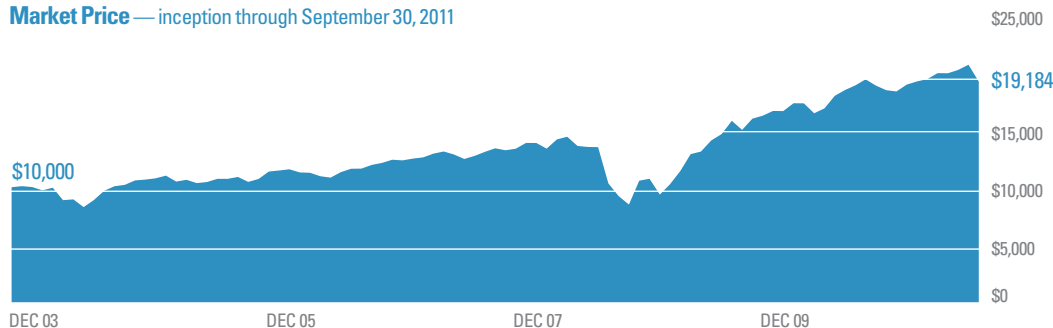


# Western Asset Emerging Markets Debt Fund Inc. (ESD)

## Growth of a \$10,000 investment

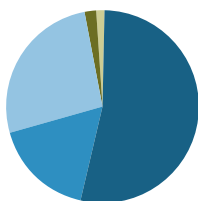
Market Price — inception through September 30, 2011



Performance shown represents past performance and is no guarantee of future results. Average annual total returns based on Market Price assume reinvestment of all distributions at the Dividend Reinvestment Plan Price and the deduction of all fund expenses.

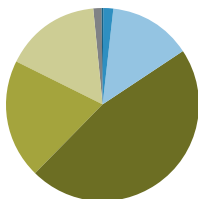
## Asset allocation<sup>4</sup> (%)

Emerging Market Debt	96.7
Sovereign Debt External Currency	53.5
Sovereign Debt Local Currency	17.0
Corporates External Currency	26.2
Investment Grade Corporate Bonds	2.1
Cash & Other Securities	1.2



## Credit quality allocation<sup>4,5</sup> (%)

AAA	0.1
AA	1.9
A	13.8
BBB	46.8
BB	19.9
B	16.3
Not Rated	1.2



## Fund data

Trading Symbol	ESD
NAV Symbol	XESDX
Listed Exchange	NYSE
Inception Date	12/1/03
Market Price	\$18.08
Net Asset Value (NAV)	\$19.96
Premium/Discount	-9.4%
Distribution	0.1100
Distribution Rate (Mkt Price) <sup>1</sup>	7.3%
Distribution Rate (NAV) <sup>1</sup>	6.1%
Distribution Frequency	Monthly

## Portfolio characteristics

Total Assets (in millions)	\$614.6
Loans	0.0%
Preferred Shares	0.0%
Reverse Repos	0.0%
Net Assets <sup>2</sup> (in millions)	\$613.5
Average Coupon	7.5%
Weighted Average Life (years)	11.9
Effective Duration (years) <sup>3</sup>	7.3

## Our goal

Total return. The Fund's secondary objective is high current income.

## What we invest in

The Fund invests in U.S. dollar and non-dollar denominated debt securities of emerging market issues.

## Our approach

Western Asset's approach emphasizes team management and intensive proprietary research to identify undervalued securities with the potential to outperform over the long term. The teams employ multiple investment strategies in an effort to manage risk and create diversified portfolios, including sector rotation, issue selection and duration management.

## What should I know before investing?

All investments are subject to risks, including the possible loss of principal. The Fund's investments are subject to credit risk, inflation risk, and interest rate risk. As interest rates rise, bond prices fall, reducing the value of the Fund's share price. The Fund may invest in lower-rated high yield bonds which are subject to greater credit risk (risk of default) than higher-rated obligations. Investments in foreign securities involve risks, including the possibility of losses due to changes in ►

For more information including current performance to most current month end, please visit [www.leggmason.com/cef](http://www.leggmason.com/cef) or 888-777-0102

<sup>1</sup> Distribution rate is calculated by annualizing the most recent distribution amount paid, excluding special distributions, divided by the closing market price or NAV as of 9/30/11. Distributions may be paid from investment income, realized capital gains, return of capital or a combination thereof. The Distribution Rate is subject to change and is not a quotation of Fund performance. The Board of Directors may terminate or suspend the managed distribution policy at any time. Any such termination or suspension could have an adverse effect on the market price of the Fund's shares. A return of capital is not taxable and results in a reduction in the tax basis of a shareholder's investment. For more information about a distribution's composition refer to the fund's distribution press release or, if applicable, the Section 19 notice located in the press release section of our website.

<sup>2</sup> The difference between total assets and net assets, if any, is due primarily to the Fund's use of borrowings and other liabilities; net assets do not include borrowings. The Fund may employ leverage in the form of loans, preferred stock, reverse repurchase agreements and/or other instruments. When the Fund engages in transactions that have a leveraging effect on the Fund's portfolio, the value of the Fund will be more volatile and all other risks will tend to be compounded.

<sup>3</sup> Effective duration is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Please note, duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates.

