

WESTERN ASSET INTERMEDIATE MUNI FUND INC.
Form DEF 14A
March 25, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Western Asset Intermediate Muni Fund Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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 - (3) Filing Party:
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WESTERN ASSET INTERMEDIATE MUNI FUND INC.

**620 Eighth Avenue, 49th Floor
New York, New York 10018**

March 25, 2008

Dear Stockholder:

The Annual Meeting of Stockholders (the "Meeting") of Western Asset Intermediate Muni Fund Inc. (the "Fund") will be held at 620 Eighth Avenue, 49th Floor, New York, New York, on Monday, April 28, 2008 at 3:30 p.m., Eastern Standard Time, for the purposes of considering and voting upon the following:

1. A proposal to amend one of the Fund's fundamental investment policies to allow the Fund to invest, under normal market conditions, at least 80% of its total assets in municipal obligations of all remaining effective maturities.
2. A proposal to elect three Class III Directors to the Fund's Board of Directors.
3. The transaction of such other business as may be properly presented at the Meeting or any adjournments or postponements thereof.

The close of business on March 7, 2008 has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting. In addition to a proposal to elect three Class III Directors to the Fund's Board of Directors, stockholders are being asked to consider a proposal to amend the Fund's investment policies to allow for greater flexibility to invest in securities of all remaining effective maturities.

The Fund's investment objective is to provide common stockholders a high level of current income exempt from regular federal income taxes consistent with prudent investing. The Fund is currently subject to a fundamental investment policy requiring the Fund to pursue its investment objective by investing, under normal market conditions, at least 80% of its total assets in investment grade municipal debt securities issued by state and local governments, including U.S. territories and possessions, political subdivisions, agencies and public authorities ("municipal obligations") with remaining effective maturities of less than 15 years. The Fund is also subject to a non-fundamental investment policy requiring it to seek to maintain a dollar-weighted average effective maturity between 3 and 10 years.

At a meeting held on November 14, 2007, after careful consideration, the Board of Directors approved management's proposal, subject to stockholder approval, to amend one of the Fund's fundamental investment policies to eliminate the requirement to invest in municipal obligations with remaining effective maturities of less than 15 years. In addition, the Fund will retain the non-fundamental investment policy requiring the Fund to maintain a dollar-weighted average effective maturity of between 3 and 10 years. The intention of this policy

change is to provide the investment manager with greater flexibility to invest in municipal obligations of all maturities while also maintaining the "intermediate" character of the Fund.

The Fund's management believes this policy amendment is in the best interests of the Fund and its stockholders because enabling the Fund to invest in municipal obligations with remaining effective maturities greater than 15 years may allow the Fund to obtain a higher level of current income exempt from regular federal income taxes than would be possible under the Fund's current policy.

If stockholders approve this policy amendment, the intermediate nature of the Fund will be preserved because the Fund will remain subject to a non-fundamental investment policy requiring it to seek to maintain a dollar-weighted average effective maturity between 3 and 10 years.

The Directors of the Fund recommend that you vote "FOR" the amendment of the Fund's investment policies and "FOR" each of the nominees for director. However, before you vote, please read the full text of the proxy statement for an explanation of the proposals.

Your vote on these matters is important. Even if you plan to attend and vote in person at the Meeting, please promptly follow the enclosed instructions to submit voting instructions by telephone or over the Internet. Alternatively, you may submit voting instructions by signing and dating the enclosed proxy card and returning it in the accompanying postage-paid return envelope.

If you have any questions about the proposals to be voted on, please call Computershare Fund Services at 866-526-4107.

Sincerely,

R. Jay Gerken
President and Chief Executive Officer

**IMPORTANT NEWS
FOR FUND STOCKHOLDERS**

While we encourage you to read the full text of the enclosed proxy statement, for your convenience, we have provided a brief overview of the matters to be voted on.

Questions and Answers

Q. Why am I receiving the proxy statement?

A. You are being asked to vote in favor of proposals to:

1. amend one of the Fund's fundamental investment policies to allow the Fund to invest, under normal market conditions, at least 80% of its total assets in municipal obligations of all remaining effective maturities; and
2. elect three Class III Directors to the Fund's Board of Directors.

Q. What is the Fund's current investment policy regarding the remaining effective maturities of municipal obligations in which the Fund may invest?

