100					65 Kansas City Southern de Mexico S.A. de CV, Senior Unsecured					
	7.191	Perpetual	90	0.12		12.500	4/1/2016	74	0.10	
200								84	0.12	
	6.664	9/15/2013	212	0.29	<hr/>					
			302	0.41	Norway — 0.03%					
<hr/>					20 Trico Shipping A/S, Senior Secured, 144A					
Denmark — 0.03%						11.875	11/1/2014	19	0.03	
20					<hr/>					
	8.875	5/1/2016	21	0.03	Russia — 0.22%					
<hr/>					160 RSHB Capital S.A. for OJSC Russian Agricultural Bank, Senior Subordinated *					
Dominican Republic — 0.09%						6.970	9/21/2016	162	0.22	
60					<hr/>					
	6.850	12/16/2039	65	0.09	Sweden — 0.27%					
<hr/>					120 Nordea Bank AB, Senior Unsecured, 144A					
France — 0.31%						3.700	11/13/2014	121	0.16	
30					80 Nordea Bank AB, Senior Notes					
	7.500	5/15/2015	29	0.04		4.875	1/27/2020	80	0.11	
160								201	0.27	
	8.375	Perpetual	168	0.23	<hr/>					
30					United Kingdom — 0.10%					
	8.750	Perpetual	31	0.04	70 Virgin Media Finance PLC, Company Guaranteed					
			228	0.31		9.500	8/15/2016	74	0.10	
<hr/>					Total U.S. Denominated Bonds and Notes (Cost \$3,361)					
Iceland — 0.21%									2,374	3.23
420					U.S. Government Agency Mortgage-Backed Securities — 8.19%					
	6.693	6/15/2016	–	–	Federal Home Loan Mortgage Corporation (FHLMC) — 0.54%					
140					USD 1 FHLMC Corp., Pool #E00870					
	6.330	7/28/2011	36	0.05		7.000	8/1/2015	1	–	
380						7.000	1/1/2016	1	–	
	7.625	2/28/2015	95	0.13		7.000	3/1/2016	9	0.02	
280						6.500	12/1/2031	368	0.50	
	6.100	8/25/2011	25	0.03		zero				
			156	0.21		coupon	9/1/2021	12	0.02	
<hr/>									391	0.54
India — 0.18%					Federal National Mortgage Association (FNMA) — 7.59%					
140					USD 482 FNMA, Pool #366094					
	6.375	4/30/2022	129	0.18		6.000	9/1/2025	513	0.70	
<hr/>						7.000	11/1/2029	10	0.01	
Kyrgystan — 0.70%						7.000	2/1/2030	4	0.01	
506						7.500	1/1/2031	2	–	
	6.875	11/21/2036	514	0.70		7.500	6/1/2031	2	–	
					<hr/>					

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Diversified Strategic Income Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Shares/ Units (000's)	Value (000's) \$	% of Net Asset Value	
U.S. Government Agency Mortgage-Backed Securities — (continued)					– Legg Mason Global Funds FCP (Luxembourg), Legg Mason U.S.\$ High Yield Fund, Class M			
Federal National Mortgage Association (FNMA) — (continued)					50	0.07		
2	FNMA, Pool #605525	7.000	7/1/2031	3	–			
8	FNMA, Pool #581961	7.000	7/1/2031	9	0.01			
35	FNMA, Pool #587907	7.500	7/1/2031	40	0.05			
26	FNMA, Pool #601140	7.000	9/1/2031	29	0.04			
18	FNMA, Pool #598230	7.000	9/1/2031	20	0.03			
5	FNMA, Pool #254008	7.000	10/1/2031	5	0.01			
3,929	FNMA, Pool #745563	5.500	8/1/2034	4,142	5.65			
762	FNMA, Pool #893365	5.000	7/1/2035	791	1.08			
				5,570	7.59			
Government National Mortgage Association (GNMA) — 0.06%					Total Collective Investment Scheme (Cost \$6,259)			
USD	2 GNMA, Pool #1849	8.500	8/20/2024	2	–	7,020	9.57	
	14 GNMA, Pool #781001	7.500	3/15/2029	15	0.02			
	25 GNMA, Pool #583599	8.000	5/15/2032	29	0.04			
				46	0.06			
Total U.S. Government Agency Mortgage-Backed Securities (Cost \$5,593)					6,007	8.19		
U.S. Treasury Obligations — 13.27%					Preferred Stock — 0.19% (Cost \$59)			
USD	90 U.S. Treasury Bond	3.125	5/15/2019	87	0.12	– GMAC, Inc., New Money, 144A		
	50 U.S. Treasury Bond	4.750	2/15/2037	52	0.07	138	0.19	
	200 U.S. Treasury Bond	3.500	2/15/2039	167	0.23	Warrants — 0.00%		
	80 U.S. Treasury Bond	4.250	5/15/2039	76	0.10	– Buffets Restaurants Holdings, Inc., Series CW14 ∞		
	2,100 U.S. Treasury Bond	4.625	2/15/2040	2,133	2.91	– Charter Communications, Inc.		
	830 U.S. Treasury Inflationary Index Bond § γ β	3.875	4/15/2029	1,388	1.89	– Nortec, Inc. ∞		
	4,190 U.S. Treasury Note	1.875	4/30/2014	4,184	5.70	– SemGroup Corp.		
	30 U.S. Treasury Note	2.625	7/31/2014	31	0.04	Total Warrants (Cost \$2)		
	1,650 U.S. Treasury Note	2.750	2/15/2019	1,557	2.12	3		
	10 U.S. Treasury Note	3.625	8/15/2019	10	0.02	Total Investments (Cost \$57,402)		
	50 U.S. Treasury Note γ	3.375	11/15/2019	49	0.07	53,936		
				9,734	13.27	73.51		
Total U.S. Treasury Obligations (Cost \$9,764)					9,734	13.27	Other Assets in Excess of Liabilities	
						19,437	26.49	
						\$73,373	100.00	
Shares/ Units (000's)					Value (000's) \$			
Common Stock — 0.09%					% of Net Asset Value			
– Ashton Woods USA LLC/Ashton Woods Finance Co. † ∞					–			
– Charter Communications, Inc., Class A					–			
– Citigroup, Inc., New Money					22			
– Dex One Corp.					7			
2 Georgia Gulf Corp.					26			
– Nortec, Inc.					2			
– SemGroup Corp.					6			
Total Common Stock (Cost \$187)					63			
Collective Investment Scheme — 9.57%								
2 Legg Mason Institutional Funds PLC – Western Asset Euro High Yield Bond Fund, LM EUR Distribution Class					3,544			
3 Legg Mason Institutional Funds PLC – Western Asset US \$ High Yield Bond Fund, LM USD Accumulating Class					3,426			

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Diversified Strategic Income Fund

Portfolio of Investments as at February 28, 2010 – (continued)

ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FUTURES WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET AND COLLECTIVE INVESTMENT SCHEMES.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	62.56
Financial Derivative Instruments	0.20
Collective Investment Schemes	9.36
Other assets	27.88
Total Assets	100.00

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) \$	Notional Value (000's) \$	Unrealised Gains (000's) \$	Unrealised Losses (000's) \$	Net Unrealised Gain/(Loss) (000's) \$
Euro-Bobl March 2010	(13)	2,197	2,094	–	(30)	(30)
Euro-Bund March 2010	(1)	186	170	–	(2)	(2)
Long Gilt June 2010	(7)	1,217	1,221	–	(17)	(17)
U.S. 10 Year Note March 2010	(7)	831	832	–	(1)	(1)
U.S. 10 Year Note June 2010	(45)	5,241	5,287	–	(46)	(46)
U.S. 5 Year Note (CBT) June 2010	(43)	4,948	4,985	–	(38)	(38)
U.S. Long Bond (CBT) June 2010	3	345	353	8	–	8
Total Market Value of Future Contracts	(113)	\$14,965	\$14,942	\$8	\$(134)	\$(126)

Legg Mason Western Asset Global Multi Strategy Fund

Portfolio of Investments as at February 28, 2010

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value						
Asset-Backed Securities — 0.07%					93	United Kingdom Gilt	5.000	9/7/2014	157	0.03					
386	Bayview Financial Acquisition Trust, Series 2007-A, Class 1A1 *	6.000	5/28/2037	392	0.07	61	United Kingdom Gilt	4.750	9/7/2015	102	0.02				
Total Asset-Backed Securities (Cost \$368)					70	Virgin Media Finance PLC, Company Guaranteed	9.750	4/15/2014	110	0.02					
Collateralised Mortgage-Backed Obligations — 0.01%					118	Virgin Media Finance PLC, Company Guaranteed	8.875	10/15/2019	184	0.03					
48	BlackRock Capital Finance LP, Series 1996-R1, Class B3 *	9.581	9/25/2026	13	–	750	William Hill PLC	7.125	11/11/2016	1,152	0.20				
64	MLCC Mortgage Investors, Inc., Series 2004-C, Class A3 *	2.300	7/25/2029	60	0.01										
Total Collateralised Mortgage-Backed Obligations (Cost \$92)										19,562	3.39				
Foreign Bonds and Notes — 23.47%					Euro Bonds — 14.80%										
Australia Government Issues — 1.84%					EUR	179	Ardagh Glass Group PLC, Senior Unsecured *	10.750	3/1/2015	235	0.04				
AUD	2,580	Australia Government Bond	4.000	8/20/2020	3,658	0.63	921	AXA S.A., Junior Subordinated *	6.211	Perpetual	1,115	0.19			
	7,490	Australia Government Bond	3.000	9/20/2025	6,992	1.21	300	Banca Italease S.p.A., Senior Unsecured *	0.964	3/14/2012	391	0.07			
										250	Banco Bradesco S.A., Junior Subordinated	8.000	4/15/2014	392	0.07
										600	Banco Popolare SC, Junior Subordinated *	6.156	Perpetual	564	0.10
										519	Banque Federative du Credit Mutuel, Subordinated *	4.471	Perpetual	544	0.09
										1,700	Bayerische Landesbank, Subordinated	5.750	10/23/2017	2,320	0.40
										7	Bundesrepublik Deutschland, Series 02	5.000	1/4/2012	10	–
										10	Bundesrepublik Deutschland	4.000	7/4/2016	15	–
										9,230	Bundesrepublik Deutschland, Series 09	3.750	1/4/2019	13,281	2.29
										121	Bundesrepublik Deutschland	5.500	1/4/2031	202	0.03
										3,470	Bundesrepublik Deutschland	4.250	7/4/2039	5,052	0.87
										1,352	Carlson Wagonlit BV, Senior Secured *	6.415	5/1/2015	1,542	0.27
										52	Cirsa Capital Luxembourg S.A., Company Guaranteed	7.875	7/15/2012	70	0.01
										514	Clondalkin Industries BV, Senior Secured	8.000	3/15/2014	616	0.11
										889	Corral Petroleum Holdings AB, Secured * †	2.184	4/15/2010	908	0.16
										1,600	Credit Agricole S.A., Subordinated Notes *	4.130	Perpetual	1,797	0.31
										1,600	Dexia Credit Local, Junior Subordinated * €	4.300	Perpetual	1,209	0.21
										1,125	Edcon Proprietary Ltd, Senior Secured *	3.964	6/15/2014	1,049	0.18
										1,300	ELM BV for Swiss Life Insurance & Pension Group, Company Guaranteed *	5.849	Perpetual	1,275	0.22
										950	ELM BV for Swiss Reinsurance Co., Subordinated *	5.252	Perpetual	1,080	0.19
										68	Europcar Groupe S.A., Senior Secured *	4.162	5/15/2013	83	0.02
										50	Europcar Groupe S.A., Senior Subordinated	8.125	5/15/2014	63	0.01
										310	FMG Finance Pty Ltd., Senior Secured	9.750	9/1/2013	441	0.07
										6,020	France Government Bond OAT zero coupon	10/25/2032	3,188	0.55	
										1,210	France Government Bond OAT	4.000	4/25/2055	1,637	0.28
Brazil Government Issues — 1.91%					British Pound Sterling Bonds — 3.39%										
BRL	2,002	Brazil Notas do Tesouro Nacional, Series F	9.710	7/1/2010	1,110	0.19	GBP	240	Annington Finance No. 4, Class C1, Secured	8.070	1/10/2023	385	0.07		
	13,166	Brazil Notas do Tesouro Nacional, Series F	9.762	1/1/2012	7,098	1.23		1,450	BNP Paribas, Subordinated *	5.954	Perpetual	1,968	0.34		
	5,880	Brazil Notas do Tesouro Nacional, Series F	9.682	1/1/2017	2,861	0.49		98	BUPA Finance PLC, Company Guaranteed *	6.125	Perpetual	123	0.02		
										409	Castle HoldCo. 4 Ltd., Senior Secured	10.000	5/8/2018	630	0.11
										900	Credit Agricole S.A., Junior Subordinated Debentures *	5.136	Perpetual	1,126	0.19
										1,350	Danske Bank A/S, Junior Subordinated *	5.684	Perpetual	1,585	0.27
										20	Dignity Finance PLC, Class B, Secured	8.151	12/31/2030	34	–
										664	Greene King Finance PLC, Series B2 *	1.436	3/15/2036	557	0.10
										800	HSBC Capital Funding LP, Bank Guaranteed *	8.208	Perpetual	1,279	0.22
										1,098	Infinis PLC, Senior Notes	9.125	12/15/2014	1,678	0.29
										1,430	ING Groep NV, Subordinated *	5.140	Perpetual	1,526	0.27
										704	Marstons Issuer PLC, Secured *	5.641	7/15/2035	803	0.14
										1,045	Mitchells & Butlers Finance PLC, Secured	6.469	9/15/2030	1,269	0.22
										1,000	Resona Bank Ltd., Subordinated Notes *	5.986	Perpetual	1,418	0.24
										218	RSA Insurance Group PLC, Company Guaranteed *	8.500	Perpetual	348	0.06
										1,310	Swedbank AB, Subordinated *	5.750	Perpetual	1,478	0.26
										1,370	Unicredito Italiano Capital Trust IV, Bank Guaranteed *	5.396	Perpetual	1,650	0.29

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Global Multi Strategy Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value		
Foreign Bonds and Notes — (continued)											
Euro Bonds — (continued)											
100					1,247						
Generali Finance BV Multi Line Insurance, Company Guaranteed *					UPC Germany GmbH, Senior Notes						
	5.317	Perpetual	123	0.02		9.625	12/1/2019	1,706	0.29		
199	8.000	1/31/2017	277	0.05	445	9.750	4/15/2018	621	0.11		
514	8.500	10/31/2019	714	0.12	559 Wind Acquisition Finance S.A., Senior Secured						
518	7.500	4/3/2020	677	0.12	211	11.000	12/1/2015	799	0.14		
4,040 Hellenic Republic Government Bond					211 Xstrata Finance Canada Ltd., Company Guaranteed						
	3.700	7/20/2015	4,798	0.83		5.250	6/13/2017	296	0.05		
7,550	2.300	7/25/2030	7,468	1.29							
730	zero	coupon	8/1/2014	5				85,824	14.80		
1,440 HSBC Capital Funding LP, Company Limited Guaranteed *					Poland Government Issue — 1.53%						
	5.369	Perpetual	1,745	0.30	PLN	26,380	Poland Government Bond	5.750	9/23/2022	8,843	1.53
2,030	3.625	6/29/2020	2,741	0.47	Total Foreign Bonds and Notes (Cost \$150,738)						
95	0.962	2/14/2017	79	0.01							
1,384	5.351	Perpetual	1,201	0.21	U.S. Corporate Bonds and Notes — 23.65%						
510	9.250	9/15/2014	708	0.12	700	10.250	10/1/2012	682	0.12		
600	8.375	Perpetual	848	0.15	AAC Group Holding Corp., Senior Discount Notes, 144A *						
409	11.000	6/15/2014	599	0.10	610	10.625	3/15/2015	663	0.11		
38	4.750	9/18/2010	52	0.01	125 ACCO Brands Corp., Senior Secured, 144A						
430	10.000	6/30/2014	663	0.11	Advanced Micro Devices, Inc., Senior Unsecured, 144A						
1,227	10.625	1/28/2017	1,696	0.29	35	9.375	9/15/2010	36	0.01		
446	4.500	3/18/2013	643	0.11	The AES Corp., Senior Unsecured						
355	4.750	1/17/2017	506	0.09	190	8.375	3/1/2011	266	0.05		
265	11.000	8/1/2014	108	0.02	57	8.750	5/15/2013	58	0.01		
2,289	6.375	6/17/2016	3,365	0.58	635 The AES Corp., Senior Unsecured, 144A						
290	8.375	8/15/2015	91	0.02	790	9.750	4/15/2016	678	0.12		
56	5.589	12/15/2010	75	0.01	The AES Corp., Senior Unsecured						
1,806	4.850	Perpetual	2,084	0.36	10	8.000	6/1/2020	10	–		
450	1.657	Perpetual	441	0.08	225 Affinion Group, Inc., Company Guaranteed						
144	6.165	5/1/2016	194	0.03	495 Affinion Group, Inc., Company Guaranteed						
320	8.250	5/1/2016	468	0.08	415 Affinion Group, Inc., Company Guaranteed						
791	11.750	8/1/2014	1,163	0.20	430	11.500	10/15/2015	424	0.07		
811	8.250	12/15/2016	1,135	0.19	Allison Transmission, Inc., Company Guaranteed, 144A *						
75	3.434	10/15/2013	95	0.02	90 Allison Transmission, Inc., Company Guaranteed, 144A *						
1,650	7.092	Perpetual	1,337	0.23	60	10.375	12/1/2017	71	0.01		
4,250	4.875	1/20/2017	5,667	0.98	60 ALLTEL Communications LLC, Company Guaranteed, 144A * †						
1,236	10.500	1/31/2017	1,557	0.27	410	10.500	11/1/2015	382	0.06		
					110 Altegrity, Inc., Company Guaranteed, 144A						
					1,670 American Express Credit Corp., Senior Unsecured						
						5.125	8/25/2014	1,780	0.31		

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Legg Mason Western Asset Global Multi Strategy Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value				
U.S. Corporate Bonds and Notes — (continued)					315		Chesapeake Energy Corp., Company Guaranteed	6.375	6/15/2015	305	0.05		
45		American Greetings Corp., Senior Unsecured	7.375	6/1/2016	44	0.01	80		Chesapeake Energy Corp., Company Guaranteed	6.625	1/15/2016	77	0.01
70		American Railcar Industries, Inc., Senior Unsecured	7.500	3/1/2014	68	0.01	265		Chesapeake Energy Corp., Company Guaranteed	6.250	1/15/2018	247	0.04
1,260		American Tower Corp., Senior Unsecured	4.625	4/1/2015	1,305	0.23	935		Chesapeake Energy Corp., Company Guaranteed	7.250	12/15/2018	921	0.16
525		AMH Holdings, Inc., Senior Discount Notes *	11.250	3/1/2014	520	0.09	610		CII Carbon LLC, Company Guaranteed	11.125	11/15/2015	607	0.10
30		Anheuser-Busch Cos., Inc., Senior Unsecured	6.500	5/1/2042	32	0.01	236		Cincinnati Bell Telephone Co. LLC, Company Guaranteed	6.300	12/1/2028	183	0.03
497		Appleton Papers, Inc., Senior Secured, 144A	11.250	12/15/2015	423	0.07	2,000		Citigroup, Inc., Senior Unsecured	6.375	8/12/2014	2,123	0.37
187		Ashtead Capital, Inc., Secured, 144A	9.000	8/15/2016	188	0.03	EUR 2,900		Citigroup, Inc., Senior Unsecured	7.375	9/4/2019	4,353	0.75
73		Ashton Woods USA LLC/Ashton Woods Finance Co., Company Guaranteed, 144A †	zero coupon	6/30/2015	24	-	19		CMP Susquehanna Notes, 144A †	3.531	5/15/2014	5	-
820		AT&T, Inc., Senior Unsecured	6.550	2/15/2039	866	0.15	200		Colorado Interstate Gas Co., Senior Unsecured	6.800	11/15/2015	226	0.04
85		Atlas Pipeline Partners LP, Company Guaranteed	8.750	6/15/2018	79	0.01	40		Comcast Corp., Company Guaranteed	6.500	1/15/2017	45	0.01
EUR 860		Banca Popolare di Lodi Investors Trust III, Bank Guaranteed *	6.742	Perpetual	1,019	0.18	EUR 2,500		Commerzbank Capital Funding Trust I, Bank Guaranteed *	5.012	Perpetual	1,583	0.27
EUR 350		Bank of America Corp., Subordinated	4.625	2/7/2017	447	0.08	360		Community Health Systems, Inc., Company Guaranteed	8.875	7/15/2015	373	0.06
1,235		Belden & Blake Corp., Secured	8.750	7/15/2012	1,136	0.20	325		Complete Production Services, Inc., Company Guaranteed	8.000	12/15/2016	316	0.06
270		Berry Petroleum Co., Senior Notes	10.250	6/1/2014	294	0.05	40		Continental Airlines, Inc., Pass Through Certificates	7.339	4/19/2014	38	0.01
10		Biomet, Inc., Company Guaranteed	10.000	10/15/2017	11	-	195		CRC Health Corp., Company Guaranteed	10.750	2/1/2016	175	0.03
125		Biomet, Inc., Company Guaranteed *	10.375	10/15/2017	137	0.02	485		Cricket Communications, Inc., Senior Secured	7.750	5/15/2016	493	0.08
754		Blockbuster, Inc., Senior Secured, 144A	11.750	10/1/2014	543	0.09	349		CSC Holdings, Inc., Senior Unsecured	6.750	4/15/2012	362	0.06
75		Boyd Gaming Corp., Senior Subordinated	6.750	4/15/2014	64	0.01	85		CSC Holdings, Inc., Senior Unsecured, 144A	8.500	6/15/2015	89	0.02
25		Boyd Gaming Corp., Senior Subordinated	7.125	2/1/2016	20	-	95		CSC Holdings, Inc., Senior Unsecured, 144A	8.625	2/15/2019	103	0.02
410		Buffets Restaurants Holdings, Inc. Escrow † ∞ ε	zero coupon	11/1/2014	-	-	1,770		DAE Aviation Holdings, Inc., Company Guaranteed, 144A	11.250	8/1/2015	1,615	0.28
1,485		Calpine Corp., Senior Secured, 144A	7.250	10/15/2017	1,429	0.25	430		DaVita, Inc., Company Guaranteed	7.250	3/15/2015	432	0.07
367		CCH II LLC / CCH II Capital Corp., Senior Notes, 144A	13.500	11/30/2016	430	0.08	317		Delhaize America, Inc., Company Guaranteed	9.000	4/15/2031	404	0.07
275		CCM Merger, Inc., Notes, 144A	8.000	8/1/2013	228	0.04	45		Delta Air Lines, Inc., Pass Through Certificates	8.954	8/10/2014	42	0.01
70		Cellco Partnership / Verizon Wireless Capital LLC, Senior Unsecured	8.500	11/15/2018	88	0.02	175		Delta Air Lines, Inc., Senior Secured, 144A	9.500	9/15/2014	178	0.03
340		Cengage Learning Acquisitions, Inc., Senior Notes, 144A	10.500	1/15/2015	310	0.05	474		Delta Air Lines, Inc., Pass Through Certificates	8.021	8/10/2022	432	0.07
85		Cengage Learning Acquisitions, Inc., Senior Discount Notes, 144A *	13.250	7/15/2015	81	0.01	EUR 1,000		Deutsche Postbank Funding Trust IV, Subordinated *	5.983	Perpetual	909	0.16
282		Ceridian Corp., Company Guaranteed *	12.250	11/15/2015	269	0.05	10		Devon Energy Corp., Senior Unsecured	7.950	4/15/2032	13	-
1,045		Charter Communications Operating LLC / Charter Communications Operating Capital, Secured, 144A *	10.875	9/15/2014	1,164	0.20	630		DI Finance/DynCorp International, Series B, Senior Subordinated Notes	9.500	2/15/2013	635	0.11

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Legg Mason Western Asset Global Multi Strategy Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)					10				
10					Ford Motor Credit Co. LLC, Senior Unsecured				
					8.625	11/1/2010	10	–	
					100 Ford Motor Credit Co. LLC, Senior Unsecured *				
	7.625	5/15/2016	11	–	5.504	6/15/2011	101	0.02	
565					575 Ford Motor Credit Co. LLC, Senior Unsecured				
	7.000	10/1/2013	578	0.10	9.875	8/10/2011	603	0.10	
50					343 Ford Motor Credit Co. LLC, Senior Unsecured *				
	6.625	10/1/2014	50	0.01	3.001	1/13/2012	321	0.05	
560					610 Ford Motor Credit Co. LLC, Senior Unsecured				
	7.750	5/31/2015	581	0.10	12.000	5/15/2015	697	0.12	
730					270 Forest City Enterprises, Inc., Senior Unsecured				
	7.875	9/1/2019	752	0.13	6.500	2/1/2017	217	0.04	
190					1,735 Freeport-McMoRan Copper & Gold, Inc., Senior Unsecured				
	8.000	10/1/2016	193	0.03	8.375	4/1/2017	1,883	0.33	
1,110					80 Freescale Semiconductor, Inc., Company Guaranteed				
	8.875	1/15/2019	1,416	0.24	8.875	12/15/2014	71	0.01	
35					39 Freescale Semiconductor, Inc., Company Guaranteed *				
					9.125	12/15/2014	33	0.01	
					75 Freescale Semiconductor, Inc., Company Guaranteed				
	12.000	10/15/2015	31	–	10.125	12/15/2016	58	0.01	
825					55 Fresenius Medical Care Capital Trust IV, Company Guaranteed				
	7.750	6/1/2019	648	0.11	7.875	6/15/2011	57	0.01	
60					40 General Electric Capital Corp., Senior Unsecured				
	7.500	6/15/2013	55	0.01	6.750	3/15/2032	41	0.01	
345					EUR				
					606 General Electric Capital Corp., Subordinated *				
	7.750	6/15/2016	276	0.05	4.625	9/15/2066	644	0.11	
1,355					EUR				
					680 General Electric Capital Corp., Subordinated *				
	7.200	5/15/2019	952	0.16	5.500	9/15/2067	741	0.13	
255					1,733 GMAC LLC, Company Guaranteed				
	7.625	5/15/2027	166	0.03	6.625	5/15/2012	1,711	0.30	
106					610 GMAC, Inc.				
	7.750	6/15/2010	107	0.02	5.750	5/21/2010	611	0.11	
245					208 GMAC, Inc., Notes				
	7.875	6/15/2012	259	0.05	6.875	8/28/2012	206	0.04	
15					350 GMAC, Inc., Senior Unsecured				
	8.250	2/15/2016	16	–	zero	12/1/2012	278	0.05	
550					275 GMAC, Inc., Company Guaranteed				
	8.050	10/15/2030	540	0.09	7.500	12/31/2013	269	0.05	
1,050					1,140 GMAC, Inc., Company Guaranteed ∞				
	7.800	8/1/2031	1,020	0.18	8.300	2/12/2015	1,150	0.20	
200					280 GMAC, Inc., Subordinated				
	8.375	6/15/2032	236	0.04	8.000	12/31/2018	259	0.04	
969					20 The Goldman Sachs Group, Inc., Senior Unsecured				
	11.750	11/15/2013	867	0.15	6.875	1/15/2011	21	–	
4,077					EUR 750 The Goldman Sachs Group, Inc., Company Guaranteed				
	11.250	11/1/2017	2,854	0.49	4.500	1/30/2017	1,026	0.18	
130					EUR 1,850 The Goldman Sachs Group, Inc., Senior Unsecured				
	6.500	11/15/2024	65	0.01	5.125	10/23/2019	2,543	0.44	
1,390					420 H&E Equipment Services, Inc., Company Guaranteed				
	6.550	11/15/2034	698	0.12	8.375	7/15/2016	418	0.07	
390					730 Harrah's Operating Co., Inc., Company Guaranteed				
	9.000	4/15/2019	480	0.08	10.750	2/1/2016	562	0.10	
1,120					520 Harrah's Operating Co., Inc., Senior Secured				
	9.750	1/31/2014	1,365	0.24	11.250	6/1/2017	539	0.09	
360					220 Hawaiian Telcom Communications, Inc., Series B, Company Guaranteed * † ‡				
	8.375	8/1/2066	364	0.06	12.500	5/1/2015	–	–	
25					GBP 980 HCA, Inc., Senior Unsecured				
	7.034	1/15/2068	24	–	8.750	11/1/2010	1,517	0.26	
75					30 HCA, Inc., Senior Unsecured				
	9.875	9/24/2015	65	0.01	9.250	11/15/2016	286	0.05	
50					270 HCA, Inc., Secured				
					1,562	11/15/2016	1,671	0.29	
					1,562 HCA, Inc., Senior Secured *				
	10.250	6/15/2015	1	–					

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Global Multi Strategy Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)									
295					25				
					MarkWest Energy Partners LP / MarkWest Energy Finance Corp., Company Guaranteed				
	11.375	11/1/2014	298	0.05	8.750	4/15/2018	25	–	
380					1,715				0.30
					Metals USA, Inc., Senior Secured				
	10.500	10/15/2017	378	0.07	5			5	–
740					MGM Mirage, Company Guaranteed				
	8.125	2/15/2019	905	0.16	8.500	9/15/2010			
300					MGM Mirage, Company Guaranteed				
	7.875	10/1/2029	364	0.06	8.375	2/1/2011	307	0.05	
85					10				
					MGM Mirage, Company Guaranteed				
	4.250	8/15/2012	70	0.01	6.750	9/1/2012	9	–	
20					MGM Mirage, Senior Secured, 144A				
	6.375	3/15/2015	20	–	100			106	0.02
75					MGM Mirage, Company Guaranteed				
	8.750	6/15/2014	76	0.01	7.625	1/15/2017	314	0.06	
740					235				
	zero	Perpetual	–	–	MGM Mirage, Senior Secured, 144A				
	coupon				11.125	11/15/2017	254	0.05	
125					315				
					Michaels Stores, Inc., Company Guaranteed				
	11.000	11/1/2012	81	0.01	10.000	11/1/2014	320	0.06	
880					EUR				
					Millipore Corp., Senior Unsecured				
	12.000	11/15/2010	427	0.07	5.875	6/30/2016	602	0.10	
490					979				
	9.250	8/15/2014	505	0.09	Mirant Mid Atlantic Trust, Series C, Pass Through Certificates				
440					10.060	12/30/2028	1,053	0.18	
	10.250	7/15/2014	449	0.08	510				
	2.374	5/1/2013	32	0.01	Mirant North America LLC, Company Guaranteed				
EUR					7.375	12/31/2013	508	0.09	
					430				
	7.500	1/15/2020	510	0.09	Mohegan Tribal Gaming Authority, Senior Secured, 144A				
380					11.500	11/1/2017	447	0.08	
					250			254	0.04
	5.750	1/2/2013	22	–	Morgan Stanley, Subordinated				
20					EUR				
	7.900	Perpetual	98	0.02	900			1,248	0.22
					Morgan Stanley, Senior Unsecured				
EUR					6.625	4/1/2018	1,968	0.34	
	4.375	11/30/2021	4,018	0.69	230				
					Motors Liquidation Co., Senior Unsecured * † €				
	13.000	12/15/2013	17	–	7.200	1/15/2011	69	0.01	
15					EUR				
	8.375	12/1/2014	84	0.01	684			261	0.05
					Motors Liquidation Co., Senior Unsecured * † €				
85					8.375	7/15/2033	254	0.04	
					839				
	8.375	12/1/2014	84	0.01	The Neiman Marcus Group, Inc., Company Guaranteed *				
240					9.000	10/15/2015	826	0.14	
					1,185				
	9.750	11/1/2013	103	0.02	The Neiman Marcus Group, Inc., Senior Secured				
1,270					7.125	6/1/2028	1,019	0.18	
					1,460			1,394	0.24
	5.375	2/10/2020	1,314	0.23	NewPage Corp., Senior Secured				
620					603				
	6.375	10/15/2015	630	0.11	Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount Notes * †				
300					9.750	9/1/2012	567	0.10	
					85				
	11.625	12/1/2015	314	0.05	NRG Energy, Inc., Company Guaranteed				
310					7.250	2/1/2014	86	0.01	
	8.125	9/15/2015	315	0.05	2,315			2,283	0.39
					NRG Energy, Inc., Company Guaranteed				
	7.125	3/15/2017	29	0.01	7.375	2/1/2016			
535					15			15	–
					NRG Energy, Inc., Company Guaranteed				
	9.250	11/1/2014	507	0.09	320				
155					NV Energy, Inc., Senior Unsecured				
	7.500	4/15/2013	155	0.03	6.750	8/15/2017	323	0.06	
60					580				
					Odebrecht Finance Ltd., Company Guaranteed				
	8.000	5/15/2017	57	0.01	7.500	10/18/2017	609	0.10	
					220				
					Orion Power Holdings, Inc., Senior Unsecured				
					12.000	5/1/2010	221	0.04	
					595				
					Oxford Industries, Inc., Senior Secured				
					11.375	7/15/2015	660	0.11	

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Legg Mason Western Asset Global Multi Strategy Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)									
350					55				
					Service Corp. International, Senior Unsecured	7.500	4/1/2027	50	0.01
					170				
					SLM Corp., Senior Unsecured *	0.409	7/26/2010	168	0.03
5,876					370				
					SLM Corp., Senior Unsecured	5.000	10/1/2013	346	0.06
					402				
					SLM Corp., Senior Unsecured	4.750	3/17/2014	479	0.08
725					1,030				
					SLM Corp., Senior Unsecured	5.375	5/15/2014	955	0.16
					330				
					SLM Corp., Senior Unsecured	5.050	11/14/2014	294	0.05
285					110				
					SLM Corp., Senior Unsecured	5.625	8/1/2033	85	0.01
					305				
					Snoqualmie Entertainment Authority, Senior Secured, 144A *	4.136	2/1/2014	207	0.04
290					25				
					Solo Cup Co. / Solo Cup Operating Corp., Senior Secured	10.500	11/1/2013	26	–
170					285				
					Southern Natural Gas Co., Senior Unsecured	8.000	3/1/2032	326	0.06
240					50				
					Southwestern Energy Co.	7.500	2/1/2018	53	0.01
					140				
					Sprint Capital Corp., Company Guaranteed	7.625	1/30/2011	143	0.02
60					135				
					Sprint Capital Corp., Company Guaranteed	8.375	3/15/2012	138	0.02
260					2,980				
					Sprint Capital Corp., Company Guaranteed	8.750	3/15/2032	2,630	0.45
569					55				
					Station Casinos, Inc., Senior Unsecured * † €	6.000	4/1/2012	8	–
					240				
					Qwest Corp., Senior Unsecured	7.875	9/1/2011	254	0.04
					200				
					Qwest Corp., Senior Unsecured	7.500	10/1/2014	213	0.04
					110				
					Radnor Holdings Corp., Senior Notes * † ∞ €	11.000	3/15/2010	–	–
					405				
					RailAmerica, Inc., Senior Secured	9.250	7/1/2017	425	0.08
					840				
					Realogy Corp., Company Guaranteed	10.500	4/15/2014	701	0.12
					11				
					Realogy Corp., Company Guaranteed *	11.000	4/15/2014	9	–
1,330					625				
					Suburban Propane Partners LP/ Suburban Energy Finance Corp., Senior Unsecured	6.875	12/15/2013	631	0.11
					160				
					Reynolds American, Inc., Company Guaranteed	6.500	7/15/2010	163	0.03
					23				
					RH Donnelley Corp., Senior Subordinated	12.000	1/29/2017	23	–
					30				
					Rock-Tenn Co., Company Guaranteed	9.250	3/15/2016	33	0.01
					545				
					RSC Equipment Rental, Inc., Company Guaranteed	9.500	12/1/2014	527	0.09
					265				
					RSC Equipment Rental, Inc., Senior Secured, 144A	10.000	7/15/2017	283	0.05
					515				
					Ryerson, Inc., Senior Secured *	12.000	11/1/2015	529	0.09
					100				
					SandRidge Energy, Inc., Company Guaranteed *	8.625	4/1/2015	98	0.02
					385				
					SandRidge Energy, Inc., Senior Unsecured, 144A	9.875	5/15/2016	398	0.07
					110				
					SandRidge Energy, Inc., Company Guaranteed, 144A	8.000	6/1/2018	105	0.02
					205				
					Sbarro, Inc., Company Guaranteed	10.375	2/1/2015	168	0.03
					680				
					SemGroup Corp. Escrow, 144A ∞ €	zero coupon	Perpetual	–	–
					–				
					Sequa Corp., Company Guaranteed, 144A *	13.500	12/1/2015	–	–
					35				
					Service Corp. International, Senior Unsecured	7.625	10/1/2018	35	0.01

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Legg Mason Western Asset Global Multi Strategy Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Denominated Bonds and Notes — (continued)					Dominican Republic — 0.09%				
Canada — 0.57%					510 Teachers Insurance & Annuity Association of America, Senior Unsecured				
582						6.850	12/16/2039	550	0.09
					France — 0.30%				
					280 Cie Generale de Geophysique-Veritas, Company Guaranteed				
120	4.000	12/1/2031	208	0.04	1,100	7.500	5/15/2015	274	0.05
645					1,100 Credit Agricole S.A., Subordinated, 144A *				
					260	8.375	Perpetual	1,156	0.20
					260 Societe Generale, Subordinated Notes				
						8.750	Perpetual	269	0.05
								1,699	0.30
					Germany — 0.07%				
					400 UPC Germany GmbH, Senior Secured, 144A				
						8.125	12/1/2017	400	0.07
					Iceland — 0.01%				
					600 Glitnir Banki HF, Subordinated Notes, 144A * † €				
						6.693	6/15/2016	—	—
					500 Kaupthing Bank HF, Subordinated, 144A * † €				
						7.125	5/19/2016	—	—
					710 Landsbanki Islands HF, Senior Unsecured, 144A * † €				
						6.100	8/25/2011	62	0.01
								62	0.01
					India — 0.14%				
					490 ICICI Bank Ltd., Subordinated *				
						6.375	4/30/2022	450	0.08
					388 ICICI Bank Ltd., Subordinated, 144A *				
						6.375	4/30/2022	357	0.06
								807	0.14
					Indonesia — 0.16%				
					420 Adaro Indonesia PT, Company Guaranteed				
						7.625	10/22/2019	417	0.07
					500 Indonesia Government International Bond				
						6.875	1/17/2018	555	0.09
								972	0.16
					Ireland — 0.12%				
					50 Smurfit Kappa Treasury Funding Ltd., Company Guaranteed				
						7.500	11/20/2025	45	0.01
					300 VIP Finance Ireland Ltd. for OJSC Vimpel Communications, Secured				
						8.375	4/30/2013	321	0.06
					290 VIP Finance Ireland Ltd. for OJSC Vimpel Communications, Secured, 144A				
						8.375	4/30/2013	310	0.05
								676	0.12
					Kazakhstan — 0.26%				
					490 KazMunaiGaz Finance Sub BV, Company Guaranteed				
						8.375	7/2/2013	535	0.09
					890 KazMunaiGaz Finance Sub BV, Company Guaranteed, 144A				
						8.375	7/2/2013	971	0.17
								1,506	0.26

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Global Multi Strategy Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Denominated Bonds and Notes — (continued)									
Sweden — (continued)									
920	Nordea Bank AB, Senior Notes	4.875	1/27/2020	919	0.16				
				2,046	0.35				
Switzerland — 0.19%									
1,100	Credit Suisse AG, Subordinated Notes	5.400	1/14/2020	1,105	0.19				
Thailand — 0.47%									
220	True Move Co. Ltd., Company Guaranteed	10.750	12/16/2013	222	0.04				
2,490	True Move Co. Ltd., Company Guaranteed, 144A	10.750	12/16/2013	2,515	0.43				
				2,737	0.47				
Trinidad And Tobago — 0.20%									
1,010	Petroleum Co. of Trinidad & Tobago Ltd., Senior Unsecured	9.750	8/14/2019	1,147	0.20				
Turkey — 0.96%									
2,090	Republic of Turkey	7.500	7/14/2017	2,354	0.41				
1,260	Republic of Turkey	7.000	3/11/2019	1,373	0.24				
720	Republic of Turkey	7.500	11/7/2019	810	0.14				
1,043	Turkey Government International Bond	6.750	5/30/2040	1,018	0.17				
				5,555	0.96				
United Kingdom — 0.41%									
410	Vedanta Resources PLC, Senior Unsecured	8.750	1/15/2014	433	0.07				
900	Vedanta Resources PLC, Senior Unsecured, 144A	8.750	1/15/2014	949	0.16				
465	Virgin Media Finance PLC, Company Guaranteed	9.125	8/15/2016	480	0.08				
520	WPP Finance UK, Company Guaranteed	8.000	9/15/2014	600	0.10				
				2,462	0.41				
United States — 0.07%									
380	Reynolds Group Issuer, Inc. / Reynolds Group Issuer LLC, Senior Secured, 144A	7.750	10/15/2016	385	0.07				
Venezuela — 0.03%									
340	Petroleos de Venezuela S.A., Company Guaranteed	5.250	4/12/2017	207	0.03				
Total U.S. Denominated Bonds and Notes (Cost \$83,478)			86,293	14.90					
U.S. Denominated Debt Obligations — 3.80%									
Argentina — 0.14%									
1,051	Argentina Bonos, Series VII	7.000	9/12/2013	843	0.14				
Brazil — 0.97%									
199	Brazilian Government International Bond	7.125	1/20/2037	225	0.04				
						5,916 1.02			
Total U.S. Denominated Debt Obligations (Cost \$22,817)			22,023	3.80					
					4,006 Brazilian Government International Bond, Unsubordinated Bonds 11.000 8/17/2040 5,378 0.93				
						5,603 0.97			
Colombia — 0.28%									
1,473	Colombia Government International Bond	7.375	9/18/2037	1,602	0.28				
Mexico — 0.11%									
624	Mexico Government International Bond	6.050	1/11/2040	615	0.11				
Panama — 0.35%									
151	Panama Government International Bond	7.250	3/15/2015	173	0.03				
274	Panama Government International Bond, Senior Unsecured	9.375	4/1/2029	367	0.06				
1,412	Panama Government International Bond, Senior Unsecured	6.700	1/26/2036	1,500	0.26				
						2,040 0.35			
Peru — 0.10%									
380	Peruvian Government International Bond	8.375	5/3/2016	463	0.08				
1	Peruvian Government International Bond	8.750	11/21/2033	1	—				
97	Peruvian Government International Bond	6.550	3/14/2037	102	0.02				
						566 0.10			
Turkey — 0.83%									
59	Turkey Government International Bond	7.000	6/5/2020	64	0.01				
4,786	Turkey Government International Bond	6.875	3/17/2036	4,774	0.82				
						4,838 0.83			
Venezuela — 1.02%									
197	Venezuela Government International Bond, 144A	10.750	9/19/2013	184	0.03				
443	Venezuela Government International Bond, Senior Unsecured	8.500	10/8/2014	372	0.06				
6,740	Venezuela Government International Bond	5.750	2/26/2016	4,634	0.80				
340	Venezuela Government International Bond	7.000	12/1/2018	229	0.04				
702	Venezuela Government International Bond, Senior Unsecured	9.375	1/13/2034	497	0.09				
						5,916 1.02			
Total U.S. Denominated Debt Obligations (Cost \$22,817)			22,023	3.80					

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Global Multi Strategy Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) \$	Notional Value (000's) \$	Unrealised Gains (000's) \$	Unrealised Losses (000's) \$	Net Unrealised Gain/ (Loss) (000's) \$
Euro-Bobl March 2010	(109)	18,814	17,560	–	(254)	(254)
Long Gilt June 2010	(73)	12,695	12,734	–	(174)	(174)
U.S. 10yr Note March 2010	21	2,485	2,497	12	–	12
U.S. 5 Year Note (CBT) June 2010	(168)	19,441	19,477	–	(37)	(37)
U.S. Long Bond (CBT) June 2010	(3)	345	353	–	(9)	(9)
Total Market Value of Future Contracts	(332)	\$53,780	\$52,621	\$12	\$(474)	\$(462)

Schedule of Credit Default Swaps

Counterparty	Reference Entity	Buy/Sell Protection	Pay/Receive	Expiration Date	Notional Amount (000's)	Value (000's)
Goldman Sachs London	Ford Motor Credit Company LLC, 7.00%, due 6/20/12	Sell	3.50%	6/20/12	(2,000)	\$(29)
						\$(29)
Credit Default Swaps – Total Financial Assets at Fair Value						–
Credit Default Swaps – Total Financial Liabilities at Fair Value						(29)
Credit Default Swaps – Total Financial Assets and Liabilities at Fair Value						\$(29)

Legg Mason Western Asset US High Yield Fund

Portfolio of Investments as at February 28, 2010

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
Collateralised Mortgage-Backed Obligations — 0.36%					Apparel — 0.84%				
19					585				
BlackRock Capital Finance LP, Series 1997-R1, Class B3, 144A					Oxford Industries, Inc., Senior Secured				
	7.750	3/25/2037	3	0.01		11.375	7/15/2015	649	0.84
250					Auto Manufacturers — 0.52%				
Smithfield Foods, Inc., Senior Secured, 144A					295 Motors Liquidation Co., Senior Unsecured * ε				
	10.000	7/15/2014	270	0.35		7.200	1/15/2011	89	0.12
Total Collateralised Mortgage-Backed Obligations (Cost \$270)					1,020 Motors Liquidation Co., Senior Unsecured * ε				
			273	0.36		8.375	7/15/2033	309	0.40
U.S. Corporate Bonds and Notes — 82.76%									
Advertising — 1.20%					398 0.52				
275					Auto Parts & Equipment — 0.34%				
Affinion Group, Inc., Company Guaranteed					81 Keystone Automotive Operations, Inc., Company Guaranteed				
	10.125	10/15/2013	278	0.36		9.750	11/1/2013	35	0.05
635					26 Visteon Corp., Senior Unsecured * ε				
Affinion Group, Inc., Company Guaranteed					8.250 8/1/2010 18 0.02				
	11.500	10/15/2015	647	0.84	228 Visteon Corp., Senior Unsecured, 144A * ε				
610						12.250	12/31/2016	212	0.27
Idearc, Inc. Escrow ∞ zero coupon Perpetual									
			–	–	265 0.34				
			925	1.20	Basic Materials — 6.35%				
Aerospace/Defense — 0.76%					250 Appleton Papers, Inc., Senior Secured ∞				
250						10.500	6/15/2015	231	0.30
L-3 Communications Corp., Company Guaranteed					623 Appleton Papers, Inc., Senior Secured, 144A				
	5.875	1/15/2015	251	0.33		11.250	12/15/2015	530	0.69
335					315 Ashland, Inc., Company Guaranteed, 144A				
TransDigm, Inc., Company Guaranteed, 144A					9.125 6/1/2017 345 0.45				
	7.750	7/15/2014	335	0.43	75 Clearwater Paper Corp., Senior Unsecured, 144A				
			586	0.76		10.625	6/15/2016	83	0.11
Agriculture — 0.42%					110 Georgia-Pacific LLC, Company Guaranteed, 144A				
170						8.250	5/1/2016	116	0.15
Alliance One International, Inc., Senior Unsecured, 144A					1,000 Hexion Finance Escrow LLC / Hexion Escrow Corp., Senior Secured				
	10.000	7/15/2016	177	0.23		8.875	2/1/2018	935	1.21
140					745 Metals USA, Inc., Senior Secured				
Alliance One International, Inc. Fungible, Senior Unsecured, 144A					11.125 12/1/2015 752 0.98				
	10.000	7/15/2016	145	0.19	440 NewPage Corp., Senior Secured				
			322	0.42	14.500 2/1/2015 349 0.45				
Airlines — 3.32%					185 Solutia, Inc., Company Guaranteed				
500						8.750	11/1/2017	193	0.25
American Airlines, Inc., Senior Secured, 144A					145 Terra Capital, Inc., Company Guaranteed, 144A				
	10.500	10/15/2012	512	0.66		7.750	11/1/2019	162	0.21
55					260 Verso Paper Holdings LLC / Verso Paper, Inc., Senior Secured, 144A				
Continental Airlines Pass Through Trust, Series 2009-1, Class B, Pass Through Certificates					11.500 7/1/2014 273 0.35				
	9.250	5/10/2017	56	0.07	550 Verso Paper Holdings LLC / Verso Paper, Inc., Senior Secured				
195						9.125	8/1/2014	506	0.66
Continental Airlines, Inc., Pass Through Certificates									
	7.339	4/19/2014	183	0.24	4,895 6.35				
485					Biotechnology — 0.21%				
DAE Aviation Holdings, Inc., Company Guaranteed, 144A					160 Talecris Biopharmaceuticals Holdings Corp., Company Guaranteed, 144A				
	11.250	8/1/2015	443	0.57		7.750	11/15/2016	161	0.21
510					Commercial Services — 2.85%				
Delta Air Lines, Inc., Pass Through Certificates					30 Altegrity, Inc., Company Guaranteed, 144A				
	7.711	9/18/2011	505	0.66		10.500	11/1/2015	28	0.04
180									
Delta Air Lines, Inc., Pass Through Certificates									
	8.954	8/10/2014	166	0.22					
130									
Delta Air Lines, Inc., Senior Secured, 144A									
	9.500	9/15/2014	132	0.17					
120									
Delta Air Lines, Inc., Pass Through Certificates									
	9.750	12/17/2016	124	0.16					
76									
Delta Air Lines, Inc., Pass Through Certificates									
	8.021	8/10/2022	70	0.09					
370									
United Airlines, Inc., Senior Secured ∞									
	9.875	8/1/2013	370	0.48					
			2,561	3.32					

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value		
U.S. Corporate Bonds and Notes — (continued)					200	Crosstex Energy/Crosstex Energy Finance Corp., Senior Notes ∞	8.875	2/15/2018	203	0.26	
Commercial Services — (continued)					200	Denbury Resources, Inc., Company Guaranteed	8.250	2/15/2020	207	0.27	
395	Altegrity, Inc., Company Guaranteed, 144A	11.750	5/1/2016	354	0.46	590	Dynegy Holdings, Inc., Senior Unsecured	7.750	6/1/2019	463	0.60
150	Ashtead Capital, Inc., Secured, 144A	9.000	8/15/2016	151	0.19	16	El Paso Corp., Senior Unsecured	7.750	6/15/2010	16	0.02
250	Ceridian Corp., Company Guaranteed *	12.250	11/15/2015	239	0.31	380	El Paso Corp., Notes	7.800	8/1/2031	369	0.48
61	DI Finance/DynCorp International, Series B, Senior Subordinated Notes	9.500	2/15/2013	61	0.08	55	Encore Acquisition Co., Company Guaranteed	9.500	5/1/2016	59	0.08
140	The Geo Group, Inc., Company Guaranteed, 144A	7.750	10/15/2017	142	0.18	310	Enterprise Products Operating LLC, Company Guaranteed *	8.375	8/1/2066	313	0.41
230	H&E Equipment Services, Inc., Company Guaranteed	8.375	7/15/2016	229	0.30	170	Enterprise Products Operating LLC, Company Guaranteed *	7.034	1/15/2068	161	0.21
700	RSC Equipment Rental, Inc., Company Guaranteed	9.500	12/1/2014	677	0.88	85	Headwaters, Inc., Senior Secured, 144A	11.375	11/1/2014	86	0.11
305	Stonemor Operating LLC/ Cornerstone Family Services/ Osiris Holdings, Company Guaranteed, 144A	10.250	12/1/2017	320	0.41	130	Hercules Offshore, Inc., Senior Secured, 144A	10.500	10/15/2017	129	0.17
			2,201	2.85	535	International Coal Group, Inc., Company Guaranteed	10.250	7/15/2014	546	0.71	
					370	Key Energy Services, Inc., Company Guaranteed	8.375	12/1/2014	366	0.48	
					320	Mariner Energy, Inc., Company Guaranteed	7.500	4/15/2013	320	0.41	
Cosmetics & Personal Care — 0.20%					30	Mariner Energy, Inc., Company Guaranteed	8.000	5/15/2017	29	0.04	
150	Revlon Consumer Products Corp., Company Guaranteed	9.750	11/15/2015	154	0.20	180	MarkWest Energy Partners LP / MarkWest Energy Finance Corp., Company Guaranteed	8.750	4/15/2018	182	0.24
Diversified — 0.83%					335	Murray Energy Corp., Company Guaranteed, 144A	10.250	10/15/2015	335	0.43	
55	AMH Holdings, Inc., Senior Discount Notes *	11.250	3/1/2014	55	0.07	30	Parker Drilling Co., Company Guaranteed	9.625	10/1/2013	31	0.04
40	Kansas City Southern Railway, Company Guaranteed	13.000	12/15/2013	46	0.06	100	Peabody Energy Corp., Company Guaranteed	7.875	11/1/2026	102	0.13
80	Leucadia National Corp., Senior Unsecured	7.750	8/15/2013	83	0.11	185	PetroHawk Energy Corp., Company Guaranteed	9.125	7/15/2013	192	0.25
220	Leucadia National Corp., Senior Unsecured	8.125	9/15/2015	223	0.29	60	PetroHawk Energy Corp., Company Guaranteed	7.875	6/1/2015	60	0.08
230	Reynolds Group Issuer, Inc. / Reynolds Group Issuer LLC, Senior Secured, 144A	7.750	10/15/2016	233	0.30	215	Plains Exploration & Production Co., Company Guaranteed	10.000	3/1/2016	234	0.30
			640	0.83	220	Plains Exploration & Production Co., Company Guaranteed	8.625	10/15/2019	228	0.29	
Energy — 13.22%					190	Quicksilver Resources, Inc., Company Guaranteed	8.250	8/1/2015	192	0.25	
230	Arch Coal, Inc., Senior Notes, 144A	8.750	8/1/2016	238	0.31	285	Quicksilver Resources, Inc., Senior Notes	11.750	1/1/2016	323	0.42
280	Atlas Pipeline Partners LP, Company Guaranteed	8.750	6/15/2018	262	0.34	100	Quicksilver Resources, Inc., Company Guaranteed	7.125	4/1/2016	93	0.12
340	Basic Energy Services, Inc., Senior Secured	11.625	8/1/2014	365	0.47	565	SandRidge Energy, Inc., Company Guaranteed *	8.625	4/1/2015	554	0.72
880	Belden & Blake Corp., Secured	8.750	7/15/2012	810	1.05	20	SandRidge Energy, Inc., Senior Unsecured, 144A	9.875	5/15/2016	21	0.03
220	Berry Petroleum Co., Senior Notes	10.250	6/1/2014	239	0.31	160	SandRidge Energy, Inc., Company Guaranteed, 144A	8.000	6/1/2018	153	0.20
340	Chesapeake Energy Corp., Company Guaranteed	6.375	6/15/2015	329	0.43	20	SandRidge Energy, Inc., Company Guaranteed, 144A	8.750	1/15/2020	20	0.02
220	Chesapeake Energy Corp., Company Guaranteed	6.875	1/15/2016	216	0.28	85	Stone Energy Corp., Senior Subordinated	6.750	12/15/2014	75	0.10
270	Chesapeake Energy Corp., Company Guaranteed	6.250	1/15/2018	252	0.33						
360	Complete Production Services, Inc., Company Guaranteed	8.000	12/15/2016	350	0.45						

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Legg Mason Western Asset US High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value		
U.S. Corporate Bonds and Notes — (continued)					39		GMAC, Inc., Subordinated	8.000	12/31/2018	36	0.05
Energy — (continued)					120		GMAC, Inc., Company				
90		Stone Energy Corp., Company				8.000	11/1/2031	111	0.14		
		Guaranteed	88	0.11	285		JPMorgan Chase & Co., Junior				
45		Tennessee Gas Pipeline Co.,				7.900	Perpetual	295	0.38		
		Senior Notes	52	0.07	280		Wells Fargo Capital XIII,				
80		Tennessee Gas Pipeline Co.,				7.700	Perpetual	276	0.36		
		Senior Unsecured	95	0.12	90		Wells Fargo Capital XV,				
170		VeraSun Energy Corp. Escrow				9.750	9/26/2044	98	0.13		
		∞ ε coupon	11	0.01							
315		W&T Offshore, Inc., Company						2,703	3.51		
		Guaranteed, 144A	296	0.38							
530		Whiting Petroleum Corp.,									
		Company Guaranteed	535	0.69							
			10,200	13.22							
Entertainment — 1.71%					Financials – Diversified — 5.74%						
335		Downstream Development			395		AAC Group Holding Corp.,				
		Authority of the Quapaw Tribe				10.250	10/1/2012	385	0.50		
		of Oklahoma, Senior Secured,			210		Senior Discount Notes, 144A *				
		144A	298	0.39		10.250	8/15/2039	238	0.31		
250		Indianapolis Downs LLC &			440		CCM Merger, Inc., Notes, 144A				
		Capital Corp., Senior Secured,				8.000	8/1/2013	365	0.47		
		144A	163	0.21	70		Countrywide Capital III, Limited				
40		Mohegan Tribal Gaming				8.050	6/15/2027	67	0.09		
		Authority, Senior Subordinated			360		Ford Motor Credit Co. LLC,				
		Notes	36	0.05		9.875	8/10/2011	378	0.49		
90		Mohegan Tribal Gaming				12.000	5/15/2015	2,113	2.74		
		Authority, Company			40		International Lease Finance				
		Guaranteed	72	0.09		5.750	6/15/2011	38	0.05		
280		Mohegan Tribal Gaming			120		International Lease Finance				
		Authority, Senior Secured, 144A	291	0.38		6.375	3/25/2013	106	0.14		
80		Penn National Gaming, Inc.,			350		International Lease Finance				
		Senior Subordinated, 144A	79	0.10		5.625	9/20/2013	299	0.39		
245		Pinnacle Entertainment, Inc.,			235		Lehman Brothers Holdings, Inc.,				
		Senior Notes, 144A	233	0.30		5.250	2/6/2012	53	0.07		
215		Snoqualmie Entertainment			265		SLM Corp., Senior Unsecured				
		Authority, Senior Secured,				8.450	6/15/2018	259	0.33		
		144A *	146	0.19	165		SLM Corp., Senior Unsecured				
			1,318	1.71				4,428	5.74		
Financials – Banks — 3.51%					Financials – Real Estate — 1.36%						
270		BAC Capital Trust VI, Limited			127		Ashton Woods USA LLC/Ashton				
		Guaranteed	215	0.28			Woods Finance Co., Company				
45		Bank of America Corp., Junior				zero	Guaranteed, 144A †				
		Subordinated *	43	0.06		coupon	6/30/2015	42	0.06		
50		Bank of America Corp., Junior			1,175		Realogy Corp., Company				
		Subordinated *	48	0.06		10.500	4/15/2014	981	1.27		
57		CIT Group, Inc., Senior Secured			28		Realogy Corp., Company				
			54	0.07		11.000	4/15/2014	23	0.03		
86		CIT Group, Inc., Senior Secured						1,046	1.36		
			79	0.10	Food — 0.45%						
86		CIT Group, Inc., Senior Secured			345		Buffets Restaurants Holdings,				
			78	0.10		zero	Inc. Escrow † ∞ ε				
153		CIT Group, Inc., Senior Secured				coupon	11/1/2014	-	-		
			135	0.17	70		Bumble Bee Foods LLC, Senior				
870		CIT Group, Inc., Senior Secured				7.750	12/15/2015	70	0.09		
			769	1.00	125		Del Monte Corp., Senior				
310		GMAC, Inc., Senior Unsecured				7.500	10/15/2019	127	0.16		
		zero coupon	246	0.32	7		Dole Food Co., Inc., Senior				
60		GMAC, Inc., Company				13.875	3/15/2014	8	0.01		
		Guaranteed	59	0.08	140		Dole Food Co., Inc., Senior				
160		GMAC, Inc., Company				8.000	10/1/2016	143	0.19		
		Guaranteed ∞	161	0.21				348	0.45		

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Legg Mason Western Asset US High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)									
Healthcare – Products — 0.90%					550 Energy Future Holdings Corp., Company Guaranteed				
160 Biomet, Inc., Company Guaranteed	10.000	10/15/2017	175	0.22	30 Freedom Group, Inc., Senior Secured, 144A	10.250	8/1/2015	31	0.04
175 Biomet, Inc., Company Guaranteed *	10.375	10/15/2017	192	0.25	455 Gulfmark Offshore, Inc., Senior Unsecured	7.750	7/15/2014	451	0.58
50 Fresenius Medical Care Capital Trust IV, Company Guaranteed	7.875	6/15/2011	52	0.07	630 Horizon Lines, Inc., Senior Unsecured	4.250	8/15/2012	521	0.68
190 Universal Hospital Services, Inc., Senior Secured *	3.859	6/1/2015	161	0.21	340 Jabil Circuit, Inc., Senior Unsecured	7.750	7/15/2016	352	0.45
120 Universal Hospital Services, Inc., Senior Secured *	8.500	6/1/2015	116	0.15	20 Jabil Circuit, Inc., Senior Unsecured	8.250	3/15/2018	21	0.03
			696	0.90	200 Mirant Americas Generation LLC, Senior Unsecured	9.125	5/1/2031	179	0.23
Healthcare – Services — 5.80%					241 Nortek, Inc., Senior Secured				
665 CRC Health Corp., Company Guaranteed	10.750	2/1/2016	599	0.78	115 NRG Energy, Inc., Company Guaranteed	7.375	1/15/2017	113	0.15
30 HCA, Inc., Senior Unsecured	6.300	10/1/2012	30	0.04	265 Penhall International Corp., Senior Secured, 144A †	12.000	8/1/2014	199	0.26
969 HCA, Inc., Senior Secured *	9.625	11/15/2016	1,037	1.34	375 Radnor Holdings Corp., Senior Notes * † ∞ ε	11.000	3/15/2010	–	–
185 HCA, Inc., Senior Secured, 144A	7.875	2/15/2020	193	0.25	352 Sithe/Independence Funding Corp., Senior Secured	9.000	12/30/2013	364	0.47
250 IASIS Healthcare LLC / IASIS Capital Corp., Company Guaranteed	8.750	6/15/2014	252	0.33	430 Solo Cup Co. / Solo Cup Operating Corp., Senior Secured	10.500	11/1/2013	451	0.58
277 Tenet Healthcare Corp., Senior Secured, 144A	9.000	5/1/2015	290	0.38				4,241	5.49
767 Tenet Healthcare Corp., Senior Secured, 144A	10.000	5/1/2018	844	1.09	Insurance — 1.33%				
981 U.S. Oncology Holdings, Inc., Senior Unsecured *	6.428	3/15/2012	922	1.19	450 American International Group, Inc., Senior Unsecured	5.450	5/18/2017	366	0.47
60 U.S. Oncology, Inc., Senior Secured	9.125	8/15/2017	62	0.08	280 American International Group, Inc., Senior Unsecured	8.250	8/15/2018	257	0.33
250 Vanguard Health Systems, Inc., Company Guaranteed ∞	8.000	2/1/2018	246	0.32	145 American International Group, Inc., Junior Subordinated Debentures *	8.175	5/15/2058	98	0.13
			4,475	5.80	280 Everest Reinsurance Holdings, Inc., Junior Subordinated *	6.600	5/15/2037	221	0.29
Home Furnishings and Appliances — 0.11%					90 Metlife Capital Trust IV, Junior Subordinated, 144A				
94 Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount Notes * †	9.750	9/1/2012	88	0.11				88	0.11
Household Products — 1.24%									
220 ACCO Brands Corp., Senior Secured, 144A	10.625	3/15/2015	239	0.31				1,030	1.33
515 American Greetings Corp., Senior Unsecured	7.375	6/1/2016	505	0.66	Internet — 0.20%				
200 Libbey Glass, Inc., Senior Secured ∞	10.000	2/15/2015	207	0.27	150 Netflix, Inc., Company Guaranteed	8.500	11/15/2017	157	0.20
			951	1.24	Leisure & Lodgings — 4.20%				
Industrial — 5.49%					555 Ameristar Casinos, Inc., Company Guaranteed				
170 American Railcar Industries, Inc., Senior Unsecured	7.500	3/1/2014	165	0.21	110 Boyd Gaming Corp., Senior Subordinated	7.125	2/1/2016	87	0.11
150 Berry Plastics Corp., Senior Secured	8.875	9/15/2014	144	0.19	220 Harrah's Operating Co., Inc., Company Guaranteed	5.625	6/1/2015	123	0.16
500 Coleman Cable, Inc., Senior Notes ∞	9.000	2/15/2018	495	0.64	140 Harrah's Operating Co., Inc., Senior Secured	10.000	12/15/2015	115	0.15
90 Eastman Kodak Co., Senior Unsecured	7.250	11/15/2013	85	0.11	690 Harrah's Operating Co., Inc., Company Guaranteed	10.750	2/1/2016	531	0.69
					520 Harrah's Operating Co., Inc., Senior Secured	11.250	6/1/2017	539	0.70

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Legg Mason Western Asset US High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value		
U.S. Corporate Bonds and Notes — (continued)											
Telecommunications — (continued)					400 Texas Competitive Electric Holdings Co. LLC, Company Guaranteed *						
290	Intelsat Corp., Senior Unsecured	9.250	8/15/2014	299	0.39	10.250	11/1/2015	299	0.39		
140	Level 3 Financing, Inc., Company Guaranteed	9.250	11/1/2014	133	0.17			3,956	5.13		
207	Level 3 Financing, Inc., Company Guaranteed ∞	10.000	2/1/2018	190	0.25						
210	Qwest Communications International, Inc., Company Guaranteed, 144A	8.000	10/1/2015	217	0.28						
20	Qwest Corp., Senior Unsecured	8.375	5/1/2016	22	0.03	10.625	9/1/2016	262	0.34		
25	SBA Telecommunications, Inc., Company Guaranteed, 144A	8.250	8/15/2019	26	0.03	9.000	5/1/2019	233	0.30		
280	Sprint Capital Corp., Company Guaranteed	7.625	1/30/2011	286	0.37			495	0.64		
430	Sprint Capital Corp., Company Guaranteed	8.375	3/15/2012	439	0.57						
1,580	Sprint Capital Corp., Company Guaranteed	8.750	3/15/2032	1,394	1.81						
510	Windstream Corp., Company Guaranteed	8.625	8/1/2016	519	0.67						
			4,470	5.80							
Transportation — 0.69%					Australia — 0.64%						
508	RailAmerica, Inc., Senior Secured	9.250	7/1/2017	533	0.69	235	FMG Finance Pty Ltd., Senior Secured, 144A	10.625	9/1/2016	262	0.34
Utilities — 5.13%					180 Rio Tinto Finance PLC, Company Guaranteed						
210	The AES Corp., Senior Unsecured	8.000	6/1/2020	206	0.27	9.000	5/1/2019	233	0.30		
410	Edison Mission Energy, Senior Unsecured	7.750	6/15/2016	328	0.42			495	0.64		
35	Edison Mission Energy, Senior Unsecured	7.200	5/15/2019	25	0.03	9.500	2/1/2015	490	0.63		
370	Edison Mission Energy, Senior Unsecured	7.625	5/15/2027	240	0.31	700	Intelsat Jackson Holdings Ltd., Company Guaranteed	9.500	6/15/2016	735	0.95
2,468	Energy Future Holdings Corp., Company Guaranteed *	11.250	11/1/2017	1,727	2.24	40	Intelsat Jackson Holdings Ltd., Company Guaranteed	11.250	6/15/2016	43	0.06
300	Energy Future Holdings Corp., Senior Unsecured	6.550	11/15/2034	151	0.20	180	Intelsat Jackson Holdings Ltd., Company Guaranteed	11.500	6/15/2016	192	0.25
166	Mirant Mid Atlantic Trust, Series C, Pass Through Certificates	10.060	12/30/2028	178	0.23	200	Petroplus Finance Ltd., Company Guaranteed, 144A	7.000	5/1/2017	158	0.20
98	Mirant Mid Atlantic Trust Pass Through Trust, Series B, Pass Through Certificates	9.125	6/30/2017	104	0.13			1,618	2.09		
220	NRG Energy, Inc., Company Guaranteed	7.250	2/1/2014	222	0.29	Canada — 1.86%					
120	NRG Energy, Inc., Company Guaranteed	7.375	2/1/2016	118	0.15	415	Abitibi-Consolidated Co. of Canada, Senior Secured, 144A *	13.750	4/1/2011	426	0.56
280	NV Energy, Inc., Senior Unsecured	6.750	8/15/2017	283	0.37	335	Novelis, Inc., Company Guaranteed *	7.250	2/15/2015	311	0.40
100	Texas Competitive Electric Holdings Co. LLC, Company Guaranteed	10.250	11/1/2015	75	0.10	190	OPTI Canada, Inc., Senior Secured, 144A	9.000	12/15/2012	193	0.25
						150	OPTI Canada, Inc., Senior Secured	7.875	12/15/2014	132	0.17
						95	OPTI Canada, Inc., Senior Secured	8.250	12/15/2014	85	0.11
						145	Sun Media Corp., Company Guaranteed	7.625	2/15/2013	138	0.18
						90	Teck Resources Ltd., Senior Secured	10.250	5/15/2016	107	0.14
						30	Teck Resources Ltd., Senior Secured	10.750	5/15/2019	37	0.05
								1,429	1.86		
						Denmark — 0.46%					
						330	Nordic Telephone Co. Holdings ApS, Senior Secured, 144A	8.875	5/1/2016	353	0.46
						France — 0.57%					
						340	Cie Generale de Geophysique-Veritas, Company Guaranteed	7.500	5/15/2015	333	0.43
						100	Credit Agricole S.A., Subordinated, 144A *	8.375	Perpetual	105	0.14
								438	0.57		

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Legg Mason Western Asset US High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value				
U.S. Denominated Bonds and Notes — (continued)					U.S. Government Agency Discount Notes — 4.44%								
Germany — 0.26%					Federal National Mortgage Association (FNMA) — 4.44%								
200	UPC Germany GmbH, Senior Secured, 144A	8.125	12/1/2017	200	0.26	3,400	FNMA Discount Notes	zero coupon	5/3/2010	3,399	4.41		
Ireland — 0.23%					27 FNMA Discount Notes †					zero coupon	8/19/2010	27	0.03
200	Smurfit Kappa Treasury Funding Ltd., Company Guaranteed	7.500	11/20/2025	178	0.23	Total U.S. Government Agency Discount Notes (Cost \$3,426)					3,426	4.44	
Luxembourg — 1.07%					Shares/Units (000's)								
300	FMC Finance III S.A., Company Guaranteed	6.875	7/15/2017	307	0.40	Common Stock — 1.31%							
275	Wind Acquisition Finance S.A., Senior Secured, 144A	12.000	12/1/2015	294	0.38	– Ashton Woods USA LLC/Ashton Woods Finance Co. † ∞					–	–	
240	Wind Acquisition Holdings Finance SA, Senior Secured, 144A	12.250	7/15/2017	222	0.29	7 Charter Communications, Inc., Class A					199	0.26	
				823	1.07	5 CIT Group, Inc.					179	0.23	
Mali — 0.63%					3 Citigroup, Inc., New Money					354	0.46		
480	Teekay Corp., Senior Unsecured	8.500	1/15/2020	487	0.63	– Crown Castle International Corp.					–	–	
Mexico — 2.21%					1 Dex One Corp.					43	0.05		
540	Kansas City Southern de Mexico S.A. de CV, Senior Unsecured	7.625	12/1/2013	539	0.70	11 Georgia Gulf Corp.					157	0.20	
590	Kansas City Southern de Mexico S.A. de CV, Senior Unsecured	12.500	4/1/2016	674	0.87	– Nortek, Inc.					14	0.02	
500	Kansas City Southern de Mexico S.A. de CV, Unsecured ∞	8.000	2/1/2018	494	0.64	2 SemGroup Corp.					45	0.06	
				1,707	2.21	– SuperMedia, Inc.					21	0.03	
Netherlands — 0.33%					Total Common Stock (Cost \$2,798)					1,012	1.31		
150	NXP BV / NXP Funding LLC, Senior Secured	7.875	10/15/2014	139	0.18	Preferred Stock — 1.14%							
110	UPC Holding BV, Senior Secured, 144A	9.875	4/15/2018	114	0.15	1 Bank of America Corp.					454	0.59	
				253	0.33	– GMAC, Inc., New Money, 144A					136	0.18	
Norway — 0.41%					5 Santander Finance Preferred S.A. Unipersonal, New Money					141	0.18		
330	Trico Shipping A/S, Senior Secured, 144A	11.875	11/1/2014	320	0.41	130 Santander Finance Preferred S.A. Unipersonal, New Money †					144	0.19	
United Kingdom — 0.90%					Total Preferred Stock (Cost \$851)					875	1.14		
185	Ashtead Holdings PLC, Secured, 144A	8.625	8/1/2015	184	0.24	Warrants — 0.02%							
125	Royal Bank of Scotland Group PLC, Subordinated	5.000	11/12/2013	117	0.15	– Buffets Restaurants Holdings, Inc., Series CW14 ∞					–	–	
50	Royal Bank of Scotland Group PLC, Subordinated	5.050	1/8/2015	46	0.06	1 Charter Communications, Inc.					2	–	
120	Virgin Media Finance PLC, Company Guaranteed	9.125	8/15/2016	124	0.16	1 Nortek, Inc. ∞					7	0.01	
210	Virgin Media Finance PLC, Company Guaranteed	9.500	8/15/2016	223	0.29	2 SemGroup Corp.					9	0.01	
				694	0.90	Total Warrants (Cost \$8)					18	0.02	
Total U.S. Denominated Bonds and Notes (Cost \$8,487)					8,995	11.66	Total Investments (Cost \$79,307)					78,446	101.69
								Liabilities in Excess of Other Assets		(1,301)	(1.69)		
								Total Net Assets		\$77,145	100.00		

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

- Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.
- 144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$15,736,146 or 20.40% of net assets.
- ∞ Security is valued in good faith at fair value by or at the discretion of the Investment Manager.
- * Variable rate security. The interest rate shown reflects the rate in effect at February 28, 2010
- ε Security is in default as at February 28, 2010.
- † Illiquid
- α REITS – Real Estate Investment Trusts
- γ Security (in whole or part) held as collateral for future contracts trading as at February 28, 2010.

ABBREVIATIONS:

Perpetual – A bond with no maturity date. Perpetual bonds are not redeemable but pay a steady stream of interest.

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET WITH THE EXCEPTION OF FUTURES WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	95.30
Financial derivative instruments	0.00
Other assets	4.70
Total Assets	100.00

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) \$	Notional Value (000's) \$	Unrealised Gains (000's) \$	Unrealised Losses (000's) \$	Net Unrealised Gain/ (Loss) (000's) \$
U.S. 5 Year Note (CBT) June 2010	(30)	3,452	3,478	–	(26)	(26)
U.S. Ultra Bond (CBT) June 2010	8	955	985	30	–	30
Total Market Value of Future Contracts	(22)	\$4,407	\$4,463	\$30	\$(26)	\$4

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Emerging Markets Bond Fund

Portfolio of Investments as at February 28, 2010

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value		
Foreign Bonds and Notes — 7.34%											
Argentina Government Issues — 0.40%											
EUR	861	Argentina Government International Bond, Unsubordinated Bonds	zero coupon 7/1/2049	465	0.40	293	GTL Trade Finance, Inc., Company Guaranteed, 144A	7.250	10/20/2017	306	0.26
				465	0.40					765	0.66
Brazil Government Issues — 5.08%											
BRL	162	Brazil Notas do Tesouro Nacional, Series F	9.710 7/1/2010	90	0.08	530	EEB International Ltd., Company Guaranteed, 144A	8.750	10/31/2014	578	0.50
	8,709	Brazil Notas do Tesouro Nacional, Series F	9.762 1/1/2012	4,695	4.04	300	Odebrecht Finance Ltd., Company Guaranteed, 144A	7.500	10/18/2017	315	0.27
	2,296	Brazil Notas do Tesouro Nacional, Series F	9.682 1/1/2017	1,117	0.96	550	Odebrecht Finance Ltd., Company Guaranteed	7.000	4/21/2020	555	0.48
				5,902	5.08	1,175	Petrobras International Finance Co., Company Guaranteed	6.875	1/20/2040	1,197	1.03
				5,902	5.08	450	TGI International Ltd., Company Guaranteed	9.500	10/3/2017	488	0.42
				2,169	1.86					3,133	2.70
Total Foreign Bonds and Notes (Cost \$8,134)										8,536	7.34
U.S. Corporate Bonds and Notes — 3.42%											
Basic Materials — 0.07%											
USD	77	Freeport-McMoRan Copper & Gold, Inc., Senior Unsecured	8.375 4/1/2017	84	0.07						
				84	0.07						
Energy — 3.12%											
USD	3,805	Pemex Project Funding Master Trust, Company Guaranteed	6.625 6/15/2035	3,632	3.12						
				3,632	3.12						
Mining — 0.23%											
USD	260	CII Carbon LLC, Company Guaranteed, 144A	11.125 11/15/2015	259	0.23						
				259	0.23						
Total U.S. Corporate Bonds and Notes (Cost \$4,276)										3,975	3.42
U.S. Denominated Bonds and Notes — 44.72%											
Brazil — 2.77%											
	1,062	Centrais Eletricas Brasileiras S.A., Senior Unsecured	6.875 7/30/2019	1,126	0.97						
	390	Gerdau Holdings, Inc., Company Guaranteed	7.000 1/20/2020	394	0.34						
	297	Globo Comunicacao e Participacoes S.A., Bonds, 144A	7.250 4/26/2022	309	0.26						
	1,360	Net Servicos de Comunicacao S.A., Company Guaranteed	7.500 1/27/2020	1,391	1.20						
				3,220	2.77						
British Virgin Islands — 0.66%											
	440	GTL Trade Finance, Inc., Company Guaranteed	7.250 10/20/2017	459	0.40						
				459	0.40						
Cayman Islands — 2.70%											
	530	EEB International Ltd., Company Guaranteed, 144A	8.750 10/31/2014	578	0.50						
	300	Odebrecht Finance Ltd., Company Guaranteed, 144A	7.500 10/18/2017	315	0.27						
	550	Odebrecht Finance Ltd., Company Guaranteed	7.000 4/21/2020	555	0.48						
	1,175	Petrobras International Finance Co., Company Guaranteed	6.875 1/20/2040	1,197	1.03						
	450	TGI International Ltd., Company Guaranteed	9.500 10/3/2017	488	0.42						
				3,133	2.70						
Chile — 1.15%											
	675	Celulosa Arauco y Constitucion SA, Senior Unsecured	7.250 7/29/2019	745	0.64						
	590	Colbun S.A., Senior Unsecured	6.000 1/21/2020	594	0.51						
				1,339	1.15						
Colombia — 1.20%											
	1,060	Ecopetrol S.A., Senior Unsecured	7.625 7/23/2019	1,166	1.00						
	220	Empresas Publicas de Medellin ESP, Senior Unsecured	7.625 7/29/2019	239	0.20						
				1,405	1.20						
India — 0.26%											
	330	ICICI Bank Ltd., Subordinated *	6.375 4/30/2022	303	0.26						
				303	0.26						
Ireland — 1.00%											
	1,087	VIP Finance Ireland Ltd. for OJSC Vimpel Communications, Secured	8.375 4/30/2013	1,164	1.00						
				1,164	1.00						
Kazakhstan — 1.46%											
	1,550	KazMunaiGaz Finance Sub BV, Company Guaranteed	8.375 7/2/2013	1,694	1.46						
				1,694	1.46						
Kyrgystan — 5.06%											
	1,103	Vale Overseas Ltd., Company Guaranteed	8.250 1/17/2034	1,279	1.10						
	4,530	Vale Overseas Ltd., Company Guaranteed	6.875 11/21/2036	4,599	3.96						
				5,878	5.06						
Luxembourg — 3.89%											
	930	Evraz Group S.A., Senior Unsecured, 144A	8.875 4/24/2013	961	0.83						
	307	TNK-BP Finance S.A., Notes	7.500 3/13/2013	327	0.28						
	1,046	TNK-BP Finance S.A., Company Guaranteed	7.500 7/18/2016	1,097	0.94						
	353	TNK-BP Finance S.A., Company Guaranteed	6.625 3/20/2017	350	0.30						
	270	TNK-BP Finance S.A., Company Guaranteed, 144A	7.875 3/13/2018	283	0.25						

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Emerging Markets Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Denominated Bonds and Notes — (continued)									
Luxembourg — (continued)									
600					1,480				
					RSHB Capital S.A. for OJSC Russian Agricultural Bank, Senior Secured				
	7.875	3/13/2018	629	0.54	6.299	5/15/2017	1,476	1.27	
829									
					6,030 5.18				
	8.250	5/23/2016	870	0.75					
				4,517					
Malaysia — 2.89%					Thailand — 2.47%				
3,331					1,749				
	5.250	8/12/2019	3,359	2.89	True Move Co. Ltd., Company Guaranteed				
					10.750	12/16/2013	1,767	1.52	
Mexico — 6.80%					260				
					True Move Co. Ltd., Company Guaranteed, 144A				
533					838				
	5.625	11/15/2017	560	0.48	True Move Co. Ltd., Company Guaranteed				
1,589					10.375	8/1/2014	834	0.72	
	7.625	2/1/2017	1,565	1.34					
436					2,864 2.47				
	7.625	2/1/2017	429	0.37	Trinidad And Tobago — 0.45%				
790					460				
	6.625	3/18/2025	798	0.69	Petroleum Co. of Trinidad & Tobago Ltd., Senior Unsecured				
2,050					9.750	8/14/2019	522	0.45	
	6.625	1/15/2040	2,015	1.73					
79					Turkey — 1.44%				
	9.375	5/1/2012	82	0.07	480				
	8.000	5/3/2019	1,604	1.38	Republic of Turkey				
1,383					7.500	7/14/2017	540	0.47	
	5.950	3/19/2019	856	0.74	7.000	3/11/2019	1,123	0.97	
800									
				7,909	1,663 1.44				
Panama — 0.20%					United Arab Emirates — 0.46%				
260					535				
	6.750	2/1/2016	234	0.20	Dolphin Energy Ltd., Senior Secured				
					5.888	6/15/2019	538	0.46	
Qatar — 1.63%					United Kingdom — 2.55%				
640					1,218				
	5.500	9/30/2014	675	0.58	HSBC Bank PLC, Senior Unsecured *				
860					3.125	8/22/2011	1,238	1.06	
	6.750	9/30/2019	938	0.81	1,648 Vedanta Resources PLC, Senior Unsecured				
280					8.750	1/15/2014	1,738	1.49	
	4.000	1/20/2015	283	0.24					
				1,896	2,976 2.55				
Russia — 5.18%					Venezuela — 0.50%				
310					970				
	6.356	6/7/2017	309	0.27	Petroleos de Venezuela S.A., Company Guaranteed				
1,492					5.250	4/12/2017	589	0.50	
	6.656	6/7/2022	1,421	1.22					
231					Total U.S. Denominated Bonds and Notes (Cost \$50,011)				
	7.125	1/14/2014	245	0.21	51,998 44.72				
1,724					U.S. Denominated Debt Obligations — 35.88%				
	7.125	1/14/2014	1,819	1.56	Argentina — 1.59%				
753					1,377				
	6.970	9/21/2016	760	0.65	Argentina Bonos, Series VII				
					8.280	12/31/2033	710	0.61	
					620				
					Republic of Argentina *				
					13.660	12/15/2035	36	0.03	
					1,850 1.59				
Brazil — 2.20%									
					294				
					Brazilian Government International Bond, Unsubordinated				
					8.000	1/15/2018	343	0.30	
					700				
					Brazilian Government International Bond				
					5.875	1/15/2019	754	0.65	
					1,012				
					Brazilian Government International Bond				
					8.750	2/4/2025	1,305	1.12	
					130				
					Brazilian Government International Bond				
					7.125	1/20/2037	147	0.13	
					2,549 2.20				

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Emerging Markets Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Denominated Debt Obligations — (continued)				
Colombia — 3.35%				
1,057	Colombia Government International Bond	7.375 3/18/2019	1,210	1.04
2,475	Colombia Government International Bond	7.375 9/18/2037	2,691	2.31
			3,901	3.35
Gabonese Republic — 0.56%				
613	Gabonese Republic, 144A	8.200 12/12/2017	655	0.56
Indonesia — 0.72%				
750	Indonesia Government International Bond	6.875 1/17/2018	832	0.72
Mexico — 1.46%				
352	Mexico Government International Bond	8.125 12/30/2019	436	0.37
1,292	Mexico Government International Bond	6.050 1/11/2040	1,273	1.09
			1,709	1.46
Panama — 3.08%				
646	Panama Government International Bond	7.250 3/15/2015	741	0.64
226	Panama Government International Bond, Senior Unsecured	9.375 4/1/2029	303	0.26
2,385	Panama Government International Bond, Senior Unsecured	6.700 1/26/2036	2,534	2.18
			3,578	3.08
Peru — 2.60%				
205	Peruvian Government International Bond	8.375 5/3/2016	249	0.21
750	Peruvian Government International Bond	7.125 3/30/2019	870	0.75
1,050	Peruvian Government International Bond, Unsubordinated Bonds	7.350 7/21/2025	1,223	1.05
655	Peruvian Government International Bond	6.550 3/14/2037	688	0.59
			3,030	2.60
Russia — 6.25%				
6,414	Russian Government International Bond, Unsubordinated *	7.500 3/31/2030	7,268	6.25
Turkey — 8.07%				
791	Turkey Government International Bond, Notes	7.250 3/15/2015	881	0.76
4,466	Turkey Government International Bond	6.875 3/17/2036	4,455	3.83
4,140	Turkey Government International Bond	6.750 5/30/2040	4,042	3.48
			9,378	8.07

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
Venezuela — 6.00%				
2,558	Venezuela Government International Bond, Senior Unsecured	8.500 10/8/2014	2,149	1.85
4,349	Venezuela Government International Bond	5.750 2/26/2016	2,990	2.57
154	Venezuela Government International Bond	7.000 12/1/2018	104	0.09
500	Venezuela Government International Bond	9.250 9/15/2027	374	0.32
1,915	Venezuela Government International Bond, Senior Unsecured	9.375 1/13/2034	1,355	1.17
			6,972	6.00
Total U.S. Denominated Debt Obligations (Cost \$43,194)			41,722	35.88
U.S. Government Agency Discount Notes — 2.31%				
Federal National Mortgage Association (FNMA) — 2.31%				
USD 2,500	FNMA Discount Notes	zero coupon 5/3/2010	2,500	2.15
189	FNMA Discount Notes γ	zero coupon 8/23/2010	189	0.16
Total U.S. Government Agency Discount Notes (Cost \$2,688)			2,689	2.31
U.S. Treasury Obligations — 1.82%				
USD 2,100	U.S. Treasury Bill	zero coupon 4/29/2010	2,100	1.81
15	U.S. Treasury Note	5.125 5/15/2016	17	0.01
Total U.S. Treasury Obligations (Cost \$2,115)			2,117	1.82
Total Investments (Cost \$110,418)			111,037	95.49
Other Assets in Excess of Liabilities			5,250	4.51
Total Net Assets			\$116,287	100.00

144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$4,602,997 or 3.96% of net assets.

* Variable rate security. The interest rate shown reflects the rate in effect at February 28, 2010

γ Security (in whole or part) held as collateral for future contracts trading as at February 28, 2010.

ABBREVIATIONS:

- BRL – Brazilian Real
- EUR – Euro
- IDR – Indonesian Rupiah
- USD – United States Dollar

Legg Mason Western Asset Emerging Markets Bond Fund

Portfolio of Investments as at February 28, 2010 – (continued)

ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FUTURES AND SWAPS WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	94.96
Financial Derivative Instruments	0.06
Other assets	4.98
Total Assets	100.00

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) \$	Notional Value (000's) \$	Unrealised Gains (000's) \$	Unrealised Losses (000's) \$	Net Unrealised Gain/ (Loss) (000's) \$
U.S. 10 Year Note June 2010	60	6,950	7,049	99	–	99
U.S. 5 Year Note (CBT) June 2010	33	3,799	3,826	27	–	27
Total Market Value of Future Contracts	93	\$10,749	\$10,875	\$126	–	\$126

Schedule of Interest Rate Swaps

Counterparty	Floating Rate Index	Pay/Receive	Fixed Rate %	Expiration Date	Notional Amount (000's) \$	Value (000's) \$
Credit Suisse	BRL – CDI	Pay	8.62%	1/2/12	(2,520)	(106)
Credit Suisse	Fixed (BRL)	Receive	10.51%	1/2/12	2,520	78
Credit Suisse	BRL- BBA Libor 3 Month	Pay	6.84%	1/2/12	(1,767)	(85)
Credit Suisse	Fixed (BRL)	Receive	10.56%	1/2/12	1,767	61
						(\$52)
Interest Rate Swaps – Total Financial Assets at Fair Value						139
Interest Rate Swaps – Total Financial Liabilities at Fair Value						(191)
Interest Rate Swaps – Total Financial Assets and Liabilities at Fair Value						(\$52)

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Global High Yield Fund

Portfolio of Investments as at February 28, 2010

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
Foreign Bonds and Notes — 2.03%					Agriculture — 0.43%				
Argentina Government Issues — 0.01%					USD 370 Alliance One International, Inc., Senior Unsecured, 144A 10.000 7/15/2016 385 0.14				
ARS 2,352		Argentina Government International Bond *	30	0.01	580		Alliance One International, Inc. 10.000 7/15/2016 603 0.22		
Brazil Government Issues — 0.67%					200 Alliance One International, Inc. Fungible, Senior Unsecured, 144A 10.000 7/15/2016 208 0.07				
BRL 168		Brazil Notas do Tesouro Nacional, Series F	93	0.03					
3,203		Brazil Notas do Tesouro Nacional, Series F	1,727	0.63					
63		Brazil Notas do Tesouro Nacional, Series F	31	0.01					
			1,851	0.67					
Euro Bonds — 1.07%					Airlines — 2.79%				
EUR 500		Carlson Wagonlit BV, Senior Secured *	570	0.21	USD 1,070		American Airlines, Inc., Senior Secured, 144A 10.500 10/15/2012 1,097 0.40		
750		Edcon Proprietary Ltd., Senior Secured *	700	0.25	185		Continental Airlines Pass Through Trust, Series 2009-1, Class B, Pass Through Certificates 9.250 5/10/2017 189 0.07		
384		General Electric Capital Corp., Subordinated *	408	0.15	340		Continental Airlines, Inc., Pass Through Certificates 7.339 4/19/2014 319 0.12		
230		General Electric Capital Corp., Subordinated *	250	0.09	2,000		DAE Aviation Holdings, Inc., Company Guaranteed, 144A 11.250 8/1/2015 1,825 0.66		
480		GMAC International Finance BV, Company Guaranteed	654	0.24	1,100		Delta Air Lines, Inc., Pass Through Certificates 7.711 9/18/2011 1,089 0.40		
250		Intesa Sanpaolo S.p.A. *	353	0.13	1,497		Delta Air Lines, Inc., Pass Through Certificates 8.954 8/10/2014 1,384 0.50		
			2,935	1.07	215		Delta Air Lines, Inc., Senior Secured, 144A 9.500 9/15/2014 219 0.08		
Indonesia Government Issues — 0.28%					260 Delta Air Lines, Inc., Pass Through Certificates 9.750 12/17/2016 268 0.10				
IDR 2,541,000		Indonesia Treasury Bond, Series FR43, Bonds	274	0.10	482		Delta Air Lines, Inc., Pass Through Certificates 8.021 8/10/2022 440 0.16		
1,303,000		Indonesia Treasury Bond, Series FR20, Bonds	144	0.05	840		United Air Lines, Inc., Senior Secured, 144A 9.875 8/1/2013 840 0.30		
1,591,000		Indonesia Treasury Bond, Series FR42, Bonds	165	0.06					
1,922,000		Indonesia Treasury Bond, Series FR45, Bonds	186	0.07					
			769	0.28					
Total Foreign Bonds and Notes (Cost \$5,405)					Apparel — 0.42%				
					USD 1,040		Oxford Industries, Inc., Senior Secured 11.375 7/15/2015 1,154 0.42		
					Auto Manufacturers — 0.21%				
					USD 265		Motors Liquidation Co., Senior Unsecured * ε 7.200 1/15/2011 80 0.03		
					1,590		Motors Liquidation Co., Senior Unsecured * ε 8.375 7/15/2033 481 0.18		
			5,585	2.03					
U.S. Corporate Bonds and Notes — 56.25%					Auto Parts & Equipment — 0.22%				
Advertising — 0.80%					USD 100		Allison Transmission, Inc., Company Guaranteed, 144A 11.000 11/1/2015 104 0.04		
USD 45		Affinion Group, Inc., Company Guaranteed	45	0.02	130		Keystone Automotive Operations, Inc., Company Guaranteed 9.750 11/1/2013 56 0.02		
905		Affinion Group, Inc., Company Guaranteed	914	0.33	191		Visteon Corp., Senior Unsecured * ε 8.250 8/1/2010 131 0.05		
1,200		Affinion Group, Inc., Company Guaranteed	1,224	0.45	339		Visteon Corp., Senior Unsecured, 144A * ε 12.250 12/31/2016 315 0.11		
1,060		Idearc, Inc. Escrow ∞ zero coupon Perpetual	-	-					
			2,183	0.80					
Aerospace/Defense — 0.20%									
USD 560		TransDigm, Inc., Company Guaranteed, 144A	560	0.20					

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Global High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)					Consumer, Non-cyclical — 0.58%				
Basic Materials — 4.86%					USD 310 Revlon Consumer Products Corp., Company Guaranteed, 144A				
USD 2,651		11.250 12/15/2015	2,253	0.82		9.750 11/15/2015	319	0.12	
1,345		9.125 6/1/2017	1,473	0.54	1,250				
500		9.000 1/15/2017	519	0.19		7.750 11/15/2016	1,256	0.46	
530		8.250 5/1/2016	559	0.20					1,575 0.58
300		8.875 2/1/2018	280	0.10	Diversified — 0.65%				
		7.847 7/1/2012	–	–	USD 140 AMH Holdings, Inc., Senior Discount Notes *				
1,590		11.125 12/1/2015	1,606	0.59	25	11.250 3/1/2014	138	0.05	
5		10.000 5/1/2012	3	–	25	13.000 12/15/2013	29	0.01	
800		11.375 12/31/2014	764	0.28	600	7.750 8/15/2013	624	0.23	
1,145		11.000 12/1/2013	1,202	0.44	600	8.125 9/15/2015	609	0.22	
1,250		zero coupon 2/1/2015	546	0.20	390				
150		12.000 11/1/2015	154	0.05		7.750 10/15/2016	395	0.14	
335		8.750 11/1/2017	350	0.13					1,795 0.65
1,535		7.750 11/1/2019	1,712	0.62	Energy — 7.21%				
515		11.500 7/1/2014	541	0.20	USD 290 Arch Coal, Inc., Senior Notes, 144A				
USD 1,485		9.125 8/1/2014	1,366	0.50	580	8.750 8/1/2016	300	0.11	
			13,328	4.86	780	8.750 6/15/2018	542	0.20	
Commercial Services — 1.80%					780	11.625 8/1/2014	837	0.31	
USD 240		9.000 8/15/2016	241	0.09	1,815	8.750 7/15/2012	1,670	0.61	
618		12.250 11/15/2015	590	0.22	260	10.250 6/1/2014	283	0.10	
165		9.500 2/15/2013	166	0.06	420	6.375 6/15/2015	406	0.15	
770		7.750 10/15/2017	780	0.28	190	6.500 8/15/2017	180	0.06	
490		8.375 7/15/2016	488	0.18	1,885	7.250 12/15/2018	1,857	0.68	
640		12.000 8/1/2014	480	0.17	225	8.000 12/15/2016	219	0.08	
1,235		9.500 12/1/2014	1,195	0.44	390	8.875 2/15/2018	396	0.14	
165		10.000 7/15/2017	176	0.06	576	8.250 2/15/2020	596	0.22	
795		10.250 12/1/2017	835	0.30	1,275	7.750 6/1/2019	1,001	0.36	
			4,951	1.80	140	8.250 2/15/2016	148	0.05	
					85	9.500 5/1/2016	90	0.03	
					500	8.500 2/15/2014	516	0.19	
					200	11.375 11/1/2014	202	0.07	
					405	10.500 10/15/2017	403	0.15	
					1,245	10.250 7/15/2014	1,270	0.46	

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Global High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)									
Energy — (continued)					1,070 Mohegan Tribal Gaming Authority, Senior Secured, 144A				
950					11.500		11/1/2017	1,113	0.40
					100 Penn National Gaming, Inc., Senior Subordinated, 144A				
420	8.375	12/1/2014	940	0.34	8.750		8/15/2019	99	0.04
					370 Pinnacle Entertainment, Inc., Senior Notes, 144A				
725	8.750	4/15/2018	425	0.16	8.625		8/1/2017	351	0.13
					<hr/>				
					2,596 0.95				
					Financials – Banks — 2.21%				
					USD 87 CIT Group, Inc., Senior Secured				
					7.000		5/1/2013	82	0.03
					131 CIT Group, Inc., Senior Secured				
					7.000		5/1/2014	119	0.04
					131 CIT Group, Inc., Senior Secured				
					7.000		5/1/2015	119	0.04
					648 CIT Group, Inc., Senior Secured				
					7.000		5/1/2016	573	0.21
					2,385 CIT Group, Inc., Senior Secured				
					7.000		5/1/2017	2,107	0.77
					430 GMAC, Inc., Senior Unsecured				
					zero		coupon 12/1/2012	342	0.12
					140 GMAC, Inc., Company Guaranteed				
					7.500		12/31/2013	137	0.05
					1,000 GMAC, Inc., Company Guaranteed, 144A				
					8.300		2/12/2015	1,009	0.37
					37 GMAC, Inc., Company Guaranteed				
					8.000		11/1/2031	34	0.01
					870 NB Capital Trust II, Limited Guaranteed				
					7.830		12/15/2026	818	0.30
					420 Wells Fargo Capital XIII, Company Guaranteed *				
					7.700		Perpetual	414	0.15
					310 Wells Fargo Capital XV, Company Guaranteed *				
					9.750		9/26/2044	337	0.12
					<hr/>				
					6,091 2.21				
					Financials – Diversified — 4.34%				
					USD 50 AAC Group Holding Corp., Senior Discount Notes, 144A *				
					10.250		10/1/2012	49	0.02
					260 Capital One Capital V, Company Guaranteed				
					10.250		8/15/2039	295	0.11
					910 CCM Merger, Inc., Notes, 144A				
					8.000		8/1/2013	755	0.27
					1,750 Citigroup, Inc., Unsecured				
					8.500		5/22/2019	2,019	0.74
					380 Ford Motor Credit Co. LLC, Senior Unsecured				
					9.875		8/10/2011	399	0.15
					220 Ford Motor Credit Co. LLC, Senior Unsecured *				
					3.001		1/13/2012	206	0.07
					125 Ford Motor Credit Co. LLC, Senior Unsecured				
					7.500		8/1/2012	126	0.05
					3,895 Ford Motor Credit Co. LLC, Senior Unsecured				
					12.000		5/15/2015	4,449	1.62
					1,000 Fresenius US Finance II, Inc., Company Guaranteed, 144A				
					9.000		7/15/2015	1,105	0.40
					65 International Lease Finance Corp., Senior Unsecured				
					5.750		6/15/2011	62	0.02
					300 International Lease Finance Corp., Senior Unsecured				
					6.375		3/25/2013	264	0.10
					900 International Lease Finance Corp., Senior Unsecured				
					5.625		9/20/2013	768	0.28
					125 L-3 Communications Corp., Series B, Company Guaranteed				
					6.375		10/15/2015	127	0.05
					335 Lehman Brothers Holdings, Inc., Senior Unsecured * ε				
					5.250		2/6/2012	75	0.03
					80 MBNA Capital A, Limited Guaranteed				
					8.278		12/1/2026	78	0.03

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Legg Mason Western Asset Global High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)									
Financials – Diversified — (continued)									
605	SLM Corp., Senior Unsecured	8.450	6/15/2018	592	0.22	790	Vanguard Health Holding Co. II LLC/Vanguard Holding Co. II, Inc., Company Guaranteed, 144A	776	0.28
375	SLM Corp., Senior Unsecured	5.625	8/1/2033	289	0.10				
345	Snoqualmie Entertainment Authority, Senior Secured, 144A *	4.136	2/1/2014	235	0.08			9,179	3.34
				11,893	4.34				
Financials – Real Estate — 0.04%									
USD 296	Ashton Woods USA LLC/Ashton Woods Finance Co., Company Guaranteed, 144A †	zero coupon	6/30/2015	98	0.04	460	Libbey Glass, Inc., Senior Secured, 144A	476	0.17
						23	Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount Notes * †	22	0.01
								498	0.18
Food — 0.32%									
USD 925	Buffets Restaurants Holdings, Inc. Escrow † ∞ €	zero coupon	11/1/2014	–	–	735	ACCO Brands Corp., Senior Secured, 144A	799	0.29
330	Bumble Bee Foods LLC, Senior Secured, 144A	7.750	12/15/2015	331	0.12	160	American Achievement Corp., Company Guaranteed, 144A	158	0.06
305	Del Monte Corp., Senior Subordinated Notes, 144A	7.500	10/15/2019	309	0.11	920	American Greetings Corp., Senior Unsecured	901	0.33
230	Dole Food Co., Inc., Senior Secured, 144A	8.000	10/1/2016	234	0.09			1,858	0.68
				874	0.32				
Healthcare – Products — 0.71%									
USD 620	Biomet, Inc., Company Guaranteed	10.000	10/15/2017	678	0.25	330	American Railcar Industries, Inc., Senior Unsecured	320	0.12
515	Biomet, Inc., Company Guaranteed *	10.375	10/15/2017	564	0.20	500	Berry Plastics Corp., Senior Secured	481	0.18
540	Universal Hospital Services, Inc., Senior Secured *	3.859	6/1/2015	456	0.17	180	Coleman Cable, Inc., Senior Notes, 144A	178	0.06
260	Universal Hospital Services, Inc., Senior Secured *	8.500	6/1/2015	252	0.09	260	Dynegy Holdings, Inc., Company Guaranteed	180	0.07
				1,950	0.71	400	Dynegy Roseton/Danskammer Trust, Series B, Pass Through Certificates	386	0.14
Healthcare – Services — 3.34%									
USD 100	Community Health Systems, Inc., Company Guaranteed	8.875	7/15/2015	103	0.04	210	Eastman Kodak Co., Senior Unsecured	198	0.07
950	CRC Health Corp., Company Guaranteed	10.750	2/1/2016	855	0.31	1,300	El Paso Corp., Notes	1,263	0.46
50	HCA, Inc., Senior Unsecured	6.300	10/1/2012	50	0.02	630	Enterprise Products Operating LLC, Company Guaranteed *	637	0.23
500	HCA, Inc., Secured	9.250	11/15/2016	531	0.19	1,075	Enterprise Products Operating LLC, Company Guaranteed *	1,019	0.37
1,534	HCA, Inc., Senior Secured *	9.625	11/15/2016	1,641	0.60	1,620	Horizon Lines, Inc., Senior Unsecured	1,340	0.49
690	HCA, Inc., Senior Secured, 144A	9.875	2/15/2017	745	0.27	840	Jabil Circuit, Inc., Senior Unsecured	869	0.32
100	HCA, Inc., Senior Secured, 144A	7.875	2/15/2020	105	0.04	40	Jabil Circuit, Inc., Senior Unsecured	43	0.01
1,000	IASIS Healthcare LLC / IASIS Capital Corp., Company Guaranteed	8.750	6/15/2014	1,010	0.37	130	Marquette Transportation Co. / Marquette Transportation Finance Corp., Senior Secured, 144A ∞	131	0.05
822	Tenet Healthcare Corp., Senior Secured, 144A	9.000	5/1/2015	861	0.31	775	Radnor Holdings Corp., Senior Notes * † ∞ €	–	–
937	Tenet Healthcare Corp., Senior Secured, 144A	10.000	5/1/2018	1,031	0.38	1,170	RailAmerica, Inc., Senior Secured	1,227	0.44
1,433	U.S. Oncology Holdings, Inc., Senior Unsecured *	6.428	3/15/2012	1,347	0.49	225	Rock-Tenn Co., Company Guaranteed	246	0.09
120	U.S. Oncology, Inc., Senior Secured	9.125	8/15/2017	124	0.04				

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Legg Mason Western Asset Global High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)									
Industrial — (continued)									
845					455				
Solo Cup Co. / Solo Cup Operating Corp., Senior Secured					Station Casinos, Inc., Senior Unsecured * † €				
10.500	11/1/2013	885	0.32		7.750	8/15/2016	66	0.02	
70					190				
Southern Natural Gas Co., Senior Unsecured					Station Casinos, Inc., Senior Subordinated Notes * † €				
8.000	3/1/2032	80	0.03		6.625	3/15/2018	1	–	
55					170				
USG Corp., Company Guaranteed, 144A					Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp., First Mortgage, 144A				
9.750	8/1/2014	58	0.02		7.875	11/1/2017	168	0.06	
				9,541	3.47				
Insurance — 0.75%									
USD	1,430	American International Group, Inc., Senior Unsecured		5.450	5/18/2017	1,162	0.42		
310	American International Group, Inc., Senior Unsecured		8.250	8/15/2018	284	0.10			
170	American International Group, Inc., Junior Subordinated Debentures *		8.175	5/15/2058	115	0.04			
480	Everest Reinsurance Holdings, Inc., Junior Subordinated *		6.600	5/15/2037	379	0.14			
140	Metlife Capital Trust IV, Junior Subordinated, 144A		7.875	12/15/2037	137	0.05			
				2,077	0.75				
Internet — 0.14%									
USD	380	NetFlix, Inc., Company Guaranteed		8.500	11/15/2017	398	0.14		
Leisure & Lodgings — 2.57%									
USD	925	Ameristar Casinos, Inc., Company Guaranteed		9.250	6/1/2014	946	0.34		
70	Boyd Gaming Corp., Senior Subordinated		6.750	4/15/2014	60	0.02			
920	Boyd Gaming Corp., Senior Subordinated		7.125	2/1/2016	724	0.26			
910	Harrah's Operating Co., Inc., Company Guaranteed		5.625	6/1/2015	507	0.19			
215	Harrah's Operating Co., Inc., Senior Secured		10.000	12/15/2015	176	0.06			
2,350	Harrah's Operating Co., Inc., Company Guaranteed		10.750	2/1/2016	1,810	0.66			
670	Harrah's Operating Co., Inc., Senior Secured		11.250	6/1/2017	695	0.25			
1,620	Inn of the Mountain Gods Resort & Casino, Company Guaranteed * † €		12.000	11/15/2010	786	0.29			
20	MGM Mirage, Company Guaranteed		8.500	9/15/2010	20	0.01			
920	MGM Mirage, Company Guaranteed		8.375	2/1/2011	897	0.33			
40	MGM Mirage, Senior Secured, 144A		10.375	5/15/2014	42	0.02			
95	MGM Mirage, Senior Secured, 144A		11.125	11/15/2017	103	0.04			
355	Station Casinos, Inc., Senior Unsecured * † €		6.000	4/1/2012	51	0.02			
500	Station Casinos, Inc., Senior Subordinated Notes * † €		6.500	2/1/2014	3	–			
					Media — 3.08%				
USD	313	CCH II LLC / CCH II Capital Corp., Senior Notes, 144A		13.500	11/30/2016	367	0.13		
815	Cengage Learning Acquisitions, Inc., Senior Notes, 144A		10.500	1/15/2015	743	0.27			
110	Cengage Learning Acquisitions, Inc., Senior Discount Notes, 144A *		4.400	7/15/2015	105	0.04			
2,105	Charter Communications Operating LLC / Charter Communications Operating Capital, Secured, 144A *		10.875	9/15/2014	2,345	0.85			
460	Clear Channel Communications, Inc., Senior Unsecured		6.250	3/15/2011	437	0.16			
515	CSC Holdings, Inc., Senior Unsecured, 144A		8.500	6/15/2015	541	0.20			
300	CSC Holdings, Inc., Senior Unsecured, 144A		8.625	2/15/2019	324	0.12			
2,510	DISH DBS Corp., Company Guaranteed		7.875	9/1/2019	2,585	0.94			
380	Nielsen Finance LLC / Nielsen Finance Co., Company Guaranteed		zero coupon	8/1/2016	344	0.13			
610	Univision Communications, Inc., Senior Secured, 144A		12.000	7/1/2014	660	0.24			
				8,451	3.08				
Real Estate — 0.77%									
USD	2,470	Realogy Corp., Company Guaranteed		10.500	4/15/2014	2,062	0.75		
73	Realogy Corp., Company Guaranteed *		11.000	4/15/2014	60	0.02			
				2,122	0.77				
Real Estate Management & Development — 0.13%									
USD	360	Ventas Realty LP / Ventas Capital Corp., Company Guaranteed α		6.500	6/1/2016	359	0.13		
Retail — 2.57%									
USD	464	Blockbuster, Inc., Senior Secured, 144A		11.750	10/1/2014	334	0.12		
560	El Pollo Loco, Inc., Senior Secured		11.750	12/1/2012	577	0.21			
1,050	El Pollo Loco, Inc., Company Guaranteed		11.750	11/15/2013	940	0.34			
390	Landry's Restaurants, Inc., Senior Secured, 144A		11.625	12/1/2015	407	0.15			
1,245	Michaels Stores, Inc., Company Guaranteed		10.000	11/1/2014	1,264	0.46			

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Legg Mason Western Asset Global High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	
U.S. Corporate Bonds and Notes — (continued)										
Retail — (continued)					590 Qwest Communications International, Inc., Company Guaranteed, 144A					
680	zero coupon	11/1/2016	554	0.20	1,020	8.000	10/1/2015	611	0.22	
697					3,120	8.375	3/15/2012	1,042	0.38	
1,220	9.000	10/15/2015	687	0.25	3,120	8.750	3/15/2032	2,753	1.00	
1,290	7.125	6/1/2028	1,049	0.38	1,000					
1,290	10.375	2/1/2015	1,055	0.39	1,000	7.750	2/15/2015	1,018	0.37	
195					650	8.625	8/1/2016	661	0.24	
	6.875	12/15/2013	197	0.07				12,264	4.47	
			7,064	2.57	Utilities — 4.48%					
Technology — 0.88%					USD 245 The AES Corp., Senior Unsecured					
145		8.125	12/15/2017	147	0.06	375	9.375	9/15/2010	251	0.09
560		9.875	9/24/2015	484	0.18	1,000	9.750	4/15/2016	400	0.15
1,440		10.550	9/24/2015	1,249	0.45	155	8.000	10/15/2017	994	0.36
285		8.875	12/15/2014	253	0.09	950	8.000	6/1/2020	152	0.06
132		9.125	12/15/2014	114	0.04	1,065	7.750	6/15/2016	760	0.28
205		10.125	12/15/2016	160	0.06	1,120	7.625	5/15/2027	692	0.25
			2,407	0.88	2,790	10.875	11/1/2017	848	0.31	
Telecommunications — 4.47%					795 Energy Future Holdings Corp., Company Guaranteed *					
640		10.375	12/1/2017	760	0.28	283	11.250	11/1/2017	1,953	0.71
600		5.850	1/16/2018	485	0.18	170	9.125	5/1/2031	714	0.26
210		7.750	5/1/2017	227	0.08	450	10.060	12/30/2028	304	0.11
195		6.300	12/1/2028	151	0.05	1,065	9.125	6/30/2017	179	0.07
455		8.250	10/15/2017	455	0.17	914	7.375	2/1/2016	444	0.16
680		7.750	5/15/2016	691	0.25	2,125	7.375	1/15/2017	1,048	0.38
610		7.125	11/1/2019	610	0.22	1,370	9.000	12/30/2013	946	0.34
215		8.125	10/1/2018	214	0.08		10.250	11/1/2015	1,588	0.58
500		8.625	11/15/2019	508	0.19		10.250	11/1/2015	1,024	0.37
530		12.500	5/1/2015	-	-				12,297	4.48
1,250		9.250	8/15/2014	1,288	0.47	Total U.S. Corporate Bonds and Notes (Cost \$155,708)				
400		9.250	11/1/2014	379	0.14	U.S. Denominated Bonds and Notes — 18.25%				
448		10.000	2/1/2018	411	0.15	Australia — 0.47%				
						820	10.625	9/1/2016	914	0.33

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Legg Mason Western Asset Global High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value		
U.S. Denominated Bonds and Notes — (continued)					Cayman Islands — 1.41%						
Australia — (continued)					300 Agile Property Holdings Ltd., Company Guaranteed						
400	Leighton Finance International, Company Guaranteed	7.875	5/16/2011	398	0.14	1,020	EEB International Ltd., Company Guaranteed	8.750	10/31/2014	1,113	0.41
				1,312	0.47	220	Odebrecht Finance Ltd., Company Guaranteed	7.500	10/18/2017	231	0.08
Bermuda — 1.16%					490 Odebrecht Finance Ltd., Company Guaranteed						
1,180	Intelsat Jackson Holdings Ltd., Company Guaranteed	9.500	6/15/2016	1,239	0.45	500	Parkson Retail Group Ltd., Company Guaranteed	7.125	5/30/2012	515	0.19
605	Intelsat Jackson Holdings Ltd., Company Guaranteed	11.250	6/15/2016	646	0.24	345	Petrobras International Finance Co., Company Guaranteed	6.875	1/20/2040	351	0.13
275	Intelsat Jackson Holdings Ltd., Company Guaranteed	11.500	6/15/2016	293	0.11	780	TGI International Ltd., Company Guaranteed	9.500	10/3/2017	846	0.31
135	Intelsat Jackson Holdings SA, Company Guaranteed, 144A	8.500	11/1/2019	137	0.05					3,862	1.41
830	NCL Corp. Ltd., First Mortgage, 144A	11.750	11/15/2016	861	0.31	Chile — 0.14%					
				3,176	1.16	380	Colbun S.A., Senior Unsecured	6.000	1/21/2020	383	0.14
Brazil — 0.51%					Colombia — 0.46%						
530	Gerdau Holdings, Inc., Company Guaranteed	7.000	1/20/2020	535	0.20	970	Ecopetrol S.A., Senior Unsecured	7.625	7/23/2019	1,067	0.39
620	Globo Comunicacao e Participacoes S.A., Senior Unsecured	7.250	4/26/2022	645	0.23	170	Empresas Publicas de Medellin ESP, Senior Unsecured, 144A	7.625	7/29/2019	184	0.07
220	Net Servicos de Comunicacao S.A., Company Guaranteed	7.500	1/27/2020	225	0.08					1,251	0.46
				1,405	0.51	Denmark — 0.24%					
British Virgin Islands — 0.46%					615 Nordic Telephone Co. Holdings ApS, Senior Secured, 144A						
500	Galaxy Entertainment Finance Co. Ltd., Company Guaranteed	9.875	12/15/2012	519	0.19	8.875	5/1/2016	658	0.24		
708	GTL Trade Finance, Inc., Company Guaranteed	7.250	10/20/2017	738	0.27	France — 0.24%					
				1,257	0.46	305	Cie Generale de Geophysique-Veritas, Company Guaranteed	7.500	5/15/2015	299	0.11
Canada — 1.83%					30 Cie Generale de Geophysique-Veritas, Company Guaranteed						
1,019	Abitibi-Consolidated Co. of Canada, Senior Secured, 144A *	13.750	4/1/2011	1,046	0.38	200	Credit Agricole S.A., Subordinated, 144A *	8.375	Perpetual	210	0.08
755	Novelis, Inc., Company Guaranteed *	7.250	2/15/2015	700	0.25	110	Societe Generale, Subordinated Notes	8.750	Perpetual	114	0.04
400	OPTI Canada, Inc., Senior Secured, 144A	9.000	12/15/2012	407	0.15					654	0.24
145	OPTI Canada, Inc., Senior Secured	7.875	12/15/2014	128	0.05	Germany — 0.18%					
445	OPTI Canada, Inc., Senior Secured	8.250	12/15/2014	396	0.14	500	UPC Germany GmbH, Senior Secured, 144A	8.125	12/1/2017	500	0.18
510	Sino-Forest Corp., Company Guaranteed	10.250	7/28/2014	554	0.20	India — 0.31%					
160	Teck Resources Ltd., Senior Secured	9.750	5/15/2014	189	0.07	914	ICICI Bank Ltd., Subordinated *	6.375	4/30/2022	841	0.31
130	Teck Resources Ltd., Senior Secured	10.250	5/15/2016	155	0.06	Indonesia — 0.41%					
1,180	Teck Resources Ltd., Senior Secured	10.750	5/15/2019	1,452	0.53	1,130	Adaro Indonesia PT, Company Guaranteed	7.625	10/22/2019	1,122	0.41
				5,027	1.83	Ireland — 0.34%					
					410 Smurfit Kappa Treasury Funding Ltd., Company Guaranteed						
					380 VIP Finance Ireland Ltd. for OJSC Vimpel Communications, Secured						
						8.375	4/30/2013	407	0.15		

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Legg Mason Western Asset Global High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Denominated Bonds and Notes — (continued)				
Thailand — 1.08%				
340	True Move Co. Ltd., Company Guaranteed	10.750 12/16/2013	343	0.12
2,610	True Move Co. Ltd., Company Guaranteed, 144A	10.750 12/16/2013	2,636	0.96
			2,979	1.08
Trinidad And Tobago — 0.18%				
440	Petroleum Co. of Trinidad & Tobago Ltd., Senior Unsecured	9.750 8/14/2019	499	0.18
Turkey — 0.50%				
630	Republic of Turkey	7.500 7/14/2017	709	0.26
600	Republic of Turkey	7.000 3/11/2019	654	0.24
			1,363	0.50
United Kingdom — 0.68%				
200	Ashtead Holdings PLC, Secured, 144A	8.625 8/1/2015	199	0.07
180	Royal Bank of Scotland Group PLC, Subordinated	5.000 11/12/2013	168	0.06
80	Royal Bank of Scotland Group PLC, Subordinated	5.050 1/8/2015	73	0.03
1,200	Vedanta Resources PLC, Senior Unsecured	8.750 1/15/2014	1,266	0.46
165	Virgin Media Finance PLC, Company Guaranteed	9.125 8/15/2016	170	0.06
			1,876	0.68
Venezuela — 0.40%				
1,790	Petroleos de Venezuela S.A., Company Guaranteed	5.250 4/12/2017	1,087	0.40
Total U.S. Denominated Bonds and Notes (Cost \$47,780)			50,112	18.25
U.S. Denominated Debt Obligations — 3.36%				
Argentina — 0.37%				
458	Argentina Bonos, Series VII	7.000 9/12/2013	367	0.13
996	Republic of Argentina, Notes	8.280 12/31/2033	650	0.24
			1,017	0.37
Colombia — 0.29%				
150	Colombia Government International Bond, Unsubordinated	8.250 12/22/2014	176	0.06
540	Colombia Government International Bond	7.375 3/18/2019	618	0.23
			794	0.29
Indonesia — 0.29%				
720	Indonesia Government International Bond	6.875 1/17/2018	799	0.29
Panama — 0.31%				
62	Panama Government International Bond	7.250 3/15/2015	71	0.03

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
735	Panama Government International Bond, Senior Unsecured	6.700 1/26/2036	781	0.28
			852	0.31
Peru — 0.01%				
12	Peruvian Government International Bond, Unsubordinated Bonds	7.350 7/21/2025	14	0.01
Russia — 0.58%				
1,391	Russian Government International Bond, Unsubordinated *	7.500 3/31/2030	1,577	0.58
Turkey — 0.08%				
220	Turkey Government International Bond	6.750 5/30/2040	215	0.08
Uruguay — 0.00%				
2	Uruguay Government International Bond, Bonds	7.875 1/15/2033	2	—
Venezuela — 1.43%				
5,640	Venezuela Government International Bond	5.750 2/26/2016	3,878	1.41
3	Venezuela Government International Bond, Oil-Linked payment obligation	zero coupon 4/15/2020	68	0.02
			3,946	1.43
Total U.S. Denominated Debt Obligations (Cost \$9,762)			9,216	3.36
U.S. Government Agency Discount Notes — 0.06%				
Federal National Mortgage Association (FNMA) — 0.06%				
USD	155 FNMA Discount Notes γ	zero coupon 8/26/2010	155	0.06
Total U.S. Government Agency Discount Notes (Cost \$155)			155	0.06
Shares/Units (000's)			Value (000's) \$	% of Net Asset Value
Common Stock — 0.99%				
	– American Tower Corp., Class A		–	–
	– Ashton Woods USA LLC/Ashton Woods Finance Co. † ∞		–	–
35	Charter Communications, Inc., Class A		1,043	0.38
7	CIT Group, Inc.		273	0.10
8	Citigroup, Inc., New Money		815	0.30
2	Dex One Corp.		67	0.03
24	Georgia Gulf Corp.		337	0.12
2	Nortek, Inc.		64	0.02
4	SemGroup Corp.		91	0.03
1	SuperMedia, Inc.		35	0.01
Total Common Stock (Cost \$6,544)			2,725	0.99

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Global High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares/ Units (000's)	Value (000's) \$	% of Net Asset Value
Collective Investment Scheme — 9.99% (Cost \$26,205)		
15 Legg Mason Institutional Funds Plc – Western Asset Euro High Yield Bond Fund, LM USD Hedged Distribution Class	27,447	9.99
Preferred Stock — 0.86%		
1 Bank of America Corp.	1,198	0.44
– Centaur Funding Corp., New Money, 144A	209	0.07
– GMAC, Inc., New Money, 144A	259	0.09
13 Santander Finance Preferred S.A. Unipersonal, New Money	349	0.13
310 Santander Finance Preferred S.A. Unipersonal, New Money †	344	0.13
Total Preferred Stock (Cost \$2,355)	2,359	0.86
Warrants — 0.02%		
1 Buffets Restaurants Holdings, Inc., Series CW14 ∞	–	–
1 Charter Communications, Inc.	5	–
2 Nortec, Inc. ∞	20	0.01
4 SemGroup Corp.	19	0.01
Total Warrants (Cost \$24)	44	0.02
Total Investments (Cost \$253,938)	252,102	91.81
Other Assets in Excess of Liabilities	22,489	8.19
Total Net Assets	\$274,591	100.00

– Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.

144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$56,522,765 or 20.58% of net assets.

* Variable rate security. The interest rate shown reflects the rate in effect at February 28, 2010

∞ Security is valued in good faith at fair value by or at the discretion of the Investment Manager.

ε Security is in default as at February 28, 2010.

† Illiquid

α REITS – Real Estate Investment Trusts

γ Security (in whole or part) held as collateral for future contracts trading as at February 28, 2010.

ABBREVIATIONS:

PCL	– Public Company Limited
Perpetual	– A bond with no maturity date. Perpetual bonds are not redeemable but pay a steady stream of interest.
ARS	– Argentine Peso
BRL	– Brazilian Real
EUR	– Euro
IDR	– Indonesian Rupiah
USD	– United States Dollar

ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FUTURES, WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS, DEALT ON A REGULATED MARKET AND COLLECTIVE INVESTMENT SCHEMES.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	80.06
Financial Derivative Instruments	0.02
Collective Investment Schemes	9.78
Other assets	10.14
Total Assets	100.00

Legg Mason Western Asset Global High Yield Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) \$	Notional Value (000's) \$	Unrealised Gains (000's) \$	Unrealised Losses (000's) \$	Net Unrealised Gain/ (Loss) (000's) \$
U.S. 5 Year Note (CBT) June 2010	(97)	11,161	11,246	–	(85)	(85)
U.S. Ultra Bond (CBT) June 2010	24	2,866	2,953	87	–	87
Total Market Value of Future Contracts	(73)	\$14,027	\$14,199	\$87	\$(85)	\$2

Legg Mason Western Asset US Short-Term Government Fund

Portfolio of Investments as at February 28, 2010

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
Asset-Backed Securities — 0.16%				
90 Nelnnet Student Loan Trust *	1.729	4/25/2024	95	0.16
Total Asset-Backed Securities (Cost \$90)			95	0.16
Corporate Bonds and Notes — 3.59%				
Financials – Banks — 3.59%				
USD 700 Citigroup, Inc., FDIC Guaranteed *	0.807	12/9/2010	703	1.19
700 State Street Bank and Trust Co., FDIC Guaranteed *	0.454	9/15/2011	703	1.19
700 Wells Fargo & Co., FDIC Guaranteed *	1.107	12/9/2011	711	1.21
Total Corporate Bonds and Notes (Cost \$2,118)			2,117	3.59
U.S. Government Agency Discount Notes — 16.60%				
Federal National Mortgage Association (FNMA) — 16.60%				
USD 2,200 FNMA Discount Notes	zero	4/7/2010	2,200	3.73
7,600 FNMA Discount Notes	zero	5/3/2010	7,598	12.87
Total U.S. Government Agency Discount Notes (Cost \$9,798)			9,798	16.60
U.S. Government Agency Mortgage-Backed Securities — 22.93%				
Federal Home Loan Mortgage Corporation (FHLMC) — 8.56%				
USD 900 FHLMC Corp. *	0.231	1/14/2011	900	1.52
26 FHLMC Corp., Pool #G11169	7.500	10/1/2014	28	0.05
57 FHLMC Corp., Pool #O20122	7.500	9/1/2023	62	0.11
323 FHLMC Corp., Pool #G80176	8.000	12/17/2023	371	0.63
582 FHLMC Corp., Pool #G00767	7.500	8/1/2027	656	1.11
234 FHLMC Corp., Pool #G80210	8.000	8/20/2027	267	0.45
454 FHLMC Corp., Pool #G80204	8.500	10/20/2027	527	0.89
222 FHLMC Corp., Pool #G00921	7.500	4/1/2028	250	0.42
267 FHLMC Corp., Pool #C14619	7.500	9/1/2028	301	0.51
52 FHLMC Corp., Pool #N30699	7.000	8/1/2030	57	0.10
736 FHLMC Non Gold, Pool #555537	9.500	1/1/2021	822	1.39
796 FHLMC Non Gold, Pool #789586 *	5.704	7/1/2032	811	1.38
			5,052	8.56
Federal National Mortgage Association (FNMA) — 13.16%				
USD 20 FNMA, Series 1	4.750	11/19/2012	22	0.04
346 FNMA, Pool #545816	8.000	3/1/2017	378	0.64
205 FNMA, Pool #545854	8.500	3/1/2017	224	0.38
89 FNMA, Pool #555210	6.500	10/1/2017	94	0.16
334 FNMA, Pool #705794	7.000	1/1/2018	355	0.60
68 FNMA, Pool #698486	7.000	1/1/2018	72	0.12
119 FNMA, Pool #633510	8.000	6/1/2018	137	0.23
436 FNMA, Pool #516216	8.000	8/1/2019	486	0.83
174 FNMA, Pool #516217	8.500	8/1/2019	195	0.33
1,089 FNMA, Pool #555319	7.500	3/1/2021	1,228	2.08
610 FNMA, Pool #545746	8.000	10/1/2021	692	1.17
1,756 FNMA, Pool #254305	6.500	5/1/2022	1,899	3.22
101 FNMA, Pool #612040	9.500	10/1/2024	116	0.20
226 FNMA, Pool #547542	8.500	10/1/2026	260	0.44
154 FNMA, Pool #595463	8.500	4/1/2027	177	0.30
508 FNMA, Pool #555318	7.000	4/1/2032	568	0.96
132 FNMA, Pool #555194	8.000	5/1/2032	152	0.26

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
688 FNMA, Pool #801516 *	2.956	8/1/2034	707	1.20
			7,762	13.16
Government National Mortgage Association (GNMA) — 1.21%				
USD 12 GNMA, Pool #780210	8.000	7/15/2010	12	0.02
62 GNMA, Pool #385981	9.000	11/15/2024	71	0.12
504 GNMA, Pool #780162	8.500	6/15/2025	583	0.99
43 GNMA, Pool #405539	8.500	12/15/2025	50	0.08
			716	1.21
Total U.S. Government Agency Mortgage-Backed Securities (Cost \$12,762)			13,530	22.93
U.S. Government Agency Obligations — 1.19% (Cost \$699)				
Federal Home Loan Bank (FHLB) — 1.19%				
USD 700 FHLBs *	1.000	10/5/2011	700	1.19
U.S. Treasury Obligations — 33.26%				
USD 280 U.S. Treasury Bill	Zero	11/18/2010	280	0.48
80 U.S. Treasury Bond	4.625	2/15/2040	81	0.14
410 U.S. Treasury Inflationary Index Bond § γ β	2.375	1/15/2027	459	0.78
490 U.S. Treasury Inflationary Index Bond § β	2.500	1/15/2029	523	0.89
250 U.S. Treasury Inflationary Index Bond § β	2.125	2/15/2040	249	0.42
10,000 U.S. Treasury Note	1.000	8/31/2011	10,069	17.06
100 U.S. Treasury Note	1.000	12/31/2011	101	0.17
3,380 U.S. Treasury Note	2.625	12/31/2014	3,445	5.84
670 U.S. Treasury Note	2.250	1/31/2015	670	1.13
1,680 U.S. Treasury Note	2.375	3/31/2016	1,645	2.79
440 U.S. Treasury Note	3.125	1/31/2017	443	0.75
360 U.S. Treasury Note	4.750	8/15/2017	400	0.68
1,120 U.S. Treasury Note γ	3.375	11/15/2019	1,100	1.86
160 U.S. Treasury Note	3.625	2/15/2020	160	0.27
			19,625	33.26
Total Investments Excluding Options (Cost \$45,008)			45,865	77.73
Contracts				
Options — (0.03%)				
Written Options — (0.03%)				
– Euro Dollar Call 99.37 June 2010				(9) (0.02)
– Euro Dollar Call 99.25 September 2010				(4) (0.01)
– Euro Dollar Put 98.75 September 2010				–
– U.S. 2 Year Note, March 2010, Call 97.25				(3) –
			(16)	(0.03)
Total Options (Cost \$(14))			(16)	(0.03)
Total Investments (Cost \$44,994)			45,849	77.70
Other Assets in Excess of Liabilities			13,161	22.30
Total Net Assets			\$59,010	100.00

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US Short-Term Government Fund

Portfolio of Investments as at February 28, 2010 – (continued)

– Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.

* Variable rate security. The interest rate shown reflects the rate in effect at February 28, 2010

§ TIPS

γ Security (in whole or part) held as collateral for future contracts trading as at February 28, 2010.

β The rate of interest on this type of security is tied to the Consumer Price Index (CPI). The coupon rate is the rate as of February 28, 2010.

ABBREVIATIONS:

TIPS – Treasury Inflation Protected Security

USD – United States Dollar

ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FUTURES AND OPTIONS, WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	77.07
Financial Derivative Instruments	0.03
Other assets	22.90
Total Assets	100.00

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) \$	Notional Value (000's) \$	Unrealised Gains (000's) \$	Unrealised Losses (000's) \$	Net Unrealised Gain/ (Loss) (000's) \$
90 Day Euro\$ June 2010	1	245	249	4	–	4
90 Day Euro\$ March 2012	15	3,642	3,655	13	–	13
U.S. 10 Year Note June 2010	(1)	117	118	–	(1)	(1)
U.S. 10 Year Note March 2010	(1)	118	119	–	(1)	(1)
U.S. 5 Year Note (CBT) June 2010	6	691	696	5	–	5
U.S. Ultra Bond (CBT) June 2010	4	477	492	15	–	15
Total Market Value of Future Contracts	24	\$5,290	\$5,329	\$37	\$(2)	\$35

Legg Mason Western Asset US Adjustable Rate Fund

Portfolio of Investments as at February 28, 2010

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
Asset-Backed Securities — 19.64%									
USD	53	Ameriquest Mortgage Securities, Inc., Series 2003-8, Class AV2 *	52	0.20	148				
		0.696 10/25/2033				3.603	5/19/2033	135	0.51
	133	Argent Securities, Inc., Series 2004-W10, Class A2 *	115	0.43	401				
		0.656 10/25/2034				0.519	4/25/2035	235	0.88
	564	Bear Stearns Asset Backed Securities Trust, Series 2003-1, Class A1 *	496	1.86	578				
		0.729 11/25/2042				0.479	3/25/2036	309	1.16
	201	Bear Stearns Asset Backed Securities Trust, Series 2003-SD1, Class A *	169	0.63	233				
		0.679 12/25/2033				3.175	5/25/2035	170	0.64
	911	Bear Stearns Asset Backed Securities Trust, Series 2004-B01, Class 2A2 *	801	3.00	120				
		0.629 9/25/2034				1.210	1/15/2012	120	0.45
	230	Business Loan Express, Series 2002-AA, Class A, 144A *	138	0.52	382				
		0.879 6/25/2028				0.439	11/25/2036	164	0.61
	645	Business Loan Express, Series 2003-2A, Class A, 144A *	440	1.65	662				
		1.029 1/25/2032				0.529	5/25/2036	461	1.73
	360	Countrywide Asset-Backed Certificates, Series 2004-6, Class 2A4 *	300	1.13	175				
		0.679 11/25/2034				3.760	9/25/2034	145	0.54
	107	Option One Mortgage Loan Trust, Series 2002-3, Class A1 *	80	0.30	229				
		0.729 8/25/2032				1.229	10/25/2033	197	0.74
	195	Option One Mortgage Loan Trust, Series 2002-3, Class A2 *	150	0.56	263				
		0.769 8/25/2032				1.029	11/25/2034	235	0.88
	920	Renaissance Home Equity Loan Trust, Series 2003-2, Class A *	762	2.86	150				
		0.669 8/25/2033				3.536	12/25/2033	126	0.47
	1,816	Renaissance Home Equity Loan Trust, Series 2003-3, Class A *	1,489	5.58	362				
		0.729 12/25/2033				0.559	8/25/2035	306	1.15
	321	SACO I, Inc., Series 2005-8, Class A1 *	153	0.57	146				
		0.509 11/25/2020				0.729	6/25/2033	125	0.47
	7	Saxon Asset Securities Trust, Series 2002-1, Class AV1 *	5	0.02	1,298				
		0.729 3/25/2032				0.629	5/25/2034	1,081	4.05
	123	Specialty Underwriting & Residential Finance, Series 2003-BC1, Class A *	89	0.33	280				
		0.909 1/25/2034				0.629	6/25/2033	276	1.03
Total Asset-Backed Securities (Cost \$6,592)			5,239	19.64					
Collateralised Mortgage-Backed Obligations — 52.09%									
USD	89	Banc of America Mortgage Securities, Inc., Series 2004-A, Class 1A1 *	79	0.30	117				
		5.408 2/25/2034				0.654	9/15/2014	117	0.44
	570	Bear Stearns Alt-A Trust, Series 2004-10, Class 1A1 *	438	1.64	102				
		0.946 9/25/2034				0.254	3/15/2018	102	0.38
	292	Bear Stearns Alt-A Trust, Series 2004-11, Class 1A2 *	151	0.56	129				
		1.069 11/25/2034				0.539	2/25/2034	111	0.42
	328	Bear Stearns Alt-A Trust, Series 2005-2, Class 1A1 *	210	0.79	357				
		0.729 3/25/2035				1.680	11/25/2034	283	1.06
	1,556	Bear Stearns Asset Backed Securities Trust, Series 2003-SD3, Class A *	1,349	5.06	558				
		0.709 10/25/2033				0.634	6/25/2034	386	1.45
	260	Chase Issuance Trust *	259	0.97	585				
		0.252 11/15/2013				0.909	1/25/2033	461	1.73
	772	Countrywide Home Loan Mortgages Pass Through Trust, Series 2003-26, Class 2A4 *	722	2.71	472				
		0.629 8/25/2033				0.829	7/25/2032	418	1.57
	711	Countrywide Home Loan Mortgages Pass Through Trust, Series 2003-37, Class 2A1 *	635	2.38					

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US Adjustable Rate Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
Collateralised Mortgage-Backed Obligations — (continued)				
292				
Structured Asset Mortgage Investments, Inc., Series 2003-AR2, Class A1 *	0.599	12/19/2033	238	0.89
229				
Structured Asset Mortgage Investments, Inc., Series 2005-AR3, Class 2A1 *	3.460	8/25/2035	141	0.53
1,242				
Structured Asset Securities Corp., Series 1998-8, Class M1 *	1.169	8/25/2028	872	3.27
286				
Structured Asset Securities Corp., Series 2002-16A, Class 1A1 *	3.549	8/25/2032	285	1.07
377				
Structured Asset Securities Corp., Series 2002-8A, Class 7A1 *	2.743	5/25/2032	352	1.32
586				
Structured Asset Securities Corp., Series 2003-8, Class 2A9 *	1.229	3/25/2028	522	1.96
236				
Structured Asset Securities Corp., Series 2003-8, Class 2A9 *	0.729	4/25/2033	212	0.79
785				
Structured Asset Securities Corp., Series 2004-NP1, Class A, 144A * †	0.629	9/25/2033	663	2.48
282				
Thornburg Mortgage Securities Trust, Series 2004-1, Class I2A *	1.129	3/25/2044	265	0.99
200				
Washington Mutual Mortgage Pass Through Certificates, Series 2003-S4, Class 2A9 *	1.379	6/25/2033	176	0.66
433				
Washington Mutual MSC Mortgage Pass Through Certificates, Series 2002-AR1, Class 1A1 *	3.359	11/25/2030	363	1.36
Total Collateralised Mortgage-Backed Obligations (Cost \$17,275)			13,895	52.09
U.S. Corporate Bonds and Notes — 6.71%				
Consumer, Non-cyclical — 0.26%				
USD	70			
PepsiCo, Inc., Senior Unsecured *	0.281	7/15/2011	70	0.26
Financials – Banks — 4.16%				
USD	300			
Credit Agricole Corporate and Investment Bank *	0.275	6/11/2010	300	1.12
250				
JPMorgan Chase & Co., Senior Unsecured *	0.278	5/7/2010	250	0.94
290				
JPMorgan Chase & Co., Senior Unsecured *	0.378	12/21/2011	288	1.08
275				
Wells Fargo & Co., Senior Unsecured *	0.339	1/24/2012	272	1.02
			1,110	4.16
Financials – Diversified — 1.69%				
USD	200			
General Electric Capital Corp., Senior Unsecured *	0.339	4/28/2011	200	0.75

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
250				
General Electric Capital Corp., Senior Unsecured *	0.601	9/28/2011	250	0.94
			450	1.69
Insurance — 0.60%				
USD	110			
Berkshire Hathaway Finance Corp., Company Guaranteed *	0.376	1/13/2012	110	0.41
50				
Berkshire Hathaway, Inc., Senior Unsecured *	0.430	2/10/2012	50	0.19
			160	0.60
Total U.S. Corporate Bonds and Notes (Cost \$1,784)			1,790	6.71
U.S. Denominated Bonds and Notes — 4.92%				
Australia — 2.09%				
270				
Macquarie Bank Ltd., Government Liquidity Guaranteed, 144A	2.600	1/20/2012	277	1.04
270				
Westpac Banking Corp., Government liquidity guaranteed, 144A	3.250	12/16/2011	280	1.05
			557	2.09
Iceland — 0.77%				
300				
Glitnir Banki HF, Senior Unsecured, 144A † ε	3.255	1/18/2012	78	0.29
400				
Kaupthing Bank HF, Senior Notes, 144A * † ε	5.750	10/4/2011	100	0.38
300				
Landsbanki Islands HF, Senior Notes, 144A * † ε	3.511	8/25/2009	26	0.10
			204	0.77
Netherlands — 1.12%				
300				
Rabobank Nederland NV, Senior Notes, 144A	0.449	8/5/2011	300	1.12
Spain — 0.94%				
250				
Santander US Debt S.A. Unipersonal, Bank Guaranteed, 144A *	0.299	7/23/2010	250	0.94
Total U.S. Denominated Bonds and Notes (Cost \$2,108)			1,311	4.92
U.S. Government Agency Mortgage-Backed Securities — 6.20%				
Federal Home Loan Mortgage Corporation (FHLMC) — 6.20%				
USD	300			
FHLMC Corp. *	0.109	2/1/2011	300	1.12
765				
FHLMC Corp. *	0.327	3/9/2011	766	2.87
500				
FHLMC Corp. *	0.311	4/1/2011	501	1.88
77				
FHLMC Non Gold , Pool #555464	10.500	12/1/2020	88	0.33
			1,655	6.20
Total U.S. Government Agency Mortgage-Backed Securities (Cost \$1,651)			1,655	6.20

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US Adjustable Rate Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Government Agency Obligations — 0.94%				
USD 250	Federal Farm Credit Bank *	0.271 1/28/2011	250	0.94
Total U.S. Government Agency Obligations (Cost \$250)			250	0.94
Total Investments (Cost \$29,660)			24,140	90.50
Other Assets in Excess of Liabilities			2,534	9.50
Total Net Assets			\$26,674	100.00

144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$3,013,451 or 11.30% of net assets.

* Variable rate security. The interest rate shown reflects the rate in effect at February 28, 2010

† Illiquid

‡ Security is in default as at February 28, 2010.

ABBREVIATIONS:

USD – United States Dollar

ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FUTURES WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	89.84
Financial derivative instruments	0.33
Other assets	9.83
Total Assets	100.00

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) \$	Notional Value (000's) \$	Unrealised Gains (000's) \$	Unrealised Losses (000's) \$	Net Unrealised Gain/ (Loss) (000's) \$
90 Day Euro\$ September 2010	23	5,665	5,721	56	–	56
U.S. 10 Year Note June 2010	11	1,274	1,292	18	–	18
U.S. 2 Year Note (CBT) June 2010	7	1,519	1,522	3	–	3
U.S. 5 Year Note (CBT) June 2010	14	1,611	1,623	12	–	12
Total Market Value of Future Contracts	55	\$10,069	\$10,158	\$89	–	\$89

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Inflation Management Fund

Portfolio of Investments as at February 28, 2010

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value		
Asset-Backed Securities — 1.24%											
USD 127	GSAMP Trust, Series 2004-OPT, Class M3 *	1.379 11/25/2034	12	0.29	575	U.S. Treasury Inflationary Index Bond § β	2.000 1/15/2026	624	14.86		
97	Renaissance Home Equity Loan Trust, Series 2003-4, Class M3 *	2.129 3/25/2034	39	0.93	60	U.S. Treasury Inflationary Index Bond § β	3.625 4/15/2028	98	2.33		
3	SACO I, Inc., Series 2005-2, Class A, 144A *	0.429 4/25/2035	1	0.02	25	U.S. Treasury Inflationary Index Bond § γ β	3.875 4/15/2029	42	1.00		
Total Asset-Backed Securities (Cost \$229)			52	1.24	85	U.S. Treasury Inflationary Index Bond § β	2.125 2/15/2040	85	2.02		
Collateralised Mortgage-Backed Obligations — 0.86%					25	U.S. Treasury Inflationary Index Note § β	3.500 1/15/2011	32	0.76		
USD 41	Structured Asset Securities Corp., Series 2003-8, Class 2A9 *	1.229 3/25/2028	36	0.86	90	U.S. Treasury Inflationary Index Note § β	3.375 1/15/2012	118	2.81		
Total Collateralised Mortgage-Backed Obligations (Cost \$41)			36	0.86	170	U.S. Treasury Inflationary Index Note § β	3.000 7/15/2012	221	5.26		
Foreign Bonds and Notes — 2.88%					250	U.S. Treasury Inflationary Index Note § β	1.875 7/15/2013	313	7.46		
Australia Government Issues — 2.88%					235	U.S. Treasury Inflationary Index Note § β	2.000 1/15/2014	293	6.98		
AUD 85	Australia Government Bond	4.000 8/20/2020	121	2.88	80	U.S. Treasury Inflationary Index Note § β	2.000 7/15/2014	98	2.33		
Total Foreign Bonds and Notes (Cost \$116)			121	2.88	205	U.S. Treasury Inflationary Index Note § β	1.625 1/15/2015	243	5.79		
U.S. Corporate Bonds and Notes — 3.43%					245	U.S. Treasury Inflationary Index Note § β	1.875 7/15/2015	290	6.91		
Financials – Banks — 1.12%					110	U.S. Treasury Inflationary Index Note § β	2.000 1/15/2016	128	3.05		
USD 10	Citigroup, Inc., Senior Unsecured	6.010 1/15/2015	11	0.26	110	U.S. Treasury Inflationary Index Note § β	1.625 1/15/2018	117	2.79		
35	JPMorgan Chase & Co., Junior Subordinated *	7.900 Perpetual	36	0.86	175	U.S. Treasury Inflationary Index Note § β	1.375 7/15/2018	177	4.22		
Total U.S. Corporate Bonds and Notes (Cost \$139)			144	3.43	200	U.S. Treasury Inflationary Index Note § β	2.125 1/15/2019	214	5.10		
Financials – Diversified — 1.59%					100	U.S. Treasury Inflationary Index Note β	1.875 7/15/2019	105	2.50		
USD 5	GMAC, Inc., Company Guarantee	7.500 12/31/2013	5	0.12					3,811	90.77	
6	GMAC, Inc., Subordinated	8.000 12/31/2018	5	0.12	Total U.S. Treasury Obligations (Cost \$3,668)					3,811	90.77
40	SLM Corp., Senior Unsecured	5.375 1/15/2013	38	0.90	Shares/Units (000's)						
20	SLM Corp., Senior Unsecured	5.375 5/15/2014	19	0.45	Preferred Stock — 0.14%						
Total U.S. Corporate Bonds and Notes (Cost \$139)			144	3.43	3 FHLMC Corp., New Money					3	0.07
			67	1.59	3 FNMA, New Money					3	0.07
U.S. Denominated Bonds and Notes — 0.00%					Total Preferred Stock (Cost \$141)					6	0.14
Iceland — 0.00%					Total Investments (Cost \$4,543)					4,170	99.32
100	Glitnir Banki HF, Subordinated Notes, 144A * † €	6.693 6/15/2016	-	-	Other Assets in Excess of Liabilities					28	0.68
100	Kaupthing Bank HF, Subordinated, 144A * † €	7.125 5/19/2016	-	-	Total Net Assets					\$4,198	100.00
Total U.S. Denominated Bonds and Notes (Cost \$209)			-	-							
U.S. Treasury Obligations — 90.77%											
USD 510	U.S. Treasury Inflationary Index Bond § γ β	2.375 1/15/2025	613	14.60							

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Inflation Management Fund

Portfolio of Investments as at February 28, 2010 – (continued)

- Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.
- 144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$1,226 or 0.03% of net assets.
- * Variable rate security. The interest rate shown reflects the rate in effect at February 28, 2010
- † Illiquid
- ε Security is in default as at February 28, 2010.
- § TIPS
- γ Security (in whole or part) held as collateral for future contracts trading as at February 28, 2010.
- β The rate of interest on this type of security is tied to the Consumer Price Index (CPI). The coupon rate is the rate as of February 28, 2010.

