



Annual Report | August 31, 2020

WESTERN ASSET U.S. TREASURY RESERVES, LTD.

Fund objective

The Fund's investment objective is to provide shareholders with liquidity and as high a level of current income from U.S. government obligations as is consistent with preservation of capital.

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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, 2020. Please read on for a detailed look at prevailing economic and market conditions during the Fund's reporting period and to learn how those conditions have affected Fund performance.

Special shareholder notice

On July 31, 2020, Franklin Resources, Inc. ("Franklin Resources") acquired Legg Mason, Inc. ("Legg Mason") in an all-cash transaction. As a result of the transaction, the Fund's manager, Legg Mason Partners Fund Advisor, LLC ("LMPFA") and subadviser, Western Asset Management Company, LLC, became indirect, wholly-owned subsidiaries of 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. As of August 31, 2020, after giving effect to the transaction described above, Franklin Templeton's asset management operations had aggregate assets under management of approximately \$1.4 trillion.

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 a long horizontal stroke at the end.

Jane Trust, CFA
President and Chief Executive Officer

September 30, 2020

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Fund overview

Q. What is the Fund's investment strategy?

A. The Fund seeks to provide shareholders with liquidity and as high a level of current income from U.S. government obligations as is consistent with preservation of capital. The Fund is a money market fund that invests in securities through an underlying mutual fund, U.S. Treasury Reserves Portfolio (the "Portfolio"), which has the same investment objective and strategies as the Fund. Under normal circumstances, the Portfolio, a U.S. registered money market fund, invests at least 80% of its net assets in U.S. Treasury obligations. In addition, the Portfolio may invest in repurchase agreements that are fully collateralized by U.S. Treasury obligations or cash. (Prior to March 25, 2020, the Portfolio invested all of its assets in direct obligations of the U.S. Treasury and did not enter into repurchase agreements). U.S. Treasury obligations include, without limitation, U.S. Treasury bills, notes and bonds; STRIPS, which are individual interest and principal components of eligible Treasury notes and bonds that are traded as separate securities; and Treasury inflation-protected securities ("TIPS")ⁱ, which are inflation-protected securities issued by the U.S. Treasury, the principal of which increases with inflation and decreases with deflation, as measured by the Consumer Price Index ("CPI")ⁱⁱ. The Portfolio holds all of its assets in U.S. Treasury obligations, repurchase agreements that are fully collateralized by U.S. Treasury obligations, and cash. U.S. government obligations are not necessarily backed by the full faith and credit of the United States. Although the Portfolio invests in U.S. government obligations, an investment in the Fund is neither insured nor guaranteed by the U.S. government.

The Fund tries to maintain a share price of \$1.00 and the Portfolio, as a U.S. registered money market fund, must follow strict rules as to the credit quality, liquidity, diversification and maturity of its investments. The Portfolio may hold cash for cash management and defensive purposes. During unusual market conditions, the Portfolio may hold up to 100% of the Fund's assets in cash.

At Western Asset Management Company, LLC ("Western Asset"), the Fund's and the Portfolio's subadviser, we utilize a fixed income team approach, with decisions derived from interaction among various investment management sector specialists. The sector teams are comprised of Western Asset's senior portfolio management personnel, research analysts and an in-house economist. Under this team approach, management of client fixed income portfolios will reflect a consensus of interdisciplinary views within the Western Asset organization.

Q. What were the overall market conditions during the Fund's reporting period?

A. Both short- and long-term Treasury yields moved sharply lower during the twelve-month reporting period ended August 31, 2020. The yield for the two-year Treasury note began the reporting period at 1.50% and rose as high as 1.79% on September 13, 2019. The low for the period of 0.11% occurred several times toward the end of July 2020 and the beginning of August 2020, and ended the period at 0.14%. The yield for the ten-year Treasury began

Fund overview (cont'd)

the reporting period at 1.50% and moved as high as 1.94% on November 8, 2019. The low for the period of 0.52% occurred on August 4, 2020, and ended the period at 0.72%.

The Federal Reserve Board (the "Fed")ⁱⁱⁱ took a number of actions to support the economy during the reporting period. At its meeting that concluded on July 31, 2019, prior to the beginning of the reporting period, the Fed reduced the federal funds rate^{iv} from a range between 2.25% and 2.50% to a range between 2.00% and 2.25%. This represented the Fed's first rate cut since 2008. The Fed then again lowered rates in September and October 2019 and ended calendar year 2019 with rates between 1.50% and 1.75%. After several months on hold, the Fed aggressively responded to the repercussions from the COVID-19 pandemic by cutting rates to a range between 1.00% and 1.25% on March 3, 2020, and then to a range between 0.00% and 0.25% on March 15, 2020. Finally, on August 27, 2020, the Fed announced a revision to its "Statement on Longer-Run Goals and Monetary Policy Strategy". Fed Chair Jerome Powell said, "Our revised statement reflects our appreciation for the benefits of a strong labor market... and that a robust job market can be sustained without causing an unwelcome increase in inflation", as he explained the changes. As such, the Fed's new approach to setting U.S. monetary policy will entail letting inflation and employment run higher, which could mean interest rates remain lower for longer than previously anticipated.

Q. How did we respond to these changing market conditions?

A. During the early part of the period, the Fund's portfolio maintained an extended average maturity as the Fed shifted to an easing bias in response to inflation remaining well below their targeted level of 2.0%, and a relatively modest pace of economic growth. In early 2020, the COVID-19 crisis resulted in a strong demand for U.S. government securities and we extended the portfolio's maturity in anticipation of significant inflows. In late March 2020 through early April 2020, we shortened the maturity of the portfolio in anticipation of higher U.S. Treasury and agency yields, as supply would increase due to the \$3 trillion Coronavirus Aid, Relief, and Economic Security ("CARES") Act package. Short-term Treasury and agency securities traded within a relatively narrow range for the remainder of the reporting period.

