

Edgar Filing: LMP CAPITAL & INCOME FUND INC. - Form 40-17G

LMP CAPITAL & INCOME FUND INC.
Form 40-17G
November 19, 2007

November 19, 2007

VIA EDGAR

Securities and Exchange Commission

100 F Street, N.E.

Washington, D.C. 20549

Re: Rule 17g-1 Filing For Registered Investment Companies Listed on Schedule I

Managed by Legg Mason Partners Fund Advisor, LLC (the Funds)

Ladies and Gentlemen:

On behalf of the Funds and pursuant to Rule 17g-1(g)(1) under the Investment Company Act of 1940, as amended (the 1940 Act), I hereby submit for filing with the Securities and Exchange Commission: (1) a copy of the joint fidelity bond executed on behalf of the Funds; (2) copies of the resolutions of a majority of the Boards of Directors/Trustees who are not interested persons (as defined in the 1940 Act) of the Funds approving the amount, type, form and coverage of the joint fidelity bond and the portion of the premium to be paid by each Fund, as well as approving the Agreement Concerning Allocation of Fidelity Bond Premiums and Recoveries (as defined below), as amended to date; (3) a statement showing the amount of the single insured bond which each Fund would have provided and maintained had it not been named as an insured under the joint fidelity bond; (4) a statement as to the period for which premiums have been paid under the joint fidelity bond; and (5) an agreement among the Funds concerning the allocation of fidelity bond recoveries (the Agreement Concerning Allocation of Fidelity Bond Premiums and Recoveries).

For purposes of (4) above, please note that the Funds have paid premiums under the joint fidelity bond for the period July 15, 2007 to July 15, 2008.

If you have any questions concerning this filing, please call the undersigned at (203) 703-7038.

Very truly yours,

/s/ Thomas C. Mandia
Thomas C. Mandia

Enclosures

cc: Stephanie Beran
Rosemary D. Emmens

SCHEDULE I

LMP Corporate Loan Fund Inc.

Western Asset High Income Opportunity Fund Inc.

Western Asset Managed High Income Fund Inc.

Western Asset Managed Municipals Fund Inc.

Western Asset Municipal High Income Fund Inc.

LMP Real Estate Income Fund Inc.

Western Asset Intermediate Muni Fund Inc.

Western Asset Zenix Income Fund Inc.

Barrett Opportunity Fund, Inc.

Western Asset High Income Fund Inc.

Western Asset High Income Fund II Inc.

Western Asset 2008 Worldwide Dollar Government Term Trust Inc.

Western Asset Worldwide Income Fund Inc.

Western Asset Global High Income Fund Inc.

Western Asset Emerging Markets Debt Fund Inc.

LMP Capital and Income Fund Inc.

Western Asset Emerging Markets Income Fund Inc.

Western Asset Emerging Markets Income Fund II Inc.

Western Asset Emerging Markets Floating Rate Fund Inc.

Western Asset Global Partners Income Fund Inc.

Western Asset Municipal Partners Fund Inc.

Western Asset Variable Rate Strategic Fund Inc.

Western Asset Inflation Management Fund Inc.

Legg Mason Partners Trust II

Legg Mason Partners Capital Preservation Fund II

Legg Mason Partners Equity Trust

Legg Mason Partners Aggressive Growth Fund

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Legg Mason Partners Appreciation Fund

Legg Mason Partners Capital and Income Fund

Legg Mason Partners Capital Fund

Legg Mason Partners Classic Values Fund

Legg Mason Partners Convertible Fund

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Legg Mason Partners Diversified Large Cap Growth Fund

Legg Mason Partners Dividend Strategy Fund

Legg Mason Partners Emerging Markets Equity Fund

Legg Mason Partners Equity Fund

Legg Mason Partners Financial Services Fund

Legg Mason Partners Fundamental Value Fund

Legg Mason Partners Global Equity Fund

Legg Mason Partners International All Cap Opportunity Fund

Legg Mason Partners Investors Value Fund

Legg Mason Partners Large Cap Growth Fund

Legg Mason Partners Lifestyle Allocation 100%

Legg Mason Partners Lifestyle Allocation 30%

Legg Mason Partners Lifestyle Allocation 50%

Legg Mason Partners Lifestyle Allocation 70%

Legg Mason Partners Lifestyle Allocation 85%

Legg Mason Partners Lifestyle Income Fund

Legg Mason Partners Mid Cap Core Fund

Legg Mason Partners All Cap Fund

Legg Mason Partners S&P 500 Index Fund

Legg Mason Partners Small Cap Core Fund

Legg Mason Partners Small Cap Growth Fund

Legg Mason Partners Small Cap Value Fund

Legg Mason Partners Social Awareness Fund

Legg Mason Partners Income Trust

Legg Mason Partners Adjustable Rate Income Fund

Legg Mason Partners California Municipals Fund

Legg Mason Partners Core Bond Fund

Legg Mason Partners Core Plus Bond Fund

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Legg Mason Partners Diversified Strategic Income Fund

Legg Mason Partners Global High Yield Bond Fund

Legg Mason Partners Government Securities Fund

Legg Mason Partners High Income Fund

Legg Mason Partners Inflation Management Fund

Legg Mason Partners Intermediate Maturity California Municipals Fund

Legg Mason Partners Intermediate Maturity New York Municipals Fund

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Legg Mason Partners Intermediate-Term Municipals Fund

Legg Mason Partners Investment Grade Bond Fund

Legg Mason Partners Managed Municipals Fund

Legg Mason Partners Massachusetts Municipals Fund

Legg Mason Partners Municipal High Income Fund

Legg Mason Partners New Jersey Municipals Fund

Legg Mason Partners New York Municipals Fund

Legg Mason Partners Oregon Municipals Fund

Legg Mason Partners Pennsylvania Municipals Fund

Legg Mason Partners Short Duration Municipal Income Fund

Legg Mason Partners Short/Intermediate U.S. Government Fund

Legg Mason Partners Short-Term Investment Grade Bond Fund

Western Asset Emerging Markets Debt Portfolio

Western Asset Global High Yield Bond Portfolio

Legg Mason Partners Variable Equity Trust

Legg Mason Partners Variable Aggressive Growth Portfolio

Legg Mason Partners Variable Appreciation Portfolio

Legg Mason Partners Variable Dividend Strategy Portfolio

Legg Mason Partners Variable Equity Index Portfolio

Legg Mason Partners Variable Fundamental Value Portfolio

Legg Mason Partners Variable International All Cap Opportunity Portfolio

Legg Mason Partners Variable Investors Portfolio

Legg Mason Partners Variable Large Cap Growth Portfolio

Legg Mason Partners Variable Lifestyle Allocation 50%

Legg Mason Partners Variable Lifestyle Allocation 70%

Legg Mason Partners Variable Lifestyle Allocation 85%

Legg Mason Partners Variable Mid Cap Core Portfolio

Legg Mason Partners Variable Multiple Discipline Portfolio All Cap Growth and Value