ABBREVIATIONS:

- TIPS – Treasury Inflation Protected Security
- Perpetual – A bond with no maturity date. Perpetual bonds are not redeemable but pay a steady stream of interest.
- AUD – Australian Dollar
- USD – United States Dollar

ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FUTURES WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	97.80
Financial Derivative Instruments	(0.05)
Other assets	2.25
Total Assets	100.00

Legg Mason Western Asset Asian Opportunities Fund

Portfolio of Investments as at February 28, 2010

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
Agency Obligations — 3.82%				
Indian Government Bonds — 2.31%				
INR 100,000	Housing Development Finance Corp., Secured †	zero coupon	8/24/2011	2,239 2.31
Malaysia Government Issues — 1.51%				
MYR 5,000	National Agricultural Cooperative Federation, Unsecured	5.700	7/1/2013	1,470 1.51
Total Agency Obligations (Cost \$3,772)			3,709	3.82
Certificate of Deposit — 1.98%				
HKD 15,000	China Development Bank Corp. ∞	4.270	3/3/2025	1,928 1.98
Total Certificate of Deposit (Cost \$1,928)			1,928	1.98
Foreign Bonds and Notes — 49.17%				
Indonesia Government Issues — 2.52%				
IDR 14,200,000	Sertifikat Bank Indonesia	zero coupon	5/6/2010	1,503 1.54
9,000,000	Sertifikat Bank Indonesia	zero coupon	5/20/2010	951 0.98
			2,454	2.52
Korea Government Issues — 16.42%				
KRW 3,200,000	Korea Treasury Bond	5.250	6/10/2010	2,780 2.86
4,000,000	Korea Treasury Bond	5.000	9/10/2014	3,511 3.61
9,800,000	Korea Treasury Bond	5.750	9/10/2018	8,796 9.05
1,000,000	Korea Treasury Bond	5.500	3/10/2028	878 0.90
			15,965	16.42
Malaysia Government Issues — 8.72%				
MYR 11,000	Malaysia Government Bond	3.700	5/15/2013	3,259 3.35
5,000	Malaysia Government Bond	4.378	11/29/2019	1,479 1.52
1,200	Malaysia Government Bond	5.248	9/15/2028	375 0.39
5,000	Malaysia Treasury Bill	zero coupon	3/12/2010	1,467 1.51
6,500	Malaysia Treasury Bill	zero coupon	5/14/2010	1,900 1.95
			8,480	8.72
Singapore Government Issues — 6.56%				
SGD 1,100	Singapore Government Bond	4.000	9/1/2018	867 0.89
1,100	Singapore Government Bond	2.500	6/1/2019	771 0.79
690	Singapore Government Bond	3.250	9/1/2020	504 0.52
2,100	Singapore Government Bond	3.500	3/1/2027	1,511 1.55
3,000	Singapore Treasury Bill	zero coupon	5/13/2010	2,132 2.19
850	Singapore Treasury Bill	zero coupon	5/27/2010	604 0.62
			6,389	6.56
Taiwan Government Issues — 11.50%				
TWD 45,000	Taiwan Government Bond	1.750	1/6/2011	1,419 1.46
25,000	Taiwan Government Bond	2.000	7/20/2011	797 0.82
30,000	Taiwan Government Bond	1.875	1/26/2012	963 0.99
150,000	Taiwan Government Bond	2.000	7/20/2013	4,895 5.04

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
100,000	Taiwan Government Bond	1.375	9/9/2019	3,098 3.19
			11,172	11.50
Thailand Government Issues — 3.45%				
THB 35,600	Thailand Government Bond	4.250	3/13/2013	1,126 1.16
32,000	Thailand Government Bond	5.125	3/13/2018	1,050 1.08
33,000	Thailand Government Bond	5.670	3/13/2028	1,177 1.21
			3,353	3.45
Total Foreign Bonds and Notes (Cost \$46,988)			47,813	49.17
Foreign Corporate Bonds and Notes — 1.48%				
SGD 250	CCT MTN Pte Ltd., Company Guaranteed	3.850	8/20/2010	180 0.19
750	OCBC Capital Corp., Bank Guaranteed *	5.100	Perpetual	547 0.56
1,000	Temasek Financial I Ltd., Notes	4.048	3/5/2035	714 0.73
Total Foreign Corporate Bonds and Notes (Cost \$1,416)			1,441	1.48
Total Return Swap — 11.62%				
Indonesia Government Issues — 11.62%				
IDR 10,000,000	Indonesia Government Bond ∞	12.000	9/15/2011	1,141 1.17
21,000,000	Indonesia Government Bond ∞	9.500	6/17/2015	2,341 2.41
28,000,000	Indonesia Government Bond ∞	10.750	5/15/2016	3,283 3.38
10,000,000	Indonesia Government Bond	9.000	9/15/2018	1,042 1.07
7,000,000	Indonesia Government Bond ∞	9.500	7/15/2023	705 0.72
17,000,000	Indonesia Treasury Bond, Counterparty HSBC	9.000	9/15/2018	1,777 1.83
10,000,000	Indonesia Treasury Bond, Counterparty USB AG	9.500	7/19/2023	1,009 1.04
Total Total Return Swap (Cost \$10,556)			11,298	11.62
U.S. Denominated Bonds and Notes — 23.05%				
Australia — 0.21%				
200	Leighton Finance International, Company Guaranteed	7.875	5/16/2011	199 0.21
Bermuda — 0.02%				
150	Asia Aluminum Holdings Ltd., Senior Secured * † ε	8.000	12/23/2011	18 0.02
British Virgin Islands — 0.21%				
200	Galaxy Entertainment Finance Co. Ltd., Company Guaranteed	9.875	12/15/2012	207 0.21
Canada — 0.17%				
150	Sino-Forest Corp., Company Guaranteed	10.250	7/28/2014	163 0.17
Cayman Islands — 2.25%				
100	Agile Property Holdings Ltd., Company Guaranteed	9.000	9/22/2013	104 0.11
430	Agile Property Holdings Ltd., Senior Unsecured	10.000	11/14/2016	441 0.45
600	Hutchison Whampoa International 09/16 Ltd., Company Guaranteed	4.625	9/11/2015	616 0.63
150	MGTI Finance Co. Ltd., Company Guaranteed	8.375	9/15/2010	151 0.16

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Asian Opportunities Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Denominated Bonds and Notes — (continued)									
Cayman Islands — (continued)									
350					215				
Parkson Retail Group Ltd., Company Guaranteed					Majapahit Holding BV, Company Guaranteed				
	7.125	5/30/2012	361	0.37		7.750	1/20/2020	223	0.23
500									
Swire Pacific MTN Financing Ltd., Company Guaranteed									
	5.500	8/19/2019	514	0.53					
				2,187	2.25				
<hr/>									
Hong Kong — 2.37%									
1,250									
Dah Sing Bank, Subordinated Notes									
	6.625	2/11/2020	1,251	1.29					
200									
HKCG Finance Ltd., Company Guaranteed									
	6.250	8/7/2018	218	0.22					
790									
Wharf Finance Ltd., Company Guaranteed									
	6.125	11/6/2017	837	0.86					
				2,306	2.37				
<hr/>									
India — 1.36%									
1,310									
ICICI Bank Ltd., Senior Unsecured									
	5.500	3/25/2015	1,321	1.36					
<hr/>									
Indonesia — 0.43%									
420									
Adaro Indonesia PT, Company Guaranteed									
	7.625	10/22/2019	417	0.43					
<hr/>									
Korea, Republic Of — 10.59%									
900									
Busan Bank, Subordinated *									
	6.000	10/30/2017	890	0.92					
900									
Export-Import Bank of Korea									
	5.875	1/14/2015	970	1.00					
650									
Industrial Bank of Korea, Senior Unsecured									
	7.125	4/23/2014	730	0.75					
170									
Kookmin Bank, Senior Unsecured									
	5.875	6/11/2012	180	0.18					
600									
Kookmin Bank, Covered									
	7.250	5/14/2014	674	0.69					
700									
Korea Development Bank									
	8.000	1/23/2014	812	0.83					
280									
Korea Expressway Corp.									
	4.500	3/23/2015	285	0.29					
1,190									
Korea Hydro & Nuclear Power Co. Ltd., Senior Unsecured									
	6.250	6/17/2014	1,307	1.34					
1,240									
Korea National Oil Corp., Senior Unsecured									
	5.375	7/30/2014	1,309	1.35					
400									
National Agricultural Cooperative Federation, Senior Notes									
	5.000	9/30/2014	415	0.43					
250									
Republic of Korea									
	5.750	4/16/2014	274	0.28					
300									
Shinsegae Co. Ltd., Senior Unsecured									
	6.125	6/27/2011	313	0.33					
1,560									
Woori Bank									
	7.000	2/2/2015	1,703	1.75					
400									
Woori Bank, Subordinated									
	7.630	4/14/2015	440	0.45					
				10,302	10.59				
<hr/>									
Malaysia — 2.21%									
1,000									
Malaysia Government International Bond, Bonds									
	7.500	7/15/2011	1,083	1.12					
1,050									
Petronas Capital Ltd.									
	5.250	8/12/2019	1,059	1.09					
				2,142	2.21				
<hr/>									
Netherlands — 0.58%									
330									
Listrindo Capital BV									
	9.250	1/29/2015	340	0.35					

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Asian Opportunities Fund

Portfolio of Investments as at February 28, 2010 – (continued)

ABBREVIATIONS:

Perpetual	– A bond with no maturity date. Perpetual bonds are not redeemable but pay a steady stream of interest.
CNY	– Chinese Renminbi
HKD	– Hong Kong Dollar
IDR	– Indonesian Rupiah
INR	– India Rupee
KRW	– South Korean Won
MYR	– Malaysian Ringgit
PHP	– Philippine Peso
SGD	– Singapore Dollar
THB	– Thai Baht
TWD	– Taiwanese Dollar
USD	– United States Dollar

ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FUTURES AND SWAPS WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	87.84
Financial Derivative Instruments	3.77
Collective Investment Scheme	0.95
Other assets	7.44
Total Assets	100.00

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) \$	Notional Value (000's) \$	Unrealised Gains (000's) \$	Unrealised Losses (000's) \$	Net Unrealised Gain/ (Loss) (000's) \$
KRW 3 Year Bond March 2010	82	7,694	7,820	59	–	59
U.S. 10 Year Note June 2010	(1)	117	117	–	(1)	(1)
U.S. 5 Year Note (CBT) June 2010	(134)	15,480	15,536	–	(55)	(55)
U.S. Long Bond (CBT) June 2010	(16)	1,867	1,883	–	(17)	(17)
Total Market Value of Future Contracts	(69)	\$25,158	\$25,356	\$59	\$(73)	\$(14)

Schedule of Currency Swaps

Counterparty	Floating Rate Index	Currency	Pay/Receive	Fixed Rate %	Expiration Date	Notional Amount (000's) \$	Value (000's) \$
HSBC Securities (USA), Inc.	6 Month USD – LIBOR	USD	Pay	0.44%	6/17/13	(2,022)	–
HSBC Securities (USA), Inc.	Fixed (CNY)	CNY	Receive	3.02%	6/17/13	13,811	279
HSBC Securities (USA) Inc.	6 Month USD – LIBOR	USD	Pay	0.38%	7/31/13	(1,500)	(1)
HSBC Securities (USA) Inc.	Fixed (PHP)	PHP	Receive	8.00%	7/31/13	66,195	64
UBS Ltd.	6 Month USD – LIBOR	USD	Pay	0.68%	9/10/13	(2,700)	–
UBS Ltd.	Fixed (CNY)	CNY	Receive	3.25%	9/10/13	18,475	401
Deutsche Bank Securities, Inc.	6 Month USD – LIBOR	USD	Pay	0.48%	6/9/14	(300)	–
Deutsche Bank Securities, Inc.	Fixed (PHP)	PHP	Receive	5.05%	6/9/14	14,199	(1)
							\$742
Interest Rate Swaps – Total Financial Assets at Fair Value							744
Interest Rate Swaps – Total Financial Liabilities at Fair Value							(2)
Interest Rate Swaps – Total Financial Assets and Liabilities at Fair Value							\$742

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Asian Opportunities Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Schedule of Interest Rate Swaps

Counterparty	Floating Rate Index	Pay/Receive	Fixed Rate %	Expiration Date	Notional Amount (000's) \$	Value (000's) \$
UBS Ltd.	O/N INR Mibor	Pay	3.35%	3/20/19	(62,120)	(115)
UBS Ltd.	Fixed (INR)	Receive	6.00%	3/20/19	62,120	(35)
Citigroup Global Markets	O/N INR MIBOR	Pay	3.35%	6/13/13	(130,000)	(48)
Citigroup Global Markets	Fixed (INR)	Receive	8.29%	6/13/13	130,000	205
JP Morgan Securities, Inc.	3 Month HKD – HIBOR	Pay	0.13%	7/31/13	(23,000)	(16)
JP Morgan Securities, Inc.	Fixed (KRW)	Receive	4.20%	7/31/13	23,000	268
Barclays Bank PLC	3 Month KRW – CD	Receive	2.79%	6/5/19	2,500,000	156
Barclays Bank PLC	Fixed (KRW)	Pay	3.99%	6/5/19	(2,500,000)	(77)
UBS Ltd.	3 Month HKD – HIBOR	Pay	0.13%	2/4/19	(10,000)	1
UBS Ltd.	Fixed (KRW)	Receive	2.35%	2/4/19	10,000	(90)
UBS Ltd.	CNY – CNRR007	Pay	1.48%	7/9/14	(13,000)	(1)
UBS Ltd.	Fixed (CNY)	Receive	3.01%	7/9/14	13,000	(43)
UBS Ltd.	CNY – CNRR007	Pay	1.48%	8/13/11	(20,000)	(4)
UBS Ltd.	Fixed (CNY)	Receive	2.47%	8/13/11	20,000	1
UBS Ltd.	3 Month HKD – HIBOR	Pay	0.13%	8/13/11	(20,000)	3
UBS Ltd.	Fixed (HKD)	Receive	1.40%	8/13/11	20,000	27
UBS Ltd.	3 Month HKD – HIBOR	Pay	0.13%	8/19/11	(20,000)	3
UBS Ltd.	Fixed (HKD)	Receive	1.30%	8/19/11	20,000	24
Barclays Bank PLC	O/N INR MIBOR	Pay	3.35%	8/24/11	(100,000)	(113)
Barclays Bank PLC	Fixed (INR)	Receive	5.18%	8/24/11	100,000	108
Barclays Bank PLC	3 Month KRW	Receive	2.77%	10/6/19	1,000,000	10
Barclays Bank PLC	Fixed (KRW)	Pay	4.54%	10/6/19	(1,000,000)	(14)
Barclays Bank PLC	3 Month HKD – HIBOR	Pay	0.18%	10/30/14	(12,000)	2
Barclays Bank PLC	Fixed (HKD)	Receive	2.47%	10/30/14	12,000	16
Barclays Bank PLC	3 Month CNY	Pay	1.48%	10/30/14	(12,000)	(1)
Barclays Bank PLC	Fixed (CNY)	Receive	3.65%	10/30/14	12,000	(1)
Barclays Bank PLC	Fixed (KRW)	Receive	2.79%	12/1/18	3,000,000	6
Barclays Bank PLC	3 Month KRW	Pay	4.37%	12/1/18	(3,000,000)	9
Barclays Bank PLC	O/N INR MIBOR	Pay	3.30%	1/22/20	(60,000)	(4)
Barclays Bank PLC	Fixed (INR)	Receive	7.52%	1/22/20	60,000	(14)
UBS Ltd.	3 Month HKD – HIBOR	Pay	0.15%	1/22/20	(10,000)	(1)
UBS Ltd.	Fixed (HKD)	Receive	3.62%	1/22/20	10,000	36
UBS Ltd.	O/N INR MIBOR	Pay	3.30%	1/29/20	(60,000)	(10)
UBS Ltd.	Fixed (INR)	Receive	7.48%	1/29/20	60,000	(13)
UBS Ltd.	O/N INR MIBOR	Pay	3.31%	2/2/20	(60,000)	(8)
UBS Ltd.	Fixed (INR)	Receive	7.45%	2/2/20	60,000	(24)
						\$243
Interest Rate Swaps – Total Financial Assets at Fair Value						875
Interest Rate Swaps – Total Financial Liabilities at Fair Value						(632)
Interest Rate Swaps – Total Financial Assets and Liabilities at Fair Value						\$243

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Global Blue Chip Bond Fund [^]

Portfolio of Investments as at February 28, 2010

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value	Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value			
Foreign Bonds and Notes — 32.90%					1,630		Baker Hughes, Inc.	7.500	11/15/2018	1,977	1.19	
British Pound Sterling Bonds — 2.98%					1,955		Bank of America Corp., Senior Unsecured	7.625	6/1/2019	2,211	1.33	
GBP	350	BG Energy Capital PLC	5.125	12/7/2017	555	0.33	400	BB&T Corp.	6.850	4/30/2019	454	0.27
	920	Centrica PLC, Senior Unsecured	5.125	12/10/2014	1,475	0.89	1,240	Boeing Capital Corp., Senior Unsecured	4.700	10/27/2019	1,248	0.75
	800	Safeway Ltd., Senior Unsecured	6.000	1/10/2017	1,320	0.80	1,400	The Boeing Co.	6.000	3/15/2019	1,545	0.93
	700	Scottish & Southern Energy PLC, Senior Unsecured	5.750	2/5/2014	1,145	0.69	1,090	Bristol-Myers Squibb Co.	5.450	5/1/2018	1,182	0.71
	290	Unilever PLC, Company Guaranteed	4.750	6/16/2017	454	0.27	1,110	Carolina Power & Light Co., First Mortgage	5.300	1/15/2019	1,175	0.71
					4,949	2.98	1,010	Caterpillar Financial Services Corp.	5.450	4/15/2018	1,077	0.65
Euro Bonds — 29.92%					1,590		Cellco Partnership / Verizon Wireless Capital LLC, Senior Unsecured	8.500	11/15/2018	2,003	1.21	
EUR	50	Air Liquide S.A.	5.000	3/22/2013	73	0.04	1,210	Cisco Systems, Inc.	4.950	2/15/2019	1,260	0.76
	3,700	Bank of America Corp., Senior Notes	7.000	6/15/2016	5,698	3.43	210	Citigroup, Inc., Senior Unsecured	6.375	8/12/2014	223	0.13
	750	BASF Finance Europe NV	5.125	6/9/2015	1,127	0.68	140	Citigroup, Inc., Senior Unsecured	6.010	1/15/2015	146	0.09
	650	BG Energy Capital PLC, Company Guaranteed	3.375	7/15/2013	914	0.55	1,000	Citigroup, Inc., Unsecured	8.500	5/22/2019	1,154	0.70
	850	BHP Billiton Finance Ltd.	6.375	4/4/2016	1,353	0.82	660	Coca-Cola Enterprises, Inc.	7.375	3/3/2014	776	0.47
	270	Citigroup, Inc., Senior Unsecured	7.375	6/16/2014	407	0.24	970	Coca-Cola Enterprises, Inc.	4.500	8/15/2019	989	0.60
	4,000	Citigroup, Inc., Senior Unsecured	7.375	9/4/2019	6,004	3.62	2,488	ConocoPhillips	5.750	2/1/2019	2,731	1.64
	705	E.ON International Finance BV	5.500	10/2/2017	1,076	0.65	844	Costco Wholesale Corp.	5.500	3/15/2017	939	0.57
	800	EDP Finance BV	4.750	9/26/2016	1,138	0.69	1,070	El Du Pont de Nemours & Co., Senior Unsecured	6.000	7/15/2018	1,189	0.72
	750	France Telecom S.A., Senior Unsecured	4.750	2/21/2017	1,101	0.66	938	Eli Lilly & Co.	5.200	3/15/2017	1,016	0.61
	1,121	GDF Suez	5.625	1/18/2016	1,718	1.03	1,440	EOG Resources, Inc., Senior Unsecured	5.625	6/1/2019	1,568	0.94
	1,950	The Goldman Sachs Group, Inc., Senior Unsecured	5.125	10/23/2019	2,681	1.61	539	General Electric Capital Corp., Senior Unsecured	5.625	5/1/2018	554	0.33
	780	Hutchison Whampoa Finance 03/13 Ltd., Company Guaranteed	5.875	7/8/2013	1,151	0.69	3,300	General Electric Capital Corp., Senior Unsecured	5.500	1/8/2020	3,319	2.00
	3,100	International Bank for Reconstruction & Development, Senior Unsecured	3.875	5/20/2019	4,378	2.64	1,740	GlaxoSmithKline Capital, Inc., Company Guaranteed	5.650	5/15/2018	1,903	1.14
	360	Lloyds TSB Bank PLC, Notes	6.375	6/17/2016	529	0.32	3,968	The Goldman Sachs Group, Inc., Senior Unsecured	7.500	2/15/2019	4,541	2.74
	4,450	Lloyds TSB Bank PLC, Senior Unsecured	5.375	9/3/2019	6,021	3.63	1,300	Hewlett-Packard Co.	5.500	3/1/2018	1,415	0.85
	3,600	Morgan Stanley	5.500	10/2/2017	5,069	3.05	7,600	Inter-American Development Bank	3.875	9/17/2019	7,611	4.58
	700	National Grid Electricity Transmission PLC, Senior Unsecured	6.625	1/28/2014	1,084	0.65	1,260	International Business Machines Corp., Senior Unsecured	7.625	10/15/2018	1,560	0.94
	250	The Royal Bank of Scotland PLC	5.750	5/21/2014	358	0.22	358	JPMorgan Chase & Co.	6.300	4/23/2019	397	0.24
	520	The Royal Bank of Scotland PLC, Senior Unsecured	4.875	1/20/2017	693	0.42	650	Kimberly-Clark Corp.	7.500	11/1/2018	802	0.48
	4,400	The Royal Bank of Scotland PLC, Senior Unsecured	5.375	9/30/2019	5,872	3.54	2,610	MetLife, Inc.	6.750	6/1/2016	2,900	1.75
	250	Vattenfall AB	6.250	3/17/2021	401	0.24	1,200	Morgan Stanley	7.300	5/13/2019	1,327	0.80
	500	Vattenfall Treasury AB	6.750	1/31/2019	823	0.50	1,360	PepsiCo., Inc.	5.000	6/1/2018	1,443	0.87
					49,669	29.92	1,370	PepsiCo., Inc.	4.500	1/15/2020	1,392	0.84
					54,618	32.90	1,422	Pfizer, Inc., Senior Unsecured	6.200	3/15/2019	1,605	0.97
							1,840	Philip Morris International, Inc.	5.650	5/16/2018	1,989	1.20
							870	Roche Holdings, Inc., Company Guaranteed, 144A	6.000	3/1/2019	962	0.58
							2,460	United Technologies Corp.	6.125	2/1/2019	2,776	1.67
							634	Verizon Communications, Inc., Senior Unsecured	8.750	11/1/2018	800	0.48
							5,175	Wachovia Corp., Senior Unsecured	5.750	2/1/2018	5,459	3.29
							1,120	Walgreen Co., Senior Unsecured	5.250	1/15/2019	1,197	0.72
U.S. Corporate Bonds and Notes — 46.83%												
	1,180	American Express Credit Corp., Senior Unsecured	5.125	8/25/2014	1,258	0.76						
	2,295	Apache Corp.	6.900	9/15/2018	2,719	1.64						
	2,564	AT&T, Inc., Senior Unsecured	5.800	2/15/2019	2,742	1.65						

[^] Not authorised in Hong Kong and not available to Hong Kong residents. The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Global Blue Chip Bond Fund [^]

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)				
910 Wal-Mart Stores, Inc.	4.500	7/1/2015	988	0.60
1,102 Wyeth Corp.	5.450	4/1/2017	1,212	0.73
Total U.S. Corporate Bonds and Notes (Cost \$76,369)			77,734	46.83
U.S. Denominated Bonds and Notes — 15.06%				
Australia — 0.33%				
480 BHP Billiton Finance USA Ltd., Company Guaranteed	6.500	4/1/2019	552	0.33
Bermuda — 0.60%				
944 Novartis Securities Investment Ltd., Company Guaranteed	5.125	2/10/2019	996	0.60
France — 0.25%				
390 France Telecom S.A.	5.375	7/8/2019	413	0.25
Luxembourg — 7.02%				
10,450 European Investment Bank	5.125	5/30/2017	11,652	7.02
United Kingdom — 6.86%				
1,195 AstraZeneca PLC	5.900	9/15/2017	1,354	0.81
7,000 Barclays Bank PLC	5.125	1/8/2020	6,873	4.14
1,310 Diageo Capital PLC, Company Guaranteed	5.750	10/23/2017	1,424	0.86
1,300 Lloyds TSB Bank PLC	5.800	1/13/2020	1,258	0.76
480 The Royal Bank of Scotland PLC	4.875	8/25/2014	485	0.29
			11,394	6.86
Total U.S. Denominated Bonds and Notes (Cost \$24,985)			25,007	15.06
U.S. Treasury Obligations — 0.58% (Cost \$962)				
USD 990 U.S. Treasury Bond	3.125	5/15/2019	959	0.58
Total Investments (Cost \$158,867)			158,318	95.37
Other Assets in Excess of Liabilities			7,694	4.63
Total Net Assets			\$166,012	100.00

144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$962,266 or 0.58% of net assets.

ABBREVIATIONS:

EUR – Euro
GBP – British Pound
USD – United States Dollar

ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FUTURES WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	81.88
Financial Derivative Instruments	(0.67)
Other assets	18.79
Total Assets	100.00

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Legg Mason Western Asset Global Blue Chip Bond Fund [^]

Portfolio of Investments as at February 28, 2010 – *(continued)*

Schedule of Futures Contracts

	Nominal Value	Notional Cost (000's) \$	Notional Value (000's) \$	Unrealised Gains (000's) \$	Unrealised Losses (000's) \$	Net Unrealised Gain/ (Loss) (000's) \$
Euro-Bund March 2010	(221)	40,099	37,451	–	(387)	(387)
Long Gilt June 2010	(21)	3,652	3,663	–	(50)	(50)
U.S. 10 Year Note June 2010	186	21,545	21,852	306	–	306
Total Market Value of Future Contracts	(56)	\$65,296	\$62,966	\$306	\$(437)	\$(131)

[^] Not authorised in Hong Kong and not available to Hong Kong residents.
The accompanying notes are an integral part of the Financial Statements

Legg Mason Brandywine Global Fixed Income Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
U.S. Corporate Bonds and Notes — (continued)				
Insurance — 0.77%				
USD	2,565	Berkshire Hathaway Finance Corp., Company Guaranteed	5.400 5/15/2018	2,741 0.77
Media — 3.89%				
USD	1,095	Comcast Corp., Company Guaranteed	6.450 3/15/2037	1,123 0.32
	3,785	Comcast Corp., Company Guaranteed	6.950 8/15/2037	4,088 1.15
	1,285	Comcast Corp., Company Guaranteed	6.550 7/1/2039	1,342 0.38
	6,395	Time Warner Cable, Inc., Company Guaranteed	7.300 7/1/2038	7,253 2.04
				13,806 3.89
Oil & Gas — 0.64%				
USD	2,040	ConocoPhillips, Company Guaranteed ~	6.500 2/1/2039	2,292 0.64
Pharmaceuticals — 1.10%				
USD	3,500	GlaxoSmithKline Capital, Inc., Company Guaranteed	6.375 5/15/2038	3,903 1.10
Software — 1.16%				
USD	3,713	Oracle Corp., Senior Unsecured	6.500 4/15/2038	4,126 1.16
Telecommunications — 2.87%				
USD	5,760	AT&T, Inc., Senior Unsecured	6.400 5/15/2038	5,920 1.67
	4,155	Cisco Systems, Inc., Notes	5.900 2/15/2039	4,260 1.20
				10,180 2.87
Total U.S. Corporate Bonds and Notes (Cost \$79,396)			84,631	23.85
U.S. Denominated Bonds and Notes — 3.90%				
Korea, Republic Of — 0.88%				
	2,685	Korea Development Bank	8.000 1/23/2014	3,116 0.88
Luxembourg — 1.92%				
	3,177	Tyco Electronics Group S.A., Company Guaranteed	6.550 10/1/2017	3,496 0.98
	3,085	Tyco Electronics Group S.A., Company Guaranteed	7.125 10/1/2037	3,339 0.94
				6,835 1.92
Netherlands — 1.10%				
	3,490	Shell International Finance BV, Company Guaranteed	6.375 12/15/2038	3,896 1.10
Total U.S. Denominated Bonds and Notes (Cost \$12,538)			13,847	3.90
U.S. Treasury Obligations — 7.89%				
USD	8,360	U.S. Treasury Bond	5.375 2/15/2031	9,456 2.67

Face Value (000's)	Coupon Rate %	Maturity Date	Value (000's) \$	% of Net Asset Value
18,525		U.S. Treasury Bond	4.500 5/15/2038	18,522 5.22
				27,978 7.89
Total U.S. Treasury Obligations (Cost \$30,586)			27,978	7.89
Total Investments (Cost \$354,665)			346,875	97.76
Other Assets in Excess of Liabilities			7,932	2.24
Total Net Assets			\$354,807	100.00

– Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.

144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$29,999,578 or 8.46% of net assets.

* Variable rate security. The interest rate shown reflects the rate in effect at February 28, 2010

~ Security on loan as at February 28, 2010. Security lending earned for the year ended February 28, 2010 was \$1.50.

ABBREVIATIONS:

AUD – Australian Dollar
 CAD – Canadian Dollar
 EUR – Euro
 GBP – British Pound
 MXN – Mexican Peso
 MYR – Malaysian Ringgit
 NZD – New Zealand Dollar
 PLN – Polish Zloty
 SEK – Swedish Krona
 USD – United States Dollar
 ZAR – South African Rand

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	94.83
Financial Derivative Instruments	(1.04)
Other assets	6.21
Total Assets	100.00

Legg Mason Capital Management Value Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 96.53%		
Basic Materials — 0.80%		
107 Nucor Corp.	4,446	0.80
Communications — 19.46%		
121 Amazon.Com, Inc.	14,339	2.60
707 Cisco Systems, Inc.	17,204	3.11
260 DirectV, Class A	8,794	1.59
803 eBay, Inc.	18,484	3.34
22 Google, Inc., Class A	11,827	2.14
76 Qualcomm, Inc.	2,788	0.50
139 Time Warner Cable, Inc.	6,499	1.17
527 Time Warner, Inc.	15,293	2.77
810 Yahoo!, Inc.	12,395	2.24
	107,623	19.46
Consumer, Cyclical — 6.24%		
356 JC Penney Co., Inc.	9,810	1.78
185 Sears Holdings Corp.	17,662	3.19
208 Yum! Brands, Inc.	7,021	1.27
	34,493	6.24
Consumer, Non-cyclical — 14.59%		
586 Aetna, Inc.	17,564	3.18
243 Amgen, Inc.	13,750	2.49
130 Apollo Group, Inc., Class A	7,761	1.40
41 Avon Products, Inc.	1,233	0.22
181 Genzyme Corp.	10,325	1.87
120 Medtronic, Inc.	5,208	0.94
231 Merck & Co., Inc.	8,512	1.54
53 PepsiCo, Inc.	3,323	0.60
385 UnitedHealth Group, Inc.	13,029	2.35
	80,705	14.59
Energy — 1.66%		
129 Chesapeake Energy Corp.	3,436	0.62
120 ConocoPhillips	5,755	1.04
	9,191	1.66
Financial — 26.97%		
432 Aflac, Inc.	21,338	3.86
236 The Allstate Corp.	7,365	1.33
203 American Express Co.	7,760	1.40
851 Bank of America Corp.	14,171	2.56
445 Capital One Financial Corp.	16,817	3.04
18 CME Group, Inc.	5,400	0.98
87 The Goldman Sachs Group, Inc.	13,540	2.45
312 JPMorgan Chase & Co.	13,099	2.37
437 NYSE Euronext	11,523	2.08
168 Prudential Financial, Inc.	8,789	1.59
374 State Street Corp.	16,814	3.04
458 Wells Fargo & Co.	12,527	2.27
	149,143	26.97
Industrial — 4.89%		
64 The Boeing Co.	4,048	0.73
2,205 Eastman Kodak Co.	13,098	2.37

Shares (000's)	Value (000's) \$	% of Net Asset Value
616 General Electric Co.	9,887	1.79
	27,033	4.89
Technology — 15.93%		
737 CA, Inc.	16,578	3.00
224 Electronic Arts, Inc.	3,706	0.67
375 EMC Corp.	6,564	1.19
344 Hewlett-Packard Co.	17,487	3.16
140 International Business Machines Corp.	17,764	3.21
359 Microsoft Corp.	10,295	1.86
644 Texas Instruments, Inc.	15,701	2.84
	88,095	15.93
Utilities — 5.99%		
2,831 The AES Corp.	33,100	5.99
Total Common Stock (Cost \$538,673)		
	533,829	96.53
Total Investments (Cost \$538,673)		
	533,829	96.53
Other Assets in Excess of Liabilities		
	19,168	3.47
Total Net Assets		
	\$552,997	100.00
ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.		
Analysis of Total Assets (Unaudited)		% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market		95.53
Other assets		4.47
Total Assets		
		100.00

The accompanying notes are an integral part of the Financial Statements

Legg Mason Capital Management Growth Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 99.53%		
Basic Materials — 1.92%		
14 Monsanto Co.	982	1.92
Communications — 21.11%		
16 Amazon.Com, Inc.	1,918	3.75
86 Cisco Systems, Inc.	2,095	4.10
2 Google, Inc., Class A	980	1.92
117 Nokia Oyj, ADR	1,570	3.07
46 Qualcomm, Inc.	1,673	3.28
73 Rackspace Hosting, Inc.	1,452	2.84
72 Yahoo!, Inc.	1,096	2.15
	10,784	21.11
Consumer, Cyclical — 6.26%		
16 Costco Wholesale Corp.	975	1.91
18 NIKE, Inc., Class B	1,210	2.37
30 Yum! Brands, Inc.	1,015	1.98
	3,200	6.26
Consumer, Non-cyclical — 32.73%		
36 Allergan, Inc.	2,074	4.06
23 Diageo PLC, ADR	1,501	2.94
39 Genzyme Corp.	2,225	4.35
48 Medtronic, Inc.	2,096	4.10
54 Paychex, Inc.	1,629	3.19
35 PepsiCo, Inc.	2,162	4.23
27 The Procter & Gamble Co.	1,715	3.36
64 Quanta Services, Inc.	1,221	2.39
40 Stryker Corp.	2,098	4.11
	16,721	32.73
Energy — 5.30%		
30 Chesapeake Energy Corp.	784	1.54
33 Halliburton Co.	980	1.92
12 Transocean Ltd.	942	1.84
	2,706	5.30
Financial — 8.11%		
31 Aflac, Inc.	1,543	3.02
42 American Express Co.	1,585	3.10
37 Wells Fargo & Co.	1,017	1.99
	4,145	8.11
Industrial — 8.63%		
34 Expeditors International of Washington, Inc.	1,233	2.41
17 Goodrich Corp.	1,109	2.17
45 Nalco Holding Co.	1,044	2.05
15 United Technologies Corp.	1,023	2.00
	4,409	8.63
Technology — 15.47%		
8 Apple, Inc.	1,565	3.06
42 Autodesk, Inc.	1,180	2.31
118 EMC Corp.	2,071	4.06
70 Microsoft Corp.	2,009	3.93

Shares (000's)	Value (000's) \$	% of Net Asset Value
38 Red Hat, Inc.	1,077	2.11
	7,902	15.47
Total Common Stock (Cost \$44,421)	50,849	99.53
Total Investments (Cost \$44,421)	50,849	99.53
Other Assets in Excess of Liabilities	238	0.47
Total Net Assets	\$51,087	100.00

– Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.

ABBREVIATIONS:

ADR – American Depository Receipt

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	99.17
Other assets	0.83
Total Assets	100.00

Legg Mason Capital Management Opportunity Fund [^]

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 93.79%		
Airlines — 9.99%		
123 Delta Air Lines, Inc.	1,595	3.72
157 UAL Corp.	2,686	6.27
	4,281	9.99
Biotechnology — 0.53%		
8 Human Genome Sciences, Inc.	228	0.53
Building Materials — 0.60%		
52 Broadwind Energy, Inc.	256	0.60
Commercial Services — 1.98%		
61 Monster Worldwide, Inc.	846	1.98
Financial Services – Diversified — 8.76%		
19 Aflac, Inc.	957	2.23
21 Apollo Investment Corp.	250	0.59
44 Ares Capital Corp.	570	1.33
18 Prudential Financial, Inc.	931	2.17
78 SLM Corp.	875	2.04
9 Solar Capital Ltd.	172	0.40
	3,755	8.76
Financials – Banks — 8.66%		
113 Bank of America Corp.	1,880	4.39
479 Citigroup, Inc.	1,629	3.80
71 Synovus Financial Corp.	204	0.47
	3,713	8.66
Healthcare – Services — 1.04%		
13 CIGNA Corp.	446	1.04
Home Builders — 4.83%		
51 Lennar Corp., Class A	831	1.94
56 Pulte Homes, Inc.	605	1.41
28 Ryland Group, Inc.	633	1.48
	2,069	4.83
Hotels, Restaurants & Leisure — 3.89%		
84 Boyd Gaming Corp.	639	1.49
22 International Game Technology	386	0.90
61 MGM Mirage	641	1.50
	1,666	3.89
Industrial Conglomerates — 5.96%		
377 Eastman Kodak Co.	2,238	5.22
37 L-1 Identity Solutions, Inc.	319	0.74
	2,557	5.96
Insurance — 18.97%		
121 Assured Guaranty Ltd.	2,559	5.97
96 Genworth Financial, Inc., Class A	1,533	3.58
68 Hartford Financial Services Group, Inc.	1,657	3.87
73 MGIC Investment Corp.	562	1.31
99 XL Capital Ltd., Class A	1,816	4.24
	8,127	18.97

Shares (000's)	Value (000's) \$	% of Net Asset Value
Internet Software & Services — 10.86%		
8 Amazon.Com, Inc.	970	2.26
29 CA, Inc.	659	1.54
53 Expedia, Inc.	1,185	2.77
95 Market Leader, Inc.	180	0.42
40 Red Hat, Inc.	1,114	2.60
35 Yahoo!, Inc.	543	1.27
	4,651	10.86
Pharmaceuticals — 1.56%		
67 MannKind Corp.	670	1.56
Telecommunications — 12.22%		
1,124 Level 3 Communications, Inc.	1,786	4.17
48 NII Holdings, Inc.	1,803	4.20
495 Sprint Nextel Corp.	1,649	3.85
	5,238	12.22
Utilities — 3.94%		
144 The AES Corp.	1,687	3.94
Total Common Stock (Cost \$37,878)	40,190	93.79

Face Value (000's)	Coupon Rate	Maturity Date	Value (000's) \$	% of Net Asset Value
Corporate Bonds and Notes — 0.46%				
Real Estate — 0.46%				
288 Realogy Corp., company guaranteed, Series .000000	12.375%	4/15/2015	197	0.46
Total Corporate Bonds and Notes (Cost \$172)			197	0.46
Closed-end Funds — 1.21%				
78 AP Alternative Assets LP			519	1.21
Total Closed-end Funds (Cost \$544)			519	1.21
Preferred Stock — 2.32%				
Financials – Banks — 2.32%				
7 Fifth Third Bancorp.			995	2.32
Total Preferred Stock (Cost \$934)			995	2.32
Warrant — 1.32%				
Financial – Banks — 1.32%				
42 JPMorgan Chase & Co., Series CW18			565	1.32
Total Warrant (Cost \$496)			565	1.32
Total Investments (Cost \$40,024)			42,466	99.10
Other Assets in Excess of Liabilities			387	0.90
Total Net Assets			\$42,853	100.00

[^] Not authorised in Hong Kong and not available to Hong Kong residents.
The accompanying notes are an integral part of the Financial Statements

Legg Mason Capital Management Opportunity Fund [^]

Portfolio of Investments as at February 28, 2010 – *(continued)*

**ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR
TRADED ON A REGULATED MARKET.**

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	98.74
Other assets	1.26
Total Assets	100.00

[^] Not authorised in Hong Kong and not available to Hong Kong residents.
The accompanying notes are an integral part of the Financial Statements

Legg Mason ClearBridge US Appreciation Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 92.20%		
Aerospace and Defence — 4.46%		
3 The Boeing Co.	191	0.24
15 Honeywell International, Inc.	595	0.75
22 Raytheon Co.	1,213	1.53
22 United Technologies Corp.	1,530	1.94
	3,529	4.46
Air Freight & Logistics — 1.41%		
19 United Parcel Service, Inc., Class B	1,112	1.41
Beverages — 1.32%		
7 The Coca-Cola Co.	368	0.46
11 PepsiCo, Inc.	679	0.86
	1,047	1.32
Biotechnology — 0.84%		
12 Amgen, Inc.	662	0.84
Chemicals — 4.19%		
30 Celanese Corp., Series A	939	1.19
9 Ecolab, Inc.	388	0.49
11 El Du Pont de Nemours & Co.	364	0.46
8 Monsanto Co.	575	0.73
17 PPG Industries, Inc.	1,048	1.32
	3,314	4.19
Commercial Services & Supplies — 0.46%		
19 Quanta Services, Inc.	362	0.46
Commodity Fund — 0.92%		
7 SPDR Gold Trust	727	0.92
Communications Equipment — 2.61%		
67 Cisco Systems, Inc.	1,622	2.05
12 Qualcomm, Inc.	448	0.56
	2,070	2.61
Computers & Peripherals — 3.05%		
5 Apple, Inc.	922	1.17
23 EMC Corp.	404	0.51
9 International Business Machines Corp.	1,082	1.37
	2,408	3.05
Diversified Telecommunication Services — 1.74%		
55 AT&T, Inc.	1,373	1.74
Electric Utilities — 0.83%		
30 NRG Energy, Inc.	658	0.83
Energy – Alternative Sources — 0.42%		
20 Covanta Holding Corp.	334	0.42
Energy Equipment & Services — 0.15%		
2 Schlumberger Ltd.	116	0.15
Environmental Control — 1.89%		
45 Waste Management, Inc.	1,493	1.89

Shares (000's)	Value (000's) \$	% of Net Asset Value
Financials – Banks — 4.02%		
69 Bank of America Corp.	1,157	1.46
9 The Bank of New York Mellon Corp.	265	0.34
31 JPMorgan Chase & Co.	1,306	1.65
16 Wells Fargo & Co.	450	0.57
	3,178	4.02
Financials – Diversified — 1.84%		
36 The Charles Schwab Corp.	667	0.84
9 Visa, Inc., Class A	793	1.00
	1,460	1.84
Food & Staples Retailing — 3.53%		
11 CVS Caremark Corp.	375	0.48
45 Wal-Mart Stores, Inc.	2,410	3.05
	2,785	3.53
Food Products — 3.16%		
10 General Mills, Inc.	700	0.89
15 HJ Heinz Co.	684	0.87
39 Kraft Foods, Inc., Class A	1,110	1.40
	2,494	3.16
Hotels, Restaurants & Leisure — 1.92%		
25 Burger King Holdings, Inc.	453	0.57
22 Marcus Corp.	263	0.33
13 McDonald's Corp.	805	1.02
	1,521	1.92
Household Products — 3.49%		
18 Kimberly-Clark Corp.	1,094	1.38
26 The Procter & Gamble Co.	1,669	2.11
	2,763	3.49
Industrial Conglomerates — 5.30%		
12 3M Co.	977	1.24
9 Eaton Corp.	595	0.75
79 General Electric Co.	1,272	1.61
25 McDermott International, Inc.	563	0.71
22 Tyco International Ltd.	781	0.99
	4,188	5.30
Insurance — 5.17%		
– Berkshire Hathaway, Inc., Class A	1,318	1.66
53 The Travelers Cos, Inc.	2,773	3.51
	4,091	5.17
Internet Software & Services — 2.94%		
3 Amazon.Com, Inc.	298	0.38
13 eBay, Inc.	304	0.38
2 Google, Inc., Class A	1,028	1.30
28 VeriSign, Inc.	693	0.88
	2,323	2.94
Media — 3.81%		
20 Cablevision Systems Corp., Class A	487	0.62

The accompanying notes are an integral part of the Financial Statements

Legg Mason ClearBridge US Appreciation Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)		
Media — (continued)		
63 Comcast Corp., Class A	1,038	1.31
48 The Walt Disney Co.	1,485	1.88
	3,010	3.81
Oil, Gas & Consumable Fuels — 9.30%		
16 BP PLC, ADR	851	1.07
6 Cenovus Energy, Inc.	140	0.18
76 El Paso Corp.	799	1.01
4 EnCana Corp.	122	0.15
37 Exxon Mobil Corp.	2,394	3.03
21 Newfield Exploration Co.	1,057	1.34
24 PetroHawk Energy Corp.	519	0.66
6 Petroleo Brasileiro S.A., ADR	255	0.32
38 Spectra Energy Corp.	824	1.04
24 Weatherford International Ltd.	396	0.50
	7,357	9.30
Pharmaceuticals — 9.13%		
20 Abbott Laboratories	1,108	1.40
12 AmerisourceBergen Corp.	333	0.42
22 Bristol-Myers Squibb Co.	544	0.69
40 Johnson & Johnson	2,497	3.16
14 Merck & Co., Inc.	534	0.68
22 Novartis AG, ADR	1,228	1.55
38 Pfizer, Inc.	661	0.84
– Roche Holding AG, ADR	2	–
2 Roche Holding AG	309	0.39
	7,216	9.13
Real Estate Management & Development — 3.26%		
74 Annaly Capital Management, Inc.	1,363	1.73
200 Chimera Investment Corp.	800	1.01
34 Forest City Enterprises, Inc., Class A	409	0.52
	2,572	3.26
Semiconductors & Semiconductor Equipment — 1.73%		
52 Intel Corp.	1,067	1.35
12 Texas Instruments, Inc.	301	0.38
	1,368	1.73
Software — 5.85%		
20 Automatic Data Processing, Inc.	852	1.08
8 Citrix Systems, Inc.	338	0.42
13 Hewlett-Packard Co.	681	0.86
66 Microsoft Corp.	1,890	2.39
35 Oracle Corp.	868	1.10
	4,629	5.85
Specialty Retail — 1.92%		
29 Home Depot, Inc.	915	1.16
23 Staples, Inc.	603	0.76
	1,518	1.92
Telecommunications — 1.15%		
9 American Tower Corp., Class A	385	0.49

Shares (000's)	Value (000's) \$	% of Net Asset Value
18 Verizon Communications, Inc.	521	0.66
	906	1.15
Transportation — 0.39%		
6 Norfolk Southern Corp.	310	0.39
Total Common Stock (Cost \$66,049)	72,894	92.20
Total Investments (Cost \$66,049)	72,894	92.20
Other Assets in Excess of Liabilities	6,165	7.80
Total Net Assets	\$79,059	100.00

– Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.

ABBREVIATIONS:

ADR – American Depository Receipt

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	91.09
Other Assets	8.91
Total Assets	100.00

The accompanying notes are an integral part of the Financial Statements

Legg Mason ClearBridge US Fundamental Value Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value	Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 99.46%			Insurance — 3.08%		
Aerospace & Defense — 5.26%			22 Allied World Assurance Co. Holdings Ltd. 991 0.91		
25 The Boeing Co.	1,604	1.47	47 Chubb Corp.	2,362	2.17
45 Honeywell International, Inc.	1,791	1.65		3,353	3.08
38 Northrop Grumman Corp.	2,326	2.14	Internet Software & Services — 2.48%		
	5,721	5.26	117 eBay, Inc.	2,697	2.48
Capital Markets — 5.82%			Leisure & Lodgings — 0.30%		
15 Franklin Resources, Inc.	1,485	1.37	12 Marriott International, Inc., Class A	328	0.30
79 Morgan Stanley	2,238	2.06	Leisure Equipment & Products — 0.85%		
58 State Street Corp.	2,603	2.39	42 Mattel, Inc.	924	0.85
- Teton Advisors, Inc., Class A	1	-	Life Sciences & Tools — 0.51%		
	6,327	5.82	105 Enzo Biochem, Inc.	550	0.51
Commercial Banks — 1.58%			Machinery — 4.93%		
154 KeyCorp.	1,102	1.01	17 AGCO Corp.	570	0.52
122 Mitsubishi UFJ Financial Group, Inc.	617	0.57	39 Deere & Co.	2,262	2.08
	1,719	1.58	28 Dover Corp.	1,289	1.18
Communications Equipment — 4.76%			21 Parker Hannifin Corp.	1,249	1.15
120 Cisco Systems, Inc.	2,918	2.68		5,370	4.93
226 Telefonaktiebolaget LM Ericsson, ADR	2,259	2.08	Media — 2.71%		
	5,177	4.76	94 The Walt Disney Co.	2,949	2.71
Diversified Telecommunication Services — 1.31%			Metals & Mining — 3.72%		
57 AT&T, Inc.	1,418	1.31	15 BHP Billiton Ltd., ADR	1,066	0.98
Energy Equipment & Services — 7.14%			24 Nucor Corp.	981	0.90
40 Baker Hughes, Inc.	1,938	1.78	38 United States Steel Corp.	1,996	1.84
74 Halliburton Co.	2,233	2.05		4,043	3.72
34 Schlumberger Ltd.	2,061	1.90	Oil, Gas & Consumable Fuels — 8.22%		
92 Weatherford International Ltd.	1,535	1.41	34 Anadarko Petroleum Corp.	2,412	2.22
	7,767	7.14	1,275 Berkley Resources, Inc.	121	0.11
Engineering & Construction — 1.63%			38 ConocoPhillips	1,819	1.67
21 Fluor Corp.	907	0.83	32 Devon Energy Corp.	2,211	2.03
9 Jacobs Engineering Group, Inc.	347	0.32	37 Hess Corp.	2,153	1.98
26 Tutor Perini Corp.	520	0.48	4 Murphy Oil Corp.	227	0.21
	1,774	1.63		8,943	8.22
Financials – Diversified — 6.37%			Paper & Forest Products — 0.97%		
207 Bank of America Corp.	3,442	3.16	26 Weyerhaeuser Co.	1,056	0.97
83 JPMorgan Chase & Co.	3,487	3.21	Pharmaceuticals — 8.44%		
	6,929	6.37	28 GlaxoSmithKline PLC, ADR	1,028	0.95
Food & Staples Retailing — 3.39%			37 Johnson & Johnson	2,317	2.13
148 Safeway, Inc.	3,689	3.39	82 Merck & Co., Inc.	3,018	2.77
Food Products — 1.56%			51 Novartis AG, ADR	2,818	2.59
58 Unilever PLC, ADR	1,699	1.56		9,181	8.44
Hotels, Restaurants & Leisure — 1.04%			Professional Services — 0.28%		
31 Carnival Corp.	1,126	1.04	11 Robert Half International, Inc.	308	0.28
Industrial Conglomerates — 2.26%			Real Estate Management & Development — 2.06%		
107 McDermott International, Inc.	2,453	2.26	28 Jones Lang LaSalle, Inc.	1,774	1.63

The accompanying notes are an integral part of the Financial Statements

Legg Mason ClearBridge US Fundamental Value Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)		
Real Estate Management & Development — (continued)		
24 LaSalle Hotel Properties	465	0.43
	2,239	2.06
Semiconductors & Semiconductor Equipment — 8.43%		
206 Applied Materials, Inc.	2,520	2.32
12 Samsung Electronics Co. Ltd., GDR, 144A	3,784	3.48
118 Texas Instruments, Inc.	2,866	2.63
	9,170	8.43
Software — 3.93%		
19 Citrix Systems, Inc.	833	0.77
98 Lawson Software, Inc.	591	0.54
99 Microsoft Corp.	2,848	2.62
	4,272	3.93
Speciality Retail — 4.48%		
67 The Gap, Inc.	1,431	1.32
96 Home Depot, Inc.	3,001	2.76
20 Williams-Sonoma, Inc.	439	0.40
	4,871	4.48
Wireless Telecommunication Services — 1.95%		
97 Vodafone Group PLC, ADR	2,123	1.95
Total Common Stock (Cost \$113,092)	108,176	99.46
Total Investments (Cost \$113,092)	108,176	99.46
Other Assets in Excess of Liabilities	582	0.54
Total Net Assets	\$108,758	100.00

– Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.

144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$3,784,464 or 3.48% of net assets.

ABBREVIATIONS:

ADR – American Depository Receipt

GDR – Global Depository Receipt

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	99.21
Other assets	0.79
Total Assets	100.00

Legg Mason ClearBridge US Large Cap Growth Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 99.74%		
Beverages — 7.46%		
26 The Coca-Cola Co.	1,391	4.14
18 PepsiCo, Inc.	1,115	3.32
	2,506	7.46
Biotechnology — 12.54%		
19 Amgen, Inc.	1,086	3.23
18 Biogen Idec, Inc.	969	2.88
20 Celgene Corp.	1,202	3.58
24 Vertex Pharmaceuticals, Inc.	957	2.85
	4,214	12.54
Chemicals — 1.38%		
7 Monsanto Co.	462	1.38
Communications Equipment — 9.24%		
45 Cisco Systems, Inc.	1,087	3.24
35 Juniper Networks, Inc.	986	2.93
28 Qualcomm, Inc.	1,032	3.07
	3,105	9.24
Diversified – Financial Services — 8.65%		
6 BlackRock, Inc.	1,282	3.82
45 The Charles Schwab Corp.	833	2.48
42 The Nasdaq OMX Group	790	2.35
	2,905	8.65
Energy – Alternate Sources — 1.03%		
3 First Solar, Inc.	346	1.03
Food & Staples Retailing — 3.34%		
33 CVS Caremark Corp.	1,123	3.34
Household Products — 2.87%		
15 Procter & Gamble Co.	963	2.87
Industrial Conglomerates — 2.06%		
43 General Electric Co.	691	2.06
Insurance — 3.56%		
– Berkshire Hathaway, Inc., Class A	1,198	3.56
Internet Software & Services — 17.18%		
53 Akamai Technologies, Inc.	1,386	4.13
14 Amazon.Com, Inc.	1,641	4.88
37 eBay, Inc.	853	2.54
3 Google, Inc., Class A	1,359	4.04
35 Yahoo!, Inc.	533	1.59
	5,772	17.18
Media — 3.09%		
33 The Walt Disney Co.	1,036	3.09
Medical Instruments — 1.38%		
5 Edwards Lifesciences Corp.	465	1.38
Pharmaceuticals — 6.76%		
19 Johnson & Johnson	1,222	3.64

Shares (000's)	Value (000's) \$	% of Net Asset Value
6 Roche Holding AG	1,049	3.12
	2,271	6.76
Semiconductors & Semiconductor Equipment — 6.18%		
33 Intel Corp.	682	2.03
64 NVIDIA Corp.	1,041	3.10
15 Texas Instruments, Inc.	354	1.05
	2,077	6.18
Software — 7.70%		
40 Electronic Arts, Inc.	662	1.97
29 Microsoft Corp.	826	2.46
39 Red Hat, Inc.	1,099	3.27
	2,587	7.70
Specialty Retail — 5.32%		
37 Home Depot, Inc.	1,142	3.40
7 Sears Holdings Corp.	645	1.92
	1,787	5.32
Total Common Stock (Cost \$31,362)		
	33,508	99.74
Total Investments (Cost \$31,362)		
	33,508	99.74
Other Assets in Excess of Liabilities		
	88	0.26
Total Net Assets		
	\$33,596	100.00

– Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	99.39
Other assets	0.61
Total Assets	100.00

The accompanying notes are an integral part of the Financial Statements

Legg Mason ClearBridge US Aggressive Growth Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 101.11%		
Aerospace & Defense — 3.46%		
36 L-3 Communications Holdings, Inc.	3,288	3.46
Biotechnology — 19.48%		
35 Alkermes, Inc.	398	0.42
75 Amgen, Inc.	4,267	4.49
117 Biogen Idec, Inc.	6,434	6.78
92 Genzyme Corp.	5,290	5.57
57 Isis Pharmaceuticals, Inc.	507	0.54
39 Vertex Pharmaceuticals, Inc.	1,595	1.68
	18,491	19.48
Communications Equipment — 1.15%		
81 Nokia Oyj, ADR	1,097	1.15
Computers & Peripherals — 4.02%		
76 SanDisk Corp.	2,201	2.32
81 Seagate Technology	1,617	1.70
	3,818	4.02
Electronic Equipment & Instruments — 2.56%		
95 Tyco Electronics Ltd.	2,428	2.56
Energy Equipment & Instruments — 1.75%		
38 National Oilwell Varco, Inc.	1,660	1.75
Energy Equipment & Services — 4.55%		
35 Core Laboratories NV	4,319	4.55
Engineering & Construction — 0.14%		
3 Fluor Corp.	134	0.14
Entertainment — 0.93%		
45 Madison Square Garden, Inc., Class A	882	0.93
Financials – Diversified — 2.17%		
11 Astoria Financial Corp.	149	0.16
29 Cohen & Steers, Inc.	634	0.67
82 New York Community Bancorp, Inc.	1,277	1.34
	2,060	2.17
Healthcare Providers & Services — 5.31%		
149 UnitedHealth Group, Inc.	5,045	5.31
Industrial Conglomerates — 2.81%		
74 Tyco International Ltd.	2,665	2.81
Internet & Catalog Retail — 1.18%		
89 Liberty Media Corp. – Interactive, Class A	1,117	1.18
Machinery — 2.55%		
61 Pall Corp.	2,427	2.55
Media — 14.56%		
181 Cablevision Systems Corp., Class A	4,357	4.59
21 CBS Corp., Class B	270	0.28
6 Comcast Corp., Class A	95	0.10
253 Comcast Corp., Special Class A	3,924	4.13
59 DirecTV, Class A	2,010	2.12

Shares (000's)	Value (000's) \$	% of Net Asset Value
16 Discovery Communications, Inc., Class A	496	0.52
16 Discovery Communications, Inc., Class C	423	0.45
17 Liberty Global, Inc., Series C	440	0.46
16 Liberty Global, Inc., Class A	439	0.46
14 Liberty Media Corp. – Capital, Series A	472	0.50
7 Liberty Media Corp. – Starz, Series A	336	0.35
17 Viacom, Inc., Class B	490	0.52
5 World Wrestling Entertainment, Inc., Class A	79	0.08
	13,831	14.56
Oil, Gas & Consumable Fuels — 14.97%		
127 Anadarko Petroleum Corp.	8,883	9.35
320 Weatherford International Ltd.	5,333	5.62
	14,216	14.97
Pharmaceuticals — 10.31%		
44 BioMimetic Therapeutics, Inc.	513	0.54
59 Covidien Ltd.	2,877	3.03
149 Forest Laboratories, Inc.	4,455	4.69
11 Teva Pharmaceutical Industries Ltd., ADR	663	0.70
34 Valeant Pharmaceuticals International	1,283	1.35
	9,791	10.31
Semiconductors & Semiconductor Equipment — 6.10%		
100 Broadcom Corp., Class A	3,131	3.30
19 Cree, Inc.	1,308	1.38
62 Intel Corp.	1,267	1.33
4 Standard Microsystems Corp.	83	0.09
	5,789	6.10
Software — 0.85%		
20 Advent Software, Inc.	807	0.85
Specialty Retail — 0.37%		
60 Charming Shoppes, Inc.	355	0.37
Technology — 1.65%		
56 Autodesk, Inc.	1,566	1.65
Telecommunications — 0.24%		
22 Arris Group, Inc.	226	0.24
Total Common Stock (Cost \$109,663)	96,012	101.11
Total Investments (Cost \$109,663)	96,012	101.11
Liabilities in Excess of Other Assets	(1,054)	(1.11)
Total Net Assets	\$94,958	100.00

ABBREVIATIONS:

ADR – American Depository Receipt

The accompanying notes are an integral part of the Financial Statements

Legg Mason ClearBridge US Aggressive Growth Fund

Portfolio of Investments as at February 28, 2010 – *(continued)*

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	99.96
Other assets	0.04
Total Assets	100.00

Legg Mason Royce US Small Cap Opportunity Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value	Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 90.51%			Commercial Services — 2.78%		
Advertising & Publishing — 0.10%			17 Great Lakes Dredge & Dock Corp.		
100 Harris Interactive, Inc.	104	0.10	40 Hudson Highland Group, Inc.	77	0.07
Aerospace & Defense — 1.36%			26 Kendle International, Inc.	443	0.41
48 GenCorp, Inc.	205	0.19	44 Korn/Ferry International	743	0.69
24 Hexcel Corp.	269	0.25	32 Parexel International Corp.	645	0.59
22 Kaman Corp.	527	0.48	15 Perceptron, Inc.	54	0.05
14 Moog, Inc., Class A	475	0.44	20 Rent-A-Center, Inc.	445	0.41
	1,476	1.36	58 United Rentals, Inc.	438	0.40
				3,019	2.78
Airlines — 0.32%			Components & Systems — 3.40%		
44 AirTran Holdings, Inc.	212	0.20	35 Benchmark Electronics, Inc.	693	0.64
25 JetBlue Airways Corp.	132	0.12	29 Concurrent Computer Corp.	133	0.12
	344	0.32	37 Cray, Inc.	194	0.18
Apparel & Shoes — 2.70%			91 Dot Hill Systems Corp.	149	0.14
56 Chaus Bernard, Inc.	6	–	60 Furmanite Corp.	217	0.20
29 Hanesbrands, Inc.	752	0.69	47 Hypercom Corp.	161	0.15
10 Joe's Jeans, Inc.	22	0.02	93 Kemet Corp.	124	0.11
35 Jones Apparel Group, Inc.	597	0.55	60 Mentor Graphics Corp.	495	0.46
83 Liz Claiborne, Inc.	573	0.53	34 Mercury Computer Systems, Inc.	409	0.38
125 Quiksilver, Inc.	321	0.30	62 Planar Systems, Inc.	164	0.15
98 Unifi, Inc.	367	0.34	25 SCM Microsystems, Inc.	41	0.04
7 The Warnaco Group, Inc.	292	0.27	88 Vishay Intertechnology, Inc.	897	0.83
	2,930	2.70		3,677	3.40
Auto Parts & Equipment — 1.35%			Construction Materials — 0.61%		
56 ArvinMeritor, Inc.	649	0.60	33 Trex Co., Inc.	660	0.61
12 Cooper Tire & Rubber Co.	211	0.19	Cosmetics & Personal Care — 0.66%		
53 Dana Holding Corp.	603	0.56	40 Elizabeth Arden, Inc.	721	0.66
	1,463	1.35	Distribution — 1.13%		
Banking — 3.54%			102 Bell Microproducts, Inc.	463	0.42
10 Berkshire Hills Bancorp, Inc.	182	0.17	36 Ingram Micro, Inc., Class A	637	0.59
62 Boston Private Financial Holdings, Inc.	425	0.39	7 Rentrak Corp.	128	0.12
35 Cascade Financial Corp.	69	0.06		1,228	1.13
3 CIT Group, Inc.	91	0.08	Drugs & Biotech — 0.34%		
14 First Financial Holdings, Inc.	167	0.15	98 Cambrex Corp.	368	0.34
32 Guaranty Bancorp.	43	0.04	Electrical Components & Equipment — 1.11%		
52 Marshall & Ilsley Corp.	368	0.34	39 Advanced Energy Industries, Inc.	560	0.52
14 Middleburg Financial Corp.	181	0.17	17 Hawaiian Electric Industries, Inc.	346	0.32
35 Sterling Bancorp.	287	0.27	75 Magnetek, Inc.	109	0.10
10 SVB Financial Group	446	0.41	12 SunPower Corp., Class B	188	0.17
10 Texas Capital Bancshares, Inc.	168	0.16		1,203	1.11
29 Umpqua Holdings Corp.	362	0.33	Electronics — 1.43%		
40 Valley National Bancorp.	576	0.53	28 CTS Corp.	223	0.21
25 Washington Federal, Inc.	478	0.44	22 Methode Electronics, Inc., Class A	274	0.25
	3,843	3.54	35 Sanmina-SCI Corp.	571	0.53
Building Systems & Components — 0.23%			29 TTM Technologies, Inc.	248	0.23
100 NCI Building Systems, Inc.	190	0.18	10 Viasystems Group, Inc.	228	0.21
32 PGT, Inc.	54	0.05		1,544	1.43
	244	0.23	Engineering & Construction — 1.45%		
Chemicals — 0.70%			125 Comstock Homebuilding Cos., Inc., Class A	119	0.11
16 Minerals Technologies, Inc.	757	0.70	107 Hovnanian Enterprises, Inc., Class A	416	0.38

The accompanying notes are an integral part of the Financial Statements

Legg Mason Royce US Small Cap Opportunity Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value	Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)					
Engineering & Construction — (continued)					
17	MDC Holdings, Inc.	582	0.54		
24	Toll Brothers, Inc.	452	0.42		
		1,569	1.45		
Environmental Control — 0.16%					
60	TRC Cos., Inc.	173	0.16		
Equity Fund — 0.52%					
15	iShares Dow Jones US Home Construction Index Fund	193	0.18		
15	SPDR KBW Regional Banking ETF	368	0.34		
		561	0.52		
Financial Services – Diversified — 0.88%					
45	Janus Capital Group, Inc.	563	0.52		
42	Penson Worldwide, Inc.	395	0.36		
		958	0.88		
Food — 0.86%					
13	American Italian Pasta Co., Class A	506	0.47		
85	Smart Balance, Inc.	426	0.39		
		932	0.86		
Forest Products & Paper — 1.39%					
115	Boise, Inc.	546	0.50		
127	Louisiana-Pacific Corp.	966	0.89		
		1,512	1.39		
Healthcare – Products — 0.22%					
15	Angiodynamics, Inc.	244	0.22		
Healthcare – Services — 1.34%					
23	Albany Molecular Research, Inc.	206	0.19		
8	Almost Family, Inc.	289	0.27		
23	Brookdale Senior Living, Inc.	413	0.38		
8	Endo Pharmaceuticals Holdings, Inc.	171	0.16		
21	Kindred Healthcare, Inc.	366	0.34		
		1,445	1.34		
Home Furnishing & Appliances — 1.53%					
13	American Woodmark Corp.	252	0.23		
85	Furniture Brands International, Inc.	466	0.43		
12	Harman International Industries, Inc.	509	0.47		
31	La-Z-Boy, Inc.	391	0.36		
5	Zygo Corp.	49	0.04		
		1,667	1.53		
Industrial Components — 1.86%					
14	Atlas Air Worldwide Holding, Inc.	609	0.56		
55	Gerber Scientific, Inc.	346	0.32		
47	GrafTech International Ltd.	592	0.54		
45	Newport Corp.	472	0.44		
		2,019	1.86		
Insurance — 2.74%					
10	Fidelity National Financial, Inc., Class A	143	0.13		
20	Hilltop Holdings, Inc.	239	0.22		
				72	0.07
				170	0.16
				549	0.51
				460	0.42
				353	0.33
				524	0.48
				459	0.42
				2,969	2.74
Internet Software & Services — 2.30%					
19	Cinedigm Digital Cinema Corp., Class A	25	0.02		
65	Earthlink, Inc.	542	0.50		
54	Infospace, Inc.	544	0.50		
60	Network Engines, Inc.	116	0.11		
56	S1 Corp.	345	0.32		
70	Support.Com, Inc.	206	0.19		
32	ValueClick, Inc.	299	0.27		
60	WebMediaBrands, Inc.	55	0.05		
17	Websense, Inc.	365	0.34		
				2,497	2.30
Investment Companies — 0.06%					
15	Harris & Harris Group, Inc.	68	0.06		
Leisure & Entertainment — 0.33%					
11	Cinemark Holdings, Inc.	177	0.16		
11	Steinway Musical Instruments, Inc.	188	0.17		
				365	0.33
Machinery — 3.31%					
13	Astec Industries, Inc.	316	0.29		
16	Baldor Electric Co.	503	0.46		
6	EnPro Industries, Inc.	166	0.15		
93	Flow International Corp.	299	0.28		
20	Hardinge, Inc.	165	0.15		
12	Hurco Cos., Inc.	208	0.19		
45	Intermec, Inc.	641	0.59		
23	Intevac, Inc.	326	0.30		
23	Mueller Water Products, Inc., Class A	104	0.10		
27	Robbins & Myers, Inc.	652	0.60		
28	Thermadyne Holdings Corp.	214	0.20		
				3,594	3.31
Media & Broadcasting — 0.40%					
81	Martha Stewart Living Omnimedia, Class A	431	0.40		
Medical Products & Devices — 0.63%					
27	Digirad Corp.	50	0.05		
37	PharMerica Corp.	634	0.58		
				684	0.63
Metal Fabrication & Distribution — 2.89%					
22	Carpenter Technology Corp.	648	0.60		
17	Haynes International, Inc.	494	0.45		
34	Insteel Industries, Inc.	345	0.32		
25	Ladish Co., Inc.	420	0.39		
35	NN, Inc.	125	0.11		
20	Northwest Pipe Co.	473	0.44		

The accompanying notes are an integral part of the Financial Statements

Legg Mason Royce US Small Cap Opportunity Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value	Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)			Real Estate Management & Development — 0.17%		
Metal Fabrication & Distribution — (continued)			105 RAIT Financial Trust		
24 Timken Co.	630	0.58		178	0.17
	3,135	2.89	Restaurants & Lodgings — 2.22%		
Mining — 0.90%			44 California Pizza Kitchen, Inc.		
66 Century Aluminum Co.	805	0.74	32 Gaylord Entertainment Co., Class A	720	0.67
7 RTI International Metals, Inc.	168	0.16	75 Jamba, Inc.	128	0.12
	973	0.90	113 Krispy Kreme Doughnuts, Inc.	397	0.37
Miscellaneous Manufacturing — 0.94%			41 Orient-Express Hotels Ltd., Class A	469	0.43
20 Barnes Group, Inc.	313	0.29		2,401	2.22
16 Crane Co.	491	0.45	Retail Stores — 8.71%		
28 Federal Signal Corp.	215	0.20	41 Bebe Stores, Inc.	341	0.32
	1,019	0.94	60 Brown Shoe Co., Inc.	823	0.76
Office Furnishings — 0.20%			36 Collective Brands, Inc.	802	0.74
25 Interface, Inc., Class A	215	0.20	63 Cost Plus, Inc.	81	0.08
Oil & Gas — 4.72%			111 dELIA*s, Inc.	188	0.17
55 Allis-Chalmers Energy, Inc.	208	0.19	45 Dillard's, Inc., Class A	751	0.69
35 Goodrich Petroleum Corp.	665	0.61	14 Dress Barn, Inc.	348	0.32
19 Matrix Service Co.	203	0.19	28 Einstein Noah Restaurant Group, Inc.	307	0.28
53 McMoran Exploration Co.	907	0.84	20 Genesco, Inc.	479	0.44
105 Newpark Resources, Inc.	543	0.50	15 Group 1 Automotive, Inc.	417	0.39
31 Rowan Cos., Inc.	806	0.74	101 Lithia Motors, Inc., Class A	644	0.59
15 St. Mary Land & Exploration Co.	489	0.45	47 MarineMax, Inc.	497	0.46
37 Stone Energy Corp.	631	0.58	53 New York & Co., Inc.	197	0.18
23 Swift Energy Co.	670	0.62	67 Pier 1 Imports, Inc.	409	0.38
	5,122	4.72	23 Red Robin Gourmet Burgers, Inc.	456	0.42
Online Commerce — 0.09%			21 Rex Stores Corp.	371	0.34
46 1-800-Flowers.com, Inc., Class A	93	0.09	85 Ruby Tuesday, Inc.	688	0.63
Other Financial Services — 0.28%			83 Saks, Inc.	576	0.53
10 Evercore Partners, Inc., Class A	301	0.28	33 Talbots, Inc.	358	0.33
Other Industrial Products — 1.33%			47 West Marine, Inc.	438	0.40
121 Ferro Corp.	991	0.91	20 Zumiez, Inc.	280	0.26
8 Maxwell Technologies, Inc.	104	0.09		9,451	8.71
21 Trinity Industries, Inc.	353	0.33	Semiconductors & Equipment — 11.50%		
	1,448	1.33	59 Actel Corp.		
Paper & Packaging — 0.55%			68 Anadigics, Inc.		
34 Graphic Packaging Holding Co.	118	0.11	22 ATMI, Inc.		
26 Temple-Inland, Inc.	475	0.44	110 AXT, Inc.		
	593	0.55	58 Brooks Automation, Inc.		
Printing — 0.00%			32 BTU International, Inc.		
- Bowne & Co., Inc.	-	-	25 Cascade Microtech, Inc.		
Publishing — 0.51%			61 Cirrus Logic, Inc.		
19 Scholastic Corp.	559	0.51	33 Cohu, Inc.		
Pumps, Valves & Bearings — 0.66%			15 Entegris, Inc.		
11 CIRCOR International, Inc.	346	0.32	69 Fairchild Semiconductor International, Inc.		
9 Gardner Denver, Inc.	371	0.34	14 FEI Co.		
	717	0.66	21 Formfactor, Inc.		
			42 Ikanos Communications, Inc.		
			20 International Rectifier Corp.		
			128 Kulicke & Soffa Industries, Inc.		
			50 LeCroy Corp.		
			175 LTX-Credence Corp.		
			46 MEMC Electronic Materials, Inc.		
			17 Microsemi Corp.		
			40 Nanometrics, Inc.		
			32 Novellus Systems, Inc.		
			51 Pericom Semiconductor Corp.		

The accompanying notes are an integral part of the Financial Statements

Legg Mason Royce US Small Cap Opportunity Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value	Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)					
Semiconductors & Equipment — (continued)					
100	PLX Technology, Inc.	454	0.42		
45	Rudolph Technologies, Inc.	358	0.33		
23	Standard Microsystems Corp.	449	0.41		
66	TriQuint Semiconductor, Inc.	475	0.44		
29	Ultra Clean Holdings	259	0.24		
20	Varian Semiconductor Equipment Associates, Inc.	602	0.56		
8	Veeco Instruments, Inc.	256	0.24		
7	White Electronic Designs Corp.	37	0.03		
24	Zoran Corp.	272	0.25		
		12,473	11.50		
Software — 0.94%					
30	Aspen Technology, Inc.	270	0.25		
43	Bottomline Technologies, Inc.	683	0.63		
7	Epicor Software Corp.	60	0.06		
		1,013	0.94		
Speciality Chemicals & Materials — 5.02%					
15	Cytec Industries, Inc.	632	0.58		
34	HB Fuller Co.	703	0.65		
46	Lydall, Inc.	368	0.34		
42	Material Sciences Corp.	80	0.07		
9	OM Group, Inc.	320	0.29		
23	Park Electrochemical Corp.	617	0.57		
68	PolyOne Corp.	541	0.50		
17	Quaker Chemical Corp.	337	0.31		
14	Rockwood Holdings, Inc.	336	0.31		
60	Solutia, Inc.	844	0.78		
66	Spartech Corp.	668	0.62		
		5,446	5.02		
Speciality Retail — 0.47%					
35	Penske Auto Group, Inc.	509	0.47		
Technology — 0.69%					
78	Atmel Corp.	349	0.32		
16	Netscout Systems, Inc.	234	0.21		
28	Smart Modular Technologies WWH, Inc.	179	0.16		
		762	0.69		
Telecommunications — 3.86%					
50	ADC Telecommunications, Inc.	317	0.29		
74	Aviat Networks, Inc.	455	0.42		
27	Finisar Corp.	338	0.31		
45	General Communication, Inc., Class A	247	0.23		
20	Globecom Systems, Inc.	153	0.14		
58	Harmonic, Inc.	380	0.35		
12	Loral Space & Communications, Inc.	390	0.36		
20	MasTec, Inc.	265	0.24		
78	Network Equipment Technologies, Inc.	395	0.36		
24	Oplink Communications, Inc.	371	0.34		
121	Opnext, Inc.	247	0.23		
10	Optical Cable Corp.	31	0.03		
170	Powerwave Technologies, Inc.	199	0.18		
53	Utstarcom, Inc.	114	0.11		
130	Veraz Networks, Inc.	117	0.11		
		121	0.16	168	0.16
				4,187	3.86
Textiles — 0.41%					
18	Albany International Corp., Class A	338	0.31		
40	Dixie Group, Inc.	104	0.10		
				442	0.41
Transportation & Logistics — 1.71%					
63	Horizon Lines, Inc., Class A	253	0.23		
20	Kansas City Southern Industries, Inc.	686	0.63		
15	Overseas Shipholding Group, Inc.	667	0.62		
54	StealthGas, Inc.	252	0.23		
	– Velocity Express Corp.			–	–
				1,858	1.71
Total Common Stock (Cost \$91,095)				98,164	90.51
Rights — 0.00%					
Speciality Chemicals & Materials — 0.00%					
18	PGT, Inc.∞			3	–
Total Rights (Cost \$–)				3	–
Face Value (000's)	Maturity Date	Coupon Rate	Value (000's)	% of Net Asset Value	
U.S. Corporate Bonds and Notes — 0.07%					
Telecommunications — 0.07%					
123	Powerwave Technologies, Inc., Senior Subordinated	3.875	10/1/2027	81	0.07
Total U.S. Corporate Bonds and Notes (Cost \$48)				81	0.07
Total Investments (Cost \$91,143)				98,248	90.58
Other Assets in Excess of Liabilities				10,212	9.42
Total Net Assets				\$108,460	100.00
– Amounts designated as “-” are either \$0, less than \$1,000 or less than 1,000 shares.					
∞ Security is valued in good faith at fair value by or at the discretion of the Investment Manager.					
ABBREVIATIONS:					
ETF – Exchange Traded Fund					
ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.					
Analysis of Total Assets (Unaudited)				% of Total Assets	
Transferable securities admitted to an official exchange listing or traded on a regulated market					89.00
Other assets					11.00
Total Assets					100.00

The accompanying notes are an integral part of the Financial Statements

Legg Mason Royce Smaller Companies Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value	Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 92.92%					
Aerospace & Defense — 1.48%			134 Knight Capital Group, Inc., Class A		
				2,171	1.81
26	581	0.49	6	759	0.63
32	1,187	0.99	90	1,582	1.32
			244	1,000	0.84
	1,768	1.48		7,222	6.03
Apparel, Shoes & Accessories — 5.15%			Food & Tobacco Processors — 6.25%		
26	946	0.79	49	1,568	1.31
25	1,127	0.94	32	1,326	1.11
27	980	0.82	48		
53	983	0.82		1,036	0.86
27	1,114	0.93	55	1,519	1.27
37	1,015	0.85	42	2,032	1.70
	6,165	5.15		7,481	6.25
Building Systems & Components — 1.95%			Healthcare – Services — 1.42%		
44	1,018	0.85	43		
54	1,316	1.10		983	0.82
	2,334	1.95	30	716	0.60
Chemicals — 1.28%				1,699	1.42
11	457	0.38	Industrial Components — 1.95%		
53	1,078	0.90	28	924	0.77
	1,535	1.28	69	1,412	1.18
Commercial Services — 10.59%				2,336	1.95
55	1,366	1.14	Industrial Distribution — 1.11%		
156	2,535	2.12	29	1,325	1.11
36	963	0.80	Insurance — 5.10%		
21	772	0.65	85	1,434	1.20
21			2	857	0.72
	558	0.47	55	1,332	1.11
51	866	0.72	61	1,717	1.43
19	1,119	0.93	30	771	0.64
34	946	0.79		6,111	5.10
79	1,512	1.26	Iron & Steel — 1.21%		
74	977	0.82	26	1,455	1.21
42	1,065	0.89	IT Services — 1.29%		
	12,679	10.59	14		
Energy Services — 11.19%				691	0.58
9	122	0.10	60	854	0.71
84	1,209	1.01		1,545	1.29
22	883	0.73	Machinery — 6.88%		
54	1,399	1.17	29	714	0.60
53	2,264	1.89	67	967	0.81
179	2,190	1.83	37	1,610	1.34
51	1,373	1.15	67	1,751	1.46
67	918	0.77	33	1,589	1.33
93	1,210	1.01	42	1,607	1.34
42	1,830	1.53		8,238	6.88
	13,398	11.19	Media — 0.58%		
Engineering & Construction — 0.89%			18		
28	1,073	0.89		698	0.58
Financials – Diversified — 6.03%					
68	1,710	1.43			

The accompanying notes are an integral part of the Financial Statements

Legg Mason Royce Smaller Companies Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)		
Metal Fabrication & Distribution — 8.25%		
79 AM Castle & Co.	913	0.76
182 GrafTech International Ltd.	2,271	1.90
53 Reliance Steel & Aluminum Co.	2,361	1.97
35 Schnitzer Steel Industries, Inc., Class A	1,611	1.35
120 Sims Metal Management Ltd., ADR	2,074	1.73
9 Valmont Industries, Inc.	641	0.54
	9,871	8.25
Mining — 8.04%		
11 Agnico-Eagle Mines Ltd.	615	0.51
53 Fresnillo PLC	607	0.51
128 Gammon Gold, Inc.	1,252	1.05
87 Pan American Silver Corp.	1,866	1.56
11 Randgold Resources Ltd., ADR	787	0.66
89 Red Back Mining, Inc.	1,719	1.44
47 Seabridge Gold, Inc.	1,152	0.96
60 Silver Standard Resources, Inc.	1,024	0.85
92 Silvercorp Metals, Inc.	600	0.50
	9,622	8.04
Real Estate — 0.86%		
30 Pico Holdings, Inc.	1,026	0.86
Retail — 2.83%		
70 The Buckle, Inc.	2,055	1.72
15 JoS. A. Bank Clothiers, Inc.	675	0.56
31 The Men's Wearhouse, Inc.	658	0.55
	3,388	2.83
Semiconductors & Equipment — 3.10%		
33 Lam Research Corp.	1,120	0.94
34 MKS Instruments, Inc.	617	0.51
72 Sigma Designs, Inc.	841	0.70
38 Varian Semiconductor Equipment Associates, Inc.	1,135	0.95
	3,713	3.10
Software — 0.57%		
23 Teradata Corp.	687	0.57
Sports & Recreation — 0.46%		
16 Thor Industries, Inc.	556	0.46
Telecommunications — 2.61%		
63 Adtran, Inc.	1,462	1.22
31 Comtech Telecommunications Corp.	974	0.82
27 Netgear, Inc.	684	0.57
	3,120	2.61
Transportation & Logistics — 1.85%		
29 Arkansas Best Corp.	754	0.63

Shares (000's)	Value (000's) \$	% of Net Asset Value
44 Kirby Corp.	1,459	1.22
	2,213	1.85
Total Common Stock (Cost \$103,707)	111,258	92.92
Total Investments (Cost \$103,707)	111,258	92.92
Other Assets in Excess of Liabilities	8,476	7.08
Total Net Assets	\$119,734	100.00

ABBREVIATIONS:

ADR – American Depositary Receipt

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	92.54
Other assets	7.46
Total Assets	100.00

The accompanying notes are an integral part of the Financial Statements

Legg Mason Royce European Smaller Companies Fund [^]

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) €	% of Net Asset Value
Common Stock — 79.40%		
Australia — 1.64%		
22 Centamin Egypt Ltd.	28	1.64
Austria — 4.16%		
– Mayr Melnhof Karton AG	27	1.58
2 Semperit AG Holding	44	2.58
	71	4.16
Belgium — 4.40%		
1 EVS Broadcast Equipment S.A.	20	1.17
1 Gimv NV	22	1.29
1 Sipef S.A.	33	1.94
	75	4.40
Bermuda — 0.70%		
3 Aquarius Platinum Ltd.	12	0.70
Denmark — 2.29%		
3 H Lundbeck A/S	39	2.29
Finland — 3.81%		
1 Nokian Renkaat OYJ	9	0.53
1 Vacon PLC	19	1.11
2 Vaisala OYJ, Class A	37	2.17
	65	3.81
France — 11.36%		
1 Beneteau S.A.	12	0.70
1 Boiron S.A.	21	1.23
1 Manutan International S.A.	20	1.17
1 Meetic	19	1.11
3 Neuronex S.A.	18	1.05
3 Piscines Desjoyaux S.A.	17	1.00
1 Societe Internationale de Plantations d'Heveas S.A.	35	2.05
1 Vetoquinol S.A.	30	1.76
– Virbac S.A.	22	1.29
	194	11.36
Germany — 11.61%		
1 AS Creation Tapeten AG	21	1.23
2 Carl Zeiss Meditec AG	21	1.23
1 Fielmann AG	30	1.76
– Fuchs Petrolub AG	18	1.06
1 Pfeiffer Vacuum Technology AG	29	1.70
– Puma AG Rudolf Dassler Sport	23	1.35
– Rational AG	25	1.46
4 Takkt AG	31	1.82
	198	11.61
Greece — 1.41%		
4 Hellenic Exchanges S.A. Holding Clearing Settlement and Registry	24	1.41
Italy — 1.75%		
2 Recordati S.p.A.	11	0.64

Shares (000's)	Value (000's) €	% of Net Asset Value
3 SAES Getters S.p.A.	19	1.11
	30	1.75
Mexico — 1.41%		
3 Fresnillo PLC	24	1.41
Netherlands — 3.57%		
1 Hunter Douglas NV	33	1.93
2 Smartrac NV	28	1.64
	61	3.57
Norway — 2.87%		
2 Ekornes ASA	31	1.82
1 Fred Olsen Energy ASA	18	1.05
	49	2.87
Russia — 2.70%		
16 Lamprell PLC	46	2.70
South Africa — 1.82%		
19 Bell Equipment Ltd.	18	1.06
6 Raubex Group Ltd.	13	0.76
	31	1.82
Sweden — 2.75%		
5 Lundin Petroleum AB	28	1.64
3 Q-Med AB	19	1.11
	47	2.75
Switzerland — 5.91%		
1 Bank Sarasin & Cie AG, Class B	12	0.70
– Burckhardt Compression Holding AG	55	3.22
– Groupe Agta Record AG	4	0.24
– Partners Group Holding AG	19	1.11
– VZ Holding AG	11	0.64
	101	5.91
United Kingdom — 14.24%		
4 Anglo-Eastern Plantations PLC	19	1.11
16 Ashmore Group PLC	42	2.46
12 Begbies Traynor Group PLC	10	0.59
11 Diploma PLC	21	1.23
4 Domino Printing Sciences PLC	15	0.88
4 Hikma Pharmaceuticals PLC	23	1.35
14 Hochschild Mining PLC	41	2.40
7 Michael Page International PLC	27	1.58
1 Randgold Resources Ltd.	26	1.53
1 Spirax-Sarco Engineering PLC	19	1.11
	243	14.24

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The accompanying notes are an integral part of the Financial Statements

Legg Mason Royce European Smaller Companies Fund [^]

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) €	% of Net Asset Value
Common Stock — (continued)		
United States — 1.00%		
1 Net 1 UEPS Technologies, Inc.	17	1.00
Total Common Stock (Cost €1,369)	1,355	79.40
Total Investments (Cost €1,369)	1,355	79.40
Other Assets in Excess of Liabilities	352	20.60
Total Net Assets	€1,707	100.00

– Amounts designated as "-" are either €0, less than €1,000 or less than 1,000 shares.

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	78.41
Other assets	21.59
Total Assets	100.00

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Legg Mason Royce Global Smaller Companies Fund [^]

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 83.34%		
Australia — 1.27%		
2 Sims Metal Management Ltd., ADR	31	1.27
Austria — 4.36%		
1 Mayr Melnhof Karton AG	46	1.89
2 Semperit AG Holding	60	2.47
	106	4.36
Belgium — 3.33%		
1 Gimv NV	25	1.03
1 Sipef S.A.	56	2.30
	81	3.33
Bermuda — 2.76%		
6 Aquarius Platinum Ltd.	33	1.36
44 Asian Citrus Holdings Ltd.	34	1.40
	67	2.76
Canada — 18.97%		
– Alliance Grain Traders, Inc.	13	0.53
3 Ensign Energy Services, Inc. – USD	36	1.48
4 Gammon Gold, Inc.	38	1.56
3 Ivanhoe Mines Ltd.	40	1.65
16 Magma Energy Corp.	24	0.99
3 Major Drilling Group International	80	3.29
1 Pan American Silver Corp.	21	0.86
4 Pason Systems, Inc.	48	1.97
2 Red Back Mining, Inc.	33	1.36
2 Seabridge Gold, Inc.	37	1.52
3 Silver Standard Resources, Inc.	48	1.98
5 Sprott, Inc.	20	0.83
2 Trican Well Service Ltd.	23	0.95
	461	18.97
Cayman Islands — 6.29%		
2 3SBio, Inc.	19	0.78
90 China Forestry Holdings Ltd.	32	1.32
17 Endeavour Financial Corp.	37	1.52
90 Value Partners Group Ltd.	65	2.67
	153	6.29
Denmark — 1.73%		
2 H Lundbeck A/S	42	1.73
Egypt — 2.59%		
12 Egyptian Financial Group-Hermes Holding Co.	63	2.59
France — 2.89%		
1 Boiron S.A.	29	1.20
1 Societe Internationale de Plantations d'Heveas S.A.	41	1.69
	70	2.89
Germany — 2.47%		
2 Carl Zeiss Meditec AG	36	1.48

Shares (000's)	Value (000's) \$	% of Net Asset Value
– Pfeiffer Vacuum Technology AG	24	0.99
	60	2.47
Hong Kong — 3.04%		
90 Citic 1616 Holdings Ltd.	29	1.19
30 Luk Fook Holdings International Ltd.	26	1.07
1 Sino-Forest Corp.	19	0.78
	74	3.04
Korea, Republic Of — 0.95%		
1 Sung Kwang Bend Co. Ltd.	23	0.95
Mexico — 3.66%		
4 Fresnillo PLC	46	1.89
2 Industrias Bachoco SAB de CV, ADR	43	1.77
	89	3.66
Russia — 2.10%		
14 Lamprell PLC	51	2.10
South Africa — 4.61%		
6 Discovery Holdings Ltd.	26	1.07
5 Lewis Group Ltd.	36	1.48
5 Northam Platinum Ltd.	27	1.11
8 Raubex Group Ltd.	23	0.95
	112	4.61
Switzerland — 5.15%		
– Burckhardt Compression Holding AG	75	3.09
– Partners Group Holding AG	50	2.06
	125	5.15
United Kingdom — 4.65%		
15 Ashmore Group PLC	54	2.22
15 Hochschild Mining PLC	59	2.43
	113	4.65
United States — 12.52%		
– Gardner Denver, Inc.	17	0.70
4 GrafTech International Ltd.	44	1.81
1 Intrepid Potash, Inc.	30	1.23
1 Jacobs Engineering Group, Inc.	35	1.44
3 Knight Capital Group, Inc., Class A	48	1.98
1 Sanderson Farms, Inc.	49	2.02
1 Schnitzer Steel Industries, Inc., Class A	32	1.32
1 Unit Corp.	26	1.07
2 US Global Investors, Inc.	23	0.95
	304	12.52
Total Common Stock (Cost \$2,094)	2,025	83.34
Total Investments (Cost \$2,094)	2,025	83.34
Other Assets in Excess of Liabilities	405	16.66
Total Net Assets	\$2,430	100.00

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Legg Mason Royce Global Smaller Companies Fund [^]

Portfolio of Investments as at February 28, 2010 – *(continued)*

ABBREVIATIONS:

ADR – American Depository Receipt

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	82.25
Other assets	17.75
Total Assets	100.00

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Legg Mason PCM US Equity Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value	Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 97.28%					
Commercial Services — 3.27%			Insurance — 2.65%		
1 Electro Rent Corp.	8	1.25	– First American Corp.	9	1.40
1 H&R Block, Inc.	13	2.02	– Willis Group Holdings PLC	8	1.25
	21	3.27		17	2.65
Communications Equipment — 3.42%			Media — 3.27%		
3 Motorola, Inc.	22	3.42	1 John Wiley & Sons, Inc., Class A	21	3.27
Environmental Control — 1.24%			Oil, Gas & Consumable Fuels — 2.18%		
– Mine Safety Appliances Co.	8	1.24	– Ultra Petroleum Corp.	14	2.18
Financials – Banks — 5.60%			Pharmaceuticals — 2.49%		
– Bank of Hawaii Corp.	13	2.02	– Covidien Ltd.	16	2.49
– First Citizens BancShares, Inc., Class A	9	1.40	Retail — 3.11%		
1 Suffolk Bancorp	14	2.18	1 AutoNation, Inc.	9	1.40
	36	5.60	– Wal-Mart Stores, Inc.	11	1.71
Financials – Diversified — 7.63%				20	3.11
– Northern Trust Corp.	16	2.49	Semiconductors & Semiconductor Equipment — 3.27%		
1 Oppenheimer Holdings, Inc., Class A	15	2.34	– Cymer, Inc.	3	0.47
1 Raymond James Financial, Inc.	18	2.80	1 Novellus Systems, Inc.	18	2.80
	49	7.63		21	3.27
Financials – Real Estate — 1.09%			Software — 24.44%		
– Pope Resources, Inc.-LP	7	1.09	1 Avid Technology, Inc.	15	2.34
Financials – Savings Institutions — 6.54%			– Broadridge Financial Solutions, Inc.	6	0.93
1 Berkshire Hills Bancorp, Inc.	9	1.40	2 CA, Inc.	34	5.29
1 First Defiance Financial Corp.	5	0.78	1 Hewlett-Packard Co.	31	4.82
1 First Financial Holdings, Inc.	6	0.93	1 Imation Corp.	7	1.09
1 OceanFirst Financial Corp.	6	0.93	1 Mentor Graphics Corp.	10	1.56
1 Provident New York Bancorp	10	1.56	6 Quantum Corp.	14	2.18
– WSFS Financial Corp.	6	0.94	2 Symantec Corp.	28	4.36
	42	6.54	1 TIBCO Software, Inc.	12	1.87
Healthcare – Products — 1.71%				157	24.44
– Zimmer Holdings, Inc.	11	1.71	Telecommunications — 4.98%		
Healthcare – Services — 5.76%			– Qualcomm, Inc.	14	2.18
2 Health Management Associates, Inc., Class A	15	2.34	5 Sprint Nextel Corp.	18	2.80
1 Universal Health Services, Inc., Class B	22	3.42		32	4.98
	37	5.76	Transportation — 0.46%		
Hotels, Restaurants & Leisure — 10.43%			– UTi Worldwide, Inc.	3	0.46
1 Ameristar Casinos, Inc.	9	1.40	Utilities — 1.09%		
1 Boyd Gaming Corp.	11	1.71	– Black Hills Corp.	7	1.09
3 Dover Downs Gaming & Entertainment, Inc.	10	1.55	Total Common Stock (Cost \$730)		
2 International Game Technology	26	4.05		625	97.28
1 Marcus Corp.	11	1.72	Total Investments (Cost \$730)		
	67	10.43		625	97.28
Industrial Conglomerates — 2.65%			Other Assets in Excess of Liabilities		
2 Eastman Kodak Co.	12	1.87		17	2.72
– Triumph Group, Inc.	5	0.78	Total Net Assets		
	17	2.65		\$642	100.00

– Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.

Legg Mason PCM US Equity Fund

Portfolio of Investments as at February 28, 2010 – *(continued)*

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	91.37
Other assets	8.63
Total Assets	100.00

Legg Mason Permal Global Absolute Fund [^]

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value
Exchange Traded Funds — 78.52%		
113 All Commodities DJ-UBSCISM	1,593	5.01
16 db x-trackers – DJ EURO STOXX 50 Short Daily	795	2.50
56 db x-trackers – FTSE 100 Short Daily	795	2.49
15 Gold Bullion Securities Ltd.	1,602	5.03
33 iShares – iShares \$ Corporate Bond	3,238	10.17
10 iShares \$ TIPS	1,616	5.08
94 iShares GBP Index Linked Gilt	1,578	4.96
37 iShares III PLC – iShares MSCI Japan Small Cap	802	2.52
44 iShares MSCI Emerging Markets	1,620	5.09
166 iShares MSCI Japan Fund	1,648	5.18
17 iShares PLC – iShares EURO Government Bond 1-3	3,228	10.14
25 iShares PLC- iShares \$ Treasury Bond 1-3	3,235	10.17
144 iShares S&P 500 Index Fund	1,582	4.97
5 Physical Platinum	825	2.59
52 Physical Silver	833	2.62
	24,990	78.52
Closed-end Funds — 5.00%		
93 Brevan Howard Macro Ltd.	1,591	5.00
Collective Investment Schemes — 8.71%		
6 Brevan Howard Investment Fund II Macro Fx Fund, Class A †	557	1.75
3 Brevan Howard Investment Fund II Macro Fx Fund, Class I †	301	0.94
9 Merrill Lynch Investment Solutions – Bluetrend UCITS Fund USD †	958	3.01
9 Merrill Lynch Investment Solutions – York Event Driven UCITS Fund †	958	3.01
	2,774	8.71
Total Investments (Cost \$29,744)	29,355	92.23
Other Assets in Excess of Liabilities	2,472	7.77
Total Net Assets	\$31,827	100.00

† Illiquid

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR COLLECTIVE INVESTMENT SCHEMES.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	87.58
Financial Derivative Instruments	(2.21)
Other assets	14.63
Total Assets	100.00

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Legg Mason GC Global Equity Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 97.21%		
Australia — 0.79%		
6 Myer Holdings Ltd.	17	0.79
Canada — 6.48%		
– Agnico-Eagle Mines Ltd.	26	1.21
– Agrium Inc	31	1.45
1 BCE, Inc.	31	1.44
– Canadian Natural Resources Ltd.	28	1.31
3 Viterra, Inc.	23	1.07
	139	6.48
China — 1.59%		
75 Shanghai Electric Group Co. Ltd., Class H	34	1.59
Denmark — 1.26%		
– Danisco A/S	27	1.26
France — 3.96%		
– BNP Paribas	24	1.12
1 Publicis Groupe S.A.	27	1.26
– Schneider Electric S.A.	34	1.58
	85	3.96
Germany — 6.30%		
– Daimler AG	21	0.98
1 Deutsche Bank AG	41	1.91
1 MTU Aero Engines Holding AG	27	1.26
– Siemens AG	22	1.03
1 Symrise AG	24	1.12
	135	6.30
Hong Kong — 2.52%		
2 Cheung Kong Holdings Ltd.	24	1.12
1 Jardine Matheson Holdings Ltd.	30	1.40
	54	2.52
Israel — 2.05%		
1 Teva Pharmaceutical Industries Ltd., ADR	44	2.05
Japan — 13.89%		
1 Advantest Corp.	28	1.31
1 Denso Corp.	30	1.40
– Fanuc Ltd.	29	1.35
– Japan Tobacco, Inc.	33	1.54
1 Murata Manufacturing Co. Ltd.	32	1.49
3 Nomura Holdings, Inc.	22	1.02
5 NSK Ltd.	35	1.63
2 Ricoh Co. Ltd.	31	1.45
1 Sumitomo Mitsui Financial Group, Inc.	26	1.21
1 Takeda Pharmaceutical Co. Ltd.	32	1.49
	298	13.89
Korea, Republic Of — 1.44%		
2 LG Display Co. Ltd., ADR	31	1.44

Shares (000's)	Value (000's) \$	% of Net Asset Value
Netherlands — 1.21%		
1 Unilever NV	26	1.21
Norway — 2.14%		
– Fred Olsen Energy ASA	13	0.60
1 StatoilHydro ASA	33	1.54
	46	2.14
Russia — 0.47%		
– Mobile Telesystems OJSC, ADR	10	0.47
Switzerland — 1.63%		
– Transocean Ltd.	35	1.63
United Kingdom — 10.36%		
1 Anglo American PLC	42	1.96
7 Barclays PLC	33	1.54
1 Bovis Homes Group PLC	6	0.28
2 Experian PLC	21	0.98
3 HSBC Holdings PLC	34	1.59
1 Lonmin PLC	20	0.93
6 Thomas Cook Group PLC	21	0.98
10 Vodafone Group PLC	21	0.98
8 William Hill PLC	24	1.12
	222	10.36
United States — 41.12%		
1 AGCO Corp.	21	0.98
1 Amgen, Inc.	36	1.68
1 Anadarko Petroleum Corp.	45	2.10
1 Annaly Capital Management, Inc.	13	0.61
– Apache Corp.	25	1.17
3 Bank of America Corp.	51	2.38
1 Cardinal Health, Inc.	44	2.05
– Carpenter Technology Corp.	13	0.61
1 Chevron Corp.	43	2.00
2 Del Monte Foods Co.	23	1.07
1 Dell, Inc.	18	0.84
– Devon Energy Corp.	20	0.93
1 DirecTV, Class A	38	1.77
3 Fifth Third Bancorp.	33	1.54
2 Intel Corp.	45	2.10
– International Business Machines Corp.	51	2.38
1 JPMorgan Chase & Co.	43	2.00
– Kaiser Aluminum Corp.	11	0.52
1 Merck & Co., Inc.	46	2.15
1 MetLife, Inc.	44	2.05
1 Microsoft Corp.	43	2.00
– The Mosaic Co.	22	1.02
1 Mylan, Inc.	17	0.79
1 Old Republic International Corp.	11	0.51
– The Procter & Gamble Co.	28	1.31
1 Thermo Fisher Scientific, Inc.	29	1.35
1 UnitedHealth Group, Inc.	31	1.44

The accompanying notes are an integral part of the Financial Statements

Legg Mason GC Global Equity Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)		
United States — (continued)		
1 Wal-Mart Stores, Inc.	38	1.77
	882	41.12
Total Common Stock (Cost \$2,067)	2,085	97.21
Total Investments (Cost \$2,067)	2,085	97.21
Other Assets in Excess of Liabilities	60	2.79
Total Net Assets	\$2,145	100.00

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ABBREVIATIONS:

ADR – American Depository Receipt

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	94.26
Other assets	5.74
Total Assets	100.00

Legg Mason Batterymarch European Equity Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) €	% of Net Asset Value	Shares (000's)	Value (000's) €	% of Net Asset Value
Common Stock — 99.07%					
Austria — 1.54%					
2 Erste Group Bank AG	53	0.34	3 Metro AG	102	0.65
2 OMV AG	56	0.36	3 MTU Aero Engines Holding AG	109	0.70
1 Raiffeisen International Bank Holding AG	41	0.26	1 Muenchener Rueckversicherungs AG	108	0.69
4 Voestalpine AG	92	0.58	2 ProSiebenSat.1 Media AG	20	0.13
	242	1.54	2 Rheinmetall AG	89	0.56
Belgium — 0.40%			3 RWE AG	171	1.08
1 Solvay S.A.	63	0.40	2 SAP AG	73	0.46
Cyprus — 0.25%			3 Siemens AG	184	1.17
9 Bank of Cyprus Public Co. Ltd.	40	0.25	5 ThyssenKrupp AG	111	0.71
Denmark — 1.71%				2,521	16.03
2 Carlsberg A/S, Class B	92	0.59	Greece — 0.95%		
1 Danisco A/S	46	0.29	8 Hellenic Telecommunications Organization S.A.	66	0.42
3 Danske Bank A/S	51	0.32	6 OPAP S.A.	84	0.53
6 H Lundbeck A/S	80	0.51		150	0.95
	269	1.71	Ireland — 0.51%		
Finland — 1.46%			4 DCC PLC	80	0.51
2 Metso Oyj	44	0.28	Italy — 4.09%		
14 Nokia Oyj	134	0.85	5 Atlantia S.p.A.	87	0.55
3 Sampo Oyj, Class A	52	0.33	12 Enel S.p.A.	50	0.32
	230	1.46	11 ENI S.p.A.	179	1.14
France — 10.42%			17 Mediaset S.p.A.	93	0.59
6 AXA S.A.	92	0.58	7 Prysmian S.p.A.	86	0.55
4 BNP Paribas	207	1.32	14 Snam Rete Gas SpA	50	0.32
1 CNP Assurances	67	0.43	27 Telecom Italia S.p.A.	28	0.18
4 France Telecom S.A.	69	0.44	38 Unicredit S.p.A.	70	0.44
6 GDF Suez	164	1.04		643	4.09
1 Nexans S.A.	34	0.21	Luxembourg — 0.52%		
3 Publicis Groupe S.A.	93	0.59	5 Tenaris S.A.	82	0.52
4 Sanofi-Aventis S.A.	228	1.45	Netherlands — 8.89%		
5 SCOR SE	84	0.53	12 Aegon NV	57	0.36
2 Technip S.A.	95	0.60	2 Akzo Nobel NV	84	0.53
6 Total S.A.	257	1.63	5 European Aeronautic Defence and Space Co. NV	79	0.50
3 Valeo S.A.	58	0.37	3 Heineken Holding NV	84	0.53
2 Vinci S.A.	76	0.48	7 Imtech NV	154	0.98
6 Vivendi S.A.	119	0.75	13 ING Groep NV	84	0.53
	1,643	10.42	10 Koninklijke KPN NV	114	0.73
Germany — 16.03%			7 Koninklijke Philips Electronics NV	157	1.00
2 Allianz SE	190	1.21	10 Royal Dutch Shell PLC, Class A	209	1.33
3 BASF SE	131	0.83	10 Royal Dutch Shell PLC, Class B	193	1.23
3 Bayer AG	141	0.90	17 STMicroelectronics NV	110	0.70
4 Bayerische Motoren Werke AG	120	0.76	3 Unilever NV	74	0.47
9 Commerzbank AG	50	0.32		1,399	8.89
3 Daimler AG	95	0.61	Norway — 3.09%		
4 Deutsche Bank AG	174	1.11	8 Aker Solutions ASA	74	0.47
10 Deutsche Telekom AG	98	0.62	6 DnB NOR ASA	49	0.31
6 E.ON AG	148	0.94	11 Norsk Hydro ASA	56	0.36
3 Hannover Rueckversicherung AG	107	0.68	6 Petroleum Geo-Services ASA	52	0.33
2 HeidelbergCement AG	73	0.46	6 Tandberg ASA	113	0.72
3 Henkel AG & Co. KGaA	123	0.78	3 TGS Nopec Geophysical Co. ASA	38	0.24
26 Infineon Technologies AG	104	0.66			

The accompanying notes are an integral part of the Financial Statements

Legg Mason Batterymarch European Equity Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) €	% of Net Asset Value
Common Stock — (continued)		
Norway — (continued)		
3 Yara International ASA	103	0.66
	485	3.09
Portugal — 1.25%		
39 Energias de Portugal S.A.	105	0.67
12 Portugal Telecom SGPS S.A.	91	0.58
	196	1.25
Spain — 5.08%		
12 Banco Bilbao Vizcaya Argentaria S.A.	119	0.76
32 Banco Santander S.A.	310	1.97
3 Bolsas y Mercados Espanoles	56	0.36
2 Financiera Alba Corp.	65	0.41
2 Red Electrica Corp. S.A.	59	0.37
11 Telefonica S.A.	190	1.21
	799	5.08
Sweden — 1.16%		
3 Modern Times Group AB, Class B	110	0.70
7 Svenska Cellulosa AB, Class B	72	0.46
	182	1.16
Switzerland — 10.80%		
5 ABB Ltd.	69	0.44
2 Baloise Holding AG	133	0.85
5 Credit Suisse Group AG	176	1.12
6 Logitech International S.A.	67	0.43
11 Nestle S.A.	394	2.51
2 Nobel Biocare Holding AG	30	0.19
8 Novartis AG	337	2.14
2 Roche Holding AG	220	1.40
– Swisscom AG	73	0.46
– Syngenta AG	57	0.36
4 UBS AG	43	0.27
1 Zurich Financial Services AG	99	0.63
	1,698	10.80
United Kingdom — 30.92%		
20 Amlin PLC	88	0.56
4 Anglo American PLC	120	0.76
10 Associated British Foods PLC	109	0.69
7 AstraZeneca PLC	227	1.44
15 Atkins WS PLC	94	0.60
13 Aviva PLC	59	0.37
53 Barclays PLC	184	1.17
10 BG Group PLC	122	0.77
9 BHP Billiton PLC	207	1.32
63 BP PLC	411	2.61
4 British American Tobacco PLC	91	0.58
64 BT Group PLC	82	0.52
8 Diageo PLC	99	0.63
23 Drax Group PLC	102	0.65
5 Eurasian Natural Resources Corp., Series W/I	61	0.39
15 Firstgroup PLC	61	0.39

Shares (000's)	Value (000's) €	% of Net Asset Value
30 GKN PLC	38	0.24
20 GlaxoSmithKline PLC	270	1.71
25 Home Retail Group PLC	72	0.46
54 HSBC Holdings PLC	436	2.77
17 IG Group Holdings PLC	74	0.47
15 IMI PLC	92	0.58
7 Imperial Tobacco Group PLC	157	1.00
6 Kazakhmys PLC	93	0.59
67 Legal & General Group PLC	58	0.37
119 Lloyds TSB Group PLC	70	0.44
21 Marks & Spencer Group PLC	76	0.48
22 Mondi PLC	94	0.59
13 National Grid PLC	93	0.59
5 Next PLC	105	0.67
7 Rio Tinto PLC	273	1.73
8 Standard Chartered PLC	131	0.83
16 Tate & Lyle PLC	76	0.48
28 Tesco PLC	134	0.85
192 Vodafone Group PLC	304	1.93
4 The Weir Group PLC	39	0.25
6 Xstrata PLC	69	0.44
	4,871	30.92
Total Common Stock (Cost €16,046)	15,593	99.07
Total Investments (Cost €16,046)	15,593	99.07
Other Assets in Excess of Liabilities	147	0.93
Total Net Assets	€15,740	100.00
– Amounts designated as "-" are either €0, less than €1,000 or less than 1,000 shares.		
ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.		
Analysis of Total Assets (Unaudited)		% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market		97.68
Other assets		2.32
Total Assets		100.00

The accompanying notes are an integral part of the Financial Statements

Legg Mason Batterymarch Asia Pacific Equity Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value	Shares (000's)	Value (000's) \$	% of Net Asset Value		
Common Stock — 96.08%							
China — 16.61%							
242	Agile Property Holdings Ltd.	309	0.20	664	Comba Telecom Systems Holdings Ltd.	720	0.46
706	Air China Ltd., Class H ∞	623	0.40	77	Dah Sing Financial Holdings Ltd.	392	0.25
3,883	Bank of China Ltd., Class H	1,886	1.21	207	Esprit Holdings Ltd.	1,478	0.94
947	BaWang International Group Holding Ltd.	532	0.34	2,650	Geely Automobile Holdings Ltd.	1,331	0.85
361	China Citic Bank, Class H	241	0.15	272	Hang Lung Group Ltd.	1,368	0.88
3,926	China Construction Bank Corp., Class H	2,969	1.90	47	Hong Kong Exchanges and Clearing Ltd.	788	0.50
493	China Life Insurance Co. Ltd., Class H	2,188	1.40	90	Hongkong Land Holdings Ltd.	414	0.26
254	China Merchants Bank Co. Ltd., Class H	626	0.40	588	Hopson Development Holdings Ltd.	823	0.53
308	China Minsheng Banking Corp. Ltd., Class H	321	0.21	278	Kerry Properties Ltd.	1,321	0.85
425	China Shenhua Energy Co. Ltd., Class H	1,827	1.17	838	Lee & Man Paper Manufacturing Ltd.	557	0.36
2,764	China Southern Airlines Co. Ltd., Class H ∞	1,061	0.68	258	Li & Fung Ltd.	1,199	0.77
14	Ctrip.com International Ltd., ADR	527	0.34	480	Minth Group Ltd.	694	0.44
654	Dongfeng Motor Group Co. Ltd., Class H	949	0.61	382	New World Development Ltd.	701	0.45
278	Golden Eagle Retail Group Ltd., Class H	508	0.32	434	Nine Dragons Paper Holdings Ltd.	632	0.40
294	Great Wall Motor Co. Ltd., Class H	442	0.28	773	Noble Group Ltd.	1,743	1.12
288	Guangzhou R&F Properties Co. Ltd., Class H	427	0.27	460	Pacific Basin Shipping Ltd.	367	0.24
3,522	Industrial & Commercial Bank of China, Class H	2,491	1.59	389	Sino-Ocean Land Holdings Ltd.	343	0.22
1,828	Intime Department Store Group Co. Ltd., Class H	1,550	0.99	87	Sun Hung Kai Properties Ltd.	1,208	0.77
492	Jiangsu Expressway Co. Ltd., Class H	457	0.29	137	Swire Pacific Ltd., Class A	1,529	0.98
1,320	PetroChina Co. Ltd., Class H	1,474	0.94	494	TCL Multimedia Technology Holdings Ltd.	502	0.32
1,579	Renhe Commercial Holdings Co. Ltd.	362	0.23	143	Tencent Holdings Ltd.	2,800	1.79
380	Tingyi Cayman Islands Holding Corp.	882	0.57	89	VTech Holdings Ltd.	897	0.58
80	Tsingtao Brewery Co. Ltd., Class H	381	0.25				
146	Weichai Power Co. Ltd., Class H	1,107	0.71				
860	Yanzhou Coal Mining Co. Ltd., Class H	1,819	1.16				
		25,959	16.61			31,364	20.08
Hong Kong — 20.08%							
981	Ajisen China Holdings Ltd.	901	0.58	India — 8.42%			
790	BOC Hong Kong Holdings Ltd.	1,780	1.14	48	Central Bank of India	156	0.10
83	Cheung Kong Holdings Ltd.	1,013	0.65	37	Crompton Greaves Ltd.	336	0.21
343	China Mobile Ltd.	3,380	2.16	60	DLF Ltd.	390	0.25
156	China Overseas Land & Investment Ltd.	317	0.20	12	ICICI Bank Ltd., ADR	459	0.29
131	China Taiping Insurance Holdings Co. Ltd.	407	0.26	150	Indian Hotels Co. Ltd.	292	0.19
1,115	CNOOC Ltd.	1,759	1.13	16	Infosys Technologies Ltd., ADR	922	0.59
				65	Jindal Steel & Power Ltd.	885	0.57
				54	Mahindra & Mahindra Ltd.	1,174	0.75
				371	Pipavav Shipyard Ltd.	440	0.28
				110	Prakash Industries Ltd.	481	0.31
				38	Reliance Industries Ltd.	804	0.52
				66	Sterlite Industries India Ltd.	1,121	0.72
				53	Tata Steel Ltd.	662	0.42
				70	Thermax Ltd.	895	0.57
				344	TVS Motor Co. Ltd.	525	0.34
				476	Voltas Ltd.	1,606	1.03
				390	Yes Bank Ltd.	2,001	1.28
						13,149	8.42
Indonesia — 6.09%							
				95	Astra International Tbk PT	369	0.24
				5,120	Bank Mandiri Tbk PT	2,454	1.57
				3,701	Bumi Resources Tbk PT	892	0.57
				92	Gudang Garam Tbk PT	257	0.16
				73	Indo Tambangraya Megah PT	247	0.16
				1,298	Indocement Tunggal Prakarsa Tbk PT	1,904	1.22
				1,432	Semen Gresik Persero Tbk PT	1,166	0.75

The accompanying notes are an integral part of the Financial Statements

Legg Mason Batterymarch Asia Pacific Equity Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)		Value (000's) \$	% of Net Asset Value	Shares (000's)		Value (000's) \$	% of Net Asset Value
Common Stock — (continued)							
Indonesia — (continued)				2,800 Suntec Real Estate Investment Trust			
1,211	United Tractors Tbk PT	2,224	1.42			2,589	1.66
				56	United Overseas Bank Ltd.	743	0.48
		9,513	6.09			8,918	5.71
Korea, Republic Of — 18.48%				Sri Lanka — 1.61%			
11	CJ O Shopping Co. Ltd.	654	0.42	288	Hatton National Bank PLC	447	0.29
57	Daegu Bank	732	0.47	764	John Keells Holdings PLC	1,121	0.72
14	Daelim Industrial Co. Ltd.	848	0.54	484	National Development Bank Ltd.	940	0.60
4	Dongbu Insurance Co. Ltd.	95	0.06			2,508	1.61
11	GS Engineering & Construction Corp.	834	0.54	Taiwan — 14.85%			
79	Halla Climate Control Corp.	889	0.57	160	Acer, Inc.	449	0.29
12	Hana Financial Group, Inc.	341	0.22	250	Advanced Semiconductor Engineering, Inc.	199	0.13
25	Huchems Fine Chemical Corp.	594	0.38	558	Cando Corp.	479	0.31
77	Hyundai Marine & Fire Insurance Co. Ltd.	1,253	0.80	964	Cathay Financial Holding Co. Ltd.	1,554	0.99
16	Hyundai Mobis	1,997	1.28	2,431	China Life Insurance Co. Ltd.	1,633	1.05
2	Hyundai Steel Co.	176	0.11	400	Compal Electronics, Inc.	574	0.37
94	Industrial Bank of Korea	1,070	0.68	346	Gigabyte Technology Co. Ltd.	316	0.20
24	KB Financial Group, Inc., ADR	1,022	0.65	795	Hon Hai Precision Industry Co. Ltd.	3,146	2.01
20	KH Vatec Co. Ltd.	799	0.51	426	Huaku Development Co. Ltd.	1,049	0.67
11	Korea Zinc Co. Ltd.	1,750	1.12	578	Lite-On Technology Corp.	744	0.47
62	KT Corp., ADR	1,185	0.76	115	MediaTek, Inc.	1,815	1.16
37	LG Corp.	1,927	1.23	357	Quanta Computer, Inc.	729	0.46
18	LG Display Co. Ltd.	543	0.35	106	Radiant Opto-Electronics Corp.	129	0.08
9	LG Electronics, Inc.	794	0.51	41	Richtek Technology Corp.	383	0.25
1	Poongsan Corp.	25	0.01	785	Siliconware Precision Industries Co.	912	0.58
6	POSCO	2,943	1.89	330	Sintek Photronic Corp.	216	0.14
10	Samsung Electronics Co. Ltd.	6,240	3.99	139	Sunrex Technology Corp.	151	0.10
4	Shinhan Financial Group Co. Ltd.	151	0.10	1,336	Taishin Financial Holding Co. Ltd.	450	0.29
38	Technosemichem Co. Ltd.	616	0.39	1,087	Taiwan Semiconductor Manufacturing Co. Ltd.	1,993	1.28
126	Woori Finance Holdings Co. Ltd.	1,413	0.90	104	Taiwan Semiconductor Manufacturing Co. Ltd., ADR	1,011	0.65
		28,891	18.48	318	Unimicron Technology Corp.	356	0.23
Pakistan — 0.78%				1,097	United Microelectronics Corp.	528	0.34
274	Fauji Fertilizer Co. Ltd.	335	0.22	365	United Microelectronics Corp., ADR	1,253	0.80
641	Oil & Gas Development Co. Ltd.	880	0.56	1,482	Wistron Corp.	2,542	1.63
		1,215	0.78	359	WPG Holdings Co. Ltd.	579	0.37
Philippines — 0.83%						23,190	14.85
516	Banco de Oro Unibank, Inc.	425	0.27	Thailand — 2.62%			
6	Philippine Long Distance Telephone Co.	316	0.20	35	Banpu PCL, NVDR ∞	585	0.38
1,986	Robinsons Land Corp.	571	0.36	14	Banpu PCL ∞	239	0.15
		1,312	0.83	323	Kiatnakin Bank PCL ∞	244	0.16
Singapore — 5.71%				5,450	LPN Development PCL ∞	1,170	0.75
349	CDL Hospitality Trusts	420	0.27	1,860	Sansiri PCL ∞	276	0.18
114	DBS Group Holdings Ltd.	1,130	0.72	30	Siam Cement PCL, NVDR ∞	201	0.13
156	Fraser and Neave Ltd.	473	0.30	23	Siam Cement PCL ∞	161	0.10
464	Ho Bee Investment Ltd.	551	0.35				
194	Keppel Corp. Ltd.	1,161	0.74				
131	Oversea-Chinese Banking Corp. Ltd.	791	0.51				
65	Singapore Exchange Ltd.	357	0.23				
489	Straits Asia Resources Ltd.	703	0.45				

The accompanying notes are an integral part of the Financial Statements

Legg Mason Batterymarch Asia Pacific Equity Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)		
Thailand — (continued)		
6,195 Supalai PCL ∞	1,199	0.77
	4,075	2.62
Total Common Stock (Cost \$122,768)	150,094	96.08
Total Investments (Cost \$122,768)	150,094	96.08
Other Assets in Excess of Liabilities	6,127	3.92
Total Net Assets	\$156,221	100.00

∞ Security is valued in good faith at fair value by or at the discretion of the Investment Manager.

ABBREVIATIONS:

ADR – American Depositary Receipt
 NVDR – Non Voting Depositary Receipt
 PCL – Public Company Limited

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	95.77
Other assets	4.23
Total Assets	100.00

Legg Mason Batterymarch International Large Cap Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value	Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 99.30%					
Australia — 6.08%			6 Sampo Oyj, Class A		
				143	0.86
33 Alumina Ltd.	44	0.26	<hr/>		
7 Australia & New Zealand Banking Group Ltd.	136	0.82		283	1.70
7 BHP Billiton Ltd.	267	1.61	France — 6.90%		
2 Commonwealth Bank of Australia	93	0.56	5 AXA S.A.	97	0.58
11 David Jones Ltd.	49	0.30	2 BNP Paribas	148	0.89
9 Goodman Fielder Ltd.	12	0.07	1 CNP Assurances	90	0.54
13 Incitec Pivot Ltd.	39	0.23	1 France Telecom S.A.	33	0.20
2 Macquarie Group Ltd.	65	0.39	3 GDF Suez	127	0.77
3 National Australia Bank Ltd.	77	0.46	– LVMH Moët Hennessy Louis Vuitton SA	53	0.32
22 OneSteel Ltd.	69	0.42	1 Publicis Groupe S.A.	48	0.29
1 Rio Tinto Ltd.	91	0.55	3 Sanofi-Aventis S.A.	193	1.16
3 Westpac Banking Corp.	68	0.41	1 Technip S.A.	70	0.42
	1,010	6.08	3 Total S.A.	161	0.97
<hr/>			2 Valeo S.A.	75	0.45
Austria — 1.44%			2 Vivendi S.A.	52	0.31
1 Erste Group Bank AG	48	0.29		1,147	6.90
1 Raiffeisen International Bank Holding AG	37	0.22	Germany — 9.04%		
4 Voestalpine AG	155	0.93	1 Allianz SE	142	0.86
	240	1.44	1 BASF SE	44	0.27
<hr/>			2 Bayerische Motoren Werke AG	100	0.60
Belgium — 0.61%			2 Bilfinger Berger AG	107	0.64
1 Delhaize Group S.A.	102	0.61	2 Deutsche Bank AG	98	0.59
<hr/>			6 Deutsche Telekom AG	78	0.47
Brazil — 0.41%			2 E.ON AG	89	0.54
2 Tim Participacoes S.A., ADR	68	0.41	1 Hannover Rueckversicherung AG	60	0.36
<hr/>			2 Henkel AG & Co. KGaA	102	0.61
Canada — 1.92%			20 Infineon Technologies AG	110	0.66
3 Alimentation Couche Tard, Inc., Class B	60	0.36	1 Metro AG	73	0.44
3 Manulife Financial Corp.	57	0.34	1 MTU Aero Engines Holding AG	48	0.29
1 National Bank of Canada	46	0.28	1 Muenchener Rueckversicherungs AG	124	0.75
3 Nexen, Inc.	56	0.34	1 RWE AG	123	0.74
1 Research In Motion Ltd.	99	0.60	2 Siemens AG	203	1.22
	318	1.92		1,501	9.04
<hr/>			Greece — 0.76%		
Chile — 0.55%			4 Hellenic Telecommunications Organization S.A.	47	0.28
4 Enersis S.A., ADR	91	0.55	4 OPAP S.A.	79	0.48
<hr/>				126	0.76
China — 1.28%			Hong Kong — 1.24%		
99 Bank of China Ltd., Class H	48	0.29	29 BOC Hong Kong Holdings Ltd.	65	0.39
28 China Yurun Food Group Ltd., Class H	83	0.50	13 Kerry Properties Ltd.	60	0.36
38 Yanzhou Coal Mining Co. Ltd., Class H	81	0.49	36 Noble Group Ltd.	81	0.49
	212	1.28		206	1.24
<hr/>			Ireland — 0.49%		
Denmark — 1.51%			2 DCC PLC	49	0.29
1 Danisco A/S	98	0.59	9 Irish Life & Permanent Group Holdings PLC	33	0.20
2 Danske Bank A/S	51	0.31		82	0.49
6 H Lundbeck A/S	102	0.61	Italy — 2.16%		
	251	1.51	6 ENI S.p.A.	125	0.75
<hr/>					
Finland — 1.70%					
10 Nokia Oyj	140	0.84			

The accompanying notes are an integral part of the Financial Statements

Legg Mason Batterymarch International Large Cap Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value	Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)					
Italy — (continued)			Luxembourg — 0.97%		
10 Mediaset S.p.A.	78	0.47	5 Acergy S.A.	82	0.50
7 Prysmian S.p.A.	122	0.73	4 Tenaris S.A.	78	0.47
14 Unicredit S.p.A.	35	0.21		160	0.97
	360	2.16	Mexico — 1.16%		
Japan — 20.67%			2 America Movil SAB de CV, Series L, ADR	98	0.59
11 Aeon Co. Ltd.	115	0.69	10 Cemex SAB de CV, ADR	95	0.57
– Central Japan Railway Co.	83	0.50		193	1.16
2 Daito Trust Construction Co. Ltd.	73	0.44	Netherlands — 3.60%		
2 FUJIFILM Holdings Corp.	70	0.42	1 Akzo Nobel NV	52	0.31
10 Fujitsu Ltd.	65	0.39	1 Heineken Holding NV	41	0.25
11 The Gunma Bank Ltd.	61	0.37	3 Imtech NV	101	0.61
33 Hitachi Ltd.	109	0.66	5 Koninklijke Philips Electronics NV	140	0.84
4 Honda Motor Co. Ltd.	146	0.88	5 Royal Dutch Shell PLC, Class A	142	0.86
11 ITOCHU Corp.	89	0.54	3 Royal Dutch Shell PLC, Class B	91	0.55
1 JFE Holdings, Inc.	37	0.22	1 Unilever NV	29	0.18
3 The Kansai Electric Power Co., Inc.	71	0.43		596	3.60
2 Lawson, Inc.	74	0.45	Norway — 2.11%		
3 Mitsubishi Corp.	70	0.42	4 Aker Solutions ASA	53	0.32
29 Mitsubishi UFJ Financial Group, Inc.	144	0.87	5 DnB NOR ASA	50	0.30
5 Mitsui & Co. Ltd.	84	0.50	10 Norsk Hydro ASA	70	0.42
22 Mitsui Chemicals, Inc.	60	0.36	4 Tandberg ASA	101	0.61
14 Mizuho Securities Co. Ltd.	41	0.25	2 Yara International ASA	76	0.46
11 NEC Corp.	31	0.19		350	2.11
16 Nippon Express Co. Ltd.	66	0.40	Portugal — 1.03%		
3 Nippon Telegraph & Telephone Corp.	144	0.87	24 Energias de Portugal S.A.	87	0.52
57 The Nishi-Nippon City Bank Ltd.	154	0.93	8 Portugal Telecom SGPS S.A.	85	0.51
12 Nissan Motor Co. Ltd.	98	0.59		172	1.03
3 Nomura Research Institute Ltd.	70	0.42	Russia — 2.47%		
– NTT Data Corp.	106	0.64	1 Lukoil OAO, ADR	65	0.39
8 Sega Sammy Holdings, Inc.	95	0.57	7 Magnitogorsk Iron & Steel Works, GDR	92	0.55
22 Shinsei Bank Ltd.	25	0.15	5 MMC Norilsk Nickel, ADR	71	0.43
26 Showa Denko KK	53	0.32	2 Mobile Telesystems OJSC, ADR	89	0.54
34 Sojitz Corp.	61	0.37	5 Vimpel-Communications, ADR	93	0.56
4 Sony Corp.	120	0.72		410	2.47
– Sony Financial Holdings, Inc.	84	0.51	Singapore — 0.45%		
7 Sumitomo Corp.	76	0.46	28 SembCorp Marine Ltd.	74	0.45
25 Sumitomo Metal Industries Ltd.	69	0.42	South Africa — 0.55%		
2 Sumitomo Mitsui Financial Group, Inc.	71	0.43	5 Bidvest Group Ltd.	91	0.55
2 Takeda Pharmaceutical Co. Ltd.	91	0.55	Spain — 2.85%		
5 Tohoku Electric Power Co., Inc.	113	0.68	7 Banco Bilbao Vizcaya Argentaria S.A.	87	0.52
4 Tokio Marine Holdings, Inc.	107	0.64	15 Banco Santander S.A.	199	1.20
15 Tokyo Gas Co. Ltd.	65	0.39	2 Red Electrica Corp. S.A.	80	0.48
11 Toppan Printing Co. Ltd.	96	0.58	5 Telefonica S.A.	108	0.65
3 Toyota Motor Corp.	105	0.64		474	2.85
– West Japan Railway Co.	81	0.49	Korea, Republic Of — 0.99%		
4 Yamato Holdings Co. Ltd.	53	0.32	1 Hyundai Mobis	98	0.59
	3,426	20.67	6 Woori Finance Holdings Co. Ltd.	66	0.40
				164	0.99

The accompanying notes are an integral part of the Financial Statements

Legg Mason Batterymarch International Large Cap Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value	ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.	% of Total Assets
Common Stock — (continued)			Analysis of Total Assets (Unaudited)	
Switzerland — 6.12%			Transferable securities admitted to an official exchange listing or traded on a regulated market	97.78
2 Baloise-Holding AG	138	0.83	Other assets	2.22
6 Clariant AG	61	0.37		
3 Credit Suisse Group AG	116	0.70		
5 Nestle S.A.	270	1.63	Total Assets	100.00
5 Novartis AG	257	1.55		
1 Roche Holding AG	121	0.73		
– Syngenta AG	52	0.31		
	1,015	6.12		
Taiwan — 0.52%				
25 United Microelectronics Corp., ADR	86	0.52		
United Kingdom — 19.72%				
25 Amlin PLC	149	0.90		
2 Anglo American PLC	84	0.51		
8 Arriva PLC	60	0.36		
6 Associated British Foods PLC	92	0.55		
4 AstraZeneca PLC	180	1.08		
5 Atkins WS PLC	46	0.27		
11 Aviva PLC	68	0.41		
31 Barclays PLC	148	0.89		
4 BG Group PLC	65	0.39		
5 BHP Billiton PLC	147	0.89		
34 BP PLC	298	1.79		
20 Centrica PLC	87	0.52		
9 Drax Group PLC	56	0.34		
8 Eurasian Natural Resources Corp., Series W/I	127	0.76		
38 GKN PLC	65	0.39		
13 GlaxoSmithKline PLC	240	1.45		
24 HSBC Holdings PLC	265	1.59		
12 IMI PLC	103	0.62		
3 Imperial Tobacco Group PLC	96	0.58		
19 Marks & Spencer Group PLC	97	0.58		
2 Next PLC	68	0.41		
3 Rio Tinto PLC	176	1.06		
4 Standard Chartered PLC	91	0.55		
8 Tate & Lyle PLC	52	0.31		
15 Tesco PLC	99	0.60		
120 Vodafone Group PLC	259	1.56		
5 The Weir Group PLC	59	0.36		
	3,277	19.72		
Total Common Stock (Cost \$17,124)	16,485	99.30		
Total Investments (Cost \$17,124)	16,485	99.30		
Other Assets in Excess of Liabilities	117	0.70		
Total Net Assets	\$16,602	100.00		

– Amounts designated as “-” are either \$0, less than \$1,000 or less than 1,000 shares.

ABBREVIATIONS:

ADR – American Depositary Receipt
GDR – Global Depositary Receipt

The accompanying notes are an integral part of the Financial Statements

Legg Mason Batterymarch Emerging Markets Equity Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value	Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 88.61%					
Brazil — 13.20%					
36	Acucar Guarani S.A.	104	0.11		
77	Banco Bradesco S.A., ADR	1,327	1.40		
15	Banco do Brasil S.A.	242	0.26		
32	Banco Panamericano S.A.	190	0.20		
39	Brookfield Incorporacoes S.A.	202	0.21		
16	Cia Energetica de Minas Gerais, ADR	268	0.28		
28	Gerdau S.A., ADR	416	0.44		
26	Gol Linhas Aereas Inteligentes S.A., ADR	349	0.37		
8	Iguatemi Empresa de Shopping Centers S.A.	123	0.13		
18	Localiza Rent a Car S.A.	192	0.20		
13	Marfrig Alimentos S.A.	149	0.16		
20	Metalfrio Solutions S.A.	127	0.14		
15	Net Servicos de Comunicacao S.A., ADR	185	0.20		
40	OGX Petroleo e Gas Participacoes S.A.	346	0.37		
9	PDG Realty S.A. Empreendimentos e Participacoes	79	0.08		
26	Petroleo Brasileiro S.A., ADR	1,105	1.17		
68	Petroleo Brasileiro S.A., Sponsored ADR	2,611	2.75		
8	Porto Seguro S.A.	80	0.09		
12	Tele Norte Leste Participacoes S.A., ADR	200	0.21		
10	Tele Norte Leste Participacoes S.A.	212	0.22		
12	Tim Participacoes S.A., ADR	332	0.35		
12	Usinas Siderurgicas De Minas Gerais S.A.	329	0.35		
17	Vale S.A.	468	0.49		
98	Vale S.A., ADR	2,421	2.56		
16	Vivo Participacoes S.A., ADR	436	0.46		
		12,493	13.20		
Canada — 0.37%					
22	Pacific Rubiales Energy Corp.	353	0.37		
Chile — 0.87%					
8	Cia Cervecerias Unidas S.A., ADR	313	0.33		
4	Empresa Nacional de Electricidad S.A., ADR	195	0.21		
14	Enersis S.A., ADR	309	0.33		
		817	0.87		
China — 9.60%					
454	Air China Ltd., Class H ∞	401	0.42	274	China Petroleum & Chemical Corp., Class H
1,829	Bank of China Ltd., Class H	888	0.94	94	China Shenhua Energy Co. Ltd., Class H
1,174	China Construction Bank Corp., Class H	888	0.94	1,466	China Southern Airlines Co. Ltd., Class H ∞
179	China Life Insurance Co. Ltd., Class H	795	0.84	79	China Vanke Co. Ltd., Class B
65	China Merchants Bank Co. Ltd., Class H	160	0.17	193	China Yurun Food Group Ltd., Class H
129	China Minsheng Banking Corp. Ltd., Class H	135	0.14	498	Dongfeng Motor Group Co. Ltd., Class H
				9	E-House China Holdings Ltd.
				82	Golden Eagle Retail Group Ltd., Class H
				81	Great Wall Motor Co. Ltd., Class H
				24	Guangzhou R&F Properties Co. Ltd., Class H
				1,343	Industrial & Commercial Bank of China, Class H
				36	Jiangxi Copper Co. Ltd., Class H
				512	PetroChina Co. Ltd., Class H
				207	Shandong Chenming Paper Holdings Ltd., Class H
				48	Weichai Power Co. Ltd., Class H
				8	Yanzhou Coal Mining Co. Ltd., ADR
				124	Yanzhou Coal Mining Co. Ltd., Class H
				45	ZTE Corp., Class H
				9,080	9.60
Egypt — 2.14%					
				40	Commercial International Bank
				170	El Ezz Steel Co.
				68	Maridive & Oil Services
				6	Orascom Construction Industries SAE, GDR
				260	0.27
				330	Talaat Moustafa Group
				450	0.47
				2,046	2.14
Hong Kong — 6.27%					
				151	Ajisen China Holdings Ltd.
				117	China Mobile Ltd.
				54	China Overseas Land & Investment Ltd.
				110	0.12
				398	CNOOC Ltd.
				627	0.66
				313	Comba Telecom Systems Holdings Ltd.
				339	0.36
				390	Daphne International Holdings Ltd.
				300	0.32
				1,510	Geely Automobile Holdings Ltd.
				759	0.80
				66	Hopson Development Holdings Ltd.
				92	0.10
				264	Lee & Man Paper Manufacturing Ltd.
				176	0.19
				238	Minth Group Ltd.
				344	0.36
				432	Nine Dragons Paper Holdings Ltd.
				629	0.66
				26	Ports Design Ltd.
				64	0.07
				90	Shui On Land Ltd.
				44	0.05

The accompanying notes are an integral part of the Financial Statements

Legg Mason Batterymarch Emerging Markets Equity Fund

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)		
Turkey — (continued)		
55 Turkiye Vakiflar Bankasi Tao, Class D	125	0.13
	2,175	2.29
United Kingdom — 0.33%		
4 Eurasian Natural Resources Corp., Series W/I	61	0.06
253 United Co. RUSAL PLC	256	0.27
	317	0.33
Total Common Stock (Cost \$73,851)	83,993	88.61
Preferred Stock — 4.16%		
Brazil — 4.16%		
21 Bradespar S.A.	454	0.48
13 Cia Energetica de Sao Paulo, Series B	168	0.18
57 Confab Industrial S.A.	152	0.16
166 Investimentos Itau S.A.	1,054	1.11
62 Itau Unibanco Holding S.A., ADR	1,244	1.31
10 Lojas Americanas S.A.	70	0.08
21 Metalurgica Gerdau S.A.	393	0.41
39 Suzano Papel e Celulose S.A.	404	0.43
	3,939	4.16
Total Preferred Stock (Cost \$3,851)	3,939	4.16
Total Investments (Cost \$77,702)	87,932	92.77
Other Assets in Excess of Liabilities	6,856	7.23
Total Net Assets	\$94,788	100.00

– Amounts designated as "-" are either \$0, less than \$1,000 or less than 1,000 shares.

144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$118,720 or 0.13% of net assets.

∞ Security is valued in good faith at fair value by or at the discretion of the Investment Manager.

ABBREVIATIONS:

ADR – American Depositary Receipt
 GDR – Global Depositary Receipt
 NVDR – Non Voting Depositary Receipt
 PCL – Public Company Limited

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	90.45
Other assets	9.55
Total Assets	100.00

The accompanying notes are an integral part of the Financial Statements

Legg Mason Congruix Asia Pacific Fund[^]

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 90.62%		
Agriculture — 1.03%		
36 KT&G Corp.	2,015	1.03
Airlines — 0.49%		
405 Qantas Airways Ltd.	959	0.49
Apparel — 1.29%		
2,329 Far Eastern New Century Corp.	2,520	1.29
Auto Manufacturers — 0.70%		
14 Hyundai Motor Co.	1,359	0.70
Banks — 11.11%		
187 Australia & New Zealand Banking Group Ltd.	3,884	1.99
3,987 China Construction Bank Corp., Class H	3,015	1.55
1,712 China Merchants Bank Co. Ltd., Class H	4,217	2.16
104 Commonwealth Bank of Australia	5,004	2.57
85 National Australia Bank Ltd.	1,934	0.99
154 Westpac Banking Corp.	3,600	1.85
	21,654	11.11
Building Materials — 0.74%		
836 China National Building Material Co. Ltd., Class H	1,439	0.74
Chemicals — 1.80%		
19 LG Chem Ltd.	3,504	1.80
Coal — 4.26%		
1,176 China Coal Energy Co., Class H	1,876	0.96
16,112 China Public Procurement Ltd.	2,346	1.21
1,269 Hidili Industry International Development Ltd.	1,360	0.70
62 MacArthur Coal Ltd.	570	0.29
1,495 Straits Asia Resources Ltd.	2,148	1.10
	8,300	4.26
Computers — 0.60%		
822 InnoLux Display Corp.	1,169	0.60
Cosmetics/Personal Care — 0.91%		
3 Amorepacific Corp.	1,768	0.91
Electrical Components & Equipment — 3.55%		
422 Byd Co. Ltd., Class H	3,268	1.68
4,379 Johnson Electric Holdings Ltd.	2,239	1.15
44 Korea Electric Power Corp.	1,403	0.72
	6,910	3.55
Electronics — 5.27%		
3,658 AU Optronics Corp.	3,764	1.93
483 Hon Hai Precision Industry Co. Ltd.	1,912	0.98
26 Seoul Semiconductor Co. Ltd.	812	0.42
984 Synnex Technology International Corp.	2,074	1.07

Shares (000's)	Value (000's) \$	% of Net Asset Value
2,394 Wintek Corp.	1,702	0.87
	10,264	5.27
Engineering & Construction — 4.20%		
7,929 Boart Longyear Group	2,238	1.15
256 Downer EDI Ltd.	1,813	0.93
1,140 Transfield Services Ltd.	4,127	2.12
	8,178	4.20
Entertainment — 0.51%		
24,000 China LotSynergy Holdings Ltd.	990	0.51
Financials – Diversified — 1.87%		
45 KB Financial Group, Inc.	1,896	0.97
3,559 Polaris Securities Co. Ltd.	1,742	0.90
	3,638	1.87
Forest Products & Paper — 0.40%		
536 Nine Dragons Paper Holdings Ltd.	780	0.40
Healthcare – Products — 1.21%		
408 ResMed, Inc.	2,353	1.21
Home Builders — 0.62%		
42 Hyundai Development Co.	1,218	0.62
Home Furnishings — 2.67%		
3,952 Haier Electronics Group Co. Ltd.	2,189	1.12
2,966 TCL Multimedia Technology Holdings Ltd.	3,019	1.55
	5,208	2.67
Household Products — 1.10%		
4,017 OSIM International Ltd.	2,143	1.10
Insurance — 1.76%		
404 China Life Insurance Co. Ltd., Class H	1,793	0.92
215 Ping An Insurance Group Co. of China Ltd., Class H	1,636	0.84
	3,429	1.76
Internet — 3.34%		
779 carsales.com.au Ltd.	3,401	1.75
158 Tencent Holdings Ltd.	3,104	1.59
	6,505	3.34
Iron & Steel — 1.08%		
5 POSCO	2,106	1.08
Media — 2.46%		
3,249 Fairfax Media Ltd.	4,805	2.46
Mining — 6.33%		
228 BHP Billiton Ltd.	8,389	4.31
987 Murchison Metals Ltd.	2,069	1.06
30 Rio Tinto Ltd.	1,866	0.96
	12,324	6.33

[^] Not authorised in Hong Kong and not available to Hong Kong residents.
The accompanying notes are an integral part of the Financial Statements

Legg Mason Congruix Asia Pacific Fund[^]

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)		
Miscellaneous Manufacturing — 1.73%		
2,319 CSR Ltd.	3,367	1.73
Oil & Gas — 4.10%		
167 Caltex Australia Ltd.	1,576	0.81
1,248 CNOOC Ltd.	1,968	1.01
2,076 PetroChina Co. Ltd., Class H	2,319	1.19
3,057 SapuraCrest Petroleum BHD	2,118	1.09
	7,981	4.10
Packaging & Containers — 1.05%		
385 Amcor Ltd.	2,049	1.05
Real Estate — 4.43%		
78 Cheung Kong Holdings Ltd.	952	0.49
970 Keppel Land Ltd.	2,263	1.16
1,760 Midland Holdings Ltd.	1,662	0.85
270 Sun Hung Kai Properties Ltd.	3,750	1.93
	8,627	4.43
Retail — 7.43%		
1,081 Astra International Tbk PT	4,196	2.15
10,485 GOME Electrical Appliances Holdings Ltd.	3,296	1.69
5,734 PCD Stores Ltd.	1,898	0.98
6 Shinsegae Co. Ltd.	2,921	1.50
77 Wesfarmers Ltd.	2,155	1.11
	14,466	7.43
Semiconductors — 6.65%		
719 Epistar Corp.	1,929	0.99
841 Inotera Memories, Inc.	578	0.30
705 MPI Corp.	2,572	1.32
205 Richtek Technology Corp.	1,914	0.98
8 Samsung Electronics Co. Ltd.	4,962	2.55
545 Taiwan Semiconductor Manufacturing Co. Ltd.	999	0.51
	12,954	6.65
Telecommunications — 2.88%		
417 China Mobile Ltd.	4,115	2.11
39 KT Corp.	1,494	0.77
	5,609	2.88
Textiles — 0.49%		
1,052 Texwinca Holdings Ltd.	947	0.49
Transportation — 2.56%		
1,333 China COSCO Holdings Co. Ltd., Class H	1,661	0.85
2,091 Ezra Holdings Ltd.	3,332	1.71
	4,993	2.56
Total Common Stock (Cost \$182,190)	176,531	90.62

Shares (000's)	Value (000's) \$	% of Net Asset Value
Participatory Notes — 6.66%		
— 6.66%		
200 ICICI Bank Ltd., Series CW14, 144A	3,783	1.94
350 IRB Infrastructure Developers Ltd., Series CW13	1,917	0.98
576 Jaiprakash Associates Ltd., Series CW10, 144A	1,653	0.85
786 Shree Renuka Sugars Ltd., Series CW13, 144A	2,843	1.46
180 Tata Motors Ltd.	2,779	1.43
Total Participatory Notes (Cost \$14,331)	12,975	6.66
Total Investments (Cost \$196,521)	189,506	97.28
Other Assets in Excess of Liabilities	5,297	2.72
Total Net Assets	\$194,803	100.00

144A Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold, in transactions exempt from registration, to qualified institutional buyers. As at February 28, 2010, these securities amounted to \$8,278,398 or 4.25% of net assets.

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	97.17
Other assets	2.83
Total Assets	100.00

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Legg Mason Congruix Japan Equity Fund

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) ¥	% of Net Asset Value
Common Stock — 98.46%		
Auto Manufacturers — 9.08%		
33 Isuzu Motors Ltd.	7,359	3.93
3 Toyota Motor Corp.	9,657	5.15
	17,016	9.08
Auto Parts & Equipment — 5.90%		
4 JTEKT Corp.	4,110	2.19
3 Keihin Corp.	4,348	2.32
2 NOK Corp.	2,602	1.39
	11,060	5.90
Beverages — 3.36%		
4 Asahi Breweries Ltd.	6,305	3.36
Chemicals — 6.30%		
6 Kanto Denka Kogyo Co. Ltd.	3,786	2.02
2 Nitto Denko Corp.	5,567	2.97
1 Tanaka Chemical Corp.	2,466	1.31
	11,819	6.30
Commercial Services — 1.73%		
4 Nichii Gakkan Co.	3,241	1.73
Cosmetics & Personal Care — 6.72%		
2 Fancl Corp.	4,320	2.31
4 Shiseido Co. Ltd.	8,270	4.41
	12,590	6.72
Electronics — 11.52%		
2 Hamamatsu Photonics KK	3,687	1.97
2 NGK Insulators Ltd.	3,834	2.05
18 Toshiba Corp.	8,010	4.27
3 Ulvac, Inc.	6,062	3.23
	21,593	11.52
Financials – Banks — 6.19%		
13 Mitsubishi UFJ Financial Group, Inc.	5,612	2.99
2 Sumitomo Mitsui Financial Group, Inc.	5,998	3.20
	11,610	6.19
Home Builders — 2.11%		
46 Haseko Corp.	3,959	2.11
Home Furnishings — 6.83%		
8 Sharp Corp.	8,240	4.39
2 Sony Corp.	4,575	2.44
	12,815	6.83
Industrials — 3.43%		
3 Mitsubishi Corp.	6,438	3.43
Iron & Steel — 3.78%		
4 Hitachi Metals Ltd.	3,424	1.83
11 Nippon Steel Corp.	3,652	1.95
	7,076	3.78

Shares (000's)	Value (000's) ¥	% of Net Asset Value
Machinery-Construction & Mining — 2.20%		
4 Takeuchi Manufacturing Co. Ltd.	4,134	2.20
Mining — 4.22%		
24 Mitsui Matsushima Co. Ltd.	4,080	2.18
7 Nippon Denko Co. Ltd.	3,829	2.04
	7,909	4.22
Miscellaneous Manufacturing — 6.35%		
2 FUJIFILM Holdings Corp.	5,652	3.01
3 Nikon Corp.	6,256	3.34
	11,908	6.35
Office Furnishings — 3.74%		
2 Canon, Inc.	7,020	3.74
Pharmaceuticals — 1.65%		
3 Rohto Pharmaceutical Co. Ltd.	3,096	1.65
Real Estate — 4.63%		
3 Mitsubishi Estate Co. Ltd.	4,185	2.23
3 Mitsui Fudosan Co. Ltd.	4,500	2.40
	8,685	4.63
Retail — 1.80%		
2 Don Quijote Co. Ltd.	3,375	1.80
Semiconductors & Semiconductor Equipment — 2.89%		
4 Shinko Electric Industries Co. Ltd.	5,410	2.89
Telecommunications — 4.03%		
– NTT DoCoMo, Inc.	7,557	4.03
Total Common Stock (Cost ¥177,813)	184,616	98.46
Total Investments (Cost ¥177,813)	184,616	98.46
Other Assets in Excess of Liabilities	2,881	1.54
Total Net Assets	¥187,497	100.00

– Amounts designated as "-" are either ¥0, less than ¥1,000 or less than 1,000 shares.

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

	% of Total Assets
Analysis of Total Assets (Unaudited)	
Transferable securities admitted to an official exchange listing or traded on a regulated market	95.35
Other assets	4.65
Total Assets	100.00

The accompanying notes are an integral part of the Financial Statements

Legg Mason LMHK China Fund[^]

Portfolio of Investments as at February 28, 2010

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — 99.38%		
Agriculture — 0.89%		
33 China Agri-Industries Holdings Ltd.	47	0.89
Airlines — 0.87%		
120 China Southern Airlines Co. Ltd., Class H ∞	46	0.87
Auto Manufacturers — 2.95%		
164 Denway Motors Ltd.	92	1.74
44 Dongfeng Motor Group Co. Ltd., Class H	64	1.21
	156	2.95
Auto Parts & Equipment — 0.72%		
5 Weichai Power Co. Ltd., Class H	38	0.72
Building Materials — 1.55%		
12 China National Building Material Co. Ltd., Class H	21	0.40
114 China Shanshui Cement Group Ltd.	61	1.15
	82	1.55
Energy-Alternate Sources — 1.46%		
63 China Longyuan Power Group Corp., Class H	77	1.46
Engineering & Construction — 0.80%		
116 China State Construction International Holdings Ltd.	42	0.80
Financials – Banks — 19.96%		
609 Bank of China Ltd., Class H	296	5.60
42 China Citic Bank, Class H	28	0.53
569 China Construction Bank Corp., Class H	430	8.14
22 China Merchants Bank Co. Ltd., Class H	53	1.00
350 Industrial & Commercial Bank of China, Class H	248	4.69
	1,055	19.96
Food — 2.72%		
10 China Mengniu Dairy Co. Ltd.	30	0.57
36 Lianhua Supermarket Holdings Co. Ltd., Class H	114	2.15
	144	2.72
Healthcare – Products — 0.40%		
3 Hengan International Group Co. Ltd.	21	0.40
Home Furnishings — 1.82%		
100 Skyworth Digital Holdings Ltd.	96	1.82
Industrial Conglomerates — 4.05%		
32 China Merchants Holdings International Co. Ltd.	115	2.18
28 China Resources Enterprise Ltd.	99	1.87
	214	4.05

Shares (000's)	Value (000's) \$	% of Net Asset Value
Insurance — 10.84%		
68 China Life Insurance Co. Ltd., Class H	302	5.71
22 China Pacific Insurance Group Co. Ltd., Class H	90	1.70
13 China Taiping Insurance Holdings Co. Ltd.	40	0.76
19 Ping An Insurance Group Co. of China Ltd., Class H	141	2.67
	573	10.84
Internet — 4.28%		
12 Tencent Holdings Ltd.	226	4.28
Iron & Steel — 0.70%		
20 Angang Steel Co. Ltd., Class H	37	0.70
Mining — 1.61%		
22 Aluminum Corp. of China Ltd., Class H	21	0.40
22 Jiangxi Copper Co. Ltd., Class H	45	0.85
22 Zijin Mining Group Co. Ltd., Class H	19	0.36
	85	1.61
Oil, Gas & Consumable Fuels — 20.64%		
10 Beijing Enterprises Holdings Ltd.	60	1.14
29 China Coal Energy Co., Class H	46	0.87
42 China Oilfield Services Ltd., Class H	58	1.10
96 China Petroleum & Chemical Corp., Class H	75	1.42
48 China Shenhua Energy Co. Ltd., Class H	206	3.90
192 CNOOC Ltd.	303	5.73
32 Cnpc Hong Kong Ltd.	40	0.75
176 PetroChina Co. Ltd., Class H	197	3.73
50 Yanzhou Coal Mining Co. Ltd., Class H	106	2.00
	1,091	20.64
Pharmaceuticals — 0.44%		
5 Sinopharm Group Co., Class H	23	0.44
Real Estate — 6.59%		
32 Agile Property Holdings Ltd.	41	0.78
32 China Overseas Land & Investment Ltd.	65	1.23
34 China Resources Land Ltd.	71	1.34
44 Guangzhou R&F Properties Co. Ltd., Class H	65	1.23
64 Shimao Property Holdings Ltd.	106	2.01
	348	6.59
Retail — 4.31%		
93 Belle International Holdings Ltd.	104	1.97
68 Golden Eagle Retail Group Ltd., Class H	124	2.34
	228	4.31

[^] Not authorised in Hong Kong and not available to Hong Kong residents.
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Legg Mason LMHK China Fund[^]

Portfolio of Investments as at February 28, 2010 – (continued)

Shares (000's)	Value (000's) \$	% of Net Asset Value
Common Stock — (continued)		
Telecommunications — 10.59%		
42 China Mobile Ltd.	410	7.76
124 China Telecom Corp. Ltd., Class H	54	1.02
16 ZTE Corp., Class H	96	1.81
	560	10.59
Transportation — 1.19%		
23 China COSCO Holdings Co. Ltd., Class H	28	0.53
89 China Shipping Container Lines Co. Ltd., Class H	35	0.66
	63	1.19
Total Common Stock (Cost \$5,564)	5,252	99.38
Total Investments (Cost \$5,564)	5,252	99.38
Other Assets in Excess of Liabilities	33	0.62
Total Net Assets	\$5,285	100.00

[∞] Security is valued in good faith at fair value by or at the discretion of the Investment Manager.

ALL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET.

Analysis of Total Assets (Unaudited)	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	98.41
Other assets	1.59
Total Assets	100.00

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Balance Sheet

	Legg Mason Western Asset US Money Market Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund as at February 28, 2010 (in 000's)
CURRENT ASSETS:						
Cash (Note 8)	\$ 1	\$ 3,221	\$ 4,086	€ 160	\$ 12,349	\$ 49,463
Cash collateral (Note 8)	–	–	4	153	315	813
Amounts due from broker	–	4	10	–	–	3
Financial assets at fair value through profit or loss (Note 1):	–	–	–	–	–	–
Investments	3,970,731	14,813	26,923	8,210	53,936	513,748
Swap contracts at fair value	–	–	–	–	–	–
Options at fair value	–	–	–	5	–	–
Unrealised appreciation on forward foreign currency contracts (Note 14)	–	–	–	117	1,323	4,815
Unrealised appreciation on future contracts	–	22	44	1	8	12
Receivable for investments sold	–	958	1,597	221	81	3,117
Receivable for redeemable participating shares sold	80,201	8	–	97	6,280	6,390
Interest receivable	1,919	124	218	180	695	8,596
Dividend receivable	–	–	–	–	–	–
Other assets	876	–	2	2	2	95
Total Current Assets	4,053,728	19,150	32,884	9,146	74,989	587,052
CURRENT LIABILITIES:						
Cash overdraft	–	–	–	–	–	–
Amounts due to broker	–	–	–	–	–	–
Payable for investments purchased	–	3,752	5,376	165	–	246
Financial liabilities at fair value through profit or loss (Note 1):	–	–	–	–	–	–
Options at fair value	–	5	62	3	–	–
Swap contracts at fair value	–	–	–	3	–	29
Unrealised depreciation on forward foreign currency contracts (Note 14)	–	–	–	134	1,045	4,103
Unrealised depreciation on futures contracts	–	25	54	52	134	474
Distributions payable to holders of redeemable participating shares	2	15	16	6	41	327
Investment management fees payable (Note 4)	69	5	14	2	33	250
Administrator and custodian fees payable (Note 4)	295	1	2	1	5	39
Shareholder service fees payable (Note 4)	–	1	1	1	4	55
Distribution fees payable	304	8	17	3	37	242
Payable for redeemable participating shares sold	99,648	314	141	4	194	1,755
Accrued expenses and other liabilities	451	69	59	40	123	278
Liabilities (excluding Net Assets attributable to Holders of Redeemable Participating Shares)	100,769	4,195	5,742	414	1,616	7,798
Total Net Assets Attributable to Holders of Redeemable Participating Shares at fair value	\$ 3,952,959	\$ 14,955	\$ 27,142	€ 8,732	\$ 73,373	\$ 579,254

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Batterymarch European Equity Fund and Legg Mason Royce European Smaller Companies Fund ^ have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2010, using the USD/EUR FX rate of 0.7344.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted in US Dollars into the total figure for the Legg Mason Global Funds Plc as at February 28, 2010 using the USD/JPY FX rate of 88.4956.

† Effective June 3, 2009, the Fund commenced trading.

α Effective September 25, 2009, the Fund commenced trading.

β Effective November 12, 2009, the Fund commenced trading.

δ Effective December 1, 2009, the Fund commenced trading.

‡ Effective January 4, 2010, the Fund commenced trading.

∞ Effective January 20, 2010, the Fund ceased trading.

