

WESTERN ASSET GOVERNMENT MONEY MARKET FUND, LTD.

OFFERING CIRCULAR

April 1, 2021

INVESTMENT PRODUCTS: NOT INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

TABLE OF CONTENTS

Fees and Expenses of the Fund	5
Investment Objective, Investment Strategies and Risks	5
Investment Management.....	11
Investing in the Fund.....	12
Redeeming Shares	14
Fund Information	15
Expenses	18
Net Asset Value	18
Distributions	19
Taxation	19
Other Information	23
Appendix A	A-1
Appendix B	B-1

Western Asset Government Money Market Fund, Ltd. (the “fund”) is an open-end, diversified fund which has been incorporated as an exempted company in the Cayman Islands.

The investment objective of the fund is to provide its shareholders with maximum current income to the extent consistent with preservation of capital and the maintenance of liquidity. The fund seeks to achieve its investment objective by investing all of its investable assets in Government Portfolio (the “Portfolio”), which is a separate series of Master Portfolio Trust, a Maryland statutory trust, and has the same goals and strategies as the fund.

The Portfolio is an open-end, diversified management investment company registered under the U.S. Investment Company Act of 1940, as amended (the “1940 Act”). The Portfolio seeks to comply with Rule 2a-7 under the 1940 Act as a government money market fund. The Portfolio does not currently intend to avail itself of the ability to impose “redemption fees” and/or “redemption gates” on Portfolio withdrawals, as permitted under Rule 2a-7. However, the Portfolio’s Board of Trustees reserves the right, with notice to investors (including the fund), to change this policy, thereby permitting the Portfolio to impose such fees and gates in the future.

The fund seeks to maintain a constant share price at US\$1.00 (although no assurance can be given that this will be so on a continuing basis), and the Portfolio will employ specific investment strategies and procedures to accomplish this result.

There can, of course, be no assurance that the fund’s investment objective will be achieved. Prospective investors should carefully consider the risks associated with an investment in the fund.

Legg Mason Partners Fund Advisor, LLC (“LMPFA” or the “manager”) acts as manager for the fund, performs administrative services for the fund and supervises the overall administration of the fund, including the monitoring of performance of the fund’s service providers. The Bank of New York Mellon (“BNY Mellon”) serves as custodian and accounting agent to the fund. BNY Mellon Investment Servicing (U.S.) Inc. (“BNY MIS” or the “Transfer Agent”) serves as transfer agent to the fund and also performs certain anti-money laundering services on behalf of the fund pursuant to a Transfer Agency Agreement. Legg Mason Investor Services, LLC (“LMIS” or the “Placement Agent”) is the placement agent for the fund.

Western Asset Management Company, LLC (“Western Asset” or the “subadviser”) is the fund’s subadviser. LMPFA and Western Asset also act as manager and subadviser, respectively, for the Portfolio.

This Offering Circular contains information investors should read carefully before investing in the fund. Additional information concerning the fund and additional copies of this Offering Circular may be obtained from the Placement Agent at the address set forth on page 16 of this Offering Circular.

The distribution of this Offering Circular and the offering of shares being made hereby may be restricted by law in certain jurisdictions. You are required to inform yourself about and to observe any such restrictions.

Any distribution or reproduction of this Offering Circular, in whole or in part, or the divulgence of any of its contents, is prohibited without the prior written consent of LMIS.

SHARES OF THE FUND:

- **Are not insured by any government agency.**
 - **Are not deposits or obligations of, or guaranteed or endorsed by, any bank.**
 - **Are subject to investment risks, including possible loss of the principal amount invested.**
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SHARES OF THE FUND ARE AVAILABLE ONLY TO INVESTORS WHO ARE NOT "U.S. PERSONS" AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). THIS OFFERING CIRCULAR MAY NOT BE DELIVERED IN THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS TO ANY PROSPECTIVE INVESTOR.

THIS OFFERING CIRCULAR IS NOT AN OFFER OR INVITATION TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR SHARES OF THE FUND.

THE DISTRIBUTION OF THIS OFFERING CIRCULAR AND THE OFFER AND SALE OF THE SHARES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL OR AN OFFER TO SELL THE SHARES TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER IN ANY JURISDICTION. NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT A PUBLIC OFFERING IN ANY JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. ACCORDINGLY, THE SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND THIS OFFERING CIRCULAR MAY NOT BE DISTRIBUTED IN ANY JURISDICTION, EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH JURISDICTION. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS WITHIN THEIR OWN JURISDICTION FOR THE ACQUISITION, HOLDING OR DISPOSAL OF SHARES AND TO ANY TAXATION OR EXCHANGE CONTROL LEGISLATION APPLICABLE TO THEM.

Investors should read this Offering Circular carefully and retain it for future reference.

No dealer, agent, or other person has been authorized to give any information or make any representations other than those contained in this Offering Circular in connection with the offering of fund shares and, if given or made, such information or representations must not be relied upon as having been authorized by the fund, the manager, the Portfolio, the subadviser, LMIS, any Recordkeeping Agent or any of their affiliates.

Summaries of certain provisions of the Memorandum and Articles of Association of the fund (the "Articles") and other documents are contained in this Offering Circular, but these summaries are qualified entirely by the documents which they purport to summarize.

This Offering Circular shall not be circulated to the public in the Cayman Islands and shall not constitute an offer to sell or a solicitation of an offer to buy shares in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

Each investor is solely responsible for deciding whether to invest or whether to redeem his or her investment, in whole or in part, in the fund. None of the fund, the Portfolio, the manager, the subadviser, LMIS, any Recordkeeping Agent nor any of the officers, directors, principals, affiliates or employees of any of the foregoing entities, have any obligation or liability to investors with regard to any recommendation, advice or decision made in connection with any investment in the fund.

If you are in any doubt about the contents of this Offering Circular, you should consult your accountant, lawyer, or other financial adviser.

U.S. Investor Prohibition: The shares have not been and will not be registered under the 1933 Act. Shares of the fund may not be offered or sold, directly or indirectly, in the United States of America, its territories and its possessions (the "United States") or to or for the benefit of any U.S. Person, as defined in Regulation S under the 1933 Act, which includes, among other things, (i) any natural person resident in the United States, (ii) any corporation, partnership or other entity organized or incorporated under the laws of the United States, (iii) certain estates of which any executor or administrator is a U.S. Person, and (iv) certain trusts of which any trustee is a U.S. Person. Please see the section entitled "Other Information-Definition of a U.S. Person." In addition, the fund has not been registered under the 1940 Act.

For Cayman Islands Investors: No offer or invitation to subscribe for shares may be made to the public in the Cayman Islands.

Western Asset Government Money Market Fund, Ltd.

The following table describes the fees and expenses that you may pay if you buy and hold shares of the fund:

Annual fund operating expenses (%)

(expenses that you pay each year as a percentage of the value of your investment)

	Class 1	Class 2	Class 3
Management fees ¹	0.25	0.25	0.25
Maintenance fees	None	0.30	0.05
Other expenses	0.01	2.71 ²	2.71 ²
Total annual fund operating expenses	0.26	3.26	3.01
Fees waived and/or expenses reimbursed ³	(0.08)	(2.81)	(2.78)
Total annual fund operating expenses after waiving fees and/or reimbursing expenses	0.18	0.45	0.23

¹ The fund is a feeder fund that invests in securities through the Portfolio. The information in this table reflects the direct fees and expenses of the fund and its allocated share of fees and expenses of the Portfolio. Since the fund invests all of its investable assets in the Portfolio, the fund's management agreement provides that the investment management fee of the fund will be reduced by the investment management fee allocated to the fund by the Portfolio.

² "Other expenses" for Class 2 and Class 3 shares are estimated for the current fiscal year. Actual expenses may differ from estimates.

³ The manager has agreed to waive fees and/or reimburse operating expenses (other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses) so that the ratio of total annual fund operating expenses will not exceed 0.18% for Class 1 shares, 0.45% for Class 2 shares; and 0.23% for Class 3 shares (the "expense cap"), subject to recapture as described below. The expense cap is voluntary and may be changed or terminated at any time upon shareholder notice. Additional amounts may be voluntarily waived and/or reimbursed from time to time. The manager is permitted to recapture amounts previously waived and/or reimbursed to a class within three years after the fiscal year in which the manager earned the fee or incurred the expense if the class' total annual fund operating expenses have fallen to a level below the limits described above. In no case will the manager recapture any amount that would result, on any particular business day of the Fund, in the class' total annual fund operating expenses exceeding the applicable expense cap.

Investment Objective, Investment Strategies and Risks

Investment Objective

The investment objective of the fund is to provide its shareholders with maximum current income to the extent consistent with preservation of capital and the maintenance of liquidity.

There is no assurance that the fund will achieve its investment objective.

The fund seeks to achieve its investment objective by investing all of its investable assets in the Portfolio, which has the same goals and strategies as the fund.

The fund may withdraw some or all of its investable assets from the Portfolio at any time, if the Board of Directors of the fund (the "Board") determines that it is in the best interests of the fund to do so. Upon any such withdrawal, the Board would consider what action might be taken, including requesting that the manager manage such assets in accordance with the investment strategies described below, the investment of some or all of the investable assets of the fund in one or more other investment companies having the same goals and strategies as the fund or making direct investment on behalf of the fund in money market instruments in accordance with the investment strategies described below.

The fund's investment objective and investment strategies may be changed without the approval of investors. The Portfolio may change its investment objective and investment strategies without the consent of investors in the fund.

Since the investment characteristics of the fund correspond directly to those of the Portfolio, the following discussion applies to both the fund and Portfolio, as applicable.

Investment Strategies

The fund invests exclusively in short-term U.S. government obligations, including U.S. Treasuries and securities issued or guaranteed by the U.S. government or its agencies, authorities, instrumentalities or sponsored entities and in repurchase agreements collateralized by U.S. government

obligations. These securities may pay interest at fixed, floating or adjustable rates, or may be issued at a discount. U.S. government obligations are not necessarily backed by the full faith and credit of the United States. The fund may also hold cash for cash management and defensive purposes.

The fund invests in securities that, at the time of purchase, are rated by one or more rating agencies in the highest short term rating category or, if not rated, are determined by the subadviser to be of equivalent quality.

Although the fund invests in U.S. government obligations, an investment in the fund is neither insured nor guaranteed by the U.S. government.

More Information On The Fund's Investments

Credit quality

The fund invests in securities that, at the time of purchase, are rated by one or more rating agencies in the highest short-term rating category or, if not rated, are determined by the subadviser to be of equivalent quality. In addition, each security, at the time of purchase by the fund, has been determined by the subadviser to present minimal credit risk. Where required by applicable rules, the fund's subadviser or Board of Trustees of the Portfolio will decide whether a security should be held or sold in the event of certain credit events occurring after purchase.

Maturity

The fund invests in securities that, at the time of purchase, are treated under applicable regulations as having remaining maturities of 397 days or less. For example, in determining the remaining maturity of a security for the purposes of these regulations, features such as a floating or variable rate of interest or a demand feature may be taken into account under some circumstances. The fund maintains a U.S. dollar weighted average maturity of not more than 60 days. In addition, the fund maintains a U.S. dollar weighted average life of not more than 120 days. Where required by applicable rules, if, after purchase, payment upon maturity does not occur or the maturity on a security is extended, the fund's subadviser or Board of Trustees of the Portfolio will decide whether the security should be held or sold.

Liquidity

The fund must follow strict rules with respect to the liquidity of its portfolio securities including daily and weekly liquidity requirements. In addition, the fund may not purchase illiquid securities if, as a result of the acquisition, more than 5% of the fund's total assets would be invested in illiquid securities. Illiquid securities are those that, as determined by the subadviser, may not be disposed of in the ordinary course of business within seven days at approximately the value ascribed to them by the fund. Securities that are deemed liquid at the time of purchase by the fund may become illiquid following purchase.

Money market instruments

Money market instruments are short-term IOUs issued by banks or other non-governmental issuers, the U.S. or non-U.S. governments, or state or local governments. Money market instruments generally have maturity dates of 13 months or less, and may pay interest at fixed, floating or adjustable rates, or may be issued at a discount. Money market instruments may include certificates of deposit, bankers' acceptances, variable rate demand securities (where the interest rate is reset periodically and the holder may demand payment from the issuer or another obligor at any time), preferred shares, fixed-term obligations, commercial paper (short-term unsecured debt), asset-backed commercial paper, other asset-backed securities and repurchase agreements. Asset-backed commercial paper refers to a debt security with an original term to maturity of up to 270 days that may be backed by consumer loans or other types of receivables. Payments due on asset-backed commercial paper are supported by cash flows from underlying assets, or one or more liquidity or credit support providers, or both.

Selection process

In selecting individual securities, the subadviser:

- Uses fundamental credit analysis to estimate the relative value and attractiveness of various securities and sectors
- Measures the potential impact of supply/demand imbalances for fixed versus variable rate securities and for obligations of different issuers
- Measures the yields available for securities with different maturities and a security's maturity in light of the outlook for interest rates to identify individual securities that offer return advantages at similar risk levels

Because the fund is subject to maturity limitations on the investments it may purchase, many of its investments are held until maturity. The subadviser may sell a security before maturity when it is necessary to do so to meet redemption requests or regulatory requirements. The subadviser may also sell a security if the subadviser believes the issuer is no longer as creditworthy, or in order to adjust the average weighted maturity of the fund's portfolio (for example, to reflect changes in the subadviser's expectations concerning interest rates), or when the subadviser believes there is superior value in other market sectors or industries.

U.S. Treasury obligations

U.S. Treasury obligations are direct debt obligations issued by the U.S. government. Treasury bills, with maturities normally from 4 weeks to 52 weeks, are typically issued at a discount as they pay interest only upon maturity. Treasury bills are non-callable. Treasury notes have a maturity

between two and ten years and typically pay interest semi-annually, while Treasury bonds have a maturity of over ten years and pay interest semi-annually. Treasuries also include STRIPS, TIPS and FRNs. STRIPS are Treasury obligations with separately traded principal and interest component parts that are transferable through the federal book-entry system. Because payments on STRIPS are made only at maturity, during periods of changing interest rates, STRIPS may be more volatile than unstripped U.S. Treasury obligations with comparable maturities. TIPS are Treasury Inflation-Protected Securities, the principal of which increases with inflation and decreases with deflation, as measured by the U.S. Consumer Price Index. At maturity, a TIPS holder is entitled to the adjusted principal or original principal, whichever is greater. TIPS pay interest twice a year, at a fixed rate. The rate is applied to the adjusted principal; so, like the principal, interest payments rise with inflation and fall with deflation. However, because the interest rate is fixed, TIPS may lose value when market interest rates increase, particularly during periods of low inflation. FRNs are floating rate notes that are indexed to the most recent 13-week Treasury bill auction High Rate, and which pay interest quarterly. U.S. Treasury obligations typically offer lower interest rates than other obligations.

