

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

- Legg Mason Singapore Dollar Fund
- Legg Mason Singapore Opportunities Trust

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

Legg Mason Portfolio Funds

- Legg Mason Asia Tilt Balanced Fund
- Legg Mason Asia Tilt Growth Fund
- Legg Mason Asia Tilt Enhanced Growth Fund
- Legg Mason Global Growth Fund

Semi-Annual Report

For the half year ending 30 September 2008

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The CPF interest rate for the Ordinary Account is based on the 12-month fixed deposit and month-end savings rate of the major local banks. With effect from 1 January 2008, an additional 1% per annum will be paid on the first S\$60,000 of a CPF member's combined balances, including up to S\$20,000 in the Ordinary Account. In addition, the interest rate for the CPF Special Account will be pegged to the yield of 10-year Singapore government bond plus 1%. Nevertheless, the CPF Board will pay a legislated minimum annual interest rate of 2.5% on the CPF Ordinary Account and for 2008 and 2009, a minimum annual interest rate of 4.0% on the CPF Special Account.

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Investment Manager's Report

As at 30 September 2008

Global Asset Allocation

Market Review

Over the third quarter of 2008 global equity markets (as measured by the MSCI All Country World Gross Dividends Index) fell 12.4% in local currency terms. Regional returns were all negative in local terms: the US was down 9.0%. Europe was down 11.1%, the Pacific region was down 16.5%, and emerging markets were down 20.8.

Fixed income markets had positive returns for the quarter, with the Citigroup World Broad Investment Grade Index returning 1.5% in local currency terms. Bond yields fell in all the major markets over the past three months, with the largest variations in the UK and Europe.

Outlook

The third quarter of 2008 closed with a chaotic month, a September that few will ever forget. After a relatively quiet July and August, over the first weekend in September the US government seized control of Fannie Mae and Freddie Mac, the two gigantic government-sponsored mortgage enterprises, wiping out most of what was left of the value of their stocks (which were already down 90% in the year leading up to that weekend). The following weekend, Lehman Brothers, one of the world's largest investment banks, filed for bankruptcy, while Merrill Lynch fled into the arms of Bank of America before a similar fate could befall it. Morgan Stanley and Goldman Sachs reorganised themselves as bank holding companies, so as to be able to fund themselves more heavily through bank deposits rather than through capital market borrowing. American International Group, one of the world's largest insurers, ceded an 80% stake in the company to the government in order to receive an emergency loan of US\$85 billion. In the week that the news about Lehman, Merrill, and AIG broke, the US market fell almost 8% in three days, before making it all back in two days when word came that the Treasury department was preparing a rescue package of some kind. A Bloomberg news headline over the following weekend summed things up succinctly: "S&P 500 is Unchanged, Wall Street Forever Altered."

The following week stocks fell again, and by the end of September global stock markets had suffered their worst monthly decline in over 10 years, with the MSCI All Country World index down 10.9% in local currency terms in the month alone. The Citigroup World Broad Investment Grade index registered a loss of 0.4% for the month in local currency terms, but that figure doesn't even begin to tell the story of what went on in the bond markets over September. There was a breathtaking divergence between government and corporate bonds in September. Government bonds actually showed a slight positive return for the month, as short-term government bond yields plummeted. In the US, two-year Treasury yields fell by 40 basis points, and three-month T-bill yields fell by 80 basis points, from 1.71% to 0.91%. At one point during September, the yield on three month T-bills actually fell to within a few basis points of zero, meaning that investors were so eager to have the safety of government paper that they were basically willing to hold it even without getting paid any interest, simply because they knew that at least they wouldn't lose any money. The flip side of this, of course, is that investors were stampeding away from anything that had even the most remote trace of any kind of default risk. Within the Citigroup World Broad Investment Grade index, the corporate bond component of the index fell an astonishing 6.2%, by far its worst month ever. As the president of Chrysler, the US automaker, said recently, "The credit window is closed."

Prying open that credit window is what the US Treasury's Troubled Asset Relief Program (TARP), which the US Congress finally approved on October 3rd, is intended to do. But will it work? Plenty of uncertainty remains on that point, and there are reasons to be skeptical. It's true that TARP will enable banks to move distressed mortgage-backed debt off of their balance sheet by selling it to the Treasury. One of the big uncertainties about the program centres around the question of what price banks will get for this debt, not to mention the question of what the price setting mechanism itself will be. Presumably, the hope is that once the banks get the so-called toxic debt off of their balance sheets, they will be more willing to lend to each other, and the credit spigots will open to the broader economy as well. But there is still the issue of the banks' overall level of capital, which is too low (since a large chunk of it has been lost on bad debt). TARP does nothing to recapitalize the banks. Indeed, it's possible that in some cases the process of selling bad debts to the Treasury will cause banks to recognise additional losses of capital over and above what they have already written down, if the sale price is lower than the price that they are carrying the debt at on their books. We have been saying for months that the financial system needs to be recapitalised before the credit crunch can start to ease, and that is still the case even with TARP in place.

Meanwhile, evidence is piling up that the global real economy is decelerating at a rapid pace. The ISM manufacturers survey in the US, the Tankan in Japan, and the PMI indices in Europe have all continued to slow in recent weeks, in some cases sharply. Payrolls shrank in the US in August for the ninth straight month, and by the largest amount yet in this cycle. Commodity prices have tumbled almost a third in the last three months, a sign of slackening demand. There is little doubt that the developed world is slipping into recession, and we think emerging economies are at risk as well. We maintain our underweight in equities and will do so until we see convincing evidence that the slowdown in growth is turning around.

Investment Manager's Report

As at 30 September 2008

Global Fixed Income

Market Review

Growing tension in the global financial system over the past 15 months resulted in a climactic series of events in September that will be the focus of debate for decades. The government-sponsored entities (GSEs) Freddie Mac and Fannie Mae were nationalised to provide stability to the mortgage market. In the banks sector, Lehman Brothers failed, Merrill Lynch was taken over by Bank of America, Wachovia was to be taken over by Citigroup (which was later challenged by Wells Fargo) and JP Morgan Chase absorbed Washington Mutual. In addition, the investment banking model was finally put to rest as Wall Street's remaining investment banks—Morgan Stanley and Goldman Sachs—applied for banking licenses and came under the Federal Reserve's supervision. In addition, the Federal Reserve (Fed) announced a bail out of insurer American International Group (AIG). The ongoing financial crisis also took its toll on European banks forcing a number of European governments to provide support.

As the financial sector remained under severe pressure, the U.S. government and the Fed announced an additional support package, which included a US\$50 billion provision to insure money-market mutual fund holdings, expanded lending facilities for commercial banks and put in place curbs on short selling of financial stocks. In its most dramatic move to date, the U.S. Congress announced plans for a US\$700 billion programme (TARP – Troubled Asset Relief Program) to purchase illiquid mortgage-backed securities and other assets from banks' balance sheets (which was approved in early October). The Fed joined a number of other major central banks in injecting additional liquidity into global financial markets. (As market conditions deteriorated in early October, the Fed, the European Central Bank (ECB), the Bank of England (BoE) and a number of other central banks announced co-ordinated action to cut interest rates by 50 basis points).

Non-government bonds remained under severe pressure, with U.S. corporate bonds recording by far their worst month on record with a sharp widening in spreads. Weakness was led by the financial sector and lower-quality issues. Mortgage-backed securities, meanwhile, outperformed Treasuries over the month, benefiting from the government backing of the GSEs.

Outlook

While the magnitude of the current financial crisis is unprecedented, so also has been the policy response. The Fed reduced interest rates by unparalleled amounts early in the business cycle and has expanded its balance sheet to provide short-term financing to commercial banks, investment banks and insurance companies. The recent approval of the TARP should provide further support.

In Europe, the ECB and BoE have implemented similar liquidity measures. While EU-wide fiscal initiatives have been slow, individual member states are aggressively taking independent counteractive action, including deposit guarantees and coordinated government loans to troubled institutions. The manager continues to believe that these and any forthcoming actions should be sufficient to prevent deep dislocations in the underlying economy, although it does expect a mild recession across much of Europe and the UK.

For the moment, however, bond markets remain driven by financial market tensions rather than indications from economic data. Whether or not a recession will occur is of secondary significance against this backdrop. Rather than focusing on near-term economic developments, the manager believes investors should focus on developments over the medium- to long-term. Assuming that governments' and central banks' policy response succeeds in restoring the functioning of financial markets, trust in the financial system will eventually recover. At that point, the significant discounts at which the non-government sectors are currently trading should moderate and pricing should once again reflect fundamentals, such as the underlying probability of defaults.

The manager believes utter economic collapse is not inevitable and long-term investors should look past the current panic and remain committed to the non-government sectors of the bond market. Clearly, firms are susceptible to both a credit crunch and an economic downturn, but the manager believes investors are more than adequately compensated for bearing these risks at current spread levels.

The manager will continue to focus on mortgage-backed securities, as agency bonds in particular offer attractive value given the commitment of the U.S. government to support the GSEs. It also believes risk-adjusted returns look particularly promising in corporate bonds issued by financials.

Investment Manager's Report

As at 30 September 2008

Asian Fixed Income Review

Market Review

Throughout the month, Asia remained a secondary player to the severe financial events in the U.S. and European markets. Every weekend brought a new disaster: the Freddie Mac and Fannie Mae conservatorship, the Lehman bankruptcy, the failure by the U.S. Congress to implement the Troubled Asset Recovery Plan (TARP) program. Asian local bond markets rallied through the first two weeks of the month and then bond prices accelerated sharply the week between the Freddie and Fannie rescue and the Lehman bankruptcy. As the market grappled with the aftermath of Lehman's disappearance and concerns about AIG, a major U.S. liquidity fund fell sharply on losses from Lehman commercial paper. These events then led to a significant shortage of U.S. dollar funding worldwide. Interbank short-term rates soared in Asia and resulted in weaker Asian bond markets. In the last few days of the month, the bond markets rallied on renewed concerns about the state of the global economy.

The strongest performer in Asia was Taiwan bonds. The country's five-year bonds fell 32 basis points (bps), helped partly by the Central Bank of China – Taiwan (CBC)'s first policy rate cut in five years. The CBC cut rates by 12.5 bps to 3.5% on September 25, responding to the global credit crisis and emphasising the risks to economic growth. The Taiwanese local currency index returned 2.6% during the month, which brought its year-to-date performance to over 5%. Indian bonds also performed well in the first half of the month as oil prices fell sharply, and Indian five-year yields declined by 20 bps over the course of the month. The only Asian bond markets to post negative returns were Singapore and Indonesia. Indonesian bonds weakened on continued inflation fears and on some overseas selling. The Indonesian bond index declined by 3.6%.

Most Asian currencies were weaker against the U.S. dollar in September, and these currency declines contributed greatly to the overall decline in Asian bonds. The Korean won fell the most during the month, losing 9.8% versus the U.S. dollar and 6.4% versus the euro. The Indian rupee weakened by 6.4%. The best Asian performer was the Thai baht, which reversed some of its earlier weakness as the political problems facing Thailand in August moderated. The Chinese currency was steady versus the U.S. dollar. Most Asian central banks were actively involved in the markets, buying their own currencies and selling dollars.

In the external debt space, the credit concerns affecting the rest of the world had a significant impact on Asian dollar-denominated bonds. Sovereign spreads versus U.S. Treasuries widened in most countries. As in the previous month, Pakistan was the most affected due to its weak macroeconomic fundamentals.

In the corporate bond markets, investment-grade and high-yield bonds suffered significantly. Investment-grade corporate bonds declined by 4.55% and high-yield bonds fell by 9.3%. There were very few new issues in the investment-grade market and no high-yield issues.

Outlook and Strategy

The unprecedented series of policy measures implemented mainly by the United States will eventually stabilise the global financial markets. However, it might be too late to avoid a synchronised recession in the major global economies. Asian countries are exposed to the global slowdown through their financial markets, their exports and also through sentiment. While their domestic growth does provide some cushion against global trends, a synchronised recession in major economies would continue to negatively affect Asian economies. The markets have been moving to price such a scenario, and the implications would be positive for bonds if central banks ended their policy tightening measures and started to reverse them, as currently seems likely. Our favoured market is the Korean domestic bond market. We have also recently added an overweight position in Indonesian domestic bonds. The Indonesian central bank recently increased policy rates by 25 bps to 9.50% to address higher inflation. We expect the central bank to have reached the end of its tightening cycle. Indonesian bonds currently offer value at yields of around 13%.

Our outlook for currencies is more mixed as certain countries will likely allow their currencies to fall, in order to soften the adverse impact on their export markets. However, the significantly weaker commodity prices benefit the largest Asian economies. China, India and Korea are large importers of energy and commodities and should benefit from improved terms of trade. Even if growth slows, Asian growth overall is still likely to be significantly higher than that of the U.S., Europe or Japan. Financial systems in Asia are healthy, foreign reserves are high and government finances have been well managed. Therefore we remain positive on Asian currencies in the medium term.

We have maintained our exposure to corporate bonds. Corporate issues continue to underperform government bonds as poor market conditions in the U.S. and European credit markets continue to affect Asia. We believe that there is good value in select Asian issuers.

The market turmoil has developed into a major panic. In terms of value, we believe there are currently many opportunities. We will increase our investments when we see global markets integrate the significant measures made by policy makers globally.

Investment Manager's Report

As at 30 September 2008

Singapore Fixed Income

Market Review

Singapore bond markets reversed from previous months' strong gains and delivered a slightly negative performance in September. The UOB Singapore Government Bond All Index posted a loss of 0.17% for the month.

Even though U.S. Treasuries as well as most global developed markets benefited from flight-to-safety flows due to extreme panic in the market, the Singapore bond market had mixed performance during the month. Local government bond yields were adversely affected by the higher inter-bank rates as well as the attendant weak SGD amid an intensified global credit and liquidity crunch. As the stock market tumbled and the U.S. bailout package was delayed, capital repatriation flows weighed heavily on the SGD. Despite continued, aggressive liquidity injections by the Monetary Authority of Singapore (MAS), overnight and three-month Singapore Interbank Offered Rates jumped sharply by 56 bps and 63 bps respectively. The longer end of the curve held up better as it continued to be underpinned by duration extension trades. The yield curve subsequently extended its flattening trend. Poor performance in the front and middle parts of the curve was partly due to worse-than-expected auction results from the reopening of the SGD0.5 billion five-year SGS benchmark. The tail of the curve was dramatically wider than expected at 23 bps (i.e. the yield differential between the cut-off and average yields). For the month, the 2/10 year SGS slope narrowed 26 bps with two-, five- and 10-year SGS benchmarks higher by 25, 15 and 1 bp respectively, while the 20-SGS benchmark was lower by 3 bps for the month.

Credit spreads were unsurprisingly wider across the board amidst an escalation in risk aversion following the Lehman collapse and conservatorship of AIG. Trading for most corporate names was almost non-existent, with negligible primary market activity confined mostly to under two-year tenors. In contrast to the widening trend of swap spreads globally, local swap spreads tightened considerably as they benefited from a massive liquidation of paid positions in the face of heightened counterparty risk following Lehman's bankruptcy filing. Two-, five- and 10-year swap spreads decreased by a respective 26, 29 and 12 bps for the month with ten-year swap yield trading at parity with equivalent ten-year SGS yields. Corporate credit spreads significantly outperformed both the swaps and government bonds on a total return basis, with HSBC Singapore Local Currency Non-Government Sub Index posting losses of 1.37%.

Economic data during the month confirmed sharply weakening growth momentum in the domestic economy. Industrial production and non-oil domestic exports both fell sharply by 13.8% and 12.2% in August, while PMI for September declined to 49.5, below the neutral level of 50. Inflation also declined slightly to 6.4% in August from 6.5% in July.

Outlook

The Singapore economy has slowed considerably and faces increasing headwinds. As the global credit and liquidity crunch has deepened and become more extensive, the growth picture for the Singapore economy has been affected due to its openness to trade and financial services. The marine engineering and construction sectors continue to be robust due to major infrastructure projects already implemented, and should keep the country's GDP in the positive territory. Nevertheless, the risk is rather high for growth this year to be below the recently downwardly revised official forecast of 4-5%. The outlook for next year has also become very uncertain, notwithstanding the impending boost from tourism arising from the completion of the Marina Bay Integrated Resort and the subsequent grand opening in 2H09. This is because Singapore's cyclical weakness is also aggravated by an unfriendly mix of high domestic costs that have accelerated the restructuring of the manufacturing sector, especially in the critical electronic sector. As it is, the broad-based manufacturing slump has begun to spread to externally-oriented services such as tourism. This sector has already experienced two consecutive months of contraction, although there is the possibility of a boost in September due to the inaugural Formula 1 night race.

The slowdown in global trade and moderation in commodity prices has also led to a broad-based slowing in wholesale and retail trade. On the external sector front, a number of leading indicators are flashing red, indicating an escalation in the already weak trend. The OECD Composite Leading Indicator, which typically leads turning points in non-oil domestic exports (NODX) by three to six months, suggests that NODX, which has been falling for the past several months, could continue falling well into early 2009. The official Composite Leading Indicator, which has tended to lead Singapore's exports by around one quarter, has recently registered a fall in year-on-year growth rates. This indicator points to the danger of another outright year-on-year contraction in GDP for 3Q08 and hence, satisfies the definition for a technical recession. On balance, given the somber outlook ahead, there is clearly danger that this will occur, and that next year's official growth forecast to be downgraded a third time in the not too distant future.

Investment Manager's Report

As at 30 September 2008

Although headline inflation peaked with August Consumer Price Index (CPI) at 6.4% after 6.5% in July, the underlying trends are mixed. Cost-push pressures eased further as energy prices retreated on price stabilization. This is reflected in the details of August CPI data, where the increase in food slowed to +8.4% in August versus +8.5% in July, and transport/ communication increased +2.0% in August versus +3.4% in July. On the other hand, there was an uptick in inflation in clothing (+1.7% in August versus +0.7% year-over-year in July) and health care (+4.8% in August versus +4.5% in July), and no sign of pressure lessening in the near future. The recent revision of electricity tariffs upwards by +20% and the hike in newspaper prices, reflecting the lagged impact from previous oil price increases, will likely continue to keep general prices sticky on the downside. As such, policy-makers are likely to remain vigilant towards inflation risks, and are unlikely to ease significantly to a zero appreciation stance on SGD policy just yet. Moreover, with inflation likely to average 6-7% this year, the MAS is likely to consider such an inflation outcome to be still uncomfortably high given the country's historical inflation experience of 1.5% with a zero appreciation policy. Instead, in the face of growing concerns over growth risk and abating inflation risk, the MAS may reduce the slope of appreciation in its upcoming October policy meeting. Indeed, we have already witnessed a more tolerant MAS stance recently, as SGD has been allowed to trade towards the lower end of its trade-weighted policy band. At the same time, in an attempt to ensure stability in the financial market, policy-makers are also likely to continue adding liquidity to contain the upward pressure on inter-bank rates due to the weaker SGD. We also expect policy-makers to continue their efforts to smooth currency volatility owing to portfolio outflows from the weak equity markets.

In terms of strategy, we continue to have a constructive bias for the market and expect to keep our current, modest overweight duration position. We are also inclined to retain the overweight allocations to credits for carry and our curve flattening strategies. SGS valuations in terms of real yields are not attractive, but are becoming less negative given prospective further easing of CPI inflation ahead. Moreover, the backdrop of growing downside risk to growth may well favour bonds as an asset class, and limit upside in yields going forward. The yield curve is still very steep and providing attractive carry; therefore, we believe that the receding inflation risk trend is likely to prompt market players to lengthen duration, and in the process promote a generally flatter curve. In terms of relative value opportunities against other non-Singapore bond markets, while occasional flights-to-quality may still disproportionately benefit U.S. Treasuries, the current UST yield differential vis-à-vis SGS remains at historically tight levels. We believe risk reward therefore continues not to quite favour exposure to non-Singapore bonds, and if anything, reinforces the attractive relative value of the local bond market.

With yield pick-ups of corporate credits (especially relative to the government bonds) still trading at relatively wide levels relative to their history, we continue to believe that the sector still offers value and provides adequate risk premium to slower earnings. Corporate bonds with five-year tenors are particularly attractive in our opinion, as their credit spreads are currently at record-wide levels due to the wide swap spread in that maturity segment. Moreover, banking and corporate balance sheets for the local economy are currently fundamentally solid and should provide adequate cushion against any deterioration due to slower macroeconomic growth. While earnings trends are expected to moderate compared to previous years, they have, so far, remained positive. We also continue to believe that current credit spreads have priced in not just a global recessionary backdrop but also an outlook for significant corporate defaults. Hence, we remain confident of our overweight allocation to corporate credits.

Investment Manager's Report

As at 30 September 2008

Asian Equities

Market Review

September 2008 will forever be remembered for the way the business of investing and financing will have change irretrievably. There is enough drama this month to ruminate over a lifetime, with global banking icons falling like ten pins, amidst policy missteps, and belated sense of regulatory urgency, as well as the politicisation of the largest banking bailout in history.

Undoubtedly, many unanswered questions remain, one year into the financial crisis. Even as events continue to unfold by the day however, the facts that we can establish, as of now, are as follows:

- We now have the beginnings of a comprehensive response to this financial crisis, and one that matches the scale of the problem. After fumbling through piecemeal responses, the US Fed and the Treasury are now attacking the heart of the crisis with its USD700b Troubled Asset Relief Program (TARP).
- The speed of the US Treasury's response is unprecedented. In comparison, the 1989 formation of the Resolution Trust Corp (RTC) took 6 months from conception to enactment by the Congress. It is very possible the implementation of the TARP could kick in speedily, especially so if the talked-about reverse auction method is implemented. This will drive a quickened pace of asset sales by the banks, for fear of lower realized prices in subsequent auctions.
- Most of the high profile failure of US financials has already emerged, and subsequent failure will have diminishing shock value and systemic impact.
- The TARP is but the first of a series of necessary milestones to thaw the frozen credit markets, and restore confidence to the equity markets. It may not be the best solution, but this in no way diminishes the fact that a solution is at hand. Quite clearly, there are open questions relating to further bank write down and recapitalisations post "mark-to-TARP" pricing. The execution risks should also not be underestimated.
- European regulators are no longer stoic participants in a rapidly spreading global financial crisis. The decision by the Irish government to offer blanket deposit guarantees, coupled with rapid fire bank nationalisation across Europe provides some assurance. Given European Central Bank's sympathetic comments on the TARP plan, the probability of them being drawn into a concerted global monetary easing has improved meaningfully.
- Stock markets worldwide have clearly entered the panic zone, from which it must now begin to emerge, as the actions of the US Treasury, the Fed and Central Banks everywhere begin to take hold. Risk aversion is at unprecedented levels. US T-bills momentarily traded with a negative yield at its lowest point this month, a phenomenon last witnessed more than 60 years ago, prior to the start of world war two. The VIX index rose to historic levels, as did the widening of credit spreads in general.
- Asia and emerging markets have been the worst performing asset class for the past 6 months, and have borne the brunt of this global financial crisis. Asia has been hurt by liquidation and portfolio de-risking, and a general fear of a sharp global slowdown. It is important however not to lose sight of the fact that Asia is declining from a position of relative strength viz a viz rest of world. There are three key reasons why this should be the case:
 - Firstly, Asia's dependence of OECD economies has diminished considerably over the past 10 years. For example, the percentage of China's exports to G7 has now fallen to about 37%, while exports to other emerging markets are rising to almost 50%¹. Chinese exports to G7 were over 50% at the start of this decade.
 - Secondly, there is little to no de-leveraging to do in Asia, even if this is the case in OECD economies. Household and corporate balance sheets are under-gearred. The credit cycle had only started to kick in, in many parts of Asia, 10 years on from the Asian crisis. Asian banks are hardly as leveraged as their OECD counterparts, and their relative lack of sophistication in the area of structured finance is a positive in this instance.
 - Asian corporates are delivering returns on equity (RoEs) that are not only higher relative to their history, but also relative to their peers in the developed world. The quality of this outcome is enhanced by the fact that leverage remains low. We therefore believe this improvement to be structural in nature.

¹ Source: BCA Research

Investment Manager's Report

As at 30 September 2008

- Asian equities is now trading at 2 standard deviation below its long term mean, a phenomenon last witnessed during the 1997 Asian financial crisis. Valuations of most Asian markets are at decade lows. These statistics are incongruous with a fundamentally and fiscally stronger Asia today. Further, the fear of a sharp global downturn is more than adequately discounted in our view.
- Asia ex Japan now trades at a discount to the developed world. This too is incongruous with the relative strength of Asian growth against a backdrop of stagnation in the developed world for some time to come, notwithstanding the downside risks to Asian growth itself.

Our constructive views on Asia in the recent past have not been premised on an export story dependent on a robust US economy. The massive underperformance of the technology sector in spite of the multi year Asian bull market from 2003 bears testimony to the transformation of the Asian story, to one based on the twin engines of China and India propelling the growth of the rest of the region.

Even as the extreme dislocation in capital markets has elicited an avalanche of policy actions across all major markets, it is important to note that the policy options within Asia are considerable. This is most clearly so in China. Rates are being lowered, stamp duty cut, margin trading is being introduced for the first time. The policy options here are considerable, and the will to wield them is now there, given China's CPI has plummeted.

Outlook & Strategy

In summary, we believe Asian stock markets have now reached a bottoming phase, and the price extremities demand a response. The dramatic collapse in stock prices here and elsewhere, and the collapse of major banks, has been necessary to bring out the fiscal and monetary bazookas. Stock markets do not bottom because prices are cheap, or when fundamentals show signs of improving. Rather, they find a floor when regulators demonstrate their resolve not to put at risk the integrity of the financial system, and this often happens when the fundamental news is the ugliest. We are under no illusion that the recovery will be sharp and quick. It is indeed probable extreme volatility will continue to persist in the coming days and weeks. The stock market recovery will have to occur in stages. First, prices will have to lift from the panic zone, and we believe the time and circumstances for that to happen are coming. Secondly, stock markets will need to navigate through the earnings and growth uncertainty, which will be a significant overhanging cloud for a while. Finally, and when the emotionalism is taken out of the trading in such crisis periods, Asian valuations should justifiably revert to a premium over its peers in the developed markets.

Stock market valuations, technical considerations, and the fundamental strength of governmental resolve suggest to us that the risks of investing, and staying the course at this juncture is time, and increasingly less of price.

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Statement of Total Return (Unaudited)

For the half year ended 30 September 2008

	Notes	30/9/2008 \$	30/9/2007 \$
Investment income			
Dividends		4,644,485	3,251,282
Interest income		25,405	55,342
		4,669,890	3,306,624
Less: Expenses			
Audit fee		8,774	7,412
Custody fees	10	111,609	102,612
Management fees	10	2,211,279	2,455,119
Trustee fees	10	113,566	123,510
Registration fees	10	22,632	19,873
Professional fees		11,273	10,139
Valuation fees	10	40,313	43,559
Other expenses		30,278	26,216
		2,549,724	2,788,440
Net investment income		2,120,166	518,184
Net gains or losses on value of investments			
Net realised (losses)/gains on investments		(40,865,742)	41,894,136
Net change in fair value on investments		(69,761,180)	46,854,730
Net change in fair value on financial derivatives		-	(56,081)
Net foreign exchange losses		(106,923)	(354,740)
Net (losses)/gains on value of investments		(110,733,845)	88,338,045
Total (deficit)/return for the half year before income tax		(108,613,679)	88,856,229
Less: Income Tax	3	(445,588)	(545,148)
Total (deficit)/return for the half year		(109,059,267)	88,311,081

The accompanying notes form an integral part of these financial statements.

