Legg Mason Partners
Variable Portfolios I, Inc.
All Cap Portfolio
Class I

May 1, 2006

The Securities and Exchange Commission has not approved or disapproved these securities or determined whether this prospectus is accurate or complete. Any statement to the contrary is a crime.

The fund’s investment manager is Salomon Brothers Asset Management Inc., a subsidiary of Legg Mason, Inc.

Shares of the fund are offered to insurance company separate accounts which fund certain variable annuity and variable life insurance contracts and to qualified retirement and pension plans. This prospectus should be read together with the prospectus for those contracts.
“Smith Barney” and “Salomon Brothers” are service marks of Citigroup, licensed for use by Legg Mason as the names of funds and investment advisers. Legg Mason and its affiliates, as well as the fund’s investment manager, are not affiliated with Citigroup.
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Prior to May 1, 2006, Legg Mason Partners Variable Portfolios I, Inc. was named Salomon Brothers Variable Series Funds Inc and Legg Mason Partners Variable All Cap Portfolio was named Salomon Brothers Variable All Cap Fund. The fund’s investment objective and strategies were not affected as a result of this change.
This section summarizes the fund’s key investments and the principal risks of investing in the fund. See “More on the fund’s investments and related risks — Additional investments and investment techniques” in this prospectus and the statement of additional information for more information about the fund’s investments and the risks of investing.

Investment objective
The fund seeks capital appreciation through investments in securities which the manager believes have above-average capital appreciation potential. This objective may be changed without shareholder approval.

Key investments
The fund invests primarily in common stocks and common stock equivalents, such as preferred stocks and securities convertible into common stocks, of companies the manager believes are undervalued in the marketplace. While the manager selects investments primarily for their capital appreciation potential, secondary consideration is given to a company’s dividend record and the potential for an improved dividend return. The fund generally invests in securities of large well-known companies but may also invest a significant portion of its assets in securities of small to medium-sized companies when the manager believes smaller companies offer more attractive value opportunities. The fund may invest in investment grade fixed income securities and convertible debt securities. The fund may invest up to 20% of its assets in non-convertible debt securities rated below investment grade, or if unrated, of equivalent quality as determined by the manager. Below investment grade securities are commonly known as “junk bonds.” The fund may also invest up to 20% of its assets in securities of foreign issuers. The fund may also invest in non-dividend paying stocks.

How the manager selects the fund’s investments
The manager employs a two-step stock selection process in its search for undervalued stocks of temporarily out of favor companies. First, the manager uses proprietary models and fundamental research to try to identify stocks that are underpriced in the market relative to their fundamental value. Next, the manager looks for a positive catalyst in the company’s near term outlook which the manager believes will accelerate earnings or improve the value of the company’s assets. The manager also emphasizes companies in those sectors of the economy which the manager believes are undervalued relative to other sectors. When evaluating an individual stock, the manager looks for:

- Low market valuations measured by the manager’s valuation models; and
- Positive changes in earnings prospects because of factors such as:
  - New, improved or unique products and services;
  - New or rapidly expanding markets for the company’s products;
  - New management;
  - Changes in the economic, financial, regulatory or political environment particularly affecting the company;
  - Effective research, product development and marketing; or
  - A business strategy not yet recognized by the marketplace.
Principal risks of investing in the fund

Equity investments may involve added risks. Investors could lose money on their investment in the fund, or the fund may not perform as well as other investments, if any of the following occurs:

- U.S. stock markets decline or perform poorly relative to other types of investments;
- An adverse event, such as negative press reports about a company in the fund’s portfolio, depresses the value of the company’s stock;
- The manager’s judgment about the attractiveness, relative value or potential appreciation of a particular sector or security proves to be incorrect; or
- Small, medium or large capitalization companies fall out of favor with investors.

Compared to mutual funds that focus only on large capitalization companies, the fund’s share price may be more volatile because the fund also invests a significant portion of its assets in small and medium capitalization companies.

Compared to large companies, small and medium capitalization companies are more likely to have:

- More limited product lines or markets and less mature businesses;
- Fewer capital resources; and
- More limited management depth and shorter operating histories.

Further, securities of small and medium capitalization companies are more likely to:

- Experience sharper swings in market values;
- Be harder to sell at times and at prices the manager believes appropriate; and
- Offer greater potential for gains and losses.

The fund also has risk associated with investing in fixed income securities, non-convertible debt securities related below investment grade and securities of foreign issuers.

The fund is not diversified as defined by the Investment Company Act of 1940, which means that it is permitted to invest a higher percentage of its assets in any one issuer than a diversified fund. Being non-diversified may magnify the fund’s losses from adverse events affecting a particular issuer. However, the manager seeks to diversify the fund’s investments across industries, which may help to reduce this risk.
Performance
The total return bar chart and comparative performance table below provide an indication of the risks of investing in the fund by showing the changes in the Class I shares’ performance from year to year and by showing how the Class I shares’ performance compares with the return of one or more broad based market indexes. The returns reflect the redemption of shares at the end of the period and the reinvestment of distributions and dividends. The Class I shares’ performance indicated does not reflect variable annuity and life insurance contract charges, which, if included, would lessen performance. The performance does reflect certain voluntary fee waivas and/or reimbursements. If, in the future, these voluntary waivers or reimbursements are reduced or eliminated, the fund’s performance may go down. Past performance, before and after taxes, does not necessarily indicate how the fund will perform in the future.

