SECURITIES AND EXCHANGE COMMISSION

FORM N-30B-2

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MANAGED MUNICIPALS PORTFOLIO INC

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Business Address
TWO WORLD TRADE CENTER
NEW YORK NY 10048
2124648068

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MANAGED MUNICIPALS
PORTFOLIO INC.
Annual Report
May 31, 1994

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The green cover has a golden picture of an eagle sitting on top of a shield with two warriors on either side.

MANAGED MUNICIPALS
PORTFOLIO INC.
May 31, 1994

DEAR SHAREHOLDER:

We are pleased to provide you with the Annual Report and portfolio of investments for Managed Municipals Portfolio for the fiscal year ended May 31, 1994. This concluded the Portfolio's second year of investment operations. During this fiscal year, the Portfolio paid investors dividends of $0.67 per share of tax-exempt income and a distribution of $0.51 per share from net realized capital gains. The Portfolio's net asset value eroded by $0.74 to $12.26 from $13.00, which is in line with the $0.75 decline during the past 12 months in its stock price to $11.50 from $12.25. The Portfolio's dividend and capital gains distributions somewhat offset this decline in its market price, resulting in a total return of 2.27% for the 1994 fiscal year.

A TALE OF TWO BOND MARKETS:

"IT WAS THE BEST OF TIMES, IT WAS THE WORST OF TIMES . . ."

The past 12 months encompassed two very different market environments. From May through the end of October 1993, it was the best of times in terms of the fixed-income markets, and many investors hoped that the market's euphoria would last forever. Bond prices rose to extreme heights, which provided the Portfolio with the unique opportunity to realize and then pay a very attractive capital gains distribution, and investors in the Portfolio saw its net asset value reach a month-end high of $13.50 on September 30, 1993.

From November 1993 to the end of May 1994, however, it was a very different market environment. After an extremely bullish bond market, investors found themselves embroiled in a very bearish bond market and facing the winter of despair. For the first time in close to five years, market participants confronted a classic situation that, if in fact was not the worst of times, came very close. There was a

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tremendous decline in bond prices, and as important as it was during the first half of the Portfolio's fiscal year to be offensively positioned in terms of security holdings, it now was equally as important to be defensively positioned.

The Federal Reserve's increase in short-term rates was perhaps the catalyst for the municipal market decline, but all of the fixed income markets reacted much more powerfully than could have been anticipated, perhaps even overreacted. We attribute the market's exaggerated response on both the upside and the downside to the winding and unwinding of some very large leveraged trades that were put on by hedge funds. And it is no secret that some of these trades did not work out as anticipated, forcing investors to unwind their trades sooner than expected and thereby exacerbated the municipal bond market's downturn. Now that this has passed, the market should once again react to basic fundamentals more than anything else. As long as the economic numbers continue to indicate that inflation is still a threat, we believe that the Federal Reserve will raise short-term interest rates until the American economy begins to lose some steam. And as strong as the economy looks right now, it could be some time before it begins to slow.

IT WAS THE AGE OF WISDOM, IT WAS THE AGE OF FOOLISHNESS . . .

Unlike many other investors who believed the bull market for bonds seemingly would never end, we took an incredibly cautious stance last fall towards the marketplace. We shortened the average life of the Portfolio's holdings, raised the percentage of cash holdings, and made the dramatic move of hedging the Portfolio against declining bond prices. In sum, we took about as defensive a position as we could, which is one of the reasons that relative to most of the Portfolio's peers it had one of the more stable net asset values and a positive total return for this fiscal year.

In late March and early April, we removed all of the hedges from the Portfolio and began buying long-term municipal bonds. During market declines, the area that usually declines the most is the high-grade area of the market because it is the most liquid. So in April, when we decided that the market had adjusted enough and consequently presented some good investment opportunities, we were able to buy AA and AAA-rated securities at very attractive prices. Most of our purchases were in the general obligation and essential service revenue sectors, because we think they offer the best value at this time, defining value as the highest yield relative to their credit risk. We are still wary of uninsured health care bonds for two reasons: the 1986 tax act

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materially changed the way hospitals are reimbursed by Medicare and Medicaid; and the current health care package has too many uncertainties associated with it. We have lengthened the average maturity of the Portfolio to 24 years, and have kept a fairly small cash position.

GREAT EXPECTATIONS . . .

By the end of the Portfolio's fiscal year, the worst of the volatility and downside in the bond market was over. Could it go down from here? Yes, but if it does, we doubt that the decline will be dramatic; it is far more likely to be a minor correction. We are a little bit more aggressive on the municipal market right now because it is a much more benign investment climate than it was, and we think that current interest rates represent very fair value.

We also believe that the supply and demand characteristics are very positive for the municipal market and will moderate its volatility. In terms of demand, the Clinton tax package makes tax-exempt income for the individual investor even more valuable than it was in the past. And there is also a great deal of institutional participation in our marketplace, which we haven't seen for a long time.

In terms of supply, we anticipate a tremendous cutback in the supply of municipals coming in the market as a result of the rise in interest rates. Over the next few years, the supply of municipal bonds could decline by 50 percent below 1993's record level. And because of this, we think that tax-exempt securities will perform substantially better than taxable issues.

As for the Portfolio's dividends, at their June meeting, the Board of Directors approved an amendment to the Portfolio's Dividend Reinvestment Plan. Under the Plan, a shareholder can elect to have dividends automatically reinvested in shares of the Portfolio. If the net asset value per share of the Portfolio's stock at the time of valuation for purposes of the dividend distribution exceeds the market price of the stock, or if the Portfolio declares a dividend or capital gains distribution payable only in cash, the Plan's purchasing agent will buy shares of the Portfolio in the open market for the plan participants' accounts. Under the current Plan, these purchases commence on the dividend payment date. The Directors revised the Plan to provide that the purchasing agent may commence purchases of Portfolio shares on the open market as of record date in anticipation of the dividend payment. It is hoped that this will decrease the cost of the repurchased shares by increasing the amount of time over which such purchases will be made, so that

CONTINUED

purchases on the open market will not be compacted into a small window following the payment date. This revision will be effective upon the first dividend declaration after September 1, 1994.

