

WESTERN ASSET PREMIER BOND FUND

Form N-Q

November 29, 2006

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-Q**

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

Investment Company Act file number: 811-10603

**Western Asset Premier Bond Fund**

(Exact Name of Registrant as Specified In Its Charter)

Address of Principal Executive Offices: 385 East Colorado Boulevard

Pasadena, CA 91101

Registrant's telephone number, including area code: (626) 844-9400

Name and address of agent for service: Gregory B. McShea

385 East Colorado Boulevard

Pasadena, CA 91101

Date of fiscal year end: December 31, 2006

Date of reporting period: September 30, 2006

**Item 1 Schedule of Investments**

(Portfolio is inserted here)

**PORTFOLIO OF INVESTMENTS**

Western Asset Premier Bond Fund

September 30, 2006 (Unaudited)

(Amounts in thousands)

|                                     | % OF<br>NET ASSETS | RATE    | MATURITY<br>DATE | PAR    | VALUE           |
|-------------------------------------|--------------------|---------|------------------|--------|-----------------|
| <b>Long-Term Securities</b>         | <b>151.6%</b>      |         |                  |        |                 |
| <b>Corporate Bonds and Notes</b>    | <b>81.7%</b>       |         |                  |        |                 |
| <i>Advertising</i>                  | 0.1%               |         |                  |        |                 |
| Affinion Group, Inc.                |                    | 10.125% | 10/15/13         | \$ 100 | \$ 105          |
| Lamar Media Corporation             |                    | 6.625%  | 8/15/15          | 120    | 115             |
|                                     |                    |         |                  |        | 220             |
| <i>Aerospace/Defense</i>            | 1.1%               |         |                  |        |                 |
| Northrop Grumman Corporation        |                    | 7.750%  | 2/15/31          | 1,000  | 1,247           |
| The Boeing Company                  |                    | 6.125%  | 2/15/33          | 600    | 647             |
| TransDigm Inc.                      |                    | 7.750%  | 7/15/14          | 40     | 40 <sub>A</sub> |
|                                     |                    |         |                  |        | 1,934           |
| <i>Apparel</i>                      | 0.3%               |         |                  |        |                 |
| Levi Strauss & Co.                  |                    | 9.750%  | 1/15/15          | 225    | 233             |
| Levi Strauss & Co.                  |                    | 8.875%  | 4/1/16           | 70     | 70              |
| Oxford Industries, Inc.             |                    | 8.875%  | 6/1/11           | 270    | 275             |
|                                     |                    |         |                  |        | 578             |
| <i>Auto Parts and Equipment</i>     | 0.7%               |         |                  |        |                 |
| Commercial Vehicle Group, Inc.      |                    | 8.000%  | 7/1/13           | 250    | 239             |
| Keystone Automotive Operations Inc. |                    | 9.750%  | 11/1/13          | 480    | 451             |
| TRW Automotive Inc.                 |                    | 11.000% | 2/15/13          | 90     | 98              |
| Visteon Corporation                 |                    | 7.000%  | 3/10/14          | 185    | 166             |
| Visteon Corporation                 |                    | 8.250%  | 8/1/10           | 245    | 239             |
|                                     |                    |         |                  |        | 1,193           |
| <i>Automotive</i>                   | 1.7%               |         |                  |        |                 |
| Asbury Automotive Group Inc.        |                    | 9.000%  | 6/15/12          | 235    | 241             |
| DaimlerChrysler NA Holdings Corp.   |                    | 7.300%  | 1/15/12          | 1,000  | 1,063           |
| DaimlerChrysler NA Holdings Corp.   |                    | 8.500%  | 1/18/31          | 1,000  | 1,188           |
| General Motors Corporation          |                    | 8.375%  | 7/15/33          | 420    | 363             |
|                                     |                    |         |                  |        | 2,855           |
| <i>Banking and Finance</i>          | 3.4%               |         |                  |        |                 |
| Boeing Capital Corporation          |                    | 6.500%  | 2/15/12          | 1,000  | 1,060           |
| Boeing Capital Corporation          |                    | 5.800%  | 1/15/13          | 400    | 413             |
| E*TRADE Financial Corporation       |                    | 7.375%  | 9/15/13          | 140    | 143             |
| E*TRADE Financial Corporation       |                    | 7.875%  | 12/1/15          | 55     | 58              |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

|                                 |        |         |       |                    |
|---------------------------------|--------|---------|-------|--------------------|
| Fuji JGB Inv                    | 9.870% | 6/30/08 | 790   | 846 <sub>A,B</sub> |
| General Motors Acceptance Corp. | 6.875% | 8/28/12 | 150   | 148                |
| General Motors Acceptance Corp. | 8.000% | 11/1/31 | 1,530 | 1,600              |
| HSBC Finance Corporation        | 4.750% | 7/15/13 | 1,670 | 1,613              |
|                                 |        |         |       | 5,881              |

**PORTFOLIO OF INVESTMENTS**

Western Asset Premier Bond Fund

September 30, 2006 (Unaudited)