A. The Fund's current fundamental investment policy reads as follows:

The Fund seeks to achieve its objective by investing primarily in investment grade municipal debt securities issued by state and local governments, including U.S. territories and possessions, political subdivisions, agencies and public authorities (municipal obligations) with remaining effective maturities of less than 15 years. The Fund's policy is to invest, under normal market conditions, at least 80% of its total assets in municipal obligations with remaining maturities of less than 15 years.

The Fund is also subject to a non-fundamental investment policy requiring it to seek to maintain a dollar-weighted average effective maturity between 3 and 10 years.

Q. How is the Fund's investment policy proposed to be amended?

A. At a meeting held on November 14, 2007, after careful consideration, the Board of Directors approved management's proposal, subject to stockholder approval, to amend one of the Fund's fundamental investment policies to eliminate the requirement to invest in municipal obligations with remaining effective maturities of less than 15 years. The amended fundamental investment policy will read as follows:

The Fund seeks to achieve its objective by investing primarily in investment grade municipal debt securities issued by state and local governments, including U.S. territories and possessions, political subdivisions, agencies and public authorities (municipal obligations). The Fund's policy is to invest, under normal market conditions, at least 80% of its total assets in municipal obligations.

In addition, the Fund will retain the non-fundamental investment policy requiring the Fund to maintain a dollar-weighted average effective maturity of between 3 and 10 years. The intention of this policy change is to provide the investment manager with greater flexibility to invest in municipal obligations of all maturities while also maintaining the "intermediate" character of the Fund.

Q. Why am I being asked to vote on the amendment of the Fund's investment policy regarding the remaining effective maturities of municipal obligations in which the Fund may invest, and how will the proposed amendment of the Fund's investment policies benefit me?

A. The Fund's investment objective is to provide common stockholders a high level of current income exempt from regular federal income taxes consistent with prudent investing. The Fund's management believes the policy amendment described above is in the best interests of the Fund and its stockholders because enabling the Fund to invest in municipal obligations with remaining effective maturities greater than 15 years may allow the Fund to obtain a higher level of current income exempt from regular federal income taxes than would be possible under the Fund's current policy. Municipal obligations with longer maturities may be more sensitive to changes in interest rates.

If stockholders approve this policy amendment, the intermediate nature of the Fund will be preserved because the Fund will remain subject to a non-fundamental investment policy requiring it to seek to maintain a dollar-weighted average effective maturity between 3 and 10 years. This non-fundamental investment policy may be amended, modified or eliminated by the Fund's Board of Directors without a stockholder vote if, in the Board's sole judgment, that is in the best interests of the Fund and its stockholders.

Q. How do the Directors suggest that I vote on the amendment of one of the Fund's fundamental investment policies?

A. After careful consideration, the Fund's Board of Directors unanimously recommends that you vote FOR the approval of the amendment of one of the Fund's fundamental investment policies.

Q. How do the Directors suggest that I vote on the election of Directors?

A. After careful consideration, the Fund's Board of Directors unanimously recommends that you vote FOR each of the nominees for Director.

Q. Is the Fund paying for the preparation, printing and mailing of the proxy statement?

A. Yes. Because the Fund's Board of Directors believes the proposed amendment of the Fund's investment policies is in the best interests of the Fund and its stockholders, the Board of Directors believes it is appropriate for the Fund to pay these expenses. However, Legg Mason Partners Fund Advisor, LLC, the Fund's investment manager, will pay the expenses of hiring a proxy solicitor.

Q. Will my vote make a difference?

A. Your vote is very important and can make a difference in the governance of the Fund, no matter how many shares you own. Your vote can help ensure that the proposals recommended by the Board of Directors can be implemented. We encourage all stockholders to participate in the governance of the Fund.

Q. Whom do I call if I have questions?

A. If you need more information, or have any questions about voting, please call Computershare Fund Services, the Fund's proxy solicitor, at 866-526-4107.

Q. How do I vote my shares?

A. You can provide voting instructions by telephone by calling the toll-free number on the enclosed proxy card or electronically by going to the Internet address provided on the proxy card and following the instructions, using your proxy card as a guide. Alternatively, you can vote your shares by signing and dating the enclosed proxy card and mailing it in the enclosed postage-paid envelope.