In closing, we would like to remind you that the stock price of the Portfolio is reported in most daily newspapers in the listings for securities traded on the New York Stock Exchange under the abbreviation "MgdMU" or its stock symbol "MMU." The weekly closing price and its net asset value per share are reported in BARRON'S and the Monday edition of THE WALL STREET JOURNAL. If you have any questions or comments about your investment in the Portfolio, please contact The Shareholder Services Group, Inc. at (800) 331-1710. We look forward to another year of market opportunities.

Sincerely,

Heath B. McLendon
CHAIRMAN OF THE BOARD

Joseph P. Deane
VICE PRESIDENT AND
INVESTMENT OFFICER

July 13, 1994

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Unaudited Financial Data
Per Share Of Common Stock

<TABLE>

	NYSE Closing Price	Net Asset Value	Dividend Paid	Capital Gains Dividend Paid
June 30, 1993..........	$12.375	$13.22	$0.061	--
July 31, 1993..........	12.500	13.14	0.061	--
August 31, 1993........	12.875	13.42	0.061	--
September 30, 1993.....	12.625	13.50	0.061	--
October 31, 1993.......	12.875	13.47	0.061	--
November 30, 1993......	12.250	13.36	0.061	--
December 31, 1993......	12.500	13.08	--	$0.510
January 31, 1994.......	12.625	13.07	0.061	--
February 28, 1994......	12.125	12.84	0.061	--
March 31, 1994.........	11.375	12.23	0.061	--
April 30, 1994.........	11.250	12.23	0.061	--
May 31, 1994...........	11.500	12.26	0.061	--

</TABLE>

Dividend Data
For the Year Ended May 31, 1994

<TABLE>

		Equivalent Taxable Distribution Rate			
Per Share Dividend Distributions*	Annualized Distribution Rate**	Assuming 28% Federal Tax Bracket	Assuming 31% Federal Tax Bracket	Assuming 36% Federal Tax Bracket	Assuming 39.6% Federal Tax Bracket
$0.671	5.47%	7.60%	7.93%	8.55%	9.06%

* Based on income dividends of $0.061 for the twelve months ended May 31, 1994.

** Based on May 31, 1994 net asset value of $12.26 per share. Does not include capital gains dividend of $0.510 per share.

</TABLE>

Each registered shareholder is considered a participant in the Fund's Dividend Reinvestment Plan, unless the shareholder elects to receive all dividends and distributions in cash, or unless the shareholder's shares are registered in the name of a broker, bank or nominee (other than Smith Barney Inc.) which does not provide the service. Questions and correspondence concerning the Dividend Reinvestment Plan should be directed to The Shareholder Services Group, Inc., P.O. Box 1376, Boston, Massachusetts 02104.

Portfolio of Investments
MAY 31, 1994

<TABLE>
<S> <C> <C> <C>

KEY TO INSURANCE ABBREVIATIONS

AMBAC	--	American Municipal Bond Assurance Corporation
FGIC	--	Federal Guaranty Insurance Corporation
MBIA	--	Municipal Bond Investors Assurance

</TABLE>

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Face Value		Rating (unaudited) Moody's	S&P	Market Value (Note 1)
	MUNICIPAL BONDS AND NOTES--99.5%			
	ALASKA -- 2.1%			
$ 10,115,000	Valdez, Alaska, Marine Terminal Revenue, 5.650% due 12/1/28	A1	AA-	$ 9,014,994
	CALIFORNIA -- 9.0%			
2,000,000	California Housing Financing Agency Revenue, Series A, 6.550% due 8/1/26	Aa	A+	1,985,000
	Los Angeles, California, Regional Airport Improvement Corporation:			
3,300,000	(Los Angeles International Airport), Lease Revenue, 6.500% due 1/1/32	NR	A-	3,229,875
3,500,000	Regional Airport Improvement, Lease Revenue, 6.800% due 1/1/27	NR	A-	3,548,125
1,500,000	Los Angeles, California, Waste Water System Revenue, Series B, (MBIA insured), 5.700% due 6/1/23	Aaa	AAA	1,387,500
8,000,000	Los Angeles County, California, Metropolitan District Revenue, (AMBAC insured), 5.250% due 7/1/23	Aaa	AAA	6,830,000

</TABLE>

See Notes to
Financial Statements.

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Portfolio of Investments
MAY 31, 1994 (CONTINUED)

<TABLE>
<CAPTION>

Face Value		Rating (unaudited) Moody's	S&P	Market Value (Note 1)
<C>	<S>	<C>	<C>	<C>
	MUNICIPAL BONDS AND NOTES (CONTINUED)			
	CALIFORNIA (CONTINUED)			
$ 4,055,000	Orange County, California, Water District Authority, Certificates of Participation, Series A, 5.500% due 8/15/09	Aa	AA	$ 3,791,425
5,000,000	San Francisco, California, City Sewer Refunding, (AMBAC insured), 5.500% due 10/1/15	Aaa	AAA	4,575,000
	San Joaquin Hills, California, Transportation Authority, Condor Agency Tour Road, Sr. Lien Revenue:			
16,000,000	Zero Coupon due 1/1/17	NR	NR	3,180,000
25,000,000	Zero Coupon due 1/1/18	NR	NR	4,625,000
10,000,000	Zero Coupon due 1/1/20	NR	NR	1,575,000
15,000,000	Zero Coupon due 1/1/25	NR	NR	1,650,000
1,700,000	Sonoma County, California, Detention Facilities Improvement Program, Certificates of Participation, 5.000% due 11/15/13	A1	A+	1,430,125
	COLORADO -- 7.9%			
2,000,000	Colorado Springs, Colorado, Airport Revenue, Series A, 7.000% due 1/1/22	NR	BBB	2,042,500
100,000,000	Dawson Ridge Metropolitan District #1, Series B, Zero coupon due 10/1/22	Aaa	NR	13,000,000
	Denver, Colorado, Airport Revenue, Series C:			
4,000,000	6.750% due 11/15/22	Baa1	BB	3,575,000
18,325,000	6.125% due 11/15/25	Baa1	BB	14,980,688

</TABLE>

See Notes to
Financial Statements.