U.S. government obligations

U.S. government obligations include U.S. Treasury obligations and other obligations of, or guaranteed by, the U.S. government, its agencies or government-sponsored entities. Although the U.S. government guarantees principal and interest payments on securities issued by the U.S. government and some of its agencies, such as securities issued by the U.S. Government National Mortgage Association (“Ginnie Mae”), this guarantee does not apply to losses resulting from declines in the market value of these securities. U.S. government obligations include zero coupon securities that make payments of interest and principal only upon maturity and which therefore tend to be subject to greater volatility than interest bearing securities with comparable maturities.

Some of the U.S. government securities that the fund may hold are not guaranteed or backed by the full faith and credit of the U.S. government, such as those issued by Fannie Mae (formally known as the Federal National Mortgage Association) and Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation). The maximum potential liability of the issuers of some U.S. government obligations may greatly exceed their current resources, including any legal right to support from the U.S. government.

When-issued securities, delayed delivery, to be announced and forward commitment transactions

Securities purchased in when-issued, delayed delivery, to be announced or forward commitment transactions will not be delivered or paid for immediately. The fund will set aside assets to pay for these securities at the time of the agreement. Such transactions involve a risk of loss, for example, if the value of the securities declines prior to the settlement date or if the assets set aside to pay for these securities decline in value prior to the settlement date. Therefore, these transactions may have a leveraging effect on the fund, making the value of an investment in the fund more volatile and increasing the fund’s overall investment exposure. Typically, no income accrues on securities the fund has committed to purchase prior to the time delivery of the securities is made, although the fund may earn income on securities it has set aside to cover these positions. Recently finalized rules in the U.S. of the Financial Industry Regulatory Authority (“FINRA”) impose mandatory margin requirements for certain types of when-issued, to be announced or forward commitment transactions, with limited exceptions. Such transactions historically have not been required to be collateralized, and mandatory collateralization could increase the cost of such transactions and impose added operational complexity.

Repurchase agreements

In a repurchase agreement, the fund purchases securities from a counterparty, upon the agreement of the counterparty to repurchase the securities from the fund at a later date, and at a specified price, which is typically higher than the purchase price paid by the fund. The securities purchased serve as the fund’s collateral for the obligation of the counterparty to repurchase the securities. If the counterparty does not repurchase the securities, the fund is entitled to sell the securities, but the fund may not be able to sell them for the price at which they were purchased, thus causing a loss. Additionally, if the counterparty becomes insolvent, there is some risk that the fund will not have a right to the securities, or the immediate right to sell the securities.

Reverse repurchase agreements and other borrowings

The fund may borrow money as a means of raising money to satisfy redemption requests or for other temporary or emergency purposes by entering into reverse repurchase agreements or other borrowing transactions. In a reverse repurchase agreement, the fund sells securities to a counterparty, in return for cash, and the fund agrees to repurchase the securities at a later date and for a higher price, representing the cost to the fund for the money borrowed. Although the fund does not intend to use these transactions for leveraging purposes, reverse repurchase agreements and other borrowing transactions may make the value of an investment in the fund more volatile and increase the fund’s overall investment exposure.

Cash management and defensive investing

The fund may also hold cash uninvested for cash management and defensive purposes. For example, in the event of unusual circumstances when the subadviser deems it appropriate, the fund may, without limit, hold cash uninvested.

If the fund holds cash uninvested, the fund may be subject to risk with respect to the depository institution holding the cash. In addition, the fund will not earn income on those assets. If the fund takes a temporary defensive position, it will be more difficult for the fund to achieve its investment objective. Although the subadviser has the ability to take defensive positions, it may choose not to do so for a variety of reasons, even during volatile market conditions.

Other investments

The fund may also use other strategies and invest in other investments that are described, along with their risks, in Appendix A. However, the fund might not use all of the strategies and techniques or invest in all of the types of investments described in this Offering Circular or in Appendix A.

Main Risks

Investing in the fund involves risk. Although the fund seeks to preserve the value of your investment at US\$1.00 per share, it is possible to lose money by investing in the fund. Please remember that an investment in the fund is not a bank deposit and is not insured or guaranteed by the U.S. Federal Deposit Insurance Corporation or any other U.S. or non-U.S. government agency.

The manager and its affiliates are under no obligation to provide financial support to the fund or take other measures to ensure that you do not lose money on your investment in the fund. You should not invest in the fund with the expectation that any such action will be taken.

The main risks of investing in the fund are described below. There are many other factors that could adversely affect your investment, and that could prevent the fund from achieving its investment objective; these other factors are not described here. Before investing, you should carefully consider the risks that you will assume.

The fund could underperform other short-term debt instruments or money market funds, or you could lose money, as a result of risks such as:

Market and interest rate risk. The market prices of the fund's securities may go up or down, sometimes rapidly or unpredictably. While the fund seeks to maintain a US\$1.00 share price, if the market prices of the securities owned by the fund fall, the value of your investment in the fund could decline. Market prices may fall due to general market conditions, such as real or perceived adverse economic or political conditions, tariffs and trade disruptions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. Changes in market conditions will not typically have the same impact on all types of securities. The market price of a security may also fall due to specific conditions that affect a particular sector of the securities market or a particular issuer.

The market prices of securities may fluctuate significantly when interest rates change and the fund may face a heightened level of interest rate risk due to certain changes in monetary policy. When interest rates rise, the market price of fixed income securities generally goes down. Generally, the longer the maturity of a fixed income security, the greater the impact of a rise in interest rates on the security's market price. Moreover, securities can change in value in response to other factors, such as credit risk. In addition, different interest rate measures (such as short- and long-term interest rates and U.S. and non-U.S. interest rates), or interest rates on different types of securities or securities of different issuers, may not necessarily change in the same amount or in the same direction. When interest rates go down, the fund's yield will decline. Also, when interest rates decline, investments made by the fund may pay a lower interest rate, which would reduce the income received by the fund. In recent years, the U.S. has experienced historically low interest rates, increasing the exposure of debt securities to the risks associated with rising interest rates.

Market events risk. The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, investor sentiment, the global and domestic effects of a pandemic, and other factors that may or may not be related to the issuer of the security or other asset. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the fund's investments may be negatively affected.

The rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many instruments; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained U.S. or even global economic downturn or recession, political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Developing or emerging market countries may be more impacted by the COVID-19 pandemic as they may have less established health care systems and may be less able to control or mitigate the effects of the pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, are taking extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic, including by pushing interest rates to very low levels. This and other government intervention into the economy and financial markets to address the COVID-19 pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. Government actions to mitigate the economic impact of the pandemic have resulted in a large expansion of government deficits and debt, the long term consequences of which are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the

fund's investments, impair the fund's ability to satisfy redemption requests, and negatively impact the fund's performance. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the fund by its service providers.

LIBOR risk. The fund's investments, payment obligations, and financing terms may be based on floating rates, such as the London Interbank Offered Rate, or "LIBOR," which is the offered rate for short-term Eurodollar deposits between major international banks. In 2017, the head of the UK Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. The administrator of LIBOR recently announced a possible delay in the phase out of a majority of the U.S. dollar LIBOR publications until mid-2023, with the remainder of the LIBOR publications to end at the end of 2021. There remains uncertainty regarding the nature of any replacement rate and the impact of the transition from LIBOR on the fund's transactions and the financial markets generally. As such, the potential effect of a transition away from LIBOR on the fund or the fund's investments cannot yet be determined.

Credit risk. An issuer or other obligor (such as a party providing insurance or other credit enhancement) may fail to make the required payments on securities held by the fund. Debt securities also go up or down in value based on the perceived creditworthiness of issuers or other obligors. If an obligor for a security held by the fund fails to pay, otherwise defaults or is perceived to be less creditworthy, a security's credit rating is downgraded, which could happen rapidly, or the credit quality or value of any underlying assets declines, the value of your investment in the fund could decline significantly, particularly in certain market environments. If a single entity provides credit enhancement to more than one of the fund's investments, the adverse effects resulting from the downgrade or default of that entity's credit will increase the adverse effects on the fund. If the fund enters into a financial contract (such as a repurchase agreement or reverse repurchase agreement) the fund will be subject to the credit risk presented by the counterparty. In addition, the fund may incur expenses in an effort to protect the fund's interests or to enforce its rights or may be hindered or delayed in exercising those rights.

Although the fund's investments may be treated as short-term securities for the purposes of meeting regulatory maturity limitations, the actual maturity of a security may be longer, and the security's value may decline on the basis of perceived longer term credit risk of the issuer.

Upon the occurrence of certain triggering events or defaults on a security held by the fund, or if the subadviser believes that an obligor of such a security may have difficulty meeting its obligations, the fund may obtain a new or restructured security or underlying assets. In that case, the fund may become the holder of securities or assets that it could not purchase or might not otherwise hold (for example, because they are of lower quality or are subordinated to other obligations of the issuer) at a time when those assets may be difficult to sell or can be sold only at a loss. Any of these events may cause you to lose money.

Yield risk. The fund invests in short-term money market instruments. As a result, the amount of income received by the fund will go up or down depending on variations in short-term interest rates. Investing in high quality, short-term instruments may result in a lower yield (the income on your investment) than investing in lower quality or longer-term instruments. When interest rates are very low or negative, the fund's expenses could absorb all or a significant portion of the fund's income, and, if the fund's expenses exceed the fund's income, fund may be unable to maintain its US\$1.00 share price. If interest rates increase, the fund's yield may not increase proportionately. For example, the fund's manager may discontinue any temporary voluntary fee limitation or recoup amounts previously waived and/or reimbursed.

A money market fund is also required to maintain liquidity levels based on the characteristics and anticipated liquidity needs of its shareholders. A fund with greater liquidity needs may have a lower yield than money market funds with a different shareholder base. Recently adopted requirements in the U.S. for money market funds may have a negative effect on the fund's yield. There can be no assurance that an investment in the fund will not be adversely affected by additional reforms to money market regulation that may be adopted by the U.S. Securities and Exchange Commission or other regulatory authorities. Although the fund is not directly subject to these rules, they do apply to the Portfolio.

Risk of increase in expenses. Your actual costs of investing in the fund may be higher than the expenses shown in this Offering Circular for a variety of reasons. For example, expenses may be higher if the fund's average net assets decrease, as a result of redemptions or otherwise, or if a fee limitation is changed or terminated.

Prepayment or call risk. Many issuers have a right to prepay their securities. Issuers may be more likely to prepay their securities if interest rates fall. If this happens, the fund will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on prepaid securities.

Extension risk. If interest rates rise, repayments of fixed income securities may occur more slowly than anticipated by the market. This may drive the prices of these securities down because their interest rates are lower than the current interest rate and they remain outstanding longer.

Portfolio management risk. The value of your investment may decrease if the subadviser's judgment about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, or about interest rates, is incorrect or does not produce the desired results, or if there are imperfections, errors or limitations in the tools and data used by the subadviser. In addition, the fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the subadviser and could have an adverse effect on the value or performance of the fund.

Illiquidity risk. Illiquidity risk exists when particular investments are impossible or difficult to sell or impossible or difficult to purchase. Although most of the fund's investments must be liquid at the time of investment, investments may become illiquid after purchase by the fund, particularly during periods of market turmoil. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling or unable to make a market for certain securities, including U.S. Treasury securities. As a general matter, dealers recently have been

less willing to make markets for fixed income securities. When the fund holds illiquid investments, the portfolio may be harder to value, especially in changing markets, and if the fund is forced to sell these investments to meet redemption requests or for other cash needs, the fund may be forced to sell at a substantial loss or may not be able to sell at all. The fund may experience heavy redemptions that could cause the fund to liquidate its assets at inopportune times or at a loss or depressed value, which could cause the value of your investment to decline. In addition, when there is illiquidity in the market for certain investments, the fund, due to limitations on illiquid investments, may be unable to achieve its desired level of exposure to a certain sector.

Valuation risk. The sales price the fund could receive for any particular portfolio investment may differ from the fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect fund investments more broadly during periods of market volatility. Investors who purchase or redeem fund shares on days when the fund is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the fund had not fair-valued securities or had used a different valuation methodology. The fund's ability to value its investments may also be impacted by technological issues and/or errors by pricing services or other third party service providers. The valuation of the fund's investments involves subjective judgment.

Redemption risk. The fund may experience periods of heavy redemptions that could cause the fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. Redemption risk is greater to the extent that the fund has investors with large shareholdings, short investment horizons, or unpredictable cash flow needs. In addition, redemption risk is heightened during periods of overall market turmoil. The redemption by one or more large shareholders of their holdings in the fund could hurt performance and/or cause the remaining shareholders in the fund to lose money. The fund's redemption risk is increased if one decision maker has control of fund shares owned by separate fund shareholders, including clients or affiliates of the fund's manager. If the fund is forced to liquidate its assets under unfavorable conditions or at inopportune times, the fund's ability to maintain a stable U.S. \$1.00 share price may be affected. In addition, the fund may suspend redemptions when permitted by applicable regulations.

Repurchase agreements risk. Repurchase agreements could involve certain risks in the event of default or insolvency of the seller, including losses and possible delays or restrictions upon the fund's ability to dispose of the underlying securities. To the extent that, in the meantime, the value of the securities that the fund has purchased has decreased, the fund could experience a loss.

Operational risk. Your ability to transact with the fund or the valuation of your investment may be negatively impacted because of the operational risks arising from factors such as processing errors and human errors, inadequate or failed internal or external processes, failures in systems and technology, changes in personnel, and errors caused by third party service providers or trading counterparties. It is not possible to identify all of the operational risks that may affect the fund or to develop processes and controls that completely eliminate or mitigate the occurrence of such failures. The fund and its shareholders could be negatively impacted as a result.

US\$1.00 Net Asset Value. If the market value of one or more of the securities in which the fund invests changes substantially and the fund's net asset value per share is at risk of falling below US\$1.00, the fund could, if authorized by the Board, maintain a US\$1.00 per share net asset value by reducing proportionately the number of shares owned by each shareholder. This would have the same economic effect as the fund's shares being valued at less than US\$1.00 per share, which means that you will have lost money. By investing in the fund, you agree to this reduction should it become necessary.

Contagion risk. The fund has the power to issue shares in classes or series. The Articles provide for the manner in which the liabilities are to be attributed across the various classes or series (liabilities are to be attributed to the specific class or series in respect of which the liability was incurred). However, the fund is a single legal entity and there is no limited recourse protection for any class or series. Accordingly, all of the assets of the fund will be available to meet all of its liabilities regardless of the class or series to which such assets or liabilities are attributable. In practice, cross-class or cross-series liability is only expected to arise where liabilities referable to one class or series are in excess of the assets referable to such class or series and it is unable to meet all liabilities attributed to it. In such a case, the assets of the fund attributable to other classes or series may be applied to cover such liability excess and the value of the contributing classes or series will be reduced as a result.

Taxation risk. There is taxation risk associated with investing in the fund. Please see "Taxation" below and consult your tax advisor to assess the risks associated with your personal circumstances.

Cybersecurity risk. Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to fund assets, fund or customer data (including private shareholder information), or proprietary information, cause the fund, the manager, the subadviser and/or their service providers (including, but not limited to, fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality or prevent fund investors from purchasing, redeeming or exchanging shares or receiving distributions. The fund, the manager, and the subadviser have limited ability to prevent or mitigate cybersecurity incidents affecting third party service providers, and such third party service providers may have limited indemnification obligations to the fund or the manager. Cybersecurity incidents may result in financial losses to the fund and its shareholders, and substantial costs may be incurred in order to prevent any future cybersecurity incidents. Issuers of securities in which the fund invests are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity incidents.