Performance review

As of August 31, 2020, the seven-day current yield for Class 1 shares of Western Asset U.S. Treasury Reserves, Ltd. was 0.01% and the seven-day effective yield, which reflects compounding, was 0.01%.¹

¹ 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.

The Fund does not invest directly in securities but instead invests all of its investable assets in an underlying mutual fund, 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, 2020 (unaudited)

	Seven-Day Current Yield ¹	Seven-Day Effective Yield ¹
Class 1	0.01%	0.01%
Class 2	0.01%	0.01%

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).

Absent fee waivers and/or expense reimbursements, the seven-day current yield and the seven-day effective yield for Class 1 shares would have been -0.18%, and the seven-day current yield and the seven-day effective yield for Class 2 shares would have been -27.58% and -24.16%, respectively.

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.

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by any government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Q. What were the most significant factors affecting Fund performance?

A. The maturity positioning of the Portfolio and its holdings of floating-rate securities positively impacted performance over the reporting period. There were no meaningful detractors from performance during the period.

Thank you for your investment in 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 30, 2020

***RISKS:** You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in*

Fund overview (cont'd)

the Fund is not insured or guaranteed by any government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time. Although the Fund invests in U.S. government obligations, an investment in the Fund is neither insured nor guaranteed by the U.S. government. 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. Please see the Fund's offering circular for a more complete discussion of these and other risks and the Fund's investment strategies. Investors should consider the Fund's investment objective, risks, charges and expenses carefully before investing. The offering circular contains this and other important information about the Fund.

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results.

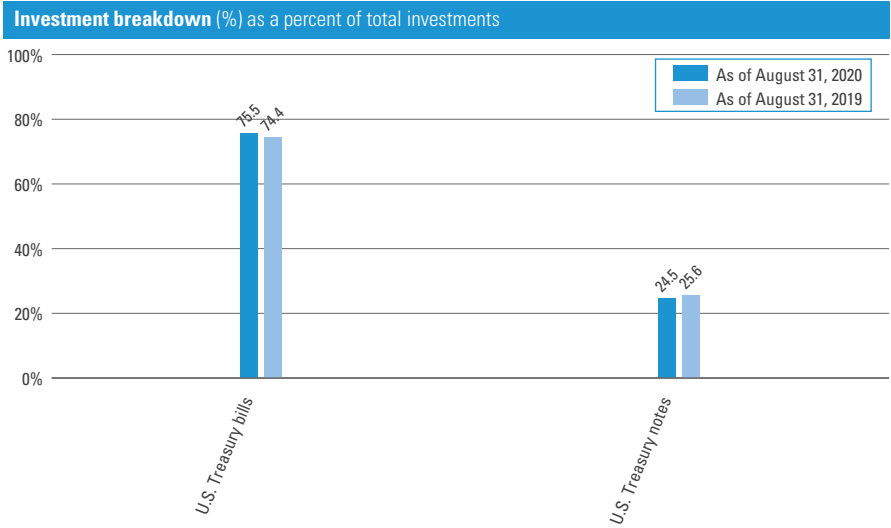
The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

- ⁱ U.S. Treasury Inflation-Protected Securities ("TIPS") are inflation-indexed securities issued by the U.S. Treasury in five-year, ten-year and twenty-year maturities. The principal is adjusted to the Consumer Price Index, the commonly used measure of inflation. The coupon rate is constant, but generates a different amount of interest when multiplied by the inflation-adjusted principal.
- ⁱⁱ The Consumer Price Index ("CPI") measures the average change in U.S. consumer prices over time in a fixed market basket of goods and services determined by the U.S. Bureau of Labor Statistics.
- ⁱⁱⁱ The Federal Reserve Board (the "Fed") is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.
- ^{iv} The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.

Portfolio at a glance† (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.



† The bar graph above represents the composition of the Portfolio's investments as of August 31, 2020 and August 31, 2019. 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, 2020

Assets:

Investment in U.S. Treasury Reserves Portfolio, at value	\$ 7,409,692,977
Prepaid expenses	104,241
Total Assets	7,409,797,218

Liabilities:

Investment management fee payable	1,216,841
Distributions payable	79,910
Directors' fees payable	1,500
Accrued expenses	71,385
Total Liabilities	1,369,636
Total Net Assets	\$ 7,408,427,582

Net Assets:

Par value (Note 5)	\$ 740,866
Paid-in capital in excess of par value	7,407,918,405
Total distributable earnings (loss)	(231,689)
Total Net Assets	\$ 7,408,427,582

Net Assets:

Class 1	\$7,408,327,782
Class 2	\$99,800

Shares Outstanding:

Class 1	7,408,559,475
Class 2	99,796

Net Asset Value:

Class 1	\$1.00
Class 2	\$1.00

See Notes to Financial Statements.

Statement of operations

For the Year Ended August 31, 2020

Investment Income:

Income from U.S. Treasury Reserves Portfolio	\$71,898,450
Allocated expenses from U.S. Treasury Reserves Portfolio	(8,546,327)
Allocated waiver and/or expense reimbursements from U.S. Treasury Reserves Portfolio	8,119,094
Total Investment Income	71,471,217

Expenses:

Investment management fee (Note 2)	20,154,729
Transfer agent fees (Note 3)	126,744
Insurance	48,497
Legal fees	31,209
Audit and tax fees	16,146
Fund accounting fees	9,000
Shareholder reports	2,945
Directors' fees	1,700
Maintenance fees (Note 3)	387
Miscellaneous expenses	9,771
Total Expenses	20,401,128
Less: Fee waivers and/or expense reimbursements (Notes 2 and 3)	(6,364,455)
Net Expenses	14,036,673

Net Investment Income **57,434,544**

Net Realized Loss on Investments From U.S. Treasury Reserves Portfolio **(353,874)**

Increase in Net Assets From Operations **\$57,080,670**

See Notes to Financial Statements.