Balance Sheet (Unaudited)

As at 30 September 2008

	Notes	30/9/2008 \$	31/3/2008 \$
ASSETS			
Portfolio of investments		175,258,619	297,319,553
Cash and bank balances	5	6,528,229	7,182,657
Receivables	6	970,383	2,666,007
Sales awaiting settlement		1,305,332	10,789,167
Total assets		184,062,563	317,957,384
LIABILITIES			
Payables	7	1,243,987	3,319,373
Purchases awaiting settlement		-	11,217,445
Net assets attributable to unitholders	8	182,818,576	303,420,566
Total liabilities		184,062,563	317,957,384

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Equity Investments</u>			
Bermuda			
China Lotsynergy Holdings Limited	48,220,000	1,953,393	1.07
China			
Air China Limited	2,454,000	1,536,361	0.84
Byd Co Limited	1,456,500	3,443,621	1.88
China Construction Bank H Shares	4,380,000	4,064,849	2.22
China Cosco Holdings Co Limited H Shares	1,896,500	2,392,121	1.31
China Life Insurance Co Limited H Shares	1,440,000	7,556,960	4.13
China Petroleum & Chemical Corp Limited H Shares	2,032,000	2,256,217	1.24
Industrial and Commercial Bank of China H Shares	10,406,000	8,756,687	4.79
Parkson Retail Group Limited	1,655,000	2,569,008	1.41
Petrochina Co Limited H Shares	2,620,000	3,854,676	2.11
		36,430,500	19.93
Hong Kong			
Cheung Kong Holdings Limited	230,000	3,650,690	2.00
China Agri Product Exchange Limited	8,260,000	532,339	0.29
China Mobile Limited	435,500	6,162,711	3.37
China Resources Land Limited	3,036,000	4,472,306	2.45
Cnooc Limited	1,681,000	2,736,275	1.49
Hong Kong Exchanges and Clearing Limited	550,100	9,430,422	5.16
Ishares Asia Trust - Ishares FTSE/XINHUA A50 China Tracker	957,200	1,854,207	1.01
Li & Fung Limited	890,000	3,031,807	1.66
Melco Lottventures Limited	22,056,000	3,127,212	1.71
Midland Holding Limited	1,212,000	524,457	0.29
New World Development Limited	1,576,000	2,446,378	1.34
Sino Land Co Limited	594,000	929,705	0.51
Star Cruise Limited	11,384,000	1,546,192	0.84
Sun Hung Kai Properties Limited	446,000	6,438,589	3.52
		46,883,290	25.64

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Equity Investments (continued)</u>			
Macau			
AGTech Holdings Limited	17,246,000	730,392	0.40
Singapore			
Capital Land Limited	347,000	1,058,350	0.58
Cosco Corporation (Singapore) Limited	3,214,000	4,821,000	2.64
Ezra Holdings PTE Limited	2,047,000	2,313,110	1.27
Singapore Exchange Limited	1,245,000	7,631,850	4.17
Straits Asia Resources Limited	1,572,000	2,326,560	1.27
		18,150,870	9.93
South Korea			
Daewoo ShipBuilding & Marine Engineering Co Limited	52,120	1,799,694	0.98
Hyundai Development Co Limited	73,144	3,764,646	2.06
Hyundai Motor Co Limited	39,578	3,441,165	1.88
KB Financial Group	43,570	2,812,806	1.54
LG Chemical Limited	21,829	2,376,320	1.30
LG Electronics Inc	15,417	1,963,197	1.07
Megastudy Co Limited	7,953	1,674,072	0.91
Namhae Chemical Corporation	155,581	4,091,336	2.24
Nhn Corporation	16,534	2,935,859	1.61
Samsung Electronics Co Limited	14,692	9,380,485	5.13
Shinhan Financial Group Co Limited	41,113	2,040,558	1.12
STX Pan Ocean Co Limited	753,100	1,570,077	0.86
		37,850,215	20.70

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Equity Investments (continued)</u>			
Taiwan			
Cathay Financial Holding Co Limited	898,000	1,721,991	0.94
Epistar Corporation	952,427	1,779,801	0.97
Far Eastern Textile Limited	1,894,228	1,864,574	1.02
Foxconn Technology Co Limited	479,600	2,163,311	1.18
Fubon Financial Holdings Co Limited	1,500,000	1,503,182	0.82
Hon Hai Precision Industry	693,450	3,451,492	1.89
Huaku Construction Corporation	1,377,700	2,274,506	1.24
Mediatek Inc	256,930	3,710,837	2.03
Radium Life Tech Corporation	2,991,721	1,415,939	0.77
Siliconware Precision Industries Co Limited	1,361,790	2,202,852	1.21
Synnex Technology International Corporation	1,531,365	3,338,039	1.83
Tang Engineering Iron Works Co Limited	735,000	831,283	0.46
Yuanta Financial Holdings Co Limited	5,054,000	3,840,653	2.10
Zinwell Corporation	587,619	1,150,311	0.63
		31,248,771	17.09
Thailand			
Bangkok Bank PCL	466,700	2,011,188	1.10
		175,258,619	95.86
Quoted Equity Investments			
		175,258,619	95.86
Portfolio of investments		7,559,957	4.14
Other net assets		182,818,576	100.00
Net assets attributable to unitholders			

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
By Geography (Summary)		
Quoted Equity Investments		
Australia	-	2.42
Bermuda	1.07	1.22
China	19.93	14.41
Hong Kong	25.64	19.20
Indonesia	-	2.64
Macau	0.40	0.60
Mauritius	-	2.33
Singapore	9.93	4.80
South Korea	20.70	23.66
Taiwan	17.09	26.71
Thailand	1.10	-
	<hr/>	
Portfolio of investments	95.86	97.99
Other net assets	4.14	2.01
	<hr/>	
Net assets attributable to unitholders	100.00	100.00
	<hr/>	

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
By Industry			
Agriculture	4,091,336	2.24	3.36
Automotives and trucks	3,441,165	1.88	-
Bank	14,832,724	8.11	7.08
Building and construction	3,764,646	2.06	5.00
Cement	-	-	1.20
Chemical	2,376,320	1.30	0.30
Computer and software	6,231,742	3.41	6.15
Consumer	1,546,192	0.84	1.07
Construction	-	-	1.07
E-commerce	5,080,605	2.78	2.18
Educational services	1,674,072	0.91	1.59
Electrical and electronic	20,285,812	11.09	8.94
Engineering and machinery	-	-	2.03
Finance	26,168,656	14.31	12.18
Industrial	-	-	2.28
Insurance	7,556,960	4.13	1.52
Iron & steel	831,283	0.46	1.53
Manufacturing	3,443,621	1.88	0.39
Material	2,326,560	1.27	0.27
Metal	-	-	1.62
Metal refining	-	-	2.37
Mining	-	-	3.05
Miscellaneous	2,812,806	1.54	0.52
Oil and gas	8,847,168	4.84	1.78
Property	3,650,690	2.00	1.03
Real estate	20,092,569	10.99	11.25
Retail	2,569,008	1.41	2.05
Semiconductor	2,202,852	1.21	0.23
Services	2,935,859	1.61	2.18
Shipbuilding	1,799,694	0.98	-
Telecommunication	7,313,022	4.00	8.93

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Industry (continued)</u>			
Textiles	1,864,574	1.02	2.84
Tire and rubber	-	-	0.09
Transport	12,632,669	6.92	1.91
Unit trust	1,854,207	1.01	-
Wholesale	3,031,807	1.66	-
Portfolio of investments	175,258,619	95.86	97.99
Other net assets	7,559,957	4.14	2.01
Net assets attributable to unitholders	182,818,576	100.00	100.00

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Asian Enterprise Trust (the "Fund") is an open-ended Unit Trust constituted pursuant to the Trust Deed dated 15 August 1995, as amended by various Supplemental Deeds between HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") and Legg Mason Asset Management (Asia) Pte Ltd. A Supplemental Deed dated 28 September 2006 was entered to effect the change of investment manager from Legg Mason Asset Management (Asia) Pte Ltd to Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"). The Trust Deed and subsequent Supplemental Deeds are governed by and construed in accordance with the laws of the Republic of Singapore.

The principal objective of the Fund relates to holding of certain authorised investments for long-term capital appreciation.

The Fund is approved under the Central Provident Fund Investment Scheme.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars, which is the functional currency of the Fund.

(b) Income recognition

Dividend income is recorded gross in the financial statements in the accounting period which the security is quoted ex-dividend.

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statement of Total Return.

(d) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the period which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and taken up in the Statement of Total Return.

(e) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for these investments held by the Fund is the current market quoted bid price.

(f) Derivative financial instruments

Derivatives are initially 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 option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

3. Income Tax

	30/9/2008	30/9/2007
	\$	\$
Singapore income tax	-	10,589
Overseas income tax	445,588	534,559
	445,588	545,148

(a) The Fund is a designated unit trust and therefore, the following income is exempted from tax in accordance with Section 35(12) of the Income Tax Act:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (iii) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.

(b) The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

4. Distribution to unitholders

The Manager did not propose any distribution to unitholders for the financial period ended 30 September 2008 (30 September 2007: \$Nil)

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

5. Cash and bank balances

	30/9/2008	31/3/2008
	\$	\$
Cash and bank balances	6,528,229	7,182,657

6. Receivables

	30/9/2008	31/3/2008
	\$	\$
Amount due from unitholders	496,166	2,049,182
Dividend receivables	474,217	616,825
	970,383	2,666,007

The carrying amounts of receivables approximate their fair values.

7. Payables

	30/9/2008	31/3/2008
	\$	\$
Amount due to unitholders	931,527	2,621,153
Accrued management fee	251,180	385,555
Accrued trustee's fee	28,607	39,889
Amount due to the Manager	-	7,236
Other payable and accruals	32,673	265,540
	1,243,987	3,319,373

The carrying amounts of payables approximate their fair values.

8. Net assets attributable to unitholders

	30/9/2008	31/3/2008
	\$	\$
At the beginning of the financial period/year	303,420,566	246,734,085
Operations		
Change in net assets attributable to unitholders resulting from operations	(109,059,267)	(26,501,595)
Unitholders' contributions/(withdrawals)		
Creation of units	56,239,309	348,655,663
Cancellation of units	(67,782,032)	(265,467,587)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(11,542,723)	83,188,076
Total (decrease)/increase in net assets attributable to unitholders	(120,601,990)	56,686,481
At the end of the financial period/year	182,818,576	303,420,566
Units in issue (see Note 9)	119,197,092	125,886,958
Net assets attributable to unitholders per unit	1.53	2.41

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

9. Units in issue

	30/9/2008	31/3/2008
Units at beginning of the financial period/year	125,886,958	100,696,327
Units created	24,724,812	113,837,692
Units cancelled	(31,414,678)	(88,647,061)
Units at end of the financial period/year	119,197,092	125,886,958

10. Related party transactions

As at 31 March 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. The management fees, trustee fees, custody fees, registration fees and valuation fees paid or payable by the Fund are shown in the Statement of Total Return.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period between the Fund and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	30/9/2008	30/9/2007
	\$	\$
Interest income received and receivable from a bank which is a related company of the Trustee	25,405	55,342
Interest expenses incurred with a bank which is a related company of the Trustee	446	3,398

11. Financial risk management

The Fund is exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

(b) Currency risk

The assets and income of the Fund may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

The table below summarise the currency profile of the assets and liabilities of the Fund.

As at 30/9/2008	HKD \$	KRW \$	SGD \$	TWD \$	THB \$	Others \$	Total \$
Assets							
Portfolio of investments	84,451,383	37,850,215	18,150,870	31,248,771	2,011,188	1,546,192	175,258,619
Cash and bank balances	241,614	110	1,781,870	3,488,720	17,746	998,169	6,528,229
Receivables	113,647	-	496,166	360,568	-	2	970,383
Sales awaiting settlement	1,003,764	-	269,858	31,710	-	-	1,305,332
Total assets	85,810,408	37,850,325	20,698,764	35,129,769	2,028,934	2,544,363	184,062,563
Liabilities							
Payables	-	-	1,239,008	-	-	4,979	1,243,987
Purchases awaiting settlement	-	-	-	-	-	-	-
Fair value of financial derivatives	-	-	-	-	-	-	-
Net assets attributable to unitholders	-	-	182,818,576	-	-	-	182,818,576
Total liabilities	-	-	184,057,584	-	-	4,979	184,062,563
Net balance sheet currency exposure	85,810,408	37,850,325	(163,358,820)	35,129,769	2,028,934	2,539,384	-
As at 31/3/2008	HKD \$	KRW \$	SGD \$	TWD \$	USD \$	Others \$	Total \$
Assets							
Portfolio of investments	99,441,813	70,214,115	21,614,340	81,039,661	9,667,599	15,342,025	297,319,553
Cash and bank balances	66,094	50	4,021,286	391,312	2,115,640	588,275	7,182,657
Receivables	59,001	557,822	2,049,182	-	-	2	2,666,007
Sales awaiting settlement	-	-	5,851,917	3,629,945	1,307,305	-	10,789,167
Total assets	99,566,908	70,771,987	33,536,725	85,060,918	13,090,544	15,930,302	317,957,384
Liabilities							
Payables	-	-	3,315,049	-	4,261	63	3,319,373
Purchases awaiting settlement	-	1,371,818	4,426,499	3,838,303	1,580,825	-	11,217,445
Net assets attributable to unitholders	-	-	303,420,566	-	-	-	303,420,566
Total liabilities	-	1,371,818	311,162,114	3,838,303	1,585,086	63	317,957,384
Net balance sheet currency exposure	99,566,908	69,400,169	(277,625,389)	81,222,615	11,505,458	15,930,239	-

In respect of investments in equity securities, the currency analysis above is based on the currencies in which the listed securities are denominated.

(c) Interest rate risk

The Fund's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subjected to risk to fluctuations in the prevailing levels of market interest rates.

(d) Liquidity risk

Liquidity risk arises from not being able to fund redemptions or liquidate positions in a timely manner at a reasonable price. Liquidity risk exists when a particular investment is difficult to purchase or sell. These circumstances could prevent the Fund from promptly liquidating unfavourable positions and therefore resulting in losses to the Fund and corresponding decreases in the net asset value per unit. The Manager manages liquidity risk by investing primarily in marketable securities.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

(e) Credit risk

Credit risk is the risk of loss when a counterparty fails to meet its payment obligation. To address credit risk, the Manager has in place a stringent credit risk management process, which entails evaluating and mitigating the counterparty's credit worthiness.

(f) Derivative risk

The Fund may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions.

12. Secured credit facility

The Fund has a credit facility with HSBC at 30 September 2008

	30/9/2008	31/3/2008
	\$	\$
<u>Facility</u>		
Overdraft	10 million	10 million

The above credit facility is secured by way of a floating charge over all assets of the Fund and is not utilised at period end.

13. Financial ratios

	30/9/2008	30/9/2007
	%	%
Expense ratio ¹	1.85	1.78
Portfolio turnover ratio ²	88.85	66.28

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expenses Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

² Portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

Report to Unitholders

For the half year ended 30 September 2008

Investment Allocation as at 30 September 2008

<u>By Country</u>	Market Value in S\$	% of NAV
Bermuda	1,953,393	1.07
China	36,430,500	19.93
Hong Kong	46,883,290	25.64
Macau	730,392	0.40
Singapore	18,150,870	9.93
South Korea	37,850,215	20.70
Taiwan	31,248,771	17.09
Thailand	2,011,188	1.10
Portfolio of investments	175,258,619	95.86
Other net assets	7,559,957	4.14
Total	182,818,576	100.00

<u>By Industry</u>	Market Value in S\$	% of NAV
Agriculture	4,091,336	2.24
Automotives and trucks	3,441,165	1.88
Bank	14,832,724	8.11
Building and construction	3,764,646	2.06
Chemical	2,376,320	1.30
Computer and software	6,231,742	3.41
Consumer	1,546,192	0.84
E-commerce	5,080,605	2.78
Educational services	1,674,072	0.91
Electrical and electronic	20,285,812	11.09
Finance	26,168,656	14.31
Insurance	7,556,960	4.13
Iron & steel	831,283	0.46
Manufacturing	3,443,621	1.88
Material	2,326,560	1.27
Miscellaneous	2,812,806	1.54
Oil and gas	8,847,168	4.84
Property	3,650,690	2.00
Real estate	20,092,569	10.99
Retail	2,569,008	1.41
Semiconductor	2,202,852	1.21
Services	2,935,859	1.61
Shipbuilding	1,799,694	0.98
Telecommunication	7,313,022	4.00
Textiles	1,864,574	1.02

Report to Unitholders

For the half year ended 30 September 2008

By Industry (cont'd)

	Market Value in S\$	% of NAV
Transport	12,632,669	6.92
Unit trust	1,854,207	1.01
Wholesale	3,031,807	1.66
Portfolio of investments	175,258,619	95.86
Other net assets	7,559,957	4.14
Total	182,818,576	100.00

By Asset Class

	Market Value in S\$	% of NAV
Equities	175,258,619	95.86
Portfolio of investments	175,258,619	95.86
Other net assets	7,559,957	4.14
Total	182,818,576	100.00

Top 10 Holdings

Holdings as at 30 September 2008

	Market Value in S\$	% of NAV
Hong Kong Exchanges and Clearing Limited	9,430,422	5.16
Samsung Electronics Co Limited	9,380,485	5.13
Industrial and Commercial Bank of China H Shares	8,756,687	4.79
Singapore Exchange Limited	7,631,850	4.17
China Life Insurance Co Limited H Shares	7,556,960	4.13
Sun Hung Kai Properties Limited	6,438,589	3.52
China Mobile Limited	6,162,711	3.37
Cosco Corporation (Singapore) Limited	4,821,000	2.64
China Resources Land Limited	4,472,306	2.45
Namhae Chemical Corporation	4,091,336	2.24

Holdings as at 30 September 2007

	Market Value in S\$	% of NAV
China Mobile Limited	12,325,416	2.92
Firich Enterprises Co Limited	12,299,279	2.91
Samsung Electronics Co Limited	11,460,616	2.71
Hong Kong Exchanges and Clearing Limited	9,823,149	2.32
Cnooc Limited	9,650,223	2.28
Hyundai Development Co	8,742,629	2.07
Mediatek Inc	8,342,353	1.97
Hyundai Heavy Industries Co Limited	8,288,386	1.96
Jiutian Chemical Group Limited	8,151,000	1.93
China Lotsynergy Holdings Limited	8,108,301	1.92

Report to Unitholders

For the half year ended 30 September 2008

Exposure to Derivatives

Nil for the period under review.

Investment in other unit trust, mutual funds and collective investment schemes

	Market Value in S\$	% of NAV
Ishares Asia Trust - Ishares FTSE/ XINHUA A50 China Tracker	1,854,207	1.01

Borrowings

Nil as at 30 September 2008

Amount of Redemptions and Subscriptions

For the period 1 April 2008 to 30 September 2008

	SGD
Redemptions	\$67,782,032
Subscriptions	\$56,239,309

Related Party Transactions

For the period 1 April 2008 to 30 September 2008

Refer to Note 10 of the "Notes to the Financial Statements".

Performance

	Legg Mason Asian Enterprise Trust*	Benchmark
3-month	-27.21%	-19.80%
6-month	-36.52%	-25.99%
1-year	-53.25%	-40.96%
3-year	-2.65%	+0.50%
5-year	+5.22%	+8.50%
10-year	+9.99%	+9.81%
Since inception	+3.77%	+2.00%

* Average Annual Compounded Return for periods above one year, bid to bid with dividends reinvested

Benchmark : MSCI AC Far East ex Japan (S\$)

The inception date was 27 September 1995

Source : Legg Mason International Equities (Singapore) Pte Limited and Lipper

Report to Unitholders

For the half year ended 30 September 2008

Expense Ratio

For the period 1 October 2007 to 30 September 2008	1.85%
For the period 1 October 2006 to 30 September 2007	1.78%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratio

For the period 1 April 2008 to 30 September 2008	88.85%
For the period 1 April 2007 to 30 September 2007	66.28%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

Other Material Information

Nil for the period under review.

Soft Dollar Commission/Arrangements

The Investment Manager shall be entitled to and currently do receive and enter into soft dollar commissions or arrangements in respect of the Trust. The Investment Manager will comply with applicable regulatory and industry standards on soft dollar commissions or arrangements. The soft dollar commissions or arrangements include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial services in relation to the investments managed for clients.

Soft dollar commissions or arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payments.

The Investment Manager will not accept or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements would, in the opinion of the Investment Manager, assist the Investment Manager in its management of the relevant Fund, (b) the Investment Manager shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and (c) no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements.

All goods and services acquired with the soft dollar commission were for the benefit of the Trust. The broker(s), who has executed trades for other funds managed by the Investment Manager, had executed the trades on best available terms and there was no churning of trades.

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Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

- Legg Mason Singapore Dollar Fund
- Legg Mason Singapore Opportunities Trust

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

Legg Mason Portfolio Funds

- Legg Mason Asia Tilt Balanced Fund
- Legg Mason Asia Tilt Growth Fund
- Legg Mason Asia Tilt Enhanced Growth Fund
- Legg Mason Global Growth Fund

Statement of Total Return (Unaudited)

For the half year ended 30 September 2008

	Notes	30/9/2008 \$	30/9/2007 \$
Investment income			
Dividends		6,520,444	4,648,251
Interest income		240,292	230,420
		6,760,736	4,878,671
Less: Expenses			
Audit fee		10,980	4,473
Custody fees	11	114,483	83,702
Management fees	11	3,296,833	2,683,739
Trustee fees	11	168,102	154,280
Registration fees	11	54,986	50,363
Professional fees		25,308	11,137
Valuation fees	11	58,492	53,816
Other expenses		50,039	46,778
		3,779,223	3,088,288
Net investment income		2,981,513	1,790,383
Net gains or losses on value of investments			
Net realised (losses)/gains on investments		(40,537,872)	10,116,339
Net change in fair value on investments		(121,850,134)	29,364,165
Net change in fair value on financial derivatives		(433)	(93,988)
Net foreign exchange losses		(400,368)	(3,744,636)
Net (losses)/gains on value of investments		(162,788,807)	35,641,880
Total (deficit)/return for the half year before income tax		(159,807,294)	37,432,263
Less: Income Tax	3	(405,028)	(606,810)
Total (deficit)/return for the half year		(160,212,322)	36,825,453

The accompanying notes form an integral part of these financial statements.

Balance Sheet (Unaudited)

As at 30 September 2008

	Note	30/9/2008 \$	31/3/2008 \$
ASSETS			
Portfolio of investments		226,246,155	406,901,628
Cash and bank balances	5	21,465,534	49,471,547
Receivables	6	6,680,463	10,818,135
Sales awaiting settlement		19,283,052	8,956,719
Total assets		273,675,204	476,148,029
LIABILITIES			
Payables	7	7,710,640	11,324,188
Purchases awaiting settlement		-	10,530,177
Fair value of financial derivatives	8	433	537
Net assets attributable to unitholders	9	265,964,131	454,293,127
Total liabilities		273,675,204	476,148,029

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Equity Investments</u>			
Australia			
Macquarie Airports	585,474	1,756,310	0.66
Nufarm Limited	111,285	1,886,285	0.71
		3,642,595	1.37
China			
BYD Co Ltd H Shares	1,990,000	4,704,981	1.77
China Hongxing Sports Limited	16,081,000	4,663,490	1.75
Pan Hong Property Group Limited	3,739,000	542,155	0.21
		9,910,626	3.73
Hong Kong			
Hong Kong Exchanges And Clearing Limited	661,600	11,341,878	4.26
Pacific Andes Holdings Limited	5,802,000	1,392,480	0.53
Star Cruises Limited	44,238,000	6,008,472	2.26
		18,742,830	7.05
India			
Housing Development & Infrs Inr10 (Demat)	748,267	3,810,861	1.43
Indonesia			
Astra International Inc	250,000	646,246	0.24
Indika Energy	3,000,000	921,042	0.35
International Nickel Indonesia (Inco)	3,409,500	1,576,609	0.59
PT Bhakti Investama Tbk	31,733,300	1,419,288	0.53
PT Bisi International Tbk	6,341,500	2,836,268	1.07
PT Holcim Indonesia Tbk	31,536,500	4,064,112	1.53
PT Indo Tambangraya Megah Tbk	4,398,500	14,671,027	5.52
		26,134,592	9.83

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Equity Investments (continued)</u>			
Malaysia			
Bursa Malaysia	545,300	1,426,747	0.54
Gamuda	10,200,000	9,022,996	3.39
IOI Corporation	2,362,900	4,101,972	1.54
Kinsteel	18,000,000	4,335,823	1.63
Parkson Holdings	3,476,000	5,456,857	2.05
		24,344,395	9.15
Philippines			
Ayala Land Inc	7,259,000	2,029,317	0.76
Southeast Asia Cement Holdings	84,716,000	1,750,490	0.66
		3,779,807	1.42
Singapore			
Armstrong Industrial Corporation	28,062,000	4,910,850	1.85
Capitaland Limited	2,726,000	8,314,300	3.13
China Eratat Sports Fashion Limited	15,000,000	1,575,000	0.59
Cosco Corporation (Singapore) Limited	6,309,000	9,463,500	3.56
CWT Limited	16,858,000	7,670,390	2.88
DBS Group Holdings Limited	240,000	4,022,400	1.51
Del Monte Pacific Limited	8,385,000	3,940,950	1.48
Ezion Holdings Limited	9,580,000	1,820,200	0.69
Ezra Holdings Pte Limited	6,634,000	7,496,420	2.82
Jiutian Chemical Group Limited	72,094,000	6,488,460	2.44
Macquarie Intl Infrastructure Fund Limited	2,243,000	986,920	0.37
Neptune Orient Lines Limited	2,528,000	4,525,120	1.70
SC Global Developments Limited	5,316,000	3,508,560	1.32
See Hup Seng Limited	15,310,000	3,674,400	1.38
Sing Holdings Limited	7,947,000	1,589,400	0.60
Singapore Exchange Limited	2,622,000	16,072,860	6.04
Straits Asia Resources Limited	3,080,000	4,558,400	1.72

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
By Geography - Quoted Equity Investments (continued)			
Singapore (continued)			
Tat Hong Holdings Limited	4,079,000	4,364,530	1.64
Tat Hong Holdings Limited Call Wts 02/08/2013	407,900	55,066	0.02
Tiong Woon Corporation Holding Limited	10,400,000	3,068,000	1.15
United Overseas Bank Limited	496,000	8,322,880	3.13
Yanlord Land Group Limited	3,661,000	3,331,510	1.25
		109,760,116	41.27
South Korea			
STX Pan Ocean Co Limited	3,871,000	7,548,450	2.84
Thailand			
Bangkok Bank Public Company Limited Foreign	1,675,800	7,221,660	2.71
Bank of Ayudhya Public Company Limited NVDR	2,700,000	1,836,556	0.69
Kasikornbank Public Company Limited NVDR	2,475,100	6,483,344	2.44
Land & Houses Public Company Limited NVDR	11,662,700	3,030,323	1.14
		18,571,883	6.98
Quoted Equity Investments		226,246,155	85.07
Portfolio of investments		226,246,155	85.07
Other net assets		39,717,976	14.93
Net assets attributable to unitholders		265,964,131	100.00

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography (Summary)</u>		
Quoted Equity Investments		
Australia	1.37	5.62
Cayman Island	-	1.27
China	3.73	1.59
Hong Kong	7.05	6.65
India	1.43	6.64
Indonesia	9.83	12.92
Luxembourg	-	2.31
Malaysia	9.15	3.19
Philippines	1.42	0.59
Singapore	41.27	32.78
South Korea	2.84	-
Thailand	6.98	16.01
	<hr/>	<hr/>
Portfolio of investments	85.07	89.57
Other net assets	14.93	10.43
	<hr/>	<hr/>
Net assets attributable to unitholders	100.00	100.00
	<hr/>	<hr/>

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
By Industry			
Agriculture	6,938,240	2.61	3.15
Airline	-	-	0.30
Bank	27,886,840	10.48	8.78
Building and construction	13,087,108	4.92	8.65
Chemical	8,374,745	3.15	4.37
Computer and software	-	-	0.22
Consumer	6,008,472	2.26	5.15
Diversified resource	-	-	1.32
Electrical and electronic	-	-	3.01
Electrical equipment	-	-	1.35
Engineering and machinery	1,820,200	0.69	3.47
Finance	30,260,773	11.37	5.83
Food	5,333,430	2.01	3.00
Investment	7,079,053	2.66	-
Manufacturing	10,943,471	4.11	0.57
Material	4,558,400	1.72	2.60
Metal	5,456,857	2.05	3.52
Mining	1,576,609	0.59	2.70
Miscellaneous	17,342,559	6.53	3.57
Oil & gas	-	-	1.13
Property	542,155	0.21	-
Real estate	25,614,271	9.63	11.77
Retail	646,246	0.24	-
Rubber	4,910,850	1.85	1.64
Services	3,674,400	1.38	1.06
Shipping	12,073,570	4.54	-
Telecommunication	-	-	0.53
Transport	20,027,920	7.53	7.09
Unit trust	-	-	1.27
Warehousing	7,670,390	2.88	2.93
Wholesale	4,419,596	1.66	0.59
Portfolio of investments	226,246,155	85.07	89.57
Other net assets	39,717,976	14.93	10.43
Net assets attributable to unitholders	265,964,131	100.00	100.00

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Southeast Asia Special Situations Trust ("the Fund") is an open-ended Unit Trust constituted pursuant to the Trust Deed dated 14 January 1998, as amended by various Supplemental Deeds between HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") and Legg Mason Asset Management (Asia) Pte Ltd. A Supplemental Deed dated 28 September 2006 was entered to effect the change of investment manager from Legg Mason Asset Management (Asia) Pte Ltd to Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"). The Trust Deed and subsequent Supplemental Deeds are governed by and construed in accordance with the laws of the Republic of Singapore.