General

Brokerage Transactions

The Portfolio's purchases and sales of portfolio securities usually are principal transactions. Portfolio securities are normally purchased directly from the issuer or from an underwriter or market maker for the securities. There usually are no brokerage commissions paid for such purchases. The Portfolio does not anticipate paying brokerage commissions. Purchases from underwriters of portfolio securities include a commission or concession paid by the issuer to the underwriter, and purchases from dealers serving as market makers include the spread between the bid and asked price.

Allocation of transactions, including their frequency, to various dealers is determined by the subadviser in its best judgment and in a manner deemed to be in the best interest of investors in the fund rather than by any formula. The primary consideration is prompt execution of orders in an effective manner at the most favorable price.

In certain instances there may be securities that are suitable as an investment for the Portfolio as well as for one or more of the subadviser's other clients. Investment decisions for the Portfolio and for the subadviser's other clients are made with a view to achieving their respective investment objectives. It may develop that a particular security is bought or sold for only one client even though it might be held by, or bought or sold for, other clients. Likewise, a particular security may be bought for one or more clients when one or more clients are selling the same security. Some simultaneous transactions are common when several clients receive investment advice from the same investment adviser, particularly when the same security is suitable for the investment objectives of more than one client. When two or more clients are simultaneously engaged in the purchase or sale of the same security, the securities are allocated among clients in a manner believed to be equitable to each. It is recognized that in some cases this system could adversely affect the price of or the size of the position obtainable in a security for the Portfolio. When purchases or sales of the same security for the Portfolio and for other funds managed by the subadviser occur contemporaneously, the purchase or sale orders may be aggregated in order to obtain any price advantages available to large denomination purchases or sales.

Investment Restrictions

Certain investment restrictions are considered fundamental and may not be changed with respect to the Portfolio without the approval of holders of a majority of outstanding voting securities in the Portfolio. Fund investors will not be entitled to participate in such a vote for the Portfolio. If a percentage restriction or a rating restriction on investment or utilization of assets is adhered to at the time an investment is made or assets are so utilized, a later change in percentage resulting from changes in the value of the securities held by the fund or a later change in the rating of a security held by the fund is not considered a violation of policy.

Investment Management

LMPFA is the manager to the fund. LMPFA, with offices at 620 Eighth Avenue, 47th Floor, New York, New York 10018, also serves as the investment manager of other Legg Mason-sponsored funds.

Western Asset is subadviser to the fund and provides the day-to-day portfolio management of the fund. Western Asset, established in 1971, has offices at 385 East Colorado Boulevard, Pasadena, California 91101 and 620 Eighth Avenue, 50th Floor, New York, New York 10018. Western Asset acts as investment adviser to institutional accounts, such as corporate pension plans, mutual funds and endowment funds.

LMPFA and Western Asset also act as manager and subadviser, respectively, for the Portfolio.

LMPFA and Western Asset are indirect, wholly-owned subsidiaries of Franklin Resources, Inc. ("Franklin Resources"). Franklin Resources, whose principal executive offices are at One Franklin Parkway, San Mateo, California 94403, is a global investment management organization operating, together with its subsidiaries, as Franklin Templeton.

The manager manages the fund and the Portfolio pursuant to separate management agreements (respectively, the "Fund Management Agreement" and the "Portfolio Management Agreement"). Under the Fund Management Agreement, subject to the supervision of the Board, the manager performs certain administrative and management services necessary for the operation of the fund. The manager performs similar services under the Portfolio Management Agreement, subject to such policies as the Board of Trustees of the Portfolio may determine.

With respect to the manager's services under the Fund Management Agreement, the fund pays the manager an annual management fee of up to 0.25% of the fund's average daily net assets.

Management fees payable under the Fund Management Agreement will be reduced by the fund's share of any annual management fee paid under the Portfolio Management Agreement, if any. For its services under the Portfolio Management Agreement, the manager is entitled to an annual management fee equal to 0.10% of the Portfolio's average daily net assets, on an annualized basis. Therefore, the combined management fee at the fund and Portfolio levels will be up to 0.25% of the fund's average daily net assets.

The manager has appointed Western Asset as subadviser to the fund, pursuant to a subadvisory agreement (the "Fund Subadvisory Agreement"). Under the Fund Subadvisory Agreement, the subadviser provides subadvisory services for the fund, in accordance with the fund's Articles, the

instructions of the Board and the investment strategies and restrictions of the fund as set forth in this Offering Circular. As compensation for its services under the Fund Subadvisory Agreement, the manager pays the subadviser a portion of the management fee paid to the manager by the fund.

The subadviser provides the day-to-day portfolio management of the Portfolio pursuant to a subadvisory agreement (the "Portfolio Subadvisory Agreement"). Under the Portfolio Subadvisory Agreement, subject to the supervision and direction of the Portfolio's Board of Trustees and the manager, the subadviser manages the Portfolio in accordance with the Portfolio's investment objective and policies, assists in supervising all aspects of the Portfolio's operations, makes investment decisions for the Portfolio, places orders to purchase and sell securities, and employs professional portfolio managers and securities analysts who provide research services to the Portfolio. As compensation for its subadvisory services to the Portfolio, the manager pays to the subadviser a fee equal to 70% of the management fee paid to the manager by the Portfolio, net of expense waivers and reimbursements.

Investing In The Fund

Fund Business Days

The fund is open for business and calculates its Net Asset Value ("NAV") every day on which both the New York Stock Exchange ("NYSE") and the Federal Reserve Bank of New York (the "FRBNY") are open for business. Therefore, the fund will be closed the days on which the following holidays are observed: New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day. Both the NYSE and the FRBNY are closed on weekends and may be closed because of an emergency or other unanticipated event. In the event the Federal Reserve wire payment system is open and the NYSE is open, the fund may close for purchase or redemption transactions—if due to an emergency or other unanticipated event—the U.S. bond markets are closed for business as recommended by the Securities Industry and Financial Markets Association ("SIFMA"). In the event the NYSE does not open for business because of an emergency or other unanticipated event, the fund may, but is not required to, open for purchase or redemption transactions if the Federal Reserve wire payment system is open and the U.S. bond markets are open. Each day the fund is open is a "fund Business Day".

On any day when the NYSE, U.S. bond markets (as recommended by SIFMA) or the FRBNY close early due to an unanticipated event, trading on the NYSE is restricted, an emergency arises or on other dates as permitted by the U.S. Securities and Exchange Commission (the "SEC") the fund reserves the right to close for business and make its final NAV calculation earlier than normal (normally, 5:00 p.m., New York City time).

When SIFMA recommends an early close to the U.S. bond markets on a business day before or after a day on which a holiday is celebrated, the fund reserves the right to close for business and make its final NAV calculation at or prior to the SIFMA recommended closing time.

To learn whether the fund is open for business, please call the fund's U.S. Service Desk at 1-877-721-1926 or 1-203-703-6002 between 8:30 a.m. and 5:30 p.m. (New York City time). If you do not transact directly with the fund's U.S. Service Desk, but instead transact through an Intermediary (as defined below), you should contact your Intermediary directly to determine their schedule of operations.

Purchase Procedures

Shares of the fund are normally not offered or made available to the general public and may only be purchased by eligible investors.

The fund reserves the right to reject any purchase order. All purchase orders will be effective and shares will be issued only upon acceptance of the order by the Placement Agent and receipt by the fund of payment for purchase. Purchase orders received after the time at which the fund makes its final net asset value calculation on a day (normally 5:00 p.m., New York City time) are deemed to be received on the next fund Business Day.

An eligible investor may arrange with the Placement Agent, or any dealer or bank intermediary that is authorized by the Placement Agent to act in connection with the placement of fund shares (each, an "Intermediary"), to place orders to purchase shares of the fund, pursuant to procedures approved by the fund.

Shares of each class of the fund are sold at their net asset value (intended to be US\$1.00 per share) next determined after an order is received and accepted by the Placement Agent, without a sales charge.

The fund has authorized three classes of shares, Class 1, Class 2 and Class 3.

The minimum initial investment generally required by the fund is as follows:

Class 1.....	US\$ 1 million
Class 2.....	US\$ 100,000
Class 3.....	US\$ 50,000

The fund may change or waive this minimum initial investment. Your Intermediary may set different minimum initial investments.

Investments in the fund will be subject to compliance with the restrictions of the U.S. Treasury Department's Office of Foreign Assets Control and other applicable laws which may restrict subscriptions or redemptions of fund shares, require the manager, the subadviser, a Recordkeeping Agent, the Custodian or any of their delegates to file reports with certain governmental entities and may result in the freezing or other disposition of investors' assets.

The fund will not be registered under the 1940 Act and the offering of shares of the fund will not be registered under the 1933 Act. Accordingly, shares may not be offered or sold in the United States or to, or for the benefit of, U.S. Persons, as that term is defined in the section entitled "Other Information-Definition of a U.S. Person". In addition, shares may not be offered or sold directly or indirectly to members of the public in the Cayman Islands or elsewhere.

Revenue Sharing

LMPFA, LMIS, their affiliates and their personnel have interests in promoting sales of the fund, including remuneration, fees and profitability relating to services to and sales of the fund. Associated Persons of LMPFA, LMIS or their affiliates (including wholesalers registered with LMIS) may receive additional compensation related to the sale of affiliated funds. LMPFA, the subadviser, and their advisory or other personnel may also benefit from increased amounts of assets under management.

Intermediaries, including broker/dealers, investment advisers, financial consultants or advisers, mutual fund supermarkets, insurance companies, financial institutions and other financial intermediaries through which investors may purchase shares of the fund, also may benefit from the sales of shares of affiliated funds. For example, in connection with such sales, Intermediaries may receive compensation from the fund (with respect to the fund as a whole or a particular class of shares) and/or from LMPFA, LMIS, and/or their affiliates, as further described below. The structure of these compensation arrangements, as well as the amounts paid under such arrangements, varies and may change from time to time. In addition, new compensation arrangements may be negotiated at any time. The compensation arrangements described in this section are not mutually exclusive, and a single Intermediary may receive multiple types of compensation.

LMIS has agreements in place with Intermediaries defining how much each firm will be paid for the sale of the fund from sales charges, if any, paid by fund shareholders and from Maintenance Fees paid to LMIS or an affiliate by the fund, if any. These Intermediaries then pay their employees or associated persons who sell fund shares from the sales charges and/or fees they receive. The Intermediary, and/or its employees or associated persons may receive a payment when a sale is made and will, in most cases, continue to receive ongoing payments while you are invested in the fund. In other cases, LMIS or an affiliate may retain all or a portion of such fees and sales charges, if any.

In addition, LMIS, LMPFA and/or certain of their affiliates may make additional payments (which are often referred to as "revenue sharing" payments) to the Intermediaries from their past profits and other available sources, including profits from their relationships with the fund. Revenue sharing payments are a form of compensation paid to an Intermediary in addition to the sales charges, if any, paid by fund shareholders or Maintenance Fees paid by the fund, if any. LMPFA, LMIS and/or certain of their affiliates may revise the terms of any existing revenue sharing arrangement, and may enter into additional revenue sharing arrangements with other financial services firms.

Revenue sharing arrangements are intended, among other things, to foster the sale of fund shares and/or to compensate financial services firms for assisting in marketing or promotional activities in connection with the sale of fund shares. In exchange for revenue sharing payments, LMPFA and LMIS generally expect to receive the opportunity for the fund to be sold through the Intermediaries' sales forces or to have access to third-party platforms or other marketing programs, including but not limited to mutual fund "supermarket" platforms or other sales programs. To the extent that Intermediaries receiving revenue sharing payments sell more shares of the fund, LMPFA and LMIS and/or their affiliates benefit from the increase in fund assets as a result of the fees they receive from the fund. LMIS, LMPFA or their affiliates consider revenue sharing arrangements based on a variety of factors and services to be provided.

Revenue sharing payments are usually calculated based on a percentage of fund sales and/or fund assets attributable to a particular Intermediary. Payments are at times based on other criteria or factors such as, for example, a fee per each transaction. Specific payment formulas are negotiated based on a number of factors, including, but not limited to, reputation in the industry, ability to attract and retain assets, target markets, customer relationships and scope and quality of services provided. In addition, LMIS, LMPFA and/or certain of their affiliates may pay flat fees on a one-time or irregular basis for the initial set-up of the fund on an Intermediary's systems, participation or attendance at an Intermediary's meetings, or for other reasons. Furthermore, LMIS, LMPFA and/or certain of their affiliates at times pay certain education and training costs of Intermediaries (including, in some cases, travel expenses) to train and educate the personnel of the Intermediaries. It is likely that Intermediaries that execute portfolio transactions for the fund will include those firms with which LMPFA, LMIS and/or certain of their affiliates have entered into revenue sharing arrangements.

The fund generally pays the Transfer Agent for certain recordkeeping and administrative services. In addition, the fund may pay Intermediaries for certain recordkeeping, administrative, sub-accounting and networking services. These services include maintenance of shareholder accounts by Intermediaries, such as recordkeeping and other activities that otherwise would be performed by the fund's Transfer Agent. Administrative fees may be paid to an Intermediary that undertakes, for example, shareholder communications on behalf of the fund. These payments are generally based on either (i) a percentage of the average daily net assets of fund shareholders serviced by an Intermediary or (ii) a fixed dollar amount for each account serviced by an Intermediary. LMIS, LMPFA and/or their affiliates may make all or a portion of these payments.

If your fund shares are purchased through a retirement plan, LMIS, LMPFA or certain of their affiliates at times also make similar payments to those described in this section to the plan's recordkeeper or an affiliate.

Revenue sharing payments, as well as the other types of compensation arrangements described in this section, create an incentive for Intermediaries and their employees or associated persons to recommend the fund over other investments or sell shares of the fund to customers and in doing so may create conflicts of interest between the Intermediaries' financial interests and the interests of their customers. The total amount of these

revenue sharing payments is substantial, may be substantial to any given recipient and may exceed the costs and expenses incurred by the recipient for any fund-related marketing or shareholder servicing activities.

Please contact your Intermediary for details about any payments it (and its employees) may receive from the fund and/or from LMIS, LMPFA and/or their affiliates. You should review your Intermediary's disclosure and/or talk to your Intermediary to obtain more information on how this compensation may have influenced your Intermediary's recommendation of the fund.

Use of Record Shareholder

All shares are owned of record by LM (BVI) Limited, a British Virgin Islands company that is an indirect wholly-owned subsidiary of Franklin Resources (the "Record Shareholder"), as nominee for investors. Investors acquire beneficial interests in the fund shares held of record by the Record Shareholder. References in this Offering Circular to shares of the fund include, as appropriate, those beneficial interests, and, except where the context requires otherwise, references to subscribers or shareholders other than the Record Shareholder refer to the fund investors for whom the Record Shareholder acts as nominee.

