

EQUITY / Q109

Legg Mason Partners Appreciation Fund

Managed by CLEARBRIDGE ADVISORS

CLEARBRIDGE ADVISORS

- Established in 2006 with a heritage of over 43 years of asset management experience, offering actively managed U.S. equity products in a wide range of capitalizations and styles that share a focus on research-driven fundamental investing.
- The Fund is managed by Harry D. "Hersh" Cohen and Scott K. Glasser, who have over 40 and 18 years of investment industry experience, respectively. Cohen and Glasser were finalists for Morningstar's 2008 Domestic Stock Fund Manager of the Year.

Investment objective¹

The Fund seeks long-term appreciation of shareholders' capital.

Investment Strategy

BLUE-CHIP STRATEGY

The Fund invests primarily in equity securities of U.S. companies. The Fund typically invests in medium- and large-capitalization companies but may also invest in small-capitalization companies. The portfolio managers look for investments among a strong core of growth and value stocks, consisting primarily of blue chip companies, that are dominant in their industries.

A CONCENTRATION ON QUALITY

Investments are selected from among a core base of stocks with a strong financial history, recognized industry leadership, and effective management teams that strive to earn consistent returns for shareholders.

CAPTURING UPSIDE POTENTIAL

The portfolio managers look for companies that they believe are undervalued in belief that a catalyst will occur to unlock these values and for companies with superior demonstrated and expected growth characteristics whose stocks are available at a reasonable price.

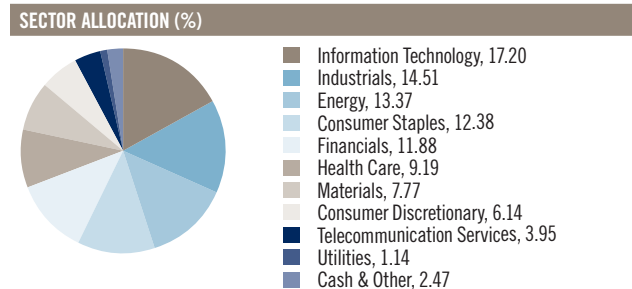
Investment risks

Keep in mind that stock prices are subject to market fluctuations. The Fund may invest in small- and mid-cap companies that may involve a higher degree of risk and volatility than investments in large-cap companies. The Fund may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. The Fund may focus its investments in certain regions or industries, thereby increasing its potential vulnerability to market volatility. The Fund may sell securities short. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short.

Portfolio characteristics² (As of March 31, 2009)

PORTFOLIO STATISTICS	
Net assets (in billions)	\$3.3
Number of issues	100
Standard deviation ³ (%)	14.6

TOP TEN EQUITY HOLDINGS (%)			
Wal-Mart Stores Inc	4.0	United Technologies Corp	2.5
Travelers Cos Inc	3.7	Berkshire Hathaway Inc	2.4
Johnson & Johnson	3.5	Waste Management Inc	2.2
Exxon Mobil Corp	3.1	Procter & Gamble Co	2.2
AT&T Inc	2.7	Cisco Systems Inc	2.2



OVERALL MORNINGSTAR RATING™
★★★★

Legg Mason Partners Appreciation Fund

(Class A, B & C shares of the Fund rated based on risk-adjusted return among 1723 Large Blend Funds as of 03/31/09)[†]

The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics.

[†] Morningstar proprietary ratings are as of March 31, 2009 and are subject to change every month. A 4- or 5-star rating does not necessarily imply that a fund achieved positive results for the period. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) Class A, B & C shares of the Fund were rated against 1723, 1371, and 695 U.S.-domiciled Large Blend Funds over the 3-, 5- and 10-year periods, respectively. With respect to these Large Blend Funds, A, B & C shares of the Fund received Morningstar Ratings of 4, 4 and 4; 5, 4 and 4; 5, 4 and 4 stars for the 3-, 5- and 10-year periods, respectively. Ratings are for A, B & C share classes only; other classes may have different performance characteristics. Classes have a common portfolio.

Although not recipients of the award, Hersh Cohen and Scott Glasser were among finalists recognized by Morningstar in the domestic stock fund category. Morningstar, Inc. is a leading provider of mutual fund, stock and variable products investment information, which does not own, operate or hold any interest in mutual funds, stocks or insurance products. Established in 1988, Morningstar Fund Manager of the Year award recognizes portfolio managers who demonstrate excellent investment skill and the courage to differ from the consensus to benefit investors. To qualify for the award, managers' funds must have not only posted impressive returns for the year, but the managers also must have a record of delivering outstanding long-term performance and of aligning their interests with shareholders'. The Fund Manager of the Year award winners are chosen based on Morningstar's proprietary research and in-depth evaluation by its Fund analysts.

