

Annual Report | August 31, 2024

---

# WESTERN ASSET U.S. TREASURY RESERVES, LTD.

---



FRANKLIN  
TEMPLETON

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

## What's inside

Letter from the President	III
Fund Overview	1
Portfolio at a Glance — U.S. Treasury Reserves Portfolio	2
<b>Western Asset U.S. Treasury Reserves, Ltd.</b>	
Statement of Assets and Liabilities	3
Statement of Operations	4
Statements of Changes in Net Assets	5
Financial Highlights	6
Notes to Financial Statements	9
Report of Independent Auditors	14
<b>U.S. Treasury Reserves Portfolio</b>	
Schedule of Investments	16
Statement of Assets and Liabilities	19
Statement of Operations	20
Statements of Changes in Net Assets	21
Financial Highlights	22
Notes to Financial Statements	23
Report of Independent Registered Public Accounting Firm	27
Changes in and Disagreements with Accountants	28
Results of Meeting(s) of Shareholders	28
Remuneration Paid to Directors, Officers and Others	28

# Letter from the President



## Dear Shareholder,

We are pleased to provide the annual report of Western Asset U.S. Treasury Reserves, Ltd. for the twelve-month reporting period ended August 31, 2024. Please read on for a look at how the Fund performed during the reporting period and what affected the Fund's performance.

We look forward to helping you meet your financial goals.

Sincerely,

A handwritten signature in black ink that reads "Jane Trust". The signature is fluid and cursive, with the first name "Jane" and last name "Trust" clearly distinguishable.

Jane Trust, CFA  
President and Chief Executive Officer

September 30, 2024

(This page intentionally left blank.)

# Fund Overview

## Q. How did the Fund perform last year and what affected its performance?

**A.** As of August 31, 2024, the seven-day current yield for Class 1 shares of Western Asset U.S. Treasury Reserves, Ltd. was 5.13% and the seven-day effective yield, which reflects compounding, was 5.26%.<sup>1</sup> The Fund's performance was positively impacted by an extension of its weighted average maturity (WAM), which positioned it well as yields fell later in the reporting period. The decline in yields was in response to indications of a shift towards an easier policy stance by the U.S. Federal Reserve.

The Fund does not invest directly in securities but instead invests all of its investable assets in an underlying mutual fund, U.S. Treasury Reserves Portfolio (the "Portfolio"), which has the same investment objective and strategies, and substantially the same policies as the Fund. Unless otherwise indicated, references to the Fund include the underlying mutual fund, the Portfolio.

Western Asset U.S. Treasury Reserves, Ltd. Yields as of August 31, 2024 (unaudited)		
	Seven-Day Current Yield <sup>1</sup>	Seven-Day Effective Yield <sup>1</sup>
Class 1	5.13%	5.26%
Class 2	4.86%	4.97%
Mischler Financial Group Shares	5.13%	5.26%

**The performance shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown above. Yields will fluctuate. To obtain performance data current to the most recent month-end, please call the 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).**

**The manager has voluntarily undertaken to limit Fund expenses. Such expense limitations may fluctuate daily and are voluntary and temporary and may be terminated by the manager at any time without notice.**

Thank you for your investment in the Western Asset U.S. Treasury Reserves, Ltd. As always, we appreciate that you have chosen us to manage your assets and we remain focused on seeking to achieve the Fund's investment goals.

Sincerely,

Western Asset Management Company, LLC

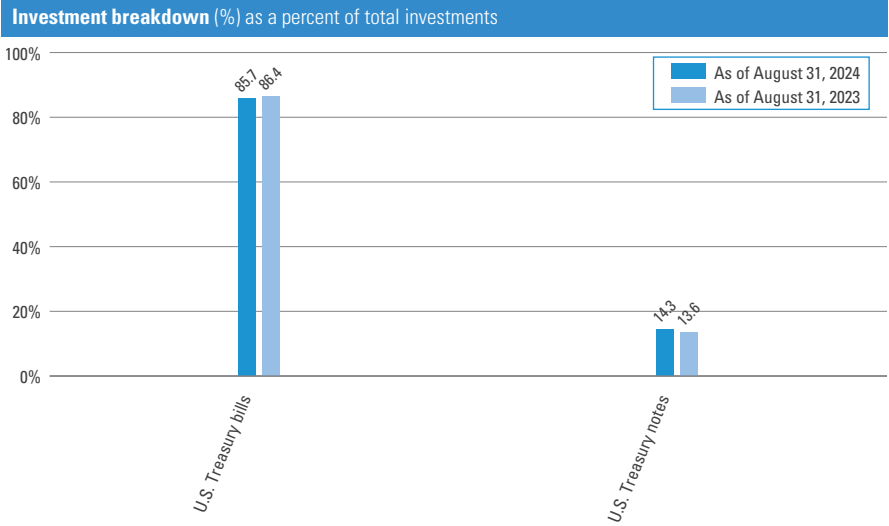
September 16, 2024

<sup>1</sup> The seven-day current yield reflects the amount of income generated by the investment during that seven-day period and assumes that the income is generated each week over a 365-day period. The yield is shown as a percentage of the investment. The seven-day effective yield is calculated similarly to the seven-day current yield but, when annualized, the income earned by an investment in the Fund is assumed to be reinvested. The effective yield typically will be slightly higher than the current yield because of the compounding effect of the assumed reinvestment.

# Portfolio at a Glance<sup>†</sup> (unaudited)

## U.S. Treasury Reserves Portfolio

The Fund invests all of its investable assets in U.S. Treasury Reserves Portfolio, the investment breakdown of which is shown below.



<sup>†</sup> The bar graph above represents the composition of the Portfolio’s investments as of August 31, 2024, and August 31, 2023. The Portfolio is actively managed. As a result, the composition of the Portfolio’s investments is subject to change at any time.