The Record Shareholder has entered or will enter into nominee agreements with fund investors (each, a "Nominee Agreement"), in which the Record Shareholder will agree to take certain actions on behalf of investors unaffiliated with Franklin Resources holding beneficial interests in the fund's shares held of record by the Record Shareholder ("Unaffiliated Investors") including (i) upon a written request of Unaffiliated Investors holding beneficial interests in 5% or more of the fund's shares held of record by the Record Shareholder for the account of Unaffiliated Investors, to poll the remaining Unaffiliated Investors to determine if any remaining Unaffiliated Investors wish to convene a shareholder meeting; (ii) to convene a meeting of Unaffiliated Investors whenever it is instructed to do so by Unaffiliated Investors holding beneficial interests in not less than one-third of the fund's shares held of record by the Record Shareholder for the account of Unaffiliated Investors; and (iii) at any such shareholder meeting, to vote the fund shares to elect or remove the fund Directors according to the instructions of Unaffiliated Investors holding beneficial interests in a simple majority of the fund shares held of record by the Record Shareholder for the account of Unaffiliated Investors. The Record Shareholder has further agreed to not amend the fund's Articles to eliminate shareholder rights to convene meetings and elect or remove the fund Directors without the approval of Unaffiliated Investors with beneficial interests in at least a majority of the fund shares held of record by the Record Shareholder for the account of Unaffiliated Investors. However, these undertakings will not otherwise prohibit the Record Shareholder from exercising voting rights as record shareholder, so that the Record Shareholder will be able without any consent or approval of fund investors to otherwise exercise shareholder voting rights in the fund.

See "Handling of Mail" for information on how to contact the Record Shareholder.

Redeeming Shares

Voluntary Redemptions

The fund is open for redemption transactions on every fund Business Day. Investors may redeem fund shares by contacting the Intermediary through which the shares were purchased, or in such other manner as the fund may from time to time advise investors. Shares are redeemed at their net asset value next determined after the fund receives a redemption request in proper form. Redemption requests received by the fund's transfer agent after the time at which the fund makes its final net asset value calculation on a fund Business Day (normally 5:00 p.m., New York City time) are deemed to be received on the next fund Business Day.

The Board may, if it determines it to be in the best interests of the fund and its shareholders, suspend the ability of any investor to redeem fund shares for any reason, to the extent permitted by applicable law.

Receiving Payment

Redemption proceeds normally will be sent within one day of receipt of a redemption request in proper form. As noted above, if your redemption request in proper form is received by the fund's transfer agent after the time at which the fund makes its final net asset value calculation on a fund Business Day (normally 5:00 p.m., New York City time), your redemption request will be deemed to be received on the next fund Business Day. Shares redeemed earn dividends up to and including the day prior to the day the redemption is effected.

The fund may delay payment for one business day under certain circumstances and may delay beyond one business day if Fedwire, the applicable U.S. Federal Reserve Bank or any applicable non-U.S. payment system is closed on the day your redemption proceeds would otherwise be paid, or in the circumstances described below. Additionally, payment of redemption proceeds from a recent purchase of shares may be delayed to assure that such purchase has cleared.

The fund has the right to pay your redemption proceeds by giving you securities instead of cash. In that case, you may pay transaction costs to dispose of the securities, and you may receive less than the price at which they were valued for purposes of the redemption.

The right of any investor to receive payment with respect to any redemption may be suspended or the payment of the redemption proceeds postponed during any period in which the NYSE or the FRBNY is closed (other than on weekends or holidays) or trading on the NYSE is restricted, if an emergency exists, or as otherwise permitted by applicable law or government order.

The Board may, if it determines it to be in the best interests of the fund and its shareholders, suspend the right of any investor to receive payment with respect to any redemption or postpone the payment of redemption proceeds for any reason to the extent permitted by applicable law or government order.

Mandatory Redemptions

If at any time the Board determines that the net assets of the fund are not sufficient for the efficient operation of the fund, the Board may, subject to the applicable provisions of Cayman Islands law, cause the fund to redeem all or substantially all of the shares of the fund then outstanding at the next determined net asset value per share.

The Board also has the power to compel the redemption of shares if it determines that any of the representations given by an investor were not true or ceased to be true or it becomes apparent that any shares are owned directly or beneficially by any person who by virtue of such ownership is in breach of any law or requirement of any country or governmental authority that (i) might result in the fund or its investors suffering any taxation or pecuniary or other disadvantage that they would not suffer if such person (whether alone or together with other persons) was not the holder of shares or (ii) would cause an undue risk of adverse regulatory consequences. However, the Board accepts no responsibility for ascertaining, and is not obliged to ascertain, whether or not any ownership of shares by any investor would result in breach of any such law or requirement or would cause any such consequences.

If the Board determines to exercise its power to compel the redemption of shares, the fund will send a notice of redemption to the investor concerned stating the reason for such redemption. The investor to which the notice is sent shall have no rights as an investor with respect to his or her shares after the date of the notice (irrespective of when it is received by that investor), other than the right to receive the redemption price which, subject to applicable law, will be paid within thirty days of the date of the redemption notice.

In addition, the Board may compel the redemption of an investor's shares if the net asset value of the shares proposed to be retained by the investor drops below the minimum amount, if any, set forth in the investor's Subscription Agreement or otherwise as may be permitted or required by fund policy or applicable law.

Account Closings

The fund reserves the right to close your account after a period of inactivity.

Fund Information

General

The fund has been incorporated as an "Exempted Company" under the law of the Cayman Islands. The fund is designed for investors other than U.S. Persons, as defined in the section entitled "Other Information- Definition of a U.S. Person".

The Mutual Funds Act (As Revised) of the Cayman Islands (the "Cayman Law") provides for the regulation and licensing of certain mutual funds and mutual fund administrators established or operating in or from the Cayman Islands. For as long as the issued shares of the fund are held by a single shareholder of record the fund will not be required to be regulated or licensed under the Cayman Law. Nevertheless, the fund believes that, if it became necessary or desirable, it would be able to meet the regulatory and licensing requirements of the Cayman Law. See "Investing in the Fund — Use of Record Shareholder" for more information on the shareholder of record.

Neither the Cayman Islands Monetary Authority (the "Authority"), nor any other governmental authority in the Cayman Islands has passed judgment upon or approved the terms or merits of this Offering Circular. There is no investment compensation scheme available to investors in the Cayman Islands.

Investors should inform themselves as to the legal requirements within their own countries for the purchase and holding of shares of the fund, any currency exchange restrictions that they may be subject to and the income and other tax consequences that may apply in their own countries relevant to the purchase, holding or disposal of shares of the fund.

Board of Directors

The Board is responsible for managing the business affairs of the fund and for exercising all of the powers of the fund except those reserved for the owners of shares. Subject to the supervision and direction of the Board, certain powers and responsibilities of the Board are delegated to the manager, Recordkeeping Agents, Custodian and Placement Agent.

Custodian

The Bank of New York Mellon ("BNY Mellon" or, in its capacity as custodian of the fund, the "Custodian") serves as custodian and accounting agent of the fund and the Portfolio. For its services, the Custodian receives such compensation as is from time to time agreed upon. Securities of the Portfolio may be held by sub-custodians located in countries in which the issuers of those securities are located.

Manager, Subadviser, Transfer Agent, Accounting Agent and Placement Agent

LMPFA is the fund manager, performs administrative services for the fund and supervises the overall administration of the fund, including the monitoring of performance of the fund's other service providers, including BNY Mellon in its role as accounting agent (the "Accounting Agent") and BNY Mellon Investment Servicing (U.S.) Inc. ("BNY MIS" or the "Transfer Agent") (collectively, the "Recordkeeping Agents"). BNY MIS provides shareholder servicing and transfer agent functions for the fund pursuant to its Transfer Agency Agreement. BNY Mellon performs certain accounting services on behalf of the fund pursuant to its Fund Accounting Services Agreement. Western Asset is the fund's subadviser.

Legg Mason Investor Services, LLC ("LMIS" or the "Placement Agent") is the Placement Agent for the fund. LMIS is an indirect, wholly-owned broker/dealer subsidiary of Franklin Resources, located at 100 International Drive, Baltimore, Maryland 21202. The Placement Agent is responsible for accepting purchase orders for shares of the fund and for distribution activities relating to shares of the fund.

See "Investment Management" for information about the management fee paid by the fund to the manager. The fund may pay the Recordkeeping Agents directly for services performed.

For its services as Placement Agent, LMIS or an affiliate may receive a Maintenance Fee at an annual rate of up to the below percentage of the average daily net assets of each share class:

Class 1	None
Class 2	0.30%
Class 3	0.05%

Maintenance Fees are accrued daily and paid monthly. A class that has a higher Maintenance Fee will have higher expense ratios, pay lower dividends and may have a lower per share net asset value than a class that has a lower Maintenance Fee. Maintenance Fees are payable to LMIS or an affiliate, which may use these payments to fund, in whole or in part, revenue sharing payments as described under "Investing in the Fund—Revenue Sharing". From time to time, LMIS and/or financial intermediaries may agree to a reduction or a waiver of these fees.

Portfolio Administration

The manager performs administrative and management services necessary for the operation of the Portfolio, such as: supervising the overall administration of the Portfolio, including negotiation of contracts and fees with and the monitoring of performance and billings of the transfer and shareholder servicing agents, the Custodian and other independent contractors or agents; providing certain compliance, fund accounting, regulatory reporting, and tax reporting services; preparing or participating in the preparation of Board materials, registration statements, proxy statements and reports and other communications to shareholders; maintaining the existence of the Portfolio; and arranging for the maintenance of books and records of the Portfolio. For these services, the manager receives a fee under the Portfolio Management Agreement as described above under "Investment Management". Trustees/Directors, officers, and investors in the fund and the Portfolio are or may be or may become interested in the manager, as directors, officers, employees, or otherwise and directors, officers and employees of the manager are or may become similarly interested in the fund and the Portfolio.

Directors and Officers

The Board is entirely composed of Franklin Resources representatives, although Directors who are not representatives of Franklin Resources may be appointed in the future. Directors serve for such terms, if any, as are fixed upon their appointment or election and otherwise indefinitely. Directors need not be elected by investors in the fund although investors that are unaffiliated with Franklin Resources have certain rights to direct the Record Shareholder as to the election and removal of directors. Directors affiliated with Franklin Resources are not compensated by the fund for serving on the Board.

Anti-Money Laundering Servicing

BNY Mellon Investment Servicing (U.S.) Inc. performs certain anti-money laundering services on behalf of the fund pursuant to a separate agreement.

Legal Counsel

Maples and Calder, PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands, acts as Cayman Islands legal counsel to the fund.

Ropes & Gray LLP, 1211 Avenue of the Americas, New York, New York 10036, United States, provides legal counsel to the fund and the Portfolio as to matters of United States federal income tax and securities law.

Independent Auditors

The independent auditor for the fund and the Portfolio is PricewaterhouseCoopers LLP.

Record Shareholders

The shareholder of record for the fund is LM (BVI) Limited, a British Virgin Islands company that is an indirect wholly-owned subsidiary of Franklin Resources. Investors acquire beneficial interests in the fund shares held of record by LM (BVI) Limited. See "Investing in the Fund — Use of Record Shareholder" for more information.

Anti-Money Laundering and Countering of Terrorist and Proliferation Financing

In order to comply with legislation or regulations aimed at the prevention of money laundering and the countering of terrorist and proliferation financing the fund is required to adopt and maintain procedures, and may require subscribers to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable), and source of funds. Where permitted, and subject to certain conditions, the fund may also rely upon a suitable person for the maintenance of these procedures (including the acquisition of due diligence information) or otherwise delegate the maintenance of such procedures to a suitable person.

The fund, and the manager on the fund's behalf, reserve the right to request such information as is necessary to verify the identity of subscribers, and where applicable, the identity of their beneficial owners/controllers and the source of their subscription funds. Where the circumstances permit, the fund, or the manager on the fund's behalf, may be satisfied that full due diligence may not be required at subscription where a relevant exemption applies under applicable law. However, detailed verification information may be required prior to the payment of any proceeds from or any transfer of an interest in shares.

In the event of delay or failure on the part of the subscriber or the transferee, as applicable, in producing any information required for verification purposes, the fund, or the manager on the fund's behalf, may refuse to accept the application, or if the application has already occurred, may suspend or redeem the interest, in which case any funds received will, to the fullest extent permitted by applicable law, be returned without interest to the account from which they were originally debited.

The fund, and the manager on the fund's behalf, also reserve the right to refuse to make any redemption or dividend payment to a shareholder if the Directors or the manager on the fund's behalf suspect or are advised that the payment of redemption or dividend proceeds to such shareholder may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the fund or the manager on the fund's behalf with any applicable laws or regulations.

The Authority has a discretionary power to impose substantial administrative fines upon the fund in connection with any breaches by the fund of prescribed provisions of the Anti-Money Laundering Regulations (As Revised) of the Cayman Islands, as amended and revised from time to time, and upon any director or officer of the fund who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the fund, the fund will bear the costs of such fine and any associated proceedings.

If any person in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority ("FRA") of the Cayman Islands, pursuant to the Proceeds of Crime Act (As Revised) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Act (As Revised) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Investors may obtain details (including contact details) of the current AML Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer of the fund, by contacting the fund's U.S. Service Desk at 1-877-721-1926 or 1-203-703-6002.

Requests for Information

The fund, or any directors or agents domiciled in the Cayman Islands, may be compelled to provide information, including, but not limited to, information relating to the subscriber, and where applicable the subscriber's beneficial owners and controllers, subject to a request for information made by a regulatory or governmental authority or agency under applicable law, e.g. by the Cayman Islands Monetary Authority, either for itself or for a recognized overseas regulatory authority, under the Monetary Authority Act (As Revised), or by the Tax Information Authority, under the Tax Information Authority Act (As Revised) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the fund, director or agent may be prohibited from disclosing that the request has been made.

Subscription Monies

Where a subscription for shares is accepted, the shares will be treated as having been issued with effect from the relevant subscription date notwithstanding that certain procedures for the issuing of those shares may not be completed until after the relevant subscription date. The subscription monies paid by a subscriber for shares will accordingly be subject to investment risk in the fund from the relevant subscription date.

Capital Structure

The authorized share capital of the fund is US\$10,000,000 divided into 100,000,000,000 shares each having a par value of US\$0.0001. Investors should note that ownership of a share of the fund does not confer any proprietary interest in the Portfolio in which the fund is invested or the assets of the Portfolio.

There are currently three share classes of the fund. The Board may establish additional classes in the future. The Board is authorized to issue additional shares of the fund at the fund's current net asset value per share at any time, plus any applicable sales charge (although at present no sales charge applies). When additional shares are issued, the Board is not required to grant subscription rights to existing shareholders.

Fractional shares may be issued and redeemed. Under Cayman Islands law the liability of shareholders of the fund is generally limited to the amount of their investment in the fund. The organizational documents of the Portfolio provide that the fund and other entities investing in the Portfolio are each liable for all obligations of the Portfolio. However, the risk of the fund incurring financial loss on account of such liability is limited to circumstances in which both inadequate insurance existed and the Portfolio was unable to meet its obligations. Accordingly, the Directors of the fund believe that it is unlikely that the fund will be required to bear liabilities by reason of its investment in the Portfolio in excess of the amount of the fund's investment in the Portfolio.