You may also attend the Meeting and vote in person. However, even if you intend to attend the Meeting, we encourage you to provide voting instructions by one of the methods described above.

It is important that you vote promptly.

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WESTERN ASSET INTERMEDIATE MUNI FUND INC.

620 Eighth Avenue, 49th Floor
New York, New York 10018

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders:

The Annual Meeting of Stockholders (the "Meeting") of Western Asset Intermediate Muni Fund Inc. (the "Fund") will be held at 620 Eighth Avenue, 49th Floor, New York, New York, on Monday, April 28, 2008 at 3:30 p.m., Eastern Standard Time, to consider and vote on the following proposals, as more fully described in the accompanying Proxy Statement:

1. A proposal to amend one of the Fund's fundamental investment policies to allow the Fund to invest, under normal market conditions, at least 80% of its total assets in municipal obligations of all remaining effective maturities.
2. A proposal to elect three Class III Directors to the Fund's Board of Directors.
3. The transaction of such other business as may be properly presented at the Meeting or any adjournments or postponements thereof.

The Board recommends that you vote "FOR" each Proposal upon which you are being asked to vote.

Stockholders of record at the close of business on March 7, 2008 are entitled to vote at the Meeting and at any adjournments or postponements thereof.

By Order of the Board of Directors,

Robert I. Frenkel
Secretary

March 25, 2008

Instructions for Signing Proxy Cards

The following general rules for signing proxy cards may be of assistance to you and avoid the time and expense to the Fund involved in validating your vote if you fail to sign your proxy card properly.

1. *Individual Accounts:* Sign your name exactly as it appears in the registration on the proxy card.
2. *Joint Accounts:* Either party may sign, but the name of the party signing should conform exactly to a name shown in the registration.
3. *All Other Accounts:* The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

	Registration	Valid Signature
Corporate Accounts		
(1)	ABC Corp.	ABC Corp. (by John Doe, Treasurer)
(2)	ABC Corp.	John Doe, Treasurer
(3)	ABC Corp., c/o John Doe, Treasurer	John Doe
(4)	ABC Corp. Profit Sharing Plan	John Doe, Trustee
Trust Accounts		
(1)	ABC Trust	Jane B. Doe, Trustee
(2)	Jane B. Doe, Trustee, u/t/d 12/28/78	Jane B. Doe
Custodial or Estate Accounts		
(1)	John B. Smith, Cust., f/b/o John B. Smith, Jr. UGMA	John B. Smith
(2)	John B. Smith	John B. Smith, Jr., Executor

WESTERN ASSET INTERMEDIATE MUNI FUND INC.

**620 Eighth Avenue, 49th Floor
New York, New York 10018**

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Western Asset Intermediate Muni Fund Inc. (the "Fund") of proxies to be voted at the Annual Meeting of Stockholders of the Fund to be held at 620 Eighth Avenue, 49th Floor, New York, New York, on Monday, April 28, 2008, at 3:30 p.m., Eastern Standard Time, and at any and all adjournments or postponements thereof (the "Meeting"). The Meeting will be held for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders.

This Proxy Statement and the accompanying materials are being mailed to stockholders on or about March 25, 2008.

The Fund is organized as a Maryland corporation and is a registered investment company.

Stockholders of record at the close of business on March 7, 2008 (the "Record Date") are entitled to vote at the Meeting. Stockholders of the Fund are entitled to one vote for each share held.

The Fund has one class of common stock with a par value of \$0.001 per share. At the Record Date, the Fund had outstanding 14,032,785 shares of common stock. The Fund has one series of preferred stock outstanding, Municipal Auction Rate Cumulative Preferred Series M, with a \$25,000 per share liquidation preference. As of the Record Date, there were 2,000 shares of preferred stock outstanding. The shares of common stock and the shares of preferred stock are referred to collectively as the "Shares."

Legg Mason Partners Fund Advisor, LLC ("LMPFA"), whose principal business address is 100 Light Street, Baltimore, Maryland 21202, is the Fund's investment manager. Pursuant to a sub-advisory agreement with LMPFA, Western Asset Management Company ("Western Asset") is the Fund's subadviser. Both LMPFA and Western Asset are wholly-owned subsidiaries of Legg Mason, Inc. ("Legg Mason").