Total Return
The bar chart and quarterly returns show the performance of the fund’s Class I shares.

Total Return for Class I Shares

<table>
<thead>
<tr>
<th>Year</th>
<th>1 Year</th>
<th>5 Years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>-25.06%</td>
<td>1.91%</td>
<td>-22.08%</td>
</tr>
<tr>
<td>2000</td>
<td>18.24%</td>
<td>0%</td>
<td>18.24%</td>
</tr>
<tr>
<td>2001</td>
<td>22.08%</td>
<td>0%</td>
<td>22.08%</td>
</tr>
<tr>
<td>2002</td>
<td>39.03%</td>
<td>0%</td>
<td>39.03%</td>
</tr>
<tr>
<td>2003</td>
<td>8.31%</td>
<td>0%</td>
<td>17.37%</td>
</tr>
<tr>
<td>2004</td>
<td>4.05%</td>
<td>0%</td>
<td>11.36%</td>
</tr>
<tr>
<td>2005</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Calendar years ended December 31

Quarterly returns (for the periods shown in the bar chart):
Highest: 21.30% in 2nd quarter 2003; Lowest: (20.63)% in 3rd quarter 2002

Comparative performance
The table indicates the risk of investing in the fund by comparing the average annual total return of Class I shares for the periods shown to that of the Russell 3000 Index, a broad-based unmanaged capitalization weighted index of large capitalized companies. An investor cannot invest directly in an index.

<table>
<thead>
<tr>
<th>Average Annual Total Returns (calendar years ended December 31, 2005)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inception Date</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Fund Class I shares</td>
</tr>
<tr>
<td>Russell 3000 Index (reflects no deduction for fees, expenses or taxes)</td>
</tr>
</tbody>
</table>
**Fee table**

This table sets forth the fees and expenses you will pay if you invest in Class I shares of the fund. Your actual fees and expenses may be higher than shown. The fee table does not reflect variable annuity or insurance contract charges, which, if included, would increase the overall fees and expenses.

| Shareholder Fees |  
|------------------|---|
| **(paid directly from your investment)** |  |
| Maximum sales charge on purchases | Not Applicable |
| Maximum deferred sales charge on redemptions | Not Applicable |

| Annual Fund Operating Expenses |  
|-------------------------------|---|
| **(paid by the fund as a % of net assets)** |  |
| Management fees* | 0.75% |
| Distribution and service (12b-1) fees | Not Applicable |
| Other expenses† | 0.07% |
| Total annual fund operating expenses** | 0.82% |

* The fund pays a management fee in accordance with the following fee schedule: 0.75% on average daily net assets up to and including $1.5 billion; 0.70% on average daily net assets over $1.5 billion and up to and including $2.0 billion; 0.65% on average daily net assets over $2.0 billion and up to and including $2.5 billion; 0.60% on average daily net assets over $2.5 billion and up to and including $3.5 billion; and 0.50% on average daily net assets in excess of $3.5 billion.

** The manager has voluntarily agreed to waive a portion of its management fee and/or reimburse the fund for certain expenses so that the total annual operating expenses of Class I shares will not exceed 1.00%. The manager may discontinue this waiver and/or reimbursement at any time.

† “Other expenses” reflect the estimated effect of new transfer agency and custody contracts which were effective January 1, 2006.

**Example**

This example helps you compare the cost of investing in Class I shares of the fund with other mutual funds. Your actual cost may be higher or lower. This example does not reflect variable annuity or life insurance contract charges, which, if included, would increase the cost of your investment. The example assumes:

- You invest $10,000 for the period shown.
- You reinvest all distributions and dividends without a sales charge.
- The fund’s operating expenses (before fee waivers and/or expense reimbursements, if any) remain the same.
- Your investment has a 5% return each year (the assumption of a 5% return is required by the Securities and Exchange Commission (“SEC”) for this example and is not a prediction of future performance).
- You redeem your shares at the end of the period.

<table>
<thead>
<tr>
<th>Number of Years You Own Your Shares</th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your costs would be</td>
<td>$84</td>
<td>$262</td>
<td>$455</td>
<td>$1,014</td>
</tr>
</tbody>
</table>
More on the fund’s investments and related risks

This section provides additional information about the fund’s investments and certain portfolio management techniques the fund may use to achieve its objective. Of course, there is no assurance that the fund will achieve its objective.

Additional investments and investment techniques

The fund’s investment objective and its principal investment strategies and risks are described under “Fund goals, strategies and risks.”

Any policy or limitation for the fund that is expressed as a percentage of assets is considered only at the time of purchase of portfolio securities. The policy will not be violated if these limitations are exceeded after purchase because of changes in the market value of the fund’s assets or for any other reason.

All Cap Portfolio

The fund may invest in investment grade fixed income securities and may invest up to 20% of its net assets in non-convertible debt securities rated below investment grade or, if unrated, of equivalent quality as determined by the manager. The fund may invest without limit in convertible debt securities. The fund emphasizes those convertible debt securities that offer the appreciation potential of common stocks. The fund may also invest up to 20% of its assets in securities of foreign issuers.

Equity investments

Subject to its particular investment policies, the fund may invest in all types of equity securities. Equity securities include common stocks traded on an exchange or in the over-the-counter market, preferred stocks, warrants, rights, convertible securities, depositary receipts, trust certificates, limited partnership interests, shares of other investment companies and real estate investment trusts. Equity securities represent an ownership interest in the issuing company. Holders of equity securities are not creditors of the company, and in the event of the liquidation of the company, would be entitled to their pro rata share of the company’s assets, if any, after creditors, including the holders of fixed income securities, and holders of any senior equity securities are paid. See “Foreign and emerging market investments” below for the general risks of foreign investing.