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Legg Mason Partners Variable Capital and Income Portfolio

Legg Mason Partners Variable Multiple Discipline Portfolio Global All Cap Growth and Value

Legg Mason Partners Variable Multiple Discipline Portfolio Large Cap Growth and Value

Legg Mason Partners Variable Small Cap Growth Portfolio

Legg Mason Partners Variable Social Awareness Portfolio

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Legg Mason Partners Variable Income Trust

Legg Mason Partners Variable Adjustable Rate Income Portfolio

Legg Mason Partners Variable Diversified Strategic Income Portfolio

Legg Mason Partners Variable Global High Yield Bond Portfolio

Legg Mason Partners Variable Government Portfolio

Legg Mason Partners Variable High Income Portfolio

Legg Mason Partners Variable Money Market Portfolio

Legg Mason Partners Variable Strategic Bond Portfolio

Legg Mason Partners Money Market Trust

Western Asset California Municipal Money Market Fund

Citi California Tax Free Reserves

Citi Cash Reserves

Citi Connecticut Tax Free Reserves

Citi New York Tax Free Reserves

Citi Tax Free Reserves

Citi U.S. Treasury Reserves

Western Asset Massachusetts Municipal Money Market Fund

Western Asset New York Municipal Money Market Fund

Western Asset Money Market Fund

Western Asset Government Money Market Fund

Western Asset Municipal Money Market Fund

Legg Mason Partners Institutional Trust

Western Asset Institutional Money Market Fund

Citi Institutional Cash Reserves

Citi Institutional Enhanced Income Fund

Citi Institutional Liquid Reserves

Citi Institutional Tax Free Reserves

Citi Institutional U.S. Treasury Reserves

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Western Asset Institutional Government Money Market Fund

Western Asset Institutional Municipal Money Market Fund

SMASh Series C Fund

SMASh Series EC Fund

SMASh Series M Fund

SMASh Series MEC Fund

Legg Mason Partners Premium Money Market Trust

Citi Premium Liquid Reserves

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Citi Premium U.S. Treasury Reserves

Master Portfolio Trust

Liquid Reserves Portfolio

U.S. Treasury Reserves Portfolio

Tax Free Reserves Portfolio

Prime Cash Reserves Portfolio

Institutional Enhanced Portfolio

SMASh Series C Portfolio

SMASh Series EC Portfolio

SMASh Series M Portfolio

SMASh Series MEC Portfolio

AGREEMENT CONCERNING ALLOCATION OF FIDELITY BOND PREMIUMS AND RECOVERIES

This Agreement Concerning Allocation of Fidelity Bond Premiums and Recoveries made as of the 15th day of July, 2007 by and among the management investment companies listed on Schedule I (each, a Fund and collectively, the Funds), all of which are named insureds on a certain fidelity bond underwritten by ICI Mutual Insurance Company (the Insurer) covering certain acts relating to the Funds (Joint Fidelity Bond):

WHEREAS: each of the Funds has registered under the Investment Company Act of 1940, as amended (the 1940 Act) as either an open-end management investment company or a closed-end management investment company; and

WHEREAS: Rule 17g-1(f) under the 1940 Act requires that a registered management investment company named as an insured on a joint fidelity bond enter into a certain agreement with the other named insureds; and

WHEREAS: the Funds each will benefit from their respective participation in the Joint Fidelity Bond in compliance with this Rule;

NOW, THEREFORE, it is agreed as follows:

1. In the event any recovery under the Joint Fidelity Bond is received as a result of a loss sustained by any of the Funds, then each Fund sustaining such loss shall receive an equitable and proportionate share of the recovery, said proportion to be established by the ratio that the claim bears to the total amount claimed by all participants, but at least equal to the amount which each such Fund would have received had it provided and maintained a single insured bond with the minimum coverage required by Rule 17g-1(d)(1) under the 1940 Act (Separate Bond).
2. In the event that the claims of loss of the Funds are so related that the Insurer is entitled to assert that the claims must be aggregated with the results that the total amount payable on such claims is limited to the face amount of the Joint Fidelity Bond, the following rules for determining the priorities among the Funds for satisfaction of the claims under the Joint Fidelity Bond shall apply:
 - A. First, all claims of each Fund which have been duly proven and established under the Joint Fidelity Bond shall be satisfied up to the minimum amount of a Separate Bond for such Fund; and
 - B. Second, the remaining amount of insurance, if any, shall then be applied to the claims of the Funds in proportion to the total of the unsatisfied amount of the claims of each Fund.
3. Limitation of Liability for Massachusetts business trust: The Declaration of Trust for each entity on Schedule I hereto that is a Massachusetts business trust is on file with the Secretary to the Commonwealth of Massachusetts. This Agreement is executed on behalf of the Trust by the Trust's officers as officers and not individually and the obligations imposed upon the Trust by this Agreement are not binding upon any of the Trust's trustees, officers or shareholders individually but are binding only upon the assets and property of the Trust.
4. Additional Parties to this Agreement: This Agreement is intended to cover all entities insured under the Joint Fidelity Bond. Any insured under the Joint Fidelity Bond that is not currently listed on Schedule I hereto may be added to this Agreement by a written amendment.
5. This Agreement may be executed in multiple counterparts.

IN WITNESS WHEREOF, each Fund has caused this Agreement to be executed by one of its officers thereunto duly authorized as of the date first above written.

/s/ R. Jay Gerken
R. Jay Gerken
President, each of the Funds listed on Schedule I

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SCHEDULE I

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Western Asset Managed Municipals Fund Inc.

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Legg Mason Partners California Municipals Fund

Legg Mason Partners Core Bond Fund

Legg Mason Partners Core Plus Bond Fund

Legg Mason Partners Diversified Strategic Income Fund

Legg Mason Partners Global High Yield Bond Fund

Legg Mason Partners Government Securities Fund

Legg Mason Partners High Income Fund

Legg Mason Partners Inflation Management Fund

Legg Mason Partners Intermediate Maturity California Municipals Fund

Legg Mason Partners Intermediate Maturity New York Municipals Fund

Legg Mason Partners Intermediate-Term Municipals Fund

Legg Mason Partners Investment Grade Bond Fund

Legg Mason Partners Managed Municipals Fund

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Legg Mason Partners Short Duration Municipal Income Fund

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Legg Mason Partners Short/Intermediate U.S. Government Fund

Legg Mason Partners Short-Term Investment Grade Bond Fund

Western Asset Emerging Markets Debt Portfolio

Western Asset Global High Yield Bond Portfolio

Legg Mason Partners Variable Equity Trust

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Legg Mason Partners Variable Multiple Discipline Portfolio All Cap Growth and Value

