

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	31 May 2007
- Class A Dis (D) USD	27 February 2004
Domicile	Dublin, Ireland
ISIN Code	IE00B19Z5K72 / IE0034202634
Bloomberg Ticker	LEDSUAA ID / LEGSIA ID

FUND SNAPSHOT

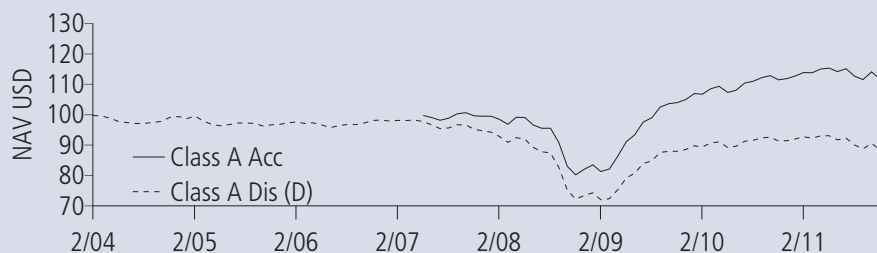
	Class A Acc	Class A Dis (D)
NAV	USD 113.96	USD 89.81
High*	USD 115.34	USD 99.79
Low*	USD 80.21	USD 72.01

* Based on since inception month end prices

Fund Size	USD 45 Million
Current Yield¹	5.11%
Number of Holdings	207
Weighted Average Life	6.65 years
Effective Duration²	4.50 years
S&P Credit Quality²	BBB+

¹ Current Yield (gross of expenses), is not representative for an individual share class as the yield does not deduct the Total Expense Ratio or any applicable taxes and other locally applied costs that an investor may be subject to.

² Weighted Average



PERFORMANCE

	YTD	3 Months	1 Year	3 Years	5 Years	Since Inception
Class A Acc	1.85%	2.15%	1.85%	11.57%	N/A	2.85%
Class A Dis (D)	1.78%	2.14%	1.78%	11.50%	2.88%	3.34%
Benchmark	0.05%	0.00%	0.05%	0.09%	1.22%	1.89%
Load-adjusted returns**	YTD	3 Months	1 Year	3 Years	5 Years	Since Inception
Class A Acc	-3.24%	-2.96%	-3.24%	9.68%	N/A	1.72%
Class A Dis (D)	-3.30%	-2.97%	-3.30%	9.61%	1.83%	2.66%

- 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
Corporate - High Yield	28.62%	Mortgage-Backed Securities	3.97%
Government - Nominal	27.23%	Emerging Markets - Investment Grade	3.45%
Corporate - Investment Grade	25.08%	Asset-Backed Securities	0.99%
Cash & Cash Equivalents	9.72%	Emerging Markets - Non-Investment Grade	0.94%

TOP TEN COUNTRY OF ISSUE ALLOCATION

	% of NAV		% of NAV
United States	42.32%	Mexico	1.20%
United Kingdom	10.32%	Israel	1.02%
Germany	10.23%	France	0.68%
Brazil	2.00%	Luxembourg	0.59%
Australia	1.37%	Sweden	0.43%

S&P CREDIT QUALITY ALLOCATION

	% of NAV		% of NAV
AAA	9.47%	BB	14.36%
AA	22.61%	B	16.02%
A	14.75%	CCC & Below	1.53%
BBB	11.54%	Cash & Cash Equivalents	9.72%

TOP TEN HOLDINGS

	% of NAV		% of NAV
Bundesobligation 2.00 26.02.16	8.70%	US Treasury Note 2.63 15.11.20	1.51%
US Treasury Bond 4.63 15.02.40	4.35%	El Paso Corporation 7.75 15.01.32	1.32%
US Treasury Note 3.63 15.02.21	4.26%	Vale Overseas Ltd 6.88 21.11.36	1.30%
US Treasury Bond 2.75 15.02.19	4.06%	FNMA 30 Yr Jan Fwd 6.00 01.01.42	1.22%
Royal Bk of Scotland plc 4.88 20.01.17	1.52%	Mex Bonos Des. F.R. Bd 8.00 11.06.20	1.09%
Total:		Total:	29.33%

FOR MORE INFORMATION

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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.

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The Fund may invest in certain types of derivatives. Please refer to the prospectus for more information.

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