Portfolio of Investments
MAY 31, 1994 (CONTINUED)

<TABLE>
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Face Value		Rating (unaudited) Moody's	S&P	Market Value (Note 1)
<C>	<S>			<C>

<C> <C>
MUNICIPAL BONDS AND NOTES (CONTINUED)
CONNECTICUT -- 0.3%
$ 1,325,000 Connecticut State, Resource Recovery Project, (American
Fuel Company Project), Series A, 6.450% due 11/15/22
A2 A $ 1,245,500
FLORIDA -- 2.4%
5,000,000 Hillsborough County, Florida, Aviation Authority Revenue,
(Tampa International Airport), (FGIC insured), 5.500% due
10/1/13
Aaa AAA 4,687,500
Tampa, Florida, Revenue Bonds, (Aquarium Project):
3,000,000 7.550% due 5/1/12
NR NR 3,191,250
2,000,000 7.750% due 5/1/27
NR NR 2,135,000
GEORGIA -- 3.7%
16,200,000 Atlanta, Georgia, Airport Facilities Revenue, Series B,
(AMBAC insured), 6.000% due 1/1/14
Aaa AAA 15,754,500
ILLINOIS -- 1.6%
7,145,000 Chicago, Illinois, Skyway Toll Bridge, Refunding Revenue,
6.500% due 1/1/10
Baa BBB- 6,903,856
INDIANA -- 5.1%
18,305,000 Indiana Bond Bank, Revenue Guarantee, State Revolving
Fund, Series A, 6.000% due 2/1/15
NR A 17,481,275
4,000,000 Indiana Port Commission Revenue Refunding Project,
(Cargill Inc. Project), 6.875% due 5/1/12
Aa3 NR 4,235,000
</TABLE>

See Notes to
Financial Statements.

Portfolio of Investments
MAY 31, 1994 (CONTINUED)

<TABLE>
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Rating Market

(unaudited) Value
Face Value
Moody's S&P (Note 1)
- - ---
<C> <S> <C>
<C> <C>
MUNICIPAL BONDS AND NOTES (CONTINUED)
LOUISIANA -- 2.4%
$ 5,000,000 Lake Charles, Louisiana, (Harbor & Terminal Port
Facilities Project), (Trunkline LNG Company Project),
7.750% due 8/15/22
Ba1 NR $ 5,300,000
4,500,000 Saint Martin Parish, Louisiana, Industrial Project,
(Cargill Inc. Project), 6.625% due 10/1/12
Aa3 NR 4,713,750
MAINE -- 4.5%
10,880,000 Maine Municipal Bond Bank, Refunding Revenue, Series A,
5.500% due 11/1/09
AA A+ 10,240,800
10,000,000 Maine State Housing Authority, 5.700% due 11/15/26
A1 AA- 8,850,000
MARYLAND -- 0.3%

1,145,000 Baltimore County, Maryland, Mortgage Revenue, (Kingswood Common Project), 5.750% due 9/1/20
NR AAA 1,054,831
MASSACHUSETTS -- 2.5%
7,000,000 Commonwealth of Massachusetts, General Obligation, Series D, 5.750% due 5/1/12
A A+ 6,755,000
4,115,000 Massachusetts Bay Transportation Authority, Series B, 5.500% due 3/1/21
A A+ 3,734,363
MICHIGAN -- 4.7%
2,000,000 Michigan State Strategic Funding, Ltd., (Blue Water Fiber Project), 8.000% due 1/1/12
NR NR 1,960,000
</TABLE>

See Notes to
Financial Statements.

Portfolio of Investments
MAY 31, 1994 (CONTINUED)
<TABLE>
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Rating Market

(unaudited) Value
Face Value
Moody's S&P (Note 1)
- - ---
<C> <S> <C>
<C> <C>
MUNICIPAL BONDS AND NOTES (CONTINUED)
MICHIGAN (CONTINUED)
$ 16,375,000 Midland County, Michigan, Economic Development Corporation, Pollution Control Revenue, Series B, 9.500% due 7/23/09
NR NR $ 18,073,906
MINNESOTA -- 4.8%
2,500,000 Duluth, Minnesota, Seaway Port Authority, Industrial Development, Dock & Wharf Revenue, (Cargill Inc. Project), 6.800% due 5/1/12
NR AA- 2,665,625
15,685,000 St. Paul, Minnesota, Housing Redevelopment Agency, Hospital Revenue, Series D, (Health East Project), 9.750% due 11/1/17
Baa BBB- 17,724,050
MONTANA -- 1.1%
5,000,000 Montana State Board Investment Resources Recovery, Yellowstone Energy LP Project, 7.000% due 12/31/19
NR NR 4,806,250
NEW HAMPSHIRE -- 3.8%
New Hampshire Higher Education & Health Revenue, (Mary Hitchcock Memorial Hospital Project):
7,000,000 5.250% due 8/15/21
Aaa AAA 6,028,750
6,755,000 5.750% due 8/15/23
Aaa AAA 6,231,488
3,500,000 New Hampshire State Business Project, (Manchester Airport Project),
6.500% due 1/1/19
Aa AA 3,600,625
</TABLE>

See Notes to

Financial Statements.

