

WESTERN ASSET VARIABLE RATE STRATEGIC FUND INC.

Form SC 13G

January 24, 2007

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

Western Asset Variable Rate Strategic Fund Inc. (GFY)

-----  
(Name of Issuer)

Common Stock

-----  
(Title of Class of Securities)

957667108

-----  
(CUSIP Number)

December 31, 2006

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1              NAME OF REPORTING PERSON  
                 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
                 Sit Investment Associates, Inc.  
                 41-1404829  
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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
 (SEE INSTRUCTIONS)  
 (a)  |  
 (b)  |

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
 State of Minnesota

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 1,111,100
	6	SHARED VOTING POWER -0-
	7	SOLE DISPOSITIVE POWER 1,111,100
	8	SHARED DISPOSITIVE POWER -0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 1,111,100

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
 CERTAIN SHARES (SEE INSTRUCTIONS)  
 Not Applicable

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
 13.35%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
 Sit Investment Associates, Inc. (client accounts) IA

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ITEM 1 (a) Name of Issuer:  
 Western Asset Variable Rate Strategic Fund Inc.

ITEM 1 (b) Address of Issuer's Principal Executive Offices:  
 125 Broad Street  
 New York, NY 10004

ITEM 2 (a) Name of Person Filing: Sit Investment Associates, Inc.  
 Sit Investment Associates, Inc. ("SIA") is an Investment Adviser registered  
 under section 203 of the Investment Advisers Act of 1940.

SIA has four subsidiaries, each of which are registered Investment  
 Advisers:

1. Sit Investment Fixed Income Advisors ("SIFIA") 41-1845054
2. Sit/Kim International Investment Associates, Inc. ("SKI") 36-3627319
3. Sit Fixed Income Advisors II, LLC 41-1894024
4. Sit/Kim International Investment Associates II, LLC ("SKI II") 41-1918565





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ITEM 10 Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes of effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

SIT INVESTMENT ASSOCIATES, INC.

Date: January 24, 2007

By: /s/ Paul E. Rasmussen

Title: Vice President