Expenses

The fund and Portfolio, as applicable, bear their expenses that include, but are not limited to, organizational and regulatory costs; expenses of registering or qualifying the shares of the fund for sale in certain jurisdictions; Directors' or Trustees' fees (if any); management fees; expenses of writing, typesetting and printing offering materials and other documents for, and communications with, investors and prospective investors; taxes and commissions; expenses of issuing, purchasing, repurchasing and redeeming shares; fees of administrative and dividend disbursing agents; printing, mailing, auditing, accounting and legal expenses; expenses relating to reports to investors and governmental agencies; costs of meetings of Trustees, Directors and investors and proxy solicitations therefor (if any); insurance premiums; association membership dues; and such nonrecurring and extraordinary items as may arise.

Fund and/or Portfolio expenses or fees (other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses) will be waived or borne by the manager and/or other service providers to the extent necessary in order that the aggregate annualized fund and Portfolio expenses allocated to a class of the fund do not exceed the percentage specified below of the average daily net assets of such class (each, an "expense cap"):

Class 1	0.18%
Class 2	0.45%
Class 3	0.23%

Each expense cap is voluntary, and may be changed or terminated at any time. Additional amounts may be voluntarily waived and/or reimbursed from time to time. The manager and/or other service providers may, subject to any then applicable expense cap, seek reimbursement for such expenses or fees from the fund and/or the Portfolio in future years.

The manager may also waive management fees and/or reimburse the operating expenses of the Portfolio, subject to recapture, under terms similar to the arrangements described above for the fund.

Investors may be assessed bank and other charges for special handling of account transactions.

Fees and expenses described in this Offering Circular are subject to change without notice to, or a vote of, investors in the fund.

Net Asset Value

The net asset value of shares of each class of the fund is expressed in U.S. dollars as a per share figure. The fund normally calculates its net asset value as of each hour from 8:00 a.m., New York City time, until its close of business (normally, 5:00 p.m., New York City time) on each fund Business Day, as described above.

However, the fund could, without advance notice, determine not to make one or more intraday calculations for a number of reasons such as unusual conditions in the bond, credit or other markets or unusual fund purchase or redemption activity. If the fund determined not to make an intraday calculation, purchases or redemptions would be effected at the next determined intraday or closing net asset value, which may be greater or less than the price at which the purchase or redemption would otherwise have been effected.

The net asset value per share of the fund (or its classes) is calculated by dividing (i) the value of the fund's net assets (allocable to that class, if applicable) (i.e., the fund's investment in the Portfolio and other assets less its liabilities, including expenses payable or accrued (and, if applicable, the value of the assets attributable to such class)) by (ii) the total number of shares of the fund (or such class, if applicable) outstanding at the time the determination is made.

The fund seeks to maintain a constant share price at US\$1.00 (although no assurance can be given that this will be so on a continuing basis). The Portfolio will employ specific investment policies and procedures to accomplish this result. The Portfolio uses the amortized cost method to value its portfolio securities. Using this method, the Portfolio constantly amortizes over the remaining life of a security the difference between the principal

amount due at maturity and the cost of the security to the Portfolio. The Board of Trustees of the Portfolio periodically assesses the procedures for determining the net asset value of its shares, including the Portfolio's use of the amortized cost method of valuation.

Distributions

Substantially all of the fund's net income from dividends and interest is paid to its investors, as a dividend declared on a daily basis and distributed monthly on or about the last business day of each month.

While the fund invests all of its investable assets in the Portfolio, the fund's net income consists of its share of the investment income that the Portfolio earns, less the fund's own expenses and its share of the expenses of the Portfolio.

The fund's share of net realized short-term and long-term capital gains that the Portfolio earns, if any, will be distributed to the fund's investors at such times and in such amounts as LMPFA, in consultation with the Board, determines to be in the best interests of the fund. For example, LMPFA, in consultation with the Board, may determine that the fund will distribute its share of any such gains on an annual, quarterly, monthly or daily basis. LMPFA, in consultation with the Board, also has authority not to distribute the fund's share of net realized short-term and long-term capital gains that the Portfolio earns. It is possible that LMPFA, in consultation with the Board, may from time to time change the times and amounts of such distributions for the fund.

Each investor may elect to receive dividends and capital gains distributions of the fund in either U.S. dollars or in additional shares of the fund (purchased at their net asset value without a sales charge). If no election is made by an investor, all dividends and other distributions will be automatically reinvested in additional shares of the fund at the net asset value determined on the reinvestment date.

Since the net income of the fund is declared as a dividend each time the net income of the fund is determined, the net asset value per share of the fund is intended to remain at US\$1.00 per share immediately after each such determination and dividend declaration. Any increase in the value of a shareholder's investment in the fund representing the reinvestment of dividend income is reflected by an increase in the number of shares of the fund in the investor's account.

Taxation

Cayman Islands

The Government of the Cayman Islands, will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the fund or its shareholders. The Cayman Islands are not party to any double tax treaty with any country that is applicable to any payments made by or to the fund.

The fund has received an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the fund or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the fund or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the fund to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the fund.

Automatic Exchange of Financial Account Information

The Cayman Islands has signed an inter-governmental agreement to improve international tax compliance and the exchange of information with the United States (the "US IGA"). The Cayman Islands has also signed, along with over 100 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "CRS" and together with the US IGA, "AEOI").

Cayman Islands regulations have been issued to give effect to the US IGA and the CRS (collectively, the "AEOI Regulations"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "TIA") has published guidance notes on the application of the US IGA and the CRS.

All Cayman Islands "Financial Institutions" are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless they are able to rely on an exemption that allows them to become a "Non-Reporting Financial Institution" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under CRS. The fund does not propose to rely on any Non-Reporting exemption and therefore intends to comply with the requirements of the AEOI Regulations.

The AEOI Regulations require the fund to, amongst other things (i) register with the United States Internal Revenue Service (the "IRS") to obtain a Global Intermediary Identification Number (a "GIIN") (in the context of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a "Reporting Financial Institution"; (iii) adopt and implement written policies and procedures setting out how it will address its obligations

under CRS; (iv) conduct due diligence on its accounts to identify whether any such accounts are considered “Reportable Accounts”, and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (e.g. the IRS in the case of a US Reportable Account) annually on an automatic basis.

For information on any potential withholding tax that may be levied against the fund, see also sections entitled “Taxation – United States” and “Foreign Account Tax Compliance Act”.

By investing in the fund and/or continuing to invest in the fund, investors shall be deemed to acknowledge that further information may need to be provided to the fund, the fund’s compliance with the AEOI Regulations may result in the disclosure of investor information, and investor information may be exchanged with overseas fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the fund may be obliged, and/or reserves the right, to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption of the investor concerned and/or closure of the investor’s account. In accordance with TIA issued guidance, the fund is required to close an investor’s account if a self-certification is not obtained within 90 days of account opening.

United States

The following is a summary of certain aspects of federal income taxation under the United States Internal Revenue Code of 1986, as amended (the “Code”), that may be applicable to the fund and its shareholders. This discussion is not intended to be a summary of all relevant U.S. tax considerations. In particular, it does not address the taxation of estates and gifts under the Code, or considerations specific to state and local taxation, or consequences under any tax treaty, or considerations specific to particular investors.

The fund and the Portfolio intend to conduct their activities so that they will not be deemed to be engaged in the conduct of a United States trade or business under the Code. As a result, it is not anticipated that the fund will be subject to a net income or branch profits tax under the Code. The Code imposes a 30% withholding tax on certain income received from U.S. sources by non-U.S. Persons, such as the fund. It is anticipated, however, that the fund will realize, indirectly through the Portfolio, substantially all of its U.S.-source income in the form of “portfolio interest” or other interest that is exempt from such withholding. There can be no assurance that the United States Internal Revenue Service (the “IRS”) will not challenge the above conclusions or take other positions that, if successful, might result in the payment of United States federal income taxes by the fund. For instance, the IRS could assert that the Portfolio’s investments in repurchase agreements, when-issued securities, or forward commitment transactions cause the fund to be engaged in the conduct of a United States trade or business and therefore subject to a net income and, potentially, to a branch profits tax under the Code.

The Portfolio expects to be classified as a partnership that is not a “publicly-traded partnership” (as defined in the Code) for federal income tax purposes. Under those circumstances, the Portfolio itself will not be subject to federal income tax. Instead, for U.S. federal income tax purposes the fund’s distributive share of the Portfolio’s income, gains, losses, deductions and tax credits will generally be treated as if it had been realized directly by the fund, regardless of whether the Portfolio makes any distributions to the fund.

Because the fund intends to be classified as a foreign corporation under the Code, investors in the fund that are not U.S. taxpayers, and are not subsidiaries or affiliates of U.S. taxpayers, should not be subject to United States federal income tax on any distributions from the fund or on the sale or exchange of shares of the fund, unless those shares are held in connection with a United States trade or business of the investor (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base that the investor maintains in the United States), or unless they are subject to withholding as described in “Foreign Account Tax Compliance Act” below.

In the case of a shareholder who is a nonresident alien individual, gain from the sale, exchange, or redemption of shares of the fund will be subject to a 30% (or any applicable lower tax treaty rate) U.S. withholding tax if (i) such person is present in the U.S. for 183 days or more during the taxable year (on a calendar year basis unless the nonresident alien individual has previously established a different taxable year) and (ii) such gain is derived from U.S. sources. Generally, the source of gain upon the sale, exchange, or redemption of shares of the fund is determined by the place of residence of the shareholder. For purposes of determining the source of gain, the Code defines residency in a manner that may result in an individual who is otherwise a nonresident alien with respect to the U.S. being treated as a U.S. resident for purposes of determining the source of gain only. Each potential individual shareholder who is a nonresident alien individual and anticipates being present in the U.S. for 183 days or more in any taxable year should consult his tax advisor with respect to the possible application of this rule.

The fund is not intended for United States taxpayers or investors that are subject to the rules that apply to expatriates under the Code. United States taxpayers and expatriates who invest in the fund, directly or indirectly, may suffer adverse tax consequences, including those set out below.

The fund will be considered a “passive foreign investment company” within the meaning of Section 1297(a) of the Code (a “PFIC”). The fund’s status as a PFIC may result in adverse U.S. federal income tax consequences to any U.S. taxpayer that is (i) an investor in the fund, (ii) a partner in, or a beneficiary of, a fund investor, (iii) a shareholder of a fund investor that is itself a PFIC, or (iv) a 50% or greater shareholder of a non-U.S. investor in the fund that is treated as a corporation and not as a PFIC for U.S. federal income tax purposes. Under the “interest-charge” method a taxable U.S. investor in the fund is generally liable for tax at ordinary income rates plus an interest charge reflecting the deferral of tax liability on gains from the sale of fund shares and certain distributions from the fund. **The fund does not intend to prepare the annual information statements needed by such U.S. taxpayers in order to make a “qualified electing fund” election with respect to the Fund under Section 1295 of the Code.**

Moreover, the fund cannot determine at this time whether a U.S. taxpayer investing in the fund will be eligible to make the so-called “mark to market” election under Section 1296 of the Code with respect to fund shares.

U.S. taxpayers who are investors in the fund, or shareholders, partners, or beneficiaries of a fund investor, also may suffer adverse U.S. federal income tax consequences if the fund is a “controlled foreign corporation” (a “CFC”) under the Code. The fund will be a CFC if more than 50% of the equity of the fund, measured by vote or value, is owned, directly or indirectly, by U.S. taxpayers each of whom owns (or is treated as owning), directly or indirectly, 10% or more of combined voting power or value of the fund. A “United States person” (and, potentially, a non-U.S. Person who is engaged in business in the U.S.) who owns an interest in certain non-U.S. financial accounts that, when aggregated with the value of certain other non-U.S. financial accounts, are worth more than US\$10,000 during any part of a calendar year is generally required to file a Report of Foreign Bank and Financial Accounts (an “FBAR”) with respect to such accounts by April 15 following the close of such calendar year. Relevant guidance provides that, for persons who fail to file by April 15, the deadline will be automatically extended to October 15. The definition of “United States person” for this purpose generally includes U.S. citizens, residents of the U.S. and of U.S. territories and possessions, and entities created, organized or formed under the laws of the U.S. or a U.S. territory or possession. Under current IRS guidance, an investment in the fund is not treated as a non-U.S. financial account for purposes of the FBAR filing requirements. The penalties for failing to file an FBAR when required can be severe.

In addition, in general, an individual who is a U.S. Person and who owns an interest in a non-U.S. entity such as the fund that, when aggregated with the value of certain other non-U.S. assets, is worth more than US\$50,000 on the last day of a taxable year or more than US\$75,000 at any time during a taxable year must attach a disclosure statement (IRS Form 8938) to his or her tax return for that taxable year. For married taxpayers filing jointly, the general disclosure statement filing thresholds are US\$100,000 on the last day of a taxable year or US\$150,000 at any time during the taxable year. The filing thresholds are higher for U.S. Persons whose tax homes are in countries other than the United States and who meet one of two “presence abroad” tests. For an individual who meets these requirements, the filing thresholds are US\$200,000 on the last day of a taxable year or US\$300,000 at any time during the taxable year. For married taxpayers filing jointly who meet these requirements, the filing thresholds are US\$400,000 on the last day of a taxable year or US\$600,000 at any time during the taxable year. Certain U.S. entities are required to file disclosure statements as though the entities were individuals. The filing of a disclosure statement will not satisfy an FBAR filing requirement, and the filing of an FBAR will not eliminate any requirement to file IRS Form 8938.

The foregoing is not intended to constitute an exhaustive description of all reporting requirements that may apply to an investment in the fund. Shareholders are urged to consult their own tax advisors or return preparers concerning the application of these and any other reporting requirements. A failure to satisfy reporting requirements may result in significant penalties. A failure to satisfy certain reporting requirements may also result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement.

Prospective investors in the fund, particularly prospective investors that are subsidiaries or affiliates of U.S. taxpayers, should seek their own professional advice as to the potential U.S. tax consequences of an investment in the fund.

Foreign Account Tax Compliance Act

Legislation commonly referred to as the Foreign Account Tax Compliance Act (“FATCA”) was enacted in the United States in 2010. It introduced a number of new customer identification, reporting and tax withholding requirements applicable to foreign (i.e., non-U.S.) financial institutions (“FFIs”) and certain nonfinancial foreign entities. These requirements are aimed at preventing citizens and residents of the United States from evading U.S. taxes by holding their assets in financial accounts outside of the United States. The term “FFI” is defined very broadly and therefore the fund and, potentially, certain dealers or third parties selling shares of the fund are considered FFIs.

The following is a general discussion of the application of FATCA to the fund and certain dealers or third parties selling shares of the fund, as well as existing and prospective investors or shareholders of the fund. It is included for general informational purposes only, should not be relied upon as tax advice and may not be applicable depending upon a shareholder’s particular situation. Investors should consult their tax advisors regarding the tax consequences to them of the purchase, ownership and disposition of the shares of the fund, including the tax consequences under United States federal laws (and any proposed changes in applicable law).