# Statement of Assets and Liabilities

August 31, 2024

## Assets:

Investment in U.S. Treasury Reserves Portfolio, at value	<b>\$ 8,805,108,190</b>
--	-------------------------

## Liabilities:

Distributions payable	21,012,336
Investment management fee payable	1,213,331
Payable for Fund shares repurchased	741,440
Directors' fees payable	10
Service and/or distribution fees payable	4
Accrued expenses	113,957
<b>Total Liabilities</b>	<b>23,081,078</b>
<b>Total Net Assets</b>	<b>\$ 8,782,027,112</b>

## Net Assets:

Par value (Note 5)	\$ 878,245
Paid-in capital in excess of par value	8,781,567,371
Total distributable earnings (loss)	(418,504)
<b>Total Net Assets</b>	<b>\$ 8,782,027,112</b>

## Net Assets:

Class 1	\$8,781,819,135
Class 2	\$105,882
Mischler Financial Group Shares	\$102,095

## Shares Outstanding:

Class 1	8,782,237,630
Class 2	105,887
Mischler Financial Group Shares	102,099

## Net Asset Value:

Class 1	\$1.00
Class 2	\$1.00
Mischler Financial Group Shares	\$1.00

See Notes to Financial Statements.

# Statement of Operations

For the Year Ended August 31, 2024

## Investment Income:

Income from U.S. Treasury Reserves Portfolio	\$392,575,552
Allocated expenses from U.S. Treasury Reserves Portfolio	(7,788,063)
Allocated waiver and/or expense reimbursements from U.S. Treasury Reserves Portfolio	7,296,658
<b>Total Investment Income</b>	<b>392,084,147</b>

## Expenses:

Investment management fee (Note 2)	18,202,693
Transfer agent fees (Note 3)	155,104
Legal fees	92,584
Insurance	35,329
Audit and tax fees	16,469
Fund accounting fees	9,000
Shareholder reports	7,578
Directors' fees	2,320
Service and/or distribution fees (Notes 2 and 3)	309
Miscellaneous expenses	726
<b>Total Expenses</b>	<b>18,522,112</b>
Less: Fee waivers and/or expense reimbursements (Notes 2 and 3)	(5,954,471)
<b>Net Expenses</b>	<b>12,567,641</b>

<b>Net Investment Income</b>	<b>379,516,506</b>
<b>Net Realized Gain on Investments From U.S. Treasury Reserves Portfolio</b>	<b>98,685</b>
<b>Increase in Net Assets From Operations</b>	<b>\$379,615,191</b>

See Notes to Financial Statements.

# Statements of Changes in Net Assets

For the Years Ended August 31,	2024	2023
<b>Operations:</b>		
Net investment income	\$ 379,516,506	\$ 289,948,315
Net realized gain	98,685	321,417
<b><i>Increase in Net Assets From Operations</i></b>	<b><i>379,615,191</i></b>	<b><i>290,269,732</i></b>
<b>Distributions to Shareholders From (Notes 1 and 4):</b>		
Total distributable earnings	(379,537,880)	(289,949,641)
<b><i>Decrease in Net Assets From Distributions to Shareholders</i></b>	<b><i>(379,537,880)</i></b>	<b><i>(289,949,641)</i></b>
<b>Fund Share Transactions (Note 5):</b>		
Net proceeds from sale of shares	36,336,308,455	49,449,459,580
Reinvestment of distributions	190,353,629	145,875,022
Cost of shares repurchased	(34,999,472,159)	(50,461,272,813)
<b><i>Increase (Decrease) in Net Assets From Fund Share Transactions</i></b>	<b><i>1,527,189,925</i></b>	<b><i>(865,938,211)</i></b>
<b><i>Increase (Decrease) in Net Assets</i></b>	<b><i>1,527,267,236</i></b>	<b><i>(865,618,120)</i></b>
<b>Net Assets:</b>		
Beginning of year	7,254,759,876	8,120,377,996
<b><i>End of year</i></b>	<b><i>\$ 8,782,027,112</i></b>	<b><i>\$ 7,254,759,876</i></b>

See Notes to Financial Statements.

# Financial Highlights

For a share of each class of capital stock outstanding throughout each year ended August 31:					
Class 1 Shares	2024	2023	2022	2021 <sup>1</sup>	2020 <sup>1</sup>
<b>Net asset value, beginning of year</b>	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
<b>Income (loss) from operations:</b>					
Net investment income	0.052	0.042	0.004	0.000 <sup>2</sup>	0.007
Net realized gain (loss)	0.000 <sup>2</sup>	0.000 <sup>2</sup>	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	0.002 <sup>3</sup>
<b>Total income from operations</b>	<b>0.052</b>	<b>0.042</b>	<b>0.004</b>	<b>0.000<sup>2</sup></b>	<b>0.009</b>
<b>Less distributions from:</b>					
Net investment income	(0.052)	(0.042)	(0.004)	(0.000) <sup>2</sup>	(0.009)
<b>Total distributions</b>	<b>(0.052)</b>	<b>(0.042)</b>	<b>(0.004)</b>	<b>(0.000)<sup>2</sup></b>	<b>(0.009)</b>
<b>Net asset value, end of year</b>	<b>\$1.000</b>	<b>\$1.000</b>	<b>\$1.000</b>	<b>\$1.000</b>	<b>\$1.000</b>
<b>Total return<sup>4</sup></b>	<b>5.34%</b>	<b>4.24%</b>	<b>0.40%</b>	<b>0.01%</b>	<b>0.91%</b>
<b>Net assets, end of year (millions)</b>	<b>\$8,782</b>	<b>\$7,255</b>	<b>\$8,120</b>	<b>\$8,487</b>	<b>\$7,408</b>
<b>Ratios to average net assets:</b>					
Gross expenses <sup>5,6</sup>	0.36%	0.36%	0.36%	0.36%	0.36%
Net expenses <sup>5,7,8</sup>	0.18	0.18	0.12	0.09	0.18
Net investment income	5.21	4.15	0.35	0.01	0.71

<sup>1</sup> Per share amounts have been calculated using the average shares method.

<sup>2</sup> Amount represents less than \$0.0005 or greater than \$(0.0005) per share.

<sup>3</sup> Calculation of the net realized gain per share does not correlate to the aggregate realized loss presented in the Statement of Operations due to the timing of sales and repurchases of Fund shares.

<sup>4</sup> Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results.

<sup>5</sup> Includes the Fund's share of U.S. Treasury Reserves Portfolio's allocated expenses.