Statements of changes in net assets

For the Years Ended August 31,	2020	2019
Operations:		
Net investment income	\$ 57,434,544	\$ 150,297,351
Net realized loss	(353,874)	(251,906)
<i>Increase in Net Assets From Operations</i>	<i>57,080,670</i>	<i>150,045,445</i>
Distributions to Shareholders From (Notes 1 and 4):		
Total distributable earnings	(57,424,224)	(150,305,381)
<i>Decrease in Net Assets From Distributions to Shareholders</i>	<i>(57,424,224)</i>	<i>(150,305,381)</i>
Fund Share Transactions (Note 5):		
Net proceeds from sale of shares	44,460,631,939	32,486,983,483
Reinvestment of distributions	22,284,340	63,721,986
Cost of shares repurchased	(43,336,411,400)	(35,073,101,054)
<i>Increase (Decrease) in Net Assets From Fund Share Transactions</i>	<i>1,146,504,879</i>	<i>(2,522,395,585)</i>
<i>Increase (Decrease) in Net Assets</i>	<i>1,146,161,325</i>	<i>(2,522,655,521)</i>
Net Assets:		
Beginning of year	6,262,266,257	8,784,921,778
End of year	\$ 7,408,427,582	\$ 6,262,266,257

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 ¹	2020	2019	2018	2017	2016
Net asset value, beginning of year	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
Income (loss) from operations:					
Net investment income	0.007	0.021	0.013	0.005	0.001
Net realized gain (loss)	0.002 ²	(0.000) ³	0.000 ³	0.000 ³	0.000 ³
Total income from operations	0.009	0.021	0.013	0.005	0.001
Less distributions from:					
Net investment income	(0.009)	(0.021)	(0.013)	(0.005)	(0.001)
Total distributions	(0.009)	(0.021)	(0.013)	(0.005)	(0.001)
Net asset value, end of year	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
Total return⁴	0.91%	2.16%	1.32%	0.47%	0.12%
Net assets, end of year (millions)	\$7,408	\$6,262	\$8,785	\$10,008	\$9,486
Ratios to average net assets:					
Gross expenses ^{5,6}	0.36%	0.42%	0.46%	0.46%	0.46%
Net expenses ^{5,7,8}	0.18	0.18	0.19	0.19	0.16
Net investment income	0.71	2.13	1.30	0.47	0.12

¹ Per share amounts have been calculated using the average shares method.

² 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.

³ Amount represents less than \$0.0005 per share.

⁴ 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.

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

⁶ 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.

⁷ Reflects fee waivers and/or expense reimbursements.

⁸ As a result of a voluntary expense limitation arrangement, effective March 7, 2019, 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. Prior to March 7, 2019, the expense limitation was 0.20%.

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:					
Class 2 Shares ¹	2020	2019	2018	2017	2016
Net asset value, beginning of year	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
Income (loss) from operations:					
Net investment income	0.009	0.019	0.011	0.003	0.000 ²
Net realized gain (loss)	(0.002)	(0.000) ²	0.000 ²	0.000 ²	0.000 ²
Total income from operations	0.007	0.019	0.011	0.003	0.000²
Less distributions from:					
Net investment income	(0.007)	(0.019)	(0.011)	(0.003)	(0.000) ²
Total distributions	(0.007)	(0.019)	(0.011)	(0.003)	(0.000)²
Net asset value, end of year	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
Total return³	0.72%	1.89%	1.11%	0.26%	0.02%
Net assets, end of year (000s)	\$100	\$202	\$199	\$425	\$454
Ratios to average net assets:					
Gross expenses ^{4,5}	21.66%	14.31%	0.85%	0.76%	0.73%
Net expenses ^{4,6,7}	0.39	0.45	0.41	0.39	0.26
Net investment income	0.88	1.87	1.07	0.26	0.02

¹ Per share amounts have been calculated using the average shares method.

² Amount represents less than \$0.0005 per share.

³ 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.

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

⁵ 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.

⁶ Reflects fee waivers and/or expense reimbursements.

⁷ 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.

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. Effective March 25, 2020, the Fund’s principal investment strategy has been revised to include investment in repurchase agreements that are fully collateralized by U.S. Treasury obligations or cash.

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 following are significant accounting policies consistently followed by the Fund and are in conformity with U.S. generally accepted accounting principles (“GAAP”). 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. The Fund records its investment in the Portfolio at value. The value of such investment in the Portfolio reflects the Fund’s proportionate interest (40.8% at August 31, 2020) 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.

(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

Notes to financial statements (cont'd)

net realized gains, if any, will be distributed to the Fund's investors at such times and in such amounts as Legg Mason Partners Fund Advisor, LLC ("LMPFA") 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 provisions for income tax is required in the Fund's financial statements.

2. Management and service provider fees

LMPFA 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 subadvisor. As investment manager of the Fund, LMPFA 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. LMPFA may, at the request of the Fund's Board of Directors, provide investment management services to the Fund. As of July 31, 2020, LMPFA and Western Asset are indirect, wholly-owned subsidiaries of Franklin Resources, Inc. ("Franklin Resources"). Prior to July 31, 2020, LMPFA and Western Asset were wholly-owned subsidiaries of Legg Mason, Inc. ("Legg Mason"). As of July 31, 2020, Legg Mason is a subsidiary of 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 LMPFA. LMPFA delegates to the subadvisor the day-to-day portfolio management of the Portfolio. For Western Asset's services relating to the Portfolio, LMPFA 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 a wholly-owned subsidiary of Legg Mason, which as of July 31, 2020 is a wholly-owned subsidiary of Franklin Resources.