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Legg Mason Partners Variable Multiple Discipline Portfolio Global All Cap Growth and Value

Legg Mason Partners Variable Multiple Discipline Portfolio Large Cap Growth and Value

Legg Mason Partners Variable Small Cap Growth Portfolio

Legg Mason Partners Variable Social Awareness Portfolio

Legg Mason Partners Variable Income Trust

Legg Mason Partners Variable Adjustable Rate Income Portfolio

Legg Mason Partners Variable Diversified Strategic Income Portfolio

Legg Mason Partners Variable Global High Yield Bond Portfolio

Legg Mason Partners Variable Government Portfolio

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Legg Mason Partners Variable High Income Portfolio

Legg Mason Partners Variable Money Market Portfolio

Legg Mason Partners Variable Strategic Bond Portfolio

Legg Mason Partners Money Market Trust

Western Asset California Municipal Money Market Fund

Citi California Tax Free Reserves

Citi Cash Reserves

Citi Connecticut Tax Free Reserves

Citi New York Tax Free Reserves

Citi Tax Free Reserves

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SMASh Series C Fund

SMASh Series EC Fund

SMASh Series M Fund

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SMASh Series MEC Fund

Legg Mason Partners Premium Money Market Trust

Citi Premium Liquid Reserves

Citi Premium U.S. Treasury Reserves

Master Portfolio Trust

Liquid Reserves Portfolio

U.S. Treasury Reserves Portfolio

Tax Free Reserves Portfolio

Prime Cash Reserves Portfolio

Institutional Enhanced Portfolio

SMASh Series C Portfolio

SMASh Series EC Portfolio

SMASh Series M Portfolio

SMASh Series MEC Portfolio

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PROPOSED RESOLUTIONS

RESOLVED, that pursuant to Rule 17d-1(d)(7) under the Investment Company Act of 1940, as amended (the "1940 Act"), the Board hereby finds that each of the Funds' participation in the joint liability insurance policies are in the best interests of each of the Funds; and

FURTHER RESOLVED, that each of the Funds and its Board Members be included as insured parties under a Directors and Officers/Errors and Omissions Liability Insurance Policy (the "Policy") issued by ICI Mutual Insurance Company to certain investment companies in the Legg Mason Partners and Citi mutual funds complexes and to Barrett Opportunity Fund to which the investment advisers, administrators, affiliated principal underwriter, Trustees and officers of such investment companies are parties, and which provides coverage to such parties against liabilities and expenses (with certain exceptions) arising out of claims, actions or proceedings asserted or threatened against them in their respective capacities for the investment companies; and

FURTHER RESOLVED, that the portion of the aggregate premium for the Policy of \$5,215,000 to be allocated to each of the Funds for the period July 15, 2007 through July 14, 2008 based upon a comparison with the premium that would have been paid if the insurance coverage were purchased separately by the insured parties, is fair and reasonable to each of the Funds; and

FURTHER RESOLVED, that the purchase of the fidelity bond coverage with ICI Mutual Insurance Company for the period July 15, 2007 through July 14, 2008, which coverage is maintained jointly on behalf of each of the Funds and the other parties named as insureds therein, including certain investment companies in the Legg Mason Partners and Citi mutual fund complexes and Barrett Opportunity Fund, and which provides coverage in the aggregate amount of \$145 million is approved; and

FURTHER RESOLVED, that it is the finding of the Board that the fidelity bond coverage with ICI Mutual Insurance Company for the July 15, 2007 through July 14, 2008 policy period in the aggregate amount of \$100 million covering among others, officers and employees of each of the Funds in accordance with the requirements of Rule 17g-1 under the 1940 Act, is reasonable in form and amount, after having given due consideration to, among other things, the value of the aggregate assets of each of the Funds

to which any person covered under the Bond may have access, the type and terms of the arrangements made for the custody and safekeeping of assets of each of the Funds and the nature of the securities in each of the Funds series; and

FURTHER RESOLVED, that the payment by each of the Funds of its portion of the total premium of \$558,840 for the period July 15, 2007 through July 14, 2008 for the aforementioned joint insured bond is fair and reasonable and therefore approved, taking into consideration, among other things, the number of parties named as insureds, the nature of the business activities of such parties, the amount of the joint insured bond; the amount of the premium to be allocated among all parties as insureds; and the extent to which the share of the premium allocated to each of the Funds is less than the premium that each of the Funds would have had to pay if it had provided and maintained a single insured bond; and

FURTHER RESOLVED, that the Agreement Concerning Allocation of Fidelity Bond Premiums and Recoveries entered into among the Funds and the other named insureds under the foregoing fidelity bond coverage is approved and that each officer of the Funds, acting singly, is authorized to execute and deliver such Agreement, with such changes as such officer may by his execution and delivery approve, the execution and delivery of said Agreement to be conclusive evidence of the Directors approval; and

FURTHER RESOLVED, that the appropriate officers of each of the Funds are authorized to make any and all payments, in the name and on behalf of each of the Funds, as they, or any of them, may determine to be necessary or desirable and proper in connection with or in furtherance of the foregoing resolutions; and

FURTHER RESOLVED, that the appropriate officers of each of the Funds are directed to file the fidelity bond with the Securities and Exchange Commission and to make the other filings and give the notices as required by Paragraph (g) of Rule 17g-1 of the 1940 Act.

