

WESTERN ASSET PREMIER BOND FUND
Form N-Q
May 29, 2012

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-10603

Western Asset Premier Bond Fund
(Exact name of registrant as specified in charter)

620 Eighth Avenue ,49th Floor, New York, NY
(Address of principal executive offices)

10018
(Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902
(Name and address of agent for service)

Registrant's telephone number, including area code: (888) 777-0102

Date of fiscal year end: December 31

Date of reporting period: March 31, 2012

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET PREMIER BOND FUND

FORM N-Q

MARCH 31, 2012

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES 42.9%				
CONSUMER DISCRETIONARY 5.7%				
Automobiles 1.7%				
DaimlerChrysler NA Holding Corp., Notes	8.500%	1/18/31	1,000,000	\$ 1,455,665
Ford Motor Credit Co., LLC, Senior Notes	12.000%	5/15/15	1,030,000	1,272,050
<i>Total Automobiles</i>				2,727,715
Diversified Consumer Services 0.0%				
Service Corp. International, Senior Notes	7.625%	10/1/18	5,000	5,750
Service Corp. International, Senior Notes	7.500%	4/1/27	60,000	60,750
<i>Total Diversified Consumer Services</i>				66,500
Hotels, Restaurants & Leisure 0.7%				
Caesars Entertainment Operating Co. Inc., Senior Notes	10.750%	2/1/16	300,000	261,750
El Pollo Loco Inc., Secured Notes	17.000%	1/1/18	388,122	349,795(a)
Inn of the Mountain Gods Resort & Casino, Senior Secured Notes	8.750%	11/30/20	113,000	110,457(a)
Landry's Acquisition Co., Secured Notes	11.625%	12/1/15	20,000	22,275(a)
Mohegan Tribal Gaming Authority, Secured Notes	11.500%	11/1/17	170,000	173,825(a)
NCL Corp. Ltd., Senior Secured Notes	11.750%	11/15/16	170,000	196,775
Snoqualmie Entertainment Authority, Senior Secured Notes	4.532%	2/1/14	110,000	103,400(a)(b)
Station Casinos Inc., Senior Subordinated Notes	6.625%	3/15/18	100,000	0(c)(d)(e)(f)
<i>Total Hotels, Restaurants & Leisure</i>				1,218,277
Media 3.1%				
CCH II LLC/CCH II Capital Corp., Senior Notes	13.500%	11/30/16	61,940	70,612
Cengage Learning Acquisitions Inc., Senior Notes	10.500%	1/15/15	270,000	203,175(a)
Comcast Corp.	5.900%	3/15/16	400,000	461,850
Comcast Corp., Notes	7.050%	3/15/33	1,000,000	1,223,679
DISH DBS Corp., Senior Notes	7.000%	10/1/13	600,000	640,500
DISH DBS Corp., Senior Notes	7.875%	9/1/19	385,000	442,750
EchoStar DBS Corp., Senior Notes	7.125%	2/1/16	120,000	132,750
News America Inc.	8.875%	4/26/23	400,000	502,820
Time Warner Inc., Senior Debentures	7.700%	5/1/32	980,000	1,278,155
<i>Total Media</i>				4,956,291
Textiles, Apparel & Luxury Goods 0.2%				
Oxford Industries Inc., Senior Secured Notes	11.375%	7/15/15	255,000	275,719
TOTAL CONSUMER DISCRETIONARY				9,244,502
CONSUMER STAPLES 5.9%				
Food & Staples Retailing 5.3%				
CVS Corp., Pass-Through Trust	9.350%	1/10/23	1,050,000	1,103,571(a)
CVS Corp., Pass-Through Trust, Secured Bonds	5.789%	1/10/26	758,248	817,012(a)
CVS Corp., Pass-Through Trust, Secured Notes	6.943%	1/10/30	1,614,529	1,857,968
CVS Pass-Through Trust	7.507%	1/10/32	1,917,266	2,296,482(a)
CVS Pass-Through Trust, Secured Notes	5.880%	1/10/28	868,789	923,314
CVS Pass-Through Trust, Secured Notes	6.036%	12/10/28	752,059	824,550

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Delhaize Group, Senior Notes	5.700%	10/1/40	235,000	217,226
Safeway Inc., Notes	5.800%	8/15/12	500,000	508,272
<i>Total Food & Staples Retailing</i>				8,548,395
Food Products 0.5%				
Ahold Lease USA Inc., Pass-Through Certificates	8.620%	1/2/25	714,462	893,078(f)
Tobacco 0.1%				
Alliance One International Inc., Senior Notes	10.000%	7/15/16	160,000	160,800
TOTAL CONSUMER STAPLES				9,602,273
ENERGY 4.7%				
Energy Equipment & Services 0.6%				
Compagnie Generale de Geophysique-Veritas, Senior Notes	6.500%	6/1/21	750,000	765,000