Fixed income investments

Subject to its particular investment policies, the fund may invest in fixed income securities. Fixed income investments include bonds, notes (including structured notes), mortgage-related securities, asset-backed securities, convertible securities, Eurodollar and Yankee dollar instruments, loan participations and assignments, preferred stocks and money market instruments. Fixed income securities may be issued by U.S. and foreign corporations or entities; U.S. and foreign banks; the U.S. government, its agencies, authorities, instrumentalities or sponsored enterprises; state and municipal governments; supranational organizations; and foreign governments and their political subdivisions. See “Foreign and emerging market investments” and “Sovereign government and supranational debt” below.

Fixed income securities may have all types of interest rate payment and reset terms, including fixed rate, adjustable rate, zero coupon, contingent, deferred, payment in kind and auction rate features.
Credit quality
Securities are rated by different agencies and if a security receives different ratings from these agencies, the fund will treat the securities as being rated in the highest rating category. Credit rating criteria are applied at the time the fund purchases a fixed income security. The fund may choose not to sell securities that are downgraded after their purchase below the fund’s minimum acceptable credit rating. The fund’s credit standards also apply to counterparties to over-the-counter derivatives contracts. Except as otherwise indicated, convertible securities are not subject to any minimum credit quality requirements.

Investment grade securities
Securities are investment grade if they:
- Are rated in one of the top four long-term rating categories of a nationally recognized statistical rating organization;
- Have received a comparable short-term or other rating; or
- Are unrated securities that the manager believes are of comparable quality to investment-grade securities.

High yield, lower quality securities
The fund may invest in fixed income securities that are high yield, lower quality securities rated below investment grade by a recognized rating agency or unrated securities determined by the manager to be of equivalent quality. These securities are commonly referred to as “junk bonds.” The issuers of lower quality bonds may be highly leveraged and have difficulty servicing their debt, especially during prolonged economic recessions or periods of rising interest rates. The prices of lower quality securities are volatile and may go down due to market perceptions of deteriorating issuer creditworthiness or economic conditions. Lower quality securities may become illiquid and hard to value in down markets.

Securities rated below investment grade are considered speculative and, compared to investment grade securities, tend to have more volatile prices and:
- Increased price sensitivity to changing interest rates and to adverse economic and business developments;
- Greater risk of loss due to default or declining credit quality;
- Greater likelihood that adverse economic or company specific events will make the issuer unable to make interest and/or principal payments; and
- Greater susceptibility to negative market sentiments leading to depressed prices and a decrease of liquidity.

Foreign and emerging market investments
The fund may invest in foreign securities, including emerging market issuers, or invest in depositary receipts. Because the value of a depositary receipt is dependent upon the market price of an underlying foreign security, depositary receipts are subject to most of the risks associated with investing in foreign securities directly. Investing in foreign issuers, including emerging market issuers, may involve additional risks compared to investing in the securities of U.S. issuers. Some of these risks do not apply to larger more developed countries. These risks are more pronounced to the extent the fund invests in issuers in countries with emerging markets or if the fund invests significantly in one country. These risks may include:
Less information about non-U.S. issuers or markets may be available due to less rigorous disclosure and accounting standards or regulatory practices;
Many non-U.S. markets are smaller, less liquid and more volatile than U.S. markets. In a changing market, the manager may not be able to sell the fund’s portfolio securities in amounts and at prices the manager considers reasonable or the fund may have difficulty determining the fair value of its securities;
The U.S. dollar may appreciate against non-U.S. currencies or a foreign government may impose restrictions on currency conversion or trading;
The economies of non-U.S. countries may grow at a slower rate than expected or may experience a downturn or recession; and
Economic, political and social developments may adversely affect non-U.S. securities markets.

**Sovereign government and supranational debt**
The fund may invest in all types of fixed income securities of governmental issuers in all countries, including emerging markets. These sovereign debt securities may include:
- Fixed income securities issued or guaranteed by governments, governmental agencies or instrumentalities and political subdivisions located in emerging market countries;
- Fixed income securities issued by government owned, controlled or sponsored entities located in emerging market countries;
- Interests in entities organized and operated for the purpose of restructuring the investment characteristics of instruments issued by any of the above issuers;
- Brady Bonds, which are debt securities issued under the framework of the Brady Plan as a means for debtor nations to restructure their outstanding external indebtedness;
- Participations in loans between emerging market governments and financial institutions; and
- Fixed income securities issued by supranational entities such as the World Bank or the European Economic Community. A supranational entity is a bank, commission or company established or financially supported by the national governments of one or more countries to promote reconstruction or development.

Sovereign government and supranational debt involve many of the risks described above of foreign and emerging markets investments as well as the risk of debt moratorium, repudiation or renegotiation and a fund may be unable to enforce its rights against the issuers.

**Derivatives and hedging techniques**
The fund may use derivative contracts, including, but not limited to, futures and options on securities, securities indices or currencies; options on these futures; forward currency contracts; and interest rate, currency and credit default swaps. The fund does not use derivatives as a primary investment technique and generally limits their use to hedging, including against the economic impact of adverse changes in the market value of its securities due to changes in stock market prices, currency exchange rates or interest rates. However, the fund may use derivatives for a variety of purposes including:
- As a substitute for buying or selling securities; and
- To enhance the fund’s return as a non-hedging strategy that may be considered speculative.

