LEGG MASON INSTITUTIONAL FUNDS PLC

Western Asset Global Inflation Linked Bond Fund

LEGG MASON GLOBAL ASSET MANAGEMENT

MANAGED BY WESTERN ASSET

DATA AS OF 31 OCTOBER2010

FUND PROFILE

FUND AIMS

To maximise total return, through income and capital appreciation, by investing at least 80 per cent of its Net Asset Value in inflation-indexed debt securities that are denominated in US dollars, pound sterling, euro and a variety of other currencies.

INCEPTION DATE

27.02.2005

FUND INDEX[1]

Barclays World Government Inflation-Linked All Maturities Index (USD Hedged)

TOTAL NET ASSETS OF ALL SHARE CLASSES

90.26m USD

MONTH END NAV - INSTITUTIONAL USD ACCUMULATING SHARE CLASS

1,219.19 USD

SEDOL - INSTITUTIONAL USD ACCUMULATING SHARE CLASS

B0Z12J0

ISIN - INSTITUTIONAL USD ACCUMULATING SHARE CLASS

IE00B0Z12J04

TICKER SYMBOL - INSTITUTIONAL USD ACCUMULATING SHARE CLASS

WAGILIA

RISK STATISTICS (WEIGHTED AVERAGE)

Life	10.94 Years
Effective Duration	9.70 Years
Current Yield (gross of expenses)[3]	1.64%
Cashflow Yield (gross of expenses)[3]	1.62%
S&P Credit Quality	AAA

MINIMUM SUBSCRIPTION

INSTITUTIONAL SHARE CLASS

Initial Investment
- US$5,000,000

Subsequent Investment
- US$100,000

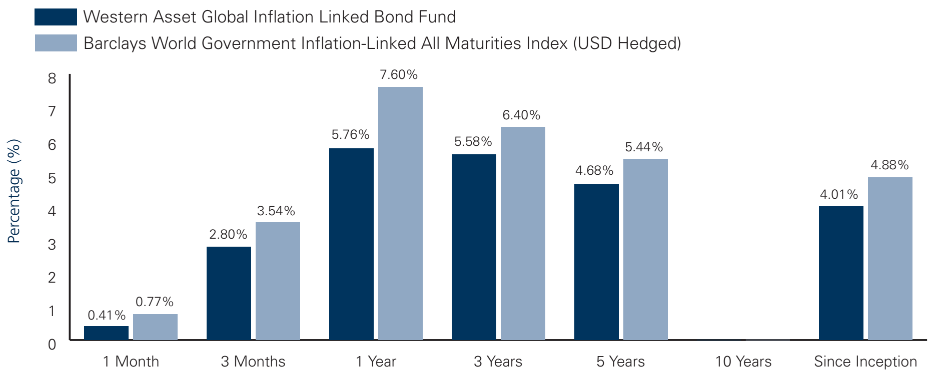
FINANCIAL INTERMEDIARY SHARE CLASS

Initial Investment
- US$1,000,000

Subsequent Investment
- US$100,000

NOT ALL SHARE CLASSES ARE AVAILABLE TO ALL INVESTORS OR DISTRIBUTION CHANNELS. PERFORMANCE OF OTHER SHARE CLASSES CAN VARY AS A RESULT OF DIFFERENCES IN FUND FEES.

FUND PERFORMANCE – (USD)



Calendar Year Returns	2005*	2006	2007	2008	2009	YTD
Fund - NAV	2.71%	0.51%	6.13%	3.10%	4.86%	5.52%
Fund Index	2.40%	1.37%	7.85%	0.50%	8.83%	6.98%

* From 27.02.05

The Fund performance reflects the combined performance of all the active share classes that are available for this Fund. Investors in individual share classes may experience different performance due to various factors including currency, fees and inception dates.

COMPOSITE PERFORMANCE (PRELIMINARY NET OF FEES IN USD)

	1 Mo	3 Mos	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 30.04.00
Composite	1.59%	5.76%	5.45%	4.63%	6.07%	9.02%	8.67%
Composite Index[2]	1.96%	6.52%	6.43%	5.20%	6.48%	8.83%	8.49%

Calendar Year Returns	2005	2006	2007	2008	2009	YTD
Composite	-0.58%	6.35%	11.70%	-4.07%	9.76%	6.38%
Composite Index[2]	-0.97%	6.14%	12.40%	-6.10%	13.75%	6.98%

The returns of the above composite, managed similarly to the fund, are not indicative of the returns that could be gained from the fund.