For purposes of this discussion, the following definitions apply:

“FATCA” or the “Foreign Account Tax Compliance Act” means sections 1471-1474 of the Code, as amended from time to time.

“FATCA Regulations” means the regulations promulgated from time to time by the U.S. Department of Treasury and administrative guidance issued by the U.S. Internal Revenue Service with respect to FATCA.

“U.S. Reportable Account” generally means an account maintained by an FFI on behalf of one or more Specified U.S. Persons or U.S. Owned Foreign Entities, or an equity or debt interest in an FFI held by one or more Specified U.S. Persons or U.S. Owned Foreign Entities.

“Specified U.S. Person” means a specified U.S. person as defined under the FATCA Regulations, including, in general:

- i. A citizen or resident of the United States;
- ii. A partnership organized under the laws of the United States;

- iii. A corporation incorporated under the laws of the United States, as long as the corporation is not regularly traded on an established securities market and is not a member of an “expanded affiliated group” that includes another corporation that is regularly traded on an established securities market;
- iv. Any estate (other than a foreign estate, within the meaning of section 7701(a)(31) of the Code);
- v. A trust (other than a real estate investment trust, a charitable remainder trust or certain other trusts that are exempt from U.S. federal income tax)
 - a. If a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons, as defined under section 7701(a)(30) of the Code, have authority to control all substantial decisions of the trust, or
 - b. That has in effect a valid election under applicable regulations to be treated as a United States person.

“Substantial U.S. Owner” means:

- i. With respect to any foreign corporation, any Specified U.S. Person that owns, directly or indirectly, more than 10 percent of the stock of such corporation (by vote or value);
- ii. With respect to any foreign partnership, any Specified U.S. Person that owns, directly or indirectly, more than 10 percent of the profits interests or capital interests in such partnership; and
- iii. In the case of a trust,
 - a. Any Specified U.S. Person treated as an owner of any portion of the trust under sections 671 through 679 of the Code; and
 - b. Any Specified U.S. Person that holds, directly or indirectly, more than 10 percent of the beneficial interests of the trust.

“U.S. Owned Foreign Entity” means a foreign entity owned by one or more Substantial U.S. Owners.

FFI Agreements and FATCA Withholding

FATCA generally requires FFIs to enter into agreements (“FFI Agreements”) with the IRS, under which they agree to identify and report information to the IRS on any U.S. Reportable Accounts held by them. The IRS assigns a GIIN to each FFI that has entered into an FFI Agreement, which confirms the FFI’s status as a Participating FFI. If an FFI fails to enter into an FFI Agreement, it may be treated as a non-participating FFI and may become subject to a 30% withholding tax on “withholdable payments” or “passthru payments” (as defined under the FATCA Regulations) it receives (collectively “FATCA Withholding”), except as provided by certain alternative rules, such as an intergovernmental agreement between the U.S. and a foreign government with respect to the implementation of FATCA. Withholdable payments include generally (i) any U.S. source fixed or determinable annual or periodic income (“U.S. source FDAP income”) and (ii) passthru payments. The term “passthru payment” is defined for purposes of section 1471 of the Code to generally include withholdable payments and payments that are attributable to withholdable payments made by an FFI. Under proposed U.S. Treasury regulations, on which taxpayers may rely, withholding on passthru payments will not be effective until two years after final regulations are promulgated.

Application of FATCA to the Fund

See section entitled “Cayman Islands – Automatic Exchange of Financial Account Information” above.

Application of FATCA to Investors

Each existing and prospective shareholder in the fund will be required to provide the fund (or a dealer or other third party when shares are purchased through a dealer or other third party) a completed and signed IRS Form W-8, W-9 or other withholding certificate acceptable to the fund (or dealer or third party, as appropriate), as well as any other information required by it to determine whether such shareholder is a holder of a U.S. Reportable Account or qualifies for an exemption under an intergovernmental agreement, FATCA or the FATCA Regulations. If shares of the fund are held in a nominee account by a non-FFI nominee for the benefit of their underlying beneficial owner, the underlying beneficial owner is an accountholder for purposes of FATCA, and the information provided must pertain to the beneficial owner.

Please note that the term “U.S. Reportable Account” as defined above for purposes of FATCA is broader and covers a wider range of investors than the term “U.S. Person” under Regulation S of the 1933 Act, which is discussed in the section entitled “Other Information-Definition of a U.S. Person”. Investors should consult their legal counsel or tax advisors regarding whether they fall under either of these definitions.

Reporting on U.S. Reportable Accounts

If an account is determined to be a U.S. Reportable Account, the accountholder will be required to provide to the fund (or dealer or third party, as appropriate) information required to be reported to the appropriate tax authorities under FATCA, generally including among other things, the full name, address, and taxpayer identification number of the accountholder. For shares purchased directly from the fund, the fund intends to report the

shareholder's information to the government of the Cayman Islands, pursuant to the intergovernmental agreement between the U.S. and the Cayman Islands. For shares purchased from a dealer or other third party, the dealer or other third party may be required to report the shareholder's information to the IRS or, potentially, to the dealer's or third party's local taxing authorities in the case of a dealer or third party located in a country that has entered into an intergovernmental agreement with the United States. Failure by a shareholder to provide necessary information may result in its account being closed and the shareholder being subject to FATCA withholding on any distributions received by the shareholder from the fund.

Application of FATCA to Brokers, Dealers or Similar Third Parties Selling Shares of the Fund

To avoid FATCA Withholding, a broker, dealer or similar third party selling shares of the fund may be required to certify its compliance with FATCA by providing the fund (i) an appropriate IRS Form W-8, W-9 or other withholding certificate acceptable to the fund, as applicable, duly executed by an authorized representative; (ii) its GIIN, if applicable, as well as (iii) any other information required by the fund to confirm such compliance with FATCA. Failure by such a broker, dealer or similar third party to provide such information may lead to closure of the broker's, dealer's or third party's accounts with the fund and imposition of FATCA Withholding on such accounts.

This discussion was written to support the promotion or marketing of the fund. Each recipient of this document should seek advice based on that person's particular circumstances from an independent tax advisor.

General

Investment income realized by fund and the Portfolio from sources within countries other than the United States and the Cayman Islands may be subject to withholding taxes imposed by those countries.

The fund and the Portfolio do not purchase securities that it believes, at the time of purchase, will be subject to exchange controls or non-U.S. withholding taxes; however, there can be no assurance that such laws may not become applicable to certain investments. In the event exchange controls or non-U.S. withholding taxes are imposed with respect to any of the Portfolio or the fund's investments, the effect may be to reduce the income received by the fund and the Portfolio on those investments.

A prospective investor should be aware of the taxes applicable to the acquisition, holding and disposition of fund shares and to distributions in respect thereof under the laws of the countries of his or her citizenship, residence or domicile. Prospective investors are encouraged to contact their own tax advisors in this regard.

Other Information

Investor Representations

By purchasing fund shares, investors represent or are deemed to represent that, among other things:

- (i) they have received and reviewed this Offering Circular;
- (ii) they will hold the fund shares that they acquire subject to the terms of this Offering Circular and the fund's Articles, as amended or supplemented from time to time;
- (iii) they have such knowledge and experience in business and financial matters as to be capable of evaluating the merits and risks of investing in the fund, and they are able to bear the economic risk of an investment in the fund;
- (iv) they are purchasing the fund shares for investment and not with a view to resale or distribution;
- (v) either (A) they were not present in the United States when any offer to purchase shares of the fund was made to them and at the time they placed their order to buy shares they were outside the United States or (B) the offer and sale of shares of the fund to them otherwise qualify as an "offshore transaction" as defined in Rule 902(h) under the 1933 Act;
- (vi) they are not, and are not acting on behalf of, a U.S. Person (as defined below) or an investor of any other type that the manager may determine to be ineligible to acquire shares of the fund (a "Restricted Investor");
- (vii) they will promptly notify the fund if they become a U.S. Person or Restricted Investor;
- (viii) they have not received funds from any U.S. Person or Restricted Investor to acquire fund shares and will not sell, transfer or otherwise dispose of fund shares, directly or indirectly, within the United States or to any U.S. Person or Restricted Investor;
- (ix) they have received the Nominee Agreement setting out the rights and limitations of investors as holders of beneficial interests in shares of the fund, and agree to its terms;
- (x) they are not currently a Sanctions Subject as defined at p. 26 herein, and that they will promptly notify the fund if they become a Sanctions Subject;
- (xi) that all personal data provided to the fund, the manager or its delegates by or on behalf of the investor has been and will be provided in accordance with applicable laws and regulations, including, without limitation, those relating to privacy or the use of personal data.

Investors shall ensure that any personal data that each investor provides to the fund or its delegates (including, without limitation, the manager) is accurate and up to date, and investors shall promptly notify the fund if the investor becomes aware that any such data is no longer accurate or up to date;

- (xii) investors acknowledge that the fund and/or its delegates may transfer and/or process personal data provided by the investors outside of the Cayman Islands and each investor hereby consents to such transfer and/or processing and further represents that it is duly authorised to provide this consent on behalf of any individual whose personal data is provided by the investor; and
- (xiii) investors acknowledge receipt of the fund's privacy notice included herein (the "Fund Privacy Notice"). Each investor shall promptly provide the Fund Privacy Notice to (i) each individual whose personal data the investor has provided or will provide to the fund or any of its delegates in connection with the investor's investment in the fund (such as directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) and (ii) any other individual connected to the investor as may be requested by the fund or any of its delegates. Investors shall also promptly provide to any such individual, on request by the fund or any of its delegates, any updated versions of the Fund Privacy Notice and the privacy notice (or other data protection disclosures) of any third party to which the fund or any of its delegates has directly or indirectly provided that individual's personal data.

Definition of U.S. Person

As used in this Offering Circular, the term "U.S. Person" has the meaning assigned to it in Regulation S under the 1933 Act. As defined therein, U.S. Person means, in general:

- i. a natural person who is a resident of the United States;
- ii. a corporation, partnership or other entity organized or incorporated under the laws of the United States;
- iii. any agency or branch of a non-U.S. entity located in the United States;
- iv. any entity organized or incorporated under the laws of a jurisdiction other than the United States if formed by a U.S. Person principally to invest in securities not registered under the 1933 Act unless it is organized or incorporated, and owned, by accredited investors (as defined in Regulation D under the 1933 Act) that are not natural persons, estates or trusts;
- v. any estate of which any executor or administrator is a U.S. Person;
- vi. any trust of which any trustee is a U.S. Person;
- vii. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; and
- viii. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated or (if an individual) resident in the United States.

Notwithstanding the foregoing, (a) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated or (if an individual) resident in the United States shall not be deemed a U.S. Person under (viii) above, (b) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person shall not be deemed a U.S. Person under (v) above if an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and the estate is governed by non-U.S. law, (c) any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a U.S. Person under (vi) above if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person, (d) any employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a U.S. Person, (e) any agency or branch of a U.S. Person located outside the United States shall not be deemed a U.S. Person if (i) the agency or branch operates for valid business reasons; and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located, and (f) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans shall not be deemed U.S. Persons.

Investment by Entities Holding U.S. Benefit Plan Assets

Shares of the fund are not intended for purchase and may not be purchased by any entity ("Benefit Plan Investor") whose underlying assets include the assets of any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any plan, including individual retirement accounts and plans covering self-employed individuals, subject to Section 4975 of the Code (any such employee benefit plan or plan, a "Benefit Plan"), by reason of any Benefit Plan's investment in such entity within the meaning of Section 3(42) of ERISA and applicable regulations of the United States Department of Labor. Prospective investors will be required to certify prior to the purchase of shares of the fund, and by purchasing fund shares, have represented or will be deemed to have represented, that they are not, and are not acting on behalf of, any Benefit Plan Investor, and to advise the fund of any change in such certification.

Financial Statements

The audited financial statements of the fund and the Portfolio are sent to each investor in the fund within 90 days following the close of each fiscal year.

Fiscal Year

The fiscal year of the fund ends on August 31.

Indemnification

The fund will indemnify its Directors, the manager, the Placement Agent, the Recordkeeping Agents, the Custodian and the Record Shareholder and their respective directors, officers, employees, agents, partners, shareholders and affiliates against certain losses, claims, damages, liabilities and expenses, including legal fees, to which they may be or become subject by reason of their activities on behalf of the fund. The Portfolio offers similar indemnities to its trustees, officers and service providers.

Language

This Offering Circular was originally prepared in the English language and may be translated into other languages. If there is any inconsistency between the Offering Circular as originally prepared in the English language and any translation thereof into another language, or if there is an ambiguity in any translation of the Offering Circular, the Offering Circular as originally prepared in the English language shall control in all respects.

Material Documents

The description of the fund and the Portfolio set forth in this Offering Circular represents a summary only. Summaries of certain provisions of the fund's Articles and other documents are contained in this Offering Circular, but such summaries are qualified entirely by the documents that they purport to summarize. Copies of all material documents, including the Articles and the contracts between the fund and its service providers may be obtained from or through the manager by any investor upon payment of a copying and mailing charge.

Handling of Mail

Correspondence may be directed to the fund at its registered office address:

Western Asset Government Money Market Fund, Ltd.
c/o Maples Corporate Services Limited
P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Mail addressed to the fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the fund to be dealt with. None of the fund, its directors, officers or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed only to the fund).

Correspondence to the Record Shareholder should be sent to:

LM (BVI) Limited c/o Maples Corporate Services (BVI) Limited
Re: Western Asset Government Money Market Fund, Ltd.
Kingston Chambers
P.O. Box 173
Road Town, Tortola
British Virgin Islands, VG 1110

Mail addressed to the Record Shareholder and received at its registered office will be forwarded unopened to representatives of the Record Shareholder. None of the Record Shareholder, its directors, officers or service providers will bear any responsibility for any delay howsoever caused in mail reaching those representatives.

Sanctions

The fund is subject to laws that restrict it from dealing with entities, individuals, organisations and/or investments which are subject to applicable sanctions regimes.

Accordingly, the fund will require the subscriber to represent and warrant, on a continuing basis, that it is not, and that to the best of its knowledge or belief its beneficial owners, controllers or authorised persons ("Related Persons") (if any) are not; (i) named on any list of sanctioned entities or individuals maintained by the US Treasury Department's Office of Foreign Assets Control ("OFAC") or pursuant to European Union ("EU"), United Kingdom ("UK") Regulations (as the latter are extended to the Cayman Islands by Statutory Instrument) and/or Cayman Islands legislation, (ii) operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations, OFAC, the EU, the UK and/or

the Cayman Islands apply, or (iii) otherwise subject to sanctions imposed by the United Nations, OFAC, the EU, the UK (including as the latter are extended to the Cayman Islands by Statutory Instrument) or the Cayman Islands (collectively, a "Sanctions Subject").