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Energy Equipment & Services continued				
Hercules Offshore LLC, Senior Secured Notes	10.500%	10/15/17	155,000 \$	162,362(a)
<i>Total Energy Equipment & Services</i>				927,362
Oil, Gas & Consumable Fuels 4.1%				
Anadarko Finance Co., Senior Notes	7.500%	5/1/31	570,000	704,146
Arch Coal Inc., Senior Notes	7.000%	6/15/19	750,000	691,875(a)
Berry Petroleum Co., Senior Notes	10.250%	6/1/14	160,000	184,800
Burlington Resources Finance Co.	7.400%	12/1/31	450,000	608,778
Chesapeake Energy Corp., Senior Notes	7.250%	12/15/18	270,000	288,225
Colorado Interstate Gas Co., Senior Notes	6.800%	11/15/15	150,000	172,397
CONSOL Energy Inc., Senior Notes	8.250%	4/1/20	440,000	459,800
Devon Energy Corp., Debentures	7.950%	4/15/32	310,000	435,615
El Paso Corp., Medium-Term Notes	7.800%	8/1/31	190,000	215,956
EXCO Resources Inc., Senior Notes	7.500%	9/15/18	500,000	445,000
Hess Corp., Notes	7.875%	10/1/29	350,000	465,771
Plains Exploration & Production Co., Senior Notes	8.625%	10/15/19	125,000	140,313
Quicksilver Resources Inc., Senior Notes	11.750%	1/1/16	185,000	195,638
Regency Energy Partners LP/Regency Energy Finance Corp., Senior Notes	6.500%	7/15/21	750,000	795,000
Teekay Corp., Senior Notes	8.500%	1/15/20	310,000	321,625
Williams Cos. Inc., Debentures	7.500%	1/15/31	413,000	495,670
Williams Cos. Inc., Senior Notes	8.750%	3/15/32	39,000	51,414
<i>Total Oil, Gas & Consumable Fuels</i>				6,672,023
TOTAL ENERGY				7,599,385
FINANCIALS 7.4%				
Consumer Finance 1.8%				
Ally Financial Inc., Senior Notes	8.000%	3/15/20	350,000	389,375
Ford Motor Credit Co., LLC, Senior Notes	8.000%	12/15/16	680,000	788,395
HSBC Finance Corp.	4.750%	7/15/13	1,670,000	1,731,441
<i>Total Consumer Finance</i>				2,909,211
Diversified Financial Services 4.9%				
Air 2 US, Notes	8.027%	10/1/19	2,339,552	2,327,855(a)
Citigroup Inc.	6.625%	6/15/32	1,000,000	1,025,984
International Lease Finance Corp., Senior Notes	8.750%	3/15/17	1,380,000	1,535,250
JPMorgan Chase & Co., Subordinated Notes	5.125%	9/15/14	1,300,000	1,393,055
Liberty Media LLC	3.750%	2/15/30	1,860,000	1,009,050
UFJ Finance Aruba AEC	6.750%	7/15/13	500,000	530,660
Unitymedia GmbH, Senior Secured Bonds	8.125%	12/1/17	100,000	108,000(a)
<i>Total Diversified Financial Services</i>				7,929,854
Insurance 0.7%				
XL Capital Ltd.	5.250%	9/15/14	1,000,000	1,059,297
TOTAL FINANCIALS				11,898,362
HEALTH CARE 0.9%				
Health Care Providers & Services 0.9%				

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Community Health Systems Inc., Senior Notes	8.875%	7/15/15	99,000	102,589
HCA Inc., Debentures	7.500%	11/15/95	185,000	147,075
HCA Inc., Notes	6.375%	1/15/15	430,000	453,650
HCA Inc., Notes	7.690%	6/15/25	90,000	86,737
HCA Inc., Senior Notes	6.250%	2/15/13	85,000	87,231
HCA Inc., Senior Secured Notes	6.500%	2/15/20	310,000	325,500
Vanguard Health Holdings Co., II LLC, Senior Notes	8.000%	2/1/18	215,000	219,300
TOTAL HEALTH CARE				1,422,082
INDUSTRIALS 11.3%				
Aerospace & Defense 0.5%				
Boeing Co., Notes	6.125%	2/15/33	600,000	745,698