Even if you plan to attend the Meeting, please sign, date and return the enclosed proxy card, or provide voting instructions by telephone or over the Internet. If you vote by telephone or over the Internet, you will be asked to enter a unique code that has been assigned to you, which is printed on your proxy card. This code is designed to confirm your identity, provide access into the voting sites and confirm that your instructions are properly recorded.

All properly executed proxies received prior to the Meeting will be voted at the Meeting. On the matters coming before the Meeting as to which a stockholder has specified a choice on that stockholder's proxy, the shares will be voted accordingly. If a proxy is properly executed and returned and no choice is specified with respect to one or more proposals, the shares will be voted "FOR" each such proposal. Stockholders who execute proxies or provide voting instructions by telephone or over the Internet may revoke them with respect to any or all proposals at any time before a vote is taken on a proposal by filing with the Fund a written notice of

revocation (addressed to the Chairman of the Fund, c/o Legg Mason & Co., LLC, 620 Eighth Avenue, 49th Floor, New York, New York 10018), by delivering a duly executed proxy card bearing a later date or by attending the Meeting and voting in person, in all cases prior to the exercise of the authority granted in the proxy card. Merely attending the Meeting, however, will not revoke any previously executed proxy. If you hold shares through a bank, financial institution or other intermediary (each called a "service agent"), please consult your service agent regarding your ability to revoke voting instructions after such instructions have been provided.

Photographic identification will be required for admission to the Meeting.

Annual reports are sent to stockholders of record of the Fund following the Fund's fiscal year end. The Fund will furnish, without charge, a copy of its annual report and most recent semi-annual report succeeding the annual report, if any, to a stockholder upon request. Such requests should be directed to the Fund, c/o Legg Mason & Co., LLC, 55 Water Street, New York, New York 10041 or by calling toll free at 888-777-0102. Copies of annual and semi-annual reports of the Fund are also available on the EDGAR Database on the Securities and Exchange Commission's Internet site at www.sec.gov.

Please note that only one annual or semi-annual report or Proxy Statement may be delivered to two or more stockholders of the Fund who share an address, unless the Fund has received instructions to the contrary. To request a separate copy of an annual or semi-annual report or the Proxy Statement, or for instructions as to how to request a separate copy of these documents or as to how to request a single copy if multiple copies of these documents are received, stockholders should contact the Fund at the address and phone number set forth above.

Vote Required and Manner of Voting Proxies

A quorum of stockholders is required to take action at the Meeting. A majority of the shares of the Fund entitled to vote at the Meeting, represented in person or by proxy, will constitute a quorum of stockholders at the Meeting.

Votes cast by proxy or in person at the Meeting will be tabulated by the inspector of election appointed for the Meeting. The inspector of election, who is an employee of the proxy solicitor engaged by the Fund, will determine whether or not a quorum is present at the Meeting. The inspector of election will treat abstentions and "broker non-votes" (i.e., shares held by brokers or nominees, typically in "street name," as to which proxies have been returned but (a) instructions have not been received from the beneficial owners or persons entitled to vote and (b) the broker or nominee does not have discretionary voting power on a particular matter) as present for purposes of determining a quorum.

If you hold shares directly (not through a broker-dealer, bank or other financial intermediary) and if you return a signed proxy card that does not specify how you wish to vote on a proposal, your shares will be voted "FOR" Proposal 1 and "FOR" all nominees for Director in Proposal 2.

Broker-dealer firms holding shares of the Fund in "street name" for the benefit of their customers and clients will request the instructions of such customers and clients on how to vote their shares on each Proposal before the Meeting. The New York Stock Exchange (the "NYSE") has taken the position that a broker-dealer that is a member of the NYSE and that has not received instructions from a customer or client prior to the date specified in the broker-dealer firm's request for voting instructions may not vote such customer or client's shares with respect to Proposal 1. If a service agent is not a member of the NYSE, it may be permissible for the service agent to vote shares with respect to which it has not received specific voting instructions from its customers on Proposal 1. A signed proxy card or other authorization by a beneficial owner of Fund shares that does not specify how the beneficial owner's shares should be voted on a proposal will be deemed an instruction to vote such shares in favor of the applicable proposal.