On behalf of the Board:

Director

Date: June 2, 2010

Director

^ Not authorised in Hong Kong and not available to Hong Kong residents.
The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US High Yield Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Global High Yield Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Short-Term Government Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Inflation Management Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Asian Opportunities Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Global Blue Chip Bond Fund ^† as at February 28, 2010 (in 000's)
\$ 396	\$ 2,172	\$ 20,995	\$ 13,215	\$ 2,510	\$ 45	\$ 4,364	\$ 26,705
-	-	-	-	105	-	306	1,896
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
78,446	111,037	252,102	45,865	24,140	4,170	92,397	158,318
-	139	-	-	-	-	1,619	-
-	-	-	-	-	-	-	-
-	2	57	-	-	-	139	883
30	126	87	37	89	-	59	306
1,550	-	1,738	-	1	-	-	1,369
189	1,364	519	201	5	25	513	1,050
1,690	2,076	5,068	181	17	13	1,443	2,803
-	-	-	-	-	-	1	-
18	17	37	9	3	11	19	13
82,319	116,933	280,603	59,508	26,870	4,264	100,860	193,343
-	-	-	-	-	-	-	-
2	96	-	29	80	-	-	242
444	2	1,026	-	-	-	2,637	-
-	-	-	-	-	-	-	-
-	-	-	16	-	-	-	-
-	191	-	-	-	-	634	-
-	7	2	-	-	2	149	2,044
26	-	85	2	-	-	73	437
139	71	76	3	-	-	16	3
35	74	136	25	12	1	26	51
6	8	20	5	2	-	6	14
5	7	15	3	1	-	6	2
37	48	85	34	16	3	28	11
4,417	46	4,500	314	22	-	-	24,428
63	96	67	67	63	60	54	99
5,174	646	6,012	498	196	66	3,629	27,331
\$ 77,145	\$ 116,287	\$ 274,591	\$ 59,010	\$ 26,674	\$ 4,198	\$ 97,231	\$ 166,012

The accompanying notes are an integral part of the Financial Statements

Balance Sheet – (continued)

	Legg Mason Brandywine Global Fixed Income Fund as at February 28, 2010 (in 000's)	Legg Mason Capital Management Value Fund as at February 28, 2010 (in 000's)	Legg Mason Capital Management Growth Fund as at February 28, 2010 (in 000's)	Legg Mason Capital Management Opportunity Fund ^ as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Appreciation Fund as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund as at February 28, 2010 (in 000's)
CURRENT ASSETS:						
Cash (Note 8)	\$ 9,005	\$ 18,702	\$ 391	\$ 304	\$ 6,568	\$ 709
Cash collateral (Note 8)	–	–	–	–	–	–
Amounts due from broker	–	–	–	–	–	–
Financial assets at fair value through profit or loss (Note 1):	–	–	–	–	–	–
Investments	346,875	533,829	50,849	42,466	72,894	108,176
Swap contracts at fair value	–	–	–	–	–	–
Options at fair value	–	–	–	–	–	–
Unrealised appreciation on forward foreign currency contracts (Note 14)	4,435	–	–	–	–	–
Unrealised appreciation on future contracts	–	–	–	–	–	–
Receivable for investments sold	–	5,164	–	–	16	–
Receivable for redeemable participating shares sold	2	539	1	216	430	1
Interest receivable	5,392	–	–	13	–	–
Dividend receivable	–	471	30	7	106	133
Other assets	72	76	5	3	11	22
Total Current Assets	365,781	558,781	51,276	43,009	80,025	109,041
CURRENT LIABILITIES:						
Cash overdraft	–	–	–	–	–	–
Amounts due to broker	–	–	–	–	–	–
Payable for investments purchased	–	4,214	–	98	735	–
Financial liabilities at fair value through profit or loss (Note 1):	–	–	–	–	–	–
Options at fair value	–	–	–	–	–	–
Swap contracts at fair value	–	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts (Note 14)	8,238	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–	–
Distributions payable to holders of redeemable participating shares	–	–	–	–	–	–
Investment management fees payable (Note 4)	164	347	27	24	44	62
Administrator and custodian fees payable (Note 4)	24	32	4	3	6	8
Shareholder service fees payable (Note 4)	40	118	4	1	13	7
Distribution fees payable	143	175	7	1	34	57
Payable for redeemable participating shares sold	2,112	630	99	–	90	97
Accrued expenses and other liabilities	253	268	48	29	44	52
Liabilities (excluding Net Assets attributable to Holders of Redeemable Participating Shares)	10,974	5,784	189	156	966	283
Total Net Assets Attributable to Holders of Redeemable Participating Shares at fair value	\$ 354,807	\$ 552,997	\$ 51,087	\$ 42,853	\$ 79,059	\$ 108,758

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Batterymarch European Equity Fund and Legg Mason Royce European Smaller Companies Fund ^ have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2010, using the USD/EUR FX rate of 0.7344.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted in US Dollars into the total figure for the Legg Mason Global Funds Plc as at February 28, 2010 using the USD/JPY FX rate of 88.4956.

† Effective June 3, 2009, the Fund commenced trading.

α Effective September 25, 2009, the Fund commenced trading.

β Effective November 12, 2009, the Fund commenced trading.

δ Effective December 1, 2009, the Fund commenced trading.

≠ Effective January 4, 2010, the Fund commenced trading.

∞ Effective January 20, 2010, the Fund ceased trading.

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The accompanying notes are an integral part of the Financial Statements

Legg Mason ClearBridge US Large Cap Growth Fund as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Aggressive Growth Fund as at February 28, 2010 (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund as at February 28, 2010 (in 000's)	Legg Mason Royce Smaller Companies Fund as at February 28, 2010 (in 000's)	Legg Mason Royce European Smaller Companies Fund ^ £ as at February 28, 2010 (in 000's)	Legg Mason Royce Global Smaller Companies Fund ^ £ as at February 28, 2010 (in 000's)	Legg Mason PCM US Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Permal Global Absolute Fund ^ α as at February 28, 2010 (in 000's)
\$ 179	\$ -	\$ 7,488	\$ 6,502	€ 354	\$ 409	\$ 50	\$ 2,964
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,508	96,012	98,248	111,258	1,355	2,025	625	29,355
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	620
-	-	447	-	-	-	-	-
4	1	4,155	2,420	-	-	-	483
-	-	8	-	-	-	-	-
19	25	31	37	-	-	-	95
4	17	10	16	19	28	9	1
33,714	96,055	110,387	120,233	1,728	2,462	684	33,518
-	721	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,108	79	2	3	3	277
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,360
-	-	-	-	-	-	-	-
19	57	77	82	-	-	1	12
3	7	7	8	-	-	-	2
2	6	27	25	-	-	-	1
19	49	42	45	-	-	-	1
25	204	614	222	-	-	-	11
50	53	52	38	19	29	38	27
118	1,097	1,927	499	21	32	42	1,691
\$ 33,596	\$ 94,958	\$ 108,460	\$ 119,734	€ 1,707	\$ 2,430	\$ 642	\$ 31,827

Balance Sheet – (continued)

	Legg Mason GC Global Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch European Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch 130/ 30 Global Equity Fund [^] [∞] as at February 28, 2010 (in 000's)	Legg Mason Batterymarch International Large Cap Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund as at February 28, 2010 (in 000's)
CURRENT ASSETS:						
Cash (Note 8)	\$ 42	€ 118	\$ 5,603	\$ 60	\$ –	\$ 3,524
Cash collateral (Note 8)	–	–	–	–	–	–
Amounts due from broker	–	–	–	–	–	–
Financial assets at fair value through profit or loss (Note 1):	–	–	–	–	–	–
Investments	2,085	15,593	150,094	–	16,485	87,932
Swap contracts at fair value	–	–	–	–	–	–
Options at fair value	–	–	–	–	–	–
Unrealised appreciation on forward foreign currency contracts (Note 14)	–	–	–	–	–	–
Unrealised appreciation on future contracts	–	–	–	–	–	–
Receivable for investments sold	25	152	13	–	303	431
Receivable for redeemable participating shares sold	–	–	728	–	–	5,175
Interest receivable	–	–	–	–	–	1
Dividend receivable	1	29	247	1	28	135
Other assets	59	72	33	2	44	14
Total Current Assets	2,212	15,964	156,718	63	16,860	97,212
CURRENT LIABILITIES:						
Cash overdraft	–	–	–	–	96	–
Amounts due to broker	–	–	–	–	–	–
Payable for investments purchased	5	135	26	–	73	1,881
Financial liabilities at fair value through profit or loss (Note 1):	–	–	–	–	–	–
Options at fair value	–	–	–	–	–	–
Swap contracts at fair value	–	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts (Note 14)	–	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–	–
Distributions payable to holders of redeemable participating shares	–	–	–	–	–	–
Investment management fees payable (Note 4)	–	6	119	–	12	63
Administrator and custodian fees payable (Note 4)	–	5	12	–	1	6
Shareholder service fees payable (Note 4)	–	1	41	–	1	19
Distribution fees payable	1	5	70	–	11	28
Payable for redeemable participating shares sold	–	38	60	–	17	367
Accrued expenses and other liabilities	61	34	169	63	47	60
Liabilities (excluding Net Assets attributable to Holders of Redeemable Participating Shares)	67	224	497	63	258	2,424
Total Net Assets Attributable to Holders of Redeemable Participating Shares at fair value	\$ 2,145	€ 15,740	\$ 156,221	–	\$ 16,602	\$ 94,788

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Batterymarch European Equity Fund and Legg Mason Royce European Smaller Companies Fund [^] have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2010, using the USD/EUR FX rate of 0.7344.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted in US Dollars into the total figure for the Legg Mason Global Funds Plc as at February 28, 2010 using the USD/JPY FX rate of 88.4956.

[†] Effective June 3, 2009, the Fund commenced trading.

^α Effective September 25, 2009, the Fund commenced trading.

^β Effective November 12, 2009, the Fund commenced trading.

^δ Effective December 1, 2009, the Fund commenced trading.

[‡] Effective January 4, 2010, the Fund commenced trading.

[∞] Effective January 20, 2010, the Fund ceased trading.

Legg Mason Congruix Asia Pacific Fund ^ β as at February 28, 2010 (in 000's)	Legg Mason Congruix Japan Equity Fund as at February 28, 2010 (in 000's)	Legg Mason LMHK China Fund ^ δ as at February 28, 2010 (in 000's)	Legg Mason Global Funds Plc Totals as at February 28, 2010 (in 000's)
\$ 5,176	¥ 6,274	\$ 73	\$ 208,203
-	-	-	3,647
-	-	-	17
-	-	-	-
189,506	184,616	5,252	7,360,443
-	-	-	1,758
-	-	-	8
-	-	-	12,434
-	-	-	821
-	1,766	-	17,338
-	-	-	111,032
-	-	-	30,502
347	135	-	1,755
6	826	12	1,680
195,035	193,617	5,337	7,749,638
-	-	-	817
-	-	-	449
179	1,719	25	22,620
-	-	-	-
-	-	-	86
-	-	-	858
-	-	-	17,132
-	-	-	1,381
-	-	-	717
-	1	-	1,852
14	9	1	549
-	-	-	408
-	-	-	1,564
-	-	-	140,384
39	4,391	26	3,171
232	6,120	52	191,988
\$ 194,803	¥ 187,497	\$ 5,285	\$ 7,557,650

Balance Sheet – (continued)

	Legg Mason Western Asset US Money Market Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset US Core Bond Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund as at February 28, 2009 †† (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund as at February 28, 2009 †† (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund as at February 28, 2009 (in 000's)
CURRENT ASSETS:						
Cash (Note 8)	\$ –	\$ 1,077	\$ 794	€ 71	\$ 2,025	\$ 1,455
Cash collateral (Note 8)	–	–	–	110	683	1,037
Amounts due from broker	–	18	35	–	–	125
Financial assets at fair value through profit or loss: (Note 1)	–	–	–	–	–	–
Investments	3,413,472	26,782	30,160	6,892	55,864	299,946
Capital support agreement (Notes 1 and 15)	19,382	–	–	–	–	–
Swap contracts at fair value	–	612	–	–	–	–
Options at fair value	–	49	–	4	314	1,402
Unrealised appreciation on forward foreign currency contracts	–	–	–	151	2,252	4,406
Unrealised appreciation on future contracts	–	93	172	12	219	162
Receivable for investments sold	–	3,103	4,519	92	22	119
Receivable for redeemable participating shares sold	167,534	39	–	–	–	379
Interest receivable	6,055	249	269	240	994	5,864
Dividend receivable	–	3	–	–	–	–
Receivable from investment manager	–	–	–	–	–	–
Other assets	176	31	50	22	10	68
Total Current Assets	3,606,619	32,056	35,999	7,594	62,383	314,963
CURRENT LIABILITIES:						
Cash overdraft	–	–	–	6	–	–
Amounts due to broker	–	28	130	–	–	–
Payable for investments purchased	–	9,394	11,701	137	166	10,380
Financial liabilities at fair value through profit or loss: (Note 1)	–	–	–	–	–	–
Investments	–	–	–	–	–	–
Options at fair value	–	3	25	3	–	–
Swap contracts at fair value	–	785	–	–	233	1,104
Unrealised depreciation on forward foreign currency contracts	–	–	–	134	2,037	9,000
Unrealised depreciation on futures contracts	–	65	42	1	71	97
Distributions payable to holders of redeemable participating shares	299	14	–	8	74	332
Investment management fees payable (Note 4)	1,380	8	11	2	30	131
Administrator and custodian fees payable (Note 4)	281	1	2	–	4	20
Shareholder service fees payable (Note 4)	–	2	–	1	4	28
Distribution fees payable	281	11	17	3	36	142
Payable for redeemable participating shares sold	95,647	81	–	20	97	552
Accrued expenses and other liabilities	776	46	48	19	99	129
Liabilities (excluding Net Assets Attributable to Holders of Redeemable Participating Shares)	98,664	10,438	11,976	334	2,851	21,915
Total Net Assets Attributable to Holders of Redeemable Participating Shares at bid market prices	3,507,955	21,618	24,023	7,260	59,532	293,048
Adjustment for capital support agreement valuation (Notes 1 and 15)	11,406	–	–	–	–	–
Adjustment from bid market prices to last traded market prices (Note 1)	–	–	–	–	–	–
Total Net Assets Attributable to Holders of Redeemable Participating Shares	\$ 3,519,361	\$ 21,618	\$ 24,023	€ 7,260	\$ 59,532	\$ 293,048

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2009, using the USD/EUR FX rate of 0.7888.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2009 using the USD/JPY fx rate of 97.5950.

†† Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US High Yield Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset Global High Yield Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset US Short-Term Government Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset Inflation Management Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset Asian Opportunities Fund as at February 28, 2009 (in 000's)	Legg Mason Brandywine Global Fixed Income Fund as at February 28, 2009 (in 000's)
\$ 754	\$ 532	\$ 337	\$ 2,638	\$ 1,093	\$ 94	\$ 403	\$ 7,329
-	-	-	-	732	2	384	-
-	33	-	-	-	-	-	-
-	-	-	-	-	-	-	-
41,508	81,319	101,223	58,229	30,673	4,042	31,478	336,685
-	-	-	-	-	-	-	-
-	715	-	-	-	-	21,994	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	595	3,074
-	-	-	74	104	-	3	-
966	441	1,820	1,021	3,670	23	-	-
47	-	-	-	43	-	-	295
1,592	2,105	3,457	284	33	15	462	5,770
-	-	-	-	-	-	1	-
-	-	-	-	-	-	7	-
54	42	84	41	43	64	41	48
44,921	85,187	106,921	62,287	36,391	4,247	55,361	353,201
-	-	-	-	-	-	-	460
-	-	-	69	72	-	-	-
557	441	820	5,023	8,557	-	-	-
-	-	-	-	-	-	-	-
-	-	-	17	-	-	-	-
422	1,458	-	-	-	-	21,477	-
-	-	-	-	-	-	214	6,245
-	25	-	11	26	-	7	-
134	68	90	18	1	-	-	-
22	50	64	22	12	-	1	164
3	6	9	4	2	-	2	25
2	2	3	-	-	-	-	40
25	36	50	38	17	3	1	141
69	67	817	369	31	31	-	208
59	85	65	53	51	45	378	202
1,293	2,238	1,918	5,624	8,769	79	22,080	7,485
43,628	82,949	105,003	56,663	27,622	4,168	33,281	345,716
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 43,628	\$ 82,949	\$ 105,003	\$ 56,663	\$ 27,622	\$ 4,168	\$ 33,281	\$ 345,716

The accompanying notes are an integral part of the Financial Statements

Balance Sheet – (continued)

	Legg Mason Capital Management Value Fund as at February 28, 2009 (in 000's)	Legg Mason Capital Management Growth Fund as at February 28, 2009 (in 000's)	Legg Mason Capital Management Opportunity Fund [^] as at February 28, 2009 [∞] (in 000's)	Legg Mason ClearBridge US Appreciation Fund as at February 28, 2009 (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund as at February 28, 2009 (in 000's)	Legg Mason ClearBridge US Large Cap Growth Fund as at February 28, 2009 (in 000's)
CURRENT ASSETS:						
Cash (Note 8)	\$ 17,169	\$ 398	\$ 23	\$ 3,725	\$ 161	\$ 297
Cash collateral (Note 8)	–	–	–	–	–	–
Amounts due from broker	–	–	–	–	–	–
Financial assets at fair value through profit or loss: (Note 1)	–	–	–	–	–	–
Investments	211,458	25,654	170	24,229	83,442	25,849
Capital support agreement (Notes 1 and 15)	–	–	–	–	–	–
Swap contracts at fair value	–	–	–	–	–	–
Options at fair value	–	–	–	–	–	–
Unrealised appreciation on forward foreign currency contracts	–	–	–	–	–	–
Unrealised appreciation on future contracts	–	–	–	–	–	–
Receivable for investments sold	–	197	3	–	237	286
Receivable for redeemable participating shares sold	42	3	–	25	5	1
Interest receivable	–	–	–	–	–	–
Dividend receivable	328	23	–	69	266	26
Receivable from investment manager	–	–	–	–	–	–
Other assets	50	44	20	57	34	47
Total Current Assets	229,047	26,319	216	28,105	84,145	26,506
CURRENT LIABILITIES:						
Cash overdraft	–	–	–	–	–	–
Amounts due to broker	–	–	–	–	–	–
Payable for investments purchased	5,191	233	–	1,715	10	214
Financial liabilities at fair value through profit or loss: (Note 1)	–	–	–	–	–	–
Investments	–	–	–	–	–	–
Options at fair value	–	–	–	–	–	–
Swap contracts at fair value	–	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–	–
Distributions payable to holders of redeemable participating shares	–	–	–	–	–	–
Investment management fees payable (Note 4)	171	15	–	14	53	15
Administrator and custodian fees payable (Note 4)	12	2	–	5	7	2
Shareholder service fees payable (Note 4)	67	4	–	–	1	–
Distribution fees payable	102	8	–	15	52	17
Payable for redeemable participating shares sold	2,715	86	–	162	94	19
Accrued expenses and other liabilities	400	39	17	34	59	36
Liabilities (excluding Net Assets Attributable to Holders of Redeemable Participating Shares)	8,658	387	17	1,945	276	303
Total Net Assets Attributable to Holders of Redeemable Participating Shares at bid market prices	220,389	25,932	199	26,160	83,869	26,203
Adjustment for capital support agreement valuation (Notes 1 and 15)	–	–	–	–	–	–
Adjustment from bid market prices to last traded market prices (Note 1)	–	–	1	–	–	–
Total Net Assets Attributable to Holders of Redeemable Participating Shares	\$ 220,389	\$ 25,932	\$ 200	\$ 26,160	\$ 83,869	\$ 26,203

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2009, using the USD/EUR FX rate of 0.7888.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2009 using the USD/JPY fx rate of 97.5950.

†† Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

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The accompanying notes are an integral part of the Financial Statements

Legg Mason ClearBridge US Aggressive Growth Fund as at February 28, 2009 (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund as at February 28, 2009 (in 000's)	Legg Mason Royce Smaller Companies Fund as at February 28, 2009 †† (in 000's)	Legg Mason PCM US Equity Fund as at February 28, 2009 (in 000's)	Legg Mason GC Global Equity Fund as at February 28, 2009 †† (in 000's)	Legg Mason Legg Mason Battery March European Equity Fund as at February 28, 2009 (in 000's)	Legg Mason Battery March Asia Pacific Equity Fund as at February 28, 2009 (in 000's)	Legg Mason Battery March 130/30 Global Equity Fund as at February 28, 2009 δ (in 000's)
\$ -	\$ 1,520	\$ 1,950	\$ 43	\$ 1,026	€ 339	\$ 5,799	\$ 235
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
82,356	26,401	29,384	347	30,399	15,835	153,368	5,464
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	961	766	-	519	205	15,742	499
25	49	111	-	-	-	13	-
-	-	-	-	-	-	-	-
31	24	15	-	90	125	540	22
-	-	-	-	-	-	-	-
36	7	38	50	36	29	48	33
82,448	28,962	32,264	440	32,070	16,533	175,510	6,253
361	-	-	-	-	-	284	-
-	184	232	-	117	399	317	506
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	667
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
55	25	24	-	23	7	143	5
7	2	2	-	3	5	14	-
2	8	6	-	3	1	48	2
49	14	17	-	13	6	78	2
702	410	531	-	-	16	17,370	-
56	70	48	31	84	32	89	40
1,232	713	860	31	243	466	18,343	1,222
81,216	28,249	31,404	409	31,827	16,067	157,167	5,031
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 81,216	\$ 28,249	\$ 31,404	\$ 409	\$ 31,827	€ 16,067	\$ 157,167	\$ 5,031

The accompanying notes are an integral part of the Financial Statements

Balance Sheet – (continued)

	Legg Mason Batterymarch International Large Cap Fund as at February 28, 2009 (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund as at February 28, 2009 ^α (in 000's)	Legg Mason Congruix Japan Equity Fund as at February 28, 2009 [‡] (in 000's)	Legg Mason Global Funds Plc Totals as at February 28, 2009 (in 000's)
CURRENT ASSETS:				
Cash (Note 8)	\$ 175	\$ 718	¥ 6,739	\$ 52,360
Cash collateral (Note 8)	–	–	–	2,977
Amounts due from broker	–	–	–	211
Financial assets at fair value through profit or loss: (Note 1)	–	–	–	–
Investments	14,692	33,487	144,214	5,288,363
Capital support agreement (Notes 1 and 15)	–	–	–	19,382
Swap contracts at fair value	–	–	–	23,321
Options at fair value	–	–	–	1,770
Unrealised appreciation on forward foreign currency contracts	–	–	–	10,518
Unrealised appreciation on future contracts	–	–	–	842
Receivable for investments sold	210	42	3,484	35,578
Receivable for redeemable participating shares sold	–	19	–	168,630
Interest receivable	–	–	–	27,453
Dividend receivable	82	92	306	1,774
Receivable from investment manager	–	–	–	7
Other assets	41	46	2,630	1,430
Total Current Assets	15,200	34,404	157,373	5,634,616
CURRENT LIABILITIES:				
Cash overdraft	–	115	–	1,228
Amounts due to broker	–	–	–	299
Payable for investments purchased	293	409	5,479	57,195
Financial liabilities at fair value through profit or loss: (Note 1)	–	–	–	–
Investments	–	–	–	667
Options at fair value	–	–	–	49
Swap contracts at fair value	–	–	–	25,479
Unrealised depreciation on forward foreign currency contracts	–	–	–	17,666
Unrealised depreciation on futures contracts	–	–	–	345
Distributions payable to holders of redeemable participating shares	–	–	–	1,040
Investment management fees payable (Note 4)	10	25	1	2,484
Administrator and custodian fees payable (Note 4)	1	2	9	424
Shareholder service fees payable (Note 4)	–	2	–	227
Distribution fees payable	11	11	–	1,198
Payable for redeemable participating shares sold	25	11	–	120,140
Accrued expenses and other liabilities	34	35	3,144	3,205
Liabilities (excluding Net Assets Attributable to Holders of Redeemable Participating Shares)	374	610	8,633	231,646
Total Net Assets Attributable to Holders of Redeemable Participating Shares at bid market prices	14,826	33,794	148,740	5,402,970
Adjustment for capital support agreement valuation (Notes 1 and 15)	–	–	–	11,406
Adjustment from bid market prices to last traded market prices (Note 1)	–	–	776	9
Total Net Assets Attributable to Holders of Redeemable Participating Shares	\$ 14,826	\$ 33,794	¥ 149,516	\$ 5,414,385

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2009, using the USD/EUR FX rate of 0.7888.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2009 using the USD/JPY fx rate of 97.5950.

†† Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

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Balance Sheet – (continued)

	Legg Mason Western Asset US Money Market Fund (in 000's)	Legg Mason Western Asset US Core Bond Fund (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund (in 000's)
February 28, 2010						
Total Net Asset Value: (in 000's)						
Class A US\$ Accumulating	\$ 8,805	\$ 234	\$ 299	–	\$ 10,881	\$ 54,095
Class A US\$ Distributing (A)	–	–	–	–	–	–
Class A US\$ Distributing (D)	3,928,861	7,897	3,337	€ 2,048	15,570	111,042
Class A US\$ Distributing (M)	–	–	–	–	179	24,989
Class A US\$ Distributing (S)	–	–	–	–	–	–
Class A Euro Accumulating	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)	–	–	–	–	677	41,730
Class A Euro Distributing (A)	–	–	–	–	–	–
Class A Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	2,729	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–	–	4	5,134
Class A GBP Accumulating (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (A)	–	–	–	–	–	–
Class A GBP Distributing (A) (H)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged)	–	–	–	–	–	93,088
Class A GBP Distributing (S) (Hedged)	–	–	–	–	–	–
Class A SGD Accumulating	–	–	–	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–	–	–	–
Class A SGD Distributing (Q) (Hedged)	–	–	–	–	–	1,648
Class B US\$ Accumulating	295	211	458	–	56	406
Class B US\$ Distributing (A)	–	–	–	–	–	–
Class B US\$ Distributing (D)	1,075	2,197	200	1,651	9,733	22,827
Class B US\$ Distributing (M)	–	–	–	–	–	–
Class B US\$ Distributing (S)	–	–	–	–	–	–
Class C US\$ Accumulating	199	53	943	–	855	4,400
Class C US\$ Distributing (A)	–	–	–	–	–	–
Class C US\$ Distributing (D)	4,239	4,363	5,035	2,304	8,757	133,871
Class C US\$ Distributing (M)	–	–	–	–	–	–
Class C US\$ Distributing (S)	–	–	–	–	–	–
Class A JPY Accumulating	–	–	–	–	–	–
Class A JPY Distributing (A)	–	–	–	–	–	–
Class E US\$ Accumulating	–	–	–	–	–	1
Class E US\$ Distributing (A)	–	–	–	–	–	–
Class E US\$ Distributing (D)	–	–	–	–	–	1
Class F Euro Accumulating	–	–	–	–	–	1
Class F US\$ Accumulating	–	–	–	–	–	1
Class F US\$ Distributing (A)	–	–	–	–	–	–
Class F US\$ Distributing (D)	–	–	–	–	–	1
Premier Class US\$ Accumulating	–	–	–	–	–	1,211
Premier Class US\$ Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Distributing (D)	–	–	–	–	–	12,257
Premier Class US\$ Distributing (M)	–	–	–	–	–	6,927
Premier Class Euro Accumulating	–	–	–	–	–	–
Premier Class Euro Accumulating (Hedged)	–	–	–	–	–	1,143
Premier Class Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Premier Class GBP Accumulating (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (A)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–	–	–	64,481
LM Class US\$ Accumulating	–	–	–	–	–	–
LM Class US\$ Distributing (A)	–	–	–	–	–	–
LM Class US\$ Distributing (M)	–	–	–	–	–	–
LM Class JPY Accumulating	–	–	–	–	–	–
Class A (G) US\$ Accumulating	2,255	–	2,183	–	1,284	–
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	1,997	–	3,164	–	11,296	–
Class B (G) US\$ Accumulating	870	–	1,785	–	3,579	–
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	1,645	–	3,989	–	7,262	–
Class L (G) US\$ Accumulating	369	–	1,637	–	787	–
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	2,349	–	4,112	–	2,453	–
Galleon Class	–	–	–	–	–	–
LM Class Euro Accumulating	–	–	–	–	–	–

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

NAV per share information represents Redeemable Participating Shares

† Effective June 3, 2009, the Fund commenced trading.

α Effective September 25, 2009, the Fund commenced trading.

β Effective November 12, 2009, the Fund commenced trading.

δ Effective December 1, 2009, the Fund commenced trading.

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Legg Mason Western Asset US High Yield Fund (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)	Legg Mason Western Asset Global High Yield Fund (in 000's)	Legg Mason Western Asset US Short-Term Government Fund (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund (in 000's)	Legg Mason Western Asset Inflation Management Fund (in 000's)	Legg Mason Western Asset Asian Opportunities Fund (in 000's)	Legg Mason Western Asset Global Blue Chip Bond Fund ^ † (in 000's)
\$ 2,154	\$ 24,639	\$ 112,672	\$ 13,011	\$ 7,894	\$ 279	\$ 14,608	\$ 6,424
-	-	-	-	-	357	-	-
24,149	15,418	4,592	5,484	-	-	4,564	-
-	1,142	6,215	-	-	-	2	4,660
-	-	-	-	-	-	-	-
-	4,461	-	-	-	-	15,176	-
-	-	-	-	-	-	-	1,047
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	379
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	315	-
111	228	94	127	-	21	544	33
-	-	-	-	-	75	-	-
5,226	2,383	1,565	537	1	-	366	-
-	-	-	-	-	-	-	1
718	1,123	661	2,729	1	87	9,986	6,524
6,987	12,471	6,949	7,077	435	351	-	-
-	-	-	-	-	-	9,804	2,027
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1	-	1	-	-	-	1	1
1	-	1	-	-	-	1	1
-	-	-	-	-	-	1	1
-	-	-	-	-	-	1	1
-	23,342	83,385	-	-	-	2,998	7,421
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,248
-	-	-	-	-	-	-	6,434
-	-	-	-	-	-	-	2,022
-	-	-	-	-	-	-	8,440
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	111,348
-	-	-	-	-	-	38,864	-
11,291	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,980	7,061	24,568	1,221	2,371	620	-	-
-	-	-	-	-	296	-	-
8,347	4,935	13,304	10,571	2,682	-	-	-
1,259	3,378	4,151	2,554	1,911	715	-	-
-	-	-	-	-	562	-	-
4,329	5,586	8,613	11,462	6,180	-	-	-
261	2,067	1,176	356	542	448	-	-
-	-	-	-	-	387	-	-
9,331	8,053	6,644	3,881	4,657	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Balance Sheet – (continued)

February 28, 2010	Legg Mason Brandywine Global Fixed Income Fund (in 000's)	Legg Mason Capital Management Value Fund (in 000's)	Legg Mason Capital Management Growth Fund (in 000's)	Legg Mason Capital Management Opportunity Fund ^ (in 000's)	Legg Mason ClearBridge US Appreciation Fund (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund (in 000's)
Total Net Asset Value: (in 000's)						
Class A US\$ Accumulating	\$ 22,961	\$ 32,806	\$ 2,134	\$ 2,573	\$ 20,828	\$ 22,534
Class A US\$ Distributing (A)	–	382,205	9,917	3,169	29,447	541
Class A US\$ Distributing (D)	–	–	–	–	–	–
Class A US\$ Distributing (M)	–	–	–	–	–	–
Class A US\$ Distributing (S)	245,663	–	–	–	–	–
Class A Euro Accumulating	–	1,805	598	–	3,754	–
Class A Euro Accumulating (Hedged)	13,582	–	–	–	–	–
Class A Euro Distributing (A)	–	–	–	–	–	–
Class A Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Class A GBP Accumulating (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (A)	–	3,415	–	–	–	–
Class A GBP Distributing (A) (H)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (S) (Hedged)	37,616	–	–	–	–	–
Class A SGD Accumulating	–	11,821	–	–	–	–
Class A SGD Accumulating (Hedged)	15,539	–	–	–	–	–
Class A SGD Distributing (Q) (Hedged)	–	–	–	–	–	–
Class B US\$ Accumulating	1,541	215	4	–	598	480
Class B US\$ Distributing (A)	–	4,155	781	–	793	457
Class B US\$ Distributing (D)	–	–	–	–	–	–
Class B US\$ Distributing (M)	–	–	–	–	–	–
Class B US\$ Distributing (S)	7,167	–	–	–	–	–
Class C US\$ Accumulating	414	527	8	–	3,326	277
Class C US\$ Distributing (A)	–	12,882	2,056	–	1,430	1,109
Class C US\$ Distributing (D)	–	–	–	–	–	–
Class C US\$ Distributing (M)	–	–	–	–	–	–
Class C US\$ Distributing (S)	10,324	–	–	–	–	–
Class A JPY Accumulating	–	–	–	–	–	–
Class A JPY Distributing (A)	–	–	–	–	–	–
Class E US\$ Accumulating	–	–	–	–	1	–
Class E US\$ Distributing (A)	–	–	–	–	1	–
Class E US\$ Distributing (D)	–	–	–	–	–	–
Class F Euro Accumulating	–	–	–	–	–	–
Class F US\$ Accumulating	–	1	–	–	1	–
Class F US\$ Distributing (A)	–	1	–	–	1	–
Class F US\$ Distributing (D)	–	–	–	–	–	–
Premier Class US\$ Accumulating	–	96,982	35,589	–	36	–
Premier Class US\$ Distributing (A)	–	–	–	–	1,819	–
Premier Class US\$ Distributing (D)	–	–	–	–	–	–
Premier Class US\$ Distributing (M)	–	–	–	–	–	–
Premier Class Euro Accumulating	–	–	–	–	–	–
Premier Class Euro Accumulating (Hedged)	–	–	–	–	–	–
Premier Class Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Premier Class GBP Accumulating (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (A)	–	–	–	36,626	–	–
Premier Class GBP Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–	–	–	–
LM Class US\$ Accumulating	–	6,138	–	485	–	–
LM Class US\$ Distributing (A)	–	–	–	–	–	–
LM Class US\$ Distributing (M)	–	–	–	–	–	–
LM Class JPY Accumulating	–	–	–	–	–	–
Class A (G) US\$ Accumulating	–	–	–	–	7,988	43,280
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	–	–	–	–	–	–
Class B (G) US\$ Accumulating	–	–	–	–	2,467	21,536
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	–	–	–	–	–	–
Class L (G) US\$ Accumulating	–	–	–	–	6,569	18,544
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	–	–	–	–	–	–
Galleon Class	–	44	–	–	–	–
LM Class Euro Accumulating	–	–	–	–	–	–

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NAV per share information represents Redeemable Participating Shares

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Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)	Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund (in 000's)	Legg Mason Royce Smaller Companies Fund (in 000's)	Legg Mason Royce European Smaller Companies Fund ‡^ (in 000's)	Legg Mason Royce Global Smaller Companies Fund £^ (in 000's)	Legg Mason PCM US Equity Fund (in 000's)	Legg Mason Permal Global Absolute Fund α^ (in 000's)
\$ 5,410	\$ 15,082	\$ 22,340	\$ 28,730	-	\$ 97	\$ 638	\$ 1,281
814	3,251	67,620	60,221	-	97	1	637
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5	-	9,188	149	-	-	1	-
-	-	-	-	€ 68	-	1	63
-	-	-	-	-	-	-	28
-	-	-	-	-	-	-	-
-	-	-	169	-	-	-	31
-	-	-	-	-	-	-	108
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
479	188	195	784	-	97	-	1
683	858	2,069	3,347	-	-	-	1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
343	1,461	291	1,231	-	97	1	322
1,281	3,409	6,757	7,238	-	-	-	673
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1	-	97	-	1
-	-	-	1	-	-	-	1
-	-	-	-	-	-	-	-
-	-	-	1	-	-	-	1
-	-	-	1	-	-	-	1
-	-	-	-	-	-	-	-
-	-	-	9,375	-	-	9,375	387
-	-	-	-	-	-	-	65
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,193
-	-	-	-	-	-	-	28
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,462
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	13,638
-	-	-	-	-	1,945	-	9,905
-	-	-	-	-	-	-	-
10,803	40,470	-	4,593	-	-	-	-
-	-	-	-	-	-	-	-
5,075	13,258	-	1,562	-	-	-	-
-	-	-	-	-	-	-	-
8,703	16,981	-	2,331	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,639	-	-	-

Balance Sheet – (continued)

	Legg Mason GC Global Equity Fund (in 000's)	Legg Mason Batterymarch European Equity Fund (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)	Legg Mason Batterymarch 130/ 30 Global Equity Fund ^ ∞ (in 000's)	Legg Mason Batterymarch International Large Cap Fund (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund (in 000's)
February 28, 2010						
Total Net Asset Value: (in 000's)						
Class A US\$ Accumulating	\$ 767	€ 271	\$ 40,831	–	\$ 577	\$ 9,762
Class A US\$ Distributing (A)	1,041	3,169	86,785	–	328	1,077
Class A US\$ Distributing (D)	–	–	–	–	–	–
Class A US\$ Distributing (M)	–	–	–	–	–	–
Class A US\$ Distributing (S)	–	–	–	–	–	–
Class A Euro Accumulating	–	–	1,653	–	–	46
Class A Euro Accumulating (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (A)	–	85	–	–	–	–
Class A Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (S)	–	–	–	–	–	–
Class A GBP Accumulating (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (A)	–	–	–	–	–	62,252
Class A GBP Distributing (A) (H)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (S) (Hedged)	–	–	–	–	–	–
Class A SGD Accumulating	–	–	–	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–	–	–	–
Class A SGD Distributing (Q) (Hedged)	–	–	–	–	–	–
Class B US\$ Accumulating	95	95	461	–	94	219
Class B US\$ Distributing (A)	168	1,369	6,524	–	795	313
Class B US\$ Distributing (D)	–	–	–	–	–	–
Class B US\$ Distributing (M)	–	–	–	–	–	–
Class B US\$ Distributing (S)	–	–	–	–	–	–
Class C US\$ Accumulating	1	192	578	–	109	576
Class C US\$ Distributing (A)	73	2,487	19,387	–	973	343
Class C US\$ Distributing (D)	–	–	–	–	–	–
Class C US\$ Distributing (M)	–	–	–	–	–	–
Class C US\$ Distributing (S)	–	–	–	–	–	–
Class A JPY Accumulating	–	–	–	–	–	–
Class A JPY Distributing (A)	–	–	–	–	–	–
Class E US\$ Accumulating	–	–	1	–	–	1
Class E US\$ Distributing (A)	–	–	1	–	–	1
Class E US\$ Distributing (D)	–	–	–	–	–	–
Class F Euro Accumulating	–	–	–	–	–	–
Class F US\$ Accumulating	–	–	–	–	–	1
Class F US\$ Distributing (A)	–	–	–	–	–	1
Class F US\$ Distributing (D)	–	–	–	–	–	–
Premier Class US\$ Accumulating	–	–	–	–	–	17,504
Premier Class US\$ Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Distributing (D)	–	–	–	–	–	–
Premier Class US\$ Distributing (M)	–	–	–	–	–	–
Premier Class Euro Accumulating	–	–	–	–	–	998
Premier Class Euro Accumulating (Hedged)	–	–	–	–	–	–
Premier Class Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Premier Class GBP Accumulating (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (A)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–	–	–	–
LM Class US\$ Accumulating	–	–	–	–	–	1,694
LM Class US\$ Distributing (A)	–	–	–	–	–	–
LM Class US\$ Distributing (M)	–	–	–	–	–	–
LM Class JPY Accumulating	–	–	–	–	–	–
Class A (G) US\$ Accumulating	–	5,233	–	–	2,886	–
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	–	–	–	–	–	–
Class B (G) US\$ Accumulating	–	1,700	–	–	6,897	–
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	–	–	–	–	–	–
Class L (G) US\$ Accumulating	–	1,139	–	–	3,943	–
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	–	–	–	–	–	–
Galleon Class	–	–	–	–	–	–
LM Class Euro Accumulating	–	–	–	–	–	–

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

NAV per share information represents Redeemable Participating Shares

† Effective June 3, 2009, the Fund commenced trading.

α Effective September 25, 2009, the Fund commenced trading.

β Effective November 12, 2009, the Fund commenced trading.

δ Effective December 1, 2009, the Fund commenced trading.

‡ Effective January 4, 2010, the Fund commenced trading.

∞ Effective January 20, 2010, the Fund ceased trading.

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The accompanying notes are an integral part of the Financial Statements

Balance Sheet – (continued)

	Legg Mason Western Asset US Money Market Fund (in 000's)	Legg Mason Western Asset US Core Bond Fund (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund (in 000's)
February 28, 2010						
Number of Redeemable Participating Shares in Issue: (in 000's)						
Class A US\$ Accumulating	83	2	3	–	102	466
Class A US\$ Distributing (A)	–	–	–	–	–	–
Class A US\$ Distributing (D)	3,928,683	90	34	23	174	936
Class A US\$ Distributing (M)	–	–	–	–	2	248
Class A US\$ Distributing (S)	–	–	–	–	–	–
Class A Euro Accumulating	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)	–	–	–	–	5	269
Class A Euro Distributing (A)	–	–	–	–	–	–
Class A Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	30	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–	–	–	39
Class A GBP Accumulating (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (A)	–	–	–	–	–	–
Class A GBP Distributing (A) (H)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged)	–	–	–	–	–	582
Class A GBP Distributing (S) (Hedged)	–	–	–	–	–	–
Class A SGD Accumulating	–	–	–	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–	–	–	–
Class A SGD Distributing (Q) (Hedged)	–	–	–	–	–	2,056
Class B US\$ Accumulating	3	2	4	–	1	4
Class B US\$ Distributing (A)	–	–	–	–	–	–
Class B US\$ Distributing (D)	1,075	25	2	19	109	192
Class B US\$ Distributing (M)	–	–	–	–	–	–
Class B US\$ Distributing (S)	–	–	–	–	–	–
Class C US\$ Accumulating	2	1	9	–	8	39
Class C US\$ Distributing (A)	–	–	–	–	–	–
Class C US\$ Distributing (D)	4,239	50	51	28	98	1,128
Class C US\$ Distributing (M)	–	–	–	–	–	–
Class C US\$ Distributing (S)	–	–	–	–	–	–
Class A JPY Accumulating	–	–	–	–	–	–
Class A JPY Distributing (A)	–	–	–	–	–	–
Class E US\$ Accumulating	–	–	–	–	–	–
Class E US\$ Distributing (A)	–	–	–	–	–	–
Class E US\$ Distributing (D)	–	–	–	–	–	–
Class F Euro Accumulating	–	–	–	–	–	–
Class F US\$ Accumulating	–	–	–	–	–	–
Class F US\$ Distributing (A)	–	–	–	–	–	–
Class F US\$ Distributing (D)	–	–	–	–	–	–
Premier Class US\$ Accumulating	–	–	–	–	–	10
Premier Class US\$ Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Distributing (D)	–	–	–	–	–	122
Premier Class US\$ Distributing (M)	–	–	–	–	–	56
Premier Class Euro Accumulating	–	–	–	–	–	–
Premier Class Euro Accumulating (Hedged)	–	–	–	–	–	8
Premier Class Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Premier Class GBP Accumulating (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (A)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–	–	–	415
LM Class US\$ Accumulating	–	–	–	–	–	–
LM Class US\$ Distributing (A)	–	–	–	–	–	–
LM Class US\$ Distributing (M)	–	–	–	–	–	–
LM Class JPY Accumulating	–	–	–	–	–	–
Class A (G) US\$ Accumulating	21	–	20	–	12	–
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	1,997	–	32	–	124	–
Class B (G) US\$ Accumulating	8	–	16	–	34	–
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	1,644	–	41	–	80	–
Class L (G) US\$ Accumulating	4	–	15	–	7	–
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	2,349	–	42	–	27	–
Galleon Class	–	–	–	–	–	–
LM Class Euro Accumulating	–	–	–	–	–	–

Amounts designated as "-" are either 0 or less than 1,000.

NAV per share information represents Redeemable Participating Shares

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Balance Sheet – (continued)

	Legg Mason Brandywine Global Fixed Income Fund (in 000's)	Legg Mason Capital Management Value Fund (in 000's)	Legg Mason Capital Management Growth Fund (in 000's)	Legg Mason Capital Management Opportunity Fund ^ (in 000's)	Legg Mason ClearBridge US Appreciation Fund (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund (in 000's)
February 28, 2010						
Number of Redeemable Participating Shares in Issue: (in 000's)						
Class A US\$ Accumulating	193	613	39	26	241	298
Class A US\$ Distributing (A)	–	3,760	146	16	341	7
Class A US\$ Distributing (D)	–	–	–	–	–	–
Class A US\$ Distributing (M)	–	–	–	–	–	–
Class A US\$ Distributing (S)	2,079	–	–	–	–	–
Class A Euro Accumulating	–	26	7	–	29	–
Class A Euro Accumulating (Hedged)	90	–	–	–	–	–
Class A Euro Distributing (A)	–	–	–	–	–	–
Class A Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (S)	–	–	–	–	–	–
Class A GBP Accumulating (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (A)	–	20	–	–	–	–
Class A GBP Distributing (A) (H)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (S) (Hedged)	248	–	–	–	–	–
Class A SGD Accumulating	–	35,473	–	–	–	–
Class A SGD Accumulating (Hedged)	20,291	–	–	–	–	–
Class A SGD Distributing (Q) (Hedged)	–	–	–	–	–	–
Class B US\$ Accumulating	14	4	–	–	7	6
Class B US\$ Distributing (A)	–	42	12	–	9	6
Class B US\$ Distributing (D)	–	–	–	–	–	–
Class B US\$ Distributing (M)	–	–	–	–	–	–
Class B US\$ Distributing (S)	61	–	–	–	–	–
Class C US\$ Accumulating	4	9	–	–	40	3
Class C US\$ Distributing (A)	–	132	31	–	17	15
Class C US\$ Distributing (D)	–	–	–	–	–	–
Class C US\$ Distributing (M)	–	–	–	–	–	–
Class C US\$ Distributing (S)	88	–	–	–	–	–
Class A JPY Accumulating	–	–	–	–	–	–
Class A JPY Distributing (A)	–	–	–	–	–	–
Class E US\$ Accumulating	–	–	–	–	–	–
Class E US\$ Distributing (A)	–	–	–	–	–	–
Class E US\$ Distributing (D)	–	–	–	–	–	–
Class F Euro Accumulating	–	–	–	–	–	–
Class F US\$ Accumulating	–	–	–	–	–	–
Class F US\$ Distributing (A)	–	–	–	–	–	–
Class F US\$ Distributing (D)	–	–	–	–	–	–
Premier Class US\$ Accumulating	–	1,137	514	–	–	–
Premier Class US\$ Distributing (A)	–	–	–	–	15	–
Premier Class US\$ Distributing (D)	–	–	–	–	–	–
Premier Class US\$ Distributing (M)	–	–	–	–	–	–
Premier Class Euro Accumulating	–	–	–	–	–	–
Premier Class Euro Accumulating (Hedged)	–	–	–	–	–	–
Premier Class Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Premier Class GBP Accumulating (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (A)	–	–	–	200	–	–
Premier Class GBP Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–	–	–	–
LM Class US\$ Accumulating	–	60	–	2	–	–
LM Class US\$ Distributing (A)	–	–	–	–	–	–
LM Class US\$ Distributing (M)	–	–	–	–	–	–
LM Class JPY Accumulating	–	–	–	–	–	–
Class A (G) US\$ Accumulating	–	–	–	–	93	567
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	–	–	–	–	–	–
Class B (G) US\$ Accumulating	–	–	–	–	29	286
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	–	–	–	–	–	–
Class L (G) US\$ Accumulating	–	–	–	–	77	246
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	–	–	–	–	–	–
Galleon Class	–	1	–	–	–	–
LM Class Euro Accumulating	–	–	–	–	–	–

Amounts designated as "-" are either 0 or less than 1,000.

NAV per share information represents Redeemable Participating Shares

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α Effective September 25, 2009, the Fund commenced trading.

β Effective November 12, 2009, the Fund commenced trading.

δ Effective December 1, 2009, the Fund commenced trading.

‡ Effective January 4, 2010, the Fund commenced trading.

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The accompanying notes are an integral part of the Financial Statements

Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)	Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund (in 000's)	Legg Mason Royce Smaller Companies Fund (in 000's)	Legg Mason Royce European Smaller Companies Fund ^ ‡ (in 000's)	Legg Mason Royce Global Smaller Companies Fund ^ ‡ (in 000's)	Legg Mason PCM US Equity Fund (in 000's)	Legg Mason Permal Global Absolute Fund ^ α (in 000's)
62	188	295	331	--	1	10	13
9	40	294	408	--	1	--	6
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	92	1	--	--	--	--
--	--	--	--	1	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	1	--	--	--	--
--	--	--	--	--	--	--	1
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
6	2	2	9	--	1	--	--
8	11	9	23	--	--	--	--
--	--	--	--	--	--	--	--
4	18	3	14	--	1	--	3
15	43	30	51	--	--	--	7
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	1	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	91	--	--	--	4
--	--	--	--	--	--	--	1
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	9
--	--	--	--	--	--	--	23
--	--	--	--	--	--	--	88
--	--	--	--	--	20	--	97
--	--	--	--	--	--	--	--
123	500	--	51	--	--	--	--
--	--	--	--	--	--	--	--
59	166	--	18	--	--	--	--
--	--	--	--	--	--	--	--
100	213	--	26	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	17	--	--	--

Balance Sheet – (continued)

February 28, 2010	Legg Mason GC Global Equity Fund (in 000's)	Legg Mason Batterymarch European Equity Fund (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)	Legg Mason Batterymarch 130/ 30 Global Equity Fund [∞] (in 000's)	Legg Mason Batterymarch International Large Cap Fund (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund (in 000's)
Number of Redeemable Participating Shares in Issue: (in 000's)						
Class A US\$ Accumulating	11	6	442	–	9	132
Class A US\$ Distributing (A)	14	31	485	–	5	13
Class A US\$ Distributing (D)	–	–	–	–	–	–
Class A US\$ Distributing (M)	–	–	–	–	–	–
Class A US\$ Distributing (S)	–	–	–	–	–	–
Class A Euro Accumulating	–	–	18	–	–	–
Class A Euro Accumulating (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (A)	–	1	–	–	–	–
Class A Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Class A GBP Accumulating (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (A)	–	–	–	–	–	428
Class A GBP Distributing (A) (H)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (S) (Hedged)	–	–	–	–	–	–
Class A SGD Accumulating	–	–	–	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–	–	–	–
Class A SGD Distributing (Q) (Hedged)	–	–	–	–	–	–
Class B US\$ Accumulating	1	2	7	–	2	3
Class B US\$ Distributing (A)	2	13	37	–	13	4
Class B US\$ Distributing (D)	–	–	–	–	–	–
Class B US\$ Distributing (M)	–	–	–	–	–	–
Class B US\$ Distributing (S)	–	–	–	–	–	–
Class C US\$ Accumulating	–	4	9	–	2	7
Class C US\$ Distributing (A)	1	25	111	–	16	4
Class C US\$ Distributing (D)	–	–	–	–	–	–
Class C US\$ Distributing (M)	–	–	–	–	–	–
Class C US\$ Distributing (S)	–	–	–	–	–	–
Class A JPY Accumulating	–	–	–	–	–	–
Class A JPY Distributing (A)	–	–	–	–	–	–
Class E US\$ Accumulating	–	–	–	–	–	–
Class E US\$ Distributing (A)	–	–	–	–	–	–
Class E US\$ Distributing (D)	–	–	–	–	–	–
Class F Euro Accumulating	–	–	–	–	–	–
Class F US\$ Accumulating	–	–	–	–	–	–
Class F US\$ Distributing (A)	–	–	–	–	–	–
Class F US\$ Distributing (D)	–	–	–	–	–	–
Premier Class US\$ Accumulating	–	–	–	–	–	237
Premier Class US\$ Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Distributing (D)	–	–	–	–	–	–
Premier Class US\$ Distributing (M)	–	–	–	–	–	–
Premier Class Euro Accumulating	–	–	–	–	–	8
Premier Class Euro Accumulating (Hedged)	–	–	–	–	–	–
Premier Class Euro Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Premier Class GBP Accumulating (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (A)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (Hedged)	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–	–	–	–
LM Class US\$ Accumulating	–	–	–	–	–	–
LM Class US\$ Distributing (A)	–	–	–	–	–	23
LM Class US\$ Distributing (M)	–	–	–	–	–	–
LM Class JPY Accumulating	–	–	–	–	–	–
Class A (G) US\$ Accumulating	–	118	–	–	45	–
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	–	–	–	–	–	–
Class B (G) US\$ Accumulating	–	39	–	–	109	–
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	–	–	–	–	–	–
Class L (G) US\$ Accumulating	–	26	–	–	62	–
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	–	–	–	–	–	–
Galleon Class	–	–	–	–	–	–
LM Class Euro Accumulating	–	–	–	–	–	–

Amounts designated as "-" are either 0 or less than 1,000.

NAV per share information represents Redeemable Participating Shares

† Effective June 3, 2009, the Fund commenced trading.

α Effective September 25, 2009, the Fund commenced trading.

β Effective November 12, 2009, the Fund commenced trading.

δ Effective December 1, 2009, the Fund commenced trading.

‡ Effective January 4, 2010, the Fund commenced trading.

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The accompanying notes are an integral part of the Financial Statements

Balance Sheet – (continued)

	Legg Mason Western Asset US Money Market Fund	Legg Mason Western Asset US Core Bond Fund	Legg Mason Western Asset US Core Plus Bond Fund	Legg Mason Western Asset Euro Core Plus Bond Fund	Legg Mason Western Asset Diversified Strategic Income Fund	Legg Mason Western Asset Global Multi Strategy Fund
February 28, 2010						
Net Asset Value Per Share:						
Class A US\$ Accumulating (USD)	105.62	97.11	110.34	–	106.72	116.01
Class A US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class A US\$ Distributing (D) (USD)	1.00	87.93	97.48	118.84	89.36	118.67
Class A US\$ Distributing (M) (USD)	–	–	–	–	94.50	100.65
Class A US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class A Euro Accumulating (EUR)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged) (EUR)	–	–	–	–	106.45	113.77
Class A Euro Distributing (A) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (A) (Hedged) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (D) (EUR)	–	–	–	87.81	–	–
Class A Euro Distributing (M) (Hedged) (EUR)	–	–	–	–	113.46	97.31
Class A GBP Accumulating (Hedged) (GBP)	–	–	–	–	–	–
Class A GBP Distributing (A) (GBP)	–	–	–	–	–	–
Class A GBP Distributing (A) (H) (GBP)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged) (GBP)	–	–	–	–	–	104.96
Class A GBP Distributing (S) (Hedged) (GBP)	–	–	–	–	–	–
Class A SGD Accumulating (Hedged) (SGD)	–	–	–	–	–	–
Class A SGD Accumulating (SGD)	–	–	–	–	–	–
Class A SGD Distributing (Q) (Hedged) (SGD)	–	–	–	–	–	1.13
Class B US\$ Accumulating (USD)	102.48	95.91	107.08	–	105.40	111.84
Class B US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class B US\$ Distributing (D) (USD)	1.00	87.94	97.34	117.74	89.36	118.68
Class B US\$ Distributing (M) (USD)	–	–	–	–	–	–
Class B US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class C US\$ Accumulating (USD)	101.95	95.55	106.42	–	105.10	111.41
Class C US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class C US\$ Distributing (D) (USD)	1.00	87.96	98.16	117.46	89.35	118.68
Class C US\$ Distributing (M) (USD)	–	–	–	–	–	–
Class C US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class A JPY Accumulating (JPY)	–	–	–	–	–	–
Class A JPY Distributing (A) (JPY)	–	–	–	–	–	–
Class E US\$ Accumulating (USD)	–	–	–	–	–	99.14
Class E US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class E US\$ Distributing (D) (USD)	–	–	–	–	–	98.85
Class F Euro Accumulating (EUR)	–	–	–	–	–	103.18
Class F US\$ Accumulating (USD)	–	–	–	–	–	100.22
Class F US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class F US\$ Distributing (D) (USD)	–	–	–	–	–	98.84
Premier Class US\$ Accumulating (USD)	–	–	–	–	–	117.42
Premier Class US\$ Distributing (A) (USD)	–	–	–	–	–	–
Premier Class US\$ Distributing (D) (USD)	–	–	–	–	–	99.93
Premier Class US\$ Distributing (M) (USD)	–	–	–	–	–	122.99
Premier Class Euro Accumulating (EUR)	–	–	–	–	–	–
Premier Class Euro Accumulating (Hedged) (EUR)	–	–	–	–	–	101.38
Premier Class Euro Distributing (A) (Hedged) (EUR)	–	–	–	–	–	–
Premier Class Euro Distributing (M) (Hedged) (EUR)	–	–	–	–	–	–
Premier Class GBP Accumulating (Hedged) (GBP)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (GBP)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (Hedged) (GBP)	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged) (GBP)	–	–	–	–	–	101.81
LM Class US\$ Accumulating (USD)	–	–	–	–	–	–
LM Class US\$ Distributing (A) (USD)	–	–	–	–	–	–
LM Class US\$ Distributing (M) (USD)	–	–	–	–	–	–
LM Class JPY Accumulating (JPY)	–	–	–	–	–	–
Class A (G) US\$ Accumulating (USD)	105.83	–	110.24	–	106.47	–
Class A (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D) (USD)	1.00	–	98.25	–	90.96	–
Class B (G) US\$ Accumulating (USD)	105.82	–	108.68	–	105.02	–
Class B (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D) (USD)	1.00	–	98.23	–	91.07	–
Class L (G) US\$ Accumulating (USD)	100.45	–	108.67	–	105.03	–
Class L (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D) (USD)	1.00	–	98.23	–	91.00	–
Galleon Class (USD)	–	–	–	–	–	–
LM Class Euro Accumulating (EUR)	–	–	–	–	–	–

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† Effective June 3, 2009, the Fund commenced trading.

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Legg Mason Western Asset US High Yield Fund	Legg Mason Western Asset Emerging Markets Bond Fund	Legg Mason Western Asset Global High Yield Fund	Legg Mason Western Asset US Short-Term Government Fund	Legg Mason Western Asset US Adjustable Rate Fund	Legg Mason Western Asset Inflation Management Fund	Legg Mason Western Asset Asian Opportunities Fund	Legg Mason Western Asset Global Blue Chip Bond Fund ^ †
101.99	117.91	105.38	111.12	88.95	107.95	115.43	105.24
-	-	-	-	-	102.07	-	-
78.49	110.14	80.35	100.97	-	-	108.06	-
-	99.71	89.08	-	-	-	99.56	103.68
-	-	-	-	-	-	-	-
-	100.34	-	-	-	-	133.37	-
-	-	-	-	-	-	-	103.47
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	102.87
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1.11	-
-	-	-	-	-	-	-	-
103.95	114.91	106.62	107.21	-	102.15	114.87	105.03
-	-	-	-	-	105.67	-	-
78.51	110.12	80.22	101.03	83.12	-	108.02	-
-	-	-	-	-	-	-	103.52
103.34	113.71	106.58	106.43	87.47	101.58	114.10	104.87
-	-	-	-	-	101.80	-	-
78.52	110.08	80.00	100.96	83.06	-	108.10	-
-	-	-	-	-	-	-	103.48
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
98.91	-	99.08	-	-	-	99.68	99.88
-	-	-	-	-	-	-	-
98.14	-	98.52	-	-	-	99.36	99.65
-	-	-	-	-	-	-	-
-	-	-	-	-	-	100.57	100.22
-	-	-	-	-	-	-	-
-	153.15	112.05	-	-	-	99.36	99.65
-	-	-	-	-	-	116.42	106.03
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	103.70
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	106.11
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	103.61
-	-	-	-	-	-	-	106.06
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	103.76
-	-	-	-	-	-	116.52	-
86.71	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
102.63	118.94	105.66	111.13	88.74	109.52	-	-
-	-	-	-	-	98.41	-	-
77.88	98.71	80.36	101.01	83.14	-	-	-
101.17	117.25	104.13	109.55	87.50	107.98	-	-
-	-	-	-	-	96.92	-	-
77.88	98.72	80.35	101.00	82.87	-	-	-
101.16	117.24	104.15	109.54	87.51	107.76	-	-
-	-	-	-	-	93.55	-	-
77.88	98.71	80.35	101.00	82.90	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Balance Sheet – (continued)

	Legg Mason Brandywine Global Fixed Income Fund	Legg Mason Capital Management Value Fund	Legg Mason Capital Management Growth Fund	Legg Mason Capital Management Opportunity Fund [^]	Legg Mason ClearBridge US Appreciation Fund	Legg Mason ClearBridge US Fundamental Value Fund
February 28, 2010						
Net Asset Value Per Share:						
Class A US\$ Accumulating (USD)	119.26	53.50	54.62	100.00	86.45	75.73
Class A US\$ Distributing (A) (USD)	-	101.66	68.06	191.08	86.39	75.51
Class A US\$ Distributing (D) (USD)	-	-	-	-	-	-
Class A US\$ Distributing (M) (USD)	-	-	-	-	-	-
Class A US\$ Distributing (S) (USD)	118.16	-	-	-	-	-
Class A Euro Accumulating (EUR)	-	50.25	59.55	-	94.66	-
Class A Euro Accumulating (Hedged) (EUR)	111.18	-	-	-	-	-
Class A Euro Distributing (A) (EUR)	-	-	-	-	-	-
Class A Euro Distributing (A) (Hedged) (EUR)	-	-	-	-	-	-
Class A Euro Distributing (D) (EUR)	-	-	-	-	-	-
Class A Euro Distributing (M) (Hedged) (EUR)	-	-	-	-	-	-
Class A GBP Accumulating (Hedged) (GBP)	-	-	-	-	-	-
Class A GBP Distributing (A) (GBP)	-	109.49	-	-	-	-
Class A GBP Distributing (A) (H) (GBP)	-	-	-	-	-	-
Class A GBP Distributing (M) (Hedged) (GBP)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged) (GBP)	99.48	-	-	-	-	-
Class A SGD Accumulating (Hedged) (SGD)	1.08	-	-	-	-	-
Class A SGD Accumulating (SGD)	-	0.47	-	-	-	-
Class A SGD Distributing (Q) (Hedged) (SGD)	-	-	-	-	-	-
Class B US\$ Accumulating (USD)	111.61	57.49	53.08	-	83.20	79.71
Class B US\$ Distributing (A) (USD)	-	98.68	66.00	-	85.22	74.66
Class B US\$ Distributing (D) (USD)	-	-	-	-	-	-
Class B US\$ Distributing (M) (USD)	-	-	-	-	-	-
Class B US\$ Distributing (S) (USD)	117.91	-	-	-	-	-
Class C US\$ Accumulating (USD)	111.04	57.49	47.43	-	83.22	79.71
Class C US\$ Distributing (A) (USD)	-	97.90	65.46	-	85.21	74.67
Class C US\$ Distributing (D) (USD)	-	-	-	-	-	-
Class C US\$ Distributing (M) (USD)	-	-	-	-	-	-
Class C US\$ Distributing (S) (USD)	117.64	-	-	-	-	-
Class A JPY Accumulating (JPY)	-	-	-	-	-	-
Class A JPY Distributing (A) (JPY)	-	-	-	-	-	-
Class E US\$ Accumulating (USD)	-	-	-	-	99.76	-
Class E US\$ Distributing (A) (USD)	-	-	-	-	99.76	-
Class E US\$ Distributing (D) (USD)	-	-	-	-	-	-
Class F Euro Accumulating (EUR)	-	-	-	-	-	-
Class F US\$ Accumulating (USD)	-	98.00	-	-	99.87	-
Class F US\$ Distributing (A) (USD)	-	103.99	-	-	103.47	-
Class F US\$ Distributing (D) (USD)	-	-	-	-	-	-
Premier Class US\$ Accumulating (USD)	-	85.26	69.18	-	144.68	-
Premier Class US\$ Distributing (A) (USD)	-	-	-	-	124.86	-
Premier Class US\$ Distributing (D) (USD)	-	-	-	-	-	-
Premier Class US\$ Distributing (M) (USD)	-	-	-	-	-	-
Premier Class Euro Accumulating (EUR)	-	-	-	-	-	-
Premier Class Euro Accumulating (Hedged) (EUR)	-	-	-	-	-	-
Premier Class Euro Distributing (A) (Hedged) (EUR)	-	-	-	-	-	-
Premier Class Euro Distributing (M) (Hedged) (EUR)	-	-	-	-	-	-
Premier Class GBP Accumulating (Hedged) (GBP)	-	-	-	-	-	-
Premier Class GBP Distributing (A) (GBP)	-	-	-	119.86	-	-
Premier Class GBP Distributing (A) (Hedged) (GBP)	-	-	-	-	-	-
Premier Class GBP Distributing (M) (Hedged) (GBP)	-	-	-	-	-	-
LM Class US\$ Accumulating (USD)	-	101.96	-	194.79	-	-
LM Class US\$ Distributing (A) (USD)	-	-	-	-	-	-
LM Class US\$ Distributing (M) (USD)	-	-	-	-	-	-
LM Class JPY Accumulating (JPY)	-	-	-	-	-	-
Class A (G) US\$ Accumulating (USD)	-	-	-	-	86.92	76.33
Class A (G) US\$ Distributing (A) (USD)	-	-	-	-	-	-
Class A (G) US\$ Distributing (D) (USD)	-	-	-	-	-	-
Class B (G) US\$ Accumulating (USD)	-	-	-	-	85.69	75.25
Class B (G) US\$ Distributing (A) (USD)	-	-	-	-	-	-
Class B (G) US\$ Distributing (D) (USD)	-	-	-	-	-	-
Class L (G) US\$ Accumulating (USD)	-	-	-	-	85.70	75.25
Class L (G) US\$ Distributing (A) (USD)	-	-	-	-	-	-
Class L (G) US\$ Distributing (D) (USD)	-	-	-	-	-	-
Galleon Class (USD)	-	65.28	-	-	-	-
LM Class Euro Accumulating (EUR)	-	-	-	-	-	-

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

NAV per share information represents Redeemable Participating Shares

[†] Effective June 3, 2009, the Fund commenced trading.

^α Effective September 25, 2009, the Fund commenced trading.

^β Effective November 12, 2009, the Fund commenced trading.

^δ Effective December 1, 2009, the Fund commenced trading.

[‡] Effective January 4, 2010, the Fund commenced trading.

[∞] Effective January 20, 2010, the Fund ceased trading.

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Legg Mason ClearBridge US Large Cap Growth Fund	Legg Mason ClearBridge US Aggressive Growth Fund	Legg Mason Royce US Small Cap Opportunity Fund	Legg Mason Royce Smaller Companies Fund	Legg Mason Royce European Smaller Companies Fund ^ ‡	Legg Mason Royce Global Smaller Companies Fund ^	Legg Mason PCM US Equity Fund	Legg Mason Permal Global Absolute Fund ^ α
87.54	80.25	75.68	86.62	-	96.98	64.25	101.05
87.57	80.27	230.01	146.93	-	96.98	64.14	101.05
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
102.85	-	73.38	113.83	-	-	69.01	-
-	-	-	-	98.36	-	68.97	100.69
-	-	-	-	-	-	-	100.80
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	100.79
-	-	-	114.05	-	-	-	100.96
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
85.03	82.53	83.42	89.73	-	96.90	63.52	100.83
86.31	79.14	223.45	142.71	-	-	63.52	100.83
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
85.04	82.56	83.56	89.70	-	96.90	63.56	100.85
86.31	79.14	221.77	141.97	-	-	63.52	100.81
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	99.38	-	96.86	-	100.73
-	-	-	99.38	-	-	-	100.73
-	-	-	-	-	-	-	-
-	-	-	99.50	-	-	-	99.51
-	-	-	106.68	-	-	-	101.08
-	-	-	-	-	-	-	-
-	-	-	103.10	-	-	-	101.36
-	-	-	-	-	-	-	101.40
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	100.85
-	-	-	-	-	-	-	101.09
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	100.10
-	-	-	-	-	-	-	101.55
-	-	-	-	-	-	-	-
-	-	-	-	-	97.25	-	101.67
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
87.94	80.87	-	90.07	-	-	-	-
-	-	-	-	-	-	-	-
86.69	79.72	-	88.81	-	-	-	-
-	-	-	-	-	-	-	-
86.70	79.72	-	88.74	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	98.64	-	-	-

Balance Sheet – (continued)

	Legg Mason GC Global Equity Fund	Legg Mason Batterymarch European Equity Fund	Legg Mason Batterymarch Asia Pacific Equity Fund	Legg Mason Batterymarch 130/ 30 Global Equity Fund [∞]	Legg Mason Batterymarch International Large Cap Fund	Legg Mason Batterymarch Emerging Markets Equity Fund
February 28, 2010						
Net Asset Value Per Share:						
Class A US\$ Accumulating (USD)	67.60	60.34	92.44	–	64.12	73.97
Class A US\$ Distributing (A) (USD)	76.47	139.24	179.14	–	62.05	82.90
Class A US\$ Distributing (D) (USD)	–	–	–	–	–	–
Class A US\$ Distributing (M) (USD)	–	–	–	–	–	–
Class A US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class A Euro Accumulating (EUR)	–	–	69.26	–	–	96.39
Class A Euro Accumulating (Hedged) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (A) (EUR)	–	104.06	–	–	–	–
Class A Euro Distributing (A) (Hedged) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (D) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (S) (Hedged) (EUR)	–	–	–	–	–	–
Class A GBP Accumulating (Hedged) (GBP)	–	–	–	–	–	–
Class A GBP Distributing (A) (GBP)	–	–	–	–	–	95.33
Class A GBP Distributing (A) (H) (GBP)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged) (GBP)	–	–	–	–	–	–
Class A GBP Distributing (S) (Hedged) (GBP)	–	–	–	–	–	–
Class A SGD Accumulating (Hedged) (SGD)	–	–	–	–	–	–
Class A SGD Accumulating (SGD)	–	–	–	–	–	–
Class A SGD Distributing (Q) (Hedged) (SGD)	–	–	–	–	–	–
Class B US\$ Accumulating (USD)	67.63	59.70	67.58	–	61.78	82.83
Class B US\$ Distributing (A) (USD)	75.67	138.81	175.61	–	61.68	82.53
Class B US\$ Distributing (D) (USD)	–	–	–	–	–	–
Class B US\$ Distributing (M) (USD)	–	–	–	–	–	–
Class B US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class C US\$ Accumulating (USD)	67.96	60.51	67.57	–	61.78	82.87
Class C US\$ Distributing (A) (USD)	75.70	137.49	174.66	–	61.68	82.48
Class C US\$ Distributing (D) (USD)	–	–	–	–	–	–
Class C US\$ Distributing (M) (USD)	–	–	–	–	–	–
Class C US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class A JPY Accumulating (JPY)	–	–	–	–	–	–
Class A JPY Distributing (A) (JPY)	–	–	–	–	–	–
Class E US\$ Accumulating (USD)	–	–	95.98	–	–	96.03
Class E US\$ Distributing (A) (USD)	–	–	95.98	–	–	96.03
Class E US\$ Distributing (D) (USD)	–	–	–	–	–	–
Class F Euro Accumulating (EUR)	–	–	–	–	–	–
Class F US\$ Accumulating (USD)	–	–	–	–	–	96.15
Class F US\$ Distributing (A) (USD)	–	–	–	–	–	102.31
Class F US\$ Distributing (D) (USD)	–	–	–	–	–	–
Premier Class US\$ Accumulating (USD)	–	–	–	–	–	73.92
Premier Class US\$ Distributing (A) (USD)	–	–	–	–	–	–
Premier Class US\$ Distributing (D) (USD)	–	–	–	–	–	–
Premier Class US\$ Distributing (M) (USD)	–	–	–	–	–	–
Premier Class Euro Accumulating (EUR)	–	–	–	–	–	96.66
Premier Class Euro Accumulating (Hedged) (EUR)	–	–	–	–	–	–
Premier Class Euro Distributing (A) (Hedged) (EUR)	–	–	–	–	–	–
Premier Class Euro Distributing (M) (Hedged) (EUR)	–	–	–	–	–	–
Premier Class GBP Accumulating (Hedged) (GBP)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (GBP)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (Hedged) (GBP)	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged) (GBP)	–	–	–	–	–	–
LM Class US\$ Accumulating (USD)	–	–	–	–	–	–
LM Class US\$ Distributing (A) (USD)	–	–	–	–	–	74.00
LM Class US\$ Distributing (M) (USD)	–	–	–	–	–	–
LM Class JPY Accumulating (JPY)	–	–	–	–	–	–
Class A (G) US\$ Accumulating (USD)	–	60.18	–	–	64.22	–
Class A (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D) (USD)	–	–	–	–	–	–
Class B (G) US\$ Accumulating (USD)	–	59.27	–	–	63.31	–
Class B (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D) (USD)	–	–	–	–	–	–
Class L (G) US\$ Accumulating (USD)	–	59.44	–	–	63.31	–
Class L (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D) (USD)	–	–	–	–	–	–
Galleon Class (USD)	–	–	–	–	–	–
LM Class Euro Accumulating (EUR)	–	–	–	–	–	–

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

NAV per share information represents Redeemable Participating Shares

† Effective June 3, 2009, the Fund commenced trading.

α Effective September 25, 2009, the Fund commenced trading.

β Effective November 12, 2009, the Fund commenced trading.

δ Effective December 1, 2009, the Fund commenced trading.

‡ Effective January 4, 2010, the Fund commenced trading.

∞ Effective January 20, 2010, the Fund ceased trading.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

The accompanying notes are an integral part of the Financial Statements

Balance Sheet – (continued)

	Legg Mason Western Asset US Money Market Fund (in 000's)	Legg Mason Western Asset US Core Bond Fund (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund †† (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund †† (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund (in 000's)
February 28, 2009						
Total Net Asset Value: (in 000's)						
Class A US\$ Accumulating	\$ 22,492	\$ 81	\$ 22	–	\$ 397	\$ 15,917
Class A US\$ Distributing (A)	–	–	–	–	–	–
Class A US\$ Distributing (D)	3,473,798	14,270	1,191	€ 1,707	13,084	80,133
Class A US\$ Distributing (M)	–	–	–	–	207	2,120
Class A US\$ Distributing (S)	–	–	–	–	–	–
Class A Euro Accumulating	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)	–	–	–	–	247	8,099
Class A Euro Distributing (A)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	1,702	–	–
Class A Euro Distributing (M)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–	–	2	3,634
Class A GBP Distributing (A)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged)	–	–	–	–	–	13,027
Class A GBP Distributing (S) (Hedged)	–	–	–	–	–	–
Class A SGD Accumulating	–	–	–	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–	–	–	–
Class B US\$ Accumulating	553	175	354	–	9	291
Class B US\$ Distributing (A)	–	–	–	–	–	–
Class B US\$ Distributing (D)	2,421	3,065	125	1,582	12,313	20,065
Class B US\$ Distributing (S)	–	–	–	–	–	–
Class C US\$ Accumulating	231	66	677	–	45	2,470
Class C US\$ Distributing (A)	–	–	–	–	–	–
Class C US\$ Distributing (D)	4,614	3,961	3,926	2,269	8,578	100,760
Class C US\$ Distributing (S)	–	–	–	–	–	–
Class A JPY Accumulating	–	–	–	–	–	–
Class A JPY Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Accumulating	–	–	–	–	–	1,281
Premier Class US\$ Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Distributing (D)	–	–	–	–	–	1,704
Premier Class US\$ Distributing (M)	–	–	–	–	–	1,282
Premier Class Euro Accumulating	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–	–	–	42,265
LM Class US\$ Accumulating	–	–	–	–	–	–
LM Class US\$ Distributing (A)	–	–	–	–	–	–
LM Class US\$ Distributing (M)	–	–	–	–	–	–
LM Class JPY Accumulating	–	–	–	–	–	–
Class A (G) US\$ Accumulating	3,192	–	1,142	–	837	–
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	4,284	–	2,391	–	7,950	–
Class B (G) US\$ Accumulating	1,379	–	3,040	–	4,271	–
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	3,559	–	4,761	–	7,984	–
Class L (G) US\$ Accumulating	371	–	1,435	–	525	–
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	2,467	–	4,959	–	3,083	–
Galleon Class	–	–	–	–	–	–

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000 or less than 1,000 shares.

NAV per share information represents Redeemable Participating Shares.

†† Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

Legg Mason Western Asset US High Yield Fund (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)	Legg Mason Western Asset Global High Yield Fund (in 000's)	Legg Mason Western Asset US Short-Term Government Fund (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund (in 000's)	Legg Mason Western Asset Inflation Management Fund (in 000's)	Legg Mason Western Asset Asian Opportunities Fund β (in 000's)	Legg Mason Brandywine Global Fixed Income Fund (in 000's)
\$ 661	\$ 15,300	\$ 57,564	\$ 2,698	\$ 7,197	\$ 263	\$ 1	\$ 10,050
-	-	-	-	-	462	-	-
10,030	6,040	579	2,280	-	-	1	-
-	242	160	-	-	-	-	254,461
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1	10,381
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	42,165
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	11,573
29	66	1	325	1	86	1	1,481
-	-	-	-	-	48	-	-
3,172	1,990	174	5,079	1	-	10	-
-	-	-	-	-	-	-	6,814
139	1	133	6,776	1	23	1,013	300
-	-	-	-	-	67	-	-
4,409	7,975	700	987	359	-	1	-
-	-	-	-	-	-	-	8,491
-	-	-	-	-	-	-	-
-	15,799	-	-	-	-	1	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,764	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,411	14,195	18,299	1,702	3,043	839	-	-
-	-	-	-	-	234	-	-
5,810	5,156	10,272	6,110	2,136	-	-	-
1,381	3,102	3,597	3,747	2,641	684	-	-
-	-	-	-	-	618	-	-
4,737	5,347	7,708	22,244	6,660	-	-	-
172	1,566	843	502	952	387	-	-
-	-	-	-	-	457	-	-
7,913	6,170	4,973	4,213	4,631	-	-	-
-	-	-	-	-	-	-	-

Balance Sheet – (continued)

	Legg Mason Capital Management Value Fund (in 000's)	Legg Mason Capital Management Growth Fund (in 000's)	Legg Mason Capital Management Opportunity Fund [∞] ^ (in 000's)	Legg Mason ClearBridge US Appreciation Fund (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund (in 000's)	Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)
February 28, 2009						
Total Net Asset Value: (in 000's)						
Class A US\$ Accumulating	\$ 10,010	\$ 1,177	–	\$ 5,702	\$ 15,131	\$ 2,694
Class A US\$ Distributing (A)	183,354	10,475	\$ 1	2,506	104	271
Class A US\$ Distributing (D)	–	–	–	–	–	–
Class A US\$ Distributing (M)	–	–	–	–	–	–
Class A US\$ Distributing (S)	–	–	–	–	–	–
Class A Euro Accumulating	72	9	–	620	–	2
Class A Euro Accumulating (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (A)	–	–	–	–	–	1
Class A Euro Distributing (D)	–	–	–	–	–	–
Class A Euro Distributing (M)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (A)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (S) (Hedged)	–	–	–	–	–	–
Class A SGD Accumulating	2,803	–	–	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–	–	–	–
Class B US\$ Accumulating	52	3	–	350	126	103
Class B US\$ Distributing (A)	3,300	686	–	535	413	274
Class B US\$ Distributing (D)	–	–	–	–	–	–
Class B US\$ Distributing (S)	–	–	–	–	–	–
Class C US\$ Accumulating	–	–	–	985	163	69
Class C US\$ Distributing (A)	9,402	2,519	–	488	590	494
Class C US\$ Distributing (D)	–	–	–	–	–	–
Class C US\$ Distributing (S)	–	–	–	–	–	–
Class A JPY Accumulating	–	–	–	–	–	–
Class A JPY Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Accumulating	11,367	11,063	–	–	–	–
Premier Class US\$ Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Distributing (D)	–	–	–	–	–	–
Premier Class US\$ Distributing (M)	–	–	–	–	–	–
Premier Class Euro Accumulating	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–	–	–	–
LM Class US\$ Accumulating	–	–	199	–	–	–
LM Class US\$ Distributing (A)	–	–	–	–	–	–
LM Class US\$ Distributing (M)	–	–	–	–	–	–
LM Class JPY Accumulating	–	–	–	–	–	–
Class A (G) US\$ Accumulating	–	–	–	7,040	28,794	8,770
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	–	–	–	–	–	–
Class B (G) US\$ Accumulating	–	–	–	2,877	24,071	5,877
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	–	–	–	–	–	–
Class L (G) US\$ Accumulating	–	–	–	5,057	14,477	7,648
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	–	–	–	–	–	–
Galleon Class	29	–	–	–	–	–

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000 or less than 1,000 shares.

NAV per share information represents Redeemable Participating Shares.

†† Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund (in 000's)	Legg Mason Royce Smaller Companies Fund †† (in 000's)	Legg Mason PCM US Equity Fund (in 000's)	Legg Mason GC Global Equity Fund †† (in 000's)	Legg Mason Batterymarch European Equity Fund (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)	Legg Mason Batterymarch 130/30 Global Equity Fund δ (in 000's)
\$ 7,865	\$ 5,367	\$ 2,821	\$ 406	\$ 31,513	€ 267	\$ 33,483	\$ 50
12,108	18,492	15,486	1	38	3,535	106,528	4,529
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	585	36	-	-	-	387	50
-	-	-	-	-	-	-	-
-	-	-	-	-	178	-	50
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
102	52	416	1	23	26	138	50
630	1,011	2,284	-	92	1,385	3,918	50
-	-	-	-	-	-	-	-
248	69	184	1	-	34	79	50
1,731	2,673	2,709	-	161	2,528	12,634	50
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	51
-	-	-	-	-	-	-	51
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	50
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
31,281	-	4,373	-	-	4,599	-	-
-	-	-	-	-	-	-	-
14,257	-	1,398	-	-	2,455	-	-
-	-	-	-	-	-	-	-
12,994	-	1,697	-	-	1,060	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Balance Sheet – (continued)

	Legg Mason Batterymarch International Large Cap Fund (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund α (in 000's)	Legg Mason Congruix Japan Equity Fund \ddagger (in 000's)
February 28, 2009			
Total Net Asset Value: (in 000's)			
Class A US\$ Accumulating	\$ 390	\$ 3,429	¥ 65
Class A US\$ Distributing (A)	338	10	65
Class A US\$ Distributing (D)	–	–	–
Class A US\$ Distributing (M)	–	–	–
Class A US\$ Distributing (S)	–	–	–
Class A Euro Accumulating	–	1	90
Class A Euro Accumulating (Hedged)	–	–	–
Class A Euro Distributing (A)	–	–	90
Class A Euro Distributing (D)	–	–	–
Class A Euro Distributing (M)	–	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–
Class A GBP Distributing (A)	–	22,771	–
Class A GBP Distributing (M) (Hedged)	–	–	–
Class A GBP Distributing (S) (Hedged)	–	–	–
Class A SGD Accumulating	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–
Class B US\$ Accumulating	56	–	65
Class B US\$ Distributing (A)	617	–	65
Class B US\$ Distributing (D)	–	–	–
Class B US\$ Distributing (S)	–	–	–
Class C US\$ Accumulating	24	–	65
Class C US\$ Distributing (A)	627	23	65
Class C US\$ Distributing (D)	–	–	–
Class C US\$ Distributing (S)	–	–	–
Class A JPY Accumulating	–	–	62
Class A JPY Distributing (A)	–	–	62
Premier Class US\$ Accumulating	–	6,540	–
Premier Class US\$ Distributing (A)	–	–	–
Premier Class US\$ Distributing (D)	–	–	–
Premier Class US\$ Distributing (M)	–	–	–
Premier Class Euro Accumulating	–	1	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–
LM Class US\$ Accumulating	–	–	–
LM Class US\$ Distributing (A)	–	1,019	–
LM Class US\$ Distributing (M)	–	–	–
LM Class JPY Accumulating	–	–	148,822
Class A (G) US\$ Accumulating	2,261	–	–
Class A (G) US\$ Distributing (A)	–	–	–
Class A (G) US\$ Distributing (D)	–	–	–
Class B (G) US\$ Accumulating	7,110	–	–
Class B (G) US\$ Distributing (A)	–	–	–
Class B (G) US\$ Distributing (D)	–	–	–
Class L (G) US\$ Accumulating	3,403	–	–
Class L (G) US\$ Distributing (A)	–	–	–
Class L (G) US\$ Distributing (D)	–	–	–
Galleon Class	–	–	–

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000 or less than 1,000 shares.

NAV per share information represents Redeemable Participating Shares.

$\dagger\dagger$ Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

\ddagger Effective October 2, 2008, the Fund commenced trading.

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Balance Sheet – (continued)

	Legg Mason Western Asset US Money Market Fund (in 000's)	Legg Mason Western Asset US Core Bond Fund (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund †† (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund †† (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund (in 000's)
February 28, 2009						
Number of Redeemable Participating Shares in Issue: (in 000's)						
Class A US\$ Accumulating	213	1	–	–	5	187
Class A US\$ Distributing (A)	–	–	–	–	–	–
Class A US\$ Distributing (D)	3,472,069	190	15	24	182	867
Class A US\$ Distributing (M)	–	–	–	–	3	27
Class A US\$ Distributing (S)	–	–	–	–	–	–
Class A Euro Accumulating	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)	–	–	–	–	2	76
Class A Euro Distributing (A)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	24	–	–
Class A Euro Distributing (M)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–	–	–	38
Class A GBP Distributing (A)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged)	–	–	–	–	–	111
Class A GBP Distributing (S) (Hedged)	–	–	–	–	–	–
Class A SGD Accumulating	–	–	–	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–	–	–	–
Class B US\$ Accumulating	5	2	4	–	–	4
Class B US\$ Distributing (A)	–	–	–	–	–	–
Class B US\$ Distributing (D)	2,411	41	2	23	171	217
Class B US\$ Distributing (S)	–	–	–	–	–	–
Class C US\$ Accumulating	2	1	8	–	1	30
Class C US\$ Distributing (A)	–	–	–	–	–	–
Class C US\$ Distributing (D)	4,603	53	48	32	119	1,090
Class C US\$ Distributing (S)	–	–	–	–	–	–
Class A JPY Accumulating	–	–	–	–	–	–
Class A JPY Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Accumulating	–	–	–	–	–	15
Premier Class US\$ Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Distributing (D)	–	–	–	–	–	22
Premier Class US\$ Distributing (M)	–	–	–	–	–	13
Premier Class Euro Accumulating	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–	–	–	371
LM Class US\$ Accumulating	–	–	–	–	–	–
LM Class US\$ Distributing (A)	–	–	–	–	–	–
LM Class US\$ Distributing (M)	–	–	–	–	–	–
LM Class JPY Accumulating	–	–	–	–	–	–
Class A (G) US\$ Accumulating	30	–	13	–	10	–
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	4,269	–	29	–	108	–
Class B (G) US\$ Accumulating	13	–	35	–	53	–
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	3,558	–	58	–	109	–
Class L (G) US\$ Accumulating	4	–	16	–	7	–
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	2,459	–	61	–	42	–
Galleon Class	–	–	–	–	–	–

Amounts designated as "-" are either 0 or less than 1,000.

NAV per share information represents Redeemable Participating Shares.

†† Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

Legg Mason Western Asset US High Yield Fund (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)	Legg Mason Western Asset Global High Yield Fund (in 000's)	Legg Mason Western Asset US Short-Term Government Fund (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund (in 000's)	Legg Mason Western Asset Inflation Management Fund (in 000's)	Legg Mason Western Asset Asian Opportunities Fund β (in 000's)	Legg Mason Brandywine Global Fixed Income Fund (in 000's)
10	190	868	25	98	3	-	109
-	-	-	-	-	5	-	-
176	75	10	23	-	-	-	-
-	3	3	-	-	-	-	-
-	-	-	-	-	-	-	2,658
-	-	-	-	-	-	-	89
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	339
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	20,146
-	1	-	3	-	1	-	17
-	-	-	-	-	1	-	-
56	25	3	51	-	-	-	-
-	-	-	-	-	-	-	71
2	-	2	66	-	-	11	3
-	-	-	-	-	1	-	-
77	99	18	10	5	-	-	-
-	-	-	-	-	-	-	89
-	-	-	-	-	-	-	-
-	152	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	348	-
-	-	-	-	-	-	-	-
28	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
51	175	277	16	42	9	-	-
-	-	-	-	-	2	-	-
103	72	184	62	31	-	-	-
21	39	55	35	36	8	-	-
-	-	-	-	-	7	-	-
84	74	138	225	97	-	-	-
3	20	13	5	13	4	-	-
-	-	-	-	-	5	-	-
140	86	89	43	67	-	-	-
-	-	-	-	-	-	-	-

Balance Sheet – (continued)

	Legg Mason Capital Management Value Fund (in 000's)	Legg Mason Capital Management Growth Fund (in 000's)	Legg Mason Capital Management Opportunity Fund [∞] ^ (in 000's)	Legg Mason ClearBridge US Appreciation Fund (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund (in 000's)	Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)
February 28, 2009						
Number of Redeemable Participating Shares in Issue: (in 000's)						
Class A US\$ Accumulating	318	34	–	92	315	46
Class A US\$ Distributing (A)	3,067	244	–	41	2	5
Class A US\$ Distributing (D)	–	–	–	–	–	–
Class A US\$ Distributing (M)	–	–	–	–	–	–
Class A US\$ Distributing (S)	–	–	–	–	–	–
Class A Euro Accumulating	2	–	–	7	–	–
Class A Euro Accumulating (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (A)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	–	–	–
Class A Euro Distributing (M)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (A)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged)	–	–	–	–	–	–
Class A GBP Distributing (S) (Hedged)	–	–	–	–	–	–
Class A SGD Accumulating	14,254	–	–	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–	–	–	–
Class B US\$ Accumulating	2	–	–	6	2	2
Class B US\$ Distributing (A)	57	16	–	9	9	5
Class B US\$ Distributing (D)	–	–	–	–	–	–
Class B US\$ Distributing (S)	–	–	–	–	–	–
Class C US\$ Accumulating	–	–	–	16	3	1
Class C US\$ Distributing (A)	162	61	–	8	12	8
Class C US\$ Distributing (D)	–	–	–	–	–	–
Class C US\$ Distributing (S)	–	–	–	–	–	–
Class A JPY Accumulating	–	–	–	–	–	–
Class A JPY Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Accumulating	229	256	–	–	–	–
Premier Class US\$ Distributing (A)	–	–	–	–	–	–
Premier Class US\$ Distributing (D)	–	–	–	–	–	–
Premier Class US\$ Distributing (M)	–	–	–	–	–	–
Premier Class Euro Accumulating	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–	–	–	–
LM Class US\$ Accumulating	–	–	2	–	–	–
LM Class US\$ Distributing (A)	–	–	–	–	–	–
LM Class US\$ Distributing (M)	–	–	–	–	–	–
LM Class JPY Accumulating	–	–	–	–	–	–
Class A (G) US\$ Accumulating	–	–	–	114	596	149
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	–	–	–	–	–	–
Class B (G) US\$ Accumulating	–	–	–	47	503	100
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	–	–	–	–	–	–
Class L (G) US\$ Accumulating	–	–	–	82	302	131
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	–	–	–	–	–	–
Galleon Class	1	–	–	–	–	–

Amounts designated as "-" are either 0 or less than 1,000.

NAV per share information represents Redeemable Participating Shares.

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Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund (in 000's)	Legg Mason Royce Smaller Companies Fund †† (in 000's)	Legg Mason PCM US Equity Fund (in 000's)	Legg Mason GC Global Equity Fund †† (in 000's)	Legg Mason Batterymarch European Equity Fund (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)	Legg Mason Batterymarch 130/30 Global Equity Fund δ (in 000's)
158	152	51	10	661	8	646	1
244	172	165	-	1	44	1,042	90
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	13	-	-	-	-	7	1
-	-	-	-	-	-	-	-
-	-	-	-	-	2	-	1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2	1	7	-	-	1	4	1
13	10	25	-	2	17	39	1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5	2	3	-	-	1	2	1
35	26	30	-	3	32	127	1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
626	-	77	-	-	137	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
288	-	25	-	-	74	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
263	-	30	-	-	32	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Balance Sheet – (continued)

	Legg Mason Batterymarch International Large Cap Fund (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund α (in 000's)	Legg Mason Congruix Japan Equity Fund \ddagger (in 000's)
February 28, 2009			
Number of Redeemable Participating Shares in Issue: (in 000's)			
Class A US\$ Accumulating	9	89	–
Class A US\$ Distributing (A)	8	–	–
Class A US\$ Distributing (D)	–	–	–
Class A US\$ Distributing (M)	–	–	–
Class A US\$ Distributing (S)	–	–	–
Class A Euro Accumulating	–	–	–
Class A Euro Accumulating (Hedged)	–	–	–
Class A Euro Distributing (A)	–	–	–
Class A Euro Distributing (D)	–	–	–
Class A Euro Distributing (M)	–	–	–
Class A Euro Distributing (M) (Hedged)	–	–	–
Class A GBP Distributing (A)	–	299	–
Class A GBP Distributing (M) (Hedged)	–	–	–
Class A GBP Distributing (S) (Hedged)	–	–	–
Class A SGD Accumulating	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–
Class B US\$ Accumulating	1	–	–
Class B US\$ Distributing (A)	14	–	–
Class B US\$ Distributing (D)	–	–	–
Class B US\$ Distributing (S)	–	–	–
Class C US\$ Accumulating	1	–	–
Class C US\$ Distributing (A)	14	1	–
Class C US\$ Distributing (D)	–	–	–
Class C US\$ Distributing (S)	–	–	–
Class A JPY Accumulating	–	–	–
Class A JPY Distributing (A)	–	–	–
Premier Class US\$ Accumulating	–	171	–
Premier Class US\$ Distributing (A)	–	–	–
Premier Class US\$ Distributing (D)	–	–	–
Premier Class US\$ Distributing (M)	–	–	–
Premier Class Euro Accumulating	–	–	–
Premier Class GBP Distributing (M) (Hedged)	–	–	–
LM Class US\$ Accumulating	–	–	–
LM Class US\$ Distributing (A)	–	26	–
LM Class US\$ Distributing (M)	–	–	–
LM Class JPY Accumulating	–	–	24
Class A (G) US\$ Accumulating	50	–	–
Class A (G) US\$ Distributing (A)	–	–	–
Class A (G) US\$ Distributing (D)	–	–	–
Class B (G) US\$ Accumulating	160	–	–
Class B (G) US\$ Distributing (A)	–	–	–
Class B (G) US\$ Distributing (D)	–	–	–
Class L (G) US\$ Accumulating	77	–	–
Class L (G) US\$ Distributing (A)	–	–	–
Class L (G) US\$ Distributing (D)	–	–	–
Galleon Class	–	–	–

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Balance Sheet – (continued)

February 28, 2009	Legg Mason Western Asset US Money Market Fund	Legg Mason Western Asset US Core Bond Fund	Legg Mason Western Asset US Core Plus Bond Fund ††	Legg Mason Western Asset Euro Core Plus Bond Fund ††	Legg Mason Western Asset Diversified Strategic Income Fund	Legg Mason Western Asset Global Multi Strategy Fund
Net Asset Value Per Share:						
Class A US\$ Accumulating (USD)	105.58	80.36	88.73	–	81.29	85.02
Class A US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class A US\$ Distributing (D) (USD)	1.00	75.05	81.30	89.82	72.01	92.44
Class A US\$ Distributing (M) (USD)	–	–	–	–	76.12	78.40
Class A US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class A Euro Accumulating (EUR)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged) (EUR)	–	–	–	–	81.20	83.56
Class A Euro Distributing (A) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (D) (EUR)	–	–	–	71.22	–	–
Class A Euro Distributing (M) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (S) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged) (EUR)	–	–	–	–	98.00	75.99
Class A GBP Distributing (A) (GBP)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged) (GBP)	–	–	–	–	–	81.95
Class A GBP Distributing (S) (Hedged) (GBP)	–	–	–	–	–	–
Class A SGD Accumulating (Hedged) (SGD)	–	–	–	–	–	–
Class A SGD Accumulating (SGD)	–	–	–	–	–	–
Class B US\$ Accumulating (USD)	102.53	79.58	86.32	–	80.49	82.18
Class B US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class B US\$ Distributing (D) (USD)	1.00	75.06	81.19	88.91	72.00	92.45
Class B US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class C US\$ Accumulating (USD)	102.05	79.47	86.01	–	80.45	82.06
Class C US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class C US\$ Distributing (D) (USD)	1.00	75.08	81.87	88.70	71.99	92.45
Class C US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class A JPY Accumulating (JPY)	–	–	–	–	–	–
Class A JPY Distributing (A) (JPY)	–	–	–	–	–	–
Premier Class US\$ Accumulating (USD)	–	–	–	–	–	85.39
Premier Class US\$ Distributing (A) (USD)	–	–	–	–	–	–
Premier Class US\$ Distributing (D) (USD)	–	–	–	–	–	77.84
Premier Class US\$ Distributing (M) (USD)	–	–	–	–	–	95.79
Premier Class Euro Accumulating (EUR)	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged) (GBP)	–	–	–	–	–	79.63
LM Class US\$ Accumulating (USD)	–	–	–	–	–	–
LM Class US\$ Distributing (A) (USD)	–	–	–	–	–	–
LM Class US\$ Distributing (M) (USD)	–	–	–	–	–	–
LM Class JPY Accumulating (JPY)	–	–	–	–	–	–
Class A (G) US\$ Accumulating (USD)	105.80	–	88.88	–	81.19	–
Class A (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D) (USD)	1.00	–	81.94	–	73.30	–
Class B (G) US\$ Accumulating (USD)	105.80	–	88.06	–	80.49	–
Class B (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D) (USD)	1.00	–	81.93	–	73.38	–
Class L (G) US\$ Accumulating (USD)	100.43	–	88.06	–	80.51	–
Class L (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D) (USD)	1.00	–	81.93	–	73.33	–
Galleon Class (USD)	–	–	–	–	–	–

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000 or less than 1,000 shares.

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Legg Mason Western Asset US High Yield Fund	Legg Mason Western Asset Emerging Markets Bond Fund	Legg Mason Western Asset Global High Yield Fund	Legg Mason Western Asset US Short-Term Government Fund	Legg Mason Western Asset US Adjustable Rate Fund	Legg Mason Western Asset Inflation Management Fund	Legg Mason Western Asset Asian Opportunities Fund β	Legg Mason Brandywine Global Fixed Income Fund
66.91	80.58	65.94	106.90	73.07	90.79	92.82	92.21
-	-	-	-	-	87.01	-	-
57.08	80.30	55.83	98.96	-	-	90.51	-
-	72.66	61.83	-	-	-	-	-
-	-	-	-	-	-	-	95.75
-	-	-	-	-	-	114.51	-
-	-	-	-	-	-	-	91.93
-	-	-	-	-	-	-	-
-	-	-	-	-	-	112.21	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	86.94
-	-	-	-	-	-	-	0.89
-	-	-	-	-	-	-	-
68.38	78.72	66.96	103.41	72.51	86.13	92.60	86.51
-	-	-	-	-	89.08	-	-
57.10	80.29	55.75	98.99	68.74	-	90.50	-
-	-	-	-	-	-	-	95.54
68.14	78.06	67.03	102.91	72.29	85.85	92.29	86.29
-	-	-	-	-	86.71	-	-
57.11	80.26	55.59	98.95	68.69	-	90.53	-
-	-	-	-	-	-	-	95.33
-	-	-	-	-	-	-	-
-	103.65	-	-	-	-	93.14	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	90.50	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	92.63	-
-	-	-	-	-	-	-	-
63.06	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
67.36	81.07	66.08	106.98	73.09	91.73	-	-
-	-	-	-	-	86.48	-	-
56.64	71.97	55.84	99.00	68.67	-	-	-
66.74	80.32	65.45	105.98	72.42	90.89	-	-
-	-	-	-	-	85.45	-	-
56.64	71.97	55.83	99.00	68.64	-	-	-
66.73	80.31	65.46	105.97	72.43	90.71	-	-
-	-	-	-	-	85.82	-	-
56.64	71.97	55.83	98.99	68.66	-	-	-
-	-	-	-	-	-	-	-

Balance Sheet – (continued)

	Legg Mason Capital Management Value Fund	Legg Mason Capital Management Growth Fund	Legg Mason Capital Management Opportunity Fund [∞]	Legg Mason ClearBridge US Appreciation Fund	Legg Mason ClearBridge US Fundamental Value Fund	Legg Mason ClearBridge US Large Cap Growth Fund
February 28, 2009						
Net Asset Value Per Share:						
Class A US\$ Accumulating (USD)	31.46	34.36	–	61.76	48.09	58.78
Class A US\$ Distributing (A) (USD)	59.78	42.94	79.89	61.81	48.10	58.80
Class A US\$ Distributing (D) (USD)	–	–	–	–	–	–
Class A US\$ Distributing (M) (USD)	–	–	–	–	–	–
Class A US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class A Euro Accumulating (EUR)	31.87	39.68	–	72.94	–	74.92
Class A Euro Accumulating (Hedged) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (A) (EUR)	–	–	–	–	–	94.99
Class A Euro Distributing (D) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (M) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged) (EUR)	–	–	–	–	–	–
Class A GBP Distributing (A) (GBP)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged) (GBP)	–	–	–	–	–	–
Class A GBP Distributing (S) (Hedged) (GBP)	–	–	–	–	–	–
Class A SGD Accumulating (Hedged) (SGD)	–	–	–	–	–	–
Class A SGD Accumulating (SGD)	0.30	–	–	–	–	–
Class B US\$ Accumulating (USD)	33.96	33.57	–	59.74	50.86	57.38
Class B US\$ Distributing (A) (USD)	58.31	41.84	–	61.19	47.65	58.25
Class B US\$ Distributing (D) (USD)	–	–	–	–	–	–
Class B US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class C US\$ Accumulating (USD)	33.97	29.92	–	59.75	50.87	57.39
Class C US\$ Distributing (A) (USD)	57.86	41.50	–	61.17	47.65	58.25
Class C US\$ Distributing (D) (USD)	–	–	–	–	–	–
Class C US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class A JPY Accumulating (JPY)	–	–	–	–	–	–
Class A JPY Distributing (A) (JPY)	–	–	–	–	–	–
Premier Class US\$ Accumulating (USD)	49.71	43.27	–	–	–	–
Premier Class US\$ Distributing (A) (USD)	–	–	–	–	–	–
Premier Class US\$ Distributing (D) (USD)	–	–	–	–	–	–
Premier Class US\$ Distributing (M) (USD)	–	–	–	–	–	–
Premier Class Euro Accumulating (EUR)	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged) (GBP)	–	–	–	–	–	–
LM Class US\$ Accumulating (USD)	–	–	80.00	–	–	–
LM Class US\$ Distributing (A) (USD)	–	–	–	–	–	–
LM Class US\$ Distributing (M) (USD)	–	–	–	–	–	–
LM Class JPY Accumulating (JPY)	–	–	–	–	–	–
Class A (G) US\$ Accumulating (USD)	–	–	–	62.01	48.35	59.04
Class A (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D) (USD)	–	–	–	–	–	–
Class B (G) US\$ Accumulating (USD)	–	–	–	61.44	47.90	58.50
Class B (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D) (USD)	–	–	–	–	–	–
Class L (G) US\$ Accumulating (USD)	–	–	–	61.45	47.90	58.50
Class L (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D) (USD)	–	–	–	–	–	–
Galleon Class (USD)	43.96	–	–	–	–	–

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000 or less than 1,000 shares.

NAV per share information represents Redeemable Participating Shares.

†† Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

Legg Mason ClearBridge US Aggressive Growth Fund	Legg Mason Royce US Small Cap Opportunity Fund	Legg Mason Royce Smaller Companies Fund ††	Legg Mason PCM US Equity Fund	Legg Mason GC Global Equity Fund ††	Legg Mason Batterymarch European Equity Fund	Legg Mason Batterymarch Asia Pacific Equity Fund	Legg Mason Batterymarch 130/30 Global Equity Fund δ
49.67	35.32	55.06	40.89	47.68	42.68	51.82	50.32
49.69	107.46	93.58	40.81	54.32	101.65	102.20	50.32
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	36.78	72.00	47.15	-	-	41.88	62.50
-	-	-	47.12	-	81.51	-	62.54
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
51.33	39.12	57.33	40.60	47.95	42.45	38.07	50.15
49.23	104.92	91.35	40.60	53.68	100.96	99.91	50.15
-	-	-	-	-	-	-	-
51.35	39.19	57.31	40.62	48.06	42.79	38.06	50.15
49.23	104.13	90.87	40.60	53.70	100.02	99.38	49.97
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	50.73
-	-	-	-	-	-	-	50.73
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	63.00
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
49.94	-	57.03	-	-	42.58	-	-
-	-	-	-	-	-	-	-
49.48	-	56.51	-	-	42.13	-	-
-	-	-	-	-	-	-	-
49.48	-	56.47	-	-	42.27	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Balance Sheet – (continued)

	Legg Mason Batterymarch International Large Cap Fund	Legg Mason Batterymarch Emerging Markets Equity Fund α	Legg Mason Congruix Japan Equity Fund ‡
February 28, 2009			
Net Asset Value Per Share:			
Class A US\$ Accumulating (USD)	44.67	38.51	66.70
Class A US\$ Distributing (A) (USD)	44.62	43.41	66.70
Class A US\$ Distributing (D) (USD)	–	–	–
Class A US\$ Distributing (M) (USD)	–	–	–
Class A US\$ Distributing (S) (USD)	–	–	–
Class A Euro Accumulating (EUR)	–	53.49	72.95
Class A Euro Accumulating (Hedged) (EUR)	–	–	–
Class A Euro Distributing (A) (EUR)	–	–	72.95
Class A Euro Distributing (D) (EUR)	–	–	–
Class A Euro Distributing (M) (EUR)	–	–	–
Class A Euro Distributing (M) (Hedged) (EUR)	–	–	–
Class A GBP Distributing (A) (GBP)	–	53.12	–
Class A GBP Distributing (M) (Hedged) (GBP)	–	–	–
Class A GBP Distributing (S) (Hedged) (GBP)	–	–	–
Class A SGD Accumulating (Hedged) (SGD)	–	–	–
Class A SGD Accumulating (SGD)	–	–	–
Class B US\$ Accumulating (USD)	43.25	43.37	66.56
Class B US\$ Distributing (A) (USD)	44.20	43.37	66.56
Class B US\$ Distributing (D) (USD)	–	–	–
Class B US\$ Distributing (S) (USD)	–	–	–
Class C US\$ Accumulating (USD)	43.26	43.37	66.56
Class C US\$ Distributing (A) (USD)	44.21	43.30	66.56
Class C US\$ Distributing (D) (USD)	–	–	–
Class C US\$ Distributing (S) (USD)	–	–	–
Class A JPY Accumulating (JPY)	–	–	6188.63
Class A JPY Distributing (A) (JPY)	–	–	6188.55
Premier Class US\$ Accumulating (USD)	–	38.17	–
Premier Class US\$ Distributing (A) (USD)	–	–	–
Premier Class US\$ Distributing (D) (USD)	–	–	–
Premier Class US\$ Distributing (M) (USD)	–	–	–
Premier Class Euro Accumulating (EUR)	–	53.58	–
Premier Class GBP Distributing (M) (Hedged) (GBP)	–	–	–
LM Class US\$ Accumulating (USD)	–	–	–
LM Class US\$ Distributing (A) (USD)	–	39.07	–
LM Class US\$ Distributing (M) (USD)	–	–	–
LM Class JPY Accumulating (JPY)	–	–	6228.13
Class A (G) US\$ Accumulating (USD)	44.83	–	–
Class A (G) US\$ Distributing (A) (USD)	–	–	–
Class A (G) US\$ Distributing (D) (USD)	–	–	–
Class B (G) US\$ Accumulating (USD)	44.41	–	–
Class B (G) US\$ Distributing (A) (USD)	–	–	–
Class B (G) US\$ Distributing (D) (USD)	–	–	–
Class L (G) US\$ Accumulating (USD)	44.41	–	–
Class L (G) US\$ Distributing (A) (USD)	–	–	–
Class L (G) US\$ Distributing (D) (USD)	–	–	–
Galleon Class (USD)	–	–	–

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000 or less than 1,000 shares.

NAV per share information represents Redeemable Participating Shares.

†† Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

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Balance Sheet – (continued)

	Legg Mason Western Asset US Money Market Fund (in 000's)	Legg Mason Western Asset US Core Bond Fund (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund * (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund (in 000's)
February 29, 2008						
Total Net Asset Value:						
Class A US\$ Accumulating	\$ 17,722	\$ 1,342	\$ 10	–	\$ 585	\$ 9,541
Class A US\$ Distributing (A)	–	–	–	–	–	–
Class A US\$ Distributing (D)	4,742,695	43,978	746	€ 4,218	20,645	117,276
Class A US\$ Distributing (M)	–	–	–	–	400	704
Class A US\$ Distributing (S)	–	–	–	–	–	–
Class A Euro Accumulating	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)	–	–	–	–	–	1,001
Class A Euro Distributing (A)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	2,088	–	–
Class A GBP Distributing (S) (Hedged)	–	–	–	–	–	–
Class A SGD Accumulating	–	–	–	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–	–	–	–
Class B US\$ Accumulating	61	1	422	–	1	116
Class B US\$ Distributing (A)	–	–	–	–	–	–
Class B US\$ Distributing (D)	4,254	10,019	253	4,436	31,181	38,901
Class B US\$ Distributing (S)	–	–	–	–	–	–
Class C US\$ Accumulating	1	83	1	–	54	325
Class C US\$ Distributing (A)	–	–	–	–	–	–
Class C US\$ Distributing (D)	3,659	7,709	9,526	4,677	16,163	251,708
Class C US\$ Distributing (S)	–	–	–	–	–	–
Class A (G) US\$ Accumulating	4,722	–	1,748	–	1,111	–
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	4,220	–	2,906	–	9,131	–
Class B (G) US\$ Accumulating	3,880	–	7,969	–	11,261	–
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	8,726	–	9,618	–	19,630	–
Class L (G) US\$ Accumulating	–	–	3,506	–	812	–
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	3,105	–	7,050	–	5,221	–
Galleon Class	–	–	–	–	–	–

Amounts designated as "-" are either \$0/€0 or less than \$1,000/€1,000 or less than 1,000 shares.

NAV per share information represents Redeemable Participating Shares.

* Effective April 23, 2007, the Fund commenced trading.

† Effective January 3, 2008, the Fund commenced trading.

Legg Mason Western Asset US High Yield Fund (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)	Legg Mason Western Asset Global High Yield Fund * (in 000's)	Legg Mason Western Asset US Short-Term Government Fund * (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund * (in 000's)	Legg Mason Western Asset Inflation Management Fund * (in 000's)	Legg Mason Brandywine Global Fixed Income Fund (in 000's)	Legg Mason Capital Management Value Fund (in 000's)
\$ 28	\$ 22,932	\$ 141,520	\$ 1,285	\$ 11,821	\$ 69	\$ 10,825	\$ 7,477
-	-	-	-	-	152	-	821,405
18,123	8,627	232	31	1	-	-	-
-	316	111	-	-	-	519,924	-
-	-	-	-	-	-	-	2,672
-	-	-	-	-	-	9,601	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	9,359	-
-	-	-	-	-	-	-	3,495
-	-	-	-	-	-	14,203	-
1	508	1	103	104	28	866	1
-	-	-	-	-	1	-	13,037
7,370	4,462	68	302	1	-	-	-
-	-	-	-	-	-	10,974	-
14	1	1	97	1	1	118	15
-	-	-	-	-	1	-	30,927
6,086	12,067	1,257	123	287	-	-	-
-	-	-	-	-	-	27,577	-
5,642	47,700	35,707	1,800	13,986	2,279	-	-
-	-	-	-	-	473	-	-
10,545	10,517	20,385	6,600	7,986	-	-	-
4,284	8,570	12,881	6,881	12,172	1,359	-	-
-	-	-	-	-	1,731	-	-
12,443	11,193	19,581	34,199	19,625	-	-	-
1,150	2,318	1,709	1,673	2,241	832	-	-
-	-	-	-	-	1,860	-	-
15,925	10,784	9,198	6,608	14,259	-	-	-
-	-	-	-	-	-	-	18,855

Balance Sheet – (continued)

	Legg Mason Capital Management Growth Fund (in 000's)	Legg Mason ClearBridge US Appreciation Fund * (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund* (in 000's)	Legg Mason ClearBridge US Large Cap Growth Fund * (in 000's)	Legg Mason ClearBridge US Aggressive Growth Fund * (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund (in 000's)
February 29, 2008						
Total Net Asset Value:						
Class A US\$ Accumulating	\$ 2,243	\$ 1,452	\$ 29,456	\$ 4,444	\$ 14,195	\$ 1,443
Class A US\$ Distributing (A)	87,446	48	238	667	33,665	79,128
Class A US\$ Distributing (D)	-	-	-	-	-	-
Class A US\$ Distributing (M)	-	-	-	-	-	-
Class A US\$ Distributing (S)	-	-	-	-	-	-
Class A Euro Accumulating	3	-	-	-	-	1,400
Class A Euro Accumulating (Hedged)	-	-	-	-	-	-
Class A Euro Distributing (A)	-	-	-	-	-	-
Class A Euro Distributing (D)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged)	-	-	-	-	-	-
Class A SGD Accumulating	-	-	-	-	-	-
Class A SGD Accumulating (Hedged)	-	-	-	-	-	-
Class B US\$ Accumulating	46	1	1	1	6	1
Class B US\$ Distributing (A)	3,102	603	541	439	963	2,426
Class B US\$ Distributing (D)	-	-	-	-	-	-
Class B US\$ Distributing (S)	-	-	-	-	-	-
Class C US\$ Accumulating	2,040	1	68	85	95	1
Class C US\$ Distributing (A)	8,451	844	1,153	609	3,346	8,381
Class C US\$ Distributing (D)	-	-	-	-	-	-
Class C US\$ Distributing (S)	-	-	-	-	-	-
Class A (G) US\$ Accumulating	-	14,790	76,536	33,910	86,156	-
Class A (G) US\$ Distributing (A)	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)	-	-	-	-	-	-
Class B (G) US\$ Accumulating	-	8,045	72,822	16,189	42,506	-
Class B (G) US\$ Distributing (A)	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)	-	-	-	-	-	-
Class L (G) US\$ Accumulating	-	8,982	32,507	15,844	29,890	-
Class L (G) US\$ Distributing (A)	-	-	-	-	-	-
Class L (G) US\$ Distributing (D)	-	-	-	-	-	-
Galleon Class	-	-	-	-	-	-

Amounts designated as "-" are either \$0/€0 or less than \$1,000/€1,000 or less than 1,000 shares.

NAV per share information represents Redeemable Participating Shares.

* Effective April 23, 2007, the Fund commenced trading.

† Effective January 3, 2008, the Fund commenced trading.

Legg Mason Royce Smaller Companies Fund (in 000's)	Legg Mason PCM US Equity Fund (in 000's)	Legg Mason GC Global Equity Fund† (in 000's)	Legg Mason Batterymarch European Equity Fund (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)	Legg Mason Batterymarch International Large Cap Fund * (in 000's)
\$ 1,758	\$ 940	\$ 73,117	€ 963	\$ 97,162	\$ 717
27,090	1	1,063	11,906	221,168	819
-	-	-	-	-	-
-	-	-	-	-	-
-	1	-	-	155	-
-	-	-	-	-	-
-	1	-	1,875	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
59	1	1	94	313	113
4,088	1	255	5,685	14,363	1,099
-	-	-	-	-	-
-	-	-	-	-	-
1	1	1	61	88	7
6,784	1	405	8,092	42,638	2,665
-	-	-	-	-	-
-	-	-	-	-	-
7,651	-	-	8,094	-	5,231
-	-	-	-	-	-
-	-	-	-	-	-
3,268	-	-	13,224	-	25,562
-	-	-	-	-	-
-	-	-	-	-	-
3,230	-	-	3,022	-	9,645
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Balance Sheet – (continued)

	Legg Mason Western Asset US Money Market Fund (in 000's)	Legg Mason Western Asset US Core Bond Fund (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund * (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund (in 000's)
February 29, 2008						
Number of Redeemable Participating Shares in Issue:						
Class A US\$ Accumulating	171	13	–	–	6	92
Class A US\$ Distributing (A)	–	–	–	–	–	–
Class A US\$ Distributing (D)	4,742,721	447	7	45	224	976
Class A US\$ Distributing (M)	–	–	–	–	4	7
Class A US\$ Distributing (S)	–	–	–	–	–	–
Class A Euro Accumulating	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)	–	–	–	–	–	7
Class A Euro Distributing (A)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	22	–	–
Class A GBP Distributing (S) (Hedged)	–	–	–	–	–	–
Class A SGD Accumulating	–	–	–	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–	–	–	–
Class B US\$ Accumulating	1	–	4	–	–	1
Class B US\$ Distributing (A)	–	–	–	–	–	–
Class B US\$ Distributing (D)	4,264	102	3	48	338	324
Class B US\$ Distributing (S)	–	–	–	–	–	–
Class C US\$ Accumulating	–	1	–	–	1	3
Class C US\$ Distributing (A)	–	–	–	–	–	–
Class C US\$ Distributing (D)	3,661	78	95	51	175	2,094
Class C US\$ Distributing (S)	–	–	–	–	–	–
Class A (G) US\$ Accumulating	45	–	17	–	11	–
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	4,222	–	29	–	97	–
Class B (G) US\$ Accumulating	37	–	76	–	115	–
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	8,727	–	95	–	209	–
Class L (G) US\$ Accumulating	–	–	34	–	8	–
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	3,105	–	70	–	56	–
Galleon Class	–	–	–	–	–	–

Amounts designated as "-" are either 0 or less than 1,000.

NAV per share information represents Redeemable Participating Shares.

* Effective April 23, 2007, the Fund commenced trading.

† Effective January 3, 2008, the Fund commenced trading.

Legg Mason Western Asset US High Yield Fund (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)	Legg Mason Western Asset Global High Yield Fund * (in 000's)	Legg Mason Western Asset US Short-Term Government Fund * (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund * (in 000's)	Legg Mason Western Asset Inflation Management Fund * (in 000's)	Legg Mason Brandywine Global Fixed Income Fund (in 000's)	Legg Mason Capital Management Value Fund (in 000's)
-	224	1,505	12	119	1	99	97
-	-	-	-	-	1	-	5,601
204	79	3	-	-	-	-	-
-	3	1	-	-	-	-	-
-	-	-	-	-	-	4,396	-
-	-	-	-	-	-	-	26
-	-	-	-	-	-	64	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	48	-
-	-	-	-	-	-	-	7,229
-	-	-	-	-	-	20,000	-
-	5	-	1	1	-	8	-
-	-	-	-	-	-	-	91
83	41	1	3	-	-	-	-
-	-	-	-	-	-	93	-
-	-	-	1	-	-	1	-
-	-	-	-	-	-	-	217
69	110	14	1	3	-	-	-
-	-	-	-	-	-	234	-
60	464	379	17	141	21	-	-
-	-	-	-	-	4	-	-
120	107	230	66	84	-	-	-
46	84	137	66	124	12	-	-
-	-	-	-	-	16	-	-
141	114	221	340	206	-	-	-
12	23	18	16	23	8	-	-
-	-	-	-	-	17	-	-
181	110	104	66	149	-	-	-
-	-	-	-	-	-	-	176

Balance Sheet – (continued)

	Legg Mason Capital Management Growth Fund (in 000's)	Legg Mason ClearBridge US Appreciation Fund * (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund* (in 000's)	Legg Mason ClearBridge US Large Cap Growth Fund * (in 000's)	Legg Mason ClearBridge US Aggressive Growth Fund * (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund (in 000's)
February 29, 2008						
Number of Redeemable Participating Shares in Issue:						
Class A US\$ Accumulating	24	15	332	48	158	19
Class A US\$ Distributing (A)	763	–	3	7	374	335
Class A US\$ Distributing (D)	–	–	–	–	–	–
Class A US\$ Distributing (M)	–	–	–	–	–	–
Class A US\$ Distributing (S)	–	–	–	–	–	–
Class A Euro Accumulating	–	–	–	–	–	14
Class A Euro Accumulating (Hedged)	–	–	–	–	–	–
Class A Euro Distributing (A)	–	–	–	–	–	–
Class A Euro Distributing (D)	–	–	–	–	–	–
Class A GBP Distributing (S) (Hedged)	–	–	–	–	–	–
Class A SGD Accumulating	–	–	–	–	–	–
Class A SGD Accumulating (Hedged)	–	–	–	–	–	–
Class B US\$ Accumulating	1	–	–	–	–	–
Class B US\$ Distributing (A)	28	6	6	5	11	10
Class B US\$ Distributing (D)	–	–	–	–	–	–
Class B US\$ Distributing (S)	–	–	–	–	–	–
Class C US\$ Accumulating	23	–	1	1	1	–
Class C US\$ Distributing (A)	76	9	13	7	37	36
Class C US\$ Distributing (D)	–	–	–	–	–	–
Class C US\$ Distributing (S)	–	–	–	–	–	–
Class A (G) US\$ Accumulating	–	150	860	366	954	–
Class A (G) US\$ Distributing (A)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)	–	–	–	–	–	–
Class B (G) US\$ Accumulating	–	82	822	176	473	–
Class B (G) US\$ Distributing (A)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)	–	–	–	–	–	–
Class L (G) US\$ Accumulating	–	92	367	172	332	–
Class L (G) US\$ Distributing (A)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)	–	–	–	–	–	–
Galleon Class	–	–	–	–	–	–

Amounts designated as "-" are either 0 or less than 1,000.

NAV per share information represents Redeemable Participating Shares.

* Effective April 23, 2007, the Fund commenced trading.

† Effective January 3, 2008, the Fund commenced trading.

Legg Mason Royce Smaller Companies Fund (in 000's)	Legg Mason PCM US Equity Fund (in 000's)	Legg Mason GC Global Equity Fund† (in 000's)	Legg Mason Batterymarch European Equity Fund (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)	Legg Mason Batterymarch International Large Cap Fund * (in 000's)
19	10	808	16	834	8
171	-	10	82	962	9
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1	-
-	-	-	-	-	-
-	-	-	13	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1	-	-	2	4	1
26	-	2	40	64	12
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1	1	-
44	-	4	57	190	29
-	-	-	-	-	-
-	-	-	-	-	-
80	-	-	136	-	57
-	-	-	-	-	-
-	-	-	-	-	-
34	-	-	224	-	277
-	-	-	-	-	-
-	-	-	-	-	-
34	-	-	51	-	105
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Balance Sheet – (continued)

	Legg Mason Western Asset US Money Market Fund (in 000's)	Legg Mason Western Asset US Core Bond Fund (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund * (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund (in 000's)
February 29, 2008						
Net Asset Value Per Share:						
Class A US\$ Accumulating (USD)	103.59	100.84	104.83	–	98.47	103.36
Class A US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class A US\$ Distributing (D) (USD)	1.00	98.28	100.04	141.42	92.85	120.21
Class A US\$ Distributing (M) (USD)	–	–	–	–	98.63	101.86
Class A US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class A Euro Accumulating (EUR)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged) (EUR)	–	–	–	–	–	–
Class A Euro Distributing (A) (EUR)	–	–	–	–	–	101.25
Class A Euro Distributing (D) (EUR)	–	–	–	–	–	–
Class A GBP Distributing (S) (Hedged) (GBP)	–	–	–	93.11	–	–
Class A SGD Accumulating (Hedged) (SGD)	–	–	–	–	–	–
Class A SGD Accumulating (SGD)	–	–	–	–	–	–
Class B US\$ Accumulating (USD)	101.05	100.04	102.23	–	98.25	100.15
Class B US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class B US\$ Distributing (D) (USD)	1.00	98.29	99.90	139.61	92.84	120.23
Class B US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class C US\$ Accumulating (USD)	100.94	100.16	102.09	–	98.21	100.26
Class C US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class C US\$ Distributing (D) (USD)	1.00	98.32	100.74	139.06	92.84	120.22
Class C US\$ Distributing (S) (USD)	–	–	–	–	–	–
Class A (G) US\$ Accumulating (USD)	103.83	–	105.02	–	98.74	–
Class A (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D) (USD)	1.00	–	100.78	–	94.57	–
Class B (G) US\$ Accumulating (USD)	103.83	–	104.57	–	98.32	–
Class B (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D) (USD)	1.00	–	100.78	–	94.57	–
Class L (G) US\$ Accumulating (USD)	–	–	104.57	–	98.32	–
Class L (G) US\$ Distributing (A) (USD)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D) (USD)	1.00	–	100.78	–	94.57	–
Galleon Class (USD)	–	–	–	–	–	–

Amounts designated as "-" are either \$0/€0 or less than \$1,000/€1,000 or less than 1,000 shares.

NAV per share information represents Redeemable Participating Shares.

* Effective April 23, 2007, the Fund commenced trading.

† Effective January 3, 2008, the Fund commenced trading.

Legg Mason Western Asset US High Yield Fund (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)	Legg Mason Western Asset Global High Yield Fund * (in 000's)	Legg Mason Western Asset US Short-Term Government Fund * (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund * (in 000's)	Legg Mason Western Asset Inflation Management Fund * (in 000's)	Legg Mason Brandywine Global Fixed Income Fund (in 000's)	Legg Mason Capital Management Value Fund (in 000's)
93.35	102.60	94.05	104.47	98.99	110.78	109.33	77.17
-	-	-	-	-	110.77	-	146.65
88.75	109.56	88.57	100.55	95.43	-	-	-
-	99.19	98.01	-	-	-	-	-
-	-	-	-	-	-	118.26	-
-	-	-	-	-	-	-	66.49
-	-	-	-	-	-	98.97	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	98.71	-
-	-	-	-	-	-	0.99	-
-	-	-	-	-	-	-	0.67
95.62	100.54	96.26	102.13	98.39	105.39	102.82	83.72
-	-	-	-	-	110.49	-	143.77
88.77	109.53	88.45	100.58	95.56	-	-	-
-	-	-	-	-	-	117.92	-
95.54	100.41	96.16	102.07	98.28	105.32	102.81	83.72
-	-	-	-	-	110.30	-	142.65
88.79	109.50	88.19	100.55	95.51	-	-	-
-	-	-	-	-	-	117.75	-
93.97	102.89	94.12	104.50	98.99	111.13	-	-
-	-	-	-	-	111.13	-	-
88.06	98.19	88.57	100.56	95.44	-	-	-
93.56	102.45	93.71	104.06	98.59	110.65	-	-
-	-	-	-	-	110.65	-	-
88.06	98.19	88.56	100.56	95.41	-	-	-
93.57	102.45	93.72	104.06	98.61	110.66	-	-
-	-	-	-	-	110.66	-	-
88.06	98.18	88.57	100.56	95.45	-	-	-
-	-	-	-	-	-	-	107.07

Balance Sheet – (continued)

	Legg Mason Capital Management Growth Fund (in 000's)	Legg Mason ClearBridge US Appreciation Fund * (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund* (in 000's)	Legg Mason ClearBridge US Large Cap Growth Fund * (in 000's)	Legg Mason ClearBridge US Aggressive Growth Fund * (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund (in 000's)
February 29, 2008						
Net Asset Value Per Share:						
Class A US\$ Accumulating (USD)	91.58	98.26	88.78	92.41	90.08	77.42
Class A US\$ Distributing (A) (USD)	114.57	98.34	88.81	92.44	90.12	236.02
Class A US\$ Distributing (D) (USD)	-	-	-	-	-	-
Class A US\$ Distributing (M) (USD)	-	-	-	-	-	-
Class A US\$ Distributing (S) (USD)	-	-	-	-	-	-
Class A Euro Accumulating (EUR)	83.04	-	-	-	-	67.45
Class A Euro Accumulating (Hedged) (EUR)	-	-	-	-	-	-
Class A Euro Distributing (A) (EUR)	-	-	-	-	-	-
Class A Euro Distributing (D) (EUR)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged) (GBP)	-	-	-	-	-	-
Class A SGD Accumulating (Hedged) (SGD)	-	-	-	-	-	-
Class A SGD Accumulating (SGD)	-	-	-	-	-	-
Class B US\$ Accumulating (USD)	89.98	95.51	94.35	90.64	93.55	86.31
Class B US\$ Distributing (A) (USD)	112.21	97.84	88.41	92.03	89.73	231.58
Class B US\$ Distributing (D) (USD)	-	-	-	-	-	-
Class B US\$ Distributing (S) (USD)	-	-	-	-	-	-
Class C US\$ Accumulating (USD)	90.00	95.52	94.38	90.67	93.58	86.29
Class C US\$ Distributing (A) (USD)	111.30	97.83	88.41	92.02	89.72	229.84
Class C US\$ Distributing (D) (USD)	-	-	-	-	-	-
Class C US\$ Distributing (S) (USD)	-	-	-	-	-	-
Class A (G) US\$ Accumulating (USD)	-	98.46	89.01	92.64	90.32	-
Class A (G) US\$ Distributing (A) (USD)	-	-	-	-	-	-
Class A (G) US\$ Distributing (D) (USD)	-	-	-	-	-	-
Class B (G) US\$ Accumulating (USD)	-	98.03	88.63	92.24	89.93	-
Class B (G) US\$ Distributing (A) (USD)	-	-	-	-	-	-
Class B (G) US\$ Distributing (D) (USD)	-	-	-	-	-	-
Class L (G) US\$ Accumulating (USD)	-	98.04	88.63	92.24	89.93	-
Class L (G) US\$ Distributing (A) (USD)	-	-	-	-	-	-
Class L (G) US\$ Distributing (D) (USD)	-	-	-	-	-	-
Galleon Class (USD)	-	-	-	-	-	-

Amounts designated as "-" are either \$0/€0 or less than \$1,000/€1,000 or less than 1,000 shares.

NAV per share information represents Redeemable Participating Shares.

* Effective April 23, 2007, the Fund commenced trading.

† Effective January 3, 2008, the Fund commenced trading.

Legg Mason Royce Smaller Companies Fund (in 000's)	Legg Mason PCM US Equity Fund (in 000's)	Legg Mason GC Global Equity Fund† (in 000's)	Legg Mason Batterymarch European Equity Fund (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)	Legg Mason Batterymarch International Large Cap Fund * (in 000's)
93.09	138.69	90.49	91.11	116.53	92.37
158.41	94.72	103.25	220.81	229.91	92.39
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	138.69	-	-	77.87	-
-	-	-	-	-	-
-	94.71	-	146.53	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
97.36	94.65	91.47	90.06	86.04	89.88
155.42	94.65	102.45	217.41	225.91	91.98
-	-	-	-	-	-
-	-	-	-	-	-
97.34	94.66	91.46	91.16	86.02	89.88
154.60	94.65	102.49	215.41	224.70	91.98
-	-	-	-	-	-
95.95	-	-	90.22	-	92.56
-	-	-	-	-	-
-	-	-	-	-	-
95.54	-	-	89.72	-	92.16
-	-	-	-	-	-
95.49	-	-	89.73	-	92.16
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Profit and Loss Account

	Legg Mason Western Asset US Money Market Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Bond Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund for the year ended February 28, 2010 (in 000's)
INVESTMENT INCOME:						
Gross dividend income and bond Interest (Note 1)	\$ 19,716	\$ 726	\$ 1,326	€ 428	\$ 3,982	\$ 29,535
Interest (Note 1)	1	–	–	–	1	–
Equalisation (Note 1)	–	–	–	–	–	(4)
Other Income	54	20	7	1	475	1,866
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss (Note 12)	168	2,707	4,743	1,717	13,437	85,136
Total Investment Income/(Loss)	19,939	3,453	6,076	2,146	17,895	116,533
EXPENSES:						
Investment management fees (Note 4)	19,605	76	170	42	408	2,418
Distribution fees (Note 4)	3,979	113	227	58	469	2,445
Administrator and custodian fees (Note 4)	3,856	17	26	8	62	418
Shareholder service fees (Note 4)	–	26	12	13	55	533
Legal fees	192	1	1	–	3	18
Audit fees	49	38	36	22	45	58
Printing fees	774	3	4	1	12	64
Dividend expense	–	–	–	–	–	–
Directors' fees and expenses (Note 4)	31	–	–	–	–	3
Other expenses	934	91	85	55	79	383
Total Expenses	29,420	365	561	199	1,133	6,340
Expense waivers and reimbursements/recoupment (Note 4)	(10,198)	(4)	(33)	–	(3)	(11)
Total Net Expenses	19,222	361	528	199	1,130	6,329
Net Profit/(Loss) before finance costs	717	3,092	5,548	1,947	16,765	110,204
FINANCE COSTS:						
Interest expense	–	–	–	(24)	(20)	(115)
Distributions to holders of redeemable participating shares	(2,255)	(372)	(586)	(202)	(2,910)	(21,521)
Total finance costs	(2,255)	(372)	(586)	(226)	(2,930)	(21,636)
Profit/(Loss) for the financial year	(1,538)	2,720	4,962	1,721	13,835	88,568
Withholding Taxes on dividends and other taxation	–	(1)	(3)	(3)	(19)	(136)
Increase/(Decrease) in Net Assets attributable to Holders of Redeemable Participating Shares	\$ (1,538)	\$ 2,719	\$ 4,959	€ 1,718	\$ 13,816	\$ 88,432

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

Gains and losses are solely from continuing operations. There were no other gains or losses other than those dealt with in the Profit and Loss Account.

The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Batterymarch European Equity Fund and Legg Mason Royce European Smaller Companies Fund[^] have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2010, using the USD/EUR rate of 0.7108.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2010 using the USD/JPY rate of 93.4579.

† Effective June 3, 2009, the Fund commenced trading.

α Effective September 25, 2009, the Fund commenced trading.

β Effective November 12, 2009, the Fund commenced trading.

δ Effective December 1, 2009, the Fund commenced trading.

‡ Effective January 4, 2010, the Fund commenced trading.

∞ Effective January 20, 2010, the Fund ceased trading.

On behalf of the Board:

Director

Date: June 2, 2010

Director

[^] Not authorised in Hong Kong and not available to Hong Kong residents.
The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US High Yield Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Global High Yield Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset US Short-Term Government Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Inflation Management Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Opportunities Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Asian Bond Fund ^ † for the period ended February 28, 2010 (in 000's)
\$ 8,102	\$ 7,915	\$ 16,989	\$ 1,799	\$ 453	\$ 188	\$ 3,775	\$ 3,241
-	-	1	2	-	-	1	2
-	-	-	-	-	5	-	-
99	32	2,432	-	-	-	34	2
20,572	26,872	46,095	1,100	4,942	593	7,612	(7,603)
28,773	34,819	65,517	2,901	5,395	786	11,422	(4,358)
385	771	1,190	312	155	25	97	304
416	529	821	455	199	34	114	50
70	93	168	56	26	4	56	84
48	61	125	34	12	2	23	11
3	4	7	3	1	-	2	4
45	46	40	43	41	41	37	30
10	16	23	11	4	-	7	12
-	-	-	-	-	-	-	-
1	1	1	-	-	-	-	1
96	128	132	87	78	72	106	35
1,074	649	2,507	1,001	516	178	442	531
(22)	(21)	(59)	(46)	(33)	(120)	-	-
1,052	1,628	2,448	955	483	58	442	531
27,721	33,191	63,069	1,946	4,912	728	10,980	(4,889)
-	(153)	(2)	-	-	-	(651)	(30)
(6,381)	(2,630)	(3,664)	(595)	(15)	(83)	(168)	(1,541)
(6,381)	(2,793)	(3,666)	(595)	(15)	(83)	(819)	(1,571)
21,340	30,408	59,403	1,351	4,897	645	10,161	(6,460)
(15)	(42)	(65)	-	-	-	(30)	-
\$ 21,325	\$ 30,366	\$ 59,338	\$ 1,351	\$ 4,897	\$ 645	\$ 10,131	\$ (6,460)

Profit and Loss Account – (continued)

	Legg Mason Brandywine Global Fixed Income Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Capital Management Value Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Capital Management Growth Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Capital Management Opportunity Fund ^ for the year ended February 28, 2010 (in 000's)	Legg Mason ClearBridge US Appreciation Fund for the year ended February 28, 2010 (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund for the year ended February 28, 2010 (in 000's)
INVESTMENT INCOME:						
Gross dividend income and bond Interest (Note 1)	\$ 21,374	\$ 4,099	\$ 538	\$ 82	\$ 1,382	\$ 1,987
Interest (Note 1)	7	6	–	–	3	1
Equalisation (Note 1)	(301)	206	–	–	3	–
Other Income	–	–	–	–	–	–
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss (Note 12)	74,867	160,414	17,189	2,621	17,006	45,885
Total Investment Income/(Loss)	95,947	164,725	17,727	2,703	18,394	47,873
EXPENSES:						
Investment management fees (Note 4)	2,165	3,244	296	86	452	791
Distribution fees (Note 4)	1,873	1,761	95	4	359	752
Administrator and custodian fees (Note 4)	354	375	42	10	59	104
Shareholder service fees (Note 4)	541	1,175	56	3	142	79
Legal fees	17	16	2	–	3	5
Audit fees	46	30	26	26	33	28
Printing fees	70	22	5	–	8	19
Dividend expense	–	–	–	–	–	–
Directors' fees and expenses (Note 4)	3	3	–	–	–	1
Other expenses	170	148	86	10	108	95
Total Expenses	5,239	6,774	608	139	1,164	1,874
Expense waivers and reimbursements/recoupment (Note 4)	(13)	(1)	(5)	(31)	(73)	(20)
Total Net Expenses	5,226	6,773	603	108	1,091	1,854
Net Profit/(Loss) before finance costs	90,721	157,952	17,124	2,595	17,303	46,019
FINANCE COSTS:						
Interest expense	(1)	–	–	–	–	–
Distributions to holders of redeemable participating shares	(14,546)	(4)	–	–	(8)	–
Total finance costs	(14,547)	(4)	–	–	(8)	–
Profit/(Loss) for the financial year	76,174	157,948	17,124	2,595	17,295	46,019
Withholding Taxes on dividends and other taxation	(180)	(1,230)	(160)	(15)	(392)	(515)
Increase/(Decrease) in Net Assets attributable to Holders of Redeemable Participating Shares	\$ 75,994	\$ 156,718	\$ 16,964	\$ 2,580	\$ 16,903	\$ 45,504

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

Gains and losses are solely from continuing operations. There were no other gains or losses other than those dealt with in the Profit and Loss Account.

The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Batterymarch European Equity Fund and Legg Mason Royce European Smaller Companies Fund[^] have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2010, using the USD/EUR rate of 0.7108.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2010 using the USD/JPY rate of 93.4579.

† Effective June 3, 2009, the Fund commenced trading.

α Effective September 25, 2009, the Fund commenced trading.

β Effective November 12, 2009, the Fund commenced trading.

δ Effective December 1, 2009, the Fund commenced trading.

‡ Effective January 4, 2010, the Fund commenced trading.

∞ Effective January 20, 2010, the Fund ceased trading.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.
The accompanying notes are an integral part of the Financial Statements

Legg Mason ClearBridge US Large Cap Growth Fund for the year ended February 28, 2010 (in 000's)	Legg Mason ClearBridge US Aggressive Growth Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Royce Smaller Companies Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Royce European Smaller Companies Fund ^ £ for the period ended February 28, 2010 (in 000's)	Legg Mason Royce Global Smaller Companies Fund ^ £ for the period ended February 28, 2010 (in 000's)	Legg Mason PCM US Equity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Permal Global Absolute Fund ^α for the period ended February 28, 2010 (in 000's)
\$ 320	\$ 771	\$ 381	\$ 791	€ -	\$ 1	\$ 8	\$ 163
-	-	2	3	-	-	-	2
-	-	-	-	-	-	-	2
-	-	1	-	-	-	-	-
12,452	42,690	35,428	20,846	(23)	(70)	240	(1,771)
12,772	43,461	35,812	21,640	(23)	(69)	248	(1,604)
242	708	638	611	-	1	6	41
245	618	352	375	-	1	3	2
32	87	62	62	-	-	-	9
24	70	223	188	-	-	2	1
1	4	3	2	-	-	-	-
30	28	26	32	13	21	26	26
5	17	7	7	-	-	-	1
-	-	-	-	-	-	-	-
-	1	1	-	-	-	-	-
85	103	55	83	6	8	40	3
664	1,636	1,367	1,360	19	31	77	83
(22)	(24)	(15)	(16)	(19)	(30)	(64)	-
642	1,612	1,352	1,344	-	1	13	83
12,130	41,849	34,460	20,296	(23)	(70)	235	(1,687)
-	-	-	(1)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(1)	-	-	-	-
12,130	41,849	34,460	20,295	(23)	(70)	235	(1,687)
(97)	(178)	(104)	(202)	-	-	(2)	-
\$ 12,033	\$ 41,671	\$ 34,356	\$ 20,093	€ (23)	\$ (70)	\$ 233	\$ (1,687)

Profit and Loss Account – (continued)

	Legg Mason GC Global Equity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Batterymarch European Equity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Batterymarch 130/ 30 Global Equity Fund [∞] for the year ended February 28, 2010 (in 000's)	Legg Mason Batterymarch International Large Cap Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund for the year ended February 28, 2010 (in 000's)
INVESTMENT INCOME:						
Gross dividend income and bond interest (Note 1)	\$ 537	€ 691	\$ 4,057	\$ 192	\$ 604	\$ 1,502
Interest (Note 1)	–	1	2	–	–	1
Equalisation (Note 1)	1	(20)	(314)	–	(1)	69
Other Income	11	25	–	–	17	–
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss (Note 12)	10,132	4,185	94,375	2,237	5,818	32,839
Total Investment Income/(Loss)	10,681	4,882	98,120	2,429	6,438	34,411
EXPENSES:						
Investment management fees (Note 4)	199	139	1,628	70	157	630
Distribution fees (Note 4)	119	119	940	28	156	277
Administrator and custodian fees (Note 4)	23	16	160	6	17	67
Shareholder service fees (Note 4)	82	28	570	19	10	192
Legal fees	1	1	8	1	1	3
Audit fees	29	20	29	22	29	33
Printing fees	5	3	37	5	3	8
Dividend expense	–	–	–	26	–	–
Directors' fees and expenses (Note 4)	–	–	1	–	–	–
Other expenses	52	49	166	86	71	142
Total Expenses	510	375	3,539	263	444	1,352
Expense waivers and reimbursements/recoupment (Note 4)	(76)	(1)	(39)	–	(15)	(109)
Total Net Expenses	434	374	3,500	263	429	1,243
Net Profit/(Loss) before finance costs	10,247	4,508	94,620	2,166	6,009	33,168
FINANCE COSTS:						
Interest expense	(2)	–	–	–	–	–
Distributions to holders of redeemable participating shares	–	(178)	(2,010)	–	(39)	(189)
Total finance costs	(2)	(178)	(2,010)	–	(39)	(189)
Profit/(Loss) for the financial year	10,245	4,330	92,610	2,166	5,970	32,979
Withholding Taxes on dividends and other taxation	(76)	(105)	(399)	(22)	(83)	(171)
Increase/(Decrease) in Net Assets attributable to Holders of Redeemable Participating Shares	\$ 10,169	€ 4,225	\$ 92,211	\$ 2,144	\$ 5,887	\$ 32,808

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

Gains and losses are solely from continuing operations. There were no other gains or losses other than those dealt with in the Profit and Loss Account.

The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Batterymarch European Equity Fund and Legg Mason Royce European Smaller Companies Fund^α have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2010, using the USD/EUR rate of 0.7108.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2010 using the USD/JPY rate of 93.4579.

† Effective June 3, 2009, the Fund commenced trading.

α Effective September 25, 2009, the Fund commenced trading.

β Effective November 12, 2009, the Fund commenced trading.

δ Effective December 1, 2009, the Fund commenced trading.

‡ Effective January 4, 2010, the Fund commenced trading.

∞ Effective January 20, 2010, the Fund ceased trading.

Legg Mason Congruix Asia Pacific Fund ^ β for the period ended February 28, 2010 (in 000's)	Legg Mason Congruix Japan Equity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason LMHK China Fund ^ δ for the period ended February 28, 2010 (in 000's)	Legg Mason Global Funds Plc Totals for the year ended February 28, 2010 (in 000's)
\$ 628	¥ 2,318	\$ -	\$ 138,763
1	-	-	38
-	-	-	(362)
-	44	-	5,087
(5,655)	42,411	(354)	782,288
(5,026)	44,773	(354)	925,814
-	6	-	38,136
-	6	-	18,060
58	178	1	6,500
-	3	-	4,377
2	8	-	309
24	2,556	22	1,220
10	-	-	1,174
-	-	-	26
-	1	-	48
26	3,835	4	4,043
120	6,593	27	73,893
-	-	(18)	(11,149)
120	6,593	9	62,744
(5,146)	38,180	(363)	863,070
-	(14)	-	(1,009)
-	-	-	(60,052)
-	(14)	-	(61,061)
(5,146)	38,166	(363)	802,009
(52)	(162)	-	(4,343)
\$ (5,198)	¥ 38,004	\$ (363)	\$ 797,666

Profit and Loss Account – (continued)

	Legg Mason Western Asset US Money Market Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset US Core Bond Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund for the year ended February 28, 2009 †† (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund for the year ended February 28, 2009 †† (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund for the year ended February 28, 2009 (in 000's)
INVESTMENT INCOME:						
Gross dividend income and bond interest (Note 1)	\$ 116,447	\$ 2,211	\$ 1,799	€ 636	\$ 6,254	\$ 32,101
Interest (Note 1)	1	4	8	13	7	57
Equalisation (Note 1)	–	–	–	–	–	1
Other income	11	16	21	–	44	60
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss (Note 12)	(9,806)	(10,470)	(6,820)	(2,811)	(19,987)	(124,971)
Total Investment Income/(Loss)	106,653	(8,239)	(4,992)	(2,162)	(13,682)	(92,752)
EXPENSES:						
Investment management fees (Note 4)	21,799	168	213	58	546	2,279
Distribution fees (Note 4)	4,423	231	301	84	663	2,854
Administrator & custodian fees (Note 4)	4,361	37	33	12	85	393
Shareholder service fees (Note 4)	–	56	13	17	76	530
Legal fees	186	1	1	–	3	15
Audit fees	42	34	29	21	40	44
Printing fees	1,544	9	12	4	30	125
Dividend expense	–	–	–	–	–	–
Directors fees and expenses (Note 4)	48	1	–	–	1	4
Other expenses	1,600	53	44	13	155	200
Total Expenses	34,003	590	646	209	1,599	6,444
Expense waivers and reimbursements/recoupment (Note 4)	(10)	–	(16)	–	(3)	(8)
Total net expenses	33,993	590	630	209	1,596	6,436
Net Profit/(Loss) before finance costs	72,660	(8,829)	(5,622)	(2,371)	(15,278)	(99,188)
FINANCE COSTS:						
Interest expense	–	(104)	–	(12)	(42)	(192)
Distributions to holders of redeemable participating shares	(81,633)	(1,515)	(836)	(425)	(4,120)	(23,916)
Total finance costs	(81,633)	(1,619)	(836)	(437)	(4,162)	(24,108)
(Loss)/Profit for the financial year	(8,973)	(10,448)	(6,458)	(2,808)	(19,440)	(123,296)
Withholding Taxes on dividends and other taxation	–	(8)	(3)	(3)	(1)	(77)
Adjustment for capital support agreement valuation (Notes 1 and 15)	11,406	–	–	–	–	–
Adjustment from bid market prices to last traded market prices	–	–	–	–	–	–
Increase/(Decrease) in Net Assets attributable to Redeemable Participating Shareholders	\$ 2,433	\$ (10,456)	\$ (6,461)	€ (2,811)	\$ (19,441)	\$ (123,373)

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

Gains and losses are solely from continuing operations. There were no other gains or losses other than those dealt with in the Profit and Loss Account.

The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2009, using the USD/EUR rate of 0.6974.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2009 using the USD/JPY rate of 94.3396.

†† Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset US High Yield Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset Global High Yield Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset US Short-Term Government Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset Inflation Management Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset Asian Opportunities Fund for the period ended February 28, 2009 ^β (in 000's)	Legg Mason Brandywine Global Fixed Income Fund for the year ended February 28, 2009 (in 000's)
\$ 7,432	\$ 9,283	\$ 18,390	\$ 2,785	\$ 2,085	\$ 240	\$ 1,747	\$ 27,538
4	8	9	12	4	2	56	345
-	-	-	-	-	-	-	(422)
91	14	267	-	-	-	-	-
(26,267)	(33,723)	(65,022)	(886)	(15,327)	(1,420)	(3,928)	(112,589)
(18,740)	(24,418)	(46,356)	1,911	(13,238)	(1,178)	(2,125)	(85,128)
411	913	1,205	294	302	38	4	2,922
478	710	961	479	393	53	7	2,549
64	110	161	53	50	6	24	487
39	58	133	11	15	1	1	730
2	6	5	2	2	-	1	18
37	41	31	37	35	35	30	35
24	46	41	22	14	3	8	147
-	-	-	-	-	-	-	-
1	1	2	1	1	-	-	6
62	69	88	46	48	19	17	194
1,118	1,954	2,627	945	860	155	92	7,088
(3)	(20)	(49)	(12)	(14)	(67)	-	(15)
1,115	1,935	2,578	933	846	88	92	7,073
(19,855)	(26,352)	(48,934)	978	(14,084)	(1,266)	(2,217)	(92,201)
(8)	(21)	-	-	-	-	(645)	-
(5,533)	(2,923)	(3,794)	(1,459)	(614)	(231)	-	(20,676)
(5,541)	2,944	(3,794)	(1,459)	(614)	(231)	(645)	(20,676)
(25,396)	(29,296)	(52,728)	(481)	(14,698)	(1,497)	(2,862)	(112,877)
(16)	(53)	(57)	-	-	(3)	(11)	(219)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ (25,412)	\$ (29,349)	\$ (52,785)	\$ (481)	\$ (14,698)	\$ (1,500)	\$ (2,873)	\$ (113,096)

The accompanying notes are an integral part of the Financial Statements

Profit and Loss Account – (continued)

	Legg Mason Capital Management Value Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Capital Management Growth Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Capital Management Opportunity Fund for the period ended February 28, 2009 [∞] (in 000's)	Legg Mason ClearBridge US Appreciation Fund for the year ended February 28, 2009 (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund for the year ended February 28, 2009 (in 000's)	Legg Mason ClearBridge US Large Cap Growth Fund for the year ended February 28, 2009 (in 000's)
INVESTMENT INCOME:						
Gross dividend income and bond interest (Note 1)	\$ 8,550	\$ 792	\$ –	\$ 687	\$ 3,833	\$ 466
Interest (Note 1)	126	13	–	25	32	4
Equalisation (Note 1)	–	–	–	1	–	–
Other income	–	–	–	1	–	–
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss (Note 12)	(404,976)	(49,469)	(51)	(13,113)	(76,867)	(17,789)
Total Investment Income/(Loss)	(396,300)	(48,664)	(51)	(12,399)	(73,002)	(17,319)
EXPENSES:						
Investment management fees (Note 4)	4,435	426	–	233	1,114	335
Distribution fees (Note 4)	2,672	307	–	232	1,124	345
Administrator & custodian fees (Note 4)	521	61	–	31	149	45
Shareholder service fees (Note 4)	1,773	186	–	25	88	17
Legal fees	18	2	–	1	5	2
Audit fees	21	21	16	25	23	26
Printing fees	127	15	–	13	56	18
Dividend expense	–	–	–	–	–	–
Directors fees and expenses (Note 4)	5	1	–	–	2	–
Other expenses	261	47	2	26	102	35
Total Expenses	9,833	1,066	18	586	2,663	823
Expense waivers and reimbursements/recoupment (Note 4)	(2)	(2)	(18)	(14)	(20)	(7)
Total net expenses	9,831	1,064	–	572	2,643	816
Net Profit/(Loss) before finance costs	(406,131)	(49,728)	(51)	(12,971)	(75,645)	(18,135)
FINANCE COSTS:						
Interest expense	–	–	–	–	–	–
Distributions to holders of redeemable participating shares	–	–	–	–	–	–
Total finance costs	–	–	–	–	–	–
(Loss)/Profit for the financial year	(406,131)	(49,728)	(51)	(12,971)	(75,645)	(18,135)
Withholding Taxes on dividends and other taxation	(2,386)	(234)	–	(194)	(1,035)	(140)
Adjustment for capital support agreement valuation (Notes 1 and 15)	–	–	–	–	–	–
Adjustment from bid market prices to last traded market prices	–	–	1	–	–	–
Increase/(Decrease) in Net Assets attributable to Redeemable Participating Shareholders	\$ (408,517)	\$ (49,962)	\$ (50)	\$ (13,165)	\$ (76,680)	\$ (18,275)

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

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The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2009, using the USD/EUR rate of 0.6974.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2009 using the USD/JPY rate of 94.3396.

†† Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

^ Not authorised in Hong Kong and not available to Hong Kong residents.

The accompanying notes are an integral part of the Financial Statements

Legg Mason ClearBridge US Aggressive Growth Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund for the year ended February 28, 2009 †† (in 000's)	Legg Mason Royce Smaller Companies Fund for the year ended February 28, 2009 †† (in 000's)	Legg Mason PCM US Equity Fund for the year ended February 28, 2009 (in 000's)	Legg Mason GC Global Equity Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Batterymarch European Equity Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Batterymarch 130/30 Global Equity Fund for the period ended February 28, 2009 † (in 000's)
\$ 1,277	\$ 652	\$ 427	\$ 14	\$ 1,680	€ 1,599	\$ 11,970	\$ 147
5	67	32	–	14	6	174	5
–	–	–	–	(5)	(153)	(827)	–
–	–	–	–	46	54	–	1
(77,910)	(36,464)	(23,756)	(534)	(34,185)	(17,040)	(283,511)	(4,926)
(76,628)	(35,745)	(23,297)	(520)	(32,450)	(15,534)	(272,194)	(4,773)
1,212	641	445	7	497	291	3,448	60
1,034	360	306	4	294	262	1,902	24
151	64	47	1	58	34	345	5
144	225	125	2	205	66	1,207	16
5	2	2	–	2	1	12	–
23	22	23	22	21	18	22	33
55	17	19	–	17	14	104	2
–	–	–	–	–	–	–	31
2	1	1	–	1	–	4	–
97	98	54	16	79	28	151	10
2,723	1,430	1,022	52	1,174	714	7,195	181
(31)	(15)	(7)	(38)	(90)	(1)	(27)	–
2,692	1,415	1,015	14	1,084	713	7,168	181
(79,320)	(37,160)	(24,312)	(534)	(33,534)	(16,247)	(279,362)	(4,954)
–	–	–	–	(4)	(8)	–	–
–	–	–	–	–	(253)	–	–
–	–	–	–	(4)	(261)	–	–
(79,320)	(37,160)	(24,312)	(534)	(33,538)	(16,508)	(279,362)	(4,954)
(289)	(138)	(98)	(4)	(327)	(239)	(1,150)	(15)
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
\$ (79,609)	\$ (37,298)	\$ (24,410)	\$ (538)	\$ (33,865)	€ (16,747)	\$ (280,512)	\$ (4,969)

Profit and Loss Account – (continued)

	Legg Mason Batterymarch International Large Cap Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund for the period ended February 28, 2009 ^α (in 000's)	Legg Mason Congruix Japan Equity Fund for the period ended February 28, 2009 † (in 000's)	Legg Mason Global Funds Plc Totals for the year ended February 28, 2009 (in 000's)
INVESTMENT INCOME:				
Gross dividend income and bond interest (Note 1)	\$ 1,381	\$ 1,113	¥ 328	\$ 264,509
Interest (Note 1)	4	16	–	1,061
Equalisation (Note 1)	(15)	50	–	(1,436)
Other income	21	–	–	670
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss (Note 12)	(18,979)	(54,528)	(222,822)	(1,559,100)
Total Investment Income/(Loss)	(17,588)	(53,349)	(222,494)	(1,294,296)
EXPENSES:				
Investment management fees (Note 4)	275	395	2	45,117
Distribution fees (Note 4)	281	156	2	23,639
Administrator & custodian fees (Note 4)	31	43	158	7,484
Shareholder service fees (Note 4)	14	109	1	5,918
Legal fees	1	2	26	298
Audit fees	24	33	1,727	1,193
Printing fees	14	16	156	2,525
Dividend expense	–	–	–	31
Directors fees and expenses (Note 4)	–	–	10	83
Other expenses	27	21	1,506	3,402
Total Expenses	667	775	3,588	89,690
Expense waivers and reimbursements/ recoupment (Note 4)	(7)	(25)	–	(521)
Total net expenses	660	750	3,588	90,109
Net Profit/(Loss) before finance costs	(18,248)	(54,099)	(226,082)	(1,383,465)
FINANCE COSTS:				
Interest expense	–	–	–	(1,045)
Distributions to holders of redeemable participating shares	(6)	–	–	(148,228)
Total finance costs	(6)	–	–	(149,273)
(Loss)/Profit for the financial year	(18,254)	(54,099)	(226,082)	(1,532,738)
Withholding Taxes on dividends and other taxation	(173)	(123)	(23)	(7,101)
Adjustment for capital support agreement valuation (Notes 1 and 15)	–	–	–	11,406
Adjustment from bid market prices to last traded market prices	–	–	776	9
Increase/(Decrease) in Net Assets attributable to Redeemable Participating Shareholders	\$ (18,427)	\$ (54,222)	¥ (225,329)	\$ (1,528,424)

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

Gains and losses are solely from continuing operations. There were no other gains or losses other than those dealt with in the Profit and Loss Account.

The Euro figures for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2009, using the USD/EUR rate of 0.6974.

The Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc for the year ended February 28, 2009 using the USD/JPY rate of 94.3396.

†† Effective April 21, 2008, the Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

The accompanying notes are an integral part of the Financial Statements

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

	Legg Mason Western Asset US Money Market Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Bond Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund for the year ended February 28, 2010 (in 000's)
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares	\$ (1,538)	\$ 2,719	\$ 4,959	€ 1,718	\$ 13,816	\$ 88,432
REDEEMABLE PARTICIPATING SHARE TRANSACTIONS						
Net proceeds from sales of shares	18,465,013	2,005	5,571	1,609	19,622	337,111
Net proceeds from reinvested distributions	2,473	180	368	156	1,662	6,029
Cost of shares reacquired	(18,032,350)	(11,567)	(7,779)	(2,011)	(21,259)	(145,366)
Increase/(Decrease) in Net Assets from Redeemable Participating Share transactions	435,136	(9,382)	(1,840)	(246)	25	197,774
Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares	433,598	(6,663)	3,119	1,472	13,841	286,206
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES						
Beginning of the year	3,519,361	21,618	24,023	7,260	59,532	293,048
Currency translation	-	-	-	-	-	-
End of the year	\$ 3,952,959	\$ 14,955	\$ 27,142	€ 8,732	\$ 73,373	\$ 579,254

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

All Euro figures, except for the beginning of the period Net Assets attributable to Holders of Redeemable Participating Shares, for the Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Batterymarch European Equity Fund and Legg Mason Royce European Smaller Companies Fund ^ have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2010, using the Profit and Loss Account USD/EUR FX rate as at February 28, 2010 of 0.7108.

All Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at the February 28, 2010 using the Profit and Loss Account USD/JPY FX rate as at February 28, 2010 of 93.4579.

The beginning of period Net Assets Attributable to Holders of Redeemable Participating Shares for the Legg Mason Western Asset Euro Core Plus Bond Fund & Legg Mason Batterymarch European Equity Fund have been converted into U.S. Dollars in the total figure using the Balance Sheet USD/EUR FX rate as at February 28, 2009 of 0.6974.

The beginning of period Net Assets Attributable to Holders of Redeemable Participating Shares for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure using the Balance Sheet USD/JPY FX rate as at February 28, 2009 of 97.5950.

† Effective June 3, 2009, the Fund commenced trading.

α Effective September 25, 2009, the Fund commenced trading.

β Effective November 12, 2009, the Fund commenced trading.

δ Effective December 1, 2009, the Fund commenced trading.

‡ Effective January 4, 2010, the Fund commenced trading.

∞ Effective January 20, 2010, the Fund ceased trading.

Legg Mason Western Asset US High Yield Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Global High Yield Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset US Short-Term Government Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Inflation Management Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Asian Opportunities Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Western Asset Global Blue Chip Bond Fund ^ for the period ended February 28, 2010 (in 000's)
\$ 21,325	\$ 30,366	\$ 59,338	\$ 1,351	\$ 4,897	\$ 645	\$ 10,131	\$ (6,460)
38,577	46,033	172,494	38,951	1,827	661	67,618	220,940
2,172	1,246	1,221	385	13	70	81	70
(28,557)	(44,307)	(63,465)	(38,340)	(7,685)	(1,346)	(13,880)	(48,538)
12,192	2,972	110,250	996	(5,845)	(615)	53,819	172,472
33,517	33,338	169,588	2,347	(948)	30	63,950	166,012
43,628	82,949	105,003	56,663	27,622	4,168	33,281	-
-	-	-	-	-	-	-	-
\$ 77,145	\$ 116,287	\$ 274,591	\$ 59,010	\$ 26,674	\$ 4,198	\$ 97,231	\$ 166,012

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

	Legg Mason Brandywine Global Fixed Income Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Capital Management Value Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Capital Management Growth Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Capital Management Opportunity Fund [^] for the year ended February 28, 2010 (in 000's)	Legg Mason ClearBridge US Appreciation Fund for the year ended February 28, 2010 (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund for the year ended February 28, 2010 (in 000's)
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares	\$ 75,994	\$ 156,718	\$ 16,964	\$ 2,580	\$ 16,903	\$ 45,504
REDEEMABLE PARTICIPATING SHARE TRANSACTIONS						
Net proceeds from sales of shares	44,643	338,209	18,901	41,256	56,124	14,146
Net proceeds from reinvested distributions	10,900	–	–	–	6	–
Cost of shares reacquired	(122,446)	(162,319)	(10,710)	(1,183)	(20,134)	(34,761)
Increase/(Decrease) in Net Assets from Redeemable Participating Share transactions	(66,903)	175,890	8,191	40,073	35,996	(20,615)
Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares	9,091	332,608	25,155	42,653	52,899	24,889
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES						
Beginning of the year	345,716	220,389	25,932	200	26,160	83,869
Currency translation	–	–	–	–	–	–
End of the year	\$ 354,807	\$ 552,997	\$ 51,087	\$ 42,853	\$ 79,059	\$ 108,758

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

All Euro figures, except for the beginning of the period Net Assets attributable to Holders of Redeemable Participating Shares, for the Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Batterymarch European Equity Fund and Legg Mason Royce European Smaller Companies Fund [^] have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2010, using the Profit and Loss Account USD/EUR FX rate as at February 28, 2010 of 0.7108.

All Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at the February 28, 2010 using the Profit and Loss Account USD/JPY FX rate as at February 28, 2010 of 93.4579.

The beginning of period Net Assets Attributable to Holders of Redeemable Participating Shares for the Legg Mason Western Asset Euro Core Plus Bond Fund & Legg Mason Batterymarch European Equity Fund have been converted into U.S. Dollars in the total figure using the Balance Sheet USD/EUR FX rate as at February 28, 2009 of 0.6974.

The beginning of period Net Assets Attributable to Holders of Redeemable Participating Shares for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure using the Balance Sheet USD/JPY FX rate as at February 28, 2009 of 97.5950.

[†] Effective June 3, 2009, the Fund commenced trading.

^α Effective September 25, 2009, the Fund commenced trading.

^β Effective November 12, 2009, the Fund commenced trading.

^δ Effective December 1, 2009, the Fund commenced trading.

[≠] Effective January 4, 2010, the Fund commenced trading.

[∞] Effective January 20, 2010, the Fund ceased trading.

Legg Mason ClearBridge US Large Cap Growth Fund for the year ended February 28, 2010 (in 000's)	Legg Mason ClearBridge US Aggressive Growth Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Royce Smaller Companies Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Royce European Smaller Companies Fund ^ ‡ for the period ended February 28, 2010 (in 000's)	Legg Mason Royce Global Smaller Companies Fund ^ ‡ for the period ended February 28, 2010 (in 000's)	Legg Mason PCM US Equity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Permal Global Absolute Fund ^ α for the period ended February 28, 2010 (in 000's)
\$ 12,033	\$ 41,671	\$ 34,356	\$ 20,093	€ (23)	\$ (70)	\$ 233	\$ (1,687)
7,492	15,434	75,738	103,156	1,730	2,500	–	33,887
–	–	–	–	–	–	–	–
(12,132)	(43,363)	(29,883)	(34,919)	–	–	–	(373)
(4,640)	(27,929)	45,855	68,237	1,730	2,500	–	33,514
7,393	13,742	80,211	88,330	1,707	2,430	233	31,827
26,203	81,216	28,249	31,404	–	–	409	–
–	–	–	–	–	–	–	–
\$ 33,596	\$ 94,958	\$ 108,460	\$ 119,734	€ 1,707	\$ 2,430	\$ 642	\$ 31,827

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

	Legg Mason GC Global Equity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Batterymarch European Equity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Batterymarch 130/ 30 Global Equity Fund [∞] for the year ended February 28, 2010 (in 000's)	Legg Mason Batterymarch International Large Cap Fund for the year ended February 28, 2010 (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund for the year ended February 28, 2010 (in 000's)
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares	\$ 10,169	€ 4,225	\$ 92,211	\$ 2,144	\$ 5,887	\$ 32,808
REDEEMABLE PARTICIPATING SHARE TRANSACTIONS						
Net proceeds from sales of shares	1,135	1,343	31,077	–	1,084	38,628
Net proceeds from reinvested distributions	–	137	1,412	–	34	–
Cost of shares reacquired	(40,986)	(6,032)	(125,646)	(7,175)	(5,229)	(10,442)
Increase/(Decrease) in Net Assets from Redeemable Participating Share transactions	(39,851)	(4,552)	(93,157)	(7,175)	(4,111)	28,186
Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares	(29,682)	(327)	(946)	(5,031)	1,776	60,994
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES						
Beginning of the year	31,827	16,067	157,167	5,031	14,826	33,794
Currency translation	–	–	–	–	–	–
End of the year	\$ 2,145	€ 15,740	\$ 156,221	\$ –	\$ 16,602	\$ 94,788

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

All Euro figures, except for the beginning of the period Net Assets attributable to Holders of Redeemable Participating Shares, for the Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Batterymarch European Equity Fund and Legg Mason Royce European Smaller Companies Fund [^] have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2010, using the Profit and Loss Account USD/EUR FX rate as at February 28, 2010 of 0.7108.

All Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure for the Legg Mason Global Funds Plc as at the February 28, 2010 using the Profit and Loss Account USD/JPY FX rate as at February 28, 2010 of 93.4579.

The beginning of period Net Assets Attributable to Holders of Redeemable Participating Shares for the Legg Mason Western Asset Euro Core Plus Bond Fund & Legg Mason Batterymarch European Equity Fund have been converted into U.S. Dollars in the total figure using the Balance Sheet USD/EUR FX rate as at February 28, 2009 of 0.6974.

The beginning of period Net Assets Attributable to Holders of Redeemable Participating Shares for the Legg Mason Congruix Japan Equity Fund have been converted into U.S. Dollars in the total figure using the Balance Sheet USD/JPY FX rate as at February 28, 2009 of 97.5950.

[†] Effective June 3, 2009, the Fund commenced trading.

^α Effective September 25, 2009, the Fund commenced trading.

^β Effective November 12, 2009, the Fund commenced trading.

^δ Effective December 1, 2009, the Fund commenced trading.

[‡] Effective January 4, 2010, the Fund commenced trading.

[∞] Effective January 20, 2010, the Fund ceased trading.

Legg Mason Congruix Asia Pacific Fund [^] _β for the period ended February 28, 2010 (in 000's)	Legg Mason Congruix Japan Equity Fund for the year ended February 28, 2010 (in 000's)	Legg Mason LMHK China Fund [^] _δ for the period ended February 28, 2010 (in 000's)	Legg Mason Global Funds Plc Totals for the year ended February 28, 2010 (in 000's)
\$ (5,198)	¥ 38,004	\$ (363)	\$ 797,666
200,001	290	5,648	20,452,072
-	-	-	28,734
-	(313)	-	(19,137,459)
200,001	(23)	5,648	1,343,347
194,803	37,981	5,285	2,141,013
-	149,516	-	5,414,385
-	-	-	2,252
\$ 194,803	¥ 187,497	\$ 5,285	\$ 7,557,650

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

	Legg Mason Western Asset US Money Market Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset US Core Bond Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund for the year ended February 28, 2009 †† (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund for the year ended February 28, 2009 †† (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset Global Multi Strategy Fund for the year ended February 28, 2009 (in 000's)
Net (Decrease)/Increase in Net Assets Attributable to Holders of Redeemable Participating Shares	\$ 2,433	\$ (10,456)	\$ (6,461)	€ (2,811)	\$ (19,441)	\$ (123,373)
REDEEMABLE PARTICIPATING SHARE TRANSACTIONS						
Net proceeds from sales of shares	23,486,949	5,859	3,113	1,818	7,491	208,861
Net proceeds from reinvested distributions	81,573	781	607	307	2,370	9,820
Cost of shares reacquired	(24,844,639)	(37,698)	(16,991)	(7,473)	(47,083)	(221,832)
(Decrease)/Increase in Net Assets from Redeemable Participating Shares transactions	(1,276,117)	(31,058)	(13,271)	(5,348)	(37,222)	(3,151)
(Decrease)/Increase in Net Assets Attributable to Holders of Redeemable Participating Shares	(1,273,684)	(41,514)	(19,732)	(8,159)	(56,663)	(126,524)
NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS						
Beginning of the year	4,793,045	63,132	43,755	15,419	116,195	419,572
Currency translation	–	–	–	–	–	–
End of the year	\$ 3,519,361	\$ 21,618	\$ 24,023	€ 7,260	\$ 59,532	\$ 293,048

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

All Euro figures, except for the beginning of the year Net Assets attributable to Holders of Redeemable Participating Shares, for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2009, using the Profit and Loss Account USD/EUR FX rate as at February 28, 2009 of 0.6974.

All Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc as at the February 28, 2009 using the Profit and Loss Account USD/JPY FX rate as at February 28, 2009 of 94.3396

The beginning of year Net Assets Attributable to Holders of Redeemable Participating Shares for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into US Dollars in the total figure using the Balance Sheet USD/EUR FX rate as at February 29, 2008 of 0.6587.

†† Effective April 21, 2008, the Legg Mason Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Legg Mason Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Legg Mason Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Legg Mason Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

Legg Mason Western Asset US High Yield Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset Global High Yield Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset US Short-Term Government Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset US Adjustable Rate Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset Inflation Management Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Western Asset Asian Opportunities Fund for the period ended February 28, 2009 β (in 000's)	Legg Mason Brandywine Global Fixed Income Fund for the year ended February 28, 2009 (in 000's)
\$ (25,412)	\$ (29,349)	\$ (52,785)	\$ (481)	\$ (14,698)	\$ (1,500)	\$ (2,873)	\$ (113,096)
12,852	28,595	22,609	19,576	1,808	2,645	36,410	169,910
2,382	1,261	1,141	969	461	180	–	15,825
(27,805)	(57,553)	(108,613)	(23,103)	(42,433)	(5,943)	(256)	(330,370)
(12,571)	(27,697)	(84,863)	(2,558)	(40,164)	(3,118)	36,154	(144,635)
(37,983)	(57,046)	(137,648)	(3,039)	(54,862)	(4,618)	33,281	(257,731)
81,611	139,995	242,651	59,702	82,484	8,786	–	603,447
–	–	–	–	–	–	–	–
\$ 43,628	\$ 82,949	\$ 105,003	\$ 56,663	\$ 27,622	\$ 4,168	\$ 33,281	\$ 345,716

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

	Legg Mason Capital Management Value Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Capital Management Growth Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Capital Management Opportunity Fund for the period ended February 28, 2009 [^] ∞ (in 000's)	Legg Mason ClearBridge US Appreciation Fund for the year ended February 28, 2009 (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund for the year ended February 28, 2009 (in 000's)	Legg Mason ClearBridge US Large Cap Growth Fund for the year ended February 28, 2009 (in 000's)
Net (Decrease)/Increase in Net Assets Attributable to Holders of Redeemable Participating Shares	\$ (408,517)	\$ (49,962)	\$ (50)	\$ (13,165)	\$ (76,680)	\$ (18,275)
REDEEMABLE PARTICIPATING SHARE TRANSACTIONS						
Net proceeds from sales of shares	249,199	36,487	250	16,439	12,894	5,465
Net proceeds from reinvested distributions	–	–	–	–	–	–
Cost of shares reacquired	(518,177)	(63,924)	–	(11,880)	(65,667)	(33,175)
(Decrease)/Increase in Net Assets from Redeemable Participating Shares transactions	(268,978)	(27,437)	250	4,559	(52,773)	(27,710)
(Decrease)/Increase in Net Assets Attributable to Holders of Redeemable Participating Shares	(677,495)	(77,399)	200	(8,606)	(129,453)	(45,985)
NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS						
Beginning of the year	897,884	103,331	–	34,766	213,322	72,188
Currency translation	–	–	–	–	–	–
End of the year	\$ 220,389	\$ 25,932	\$ 200	\$ 26,160	\$ 83,869	\$ 26,203

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

All Euro figures, except for the beginning of the year Net Assets attributable to Holders of Redeemable Participating Shares, for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2009, using the Profit and Loss Account USD/EUR FX rate as at February 28, 2009 of 0.6974.

All Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc as at the February 28, 2009 using the Profit and Loss Account USD/JPY FX rate as at February 28, 2009 of 94.3396

The beginning of year Net Assets Attributable to Holders of Redeemable Participating Shares for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into US Dollars in the total figure using the Balance Sheet USD/EUR FX rate as at February 29, 2008 of 0.6587.

†† Effective April 21, 2008, the Legg Mason Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Legg Mason Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Legg Mason Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Legg Mason Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

∞ Effective February 4, 2009, the Fund commenced trading.

δ Effective June 27, 2008, the Fund commenced trading.

α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

Legg Mason ClearBridge US Aggressive Growth Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Royce Smaller Companies Fund for the year ended February 28, 2009 †† (in 000's)	Legg Mason PCM US Equity Fund for the year ended February 28, 2009 (in 000's)	Legg Mason GC Global Equity Fund for the year ended February 28, 2009 †† (in 000's)	Legg Mason Batterymarch European Equity Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Batterymarch 130/ 30 Global Equity Fund for the period ended February 28, 2009 † (in 000's)
\$ (79,609)	\$ (37,298)	\$ (24,410)	\$ (538)	\$ (33,865)	€ (16,747)	\$ (280,512)	\$ (4,969)
14,677	34,695	27,783	–	285	4,366	200,219	10,000
–	–	–	–	–	226	–	–
(64,674)	(61,928)	(25,898)	–	(9,435)	(24,794)	(138,427)	–
(49,997)	(27,233)	1,885	–	(9,150)	(20,202)	61,792	10,000
(129,606)	(64,531)	(22,525)	(538)	(43,015)	(36,949)	(218,720)	5,031
210,822	92,780	53,929	947	74,842	53,016	375,887	–
–	–	–	–	–	–	–	–
\$ 81,216	\$ 28,249	\$ 31,404	\$ 409	\$ 31,827	€ 16,067	\$ 157,167	\$ 5,031

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

	Legg Mason Batterymarch International Large Cap Fund for the year ended February 28, 2009 (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund for the period ended February 28, 2009 ^α (in 000's)	Legg Mason Congruix Japan Equity Fund for the period ended February 28, 2009 † (in 000's)	Legg Mason Global Funds Plc Totals for the year ended February 28, 2009 (in 000's)
Net (Decrease)/Increase in Net Assets Attributable to Holders of Redeemable Participating Shares	\$ (18,427)	\$ (54,222)	¥ (225,329)	\$ (1,528,424)
REDEEMABLE PARTICIPATING SHARE TRANSACTIONS				
Net proceeds from sales of shares	1,607	104,388	677,122	24,737,111
Net proceeds from reinvested distributions	5	–	–	118,139
Cost of shares reacquired	(14,217)	(16,372)	(302,277)	(26,837,565)
(Decrease)/Increase in Net Assets from Redeemable Participating Shares transactions	(12,605)	88,016	374,845	(1,982,315)
(Decrease)/Increase in Net Assets Attributable to Holders of Redeemable Participating Shares	(31,032)	33,794	149,516	(3,510,739)
NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS				
Beginning of the year	45,858	–	–	8,934,822
Currency translation	–	–	–	(9,698)
End of the year	\$ 14,826	\$ 33,794	¥ 149,516	\$ 5,414,385

Amounts designated as "-" are either \$0/€0/¥0 or less than \$1,000/€1,000/¥1,000.

All Euro figures, except for the beginning of the year Net Assets attributable to Holders of Redeemable Participating Shares, for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc as at February 28, 2009, using the Profit and Loss Account USD/EUR FX rate as at February 28, 2009 of 0.6974.

All Yen figures for the Legg Mason Congruix Japan Equity Fund have been converted into US Dollars in the total figure for the Legg Mason Global Funds Plc as at the February 28, 2009 using the Profit and Loss Account USD/JPY FX rate as at February 28, 2009 of 94.3396

The beginning of year Net Assets Attributable to Holders of Redeemable Participating Shares for the Legg Mason Western Asset Euro Core Plus Bond Fund and Legg Mason Batterymarch European Equity Fund have been converted into US Dollars in the total figure using the Balance Sheet USD/EUR FX rate as at February 29, 2008 of 0.6587.

†† Effective April 21, 2008, the Legg Mason Western Asset Euro Core Bond Fund changed its name to the Legg Mason Western Asset Euro Core Plus Bond Fund; the Legg Mason Western Asset Investment Grade Total Return Bond Fund changed its name to the Legg Mason Western Asset US Core Plus Bond Fund; the Legg Mason Brandywine Global Equity Fund changed its name to the Legg Mason GC Global Equity Fund and the Legg Mason Royce 100 Equity Fund changed its name to the Legg Mason Royce Smaller Companies Fund.

β Effective June 12, 2008, the Fund commenced trading.

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α Effective April 28, 2008, the Fund commenced trading.

‡ Effective October 2, 2008, the Fund commenced trading.

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Money Market Fund (in 000's)		Legg Mason Western Asset US Core Bond Fund (in 000's)		Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating						
Sold	589	62,205	1	145	2	222
Redeemed	(719)	(75,900)	–	(19)	–	–
Net Increase/(Decrease)	(130)	(13,695)	1	126	2	222
Class A US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (D)						
Sold	18,399,893	18,399,893	17	1,363	24	2,225
Reinvestment of distributions	2,444	2,444	1	95	–	23
Redeemed	(17,945,723)	(17,945,723)	(118)	(9,410)	(4)	(414)
Net Increase/(Decrease)	456,614	456,614	(100)	(7,952)	20	1,834
Class A US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (A) (Hedged)						
Sold	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Euro Core Plus Bond Fund (in 000's)		Legg Mason Western Asset Diversified Strategic Income Fund (in 000's)		Legg Mason Western Asset Global Multi Strategy Fund (in 000's)		Legg Mason Western Asset US High Yield Fund (in 000's)	
Shares	Amount €	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
-	-	99	10,491	430	45,906	22	1,956
-	-	(2)	(171)	(151)	(16,230)	(11)	(944)
-	-	97	10,320	279	29,676	11	1,012
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3	228	52	4,326	514	58,747	233	16,595
-	37	6	471	26	2,849	11	771
(4)	(325)	(65)	(5,453)	(471)	(48,288)	(112)	(8,516)
(1)	(60)	(7)	(656)	69	13,308	132	8,850
-	-	2	163	290	24,334	-	-
-	-	-	-	-	3	-	-
-	-	(3)	(234)	(69)	(6,296)	-	-
-	-	(1)	(71)	221	18,041	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3	394	302	47,812	-	-
-	-	(1)	(45)	(109)	(15,940)	-	-
-	-	2	349	193	31,872	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
12	1,014	-	-	-	-	-	-
1	51	-	-	-	-	-	-
(6)	(492)	-	-	-	-	-	-
7	573	-	-	-	-	-	-
-	-	-	2	47	5,918	-	-
-	-	-	-	-	3	-	-
-	-	-	-	(46)	(6,601)	-	-
-	-	-	2	1	(680)	-	-

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Money Market Fund (in 000's)		Legg Mason Western Asset US Core Bond Fund (in 000's)		Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A Euro Distributing (M)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Distributing						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A) (H)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A) (Hedged)						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Distributing (Q) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Accumulating						
Sold	-	61	-	-	-	50
Redeemed	(3)	(318)	-	-	-	(30)
Net Increase/(Decrease)	(3)	(257)	-	-	-	20
Class B US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Money Market Fund (in 000's)		Legg Mason Western Asset US Core Bond Fund (in 000's)		Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class B US\$ Distributing (D)						
Sold	116	98	1	92	1	98
Reinvestment of distributions	3	3	–	29	–	5
Redeemed	(1,455)	(1,455)	(17)	(1,422)	–	(54)
Net Increase/(Decrease)	(1,336)	(1,354)	(16)	(1,301)	1	49
Class B US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Accumulating						
Sold	1	54	–	–	5	445
Redeemed	(1)	(86)	–	(26)	(4)	(350)
Net Increase/(Decrease)	–	(32)	–	(26)	1	95
Class C US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Distributing (D)						
Sold	1,664	1,653	5	405	7	633
Reinvestment of distributions	4	4	1	56	1	115
Redeemed	(2,032)	(2,032)	(9)	(690)	(5)	(513)
Net Increase/(Decrease)	(364)	(375)	(3)	(229)	3	235
Class C US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A JPY Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A JPY Distributing (A)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Money Market Fund (in 000's)		Legg Mason Western Asset US Core Bond Fund (in 000's)		Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class E US\$ Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class E US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class E US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F Euro Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Euro Core Plus Bond Fund (in 000's)		Legg Mason Western Asset Diversified Strategic Income Fund (in 000's)		Legg Mason Western Asset Global Multi Strategy Fund (in 000's)		Legg Mason Western Asset US High Yield Fund (in 000's)	
Shares	Amount €	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
-	-	-	-	-	1	-	1
-	-	-	-	-	1	-	1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1	-	1
-	-	-	-	-	-	-	-
-	-	-	-	-	1	-	1
-	-	-	-	-	1	-	-
-	-	-	-	-	1	-	-
-	-	-	-	-	1	-	-
-	-	-	-	-	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1	-	-
-	-	-	-	12	1,416	-	-
-	-	-	-	(17)	(1,866)	-	-
-	-	-	-	(5)	(450)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	107	10,596	-	-
-	-	-	-	-	4	-	-
-	-	-	-	(6)	(536)	-	-
-	-	-	-	101	10,064	-	-
-	-	-	-	44	5,065	-	-
-	-	-	-	-	8	-	-
-	-	-	-	(1)	(107)	-	-
-	-	-	-	43	4,966	-	-
-	-	-	-	8	1,187	-	-
-	-	-	-	-	-	-	-
-	-	-	-	8	1,187	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Money Market Fund (in 000's)		Legg Mason Western Asset US Core Bond Fund (in 000's)		Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Premier Class Euro Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (A)						
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing						
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class JPY Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Accumulating						
Sold	-	52	-	-	10	970
Redeemed	(9)	(990)	-	-	(3)	(247)
Net Increase/(Decrease)	(9)	(938)	-	-	7	723

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Money Market Fund (in 000's)		Legg Mason Western Asset US Core Bond Fund (in 000's)		Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A (G) US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)						
Sold	851	836	–	–	8	791
Reinvestment of distributions	11	11	–	–	1	57
Redeemed	(3,134)	(3,134)	–	–	(5)	(565)
Net Increase/(Decrease)	(2,272)	(2,287)	–	–	4	283
Class B (G) US\$ Accumulating						
Sold	–	6	–	–	–	–
Redeemed	(5)	(503)	–	–	(18)	(1,816)
Net Increase/(Decrease)	(5)	(497)	–	–	(18)	(1,816)
Class B (G) US\$ Distributing (A)						
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)						
Sold	5	–	–	–	–	–
Reinvestment of distributions	7	7	–	–	1	87
Redeemed	(1,925)	(1,932)	–	–	(19)	(1,731)
Net Increase/(Decrease)	(1,913)	(1,925)	–	–	(18)	(1,644)
Class L (G) US\$ Accumulating						
Sold	1	129	–	–	–	–
Redeemed	(1)	(130)	–	–	(1)	(118)
Net Increase/(Decrease)	–	(1)	–	–	(1)	(118)
Class L (G) US\$ Distributing (A)						
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)						
Sold	40	33	–	–	1	137
Reinvestment of distributions	4	4	–	–	1	81
Redeemed	(154)	(154)	–	–	(21)	(1,941)
Net Increase/(Decrease)	(110)	(117)	–	–	(19)	(1,723)
Galleon Class						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
LM Class Euro Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)		Legg Mason Western Asset Global High Yield Fund (in 000's)		Legg Mason Western Asset US Short-Term Government Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating						
Sold	217	24,224	755	75,382	112	12,374
Redeemed	(198)	(19,635)	(554)	(48,422)	(20)	(2,241)
Net Increase/(Decrease)	19	4,589	201	26,960	92	10,133
Class A US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A US\$ Distributing (D)						
Sold	90	9,724	64	4,804	113	11,357
Reinvestment of distributions	3	333	1	84	1	80
Redeemed	(28)	(2,857)	(18)	(1,363)	(83)	(8,330)
Net Increase/(Decrease)	65	7,200	47	3,525	31	3,107
Class A US\$ Distributing (M)						
Sold	38	3,489	74	6,219	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	(30)	(2,911)	(7)	(609)	-	-
Net Increase/(Decrease)	8	578	67	5,610	-	-
Class A US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Accumulating (Hedged)						
Sold	33	4,756	-	-	-	-
Redeemed	-	(41)	-	-	-	-
Net Increase/(Decrease)	33	4,715	-	-	-	-
Class A Euro Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)		Legg Mason Western Asset Global High Yield Fund (in 000's)		Legg Mason Western Asset US Short-Term Government Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A Euro Distributing (M)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Distributing						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A) (H)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A) (Hedged)						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Distributing (Q) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Accumulating						
Sold	1	171	1	86	1	91
Redeemed	-	(37)	-	(1)	(3)	(299)
Net Increase/(Decrease)	1	134	1	85	(2)	(208)
Class B US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)		Legg Mason Western Asset Global High Yield Fund (in 000's)		Legg Mason Western Asset US Short-Term Government Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class B US\$ Distributing (D)						
Sold	5	450	18	1,398	7	701
Reinvestment of distributions	–	28	1	61	–	22
Redeemed	(8)	(708)	(3)	(243)	(53)	(5,308)
Net Increase/(Decrease)	(3)	(230)	16	1,216	(46)	(4,585)
Class B US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Accumulating						
Sold	10	931	5	464	16	1,692
Redeemed	–	(58)	(1)	(139)	(56)	(5,937)
Net Increase/(Decrease)	10	873	4	325	(40)	(4,245)
Class C US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Distributing (D)						
Sold	15	1,511	80	6,046	63	6,351
Reinvestment of distributions	3	325	2	173	–	5
Redeemed	(4)	(425)	(13)	(1,097)	(3)	(317)
Net Increase/(Decrease)	14	1,411	69	5,122	60	6,039
Class C US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A JPY Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A JPY Distributing (A)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)		Legg Mason Western Asset Global High Yield Fund (in 000's)		Legg Mason Western Asset US Short-Term Government Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class E US\$ Accumulating						
Sold	-	-	-	1	-	-
Net Increase/(Decrease)	-	-	-	1	-	-
Class E US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class E US\$ Distributing (D)						
Sold	-	-	-	1	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	1	-	-
Class F Euro Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Accumulating						
Sold	-	-	744	76,650	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	744	76,650	-	-
Premier Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)		Legg Mason Western Asset Global High Yield Fund (in 000's)		Legg Mason Western Asset US Short-Term Government Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Premier Class Euro Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (A)						
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing						
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class JPY Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Accumulating						
Sold	1	121	7	571	3	287
Redeemed	(117)	(11,276)	(51)	(4,469)	(8)	(816)
Net Increase/(Decrease)	(116)	(11,155)	(44)	(3,898)	(5)	(529)

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)		Legg Mason Western Asset Global High Yield Fund (in 000's)		Legg Mason Western Asset US Short-Term Government Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A (G) US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)						
Sold	6	542	10	733	59	5,952
Reinvestment of distributions	1	104	4	266	1	69
Redeemed	(29)	(2,627)	(32)	(2,231)	(17)	(1,699)
Net Increase/(Decrease)	(22)	(1,981)	(18)	(1,232)	43	4,322
Class B (G) US\$ Accumulating						
Sold	–	44	–	6	–	44
Redeemed	(10)	(1,052)	(15)	(1,310)	(12)	(1,350)
Net Increase/(Decrease)	(10)	(1,008)	(15)	(1,304)	(12)	(1,306)
Class B (G) US\$ Distributing (A)						
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)						
Sold	–	51	2	133	–	43
Reinvestment of distributions	2	186	5	344	2	176
Redeemed	(20)	(1,815)	(38)	(2,653)	(113)	(11,375)
Net Increase/(Decrease)	(18)	(1,578)	(31)	(2,176)	(111)	(11,156)
Class L (G) US\$ Accumulating						
Sold	–	6	–	–	–	–
Redeemed	(2)	(188)	(2)	(141)	(1)	(162)
Net Increase/(Decrease)	(2)	(182)	(2)	(141)	(1)	(162)
Class L (G) US\$ Distributing (A)						
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)						
Sold	–	13	–	–	1	59
Reinvestment of distributions	3	270	4	293	–	33
Redeemed	(7)	(677)	(10)	(787)	(5)	(506)
Net Increase/(Decrease)	(4)	(394)	(6)	(494)	(4)	(414)
Galleon Class						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
LM Class Euro Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Adjustable Rate Fund (in 000's)		Legg Mason Western Asset Inflation Management Fund (in 000's)		Legg Mason Western Asset Asian Opportunities Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating						
Sold	14	1,061	1	96	136	15,218
Redeemed	(24)	(1,872)	(1)	(112)	(9)	(1,099)
Net Increase/(Decrease)	(10)	(811)	–	(16)	127	14,119
Class A US\$ Distributing (A)						
Sold	–	–	1	134	–	–
Reinvestment of distributions	–	–	–	6	–	–
Redeemed	–	–	(3)	(302)	–	–
Net Increase/(Decrease)	–	–	(2)	(162)	–	–
Class A US\$ Distributing (D)						
Sold	–	–	–	–	49	5,265
Reinvestment of distributions	–	–	–	–	–	22
Redeemed	–	–	–	–	(7)	(788)
Net Increase/(Decrease)	–	–	–	–	42	4,499
Class A US\$ Distributing (M)						
Sold	–	–	–	–	–	2
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	2
Class A US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating						
Sold	–	–	–	–	84	15,134
Redeemed	–	–	–	–	–	(2)
Net Increase/(Decrease)	–	–	–	–	84	15,132
Class A Euro Distributing (A) (Hedged)						
Sold	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Adjustable Rate Fund (in 000's)		Legg Mason Western Asset Inflation Management Fund (in 000's)		Legg Mason Western Asset Asian Opportunities Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A Euro Distributing (M)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	(2)
Net Increase/(Decrease)	-	-	-	-	-	(2)
Class A Euro Distributing						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A) (H)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A) (Hedged)						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating (Hedged)						
Sold	-	-	-	-	400	274
Net Increase/(Decrease)	-	-	-	-	400	274
Class A SGD Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Distributing (Q) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Accumulating						
Sold	-	-	-	-	5	523
Redeemed	-	(1)	(1)	(74)	-	(1)
Net Increase/(Decrease)	-	(1)	(1)	(74)	5	522
Class B US\$ Distributing (A)						
Sold	-	-	-	36	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	(21)	-	-
Net Increase/(Decrease)	-	-	-	15	-	-

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Legg Mason Western Asset Global Blue Chip Bond Fund ^ (in 000's)		Legg Mason Brandywine Global Fixed Income Fund (in 000's)		Legg Mason Capital Management Value Fund (in 000's)		Legg Mason Capital Management Growth Fund (in 000's)	
Shares	Amount \$	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3	535	-	-	-	-	-	-
(1)	(137)	-	-	-	-	-	-
2	398	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	20	3,424	-	-
-	-	-	-	-	-	-	-
-	-	-	-	20	3,424	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	17	2,258	-	-	-	-
-	-	10	1,412	-	-	-	-
-	-	(118)	(18,552)	-	-	-	-
-	-	(91)	(14,882)	-	-	-	-
-	-	145	103	-	-	-	-
-	-	145	103	-	-	-	-
-	-	-	-	61,673	19,265	-	-
-	-	-	-	(40,454)	(12,935)	-	-
-	-	-	-	21,219	6,330	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1	84	3	313	4	208	-	-
(1)	(53)	(6)	(649)	(2)	(107)	-	(1)
-	31	(3)	(336)	2	101	-	(1)
-	-	-	-	3	240	-	25
-	-	-	-	-	-	-	-
-	-	-	-	(17)	(1,426)	(5)	(288)
-	-	-	-	(14)	(1,186)	(5)	(263)

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Adjustable Rate Fund (in 000's)		Legg Mason Western Asset Inflation Management Fund (in 000's)		Legg Mason Western Asset Asian Opportunities Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class B US\$ Distributing (D)						
Sold	–	–	–	–	4	373
Reinvestment of distributions	–	–	–	–	–	8
Redeemed	–	–	–	–	(1)	(53)
Net Increase/(Decrease)	–	–	–	–	3	328
Class B US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Accumulating						
Sold	–	–	1	90	78	8,691
Redeemed	–	–	–	(34)	(1)	(107)
Net Increase/(Decrease)	–	–	1	56	77	8,584
Class C US\$ Distributing (A)						
Sold	–	–	3	274	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	(19)	–	–
Net Increase/(Decrease)	–	–	3	255	–	–
Class C US\$ Distributing (D)						
Sold	–	–	–	–	96	10,194
Reinvestment of distributions	–	–	–	–	1	51
Redeemed	–	–	–	–	(6)	(669)
Net Increase/(Decrease)	–	–	–	–	91	9,576
Class C US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A JPY Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A JPY Distributing (A)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Adjustable Rate Fund (in 000's)		Legg Mason Western Asset Inflation Management Fund (in 000's)		Legg Mason Western Asset Asian Opportunities Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class E US\$ Accumulating						
Sold	-	-	-	-	-	1
Net Increase/(Decrease)	-	-	-	-	-	1
Class E US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class E US\$ Distributing (D)						
Sold	-	-	-	-	-	1
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	1
Class F Euro Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Accumulating						
Sold	-	-	-	-	-	1
Net Increase/(Decrease)	-	-	-	-	-	1
Class F US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Distributing (D)						
Sold	-	-	-	-	-	1
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	1
Premier Class US\$ Accumulating						
Sold	-	-	-	-	26	2,980
Redeemed	-	-	-	-	-	(1)
Net Increase/(Decrease)	-	-	-	-	26	2,979
Premier Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	(1)
Net Increase/(Decrease)	-	-	-	-	-	(1)
Premier Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

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Legg Mason Western Asset Global Blue Chip Bond Fund ^ (in 000's)		Legg Mason Brandywine Global Fixed Income Fund (in 000's)		Legg Mason Capital Management Value Fund (in 000's)		Legg Mason Capital Management Growth Fund (in 000's)	
Shares	Amount \$	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
-	1	-	-	-	-	-	-
-	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1	-	-	-	1	-	-
-	1	-	-	-	1	-	-
-	-	-	-	-	1	-	-
-	-	-	-	-	1	-	-
-	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1	-	-	-	-	-	-
130	13,361	-	-	1,027	82,105	261	15,272
(60)	(6,345)	-	-	(118)	(9,778)	(2)	(187)
70	7,016	-	-	909	72,327	259	15,085
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
121	12,331	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(32)	(3,318)	-	-	-	-	-	-
89	9,013	-	-	-	-	-	-
222	31,819	-	-	-	-	-	-
(177)	(25,636)	-	-	-	-	-	-
45	6,183	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Adjustable Rate Fund (in 000's)		Legg Mason Western Asset Inflation Management Fund (in 000's)		Legg Mason Western Asset Asian Opportunities Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Premier Class Euro Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (A)						
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Accumulating						
Sold	-	-	-	-	83	8,960
Redeemed	-	-	-	-	(98)	(11,157)
Net Increase/(Decrease)	-	-	-	-	(15)	(2,197)
LM Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing						
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class JPY Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Accumulating						
Sold	5	423	-	-	-	-
Redeemed	(20)	(1,476)	(3)	(377)	-	-
Net Increase/(Decrease)	(15)	(1,053)	(3)	(377)	-	-

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Western Asset US Adjustable Rate Fund (in 000's)		Legg Mason Western Asset Inflation Management Fund (in 000's)		Legg Mason Western Asset Asian Opportunities Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A (G) US\$ Distributing (A)						
Sold	–	–	–	17	–	–
Reinvestment of distributions	–	–	–	11	–	–
Net Increase/(Decrease)	–	–	–	28	–	–
Class A (G) US\$ Distributing (D)						
Sold	4	343	–	–	–	–
Reinvestment of distributions	–	6	–	–	–	–
Redeemed	(3)	(274)	–	–	–	–
Net Increase/(Decrease)	1	75	–	–	–	–
Class B (G) US\$ Accumulating						
Sold	–	–	–	14	–	–
Redeemed	(15)	(1,131)	(1)	(99)	–	–
Net Increase/(Decrease)	(15)	(1,131)	(1)	(85)	–	–
Class B (G) US\$ Distributing (A)						
Reinvestment of distributions	–	–	–	18	–	–
Redeemed	–	–	(1)	(149)	–	–
Net Increase/(Decrease)	–	–	(1)	(131)	–	–
Class B (G) US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	4	–	–	–	–
Redeemed	(22)	(1,656)	–	–	–	–
Net Increase/(Decrease)	(22)	(1,652)	–	–	–	–
Class L (G) US\$ Accumulating						
Sold	–	–	–	–	–	–
Redeemed	(7)	(485)	–	(11)	–	–
Net Increase/(Decrease)	(7)	(485)	–	(11)	–	–
Class L (G) US\$ Distributing (A)						
Reinvestment of distributions	–	–	1	35	–	–
Redeemed	–	–	(2)	(148)	–	–
Net Increase/(Decrease)	–	–	(1)	(113)	–	–
Class L (G) US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	3	–	–	–	–
Redeemed	(11)	(790)	–	–	–	–
Net Increase/(Decrease)	(11)	(787)	–	–	–	–
Galleon Class						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
LM Class Euro Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Capital Management Opportunity Fund [^] (in 000's)		Legg Mason ClearBridge US Appreciation Fund (in 000's)		Legg Mason ClearBridge US Fundamental Value Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating						
Sold	26	2,573	191	15,427	61	3,533
Redeemed	–	–	(42)	(3,454)	(78)	(4,908)
Net Increase/(Decrease)	26	2,573	149	11,973	(17)	(1,375)
Class A US\$ Distributing (A)						
Sold	18	3,286	370	27,667	7	445
Reinvestment of distributions	–	–	–	6	–	–
Redeemed	(1)	(250)	(70)	(5,758)	(2)	(163)
Net Increase/(Decrease)	17	3,036	300	21,915	5	282
Class A US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating						
Sold	–	–	28	3,275	–	–
Redeemed	–	–	(6)	(749)	–	–
Net Increase/(Decrease)	–	–	22	2,526	–	–
Class A Euro Distributing (A) (Hedged)						
Sold	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Capital Management Opportunity Fund [^] (in 000's)		Legg Mason ClearBridge US Appreciation Fund (in 000's)		Legg Mason ClearBridge US Fundamental Value Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A Euro Distributing (M)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Distributing						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A) (H)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A) (Hedged)						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Distributing (Q) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Accumulating						
Sold	-	-	5	360	4	280
Redeemed	-	-	(4)	(266)	-	(23)
Net Increase/(Decrease)	-	-	1	94	4	257
Class B US\$ Distributing (A)						
Sold	-	-	2	113	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	(1)	(71)	(3)	(156)
Net Increase/(Decrease)	-	-	1	42	(3)	(156)

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Capital Management Opportunity Fund ^ (in 000's)		Legg Mason ClearBridge US Appreciation Fund (in 000's)		Legg Mason ClearBridge US Fundamental Value Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class B US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class C US\$ Accumulating						
Sold	-	-	30	2,237	2	129
Redeemed	-	-	(7)	(554)	(2)	(109)
Net Increase/(Decrease)	-	-	23	1,683	-	20
Class C US\$ Distributing (A)						
Sold	-	-	11	769	3	183
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	(2)	(138)	-	(10)
Net Increase/(Decrease)	-	-	9	631	3	173
Class C US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class C US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class C US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Capital Management Opportunity Fund [^] (in 000's)		Legg Mason ClearBridge US Appreciation Fund (in 000's)		Legg Mason ClearBridge US Fundamental Value Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class E US\$ Accumulating						
Sold	-	-	-	1	-	-
Net Increase/(Decrease)	-	-	-	1	-	-
Class E US\$ Distributing (A)						
Sold	-	-	-	1	-	-
Net Increase/(Decrease)	-	-	-	1	-	-
Class E US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F Euro Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Accumulating						
Sold	-	-	-	1	-	-
Net Increase/(Decrease)	-	-	-	1	-	-
Class F US\$ Distributing (A)						
Sold	-	-	-	1	-	-
Net Increase/(Decrease)	-	-	-	1	-	-
Class F US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Accumulating						
Sold	-	-	38	3,865	-	-
Redeemed	-	-	(38)	(4,638)	-	-
Net Increase/(Decrease)	-	-	-	(773)	-	-
Premier Class US\$ Distributing (A)						
Sold	-	-	15	1,510	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	15	1,510	-	-
Premier Class US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Capital Management Opportunity Fund ^ (in 000's)		Legg Mason ClearBridge US Appreciation Fund (in 000's)		Legg Mason ClearBridge US Fundamental Value Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Premier Class Euro Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (A)						
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A)						
Sold	206	35,397	-	-	-	-
Redeemed	(6)	(933)	-	-	-	-
Net Increase/(Decrease)	200	34,464	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing						
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class JPY Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Accumulating						
Sold	-	-	12	887	145	9,421
Redeemed	-	-	(34)	(2,673)	(174)	(11,545)
Net Increase/(Decrease)	-	-	(22)	(1,786)	(29)	(2,124)

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Capital Management Opportunity Fund ^ (in 000's)		Legg Mason ClearBridge US Appreciation Fund (in 000's)		Legg Mason ClearBridge US Fundamental Value Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A (G) US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B (G) US\$ Accumulating						
Sold	-	-	-	-	3	155
Redeemed	-	-	(18)	(1,353)	(219)	(14,106)
Net Increase/(Decrease)	-	-	(18)	(1,353)	(216)	(13,951)
Class B (G) US\$ Distributing (A)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class L (G) US\$ Accumulating						
Sold	-	-	-	10	-	-
Redeemed	-	-	(6)	(480)	(56)	(3,741)
Net Increase/(Decrease)	-	-	(6)	(470)	(56)	(3,741)
Class L (G) US\$ Distributing (A)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class L (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Galleon Class						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class Euro Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)		Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)		Legg Mason Royce US Small Cap Opportunity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating						
Sold	44	3,253	100	6,825	195	13,210
Redeemed	(28)	(2,073)	(70)	(4,640)	(51)	(3,276)
Net Increase/(Decrease)	16	1,180	30	2,185	144	9,934
Class A US\$ Distributing (A)						
Sold	5	364	22	1,543	236	49,624
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	(2)	(225)	(13,148)	(114)	(22,048)
Net Increase/(Decrease)	5	362	(203)	(11,605)	122	27,576
Class A US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating						
Sold	–	–	–	–	116	10,291
Redeemed	–	(1)	–	–	(37)	(3,224)
Net Increase/(Decrease)	–	(1)	–	–	79	7,067
Class A Euro Distributing (A) (Hedged)						
Sold	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (A)						
Sold	–	4	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	(2)	–	–	–	–
Net Increase/(Decrease)	–	2	–	–	–	–
Class A Euro Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)		Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)		Legg Mason Royce US Small Cap Opportunity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A Euro Distributing (M)						
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing						
Net Increase/(Decrease)	–	–	–	–	–	–
Class A GBP Accumulating (Hedged)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A GBP Distributing (A) (H)						
Sold	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A GBP Distributing (A) (Hedged)						
Net Increase/(Decrease)	–	–	–	–	–	–
Class A GBP Distributing (A)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A GBP Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A GBP Distributing (S) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A SGD Accumulating (Hedged)						
Sold	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A SGD Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A SGD Distributing (Q) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B US\$ Accumulating						
Sold	4	308	1	72	2	112
Redeemed	–	(18)	(1)	(42)	(1)	(41)
Net Increase/(Decrease)	4	290	–	30	1	71
Class B US\$ Distributing (A)						
Sold	5	355	2	135	1	269
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	(2)	(108)	(4)	(234)	(1)	(228)
Net Increase/(Decrease)	3	247	(2)	(99)	–	41

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)		Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)		Legg Mason Royce US Small Cap Opportunity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class B US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Accumulating						
Sold	3	272	15	1,066	3	234
Redeemed	–	(36)	(2)	(138)	(1)	(102)
Net Increase/(Decrease)	3	236	13	928	2	132
Class C US\$ Distributing (A)						
Sold	7	594	13	938	10	1,998
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	(1)	(53)	(5)	(386)	(5)	(964)
Net Increase/(Decrease)	6	541	8	552	5	1,034
Class C US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A JPY Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A JPY Distributing (A)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)		Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)		Legg Mason Royce US Small Cap Opportunity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class E US\$ Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class E US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class E US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F Euro Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class F US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)		Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)		Legg Mason Royce US Small Cap Opportunity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Premier Class Euro Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (A)						
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class JPY Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Accumulating						
Sold	23	1,795	73	4,826	-	-
Redeemed	(49)	(3,674)	(199)	(13,285)	-	-
Net Increase/(Decrease)	(26)	(1,879)	(126)	(8,459)	-	-

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)		Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)		Legg Mason Royce US Small Cap Opportunity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A (G) US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B (G) US\$ Accumulating						
Sold	7	547	–	29	–	–
Redeemed	(49)	(3,791)	(122)	(8,074)	–	–
Net Increase/(Decrease)	(42)	(3,244)	(122)	(8,045)	–	–
Class B (G) US\$ Distributing (A)						
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class L (G) US\$ Accumulating						
Sold	–	–	–	–	–	–
Redeemed	(30)	(2,374)	(50)	(3,416)	–	–
Net Increase/(Decrease)	(30)	(2,374)	(50)	(3,416)	–	–
Class L (G) US\$ Distributing (A)						
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Galleon Class						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
LM Class Euro Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class GBP Distributing (A) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Permal Global Absolute Fund [^] (in 000's)		Legg Mason GC Global Equity Fund (in 000's)		Legg Mason Batterymarch European Equity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount €
Class A US\$ Accumulating						
Sold	13	1,309	–	–	–	23
Redeemed	–	(31)	(650)	(40,794)	(2)	(99)
Net Increase/(Decrease)	13	1,278	(650)	(40,794)	(2)	(76)
Class A US\$ Distributing (A)						
Sold	6	636	13	1,023	3	265
Reinvestment of distributions	–	–	–	–	1	84
Redeemed	–	–	–	(14)	(17)	(1,468)
Net Increase/(Decrease)	6	636	13	1,009	(13)	(1,119)
Class A US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)						
Sold	–	69	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	69	–	–	–	–
Class A Euro Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (A) (Hedged)						
Sold	–	30	–	–	–	–
Net Increase/(Decrease)	–	30	–	–	–	–
Class A Euro Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	2
Redeemed	–	–	–	–	(1)	(146)
Net Increase/(Decrease)	–	–	–	–	(1)	(144)
Class A Euro Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Permal Global Absolute Fund [^] (in 000's)		Legg Mason GC Global Equity Fund (in 000's)		Legg Mason Batterymarch European Equity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount €
Class A Euro Distributing (M)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Distributing						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Accumulating (Hedged)						
Sold	-	33	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	33	-	-	-	-
Class A GBP Distributing (A) (H)						
Sold	1	113	-	-	-	-
Net Increase/(Decrease)	1	113	-	-	-	-
Class A GBP Distributing (A) (Hedged)						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Distributing (Q) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Accumulating						
Sold	-	1	1	72	2	73
Redeemed	-	-	-	(17)	(1)	(13)
Net Increase/(Decrease)	-	1	1	55	1	60
Class B US\$ Distributing (A)						
Sold	-	1	-	40	-	36
Reinvestment of distributions	-	-	-	-	-	17
Redeemed	-	-	-	(10)	(4)	(421)
Net Increase/(Decrease)	-	1	-	30	(4)	(368)

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Permal Global Absolute Fund [^] (in 000's)		Legg Mason GC Global Equity Fund (in 000's)		Legg Mason Batterymarch European Equity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount €
Class B US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class C US\$ Accumulating						
Sold	3	325	-	-	3	162
Redeemed	-	-	-	-	-	(14)
Net Increase/(Decrease)	3	325	-	-	3	148
Class C US\$ Distributing (A)						
Sold	7	669	-	-	1	145
Reinvestment of distributions	-	-	-	-	1	34
Redeemed	-	-	(2)	(151)	(9)	(875)
Net Increase/(Decrease)	7	669	(2)	(151)	(7)	(696)
Class C US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class C US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class C US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Permal Global Absolute Fund [^] (in 000's)		Legg Mason GC Global Equity Fund (in 000's)		Legg Mason Batterymarch European Equity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount €
Class E US\$ Accumulating						
Sold	–	1	–	–	–	–
Net Increase/(Decrease)	–	1	–	–	–	–
Class E US\$ Distributing (A)						
Sold	–	1	–	–	–	–
Net Increase/(Decrease)	–	1	–	–	–	–
Class E US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class F Euro Accumulating						
Sold	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class F US\$ Accumulating						
Sold	–	1	–	–	–	–
Net Increase/(Decrease)	–	1	–	–	–	–
Class F US\$ Distributing (A)						
Sold	–	1	–	–	–	–
Net Increase/(Decrease)	–	1	–	–	–	–
Class F US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class US\$ Accumulating						
Sold	5	474	–	–	–	–
Redeemed	(1)	(83)	–	–	–	–
Net Increase/(Decrease)	4	391	–	–	–	–
Premier Class US\$ Distributing (A)						
Sold	1	66	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	1	66	–	–	–	–
Premier Class US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class Euro Accumulating (Hedged)						
Sold	9	1,285	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	9	1,285	–	–	–	–
Premier Class Euro Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Permal Global Absolute Fund [^] (in 000's)		Legg Mason GC Global Equity Fund (in 000's)		Legg Mason Batterymarch European Equity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount €
Premier Class Euro Distributing (A) (Hedged)						
Sold	–	30	–	–	–	–
Net Increase/(Decrease)	–	30	–	–	–	–
Premier Class Euro Distributing (A)						
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class Euro Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class GBP Accumulating (Hedged)						
Sold	23	3,795	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	23	3,795	–	–	–	–
Premier Class GBP Distributing (A) (Hedged)						
Sold	88	15,057	–	–	–	–
Redeemed	–	(10)	–	–	–	–
Net Increase/(Decrease)	88	15,047	–	–	–	–
Premier Class GBP Distributing (A)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class GBP Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
LM Class US\$ Accumulating						
Sold	100	9,990	–	–	–	–
Redeemed	(3)	(249)	–	–	–	–
Net Increase/(Decrease)	97	9,741	–	–	–	–
LM Class US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
LM Class US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
LM Class US\$ Distributing						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
LM Class JPY Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A (G) US\$ Accumulating						
Sold	–	–	–	–	16	631
Redeemed	–	–	–	–	(35)	(1,415)
Net Increase/(Decrease)	–	–	–	–	(19)	(784)

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Permal Global Absolute Fund [^] (in 000's)		Legg Mason GC Global Equity Fund (in 000's)		Legg Mason Batterymarch European Equity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount €
Class A (G) US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B (G) US\$ Accumulating						
Sold	-	-	-	-	-	8
Redeemed	-	-	-	-	(35)	(1,344)
Net Increase/(Decrease)	-	-	-	-	(35)	(1,336)
Class B (G) US\$ Distributing (A)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class L (G) US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	(6)	(237)
Net Increase/(Decrease)	-	-	-	-	(6)	(237)
Class L (G) US\$ Distributing (A)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class L (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Galleon Class						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class Euro Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)		Legg Mason Batterymarch 130/30 Global Equity Fund ^ (in 000's)		Legg Mason Batterymarch International Large Cap Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating						
Sold	151	13,366	–	–	4	243
Redeemed	(355)	(26,438)	(1)	(72)	(4)	(219)
Net Increase/(Decrease)	(204)	(13,072)	(1)	(72)	–	24
Class A US\$ Distributing (A)						
Sold	82	13,397	–	–	1	28
Reinvestment of distributions	12	1,304	–	–	–	9
Redeemed	(652)	(93,536)	(90)	(6,458)	(3)	(162)
Net Increase/(Decrease)	(558)	(78,835)	(90)	(6,458)	(2)	(125)
Class A US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating						
Sold	14	1,282	–	–	–	–
Redeemed	(4)	(344)	(1)	(71)	–	–
Net Increase/(Decrease)	10	938	(1)	(71)	–	–
Class A Euro Distributing (A) (Hedged)						
Sold	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	(1)	(71)	–	–
Net Increase/(Decrease)	–	–	(1)	(71)	–	–
Class A Euro Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)		Legg Mason Batterymarch 130/30 Global Equity Fund ^ (in 000's)		Legg Mason Batterymarch International Large Cap Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A Euro Distributing (M)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Distributing						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A) (H)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A) (Hedged)						
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Distributing (Q) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Accumulating						
Sold	3	192	-	-	1	54
Redeemed	-	(17)	(1)	(71)	(1)	(39)
Net Increase/(Decrease)	3	175	(1)	(71)	-	15
Class B US\$ Distributing (A)						
Sold	6	923	-	-	2	105
Reinvestment of distributions	-	24	-	-	-	12
Redeemed	(8)	(1,217)	(1)	(71)	(3)	(175)
Net Increase/(Decrease)	(2)	(270)	(1)	(71)	(1)	(58)

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)		Legg Mason Batterymarch 130/30 Global Equity Fund ^ (in 000's)		Legg Mason Batterymarch International Large Cap Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class B US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Accumulating						
Sold	6	392	–	–	1	77
Redeemed	–	–	(1)	(71)	–	–
Net Increase/(Decrease)	6	392	(1)	(71)	1	77
Class C US\$ Distributing (A)						
Sold	9	1,523	–	–	2	84
Reinvestment of distributions	1	84	–	–	–	13
Redeemed	(26)	(4,094)	(1)	(71)	–	(2)
Net Increase/(Decrease)	(16)	(2,487)	(1)	(71)	2	95
Class C US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class C US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A JPY Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A JPY Distributing (A)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

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Legg Mason Batterymarch Emerging Markets Equity Fund (in 000's)		Legg Mason Congruix Asia Pacific Fund ^ (in 000's)		Legg Mason Congruix Japan Equity Fund (in 000's)		Legg Mason LMHK China Fund ^ (in 000's)	
Shares	Amount \$	Shares	Amount \$	Shares	Amount ¥	Shares	Amount \$
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8	656	-	-	-	8	-	-
(1)	(96)	-	-	-	(8)	-	-
7	560	-	-	-	-	-	-
4	305	-	-	-	8	-	-
-	-	-	-	-	-	-	-
-	(1)	-	-	-	(8)	-	-
4	304	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	8	-	-
-	-	-	-	-	(8)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	8	-	-
-	-	-	-	-	(8)	-	-
-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)		Legg Mason Batterymarch 130/30 Global Equity Fund ^ (in 000's)		Legg Mason Batterymarch International Large Cap Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class E US\$ Accumulating						
Sold	–	1	–	–	–	–
Net Increase/(Decrease)	–	1	–	–	–	–
Class E US\$ Distributing (A)						
Sold	–	1	–	–	–	–
Net Increase/(Decrease)	–	1	–	–	–	–
Class E US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class F Euro Accumulating						
Sold	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class F US\$ Accumulating						
Sold	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class F US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class F US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class US\$ Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	(1)	(73)	–	–
Net Increase/(Decrease)	–	–	(1)	(73)	–	–
Premier Class US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	(1)	(73)	–	–
Net Increase/(Decrease)	–	–	(1)	(73)	–	–
Premier Class US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class Euro Accumulating (Hedged)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Premier Class Euro Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	(1)	(73)	–	–
Net Increase/(Decrease)	–	–	(1)	(73)	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)		Legg Mason Batterymarch 130/30 Global Equity Fund ^ (in 000's)		Legg Mason Batterymarch International Large Cap Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Premier Class Euro Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (A)						
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class JPY Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Accumulating						
Sold	-	-	-	-	8	461
Redeemed	-	-	-	-	(14)	(776)
Net Increase/(Decrease)	-	-	-	-	(6)	(315)

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2010:	Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)		Legg Mason Batterymarch 130/30 Global Equity Fund ^ (in 000's)		Legg Mason Batterymarch International Large Cap Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A (G) US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B (G) US\$ Accumulating						
Sold	-	-	-	-	1	32
Redeemed	-	-	-	-	(52)	(3,012)
Net Increase/(Decrease)	-	-	-	-	(51)	(2,980)
Class B (G) US\$ Distributing (A)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class L (G) US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	(14)	(844)
Net Increase/(Decrease)	-	-	-	-	(14)	(844)
Class L (G) US\$ Distributing (A)						
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class L (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Galleon Class						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class Euro Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (A) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset US Money Market Fund (in 000's)		Legg Mason Western Asset US Core Bond Fund (in 000's)		Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating						
Sold	804	83,995	1	83	–	24
Redeemed	(762)	(79,935)	(13)	(1,287)	–	(9)
Net Increase/(Decrease)	42	4,060	(12)	(1,204)	–	15
Class A US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (D)						
Sold	23,382,406	23,382,584	61	5,313	9	708
Reinvestment of distributions	81,250	81,250	6	472	–	17
Redeemed	(24,734,308)	(24,734,308)	(324)	(28,452)	(1)	(110)
Net Increase/(Decrease)	(1,270,652)	(1,270,474)	(257)	(22,667)	8	615
Class A US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Euro Core Plus Bond Fund (in 000's)		Legg Mason Western Asset Diversified Strategic Income Fund (in 000's)		Legg Mason Western Asset Global Multi Strategy Fund (in 000's)		Legg Mason Western Asset US High Yield Fund (in 000's)	
Shares	Amount €	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
-	-	21	2,022	236	22,727	10	718
-	-	(22)	(1,875)	(141)	(13,237)	-	(1)
-	-	(1)	147	95	9,490	10	717
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1	126	16	1,243	432	47,093	74	5,481
1	80	7	597	38	4,119	9	621
(23)	(2,010)	(65)	(5,628)	(579)	(63,161)	(111)	(7,690)
(21)	(1,804)	(42)	(3,788)	(109)	(11,949)	(28)	(1,588)
-	-	3	250	39	3,576	-	-
-	-	-	-	-	1	-	-
-	-	(4)	(371)	(19)	(1,646)	-	-
-	-	(1)	(121)	20	1,931	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	6	915	93	12,363	-	-
-	-	(4)	(483)	(24)	(3,026)	-	-
-	-	2	432	69	9,337	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9	752	-	-	-	-	-	-
1	79	-	-	-	-	-	-
(8)	(646)	-	-	-	-	-	-
2	185	-	-	-	-	-	-
-	-	-	2	38	4,125	-	-
-	-	-	-	-	2	-	-
-	-	-	-	-	(4)	-	-
-	-	-	2	38	4,123	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset US Money Market Fund (in 000's)		Legg Mason Western Asset US Core Bond Fund (in 000's)		Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Accumulating						
Sold	9	970	2	214	3	256
Redeemed	(5)	(483)	-	(9)	(3)	(232)
Net Increase/(Decrease)	4	487	2	205	-	24
Class B US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Distributing (D)						
Sold	5,293	5,312	1	54	-	-
Reinvestment of distributions	26	26	2	157	-	8
Redeemed	(7,172)	(7,173)	(64)	(5,322)	(1)	(94)
Net Increase/(Decrease)	(1,853)	(1,835)	(61)	(5,111)	(1)	(86)
Class B US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class C US\$ Accumulating						
Sold	3	288	-	-	-	746
Redeemed	(1)	(59)	-	-	-	(11)
Net Increase/(Decrease)	2	229	-	-	8	735
Class C US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class C US\$ Distributing (D)						
Sold	3,159	3,170	2	195	4	441
Reinvestment of distributions	39	38	2	152	2	217
Redeemed	(2,256)	(2,256)	(29)	(2,628)	(53)	(4,933)
Net Increase/(Decrease)	942	952	(25)	(2,281)	(47)	(4,275)

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset US Money Market Fund (in 000's)		Legg Mason Western Asset US Core Bond Fund (in 000's)		Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class C US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset US Money Market Fund (in 000's)		Legg Mason Western Asset US Core Bond Fund (in 000's)		Legg Mason Western Asset US Core Plus Bond Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
LM Class US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A (G) US\$ Accumulating						
Sold	2	246	–	–	–	10
Redeemed	(17)	(1,856)	–	–	(4)	(383)
Net Increase/(Decrease)	(15)	(1,610)	–	–	(4)	(373)
Class A (G) US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)						
Sold	1,082	1,097	–	–	7	636
Reinvestment of distributions	74	74	–	–	–	56
Redeemed	(1,109)	(1,109)	–	–	(7)	(672)
Net Increase/(Decrease)	47	62	–	–	–	20
Class B (G) US\$ Accumulating						
Sold	27	2,849	–	–	2	142
Redeemed	(51)	(5,412)	–	–	(43)	(4,138)
Net Increase/(Decrease)	(24)	(2,563)	–	–	(41)	(3,996)
Class B (G) US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)						
Sold	5,513	5,525	–	–	2	146
Reinvestment of distributions	123	123	–	–	2	181
Redeemed	(10,805)	(10,804)	–	–	(41)	(3,745)
Net Increase/(Decrease)	(5,169)	(5,156)	–	–	(37)	(3,418)
Class L (G) US\$ Accumulating						
Sold	4	402	–	–	–	1
Redeemed	–	(33)	–	–	(18)	(1,649)
Net Increase/(Decrease)	4	369	–	–	(18)	(1,648)
Class L (G) US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)						
Sold	504	511	–	–	–	3
Reinvestment of distributions	61	62	–	–	2	128
Redeemed	(1,211)	(1,211)	–	–	(11)	(1,015)
Net Increase/(Decrease)	(646)	(638)	–	–	(9)	(884)
Galleon Class						
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
LM Class JPY Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)		Legg Mason Western Asset Global High Yield Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating				
Sold	114	9,393	227	18,910
Redeemed	(148)	(12,590)	(864)	(77,324)
Net Increase/(Decrease)	(34)	(3,197)	(637)	(58,414)
Class A US\$ Distributing (A)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A US\$ Distributing (D)				
Sold	25	2,653	11	940
Reinvestment of distributions	3	267	–	30
Redeemed	(32)	(2,792)	(4)	(245)
Net Increase/(Decrease)	(4)	128	7	725
Class A US\$ Distributing (M)				
Sold	2	216	3	307
Reinvestment of distributions	–	–	–	–
Redeemed	(2)	(197)	(1)	(135)
Net Increase/(Decrease)	–	19	2	172
Class A US\$ Distributing (S)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Accumulating (Hedged)				
Sold	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Accumulating				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Distributing (A)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Distributing (D)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Distributing (M) (Hedged)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Distributing (M)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Net Increase/(Decrease)	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)		Legg Mason Western Asset Global High Yield Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$
Class A GBP Distributing (A)				
Sold	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A GBP Distributing (M) (Hedged)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A GBP Distributing (S) (Hedged)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A SGD Accumulating (Hedged)				
Sold	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A SGD Accumulating				
Sold	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class B US\$ Accumulating				
Sold	1	37	–	–
Redeemed	(5)	(471)	–	–
Net Increase/(Decrease)	(4)	(434)	–	–
Class B US\$ Distributing (A)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class B US\$ Distributing (D)				
Sold	1	107	3	180
Reinvestment of distributions	–	31	–	5
Redeemed	(17)	(1,732)	(1)	(35)
Net Increase/(Decrease)	(16)	(1,594)	2	150
Class B US\$ Distributing (S)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class C US\$ Accumulating				
Sold	1	70	2	145
Redeemed	(1)	(56)	–	–
Net Increase/(Decrease)	–	14	2	145
Class C US\$ Distributing (A)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class C US\$ Distributing (D)				
Sold	5	422	9	807
Reinvestment of distributions	3	293	1	61
Redeemed	(19)	(1,826)	(6)	(478)
Net Increase/(Decrease)	(11)	(1,111)	4	390

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)		Legg Mason Western Asset Global High Yield Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$
Class C US\$ Distributing (S)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A JPY Accumulating				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A JPY Distributing (A)				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class US\$ Accumulating				
Sold	152	15,242	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	152	15,242	-	-
Premier Class US\$ Distributing (A)				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class US\$ Distributing (D)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class US\$ Distributing (M)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class Euro Accumulating				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
LM Class US\$ Accumulating				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
LM Class US\$ Distributing (A)				
Sold	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset Emerging Markets Bond Fund (in 000's)		Legg Mason Western Asset Global High Yield Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$
LM Class US\$ Distributing (M)				
Sold	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A (G) US\$ Accumulating				
Sold	1	86	1	65
Redeemed	(290)	(23,645)	(103)	(9,241)
Net Increase/(Decrease)	(289)	(23,559)	(102)	(9,176)
Class A (G) US\$ Distributing (A)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A (G) US\$ Distributing (D)				
Sold	2	188	13	1,038
Reinvestment of distributions	1	64	2	134
Redeemed	(38)	(3,305)	(61)	(4,817)
Net Increase/(Decrease)	(35)	(3,053)	(46)	(3,645)
Class B (G) US\$ Accumulating				
Sold	1	121	1	94
Redeemed	(46)	(4,270)	(83)	(7,140)
Net Increase/(Decrease)	(45)	(4,149)	(82)	(7,046)
Class B (G) US\$ Distributing (A)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class B (G) US\$ Distributing (D)				
Sold	1	58	1	112
Reinvestment of distributions	3	296	8	566
Redeemed	(44)	(4,009)	(92)	(7,175)
Net Increase/(Decrease)	(40)	(3,655)	(83)	(6,497)
Class L (G) US\$ Accumulating				
Sold	–	–	–	–
Redeemed	(3)	(290)	(5)	(481)
Net Increase/(Decrease)	(3)	(290)	(5)	(481)
Class L (G) US\$ Distributing (A)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class L (G) US\$ Distributing (D)				
Sold	–	2	–	11
Reinvestment of distributions	4	310	5	345
Redeemed	(28)	(2,370)	(20)	(1,542)
Net Increase/(Decrease)	(24)	(2,058)	(15)	(1,186)
Galleon Class				
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
LM Class JPY Accumulating				
Sold	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset US Short-Term Government Fund (in 000's)		Legg Mason Western Asset US Adjustable Rate Fund (in 000's)		Legg Mason Western Asset Inflation Management Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating						
Sold	17	1,817	13	1,164	4	393
Redeemed	(4)	(453)	(34)	(3,000)	(2)	(159)
Net Increase/(Decrease)	13	1,364	(21)	(1,836)	2	234
Class A US\$ Distributing (A)						
Sold	–	–	–	–	13	1,338
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	(9)	(829)
Net Increase/(Decrease)	–	–	–	–	4	509
Class A US\$ Distributing (D)						
Sold	27	2,667	–	–	–	–
Reinvestment of distributions	–	6	–	–	–	–
Redeemed	(4)	(429)	–	(1)	–	–
Net Increase/(Decrease)	23	2,244	–	(1)	–	–
Class A US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Legg Mason Western Asset Asian Opportunities Fund (in 000's)		Legg Mason Brandywine Global Fixed Income Fund (in 000's)		Legg Mason Capital Management Value Fund (in 000's)		Legg Mason Capital Management Growth Fund (in 000's)	
Shares	Amount \$	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
-	1	49	4,957	307	15,277	20	1,383
-	-	(39)	(3,542)	(86)	(5,048)	(10)	(640)
-	1	10	1,415	221	10,229	10	743
-	-	-	-	1,634	199,209	35	3,450
-	-	-	-	-	-	-	-
-	-	-	-	(4,168)	(474,331)	(554)	(49,943)
-	-	-	-	(2,534)	(275,122)	(519)	(46,493)
-	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	724	82,008	-	-	-	-
-	-	125	14,084	-	-	-	-
-	-	(2,587)	(280,974)	-	-	-	-
-	-	(1,738)	(184,882)	-	-	-	-
-	-	144	21,874	-	-	-	-
-	-	(119)	(16,441)	-	-	-	-
-	-	25	5,433	-	-	-	-
-	2	-	-	8	675	3	232
-	-	-	-	-	-	-	-
-	-	-	-	(34)	(3,105)	(3)	(137)
-	2	-	-	(26)	(2,430)	-	95
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset US Short-Term Government Fund (in 000's)		Legg Mason Western Asset US Adjustable Rate Fund (in 000's)		Legg Mason Western Asset Inflation Management Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Accumulating						
Sold	6	606	-	-	1	106
Redeemed	(4)	(388)	(1)	(98)	-	(35)
Net Increase/(Decrease)	2	218	(1)	(98)	1	71
Class B US\$ Distributing (A)						
Sold	-	-	-	-	3	281
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	(2)	(218)
Net Increase/(Decrease)	-	-	-	-	1	63
Class B US\$ Distributing (D)						
Sold	51	5,061	-	-	-	-
Reinvestment of distributions	1	69	-	-	-	-
Redeemed	(4)	(335)	-	-	-	-
Net Increase/(Decrease)	48	4,795	-	-	-	-
Class B US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class C US\$ Accumulating						
Sold	73	7,406	-	-	-	27
Redeemed	(8)	(773)	-	-	-	-
Net Increase/(Decrease)	65	6,633	-	-	-	27
Class C US\$ Distributing (A)						
Sold	-	-	-	-	2	141
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	(1)	(56)
Net Increase/(Decrease)	-	-	-	-	1	85
Class C US\$ Distributing (D)						
Sold	10	970	5	400	-	-
Reinvestment of distributions	-	8	-	2	-	-
Redeemed	(1)	(113)	(3)	(247)	-	-
Net Increase/(Decrease)	9	865	2	155	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset US Short-Term Government Fund (in 000's)		Legg Mason Western Asset US Adjustable Rate Fund (in 000's)		Legg Mason Western Asset Inflation Management Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class C US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Western Asset US Short-Term Government Fund (in 000's)		Legg Mason Western Asset US Adjustable Rate Fund (in 000's)		Legg Mason Western Asset Inflation Management Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
LM Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Accumulating						
Sold	1	68	1	61	-	12
Redeemed	(2)	(207)	(100)	(9,198)	(12)	(1,265)
Net Increase/(Decrease)	(1)	(139)	(99)	(9,137)	(12)	(1,253)
Class A (G) US\$ Distributing (A)						
Sold	-	-	-	-	-	23
Reinvestment of distributions	-	-	-	-	-	15
Redeemed	-	-	-	-	(2)	(173)
Net Increase/(Decrease)	-	-	-	-	(2)	(135)
Class A (G) US\$ Distributing (D)						
Sold	4	427	2	161	-	-
Reinvestment of distributions	1	109	1	75	-	-
Redeemed	(9)	(925)	(56)	(4,306)	-	-
Net Increase/(Decrease)	(4)	(389)	(53)	(4,070)	-	-
Class B (G) US\$ Accumulating						
Sold	2	267	-	2	3	312
Redeemed	(33)	(3,482)	(88)	(7,849)	(7)	(788)
Net Increase/(Decrease)	(31)	(3,215)	(88)	(7,847)	(4)	(476)
Class B (G) US\$ Distributing (A)						
Sold	-	-	-	-	-	5
Reinvestment of distributions	-	-	-	-	-	70
Redeemed	-	-	-	-	(9)	(865)
Net Increase/(Decrease)	-	-	-	-	(9)	(790)
Class B (G) US\$ Distributing (D)						
Sold	2	170	-	3	-	-
Reinvestment of distributions	7	661	2	202	-	-
Redeemed	(124)	(12,288)	(111)	(9,628)	-	-
Net Increase/(Decrease)	(115)	(11,457)	(109)	(9,423)	-	-
Class L (G) US\$ Accumulating						
Sold	1	96	-	15	-	2
Redeemed	(12)	(1,275)	(10)	(859)	(4)	(309)
Net Increase/(Decrease)	(11)	(1,179)	(10)	(844)	(4)	(307)
Class L (G) US\$ Distributing (A)						
Sold	-	-	-	-	-	5
Reinvestment of distributions	-	-	-	-	1	95
Redeemed	-	-	-	-	(13)	(1,246)
Net Increase/(Decrease)	-	-	-	-	(12)	(1,146)
Class L (G) US\$ Distributing (D)						
Sold	-	21	-	2	-	-
Reinvestment of distributions	1	116	2	182	-	-
Redeemed	(24)	(2,435)	(84)	(7,247)	-	-
Net Increase/(Decrease)	(23)	(2,298)	(82)	(7,063)	-	-
Galleon Class						
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class JPY Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Capital Management Opportunity Fund ^ (in 000's)		Legg Mason ClearBridge US Appreciation Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating				
Sold	–	–	91	7,061
Redeemed	–	–	(14)	(1,092)
Net Increase/(Decrease)	–	–	77	5,969
Class A US\$ Distributing (A)				
Sold	–	1	41	2,928
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	(5)
Net Increase/(Decrease)	–	1	41	2,923
Class A US\$ Distributing (D)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A US\$ Distributing (M)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A US\$ Distributing (S)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Accumulating (Hedged)				
Sold	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Accumulating				
Sold	–	–	13	1,972
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	(6)	(838)
Net Increase/(Decrease)	–	–	7	1,134
Class A Euro Distributing (A)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Distributing (D)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Distributing (M) (Hedged)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Distributing (M)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Net Increase/(Decrease)	–	–	–	–

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Capital Management Opportunity Fund ^ (in 000's)		Legg Mason ClearBridge US Appreciation Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$
Class A GBP Distributing (A)				
Sold	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A GBP Distributing (M) (Hedged)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A GBP Distributing (S) (Hedged)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A SGD Accumulating (Hedged)				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A SGD Accumulating				
Sold	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class B US\$ Accumulating				
Sold	-	-	7	629
Redeemed	-	-	(1)	(90)
Net Increase/(Decrease)	-	-	6	539
Class B US\$ Distributing (A)				
Sold	-	-	5	449
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	(2)	(177)
Net Increase/(Decrease)	-	-	3	272
Class B US\$ Distributing (D)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class B US\$ Distributing (S)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class C US\$ Accumulating				
Sold	-	-	16	1,307
Redeemed	-	-	-	(10)
Net Increase/(Decrease)	-	-	16	1,297
Class C US\$ Distributing (A)				
Sold	-	-	5	465
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	(6)	(407)
Net Increase/(Decrease)	-	-	(1)	58
Class C US\$ Distributing (D)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Capital Management Opportunity Fund ^ (in 000's)		Legg Mason ClearBridge US Appreciation Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$
Class C US\$ Distributing (S)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A JPY Accumulating				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A JPY Distributing (A)				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class US\$ Accumulating				
Sold	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class US\$ Distributing (A)				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class US\$ Distributing (D)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class US\$ Distributing (M)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class Euro Accumulating				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
LM Class US\$ Accumulating				
Sold	2	249	-	-
Net Increase/(Decrease)	2	249	-	-
LM Class US\$ Distributing (A)				
Sold	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Capital Management Opportunity Fund ^ (in 000's)		Legg Mason ClearBridge US Appreciation Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$
LM Class US\$ Distributing (M)				
Sold	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A (G) US\$ Accumulating				
Sold	-	-	11	975
Redeemed	-	-	(47)	(4,607)
Net Increase/(Decrease)	-	-	(36)	(3,632)
Class A (G) US\$ Distributing (A)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A (G) US\$ Distributing (D)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class B (G) US\$ Accumulating				
Sold	-	-	6	546
Redeemed	-	-	(41)	(3,667)
Net Increase/(Decrease)	-	-	(35)	(3,121)
Class B (G) US\$ Distributing (A)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class B (G) US\$ Distributing (D)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class L (G) US\$ Accumulating				
Sold	-	-	-	107
Redeemed	-	-	(10)	(987)
Net Increase/(Decrease)	-	-	(10)	(880)
Class L (G) US\$ Distributing (A)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class L (G) US\$ Distributing (D)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Galleon Class				
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
LM Class JPY Accumulating				
Sold	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-

^ Not authorised in Hong Kong and not available to Hong Kong residents.
The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason ClearBridge US Fundamental Value Fund (in 000's)		Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)		Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating						
Sold	57	4,116	29	2,061	64	4,511
Redeemed	(74)	(6,012)	(31)	(2,425)	(64)	(3,986)
Net Increase/(Decrease)	(17)	(1,896)	(2)	(364)	–	525
Class A US\$ Distributing (A)						
Sold	4	343	2	72	41	3,539
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	(5)	(303)	(4)	(326)	(171)	(12,191)
Net Increase/(Decrease)	(1)	40	(2)	(254)	(130)	(8,652)
Class A US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A US\$ Distributing (S)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating (Hedged)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Accumulating						
Sold	–	–	–	3	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	(1)	–	–
Net Increase/(Decrease)	–	–	–	2	–	–
Class A Euro Distributing (A)						
Sold	–	–	–	2	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	2	–	–
Class A Euro Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M) (Hedged)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A Euro Distributing (M)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason ClearBridge US Fundamental Value Fund (in 000's)		Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)		Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A GBP Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Accumulating						
Sold	2	247	2	129	2	159
Redeemed	-	(23)	-	(19)	-	(11)
Net Increase/(Decrease)	2	224	2	110	2	148
Class B US\$ Distributing (A)						
Sold	4	266	1	83	3	242
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	(1)	(53)	(1)	(69)	(1)	(65)
Net Increase/(Decrease)	3	213	-	14	2	177
Class B US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class C US\$ Accumulating						
Sold	2	204	-	25	8	729
Redeemed	-	(1)	-	(4)	(4)	(262)
Net Increase/(Decrease)	2	203	-	21	4	467
Class C US\$ Distributing (A)						
Sold	-	87	2	202	8	685
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	(1)	(146)	(1)	(48)	(10)	(654)
Net Increase/(Decrease)	(1)	(59)	1	154	(2)	31
Class C US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason ClearBridge US Fundamental Value Fund (in 000's)		Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)		Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class C US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason ClearBridge US Fundamental Value Fund (in 000's)		Legg Mason ClearBridge US Large Cap Growth Fund (in 000's)		Legg Mason ClearBridge US Aggressive Growth Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
LM Class US\$ Distributing (M)						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A (G) US\$ Accumulating						
Sold	98	7,090	35	2,779	55	4,070
Redeemed	(362)	(29,529)	(252)	(20,555)	(383)	(27,751)
Net Increase/(Decrease)	(264)	(22,439)	(217)	(17,776)	(328)	(23,681)
Class A (G) US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class A (G) US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B (G) US\$ Accumulating						
Sold	3	190	1	108	2	156
Redeemed	(322)	(24,425)	(77)	(6,340)	(187)	(14,245)
Net Increase/(Decrease)	(319)	(24,235)	(76)	(6,232)	(185)	(14,089)
Class B (G) US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class B (G) US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class L (G) US\$ Accumulating						
Sold	4	351	–	1	7	586
Redeemed	(69)	(5,175)	(41)	(3,388)	(76)	(5,509)
Net Increase/(Decrease)	(65)	(4,824)	(41)	(3,387)	(69)	(4,923)
Class L (G) US\$ Distributing (A)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Class L (G) US\$ Distributing (D)						
Sold	–	–	–	–	–	–
Reinvestment of distributions	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
Galleon Class						
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–
LM Class JPY Accumulating						
Sold	–	–	–	–	–	–
Redeemed	–	–	–	–	–	–
Net Increase/(Decrease)	–	–	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Batterymarch European Equity Fund (in 000's)		Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)	
	Shares	Amount €	Shares	Amount \$
Class A US\$ Accumulating				
Sold	3	115	355	36,697
Redeemed	(11)	(562)	(543)	(38,159)
Net Increase/(Decrease)	(8)	(447)	(188)	(1,462)
Class A US\$ Distributing (A)				
Sold	–	68	715	158,132
Reinvestment of distributions	1	137	–	–
Redeemed	(39)	(4,425)	(636)	(82,062)
Net Increase/(Decrease)	(38)	(4,220)	79	76,070
Class A US\$ Distributing (D)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A US\$ Distributing (M)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A US\$ Distributing (S)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Accumulating (Hedged)				
Sold	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Accumulating				
Sold	–	–	24	2,420
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	(18)	(1,242)
Net Increase/(Decrease)	–	–	6	1,178
Class A Euro Distributing (A)				
Sold	–	43	–	–
Reinvestment of distributions	–	24	–	–
Redeemed	(11)	(1,020)	–	–
Net Increase/(Decrease)	(11)	(953)	–	–
Class A Euro Distributing (D)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Distributing (M) (Hedged)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A Euro Distributing (M)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Net Increase/(Decrease)	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Batterymarch European Equity Fund (in 000's)		Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)	
	Shares	Amount €	Shares	Amount \$
Class A GBP Distributing (A)				
Sold	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A GBP Distributing (M) (Hedged)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A GBP Distributing (S) (Hedged)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A SGD Accumulating (Hedged)				
Sold	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A SGD Accumulating				
Sold	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class B US\$ Accumulating				
Sold	–	8	3	189
Redeemed	(1)	(40)	(3)	(216)
Net Increase/(Decrease)	(1)	(32)	–	(27)
Class B US\$ Distributing (A)				
Sold	1	161	5	1,038
Reinvestment of distributions	–	20	–	–
Redeemed	(24)	(2,926)	(30)	(5,066)
Net Increase/(Decrease)	(23)	(2,745)	(25)	(4,028)
Class B US\$ Distributing (D)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class B US\$ Distributing (S)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class C US\$ Accumulating				
Sold	–	–	2	159
Redeemed	–	–	(1)	(79)
Net Increase/(Decrease)	–	–	1	80
Class C US\$ Distributing (A)				
Sold	1	54	8	1,584
Reinvestment of distributions	–	45	–	–
Redeemed	(26)	(3,059)	(71)	(11,603)
Net Increase/(Decrease)	(25)	(2,960)	(63)	(10,019)
Class C US\$ Distributing (D)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Batterymarch European Equity Fund (in 000's)		Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)	
	Shares	Amount €	Shares	Amount \$
Class C US\$ Distributing (S)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A JPY Accumulating				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Class A JPY Distributing (A)				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class US\$ Accumulating				
Sold	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class US\$ Distributing (A)				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class US\$ Distributing (D)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class US\$ Distributing (M)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class Euro Accumulating				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)				
Sold	-	-	-	-
Reinvestment of distributions	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
LM Class US\$ Accumulating				
Sold	-	-	-	-
Net Increase/(Decrease)	-	-	-	-
LM Class US\$ Distributing (A)				
Sold	-	-	-	-
Redeemed	-	-	-	-
Net Increase/(Decrease)	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Batterymarch European Equity Fund (in 000's)		Legg Mason Batterymarch Asia Pacific Equity Fund (in 000's)	
	Shares	Amount €	Shares	Amount \$
LM Class US\$ Distributing (M)				
Sold	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A (G) US\$ Accumulating				
Sold	75	3,816	–	–
Redeemed	(74)	(3,980)	–	–
Net Increase/(Decrease)	1	(164)	–	–
Class A (G) US\$ Distributing (A)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class A (G) US\$ Distributing (D)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class B (G) US\$ Accumulating				
Sold	–	30	–	–
Redeemed	(150)	(7,779)	–	–
Net Increase/(Decrease)	(150)	(7,749)	–	–
Class B (G) US\$ Distributing (A)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class B (G) US\$ Distributing (D)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class L (G) US\$ Accumulating				
Sold	1	71	–	–
Redeemed	(20)	(1,003)	–	–
Net Increase/(Decrease)	(19)	(932)	–	–
Class L (G) US\$ Distributing (A)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Class L (G) US\$ Distributing (D)				
Sold	–	–	–	–
Reinvestment of distributions	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
Galleon Class				
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–
LM Class JPY Accumulating				
Sold	–	–	–	–
Redeemed	–	–	–	–
Net Increase/(Decrease)	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Batterymarch 130/30 Global Equity Fund (in 000's)		Legg Mason Batterymarch International Large Cap Fund (in 000's)		Legg Mason Batterymarch Emerging Markets Equity Fund (in 000's)	
	Shares	Amount \$	Shares	Amount \$	Shares	Amount \$
Class A US\$ Accumulating						
Sold	1	100	2	123	179	15,790
Redeemed	-	-	(1)	(66)	(90)	(5,775)
Net Increase/(Decrease)	1	100	1	57	89	10,015
Class A US\$ Distributing (A)						
Sold	90	9,000	-	-	-	10
Reinvestment of distributions	-	-	-	1	-	-
Redeemed	-	-	(1)	(108)	-	-
Net Increase/(Decrease)	90	9,000	(1)	(107)	-	10
Class A US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Accumulating						
Sold	1	100	-	-	-	2
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	1	100	-	-	-	2
Class A Euro Distributing (A)						
Sold	1	100	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	1	100	-	-	-	-
Class A Euro Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A Euro Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason BatteryMarch 130/30 Global Equity Fund (in 000's)		Legg Mason BatteryMarch International Large Cap Fund (in 000's)		Legg Mason BatteryMarch Emerging Markets Equity Fund (in 000's)	
Class A GBP Distributing (A)						
Sold	-	-	-	-	313	53,562
Redeemed	-	-	-	-	(13)	(1,585)
Net Increase/(Decrease)	-	-	-	-	300	51,977
Class A GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A GBP Distributing (S) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating (Hedged)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A SGD Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Accumulating						
Sold	1	100	1	47	-	1
Redeemed	-	-	(1)	(54)	-	-
Net Increase/(Decrease)	1	100	-	(7)	-	1
Class B US\$ Distributing (A)						
Sold	1	100	4	345	-	1
Reinvestment of distributions	-	-	-	2	-	-
Redeemed	-	-	(2)	(189)	-	-
Net Increase/(Decrease)	1	100	2	158	-	1
Class B US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class C US\$ Accumulating						
Sold	1	100	1	46	-	1
Redeemed	-	-	-	(5)	-	-
Net Increase/(Decrease)	1	100	1	41	-	1
Class C US\$ Distributing (A)						
Sold	1	100	1	59	1	31
Reinvestment of distributions	-	-	-	2	-	-
Redeemed	-	-	(16)	(1,234)	-	(5)
Net Increase/(Decrease)	1	100	(15)	(1,173)	1	26
Class C US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares –
(continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Batterymarch 130/30 Global Equity Fund (in 000's)		Legg Mason Batterymarch International Large Cap Fund (in 000's)		Legg Mason Batterymarch Emerging Markets Equity Fund (in 000's)	
Class C US\$ Distributing (S)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A JPY Distributing (A)						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Accumulating						
Sold	1	100	-	-	396	32,931
Redeemed	-	-	-	-	(225)	(8,997)
Net Increase/(Decrease)	1	100	-	-	171	23,934
Premier Class US\$ Distributing (A)						
Sold	1	100	-	-	-	-
Net Increase/(Decrease)	1	100	-	-	-	-
Premier Class US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Premier Class Euro Accumulating						
Sold	1	100	-	-	-	2
Net Increase/(Decrease)	1	100	-	-	-	2
Premier Class GBP Distributing (M) (Hedged)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Accumulating						
Sold	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class US\$ Distributing (A)						
Sold	-	-	-	-	26	2,057
Redeemed	-	-	-	-	-	(10)
Net Increase/(Decrease)	-	-	-	-	26	2,047

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – (continued)

FOR THE YEAR ENDED FEBRUARY 28, 2009:	Legg Mason Batterymarch 130/30 Global Equity Fund (in 000's)		Legg Mason Batterymarch International Large Cap Fund (in 000's)		Legg Mason Batterymarch Emerging Markets Equity Fund (in 000's)	
LM Class US\$ Distributing (M)						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Accumulating						
Sold	-	-	8	711	-	-
Redeemed	-	-	(15)	(1,144)	-	-
Net Increase/(Decrease)	-	-	(7)	(433)	-	-
Class A (G) US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B (G) US\$ Accumulating						
Sold	-	-	3	274	-	-
Redeemed	-	-	(120)	(9,448)	-	-
Net Increase/(Decrease)	-	-	(117)	(9,174)	-	-
Class B (G) US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class L (G) US\$ Accumulating						
Sold	-	-	-	2	-	-
Redeemed	-	-	(28)	(1,969)	-	-
Net Increase/(Decrease)	-	-	(28)	(1,967)	-	-
Class L (G) US\$ Distributing (A)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Class L (G) US\$ Distributing (D)						
Sold	-	-	-	-	-	-
Reinvestment of distributions	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
Galleon Class						
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-
LM Class JPY Accumulating						
Sold	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-
Net Increase/(Decrease)	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

Notes to Financial Statements

1. Significant Accounting Policies

The significant accounting policies and estimation techniques adopted by Legg Mason Global Funds Plc, (the "Company") in the preparation of these financial statements are set out below.

(a) Basis of Preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts 1963 to 2005, Part 2 and 3 of the Investment Funds Companies and Miscellaneous Provisions Act 2006 and the Companies Amendment Act 2009 (the "Companies Acts") and all regulations to be construed as one with those acts, including the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 as amended (the "UCITS Regulations"). Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all reporting periods presented, unless otherwise stated. These financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The format and certain wording of the financial statements have been adapted from those contained in the Companies (Amendment) Act 1986 and Financial Reporting Standard 3: Reporting Financial Performance ("FRS 3") so that, in the opinion of the Directors of the Company, they more appropriately reflect the nature of the Company's business as an investment fund.

The Company has availed of the exemption available to open-ended investment funds under Financial Reporting Standard 1: Cash Flow Statements ("FRS 1") not to prepare a cash flow statement.

The Company adopted the amendment to Financial Reporting Standard 29: Financial Instrument Disclosures ("FRS 29"), effective March 1, 2009.

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the Company's or Funds' financial positions or performance. These additional disclosures are included in Note 13 Risk Exposure and Risk Management.

All references to net assets throughout this document refer to net assets attributable to holders of Redeemable Participating Shares unless otherwise stated. All the Company's assets and liabilities are held for the purposes of being traded or are expected to be realised within one year.

Effective November 16, 2009 certain of the Funds under the Legg Mason Global Funds plc umbrella changed names as disclosed in Appendix 1.

(b) Investments at Fair Value

The Company classified all financial instruments, including its investments in debt and equity securities, and related derivatives, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading at fair value through profit or loss. Financial assets or liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term. Derivatives are also categorised as held for trading, as the Company does not designate any derivatives as hedges and therefore the Company does not apply hedge accounting.

Regular-way purchases and sales of investments are recognised on trade date plus one – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred. Investments cease to be recognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Profit and Loss Account. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Profit and Loss Account in the period in which they arise.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the Balance Sheet date. The quoted market price used for long positions including those held as financial derivative instruments by the Company is the current bid price. The quoted market price used for short positions held as financial derivative instruments by the Company is the current ask price. The fair value of collective investment schemes is based on the traded net asset value of the relevant fund at the balance sheet date as provided by the fund's administrator. When the Company holds derivatives with offsetting market risks it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies the bid or asking price to the net open position, as appropriate.

The Company may from time to time invest in financial instruments that are not traded in an active market (for example in over-the-counter derivatives). The fair value is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each Balance Sheet date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants. The values assigned to these instruments are based upon the best available information and because of the uncertainty of the valuation, these values may differ significantly from the values that would have been realised had a ready market for these instruments existed and the differences could be material. Entering into these agreements involves, to varying degrees, elements of credit, legal, market and documentation risk in excess of amounts recognised in the Profit and Loss Account. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparties to the agreements may default on their obligations to perform or disagree as to the meaning of contractual terms in the agreements, or that there may be unfavourable changes in interest rates or the price of the index or security underlying these transactions. The prices used at the year end which have been sourced from a single broker source or based upon valuation techniques are the best estimate of fair value as at the year end date. However, there is a degree of uncertainty in respect of these prices. It may not always be possible to close out the positions at the stated market value with the given counterparty.

(c) Single Broker Pricing

The prices used at the year end which have been sourced from a single broker source are the best estimate of fair value as at the year end date. However, there is a degree of uncertainty in respect of these prices. It may not always be possible to close out the positions at the stated mark with the given counterparty.

(d) Dual Broker Pricing

The prices used at the year end which have been sourced from dual broker sources are the best estimate of fair value as at the year end date. However there is a degree of uncertainty in respect of these prices. It may not always be possible to close out the positions at the stated mark with the given counterparty.

(e) Forward Foreign Currency Exchange Contracts

A forward foreign currency exchange contract ("forward contract") is a commitment to purchase or sell a foreign currency at a future date, at a negotiated rate. Forward contracts are used to seek to manage foreign currency risks and to tactically shift portfolio currency risk. Forward contracts are generally entered into as a hedge upon the purchase or sale of a security denominated in a foreign currency. The Fund will realise a gain or loss upon the closing or settlement of the forward transaction. Unrealised appreciation or depreciation on forward contracts is reported in the Balance Sheet and Profit and Loss Account. Realised gains and losses are reported with all other foreign currency gains and losses in the Profit and Loss Account. Risks relating to forward contracts include the potential inability of the counterparty to meet the terms of the contract and unanticipated movements in the value of a foreign currency relative to the base currency of the Fund. As at February 28, 2010, forward contracts held are disclosed in Note 14 to financial statements. Forward contracts are fair valued by an independent price source by reference to the price at which a new forward contract of the same size and maturity could be undertaken.

Notes to Financial Statements – (continued)

1. Significant Accounting Policies – (continued)

(f) Futures Contracts

Initial margin deposits are made upon entering into futures contracts and are generally made in cash. Futures contracts are fair valued based upon their quoted daily settlement prices. Changes in the value of open futures contracts are recognised as unrealised gains or losses on futures contracts until the contracts are terminated, at which time realised gains and losses are recognised as a realised gain or loss and included in net gain/(loss) on financial assets and financial liabilities at fair value through profit and loss in the profit and loss account. Unrealised gains or losses on futures contracts are shown in the Balance Sheet. Realised gains and losses not yet delivered are shown as amounts due to/from broker in the Balance Sheet. As at February 28, 2010, the futures contracts held are disclosed in the Portfolio of Investments.

(g) Option Contracts

The premium on purchased put options exercised is subtracted from the proceeds of the sale of the underlying security or foreign currency in determining the realised gain or loss. The premium on purchased call options exercised is added to the cost of the securities or foreign currency purchased. Premiums paid from the purchase of options, which expire unexercised, are treated as realised losses. The unrealised gain or loss on open option positions is calculated and recorded as the fair value of the option less the premium paid on that option. Unrealised gains or losses on open option positions are reflected as assets or liabilities in the Balance Sheet.

The premium on written call options exercised is added to the proceeds from the sale of the underlying security or foreign currency in determining the realised gain or loss. The premium on written put options exercised is subtracted from the cost of the securities or foreign currencies purchased. Premiums received from written options, which expire unexercised, are treated as realised gains.

As at February 28, 2010, the option contracts held are disclosed in the Portfolio of Investments.

(h) Credit Default Swap and Interest Rate Swap Instruments

Credit default and interest rate swaps, are recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Each Fixed Income Fund (as defined in Note 13), except the Legg Mason Western Asset US Money Market Fund, may enter into credit default swap agreements, provided that (i) the credit default swap agreement must be subject to daily valuation by the Funds and independently verified at least weekly, and (ii) the risks attached to the credit default swap must be independently assessed on a half-yearly basis and the report must be submitted to the Directors for review. A Fund may be either the buyer or seller in a credit default swap transaction. The "buyer" in credit default contract is obligated to pay the counterparty a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If a Fund is a buyer and no event of default occurs, the Fund will lose its investment and recover nothing. On the other hand, if the Fund is a buyer and an event of default occurs, the Fund (the buyer) will receive the full notional value of the reference obligation that may have little or no value. Conversely, if the Fund is a seller and an event of default occurs, the Fund (the seller) must pay the counterparty the full notional value, or "par value", of the reference obligation in exchange for the reference obligation. As a seller, a Fund receives a fixed rate of income throughout the term of the contract, which typically is between six months and three years, provided that there is no default event. If an event of default occurs, the seller (the Fund) must pay the counterparty the full notional value of the reference obligation.

The Funds purchase and sell credit default swap contracts in order to hedge against the risk of a fall in the capital price, or default, of debt securities they hold. This involves the risk that the swap may expire worthless and the credit risk that the seller may fail to satisfy its payment obligations to the Funds in the event of a default. The Funds may only enter into such transactions with counterparties rated A- or higher.

An interest rate swap or cross currency interest rate swap involves the exchange by a Fund with another party of their respective commitments to pay or receive cash flows e.g., an exchange of floating rate payments for fixed-rate payments in base or foreign currencies. The purchase of a cap entitles the purchaser, to the extent that a specified index exceeds a predetermined value, to receive payments on a notional principal amount from the party selling the cap. The purchase of a floor entitles the purchaser, to the extent that a specified index falls below a predetermined value, to receive payments on a notional principal amount from the party selling the floor. A collar combines elements of buying a cap and selling a floor. Spread locks are contracts that guarantee the ability to enter into an interest rate swap at a predetermined rate above some benchmark rate.

As at February 28, 2010, the credit default swaps and interest rate swaps held are disclosed in the Portfolio of Investments.

(i) Securities Traded on a "To-Be-Announced" Basis

The Funds may trade securities on a "to-be-announced" ("TBA") basis. In a TBA transaction, a Fund commits to purchase or sell securities for which specific information is not yet known at the time of the trade. Securities purchased on a TBA basis are not settled until they are delivered to or from the relevant Fund, normally 15 to 45 days later. These transactions are subject to market fluctuations and their current value is determined in the same manner as for other securities.

(j) Index Linked Obligations

The Funds may invest in indexed securities. Indexed securities are securities whose prices are indexed to the process of securities indices, currencies, or other financial statistics. Indexed securities typically are debt securities or deposits whose value at maturity and/or coupon rate is determined by reference to a specific instrument or statistic. The performance of indexed securities fluctuates (either directly or inversely, depending upon the instrument) with the performance of the index, security or currency. The securities are fair valued daily and the change in fair value is recorded by the Funds as an unrealised gain or loss.

(k) Contracts for Difference

Contracts for difference are agreements between the Company and third parties, which allow the Company to acquire an exposure to the price movement of specific securities without actually purchasing the securities. The changes in contract values are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Unrealised gains and losses on contracts for difference are recognised in the Profit and Loss Account.

(l) Accounting for Investments

Security transactions are accounted for on trade date plus one. Investments are initially recognised at fair value and transaction costs for all "fair-valued-through profit or loss" securities are expensed as incurred. Gains or losses on the sale of securities are calculated by using the First-In-First-Out ("FIFO") basis.

(m) Income from Investments

Interest income and expense are recognised in the Profit and Loss Account for all debt instruments using the effective interest method. The Investment Managers monitor interest income receivable for any delinquent interest receivable amounts. The accounts have been reviewed for delinquent interest receivable and as at February 28, 2010 all amounts were deemed to be recoverable.

Dividends are credited to the Profit and Loss Account on the dates on which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the Profit and Loss Account.

Notes to Financial Statements – (continued)

1. Significant Accounting Policies – (continued)

(n) Lending of Securities

Certain Funds may lend securities to brokers, dealers and other financial organisations to earn additional income. Each security loan is collateralised with collateral assets in an amount equal to or greater than the current market value of the loaned securities. There is a risk of delay in receiving collateral or in recovering the securities loaned or even a loss of rights in collateral should the borrower fail financially.

As at February 28, 2010 Legg Mason Brandywine Global Fixed Income Fund had one security, ConocoPhillips, on loan. Details regarding this security are disclosed in the Portfolio of Investments.

As at February 28, 2009, no Funds were engaged in securities lending.

(o) Expenses

Certain expenses are share class specific expenses and are charged direct to the share class. General fund expenses are allocated on the basis of relative net asset value.

(p) Foreign Exchange Translation

- (a) Functional and presentation currency: Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the U.S. Dollar for all Funds except Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Batterymarch European Equity Fund and Legg Mason Royce European Smaller Companies Fund[^], which is Euro and Legg Mason Congruix Japan Equity Fund for which it is Japanese Yen. The Company has adopted the functional currency of each Fund as the presentation currency for these financial statements. The financial statements of the Company are presented in U.S. Dollars.
- (b) Purchases and sales of securities, and income and expenses are translated at the rate of exchange quoted on the respective date that such transactions are recorded. Assets and liabilities are translated at the foreign exchange rate at the end of the year. Differences between income and expense amounts recorded and collected or paid are recorded as foreign exchange gains/losses in the Profit and Loss Account.

(q) Short-Term Investments

Certificates of deposit, time deposits and other short-term investments maintained with financial institutions are fair valued at their face value with interest accrued, as applicable.

(r) Repurchase Agreements

Securities purchased under agreements to resell are fair valued at their face value and adjusted for any movements in foreign exchange rates. Interest rates vary for each repurchase agreement and are set at the initiation of the agreement. It is the Company's policy to take custody of securities purchased under repurchase agreements and to value the securities on a daily basis to protect the Company in the event the securities are not repurchased by the counterparty. The Company will generally obtain additional collateral if the market value of the underlying securities is less than the face value of the repurchase agreement plus any accrued interest. In the event of default on the obligation to repurchase, the Company has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. In the event of default or bankruptcy by the counterparty to the agreement, realisation and/or retention of the collateral or proceeds may be subject to legal proceedings. Repurchase agreements have been used during the year for the purpose of efficient portfolio management. As at February 28, 2010 repurchase agreements were held by a number of the Funds.

(s) Exchange Traded Funds

The Funds may invest in exchange traded funds (ETFs). ETFs are securities that track an index, a commodity or a basket of assets like an index fund, but trade like a stock on an exchange. These securities are subject to market fluctuations and their current value is determined in the same manner as for other securities.

(t) Shares in collective investment schemes

The fair value of investments in open-ended investment funds, including collective investment schemes is based upon the unaudited net asset value per share as supplied by the respective funds' administrator.

(u) Shares in closed-end Funds

A closed-end fund is a collective investment scheme with a limited number of shares. The fair value of investments in closed-end Funds is based on the unaudited net asset value per share as supplied by the respective funds' administrator.

(v) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. There are no offsetting financial instruments as at February 28, 2010 or February 28, 2009.

(w) Equalisation

An equalisation account may be maintained so that the amount distributed is the same for all shares of the same type notwithstanding different dates of issue.

Equalisation Income

A sum equal to that part of the issued price of a share which reflects income (if any) accrued but undistributed up to the date of issue will be deemed to be an equalisation payment and treated as repaid by shareholders to the first dividend to which the shareholder was entitled in the same accounting period as that in which the shares are issued.

Equalisation Expense

A sum equal to that part of the issued price of a share which reflects expense (if any) accrued but undistributed up to the date of issue will be deemed to be an equalisation receipt and treated as repaid to shareholders in the first dividend to which the shareholder was entitled in the same accounting period as that in which the shares are issued.

(x) Critical Accounting Estimates and Assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below.

Fair Value of Derivative Financial Instruments

The Company may, from time to time, hold financial instruments that are not quoted in active markets, such as over-the-counter derivatives. Fair values of such instruments are determined by using valuation techniques as discussed in Note 1(b). Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed and compared to the price provided by an independent pricing service provider, where available.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty); volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

1. Significant Accounting Policies – (continued)

(x) Critical Accounting Estimates and Assumptions – (continued)

The values assigned to these instruments are based upon the best available information and because of the uncertainty of the valuation, these values may differ significantly from the values that would have been realised had a ready market for these instruments existed and the differences could be material. Entering into these agreements involves, to varying degrees, elements of credit, legal, market and documentation risk in excess of the amounts recognised in the Profit and Loss Account. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparties to the agreements may default on their obligations to perform or disagree as to the meaning of contractual terms in the agreements, or that there may be unfavourable changes in interest rates or the price of the index or security underlying these transactions.

2. Investment Objectives and Policies

All active Funds except Western Asset Global Blue Chip Bond Fund, Legg Mason Capital Management Opportunity Fund, Legg Mason European Smaller Companies Fund, Legg Mason Royce Global Smaller Companies Fund, Legg Mason Permal Global Absolute Fund, Legg Mason Batterymarch 130/30 Global Equity Fund, Legg Mason Congriux Asia Pacific Fund and Legg Mason LMHK China Fund have been authorised by the Securities and Futures Commission in Hong Kong. Western Asset Global Blue Chip Bond Fund, Legg Mason Capital Management Opportunity Fund, Legg Mason European Smaller Companies Fund, Legg Mason Royce Global Smaller Companies Fund, Legg Mason Permal Global Absolute Fund, Legg Mason Batterymarch 130/30 Global Equity Fund, Legg Mason Congriux Asia Pacific Fund and Legg Mason LMHK China Fund are not authorised by the Securities and Futures Commission in Hong Kong and hence are not available for investment to Hong Kong Residents. The authorisation by the Securities and Futures Commission of Hong Kong does not imply recommendation for investments into the Funds.

The principal investment objective and policies of each Fund which traded during the year end February 28, 2010 are listed below. There can be no assurance that any Fund will achieve its objective and there is no guarantee that an investment strategy will succeed or attain any particular results or level of profitability (defined terms are as defined in the prospectus for the relevant Fund (the "Prospectus")). A more detailed description of the investment policies of each Fund is set out in the relevant Prospectus.

Legg Mason Western Asset US Market Fund

Investment Objective – To provide a reasonable level of current income, consistent with the preservation of capital.

Investment Policies – The Fund invests at all times at least two-thirds of its total asset value in high quality, short-term money market instruments denominated in U.S. Dollars as issued by U.S. Issuers. A minimum of 95 per cent of the Fund's total asset value will be rated at least A1/P1 by a Nationally Recognised Statistical Rating Organisation (NRSRO) or, if unrated, deemed by the Sub-Investment Manager to be of comparable quality.

Legg Mason Western Asset US Core Bond Fund

Investment Objective – To maximise total return through income and capital appreciation.

Investment Policies – The Fund invests at all times at least two-thirds of its total asset value in debt securities that are (i) listed or traded on Regulated Markets located in Developed Countries and Emerging Markets Countries; (ii) denominated in U.S. Dollars and (iii) rated at the time of purchase at least BBB by S&P or Baa by Moody's or, if not rated, deemed by the Fund's Sub-Investment Manager to be of comparable quality. The Fund may invest in debt securities issued or guaranteed by the U.S. government, its agencies or instrumentalities and political subdivisions, corporate debt securities; mortgage-backed and asset-backed securities; preferred shares and other open ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. At least two-thirds of the Fund's total asset value will be invested at all times in investments of issuers or companies that have their registered office in the United States or that conduct a significant portion of their business activities in the United States.

Legg Mason Western Asset US Core Plus Bond Fund

Investment Objective – To maximise total return, consisting of capital appreciation and income.

Investment Policies – The Fund invests at all times at least 70 per cent of its total asset value in debt securities listed or traded on Regulated Markets in the United States listed in Schedule III of the prospectus that are rated Investment Grade or if unrated deemed by the Sub-Investment Manager to be of comparable credit quality and which are issued by U.S. Issuers. The securities in which the Fund may invest include debt securities issued or guaranteed by the U.S. government, its agencies, instrumentalities and political sub-divisions; debt securities issued by other national governments, their agencies, instrumentalities and political sub-divisions; debt securities of supranational organisations such as freely transferable promissory notes, bonds and debentures; corporate debt securities, including freely transferable promissory notes, debentures, bonds; non-convertible notes; commercial paper, certificates of deposits, and bankers acceptances issued by industrial, utility, finance, commercial banking or bank holding company organisations; and mortgage-backed and asset-backed securities structured as debt securities. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. Subject to the limits set out in the investment policies the Fund may also invest in aggregate up to 30 per cent of its total asset value in non-publicly traded securities, Rule 144A securities, zero coupon securities, money market instruments and debt securities of non-U.S. issuers. The allocation and reallocation of the Fund's assets will be undertaken by the Sub-Investment Manager on the basis of its analysis of economics and market conditions and the relative risks and opportunities of particular types of fixed income securities. The average portfolio duration will vary based on the Sub-Investment Manager's forecast for interest rates.

Legg Mason Western Asset Euro Core Plus Bond Fund

Investment Objective – To maximise total return, through capital appreciation and income.

Investment Policies – The Fund invests at all times at least 70 per cent of its total asset value in debt securities denominated in Euro that are listed or traded on Regulated Markets located in Developed Countries and Emerging Market Countries as set out in Schedule III of the prospectus. The Fund may invest in debt securities issued or guaranteed by national governments of developed and Emerging Market Countries, their agencies, instrumentalities, and political sub-divisions; debt securities of supranational organisations such as freely transferable promissory notes, bonds and debentures; corporate debt securities of issuers located in or whose securities are listed or traded on Regulated Markets in Developed Countries and Emerging Market Countries; mortgage-backed and asset-backed securities; preferred shares; and other open ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

Notes to Financial Statements – (continued)

2. Investment Objectives and Policies – (continued)

Legg Mason Western Asset Diversified Strategic Income Fund

Investment Objective – To provide a high level of current income.

Investment Policies – The Fund invests at least two-thirds of its total asset value in debt securities that are (i) denominated in U.S. Dollars and currencies of a variety of other Developed Countries, and (ii) are listed or traded on Regulated Markets as set out in Schedule III of the prospectus. The Fund may invest in debt securities issued or guaranteed by the U.S. government, its agencies or instrumentalities and political sub-divisions; debt securities issued or guaranteed by national governments of other countries, their agencies or instrumentalities and political sub-divisions; debt securities of supranational organisations, corporate debt securities, structured notes that are transferable securities whose underlying exposure may be to fixed income securities, mortgage-backed and asset-backed securities; preferred shares and other open ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. A maximum of 20 per cent. of the Fund's net asset value may be invested in units or shares of open-ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Fund may purchase unsecured participations in or assignments of floating rate mortgages or other commercial loans that are liquid and will provide for interest rate adjustments at least every 397 days and which may be secured by real estate or other assets. Such participations, combined with any other investments that are subject to Clause 2.1 in Schedule II of the prospectus, will not exceed 10 per cent of the net asset value of the Fund in the aggregate. The Fund may invest up to 35 per cent of its total asset value in high yielding debt securities, which shall include securities rated Ba or lower by Moody's or BB or lower by S&P or in non-rated securities deemed by the Sub-Investment Manager to be of comparable quality.

Legg Mason Western Asset Global Multi Strategy Fund

Investment Objective – To maximise total return through income and capital appreciation.

Investment Policies – The Fund invests primarily in debt securities denominated in U.S. Dollars, Japanese Yen, Pound Sterling, Euro and a variety of other currencies and that are traded on or listed on any of the Regulated Markets located in Developed Countries and Emerging Market Countries as set out in Schedule III of the prospectus. The debt securities shall be issued or guaranteed by national governments of Developed Countries and Emerging Market Countries, their agencies or instrumentalities and political sub-divisions, debt securities of supranational organisations such as freely transferable promissory notes, bonds and debentures; corporate debt securities of issuers located in or whose securities are listed or traded on Regulated Markets in developed and Emerging Market Countries; mortgage-backed and asset-backed securities; preferred shares and other open ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Fund may purchase unsecured participations in or assignments of floating rate mortgages or other commercial loans that are liquid and will provide for interest rate adjustments at least every 397 days and which may be secured by real estate or other assets. Such participations, combined with any other investments that are subject to Clause 2.1 in Schedule II of the prospectus, will not exceed 10 per cent of the net asset value of the Fund in the aggregate.

Legg Mason Western Asset US High Yield Fund

Investment Objective – To provide a high level of current income.

Investment Policies – The Fund invests at least 70 per cent of its total asset value in the following types of high-yielding debt securities of U.S. Issuers that are denominated in U.S. Dollars that are listed or traded on Regulated Markets as listed in Schedule III of the prospectus: corporate debt securities, structured notes that are transferable securities whose underlying exposure may be to fixed income securities; mortgage-backed and asset-backed securities that are structured as debt securities; provided that at all times at least two-thirds of the Fund's total asset value is invested in non-convertible debt securities. The Fund may invest in debt securities rated as low as C by Moody's or D by S&P, which ratings indicate that the obligations are highly speculative and may be in default or in danger of default as to principal and interest. The Fund's remaining assets may be held in debt securities listed or traded on Regulated Markets that are rated above BB+ by S&P or Ba1 by Moody's, or unrated securities deemed by the Sub-Investment Manager to be of equivalent quality; preferred shares and other equity securities that are listed or traded on Regulated Markets when such investments are consistent with the Fund's investment objective of high current income; as well as cash or short term money market instruments with remaining maturities of 13 months or less. The Fund may invest up to 20 per cent of its total asset value in high-yielding corporate debt securities of non-U.S. Issuers located in developed and Emerging Market Countries, provided that such debt securities are denominated in U.S. Dollars and such issuers are domiciled in or have their principal activities located in OECD member countries. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. At least 95 per cent of the Fund's total asset value will be US\$-denominated.

Legg Mason Western Asset Emerging Markets Bond Fund

Investment Objective – To maximise total return, consisting of income and capital appreciation.

Investment Policies – The Fund invests at least 70 per cent of its total asset value in debt securities of issuers located in Emerging Market Countries (hereinafter "Emerging Market Debt Securities") that are listed or traded on Regulated Markets as listed in Schedule III of the prospectus. The Fund may invest in debt securities issued or guaranteed by national governments located in Developed Countries and Emerging Market Countries, their agencies or instrumentalities and political sub-divisions (including inflation protected securities); corporate debt securities of issuers located in developed and emerging markets whose securities are listed or traded on Regulated Markets; mortgage-backed securities, securitised participations in loans that are transferable securities, structured notes that are freely transferable securities whose underlying exposure may be to fixed income securities; asset-backed securities; preferred shares and other open ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Fund may purchase unsecured participations in or assignments of floating rate mortgages or other commercial loans that are liquid and will provide for interest rate adjustments at least every 397 days and which may be secured by real estate or other assets. Such participations, combined with any other investments that are subject to Clause 2.1 in Schedule II of the prospectus, will not exceed 10 per cent of the net asset value of the Fund in the aggregate. Under normal market conditions, a minimum of 65 per cent of the Fund's total asset value will be U.S. Dollar-denominated, and a minimum of 60 per cent of the Fund's total asset value will be invested in Emerging Markets Debt Securities issued by national, state or local governments, or entities affiliated with or sponsored by such governments.

Legg Mason Western Asset Global High Yield Fund

Investment Objective – To generate total return. The generation of high current income is a secondary objective.

Investment Policies – The Fund invests at all times at least 70 per cent of its total asset value in high yielding debt securities listed or traded on Regulated Markets as listed in Schedule III of the prospectus. Higher yields are generally available from securities rated BB+ or lower by S&P, or Ba1 or lower by Moody's, or unrated securities of equivalent quality. Debt securities rated below Investment Grade are deemed by these agencies to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal and may involve major risk of exposure to adverse conditions. The Fund may invest in debt securities rated as low as C by Moody's or D by S&P, which ratings indicate that the obligations are highly speculative and may be in default or in danger of default as to principal and interest. It is not expected that the Fund will invest more than 45 per cent of its total asset value in high yield securities issued in Emerging Market Countries, Emerging European Countries and/or Emerging Asia/Pacific Countries. It is expected that the Fund will invest in at least 10 different countries. The Fund is a global fund, however, and is not confined to investing in any specific country or region. The Fund may purchase unsecured participations in or assignments of floating rate mortgages or other commercial loans that are liquid and will provide for interest rate adjustments at least every 397 days and which may be secured by real estate or other assets. Such participations, combined with any other investments that are subject to Clause 2.1 in Schedule II of the prospectus, will not exceed 10 per cent of the Net asset value of the Fund in the aggregate. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

Notes to Financial Statements – (continued)

2. Investment Objectives and Policies – (continued)

Legg Mason Western Asset US Short-Term Government Fund

Investment Objective – To generate current income while preserving the value of its Shareholders' investment.

Investment Policies – The Fund will invest at all times at least 70 per cent of its total asset value in debt securities issued or guaranteed by the U.S. government, its agencies, instrumentalities or political sub-divisions that are listed or traded on Regulated Markets in the United States listed in Schedule III of the prospectus. The U.S. government securities in which the Fund invests may comprise both direct obligations of the U.S. Treasury and obligations issued or guaranteed by U.S. government agencies, including mortgage-backed or asset-backed securities that are backed by the full faith and credit of the U.S. government as to the timely payment of principal and interest. Up to 80 per cent of the Fund's total asset value may be invested in direct pass-through certificates guaranteed by GNMA, FNMA or FHLMC. Up to 10 per cent of the Fund's total asset value may be invested in collateralised mortgage obligations. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. It is expected that the Fund will maintain an average portfolio duration of between six months and three years. The Fund may invest in individual securities of any duration.

Legg Mason Western Asset US Adjustable Rate Fund

Investment Objective – To provide high current income and to limit the degree of fluctuation of its total asset value resulting from movements in interest rates.

Investment Policies – The Fund seeks to achieve its investment objective by investing at all times at least 80 per cent of its total asset value in various types of adjustable rate debt securities issued by U.S. Issuers (including variable rate securities, floating rate securities and adjustable rate mortgage-backed and asset-backed securities that are structured as debt securities) and listed or traded on Regulated Markets listed in Schedule III of the prospectus. The debt securities may include: debt securities issued or guaranteed by the U.S. government, its agencies, instrumentalities and political sub-divisions; debt securities issued by other national governments, their agencies, instrumentalities and political sub-divisions; debt securities of supranational organisations such as freely transferable promissory notes, bonds and debentures; corporate debt securities, including freely transferable promissory notes, debentures, bonds; convertible and non-convertible notes; commercial paper, certificates of deposits, and bankers acceptances issued by industrial, utility, finance, commercial banking or bank holding company organisations; and mortgage-backed and asset-backed securities structured as debt securities. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Fund invests in U.S. government securities and securities rated at the time of purchase in the two highest long-term rating categories by a NRSRO. The Fund may invest up to 20 per cent of its total asset value in debt securities that are unrated but determined to be of a quality equivalent to such two highest categories by the Sub-Investment Manager. It is expected that the Fund will maintain average portfolio duration of between six months and one year. However, the Fund may invest in individual securities of any duration. The Sub-Investment Manager seeks to achieve low volatility of net asset value by diversifying the Fund's assets among investments that the Sub-Investment Manager believes will, in the aggregate, be resistant to significant fluctuations in market value.

Legg Mason Western Asset Inflation Management Fund

Investment Objective – Primary investment objective is to generate total return. The generation of current income is a secondary objective.

Investment Policies – The Fund will seek to achieve its investment objective by investing at all times at least 80 per cent of its total asset value in inflation-protected securities or other securities that the Sub-Investment Manager believes will provide protection against inflation that are issued by national governments of countries that are members of the OECD, their agencies, instrumentalities and political sub-divisions, supranational organisations and corporate issuers such as freely transferable promissory notes, debentures and bonds and are listed or traded on Regulated Markets as set out in Schedule III of the prospectus. The Fund may also invest up to 20 per cent of its total asset value in any other types of debt securities listed or traded on Regulated Markets listed in Schedule III of the prospectus that may or may not be indexed to inflation including debt securities issued or guaranteed by the national governments, their agencies, instrumentalities, and political subdivisions (including STRIP securities); corporate debt securities; mortgage-backed and asset-backed securities structured as debt instruments; repurchase agreements with debt securities as the underlying instruments (for efficient portfolio management purposes only subject to the requirements of the Financial Regulators); structured notes that are transferable securities whose underlying exposure may be to fixed income securities; securitised participations in loans that are freely transferable securities; money market instruments; securities of other open-ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations; and (subject to a limit of 10 per cent of the Fund's total net value) preferred shares and other equity and equity related securities. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Fund will not invest in securities rated below Investment Grade or in securities which are listed or traded on a Regulated Market in any Emerging Market Country, Emerging European Country or Emerging Asia/Pacific Country. It is expected that the Fund will maintain an average credit quality between A and AAA (S&P) / A2 and Aaa (Moody's). The Fund's average portfolio duration is expected to be between one and eight years. However, the Fund may invest in individual securities of any duration.

Legg Mason Western Asset Asian Opportunities Fund

Investment Objective – To maximise total return, through income and capital appreciation.

Investment Policies – The Fund invests at least 70 per cent of its total asset value in debt securities issued by Asian issuers and in derivatives on Asian interest rates and currencies, which debt securities and derivatives are listed or traded on Regulated Markets as set out in Schedule III of the prospectus. The Fund invests primarily in (i) debt securities issued or guaranteed by national governments located in developed Asian countries and Emerging Asia/Pacific Countries (including but not limited to Bangladesh, China, Hong Kong, India, Indonesia, Kazakhstan, Laos, Macao, Malaysia, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Turkey and Vietnam), their agencies, instrumentalities or political sub-divisions; (ii) corporate debt securities issued by Asian companies; (iii) securitised participations in loans that are freely transferable securities; (iv) structured notes that are transferable securities whose underlying exposure may be to fixed income securities; (v) mortgage-backed and asset-backed securities that are structured as debt securities; (vi) derivatives on Asian interest rates and Asian bonds concluded with highly rated Asian or global credit institutions; (vii) Asian currencies and derivatives on those currencies. The Fund may invest no more than 10 per cent of its net asset value in units or shares of open-ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Fund invests in debt securities that are rated Investment Grade, debt securities rated below Investment Grade, and unrated debt securities. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Legg Mason Western Asset Global Blue Chip Bond Fund[^]

Investment Objective – To achieve total return, through income and capital appreciation.

Investment Policies – The Fund invests primarily in debt securities that are (i) rated A- or higher by S&P or the equivalent by another NRSRO, or if unrated deemed to be of comparable quality; (ii) (a) issued by corporate issuers domiciled in any jurisdiction other than an Emerging Market Country which are, at the time of purchase and in the opinion of the Sub-Investment Manager, "blue chip" companies, meaning they have a long-term debt rating of A- or higher by S&P or the equivalent by another NRSRO, or if unrated are deemed to be of comparable quality; and/or (b) issued by supranational organisations which have a long-term debt rating of A- or higher by S&P or the equivalent by another NRSRO, or if unrated are deemed to be of comparable quality; and (iii) listed or traded on Regulated Markets set out in Schedule II of the prospectus.

The Fund will only invest in those corporate debt securities that in the opinion of the relevant Sub-Investment Manager are ranked at least senior unsecured corporate debt securities of the relevant issuer. In addition, the Fund may invest in securities issued or guaranteed by national governments (including STRIPS and inflation index-linked securities), their agencies, instrumentalities and political sub-divisions, securities of supranational organisations such as freely transferable promissory notes, bonds and debentures; repurchase agreements with debt securities as the underlying instruments (for efficient portfolio management purposes only and subject to the requirements of the Financial Regulator); and other open-ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Fund may invest no more than 10 per cent of its net asset value in units or shares of the UCITS or other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

2. Investment Objectives and Policies – (continued)

Legg Mason Brandywine Global Fixed Income Fund

Investment Objective – To maximise total return consisting of income and capital appreciation.

Investment Policies – The Fund invests at all times at least two-thirds of its total asset value in debt securities that are (i) rated Investment Grade at the time of purchase; (ii) listed or traded on Regulated Markets primarily in the following developed countries; and (iii) denominated in currencies of, or issuers located in, primarily the following countries: The United States, Canada, Australia, Japan, Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, The Netherlands, Portugal, Spain, Denmark, Sweden, Switzerland, The United Kingdom, New Zealand, Norway, Hungary, Poland, and the Czech Republic. The Fund may also invest in debt securities that are listed or traded on Regulated Markets located in other Developed Countries as set out in Schedule III of the prospectus, provided such debt securities are rated Investment Grade at the time of purchase. See Schedule IV of the prospectus for more information on the ratings of the various NRSRO's. The Fund will not invest more than 10 per cent of its net asset value in debt securities of issuers located in Emerging Market Countries that are not specified in the prospectus provided that, since November 16, 2009, at the time of purchase such security must be rated investment grade and the long-term sovereign debt of the Emerging Market Country in which the security is located must be investment grade. The Fund may invest up to 10% of its net asset value in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Fund will normally hold a portfolio of debt securities of issuers located in a maximum of six countries. The average weighted duration of the Fund's portfolio generally ranges from 2 to 10 years but for individual markets may be greater or lesser depending on the prospects for lower interest rates and the potential for capital gains.

Legg Mason Capital Management Value Fund

Investment Objective – To achieve long-term capital appreciation.

Investment Policies – The Fund invests principally in securities of the U.S. issuers, which the Investment Manager believes are undervalued. The Fund may also invest up to 25 per cent of its total asset value in the securities of non-U.S. Issuers. At least 50 per cent of the total asset value of the Fund will be invested in equity securities. The Fund may also invest up to 5 per cent of its net asset value in units or shares open-ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

Legg Mason Capital Management Growth Fund

Investment Objective – To maximise long-term capital appreciation with a minimum long-term risk to principal.

Investment Policies – The Fund invests at all times at least two-thirds of its total asset value in equity securities that are listed or traded on Regulated Markets as set out in Schedule III of the prospectus. The Fund may invest in common stocks, preferred stocks, warrants and securities convertible into or exchangeable for common stocks, such as convertible bonds and debentures but invests at all times at least two-thirds of its total asset value in equity securities. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The selection of common stocks will be made through an investment strategy referred to as "focus investing," whereby companies are identified and selected as eligible investments by examining all fundamental quantitative and qualitative aspects of the company, its management and its financial position as compared to its stock price. This is a bottom up, fundamental method of analysis as opposed to technical analysis, which is based on the study of trading volumes and prices.

Legg Mason Capital Management Opportunity Fund[^]

Investment Objective – To achieve long-term capital appreciation.

Investment Policies – The Fund may invest in equity securities, debt securities, derivatives and other financial instruments. The Sub-Investment Manager exercises a flexible strategy in the selection of investments, not limited by investment style or asset class. The Fund may invest in common stock and other securities, including: convertible securities; securities issued by collective investment schemes, including open-end mutual funds, closed-end funds, unit investment trusts, and private investment companies (including hedge funds and private equity funds); securities issued by exchange-traded funds; real estate investment trusts and other issuers that invest, deal or otherwise engage in transactions in real estate; indexed securities; debt securities, including mortgage-backed and asset-backed securities; derivatives; and currencies and forward currency exchange contracts. The issuers of common stocks and other securities in which the Fund invests may be located in any country throughout the world, including Emerging Market Countries. A maximum of 10 per cent of the Fund's net asset value may be invested in securities of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

Legg Mason ClearBridge US Appreciation Fund

Investment Objective – To generate long-term capital appreciation.

Investment Policies – The Fund will invest at least 70 per cent of its total asset value in equity securities of U.S. Companies, which are listed or traded on Regulated Markets in the United States listed in Schedule III of the prospectus. The Fund's investments will include common stocks, preferred stocks and equity related securities. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Fund may also invest in certain types of derivatives, but only for efficient portfolio management purposes. The Sub-Investment Manager may increase the Fund's allocation to Money Market Instruments and ancillary liquid assets when, in the Sub-Investment Manager's opinion, market valuation levels become excessive.

Legg Mason ClearBridge US Fundamental Value Fund

Investment Objective – To generate long-term capital appreciation. The generation of current income is a secondary objective.

Investment Policies – The Fund will invest at least 70 per cent of its total asset value in a diversified portfolio comprised of equity or equity-related securities of U.S. Companies and debt securities issued by U.S. Issuers, which are listed or traded on Regulated Markets in the United States listed in Schedule III of the prospectus, provided that the Fund shall at all times invest at least 50 per cent of its total asset value in equity securities of U.S. Companies. The Sub-Investment Manager emphasises securities which are in its judgment undervalued in the marketplace and, accordingly, have above-average capital growth potential. The Fund may also invest in aggregate up to 30 per cent of its total asset value in money market instruments, non-publicly traded securities, equity and fixed income securities of non-U.S. Issuers (including those from Emerging Market Countries, Emerging European Countries and Emerging Asia/Pacific Countries), American Depository Receipts, Global Depository Receipts and mortgage-backed or asset-backed securities, provided however, no more than 20 per cent of the Fund's total asset value may be invested in securities of issuers from Emerging Market Countries, Emerging European Countries and/or Emerging Asia/Pacific Countries. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

Legg Mason ClearBridge US Large Cap Growth Fund

Investment Objective – To generate long-term capital appreciation.

Investment Policies – The Fund invests at least 70 per cent of its total asset value in equity securities of a concentrated group of U.S. Companies with large market capitalisations, which are listed or traded on Regulated Markets in the United States listed on Schedule III of the prospectus. The core holdings of the Fund will be large market capitalisation U.S. Companies that are dominant in their respective industries, global in scope and have a long-term history of performance. The Fund's investments will consist of common stocks and to a lesser extent preferred stock and equity-related securities issued by or related to large market capitalisation U.S. Companies, which are believed to afford attractive opportunities for investment growth. The Fund will not invest in securities listed or traded on Regulated Markets in any Emerging Market Countries, Emerging European Countries or Emerging Asia/Pacific Countries. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

2. Investment Objectives and Policies – (continued)

Legg Mason ClearBridge US Aggressive Growth Fund

Investment Objective – To generate long-term capital appreciation.

Investment Policies – The Fund invests at least 70 per cent of its total asset value in common stocks of U.S. Companies which are listed or traded on Regulated Markets in the United States listed in Schedule III of the prospectus and that the Sub-Investment Manager believes are experiencing, or have potential to experience, growth of earnings and/or cash flow that exceed the average earnings and/or cash flow growth rate of companies having securities included in the Standard & Poor's Daily Price Index of 500 Common Stocks (the "S&P 500 Index"). The Sub-Investment Manager anticipates that the Fund would invest primarily in the securities of small or medium-sized companies and to a lesser degree in the securities of large, well-known companies. The Sub-Investment Manager focuses its stock selection for the Fund on the diversified group of emerging growth companies that may have passed their "start-up" phase and show positive earnings and the prospect of achieving significant profit gains in the two to three years after the Fund acquires their stocks. A maximum of 10 per cent of the Funds net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

Legg Mason Royce US Small Cap Opportunity Fund

Investment Objective – To achieve long-term capital appreciation.

Investment Policies – The Fund invests at least 70 per cent of its total asset value in a diversified portfolio of equity securities issued by small-cap U.S. companies (i.e., U.S. Companies with market capitalisations of less than US\$2.5 billion) that are listed or traded on Regulated Markets in the United States. The Sub-Investment Manager invests the Fund's assets in these companies in an attempt to take advantage of what it believes are opportunistic situations for undervalued securities. Such opportunistic situations may include turnarounds, emerging growth companies with interrupted earnings patterns, companies with unrecognised asset values or undervalued growth companies. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Sub-Investment Manager uses a value method in managing the Fund's assets.

Legg Mason Royce Smaller Companies Fund

Investment Objective – To achieve long-term capital appreciation.

Investment Policies – The Fund invests at least two-thirds of its total asset value in equity securities issued by companies with stock market capitalisations less than US\$5 billion that are listed or traded on Regulated Markets as set out in Schedule III of the prospectus. Up to one third of the Fund's total asset value may be invested in (i) equity securities (including common stock, preferred shares and convertible securities) of companies with stock market capitalisations exceeding US\$5 billion that are listed or traded on Regulated Markets, (ii) debt securities issued or guaranteed by national governments and their agencies, instrumentalities and political sub-divisions, (iii) corporate debt securities of issuers located in or whose securities are listed or traded on Regulated Markets, and (iv) repurchase agreements or cash for efficient portfolio management purposes. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

Legg Mason Royce European Smaller Companies Fund ^

Investment Objective – To seek to achieve long-term capital appreciation.

Investment Policies – The Fund invests at all times at least two-thirds of its net asset value in equity securities and convertible debt that are listed or traded on Regulated Markets (as set out in Schedule III of the prospectus) and are issued by companies that (i) are domiciled in or conducting the predominant portion of their economic activities in European countries that are members of the OECD and (ii) have stock market capitalisations of less than the currency equivalent of US\$5 billion at the time of investment. Up to one-third of the Fund's net asset value may be invested in (i) equity securities and convertible debt that are not listed or traded on Regulated Markets, are issued by companies domiciled in or conducting the predominant portion of their economic activities in countries located anywhere in the world (excluding European countries that are members of the OECD but including Emerging Market Countries), and/or are issued by companies with market capitalisations that exceed the currency equivalent of US\$5 billion at the time of investment; (ii) debt securities issued or guaranteed by national governments and their agencies, instrumentalities and political sub-divisions; and (iii) non-convertible corporate debt securities of issuers located in or whose securities are listed or traded on Regulated Markets, including freely transferable promissory notes, debentures, bonds (including zero coupon bonds), convertible and non-convertible notes, commercial paper, certificates of deposits, and bankers acceptances issued by industrial, utility, finance, commercial banking or bank holding company organisations. Repurchase agreements may be utilised or cash may be invested for efficient portfolio management purposes. No more than 10 per cent of the Fund's net asset value may be invested in securities that are not listed or traded on Regulated Markets. No more than 5 per cent of the Fund's net asset value may be invested in debt securities (including high yield securities) rated below Investment Grade at the time of purchase. See Schedule IV of the prospectus for more information on the ratings of the various NRSROs. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

Legg Mason Royce Global Smaller Companies Fund ^

Investment Objective – To seek to achieve long-term capital appreciation.

Investment Policies – The Fund invests at all times at least two-thirds of its net asset value in equity securities and convertible debt that are listed or traded on Regulated Markets located anywhere in the world as set out in Schedule III of the prospectus and which are issued by issuers from at least three different countries, although a substantial portion of the Fund's assets may be invested in companies domiciled in a single country. Although the Fund may invest in the equity securities of companies of any market capitalisation, the Sub-Investment Manager expects that generally a significant portion of the Fund's assets will be invested in the equity securities of smaller companies with market capitalisations up to US\$5 billion or their currency equivalent. Up to one-third of the Fund's net asset value may be invested in (i) equity securities that are not listed or traded on Regulated Markets; (ii) debt securities issued or guaranteed by national governments and their agencies, instrumentalities and political sub-divisions; and (iii) non-convertible corporate debt securities of issuers located in or whose securities are listed or traded on Regulated Markets, including freely transferable promissory notes, debentures, bonds (including zero coupon bonds), non-convertible notes, commercial paper, certificates of deposits, and bankers acceptances issued by industrial, utility, finance, commercial banking or bank holding company organisations. Repurchase agreements may be utilised or cash may be invested for efficient portfolio management purposes. The Fund may invest in securities listed or traded on Regulated Markets located anywhere in the world, including Emerging Market Countries. Under normal market conditions, no more than one-third of the Fund's Net Asset Value may be invested in countries other than the United States, Canada, Japan, Australia, New Zealand, Hong Kong, Singapore, South Korea, Taiwan and Western European countries. No more than 10 per cent of the Fund's net asset value may be invested in securities that are not listed or traded on Regulated Markets. No more than 5 per cent of the Fund's Net Asset Value may be invested in debt securities rated below Investment Grade at the time of purchase. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

2. Investment Objectives and Policies – (continued)

Legg Mason PCM US Equity Fund

Investment Objective – To achieve long-term capital appreciation.

Investment Policies – The Fund invests principally in the equity securities of companies the Sub-Investment Manager views as being undervalued by the public market on the basis of its proprietary investment analysis. The Fund invests primarily in issuers listed or traded on Regulated Markets in North America. At least 70 per cent of the Fund's total asset value will be invested in equity securities of U.S. Companies that are listed or traded on Regulated Markets. The Fund will invest no more than 5 per cent of its net asset value in warrants. The Fund may also invest in debt securities of government issuers and corporate debt securities (such as freely transferable promissory notes, bonds or debentures) provided such debt securities are rated Investment Grade at the time of purchase, are denominated in U.S. dollars and are traded or listed on Regulated Markets in North America. A maximum of 10 per cent. of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the Regulations. The Fund may invest in derivatives, but only for efficient portfolio management purposes.

Legg Mason Permal Global Absolute Fund[^]

Investment Objective – To generate absolute returns over the medium-term through a macro style investment process.

Investment Policies – The Fund will invest primarily in other open-ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations and transferable securities listed or traded on Regulated Markets (including closed-ended funds, real estate investment trusts ("REITs"), debt securities, equity securities and equity-related securities (such as depositary receipts, notes and certificates that are tied to the performance of a single equity, a basket of equities or equity indices)) and financial derivative instruments. The Fund may invest without limit in debt securities (including high yield securities) that are rated below Investment Grade or are unrated. In addition, the Fund may invest in securities of companies in the form of Depositary Receipts that are listed or traded on Regulated Markets in Europe, the United States, and Asia (including Japan). The Fund may invest in securities listed or traded on Regulated Markets located anywhere in the world, including Emerging Market Countries.

Legg Mason GC Global Equity Fund

Investment Objective – To provide long-term capital appreciation.

Investment Policies – The Fund invests at all times at least two-thirds of its total asset value in equity securities (including common stock and preferred shares) that are listed or traded on Regulated Markets as set out in Schedule III of the prospectus. Up to 15 per cent of the Fund's total asset value may be invested in equity securities of issuers located in Emerging Market Countries. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. To manage capital flows, the Fund may hold cash or invest in short-term debt instruments that are cash equivalents. The Sub-Investment Manager employs a value-oriented strategy that seeks to identify securities that are trading below their normal valuation and expectations. The Sub-Investment Manager believes that percentage holdings of individual securities normally will range between 1 per cent and 3 per cent of the Fund's total asset value. Assets of the Fund may be denominated in currencies other than the Base Currency of the Fund. Therefore, the Fund may be exposed to currency risk due to fluctuations in the exchange rate between such other currencies and the U.S. Dollar. The Sub-Investment Manager may or may not try to mitigate this risk by using various hedging strategies through the use of financial derivative instruments.

Legg Mason Batterymarch European Equity Fund

Investment Objective – To provide long-term capital appreciation.

Investment Policies – The Fund invests at all times at least two-thirds of its total asset value in equity securities of companies that are listed or traded on Regulated Markets and that are domiciled in or have their principal activities in Europe, including but not limited to Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, The Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, and the United Kingdom, subject to applicable limitations on investments by foreigners. The Fund seeks to achieve its investment objective by investing primarily in securities of companies believed to afford attractive opportunities for long-term capital appreciation. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

Legg Mason Batterymarch Asia Pacific Equity Fund

Investment Objective – To provide long-term capital appreciation.

Investment Policies – The Fund invests at least two-thirds of its total asset value in equity securities listed or traded on Regulated Markets of companies domiciled in or conducting a predominant portion of their economic activities in one or more of the following emerging Asian countries, subject to applicable limitations established by such countries on investments by foreign investors: China, Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan, India and Thailand. In addition, the Fund may, from time to time, also invest in equity securities of companies domiciled in Japan, Australia, New Zealand, Pakistan and Sri Lanka. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. A maximum of 10 per cent of the Fund's net asset value may be invested in equity-linked or structured notes that are transferable securities, whose underlying exposure may be to equity securities.

Legg Mason Batterymarch 130/30 Global Equity Fund[^] (ceased trading on 20 January 2010)

Investment Objective – To provide long-term capital appreciation.

Investment Policies – The Fund invests at all times at least two-thirds of its total asset value, directly or indirectly through the use of financial derivative instruments, in equity securities (including common stock and preferred shares) that are listed or traded on Regulated Markets as set out in Schedule III of the prospectus. The Fund generally will hold, directly or indirectly through the use of financial derivative instruments, long positions equal in value to approximately 130 per cent of its net asset value and short positions equal in value to approximately 30 per cent of its net asset value. However, the Fund may hold long positions, in equity securities that are listed or traded on Regulated Markets as set out in Schedule III of the prospectus, ranging in value from 110 per cent to 150 per cent of the Fund's net asset value, and short positions in such equity securities ranging in value from 10 per cent to 50 per cent of the Fund's net asset value, depending on the relative performance of the Fund's securities and the availability of attractive investment opportunities. Financial derivative instruments used by the Fund may include, but are not limited to, total return swaps, options and forward currency exchange contracts. Financial derivative instruments may be used for investment and efficient portfolio management purposes. The Fund will not directly short securities but instead will hold short positions exclusively through financial derivative instruments. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations.

Legg Mason Batterymarch International Large Cap Fund

Investment Objective – To generate long-term capital appreciation.

Investment Policies – The Fund will invest at all times at least 70 per cent of its total asset value in equity securities of non-U.S. Companies each of which has a capitalisation of US\$750 million or more, which stocks are listed or traded on Regulated Markets as listed in Schedule III of the prospectus. Generally, the Fund invests in a number of different countries and it is expected that the Fund will invest at least 70 per cent of its total asset value assets in equity securities of companies with large capitalisations in at least three non-U.S. markets. The Sub-Investment Manager looks for well-established companies which appear to be reasonably valued compared to their long-term earnings potential. These companies will be organised, incorporated or headquartered in a range of markets outside of the U.S., providing exposure to a range of non-U.S. economies. The Fund may invest in preferred stock and equity related securities, and also, to a limited extent, may purchase units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations (subject to a maximum of 10 per cent of the Fund's net asset value), that invest in non-U.S. securities and which are listed or traded on Regulated Markets worldwide.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

2. Investment Objectives and Policies – (continued)

Legg Mason Batterymarch Emerging Markets Equity Fund

Investment Objective – To provide long-term capital appreciation.

Investment Policies – The Fund will invest at all times at least 70 per cent of its total asset value in equity securities (including common stocks and preferred shares) of companies whose seat, registered office or principal activities are in Emerging Market Countries and that are listed or traded on Regulated Markets, subject to applicable limitations established by such countries on investments by foreign investors. Up to 30 per cent of the Fund's total asset value may be invested in equity securities of companies domiciled in or having their principal place of business in Developed Countries; debt securities issued or guaranteed by national governments, their agencies, instrumentalities, and political sub-divisions that are rated Investment Grade at the time of purchase and that are listed or traded on Regulated Markets; corporate debt securities that are rated Investment Grade at the time of purchase and that are listed or traded on Regulated Markets; other open-ended collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations and warrants. No more than 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. A maximum of 10 per cent of the Fund's net asset value may be invested in equity-linked or structured notes that are transferable securities, whose underlying exposure may be to equity securities.

Legg Mason Congruix Asia Pacific Fund[^]

Investment Objective – The Fund's investment objective is to achieve long-term capital appreciation.

Investment Policies – The Fund invests primarily in securities (including common stocks, preferred shares, and convertible securities) listed or traded on Regulated Markets (as set out in Schedule II of the Prospectus) in countries that are included in the MSCI AC Asia Pacific ex Japan Index, which currently are Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan and Thailand. The Sub-Investment Manager intends to place an emphasis on such companies demonstrating strong secular growth trends, reflecting available investment opportunities in the wider Asian Pacific markets. The Sub-Investment Manager seeks to identify the best investment opportunities and calibrate the appropriate investment weights to develop a focused and yet adequately diversified portfolio.

No more than 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. A maximum of 10 per cent of the Fund's net asset value may be invested in equity-linked or structured notes that are transferable securities, whose underlying exposure may be to equity securities.

Legg Mason Congruix Japan Equity Fund

Investment Objective – To achieve long-term capital appreciation.

Investment Policies – The Fund invests at least 70 per cent of its total asset value in equity securities that are listed or traded on a Regulated Market, issued by companies that have their seat or registered office in or that conduct the predominant portion of their activities in Japan ("Japanese Companies"), and considered by the Sub-Investment Manager to have favourable growth prospects. The Sub-Investment Manager may invest the remaining 30 per cent of the Fund's total asset value in equity securities of non-Japanese Companies; debt securities issued or guaranteed by national governments, their agencies, instrumentalities and political sub-divisions that are rated Investment Grade at the time of purchase; corporate debt securities (including convertible and non-convertible securities) that are rated Investment Grade at the time of purchase, such as freely transferable promissory notes, debentures, commercial paper, certificates of deposit, bankers acceptances issued by industrial, utility, financial commercial banking or bank holding company organisations; mortgage-backed or asset-backed securities; and warrants. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Fund may be exposed to currency risk due to fluctuations in the exchange rate between such other currencies and the Yen. The Fund's Sub-Investment Manager may or may not try to mitigate this risk by using various hedging strategies through the use of financial derivative instruments.