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Airlines 10.1%				
America West Airlines Inc., Ambac Assurance Corp.	8.057%	7/2/20	2,224,781	\$ 2,302,648
Continental Airlines Inc.	7.160%	9/24/14	136,535	138,242
Continental Airlines Inc.	6.820%	5/1/18	913,728	950,277
Continental Airlines Inc., Pass-Through Certificates	6.900%	1/2/18	748,727	795,522
Continental Airlines Inc., Pass-Through Certificates	6.545%	2/2/19	1,027,875	1,106,199
Continental Airlines Inc., Pass-Through Certificates	6.703%	6/15/21	674,732	721,963
Continental Airlines Inc., Pass-Through Certificates, 2000-1 A-1	8.048%	11/1/20	522,656	584,068
Continental Airlines Inc., Secured Notes	6.250%	10/22/21	1,000,000	1,015,000
DAE Aviation Holdings Inc., Senior Notes	11.250%	8/1/15	250,000	260,625(a)
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	156,259	159,181
Delta Air Lines Inc., Senior Secured Notes	9.500%	9/15/14	59,000	62,835(a)
JetBlue Airways Corp., Pass-Through Certificates	0.953%	11/15/16	1,050,000	840,000(b)
Northwest Airlines Corp., Pass-Through Certificates	7.575%	9/1/20	458,537	500,951
Northwest Airlines Inc.	0.758%	2/6/15	2,433,923	2,306,142(b)(f)
US Airways Pass-Through Trust	6.850%	1/30/18	2,586,615	2,483,150
US Airways Pass-Through Trust, Secured Notes	7.125%	10/22/23	2,000,000	2,100,000
<i>Total Airlines</i>				16,326,803
Building Products 0.0%				
Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Subordinated Notes	11.000%	6/30/15	65,000	53,625(a)(d)
Commercial Services & Supplies 0.3%				
Altegrity Inc., Senior Subordinated Notes	10.500%	11/1/15	310,000	294,500(a)
RSC Equipment Rental Inc./RSC Holdings III LLC, Senior Secured Notes	10.000%	7/15/17	170,000	197,200(a)
<i>Total Commercial Services & Supplies</i>				491,700
Road & Rail 0.1%				
Kansas City Southern de Mexico, Senior Notes	12.500%	4/1/16	111,000	127,927
RailAmerica Inc., Senior Secured Notes	9.250%	7/1/17	24,000	25,290
<i>Total Road & Rail</i>				153,217
Trading Companies & Distributors 0.3%				
Ashtead Capital Inc., Notes	9.000%	8/15/16	129,000	134,644(a)
H&E Equipment Services Inc., Senior Notes	8.375%	7/15/16	245,000	252,350
<i>Total Trading Companies & Distributors</i>				386,994
TOTAL INDUSTRIALS				18,158,037
INFORMATION TECHNOLOGY 0.4%				
IT Services 0.4%				
Electronic Data Systems Corp., Notes	7.450%	10/15/29	500,000	595,997
Semiconductors & Semiconductor Equipment 0.0%				
Freescall Semiconductor Inc., Senior Subordinated Notes	10.125%	12/15/16	28,000	29,890
TOTAL INFORMATION TECHNOLOGY				625,887
MATERIALS 1.8%				

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Chemicals 0.6%				
Dow Chemical Co.	6.000%	10/1/12	1,000,000	1,025,025
Metals & Mining 0.4%				
Metals USA Inc., Senior Secured Notes	11.125%	12/1/15	445,000	463,912
Vedanta Resources PLC, Senior Notes	8.750%	1/15/14	130,000	133,575(a)
<i>Total Metals & Mining</i>				597,487
Paper & Forest Products 0.8%				
Appleton Papers Inc., Senior Secured Notes	11.250%	12/15/15	235,000	217,963
NewPage Corp., Senior Secured Notes	11.375%	12/31/14	595,000	398,650(c)
PE Paper Escrow GmbH, Senior Secured Notes	12.000%	8/1/14	100,000	108,500(a)