If you hold shares of the Fund through a service agent that has entered into a service agreement with the Fund, the service agent may be the record holder of your shares. At the Meeting, a service agent will vote shares for which it receives instructions from its customers in accordance with those instructions. A signed proxy card or other authorization by a stockholder that does not specify how the stockholder's shares should be voted on a proposal may be deemed to authorize a service agent to vote such shares in favor of the applicable proposal. Depending on its policies, applicable law or contractual or other restrictions, a service agent may be permitted to vote shares with respect to which it has not received specific voting instructions from its customers. In those cases, the service agent may, but may not be required to, vote such shares in the same proportion as those shares for which the service agent has received voting instructions. This practice is commonly referred to as "echo voting."

If you beneficially own shares that are held in "street name" through a broker-dealer or that are held of record by a service agent and if you do not give specific voting instructions for your shares, they may not be voted at all or, as described above, they may be voted in a manner that you may not intend. Therefore, you are strongly encouraged to give your broker-dealer or service agent specific instructions as to how you want your shares to be voted.

Proposal 1:

The amendment of one of the Fund's fundamental investment policies requires a "1940 Act Majority Vote" of the common stockholders and preferred stockholders of the Fund, voting together as a single class.

A "1940 Act Majority Vote" of the outstanding voting common stockholders and preferred stockholders of the Fund means the affirmative vote of the lesser of (a) 67% or more of the voting power of the voting common stockholders and preferred stockholders of the Fund that are present at the Meeting or represented by proxy if holders of shares representing more than 50% of the voting power of the outstanding voting common stockholders and preferred stockholders of the Fund are present or represented by proxy or (b) more than 50% of the voting power of the outstanding voting common stockholders and preferred stockholders of the Fund.

Approval of Proposal 1 will occur only if a sufficient number of votes at the Meeting are cast "FOR" that proposal. Abstentions and broker non-votes are not considered "votes cast" and, therefore, do not constitute a vote "FOR" Proposal 1. Abstentions effectively result in a vote AGAINST Proposal 1. Any broker non-votes would effectively be treated as a vote "AGAINST" Proposal 1.

Proposal 2:

The election of Messrs. Daniel P. Cronin and Leslie H. Gelb will require a plurality of the votes cast by the Fund's common stockholders and preferred stockholders, voting together as a single class, present in person or represented by proxy at a Meeting at which a quorum is present.

The election of Mr. William R. Hutchinson will require a plurality of the votes cast by the Fund's preferred stockholders, voting as a separate class, present in person or represented by proxy at a Meeting at which a quorum is present.

For purposes of Proposal 2, abstentions and broker non-votes will not be considered votes cast, and do not affect the plurality vote required for the election of Directors.

Summary of Voting Rights on the Proposals

Proposal	Common Stockholders	Preferred Stockholders
1. Amendment of one of the Fund's fundamental investment policies	X	X
2. Election of Directors:		
Daniel P. Cronin	X	X
Leslie H. Gelb	X	X
William R. Hutchinson	n/a	X

PROPOSAL 1 TO AMEND ONE OF THE FUND'S FUNDAMENTAL INVESTMENT POLICIES TO ALLOW FOR GREATER FLEXIBILITY TO INVEST IN MUNICIPAL OBLIGATIONS OF ALL REMAINING EFFECTIVE MATURITIES

Explanation of Proposed Amendment

The Fund's portfolio managers manage the Fund's portfolio in pursuit of its investment objective: to provide common stockholders a high level of current income exempt from regular federal income taxes consistent with prudent investing. This investment objective establishes broad investment goals the Fund strives to achieve.

The Fund is currently subject to a fundamental investment policy requiring the Fund to pursue its investment objective by investing, under normal market conditions, at least 80% of its total assets in investment grade municipal debt securities issued by state and local governments, including U.S. territories and possessions, political subdivisions, agencies and public authorities ("municipal obligations") with remaining effective maturities of less than 15 years. This investment policy is considered "fundamental," meaning that it may not be changed without stockholder approval. The Fund is also subject to a non-fundamental investment policy requiring it to seek to maintain a dollar-weighted average effective maturity between 3 and 10 years.

At a meeting held on November 14, 2007, after careful consideration, the Board of Directors approved management's proposal, subject to stockholder approval, to amend one of the Fund's fundamental investment policies to eliminate the requirement to invest in municipal obligations with remaining effective maturities of less than 15 years. The amended fundamental investment policy will read as follows:

The Fund seeks to achieve its objective by investing primarily in investment grade municipal debt securities issued by state and local governments, including U.S. territories and possessions, political subdivisions, agencies and public authorities (municipal obligations). The Fund's policy is to invest, under normal market conditions, at least 80% of its total assets in municipal obligations.