Legg Mason LMHK China Fund[^]

Investment Objective – To achieve long-term capital appreciation.

Investment Policies – The Fund invests at least 70 per cent of its total asset value in equity and equity-related securities that are listed or traded on a Regulated Market and are issued by or provide exposure to companies that have their seat or registered office located in or that conduct the predominant portion of their activities in China ("China Companies") or Hong Kong ("Hong Kong Companies"). Equity-related securities may include depositary receipts, notes and certificates that are tied to the performance of a single equity, a basket of equities or equity indices. The Sub-Investment Manager may invest 30 per cent of the Fund's total asset value in equity and equity-related securities of non-China Companies and non-Hong Kong Companies; debt securities issued or guaranteed by national governments, their agencies, instrumentalities and political sub-divisions that are rated Investment Grade at the time of purchase; corporate debt securities (including convertible and non-convertible securities) that are rated Investment Grade at the time of purchase; certain types of structured products such as index-linked securities, structured notes that are transferable securities, whose underlying exposure may be to equity securities, and securitised participations in loans that are freely transferable securities; mortgage-backed or asset-backed securities; and warrants. A maximum of 10 per cent of the Fund's net asset value may be invested in units or shares of other collective investment schemes within the meaning of Regulation 45(e) of the UCITS Regulations. The Fund may be exposed to currency risk due to fluctuations in the exchange rate between such other currencies and the Yen. The Fund's Sub-Investment Manager may or may not try to mitigate this risk by using various hedging strategies through the use of financial derivative instruments.

3. Efficient Portfolio Management

The Investment Managers may employ for certain Funds investment techniques and instruments, such as trading in futures, options and other derivative instruments for efficient portfolio management, subject to the conditions and within the limits from time to time laid down by the Irish Financial Services Regulatory Authority (the "Financial Regulator"). Furthermore, new techniques and instruments may be developed which may be suitable for use by a Fund in the future and a Fund may employ such techniques and instruments subject to the prior approval of, and any restrictions imposed by, the Financial Regulator.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

4. Operating Expenses and Other Related Party Transactions

Pursuant to separate Investment Management Agreements between the Company and Legg Mason Capital Management, Inc. and Legg Mason Investments (Europe) Limited, each Investment Manager shall be entitled to receive an investment management fee out of the assets of the relevant Fund for its services as the Investment Manager, which shall accrue on each Dealing Day and be payable monthly in arrears. The maximum Investment Management Fee for each class in issue at February 28, 2010 (expressed as a percentage of the relevant Fund's net asset value attributable to such class) is as follows:

Fund Name	Share Class	Maximum Investment Management Fee	
Legg Mason Western Asset US Money Market Fund	Each Class A Share Class	0.80%	
	Each Class B Share Class	1.05%	
	Each Class C Share Class	1.30%	
	Each Class E Share Class	1.40%	
	Each LM Share Class	n/a	
	Class A (G) US\$ Accumulating	0.80%	
	Class A (G) US\$ Distributing (D)	0.80%	
	Class B (G) US\$ Accumulating	0.80%	
	Class B (G) US\$ Distributing (D)	0.80%	
	Class L (G) US\$ Accumulating	0.80%	
	Class L (G) US\$ Distributing (D)	0.80%	
	Legg Mason Western Asset US Core Bond Fund	Each Class A Share Class	0.95%
		Each Class B Share Class	1.20%
Each Class C Share Class		1.45%	
Each Class E Share Class		1.55%	
Each Class F Share Class		0.55%	
Each Premier Share Class		0.30%	
Each LM Share Class		n/a	
Class GA US\$ Accumulating		0.82%	
Class GE US\$ Accumulating		1.42%	
Legg Mason Western Asset US Core Plus Bond Fund		Each Class A Share Class	1.15%
	Each Class B Share Class	1.40%	
	Each Class C Share Class	1.65%	
	Each Class E Share Class	1.75%	
	Each Class F Share Class	0.55%	
	Each Premier Share Class	0.30%	
	Each LM Share Class	n/a	
	Class A (G) US\$ Accumulating	1.15%	
	Class A (G) US\$ Distributing (D)	1.15%	
	Class B (G) US\$ Accumulating	1.65%	
	Class B (G) US\$ Distributing (D)	1.65%	
	Class L (G) US\$ Accumulating	1.65%	
	Class L (G) US\$ Distributing (D)	1.65%	
Legg Mason Western Asset Euro Core Plus Bond Fund	Each Class A Share Class	1.00%	
	Each Class B Share Class	1.25%	
	Each Class C Share Class	1.50%	
	Each Class E Share Class	1.60%	
	Each Class F Share Class	0.55%	
	Each Premier Share Class	0.30%	
	Each LM Share Class	n/a	
	Class GA Euro Accumulating	0.82%	
	Class GA Euro Distributing (A)	0.82%	
	Class GE Euro Accumulating	1.42%	
	Class GF Euro Accumulating	0.80%	
Legg Mason Western Asset Diversified Strategic Income Fund	Each Class A Share Class	1.10%	
	Each Class B Share Class	1.35%	
	Each Class C Share Class	1.60%	
	Each Class E Share Class	1.70%	
	Each Class F Share Class	0.85%	
	Each Premier Share Class	0.60%	
	Each LM Share Class	n/a	
	Class A (G) US\$ Accumulating	1.20%	
	Class A (G) US\$ Distributing (D)	1.20%	
	Class B (G) US\$ Accumulating	1.70%	
	Class B (G) US\$ Distributing (D)	1.70%	
	Class L (G) US\$ Accumulating	1.70%	
	Class L (G) US\$ Distributing (D)	1.70%	
Legg Mason Western Asset Global Multi Strategy Fund	Each Class A Share Class	1.10%	
	Each Class B Share Class	1.35%	
	Each Class C Share Class	1.60%	
	Each Class E Share Class	1.70%	
	Each Class F Share Class	0.65%	
	Each Premier Share Class	0.40%	
	Each LM Share Class	n/a	

Notes to Financial Statements – (continued)

4. Operating Expenses and Other Related Party Transactions – (continued)

Fund Name	Share Class	Maximum Investment Management Fee
Legg Mason Western Asset US High Yield Fund	Each Class A Share Class	1.15%
	Each Class B Share Class	1.40%
	Each Class C Share Class	1.65%
	Each Class E Share Class	1.75%
	Each Class F Share Class	0.70%
	Each Premier Share Class	0.45%
	Each LM Share Class	n/a
	Class A (G) US\$ Accumulating	1.15%
	Class A (G) US\$ Distributing (D)	1.15%
	Class B (G) US\$ Accumulating	1.65%
	Class B (G) US\$ Distributing (D)	1.65%
	Class L (G) US\$ Accumulating	1.65%
	Class L (G) US\$ Distributing (D)	1.65%
	Class GF US\$ Accumulating	0.95%
Legg Mason Western Asset Emerging Markets Bond Fund	Each Class A Share Class	1.50%
	Each Class B Share Class	1.75%
	Each Class C Share Class	2.00%
	Each Class E Share Class	2.10%
	Each Class F Share Class	0.80%
	Each Premier Share Class	0.55%
	Each LM Share Class	n/a
	Class A (G) US\$ Accumulating	1.25%
	Class A (G) US\$ Distributing (D)	1.25%
	Class B (G) US\$ Accumulating	1.75%
	Class B (G) US\$ Distributing (D)	1.75%
	Class L (G) US\$ Accumulating	1.75%
	Class L (G) US\$ Distributing (D)	1.75%
	Legg Mason Western Asset Global High Yield Fund	Each Class A Share Class
Each Class B Share Class		1.50%
Each Class C Share Class		1.75%
Each Class E Share Class		1.85%
Each Class F Share Class		0.70%
Each Premier Share Class		0.45%
Each LM Share Class		n/a
Class A (G) US\$ Accumulating		1.25%
Class A (G) US\$ Distributing (D)		1.25%
Class B (G) US\$ Accumulating		1.75%
Class B (G) US\$ Distributing (D)		1.75%
Class L (G) US\$ Accumulating		1.75%
Class L (G) US\$ Distributing (D)		1.75%
Legg Mason Western Asset US Short-Term Government Fund		Each Class A Share Class
	Each Class B Share Class	1.30%
	Each Class C Share Class	1.55%
	Each Class E Share Class	1.65%
	Each Class F Share Class	0.80%
	Each Premier Share Class	0.55%
	Each LM Share Class	n/a
	Class A (G) US\$ Accumulating	1.05%
	Class A (G) US\$ Distributing (D)	1.05%
	Class B (G) US\$ Accumulating	1.55%
	Class B (G) US\$ Distributing (D)	1.55%
	Class L (G) US\$ Accumulating	1.55%
	Class L (G) US\$ Distributing (D)	1.55%
	Legg Mason Western Asset US Adjustable Rate Fund	Each Class A Share Class
Each Class B Share Class		1.35%
Each Class C Share Class		1.60%
Each Class E Share Class		1.70%
Each Class F Share Class		0.85%
Each Premier Share Class		0.60%
Each LM Share Class		n/a
Class A (G) US\$ Accumulating		1.10%
Class A (G) US\$ Distributing (D)		1.10%
Class B (G) US\$ Accumulating		1.60%
Class B (G) US\$ Distributing (D)		1.60%
Class L (G) US\$ Accumulating		1.60%
Class L (G) US\$ Distributing (D)		1.60%

Notes to Financial Statements – (continued)

4. Operating Expenses and Other Related Party Transactions – (continued)

Fund Name	Share Class	Maximum Investment Management Fee
Legg Mason Western Asset Inflation Management Fund	Each Class A Share Class	1.10%
	Each Class B Share Class	1.35%
	Each Class C Share Class	1.60%
	Each Class E Share Class	1.70%
	Each Class F Share Class	0.85%
	Each Premier Share Class	0.60%
	Each LM Share Class	n/a
	Class A (G) US\$ Accumulating	1.10%
	Class A (G) US\$ Distributing (A)	1.10%
	Class B (G) US\$ Accumulating	1.60%
	Class B (G) US\$ Distributing (A)	1.60%
	Class L (G) US\$ Accumulating	1.60%
Class L (G) US\$ Distributing (A)	1.60%	
Legg Mason Western Asset Asian Opportunities Fund	Each Class A Share Class	1.10%
	Each Class B Share Class	1.35%
	Each Class C Share Class	1.60%
	Each Class E Share Class	1.70%
	Each Class F Share Class	0.85%
	Each Premier Share Class	0.60%
	Each LM Share Class	n/a
Legg Mason Western Asset Global Blue Chip Bond Fund ^	Each Class A Share Class	0.85%
	Each Class B Share Class	1.10%
	Each Class C Share Class	1.35%
	Each Class E Share Class	1.45%
	Each Class F Share Class	0.60%
	Each Premier Share Class	0.35%
	Each LM Share Class	n/a
Legg Mason Brandywine Global Fixed Income Fund	Each Class A Share Class	1.10%
	Each Class B Share Class	1.35%
	Each Class C Share Class	1.60%
	Each Class E Share Class	1.70%
	Each Class F Share Class	0.85%
	Each Premier Share Class	0.60%
	Each LM Share Class	n/a
Legg Mason Capital Management Value Fund	Each Class A Share Class	1.35%
	Each Class B Share Class	1.85%
	Each Class C Share Class	1.85%
	Each Class E Share Class	2.10%
	Each Class F Share Class	1.10%
	Each Premier Share Class	0.85%
	Each LM Share Class	n/a
	Galleon Share Class	0.85%
Legg Mason Capital Management Growth Fund	Each Class A Share Class	1.20%
	Each Class B Share Class	1.70%
	Each Class C Share Class	1.70%
	Each Class E Share Class	1.95%
	Each Class F Share Class	0.95%
	Each Premier Share Class	0.70%
	Each LM Share Class	n/a
Legg Mason Capital Management Opportunity Fund ^	Each Class A Share Class	1.35%
	Each Class B Share Class	1.85%
	Each Class C Share Class	1.85%
	Each Class E Share Class	2.10%
	Each Class F Share Class	1.10%
	Each Premier Share Class	0.85%
	Each LM Share Class	n/a
Legg Mason ClearBridge US Appreciation Fund	Each Class A Share Class	1.25%
	Each Class B Share Class	1.75%
	Each Class C Share Class	1.75%
	Each Class E Share Class	2.00%
	Each Class F Share Class	1.00%
	Each Premier Share Class	0.75%
	Each LM Share Class	n/a
	Class A (G) US\$ Accumulating	1.25%
	Class B (G) US\$ Accumulating	1.75%
	Class L (G) US\$ Accumulating	1.75%

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

4. Operating Expenses and Other Related Party Transactions – (continued)

Fund Name	Share Class	Maximum Investment Management Fee
Legg Mason ClearBridge US Fundamental Value Fund	Each Class A Share Class	1.25%
	Each Class B Share Class	1.75%
	Each Class C Share Class	1.75%
	Each Class E Share Class	2.00%
	Each Class F Share Class	1.00%
	Each Premier Share Class	0.75%
	Each LM Share Class	n/a
	Class A (G) US\$ Accumulating	1.25%
	Class B (G) US\$ Accumulating	1.75%
	Class L (G) US\$ Accumulating	1.75%
	Class GP US\$ Accumulating	0.75%
	Class GA US\$ Accumulating	1.42%
	Class GA Euro Accumulating	1.42%
	Class GA Euro Distributing (A)	1.42%
	Class GE US\$ Accumulating	2.17%
Class GE Euro Accumulating	2.17%	
Legg Mason ClearBridge US Large Cap Growth Fund	Each Class A Share Class	1.25%
	Each Class B Share Class	1.75%
	Each Class C Share Class	1.75%
	Each Class E Share Class	2.00%
	Each Class F Share Class	1.00%
	Each Premier Share Class	0.75%
	Each LM Share Class	n/a
	Class A (G) US\$ Accumulating	1.25%
	Class B (G) US\$ Accumulating	1.75%
	Class L (G) US\$ Accumulating	1.75%
	Class GA US\$ Accumulating	1.42%
	Class GA Euro Accumulating	1.42%
	Class GA Euro Distributing (A)	1.42%
	Class GE US\$ Distributing (A)	2.17%
	Class GE Euro Accumulating	2.17%
Legg Mason ClearBridge US Aggressive Growth Fund	Each Class A Share Class	1.30%
	Each Class B Share Class	1.80%
	Each Class C Share Class	1.80%
	Each Class E Share Class	2.05%
	Each Class F Share Class	1.05%
	Each Premier Share Class	0.80%
	Each LM Share Class	n/a
	Class A (G) US\$ Accumulating	1.30%
	Class B (G) US\$ Accumulating	1.80%
	Class L (G) US\$ Accumulating	1.80%
	Class GP US\$ Accumulating	0.67%
	Class GA US\$ Distributing (A)	1.42%
	Class GA Euro Accumulating	1.42%
	Class GA Euro Distributing (A)	1.42%
	Class GE US\$ Accumulating	2.17%
Class GE Euro Accumulating	2.17%	
Legg Mason Royce US Small Cap Opportunity Fund	Each Class A Share Class	1.50%
	Each Class C Share Class	2.00%
	Each Class E Share Class	2.25%
	Each Class F Share Class	1.25%
	Each Premier Share Class	1.00%
	Each LM Share Class	n/a
Legg Mason Royce Smaller Companies Fund	Each Class A Share Class	1.50%
	Each Class B Share Class	2.00%
	Each Class C Share Class	2.00%
	Each Class E Share Class	2.25%
	Each Class F Share Class	1.25%
	Each Premier Share Class	1.00%
	Each LM Share Class	n/a
	Class A (G) US\$ Accumulating	1.25%
Class B (G) US\$ Accumulating	1.75%	
Class L (G) US\$ Accumulating	1.75%	
Legg Mason Royce European Smaller Companies Fund ^	Each Class A Share Class	1.50%
	Each Class B Share Class	2.00%
	Each Class C Share Class	2.00%
	Each LM Share Class	n/a
Legg Mason Royce Global Smaller Companies Fund ^	Each Class A Share Class	1.50%
	Each Class B Share Class	2.00%
	Each Class C Share Class	2.00%
	Each Class E Share Class	2.25%
	Each Premier Share Class	1.00%
	Each LM Share Class	n/a

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Notes to Financial Statements – (continued)

4. Operating Expenses and Other Related Party Transactions – (continued)

Fund Name	Share Class	Maximum Investment Management Fee	
Legg Mason PCM US Equity Fund	Each Class A Share Class	1.50%	
	Each Class B Share Class	2.00%	
	Each Class C Share Class	2.00%	
	Each Class E Share Class	2.25%	
	Each Class F Share Class	1.25%	
	Each LM Share Class	n/a	
Legg Mason Permal Global Absolute Fund ^	Each Class A Share Class	1.25%	
	Each Class B Share Class	1.75%	
	Each Class C Share Class	1.75%	
	Each Class E Share Class	2.00%	
	Each Class F Share Class	1.00%	
	Each Premier Share Class	0.75%	
Legg Mason GC Global Equity Fund	Each Class A Share Class	1.35%	
	Each Class B Share Class	1.85%	
	Each Class C Share Class	1.85%	
	Each Class E Share Class	2.10%	
	Each Class F Share Class	1.10%	
	Each Premier Share Class	0.85%	
Legg Mason Batterymarch European Equity Fund	Each Class A Share Class	1.35%	
	Each Class B Share Class	1.85%	
	Each Class C Share Class	1.85%	
	Each Class E Share Class	2.10%	
	Each Class F Share Class	1.10%	
	Each Premier Share Class	0.85%	
Legg Mason Batterymarch Asia Pacific Equity Fund	Each LM Share Class	n/a	
	Class A (G) US\$ Accumulating	1.35%	
	Class L (G) US\$ Accumulating	1.85%	
	Class GP US\$ Accumulating	0.85%	
	Class GA Euro Accumulating	1.42%	
	Class GA Euro Distributing (A)	1.42%	
	Class GA US\$ Accumulating	1.42%	
	Class GE US\$ Accumulating	2.17%	
	Class GE US\$ Distributing (A)	2.17%	
	Legg Mason Batterymarch 130/30 Global Equity Fund (ceased trading January 20, 2010) ^	Each Class A Share Class	1.50%
		Each Class B Share Class	2.00%
		Each Class C Share Class	2.00%
Each Class E Share Class		2.25%	
Each Class F Share Class		1.25%	
Each Premier Share Class		1.00%	
Each LM Share Class		n/a	
Class GA US\$ Accumulating		1.62%	
Class GA Euro Accumulating		1.62%	
Class GE US\$ Accumulating		2.37%	
Class GE Euro Accumulating		2.37%	
Class GP US\$ Accumulating		0.50%	
Legg Mason Batterymarch International Large Cap Fund	Each Class A Share Class	1.75%	
	Each Class B Share Class	2.25%	
	Each Class C Share Class	2.25%	
	Each Class E Share Class	2.50%	
	Each Class F Share Class	1.15%	
	Each Premier Share Class	0.90%	
	Each LM Share Class	n/a	
	Class A (G) US\$ Accumulating	1.40%	
	Class B (G) US\$ Accumulating	1.90%	
Class L (G) US\$ Accumulating	1.90%		
Legg Mason Batterymarch Emerging Markets Equity Fund	Each Class A Share Class	1.45%	
	Each Class B Share Class	1.95%	
	Each Class C Share Class	1.95%	
	Each Class E Share Class	2.20%	
	Each Class F Share Class	1.20%	
	Each Premier Share Class	0.95%	
Each LM Share Class	n/a		

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

4. Operating Expenses and Other Related Party Transactions – (continued)

Fund Name	Share Class	Maximum Investment Management Fee
Legg Mason Congruix Asia Pacific Fund ^	Each Class A Share Class	1.50%
	Each Class B Share Class	2.00%
	Each Class C Share Class	2.00%
	Each Premier Share Class	1.00%
	Each LM Share Class	n/a
Legg Mason Congruix Japan Equity Fund	Each Class A Share Class	1.20%
	Each Class B Share Class	1.70%
	Each Class C Share Class	1.70%
	Each Class E Share Class	1.95%
	Each Class F Share Class	0.95%
	Each Premier Share Class	0.70%
	Each LM Share Class	n/a
	Class GA US\$ Accumulating	1.42%
	Class GA Euro Accumulating	1.42%
	Class GA Euro Distributing (A)	1.42%
	Class GA JPY Accumulating	1.42%
	Class GE Euro Accumulating	2.17%
Class GE JPY Accumulating	2.17%	
Legg Mason LMHK China Fund ^	Each Class A Share Class	1.25%
	Each Class B Share Class	1.75%
	Each Class C Share Class	1.75%
	Each Class E Share Class	2.00%
	Each Class F Share Class	1.00%
	Each Premier Share Class	0.75%
	Each LM Share Class	n/a

In the tables above, the expense limits provided for each Fund apply to any of the share classes listed in the relevant column that are offered by the Fund. Not all share classes were active as at February 28, 2010.

The Investment Manager of certain Funds has voluntarily agreed to waive a portion of its fees and/or reimburse each respective Fund for certain expenses so that the total expenses would not exceed certain voluntary expense limitations established for each respective Fund. The Investment Manager, at its discretion, may revise or discontinue the voluntary waivers and/or expense reimbursements at any time. For the year ended February 28, 2010, the Investment Manager fees waived were as follows:

Fund Name	Investment Management Fee	Investment Management Fee
	Waived	Waived
	February 28, 2010	February 28, 2009
	(000's)	(000's)
	\$	\$
Legg Mason Western Asset US Money Market Fund	10,147	10
Legg Mason Western Asset US Core Bond Fund	2	–
Legg Mason Western Asset US Core Plus Bond Fund	22	5
Legg Mason Western Asset Diversified Strategic Income Fund	1	1
Legg Mason Western Asset Emerging Markets Bond Fund	2	7
Legg Mason Western Asset Global High Yield Fund	1	–
Legg Mason Western Asset US Short-Term Government Fund	15	4
Legg Mason Western Asset US Adjustable Rate Fund	22	2
Legg Mason Western Asset Inflation Management Fund	24	38
Legg Mason Capital Management Opportunity Fund^	14	–
Legg Mason ClearBridge US Appreciation Fund	–	2
Legg Mason ClearBridge US Fundamental Value Fund	–	1
Legg Mason ClearBridge US Large Cap Growth Fund	1	1
Legg Mason ClearBridge US Aggressive Growth Fund	–	2
Legg Mason Royce Smaller Companies Fund	–	1
Legg Mason Royce Global Smaller Companies Fund^	2	–
Legg Mason PCM US Equity Fund	6	7
Legg Mason GC Global Equity Fund	5	–
Legg Mason Batterymarch International Large Cap Fund	6	1
Legg Mason Batterymarch Emerging Markets Equity Fund	18	6

For the Funds for which Legg Mason Investments (Europe) Limited serves as Investment Manager, it has entered into separate distribution agreements with Legg Mason Investor Services, LLC, Legg Mason Asset Management Hong Kong Limited, Legg Mason International Equities (Singapore) Pte. Limited and Legg Mason Investments (Taiwan) Limited under which Legg Mason Investments (Europe) Limited has delegated to these Distributors certain responsibilities associated with marketing and distributing each of the Funds for which it serves as Investment Manager. The distribution agreement with Legg Mason Investments (Taiwan) Limited is a tri-party agreement to which Legg Mason Capital Management, Inc. is also party. In accordance with Taiwanese law, this agreement is entitled a Master Agent Agreement, pursuant to which Legg Mason Investments (Taiwan) Limited acts as the Master Agent of the Funds in Taiwan. The delegated functions in the distribution and master agent agreements do not include the Investment Managers' provision of investment management services to the Funds, but are limited to marketing and distribution services provided to the Funds and the Company. Under the aforementioned agreements, each Investment Manager shall pay to each Distributor a portion of its investment management fee as set out in such distribution agreements.

The Company shall also be responsible for the prompt payment or reimbursement to the Investment Manager of any commissions, transfer fees, registration fees, taxes and similar liabilities, costs and out-of-pocket expenses properly payable or incurred by the Investment Manager.

As at February 28, 2010 Legg Mason Western Asset Diversified Strategic Income Fund, Legg Mason Western Asset Global Multi Strategy Fund, Legg Mason Western Asset Global High Yield Fund and Legg Mason Western Asset Asian Opportunities Fund held investments in collective investment schemes which have appointed the same Investment Manager, or Sub-Investment Manager or another related party entity to provide investment management services as the Fund's Investment Manager or Sub-Investment Manager.

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

4. Operating Expenses and Other Related Party Transactions – (continued)

Below is a table that shows the percentage ownership of the underlying collective investment scheme of related party entities held by the Legg Mason Global Funds Plc Funds at February 28, 2010:

Fund	Underlying Collective Investment Scheme	February 28, 2010		February 28, 2009	
		%	Fair Value	%	Fair Value
Legg Mason Western Asset Diversified Strategic Income Fund	Legg Mason Global Funds FCP (Luxembourg), U.S.\$ High Yield Bond Fund, Class M	12.20%	\$50,000	6.32%	\$3,748,317
Legg Mason Western Asset Diversified Strategic Income Fund	Legg Mason Institutional Funds Plc – Western Asset Euro High Yield Bond Fund, Class Euro Distributing	3.88%	3,544,000	7.81%	2,934,259
Legg Mason Western Asset Diversified Strategic Income Fund	Legg Mason Institutional Funds Plc – Western Asset US\$ High Yield Bond Fund, LM EUR Distribution Class	1.56%	3,426,000	25.23%	14,970,730
Legg Mason Western Asset Global Multi Strategy Fund	Legg Mason Institutional Funds Plc – Western Asset Euro High Yield Bond Fund, Class Euro Distributing	15.29%	13,956,000	18.63%	7,000,385
Legg Mason Western Asset Global Multi Strategy Fund	Legg Mason Institutional Funds Plc – Western Asset US\$ High Yield Bond Fund, LM USD Accumulation Class	8.73%	19,132,000	–	–
Legg Mason Western Asset Global High Yield Fund	Legg Mason Institutional Funds Plc – Western Asset Euro High Yield Bond Fund, LM USD Hedged Distribution Class	30.07%	27,447,000	19.64%	7,383,173
Legg Mason Western Asset Asian Opportunities Fund	Western Asset Liquidity Fund Plc – USD Liquidity Fund, Class WA	0.08%	3,800,000	0.01%	527,391

Shareholder Services Fee

Under the Shareholder Servicing Agreements between Legg Mason Investor Services, LLC, Legg Mason Investments (Europe) Limited, Legg Mason Asset Management Hong Kong Limited, Legg Mason International Equities (Singapore) Pte. Limited and Legg Mason Investments (Taiwan) Limited (the “Shareholder Servicing Agent”) and the Company, each Shareholder Servicing Agent shall be entitled to receive a shareholder services fee from certain of the share classes for their services as Shareholder Servicing Agent. The aggregate amount of shareholder services fees paid by the Company shall be equal to the following:

- (i) 0.15 per cent, per annum of the net asset value of Legg Mason Western Asset US Core Bond Fund, Legg Mason Western Asset US Core Plus Bond Fund, Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Western Asset Diversified Strategic Income Fund, Legg Mason Western Asset Global Multi Strategy Fund, Legg Mason Western Asset US High Yield Fund, Legg Mason Western Asset Emerging Markets Bond Fund, Legg Mason Western Asset Global High Yield Fund, Legg Mason Western Asset US Short-Term Government Fund, Legg Mason Western Asset US Adjustable Rate Fund, Legg Mason Western Asset Inflation Management Fund, Western Asset Asian Opportunities Fund, Legg Mason Western Asset Global Blue Chip Bond Fund[^] and Legg Mason Brandywine Global Fixed Income Fund, and
- (ii) 0.35 per cent, per annum, of the net asset value of Legg Mason Capital Management Value Fund, Legg Mason Capital Management Growth Fund, Legg Mason Capital Management Opportunity Fund[^], Legg Mason ClearBridge US Appreciation Fund, Legg Mason ClearBridge US Fundamental Value Fund, Legg Mason ClearBridge US Large Cap Growth Fund, Legg Mason ClearBridge US Aggressive Growth Fund, Legg Mason Batterymarch European Equity Fund, Legg Mason Batterymarch Asia Pacific Equity Fund, Legg Mason Batterymarch 130/30 Global Equity Fund[^], Legg Mason Batterymarch International Large Cap Fund, Legg Mason Batterymarch Emerging Markets Equity Fund, Legg Mason Congruix Asia Pacific Fund[^], Legg Mason Royce US Small Cap Opportunity Fund, Legg Mason Royce Smaller Companies Fund, Legg Mason Royce European Smaller Companies Fund[^], Legg Mason Royce Global Smaller Companies Fund[^], Legg Mason PCM US Equity Fund, Legg Mason Permal Global Absolute Fund[^], Legg Mason GC Global Equity Fund, Legg Mason Congruix Japan Equity Fund and Legg Mason LMHK China Fund[^].

Shareholder service fees are payable on all classes except LM Share Classes, Premier Share Classes, Grandfathered Share Classes (each as defined in the Prospectus), and all share classes offered by Legg Mason Western Asset US Money Market Fund.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

4. Operating Expenses and Other Related Party Transactions – (continued)

During the year ended February 28, 2010 the shareholder services fees waived were as follows:

	Shareholder Services Fee Waived February 28, 2010 (000's) \$	Shareholder Services Fee Waived February 28, 2009 (000's) \$
Legg Mason Western Asset US Core Bond Fund	\$1	\$-
Legg Mason Western Asset US Core Plus Bond Fund	11	11
Legg Mason Western Asset Diversified Strategic Income Fund	2	2
Legg Mason Western Asset Global Multi Strategy Fund	11	8
Legg Mason Western Asset US High Yield Fund	3	1
Legg Mason Western Asset Emerging Markets Bond Fund	19	13
Legg Mason Western Asset Global High Yield Fund	58	49
Legg Mason Western Asset US Short-Term Government Fund	31	8
Legg Mason Western Asset US Adjustable Rate Fund	11	12
Legg Mason Western Asset Inflation Management Fund	1	1
Legg Mason Brandywine Global Fixed Income Fund	13	15
Legg Mason Capital Management Value Fund	1	2
Legg Mason Capital Management Growth Fund	5	2
Legg Mason Capital Management Opportunity Fund [^]	1	-
Legg Mason ClearBridge US Appreciation Fund	73	12
Legg Mason ClearBridge US Fundamental Value Fund	20	19
Legg Mason ClearBridge US Large Cap Growth Fund	21	6
Legg Mason ClearBridge US Aggressive Growth Fund	24	29
Legg Mason Royce US Small Cap Opportunity Fund	15	15
Legg Mason Royce Smaller Companies Fund	16	6
Legg Mason PCM US Equity Fund	2	3
Legg Mason GC Global Equity Fund	61	90
Legg Mason Batterymarch European Equity Fund	1	1
Legg Mason Batterymarch Asia Pacific Equity Fund	39	27
Legg Mason Batterymarch International Large Cap Fund	9	6
Legg Mason Batterymarch Emerging Markets Equity Fund	91	19

Administrator and Custodian Fees

PNC International Bank Limited acts as Custodian and PNC Global Investment Servicing (Europe) Limited ("PNC") acts as Administrator to all Funds in the Company. Effective April 23, 2007 for administration, accounting, shareholder, trustee and custodial services, they collectively receive from the Funds a monthly unitary fee of up to an annual rate of 0.10% of the aggregate average daily net asset value of the Company.

Any waivers in place can be revoked at any time.

Directors Remuneration

Directors' fees accrued over the years ended February 28, 2010 and February 28, 2009 \$47,811 and \$51,912, respectively

5. Distributions to Holders of Redeemable Participating Shares

Distributing Share Classes

The letter in parentheses at the end of the name of each Distributing Share Class indicates a particular frequency of dividend declarations and dividend payments, as detailed in the following table.

Distributing Share Class Designation	Frequency of Dividend Declarations	Frequency of Dividend Payments
(D)	Daily	Monthly
(M)	Monthly	Monthly
(Q)	Quarterly	Quarterly (March, June, September, December)
(S)	Semi-Annually	Semi-Annually (March, September)
(A)	Annually	Annually (March)

For each Distributing Share Class of each Fixed Income Fund (as defined in note 13), at the time of each dividend declaration: (1) net investment income, if any, will be declared as a dividend; and (2) all, or some portion, of realised and unrealised capital gains net of realised and unrealised capital losses may be, but is not required to be, declared as a dividend.

For each Distributing Share Class of each Equity Fund (as defined in note 13), at the time of each dividend declaration: net investment income, if any, will be declared as a dividend. For each Shareholder of each Distributing Share Class, distributions will be made in the currency in which the Shareholder subscribed for shares, unless the Shareholder requests otherwise.

Payments will be made by wire transfer to a Shareholder's account. Shareholders may elect on the application form whether or not to invest such distributions in additional shares.

Accumulating Share Classes

With respect to Accumulating Share Classes, it is intended that, in the normal course of business, distributions will not be declared and that any net investment income attributable to each Accumulating Share Class will be accumulated daily in the respective net asset value per share of each respective share class.

6. Share Capital and Redeemable Participating Shares

Share Capital

The Company was incorporated with an initial share capital of Euro 39,000 represented by 39,000 Subscriber Shares of no par value. All but seven of the Subscriber Shares have been repurchased by the Company. Shareholders of these seven Subscriber Shares are entitled to attend and vote at all of the meetings of the Company, but are not entitled to participate in the dividends or net assets of any Fund or of the Company.

Redeemable Participating Shares

The share capital of the Company shall at all times equal the net asset value. The Directors are empowered to issue up to five hundred billion shares of no par value in the Company at the net asset value per share on such terms as they may see fit. There are no rights of pre-emption upon the issue of shares in the Company.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

6. Share Capital and Redeemable Participating Shares – (continued)

Each of the shares entitles the Shareholder to participate equally on a pro rata basis in the dividends, where applicable, and net assets of the Fund in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder.

The proceeds from the issue of shares shall be applied in the books of the Company to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

Each Fund has different shares classes offered as indicated in the Company's Prospectus. These different classes of shares differ principally in terms of their sales charges, fees, rates of expenses, distribution policy, and currency denomination. Investors are thus able to choose a share class that best suits their investment needs, considering the amount of investment and anticipated holding period.

Each share class is designated as a Distributing Share Class or an Accumulating Share Class. Accumulating Share Classes do not distribute net income, net realised or net unrealised capital gains whereas Distributing Share Classes will distribute at certain intervals, which will vary depending on the letter in parentheses at the end of the name of the Distributing Share Class, as explained under the Distributions Note 5 above. In addition, the Company has Subscriber Shares outstanding. The Subscriber Shares do not entitle the holders to participate in the assets of any Fund.

Each Fund may offer share classes designated in currencies other than the Base Currency of the Fund. For each such share class, unless indicated by "(Hedged)" in the name of the share class, the Investment Manager or Sub-Investment Manager will not employ any techniques to hedge the share class's exposure to changes in exchange rates between the Base Currency of the Fund and the currency of the share class.

Each of the Funds offers LM Share Classes, and certain of the Funds offer Grandfathered Share Classes. LM Share Classes are available only at the discretion of the relevant Distributor. The Grandfathered Share Classes are available only to unitholders of the funds which are managed by affiliates of the Investment Managers ("Affiliated Funds") except for the Grandfathered Share Classes of the Legg Mason GC Global Equity Fund, which are available only at the discretion of the relevant Distributor. Following the initial subscription for shares of the Grandfathered Share Classes by unitholders of the Affiliated Funds (or, in the case of the Legg Mason GC Global Equity Fund, by investors permitted in the Fund at the discretion of the relevant Distributor), the Grandfathered Share Classes will be closed to any subsequent subscriptions, both by existing Shareholders in the share class and by new investors, except that shares may continue to be acquired through (1) dividend reinvestments; (2) automatic conversions from a Class B (G) Share Class of a Fund to a Class A (G) Share Class of the same Fund; and (3) exchanges of shares of the equivalent Grandfathered Share Class of another Fund.

Galleon Class Shares of Legg Mason Capital Management Value Fund, which differ from the other share classes in terms of minimum subscription level, sales charges and/or rates of expenses, are no longer being offered for subscription. Existing Galleon Class Shares will be maintained in accordance with and subject to the terms and conditions applicable at the time of purchase.

7. Taxation

The Company will not generally be liable to tax in respect of its income and gains, other than on the occurrence of a chargeable event. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or on the ending of a 'Relevant Period', a 'Relevant Period' being an eight year period beginning with the acquisition of the shares by the Shareholders and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A chargeable event does not include:

- (i) Any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- (ii) An exchange by a shareholder, effected by way of an arms length bargain when no payment is made by the shareholder of shares in a Fund for other shares in a Fund; or
- (iii) An exchange of shares arising on a qualifying amalgamation or reconstruction of the Fund with another Fund; or
- (iv) Certain exchanges of shares between spouses and former spouses on the occasion of judicial separation and/or divorce.

A chargeable event will not occur in respect of Shareholders who are neither resident nor ordinarily resident in Ireland and who have provided the Fund with a relevant declaration to that effect.

In the absence of an appropriate declaration, the Fund will be liable to Irish Tax on the occurrence of a chargeable event. There were no chargeable events during the year under review.

Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Fund or its Shareholders.

8. Cash and Cash Equivalents

The cash balances of any Fund are held with PNC International Bank Limited and any sub-custodians. Included in cash at February 28, 2010 are short dated Repurchase Agreements held by a number of the Funds.

Cash collateral are amounts held as collateral for futures and options contracts with brokers for the following Funds:

		As at February 28, 2010 (in 000's)	As at February 28, 2009 (in 000's)
Legg Mason Western Asset US Core Plus Bond Fund	USD	4	–
Legg Mason Western Asset Euro Core Plus Bond Fund	EUR	153	110
Legg Mason Western Asset Diversified Strategic Income Fund	USD	315	683
Legg Mason Western Asset Global Multi Strategy Fund	USD	813	1,037
Legg Mason Western Asset US Adjustable Rate Fund	USD	105	732
Legg Mason Western Asset Inflation Management Fund	USD	–	2
Legg Mason Western Asset Asian Opportunities Fund	USD	306	384
Legg Mason Western Asset Global Blue Chip Bond Fund [^]	USD	1,896	–

9. Commitments and Contingent Liabilities

There were no significant commitments or contingent liabilities at the balance sheet date.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

10. Soft Commission Arrangements

During the year ended February 28, 2010, Brandywine Global Investment Management, LLC (“Brandywine”, Sub-Investment Manager for Legg Mason Brandywine Global Fixed Income Fund and for Legg Mason GC Global Equity Fund up to 30 June 2008), Global Currents Investment Management, LLC (“Global Currents”, Sub-Investment Manager for Legg Mason GC Global Equity Fund since 1 July 2008), Legg Mason Capital Management, Inc. (“LMCM”, the Investment Manager for Legg Mason Capital Management Value Fund, the Sub-Investment Manager for Legg Mason Capital Management Growth Fund and Legg Mason Capital Management Opportunity Fund[^]), ClearBridge Advisors, LLC (“ClearBridge”, the Sub-Investment Manager for Legg Mason ClearBridge US Appreciation Fund, Legg Mason ClearBridge US Fundamental Value Fund, Legg Mason ClearBridge US Large Cap Growth Fund, and Legg Mason ClearBridge US Aggressive Growth Fund) and Royce & Associates, LLC (“Royce”, the Sub-Investment Manager for Legg Mason Royce US Small Cap Opportunity Fund, Legg Mason Royce Smaller Companies Fund, Legg Mason Royce European Smaller Companies Fund[^] and Legg Mason Royce Global Smaller Companies Fund[^]) entered into soft commission arrangements with brokers in respect of which certain goods and services used to support the investment decision process were received. Brandywine, Global Currents, LMCM, ClearBridge, Royce and their respective connected persons do not make direct payments for these services but do transact business with the brokers on behalf of the Funds for which Brandywine, Global Currents, LMCM, ClearBridge and Royce acts as Investment Manager or Sub-Investment Manager, and commissions are paid on these transactions. These services assist Brandywine, Global Currents, LMCM, ClearBridge and Royce in carrying out their investment decision-making responsibilities in respect of the relevant Funds.

Western Asset Management Company, Western Asset Management Company Pte, Limited and Western Asset Management Company Limited (“Western Asset”, Sub-Investment Managers for Legg Mason Western Asset US Money Market Fund, Legg Mason Western Asset US Core Bond Fund, Western Asset US Core Plus Bond Fund, Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Western Asset Diversified Strategic Income Fund, Legg Mason Western Asset Global Multi Strategy Fund, Legg Mason Western Asset US High Yield Fund, Legg Mason Western Asset Emerging Markets Bond Fund, Legg Mason Western Asset Global High Yield Fund, Legg Mason Western Asset US Short-Term Government Fund, Legg Mason Western Asset US Adjustable Rate Fund, Legg Mason Western Asset Inflation Management Fund, Legg Mason Western Asset Asian Opportunities Bond Fund and Legg Mason Western Asset Global Blue Chip Bond Fund[^]), Batterymarch Financial Management, Inc. (“Batterymarch”, Sub-Investment Manager for Legg Mason Batterymarch European Equity Fund, Legg Mason Batterymarch Asia Pacific Equity Fund, Legg Mason Batterymarch 130/30 Global Equity Fund[^], Legg Mason Batterymarch International Large Cap Fund and Legg Mason Batterymarch Emerging Markets Equity Fund), Private Capital Management, L.P. (“PCM”, Sub-Investment Manager for Legg Mason PCM US Equity Fund) and Legg Mason International Equities (Singapore) Pte. Limited (“LMIES”, Sub-Investment Manager for Legg Mason Congruix Japan Equity Fund and Legg Mason Congruix Asia Pacific Fund[^]), Legg Mason International Equities Limited, Sub-Investment Manager for Legg Mason LMHK China Fund[^] and Permal Investment Management Services Company, Sub-Investment Manager for Legg Mason Permal Global Absolute Fund[^], did not participate in any soft commission arrangements during the year.

11. Exchange Rates

The following exchange rates were used in these financial statements to obtain the equivalent U.S. Dollar, Euro and Japanese Yen amounts for the respective Funds with U.S. Dollar, Euro and Japanese Yen based currencies, respectively:

		Exchange rates as at February 28, 2010	Exchange rates as at February 28, 2009
USD Based Funds	Country		
	Argentina	3.8580	3.5630
	Australia	1.1158	1.5638
	Brazil	1.8072	2.3914
	Canada	1.0522	1.2722
	China	6.7816	6.8398
	Czech Republic	n/a	22.1810
	Denmark	5.4656	5.8768
	Egypt	5.4900	5.6000
	Euro	0.7344	0.7888
	Hong Kong	7.7622	7.7552
	Hungary	198.0502	236.0521
	India	46.1050	51.1400
	Indonesia	9,335.0000	11,980.0000
	Japan	88.8450	97.5950
	Malaysia	3.4055	3.7075
	Mexico	12.7784	15.2300
	New Zealand	1.4320	1.9966
	Norway	5.9092	7.0282
	Pakistan	85.0000	79.9750
	Philippines	46.1250	48.7900
Poland	2.8963	3.6511	
Russia	n/a	35.9150	
Singapore	1.4057	1.5478	
South Africa	7.7225	10.1050	
South Korea	1,159.9000	1,533.4500	
Sri Lanka	114.6250	n/a	
Sweden	7.1298	9.0069	
Switzerland	1.0743	1.1698	
Taiwan	32.0725	34.9315	
Thailand	33.0650	36.1750	
Turkey	1.5465	1.7001	
United Kingdom	0.6558	0.6985	
EUR Based Funds	Country		
	Australia	1.5194	n/a
	Denmark	7.4423	n/a
	Norway	8.0463	8.9100
	Poland	3.9438	4.6337
	South Africa	10.5154	n/a
	Sweden	9.7083	11.4185
	Switzerland	1.4628	1.4831
	United Kingdom	0.8930	0.8855
	United States	1.3617	1.2677
JPY Based Funds	Country		
	Euro	0.0083	n/a
	United States	0.0113	0.0102

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

12. Net gain/(loss) on Financial Assets and Liabilities at Fair Value through Profit or Loss

Net gain/(loss) on financial assets and liabilities at fair value through profit or loss for the year ended February 28, 2010 were as follows:

	Legg Mason Western Asset US Money Market Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Western Asset US Core Bond Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Western Asset US Core Plus Bond Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Western Asset Euro Core Plus Bond Fund for the year ended February 28, 2010 ('000€)	Legg Mason Western Asset Diversified Strategic Income Fund for the year ended February 28, 2010 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	168	(3,572)	(67)	(1,052)	(3,643)
Net unrealised gain/(loss) on financial instruments held for trading	-	6,279	4,810	2,769	17,080
	168	2,707	4,743	1,717	13,437

	Legg Mason Western Asset Global Multi Strategy Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Western Asset US High Yield Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Western Asset Emerging Markets Bond Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Western Asset Global High Yield Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Western Asset US Short-Term Government Fund for the year ended February 28, 2010 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	(13,445)	(4,226)	(4,076)	(16,760)	1,074
Net unrealised gain/(loss) on financial instruments held for trading	98,581	24,798	30,948	62,855	26
	85,136	20,572	26,872	46,095	1,100

	Legg Mason Western Asset US Adjustable Rate Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Western Asset Inflation Management Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Western Asset Asian Opportunities Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Western Asset Global Blue Chip Bond Fund [^] for the period ended February 28, 2010 ('000\$)	Legg Mason Brandywine Global Fixed Income Fund for the year ended February 28, 2010 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	(5,382)	36	2,830	(5,619)	10,591
Net unrealised gain/(loss) on financial instruments held for trading	10,324	557	4,782	(1,984)	64,276
	4,942	593	7,612	(7,603)	74,867

	Legg Mason Capital Management Value Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Capital Management Growth Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Capital Management Opportunity Fund [^] for the year ended February 28, 2010 ('000\$)	Legg Mason ClearBridge US Appreciation Fund for the year ended February 28, 2010 ('000\$)	Legg Mason ClearBridge US Fundamental Value Fund for the year ended February 28, 2010 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	(20,160)	(2,275)	129	(1,756)	(13,208)
Net unrealised gain/(loss) on financial instruments held for trading	180,574	19,464	2,492	18,762	59,093
	160,414	17,189	2,621	17,006	45,885

	Legg Mason ClearBridge US Large Cap Growth Fund for the year ended February 28, 2010 ('000\$)	Legg Mason ClearBridge US Aggressive Growth Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Royce US Small Cap Opportunity Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Royce Smaller Companies Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Royce European Smaller Companies Fund [^] for the period ended February 28, 2010 ('000€)
Net realised gain/(loss) on financial instruments held for trading	(741)	(17,496)	(5,653)	(2,436)	(10)
Net unrealised gain/(loss) on financial instruments held for trading	13,193	60,186	41,081	23,282	(13)
	12,452	42,690	35,428	20,846	(23)

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

12. Net gain/(loss) on Financial Assets and Liabilities at Fair Value through Profit or Loss – (continued)

	Legg Mason Royce Global Smaller Companies Fund [^] for the period ended February 28, 2010 ('000\$)	Legg Mason PCM US Equity Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Permal Global Absolute Fund [^] for the period ended February 28, 2010 ('000\$)	Legg Mason GC Global Equity Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Batterymarch European Equity Fund for the year ended February 28, 2010 ('000€)
Net realised gain/(loss) on financial instruments held for trading	–	(186)	(642)	(7,958)	(2,789)
Net unrealised gain/(loss) on financial instruments held for trading	(70)	426	(1,129)	18,090	6,974
	(70)	240	(1,771)	10,132	4,185

	Legg Mason Batterymarch Asia Pacific Equity Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Batterymarch 130/ 30 Global Equity Fund [^] for the year ended February 28, 2010 ('000\$)	Legg Mason Batterymarch International Large Cap Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Batterymarch Emerging Markets Equity Fund for the year ended February 28, 2010 ('000\$)	Legg Mason Congruix Asia Pacific Fund [^] for the period ended February 28, 2010 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	(544)	289	(1,571)	(921)	1,362
Net unrealised gain/(loss) on financial instruments held for trading	94,919	1,948	7,389	33,760	(7,017)
	94,375	2,237	5,818	32,839	(5,655)

	Legg Mason Congruix Japan Equity Fund for the year ended February 28, 2010 ('000¥)	Legg Mason LMHK China Fund [^] for the period ended February 28, 2010 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	4,265	(42)
Net unrealised gain/(loss) on financial instruments held for trading	38,146	(312)
	42,411	(354)

Net gain/(loss) on financial assets and liabilities at fair value through profit or loss for the year ended February 28, 2009 were as follows:

	Legg Mason Western Asset US Money Market Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Western Asset US Core Bond Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Western Asset US Core Plus Bond Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Western Asset Euro Core Plus Bond Fund for the year ended February 28, 2009 ('000€)	Legg Mason Western Asset Diversified Strategic Income Fund for the year ended February 28, 2009 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	1,600	(3,750)	125	(544)	(4,456)
Net unrealised (loss)/gain on financial instruments held for trading	(11,406)	(6,720)	(6,945)	(2,267)	(15,531)
	(9,806)	(10,470)	(6,820)	(2,811)	(19,987)

	Legg Mason Western Asset Global Multi Strategy Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Western Asset US High Yield Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Western Asset Emerging Markets Bond Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Western Asset Global High Yield Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Western Asset US Short-Term Government Fund for the year ended February 28, 2009 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	(17,329)	(11,459)	(6,054)	(26,095)	(911)
Net unrealised (loss)/gain on financial instruments held for trading	(107,642)	(14,808)	(27,669)	(38,927)	25
	(124,971)	(26,267)	(33,723)	(65,022)	(886)

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

12. Net gain/(loss) on Financial Assets and Liabilities at Fair Value through Profit or Loss – (continued)

	Legg Mason Western Asset US Adjustable Rate Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Western Asset Inflation Management Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Western Asset Asian Opportunities Fund for the period ended February 28, 2009 ('000\$)	Legg Mason Brandywine Global Fixed Income Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Capital Management Value Fund for the year ended February 28, 2009 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	(3,190)	(140)	(2,302)	(9,548)	(368,086)
Net unrealised (loss)/gain on financial instruments held for trading	(12,137)	(1,280)	(1,626)	(103,041)	(36,890)
	<u>(15,327)</u>	<u>(1,420)</u>	<u>(3,928)</u>	<u>(112,589)</u>	<u>(404,976)</u>

	Legg Mason Capital Management Growth Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Capital Management Opportunity Fund [^] for the period ended February 28, 2009 ('000\$)	Legg Mason ClearBridge US Appreciation Fund for the year ended February 28, 2009 ('000\$)	Legg Mason ClearBridge US Fundamental Value Fund for the year ended February 28, 2009 ('000\$)	Legg Mason ClearBridge US Large Cap Growth Fund for the year ended February 28, 2009 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	(45,970)	(1)	(2,098)	(35,951)	(12,935)
Net unrealised (loss)/gain on financial instruments held for trading	(3,499)	(50)	(11,015)	(40,916)	(4,854)
	<u>(49,469)</u>	<u>(51)</u>	<u>(13,113)</u>	<u>(76,867)</u>	<u>(17,789)</u>

	Legg Mason ClearBridge US Aggressive Growth Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Royce US Small Cap Opportunity Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Royce Smaller Companies Fund for the year ended February 28, 2009 ('000\$)	Legg Mason PCM US Equity Fund for the year ended February 28, 2009 ('000\$)	Legg Mason GC Global Equity Fund for the year ended February 28, 2009 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	(26,690)	(6,715)	(9,873)	(57)	(21,737)
Net unrealised (loss)/gain on financial instruments held for trading	(51,220)	(29,749)	(13,883)	(477)	(12,448)
	<u>(77,910)</u>	<u>(36,464)</u>	<u>(23,756)</u>	<u>(534)</u>	<u>(34,185)</u>

	Legg Mason Batterymarch European Equity Fund for the year ended February 28, 2009 ('000€)	Legg Mason Batterymarch Asia Pacific Equity Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Batterymarch 130/ 30 Global Equity Fund [^] for the period ended February 28, 2009 ('000\$)	Legg Mason Batterymarch International Large Cap Fund for the year ended February 28, 2009 ('000\$)	Legg Mason Batterymarch Emerging Markets Equity Fund for the period ended February 28, 2009 ('000\$)
Net realised gain/(loss) on financial instruments held for trading	(15,325)	(195,169)	(2,978)	(11,785)	(30,981)
Net unrealised (loss)/gain on financial instruments held for trading	(1,715)	(88,342)	(1,948)	(7,194)	(23,547)
	<u>(17,040)</u>	<u>(283,511)</u>	<u>(4,926)</u>	<u>(18,979)</u>	<u>(54,528)</u>

	Legg Mason Congruix Japan Equity Fund for the period ended February 28, 2009 ('000¥)
Net realised gain/(loss) on financial instruments held for trading	(190,703)
Net unrealised (loss)/gain on financial instruments held for trading	(32,119)
	<u>(222,822)</u>

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management

Legg Mason, Inc. ("Legg Mason") houses a selection of investment management businesses, each focusing on their own area of expertise. These specialised investment managers include Western Asset Management Company, Western Asset Management Company Limited, Western Asset Management Company Pte. Limited, Brandywine Global Investment Management, LLC, Global Currents Investment Management, LLC, Legg Mason Capital Management, Inc., ClearBridge Advisors, LLC, Private Capital Management, L.P., Batterymarch Financial Management, Inc., Royce & Associates, LLC, Legg Mason International Equities (Singapore) Pte. Limited (trading under the name "Congruix Investment Management"), Legg Mason International Equities Limited and Permal Investment Management Services Company – each a wholly-owned subsidiary of Legg Mason.

Legg Mason Investments (Europe) Limited (the "Investment Manager"), a wholly-owned subsidiary of Legg Mason, is the promoter and principal mutual fund distributor for Legg Mason outside North America.

The Company has appointed Legg Mason Investments (Europe) Limited as Investment Manager for each of the Funds of Legg Mason Global Funds PLC (with the exception of Legg Mason Capital Management Value Fund) and Legg Mason Capital Management, Inc. as Investment Manager of Legg Mason Capital Management Value Fund (together the "Investment Managers"). The Investment Manager, has made the decision to delegate all investment management activities to Sub-Investment Managers (as at February 28, 2010 Sub-Investment Managers include Batterymarch Financial Management, Inc., Brandywine Global Investment Management, LLC, ClearBridge Advisors, LLC, Global Currents Investment Management, LLC, Legg Mason Asset Management Hong Kong Limited, Legg Mason Capital Management, Inc., LMM LLC, Legg Mason International Equities Limited, Legg Mason International Equities (Singapore) Pte. Limited, Private Capital Management, L.P., Royce & Associates LLC, Western Asset Management Company, Western Asset Management Company Limited, Western Asset Management Company Pte. Limited, Legg Mason Global Asset Allocation, LLC and Permal Investment Management Services Company) provided that LMIE remains responsible to the Funds for the performance of its agreed upon obligations. The Investment Manager's responsibility as Investment Manager is to manage the assets of the Funds in accordance with each Fund's stated investment objective, investment policies and restrictions. Day-to-day risk management of the financial instruments held by the Legg Mason Capital Management Value Fund is the responsibility of Legg Mason Capital Management, Inc. For each of the other Funds, day-to-day risk management of the financial instruments (including financial derivative instruments) held by each Fund is the responsibility of the relevant Sub-Investment Manager/Advisor.

The Company, in conjunction with the Investment Managers, has determined that certain of its material risks are market risk, credit risk and liquidity risk. In respect of the use of financial derivative instruments, the risks are counterparty risk, credit risk, increased margin calls and unlimited risk of loss. Further details of these and other risks are set out below and in the prospectus under "Risk Factors".

The Funds which invest mainly in bond and interest bearing securities include Legg Mason Western Asset US Money Market Fund, Legg Mason Western Asset US Core Bond Fund, Legg Mason Western Asset US Core Plus Bond Fund, Legg Mason Western Asset Euro Core Plus Bond Fund, Legg Mason Western Asset Diversified Strategic Income Fund, Legg Mason Western Asset Global Multi Strategy Fund, Legg Mason Western Asset US High Yield Fund, Legg Mason Western Asset Emerging Markets Bond Fund, Legg Mason Western Asset Global High Yield Fund, Legg Mason Western Asset US Short-Term Government Fund, Legg Mason Western Asset US Adjustable Rate Fund, Legg Mason Western Asset Inflation Management Fund, Legg Mason Western Asset Asian Opportunities Fund, Legg Mason Western Asset Global Blue Chip Bond Fund[^] and Legg Mason Brandywine Global Fixed Income Fund (together the "Fixed Income Funds").

The Funds which invest mainly in equities are Legg Mason Capital Management Value Fund, Legg Mason Capital Management Growth Fund, Legg Mason Capital Management Opportunity Fund[^], Legg Mason ClearBridge US Appreciation Fund, Legg Mason ClearBridge US Fundamental Value Fund, Legg Mason ClearBridge US Large Cap Growth Fund, Legg Mason ClearBridge US Aggressive Growth Fund, Legg Mason Royce US Small Cap Opportunity Fund, Legg Mason Royce Smaller Companies Fund, Legg Mason Royce European Smaller Companies Fund[^], Legg Mason Royce Global Smaller Companies Fund[^], Legg Mason PCM US Equity Fund, Legg Mason Permal Global Absolute Fund[^], Legg Mason GC Global Equity Fund, Legg Mason Batterymarch European Equity Fund, Legg Mason Batterymarch Asia Pacific Equity Fund, Legg Mason Batterymarch International Large Cap Fund, Legg Mason Batterymarch Emerging Markets Equity Fund, Legg Mason Congruix Asia Pacific Fund[^], Legg Mason Congruix Japan Equity Fund and Legg Mason LMHK China Fund[^] (together the "Equity Funds").

Market risk includes market price risk, foreign currency risk, interest rate risk and other price risk.

Market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The maximum price risk resulting from the ownership of financial instruments is determined by the fair value of financial instruments. The Sub-Investment Managers may consider the asset allocation of the portfolios in order to minimise the risk associated with particular countries, industry sectors or securities while continuing to follow each Fund's investment objective as outlined in Note 2 to these financial statements. Risk is managed by each Sub-Investment Manager through careful selection of securities and other financial instruments within specified limits and investment mandates. Details of each Fund's investment policies are outlined in Note 2 to these financial statements. Details of each Fund's financial assets and financial liabilities are presented on the Balance Sheet.

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in the rate of exchange between the currency in which the financial asset or financial liability is denominated and the functional currency of the Funds. The value of the investments of a Fund denominated in a currency other than the functional currency may rise and fall due to exchange rate fluctuations by the relevant currencies. There is a risk that large exchange rate fluctuations may have a significant impact on the performance of the Funds.

Where a Fund holds investments in a currency other than that Fund's functional currency, the Sub-Investment Manager may manage foreign currency risk by either hedging foreign currency into the functional currency of the Fund or alternatively by diversifying investments across multiple currencies using a multi-bank foreign exchange trading network.

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rate. Funds which hold fixed interest rate debt securities and overdraft positions are exposed to interest rate risk where the value of these securities or loans may fluctuate as a result of a change in interest rates. Holdings in floating and variable rate securities may also be subject to interest rate risk although to a lesser degree. Cash assets held via the Custodian yield interest income, the level of which will fluctuate according to the prevailing level of market interest rates.

The Equity Funds generally do not invest in any interest bearing securities other than cash balances held with the Custodian. Cash assets yield interest income, the level of which will fluctuate according to the prevailing level of market interest rates. As a result, the Equity Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates on its financial assets and financial liabilities.

The Fixed Income Funds invest in interest bearing financial assets and financial liabilities which expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial positions and cash flows. The value of investments in fixed rate interest bearing securities may be subject to price volatility due to changes in interest rates. Fluctuations in market interest rates will impact upon the level of interest received by a Fund.

An increase in interest rates will generally reduce the value of debt securities that are issued and outstanding, while a decline in interest rates will generally increase the value of debt securities that are issued and outstanding. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Changes in the value of securities held by a Fund when interest rates change mean that a Fund's net asset value per share can go up or down because of the effect on the value of the Fund's portfolio of debt securities.

The relevant Sub-Investment Manager to each Fixed Income Fund monitors the interest-rate environment and evaluates risks on major strategies. Interest rate risk is controlled by monitoring maturities and duration relative to the Funds' benchmarks. Techniques such as factor analysis and key rate duration measurement are used to evaluate portfolio curve exposures.

Details of each Fixed Income Fund's weighted average yield, weighted average years to maturity and an analysis of fixed and non-interest bearing securities are set out in Notes 13.1 (b) and 13.1 (c) below.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

The risks involved with investing in Equity Funds include changing economic conditions, industry and company conditions and security selection. Fixed Income Funds are also subject to interest rate risk, credit risk, maturity risk and market risk. International securities are subject to changing exchange rates, less liquid markets and political and economic instability depending on the country. Developing markets are subject to these same risks however it may be to a greater degree. For the purpose of efficient portfolio management, the Funds may enter into exchange traded over-the-counter ("OTC") derivatives, including but not limited to, futures, swaps, forwards, options and warrants and may enter into stock lending agreements.

The Investment Manager has established a Committee (the "Committee") to oversee the delegation of investment management responsibilities for all Funds. The Committee is comprised of members who, as a group, have experience and specialised knowledge in such areas as investment management including equity, fixed income and derivatives; investment analysis and reporting; and compliance. The Committee, on behalf of the Investment Managers, is responsible for ensuring that the Funds are managed within the terms of the Funds' investment guidelines and limits set out in the prospectus and the UCITS Regulations as well as the Sub-Investment Managers' own internal investment guidelines and limits. The Committee generally meets once a month to ensure that the Funds are being managed in accordance with these limits and regulatory requirements. The Sub-Investment Managers report to the Committee matters arising in relation to the monitoring of certain material risks arising from a Fund's investments in financial instruments.

13.1 Market Risk

Value at Risk ("VaR") is one of many components used by the Sub-Investment Managers of the Fixed Income Funds to measure market risk. VaR can be used to meet the sensitivity analysis requirement of FRS 29. Relative VaR refers to the risk versus the benchmark.

The Sub-Investment Managers compute the relative VaR of each of the Fixed Income Funds to a benchmark. Tracking error is the volatility of the difference between the Fixed Income Funds' returns and the benchmarks' returns. Tracking error can be computed ex-post (after the fact) by simply observing portfolio and benchmark returns; or ex-ante (before the fact) by a risk model that attempts to predict future tracking error based on the holdings of the Fixed Income Funds and of their benchmarks. The Sub-Investment Managers have available a variety of third-party vendor systems they can use to estimate tracking error, as well as internal methods. To calculate 95% 1 day relative VaR, the Sub-Investment Managers take daily tracking error using historical data and multiply by 1.65, which is the statistical deviation for a 95% confidence level.

Tracking error and VaR analysis attempt to reflect the interdependencies between risk factors, usually through a correlation or covariance matrix although in other cases it can be through different methods such as Monte Carlo simulation. The systems that the Sub-Investment Managers use to calculate tracking error and VaR look at systematic capital market factors such as yield curve exposures (level, slope and shape), sector, credit quality and currencies and if further analysis is required the Sub-Investment Managers have the ability to calculate historic or Monte Carlo VaR.

There are inherent limitations to VaR. As with any forward-looking calculation, methods that calculate ex-ante tracking error and VaR are subject to error. Predicting future behaviour involves extracting patterns from past data and applying judgment and modeling to project forward. There is no guarantee that any particular combination of past data, modeling and judgment will accurately predict forward, especially during turbulent market conditions.

Western Asset Management Company calculates VaR at a 95% confidence level for a 1 day time horizon using 18 months of historical data. Brandywine Global Investment Management, LLC calculates VaR at a 95% confidence level for a 1 day time horizon using 2 years of historical data.

The table below indicates the 95% 1 day relative VaR for the Fixed Income Funds relative to their benchmarks:

Fund	As at February 28, 2010	As at February 28, 2009
Legg Mason Western Asset US Money Market Fund	0.01%	0.01%
Legg Mason Western Asset US Core Bond Fund	0.28%	0.17%
Legg Mason Western Asset US Core Plus Bond Fund	0.43%	0.18%
Legg Mason Western Asset Euro Core Plus Bond Fund	0.29%	0.15%
Legg Mason Western Asset Diversified Strategic Income Fund	0.52%	0.35%
Legg Mason Western Asset Global Multi Strategy Fund	0.18%	0.19%
Legg Mason Western Asset US High Yield Fund	0.12%	0.21%
Legg Mason Western Asset Emerging Markets Bond Fund	0.27%	0.39%
Legg Mason Western Asset Global High Yield Fund	0.16%	0.11%
Legg Mason Western Asset US Short-Term Government Fund	0.16%	0.20%
Legg Mason Western Asset US Adjustable Rate Fund	0.27%	0.37%
Legg Mason Western Asset Inflation Management Fund	0.06%	0.03%
Legg Mason Western Asset Asian Opportunities Fund	0.21%	0.24%
Legg Mason Western Asset Global Blue Chip Bond Fund [^]	0.38%	n/a
Legg Mason Brandywine Global Fixed Income Fund	0.77%	0.89%

(a) Market Price Risk

Each Fund's market price risk is monitored, but not managed, relative to an index. The indices as at February 28, 2010 and February 28, 2009 are outlined below.

The following tables set out an index for each Equity Fund and quantifies the probable impact to the value of the net asset value for each Fund based on positive and negative movement in the index, including one year beta for each Fund. Beta is a measure of a Fund's equity holdings' volatility in relation to the market or index. While beta offers a clear, quantifiable measure, it does not incorporate new information, and past price movements are not accurate predictors of the future.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(a) Market Price Risk – (continued)

As at February 28, 2010:

Fund	Index	Currency	Impact on net asset value due to movement in index	
			Positive 5% *	Negative 5% *
Legg Mason Capital Management Value Fund	S&P 500 Index	USD	33,631,227	(33,631,227)
Legg Mason Capital Management Growth Fund	Russell 1000 Growth Index	USD	2,958,395	(2,958,395)
Legg Mason Capital Management Opportunity Fund ^	S&P 500 Index	USD	3,923,221	(3,923,221)
Legg Mason ClearBridge US Appreciation Fund	S&P 500 Index	USD	2,952,571	(2,952,571)
Legg Mason ClearBridge US Fundamental Value Fund	Russell 3000 Index	USD	5,835,013	(5,835,013)
Legg Mason ClearBridge US Large Cap Growth Fund	Russell 1000 Growth Index	USD	1,819,149	(1,819,149)
Legg Mason ClearBridge US Aggressive Growth Fund	Russell 3000 Growth Index	USD	4,838,525	(4,838,525)
Legg Mason Royce US Small Cap Opportunity Fund	Russell 2000 Index	USD	7,077,786	(7,077,786)
Legg Mason Royce Smaller Companies Fund	Russell 2000 Index	USD	5,085,603	(5,085,603)
Legg Mason Royce European Smaller Companies Fund ** ^	MSCI Europe Small Core Index	EUR	–	–
Legg Mason Royce Global Smaller Companies Fund ** ^	MSCI World ex USA Small Core Index	USD	–	–
Legg Mason PCM US Equity Fund	Russell 3000 Index	USD	46,122	(46,122)
Legg Mason Permal Global Absolute Fund ** ^	BBA LIBOR USD Overnight Rate ****	USD	–	–
Legg Mason GC Global Equity Fund	MSCI World Net Dividends Index	USD	101,050	(101,050)
Legg Mason Batterymarch European Equity Fund	MSCI Europe Net Dividends Index	EUR	634,089	(634,089)
Legg Mason Batterymarch Asia Pacific Equity Fund ***	MSCI AC Asia ex Japan Net Dividends Index	USD	7,245,037	(7,245,037)
Legg Mason Batterymarch International Large Cap Fund	MSCI EAFE Net Dividends Index	USD	744,133	(744,133)
Legg Mason Batterymarch Emerging Markets Equity Fund	MSCI Emerging Markets Net Dividends Index	USD	4,515,748	(4,515,748)
Legg Mason Congruix Asia Pacific Fund ** ^	MSCI AC Asia Pacific ex Japan Net Dividends Index	USD	–	–
Legg Mason Congruix Japan Equity Fund	MSCI Japan Net Dividends Index	JPY	8,454,490	(8,454,490)
Legg Mason LMHK China Fund ** ^	MSCI China Net Dividends Index	USD	–	–

* The most probable outcome is based on a +5% outperformance or -5% underperformance against the actual current year benchmark performance.

** One year beta history is not available for the Fund.

*** The benchmark for this Fund changed from MSCI AC Asia ex Japan Gross Dividends Index to MSCI AC Asia ex Japan Net Dividends Index on November 2, 2009.

**** Legg Mason Permal Global Absolute Fund ^ does not have a set benchmark, therefore the BBA LIBOR USD Overnight Rate will be used as an indicator for the beta calculation after the Fund reaches one year.

As at February 28, 2009:

Fund	Index	Currency	Impact on net asset value due to movement in Index	
			Positive 5% *	Negative 5% *
Legg Mason Capital Management Value Fund	S&P 500 Index	USD	13,565,031	(13,565,031)
Legg Mason Capital Management Growth Fund	Russell 1000 Growth Index	USD	1,705,478	(1,705,478)
Legg Mason Capital Management Opportunity Fund **^	S&P 500 Index	USD	–	–
Legg Mason ClearBridge US Appreciation Fund	S&P 500 Index	USD	982,123	(982,123)
Legg Mason ClearBridge US Fundamental Value Fund	Russell 3000 Index	USD	3,870,457	(3,870,457)
Legg Mason ClearBridge US Large Cap Growth Fund	Russell 1000 Growth Index	USD	1,231,576	(1,231,576)
Legg Mason ClearBridge US Aggressive Growth Fund	Russell 3000 Growth Index	USD	4,805,884	(4,805,884)
Legg Mason Royce US Small Cap Opportunity Fund	Russell 2000 Index	USD	1,541,422	(1,541,422)
Legg Mason Royce Smaller Companies Fund	Russell 2000 Index	USD	1,439,228	(1,439,228)
Legg Mason PCM US Equity Fund	Russell 3000 Index	USD	22,080	(22,080)
Legg Mason GC Global Equity Fund	MSCI World Net Dividends Index	USD	1,463,104	(1,463,104)
Legg Mason Batterymarch European Equity Fund	MSCI Europe Net Dividends Index	EUR	793,571	(793,571)
Legg Mason Batterymarch Asia Pacific Equity Fund	MSCI AC Asia ex Japan Gross Dividends Index	USD	7,137,747	(7,137,747)
Legg Mason Batterymarch International Large Cap Fund	MSCI EAFE Net Dividends Index	USD	732,323	(732,323)
Legg Mason Batterymarch Emerging Markets Equity Fund **	MSCI Emerging Markets Net Dividends Index	USD	–	–
Legg Mason Congruix Japan Equity Fund **	MSCI Japan Net Dividends Index	JPY	–	–

* The most probable outcome is based on a +5% outperformance or -5% underperformance against the actual current year benchmark performance.

** One year beta history is not available for the Fund.

The sensitivity analysis set out above should not be used as an indication of future performance.

The risk to each Fixed Income Fund from market price risk has been incorporated into the calculation of the market VaR (Note 13.1 above), therefore, a sensitivity analysis does not need to be presented.

(b) Foreign Currency Risk

A portion of the financial assets of the Funds are denominated in currencies other than the U.S. Dollar, Euro and Japanese Yen (the functional currencies of the Funds) with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

Western Asset Management Company Limited and Western Asset Management Company (together “Western”) has a strong bias to hedge all foreign currencies into the functional currency of the Fund’s portfolio. Western will typically leave only a small portion of the portfolio unhedged, and then only if the outlook strongly suggests that currency risk is attractive. In other portfolios, hedges are implemented whenever a currency is seen to be at risk of depreciating by more than the cost of the hedge transaction. Western may cross-hedge into non-functional currencies – when permitted by guidelines, under severe limits (typically less than 5% of the portfolio), and seeking to reflect an exposure relative to the benchmark.

The following tables set out the Funds’ net exposure to foreign currency with the value to be received under forward foreign currency contracts and the resulting net unhedged amounts invested in assets in foreign currencies as at February 28, 2010 and as at February 28, 2009.

Amounts represented below primarily are monetary assets and monetary liabilities except for investments in non-interest bearing securities, which include equities, which are non-monetary assets.

As at February 28, 2010:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)
Legg Mason Western Asset US Money Market Fund							
United States Dollar	\$ 3,291,059	\$ 679,672	\$ –	\$ –	\$ –	\$(17,772)	\$ 3,952,959
Total	\$ 3,291,059	\$ 679,672	\$ –	\$ –	\$ –	\$(17,772)	\$ 3,952,959
Legg Mason Western Asset US Core Bond Fund							
United States Dollar	\$ 11,917	\$ 2,785	\$ 111	\$ –	\$(8)	\$ 150	\$ 14,955
Total	\$ 11,917	\$ 2,785	\$ 111	\$ –	\$(8)	\$ 150	\$ 14,955
Legg Mason Western Asset US Core Plus Bond Fund							
Euro	\$ 80	\$ –	\$ –	\$(81)	\$(3)	\$ 5	1
United States Dollar	20,642	6,092	109	81	(69)	286	27,141
Total	\$ 20,722	\$ 6,092	\$ 109	\$ –	\$(72)	\$ 291	\$ 27,142
Legg Mason Western Asset Euro Core Plus Bond Fund							
Australian Dollar	€ 104	€ –	€ –	€ (108)	€ 1	€ 10	€ 7
British Pound	89	–	–	(78)	(2)	17	26
Euro	5,929	947	–	1,007	(54)	456	8,285
Norwegian Krone	461	–	–	(314)	–	69	216
Polish Zloty	303	–	–	(106)	–	6	203
United States Dollar	310	69	–	(418)	2	32	(5)
Total	€ 7,196	€ 1,016	€ –	€ (17)	€ (53)	€ 590	€ 8,732
Legg Mason Western Asset Diversified Strategic Income Fund							
Australian Dollar	\$ 1,383	\$ –	\$ –	\$(1,405)	\$ –	\$ 86	\$ 64
British Pound	547	1,327	–	(2,618)	(17)	807	46
Canadian Dollar	–	–	–	694	–	–	694
Danish Krone	–	–	–	26	–	–	26
Euro	7,268	3,805	3,544	(15,520)	(32)	1,517	582
Hungarian Forint	–	–	–	(57)	–	–	(57)
Israeli Shekel	–	–	–	–	–	–	–
Japanese Yen	–	–	–	8	–	–	8
Mexican Peso	–	–	–	129	–	–	129
New Zealand Dollar	–	–	–	–	–	6	6
Norwegian Krone	–	–	–	(15)	–	–	(15)
Polish Zloty	1,301	–	–	–	–	26	1,327
South African Rand	–	–	–	–	–	–	–
United States Dollar	28,881	2,200	3,680	19,036	(77)	16,843	70,563
Total	\$ 39,380	\$ 7,332	\$ 7,224	\$ 278	\$(126)	\$ 19,285	\$ 73,373

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2010:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)
Legg Mason Western Asset Global Multi Strategy Fund							
Argentine Peso	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 27	\$ 27
Australian Dollar	10,650	–	–	(9,000)	–	126	1,776
Brazilian Real	11,069	–	–	–	–	370	11,439
British Pound	7,484	13,861	–	136,212	(174)	8,440	165,823
Canadian Dollar	–	–	–	20,082	–	22	20,104
Euro	74,078	32,129	13,956	(27,829)	(254)	11,385	103,465
Indian Rupee	–	–	–	5,443	–	–	5,443
Indonesian Rupiah	–	–	–	5,373	–	(10)	5,363
Israeli Shekel	–	–	–	–	–	1	1
Japanese Yen	–	–	–	36,375	–	–	36,375
New Zealand Dollar	–	–	–	–	–	5	5
Norwegian Krone	–	–	–	5,140	–	–	5,140
Polish Zloty	8,843	–	–	2,292	–	179	11,314
Singapore Dollar	–	–	–	1,723	–	(85)	1,638
South Korean Won	–	–	–	7,505	–	–	7,505
Turkish Lira	–	–	–	(4)	–	–	(4)
United States Dollar	296,787	23,702	21,189	(182,600)	(63)	44,825	203,840
Total	\$ 408,911	\$ 69,692	\$ 35,145	\$ 712	\$ (491)	\$ 65,285	\$ 579,254
Legg Mason Western Asset US High Yield Fund							
United States Dollar	\$ 65,630	\$ 10,911	\$ 1,905	\$ –	\$ 4	\$ (1,305)	\$ 77,145
Total	\$ 65,630	\$ 10,911	\$ 1,905	\$ –	\$ 4	\$ (1,305)	\$ 77,145
Legg Mason Western Asset Emerging Markets Bond Fund							
Brazilian Real	\$ 5,902	\$ –	\$ –	\$ 335	\$ (52)	\$ 373	\$ 6,558
Euro	465	–	–	4,419	–	2	4,886
Indonesian Rupiah	2,169	–	–	–	–	414	2,583
Malaysian Ringgit	–	–	–	–	–	44	44
Mexican Peso	–	–	–	–	–	1	1
Turkish Lira	–	–	–	–	–	12	12
United States Dollar	92,896	9,605	–	(4,759)	126	4,335	102,203
Total	\$ 101,432	\$ 9,605	\$ –	\$ (5)	\$ 74	\$ 5,181	\$ 116,287
Legg Mason Western Asset Global High Yield Fund							
Argentine Peso	\$ –	\$ 30	\$ –	\$ –	\$ –	\$ 39	\$ 69
Brazilian Real	1,851	–	–	302	–	122	2,275
Euro	654	2,281	–	(2,312)	–	123	746
Indonesian Rupiah	769	–	–	–	–	54	823
Turkish Lira	–	–	–	–	–	22	22
United States Dollar	190,253	23,689	32,575	2,065	2	22,072	270,656
Total	\$ 193,527	\$ 26,000	\$ 32,575	\$ 55	\$ 2	\$ 22,432	\$ 274,591
Legg Mason Western Asset US Short-Term Government Fund							
United States Dollar	\$ 40,535	\$ 5,330	\$ –	\$ –	\$ 19	\$ 13,126	\$ 59,010
Total	\$ 40,535	\$ 5,330	\$ –	\$ –	\$ 19	\$ 13,126	\$ 59,010
Legg Mason Western Asset US Adjustable Rate Fund							
United States Dollar	\$ 1,169	\$ 22,971	\$ –	\$ –	\$ 89	\$ 2,445	\$ 26,674
Total	\$ 1,169	\$ 22,971	\$ –	\$ –	\$ 89	\$ 2,445	\$ 26,674

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2010:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)
Legg Mason Western Asset Inflation Management Fund							
Australian Dollar	\$ 121	\$ –	\$ –	(116)	\$ –	\$ 1	6
British Pound	–	–	–	–	–	3	3
Euro	–	–	–	–	–	–	–
United States Dollar	3,919	124	6	114	–	26	4,189
Total	\$ 4,040	\$ 124	\$ 6	\$ (2)	\$ –	\$ 30	\$ 4,198
Legg Mason Western Asset Asian Opportunities Fund							
Chinese Renminbi	\$ –	\$ –	\$ –	(1)	\$ 631	\$ 68	698
Euro	–	–	–	–	–	116	116
Hong Kong Dollar	1,928	–	–	1,328	273	(1,716)	1,813
Indian Rupee	2,239	–	–	5,706	(71)	86	7,960
Indonesian Rupiah	13,752	–	–	(674)	–	341	13,419
Japanese Yen	–	–	–	(394)	–	–	(394)
Malaysian Ringgit	9,950	–	–	(606)	–	82	9,426
Philippine Peso	–	–	–	1,082	63	13	1,158
Singapore Dollar	7,283	547	–	5,115	–	(572)	12,373
South Korean Won	15,965	–	–	1,432	149	433	17,979
Sri Lankan Rupee	–	–	–	–	–	26	26
Swiss Franc	–	–	–	(577)	–	–	(577)
Taiwan Dollar	11,172	–	–	(5,022)	–	94	6,244
Thai Baht	3,353	–	–	3,048	–	99	6,500
United States Dollar	21,500	908	3,800	(10,447)	(74)	4,803	20,490
Total	\$ 87,142	\$ 1,455	\$ 3,800	\$ (10)	\$ 971	\$ 3,873	\$ 97,231
Legg Mason Western Asset Global Blue Chip Bond Fund ^							
British Pound	\$ 4,949	\$ –	\$ –	114,797	\$ (50)	(123)	119,573
Euro	49,669	–	–	(20,463)	(387)	(19,521)	9,298
United States Dollar	103,700	–	–	(95,495)	306	28,630	37,141
Total	\$ 158,318	\$ –	\$ –	\$ (1,161)	\$ (131)	\$ 8,986	\$ 166,012
Legg Mason Brandywine Global Fixed Income Fund							
Australian Dollar	\$ 40,073	\$ –	\$ –	(39,610)	\$ –	\$ 1,011	1,474
British Pound	18,292	–	–	62,066	–	360	80,718
Canadian Dollar	12,531	–	–	1,980	–	174	14,685
Chinese Renminbi	–	–	–	7,345	–	–	7,345
Danish Krone	–	–	–	(524)	–	–	(524)
Euro	21,403	–	–	(30,226)	–	278	(8,545)
Japanese Yen	–	–	–	(20,878)	–	–	(20,878)
Malaysian Ringgit	17,957	–	–	–	–	192	18,149
Mexican Peso	8,917	–	–	–	–	123	9,040
New Zealand Dollar	–	–	–	(3,887)	–	200	(3,687)
Norwegian Krone	–	–	–	17,952	–	–	17,952
Polish Zloty	17,377	–	–	(457)	–	256	17,176
Singapore Dollar	–	–	–	15,174	–	–	15,174
South African Rand	5,042	–	–	–	–	90	5,132
South Korean Won	13,744	–	–	–	–	361	14,105
Swedish Krona	13,481	–	–	(3,392)	–	184	10,273
United States Dollar	167,432	10,626	–	(9,346)	–	8,506	177,218
Total	\$ 336,249	\$ 10,626	\$ –	\$ (3,803)	\$ –	\$ 11,735	\$ 354,807

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Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2010:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)	
Legg Mason Capital Management Value Fund								
Euro	\$	–	\$	–	\$	239	\$ 239	
Singapore Dollar		–		–		(33)	(33)	
United States Dollar		–	533,829	–	–	18,962	552,791	
Total	\$	–	\$ 533,829	\$	–	\$ 19,168	\$ 552,997	
Legg Mason Capital Management Growth Fund								
Euro	\$	–	\$	–	\$	(12)	\$ (12)	
United States Dollar		–	50,849	–	–	250	51,099	
Total	\$	–	\$ 50,849	\$	–	\$ 238	\$ 51,087	
Legg Mason Capital Management Opportunity Fund ^								
United States Dollar	\$	197	\$	–	\$	387	\$ 42,853	
Total	\$	197	\$	–	\$	387	\$ 42,853	
Legg Mason ClearBridge US Appreciation Fund								
Euro	\$	–	\$	–	\$	1	\$ 1	
Swiss Franc		–	309	–	–	(46)	263	
United States Dollar		–	72,585	–	–	6,210	78,795	
Total	\$	–	\$ 72,894	\$	–	\$ 6,165	\$ 79,059	
Legg Mason ClearBridge US Fundamental Value Fund								
Canadian Dollar	\$	–	\$	121	\$	–	\$ 121	
Japanese Yen		–	617	–	–	–	617	
United States Dollar		–	107,438	–	–	582	108,020	
Total	\$	–	\$ 108,176	\$	–	\$ 582	\$ 108,758	
Legg Mason ClearBridge US Large Cap Growth Fund								
Swiss Franc	\$	–	\$	1,049	\$	–	\$ 1,049	
United States Dollar		–	32,459	–	–	88	32,547	
Total	\$	–	\$ 33,508	\$	–	\$ 88	\$ 33,596	
Legg Mason ClearBridge US Aggressive Growth Fund								
United States Dollar	\$	–	\$	96,012	\$	–	(1,054)	\$ 94,958
Total	\$	–	\$ 96,012	\$	–	\$ (1,054)	\$ 94,958	
Legg Mason Royce US Small Cap Opportunity Fund								
Euro	\$	–	\$	–	\$	2,553	\$ 2,553	
United States Dollar		81	–	98,167	–	7,659	105,907	
Total	\$	81	\$	98,167	\$	10,212	\$ 108,460	
Legg Mason Royce Smaller Companies Fund								
British Pound	\$	–	\$	607	\$	(156)	\$ 451	
Canadian Dollar		–	122	–	–	86	208	
Swiss Franc		–	759	–	–	–	759	
United States Dollar		–	109,770	–	–	8,546	118,316	
Total	\$	–	\$ 111,258	\$	–	\$ 8,476	\$ 119,734	

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Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2010:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)			
Legg Mason Royce European Smaller Companies Fund ^										
British Pound	€	–	€	353	€	–	€	353		
Danish Krone	–	–	–	39	–	–	–	39		
Euro	–	–	–	722	–	–	352	1,074		
Norwegian Krone	–	–	–	49	–	–	–	49		
South African Rand	–	–	–	31	–	–	–	31		
Swedish Krona	–	–	–	47	–	–	–	47		
Swiss Franc	–	–	–	97	–	–	–	97		
United States Dollar	–	–	–	17	–	–	–	17		
Total	€	–	€	1,355	€	–	€	352	€	1,707
Legg Mason Royce Global Smaller Companies Fund ^										
British Pound	\$	–	\$	243	\$	–	\$	243		
Canadian Dollar	–	–	–	81	–	–	–	81		
Danish Krone	–	–	–	42	–	–	–	42		
Egyptian Pound	–	–	–	63	–	–	–	63		
Euro	–	–	–	317	–	–	–	317		
Hong Kong Dollar	–	–	–	186	–	–	–	186		
South African Rand	–	–	–	112	–	–	(15)	97		
South Korean Won	–	–	–	23	–	–	–	23		
Swiss Franc	–	–	–	125	–	–	–	125		
United States Dollar	–	–	–	833	–	–	420	1,253		
Total	\$	–	\$	2,025	\$	–	\$	405	\$	2,430
Legg Mason PCM US Equity Fund										
United States Dollar	\$	–	\$	625	\$	–	\$	17	\$	642
Total	\$	–	\$	625	\$	–	\$	17	\$	642
Legg Mason Permal Global Absolute Fund ^										
British Pound	\$	–	\$	2,373	\$	13,796	\$	(58)	\$	16,111
Euro	–	1,648	–	4,023	–	(6,460)	–	26	–	(763)
United States Dollar	–	–	–	21,311	–	(8,076)	–	3,244	–	16,479
Total	\$	1,648	\$	27,707	\$	(740)	\$	3,212	\$	31,827
Legg Mason GC Global Equity Fund										
Australian Dollar	\$	–	\$	17	\$	–	\$	–	\$	17
British Pound	–	–	–	222	–	–	–	3	–	225
Canadian Dollar	–	–	–	54	–	–	–	–	–	54
Danish Krone	–	–	–	27	–	–	–	–	–	27
Euro	–	–	–	225	–	–	–	47	–	272
Hong Kong Dollar	–	–	–	58	–	–	–	–	–	58
Japanese Yen	–	–	–	298	–	–	–	7	–	305
Norwegian Krone	–	–	–	46	–	–	–	11	–	57
United States Dollar	–	–	–	1,138	–	–	–	(8)	–	1,130
Total	\$	–	\$	2,085	\$	–	\$	60	\$	2,145

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Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2010:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)	
Legg Mason Batterymarch European Equity Fund								
British Pound	€	– €	– €	5,064 €	– €	– €	(37) €	5,027
Danish Krone	–	–	–	269	–	–	–	269
Euro	–	–	–	7,895	–	–	100	7,995
Norwegian Krone	–	–	–	485	–	–	3	488
Swedish Krona	–	–	–	182	–	–	–	182
Swiss Franc	–	–	–	1,698	–	–	88	1,786
United States Dollar	–	–	–	–	–	–	(7)	(7)
Total	€	– €	– €	15,593 €	– €	– €	147 €	15,740
Legg Mason Batterymarch Asia Pacific Equity Fund								
Euro	\$	– \$	– \$	– \$	– \$	– \$	43 \$	43
Hong Kong Dollar	–	–	–	54,639	–	–	(20)	54,619
Indian Rupee	–	–	–	11,768	–	–	29	11,797
Indonesian Rupiah	–	–	–	9,513	–	–	–	9,513
Pakistani Rupee	–	–	–	1,215	–	–	9	1,224
Philippine Peso	–	–	–	1,312	–	–	(99)	1,213
Singapore Dollar	–	–	–	10,661	–	–	18	10,679
South Korean Won	–	–	–	26,684	–	–	475	27,159
Sri Lankan Rupee	–	–	–	2,508	–	–	–	2,508
Taiwan Dollar	–	–	–	20,926	–	–	–	20,926
Thai Baht	–	–	–	4,075	–	–	–	4,075
United States Dollar	–	–	–	6,793	–	–	5,672	12,465
Total	\$	– \$	– \$	150,094 \$	– \$	– \$	6,127 \$	156,221
Legg Mason Batterymarch International Large Cap Fund								
Australian Dollar	\$	– \$	– \$	1,010 \$	– \$	– \$	3 \$	1,013
British Pound	–	–	–	3,368	–	–	15	3,383
Canadian Dollar	–	–	–	318	–	–	–	318
Danish Krone	–	–	–	251	–	–	–	251
Euro	–	–	–	5,070	–	–	124	5,194
Hong Kong Dollar	–	–	–	337	–	–	–	337
Japanese Yen	–	–	–	3,426	–	–	5	3,431
Norwegian Krone	–	–	–	432	–	–	41	473
Singapore Dollar	–	–	–	155	–	–	–	155
South African Rand	–	–	–	91	–	–	–	91
South Korean Won	–	–	–	164	–	–	1	165
Swiss Franc	–	–	–	1,015	–	–	110	1,125
United States Dollar	–	–	–	848	–	–	(182)	666
Total	\$	– \$	– \$	16,485 \$	– \$	– \$	117 \$	16,602

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2010:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)			
Legg Mason Batterymarch Emerging Markets Equity Fund										
Brazilian Real	\$	–	\$	5,070	\$	–	\$	(110)	\$	4,960
British Pound		–		61		–		818		879
Canadian Dollar		–		353		–		(36)		317
Egyptian Pound		–		1,491		–		–		1,491
Hong Kong Dollar		–		14,959		–		(16)		14,943
Hungarian Forint		–		897		–		–		897
Indian Rupee		–		3,942		–		20		3,962
Indonesian Rupiah		–		2,555		–		–		2,555
Malaysian Ringgit		–		30		–		–		30
Mexican Peso		–		2,089		–		(94)		1,995
Pakistani Rupee		–		707		–		9		716
Philippine Peso		–		316		–		(55)		261
Polish Zloty		–		2,025		–		–		2,025
South African Rand		–		6,398		–		(77)		6,321
South Korean Won		–		9,521		–		81		9,602
Taiwan Dollar		–		7,384		–		(3)		7,381
Thai Baht		–		1,024		–		–		1,024
Turkish Lira		–		2,175		–		39		2,214
United States Dollar		–		26,935		–		6,280		33,215
Total	\$	–	\$	87,932	\$	–	\$	6,856	\$	94,788

Legg Mason Congruix Asia Pacific Fund ^

Australian Dollar	\$	–	\$	56,159	\$	–	\$	(18)	\$	56,141
Hong Kong Dollar		–		55,839		–		–		55,839
Indonesian Rupiah		–		4,196		–		–		4,196
Malaysian Ringgit		–		2,118		–		–		2,118
Singapore Dollar		–		9,886		–		–		9,886
South Korean Won		–		25,458		–		186		25,644
Taiwan Dollar		–		22,875		–		65		22,940
United States Dollar		–		12,975		–		5,064		18,039
Total	\$	–	\$	189,506	\$	–	\$	5,297	\$	194,803

Legg Mason Congruix Japan Equity Fund

Japanese Yen	¥	–	¥	184,616	¥	–	¥	2,881	¥	187,497
Total	¥	–	¥	184,616	¥	–	¥	2,881	¥	187,497

Legg Mason LMHK China Fund ^

Hong Kong Dollar	\$	–	\$	5,252	\$	–	\$	34	\$	5,286
United States Dollar		–		–		–		(1)		(1)
Total	\$	–	\$	5,252	\$	–	\$	33	\$	5,285

As at February 28, 2009:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Net Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)					
Legg Mason Western Asset US Money Market Fund												
United States Dollar	\$	3,219,741	\$	183,004	\$	–	\$	–	\$	116,616	\$	3,519,361
Total	\$	3,219,741	\$	183,004	\$	–	\$	–	\$	116,616	\$	3,519,361

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2009:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Net Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)
Legg Mason Western Asset US Core Bond Fund							
United States Dollar	\$ 20,043	\$ 6,673	\$ 66	\$ –	\$ (99)	\$ (5,065)	\$ 21,618
Total	\$ 20,043	\$ 6,673	\$ 66	\$ –	\$ (99)	\$ (5,065)	\$ 21,618
Legg Mason Western Asset US Core Plus Bond Fund							
United States Dollar	\$ 25,601	\$ 4,530	\$ 29	\$ –	\$ 105	\$ (6,242)	\$ 24,023
Total	\$ 25,601	\$ 4,530	\$ 29	\$ –	\$ 105	\$ (6,242)	\$ 24,023
Legg Mason Western Asset Euro Core Plus Bond Fund							
British Pound	€ 300	€ 82	€ –	€ (14)	€ 4	€ 39	€ 411
Euro	4,566	1,288	–	–	8	202	6,064
Hungarian Forint	–	–	–	1	–	–	1
Norwegian Krone	91	–	–	(2)	–	75	164
Polish Zloty	69	–	–	2	–	1	72
Turkish Lira	–	–	–	(1)	–	–	(1)
United States Dollar	457	34	5	31	–	22	549
Total	€ 5,483	€ 1,404	€ 5	€ 17	€ 12	€ 339	€ 7,260
Legg Mason Western Asset Diversified Strategic Income Fund							
Australian Dollar	\$ –	\$ –	\$ –	\$ (25)	\$ –	\$ 20	\$ (5)
British Pound	706	913	–	(5)	314	251	2,179
Canadian Dollar	–	–	–	50	–	–	50
Danish Krone	–	–	–	79	–	–	79
Euro	2,227	1,711	2,934	76	(202)	638	7,384
Hungarian Forint	–	–	–	132	–	–	132
Japanese Yen	–	–	–	(79)	–	–	(79)
Mexican Peso	–	–	–	(9)	–	–	(9)
New Zealand Dollar	–	–	–	–	–	4	4
Norwegian Krone	–	–	–	(4)	–	–	(4)
United States Dollar	40,145	3,445	3,783	–	117	2,311	49,801
Total	\$ 43,078	\$ 6,069	\$ 6,717	\$ 215	\$ 229	\$ 3,224	\$ 59,532
Legg Mason Western Asset Global Multi Strategy Fund							
Argentine Peso	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 29	\$ 29
Australian Dollar	–	–	–	(42)	–	15	(27)
Brazilian Real	5,920	–	–	–	–	98	6,018
British Pound	5,158	8,087	–	(1,385)	1,402	1,069	14,331
Canadian Dollar	–	–	–	(94)	–	16	(78)
Euro	12,763	11,692	7,000	(919)	(56)	(7,881)	22,599
Hungarian Forint	–	–	–	350	–	–	350
Israeli Shekel	–	–	–	–	–	1	1
Japanese Yen	4,942	–	–	(2,380)	–	36	2,598
New Zealand Dollar	–	–	–	–	–	3	3
Polish Zloty	–	–	–	(35)	–	–	(35)
Russian Ruble	668	–	–	–	–	5	673
South Korean Won	–	–	–	(177)	–	–	(177)
Turkish Lira	2,612	–	–	88	–	181	2,881
United States Dollar	213,046	12,977	15,081	–	(983)	3,761	243,882
Total	\$ 245,109	\$ 32,756	\$ 22,081	\$ (4,594)	\$ 363	\$ (2,667)	\$ 293,048

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2009:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Net Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)
Legg Mason Western Asset US High Yield Fund							
United States Dollar	\$ 37,957	\$ 3,257	\$ 294	\$ –	\$ (422)	\$ 2,542	\$ 43,628
Total	\$ 37,957	\$ 3,257	\$ 294	\$ –	\$ (422)	\$ 2,542	\$ 43,628
Legg Mason Western Asset Emerging Markets Bond Fund							
Brazilian Real	\$ 7,329	\$ –	\$ –	\$ –	\$ –	\$ 121	\$ 7,450
Euro	140	–	–	–	–	2	142
Indonesian Rupiah	1,343	–	–	–	–	32	1,375
Malaysian Ringgit	–	–	–	–	–	40	40
Mexican Peso	–	–	–	–	–	1	1
Russian Ruble	–	–	–	–	715	38	753
Turkish Lira	–	–	–	–	–	10	10
United States Dollar	66,679	5,828	–	–	(1,483)	2,154	73,178
Total	\$ 75,491	\$ 5,828	\$ –	\$ –	\$ (768)	\$ 2,398	\$ 82,949
Legg Mason Western Asset Global High Yield Fund							
Argentine Peso	\$ 25	\$ –	\$ –	\$ –	\$ –	\$ 18	\$ 43
Brazilian Real	1,354	–	–	–	–	23	1,377
Indonesian Rupiah	435	–	–	–	–	11	446
Russian Ruble	31	–	–	–	–	–	31
Turkish Lira	–	–	–	–	–	20	20
United States Dollar	80,567	10,722	8,089	–	–	3,708	103,086
Total	\$ 82,412	\$ 10,722	\$ 8,089	\$ –	\$ –	\$ 3,780	\$ 105,003
Legg Mason Western Asset US Short-Term Government Fund							
United States Dollar	\$ 55,478	\$ 2,751	\$ –	\$ –	\$ 46	\$ (1,612)	\$ 56,663
Total	\$ 55,478	\$ 2,751	\$ –	\$ –	\$ 46	\$ (1,612)	\$ 56,663
Legg Mason Western Asset US Adjustable Rate Fund							
Euro	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 242	\$ 242
United States Dollar	4,665	26,008	–	–	78	(3,371)	27,380
Total	\$ 4,665	\$ 26,008	\$ –	\$ –	\$ 78	\$ (3,129)	\$ 27,622
Legg Mason Western Asset Inflation Management Fund							
British Pound	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 3	\$ 3
Euro	–	–	–	–	–	–	–
United States Dollar	3,897	141	4	–	–	123	4,165
Total	\$ 3,897	\$ 141	\$ 4	\$ –	\$ –	\$ 126	\$ 4,168

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2009:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Net Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)
Legg Mason Western Asset Asian Opportunities Fund							
British Pound	\$ 731	\$ –	\$ –	210	\$ –	45	986
Chinese Renminbi	–	–	–	–	4,432	54	4,486
Euro	–	–	–	16	–	–	16
Hong Kong Dollar	–	–	–	(5)	212	30	237
Indian Rupee	–	–	–	(84)	342	18	276
Indonesian Rupiah	1,621	–	–	48	–	62	1,731
Malaysian Ringgit	4,995	–	–	125	(147)	49	5,022
Philippine Peso	–	–	–	–	1,407	9	1,416
Singapore Dollar	2,544	601	–	(39)	–	57	3,163
South Korean Won	4,327	–	–	(40)	502	120	4,909
Taiwan Dollar	4,466	–	–	54	–	92	4,612
Thai Baht	4,127	–	–	96	–	81	4,304
United States Dollar	7,175	364	527	–	(6,235)	292	2,123
Total	\$ 29,986	\$ 965	\$ 527	\$ 381	\$ 513	\$ 909	\$ 33,281
Legg Mason Brandywine Global Fixed Income Fund							
Australian Dollar	\$ 34,143	\$ –	\$ –	(329)	\$ –	859	34,673
British Pound	20,552	–	–	(2,070)	–	408	18,890
Canadian Dollar	12,459	–	–	(396)	–	169	12,232
Danish Krone	–	–	–	17	–	–	17
Euro	22,508	–	–	(1,242)	–	300	21,566
Japanese Yen	–	–	–	1,483	–	–	1,483
Malaysian Ringgit	10,046	–	–	–	–	76	10,122
Mexican Peso	7,676	–	–	–	–	114	7,790
New Zealand Dollar	10,980	–	–	(439)	–	166	10,707
Norwegian Krone	–	–	–	(11)	–	–	(11)
Polish Zloty	12,669	–	–	80	–	176	12,925
Singapore Dollar	–	–	–	(313)	–	(448)	(761)
South African Rand	7,460	–	–	–	–	458	7,918
Swedish Krona	9,300	–	–	49	–	89	9,438
United States Dollar	172,759	16,133	–	–	–	9,835	198,727
Total	\$ 320,552	\$ 16,133	\$ –	\$ (3,171)	\$ –	\$ 12,202	\$ 345,716
Legg Mason Capital Management Value Fund							
Singapore Dollar	\$ –	\$ –	\$ –	\$ –	\$ –	(2)	(2)
United States Dollar	–	–	211,458	–	–	8,933	220,391
Total	\$ –	\$ –	\$ 211,458	\$ –	\$ –	\$ 8,931	\$ 220,389
Legg Mason Capital Management Growth Fund							
Euro	\$ –	\$ –	\$ –	\$ –	\$ –	2	2
United States Dollar	–	–	25,654	–	–	276	25,930
Total	\$ –	\$ –	\$ 25,654	\$ –	\$ –	\$ 278	\$ 25,932
Legg Mason Capital Management Opportunity Fund^							
United States Dollar	\$ –	\$ –	\$ 170	\$ –	\$ –	30	200
Total	\$ –	\$ –	\$ 170	\$ –	\$ –	\$ 30	\$ 200
Legg Mason ClearBridge US Appreciation Fund							
Euro	\$ –	\$ –	\$ –	\$ –	\$ –	1,940	1,940
United States Dollar	–	–	24,229	–	–	(9)	24,220
Total	\$ –	\$ –	\$ 24,229	\$ –	\$ –	\$ 1,931	\$ 26,160

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2009:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Net Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)		
Legg Mason ClearBridge US Fundamental Value Fund									
Canadian Dollar	\$	–	\$	55	\$	–	\$	55	
Norwegian Krone	–	–	–	–	–	230	230		
United States Dollar	–	–	83,387	–	–	197	83,584		
Total	\$	–	\$	83,442	\$	–	\$	83,869	
Legg Mason ClearBridge US Large Cap Growth Fund									
Swiss Franc	\$	–	\$	232	\$	–	\$	232	
United States Dollar	–	–	25,617	–	–	354	25,971		
Total	\$	–	\$	25,849	\$	–	\$	26,203	
Legg Mason ClearBridge US Aggressive Growth Fund									
United States Dollar	\$	–	\$	82,356	\$	–	\$	(1,140)	81,216
Total	\$	–	\$	82,356	\$	–	\$	(1,140)	81,216
Legg Mason Royce US Small Cap Opportunity Fund									
Euro	\$	–	\$	–	\$	–	\$	21	21
United States Dollar	–	–	26,401	–	–	1,827	28,228		
Total	\$	–	\$	26,401	\$	–	\$	1,848	28,249
Legg Mason Royce Smaller Companies Fund									
United States Dollar	\$	–	\$	29,384	\$	–	\$	2,020	31,404
Total	\$	–	\$	29,384	\$	–	\$	2,020	31,404
Legg Mason PCM US Equity Fund									
United States Dollar	\$	–	\$	347	\$	–	\$	62	409
Total	\$	–	\$	347	\$	–	\$	62	409
Legg Mason GC Global Equity Fund									
Australian Dollar	\$	–	\$	1,016	\$	–	\$	8	1,024
British Pound	–	–	–	2,024	–	–	–	2,024	
Canadian Dollar	–	–	–	–	–	115	115		
Euro	–	–	3,732	–	–	2	3,734		
Hong Kong Dollar	–	–	1,929	–	–	7	1,936		
Japanese Yen	–	–	2,866	–	–	215	3,081		
Norwegian Krone	–	–	84	–	–	–	84		
Swiss Franc	–	–	1,318	–	–	16	1,334		
Thai Baht	–	–	211	–	–	–	211		
United States Dollar	–	–	17,219	–	–	1,065	18,284		
Total	\$	–	\$	30,399	\$	–	\$	1,428	31,827
Legg Mason Batterymarch European Equity Fund									
British Pound	€	–	€	4,915	€	–	€	21	4,936
Euro	–	–	–	8,286	–	–	306	8,592	
Norwegian Krone	–	–	–	179	–	–	–	179	
Swedish Krona	–	–	–	425	–	–	(95)	330	
Swiss Franc	–	–	–	2,030	–	–	(18)	2,012	
United States Dollar	–	–	–	–	–	–	18	18	
Total	€	–	€	15,835	€	–	€	232	16,067

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2009:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Net Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)			
Legg Mason Batterymarch Asia Pacific Equity Fund										
Hong Kong Dollar	\$	–	\$	66,502	\$	–	\$	6,840	\$	73,342
Indian Rupee		–		11,361		–		1,937		13,298
Indonesian Rupiah		–		1,832		–		697		2,529
Malaysian Ringgit		–		4,868		–		432		5,300
Pakistani Rupee		–		798		–		26		824
Philippine Peso		–		2,108		–		1,048		3,156
Singapore Dollar		–		8,504		–		740		9,244
South Korean Won		–		28,491		–		1,931		30,422
Taiwan Dollar		–		20,098		–		2,560		22,658
Thai Baht		–		2,262		–		208		2,470
United States Dollar		–		6,544		–		(12,620)		(6,076)
Total	\$	–	\$	153,368	\$	–	\$	3,799	\$	157,167
Legg Mason Batterymarch 130/30 Global Equity Fund^										
Australian Dollar	\$	–	\$	216	\$	–	\$	1	\$	217
Brazilian Real		–		10		–		–		10
British Pound		–		247		–		50		297
Canadian Dollar		–		62		–		(32)		30
Danish Krone		–		25		–		–		25
Euro		–		1,018		–		87		1,105
Hong Kong Dollar		–		27		–		–		27
Japanese Yen		–		652		–		–		652
Singapore Dollar		–		77		–		–		77
South African Rand		–		32		–		11		43
South Korean Won		–		27		–		–		27
Swedish Krona		–		32		–		–		32
Swiss Franc		–		9		–		22		31
Thai Baht		–		16		–		–		16
United States Dollar		–		2,347		–		95		2,442
Total	\$	–	\$	4,797	\$	–	\$	234	\$	5,031
Legg Mason Batterymarch International Large Cap Fund										
Australian Dollar	\$	–	\$	527	\$	–	\$	(32)	\$	495
British Pound		–		2,897		–		23		2,920
Canadian Dollar		–		316		–		–		316
Danish Krone		–		122		–		–		122
Euro		–		5,777		–		(63)		5,714
Hong Kong Dollar		–		46		–		–		46
Japanese Yen		–		3,228		–		26		3,254
New Zealand Dollar		–		–		–		1		1
Norwegian Krone		–		55		–		–		55
Singapore Dollar		–		38		–		–		38
South Korean Won		–		128		–		4		132
Swedish Krona		–		182		–		13		195
Swiss Franc		–		1,118		–		7		1,125
United States Dollar		–		258		–		155		413
Total	\$	–	\$	14,692	\$	–	\$	134	\$	14,826

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Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

As at February 28, 2009:

Currency	Investments in Fixed Interest Securities (000's)	Investments in Variable Interest Securities (000's)	Investments in Non-Interest Bearing Securities (000's)	Net Forward Currency Contracts (000's)	Other Derivatives (000's)	Net Other Assets/ (Liabilities) (000's)	Total Net Asset Value (000's)			
Legg Mason Batterymarch Emerging Markets Equity Fund										
Brazilian Real	\$	–	\$	1,689	\$	–	\$	15	\$	1,704
British Pound	–	–	–	–	–	–	(3)	–	–	(3)
Czech Koruna	–	–	–	250	–	–	(105)	–	–	145
Egyptian Pound	–	–	–	261	–	–	–	–	–	261
Hong Kong Dollar	–	–	–	7,047	–	–	–	–	–	7,047
Hungarian Forint	–	–	–	145	–	–	–	–	–	145
Indian Rupee	–	–	–	1,596	–	–	36	–	–	1,632
Indonesian Rupiah	–	–	–	417	–	–	15	–	–	432
Malaysian Ringgit	–	–	–	292	–	–	6	–	–	298
Mexican Peso	–	–	–	378	–	–	–	–	–	378
Pakistani Rupee	–	–	–	209	–	–	–	–	–	209
Philippine Peso	–	–	–	111	–	–	–	–	–	111
Polish Zloty	–	–	–	76	–	–	–	–	–	76
South African Rand	–	–	–	2,910	–	–	–	–	–	2,910
South Korean Won	–	–	–	4,151	–	–	(97)	–	–	4,054
Taiwan Dollar	–	–	–	2,669	–	–	217	–	–	2,886
Thai Baht	–	–	–	537	–	–	(150)	–	–	387
Turkish Lira	–	–	–	930	–	–	–	–	–	930
United States Dollar	–	–	–	9,819	–	–	373	–	–	10,192
Total	\$	–	\$	33,487	\$	–	\$	307	\$	33,794
Legg Mason Congruix Japan Equity Fund										
Japanese Yen	¥	–	¥	144,214	¥	–	¥	5,302	¥	149,516
Total	¥	–	¥	144,214	¥	–	¥	5,302	¥	149,516

The value noted above for net forward currency contracts represents the unrealised gain/(loss) at year end. Certain Funds have share classes issued in the foreign currencies. The Sub-Investment Manager may enter into forward currency contracts for investment or hedging purposes. Where the Sub-Investment Manager has entered into the forward currency contracts to hedge the foreign currency share class, the net exposure above should be offset by the net assets of the foreign currency share class.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(b) Foreign Currency Risk – (continued)

The following tables set out a sensitivity analysis in relation to foreign currency risk and its effect on the net asset value of the Equity Funds where foreign currency risk is deemed significant. A snapshot of the underlying positions for all Funds was taken as at February 28, 2010 and February 28, 2009. Exchange rates were appreciated/depreciated by +/- 5% (given the nature of the markets that the Funds are invested in a 5% increase/decrease has been applied); the corresponding impact was estimated for all equities, foreign cash and foreign currency settlement positions. Other net assets/(liabilities) are not significant and are assumed unchanged. All other market parameters are also assumed unchanged.

Fund	Currency	Impact on net asset value due to movement in foreign exchange rates* (Amount in Fund Base Currency)			
		February 28, 2010		February 28, 2009	
		Positive 5%	Negative 5%	Positive 5%	Negative 5%
Legg Mason Royce European Smaller Companies Fund ^	British Pound	18,579	(16,810)	n/a	n/a
Legg Mason Royce Global Smaller Companies Fund ^	British Pound	12,789	(11,571)	n/a	n/a
	Euro	16,684	(15,095)	n/a	n/a
Legg Mason Permal Global Absolute Fund ^	Euro	211,737	(191,571)	n/a	n/a
Legg Mason GC Global Equity Fund	British Pound	11,684	(10,571)	n/a	n/a
	Euro	11,842	(10,714)	196,421	(177,714)
	Japanese Yen	15,684	(14,190)	n/a	n/a
Legg Mason Batterymarch European Equity Fund	British Pound	266,526	(241,143)	258,684	(234,048)
	Swiss Franc	89,368	(80,857)	106,842	(96,667)
Legg Mason Batterymarch Asia Pacific Equity Fund	Hong Kong Dollar	2,875,737	(2,601,857)	3,500,105	(3,166,762)
	South Korean Won	1,404,421	(1,270,667)	1,499,526	(1,356,714)
	Taiwan Dollar	1,101,368	(996,476)	1,057,789	(957,048)
Legg Mason Batterymarch International Large Cap Fund	British Pound	177,263	(160,381)	152,474	(137,952)
	Euro	266,842	(241,429)	304,053	(275,095)
	Japanese Yen	180,316	(163,143)	169,895	(153,714)
Legg Mason Batterymarch Emerging Markets Equity Fund	Hong Kong Dollar	787,316	(712,333)	370,895	(335,571)
	South Korean Won	501,105	(453,381)	218,474	(197,667)
Legg Mason Congruix Asia Pacific Fund ^	Australian Dollar	2,955,737	(2,674,238)	n/a	n/a
	Hong Kong Dollar	2,938,895	(2,659,000)	n/a	n/a
	South Korean Won	1,339,895	(1,212,286)	n/a	n/a
	Taiwan Dollar	1,203,947	(1,089,286)	n/a	n/a
Legg Mason LMHK China Fund ^	Hong Kong Dollar	276,421	(250,095)	n/a	n/a

*Analysis is shown where significant foreign currency exposure is held on the Fund. Significant exposure is deemed to be in excess of 10% of net assets. Movements in all foreign currency exchange rates will have a direct impact on the net asset value. The foreign currency exchange rates as at February 28, 2010 and February 28, 2009 are listed in Note 11 above. This sensitivity analysis should not be used as a prediction of future performance.

The risk to each Fixed Income Fund from foreign currency exposure has been incorporated into the calculation of the market VaR (Note 13.1 above); therefore, a sensitivity analysis does not need to be presented.

(c) Interest Rate Risk

A sensitivity analysis has not been prepared as the majority of the Equity Funds' assets are not interest bearing assets and therefore the risk is not sufficiently material.

As at February 28, 2010 and February 28, 2009, all of the cash held by the Funds is held with the Custodian earning interest income, the level of which will fluctuate according to the prevailing level of market interest rates.

The analysis of fixed, variable and non-interest bearing securities is disclosed in Note 13.1(b) above.

The weighted average yield and weighted average years to maturity of each Fund on its fixed rate instruments per currency as at February 28, 2010 are as follows:

As at February 28, 2010:

Currency	Weighted Average Yield	Weighted Average Years to Maturity
Legg Mason Western Asset US Money Market Fund		
United States Dollar	0.28%	0.15
Legg Mason Western Asset US Core Bond Fund		
United States Dollar	5.59%	14.63
Legg Mason Western Asset US Core Plus Bond Fund		
Euro	6.22%	5.48
United States Dollar	5.19%	16.87
Legg Mason Western Asset Euro Core Plus Bond Fund		
Australian Dollar	2.53%	10.48
British Pound	7.62%	14.53
Euro	4.44%	12.08
Norwegian Krone	4.15%	6.78
Polish Zloty	5.92%	12.58
United States Dollar	9.16%	6.27

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(c) Interest Rate Risk – (continued)

As at February 28, 2010:

Currency	Weighted Average Yield	Weighted Average Years to Maturity
Legg Mason Western Asset Diversified Strategic Income Fund		
Australian Dollar	2.76%	13.80
British Pound	8.34%	3.70
Euro	11.73%	11.50
Polish Zloty	5.92%	12.58
United States Dollar	5.50%	13.21
Legg Mason Western Asset Global Multi Strategy Fund		
Australian Dollar	2.76%	13.82
Brazilian Real	10.24%	2.98
British Pound	8.35%	7.68
Euro	7.05%	12.03
Polish Zloty	5.92%	12.58
United States Dollar	6.19%	11.44
Legg Mason Western Asset US High Yield Fund		
United States Dollar	9.04%	6.35
Legg Mason Western Asset Emerging Markets Bond Fund		
Brazilian Real	10.20%	2.77
Euro	5.93%	39.36
Indonesian Rupiah	10.61%	20.62
United States Dollar	6.89%	13.66
Legg Mason Western Asset Global High Yield Fund		
Brazilian Real	10.02%	1.85
Euro	5.75%	0.22
Indonesian Rupiah	10.50%	17.64
United States Dollar	9.23%	7.02
Legg Mason Western Asset US Short-Term Government Fund		
United States Dollar	2.78%	5.94
Legg Mason Western Asset US Adjustable Rate Fund		
United States Dollar	4.02%	2.36
Legg Mason Western Asset Inflation Management Fund		
Australian Dollar	2.53%	10.48
United States Dollar	1.91%	9.40
Legg Mason Western Asset Asian Opportunities Fund		
Hong Kong Dollar	4.28%	15.02
Indian Rupee	0.00%	1.48
Indonesian Rupiah	9.15%	5.97
Malaysian Ringgit	3.64%	3.74
Singapore Dollar	2.27%	8.80
South Korean Won	5.33%	6.74
Taiwan Dollar	1.74%	4.50
Thai Baht	4.53%	9.87
United States Dollar	6.24%	5.28
Legg Mason Western Asset Global Blue Chip Bond Fund[^]		
British Pound	5.15%	5.71
Euro	5.57%	7.83
United States Dollar	5.28%	8.47
Legg Mason Brandywine Global Fixed Income Fund		
Australian Dollar	5.71%	6.95
British Pound	4.60%	15.71
Canadian Dollar	5.63%	1.25
Euro	4.00%	28.47
Malaysian Ringgit	3.74%	1.37
Mexican Peso	7.65%	7.80
Polish Zloty	5.42%	7.66
South African Rand	9.27%	16.82
South Korean Won	5.52%	8.54
Swedish Krona	5.17%	2.75
United States Dollar	6.30%	22.37

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(c) Interest Rate Risk – (continued)

The weighted average yield and weighted average years to maturity of each Fund on its fixed rate instruments per currency as at February 28, 2009 are as follows:

As at February 28, 2009:

Currency	Weighted Average Yield	Weighted Average Years to Maturity
Legg Mason Western Asset US Money Market Fund		
United States Dollar	1.24%	0.15
Legg Mason Western Asset US Core Bond Fund		
United States Dollar	5.76%	14.93
Legg Mason Western Asset US Core Plus Bond Fund		
United States Dollar	5.62%	16.82
Legg Mason Western Asset Euro Core Plus Bond Fund		
British Pound	6.98%	11.72
Euro	5.03%	11.25
Norwegian Krone	4.61%	6.19
Polish Zloty	6.13%	6.64
United States Dollar	13.98%	9.36
Legg Mason Western Asset Diversified Strategic Income Fund		
British Pound	7.33%	1.47
Euro	13.82%	9.45
United States Dollar	7.41%	16.11
Legg Mason Western Asset Global Multi Strategy Fund		
Brazilian Real	10.02%	1.74
British Pound	9.36%	2.71
Euro	10.09%	15.04
Japanese Yen	2.50%	25.07
Russian Ruble	13.90%	1.95
Turkish Lira	14.44%	1.89
United States Dollar	7.54%	14.22
Legg Mason Western Asset US High Yield Fund		
United States Dollar	15.47%	6.61
Legg Mason Western Asset Emerging Markets Bond Fund		
Brazilian Real	10.01%	1.85
Indonesian Rupiah	14.66%	20.72
United States Dollar	10.43%	13.75
Legg Mason Western Asset Global High Yield Fund		
Argentine Peso	36.89%	26.74
Brazilian Real	10.07%	2.11
Indonesian Rupiah	14.47%	18.51
Russian Ruble	13.90%	1.95
United States Dollar	15.64%	6.56
Legg Mason Western Asset US Short-Term Government Fund		
United States Dollar	4.36%	12.64
Legg Mason Western Asset US Adjustable Rate Fund		
United States Dollar	5.26%	29.25
Legg Mason Western Asset Inflation Management Fund		
United States Dollar	2.41%	9.58
Legg Mason Western Asset Asian Opportunities Fund		
British Pound	10.53%	0.42
Indonesian Rupiah	12.77%	11.22
Malaysian Ringgit	4.19%	5.14
Singapore Dollar	3.41%	11.38
South Korean Won	2.00%	0.49
Taiwan Dollar	1.92%	4.38
Thai Baht	4.19%	5.77
United States Dollar	7.40%	4.12

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(c) Interest Rate Risk – (continued)

As at February 28, 2009:

Currency	Weighted Average Yield	Weighted Average Years to Maturity
Legg Mason Brandywine Global Fixed Income Fund		
Australian Dollar	5.63%	7.86
British Pound	4.16%	20.32
Canadian Dollar	5.43%	2.25
Euro	4.08%	29.41
Malaysian Ringgit	3.63%	3.29
Mexican Peso	8.12%	8.77
New Zealand Dollar	7.44%	5.63
Polish Zloty	5.52%	8.64
South African Rand	11.97%	1.50
Swedish Krona	3.90%	0.75
United States Dollar	7.31%	26.91

Legg Mason Western Asset US Money Market Fund invests in short term securities and the maturity profile for this Fund is set out in the table below:

As at February 28, 2010

	Zero Coupon (000's) \$	Variable Interest (000's) \$	Fixed Rate Securities			Non-Interest bearing (000's) \$	Total (000's) \$
			Less than 1 month (000's) \$	1-3 months (000's) \$	3 months - 1 year (000's) \$		
Assets							
Financial assets at fair value through profit or loss	74,975	629,686	1,570,923	977,298	717,849	–	3,970,731
Other receivables and assets	–	–	–	–	–	82,997	82,997
Total Assets	74,975	629,686	1,570,923	977,298	717,849	82,997	4,053,728
Liabilities							
Accrued expenses and other liabilities	–	–	–	–	–	(100,769)	(100,769)
Total Liabilities	–	–	–	–	–	(100,769)	(100,769)
Total interest sensitivity gap	74,975	629,686	1,570,923	977,298	717,849	(17,772)	3,952,959

As at February 28, 2009:

	Variable Interest (000's) \$	Fixed Rate Securities			Non-Interest bearing (000's) \$	Total (000's) \$
		Less than 1 month (000's) \$	1-3 months (000's) \$	3 months – 1 year (000's) \$		
Assets						
Financial assets at fair value through profit or loss	224,519	1,780,872	832,330	606,539	–	3,444,260
Other receivables and assets	–	–	–	–	173,765	173,765
Total Assets	224,519	1,780,872	832,330	606,539	173,765	3,618,025
Liabilities						
Accrued expenses and other liabilities	–	–	–	–	(98,664)	(98,644)
Total Liabilities	–	–	–	–	–	(98,664)
Total interest sensitivity gap	224,519	1,780,872	832,330	606,539	(98,664)	3,519,361

(d) Other Price Risk – Fair Value of Financial Assets and Financial Liabilities

In addition to the Committee, LMIE has established a valuation committee, (the "Valuation Committee") to oversee the implementation of the valuation policies and procedures adopted by the Board of Directors (the "Board"). The Valuation Committee, including the Chairperson, is comprised of no fewer than four members and no more than ten members, each of whom is appointed by LMIE. Representatives of Legg Mason Legal and Compliance will serve the Valuation Committee in an advisory capacity. The Valuation Committee meets on a monthly basis to review all securities which are manually priced, broker priced, matrix priced, fair valued, illiquid or stale. A Valuation Committee meeting, however, may be called at any time to consider any question or issue that falls under their procedures. Valuation Committee meetings can be in person, or via email or other writing.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(d) Other Price Risk – Fair Value of Financial Assets and Financial Liabilities – (continued)

Some Funds entered into derivative contracts during the year. The value of derivatives is based on certain underlying stocks or bonds, interest rates, currencies or indices and includes futures, options, options on futures and swap agreements. Derivatives may be hard to sell at an advantageous price or time and are sensitive to changes in the underlying security, interest rate, currency or index. Therefore, derivatives can be highly volatile and could result in a loss to the Fund. Refer to Note 14 for details of open forward foreign currency contracts as at February 28, 2010 and February 28, 2009. Refer to the respective Funds' Portfolio of Investments for details of other open derivative positions as at February 28, 2010.

Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the Balance Sheet date. The quoted market price used for financial assets held by the Company is the current bid price. The quoted market price used for financial liabilities held by the company is the current ask price. When a "readily available market quotation" for a security is not available, the Company employs "fair value" methodologies to price securities. As a general principle, fair value is the price that the Fund might reasonably expect to receive upon a current sale. The fair valuation process requires the Valuation Committee to make a determination in good faith as to the value of a particular security or group of securities depending on the particular facts and circumstances involved.

Circumstances in which a market quotation is not readily available may include, trading suspensions prior to the close of the relevant market; events that unexpectedly close entire markets such as natural disasters, power blackouts, or similar major events; market holidays; or volume of trading in a security.

When determining the fair value of a security, the Valuation Committee may consider all relevant methods, including but not limited to any one or all of the following pricing methods:

- (i) A multiple of earnings;
- (ii) A discount from market of a similar freely traded security;
- (iii) A discounted cash-flow analysis;
- (iv) The book value or a multiple thereof;
- (v) A risk premium/yield analysis;
- (vi) Yield to maturity; or
- (vii) Fundamental investment analysis.

The Valuation Committee reviews the appropriateness and accuracy of the methods used in fair valuing securities on a monthly basis including a comparison of fair values against the last market price and the next available market price, such as the next-day opening price.

Effective March 1, 2009 the Company adopted the Amendments to FRS 29 Financial Instruments: Disclosures, which requires enhanced disclosures about financial instruments carried at fair value and liquidity risk.

Investments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring its fair value:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the valuation date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices in active markets included within Level 1 that are observable for the asset or liability, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies. Level 2 inputs include the following:

- (i) Quoted prices for similar assets or liabilities in active markets.
- (ii) Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
- (iii) Inputs other than quoted prices that are observable for the asset or liability (e.g. interest rate and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates).
- (iv) Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

The majority of fixed income securities including bonds and money market instruments are considered to be level 2 as their valuations are not technically derived from a quoted price.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Company's own assumptions about how market participants would be expected to value the asset or liability. Unobservable inputs are developed based on the best information available in the circumstances, other than market data obtained from sources independent of the Company and might include the Company's own data.

An investment is always categorised as level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and is specific to the investment.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in these securities.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(d) Other Price Risk – Fair Value of Financial Assets and Financial Liabilities – (continued)

The following tables analyse under the fair value hierarchy the Funds' financial assets and financial liabilities measured at fair value at February 28, 2010:

	Legg Mason Western Asset US Money Market Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund as at February 28, 2010 (in 000's)
Level 1					
Bonds and Notes	\$ -	\$ -	\$ -	€ -	\$ -
Money Market Instruments	-	-	-	-	-
Equity Instruments	-	73	109	-	202
Derivative assets held for trading	-	-	-	-	-
Derivative liabilities held for trading	-	-	-	-	-
	-	73	109	-	202
Level 2					
Bonds and Notes	626,807	14,702	26,814	8,210	46,563
Money Market Instruments	3,318,926	-	-	-	-
Equity Instruments	-	-	-	-	7,020
Derivative assets held for trading	-	22	44	124	1,331
Derivative liabilities held for trading	-	(30)	(116)	(192)	(1,179)
	3,945,733	14,694	26,742	8,142	53,735
Level 3					
Bonds and Notes	-	-	-	-	149
Money Market Instruments	24,998	-	-	-	-
Equity Instruments	-	38	-	-	2
Derivative assets held for trading	-	-	-	-	-
Derivative liabilities held for trading	-	-	-	-	-
	24,998	38	-	-	151
Total Investments	\$ 3,970,731	\$ 14,805	\$ 26,851	€ 8,142	\$ 54,088

The following tables present the movement in level 3 instruments for the year ended February 28, 2010 by class of financial instrument.

	Legg Mason Western Asset US Money Market Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund as at February 28, 2010 (in 000's)
Bonds and Notes					
Opening Balance	\$ -	\$ 16	\$ -	€ -	\$ 104
Purchases	-	-	-	-	151
Sales	-	-	-	-	(90)
Transfers into Level 3	-	-	-	-	-
Transfers out of Level 3	-	(16)	-	-	(348)
Movement in gains and losses recognised in the profit and loss account	-	-	-	-	332
Closing Balance	\$ -	\$ -	\$ -	€ -	\$ 149
Money Markets					
Opening Balance	\$ 30,109	\$ -	\$ -	€ -	\$ -
Purchases	24,998	-	-	-	-
Sales	(30,109)	-	-	-	-
Transfers into Level 3	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-
Movement in gains and losses recognised in the profit and loss account	-	-	-	-	-
Closing Balance	\$ 24,998	\$ -	\$ -	€ -	\$ -
Equity Instruments					
Opening Balance	\$ -	\$ 39	\$ -	€ -	\$ 1
Purchases	-	-	-	-	1
Sales	-	-	-	-	-
Transfers into Level 3	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-
Movement in gains and losses recognised in the profit and loss account	-	(1)	-	-	-
Closing Balance	\$ -	\$ 38	\$ -	€ -	\$ 2
Total Level 3 Investments	\$ 24,998	\$ 38	\$ -	€ -	\$ 151

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(d) Other Price Risk – Fair Value of Financial Assets and Financial Liabilities – (continued)

	Legg Mason Western Asset Global Multi Strategy Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US High Yield Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Global High Yield Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Short-Term Government Fund as at February 28, 2010 (in 000's)
Level 1					
Bonds and Notes	\$ –	\$ –	\$ –	\$ –	\$ –
Money Market Instruments	–	–	–	–	–
Equity Instruments	2,044	1,898	–	5,109	–
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	2,044	1,898	–	5,109	–
Level 2					
Bonds and Notes	477,014	73,932	111,037	218,438	45,865
Money Market Instruments	–	–	–	–	–
Equity Instruments	33,088	–	–	27,447	–
Derivative assets held for trading	4,827	30	267	144	37
Derivative liabilities held for trading	(4,606)	(26)	(198)	(87)	(18)
	510,323	73,936	111,106	245,942	45,884
Level 3					
Bonds and Notes	1,588	2,608	–	1,088	–
Money Market Instruments	–	–	–	–	–
Equity Instruments	13	7	–	20	–
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	1,601	2,615	–	1,108	–
Total Investments	\$ 513,968	\$ 78,449	\$ 111,106	\$ 252,159	\$ 45,884

	Legg Mason Western Asset Global Multi Strategy Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US High Yield Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Global High Yield Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Short-Term Government Fund as at February 28, 2010 (in 000's)
	Bonds and Notes	Bonds and Notes	Bonds and Notes	Bonds and Notes	Bonds and Notes
Opening Balance	\$ 27	\$ 899	\$ –	\$ 108	\$ –
Purchases	1,565	2,607	–	1,092	–
Sales	–	(823)	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	(130)	322	–	(535)	–
Movement in gains and losses recognised in the profit and loss account	126	(397)	–	423	–
Closing Balance	\$ 1,588	\$ 2,608	\$ –	\$ 1,088	\$ –
	Money Markets	Money Markets	Money Markets	Money Markets	Money Markets
Opening Balance	\$ –	\$ –	\$ –	\$ –	\$ –
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	–	–	–
Closing Balance	\$ –	\$ –	\$ –	\$ –	\$ –
	Equity Instruments	Equity Instruments	Equity Instruments	Equity Instruments	Equity Instruments
Opening Balance	\$ –	\$ 18	\$ –	\$ 32	\$ –
Purchases	13	7	–	20	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	(18)	–	(32)	–
Closing Balance	\$ 13	\$ 7	\$ –	\$ 20	\$ –
Total Level 3 Investments	\$ 1,601	\$ 2,615	\$ –	\$ 1,108	\$ –

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(d) Other Price Risk – Fair Value of Financial Assets and Financial Liabilities – (continued)

	Legg Mason Western Asset US Adjustable Rate Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Inflation Management Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Asian Opportunities Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Global Blue Chip Bond Fund [^] as at February 28, 2010 (in 000's)	Legg Mason Brandywine Global Fixed Income Fund as at February 28, 2010 (in 000's)
Level 1					
Bonds and Notes	\$ –	\$ –	\$ –	\$ –	\$ –
Money Market Instruments	–	–	–	–	–
Equity Instruments	–	6	–	–	–
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	–	6	–	–	–
Level 2					
Bonds and Notes	24,140	4,164	79,199	158,318	346,875
Money Market Instruments	–	–	3,800	–	–
Equity Instruments	–	–	–	–	–
Derivative assets held for trading	89	–	1,817	1,189	4,435
Derivative liabilities held for trading	–	(2)	(856)	(2,481)	(8,238)
	24,229	4,162	83,960	157,026	343,072
Level 3					
Bonds and Notes	–	–	9,398	–	–
Money Market Instruments	–	–	–	–	–
Equity Instruments	–	–	–	–	–
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	–	–	9,398	–	–
Total Investments	\$ 24,229	\$ 4,168	\$ 93,358	\$ 157,026	\$ 343,072

	Legg Mason Western Asset US Adjustable Rate Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Inflation Management Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Asian Opportunities Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Global Blue Chip Bond Fund [^] as at February 28, 2010 (in 000's)	Legg Mason Brandywine Global Fixed Income Fund as at February 28, 2010 (in 000's)
Bonds and Notes					
Opening Balance	\$ –	\$ –	\$ –	\$ –	\$ –
Purchases	–	–	9,241	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	157	–	–
Closing Balance	\$ –	\$ –	\$ 9,398	\$ –	\$ –
Money Markets					
Opening Balance	\$ –	\$ –	\$ –	\$ –	\$ –
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	–	–	–
Closing Balance	\$ –	\$ –	\$ –	\$ –	\$ –
Equity Instruments					
Opening Balance	\$ –	\$ –	\$ –	\$ –	\$ –
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	–	–	–
Closing Balance	\$ –	\$ –	\$ –	\$ –	\$ –
Total Level 3 Investments	\$ –	\$ –	\$ 9,398	\$ –	\$ –

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(d) Other Price Risk – Fair Value of Financial Assets and Financial Liabilities – (continued)

	Legg Mason Capital Management Value Fund as at February 28, 2010 (in 000's)	Legg Mason Capital Management Growth Fund as at February 28, 2010 (in 000's)	Legg Mason Capital Management Opportunity Fund [^] as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Appreciation Fund as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund as at February 28, 2010 (in 000's)
Level 1					
Bonds and Notes	\$ -	\$ -	\$ -	\$ -	\$ -
Money Market Instruments	-	-	-	-	-
Equity Instruments	533,829	50,849	42,269	72,894	108,176
Derivative assets held for trading	-	-	-	-	-
Derivative liabilities held for trading	-	-	-	-	-
	533,829	50,849	42,269	72,894	108,176
Level 2					
Bonds and Notes	-	-	197	-	-
Money Market Instruments	-	-	-	-	-
Equity Instruments	-	-	-	-	-
Derivative assets held for trading	-	-	-	-	-
Derivative liabilities held for trading	-	-	-	-	-
	-	-	197	-	-
Level 3					
Bonds and Notes	-	-	-	-	-
Money Market Instruments	-	-	-	-	-
Equity Instruments	-	-	-	-	-
Derivative assets held for trading	-	-	-	-	-
Derivative liabilities held for trading	-	-	-	-	-
	-	-	-	-	-
Total Investments	\$ 533,829	\$ 50,849	\$ 42,466	\$ 72,894	\$ 108,176

	Legg Mason Capital Management Value Fund as at February 28, 2010 (in 000's)	Legg Mason Capital Management Growth Fund as at February 28, 2010 (in 000's)	Legg Mason Capital Management Opportunity Fund [^] as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Appreciation Fund as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund as at February 28, 2010 (in 000's)
Bonds and Notes					
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Purchases	-	-	-	-	-
Sales	-	-	-	-	-
Transfers into Level 3	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-
Movement in gains and losses recognised in the profit and loss account	-	-	-	-	-
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Money Markets					
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Purchases	-	-	-	-	-
Sales	-	-	-	-	-
Transfers into Level 3	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-
Movement in gains and losses recognised in the profit and loss account	-	-	-	-	-
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Instruments					
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Purchases	-	-	-	-	-
Sales	-	-	-	-	-
Transfers into Level 3	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-
Movement in gains and losses recognised in the profit and loss account	-	-	-	-	-
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Total Level 3 Investments	\$ -	\$ -	\$ -	\$ -	\$ -

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(d) Other Price Risk – Fair Value of Financial Assets and Financial Liabilities – (continued)

	Legg Mason ClearBridge US Large Cap Growth Fund as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Aggressive Growth Fund as at February 28, 2010 (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund as at February 28, 2010 (in 000's)	Legg Mason Royce Smaller Companies Fund as at February 28, 2010 (in 000's)	Legg Mason Royce European Smaller Companies Fund [^] as at February 28, 2010 (in 000's)
Level 1					
Bonds and Notes	\$ –	\$ –	\$ –	\$ –	€ –
Money Market Instruments	–	–	–	–	–
Equity Instruments	33,508	96,012	98,164	111,258	1,355
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	33,508	96,012	98,164	111,258	1,355
Level 2					
Bonds and Notes	–	–	81	–	–
Money Market Instruments	–	–	–	–	–
Equity Instruments	–	–	–	–	–
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	–	–	81	–	–
Level 3					
Bonds and Notes	–	–	–	–	–
Money Market Instruments	–	–	–	–	–
Equity Instruments	–	–	3	–	–
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	–	–	3	–	–
Total Investments	\$ 33,508	\$ 96,012	\$ 98,248	\$ 111,258	€ 1,355

	Legg Mason ClearBridge US Large Cap Growth Fund as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Aggressive Growth Fund as at February 28, 2010 (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund as at February 28, 2010 (in 000's)	Legg Mason Royce Smaller Companies Fund as at February 28, 2010 (in 000's)	Legg Mason Royce European Smaller Companies Fund [^] as at February 28, 2010 (in 000's)
Bonds and Notes					
Opening Balance	\$ –	\$ –	\$ –	\$ –	€ –
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	–	–	–
Closing Balance	\$ –	\$ –	\$ –	\$ –	€ –
Money Markets					
Opening Balance	\$ –	\$ –	\$ –	\$ –	€ –
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	–	–	–
Closing Balance	\$ –	\$ –	\$ –	\$ –	€ –
Equity Instruments					
Opening Balance	\$ –	\$ –	\$ –	\$ –	€ –
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	3	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	–	–	–
Closing Balance	\$ –	\$ –	\$ 3	\$ –	€ –
Total Level 3 Investments	\$ –	\$ –	\$ 3	\$ –	€ –

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(d) Other Price Risk – Fair Value of Financial Assets and Financial Liabilities – (continued)

	Legg Mason Royce Global Smaller Companies Fund [^] as at February 28, 2010 (in 000's)	Legg Mason PCM US Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Permal Global Absolute Fund [^] as at February 28, 2010 (in 000's)	Legg Mason GC Global Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch European Equity Fund as at February 28, 2010 (in 000's)
Level 1					
Bonds and Notes	\$ –	\$ –	\$ –	\$ –	€ –
Money Market Instruments	–	–	–	–	–
Equity Instruments	2,025	625	24,990	2,085	15,593
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	2,025	625	24,990	2,085	15,593
Level 2					
Bonds and Notes	–	–	–	–	–
Money Market Instruments	–	–	–	–	–
Equity Instruments	–	–	4,365	–	–
Derivative assets held for trading	–	–	620	–	–
Derivative liabilities held for trading	–	–	(1,360)	–	–
	–	–	3,625	–	–
Level 3					
Bonds and Notes	–	–	–	–	–
Money Market Instruments	–	–	–	–	–
Equity Instruments	–	–	–	–	–
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	–	–	–	–	–
Total Investments	\$ 2,025	\$ 625	\$ 28,615	\$ 2,085	€ 15,593

	Legg Mason Royce Global Smaller Companies Fund [^] as at February 28, 2010 (in 000's)	Legg Mason PCM US Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Permal Global Absolute Fund [^] as at February 28, 2010 (in 000's)	Legg Mason GC Global Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch European Equity Fund as at February 28, 2010 (in 000's)
Bonds and Notes					
Opening Balance	\$ –	\$ –	\$ –	\$ –	€ –
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	–	–	–
Closing Balance	\$ –	\$ –	\$ –	\$ –	€ –
Money Markets					
Opening Balance	\$ –	\$ –	\$ –	\$ –	€ –
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	–	–	–
Closing Balance	\$ –	\$ –	\$ –	\$ –	€ –
Equity Instruments					
Opening Balance	\$ –	\$ –	\$ –	\$ –	€ –
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	–	–	–
Closing Balance	\$ –	\$ –	\$ –	\$ –	€ –
Total Level 3 Investments	\$ –	\$ –	\$ –	\$ –	€ –

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(d) Other Price Risk – Fair Value of Financial Assets and Financial Liabilities – (continued)

	Legg Mason Batterymarch Asia Pacific Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch International Large Cap Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Congruix Asia Pacific Fund [^] as at February 28, 2010 (in 000's)	Legg Mason Congruix Japan Equity Fund as at February 28, 2010 (in 000's)
Level 1					
Bonds and Notes	\$ –	\$ –	\$ –	\$ –	¥ –
Money Market Instruments	–	–	–	–	–
Equity Instruments	144,334	16,485	85,945	189,506	184,616
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	144,334	16,485	85,945	189,506	184,616
Level 2					
Bonds and Notes	–	–	–	–	–
Money Market Instruments	–	–	–	–	–
Equity Instruments	–	–	–	–	–
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	–	–	–	–	–
Level 3					
Bonds and Notes	–	–	–	–	–
Money Market Instruments	–	–	–	–	–
Equity Instruments	5,760	–	1,987	–	–
Derivative assets held for trading	–	–	–	–	–
Derivative liabilities held for trading	–	–	–	–	–
	5,760	–	1,987	–	–
Total Investments	\$ 150,094	\$ 16,485	\$ 87,932	\$ 189,506	¥ 184,616

	Legg Mason Batterymarch Asia Pacific Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch International Large Cap Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Congruix Asia Pacific Fund [^] as at February 28, 2010 (in 000's)	Legg Mason Congruix Japan Equity Fund as at February 28, 2010 (in 000's)
Bonds and Notes					
Opening Balance	\$ –	\$ –	\$ –	\$ –	¥ –
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	–	–	–
Closing Balance	\$ –	\$ –	\$ –	\$ –	¥ –
Money Markets					
Opening Balance	\$ –	\$ –	\$ –	\$ –	¥ –
Purchases	–	–	–	–	–
Sales	–	–	–	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	–	–	–	–	–
Movement in gains and losses recognised in the profit and loss account	–	–	–	–	–
Closing Balance	\$ –	\$ –	\$ –	\$ –	¥ –
Equity Instruments					
Opening Balance	\$ 904	\$ –	\$ 216	\$ –	¥ –
Purchases	4,701	–	1,703	–	–
Sales	(86)	–	(6)	–	–
Transfers into Level 3	–	–	–	–	–
Transfers out of Level 3	(1,350)	–	(367)	–	–
Movement in gains and losses recognised in the profit and loss account	1,591	–	441	–	–
Closing Balance	\$ 5,760	\$ –	\$ 1,987	\$ –	¥ –
Total Level 3 Investments	\$ 5,760	\$ –	\$ 1,987	\$ –	¥ –

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(d) Other Price Risk – Fair Value of Financial Assets and Financial Liabilities – (continued)

	Legg Mason LMHK China Fund^ as at February 28, 2010 (in 000's)
Level 1	
Bonds and Notes	\$ –
Money Market Instruments	–
Equity Instruments	5,206
Derivative assets held for trading	–
Derivative liabilities held for trading	–
	<u>5,206</u>
Level 2	
Bonds and Notes	–
Money Market Instruments	–
Equity Instruments	–
Derivative assets held for trading	–
Derivative liabilities held for trading	–
	<u>–</u>
Level 3	
Bonds and Notes	–
Money Market Instruments	–
Equity Instruments	46
Derivative assets held for trading	–
Derivative liabilities held for trading	–
	<u>46</u>
Total Investments	\$ 5,252

	Legg Mason LMHK China Fund^ as at February 28, 2010 (in 000's)
Bonds and Notes	
Opening Balance	\$ –
Purchases	–
Sales	–
Transfers into Level 3	–
Transfers out of Level 3	–
Movement in gains and losses recognised in the profit and loss account	–
Closing Balance	\$ –
Money Markets	
Opening Balance	\$ –
Purchases	–
Sales	–
Transfers into Level 3	–
Transfers out of Level 3	–
Movement in gains and losses recognised in the profit and loss account	–
Closing Balance	\$ –
Equity Instruments	
Opening Balance	\$ –
Purchases	42
Sales	–
Transfers into Level 3	–
Transfers out of Level 3	–
Movement in gains and losses recognised in the profit and loss account	4
Closing Balance	\$ 46
Total Level 3 Investments	\$ 46

Securities which are fair valued by the Sub-Investment Manager at February 28, 2010 are noted on the Portfolio of Investments. In the event a price is not available from a Pricing Service, the Administrator or the Sub-Investment Managers may obtain one or more indicative quotes from approved broker-dealers.

Matrix pricing is used for Funds when the Administrator or Sub-Investment Managers are unable to obtain one or more broker-dealer quotes for a security for which there is no price available from a Pricing Service. Matrix pricing estimates a U.S. Dollar-denominated security's current market value by using the most recent quote received from a broker-dealer and adjusting the price by the change in the yield of the U.S. treasury security most similar in duration to the security being valued.

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Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.1 Market Risk – (continued)

(d) Other Price Risk – Fair Value of Financial Assets and Financial Liabilities – (continued)

The following tables set out the value of securities for each Fund which have been priced using single broker and dual broker sources, fair valued by the Valuation Committee and securities which have been matrix priced as at February 28, 2010 and February 28, 2009:

As at February 28, 2010	Currency	Dual Broker Priced 000's	Single Broker Priced 000's	Fair Valued by Valuation Committee 000's	Matrix Priced 000's
Legg Mason Western Asset US Money Market Fund	USD	–	–	24,998	–
Legg Mason Western Asset US Core Bond Fund	USD	–	328	38	–
Legg Mason Western Asset US Core Plus Bond Fund	USD	–	466	–	–
Legg Mason Western Asset Euro Core Plus Bond Fund	EUR	–	79	–	–
Legg Mason Western Asset Diversified Strategic Income Fund	USD	–	129	152	170
Legg Mason Western Asset Global Multi Strategy Fund	USD	–	914	1,601	1,244
Legg Mason Western Asset US High Yield Fund	USD	–	504	2,615	–
Legg Mason Western Asset Emerging Market Fund	USD	–	1,702	–	–
Legg Mason Western Asset Global High Yield Fund	USD	–	2,168	1,108	455
Legg Mason Western Asset US Short-Term Government Fund	USD	–	–	–	–
Legg Mason Western Asset US Adjustable Rate Fund	USD	–	930	–	170
Legg Mason Western Asset Inflation Management Fund	USD	–	11	–	–
Legg Mason Western Asset Asian Opportunities Fund	USD	–	4,837	9,398	2,239
Legg Mason Royce US Small Cap Opportunity Fund	USD	–	–	3	–
Legg Mason Batterymarch Asia Pacific Equity Fund	USD	–	–	5,760	–
Legg Mason Batterymarch Emerging Markets Equity Fund	USD	–	–	1,987	–
Legg Mason LMHK China Fund ^	USD	–	–	46	–

As at February 28, 2009	Currency	Dual Broker Priced 000's	Single Broker Priced 000's	Fair Valued by Valuation Committee 000's	Matrix Priced 000's
Legg Mason Western Asset US Money Market Fund	USD	–	–	30,109	–
Legg Mason Western Asset US Core Bond Fund	USD	912	33	55	944
Legg Mason Western Asset US Core Plus Bond Fund	USD	56	179	–	184
Legg Mason Western Asset Euro Core Plus Bond Fund	EUR	–	–	8	–
Legg Mason Western Asset Diversified Strategic Income Fund	USD	355	6,751	105	424
Legg Mason Western Asset Global Multi Strategy Fund	USD	1,618	25,984	27	2,559
Legg Mason Western Asset US High Yield Fund	USD	820	8	917	827
Legg Mason Western Asset Emerging Market Bond Fund	USD	–	–	–	1,169
Legg Mason Western Asset Global High Yield Fund	USD	1,362	7,456	140	1,393
Legg Mason Western Asset US Adjustable Rate Fund	USD	1,440	86	–	1,440
Legg Mason Western Asset Inflation Management Fund	USD	–	–	–	25
Legg Mason Western Asset Asian Opportunities Fund	USD	–	2,370	–	781
Legg Mason Batterymarch Asia Pacific Equity Fund	USD	–	–	904	–
Legg Mason Batterymarch Emerging Markets Equity Fund	USD	–	–	216	–

In certain circumstances the Company employs ITG factor pricing to the valuation of securities. The trigger for applying the ITG factor pricing to the Funds investing in international equities is determined by significant movement in the Russell 1000 Index. ITG calculates a factor to be applied to the closing price to determine a fair value price. Where the ITG factor pricing is applied the Administrator monitors the variance to the following day's open market price.

As at February 28, 2010 ITG factor pricing was not applied.

As at February 28, 2009 ITG factor pricing applied to all international securities in the Legg Mason GC Global Equity Fund, Legg Mason Batterymarch European Equity Fund, Legg Mason Batterymarch Asia Pacific Equity Fund, Legg Mason Batterymarch International Large Cap Fund, Legg Mason Batterymarch Emerging Markets Equity Fund and Legg Mason Congruix Japan Equity Fund.

13.2 Credit Risk

Credit risk is the risk that a counterparty to or issuer of a financial instrument will fail to discharge an obligation or commitment that it has entered into with a Fund. The Company will be exposed to credit risk on parties with whom it trades and will also bear the risk of settlement default. The Sub-Investment Managers minimise concentrations of credit risk by undertaking transactions with a large number of brokers and counterparties on recognised and reputable exchanges. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Each Fund will be exposed to credit risk on the counterparties with which it trades in relation to options, forward contracts and other derivative financial instruments that are not traded on a recognised exchange. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The Funds will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Funds trade such instruments, which could result in substantial losses to the Funds.

The Company is exposed to credit risk on the OTC counterparties with whom it trades. All OTC counterparties must meet the following criteria as set out in the Regulations namely:

- (i) A credit institution in accordance with sub-paragraphs 1.4 (i), (ii) or (iii) of UCITS Notice 9, or an investment firm authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State, or is an entity subject to regulation as a Consolidated Supervised Entity by the Securities and Exchange Commission, or
- (ii) Have a minimum credit rating of A2 or equivalent, or in the opinion of the Investment Manager, an implied credit minimum rating of A2 or equivalent.

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.2 Credit Risk – (continued)

Exposures to individual counterparties are normally limited to 10% of net asset value in the case of (i) above and 5% of net asset value in the case of (ii) above.

Transactions involving derivative financial instruments are usually with counterparties with whom the Company has signed master netting agreements. Master netting agreements provide for the net settlement of contracts with the same counterparty in the event of default. The credit risk associated with derivative financial assets subject to a master netting arrangement is eliminated only to the extent that financial liabilities due to the same counterparty will be settled after the assets are realised.

Transactions resulting in large unrealised gains to a Fund may require a Fund to hold collateral received from a broker. In these instances, the credit risk to the Fund is reduced by the value of the collateral held. In the event a broker files for bankruptcy, in the U.S. (though regulations may vary by jurisdiction), collateral posted in connection with certain derivative financial instruments is exempt from the automatic stay implemented at the inception of a bankruptcy proceeding. This derivative financial instruments exemption would allow a Fund to immediately foreclose on collateral posted by the insolvent party in order to satisfy claims against such insolvent party.

The Company monitors its risk by periodically considering the credit quality and financial positions of the counterparties which the Funds use. The Funds may only trade with approved counterparties.

The value of underlying securities received as collateral in relation to derivative trading held by the following Funds as at February 28, 2010 and February 28, 2009 was as follows:

Fund	Broker	As at February 28, 2010 Market Value of Collateral	As at February 28, 2009 Market Value of Collateral
Legg Mason Western Asset Asian Opportunities Fund	JPMorgan Chase	\$308,939	\$301,499

A list of approved counterparties is maintained. Additions to this list are reviewed quarterly and a thorough re-evaluation of all counterparties is conducted annually. The review includes analysis of the counterparty's capital adequacy, profitability, liquidity and other factors as may be appropriate.

For efficient portfolio management purposes, each Fund may enter into repurchase agreements and stock lending agreements subject to the conditions and limits set out in the Financial Regulator Notices.

Until the expiry of the repurchase agreements, reverse repurchase agreements and the stock lending transactions, collateral obtained under such contracts or transactions:

- (i) must be marked to market daily;
- (ii) must equal or exceed, in value, at all times the value of the amount invested or securities loaned;
- (iii) must be transferred to the trustee, or its agent; and
- (iv) must be immediately available to the scheme, without recourse to the counterparty, in the event of a default by that entity.

The Company monitors its risk by periodically considering the credit quality and financial positions of the counterparties the Funds use. The Funds may only trade with approved counterparties.

Any non-cash collateral received by the Company cannot be sold or repledged; must be held at the credit risk of the counterparty; and must be issued by an entity independent of the counterparty.