A derivative contract will obligate or entitle the fund to deliver or receive an asset or cash payment that is based on the change in value of one or more securities, currencies or indices. Even a small investment in derivative contracts can have a big impact on the
fund’s market, currency and interest rate exposure. Therefore, using derivatives can disproportionately increase losses and reduce opportunities for gains when market prices, currency rates or interest rates are changing. The fund may not fully benefit from or may lose money on derivatives if changes in their value do not correspond accurately to changes in the value of the fund’s holdings. The other parties to certain derivative contracts present the same types of credit risk as issuers of fixed income securities. Derivatives can also make the fund less liquid and harder to value, especially in declining markets.

**Temporary defensive investing**

The fund may depart from its principal investment strategies in response to adverse market, economic or political conditions by taking temporary defensive positions in all types of money market and short-term debt securities. If the fund takes a temporary defensive position, it may be unable to achieve its investment goal.

**Portfolio turnover**

The fund may engage in active and frequent trading to achieve its principal investment objective. Frequent trading increases transaction costs, which include not only brokerage commissions and market spreads, but market impact costs and opportunity costs, and may be substantial. Transaction costs are not included in the fund’s annual operating expenses shown in the fund’s fee table in this prospectus but do detract from the fund’s performance. The “Financial highlights” section of this prospectus shows the fund’s historical portfolio turnover rate.

**Insurance regulation**

The fund provides an investment vehicle for variable annuity contracts and variable life insurance policies offered by the separate accounts of participating insurance companies. Certain states have regulations concerning concentration of investments and purchase and sale of futures contracts, among other techniques. If these regulations are applied to the fund, the fund may be limited in its ability to engage in such techniques and to manage its investments with the greatest flexibility. It is the fund’s intention to operate in compliance with current insurance laws and regulations, as applied in each jurisdiction in which contracts or policies of separate accounts of participating insurance companies are offered.

The separate accounts are also subject to asset diversification requirements promulgated by the U.S. Treasury. The regulations generally provide that, as of the end of each calendar quarter or within 30 days thereafter, no more than 55% of the total assets of the separate account may be represented by any one investment, no more than 70% by any two investments, no more than 80% by any three investments, and no more than 90% by any four investments. For this purpose all securities of the same issuer are considered a single investment, but in the case of government securities, each government agency or instrumentality is considered to be a separate issuer. An alternative diversification test may be satisfied under certain circumstances.

**Portfolio holdings**

The fund’s policies and procedures with respect to the disclosure of the fund's portfolio securities are described in the statement of additional information.

*More information about the fund’s investments and portfolio management techniques, some of which entail risks, is included in the statement of additional information.*
Management

Salomon Brothers Asset Management Inc (“SaBAM” or the manager) is the investment manager for the fund. SaBAM was established in 1987 and together with SaBAM affiliates in London, Tokyo and Hong Kong, provides a broad range of fixed income and equity investment services to individuals and institutional clients throughout the world. The manager’s principal address is 399 Park Avenue, New York, New York 10022.

On June 23, 2005, Citigroup Inc. (“Citigroup”) entered into an agreement to sell substantially all of its asset management business, which included the manager, to Legg Mason, Inc. (“Legg Mason”). The transaction took place on December 1, 2005. As a result, the manager, previously an indirect wholly-owned subsidiary of Citigroup, became a wholly-owned subsidiary of Legg Mason.

Legg Mason, whose principal executive offices are at 100 Light Street, Baltimore, Maryland 21202, is a financial services holding company. As of December 31, 2005, Legg Mason’s asset management operation had aggregate assets under management of approximately $850.8 billion.

The portfolio managers

The portfolio managers are primarily responsible for the day-to-day operation of the fund.

<table>
<thead>
<tr>
<th>Portfolio Manager/Portfolio Management Team Members</th>
<th>Portfolio Manager Since</th>
<th>Past 5 years’ business experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>John G. Goode</td>
<td>April 2002</td>
<td>Co-portfolio manager of the fund; senior portfolio manager responsible for the day to day management of the fund; joined Citigroup or its predecessor firms in 1969</td>
</tr>
<tr>
<td>Peter J. Hable</td>
<td>April 2002</td>
<td>Co-portfolio manager of the fund; senior portfolio manager responsible for the day to day management of the fund; joined Citigroup or its predecessor firms in 1983</td>
</tr>
</tbody>
</table>

The statement of additional information provides additional information about the portfolio managers’ compensation, other accounts managed and the portfolio managers’ ownership of securities of the fund.

Management fees

As of December 31, 2005, SaBAM managed approximately $88 billion of assets.

<table>
<thead>
<tr>
<th>Actual management fee paid during the most recent fiscal year as a percentage of average daily net assets after accounting for voluntary expense limitations and/or reimbursements, if applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.75%</td>
</tr>
</tbody>
</table>
A discussion regarding the basis for the Board of Director’s approval of the fund’s management agreement is available in the fund’s Annual Report for the fiscal year ended December 31, 2005.

Recent developments

On May 31, 2005, the SEC issued an order in connection with the settlement of an administrative proceeding against Smith Barney Fund Management, LLC (“SBFM”) and Citigroup Global Markets Inc. (“CGM”) relating to the appointment of an affiliated transfer agent for the Smith Barney family of mutual funds (the “Affected Funds”).