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Paper & Forest Products continued				
Weyerhaeuser Co., Debentures	7.375%	3/15/32	560,000 \$	596,560
<i>Total Paper & Forest Products</i>				1,321,673
TOTAL MATERIALS				2,944,185
TELECOMMUNICATION SERVICES 1.4%				
Diversified Telecommunication Services 1.4%				
AT&T Inc., Senior Notes	5.350%	9/1/40	170,000	180,763
Cincinnati Bell Telephone Co., Senior Debentures	6.300%	12/1/28	25,000	20,000
Deutsche Telekom International Finance BV	5.250%	7/22/13	600,000	631,417
France Telecom SA, Notes	8.500%	3/1/31	600,000	850,866
Intelsat Jackson Holdings Ltd., Senior Notes	9.500%	6/15/16	35,000	36,575
Intelsat Jackson Holdings Ltd., Senior Notes	11.250%	6/15/16	340,000	357,850
Qwest Corp., Senior Notes	7.500%	10/1/14	150,000	167,231
TOTAL TELECOMMUNICATION SERVICES				2,244,702
UTILITIES 3.4%				
Electric Utilities 0.9%				
FirstEnergy Corp., Notes	7.375%	11/15/31	1,020,000	1,255,685
MidAmerican Energy Holdings Co., Senior Notes	5.875%	10/1/12	250,000	256,440
<i>Total Electric Utilities</i>				1,512,125
Gas Utilities 0.0%				
Southern Natural Gas Co., Senior Notes	8.000%	3/1/32	20,000	24,763
Independent Power Producers & Energy Traders 2.0%				
AES Corp., Senior Notes	9.750%	4/15/16	360,000	421,200
AES Corp., Senior Notes	8.000%	6/1/20	100,000	114,750
AES Corp., Senior Notes	7.375%	7/1/21	660,000	729,300(a)
Calpine Corp., Senior Secured Notes	7.875%	1/15/23	700,000	756,000(a)
Edison Mission Energy, Senior Notes	7.750%	6/15/16	320,000	220,800
Energy Future Intermediate Holding Co. LLC/EFIH Finance Inc., Senior Secured Notes	10.000%	12/1/20	885,000	964,650
<i>Total Independent Power Producers & Energy Traders</i>				3,206,700
Multi-Utilities 0.5%				
Dominion Resources Inc., Senior Notes	5.700%	9/17/12	770,000	787,478
TOTAL UTILITIES				5,531,066
TOTAL CORPORATE BONDS & NOTES (Cost \$65,052,436)				69,270,481
ASSET-BACKED SECURITIES 37.1%				
AAA Trust, 2005-1A 1A3B	0.651%	2/27/35	498,597	331,489(a)(b)
ABFS Mortgage Loan Trust, 2002-3 M1	5.902%	9/15/33	1,118,227	775,874
ACE Securities Corp., 2005-WF1 M1	0.662%	5/25/35	470,000	403,834(b)
Ameriquest Mortgage Securities Inc., 2004-R1 A1B	0.642%	2/25/34	618,339	487,009(b)
	0.862%	10/25/34	400,000	344,476(b)

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Ameriquest Mortgage Securities Inc., 2004-R9 M1				
Amortizing Residential Collateral Trust, 2004-1 A5	0.742%	10/25/34	238,850	207,513(b)
Argent Securities Inc., 2003-W3 M1	1.367%	9/25/33	185,729	170,165(b)
Associates Manufactured Housing Pass Through Certificates, 1997-CLB2	8.900%	6/15/28	2,615,337	2,615,337(f)
Associates Manufactured Housing Pass-Through Certificates, 1997-1 B1	7.600%	6/15/28	333,312	358,365(b)(d)
Associates Manufactured Housing Pass-Through Certificates, 1997-2 B1	7.150%	3/15/28	1,275,979	1,214,027(b)
Bank of America Manufactured Housing Contract Trust, 1997-2M	6.900%	4/10/28	100,000	125,129(b)
Bayview Financial Acquisition Trust, 2007-B 2A1	0.541%	8/28/47	258,467	252,274(b)
Bayview Financial Asset Trust, 2004-SSRA A1	0.842%	12/25/39	335,213	266,494(a)(b)
Bayview Financial Asset Trust, 2007-SR1A A	0.692%	3/25/37	2,012,034	1,383,273(a)(b)
Bayview Financial Asset Trust, 2007-SR1A M1	1.042%	3/25/37	1,323,106	856,711(a)(b)
Bayview Financial Asset Trust, 2007-SR1A M3	1.392%	3/25/37	501,868	265,990(a)(b)
Bayview Financial Asset Trust, 2007-SR1A M4	1.742%	3/25/37	136,873	62,962(a)(b)