Credit risk is addressed through diversified use of counterparties and issuers, and through minimum security ratings and average portfolio ratings. The Sub-Investment Managers may set portfolio limits and may invest based on internal parameters with mutually agreed limits set at a Fund's inception, including issue and issuer limitations, credit minimums, and an average credit quality, and the account is monitored on an ongoing basis to ensure it continues to meet these parameters. Rigorous independent analysis of all credit securities before purchase, including financial modeling, scenario analysis, and monitoring changes in risk profile may also be performed. Generally no more than 5% of the portfolio may be invested in any single corporate issuer at the time of purchase.

Each Sub-Investment Manager reviews Funds' holdings against minimum allowable credit ratings (as applicable) and reports exceptions to the Committee and the Board. The Valuation Committee meets at least monthly and whenever the circumstances so require, to review and deliberate on valuation concerns including credit. The Sub-Investment Managers provide risk analysis to the Board and the Committee on a semi-annual basis.

Substantially all of the cash and securities held by the Funds are held via the Custodian. Bankruptcy or insolvency by the Custodian may cause the Funds' rights with respect to the cash held by the Custodian to be delayed or limited. The credit rating of the Custodian is highly rated by prominent rating agencies. If the credit quality or financial position of the Custodian deteriorates significantly, the Sub-Investment Managers will move the cash holdings to another bank. Included in cash and cash equivalents at February 28, 2010 were repurchase agreements held by a number of the fixed income Funds. These repurchase agreements were held with Deutsche Bank Securities, Inc., Goldman Sachs Group, Inc. and Banc of America Securities LLC.

Any securities placed as collateral are disclosed on the Portfolios of Investments. Cash and cash equivalents held at the Custodian and amounts held by brokers as collateral are disclosed in Note 8.

If a Fund has posted collateral to a counterparty, in a counterparty insolvency, that Fund may have the right under trading agreements with the counterparty to recall such posted collateral. In practice, however, the Fund may seek to reduce any amounts owed to the counterparty to settle any open transactions by setting off the amounts owed against the posted collateral. If the Fund was due back any collateral after setting off against the amounts owed (e.g., the Fund's position was over collateralised), it is likely the Fund would have an unsecured claim against the counterparty in the insolvency proceeding for the excess amount due to it.

As at February 28, 2010 and February 28, 2009, balances due from brokers and other receivables were exposed to credit risk. The total amount of financial assets exposed to credit risk approximates to their carrying value on the Balance Sheet (excluding equities).

In addition to the credit risk exposure on investments, certain Funds have also placed securities with brokers as collateral for derivative trading. These Funds are therefore exposed to credit risk on collateral placed with brokers. The brokers have the right to sell or repledge the collateral to others. The following table represents the market value of the securities which have been placed as collateral with brokers as at February 28, 2010 and February 28, 2009 in relation to derivative trading:

As at February 28, 2010 Fund	Market Value of Collateral	Broker
Legg Mason Western Asset US Core Bond Fund	\$100,706	Goldman Sachs & Co.
Legg Mason Western Asset US Core Plus Bond Fund	\$141,046	Barclays
Legg Mason Western Asset US High Yield Fund	\$26,976	Goldman Sachs & Co.
Legg Mason Western Asset Emerging Markets Bond Fund	\$188,825	Goldman Sachs & Co.
Legg Mason Western Asset Global High Yield Fund	\$154,854	J.P. Morgan Futures, Inc.
Legg Mason Western Asset US Short-Term Government Fund	\$314,371	Barclays
Legg Mason Western Asset Inflation Management Fund	\$8,630	J.P. Morgan Futures, Inc.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.2 Credit Risk – (continued)

As at February 28, 2009

Fund	Market Value of Collateral	Broker
Legg Mason Western Asset US Core Bond Fund	\$208,669	Goldman Sachs & Co.
Legg Mason Western Asset US Core Plus Bond Fund	\$288,396	Morgan Stanley & Co.
Legg Mason Western Asset Global Multi Strategy Fund	\$997,167	Goldman Sachs & Co.
Legg Mason Western Asset Emerging Markets Bond Fund	\$94,443	Goldman Sachs & Co.
Legg Mason Western Asset US Short-Term Government Fund	\$270,024	J.P. Morgan Futures, Inc.
Legg Mason Western Asset Inflation Management Fund	\$26,620	J.P. Morgan Futures, Inc.

The tables below set out a summary of the credit exposure based on credit ratings of the debt securities held in the Fixed Income Funds:

Legg Mason Western Asset US Money Market Fund			Legg Mason Western Asset US Core Bond Fund			Legg Mason Western Asset US Core Plus Bond Fund			Legg Mason Western Asset Euro Core Plus Bond Fund		
Rating	Feb-10	Feb-09	Rating	Feb-10	Feb-09	Rating	Feb-10	Feb-09	Rating	Feb-10	Feb-09
AAA	48.81%	76.67%	AAA	50.18%	60.70%	AAA	49.81%	53.24%	AAA	50.23%	32.45%
AA	5.14%	2.05%	AA	5.43%	2.47%	AA	6.44%	10.32%	AA	1.79%	16.96%
A	46.05%	21.28%	A	18.85%	12.52%	A	13.36%	9.73%	A	21.53%	21.73%
			BBB	14.41%	17.97%	BBB	11.92%	13.89%	BBB	19.67%	17.86%
			BB	4.30%	2.06%	BB	8.09%	5.74%	BB	2.44%	5.42%
			B	2.21%	0.43%	B	2.55%	2.00%	B	2.69%	4.20%
			CCC & Below	4.62%	3.85%	CCC & Below	7.83%	5.08%	CCC & Below	1.65%	1.38%
	100.00%	100.00%		100.00%	100.00%		100.00%	100.00%		100.00%	100.00%

Legg Mason Western Asset Diversified Strategic Income Fund			Legg Mason Western Asset Global Multi Strategy Fund			Legg Mason Western Asset US High Yield Fund			Legg Mason Western Asset Emerging Markets Bond Fund		
Rating	Feb-10	Feb-09	Rating	Feb-10	Feb-09	Rating	Feb-10	Feb-09	Rating	Feb-10	Feb-09
AAA	34.85%	45.58%	AAA	23.97%	36.18%	A	2.53%	1.02%	AAA	0.02%	0.03%
AA	1.64%	2.04%	AA	0.82%	1.47%	BBB	2.68%	3.78%	AA	0.77%	(0.85%)
A	13.79%	5.19%	A	13.55%	8.08%	BB	29.33%	25.95%	A	4.64%	–
BBB	11.40%	12.81%	BBB	21.32%	17.59%	B	41.46%	38.33%	BBB	52.32%	60.46%
BB	10.61%	14.49%	BB	16.01%	16.71%	CCC & Below	24.00%	30.92%	BB	35.55%	35.88%
B	23.75%	13.92%	B	17.45%	14.13%				B	6.02%	3.97%
CCC & Below	3.96%	5.97%	CCC & Below	6.88%	5.84%				CCC & Below	0.68%	0.51%
	100.00%	100.00%		100.00%	100.00%		100.00%	100.00%		100.00%	100.00%

Legg Mason Western Asset Global High Yield Fund			Legg Mason Western Asset US Short-Term Government Fund			Legg Mason Western Asset US Adjustable Rate Fund			Legg Mason Western Asset Inflation Management Fund		
Rating	Feb-10	Feb-09	Rating	Feb-10	Feb-09	Rating	Feb-10	Feb-09	Rating	Feb-10	Feb-09
A	2.97%	1.23%	AAA	100.00%	100.00%	AAA	75.26%	86.35%	AAA	94.23%	94.74%
BBB	6.60%	10.50%				AA	15.88%	8.17%	AA	1.12%	1.02%
BB	44.72%	34.20%				A	5.41%	0.73%	A	0.53%	1.46%
B	29.51%	32.09%				BBB & Below	3.45%	4.75%	BBB & Below	4.12%	2.78%
CCC & Below	16.20%	21.98%									
	100.00%	100.00%		100.00%	100.00%		100.00%	100.00%		100.00%	100.00%

Legg Mason Western Asset Asian Opportunities Fund			Legg Mason Western Asset Global Blue Chip Bond Fund [^]		Legg Mason Brandywine Global Fixed Income Fund	
Rating	Feb-10	Feb-09	Rating	Feb-10	Rating	Feb-09
AAA	6.53%	9.53%	AAA	15.52%	AAA	41.39%
AA	20.53%	18.77%	AA	15.27%	AA	5.82%
A	40.47%	54.24%	A	68.43%	A	25.22%
BBB	10.93%	5.44%	BBB	0.78%	BBB	12.15%
BB	16.14%	9.30%			BB	0.71%
B	0.60%	1.77%			B	2.66%
CCC	0.13%	0.28%			Not Rated	12.05%
Not Rated	4.67%	0.67%				10.22%
	100.00%	100.00%		100.00%		100.00%

13.3 Liquidity Risk

The Company's prospectus provides for the daily creation and cancellation of shares and the Company is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time.

The Administrator monitors subscription and redemption volumes on a daily basis and notifies the Sub-Investment Managers of significant movements and unusual trends as appropriate. The Company can limit redemptions, if redemption requests on any dealing day (as defined in the prospectus) exceed 10% of the shares in issue in respect of any Fund. The Company may defer the excess redemption requests to subsequent dealing days and shall redeem such shares ratably.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.3 Liquidity Risk – (continued)

The Company has the ability to borrow in the short term to ensure settlement. In accordance with the Regulations a Fund may not borrow money except as follows:

- (a) a Fund may acquire foreign currency by means of a "back-to-back" loan; and
- (b) a Fund may borrow:
 - (i) up to 10% of its net asset value provided that such borrowing is on a temporary basis; and
 - (ii) up to 10% of its net asset value provided that the borrowing is to make possible the acquisition of real property required for the purpose of its business;

provided that such borrowing referred to in subparagraph b (i) and b (ii) may not in total exceed 15% of the borrower's assets.

One of the responsibilities of the Valuation Committee is to review and deliberate on valuation concerns, including illiquid securities. The Company may from time to time invest in derivative contracts traded OTC, which are not traded in an organised public market and may be illiquid. As a result, the Company may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The cash outflows below are presented as undiscounted gross amounts if the amounts will settle on a gross basis and undiscounted net amounts if the amounts will settle on a net basis. The forward foreign currency contracts included in the tables below settle on a gross basis. Please refer to Note 14 for details of gross settlement amounts on these contracts.

Details of residual contractual maturities of financial liabilities for each Fund are outlined below:

	Legg Mason Western Asset US Money Market Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund as at February 28, 2010 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	–	–	–	–	–
Amounts due to broker	–	–	–	–	–
Payable for investments purchased	–	\$ 3,752	\$ 5,376	€ 165	–
Investments	–	–	–	–	–
Options at fair value	–	–	4	–	–
Swap contracts at fair value	–	–	–	3	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	3	50	\$ 33
Distributions payable to holders of Redeemable Participating Shares	\$ 2	15	16	6	41
Investment Management fees payable	69	5	14	2	33
Administrator and Custodian fees payable	295	1	2	1	5
Shareholder service fees payable	–	1	1	1	4
Distribution fees payable	304	8	17	3	37
Payable for Redeemable Participating Shares sold	99,648	314	141	4	194
Redeemable Participating Shares	3,952,959	14,955	27,142	8,732	73,373
1-3 months					
Options at fair value	–	–	5	3	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
3 months -1 year					
Options at fair value	–	5	53	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	134	1,045
Unrealised depreciation on futures contracts	–	25	51	2	101
Accrued expenses and other liabilities	451	69	59	40	123
>1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Total Financial Liabilities	\$ 4,053,728	\$ 19,150	\$ 32,884	€ 9,146	\$ 74,989

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.3 Liquidity Risk – (continued)

	Legg Mason Western Asset Global Multi Strategy Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US High Yield Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Global High Yield Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset US Short-Term Government Fund as at February 28, 2010 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	–	–	–	–	–
Amounts due to broker	–	\$ 2	\$ 96	–	\$ 29
Payable for investments purchased	\$ 246	444	2	\$ 1,026	–
Investments	–	–	–	–	–
Options at fair value	–	–	–	–	3
Swap contracts at fair value	29	–	191	–	–
Unrealised depreciation on forward foreign currency contracts	2,693	–	4	2	–
Unrealised depreciation on futures contracts	254	–	–	–	1
Distributions payable to holders of Redeemable Participating Shares	327	139	71	76	3
Investment Management fees payable	250	35	74	136	25
Administrator and Custodian fees payable	39	6	8	20	5
Shareholder service fees payable	55	5	7	15	3
Distribution fees payable	242	37	48	85	34
Payable for Redeemable Participating Shares sold	1,755	4,417	46	4,500	314
Redeemable Participating Shares	579,254	77,145	116,287	274,591	59,010
1-3 months					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
3 months -1 year					
Options at fair value	–	–	–	–	13
Unrealised depreciation on forward foreign currency contracts	1,410	–	3	–	–
Unrealised depreciation on futures contracts	220	26	–	85	1
Accrued expenses and other liabilities	278	63	96	67	67
>1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Total Financial Liabilities	\$ 587,052	\$ 82,319	\$ 116,933	\$ 280,603	\$ 59,508

	Legg Mason Western Asset US Adjustable Rate Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Inflation Management Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Asian Opportunities Fund as at February 28, 2010 (in 000's)	Legg Mason Western Asset Global Blue Chip Bond Fund [^] as at February 28, 2010 (in 000's)	Legg Mason Brandywine Global Fixed Income Fund as at February 28, 2010 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	–	–	–	–	–
Amounts due to broker	\$ 80	–	–	\$ 242	–
Payable for investments purchased	–	–	\$ 2,637	–	–
Investments	–	–	–	–	–
Options at fair value	–	–	–	–	–
Swap contracts at fair value	–	–	634	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	119	2,011	\$ 5,670
Unrealised depreciation on futures contracts	–	–	–	387	–
Distributions payable to holders of Redeemable Participating Shares	–	–	16	3	–
Investment Management fees payable	12	\$ 1	26	51	164
Administrator and Custodian fees payable	2	–	6	14	24
Shareholder service fees payable	1	–	6	2	40
Distribution fees payable	16	3	28	11	143
Payable for Redeemable Participating Shares sold	22	–	–	24,428	2,112
Redeemable Participating Shares	26,674	4,198	97,231	166,012	354,807
1-3 months					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	27	–	2,376
Unrealised depreciation on futures contracts	–	–	–	–	–
3 months -1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	2	3	33	192
Unrealised depreciation on futures contracts	–	–	73	50	–
Accrued expenses and other liabilities	63	60	54	99	253
>1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Total Financial Liabilities	\$ 26,870	\$ 4,264	\$ 100,860	\$ 193,343	\$ 365,781

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.3 Liquidity Risk – (continued)

	Legg Mason Capital Management Value Fund as at February 28, 2010 (in 000's)	Legg Mason Capital Management Growth Fund as at February 28, 2010 (in 000's)	Legg Mason Capital Management Opportunity Fund [^] as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Appreciation Fund as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund as at February 28, 2010 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	–	–	–	–	–
Amounts due to broker	–	–	–	–	–
Payable for investments purchased	\$ 4,214	–	\$ 98	\$ 735	–
Investments	–	–	–	–	–
Options at fair value	–	–	–	–	–
Swap contracts at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Distributions payable to holders of Redeemable Participating Shares	–	–	–	–	–
Investment Management fees payable	347	\$ 27	24	44	\$ 62
Administrator and Custodian fees payable	32	4	3	6	8
Shareholder service fees payable	118	4	1	13	7
Distribution fees payable	175	7	1	34	57
Payable for Redeemable Participating Shares sold	630	99	–	90	97
Redeemable Participating Shares	552,997	51,087	42,853	79,059	108,758
1-3 months					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
3 months -1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Accrued expenses and other liabilities	268	48	29	44	52
>1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Total Financial Liabilities	\$ 558,781	\$ 51,276	\$ 43,009	\$ 80,025	\$ 109,041

	Legg Mason ClearBridge US Large Cap Growth Fund as at February 28, 2010 (in 000's)	Legg Mason ClearBridge US Aggressive Growth Fund as at February 28, 2010 (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund as at February 28, 2010 (in 000's)	Legg Mason Royce Smaller Companies Fund as at February 28, 2010 (in 000's)	Legg Mason Royce European Smaller Companies Fund [^] as at February 28, 2010 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	–	\$ 721	–	–	–
Amounts due to broker	–	–	–	–	–
Payable for investments purchased	–	–	\$ 1,108	\$ 79	€ 2
Investments	–	–	–	–	–
Options at fair value	–	–	–	–	–
Swap contracts at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Distributions payable to holders of Redeemable Participating Shares	–	–	–	–	–
Investment Management fees payable	\$ 19	57	77	82	–
Administrator and Custodian fees payable	3	7	7	8	–
Shareholder service fees payable	2	6	27	25	–
Distribution fees payable	19	49	42	45	–
Payable for Redeemable Participating Shares sold	25	204	614	222	–
Redeemable Participating Shares	33,596	94,958	108,460	119,734	1,707
1-3 months					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
3 months -1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Accrued expenses and other liabilities	50	53	52	38	19
>1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Total Financial Liabilities	\$ 33,714	\$ 96,055	\$ 110,387	\$ 120,233	€ 1,728

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.3 Liquidity Risk – (continued)

	Legg Mason Royce Global Smaller Companies Fund [^] as at February 28, 2010 (in 000's)	Legg Mason PCM US Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Permal Global Absolute Fund [^] as at February 28, 2010 (in 000's)	Legg Mason GC Global Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch European Equity Fund as at February 28, 2010 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	-	-	-	-	-
Amounts due to broker	-	-	-	-	-
Payable for investments purchased	\$ 3	\$ 3	\$ 277	\$ 5	€ 135
Investments	-	-	-	-	-
Options at fair value	-	-	-	-	-
Swap contracts at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	1,360	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
Distributions payable to holders of Redeemable Participating Shares	-	-	-	-	-
Investment Management fees payable	-	1	12	-	6
Administrator and Custodian fees payable	-	-	2	-	5
Shareholder service fees payable	-	-	1	-	1
Distribution fees payable	-	-	1	1	5
Payable for Redeemable Participating Shares sold	-	-	11	-	38
Redeemable Participating Shares	2,430	642	31,827	2,145	15,740
1-3 months					
Options at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
3 months -1 year					
Options at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
Accrued expenses and other liabilities	29	38	27	61	34
>1 year					
Options at fair value	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
Total Financial Liabilities	\$ 2,462	\$ 684	\$ 33,518	\$ 2,212	€ 15,964

	Legg Mason Batterymarch Asia Pacific Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch 130/ 30 Global Equity Fund [^] as at February 28, 2010 (in 000's)	Legg Mason Batterymarch International Large Cap Fund as at February 28, 2010 (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund as at February 28, 2010 (in 000's)	Legg Mason Congruix Asia Pacific Fund [^] as at February 28, 2010 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	-	-	\$ 96	-	-
Amounts due to broker	-	-	-	-	-
Payable for investments purchased	\$ 26	-	73	\$ 1,881	\$ 179
Investments	-	-	-	-	-
Options at fair value	-	-	-	-	-
Swap contracts at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
Distributions payable to holders of Redeemable Participating Shares	-	-	-	-	-
Investment Management fees payable	119	-	12	63	-
Administrator and Custodian fees payable	12	-	1	6	14
Shareholder service fees payable	41	-	1	19	-
Distribution fees payable	70	-	11	28	-
Payable for Redeemable Participating Shares sold	60	-	17	367	-
Redeemable Participating Shares	156,221	-	16,602	94,788	194,803
1-3 months					
Options at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
3 months -1 year					
Options at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
Accrued expenses and other liabilities	169	\$ 63	47	60	39
>1 year					
Options at fair value	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
Total Financial Liabilities	\$ 156,718	\$ 63	\$ 16,860	\$ 97,212	\$ 195,035

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.3 Liquidity Risk – (continued)

	Legg Mason Congruix Japan Equity Fund as at February 28, 2010 (in 000's)	Legg Mason LMHK China Fund [^] as at February 28, 2010 (in 000's)	Legg Mason Global Funds Plc Totals as at February 28, 2010 (in 000's)
Liabilities			
Less than 1 month			
Cash overdraft	–	–	\$ 817
Amounts due to broker	–	–	449
Payable for investments purchased	¥ 1,719	\$ 25	22,620
Investments	–	–	–
Options at fair value	–	–	11
Swap contracts at fair value	–	–	858
Unrealised depreciation on forward foreign currency contracts	–	–	11,859
Unrealised depreciation on futures contracts	–	–	423
Distributions payable to holders of Redeemable Participating Shares	–	–	717
Investment Management fees payable	1	–	1,852
Administrator and Custodian fees payable	9	1	549
Shareholder service fees payable	–	–	408
Distribution fees payable	–	–	1,564
Payable for Redeemable Participating Shares sold	–	–	140,384
Redeemable Participating Shares	187,497	5,285	7,557,650
1-3 months			
Options at fair value	–	–	12
Unrealised depreciation on forward foreign currency contracts	–	–	2,389
Unrealised depreciation on futures contracts	–	–	323
3 months - 1 year			
Options at fair value	–	–	63
Unrealised depreciation on forward foreign currency contracts	–	–	3,086
Unrealised depreciation on futures contracts	–	–	635
Accrued expenses and other liabilities	4,391	26	3,171
>1 year			
Options at fair value	–	–	–
Unrealised depreciation on futures contracts	–	–	–
Total Financial Liabilities	¥ 193,617	\$ 5,337	\$ 7,749,638

	Legg Mason Western Asset US Money Market Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset US Core Bond Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset US Core Plus Bond Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset Euro Core Plus Bond Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset Diversified Strategic Income Fund as at February 28, 2009 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	–	–	–	€ 6	–
Amounts due to broker	–	\$ 28	\$ 130	–	–
Payable for investments purchased	–	9,394	11,701	137	\$ 166
Investments	–	–	–	–	–
Options at fair value	–	3	17	–	–
Swap contracts at fair value	–	785	–	–	233
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	3
Distributions payable to holders of Redeemable Participating Shares	\$ 299	14	–	8	74
Investment Management fees payable	1,380	8	11	2	30
Administrator and Custodian fees payable	281	1	2	–	4
Shareholder service fees payable	–	2	–	1	4
Distribution fees payable	281	11	17	3	36
Payable for Redeemable Participating Shares sold	95,647	81	–	20	97
Redeemable Participating Shares	3,519,361	21,618	24,023	7,260	59,532
1 - 3 months					
Options at fair value	–	–	–	3	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	134	2,034
Unrealised depreciation on futures contracts	–	–	–	–	–
3 months - 1 year					
Options at fair value	–	–	8	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	65	42	1	71
Accrued expenses and other liabilities	776	46	48	19	99
> 1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Total Financial Liabilities	\$ 3,618,025	\$ 32,056	\$ 35,999	€ 7,594	\$ 62,383

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.3 Liquidity Risk – (continued)

	Legg Mason Western Asset Global Multi Strategy Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset US High Yield Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset Emerging Markets Bond Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset Global High Yield Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset US Short-Term Government Fund as at February 28, 2009 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	–	–	–	–	–
Amounts due to broker	–	–	–	–	\$ 69
Payable for investments purchased	\$ 10,380	\$ 557	\$ 441	\$ 820	\$ 5,023
Investments	–	–	–	–	–
Options at fair value	–	–	–	–	17
Swap contracts at fair value	1,104	422	1,458	–	–
Unrealised depreciation on forward foreign currency contracts	1,235	–	–	–	–
Distributions payable to holders of Redeemable Participating Shares	332	134	68	90	18
Investment Management fees payable	131	22	50	64	22
Administrator and Custodian fees payable	20	3	6	9	4
Shareholder service fees payable	28	2	2	3	–
Distribution fees payable	142	25	36	50	38
Payable for Redeemable Participating Shares sold	552	69	67	817	369
Redeemable Participating Shares	293,048	43,628	82,949	105,003	56,663
1 – 3 months					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	7,765	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
3 months – 1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	97	–	25	–	8
Accrued expenses and other liabilities	129	59	85	65	53
> 1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	3
Total Financial Liabilities	\$ 314,963	\$ 44,921	\$ 85,187	\$ 106,921	\$ 62,287

	Legg Mason Western Asset US Adjustable Rate Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset Inflation Management Fund as at February 28, 2009 (in 000's)	Legg Mason Western Asset Asian Opportunities Fund as at February 28, 2009 (in 000's)	Legg Mason Brandywine Global Fixed Income Fund as at February 28, 2009 (in 000's)	Legg Mason Capital Management Value Fund as at February 28, 2009 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	–	–	–	\$ 460	–
Amounts due to broker	\$ 72	–	–	–	–
Payable for investments purchased	8,557	–	–	–	\$ 5,191
Investments	–	–	–	–	–
Options at fair value	–	–	–	–	–
Swap contracts at fair value	–	–	\$ 21,477	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	114	5,700	–
Distributions payable to holders of Redeemable Participating Shares	1	–	–	–	–
Investment Management fees payable	12	–	1	164	171
Administrator and Custodian fees payable	2	–	2	25	12
Shareholder service fees payable	–	–	–	40	67
Distribution fees payable	17	\$ 3	1	141	102
Payable for Redeemable Participating Shares sold	31	31	–	208	2,715
Redeemable Participating Shares	27,622	4,168	33,281	345,716	220,389
1 – 3 months					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	96	545	–
Unrealised depreciation on futures contracts	–	–	–	–	–
3 months – 1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	4	–	–
Unrealised depreciation on futures contracts	22	–	7	–	–
Accrued expenses and other liabilities	51	45	378	202	400
> 1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on futures contracts	4	–	–	–	–
Total Financial Liabilities	\$ 36,391	\$ 4,247	\$ 55,361	\$ 353,201	\$ 229,047

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.3 Liquidity Risk – (continued)

	Legg Mason Capital Management Growth Fund as at February 28, 2009 (in 000's)	Legg Mason Capital Management Opportunity Fund [^] as at February 28, 2009 (in 000's)	Legg Mason ClearBridge US Appreciation Fund as at February 28, 2009 (in 000's)	Legg Mason ClearBridge US Fundamental Value Fund as at February 28, 2009 (in 000's)	Legg Mason ClearBridge US Large Cap Growth Fund as at February 28, 2009 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	-	-	-	-	-
Amounts due to broker	-	-	-	-	-
Payable for investments purchased	\$ 233	-	\$ 1,715	\$ 10	\$ 214
Investments	-	-	-	-	-
Options at fair value	-	-	-	-	-
Swap contracts at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	-	-	-
Distributions payable to holders of Redeemable Participating Shares	-	-	-	-	-
Investment Management fees payable	15	-	14	53	15
Administrator and Custodian fees payable	2	-	5	7	2
Shareholder service fees payable	4	-	-	1	-
Distribution fees payable	8	-	15	52	17
Payable for Redeemable Participating Shares sold	86	-	162	94	19
Redeemable Participating Shares	25,932	\$ 200	26,160	83,869	26,203
1 – 3 months					
Options at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
3 months – 1 year					
Options at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
Accrued expenses and other liabilities	39	17	34	59	36
> 1 year					
Options at fair value	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
Total Financial Liabilities	\$ 26,319	\$ 217	\$ 28,105	\$ 84,145	\$ 26,506

	Legg Mason ClearBridge US Aggressive Growth Fund as at February 28, 2009 (in 000's)	Legg Mason Royce US Small Cap Opportunity Fund as at February 28, 2009 (in 000's)	Legg Mason Royce Smaller Companies Fund as at February 28, 2009 (in 000's)	Legg Mason PCM US Equity Fund as at February 28, 2009 (in 000's)	Legg Mason GC Global Equity Fund as at February 28, 2009 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	\$ 361	-	-	-	-
Amounts due to broker	-	-	-	-	-
Payable for investments purchased	-	\$ 184	\$ 232	-	\$ 117
Investments	-	-	-	-	-
Options at fair value	-	-	-	-	-
Swap contracts at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	-	-	-
Distributions payable to holders of Redeemable Participating Shares	-	-	-	-	-
Investment Management fees payable	55	25	24	-	23
Administrator and Custodian fees payable	7	2	2	-	3
Shareholder service fees payable	2	8	6	-	3
Distribution fees payable	49	14	17	-	13
Payable for Redeemable Participating Shares sold	702	410	531	-	-
Redeemable Participating Shares	81,216	28,249	31,404	\$ 409	31,827
1 – 3 months					
Options at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
3 months – 1 year					
Options at fair value	-	-	-	-	-
Unrealised depreciation on forward foreign currency contracts	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
Accrued expenses and other liabilities	56	70	48	31	84
> 1 year					
Options at fair value	-	-	-	-	-
Unrealised depreciation on futures contracts	-	-	-	-	-
Total Financial Liabilities	\$ 82,448	\$ 28,962	\$ 32,264	\$ 440	\$ 32,070

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

13. Risk Exposure and Risk Management – (continued)

13.3 Liquidity Risk – (continued)

	Legg Mason Batterymarch European Equity Fund as at February 28, 2009 (in 000's)	Legg Mason Batterymarch Asia Pacific Equity Fund as at February 28, 2009 (in 000's)	Legg Mason Batterymarch 130/ 30 Global Equity Fund [^] as at February 28, 2009 (in 000's)	Legg Mason Batterymarch International Large Cap Fund as at February 28, 2009 (in 000's)	Legg Mason Batterymarch Emerging Markets Equity Fund as at February 28, 2009 (in 000's)
Liabilities					
Less than 1 month					
Cash overdraft	–	\$ 284	–	–	\$ 115
Amounts due to broker	–	–	–	–	–
Payable for investments purchased	€ 399	317	\$ 506	\$ 293	409
Investments	–	–	667	–	–
Options at fair value	–	–	–	–	–
Swap contracts at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Distributions payable to holders of Redeemable Participating Shares	–	–	–	–	–
Investment Management fees payable	7	143	5	10	25
Administrator and Custodian fees payable	5	14	–	1	2
Shareholder service fees payable	1	48	2	–	2
Distribution fees payable	6	78	2	11	11
Payable for Redeemable Participating Shares sold	16	17,370	–	25	11
Redeemable Participating Shares	16,067	157,167	5,031	14,826	33,794
1 – 3 months					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
3 months – 1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on forward foreign currency contracts	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Accrued expenses and other liabilities	32	89	40	34	35
> 1 year					
Options at fair value	–	–	–	–	–
Unrealised depreciation on futures contracts	–	–	–	–	–
Total Financial Liabilities	€ 16,533	\$ 175,510	\$ 6,253	\$ 15,200	\$ 34,404

	Legg Mason Congruix Japan Equity Fund as at February 28, 2009 (in 000's)	Legg Mason Global Funds Plc Totals as at February 28, 2009 (in 000's)
Liabilities		
Less than 1 month		
Cash overdraft	–	\$ 1,228
Amounts due to broker	–	299
Payable for investments purchased	¥ 5,479	57,195
Investments	–	667
Options at fair value	–	37
Swap contracts at fair value	–	25,479
Unrealised depreciation on forward foreign currency contracts	–	7,052
Distributions payable to holders of Redeemable Participating Shares	–	1,040
Investment Management fees payable	1	2,484
Administrator and Custodian fees payable	9	424
Shareholder service fees payable	–	227
Distribution fees payable	–	1,198
Payable for Redeemable Participating Shares sold	–	120,140
Redeemable Participating Shares	149,516	5,414,385
1 – 3 months		
Options at fair value	–	4
Unrealised depreciation on forward foreign currency contracts	–	10,610
Unrealised depreciation on futures contracts	–	–
3 months – 1 year		
Options at fair value	–	8
Unrealised depreciation on forward foreign currency contracts	–	4
Unrealised depreciation on futures contracts	–	338
Accrued expenses and other liabilities	3,144	3,205
> 1 year		
Options at fair value	–	–
Unrealised depreciation on futures contracts	–	7
Total Financial Liabilities	¥ 158,149	\$ 5,646,031

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's)

The forward contracts outstanding at February 28, 2010 and February 28, 2009 are as follows:

Abbreviations:

AUD – Australian Dollar	MXN – Mexican Peso
BRL – Brazilian Real	MYR – Malaysian Ringgit
CAD – Canadian Dollar	NOK – Norwegian Krone
DKK – Danish Krone	NZD – New Zealand Dollar
EUR – Euro	PHP – Philippine Peso
GBP – British Pound	PLN – Polish Zloty
HKD – Hong Kong Dollar	SEK – Swedish Krona
HUF – Hungarian Forint	SGD – Singapore Dollar
IDR – Indonesian Rupiah	THB – Thai Baht
ILS – Israeli Shekel	TRY – Turkish Lira
INR – Indian Rupee	TWD – Taiwan Dollar
JPY – Japanese Yen	USD – United States Dollar
KRW – South Korean Won	ZAR – South African Rand

Legg Mason Western Asset US Core Plus Bond Fund (as of February 28, 2010)

Contracts to Deliver						Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	
5/18/2010	Citigroup	EUR	(60)	\$ (81)	\$ (81)	\$ –
Net Unrealised Depreciation of Forward Foreign Currency Contracts						\$ –

Legg Mason Western Asset Euro Core Plus Bond Fund (as of February 28, 2010)

Contracts to Receive						Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in Euro	In Exchange for Euro	
5/18/2010	Citi London	AUD	34	€ 22	€ 21	€ 1
5/18/2010	Credit Suisse	AUD	322	210	202	8
5/18/2010	Goldman Sachs	AUD	357	233	225	8
5/18/2010	UBS AG	AUD	912	595	573	22
5/18/2010	Chase London	GBP	108	121	124	(3)
5/18/2010	Citi London	GBP	522	585	600	(15)
5/18/2010	Deutsche Bank	GBP	15	16	16	–
5/18/2010	Deutsche Bank	GBP	40	45	46	(1)
5/18/2010	Citi London	NOK	1,867	231	228	3
5/18/2010	Deutsche Bank	NOK	428	53	53	–
5/18/2010	Citi London	PLN	189	48	47	1
5/18/2010	Credit Suisse	USD	1,138	836	819	17
5/18/2010	Goldman Sachs	USD	1,109	814	793	21
5/18/2010	Morgan Stanley	USD	1,068	784	766	18
						€ 80

Contracts to Deliver						Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in Euro	In Exchange for Euro	
5/18/2010	BNP Paribas	AUD	(14)	€ (9)	€ (9)	€ –
5/18/2010	JP Morgan	AUD	(1,776)	(1,159)	(1,117)	(42)
5/18/2010	Credit Suisse	GBP	(312)	(349)	(355)	6
5/18/2010	UBS AG	GBP	(443)	(496)	(508)	12
5/18/2010	Deutsche Bank	NOK	(4,828)	(598)	(590)	(8)
5/18/2010	Citi London	PLN	(612)	(154)	(153)	(1)
5/18/2010	Citi London	USD	(1,691)	(1,242)	(1,210)	(32)
5/18/2010	Deutsche Bank	USD	(544)	(400)	(389)	(11)
5/18/2010	JP Morgan	USD	(686)	(504)	(495)	(9)
5/18/2010	UBS AG	USD	(961)	(706)	(694)	(12)
						€ (97)
Unrealised Appreciation of Forward Foreign Currency Contracts						117
Unrealised Depreciation of Forward Foreign Currency Contracts						(134)
Net Unrealised Depreciation of Forward Foreign Currency Contracts						€ (17)

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Western Asset Diversified Strategic Income Fund (as of February 28, 2010)

				Contracts to Receive		
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
3/31/2010	Citi London	EUR	493	\$ 671	\$ 671	\$ –
3/31/2010	Citi London	EUR	20	27	27	–
5/18/2010	JP Morgan	AUD	467	415	407	8
5/18/2010	Citi London	AUD	800	711	705	6
5/18/2010	Morgan Stanley	AUD	1,149	1,021	1,003	18
5/18/2010	Credit Suisse	CAD	2,467	2,344	2,317	27
5/18/2010	JP Morgan	CAD	710	674	660	14
5/18/2010	UBS AG	CAD	8,000	7,602	7,536	66
5/18/2010	Deutsche Bank	DKK	45,449	8,306	8,546	(240)
5/18/2010	Deutsche Bank	EUR	297	404	416	(12)
5/18/2010	Deutsche Bank	EUR	500	681	688	(7)
5/18/2010	Goldman Sachs	EUR	3,480	4,738	4,864	(126)
5/18/2010	JP Morgan	EUR	3,271	4,454	4,530	(76)
5/18/2010	Morgan Stanley	EUR	359	489	501	(12)
5/18/2010	Credit Suisse	GBP	550	838	858	(20)
5/18/2010	Credit Suisse	GBP	302	460	478	(18)
5/18/2010	JP Morgan	GBP	295	449	468	(19)
5/18/2010	UBS AG	GBP	113	173	180	(7)
5/18/2010	Morgan Stanley	HUF	67,841	339	346	(7)
5/18/2010	Citi London	JPY	225,887	2,544	2,501	43
5/18/2010	Deutsche Bank	JPY	1,030,580	11,605	11,407	198
5/18/2010	JP Morgan	MXN	8,436	654	643	11
5/18/2010	Deutsche Bank	NOK	14,932	2,517	2,554	(37)
						<u>\$ (190)</u>

				Contracts to Deliver		
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
3/31/2010	Citi London	EUR	(17)	\$ (24)	\$ (24)	–
5/18/2010	Credit Suisse	AUD	(1,268)	(1,127)	(1,107)	(20)
5/18/2010	UBS AG	AUD	(2,729)	(2,425)	(2,378)	(47)
5/18/2010	Citi London	CAD	(3,208)	(3,049)	(3,038)	(11)
5/18/2010	Deutsche Bank	CAD	(700)	(665)	(663)	(2)
5/18/2010	JP Morgan	CAD	(6,537)	(6,212)	(6,152)	(60)
5/18/2010	Credit Suisse	DKK	(10,220)	(1,868)	(1,898)	30
5/18/2010	JP Morgan	DKK	(15,593)	(2,850)	(2,896)	46
5/18/2010	Morgan Stanley	DKK	(4,286)	(783)	(801)	18
5/18/2010	UBS AG	DKK	(15,203)	(2,779)	(2,826)	47
5/18/2010	Citi London	EUR	(4,934)	(6,717)	(6,894)	177
5/18/2010	Credit Suisse	EUR	(7,112)	(9,683)	(9,879)	196
5/18/2010	UBS AG	EUR	(7,086)	(9,648)	(9,815)	167
5/18/2010	Morgan Stanley	EUR	(670)	(912)	(933)	21
5/18/2010	Citi London	GBP	(312)	(475)	(500)	25
5/18/2010	Deutsche Bank	GBP	(879)	(1,340)	(1,406)	66
5/18/2010	Goldman Sachs	GBP	(731)	(1,113)	(1,171)	58
5/18/2010	Morgan Stanley	GBP	(1,056)	(1,610)	(1,682)	72
5/18/2010	JP Morgan	HUF	(79,307)	(396)	(398)	2
5/18/2010	JP Morgan	JPY	(1,255,800)	(14,141)	(13,820)	(321)
5/18/2010	Goldman Sachs	MXN	(6,780)	(525)	(522)	(3)
5/18/2010	UBS AG	NOK	(15,027)	(2,532)	(2,539)	7
						<u>\$ 468</u>
Unrealised Appreciation of Forward Foreign Currency Contracts						1,323
Unrealised Depreciation of Forward Foreign Currency Contracts						(1,045)
Net Unrealised Appreciation of Forward Foreign Currency Contracts						<u>\$ 278</u>

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Western Asset Global Multi Strategy Fund (as of February 28, 2010)

Contracts to Receive								
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts		
3/31/2010	Citi London	EUR	871	\$ 1,186	\$ 1,187	\$ (1)		
3/31/2010	Citi London	EUR	134	182	181	1		
3/31/2010	Citi London	EUR	150	204	204	–		
3/31/2010	Citi London	EUR	29,046	39,548	39,570	(22)		
3/31/2010	Citi London	EUR	1,528	2,081	2,082	(1)		
3/31/2010	Deutsche Bank	EUR	3,095	4,215	4,216	(1)		
3/31/2010	Goldman Sachs	EUR	1,577	2,147	2,147	–		
3/31/2010	UBS AG	EUR	1,288	1,753	1,751	2		
3/31/2010	UBS AG	EUR	2,348	3,197	3,194	3		
3/31/2010	Citi London	GBP	534	814	826	(12)		
3/31/2010	Citi London	GBP	302	460	462	(2)		
3/31/2010	Citi London	GBP	171	260	263	(3)		
3/31/2010	Citi London	GBP	233	355	360	(5)		
3/31/2010	Citi London	GBP	33,456	51,000	51,801	(801)		
3/31/2010	Goldman Sachs	GBP	51,071	77,853	79,043	(1,190)		
3/31/2010	Goldman Sachs	GBP	27,271	41,571	42,207	(636)		
3/31/2010	Citi London	SGD	2,424	1,723	1,721	2		
5/18/2010	Goldman Sachs	AUD	762	677	670	7		
5/18/2010	UBS AG	AUD	1,800	1,599	1,568	31		
5/18/2010	JP Morgan	CAD	15,194	14,438	14,299	139		
5/18/2010	JP Morgan	CAD	9,339	8,875	8,672	203		
5/18/2010	Morgan Stanley	CAD	800	760	753	7		
5/18/2010	Deutsche Bank	EUR	4,250	5,786	5,843	(57)		
5/18/2010	Goldman Sachs	EUR	488	664	682	(18)		
5/18/2010	JP Morgan	EUR	1,430	1,947	1,980	(33)		
5/18/2010	Morgan Stanley	EUR	630	857	878	(21)		
5/18/2010	Deutsche Bank	GBP	790	1,204	1,263	(59)		
5/18/2010	JP Morgan	GBP	2,017	3,073	3,199	(126)		
5/18/2010	Credit Suisse	JPY	1,011,269	11,387	11,154	233		
5/18/2010	Deutsche Bank	JPY	2,652,875	29,872	29,363	509		
5/18/2010	Goldman Sachs	JPY	935,189	10,531	10,351	180		
5/18/2010	Morgan Stanley	JPY	1,097,793	12,362	12,142	220		
5/18/2010	UBS AG	JPY	499,073	5,620	5,487	133		
5/18/2010	JP Morgan	NOK	30,494	5,140	5,146	(6)		
5/18/2010	Citi London	PLN	6,681	2,292	2,339	(47)		
5/18/2010	Citi London	SGD	22	15	15	–		
5/18/2010	JP Morgan	TRY	2,772	1,767	1,826	(59)		
5/25/2010	JP Morgan	IDR	50,988,240	5,373	5,441	(68)		
5/25/2010	JP Morgan	INR	252,788	5,443	5,451	(8)		
5/25/2010	Deutsche Bank	KRW	8,725,980	7,505	7,567	(62)		
						\$ (1,568)		

Contracts to Deliver								
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts		
3/31/2010	Citi London	EUR	(154)	\$ (210)	\$ (209)	\$ (1)		
3/31/2010	Citi London	EUR	(1,295)	(1,764)	(1,757)	(7)		
3/31/2010	Citi London	EUR	(946)	(1,288)	(1,288)	–		
3/31/2010	Goldman Sachs	EUR	(1,749)	(2,381)	(2,370)	(11)		
3/31/2010	Barclays	GBP	(1,500)	(2,287)	(2,318)	31		
3/31/2010	Barclays	GBP	(501)	(764)	(776)	12		
3/31/2010	Barclays	GBP	(2,211)	(3,371)	(3,417)	46		
3/31/2010	Barclays	GBP	(2,314)	(3,527)	(3,575)	48		
3/31/2010	Citi London	GBP	(972)	(1,481)	(1,504)	23		
3/31/2010	Citi London	GBP	(79)	(121)	(122)	1		
3/31/2010	Goldman Sachs	GBP	(4,800)	(7,317)	(7,351)	34		
3/31/2010	Citi London	SGD	(21)	(15)	(15)	–		
5/18/2010	Citi London	AUD	(1,128)	(1,002)	(993)	(9)		
5/18/2010	Credit Suisse	AUD	(11,565)	(10,274)	(10,095)	(179)		
5/18/2010	Deutsche Bank	CAD	(4,200)	(3,991)	(3,977)	(14)		
5/18/2010	Citi London	EUR	(28,910)	(39,360)	(40,396)	1,036		

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Western Asset Global Multi Strategy Fund (as of February 28, 2010) – (continued)

Contracts to Deliver						
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
5/18/2010	Credit Suisse	EUR	(5,888)	(8,016)	(8,178)	162
5/18/2010	Deutsche Bank	EUR	(1,786)	(2,432)	(2,502)	70
5/18/2010	JP Morgan	EUR	(6,340)	(8,632)	(8,672)	40
5/18/2010	Morgan Stanley	EUR	(4,850)	(6,603)	(6,758)	155
5/18/2010	UBS AG	EUR	(15,358)	(20,910)	(21,273)	363
5/18/2010	Citi London	GBP	(5,249)	(7,999)	(8,414)	415
5/18/2010	Goldman Sachs	GBP	(5,775)	(8,801)	(9,257)	456
5/18/2010	Morgan Stanley	GBP	(417)	(635)	(663)	28
5/18/2010	UBS AG	GBP	(2,674)	(4,075)	(4,248)	173
5/18/2010	Citi London	JPY	(1,689,175)	(19,021)	(18,703)	(318)
5/18/2010	JP Morgan	JPY	(1,276,697)	(14,376)	(14,050)	(326)
5/18/2010	Credit Suisse	TRY	(2,779)	(1,771)	(1,823)	52
						\$ 2,280
Unrealised Appreciation of Forward Foreign Currency Contracts						4,815
Unrealised Depreciation of Forward Foreign Currency Contracts						(4,103)
Net Unrealised Appreciation of Forward Foreign Currency Contracts						\$ 712

Legg Mason Western Asset Emerging Markets Bond Fund (as of February 28, 2010)

Contracts to Receive						
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
3/2/2010	JP Morgan	BRL	610	\$ 337	\$ 337	\$ –
3/31/2010	Citi London	EUR	46	63	63	–
3/31/2010	Citi London	EUR	3,210	4,371	4,373	(2)
4/5/2010	JP Morgan	BRL	610	335	333	2
5/18/2010	Citi London	EUR	50	68	69	(1)
5/18/2010	Citi London	EUR	50	68	70	(2)
						\$ (3)

Contracts to Deliver						
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
3/2/2010	Citi London	BRL	(610)	\$ (337)	\$ (335)	\$ (2)
5/18/2010	Morgan Stanley	EUR	(112)	(151)	(151)	–
						\$ (2)
Unrealised Appreciation of Forward Foreign Currency Contracts						2
Unrealised Depreciation of Forward Foreign Currency Contracts						(7)
Net Unrealised Depreciation of Forward Foreign Currency Contracts						\$ (5)

Legg Mason Western Asset Global High Yield Fund (as of February 28, 2010)

Contracts to Receive						
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
3/2/2010	JP Morgan	BRL	550	\$ 304	\$ 303	\$ 1
4/5/2010	JP Morgan	BRL	550	302	300	2
						\$ 3

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Western Asset Global High Yield Fund (as of February 28, 2010) – (continued)

				Contracts to Deliver		
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
3/2/2010	JP Morgan	BRL	(550)	\$ (304)	\$ (302)	\$ (2)
5/18/2010	Deutsche Bank	EUR	(919)	(1,251)	(1,287)	36
5/18/2010	JP Morgan	EUR	(780)	(1,061)	(1,079)	18
						\$ 52
Unrealised Appreciation of Forward Foreign Currency Contracts						57
Unrealised Depreciation of Forward Foreign Currency Contracts						(2)
Net Unrealised Appreciation of Forward Foreign Currency Contracts						\$ 55

Legg Mason Western Asset Inflation Management Fund (as of February 28, 2010)

				Contracts to Deliver		
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
5/18/2010	Credit Suisse	AUD	(131)	\$ (116)	\$ (114)	\$ (2)
Net Unrealised Depreciation of Forward Foreign Currency Contracts						\$ (2)

Legg Mason Western Asset Asian Opportunities Fund (as of February 28, 2010)

				Contracts to Receive		
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
3/2/2010	Barclays	KRW	472,000	\$ 407	\$ 406	\$ 1
3/2/2010	State Street	KRW	570,000	491	492	(1)
3/2/2010	State Street	KRW	2,150,000	1,853	1,856	(3)
3/2/2010	Westpac Banking Corp	SGD	1,730	1,231	1,250	(19)
3/3/2010	State Street	IDR	3,913,000	419	417	2
3/8/2010	State Street	INR	89,000	1,929	1,933	(4)
3/8/2010	Westpac Banking Corp	SGD	1,218	866	880	(14)
3/11/2010	Barclays	THB	22,000	665	663	2
3/12/2010	Morgan Stanley	IDR	6,600,000	705	705	–
3/12/2010	UBS AG	KRW	590,000	508	509	(1)
3/12/2010	UBS AG	THB	48,800	1,476	1,473	3
3/15/2010	State Street	PHP	50,000	1,082	1,087	(5)
3/17/2010	Bank of New York	INR	62,500	1,353	1,340	13
3/25/2010	Westpac Banking Corp	INR	112,000	2,424	2,435	(11)
3/26/2010	Bank of New York	THB	30,000	907	910	(3)
4/8/2010	State Street	KRW	478,000	412	420	(8)
4/26/2010	Bank of New York	SGD	2,900	2,062	2,064	(2)
4/29/2010	Westpac Banking Corp	SGD	444	315	315	–
5/17/2010	UBS AG	EUR	888	1,209	1,211	(2)
5/17/2010	UBS AG	KRW	1,807,000	1,554	1,558	(4)
5/17/2010	UBS AG	KRW	1,419,000	1,221	1,220	1
5/19/2010	Westpac Banking Corp	HKD	10,300	1,328	1,327	1
5/19/2010	Westpac Banking Corp	SGD	2,672	1,900	1,903	(3)
5/26/2010	Westpac Banking Corp	SGD	780	554	552	2
5/28/2010	State Street	KRW	1,350,000	1,161	1,165	(4)
7/30/2010	UBS AG	CNY	3,000	439	442	(3)
						\$ (62)

				Contracts to Deliver		
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
3/2/2010	Barclays	KRW	(472,000)	\$ (407)	\$ (408)	\$ 1
3/2/2010	State Street	KRW	(2,720,000)	(2,345)	(2,334)	(11)
3/3/2010	State Street	IDR	(16,800,000)	(1,798)	(1,751)	(47)
4/7/2010	State Street	KRW	(1,500,000)	(1,292)	(1,304)	12
4/8/2010	Bank of New York	SGD	(900)	(640)	(644)	4
4/8/2010	State Steet	SGD	(1,650)	(1,173)	(1,180)	7
4/12/2010	Barclays	MYR	(2,070)	(606)	(612)	6

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Western Asset Asian Opportunities Fund (as of February 28, 2010) – (continued)

				Contracts to Deliver		
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
4/16/2010	Barclays	JPY	(35,000)	(394)	(390)	(4)
4/22/2010	State Street	KRW	(798,280)	(687)	(700)	13
5/3/2010	State Street	KRW	(1,678,000)	(1,444)	(1,446)	2
5/11/2010	UBS AG	TWD	(20,000)	(628)	(628)	–
5/17/2010	Westpac Banking Corp	EUR	(888)	(1,209)	(1,220)	11
5/24/2010	Westpac Banking Corp	TWD	(31,900)	(1,003)	(1,006)	3
5/25/2010	Bank of New York	CHF	(620)	(577)	(578)	1
6/28/2010	State Street	TWD	(30,000)	(946)	(948)	2
7/7/2010	Westpac Banking Corp	TWD	(77,500)	(2,445)	(2,497)	52
7/30/2010	UBS AG	CNY	(3,000)	(440)	(440)	–
						\$ 52
Unrealised Appreciation of Forward Foreign Currency Contracts						139
Unrealised Depreciation of Forward Foreign Currency Contracts						(149)
Net Unrealised Depreciation of Forward Foreign Currency Contracts						\$ (10)

Legg Mason Western Asset Global Blue Chip Bond Fund^ (as of February 28, 2010)

				Contracts to Receive		
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
3/31/2010	Citi London	EUR	46	\$ 63	\$ 63	–
3/31/2010	Citi London	EUR	1,474	2,007	2,008	(1)
3/31/2010	Citi London	EUR	22,343	30,422	30,439	(17)
3/31/2010	Citi London	EUR	793	1,080	1,081	(1)
3/31/2010	Barclays	GBP	120	183	185	(2)
3/31/2010	Citi London	GBP	54,941	83,752	85,067	(1,315)
3/31/2010	Citi London	GBP	390	595	603	(8)
3/31/2010	Citi London	GBP	258	393	399	(6)
3/31/2010	Citi London	GBP	5,746	8,759	8,897	(138)
3/31/2010	Deutsche Bank	GBP	21,496	32,768	33,275	(507)
5/18/2010	Citi London	EUR	163	222	228	(6)
5/18/2010	UBS AG	GBP	424	646	673	(27)
						\$ (2,028)

				Contracts to Deliver		
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
3/31/2010	Citi London	EUR	(29)	\$ (39)	\$ (39)	–
3/31/2010	Citi London	EUR	(882)	(1,201)	(1,192)	(9)
3/31/2010	Citi London	EUR	(855)	(1,164)	(1,159)	(5)
3/31/2010	Citi London	EUR	(56)	(76)	(76)	–
3/31/2010	Citi London	EUR	(11,024)	(15,010)	(15,018)	8
3/31/2010	Credit Suisse	EUR	(4,500)	(6,127)	(6,126)	(1)
3/31/2010	UBS AG	EUR	(350)	(477)	(476)	(1)
3/31/2010	Barclays	GBP	(3,301)	(5,032)	(5,100)	68
3/31/2010	Barclays	GBP	(234)	(357)	(362)	5
3/31/2010	Barclays	GBP	(1,100)	(1,677)	(1,700)	23
3/31/2010	Citi London	GBP	(3,433)	(5,233)	(5,315)	82
5/18/2010	Citi London	EUR	(13,236)	(18,021)	(18,495)	474
5/18/2010	Credit Suisse	EUR	(2,243)	(3,054)	(3,116)	62
5/18/2010	Deutsche Bank	EUR	(175)	(238)	(245)	7
5/18/2010	UBS AG	EUR	(6,500)	(8,850)	(9,004)	154
						\$ 867
Unrealised Appreciation of Forward Foreign Currency Contracts						883
Unrealised Depreciation of Forward Foreign Currency Contracts						(2,044)
Net Unrealised Depreciation of Forward Foreign Currency Contracts						\$ (1,161)

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Brandywine Global Fixed Income Fund (as of February 28, 2010)

Contracts to Receive							
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts	
3/3/2010	HSBC Securities Services	GBP	18,724	\$ 28,549	\$ 31,093	\$ (2,544)	
3/8/2010	Barclays	GBP	5,451	8,311	9,033	(722)	
3/8/2010	Barclays	GBP	142	216	236	(20)	
3/8/2010	Barclays	GBP	393	600	620	(20)	
3/8/2010	Barclays	GBP	167	254	264	(10)	
3/8/2010	Barclays	GBP	173	264	288	(24)	
3/8/2010	Barclays	GBP	8,646	13,182	14,392	(1,210)	
3/8/2010	Barclays	GBP	253	385	420	(35)	
3/8/2010	Barclays	GBP	7,332	11,180	12,206	(1,026)	
3/8/2010	Barclays	GBP	422	644	703	(59)	
4/13/2010	Citigroup	NOK	106,328	17,952	18,827	(875)	
4/15/2010	Barclays	SGD	163	116	115	1	
4/15/2010	HSBC Securities Services	SGD	217	154	156	(2)	
4/15/2010	HSBC Securities Services	SGD	5,120	3,640	3,686	(46)	
4/15/2010	HSBC Securities Services	SGD	6,234	4,432	4,489	(57)	
4/15/2010	HSBC Securities Services	SGD	7,767	5,522	5,594	(72)	
4/15/2010	HSBC Securities Services	SGD	1,165	829	840	(11)	
4/15/2010	HSBC Securities Services	SGD	121	86	87	(1)	
4/15/2010	HSBC Securities Services	SGD	144	102	103	(1)	
4/15/2010	HSBC Securities Services	SGD	413	293	297	(4)	
4/21/2010	HSBC Securities Services	CAD	3,407	3,238	3,214	24	
4/21/2010	Morgan Stanley	SEK	57,609	8,081	8,015	66	
4/23/2010	HSBC Securities Services	EUR	107	146	156	(10)	
4/23/2010	HSBC Securities Services	EUR	2,335	3,179	3,400	(221)	
4/23/2010	HSBC Securities Services	EUR	2,813	3,830	4,083	(253)	
4/23/2010	HSBC Securities Services	EUR	185	252	269	(17)	
4/23/2010	HSBC Securities Services	EUR	536	730	778	(48)	
4/23/2010	HSBC Securities Services	EUR	102	139	148	(9)	
1/21/2011	UBS AG	CNY	49,812	7,345	7,537	(192)	
						\$ (7,398)	

Contracts to Deliver							
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts	
3/3/2010	Citigroup	EUR	(14,749)	\$ (20,083)	\$ (22,242)	\$ 2,159	
3/8/2010	Barclays	CAD	(738)	(701)	(703)	2	
3/8/2010	Barclays	DKK	(2,066)	(378)	(420)	42	
3/8/2010	Barclays	EUR	(9,494)	(12,927)	(14,392)	1,465	
3/8/2010	Barclays	EUR	(191)	(260)	(264)	4	
3/8/2010	Barclays	JPY	(1,070,860)	(12,054)	(12,206)	152	
3/8/2010	Barclays	PLN	(643)	(222)	(236)	14	
3/8/2010	Barclays	SEK	(1,963)	(275)	(288)	13	
4/15/2010	HSBC Securities Services	CAD	(307)	(292)	(297)	5	
4/15/2010	HSBC Securities Services	DKK	(800)	(146)	(156)	10	
4/15/2010	HSBC Securities Services	EUR	(3,843)	(5,232)	(5,594)	362	
4/15/2010	HSBC Securities Services	GBP	(516)	(787)	(840)	53	
4/15/2010	HSBC Securities Services	JPY	(409,698)	(4,613)	(4,490)	(123)	
4/15/2010	HSBC Securities Services	PLN	(244)	(84)	(87)	3	
4/15/2010	HSBC Securities Services	SEK	(725)	(102)	(104)	2	
4/21/2010	Morgan Stanley	SEK	(78,062)	(10,950)	(10,845)	(105)	
4/23/2010	HSBC Securities Services	CAD	(279)	(265)	(269)	4	
4/23/2010	HSBC Securities Services	GBP	(480)	(732)	(779)	47	
4/23/2010	HSBC Securities Services	JPY	(374,024)	(4,211)	(4,084)	(127)	
4/23/2010	HSBC Securities Services	PLN	(438)	(151)	(156)	5	
4/23/2010	HSBC Securities Services	SEK	(1,044)	(146)	(148)	2	
5/3/2010	Barclays	AUD	(25,258)	(22,475)	(22,202)	(273)	

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Brandywine Global Fixed Income Fund (as of February 28, 2010) – (continued)

Contracts to Deliver						Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	
5/3/2010	Barclays	AUD	(19,257)	(17,135)	(17,068)	(67)
5/10/2010	Barclays	NZD	(5,595)	(3,887)	(3,833)	(54)
						\$ 3,595
Unrealised Appreciation of Forward Foreign Currency Contracts						4,435
Unrealised Depreciation of Forward Foreign Currency Contracts						(8,238)
Net Unrealised Depreciation of Forward Foreign Currency Contracts						\$ (3,803)

Legg Mason Permal Global Absolute Fund ^ (as of February 28, 2010)

Contracts to Receive						Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	
3/17/2010	PNC Capital	EUR	20	27	29	\$ (2)
3/17/2010	PNC Capital	EUR	300	408	419	(11)
3/17/2010	PNC Capital	EUR	1,800	2,451	2,505	(54)
3/17/2010	PNC Capital	EUR	46	63	68	(5)
3/17/2010	PNC Capital	EUR	570	776	835	(59)
3/17/2010	PNC Capital	EUR	20	27	29	(2)
3/17/2010	PNC Capital	GBP	50	76	78	(2)
3/17/2010	PNC Capital	GBP	8,800	13,416	14,341	(925)
3/17/2010	PNC Capital	GBP	1,350	2,058	2,200	(142)
3/17/2010	PNC Capital	GBP	870	1,326	1,413	(87)
3/17/2010	PNC Capital	GBP	20	30	32	(2)
3/17/2010	PNC Capital	GBP	20	30	32	(2)
3/17/2010	PNC Capital	GBP	1,000	1,525	1,592	(67)
						\$ (1,360)

Contracts to Deliver						Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	
3/17/2010	PNC Capital	EUR	(1,100)	\$ (1,498)	\$ (1,512)	\$ 14
3/17/2010	PNC Capital	EUR	(3,900)	(5,310)	(5,620)	310
3/17/2010	PNC Capital	EUR	(2,500)	(3,404)	(3,484)	80
3/17/2010	PNC Capital	GBP	(1,700)	(2,592)	(2,716)	124
3/17/2010	PNC Capital	GBP	(1,360)	(2,073)	(2,165)	92
						\$ 620
Unrealised Appreciation of Forward Foreign Currency Contracts						620
Unrealised Depreciation of Forward Foreign Currency Contracts						(1,360)
Net Unrealised Depreciation of Forward Foreign Currency Contracts						\$ (740)

Legg Mason Western Asset Euro Core Plus Bond Fund (as of February 28, 2009)

Contracts to Receive (000's)						Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in Euro	In Exchange for Euro	
5/12/2009	Citi London	AUD	34	€ 17	€ 17	€ –
5/12/2009	Credit Suisse	AUD	322	162	163	(1)
5/12/2009	Goldman Sachs	AUD	357	179	181	(2)
5/12/2009	UBS	AUD	1,065	535	539	(4)
5/12/2009	Citi London	GBP	462	522	502	20
5/12/2009	UBS	GBP	10	12	11	1
5/12/2009	JP Morgan	HUF	8,982	30	31	(1)
5/12/2009	Citi London	NOK	1,867	209	203	6
5/12/2009	Citi London	PLN	562	121	129	(8)
5/12/2009	Credit Suisse	TRY	69	31	31	–
5/12/2009	JP Morgan	USD	25	20	20	–
5/12/2009	JP Morgan	USD	20	16	16	–
5/12/2009	Citi London	USD	90	71	70	1
5/12/2009	Citi London	USD	20	16	16	–
5/12/2009	Credit Suisse	USD	1,138	898	862	36

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Western Asset Euro Core Plus Bond Fund (as of February 28, 2009) – (continued)

Contracts to Receive (000's)							Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in Euro	In Exchange for Euro		
5/12/2009	Goldman Sachs	USD	1,109	875	837	38	
5/12/2009	Morgan Stanley	USD	1,068	843	813	30	
						€	116

Contracts to Deliver (000's)							Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in Euro	In Exchange for Euro		
5/12/2009	JP Morgan	AUD	(1,776)	€ (892)	€ (899)	€ 7	
5/12/2009	JP Morgan	GBP	(100)	(113)	(110)	(3)	
5/12/2009	Credit Suisse	GBP	(312)	(352)	(345)	(7)	
5/12/2009	UBS	GBP	(453)	(512)	(488)	(24)	
5/12/2009	JP Morgan	HUF	(8,982)	(30)	(31)	1	
5/12/2009	Deutsche Bank	NOK	(2,648)	(297)	(288)	(9)	
5/12/2009	Citi London	PLN	(757)	(163)	(174)	11	
5/12/2009	Credit Suisse	TRY	(69)	(32)	(31)	(1)	
5/12/2009	JP Morgan	USD	(709)	(560)	(539)	(21)	
5/12/2009	Citi London	USD	(60)	(47)	(47)	–	
5/12/2009	Citi London	USD	(1,900)	(1,499)	(1,470)	(29)	
5/12/2009	Deutsche Bank	USD	(50)	(39)	(39)	–	
5/12/2009	Deutsche Bank	USD	(431)	(340)	(333)	(7)	
5/12/2009	UBS	USD	(1,130)	(892)	(875)	(17)	
						€	(99)

Unrealised Appreciation of Forward Foreign Currency Contracts

Unrealised Depreciation of Forward Foreign Currency Contracts

Net Unrealised Appreciation of Forward Foreign Currency Contracts

€ 17

Legg Mason Western Asset Diversified Strategic Income Fund (as of February 28, 2009)

Contracts to Receive (000's)							Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar		
3/31/2009	Citi London	EUR	202	\$ 257	\$ 260	\$ (3)	
5/12/2009	JP Morgan	AUD	1,017	647	678	(31)	
5/12/2009	Citi London	AUD	800	509	526	(17)	
5/12/2009	Morgan Stanley	AUD	1,149	731	765	(34)	
5/12/2009	Credit Suisse	CAD	2,467	1,940	1,979	(39)	
5/12/2009	UBS	CAD	8,000	6,290	6,324	(34)	
5/12/2009	Deutsche Bank	DKK	45,449	7,717	7,875	(158)	
5/12/2009	JP Morgan	EUR	6,338	8,032	8,346	(314)	
5/12/2009	JP Morgan	EUR	483	612	620	(8)	
5/12/2009	Goldman Sachs	EUR	3,480	4,411	4,611	(200)	
5/12/2009	JP Morgan	GBP	260	372	378	(6)	
5/12/2009	Credit Suisse	GBP	802	1,148	1,172	(24)	
5/12/2009	UBS	GBP	482	690	670	20	
5/12/2009	JP Morgan	HUF	159,944	667	698	(31)	
5/12/2009	Morgan Stanley	HUF	286,776	1,197	1,210	(13)	
5/12/2009	Citi London	JPY	225,887	2,318	2,495	(177)	
5/12/2009	Deutsche Bank	JPY	1,030,580	10,577	11,406	(829)	
5/12/2009	JP Morgan	MXN	8,436	545	594	(49)	
5/12/2009	Deutsche Bank	NOK	14,932	2,120	2,097	23	
						\$	(1,924)

Contracts to Deliver (000's)							Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar		
3/31/2009	Citi London	EUR	(2)	\$ (2)	\$ (2)	\$ –	
3/31/2009	Citi London	EUR	(5)	(6)	(6)	–	
5/12/2009	Credit Suisse	AUD	(268)	(171)	(180)	9	

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Western Asset Diversified Strategic Income Fund (as of February 28, 2009) – (continued)

Contracts to Deliver (000's)				Value in	In Exchange	Unrealised
Expiration Date	Counterparty	Local Currency		United States Dollar	for United States Dollar	Appreciation/ (Depreciation) of Contracts
5/12/2009	UBS	AUD	(2,729)	(1,737)	(1,785)	48
5/12/2009	JP Morgan	CAD	(6,537)	(5,140)	(5,223)	83
5/12/2009	Citi London	CAD	(3,208)	(2,523)	(2,556)	33
5/12/2009	Deutsche Bank	CAD	(700)	(550)	(556)	6
5/12/2009	JP Morgan	DKK	(15,593)	(2,647)	(2,736)	89
5/12/2009	Credit Suisse	DKK	(10,220)	(1,735)	(1,806)	71
5/12/2009	Morgan Stanley	DKK	(4,286)	(728)	(754)	26
5/12/2009	UBS	DKK	(15,203)	(2,581)	(2,632)	51
5/12/2009	Citi London	EUR	(3,714)	(4,707)	(4,801)	94
5/12/2009	Credit Suisse	EUR	(6,642)	(8,418)	(8,771)	353
5/12/2009	Deutsche Bank	EUR	(93)	(118)	(120)	2
5/12/2009	Morgan Stanley	EUR	(150)	(190)	(197)	7
5/12/2009	UBS	EUR	(5,807)	(7,359)	(7,504)	145
5/12/2009	Citi London	GBP	(612)	(876)	(859)	(17)
5/12/2009	Deutsche Bank	GBP	(879)	(1,259)	(1,231)	(28)
5/12/2009	Goldman Sachs	GBP	(731)	(1,046)	(1,072)	26
5/12/2009	Morgan Stanley	GBP	(1,056)	(1,512)	(1,535)	23
5/12/2009	JP Morgan	HUF	(239,251)	(998)	(1,088)	90
5/12/2009	Morgan Stanley	HUF	(218,936)	(913)	(999)	86
5/12/2009	JP Morgan	JPY	(1,144,825)	(11,749)	(12,676)	927
5/12/2009	Goldman Sachs	MXN	(6,780)	(438)	(478)	40
5/12/2009	UBS	NOK	(15,027)	(2,132)	(2,107)	(25)
						\$ 2,139
						2,252
						(2,037)
						\$ 215

Unrealised Appreciation of Forward Foreign Currency Contracts

Unrealised Depreciation of Forward Foreign Currency Contracts

Net Unrealised Appreciation of Forward Foreign Currency Contracts

Legg Mason Western Asset Global Multi Strategy Fund (as of February 28, 2009)

Contracts to Receive (000's)				Value in	In Exchange	Unrealised
Expiration Date	Counterparty	Local Currency		United States Dollar	for United States Dollar	Appreciation/ (Depreciation) of Contracts
3/31/2009	Citi London	EUR	1,968	\$ 2,495	\$ 2,526	\$ (31)
3/31/2009	Citi London	EUR	2,972	3,767	3,814	(47)
3/31/2009	Goldman Sachs	EUR	4,835	6,128	6,197	(69)
3/31/2009	Citi London	GBP	391	559	569	(10)
3/31/2009	Citi London	GBP	6,513	9,323	9,525	(202)
3/31/2009	Goldman Sachs	GBP	1,629	2,332	2,374	(42)
3/31/2009	Goldman Sachs	GBP	28,766	41,176	41,989	(813)
3/31/2009	Goldman Sachs	GBP	665	952	970	(18)
5/12/2009	Goldman Sachs	AUD	762	485	512	(27)
5/12/2009	UBS	AUD	1,800	1,145	1,177	(32)
5/12/2009	JP Morgan	CAD	10,109	7,949	8,078	(129)
5/12/2009	Morgan Stanley	CAD	800	629	638	(9)
5/12/2009	JP Morgan	EUR	25,588	32,431	33,696	(1,265)
5/12/2009	JP Morgan	EUR	2,359	2,990	3,030	(40)
5/12/2009	Citi London	EUR	120	153	159	(6)
5/12/2009	Credit Suisse	EUR	4,812	6,099	6,355	(256)
5/12/2009	Goldman Sachs	EUR	488	619	647	(28)
5/12/2009	JP Morgan	GBP	5,395	7,723	7,835	(112)
5/12/2009	Citi London	GBP	1,834	2,625	2,723	(98)
5/12/2009	Credit Suisse	GBP	944	1,352	1,380	(28)
5/12/2009	Deutsche Bank	GBP	790	1,131	1,106	25
5/12/2009	JP Morgan	HUF	768,706	3,207	3,352	(145)
5/12/2009	JP Morgan	HUF	614,921	2,565	2,590	(25)
5/12/2009	Credit Suisse	JPY	1,011,269	10,379	11,195	(816)
5/12/2009	Deutsche Bank	JPY	2,652,875	27,226	29,360	(2,134)
5/12/2009	Goldman Sachs	JPY	935,189	9,598	10,344	(746)
5/12/2009	Morgan Stanley	JPY	1,097,793	11,267	12,176	(909)
5/12/2009	UBS	JPY	499,073	5,122	5,539	(417)
5/12/2009	Citi London	PLN	1,411	384	419	(35)

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Western Asset Global Multi Strategy Fund (as of February 28, 2009) – (continued)

Contracts to Receive (000's)					Value in	In Exchange	Unrealised
Expiration Date	Counterparty	Local Currency		United States	for United	Appreciation/	
				Dollar	States Dollar	(Depreciation) of	
						Contracts	
5/12/2009	JP Morgan	TRY	2,772	1,595	1,625	(30)	
5/19/2009	Deutsche Bank	KRW	2,470,450	1,613	1,790	(177)	
						\$ (8,671)	

Contracts to Deliver (000's)					Value in	In Exchange	Unrealised
Expiration Date	Counterparty	Local Currency		United States	for United	Appreciation/	
				Dollar	States Dollar	(Depreciation) of	
						Contracts	
3/31/2009	Citi London	EUR	(80)	\$ (101)	\$ (101)	\$ –	
3/31/2009	Citi London	EUR	(17)	(21)	(21)	–	
3/31/2009	Citi London	EUR	(25)	(32)	(32)	–	
3/31/2009	Deutsche Bank	EUR	(277)	(351)	(355)	4	
3/31/2009	Citi London	GBP	(116)	(166)	(164)	(2)	
3/31/2009	Citi London	GBP	(47)	(67)	(67)	–	
3/31/2009	Goldman Sachs	GBP	(380)	(544)	(548)	4	
3/31/2009	Goldman Sachs	GBP	(51)	(73)	(72)	(1)	
3/31/2009	Goldman Sachs	GBP	(100)	(143)	(144)	1	
5/12/2009	Citi London	AUD	(128)	(718)	(741)	23	
5/12/2009	Credit Suisse	CAD	(25,659)	(370)	(377)	7	
5/12/2009	Deutsche Bank	CAD	(4,200)	(3,302)	(3,338)	36	
5/12/2009	JP Morgan	EUR	(400)	(507)	(517)	10	
5/12/2009	Citi London	EUR	(20,910)	(26,502)	(27,031)	529	
5/12/2009	Citi London	EUR	(40,238)	(16)	(17)	1	
5/12/2009	Citi London	EUR	(60)	(76)	(76)	–	
5/12/2009	Citi London	EUR	(40,300)	(32)	(32)	–	
5/12/2009	Deutsche Bank	EUR	(1,211)	(1,535)	(1,567)	32	
5/12/2009	UBS	EUR	(9,775)	(12,389)	(12,632)	243	
5/12/2009	JP Morgan	GBP	(12,816)	(336)	(323)	(13)	
5/12/2009	JP Morgan	GBP	(400)	(573)	(553)	(20)	
5/12/2009	Citi London	GBP	(6,549)	(9,374)	(9,192)	(182)	
5/12/2009	Goldman Sachs	GBP	(5,775)	(8,277)	(8,470)	203	
5/12/2009	Goldman Sachs	GBP	(320)	(458)	(458)	–	
5/12/2009	Morgan Stanley	GBP	(417)	(597)	(606)	9	
5/12/2009	UBS	GBP	(2,115)	(3,028)	(2,942)	(86)	
5/12/2009	JP Morgan	HUF	(1,383,627)	(5,772)	(6,292)	520	
5/12/2009	JP Morgan	JPY	(1,636,788)	(16,798)	(18,122)	1,324	
5/12/2009	Citi London	JPY	(1,689,175)	(17,336)	(18,654)	1,318	
5/12/2009	Credit Suisse	TRY	(10,854)	(6,247)	(6,364)	117	
						\$ 4,077	

Unrealised Appreciation of Forward Foreign Currency Contracts

4,406

Unrealised Depreciation of Forward Foreign Currency Contracts

(9,000)

Net Unrealised Depreciation of Forward Foreign Currency Contracts

\$ (4,594)

Legg Mason Western Asset Asian Opportunities Fund (as of February 28, 2009)

Contracts to Receive (000's)					Value in	In Exchange	Unrealised
Expiration Date	Counterparty	Local Currency		United States	for United	Appreciation/	
				Dollar	States Dollar	(Depreciation) of	
						Contracts	
3/16/2009	Bank of New York	KRW	483,000	\$ 315	\$ 355	\$ (40)	
3/23/2009	Bank of New York	INR	80,000	1,561	1,616	(55)	
3/24/2009	Bank of New York	SGD	1,286	830	841	(11)	
3/30/2009	Northern Trust	MYR	1,300	350	358	(8)	
4/6/2009	JP Morgan	INR	38,000	741	770	(29)	
4/7/2009	JP Morgan	THB	10,000	274	284	(10)	
4/9/2009	Bank of New York	MYR	2,060	555	578	(23)	
5/18/2009	Bank of New York	HKD	10,300	1,329	1,329	–	
5/18/2009	Northern Trust	IDR	6,300,000	510	462	48	
5/18/2009	Bank of New York	SGD	2,000	1,292	1,326	(34)	

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Western Asset Asian Opportunities Fund (as of February 28, 2009) – (continued)

Contracts to Receive (000's)							Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar		
9/29/2009	HSBC	HKD	13,935	1,799	1,800	(1)	
9/29/2009	HSBC	HKD	19,363	2,500	2,500	–	
							\$ (163)
Contracts to Deliver (000's)							Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar		
3/16/2009	JP Morgan	EUR	(263)	\$ (334)	\$ (350)	\$ 16	
3/24/2009	Bank of New York	THB	(30,000)	(825)	(840)	15	
4/9/2009	JP Morgan	MYR	(11,100)	(2,991)	(3,146)	155	
4/10/2009	Citibank N.A.	THB	(13,000)	(356)	(372)	16	
4/10/2009	JP Morgan	TWD	(46,000)	(1,313)	(1,366)	53	
4/20/2009	Citibank N.A.	THB	(33,900)	(928)	(971)	43	
4/20/2009	Citibank N.A.	THB	(20,900)	(572)	(597)	25	
4/27/2009	Citibank N.A.	THB	(6,800)	(186)	(194)	8	
5/26/2009	Northern Trust	SGD	(720)	(465)	(471)	6	
7/31/2009	HSBC	GBP	(523)	(748)	(958)	210	
9/29/2009	Bank of New York	HKD	(33,297)	(4,299)	(4,296)	(3)	
							\$ 544
Unrealised Appreciation of Forward Foreign Currency Contracts							595
Unrealised Depreciation of Forward Foreign Currency Contracts							(214)
Net Unrealised Appreciation of Forward Foreign Currency Contracts							\$ 381

Legg Mason Brandywine Global Fixed Income Fund (as of February 28, 2009)

Contracts to Receive (000's)							Unrealised Appreciation/ (Depreciation) of Contracts
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar		
3/6/2009	Barclays	EUR	13,231	\$ 16,773	\$ 17,562	\$ (789)	
3/6/2009	Citigroup	EUR	16,934	21,467	23,098	(1,631)	
3/9/2009	Barclays	AUD	5,012	3,203	3,531	(328)	
3/12/2009	HSBC	CAD	12,455	9,790	10,225	(435)	
3/12/2009	HSBC	GBP	4,709	6,741	7,053	(312)	
3/12/2009	HSBC	GBP	4,709	6,741	7,336	(595)	
3/16/2009	Barclays	GBP	113	161	164	(3)	
3/16/2009	Barclays	GBP	189	271	275	(4)	
3/16/2009	Barclays	GBP	115	165	168	(3)	
3/16/2009	Barclays	GBP	90	128	130	(2)	
3/16/2009	Barclays	GBP	3,575	5,117	5,195	(78)	
3/16/2009	Barclays	GBP	3,666	5,248	5,327	(79)	
3/16/2009	Barclays	GBP	2,368	3,389	3,470	(81)	
3/16/2009	Barclays	GBP	6,205	8,883	9,102	(219)	
3/16/2009	Barclays	GBP	4,092	5,858	6,070	(212)	
3/16/2009	Barclays	GBP	143	204	213	(9)	
3/16/2009	Barclays	GBP	6,815	9,756	10,185	(429)	
3/16/2009	Barclays	GBP	300	429	449	(20)	
3/16/2009	Barclays	GBP	181	259	272	(13)	
3/16/2009	Barclays	GBP	211	301	320	(19)	
3/17/2009	Citigroup	NZD	6,063	3,033	3,472	(439)	
4/20/2009	HSBC	EUR	1,763	2,234	2,340	(106)	
4/20/2009	HSBC	EUR	126	160	164	(4)	
4/20/2009	HSBC	EUR	456	578	592	(14)	
4/20/2009	HSBC	EUR	2,602	3,298	3,374	(76)	
4/20/2009	HSBC	EUR	97	123	125	(2)	
4/20/2009	HSBC	EUR	104	131	133	(2)	
4/20/2009	Citigroup	NOK	23,387	3,321	3,332	(11)	
4/22/2009	HSBC	SGD	303	196	201	(5)	
4/22/2009	HSBC	SGD	185	119	121	(2)	
4/22/2009	HSBC	SGD	154	99	102	(3)	
4/22/2009	HSBC	SGD	5,973	3,858	3,964	(106)	

Notes to Financial Statements – (continued)

14. Forward Contracts (in 000's) – (continued)

Legg Mason Brandywine Global Fixed Income Fund (as of February 28, 2009) – (continued)

Contracts to Receive (000's)						
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
4/22/2009	HSBC	SGD	956	617	634	(17)
4/22/2009	HSBC	SGD	6,522	4,213	4,328	(115)
4/22/2009	HSBC	SGD	162	104	107	(3)
4/22/2009	HSBC	SGD	3,925	2,535	2,597	(62)
						\$ (6,228)
Contracts to Deliver (000's)						
Expiration Date	Counterparty	Local Currency		Value in United States Dollar	In Exchange for United States Dollar	Unrealised Appreciation/ (Depreciation) of Contracts
3/6/2009	Barclays	EUR	(4,987)	\$ (6,322)	\$ (6,897)	\$ 575
3/6/2009	Citigroup	EUR	(1,644)	(2,084)	(2,196)	112
3/6/2009	Citigroup	EUR	(1,794)	(2,274)	(2,320)	46
3/12/2009	HSBC	GBP	(401)	(574)	(584)	10
3/16/2009	Barclays	CAD	(536)	(421)	(449)	28
3/16/2009	Barclays	CAD	(340)	(267)	(275)	8
3/16/2009	Barclays	DKK	(1,510)	(257)	(272)	15
3/16/2009	Barclays	DKK	(960)	(163)	(163)	–
3/16/2009	Barclays	EUR	(7,600)	(9,634)	(10,185)	551
3/16/2009	Barclays	EUR	(4,085)	(5,178)	(5,195)	17
3/16/2009	Barclays	JPY	(819,300)	(8,398)	(9,103)	705
3/16/2009	Barclays	JPY	(491,300)	(5,036)	(5,327)	291
3/16/2009	Barclays	PLN	(964)	(263)	(320)	57
3/16/2009	Barclays	PLN	(610)	(167)	(168)	1
3/16/2009	Barclays	SEK	(1,708)	(190)	(213)	23
3/16/2009	Barclays	SEK	(1,085)	(120)	(130)	10
4/20/2009	HSBC	CAD	(207)	(163)	(164)	1
4/20/2009	HSBC	GBP	(406)	(581)	(592)	11
4/20/2009	HSBC	JPY	(311,700)	(3,197)	(3,374)	177
4/20/2009	HSBC	PLN	(438)	(119)	(134)	15
4/20/2009	HSBC	SEK	(1,044)	(116)	(125)	9
4/22/2009	HSBC	CAD	(252)	(198)	(201)	3
4/22/2009	HSBC	DKK	(708)	(120)	(122)	2
4/22/2009	HSBC	EUR	(3,349)	(4,245)	(4,328)	83
4/22/2009	HSBC	GBP	(455)	(651)	(634)	(17)
4/22/2009	HSBC	JPY	(356,183)	(3,654)	(3,963)	309
4/22/2009	HSBC	PLN	(345)	(94)	(102)	8
4/22/2009	HSBC	SEK	(903)	(100)	(7)	7
						\$ 3,057
Unrealised Appreciation of Forward Foreign Currency Contracts						3,074
Unrealised Depreciation of Forward Foreign Currency Contracts						(6,245)
Net Unrealised Depreciation of Forward Foreign Currency Contracts						\$ (3,171)

15. Capital Support Agreements

On June 30, 2008, Legg Mason, Inc. ("Legg Mason") and LM Capital Support V, LLC ("LM Sub and together with Legg Mason, the "Support Providers") entered into a capital support agreement (the "June CSA") with the Company in respect of a note issued by Issuer Entity LLC (the "Note") and held by the Western Asset U.S. Money Market Fund (the "Sub-Fund"). The June CSA provided capital support, in respect of the Note, to a maximum amount of \$20 million with an expiry date of June 29, 2009. The June CSA required a contribution by the Support Providers in the event that: a) the Note was sold for an amount less than its amortised cost value; b) receipt of final payment on the Note in an amount less than the amortised cost value of the Note; c) a court order providing for final payment on the Note in an amount less than the amortised cost value of the Note; d) restructuring of the Note where the amortised cost value of new securities is less than the amortised cost of the Note; or e) the Note were to still be held by the Sub-Fund on June 29, 2009.

On December 1, 2008, the Support Providers entered into a revised and amended capital support agreement with the Company in respect of the Note (the "December CSA"). The December CSA increased the capital support, in respect of the Note, by \$5 million to a maximum amount of \$25 million and extended the expiry date to December 1, 2009. The December CSA also provided that upon a contribution event, the amount to be contributed would be the amount necessary, if any, to reduce the deviation between the amortised cost value and mark-to-market value of any distributing share class of the Sub-Fund to US\$0.0025. As a means of fair valuing the redemption value of the fund, the unsupported unrealised losses are included as an adjustment for capital support agreement valuation.

As of February 28, 2009, the fair value of the Note was \$10,726,562 and the amortised cost value of the Note was \$41,514,584. As of February 28, 2009, the December CSA was valued at \$19,381,661. The unsupported unrealised loss at February 28, 2009 was \$11,406,361. The Company does not have any CSA agreements in place at February 28, 2010.

The recognition of the December CSA as a derivative results in an offset against unrealised losses in the Profit and Loss Account. The fair value of the December CSA represents the value of the capital support provided by the Support Providers. This is the portion of the unrealised loss supported by the December CSA which represents the difference at year end between the fair value of the Note and the minimum mark-to-market value of any distributing share class of the Sub-Fund to US\$0.0025. As a means of fair valuing the redemption value of the Sub-Fund, the unsupported unrealised losses are included as an adjustment for capital support agreement valuation.

Notes to Financial Statements – (continued)

16. Significant Events

On March 5, 2009, the Legg Mason Western Asset US Money Market Fund sold the Issuer Entity LLC Security to Legg Mason, Inc., at its amortised cost value for \$41,516,161.

The Prospectus dated November 16, 2009 replaced that issued April 21, 2008. Details in relation to the Prospectus and other amendments to the Prospectus during the year are disclosed in Note 18.

Mr Frank Ennis resigned as a director of the Company with effect from August 25, 2009. Mr Brian Collins was appointed as a Director with effect from September 2, 2009.

17. Segregated Liability

The Company is an umbrella fund with segregated liability between its Funds. As such, as matter of Irish Law the assets of each sub-fund of the Company will not be exposed to the liabilities of any of the other sub-fund. Notwithstanding the foregoing there can be no assurance that, should an action be brought against the Company in the court of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

18. Amendments to Prospectus

a) Updates to the Prospectus relating to the "Incubator Funds" (incubator funds are defined as Legg Mason Congruix Pacific Rim Fund[^], Legg Mason Congruix Asia Pacific Fund[^], Legg Mason Capital Management Opportunity Fund[^], Legg Mason Western Asset Global Blue Chip Bond Fund[^], Legg Mason Royce European Smaller Companies Fund[^], Legg Mason Royce Global Smaller Companies Fund[^] and Legg Mason Permal Global Absolute Fund[^]) were filed with the Financial Regulator on March 27, 2009, May 22, 2009, July 16, 2009 and September 24, 2009. The principle amendments were:

- creation of new sub-funds, Legg Mason Western Asset Global Blue Chip Bond Fund[^], Legg Mason Royce European Smaller Companies Fund[^], Legg Mason Royce Global Smaller Companies Fund[^] and Legg Mason Permal Global Absolute Fund[^];
- the appointment of Legg Mason Investments (Europe) Limited as investment manager of the Legg Mason Royce European Smaller Companies Fund[^], Legg Mason Royce Global Smaller Companies Fund[^] and Legg Mason Permal Global Absolute Fund[^];
- the appointment of Western Asset Management Company, Western Asset Management Company Limited, Western Asset Management Company Ltd and Western Asset Management Company Pte. Ltd as sub-investment managers of Legg Mason Congruix Pacific Rim Fund[^], Legg Mason Congruix Asia Pacific Fund[^], Legg Mason Capital Management Opportunity Fund[^] and Legg Mason Western Asset Global Blue Chip Bond Fund[^];
- the appointment of LMM LLC as sub-investment manager to the Legg Mason Capital Management Opportunity Fund[^] and the removal of Legg Mason Capital Management, Inc. as sub-investment manager of the Legg Mason Capital Management Opportunity Fund[^];
- the appointment of Royce & Associates, LLC as sub-investment manager to the Legg Mason Royce European Smaller Companies Fund[^] and Legg Mason Royce Global Smaller Companies Fund[^];
- the appointment of Legg Mason Global Asset Allocation, LLC as sub-investment advisor to the Legg Mason Permal Global Absolute Fund[^];
- the appointment of Permal Investment Management Services Limited and Permal Asset Management Inc. as sub-investment advisors to the Legg Mason Permal Global Absolute Fund[^];
- updating of currency hedging disclosure;
- amending of the investment policies of the Legg Mason Western Asset Global Blue Chip Bond Fund[^] to remove the disclosure providing that "the Sub-Investment Managers will seek to limit investments in securities from issuers primarily engaged in finance, insurance or real estate businesses to an aggregate maximum of 10 per cent. of the Fund's Net Asset Value";
- updating of the selling restriction disclosure;
- update to the risk factors;
- changing of the name of the Congruix Asia Quant Fund[^] to the Legg Mason Congruix Pacific Rim Fund[^] and amending its investment objective and policies;
- changing of the name of the Congruix Global Emerging Market Quant Fund[^] to the Legg Mason Congruix Asia Pacific Fund[^] and amending its investment objective and policies;
- appointing Legg Mason International Equities (Singapore) Pte. Limited as distributor and shareholder servicing agent in respect of Legg Mason Congruix Asia Pacific Rim Fund[^] and Legg Mason Congruix Asia Pacific Fund[^];
- creation of new share classes;
- amending the investment policies of the Legg Mason Western Asset Global Blue Chip Bond Fund[^] to clarify the proposed investment in senior securities and updating of the disclosure in relation to senior securities;
- expanding on disclosure in relation to Securities of Other Investment Companies and Exchange-Traded Funds;
- updating of assets under management for the investment manager;
- updating tax disclosures;
- creation of additional share classes in some of the existing sub-funds to meet preferences for certain currencies, hedging strategies and dividend frequencies;
- update to investment restrictions;
- updated to reflect the change in Directors and Director's biographies;

On November 16, 2009 an update to the Incubator Prospectus was filed with the Financial Regulator which had the following principle amendments:

- the removal of the Legg Mason Permal Global Absolute Fund[^], Legg Mason Western Asset Global Blue Chip Bond Fund[^], Legg Mason Capital Management Opportunity Fund[^] and Legg Mason Royce Global Smaller Companies Fund[^], as these sub-funds were moved into the main prospectus.

On February 18, 2010 a further update to the Incubator Prospectus was filed with the Financial Regulator which had the following principle amendments:

- creation of new sub-funds, Legg Mason Western Asset Brazil Equity Fund[^] and Legg Mason Western Asset Brazil Bond Fund[^];
- the appointment of Western Asset Management Company Distribuidora de Títulos e Valores Mobiliários Limitada as sub-investment advisor to the Legg Mason Western Asset Brazil Equity Fund[^];
- the appointment of Western Asset Management Company Distribuidora de Títulos e Valores Mobiliários Limitada, Western Asset Management Company and Western Asset Management Company Limited as sub-investment advisor to the Legg Mason Western Asset Brazil Bond Fund[^]; and
- change in investment policies of Legg Mason Royce European Smaller Companies Fund[^].

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Notes to Financial Statements – (continued)

18. Amendments to Prospectus – (continued)

b) Updates to the Main Prospectus were filed with the Financial Regulator on November 16, 2009. The principle amendments were:

- addition of the new sub-funds, Legg Mason Western Asset US Limited Duration Fund[^], Legg Mason Western Asset UK£ Limited Duration Fund[^], Legg Mason Western Asset UK£ Core Plus Bond Fund[^], Legg Mason Western Asset UK£ Long Duration Fund[^], Legg Mason Western Asset UK£ Credit Plus Fund[^], Legg Mason Western Asset UK£ Inflation-Linked Plus Fund[^], Legg Mason Western Asset Euro Core Bond Fund[^], Legg Mason Western Asset Euro High Yield Fund, Legg Mason Western Asset Global Sovereign Fund[^], Legg Mason Western Asset Global Credit Fund[^], Legg Mason Western Asset Global Core Plus Bond Fund[^], Legg Mason Western Asset Global Inflation-Linked Fund[^], Legg Mason Western Asset Emerging Domestic Debt Fund[^], Legg Mason GC Global Equity Income Fund, Legg Mason Batterymarch Global Equity Fund[^], Legg Mason Congruix Asia Enterprise Equity Fund[^], Legg Mason LMHK China Fund[^], Legg Mason LMHK Hong Kong Equity Fund[^], Legg Mason Esemplia Emerging Markets Select Equity Fund[^] (together the "New Sub-Funds");
- the names of the existing sub-funds were changed as disclosed in Appendix 1;
- updated to reflect the change in Directors;
- changes in investment policies of Western Asset US Money Market Fund, Western Asset Emerging Markets Bond Fund and Brandywine Global Opportunities Bond Fund;
- updating of currency hedging disclosure;
- expanding on disclosure in relation to Investment Techniques and Instruments and Financial Derivative Instruments;
- additional disclosure in relation to the determination of net asset value for the Legg Mason Western Asset US Money Market Fund;
- updating of fees and expenses with regard to Administration and Custodian fees; and
- update to investment restrictions.

19. Subsequent Events

A new sub-fund, Legg Mason Western Asset Brazil Bond Fund launched with effect from March 25, 2010.

On May 18, 2010 a further update to the Incubator Prospectus was filed with the Financial Regulator which had the following principle amendment:

- Creation of new sub-funds, Legg Mason Brandywine Global Opportunistic Fixed Income Fund[^] and Legg Mason Western Asset Global Credit Absolute Return Fund[^].

There were no other material events subsequent to the Balance Sheet date which require disclosure in the financial statements.

20. Prior Year Comparatives

The prior year comparatives for the Balance Sheet are as at February 28, 2009. The prior year comparatives for the Profit and Loss Account and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares are for the year ended February 28, 2009.

21. Approval of the Report

The Board of Directors approved the Annual Report on June 2, 2010.

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Financial Information – Total Expense Ratios (TER) (Unaudited)

Fund Name	Share Class	Ratio of Total Operating Expenses in CU(1) to average Fund daily net assets in CU(1)(2) For the year ended February 28, 2010**
Legg Mason Western Asset US Money Market Fund	Class A US\$ Accumulating	0.54%
	Class A US\$ Distributing (D)	0.49%
	Class A (G) US\$ Accumulating	0.50%
	Class A (G) US\$ Distributing (D)	0.70%
	Class B US\$ Accumulating	0.60%
	Class B US\$ Distributing (D)	0.80%
	Class B (G) US\$ Accumulating	0.52%
	Class B (G) US\$ Distributing (D)	0.76%
	Class C US\$ Accumulating	0.63%
	Class C US\$ Distributing (D)	0.67%
	Class L (G) US\$ Accumulating	0.50%
	Class L (G) US\$ Distributing (D)	0.67%
	Legg Mason Western Asset US Core Bond Fund	Class A US\$ Accumulating
Class A US\$ Distributing (D)		1.96%
Class B US\$ Accumulating		1.50%
Class B US\$ Distributing (D)		2.22%
Class C US\$ Accumulating		1.75%
Class C US\$ Distributing (D)		2.49%
Legg Mason Western Asset US Core Plus Bond Fund	Class A US\$ Accumulating	1.45%
	Class A US\$ Distributing (D)	1.45%
	Class B US\$ Accumulating	1.70%
	Class B US\$ Distributing (D)	1.70%
	Class C US\$ Accumulating	1.95%
	Class C US\$ Distributing (D)	1.95%
	Class A (G) US\$ Accumulating	1.71%
	Class A (G) US\$ Distributing (D)	1.71%
	Class B (G) US\$ Accumulating	2.21%
	Class B (G) US\$ Distributing (D)	2.21%
	Class L (G) US\$ Accumulating	2.21%
	Class L (G) US\$ Distributing (D)	2.21%
	Legg Mason Western Asset Euro Core Plus Bond Fund	Class A US\$ Distributing (D)
Class A Euro Distributing (D)		2.18%
Class B US\$ Distributing (D)		2.42%
Class C US\$ Distributing (D)		2.66%
Legg Mason Western Asset Diversified Strategic Income Fund	Class A US\$ Accumulating	1.39%
	Class A US\$ Distributing (D)	1.56%
	Class A US\$ Distributing (M)	1.40%
	Class A Euro Accumulating (Hedged)	1.56%
	Class A Euro Distributing (M) (Hedged)	1.40%
	Class B US\$ Accumulating	1.65%
	Class B US\$ Distributing (D)	1.81%
	Class C US\$ Accumulating	1.90%
	Class C US\$ Distributing (D)	2.06%
	Class A (G) US\$ Accumulating	1.51%
	Class A (G) US\$ Distributing (D)	1.51%
	Class B (G) US\$ Accumulating	2.01%
	Class B (G) US\$ Distributing (D)	2.01%
	Class L (G) US\$ Accumulating	1.98%
	Class L (G) US\$ Distributing (D)	2.01%

Financial Information – Total Expense Ratios (TER) (Unaudited) – (continued)

Fund Name	Share Class	Ratio of Total Operating Expenses in CU(1) to average Fund daily net assets in CU(1)(2) For the year ended February 28, 2010**
Legg Mason Western Asset Global Multi Strategy Fund	Class A US\$ Accumulating	1.40%
	Class A US\$ Distributing (D)	1.43%
	Class A US\$ Distributing (M)	1.43%
	Class A Euro Accumulating (Hedged)	1.42%
	Class A Euro Distributing (M) (Hedged)	1.44%
	Class A GBP Distributing (M) (Hedged)	1.42%
	Class A SGD Distributing (Q) (Hedged)	1.41%
	Class B US\$ Accumulating	1.65%
	Class B US\$ Distributing (D)	1.69%
	Class C US\$ Accumulating	1.90%
	Class C US\$ Distributing (D)	1.94%
	Class E US\$ Accumulating	1.91%
	Class E US\$ Distributing (D)	1.95%
	Class F US\$ Accumulating	0.80%
	Class F US\$ Distributing (D)	0.80%
	Class F Euro Accumulating	0.83%
	Premier Class US\$ Accumulating	0.59%
	Premier Class US\$ Distributing (D)	0.59%
	Premier Class US\$ Distributing (M)	0.57%
	Premier Class Euro Accumulating (Hedged)	0.55%
Premier Class GBP Distributing (M) (Hedged)	0.58%	
Legg Mason Western Asset US High Yield Fund	Class A US\$ Accumulating	1.45%
	Class A US\$ Distributing (D)	1.61%
	Class B US\$ Accumulating	1.70%
	Class B US\$ Distributing (D)	1.86%
	Class C US\$ Accumulating	1.95%
	Class C US\$ Distributing (D)	2.11%
	Class E US\$ Accumulating	1.97%
	Class E US\$ Distributing (D)	1.93%
	LM Class US\$ Distributing (M)	0.15%
	Class A (G) US\$ Accumulating	1.47%
	Class A (G) US\$ Distributing (D)	1.47%
	Class B (G) US\$ Accumulating	1.97%
	Class B (G) US\$ Distributing (D)	1.97%
	Class L (G) US\$ Accumulating	1.97%
	Class L (G) US\$ Distributing (D)	1.97%
	Legg Mason Western Asset Emerging Markets Bond Fund	Class A US\$ Accumulating
Class A US\$ Distributing (D)		1.92%
Class A US\$ Distributing (M)		1.80%
Class A Euro Accumulating (Hedged)		1.83%
Class B US\$ Accumulating		2.05%
Class B US\$ Distributing (D)		2.18%
Class C US\$ Accumulating		2.30%
Class C US\$ Distributing (D)		2.43%
Premier Class US\$ Accumulating		0.83%
Class A (G) US\$ Accumulating		1.54%
Class A (G) US\$ Distributing (D)		1.53%
Class B (G) US\$ Accumulating		2.03%
Class B (G) US\$ Distributing (D)		2.03%
Class L (G) US\$ Accumulating		2.03%
Class L (G) US\$ Distributing (D)		2.03%

Financial Information – Total Expense Ratios (TER) (Unaudited) – (continued)

Fund Name	Share Class	Ratio of Total Operating Expenses in CU(1) to average Fund daily net assets in CU(1)(2) For the year ended February 28, 2010**
Legg Mason Western Asset Global High Yield Fund	Class A US\$ Accumulating	1.55%
	Class A US\$ Distributing (D)	1.55%
	Class A US\$ Distributing (M)	1.59%
	Class B US\$ Accumulating	1.79%
	Class B US\$ Distributing (D)	1.80%
	Class C US\$ Accumulating	2.05%
	Class C US\$ Distributing (D)	2.05%
	Class E US\$ Accumulating	1.91%
	Class E US\$ Distributing (D)	2.01%
	Premier Class US\$ Accumulating	0.64%
	Class A (G) US\$ Accumulating	1.48%
	Class A (G) US\$ Distributing (D)	1.48%
	Class B (G) US\$ Accumulating	1.98%
	Class B (G) US\$ Distributing (D)	1.98%
	Class L (G) US\$ Accumulating	1.98%
Class L (G) US\$ Distributing (D)	1.98%	
Legg Mason Western Asset US Short-Term Government Fund	Class A US\$ Accumulating	1.35%
	Class A US\$ Distributing (D)	1.35%
	Class B US\$ Accumulating	1.60%
	Class B US\$ Distributing (D)	1.60%
	Class C US\$ Accumulating	1.85%
	Class C US\$ Distributing (D)	1.85%
	Class A (G) US\$ Accumulating	1.40%
	Class A (G) US\$ Distributing (D)	1.40%
	Class B (G) US\$ Accumulating	1.90%
	Class B (G) US\$ Distributing (D)	1.90%
	Class L (G) US\$ Accumulating	1.90%
	Class L (G) US\$ Distributing (D)	1.90%
	Legg Mason Western Asset US Adjustable Rate Fund	Class A US\$ Accumulating
Class B US\$ Accumulating		1.65%
Class B US\$ Distributing (D)		1.65%
Class C US\$ Accumulating		1.90%
Class C US\$ Distributing (D)		1.90%
Class A (G) US\$ Accumulating		1.67%
Class A (G) US\$ Distributing (D)		1.67%
Class B (G) US\$ Accumulating		2.17%
Class B (G) US\$ Distributing (D)		2.17%
Class L (G) US\$ Accumulating		2.17%
Class L (G) US\$ Distributing (D)		2.17%
Legg Mason Western Asset Inflation Management Fund		Class A US\$ Accumulating
	Class A US\$ Distributing (A)	1.40%
	Class B US\$ Accumulating	1.65%
	Class B US\$ Distributing (A)	1.65%
	Class C US\$ Accumulating	1.90%
	Class C US\$ Distributing (A)	1.90%
	Class A (G) US\$ Distributing (A)	1.00%
	Class A (G) US\$ Accumulating	1.00%
	Class B (G) US\$ Distributing (A)	1.50%
	Class B (G) US\$ Accumulating	1.50%
	Class L (G) US\$ Distributing (A)	1.50%
Class L (G) US\$ Accumulating	1.50%	

Financial Information – Total Expense Ratios (TER) (Unaudited) – (continued)

Fund Name	Share Class	Ratio of Total Operating Expenses in CU(1) to average Fund daily net assets in CU(1)(2) For the year ended February 28, 2010**
Legg Mason Western Asset Asian Opportunities Fund	Class A US\$ Accumulating	1.55%
	Class A US\$ Distributing (D)	1.55%
	Class A US\$ Distributing (M)	1.40%
	Class A Euro Accumulating	1.48%
	Class A Euro Distributing (M)	1.53%
	Class A SGD Accumulating (Hedged)	1.59%
	Class B US\$ Accumulating	1.80%
	Class B US\$ Distributing (D)	1.84%
	Class C US\$ Accumulating	2.06%
	Class C US\$ Distributing (D)	2.05%
	Class E US\$ Accumulating	1.91%
	Class E US\$ Distributing (D)	1.90%
	Class F US\$ Accumulating	1.15%
	Class F US\$ Distributing (D)	1.17%
	Premier Class US\$ Accumulating	0.85%
	Premier Class US\$ Distributing (D)	0.85%
LM Class US\$ Accumulating	0.37%	
Legg Mason Western Asset Global Blue Chip Bond Fund[^]	Class A US\$ Accumulating	1.17%
	Class A US\$ Distributing (M)	1.18%
	Class A Euro Accumulating (Hedged)	1.17%
	Class A GBP Accumulating (Hedged)	1.16%
	Class B US\$ Accumulating	1.40%
	Class B US\$ Distributing (M)	1.12%
	Class C US\$ Accumulating	1.69%
	Class C US\$ Distributing (M)	1.66%
	Class E US\$ Accumulating	1.59%
	Class E US\$ Distributing (D)	1.60%
	Class F US\$ Accumulating	0.89%
	Class F US\$ Distributing (D)	1.59%
	Premier Class US\$ Accumulating	0.51%
	Premier Class US\$ Distributing (M)	0.53%
	Premier Class EURO Accumulating (Hedged)	0.52%
	Premier Class EURO Distributing (M) (Hedged)	0.52%
Premier Class GBP Accumulating (Hedged)	0.52%	
Premier Class GBP Distributing (M) (Hedged)	0.53%	
Legg Mason Brandywine Global Fixed Income Fund	Class A US\$ Accumulating	1.40%
	Class A US\$ Distributing (S)	1.43%
	Class A Euro Accumulating (Hedged)	1.40%
	Class A GBP Distributing (S) (Hedged)	1.43%
	Class A SGD Accumulating (Hedged)	1.40%
	Class B US\$ Accumulating	1.65%
	Class B US\$ Distributing (S)	1.68%
	Class C US\$ Accumulating	1.90%
	Class C US\$ Distributing (S)	1.93%
Legg Mason Capital Management Value Fund	Class A US\$ Accumulating	1.85%
	Class A US\$ Distributing (A)	1.86%
	Class A Euro Accumulating	1.83%
	Class A GBP Distributing (A)	1.83%
	Class A SGD Accumulating	1.83%
	Class B US\$ Accumulating	2.33%
	Class B US\$ Distributing (A)	2.36%
	Class C US\$ Accumulating	2.33%
	Class C US\$ Distributing (A)	2.36%
	Class F US\$ Accumulating	1.20%
	Class F US\$ Distributing (A)	1.13%
	Premier Class US\$ Accumulating	0.99%
	LM Class US\$ Accumulating	0.13%
	Galleon Class	1.00%

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Financial Information – Total Expense Ratios (TER) (Unaudited) – (continued)

Fund Name	Share Class	Ratio of Total Operating Expenses in CU(1) to average Fund daily net assets in CU(1)(2) For the year ended February 28, 2010**
Legg Mason Capital Management Growth Fund	Class A US\$ Accumulating	1.70%
	Class A US\$ Distributing (A)	1.95%
	Class A Euro Accumulating	1.70%
	Class B US\$ Accumulating	2.20%
	Class B US\$ Distributing (A)	2.45%
	Class C US\$ Accumulating	2.10%
	Class C US\$ Distributing (A)	2.45%
	Premier Class US\$ Accumulating	1.08%
Legg Mason Capital Management Opportunity Fund[^]	Class A US\$ Accumulating	1.80%
	Class A US\$ Distributing (A)	1.84%
	Premier Class GBP Distributing (A)	0.99%
	LM Class US\$ Accumulating	0.15%
Legg Mason ClearBridge US Appreciation Fund	Class A US\$ Accumulating	1.75%
	Class A US\$ Distributing (A)	1.75%
	Class A Euro Accumulating	1.94%
	Class B US\$ Accumulating	2.25%
	Class B US\$ Distributing (A)	2.25%
	Class C US\$ Accumulating	2.25%
	Class C US\$ Distributing (A)	2.25%
	Class E US\$ Accumulating	2.34%
	Class E US\$ Distributing (A)	2.37%
	Class F US\$ Accumulating	1.23%
	Class F US\$ Distributing (A)	1.20%
	Premier Class US\$ Accumulating	1.16%
	Premier Class US\$ Distributing (A)	1.09%
	Class A (G) US\$ Accumulating	1.61%
	Class B (G) US\$ Accumulating	2.11%
Class L (G) US\$ Accumulating	2.10%	
Legg Mason ClearBridge US Fundamental Value Fund	Class A US\$ Accumulating	1.75%
	Class A US\$ Distributing (A)	1.75%
	Class B US\$ Accumulating	2.25%
	Class B US\$ Distributing (A)	2.25%
	Class C US\$ Accumulating	2.25%
	Class C US\$ Distributing (A)	2.25%
	Class A (G) US\$ Accumulating	1.49%
	Class B (G) US\$ Accumulating	1.99%
	Class L (G) US\$ Accumulating	1.99%
Legg Mason ClearBridge US Large Cap Growth Fund	Class A US\$ Accumulating	1.75%
	Class A US\$ Distributing (A)	1.75%
	Class A Euro Accumulating	2.04%
	Class B US\$ Accumulating	2.25%
	Class B US\$ Distributing (A)	2.25%
	Class C US\$ Accumulating	2.25%
	Class C US\$ Distributing (A)	2.25%
	Class A (G) US\$ Accumulating	1.72%
	Class B (G) US\$ Accumulating	2.23%
Class L (G) US\$ Accumulating	2.22%	
Legg Mason ClearBridge US Aggressive Growth Fund	Class A US\$ Accumulating	1.80%
	Class A US\$ Distributing (A)	1.80%
	Class B US\$ Accumulating	2.30%
	Class B US\$ Distributing (A)	2.30%
	Class C US\$ Accumulating	2.30%
	Class C US\$ Distributing (A)	2.30%
	Class A (G) US\$ Accumulating	1.57%
	Class B (G) US\$ Accumulating	2.07%
	Class L (G) US\$ Accumulating	2.07%

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Financial Information – Total Expense Ratios (TER) (Unaudited) – (continued)

Fund Name	Share Class	Ratio of Total Operating Expenses in CU(1) to average Fund daily net assets in CU(1)(2) For the year ended February 28, 2010**
Legg Mason Royce US Small Cap Opportunity Fund	Class A US\$ Accumulating	2.00%
	Class A US\$ Distributing (A)	2.09%
	Class A Euro Accumulating	2.00%
	Class B US\$ Accumulating	2.50%
	Class B US\$ Distributing (A)	2.60%
	Class C US\$ Accumulating	2.50%
	Class C US\$ Distributing (A)	2.60%
Legg Mason Royce Smaller Companies Fund	Class A US\$ Accumulating	2.00%
	Class A US\$ Distributing (A)	2.14%
	Class A Euro Accumulating	2.15%
	Class A GBP Distributing (A)	2.07%
	Class B US\$ Accumulating	2.50%
	Class B US\$ Distributing (A)	2.67%
	Class C US\$ Accumulating	2.50%
	Class C US\$ Distributing (A)	2.65%
	Class E US\$ Accumulating	2.71%
	Class E US\$ Distributing (A)	2.73%
	Class F US\$ Accumulating	1.58%
	Class F US\$ Distributing (A)	1.46%
	Premier Class US\$ Accumulating	1.19%
	Class A (G) US\$ Accumulating	1.58%
Class B (G) US\$ Accumulating	2.08%	
Class L (G) US\$ Accumulating	2.07%	
Legg Mason Royce European Smaller Companies Fund[^]	LM Class Euro Accumulating	0.15%
	Class A Euro Distributing (A)	2.00%
Legg Mason Royce Global Smaller Companies Fund[^]	Class A US\$ Accumulating	2.00%
	Class A US\$ Distributing (A)	2.00%
	Class B US\$ Accumulating	2.50%
	Class C US\$ Accumulating	2.50%
	Class E US\$ Accumulating	2.75%
	LM Class US\$ Accumulating	0.15%
Legg Mason PCM US Equity Fund	Class A US\$ Accumulating	2.00%
	Class A US\$ Distributing (A)	2.00%
	Class A Euro Accumulating	2.00%
	Class A Euro Distributing (A)	2.00%
	Class B US\$ Accumulating	2.50%
	Class B US\$ Distributing (A)	2.50%
	Class C US\$ Accumulating	2.50%
	Class C US\$ Distributing (A)	2.50%
Legg Mason Permal Global Absolute Fund[^]	Class A US\$ Accumulating	1.85%
	Class A US\$ Distributing (A)	1.85%
	Class A Euro Accumulating (Hedged)	1.92%
	Class A Euro Distributing (A) (Hedged)	1.92%
	Class A GBP Accumulating (Hedged)	1.92%
	Class A GBP Distributing (A) (Hedged)	1.89%
	Class B US\$ Accumulating	2.50%
	Class B US\$ Distributing (A)	2.50%
	Class C US\$ Accumulating	2.41%
	Class C US\$ Distributing (A)	2.35%
	Class E US\$ Accumulating	2.75%
	Class E US\$ Distributing (A)	2.75%
	Class F US\$ Accumulating	1.75%
	Class F US\$ Distributing (A)	1.75%
	Premier Class US\$ Accumulating	1.06%
	Premier Class US\$ Distributing (A)	1.06%
	Premier Class Euro Accumulating (Hedged)	1.05%
	Premier Class Euro Distributing (A) (Hedged)	1.08%
	Premier Class GBP Accumulating (Hedged)	1.05%
	Premier Class GBP Distributing (A) (Hedged)	1.06%
LM Class US\$ Accumulating	0.47%	

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Financial Information – Total Expense Ratios (TER) (Unaudited) – (continued)

Fund Name	Share Class	Ratio of Total Operating Expenses in CU(1) to average Fund daily net assets in CU(1)(2) For the year ended February 28, 2010**
Legg Mason GC Global Equity Fund	Class A US\$ Accumulating	1.85%
	Class A US\$ Distributing (A)	1.90%
	Class B US\$ Accumulating	2.35%
	Class B US\$ Distributing (A)	2.40%
	Class C US\$ Accumulating	2.35%
	Class C US\$ Distributing (A)	2.40%
Legg Mason Batterymarch European Equity Fund	Class A US\$ Accumulating	1.85%
	Class A US\$ Distributing (A)	2.24%
	Class A Euro Distributing (A)	2.25%
	Class B US\$ Accumulating	2.35%
	Class B US\$ Distributing (A)	2.74%
	Class C US\$ Accumulating	2.35%
	Class C US\$ Distributing (A)	2.74%
	Class A (G) US\$ Accumulating	1.89%
	Class B (G) US\$ Accumulating	2.40%
	Class L (G) US\$ Accumulating	2.39%
	Legg Mason Batterymarch Asia Pacific Equity Fund	Class A US\$ Accumulating
Class A US\$ Distributing (A)		2.10%
Class A Euro Accumulating		2.00%
Class B US\$ Accumulating		2.50%
Class B US\$ Distributing (A)		2.60%
Class C US\$ Accumulating		2.50%
Class C US\$ Distributing (A)		2.60%
Class E US\$ Accumulating		2.73%
Class E US\$ Distributing (A)		2.72%
Legg Mason Batterymarch International Large Cap Fund	Class A US\$ Accumulating	1.90%
	Class A US\$ Distributing (A)	1.90%
	Class B US\$ Accumulating	2.40%
	Class B US\$ Distributing (A)	2.40%
	Class C US\$ Accumulating	2.40%
	Class C US\$ Distributing (A)	2.40%
	Class A (G) US\$ Accumulating	2.09%
	Class B (G) US\$ Accumulating	2.59%
	Class L (G) US\$ Accumulating	2.59%
Legg Mason Batterymarch Emerging Markets Equity Fund	Class A US\$ Accumulating	1.99%
	Class A US\$ Distributing (A)	1.99%
	Class A Euro Accumulating	1.99%
	Class A GBP Distributing (A)	1.99%
	Class B US\$ Accumulating	2.59%
	Class B US\$ Distributing (A)	2.65%
	Class C US\$ Accumulating	2.63%
	Class C US\$ Distributing (A)	2.62%
	Class E US\$ Accumulating	2.51%
	Class E US\$ Distributing (A)	2.52%
	Class F US\$ Accumulating	1.37%
	Class F US\$ Distributing (A)	1.50%
	Premier Class US\$ Accumulating	1.16%
	Premier Class Euro Accumulating	1.14%
LM Class US\$ Distributing (A)	0.37%	
Legg Mason Congruix Asia Pacific Fund[^]	Class A US\$ Distributing (A)	1.88%
	LM Class US\$ Accumulating	0.17%
Legg Mason Congruix Japan Equity Fund	Class A US\$ Accumulating	5.13%
	Class A US\$ Distributing (A)	5.13%
	Class A Euro Accumulating	5.19%
	Class A Euro Distributing (A)	5.13%
	Class A JPY Accumulating	5.13%
	Class A JPY Distributing (A)	5.13%
	Class B US\$ Accumulating	5.63%
	Class B US\$ Distributing (A)	5.63%
	Class C US\$ Accumulating	5.63%
	Class C US\$ Distributing (A)	5.63%
	LM Class JPY Accumulating	3.58%

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Financial Information – Total Expense Ratios (TER) (Unaudited) – (continued)

Fund Name	Share Class	Ratio of Total Operating Expenses in CU(1) to average Fund daily net assets in CU(1)(2) For the year ended February 28, 2010**
Legg Mason LMHK China Fund [^]	Class A US\$ Distributing (A)	2.00%
	LM Class US\$ Accumulating	0.75%

Fund Name	Share Class	Synthetic TER (2) (3) For the year ended February 28, 2010 **
Legg Mason Permal Global Absolute Fund [^]	Class A US\$ Accumulating	2.66%
	Class A US\$ Distributing (A)	2.66%
	Class A Euro Accumulating (Hedged)	2.73%
	Class A Euro Distributing (A) (Hedged)	2.73%
	Class A GBP Accumulating (Hedged)	2.73%
	Class A GBP Distributing (A) (Hedged)	2.70%
	Class B US\$ Accumulating	3.31%
	Class B US\$ Distributing (A)	3.31%
	Class C US\$ Accumulating	3.22%
	Class C US\$ Distributing (A)	3.16%
	Class E US\$ Accumulating	3.56%
	Class E US\$ Distributing (A)	3.56%
	Class F US\$ Accumulating	2.56%
	Class F US\$ Distributing (A)	2.56%
	Premier Class US\$ Accumulating	1.87%
	Premier Class US\$ Distributing (A)	1.87%
	Premier Class Euro Accumulating (Hedged)	1.86%
	Premier Class Euro Distributing (A) (Hedged)	1.89%
Premier Class GBP Accumulating (Hedged)	1.86%	
Premier Class GBP Distributing (A) (Hedged)	1.87%	
LM Class US\$ Accumulating	1.28%	

(1) CU = Currency units in the Fund's accounting currency.

(2) The method of calculation of the Total Expense Ratios (TER) is described on the website of the Swiss Fund Association (SFA) (www.sfa.ch).

(3) If a Fund invests at least 10% of its Net Asset Value in other funds ("target funds") which publish a TER, a composite (synthetic) TER of the Fund is calculated as at the financial year end. The synthetic TER is the total expense ratio including expenses borne by the Fund and also expenses borne at target fund level.

** Annualised.

Financial Information – Portfolio Turnover Rate (PTR) (*Unaudited*)

Ratio of Total 1 (1) less Total 2 (2) to average Fund daily net assets in CU (3) For the year ended February 28, 2010

Legg Mason Western Asset US Money Market Fund	10,212.95%
Legg Mason Western Asset US Core Bond Fund	790.43%
Legg Mason Western Asset US Core Plus Bond Fund	758.60%
Legg Mason Western Asset Euro Core Plus Bond Fund	272.31%
Legg Mason Western Asset Diversified Strategic Income Fund	102.37%
Legg Mason Western Asset Global Multi Strategy Fund	81.82%
Legg Mason Western Asset US High Yield Fund	107.56%
Legg Mason Western Asset Emerging Markets Bond Fund	31.43%
Legg Mason Western Asset Global High Yield Fund	85.78%
Legg Mason Western Asset US Short-Term Government Fund	235.84%
Legg Mason Western Asset US Adjustable Rate Fund	280.34%
Legg Mason Western Asset Inflation Management Fund	29.61%
Legg Mason Western Asset Asian Opportunities Fund	287.79%
Legg Mason Western Asset Global Blue Chip Bond Fund [^]	124.04%
Legg Mason Brandywine Global Fixed Income Fund	15.73%
Legg Mason Capital Management Value Fund	(15.00)%
Legg Mason Capital Management Growth Fund	82.60%
Legg Mason Capital Management Opportunity Fund [^]	27.94%
Legg Mason ClearBridge US Appreciation Fund	8.57%
Legg Mason ClearBridge US Fundamental Value Fund	70.88%
Legg Mason ClearBridge US Large Cap Growth Fund	14.74%
Legg Mason ClearBridge US Aggressive Growth Fund	(11.39)%
Legg Mason Royce US Small Cap Opportunity Fund	16.23%
Legg Mason Royce Smaller Companies Fund	(5.92)%
Legg Mason Royce European Smaller Companies Fund [^]	(20.85)%
Legg Mason Royce Global Smaller Companies Fund [^]	(14.46)%
Legg Mason PCM US Equity Fund	63.01%
Legg Mason Permal Global Absolute Fund [^]	87.77%
Legg Mason GC Global Equity Fund	237.75%
Legg Mason Batterymarch European Equity Fund	177.69%
Legg Mason Batterymarch Asia Pacific Equity Fund	188.01%
Legg Mason Batterymarch International Large Cap Fund	221.88%
Legg Mason Batterymarch Emerging Markets Equity Fund	147.52%
Legg Mason Congruix Asia Pacific Fund [^]	75.43%
Legg Mason Congruix Japan Equity Fund	451.85%
Legg Mason LMHK China Fund [^]	25.38%

The method of calculation of the Portfolio Turnover Rates (PTR) is described on the website of the Swiss Fund Association (SFA) (www.sfa.ch).

- (1) Total 1 = Purchase of securities + sale of securities
- (2) Total 2= Subscription of shares + redemption of shares
- (3) CU= Currency units in the Fund's accounting currency.

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Financial Information – Fund Performance Data (Unaudited)

Fund	Share Class	Class CCY	Inception Date	Fiscal YTD 3/1/09 – 2/28/10	Calendar 1/1/09-12/31/09	3 Year Cumulative 1/1/07-12/31/09	
Legg Mason Western Asset US Money Market Fund	Class A US\$ Accumulating	USD	5/8/2007	0.04%	0.18%	–	
	Class A US\$ Distributing (D)	USD	2/27/2004	0.07%	0.20%	7.37%	
	Class B US\$ Accumulating	USD	11/15/2007	(0.05)%	0.03%	–	
	Class B US\$ Distributing (D)	USD	2/27/2004	0.22%	0.28%	6.41%	
	Class C US\$ Accumulating	USD	11/15/2007	(0.10)%	(0.06)%	–	
	Class C US\$ Distributing (D)	USD	2/27/2004	0.11%	0.13%	5.67%	
	Class A (G) US\$ Accumulating	USD	3/20/2001	0.03%	0.16%	7.33%	
	Class A (G) US\$ Distributing (D)	USD	9/1/1992	0.40%	0.54%	7.98%	
	Class B (G) US\$ Accumulating	USD	6/25/2001	0.02%	0.15%	7.32%	
	Class B (G) US\$ Distributing (D)	USD	3/22/1994	0.26%	0.38%	8.35%	
	Class L (G) US\$ Accumulating	USD	10/27/2008	0.02%	0.16%	–	
	Class L (G) US\$ Distributing (D)	USD	4/20/1994	0.18%	0.31%	7.91%	
	Legg Mason Western Asset US Core Bond Fund	Class A US\$ Accumulating	USD	5/9/2007	20.84%	13.88%	–
Class A US\$ Distributing (D)		USD	8/30/2002	19.86%	13.17%	(5.28)%	
Class B US\$ Accumulating		USD	11/15/2007	20.52%	13.58%	–	
Class B US\$ Distributing (D)		USD	2/24/2004	19.58%	12.90%	(5.94)%	
Class C US\$ Accumulating		USD	11/15/2007	20.23%	13.32%	–	
Class C US\$ Distributing (D)		USD	2/24/2004	19.28%	12.63%	(6.62)%	
Legg Mason Western Asset US Core Plus Bond Fund	Class A US\$ Accumulating	USD	4/20/2007	24.35%	19.31%	–	
	Class A US\$ Distributing (D)	USD	4/20/2007	24.27%	19.43%	–	
	Class B US\$ Accumulating	USD	11/15/2007	24.05%	19.00%	–	
	Class B US\$ Distributing (D)	USD	4/20/2007	23.89%	19.09%	–	
	Class C US\$ Accumulating	USD	11/15/2007	23.73%	18.71%	–	
	Class C US\$ Distributing (D)	USD	4/20/2007	23.61%	18.79%	–	
	Class A (G) US\$ Accumulating	USD	1/25/2001	24.03%	18.97%	8.83%	
	Class A (G) US\$ Distributing (D)	USD	8/20/1998	23.88%	19.05%	8.73%	
	Class B (G) US\$ Accumulating	USD	1/12/2001	23.42%	18.36%	7.18%	
	Class B (G) US\$ Distributing (D)	USD	8/20/1998	23.27%	18.44%	7.24%	
	Class L (G) US\$ Accumulating	USD	2/28/2001	23.40%	18.37%	7.19%	
	Class L (G) US\$ Distributing (D)	USD	8/20/1998	23.27%	18.45%	7.14%	
	Legg Mason Western Asset Euro Core Plus Bond Fund	Class A US\$ Distributing (D)	USD	2/24/2004	35.88%	18.21%	3.46%
		Class A Euro Distributing (D)	EUR	9/30/2003	26.64%	14.59%	(4.43)%
Class B US\$ Distributing (D)		USD	2/24/2004	35.69%	18.02%	2.66%	
Class C US\$ Distributing (D)		USD	2/24/2004	35.34%	17.70%	2.00%	
Legg Mason Western Asset Diversified Strategic Income Fund	Class A US\$ Accumulating	USD	5/9/2007	31.28%	27.96%	–	
	Class A US\$ Distributing (D)	USD	2/24/2004	31.03%	27.82%	6.31%	
	Class A US\$ Distributing (M)	USD	1/8/2008	31.28%	27.94%	–	
	Class A Euro Accumulating (Hedged)	EUR	5/8/2008	31.10%	26.12%	–	
	Class A Euro Distributing (M) (Hedged)	EUR	6/16/2008	22.02%	23.88%	–	
	Class B US\$ Accumulating	USD	11/15/2007	30.95%	27.62%	–	
	Class B US\$ Distributing (D)	USD	2/24/2004	30.72%	27.51%	5.51%	
	Class C US\$ Accumulating	USD	11/15/2007	30.64%	27.33%	–	
	Class C US\$ Distributing (D)	USD	2/24/2004	30.39%	27.17%	4.71%	
	Class A (G) US\$ Accumulating	USD	3/21/2001	31.14%	27.79%	6.64%	
	Class A (G) US\$ Distributing (D)	USD	11/2/1995	31.09%	27.90%	6.55%	
	Class B (G) US\$ Accumulating	USD	2/7/2001	30.48%	27.14%	5.10%	
	Class B (G) US\$ Distributing (D)	USD	11/2/1995	30.45%	27.24%	5.06%	
	Class L (G) US\$ Accumulating	USD	1/24/2001	30.46%	27.12%	5.10%	
	Class L (G) US\$ Distributing (D)	USD	11/16/1995	30.45%	27.24%	4.88%	
	Legg Mason Western Asset Global Multi Strategy Fund	Class A US\$ Accumulating	USD	5/9/2007	36.45%	27.83%	–
Class A US\$ Distributing (D)		USD	8/30/2002	36.35%	27.86%	17.95%	
Class A US\$ Distributing (M)		USD	2/19/2008	36.40%	27.74%	–	
Class A Euro Accumulating (Hedged)		EUR	2/12/2008	36.15%	27.29%	–	
Class A Euro Distributing (M) (Hedged)		EUR	4/28/2008	36.06%	28.29%	–	
Class A GBP Distributing (M) (Hedged)		GBP	5/29/2008	36.03%	27.41%	–	
Class A SGD Distributing (Q) (Hedged)		SGD	5/26/2009	–	–	–	

Financial Information – Fund Performance Data (Unaudited) – (continued)

Fund	Share Class	Class CCY	Inception Date	Fiscal YTD 3/1/09 – 2/28/10	Calendar 1/1/09-12/31/09	3 Year Cumulative 1/1/07-12/31/09
	Class B US\$ Accumulating	USD	11/15/2007	36.09%	27.47%	–
	Class B US\$ Distributing (D)	USD	2/24/2004	35.98%	27.52%	17.06%
	Class C US\$ Accumulating	USD	11/15/2007	35.77%	27.18%	–
	Class C US\$ Distributing (D)	USD	2/24/2004	35.66%	27.20%	16.17%
	Class E US\$ Accumulating	USD	1/21/2010	–	–	–
	Class E US\$ Distributing (D)	USD	1/21/2010	–	–	–
	Class F US\$ Accumulating	USD	2/4/2010	–	–	–
	Class F US\$ Distributing (D)	USD	1/21/2010	–	–	–
	Class F Euro Accumulating	EUR	1/21/2010	–	–	–
	Premier Class Euro Accumulating (Hedged)	EUR	12/17/2009	–	–	–
	Premier Class GBP Distributing (M) (Hedged)	GBP	4/18/2008	36.92%	28.40%	–
	Premier Class US\$ Accumulating	USD	9/10/2008	37.51%	28.78%	–
	Premier Class US\$ Distributing (D)	USD	4/18/2008	37.45%	28.92%	–
	Premier Class US\$ Distributing (M)	USD	2/6/2009	37.56%	–	–
Legg Mason Western Asset US High Yield Fund	Class A US\$ Accumulating	USD	5/9/2007	52.43%	51.48%	–
	Class A US\$ Distributing (D)	USD	2/27/2004	52.12%	51.43%	4.86%
	Class B US\$ Accumulating	USD	11/15/2007	52.02%	51.10%	–
	Class B US\$ Distributing (D)	USD	2/27/2004	51.71%	50.97%	3.98%
	Class C US\$ Accumulating	USD	11/15/2007	51.66%	50.74%	–
	Class C US\$ Distributing (D)	USD	2/27/2004	51.30%	50.58%	3.25%
	Class E US\$ Accumulating	USD	1/21/2010	–	–	–
	Class E US\$ Distributing (D)	USD	1/21/2010	–	–	–
	LM Class US\$ Distributing (M)	USD	5/27/2008	54.42%	53.49%	–
	Class A (G) US\$ Accumulating	USD	1/29/2001	52.36%	51.42%	5.18%
	Class A (G) US\$ Distributing (D)	USD	3/1/2000	52.23%	51.55%	4.96%
	Class B (G) US\$ Accumulating	USD	2/2/2001	51.59%	50.64%	3.70%
	Class B (G) US\$ Distributing (D)	USD	3/1/2000	51.50%	50.77%	3.46%
	Class L (G) US\$ Accumulating	USD	6/4/2001	51.60%	50.63%	3.67%
	Class L (G) US\$ Distributing (D)	USD	3/1/2000	51.49%	50.76%	3.43%
Legg Mason Western Asset Emerging Markets Bond Fund	Class A US\$ Accumulating	USD	5/4/2007	46.33%	42.52%	–
	Class A US\$ Distributing (D)	USD	2/24/2004	46.08%	42.38%	20.88%
	Class A US\$ Distributing (M)	USD	1/3/2008	46.34%	42.52%	–
	Class A Euro Accumulating (Hedged)	EUR	1/6/2010	–	–	–
	Class B US\$ Accumulating	USD	11/15/2007	45.97%	42.14%	–
	Class B US\$ Distributing (D)	USD	2/24/2004	45.67%	42.00%	19.87%
	Class C US\$ Accumulating	USD	11/15/2007	45.67%	41.86%	–
	Class C US\$ Distributing (D)	USD	2/24/2004	45.34%	41.65%	18.99%
	Premier Class US\$ Accumulating	USD	12/16/2008	47.76%	43.83%	–
	Class A (G) US\$ Accumulating	USD	8/16/2001	46.71%	42.83%	21.15%
	Class A (G) US\$ Distributing (D)	USD	8/14/1996	46.59%	42.90%	20.96%
	Class B (G) US\$ Accumulating	USD	2/14/2001	45.98%	42.11%	19.36%
	Class B (G) US\$ Distributing (D)	USD	8/14/1996	45.90%	42.20%	19.29%
	Class L (G) US\$ Accumulating	USD	11/5/2002	45.98%	42.11%	19.30%
	Class L (G) US\$ Distributing (D)	USD	8/14/1996	45.90%	42.21%	19.19%
Legg Mason Western Asset Global High Yield Fund	Class A US\$ Accumulating	USD	4/20/2007	59.81%	56.03%	–
	Class A US\$ Distributing (D)	USD	4/20/2007	59.94%	56.31%	–
	Class A US\$ Distributing (M)	USD	1/30/2008	59.99%	56.20%	–
	Class B US\$ Accumulating	USD	11/15/2007	59.23%	55.40%	–
	Class B US\$ Distributing (D)	USD	4/20/2007	59.36%	55.65%	–
	Class C US\$ Accumulating	USD	11/15/2007	59.00%	55.26%	–
	Class C US\$ Distributing (D)	USD	4/20/2007	59.08%	55.43%	–
	Class E US\$ Accumulating	USD	1/21/2010	–	–	–
	Class E US\$ Distributing (D)	USD	1/21/2010	–	–	–
	Premier Class US\$ Accumulating	USD	8/10/2009	–	–	–
	Class A (G) US\$ Accumulating	USD	1/22/2002	59.90%	56.10%	7.61%
	Class A (G) US\$ Distributing (D)	USD	9/20/1999	59.73%	56.09%	7.25%
	Class B (G) US\$ Accumulating	USD	2/14/2001	59.10%	55.33%	6.00%
	Class B (G) US\$ Distributing (D)	USD	9/20/1999	58.96%	55.31%	5.63%
	Class L (G) US\$ Accumulating	USD	6/4/2001	59.10%	55.33%	5.97%
	Class L (G) US\$ Distributing (D)	USD	9/20/1999	58.97%	55.33%	5.67%

Financial Information – Fund Performance Data (Unaudited) – (continued)

Fund	Share Class	Class CCY	Inception Date	Fiscal YTD 3/1/09 – 2/28/10	Calendar 1/1/09-12/31/09	3 Year Cumulative 1/1/07-12/31/09	
Legg Mason Western Asset US Short-Term Government Fund	Class A US\$ Accumulating	USD	4/20/2007	3.95%	3.98%	–	
	Class A US\$ Distributing (D)	USD	4/20/2007	4.07%	4.19%	–	
	Class B US\$ Accumulating	USD	11/15/2007	3.67%	3.71%	–	
	Class B US\$ Distributing (D)	USD	4/20/2007	3.63%	3.73%	–	
	Class C US\$ Accumulating	USD	11/15/2007	3.42%	3.45%	–	
	Class C US\$ Distributing (D)	USD	4/20/2007	3.51%	3.59%	–	
	Class A (G) US\$ Accumulating	USD	10/31/2001	3.88%	3.89%	11.97%	
	Class A (G) US\$ Distributing (D)	USD	8/3/1994	3.92%	4.00%	11.88%	
	Class B (G) US\$ Accumulating	USD	10/18/2001	3.37%	3.38%	10.26%	
	Class B (G) US\$ Distributing (D)	USD	6/13/1994	3.40%	3.46%	10.20%	
	Class L (G) US\$ Accumulating	USD	11/5/2001	3.37%	3.37%	10.25%	
	Class L (G) US\$ Distributing (D)	USD	10/18/2001	3.41%	3.46%	10.32%	
	Legg Mason Western Asset US Adjustable Rate Fund	Class A US\$ Accumulating	USD	4/20/2007	21.73%	13.06%	–
		Class B US\$ Distributing (D)	USD	4/20/2007	21.38%	12.79%	–
Class C US\$ Accumulating		USD	11/15/2007	21.00%	12.38%	–	
Class C US\$ Distributing (D)		USD	4/20/2007	21.15%	12.57%	–	
Class A (G) US\$ Accumulating		USD	4/1/2003	21.41%	12.74%	(12.74)%	
Class A (G) US\$ Distributing (D)		USD	4/1/2003	21.43%	12.83%	(12.74)%	
Class B (G) US\$ Accumulating		USD	4/2/2003	20.82%	12.18%	(14.06)%	
Class B (G) US\$ Distributing (D)		USD	4/1/2003	20.82%	12.25%	(13.94)%	
Class L (G) US\$ Accumulating		USD	4/9/2003	20.82%	12.18%	(14.05)%	
Class L (G) US\$ Distributing (D)		USD	4/1/2003	20.83%	12.26%	(14.00)%	
Legg Mason Western Asset Inflation Management Fund	Class A US\$ Accumulating	USD	4/20/2007	18.90%	11.93%	–	
	Class A US\$ Distributing (A)	USD	4/20/2007	18.91%	11.94%	–	
	Class B US\$ Accumulating	USD	11/15/2007	18.60%	11.64%	–	
	Class B US\$ Distributing (A)	USD	4/20/2007	18.62%	11.66%	–	
	Class C US\$ Accumulating	USD	11/15/2007	18.32%	11.38%	–	
	Class C US\$ Distributing (A)	USD	4/20/2007	18.32%	11.38%	–	
	Class A (G) US\$ Accumulating	USD	8/23/2004	19.39%	12.39%	10.97%	
	Class A (G) US\$ Distributing (A)	USD	8/23/2004	19.39%	12.39%	10.81%	
	Class B (G) US\$ Accumulating	USD	8/26/2004	18.80%	11.83%	9.39%	
	Class B (G) US\$ Distributing (A)	USD	8/23/2004	18.80%	11.83%	9.35%	
	Class L (G) US\$ Accumulating	USD	8/25/2004	18.80%	11.83%	9.16%	
	Class L (G) US\$ Distributing (A)	USD	8/23/2004	18.80%	11.83%	9.17%	
	Legg Mason Western Asset Asian Opportunities Fund	Class A US\$ Accumulating	USD	7/2/2008	24.36%	14.28%	–
		Class A US\$ Distributing (D)	USD	7/2/2008	26.00%	15.92%	–
Class A US\$ Distributing (M)		USD	1/7/2010	–	–	–	
Class A Euro Accumulating		EUR	7/2/2008	16.47%	11.80%	–	
Class A SGD Accumulating (Hedged)		SGD	5/29/2009	–	–	–	
Class B US\$ Accumulating		USD	7/2/2008	24.05%	13.96%	–	
Class B US\$ Distributing (D)		USD	7/2/2008	24.24%	14.24%	–	
Class C US\$ Accumulating		USD	7/2/2008	23.63%	13.55%	–	
Class C US\$ Distributing (D)		USD	7/2/2008	24.12%	14.13%	–	
Class E US\$ Accumulating		USD	2/21/2010	–	–	–	
Class E US\$ Distributing (D)		USD	2/21/2010	–	–	–	
Class F US\$ Accumulating		USD	2/4/2010	–	–	–	
Class F US\$ Distributing (D)		USD	2/21/2010	–	–	–	
Premier Class US\$ Accumulating		USD	7/2/2008	24.99%	14.84%	–	
LM Class US\$ Accumulating		USD	6/12/2008	25.79%	15.56%	–	
Legg Mason Western Asset Global Blue Chip Bond Fund [^]	Class A US\$ Accumulating	USD	6/25/2009	–	–	–	
	Class A US\$ Distributing (M)	USD	6/2/2009	–	–	–	
	Class A Euro Accumulating (Hedged)	EUR	8/5/2009	–	–	–	
	Class A GBP Accumulating (Hedged)	GBP	8/13/2009	–	–	–	
	Class B US\$ Accumulating	USD	6/25/2009	–	–	–	
	Class B US\$ Distributing (M)	USD	6/25/2009	–	–	–	
	Class C US\$ Accumulating	USD	6/25/2009	–	–	–	
	Class C US\$ Distributing (M)	USD	6/25/2009	–	–	–	
	Class E US\$ Accumulating	USD	1/21/2010	–	–	–	
	Class E US\$ Distributing (D)	USD	1/21/2010	–	–	–	

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Financial Information – Fund Performance Data (Unaudited) – (continued)

Fund	Share Class	Class CCY	Inception Date	Fiscal YTD 3/1/09 – 2/28/10	Calendar 1/1/09-12/31/09	3 Year Cumulative 1/1/07-12/31/09
	Class F US\$ Accumulating	USD	2/4/2010	–	–	–
	Class F US\$ Distributing (D)	USD	1/21/2010	–	–	–
	Premier Class EURO Accumulating (Hedged)	EUR	6/2/2009	–	–	–
	Premier Class EURO Distributing (M) (Hedged)	EUR	6/2/2009	–	–	–
	Premier Class GBP Accumulating (Hedged)	GBP	6/2/2009	–	–	–
	Premier Class GBP Distributing (M) (Hedged)	GBP	6/2/2009	–	–	–
	Premier Class US\$ Accumulating	USD	6/2/2009	–	–	–
	Premier Class US\$ Distributing (M)	USD	6/2/2009	–	–	–
Legg Mason Brandywine Global Fixed Income Fund	Class A US\$ Accumulating	USD	5/9/2007	29.34%	18.68%	–
	Class A US\$ Distributing (S)	USD	9/30/2003	29.28%	18.64%	19.53%
	Class A Euro Accumulating (Hedged)	EUR	1/18/2008	20.94%	17.54%	–
	Class A GBP Distributing (S) (Hedged)	GBP	2/7/2008	20.14%	15.01%	–
	Class A SGD Accumulating (Hedged)	SGD	1/18/2008	21.03%	17.37%	–
	Class B US\$ Accumulating	USD	11/15/2007	29.01%	18.39%	–
	Class B US\$ Distributing (S)	USD	2/24/2004	28.97%	18.34%	18.65%
	Class C US\$ Accumulating	USD	11/15/2007	28.68%	18.09%	–
	Class C US\$ Distributing (S)	USD	2/24/2004	28.64%	18.04%	17.74%
Legg Mason Capital Management Value Fund	Class A US\$ Accumulating	USD	4/24/2007	70.06%	36.88%	–
	Class A US\$ Distributing (A)	USD	3/23/1998	70.06%	36.86%	(45.30)%
	Class A Euro Accumulating	EUR	6/12/2007	57.67%	32.26%	–
	Class A GBP Distributing (A)	GBP	11/9/2009	–	–	–
	Class A SGD Accumulating	SGD	5/18/2007	53.95%	33.05%	–
	Class B US\$ Accumulating	USD	11/15/2007	69.29%	36.23%	–
	Class B US\$ Distributing (A)	USD	2/24/2004	69.23%	36.18%	(46.11)%
	Class C US\$ Accumulating	USD	11/15/2007	69.24%	36.19%	–
	Class C US\$ Distributing (A)	USD	2/24/2004	69.20%	36.17%	(46.11)%
	Class F US\$ Accumulating	USD	1/21/2010	–	–	–
	Class F US\$ Distributing (A)	USD	2/4/2010	–	–	–
	LM Class US\$ Accumulating	USD	10/8/2009	–	–	–
	Premier Class US\$ Accumulating	USD	7/1/2008	71.51%	38.05%	–
	Galleon Class	USD	1/24/2000	71.51%	38.06%	(43.95)%
Legg Mason Capital Management Growth Fund	Class A US\$ Accumulating	USD	5/9/2007	58.96%	40.70%	–
	Class A US\$ Distributing (A)	USD	2/25/2004	58.50%	40.29%	(38.05)%
	Class A Euro Accumulating	EUR	1/18/2007	50.08%	48.59%	–
	Class B US\$ Accumulating	USD	11/15/2007	58.12%	39.96%	–
	Class B US\$ Distributing (A)	USD	2/25/2004	57.74%	39.57%	(38.99)%
	Class C US\$ Accumulating	USD	11/15/2007	58.52%	40.42%	–
	Class C US\$ Distributing (A)	USD	2/25/2004	57.73%	39.56%	(38.98)%
	Premier Class US\$ Accumulating	USD	7/1/2008	59.88%	41.50%	–
Legg Mason Capital Management Opportunity Fund^	Class A US\$ Accumulating	USD	2/22/2010	–	–	–
	Class A US\$ Distributing (A)	USD	2/4/2009	139.18%	–	–
	LM Class US\$ Accumulating	USD	2/4/2009	143.49%	–	–
	Premier Class GBP Distributing (A)	GBP	8/25/2009	–	–	–
Legg Mason ClearBridge US Appreciation Fund	Class A US\$ Accumulating	USD	4/20/2007	39.98%	19.22%	–
	Class A Euro Accumulating	EUR	6/3/2008	29.78%	14.90%	–
	Class A US\$ Distributing (A)	USD	4/20/2007	40.00%	19.22%	–
	Class B US\$ Accumulating	USD	11/15/2007	39.27%	18.62%	–
	Class B US\$ Distributing (A)	USD	4/20/2007	39.27%	18.62%	–
	Class C US\$ Accumulating	USD	11/15/2007	39.28%	18.61%	–
	Class C US\$ Distributing (A)	USD	4/20/2007	39.30%	18.62%	–
	Class E US\$ Accumulating	USD	1/21/2010	–	–	–
	Class E US\$ Distributing (A)	USD	1/21/2010	–	–	–
	Class F US\$ Accumulating	USD	1/21/2010	–	–	–
	Class F US\$ Distributing (A)	USD	2/4/2010	–	–	–
	Premier Class US\$ Accumulating	USD	3/4/2009	–	–	–

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Financial Information – Fund Performance Data (Unaudited) – (continued)

Fund	Share Class	Class CCY	Inception Date	Fiscal YTD 3/1/09 – 2/28/10	Calendar 1/1/09-12/31/09	3 Year Cumulative 1/1/07-12/31/09
	Premier Class US\$ Distributing (A)	USD	4/9/2009	–	–	–
	Class A (G) US\$ Accumulating	USD	5/14/2004	40.17%	19.35%	(10.26)%
	Class B (G) US\$ Accumulating	USD	5/14/2004	39.47%	18.74%	(11.62)%
	Class L (G) US\$ Accumulating	USD	5/14/2004	39.46%	18.75%	(11.60)%
Legg Mason ClearBridge US Fundamental Value Fund	Class A US\$ Accumulating	USD	4/20/2007	57.48%	28.46%	–
	Class A US\$ Distributing (A)	USD	4/20/2007	57.49%	28.45%	–
	Class B US\$ Accumulating	USD	11/15/2007	56.72%	27.81%	–
	Class B US\$ Distributing (A)	USD	4/20/2007	56.68%	27.80%	–
	Class C US\$ Accumulating	USD	11/15/2007	56.69%	27.81%	–
	Class C US\$ Distributing (A)	USD	4/20/2007	56.71%	27.80%	–
	Class A (G) US\$ Accumulating	USD	11/13/1996	57.87%	28.73%	(20.36)%
	Class B (G) US\$ Accumulating	USD	11/13/1996	57.10%	28.11%	(21.57)%
	Class L (G) US\$ Accumulating	USD	11/13/1996	57.10%	28.09%	(21.57)%
Legg Mason ClearBridge US Large Cap Growth Fund	Class A US\$ Accumulating	USD	4/20/2007	48.93%	40.90%	–
	Class A US\$ Distributing (A)	USD	4/20/2007	48.93%	40.91%	–
	Class A Euro Accumulating	EUR	8/27/2008	37.28%	34.92%	–
	Class B US\$ Accumulating	USD	11/15/2007	48.19%	40.22%	–
	Class B US\$ Distributing (A)	USD	4/20/2007	48.17%	40.23%	–
	Class C US\$ Accumulating	USD	11/15/2007	48.18%	40.22%	–
	Class C US\$ Distributing (A)	USD	4/20/2007	48.17%	40.21%	–
	Class A (G) US\$ Accumulating	USD	2/18/1999	48.95%	40.90%	(8.03)%
	Class B (G) US\$ Accumulating	USD	2/18/1999	48.19%	40.19%	(9.43)%
	Class L (G) US\$ Accumulating	USD	2/18/1999	48.21%	40.19%	(9.45)%
Legg Mason ClearBridge US Aggressive Growth Fund	Class A US\$ Accumulating	USD	4/20/2007	61.57%	34.82%	–
	Class A US\$ Distributing (A)	USD	4/20/2007	61.54%	34.80%	–
	Class B US\$ Accumulating	USD	11/15/2007	60.78%	34.17%	–
	Class B US\$ Distributing (A)	USD	4/20/2007	60.76%	34.15%	–
	Class C US\$ Accumulating	USD	11/15/2007	60.78%	34.16%	–
	Class C US\$ Distributing (A)	USD	4/20/2007	60.76%	34.15%	–
	Class A (G) US\$ Accumulating	USD	5/25/2000	61.93%	35.11%	(19.67)%
	Class B (G) US\$ Accumulating	USD	5/25/2000	61.12%	34.42%	(20.87)%
	Class L (G) US\$ Accumulating	USD	5/25/2000	61.12%	34.42%	(20.87)%
Legg Mason Royce US Small Cap Opportunity Fund	Class A US\$ Accumulating	USD	5/9/2007	114.27%	59.36%	–
	Class A US\$ Distributing (A)	USD	11/8/2002	114.04%	59.13%	(20.67)%
	Class A Euro Accumulating	EUR	7/12/2007	99.51%	54.55%	–
	Class B US\$ Accumulating	USD	11/15/2007	113.24%	58.56%	–
	Class B US\$ Distributing (A)	USD	2/24/2004	112.97%	58.32%	(21.85)%
	Class C US\$ Accumulating	USD	11/15/2007	113.22%	58.56%	–
	Class C US\$ Distributing (A)	USD	2/24/2004	112.97%	58.33%	(21.84)%
Legg Mason Royce Smaller Companies Fund	Class A Euro Accumulating	EUR	10/1/2008	58.10%	44.06%	–
	Class A GBP Distributing (A)	GBP	11/5/2009	–	–	–
	Class A US\$ Accumulating	USD	5/9/2007	57.32%	37.52%	–
	Class A US\$ Distributing (A)	USD	3/1/2004	57.01%	37.21%	(4.55)%
	Class B US\$ Accumulating	USD	11/15/2007	56.51%	36.85%	–
	Class B US\$ Distributing (A)	USD	3/1/2004	56.22%	36.52%	(5.99)%
	Class C US\$ Accumulating	USD	11/15/2007	56.52%	36.85%	–
	Class C US\$ Distributing (A)	USD	3/1/2004	56.23%	36.52%	(5.97)%
	Class E US\$ Accumulating	USD	1/21/2010	–	–	–
	Class E US\$ Distributing (A)	USD	1/21/2010	–	–	–
	Class F US\$ Accumulating	USD	1/21/2010	–	–	–
	Class F US\$ Distributing (A)	USD	2/4/2010	–	–	–
	Premier Class US\$ Accumulating	USD	11/24/2009	–	–	–
	Class A (G) US\$ Accumulating	USD	12/18/1997	57.93%	38.04%	(2.66)%
	Class B (G) US\$ Accumulating	USD	12/18/1997	57.16%	37.34%	(4.09)%
	Class L (G) US\$ Accumulating	USD	12/23/1997	57.15%	37.33%	(4.16)%
Legg Mason Royce European Smaller Companies Fund [^]	Class A Euro Distributing (A)	EUR	12/31/2009	–	–	–
	LM Class Euro Accumulating	EUR	12/31/2009	–	–	–
Legg Mason Royce Global Smaller Companies Fund [^]	Class A US\$ Accumulating	USD	12/31/2009	–	–	–
	Class A US\$ Distributing (A)	USD	12/31/2009	–	–	–
	Class B US\$ Accumulating	USD	12/31/2009	–	–	–

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Financial Information – Fund Performance Data (Unaudited) – (continued)

Fund	Share Class	Class CCY	Inception Date	Fiscal YTD 3/1/09 – 2/28/10	Calendar 1/1/09-12/31/09	3 Year Cumulative 1/1/07-12/31/09	
Legg Mason PCM US Equity Fund	Class C US\$ Accumulating	USD	12/31/2009	–	–	–	
	Class E US\$ Accumulating	USD	12/31/2009	–	–	–	
	LM Class US\$ Accumulating	USD	12/31/2009	–	–	–	
	Class A US\$ Accumulating	USD	1/2/2008	57.13%	24.56%	–	
	Class A US\$ Distributing (A)	USD	1/2/2008	57.17%	24.50%	–	
	Class A Euro Accumulating	EUR	1/2/2008	46.36%	20.64%	–	
	Class A Euro Distributing (A)	EUR	1/2/2008	46.37%	20.65%	–	
	Class B US\$ Accumulating	USD	1/2/2008	56.45%	23.89%	–	
Legg Mason Permal Global Absolute Fund [^]	Class B US\$ Distributing (A)	USD	1/2/2008	56.45%	23.89%	–	
	Class C US\$ Accumulating	USD	1/2/2008	56.47%	23.87%	–	
	Class C US\$ Distributing (A)	USD	1/2/2008	56.45%	23.89%	–	
	Class A US\$ Accumulating	USD	9/24/2009	–	–	–	
	Class A US\$ Distributing (A)	USD	9/24/2009	–	–	–	
	Class A Euro Accumulating (Hedged)	EUR	11/2/2009	–	–	–	
	Class A Euro Distributing (A) (Hedged)	EUR	11/2/2009	–	–	–	
	Class A GBP Accumulating (Hedged)	GBP	11/2/2009	–	–	–	
	Class A GBP Distributing (A) (Hedged)	GBP	11/2/2009	–	–	–	
	Class B US\$ Accumulating	USD	9/24/2009	–	–	–	
	Class B US\$ Distributing (A)	USD	9/24/2009	–	–	–	
	Class C US\$ Accumulating	USD	9/24/2009	–	–	–	
	Class C US\$ Distributing (A)	USD	9/24/2009	–	–	–	
	Class E US\$ Accumulating	USD	9/24/2009	–	–	–	
	Class E US\$ Distributing (A)	USD	9/24/2009	–	–	–	
	Class F US\$ Accumulating	USD	1/21/2010	–	–	–	
	Class F US\$ Distributing (A)	USD	2/4/2010	–	–	–	
	Premier Class US\$ Accumulating	USD	9/24/2009	–	–	–	
	Premier Class US\$ Distributing (A)	USD	9/24/2009	–	–	–	
	Premier Class Euro Accumulating (Hedged)	EUR	11/2/2009	–	–	–	
	Premier Class Euro Distributing (A) (Hedged)	EUR	11/2/2009	–	–	–	
	Premier Class GBP Accumulating (Hedged)	GBP	11/2/2009	–	–	–	
	Premier Class GBP Distributing (A) (Hedged)	GBP	11/2/2009	–	–	–	
	Legg Mason GC Global Equity Fund	LM Class US\$ Accumulating	USD	9/24/2009	–	–	–
		Class A US\$ Accumulating	USD	5/9/2007	41.78%	21.79%	–
		Class A US\$ Distributing (A)	USD	9/1/2006	41.66%	21.69%	(27.12)%
		Class B US\$ Accumulating	USD	11/15/2007	41.04%	21.14%	–
		Class B US\$ Distributing (A)	USD	9/1/2006	40.98%	21.08%	(28.16)%
Class C US\$ Accumulating		USD	11/15/2007	41.41%	21.47%	–	
Class C US\$ Distributing (A)		USD	9/1/2006	40.99%	21.08%	(28.14)%	
Legg Mason Batterymarch European Equity Fund		Class A US\$ Accumulating	USD	5/9/2007	41.38%	23.16%	–
	Class A US\$ Distributing (A)	USD	2/24/2004	40.86%	22.70%	(29.49)%	
	Class A Euro Distributing (A)	EUR	8/30/2002	30.61%	18.42%	(34.79)%	
	Class B US\$ Accumulating	USD	11/15/2007	40.64%	22.67%	–	
	Class B US\$ Distributing (A)	USD	2/24/2004	40.30%	22.24%	(29.70)%	
	Class C US\$ Accumulating	USD	11/15/2007	41.41%	23.13%	–	
	Class C US\$ Distributing (A)	USD	2/24/2004	40.23%	22.17%	(29.91)%	
	Class A (G) US\$ Accumulating	USD	10/5/1998	41.33%	23.15%	(28.94)%	
	Class B (G) US\$ Accumulating	USD	10/5/1998	40.68%	22.57%	(30.03)%	
	Class L (G) US\$ Accumulating	USD	10/5/1998	40.62%	22.52%	(29.85)%	
	Legg Mason Batterymarch Asia Pacific Equity Fund	Class A US\$ Accumulating	USD	5/9/2007	78.39%	63.28%	–
		Class A US\$ Distributing (A)	USD	2/25/2004	78.20%	63.12%	8.93%
Class A Euro Accumulating		EUR	10/31/2007	65.38%	57.78%	–	
Class B US\$ Accumulating		USD	11/15/2007	77.52%	62.50%	–	
Class B US\$ Distributing (A)		USD	2/25/2004	77.33%	62.31%	7.29%	
Class C US\$ Accumulating		USD	11/15/2007	77.54%	62.53%	–	
Class C US\$ Distributing (A)		USD	2/25/2004	77.32%	62.31%	7.29%	
Class E US\$ Accumulating		USD	1/21/2010	–	–	–	
Class E US\$ Distributing (A)		USD	1/21/2010	–	–	–	

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Financial Information – Fund Performance Data (Unaudited) – (continued)

Fund	Share Class	Class CCY	Inception Date	Fiscal YTD 3/1/09 – 2/28/10	Calendar 1/1/09-12/31/09	3 Year Cumulative 1/1/07-12/31/09
Legg Mason Batterymarch International Large Cap Fund						
	Class A US\$ Accumulating	USD	4/20/2007	43.54%	19.63%	–
	Class A US\$ Distributing (A)	USD	4/20/2007	43.52%	19.61%	–
	Class B US\$ Accumulating	USD	11/15/2007	42.84%	19.04%	–
	Class B US\$ Distributing (A)	USD	4/20/2007	42.82%	19.03%	–
	Class C US\$ Accumulating	USD	11/15/2007	42.81%	19.04%	–
	Class C US\$ Distributing (A)	USD	4/20/2007	42.82%	19.02%	–
	Class A (G) US\$ Accumulating	USD	8/16/1994	43.25%	19.36%	(27.83)%
	Class B (G) US\$ Accumulating	USD	6/13/1994	42.56%	18.73%	(28.92)%
	Class L (G) US\$ Accumulating	USD	1/23/2002	42.56%	18.75%	(28.93)%
Legg Mason Batterymarch Emerging Markets Equity Fund						
	Class A US\$ Accumulating	USD	4/28/2008	92.08%	75.20%	–
	Class A US\$ Distributing (A)	USD	7/2/2008	92.13%	75.24%	–
	Class A Euro Accumulating	EUR	7/2/2008	80.20%	71.23%	–
	Class A GBP Distributing (A)	GBP	4/30/2008	80.61%	56.23%	–
	Class B US\$ Accumulating	USD	7/2/2008	90.98%	74.45%	–
	Class B US\$ Distributing (A)	USD	7/2/2008	91.02%	74.47%	–
	Class C US\$ Accumulating	USD	7/2/2008	91.08%	74.53%	–
	Class C US\$ Distributing (A)	USD	7/2/2008	90.78%	73.98%	–
	Class E US\$ Accumulating	USD	1/21/2010	–	–	–
	Class E US\$ Distributing (A)	USD	1/21/2010	–	–	–
	Class F US\$ Accumulating	USD	1/21/2010	–	–	–
	Class F US\$ Distributing (A)	USD	2/4/2010	–	–	–
	Premier Class Euro Accumulating	EUR	7/2/2008	80.40%	71.14%	–
	Premier Class US\$ Accumulating	USD	5/28/2008	93.66%	76.65%	–
	LM Class US\$ Distributing (A)	USD	4/28/2008	95.20%	78.02%	–
Legg Mason Congruix Asia Pacific Fund[^]						
	Class A US\$ Distributing (A)	USD	11/11/2009	–	–	–
Legg Mason Congruix Japan Equity Fund						
	LM Class US\$ Accumulating	USD	11/11/2009	–	–	–
	Class A US\$ Accumulating	USD	10/2/2008	35.67%	4.19%	–
	Class A US\$ Distributing (A)	USD	10/2/2008	35.67%	4.19%	–
	Class A Euro Accumulating	EUR	10/2/2008	18.51%	2.95%	–
	Class A Euro Distributing (A)	EUR	10/2/2008	26.32%	2.28%	–
	Class A JPY Accumulating	JPY	10/2/2008	23.50%	6.69%	–
	Class A JPY Distributing (A)	JPY	10/2/2008	23.49%	6.68%	–
	Class B US\$ Accumulating	USD	10/2/2008	35.01%	3.67%	–
	Class B US\$ Distributing (A)	USD	10/2/2008	35.01%	3.67%	–
	Class C US\$ Accumulating	USD	10/2/2008	35.01%	3.67%	–
	Class C US\$ Distributing (A)	USD	10/2/2008	35.01%	3.67%	–
	LM Class JPY Accumulating	JPY	10/2/2008	25.42%	8.34%	–
Legg Mason LMHK China Fund[^]						
	Class A US\$ Distributing (A)	USD	11/30/2009	–	–	–
	LM Class US\$ Accumulating	USD	11/30/2009	–	–	–

amounts designated as "-" represent data not available as the share class was not active for the full respective reporting period.