As a result of voluntary expense limitation arrangements between the Fund and LMPFA, 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 and Class 2 shares did not exceed 0.18% and 0.45%, 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.

LMPFA may, subject to any then applicable expense limitation, seek reimbursement for any such expenses or fees from the Fund in future years. During the year ended August 31, 2020, fees waived and/or expenses reimbursed amounted to \$6,364,455.

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

Legg Mason Investor Services, LLC (“LMIS” 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, LMIS 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. As of July 31, 2020, LMIS is an indirect, wholly-owned broker-dealer subsidiary of Franklin Resources. Prior to July 31, 2020, LMIS was a wholly-owned broker-dealer subsidiary of Legg Mason.

For the year ended August 31, 2020, class specific expenses were as follows:

	Maintenance Fees	Transfer Agent Fees
Class 1	—	\$ 99,650
Class 2	\$387 [†]	27,094
Total	\$387	\$126,744

† Amounts shown are exclusive of waivers. For the year ended August 31, 2020, the service and/or distribution fees waived amounted to \$348 for Class 2 shares. Such waivers are voluntary and may be reduced or terminated at any time.

For the year ended August 31, 2020, waivers and/or expense reimbursements by class were as follows:

	Waivers/Expense Reimbursements
Class 1	\$6,337,147
Class 2	27,308
Total	\$6,364,455

Notes to financial statements (cont'd)

4. Distributions to shareholders by class

	Year Ended August 31, 2020	Year Ended August 31, 2019
Net Investment Income:		
Class 1	\$57,423,094	\$150,301,641
Class 2	1,130	3,740
Total	\$57,424,224	\$150,305,381

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, 2020	Year Ended August 31, 2019
Class 1		
Shares sold	44,460,631,939	32,486,983,483
Shares issued on reinvestment	22,283,210	63,718,228
Shares repurchased	(43,336,307,601)	(35,073,101,054)
Net increase (decrease)	1,146,607,548	(2,522,399,343)
Class 2		
Shares sold	—	—
Shares issued on reinvestment	1,130	3,758
Shares repurchased	(103,799)	—
Net increase (decrease)	(102,669)	3,758

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.

6. Other matter

The outbreak of the respiratory illness COVID-19 (commonly referred to as “coronavirus”) has continued to rapidly spread around the world, causing considerable uncertainty for the global economy and financial markets. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the Fund’s investments through the Portfolio, 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.

Report of independent auditors

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

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, 2020, the related statement of operations for the year ended August 31, 2020, the statement of changes in net assets for each of the two years in the period ended August 31, 2020, and the financial highlights for each of the three years in the period ended August 31, 2020. These financial statements and financial highlights are hereafter collectively referred to as "financial statements."

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Western Asset U.S. Treasury Reserves, Ltd. as of August 31, 2020, 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, 2020 and the financial highlights for each of the three years in the period ended August 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of the Fund as of and for the year ended August 31, 2017 and the financial highlights for each of the periods ended on or prior to August 31, 2017 (not presented herein, other than the financial highlights) were audited by other auditors whose report dated October 17, 2017 expressed an unmodified opinion on those financial statements and financial highlights.

/s/PricewaterhouseCoopers LLP

Baltimore, Maryland
October 16, 2020

Schedule of investments

August 31, 2020

U.S. Treasury Reserves Portfolio

Security	Rate	Maturity Date	Face Amount	Value
Short-Term Investments — 102.4%				
U.S. Treasury Bills — 77.4%				
U.S. Cash Management Bill	0.096%	12/8/20	\$ 250,000,000	\$ 249,933,986 ^(a)
U.S. Cash Management Bill	0.112%	1/26/21	250,000,000	249,885,667 ^(a)
U.S. Cash Management Bill	0.110%	2/2/21	250,000,000	249,882,360 ^{(a)(b)}
U.S. Treasury Bills	0.000%	9/1/20	503,342,000	503,342,000 ^(a)
U.S. Treasury Bills	0.102%	9/3/20	203,039,000	203,037,302 ^(a)
U.S. Treasury Bills	0.113%	9/8/20	659,240,000	659,223,651 ^(a)
U.S. Treasury Bills	0.166%	9/10/20	550,000,000	549,975,000 ^(a)
U.S. Treasury Bills	0.165%	9/15/20	1,295,595,000	1,295,507,379 ^(a)
U.S. Treasury Bills	0.201%	9/17/20	1,345,397,000	1,345,271,415 ^(a)
U.S. Treasury Bills	0.119%	9/22/20	529,065,000	529,027,163 ^(a)
U.S. Treasury Bills	0.103%	9/24/20	1,428,268,000	1,428,171,732 ^(a)
U.S. Treasury Bills	0.084%	9/29/20	255,247,000	255,230,007 ^(a)
U.S. Treasury Bills	0.156%	10/1/20	600,000,000	599,920,624 ^(a)
U.S. Treasury Bills	0.122%	10/6/20	1,035,675,000	1,035,550,103 ^(a)
U.S. Treasury Bills	0.172%	10/8/20	615,000,000	614,890,207 ^(a)
U.S. Treasury Bills	0.093%	10/13/20	826,773,000	826,682,246 ^(a)
U.S. Treasury Bills	0.087%	10/20/20	286,318,000	286,283,839 ^(a)
U.S. Treasury Bills	0.134%	10/22/20	350,000,000	349,933,063 ^(a)
U.S. Treasury Bills	0.150%	10/27/20	16,920,000	16,916,052 ^(a)
U.S. Treasury Bills	0.150%	10/29/20	250,000,000	249,939,583 ^(a)
U.S. Treasury Bills	0.091%	11/5/20	150,000,000	149,975,083 ^(a)
U.S. Treasury Bills	0.129%	11/19/20	372,600,000	372,493,810 ^(a)
U.S. Treasury Bills	0.159%	11/27/20	250,000,000	249,903,334 ^(a)
U.S. Treasury Bills	0.102%	12/3/20	200,000,000	199,946,916 ^(a)
U.S. Treasury Bills	0.184%	12/10/20	250,000,000	249,871,527 ^(a)
U.S. Treasury Bills	0.110%	12/17/20	300,000,000	299,901,917 ^(a)
U.S. Treasury Bills	0.110%	12/24/20	100,000,000	99,965,167 ^(a)
U.S. Treasury Bills	0.120%	2/18/21	250,000,000	249,858,333 ^(a)
U.S. Treasury Bills	0.146%	2/25/21	545,000,000	544,609,370 ^(a)
U.S. Treasury Bills	0.142%	8/12/21	125,000,000	124,832,291 ^(a)
Total U.S. Treasury Bills				14,039,961,127
U.S. Treasury Notes — 25.0%				
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.045%)	0.150%	10/31/20	300,000,000	299,972,912 ^(c)
U.S. Treasury Notes	2.750%	11/30/20	162,000,000	163,014,103
U.S. Treasury Notes	1.750%	12/31/20	500,000,000	502,330,473
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.115%)	0.220%	1/31/21	759,250,000	759,167,895 ^(c)