Portfolio of Investments
MAY 31, 1994 (CONTINUED)

<TABLE>
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Rating Market

(unaudited) Value
Face Value
Moody's S&P (Note 1)
- - --
<C> <S> <C>
<C> <C>
MUNICIPAL BONDS AND NOTES (CONTINUED)
NEW JERSEY -- 1.6%
$ 5,200,000 Hudson County, New Jersey, Improvement Authority,
Essential Purpose -- Remarketed, 6.625% due 8/1/25
NR A+ $ 5,440,500
1,500,000 Middlesex County, New Jersey, Certificates of
Participation, 6.000% due 8/15/14
Aaa AAA 1,496,250
NEW YORK -- 6.5%
10,000,000 New York State, Dormitory Authority, (State University),
Series A, 5.500% due 5/15/06
Baa1 BBB+ 9,687,500
New York State, Local Government Assistance:
8,225,000 Series B,
5.500% due 4/1/21
A A 7,340,813
5,300,000 Series C, 5.500% due 4/1/18
A A 4,756,750
6,500,000 New York State, Medical Care Facilities, 5.375% due
2/15/25
Aa AAA 5,646,875
NORTH CAROLINA -- 1.8%
8,325,000 North Carolina Municipal Power Agency 1, (Catawba
Electric), Revenue Bonds, 5.750% due 10/1/15
A A 7,763,062
OHIO -- 0.7%
3,000,000 Franklin County, Ohio, Convention Facilities Authority,
Tax & Lease Revenue Anticipation Notes, (MBIA insured),
5.850% due 12/1/19
Aaa AAA 2,906,250
</TABLE>

See Notes to
Financial Statements.

<TABLE>
<CAPTION>

Rating Market

(unaudited) Value
Face Value
Moody's S&P (Note 1)
- - --

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<C> <C>
MUNICIPAL BONDS AND NOTES (CONTINUED)
PENNSYLVANIA -- 2.5%
$ 3,900,000 Doylestown, Pennsylvania, Hospital Authority Revenue,
Series A, 5.000% due 7/1/23
Aaa AAA $ 3,261,375
5,000,000 Pennsylvania Economic Development Finance Authority,
(Resource Recovery -- Northampton Generating Project),
Series A, 6.400% due 1/1/09
NR NR 4,793,750
2,500,000 Pennsylvania State, Industrial Development Authority
Revenue, 6.000% due 1/1/12
Aaa AAA 2,478,125
RHODE ISLAND -- 4.2%
2,500,000 Rhode Island Housing & Mortgage Finance Authority, Home
Ownership -- Remarketed, 6.650% due 10/1/12
Aa AA+ 2,537,500
12,050,000 Rhode Island State Health & Higher Education Facilities,
Educational Building Corporation Revenue, (Roger Williams
College), 6.500% due 11/15/24
NR AAA 12,275,937
3,000,000 Rhode Island State, Public Building Authority, Series A,
(AMBAC insured), 5.250% due 2/1/10
Aaa AAA 2,733,750
</TABLE>

See Notes to
Financial Statements.

Portfolio of Investments
MAY 31, 1994 (CONTINUED)
<TABLE>
<CAPTION>

Rating Market

(unaudited) Value
Face Value
Moody's S&P (Note 1)
- - --
<C> <S> <C>
<C> <C>
MUNICIPAL BONDS AND NOTES (CONTINUED)
SOUTH CAROLINA -- 2.9%
Charleston County, South Carolina, Certificates of
Participation:
$ 1,000,000 5.900% due 6/1/07
Aaa AAA $ 998,750
1,000,000 6.000% due 6/1/09
Aaa AAA 986,250
1,000,000 6.100% due 12/1/10
Aaa AAA 991,250
Myrtle Beach, South Carolina, Certificates of
Participation, (Myrtle Beach Convention Center Project):
2,000,000 6.875% due 7/1/07
Baa1 BBB+ 2,032,500
7,315,000 6.875% due 7/1/17
Baa1 BBB+ 7,360,719
SOUTH DAKOTA -- 0.7%
3,000,000 South Dakota State Housing Authority, (Homeowners
Mortgage Project), 5.800% due 5/1/14
Aa AA+ 2,861,250
TEXAS -- 3.1%
12,250,000 Sam Rayburn, Texas, Municipal Power Agency, Supply

Systems, Revenue Refunding, Series A, 6.750% due 10/1/14
Baa BB 11,913,125
1,000,000 Texas State Veterans Housing Assistance, 6.450% due 6/1/23
Aa AA 1,003,750
VIRGINIA -- 4.7%
4,700,000 Harrisonburg, Virginia, Redevelopment and Housing Authority, Public Facility Lease Revenue, (Jail & Courthouse Project), 6.500% due 9/1/14
A NR 4,770,500
</TABLE>

See Notes to
Financial Statements.

Portfolio of Investments
MAY 31, 1994 (CONTINUED)

<TABLE>
<CAPTION>

Rating Market

(unaudited) Value
Face Value
Moody's S&P (Note 1)
- - ---
<C> <S> <C>
<C> <C>
MUNICIPAL BONDS AND NOTES (CONTINUED)
VIRGINIA (CONTINUED)
$ 1,755,000 Virginia Beach, Virginia, General Obligation Refunding, 5.450% due 7/15/11
Aa AA $ 1,669,444
14,000,000 Virginia State Public Building Authority, Series C, 5.750% due 8/1/12
Aa AA 13,300,000
WASHINGTON -- 7.1%
4,750,000 Chelan County, Washington, Public Utilities District, General Obligation, Series 1993A, District 4, -- Remarketed, (mandatory put 7/1/19), 6.750% due 7/1/62
A1 A+ 4,868,750
5,650,000 Chelan County, Washington, Public Utilities District #001, (Chelan Hydro), Series E, 5.700% due 7/1/08
A1 A+ 5,416,938
18,200,000 Washington State Health Care Facilities, (Sisters of Providence Hospital), 7.875% due 10/1/10
A1 AA- 19,769,750
WEST VIRGINIA -- 2.1%
9,000,000 Marion County, West Virginia, County Commission, 7.750% due 12/1/11
NR NR 8,808,750
WISCONSIN -- 5.4%
4,070,000 Wisconsin State, General Obligation, Series B, 6.600% due 1/1/22
Aa AA 4,268,412
</TABLE>

See Notes to
Financial Statements.