<sup>6</sup> The gross expenses do not reflect the reduction in the Fund's management fee, pursuant to the Fund's investment management agreement, by the amount paid by the Fund for its allocable share of the management fee paid by U.S. Treasury Reserves Portfolio.

<sup>7</sup> Reflects fee waivers and/or expense reimbursements.

<sup>8</sup> As a result of a voluntary expense limitation arrangement, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class 1 shares did not exceed 0.18%. This expense limitation arrangement may be changed or terminated at any time. Additional amounts may be voluntarily waived and/or reimbursed from time to time.

See Notes to Financial Statements.

**For a share of each class of capital stock outstanding throughout each year ended August 31:**

Class 2 Shares	2024	2023	2022	2021 <sup>1</sup>	2020 <sup>1</sup>
<b>Net asset value, beginning of year</b>	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
<b>Income (loss) from operations:</b>					
Net investment income	0.053	0.040	0.003	0.000 <sup>2</sup>	0.009
Net realized loss	(0.004) <sup>3</sup>	(0.001) <sup>3</sup>	(0.000) <sup>2</sup>	(0.000) <sup>2</sup>	(0.002)
<b>Total income from operations</b>	<b>0.049</b>	<b>0.039</b>	<b>0.003</b>	<b>0.000<sup>2</sup></b>	<b>0.007</b>
<b>Less distributions from:</b>					
Net investment income	(0.049)	(0.039)	(0.003)	(0.000) <sup>2</sup>	(0.007)
<b>Total distributions</b>	<b>(0.049)</b>	<b>(0.039)</b>	<b>(0.003)</b>	<b>(0.000)<sup>2</sup></b>	<b>(0.007)</b>
<b>Net asset value, end of year</b>	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
<b>Total return<sup>4</sup></b>	<b>5.06%</b>	<b>3.96%</b>	<b>0.28%</b>	<b>0.01%</b>	<b>0.72%</b>
<b>Net assets, end of year (000s)</b>	\$106	\$101	\$100	\$100	\$100
<b>Ratios to average net assets:</b>					
Gross expenses <sup>5,6</sup>	26.88%	27.57%	27.77%	27.77%	21.66%
Net expenses <sup>5,7,8</sup>	0.45	0.45	0.24	0.09	0.39
Net investment income	4.95	3.89	0.28	0.01	0.88

<sup>1</sup> Per share amounts have been calculated using the average shares method.

<sup>2</sup> Amount represents less than \$0.0005 or greater than \$(0.0005) per share.

<sup>3</sup> Calculation of the net realized loss per share does not correlate to the aggregate realized gain presented in the Statement of Operations due to the timing of sales and repurchases of Fund shares.

<sup>4</sup> Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results.

<sup>5</sup> Includes the Fund's share of U.S. Treasury Reserves Portfolio's allocated expenses.

<sup>6</sup> The gross expenses do not reflect the reduction in the Fund's management fee, pursuant to the Fund's investment management agreement, by the amount paid by the Fund for its allocable share of the management fee paid by U.S. Treasury Reserves Portfolio.

<sup>7</sup> Reflects fee waivers and/or expense reimbursements.

<sup>8</sup> As a result of a voluntary expense limitation arrangement, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class 2 shares did not exceed 0.45%. This expense limitation arrangement may be changed or terminated at any time. Additional amounts may be voluntarily waived and/or reimbursed from time to time.

See Notes to Financial Statements.

## Financial Highlights (cont'd)

**For a share of each class of capital stock outstanding throughout each year ended August 31, unless otherwise noted:**

Mischler Financial Group Shares	2024	2023 <sup>1</sup>
<b>Net asset value, beginning of year</b>	\$1.000	\$1.000
<b>Income from operations:</b>		
Net investment income	0.052	0.003
Net realized gain <sup>2</sup>	0.000	0.000
<b><i>Total income from operations</i></b>	<b><i>0.052</i></b>	<b><i>0.003</i></b>
<b>Less distributions from:</b>		
Net investment income	(0.052)	(0.003)
<b><i>Total distributions</i></b>	<b><i>(0.052)</i></b>	<b><i>(0.003)</i></b>
<b>Net asset value, end of year</b>	\$1.000	\$1.000
<b><i>Total return<sup>3</sup></i></b>	<b><i>5.34%</i></b>	<b><i>0.33%</i></b>
<b>Net assets, end of year (000s)</b>	\$102	\$100
<b>Ratios to average net assets:</b>		
Gross expenses <sup>4,5</sup>	28.34%	28.00% <sup>6</sup>
Net expenses <sup>4,7,8</sup>	0.18	0.18 <sup>6</sup>
Net investment income	5.22	5.17 <sup>6</sup>

<sup>1</sup> For the period August 9, 2023 (inception date) to August 31, 2023.

<sup>2</sup> Amount represents less than \$0.0005 or greater than \$(0.0005) per share.

<sup>3</sup> Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results.

<sup>4</sup> Includes the Fund's share of U.S. Treasury Reserves Portfolio's allocated expenses.

<sup>5</sup> The gross expenses do not reflect the reduction in the Fund's management fee, pursuant to the Fund's investment management agreement, by the amount paid by the Fund for its allocable share of the management fee paid by U.S. Treasury Reserves Portfolio.

<sup>6</sup> Annualized.

<sup>7</sup> Reflects fee waivers and/or expense reimbursements.

<sup>8</sup> As a result of a voluntary expense limitation arrangement, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Mischler Financial Group Shares did not exceed 0.18%. This expense limitation arrangement may be changed or terminated at any time. Additional amounts may be voluntarily waived and/or reimbursed from time to time.

See Notes to Financial Statements.

# Notes to Financial Statements

## 1. Organization and significant accounting policies

Western Asset U.S. Treasury Reserves, Ltd. (the “Fund”), a Cayman Islands exempted company, is an open-end, diversified mutual fund and prepares its financial statements in accordance with investment company accounting. The Fund invests all of its investable assets in U.S. Treasury Reserves Portfolio (the “Portfolio”), a separate investment series of Master Portfolio Trust, a diversified open-end management investment company registered under the U.S. Investment Company Act of 1940, as amended (the “1940 Act”), and organized as a trust under the laws of the State of Maryland. The Portfolio is a money market fund that seeks to comply with Rule 2a-7 under the 1940 Act and has the same investment objective as the Fund.