The principal objective of the Fund relates to holding of certain authorised investments for long-term capital appreciation.

The Fund is approved under the Central Provident Fund Investment Scheme.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars, which is the functional currency of the Fund.

(b) Income recognition

Dividend income is recorded gross in the financial statements in the accounting period which the security is quoted ex-dividend.

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statement of Total Return.

(d) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the period which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and taken up in the Statement of Total Return.

(e) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for these investments held by the Fund is the current market quoted bid price.

(f) Derivative financial instruments

Derivatives are initially 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 option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

3. Income Tax

	30/9/2008	30/9/2007
	\$	\$
Singapore income tax	-	154,557
Overseas income tax	405,028	452,253
	405,028	606,810

(a) The Fund is a designated unit trust and therefore, the following income is exempted from tax in accordance with Section 35(12) of the Income Tax Act:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (iii) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.

(b) The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

4. Distribution to unitholders

The Manager did not propose any distribution to unitholders for the financial period ended 30 September 2008 (30 September 2007: \$Nil).

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

5. Cash and bank balances

	30/9/2008	31/3/2008
	\$	\$
Cash and bank balances	8,560,584	32,459,529
Fixed deposit	12,904,950	17,012,018
	21,465,534	49,471,547

The fixed deposit placed with a bank which is a related company of the Trustee as at the balance sheet date has an average maturity of 6 days (31 March 2008: 3 days) from the end of the financial period/year with a weighted average effective interest rate of 3.24% (31 March 2008: 0.49%) per annum.

6. Receivables

	30/9/2008	31/3/2008
	\$	\$
Amount due from unitholders	6,485,384	10,489,296
Dividend receivables	193,918	327,697
Interest receivable	1,161	1,142
	6,680,463	10,818,135

The carrying amounts of receivables approximate their fair values.

7. Payables

	30/9/2008	31/3/2008
	\$	\$
Amount due to unitholders	7,219,284	9,538,674
Accrued management fee	369,760	580,253
Accrued trustee's fee	42,102	60,884
Amount due to the Manager	663	44,686
Other payable and accruals	78,831	1,099,691
	7,710,640	11,324,188

The carrying amounts of payables approximate their fair values.

8. Fair value of financial derivatives

The table below sets out the analysed notional contract amounts and fair value of spot foreign exchange contracts entered into with third parties.

As at financial period/year end, commitments under spot foreign exchange contracts due for settlement within one month are as follows:

	Notional amount	Fair value assets	Fair value liabilities
	\$	\$	\$
30/9/2008			
Spot foreign exchange contracts	47,249	-	(433)
31/3/2008			
Spot foreign exchange contracts	378,198	-	(537)

The spot foreign exchange contracts were undertaken for purpose of efficient portfolio management.

All financial derivatives are stated at fair values on the balance sheet.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

9. Net assets attributable to unitholders

	30/9/2008 \$	31/3/2008 \$
At the beginning of the financial period/year	454,293,127	149,952,036
Operations		
Change in net assets attributable to unitholders resulting from operations	(160,212,322)	(78,108,643)
Unitholders' contributions/(withdrawals)		
Creation of units	60,296,090	957,471,835
Cancellation of units	(88,412,764)	(575,022,101)
Change in net assets attributable to unitholders resulting from net creation of units	(28,116,674)	382,449,734
Total (decrease)/increase in net assets attributable to unitholders	(188,328,996)	304,341,091
At the end of the financial period/year	265,964,131	454,293,127
Units in issue (see Note 10)	242,693,389	263,032,953
Net assets attributable to unitholders per unit	1.10	1.73

10. Units in issue

	30/9/2008	31/3/2008
Units at beginning of the financial period/year	263,032,953	81,558,836
Units created	35,239,109	449,847,878
Units cancelled	(55,578,673)	(268,373,761)
Units at end of the financial period/year	242,693,389	263,032,953

11. Related party transactions

As at 30 September 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. The management fees, trustee fees, custody fees, registration fees and valuation fees paid or payable by the Fund are shown in the Statement of Total Return.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period between the Fund and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	30/9/2008 \$	30/9/2007 \$
Interest income received and receivable from a bank which is a related company of the Trustee	239,835	196,803
Interest expenses incurred with a bank which is a related company of the Trustee	2,577	7

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

12. Financial risk management

The Fund is exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

(b) Currency risk

The assets and income of the Fund may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

The table below summarise the currency profile of the assets and liabilities of the Fund.

As at 30/9/2008	IDR \$	MYR \$	SGD \$	THB \$	Others \$	Total \$
Assets						
Portfolio of investments	26,134,592	24,344,395	123,906,691	18,571,883	33,288,594	226,246,155
Cash and bank balances	-	-	1,932,564	47,682	19,485,288	21,465,534
Receivables	-	98,133	6,485,384	95,785	1,161	6,680,463
Sales awaiting settlement	-	-	1,356,111	3,869,175	14,057,766	19,283,052
Total assets	26,134,592	24,442,528	133,680,750	22,584,525	66,832,809	273,675,204
Liabilities						
Payables	-	-	7,705,971	-	4,669	7,710,640
Fair value of financial derivatives	-	-	-	-	433	433
Net assets attributable to unitholders	-	-	265,964,131	-	-	265,964,131
Total liabilities	-	-	273,670,102	-	5,102	273,675,204
Net balance sheet currency exposure	26,134,592	24,442,528	(139,989,352)	22,584,525	66,827,707	-
As at 31/3/2008	IDR \$	MYR \$	SGD \$	THB \$	Others \$	Total \$
Assets						
Portfolio of investments	58,731,870	14,475,304	156,445,975	72,730,768	104,517,711	406,901,628
Cash and bank balances	-	-	29,170,938	-	20,300,609	49,471,547
Receivables	-	-	10,490,438	-	327,697	10,818,135
Sales awaiting settlement	372,073	-	4,507,062	958,732	3,118,852	8,956,719
Total assets	59,103,943	14,475,304	200,614,413	73,689,500	128,264,869	476,148,029
Liabilities						
Payables	-	-	11,318,078	-	6,110	11,324,188
Purchases awaiting settlement	373,484	9,473,196	-	-	683,497	10,530,177
Fair value of financial derivatives	532	-	-	-	5	537
Net assets attributable to unitholders	-	-	454,293,127	-	-	454,293,127
Total liabilities	374,016	9,473,196	465,611,205	-	689,612	476,148,029
Net balance sheet currency exposure	58,729,927	5,002,108	(264,996,792)	73,689,500	127,575,257	-

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

In respect of investments in equity securities, the currency analysis above is based on the currencies in which the listed securities are denominated.

(c) Interest rate risk

The Fund's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subjected to risk to fluctuations in the prevailing levels of market interest rates.

(d) Liquidity risk

Liquidity risk arises from not being able to fund redemptions or liquidate positions in a timely manner at a reasonable price. Liquidity risk exists when a particular investment is difficult to purchase or sell. These circumstances could prevent the Fund from promptly liquidating unfavourable positions and therefore resulting in losses to the Fund and corresponding decreases in the net asset value per unit. The Manager manages liquidity risk by investing primarily in marketable securities.

(e) Credit risk

Credit risk is the risk of loss when a counterparty fails to meet its payment obligation. To address credit risk, the Manager has in place a stringent credit risk management process, which entails evaluating and mitigating the counterparty's credit worthiness.

(f) Derivative risk

The Fund may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions.

13. Secured credit facility

The Fund has a credit facility with HSBC at 30 September 2008

	30/9/2008	31/3/2008
	\$	\$
<u>Facility</u>		
Overdraft	10 million	10 million

The above credit facility is secured by way of a floating charge over all assets of the Fund and is not utilised at period end.

14. Financial ratios

	30/9/2008	30/9/2007
	%	%
Expense ratio ¹	1.85	1.55
Portfolio turnover ratio ²	89.31	58.03

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expenses Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

² Portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

Report to Unitholders

For the half year ended 30 September 2008

Investment Allocation as at 30 September 2008

<u>By Country</u>	Market Value in S\$	% of NAV
Australia	3,642,595	1.37
China	9,910,626	3.73
Hong Kong	18,742,830	7.05
India	3,810,861	1.43
Indonesia	26,134,592	9.83
Malaysia	24,344,395	9.15
Philippines	3,779,807	1.42
Singapore	109,760,116	41.27
South Korea	7,548,450	2.84
Thailand	18,571,883	6.98
Portfolio of investments	226,246,155	85.07
Other net assets	39,717,976	14.93
Total	265,964,131	100.00

<u>By Industry</u>	Market Value in S\$	% of NAV
Agriculture	6,938,240	2.61
Bank	27,886,840	10.48
Building and construction	13,087,108	4.92
Chemical	8,374,745	3.15
Consumer	6,008,472	2.26
Engineering and machinery	1,820,200	0.69
Finance	30,260,773	11.37
Food	5,333,430	2.01
Investment	7,079,053	2.66
Manufacturing	10,943,471	4.11
Material	4,558,400	1.72
Metal	5,456,857	2.05
Mining	1,576,609	0.59
Miscellaneous	17,342,559	6.53
Property	542,155	0.21
Real estate	25,614,271	9.63
Retail	646,246	0.24
Rubber	4,910,850	1.85
Services	3,674,400	1.38
Shipping	12,073,570	4.54
Transport	20,027,920	7.53
Warehousing	7,670,390	2.88
Wholesale	4,419,596	1.66
Portfolio of investments	226,246,155	85.07
Other net assets	39,717,976	14.93
Total	265,964,131	100.00

Report to Unitholders

For the half year ended 30 September 2008

By Asset Class	Market Value in S\$	% of NAV
Equities	226,246,155	85.07
Portfolio of investments	226,246,155	85.07
Other net assets	39,717,976	14.93
Total	265,964,131	100.00

Top 10 Holdings

Holdings as at 30 September 2008	Market Value in S\$	% of NAV
Singapore Exchange Limited	16,072,860	6.04
PT Indo Tambangraya Megah Tbk	14,671,027	5.52
Hong Kong Exchanges And Clearing Limited	11,341,878	4.26
Cosco Corporation (Singapore) Limited	9,463,500	3.56
Gamuda	9,022,996	3.39
Capitaland Limited	8,314,300	3.13
United Overseas Bank Limited	8,322,880	3.13
CWT Limited	7,670,390	2.88
STX Pan Ocean Co Limited	7,548,450	2.84
Ezra Holdings Pte Limited	7,496,420	2.82

Holdings as at 30 September 2007	Market Value in S\$	% of NAV
Star Cruises Limited	30,983,047	4.94
Yangzijiang ShipBuilding Holdings Limited	30,314,100	4.83
UEM World Bhd	26,799,041	4.27
Straits Asia Resources Limited	25,106,900	4.00
Genting Bhd	20,816,716	3.32
Bursa Malaysia Bhd	20,751,886	3.31
CWT Limited	20,637,340	3.29
Bumi Resources	20,444,741	3.26
Singapore Exchange Limited	20,111,100	3.21
Cosco Corporation (Singapore) Limited	19,385,100	3.09

Report to Unitholders

For the half year ended 30 September 2008

Exposure to Derivatives

	Market Value in S\$	% of NAV
Spot foreign exchange contracts	(433)	0.00
Net gains/(losses) on contracts realised for the period 1 April 2008 to 30 September 2008	-	-
Net gains/(losses) on outstanding contracts marked to market as at 30 September 2008	(433)	-

Investment in other unit trust, mutual funds and collective investment schemes

Nil as at 30 September 2008

Borrowings

Nil as at 30 September 2008

Amount of Redemptions and Subscriptions

For the period 1 April 2008 to 30 September 2008

	SGD
Redemptions	\$88,412,764
Subscriptions	\$60,296,090

Related Party Transactions

For the period 1 April 2008 to 30 September 2008

Refer to Note 11 of the "Notes to the Financial Statements".

Performance

	Legg Mason Southeast Asia Special Situations Trust*	Benchmark
3-month	-31.64%	-16.84%
6-month	-36.47%	-22.97%
1-year	-49.22%	-30.04%
3-year	+2.33%	+6.44%
5-year	+8.23%	+11.85%
10-year	+11.81%	+9.55%
Since inception	+8.30%	+2.18%

* Average Annual Compounded Return for periods above one year, bid to bid with dividends reinvested

Benchmark : MSCI AC Far East ex Japan, ex China, ex Hong Kong, ex Taiwan, ex Korea (S\$)

The inception date was 2 March 1998

Source : Legg Mason International Equities (Singapore) Pte Limited and Lipper

Report to Unitholders

For the half year ended 30 September 2008

Expense Ratio

For the period 1 October 2007 to 30 September 2008	1.85%
For the period 1 October 2006 to 30 September 2007	1.55%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratio

For the period 1 April 2008 to 30 September 2008	89.31%
For the period 1 April 2007 to 30 September 2007	58.03%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

Other Material Information

Nil for the period under review.

Soft Dollar Commission/Arrangements

The Investment Manager shall be entitled to and currently do receive and enter into soft dollar commissions or arrangements in respect of the Trust. The Investment Manager will comply with applicable regulatory and industry standards on soft dollar commissions or arrangements. The soft dollar commissions or arrangements include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial services in relation to the investments managed for clients.

Soft dollar commissions or arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payments.

The Investment Manager will not accept or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements would, in the opinion of the Investment Manager, assist the Investment Manager in its management of the relevant Fund, (b) the Investment Manager shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and (c) no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements.

All goods and services acquired with the soft dollar commission were for the benefit of the Trust. The broker(s), who has executed trades for other funds managed by the Investment Manager, had executed the trades on best available terms and there was no churning of trades.

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

- **Legg Mason Singapore Dollar Fund**
- **Legg Mason Singapore Opportunities Trust**

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

Legg Mason Portfolio Funds

- Legg Mason Asia Tilt Balanced Fund
- Legg Mason Asia Tilt Growth Fund
- Legg Mason Asia Tilt Enhanced Growth Fund
- Legg Mason Global Growth Fund

Statement of Total Return (Unaudited)

For the half year ended 30 September 2008

		01/04/2008 to 30/09/2008	01/04/2008 to 30/09/2008
		Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
Investment income	Note		
Dividend income		-	571,187
Interest income	11	144,364	1,876
Sundry income		-	-
		<hr/> 144,364	<hr/> 573,063
Less: Expenses			
Audit fees		-	5,908
Custody fees	11	-	8,317
Management fees	11	148,723	13,666
Trustee fees	11	-	8,890
Registration fees	11	-	2,364
Professional fees		-	4,588
Valuation fees	11	-	6,096
Preliminary expenses		-	-
Other expenses		2,490	12,118
		<hr/> 151,213	<hr/> 61,947
Net investment (loss)/income		<hr/> (6,849)	<hr/> 511,116
Net gains or losses on value of investments			
Net realised gains/(losses) on investments		526,889	(418,836)
Net change in fair value on investments		27,778	(6,723,986)
Net foreign exchange losses		(188)	(302)
Net gains/(losses) on value of investments		<hr/> 554,479	<hr/> (7,143,124)
Total return/(deficit) for the period before income tax		547,630	(6,632,008)
Less: Income tax	4	-	(7,830)
Total return/(deficit) for the period		<hr/> 547,630	<hr/> (6,639,838)

The accompanying notes form an integral part of these financial statements.

Statement of Total Return (Unaudited)

For the half year ended 30 September 2008

		1/1/2007 to 30/6/2007
	Note	Legg Mason Singapore Dollar Fund \$
Investment income		
Interest income	11	20,384
Sundry income		275
		<hr/> 20,659 <hr/>
Less: Expenses		
Management fees	11	29,285
Other expenses		883
		<hr/> 30,168 <hr/>
Net investment loss		<hr/> (9,509) <hr/>
Net gains or losses on value of investments		
Net realised gains on investments		182,138
Net change in fair value on investments		40,199
Net gains on value of investments		<hr/> 222,337 <hr/>
Total return for the period before income tax		212,828
Less: Income tax	4	-
Total return for the period		<hr/> 212,828 <hr/>

There are no comparatives for Legg Mason Singapore Opportunities Trust as this is the first set of semi-annual financial statements since the constitution of the fund.

The accompanying notes form an integral part of these financial statements.

Balance Sheet (Unaudited)

As at 30 September 2008

		As at 30/9/2008	
	Note	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
ASSETS			
Portfolio of investments		108,490,725	14,579,430
Cash and bank balances	6	40,632,013	1,376,937
Receivables	7	60,120	25,030
Sales awaiting settlement		-	46,279
Total assets		149,182,858	16,027,676
LIABILITIES			
Payables	8	29,738	71,418
Purchases awaiting settlement		10,950,240	-
Net assets attributable to unitholders	9	138,202,880	15,956,258
Total liabilities		149,182,858	16,027,676

The accompanying notes form an integral part of these financial statements.

Balance Sheet (Unaudited)

As at 30 September 2008

		As at 31/3/2008	
		Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
	Note		
ASSETS			
Portfolio of investments		88,969,553	23,003,144
Cash and bank balances	6	13,157,702	3,470,482
Receivables	7	12,537	83,575
Sales awaiting settlement		-	53,058
Total assets		102,139,792	26,610,259
LIABILITIES			
Payables	8	101,087	48,576
Purchases awaiting settlement		-	401,980
Net assets attributable to unitholders	9	102,038,705	26,159,703
Total liabilities		102,139,792	26,610,259

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

Legg Mason Singapore Dollar Fund

	Nominal value as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Investments</u>			
Australia			
Macquarie Bank Limited EMTN 2.85% 07/11/2008	2,500,000	2,501,678	1.81
St.George Bank Limited EMTN (Br) 2.93% 13/11/2008	1,000,000	1,000,156	0.72
		<hr/> 3,501,834	<hr/> 2.53
Cayman Islands			
ADCB Finance Cayman Ltd EMTN 4.08% 30/06/2010	500,000	503,189	0.36
Germany			
Dresdner Bank AG EMTN (Br) 5.3% 18/02/2010	750,000	774,692	0.56
RWE EMTN 2.3% 08/07/2010	1,000,000	990,877	0.72
Toyota Kreditbank GMBH Series EMTN 2.8% 29/12/2008	500,000	499,986	0.36
		<hr/> 2,265,555	<hr/> 1.64
New Zealand			
ANZ National Ltd EMTN3.22% 08/07/2010	1,500,000	1,500,000	1.09
Singapore			
Citibank NA Singapore 2.72% 06/10/2008	500,000	500,000	0.36
Centrepoint Properties MTN 3.22% 23/02/2009	250,000	251,364	0.18
City Developments Limited MTN 2.99% 16/10/2008	500,000	500,321	0.36
City Developments Limited MTN 3.02% 28/09/2009	750,000	750,509	0.54
CMT MTN Pte Limited MTN (Br) FRN 30/04/2010	250,000	251,146	0.18
Housing & Development Board MTN (BR) 2.52% 03/11/2009	1,500,000	1,510,461	1.09
HSBC Singapore Series EMTN 3.18% 24/11/2008	3,000,000	3,006,767	2.18
Midpoint Properties MTN 2.95% 07/11/2008	1,000,000	1,000,014	0.72
Singapore Airport Terminal MTN 3% 02/09/2009	1,000,000	1,003,459	0.74
Singapore Treasury Bill Series 367 04/05/2009	10,500,000	10,467,327	7.57
Singapore Treasury Bill Series 91 04/12/2008	2,000,000	1,996,209	1.44
Singapore Treasury Bill Series 91 06/11/2008	2,000,000	1,999,114	1.45
Singapore Treasury Bill Series 91 09/10/2008	10,000,000	9,998,105	7.23
Singapore Treasury Bill Series 91 13/11/2008	2,000,000	1,998,393	1.45
Singapore Treasury Bill Series 92 02/01/2009	11,000,000	10,950,240	7.92
Singapore Treasury Bill Series 92 26/12/2008	11,000,000	10,963,558	7.93

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

Legg Mason Singapore Dollar Fund

	Nominal value as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Investments (continued)</u>			
Singapore (continued)			
Singapore Treasury Bills Series 91 11/12/2008	10,000,000	9,977,998	7.22
Singapore Treasury Bill Series 91 20/11/2008	9,700,000	9,688,328	7.01
Singapore Treasury Bill Series 91 02/10/2008	5,000,000	4,999,918	3.62
		81,813,231	59.19
South Korea			
Export-Import Bank of Korea EMTN 2.28% 06/05/2009	3,000,000	3,000,190	2.17
Export-Import Bank of Korea EMTN 2.55% 21/07/2009	3,000,000	2,999,759	2.17
Export-Import Bank of Korea EMTN 3.05% 08/07/2009	750,000	752,418	0.54
Export-Import Bank of Korea EMTN 3.105% 10/09/2009	250,000	252,619	0.18
Hana Bank EMTN 3.53% 16/06/2010	1,000,000	1,006,366	0.73
Hana Bank EMTN 2.9% 15/10/2008	1,000,000	1,000,043	0.72
Hana Bank EMTN 2.96% 14/11/2008	2,000,000	2,002,470	1.46
National Agricultural Company Series GmtN FRN 29/06/2009	750,000	750,066	0.54
Shinhan Bank EMTN 2.9% 17/10/2008	2,000,000	2,000,082	1.45
		13,764,013	9.96
United States			
Fannie Mae 2.29% 19/02/2009	700,000	698,389	0.51
General Electric Capital Corporation EMTN 2.725% 10/11/2008	500,000	499,945	0.36
General Electric Capital Corporation Series EMTN 3.65% 06/04/2009	3,500,000	3,531,436	2.56
		4,729,770	3.43
Quoted Investments		108,077,592	78.20
Accrued interest on fixed income securities		413,133	0.30
Portfolio of investments		108,490,725	78.50
Other net assets		29,712,155	21.50
Net assets attributable to unitholders		138,202,880	100.00

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

Legg Mason Singapore Dollar Fund

	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography (Summary)</u>		
Quoted Investments		
Australia	2.53	5.40
Cayman Islands	0.36	-
Germany	1.64	2.21
Japan	-	2.45
New Zealand	1.09	-
Singapore	59.19	64.27
South Korea	9.96	7.12
Sweden	-	2.21
United States	3.43	3.16
	<hr/> 78.20	86.82
Accrued interest on fixed income securities	0.30	0.38
	<hr/> 78.50	87.20
Portfolio of investments	78.50	87.20
Other net assets	21.50	12.80
	<hr/> 100.00	100.00
Net assets attributable to unitholders	100.00	100.00

Portfolio Statement (Unaudited)

As at 30 September 2008

Legg Mason Singapore Dollar Fund

	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
By Industry			
Banks	23,047,306	16.68	18.19
Commerce	1,003,459	0.74	-
Electrical/Electronic	990,877	0.72	2.50
Finance	4,534,570	3.28	2.48
Government	73,737,579	53.35	54.82
Miscellaneous	751,132	0.54	-
Property	251,364	0.18	0.25
Real estate	3,761,305	2.71	1.72
Transport-Ship	-	-	0.25
Others	-	-	6.61
	108,077,592	78.20	86.82
Accrued interest on fixed income securities	413,133	0.30	0.38
Portfolio of investments	108,490,725	78.50	87.20
Other net assets	29,712,155	21.50	12.80
Net assets attributable to unitholders	138,202,880	100.00	100.00

Portfolio Statement (Unaudited)

As at 30 September 2008

Legg Mason Singapore Opportunities Trust

	Nominal value as at 30/09/08	Fair value as at 30/09/08 \$	Percentage of total net assets attributable to unitholders at 30/09/08 %
<u>By Geography - Quoted Investments</u>			
China			
China Hongxing Sports Limited	1,197,000	347,130	2.18
Hong Kong			
Star Cruises Limited	672,000	91,272	0.57
Israel			
Sarin Technologies Limited	2,248,000	629,440	3.94
Singapore			
Broadway Industrial Group Limited	1,486,000	787,580	4.94
Capitaland Limited	138,000	420,900	2.64
CDL Hospitality Trusts	545,000	468,700	2.94
City Developments Limited	71,000	624,090	3.91
Cosco Corporation (Singapore) Limited	392,000	588,000	3.69
DBS Group Holdings Limited	102,000	1,709,520	10.71
Del Monte Pacific Limited	2,344,000	1,101,680	6.90
Edmi Limited	948,000	175,380	1.10
Ezra Holdings Pte Limited	438,600	495,618	3.11
Fraser & Neave Limited	220,000	781,000	4.89
Jiutian Chemical Group Limited	2,195,000	197,550	1.24
Macquarie International Infrastructure Fund Limited	588,000	258,720	1.62
Oversea-Chinese Banking Corporation	238,484	1,707,545	10.70
SC Global Developments Limited	432,000	285,120	1.79
Singapore Airlines Limited	28,000	398,160	2.50
Singapore Exchange Limited	136,000	833,680	5.22
Singapore Holdings Limited	630,000	126,000	0.79
Straits Asia Resources Limited	134,000	198,320	1.24
Tat Hong Holdings Limited	530,000	567,100	3.56
Tat Hong Holdings Limited Call WTS 02/08/2013	53,000	7,155	0.04
United Overseas Bank Limited	72,000	1,208,160	7.57
Yanlord Land Group Limited	146,000	132,860	0.83
		13,072,838	81.93
South Korea			
STX Pan Ocean Co Limited	225,000	438,750	2.75
Portfolio of investments		14,579,430	91.37
Other net assets		1,376,828	8.63
Net assets attributable to unitholders		15,956,258	100.00

Portfolio Statement (Unaudited)

As at 30 September 2008

Legg Mason Singapore Opportunities Trust

	Percentage of total net assets attributable to unitholders at 30/09/08 %	Percentage of total net assets attributable to unitholders at 31/03/08 %
<u>By Geography (Summary)</u>		
Quoted Investments		
China	2.18	-
Hong Kong	0.57	0.69
Israel	3.94	2.84
Singapore	81.93	84.40
South Korea	2.75	-
	<hr/>	<hr/>
Portfolio of investments	91.37	87.93
Other net assets	8.63	12.07
	<hr/>	<hr/>
Net assets attributable to unitholders	100.00	100.00
	<hr/>	<hr/>

Portfolio Statement (Unaudited)

As at 30 September 2008

Legg Mason Singapore Opportunities Trust

	Fair value as at 30/09/2008 \$	Percentage of total net assets attributable to unitholders at 30/09/2008 %	Percentage of total net assets attributable to unitholders at 31/03/2008 %
By Industry			
Airlines	398,160	2.50	-
Banks	4,625,225	28.98	25.50
Chemical	197,550	1.24	1.30
Consumer	91,272	0.57	0.69
Electronic	175,380	1.10	3.80
Finance	833,680	5.22	4.13
Food	1,101,680	6.90	5.69
Industrial	781,000	4.89	4.05
Investment	258,720	1.62	1.79
Manufacturing	976,570	6.12	2.83
Materials	198,320	1.24	4.51
Plastic	787,580	4.94	4.26
Real estate	2,057,670	12.90	15.99
Shipbuilding	438,750	2.75	-
Transport-Ship	1,083,618	6.80	8.95
Wholesale	574,255	3.60	4.44
Portfolio of investments	14,579,430	91.37	87.93
Other net assets	1,376,828	8.63	12.07
Net assets attributable to unitholders	15,956,258	100.00	100.00

Notes to the Financial Statements (continued)

For the half year ended 30 September 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Funds is an umbrella Unit Trust constituted pursuant to the Trust Deed dated 6 March 2000, as amended by various Supplemental Deeds between HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") and Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"). The Trust Deed and subsequent Supplemental Deeds are governed by and construed in accordance with the laws of the Republic of Singapore.