<TABLE>
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Face Value		Rating (unaudited) Moody's	S&P	Market Value (Note 1)
	MUNICIPAL BONDS AND NOTES (CONTINUED)			
	WISCONSIN (CONTINUED)			
	Wisconsin State Health and Educational Facilities Authority:			
$ 6,000,000	Aurura, Health Care Obligated Credit, (MBIA insured), 5.250% due 8/15/23	Aaa	AAA	$ 5,115,000
6,770,000	(Marquette University Project), (MBIA insured), 5.500% due 12/1/11	Aaa	AAA	6,219,937
8,215,000	Wisconsin State Transportation Revenue, Series A, 5.500% due 7/1/22	A1	AA-	7,342,155
	TOTAL MUNICIPAL BONDS AND NOTES (COST $422,859,271)			$420,609,218

</TABLE>

See Notes to Financial Statements.

<TABLE>
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Face Value		Rating (unaudited) Moody's	S&P	Market Value (Note 1)
	SHORT-TERM TAX-EXEMPT INVESTMENTS -- 0.9%			
	CALIFORNIA -- 0.3%			
$ 300,000	California Health Facilities Financing Authority, Series A, 2.950% due 3/1/20+	VMIG-1	A-1+	$ 300,000
700,000	Irvine Ranch, California, Water District Revenue, Series B, 2.850% due 10/1/09+	NR	A-1	700,000
	DISTRICT OF COLUMBIA -- 0.2%			
700,000	District of Columbia, Refunding Revenue, Series A-5, 3.000% due 10/1/07+	VMIG-1	A-1+	700,000
	FLORIDA -- 0.3%			
1,200,000	Bay County, Florida, Hospital Systems, (Bay Medical), 3.150% due 4/1/18+	VMIG-1	NR	1,200,000

LOUISIANA -- 0.0%
200,000 East Baton Rouge Parish, Louisiana, Refunding Revenue,
3.200% due 6/1/98+
Aaa NR 200,000
NEW YORK -- 0.0%
200,000 New York City, New York, Subseries A-4, 3.200% due
8/1/21+
VMIG-1 A-1 200,000
TEXAS -- 0.1%
300,000 Gulf Coast Waste Disposal Authority, (Amoco Project),
3.100% due 8/1/23+
VMIG-1 A-1+ 300,000
WYOMING -- 0.0%
100,000 Vinta County, Wyoming, Pollution Control Revenue, 2.900%
due 12/1/22+
NR NR 100,000
</TABLE>

See Notes to
Financial Statements.

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Portfolio of Investments
MAY 31, 1994 (CONTINUED)

<TABLE>
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Market

Value

(Note 1)
- - --
<C> <S> <C>
<C> <C>
TOTAL SHORT-TERM TAX-EXEMPT INVESTMENTS
(COST $3,700,000)
$ 3,700,000
- - --
TOTAL INVESTMENTS
(COST $426,559,271*)
100.4% 424,309,218
OTHER ASSETS AND LIABILITIES (NET)
(0.4) (1,516,803)
- - --

NET ASSETS
100.0% $422,792,415
- - --
<FN>
* Aggregate cost for Federal tax purposes.
+ Variable rate demand bonds are payable upon not more than one day's notice.
</TABLE>

See Notes to
Financial Statements.

- - ----------------------------------

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Portfolio of Investments
MAY 31, 1994 (CONTINUED)

Summary of Municipal Bonds and Notes and Short-Term Tax-Exempt Investments by
Combined Ratings

(unaudited)

MOODY'S		STANDARD & POOR'S	PERCENT OF VALUE
Aaa	or	AAA	24.7 %
Aa		AA	19.4
A		A	23.0
Baa		BBB	18.0
Ba		BB	1.2
VMIG-1		A-1	0.8
NR		NR	12.9
			100.0 %

See Notes to Financial Statements.

Statement of Assets and Liabilities
MAY 31, 1994

ASSETS:		
Investments, at value (Cost $426,559,271)(Note 1)		
See accompanying schedule		$424,309,218
Cash		130,438
Interest receivable		6,803,988
TOTAL ASSETS		431,243,644
LIABILITIES:		
Payable for investment securities purchased	$ 6,880,040	
Dividends payable	1,148,205	
Investment advisory fee payable (Note 2)	249,894	
Administration fee payable (Note 2)	71,398	
Custodian fees payable (Note 2)	11,000	
Transfer agent fees payable (Note 2)	3,100	
Accrued expenses and other payables	87,592	
TOTAL LIABILITIES		8,451,229
NET ASSETS		$422,792,415
NET ASSETS consist of:		
Undistributed net investment income		$ 2,750,182
Accumulated net realized gain on investments		8,690,310
Unrealized depreciation of investments		(2,250,053)
Par value		34,496
Paid-in capital in excess of		

par value	413,567,480
TOTAL NET ASSETS	$422,792,415
NET ASSET VALUE, per share ($422,792,415 DIVIDED BY 34,495,979 shares of common stock outstanding) $12.26	

</TABLE>

See Notes to
Financial Statements.