The SEC order finds that SBFM and CGM willfully violated Section 206(1) of the Investment Advisers Act of 1940 (“Advisers Act”). Specifically, the order finds that SBFM and CGM knowingly or recklessly failed to disclose to the boards of the Affected Funds in 1999 when proposing a new transfer agent arrangement with an affiliated transfer agent that: First Data Investors Services Group (“First Data”), the Affected Funds’ then-existing transfer agent, had offered to continue as transfer agent and do the same work for substantially less money than before; and that Citigroup Asset Management (“CAM”), the Citigroup business unit that, at the time, included the fund’s investment manager and other investment advisory companies, had entered into a side letter with First Data under which CAM agreed to recommend the appointment of First Data as sub-transfer agent to the affiliated transfer agent in exchange for, among other things, a guarantee by First Data of specified amounts of asset management and investment banking fees to CAM and CGM. The order also finds that SBFM and CGM willfully violated Section 206(2) of the Advisers Act by virtue of the omissions discussed above and other misrepresentations and omissions in the materials provided to the Affected Funds’ boards, including the failure to make clear that the affiliated transfer agent would earn a high profit for performing limited functions while First Data continued to perform almost all of the transfer agent functions, and the suggestion that the proposed arrangement was in the Affected Funds’ best interests and that no viable alternatives existed. SBFM and CGM do not admit or deny any wrongdoing or liability. The settlement does not establish wrongdoing or liability for purposes of any other proceeding.

The SEC censured SBFM and CGM and ordered them to cease and desist from violations of Sections 206(1) and 206(2) of the Advisers Act. The order requires Citigroup to pay $208.1 million, including $109 million in disgorgement of profits, $19.1 million in interest, and a civil money penalty of $80 million. Approximately $24.4 million has already been paid to the Affected Funds, primarily through fee waivers. The remaining $183.7 million, including the penalty, has been paid to the U.S. Treasury and will be distributed pursuant to a plan submitted for the approval of the SEC. At this time, there is no certainty as to how the above-described proceeds of the settlement will be distributed, to whom such distributions will be made, the methodology by which such distributions will be allocated, and when such distributions will be made.

The order also required that transfer agency fees received from the Affected Funds since December 1, 2004, less certain expenses, be placed in escrow and provided that a portion of such fees might be subsequently distributed in accordance with the terms of the order. On April 3, 2006, an aggregate amount of approximately $9 million held in escrow was distributed to the Affected Funds.
The order required SBFM to recommend a new transfer agent contract to the Affected Funds’ boards within 180 days of the entry of the order; if a Citigroup affiliate submitted a proposal to serve as transfer agent or sub-transfer agent, SBFM and CGM would have been required, at their expense, to engage an independent monitor to oversee a competitive bidding process. On November 21, 2005, and within the specified timeframe, the Affected Funds’ Board selected a new transfer agent for the Affected Funds. No Citigroup affiliate submitted a proposal to serve as transfer agent. Under the order, SBFM also must comply with an amended version of a vendor policy that Citigroup instituted in August 2004.

Although there can be no assurance, SBFM does not believe that this matter will have a material adverse effect on the Affected Funds.

This fund is not one of the Affected Funds and therefore did not implement the transfer agent arrangement described above and therefore has not received and will not receive any portion of the distributions.

On December 1, 2005, Citigroup completed the sale of substantially all of its global asset management business, including SBFM, to Legg Mason.

Distributors
Legg Mason Investor Services, LLC, a wholly-owned broker-dealer subsidiary of Legg Mason and an affiliate of the manager, and CGM, a registered broker-dealer, serve as the fund’s distributors.

The fund’s distributors and/or their affiliates may make payments for distribution and/or shareholder servicing activities out of their past profits and other available sources. The distributors may also make payments for marketing, promotional or related expenses to dealers. The amount of these payments is determined by the distributors and may be substantial. The manager or an affiliate may make similar payments under similar arrangements.

The payments by the distributors and/or their affiliates described above are often referred to as “revenue sharing payments.” The recipients of such payments may include the fund’s distributors and other affiliates of the manager, broker-dealers, financial institutions and other financial intermediaries through which investors may purchase shares of the fund. In some circumstances, such payments may create an incentive for an intermediary or its employees or associated persons to recommend or sell shares of the fund to you. Please contact your financial intermediary for details about revenue sharing payments it may receive.

Transfer agent and shareholder servicing agent
PFPC Inc. (the “transfer agent”), located at P.O. Box 9699, Providence, Rhode Island 02940-9699, serves as the fund’s transfer agent and shareholder servicing agent. The transfer agent maintains the shareholder account records for the fund, handles certain communications between shareholders and the fund and distributes dividends and distribution payable by the fund.
Share transactions

Availability of the fund

Individuals may not purchase shares directly from the fund. You should read the prospectus for your insurance company’s variable contract to learn how to purchase a variable contract based on the fund.

The fund may sell its shares directly to separate accounts established and maintained by insurance companies for the purpose of funding variable annuity and variable life insurance contracts and to certain qualified pension and retirement plans. The variable insurance products and qualified plans may or may not make investments in the fund described in this prospectus. Shares of the fund are sold at net asset value.

The fund may sell its shares directly to separate accounts established and maintained by insurance companies for the purpose of funding variable annuity and variable life insurance contracts and to certain qualified pension and retirement plans. The variable insurance products and qualified plans may or may not make investments in the fund described in this prospectus. Shares of the fund are sold at net asset value.