Legg Mason Funds comprise the following 2 sub-funds:

- Legg Mason Singapore Dollar Fund
- Legg Mason Singapore Opportunities Trust (launched on 31 October 2007)

The financial year-end for the Funds have been changed from 31 December to 31 March with effect from 1 July 2007.

Legg Mason Singapore Dollar Fund invests in money market instruments and securities such as term deposits, commercial papers, short-term bonds, and certificate of deposits. Legg Mason Singapore Dollar Fund has 2 classes of units in issue at the balance sheet date. Class A and Class B unitholders currently pay management fees of 0.5% per annum and 0.25% per annum respectively.

The principal objective of Legg Mason Singapore Opportunities Trust relates to holding of certain authorised investments for medium to long-term capital appreciation. Legg Mason Singapore Opportunities Fund has 2 classes of units, Class A and I in issue at the balance sheet date. Only Class A unitholders currently pay management fees of 1.5% per annum.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars, which is the functional currency of the Fund.

(b) Income recognition

Dividend income is recorded gross in the financial statements in the accounting period which the security is quoted ex-dividend.

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statements of Total Return.

Notes to the Financial Statements (continued)

For the half year ended 30 September 2008

(d) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statements of Total Return in the period which they arise. The resultant unrealised gains and losses are taken to the Statements of Total Return.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and taken up in the Statements of Total Return.

(e) Basis of valuation of investments

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price for the investments held by the Fund is the current market quoted bid price or dealer's quote as applicable. Accrued interest is included in the fair value of the fixed income instruments.

(f) Derivative financial instruments

Derivatives are initially 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 option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

3. Trustee fees

There is no trustee fee for Legg Mason Singapore Dollar Fund as the fee is borne by the Manager.

4. Income Tax

	1/4/2008 to 30/9/2008	
	Legg Mason Singapore Dollar Fund	Legg Mason Singapore Opportunities Trust
	\$	\$
Singapore income tax	-	5,268
Overseas income tax	-	2,562
	-	7,830

Notes to the Financial Statements (continued)

For the half year ended 30 September 2008

- (a) The Funds are designated unit trusts and therefore, the following income is exempted from tax in accordance with Section 35(12) of the Income Tax Act:
- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
 - (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
 - (iii) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.
- (b) The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.
- (c) For Legg Mason Singapore Dollar Fund, there was no income tax for the financial period ended 30 June 2007.

5. Distribution to unitholders

The Manager did not propose any distribution to unitholders for the financial period ended 30 September 2008 (30 June 2007: \$Nil).

6. Cash and bank balances

	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
As at 30/9/2008		
Cash and bank balances	817,398	376,937
Fixed deposits	39,814,615	1,000,000
	40,632,013	1,376,937
As at 31/3/2008		
Cash and bank balances	1,857,340	2,207,706
Fixed deposit	11,300,362	1,262,776
	13,157,702	3,470,482
As at 30/9/2008		
Average maturity days	45	7
Weighted average effective interest rate	1.00%	1.44%
As at 31/3/2008		
Average maturity days	39	2
Weighted average effective interest rate	1.00%	0.69%

Included in fixed deposits of Legg Mason Singapore Dollar Fund is an amount of \$12,900,714 (31 March 2008: \$4,500,000) placed with a related company of the Trustee.

Notes to the Financial Statements (continued)

For the half year ended 30 September 2008

7. Receivables

	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
As at 30/9/2008		
Interest receivable	44,940	40
Other receivable	15,180	24,990
	60,120	25,030
As at 31/3/2008		
Amount due from unitholders	-	45,517
Dividend receivables	-	37,915
Interest receivable	1,822	143
Other receivable	10,715	-
	12,537	83,575

The carrying amounts of receivables approximate their fair values.

8. Payables

	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
As at 30/9/2008		
Amount due to unitholders	-	16,769
Accrued management fee	25,440	1,337
Accrued trustee fee	-	2,415
Other payable and accruals	4,298	50,897
	29,738	71,418
As at 31/3/2008		
Amount due to unitholders	78,459	440
Accrued management fee	20,613	1,836
Accrued trustee fee	-	2,975
Other payable and accruals	2,015	43,325
	101,087	48,576

The carrying amounts of payables approximate their fair values.

Notes to the Financial Statements (continued)

For the half year ended 30 September 2008

9. Net assets attributable to unitholders

	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
As at 30/9/2008		
At the beginning of the financial period	102,038,705	26,159,703
Operations		
Change in net assets attributable to unitholders resulting from operations	547,630	(6,639,838)
Unitholders' contributions/(withdrawals)		
Creation of units	62,856,309	1,498,032
Cancellation of units	(27,239,764)	(5,061,639)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	35,616,545	(3,563,607)
Total increase/(decrease) in net assets attributable to unitholders	36,164,175	(10,203,445)
At the end of the financial period	138,202,880	15,956,258
Units in issue (see Note 10)		
Class A	2,705,010	1,744,053
Class B	117,120,661	-
Class I	-	29,184,316
Net assets attributable to unitholders per unit		
Class A	1.09	0.55
Class B	1.15	-
Class I	-	0.51
As at 31/03/2008		
At the beginning of the financial period	16,199,882	-
Operations		
Change in net assets attributable to unitholders resulting from operations	1,158,572	(9,232,350)
Unitholders' contributions/(withdrawals)		
Creation of units	161,203,617	36,679,898
Cancellation of units	(76,523,366)	(1,287,845)
Change in net assets attributable to unitholders resulting from net creation of units	84,680,251	35,392,053
Total increase in net assets attributable to unitholders	85,838,823	26,159,703
At the end of the financial period	102,038,705	26,159,703
Units in issue (see Note 10)		
Class A	2,705,010	1,744,053
Class B	117,120,661	-
Class I	-	29,184,316
Net assets attributable to unitholders per unit		
Class A	1.10	0.78
Class B	1.15	-
Class I	-	0.73

Notes to the Financial Statements (continued)

For the half year ended 30 September 2008

10. Units in issue

	As at 30/9/2008	As at 31/3/2008
Legg Mason Singapore Dollar Fund (Class A)		
Units at beginning of the financial period	3,388,459	4,886,382
Units created	55,956	1,088,650
Units cancelled	(739,405)	(2,586,573)
Units at end of the financial period	2,705,010	3,388,459
Legg Mason Singapore Dollar Fund (Class B)		
Units at beginning of the financial period	85,611,670	9,882,962
Units created	54,467,897	140,549,832
Units cancelled	(22,958,906)	(64,821,124)
Units at end of the financial period	117,120,661	85,611,670
Legg Mason Singapore Opportunities Trust (Class A)		
Units at beginning of the financial period	2,028,391	-
Units created	1,865,216	3,400,250
Units cancelled	(2,149,554)	(1,371,859)
Units at end of the financial period	1,744,053	2,028,391
Legg Mason Singapore Opportunities Trust (Class I)		
Units at beginning of the financial period	33,510,265	-
Units created	-	33,581,700
Units cancelled	(4,325,948)	(71,435)
Units at end of the financial period	29,184,316	33,510,265

11. Related party transactions and balances

As at 30 September 2008, the Manager of the Funds is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. From 1 January 2007 to 30 June 2007, the custodian was Citibank N.A.. The management fees, trustee fees, custody fees paid or payable by the Funds are shown in the Statements of Total Return.

Trustee fees, administrative fees, custody fees and audit fees of the Legg Mason Singapore Dollar Fund are absorbed by the Manager.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period between the Fund and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	1/4/2008 to 30/9/2008	
	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
Interest income received and receivable from a bank which is a related company of the Trustee	20,312	595
		1/1/2007 to 30/6/2007 Legg Mason Singapore Dollar Fund \$
Interest income received and receivable from a bank which is a related company of the Trustee		16,973

Notes to the Financial Statements (continued)

For the half year ended 30 September 2008

12. Financial risk management

The Funds are exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

(b) Currency risk

The assets and income of the Funds may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

The table below summarises the currency profile of the assets and liabilities of Legg Mason Singapore Opportunities Trust:

Legg Mason Singapore Opportunities Trust

As at 30/9/2008	SGD \$	USD \$	Total \$
Assets			
Portfolio of investments	14,488,158	91,272	14,579,430
Cash and bank balances	1,376,937	-	1,376,937
Receivables	25,030	-	25,030
Sales awaiting settlement	46,279	-	46,279
Total assets	15,936,404	91,272	16,027,676
Liabilities			
Payables	70,938	480	71,418
Net assets attributable to unitholders	15,956,258	-	15,956,258
Total liabilities	16,027,196	480	16,027,676
Total interest sensitive gap	(90,792)	90,792	-

Notes to the Financial Statements (continued)

For the half year ended 30 September 2008

As at 31/3/2008	SGD \$	USD \$	Total \$
Assets			
Portfolio of investments	22,822,283	180,861	23,003,144
Cash and bank balances	3,470,482	-	3,470,482
Receivables	70,650	12,925	83,575
Sales awaiting settlement	53,058	-	53,058
Total assets	26,416,473	193,786	26,610,259
Liabilities			
Payables	47,835	741	48,576
Purchases awaiting settlement	401,980	-	401,980
Net assets attributable to unitholders	26,159,703	-	26,159,703
Total liabilities	26,609,518	741	26,610,259
Total interest sensitive gap	(193,045)	193,045	-

The assets and liabilities of Legg Mason Singapore Dollar Fund are predominantly denominated in Singapore Dollars.

(c) Interest rate risk

The table below summarises the repricing profile of Legg Mason Singapore Dollar Fund's assets and liabilities based on the earlier of the next contractual interest repricing date and the maturity date.

Legg Mason Singapore Dollar Fund

As at 30/9/2008	Up to 1 year \$	1 - 5 years \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	101,540,861	6,536,731	413,133	108,490,725
Cash and bank balances	40,632,013	-	-	40,632,013
Receivables	-	-	60,120	60,120
Total assets	142,172,874	6,536,731	473,253	149,182,858
Liabilities				
Payables	-	-	29,738	29,738
Purchases awaiting settlement	-	-	10,950,240	10,950,240
Net assets attributable to unitholders	-	-	138,202,880	138,202,880
Total liabilities	-	-	149,182,858	149,182,858
Total interest sensitive gap	142,172,874	6,536,731	(148,709,605)	-

Notes to the Financial Statements (continued)

For the half year ended 30 September 2008

As at 31/3/2008	Up to 1 year \$	1 - 5 years \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	82,748,734	5,835,885	384,934	88,969,553
Cash and bank balances	13,157,702	-	-	13,157,702
Receivables	-	-	12,537	12,537
Total assets	95,906,436	5,835,885	397,471	102,139,792
Liabilities				
Payables	-	-	101,087	101,087
Net assets attributable to unitholders	-	-	102,038,705	102,038,705
Total liabilities	-	-	102,139,792	102,139,792
Total interest sensitive gap	95,906,436	5,835,885	(101,742,321)	-

Legg Mason Singapore Opportunities Trust's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subjected to risk to fluctuations in the prevailing levels of market interest rates.

(d) Liquidity risk

Liquidity risk arises from not being able to fund redemptions or liquidate positions in a timely manner at a reasonable price. Liquidity risk exists when a particular investment is difficult to purchase or sell. These circumstances could prevent the Fund from promptly liquidating unfavourable positions and therefore resulting in losses to the Fund and corresponding decreases in the net asset value per unit. The Manager manages liquidity risk by investing primarily in marketable securities.

(e) Credit risk

Credit risk is the risk of loss when a counterparty fails to meet its payment obligation. To address credit risk, the Manager has in place a stringent credit risk management process, which entails evaluating and mitigating the counterparty's credit worthiness.

(f) Derivative risk

The Fund may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions.

Notes to the Financial Statements (continued)

For the half year ended 30 September 2008

13. Secured credit facility

Legg Mason Singapore Dollar Fund has a credit facility with HSBC at 30 September 2008.

	30/9/2008	31/3/2008
	\$	\$
Facility		
Overdraft	3.2 million	3.2 million

The above credit facility is secured by way of a floating charge over all assets of Legg Mason Singapore Dollar Fund and is not utilised at period end.

For Legg Mason Singapore Opportunities Trust, there was no credit facility as at 30 September and 31 March 2008.

14. Financial ratios

	Period ended 30/9/2008		Period ended 30/6/2007	
	%	%	%	%
	Class A	Class B	Class A	Class B
Legg Mason Singapore Dollar Fund				
Expense ratio ¹	0.54	0.27	0.54	0.27
Portfolio turnover ratio ²	105	105	106	106

	Period ended 30/9/2008	
	%	%
	Class A	Class I
Legg Mason Singapore Opportunities Trust		
Expense ratio ¹	1.88	0.43
Portfolio turnover ratio ²	17.57	17.57

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expenses Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

² Portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

15. Comparatives

Comparatives for Legg Mason Singapore Opportunities Trust are given for all statements except Statement of Total Return and Financial ratios as this is the first set of semi-annual financial statements since the constitution of the fund.

Report to Unitholders

For the half year ended 30 September 2008

Investment Allocation as at 30 September 2008

Legg Mason Singapore Dollar Fund

<u>By Country</u>	Market Value in S\$	% of NAV
Australia	3,501,834	2.53
Cayman Islands	503,189	0.36
Germany	2,265,555	1.64
New Zealand	1,500,000	1.09
Singapore	81,813,231	59.19
South Korea	13,764,013	9.96
United States	4,729,770	3.43
	<hr/>	
	108,077,592	78.20
Accrued interest on fixed income securities	413,133	0.30
	<hr/>	
Portfolio of investments	108,490,725	78.50
Other net assets	29,712,155	21.50
	<hr/>	
Total	138,202,880	100.00

<u>By Industry</u>	Market Value in S\$	% of NAV
Banks	23,047,306	16.68
Commerce	1,003,459	0.74
Electrical/Electronic	990,877	0.72
Finance	4,534,570	3.28
Government	73,737,579	53.35
Miscellaneous	751,132	0.54
Property	251,364	0.18
Real estate	3,761,305	2.71
	<hr/>	
	108,077,592	78.20
Accrued interest on fixed income securities	413,133	0.30
	<hr/>	
Portfolio of investments	108,490,725	78.50
Other net assets	29,712,155	21.50
	<hr/>	
Total	138,202,880	100.00

<u>By Asset Class</u>	Market Value in S\$	% of NAV
Fixed Income securities	108,077,592	78.20
Accrued interest on fixed income securities	413,133	0.30
	<hr/>	
Portfolio of investments	108,490,725	78.50
Other net assets	29,712,155	21.50
	<hr/>	
Total	138,202,880	100.00

Report to Unitholders

For the half year ended 30 September 2008

<u>By Credit Rating*</u>	Market Value in S\$	% of NAV
AAA	77,768,960	56.27
Aaa	499,986	0.36
AA	2,000,000	1.45
AA-	3,006,767	2.18
A+	1,000,156	0.72
A1	3,002,513	2.18
A1e	1,006,366	0.73
A	11,247,607	8.13
Ae	503,189	0.36
A-	774,692	0.56
A3	251,146	0.18
Unrated	7,016,210	5.08
	<hr/>	
	108,077,592	78.20
Accrued interest on fixed income securities	413,133	0.30
	<hr/>	
Portfolio of investments	108,490,725	78.50
Other net assets	29,712,155	21.50
	<hr/>	
Total	138,202,880	100.00

*By Standard & Poor's / Moody's

Distribution of Investments

	Market Value in S\$	% of NAV
<u>By type of money market instruments/debt securities</u>		
Foreign Corporates	18,563,338	13.44
Local Agency	1,510,461	1.09
Local Corporates	7,263,580	5.26
SGS Treasury Bill	73,039,190	52.84
Supranational/ Sovereigns/ Local Governments	7,701,023	5.57
	<hr/>	
	108,077,592	78.20
Accrued interest on fixed income securities	413,133	0.30
	<hr/>	
Portfolio of investments	108,490,725	78.50
Other net assets	29,712,155	21.50
	<hr/>	
Total	138,202,880	100.00

Report to Unitholders

For the half year ended 30 September 2008

By Maturity Breakdown

Legg Mason Singapore Dollar Fund

	Market Value in S\$	% of NAV
30 days or less	18,998,469	13.74
31 - 90 days	47,134,616	34.11
91 - 180 days	11,899,993	8.61
181 - 365 days	23,507,783	17.01
More than 1 year	6,536,731	4.73
	108,077,592	78.20
Accrued interest on fixed income securities	413,133	0.30
Portfolio of investments	108,490,725	78.50
Other net assets	29,712,155	21.50
Total	138,202,880	100.00

Legg Mason Singapore Opportunities Trust

By Country

	Market Value in S\$	% of NAV
China	347,130	2.18
Hong Kong	91,272	0.57
Israel	629,440	3.94
Singapore	13,072,838	81.93
South Korea	438,750	2.75
Portfolio of investments	14,579,430	91.37
Other net assets	1,376,828	8.63
Total	15,956,258	100.00

Report to Unitholders (Unaudited)

For the half year ended 30 September 2008

<u>By Industry</u>	Market Value in S\$	% of NAV
Airlines	398,160	2.50
Banks	4,625,225	28.98
Chemical	197,550	1.24
Consumer	91,272	0.57
Electronic	175,380	1.10
Finance	833,680	5.22
Food	1,101,680	6.90
Industrial	781,000	4.89
Investment	258,720	1.62
Manufacturing	976,570	6.12
Materials	198,320	1.24
Plastic	787,580	4.94
Real estate	2,057,670	12.90
Shipbuilding	438,750	2.75
Transport-Ship	1,083,618	6.80
Wholesale	574,255	3.60
Portfolio of investments	14,579,430	91.37
Other net assets	1,376,828	8.63
Total	15,956,258	100.00

<u>By Asset Class</u>	Market Value in S\$	% of NAV
Equities	14,579,430	91.37
Portfolio of investments	14,579,430	91.37
Other net assets	1,376,828	8.63
Total	15,956,258	100.00

Report to Unitholders

For the half year ended 30 September 2008

Top 10 Holdings

Legg Mason Singapore Dollar Fund

Holdings as at 30 September 2008	Market Value in S\$	% of NAV
Singapore Treasury Bill Series 92 26/12/2008	10,963,558	7.93
Singapore Treasury Bill Series 92 02/01/2009	10,950,240	7.92
Singapore Treasury Bill Series 367 04/05/2009	10,467,327	7.57
Singapore Treasury Bill Series 91 09/10/2008	9,998,105	7.23
Singapore Treasury Bills Series 91 11/12/2008	9,977,998	7.22
Singapore Treasury Bill Series 91 20/11/2008	9,688,328	7.01
Singapore Treasury Bill Series 91 02/10/2008	4,999,918	3.62
General Electric Capital Corporation Series EMTN 3.65% 06/04/2009	3,531,436	2.56
HSBC Singapore Series EMTN 3.18% 24/11/2008	3,006,767	2.18
Export-Import Bank of Korea EMTN 2.28% 06/05/2009	3,000,190	2.17

Holdings as at 30 June 2007

Singapore Treasury Bill SER 91 27/09/2007	7,955,896	20.53
Singapore Treasury Bill SER 91 13/09/2007	4,973,800	12.83
Housing & Development Board MTN (BR) 3.52% 13/02/2008	2,308,867	5.96
Singapore Treasury Bill SER 364 01/10/2007	2,234,984	5.77
Singapore Treasury Bill SER 364 30/09/2008	1,965,975	5.07
Swedbank SER GMTN 2.75% 20/06/2008	1,498,950	3.87
Kim Eng Securities EMTN (BR) 3.67% 25/01/2008	1,006,200	2.60
Shinhan Bank (BR) EMTN 3.615% 26/02/2008	1,005,576	2.59
Korea Development Bank EMTN 2.55% 15/10/2007	999,936	2.58
General Electric Capital Corp EMTN 2.725% 10/11/2008	998,638	2.58

Legg Mason Singapore Opportunities Trust

Holdings as at 30 September 2008	Market Value in S\$	% of NAV
DBS Group Holdings Limited	1,709,520	10.71
Oversea-Chinese Banking Corporation	1,707,545	10.70
United Overseas Bank Limited	1,208,160	7.57
Del Monte Pacific Limited	1,101,680	6.90
Singapore Exchange Limited	833,680	5.22
Broadway Industrial Group Limited	787,580	4.94
Fraser & Neave Limited	781,000	4.89
Sarin Technologies Limited	629,440	3.94
City Developments Limited	624,090	3.91
Cosco Corporation (Singapore) Limited	588,000	3.69

Report to Unitholders

For the half year ended 30 September 2008

Exposure to Derivatives

Nil for the period under review

Investment in other unit trust, mutual funds and collective investment schemes

Nil as at 30 September 2008

Borrowings

Nil as at 30 September 2008

Amount of Redemptions and Subscriptions

For the period 1 April 2008 to 30 September 2008

Legg Mason Singapore Dollar Fund

S\$

Redemptions	\$27,239,764
Subscriptions	\$62,856,309

Legg Mason Singapore Opportunities Trust

S\$

Redemptions	\$5,061,639
Subscriptions	\$1,498,032

Related Party Transactions

For the period 1 April 2008 to 30 September 2008

Refer to Note 11 of the "Notes to the Financial Statements".

Performance

	Legg Mason Singapore Dollar Fund*		Benchmark
	Class A	Class B	
3-month	0.17%	0.24%	0.18%
6-month	0.38%	0.51%	0.39%
1-year	1.29%	1.56%	1.21%
3-year	1.86%	2.12%	2.29%
5-year	1.49%	1.74%	1.79%
10-year	N/A	N/A	N/A
Since inception	1.38%	1.74%	1.55%

* Average Annual Compounded Return for periods above one year, bid-to-bid with dividends reinvested

Benchmark : 1-month Singapore Inter-Bank Bid Rate Average

The inception dates were 28 June 2002 and 17 April 2000 respectively for Class A and Class B.

Benchmark since inception performance is for Class A only.

Since inception figures are calculated from the first full month of investment.

Source : Legg Mason International Equities (Singapore) Pte Limited

Report to Unitholders

For the half year ended 30 September 2008

	Legg Mason Singapore Opportunities Trust*		Benchmark
	Class A	Class I	
3-month	-28.00%	-27.74%	-18.11%
6-month	-29.81	-29.21	-19.97
1-year	N/A	N/A	N/A
3-year	N/A	N/A	N/A
5-year	N/A	N/A	N/A
10-year	N/A	N/A	N/A
Since inception	-44.20%	-47.90%	-28.82%

* Cumulative Returns, bid to bid with dividends reinvested

Benchmark : MSCI Singapore Index

The inception dates were 3 December 2007 and 31 October 2007 respectively for Class A and Class I.

Benchmark since inception performance is for Class A only.

Source : Legg Mason International Equities (Singapore) Pte Limited and Lipper

Expense Ratio

Legg Mason Singapore Dollar Fund - Class A

For the period 1 October 2007 to 30 September 2008

0.54%

For the period 1 July 2006 to 30 June 2007

0.54%

Legg Mason Singapore Dollar Fund - Class B

For the period 1 October 2007 to 30 September 2008

0.27%

For the period 1 July 2006 to 30 June 2007

0.27%

Legg Mason Singapore Opportunities Trust - Class A

For the period 3 December 2007 (date of launch) to 30 September 2008

1.88%

Legg Mason Singapore Opportunities Trust - Class I

For the period 31 October 2007 (date of launch) to 30 September 2008

0.43%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratio

Legg Mason Singapore Dollar Fund

For the period 1 April 2008 to 30 September 2008

105.00%

For the period 1 January 2007 to 30 June 2007

106.00%

Legg Mason Singapore Opportunities Trust

For the period 1 April 2008 to 30 September 2008

17.57%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

Report to Unitholders

For the half year ended 30 September 2008

Other Material Information

The financial year end for the Fund has been changed from 31 December to 31 March with effect from 1 July 2007.

Soft Dollar Commission/Arrangements

The Investment Manager did not receive any soft dollar commission or enter into any soft dollar arrangement in the management of the Trust.

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

- Legg Mason Singapore Dollar Fund
- Legg Mason Singapore Opportunities Trust

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

Legg Mason Portfolio Funds

- Legg Mason Asia Tilt Balanced Fund
- Legg Mason Asia Tilt Growth Fund
- Legg Mason Asia Tilt Enhanced Growth Fund
- Legg Mason Global Growth Fund

Statement of Total Return (Unaudited)

For the half year ended 30 September 2008

	Notes	30/9/2008 \$	30/9/2007 \$
Investment income			
Interest income		418,461	310,300
		418,461	310,300
Less: Expenses			
Audit fee		10,660	7,250
Custody fees	12	2,350	2,849
Management fees	12	1,542,298	1,145,880
Trustee fees	12	105,389	77,870
Registration fees	12	17,914	15,017
Professional fees		17,745	9,174
Valuation fees	12	54,832	40,890
Other expenses		84,541	24,931
		1,835,729	1,323,861
Net investment loss		(1,417,268)	(1,013,561)
Net gains or losses on value of investments			
Net realised gains on investments		4,142,248	2,826,900
Net change in fair value on investments		(17,183,483)	6,698,862
Net realised losses on financial derivatives		(2,522,172)	(462,131)
Net change in fair value on financial derivatives		4,106,885	59,074
Net foreign exchange (losses)/gains		(1,038,153)	186,390
Net (losses)/gains on value of investments		(12,494,675)	9,309,095
Total (deficit)/return for the half year before income tax		(13,911,943)	8,295,534
Less: Income Tax	3	-	-
Total (deficit)/return for the half year		(13,911,943)	8,295,534

The accompanying notes form an integral part of these financial statements.