The financial statements of the Portfolio, including the schedule of investments, are contained elsewhere in this report and should be read in conjunction with the Fund’s financial statements.

The Fund follows the accounting and reporting guidance in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946, *Financial Services – Investment Companies* (“ASC 946”). The following are significant accounting policies consistently followed by the Fund and are in conformity with U.S. generally accepted accounting principles (“GAAP”), including, but not limited to, ASC 946. Estimates and assumptions are required to be made regarding assets, liabilities and changes in net assets resulting from operations when financial statements are prepared. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ. Subsequent events have been evaluated through October 21, 2024, the date the financial statements were issued.

**(a) Investment valuation.** The Fund records its investment in the Portfolio at value. The value of such investment in the Portfolio reflects the Fund’s proportionate interest (51.7% at August 31, 2024) in the net assets of the Portfolio.

GAAP establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. The disclosure and valuation of securities held by the Portfolio are discussed in Note 1(a) of the Portfolio’s Notes to Financial Statements, which are included elsewhere in this report.

**(b) Investment transactions and investment income.** Net investment income of the Portfolio is allocated pro rata, based on respective ownership interests, among the Fund and other investors in the Portfolio (the “Holders”) at the time of such determination. Gross realized gains and/or losses of the Portfolio are allocated to the Holders in a manner such that the net asset values per share of each Holder, after each such allocation, is closer to the total of all Holders’ net asset values divided by the aggregate number of shares outstanding for all Holders. The Fund also pays certain other expenses which can be directly attributed to the Fund.

# Notes to Financial Statements (cont'd)

**(c) Distributions to shareholders.** Distributions from net investment income on the shares of the Fund are declared each business day and are paid monthly. Distributions of net realized gains, if any, will be distributed to the Fund's investors at such times and in such amounts as Franklin Templeton Fund Adviser, LLC ("FTFA") (formerly known as Legg Mason Partners Fund Advisor, LLC prior to November 30, 2023) determines to be in the best interests of the Fund. Distributions to shareholders of the Fund are recorded on the ex-dividend date and are determined in accordance with income tax regulations, which may differ from GAAP.

**(d) Share class accounting.** Investment income, common expenses and realized gains (losses) on investments are allocated to the various classes of the Fund on the basis of daily net assets of each class. Fees relating to a specific class are charged directly to that share class.

**(e) Income taxes.** Under current laws of the Cayman Islands, there are no income, estate, transfer, sales or other Cayman Islands taxes payable by the Fund.

The Fund, through its investment in the Portfolio, intends to invest principally in securities whose income is exempt from U.S. withholding taxes and to conduct its affairs such that income realized will not be subject to U.S. federal income taxation.

In accordance with ASC 740, Income Taxes, management has concluded that there has been no impact on the operations of the Fund and no provision for income tax is required in the Fund's financial statements.

## 2. Management and service provider fees

FTFA is the Fund's and the Portfolio's investment manager and Western Asset Management Company, LLC ("Western Asset") is the Fund's and the Portfolio's subadviser. As investment manager of the Fund, FTFA performs administrative services, including the supervision of the overall administration of the Fund and the monitoring of performance of the service providers to the Fund. FTFA may, at the request of the Fund's Board of Directors, provide investment management services to the Fund. FTFA and Western Asset are indirect, wholly-owned subsidiaries of Franklin Resources, Inc. ("Franklin Resources").

Under the investment management agreement, the Fund pays an investment management fee, calculated daily and paid monthly, at an annual rate of 0.25% of the Fund's average daily net assets. Since the Fund invests all of its investable assets in U.S. Treasury Reserves Portfolio, the investment management fee of the Fund will be reduced by the investment management fee allocated to the Fund by U.S. Treasury Reserves Portfolio. For its services relating to the Fund, Western Asset receives such compensation as is from time to time agreed upon by it and FTFA. FTFA delegates to the subadviser the day-to-day portfolio management of the Portfolio. For Western Asset's services relating to the Portfolio, FTFA pays Western Asset a fee monthly, at an annual rate equal to 70% of the net management fee it receives from the Portfolio.

LM (BVI) Limited (the “Record Shareholder”), a British Virgin Islands Company, is the shareholder of record for the Fund. All Fund shares will be owned by the Record Shareholder, and investors will acquire beneficial interests in the shares held of record by the Record Shareholder. LM (BVI) Limited is an indirect, wholly-owned subsidiary of Franklin Resources.

As a result of voluntary expense limitation arrangements between the Fund and FTFA, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class 1, Class 2 and Mischler Financial Group Shares did not exceed 0.18%, 0.45% and 0.18%, respectively. These expense limitation arrangements may be changed or terminated at any time. Additional amounts may be voluntarily waived and/or reimbursed from time to time.

During the year ended August 31, 2024, fees waived and/or expenses reimbursed amounted to \$5,954,471.

FTFA is permitted to recapture amounts waived and/or reimbursed to a class within three years after the fiscal year in which FTFA earned the fee or incurred the expense if the class’ total annual fund operating expenses have fallen to a level below the expense limitation (“expense cap”) in effect at the time the fees were earned or the expenses incurred. In no case will FTFA recapture any amount that would result, on any particular business day of the Fund, in the class’ total annual fund operating expenses exceeding the expense cap or any other lower limit then in effect.

Pursuant to these arrangements, at August 31, 2024, the Fund had remaining fee waivers and/or expense reimbursements subject to recapture by FTFA and respective dates of expiration as follows:

	Class 1	Class 2	Mischler Financial Group Shares
Expires August 31, 2025	\$10,968,322	\$27,101	—
Expires August 31, 2026	5,627,694	26,920	\$ 1,747
Expires August 31, 2027	5,898,779	26,889	28,545
<b>Total fee waivers/expense reimbursements subject to recapture</b>	<b>\$22,494,795</b>	<b>\$80,910</b>	<b>\$30,292</b>

For the year ended August 31, 2024, FTFA did not recapture any fees.