Legg Mason Partners**Fidelity Bond Coverage****Policy Year Ending 7/15/08**

Fund Number	Fund Name	Control Date	Fund Gross Assets 9/28/07	Registrant Gross Assets	Minimum Bond Requirement under rule 17g1 (note 1)	Registrant
N4O5	Barrett Opportunity Fund, Inc.	9/28/2007	156,132,221.42	156,132,221.42	600,000.00	Barrett Opportunity Fund Inc.
KVC3	LMP Global Equity Fund	9/28/2007	309,890,879.13			Legg Mason Partners Equity Trust
KVC5	LMP Diversified Large Cap Growth Fund	9/28/2007	165,112,560.62			Legg Mason Partners Equity Trust
N4C1	LMP Fundamental Value Fund	9/28/2007	4,408,595,680.17			Legg Mason Partners Equity Trust
N4F0	LMP Lifestyle Allocation 30%	9/28/2007	112,192,653.06			Legg Mason Partners Equity Trust
N4F6	LMP Lifestyle Allocation 50%	9/28/2007	354,310,874.36			Legg Mason Partners Equity Trust
0963	Legg Mason Partners Financial Services Fund	9/28/2007	138,218,710.10			Legg Mason Partners Equity Trust
N4F7	LMP Lifestyle Income Fund	9/28/2007	41,762,603.82			Legg Mason Partners Equity Trust
N4F8	LMP Lifestyle Allocation 85%	9/28/2007	706,812,834.47			Legg Mason Partners Equity Trust
N4F9	LMP Lifestyle Allocation 70%	9/28/2007	592,439,301.65			Legg Mason Partners Equity Trust
N4L1	LMP Large Cap Growth Fund	9/28/2007	4,392,611,479.66			Legg Mason Partners Equity Trust
N4L9	LMP Aggressive Growth Fund	9/28/2007	9,837,704,426.01			Legg Mason Partners Equity Trust
N4M0	LMP All Cap Fund	9/28/2007	1,222,262,892.73			Legg Mason Partners Equity Trust
N4M5	LMP Mid Cap Core Fund	9/28/2007	1,037,943,955.23			Legg Mason Partners Equity Trust
N4N2	LMP Small Cap Core Fund	9/28/2007	56,844,146.63			Legg Mason Partners Equity Trust
N4N3	LMP S&P 500 Index Fund	9/28/2007	507,322,564.46			Legg Mason Partners Equity Trust
N4O8	LMP Capital Fund, Inc.	9/28/2007	1,084,620,445.46			Legg Mason Partners Equity Trust
N4O9	LMP Investors Value Fund, Inc.	9/28/2007	1,397,333,232.59			Legg Mason Partners Equity Trust
N4P0	LMP Small Cap Growth Fund	9/28/2007	1,073,161,273.13			Legg Mason Partners Equity Trust
N4P5	LMP Appreciation Fund	9/28/2007	6,155,735,991.05			Legg Mason Partners Equity Trust
N4Q4	LMP International All Cap Opportunity Fd	9/28/2007	387,302,911.60			Legg Mason Partners Equity Trust
N4T8	LMP Equity Fund	9/28/2007	887,484,871.16			Legg Mason Partners Equity Trust
N4VG	LMP Emerging Markets Equity Fund	9/28/2007	93,059,792.31			Legg Mason Partners Equity Trust
N4P7	LMP Social Awareness Fund	9/28/2007	259,880,393.63			Legg Mason Partners Equity Trust
N4WC		9/28/2007	2,715,868,287.89			

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	LMP Dividend Strategy Fund					Legg Mason Partners Equity Trust
N4W6	LMP Small Cap Value Fund	9/28/2007	578,567,035.13			Legg Mason Partners Equity Trust
N4Y3	LMP Classic Values Fund	9/28/2007	168,057,080.92			Legg Mason Partners Equity Trust
N4BK	LMP Capital and Income Fund	9/28/2007	3,667,750,799.75			Legg Mason Partners Equity Trust
N4P3	LMP Convertible Fund	9/28/2007	85,122,041.82	42,437,969,718.54	2,500,000.00	Legg Mason Partners Equity Trust
N4N0	LMP Adjustable Rate Income Fund	9/28/2007	471,169,703.61			Legg Mason Partners Income Trust
N4I5	LMP California Municipals Fund	9/28/2007	793,285,949.40			Legg Mason Partners Income Trust
N4K6	LMP Core Plus Bond Fund	9/28/2007	262,596,123.47			Legg Mason Partners Income Trust
N4K7	LMP Short Term Inv Grade Bond Fund	9/28/2007	407,412,145.73			Legg Mason Partners Income Trust
N4I0	LMP Diversified Strategic Income Fund	9/28/2007	1,124,836,108.57			Legg Mason Partners Income Trust
N4I6	LMP Core Bond Fund	9/28/2007	490,011,940.24			Legg Mason Partners Income Trust
N4J2	LMP Municipal High Income Fund	9/28/2007	473,466,152.11			Legg Mason Partners Income Trust
N4J7	LMP High Income Fund	9/28/2007	701,418,212.18			Legg Mason Partners Income Trust
N4B6	LMP Government Securities Fund	9/28/2007	854,093,265.52			Legg Mason Partners Income Trust
N4K5	LMP Investment Grade Bond Fund	9/28/2007	590,726,187.16			Legg Mason Partners Income Trust
N4I1	LMP Inter Maturity NY Municipals Fund	9/28/2007	101,988,316.60			Legg Mason Partners Income Trust
N4J0	LMP Inter Maturity CA Municipals Fund	9/28/2007	61,894,870.24			Legg Mason Partners Income Trust
N4I9	LMP Managed Municipals Fund	9/28/2007	3,145,179,679.84			Legg Mason Partners Income Trust
N4J3	LMP Massachusetts Municipals Fund	9/28/2007	96,156,615.25			Legg Mason Partners Income Trust
N4H7	LMP Pennsylvania Municipals Fund	9/28/2007	120,908,010.02			Legg Mason Partners Income Trust
N4I3	LMP New York Municipals Fund	9/28/2007	722,347,983.13			Legg Mason Partners Income Trust
N4J6	LMP Intermediate-Term Municipals Fd	9/28/2007	653,783,120.64			Legg Mason Partners Income Trust
N4J5	LMP New Jersey Municipals Fund	9/28/2007	228,718,538.55			Legg Mason Partners Income Trust
N4H9	LMP Oregon Municipals Fund	9/28/2007	69,657,979.80			Legg Mason Partners Income Trust

