

Legg Mason Western Asset Diversified Strategic Income Fund

SUB-INVESTMENT MANAGER

Western Asset Management

ABOUT THE FUND

The Fund seeks to provide a high level of current income by investing at least two-thirds of its Total Asset Value in debt securities across the major fixed-income sectors that are denominated in U.S. dollars, and currencies of a variety of other developed countries. The Fund may invest up to 35% of its Total Asset Value in high yielding debt securities which shall include securities rated BB or lower by S&P, or an equivalent quality.

FUND DETAILS

Currency Class	SGD/USD
Minimum Investment Amount	
- Initial	SGD 1,500/USD 1,000
- Subsequent	SGD 500/USD 500
Fees	
- Initial Charge	Up to 5.00%
- Management Fee	Up to 1.10% p.a.
Subscription	Cash Only
Trading Frequency	Daily
Fund Launch Date	24 February 2004
Performance Inception Date	
- Class A Acc USD	9 May 2007
- Class A Dis (D) USD	27 February 2004
Domicile	Dublin, Ireland
ISIN Code	IE00B1925K72 / IE0034202634
Bloomberg Ticker	LEDSUAA ID / LEGSIA ID

FUND SNAPSHOT

	Class A Acc	Class A Dis (D)
NAV	USD 110.41	USD 91.27
High*	USD 110.41	USD 99.79
Low*	USD 80.21	USD 72.01

* Based on since inception month end prices

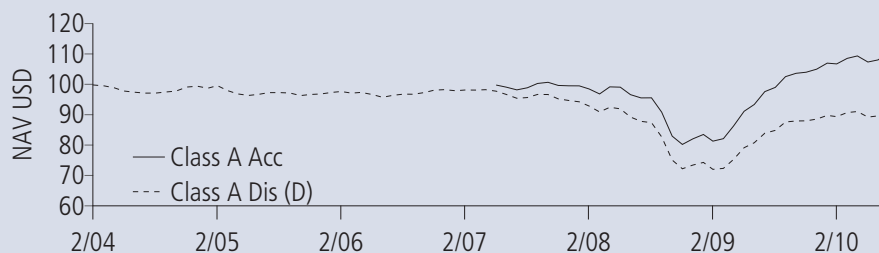
Fund Size	USD 67 Million
Current Yield¹	4.30%
Number of Holdings	301
Weighted Average Life	6.24 years
Effective Duration²	3.66 years
S&P Credit Quality²	A-

¹ The current yield (gross of expenses) is calculated by dividing the annual income by the current price of the bond or bond portfolio.

² Weighted Average

FOR MORE INFORMATION

Tel: +65 6536 8000
 Fax: +65 6317 8947
 Address: 1 George Street #23-02
 Singapore 049145



PERFORMANCE

	YTD	3 Months	1 Year	3 Years	5 Years	Since Inception
Class A Acc	5.16%	0.98%	13.14%	3.99%	N/A	3.11%
Class A Dis (D)	5.09%	0.95%	13.00%	3.76%	3.63%	3.59%
Benchmark	0.06%	0.04%	0.09%	1.06%	2.44%	2.29%
Load-adjusted returns**	YTD	3 Months	1 Year	3 Years	5 Years	Since Inception
Class A Acc	-0.10%	-4.07%	7.48%	2.23%	N/A	1.49%
Class A Dis (D)	-0.17%	-4.10%	7.35%	2.00%	2.57%	2.76%

- Performance is net of fees and is calculated on a NAV to NAV basis (USD).
- Annualised for periods over one year with net income and dividends reinvested, if any.
- ** Inclusive of initial charge [assumed to be 5%].
- Acc = Accumulating share class. Net investment income accumulated daily into NAV.
- Dis (D) = Distributing share class. Dividend declared daily and paid out monthly.
- On 20 April 2007, all assets from the predecessor fund (which has a substantially similar investment objective and policy and managed by the same portfolio management team) have been transferred into this Fund.
- Benchmark: Citi 1 Month U.S. Treasury Bill Index. "Since Inception" benchmark performance is calculated from inception of Class A Dis (D) share. 27 Feb is the common inception date between both the benchmark and Class A Dis (D) share. The fund's actual inception date is 24 Feb.