**3. Class specific expenses, waivers and/or expense reimbursements**

Franklin Distributors, LLC (“Franklin Distributors” or the “Placement Agent”) serves as the sole Placement Agent to the Fund. The Placement Agent is responsible for accepting purchase orders for shares of the Fund and placement-related activities for the Fund. For performing certain shareholder servicing related functions, Franklin Distributors receives a maintenance fee at an annual rate of up to 0.30% of the Fund’s Class 2 shares average daily net assets. These fees are accrued daily and paid monthly. Franklin Distributors is an indirect, wholly-owned broker-dealer subsidiary of Franklin Resources.

# Notes to Financial Statements (cont'd)

For the year ended August 31, 2024, class specific expenses were as follows:

	Service and/or Distribution Fees	Transfer Agent Fees
Class 1	—	\$ 99,603
Class 2	\$309 <sup>†</sup>	27,036
Mischler Financial Group Shares	—	28,465
<b>Total</b>	<b>\$309</b>	<b>\$155,104</b>

<sup>†</sup> Amount shown is exclusive of waivers. For the year ended August 31, 2024, the service and/or distribution fees waived amounted to \$258 for Class 2 shares. Such waivers are voluntary and may be reduced or terminated at any time.

For the year ended August 31, 2024, waivers and/or expense reimbursements by class were as follows:

	Waivers/Expense Reimbursements
Class 1	\$5,898,779
Class 2	27,147
Mischler Financial Group Shares	28,545
<b>Total</b>	<b>\$5,954,471</b>

## 4. Distributions to shareholders by class

	Year Ended August 31, 2024	Year Ended August 31, 2023
<b>Net Investment Income:</b>		
Class 1	\$379,527,475	\$289,945,394
Class 2	5,099	3,915
Mischler Financial Group Shares	5,306	332 <sup>†</sup>
<b>Total</b>	<b>\$379,537,880</b>	<b>\$289,949,641</b>

<sup>†</sup> For the period August 9, 2023 (inception date) to August 31, 2023.

## 5. Share capital

The authorized share capital of the Fund of \$10 million is comprised of 100 billion shares having a par value of \$0.0001 per share.

Transactions in shares of each class were as follows:

	Year Ended August 31, 2024	Year Ended August 31, 2023
<b>Class 1</b>		
Shares sold	36,336,308,455	49,449,359,580
Shares issued on reinvestment	190,346,763	145,870,776
Shares repurchased	(34,999,472,159)	(50,461,269,598)
<b>Net increase (decrease)</b>	<b>1,527,183,059</b>	<b>(866,039,242)</b>

	Year Ended August 31, 2024	Year Ended August 31, 2023
<b>Class 2</b>		
Shares sold	—	—
Shares issued on reinvestment	5,099	3,914
Shares repurchased	—	(3,215)
<b>Net increase</b>	<b>5,099</b>	<b>699</b>
<b>Mischler Financial Group Shares</b>		
Shares sold	—	100,000†
Shares issued on reinvestment	1,767	332†
Shares repurchased	—	—
<b>Net increase</b>	<b>1,767</b>	<b>100,332</b>

† For the period August 9, 2023 (inception date) to August 31, 2023.

Because the Fund has maintained a \$1.00 net asset value per share from inception, the number of shares sold, shares issued on reinvestment of dividends declared, and shares repurchased is equal to the dollar amount shown in the Statements of Changes in Net Assets for the corresponding fund share transactions.

# Report of Independent Auditors

## To the Board of Directors of Western Asset U.S. Treasury Reserves, Ltd.

### Opinion

We have audited the accompanying financial statements of Western Asset U.S. Treasury Reserves, Ltd. (the “Fund”), which comprise the statement of assets and liabilities as of August 31, 2024 and the related statement of operations for the year ended August 31, 2024, the statement of changes in net assets for each of the two years in the period ended August 31, 2024, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of August 31, 2024, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended August 31, 2024, and the financial highlights for each of the periods indicated therein, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to

those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### Other Information

Management is responsible for the other information included in the annual report. The other information comprises letter from the president, fund overview, and portfolio at a glance - U.S. Treasury Reserves Portfolio, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

/s/PricewaterhouseCoopers LLP

Baltimore, Maryland  
October 21, 2024

# Schedule of Investments

August 31, 2024

## U.S. Treasury Reserves Portfolio

(Percentages shown based on Portfolio net assets)