Balance Sheet (Unaudited)

As at 30 September 2008

	Notes	30/9/2008 \$	31/3/2008 \$
ASSETS			
Portfolio of investments		335,479,756	349,402,216
Cash and bank balances	5	64,104,737	80,362,207
Margin accounts	6	5,895,271	3,111,218
Receivables	7	8,678,976	32,025,120
Sales awaiting settlement		2,061,072	23,385
Fair value of financial derivatives	8	9,278,530	6,971,553
Total assets		425,498,342	471,895,699
LIABILITIES			
Payables	9	7,030,343	11,962,906
Purchases awaiting settlement		38,909,648	38,116,491
Fair value of financial derivatives	8	5,171,645	8,358,725
Net assets attributable to unitholders	10	374,386,706	413,457,577
Total liabilities		425,498,342	471,895,699

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Investments</u>			
Australia			
Queensland Treasury Corporation Series 11G 6% 14/06/2011	1,740,000	1,972,210	0.53
Canada			
Government of Canada 5% 01/06/2014	630,000	920,865	0.25
Government of Canada 5.5% 01/06/2010	300,000	420,802	0.11
Government of Canada 6% 01/06/2011	1,010,000	1,463,690	0.39
Government of Canada Series WL43 5.75% 01/06/2029	500,000	803,944	0.21
		3,609,301	0.96
Denmark			
Kingdom of Denmark 6% 15/11/2011	4,400,000	1,252,120	0.34
Nykredit Series Ann 4% 01/10/2038	230,124	51,998	0.01
		1,304,118	0.35
France			
Government of France BTan 3.5% 12/01/2009	20,160,000	40,502,883	10.82
Government of France BTan 3% 12/01/2011	2,570,000	5,081,097	1.36
Government of France Oat 4% 25/10/2013	5,600,000	11,234,157	3.00
Government of France Oat 3.75% 25/04/2017	1,880,000	3,654,578	0.98
Government of France Oat 5.75% 25/10/2032	390,000	893,179	0.24
Government of France Oat 4.75% 25/04/2035	3,270,000	6,567,562	1.75
Government of France Oat 4% 25/04/2055	5,410,000	9,374,229	2.50
		77,307,685	20.65
Germany			
Bundesobligation Series 143 3.5% 10/10/2008	6,820,000	13,693,103	3.66
Bundesrepublik Deutschland Series 0303 4.25% 04/01/2014	15,080,000	30,921,862	8.26
Bundesrepublik Deutschland Series 04 3.75% 04/01/2015	24,919,000	49,665,211	13.27
Bundesrepublik Deutschland Series 06 4% 04/07/2016	1,570,000	3,159,129	0.84
Bundesrepublik Deutschland Series 05 4% 04/01/2037	1,730,000	3,147,240	0.84
Deutsche Postbank 5.5% 17/02/2009	150,000	214,749	0.05
Hypothekenbank in Essen 5.25% 17/01/2011	150,000	305,361	0.08
Kredit Fuer Wiederaufbau 5% 04/07/2011	200,000	408,957	0.11
Landwirtsch Rentenbank MTN 6% 15/09/2009	200,000	224,719	0.06
		101,740,331	27.17

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
By Geography - Quoted Investments (continued)			
Great Britain			
UK Treasury 4.75% 07/06/2010	9,080,000	23,418,480	6.26
UK Treasury 6.25% 25/11/2010	200,000	533,725	0.14
UK Treasury 8% 07/06/2021	510,000	1,711,169	0.46
UK Treasury 4.25% 07/06/2032	540,000	1,297,639	0.34
		26,961,013	7.20
Netherlands			
Bank Nederlandse GEM 4.25% 05/01/2009	850,000	1,702,197	0.46
Government of Netherlands 4% 15/01/2037	9,320,000	16,710,819	4.46
		18,413,016	4.92
Supra-National			
Nordic Investment Bank 4.125% 15/03/2011	200,000	398,046	0.11
Sweden			
Government of Sweden Series 1049 4.5% 12/08/2015	21,110,000	4,512,925	1.21
United States			
Bank of America 5.375% 15/08/2011	350,000	487,615	0.13
Fannie Mae 5.25% 15/01/2009	250,000	359,548	0.09
Fannie Mae Conventional Loan Series 893105 FRN 01/10/2036	331,095	370,834	0.10
Fannie Mae Conventional Loan Series 949507 FRN 01/09/2037	513,441	564,899	0.15
Fannie Mae Fn 735580 FRN 01/06/2035	2,700,000	3,751,019	1.00
Fannie Mae 30 Yr OCT FWD 01/10/2038	2,300,000	1,934,005	0.52
Fannie Mae Conventional Loan #41783 25/06/2038	19,900,000	28,304,329	7.56
FHLMC Gold 30Yr Oct FWD 01/10/2038	400,000	567,502	0.15
FHLMC Gold 30Yr Oct FWD 01/10/2038	3,200,000	4,442,793	1.19
FNMA 15Yr Oct FRN 01/04/2023 (TBA)	100,000	143,886	0.04
Freddie Mac 4.125% 12/07/2010	286,000	416,532	0.11
General Elec Cap Corp MTNA 4.125% 01/09/2009	1,070,000	1,528,066	0.41
United Parcel Service 4.5% 15/01/2013	550,000	784,402	0.21
US Treasury Bond 4.75% 15/02/2037	2,530,000	3,859,037	1.03

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Investments (continued)</u>			
United States (continued)			
US Treasury N/B 4.5% 15/02/2036	2,190,000	3,204,916	0.86
US Treasury Note 3.875% 15/09/2010	13,350,000	19,833,552	5.30
US Treasury Note 4% 15/03/2010	4,700,000	6,933,252	1.85
US Treasury Note 4.25% 30/09/2012	2,680,000	4,059,995	1.08
US Treasury Note 4.75% 15/08/2017	7,440,000	11,389,866	3.04
		92,936,048	24.82
Quoted Investments		329,154,693	87.92
Accrued interest on fixed income securities		6,325,063	1.69
Portfolio of investments		335,479,756	89.61
Other net assets		38,906,950	10.39
Net assets attributable to unitholders		374,386,706	100.00

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography (Summary)</u>		
Quoted Investments		
Australia	0.53	0.52
Canada	0.96	0.89
Denmark	0.35	1.24
France	20.65	17.91
Germany	27.17	25.51
Great Britain	7.20	7.06
Netherlands	4.92	4.94
Norway	-	0.87
Singapore	-	0.10
Supra-National	0.11	0.11
Sweden	1.21	1.23
United States	24.82	23.26
	87.92	83.64
Accrued interest on fixed income securities	1.69	0.87
Portfolio of investments	89.61	84.51
Other net assets	10.39	15.49
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
By Industry			
Bank	3,395,596	0.90	1.63
Electronic	1,528,066	0.41	0.36
Finance	13,693,103	3.66	3.83
Government	298,516,275	79.73	77.34
Investment	398,046	0.11	0.11
Miscellaneous	10,839,205	2.90	0.10
Transport	784,402	0.21	0.19
Utilities	-	-	0.08
	329,154,693	87.92	83.64
Accrued interest on fixed income securities	6,325,063	1.69	0.87
Portfolio of investments	335,479,756	89.61	84.51
Other net assets	38,906,950	10.39	15.49
Net assets attributable to unitholders	374,386,706	100.00	100.00

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Global Bond Trust (the "Fund") is an open-ended Unit Trust constituted pursuant to the Trust Deed dated 14 August 1998, as amended by various Supplemental Deeds between HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") and Legg Mason Asset Management (Asia) Pte Ltd. A Supplemental Deed dated 28 September 2006 was entered to effect the change of investment manager from Legg Mason Asset Management (Asia) Pte Ltd to Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"). The Trust Deed and subsequent Supplemental Deeds are governed by and construed in accordance with the laws of the Republic of Singapore.

The principal objective of the Fund relates to holding of certain authorised investments for long-term capital appreciation.

The Fund is approved under the Central Provident Fund Investment Scheme ("CPFIS").

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars, which is the functional currency of the Fund.

(b) Income recognition

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statement of Total Return.

(d) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the period which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and taken up in the Statement of Total Return.

(e) Basis of valuation of investments

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price for the investments held by the Fund is the current market quoted bid price or dealer's quote as applicable. Accrued interest is included in the fair value of the fixed income instruments.

(f) Derivative financial instruments

Derivatives are initially 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 option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

3. Income Tax

The Fund is a designated unit trust and therefore, the following income is exempted from tax in accordance with Section 35(12) of the Income Tax Act:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (c) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.

4. Distribution to unitholders

The Manager did not propose any distribution to unitholders for the financial period ended 30 September 2008 (30 September 2007: \$Nil)

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

5. Cash and bank balances

	30/9/2008	31/3/2008
	\$	\$
Cash and bank balances	6,345,484	11,258,253
Fixed deposit	57,759,253	69,103,954
	64,104,737	80,362,207

Included in fixed deposits is an amount of \$10,403,602 (31 March 2007: \$Nil) placed with a bank which is a related company of the Trustee.

The fixed deposits have the following average maturity from the end of the financial period/year:

	30/9/2008	31/3/2008
	days	days
Singapore dollar	2	1
United States dollar	2	1

The fixed deposits have the following weighted average effective interest rates:

	30/9/2008	31/3/2008
	%	%
Singapore dollar	1.05	0.61
United States dollar	1.92	2.65

6. Margin accounts

	30/9/2008	31/3/2008
	\$	\$
Margin accounts	5,895,271	3,111,218

Margin accounts represent the margin deposit amounts held with brokers.

7. Receivables

	30/9/2008	31/3/2008
	\$	\$
Amount due from unitholders	8,676,826	32,023,291
Interest receivable	2,150	1,829
	8,678,976	32,025,120

The carrying amounts of receivables approximate their fair values.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

8. Fair value of financial derivatives

The table below sets out the analysed notional contract amounts and fair value of forward foreign exchange and futures contracts entered into with third parties.

As at financial period/year end, commitments under forward foreign exchange and futures contracts due for settlement within 3 months (31 March 2007: 2 months) are as follows:

	Notional amount \$	Fair value assets \$	Fair value liabilities \$
30/9/2008			
Forward foreign exchange contracts	241,531,053	8,547,325	4,842,110
Futures contracts	143,101,516	731,205	329,535
		9,278,530	5,171,645
31/3/2008			
Foreign exchange contracts:	405,614,942	6,247,708	(7,263,168)
Futures contracts	21,695,229	723,845	(1,095,557)
		6,971,553	(8,358,725)

The forward foreign exchange and futures contracts were undertaken for purpose of efficient portfolio management.

All financial derivatives are stated at fair values on the balance sheet.

9. Payables

	30/9/2008 \$	31/3/2008 \$
Amount due to unitholders	6,725,666	11,631,699
Accrued management fee	231,938	242,631
Accrued trustee's fee	32,178	31,277
Other payable and accruals	40,561	57,299
	7,030,343	11,962,906

The carrying amounts of payables approximate their fair values.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

10. Net assets attributable to unitholders

	30/9/2008 \$	31/3/2008 \$
At the beginning of the financial period/year	413,457,577	280,691,071
Operations		
Change in net assets attributable to unitholders resulting from operations	(13,911,943)	15,650,099
Unitholders' contributions/(withdrawals)		
Creation of units	233,392,205	309,968,970
Cancellation of units	(258,551,133)	(192,852,563)
Change in net assets attributable to unitholders resulting from net cancellation of units	(25,158,928)	117,116,407
Total increase in net assets attributable to unitholders	(39,070,871)	132,766,506
At the end of the financial period/year	374,386,706	413,457,577
Units in issue (see Note 11)	330,271,521	352,399,501
Net assets attributable to unitholders per unit	1.13	1.17

11. Units in issue

	30/9/2008	31/3/2008
Units at beginning of the financial period/year	352,399,501	251,054,748
Units created	204,647,058	268,352,901
Units cancelled	(226,775,038)	(167,008,148)
Units at end of the financial period/year	330,271,521	352,399,501

12. Related party transactions

As at 30 September 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. The management fees, trustee fees, custody fees, registration fees and valuation fees paid or payable by the Fund are shown in the Statement of Total Return.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period between the Fund and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	30/9/2008 \$	30/9/2007 \$
Interest income received and receivable from a bank which is a related company of the Trustee	200,101	271,006
Interest expenses incurred with a bank which is a related company of the Trustee	32,200	233

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

13. Financial risk management

The Fund is exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

(b) Currency risk

The assets and income of the Fund may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

The table below summarise the currency profile of the assets and liabilities of the Fund.

As at 30/9/2008	DKK \$	EUR \$	GBP \$	SGD \$	USD \$	Others \$	Total \$
Assets							
Portfolio of investments	1,367,208	202,952,197	27,371,359	-	93,346,298	10,442,694	335,479,756
Cash and bank balances	15,652	562,842	1,199,623	39,715,709	20,675,688	1,935,223	64,104,737
Margin deposits	-	1,452,082	2,301,569	-	1,634,513	507,107	5,895,271
Receivables	-	-	-	8,677,919	1,057	-	8,678,976
Sales awaiting settlement	15,037	-	-	-	2,046,035	-	2,061,072
Fair value of financial derivatives	-	116,377	110,956	4,161,485	3,594,343	1,295,369	9,278,530
Total assets	1,397,897	205,083,498	30,983,507	52,555,113	121,297,934	14,180,393	425,498,342
Liabilities							
Payables	-	-	-	7,022,774	7,569	-	7,030,343
Purchases awaiting settlement	-	-	-	-	38,909,648	-	38,909,648
Fair value of financial derivatives	176,942	2,434,964	201,289	1,455,366	-	903,084	5,171,645
Net assets attributable to unitholders	-	-	-	374,386,706	-	-	374,386,706
Total liabilities	176,942	2,434,964	201,289	382,864,846	38,917,217	903,084	425,498,342
Net balance sheet currency exposure	1,220,955	202,648,534	30,782,218	(330,309,733)	82,380,717	13,277,309	-

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

As at 31/3/2008	DKK \$	EUR \$	GBP \$	SGD \$	USD \$	Others \$	Total \$
Assets							
Portfolio of investments	5,188,336	202,088,254	29,629,827	-	97,336,569	15,159,230	349,402,216
Cash and bank balances	2,020,800	497,462	2,062,957	60,372,637	13,068,636	2,339,715	80,362,207
Margin deposits	-	2,217,267	715,306	-	178,645	-	3,111,218
Receivables	-	-	-	32,024,255	865	-	32,025,120
Sales awaiting settlement	23,385	-	-	-	-	-	23,385
Fair value of financial derivatives	-	4,109,068	651,352	777,965	55,438	1,377,730	6,971,553
Total assets	7,232,521	208,912,051	33,059,442	93,174,857	110,640,153	18,876,675	471,895,699
Liabilities							
Payables	-	-	-	11,958,552	4,354	-	11,962,906
Purchases awaiting settlement	-	-	-	-	38,116,491	-	38,116,491
Fair value of financial derivatives	-	1,060,990	133,817	4,744,475	2,223,813	195,630	8,358,725
Net assets attributable to unitholders	-	-	-	413,457,577	-	-	413,457,577
Total liabilities	-	1,060,990	133,817	430,160,604	40,344,658	195,630	471,895,699
Net balance sheet currency exposure	7,232,521	207,851,061	32,925,625	(336,985,747)	70,295,495	18,681,045	-

In respect of investments in fixed income securities, the currency analysis above is based on the currencies in which the listed securities are denominated.

(c) Interest rate risk

The table below summarises the repricing profile of the Fund's assets and liabilities based on the earlier of the next contractual interest repricing date and the maturity date.

As at 30/9/2008	Up to 1 year \$	1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets					
Portfolio of investments	59,736,384	115,571,793	153,846,516	6,325,063	335,479,756
Cash and bank balances	64,104,737	-	-	-	64,104,737
Margin accounts	5,895,271	-	-	-	5,895,271
Receivables	-	-	-	8,678,976	8,678,976
Sales awaiting settlement	-	-	-	2,061,072	2,061,072
Fair value of financial derivatives	-	-	-	9,278,530	9,278,530
Total assets	129,736,392	115,571,793	153,846,516	26,343,641	425,498,342
Liabilities					
Payables	-	-	-	7,030,343	7,030,343
Purchases awaiting settlement	-	-	-	38,909,648	38,909,648
Fair value of financial derivatives	-	-	-	5,171,645	5,171,645
Net assets attributable to unitholders	-	-	-	374,386,706	374,386,706
Total liabilities	-	-	-	425,498,342	425,498,342
Total interest sensitive gap	129,736,392	115,571,793	153,846,516	(399,154,701)	-

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

As at 31/3/2008	Up to 1 year \$	1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets					
Portfolio of investments	65,533,668	71,782,746	208,494,402	3,591,400	349,402,216
Cash and bank balances	80,362,207	-	-	-	80,362,207
Margin accounts	3,111,218	-	-	-	3,111,218
Receivables	-	-	-	32,025,120	32,025,120
Sales awaiting settlement	-	-	-	23,385	23,385
Fair value of financial derivatives	-	-	-	6,971,553	6,971,553
Total assets	149,007,093	71,782,746	208,494,402	42,611,458	471,895,699
Liabilities					
Payables	-	-	-	11,962,906	11,962,906
Purchases awaiting settlement	-	-	-	38,116,491	38,116,491
Fair value of financial derivatives	-	-	-	8,358,725	8,358,725
Net assets attributable to unitholders	-	-	-	413,457,577	413,457,577
Total liabilities	-	-	-	471,895,699	471,895,699
Total interest sensitive gap	149,007,093	71,782,746	208,494,402	(429,284,241)	-

(d) Liquidity risk

Liquidity risk arises from not being able to fund redemptions or liquidate positions in a timely manner at a reasonable price. Liquidity risk exists when a particular investment is difficult to purchase or sell. These circumstances could prevent the Fund from promptly liquidating unfavourable positions and therefore resulting in losses to the Fund and corresponding decreases in the net asset value per unit. The Manager manages liquidity risk by investing primarily in marketable securities.

(e) Credit risk

Credit risk is the risk of loss when a counterparty fails to meet its payment obligation. To address credit risk, the Manager has in place a stringent credit risk management process, which entails evaluating and mitigating the counterparty's credit worthiness.

(f) Derivative risk

The Fund may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

14. Secured credit facility

The Fund has a credit facility with HSBC at 30 September 2008

	30/9/2008	31/3/2008
	\$	\$
Facility		
Overdraft	20 million	20 million

The above credit facility is secured by way of a floating charge over all assets of the Fund and is not utilised at period/year end.

15. Financial ratios

	30/9/2008	30/9/2007
	%	%
Expense ratio ¹	0.94	0.90
Portfolio turnover ratio ²	67.14	132.78

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expenses Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

² Portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

Report to Unitholders

For the half year ended 30 September 2008

Investment Allocation as at 30 September 2008

<u>By Country</u>	Market Value in S\$	% of NAV
Australia	1,972,210	0.53
Canada	3,609,301	0.96
Denmark	1,304,118	0.35
France	77,307,685	20.65
Germany	101,740,331	27.17
Great Britain	26,961,013	7.20
Netherlands	18,413,016	4.92
Supra-National	398,046	0.11
Sweden	4,512,925	1.21
United States	92,936,048	24.82
	<hr/>	
	329,154,693	87.92
Accrued interest on fixed income investments	6,325,063	1.69
	<hr/>	
Portfolio of investments	335,479,756	89.61
Other net assets	38,906,950	10.39
	<hr/>	
Total	374,386,706	100.00

<u>By Industry</u>	Market Value in S\$	% of NAV
Bank	3,395,596	0.90
Electronic	1,528,066	0.41
Finance	13,693,103	3.66
Government	298,516,275	79.73
Investment	398,046	0.11
Miscellaneous	10,839,205	2.90
Transport	784,402	0.21
	<hr/>	
	329,154,693	87.92
Accrued interest on fixed income investments	6,325,063	1.69
	<hr/>	
Portfolio of investments	335,479,756	89.61
Other net assets	38,906,950	10.39
	<hr/>	
Total	374,386,706	100.00

<u>By Asset Class</u>	Market Value in S\$	% of NAV
Fixed Income securities	329,154,693	87.92
	<hr/>	
	329,154,693	87.92
Accrued interest on fixed income investments	6,325,063	1.69
	<hr/>	
Portfolio of investments	335,479,756	89.61
Other net assets	38,906,950	10.39
	<hr/>	
Total	374,386,706	100.00

Report to Unitholders

For the half year ended 30 September 2008

By Credit Rating*	Market Value in S\$	% of NAV
AAA	310,905,110	83.06
Aaa	16,977,566	4.52
AA-	1,272,017	0.34
	<hr/>	
	329,154,693	87.92
Accrued interest on fixed income investments	6,325,063	1.69
	<hr/>	
Portfolio of investments	335,479,756	89.61
Other net assets	38,906,950	10.39
	<hr/>	
Total	374,386,706	100.00

*By Standard & Poor's /Moody's

Top 10 Holdings

Holdings as at 30 September 2008	Market Value in S\$	% of NAV
Bundesrepublik Deutschland Series 04 3.75% 04/01/2015	49,665,211	13.27
Government of France BTan 3.5% 12/01/2009	40,502,883	10.82
Bundesrepublik Deutschland Series 0303 4.25% 04/01/2014	30,921,862	8.26
Fannie Mae Conventional Loan #41783 25/06/2038	28,304,329	7.56
UK Treasury 4.75% 07/06/2010	23,418,480	6.26
US Treasury Note 3.875% 15/09/2010	19,833,552	5.30
Government of Netherlands 4% 15/01/2037	16,710,819	4.46
Bundesobligation Series 143 3.5% 10/10/2008	13,693,103	3.66
US Treasury Note 4.75% 15/08/2017	11,389,866	3.04
Government of France Oat 4% 25/10/2013	11,234,157	3.00

Holdings as at 30 September 2007	Market Value in S\$	% of NAV
Bundesrepublik Deutschland Series 04 3.75% 04/01/2015	28,664,054	9.44
UK Treasury 4.75% 07/06/2010	27,713,553	9.15
FNMA 30Yr Nov FWD 01/11/2037	24,399,951	8.05
US Treasury Note 3.875% 15/09/2010	19,749,404	6.52
Government of Netherlands 4% 15/01/2037	18,177,541	6.00
Bundesobligation Series 141 4.25% 15/02/2008	16,256,318	5.36
Bundesobligation Series 143 3.5% 10/10/2008	14,803,003	4.89
Kingdom of Belgium Series 28 5.75% 28/03/2008	14,673,588	4.84
Government of France Oat 4% 25/10/2013	12,084,090	3.99
US Treasury Note 4.5% 15/11/2015	11,521,410	3.80

Report to Unitholders

For the half year ended 30 September 2008

Exposure to Derivatives

	Market value in S\$	% of NAV
Forward foreign exchange and futures contracts	4,106,885	1.10
Net gains/(losses) on contracts realised for the period 1 April 2008 to 30 September 2008	(2,522,172)	-
Net gains/(losses) on outstanding contracts marked to market as at 30 September 2008	4,106,885	-

Investment in other unit trust, mutual funds and collective investment schemes

Nil as at 30 September 2008

Borrowings

Nil as at 30 September 2008

Amount of Redemptions and Subscriptions

For the period 1 April 2008 to 30 September 2008

	SGD
Redemptions	\$258,551,133
Subscriptions	\$233,392,205

Related Party Transactions

For the period 1 April 2008 to 30 September 2008

Refer to Note 12 of the "Notes to the Financial Statements".

Performance

	Legg Mason Global Bond Trust*	Benchmark
3-month	+0.62%	+0.46%
6-month	-3.66%	-3.88%
1-year	-1.48%	+0.04%
3-year	-0.67%	+0.57%
5-year	+1.15%	+2.22%
10-year	N/A	N/A
Since inception	+1.55%	+4.19%

* Average Annual Compounded Return for periods above one year, bid to bid with dividends reinvested

Benchmark : Citigroup World Government Bond Index (S\$) ex Japan w.e.f. 3 January 2005. Prior to 3 January 2005, the benchmark was Citigroup World Government Bond Index (S\$).

The inception date was 2 November 1998

Source : Legg Mason International Equities (Singapore) Pte Limited and Lipper

Report to Unitholders

For the half year ended 30 September 2008

Expense Ratio

For the period 1 October 2007 to 30 September 2008	0.94%
For the period 1 October 2006 to 30 September 2007	0.90%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratio

For the period 1 April 2008 to 30 September 2008	67.14%
For the period 1 April 2007 to 30 September 2007	132.78%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

Other Material Information

Nil for the period under review.

Soft Dollar Commission/Arrangements

The Investment Manager did not receive any soft dollar commission or enter into any soft dollar arrangement in the management of the Trust.

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Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

- Legg Mason Singapore Dollar Fund
- Legg Mason Singapore Opportunities Trust

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

Legg Mason Portfolio Funds

- Legg Mason Asia Tilt Balanced Fund
- Legg Mason Asia Tilt Growth Fund
- Legg Mason Asia Tilt Enhanced Growth Fund
- Legg Mason Global Growth Fund

Statement of Total Return (Unaudited)

For the half year ended 30 September 2008

	Notes	30/9/2008 \$	30/9/2007 \$
Investment income			
Dividends		-	344
Interest income	13	4,199	22,657
		4,199	23,001
Less: Expenses			
Audit fee		5,133	3,461
Custody fees	13	4,926	3,257
Management fees	13	249,242	255,590
Trustee fees	13	15,150	15,080
Registration fees	13	9,800	8,862
Professional fees		12,962	7,934
Valuation fees	13	9,586	9,479
Other expenses		8,860	9,736
		315,659	313,399
Net investment loss		(311,460)	(290,398)
Net gains or losses on value of investments			
Net realised gains on investments		164,509	1,015,053
Net change in fair value on investments		(1,514,338)	(1,017,674)
Net realised losses on financial derivatives		(698,399)	-
Net change in fair value on financial derivatives		(1,064,740)	914,817
Net foreign exchange losses		(416,810)	(664,054)
Net (losses)/gains on value of investments		(3,529,778)	248,142
Total deficit for the half year before income tax		(3,841,238)	(42,256)
Less: Income Tax	3	(56,303)	(31,775)
Total deficit for the half year		(3,897,541)	(74,031)

The accompanying notes form an integral part of these financial statements.

Balance Sheet (Unaudited)

As at 30 September 2008

	Note	30/9/2008 \$	31/3/2008 \$
ASSETS			
Portfolio of investments		41,628,533	45,507,813
Cash and bank balances	5	1,488,380	2,574,458
Margin accounts	7	130,732	85,634
Receivables	8	125,227	159,458
Fair value of financial derivatives	9	58,525	835,992
Total assets		43,431,397	49,163,355
LIABILITIES			
Payables	10	86,389	74,832
Bank overdraft	6	11,706	-
Fair value of financial derivatives	9	1,123,265	288,107
Net assets attributable to unitholders	11	42,210,037	48,800,416
Total liabilities		43,431,397	49,163,355

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Investments</u>			
British Virgin Islands			
Galaxy Entertainment Finance FRN 15/12/2010	400,000	401,746	0.95
Canada			
Sino Forest Corporation 9.125% 17/08/2011	300,000	420,332	1.00
Cayman Islands			
CMHI Finance Cayman Inc 5.375% 09/03/2015	200,000	258,060	0.61
CMHI Finance Company 6.125% 18/06/2013	500,000	705,121	1.67
Guangdong Alliance Limited [^]	5,812	-	-
Hong Kong Property Co Limited [^]	5,812	-	-
OCBC Capital Corporation 5.1% Perp	750,000	747,075	1.77
Parkson Retail Group Limited 7.125% 30/05/2012	400,000	514,692	1.22
Sun Hung Kai Properties Series EMTN 5.375% 08/03/2017	700,000	895,707	2.12
Swire Pacific Mtn Financing Ltd EMTN 5.625% 30/03/2016	400,000	531,391	1.26
		3,652,046	8.65
Hong Kong			
Agile Property Holdings Limited 9% 22/09/2013	350,000	325,882	0.77
City Telecom Hk Limited 8.75% 01/02/2015	200,000	268,784	0.64
GH Water Supply Holdings Limited [^]	2,208	-	-
HK Land Finance EMTN 5.5% 28/04/2014	400,000	561,872	1.33
HKCG Finance Limited 6.25% 07/08/2018	300,000	433,572	1.03
Hutchison Whampoa International Limited 7.45% 24/11/2033	300,000	399,272	0.95
Li & Fung Limited 5.5% 16/05/2017	450,000	579,801	1.37
Wing Hang Bank Var Perp	200,000	231,837	0.55
		2,801,020	6.64
India			
Government of India 7.37% 16/04/2014	50,000,000	1,437,341	3.41

[^] There is no readily available market quotation as the shares are not traded on any Exchange. The Manager made certain estimates and assumptions to arrive at the fair value, after taking into account all relevant information. The actual proceeds that could be realised from the sale of these shares could be different from the estimated fair value.

