

July 29, 2016

Dear Shareholders of the following Money Market Funds which will be designated Retail:

- Western Asset California Tax Free Money Market Fund
- Western Asset Institutional Tax Free Reserves (to be renamed Western Asset Select Tax Free Reserves on or about August 26, 2016)
- Western Asset New York Tax Free Money Market Fund
- Western Asset Prime Obligations Money Market Fund
- Western Asset Tax Free Reserves

Re: Transition to Retail Money Market Funds

The U.S. Securities and Exchange Commission has adopted certain reforms to the rules that govern money market funds (the "Reforms"). Under the Reforms, each of the money market funds listed above will be allowed to continue to use the special pricing and valuation conventions that currently facilitate a constant share price of \$1.00 if it operates as a retail money market fund. A fund that operates as a retail money market fund must adopt policies and procedures reasonably designed to limit all beneficial owners to natural persons. Each fund expects to operate as a retail money market fund beginning on or about October 11, 2016.

On or about October 11, 2016, only accounts beneficially owned by natural persons (retail investors) may be invested in each fund. Natural persons include any person who provides the fund or the fund's authorized agent or intermediary with a social security number issued to that person, a government-issued identification document such as a driver's license or passport that bears a photograph of the person, or other similar documentation. Natural persons also may be able to invest in the fund through certain tax-advantaged savings accounts, trusts and other retirement and investment accounts, provided all beneficial owners of the accounts are natural persons. Examples may include: (i) certain retirement accounts, such as participant directed defined contribution plans, individual retirement accounts, deferred compensation plans for employees of government or tax-exempt organizations, and Keogh plans; (ii) college savings plans; (iii) health savings accounts; (iv) custodial accounts; (v) accounts of the estate of a natural person; (vi) medical savings accounts; (vii) ordinary trusts; and (viii) other accounts beneficially owned solely by natural persons.

This letter is to notify you that you do not qualify as a retail investor under the Reforms. Accordingly, you must redeem your fund shares or your shares will be redeemed involuntarily by the fund on September 30, 2016.

If you do not redeem your fund shares prior to September 30, 2016, your service agent will redeem your shares on that date and the proceeds will be deposited into your transaction account. Your shares in the fund will be redeemed at the net asset value calculated at the fund's close of business on that date.

Should you have any questions, please contact Shareholder Services at 1-800-822-5544. Representatives are available to assist you Monday through Friday between 8:00 am and 5:30 pm EST.

Sincerely,



Jane Trust, CFA
President and Chief Executive Officer

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

All investment involves risk, including possible loss of principal.

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

Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, and summary prospectus, if available, at www.leggmason.com/individualinvestors. Please read the prospectus carefully.

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