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WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
ASSET-BACKED SECURITIES continued				
Bear Stearns Asset Backed Securities Trust, 2006-SD3 IP0, STRIPS, PO	0.000%	8/25/36	928,804 \$	644,693
Bear Stearns Asset Backed Securities Trust, 2007-SD1 1A3A	6.500%	10/25/36	1,264,504	835,701
Centex Home Equity Loan Trust, 2003-B AF4	3.735%	2/25/32	349,152	305,089
Citigroup Mortgage Loan Trust Inc., 2006-SHL1 A1	0.442%	11/25/45	173,908	126,292(a)(b)
Contimortgage Home Equity Trust, 1997-4 B1F	7.330%	10/15/28	356,413	375,981
Countrywide Asset-Backed Certificates, 2004-3 3A3	0.622%	8/25/34	295,845	267,724(b)
Countrywide Asset-Backed Certificates, 2006-3 3A1	0.362%	6/25/36	763,670	498,508(b)
Countrywide Asset-Backed Certificates, 2007-13 2A1	1.142%	10/25/47	1,102,518	752,144(b)
Countrywide Asset-Backed Certificates, 2007-SEA2 1A1	1.242%	8/25/47	54,333	36,273(a)(b)(f)
Countrywide Home Equity Loan Trust, 2006-HW 2A1B	0.392%	11/15/36	1,212,040	890,018(b)
Credit-Based Asset Servicing & Securitization, 2005-CB4 M1	0.662%	8/25/35	2,000,000	1,388,706(b)
Credit-Based Asset Servicing & Securitization LLC, 2004-CB2 M1	1.022%	7/25/33	2,209,205	1,585,498(b)
Credit-Based Asset Servicing and Securitization LLC, 2005-RP1 M1	0.862%	1/25/35	780,000	712,694(a)(b)
Credit-Based Asset Servicing and Securitization LLC, 2007-SP1 A4	6.020%	12/25/37	900,000	729,222(a)
CS First Boston Mortgage Securities Corp., 2004-CF2 2A1	0.712%	5/25/44	27,768	26,944(a)(b)
Educap Student Loan Asset-Backed Notes, 2004-1 B	1.400%	6/25/38	1,491,262	1,312,311(b)(f)
Education Funding Capital Trust, 2004-1 B1	1.990%	6/15/43	1,200,000	1,044,000(b)(f)
Ellington Loan Acquisition Trust, 2007-1 A2A1	1.242%	5/26/37	122,096	118,002(a)(b)
EMC Mortgage Loan Trust, 2003-B A1	0.792%	11/25/41	76,020	67,597(a)(b)
Firstfed Corp. Manufactured Housing Contract, 1996-1 B	8.060%	10/15/22	1,528,937	1,314,296(a)
Fremont Home Loan Trust, 2006-2 2A2	0.352%	2/25/36	58,493	58,141(b)
GMAC Mortgage Corp. Loan Trust, 2004-VF1 A1	0.992%	2/25/31	375,923	328,287(a)(b)
Green Tree Financial Corp., 1992-2 B	9.150%	1/15/18	59,828	18,840
Green Tree Financial Corp., 1993-1 B	8.450%	4/15/18	99,478	78,353
Green Tree Home Improvement Loan Trust, 1996-D HIB2	8.000%	9/15/27	35,425	25,852
Greenpoint Manufactured Housing, 1999-2 A2	3.007%	3/18/29	425,000	330,995(b)
Greenpoint Manufactured Housing, 1999-3 2A2	3.731%	6/19/29	125,000	90,212(b)
Greenpoint Manufactured Housing, 1999-4 A2	3.746%	2/20/30	125,000	90,774(b)
Greenpoint Manufactured Housing, 1999-5 A5	7.820%	12/15/29	706,000	761,464(b)
Greenpoint Manufactured Housing, 2000-4 A3	2.246%	8/21/31	800,000	677,503(b)
Greenpoint Manufactured Housing, 2000-6 A3	2.277%	11/22/31	1,075,000	893,763(b)
Greenpoint Manufactured Housing, 2001-2 IA2	3.755%	2/20/32	525,000	398,070(b)
Greenpoint Manufactured Housing, 2001-2 IIA2	3.751%	3/13/32	900,000	678,646(b)
GSAA Home Equity Trust, 2004-8 A3A	0.612%	9/25/34	219,989	208,380(b)
GSAA Home Equity Trust, 2006-19 A3A	0.482%	12/25/36	773,723	369,025(b)
GSAMP Trust, 2003-SEA2 A1	4.422%	7/25/33	1,868,471	1,572,963
GSRPM Mortgage Loan Trust, 2006-1 A1	0.542%	3/25/35	141,970	115,660(a)(b)
GSRPM Mortgage Loan Trust, 2006-2 A2	0.542%	9/25/36	277,337	218,540(a)(b)

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Indymac Manufactured Housing Contract, 1997-1 A5	6.970%	2/25/28	201,994	201,215
Iowa Student Loan Liquidity Corp., 2011-1 A	1.822%	6/25/42	972,176	918,133(b)
Keycorp Student Loan Trust, 2002-A 1A2	0.681%	8/27/31	2,232,106	1,994,564(b)
Keycorp Student Loan Trust, 2003-A 1A2	0.820%	10/25/32	1,040,582	971,239(b)
Lehman XS Trust, 2007-1 WF1	5.569%	1/25/37	873,137	482,676(b)
Long Beach Mortgage Loan Trust, 2004-4 M1	1.142%	10/25/34	1,620,000	1,300,205(b)