See Notes to Financial Statements.

U.S. Treasury Reserves Portfolio

Security	Rate	Maturity Date	Face Amount	Value
U.S. Treasury Notes — continued				
U.S. Treasury Notes	2.250%	3/31/21	\$ 400,000,000	\$ 404,264,332
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.139%)	0.244%	4/30/21	360,000,000	359,973,216 ^(c)
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.220%)	0.325%	7/31/21	550,000,000	549,803,913 ^(c)
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.300%)	0.405%	10/31/21	100,000,000	100,132,149 ^(c)
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.154%)	0.259%	1/31/22	730,000,000	729,873,663 ^(c)
U.S. Treasury Notes (3 mo. U.S. Treasury Money Market Yield + 0.114%)	0.219%	4/30/22	675,000,000	675,320,872 ^(c)
Total U.S. Treasury Notes				4,543,853,528
Total Investments — 102.4% (Cost — \$18,583,814,655#)				18,583,814,655
Liabilities in Excess of Other Assets — (2.4)%				(442,746,840)
Total Net Assets — 100.0%				\$18,141,067,815

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, 2020

Assets:

Investments, at value	\$18,583,814,655
Cash	185
Interest receivable	7,171,089
<i>Total Assets</i>	<i>18,590,985,929</i>

Liabilities:

Payable for securities purchased	449,829,276
Trustees' fees payable	8,982
Accrued expenses	79,856
<i>Total Liabilities</i>	<i>449,918,114</i>

Total Net Assets	\$18,141,067,815
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Represented by:

Paid-in capital	\$18,141,067,815
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See Notes to Financial Statements.

Statement of operations

For the Year Ended August 31, 2020

Investment Income:

<i>Interest</i>	\$155,995,105
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Expenses:

Investment management fee (Note 2)	17,038,137
Trustees' fees	372,224
Legal fees	217,345
Fund accounting fees	210,191
Custody fees	100,401
Audit and tax fees	33,820
Interest expense	42
Miscellaneous expenses	94,527
<i>Total Expenses</i>	<i>18,066,687</i>
Less: Fee waivers and/or expense reimbursements (Note 2)	(17,149,483)
<i>Net Expenses</i>	<i>917,204</i>
Net Investment Income	155,077,901
Net Realized Loss on Investments	(553,387)
Increase in Net Assets From Operations	\$154,524,514

See Notes to Financial Statements.

Statements of changes in net assets

For the Years Ended August 31,	2020	2019
Operations:		
Net investment income	\$ 155,077,901	\$ 321,105,947
Net realized loss	(553,387)	(538,023)
<i>Increase in Net Assets From Operations</i>	<i>154,524,514</i>	<i>320,567,924</i>
Capital Transactions:		
Proceeds from contributions	75,259,254,314	39,411,937,958
Value of withdrawals	(70,760,988,863)	(42,630,686,886)
<i>Increase (Decrease) in Net Assets From Capital Transactions</i>	<i>4,498,265,451</i>	<i>(3,218,748,928)</i>
<i>Increase (Decrease) in Net Assets</i>	<i>4,652,789,965</i>	<i>(2,898,181,004)</i>
Net Assets:		
Beginning of year	13,488,277,850	16,386,458,854
End of year	\$ 18,141,067,815	\$ 13,488,277,850

See Notes to Financial Statements.

Financial highlights

For the years ended August 31:					
	2020	2019	2018	2017	2016
Net assets, end of year (millions)	\$18,141	\$13,488	\$16,386	\$18,379	\$20,380
Total return¹	1.08%	2.33%	1.50%	0.65%	0.26%
Ratios to average net assets:					
Gross expenses	0.11%	0.11%	0.11%	0.11%	0.11%
Net expenses ^{2,3}	0.01	0.01	0.01	0.01	0.01
Net investment income	0.91	2.30	1.47	0.64	0.26

- ¹ 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.
- ² 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.
- ³ 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. Effective March 25, 2020, the Portfolio's principal investment strategy has been revised to include investment in repurchase agreements that are fully collateralized by U.S. Treasury obligations or cash. At August 31, 2020, all investors in the Portfolio were funds advised or administered by the investment manager of the Portfolio and/or its affiliates.