SECTOR ALLOCATION

	% of NAV		% of NAV
Governments	32.20%	Asset-Backed Securities	1.35%
Corporate - High Yield	29.68%	Inflation Protected Securities	0.92%
Corporate - Investment Grade	22.48%	Emerging Markets - Non-Investment Grade	0.60%
Cash & Cash Equivalents	4.84%		
Mortgage-Backed Securities	4.66%		
Emerging Markets - Investment Grade	3.27%		

TOP TEN COUNTRY OF ISSUE ALLOCATION

	% of NAV		% of NAV
United States	60.33%	Netherlands	0.99%
United Kingdom	7.41%	Greece	0.92%
Germany	2.50%	Brazil	0.85%
France	1.98%	Australia	0.74%
Poland	1.94%	Italy	0.56%

S&P CREDIT QUALITY ALLOCATION

	% of NAV		% of NAV
AAA	35.90%	BB	9.07%
B	21.37%	Cash & Cash Equivalents	4.84%
A	12.82%	CCC & Below	3.18%
BBB	11.09%	AA	1.74%

TOP TEN HOLDINGS

	% of NAV		% of NAV
US Treasury Note/Bond 2.375 28.02.2015	12.72%	FNMA 30 Yr Aug Fwd 5.500 01.08.2040	1.44%
US Treasury Note 1.875 30.04.2014	6.44%	Bund. Deutschland 5.500 04.01.2031	1.43%
US Treasury Note/Bond 4.625 15.02.2040	5.07%	US Treasury Note 3.625 15.02.2020	1.43%
US Treasury Note 2.750 15.02.2019	2.50%	France (Govt of) 4.000 25.04.2055	1.40%
Poland Govt Bond 5.750 23.09.2022	1.94%	FNMA 30 Yr Aug Fwd 5.000 01.08.2040	1.11%
Total:		Total:	35.48%

Legg Mason Western Asset Diversified Strategic Income Fund

IMPORTANT INFORMATION

RISK STATISTICS DEFINITIONS

Weighted Average Life : The average number of years for which each component of unpaid principal on a bond, loan or mortgage remains outstanding. The weighted average life calculation provides an aggregate figure that shows how many years it will take to pay off half the outstanding principal on a bond portfolio.

Effective Duration : Average Duration equals the weighted average maturity of all the cash flows in the portfolio and gives an indication of the sensitivity of a portfolio's bond prices to a change in interest rates. The higher the duration, the more sensitive the portfolio is to interest rate changes. Effective Duration is a calculation for bonds with embedded options (Not every portfolio will purchase bonds with embedded options). It takes into account the expected change in cash flows caused by the option, as interest rates change. If a portfolio does not hold bonds with embedded options, then the Effective Duration will be equal to the Average Duration.

This document, provided by Legg Mason Asset Management Singapore Pte. Limited ("Legg Mason"), is for information only and does not constitute an offer or solicitation to buy or sell any units in any fund. The prospectus of the fund is available and may be obtained from Legg Mason or its authorised distributors. **Investors should check with Legg Mason or its authorised distributors on whether a particular class of the fund is available for subscription. Investors should read the prospectus prior to any subscription. All applications for units in the fund must be made on the application forms accompanying the prospectus. Past performance is not necessarily indicative of future performance. All investments involve risk, including possible loss of principal. The value of the units in the fund and the income accruing to the units, if any, may fall or rise.**

The mention of any individual securities / funds should neither constitute nor be construed as a recommendation to purchase or sell securities, and the information provided regarding such individual securities / funds is not a sufficient basis upon which to make an investment decision. Portfolio allocations, holdings and characteristics are subject to change at any time. Although information has been obtained from sources that Legg Mason believes to be reliable, no guarantee can be given as to its accuracy and such information may be incomplete or condensed and may be subject to change at any time without notice.

Distribution of this document may be restricted in certain jurisdictions. Any persons coming into possession of this document should seek advice for details of, and observe, such restrictions (if any). This document does not constitute the distribution of any information or the making of any offer or solicitation by anyone in any jurisdiction in which such distribution or offer is not authorized or to any person to whom it is unlawful to distribute such a document or make such an offer or solicitation. Neither Legg Mason nor any officer or employee of Legg Mason accepts any liability whatsoever for any loss arising from any use of this document or its contents.

Legg Mason Asset Management Singapore Pte. Limited is the legal representative of Legg Mason, Inc. in Singapore. Registration Number (UEN): 200007942R.