Statement of Operations
FOR THE YEAR ENDED MAY 31, 1994

<TABLE>
<CAPTION>

<S>	<C>	<C>
INVESTMENT INCOME:		
Interest		$27,440,453
EXPENSES:		
Investment advisory fee (Note 2)	$3,122,879	
Administration fee (Note 2)	892,251	
Transfer agent fees (Note 2)	79,483	
Legal and audit fees	66,712	
Custodian fees (Note 2)	64,634	
Directors' fees and expenses (Note 2)	35,775	
Other	191,340	
TOTAL EXPENSES		4,453,074
NET INVESTMENT INCOME		22,987,379
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS (NOTES 1 AND 3):		
Net realized gain on:		
Securities transactions		2,686,541
Futures contracts		10,776,209
Net realized gain on investments during the year		13,462,750
Net unrealized depreciation of investments during the year		(21,622,471)
NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS		(8,159,721)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$14,827,658

</TABLE>

See Notes to
Financial Statements.

Statement of Changes in Net Assets

<TABLE>
<CAPTION>

	YEAR ENDED 5/31/94	PERIOD ENDED 5/31/93*

<S>	<C>	<C>
Net investment income	$ 22,987,379	$ 21,534,063
Net realized gain on securities transactions and futures contracts during the period	13,462,750	13,601,869
Net unrealized appreciation/(depreciation) of investments during the period	(21,622,471)	19,372,418
Net increase in net assets resulting from operations	14,827,658	54,508,350
Distributions to shareholders from:		
Net investment income	(23,021,268)	(18,749,992)
Net realized gain on investments	(17,418,025)	(956,284)
Net increase in net assets from Portfolio share transactions (Note 4)	4,465,722	409,735,872
Offering cost charged to paid-in-capital (Note 4)	--	(699,626)
Net increase/(decrease) in net assets	(21,145,913)	443,838,320
NET ASSETS:		
Beginning of period	443,938,328	100,008
End of year (including undistributed net investment income of $2,750,182 and $2,784,071, respectively)	$422,792,415	$443,938,328

<FN>
* The Portfolio commenced operations on June 26, 1992.
</TABLE>

See Notes to Financial Statements.

Financial Highlights

<TABLE>
<CAPTION>
FOR A PORTFOLIO SHARE OUTSTANDING THROUGHOUT EACH PERIOD

<S>	YEAR ENDED 5/31/94 <C>	PERIOD ENDED 5/31/93* <C>
Operating performance:		
Net asset value, beginning of period	$ 13.00	$ 12.00
Net investment income	0.67	0.63
Net realized and unrealized gain/(loss) on investments	(0.23)	0.97
Net increase in net assets resulting from operations	0.44	1.60
Offering cost charged to paid-in-capital	--	(0.02)
Distributions:		
Dividends from net investment income	(0.67)	

		(0.55)
Distributions from net realized capital gains	(0.51)	(0.03)
Total distributions	(1.18)	(0.58)
Net asset value, end of period	$ 12.26	$ 13.00
Market value, end of period	$ 11.50	$ 12.25
Total investment return***	2.27%	7.02%
Ratios/Supplemental Data:		
Net assets, end of period (in 000's)	$422,792	$443,938
Ratio of operating expenses to average net assets	1.00%	0.98%**
Ratio of net investment income to average net assets	5.15%	5.48%**
Portfolio turnover rate	72%	169%

<FN>
* The Portfolio commenced operations on June 26, 1992.
** Annualized.
*** Total return represents aggregate return based on market value for the period indicated.
</TABLE>

See Notes to Financial Statements.

Notes to Financial Statements
MAY 31, 1994

1. Significant Accounting Policies.

Managed Municipals Portfolio Inc. (the "Portfolio") was organized as a corporation under the laws of the State of Maryland on April 9, 1992 and is registered with the Securities and Exchange Commission as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended. The policies described below are followed consistently by the Portfolio in the preparation of its financial statements in conformity with generally accepted accounting principles.

PORTFOLIO VALUATION: Investments are valued by The Boston Company Advisors, Inc. ("Boston Advisors") after consultation with an independent pricing service (the "Service") approved by the Board of Directors. When, in the judgment of the Service, quoted bid prices for investments are readily available and are representative of the bid side of the market, these investments are valued at the mean between the quoted bid prices and asked prices. Investments for which, in the judgment of the Service, no readily obtainable market quotations are available, are carried at fair value as determined by the Service, based on methods that include consideration of: yields or prices of municipal obligations of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. The Service may use electronic data processing techniques and/or a matrix system to determine valuations. Short-term investments that mature in fewer than 60 days are valued at amortized cost.

FUTURES CONTRACTS: Upon entering into a futures contract, the Portfolio is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by the Portfolio each day, depending on the daily fluctuation of the value of the contract.

For financial statement purposes, an amount equal to the settlement amount of the contract is included in its Statement of Assets and Liabilities as an asset and as an equivalent liability. For long futures positions, the asset is marked-to-market daily. For short futures positions, the liability is marked-to-market daily. The daily changes in the contract are recorded as unrealized gains or losses. The Portfolio recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging device. The change in value of futures contracts primarily

corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk the Portfolio may not be able to enter into a closing transaction because of an illiquid secondary market.

SECURITIES TRANSACTIONS AND INVESTMENT INCOME: Securities transactions are recorded as of the trade date. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after trade date. Realized gains and losses on investments sold are recorded on the basis of identified cost. Interest income is recorded on the accrual basis.

DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS: It is the policy of the Portfolio to make monthly distributions of substantially all of its net investment income to shareholders. Net realized capital gains, if any, will be distributed to shareholders at least once a year. In addition, in order to avoid the application of a 4% nondeductible excise tax on certain undistributed amounts of ordinary income and capital gains, the Portfolio may make an additional distribution shortly before December 31 in each year of any undistributed ordinary income or capital gains and expects to make any other distributions as are necessary to avoid the application of this tax. To the extent that net realized capital gains can be offset by capital losses and loss carryforwards, it is the policy of the Portfolio not to distribute such gains. Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These differences are primarily due to timing differences and differing characterization of distributions made by the Portfolio.