The following are significant accounting policies consistently followed by the Portfolio and are in conformity with U.S. generally accepted accounting principles ("GAAP"). 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.

The Board of Trustees is responsible for the valuation process and has delegated the supervision of the daily valuation process to the Legg Mason North Atlantic Fund Valuation Committee (the "Valuation Committee"). The Valuation Committee, pursuant to the policies adopted by the Board of Trustees, 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.

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 — 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†	—	\$18,583,814,655	—	\$18,583,814,655

† See Schedule of Investments for additional detailed categorizations.

(b) 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.

(c) 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.

(d) 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

Notes to financial statements (cont'd)

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.

(e) 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.

(f) 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, 2020, 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.

(g) 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

Legg Mason Partners Fund Advisor, LLC ("LMPFA") is the Portfolio's investment manager and Western Asset Management Company, LLC ("Western Asset") is the Portfolio's subadviser. As of July 31, 2020, LMPFA and Western Asset are indirect, wholly-owned subsidiaries of Franklin Resources, Inc. ("Franklin Resources"). Prior to July 31, 2020, LMPFA and Western Asset were wholly-owned subsidiaries of Legg Mason, Inc. ("Legg Mason"). As of July 31, 2020, Legg Mason is a subsidiary of 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.

LMPFA provides administrative and certain oversight services to the Portfolio. LMPFA delegates to the subadviser the day-to-day portfolio management of the Portfolio. For its services, LMPFA 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 LMPFA and the feeder fund, LMPFA 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, 2020, fees waived and/or expenses reimbursed amounted to \$17,149,483.

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

As of July 31, 2020, all officers and one Trustee of the Trust are employees of Franklin Resources or its affiliates and do not receive compensation from the Trust. Prior to July 31, 2020, all officers and one Trustee of the Trust were employees of Legg Mason and did not receive compensation from the Trust.

3. Derivative instruments and hedging activities

During the year ended August 31, 2020, the Portfolio did not invest in derivative instruments.

4. Other matters

The outbreak of the respiratory illness COVID-19 (commonly referred to as “coronavirus”) has continued to rapidly spread around the world, causing considerable uncertainty for the global economy and financial markets. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the Portfolio’s investments, impair the Portfolio’s ability to satisfy withdrawal requests, and negatively impact the Portfolio’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 Portfolio by its service providers.

The Portfolio’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. Plans are underway to phase out the use of LIBOR by the end of 2021. There remains uncertainty regarding the nature of any replacement rate and the impact of the transition from LIBOR on the Portfolio’s transactions and the financial markets generally. As such, the potential effect of a transition away from LIBOR on the Portfolio or the Portfolio’s investments cannot yet be determined.

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 funds constituting Master Portfolio Trust, referred to hereafter as the "Fund") as of August 31, 2020, the related statement of operations for the year ended August 31, 2020, the statement of changes in net assets for each of the two years in the period ended August 31, 2020, including the related notes, and the financial highlights for each of the three years in the period ended August 31, 2020 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of August 31, 2020, 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, 2020 and the financial highlights for each of the three years in the period ended August 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

The financial statements of the Fund as of and for the year ended August 31, 2017 and the financial highlights for each of the periods ended on or prior to August 31, 2017 (not presented herein, other than the financial highlights) were audited by other auditors whose report dated October 17, 2017 expressed an unqualified opinion on those financial statements and financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund'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 Fund 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, 2020 by correspondence with the custodian and broker; 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 16, 2020

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

Additional information (unaudited)

Information about Trustees and Officers

The business and affairs of U.S. Treasury Reserves Portfolio (the "Portfolio") are conducted by management under the supervision and subject to the direction of its Board of Trustees. The business address of each Trustee is c/o Jane Trust, Legg Mason, 100 International Drive, 11th Floor, Baltimore, Maryland 21202.

Previously, two different boards, the Legg Mason Partners Fixed Income Funds Board and the Western Asset Funds Board, oversaw substantially all the mutual funds within the Legg Mason fund complex that are advised by Western Asset Management Company, LLC[†]. A joint proxy statement was mailed to solicit shareholder approval for the election of a unified board. On December 3, 2019, a joint special meeting of shareholders of the funds was held to elect the unified board members. During this meeting, shareholders approved these nominees for Board membership -- resulting in one Board overseeing these funds effective January 1, 2020.

Information pertaining to the Trustees and officers of the Board is set forth below. The Portfolio's registration statement includes additional information about Trustees and is available, without charge, upon request by calling the Portfolio at 1-877-721-1926 or 1-203-703-6002.

Independent Trustees^{††}

Robert Abeles, Jr.

Year of birth	1945
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2013
Principal occupation(s) during the past five years	Board Member, Great Public Schools Now (since 2018); Senior Vice President Emeritus (since 2016) and formerly, Senior Vice President, Finance and Chief Financial Officer (2009 to 2016) at University of Southern California; Board Member, Excellent Education Development (since 2012)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	None

Jane F. Dasher

Year of birth	1949
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 1999
Principal occupation(s) during the past five years	Chief Financial Officer, Long Light Capital, LLC, formerly known as Korsant Partners, LLC (a family investment company) (since 1997)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Director, Visual Kinematics, Inc. (since 2018)

Additional information (unaudited) (cont'd)

Information about Trustees and Officers

Independent Trustees^{††} (cont'd)

