

Update on Eurozone Bank Exposure in Western Asset's Money Market Funds

Recent headlines have caused some concerns regarding European bank exposures in money market funds. Western Asset's money market funds remain well diversified, and we continue to maintain a high degree of liquidity. Our funds invest only in high quality US dollar-denominated securities. Before a fund purchases any security, our dedicated team of sector-specific analysts conducts a stringent due diligence review. Our bank credit process includes a review of each issuer's capital structure, asset quality, management structure, earnings, liquidity structure and other key factors.

The ongoing credit assessment performed by Western Asset's portfolio managers and analysts underscores our confidence in our funds. We are comfortable with our funds' exposure to the major global European banks. Our money market funds do not have any exposure to banks based in Greece, Ireland or Portugal, Spain or Italy.

Western Asset will continue to closely monitor the European debt situation and its potential impact on the money markets.

	Western Asset Institutional Cash Reserves (%)	Western Asset Institutional Liquid Reserves (%)	Western Asset Money Market Fund (%)
France	5.29	4.03	3.63
Germany	4.18	2.96	3.24
Netherlands	3.80	2.78	1.74

Source: Western Asset. As of 31 Aug 11

Percentages do not reflect repo exposure.

Please note that the Western Asset Municipal Money Market Fund, Western Asset California Municipal Money Market Fund, Western Asset New York Municipal Money Market Fund, Western Asset Massachusetts Municipal Money Market Fund do not have direct exposure to the Eurozone banks.

For more information on Western Asset, visit our website at www.westernasset.com.

Please note, current and future portfolio holdings are subject to risk. Diversification does not assure a profit or protect against market loss.

An investor should consider a fund's investment objectives, risks, charges and expenses carefully before investing. For a free prospectus, which contains this and other information on any Legg Mason fund, visit www.leggmason.com/individualinvestors. An investor should read the prospectus carefully before investing.

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

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