FEDERAL INCOME TAXES: It is the policy of the Portfolio to qualify as a regulated investment company, if such qualification is in the best interest of its shareholders, by complying with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and by distributing substantially all of its earnings to its shareholders. Therefore, no Federal income tax provision is required.

2. Investment Advisory Fee, Administration Fee and Other Transactions

The Portfolio has entered into an investment advisory agreement (the "Advisory Agreement") with Greenwich Street Advisors, a division of Mutual Management Corp., which is controlled by Smith Barney Holdings Inc. ("Holdings"). Holdings is a wholly owned subsidiary of The Travelers

Inc. Under the Advisory Agreement, the Portfolio pays a monthly fee at the annual rate of 0.70% of the value of its average daily net assets. Prior to July 30, 1993, Shearson Lehman Advisors served as investment adviser to the Portfolio.

Prior to June 1, 1994, the Portfolio was party to an administration agreement, with Boston Advisors, an indirect wholly owned subsidiary of Mellon Bank Corporation ("Mellon"). Under this agreement, the Portfolio paid a monthly fee at the annual rate of .20% of the value of its average daily net assets.

As of the close of business on June 1, 1994, Smith, Barney Advisers, Inc. ("SBA"), which is controlled by Holdings, succeeded Boston Advisors as the Portfolio's administrator. The new administration agreement contains substantially the same terms and conditions, including the level of fees, as the predecessor agreement.

As of the close of business on June 1, 1994, the Portfolio also entered into a sub-administration agreement (the "Sub-Administration Agreement") with Boston Advisors. Under the Sub-Administration Agreement, Boston Advisors is paid a portion of the fees paid by the Portfolio to SBA at a rate agreed upon from time to time between SBA and Boston Advisors.

No officer, director, or employee of Smith Barney Advisers or of any parent or subsidiary of those corporations receives any compensation from the Portfolio for serving as a Director or officer of the Portfolio. The Portfolio pays each Director, who is not an officer, director or employee of Smith Barney Advisers or any of its affiliates, $5,000 per annum plus $500 per meeting attended and reimburses each such Director for travel and out-of-pocket expenses.

Boston Safe Deposit and Trust Company, an indirect wholly owned subsidiary of Mellon Bank, serves as the Portfolio's custodian. The Shareholder Services Group, Inc., a subsidiary of First Data Corporation, serves as the Portfolio's transfer agent.

3. Securities Transactions.

For the year ended May 31, 1994, cost of purchases and proceeds from sales of investment securities (excluding short-term investments) aggregated $298,187,184 and $313,662,703, respectively.

At May 31, 1994, gross unrealized appreciation for all securities in which there was an excess of value over tax cost amounted to $5,971,197, and the gross unrealized depreciation for all securities in which there was an excess of tax cost over value amounted to $8,221,250.

4. Portfolio Shares.

At May 31, 1994, 500,000,000 shares of common stock, with a par value of $.001 per share, were authorized.

Common stock transactions were as follows:

<TABLE>
<CAPTION>

	Year Ended 05/31/94		Period Ended 05/31/93*	
	SHARES	AMOUNT	SHARES	AMOUNT
INITIAL PUBLIC OFFERING	--	--	30,000,000	$360,000,000+
SUBSEQUENT OFFERING	--	--	4,144,656	49,735,872
ISSUED AS REINVESTMENT OF DIVIDENDS	342,989	$4,465,722	--	--
TOTAL INCREASE	342,989	$4,465,722	34,144,656	$409,735,872

<FN>
+ Before offering costs charged to paid-in capital of $699,626.
* The Portfolio commenced operations on June 26, 1992.
</TABLE>

<TABLE>
<CAPTION>

QUARTERLY RESULTS OF OPERATIONS
(Unaudited)

	Investment Income	Net Investment Income	Net Realized and Unrealized Gain/(Loss) on Investments	Net Increase/(Decrease) in Net Assets Resulting From Operations

- - --

<CAPTION>

QUARTER ENDED	TOTAL	PER SHARE	TOTAL	PER SHARE	TOTAL	PER SHARE	TOTAL	PER SHARE
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
AUGUST 31, 1992	$4,525,875	$.13	$3,784,459	$.11	$6,021,320	$.18	$9,805,779	$.29
NOVEMBER 30, 1992	6,700,130	.20	5,735,834	.17	(1,009,530)	(.03)	4,726,304	.14
FEBRUARY 28, 1993	6,927,436	.20	5,789,926	.17	31,655,970	.93	37,445,896	1.10
MAY 31, 1993	7,247,334	.21	6,223,844	.18	(3,693,473)	(.11)	2,530,371	.07
AUGUST 31, 1993	6,954,864	.20	5,796,493	.17	14,702,966	.43	20,499,459	.60
NOVEMBER 30, 1993	6,803,020	.17	5,731,243	.17	(1,381,672)	(.08)	4,349,571	.09
FEBRUARY 28, 1994	6,678,467	.19	5,549,454	.16	(4,168,370)	(.12)	1,381,084	.04
MAY 31, 1994	7,004,102	.24	5,910,189	.17	(17,312,645)	(.46)	(11,402,456)	(.29)

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</TABLE>

Report of Independent Accountants

To the Shareholders and Board of Directors of
Managed Municipals Portfolio Inc.:

We have audited the accompanying statement of assets and liabilities of Managed Municipals Portfolio Inc., including the schedule of portfolio investments, as of May 31, 1994, and the related statement of operations for the year then ended, and the statement of changes in net assets and the financial highlights for the year then ended and for the period June 26, 1992 (commencement of operations) to May 31, 1993. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of May 31, 1994 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to
above present fairly, in all material respects, the financial position of Managed Municipals Portfolio Inc. as of May 31, 1994, the results of its operations for the year then ended, and the changes in its net assets and the financial highlights for the year then ended and for the period June 26, 1992 (commencement of operations) to May 31, 1993, in conformity with generally accepted accounting principles.