Where the subscriber or a Related Person is or becomes a Sanctions Subject, the fund may be required immediately and without notice to the subscriber to cease any further dealings with the subscriber and/or the subscriber's interest in the fund until the subscriber or the relevant Related Person (as applicable) ceases to be a Sanctions Subject, or a licence is obtained under applicable law to continue such dealings (a "Sanctioned Persons Event"). The fund, the directors, and the manager shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by the subscriber as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of the fund subsequently become subject to applicable sanctions, the fund may immediately and without notice to the subscriber cease any further dealings with that investment until the applicable sanctions are lifted or a licence is obtained under applicable law to continue such dealings (a "Sanctioned Investment Event").

Cayman Islands Data Protection

The Cayman Islands Government enacted the Data Protection Act, 2017 (the "DPA") on 18 May 2017. The DPA introduces legal requirements for the fund based on internationally accepted principles of data privacy.

The fund has prepared a document outlining the fund's data protection obligations and the data protection rights of subscribers (and individuals connected with subscribers) under the DPA (the "Fund Privacy Notice"). For the Fund Privacy Notice, see Appendix B to this Offering Circular.

Prospective investors should note that, by virtue of making investments in the fund and the associated interactions with the fund and its affiliates and/or delegates (including completing the application form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the fund with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the fund and its affiliates and/or delegates (including, without limitation, the manager) with certain personal information which constitutes personal data within the meaning of the DPA. The fund shall act as a data controller in respect of this personal data and its affiliates and/or delegates, including without limitation the manager, may act as data processors (or data controllers in their own right in some circumstances).

By investing in the fund and/or continuing to invest in the fund, investors shall be deemed to acknowledge that they have read in detail and understood the Fund Privacy Notice and that the Fund Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the fund. The section entitled "Investor Representations" of this Offering Circular contains relevant representations and warranties.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the fund could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Appendix A

Western Asset Government Money Market Fund, Ltd. (the "Fund").

In addition to the investment strategies and risks described in the Fund's Offering Circular under Investment Objective, Investment Strategies and Risks, the Fund may employ other investment practices and may be subject to other risks, which are described below. The Fund may engage in the practices described below to the extent consistent with its investment objectives, strategies, policies and restrictions. However, as with any investment or investment technique, even when the Fund's Offering Circular or this discussion indicates that the Fund may engage in an activity, the Fund may not actually do so for a variety of reasons. In addition, new types of instruments and other securities may be developed and marketed from time to time. Consistent with its investment limitations, the Fund expects to invest in those new types of securities and instruments that its portfolio managers believe may assist the Fund in achieving its investment objective.

This discussion is not intended to limit the Fund's investment flexibility, unless such a limitation is expressly stated, and therefore will be construed by the Fund as broadly as possible. Statements concerning what the Fund may do are not intended to limit any other activity.

"Fund" as used herein includes the Portfolio (as defined in the Fund's Offering Circular), unless the context requires otherwise.

GLOSSARY OF TERMS

"1933 Act" means the Securities Act of 1933, as amended.

"1940 Act" means the Investment Company Act of 1940, as amended.

"Board" means the Fund's Board of Directors.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Manager" means Legg Mason Partners Fund Advisor, LLC.

"NAV" means net asset value.

"NRSROs" means nationally recognized (or non-U.S.) statistical rating organizations, including, but not limited to, Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings and S&P Global Ratings ("S&P").

"SEC" means the U.S. Securities and Exchange Commission.

"Subadviser" means Western Asset Management Company, LLC.

Although the Fund is not directly subject to the 1940 Act, these rules do apply to the Portfolio and as a result may indirectly impact the Fund.

Borrowings

The Fund may engage in borrowing transactions as a means of raising cash to satisfy redemption requests, for other temporary or emergency purposes or, to the extent permitted by its investment policies, to raise additional cash to be invested by the Fund in other securities or instruments in an effort to increase the Fund's investment returns. Reverse repurchase agreements may be considered to be a type of borrowing.

When the Fund invests borrowing proceeds in other securities, the Fund will be at risk for any fluctuations in the market value of the securities in which the proceeds are invested. Like other leveraging risks, this makes the value of an investment in the Fund more volatile and increases the Fund's overall investment exposure. In addition, if the Fund's return on its investment of the borrowing proceeds does not equal or exceed the interest that the Fund is obligated to pay under the terms of a borrowing, engaging in these transactions will lower the Fund's return.

The Fund may be required to liquidate portfolio securities at a time when it would be disadvantageous to do so in order to make payments with respect to its borrowing obligations. Interest on any borrowings will be an expense to the Fund and will reduce the value of the Fund's shares. The Fund may borrow on a secured or on an unsecured basis. If the Fund enters into a secured borrowing arrangement, a portion of the Fund's assets will be used as collateral. During the term of the borrowing, the Fund will remain at risk for any fluctuations in the market value of these assets in addition to any securities purchased with the proceeds of the loan. In addition, the Fund may be unable to sell the collateral at a time when it would be advantageous to do so, which could result in lower returns. The Fund would also be subject to the risk that the lender may file for bankruptcy, become insolvent, or otherwise default on its obligations to return the collateral to the Fund. In the event of a default by the lender, there may be delays, costs and risks of loss involved in the Fund's exercising its rights with respect to the collateral or those rights may be limited by other contractual agreements or obligations or by applicable law.

The 1940 Act requires the Portfolio to maintain an "asset coverage" of at least 300% of the amount of its borrowings, provided that in the event that the Portfolio's asset coverage falls below 300%, the Portfolio is required to reduce the amount of its borrowings so that it meets the 300% asset coverage threshold within three days (not including Sundays and holidays). Asset coverage means the ratio that the value of the Portfolio's total assets, minus liabilities other than borrowings and other senior securities, bears to the aggregate amount of all borrowings. Although complying

with this guideline would have the effect of limiting the amount that the Portfolio may borrow, it does not otherwise mitigate the risks of entering into borrowing transactions.

Cybersecurity Risk

With the increased use of technologies such as mobile devices and Web-based or “cloud” applications, and the dependence on the Internet and computer systems to conduct business, the Fund is susceptible to operational, information security and related risks. In general, cybersecurity incidents can result from deliberate attacks or unintentional events (arising from external or internal sources) that may cause the Fund to lose proprietary information, suffer data corruption, physical damage to a computer or network system or lose operational capacity. Cybersecurity attacks include, but are not limited to, infection by malicious software, such as malware or computer viruses or gaining unauthorized access to digital systems, networks or devices that are used to service the Fund’s operations (e.g., through “hacking,” “phishing” or malicious software coding) or other means for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on the Fund’s websites (i.e., efforts to make network services unavailable to intended users). In addition, authorized persons could inadvertently or intentionally release confidential or proprietary information stored on the Fund’s systems.

Cybersecurity incidents affecting the Fund’s Manager, the Subadviser, other service providers to the Fund or its shareholders (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses to both the Fund and its shareholders, interference with the Fund’s ability to calculate its net asset value, impediments to trading, the inability of Fund shareholders to transact business and the Fund to process transactions (including fulfillment of Fund share purchases and redemptions), violations of applicable privacy and other laws (including the release of private shareholder information) and attendant breach notification and credit monitoring costs, regulatory fines, penalties, litigation costs, reputational damage, reimbursement or other compensation costs, forensic investigation and remediation costs, and/or additional compliance costs. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which the Fund invests, counterparties with which the Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and other service providers) and other parties. In addition, substantial costs may be incurred in order to safeguard against and reduce the risk of any cybersecurity incidents in the future. In addition to administrative, technological and procedural safeguards, the Fund’s Manager and the Subadviser have established business continuity plans in the event of, and risk management systems to prevent or reduce the impact of, such cybersecurity incidents. However, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified, as well as the rapid development of new threats. Furthermore, the Fund cannot control the cybersecurity plans and systems put in place by its service providers or any other third parties whose operations may affect the Fund and its shareholders. The Fund and its shareholders could be negatively impacted as a result.

Diversification

The Portfolio is currently classified as a diversified fund under the 1940 Act. The Portfolio may only change to non-diversified status with the approval of the Portfolio’s shareholders. Under the 1940 Act, such approval requires the affirmative vote (a) of 67% or more of the voting securities present at an annual or special meeting, if the holders of more than 50% of the outstanding voting securities of the Portfolio are present or represented by proxy, or (b) of more than 50% of the outstanding voting securities of the Portfolio, whichever is less. Investors in the Fund would not participate in any such vote.

The Fund has not been registered under the 1940 Act and so is not classified as a diversified fund or non-diversified fund under the 1940 Act. For so long as the Fund invests its investable assets in the Portfolio, the investments in which the Fund participates through the Portfolio will reflect the diversification requirements that apply to the Portfolio under the 1940 Act.

Illiquid Investments and Restricted Securities

An illiquid security is any security which the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the security. The Fund must follow strict rules with respect to the liquidity of its portfolio securities, including daily and weekly liquidity requirements. To the extent required by applicable law and SEC guidance, the Fund will not acquire an illiquid security if such acquisition would cause the aggregate value of illiquid securities to exceed 5% of the Fund’s total assets. If at any time the portfolio manager determines that the value of illiquid securities held by the Fund exceeds 5% of the Fund’s total assets, the portfolio manager will take such steps as it considers appropriate to reduce the percentage as soon as reasonably practicable.

Restricted securities are securities subject to legal or contractual restrictions on their resale, such as private placements. Such restrictions might prevent the sale of restricted securities at a time when the sale would otherwise be desirable. Under SEC regulations, certain restricted securities acquired through private placements can be traded freely among qualified purchasers. While restricted securities are generally presumed to be illiquid, it may be determined that a particular restricted security is liquid. Investing in these restricted securities could have the effect of increasing the Fund’s illiquidity if qualified purchasers become, for a time, uninterested in buying these securities.

Restricted securities may be sold only (1) pursuant to SEC Rule 144A or another exemption, (2) in privately negotiated transactions or (3) in public offerings with respect to which a registration statement is in effect under the 1933 Act. Rule 144A securities, although not registered in the U.S., may be sold to qualified institutional buyers in accordance with Rule 144A under the 1933 Act. As noted above, the Fund may determine that

some Rule 144A securities are liquid. Where registration is required, the Fund may be obligated to pay all or part of the registration expenses and a considerable period may elapse between the time of the decision to sell and the time the Fund may be permitted to sell a restricted security under an effective registration statement. If, during such a period, adverse market conditions were to develop, the Fund might obtain a less favorable price than prevailed when it decided to sell.

Illiquid securities may be difficult to value, and the Fund may have difficulty disposing of such securities promptly. The Fund does not consider non-U.S. securities to be restricted if they can be freely sold in the principal markets in which they are traded, even if they are not registered for sale in the U.S.

London Interbank Offered Rate (“LIBOR”) Replacement and Other Reference Rates Risk

Many debt securities, derivatives, and other financial instruments, including some of the Fund’s investments, utilize benchmark or reference rates such as LIBOR, European Interbank Offer Rate (“EURIBOR”), Sterling Overnight Interbank Average Rate (“SONIA”), and other similar types of reference rates for variable interest rate calculations. Instruments in which the Fund invests may pay interest at floating rates based on LIBOR or other similar types of reference rates or may be subject to interest caps or floors based on such reference rates. The Fund and issuers of instruments in which the Fund invests may also obtain financing at floating rates based on such reference rates. The elimination of a reference rate or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for—or value of—any securities or payments linked to those reference rates.

The use of LIBOR came under pressure following manipulation allegations in 2012. Despite increased regulation and other corrective actions since that time, concerns have arisen regarding its viability as a benchmark due largely to reduced activity in the financial markets that it measures. In 2017, the U.K. Financial Conduct Authority announced that it will no longer encourage nor require banks to submit rates for the calculation of LIBOR after 2021. The administrator of LIBOR recently announced a possible delay in the phase out of a majority of the U.S. dollar LIBOR publications until mid-2023, with the remainder of the LIBOR publications to end at the end of 2021. It is unclear whether LIBOR will continue to exist in its current or a modified form. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. Based on the recommendations of the New York Federal Reserve’s Alternative Reference Rate Committee (comprised of major derivative market participants and their regulators), the U.S. Federal Reserve began publishing a Secured Overnight Funding Rate (“SOFR”) that is intended to replace U.S. Dollar LIBOR. Proposals for alternative reference rates for other currencies have also been announced or have already begun publication, such as SONIA in the United Kingdom.

Markets are slowly developing in response to these new rates, and transition planning is at a relatively early stage. Neither the effect of the transition process nor its ultimate success is known. The transition process may lead to increased volatility and illiquidity in markets that currently rely on LIBOR to determine interest rates. The effect of any changes to—or discontinuation of—LIBOR on the Fund will vary depending on, among other things, provisions in individual contracts and whether, how, and when industry participants develop and adopt new reference rates and alternative reference rates for both legacy and new products and instruments. Because the usefulness of LIBOR as a benchmark may deteriorate during the transition period, these effects could materialize prior to the end of 2021.

Repurchase Agreements

Under the terms of a typical repurchase agreement, the Fund would acquire one or more underlying debt securities from a counterparty (typically a bank or a broker-dealer), subject to the counterparty’s obligation to repurchase, and the Fund to resell, the securities at an agreed-upon time and price. The Fund may enter into repurchase agreements where the underlying collateral consists entirely of cash items and/or securities of the U.S. Government, its agencies, its instrumentalities, or U.S. Government sponsored enterprises. Unless otherwise limited in the Fund’s Offering Circular, the Fund may also enter into repurchase agreements where the underlying collateral consists of other types of securities, including securities the Fund could not purchase directly. For such repurchase agreements, the underlying securities which serve as collateral may include, but are not limited to, U.S. government securities, municipal securities, corporate debt obligations, asset-backed securities (including collateralized mortgage obligations (“CMOs”)), convertible securities and common and preferred stock and may be of below investment grade quality. The repurchase price is typically greater than the purchase price paid by the Fund, thereby determining the Fund’s yield. A repurchase agreement is similar to, and may be treated as, a secured loan, where the Fund loans cash to the counterparty and the loan is secured by the underlying securities as collateral. All repurchase agreements entered into by the Fund are required to be collateralized so that at all times during the term of a repurchase agreement, the value of the underlying securities is at least equal to the amount of the repurchase price. Also, the Fund or its custodian is required to have control of the collateral, which the portfolio manager believes will give the Fund a valid, perfected security interest in the collateral.

Repurchase agreements could involve certain risks in the event of default or insolvency of the counterparty, including possible delays or restrictions upon the Fund’s ability to dispose of the underlying securities, the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its right to them, the risk that there may be a limited market or no market for disposition of such underlying securities, the risk of incurring expenses associated with asserting those rights and the risk of losing all or part of the income from the agreement. The Fund will seek to mitigate these risks but there is no guarantee that such efforts will be successful. If the Fund enters into a repurchase agreement involving securities the Fund could not purchase directly, and the counterparty defaults, the Fund may become the holder of such securities. Repurchase agreements collateralized by securities other than U.S. government securities may be subject to greater risks and are more likely to have a term to maturity of longer than seven days. Repurchase agreements with a maturity of more than seven days are considered to be illiquid.