The interests of different variable insurance products and qualified plans investing in the fund could conflict due to differences of tax treatment and other considerations. The fund currently does not foresee any disadvantages to investors arising from the fact that the fund may offer its shares to different insurance company separate accounts that serve as the investment medium for their variable annuity and variable life products and to qualified plans. Nevertheless, the Board of Directors of the fund intends to monitor events to identify any material irreconcilable conflicts which may arise, and to determine what action, if any, should be taken in response to these conflicts. If a conflict were to occur, one or more insurance companies’ separate accounts or qualified plans might be required to withdraw their investments in the fund and shares of another fund may be substituted.

In addition, the sale of shares may be suspended or terminated if required by law or regulatory authority or if it is in the best interests of the fund’s shareholders. The fund reserves the right to reject any specific purchase order.

The fund also offers Class II shares, which are subject to a distribution fee and are offered through a separate prospectus to separate accounts established and maintained by insurance companies for the purpose of funding variable annuity and variable life insurance contracts and to certain qualified pension and retirement plans.

Certain insurance companies may have selected, and the distributors may have made available, fund share classes with service and distribution related fees that are higher than other available share classes. As a result of any higher fees paid by investors in such share classes, the amount of fees that may otherwise need to be paid by the distributors or their affiliates to such insurance company would decrease.

Redemption of shares

Redemption requests may be placed by separate accounts of participating insurance companies and by qualified plans. The redemption price of the shares of the fund will be the net asset value next determined after receipt by the fund or its agent of a redemption request in good order. The value of redeemed shares may be more or less than the price paid for the shares. Sales proceeds will normally be forwarded by bank wire to the selling insurance company or qualified plan on the next business day after receipt of a redemption request in good order but in no event later than 7 days following receipt of instructions. The fund may suspend sales or postpone payment dates during any period in which any of the following conditions exist:

- The New York Stock Exchange (the “NYSE”) is closed;
Trading on the NYSE is restricted;
An emergency exists as a result of which disposal by the fund of securities is not reasonably practicable or it is not reasonably practicable for the fund to fairly determine the value of its net assets; or
As permitted by an SEC order in extraordinary circumstances.

**Frequent purchases and sales of fund shares**

Frequent purchases and redemptions of mutual fund shares may interfere with the efficient management of a fund’s portfolio by its portfolio manager, increase portfolio transaction costs, and have a negative effect on a fund’s long-term shareholders. For example, in order to handle large flows of cash into and out of a fund, the portfolio manager may need to allocate more assets to cash or other short-term investments or sell securities, rather than maintaining full investment in securities selected to achieve the fund’s investment objective. Frequent trading may cause a fund to sell securities at less favorable prices. Transaction costs, such as brokerage commissions and market spreads, can detract from the fund’s performance. In addition, the return received by long term shareholders may be reduced when trades by other shareholders are made in an effort to take advantage of certain pricing discrepancies, when, for example, it is believed that the fund’s share price, which is determined at the close of the NYSE on each trading day, does not accurately reflect the value of the fund’s portfolio securities. Funds investing in foreign securities have been particularly susceptible to this form of arbitrage, but other funds could also be affected.

Because of the potential harm to the fund and its long-term shareholders, the Board of Directors of the fund (the “Board”) has approved policies and procedures that are intended to discourage and prevent excessive trading and market timing abuses through the use of various surveillance techniques. Under these policies and procedures, the fund may limit additional exchanges or purchases of fund shares by shareholders who are believed by the manager to be engaged in these abusive trading activities. The intent of the policies and procedures is not to inhibit legitimate strategies, such as asset allocation, dollar cost averaging, or similar activities that may nonetheless result in frequent trading of fund shares. For this reason, the Board has not adopted any specific restrictions on purchases and sales of fund shares, but the fund reserves the right to reject any exchange or purchase of fund shares with or without prior notice to the account holder. In cases where surveillance of a particular account establishes what the manager believes to be obvious market timing, the manager will seek to block future purchases and exchanges of fund shares by that account.

Where surveillance of a particular account indicates activity that the manager believes could be either abusive or for legitimate purposes, the fund may permit the account holder to justify the activity.

The fund’s shares are offered exclusively to insurance company separate accounts that fund certain insurance contracts, and insurance companies typically hold shares for a number of insurance contracts in a single account. Although the policies and procedures discussed above apply to any account, including such insurance companies separate accounts, the fund’s ability to monitor trading in these accounts may be severely limited due to the lack of access to an individual investor’s trading activity when orders are placed through these types of accounts. There may also be operational and technological...
limitations on the ability of the fund’s service providers to identify or terminate frequent trading activity within the various types of omnibus accounts.

The fund’s policies and procedures also require personnel such as portfolio managers and investment staff to report any abnormal or otherwise suspicious investment activity, and prohibit short-term trades by such personnel for their own account in mutual funds managed by the manager and its affiliates, other than money market funds. Additionally, the fund has adopted policies and procedures to prevent the selective release of information about its portfolio holdings, as such information may be used for market timing and similar abusive practices.