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
By Geography - Quoted Investments (continued)			
Indonesia			
Bank Danamon Indonesia Var 30/03/2014	200,000	288,091	0.68
Ciliandra Perkasa 10.75% 08/12/2011	300,000	394,597	0.94
Indo Integrated Energy 8.5% 01/06/2012	200,000	260,205	0.62
Indoesia Retail Bond 3 9.4% 12/09/2011	14,500,000,000	2,009,334	4.76
MGTI Finance Company Limited 8.375% 15/09/2010	100,000	142,970	0.34
Republic of Indonesia 7.25% 20/04/2015	600,000	832,085	1.97
Republic of Indonesia 6.875% 09/03/2017	900,000	1,183,792	2.80
Republic of Indonesia 8.5% 12/10/2035	1,010,000	1,411,507	3.34
Republic of Indonesia 6.625% 17/02/2037	1,800,000	2,084,503	4.94
		8,607,084	20.39
Malaysia			
Government of Malaysia Series 5/07 3.7% 15/05/2013	9,000,000	3,696,102	8.76
IOI Ventures 5.25% 16/03/2015	200,000	256,145	0.61
Public Bank Var 22/09/2014	200,000	289,228	0.68
Sarawak International 5.5% 03/08/2015	1,050,000	1,361,395	3.22
Tesco Stores Malaysia Series MTN 4.05% 12/11/2010	1,500,000	616,490	1.46
		6,219,360	14.73
Netherlands			
Arpeni Pratama Ocean Line Investment Series Regs 8.75% 03/05/2013	250,000	255,559	0.60
Philippines			
Land Bank of Philippines VAR 19/10/2016	100,000	141,898	0.34
National Power Corporation 6.875% 02/11/2016	2,000,000	2,670,365	6.33
National Power Corporation FRN 23/08/2011	200,000	292,016	0.69
Republic of Philippines 10.625% 16/03/2025	920,000	1,753,458	4.15
Republic of Philippines 9.5% 02/02/2030	1,320,000	2,315,411	5.49
Republic of Philippines 6.375% 15/01/2032	1,650,000	2,208,618	5.23
Republic of Philippines 7.75% 14/01/2031	520,000	781,509	1.85
		10,163,275	24.08

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
By Geography - Quoted Investments (continued)			
Singapore			
DBS Bank Limited Var 16/05/2017	300,000	395,326	0.94
Standard Chartered Bank EMTN Var 30/01/2012	962,247	1,096,590	2.60
United Overseas Bank Limited Var 03/09/2019	500,000	651,300	1.54
		2,143,216	5.08
South Korea			
Export-Import Bank Korea 5.125% 16/03/2015	770,000	1,026,417	2.43
Export-Import Bank Korea Series 5.375% 04/10/2016	750,000	966,881	2.29
Korea Treasury Bond Republic 10/09/2012	1,000,000,000	1,157,638	2.74
SK Telecom Co Limited 6.625% 20/07/2007	300,000	397,887	0.95
Small Business Corporation 5.75% 14/09/2016	200,000	304,426	0.72
		3,853,249	9.13
Thailand			
Bangkok Bank Public Company 9.025% 15/03/2029	200,000	277,004	0.65
True Move Co Limited 10.75% 16/12/2013	400,000	412,469	0.98
		689,473	1.63
United States			
Cii Carbon Llc 11.125% 15/11/2015	250,000	339,554	0.80
		40,983,255	97.09
Quoted Investments			
		645,278	1.52
Accrued interest on Fixed Income Securities			
		41,628,533	98.61
Portfolio of investments			
Other net assets		581,504	1.39
Net assets attributable to unitholders		42,210,037	100.00

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography (Summary)</u>		
Quoted Investments		
British Virgin Islands	0.95	1.71
Canada	1.00	0.81
Cayman Islands	8.65	1.09
China	-	4.81
Hong Kong	6.64	3.14
India	3.41	3.44
Indonesia	20.39	16.49
Malaysia	14.73	10.74
Netherlands	0.60	0.56
Philippines	24.08	24.29
Singapore	5.08	4.77
South Korea	9.13	9.32
Thailand	1.63	5.32
United States	0.80	0.87
Vietnam	-	4.26
	97.09	91.62
Accrued interest on Fixed Income Securities	1.52	1.63
Portfolio of investments	98.61	93.25
Other net assets	1.39	6.75
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
By Industry			
Agriculture	394,597	0.94	1.11
Bank	5,222,674	12.36	22.09
Diversified resource	930,663	2.21	0.87
Electronic	2,670,365	6.33	6.61
Energy	260,205	0.62	0.54
Finance	868,558	2.06	0.60
Foods	616,490	1.46	1.33
Forestry	420,332	1.00	0.81
Government	21,175,724	50.16	44.26
Miscellaneous	4,466,553	10.57	7.41
Oil and gas	-	-	1.86
Property	895,707	2.12	-
Real estate	887,754	2.10	0.54
Retail	514,692	1.22	0.53
Telecommunication	1,079,140	2.57	1.86
Wholesale	579,801	1.37	1.20
	<hr/> 40,983,255	<hr/> 97.09	<hr/> 91.62
Accrued interest on Fixed Income Securities	645,278	1.52	1.63
	<hr/>	<hr/>	<hr/>
Portfolio of investments	41,628,533	98.61	93.25
Other net assets	581,504	1.39	6.75
	<hr/>	<hr/>	<hr/>
Net assets attributable to unitholders	42,210,037	100.00	100.00
	<hr/>	<hr/>	<hr/>

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Asian Bond Trust (the "Fund") is an open-ended Unit Trust constituted pursuant to the Trust Deed dated 26 November 1996, as amended by various Supplemental Deeds between HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") and Legg Mason Asset Management (Asia) Pte Ltd. A Supplemental Deed dated 28 September 2006 was entered to effect the change of investment manager from Legg Mason Asset Management (Asia) Pte Ltd to Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"). The Trust Deed and subsequent Supplemental Deeds are governed by and construed in accordance with the laws of the Republic of Singapore.

The principal objective of the Fund relates to holding of certain authorised investments for long-term capital appreciation.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars, which is the functional currency of the Fund.

(b) 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 the management adopts are outlined below:

Fair value of investments

The Fund may, from time to time, hold investments that are not quoted in active markets. Fair values of such investments are determined by the Fund Manager after taking into accounts all relevant information to make certain estimates and assumptions. The actual proceeds that could be realised from the sale of these shares could be different from the estimated fair value.

All the Fund's financial assets and financial liabilities are held for the purpose of being traded or are expected to be realised within one year.

(c) Income recognition

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(d) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statement of Total Return.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

(e) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the period which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and taken up in the Statement of Total Return.

(f) Basis of valuation of investments

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price for the investments held by the Fund is the current market quoted bid price or dealer's quote as applicable. Accrued interest is included in the fair value of the fixed income instruments.

(g) Derivative financial instruments

Derivatives are initially 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 option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

3. Income Tax

	30/9/2008	30/9/2007
	\$	\$
Overseas income tax	56,303	31,775

The Fund is a designated unit trust and therefore, the following income is exempted from tax in accordance with Section 35(12) of the Income Tax Act:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (c) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.
- (d) The foreign income tax represents tax deducted at source on dividends and interests derived from outside Singapore and received in Singapore.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

4. Distribution to unitholders

The Manager did not propose any distribution to unitholders for the financial period ended 30 September 2008 (30 September 2007: \$Nil)

5. Cash and bank balances

	30/9/2008	31/3/2008
	\$	\$
Cash and bank balances	330,384	774,049
Fixed deposit	1,157,996	1,800,409
	1,488,380	2,574,458

As at 30 September 2008, the fixed deposits are placed with a bank which is a related company of the Trustee.

The fixed deposits have the following average maturity from the end of the financial period/year:

	30/9/2008	31/3/2008
	days	days
Singapore dollar	2	1
United States dollar	2	-

The fixed deposits have the following weighted average effective interest rates:

	30/9/2008	31/3/2008
	%	%
Singapore dollar	1.26	0.61
United States dollar	1.92	-

6. Bank overdraft

Bank overdraft represents borrowings by the Fund for meeting short-term liquidity requirements. An interest rate of 6.25% (31 March 2008: \$Nil) per annum was charged to the Fund for the financial year ended 30 September 2008.

7. Margin accounts

	30/9/2008	31/3/2008
	\$	\$
Margin accounts	130,732	85,634

Margin accounts represent the margin deposit amounts held with brokers.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

8. Receivables

	30/9/2008	31/3/2008
	\$	\$
Amount due from unitholders	6,656	35,899
Interest receivable	56	30
Others	118,515	123,529
	125,227	159,458

The carrying amounts of receivables approximate their fair values.

9. Fair value of financial derivatives

The table below sets out the analysed notional contract amounts and fair value of forward foreign exchange, swap, option and futures contracts entered into with third parties.

As at financial period/year end, commitments under forward foreign exchange, option and futures contracts are due for settlement within one year (31 March 2008: 8 months). Swap contracts will mature in financial year 2013 and 2018 respectively (31 March 2008: Nil).

	Notional amount \$	Fair value assets \$	Fair value liabilities \$
30/9/2008			
Forward foreign exchange contracts	59,057,838	35,029	(769,783)
Futures contracts	4,785,131	23,496	-
Put option	4,016,456	-	(155,243)
Swaps	6,740,148	-	(198,239)
		58,525	(1,123,265)
 31/3/2008			
Forward foreign exchange contracts	46,166,034	822,007	(288,107)
Futures contracts	4,476,152	13,985	-
		835,992	(288,107)

The forward foreign exchange, swap, option and futures contracts were undertaken for purpose of efficient portfolio management.

All financial derivatives are stated at fair values on the balance sheet.

10. Payables

	30/9/2008	31/3/2008
	\$	\$
Amount due to unitholders	29,087	9,588
Accrued management fee	35,989	41,777
Accrued trustee's fee	4,523	4,888
Amount due to the Manager	5	1,177
Other payable and accruals	16,775	17,402
	86,389	74,832

The carrying amounts of payables approximate their fair values.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

11. Net assets attributable to unitholders

	30/9/2008	31/3/2008
	\$	\$
At the beginning of the financial period/year	48,800,416	44,655,740
Operations		
Change in net assets attributable to unitholders resulting from operations	(3,897,541)	(716,995)
Unitholders' contributions/(withdrawals)		
Creation of units	1,529,145	13,335,257
Cancellation of units	(4,221,983)	(8,473,586)
Change in net assets attributable to unitholders resulting from net creation of units	(2,692,838)	4,861,671
Total (decrease)/increase in net assets attributable to unitholders	(6,590,379)	4,144,676
At the end of the financial period/year	42,210,037	48,800,416
Units in issue (see Note 12)	40,934,773	43,514,643
Net assets attributable to unitholders per unit	1.03	1.12

12. Units in issue

	30/9/2008	31/3/2008
Units at beginning of the financial period/year	43,514,643	39,299,558
Units created	1,387,591	11,667,496
Units cancelled	(3,967,461)	(7,452,411)
Units at end of the financial period/year	40,934,773	43,514,643

13. Related party transactions

As at 30 September 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. The management fees, trustee fees, custody fees, registration fees and valuation fees paid or payable by the Fund are shown in the Statement of Total Return.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period between the Fund and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	30/9/2008	30/9/2007
	\$	\$
Interest income received and receivable from a bank which is a related company of the Trustee	4,199	22,657
Interest expenses incurred with a bank which is a related company of the Trustee	34	151

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

14. Financial risk management

The Fund is exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

(b) Currency risk

The assets and income of the Fund may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

The table below summarise the currency profile of the assets and liabilities of the Fund.

As at 30/9/2008	INR \$	MYR \$	IDR \$	SGD \$	USD \$	Others \$	Total \$
Assets							
Portfolio of investments	1,488,756	4,374,782	2,020,240	748,332	31,835,177	1,161,246	41,628,533
Cash and bank balances	-	-	-	451,542	897,195	139,643	1,488,380
Margin accounts	-	-	-	-	28,547	102,185	130,732
Receivables	-	-	-	6,666	118,561	-	125,227
Fair value of financial derivatives	-	-	-	-	57,636	889	58,525
Total assets	1,488,756	4,374,782	2,020,240	1,206,540	32,937,116	1,403,963	43,431,397
Liabilities							
Payables	-	-	-	84,516	1,873	-	86,389
Bank overdrafts	-	-	-	-	11,706	-	11,706
Fair value of financial derivatives	-	-	835	639,818	410,808	71,804	1,123,265
Net assets attributable to unitholders	-	-	-	42,210,037	-	-	42,210,037
Total liabilities	-	-	835	42,934,371	424,387	71,804	43,431,397
Net balance sheet currency exposure	1,488,756	4,374,782	2,019,405	(41,727,831)	32,512,729	1,332,159	-

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

As at 31/3/2008	INR \$	MYR \$	PHP \$	SGD \$	USD \$	Others \$	Total \$
Assets							
Portfolio of investments	1,736,907	2,615,527	1,508,749	-	32,280,995	7,365,635	45,507,813
Cash and bank balances	63,291	-	-	2,205,150	306,017	-	2,574,458
Margin accounts	-	-	-	-	-	85,634	85,634
Receivables	-	-	-	35,929	123,529	-	159,458
Fair value of financial derivatives	-	-	-	693,989	-	142,003	835,992
Total assets	1,800,198	2,615,527	1,508,749	2,935,068	32,710,541	7,593,272	49,163,355
Liabilities							
Payables	-	-	-	74,023	809	-	74,832
Fair value of financial derivatives	-	-	-	-	199,603	88,504	288,107
Net assets attributable to unitholders	-	-	-	48,800,416	-	-	48,800,416
Total liabilities	-	-	-	48,874,439	200,412	88,504	49,163,355
Net balance sheet currency exposure	1,800,198	2,615,527	1,508,749	(45,939,371)	32,510,129	7,504,768	-

In respect of investments in fixed income securities, the currency analysis above is based on the currencies in which the listed securities are denominated.

(c) Interest rate risk

The table below summarises the repricing profile of the Fund's assets and liabilities based on the earlier of the next contractual interest repricing date and the maturity date.

As at 30/9/2008	Up to 1 year \$	1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets					
Portfolio of investments	-	12,289,274	28,693,981	645,278	41,628,533
Cash and bank balances	1,488,380	-	-	-	1,488,380
Margin accounts	130,732	-	-	-	130,732
Receivables	-	-	-	125,227	125,227
Fair value of financial derivatives	-	-	-	58,525	58,525
Total assets	1,619,112	12,289,274	28,693,981	829,030	43,431,397
Liabilities					
Payables	-	-	-	86,389	86,389
Bank overdrafts	11,706	-	-	-	11,706
Fair value of financial derivatives	-	-	-	1,123,265	1,123,265
Net assets attributable to unitholders	-	-	-	42,210,037	42,210,037
Total liabilities	11,706	-	-	43,419,691	43,431,397
Total interest sensitive gap	1,607,406	12,289,274	28,693,981	(42,590,661)	-

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

As at 31/3/2008	Up to 1 year \$	1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets					
Portfolio of investments	-	12,803,097	31,909,196	795,520	45,507,813
Cash and bank balances	2,574,458	-	-	-	2,574,458
Margin accounts	85,634	-	-	-	85,634
Receivables	-	-	-	159,458	159,458
Fair value of financial derivatives	-	-	-	835,992	835,992
Total assets	2,660,092	12,803,097	31,909,196	1,790,970	49,163,355
Liabilities					
Payables	-	-	-	74,832	74,832
Fair value of financial derivatives	-	-	-	288,107	288,107
Net assets attributable to unitholders	-	-	-	48,800,416	48,800,416
Total liabilities	-	-	-	49,163,355	49,163,355
Total interest sensitive gap	2,660,092	12,803,097	31,909,196	(47,372,385)	-

(d) Liquidity risk

Liquidity risk arises from not being able to fund redemptions or liquidate positions in a timely manner at a reasonable price. Liquidity risk exists when a particular investment is difficult to purchase or sell. These circumstances could prevent the Fund from promptly liquidating unfavourable positions and therefore resulting in losses to the Fund and corresponding decreases in the net asset value per unit. The Manager manages liquidity risk by investing primarily in marketable securities.

(e) Credit risk

Credit risk is the risk of loss when a counterparty fails to meet its payment obligation. To address credit risk, the Manager has in place a stringent credit risk management process, which entails evaluating and mitigating the counterparty's credit worthiness.

(f) Derivative risk

The Fund may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions.

15. Secured credit facility

The Fund has a credit facility with HSBC at 30 September 2008.

	30/9/2008 \$	31/3/2008 \$
<u>Facility</u>		
Overdraft	2 million	2 million

The above credit facility is secured by way of a floating charge over all assets of the Fund.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

16. Financial ratios

	30/9/2008	30/9/2007
	%	%
Expense ratio ¹	1.33	1.30
Portfolio turnover ratio ²	27.61	58.94

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expenses Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

² Portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

Report to Unitholders

For the half year ended 30 September 2008

Investment Allocation as at 30 September 2008

<u>By Country</u>	Market Value in S\$	% of NAV
British Virgin Islands	401,746	0.95
Canada	420,332	1.00
Cayman Islands	3,652,046	8.65
Hong Kong	2,801,020	6.64
India	1,437,341	3.41
Indonesia	8,607,084	20.39
Malaysia	6,219,360	14.73
Netherlands	255,559	0.60
Philippines	10,163,275	24.08
Singapore	2,143,216	5.08
South Korea	3,853,249	9.13
Thailand	689,473	1.63
United States	339,554	0.80
	<hr/>	
	40,983,255	97.09
Accrued interest on Fixed Income Securities	645,278	1.52
	<hr/>	
Portfolio of investments	41,628,533	98.61
Other net assets	581,504	1.39
	<hr/>	
Total	42,210,037	100.00

<u>By Industry</u>	Market Value in S\$	% of NAV
Agriculture	394,597	0.94
Bank	5,222,674	12.36
Diversified resource	930,663	2.21
Electronic	2,670,365	6.33
Energy	260,205	0.62
Finance	868,558	2.06
Foods	616,490	1.46
Forestry	420,332	1.00
Government	21,175,724	50.16
Miscellaneous	4,466,553	10.57
Property	895,707	2.12
Real estate	887,754	2.10
Retail	514,692	1.22
Telecommunication	1,079,140	2.57
Wholesale	579,801	1.37
	<hr/>	
	40,983,255	97.09
Accrued interest on Fixed Income Securities	645,278	1.52
	<hr/>	
Portfolio of investments	41,628,533	98.61
Other net assets	581,504	1.39
	<hr/>	
Total	42,210,037	100.00

Report to Unitholders

For the half year ended 30 September 2008

By Asset Class

	Market Value in S\$	% of NAV
Fixed Income securities	40,983,255	97.09
	40,983,255	97.09
Accrued interest on Fixed Income Securities	645,278	1.52
Portfolio of investments	41,628,533	98.61
Other net assets	581,504	1.39
Total	42,210,037	100.00

By Credit Rating*

	Market Value in S\$	% of NAV
A+	828,898	1.97
A	3,591,318	8.51
A2	1,157,638	2.74
A-	4,270,234	10.11
A3	3,696,102	8.76
BBB+	1,339,082	3.17
BBB	1,240,185	2.93
BB	1,260,906	2.99
Ba2	1,437,341	3.41
BB-	15,818,132	37.47
Ba3	2,009,334	4.76
B+	926,089	2.19
B	1,095,157	2.60
B2	260,205	0.62
CCC+	339,554	0.80
Unrated	1,713,080	4.06
	40,983,255	97.09
Accrued interest on Fixed Income Securities	645,278	1.52
Portfolio of investments	41,628,533	98.61
Other net assets	581,504	1.39
Total	42,210,037	100.00

*By Standard & Poor's /Moody's

Report to Unitholders

For the half year ended 30 September 2008

Top 10 Holdings

Holdings as at 30 September 2008

	Market Value in S\$	% of NAV
Government of Malaysia Series 5/07 3.7% 15/05/2013	3,696,102	8.76
National Power Corporation 6.875% 02/11/2016	2,670,365	6.33
Republic of Philippines 9.5% 02/02/2030	2,315,411	5.49
Republic of Philippines 6.375% 15/01/2032	2,208,618	5.23
Republic of Indonesia 6.625% 17/02/2037	2,084,503	4.94
Indoesia Retail Bond 3 9.4% 12/09/2011	2,009,334	4.76
Republic of Philippines 10.625% 16/03/2025	1,753,458	4.15
Government of India 7.37% 16/04/2014	1,437,341	3.41
Republic of Indonesia 8.5% 12/10/2035	1,411,507	3.34
Sarawak International 5.5% 03/08/2015	1,361,395	3.22

Holdings as at 30 September 2007

	Market Value in S\$	% of NAV
National Power Corporation 6.875% 02/11/2016	2,961,219	6.17
Republic of Philippines 7.75% 14/01/2031	2,703,596	5.64
Republic of Philippines 9.5% 02/02/2030	2,595,797	5.41
Republic of Philippines 10.625% 16/03/2025	1,925,815	4.02
Government of India 7.37% 16/04/2014	1,874,529	3.91
Republic of Indonesia 8.5% 12/10/2035	1,832,034	3.82
Government of Thailand Series 06-6 6.15% 07/07/2026	1,581,298	3.30
Socialist Republic of Vietnam 6.875% 15/01/2016	1,550,259	3.23
Sarawak International 5.5% 03/08/2015	1,533,820	3.20
Republic of Philippines Series 1042 9.125% 04/09/2016	1,510,574	3.15

Exposure to Derivatives

	Market value in S\$	% of NAV
Forward foreign exchange and futures contracts, put options and swaps	(1,064,740)	-2.52
Net gains/(losses) on contracts realised for the period 1 April 2008 to 30 September 2008	(698,399)	-
Net gains/(losses) on outstanding contracts marked to market as at 30 September 2008	(1,064,740)	-

Investment in other unit trust, mutual funds and collective investment schemes

Nil as at 30 September 2008

Report to Unitholders

For the half year ended 30 September 2008

Borrowings

Nil as at 30 September 2008

Amount of Redemptions and Subscriptions

For the period 1 April 2008 to 30 September 2008

	SGD
Redemptions	\$4,221,983
Subscriptions	\$1,529,145

Related Party Transactions

For the period 1 April 2008 to 30 September 2008

Refer to Note 13 of the "Notes to the Financial Statements".

Performance

	Legg Mason Asian Bond Trust*	Benchmark
3-month	-2.08%	-1.70%
6-month	-7.91%	-5.23%
1-year	-9.12%	-2.12%
3-year	-0.19%	+2.74%
5-year	+1.12%	+3.54%
10-year	+3.25%	N/A
Since inception	+0.56%	N/A

* Average Annual Compounded Return for periods above one year, bid to bid with dividends reinvested

Benchmark : From Nov 06, benchmark is Customised JP Morgan Asian Credit Index, Sovereign & Quasi Sovereign, fully hedged into SGD. From Oct 02 to Oct 06, benchmark was JP Morgan Asian Credit Index - Sovereign and Quasi Sovereign (Hedged in S\$). Since Jan 99 to Sep 02, benchmark was JP Morgan Asian Credit Index Sovereign (Hedged in S\$).

The inception date was 23 December 1996

Source : Legg Mason International Equities (Singapore) Pte Limited and Lipper

Expense Ratio

For the period 1 October 2007 to 30 September 2008	1.33%
For the period 1 October 2006 to 30 September 2007	1.30%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Report to Unitholders

For the half year ended 30 September 2008

Turnover Ratio

For the period 1 April 2008 to 30 September 2008	27.61%
For the period 1 April 2007 to 30 September 2007	58.94%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

Other Material Information

Nil for the period under review.

Soft Dollar Commission/Arrangements

The Investment Manager did not receive any soft dollar commission or enter into any soft dollar arrangement in the management of the Trust.

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

- Legg Mason Singapore Dollar Fund
- Legg Mason Singapore Opportunities Trust

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

Legg Mason Portfolio Funds

- Legg Mason Asia Tilt Balanced Fund
- Legg Mason Asia Tilt Growth Fund
- Legg Mason Asia Tilt Enhanced Growth Fund
- Legg Mason Global Growth Fund

Statement of Total Return (Unaudited)

For the half year ended 30 September 2008

	Notes	1/4/2008 to 30/9/2008 \$	1/1/2007 to 30/6/2007 \$
Investment income			
Interest income		6,005	562,266
		<hr/>	<hr/>
Less: Expenses			
Audit fees		11,741	11,405
Custody fees	11	19,993	9,394
Management fees	11	194,838	120,196
Trustee fees	11	20,377	9,916
Other expenses		55,040	40,731
		<hr/>	<hr/>
		301,989	191,642
		<hr/>	<hr/>
Net investment (loss)/income		(295,984)	370,624
		<hr/>	<hr/>
Net gains or losses on value of investments			
Net realised gains on investments		630,238	167,346
Net change in fair value on investments		(1,393,222)	842,687
Net realised (losses)/gains on financial derivatives		(138,804)	6,436
Net change in fair value on financial derivatives		-	(40,645)
Net foreign exchange losses		(2,487)	(8,669)
		<hr/>	<hr/>
Net (losses)/gains on value of investments		(904,275)	967,155
		<hr/>	<hr/>
Total (deficit)/return for the financial period before income tax		(1,200,259)	1,337,779
Less: Income tax	3	-	-
		<hr/>	<hr/>
Total (deficit)/return for the financial period after income tax		(1,200,259)	1,337,779
Less: Distribution	4	-	(1,724)
		<hr/>	<hr/>
Total (deficit)/return for the financial period		(1,200,259)	1,336,055
		<hr/>	<hr/>

The accompanying notes form an integral part of these financial statements.

Balance Sheet (Unaudited)

As at 30 September 2008

	Notes	As at 30/9/2008 \$	As at 31/3/2008 \$
ASSETS			
Portfolio of investments		61,676,292	61,011,894
Cash and cash equivalents	5	373,220	8,053,388
Receivables	6	74,846	2,346,776
Fair value of financial derivatives	7	-	26,717
Total assets		62,124,358	71,438,775
LIABILITIES			
Payables	8	212,397	126,316
Net assets attributable to unitholders	9	61,911,961	71,312,459
Total liabilities		62,124,358	71,438,775

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Nominal value as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Investments</u>			
Singapore			
Ascendas Pte Limited MTN 3.66% 14/05/2010	750,000	749,269	1.21
Capitaland Treasury Limited Series MTN 3.8% 30/10/2014	500,000	483,670	0.78
Capitaland Commercial Limited Series MTN 3.98% 07/05/2010	750,000	760,434	1.23
Capitacommercial Trust MTN 3.15% 24/01/2011	500,000	481,813	0.78
CCT MTN Pte Limited Series MTN 3.85% 20/08/2010	500,000	499,150	0.81
Housing & Development Board MTN 2.82% 06/10/2010	1,500,000	1,513,110	2.44
Housing & Development Board MTN 3.455% 01/03/2011	2,500,000	2,564,200	4.14
Housing & Development Board MTN 3.455% 15/07/2013	250,000	256,380	0.41
HK Land Treasury 3.01% 04/10/2010	1,000,000	1,005,670	1.62
HK Land Treasury 3.65% 05/10/2015	250,000	226,175	0.37
Oversea-Chinese Banking Corporation Limited PFD	2,800	272,272	0.44
Oversea-Chinese Banking 5% 06/09/2011	980,000	1,012,340	1.64
Oversea-Chinese Banking Series MTN 3.78% 28/11/2017	500,000	497,935	0.80
Singapore Government SIGB 4% 01/09/2018	8,753,000	9,341,113	15.09
Singapore Government SIGB 2.25% 01/07/2013	6,565,000	6,535,573	10.56
Singapore Government SIGB 2.5% 01/10/2012	2,200,000	2,221,039	3.59
Singapore Government SIGB 2.625% 01/04/2012	100,000	101,951	0.16
Singapore Government SIGB 2.875% 01/07/2015	2,100,000	2,116,323	3.42
Singapore Government SIGB 3.125% 01/09/2022	1,040,000	1,001,874	1.62
Singapore Government SIGB 3.25% 01/09/2020	3,135,000	3,101,020	5.01
Singapore Government SIGB 3.5% 01/03/2027	3,330,000	3,302,218	5.33
Singapore Government SIGB 3.5% 01/07/2012	1,180,000	1,238,308	2.00
Singapore Government SIGB 3.625% 01/07/2014	1,560,000	1,642,444	2.65
Singapore Government SIGB 3.75% 01/09/2016	4,030,000	4,247,662	6.86
ST Treasury Services Limited 3.98% 02/04/2014	750,000	761,865	1.23
United Overseas Bank Limited 4.95% 30/09/2016	1,250,000	1,273,572	2.06
United Overseas Land Limited 3.34% 15/05/2012	1,250,000	1,222,800	1.98
		48,430,180	78.23
Cayman Islands			
DBS Capital Funding Pref Shares	7,500	824,198	1.33
Jackson National Life Fund EMTN 3.92% 08/03/2011	2,000,000	2,019,300	3.26
OCBC Capital Corporation 5.1% Perp	1,250,000	1,245,125	2.01
		4,088,623	6.60

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Nominal value as at 30/9/2008	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %
<u>By Geography - Quoted Investments (continued)</u>			
Germany			
Deutsche Bank EMTN 3.25% 10/10/2012	1,800,000	1,770,480	2.86
India			
ICICI Bank Limited EMTN 3.92% 15/02/2012	750,000	724,170	1.17
Supra-National			
Asian Development Bank MTN 3.27% 08/02/2012	750,000	767,940	1.24
Central American BK CABEL 2.64% 06/07/2010	500,000	498,185	0.80
		1,266,125	2.04
U Arab Emirates			
Emirates Bank International EMTN 3.875% 08/05/2009	250,000	252,390	0.41
United States			
General Electric Capital Corporation EMTN 3.03% 11/02/2013	2,000,000	1,759,740	2.84
General Electric Capital Corporation EMTN 3.65% 06/04/2009	2,500,000	2,478,100	4.00
		4,237,840	6.84
Quoted Investments		60,769,808	98.15
<u>By Geography - Unquoted Investments</u>			
Singapore			
Midpoint Prop MIDSP 3.88 17/01/2011	500,000	507,450	0.82
Unquoted Investments		507,450	0.82
Accrued interest on fixed income securities		399,034	0.64
Portfolio of investments		61,676,292	99.61
Other net assets		235,669	0.39
Net assets attributable to unitholders		61,911,961	100.00

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography (Summary)</u>		
Quoted Investments		
Australia	-	5.47
Cayman Islands	6.60	-
Germany	2.86	2.50
India	1.17	1.09
Singapore	78.23	72.02
Supra-National	2.04	0.70
U Arab Emirates	0.41	0.36
United States	6.84	2.09
	<hr/> 98.15	84.23
Unquoted Investments		
Singapore	0.82	0.72
Accrued interest on fixed income securities		
	0.64	0.60
	<hr/> 99.61	85.55
Portfolio of investments		
Other net assets	0.39	14.45
Net assets attributable to unitholders	<hr/> 100.00	100.00

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Fair value as at 30/9/2008 \$	Percentage of total net assets attributable to unitholders at 30/9/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %
By Industry			
Bank	7,831,149	12.65	9.35
Electrical and electronic	-	-	1.44
Finance	6,257,140	10.10	2.08
Food & beverage	-	-	0.67
Government	34,849,525	56.29	51.07
Miscellaneous	2,568,473	4.15	0.32
Real estate	485,413	0.78	14.92
Real estate Investment Trust	9,285,558	15.00	0.69
Transport-Rail	-	-	2.21
Utility - Electric	-	-	2.20
	61,277,258	98.97	84.95
Accrued interest on fixed income securities	399,034	0.64	0.60
Portfolio of investments	61,676,292	99.61	85.55
Other net assets	235,669	0.39	14.45
Net assets attributable to unitholders	61,911,961	100.00	100.00

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Singapore Bond Fund (the "Fund") is a Unit Trust constituted by a Trust Deed dated 1 October 1997 as amended by Supplementary and the Amending and Restating Deed between Legg Mason International Equities (Singapore) Pte Ltd (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed, subsequent Supplementary Deed and Amending and Restating Deeds are governed by the laws of the Republic of Singapore.