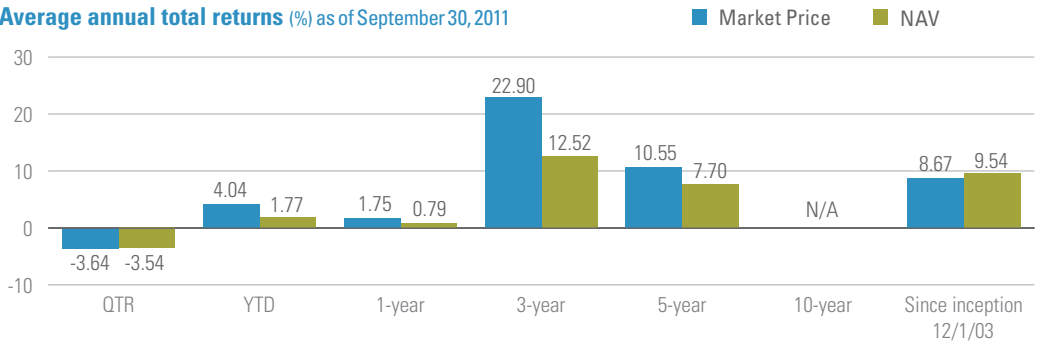
<sup>4</sup> Percentages are based on total portfolio as of quarter-end and are subject to change at any time. For informational purposes only and not to be considered a recommendation to purchase or sell any security. Negative allocations and allocations in excess of 100% are primarily due to the Fund's unsettled trade activity.

# Western Asset Emerging Markets Debt Fund Inc. (ESD)

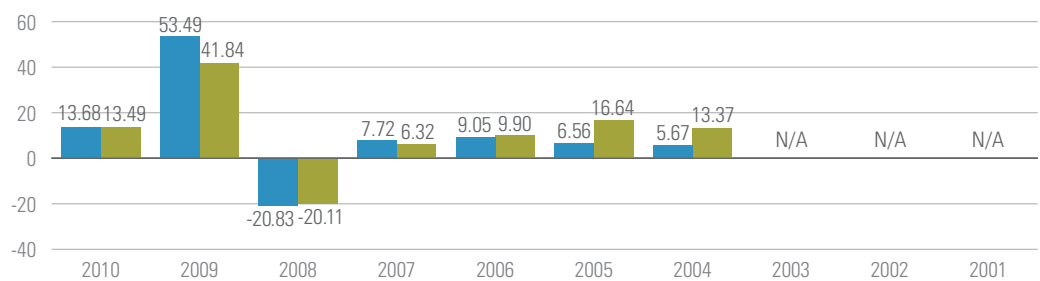
currency exchange rates and negative developments in the political, economic, or regulatory structure of specific countries or regions. These risks are greater in emerging markets. Leverage may result in greater volatility of NAV and the market price of common shares and increases a shareholder's risk of loss. The Fund may make significant investments in derivative instruments. Derivative instruments can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance.

## Fund performance

Average annual total returns (%) as of September 30, 2011



Calendar-year total returns (%)



Performance shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so shares, when sold, may be worth more or less than the original cost. Average annual total returns based on Market Price assume the reinvestment of all distributions

at the Dividend Reinvestment Plan Price and the deduction of all fund expenses. Average annual total returns based on NAV assume the reinvestment of all distributions at net asset value and the deduction of all fund expenses. Quarter (QTR) and Year-To-Date (YTD) returns are cumulative figures and are not annualized. YTD is calculated from January 1 of the reporting year.

For more information including current performance to most current month end, visit [www.leggmason.com/cef](http://www.leggmason.com/cef) or 888-777-0102

The Fund is not sold or distributed by Legg Mason Investor Services, LLC ("LMIS") or any affiliate of Legg Mason, Inc. Shares of the fund are bought and sold through non-affiliated broker/dealers and trade on nationally recognized stock exchanges.

Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value (NAV) is total assets less total liabilities divided by the number of shares outstanding. At the time of sale, your shares may have a market price that is above or below NAV. Shares of closed-end funds frequently trade at a market price that is below their net asset value. There is no assurance that the fund will achieve its investment objective. The fund is subject to investment risks, including the possible loss of principal invested.

© 2011 Legg Mason Investor Services, LLC, member FINRA, SIPC. Western Asset Management Company and LMIS are subsidiaries of Legg Mason, Inc. 406165 WASX010617 D5947 11/11 FN1111324

## Top emerging mkt countries<sup>4</sup> (%)

Brazil	14.4
Mexico	13.0
Russia	12.9
Turkey	8.5
Venezuela	8.0
Peru	5.9
Argentina	4.9
Indonesia	4.7
Columbia	4.6
Malaysia	3.7

## Currency allocation<sup>4</sup> (%)

US Dollars	84.8
Brazilian Reals	4.6
Mexican Pesos	4.2
Indonesian Rupiahs	3.0
Polish Zlotychs	2.0
Malaysian Ringgits	1.8
Peruvian Nuevos Soles	1.3
Chilean Peso	0.5
Turkish Lira	0.1
Euros	-2.3

## Meet your Western Asset managers

Western Asset uses a team-based approach to managing your fund, with team members averaging over 21 years of investment industry experience. One of the world's largest and leading fixed-income managers, Western Asset has focused exclusively on fixed income since its founding in 1971. They offer investors a broad range of core and specialized bond portfolios from across the fixed-income universe, all managed using a long-term, value-oriented investment process.

<sup>4</sup> Percentages are based on total portfolio as of quarter-end and are subject to change at any time. For informational purposes only and not to be considered a recommendation to purchase or sell any security. Negative allocations and allocations in excess of 100% are primarily due to the Fund's unsettled trade activity.

<sup>5</sup> Credit quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by Standard and Poor's, Moody's Investors Service and/or Fitch Ratings, Ltd. and typically range from AAA (highest) to D (lowest). For this purpose, if two or more of the agencies have assigned differing ratings to a security, the lowest rating is used. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the Fund's portfolio does not apply to the stability or safety of the Fund. These ratings are updated monthly and may change over time. Please note, the Fund itself has not been rated by an independent rating agency.