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Schedule of investments (unaudited) (cont d)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
ASSET-BACKED SECURITIES				
continued				
Merit Securities Corp., 13 A4	7.905%	12/28/33	2,345,465 \$	2,512,970(b)
Morgan Stanley ABS Capital I, 2003-SD1 A1	1.242%	3/25/33	20,491	17,567(b)
Morgan Stanley Capital Inc., 2003-NC9 M	1.367%	9/25/33	1,837,241	1,324,820(b)
MSDWCC Heloc Trust, 2003-2 A	0.762%	4/25/16	82,773	76,992(b)
New Century Home Equity Loan Trust, 2004-2 A2	0.612%	8/25/34	475,320	362,822(b)
New Century Home Equity Loan Trust, 2004-3 M1	1.172%	11/25/34	1,480,740	1,012,260(b)
Oakwood Mortgage Investors Inc., 2002-B A3	6.060%	3/15/25	245,283	222,721(b)
Option One Mortgage Loan Trust, 2003-2 A2	0.842%	4/25/33	395,255	320,801(b)
Origen Manufactured Housing, 2006-A A2	3.748%	10/15/37	2,700,000	1,566,000(b)
Origen Manufactured Housing, 2007-A A2	3.748%	4/15/37	3,417,731	1,948,107(b)
PAMCO CLO, 1997-1A B	7.910%	8/6/09	738,195	258,368(f)(g)
Park Place Securities Inc., 2004-WCW1 M2	0.922%	9/25/34	1,900,000	1,720,758(b)
Park Place Securities Inc., 2004-WHQ2 M2	0.872%	2/25/35	750,000	640,752(b)
Pegasus Aviation Lease Securitization, 2000-1 A2	8.370%	3/25/30	1,600,000	632,000(a)
Pennsylvania Higher Education Assistance Agency, 2003-1 B1	2.430%	7/25/42	3,000,000	2,490,000(b)
People's Choice Home Loan Securities Trust, 2004-1 A3	1.282%	6/25/34	400,842	333,597(b)
RAAC Series, 2007-RP1 M1	0.792%	5/25/46	210,000	29,954(a)(b)
Renaissance Home Equity Loan Trust, 2004-2 AF4	5.392%	7/25/34	541,902	553,216
Renaissance Home Equity Loan Trust, 2005-2 AF5	5.201%	8/25/35	750,000	435,655
Renaissance Home Equity Loan Trust, 2005-3 AV3	0.622%	11/25/35	721,380	525,131(b)
Residential Asset Mortgage Products Inc., 2004-RZ1 AII	0.722%	3/25/34	375,050	251,868(b)
Residential Asset Securities Corp., 2001-KS3 AII	0.702%	9/25/31	291,600	216,505(b)
Residential Asset Securities Corp., 2002-KS2 AI6	6.228%	4/25/32	457,896	470,341(b)
Residential Asset Securities Corp., 2003-KS8 AI6	4.830%	10/25/33	644,981	624,118(b)
Settlement Fee Finance LLC, 2004-1A A	9.100%	7/25/34	874,306	902,228(a)
SLM Student Loan Trust, 2001-4 B	1.060%	1/25/21	1,000,000	933,385(b)
Structured Asset Securities Corp., 2002-AL1 A3	3.450%	2/25/32	707,639	639,153