COUNTRY OF ISSUE BREAKDOWN

Holding	Fund	Index
United States	43.73%	40.02%
United Kingdom	19.04%	23.34%
France	9.19%	13.78%
Italy	7.36%	9.00%
Japan	3.97%	3.74%
Germany	3.82%	3.62%
Sweden	3.10%	2.32%
Australia	2.78%	1.06%
Canada	1.61%	3.12%
Netherlands	0.62%	0.00%
Cash & Cash Equivalents	4.78%	0.00%

CURRENCY OF ISSUE BREAKDOWN

Holding	Fund	Index
United States Dollar	43.35%	40.02%
Euro	22.25%	26.40%
British Pound	18.15%	23.34%
Japanese Yen	3.97%	3.74%
Swedish Krona	3.10%	2.32%
Australian Dollar	2.78%	1.06%
Canadian Dollar	1.61%	3.12%
Cash & Cash Equivalents	4.78%	0.00%

CURRENCY EXPOSURE

Holding	Fund	Index
United States Dollar	99.19%	100.00%
Canadian Dollar	1.10%	0.00%
Hong Kong Dollar	0.55%	0.00%
Swedish Krona	0.19%	0.00%
Others	-1.03%	0.00%

SECTOR BREAKDOWN

Holding	Fund	Index
Inflation Protected Securities	90.67%	100.00%
Corporate - Investment Grade	2.65%	0.00%
Governments	1.87%	0.00%
Corporate - High Yield	0.03%	0.00%
Cash & Cash Equivalents	4.78%	0.00%

S&P CREDIT RATING BREAKDOWN

Holding	Fund	Index
AAA	81.21%	87.26%
AA	4.29%	3.74%
A	8.80%	9.00%
BBB	0.89%	0.00%
BB	0.03%	0.00%
Cash & Cash Equivalents	4.78%	0.00%

[1] From 16/9/05 to current, Barclays World Government Inflation-Linked All Maturities USD Hedged Index is used. From 28/2/05 to 15/9/05, Barclays World Government Inflation-Linked All Maturities USD Unhedged Index was used.

[2] From 01/01/04-Current the Custom Index is comprised of Barclays Inflation-linked Bond Indices, USD Terms: 2% Australia; 2% Sweden; 4% Canada; 30% Europe; 15% UK; 47% US. From 10/1/03-12/31/03 the Custom Index was comprised of Barclays Inflation linked Bond Indices, USD Terms: 2% Australia; 5% Canada; 23% Europe; 20% UK; 50% US. From 2/1/03-9/30/03 the Custom Index was comprised of Barclays Inflation-linked Bond Indices, USD Terms: 2% Australia; 5% Canada; 23% France; 20% UK; 50% US. Prior to 1/31/03 the Custom Index was comprised of Barclays Inflation-linked Bond Indices, USD Terms: 2% Australia; 5% Canada; 13% France; 20% UK; 60% US.

[3] Yields (gross of expenses) are not representative for an individual share class as the yield does not deduct the Total Expense Ratio or any applicable taxes that an investor may be subject to.

PAST PERFORMANCE IS NO GUIDE TO FUTURE RETURNS AND MAY NOT BE REPEATED.
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Western Asset Global Inflation Linked Bond Fund

MANAGED BY WESTERN ASSET

INVESTMENT PHILOSOPHY

The objective of fixed-income portfolios at Western is to provide diversified, tightly controlled, value-oriented portfolios. Western believes in long-term value investing backed by a solid fundamental approach. The Firm's management style emphasises the use of multiple strategies and active sector rotation and issue selection, while constraining overall interest rate risk relative to the benchmark.

With regard to global inflation-indexed portfolios, Western constantly monitors the economic drivers of real interest rate duration, inflation expectations, and changes in the real interest rate curve. Furthermore, Western evaluates the relative value between global inflation-indexed and nominal bonds, other sectors of the fixed income market, and global inflation-linked bonds. Western employs a number of these strategies within the portfolio, proportioned so that performance does not depend on one or two opportunities and that no single adverse market event would have an overwhelming impact. The goal of this approach is to add incremental value over time.

INVESTMENT APPROACH TO GLOBAL INFLATION-LINKED PORTFOLIOS

Duration Weighting. Western's primary risk control tool is duration weighting, or interest rate anticipation. The Firm uses internal and external data to develop an investment outlook for each market focusing on macro-economic variables before establishing a duration target for each major country and economic bloc over a three-month time horizon. As long-term value investors, Western does not anticipate rates solely as a method for adding value.

Yield Curve. Having determined a duration target, the next step is to decide upon the way in which the interest rate view is to be expressed, typically, by either a bulleted or barbelled exposure. Western closely monitors shifts in the yield curve, for the relationship between short, intermediate and long maturity securities is essential to constructing a long-term investment strategy.