Security	Rate	Maturity Date	Face Amount	Value
<b>Short-Term Investments — 101.4%</b>				
<b>U.S. Treasury Bills — 86.8%</b>				
U.S. Cash Management Bill	4.359%	9/5/24	\$840,000,000	\$ 839,510,508 <sup>(a)</sup>
U.S. Cash Management Bill	5.005%	9/12/24	734,000,000	732,825,579 <sup>(a)</sup>
U.S. Cash Management Bill	5.192%	9/19/24	717,330,000	715,447,459 <sup>(a)</sup>
U.S. Cash Management Bill	5.243%	9/26/24	706,020,000	703,461,743 <sup>(a)</sup>
U.S. Cash Management Bill	5.303%	10/3/24	825,000,000	821,165,000 <sup>(a)</sup>
U.S. Cash Management Bill	5.336%	10/10/24	572,220,000	568,977,897 <sup>(a)</sup>
U.S. Cash Management Bill	5.324%	10/17/24	514,260,000	510,845,569 <sup>(a)(b)</sup>
U.S. Treasury Bills	3.642%	9/3/24	729,900,000	729,686,012 <sup>(a)</sup>
U.S. Treasury Bills	4.946%	9/10/24	785,000,000	783,965,225 <sup>(a)</sup>
U.S. Treasury Bills	5.164%	9/17/24	985,000,000	982,699,236 <sup>(a)</sup>
U.S. Treasury Bills	5.253%	9/24/24	814,375,000	811,645,418 <sup>(a)</sup>
U.S. Treasury Bills	5.146%	10/1/24	880,000,000	876,268,025 <sup>(a)</sup>
U.S. Treasury Bills	5.309%	10/8/24	461,570,000	459,097,586 <sup>(a)</sup>
U.S. Treasury Bills	5.312%	10/15/24	324,000,000	321,944,656 <sup>(a)</sup>
U.S. Treasury Bills	5.263%	10/22/24	225,550,000	223,912,413 <sup>(a)</sup>
U.S. Treasury Bills	5.330%	10/24/24	384,280,000	381,347,092 <sup>(a)</sup>
U.S. Treasury Bills	5.065%	10/29/24	300,000,000	297,620,001 <sup>(a)</sup>
U.S. Treasury Bills	5.303%	10/31/24	250,000,000	247,856,249 <sup>(a)</sup>
U.S. Treasury Bills	5.376%	11/5/24	140,000,000	138,684,291 <sup>(a)</sup>
U.S. Treasury Bills	5.259%	11/7/24	381,820,000	378,201,475 <sup>(a)</sup>
U.S. Treasury Bills	5.279%	11/14/24	289,100,000	286,068,315 <sup>(a)</sup>
U.S. Treasury Bills	5.273%	11/21/24	361,000,000	356,867,852 <sup>(a)</sup>
U.S. Treasury Bills	5.308%	11/26/24	90,000,000	88,900,275 <sup>(a)</sup>
U.S. Treasury Bills	5.203%	11/29/24	521,675,000	515,208,260 <sup>(a)</sup>
U.S. Treasury Bills	5.235%	12/3/24	140,000,000	138,177,426 <sup>(a)</sup>
U.S. Treasury Bills	5.354%	12/5/24	235,220,000	232,024,123 <sup>(a)</sup>
U.S. Treasury Bills	5.186%	12/10/24	147,880,000	145,831,197 <sup>(a)</sup>
U.S. Treasury Bills	5.353%	12/12/24	187,500,000	184,768,560 <sup>(a)</sup>
U.S. Treasury Bills	5.183%	12/17/24	105,000,000	103,445,825 <sup>(a)</sup>
U.S. Treasury Bills	5.368%	12/19/24	150,000,000	147,661,042 <sup>(a)</sup>
U.S. Treasury Bills	5.125%	12/24/24	125,012,500	123,064,806 <sup>(a)</sup>
U.S. Treasury Bills	5.363%	12/26/24	95,000,000	93,426,589 <sup>(a)</sup>
U.S. Treasury Bills	4.989%	12/31/24	150,000,000	147,585,291 <sup>(a)(b)</sup>
U.S. Treasury Bills	5.342%	1/2/25	100,000,000	98,252,375 <sup>(a)</sup>
U.S. Treasury Bills	5.309%	1/9/25	113,070,000	110,995,794 <sup>(a)</sup>
U.S. Treasury Bills	5.206%	1/16/25	98,250,000	96,387,998 <sup>(a)</sup>
U.S. Treasury Bills	4.785%	1/23/25	35,000,000	34,357,918 <sup>(a)</sup>
U.S. Treasury Bills	5.160%	1/30/25	84,785,000	83,031,764 <sup>(a)</sup>

See Notes to Financial Statements.

## U.S. Treasury Reserves Portfolio

(Percentages shown based on Portfolio net assets)

Security	Rate	Maturity Date	Face Amount	Value
<b>U.S. Treasury Bills — continued</b>				
U.S. Treasury Bills	4.915%	2/6/25	\$100,000,000	\$ 97,937,222 <sup>(a)</sup>
U.S. Treasury Bills	5.043%	2/13/25	65,000,000	63,565,531 <sup>(a)</sup>
U.S. Treasury Bills	4.909%	2/27/25	100,000,000	97,670,514 <sup>(a)</sup>
<b>Total U.S. Treasury Bills</b>				<b>14,770,390,111</b>
<b>U.S. Treasury Notes — 14.6%</b>				
U.S. Treasury Notes	0.625%	10/15/24	40,000,000	39,798,734
U.S. Treasury Notes	4.375%	10/31/24	35,000,000	34,965,534
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.140%)	5.184%	10/31/24	160,000,000	159,992,482 <sup>(c)</sup>
U.S. Treasury Notes	0.750%	11/15/24	50,000,000	49,553,805
U.S. Treasury Notes	1.500%	11/30/24	38,000,000	37,690,921
U.S. Treasury Notes	2.125%	11/30/24	75,000,000	74,471,196
U.S. Treasury Notes	4.500%	11/30/24	75,000,000	74,937,011
U.S. Treasury Notes	1.000%	12/15/24	55,000,000	54,405,357
U.S. Treasury Notes	1.750%	12/31/24	75,000,000	74,211,581
U.S. Treasury Notes	1.375%	1/31/25	100,000,000	98,560,490
U.S. Treasury Notes	1.125%	2/28/25	40,000,000	39,249,478
U.S. Treasury Notes	3.875%	4/30/25	69,560,000	69,039,398
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.169%)	5.213%	4/30/25	645,000,000	644,973,600 <sup>(c)</sup>
U.S. Treasury Notes	4.625%	6/30/25	80,000,000	79,790,637
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.125%)	5.169%	7/31/25	150,000,000	149,956,806 <sup>(c)</sup>
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.170%)	5.214%	10/31/25	350,000,000	349,888,423 <sup>(c)</sup>
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.245%)	5.289%	1/31/26	150,000,000	150,098,465 <sup>(c)</sup>
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.150%)	5.194%	4/30/26	291,500,000	291,522,518 <sup>(c)</sup>
<b>Total U.S. Treasury Notes</b>				<b>2,473,106,436</b>
<b>Total Investments — 101.4% (Cost — \$17,243,496,547#)</b>				<b>17,243,496,547</b>
Liabilities in Excess of Other Assets — (1.4%)				(232,012,140)
<b>Total Net Assets — 100.0%</b>				<b>\$17,011,484,407</b>

See Notes to Financial Statements.

# Schedule of Investments (cont'd)

August 31, 2024

## U.S. Treasury Reserves Portfolio

- # Aggregate cost for federal income tax purposes is substantially the same.
- (a) Rate shown represents yield-to-maturity.
- (b) Securities traded on a when-issued or delayed delivery basis.
- (c) Variable rate security. Interest rate disclosed is as of the most recent information available. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description above.