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Structured Asset Securities Corp., 2003-AL1 A	3.357%	4/25/31	102,912	99,584(a)
Structured Asset Securities Corp., 2005-4XS 2A1A	1.992%	3/25/35	492,998	385,373(b)
Structured Asset Securities Corp., 2006-GEL3 A2	0.472%	7/25/36	1,580,609	1,371,298(a)(b)
Structured Asset Securities Corp., 2007-BC1 A2	0.292%	2/25/37	296,686	287,945(b)
Vanderbilt Mortgage Finance, 2000-B IB2	9.250%	7/7/30	740,398	744,732(b)
TOTAL ASSET-BACKED SECURITIES (Cost \$57,731,359)				59,847,136
COLLATERALIZED MORTGAGE OBLIGATIONS 35.4%				
American Home Mortgage Investment Trust, 2007-A 4A	0.692%	7/25/46	769,291	215,429(a)(b)
Banc of America Funding Corp., 2004-B 6A1	2.949%	12/20/34	546,479	313,846(b)
Bayview Commercial Asset Trust, 2005-3A A2	0.642%	11/25/35	599,391	395,843(a)(b)
Bayview Commercial Asset Trust, 2005-4A A1	0.542%	1/25/36	334,364	211,472(a)(b)
BCAP LLC Trust, 2009-RR12 2A2	0.604%	3/26/35	1,844,014	832,808(a)(b)
Bear Stearns Adjustable Rate Mortgage Trust, 2004-1 23A1	5.362%	4/25/34	177,816	175,770(b)
Bear Stearns Alt-A Trust, 2004-03 A1	0.882%	4/25/34	439,358	385,773(b)
Bear Stearns Alt-A Trust, 2004-08 1A	0.942%	9/25/34	225,937	193,855(b)
Bear Stearns Alt-A Trust, 2005-10 21A1	2.979%	1/25/36	1,075,322	607,891(b)
Bear Stearns Asset Backed Securities Trust, 2002-AC1 B4	7.000%	1/25/32	798,005	280,143(a)
Bella Vista Mortgage Trust, 2004-2 A1	0.612%	2/25/35	1,899,821	1,008,522(b)
BlackRock Capital Finance LP, 1997-R2 B5	6.188%	12/25/35	230,774	9,577(b)(f)
CBA Commercial Small Balance Commercial Trust, 2005-1A	0.562%	7/25/35	1,427,825	765,854(a)(b)
Chevy Chase Mortgage Funding Corp., 2004-3A A1	0.492%	8/25/35	1,353,528	958,551(a)(b)
Chevy Chase Mortgage Funding Corp., 2004-4A A1	0.472%	10/25/35	1,894,035	1,322,627(a)(b)

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
COLLATERALIZED MORTGAGE OBLIGATIONS continued				
Chevy Chase Mortgage Funding Corp., 2005-4A A1	0.442%	10/25/36	1,697,562 \$	1,083,428(a)(b)
Countrywide Home Loan Mortgage Pass-Through Trust, 2004-HYB5 7A1	2.423%	4/20/35	2,642,242	2,091,520(b)
Countrywide Home Loans, 2004-R1 1AF	0.642%	11/25/34	1,421,941	1,180,128(a)(b)
Countrywide Home Loans, 2004-R2 1AF1	0.662%	11/25/34	430,537	341,346(a)(b)
Countrywide Home Loans, 2004-R2 1AF2	0.662%	11/25/34	968,708	768,028(a)(b)
Countrywide Home Loans, 2005-7 1A1	0.512%	3/25/35	1,352,739	1,108,032(b)
Countrywide Home Loans, 2005-R2 2A1	7.000%	6/25/35	1,277,944	1,245,658(a)
Countrywide Home Loans, 2006-HYB4 3B	5.190%	6/20/36	1,200,578	683,544(b)
Countrywide Home Loans Mortgage Pass-Through Trust, 2005-R1 1AF1	0.602%	3/25/35	726,894	569,012(a)(b)
Credit Suisse Mortgage Capital Certificates, 2007-C3 A4	5.714%	6/15/39	242,000	261,210(b)
Credit Suisse Mortgage Capital Certificates, 2009-16R 4A1	2.728%	3/26/35	399,967	371,526(a)(b)
Extended Stay America Trust, 2010-ESHA XB1, IO	1.165%	1/5/16	20,500,000	170,847(a)(b)
Federal Home Loan Mortgage Corp. (FHLMC), Multi-Family Structured Pass-Through Certificates, K007 X1, IO	1.236%	4/25/20	11,161,083	804,279(b)
Federal Home Loan Mortgage Corp. (FHLMC), Multi-Family Structured Pass-Through Certificates, K008 X1, IO	1.681%	6/25/20	986,478	98,427(b)
Federal Home Loan Mortgage Corp. (FHLMC), Multi-Family Structured Pass-Through Certificates, K009 X1, IO	1.514%	8/25/20	5,828,934	511,891(b)
GMAC Commercial Mortgage Securities Inc., 1998-C2 F	6.500%	5/15/35	892,990	935,454(a)
Greenpoint Mortgage Funding Trust, 2005-AR5 2A2	0.512%	11/25/46	1,177,760	553,783(b)
Greenpoint Mortgage Funding Trust, 2005-AR5 3A2	0.512%	11/25/46	1,256,232	602,991(b)
GS Mortgage Securities Corp., 2010-C1 X, IO	1.561%	8/10/43	12,746,297	1,092,230(a)(b)
GS Mortgage Securities Corp., IO	2.168%	2/10/21	6,193,228	181,121(a)(b)
GSMPS Mortgage Loan Trust, 2001-2 A	7.500%	6/19/32	1,445,394	1,462,697(a)(b)
GSMPS Mortgage Loan Trust, 2004-4 1AF	0.642%	6/25/34	904,859	781,938(a)(b)
GSMPS Mortgage Loan Trust, 2005-RP1 2A1	3.625%	1/25/35	1,424,808	1,296,893(a)(b)
GSMPS Mortgage Loan Trust, 2005-RP3 1AF	0.592%	9/25/35	1,178,128	923,682(a)(b)
Harborview Mortgage Loan Trust, 2004-08 3A2	0.642%	11/19/34	149,353	90,834(b)
Harborview Mortgage Loan Trust, 2004-10 4A	2.776%	1/19/35	390,585	378,342(b)
Harborview Mortgage Loan Trust, 2005-9 B10	1.992%	6/20/35	1,079,207	56,245(b)
Impac CMB Trust, 2004-9 1A1	1.002%	1/25/35	49,197	37,162(b)