Anita L. DeFrantz

Year of birth	1952
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 1998
Principal occupation(s) during the past five years	President of Tubman Truth Corp. (since 2015); President Emeritus (since 2015) and formerly, President (1987 to 2015) and Director (1990 to 2015) of LA84 (formerly Amateur Athletic Foundation of Los Angeles); Member (since 1986), Member of the Executive Board (since 2013) and Vice President (since 2017) of the International Olympic Committee
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	None

Susan B. Kerley

Year of birth	1951
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 1992
Principal occupation(s) during the past five years	Investment Consulting Partner, Strategic Management Advisors, LLC (investment consulting) (since 1990)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Director and Trustee (since 1990) and Chairman (since 2017 and 2005 to 2012) of various series of MainStay Family of Funds (66 funds); formerly, Investment Company Institute (ICI) Board of Governors (2006 to 2014); ICI Executive Committee (2011 to 2014); Chairman of the Independent Directors Council (2012 to 2014)

Michael Larson*

Year of birth	1959
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2004
Principal occupation(s) during the past five years	Chief Investment Officer for William H. Gates III (since 1994) ⁴
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Republic Services, Inc. (since 2009); Fomento Economico Mexicano, SAB (since 2011); Ecolab Inc. (since 2012); formerly, AutoNation, Inc. (2010 to 2018)

Independent Trustees^{††} (cont'd)

Avedick B. Poladian

Year of birth	1951
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2007
Principal occupation(s) during the past five years	Director and Advisor (since 2017) and former Executive Vice President and Chief Operating Officer (2002 to 2016) of Lowe Enterprises, Inc. (privately held real estate and hospitality firm); formerly, Partner, Arthur Andersen, LLP (1974 to 2002)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Occidental Petroleum Corporation (since 2008); California Resources Corporation (since 2014); and Public Storage (since 2010)

William E.B. Siart

Year of birth	1946
Position(s) with Fund	Trustee and Chairman of the Board
Term of office ¹ and length of time served ²	Since 1997 (Chairman of the Board since 2020)
Principal occupation(s) during the past five years	Chairman of Great Public Schools Now (since 2015); Chairman of Excellent Education Development (since 2000); formerly, Trustee of The Getty Trust (since 2005 to 2017); Chairman of Walt Disney Concert Hall, Inc. (1998 to 2006)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Member of Board of United States Golf Association, Executive Committee Member (since 2017); Trustee, University of Southern California (since 1994)

Jaynie Miller Studenmund

Year of birth	1954
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2004
Principal occupation(s) during the past five years	Corporate Board Member and Advisor (since 2004); formerly, Chief Operating Officer of Overture Services, Inc. (publicly traded internet company that created search engine marketing) (2001 to 2004); President and Chief Operating Officer, PayMyBills (internet innovator in bill presentation/payment space) (1999 to 2001); Executive vice president for consumer and business banking for three national financial institutions (1984 to 1997)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Director of Pacific Premier Bancorp Inc. and Pacific Premier Bank (since 2019); Director of EXL (operations management and analytics company) (since 2018); Director of CoreLogic, Inc. (information, analytics and business services company) (since 2012); formerly, Director of Pinnacle Entertainment, Inc. (gaming and hospitality company) (2012 to 2018); Director of LifeLock, Inc. (identity theft protection company) (2015 to 2017); Director of Orbitz Worldwide, Inc. (online travel company) (2007 to 2014)

Additional information (unaudited) (cont'd)

Information about Trustees and Officers

Independent Trustees^{††} (cont'd)

Peter J. Taylor

Year of birth	1958
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2019
Principal occupation(s) during the past five years	President, ECMC Foundation (nonprofit organization) (since 2014); formerly, Executive Vice President and Chief Financial Officer for University of California system (2009 to 2014)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Director of Pacific Mutual Holding Company ⁶ (since 2016); Member of the Board of Trustees of California State University system (since 2015); Ralph M. Parson Foundation (since 2015), Kaiser Family Foundation (since 2012), and Edison International (since 2011)

Interested Trustee

Ronald L. Olson⁶

Year of birth	1941
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2005
Principal occupation(s) during the past five years	Partner of Munger, Tolles & Olson LLP (law partnership) (since 1968)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Berkshire Hathaway, Inc. (since 1997)

Interested Trustee and Officer

Jane Trust, CFA⁷

Year of birth	1962
Position(s) with Fund	Trustee, President and Chief Executive Officer
Term of office ¹ and length of time served ²	Since 2015
Principal occupation(s) during the past five years	Senior Vice President, Fund Board Management, Franklin Templeton (since 2020); Officer and/or Trustee/Director of 150 funds associated with Legg Mason Partners Fund Advisor, LLC ("LMPFA") or its affiliates (since 2015); President and Chief Executive Officer of LMPFA (since 2015); formerly, Senior Managing Director (2018 to 2020) and Managing Director (2016 to 2018) of Legg Mason & Co., LLC ("Legg Mason & Co."); Senior Vice President of LMPFA (2015)
Number of funds in fund complex overseen by Trustee ³	149
Other Trusteeships held by Trustee during the past five years	None

Additional Officers

Ted P. Becker

Legg Mason

620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1951
Position(s) with Fund	Chief Compliance Officer
Term of office ¹ and length of time served ²	Since 2007
Principal occupation(s) during the past five years	Vice President, Global Compliance of Franklin Templeton (since 2020); Chief Compliance Officer of LMPFA (since 2006); Chief Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); formerly, Director of Global Compliance at Legg Mason (2006 to 2020); Managing Director of Compliance of Legg Mason & Co. (2005 to 2020)