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10 Year Disclosures for Hong Kong Registered Funds (Unaudited)

The following table sets out the Highest Issue Price and the Lowest Redemption Price for the Hong Kong registered Funds for the most recent ten financial years ending on the last day of February:

		February 2001		February 2002		February 2003		February 2004	
		Lowest Redemption Price	Highest Issue Price						
Legg Mason Western Asset US Money Market Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Legg Mason Western Asset US Core Bond Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (D)	USD	-	-	-	-	98.03	102.89	99.28	105.84
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (D)	USD	-	-	-	-	-	-	104.03	104.28
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (D)	USD	-	-	-	-	-	-	104.03	104.28
Legg Mason Western Asset US Core Plus Bond Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Legg Mason Western Asset Euro Core Plus Bond Fund									
Class A US\$ Distributing (D)	USD	-	-	-	-	-	-	125.78	126.06
Class A Euro Distributing (D)	EUR	-	-	-	-	-	-	97.61	100.61
Class B US\$ Distributing (D)	USD	-	-	-	-	-	-	125.78	126.06
Class C US\$ Distributing (D)	USD	-	-	-	-	-	-	125.78	126.06
Legg Mason Western Asset Diversified Strategic Income Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (D)	USD	-	-	-	-	-	-	99.69	100.00
Class A US\$ Distributing (M)	USD	-	-	-	-	-	-	-	-
Class A Euro Accumulating (Hedged)	EUR	-	-	-	-	-	-	-	-
Class A Euro Distributing (M) (Hedged)	EUR	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (D)	USD	-	-	-	-	-	-	99.69	100.00
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (D)	USD	-	-	-	-	-	-	99.68	100.00
Class A (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Legg Mason Western Asset Global Multi Strategy Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (D)	USD	-	-	-	-	96.45	108.07	106.96	122.07
Class A US\$ Distributing (M)	USD	-	-	-	-	-	-	-	-
Class A Euro Accumulating (Hedged)	EUR	-	-	-	-	-	-	-	-
Class A Euro Distributing (M) (Hedged)	EUR	-	-	-	-	-	-	-	-
Class A GBP Distributing (M) (Hedged)	GBP	-	-	-	-	-	-	-	-
Class A SGD Distributing (Q) (Hedged)	SGD	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (D)	USD	-	-	-	-	-	-	118.82	119.35
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (D)	USD	-	-	-	-	-	-	118.82	119.35
Class E US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class E US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

February 2005		February 2006		February 2007		February 2008		February 2009		February 2010	
Lowest Redemption Price	Highest Issue Price										
-	-	-	-	-	-	100.00	103.59	103.59	105.58	105.58	105.62
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	-	100.00	101.05	101.06	102.53	102.46	102.53
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	-	100.00	100.94	100.94	102.06	101.94	102.05
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	-	100.00	103.83	103.84	105.80	105.80	105.83
-	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	-	100.00	103.83	103.84	105.80	105.80	105.82
-	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	-	100.00	-	100.00	101.27	100.43	100.45
-	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	-	97.16	103.47	78.10	100.50	78.57	97.11
99.88	105.13	100.34	104.16	97.16	102.39	96.81	102.00	73.68	97.93	73.29	87.93
-	-	-	-	-	-	98.48	102.75	77.39	99.70	77.80	95.91
99.88	105.13	100.34	104.16	97.17	102.40	96.82	102.00	73.68	97.94	73.30	87.94
-	-	-	-	-	-	98.53	102.80	77.34	99.82	77.69	95.55
99.88	105.13	100.34	104.16	97.18	102.43	96.85	102.03	73.71	97.97	73.32	87.96
-	-	-	-	-	-	94.41	106.56	85.31	104.86	86.35	110.34
-	-	-	-	-	-	93.92	102.20	78.91	99.75	79.02	97.70
-	-	-	-	-	-	98.43	103.94	83.05	102.24	84.00	107.08
-	-	-	-	-	-	93.61	102.01	78.79	99.61	78.91	97.56
-	-	-	-	-	-	98.39	103.87	82.80	102.06	83.69	106.42
-	-	-	-	-	-	93.93	102.92	79.46	100.45	79.57	98.38
-	-	-	-	-	-	94.60	106.82	85.50	105.10	86.49	110.24
-	-	-	-	-	-	93.96	102.96	79.53	100.49	79.65	98.47
-	-	-	-	-	-	94.53	106.42	84.82	104.60	85.69	108.68
-	-	-	-	-	-	93.96	102.96	79.53	100.49	79.65	98.45
-	-	-	-	-	-	94.53	106.42	84.82	104.59	85.68	108.67
-	-	-	-	-	-	93.96	102.96	79.53	100.49	79.65	98.45
122.71	130.04	124.80	128.86	125.35	129.63	129.30	139.50	89.82	145.42	87.14	130.55
96.62	103.67	101.50	104.75	98.50	101.72	92.36	99.74	71.22	93.07	68.54	88.14
122.55	129.25	123.77	127.91	124.10	128.56	127.65	138.09	88.91	143.49	86.26	129.35
122.59	128.82	123.12	127.62	123.82	127.89	127.15	137.77	88.70	142.96	86.05	129.03
-	-	-	-	-	-	97.65	100.95	78.84	100.95	79.23	107.46
97.01	100.04	95.79	99.69	95.30	98.43	92.16	98.36	70.72	92.96	70.06	90.28
-	-	-	-	-	-	97.81	100.50	74.64	98.50	74.19	95.88
-	-	-	-	-	-	-	-	78.06	99.82	79.15	107.14
-	-	-	-	-	-	-	-	85.19	108.79	89.72	114.27
-	-	-	-	-	-	97.44	100.00	78.12	99.37	78.44	106.17
97.01	100.04	95.79	99.69	95.29	98.43	92.16	98.35	70.71	92.95	70.06	90.27
-	-	-	-	-	-	97.40	100.00	78.11	99.36	78.40	105.89
97.01	100.04	95.79	99.69	95.29	98.43	92.16	98.35	70.70	92.94	70.05	90.26
-	-	-	-	-	-	97.94	101.31	78.77	100.00	79.13	107.22
-	-	-	-	-	-	93.88	100.18	71.98	94.62	71.32	91.89
-	-	-	-	-	-	97.52	101.05	78.16	99.52	78.43	105.81
-	-	-	-	-	-	93.88	100.18	72.06	94.73	71.40	92.00
-	-	-	-	-	-	97.52	101.05	78.18	99.54	78.45	105.82
-	-	-	-	-	-	93.88	100.18	72.01	94.66	71.35	91.93
-	-	-	-	-	-	97.73	103.98	82.99	104.53	82.83	117.58
111.35	125.80	118.35	126.21	114.83	122.17	117.44	122.79	91.92	120.21	89.89	120.95
-	-	-	-	-	-	99.71	101.86	77.89	102.14	76.38	102.84
-	-	-	-	-	-	-	-	80.21	102.83	81.42	115.31
-	-	-	-	-	-	-	-	75.99	101.32	74.05	99.44
-	-	-	-	-	-	-	-	79.83	101.32	79.81	107.23
-	-	-	-	-	-	-	-	-	-	1.00	1.14
-	-	-	-	-	-	98.03	100.78	80.27	101.25	80.06	113.39
111.35	125.80	118.35	126.21	114.83	122.17	117.46	122.80	91.93	120.23	89.90	120.96
-	-	-	-	-	-	98.16	100.92	80.20	101.30	79.94	112.99
111.35	125.80	118.35	126.21	114.83	122.17	117.45	122.80	91.93	120.22	89.89	120.96
-	-	-	-	-	-	-	-	-	-	98.05	100.00
-	-	-	-	-	-	-	-	-	-	97.87	100.00

The accompanying notes are an integral part of the Financial Statements

10 Year Disclosures for Hong Kong Registered Funds (Unaudited)

– (continued)

		February 2001		February 2002		February 2003		February 2004	
		Lowest Redemption Price	Highest Issue Price						
Class F Euro Accumulating	EUR	-	-	-	-	-	-	-	-
Class F US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class F US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Premier Class US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Premier Class US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Premier Class US\$ Distributing (M)	USD	-	-	-	-	-	-	-	-
Premier Class Euro Accumulating (Hedged)	EUR	-	-	-	-	-	-	-	-
Premier Class GBP Distributing (M) (Hedged)	GBP	-	-	-	-	-	-	-	-
Legg Mason Western Asset US High Yield Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class E US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class E US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
LM Class US\$ Distributing (M)	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Legg Mason Western Asset Emerging Markets Bond Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (D)	USD	-	-	-	-	-	-	99.71	100.10
Class A US\$ Distributing (M)	USD	-	-	-	-	-	-	-	-
Class A Euro Accumulating (Hedged)	EUR	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (D)	USD	-	-	-	-	-	-	99.71	100.10
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (D)	USD	-	-	-	-	-	-	99.71	100.10
Premier Class US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Legg Mason Western Asset Global High Yield Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (M)	USD	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class E US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class E US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Premier Class US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Legg Mason Western Asset US Short-Term Government Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Distributing (D)	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

February 2005		February 2006		February 2007		February 2008		February 2009		February 2010	
Lowest Redemption Price	Highest Issue Price										
-	-	-	-	-	-	-	-	-	-	99.11	103.44
-	-	-	-	-	-	-	-	-	-	99.09	100.22
-	-	-	-	-	-	-	-	-	-	97.87	100.00
-	-	-	-	-	-	-	-	83.18	100.00	83.21	118.87
-	-	-	-	-	-	-	-	77.41	101.15	75.69	101.85
-	-	-	-	-	-	-	-	95.79	100.69	93.34	125.70
-	-	-	-	-	-	-	-	-	-	99.50	102.55
-	-	-	-	-	-	-	-	77.49	101.12	77.56	104.14
-	-	-	-	-	-	92.78	102.38	60.74	98.20	63.51	103.45
95.04	101.67	93.25	101.54	94.46	100.96	88.43	103.09	53.43	91.68	53.96	80.55
-	-	-	-	-	-	95.04	100.34	62.10	100.54	64.90	105.47
95.04	101.67	93.25	101.54	94.47	100.98	88.45	103.10	53.45	91.71	53.98	80.58
-	-	-	-	-	-	94.97	100.32	61.92	100.39	64.67	104.89
95.04	101.67	93.25	101.54	94.47	101.01	88.47	103.13	53.46	91.72	53.99	80.59
-	-	-	-	-	-	-	-	-	-	96.83	100.00
-	-	-	-	-	-	-	-	-	-	96.35	100.00
-	-	-	-	-	-	-	-	58.73	100.59	59.88	89.30
-	-	-	-	-	-	93.41	103.11	61.16	98.87	63.93	104.10
-	-	-	-	-	-	87.75	102.28	53.02	90.97	53.55	79.93
-	-	-	-	-	-	93.03	103.05	60.66	98.35	63.34	102.69
-	-	-	-	-	-	87.75	102.28	53.02	90.98	53.55	79.93
-	-	-	-	-	-	93.03	103.05	60.65	98.34	63.32	102.67
-	-	-	-	-	-	87.75	102.28	53.02	90.97	53.55	79.93
-	-	-	-	-	-	94.63	103.38	68.45	104.11	79.29	118.55
88.91	105.12	98.41	109.37	100.01	109.66	103.90	112.26	70.30	109.79	78.83	111.71
-	-	-	-	-	-	98.15	100.40	63.55	99.57	71.49	101.34
-	-	-	-	-	-	-	-	-	-	98.78	100.92
-	-	-	-	-	-	98.54	101.26	66.93	101.89	77.45	115.57
88.91	105.12	98.41	109.37	100.02	109.63	103.87	112.23	70.29	109.77	78.82	111.69
-	-	-	-	-	-	98.53	101.20	66.38	101.79	76.80	114.40
88.91	105.12	98.41	109.37	100.01	109.59	103.84	112.19	70.26	109.73	78.79	111.65
-	-	-	-	-	-	-	-	100.00	107.76	102.01	153.76
-	-	-	-	-	-	94.74	103.60	68.81	104.52	79.77	119.52
-	-	-	-	-	-	93.11	100.60	63.01	98.40	70.65	100.12
-	-	-	-	-	-	94.59	103.31	68.30	103.93	79.02	117.90
-	-	-	-	-	-	93.11	100.61	63.01	98.40	70.66	100.12
-	-	-	-	-	-	94.59	103.31	68.29	103.93	79.01	117.89
-	-	-	-	-	-	93.11	100.60	63.00	98.40	70.65	100.11
-	-	-	-	-	-	-	-	65.94	70.63	63.16	106.75
-	-	-	-	-	-	-	-	55.83	60.80	53.28	82.13
-	-	-	-	-	-	-	-	61.83	67.78	59.22	91.56
-	-	-	-	-	-	-	-	66.96	71.77	64.13	108.04
-	-	-	-	-	-	-	-	55.75	60.71	53.20	81.99
-	-	-	-	-	-	-	-	67.03	71.83	64.20	108.04
-	-	-	-	-	-	-	-	55.59	60.54	53.05	81.77
-	-	-	-	-	-	-	-	-	-	97.51	100.00
-	-	-	-	-	-	-	-	-	-	97.16	100.00
-	-	-	-	-	-	-	-	-	-	99.02	113.37
-	-	-	-	-	-	-	-	66.08	70.77	63.29	107.02
-	-	-	-	-	-	55.84	-	60.81	53.29	55.84	82.14
-	-	-	-	-	-	-	-	65.45	70.14	62.69	105.54
-	-	-	-	-	-	55.83	-	60.80	53.28	53.28	82.13
-	-	-	-	-	-	-	-	65.46	70.16	62.70	105.56
-	-	-	-	-	-	-	-	55.83	60.80	53.28	82.13
-	-	-	-	-	-	99.19	105.01	103.26	107.10	106.95	111.40
-	-	-	-	-	-	98.51	101.47	97.82	100.52	98.98	101.36
-	-	-	-	-	-	99.75	102.69	100.88	103.61	103.45	107.54
-	-	-	-	-	-	98.51	101.50	97.85	100.55	99.01	101.42
-	-	-	-	-	-	99.76	102.62	100.53	103.12	102.95	106.83
-	-	-	-	-	-	98.51	101.48	97.82	100.53	98.97	101.35
-	-	-	-	-	-	99.20	105.09	103.30	107.19	107.03	111.42
-	-	-	-	-	-	98.51	101.48	97.87	100.57	99.02	101.40
-	-	-	-	-	-	99.13	104.68	102.85	106.20	106.02	109.97
-	-	-	-	-	-	98.51	101.48	97.86	100.56	99.02	101.39
-	-	-	-	-	-	99.13	104.68	102.85	106.19	106.01	109.95

The accompanying notes are an integral part of the Financial Statements

10 Year Disclosures for Hong Kong Registered Funds (Unaudited)

– (continued)

		February 2001		February 2002		February 2003		February 2004		
		Lowest Redemption Price	Highest Issue Price							
Class L (G) US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Legg Mason Western Asset US Adjustable Rate Fund										
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class A US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class B US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class C US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Class A (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class A (G) US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Class B (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class B (G) US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Class L (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class L (G) US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Legg Mason Western Asset Inflation Management Fund										
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class A US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–	
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class B US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–	
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class C US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–	
Class A (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class A (G) US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–	
Class B (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class B (G) US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–	
Class L (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class L (G) US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–	
Legg Mason Western Asset Asian Opportunities Fund										
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class A US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Class A US\$ Distributing (M)	USD	–	–	–	–	–	–	–	–	
Class A Euro Accumulating	EUR	–	–	–	–	–	–	–	–	
Class A Euro Distributing (M)	EUR	–	–	–	–	–	–	–	–	
Class A SGD Accumulating (Hedged)	SGD	–	–	–	–	–	–	–	–	
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class B US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class C US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Class E US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class E US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Class F US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class F US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
Premier Class US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Premier Class US\$ Distributing (D)	USD	–	–	–	–	–	–	–	–	
LM Class US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Legg Mason Brandywine Global Fixed Income Fund										
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class A US\$ Distributing (S)	USD	–	–	–	–	–	–	–	–	
Class A Euro Accumulating (Hedged)	EUR	–	–	–	–	–	–	–	–	
Class A GBP Distributing (S) (Hedged)	GBP	–	–	–	–	–	–	–	–	
Class A SGD Accumulating (Hedged)	SGD	–	–	–	–	–	–	–	–	
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class B US\$ Distributing (S)	USD	–	–	–	–	–	–	–	–	
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class C US\$ Distributing (S)	USD	–	–	–	–	–	–	–	–	
Legg Mason Capital Management Value Fund										
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class A US\$ Distributing (A)	USD	138.15	161.59	113.86	156.44	87.65	130.27	97.46	160.08	
Class A Euro Accumulating	EUR	–	–	–	–	–	–	–	–	
Class A GBP Distributing (A)	GBP	–	–	–	–	–	–	–	–	
Class A SGD Accumulating	SGD	–	–	–	–	–	–	–	–	
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class B US\$ Distributing (A)	USD	–	–	–	–	–	–	151.43	152.76	
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class C US\$ Distributing (A)	USD	–	–	–	–	–	–	151.43	152.76	
Class F US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Class F US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–	
Premier Class US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
LM Class US\$ Accumulating	USD	–	–	–	–	–	–	–	–	
Galleon Class	USD	95.23	111.65	79.07	108.46	61.21	90.68	68.29	112.94	

The accompanying notes are an integral part of the Financial Statements

February 2005		February 2006		February 2007		February 2008		February 2009		February 2010	
Lowest Redemption Price	Highest Issue Price										
-	-	-	-	-	-	98.51	101.48	97.85	100.56	99.01	101.39
-	-	-	-	-	-	98.82	100.91	73.07	98.73	66.66	88.95
-	-	-	-	-	-	95.29	100.02	90.40	95.17	-	-
-	-	-	-	-	-	93.81	100.00	72.51	94.12	66.15	87.21
-	-	-	-	-	-	95.42	100.02	68.74	95.30	62.69	83.12
-	-	-	-	-	-	98.12	100.01	72.29	98.02	65.91	87.47
-	-	-	-	-	-	95.37	100.02	68.69	95.25	62.64	83.06
-	-	-	-	-	-	98.82	100.92	73.09	98.73	66.67	88.74
-	-	-	-	-	-	95.30	100.02	68.67	95.18	62.62	83.14
-	-	-	-	-	-	98.42	100.74	72.42	98.33	66.05	87.50
-	-	-	-	-	-	95.27	100.02	68.64	95.15	62.60	82.87
-	-	-	-	-	-	98.44	100.76	72.43	98.34	66.06	87.51
-	-	-	-	-	-	95.31	100.02	68.66	95.19	62.62	82.90
-	-	-	-	-	-	97.17	110.78	89.41	111.41	90.02	109.34
-	-	-	-	-	-	97.17	110.77	85.69	111.40	86.27	103.38
-	-	-	-	-	-	99.12	105.39	84.88	105.99	85.40	103.54
-	-	-	-	-	-	97.13	110.49	87.79	111.11	88.33	107.10
-	-	-	-	-	-	99.11	105.32	84.66	105.91	85.11	103.02
-	-	-	-	-	-	97.10	110.30	85.51	110.91	85.97	103.24
-	-	-	-	-	-	97.22	111.13	90.25	111.77	90.97	110.82
-	-	-	-	-	-	97.22	111.13	85.08	111.77	83.24	99.58
-	-	-	-	-	-	97.15	110.65	89.54	111.28	90.12	109.40
-	-	-	-	-	-	97.15	110.65	84.18	111.28	82.37	98.19
-	-	-	-	-	-	97.15	110.66	89.36	111.28	89.94	109.18
-	-	-	-	-	-	97.15	110.66	84.55	111.28	79.50	94.78
-	-	-	-	-	-	-	-	85.38	103.39	91.91	116.43
-	-	-	-	-	-	-	-	84.53	103.33	89.53	109.50
-	-	-	-	-	-	-	-	-	-	98.70	100.81
-	-	-	-	-	-	-	-	99.85	118.37	109.21	134.36
-	-	-	-	-	-	-	-	99.85	116.28	106.60	117.67
-	-	-	-	-	-	-	-	-	-	0.99	1.12
-	-	-	-	-	-	-	-	85.29	103.37	91.69	115.90
-	-	-	-	-	-	-	-	84.52	103.33	89.52	109.45
-	-	-	-	-	-	-	-	85.16	103.36	91.38	115.15
-	-	-	-	-	-	-	-	84.54	103.33	89.55	109.54
-	-	-	-	-	-	-	-	-	-	98.58	100.00
-	-	-	-	-	-	-	-	-	-	98.44	100.00
-	-	-	-	-	-	-	-	-	-	99.43	100.57
-	-	-	-	-	-	-	-	-	-	98.44	100.00
-	-	-	-	-	-	-	-	85.49	103.37	92.22	117.35
-	-	-	-	-	-	-	-	84.53	103.33	89.52	107.78
-	-	-	-	-	-	-	-	84.97	102.63	91.73	117.37
-	-	-	-	-	-	-	-	-	-	91.20	120.91
-	-	-	-	-	-	-	-	-	-	93.38	119.81
-	-	-	-	-	-	-	-	-	-	91.13	111.18
-	-	-	-	-	-	-	-	-	-	84.01	99.48
-	-	-	-	-	-	-	-	-	-	0.88	1.08
-	-	-	-	-	-	-	-	-	-	85.55	113.23
-	-	-	-	-	-	-	-	-	-	93.30	119.62
-	-	-	-	-	-	-	-	-	-	85.33	112.73
-	-	-	-	-	-	-	-	-	-	93.20	119.43
136.75	169.92	153.53	184.81	158.13	193.59	77.17	106.49	30.72	78.55	27.92	56.19
-	-	-	-	-	-	146.65	202.37	58.37	149.27	53.06	106.77
-	-	-	-	-	-	-	101.98	31.60	66.67	28.45	50.55
-	-	-	-	-	-	-	-	-	-	98.49	109.49
-	-	-	-	-	-	0.67	1.02	0.29	0.67	0.27	0.49
136.48	169.26	152.68	183.14	156.24	190.78	83.72	104.98	33.20	85.17	30.14	60.41
-	-	-	-	-	-	143.77	199.14	57.02	146.22	51.76	103.70
136.18	168.55	151.80	181.70	155.01	189.28	83.72	104.98	33.22	85.16	30.15	60.42
-	-	-	-	-	-	142.65	197.58	56.58	145.08	51.35	102.88
-	-	-	-	-	-	-	-	-	-	93.66	100.00
-	-	-	-	-	-	-	-	-	-	99.38	104.23
-	-	-	-	-	-	-	-	48.43	104.02	44.13	89.47
-	-	-	-	-	-	-	-	-	-	95.44	106.89
96.93	120.85	109.48	131.57	113.94	140.11	107.07	146.82	42.83	109.15	39.03	68.50

The accompanying notes are an integral part of the Financial Statements

10 Year Disclosures for Hong Kong Registered Funds (Unaudited)

– (continued)

		February 2001		February 2002		February 2003		February 2004	
		Lowest Redemption Price	Highest Issue Price						
Legg Mason Capital Management									
Growth Fund									
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class A US\$ Distributing (A)	USD	–	–	–	–	–	–	100.00	101.02
Class A Euro Accumulating	EUR	–	–	–	–	–	–	–	–
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class B US\$ Distributing (A)	USD	–	–	–	–	–	–	100.00	101.04
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class C US\$ Distributing (A)	USD	–	–	–	–	–	–	100.00	101.04
Premier Class US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Legg Mason ClearBridge									
US Appreciation Fund									
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class A US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class A Euro Accumulating	EUR	–	–	–	–	–	–	–	–
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class B US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class C US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class E US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class E US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class F US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class F US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Premier Class US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Premier Class US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class A (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class B (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class L (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Legg Mason ClearBridge									
US Fundamental Value Fund									
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class A US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class B US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class C US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class A (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class B (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class L (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Legg Mason ClearBridge US Large Cap									
Growth Fund									
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class A US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class A Euro Accumulating	EUR	–	–	–	–	–	–	–	–
Class A Euro Distributing (A)	EUR	–	–	–	–	–	–	–	–
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class B US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class C US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class A (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class B (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class L (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Legg Mason ClearBridge									
US Aggressive Growth Fund									
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class A US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class B US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class C US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class A (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class B (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class L (G) US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Legg Mason Royce US Small Cap									
Opportunity Fund									
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class A US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class A Euro Accumulating	EUR	–	–	–	–	–	–	–	–
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class B US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class C US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Legg Mason Royce Smaller									
Companies Fund									
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–

The accompanying notes are an integral part of the Financial Statements

February 2005		February 2006		February 2007		February 2008		February 2009		February 2010	
Lowest Redemption Price	Highest Issue Price										
-	-	-	-	-	-	86.44	113.14	31.85	95.33	32.01	57.60
85.67	109.76	93.59	116.67	94.51	118.97	108.19	141.61	39.82	119.25	39.99	71.78
-	-	-	-	-	-	81.39	99.64	34.78	84.63	37.23	60.03
-	-	-	-	-	-	84.97	104.46	31.16	93.50	31.27	56.01
85.47	109.37	93.05	115.75	93.30	117.14	106.02	138.95	38.86	116.68	38.97	69.66
-	-	-	-	-	-	85.00	104.49	27.71	89.00	27.87	50.04
85.25	108.96	92.50	114.97	92.54	116.18	105.16	137.81	38.54	115.73	38.65	69.09
-	-	-	-	-	-	-	-	40.04	100.00	40.31	72.89
-	-	-	-	-	-	94.55	107.57	61.76	105.10	57.61	88.53
-	-	-	-	-	-	94.63	107.65	61.81	105.18	57.66	88.46
-	-	-	-	-	-	-	-	72.94	100.56	68.42	95.19
-	-	-	-	-	-	91.97	103.85	59.74	102.06	55.72	85.25
-	-	-	-	-	-	94.21	107.29	61.19	104.55	57.07	87.32
-	-	-	-	-	-	91.97	103.85	59.75	102.08	55.73	85.27
-	-	-	-	-	-	94.19	107.28	61.17	104.53	57.06	87.30
-	-	-	-	-	-	-	-	-	-	95.97	100.00
-	-	-	-	-	-	-	-	-	-	95.97	100.00
-	-	-	-	-	-	-	-	-	-	96.02	100.03
-	-	-	-	-	-	-	-	-	-	99.48	103.62
-	-	-	-	-	-	-	-	-	-	95.93	148.03
-	-	-	-	-	-	-	-	-	-	97.68	127.76
-	-	-	-	-	-	94.74	107.72	62.01	105.40	57.84	88.98
-	-	-	-	-	-	94.39	107.44	61.44	104.84	57.30	87.77
-	-	-	-	-	-	94.39	107.44	61.45	104.84	57.31	87.78
-	-	-	-	-	-	86.21	103.83	48.09	94.68	44.21	78.74
-	-	-	-	-	-	86.24	103.87	48.10	94.71	44.22	78.51
-	-	-	-	-	-	91.69	104.51	50.86	100.53	46.76	82.93
-	-	-	-	-	-	85.90	103.72	47.65	94.18	43.80	77.68
-	-	-	-	-	-	91.69	104.52	50.87	100.55	46.76	82.93
-	-	-	-	-	-	85.91	103.73	47.65	94.19	43.80	77.69
-	-	-	-	-	-	86.42	103.90	48.35	94.99	44.45	79.33
-	-	-	-	-	-	86.10	103.78	47.90	94.48	44.03	78.25
-	-	-	-	-	-	86.10	103.78	47.90	94.48	44.03	78.26
-	-	-	-	-	-	91.45	110.77	52.29	98.06	55.48	91.26
-	-	-	-	-	-	91.48	110.81	52.30	98.09	55.50	91.29
-	-	-	-	-	-	-	-	67.90	101.94	71.05	104.28
-	-	-	-	-	-	-	-	94.99	105.10	90.14	100.01
-	-	-	-	-	-	89.74	104.13	51.11	96.10	54.15	88.71
-	-	-	-	-	-	91.12	110.52	51.88	97.57	54.97	90.04
-	-	-	-	-	-	89.77	104.13	51.11	96.13	54.15	88.72
-	-	-	-	-	-	91.11	110.53	51.88	97.56	54.96	90.04
-	-	-	-	-	-	91.66	110.94	52.51	98.35	55.72	91.65
-	-	-	-	-	-	91.32	110.68	52.10	97.85	55.20	90.42
-	-	-	-	-	-	91.32	110.68	52.10	97.85	55.20	90.42
-	-	-	-	-	-	86.97	105.19	45.83	95.57	45.07	80.25
-	-	-	-	-	-	87.01	105.23	45.85	95.62	45.09	80.27
-	-	-	-	-	-	90.36	103.58	47.43	99.15	46.58	82.53
-	-	-	-	-	-	86.68	104.98	45.49	95.10	44.67	79.14
-	-	-	-	-	-	90.38	103.58	47.45	99.18	46.59	82.56
-	-	-	-	-	-	86.67	104.97	45.49	95.09	44.66	79.14
-	-	-	-	-	-	87.18	105.36	46.05	95.89	45.32	80.87
-	-	-	-	-	-	86.86	105.11	45.69	95.37	44.89	79.72
-	-	-	-	-	-	86.86	105.11	45.69	95.37	44.89	79.72
-	-	-	-	-	-	76.23	104.84	35.32	85.47	30.85	77.37
-	-	-	-	273.52	298.96	232.52	319.84	107.46	260.40	93.85	235.14
-	-	-	-	-	-	67.45	100.56	36.78	75.41	32.30	74.40
-	-	-	-	-	-	85.00	101.73	39.12	95.16	34.17	85.33
-	-	-	-	270.06	294.82	228.25	314.78	104.92	255.17	91.62	228.58
-	-	-	-	-	-	85.01	101.75	39.19	95.18	34.22	85.48
-	-	-	-	268.03	292.61	226.54	312.41	104.13	253.25	90.93	226.86
-	-	-	-	-	-	83.41	105.68	45.18	104.00	49.33	91.06

The accompanying notes are an integral part of the Financial Statements

10 Year Disclosures for Hong Kong Registered Funds (Unaudited)

– (continued)

		February 2001		February 2002		February 2003		February 2004	
		Lowest Redemption Price	Highest Issue Price						
Class A US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class A Euro Accumulating	EUR	-	-	-	-	-	-	-	-
Class A GBP Distributing (A)	GBP	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class E US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class E US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class F US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class F US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Premier Class US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Legg Mason PCM US Equity Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class A Euro Accumulating	EUR	-	-	-	-	-	-	-	-
Class A Euro Distributing (A)	EUR	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Legg Mason GC Global Equity Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Legg Mason Batterymarch European Equity Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (A)	USD	-	-	-	-	-	-	131.11	132.12
Class A Euro Accumulating	EUR	-	-	-	-	-	-	-	-
Class A Euro Distributing (A)	EUR	-	-	-	-	93.66	125.30	86.36	134.40
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (A)	USD	-	-	-	-	-	-	131.11	132.12
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (A)	USD	-	-	-	-	-	-	131.11	132.12
Class A (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Legg Mason Batterymarch Asia Pacific Equity Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (A)	USD	-	-	-	-	-	-	100.00	102.01
Class A Euro Accumulating	EUR	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (A)	USD	-	-	-	-	-	-	100.00	102.03
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (A)	USD	-	-	-	-	-	-	100.00	102.04
Class E US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class E US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Legg Mason Batterymarch International Large Cap Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class C US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class A (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class L (G) US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Legg Mason Batterymarch Emerging Markets Equity Fund									
Class A US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class A US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class A Euro Accumulating	EUR	-	-	-	-	-	-	-	-
Class A GBP Distributing (A)	GBP	-	-	-	-	-	-	-	-
Class B US\$ Accumulating	USD	-	-	-	-	-	-	-	-
Class B US\$ Distributing (A)	USD	-	-	-	-	-	-	-	-
Class C US\$ Accumulating	USD	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the Financial Statements

February 2005		February 2006		February 2007		February 2008		February 2009		February 2010	
Lowest Redemption Price	Highest Issue Price										
96.30	120.73	109.44	148.09	132.24	162.37	142.07	180.04	76.84	176.96	83.82	154.48
-	-	-	-	-	-	-	-	60.08	93.27	64.85	114.47
-	-	-	-	-	-	-	-	-	-	99.77	114.05
-	-	-	-	-	-	87.28	101.35	47.10	108.63	51.35	94.39
96.09	120.22	108.75	146.91	130.73	160.14	139.46	176.99	75.11	173.39	81.82	150.13
-	-	-	-	-	-	87.27	101.33	47.08	108.59	51.33	94.36
95.90	119.92	108.25	146.17	129.98	159.27	138.72	176.06	74.72	172.48	81.39	149.35
-	-	-	-	-	-	-	-	-	-	92.95	100.00
-	-	-	-	-	-	-	-	-	-	92.95	100.00
-	-	-	-	-	-	-	-	-	-	93.01	100.00
-	-	-	-	-	-	-	-	-	-	99.70	107.13
-	-	-	-	-	-	-	-	-	-	96.35	108.27
-	-	-	-	-	-	85.96	108.74	46.75	107.36	51.09	94.61
-	-	-	-	-	-	85.63	108.49	46.39	106.76	50.62	93.35
-	-	-	-	-	-	85.63	108.49	46.35	106.71	50.58	93.29
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	94.71	101.67	40.58	97.98	36.05	68.04
-	-	-	-	-	-	94.72	101.67	40.50	97.94	35.98	67.93
-	-	-	-	-	-	91.36	101.02	46.72	92.36	41.80	70.49
-	-	-	-	-	-	91.36	101.02	46.69	92.31	41.78	70.46
-	-	-	-	-	-	94.65	101.64	40.30	97.90	35.79	67.31
-	-	-	-	-	-	94.65	101.64	40.30	97.90	35.79	67.31
-	-	-	-	-	-	94.66	101.65	40.32	97.90	35.82	67.34
-	-	-	-	-	-	94.65	101.64	40.30	97.90	35.79	67.31
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	87.80	105.64	47.18	93.70	44.39	72.92
-	-	-	-	98.48	113.23	100.19	120.57	53.76	106.91	50.57	82.50
-	-	-	-	-	-	88.81	102.34	47.51	94.61	44.64	73.00
-	-	-	-	98.47	112.99	99.46	120.02	53.20	105.97	49.97	81.69
-	-	-	-	-	-	88.79	102.34	47.59	94.67	44.75	73.33
-	-	-	-	98.48	112.99	99.50	120.07	53.22	106.00	50.00	81.72
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	107.81	42.68	100.54	39.25	68.21
123.88	156.50	143.84	196.03	177.05	227.93	197.55	261.83	101.65	240.34	93.48	157.49
-	-	-	-	-	-	124.98	143.06	-	-	-	-
123.85	156.99	144.44	196.83	177.88	229.19	198.04	262.32	81.51	188.42	75.37	110.36
-	-	-	-	-	-	-	103.14	42.45	99.37	39.03	67.57
123.92	156.19	143.41	194.46	175.14	224.80	194.29	257.91	100.96	237.73	92.83	157.30
-	-	-	-	-	-	-	103.13	42.79	100.50	39.35	68.19
123.80	154.94	142.09	193.33	173.74	223.17	192.85	256.11	100.02	235.84	91.96	155.73
-	-	-	-	-	-	-	106.77	42.58	99.53	39.15	68.02
-	-	-	-	-	-	-	106.29	42.13	98.94	38.74	67.08
-	-	-	-	-	-	-	106.31	42.27	98.99	38.87	67.27
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	98.98	148.56	49.36	121.31	49.66	102.00
77.75	108.49	99.76	140.30	126.26	182.86	163.01	293.21	97.36	239.34	97.94	197.68
-	-	-	-	-	-	77.83	101.30	39.93	79.65	40.46	72.23
-	-	-	-	-	-	82.56	103.82	36.31	89.49	36.48	74.63
77.67	108.05	99.25	139.32	125.03	180.64	161.00	288.63	95.31	234.95	95.74	193.92
-	-	-	-	-	-	82.51	103.80	36.30	89.45	36.47	74.60
77.57	107.60	98.74	138.56	124.28	179.65	160.13	287.06	94.80	233.70	95.23	192.87
-	-	-	-	-	-	-	-	-	-	91.62	100.00
-	-	-	-	-	-	-	-	-	-	91.62	100.00
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	86.90	110.86	44.67	100.01	40.76	70.10
-	-	-	-	-	-	86.92	110.88	44.62	99.89	40.71	67.84
-	-	-	-	-	-	84.60	102.17	43.25	97.21	39.46	67.58
-	-	-	-	-	-	86.58	110.57	44.20	99.33	40.32	67.47
-	-	-	-	-	-	84.60	102.16	43.26	97.22	39.46	67.58
-	-	-	-	-	-	86.57	110.57	44.21	99.36	40.33	67.47
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	87.08	111.02	44.83	100.29	40.89	70.20
-	-	-	-	-	-	86.75	110.73	44.41	99.75	40.51	69.24
-	-	-	-	-	-	86.75	110.73	44.41	99.75	40.51	69.25
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	34.98	104.49	36.60	81.53
-	-	-	-	-	-	-	-	39.43	100.00	41.25	91.37
-	-	-	-	-	-	-	-	49.40	100.17	51.24	100.83
-	-	-	-	-	-	-	-	45.53	105.66	51.42	99.89
-	-	-	-	-	-	-	-	39.36	100.00	41.21	91.36
-	-	-	-	-	-	-	-	39.36	100.00	41.21	91.04
-	-	-	-	-	-	-	-	39.36	100.00	41.21	91.41

The accompanying notes are an integral part of the Financial Statements

10 Year Disclosures for Hong Kong Registered Funds (Unaudited)

– (continued)

		February 2001		February 2002		February 2003		February 2004	
		Lowest Redemption Price	Highest Issue Price						
Class C US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class E US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class E US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class F US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class F US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Premier Class US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Premier Class Euro Accumulating	EUR	–	–	–	–	–	–	–	–
LM Class US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Legg Mason Congruix Japan Equity Fund									
Class A US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class A US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class A Euro Accumulating	EUR	–	–	–	–	–	–	–	–
Class A Euro Distributing (A)	EUR	–	–	–	–	–	–	–	–
Class B US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class B US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class C US\$ Accumulating	USD	–	–	–	–	–	–	–	–
Class C US\$ Distributing (A)	USD	–	–	–	–	–	–	–	–
Class A JPY Accumulating	JPY	–	–	–	–	–	–	–	–
Class A JPY Distributing (A)	JPY	–	–	–	–	–	–	–	–
LM Class JPY Accumulating	JPY	–	–	–	–	–	–	–	–

February 2005		February 2006		February 2007		February 2008		February 2009		February 2010	
Lowest Redemption Price	Highest Issue Price										
-	-	-	-	-	-	-	-	39.36	100.00	41.14	90.98
-	-	-	-	-	-	-	-	-	-	91.01	100.00
-	-	-	-	-	-	-	-	-	-	91.01	100.00
-	-	-	-	-	-	-	-	-	-	91.06	100.00
-	-	-	-	-	-	-	-	-	-	96.90	103.82
-	-	-	-	-	-	-	-	34.59	100.68	36.27	81.39
-	-	-	-	-	-	-	-	49.52	100.18	51.32	101.00
-	-	-	-	-	-	-	-	35.34	104.59	37.13	81.38
-	-	-	-	-	-	-	-	65.84	93.61	61.02	95.15
-	-	-	-	-	-	-	-	65.84	93.61	61.02	95.15
-	-	-	-	-	-	-	-	71.66	94.04	67.12	93.18
-	-	-	-	-	-	-	-	71.66	94.04	67.12	92.32
-	-	-	-	-	-	-	-	65.71	93.61	60.89	94.54
-	-	-	-	-	-	-	-	65.71	93.61	60.89	94.54
-	-	-	-	-	-	-	-	65.71	93.61	60.89	94.54
-	-	-	-	-	-	-	-	5,923.59	10,000.00	5,734.50	8,328.91
-	-	-	-	-	-	-	-	5,923.51	10,000.00	5,734.42	8,328.47
-	-	-	-	-	-	-	-	5,960.15	10,000.00	5,773.35	8,445.78

Distribution Statement for Hong Kong Registered Funds – February 28, 2010 (Unaudited)

Legg Mason Western Asset US Money Market Fund

Date	Base Distribution Shares	February 28, 2010 USD
Class A US\$ Distributing (D)		
3/19/2009	Monthly distribution of USD 0.0002 per share	773,874.34
4/23/2009	Monthly distribution of USD 0.0001 per share	383,119.52
5/21/2009	Monthly distribution of USD 0.0000 per share	139,048.30
6/18/2009	Monthly distribution of USD 0.0000 per share	32,773.01
7/23/2009	Monthly distribution of USD 0.0000 per share	84,149.01
7/31/2009	Monthly distribution of USD 0.0000 per share	42,807.47
8/31/2009	Monthly distribution of USD 0.0000 per share	170,187.23
9/30/2009	Monthly distribution of USD 0.0000 per share	165,935.63
10/30/2009	Monthly distribution of USD 0.0000 per share	173,395.92
11/30/2009	Monthly distribution of USD 0.0000 per share	155,569.12
12/31/2009	Monthly distribution of USD 0.0000 per share	179,459.72
1/29/2010	Monthly distribution of USD 0.0000 per share	145,944.49
2/26/2010	Monthly distribution of USD 0.0000 per share	149,171.24

Class B US\$ Distributing (D)

3/19/2009	Monthly distribution of USD 0.0019 per share	4,703.45
4/23/2009	Monthly distribution of USD 0.0001 per share	113.32
5/21/2009	Monthly distribution of USD 0.0000 per share	83.88
6/18/2009	Monthly distribution of USD 0.0000 per share	83.20
7/23/2009	Monthly distribution of USD 0.0000 per share	100.73
7/31/2009	Monthly distribution of USD 0.0000 per share	16.19
8/31/2009	Monthly distribution of USD 0.0000 per share	16.63
9/30/2009	Monthly distribution of USD 0.0000 per share	15.05
10/30/2009	Monthly distribution of USD 0.0000 per share	14.89
11/30/2009	Monthly distribution of USD 0.0000 per share	12.68
12/31/2009	Monthly distribution of USD 0.0000 per share	12.62
1/29/2010	Monthly distribution of USD 0.0000 per share	10.02
2/26/2010	Monthly distribution of USD 0.0000 per share	9.15

Class C US\$ Distributing (D)

3/19/2009	Monthly distribution of USD 0.0008 per share	3,251.74
4/23/2009	Monthly distribution of USD 0.0001 per share	234.77
5/21/2009	Monthly distribution of USD 0.0000 per share	170.71
6/18/2009	Monthly distribution of USD 0.0000 per share	110.79
7/23/2009	Monthly distribution of USD 0.0000 per share	123.66
7/31/2009	Monthly distribution of USD 0.0000 per share	27.80
8/31/2009	Monthly distribution of USD 0.0000 per share	106.75
9/30/2009	Monthly distribution of USD 0.0000 per share	102.65
10/30/2009	Monthly distribution of USD 0.0000 per share	100.88
11/30/2009	Monthly distribution of USD 0.0000 per share	90.12
12/31/2009	Monthly distribution of USD 0.0000 per share	102.40
1/29/2010	Monthly distribution of USD 0.0000 per share	94.65
2/26/2010	Monthly distribution of USD 0.0000 per share	98.33

Class A (G) US\$ Distributing (D)

3/19/2009	Monthly distribution of USD 0.0015 per share	6,367.44
4/23/2009	Monthly distribution of USD 0.0001 per share	311.64
5/21/2009	Monthly distribution of USD 0.0000 per share	97.54
6/18/2009	Monthly distribution of USD 0.0001 per share	230.20
7/23/2009	Monthly distribution of USD 0.0001 per share	289.04
7/31/2009	Monthly distribution of USD 0.0001 per share	1,306.66
8/31/2009	Monthly distribution of USD 0.0001 per share	2,628.04
9/30/2009	Monthly distribution of USD 0.0000 per share	130.08
10/30/2009	Monthly distribution of USD 0.0000 per share	143.37
11/30/2009	Monthly distribution of USD 0.0000 per share	122.90
12/31/2009	Monthly distribution of USD 0.0000 per share	96.83
1/29/2010	Monthly distribution of USD 0.0000 per share	15.32
2/26/2010	Monthly distribution of USD 0.0000 per share	15.40

Class B (G) US\$ Distributing (D)

3/19/2009	Monthly distribution of USD 0.0020 per share	7,011.89
4/23/2009	Monthly distribution of USD 0.0001 per share	322.91
5/21/2009	Monthly distribution of USD 0.0000 per share	98.70
6/18/2009	Monthly distribution of USD 0.0000 per share	137.80

Legg Mason Western Asset US Money Market Fund (continued)

Date	Base Distribution Shares	February 28, 2010 USD
Class B (G) US\$ Distributing (D) (continued)		
7/23/2009	Monthly distribution of USD 0.0001 per share	163.47
7/31/2009	Monthly distribution of USD 0.0000 per share	36.20
8/31/2009	Monthly distribution of USD 0.0000 per share	137.63
9/30/2009	Monthly distribution of USD 0.0000 per share	125.07
10/30/2009	Monthly distribution of USD 0.0000 per share	110.35
11/30/2009	Monthly distribution of USD 0.0000 per share	95.69
12/31/2009	Monthly distribution of USD 0.0000 per share	106.55
1/29/2010	Monthly distribution of USD 0.0000 per share	82.64
2/26/2010	Monthly distribution of USD 0.0000 per share	76.14

Class L (G) US\$ Distributing (D)

3/19/2009	Monthly distribution of USD 0.0013 per share	3,187.70
4/23/2009	Monthly distribution of USD 0.0001 per share	236.24
5/21/2009	Monthly distribution of USD 0.0000 per share	67.47
6/18/2009	Monthly distribution of USD 0.0000 per share	115.57
7/23/2009	Monthly distribution of USD 0.0001 per share	143.62
7/31/2009	Monthly distribution of USD 0.0000 per share	32.75
8/31/2009	Monthly distribution of USD 0.0000 per share	127.18
9/30/2009	Monthly distribution of USD 0.0000 per share	123.39
10/30/2009	Monthly distribution of USD 0.0000 per share	131.68
11/30/2009	Monthly distribution of USD 0.0000 per share	119.32
12/31/2009	Monthly distribution of USD 0.0000 per share	88.44
1/29/2010	Monthly distribution of USD 0.0000 per share	17.85
2/26/2010	Monthly distribution of USD 0.0000 per share	18.05

Legg Mason Western Asset US Core Bond Fund

Date	Base Distribution Shares	February 28, 2010 USD
Class A US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.17 per share	32,104.49
4/20/2009	Monthly distribution of USD 0.26 per share	47,964.51
5/18/2009	Monthly distribution of USD 0.20 per share	30,674.01
6/15/2009	Monthly distribution of USD 0.12 per share	15,027.56
7/20/2009	Monthly distribution of USD 0.16 per share	17,053.35
8/17/2009	Monthly distribution of USD 0.21 per share	22,876.78
9/14/2009	Monthly distribution of USD 0.14 per share	15,506.05
10/19/2009	Monthly distribution of USD 0.12 per share	12,528.05
11/16/2009	Monthly distribution of USD 0.09 per share	9,742.65
12/21/2009	Monthly distribution of USD 0.13 per share	12,688.31
1/15/2010	Monthly distribution of USD 0.08 per share	8,472.13
2/12/2010	Monthly distribution of USD 0.18 per share	17,183.28

Class B US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.16 per share	6,365.57
4/20/2009	Monthly distribution of USD 0.25 per share	9,640.16
5/18/2009	Monthly distribution of USD 0.19 per share	7,011.29
6/15/2009	Monthly distribution of USD 0.11 per share	3,887.12
7/20/2009	Monthly distribution of USD 0.13 per share	4,701.36
8/17/2009	Monthly distribution of USD 0.19 per share	6,427.54
9/14/2009	Monthly distribution of USD 0.13 per share	4,241.72
10/19/2009	Monthly distribution of USD 0.10 per share	3,029.19
11/16/2009	Monthly distribution of USD 0.08 per share	2,318.33
12/21/2009	Monthly distribution of USD 0.10 per share	2,856.56
1/15/2010	Monthly distribution of USD 0.07 per share	1,867.86
2/12/2010	Monthly distribution of USD 0.17 per share	4,491.19

Class C US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.14 per share	7,506.57
4/20/2009	Monthly distribution of USD 0.23 per share	11,678.69
5/18/2009	Monthly distribution of USD 0.17 per share	8,614.00
6/15/2009	Monthly distribution of USD 0.09 per share	4,670.79
7/20/2009	Monthly distribution of USD 0.11 per share	5,556.00
8/17/2009	Monthly distribution of USD 0.18 per share	8,548.51

Distribution Statement for Hong Kong Registered Funds – February 28, 2010 (Unaudited) – (continued)

Legg Mason Western Asset US Core Bond Fund (continued)

Date	Base Distribution Shares	February 28, 2010 USD
Class C US\$ Distributing (D) (continued)		
9/14/2009	Monthly distribution of USD 0.11 per share	5,350.92
10/19/2009	Monthly distribution of USD 0.08 per share	3,598.07
11/16/2009	Monthly distribution of USD 0.06 per share	2,959.63
12/21/2009	Monthly distribution of USD 0.08 per share	4,007.12
1/15/2010	Monthly distribution of USD 0.05 per share	2,696.23
2/12/2010	Monthly distribution of USD 0.15 per share	7,472.96

Legg Mason Western Asset US Core Plus Bond Fund

Date	Base Distribution Shares	February 28, 2010 USD
Class A US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.21 per share	3,199.93
4/20/2009	Monthly distribution of USD 0.36 per share	6,288.42
5/18/2009	Monthly distribution of USD 0.28 per share	4,931.02
6/15/2009	Monthly distribution of USD 0.25 per share	4,179.78
7/20/2009	Monthly distribution of USD 0.33 per share	5,586.25
8/17/2009	Monthly distribution of USD 0.28 per share	4,718.87
9/14/2009	Monthly distribution of USD 0.24 per share	4,215.54
10/19/2009	Monthly distribution of USD 0.29 per share	5,400.82
11/16/2009	Monthly distribution of USD 0.23 per share	4,829.22
12/21/2009	Monthly distribution of USD 0.30 per share	6,395.87
1/15/2010	Monthly distribution of USD 0.22 per share	5,559.73
2/12/2010	Monthly distribution of USD 0.25 per share	8,482.91

Class B US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.19 per share	295.45
4/20/2009	Monthly distribution of USD 0.34 per share	524.18
5/18/2009	Monthly distribution of USD 0.26 per share	407.33
6/15/2009	Monthly distribution of USD 0.24 per share	365.48
7/20/2009	Monthly distribution of USD 0.31 per share	483.98
8/17/2009	Monthly distribution of USD 0.26 per share	403.98
9/14/2009	Monthly distribution of USD 0.22 per share	310.07
10/19/2009	Monthly distribution of USD 0.26 per share	349.17
11/16/2009	Monthly distribution of USD 0.21 per share	328.09
12/21/2009	Monthly distribution of USD 0.27 per share	500.68
1/15/2010	Monthly distribution of USD 0.17 per share	411.05
2/12/2010	Monthly distribution of USD 0.23 per share	475.34

Class C US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.18 per share	8,443.48
4/20/2009	Monthly distribution of USD 0.33 per share	16,006.90
5/18/2009	Monthly distribution of USD 0.25 per share	13,200.42
6/15/2009	Monthly distribution of USD 0.22 per share	11,716.58
7/20/2009	Monthly distribution of USD 0.29 per share	15,540.49
8/17/2009	Monthly distribution of USD 0.24 per share	13,055.75
9/14/2009	Monthly distribution of USD 0.31 per share	11,258.07
10/19/2009	Monthly distribution of USD 0.24 per share	13,045.93
11/16/2009	Monthly distribution of USD 0.19 per share	10,680.95
12/21/2009	Monthly distribution of USD 0.25 per share	13,552.15
1/15/2010	Monthly distribution of USD 0.16 per share	8,204.95
2/12/2010	Monthly distribution of USD 0.21 per share	10,884.56

Class A (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.18 per share	5,435.67
4/20/2009	Monthly distribution of USD 0.34 per share	10,021.61
5/18/2009	Monthly distribution of USD 0.26 per share	7,839.54
6/15/2009	Monthly distribution of USD 0.24 per share	7,043.15
7/20/2009	Monthly distribution of USD 0.31 per share	9,245.60
8/17/2009	Monthly distribution of USD 0.27 per share	7,428.20
9/14/2009	Monthly distribution of USD 0.23 per share	6,650.80
10/19/2009	Monthly distribution of USD 0.26 per share	7,987.99
11/16/2009	Monthly distribution of USD 0.20 per share	6,488.78
12/21/2009	Monthly distribution of USD 0.26 per share	8,615.89

Legg Mason Western Asset US Core Plus Bond Fund (continued)

Date	Base Distribution Shares	February 28, 2010 USD
Class A (G) US\$ Distributing (D) (continued)		
1/15/2010	Monthly distribution of USD 0.17 per share	5,582.65
2/12/2010	Monthly distribution of USD 0.25 per share	8,271.48
Class B (G) US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.15 per share	8,661.27
4/20/2009	Monthly distribution of USD 0.30 per share	17,080.68
5/18/2009	Monthly distribution of USD 0.23 per share	13,107.82
6/15/2009	Monthly distribution of USD 0.20 per share	11,296.29
7/20/2009	Monthly distribution of USD 0.27 per share	14,882.17
8/17/2009	Monthly distribution of USD 0.25 per share	13,233.85
9/14/2009	Monthly distribution of USD 0.19 per share	9,989.09
10/19/2009	Monthly distribution of USD 0.21 per share	10,547.46
11/16/2009	Monthly distribution of USD 0.17 per share	8,140.48
12/21/2009	Monthly distribution of USD 0.21 per share	9,752.53
1/15/2010	Monthly distribution of USD 0.14 per share	6,043.41
2/12/2010	Monthly distribution of USD 0.21 per share	9,255.65

Class L (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.15 per share	9,055.67
4/20/2009	Monthly distribution of USD 0.30 per share	17,809.12
5/18/2009	Monthly distribution of USD 0.23 per share	13,460.05
6/15/2009	Monthly distribution of USD 0.20 per share	10,895.44
7/20/2009	Monthly distribution of USD 0.27 per share	14,628.69
8/17/2009	Monthly distribution of USD 0.25 per share	13,153.28
9/14/2009	Monthly distribution of USD 0.19 per share	10,131.09
10/19/2009	Monthly distribution of USD 0.21 per share	11,006.74
11/16/2009	Monthly distribution of USD 0.17 per share	7,998.74
12/21/2009	Monthly distribution of USD 0.21 per share	10,052.19
1/15/2010	Monthly distribution of USD 0.14 per share	6,296.71
2/12/2010	Monthly distribution of USD 0.21 per share	9,614.25

Legg Mason Western Asset Euro Core Plus Bond Fund

Date	Base Distribution Shares	February 28, 2010 EUR
Class A Eur Distributing (D)		
3/16/2009	Monthly distribution of EUR 0.26 per share	6,272.82
4/20/2009	Monthly distribution of EUR 0.31 per share	7,729.72
5/18/2009	Monthly distribution of EUR 0.23 per share	5,893.31
6/15/2009	Monthly distribution of EUR 0.14 per share	3,604.60
7/20/2009	Monthly distribution of EUR 0.19 per share	5,435.58
8/17/2009	Monthly distribution of EUR 0.14 per share	4,055.36
9/14/2009	Monthly distribution of EUR 0.12 per share	3,511.96
10/19/2009	Monthly distribution of EUR 0.18 per share	5,317.84
11/16/2009	Monthly distribution of EUR 0.12 per share	3,658.83
12/21/2009	Monthly distribution of EUR 0.19 per share	5,888.66
1/15/2010	Monthly distribution of EUR 0.13 per share	3,638.44
2/12/2010	Monthly distribution of EUR 0.14 per share	4,030.40

Class A USD Distributing (D)

3/16/2009	Monthly distribution of EUR 0.25 per share (USD class)	6,114.99
4/20/2009	Monthly distribution of EUR 0.33 per share (USD class)	7,845.84
5/18/2009	Monthly distribution of EUR 0.23 per share (USD class)	5,580.52
6/15/2009	Monthly distribution of EUR 0.14 per share (USD class)	3,603.12
7/20/2009	Monthly distribution of EUR 0.19 per share (USD class)	4,749.25
8/17/2009	Monthly distribution of EUR 0.14 per share (USD class)	3,511.25
9/14/2009	Monthly distribution of EUR 0.13 per share (USD class)	3,068.40
10/19/2009	Monthly distribution of EUR 0.17 per share (USD class)	3,942.29
11/16/2009	Monthly distribution of EUR 0.12 per share (USD class)	2,824.60
12/21/2009	Monthly distribution of EUR 0.19 per share (USD class)	4,631.52
1/15/2010	Monthly distribution of EUR 0.12 per share (USD class)	3,007.38
2/12/2010	Monthly distribution of EUR 0.11 per share (USD class)	3,236.37

Distribution Statement for Hong Kong Registered Funds – February 28, 2010 (Unaudited) – (continued)

Legg Mason Western Asset Euro Core Plus Bond Fund (continued)

Date	Base Distribution Shares	February 28, 2010 EUR
Class B USD Distributing (D)		
3/16/2009	Monthly distribution of EUR 0.25 per share (USD class)	5,536.08
4/20/2009	Monthly distribution of EUR 0.30 per share (USD class)	6,807.93
5/18/2009	Monthly distribution of EUR 0.21 per share (USD class)	4,652.44
6/15/2009	Monthly distribution of EUR 0.12 per share (USD class)	2,585.51
7/20/2009	Monthly distribution of EUR 0.17 per share (USD class)	3,596.75
8/17/2009	Monthly distribution of EUR 0.13 per share (USD class)	2,610.69
9/14/2009	Monthly distribution of EUR 0.11 per share (USD class)	2,294.19
10/19/2009	Monthly distribution of EUR 0.15 per share (USD class)	3,021.03
11/16/2009	Monthly distribution of EUR 0.10 per share (USD class)	2,072.61
12/21/2009	Monthly distribution of EUR 0.17 per share (USD class)	3,212.86
1/15/2010	Monthly distribution of EUR 0.11 per share (USD class)	2,057.63
2/12/2010	Monthly distribution of EUR 0.10 per share (USD class)	2,377.43
Class C USD Distributing (D)		
3/16/2009	Monthly distribution of EUR 0.22 per share (USD class)	7,263.99
4/20/2009	Monthly distribution of EUR 0.29 per share (USD class)	9,346.19
5/18/2009	Monthly distribution of EUR 0.20 per share (USD class)	6,569.17
6/15/2009	Monthly distribution of EUR 0.11 per share (USD class)	3,636.51
7/20/2009	Monthly distribution of EUR 0.15 per share (USD class)	4,812.02
8/17/2009	Monthly distribution of EUR 0.11 per share (USD class)	3,359.41
9/14/2009	Monthly distribution of EUR 0.10 per share (USD class)	2,786.53
10/19/2009	Monthly distribution of EUR 0.13 per share (USD class)	3,510.08
11/16/2009	Monthly distribution of EUR 0.09 per share (USD class)	2,357.48
12/21/2009	Monthly distribution of EUR 0.14 per share (USD class)	3,955.94
1/15/2010	Monthly distribution of EUR 0.09 per share (USD class)	2,586.04
2/12/2010	Monthly distribution of EUR 0.09 per share (USD class)	2,985.75

Legg Mason Western Asset Diversified Strategic Income Fund

Date	Base Distribution Shares	February 28, 2010 USD
Class A US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.34 per share	61,259.06
4/20/2009	Monthly distribution of USD 0.75 per share	129,854.78
5/18/2009	Monthly distribution of USD 0.33 per share	59,682.24
6/15/2009	Monthly distribution of USD 0.30 per share	56,066.47
7/20/2009	Monthly distribution of USD 0.51 per share	95,553.57
8/17/2009	Monthly distribution of USD 0.27 per share	49,551.40
9/14/2009	Monthly distribution of USD 0.24 per share	43,645.49
10/19/2009	Monthly distribution of USD 0.60 per share	106,111.59
11/16/2009	Monthly distribution of USD 0.24 per share	42,463.24
12/21/2009	Monthly distribution of USD 0.29 per share	51,731.38
1/15/2010	Monthly distribution of USD 0.42 per share	74,617.82
2/12/2010	Monthly distribution of USD 0.19 per share	34,763.45
Class A US\$ Distributing (M)		
3/16/2009	Monthly distribution of USD 0.38 per share	1,274.15
4/20/2009	Monthly distribution of USD 0.83 per share	2,246.41
5/18/2009	Monthly distribution of USD 0.35 per share	772.31
6/15/2009	Monthly distribution of USD 0.30 per share	651.81
7/20/2009	Monthly distribution of USD 0.58 per share	1,267.42
8/17/2009	Monthly distribution of USD 0.29 per share	643.78
9/14/2009	Monthly distribution of USD 0.27 per share	586.63
10/19/2009	Monthly distribution of USD 0.67 per share	1,655.96
11/16/2009	Monthly distribution of USD 0.06 per share	75.08
12/21/2009	Monthly distribution of USD 0.33 per share	399.44
1/15/2010	Monthly distribution of USD 0.48 per share	593.35
2/12/2010	Monthly distribution of USD 0.31 per share	540.57
Class A Euro Distributing (M) Hedged		
3/16/2009	Monthly distribution of USD 0.56 per share (EUR class)	7.96
4/20/2009	Monthly distribution of USD 1.25 per share (EUR class)	19.13
5/18/2009	Monthly distribution of USD 0.52 per share (EUR class)	8.10
6/15/2009	Monthly distribution of USD 0.45 per share (EUR class)	7.00

Legg Mason Western Asset Diversified Strategic Income Fund (continued)

Date	Base Distribution Shares	February 28, 2010 USD
Class A Euro Distributing (M) Hedged (continued)		
7/20/2009	Monthly distribution of USD 0.90 per share (EUR class)	16.17
8/17/2009	Monthly distribution of USD 0.44 per share (EUR class)	8.44
9/14/2009	Monthly distribution of USD 0.39 per share (EUR class)	7.56
10/19/2009	Monthly distribution of USD 1.03 per share (EUR class)	22.32
11/16/2009	Monthly distribution of USD 0.40 per share (EUR class)	9.11
12/21/2009	Monthly distribution of USD 0.44 per share (EUR class)	10.50
1/15/2010	Monthly distribution of USD 0.75 per share (EUR class)	18.04
2/12/2010	Monthly distribution of USD 0.32 per share (EUR class)	8.16
Class B US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.33 per share	56,449.48
4/20/2009	Monthly distribution of USD 0.73 per share	121,167.39
5/18/2009	Monthly distribution of USD 0.31 per share	49,269.68
6/15/2009	Monthly distribution of USD 0.28 per share	41,766.26
7/20/2009	Monthly distribution of USD 0.48 per share	69,512.16
8/17/2009	Monthly distribution of USD 0.25 per share	34,738.15
9/14/2009	Monthly distribution of USD 0.22 per share	28,024.06
10/19/2009	Monthly distribution of USD 0.58 per share	72,122.13
11/16/2009	Monthly distribution of USD 0.22 per share	27,453.07
12/21/2009	Monthly distribution of USD 0.27 per share	32,195.90
1/15/2010	Monthly distribution of USD 0.40 per share	45,580.71
2/12/2010	Monthly distribution of USD 0.18 per share	19,903.57
Class C US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.32 per share	37,395.70
4/20/2009	Monthly distribution of USD 0.71 per share	81,047.95
5/18/2009	Monthly distribution of USD 0.30 per share	32,559.25
6/15/2009	Monthly distribution of USD 0.27 per share	28,933.75
7/20/2009	Monthly distribution of USD 0.46 per share	48,034.56
8/17/2009	Monthly distribution of USD 0.23 per share	23,863.23
9/14/2009	Monthly distribution of USD 0.20 per share	20,949.48
10/19/2009	Monthly distribution of USD 0.56 per share	57,400.89
11/16/2009	Monthly distribution of USD 0.21 per share	21,297.59
12/21/2009	Monthly distribution of USD 0.25 per share	24,661.41
1/15/2010	Monthly distribution of USD 0.39 per share	38,140.96
2/12/2010	Monthly distribution of USD 0.16 per share	15,893.82
Class A (G) US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.35 per share	38,999.97
4/20/2009	Monthly distribution of USD 0.77 per share	85,624.57
5/18/2009	Monthly distribution of USD 0.34 per share	38,519.27
6/15/2009	Monthly distribution of USD 0.30 per share	35,746.41
7/20/2009	Monthly distribution of USD 0.51 per share	61,519.21
8/17/2009	Monthly distribution of USD 0.27 per share	32,896.44
9/14/2009	Monthly distribution of USD 0.25 per share	29,868.65
10/19/2009	Monthly distribution of USD 0.62 per share	75,647.17
11/16/2009	Monthly distribution of USD 0.25 per share	30,690.45
12/21/2009	Monthly distribution of USD 0.30 per share	37,721.66
1/15/2010	Monthly distribution of USD 0.43 per share	54,012.00
2/12/2010	Monthly distribution of USD 0.20 per share	25,638.65
Class B (G) US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.33 per share	35,212.53
4/20/2009	Monthly distribution of USD 0.73 per share	75,345.17
5/18/2009	Monthly distribution of USD 0.31 per share	30,757.14
6/15/2009	Monthly distribution of USD 0.28 per share	26,665.65
7/20/2009	Monthly distribution of USD 0.47 per share	44,075.55
8/17/2009	Monthly distribution of USD 0.24 per share	22,142.95
9/14/2009	Monthly distribution of USD 0.21 per share	18,958.55
10/19/2009	Monthly distribution of USD 0.57 per share	50,139.55
11/16/2009	Monthly distribution of USD 0.21 per share	18,440.22
12/21/2009	Monthly distribution of USD 0.26 per share	21,722.53
1/15/2010	Monthly distribution of USD 0.40 per share	33,039.49
2/12/2010	Monthly distribution of USD 0.17 per share	13,514.50

Distribution Statement for Hong Kong Registered Funds – February 28, 2010 (Unaudited) – (continued)

Legg Mason Western Asset Diversified Strategic Income Fund (continued)

Date	Base Distribution Shares	February 28, 2010 USD
Class L (G) US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.33 per share	13,744.37
4/20/2009	Monthly distribution of USD 0.73 per share	30,838.78
5/18/2009	Monthly distribution of USD 0.31 per share	12,968.12
6/15/2009	Monthly distribution of USD 0.28 per share	11,349.64
7/20/2009	Monthly distribution of USD 0.47 per share	18,549.80
8/17/2009	Monthly distribution of USD 0.24 per share	9,419.88
9/14/2009	Monthly distribution of USD 0.21 per share	8,191.67
10/19/2009	Monthly distribution of USD 0.57 per share	21,903.65
11/16/2009	Monthly distribution of USD 0.21 per share	8,099.72
12/21/2009	Monthly distribution of USD 0.25 per share	9,204.81
1/15/2010	Monthly distribution of USD 0.40 per share	12,105.43
2/12/2010	Monthly distribution of USD 0.17 per share	4,852.86

Legg Mason Western Asset Global Multi Strategy Fund

Date	Base Distribution Shares	February 28, 2010 USD
Class A US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.52 per share	442,651.15
4/20/2009	Monthly distribution of USD 0.80 per share	547,507.21
5/18/2009	Monthly distribution of USD 0.56 per share	379,497.43
6/15/2009	Monthly distribution of USD 0.49 per share	319,006.70
7/20/2009	Monthly distribution of USD 0.66 per share	435,783.71
8/17/2009	Monthly distribution of USD 0.46 per share	304,448.66
9/14/2009	Monthly distribution of USD 0.43 per share	290,567.10
10/19/2009	Monthly distribution of USD 0.74 per share	549,624.16
11/16/2009	Monthly distribution of USD 0.45 per share	351,677.92
12/21/2009	Monthly distribution of USD 0.58 per share	476,342.23
1/15/2010	Monthly distribution of USD 0.54 per share	462,902.95
2/12/2010	Monthly distribution of USD 0.39 per share	347,375.08

Class A US\$ Distributing (M)

3/16/2009	Monthly distribution of USD 0.45 per share	99,420.95
4/20/2009	Monthly distribution of USD 0.69 per share	157,600.52
5/18/2009	Monthly distribution of USD 0.46 per share	106,871.66
6/15/2009	Monthly distribution of USD 0.42 per share	80,469.24
7/20/2009	Monthly distribution of USD 0.56 per share	110,366.73
8/17/2009	Monthly distribution of USD 0.39 per share	75,919.75
9/14/2009	Monthly distribution of USD 0.36 per share	73,615.88
10/19/2009	Monthly distribution of USD 0.62 per share	130,902.65
11/16/2009	Monthly distribution of USD 0.39 per share	82,055.62
12/21/2009	Monthly distribution of USD 0.45 per share	98,020.20
1/15/2010	Monthly distribution of USD 0.50 per share	108,251.32
2/12/2010	Monthly distribution of USD 0.33 per share	75,181.28

Class A Euro Distributing (M) Hedged

3/16/2009	Monthly distribution of USD 0.55 per share (EUR class)	20,758.45
4/20/2009	Monthly distribution of USD 0.89 per share (EUR class)	33,664.22
5/18/2009	Monthly distribution of USD 0.59 per share (EUR class)	22,949.73
6/15/2009	Monthly distribution of USD 0.57 per share (EUR class)	38,652.43
7/20/2009	Monthly distribution of USD 0.76 per share (EUR class)	52,975.22
8/17/2009	Monthly distribution of USD 0.53 per share (EUR class)	37,210.77
9/14/2009	Monthly distribution of USD 0.50 per share (EUR class)	34,804.72
10/19/2009	Monthly distribution of USD 0.88 per share (EUR class)	28,081.46
11/16/2009	Monthly distribution of USD 0.56 per share (EUR class)	19,309.02
12/21/2009	Monthly distribution of USD 0.65 per share (EUR class)	23,026.12
1/15/2010	Monthly distribution of USD 0.69 per share (EUR class)	25,873.44
2/12/2010	Monthly distribution of USD 0.44 per share (EUR class)	16,918.36

Class A GBP Distributing (M) Hedged

3/16/2009	Monthly distribution of USD 0.66 per share (GBP class)	78,577.95
4/20/2009	Monthly distribution of USD 1.04 per share (GBP class)	143,134.66
5/18/2009	Monthly distribution of USD 0.72 per share (GBP class)	107,455.02
6/15/2009	Monthly distribution of USD 0.71 per share (GBP class)	122,580.90

Legg Mason Western Asset Global Multi Strategy Fund (continued)

Date	Base Distribution Shares	February 28, 2010 USD
Class A GBP Distributing (M) Hedged (continued)		
7/20/2009	Monthly distribution of USD 0.96 per share (GBP class)	188,232.59
8/17/2009	Monthly distribution of USD 0.67 per share (GBP class)	143,753.66
9/14/2009	Monthly distribution of USD 0.62 per share (GBP class)	144,416.00
10/19/2009	Monthly distribution of USD 1.05 per share (GBP class)	317,184.13
11/16/2009	Monthly distribution of USD 0.67 per share (GBP class)	229,308.45
12/21/2009	Monthly distribution of USD 0.78 per share (GBP class)	353,704.06
1/15/2010	Monthly distribution of USD 0.84 per share (GBP class)	410,100.11
2/12/2010	Monthly distribution of USD 0.55 per share (GBP class)	304,788.43
Class A SGD Distributing (Q) Hedged		
6/15/2009	Quarterly distribution of USD 0.00 per share (SGD class)	–
9/14/2009	Quarterly distribution of USD 0.01 per share (SGD class)	8,514.26
12/21/2009	Quarterly distribution of USD 0.01 per share (SGD class)	21,581.71

Class B US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.50 per share	109,077.50
4/20/2009	Monthly distribution of USD 0.77 per share	161,064.06
5/18/2009	Monthly distribution of USD 0.54 per share	110,154.24
6/15/2009	Monthly distribution of USD 0.47 per share	93,827.37
7/20/2009	Monthly distribution of USD 0.63 per share	126,265.81
8/17/2009	Monthly distribution of USD 0.43 per share	85,862.12
9/14/2009	Monthly distribution of USD 0.40 per share	78,238.51
10/19/2009	Monthly distribution of USD 0.71 per share	136,556.98
11/16/2009	Monthly distribution of USD 0.43 per share	82,572.16
12/21/2009	Monthly distribution of USD 0.55 per share	104,320.03
1/15/2010	Monthly distribution of USD 0.52 per share	99,049.70
2/12/2010	Monthly distribution of USD 0.37 per share	69,565.24

Class C US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.49 per share	530,787.97
4/20/2009	Monthly distribution of USD 0.75 per share	810,669.11
5/18/2009	Monthly distribution of USD 0.52 per share	557,273.89
6/15/2009	Monthly distribution of USD 0.45 per share	469,740.33
7/20/2009	Monthly distribution of USD 0.61 per share	639,070.50
8/17/2009	Monthly distribution of USD 0.41 per share	434,545.04
9/14/2009	Monthly distribution of USD 0.38 per share	408,260.92
10/19/2009	Monthly distribution of USD 0.68 per share	737,375.65
11/16/2009	Monthly distribution of USD 0.41 per share	444,795.69
12/21/2009	Monthly distribution of USD 0.52 per share	566,685.28
1/15/2010	Monthly distribution of USD 0.50 per share	547,728.21
2/12/2010	Monthly distribution of USD 0.34 per share	380,652.27

Class E US\$ Distributing (D)

2/12/2010	Monthly distribution of USD 0.21 per share	2.05
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Class F US\$ Distributing (D)

2/12/2010	Monthly distribution of USD 0.29 per share	2.89
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Premier Class US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.49 per share	10,756.85
4/20/2009	Monthly distribution of USD 0.73 per share	14,662.42
5/18/2009	Monthly distribution of USD 0.53 per share	10,492.92
6/15/2009	Monthly distribution of USD 0.46 per share	8,793.17
7/20/2009	Monthly distribution of USD 0.63 per share	11,609.79
8/17/2009	Monthly distribution of USD 0.45 per share	8,242.30
9/14/2009	Monthly distribution of USD 0.42 per share	7,808.81
10/19/2009	Monthly distribution of USD 0.70 per share	13,010.99
11/16/2009	Monthly distribution of USD 0.45 per share	8,410.73
12/21/2009	Monthly distribution of USD 0.57 per share	10,261.10
1/15/2010	Monthly distribution of USD 0.51 per share	8,729.31
2/12/2010	Monthly distribution of USD 0.39 per share	6,706.64

Premier Class US\$ Distributing (M)

3/16/2009	Monthly distribution of USD 0.61 per share	8,458.77
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Distribution Statement for Hong Kong Registered Funds – February 28, 2010 (Unaudited) – (continued)

Legg Mason Western Asset Global Multi Strategy Fund (continued)

Date	Base Distribution Shares	February 28, 2010 USD
Premier Class US\$ Distributing (M) (continued)		
4/20/2009	Monthly distribution of USD 0.92 per share	12,864.25
5/18/2009	Monthly distribution of USD 0.63 per share	8,922.01
6/15/2009	Monthly distribution of USD 0.58 per share	13,866.25
7/20/2009	Monthly distribution of USD 0.78 per share	26,104.45
8/17/2009	Monthly distribution of USD 0.55 per share	18,339.35
9/14/2009	Monthly distribution of USD 0.52 per share	23,395.44
10/19/2009	Monthly distribution of USD 0.86 per share	39,128.55
11/16/2009	Monthly distribution of USD 0.55 per share	26,199.10
12/21/2009	Monthly distribution of USD 0.66 per share	34,073.87
1/15/2010	Monthly distribution of USD 0.69 per share	37,424.12
2/12/2010	Monthly distribution of USD 0.48 per share	27,090.99
Premier Class GBP Distributing (M) Hedged		
3/16/2009	Monthly distribution of USD 0.71 per share (GBP class)	265,169.53
4/20/2009	Monthly distribution of USD 1.11 per share (GBP class)	416,192.45
5/18/2009	Monthly distribution of USD 0.78 per share (GBP class)	296,022.51
6/15/2009	Monthly distribution of USD 0.78 per share (GBP class)	303,343.94
7/20/2009	Monthly distribution of USD 1.06 per share (GBP class)	425,355.48
8/17/2009	Monthly distribution of USD 0.75 per share (GBP class)	314,363.01
9/14/2009	Monthly distribution of USD 0.70 per share (GBP class)	299,235.47
10/19/2009	Monthly distribution of USD 1.15 per share (GBP class)	496,357.57
11/16/2009	Monthly distribution of USD 0.76 per share (GBP class)	341,756.97
12/21/2009	Monthly distribution of USD 0.90 per share (GBP class)	420,203.71
1/15/2010	Monthly distribution of USD 0.92 per share (GBP class)	438,584.50
2/12/2010	Monthly distribution of USD 0.64 per share (GBP class)	305,776.68

Legg Mason Western Asset US High Yield Fund

Date	Base Distribution Shares	February 28, 2010 USD
Class A US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.65 per share	114,534.75
4/20/2009	Monthly distribution of USD 0.59 per share	108,422.65
5/18/2009	Monthly distribution of USD 0.64 per share	130,172.30
6/15/2009	Monthly distribution of USD 0.57 per share	128,442.82
7/20/2009	Monthly distribution of USD 0.70 per share	178,446.38
8/17/2009	Monthly distribution of USD 0.53 per share	147,672.92
9/14/2009	Monthly distribution of USD 0.51 per share	154,319.57
10/19/2009	Monthly distribution of USD 0.67 per share	209,193.07
11/16/2009	Monthly distribution of USD 0.53 per share	158,061.73
12/21/2009	Monthly distribution of USD 0.69 per share	233,832.30
1/15/2010	Monthly distribution of USD 0.60 per share	209,619.36
2/12/2010	Monthly distribution of USD 0.50 per share	174,614.80
LM Class US\$ Distributing (M)		
3/16/2009	Monthly distribution of USD 0.83 per share	25,730.56
4/20/2009	Monthly distribution of USD 0.76 per share	81,298.85
5/18/2009	Monthly distribution of USD 0.73 per share	77,683.22
6/15/2009	Monthly distribution of USD 0.72 per share	76,668.65
7/20/2009	Monthly distribution of USD 0.89 per share	180,179.69
8/17/2009	Monthly distribution of USD 0.67 per share	134,989.04
9/14/2009	Monthly distribution of USD 0.64 per share	142,799.89
10/19/2009	Monthly distribution of USD 0.85 per share	188,775.68
11/16/2009	Monthly distribution of USD 0.68 per share	151,249.57
12/21/2009	Monthly distribution of USD 0.82 per share	106,604.78
1/15/2010	Monthly distribution of USD 0.78 per share	101,238.69
2/12/2010	Monthly distribution of USD 0.68 per share	88,616.51
Class B US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.64 per share	34,958.53
4/20/2009	Monthly distribution of USD 0.56 per share	30,183.94
5/18/2009	Monthly distribution of USD 0.63 per share	32,692.60
6/15/2009	Monthly distribution of USD 0.55 per share	29,909.85
7/20/2009	Monthly distribution of USD 0.69 per share	38,971.41

Legg Mason Western Asset US High Yield Fund (continued)

Date	Base Distribution Shares	February 28, 2010 USD
Class B US\$ Distributing (D) (continued)		
8/17/2009	Monthly distribution of USD 0.51 per share	28,645.91
9/14/2009	Monthly distribution of USD 0.49 per share	27,272.04
10/19/2009	Monthly distribution of USD 0.65 per share	35,092.20
11/16/2009	Monthly distribution of USD 0.51 per share	27,341.59
12/21/2009	Monthly distribution of USD 0.67 per share	36,410.31
1/15/2010	Monthly distribution of USD 0.59 per share	35,730.10
2/12/2010	Monthly distribution of USD 0.49 per share	29,960.16
Class C US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.63 per share	47,327.75
4/20/2009	Monthly distribution of USD 0.55 per share	41,034.51
5/18/2009	Monthly distribution of USD 0.61 per share	46,841.54
6/15/2009	Monthly distribution of USD 0.54 per share	42,379.16
7/20/2009	Monthly distribution of USD 0.67 per share	54,918.66
8/17/2009	Monthly distribution of USD 0.50 per share	40,839.55
9/14/2009	Monthly distribution of USD 0.48 per share	39,551.08
10/19/2009	Monthly distribution of USD 0.64 per share	52,801.29
11/16/2009	Monthly distribution of USD 0.50 per share	44,488.54
12/21/2009	Monthly distribution of USD 0.64 per share	57,906.32
1/15/2010	Monthly distribution of USD 0.57 per share	51,300.23
2/12/2010	Monthly distribution of USD 0.46 per share	41,371.76
Class A (G) US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.65 per share	66,685.73
4/20/2009	Monthly distribution of USD 0.58 per share	58,730.20
5/18/2009	Monthly distribution of USD 0.64 per share	64,770.43
6/15/2009	Monthly distribution of USD 0.56 per share	58,204.97
7/20/2009	Monthly distribution of USD 0.70 per share	69,928.02
8/17/2009	Monthly distribution of USD 0.53 per share	53,141.82
9/14/2009	Monthly distribution of USD 0.51 per share	52,537.22
10/19/2009	Monthly distribution of USD 0.67 per share	69,960.12
11/16/2009	Monthly distribution of USD 0.53 per share	55,533.45
12/21/2009	Monthly distribution of USD 0.69 per share	72,639.84
1/15/2010	Monthly distribution of USD 0.60 per share	64,536.36
2/12/2010	Monthly distribution of USD 0.50 per share	53,752.88
Class B (G) US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.63 per share	52,367.70
4/20/2009	Monthly distribution of USD 0.56 per share	44,917.93
5/18/2009	Monthly distribution of USD 0.61 per share	49,150.95
6/15/2009	Monthly distribution of USD 0.54 per share	41,795.82
7/20/2009	Monthly distribution of USD 0.67 per share	50,008.59
8/17/2009	Monthly distribution of USD 0.50 per share	35,118.24
9/14/2009	Monthly distribution of USD 0.48 per share	32,555.09
10/19/2009	Monthly distribution of USD 0.64 per share	42,343.34
11/16/2009	Monthly distribution of USD 0.50 per share	32,213.13
12/21/2009	Monthly distribution of USD 0.65 per share	40,410.54
1/15/2010	Monthly distribution of USD 0.58 per share	34,628.41
2/12/2010	Monthly distribution of USD 0.47 per share	26,422.00
Class L (G) US\$ Distributing (D)		
3/16/2009	Monthly distribution of USD 0.63 per share	87,938.17
4/20/2009	Monthly distribution of USD 0.56 per share	76,990.91
5/18/2009	Monthly distribution of USD 0.61 per share	84,713.64
6/15/2009	Monthly distribution of USD 0.54 per share	74,112.53
7/20/2009	Monthly distribution of USD 0.67 per share	91,025.24
8/17/2009	Monthly distribution of USD 0.50 per share	67,467.12
9/14/2009	Monthly distribution of USD 0.48 per share	65,016.77
10/19/2009	Monthly distribution of USD 0.63 per share	82,743.35
11/16/2009	Monthly distribution of USD 0.50 per share	62,057.99
12/21/2009	Monthly distribution of USD 0.65 per share	80,031.37
1/15/2010	Monthly distribution of USD 0.57 per share	68,597.93
2/12/2010	Monthly distribution of USD 0.47 per share	56,154.85

Distribution Statement for Hong Kong Registered Funds – February 28, 2010 (Unaudited) – (continued)

Legg Mason Western Asset US High Yield Fund (continued)

Date	Base Distribution Shares	February 28, 2010 USD
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Class E US\$ Distributing (D)

2/12/2010	Monthly distribution of USD 0.56 per share	5.63
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Legg Mason Western Asset Emerging Markets Bond Fund

Date	Base Distribution Shares	February 28, 2010 USD
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Class A US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.54 per share	39,575.43
4/20/2009	Monthly distribution of USD 0.68 per share	47,279.24
5/18/2009	Monthly distribution of USD 0.55 per share	37,591.51
6/15/2009	Monthly distribution of USD 0.53 per share	35,753.76
7/20/2009	Monthly distribution of USD 0.61 per share	42,871.63
8/17/2009	Monthly distribution of USD 0.47 per share	34,437.58
9/14/2009	Monthly distribution of USD 0.47 per share	38,505.63
10/19/2009	Monthly distribution of USD 0.59 per share	62,984.22
11/16/2009	Monthly distribution of USD 0.46 per share	56,348.04
12/21/2009	Monthly distribution of USD 0.63 per share	73,652.42
1/15/2010	Monthly distribution of USD 0.39 per share	45,136.74
2/12/2010	Monthly distribution of USD 0.46 per share	60,833.41

Class A US\$ Distributing (M)

3/16/2009	Monthly distribution of USD 0.50 per share	1,674.95
4/20/2009	Monthly distribution of USD 0.63 per share	2,109.73
5/18/2009	Monthly distribution of USD 0.51 per share	1,437.50
6/15/2009	Monthly distribution of USD 0.49 per share	2,186.18
7/20/2009	Monthly distribution of USD 0.59 per share	16,089.32
8/17/2009	Monthly distribution of USD 0.43 per share	13,058.00
9/14/2009	Monthly distribution of USD 0.43 per share	11,526.16
10/19/2009	Monthly distribution of USD 0.51 per share	8,325.99
11/16/2009	Monthly distribution of USD 0.41 per share	4,839.98
12/21/2009	Monthly distribution of USD 0.52 per share	6,312.12
1/15/2010	Monthly distribution of USD 0.42 per share	5,222.41
2/12/2010	Monthly distribution of USD 0.41 per share	4,645.46

Class B US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.52 per share	11,884.87
4/20/2009	Monthly distribution of USD 0.66 per share	13,439.25
5/18/2009	Monthly distribution of USD 0.54 per share	11,088.08
6/15/2009	Monthly distribution of USD 0.50 per share	10,585.52
7/20/2009	Monthly distribution of USD 0.59 per share	12,362.03
8/17/2009	Monthly distribution of USD 0.45 per share	9,565.28
9/14/2009	Monthly distribution of USD 0.45 per share	10,199.38
10/19/2009	Monthly distribution of USD 0.54 per share	12,406.39
11/16/2009	Monthly distribution of USD 0.44 per share	10,070.70
12/21/2009	Monthly distribution of USD 0.60 per share	13,408.85
1/15/2010	Monthly distribution of USD 0.36 per share	7,818.57
2/12/2010	Monthly distribution of USD 0.43 per share	9,366.64

Class C US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.52 per share	51,256.79
4/20/2009	Monthly distribution of USD 0.64 per share	64,156.82
5/18/2009	Monthly distribution of USD 0.52 per share	52,217.83
6/15/2009	Monthly distribution of USD 0.49 per share	49,703.53
7/20/2009	Monthly distribution of USD 0.57 per share	61,173.16
8/17/2009	Monthly distribution of USD 0.43 per share	45,989.76
9/14/2009	Monthly distribution of USD 0.43 per share	46,317.71
10/19/2009	Monthly distribution of USD 0.52 per share	56,191.49
11/16/2009	Monthly distribution of USD 0.41 per share	45,228.83
12/21/2009	Monthly distribution of USD 0.57 per share	63,492.59
1/15/2010	Monthly distribution of USD 0.34 per share	38,428.43
2/12/2010	Monthly distribution of USD 0.41 per share	46,358.60

Class A (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.51 per share	36,718.02
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Legg Mason Western Asset Emerging Markets Bond Fund (continued)

Date	Base Distribution Shares	February 28, 2010 USD
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Class A (G) US\$ Distributing (D) (continued)

4/20/2009	Monthly distribution of USD 0.64 per share	46,126.31
5/18/2009	Monthly distribution of USD 0.52 per share	37,248.16
6/15/2009	Monthly distribution of USD 0.49 per share	35,164.13
7/20/2009	Monthly distribution of USD 0.57 per share	36,210.66
8/17/2009	Monthly distribution of USD 0.45 per share	27,008.41
9/14/2009	Monthly distribution of USD 0.45 per share	26,676.18
10/19/2009	Monthly distribution of USD 0.55 per share	32,093.52
11/16/2009	Monthly distribution of USD 0.44 per share	25,671.62
12/21/2009	Monthly distribution of USD 0.60 per share	36,014.40
1/15/2010	Monthly distribution of USD 0.37 per share	22,051.87
2/12/2010	Monthly distribution of USD 0.43 per share	25,816.50

Class B (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.48 per share	35,808.77
4/20/2009	Monthly distribution of USD 0.60 per share	43,531.16
5/18/2009	Monthly distribution of USD 0.49 per share	34,071.06
6/15/2009	Monthly distribution of USD 0.46 per share	31,339.50
7/20/2009	Monthly distribution of USD 0.54 per share	35,635.51
8/17/2009	Monthly distribution of USD 0.41 per share	26,696.08
9/14/2009	Monthly distribution of USD 0.41 per share	26,588.62
10/19/2009	Monthly distribution of USD 0.50 per share	31,590.58
11/16/2009	Monthly distribution of USD 0.40 per share	24,306.57
12/21/2009	Monthly distribution of USD 0.55 per share	32,454.82
1/15/2010	Monthly distribution of USD 0.34 per share	19,452.11
2/12/2010	Monthly distribution of USD 0.40 per share	22,678.17

Class L (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.48 per share	41,550.62
4/20/2009	Monthly distribution of USD 0.60 per share	51,824.03
5/18/2009	Monthly distribution of USD 0.49 per share	42,182.39
6/15/2009	Monthly distribution of USD 0.46 per share	39,625.94
7/20/2009	Monthly distribution of USD 0.54 per share	46,443.41
8/17/2009	Monthly distribution of USD 0.41 per share	34,959.75
9/14/2009	Monthly distribution of USD 0.41 per share	34,629.38
10/19/2009	Monthly distribution of USD 0.50 per share	41,822.23
11/16/2009	Monthly distribution of USD 0.40 per share	33,257.90
12/21/2009	Monthly distribution of USD 0.55 per share	45,126.75
1/15/2010	Monthly distribution of USD 0.34 per share	27,294.51
2/12/2010	Monthly distribution of USD 0.40 per share	32,434.92

Legg Mason Western Asset Global High Yield Bond Fund

Date	Base Distribution Shares	February 28, 2010 USD
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Class A US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.61 per share	6,383.57
4/20/2009	Monthly distribution of USD 0.90 per share	9,331.45
5/18/2009	Monthly distribution of USD 0.60 per share	6,844.08
6/15/2009	Monthly distribution of USD 0.56 per share	8,220.74
7/20/2009	Monthly distribution of USD 0.98 per share	20,665.28
8/17/2009	Monthly distribution of USD 0.48 per share	14,116.54
9/14/2009	Monthly distribution of USD 0.38 per share	10,372.76
10/19/2009	Monthly distribution of USD 0.83 per share	25,544.27
11/16/2009	Monthly distribution of USD 0.47 per share	17,239.41
12/21/2009	Monthly distribution of USD 0.62 per share	28,915.87
1/15/2010	Monthly distribution of USD 0.72 per share	35,207.43
2/12/2010	Monthly distribution of USD 0.41 per share	22,209.66

Class A US\$ Distributing (M)

3/16/2009	Monthly distribution of USD 0.70 per share	1,824.48
4/20/2009	Monthly distribution of USD 1.01 per share	2,657.52
5/18/2009	Monthly distribution of USD 0.59 per share	2,419.44
6/15/2009	Monthly distribution of USD 0.57 per share	1,924.23
7/20/2009	Monthly distribution of USD 1.12 per share	18,109.81

Distribution Statement for Hong Kong Registered Funds – February 28, 2010 (Unaudited) – (continued)

Legg Mason Western Asset Global High Yield Bond Fund (continued)

February 28, 2010 USD

Class A US\$ Distributing (M) (continued)

Date	Base Distribution Shares	February 28, 2010 USD
8/17/2009	Monthly distribution of USD 0.53 per share	15,621.19
9/14/2009	Monthly distribution of USD 0.41 per share	14,833.44
10/19/2009	Monthly distribution of USD 0.91 per share	61,574.25
11/16/2009	Monthly distribution of USD 0.51 per share	35,166.64
12/21/2009	Monthly distribution of USD 0.63 per share	43,264.52
1/15/2010	Monthly distribution of USD 0.82 per share	57,976.57
2/12/2010	Monthly distribution of USD 0.48 per share	33,256.17

Class B US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.60 per share	1,682.33
4/20/2009	Monthly distribution of USD 0.87 per share	2,710.69
5/18/2009	Monthly distribution of USD 0.57 per share	1,789.20
6/15/2009	Monthly distribution of USD 0.52 per share	1,764.04
7/20/2009	Monthly distribution of USD 0.97 per share	4,694.54
8/17/2009	Monthly distribution of USD 0.46 per share	2,676.31
9/14/2009	Monthly distribution of USD 0.37 per share	6,914.63
10/19/2009	Monthly distribution of USD 0.81 per share	15,405.25
11/16/2009	Monthly distribution of USD 0.44 per share	8,147.92
12/21/2009	Monthly distribution of USD 0.59 per share	10,281.87
1/15/2010	Monthly distribution of USD 0.71 per share	12,430.03
2/12/2010	Monthly distribution of USD 0.39 per share	7,119.28

Class C US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.59 per share	10,823.40
4/20/2009	Monthly distribution of USD 0.87 per share	16,168.69
5/18/2009	Monthly distribution of USD 0.56 per share	11,058.11
6/15/2009	Monthly distribution of USD 0.49 per share	9,708.56
7/20/2009	Monthly distribution of USD 0.95 per share	22,759.85
8/17/2009	Monthly distribution of USD 0.45 per share	16,948.80
9/14/2009	Monthly distribution of USD 0.38 per share	18,450.14
10/19/2009	Monthly distribution of USD 0.79 per share	50,606.44
11/16/2009	Monthly distribution of USD 0.43 per share	29,096.14
12/21/2009	Monthly distribution of USD 0.57 per share	39,942.29
1/15/2010	Monthly distribution of USD 0.69 per share	57,179.58
2/12/2010	Monthly distribution of USD 0.38 per share	31,697.42

Class A (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.61 per share	113,290.26
4/20/2009	Monthly distribution of USD 0.89 per share	163,313.27
5/18/2009	Monthly distribution of USD 0.59 per share	100,864.90
6/15/2009	Monthly distribution of USD 0.52 per share	88,640.41
7/20/2009	Monthly distribution of USD 0.96 per share	165,413.76
8/17/2009	Monthly distribution of USD 0.48 per share	82,345.89
9/14/2009	Monthly distribution of USD 0.38 per share	65,634.88
10/19/2009	Monthly distribution of USD 0.83 per share	144,866.25
11/16/2009	Monthly distribution of USD 0.46 per share	78,772.60
12/21/2009	Monthly distribution of USD 0.62 per share	103,957.39
1/15/2010	Monthly distribution of USD 0.73 per share	122,783.84
2/12/2010	Monthly distribution of USD 0.41 per share	70,077.49

Class B (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.59 per share	81,748.16
4/20/2009	Monthly distribution of USD 0.87 per share	113,988.33
5/18/2009	Monthly distribution of USD 0.56 per share	71,555.43
6/15/2009	Monthly distribution of USD 0.49 per share	62,858.10
7/20/2009	Monthly distribution of USD 0.93 per share	118,151.53
8/17/2009	Monthly distribution of USD 0.45 per share	56,106.97
9/14/2009	Monthly distribution of USD 0.35 per share	42,525.73
10/19/2009	Monthly distribution of USD 0.79 per share	95,801.39
11/16/2009	Monthly distribution of USD 0.43 per share	51,093.40
12/21/2009	Monthly distribution of USD 0.58 per share	63,925.87
1/15/2010	Monthly distribution of USD 0.70 per share	75,598.98
2/12/2010	Monthly distribution of USD 0.38 per share	41,085.51

Legg Mason Western Asset Global High Yield Bond Fund (continued)

February 28, 2010 USD

Class L (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.59 per share	52,852.22
4/20/2009	Monthly distribution of USD 0.87 per share	77,721.59
5/18/2009	Monthly distribution of USD 0.56 per share	49,700.60
6/15/2009	Monthly distribution of USD 0.49 per share	43,673.82
7/20/2009	Monthly distribution of USD 0.93 per share	82,350.64
8/17/2009	Monthly distribution of USD 0.45 per share	39,441.61
9/14/2009	Monthly distribution of USD 0.35 per share	30,440.23
10/19/2009	Monthly distribution of USD 0.79 per share	68,938.53
11/16/2009	Monthly distribution of USD 0.43 per share	37,480.30
12/21/2009	Monthly distribution of USD 0.58 per share	48,553.61
1/15/2010	Monthly distribution of USD 0.70 per share	57,487.35
2/12/2010	Monthly distribution of USD 0.38 per share	31,679.24

Class E US\$ Distributing (D)

2/12/2010	Monthly distribution of USD 0.40 per share	4.03
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Legg Mason Western Asset US Short-Term Government Fund

February 28, 2010 USD

Class A US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.20 per share	4,330.19
4/20/2009	Monthly distribution of USD 0.34 per share	9,263.82
5/18/2009	Monthly distribution of USD 0.21 per share	15,783.89
6/15/2009	Monthly distribution of USD 0.22 per share	14,087.50
7/20/2009	Monthly distribution of USD 0.24 per share	15,582.61
8/17/2009	Monthly distribution of USD 0.25 per share	16,836.14
9/14/2009	Monthly distribution of USD 0.14 per share	10,365.23
10/19/2009	Monthly distribution of USD 0.14 per share	11,518.39
11/16/2009	Monthly distribution of USD 0.09 per share	4,505.72
12/21/2009	Monthly distribution of USD 0.07 per share	2,154.50
1/15/2010	Monthly distribution of USD 0.03 per share	1,078.01
2/12/2010	Monthly distribution of USD 0.05 per share	2,397.56

Class B US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.17 per share	8,965.07
4/20/2009	Monthly distribution of USD 0.24 per share	12,349.91
5/18/2009	Monthly distribution of USD 0.09 per share	4,697.40
6/15/2009	Monthly distribution of USD 0.19 per share	1,066.23
7/20/2009	Monthly distribution of USD 0.22 per share	1,245.65
8/17/2009	Monthly distribution of USD 0.23 per share	1,209.70
9/14/2009	Monthly distribution of USD 0.12 per share	645.35
10/19/2009	Monthly distribution of USD 0.12 per share	607.47
11/16/2009	Monthly distribution of USD 0.08 per share	384.65
12/21/2009	Monthly distribution of USD 0.04 per share	227.77
1/15/2010	Monthly distribution of USD 0.01 per share	55.99
2/12/2010	Monthly distribution of USD 0.03 per share	137.93

Class C US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.16 per share	1,554.94
4/20/2009	Monthly distribution of USD 0.22 per share	2,165.59
5/18/2009	Monthly distribution of USD 0.18 per share	1,819.76
6/15/2009	Monthly distribution of USD 0.18 per share	2,002.24
7/20/2009	Monthly distribution of USD 0.19 per share	2,120.09
8/17/2009	Monthly distribution of USD 0.21 per share	2,139.53
9/14/2009	Monthly distribution of USD 0.14 per share	1,581.14
10/19/2009	Monthly distribution of USD 0.10 per share	6,139.20
11/16/2009	Monthly distribution of USD 0.06 per share	3,984.60
12/21/2009	Monthly distribution of USD 0.02 per share	1,311.84
1/15/2010	Monthly distribution of USD 0.00 per share	-
2/12/2010	Monthly distribution of USD 0.00 per share	-

Class A (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.19 per share	11,449.58
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Distribution Statement for Hong Kong Registered Funds – February 28, 2010 (Unaudited) – (continued)

Legg Mason Western Asset US Short-Term Government Fund (continued)

**February 28,
2010
USD**

Class A (G) US\$ Distributing (D) (continued)

Date	Base Distribution Shares	February 28, 2010 USD
4/20/2009	Monthly distribution of USD 0.26 per share	15,627.58
5/18/2009	Monthly distribution of USD 0.21 per share	12,700.43
6/15/2009	Monthly distribution of USD 0.21 per share	12,975.34
7/20/2009	Monthly distribution of USD 0.23 per share	14,590.91
8/17/2009	Monthly distribution of USD 0.24 per share	17,034.26
9/14/2009	Monthly distribution of USD 0.13 per share	10,359.91
10/19/2009	Monthly distribution of USD 0.13 per share	11,034.43
11/16/2009	Monthly distribution of USD 0.09 per share	7,870.64
12/21/2009	Monthly distribution of USD 0.06 per share	5,620.19
1/15/2010	Monthly distribution of USD 0.02 per share	2,147.41
2/12/2010	Monthly distribution of USD 0.05 per share	5,412.42

Class B (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.15 per share	33,124.70
4/20/2009	Monthly distribution of USD 0.21 per share	45,021.29
5/18/2009	Monthly distribution of USD 0.17 per share	35,591.51
6/15/2009	Monthly distribution of USD 0.18 per share	35,689.54
7/20/2009	Monthly distribution of USD 0.19 per share	36,565.28
8/17/2009	Monthly distribution of USD 0.20 per share	37,336.51
9/14/2009	Monthly distribution of USD 0.10 per share	15,855.82
10/19/2009	Monthly distribution of USD 0.09 per share	13,490.81
11/16/2009	Monthly distribution of USD 0.05 per share	7,393.66
12/21/2009	Monthly distribution of USD 0.01 per share	1,725.42
1/15/2010	Monthly distribution of USD 0.00 per share	–
2/12/2010	Monthly distribution of USD 0.00 per share	–

Class L (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.15 per share	6,362.43
4/20/2009	Monthly distribution of USD 0.21 per share	8,976.52
5/18/2009	Monthly distribution of USD 0.17 per share	7,182.15
6/15/2009	Monthly distribution of USD 0.18 per share	7,327.97
7/20/2009	Monthly distribution of USD 0.19 per share	7,636.42
8/17/2009	Monthly distribution of USD 0.20 per share	8,388.13
9/14/2009	Monthly distribution of USD 0.10 per share	3,774.61
10/19/2009	Monthly distribution of USD 0.09 per share	3,399.38
11/16/2009	Monthly distribution of USD 0.05 per share	1,978.49
12/21/2009	Monthly distribution of USD 0.01 per share	508.38
1/15/2010	Monthly distribution of USD 0.00 per share	–
2/12/2010	Monthly distribution of USD 0.00 per share	–

Legg Mason Western Asset US Adjustable Rate Fund

**February 28,
2010
USD**

Class B US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.05 per share	0.48
4/20/2009	Monthly distribution of USD 0.06 per share	0.63
5/18/2009	Monthly distribution of USD 0.05 per share	0.50
6/15/2009	Monthly distribution of USD 0.04 per share	0.42
7/20/2009	Monthly distribution of USD 0.05 per share	0.50
8/17/2009	Monthly distribution of USD 0.01 per share	0.12
9/14/2009	Monthly distribution of USD 0.00 per share	–
10/19/2009	Monthly distribution of USD 0.00 per share	–
11/16/2009	Monthly distribution of USD 0.00 per share	–
12/21/2009	Monthly distribution of USD 0.00 per share	–
1/15/2010	Monthly distribution of USD 0.00 per share	–
2/12/2010	Monthly distribution of USD 0.00 per share	–

Class C US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.03 per share	134.48
4/20/2009	Monthly distribution of USD 0.04 per share	233.32
5/18/2009	Monthly distribution of USD 0.03 per share	139.07
6/15/2009	Monthly distribution of USD 0.01 per share	66.91
7/20/2009	Monthly distribution of USD 0.02 per share	84.84

Legg Mason Western Asset US Adjustable Rate Fund (continued)

**February 28,
2010
USD**

Class C US\$ Distributing (D) (continued)

8/17/2009	Monthly distribution of USD 0.00 per share	–
9/14/2009	Monthly distribution of USD 0.00 per share	–
10/19/2009	Monthly distribution of USD 0.00 per share	–
11/16/2009	Monthly distribution of USD 0.00 per share	–
12/21/2009	Monthly distribution of USD 0.00 per share	–
1/15/2010	Monthly distribution of USD 0.00 per share	–
2/12/2010	Monthly distribution of USD 0.00 per share	–

Class A (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.04 per share	1,227.57
4/20/2009	Monthly distribution of USD 0.06 per share	1,753.97
5/18/2009	Monthly distribution of USD 0.04 per share	1,134.96
6/15/2009	Monthly distribution of USD 0.02 per share	784.42
7/20/2009	Monthly distribution of USD 0.03 per share	849.53
8/17/2009	Monthly distribution of USD 0.01 per share	378.09
9/14/2009	Monthly distribution of USD 0.00 per share	–
10/19/2009	Monthly distribution of USD 0.00 per share	–
11/16/2009	Monthly distribution of USD 0.00 per share	–
12/21/2009	Monthly distribution of USD 0.00 per share	–
1/15/2010	Monthly distribution of USD 0.00 per share	–
2/12/2010	Monthly distribution of USD 0.00 per share	–

Class B (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.01 per share	1,277.47
4/20/2009	Monthly distribution of USD 0.03 per share	2,387.06
5/18/2009	Monthly distribution of USD 0.01 per share	1,052.84
6/15/2009	Monthly distribution of USD 0.00 per share	–
7/20/2009	Monthly distribution of USD 0.00 per share	–
8/17/2009	Monthly distribution of USD 0.00 per share	–
9/14/2009	Monthly distribution of USD 0.00 per share	–
10/19/2009	Monthly distribution of USD 0.00 per share	–
11/16/2009	Monthly distribution of USD 0.00 per share	–
12/21/2009	Monthly distribution of USD 0.01 per share	526.23
1/15/2010	Monthly distribution of USD 0.00 per share	–
2/12/2010	Monthly distribution of USD 0.00 per share	–

Class L (G) US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.01 per share	868.68
4/20/2009	Monthly distribution of USD 0.03 per share	1,632.41
5/18/2009	Monthly distribution of USD 0.01 per share	767.20
6/15/2009	Monthly distribution of USD 0.00 per share	–
7/20/2009	Monthly distribution of USD 0.00 per share	–
8/17/2009	Monthly distribution of USD 0.00 per share	–
9/14/2009	Monthly distribution of USD 0.00 per share	–
10/19/2009	Monthly distribution of USD 0.00 per share	–
11/16/2009	Monthly distribution of USD 0.00 per share	–
12/21/2009	Monthly distribution of USD 0.01 per share	387.36
1/15/2010	Monthly distribution of USD 0.00 per share	–
2/12/2010	Monthly distribution of USD 0.00 per share	–

Legg Mason Western Asset Inflation Management Fund

**February 28,
2010
USD**

Class A US\$ Distributing (A)

3/16/2009	Annual distribution of USD 1.19 per share	6,295.47
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Class C US\$ Distributing (A)

3/16/2009	Annual distribution of USD 0.68 per share	528.94
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Class A (G) US\$ Distributing (A)

3/16/2009	Annual distribution of USD 4.09 per share	11,049.39
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Distribution Statement for Hong Kong Registered Funds – February 28, 2010 (Unaudited) – (continued)

Legg Mason Western Asset Inflation Management Fund (continued)

Date	Base Distribution Shares	February 28, 2010 USD
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Class B (G) US\$ Distributing (A)

3/16/2009	Annual distribution of USD 3.90 per share	28,233.35
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Class L (G) US\$ Distributing (A)

3/16/2009	Annual distribution of USD 7.14 per share	37,176.75
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Legg Mason Western Asset Asian Opportunities Fund

Date	Base Distribution Shares	February 28, 2010 USD
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Class A US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.37 per share	3.84
4/20/2009	Monthly distribution of USD 0.44 per share	4.57
5/18/2009	Monthly distribution of USD 0.39 per share	4.03
6/15/2009	Monthly distribution of USD 1.61 per share	89.47
7/20/2009	Monthly distribution of USD 0.41 per share	449.58
8/17/2009	Monthly distribution of USD 0.34 per share	370.70
9/14/2009	Monthly distribution of USD 0.30 per share	643.26
10/19/2009	Monthly distribution of USD 0.37 per share	3,343.04
11/16/2009	Monthly distribution of USD 0.29 per share	7,796.28
12/21/2009	Monthly distribution of USD 0.38 per share	13,953.39
1/15/2010	Monthly distribution of USD 0.29 per share	11,271.49
2/12/2010	Monthly distribution of USD 0.30 per share	12,361.35

Class A US\$ Distributing (M)

1/15/2010	Monthly distribution of USD 0.14 per share	2.49
2/12/2010	Monthly distribution of USD 0.29 per share	5.20

Class B US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.33 per share	38.10
4/20/2009	Monthly distribution of USD 0.66 per share	166.89
5/18/2009	Monthly distribution of USD 0.37 per share	601.20
6/15/2009	Monthly distribution of USD 0.32 per share	753.82
7/20/2009	Monthly distribution of USD 0.39 per share	911.83
8/17/2009	Monthly distribution of USD 0.32 per share	845.07
9/14/2009	Monthly distribution of USD 0.24 per share	693.73
10/19/2009	Monthly distribution of USD 0.30 per share	913.52
11/16/2009	Monthly distribution of USD 0.26 per share	837.47
12/21/2009	Monthly distribution of USD 0.35 per share	1,168.18
1/15/2010	Monthly distribution of USD 0.27 per share	834.19
2/12/2010	Monthly distribution of USD 0.28 per share	961.30

Class C US\$ Distributing (D)

3/16/2009	Monthly distribution of USD 0.32 per share	3.26
4/20/2009	Monthly distribution of USD 0.38 per share	3.84
5/18/2009	Monthly distribution of USD 0.35 per share	52.88
6/15/2009	Monthly distribution of USD 0.32 per share	115.36
7/20/2009	Monthly distribution of USD 0.36 per share	172.22
8/17/2009	Monthly distribution of USD 0.63 per share	1,546.78
9/14/2009	Monthly distribution of USD 0.24 per share	4,606.77
10/19/2009	Monthly distribution of USD 0.29 per share	10,126.30
11/16/2009	Monthly distribution of USD 0.24 per share	11,447.41
12/21/2009	Monthly distribution of USD 0.34 per share	22,288.28
1/15/2010	Monthly distribution of USD 0.25 per share	20,018.70
2/12/2010	Monthly distribution of USD 0.27 per share	22,791.23

Class E US\$ Distributing (D)

2/12/2010	Monthly distribution of USD 0.22 per share	2.20
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Class F US\$ Distributing (D)

2/12/2010	Monthly distribution of USD 0.28 per share	2.76
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Legg Mason Brandywine Global Fixed Income Fund

Date	Base Distribution Shares	February 28, 2010 USD
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Class A US\$ Distributing (S)

3/16/2009	Semi-Annual distribution of USD 2.42 per share	5,950,746.88
9/14/2009	Semi-Annual distribution of USD 2.42 per share	5,597,900.65

Class B US\$ Distributing (S)

3/16/2009	Semi-Annual distribution of USD 2.30 per share	162,310.12
9/14/2009	Semi-Annual distribution of USD 2.28 per share	143,464.44

Class C US\$ Distributing (S)

3/16/2009	Semi-Annual distribution of USD 2.17 per share	188,411.97
9/14/2009	Semi-Annual distribution of USD 2.14 per share	152,858.73

Class A GBP Distributing (S) (Hedged)

3/16/2009	Semi-Annual distribution of USD 3.33 per share (GBP class)	1,162,716.13
9/14/2009	Semi-Annual distribution of USD 3.29 per share (GBP class)	1,187,591.16

Legg Mason Capital Management Value Fund

Date	Base Distribution Shares	February 28, 2010 USD
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Galleon Class

3/16/2009	Annual distribution of USD 6.25 per share	4,186.50
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Legg Mason Clearbridge U.S. Appreciation Fund

Date	Base Distribution Shares	February 28, 2010 USD
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Class A US\$ Distributing (A)

3/16/2009	Annual distribution of USD 0.11 per share	7,437.95
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Legg Mason Clearbridge U.S. Fundamental Value Fund

Date	Base Distribution Shares	February 28, 2010 USD
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Class A US\$ Distributing (A)

3/16/2009	Annual distribution of USD 0.16 per share	423.95
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Legg Mason GC Global Equity Fund

Date	Base Distribution Shares	February 28, 2010 USD
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Class A US\$ Distributing (A)

3/16/2009	Annual distribution of USD 0.35 per share	244.64
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Class B US\$ Distributing (A)

3/16/2009	Annual distribution of USD 0.01 per share	9.15
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Class C US\$ Distributing (A)

3/16/2009	Annual distribution of USD 0.01 per share	23.97
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Legg Mason Batterymarch European Equity Fund

Date	Base Distribution Shares	February 28, 2010 EUR
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Class A Euro Distributing (A)

3/16/2009	Annual distribution of EUR 1.83 per share	3,999.96
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Class A US\$ Distributing (A)

3/16/2009	Annual distribution of EUR 2.21 per share (USD class)	97,154.18
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Distribution Statement for Hong Kong Registered Funds – February 28, 2010 (Unaudited) – (continued)

Legg Mason Batterymarch European Equity Fund (continued)

Date	Base Distribution Shares	February 28, 2010 EUR
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Class B US\$ Distributing (A)		
3/16/2009	Annual distribution of EUR 1.59 per share (USD class)	26,887.64

Class C US\$ Distributing (A)		
3/16/2009	Annual distribution of EUR 1.55 per share (USD class)	49,752.96

Legg Mason Batterymarch Asia Pacific Fund

Date	Base Distribution Shares	February 28, 2010 USD
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Class A US\$ Distributing (A)		
3/16/2009	Annual distribution of USD 1.80 per share	1,853,544.56

Class B US\$ Distributing (A)		
3/16/2009	Annual distribution of USD 0.95 per share	36,356.64

Class C US\$ Distributing (A)		
3/16/2009	Annual distribution of USD 0.95 per share	120,079.32

Legg Mason Batterymarch International Large Cap Fund

Date	Base Distribution Shares	February 28, 2010 USD
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Class A US\$ Distributing (A)		
3/16/2009	Annual distribution of USD 1.39 per share	10,559.16

Class B US\$ Distributing (A)		
3/16/2009	Annual distribution of USD 1.02 per share	13,577.34

Class C US\$ Distributing (A)		
3/16/2009	Annual distribution of USD 1.03 per share	14,540.95

Legg Mason Batterymarch Emerging Markets Equity Fund

Date	Base Distribution Shares	February 28, 2010 USD
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Class A US\$ Distributing (A)		
3/16/2009	Annual distribution of USD 0.28 per share	67.01

Class B US\$ Distributing (A)		
3/16/2009	Annual distribution of USD 0.18 per share	1.79

Class C US\$ Distributing (A)		
3/16/2009	Annual distribution of USD 0.07 per share	37.87

LM Class US\$ Distributing (A)		
3/16/2009	Annual distribution of USD 1.26 per share	34,848.74

Class A GBP Distributing (A)		
3/16/2009	Annual distribution of USD 0.52 per share (GBP class)	153,721.63

Distribution Statement for Hong Kong Registered Funds – February 28, 2009 (Unaudited)

Legg Mason Western Asset US Money Market Fund

Date	Base Distribution Shares	February 28, 2009 USD
Class A US\$ Distributing (D)		
3/20/2008	Monthly distribution of USD 0.0025 per share	12,177,263.04
4/17/2008	Monthly distribution of USD 0.0018 per share	8,248,596.02
5/22/2008	Monthly distribution of USD 0.0022 per share	10,696,421.85
6/19/2008	Monthly distribution of USD 0.0016 per share	8,029,746.59
7/24/2008	Monthly distribution of USD 0.0019 per share	9,373,075.26
8/21/2008	Monthly distribution of USD 0.0015 per share	7,284,152.51
9/18/2008	Monthly distribution of USD 0.0015 per share	7,177,724.67
10/23/2008	Monthly distribution of USD 0.0020 per share	7,800,178.24
11/20/2008	Monthly distribution of USD 0.0014 per share	5,190,155.72
12/18/2008	Monthly distribution of USD 0.0012 per share	3,969,937.96
1/22/2009	Monthly distribution of USD 0.0009 per share	3,655,991.33
2/19/2009	Monthly distribution of USD 0.0005 per share	1,641,493.73
Class B US\$ Distributing (D)		
3/20/2008	Monthly distribution of USD 0.0020 per share	8,309.02
4/17/2008	Monthly distribution of USD 0.0015 per share	4,582.59
5/22/2008	Monthly distribution of USD 0.0017 per share	7,541.30
6/19/2008	Monthly distribution of USD 0.0013 per share	4,911.60
7/24/2008	Monthly distribution of USD 0.0015 per share	6,121.21
8/21/2008	Monthly distribution of USD 0.0011 per share	4,920.52
9/18/2008	Monthly distribution of USD 0.0011 per share	4,617.54
10/23/2008	Monthly distribution of USD 0.0015 per share	5,339.56
11/20/2008	Monthly distribution of USD 0.0011 per share	3,711.97
12/18/2008	Monthly distribution of USD 0.0008 per share	2,644.35
1/22/2009	Monthly distribution of USD 0.0005 per share	1,695.29
2/19/2009	Monthly distribution of USD 0.0001 per share	293.22
Class C US\$ Distributing (D)		
3/20/2008	Monthly distribution of USD 0.0017 per share	6,385.79
4/17/2008	Monthly distribution of USD 0.0013 per share	4,629.74
5/22/2008	Monthly distribution of USD 0.0015 per share	4,910.80
6/19/2008	Monthly distribution of USD 0.0011 per share	3,155.81
7/24/2008	Monthly distribution of USD 0.0013 per share	3,711.42
8/21/2008	Monthly distribution of USD 0.0011 per share	3,615.32
9/18/2008	Monthly distribution of USD 0.0010 per share	3,145.15
10/23/2008	Monthly distribution of USD 0.0013 per share	4,710.60
11/20/2008	Monthly distribution of USD 0.0009 per share	3,378.56
12/18/2008	Monthly distribution of USD 0.0006 per share	2,747.85
1/22/2009	Monthly distribution of USD 0.0002 per share	1,151.16
2/19/2009	Monthly distribution of USD 0.0000 per share	179.55
Class A (G) US\$ Distributing (D)		
3/20/2008	Monthly distribution of USD 0.0023 per share	10,085.47
4/17/2008	Monthly distribution of USD 0.0014 per share	5,375.64
5/22/2008	Monthly distribution of USD 0.0023 per share	8,883.08
6/19/2008	Monthly distribution of USD 0.0016 per share	6,305.06
7/24/2008	Monthly distribution of USD 0.0019 per share	7,311.91
8/21/2008	Monthly distribution of USD 0.0019 per share	7,342.69
9/18/2008	Monthly distribution of USD 0.0015 per share	5,901.21
10/23/2008	Monthly distribution of USD 0.0019 per share	7,648.90
11/20/2008	Monthly distribution of USD 0.0014 per share	5,916.01
12/18/2008	Monthly distribution of USD 0.0012 per share	4,982.93
1/22/2009	Monthly distribution of USD 0.0009 per share	3,940.38
2/19/2009	Monthly distribution of USD 0.0005 per share	1,940.40
Class B (G) US\$ Distributing (D)		
3/20/2008	Monthly distribution of USD 0.0025 per share	22,693.39
4/17/2008	Monthly distribution of USD 0.0017 per share	15,171.87
5/22/2008	Monthly distribution of USD 0.0022 per share	17,737.84
6/19/2008	Monthly distribution of USD 0.0016 per share	11,775.32
7/24/2008	Monthly distribution of USD 0.0042 per share	26,542.72
8/21/2008	Monthly distribution of USD 0.0015 per share	10,013.75
9/18/2008	Monthly distribution of USD 0.0015 per share	9,376.53
10/23/2008	Monthly distribution of USD 0.0019 per share	11,254.08

Legg Mason Western Asset US Money Market Fund (continued)

Date	Base Distribution Shares	February 28, 2009 USD
Class B (G) US\$ Distributing (D) (continued)		
11/20/2008	Monthly distribution of USD 0.0014 per share	7,476.70
12/18/2008	Monthly distribution of USD 0.0012 per share	5,278.23
1/22/2009	Monthly distribution of USD 0.0009 per share	3,900.42
2/19/2009	Monthly distribution of USD 0.0005 per share	1,726.63
Class L (G) US\$ Distributing (D)		
3/20/2008	Monthly distribution of USD 0.0025 per share	8,040.74
4/17/2008	Monthly distribution of USD 0.0018 per share	5,469.68
5/22/2008	Monthly distribution of USD 0.0022 per share	6,886.26
6/19/2008	Monthly distribution of USD 0.0016 per share	5,080.52
7/24/2008	Monthly distribution of USD 0.0019 per share	5,822.61
8/21/2008	Monthly distribution of USD 0.0015 per share	4,877.66
9/18/2008	Monthly distribution of USD 0.0015 per share	4,957.48
10/23/2008	Monthly distribution of USD 0.0019 per share	6,000.62
11/20/2008	Monthly distribution of USD 0.0023 per share	6,247.37
12/18/2008	Monthly distribution of USD 0.0022 per share	5,809.30
1/22/2009	Monthly distribution of USD 0.0009 per share	2,375.48
2/19/2009	Monthly distribution of USD 0.0005 per share	1,114.85
Legg Mason Western Asset US Core Bond Fund		
Date	Base Distribution Shares	February 28, 2009 USD
Class A US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.33 per share	144,074.44
4/14/2008	Monthly distribution of USD 0.27 per share	104,800.83
5/19/2008	Monthly distribution of USD 0.37 per share	139,690.07
6/16/2008	Monthly distribution of USD 0.33 per share	125,232.93
7/21/2008	Monthly distribution of USD 0.37 per share	131,508.53
8/18/2008	Monthly distribution of USD 0.30 per share	88,693.17
9/15/2008	Monthly distribution of USD 0.32 per share	89,345.96
10/20/2008	Monthly distribution of USD 0.30 per share	75,652.96
11/17/2008	Monthly distribution of USD 0.29 per share	60,283.88
12/15/2008	Monthly distribution of USD 0.20 per share	38,589.30
1/16/2009	Monthly distribution of USD 0.29 per share	53,891.95
2/13/2009	Monthly distribution of USD 0.19 per share	35,658.77
Class B US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.32 per share	31,657.50
4/14/2008	Monthly distribution of USD 0.25 per share	24,428.38
5/19/2008	Monthly distribution of USD 0.35 per share	33,396.44
6/16/2008	Monthly distribution of USD 0.32 per share	29,348.31
7/21/2008	Monthly distribution of USD 0.36 per share	30,812.92
8/18/2008	Monthly distribution of USD 0.28 per share	22,537.28
9/15/2008	Monthly distribution of USD 0.30 per share	23,420.06
10/20/2008	Monthly distribution of USD 0.29 per share	20,431.02
11/17/2008	Monthly distribution of USD 0.28 per share	16,868.38
12/15/2008	Monthly distribution of USD 0.18 per share	10,167.38
1/16/2009	Monthly distribution of USD 0.27 per share	12,215.29
2/13/2009	Monthly distribution of USD 0.17 per share	7,391.03
Class C US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.30 per share	22,825.20
4/14/2008	Monthly distribution of USD 0.23 per share	17,484.26
5/19/2008	Monthly distribution of USD 0.32 per share	23,548.40
6/16/2008	Monthly distribution of USD 0.30 per share	20,100.09
7/21/2008	Monthly distribution of USD 0.34 per share	22,235.64
8/18/2008	Monthly distribution of USD 0.27 per share	17,385.22
9/15/2008	Monthly distribution of USD 0.28 per share	18,187.42
10/20/2008	Monthly distribution of USD 0.27 per share	15,764.07
11/17/2008	Monthly distribution of USD 0.26 per share	14,201.87
12/15/2008	Monthly distribution of USD 0.17 per share	9,007.36
1/16/2009	Monthly distribution of USD 0.25 per share	13,263.03
2/13/2009	Monthly distribution of USD 0.16 per share	8,453.17

Distribution Statement for Hong Kong Registered Funds – February 28, 2009 (Unaudited) – (continued)

Legg Mason Western Asset US Core Plus Bond Fund

Date	Base Distribution Shares	February 28, 2009 USD
Class A US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.40 per share	2,988.28
4/14/2008	Monthly distribution of USD 0.32 per share	2,403.39
5/19/2008	Monthly distribution of USD 0.33 per share	2,493.50
6/16/2008	Monthly distribution of USD 0.30 per share	2,696.06
7/21/2008	Monthly distribution of USD 0.35 per share	3,058.61
8/18/2008	Monthly distribution of USD 0.30 per share	2,610.54
9/15/2008	Monthly distribution of USD 0.31 per share	2,667.86
10/20/2008	Monthly distribution of USD 0.31 per share	2,921.21
11/17/2008	Monthly distribution of USD 0.34 per share	2,958.57
12/15/2008	Monthly distribution of USD 0.30 per share	3,383.55
1/16/2009	Monthly distribution of USD 0.31 per share	3,790.40
2/13/2009	Monthly distribution of USD 0.21 per share	2,963.97
Class B US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.42 per share	1,065.03
4/14/2008	Monthly distribution of USD 0.29 per share	750.18
5/19/2008	Monthly distribution of USD 0.31 per share	775.17
6/16/2008	Monthly distribution of USD 0.28 per share	724.36
7/21/2008	Monthly distribution of USD 0.32 per share	830.15
8/18/2008	Monthly distribution of USD 0.28 per share	708.24
9/15/2008	Monthly distribution of USD 0.29 per share	681.90
10/20/2008	Monthly distribution of USD 0.32 per share	649.97
11/17/2008	Monthly distribution of USD 0.31 per share	629.17
12/15/2008	Monthly distribution of USD 0.26 per share	447.47
1/16/2009	Monthly distribution of USD 0.28 per share	431.60
2/13/2009	Monthly distribution of USD 0.20 per share	303.06
Class C US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.36 per share	34,265.54
4/14/2008	Monthly distribution of USD 0.29 per share	27,565.61
5/19/2008	Monthly distribution of USD 0.28 per share	27,512.56
6/16/2008	Monthly distribution of USD 0.27 per share	26,172.58
7/21/2008	Monthly distribution of USD 0.30 per share	24,435.66
8/18/2008	Monthly distribution of USD 0.27 per share	20,582.88
9/15/2008	Monthly distribution of USD 0.28 per share	20,805.00
10/20/2008	Monthly distribution of USD 0.29 per share	16,904.39
11/17/2008	Monthly distribution of USD 0.30 per share	14,656.68
12/15/2008	Monthly distribution of USD 0.26 per share	12,603.57
1/16/2009	Monthly distribution of USD 0.26 per share	12,618.41
2/13/2009	Monthly distribution of USD 0.18 per share	8,831.17
Class A (G) US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.38 per share	11,351.27
4/14/2008	Monthly distribution of USD 0.33 per share	9,884.48
5/19/2008	Monthly distribution of USD 0.34 per share	10,158.16
6/16/2008	Monthly distribution of USD 0.30 per share	8,870.95
7/21/2008	Monthly distribution of USD 0.35 per share	9,706.00
8/18/2008	Monthly distribution of USD 0.30 per share	8,591.34
9/15/2008	Monthly distribution of USD 0.31 per share	8,883.67
10/20/2008	Monthly distribution of USD 0.34 per share	9,252.51
11/17/2008	Monthly distribution of USD 0.33 per share	8,614.29
12/15/2008	Monthly distribution of USD 0.29 per share	7,814.00
1/16/2009	Monthly distribution of USD 0.30 per share	8,069.37
2/13/2009	Monthly distribution of USD 0.20 per share	5,693.10
Class B (G) US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.34 per share	32,421.30
4/14/2008	Monthly distribution of USD 0.29 per share	27,586.12
5/19/2008	Monthly distribution of USD 0.29 per share	25,855.50
6/16/2008	Monthly distribution of USD 0.27 per share	22,486.52
7/21/2008	Monthly distribution of USD 0.30 per share	24,414.69
8/18/2008	Monthly distribution of USD 0.26 per share	20,768.26
9/15/2008	Monthly distribution of USD 0.27 per share	20,628.29
10/20/2008	Monthly distribution of USD 0.30 per share	21,066.42

Legg Mason Western Asset US Core Plus Bond Fund (continued)

Date	Base Distribution Shares	February 28, 2009 USD
Class B (G) US\$ Distributing (D) (continued)		
11/17/2008	Monthly distribution of USD 0.29 per share	19,130.43
12/15/2008	Monthly distribution of USD 0.26 per share	16,309.83
1/16/2009	Monthly distribution of USD 0.26 per share	15,735.18
2/13/2009	Monthly distribution of USD 0.17 per share	10,122.57
Class L (G) US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.34 per share	23,509.39
4/14/2008	Monthly distribution of USD 0.30 per share	20,086.28
5/19/2008	Monthly distribution of USD 0.28 per share	18,324.20
6/16/2008	Monthly distribution of USD 0.27 per share	17,589.49
7/21/2008	Monthly distribution of USD 0.30 per share	19,576.49
8/18/2008	Monthly distribution of USD 0.26 per share	17,002.60
9/15/2008	Monthly distribution of USD 0.27 per share	17,282.21
10/20/2008	Monthly distribution of USD 0.30 per share	18,720.41
11/17/2008	Monthly distribution of USD 0.29 per share	17,973.49
12/15/2008	Monthly distribution of USD 0.26 per share	15,787.45
1/16/2009	Monthly distribution of USD 0.26 per share	15,614.54
2/13/2009	Monthly distribution of USD 0.17 per share	10,398.26

Legg Mason Western Asset Euro Core Plus Bond Fund

Date	Base Distribution Shares	February 28, 2009 EUR
Class A Euro Distributing (D)		
3/17/2008	Monthly distribution of EUR 0.24 per share	5,352.71
4/14/2008	Monthly distribution of EUR 0.20 per share	4,490.44
5/19/2008	Monthly distribution of EUR 0.30 per share	6,920.55
6/16/2008	Monthly distribution of EUR 0.25 per share	6,205.02
7/21/2008	Monthly distribution of EUR 0.30 per share	7,548.55
8/18/2008	Monthly distribution of EUR 0.24 per share	6,084.09
9/15/2008	Monthly distribution of EUR 0.25 per share	6,544.32
10/20/2008	Monthly distribution of EUR 0.29 per share	8,003.28
11/17/2008	Monthly distribution of EUR 0.30 per share	8,222.70
12/15/2008	Monthly distribution of EUR 0.30 per share	7,909.09
1/16/2009	Monthly distribution of EUR 0.37 per share	9,665.92
2/13/2009	Monthly distribution of EUR 0.27 per share	6,972.37
Class A US\$ Distributing (D)		
3/17/2008	Monthly distribution of EUR 0.24 per share (USD class)	10,916.84
4/14/2008	Monthly distribution of EUR 0.20 per share (USD class)	9,099.29
5/19/2008	Monthly distribution of EUR 0.30 per share (USD class)	11,805.24
6/16/2008	Monthly distribution of EUR 0.24 per share (USD class)	8,758.70
7/21/2008	Monthly distribution of EUR 0.30 per share (USD class)	11,021.18
8/18/2008	Monthly distribution of EUR 0.23 per share (USD class)	8,343.31
9/15/2008	Monthly distribution of EUR 0.24 per share (USD class)	8,343.76
10/20/2008	Monthly distribution of EUR 0.29 per share (USD class)	9,286.23
11/17/2008	Monthly distribution of EUR 0.27 per share (USD class)	7,997.12
12/15/2008	Monthly distribution of EUR 0.30 per share (USD class)	7,876.57
1/16/2009	Monthly distribution of EUR 0.37 per share (USD class)	8,878.27
2/13/2009	Monthly distribution of EUR 0.26 per share (USD class)	6,287.75
Class B US\$ Distributing (D)		
3/17/2008	Monthly distribution of EUR 0.21 per share (USD class)	10,178.83
4/14/2008	Monthly distribution of EUR 0.18 per share (USD class)	8,894.15
5/19/2008	Monthly distribution of EUR 0.27 per share (USD class)	13,453.95
6/16/2008	Monthly distribution of EUR 0.23 per share (USD class)	11,037.64
7/21/2008	Monthly distribution of EUR 0.27 per share (USD class)	12,152.40
8/18/2008	Monthly distribution of EUR 0.22 per share (USD class)	9,277.94
9/15/2008	Monthly distribution of EUR 0.22 per share (USD class)	7,375.33
10/20/2008	Monthly distribution of EUR 0.26 per share (USD class)	7,190.37
11/17/2008	Monthly distribution of EUR 0.26 per share (USD class)	6,477.54
12/15/2008	Monthly distribution of EUR 0.28 per share (USD class)	6,666.95
1/16/2009	Monthly distribution of EUR 0.37 per share (USD class)	8,376.82
2/13/2009	Monthly distribution of EUR 0.24 per share (USD class)	5,451.32

Distribution Statement for Hong Kong Registered Funds – February 28, 2009 (Unaudited) – (continued)

Legg Mason Western Asset Euro Core Plus Bond Fund (continued)

Date	Base Distribution Shares	February 28, 2009 EUR
Class C US\$ Distributing (D)		
3/17/2008	Monthly distribution of EUR 0.18 per share (USD class)	9,451.27
4/14/2008	Monthly distribution of EUR 0.17 per share (USD class)	8,956.43
5/19/2008	Monthly distribution of EUR 0.25 per share (USD class)	12,859.00
6/16/2008	Monthly distribution of EUR 0.21 per share (USD class)	10,930.64
7/21/2008	Monthly distribution of EUR 0.25 per share (USD class)	12,366.70
8/18/2008	Monthly distribution of EUR 0.20 per share (USD class)	9,699.06
9/15/2008	Monthly distribution of EUR 0.20 per share (USD class)	9,269.90
10/20/2008	Monthly distribution of EUR 0.25 per share (USD class)	9,889.71
11/17/2008	Monthly distribution of EUR 0.24 per share (USD class)	8,946.06
12/15/2008	Monthly distribution of EUR 0.26 per share (USD class)	9,453.17
1/16/2009	Monthly distribution of EUR 0.35 per share (USD class)	12,271.63
2/13/2009	Monthly distribution of EUR 0.23 per share (USD class)	7,535.88

Legg Mason Western Asset Diversified Strategic Income Fund

Date	Base Distribution Shares	February 28, 2009 USD
Class A US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.40 per share	90,397.17
4/14/2008	Monthly distribution of USD 0.34 per share	75,657.67
5/19/2008	Monthly distribution of USD 0.46 per share	97,047.41
6/16/2008	Monthly distribution of USD 0.39 per share	81,529.91
7/21/2008	Monthly distribution of USD 0.45 per share	91,405.27
8/18/2008	Monthly distribution of USD 0.36 per share	69,347.59
9/15/2008	Monthly distribution of USD 0.36 per share	68,654.02
10/20/2008	Monthly distribution of USD 0.47 per share	85,753.82
11/17/2008	Monthly distribution of USD 0.40 per share	72,237.51
12/15/2008	Monthly distribution of USD 0.39 per share	70,182.02
1/16/2009	Monthly distribution of USD 0.47 per share	84,809.98
2/13/2009	Monthly distribution of USD 0.31 per share	56,655.57

Class A Distributing (M)

3/17/2008	Monthly distribution of USD 0.41 per share	1,651.94
4/14/2008	Monthly distribution of USD 0.39 per share	1,888.23
5/19/2008	Monthly distribution of USD 0.52 per share	2,493.94
6/16/2008	Monthly distribution of USD 0.42 per share	1,451.68
7/21/2008	Monthly distribution of USD 0.54 per share	1,480.12
8/18/2008	Monthly distribution of USD 0.41 per share	1,136.00
9/15/2008	Monthly distribution of USD 0.40 per share	1,301.89
10/20/2008	Monthly distribution of USD 0.51 per share	1,941.78
11/17/2008	Monthly distribution of USD 0.43 per share	1,158.06
12/15/2008	Monthly distribution of USD 0.42 per share	1,144.10
1/16/2009	Monthly distribution of USD 0.51 per share	1,392.90
2/13/2009	Monthly distribution of USD 0.34 per share	933.24

Class A Euro Distributing (M) Hedged

6/16/2008	Monthly distribution of USD 0.20 per share (EUR class)	0.13
7/21/2008	Monthly distribution of USD 1.01 per share (EUR class)	11.40
8/18/2008	Monthly distribution of USD 0.56 per share (EUR class)	5.68
9/15/2008	Monthly distribution of USD 0.54 per share (EUR class)	5.49
10/20/2008	Monthly distribution of USD 0.72 per share (EUR class)	7.37
11/17/2008	Monthly distribution of USD 0.60 per share (EUR class)	6.13
12/15/2008	Monthly distribution of USD 0.60 per share (EUR class)	6.16
1/16/2009	Monthly distribution of USD 0.75 per share (EUR class)	8.66
2/13/2009	Monthly distribution of USD 0.52 per share (EUR class)	5.97

Class B US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.38 per share	129,059.42
4/14/2008	Monthly distribution of USD 0.33 per share	107,770.38
5/19/2008	Monthly distribution of USD 0.44 per share	137,953.23
6/16/2008	Monthly distribution of USD 0.37 per share	103,537.20
7/21/2008	Monthly distribution of USD 0.43 per share	115,243.13
8/18/2008	Monthly distribution of USD 0.34 per share	80,116.38
9/15/2008	Monthly distribution of USD 0.34 per share	77,782.75

Legg Mason Western Asset Diversified Strategic Income Fund (continued)

Date	Base Distribution Shares	February 28, 2009 USD
Class B US\$ Distributing (D) (continued)		
10/20/2008	Monthly distribution of USD 0.45 per share	95,149.74
11/17/2008	Monthly distribution of USD 0.38 per share	75,209.95
12/15/2008	Monthly distribution of USD 0.38 per share	72,169.87
1/16/2009	Monthly distribution of USD 0.45 per share	83,359.50
2/13/2009	Monthly distribution of USD 0.30 per share	52,323.48

Class C US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.36 per share	63,514.81
4/14/2008	Monthly distribution of USD 0.31 per share	52,998.21
5/19/2008	Monthly distribution of USD 0.42 per share	69,571.49
6/16/2008	Monthly distribution of USD 0.36 per share	56,411.72
7/21/2008	Monthly distribution of USD 0.41 per share	63,791.56
8/18/2008	Monthly distribution of USD 0.32 per share	49,496.29
9/15/2008	Monthly distribution of USD 0.33 per share	49,619.21
10/20/2008	Monthly distribution of USD 0.43 per share	61,394.49
11/17/2008	Monthly distribution of USD 0.38 per share	46,903.74
12/15/2008	Monthly distribution of USD 0.37 per share	44,305.12
1/16/2009	Monthly distribution of USD 0.43 per share	52,507.85
2/13/2009	Monthly distribution of USD 0.28 per share	34,198.10

Class A (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.41 per share	41,903.37
4/14/2008	Monthly distribution of USD 0.35 per share	36,556.64
5/19/2008	Monthly distribution of USD 0.48 per share	50,946.28
6/16/2008	Monthly distribution of USD 0.40 per share	43,421.44
7/21/2008	Monthly distribution of USD 0.47 per share	50,167.50
8/18/2008	Monthly distribution of USD 0.37 per share	40,135.38
9/15/2008	Monthly distribution of USD 0.37 per share	39,707.84
10/20/2008	Monthly distribution of USD 0.48 per share	52,314.40
11/17/2008	Monthly distribution of USD 0.41 per share	43,677.76
12/15/2008	Monthly distribution of USD 0.40 per share	43,442.93
1/16/2009	Monthly distribution of USD 0.48 per share	51,445.18
2/13/2009	Monthly distribution of USD 0.32 per share	34,847.27

Class B (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.37 per share	75,844.98
4/14/2008	Monthly distribution of USD 0.32 per share	60,734.03
5/19/2008	Monthly distribution of USD 0.43 per share	77,216.37
6/16/2008	Monthly distribution of USD 0.37 per share	63,255.24
7/21/2008	Monthly distribution of USD 0.42 per share	69,779.80
8/18/2008	Monthly distribution of USD 0.33 per share	52,830.24
9/15/2008	Monthly distribution of USD 0.34 per share	51,831.73
10/20/2008	Monthly distribution of USD 0.44 per share	63,606.06
11/17/2008	Monthly distribution of USD 0.38 per share	49,259.93
12/15/2008	Monthly distribution of USD 0.37 per share	45,586.46
1/16/2009	Monthly distribution of USD 0.45 per share	53,102.91
2/13/2009	Monthly distribution of USD 0.29 per share	33,820.18

Class L (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.37 per share	20,801.00
4/14/2008	Monthly distribution of USD 0.32 per share	17,745.99
5/19/2008	Monthly distribution of USD 0.43 per share	23,768.58
6/16/2008	Monthly distribution of USD 0.37 per share	19,964.13
7/21/2008	Monthly distribution of USD 0.42 per share	22,308.40
8/18/2008	Monthly distribution of USD 0.33 per share	15,968.62
9/15/2008	Monthly distribution of USD 0.33 per share	15,597.66
10/20/2008	Monthly distribution of USD 0.45 per share	19,287.06
11/17/2008	Monthly distribution of USD 0.38 per share	16,056.10
12/15/2008	Monthly distribution of USD 0.37 per share	15,833.37
1/16/2009	Monthly distribution of USD 0.45 per share	18,852.30
2/13/2009	Monthly distribution of USD 0.29 per share	12,290.29

Distribution Statement for Hong Kong Registered Funds – February 28, 2009 (Unaudited) – (continued)