Sector Allocation. Focusing on the fundamental factors likely to impact bond and currency markets over the next 3-6 months, the portfolio managers analyse the outlook for each of the major market blocs. Western believes that returns can be enhanced by rotating among and within sectors of the global real bond markets, and that adjustments to sector weightings can add value to a portfolio.

Issue Selection. The index-linked sector is evaluated as part of Western Asset's regular monthly strategy meeting. Each index-linked market is initially evaluated against its domestic government market to decide on its absolute valuation. To allow comparison between index-linked markets, Western Asset considers the prospects for the underlying conventional markets which are determined as part of the firm's Global strategy meeting. In the event that the use of nominal bonds is allowed, the three most important factors or economic variables that would have an impact on Western's decision to over- or under-weighting index-linked relative to conventional bonds are real yields, monetary policy, and supply/demand trends.

Western Asset Global Inflation Linked Bond Fund

MANAGED BY WESTERN ASSET

Global Inflation-Linked (USD Unhedged)
Composite
Composite Inception Date: 30/04/00
Composite Creation Date: 30/04/00

	No. of Accounts	Mkt. Value (mil.)	Net Total Return	Gross Total Return	Custom Index	% Firm Assets	Dispersion	Firm Assets (mil.)
2000	1	$343	5.57%	5.68%	5.53%	0.45%	-na-	$76,504
2001	1	$357	4.23%	4.40%	3.86%	0.38%	-na-	$94,186
2002	1	$431	20.50%	20.70%	19.91%	0.38%	-na-	$112,087
2003	1	$1,819	18.51%	18.73%	16.65%	1.23%	-na-	$148,333
2004	1	$2,097	15.18%	15.40%	14.10%	1.06%	-na-	$197,837
2005	1	$2,593	-0.58%	-0.30%	-0.97%	1.04%	-na-	$249,233
2006	1	$4,709	6.35%	6.66%	6.15%	0.92%	-na-	$510,172
2007	1	$6,085	11.70%	12.03%	12.41%	0.98%	-na-	$621,493
2008	1	$4,712	-4.07%	-3.78%	-6.10%	0.93%	-na-	$505,660
2009	1	$2,180	9.76%	10.09%	13.75%	0.45%	-na-	$482,218
Q3 2010	1	$1,856	4.72%	4.95%	4.92%	0.40%	-na-	$469,406

Description: Western Asset's Global Inflation-Linked composite includes portfolios that employ an active, team-managed investment approach around a long-term, value-oriented investment philosophy. These portfolios use diversified strategies in seeking to add value while minimizing risk.

Objective: Maximize real return annually over a 3- to 5-year period while emphasizing real capital preservation.

Benchmark Description: The current benchmark is a blend of the Barclays Capital individual country indices USD unhedged within the Global Inflation-Linked Bond Index: 47% U.S., 30% Europe (France, Italy, and Germany), 15% UK, 4% Canada, 2% Australia, and 2% Sweden. The Barclays Capital US Govt I-L Bond Index measures the performance of the US Treasury Inflation Protected Securities (TIPS) market. The index includes TIPS with one or more years remaining maturity with total outstanding issue size of $500m or more. The Barclays Capital France, Italy, Germany Govt I-L Bonds Index are components of the Barclays Capital Euro Govt I-L Bond Index. The Barclays Capital Euro Govt I-L Bond Index measures the performance of the euro zone govt inflation-linked bond market. The index currently includes bonds from France, Italy, and Germany. The Barclays Capital UK I-L Bonds Index measures the performance of the UK govt index-linked market. The Barclays Capital Canadian I-L Bonds Index, the Barclays Capital Australia I-L Bonds Index and the Barclays Capital Sweden I-L Bonds Index are components of the Barclays Capital World Govt I-L Bond Index which measures the performance of the major govt inflation-linked bond markets. The index is designed to include only those markets in which a global govt linker fund is likely to invest. Markets currently included in the index, in the order of inclusion, are the UK, Australia, Canada, Sweden, the US, France, Italy, Japan, and Germany. From 8/1/08 – 12/31/09 The benchmark is a blend of the Barclays Capital individual country indices USD unhedged: 47% U.S., 30% Europe (France, Italy, Germany and Greece), 15% UK, 4% Canada, 2% Australia, and 2% Sweden. From 5/1/06 – 7/31/08: The benchmark is a blend of the Barclays Capital individual country indices USD unhedged: 47% U.S., 30% Europe (France, Italy, Germany), 15% UK, 4% Canada, 2% Australia, and 2% Sweden. From 1/1/2004 to 4/30/2006: The benchmark was the blend of the Barclays Global I-L Bond Indices, USD Unhedged: 2% Australia; 2% Sweden; 4% Canada; 30% Europe (France, Italy, Germany, Belgium, and Netherlands); 15% U.K.; 47% U.S. From 10/1/2003 to 12/31/2003: The benchmark was the blend of the Barclays I-L Bond Indices, USD Unhedged: 2% Australia; 5% Canada; 23% Europe (France + Italy); 20% U.K.; 50% U.S. From 2/1/2003 to 9/30/2003: The benchmark was the blend of the Barclays I-L Bond Indices, USD Unhedged: 2% Australia; 5% Canada; 23% France; 20% U.K.; 50% U.S. From 5/1/00 – 1/31/2003: The benchmark was the blend of the Barclays I-L Bond Indices, USD Unhedged: 2% Australia; 5% Canada; 13% France; 20% U.K.; 60% U.S.