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Fund Number	Fund Name	Control Date	Fund Gross Assets 9/28/07	Registrant Gross Assets	Minimum Bond Requirement under rule 17g1 (note 1)	Registrant
N4O6	LMP Short/Intermediate US Govt Fund	9/28/2007	127,305,686.78			Legg Mason Partners Income Trust
N4U3	LMP Global High Yield Bond Fund	9/28/2007	972,321,175.34			Legg Mason Partners Income Trust
N4Y4	LMP Short Duration Muni Income Fund	9/28/2007	30,363,975.92			Legg Mason Partners Income Trust
N4Q8	LMP Inflation Management Fund	9/28/2007	35,880,655.25	12,535,522,395.35	2,500,000.00	Legg Mason Partners Income Trust
N41U	SMASh Series M Portfolio	9/28/2007	35,839,456.17			Legg Mason Partners Institutional Trust
N43U	SMASh Series C Portfolio	9/28/2007	7,892,723.03			Legg Mason Partners Institutional Trust
N47U	SMASh Series EC Portfolio	9/28/2007	11,127,334.39			Legg Mason Partners Institutional Trust
N4G4	Western Asset Institutional Money Market Fund	9/28/2007	4,885,536,214.62			Legg Mason Partners Institutional Trust
N4G5	Western Asset Institutional Govt Money Market Fund	9/28/2007	3,882,429,322.31			Legg Mason Partners Institutional Trust
LI33	Citi Institutional Cash Reserves	9/28/2007	6,135,292,868.08			Legg Mason Partners Institutional Trust
LI11	Citi Institutional Liquid Reserves	9/28/2007	22,643,856,611.85			Legg Mason Partners Institutional Trust
LI19	Citi Institutional U.S. Treasury Reserves	9/28/2007	4,131,722,064.87			Legg Mason Partners Institutional Trust
LI44	Citi Institutional Tax Free Reserves	9/28/2007	2,180,655,700.54			Legg Mason Partners Institutional Trust
N4G6	Western Asset Institutional Muni Money Market Fund	9/28/2007	3,022,293,094.53	46,936,645,390.39	2,500,000.00	Legg Mason Partners Institutional Trust
LI07	Citi California Tax Free Reserves	9/28/2007	281,483,904.88			Legg Mason Partners Money Market Trust
LI15	Citi New York Tax Free Reserves	9/28/2007	958,701,628.43			Legg Mason Partners Money Market Trust
LI21	Citi Connecticut Tax Free Reserves	9/28/2007	370,794,717.19			Legg Mason Partners Money Market Trust
N4G8	Western Asset New York Municipal Money Market	9/28/2007	2,413,467,810.20			Legg Mason Partners Money Market Trust
N4G9	Western Asset California Municipal Money Market	9/28/2007	2,935,389,308.28			Legg Mason Partners Money Market Trust
N4H0	Western Asset Money Market Fund	9/28/2007	29,327,891,499.09			Legg Mason Partners Money Market Trust
N4H2	Western Asset Government Money Market Fund	9/28/2007	3,420,545,569.84			Legg Mason Partners Money Market Trust
N4G0	Western Asset Massachusetts Money Market Fund	9/28/2007	267,181,971.88			Legg Mason Partners Money Market Trust
N4G7	Western Asset Municipal Money Market Fund	9/28/2007	8,248,217,313.06	48,223,673,722.85	2,500,000.00	Legg Mason Partners Money Market Trust
N44C	LMP Capital Preservation Fund II	9/28/2007	177,675,717.70	177,675,717.70	600,000.00	Legg Mason Partners Trust II
N43C	LMP Var MDP Gbl All Cap Growth & Value	9/28/2007	96,626,962.53			Legg Mason Partners Variable Equity Trust

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N4C4	LMP Variable Lifestyle Allocation 50%	9/28/2007	218,549,480.33			Legg Mason Partners Variable Equity Trust
N4C5	LMP Variable Aggressive Growth Port	9/28/2007	1,282,867,512.77			Legg Mason Partners Variable Equity Trust
N4C6	LMP Variable Intl All Cap Opportunity Port	9/28/2007	166,243,185.80			Legg Mason Partners Variable Equity Trust
N4C7	LMP Variable Appreciation Port	9/28/2007	1,006,303,343.60			Legg Mason Partners Variable Equity Trust
N46C	LMP Var MDP Large Cap Growth & Value	9/28/2007	34,844,524.38			Legg Mason Partners Variable Equity Trust
N4L0	LMP Variable Large Cap Growth Port	9/28/2007	326,627,288.88			Legg Mason Partners Variable Equity Trust
N4IC	LMP Variable Dividend Strategy Port	9/28/2007	81,150,970.97			Legg Mason Partners Variable Equity Trust
N4YC	LMP Var MDP All Cap Growth & Value	9/28/2007	258,776,628.79			Legg Mason Partners Variable Equity Trust
N4G2	LMP Variable Lifestyle Allocation 85%	9/28/2007	84,307,094.67			Legg Mason Partners Variable Equity Trust
N4G3	LMP Variable Lifestyle Allocation 70%	9/28/2007	123,077,522.00			Legg Mason Partners Variable Equity Trust
N4M4	LMP Variable Mid Cap Core Port	9/28/2007	119,077,619.49			Legg Mason Partners Variable Equity Trust
N4N1	LMP Variable Equity Index Port	9/28/2007	1,536,892,823.75			Legg Mason Partners Variable Equity Trust
N4P6	LMP Variable Social Awareness Port	9/28/2007	91,392,130.43			Legg Mason Partners Variable Equity Trust
N4Q2	LMP Variable Investors Port	9/28/2007	555,321,512.24			Legg Mason Partners Variable Equity Trust
N4T5	LMP Variable Small Cap Growth Port	9/28/2007	147,169,133.83			Legg Mason Partners Variable Equity Trust
N4W8	LMP Variable Fundamental Value Port	9/28/2007	1,229,854,407.96			Legg Mason Partners Variable Equity Trust
N45C	LMP Variable Capital and Income Port	9/28/2007	454,388,443.11	7,813,470,585.53	2,500,000.00	Legg Mason Partners Variable Equity Trust
N4K9	LMP Variable Government Port	9/28/2007	241,982,503.20			Legg Mason Partners Variable Income Trust
N4U1	LMP Variable Strategic Bond Port	9/28/2007	143,662,559.08			Legg Mason Partners Variable Income Trust
N4U2	LMP Variable Global High Yield Bond Port	9/28/2007	140,566,780.12			Legg Mason Partners Variable Income Trust
N41P	LMP Variable Div Strategic Inc Port	9/28/2007	92,697,597.57			Legg Mason Partners Variable Income Trust
N4H5	LMP Variable Money Market Port	9/28/2007	533,708,545.89			Legg Mason Partners Variable Income Trust
N4K1	LMP Variable High Income Port	9/28/2007	252,616,691.51			Legg Mason Partners Variable Income Trust
N4Y8	LMP Variable Adjustable Rate Income Port	9/28/2007	49,757,983.43	1,454,992,660.80	1,250,000.00	Legg Mason Partners Variable Income Trust
N4V6	LMP Corporate Loan Fund Inc.	9/28/2007	231,747,165.24	231,747,165.24	600,000.00	LMP Corporate Loan Fund Inc.
N4LA	LMP Real Estate Income Fund Inc.	9/28/2007	322,340,221.16	322,340,221.16	750,000.00	LMP Real Estate Income Fund Inc.
LI32	Prime Cash Reserves Portfolio	9/28/2007	7,712,511,269.24			Master Portfolio Trust
LI70	Institutional Enhanced Portfolio	9/28/2007	53,075,087.60			Master Portfolio Trust