Legg Mason Western Asset Global Multi Strategy Fund

Date	Base Distribution Shares	February 28, 2009 USD
Class A US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.63 per share	598,365.63
4/14/2008	Monthly distribution of USD 0.52 per share	481,169.08
5/19/2008	Monthly distribution of USD 0.70 per share	608,365.87
6/16/2008	Monthly distribution of USD 0.59 per share	514,283.74
7/21/2008	Monthly distribution of USD 0.73 per share	649,672.97
8/18/2008	Monthly distribution of USD 0.57 per share	498,523.29
9/15/2008	Monthly distribution of USD 0.57 per share	501,774.56
10/20/2008	Monthly distribution of USD 0.67 per share	619,551.66
11/17/2008	Monthly distribution of USD 0.55 per share	478,191.98
12/15/2008	Monthly distribution of USD 0.56 per share	490,719.33
1/16/2009	Monthly distribution of USD 0.66 per share	574,863.00
2/13/2009	Monthly distribution of USD 0.46 per share	396,984.21
Class A Distributing (M)		
3/17/2008	Monthly distribution of USD 0.39 per share	3,226.54
4/14/2008	Monthly distribution of USD 0.48 per share	2,812.30
5/19/2008	Monthly distribution of USD 0.60 per share	4,112.76
6/16/2008	Monthly distribution of USD 0.50 per share	3,173.58
7/21/2008	Monthly distribution of USD 0.61 per share	5,384.14
8/18/2008	Monthly distribution of USD 0.45 per share	8,860.30
9/15/2008	Monthly distribution of USD 0.48 per share	13,074.57
10/20/2008	Monthly distribution of USD 0.57 per share	13,879.26
11/17/2008	Monthly distribution of USD 0.46 per share	8,490.60
12/15/2008	Monthly distribution of USD 0.47 per share	8,679.77
1/16/2009	Monthly distribution of USD 0.57 per share	10,277.96
2/13/2009	Monthly distribution of USD 0.39 per share	9,888.12
Class B US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.60 per share	195,190.08
4/14/2008	Monthly distribution of USD 0.50 per share	165,462.82
5/19/2008	Monthly distribution of USD 0.67 per share	218,019.38
6/16/2008	Monthly distribution of USD 0.57 per share	183,748.71
7/21/2008	Monthly distribution of USD 0.70 per share	224,050.66
8/18/2008	Monthly distribution of USD 0.55 per share	174,882.00
9/15/2008	Monthly distribution of USD 0.54 per share	172,677.70
10/20/2008	Monthly distribution of USD 0.64 per share	181,836.58
11/17/2008	Monthly distribution of USD 0.53 per share	125,620.84
12/15/2008	Monthly distribution of USD 0.54 per share	123,984.42
1/16/2009	Monthly distribution of USD 0.64 per share	144,645.56
2/13/2009	Monthly distribution of USD 0.44 per share	98,399.78
Class C US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.57 per share	1,193,603.79
4/14/2008	Monthly distribution of USD 0.48 per share	998,014.17
5/19/2008	Monthly distribution of USD 0.64 per share	1,327,180.19
6/16/2008	Monthly distribution of USD 0.55 per share	1,144,088.82
7/21/2008	Monthly distribution of USD 0.67 per share	1,426,930.19
8/18/2008	Monthly distribution of USD 0.53 per share	1,113,827.64
9/15/2008	Monthly distribution of USD 0.52 per share	1,089,942.37
10/20/2008	Monthly distribution of USD 0.62 per share	1,240,935.90
11/17/2008	Monthly distribution of USD 0.51 per share	945,736.31
12/15/2008	Monthly distribution of USD 0.49 per share	819,838.47
1/16/2009	Monthly distribution of USD 0.62 per share	684,871.76
2/13/2009	Monthly distribution of USD 0.42 per share	464,134.54
Premier Class US\$ Distributing (D)		
5/19/2008	Monthly distribution of USD 4.10 per share	11,405.33
6/16/2008	Monthly distribution of USD 0.57 per share	12,116.03
7/21/2008	Monthly distribution of USD 0.70 per share	15,352.24
8/18/2008	Monthly distribution of USD 0.54 per share	12,411.16
9/15/2008	Monthly distribution of USD 0.54 per share	12,281.45
10/20/2008	Monthly distribution of USD 0.64 per share	15,834.76
11/17/2008	Monthly distribution of USD 0.51 per share	12,359.15
12/15/2008	Monthly distribution of USD 0.52 per share	11,629.00

Legg Mason Western Asset Global Multi Strategy Fund (continued)

Date	Base Distribution Shares	February 28, 2009 USD
Premier Class US\$ Distributing (D) (continued)		
1/16/2009	Monthly distribution of USD 0.63 per share	13,865.45
2/13/2009	Monthly distribution of USD 0.44 per share	9,661.08
Class A Euro Distributing (M) Hedged		
5/19/2008	Monthly distribution of USD 0.53 per share (EUR class)	5.65
6/16/2008	Monthly distribution of USD 0.77 per share (EUR class)	391.64
7/21/2008	Monthly distribution of USD 0.97 per share (EUR class)	493.98
8/18/2008	Monthly distribution of USD 0.74 per share (EUR class)	379.73
9/15/2008	Monthly distribution of USD 0.69 per share (EUR class)	500.83
10/20/2008	Monthly distribution of USD 0.80 per share (EUR class)	578.25
11/17/2008	Monthly distribution of USD 0.59 per share (EUR class)	425.98
12/15/2008	Monthly distribution of USD 0.61 per share (EUR class)	626.89
1/16/2009	Monthly distribution of USD 0.76 per share (EUR class)	22,333.56
2/13/2009	Monthly distribution of USD 0.49 per share (EUR class)	17,892.37
Premier Class GBP Distributing (M) Hedged		
5/19/2008	Monthly distribution of USD 1.10 per share (GBP class)	259,294.40
6/16/2008	Monthly distribution of USD 1.11 per share (GBP class)	278,634.09
7/21/2008	Monthly distribution of USD 1.37 per share (GBP class)	353,504.48
8/18/2008	Monthly distribution of USD 1.06 per share (GBP class)	276,878.10
9/15/2008	Monthly distribution of USD 0.98 per share (GBP class)	263,431.29
10/20/2008	Monthly distribution of USD 1.15 per share (GBP class)	309,898.67
11/17/2008	Monthly distribution of USD 0.82 per share (GBP class)	235,205.25
12/15/2008	Monthly distribution of USD 0.79 per share (GBP class)	252,754.58
1/16/2009	Monthly distribution of USD 0.96 per share (GBP class)	317,784.77
2/13/2009	Monthly distribution of USD 0.64 per share (GBP class)	234,949.19
Class A Distributing (GBP) (M) Hedged		
6/16/2008	Monthly distribution of USD 0.67 per share (GBP class)	1,270.82
7/21/2008	Monthly distribution of USD 1.24 per share (GBP class)	2,362.73
8/18/2008	Monthly distribution of USD 0.98 per share (GBP class)	6,460.31
9/15/2008	Monthly distribution of USD 0.89 per share (GBP class)	24,142.51
10/20/2008	Monthly distribution of USD 1.05 per share (GBP class)	37,580.12
11/17/2008	Monthly distribution of USD 0.76 per share (GBP class)	31,156.61
12/15/2008	Monthly distribution of USD 0.74 per share (GBP class)	39,599.22
1/16/2009	Monthly distribution of USD 0.88 per share (GBP class)	82,080.21
2/13/2009	Monthly distribution of USD 0.58 per share (GBP class)	60,904.40
Premier Class US\$ Distributing (M)		
2/13/2009	Monthly distribution of USD 0.16 per share	1,956.96
Legg Mason Western Asset US High Yield Fund		
Date	Base Distribution Shares	February 28, 2009 USD
Class A US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.59 per share	120,214.92
4/14/2008	Monthly distribution of USD 0.56 per share	115,961.02
5/19/2008	Monthly distribution of USD 0.71 per share	148,431.88
6/16/2008	Monthly distribution of USD 0.57 per share	118,099.55
7/21/2008	Monthly distribution of USD 0.71 per share	145,471.35
8/18/2008	Monthly distribution of USD 0.56 per share	113,372.29
9/15/2008	Monthly distribution of USD 0.57 per share	124,868.62
10/20/2008	Monthly distribution of USD 0.76 per share	163,289.09
11/17/2008	Monthly distribution of USD 0.58 per share	110,748.39
12/15/2008	Monthly distribution of USD 0.66 per share	114,727.01
1/16/2009	Monthly distribution of USD 0.85 per share	152,182.81
2/13/2009	Monthly distribution of USD 0.62 per share	110,506.87
Class B US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.57 per share	46,752.13
4/14/2008	Monthly distribution of USD 0.54 per share	40,783.29
5/19/2008	Monthly distribution of USD 0.69 per share	49,242.82
6/16/2008	Monthly distribution of USD 0.56 per share	39,890.57

Distribution Statement for Hong Kong Registered Funds – February 28, 2009 (Unaudited) – (continued)

Legg Mason Western Asset US High Yield Fund (continued)

Date	Base Distribution Shares	February 28, 2009 USD
Class B US\$ Distributing (D) (continued)		
7/21/2008	Monthly distribution of USD 0.69 per share	48,205.49
8/18/2008	Monthly distribution of USD 0.54 per share	36,686.45
9/15/2008	Monthly distribution of USD 0.55 per share	36,143.79
10/20/2008	Monthly distribution of USD 0.73 per share	42,515.41
11/17/2008	Monthly distribution of USD 0.59 per share	30,786.87
12/15/2008	Monthly distribution of USD 0.64 per share	33,727.42
1/16/2009	Monthly distribution of USD 0.83 per share	43,544.71
2/13/2009	Monthly distribution of USD 0.60 per share	31,465.68

Class C US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.55 per share	37,701.81
4/14/2008	Monthly distribution of USD 0.53 per share	36,757.58
5/19/2008	Monthly distribution of USD 0.66 per share	45,670.10
6/16/2008	Monthly distribution of USD 0.54 per share	39,214.61
7/21/2008	Monthly distribution of USD 0.67 per share	48,931.77
8/18/2008	Monthly distribution of USD 0.52 per share	38,286.84
9/15/2008	Monthly distribution of USD 0.54 per share	40,692.69
10/20/2008	Monthly distribution of USD 0.72 per share	52,763.81
11/17/2008	Monthly distribution of USD 0.58 per share	42,303.37
12/15/2008	Monthly distribution of USD 0.63 per share	45,999.78
1/16/2009	Monthly distribution of USD 0.82 per share	61,135.47
2/13/2009	Monthly distribution of USD 0.59 per share	45,521.57

Class A (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.59 per share	70,849.45
4/14/2008	Monthly distribution of USD 0.57 per share	66,678.59
5/19/2008	Monthly distribution of USD 0.71 per share	83,635.06
6/16/2008	Monthly distribution of USD 0.58 per share	66,733.41
7/21/2008	Monthly distribution of USD 0.71 per share	80,134.17
8/18/2008	Monthly distribution of USD 0.56 per share	62,168.98
9/15/2008	Monthly distribution of USD 0.58 per share	64,229.80
10/20/2008	Monthly distribution of USD 0.76 per share	84,299.39
11/17/2008	Monthly distribution of USD 0.59 per share	57,133.67
12/15/2008	Monthly distribution of USD 0.66 per share	60,627.34
1/16/2009	Monthly distribution of USD 0.85 per share	79,580.67
2/13/2009	Monthly distribution of USD 0.62 per share	60,751.51

Class B (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.55 per share	77,734.33
4/14/2008	Monthly distribution of USD 0.54 per share	73,113.41
5/19/2008	Monthly distribution of USD 0.67 per share	87,855.98
6/16/2008	Monthly distribution of USD 0.54 per share	68,645.15
7/21/2008	Monthly distribution of USD 0.67 per share	81,261.78
8/18/2008	Monthly distribution of USD 0.53 per share	62,397.50
9/15/2008	Monthly distribution of USD 0.54 per share	62,741.45
10/20/2008	Monthly distribution of USD 0.72 per share	77,296.62
11/17/2008	Monthly distribution of USD 0.58 per share	58,207.68
12/15/2008	Monthly distribution of USD 0.63 per share	60,468.34
1/16/2009	Monthly distribution of USD 0.82 per share	75,467.75
2/13/2009	Monthly distribution of USD 0.59 per share	52,815.87

Class L (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.55 per share	100,376.35
4/14/2008	Monthly distribution of USD 0.54 per share	95,899.48
5/19/2008	Monthly distribution of USD 0.67 per share	117,233.37
6/16/2008	Monthly distribution of USD 0.54 per share	91,459.39
7/21/2008	Monthly distribution of USD 0.67 per share	110,355.00
8/18/2008	Monthly distribution of USD 0.53 per share	85,748.52
9/15/2008	Monthly distribution of USD 0.54 per share	86,885.63
10/20/2008	Monthly distribution of USD 0.72 per share	110,307.26
11/17/2008	Monthly distribution of USD 0.58 per share	85,175.50
12/15/2008	Monthly distribution of USD 0.63 per share	91,025.55
1/16/2009	Monthly distribution of USD 0.82 per share	117,339.49
2/13/2009	Monthly distribution of USD 0.59 per share	82,664.00

Legg Mason Western Asset US High Yield Fund (continued)

Date	Base Distribution Shares	February 28, 2009 USD
LM Class US\$ Distributing (M)		
6/16/2008	Monthly distribution of USD 0.56 per share	6,134.11
7/21/2008	Monthly distribution of USD 0.92 per share	12,777.81
8/18/2008	Monthly distribution of USD 0.71 per share	9,964.54
9/15/2008	Monthly distribution of USD 0.73 per share	10,213.22
10/20/2008	Monthly distribution of USD 0.95 per share	21,070.94
11/17/2008	Monthly distribution of USD 0.74 per share	16,465.50
12/15/2008	Monthly distribution of USD 0.79 per share	17,599.07
1/16/2009	Monthly distribution of USD 1.03 per share	26,409.41
2/13/2009	Monthly distribution of USD 0.76 per share	21,316.56

Legg Mason Western Asset Emerging Markets Bond Fund

Date	Base Distribution Shares	February 28, 2009 USD
Class A US\$ Distributing (D)		
3/17/2008	Monthly distribution of USD 0.42 per share	38,213.18
4/14/2008	Monthly distribution of USD 0.40 per share	32,077.80
5/19/2008	Monthly distribution of USD 0.59 per share	49,304.80
6/16/2008	Monthly distribution of USD 0.47 per share	40,102.39
7/21/2008	Monthly distribution of USD 0.58 per share	49,261.34
8/18/2008	Monthly distribution of USD 0.46 per share	37,758.60
9/15/2008	Monthly distribution of USD 0.47 per share	38,777.27
10/20/2008	Monthly distribution of USD 0.60 per share	55,357.87
11/17/2008	Monthly distribution of USD 0.54 per share	42,649.27
12/15/2008	Monthly distribution of USD 0.60 per share	46,466.57
1/16/2009	Monthly distribution of USD 0.60 per share	46,410.39
2/13/2009	Monthly distribution of USD 0.52 per share	38,981.51

Class A US\$ Distributing (M)

3/17/2008	Monthly distribution of USD 0.49 per share	1,436.89
4/14/2008	Monthly distribution of USD 0.41 per share	1,161.64
5/19/2008	Monthly distribution of USD 0.53 per share	1,669.07
6/16/2008	Monthly distribution of USD 0.43 per share	1,314.30
7/21/2008	Monthly distribution of USD 0.55 per share	1,527.69
8/18/2008	Monthly distribution of USD 0.40 per share	1,712.50
9/15/2008	Monthly distribution of USD 0.43 per share	1,633.11
10/20/2008	Monthly distribution of USD 0.55 per share	1,825.04
11/17/2008	Monthly distribution of USD 0.50 per share	1,659.60
12/15/2008	Monthly distribution of USD 0.53 per share	1,772.40
1/16/2009	Monthly distribution of USD 0.57 per share	1,919.05
2/13/2009	Monthly distribution of USD 0.49 per share	1,645.98

Class B US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.46 per share	18,688.42
4/14/2008	Monthly distribution of USD 0.39 per share	15,439.25
5/19/2008	Monthly distribution of USD 0.56 per share	21,638.48
6/16/2008	Monthly distribution of USD 0.45 per share	17,217.87
7/21/2008	Monthly distribution of USD 0.56 per share	21,360.18
8/18/2008	Monthly distribution of USD 0.44 per share	16,997.67
9/15/2008	Monthly distribution of USD 0.44 per share	16,251.20
10/20/2008	Monthly distribution of USD 0.58 per share	15,875.65
11/17/2008	Monthly distribution of USD 0.53 per share	13,997.99
12/15/2008	Monthly distribution of USD 0.58 per share	15,084.95
1/16/2009	Monthly distribution of USD 0.58 per share	14,610.77
2/13/2009	Monthly distribution of USD 0.50 per share	12,611.61

Class C US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.44 per share	48,401.09
4/14/2008	Monthly distribution of USD 0.37 per share	40,132.66
5/19/2008	Monthly distribution of USD 0.53 per share	57,220.87
6/16/2008	Monthly distribution of USD 0.43 per share	45,911.46
7/21/2008	Monthly distribution of USD 0.53 per share	56,934.73
8/18/2008	Monthly distribution of USD 0.42 per share	44,808.72
9/15/2008	Monthly distribution of USD 0.43 per share	43,799.13

Distribution Statement for Hong Kong Registered Funds – February 28, 2009 (Unaudited) – (continued)

Legg Mason Western Asset Emerging Markets Bond Fund (continued)

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Class C US\$ Distributing (D) (continued)

10/20/2008	Monthly distribution of USD 0.56 per share	56,361.35
11/17/2008	Monthly distribution of USD 0.51 per share	51,084.94
12/15/2008	Monthly distribution of USD 0.57 per share	56,790.52
1/16/2009	Monthly distribution of USD 0.56 per share	55,610.39
2/13/2009	Monthly distribution of USD 0.49 per share	48,384.56

Class A (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.47 per share	50,156.42
4/14/2008	Monthly distribution of USD 0.39 per share	41,569.50
5/19/2008	Monthly distribution of USD 0.56 per share	59,141.40
6/16/2008	Monthly distribution of USD 0.45 per share	47,491.58
7/21/2008	Monthly distribution of USD 0.56 per share	57,721.04
8/18/2008	Monthly distribution of USD 0.45 per share	45,536.35
9/15/2008	Monthly distribution of USD 0.56 per share	44,796.82
10/20/2008	Monthly distribution of USD 0.56 per share	47,741.16
11/17/2008	Monthly distribution of USD 0.51 per share	36,604.04
12/15/2008	Monthly distribution of USD 0.56 per share	40,783.16
1/16/2009	Monthly distribution of USD 0.57 per share	40,736.11
2/13/2009	Monthly distribution of USD 0.49 per share	34,884.05

Class B (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.43 per share	48,690.08
4/14/2008	Monthly distribution of USD 0.35 per share	39,300.55
5/19/2008	Monthly distribution of USD 0.51 per share	54,936.12
6/16/2008	Monthly distribution of USD 0.41 per share	40,420.62
7/21/2008	Monthly distribution of USD 0.51 per share	47,873.82
8/18/2008	Monthly distribution of USD 0.41 per share	36,609.09
9/15/2008	Monthly distribution of USD 0.41 per share	35,166.70
10/20/2008	Monthly distribution of USD 0.53 per share	43,177.17
11/17/2008	Monthly distribution of USD 0.49 per share	37,471.00
12/15/2008	Monthly distribution of USD 0.53 per share	40,747.52
1/16/2009	Monthly distribution of USD 0.53 per share	40,096.93
2/13/2009	Monthly distribution of USD 0.46 per share	34,444.48

Class L (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.43 per share	46,933.27
4/14/2008	Monthly distribution of USD 0.35 per share	38,566.29
5/19/2008	Monthly distribution of USD 0.51 per share	55,116.06
6/16/2008	Monthly distribution of USD 0.41 per share	43,193.37
7/21/2008	Monthly distribution of USD 0.51 per share	53,115.87
8/18/2008	Monthly distribution of USD 0.41 per share	41,485.25
9/15/2008	Monthly distribution of USD 0.41 per share	40,017.29
10/20/2008	Monthly distribution of USD 0.54 per share	50,993.87
11/17/2008	Monthly distribution of USD 0.48 per share	44,518.00
12/15/2008	Monthly distribution of USD 0.53 per share	45,670.55
1/16/2009	Monthly distribution of USD 0.53 per share	45,380.00
2/13/2009	Monthly distribution of USD 0.46 per share	39,300.72

Legg Mason Western Asset Global High Yield Bond Fund

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Class A US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.63 per share	1,585.61
4/14/2008	Monthly distribution of USD 0.67 per share	3,526.26
5/19/2008	Monthly distribution of USD 0.72 per share	7,114.36
6/16/2008	Monthly distribution of USD 0.59 per share	6,136.99
7/21/2008	Monthly distribution of USD 0.71 per share	8,179.35
8/18/2008	Monthly distribution of USD 0.55 per share	6,362.42
9/15/2008	Monthly distribution of USD 0.58 per share	6,981.55
10/20/2008	Monthly distribution of USD 0.80 per share	9,501.00
11/17/2008	Monthly distribution of USD 0.57 per share	6,210.05
12/15/2008	Monthly distribution of USD 0.65 per share	6,045.31
1/16/2009	Monthly distribution of USD 0.81 per share	8,369.09

Legg Mason Western Asset Global High Yield Bond Fund (continued)

February 28,
2009
USD

Class A US\$ Distributing (D) (continued)

2/13/2009	Monthly distribution of USD 0.56 per share	6,046.76
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Class A US\$ Distributing (M)

3/17/2008	Monthly distribution of USD 0.49 per share	786.37
4/14/2008	Monthly distribution of USD 0.73 per share	1,170.08
5/19/2008	Monthly distribution of USD 0.78 per share	1,252.81
6/16/2008	Monthly distribution of USD 0.64 per share	1,029.74
7/21/2008	Monthly distribution of USD 0.75 per share	1,537.60
8/18/2008	Monthly distribution of USD 0.61 per share	1,356.00
9/15/2008	Monthly distribution of USD 0.64 per share	2,451.21
10/20/2008	Monthly distribution of USD 0.80 per share	2,064.57
11/17/2008	Monthly distribution of USD 0.72 per share	1,874.47
12/15/2008	Monthly distribution of USD 0.69 per share	1,792.21
1/16/2009	Monthly distribution of USD 0.90 per share	2,346.22
2/13/2009	Monthly distribution of USD 0.62 per share	1,596.02

Class B US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.66 per share	508.11
4/14/2008	Monthly distribution of USD 0.59 per share	458.66
5/19/2008	Monthly distribution of USD 0.69 per share	582.78
6/16/2008	Monthly distribution of USD 0.56 per share	478.11
7/21/2008	Monthly distribution of USD 0.69 per share	591.63
8/18/2008	Monthly distribution of USD 0.46 per share	395.91
9/15/2008	Monthly distribution of USD 0.59 per share	526.34
10/20/2008	Monthly distribution of USD 0.79 per share	1,085.76
11/17/2008	Monthly distribution of USD 0.57 per share	859.96
12/15/2008	Monthly distribution of USD 0.63 per share	958.36
1/16/2009	Monthly distribution of USD 0.76 per share	1,033.28
2/13/2009	Monthly distribution of USD 0.55 per share	651.80

Class C US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.57 per share	8,080.05
4/14/2008	Monthly distribution of USD 0.58 per share	8,342.34
5/19/2008	Monthly distribution of USD 0.67 per share	10,904.19
6/16/2008	Monthly distribution of USD 0.55 per share	9,866.27
7/21/2008	Monthly distribution of USD 0.66 per share	14,384.04
8/18/2008	Monthly distribution of USD 0.51 per share	11,010.48
9/15/2008	Monthly distribution of USD 0.54 per share	12,235.11
10/20/2008	Monthly distribution of USD 0.76 per share	14,212.65
11/17/2008	Monthly distribution of USD 0.56 per share	9,686.17
12/15/2008	Monthly distribution of USD 0.62 per share	10,828.87
1/16/2009	Monthly distribution of USD 0.77 per share	14,062.97
2/13/2009	Monthly distribution of USD 0.54 per share	9,812.10

Class A (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.59 per share	134,159.32
4/14/2008	Monthly distribution of USD 0.60 per share	128,044.95
5/19/2008	Monthly distribution of USD 0.72 per share	151,516.42
6/16/2008	Monthly distribution of USD 0.59 per share	122,533.80
7/21/2008	Monthly distribution of USD 0.72 per share	145,575.80
8/18/2008	Monthly distribution of USD 0.56 per share	113,503.21
9/15/2008	Monthly distribution of USD 0.58 per share	118,844.94
10/20/2008	Monthly distribution of USD 0.81 per share	161,782.05
11/17/2008	Monthly distribution of USD 0.58 per share	109,790.44
12/15/2008	Monthly distribution of USD 0.64 per share	119,162.48
1/16/2009	Monthly distribution of USD 0.81 per share	149,942.47
2/13/2009	Monthly distribution of USD 0.57 per share	104,363.34

Class B (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.56 per share	122,990.49
4/14/2008	Monthly distribution of USD 0.57 per share	119,904.59
5/19/2008	Monthly distribution of USD 0.68 per share	136,786.25
6/16/2008	Monthly distribution of USD 0.55 per share	106,787.49
7/21/2008	Monthly distribution of USD 0.68 per share	126,713.06

Distribution Statement for Hong Kong Registered Funds – February 28, 2009 (Unaudited) – (continued)

Legg Mason Western Asset Global High Yield Bond Fund (continued)

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Class B (G) US\$ Distributing (D) (continued)

8/18/2008	Monthly distribution of USD 0.52 per share	94,381.96
9/15/2008	Monthly distribution of USD 0.55 per share	95,532.07
10/20/2008	Monthly distribution of USD 0.78 per share	127,732.32
11/17/2008	Monthly distribution of USD 0.56 per share	87,135.74
12/15/2008	Monthly distribution of USD 0.62 per share	94,558.82
1/16/2009	Monthly distribution of USD 0.78 per share	116,885.32
2/13/2009	Monthly distribution of USD 0.54 per share	77,430.64

Class L (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.56 per share	58,180.93
4/14/2008	Monthly distribution of USD 0.57 per share	59,570.71
5/19/2008	Monthly distribution of USD 0.68 per share	69,573.03
6/16/2008	Monthly distribution of USD 0.55 per share	55,690.26
7/21/2008	Monthly distribution of USD 0.68 per share	67,455.23
8/18/2008	Monthly distribution of USD 0.52 per share	51,811.09
9/15/2008	Monthly distribution of USD 0.55 per share	52,214.66
10/20/2008	Monthly distribution of USD 0.78 per share	71,760.29
11/17/2008	Monthly distribution of USD 0.56 per share	51,330.58
12/15/2008	Monthly distribution of USD 0.62 per share	56,238.39
1/16/2009	Monthly distribution of USD 0.78 per share	69,579.76
2/13/2009	Monthly distribution of USD 0.54 per share	48,133.14

Legg Mason Western Asset US Short-Term Government Fund

February 28, 2009
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Class A US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.37 per share	115.14
4/14/2008	Monthly distribution of USD 0.29 per share	89.93
5/19/2008	Monthly distribution of USD 0.41 per share	123.24
6/16/2008	Monthly distribution of USD 0.34 per share	102.13
7/21/2008	Monthly distribution of USD 0.45 per share	183.17
8/18/2008	Monthly distribution of USD 0.35 per share	434.55
9/15/2008	Monthly distribution of USD 0.35 per share	559.01
10/20/2008	Monthly distribution of USD 0.42 per share	686.49
11/17/2008	Monthly distribution of USD 0.28 per share	569.22
12/15/2008	Monthly distribution of USD 0.28 per share	882.46
1/16/2009	Monthly distribution of USD 0.25 per share	2,373.80
2/13/2009	Monthly distribution of USD 0.24 per share	3,340.27

Class B US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.35 per share	1,059.12
4/14/2008	Monthly distribution of USD 0.27 per share	826.72
5/19/2008	Monthly distribution of USD 0.39 per share	1,168.00
6/16/2008	Monthly distribution of USD 0.32 per share	959.92
7/21/2008	Monthly distribution of USD 0.41 per share	1,314.80
8/18/2008	Monthly distribution of USD 0.32 per share	992.14
9/15/2008	Monthly distribution of USD 0.34 per share	998.13
10/20/2008	Monthly distribution of USD 0.38 per share	8,429.35
11/17/2008	Monthly distribution of USD 0.25 per share	12,438.55
12/15/2008	Monthly distribution of USD 0.22 per share	11,465.22
1/16/2009	Monthly distribution of USD 0.22 per share	11,312.64
2/13/2009	Monthly distribution of USD 0.18 per share	9,403.48

Class C US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.28 per share	609.06
4/14/2008	Monthly distribution of USD 0.25 per share	305.49
5/19/2008	Monthly distribution of USD 0.37 per share	455.72
6/16/2008	Monthly distribution of USD 0.30 per share	416.28
7/21/2008	Monthly distribution of USD 0.47 per share	881.80
8/18/2008	Monthly distribution of USD 0.31 per share	1,013.92
9/15/2008	Monthly distribution of USD 0.31 per share	1,018.28
10/20/2008	Monthly distribution of USD 0.37 per share	1,209.61
11/17/2008	Monthly distribution of USD 0.25 per share	1,131.05

Legg Mason Western Asset US Short-Term Government Fund (continued)

February 28, 2009
USD

Class C US\$ Distributing (D) (continued)

12/15/2008	Monthly distribution of USD 0.18 per share	1,372.66
1/16/2009	Monthly distribution of USD 0.21 per share	1,961.56
2/13/2009	Monthly distribution of USD 0.17 per share	1,650.98

Class A (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.35 per share	23,410.80
4/14/2008	Monthly distribution of USD 0.30 per share	18,098.70
5/19/2008	Monthly distribution of USD 0.42 per share	25,532.38
6/16/2008	Monthly distribution of USD 0.34 per share	20,973.07
7/21/2008	Monthly distribution of USD 0.43 per share	25,931.57
8/18/2008	Monthly distribution of USD 0.34 per share	20,730.82
9/15/2008	Monthly distribution of USD 0.35 per share	21,704.06
10/20/2008	Monthly distribution of USD 0.42 per share	26,027.83
11/17/2008	Monthly distribution of USD 0.28 per share	17,151.89
12/15/2008	Monthly distribution of USD 0.25 per share	15,184.44
1/16/2009	Monthly distribution of USD 0.25 per share	15,088.49
2/13/2009	Monthly distribution of USD 0.19 per share	11,734.61

Class B (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.31 per share	106,551.34
4/14/2008	Monthly distribution of USD 0.26 per share	84,397.26
5/19/2008	Monthly distribution of USD 0.37 per share	114,604.53
6/16/2008	Monthly distribution of USD 0.30 per share	91,335.87
7/21/2008	Monthly distribution of USD 0.38 per share	112,325.52
8/18/2008	Monthly distribution of USD 0.30 per share	85,936.69
9/15/2008	Monthly distribution of USD 0.31 per share	86,381.90
10/20/2008	Monthly distribution of USD 0.37 per share	96,953.27
11/17/2008	Monthly distribution of USD 0.24 per share	59,885.47
12/15/2008	Monthly distribution of USD 0.21 per share	50,989.73
1/16/2009	Monthly distribution of USD 0.20 per share	47,286.25
2/13/2009	Monthly distribution of USD 0.15 per share	35,079.67

Class L (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.32 per share	20,667.75
4/14/2008	Monthly distribution of USD 0.26 per share	17,027.49
5/19/2008	Monthly distribution of USD 0.37 per share	23,969.51
6/16/2008	Monthly distribution of USD 0.30 per share	18,802.54
7/21/2008	Monthly distribution of USD 0.38 per share	21,336.98
8/18/2008	Monthly distribution of USD 0.30 per share	16,679.13
9/15/2008	Monthly distribution of USD 0.31 per share	17,020.20
10/20/2008	Monthly distribution of USD 0.37 per share	19,815.62
11/17/2008	Monthly distribution of USD 0.24 per share	11,103.29
12/15/2008	Monthly distribution of USD 0.21 per share	9,557.00
1/16/2009	Monthly distribution of USD 0.20 per share	8,623.42
2/13/2009	Monthly distribution of USD 0.15 per share	6,580.64

Legg Mason Western Asset US Adjustable Rate Fund

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USD

Class A US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.27 per share	2.80
4/14/2008	Monthly distribution of USD 0.19 per share	2.01

Class B US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.32 per share	3.29
4/14/2008	Monthly distribution of USD 0.16 per share	1.69
5/19/2008	Monthly distribution of USD 0.25 per share	2.53
6/16/2008	Monthly distribution of USD 0.17 per share	1.74
7/21/2008	Monthly distribution of USD 0.20 per share	2.11
8/18/2008	Monthly distribution of USD 0.16 per share	1.67
9/15/2008	Monthly distribution of USD 0.15 per share	1.51
10/20/2008	Monthly distribution of USD 0.18 per share	1.82
11/17/2008	Monthly distribution of USD 0.23 per share	2.40

Distribution Statement for Hong Kong Registered Funds – February 28, 2009 (Unaudited) – (continued)

Legg Mason Western Asset US Adjustable Rate Fund (continued)

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USD

Class B US\$ Distributing (D) (continued)

12/15/2008	Monthly distribution of USD 0.12 per share	1.26
1/16/2009	Monthly distribution of USD 0.07 per share	0.78
2/13/2009	Monthly distribution of USD 0.04 per share	0.39

Class C US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.22 per share	662.35
4/14/2008	Monthly distribution of USD 0.16 per share	479.06
5/19/2008	Monthly distribution of USD 0.19 per share	656.81
6/16/2008	Monthly distribution of USD 0.14 per share	432.15
7/21/2008	Monthly distribution of USD 0.19 per share	236.24
8/18/2008	Monthly distribution of USD 0.15 per share	156.20
9/15/2008	Monthly distribution of USD 0.13 per share	140.05
10/20/2008	Monthly distribution of USD 0.22 per share	50.02
11/17/2008	Monthly distribution of USD 0.23 per share	653.07
12/15/2008	Monthly distribution of USD 0.11 per share	564.30
1/16/2009	Monthly distribution of USD 0.06 per share	289.00
2/13/2009	Monthly distribution of USD 0.03 per share	134.73

Class A (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.25 per share	21,280.64
4/14/2008	Monthly distribution of USD 0.19 per share	16,127.34
5/19/2008	Monthly distribution of USD 0.27 per share	21,206.09
6/16/2008	Monthly distribution of USD 0.19 per share	13,558.76
7/21/2008	Monthly distribution of USD 0.24 per share	17,041.13
8/18/2008	Monthly distribution of USD 0.18 per share	12,887.31
9/15/2008	Monthly distribution of USD 0.18 per share	12,389.73
10/20/2008	Monthly distribution of USD 0.27 per share	18,177.21
11/17/2008	Monthly distribution of USD 0.23 per share	15,432.65
12/15/2008	Monthly distribution of USD 0.13 per share	8,706.82
1/16/2009	Monthly distribution of USD 0.08 per share	3,326.70
2/13/2009	Monthly distribution of USD 0.04 per share	1,481.14

Class B (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.21 per share	43,673.21
4/14/2008	Monthly distribution of USD 0.16 per share	30,986.43
5/19/2008	Monthly distribution of USD 0.22 per share	37,996.36
6/16/2008	Monthly distribution of USD 0.15 per share	24,832.58
7/21/2008	Monthly distribution of USD 0.20 per share	30,382.67
8/18/2008	Monthly distribution of USD 0.15 per share	21,210.39
9/15/2008	Monthly distribution of USD 0.14 per share	19,716.77
10/20/2008	Monthly distribution of USD 0.22 per share	26,928.90
11/17/2008	Monthly distribution of USD 0.20 per share	22,291.28
12/15/2008	Monthly distribution of USD 0.11 per share	11,309.58
1/16/2009	Monthly distribution of USD 0.05 per share	5,173.73
2/13/2009	Monthly distribution of USD 0.02 per share	1,781.20

Class L (G) US\$ Distributing (D)

3/17/2008	Monthly distribution of USD 0.21 per share	31,604.72
4/14/2008	Monthly distribution of USD 0.16 per share	21,897.99
5/19/2008	Monthly distribution of USD 0.22 per share	27,238.90
6/16/2008	Monthly distribution of USD 0.15 per share	17,987.51
7/21/2008	Monthly distribution of USD 0.20 per share	21,760.01
8/18/2008	Monthly distribution of USD 0.15 per share	15,930.58
9/15/2008	Monthly distribution of USD 0.14 per share	14,867.27
10/20/2008	Monthly distribution of USD 0.22 per share	20,418.76
11/17/2008	Monthly distribution of USD 0.20 per share	16,250.78
12/15/2008	Monthly distribution of USD 0.10 per share	7,792.41
1/16/2009	Monthly distribution of USD 0.05 per share	3,605.48
2/13/2009	Monthly distribution of USD 0.02 per share	1,252.25

Legg Mason Western Asset Inflation Management Fund

February 28,
2009
USD

Class A US\$ Distributing (A)

3/17/2008	Annual distribution of USD 4.51 per share	6,193.82
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Class B US\$ Distributing (A)

3/17/2008	Annual distribution of USD 1.56 per share	15.61
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Class C US\$ Distributing (A)

3/17/2008	Annual distribution of USD 4.02 per share	40.24
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Class A (G) US\$ Distributing (A)

3/17/2008	Annual distribution of USD 6.19 per share	26,355.44
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Class B (G) US\$ Distributing (A)

3/17/2008	Annual distribution of USD 6.50 per share	97,564.26
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Class L (G) US\$ Distributing (A)

3/17/2008	Annual distribution of USD 6.00 per share	100,792.37
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Legg Mason Western Asset Asian Opportunities Fund

February 28,
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USD

Class A US\$ Distributing (D)

7/21/2008	Monthly distribution of USD 0.10 per share	0.97
8/18/2008	Monthly distribution of USD 0.22 per share	2.16
9/15/2008	Monthly distribution of USD 0.32 per share	3.24
10/20/2008	Monthly distribution of USD 0.41 per share	4.14
11/17/2008	Monthly distribution of USD 0.30 per share	2.99
12/15/2008	Monthly distribution of USD 0.31 per share	3.19
1/16/2009	Monthly distribution of USD 0.40 per share	4.10
2/13/2009	Monthly distribution of USD 0.35 per share	3.54

Class B US\$ Distributing (D)

7/21/2008	Monthly distribution of USD 0.08 per share	0.75
8/18/2008	Monthly distribution of USD 0.19 per share	1.91
9/15/2008	Monthly distribution of USD 0.19 per share	1.95
10/20/2008	Monthly distribution of USD 0.38 per share	3.78
11/17/2008	Monthly distribution of USD 0.27 per share	2.71
12/15/2008	Monthly distribution of USD 0.29 per share	2.91
1/16/2009	Monthly distribution of USD 0.36 per share	20.51
2/13/2009	Monthly distribution of USD 0.30 per share	33.76

Class C US\$ Distributing (D)

7/21/2008	Monthly distribution of USD 0.05 per share	0.53
8/18/2008	Monthly distribution of USD 0.17 per share	1.67
9/15/2008	Monthly distribution of USD 0.16 per share	1.63
10/20/2008	Monthly distribution of USD 0.35 per share	3.48
11/17/2008	Monthly distribution of USD 0.26 per share	2.66
12/15/2008	Monthly distribution of USD 0.28 per share	2.83
1/16/2009	Monthly distribution of USD 0.33 per share	3.39
2/13/2009	Monthly distribution of USD 0.29 per share	2.98

Premier Class US\$ Distributing (D)

7/21/2008	Monthly distribution of USD 0.12 per share	1.19
8/18/2008	Monthly distribution of USD 0.24 per share	2.43
9/15/2008	Monthly distribution of USD 0.28 per share	2.77
10/20/2008	Monthly distribution of USD 0.45 per share	4.50
11/17/2008	Monthly distribution of USD 0.32 per share	3.25
12/15/2008	Monthly distribution of USD 0.34 per share	3.47
1/16/2009	Monthly distribution of USD 0.44 per share	4.47
2/13/2009	Monthly distribution of USD 0.37 per share	3.83

Class A Euro Distributing (M)

7/21/2008	Monthly distribution of USD 0.13 per share (EUR Class)	1.25
8/18/2008	Monthly distribution of USD 0.25 per share (EUR Class)	2.52

Distribution Statement for Hong Kong Registered Funds – February 28, 2009 (Unaudited) – (continued)

Legg Mason Western Asset Asian Opportunities Fund (continued)

Date	Base Distribution Shares	February 28, 2009 USD
Class A Euro Distributing (M) (continued)		
9/15/2008	Monthly distribution of USD 0.30 per share (EUR Class)	3.00
10/20/2008	Monthly distribution of USD 0.55 per share (EUR Class)	5.55
11/17/2008	Monthly distribution of USD 0.34 per share (EUR Class)	3.47
12/15/2008	Monthly distribution of USD 0.40 per share (EUR Class)	4.03
1/16/2009	Monthly distribution of USD 0.56 per share (EUR Class)	5.63
2/13/2009	Monthly distribution of USD 0.52 per share (EUR Class)	5.24

Legg Mason Brandywine Global Fixed Income Fund

Date	Base Distribution Shares	February 28, 2009 USD
Class A US\$ Distributing (S)		
3/17/2008	Semi-Annual distribution of USD 2.26 per share	9,798,229.79
9/15/2008	Semi-Annual distribution of USD 2.37 per share	8,730,241.72
Class B US\$ Distributing (S)		
3/17/2008	Semi-Annual distribution of USD 2.09 per share	197,799.58
9/15/2008	Semi-Annual distribution of USD 2.16 per share	193,193.04
Class C US\$ Distributing (S)		
3/17/2008	Semi-Annual distribution of USD 1.92 per share	416,033.65
9/15/2008	Semi-Annual distribution of USD 2.12 per share	349,983.52
Class A GBP Distributing (S) (Hedged)		
3/17/2008	Semi-Annual distribution of USD 0.74 per share (GBP class)	35,431.45
9/15/2008	Semi-Annual distribution of USD 3.79 per share (GBP class)	955,928.56

Legg Mason Batterymarch European Equity Fund

Date	Base Distribution Shares	February 28, 2009 EUR
Class A Euro Distributing (A)		
3/17/2008	Annual distribution of EUR 1.91 per share	24,411.11
Class A US\$ Distributing (A)		
3/17/2008	Annual distribution of EUR 1.82 per share (USD class)	144,493.17
Class B US\$ Distributing (A)		
3/17/2008	Annual distribution of EUR 0.89 per share (USD class)	33,894.46
Class C US\$ Distributing (A)		
3/17/2008	Annual distribution of EUR 0.90 per share (USD class)	50,144.44

Legg Mason Batterymarch International Large Cap Fund

Date	Base Distribution Shares	February 28, 2009 USD
Class A US\$ Distributing (A)		
3/17/2008	Annual distribution of USD 0.13 per share	1,148.70
Class B US\$ Distributing (A)		
3/17/2008	Annual distribution of USD 0.13 per share	1,562.00
Class C US\$ Distributing (A)		
3/17/2008	Annual distribution of USD 0.10 per share	2,978.02

Legg Mason PCM US Equity Fund

Date	Base Distribution Shares	February 28, 2009 USD
Class A US\$ Distributing (A)		
3/17/2008	Annual distribution of USD 0.05 per share	0.52
Class A Euro Distributing (A)		
3/17/2008	Annual distribution of USD 0.08 per share (EURO class)	0.56

Statement of Major Portfolio Changes (Unaudited)

In accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (as amended), a statement of largest changes in the composition of the Portfolio of Investments during the reporting year is provided to ensure that shareholders can identify changes in the investments held by each Fund. These are defined as the aggregate purchases and sales of an investment (including maturities but excluding repurchase agreements, overnight discount notes and time deposits, which are employed chiefly as a means of seeking to ensure efficient portfolio management) exceeding 1.00 per cent of the total value of purchases and sales for the year. At a minimum the largest twenty purchases and sales are listed. If a Fund entered into less than twenty purchases or sales during the reporting year, then all transactions are presented.

Legg Mason Western Asset US Money Market Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
U.S. Treasury Bill, 0.150% due 8/6/2009	195,477	Automatic Data Processing, Inc., zero coupon due 9/10/2009	303,784
Automatic Data Processing, Inc., 0.190% due 8/11/2009	174,999	Automatic Data Processing, Inc., 1.000% due 9/17/2009	274,710
U.S. Treasury Bill, 0.100% due 10/15/2009	174,937	Wells Fargo & Co., 0.150% due 9/1/2009	270,000
Automatic Data Processing, Inc., 0.150% due 8/13/2009	159,999	Toyota Motor Credit Corp., 0.160% due 9/14/2009	270,000
Automatic Data Processing, Inc., 0.180% due 8/19/2009	159,999	General Electric Capital Corp., zero coupon due 9/11/2009	270,000
Toyota Motor Credit Corp., zero coupon due 8/13/2009	154,999	General Electric Capital Corp., zero coupon due 9/9/2009	266,000
Automatic Data Processing, Inc., zero coupon due 8/12/2009	154,999	Automatic Data Processing, Inc., zero coupon due 9/9/2009	250,000
Automatic Data Processing, Inc., zero coupon due 9/10/2009	151,891	Automatic Data Processing, Inc., zero coupon due 9/16/2009	250,000
Automatic Data Processing, Inc., zero coupon due 8/26/2009	149,999	Automatic Data Processing, Inc., zero coupon due 9/3/2009	245,378
Automatic Data Processing, Inc., zero coupon due 8/25/2009	149,999	General Electric Capital Corp., zero coupon due 9/16/2009	242,486
Automatic Data Processing, Inc., 0.170% due 8/20/2009	149,999	General Electric Capital Corp., zero coupon due 9/8/2009	220,000
Automatic Data Processing, Inc., zero coupon due 8/4/2009	149,999	Automatic Data Processing, Inc., 0.160% due 9/8/2009	218,000
Toyota Motor Credit Corp., zero coupon due 6/17/2009	149,999	General Electric Capital Corp., 0.100% due 9/14/2009	215,158
Automatic Data Processing, Inc., 0.210% due 6/10/2009	149,999	Automatic Data Processing Corp., 0.160% due 9/14/2009	200,000
Automatic Data Processing, Inc., zero coupon due 6/18/2009	149,999	Automatic Data Processing Corp., zero coupon due 9/1/2009	200,000
Wells Fargo & Co., zero coupon due 6/23/2009	149,999	General Electric Capital Corp., zero coupon due 9/2/2009	200,000
Toyota Motor Credit Corp., 1.000% due 6/23/2009	149,999	Automatic Data Processing Corp., zero coupon due 9/2/2009	200,000
Automatic Data Processing, Inc., 0.200% due 5/28/2009	145,424	ConocoPhillips, zero coupon due 9/10/2009	200,000
Automatic Data Processing, Inc., zero coupon due 6/8/2009	145,184	Toyota Motor Credit Corp., zero coupon due 9/11/2009	200,000
Toyota Motor Credit Corp., 0.180% due 5/12/2009	144,999	U.S. Treasury Bill, 0.150% due 8/6/2009	195,500

Legg Mason Western Asset US Core Bond Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
FNMA, 30 Year May TBA, 5.000% due 5/15/2039	3,598	FNMA, 30 Year May TBA, 5.000% due 5/15/2038	3,599
FNMA, 30 Year April TBA, 5.000% due 4/15/2039	3,149	FNMA, 30 Year March TBA, 5.000% due 3/15/2039	3,362
FNMA, 30 Year June TBA, 5.000% due 6/15/2039	2,357	FNMA, 30 Year April TBA, 5.000% due 4/15/2039	3,193
FNMA, 15 Year June TBA, 5.500% due 6/15/2024	2,285	FNMA, 30 Year June TBA, 5.000% due 6/15/2038	2,355
FNMA, 15 Year April TBA, 5.500% due 4/15/2024	1,888	FNMA, 15 Year June TBA, 5.500% due 6/15/2023	2,292
FNMA, 15 Year May TBA, 5.500% due 5/15/2024	1,872	FNMA, 15 Year April TBA, 5.500% due 4/15/2024	2,290
FNMA, 30 Year August TBA, 5.000% due 8/15/2039	1,630	FNMA, 15 Year May TBA, 5.500% due 5/15/2023	1,872
FHLMC Corp., zero coupon due 11/1/2020	1,576	FNMA, 15 Year March TBA, 5.500% due 3/15/2024	1,684
FHLMC Corp., zero coupon due 1/15/2025	1,480	FNMA, 30 Year August TBA, 5.000% due 8/15/2038	1,629
FNMA, zero coupon due 11/15/2022	1,479	FHLMC Corp., zero coupon due 11/1/2020	1,587
FHLMC Corp., 5.000% due 12/1/2020	1,477	FNMA, zero coupon due 11/15/2022	1,489
FHLMC Corp., 15 Year March TBA, 5.000% due 3/15/2024	1,475	FHLMC Corp., 5.000% due 12/1/2020	1,484
FNMA, 5.500% due 10/18/2016	1,472	FNMA, 5.500% due 10/18/2016	1,483
FHLMC Corp., zero coupon due 2/1/2021	1,468	FHLMC Corp., zero coupon due 2/1/2021	1,477
FNMA, 15 Year August TBA, 5.500% due 8/15/2024	1,462	FNMA, 15 Year September TBA, 5.500% due 9/15/2024	1,476
FNMA, 15 Year September TBA, 5.500% due 9/15/2024	1,461	FHLMC Gold, zero coupon due 10/1/2020	1,475
FNMA, 15 Year July TBA, 5.500% due 7/15/2024	1,458	FHLMC Corp., zero coupon due 1/15/2025	1,472
FHLMC Gold, zero coupon due 10/1/2020	1,456	FNMA, 15 Year July TBA, 5.500% due 7/15/2024	1,466
FHLMC, 15 Year May TBA, 5.000% due 5/15/2024	1,448	FNMA, 15 Year August TBA, 5.500% due 8/15/2024	1,465
FHLMC Corp., 15 Year August TBA, 5.000% due 8/15/2024	1,447	FHLMC Gold, 15 Year September TBA, 5.000% due 9/15/2024	1,461
FHLMC Gold, 15 Year September TBA, 5.000% due 9/15/2024	1,446	FHLMC, 15 Year April TBA, 5.000% due 4/15/2024	1,452
FGLMC, 15 Year June TBA, 5.000% due 6/15/2024	1,442	FNMA, 15 Year July TBA, 5.000% due 7/15/2024	1,451
FHLMC, 15 Year April TBA, 5.000% due 4/15/2024	1,441	FHLMC Corp., 15 Year August TBA, 5.000% due 8/15/2024	1,451
FNMA, 15 Year July TBA, 5.000% due 7/15/2024	1,439	FHLMC, 15 Year May TBA, 5.000% due 5/15/2024	1,445
FNMA, 30 Year July TBA, 5.000% due 7/15/2039	1,421	FHLMC Corp., 15 Year March TBA, 5.000% due 3/15/2024	1,445
FNMA, 30 Year January TBA, zero coupon due 1/15/2040	1,250	FGLMC, 15 Year June TBA, 5.000% due 6/15/2024	1,443
U.S. Treasury Bill, zero coupon due 1/14/2010	1,098	FNMA, 30 Year July TBA, 5.000% due 7/15/2039	1,428
U.S. Treasury Note, 1.875% due 4/30/2014	988	FNMA, 30 Year January TBA, zero coupon due 1/15/2040	1,250
FNMA, 15 Year March TBA, 5.500% due 3/15/2024	962	U.S. Treasury Bill, zero coupon due 5/14/2009	1,100
FNMA, zero coupon due 1/15/2025	960	U.S. Treasury Bill, zero coupon due 1/14/2010	1,100
FNMA 15 Year December TBA, 5.500% due 12/15/2024	957	U.S. Treasury Note, 1.875% due 4/30/2014	985
FNMA, 15 Year February TBA, zero coupon due 2/15/2024	956	FNMA, 15 Year February TBA, zero coupon due 2/15/2024	965
U.S. Treasury Bill, zero coupon due 4/29/2010	799	FNMA, 15 Year December TBA, 5.500% due 12/15/2024	963

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Western Asset US Core Bond Fund – (continued)

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
FNMA, 30 Year November TBA, zero coupon due 11/15/2039	722	FNMA, zero coupon due 1/15/2025	959
FNMA, 30 Year December TBA, 5.000% due 12/15/2039	722	FHLB, 4.500% due 10/9/2009	918
FNMA, 30 Year October TBA, 5.000% due 10/15/2039	717	U.S. Treasury Inflationary Index Bond, 2.500% due 1/15/2029	811
FNMA, 30 Year September TBA, 5.000% due 9/15/2039	709	U.S. Treasury Bill, zero coupon due 4/29/2010	800

Legg Mason Western Asset US Core Plus Bond Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
FNMA, 30 Year January TBA, zero coupon due 1/15/2040	3,122	FNMA, 30 Year January TBA, zero coupon due 1/15/2040	3,122
FNMA, 30 Year May TBA, 5.000% due 5/15/2039	2,672	FNMA, 30 Year May TBA, 5.000% due 5/15/2039	2,670
FNMA, 30 Year June TBA, 5.000% due 6/15/2039	2,663	FNMA, 30 Year June TBA, 5.000% due 6/15/2039	2,652
FNMA, zero coupon due 1/1/2036	2,645	FNMA, zero coupon due 1/1/2036	2,642
FNMA, 30 Year July TBA, 5.000% due 7/15/2039	2,630	FNMA, 30 Year July TBA, 5.000% due 7/15/2039	2,641
FNMA, zero coupon due 2/15/2039	2,258	FNMA, 30 Year April TBA, 5.000% due 4/15/2039	2,577
FNMA, 30 Year April TBA, 6.500% due 4/15/2039	1,893	FNMA, zero coupon due 2/15/2039	2,259
FNMA, 30 Year November TBA, zero coupon due 11/15/2039	1,652	FNMA, 30 Year March TBA, 6.500% due 3/15/2039	1,898
FNMA, 30 Year December TBA, 5.000% due 12/15/2039	1,649	FNMA, 30 Year December TBA, 5.000% due 12/15/2039	1,673
FNMA, 30 Year October TBA, 5.000% due 10/15/2039	1,637	FNMA, 30 Year October TBA, 5.000% due 10/15/2039	1,658
FNMA, 30 Year August TBA, 5.000% due 8/15/2039	1,629	FNMA, 30 Year November TBA, zero coupon due 11/15/2039	1,656
FNMA, 30 Year September TBA, 5.000% due 9/15/2039	1,620	FNMA, 30 Year September TBA, 5.000% due 9/15/2039	1,644
FNMA, 30 Year January TBA, 5.500% due 12/15/2040	1,467	FNMA, 30 Year August TBA, 5.000% due 8/15/2039	1,626
FNMA, 30 Year November TBA, zero coupon due 11/15/2039	1,462	U.S. Treasury Bill, zero coupon due 5/14/2009	1,499
FNMA, 30 Year October TBA, 5.500% due 10/15/2039	1,454	FNMA, 30 Year January TBA, 5.500% due 1/15/2040	1,487
FNMA, 30 Year June TBA, 5.500% due 6/15/2039	1,447	FNMA, 30 Year November TBA, zero coupon due 11/15/2039	1,473
FNMA, 30 Year August TBA, 5.500% due 8/15/2039	1,444	FNMA, 30 Year October TBA, 5.500% due 10/15/2039	1,467
FNMA, 30 Year July TBA, 5.500% due 7/15/2039	1,442	FNMA, 30 Year September TBA, 5.500% due 9/15/2039	1,459
FNMA, 30 Year September TBA, 5.500% due 9/15/2039	1,439	FNMA, 30 Year July TBA, 5.500% due 7/15/2039	1,449
U.S. Treasury Bond, 3.375% due 11/15/2019	1,408	FNMA, 30 Year June TBA, 5.500% due 6/15/2039	1,447
FNMA Discount Note, zero coupon due 2/16/2010	1,400	FNMA, 30 Year August TBA, 5.500% due 8/15/2039	1,444
FHLB Discount Note, zero coupon due 10/30/2009	1,397	State of Illinois, 5.100% due 6/1/2033	1,438
FHLB Discount Note, zero coupon due 1/6/2010	1,396	FHLB Discount Note, zero coupon due 1/6/2010	1,400
FNMA, 30 Year April TBA, 6.000% due 4/15/2039	1,360	FHLB Discount Note, zero coupon due 10/30/2009	1,400
FNCL, 30 Year May TBA, 5.500% due 5/15/2039	1,243	FNMA Discount Notes, zero coupon due 2/16/2010	1,400
GNMA, zero coupon due 2/1/2039	1,180	FNMA Discount Note, zero coupon due 5/5/2009	1,400
GNMA, 30 Year March TBA, 6.000% due 3/15/2039	1,179	FHLB Discount Note, zero coupon due 5/20/2009	1,400
FNMA, 30 Year January TBA zero coupon due 1/15/2040	1,078	FNMA, 30 Year April TBA, 6.500% due 4/15/2039	1,367
FNMA, 30 Year December TBA, due 12/15/2039	1,069	FNCL, 30 Year May TBA, 5.500% due 5/15/2039	1,243
FNMA, 30 Year October TBA, 6.500% due 10/15/2039	1,066	GNMA, zero coupon due 2/1/2039	1,181
FNMA, 30 Year November TBA, zero coupon due 11/15/2039	1,066	FNMA, 30 Year March TBA, 6.000% due 3/15/2039	1,148
FNMA, 30 Year July TBA, 6.500% due 7/15/2039	1,064		
FNMA, 30 Year September TBA, 6.500% due 9/15/2039	1,064		
FNMA, zero coupon due 8/1/2035	1,063		
FNMA, 6.500% due 6/1/2035	1,056		
FNMA, 6.500% due 5/15/2037	1,049		
FNMA, 30 Year June TBA, 6.000% due 6/15/2039	1,044		

Legg Mason Western Asset Euro Core Plus Bond Fund

MAJOR PURCHASES	COST (in 000€)	MAJOR SALES	PROCEEDS (in 000€)
Bundesobligation, 4.000% due 4/13/2012	882	Deutsche Bundesrepublik Inflation Linked, 1.500% due 4/15/2016	712
Deutsche Bundesrepublik Inflation Linked, 1.500% due 4/15/2016	698	Netherlands Government Bond, 4.250% due 7/15/2013	498
Bundesrepublik Deutschland, 3.750% due 1/4/2019	683	Spain Government Bond, 4.200% due 7/30/2013	495
Bundesrepublik Deutschland, 4.750% due 7/4/2040	678	Bundesrepublik Deutschland, 4.750% due 7/4/2040	385
Bundesrepublik Deutschland, Series 04, 3.750% due 1/4/2015	658	France Government Bond OAT, 4.250% due 4/25/2019	375
Norway Government Bond, 4.250% due 5/19/2017	530	Bundesobligation, 2.250% due 4/1/2014	360
Hellenic Republic, 3.700% due 7/20/2015	398	Belgium Government Bond, Series 44, 5.000% due 3/28/2035	292
France Government Bond OAT, 4.250% due 4/25/2019	361	Bundesrepublik Deutschland, Series 3, 4.750% due 7/4/2028	254
Bundesobligation, 2.250% due 4/11/2014	356	Bundesrepublik Deutschland, 4.250% due 7/4/2039	254
Poland Government Bond, 5.750% due 9/23/2022	282	Bundesrepublik Deutschland, 3.750% due 1/4/2017	230
Bundesrepublik Deutschland, Series 05, 4.000% due 1/4/2037	259	Norway Government Bond, 4.250% due 5/19/2017	227
Bundesrepublik Deutschland, 4.250% due 7/4/2039	242	Bundesrepublik Deutschland, 3.500% due 1/4/2016	194
Bundesrepublik Deutschland, 3.500% due 1/4/2016	189	Bundesrepublik Deutschland, 4.000% due 1/4/2018	174
Citigroup, Inc., 7.375% due 9/4/2019	174	Bundesrepublik Deutschland, Series 03, 4.250% due 1/4/2014	174
France Government Bond OAT, 4.000% due 4/25/2055	166	Deutschland Bundesrepublik, 5.250% due 7/4/2010	157
Hellenic Republic Government Bond, 2.300% due 7/25/2030	164	Bundesschatzanweisungen, 4.000% due 12/11/2009	156
Bundesrepublik Deutschland, 3.750% due 1/4/2017	161	BES Finance Ltd., 4.500% Perpetual	151

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Western Asset Euro Core Plus Bond Fund – (continued)

MAJOR PURCHASES	COST (in 000€)	MAJOR SALES	PROCEEDS (in 000€)
Deutschland Bundesrepublik, 5.250% due 7/4/2010	155	Lloyds TSB Bank PLC, 4.385% Perpetual	131
Bundesschatzanweisungen, 4.000% due 12/11/2009	154	Citigroup, Inc., 7.375% due 6/16/2014	129
Bundesrepublik Deutschland, Series 03, 4.250% due 1/4/2014	153	Bundesrepublik Deutschland, 4.250% due 7/4/2017	123
Citigroup, Inc., 7.375% due 6/16/2014	120	Bundesobligation, 3.500% due 4/12/2013	119
Bundesrepublik Deutschland, 4.250% due 7/4/2017	118	Alliance & Leicester PLC, 6.250% due 9/27/2010	116
Bundesobligation, 3.500% due 4/12/2013	117	France Government Bond OAT, 5.000% due 10/25/2011	115
Bundesrepublik Deutschland, 3.250% due 7/4/2015	109	Barclays Bank PLC, 5.250% due 5/27/2014	111
Commonwealth Bank of Australia, 5.500% due 8/6/2019	105	Bundesrepublik Deutschland, 3.250% due 7/4/2015	111
Barclays Bank PLC, 5.250% due 5/27/2014	103	AstraZeneca PLC, 5.125% due 1/15/2015	110
Australia & New Zealand Banking Group Ltd, 5.125% due 9/10/2019	101	Bundesobligation, 4.000% due 4/13/2012	110
Royal Bank of Scotland Group PLC, 6.934% due 4/9/2018	100	Australia & New Zealand Banking Group Ltd., 5.125% due 9/10/2019	108
		Intesa Sanpaolo S.p.A., 5.750% due 5/28/2018	106

Legg Mason Western Asset Diversified Strategic Income Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Legg Mason Institutional Funds PLC – Western Asset US\$ High Yield Bond Fund	5,400	FNMA, Pool #893365, 5.000% due 7/1/2035	6,220
U.S. Treasury Note, 1.875% due 4/30/2014	4,138	Legg Mason U.S.\$ High Yield Fund, Class M	4,789
U.S. Treasury Bond, 4.625% due 2/15/2040	3,576	U.S. Treasury Inflationary Index Bond, 1.375% due 7/15/2018	3,081
U.S. Treasury Note, 2.750% due 2/15/2019	1,591	FNMA, Pool #745563, 5.500% due 8/1/2034	2,690
FNMA Discount Note, zero coupon due 1/15/2010	1,497	FNMA Discount Note, zero coupon due 1/15/2010	1,500
Bundesrepublik Deutschland, 3.750% due 1/4/2019	1,446	Legg Mason Institutional Funds PLC – Western Asset Euro High Yield Bond Fund, LM USD Hedged Distribution Class	1,320
U.S. Treasury Inflationary Index Bond, 3.875% due 4/15/2029	1,428	Bundesrepublik Deutschland, 3.750% due 1/4/2019	1,307
Poland Government Bond, Series 0922, 5.750% due 9/23/2022	1,309	GMAC LLC, 5.625% due 5/15/2009	890
Hellenic Republic Government Bond, 2.300% due 7/25/2030	985	Ford Motor Credit Co. LLC, 7.375% due 10/28/2009	719
Bundesrepublik Deutschland, 5.500% due 1/4/2031	972	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2006-CB15, Class A4, 5.814% due 6/12/2043	598
Australia Government Bond, 3.031% due 9/20/2025	883	FNMA, Pool #811499, 5.000% due 9/1/2020	595
Legg Mason Institutional Funds PLC – Western Asset Euro High Yield Bond Fund, LM USD Hedged Distribution Class	829	Lloyds TSB Bank PLC, 4.385% Perpetual	588
Royal Bank of Scotland PLC, 4.875% due 1/20/2017	764	GNMA, Pool #613030, 5.000% due 8/15/2033	574
Hellenic Republic, 3.700% due 7/20/2015	690	Bank of America Commercial Mortgage, Inc., Series 2006-1, Class A4, 5.372% due 9/10/2045	560
U.S. Treasury Inflationary Index Bond, 1.375% due 7/15/2018	632	RSHB Capital S.A. for OJSC Russian Agricultural Bank, 6.970% due 9/21/2016	552
LBG Capital No.2 PLC, 6.385% due 5/12/2020		GMAC, Inc., 8.000% due 11/1/2031	505
GMAC LLC, 6.625% due 5/15/2012	511	Energy Future Holdings Corp., 11.250% due 11/1/2017	500
Australia Government Bond, 5.623% due 8/20/2020	488	SMFG Preferred Capital GBP 1 Ltd., 6.164% Perpetual	499
The Goldman Sachs Group, Inc., 7.500% due 2/15/2019	413	LBG Capital No.2 PLC, 6.385% due 5/12/2020	475
Citigroup, Inc., 7.375% due 9/4/2019	357	Akerlys Holdings S.A., 5.351% due 8/1/2014	475
		Alliance & Leicester PLC, 6.250% due 9/27/2010	466

Legg Mason Western Asset Global Multi Strategy Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Legg Mason Institutional Funds PLC – Western Asset US\$ High Yield Bond Fund	18,629	Legg Mason U.S. High Yield Fund, Class M	15,802
U.S. Treasury Note, 3.125% due 5/15/2019	17,919	FNMA, Pool #893365, 5.000% due 7/1/2035	8,306
U.S. Treasury Note, 4.625% due 2/15/2040	17,717	U.S. Treasury Inflationary Index Bond, 1.375% due 7/15/2018	7,888
U.S. Treasury Note, 1.875% due 4/30/2014	17,069	U.S. Treasury Bill, zero coupon due 10/29/2009	7,200
Bundesrepublik Deutschland, 3.750% due 1/4/2019	13,125	FHLB Discount Note, zero coupon due 5/29/2009	7,199
U.S. Treasury Bill, zero coupon due 4/29/2010	9,692	FNMA, Pool #888030, 5.500% due 12/1/2036	6,097
Poland Government Bond, 5.750% due 9/23/2022	8,916	FNMA, Pool #745563, 5.500% due 8/1/2034	6,008
Hellenic Republic Government Bond, 2.300% due 7/25/2030	8,453	FNMA, Pool #814887, 5.000% due 4/1/2035	5,931
U.S. Treasury Bond, 3.500% due 2/15/2039	7,636	Kreditanstalt fuer Wiederaufbau, 2.600% due 6/20/2037	4,144
U.S. Treasury Bill, zero coupon due 10/29/2009	7,189	Republic of Brazil (UP Morgan), 9.810% due 7/1/2010	4,067
Australia Government Bond, 3.031% due 9/20/2025	6,893	U.S. Treasury Inflationary Index Bond, 2.000% due 1/15/2016	3,791
Royal Bank of Scotland PLC, 4.875% due 1/20/2017	6,124	Turkey Government International Bond, 10.000% due 2/15/2012	3,428
Hellenic Republic, 3.700% due 7/20/2015	5,686	FHLMC Corp., Pool #G02648, 5.500% due 12/1/2036	3,373
Bundesrepublik Deutschland, 4.250% due 7/4/2039	5,338	Turkey Government Bond, 14.000% due 1/19/2011	2,982
Brazil Notas do Tesouro Nacional, Series F, 9.762% due 1/1/2012	5,001	FNMA, Pool #933800, 5.000% due 5/1/2038	2,806
Citigroup, Inc., 7.375% due 9/4/2019	4,714	FNMA, Pool #929363, 5.000% due 5/1/2038	2,776
		FNMA, Pool #257042, 6.500% due 1/1/2038	2,655
		FNMA, Pool #731291, 5.000% due 8/1/2033	2,424
		Ford Motor Credit Co. LLC, 7.375% due 10/28/2009	2,208
		Smurfit Kappa Acquisitions, 7.750% due 11/15/2019	2,135

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Western Asset Global Multi Strategy Fund – (continued)

MAJOR PURCHASES	COST (in 000\$)
Legg Mason Institutional Funds PLC – Western Asset Euro High Yield Bond Fund	4,625
JP Morgan Chase Bank NA, 4.375% due 11/30/2021	4,244
U.S. Treasury Note, 2.750% due 2/15/2019	4,185
U.S. Treasury Inflationary Index Bond, 3.875% due 4/15/2029	3,767

Legg Mason Western Asset US High Yield Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
FNMA Discount Note, zero coupon due 5/3/2010	3,399	GMAC, Inc., 8.000% due 11/1/2031	1,135
Hexion Finance Escrow LLC / Hexion Escrow Corp., 8.875% due 2/1/2018	993	CCH I LLC / CCH I Capital Corp., 11.000% due 10/1/2015	1,075
Sprint Capital Corp., 8.750% due 3/15/2032	946	Ocwen Capital Trust 1, 10.875% due 8/1/2027	1,005
DirecTV Holdings LLC / DirecTV Financing Co., Inc., 8.375% due 3/15/2013	873	Hawker Beechcraft Acquisition Co. LLC / Hawker Beechcraft Notes Co., 8.875% due 3/15/2013	997
Tenet Healthcare Corp., 10.000% due 5/1/2018	827	Caesars Entertainment, Inc., 8.125% due 5/15/2011	969
Ford Motor Credit Co. LLC, 12.000% due 5/15/2015	818	DI Finance/DynCorp International, 9.500% due 2/15/2013	902
CIT Group, Inc., 7.000% due 5/1/2017	775	Hawker Beechcraft Acquisition Co. LLC / Hawker Beechcraft Notes Co., 8.875% due 4/1/2015	895
SemGroup LP, 8.750% due 11/15/2015	754	Vanguard Health Holding Co. II LLC, 9.000% due 10/1/2014	762
L-3 Communications Corp., 5.875% due 1/15/2015	702	SemGroup LP, 8.750% due 11/15/2015	754
Harrah's Operating Co., Inc., 10.750% due 2/1/2016	683	Ryerson, Inc., 12.000% due 11/1/2015	717
Appleton Papers, Inc., 11.250% due 12/15/2015	636	Novelis, Inc., 7.250% due 2/15/2015	716
Dish DBS Corp., 7.875% due 9/1/2019	624	Tenet Healthcare Corp., 7.375% due 2/1/2013	708
Kansas City Southern de Mexico S.A. de CV, 12.500% due 4/1/2016	592	Noranda Aluminium Acquisition Corp., 5.413% due 5/15/2015	702
Realogy Corp., 10.500% due 4/15/2014	592	Norcraft Cos. LP/Norcraft Finance Corp., 9.000% due 11/1/2011	686
Michaels Stores, Inc., 10.000% due 11/1/2014	586	Ford Motor Credit Co. LLC, 5.879% due 6/15/2011	668
Oxford Industries, Inc., 11.375% due 7/15/2015	577	DaVita, Inc., 7.250% due 3/15/2015	665
CSC Holdings, Inc., 8.500% due 6/15/2015	570	The Hertz Corp., 10.500% due 1/1/2016	622
Ameristar Casinos, Inc., 9.250% due 6/1/2014	561	Southern Natural Gas Co., 8.000% due 3/1/2032	605
Caesars Entertainment, Inc., 8.125% due 5/15/2011	549	Education Management LLC / Education Management Finance Corp., 10.250% due 6/1/2016	602
RailAmerica, Inc., 9.250% due 7/1/2017	545	Pride International, Inc., 8.500% due 6/15/2019	579

Legg Mason Western Asset Emerging Markets Bond Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Russian Government International Bond, 7.500% due 3/31/2030	4,551	Brazil Notas do Tesouro Nacional, Series F, 9.710% due 7/1/2010	5,958
Turkey Government International Bond, 6.750% due 5/30/2040	4,034	ABN Amro Bank/Deutschland for OAO Gazprom, 9.625% due 3/1/2013	4,300
FNMA Discount Note, zero coupon due 5/3/2010	3,499	Russian Government International Bond, 7.500% due 3/31/2030	3,877
Petronas Capital Ltd., 5.250% due 8/12/2019	3,322	Turkey Government International Bond, 7.375% due 2/5/2025	3,664
U.S. Treasury Bill, zero coupon due 4/29/2010	2,098	Pemex Project Funding Master Trust, 6.625% due 6/15/2035	3,454
Grupo Televisa S.A., 6.625% due 1/15/2040	2,035	RSHB Capital S.A. for OJSC Russian Agricultural Bank, 7.125% due 1/14/2014	1,900
Colombia Government International Bond, 7.375% due 3/18/2019	1,686	Evrax Group S.A., 8.875% due 4/24/2013	1,538
Brazilian Government International Bond, 5.875% due 1/15/2019	1,530	RSHB Capital S.A. for OJSC Russian Agricultural Bank, 7.175% due 5/16/2013	1,503
Ecopetrol S.A., 7.625% due 7/23/2019	1,485	Vale Overseas Ltd., 6.875% due 11/21/2036	1,331
Net Servicos de Comunicacao S.A., 7.500% due 1/27/2020	1,390	FNMA Discount Note, zero coupon due 5/3/2010	1,000
Brazil Notas do Tesouro Nacional, Series F, 9.762% due 1/1/2012	1,353	TNK-BP Finance S.A., 7.500% due 7/18/2016	832
Axtel SAB de CV, 7.625% due 2/1/2017	1,214	ATF Capital BV, 9.250% due 2/21/2014	826
Centrais Eletricas Brasileiras S.A., 6.875% due 7/30/2019	1,204	Brazilian Government International Bond, 5.875% due 1/15/2019	783
Petrobras International Finance Co., 6.875% due 1/20/2040	1,162	Republic of Turkey, 7.500% due 11/7/2019	752
Republic of Turkey, 7.000% due 3/11/2019	1,126	Turkey Government International Bond, 6.875% due 3/17/2036	654
Brazil Notas do Tesouro Nacional Serie F, 9.682% due 1/1/2017	1,096	Republic of Argentina, 8.280% due 12/31/2033	652
Peruvian Government International Bond, 7.350% due 7/21/2025	1,090	Mexico Government International Bond, 8.125% due 12/30/2019	650
Ras Laffan Liquefied Natural Gas Co. Ltd. III, 6.750% due 9/30/2019	951	Ecopetrol S.A., 7.625% due 7/23/2019	643
Vale Overseas Ltd., 6.875% due 11/21/2036	932	Colombia Government International Bond, 7.375% due 3/18/2019	583
Peruvian Government International Bond, 7.125% due 3/30/2019	864	Vedanta Resources PLC, 8.750% due 1/15/2014	570
Petroleos Mexicanos, 8.000% due 5/3/2019	861	Globo Comunicacao e Participacoes S.A., 7.250% due 4/26/2022	569
United Mexican States, 5.950% due 3/19/2019	853	VIP Finance Ireland Ltd. for OJSC Vimpel Communications, 8.375% due 4/30/2013	563
Indonesia Government International Bond, 6.875% due 1/17/2018	822	TNK-BP Finance S.A., 7.500% due 7/18/2016	525
Grupo Televisa S.A., 6.625% due 3/18/2025	766		
Republic of Turkey, 7.500% due 11/7/2019	735		
Panama Government International Bond, 6.700% due 1/26/2036	701		
Vale Overseas Ltd., 8.250% due 1/17/2034	693		
Ras Laffan Liquefied Natural Gas Co. Ltd. III, 5.500% due 9/30/2014	639		

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Western Asset Emerging Markets Bond Fund – (continued)

MAJOR PURCHASES	COST (in 000\$)
TNK-BP Finance S.A., 7.875% due 3/13/2018	634
Petroleos de Venezuela S.A., 5.250% due 4/12/2017	595
Colbun S.A., 6.000% due 1/21/2020	585
Brazilian Government International Bond, 7.125% due 1/20/2037	576

Legg Mason Western Asset Global High Yield Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Legg Mason Institutional Funds PLC – Western Asset Euro High Yield Bond Fund	23,566	Legg Mason Institutional Funds PLC – Western Asset Euro High Yield Bond Fund	5,703
Charter Communications Operating LLC / Charter Communications Operating Capital, 10.875% due 9/15/2014	3,404	DI Finance/DynCorp International, 9.500% due 2/15/2013	2,769
Sprint Capital Corp., 8.750% due 3/15/2032	2,665	CCH I LLC / CCH I Capital Corp., 11.000% due 10/1/2015	2,589
Texas Competitive Electric Holdings Co. LLC, 10.250% due 11/1/2015	2,651	EXCO Resources, Inc., 7.250% due 1/15/2011	2,498
Appleton Papers, Inc., 11.250% due 12/15/2015	2,451	Allison Transmission, Inc., 11.250% due 11/1/2015	2,282
Venezuela Government International Bond, 5.750% due 2/26/2016	2,332	GMAC, Inc., 8.000% due 11/1/2031	1,927
CIT Group, Inc., 7.000% due 5/1/2017	2,277	MGM Mirage, 11.375% due 3/1/2018	1,875
Harrah's Operating Co., Inc., 10.750% due 2/1/2016	1,961	Hawker Beechcraft Acquisition Co. LLC / Hawker Beechcraft Notes Co., 8.875% due 4/1/2015	1,844
Citigroup, Inc., 8.500% due 5/22/2019	1,915	Texas Competitive Electric Holdings Co. LLC, 10.250% due 11/1/2015	1,732
MGM Mirage, 11.375% due 3/1/2018	1,862	Energy Future Holdings Corp., 11.250% due 11/1/2017	1,645
Terra Capital, Inc., 7.750% due 11/1/2019	1,612	L-3 Communications Corp., 6.375% due 10/15/2015	1,641
DISH DBS Corp., 7.875% due 9/1/2019	1,604	Norcraft Cos. LP/Norcraft Finance Corp., 9.000% due 11/1/2011	1,627
Ford Motor Credit Co. LLC, 12.000% due 5/15/2015	1,571	Caesars Entertainment, Inc., 8.125% due 5/15/2011	1,559
SemGroup Corp. zero coupon Perpetual	1,536	SemGroup LP, 8.750% due 11/15/2015	1,536
Texas Competitive Electric Holdings Co. LLC, 10.250% due 11/1/2015	1,527	True Move Co. Ltd., 10.750% due 12/16/2013	1,467
Teck Resources Ltd., 10.750% due 5/15/2019	1,502	Associated Materials, Inc., 9.750% due 4/15/2012	1,391
DI Finance/DynCorp International, 9.500% due 2/15/2013	1,474	Level 3 Financing, Inc., 12.250% due 3/15/2013	1,371
Chesapeake Energy Corp., 7.250% due 12/15/2018	1,447	Kansas City Southern de Mexico S.A. de CV, 9.375% due 5/1/2012	1,313
Ashland, Inc., 9.125% due 6/1/2017	1,436	Vanguard Health Holding Co. II LLC, 9.000% due 10/1/2014	1,291
Horizon Lines, Inc., 4.250% due 8/15/2012	1,335	ATF Capital BV, 9.250% due 2/21/2014	1,281

Legg Mason Western Asset US Short-Term Government Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
U.S. Treasury Bond, 1.000% due 8/31/2011	10,005	FNMA Discount Note, zero coupon due 2/16/2010	7,800
FNMA Discount Note, zero coupon due 2/16/2010	7,798	FNMA Discount Note, zero coupon due 10/30/2009	7,800
FNMA Discount Note, zero coupon due 10/30/2009	7,785	FNMA Discount Note, zero coupon due 5/5/2009	7,800
FNMA Discount Note, zero coupon due 5/3/2010	7,598	FNMA, 30 Year May TBA, 5.000% due 5/15/2038	6,747
FNMA, 30 Year May TBA, 5.000% due 5/15/2038	6,747	U.S. Treasury Inflationary Index Bond, 0.875% due 4/15/2010	4,847
FNCL, 4.500% due 7/1/2035	4,118	FNCL, 4.500% due 7/1/2035	4,105
U.S. Treasury Inflationary Index Bond, 0.875% due 4/15/2010	3,967	FHLMC Gold, Pool #G03696, 5.500% due 1/1/2038	3,768
U.S. Treasury Bond, 2.625% due 12/31/2014	3,421	FNMA, 30 Year March TBA, 5.000% due 3/15/2039	3,601
FNMA, 30 Year April TBA, 5.000% due 4/15/2039	3,386	FNMA, 30 Year April TBA, 5.000% due 4/15/2039	3,432
FNMA, 30 Year June TBA, 4.500% due 6/1/2035	2,789	FNMA, 30 Year June TBA, 4.500% due 6/1/2035	2,804
FNMA, 30 Year November TBA, zero coupon due 11/15/2038	2,436	FNMA, 30 Year November TBA, zero coupon due 11/15/2038	2,437
FNMA, 30 Year November TBA, zero coupon due 11/15/2037	2,411	FNMA, 30 Year November TBA, zero coupon due 11/15/2037	2,413
FHLMC Corp. Non Gold Pool, 4.640% due 7/1/2035	2,399	FHLMC Non Gold, Pool #1B2288, 4.640% due 7/1/2035	2,383
FNMA Discount Note, zero coupon due 4/7/2010	2,199	U.S. Treasury Note, 4.000% due 8/31/2009	2,250
U.S. Treasury Note, 2.375% due 3/31/2016	1,679	FHLB, 4.500% due 10/9/2009	2,200
FNMA, 5.000% due 3/1/2038	1,376	FHLMC Gold, Pool #G03695, 5.500% due 11/1/2037	2,019
FNMA, 4.500% due 8/1/2039	1,355	FHLB, 1.050% due 2/23/2010	2,000
FNMA, 30 Year November TBA, zero coupon due 11/15/2037	1,238	FNMA, Pool #545376, 8.500% due 10/1/2030	1,737
U.S. Treasury Bond, 3.375% due 11/15/2019	1,236	FNMA, Pool #598559, 6.500% due 8/1/2031	1,598
U.S. Treasury Inflationary Index Bond, 2.500% due 1/15/2029	1,140	U.S. Treasury Inflationary Index Bond, 2.500% due 7/15/2016	1,440
FNMA, 5.000% due 4/1/2039	1,028	FNMA, 5.000% due 3/1/2038	1,382
FNMA, zero coupon due 11/15/2039	1,007	FNMA, 4.500% due 8/1/2039	1,377
		FNMA, 30 Year November TBA, zero coupon due 11/15/2037	1,238
		FHLMC Gold, Pool #G03698, 6.000% due 12/1/2037	1,230
		FNMA, Pool #708340, 3.223% due 4/1/2033	1,042
		FNMA, 5.000% due 4/1/2039	1,031
		FNMA, zero coupon due 11/15/2039	1,007

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Western Asset US Adjustable Rate Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
FNMA, 30 Year July TBA, 5.500% due 7/15/2039	4,835	FNMA, 30 Year July TBA, 5.500% due 7/15/2039	4,837
FNMA, 30 Year July TBA, 5.000% due 7/15/2039	2,735	FNMA, 30 Year July TBA, 5.000% due 7/15/2039	2,737
FNCL, 30 Year May TBA, 5.500% due 5/15/2039	2,587	FNMA, 30 Year April TBA, 5.500% due 4/15/2039	2,594
FNMA, 30 Year June TBA, 5.500% due 6/15/2039	2,583	FNCL, 30 Year May TBA, 5.500% due 5/15/2039	2,590
FNMA, 5.500% due 1/1/2038	2,058	FNMA, 30 Year June TBA, 5.500% due 6/15/2039	2,580
FNMA, 30 Year May TBA, 5.000% due 5/15/2039	1,337	FNMA, 5.500% due 1/1/2038	2,061
FNMA, 30 Year June TBA, 5.000% due 6/15/2039	1,333	FNMA, 30 Year April TBA, 5.000% due 4/15/2039	1,340
FHLMC Corp., 1.354% due 3/9/2011	1,266	FNMA, 30 Year May TBA, 5.000% due 5/15/2039	1,337
FNMA, 30 Year August TBA, 5.000% due 8/15/2039	814	FNMA, 30 Year June TBA, 5.000% due 6/15/2039	1,322
FNMA, 30 Year April TBA, 5.000% due 4/15/2039	812	FNMA, 30 Year March TBA, 5.000% due 3/15/2039	815
FNMA, 30 Year July TBA, 6.000% due 7/15/2039	627	FNMA, 30 Year August TBA, 5.000% due 8/15/2039	814
FHLMC Gold 30 Year May TBA, zero coupon due 5/15/2039	621	FHLMC Corp., 1.244% due 9/3/2010	700
FNMA, 30 Year August TBA, 5.500% due 8/15/2039	620	FNMA, 30 Year July TBA, 6.000% due 7/15/2039	627
FHLMC Corp., 5.500% due 5/1/2039	618	FHLMC Gold 30 Year April TBA, 5.500% due 4/15/2039	622
FHLMC Corp., zero coupon due 6/1/2039	615	FHLMC Gold 30 Year May TBA, 5.000% due 5/15/2039	620
FHLMC Gold 30 Year April TBA, 5.500% due 4/15/2039	615	FNMA, 30 Year August TBA, 5.500% due 8/15/2039	620
Royal Bank of Scotland PLC, 1.159% due 5/11/2012	610	FHLMC Corp., zero coupon due 6/1/2039	618
FNMA, 5.000% due 2/1/2038	586	FHLMC Corp., 5.500% due 5/1/2039	617
FHLB Discount Note, zero coupon due 12/17/2009	515	FHLMC Corp., 30 Year March TBA, 5.500% due 3/15/2039	617
FHLMC Corp., 0.311% due 4/1/2011	501	Royal Bank of Scotland PLC, 1.159% due 5/11/2012	609
FNMA, 1.244% due 7/13/2010	501	Citigroup Mortgage Loan Trust, Inc., Series 2007-AR4, Class 2A1A, 5.239% due 3/25/2037	604
FNMA, 0.218% due 2/12/2010	500	FNMA, 5.000% due 2/1/2038	586
FHLB Discount Note, zero coupon due 12/21/2009	500	418 Harborview Mortgage Loan Trust, Series 2006-7, Class 2A1A, 0.479% due 9/19/2046	566
FNMA, 30 Year September TBA, 6.000% due 9/15/2039	418	413 Structured Asset Mortgage Investments, Inc., Series 2006-AR6, Class 1A3, 0.456% due 7/25/2046	559
FHLMC Corp., zero coupon due 8/1/2039	413	Countrywide Home Loan Mortgages Pass Through Trust, Series 2003-15, Class 1A1, 0.974% due 6/25/2018	535
FNMA, 5.000% due 4/1/2038	407	FHLB Discount Note, zero coupon due 12/17/2009	515
		FHLMC Corp., 1.354% due 3/9/2011	502
		FNMA, 1.244% due 7/13/2010	501
		FNMA, 0.218% due 2/12/2010	500
		FHLB Discount Note, zero coupon due 12/21/2009	500

Legg Mason Western Asset Inflation Management Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
U.S. Treasury Inflationary Index Bond, 2.375% due 1/15/2025	256	U.S. Treasury Inflationary Index Bond, 2.000% due 1/15/2026	242
U.S. Treasury Inflationary Index Bond, 2.125% due 1/15/2019	209	U.S. Treasury Inflationary Index Bond, 1.375% due 7/15/2018	226
U.S. Treasury Note, 2.625% due 7/31/2014	141	U.S. Treasury Inflationary Index Bond, 0.875% due 4/15/2010	187
Australia Government Bond, 5.623% due 8/20/2020	116	U.S. Treasury Inflationary Index Note, 2.000% due 1/15/2014	165
U.S. Treasury Inflationary Index Bond, 1.875% due 7/15/2019	104	U.S. Treasury Note, 2.625% due 7/31/2014	143
U.S. Treasury Inflationary Index Bond, 2.500% due 1/15/2029	101	U.S. Treasury Inflationary Index Bond, 2.375% due 1/15/2025	132
U.S. Treasury Inflationary Index Note, 2.000% due 7/15/2014	99	U.S. Treasury Inflationary Index Bond, 3.500% due 1/15/2011	123
U.S. Treasury Inflationary Index Bond, 2.125% due 2/15/2040	83	U.S. Treasury Inflationary Index Bond, 1.625% due 1/15/2015	113
U.S. Treasury Inflationary Index Bond, 1.750% due 1/15/2028	56	U.S. Treasury Inflationary Index Bond, 2.500% due 1/15/2029	110
U.S. Treasury Inflationary Index Bond, 1.875% due 7/15/2015	53	U.S. Treasury Inflationary Index Bond, 3.625% due 4/15/2028	100
U.S. Treasury Inflationary Index Note, 2.000% due 1/15/2014	50	U.S. Treasury Inflationary Index Bond, 1.750% due 1/15/2028	63
U.S. Treasury Inflationary Index Bond, 3.875% due 4/15/2029	39	U.S. Treasury Inflationary Index Bond, 1.625% due 1/15/2018	53
Bank of America Corp. 0.320% due 4/15/2029	34	Bank of America Corp. 320% due 4/15/2029	34
U.S. Treasury Inflationary Index Bond, 1.625% due 1/15/2018	20	Bank of America Corp., 8.000% Perpetual	34
Kraft Foods, Inc., 4.125% due 2/9/2016	20	Vale Overseas Ltd., 6.875% due 11/21/2036	27
Citigroup, Inc., 6.010% due 1/15/2015	10	U.S. Treasury Bond, 4.500% due 5/15/2038	5
Berkshire Hathaway Inc, 3.200% due 2/11/2015	10		
U.S. Treasury Bond, 4.500% due 5/15/2038	5		

Legg Mason Western Asset Asian Opportunities Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Western Asset Liquidity Funds PLC- USD Liquidity Fund, Class WA	19,127	Western Asset Liquidity Funds PLC- USD Liquidity Fund, Class WA	15,854
Korea Treasury Bond, 5.750% due 9/10/2018	8,446	Korea Monetary Stabilization Bond, Series 8002, zero coupon due 8/27/2009	5,394
Korea Treasury Bond, 5.000% due 9/10/2014	3,520		
Indonesia Government Bond, 10.750% due 5/15/2016	3,154	Korea Monetary Stabilization Bond, zero coupon due 2/2/2010	2,735
Taiwan Government Bond, 1.375% due 9/9/2019	3,086	Korea Monetary Stabilization Bond, zero coupon due 10/20/2009	2,732
Korea Treasury Bill, 5.250% due 6/10/2010	2,759	Singapore Government Bond, 3.250% due 9/1/2020	2,164

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Western Asset Asian Opportunities Fund – (continued)

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Korea Monetary Stabilization Bond, zero coupon due 2/2/2010	2,729	Indonesia Treasury Bond, 10.750% due 5/15/2016	2,050
Singapore Government Bond, 3.250% due 9/1/2020	2,659	Bank of New York, 0.050% due 9/30/2009	2,000
Korea Monetary Stabilization Bond, zero coupon due 10/20/2009	2,555	Bank of New York, 0.120% due 9/28/2009	2,000
Indonesia Government Bond, 9.500% due 6/17/2015	2,346	Optus Financetpy Ltd., 4.625% due 10/15/2019	1,930
Housing Development Finance Corp., zero coupon due 8/24/2011	2,222	BNM Sukuk Bhd, zero coupon due 2/11/2010	1,894
Singapore Treasury Bill, zero coupon due 5/13/2010	2,109	Thailand Government Bond, 4.250% due 3/13/2013	1,723
Bank of New York, 0.050% due 9/30/2009	2,000	Sertifikat Bank Indonesia, zero coupon due 2/11/2010	1,514
Bank of New York, 0.120% due 9/28/2009	2,000	ANZ Banking Group Ltd., 0.100% due 11/2/2009	1,500
Optus Financetpy Ltd., 4.625% due 10/15/2019	1,995	ANZ Banking Group Ltd., 0.140% due 10/30/2009	1,500
China Development Bank Corp., 4.270% due 3/3/2025	1,928	ANZ Banking Group Ltd., 0.100% due 10/23/2009	1,500
BNM Sukuk Bhd, zero coupon due 2/11/2010	1,919	ANZ Banking Group Ltd., 0.100% due 10/21/2009	1,500
Malaysia Treasury Bill, zero coupon due 5/14/2010	1,887	Northern Trust Corp., 0.120% due 11/2/2009	1,500
Indonesia Treasury Bond, 10.750% due 5/15/2016	1,585	ANZ Banking Group Ltd., 0.100% due 10/16/2009	1,500
Woori Bank, 7.000% due 2/2/2015	1,548	Northern Trust Corp., 0.120% due 10/28/2009	1,500
		Northern Trust Corp., 0.120% due 10/23/2009	1,500
		ANZ Banking Group Ltd., 0.150% due 10/13/2009	1,500
		Northern Trust Corp., 0.170% due 10/21/2009	1,500
		Northern Trust Corp., 0.100% due 10/16/2009	1,500
		ANZ Banking Group Ltd., 0.140% due 10/5/2009	1,500
		Northern Trust Corp., 0.150% due 10/13/2009	1,500
		ANZ Banking Group Ltd., 0.150% due 9/25/2009	1,500
		ANZ Banking Group Ltd., 0.100% due 9/16/2009	1,500
		Northern Trust Corp., 0.120% due 10/1/2009	1,500
		ANZ Banking Group Ltd., 0.150% due 9/11/2009	1,500
		Northern Trust Corp., 0.120% due 9/23/2009	1,500
		Northern Trust Corp., 0.120% due 9/17/2009	1,500
		ANZ Banking Group Ltd., 0.150% due 9/8/2009	1,500
		Northern Trust Corp., 0.100% due 9/14/2009	1,500
		Northern Trust Corp., 0.100% due 9/9/2009	1,500
		ANZ Banking Group Ltd., 0.150% due 9/2/2009	1,500
		Northern Trust Corp., 0.100% due 9/3/2009	1,500
		Taiwan Government Bond, 1.875% due 1/24/2010	1,375
		Export-Import Bank of India, 4.375% due 2/2/2015	1,255
		BNM Sukuk Bhd, zero coupon due 12/8/2009	1,181
		Indonesia Treasury Bond, 12.000% due 9/15/2018	1,166

Legg Mason Western Asset Global Blue Chip Bond Fund ^

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
U.S. Treasury Bond, 3.375% due 11/15/2019	30,511,049	U.S. Treasury Bond, 3.375% due 11/15/2019	30,971,334
U.S. Treasury Bond, 3.125% due 5/15/2019	20,053,910	U.S. Treasury Bond, 3.125% due 5/15/2019	18,862,716
European Investment Bank, 5.125% due 5/30/2017	11,745,327	ING Groep NV, 4.750% due 5/31/2017	3,532,396
International Bank for Reconstruction & Development, 3.875% due 5/20/2019	8,287,371	International Bank For Reconstruction & Development, 3.875% due 5/20/2019	3,438,293
InterAmerican Development Bank, 3.875% due 9/17/2019	7,478,400	U.S. Treasury Bond, 3.625% due 8/15/2019	3,311,441
Barclays Bank PLC, 5.125% due 1/8/2020	6,942,810	UBS AG, 6.000% due 4/18/2018	2,815,552
Lloyds TSB Bank PLC, 5.375% due 9/3/2019	6,314,603	Shell International Finance BV, 4.375% due 5/14/2018	1,863,781
Citigroup, Inc., 7.375% due 9/4/2019	6,204,795	Fortis Bank Nederland NV, 4.000% due 2/3/2015	1,858,839
Bank of America Corp., 7.000% due 6/15/2016	5,914,301	EDF S.A., 5.000% due 2/5/2018	1,841,421
Wachovia Corp., 5.750% due 2/1/2018	5,419,138	BP Capital Markets PLC, 4.000% due 12/29/2014	1,765,271
Morgan Stanley, 5.500% due 10/2/2017	5,203,748	Procter & Gamble Co., 5.125% due 10/24/2017	1,655,471
The Goldman Sachs Group, Inc., 7.500% due 2/15/2019	4,618,798	Abbott Laboratories, 5.125% due 4/1/2019	1,569,073
AT&T, Inc., 5.800% due 2/15/2019	3,818,244	Tesco PLC, 5.875% due 9/12/2016	1,550,480
ING Groep NV, 4.750% due 5/31/2017	3,549,436	RWE Finance BV, 6.625% due 1/31/2019	1,543,323
General Electric Capital Corp., 5.500% due 1/8/2020	3,286,231	Siemens Financieringsmaatschappij NV, 5.625% due 6/11/2018	1,434,448
U.S. Treasury Bond, 3.625% due 8/15/2019	3,273,218	SanofiAventis S.A., 4.500% due 5/18/2016	1,433,097
MetLife, Inc., 6.750% due 6/1/2016	2,915,473	Nordea Bank AB, 4.875% due 1/27/2020	1,368,760
United Technologies Corp., 6.125% due 2/1/2019	2,761,016	CEZ A/S, 5.750% due 5/26/2015	1,309,724
UBS AG, 6.000% due 4/18/2018	2,748,261	WalMart Stores, Inc., 5.800% due 2/15/2018	1,296,036
Goldman Sachs Group, Inc., 5.125% due 10/23/2019	2,730,310	Johnson & Johnson, 5.150% due 7/15/2018	1,229,529
Apache Corp., 6.900% due 9/15/2018	2,700,269	McDonald's Corp., 5.350% due 3/1/2018	1,203,738
ConocoPhillips, 5.750% due 2/1/2019	2,684,338	The CocaCola Co., 4.875% due 3/15/2019	1,175,184
		Emerson Electric Co, 4.875% due 10/15/2019	1,133,788
		AT&T, Inc., 5.800% due 2/15/2019	1,131,321
		Total Capital S.A., 4.875% due 1/28/2019	1,113,923
		Roche Holdings, Inc., 6.500% due 3/4/2021	1,083,666

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Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Brandywine Global Fixed Income Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Korea Treasury Bond, 5.750% due 9/10/2018	13,719	Sweden Government Bond, Series 1048, 4.000% due 12/1/2009	10,868
Sweden Government Bond, 5.500% due 10/8/2012	9,955	South Africa Government Bond, Series R153, 13.000% due 8/31/2010	9,532
U.S. Treasury Bond, 5.375% due 2/15/2031	9,487	FNMA, 6.000% due 4/18/2036	7,525
American Express Credit Corp., 5.125% due 8/25/2014	8,752	FNMA, 5.000% due 9/1/2038	6,469
Malaysia Government Bond, 3.869% due 4/13/2010	8,256	Amgen, Inc., 6.900% due 6/1/2038	6,153
U.S. Treasury Bond, 4.500% due 5/15/2038	5,612	United Kingdom Gilt, 4.250% due 3/7/2036	5,014
South Africa Government Bond, 10.500% due 12/21/2026	5,013	American Water Capital Corp., 6.593% due 10/15/2037	4,833
Citigroup, Inc., 6.375% due 8/12/2014	4,065	FHLMC Corp., 5.000% due 9/1/2038	4,541
United Kingdom Gilt, 6.250% due 11/25/2010	3,980	Countrywide Alternative Loan Trust, Series 22, 6.500% due 9/25/2037	4,461
Poland Government Bond, Series 1017, 5.250% due 10/25/2017	3,564	GSAA Trust, 5.995% due 3/25/2046	4,270
Comcast Corp., 6.550% due 7/1/2039	1,282	New South Wales Treasury Corp., Series 17RG, 5.500% due 3/1/2017	3,903
Malaysia Government Bond, Series 4/05, 3.756% due 4/28/2011	994	Novartis Securities Investment Ltd., 5.125% due 2/10/2019	3,643
JPMorgan Alternative Loan Trust, 6.000% due 12/27/2036	0	Bristol-Myers Squibb Co., 6.125% due 5/1/2038	3,429
		France Government Bond OAT, 4.000% due 10/25/2038	3,152
		AstraZeneca PLC, 6.450% due 9/15/2037	3,080
		Viacom, Inc., 6.875% due 4/30/2036	2,737
		Queensland Treasury Corp., Series 15G, 6.000% due 10/14/2015	2,492
		Wal-Mart Stores, Inc., 6.500% due 8/15/2037	2,490
		United Kingdom Gilt, 4.000% due 9/7/2016	2,412
		Poland Government Bond, Series 1017, 5.250% due 10/25/2017	2,299
		U.S. Treasury Bond, 4.500% due 5/15/2038	2,110
		Coviden International Finance S.A., 6.550% due 10/15/2037	2,041
		Canada Government Bond, 6.000% due 6/1/2011	1,834
		Countrywide Alternative Loan Trust, 6.000% due 8/25/2037	1,822
		Svensk Exportkredit AB, 7.625% due 6/30/2014	1,714
		American Express Credit Corp., 5.125% due 8/25/2014	1,680
		Countrywide Alternative Loan Trust, 5.750% due 8/25/2037	1,673
		Target Corp., 6.500% due 10/15/2037	1,556
		Sweden Government Bond, 5.500% due 10/8/2012	1,423

Legg Mason Capital Management Value Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Genzyme Corp.	10,019	UnitedHealth Group, Inc.	6,456
General Electric Co.	9,130	Amazon.Com, Inc.	6,176
Apollo Group, Inc., Class A	8,396	Sears Holdings Corp.	5,791
DirectTV Holdings LLC	7,776	Yahoo!, Inc.	4,368
Microsoft Corp.	7,293	Avon Products, Inc.	4,330
Yum! Brands, Inc.	7,229	Google, Inc., Class A	4,162
Texas Instruments, Inc.	7,021	3M Co.	3,970
Wells Fargo & Co.	7,005	Electronic Arts, Inc.	3,707
State Street Corp.	6,833	AT&T, Inc.	3,467
International Business Machines Corp.	6,682	Deere & Co.	3,406
The AES Corp.	6,632	eBay, Inc.	3,394
Time Warner, Inc.	6,488	International Business Machines Corp.	2,759
Bank of America Corp.	6,348	Aetna, Inc.	2,452
Capital One Financial Corp.	6,177	Texas Instruments, Inc.	2,332
Merck & Co., Inc.	6,164	MetLife, Inc.	1,605
The Goldman Sachs Group, Inc.	6,164	Hewlett-Packard Co.	1,517
Hewlett-Packard Co.	5,737	Cisco Systems, Inc.	1,384
CA, Inc.	5,608	CA, Inc.	1,303
Cisco Systems, Inc.	5,504	Merck & Co., Inc.	1,209
JPMorgan Chase & Co.	5,328	AOL, Inc.	1,132
Yahoo!, Inc.	5,302	Nucor Corp.	1,018
NYSE Euronext	4,773	Amgen, Inc.	759
Amgen, Inc.	4,697	JC Penney Co., Inc.	744
JC Penney Co., Inc.	4,683		
Aflac, Inc.	4,353		
Bank of America Corp.	4,243		
Eastman Kodak Co.	4,224		
Google, Inc., Class A	3,944		
eBay, Inc.	3,791		
Qualcomm, Inc.	3,768		
Prudential Financial, Inc.	3,646		
Electronic Arts, Inc.	3,124		
Aflac, Inc.	2,964		

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Capital Management Value Fund – (continued)

MAJOR PURCHASES	COST (in 000\$)
EMC Corp.	2,938
Sears Holdings Corp.	2,928
ConocoPhillips	2,912
Amazon.Com, Inc.	2,850
Aetna, Inc.	2,615
Time Warner Cable, Inc.	2,563
CME Group, Inc.	2,460
Nucor Corp.	2,435
American Express Co.	2,395

Legg Mason Capital Management Growth Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Genzyme Corp.	2,038	XTO Energy, Inc.	1,735
Stryker Corp.	1,884	CVS Caremark Corp.	1,711
Procter & Gamble Co.	1,654	Perot Systems Corp., Class A	1,547
Diageo PLC	1,590	Aetna, Inc.	1,479
Qualcomm, Inc.	1,205	United Parcel Service, Inc., Class B	1,399
Red Hat, Inc.	1,129	Caterpillar, Inc.	1,328
Expeditors International of Washington, Inc.	1,114	Transocean Ltd.	1,218
Medtronic, Inc.	1,111	Halliburton Co.	1,199
United Technologies Corp.	1,105	American Express Co.	1,186
Nalco Holding Co.	1,079	NYSE Euronext	1,180
Wells Fargo & Co.	1,055	Yahoo!, Inc.	1,177
Rackspace Hosting, Inc.	1,027	Microsoft Corp.	1,122
Microsoft Corp.	1,025	Google, Inc., Class A	1,052
PepsiCo, Inc.	1,018	Boeing Co.	937
Aflac, Inc.	992	International Game Technology	883
Paychex, Inc.	916	Zimmer Holdings, Inc.	835
Goodrich Corp.	867	The Shaw Group, Inc.	825
Autodesk, Inc.	822	EMC Corp.	825
Perot Systems Corp., Class A	820	Foster Wheeler Ltd.	796
Chesapeake Energy Corp.	807	Amazon.Com, Inc.	690
Nokia Oyj, ADR	807	Cisco Systems, Inc.	560
Cisco Systems, Inc.	797	Apple, Inc.	514
EMC Corp.	774	Wells Fargo & Co.	502
Halliburton Co.	617	Qualcomm, Inc.	302
Yahoo!, Inc.	601	PepsiCo, Inc.	292
Transocean Ltd.	571		
Monsanto Co.	533		
American Express Co.	524		
CVS Caremark Corp.	479		
Apple, Inc.	458		
XTO Energy, Inc.	448		
Allergan, Inc.	444		
Aetna, Inc.	431		
United Parcel Service, Inc., Class B	409		
Google, Inc., Class A	392		
Amazon.Com, Inc.	373		

Legg Mason Capital Management Opportunity Fund^

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Assured Guaranty Ltd.	2,703,244	Health Net, Inc.	802,983
Citigroup, Inc.	2,025,330	MannKind Corp.	237,899
The AES Corp.	1,952,341	Hartford Financial Services Group, Inc.	186,960
Hartford Financial Services Group, Inc.	1,878,885	Citigroup, Inc.	175,090
XL Capital Ltd., Class A	1,840,129	Expedia, Inc.	119,287
Sprint Nextel Corp.	1,786,391	XL Capital Ltd., Class A	106,548
Eastman Kodak Co.	1,743,666	Pennymac Mortgage Investment Trust	105,170
Bank of America Corp.	1,663,069	Aflac, Inc.	100,213
UAL Corp.	1,591,468	CA, Inc.	99,425
Level 3 Communications, Inc.	1,547,542	UAL Corp.	98,267
NII Holdings, Inc.	1,526,162	Hatteras Financial Corp.	98,015
Expedia, Inc.	1,350,947	Starwood Property Trust, Inc.	95,763
Delta Air Lines, Inc.	1,270,757	Bank of America Corp.	93,914

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Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Capital Management Opportunity Fund^ – (continued)

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Genworth Financial, Inc., Class A	1,193,882	Conseco, Inc.	87,179
Red Hat, Inc.	1,160,591	Amazon.Com, Inc.	69,193
Monster Worldwide, Inc.	981,812	Red Hat, Inc.	68,297
Prudential Financial, Inc.	939,993	SLM Corp.	65,847
Fifth Third Bancorp.	930,292	CIGNA Corp.	58,269
Amazon.Com, Inc.	880,908	Prudential Financial, Inc.	56,556
Aflac, Inc.	875,300	Ares Capital Corp.	35,762
SLM Corp.	801,286	Apollo Investment Corp.	34,246
MannKind Corp.	795,267		
CA, Inc.	753,287		
Lennar Corp., Class A	742,877		
Boyd Gaming Corp.	736,501		
Health Net, Inc.	692,543		
MGM Mirage	671,562		
Pulte Homes, Inc.	590,612		
Ryland Group, Inc.	588,664		
Ares Capital Corp.	567,467		
Yahoo!, Inc.	566,343		
AP Alternative Assets LP	543,785		
MGIC Investment Corp.	518,267		
Jpmorgan Chase & Co	495,991		
CIGNA Corp.	473,100		
International Game Technology	459,400		

Legg Mason ClearBridge US Appreciation Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Exxon Mobil Corp.	1,699	Devon Energy Corp.	937
Johnson & Johnson	1,193	Newfield Exploration Co.	859
Wal-Mart Stores, Inc.	1,191	SPDR Gold Trust	797
SPDR Gold Trust	933	Cadbury Schweppes PLC, ADR	599
Microsoft Corp.	925	El Paso Corp.	573
The Travelers Cos., Inc.	833	United Technologies Corp.	507
AT&T, Inc.	818	UnitedHealth Group, Inc.	443
United Technologies Corp.	805	Weyerhaeuser Co.	411
General Electric Co.	787	Google, Inc., Class A	409
The Charles Schwab Corp.	761	EMC Corp.	394
Waste Management, Inc.	742	El Du Pont de Nemours & Co.	385
Novartis AG, ADR	734	Nabors Industries Ltd.	383
Procter & Gamble Co.	730	Smith International, Inc.	358
Cisco Systems, Inc.	720	The Bank of New York Mellon Corp.	326
Bank of America Corp.	700	LSI Corp.	320
JPMorgan Chase & Co.	669	Genzyme Corp.	275
Newfield Exploration Co.	658	Pitney Bowes, Inc.	246
Visa, Inc., Class A	650	NVIDIA Corp.	240
Intel Corp.	638	Pharmaceutical Product Development, Inc.	225
United Parcel Service, Inc., Class B	630	Yahoo!, Inc.	221
Google, Inc., Class A	617	Schlumberger Ltd.	216
Home Depot, Inc.	613	Dover Corp.	203
The Walt Disney Co.	593	Wells Fargo & Co.	202
Comcast Corp., Class A	573	EnCana Corp.	198
El Paso Corp.	559	Forest City Enterprises, Inc., Class A	196
Merck & Co., Inc.	547	General Mills, Inc.	196
Eaton Corp.	538	PetroHawk Energy Corp.	190
Kraft Foods, Inc., Class A	519	Biogen Idec, Inc.	184
International Business Machines Corp.	517	Freeport-McMoRan Copper & Gold, Inc., Class B	183
Raytheon Co.	514	Time Warner, Inc.	171
Kimberly-Clark Corp.	510	AT&T, Inc.	164
Chimera Investment Corp.	503	Cadence Design Systems, Inc.	163
Apple, Inc.	492	Nucor Corp.	160
Hewlett-Packard Co.	491	Oracle Corp.	159
Wells Fargo & Co.	473	United Parcel Service, Inc., Class B	159
		Tyco International Ltd.	154
		Chubb Corp.	151

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Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason ClearBridge US Fundamental Value Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Safeway, Inc.	3,191	Wyeth Corp.	3,624
Morgan Stanley	2,403	Wal-Mart Stores, Inc.	3,322
Deere & Co.	2,267	United Parcel Service, Inc., Class B	2,569
XTO Energy, Inc.	2,231	XTO Energy, Inc.	2,543
Devon Energy Corp.	2,175	Simon Property Group, Inc.	2,408
Hess Corp.	2,079	Abbott Laboratories	2,285
Simon Property Group, Inc.	2,023	International Business Machines Corp.	2,253
United States Steel Corp.	1,972	Taiwan Semiconductor Manufacturing Co. Ltd., ADR	2,244
Northrop Grumman Corp.	1,947	Franklin Resources, Inc.	2,069
AT&T, Inc.	1,639	Raytheon Co.	2,022
Telefonaktiebolaget LM Ericsson, ADR	1,589	Novellus Systems, Inc.	1,946
ConocoPhillips	1,399	Barrick Gold Corp.	1,491
Merck & Co., Inc.	1,218	Chevron Corp.	1,433
GlaxoSmithKline PLC, ADR	1,178	Kraft Foods, Inc., Class A	1,418
Jones Lang LaSalle, Inc.	1,045	Time Warner, Inc.	1,398
Parker Hannifin Corp.	1,032	McKesson Corp.	1,374
Toll Brothers, Inc.	1,013	General Electric Co.	1,362
Keycorp	987	Comerica, Inc.	1,357
Carnival Corp.	926	Exxon Mobil Corp.	1,215
Mattel, Inc.	855	Chubb Corp.	1,107
BHP Billiton Ltd., ADR	806	Transocean Ltd.	1,081
eBay, Inc.	789	Toll Brothers, Inc.	1,033
Nucor Corp.	658	PACCAR, Inc.	958
Mitsubishi UFJ Financial Group, Inc.	600	JPMorgan Chase & Co.	754
AGCO Corp.	562	Penske Auto Group, Inc.	653
Weatherford International Ltd.	549	Texas Instruments, Inc.	636
State Street Corp.	511		

Legg Mason ClearBridge US Large Cap Growth Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Roche Holding AG	634	Genentech, Inc.	1,663
Monsanto Co.	521	Amazon.Com, Inc.	1,648
CVS Caremark Corp.	505	Berkshire Hathaway, Inc., Class A	901
The Coca-Cola Co.	444	Red Hat, Inc.	792
Celgene Corp.	432	Sears Holdings Corp.	781
Yahoo!, Inc.	371	Intel Corp.	583
Texas Instruments, Inc.	370	Akamai Technologies, Inc.	462
BlackRock, Inc.	313	First Solar, Inc.	459
Johnson & Johnson	284	Qualcomm, Inc.	316
PepsiCo, Inc.	254	Biogen Idec, Inc.	304
Edwards Lifesciences Corp.	191	Google, Inc., Class A	246
Electronic Arts, Inc.	184	Home Depot, Inc.	246
Akamai Technologies, Inc.	181	Amgen, Inc.	222
Procter & Gamble Co.	178	The Nasdaq OMX Group	214
Berkshire Hathaway, Inc., Class A	177	Cisco Systems, Inc.	212
The Charles Schwab Corp.	175	BlackRock, Inc.	208
Biogen Idec, Inc.	148	NVIDIA Corp.	203
Google, Inc., Class A	147	Vertex Pharmaceuticals, Inc.	189
Qualcomm, Inc.	140	The Walt Disney Co.	187
The Nasdaq OMX Group	127	The Coca-Cola Co.	186
First Solar, Inc.	108	Juniper Networks, Inc.	177
Berkshire Hathaway, Inc., Class A	100	eBay, Inc.	177
Microsoft Corp.	99	Johnson & Johnson	167
Red Hat, Inc.	98	The Charles Schwab Corp.	163
The Walt Disney Co.	95	PepsiCo, Inc.	143
Juniper Networks, Inc.	91	General Electric Co.	140
NVIDIA Corp.	88	Celgene Corp.	140
Amgen, Inc.	83	Microsoft Corp.	137
Cisco Systems, Inc.	81	Procter & Gamble Co.	130
Home Depot, Inc.	76	Electronic Arts, Inc.	125
Sears Holdings Corp.	76	CVS Caremark Corp.	120
General Electric Co.	73		

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason ClearBridge US Aggressive Growth Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
SanDisk Corp.	47	Anadarko Petroleum Corp.	4,844
		The Walt Disney Co.	1,936
		L-3 Communications Holdings, Inc.	1,529
		Cablevision Systems Corp., Class A	1,450
		Broadcom Corp., Class A	1,427
		Core Laboratories NV	1,276
		UnitedHealth Group, Inc.	1,079
		Biogen Idec, Inc.	991
		Valeant Pharmaceuticals International	935
		Amgen, Inc.	754
		Comcast Corp., Special Class A	740
		Forest Laboratories, Inc.	732
		Covidien Ltd.	730
		Bank of America Corp.	712
		Liberty Media Corp. – Entertainment, Series A	695
		Pall Corp.	691
		National Oilwell Varco, Inc.	653
		Vertex Pharmaceuticals, Inc.	646
		Comcast Corp., Class A	609
		Tyco International Ltd.	595
		Tyco Electronics Ltd.	570
		Nokia Oyj, ADR	525
		Covidien Ltd.	473
		SanDisk Corp.	438
		Weatherford International Ltd.	421
		Autodesk, Inc.	413
		Genzyme Corp.	406
		Teva Pharmaceutical Industries Ltd., ADR	398
		Intel Corp.	328
		New York Community Bancorp, Inc.	328

Legg Mason Royce US Small Cap Opportunity Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Goodrich Petroleum Corp.	852	Veeco Instruments, Inc.	611
Minerals Technologies, Inc.	781	Tekelec	591
Navigators Group, Inc.	780	Nanometrics, Inc.	519
Lithia Motors, Inc., Class A	697	Bowne & Co., Inc.	515
Korn/Ferry International	689	Cabela's, Inc.	500
Robbins & Myers, Inc.	681	Rockwood Holdings, Inc.	484
Varian Semiconductor Equipment Associates, Inc.	662	Walter Industries, Inc.	443
PharMerica Corp.	655	Conn's, Inc.	433
Overseas Shipholding Group, Inc.	653	Griffon Corp.	424
Ruby Tuesday, Inc.	650	Varian, Inc.	416
Janus Capital Group, Inc.	623	Maxwell Technologies, Inc.	399
Boise, Inc.	617	Zygo Corp.	372
Ingram Micro, Inc., Class A	616	Eclipsys Corp.	346
Rowan Cos., Inc.	604	Flanders Corp.	340
Gaylord Entertainment Co., Class A	558	The Cheesecake Factory, Inc.	323
Valley National Bancorp.	557	BJ Services Co.	315
Tower Group, Inc.	549	Cooper Tire & Rubber Co.	314
MEMC Electronic Materials, Inc.	547	Blue Coat Systems, Inc.	301
Ferro Corp.	525	Home Diagnostics, Inc.	298
Northwest Pipe Co.	518	Walter Investment Management Corp.	292

Legg Mason Royce Smaller Companies Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Corinthian Colleges, Inc.	2,361	Randgold Resources Ltd., ADR	774
The Buckle, Inc.	2,094	Genlex Corp.	767
GrafTech International Ltd.	1,937	CF Industries Holdings, Inc.	709
Knight Capital Group, Inc., Class A	1,821	Terra Industries, Inc.	661
Reliance Steel & Aluminum Co.	1,703	Gardner Denver, Inc.	517
Sims Metal Management Ltd., ADR	1,615	Haynes International, Inc.	505
Kirby Corp.	1,545	IDEX Corp.	480
SRA International, Inc., Class A	1,537	Watson Wyatt Worldwide, Inc., Class A	473

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Royce Smaller Companies Fund – (continued)

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Federated Investors, Inc., Class B	1,380	Greenhill & Co., Inc.	410
Cal-Maine Foods, Inc.	1,343	Fresnillo PLC	394
Pan American Silver Corp.	1,311	Calfrac Well Services Ltd.	383
SEI Investments Co.	1,307	GrafTech International Ltd.	376
Pason Systems, Inc.	1,299	Polo Ralph Lauren Corp.	370
Cliffs Natural Resources, Inc.	1,262	Silver Standard Resources, Inc.	363
Seabridge Gold, Inc.	1,255	Cliffs Natural Resources, Inc.	358
Cintas Corp.	1,216	Schnitzer Steel Industries, Inc., Class A	354
Schnitzer Steel Industries, Inc., Class A	1,199	Sims Metal Management Ltd., ADR	354
Kennametal, Inc.	1,198	MSC Software Corp.	349
Wabtec Corp.	1,172	ICON PLC, ADR	349
Intrepid Potash, Inc.	1,167	Dolby Laboratories, Inc., Class A	337
Westlake Chemical Corp.	1,163	Oil States International, Inc.	321
Brown & Brown, Inc.	1,137	Red Back Mining, Inc.	316
Sanderson Farms, Inc.	1,130	Teradata Corp.	301
Validus Holdings Ltd.	1,075	Allegheny Technologies, Inc.	298
FTI Consulting, Inc.	1,071	Agnico-Eagle Mines Ltd.	296
Rofin-Sinar Technologies, Inc.	1,063	Aptargroup, Inc.	292
The Warnaco Group, Inc.	1,059	Fronteer Development Group, Inc.	287
Jacobs Engineering Group, Inc.	1,035	Woodward Governor Co.	262
Lincoln Electric Holdings, Inc.	1,032	Intrepid Potash, Inc.	259
Pico Holdings, Inc.	965	Thor Industries, Inc.	256
Red Back Mining, Inc.	955	Ceradyne, Inc.	252
Simpson Manufacturing Co., Inc.	895	Silvercorp Metals, Inc.	248
Hormel Foods Corp.	889	Carpenter Technology Corp.	243
MSC Industrial Direct Co., Class A	885	Drew Industries, Inc.	238
Silver Standard Resources, Inc.	873	Trican Well Service Ltd.	230
Oil States International, Inc.	871	Universal Technical Institute, Inc.	229
Adtran, Inc.	845	Kennametal, Inc.	229
Gammon Gold, Inc.	843	Fossil, Inc.	224
Terra Industries, Inc.	841	Helmerich & Payne, Inc.	216
Shawcor Ltd.	834	Reliance Steel & Aluminum Co.	200
		The St Joe Co.	189

Legg Mason Royce European Smaller Companies Fund^

MAJOR PURCHASES	COST (in 000€)	MAJOR SALES	PROCEEDS (in 000€)
Hochschild Mining PLC	54,365	Q-Med AB	2,765
Burckhardt Compression Holding AG	52,470		
Ashmore Group PLC	46,188		
Semperit AG Holding	44,822		
Vaisala Oyj, Class A	42,750		
H Lundbeck A/S	39,193		
Lamprell PLC	37,034		
Hunter Douglas NV	34,969		
Societe Internationale De Plantations D'heveas S.A.	32,733		
Centamin Egypt Ltd.	32,188		
Smartrac NV	30,652		
Pfeiffer Vacuum Technology AG	29,985		
Vetoquinol S.A.	29,153		
Sipef S.A.	29,045		
Mayr Melnhof Karton AG	28,819		
Lundin Petroleum AB	28,608		
Randgold Resources Ltd.	28,582		
Michael Page International PLC	28,521		
Takkt AG	27,173		
Ekornes ASA	26,702		
Puma AG Rudolf Dassler Sport	26,122		
Fielmann AG	25,867		
Hellenic Exchanges S.A. Holding Clearing Settlement and Registry	25,595		
Fresnillo PLC	25,090		
Rational AG	23,848		
EVS Broadcast Equipment S.A.	23,229		
Gimv NV	22,652		
Carl Zeiss Meditec AG	22,329		
Virbac S.A.	22,047		

^ Not authorised in Hong Kong and not available to Hong Kong residents.

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Royce European Smaller Companies Fund^ – (continued)

MAJOR PURCHASES	COST (in 000€)
Hikma Pharmaceuticals PLC	21,529
Diploma PLC	21,473
Boiron S.A.	20,984
Manutan S.A.	20,171
Fred Olsen Energy ASA	19,631
SAES Getters S.p.A.	19,585
Vacon PLC	19,300
Partners Group Holding AG	18,930
Fuchs Petrolub AG	18,500
Bell Equipment Ltd.	17,940
Meetic	17,932
Spirax-Sarco Engineering PLC	17,920
AS Creation Tapeten AG	17,592
Net 1 Ueps Technologies, Inc.	17,441
Q-Med AB	17,340
Anglo-Eastern Plantations	17,274
Neurones	17,118
Piscines Desjoyaux S.A.	15,741
Domino Printing Sciences PLC, Class B	15,477
Aquarius Platinum Ltd.	14,039

Legg Mason Royce Global Smaller Companies Fund^

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Major Drilling Group International	86,926	Industrias Bachoco SAB de CV, ADR	19,515
Burckhardt Compression Holding AG	75,395	Value Partners Group Ltd.	3,375
Hochschild Mining PLC	74,689	Ensign Energy Services, Inc.	2,882
Industrias Bachoco SAB de CV, ADR	69,319		
Semperit AG Holding	64,448		
Silver Standard Resources, Inc.	63,350		
Egyptian Financial Group-Hermes Holding	59,921		
Ashmore Group PLC	59,784		
Partners Group Holding AG	54,436		
Sipef S.A.	52,314		
Mayr Melnhof Karton AG	51,797		
GrafTech International Ltd.	50,778		
Value Partners Group Ltd.	50,438		
Knight Capital Group, Inc., Class A	47,281		
Unit Corp.	45,707		
Fresnillo PLC	45,398		
Gammon Gold, Inc.	44,309		
Lamprell PLC	44,281		
H Lundbeck A/S	43,965		
Pason Systems, Inc.	43,508		
Schnitzer Steel Industries, Inc., Class A	43,114		
Sanderson Farms, Inc.	42,744		
Asian Citrus Holdings Ltd.	40,436		
Societe Internationale De Plantations D'heveas S.A.	40,397		
Ensign Energy Services, Inc.	40,362		
Aquarius Platinum Ltd.	39,378		
Carl Zeiss Meditec AG	39,240		
Sims Metal Management Ltd., ADR	37,424		
Seabridge Gold, Inc.	37,290		
Ivanhoe Mines Ltd.	36,403		
Lewis Group Ltd.	36,128		
Jacobs Engineering Group, Inc.	34,813		
Intrepid Potash, Inc.	33,077		
Northam Platinum Ltd.	31,079		
Endeavour Financial Corp.	30,476		
Boiron S.A.	30,207		
Citic 1616 Holdings Ltd.	29,667		
Magma Energy Corp.	29,175		
China Forestry Holdings Ltd.	27,923		
Luk Fook Holdings International Ltd.	27,316		
Gimv NV	26,925		
Discovery Holdings Ltd.	26,037		

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Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Royce Global Smaller Companies Fund[^] – (continued)

MAJOR PURCHASES	COST (in 000\$)
Red Back Mining, Inc.	26,002
Pfeiffer Vacuum Technology AG	25,868
Pan American Silver Corp.	25,156
Trican Well Service Ltd.	24,645
Sung Kwang Bend Co. Ltd.	24,259
U.S. Global Investors, Inc.	24,069
Raubex Group Ltd.	24,040
Sprott, Inc.	21,870

Legg Mason PCM US Equity Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Hewlett-Packard Co.	20	Royal Caribbean Cruises Ltd.	37
Universal Health Services, Inc., Class B	19	International Game Technology	20
Qualcomm, Inc.	15	MGM Mirage	15
Ultra Petroleum Corp.	13	Sotheby's	13
CA, Inc.	11	AutoNation, Inc.	12
Wal-Mart Stores, Inc.	10	Windstream Corp.	10
Symantec Corp.	10	Electronics for Imaging, Inc.	9
H&R Block, Inc.	9	Raymond James Financial, Inc.	7
First American Corp.	9	First Citizens BancShares, Inc., Class A	7
Zimmer Holdings, Inc.	9	John Wiley & Sons, Inc., Class A	7
Windstream Corp.	8	MutualFirst Financial, Inc.	6
Avid Technology, Inc.	8	Whitney Holding Corp.	5
Willis Group Holdings PLC	7	Health Management Associates, Inc., Class A	5
Imation Corp.	7	Avatar Holdings, Inc.	4
Black Hills Corp.	7	Capital City Bank Group, Inc.	4
Covidien Ltd.	6	Seacoast Banking Corp. of Florida, Class A	2
Quantum Corp.	6	Ameristar Casinos, Inc.	2
Covidien Ltd.	5		
Broadridge Financial Solutions, Inc.	5		
Health Management Associates, Inc., Class A	5		
Dover Downs Gaming & Entertainment, Inc.	4		
Provident New York Bancorp	4		
H&R Block, Inc.	3		
Motorola, Inc.	3		
UTi Worldwide, Inc.	3		

Legg Mason Permal Global Absolute Fund[^]

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
iShares PLC – iShares Euro Government Bond 1-3	3,478,698	iShares – iShares Euro Corporate Bond	1,402,339
iShares – iShares \$ Corporate Bond	3,276,894	iShares DJ EURO STOXX Small Cap	1,396,108
iShares PLC- iShares \$ Treasury Bond 1-3	3,241,988	db x-trackers – S&P 500 Inverse Daily	1,392,449
All Commodities DJ-UBSCLsm	2,212,239	iShares – iShares GBP Corporate Bond	1,363,415
Gold Bullion Securities Ltd.	1,968,654	iShares PLC- iShares \$ Treasury Bond 1-3	1,002,310
iShares GBP Index Linked Gilt	1,780,826	iShares MSCI AC Far East Ex-Japan	716,085
iShares MSCI Emerging Markets	1,685,251	iShares III PLC – iShares MSCI Japan Smallcap	698,692
iShares MSCI Japan Fund	1,638,056	iShares – iShares MSCI Europe	691,855
iShares \$ TIPS	1,627,937	All Commodities DJ-UBSCLsm	646,947
iShares S&P 500 Index Fund	1,614,554	iShares \$ Tips	511,274
BH Macro Ltd.	1,478,680	iShares – iShares \$ Corporate Bond	501,716
iShares III PLC – iShares MSCI Japan Smallcap	1,478,251	iShares III PLC – iShares MSCI Japan Smallcap	468,259
db x-trackers – S&P 500 Inverse Daily	1,450,138	Gold Bullion Securities Ltd.	427,285
iShares – iShares Euro Corporate Bond	1,448,798	iShares MSCI Emerging Markets	266,338
iShares – iShares GBP Corporate Bond	1,436,873	iShares MSCI AC Far East Ex-Japan	260,722
iShares DJ EURO STOXX Small Cap	1,426,418		
iShares PLC- iShares \$ Treasury Bond 1-3	997,799		
Merrill Lynch Investment Solutions – Bluetrend Ucits Fund Usd	971,000		
Merrill Lynch Investment Solutions – York Event Driven Ucits Fund	925,000		
ETFS Physical Silver	891,125		
db x-trackers – FTSE 100 Short Daily ETF	833,129		
db x-trackers – DJ EURO STOXX 50 Short ETF	778,562		
ETFS Physical Platinum	760,962		
iShares MSCI AC Far East Ex-Japan	719,923		
iShares II PLC – iShares MSCI Europe	705,181		

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Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Permal Global Absolute Fund[^] – (continued)

MAJOR PURCHASES	COST (in 000\$)
Brevan Howard Investment Fund II Macro Fx Fund	550,000
iShares III PLC – iShares MSCI Japan Smallcap	506,855
iShares – iShares \$ Corporate Bond	505,385
iShares \$ Tips	498,980

Legg Mason GC Global Equity Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
StatoilHydro ASA	690	Jardine Matheson Holdings Ltd.	1,181
Deutsche Bank AG	689	Mylan, Inc.	1,088
Procter & Gamble Co.	674	Total S.A.	1,039
EnCana Corp.	596	Intel Corp.	1,014
MetLife, Inc.	557	Amgen, Inc.	954
Schneider Electric S.A.	551	Johnson & Johnson	907
NSK Ltd.	543	Cheung Kong Holdings Ltd.	897
Amgen, Inc.	520	Foster's Group Ltd.	893
Dell, Inc.	515	Devon Energy Corp.	881
Transocean Ltd.	499	Experian PLC	849
Merck & Co., Inc.	496	Ryanair Holdings PLC, ADR	807
Wisconsin Energy Corp.	495	BNP Paribas	792
Alcoa, Inc.	475	Teva Pharmaceutical Industries Ltd., ADR	782
Murata Manufacturing Co. Ltd.	474	Makita Corp.	767
Fanuc Ltd.	464	Wyeth Corp.	756
Capcom Co. Ltd.	451	Anglo American PLC	746
Anadarko Petroleum Corp.	440	CVS Caremark Corp.	743
Hyundai Mobis	438	Tyson Foods, Inc., Class A	736
Foster's Group Ltd.	435	International Business Machines Corp.	734
Nokia Oyj	423	StatoilHydro ASA	723
LG Display Co. Ltd., ADR	422	Denso Corp.	714
DirectTV Group, Inc.	414	Telstra Corp. Ltd.	710
The Mosaic Co.	403	The Coca-Cola Co.	697
Morgan Stanley	390	France Telecom S.A.	693
Thomas Cook Group PLC	381	Procter & Gamble Co.	683
Bank of America Corp.	369		
Home Retail Group PLC	352		
Advantest Corp.	349		
Raffles Education Corp. Ltd.	347		
Canadian Natural Resources Ltd.	347		
Danisco A/S	345		
Vale S.A.	342		
Carpenter Technology Corp.	341		
Japan Tobacco, Inc.	336		
Apache Corp.	333		
Devon Energy Corp.	333		
UBS AG	331		
Unilever NV	329		
GDF Suez	323		
Salzgitter AG	322		
Viterra, Inc.	321		
Charles River Laboratories International, Inc.	321		
Woodside Petroleum Ltd.	320		
Check Point Software Technologies	316		
Wal-Mart Stores, Inc.	314		
POSCO, ADR	312		
Microsoft Corp.	312		
Halliburton Co.	310		
Daimler AG	307		
Publicis Groupe	305		
Transatlantic Holdings, Inc.	304		
Agnico-Eagle Mines Ltd.	303		
Anheuser-Busch InBev NV	303		

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Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Batterymarch European Equity Fund

MAJOR PURCHASES	COST (in 000€)	MAJOR SALES	PROCEEDS (in 000€)
Deutsche Bank AG	293	Roche Holding AG	464
SAP AG	261	Nestle S.A.	463
Barclays PLC	245	SAP AG	309
Allianz SE	240	Diageo PLC	295
Banco Santander S.A.	236	Banco Santander S.A.	272
Societe Generale	229	Reckitt Benckiser Group PLC	268
Roche Holding AG	215	Tesco PLC	262
Daimler AG	202	Royal Dutch Shell PLC, Class A	249
BNP Paribas	201	Compass Group PLC	239
ABB Ltd.	186	Nordea Bank AB	232
Credit Suisse Group AG	180	Societe Generale	229
UniCredito Italiano S.p.A.	178	Total S.A.	227
Bouygues S.A.	175	Enel S.p.A.	225
Bayer AG	164	Telefonica S.A.	219
Tesco PLC	162	British American Tobacco PLC	214
Imperial Tobacco Group PLC	160	Aryzta AG	208
HSBC Holdings PLC	160	BP PLC	205
Zurich Financial Services AG	155	BNP Paribas	205
Rio Tinto PLC	154	France Telecom S.A.	189
Koninklijke Philips Electronics NV	152	Royal Dutch Shell PLC, Class B	188

Legg Mason Batterymarch Asia Pacific Equity Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Wistron Corp.	2,479	China Mobile Ltd.	8,608
Astra International Tbk PT	2,277	Samsung Electronics Co. Ltd.	6,695
Suntec Real Estate Investment Trust	2,160	Taiwan Semiconductor Manufacturing Co. Ltd.	5,378
Ping An Insurance Group Co. of China Ltd., Class H	2,131	Industrial & Commercial Bank of China, Class H	4,500
China Shenhua Energy Co. Ltd., Class H	2,047	Astra International Tbk PT	4,447
Bank Mandiri Persero Tbk PT	2,020	Hengan International Group Co. Ltd.	3,793
Kerry Properties Ltd.	1,967	Tencent Holdings Ltd.	3,659
Jindal Steel & Power Ltd.	1,949	Singapore Exchange Ltd.	3,627
Swire Pacific Ltd., Class A	1,871	HTC Corp.	3,550
Hyosung Corp.	1,784	Hyundai Mobis	3,434
Olam International Ltd.	1,751	CLP Holdings Ltd.	3,419
Denway Motors Ltd.	1,707	Singapore Telecommunications Ltd.	3,346
Singapore Exchange Ltd.	1,672	Hong Kong Exchanges and Clearing Ltd.	3,316
Yes Bank Ltd.	1,620	China Life Insurance Co. Ltd., Class H	3,308
Bharat Heavy Electricals Ltd.	1,617	Digi.Com Bhd	3,245
Indiabulls Financial Services Ltd.	1,527	State Bank of India Ltd.	3,163
Woori Finance Holdings Co. Ltd.	1,472	Chaoda Modern Agriculture Holdings Ltd.	3,141
Siliconware Precision Industries Co.	1,467	Geely Automobile Holdings Ltd.	3,104
Shimao Property Holdings Ltd.	1,460	China Railway Group Ltd., Class H	3,069
Cathay Financial Holding Co. Ltd.	1,457	Quanta Computer, Inc.	3,027
		Chunghwa Telecom Co. Ltd.	3,007
		China Construction Bank Corp., Class H	2,815

Legg Mason Batterymarch International Large Cap Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
National Australia Bank Ltd.	357	National Australia Bank Ltd.	311
Allianz SE	296	Mitsubishi UFJ Financial Group, Inc.	305
Canon, Inc.	241	Westpac Banking Corp.	304
Mitsubishi UFJ Financial Group, Inc.	241	British American Tobacco PLC	288
Westpac Banking Corp.	231	KDDI Corp.	279
Siemens AG	222	Canon, Inc.	264
Deutsche Bank AG	219	Nestle S.A.	262
Australia & New Zealand Banking Group Ltd.	218	Tesco PLC	250
Centrica PLC	206	Reckitt Benckiser Group PLC	245
Deutsche Telekom AG	198	Roche Holding AG	237
KDDI Corp.	195	France Telecom S.A.	224
Standard Chartered PLC	193	Telefonica S.A.	201
Commonwealth Bank of Australia	192	Banco Santander S.A.	199
Tesco PLC	184	GlaxoSmithKline PLC	198
British American Tobacco PLC	150	Diageo PLC	197
UniCredito Italiano S.p.A.	145	Allianz SE	197

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Batterymarch International Large Cap Fund – (continued)

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
HSBC Holdings PLC	145	HSBC Holdings PLC	197
Banco Santander S.A.	142	Jardine Matheson Holdings Ltd.	187
Credit Suisse Group AG	141	Commonwealth Bank of Australia	185
Asahi Breweries Ltd.	140	SAP AG	185

Legg Mason Batterymarch Emerging Markets Equity Fund

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
OTP Bank PLC	1,160	China Mobile Ltd.	1,126
Petroleo Brasileiro S.A., ADR	1,097	MTN Group Ltd.	967
Bank of China Ltd., Class H	943	Gazprom OAO, ADR	842
ArcelorMittal South Africa Ltd.	816	Sasol Ltd.	791
America Movil SAB de CV, ADR	808	Turkiye Hlak Bankasi A/S	787
Sberbank of Russian Federation	779	Teva Pharmaceutical Industries Ltd., ADR	660
Hon Hai Precision Industry Co. Ltd.	731	Astra International Tbk PT	659
KGHM Polska Miedz S.A.	723	Quanta Computer, Inc.	636
Powszechna Kasa Oszczednosci Bank Polski S.A.	709	Uralkali, GDR	617
Samsung Electronics Co. Ltd.	668	Lukoil OAO, ADR	605
Imperial Holdings Ltd.	649	Gold Fields Ltd.	561
Industrial & Commercial Bank of China, Class H	607	Taiwan Semiconductor Manufacturing Co. Ltd.	558
Banco Bradesco S.A., ADR	584	ABSA Group Ltd.	553
Jindal Steel & Power Ltd.	564	Impala Platinum Holdings Ltd.	551
Woori Finance Holdings Co. Ltd.	563	Turkiye Is Bankasi, Class C	522
Lukoil International Finance BV, ADR	560	Anglo American Platinum Corp. Ltd.	518
United Microelectronics Corp.	557	Foschini Ltd.	511
Kumba Iron Ore Ltd.	549	Chaoda Modern Agriculture Holdings Ltd.	508
Industrial Bank of Korea	546	Turkiye Garanti Bankasi A/S	507
China Construction Bank Corp., Class H	544	SK Telecom Co. Ltd.	493

Legg Mason Congruix Asia Pacific Fund^

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
BHP Billiton Ltd.	10,146,881	Indo Tambangraya Megah PT	4,035,731
AU Optronics Corp.	6,029,416	Downer EDI Ltd.	3,426,388
Downer EDI Ltd.	5,898,583	Li & Fung Ltd.	3,089,487
Commonwealth Bank of Australia	5,868,954	AU Optronics Corp.	2,964,999
China Merchants Bank Co. Ltd., Class H	5,350,042	Epistar Corp.	2,959,829
Samsung Electronics Co. Ltd.	5,335,697	Taiflex Scientific Co. Ltd.	2,577,136
Shree Renuka Sugars Ltd.	5,228,798	Sesa Goa Ltd.	2,344,504
Fairfax Media Ltd.	5,070,971	LG Display Co. Ltd.	2,326,236
Epistar Corp.	5,026,772	Indofood Agri Resources Ltd.	2,323,029
Tata Motors Ltd.	4,759,167	Tata Motors Ltd.	2,265,759
China Construction Bank Corp., Class H	4,258,009	Seoul Semiconductor Co. Ltd.	2,212,841
CSR Ltd.	4,075,592	iShares Asia Trust	2,164,833
Sun Hung Kai Properties Ltd.	4,058,558	Wilmar International Ltd.	2,081,972
Transfield Services Ltd.	4,035,337	State Bank of India Ltd.	2,074,212
BYD Co. Ltd., Class H	4,020,040	Samsung Electro-Mechanics Co. Ltd.	2,064,887
Australia & New Zealand Banking Group Ltd.	4,006,652	Cheung Kong Holdings Ltd.	2,055,981
China Mobile Ltd.	3,989,099	Nine Dragons Paper Holdings Ltd.	2,020,802
National Australia Bank Ltd.	3,973,079	Synnex Technology International Corp.	2,018,348
Astra International Tbk PT	3,790,752	NHN Corp.	1,991,158
Gome Electrical Appliances Holdings Ltd.	3,746,547	BHP Billiton Ltd.	1,894,833
ICICI Bank Ltd.	3,699,192	Goodman Group	1,840,077
Westpac Banking Corp.	3,622,578	Hongkong Land Holdings Ltd.	1,828,106
Carsales.com.Au	3,215,514	Adaro Energy Tbk PT	1,713,533
LG Chem Ltd.	3,145,869	Unitech Ltd.	1,650,976
Straits Asia Resources Ltd.	3,080,903	Sesa Goa Ltd.	1,623,000
Nine Dragons Paper Holdings Ltd.	3,077,481	MacArthur Coal Ltd.	1,569,451
Rio Tinto Ltd.	3,062,091	Shimao Property Holdings Ltd.	1,498,532
Indo Tambangraya Megah PT	3,056,102	Inotera Memories, Inc.	1,408,930
Li & Fung Ltd.	3,048,028	National Australia Bank Ltd.	1,384,170
Tencent Holdings Ltd.	3,043,924	Rio Tinto Ltd.	1,205,430
Ezra Holdings Ltd.	3,041,993	Tong Yang Life Insurance	1,122,158
Cheung Kong Holdings Ltd.	3,023,001	InnoLux Display Corp.	1,105,671
TCL Multimedia Technology Holdings Ltd.	2,893,866	Shree Renuka Sugars Ltd.	1,094,944
Shinsegae Co. Ltd.	2,860,931	SK Energy Co. Ltd.	1,067,680

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Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason Congruix Asia Pacific Fund[^] – (continued)

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
Seoul Semiconductor Co. Ltd.	2,835,104	Far Eastern Textile Co. Ltd.	1,020,931
		China Longyuan Power Group Corp.	1,009,543
		Straits Asia Resources Ltd.	972,193
		Samsung SDI Co. Ltd.	935,541

Legg Mason Congruix Japan Equity Fund

MAJOR PURCHASES	COST (in 000¥)	MAJOR SALES	PROCEEDS (in 000¥)
Toyota Motor Corp.	10,844	Nippon Electric Glass Co. Ltd.	16,130
JTEKT Corp.	10,665	Mitsubishi UFJ Financial Group, Inc.	10,018
Nikon Corp.	10,642	THK Co. Ltd.	9,976
T&D Holdings, Inc.	10,557	Toyota Motor Corp.	9,974
Nomura Holdings, Inc.	10,351	East Japan Railway Co.	9,792
Isuzu Motors Ltd.	9,899	Point, Inc.	9,503
Toshiba Corp.	9,288	Mitsui OSK Lines Ltd.	8,805
Asahi Breweries Ltd.	8,131	JTEKT Corp.	8,584
Point, Inc.	8,088	Sumitomo Metal Mining Co. Ltd.	8,475
Sharp Corp.	8,010	Nomura Holdings, Inc.	8,249
Mitsubishi UFJ Financial Group, Inc.	7,809	Shinko Electric Industries Co. Ltd.	8,231
Nitto Denko Corp.	7,676	Sumitomo Metal Industries Ltd.	7,851
NTT DoCoMo, Inc.	7,672	Nikon Corp.	7,724
NOK Corp.	7,587	T&D Holdings, Inc.	7,674
Shiseido Co. Ltd.	6,902	Nissan Motor Co. Ltd.	7,355
Canon, Inc.	6,748	Sharp Corp.	7,200
The Tokyo Electric Power Co., Inc.	6,708	Tokyo Electron Ltd.	7,077
Haseko Corp.	6,588	Toyota Boshoku Corp.	6,951
Nippon Steel Corp.	6,484	Fast Retailing Co. Ltd.	6,841
Nippon Sheet Glass Co. Ltd.	6,296	The Tokyo Electric Power Co., Inc.	6,714
Hitachi Metals Ltd.	6,067	Kenedix, Inc.	6,681
NGK Spark Plug Co. Ltd.	6,065	NOK Corp.	6,442
Ulvac, Inc.	6,043	Yaskawa Electric Corp.	6,433
Sumco Corp.	5,987	Amada Co. Ltd.	6,087
Shinko Electric Industries Co. Ltd.	5,790	Bridgestone Corp.	6,061
Mazda Motor Corp.	5,724	Sumco Corp.	5,955
Nippon Electric Glass Co. Ltd.	5,501	Unicharm Corp.	5,947
Mitsui & Co. Ltd.	5,444	Isuzu Motors Ltd.	5,891
Kanto Denka Kogyo Co. Ltd.	5,355	Nippon Sheet Glass Co. Ltd.	5,768
FUJIFILM Holdings Corp.	5,345	Nintendo Co. Ltd.	5,727
East Japan Railway Co.	5,325	INPEX Corp.	5,613
Sumitomo Mitsui Financial Group, Inc.	5,325	Panasonic Corp.	5,258
Amada Co. Ltd.	5,092	Mitsui & Co. Ltd.	5,245
Panasonic Corp.	5,003	Unicharm Petcare Corp.	5,094
Seven Bank Ltd.	4,812	Sumitomo Mitsui Financial Group, Inc.	5,047
Yaskawa Electric Corp.	4,801	NGK Spark Plug Co. Ltd.	4,845
Toho Zinc Co. Ltd.	4,735	Toyo Tanso Co. Ltd.	4,767
Nippon Denko Co. Ltd.	4,723	Olympus Corp.	4,693
Fast Retailing Co. Ltd.	4,716	The Shizuoka Bank Ltd.	4,637
Tokyo Tatemono Co. Ltd.	4,653	Tsubakimoto Chain Co.	4,584
FamilyMart Co. Ltd.	4,640	Taiheiyu Cement Corp.	4,555
Mitsubishi Estate Co. Ltd.	4,601	FamilyMart Co. Ltd.	4,490
Nissan Motor Co. Ltd.	4,600	Yahoo! Japan Corp.	4,437
Taiheiyu Cement Corp.	4,597	Toho Zinc Co. Ltd.	4,412
Aozora Bank Ltd.	4,332	Canon, Inc.	4,352
Keihin Corp.	4,303	Seven Bank Ltd.	4,348
Mitsui OSK Lines Ltd.	4,254	Mazda Motor Corp.	4,261
GS Yuasa Corp.	4,223	ABC-Mart, Inc.	4,230
Sankyo Co. Ltd.	4,218	Sankyo Co. Ltd.	4,221
		Nippon Telegraph & Telephone Corp.	4,176

Legg Mason LMHK China Fund[^]

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
China Construction Bank Corp., Class H	500,246	Industrial & Commercial Bank of China, Class H	108,833
Industrial & Commercial Bank of China, Class H	426,079	China Railway Construction Corp. Ltd., Class H	71,003
China Mobile Ltd.	420,361	Vinda International Holdings Ltd.	61,135
China Life Insurance Co. Ltd., Class H	393,214	PCD Stores Ltd.	56,716

[^] Not authorised in Hong Kong and not available to Hong Kong residents.

Statement of Major Portfolio Changes (Unaudited) – (continued)

Legg Mason LMHK China Fund[^] – (continued)

MAJOR PURCHASES	COST (in 000\$)	MAJOR SALES	PROCEEDS (in 000\$)
CNOOC Ltd.	331,460	China Life Insurance Co. Ltd., Class H	54,017
Bank of China Ltd., Class H	326,727	CNOOC Ltd.	35,102
Tencent Holdings Ltd.	243,106	Tencent Holdings Ltd.	29,721
China Shenhua Energy Co. Ltd., Class H	232,911	China Mobile Ltd.	28,295
PetroChina Co. Ltd., Class H	219,080	Zijin Mining Group Co. Ltd.	27,149
Ping An Insurance Group Co. of China Ltd., Class H	170,462	Guangzhou R&F Properties Co. Ltd., Class H	24,198
Golden Eagle Retail Group Ltd.	141,051	Shimao Property Holdings Ltd.	23,689
Shimao Property Holdings Ltd.	140,587	Greentown China Holdings Ltd.	21,722
Belle International Holdings Ltd.	112,064	Angang Steel Co. Ltd., Class H	21,226
ZTE Corp., Class H	105,324	China National Building Material Co. Ltd., Class H	20,690
Lianhua Supermarket Holdings Co. Ltd., Class H	103,139	China Petroleum & Chemical Corp., Class H	20,314
Guangzhou R&F Properties Co. Ltd., Class H	102,508	China Merchants Bank Co. Ltd., Class H	20,248
Denway Motors Ltd.	101,979	Lianhua Supermarket Holdings Co. Ltd., Class H	17,612
Yanzhou Coal Mining Co. Ltd., Class H	101,979	ZTE Corp., Class H	15,539
China Petroleum & Chemical Corp., Class H	100,350		
China Merchants Holdings International Co. Ltd.	99,734		
Skyworth Digital Holdings Ltd.	96,525		
China Resources Enterprise Ltd.	88,827		
China Pacific Insurance Group Co. Ltd.	81,261		
China Resources Land Ltd.	78,488		
China Shanshui Cement Group Ltd.	77,774		
Vinda International Holdings Ltd.	76,545		
China Merchants Bank Co. Ltd., Class H	75,746		
China Railway Construction Corp. Ltd., Class H	75,642		
China Longyuan Power Group Corp.	72,553		
China Overseas Land & Investment Ltd.	66,512		
Angang Steel Co. Ltd., Class H	66,473		
Beijing Enterprises Holdings Ltd.	64,066		

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Appendix 1 – Directory of Name Change (*Unaudited*)

Revised Fund Name effective November 16, 2009

Legg Mason Western Asset US Money Market Fund
 Legg Mason Western Asset US Core Bond Fund
 Legg Mason Western Asset US Core Plus Bond Fund
 Legg Mason Western Asset Euro Core Plus Bond Fund
 Legg Mason Western Asset Diversified Strategic Income Fund
 Legg Mason Western Asset Global Multi Strategy Fund
 Legg Mason Western Asset US High Yield Fund
 Legg Mason Western Asset Emerging Markets Bond Fund
 Legg Mason Brandywine Global High Yield Fund
 Legg Mason Western Asset US Short-Term Government Fund
 Legg Mason Western Asset US Adjustable Rate Fund
 Legg Mason Western Asset Inflation Management Fund
 Legg Mason Western Asset Asian Opportunities Fund
 Legg Mason Western Asset Global Blue Chip Bond Fund[∞]
 Legg Mason Brandywine Global Fixed Income Fund
 Legg Mason Capital Management Value Fund
 Legg Mason Capital Management Growth Fund
 Legg Mason Capital Management Opportunity Fund[^]
 Legg Mason ClearBridge US Appreciation Fund
 Legg Mason ClearBridge US Fundamental Value Fund
 Legg Mason ClearBridge US Large Cap Growth Fund
 Legg Mason ClearBridge US Aggressive Growth Fund
 Legg Mason Royce US Small Cap Opportunity Fund
 Legg Mason Royce Smaller Companies Fund
 Legg Mason Royce European Smaller Companies Fund ^{**}
 Legg Mason Royce Global Smaller Companies Fund ^{**}
 Legg Mason PCM US Equity Fund
 Legg Mason Permal Global Absolute Fund ^{**^}
 Legg Mason GC Global Equity Fund
 Legg Mason Batterymarch European Equity Fund
 Legg Mason Batterymarch Asia Pacific Equity Fund
 Legg Mason Batterymarch 130/30 Global Equity Fund [†]
 Legg Mason Batterymarch International Large Cap Fund
 Legg Mason Batterymarch Emerging Markets Equity Fund
 Legg Mason Congruix Asia Pacific Fund [‡]
 Legg Mason Congruix Japan Equity Fund
 Legg Mason LMHK China Fund [‡]

Previous Fund Name

Western Asset U.S. Money Market Fund
 Western Asset U.S. Core Bond Fund
 Western Asset U.S. Core Plus Bond Fund
 Western Asset Euro Core Plus Bond Fund
 Western Asset Diversified Strategic Income Bond Fund
 Western Asset Global Multi Strategy Fund
 Western Asset U.S. High Yield Bond Fund
 Western Asset Emerging Markets Bond Fund
 Western Asset Global High Yield Bond Fund
 Western Asset U.S. Short-Term Government Income Fund
 Western Asset U.S. Adjustable Rate Income Fund
 Western Asset Inflation Management Fund
 Western Asset Asian Opportunities Fund
 Western Asset Global Blue Chip Fund
 Brandywine Global Opportunities Bond Fund
 Legg Mason Value Fund
 Legg Mason Growth Fund
 LMCM Opportunity Fund
 ClearBridge U.S. Appreciation Fund
 ClearBridge U.S. Fundamental Value Fund
 ClearBridge U.S. Large Cap Growth Fund
 ClearBridge U.S. Aggressive Growth Fund
 Royce U.S. Small Cap Opportunity Fund
 Royce Smaller Companies Fund
 n/a
 n/a
 PCM U.S. Equity Fund
 n/a
 GC Global Equity Fund
 Batterymarch European Equity Fund
 Batterymarch Pacific Equity Fund
 Batterymarch 130/30 Global Equity Fund
 Batterymarch International Large Cap Fund
 Batterymarch Emerging Markets Equity Fund
 n/a
 LMIE Japan Equity Fund
 n/a

[∞] Fund commenced trading effective June 3, 2009

^{*} Fund commenced trading effective January 4, 2010

^{**} Fund commenced trading effective September 25, 2009

[†] Fund ceased trading effective January 20, 2010

[‡] Fund commenced trading effective November 12, 2009

[‡] Fund commenced trading effective December 1, 2009

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