COOPERS & LYBRAND

Boston, Massachusetts
July 13, 1994

Additional Information
(UNAUDITED)

Portfolio Management

Joseph P. Deane, who is Vice President and Investment Officer of the Portfolio
is primarily responsible for management of the Portfolio's assets. Mr. Deane has
served the Portfolio in these capacities since the commencement of the Portfolio's operations.

Dividend Reinvestment Plan

Under the Portfolio's Dividend Reinvestment (the "Plan"), a shareholder whose
Common Stock is registered in his own name will have all distributions reinvested automatically by The Shareholder Services Group, Inc. ("TSSG") as agent under the Plan, unless the shareholder elects to receive cash. Distributions with respect to shares registered in the name of a broker-dealer or other nominee (that is, in "street name") will be reinvested by the broker or
nominee in additional Common Stock under the Plan, but only if the service is provided by the broker or nominee, and the broker or nominee makes an election on behalf of the shareholder to participate in the Plan. Distributions with respect to Common Stock registered in the name of Shearson Lehman Brothers will
automatically be reinvested by Shearson Lehman Brothers in additional shares under the Plan unless the shareholder elects to receive distributions in cash. A
shareholder who holds Common Stock registered in the name of a broker or other nominee may not be able to transfer the Common Stock to another broker or nominee and continue to participate in the Plan. Investors who own Common Stock
registered in street name should consult their broker or nominee for details regarding reinvestment.

The number of shares of Common Stock distributed to participants in the Plan
in lieu of a cash dividend is determined in the following manner. Whenever the market price of the Portfolio's Common Stock is equal to or exceeds the net asset value per share, participants will be issued shares of Common Stock valued
at the greater of (i) net asset value per share or (ii) 95% of the then current
market price. If the net asset value per share of Common Stock at the time of valuation exceeds the market price of the Common Stock, TSSG will buy shares of
the Portfolio's Common Stock on the open market, on the New York Stock Exchange,

Inc. or elsewhere, beginning on the payment date of the dividend or distribution, until it has expended for such purchases all of the cash that would otherwise be payable to the participants. Effective as of the first dividend following September 1, 1994, TSSG may commence purchasing shares beginning on the record date

for the dividend or distribution. The number of purchased shares that will then be credited to the participants' accounts will be based on the average per share purchase price of the shares so purchased, including brokerage commissions. If TSSG commences purchases in the open market and the market price of the shares subsequently exceeds net asset value before the completion of the purchases, TSSG will attempt to terminate purchases in the open market and cause the Portfolio to issue the remaining dividend or distribution in shares at net asset value per share. In this case, the number of shares of Common Stock received by the participant will be based on the weighted average of prices paid for shares purchased in the open market and the price at which the Portfolio issues the remaining shares.

Plan participants are not subject to any charge for reinvesting dividends or capital gains distributions. Each Plan participant will, however, bear a proportionate share of brokerage commissions incurred with respect to TSSG's open market purchases of shares of Common Stock in connection with the reinvestment of dividends or capital gains distributions. For the fiscal period ending May 31, 1994, no such brokerage commissions were incurred.

A participant in the Plan will be treated for Federal income tax purposes as having received, on the dividend payment date, a dividend or distribution in an amount equal to the cash that the participant could have received instead of share of Common Stock.

A shareholder may terminate participation in the Plan at any time by notifying TSSG in writing. A termination will be effective immediately if notice is received by TSSG not less than 10 days before any dividend or distribution record date. Otherwise, the termination will be effective, and only with respect to any subsequent dividends or distributions, on the first trading day after the dividend or distribution has been credited to the participant's account in additional shares of Common Stock of the Portfolio. Upon termination according to a participant's instructions, TSSG will either (a) issue certificates for the whole shares credited to a Plan account and a check representing any fractional shares or (b) sell the shares in the market. There will be $5.00 fee assessed for liquidation service, plus brokerage commissions, and TSSG is authorized to sell a sufficient number of a participant's shares to cover such amounts.

The Plan is described in more detail on pages 27-28 of the Portfolio's Prospectus dated June 18, 1992. Information concerning the Plan may be obtained from TSSG at 1-(800) 331-1710.

MANAGED MUNICIPALS
PORTFOLIO INC.

Directors

Charles F. Barber
Allan J. Bloostein
Martin Brody
Dwight B. Crane
Robert A. Frankel
Heath B. McLendon

Officers

Heath B. McLendon
CHAIRMAN OF THE BOARD

Stephen J. Treadway
PRESIDENT

Richard P. Roelofs
EXECUTIVE VICE PRESIDENT

Joseph P. Deane
VICE PRESIDENT AND
INVESTMENT OFFICER

David Fare
INVESTMENT OFFICER

Lewis E. Daidone
TREASURER

Christina T. Sydor
SECRETARY

Investment Adviser

Greenwich Street Advisors
Two World Trade Center
New York, New York 10048

Administrator

Smith, Barney Advisers, Inc.
1345 Avenue of the Americas
New York, New York 10105

Sub-Administrator

The Boston Company Advisors, Inc.
One Boston Place
Boston, Massachusetts 02108

Auditors and Counsel

Coopers & Lybrand
One Post Office Square
Boston, Massachusetts 02109

Willkie Farr & Gallagher
153 East 53rd Street
New York, New York 10022

Transfer Agent

The Shareholder Services Group, Inc.
Exchange Place
Boston, Massachusetts 02109

Custodian

Boston Safe Deposit and
Trust Company
One Boston Place
Boston, Massachusetts 02108

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This report is sent to the shareholders of
Managed Municipals Portfolio Inc.
for their information. It is not a Prospectus,
circular or representation intended for use in the
purchase or sale of shares of the Portfolio or of any
securities mentioned in the report.
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