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Fund Number	Fund Name	Control Date	Fund Gross Assets 9/28/07	Registrant Gross Assets	Minimum Bond Requirement under rule 17g1 (note 1)	Registrant
LI08	Liquid Reserves Portfolio	9/28/2007	49,980,143,842.82			Master Portfolio Trust
LI13	Tax Free Reserves Portfolio	9/28/2007	2,562,906,960.26			Master Portfolio Trust
N4SB	SMASh Series C Portfolio Hub	9/28/2007	9,770,302.81			Master Portfolio Trust
N4SD	SMASh Series EC Portfolio Hub	9/28/2007	17,938,917.10			Master Portfolio Trust
N4SA	SMASh Series M Portfolio Hub	9/28/2007	94,828,657.65			Master Portfolio Trust
LI16	U.S. Treasury Reserves Portfolio	9/28/2007	4,579,617,468.56	65,010,792,506.04	2,500,000.00	Master Portfolio Trust
N4U8	WA 2008 Worldwide Dollar Govt Term Trust Inc.	9/28/2007	567,823,148.20	567,823,148.20	900,000.00	Western Asset 2008 Worldwide Dollar Government Term Trust Inc.
N4JB	WA Emerging Markets Debt Fund Inc.	9/28/2007	618,700,161.71	618,700,161.71	900,000.00	Western Asset Emerging Markets Debt Fund Inc.
N4U7	WA Emerging Markets Float Rate Fd Inc	9/28/2007	59,131,219.20	59,131,219.20	400,000.00	Western Asset Emerging Markets Floating Rate Fund Inc.
N4AH	WA Emerging Markets Income Fd II Inc.	9/28/2007	379,245,271.21	379,245,271.21	750,000.00	Western Asset Emerging Markets Income Fund II Inc.
N4AG	WA Emerging Markets Income Fd Inc.	9/28/2007	65,816,472.83	65,816,472.83	400,000.00	Western Asset Emerging Markets Income Fund Inc.
N4T9	WA Global High Yield Bond Portfolio	9/28/2007	57,702,984.37			Western Asset Funds II, Inc.
N4U0	WA Emerging Markets Debt Portfolio	9/28/2007	27,593,950.13	85,296,934.50	450,000.00	Western Asset Funds II, Inc.
N4Y7	WA Global High Income Fund Inc.	9/28/2007	814,258,154.58	814,258,154.58	1,000,000.00	Western Asset Global High Income Fund Inc.
N4U6	WA Global Partners Income Fund Inc.	9/28/2007	254,244,106.68	254,244,106.68	750,000.00	Western Asset Global Partners Income Fund Inc.
N4V8	WA High Income Fund II Inc.	9/28/2007	1,250,845,348.89	1,250,845,348.89	1,250,000.00	Western Asset High Income Fund II Inc.
N4U5	WA High Income Fund Inc.	9/28/2007	55,249,654.61	55,249,654.61	400,000.00	Western Asset High Income Fund Inc.
N4K0	WA High Income Opportunity Fd Inc.	9/28/2007	530,598,869.14	530,598,869.14	900,000.00	Western Asset High Income Opportunity Fund Inc.
N4JF	WA Inflation Management Fund Inc.	9/28/2007	151,729,986.37	151,729,986.37	600,000.00	Western Asset Inflation Management Fund Inc.
N4H6	WA Intermediate Muni Fund Inc.	9/28/2007	192,326,720.17	192,326,720.17	600,000.00	Western Asset Intermediate Muni Fund Inc.
N4J8	WA Managed High Income Fund Inc.	9/28/2007	318,125,188.73	318,125,188.73	750,000.00	Western Asset Managed High Income Fund Inc.
N4I4	WA Managed Municipals Fund Inc.	9/28/2007	785,852,468.50	785,852,468.50	1,000,000.00	Western Asset Managed Municipals Fund Inc.
N4J1	WA Municipal High Income Fund Inc.	9/28/2007	172,827,879.31	172,827,879.31	600,000.00	Western Asset Municipal High Income Fund Inc.
N4V2	WA Municipal Partners Fund Inc.	9/28/2007	241,797,340.95	241,797,340.95	600,000.00	Western Asset Municipal Partners Fund II Inc.
N4VF	WA Variable Rate Strategic Fd Inc.	9/28/2007	192,410,234.17	192,410,234.17	600,000.00	Western Asset Variable Rate Strategic Fund Inc.
N4AJ		9/28/2007	204,642,284.66	204,642,284.66	600,000.00	

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	WA Worldwide Income Fund Inc.					Western Asset Worldwide Income Fund Inc.
N4J9	WA Zenix Income Fund Inc.	9/28/2007	91,302,659.94	91,302,659.94	450,000.00	Western Asset Zenix Income Fund Inc.
N4NK	LMP Capital and Income Fund Inc.	9/28/2007	881,042,212.36	881,042,212.36	1,000,000.00	LMP Capital and Income Fund Inc.
			233,214,228,621.73	233,214,228,621.73	33,700,000.00	

Notes:

1) Cap amount of \$2,500,000 for asset balances in excess of \$4.5 billion

ICI MUTUAL INSURANCE COMPANY

P.O. Box 730

Burlington, Vermont 05402-0730

INVESTMENT COMPANY BLANKET BOND

ICI MUTUAL INSURANCE COMPANY

P.O. Box 730

Burlington, Vermont 05402-0730

DECLARATIONS

Item 1. Name of Insured (the Insured) Bond Number
Legg Mason Partners Equity Trust **87028207B**

Principal Address: 100 Light St., 29th Floor, Baltimore, MD 21202

Item 2. Bond Period: from 12:01 a.m. on July 15, 2007, to 12:01 a.m. on July 15, 2008 , or the earlier effective date of the termination of this Bond, standard time at the Principal Address as to each of said dates.

Item 3. Limit of Liability
Subject to Sections 9, 10 and 12 hereof:

	LIMIT OF LIABILITY	DEDUCTIBLE AMOUNT
Insuring Agreement A- FIDELITY	\$ 100,000,000	N/A
Insuring Agreement B- AUDIT EXPENSE	\$ 50,000	\$ 10,000
Insuring Agreement C- ON PREMISES	\$ 100,000,000	\$ 250,000
Insuring Agreement D- IN TRANSIT	\$ 100,000,000	\$ 250,000
Insuring Agreement E- FORGERY OR ALTERATION	\$ 100,000,000	\$ 250,000
Insuring Agreement F- SECURITIES	\$ 100,000,000	\$ 250,000
Insuring Agreement G- COUNTERFEIT CURRENCY	\$ 100,000,000	\$ 250,000
Insuring Agreement H- UNCOLLECTIBLE ITEMS OF DEPOSIT	\$ 25,000	\$ 5,000
Insuring Agreement I- PHONE/ELECTRONIC TRANSACTIONS	\$ 100,000,000	\$ 250,000

If "Not Covered" is inserted opposite any Insuring Agreement above, such Insuring Agreement and any reference thereto shall be deemed to be deleted from this Bond.

OPTIONAL INSURING AGREEMENTS ADDED BY RIDER:

Insuring Agreement J- COMPUTER SECURITY	\$ 100,000,000	\$ 250,000
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Item 4. Offices or Premises Covered All the Insured s offices or other premises in existence at the time this Bond becomes effective are covered under this Bond, except the offices or other premises excluded by Rider. Offices or other premises acquired or established after the effective date of this Bond are covered subject to the terms of General Agreement A.