Repurchase agreements may be entered into or novated with a financial clearinghouse, which would become the Fund's counterparty. The Fund would then become subject to the rules of the clearinghouse, which may limit the Fund's rights and remedies (including recourse to collateral) or delay or restrict the rights and remedies, and expose the Fund to the risks of the clearinghouses' insolvency.

Reverse Repurchase Agreements

The Fund may enter into reverse repurchase agreements. A reverse repurchase agreement has the characteristics of a secured borrowing by the Fund and creates leverage in the Fund's portfolio. In a reverse repurchase transaction, the Fund sells a portfolio instrument to another person, such as a financial institution or broker-dealer, in return for cash. At the same time, the Fund agrees to repurchase the instrument at an agreed-upon time and at a price that is greater than the amount of cash that the Fund received when it sold the instrument, representing the equivalent of an interest payment by the Fund for the use of the cash. During the term of the transaction, the Fund will continue to receive any principal and interest payments (or the equivalent thereof) on the underlying instruments.

The Fund may engage in reverse repurchase agreements as a means of raising cash to satisfy redemption requests or for other temporary or emergency purposes. Unless otherwise limited in the Fund's Offering Circular, the Fund may also engage in reverse repurchase agreements to the extent permitted by its fundamental investment policies in order to raise additional cash to be invested by the Fund's portfolio manager in other securities or instruments in an effort to increase the Fund's investment returns.

During the term of the transaction, the Fund will remain at risk for any fluctuations in the market value of the instruments subject to the reverse repurchase agreement as if it had not entered into the transaction. When the Fund reinvests the proceeds of a reverse repurchase agreement in other securities, the Fund will also be at risk for any fluctuations in the market value of the securities in which the proceeds are invested. Like other forms of leverage, this makes the value of an investment in the Fund more volatile and increases the Fund's overall investment exposure. In addition, if the Fund's return on its investment of the proceeds of the reverse repurchase agreement does not equal or exceed the implied interest that it is obligated to pay under the reverse repurchase agreement, engaging in the transaction will lower the Fund's return.

When the Fund enters into a reverse repurchase agreement, it is subject to the risk that the buyer under the agreement may file for bankruptcy, become insolvent or otherwise default on its obligations to the Fund. In the event of a default by the counterparty, there may be delays, costs and risks of loss involved in the Fund's exercising its rights under the agreement, or those rights may be limited by other contractual agreements or obligations or by applicable law.

In addition, the Fund may be unable to sell the instruments subject to the reverse repurchase agreement at a time when it would be advantageous to do so, or may be required to liquidate portfolio securities at a time when it would be disadvantageous to do so in order to make payments with respect to its obligations under a reverse repurchase agreement. This could adversely affect the Fund's strategy and result in lower fund returns. At the time the Fund enters into a reverse repurchase agreement, the Fund is required to set aside cash or other appropriate liquid securities in the amount of the Fund's obligation under the reverse repurchase agreement or take certain other actions in accordance with SEC guidelines, which may affect the Fund's liquidity and ability to manage its assets. Although complying with SEC guidelines would have the effect of limiting the amount of fund assets that may be committed to reverse repurchase agreements and other similar transactions at any time, it does not otherwise mitigate the risks of entering into reverse repurchase agreements.

The Fund will not engage in reverse repurchase agreements if its total borrowings exceed 33-1/3% of its total assets.

Securities Lending

The Fund may lend its portfolio securities, provided that cash or equivalent collateral, equal to at least 100% of the market value of such securities, is continuously maintained by the other party with the Fund. During the pendency of the transaction, the other party will pay the Fund an amount equivalent to any dividends or interest paid on such securities, and the Fund may invest the cash collateral and earn additional income, or it may receive an agreed upon amount of interest income from the other party who has delivered equivalent collateral. These transactions are subject to termination at the option of the Fund or the other party. The Fund may pay administrative and custodial fees in connection with these transactions and may pay a negotiated portion of the interest earned on the cash or equivalent collateral to the other party or placing agent or broker. Although voting rights or rights to consent with respect to the relevant securities generally pass to the other party, the Fund will make arrangements to vote or consent with respect to a material event affecting such securities. SEC guidance currently states that a fund may loan securities equal in value to no more than one third of its total asset value, including collateral received in connection with such transactions (at market value computed at the time of the transaction). The risks in lending portfolio securities include possible delay in recovery of the securities or possible loss of rights in the collateral should the borrower fail financially. The Fund runs the risk that the counterparty to a loan transaction will default on its obligation and that the value of the collateral received may decline before the Fund can dispose of it. If the Fund receives cash as collateral and invests that cash, the Fund is subject to the risk that the collateral will decline in value before the Fund must return it to the counterparty. Subject to the foregoing, loans of fund securities are effectively borrowings by the Fund and have economic characteristics similar to reverse repurchase agreements. The Fund does not currently intend to engage in securities lending, although it may engage in transactions (such as reverse repurchase agreements) which have similar characteristics.

Temporary Defensive Investing

The Fund may depart from its principal investment strategies in response to adverse market, economic or political conditions by taking temporary defensive positions, including by investing in any type of investment grade, government, corporate and money market instruments and

short-term debt securities or holding cash without regard to any percentage limitations. Although the portfolio manager has the ability to take defensive positions, they may choose not to do so for a variety of reasons, even during volatile market conditions.

U.S. Commodity Exchange Act Regulation- Exclusion from Commodity Pool Operator Definition

The Fund and the Portfolio are operated by persons who have claimed an exclusion, granted to operators of registered investment companies, like the Fund and the Portfolio, from registration as a “commodity pool operator” with respect to the Fund and the Portfolio under the U.S. Commodity Exchange Act and, therefore are not subject to registration or regulation with respect to the Fund and the Portfolio under the CEA.

U.S. Government Securities

U.S. Government securities include (1) U.S. Treasury bills (maturity of one year or less), U.S. Treasury notes (maturity of one to ten years) and U.S. Treasury bonds (maturities generally greater than ten years); (2) obligations issued or guaranteed by U.S. Government agencies or instrumentalities which are supported by any of the following: (a) the full faith and credit of the U.S. Government (such as certificates issued by the Government National Mortgage Association (“Ginnie Mae”)); (b) the right of the issuer to borrow an amount limited to a specific line of credit from the U.S. Government (such as obligations of the Federal Home Loan Banks); (c) the discretionary authority of the U.S. Government to purchase certain obligations of agencies or instrumentalities (such as securities issued by the Federal National Mortgage Association); or (d) only the credit of the agency or instrumentality (such as securities issued by the Federal Home Loan Mortgage Corporation); and (3) obligations issued by non-governmental entities (like financial institutions) that carry direct guarantees from U.S. government agencies as part of government initiatives in response to a market crisis or otherwise. Agencies and instrumentalities of the U.S. Government include but are not limited to: Farmers Home Administration, Export-Import Bank of the United States, Federal Housing Administration, Federal Land Banks, Federal Financing Bank, Central Bank for Cooperatives, Federal Intermediate Credit Banks, Farm Credit Bank System, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, General Services Administration, Government National Mortgage Association, Student Loan Marketing Association, United States Postal Service, Maritime Administration, Small Business Administration, Tennessee Valley Authority, Washington D.C. Armory Board and any other instrumentality established or sponsored by the U.S. Government.

In the case of obligations not backed by the full faith and credit of the United States, the Fund must look principally to the agency or instrumentality issuing or guaranteeing the obligation for ultimate repayment and may not be able to assert a claim against the United States itself in the event the agency or instrumentality does not meet its commitments. Neither the U.S. Government nor any of its agencies or instrumentalities guarantees the market value of the securities they issue. Therefore, the market value of such securities will fluctuate in response to changes in interest rates and other factors. In addition, any downgrade of the credit rating of the securities issued by the U.S. Government may result in a downgrade of securities issued by its agencies or instrumentalities, including government-sponsored entities.

U.S. Treasury Obligations

U.S. Treasury obligations are direct debt obligations issued by the U.S. government. Treasury bills, with maturities normally from 4 weeks to 52 weeks, are typically issued at a discount as they pay interest only upon maturity. Treasury bills are non-callable. Treasury notes have a maturity between two and ten years and typically pay interest semi-annually, while Treasury bonds have a maturity of over ten years and pay interest semi-annually. U.S. Treasury obligations also include STRIPS, TIPS, and FRNs. STRIPS are Treasury obligations with separately traded principal and interest component parts of such obligations that are transferable through the federal book-entry system. The principal and interest components of U.S. Treasury bonds with remaining maturities of longer than ten years are eligible to be traded independently under the STRIPS program. Under the STRIPS program, the principal and interest components are separately issued through depository financial institutions, which then trade the component parts separately. Each interest payment and the principal payment becomes a separate zero-coupon security. STRIPS pay interest only at maturity. The interest component of STRIPS may be more volatile than that of U.S. Treasury bills with comparable maturities. TIPS are Treasury Inflation-Protected Securities, the principal of which increases with inflation and decreases with deflation. The inflation adjustment is based on a two month-lagged value of the non-seasonally adjusted Consumer Price Index for Urban Consumers (CPI-U). TIPS entitle the holder, upon maturity, to the adjusted principal or original principal, whichever is greater, thus providing a deflation floor. TIPS pay interest twice a year, at a fixed rate. The rate is applied to the adjusted principal; so, like the principal, interest payments rise with inflation and fall with deflation. However, because the interest rate is fixed, TIPS may lose value when market interest rates increase, particularly during periods of low inflation. FRNs are floating rate notes, the interest on which is indexed to the most recent 13-week Treasury bill auction High Rate, which is the highest accepted discount rate in a Treasury bill auction.

Variable and Floating Rate Securities

Variable and floating rate securities provide for a periodic adjustment in the interest rate paid on the obligations. The terms of such obligations provide that interest rates are adjusted periodically based upon an interest rate adjustment index as provided in the respective obligations. The adjustment intervals may be regular, and range from daily up to annually, or may be event-based, such as based on a change in the prime rate.

The Fund may invest in floating rate debt instruments (“floaters”) and engage in credit spread trades. The interest rate on a floater is a variable rate which is tied to another interest rate, such as a corporate bond index or U.S. Treasury bill rate. The interest rate on a floater resets periodically, typically every six months. While, because of the interest rate reset feature, floaters may provide the Fund with a certain degree of protection against rising interest rates, the Fund will participate in any declines in interest rates as well. A credit spread trade is an investment

position relating to a difference in the prices or interest rates of two bonds or other securities or currencies, where the value of the investment position is determined by movements in the difference between the prices or interest rates, as the case may be, of the respective securities or currencies.

The Fund may also invest in variable amount master demand notes, which permit the indebtedness thereunder to vary in addition to providing for periodic adjustments in the interest rate. The absence of an active secondary market with respect to particular variable and floating rate instruments could make it difficult for the Fund to dispose of a variable or floating rate note if the issuer were to default on its payment obligation or during periods that the Fund is not entitled to exercise its demand rights, and the Fund could, for these or other reasons, suffer a loss with respect to such instruments. In determining average-weighted portfolio maturity, an instrument will be deemed to have a maturity equal to either the period remaining until the next interest rate adjustment or the time the Fund can recover payment of principal as specified in the instrument, depending on the type of instrument involved.

When-Issued Securities and Forward Commitments

Securities may be purchased on a “when-issued” or “to be announced” or “forward delivery” basis. The payment obligation and the interest rate that will be received on the “when-issued” securities are fixed at the time the buyer enters into the commitment although settlement, i.e., delivery of and payment for the securities, takes place at a later date. In a “to be announced” transaction, the Fund commits to purchase securities for which all specific information is not known at the time of the trade.

Securities purchased on a “when-issued” or “forward delivery” basis are subject to changes in value based upon the market’s perception of the creditworthiness of the issuer and changes, real or anticipated, in the level of interest rates. The value of these securities experiences appreciation when interest rates decline and depreciation when interest rates rise. Purchasing securities on a “when-issued” or “forward delivery” basis can involve a risk that the yields available in the market on the settlement date may actually be higher or lower than those obtained in the transaction itself. At the time the Fund enters into a “when-issued” or “forward delivery” commitment, the Fund will set aside cash or other appropriate liquid securities with a value at least equal to the Fund’s obligation under the commitment. The Fund’s liquidity and ability to manage its assets might be affected when it sets aside cash or portfolio securities to cover such commitments.

An increase in the percentage of the Fund’s assets committed to the purchase of securities on a “when-issued” basis may increase the volatility of its net asset value.

Appendix B

Fund Privacy Notice

Introduction

The purpose of this notice is to provide you with information on our use of your personal data in accordance with the Data Protection Act, 2017 (the "DPA").

In this notice, "we", "us" and "our" refers to the fund, the manager and its or their affiliates and/or delegates.

Investor Data

By virtue of making an investment in the fund and your associated interactions with us (including any subscription (whether past, present or future), including the recording of electronic communications or phone calls where applicable) or by virtue of you otherwise providing us with personal information on individuals connected with you as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), you will provide us with certain personal information which constitutes personal data within the meaning of the DPA ("Investor Data"). We may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to you and/or any individuals connected with you as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to your investment activity.

In our use of Investor Data, the fund will be characterised as a "data controller" for the purposes of the DPA. The fund's affiliates and delegates may act as "data processors" for the purposes of the DPA.

Who this Affects

If you are a natural person, this will affect you directly. If you are a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides us with Investor Data on individuals connected to you for any reason in relation to your investment with us, this will be relevant for those individuals and you should transmit this document to such individuals or otherwise advise them of its content.

How We May Use Your Personal Data

The fund, as the data controller, may collect, store and use Investor Data for lawful purposes, including, in particular:

- (i) where this is necessary for the performance of our rights and obligations under the Subscription Agreement and/or the constitutional and operational documents of the fund;
- (ii) where this is necessary for compliance with a legal and regulatory obligation to which the fund is subject (such as compliance with anti-money laundering and FATCA/CRS requirements); and/or
- (iii) where this is necessary for the purposes of our legitimate interests and such interests are not overridden by your interests, fundamental rights or freedoms.

Additionally, the manager may use Investor Data, for example to provide its services to the fund or to discharge the legal or regulatory requirements that apply directly to it or in respect of which the fund relies upon the manager but such use of Investor Data by the manager will always be compatible with at least one of the aforementioned purposes for which we process Investor Data.

Should we wish to use Investor Data for other specific purposes (including, if applicable, any purpose that requires your consent), we will contact you.

Why We May Transfer Your Personal Data

In certain circumstances we and/or our authorised affiliates or delegates may be legally obliged to share Investor Data and other information with respect to your interest in the Fund with the relevant regulatory authorities such as the Cayman Islands Monetary Authority or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

We anticipate disclosing Investor Data to parties who provide services to the fund and their respective affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area).

The Data Protection Measures We Take

Any transfer of Investor Data by us or our duly authorised affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

We and our duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data.

We shall notify you of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either you or those data subjects to whom the relevant Investor Data relates.

Getting In Touch

Should you have any queries or wish to discuss your data protection rights with us, please contact the fund's U.S. Service Desk at 1-877-721-1926 or 1-203-703-6002 between 8:30 a.m. and 5:30 p.m. (New York City time) or your Intermediary.

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