The fund’s policies and procedures provide for ongoing assessment of the effectiveness of current policies and surveillance tools, and the Board reserves the right, with notice to shareholders, to modify these or adopt additional policies and restrictions in the future. Shareholders should be aware, however, that any surveillance techniques currently employed by the funds or other techniques that may be adopted in the future, may not be effective, particularly where the trading takes place through certain types of omnibus accounts. As noted above, if the fund is unable to detect and deter trading abuses, its performance, and long-term shareholders, may be harmed. In addition, because the fund has not adopted any specific limitations or restrictions on the trading of fund shares, shareholders may be harmed by the extra costs and portfolio management inefficiencies that result from frequent trading of fund shares, even when the trading is not for abusive purposes. The fund will provide advance notice to its shareholders and prospective investors of any specific restrictions on the trading of fund shares that the Board may adopt in the future.

Share price
The price of fund shares is based on the fund’s net asset value. The fund’s net asset value is the value of its assets minus its liabilities. The fund calculates its net asset value every day the NYSE is open and when regular trading closes on the NYSE (normally 4:00 p.m., Eastern time).

The Board of Directors has approved procedures to be used to value the fund’s securities for the purposes of determining the fund’s net asset value. The valuation of the securities of the fund is determined in good faith by or under the direction of the Board of Directors. The Board of Directors has delegated certain valuation functions for the fund to the manager.

The fund generally values its securities based on market prices determined at the close of regular trading on the NYSE. The fund’s currency valuations, if any, are done as of when the London stock exchange closes, which is usually at 12 noon Eastern time. For equity securities that are traded on an exchange, the market price is usually the closing sale or official closing price on that exchange. In the case of securities not traded on an exchange, or if such closing prices are not otherwise available, the market price is typically determined by independent third party pricing vendors approved by the fund’s board using a variety of pricing techniques and methodologies. The market price for debt obligations is generally the price supplied by an independent third party pricing service approved by the fund’s board, which may use a matrix, formula or other objective method that takes into consideration market indices, yield curves and other specific adjustments. Short-term
debt obligations that will mature in 60 days or less are valued at amortized cost, unless it is
determined that using this method would not reflect an investment’s fair value. If vendors
are unable to supply a price, or if the price supplied is deemed by the manager to be
unreliable, the market price may be determined using quotations received from one or
more brokers/dealers that make a market in the security.

When such prices or quotations are not available, or when the manager believes that
they are unreliable, the manager will price securities using fair value procedures approved
by the Board. Funds that invest in securities that may be thinly traded, for which market
quotations may not be readily available or may be unreliable — such as securities of small
capitalization companies, securities of issuers located in emerging markets or high yield
securities (junk bonds) — may use the fair valuation procedures more frequently than
funds that invest primarily in securities that are more liquid — such as securities of large
capitalization domestic issuers. The fund may also use fair value procedures if the manager
determines that a significant event has occurred between the time at which a market price
is determined and the time at which the fund’s net asset value is calculated. In particular,
the value of foreign securities may be materially affected by events occurring after the close
of the market on which they are valued, but before the fund prices its shares. The fund
uses a fair value model developed by an independent third party pricing service to price
foreign equity securities on days when there is a certain percentage change in the value of a
domestic equity security index, as such percentage may be determined by the manager
from time to time.

Valuing securities at fair value involves greater reliance on judgment than valuation of
securities based on readily available market quotations. A fund that uses fair value to price
securities may value those securities higher or lower than another fund using market
quotations or its own fair value methodologies to price the same securities. There can be
no assurance that the fund could obtain the fair value assigned to a security if it were to sell
the security at approximately the time at which the fund determines its net asset value.

A fund may invest in securities that are listed on foreign exchanges that trade on week-
ends and other days when the fund does not price its shares. Therefore, the value of the
fund’s shares may change on days when you will not be able to purchase or redeem the
fund’s shares.

In order to buy, redeem or exchange shares at that day’s price, an insurance company
separate account or a qualified plan, as agent for the fund, must receive the orders from its
underlying account holders before the NYSE closes. If the NYSE closes early, the orders
must be received prior to the actual closing time. Otherwise, the investor will receive the
next business day’s price. The insurance company separate account or qualified plan must
then transmit orders received prior to the NYSE close to the fund’s transfer agent before
the transfer agent’s close of business.
Dividends, distributions and taxes

Annual distributions of income and capital gains are made at the end of the year in which the income or gain is realized, or the beginning of the next year.

The fund has elected to be treated, and intends to qualify each year, as a “regulated investment company” under Subchapter M of the Internal Revenue Code of 1986 (the “Code”), as amended. In order to qualify to be taxed as a regulated investment company, the fund must meet certain income and diversification tests and distribution requirements. As a regulated investment company meeting these requirements, the fund will not be subject to federal income tax on its net investment income and net capital gains that it distributes to its shareholders. All income and capital gain distributions are automatically reinvested in additional shares of the fund at net asset value and are includable in gross income of the separate accounts holding such shares. See the accompanying contract prospectus for information regarding the federal income tax treatment of distributions to the separate accounts and to holders of the contracts.

The fund intends to pay out all of its net investment income and net realized capital gains for each year. The fund normally pays dividends and distributes capital gains, if any, as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Income Dividend Distributions</th>
<th>Capital Gain Distributions</th>
<th>Distributions Mostly From</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Cap Portfolio</td>
<td>annually</td>
<td>annually</td>
<td>gain</td>
</tr>
</tbody>
</table>

Participating insurance companies should consult their tax advisors about federal, state and local tax consequences.
**Financial highlights**

The financial highlights table is intended to help you understand the performance of the fund’s Class I shares for the past 5 years. Certain information reflects financial results for a single Class I share. Total return represents the rate that a shareholder would have earned (or lost) on the fund’s Class I shares assuming reinvestment of all dividends and distributions. The information for the year ended December 31, 2005 in the following table has been derived from the fund’s financial statements, which have been audited by KPMG LLP, an independent registered public accounting firm, whose report, along with the fund’s financial statements, is included in the annual report (available upon request). The financial statements containing the information for each of the periods ended on or prior to December 31, 2004 in the following table were audited by an other independent registered public accounting firm.