Item 5. The liability of ICI Mutual Insurance Company (the Underwriter) is subject to the terms of the following Riders attached hereto:

Riders: 1-2-3-4-5-6-7-8

and of all Riders applicable to this Bond issued during the Bond Period.

By: /S/ John T. Mulligan
Authorized Representative

INVESTMENT COMPANY BLANKET BOND

ICI Mutual Insurance Company (the Underwriter), in consideration of an agreed premium, and in reliance upon the Application and all other information furnished to the Underwriter by the Insured, and subject to and in accordance with the Declarations, General Agreements, Provisions, Conditions and Limitations and other terms of this bond (including all riders hereto) (Bond), to the extent of the Limit of Liability and subject to the Deductible Amount, agrees to indemnify the Insured for the loss, as described in the Insuring Agreements, sustained by the Insured at any time but discovered during the Bond Period.

INSURING AGREEMENTS

A. FIDELITY

Loss (including loss of Property) caused by any Dishonest or Fraudulent Act or Theft committed by an Employee anywhere, alone or in collusion with other persons (whether or not Employees), during the time such Employee has the status of an Employee as defined herein, and even if such loss is not discovered until after he or she ceases to be an Employee, EXCLUDING loss covered under Insuring Agreement B.

B. AUDIT EXPENSE

Expense incurred by the Insured for that part of audits or examinations required by any governmental regulatory authority or Self Regulatory Organization to be conducted by such authority or Organization or by an independent accountant or other person, by reason of the discovery of loss sustained by the Insured and covered by this Bond.

C. ON PREMISES

Loss of Property (including damage thereto or destruction thereof) located or reasonably believed by the Insured to be located within the Insured's offices or premises, caused by Theft or by any Dishonest or Fraudulent Act or through Mysterious Disappearance, EXCLUDING loss covered under Insuring Agreement A.

D. IN TRANSIT

Loss of Property (including damage thereto or destruction thereof) while the Property is in transit in the custody of any person authorized by an Insured to act as a messenger, except while in the mail or with a carrier for hire (other than a Security Company), EXCLUDING loss covered under Insuring Agreement A. Property is in transit beginning immediately upon receipt of such Property by the transporting person and ending immediately upon delivery at the specified destination.

E. FORGERY OR ALTERATION

Loss caused by the Forgery or Alteration of or on (1) any bills of exchange, checks, drafts, or other written orders or directions to pay certain sums in money, acceptances, certificates of deposit, due bills, money orders, or letters of credit; or (2) other written instructions, requests or applications to the Insured, authorizing or acknowledging the transfer, payment, redemption, delivery or receipt of Property, or giving notice of any bank account, which instructions or requests or applications purport to

have been signed or endorsed by (a) any customer of the Insured, or (b) any shareholder of or subscriber to shares issued by any Investment Company, or (c) any financial or banking institution or stockbroker; or (3) withdrawal orders or receipts for the withdrawal of Property, or receipts or certificates of deposit for Property and bearing the name of the Insured as issuer or of another Investment Company for which the Insured acts as agent.

This Insuring Agreement E does not cover loss caused by Forgery or Alteration of Securities or loss covered under Insuring Agreement A.

F. SECURITIES

Loss resulting from the Insured, in good faith, in the ordinary course of business, and in any capacity whatsoever, whether for its own account or for the account of others, having acquired, accepted or received, or sold or delivered, or given any value, extended any credit or assumed any liability on the faith of any Securities, where such loss results from the fact that such Securities (1) were Counterfeit, or (2) were lost or stolen, or (3) contain a Forgery or Alteration, and notwithstanding whether or not the act of the Insured causing such loss violated the constitution, by-laws, rules or regulations of any Self Regulatory Organization, whether or not the Insured was a member thereof, EXCLUDING loss covered under Insuring Agreement A.

G. COUNTERFEIT CURRENCY

Loss caused by the Insured in good faith having received or accepted (1) any money orders which prove to be Counterfeit or to contain an Alteration or (2) paper currencies or coin of the United States of America or Canada which prove to be Counterfeit.

This Insuring Agreement G does not cover loss covered under Insuring Agreement A.

H. UNCOLLECTIBLE ITEMS OF DEPOSIT

Loss resulting from the payment of dividends, issuance of Fund shares or redemptions or exchanges permitted from an account with the Fund as a consequence of

- (1) uncollectible Items of Deposit of a Fund's customer, shareholder or subscriber credited by the Insured or its agent to such person's Fund account, or
- (2) any Item of Deposit processed through an automated clearing house which is reversed by a Fund's customer, shareholder or subscriber and is deemed uncollectible by the Insured;

PROVIDED, that (a) Items of Deposit shall not be deemed uncollectible until the Insured's collection procedures have failed, (b) exchanges of shares between Funds with exchange privileges shall be covered hereunder only if all such Funds are insured by the Underwriter for uncollectible Items of Deposit, and (c) the Insured Fund shall have implemented and maintained a policy to hold Items of Deposit for the minimum number of days stated in its Application (as amended from time to time) before paying any dividend or permitting any withdrawal with respect to such Items of Deposit (other than exchanges between Funds). Regardless of the number of transactions between Funds in an exchange program, the minimum number of days an Item of Deposit must be held shall begin from the date the Item of Deposit was first credited to any Insured Fund.

This Insuring Agreement H does not cover loss covered under Insuring Agreement A.

I. PHONE/ELECTRONIC TRANSACTIONS

Loss caused by a Phone/Electronic Transaction, where the request for such Phone/Electronic Transaction:

- (1) is transmitted to the Insured or its agents by voice over the telephone or by Electronic Transmission; and
- (2) is made by an individual purporting to be a Fund shareholder or subscriber or an authorized agent of a Fund shareholder or subscriber; and
- (3) is unauthorized or fraudulent and is made with the manifest intent to deceive;

PROVIDED, that the entity receiving such request generally maintains and follows during the Bond Period all Phone/Electronic Transaction Security Procedures with respect to all Phone/Electronic Transactions; and

EXCLUDING loss resulting from:

- (1) the failure to pay for shares attempted to be purchased; or
- (2) any redemption of Investment Company shares which had been improperly credited to a shareholder's account where such shareholder (a) did not cause, directly or indirectly, such shares to be credited to such account, and (b) directly or indirectly received any proceeds or other benefit from such redemption; or
- (3) any redemption of shares issued by an Investment Company where the proceeds of such redemption were requested to be paid or made payable to other than (a) the Shareholder of Record, or (b) any other person or bank account designated to receive redemption proceeds (i) in the initial account application, or (ii) in writing (not to include Electronic Transmission) accompanied by a signature guarantee; or
- (4) any redemption of shares issued by an Investment Company where the proceeds of such redemption were requested to be sent to other than any address for such account which was designated (a) in the initial account application, or (b) in writing (not to include Electronic Transmission), where such writing is received at least one (1) day prior to such redemption request, or (c) by voice over the telephone or by Electronic Transmission at least fifteen (15) days prior to such redemption; or
- (5) the intentional failure to adhere to one or more Phone/Electronic Transaction Security Procedures; or
- (6) a Phone/Electronic Transaction request transmitted by electronic mail or transmitted by any method not subject to the Phone/Electronic Transaction Security Procedures; or
- (7) the failure or circumvention of any physical or electronic protection device, including any firewall, that imposes restrictions on the flow of electronic traffic in or out of any Computer System.