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Impac CMB Trust, 2005-2 2A2	0.642%	4/25/35	254,770	217,532(b)
Impac CMB Trust, 2A-10	0.882%	3/25/35	404,480	291,074(b)
Indymac Index Mortgage Loan Trust, 2007-AR15 2A1	4.914%	8/25/37	4,065,237	2,786,562(b)
Indymac Manufactured Housing Contract, A2-2	6.170%	8/25/29	207,810	207,005
Jefferies & Co., 2009-B 9A	0.902%	11/21/35	135,095	295,318(a)(b)(f)
JP Morgan Mortgage Trust, 2005-A6 3A3	2.780%	9/25/35	630,000	415,811(b)
JPMorgan Alternative Loan Trust, 2006-S1 3A4	6.180%	3/25/36	1,100,000	488,705(b)
JPMorgan Mortgage Trust, 2007-A2 4A2	5.756%	4/25/37	296,436	249,379(b)
LB-UBS Commercial Mortgage Trust, 2001-C3 X, IO, STRIPS	0.752%	6/15/36	390,798	342(a)(b)(d)
Luminent Mortgage Trust, 2006-6 A1	0.442%	10/25/46	976,556	632,092(b)
MASTR Adjustable Rate Mortgages Trust, 2004-13 3A7	2.718%	11/21/34	2,000,000	1,955,882(b)
MASTR Alternative Loans Trust, PAC, 2003-7 7A1	0.642%	11/25/33	95,492	93,697(b)
MASTR ARM Trust, 2004-7 6M1	0.892%	8/25/34	800,000	630,734(b)
Merit Securities Corp., 11PA 3A1	0.861%	4/28/27	153,627	118,709(a)(b)
Merit Securities Corp., 11PA B3	2.491%	9/28/32	850,000	546,214(a)(b)

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WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
COLLATERALIZED MORTGAGE OBLIGATIONS	continued			
Metropolitan Asset Funding Inc., 1998-BI B1	8.000%	11/20/24	773,449	\$ 482,641(b)
Nomura Asset Acceptance Corp., 2004-AR4 1A1	2.447%	12/25/34	417,169	405,079(b)
Prime Mortgage Trust, 2005-2 2XB, STRIPS, IO	1.743%	10/25/32	3,423,596	110,650(b)
Prime Mortgage Trust, 2005-5 1X, STRIPS, IO	0.905%	7/25/34	7,014,704	90,463(b)
Prime Mortgage Trust, 2005-5 1XB, STRIPS, IO	1.248%	7/25/34	2,159,531	20,478(b)
Regal Trust IV, 1999-1 A	2.721%	9/29/31	78,450	69,365(a)(b)
Residential Asset Mortgage Products Inc., 2004-SL4 A5	7.500%	7/25/32	1,160,394	1,101,748
Residential Asset Mortgage Products, Inc., 2005-SL2 AP0, STRIPS, PO	0.010%	2/25/32	187,661	165,851
Sequoia Mortgage Trust, 2003-2 A2	1.278%	6/20/33	45,120	38,497(b)
Sequoia Mortgage Trust, 2004-10 A1A	0.552%	11/20/34	28,320	25,776(b)
Sequoia Mortgage Trust, 2004-11 A1	0.542%	12/20/34	41,865	36,531(b)
Sequoia Mortgage Trust, 2004-12 A1	0.512%	1/20/35	333,801	260,680(b)
Structured Asset Securities Corp., 1998-RF2 A	7.688%	7/15/27	394,412	396,683(a)(b)
Structured Asset Securities Corp., 2002-9 A2	0.542%	10/25/27	864,815	802,620(b)
Structured Asset Securities Corp., 2003-9A 2A2	2.716%	3/25/33	234,419	215,523(b)
Structured Asset Securities Corp., 2004-NP1 A	0.642%	9/25/33	233,081	