In addition, the Fund will retain the non-fundamental investment policy requiring the Fund to maintain a dollar-weighted average effective maturity of between 3 and 10 years. The intention of this policy change is to provide the investment manager with greater flexibility to invest in municipal obligations of all maturities while also maintaining the "intermediate" character of the Fund.

The Fund's management believes this policy amendment is in the best interests of the Fund and its stockholders because enabling the Fund to invest in municipal obligations with remaining effective maturities greater than 15 years may allow the Fund to obtain a higher level of current income exempt from regular federal income taxes than would be possible under the Fund's current policy. Municipal obligations with longer maturities may be more sensitive to changes in interest rates.

If stockholders approve this policy amendment, the intermediate nature of the Fund will be preserved because the Fund will remain subject to a non-fundamental investment policy requiring it to seek to maintain a dollar-weighted average effective maturity between 3 and 10 years. This non-fundamental investment policy may be amended, modified or eliminated by the Fund's Board of Directors without a stockholder vote if, in the Board's sole judgment, that is in the best interests of the Fund and its stockholders.

Board Recommendation and Required Vote

It is intended that the Fund's amended investment policies would take effect as soon as practicable after stockholder approval is obtained. This is currently expected to occur on or about April 29, 2008, although the actual date could be later.

To be approved, Proposal 1 must receive a "1940 Act Majority Vote" of the outstanding voting Shares of the Fund, as that term is defined above in "Vote Required and Manner of Voting Proxies."

The Fund's Board of Directors unanimously recommends that stockholders of the Fund vote FOR the amendment of one of the Fund's investment policies to allow the Fund to invest, under normal market conditions, at least 80% of its total assets in municipal obligations of all remaining effective maturities.

PROPOSAL 2 TO ELECT THREE CLASS III DIRECTORS TO THE FUND'S BOARD OF DIRECTORS**Background**

In accordance with the Fund's charter, the Fund's Board of Directors is divided into three classes: Class I, Class II and Class III. At the Meeting, common stockholders and preferred stockholders, voting together as a single class, will be asked to elect two Class III Directors, and preferred stockholders voting separately will be asked to elect one Class III Director, each to hold office until the year 2011 Annual Meeting of Stockholders, or thereafter until his successor is duly elected and qualified. The term of office of each of the remaining Class I and Class II Directors expires at the year 2009 or 2010 Annual Meeting of Stockholders, respectively, or thereafter when his or her successor is duly elected and qualified. The effect of these staggered terms is to limit the ability of other entities or persons to acquire control of the Fund by delaying the replacement of a majority of the Board of Directors.

Under the terms of the Fund's charter, the preferred stockholders are entitled as a class, to the exclusion of the common stockholders, to elect two Directors of the Fund (the "Preferred Stock Directors"). Ms. Carol L. Colman and Mr. William R. Hutchinson have been designated as the Preferred Stock Directors. Mr. Hutchinson has been nominated for election at this Meeting. The charter further provides that the remaining nominees shall be elected by holders of common stock and preferred stock, voting together as a single class.

The persons named in the proxy intend to vote at the Meeting (unless directed not to vote) FOR the election of the nominees named below. Each of the nominees is currently a member of the Fund's Board of Directors and has indicated that he will serve if elected. However, if any nominee should be unable to serve, the proxy will be voted for any other person determined by the persons named in the proxy in accordance with their judgment.