The Fund has 3 classes of units in issue - Class A, Class B and Class Y. With effect from 31 January 2008, units in Class Y will not be offered. All remaining units in Class Y have been merged with units in Class A on 31 January 2008. Class A and Class B unitholders currently pay management fee of 0.75% per annum and 0.5% per annum respectively.

The Fund is an approved unit trust under the Central Provident Fund Investment Scheme ("CPFIS").

With effect from 1 July 2007, the Fund has adopted 31 March as the new financial year end. The first semi-annual financial statements with the new financial year end is for the period from 1 April 2008 to 30 September 2008.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of financial assets of fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trust" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore Dollars, which is the functional currency of the Fund.

(b) Income recognition

Interest income arising is recognised in the Statement of Total Return on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore Dollars at the rates of exchange ruling at the date of the balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statement of Total Return.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

(d) Financial assets at fair value through profit and loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net change in fair value on investments are included in the Statement of Total Return in the period in which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and are taken up in the Statement of Total Return.

(e) Basis of valuation of investments

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price for the investments held by the Fund is the current market quoted bid price or dealer's quote as applicable. Accrued interest is included in the fair value of the fixed income instruments.

(f) Derivative financial instruments

Derivatives are initially 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 option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

3. Income Tax

The Fund is a designated unit trust and, therefore, the following income is exempted from tax in accordance with section 35(12) of the Income Tax Act:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (c) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

4. Distribution to unitholders

	1/4/2008 to 30/9/2008 \$	1/1/2007 to 30/6/2007 \$
Distribution of S\$0.0125 per unit on 137,959 Class Y units, paid in respect of current financial period	-	1,724

5. Cash and cash equivalents

	As at 30/9/2008 \$	As at 31/3/2008 \$
Cash and bank balances	373,220	651,649
Fixed deposits	-	7,401,739
	373,220	8,053,388

The carrying amounts of cash and cash equivalents approximate their fair values.

As at 31 March 2008, fixed deposits had an average maturity of 1 day from the end of the financial period with a weighted average effective interest rate: 0.6070%.

The exposure of cash and cash equivalents to interest rate risks is disclosed in note 12.

6. Receivables

	As at 30/9/2008 \$	As at 31/3/2008 \$
Interest receivable	140	263
Amount due from unitholders	74,706	2,346,513
	74,846	2,346,776

The carrying amounts of receivables approximate their fair values.

7. Fair value of financial derivatives

The table below sets out the analysed notional contract amounts and fair value of forward foreign exchange contracts entered into with third parties.

The Fund has no commitment under forward exchange contracts at 30 September 2008.

As at 31 March 2008, commitments under forward foreign exchange contracts due for settlement within 3 months were as follows:

	Notional amount \$	Fair value assets \$	Fair value liabilities \$
As at 31/3/2008			
Forward foreign exchange	3,959,320	26,717	-

The forward foreign exchange contracts were undertaken for purpose of efficient portfolio management.

All financial derivatives are stated at fair values on the balance sheet.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

8. Payables

	As at 30/9/2008 \$	As at 31/3/2008 \$
Amount due to unitholders	111,423	15,599
Accrued management fee	29,105	30,558
Accrued trustee's fee	6,220	6,122
Amount due to the Manager	115	3,659
Other payables and accruals	65,534	70,378
	212,397	126,316

The carrying amounts of payables approximate their fair values.

9. Net assets attributable to unitholders

	Note	As at 30/9/2008 \$	As at 31/3/2008 \$
At the beginning of the financial period		71,312,459	34,495,776
Operations			
Changes in net assets attributable to unitholders resulting from operations		(1,200,259)	2,286,607
Unitholders' contributions/ (withdrawals)			
Creation of units		9,323,264	67,170,902
Cancellation of units		(17,523,503)	(32,640,826)
Changes in net assets attributable to unitholders resulting from net creation and cancellation of units		(8,200,239)	34,530,076
Total (decrease)/increase in net assets attributable to unitholders		(9,400,498)	36,816,683
At the end of financial period		61,911,961	71,312,459
Units in issue			
Class A	10	12,501,322	13,901,603
Class B	10	31,084,051	35,503,700
Net assets attributable to unitholders per unit			
Class A		1.37	1.38
Class B		1.44	1.47

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

10. Units in issue

	As at 30/9/2008	As at 31/3/2008
Class A		
Units at beginning of the financial period	13,901,603	12,724,169
Units created	1,042,553	7,775,330
Units cancelled	(2,442,834)	(6,597,896)
Units at end of the financial period	12,501,322	13,901,603
Class B		
Units at beginning of the financial period	35,503,700	12,796,188
Units created	5,404,926	39,295,708
Units cancelled	(9,824,575)	(16,588,196)
Units at end of the financial period	31,084,051	35,503,700
Class Y		
Units at beginning of the financial period	-	137,959
Units created	-	17,360
Units cancelled	-	(155,319)
Units at end of the financial period	-	-

11. Related party transactions and balances

As at 30 September 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. From 1 January 2007 to 30 June 2007, the custodian was Citibank N.A.. The management fees, trustee fees and custody fees paid or payable by the Fund are shown in the Statement of Total Return. The Manager of the Fund in 2008 has agreed to reimburse the expenses if expense ratio of the Fund exceed 1.15%.

	1/4/2008 to 30/9/2008 \$	1/1/2007 to 30/6/2007 \$
Management fee (gross)	199,903	120,196
Reimbursement	(5,065)	-
Management fee (net)	194,838	120,196

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period between the Fund and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	1/4/2008 to 30/9/2008 \$	1/1/2007 to 30/6/2007 \$
Interest income received and receivable from a related company of the Custodian	3,618	7,227

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

12. Financial risk management

The Fund is exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk, and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

(b) Currency risk

The Fund takes on exposure to effects of fluctuations of foreign currency exchange rates on its financial positions and cash flows. To minimise currency risk, the Fund mainly hold its excess cash in the currency the Fund's financial statements are expressed in.

The assets and income of the Fund may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

The tables below summarise the currency profile of the assets and liabilities of the Fund.

As at 30/9/2008	AUD \$	SGD \$	USD \$	Total \$
Assets				
Portfolio of investments	-	61,676,292	-	61,676,292
Cash and bank balances	352	372,868	-	373,220
Receivables	-	74,846	-	74,846
Total assets	352	62,124,006	-	62,124,358
Liabilities				
Payables	-	211,150	1,247	212,397
Net assets attributable to unitholders	-	61,911,961	-	61,911,961
Total liabilities	-	62,123,111	1,247	62,124,358
Net balance sheet currency exposure	352	895	(1,247)	-

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

As at 31/3/2008	AUD \$	SGD \$	USD \$	Total \$
Assets				
Portfolio of investments	3,924,672	57,087,222	-	61,011,894
Cash and bank balances	94,091	7,959,297	-	8,053,388
Receivables	-	2,346,776	-	2,346,776
Fair value of financial derivatives	-	26,717	-	26,717
Total assets	4,018,763	67,420,012	-	71,438,775
Liabilities				
Payables	-	125,722	594	126,316
Net assets attributable to unitholders	-	71,312,459	-	71,312,459
Total liabilities	-	71,438,181	594	71,438,775
Net balance sheet currency exposure	4,018,763	(4,018,169)	(594)	-

In respect of investments in fixed income securities, the currency analysis above is based on the currencies in which the listed securities are denominated.

(c) Interest rate risk

The table below summarises the repricing profile of the Fund's assets and liabilities based on the earlier of the next contractual interest repricing date and the maturity date.

As at 30/9/2008	Up to 1 year \$	1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets					
Investments	5,072,085	28,209,302	27,995,871	399,034	61,676,292
Cash and cash equivalents	373,220	-	-	-	373,220
Receivables	-	-	-	74,846	74,846
Total assets	5,445,305	28,209,302	27,995,871	473,880	62,124,358
Liabilities					
Payables	-	-	-	212,397	212,397
Net assets attributable to unitholders	-	-	-	61,911,961	61,911,961
Total liabilities	-	-	-	62,124,358	62,124,358
Total interest sensitive gap	5,445,305	28,209,302	27,995,871	(61,650,478)	-
As at 31/3/2008					
Assets					
Investments	-	30,118,886	30,462,438	430,570	61,011,894
Cash and cash equivalents	8,053,388	-	-	-	8,053,388
Receivables	-	-	-	2,346,776	2,346,776
Financial derivatives at fair value	-	-	-	26,717	26,717
Total assets	8,053,388	30,118,886	30,462,438	2,804,063	71,438,775
Liabilities					
Payables	-	-	-	126,316	126,316
Net assets attributable to unitholders	-	-	-	71,312,459	71,312,459
Total liabilities	-	-	-	71,438,775	71,438,775
Total interest sensitive gap	8,053,388	30,118,886	30,462,438	(68,634,712)	-

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

(d) Liquidity risk

The Fund is exposed to daily cancellation of units. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

(e) Credit risk

The fund invests mainly in debt obligations of governments and companies in Singapore. Adverse changes in the country or company may cause the Fund to suffer a loss of interest or principal on any of its holdings of such debt. The government entity or company that controls the servicing of debt obligations may be unwilling or unable to repay the obligations in accordance with their terms. The Fund's exposure to credit risk arises primarily from its investments in fixed income securities and to a lesser extent, from its transaction with counterparties such as brokers, custodians and banks. The Manager has in place procedures for proper screening and monitoring of credit risk.

(f) Derivative risk

The Fund may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risks, credit risk, liquidity risk and leverage risk.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions.

13. Secured credit facility

The Fund has a credit facility with HSBC at 30 September 2008

	As at 30/9/2008 \$	As at 31/3/2008 \$
<u>Facility</u>		
Overdraft	3.5 million	3.5 million

The above credit facility is secured by way of a floating charge over all assets of the Fund and is not utilised at period end.

14. Financial ratios

	30/9/2008 %	30/6/2007 %
Ratio of expenses to average net assets ¹		
Class A	1.15	1.37
Class B	0.85	0.84
Class Y	-	1.38
Portfolio turnover rate ²	44.63	94.32

¹ Expense ratio is calculated in accordance with the IMAS Guidelines for the Disclosure of Expense Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee.

² Portfolio turnover rate is calculated in accordance with the formula stated in the Code on Collective Investment Schemes.

Report to Unitholders

For the half year ended 30 September 2008

Investment Allocation as at 30 September 2008

<u>By Country</u>	Market Value in S\$	% of NAV
Cayman Islands	4,088,623	6.60
Germany	1,770,480	2.86
India	724,170	1.17
Singapore	48,937,630	79.05
Supra-National	1,266,125	2.04
U Arab Emirates	252,390	0.41
United States	4,237,840	6.84
	<hr/> 61,277,258	<hr/> 98.97
Accrued interest on Fixed Income Securities	399,034	0.64
Portfolio of investments	<hr/> 61,676,292	<hr/> 99.61
Other net assets	235,669	0.39
Total	<hr/> 61,911,961	<hr/> 100.00

<u>By Industry</u>	Market Value in S\$	% of NAV
Bank	7,831,149	12.65
Finance	6,257,140	10.10
Government	34,849,525	56.29
Miscellaneous	2,568,473	4.15
Real estate	485,413	0.78
Real estate Investment Trust	9,285,558	15.00
	<hr/> 61,277,258	<hr/> 98.97
Accrued interest on Fixed Income Securities	399,034	0.64
Portfolio of investments	<hr/> 61,676,292	<hr/> 99.61
Other net assets	235,669	0.39
Total	<hr/> 61,911,961	<hr/> 100.00

<u>By Asset Class</u>	Market Value in S\$	% of NAV
Fixed income securities	61,277,258	98.97
	<hr/> 61,277,258	<hr/> 98.97
Accrued interest on Fixed Income Securities	399,034	0.64
Portfolio of investments	<hr/> 61,676,292	<hr/> 99.61
Other net assets	235,669	0.39
Total	<hr/> 61,911,961	<hr/> 100.00

Report to Unitholders

For the half year ended 30 September 2008

By Credit Rating*	Market Value in S\$	% of NAV
AAA	35,705,642	57.67
Aaa	4,406,043	7.11
Aa1	1,770,480	2.86
AA	2,019,300	3.26
Aa2	1,012,340	1.64
A1	252,390	0.41
A	1,322,133	2.13
A-	3,289,154	5.31
BBB+	1,231,845	1.99
Baa2	980,963	1.59
BBB-	724,170	1.17
Unrated	8,562,798	13.83
	<hr/>	
	61,277,258	98.97
Accrued interest on Fixed Income Securities	399,034	0.64
	<hr/>	
Portfolio of investments	61,676,292	99.61
Other net assets	235,669	0.39
	<hr/>	
Total	61,911,961	100.00

*By Standard & Poor's /Moody's

Top 10 Holdings

Holdings as at 30 September 2008	Market Value in S\$	% of NAV
Singapore Government SIGB 4% 01/09/2018	9,341,113	15.09
Singapore Government SIGB 2.25% 01/07/2013	6,535,573	10.56
Singapore Government SIGB 3.75% 01/09/2016	4,247,662	6.86
Singapore Government SIGB 3.5% 01/03/2027	3,302,218	5.33
Singapore Government SIGB 3.25% 01/09/2020	3,101,020	5.01
Housing & Development Board MTN 3.455% 01/03/2011	2,564,200	4.14
General Electric Capital Corporation EMTN 3.65% 06/04/2009	2,478,100	4.00
Singapore Government SIGB 2.5% 01/10/2012	2,221,039	3.59
Singapore Government SIGB 2.875% 01/07/2015	2,116,323	3.42
Jackson National Life Fund EMTN 3.92% 08/03/2011	2,019,300	3.26

Report to Unitholders

For the half year ended 30 September 2008

Holdings as at 30 June 2007

	Market Value in S\$	% of NAV
Singapore Gov't SIGB 3.75% 09/01/2016	7,181,576	16.24
Singapore Gov't SIGB 3.25% 09/01/2020	3,571,538	8.08
US Treasury N/BT 3.375% 10/15/2009	3,166,786	7.16
Singapore Gov't SIGB 3.5% 07/01/2012	2,833,573	6.41
Singapore Gov't SIGB 2.25% 07/01/2013	2,784,934	6.30
Singapore Gov't SIGB 4% 09/01/2018	2,368,519	5.36
Singapore Gov't SIGB 3.5% 03/01/2027	2,191,586	4.96
Singapore Gov't SIGB 3.625% 07/01/2011	2,110,401	4.77
Singapore Gov't SIGB 4.625% 07/01/2010	1,299,621	2.94
Overseas-Chinese OCBC 5% 09/06/2011	1,061,196	2.40

Exposure to Derivatives

	Market Value in S\$	% of NAV
Forward foreign exchange contracts	-	-
Net gains/(losses) on contracts realised for the period 1 April 2008 to 30 September 2008	(138,804)	-
Net gains/(losses) on outstanding contracts marked to market as at 30 September 2008	-	-

Investment in other unit trust, mutual funds and collective investment schemes

Nil as at 30 September 2008

Borrowings

Nil as at 30 September 2008

Amount of Redemptions and Subscriptions

For the period 1 April 2008 to 30 September 2008

	S\$
Redemptions	\$17,523,503
Subscriptions	\$9,323,264

Related Party Transactions

For the period 1 April 2008 to 30 September 2008

Refer to Note 11 of the "Notes to the Financial Statements".

Report to Unitholders

For the half year ended 30 September 2008

Performance

	Legg Mason Singapore Bond Fund*		Benchmark
	Class A	Class B	
3-month	+2.77%	+2.78%	+2.33%
6-month	-1.58%	-1.50%	-1.75%
1-year	+0.73%	+0.91%	+1.87%
3-year	+2.02%	+2.47%	+3.41%
5-year	+1.67%	+2.15%	+2.77%
10-year	+2.76%	+3.27%	+2.66%
Since inception	+2.96%	+3.40%	+2.72%

* Average Annual Compounded Return for periods above one year, bid-to-bid with dividends reinvested

Benchmark : UOB Singapore Government Bond Index All (S\$) w.e.f. 1 October 2006. Prior to 1 October 2006, the benchmark was 70% 3-month SIBID and 30% UOB SGS Index.

The inception dates were 15 November 1997 and 21 April 1998 respectively for Class A and Class B.

Benchmark since inception performance is for Class A only.

Since inception figures are calculated from the first full month of investment.

Source : Legg Mason International Equities (Singapore) Pte Limited

Expense Ratio

Class A

For the period 1 October 2007 to 30 September 2008 1.15%

For the period 1 July 2006 to 30 June 2007 1.37%

Class B

For the period 1 October 2007 to 30 September 2008 0.85%

For the period 1 July 2006 to 30 June 2007 0.84%

Class Y

For the period 1 October 2007 to 30 September 2008 -

For the period 1 July 2006 to 30 June 2007 1.38%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratio

For the period 1 April 2008 to 30 September 2008 44.63%

For the period 1 January 2007 to 30 June 2007 94.32%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

Report to Unitholders

For the half year ended 30 September 2008

Other Material Information

The financial year end for the Fund has been changed from 31 December to 31 March with effect from 1 July 2007.

The Fund had 3 classes of units in issue - Class A, Class B and Class Y. With effect from 31 January 2008, units in Class Y have ceased to be offered. All remaining units in Class Y have been merged with units in Class A. Class A and Class B unitholders currently pay management fee of 0.75% per annum and 0.5% per annum respectively.

Soft Dollar Commission/Arrangements

The Investment Manager did not receive any soft dollar commission or enter into any soft dollar arrangement in the management of the Fund.

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

- Legg Mason Singapore Dollar Fund
- Legg Mason Singapore Opportunities Trust

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

Legg Mason Portfolio Funds

- **Legg Mason Asia Tilt Balanced Fund**
- **Legg Mason Asia Tilt Growth Fund**
- **Legg Mason Asia Tilt Enhanced Growth Fund**
- **Legg Mason Global Growth Fund**

Statement of Total Return (Unaudited)

For the half year ended 30 September 2008

1/4/2008 to 30/9/2008

		Legg Mason Asia Tilt Balanced Fund \$	Legg Mason Asia Tilt Growth Fund \$	Legg Mason Asia Tilt Enhanced Growth Fund \$	Legg Mason Global Growth Fund \$
Investment income					
Interest income		19	28	22	10
Less: Expenses					
Audit fees		4,536	4,536	4,536	4,536
Trustee fees	11	1,278	1,781	1,088	602
Other expenses		1,594	1,707	1,544	1,344
		7,408	8,024	7,168	6,482
Net loss		(7,389)	(7,996)	(7,146)	(6,472)
Net gains or losses on value of investments					
Net realised gains/(losses) on investments sold		35,119	26,181	(10,003)	(9,096)
Net change in fair value on investments		(320,861)	(552,339)	(416,800)	(134,708)
Net foreign exchange losses		(1,662)	(2,601)	(1,736)	(308)
Net losses on value of investments		(287,404)	(528,759)	(428,539)	(144,112)
Total deficit for the financial period before income tax		(294,793)	(536,755)	(435,685)	(150,584)
Less: Income tax	4	-	-	-	-
Total deficit for the financial period		(294,793)	(536,755)	(435,685)	(150,584)

The accompanying notes form an integral part of these financial statements.

Statement of Total Return (Unaudited)

For the half year ended 30 September 2008

	Notes	1/1/2007 to 30/6/2007			
		Legg Mason Asia Tilt Balanced Fund \$	Legg Mason Asia Tilt Growth Fund \$	Legg Mason Asia Tilt Enhanced Growth Fund \$	Legg Mason Global Growth Fund \$
Investment income					
Interest income		54	125	43	25
Less: Expenses					
Audit fees		3,937	3,937	3,937	3,937
Custody fees	11	2,309	3,854	2,680	1,291
Trustee fees	11	1,851	3,180	2,162	1,073
Other expenses		6,634	7,198	6,518	6,555
		14,731	18,169	15,297	12,856
Net loss		(14,677)	(18,044)	(15,254)	(12,831)
Net gains or losses on value of investments					
Net realised gains on investments sold		281,891	490,098	282,667	46,014
Net change in fair value on investments		(55,309)	58,113	210,399	81,131
Net foreign exchange losses		(6,355)	(13,446)	(8,314)	(3,137)
Net gains on value of investments		220,227	534,765	484,752	124,008
Total return for the financial period before income tax		205,550	516,721	469,498	111,177
Less: Income tax	4	-	-	-	-
Total return for the financial period		205,550	516,721	469,498	111,177

The accompanying notes form an integral part of these financial statements.

Balance Sheet (Unaudited)

As at 30 September 2008

		As at 30/9/2008			
	Notes	Legg Mason Asia Tilt Balanced Fund \$	Legg Mason Asia Tilt Growth Fund \$	Legg Mason Asia Tilt Enhanced Growth Fund \$	Legg Mason Global Growth Fund \$
ASSETS					
Portfolio of investments		2,767,088	3,781,955	2,118,320	1,343,436
Cash and cash equivalents	6	50,911	66,911	60,931	25,423
Receivables	7	28	-	4,170	-
Sales awaiting settlement		17,156	-	-	-
Total assets		2,835,183	3,848,866	2,183,421	1,368,859
LIABILITIES					
Payables	8	37,021	20,469	29,810	22,670
Net assets attributable to unitholders	9	2,798,162	3,828,397	2,153,611	1,346,189
Total liabilities		2,835,183	3,848,866	2,183,421	1,368,859

The accompanying notes form an integral part of these financial statements.

Balance Sheet (Unaudited)

As at 30 September 2008

		As at 31/3/2008			
	Notes	Legg Mason Asia Tilt Balanced Fund \$	Legg Mason Asia Tilt Growth Fund \$	Legg Mason Asia Tilt Enhanced Growth Fund \$	Legg Mason Global Growth Fund \$
ASSETS					
Portfolio of investments		3,389,930	4,701,108	2,872,827	1,537,592
Cash and cash equivalents	6	41,041	89,307	58,261	20,559
Receivables	7	-	-	385	-
Sales awaiting settlement		17,916	23,429	-	30,319
Total assets		3,448,887	4,813,844	2,931,473	1,588,470
LIABILITIES					
Payables	8	36,079	71,125	37,002	56,440
Net assets attributable to unitholders	9	3,412,808	4,742,719	2,894,471	1,532,030
Total liabilities		3,448,887	4,813,844	2,931,473	1,588,470

The accompanying notes form an integral part of these financial statements.

Portfolio Statement (Unaudited)

As at 30 September 2008

	Holdings as at 30/09/2008 \$	Market value as at 30/09/2008 %	Percentage of total net assets attributable to unitholders at 30/09/2008 %	Percentage of total net assets attributable to unitholders at 31/03/2008
<u>Legg Mason Asia Tilt Balanced Fund</u>¹				
Legg Mason Portfolios - Legg Mason Asia Tilt-Balanced Portfolio	119,990	2,767,088	98.89	99.33
		2,767,088	98.89	99.33
Portfolio of investments		2,767,088	98.89	99.33
Other net assets		31,074	1.11	0.67
Net assets attributable to unitholders		2,798,162	100.00	100.00
<u>Legg Mason Asia Tilt Growth Fund</u>¹				
Legg Mason Portfolios - Legg Mason Asia Tilt-Growth Portfolio	178,373	3,781,955	98.79	99.12
		3,781,955	98.79	99.12
Portfolio of investments		3,781,955	98.79	99.12
Other net assets		46,442	1.21	0.88
Net assets attributable to unitholders		3,828,397	100.00	100.00
<u>Legg Mason Asia Tilt Enhanced Growth Fund</u>¹				
Legg Mason Portfolios - Legg Mason Asia Tilt-Enhanced Growth Portfolio	116,117	2,118,320	98.36	99.25
		2,118,320	98.36	99.25
Portfolio of investments		2,118,320	98.36	99.25
Other net assets		35,291	1.64	0.75
Net assets attributable to unitholders		2,153,611	100.00	100.00
<u>Legg Mason Global Growth Fund</u>¹				
Legg Mason Portfolios - Legg Mason Global-Growth Portfolio	78,567	1,343,436	99.80	100.36
		1,343,436	99.80	100.36
Portfolio of investments		1,343,436	99.80	100.36
Other net assets/(liabilities)		2,753	0.20	(0.36)
Net assets attributable to unitholders		1,346,189	100.00	100.00

¹ As the sub-fund is invested wholly as a Feeder Fund into an underlying unit trust, it is not meaningful to classify the investments into industry, country or asset class.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Portfolio Funds (formerly known as CitiSelect Funds) is a Unit Trust constituted by a Trust Deed dated 27 March 1998 (the "Original Deed"). The Original Deed, as modified by subsequent supplemental deeds (the "Supplemental Deeds") was amended and restated by a Third Amended and Restated Deed dated 23 December 2005 (collectively referred to as the "Deed"). The Deed was between Legg Mason International Equities (Singapore) Pte Ltd and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Deed is governed by the laws of the Republic of Singapore.

CitiSelect Funds changed its name to Legg Mason Portfolio Funds effective 30 September 2008.

Legg Mason Portfolio Funds comprise the following 6 sub-funds:

- Legg Mason Asia Tilt Balanced Fund (formerly known as CitiSelect Asia Tilt Balanced Fund);
- Legg Mason Asia Tilt Growth Fund (formerly known as CitiSelect Asia Tilt Growth Fund);
- Legg Mason Asia Tilt Enhanced Growth Fund (formerly known as CitiSelect Asia Tilt Enhanced Growth Fund);
- Legg Mason Global Growth Fund (formerly known as CitiSelect Global Growth Fund);
- Legg Mason Global Enhanced Growth Fund (formerly known as CitiSelect Global Enhanced Growth Fund) (not yet launched); and
- Legg Mason Global Balanced Fund (formerly known as CitiSelect Global Balanced Fund) (not yet launched).

These sub-funds are feeder funds that invest substantially all its assets in sub-funds of Legg Mason Portfolios, an open-ended mutual investment fund constituted under Luxembourg Law. Legg Mason Portfolios is managed by a related company of the Manager.

With effect from 1 July 2007, the Funds have adopted 31 March as their new financial year end. The first semi-annual financial statements with the new financial year end is for the period from 1 April 2008 to 30 September 2008.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trust" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore Dollars, which is the functional currency of the Funds.

(b) Income recognition

Dividend income is recorded gross in the financial statements in the accounting period which the security is quoted ex-dividend.

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statements of Total Return.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

(d) Financial assets at fair value through profit and loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the period in which they arise. The resultant unrealised gains and losses taken to the Statements of Total Return.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and are taken up in the Statements of Total Return.

(e) Basis of valuation of investments

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price for the investments held by the Fund is the current market quoted net asset value of the underlying fund.

3. Management fees

There is no management fee for Legg Mason Portfolio Funds as the Manager has waived the charge.