Base Currency: USD | **Composite Minimum:** US$25 million as of 4/1/07 (previously $5 million)

Fee Schedule: .30 of 1% on first US$100 million, .15 of 1% on amounts over US$100 million. The minimum separate account size is US$50 million.

Western Asset has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

The Firm has been verified for the period from January 1, 1993 to December 31, 2009. Past investment results are not indicative of future investment results.

For GIPS® purposes, the Firm is defined as Western Asset, a primarily fixed-income investment manager comprised of Western Asset Management Company, Western Asset Management Company Limited, Western Asset Management Company Pte. Ltd., Western Asset Management Company Ltd, Western Asset Management Company Pty Ltd, and Western Asset Management Company Distribuidora de Títulos e Valores Mobiliários (DTVM) Limitada, with offices in Pasadena, New York, London, Singapore, Tokyo, Melbourne and São Paulo. Each Western Asset company is a wholly owned subsidiary of Legg Mason, Inc. ("Legg Mason") but operates autonomously, and Western Asset, as a firm, is held out to the public as a separate entity. Western Asset Management Company was founded in 1971.

The former Citigroup Brazil's asset management business, located in São Paulo, was integrated into Western Asset Management Company DTVM Limitada (previously known as Western Asset Management Company Limitada), and was subsequently incorporated into the definition of the Firm in March 2009.

The Firm is comprised of several entities as a result of various historical acquisitions made by Western Asset and their respective performance has been integrated into the Firm in line with the portability requirements set forth by GIPS.

The Composite is valued monthly. The Composite returns are the asset-weighted average of the performance results of all the accounts in the Composite. Investment advisory fees are not deducted in computing the gross of fee performance results. Net of fee results are calculated using the highest tier structure of the composite fee schedule. The portfolios in the composites are all actual, fee-paying and performance fee-paying, fully discretionary accounts managed by the Firm for at least one full month. Investment results shown are for taxable and tax-exempt accounts and include the reinvestment of all earnings. Any possible tax liabilities incurred by the taxable accounts have not been reflected in the net performance. Composite performance results are time-weighted net of trading commissions and other transaction costs including non-recoverable withholding taxes. Additional information regarding policies for calculating and reporting returns is available upon request.

The returns for the account in the Composite are calculated using a time-weighted rate of return adjusted for weighted cash flows. Prior to September 1, 2001, the Firm revalued each account when an external cash flow equal to or greater than 10% occurred in an account. Monthly performance returns prior to and after the date of the cash flow were calculated and geometrically linked to derive a monthly performance return. Effective September 1, 2001, the cash flow threshold was changed to 5% of each account's market value. The decrease in the threshold was made to enhance the accuracy of the accounts' returns. Trade date accounting is used since inception and market values include interest income accrued on securities held within the accounts. Performance is calculated using asset values denominated in a base currency. Composite assets at year-end presented in the Schedule are translated to U.S. dollars using end of year exchange rates.

Composite returns are measured against a market index. The market index is unmanaged and provided to represent the investment environment existing during the time periods shown. For comparison purposes, the market index is a fully invested index, which includes reinvestment of income, and its performance has been linked in the same manner as the Composite. The returns for this unmanaged index do not include any transaction costs, management fees or other costs.

The Composite dispersion of annual returns is measured by the standard deviation of asset-weighted account returns represented within the Composite. For each annual period, accounts with less than 12 months of returns are not represented in the dispersion calculation. Periods with five or fewer accounts are not statistically representative and are not presented. Where account guidelines permit, futures and options are used to implement new account strategies with minimum cost to the account. Futures and options may also be used occasionally to hedge market exposure or add incremental value at the margin. At no time would the use of derivatives result in the accounts included in the Composite being leveraged.

A complete list and description of Western Asset's composites is available upon request. Please contact Veronica A. Amici at 626•844•9535 or ramici@westernasset.com. All returns for strategies with inception prior to January 1, 2000 are available upon request.