This Insuring Agreement I does not cover loss covered under Insuring Agreement A, Fidelity or Insuring Agreement J, Computer Security .

GENERAL AGREEMENTS

A. ADDITIONAL OFFICES OR EMPLOYEES CONSOLIDATION OR MERGER NOTICE

1. Except as provided in paragraph 2 below, this Bond shall apply to any additional office(s) established by the Insured during the Bond Period and to all Employees during the Bond Period, without the need to give notice thereof or pay additional premiums to the Underwriter for the Bond Period.
2. If during the Bond Period an Insured Investment Company shall merge or consolidate with an institution in which such Insured is the surviving entity, or purchase substantially all the assets or capital stock of another institution, or acquire or create a separate investment portfolio, and shall within sixty (60) days notify the Underwriter thereof, then this Bond shall automatically apply to the Property and Employees resulting from such merger, consolidation, acquisition or creation from the date thereof; provided, that the Underwriter may make such coverage contingent upon the payment of an additional premium.

B. WARRANTY

No statement made by or on behalf of the Insured, whether contained in the Application or otherwise, shall be deemed to be an absolute warranty, but only a warranty that such statement is true to the best of the knowledge of the person responsible for such statement.

C. COURT COSTS AND ATTORNEYS FEES

The Underwriter will indemnify the Insured against court costs and reasonable attorneys' fees incurred and paid by the Insured in defense of any legal proceeding brought against the Insured claiming that the Insured is liable for any loss, claim or damage which, if established against the Insured, would constitute a loss sustained by the Insured covered under the terms of this Bond; provided, however, that with respect to Insuring Agreement A this indemnity shall apply only in the event that

1. an Employee admits to having committed or is adjudicated to have committed a Dishonest or Fraudulent Act or Theft which caused the loss; or
2. in the absence of such an admission or adjudication, an arbitrator or arbitrators acceptable to the Insured and the Underwriter concludes, after a review of an agreed statement of facts, that an Employee has committed a Dishonest or Fraudulent Act or Theft which caused the loss.

The Insured shall promptly give notice to the Underwriter of any such legal proceeding and upon request shall furnish the Underwriter with copies of all pleadings and other papers therein. At the Underwriter's election the Insured shall permit the Underwriter to conduct the defense of such legal proceeding in the Insured's name, through attorneys of the Underwriter's selection. In such event, the Insured shall give all reasonable information and assistance which the Underwriter shall deem necessary to the proper defense of such legal proceeding.

If the amount of the Insured's liability or alleged liability in any such legal proceeding is greater than the amount which the Insured would be entitled to recover under this Bond (other than pursuant to this General Agreement C), or if a Deductible Amount is applicable, or both, the indemnity liability of the Underwriter under this General Agreement C is limited to the proportion of court costs and attorneys' fees incurred and paid by the Insured or by the Underwriter that the amount which the Insured would be

entitled to recover under this Bond (other than pursuant to this General Agreement C) bears to the sum of such amount plus the amount which the Insured is not entitled to recover. Such indemnity shall be in addition to the Limit of Liability for the applicable Insuring Agreement.

THIS BOND, INCLUDING THE FOREGOING INSURING AGREEMENTS

AND GENERAL AGREEMENTS, IS SUBJECT TO THE FOLLOWING

PROVISIONS, CONDITIONS AND LIMITATIONS:

SECTION 1. DEFINITIONS

The following terms used in this Bond shall have the meanings stated in this Section:

- A. **Alteration** means the marking, changing or altering in a material way of the terms, meaning or legal effect of a document with the intent to deceive.
- B. **Application** means the Insured's application (and any attachments and materials submitted in connection therewith) furnished to the Underwriter for this Bond.
- C. **Computer System** means (1) computers with related peripheral components, including storage components, (2) systems and applications software, (3) terminal devices, (4) related communications networks or customer communication systems, and (5) related electronic funds transfer systems; by which data or monies are electronically collected, transmitted, processed, stored or retrieved.
- D. **Counterfeit** means, with respect to any item, one which is false but is intended to deceive and to be taken for the original authentic item.
- E. **Deductible Amount** means, with respect to any Insuring Agreement, the amount set forth under the heading **Deductible Amount** in Item 3 of the Declarations or in any Rider for such Insuring Agreement, applicable to each Single Loss covered by such Insuring Agreement.
- F. **Depository** means any securities depository (other than any foreign securities depository) in which an Investment Company may deposit its Securities in accordance with Rule 17f-4 under the Investment Company Act of 1940.
- G. **Dishonest or Fraudulent Act** means any dishonest or fraudulent act, including larceny and embezzlement as defined in Section 37 of the Investment Company Act of 1940, committed with the conscious manifest intent (1) to cause the Insured to sustain a loss and (2) to obtain financial benefit for the perpetrator or any other person (other than salaries, commissions, fees, bonuses, awards, profit sharing, pensions or other employee benefits). A Dishonest or Fraudulent Act does not mean or include a reckless act, a negligent act, or a grossly negligent act.
- H. **Electronic Transmission** means any transmission effected by electronic means, including but not limited to a transmission effected by telephone tones, Telefacsimile, wireless device, or over the Internet.
- I. **Employee** means:

- (1) each officer, director, trustee, partner or employee of the Insured, and

- (2) each officer, director, trustee, partner or employee of any predecessor of the Insured whose principal assets are acquired by the Insured by consolidation or merger with, or purchase of assets or capital stock of, such predecessor, and
- (3) each attorney performing legal services for the Insured and each employee of such attorney or of the law firm of such attorney while performing services for the Insured, and
- (4) each student who is an authorized intern of the Insured, while in any of the Insured's offices, and
- (5) each officer, director, trustee, partner or employee of

- (a) an investment adviser,

- (b) an underwriter (distributor),

- (c) a transfer agent or shareholder accounting recordkeeper, or

- (d) an administrator authorized by written agreement to keep financial and/or other required records, for an Investment Company named as an Insured, but only while (i) such officer, partner or employee is performing acts coming within the scope of the usual duties of an