For a Class I share of capital stock outstanding throughout each year ended December 31:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net asset value, beginning of year</strong></td>
<td>$16.83</td>
<td>$15.62</td>
<td>$11.26</td>
<td>$15.10</td>
<td>$15.10</td>
</tr>
<tr>
<td><strong>Income (loss) from operations:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>0.14</td>
<td>0.08</td>
<td>0.04</td>
<td>0.06</td>
<td>0.10</td>
</tr>
<tr>
<td>Net realized and unrealized gain (loss)</td>
<td>0.54</td>
<td>1.22</td>
<td>4.35</td>
<td>(3.84)</td>
<td>0.20</td>
</tr>
<tr>
<td><strong>Total income (loss) from operations</strong></td>
<td>0.68</td>
<td>1.30</td>
<td>4.39</td>
<td>(3.78)</td>
<td>0.30</td>
</tr>
<tr>
<td><strong>Less distributions from:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>(0.15)</td>
<td>(0.09)</td>
<td>(0.03)</td>
<td>(0.06)</td>
<td>(0.10)</td>
</tr>
<tr>
<td>Net realized gains</td>
<td>(0.01)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(0.20)</td>
</tr>
<tr>
<td><strong>Total distributions</strong></td>
<td>(0.16)</td>
<td>(0.09)</td>
<td>(0.03)</td>
<td>(0.06)</td>
<td>(0.30)</td>
</tr>
<tr>
<td><strong>Net asset value, end of year</strong></td>
<td>$17.35</td>
<td>$16.83</td>
<td>$15.62</td>
<td>$11.26</td>
<td>$15.10</td>
</tr>
<tr>
<td><strong>Total return(2)</strong></td>
<td>4.05%</td>
<td>8.31%</td>
<td>39.03%</td>
<td>(25.06)%</td>
<td>1.91%</td>
</tr>
<tr>
<td><strong>Net assets, end of year (000s)</strong></td>
<td>$295,109</td>
<td>$331,473</td>
<td>$276,771</td>
<td>$175,775</td>
<td>$180,794</td>
</tr>
<tr>
<td><strong>Ratios to average net assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross expenses</td>
<td>0.82%</td>
<td>0.89%</td>
<td>0.98%</td>
<td>0.97%</td>
<td>1.02%</td>
</tr>
<tr>
<td>Net expenses(3)</td>
<td>0.82</td>
<td>0.89</td>
<td>0.98</td>
<td>0.97</td>
<td>1.00(4)</td>
</tr>
<tr>
<td>Net investment income</td>
<td>0.85</td>
<td>0.53</td>
<td>0.32</td>
<td>0.50</td>
<td>1.02</td>
</tr>
<tr>
<td><strong>Portfolio turnover rate</strong></td>
<td>30%</td>
<td>29%</td>
<td>21%</td>
<td>128%</td>
<td>72%</td>
</tr>
</tbody>
</table>

(1) Per share amounts have been calculated using the average shares method.
(2) Total returns do not reflect expenses associated with the separate accounts such as administrative fees, account charges and surrender charges which, if reflected, would reduce the total returns for all periods shown. Performance figures may reflect voluntary fee waivers. Past performance is no guarantee of future results. In the absence of voluntary fee waivers, the total return would have been lower.
(3) As a result of a voluntary expense limitation, the ratio of expenses to average net assets will not exceed 100%.
(4) The investment manager voluntarily waived all or a portion of its management fees. Such waivers are voluntary and may be reduced or terminated at any time.
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All Cap Portfolio
Class I

Additional information about the fund

Shareholder reports Annual and semi-annual reports to shareholders provide additional information about the fund's investments. These reports discuss the market conditions and investment strategies that significantly affected the fund's performance during its last fiscal year.

Statement of additional information The statement of additional information provides more detailed information about the fund. It is incorporated by reference into (is legally a part of) this prospectus.

How to obtain additional information.

You can make inquiries about the fund or obtain shareholder reports or the statement of additional information (without charge) by calling Salomon Brothers Asset Management Inc at 1-800-Salomon, or by writing the fund at 399 Park Avenue, New York, NY 10022. The fund's web site does not make available its statement of additional information and shareholder reports because the web site is not currently set up to do so.

You can also review the fund's shareholder reports, prospectus and statement of additional information at the Securities and Exchange Commission's Public Reference Room in Washington, D.C. You can get copies of these materials for a fee by electronic request at the following email address: publicinfo@sec.gov, or by writing to the Public Reference Section of the Securities and Exchange Commission, Washington, D.C. 20549-0102. Information about the public reference room may be obtained by calling 1-202-942-8090. You can get the same reports and information free from the EDGAR Database on the Securities and Exchange Commission's Internet web site—http://www.sec.gov.

If someone makes a statement about the fund that is not in this prospectus, you should not rely upon that information. Neither the fund nor the distributors are offering to sell shares of the fund to any person to whom the fund may not lawfully sell its shares.