See Notes to Financial Statements.

# Statement of Assets and Liabilities

August 31, 2024

**Assets:**

Investments, at value	\$17,243,496,547
Cash	499,502,962
Interest receivable	12,735,185
<b>Total Assets</b>	<b>17,755,734,694</b>

**Liabilities:**

Payable for securities purchased	743,998,959
Trustees' fees payable	53,899
Accrued expenses	197,429
<b>Total Liabilities</b>	<b>744,250,287</b>
<b>Total Net Assets</b>	<b>\$17,011,484,407</b>

**Represented by:**

<b>Paid-in capital</b>	<b>\$17,011,484,407</b>
------------------------	-------------------------

See Notes to Financial Statements.

# Statement of Operations

For the Year Ended August 31, 2024

## Investment Income:

<i>Interest</i>	<i>\$883,643,522</i>
-----------------	----------------------

## Expenses:

Investment management fee (Note 2)	16,419,302
Trustees' fees	383,803
Fund accounting fees	233,340
Legal fees	232,611
Custody fees	95,399
Audit and tax fees	29,841
Interest expense	19,745
Miscellaneous expenses	108,688

<i><b>Total Expenses</b></i>	<i><b>17,522,729</b></i>
------------------------------	--------------------------

Less: Fee waivers and/or expense reimbursements (Note 2)	(16,419,302)
--	--------------

<i><b>Net Expenses</b></i>	<i><b>1,103,427</b></i>
----------------------------	-------------------------

<b>Net Investment Income</b>	<b>882,540,095</b>
------------------------------	--------------------

<b>Net Realized Gain on Investments</b>	<b>229,453</b>
---	----------------

<b>Increase in Net Assets From Operations</b>	<b>\$882,769,548</b>
---	----------------------

See Notes to Financial Statements.

# Statements of Changes in Net Assets

For the Years Ended August 31,	2024	2023
<b>Operations:</b>		
Net investment income	\$ 882,540,095	\$ 704,054,875
Net realized gain	229,453	960,638
<b><i>Increase in Net Assets From Operations</i></b>	<b><i>882,769,548</i></b>	<b><i>705,015,513</i></b>
<b>Capital Transactions:</b>		
Proceeds from contributions	71,048,881,907	87,003,506,139
Value of withdrawals	(70,091,098,663)	(89,944,102,016)
<b><i>Increase (Decrease) in Net Assets From Capital Transactions</i></b>	<b><i>957,783,244</i></b>	<b><i>(2,940,595,877)</i></b>
<b><i>Increase (Decrease) in Net Assets</i></b>	<b><i>1,840,552,792</i></b>	<b><i>(2,235,580,364)</i></b>
<b>Net Assets:</b>		
Beginning of year	15,170,931,615	17,406,511,979
<b><i>End of year</i></b>	<b><i>\$ 17,011,484,407</i></b>	<b><i>\$ 15,170,931,615</i></b>

See Notes to Financial Statements.

# Financial Highlights

For the years ended August 31:					
	2024	2023	2022	2021	2020
Net assets, end of year (millions)	\$17,011	\$15,171	\$17,407	\$22,601	\$18,141
Total return <sup>1</sup>	5.52%	4.42%	0.52%	0.10%	1.08%
Ratios to average net assets:					
Gross expenses	0.11%	0.11%	0.11%	0.11%	0.11%
Net expenses <sup>2,3</sup>	0.01	0.01	0.01	0.01	0.01
Net investment income	5.38	4.32	0.46	0.10	0.91

- <sup>1</sup> Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results.
- <sup>2</sup> The investment manager, pursuant to the terms of the feeder fund's investment management agreement, has agreed to waive 0.10% of Portfolio expenses, attributable to the Portfolio's investment management fee. Additional amounts may be voluntarily waived and/or reimbursed from time to time.
- <sup>3</sup> Reflects fee waivers and/or expense reimbursements.

See Notes to Financial Statements.

# Notes to Financial Statements

## 1. Organization and significant accounting policies

U.S. Treasury Reserves Portfolio (the “Portfolio”) is a separate diversified investment series of Master Portfolio Trust (the “Trust”). The Trust, a Maryland statutory trust, is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Declaration of Trust permits the Trustees to issue beneficial interests in the Portfolio. At August 31, 2024, all investors in the Portfolio were funds advised or administered by the investment manager of the Portfolio and/or its affiliates.

The Portfolio follows the accounting and reporting guidance in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946, *Financial Services – Investment Companies* (“ASC 946”). The following are significant accounting policies consistently followed by the Portfolio and are in conformity with U.S. generally accepted accounting principles (“GAAP”), including, but not limited to, ASC 946. Estimates and assumptions are required to be made regarding assets, liabilities and changes in net assets resulting from operations when financial statements are prepared. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ. Subsequent events have been evaluated through the date the financial statements were issued.

**(a) Investment valuation.** In accordance with Rule 2a-7 under the 1940 Act, money market instruments are valued at amortized cost, which approximates market value. This method involves valuing portfolio securities at their cost and thereafter assuming a constant amortization to maturity of any discount or premium. The Portfolio’s use of amortized cost is subject to its compliance with certain conditions as specified by Rule 2a-7 under the 1940 Act.

Pursuant to policies adopted by the Board of Trustees, the Portfolio’s manager has been designated as the valuation designee and is responsible for the oversight of the daily valuation process. The Portfolio’s manager is assisted by the Global Fund Valuation Committee (the “Valuation Committee”). The Valuation Committee is responsible for making fair value determinations, evaluating the effectiveness of the Portfolio’s pricing policies, and reporting to the Board of Trustees.

The Portfolio uses valuation techniques to measure fair value that are consistent with the market approach and/or income approach, depending on the type of security and the particular circumstance. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable securities. The income approach uses valuation techniques to discount estimated future cash flows to present value.

# Notes to Financial Statements (cont'd)

GAAP establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. These inputs are summarized in the three broad levels listed below:

- Level 1 — unadjusted quoted prices in active markets for identical investments
- Level 2 — other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Portfolio's own assumptions in determining the fair value of investments)

The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used in valuing the Portfolio's assets carried at fair value:

ASSETS				
Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Short-Term Investments†	—	\$17,243,496,547	—	\$17,243,496,547

† See Schedule of Investments for additional detailed categorizations.