The following table provides information concerning the nominees for election as Directors of the Fund:

Name, Address and Age	Position(s) Held with the Fund	Length of Term Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex ⁽¹⁾ Overseen by Nominee (Including the Fund)	Other Directorships Held by Nominee
Nominees to serve as Class III Directors until the 2011 Annual Meeting of Stockholders					

NON-INTERESTED DIRECTORS

Daniel P. Cronin c/o Chairman of the Fund 620 Eighth Avenue, 49th Floor New York, NY 10018 Birth year: 1946	Director and Member of Audit and Nominating Committees	Since 2007	Retired; formerly, Associate General Counsel, Pfizer, Inc.	22	None
Leslie H. Gelb c/o Chairman of the Fund 620	Director and Member of Audit and Nominating Committees	Since 2007	President Emeritus and Senior Board Fellow, The Council on Foreign Relations; formerly, Columnist, Deputy Editorial Page Editor and Editor, Op-Ed Page, <i>The New York Times</i>	21	Director of two registered investment companies advised by Blackstone Asia Advisors L.L.C. ("Blackstone Advisors")

Eighth
Avenue,
49th
Floor
New
York,
NY
10018
Birth
year:
1937

Name, Address and Age	Position(s) Held with the Fund	Length of Term Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex ⁽¹⁾ Overseen by Nominee (Including the Fund)	Other Directorships Held by Nominee
William R. Hutchinson c/o Chairman of the Fund 620 Eighth Avenue, 49th Floor New York, NY 10018 Birth year: 1942	Director and Member of Audit and Nominating Committees	Since 2007	President, W.R. Hutchinson & Associates Inc. (consulting); formerly, Group Vice President, Mergers and Acquisitions, BP Amoco p.l.c.	22	Director of Associated Banc-Corp.

The following table provides information concerning the remaining Directors of the Fund:

Class I Directors serving until the 2009 Annual Meeting of Stockholders

NON-INTERESTED DIRECTORS

Dr. Riordan Roett c/o Chairman of the Fund 620 Eighth Avenue, 49th Floor New York, NY 10018 Birth year: 1938	Director and Member of Audit and Nominating Committees	Since 2007	Professor and Director, Latin American Studies Program, Paul H. Nitze School of Advanced International Studies, The Johns Hopkins University	21	None
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INTERESTED DIRECTOR

R. Jay Gerken, CFA ⁽²⁾ Legg Mason, Inc. 620 Eighth Avenue,	Chairman, CEO, President and Director	Since 2007	Managing Director of Legg Mason, Chairman, President and Chief Executive Officer of Smith Barney Fund Management LLC ("SBFM") and Citi Fund Management Inc. ("CFM"); President and Chief Executive Officer of certain mutual funds associated with Legg Mason; formerly Portfolio Manager of Smith Barney Allocation Series Inc. (1996-2001) Chairman of the Board, Trustee and Director of 133 funds associated with LMPFA or its affiliates	133	Trustee, Consulting Group Capital Markets Fund
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49th
Floor
New
York,
NY
10018
Birth
year:
1951

Name, Address and Age	Position(s) Held with the Fund	Length of Term Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex ⁽¹⁾ Overseen by Nominee (Including the Fund)	Other Directorships Held by Nominee
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Class II Directors serving until the 2010 Annual Meeting of Stockholders

NON-INTERESTED DIRECTORS

Carol L. Colman c/o Chairman of the Fund 620 Eighth Avenue, 49th Floor New York, NY 10018 Birth year: 1946	Director and Member of Audit and Nominating Committees	Since 2007	President, Colman Consulting Co.	22	None
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Paolo M. Cucchi c/o Chairman of the Fund 620 Eighth Avenue, 49th Floor New York, NY 10018 Birth year: 1941	Director and Member of Audit and Nominating Committees	Since 2007	Vice President and Dean of College of Liberal Arts at Drew University	22	None
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(1) The term "Fund Complex" means two or more registered investment companies that:

(a) Hold themselves out to investors as related companies for purposes of investment and investor services; or

(b) Have a common investment adviser or have an investment adviser that is an affiliated person of the investment adviser of any of the other registered investment companies.

(2) Mr. Gerken is an "interested person" as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), because he is an employee of Legg Mason, the parent company of the Fund's investment adviser.

Security Ownership of Management

The following table provides information concerning the dollar range of equity securities owned beneficially by each Director and nominee for election as Director as of December 31, 2007:

Name of Director/Nominee NON-INTERESTED DIRECTORS	Dollar Range ⁽¹⁾ of Equity Securities in the Fund	Aggregate Dollar Range ⁽²⁾ of Equity Securities in all Funds Overseen by Director/Nominee in Family of Investment Companies ⁽²⁾
Carol L. Colman	A	E
Daniel P. Cronin	C	E
Paolo M. Cucchi	A	C
Leslie H. Gelb	A	A
William R. Hutchinson	A	E