Susan Kerr

Legg Mason

620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1949
Position(s) with Fund	Chief Anti-Money Laundering Compliance Officer
Term of office ¹ and length of time served ²	Since 2013
Principal occupation(s) during the past five years	Senior Compliance Analyst, Franklin Templeton (since 2020); Chief Anti-Money Laundering Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2013) and Anti-Money Laundering Compliance Officer (since 2012), Senior Compliance Officer (since 2011) and Assistant Vice President (since 2010) of Legg Mason Investor Services, LLC ("LMIS"); formerly, Assistant Vice President of Legg Mason & Co. (2010 to 2020)

Jenna Bailey

Legg Mason

100 First Stamford Place, 5th Floor, Stamford, CT 06902

Year of birth	1978
Position(s) with Fund	Identity Theft Prevention Officer
Term of office ¹ and length of time served ²	Since 2015
Principal occupation(s) during the past five years	Senior Compliance Analyst of Franklin Templeton (since 2020); Identity Theft Prevention Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2015); formerly, Compliance Officer of Legg Mason & Co. (2013 to 2020); Assistant Vice President of Legg Mason & Co. (2011 to 2020)

Additional information (unaudited) (cont'd)

Information about Trustees and Officers

Additional Officers (cont'd)

Marc A. De Oliveira**

Legg Mason

100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth	1971
Position(s) with Fund	Secretary and Chief Legal Officer
Term of office ¹ and length of time served ²	Since 2020
Principal occupation(s) during the past five years	Associate General Counsel of Franklin Templeton (since 2020); Assistant Secretary of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); formerly, Managing Director (2016 to 2020) and Associate General Counsel of Legg Mason & Co. (2005 to 2020)

Thomas C. Mandia

Legg Mason

100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth	1962
Position(s) with Fund	Senior Vice President
Term of office ¹ and length of time served ²	Since 2020
Principal occupation(s) during the past five years	Senior Associate General Counsel of Franklin Templeton (since 2020); Secretary of LMPFA (since 2006); Assistant Secretary of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); Secretary of LM Asset Services, LLC ("LMAS") (since 2002) and Legg Mason Fund Asset Management, Inc. ("LMFAM") (since 2013) (formerly registered investment advisers); formerly, Managing Director and Deputy General Counsel of Legg Mason & Co. (2005 to 2020)

Christopher Berarducci

Legg Mason

620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1974
Position(s) with Fund	Treasurer and Principal Financial Officer
Term of office ¹ and length of time served ²	Since 2019
Principal occupation(s) during the past five years	Vice President, Fund Administration and Reporting, Franklin Templeton (since 2020); Treasurer (since 2010) and Principal Financial Officer (since 2019) of certain funds associated with Legg Mason & Co. or its affiliates; formerly, Managing Director (2020), Director (2015 to 2020), and Vice President (2011 to 2015) of Legg Mason & Co.

Additional Officers (cont'd)

Jeanne M. Kelly

Legg Mason

620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1951
Position(s) with Fund	Senior Vice President
Term of office ¹ and length of time served ²	Since 2007
Principal occupation(s) during the past five years	U.S. Fund Board Team Manager, Franklin Templeton (since 2020); Senior Vice President of certain funds associated with Legg Mason & Co. or its affiliates (since 2007); Senior Vice President of LMPFA (since 2006); President and Chief Executive Officer of LMAS and LMFAM (since 2015); formerly, Managing Director of Legg Mason & Co. (2005 to 2020); Senior Vice President of LMFAM (2013 to 2015)

† Western Asset Management Company, LLC (“Western Asset”) is a subadviser with respect to the funds. Western Asset Management Company Limited (“Western Asset London”), Western Asset Management Company Ltd (“Western Asset Japan”) and Western Asset Management Company Pte. Ltd. (“Western Asset Singapore” and, collectively with Western Asset, Western Asset London and Western Asset Japan, the “subadvisers”), also serve as subadvisers to certain of the funds.

†† Trustees who are not “interested persons” of the Portfolio within the meaning of Section 2(a)(19) of the Investment Company Act of 1940, as amended (the “1940 Act”).

* Effective March 6, 2020, Mr. Larson became a Trustee.

** Effective September 15, 2020, Mr. De Oliveira became Secretary and Chief Legal Officer.

¹ Each Trustee and officer serves until his or her respective successor has been duly elected and qualified or until his or her earlier death, resignation, retirement or removal.

² Indicates the earliest year in which the Trustee became a board member for a fund in the Legg Mason fund complex or the officer took such office.

³ Each board member also serves as a Director of Western Asset Investment Grade Income Fund Inc. and a Trustee of Western Asset Premier Bond Fund (closed-end investment companies), which are considered part of the same fund complex. Additionally, effective April 24, 2020, each board member serves as a Trustee of Western Asset Inflation-Linked Income Fund and Western Asset Inflation-Linked Opportunities & Income Fund, closed-end investment companies that are part of the same fund complex.

⁴ Mr. Larson is the chief investment officer for William H. Gates III and in that capacity oversees the investments of Mr. Gates and the investments of the Bill and Melinda Gates Foundation Trust (such combined investments are referred to as the “Accounts”). Since 1997, Western Asset has provided discretionary investment advice with respect to one or more Accounts.

⁵ Western Asset and its affiliates provide investment advisory services with respect to registered investment companies sponsored by an affiliate of Pacific Mutual Holding Company (“Pacific Holdings”). Affiliates of Pacific Holdings receive compensation from LMPFA or its affiliates for shareholder or distribution services provided with respect to registered investment companies for which Western Asset or its affiliates serve as investment adviser.

⁶ Mr. Olson is an “interested person” of the Portfolio, as defined in the 1940 Act, because his law firm has provided legal services to Western Asset.

⁷ Ms. Trust is an “interested person” of the Portfolio, as defined in the 1940 Act, because of her position with LMPFA and/or certain of its affiliates.

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