(Amounts in thousands)

|  | % OF<br>NET ASSETS | RATE    | MATURITY<br>DATE | PAR    | VALUE            |
|--|--------------------|---------|------------------|--------|------------------|
| <b>Corporate Bonds and Notes - Continued</b> |                    |         |                  |        |                  |
| <b>Banks</b>                                 | 0.3%               |         |                  |        |                  |
| Washington Mutual Bank FA                    |                    | 5.500%  | 1/15/13          | \$ 440 | \$ 440           |
| <b>Builders-Residential/Commercial</b>       | 0.3%               |         |                  |        |                  |
| Beazer Homes USA, Inc.                       |                    | 8.125%  | 6/15/16          | 145    | 141              |
| K Hovnanian Enterprises, Inc.                |                    | 8.625%  | 1/15/17          | 430    | 427              |
|  |                    |         |                  |        | 568              |
| <b>Building Materials</b>                    | 0.5%               |         |                  |        |                  |
| Associated Materials Inc.                    |                    | 0.000%  | 3/1/14           | 720    | 396 <sub>C</sub> |
| NTK Holdings Inc.                            |                    | 0.000%  | 3/1/14           | 405    | 279 <sub>C</sub> |
| Nortek Inc.                                  |                    | 8.500%  | 9/1/14           | 290    | 274              |
|  |                    |         |                  |        | 949              |
| <b>Cable</b>                                 | 2.8%               |         |                  |        |                  |
| Charter Communication Holdings LLC           |                    | 11.750% | 5/15/14          | 220    | 157 <sub>B</sub> |
| Charter Communication Holdings LLC           |                    | 11.000% | 10/1/15          | 9      | 8 <sub>A</sub>   |
| Charter Communication Holdings LLC           |                    | 11.000% | 10/1/15          | 330    | 300              |
| Charter Communication Holdings II            |                    | 10.250% | 9/15/10          | 280    | 286              |
| Charter Communication Holdings II            |                    | 10.250% | 10/1/13          | 167    | 170 <sub>A</sub> |
| Comcast Cable Communications, Inc.           |                    | 6.750%  | 1/30/11          | 500    | 525              |
| Comcast Corporation                          |                    | 5.900%  | 3/15/16          | 400    | 400              |
| Comcast Corporation                          |                    | 7.050%  | 3/15/33          | 1,000  | 1,071            |
| CSC Holdings Inc.                            |                    | 7.250%  | 4/15/12          | 250    | 249              |
| CSC Holdings Inc.                            |                    | 7.875%  | 2/15/18          | 380    | 394              |
| EchoStar DBS Corporation                     |                    | 7.000%  | 10/1/13          | 830    | 811 <sub>A</sub> |
| NTL Cable Plc                                |                    | 9.125%  | 8/15/16          | 125    | 129              |
| LodgeNet Entertainment Corporation           |                    | 9.500%  | 6/15/13          | 321    | 343              |
|  |                    |         |                  |        | 4,843            |
| <b>Casino Resorts</b>                        | 1.2%               |         |                  |        |                  |
| Inn of The Mountain Gods                     |                    | 12.000% | 11/15/10         | 530    | 555              |
| MGM Mirage Inc.                              |                    | 8.375%  | 2/1/11           | 170    | 177              |
| Pinnacle Entertainment, Inc.                 |                    | 8.250%  | 3/15/12          | 250    | 253              |
| Premier Entertainment Biloxi LLC             |                    | 10.750% | 2/1/12           | 707    | 719              |
| Station Casinos, Inc.                        |                    | 7.750%  | 8/15/16          | 180    | 187              |
| Station Casinos, Inc.                        |                    | 6.625%  | 3/15/18          | 150    | 135              |
|  |                    |         |                  |        | 2,026            |
| <b>Chemicals</b>                             | 1.8%               |         |                  |        |                  |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

|                           |         |          |       |                  |
|---------------------------|---------|----------|-------|------------------|
| Georgia Gulf Corporation  | 9.500%  | 10/15/14 | 350   | 348 <sub>A</sub> |
| Lyondell Chemical Company | 10.500% | 6/1/13   | 135   | 149              |
| The Dow Chemical Company  | 6.000%  | 10/1/12  | 2,500 | 2,585            |

3,082

|                                |         |         |     |                  |
|--------------------------------|---------|---------|-----|------------------|
| <b>Coal</b>                    | 0.4%    |         |     |                  |
| Alpha Natural Resources        | 10.000% | 6/1/12  | 350 | 376              |
| International Coal Group, Inc. | 10.250% | 7/15/14 | 260 | 247 <sub>A</sub> |

623

|   |         |          |     |                 |
|---|---------|----------|-----|-----------------|
| <b>Computers Services and Systems</b>       | 1.6%    |          |     |                 |
| Amkor Technology, Inc.                      | 2.500%  | 5/15/11  | 85  | 71 <sub>D</sub> |
| DynCorp Inc.                                | 9.500%  | 2/15/13  | 502 | 520             |
| Electronic Data Systems Corporation         | 7.125%  | 10/15/09 | 700 | 732             |
| Electronic Data Systems Corporation         | 7.450%  | 10/15/29 | 500 | 549             |
| International Business Machines Corporation | 4.750%  | 11/29/12 | 240 | 235             |
| Sungard Data Systems Inc.                   | 10.250% | 8/15/15  | 630 | 649             |

2,756

**PORTFOLIO OF INVESTMENTS**

Western Asset Premier Bond Fund

*September 30, 2006 (Unaudited)*

*(Amounts in thousands)*

**% OF  
NET ASSETS**