**(b) Repurchase agreements.** The Portfolio may enter into repurchase agreements with institutions that its subadviser has determined are creditworthy. Each repurchase agreement is recorded at cost. Under the terms of a typical repurchase agreement, the Portfolio acquires a debt security subject to an obligation of the seller to repurchase, and of the Portfolio to resell, the security at an agreed-upon price and time, thereby determining the yield during the Portfolio's holding period. When entering into repurchase agreements, it is the Portfolio's policy that its custodian or a third party custodian, acting on the Portfolio's behalf, take possession of the underlying collateral securities, the market value of which, at all times, at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction maturity exceeds one business day, the value of the collateral is marked-to-market and measured against the value of the agreement in an effort to ensure the adequacy of the collateral. If the counterparty defaults, the Portfolio generally has the right to use the collateral to satisfy the terms of the repurchase transaction. However, if the market value of the collateral declines during the period in which the Portfolio seeks to assert its rights or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Portfolio may be delayed or limited.

**(c) Securities traded on a when-issued and delayed delivery basis.** The Portfolio may trade securities on a when-issued or delayed delivery basis. In when-issued and delayed delivery transactions, the securities are purchased or sold by the Portfolio with

payment and delivery taking place in the future in order to secure what is considered to be an advantageous price and yield to the Portfolio at the time of entering into the transaction.

Purchasing such securities involves risk of loss if the value of the securities declines prior to settlement. These securities are subject to market fluctuations and their current value is determined in the same manner as for other securities.

**(d) Interest income and expenses.** Interest income (including interest income from payment-in-kind securities) consists of interest accrued and discount earned (including both original issue and market discount adjusted for amortization of premium) on the investments of the Portfolio. Expenses of the Portfolio are accrued daily. The Portfolio bears all costs of its operations other than expenses specifically assumed by the investment manager.

**(e) Method of allocation.** Net investment income of the Portfolio is allocated pro rata, based on respective ownership interests, among the Fund and other investors in the Portfolio (the "Holders") at the time of such determination. Gross realized gains and/or losses of the Portfolio are allocated to the Holders in a manner such that the net asset values per share of each Holder, after each such allocation, is closer to the total of all Holders' net asset values divided by the aggregate number of shares outstanding for all Holders.

**(f) Compensating balance arrangements.** The Portfolio has an arrangement with its custodian bank whereby a portion of the custodian's fees is paid indirectly by credits earned on the Portfolio's cash on deposit with the bank.

**(g) Income taxes.** The Portfolio is classified as a partnership for federal income tax purposes. As such, each investor in the Portfolio is treated as owner of its proportionate share of the net assets, income, expenses and realized gains and losses of the Portfolio. Therefore, no federal income tax provision is required. It is intended that the Portfolio's assets will be managed so an investor in the Portfolio can satisfy the requirements of Subchapter M of the Internal Revenue Code.

Management has analyzed the Portfolio's tax positions taken on income tax returns for all open tax years and has concluded that as of August 31, 2024, no provision for income tax is required in the Portfolio's financial statements. The Portfolio's federal and state income tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

**(h) Other.** Purchases, maturities and sales of money market instruments are accounted for on the date of the transaction. Realized gains and losses are calculated on the identified cost basis.

## **2. Investment management agreement and other transactions with affiliates**

Franklin Templeton Fund Adviser, LLC ("FTFA") (formerly known as Legg Mason Partners Fund Advisor, LLC prior to November 30, 2023) is the Portfolio's investment manager and

## Notes to Financial Statements (cont'd)

Western Asset Management Company, LLC ("Western Asset") is the Portfolio's subadviser. FTFA and Western Asset are indirect, wholly-owned subsidiaries of Franklin Resources, Inc. ("Franklin Resources").

Under the investment management agreement, the Portfolio pays an investment management fee, calculated daily and paid monthly, at an annual rate of 0.10% of the Portfolio's average daily net assets.

FTFA provides administrative and certain oversight services to the Portfolio. FTFA delegates to the subadviser the day-to-day portfolio management of the Portfolio. For its services, FTFA pays Western Asset a fee monthly, at an annual rate equal to 70% of the net management fee it receives from the Portfolio.

As a result of the investment management agreement between FTFA and the feeder fund, FTFA has agreed to waive 0.10% of Portfolio expenses, attributable to the Portfolio's investment management fee. Additional amounts may be voluntarily waived and/or reimbursed from time to time.

During the year ended August 31, 2024, fees waived and/or expenses reimbursed amounted to \$16,419,302.

FTFA is permitted to recapture amounts waived and/or reimbursed to the Portfolio during the same fiscal year under certain circumstances.

All officers and one Trustee of the Trust are employees of Franklin Resources or its affiliates and do not receive compensation from the Trust.

### **3. Derivative instruments and hedging activities**

During the year ended August 31, 2024, the Portfolio did not invest in derivative instruments.

# Report of Independent Registered Public Accounting Firm

## To the Board of Trustees of Master Portfolio Trust and Investors of U.S. Treasury Reserves Portfolio

### Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of U.S. Treasury Reserves Portfolio (one of the portfolios constituting Master Portfolio Trust, referred to hereafter as the "Portfolio") as of August 31, 2024, the related statement of operations for the year ended August 31, 2024, the statement of changes in net assets for each of the two years in the period ended August 31, 2024, including the related notes, and the financial highlights for each of the five years in the period ended August 31, 2024 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of August 31, 2024, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended August 31, 2024 and the financial highlights for each of the five years in the period ended August 31, 2024 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Portfolio's management. Our responsibility is to express an opinion on the Portfolio's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Portfolio in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of August 31, 2024 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP

Baltimore, Maryland  
October 21, 2024

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Portfolios since 1948.

**Changes in and Disagreements with Accountants** For the period covered by this report  
Not applicable.

**Results of Meeting(s) of Shareholders** For the period covered by this report  
Not applicable.

**Remuneration Paid to Directors, Officers and Others** For the period covered by this report  
Refer to the financial statements included herein.