AN INVESTOR SHOULD CONSIDER A FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES CAREFULLY BEFORE INVESTING. FOR A FREE PROSPECTUS, WHICH CONTAINS THIS AND OTHER INFORMATION ON ANY LEGG MASON PARTNERS FUND, VISIT WWW.LEGGMASON.COM/INDIVIDUALINVESTORS. AN INVESTOR SHOULD READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

¹ There is no guarantee that the Fund's objective will be met.

² Percentages are based on total portfolio and are subject to change at any time. For informational purposes only and not to be considered a recommendation to purchase or sell any security.

³ Standard deviation indicates the percentage by which a fund's performance has varied from its average performance in any given month during the last 36 months. The higher the standard deviation, the greater the range of performance, indicating greater volatility.

Legg Mason Partners Appreciation Fund

Fund performance (As of March 31, 2009)

AVERAGE ANNUAL TOTAL RETURNS AND EXPENSE RATIOS (%)									
	INCEPTION DATE	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION	EXPENSES (GROSS)*	EXPENSES (NET)**
Excluding the effects of sales charges									
Class A	3/10/70	-10.05	-32.81	-8.75	-2.52	-0.02	9.43	0.95	0.95
Class B	11/6/92	-10.27	-33.52	-9.64	-3.42	-0.89	5.38	1.88	1.88
Class C	2/4/93	-10.22	-33.32	-9.43	-3.26	-0.80	5.12	1.67	1.67
S&P 500 Index		-11.01	-38.09	-13.06	-4.77	-3.00	—		
Including the effects of maximum sales charges									
Class A	3/10/70	-15.21	-36.66	-10.54	-3.67	-0.61	9.26		
Class B	11/6/92	-14.76	-36.72	-10.40	-3.57	-0.89	5.38		
Class C	2/4/93	-11.12	-33.96	-9.43	-3.26	-0.80	5.12		

CALENDAR-YEAR TOTAL RETURNS (%)										
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Excluding the effects of sales charges										
Class A	-28.98	8.14	14.57	4.15	8.92	24.70	-17.00	-3.44	0.73	15.08
S&P 500 Index ⁴	-37.00	5.49	15.79	4.91	10.88	28.69	-22.10	-11.88	-9.11	21.04

Symbols/CUSIP

	NASDAQ SYMBOL	CUSIP
Class A	SHAPX	52468E105
Class B	SAPBX	52468E204
Class C	SAPCX	52468E303

Minimum investments^{5,‡}

INITIAL	SUBSEQUENT	IRA INITIAL	IRA SUBSEQUENT
\$1,000	\$50	\$250	\$50

Distribution schedule

Annually

Lipper category

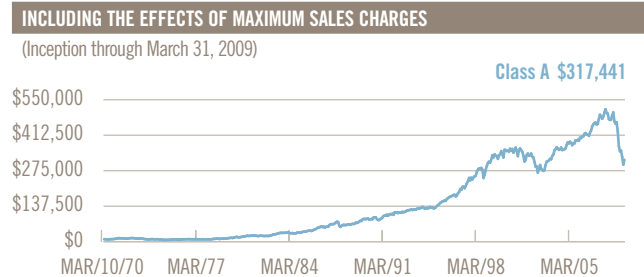
Large-Cap Core Funds

* Gross expenses are the Fund's total annual operating expenses for the share class(es) indicated as of the date of the Fund's most current prospectus and do not reflect fee waivers or reimbursements. These expenses include management fees, 12b-1 distribution and service fees, and other expenses.

** Because the Fund does not currently have fee waivers or reimbursements, gross and net expense ratios are the same.

‡ Different minimums may apply to clients of certain service agents.

Growth of a \$10,000 investment



The performance shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than their original cost.

For performance data including the effects of sales charges, Class A shares reflect the deduction of a maximum front-end sales charge of 5.75%. One-, three- and five-year returns for Class B shares reflect a maximum contingent deferred sales charge (CDSC) of up to 5.0%, 3.0% and 1.0%, respectively. One-year returns for Class C shares reflect a CDSC of 1.0%.

YTD (Year-to-Date) returns are cumulative figures and are not annualized. YTD returns are calculated from January 1 of the reporting year. Average annual total returns and calendar-year total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Performance data does not reflect trade date adjustments made to the NAV at the month end. Performance would have been lower if fees had not been waived in various periods.

Performance for other share classes will vary due to differences in sales charge structure and class expenses. All classes of shares are not available through all distribution channels. Contact your financial professional for further information.

To obtain performance data current to the most recent month-end, please visit our website at www.leggmason.com/individualinvestors.

⁴ The S&P 500 Index is a market capitalization-weighted index of 500 widely held common stocks. Please note that an investor cannot invest directly in an index.

⁵ Minimums for Systematic Investing plans may differ.