4. Income Tax

The Funds are designated unit trusts and, therefore, the following income is exempted from tax in accordance with section 35(12) of the Income Tax Act:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (c) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.

5. Distribution to unitholders

The Manager does not propose any distribution to unitholders for the financial period ended 30 September 2008 (30 June 2007: \$Nil).

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

6. Cash and bank balances

	Legg Mason Asia Tilt Balanced Fund \$	Legg Mason Asia Tilt Growth Fund \$	Legg Mason Asia Tilt Enhanced Growth Fund \$	Legg Mason Global Growth Fund \$
As at 30/9/2008				
Bank balances	50,911	66,911	60,931	25,423
As at 31/3/2008				
Bank balances	41,041	89,307	58,261	20,559

The carrying amounts of cash and bank balances approximate their fair values.

7. Receivables

	Legg Mason Asia Tilt Balanced Fund \$	Legg Mason Asia Tilt Growth Fund \$	Legg Mason Asia Tilt Enhanced Growth Fund \$	Legg Mason Global Growth Fund \$
As at 30/9/2008				
Other receivable	28	-	-	-
Amount due from unitholders	-	-	4,170	-
	28	-	4,170	-
As at 31/3/2008				
Amount due from unitholders	-	-	385	-
	-	-	385	-

The carrying amounts of receivables approximate their fair values.

8. Payables

	Legg Mason Asia Tilt Balanced Fund \$	Legg Mason Asia Tilt Growth Fund \$	Legg Mason Asia Tilt Enhanced Growth Fund \$	Legg Mason Global Growth Fund \$
As at 30/9/2008				
Amount due to unitholders	16,413	-	8,807	-
Other payables and accruals	20,608	20,469	21,003	22,670
	37,021	20,469	29,810	22,670
As at 31/3/2008				
Amount due to unitholders	7,882	43,052	8,676	24,524
Other payables and accruals	28,197	28,073	28,326	31,916
	36,079	71,125	37,002	56,440

The carrying amounts of payables approximate their fair values.

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

9. Net assets attributable to unitholders

	As at 30/9/2008			
	Legg Mason Asia Tilt Balanced Fund \$	Legg Mason Asia Tilt Growth Fund \$	Legg Mason Asia Tilt Enhanced Growth Fund \$	Legg Mason Global Growth Fund \$
At the beginning of the financial period	3,412,808	4,742,719	2,894,471	1,532,030
Operations				
Change in net assets attributable to unitholders resulting from operations	(294,793)	(536,755)	(435,685)	(150,584)
Unitholders' contributions/ (withdrawals)				
Creation of units	582	975	10,804	975
Cancellation of units	(320,435)	(378,542)	(315,979)	(36,232)
Changes in net assets attributable to unitholders resulting from net cancellation of units	(319,853)	(377,567)	(305,175)	(35,257)
Total decrease in net assets attributable to unitholders	(614,646)	(914,322)	(740,860)	(185,841)
At the end of financial period	2,798,162	3,828,397	2,153,611	1,346,189
Units in issue (see Note 10)	2,315,668	3,243,334	1,956,894	1,448,842
Net assets attributable to unitholders per unit	1.21	1.18	1.10	0.93

	As at 31/3/2008			
	Legg Mason Asia Tilt Balanced Fund \$	Legg Mason Asia Tilt Growth Fund \$	Legg Mason Asia Tilt Enhanced Growth Fund \$	Legg Mason Global Growth Fund \$
At the beginning of the financial period	5,481,258	9,703,636	6,302,593	3,282,474
Operations				
Change in net assets attributable to unitholders resulting from operations	(390,099)	(539,054)	(317,701)	(295,104)
Unitholders' contributions/ (withdrawals)				
Creation of units	551,093	76,564	33,020	52,027
Cancellation of units	(2,229,444)	(4,498,427)	(3,123,441)	(1,507,367)
Changes in net assets attributable to unitholders resulting from net cancellation of units	(1,678,351)	(4,421,863)	(3,090,421)	(1,455,340)
Total decrease in net assets attributable to unitholders	(2,068,450)	(4,960,917)	(3,408,122)	(1,750,444)
At the end of financial period	3,412,808	4,742,719	2,894,471	1,532,030
Units in issue (see Note 10)	2,562,706	3,526,186	2,206,852	1,484,829
Net assets attributable to unitholders per unit	1.33	1.34	1.31	1.03

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

10. Units in issue

	Legg Mason Asia Tilt Balanced Fund	Legg Mason Asia Tilt Growth Fund	Legg Mason Asia Tilt Enhanced Growth Fund	Legg Mason Global Growth Fund
As at 30/9/2008				
Units at beginning of the financial period	2,562,706	3,526,186	2,206,852	1,484,829
Units created	443	768	8,586	985
Units cancelled	(247,481)	(283,620)	(258,544)	(36,972)
Units at end of the financial period	2,315,668	3,243,334	1,956,894	1,448,842
As at 31/3/2008				
Units at beginning of the financial period	3,678,273	6,383,191	4,199,464	2,708,239
Units created	385,518	43,043	21,854	43,975
Units cancelled	(1,501,085)	(2,900,048)	(2,014,466)	(1,267,385)
Units at end of the financial period	2,562,706	3,526,186	2,206,852	1,484,829

11. Related party transactions and balances

As at 30 September 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. From 1 January 2007 to 30 June 2007, the custodian was Citibank N.A. The trustee fees and custodian fees paid or payable by the Funds are shown in the Statements of Total Return.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period between the Funds and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	Legg Mason Asia Tilt Balanced Fund \$	Legg Mason Asia Tilt Growth Fund \$	Legg Mason Asia Tilt Enhanced Growth Fund \$	Legg Mason Global Growth Fund \$
30/9/2008				
Interest income received and receivable from a related company of the Trustee	19	28	22	10
30/6/2007				
Interest income received and receivable from a related company of the Trustee	-	-	-	-

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

12. Financial risk management

The Fund is exposed to market risk (includes currency risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

The usual risks of investing and participating in listed and unlisted securities apply to an investment in the units of the Funds. Prices of securities may go up or down in response to changes in economic conditions, interest rates and the market's perception of securities. These may cause the prices of units in the Funds to go up or down as the prices of units in the Funds are based on the net asset value of the units of the underlying Funds.

As the Funds invest wholly into underlying funds, they are exposed to the fair value movements of the underlying Funds' investments, which is in accordance with the investment strategy and objective of the Funds.

(b) Currency risk

The Funds take on exposure to effects of fluctuations of foreign currency exchange rates on its financial positions and cash flows. To minimise currency risk, the Funds mainly hold its excess cash in the currency the Funds financial statements are expressed in.

The tables below summarise the currency profile of the assets and liabilities of the Funds.

Legg Mason Asia Tilt Balanced Fund

	SGD \$	USD \$	Total \$
As at 30/9/2008			
Assets			
Portfolio of investments	-	2,767,088	2,767,088
Cash and bank balances	50,911	-	50,911
Receivables	28	-	28
Sales awaiting settlement	-	17,156	17,156
Total assets	50,939	2,784,244	2,835,183
Liabilities			
Payables	37,021	-	37,021
Net assets attributable to unitholders	2,798,162	-	2,798,162
Total liabilities	2,835,183	-	2,835,183
Net balance sheet currency exposure	(2,784,244)	2,784,244	-

As at 31/3/2008

Assets			
Portfolio of investments	-	3,389,930	3,389,930
Cash and bank balances	41,041	-	41,041
Sales awaiting settlement	-	17,916	17,916
Total assets	41,041	3,407,846	3,448,887
Liabilities			
Payables	36,079	-	36,079
Net assets attributable to unitholders	3,412,808	-	3,412,808
Total liabilities	3,448,887	-	3,448,887
Net balance sheet currency exposure	(3,407,846)	3,407,846	-

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

Legg Mason Asia Tilt Growth Fund

	SGD \$	USD \$	Total \$
As at 30/9/2008			
Assets			
Portfolio of investments	-	3,781,955	3,781,955
Cash and bank balances	66,888	23	66,911
Sales awaiting settlement	-	-	-
Total assets	66,888	3,781,978	3,848,866
Liabilities			
Payables	20,469	-	20,469
Net assets attributable to unitholders	3,828,397	-	3,828,397
Total liabilities	3,848,866	-	3,848,866
Net balance sheet currency exposure	(3,781,978)	3,781,978	-

As at 31/3/2008

Assets			
Portfolio of investments	-	4,701,108	4,701,108
Cash and bank balances	69,991	19,316	89,307
Sales awaiting settlement	-	23,429	23,429
Total assets	69,991	4,743,853	4,813,844
Liabilities			
Payables	71,125	-	71,125
Net assets attributable to unitholders	4,742,719	-	4,742,719
Total liabilities	4,813,844	-	4,813,844
Net balance sheet currency exposure	(4,743,853)	4,743,853	-

Legg Mason Asia Tilt Enhanced Fund

	SGD \$	USD \$	Total \$
As at 30/9/2008			
Assets			
Portfolio of investments	-	2,118,320	2,118,320
Cash and bank balances	60,925	6	60,931
Receivables	4,170	-	4,170
Total assets	65,095	2,118,326	2,183,421
Liabilities			
Payables	29,810	-	29,810
Net assets attributable to unitholders	2,153,611	-	2,153,611
Total liabilities	2,183,421	-	2,183,421
Net balance sheet currency exposure	(2,118,326)	2,118,326	-

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

	SGD	USD	Total
As at 31/3/2008	\$	\$	\$
Assets			
Portfolio of investments	-	2,872,827	2,872,827
Cash and bank balances	58,255	6	58,261
Receivables	385	-	385
Total assets	58,640	2,872,833	2,931,473
Liabilities			
Payables	37,002	-	37,002
Net assets attributable to unitholders	2,894,471	-	2,894,471
Total liabilities	2,931,473	-	2,931,473
Net balance sheet currency exposure	(2,872,833)	2,872,833	-

Legg Mason Global Growth Fund

	SGD	USD	Total
As at 30/9/2008	\$	\$	\$
Assets			
Portfolio of investments	-	1,343,436	1,343,436
Cash and bank balances	25,423	-	25,423
Sales awaiting settlement	-	-	-
Fair value of financial derivatives	-	-	-
Total assets	25,423	1,343,436	1,368,859
Liabilities			
Payables	22,670	-	22,670
Net assets attributable to unitholders	1,346,189	-	1,346,189
Total liabilities	1,368,859	-	1,368,859
Net balance sheet currency exposure	(1,343,436)	1,343,436	-

As at 31/3/2008

Assets			
Portfolio of investments	-	1,537,592	1,537,592
Cash and bank balances	20,559	-	20,559
Sales awaiting settlement	-	30,319	30,319
Total assets	20,559	1,567,911	1,588,470
Liabilities			
Payables	56,440	-	56,440
Net assets attributable to unitholders	1,532,030	-	1,532,030
Total liabilities	1,588,470	-	1,588,470
Net balance sheet currency exposure	(1,567,911)	1,567,911	-

Notes to the Financial Statements (Unaudited)

For the half year ended 30 September 2008

(c) Interest rate risk

The Funds have no significant interest-bearing assets and liabilities. Hence, the Funds are not subjected to risk of fluctuations in the prevailing levels of market interest rates.

(d) Liquidity risk

The Funds are exposed to daily cancellation of units. They therefore invest the majority of assets through the underlying funds in investments that are traded in an active market and can be readily disposed of.

13. Secured credit facility

The Funds have credit facilities with HSBC at 30 September 2008.

	Legg Mason Asia Tilt Balanced Fund \$	Legg Mason Asia Tilt Growth Fund \$	Legg Mason Asia Tilt Enhanced Growth Fund \$	Legg Mason Global Growth Fund \$
As at 30/9/2008				
<u>Facility</u>				
Overdraft limit	375,000	640,000	445,000	215,000
As at 31/3/2008				
<u>Facility</u>				
Overdraft limit	375,000	640,000	445,000	215,000

14. Financial ratios

	Legg Mason Asia Tilt Balanced Fund %	Legg Mason Asia Tilt Growth Fund %	Legg Mason Asia Tilt Enhanced Growth Fund %	Legg Mason Global Growth Fund %
30/9/2008				
Expense ratio ¹	2.79	2.71	3.08	3.61
Portfolio turnover ratio ²	-	-	-	-
30/6/2007				
Expense ratio ¹	2.52	2.49	2.79	3.07
Turnover ratio ²	0.49	29.29	26.47	1.06

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expense Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Funds do not pay any performance fees.

² Turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes.

Report to Unitholders

For the half year ended 30 September 2008

Investment Allocation as at 30 September 2008

The Legg Mason Portfolio Funds comprises the following sub-funds: Legg Mason Asia Tilt Balanced Fund; Legg Mason Asia Tilt Growth Fund; Legg Mason Asia Tilt Enhanced Growth Fund and the Legg Mason Global Growth Fund. These sub-funds are feeder funds that invest substantially all its assets in sub-funds of Legg Mason Portfolios, an open-ended mutual fund constituted under Luxembourg Law.

As the Funds are invested wholly as feeder funds into the underlying unit trust, it is not meaningful to classify the investments by country, industry, asset class or credit rating.

Exposure to Derivatives

Nil for the period under review

Investment in other unit trust, mutual funds and collective investment schemes

	Market Value in S\$	% of NAV
Legg Mason Asia Tilt Balanced Fund		
Legg Mason Portfolios - Legg Mason Asia Tilt Balanced Portfolio	2,767,088	98.89
Legg Mason Asia Tilt Growth Fund		
Legg Mason Portfolios - Legg Mason Asia Tilt Growth Portfolio	3,781,955	98.79
Legg Mason Asia Tilt Enhanced Growth Fund		
Legg Mason Portfolios - Legg Mason Asia Tilt Enhanced Growth Portfolio	2,118,320	98.36
Legg Mason Global Growth Fund		
Legg Mason Portfolios - Legg Mason Global Growth Portfolio	1,343,436	99.80

Borrowings

Nil as at 30 September 2008

Amount of Redemptions and Subscriptions

For the period 1 April 2008 to 30 September 2008

Legg Mason Asia Tilt Balanced Fund	S\$
Redemptions	\$320,435
Subscriptions	\$582
Legg Mason Asia Tilt Growth Fund	S\$
Redemptions	\$378,542
Subscriptions	\$975
Legg Mason Asia Tilt Enhanced Growth Fund	S\$
Redemptions	\$315,979
Subscriptions	\$10,804
Legg Mason Global Growth Fund	S\$
Redemptions	\$36,232
Subscriptions	\$975

Report to Unitholders

For the half year ended 30 September 2008

Related Party Transactions

For the period 1 April 2008 to 30 September 2008

Refer to Note 11 of the "Notes to the Financial Statements".

Performance

	Legg Mason Asia Tilt Balanced Fund*	Benchmark
3-month	-4.72%	-4.79%
6-month	-9.02%	-8.60%
1-year	-21.43%	-17.70%
3-year	-6.07%	-2.11%
5-year	-0.81%	+2.77%
10-year	+2.34%	+5.11%
Since inception	+1.67%	+4.55%

Benchmark : 50% Lehman Brothers Global Aggregate hedged to USD, 30% MSCI All Country World Free, 20% MSCI All Country Far East ex Japan ex China (S\$) w.e.f. 14 January 2005. Prior to 14 January 2005, the benchmark was 50% Lehman Brothers US Government Bond Index, 30% MSCI All Country World Free, 20% MSCI All Country Far East Free ex Japan ex China (S\$).

The inception date was 5 May 1998.

	Legg Mason Asia Tilt Growth Fund*	Benchmark
3-month	-7.81%	-8.73%
6-month	-12.59%	-12.60%
1-year	-26.25%	-23.66%
3-year	-6.20%	-2.37%
5-year	+0.17%	+3.86%
10-year	+3.21%	+5.39%
Since inception	+1.61%	+4.17%

Benchmark : 30% Lehman Brothers Global Aggregate hedged to USD, 45% MSCI All Country World Free, 25% MSCI All Country Far East ex Japan ex China (S\$) w.e.f. 14 January 2005. Prior to 14 January 2005, benchmark was 30% Lehman Brothers US Government Bond Index, 45% MSCI All Country World Free, 25% MSCI All Country Far East Free ex Japan ex China (S\$).

The inception date was 5 May 1998.

	Legg Mason Asia Tilt Enhanced Growth Fund*	Benchmark
3-month	-11.29%	-12.95%
6-month	-16.03%	-17.15%
1-year	-31.68%	-29.79%
3-year	-6.83%	-2.61%
5-year	+0.74%	+5.01%
10-year	+2.73%	+5.81%
Since inception	+1.12%	+4.15%

Benchmark : 10% Lehman Brothers Global Aggregate hedged to USD, 55% MSCI All Country World Free, 35% MSCI All Country Far East ex Japan ex China (S\$) w.e.f. 14 January 2005. Prior to 14 January 2005, the benchmark was 10% Lehman Brothers US Government Bond Index, 55% MSCI All Country World Free, 35% MSCI All Country Far East Free ex Japan ex China (S\$).

The inception date was 5 May 1998.

Report to Unitholders

For the half year ended 30 September 2008

	Legg Mason Global Growth Fund*	Benchmark
3-month	-7.00%	-6.85%
6-month	-9.71%	-9.43%
1-year	-24.39%	-21.26%
3-year	-7.89%	-3.03%
5-year	-1.64%	+3.15%
10-year	N/A	N/A
Since inception	-1.04%	+2.29%

Benchmark : 30% Lehman Brothers Global Aggregate hedged to USD, 70% MSCI All Country World Free (S\$) w.e.f. 14 January 2005. Prior to 14 January 2005, benchmark was 30% Lehman Brothers US Government Bond Index, 70% MSCI All Country World Free (S\$).

The inception date was 1 December 1998.

** Average Annual Compounded Return for periods above one year, bid-to-bid with dividends reinvested*

Since inception figures are calculated from the first full month of investment.

Source : Legg Mason International Equities (Singapore) Pte Limited

Expense Ratio

Legg Mason Asia Tilt Balanced Fund

For the period 1 October 2007 to 30 September 2008 2.79%

For the period 1 July 2006 to 30 June 2007 2.52%

Legg Mason Asia Tilt Growth Fund

For the period 1 October 2007 to 30 September 2008 2.71%

For the period 1 July 2006 to 30 June 2007 2.49%

Legg Mason Asia Tilt Enhanced Growth Fund

For the period 1 October 2007 to 30 September 2008 3.08%

For the period 1 July 2006 to 30 June 2007 2.79%

Legg Mason Global Growth Fund

For the period 1 October 2007 to 30 September 2008 3.61%

For the period 1 July 2006 to 30 June 2007 3.07%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Report to Unitholders

For the half year ended 30 September 2008

Turnover Ratio

Legg Mason Asia Tilt Balanced Fund

For the period 1 April 2008 to 30 October 2008	-
For the period 1 January 2007 to 30 June 2007	0.49%

Legg Mason Asia Tilt Growth Fund

For the period 1 April 2008 to 30 October 2008	-
For the period 1 January 2007 to 30 June 2007	29.29%

Legg Mason Asia Tilt Enhanced Growth Fund

For the period 1 April 2008 to 30 October 2008	-
For the period 1 January 2007 to 30 June 2007	26.47%

Legg Mason Global Growth Fund

For the period 1 April 2008 to 30 October 2008	-
For the period 1 January 2007 to 30 June 2007	1.06%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

Other Material Information

The financial year end for the Funds has been changed from 31 December to 31 March with effect from 1 July 2007.

As of 30 September 2008, Legg Mason Global Asset Allocation, LLC ("LMGAA") and ClearBridge Advisors, LLC ("CA") have been appointed to replace Smith Barney Fund Management LLC as the new General Portfolio Manager and new Investment Adviser respectively of the Luxembourg-domiciled Legg Mason Portfolios (the "Underlying Fund").

In addition, the name of the Underlying Fund has been changed to Legg Mason Portfolios with effect from 30 September 2008. The Fund has also been renamed as Legg Mason Portfolio Funds and the sub-funds have also been renamed as follows:-
 Legg Mason Asia Tilt Balanced Fund (formerly known as CitiSelect Asia Tilt Balanced Fund)
 Legg Mason Asia Tilt Growth Fund (formerly known as CitiSelect Asia Tilt Growth Fund)
 Legg Mason Asia Tilt Enhanced Growth Fund (formerly known as CitiSelect Asia Tilt Enhanced Growth Fund)
 Legg Mason Global Growth Fund (formerly known as CitiSelect Global Growth Fund)

Soft Dollar Commission/Arrangements

The Investment Manager did not receive any soft dollar commission or enter into any soft dollar arrangement in the management of the Trust.

Report to Unitholders

For the half year ended 30 September 2008

The Legg Mason Asia Tilt Balanced Fund invests more than 30% of its assets in the Legg Mason Portfolios - Legg Mason Asia Tilt Balanced Portfolio. The following are key information on the underlying fund:

Top 10 Holdings

Holdings as at 30 September 2008

	Market Value in US\$	% of NAV
DePfa ACS Bank 1.650% 20/12/2016	241,275	1.60
Metropolitan Life Global Fdg I 5.250% 19/12/2008	203,990	1.36
Taiwan Semiconductor Manufacturing Company Limited	195,103	1.30
Fannie Mae Pool 5.500% 25/10/2017	183,964	1.22
Fannie Mae Pool 5.500% 01/03/2029	182,433	1.21
Kreditanstalt fuer Wiederaufbau 5.050% 04/02/2025	151,441	1.01
Banco Bilbao Vizcaya Argentaria 5.750% 20/07/2017	147,038	0.98
Hon Hai Precision Industry	143,683	0.96
Fannie Mae Pool 6.500% 01/10/2034	140,185	0.93
France (Govt of) OAT 3.750% 25/04/2017	139,535	0.93

Holdings as at 30 June 2007

	Market Value in US\$	% of NAV
DePfa ACS Bank 1.650% 20/12/2016	449,299	1.79
Taiwan Semiconductor Manufacturing Company Limited	399,273	1.59
Hon Hai Precision Industry	341,693	1.36
Germany (Govt of) 4.250% 04/07/2039	339,605	1.35
Germany (Govt of) Bundesschatzanweisungen 3.750% 13/03/2009	305,068	1.21
Permanent Fin. 3.962% 10/03/2011	289,258	1.15
Fannie Mae Pool No.907234 - 5.500% 01/12/2036	270,170	1.08
United States Tsy N/B 4.750% 31/05/2012	235,427	0.94
Fannie Mae Pool No.863092 - 6.000% 01/01/2036	226,209	0.90
City Developments Limited	224,578	0.89

Expense Ratio

For the period 1 October 2007 to 30 September 2008	2.14%
For the period 1 July 2006 to 30 June 2007	2.04%

Turnover Ratio

For the period 1 April 2008 to 30 September 2008	23.17%
For the period 1 January 2007 to 30 June 2007	22.26%

Report to Unitholders

For the half year ended 30 September 2008

The Legg Mason Asia Tilt Growth Fund invests more than 30% of its assets in the Legg Mason Portfolios - Legg Mason Asia Tilt Growth Portfolio. The following are key information on the underlying fund:

Top 10 Holdings

Holdings as at 30 September 2008

	Market Value in US\$	% of NAV
Taiwan Semiconductor Manufacturing Company Limited	285,838	1.71
Hon Hai Precision Industry	210,505	1.26
DePfa ACS Bank 1.650% 20/12/2016	169,867	1.02
Jardine Matheson Holdings Limited	159,433	0.95
Metropolitan Life Global Fdg I 5.250% 19/12/2008	143,617	0.86
Swire Pacific Limited	141,356	0.85
Berkshire Hathaway Inc. - A	132,576	0.79
Fannie Mae Pool 5.500% 25/10/2017	129,518	0.77
Fannie Mae Pool 5.500% 01/03/2029	128,439	0.77
Shinsegae Company Limited	120,925	0.72

Holdings as at 30 June 2007

	Market Value in US\$	% of NAV
Taiwan Semiconductor Manufacturing Company Limited	592,294	1.97
Hon Hai Precision Industry	506,878	1.69
City Developments Limited	333,146	1.11
DePfa ACS Bank 1.650% 20/12/2016	320,275	1.07
Kookmin Bank	288,784	0.96
Hyundai Development Company	275,927	0.92
Shinsegae Company Limited	250,298	0.83
Samsung Electronics Company Limited	243,653	0.81
Germany (Govt of) 4.250% 04/07/2039	242,082	0.81
Bumiputra-Commerce Holdings BHD	239,743	0.80

Expense Ratio

For the period 1 October 2007 to 30 September 2008	2.23%
For the period 1 July 2006 to 30 June 2007	2.14%

Turnover Ratio

For the period 1 April 2008 to 30 September 2008	23.75%
For the period 1 January 2007 to 30 June 2007	21.66%

Report to Unitholders

For the half year ended 30 September 2008

The Legg Mason Asia Tilt Enhanced Growth Fund invests more than 30% of its assets in the Legg Mason Portfolios - Legg Mason Asia Tilt Enhanced Growth Portfolio. The following are key information on the underlying fund:

Top 10 Holdings

Holdings as at 30 September 2008

	Market Value in US\$	% of NAV
Taiwan Semiconductor Manufacturing Company Limited	437,387	2.54
Hon Hai Precision Industry	322,112	1.87
Jardine Matheson Holdings Limited	243,963	1.42
Swire Pacific Limited	216,302	1.26
Shinsegae Company Limited	185,038	1.08
Posco	180,258	1.05
Berkshire Hathaway Inc. - A	177,515	1.03
Samsung Electronics Company Limited	171,489	1.00
Samsung Fire & Marine Insurance Company Limited	157,199	0.91
Amazon.com Inc.	157,133	0.91

Holdings as at 30 June 2007

	Market Value in US\$	% of NAV
Taiwan Semiconductor Manufacturing Company Limited	910,902	2.75
Hon Hai Precision Industry	779,538	2.35
City Developments Limited	512,351	1.55
Kookmin Bank	444,127	1.34
Hyundai Development Company	424,354	1.28
Shinsegae Company Limited	384,938	1.16
Samsung Electronics Company Limited	374,719	1.13
Bumiputra-Commerce Holdings BHD	368,705	1.11
DBS Group Holdings Limited	368,312	1.11
Samsung Fire & Marine Insurance Company Limited	341,762	1.03

Expense Ratio

For the period 1 October 2007 to 30 September 2008	2.37%
For the period 1 July 2006 to 30 June 2007	2.33%

Turnover Ratio

For the period 1 April 2008 to 30 September 2008	33.56%
For the period 1 January 2007 to 30 June 2007	21.61%

Report to Unitholders

For the half year ended 30 September 2008

The Legg Mason Global Growth Fund invests more than 30% of its assets in the Legg Mason Portfolios - Legg Mason Global Growth Portfolio. The following are key information on the underlying fund:

Top 10 Holdings

Holdings as at 30 September 2008

	Market Value in US\$	% of NAV
Berkshire Hathaway Inc. - A	41,069	1.10
DePfa ACS Bank 1.650% 20/12/2016	36,535	0.98
Amazon.com Inc.	36,353	0.98
Amgen Inc.	35,318	0.95
Genentech Inc.	34,844	0.94
Metropolitan Life Global Fdg I 5.250% 19/12/2008	30,889	0.83
Nestle SA - Reg.	30,035	0.81
Fannie Mae Pool 5.500% 25/10/2017	27,857	0.75
Fannie Mae Pool 5.500% 01/03/2029	27,625	0.74
General Electric Company	27,093	0.73

Holdings as at 30 June 2007

	Market Value in US\$	% of NAV
Amazon.com Inc.	75,529	1.10
DePfa ACS Bank 1.650% 20/12/2016	73,471	1.07
Merrill Lynch & Company Inc.	63,728	0.93
Genentech Inc.	56,820	0.83
Germany (Govt of) 4.250% 04/07/2039	55,534	0.81
Time Warner Inc.	51,461	0.75
Germany (Govt of) Bundesschatzanweisungen 3.750% 13/03/2009	49,886	0.73
Permanent Fin. 3.962% 10/03/2011	47,301	0.69
American International Group Inc.	46,105	0.67
Amgen Inc.	45,774	0.67

Expense Ratio

For the period 1 October 2007 to 30 September 2008	2.36%
For the period 1 July 2006 to 30 June 2007	2.31%

Turnover Ratio

For the period 1 April 2008 to 30 September 2008	26.72%
For the period 1 January 2007 to 30 June 2007	21.28%

