

Western Asset Mortgage Defined Opportunity Fund Inc.
Form N-Q
November 25, 2013

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 **811-22369**

**Western Asset Mortgage Defined
Opportunity Fund Inc.**

(Exact name of registrant as specified in charter)

620 Eighth Avenue, 49th Floor, New York, NY 10018

(Address of principal executive offices) (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: **September 30, 2013**

ITEM 1. SCHEDULE OF INVESTMENTS

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

FORM N-Q

SEPTEMBER 30, 2013

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
RESIDENTIAL MORTGAGE-BACKED SECURITIES - 126.0%				
ABFS Mortgage Loan Trust, 2002-3 M1	5.902%	9/15/33	\$ 1,348,333	\$ 1,065,133
ABN Amro Mortgage Corp., 2003-9 B3	4.516%	8/25/18	104,072	87,327 ^(a)
Accredited Mortgage Loan Trust, 2003-3 A1	5.210%	1/25/34	1,531,981	1,460,733
ACE Securities Corp., 2003-NC1 M2	3.029%	7/25/33	375,586	182,344 ^(b)
AFC Home Equity Loan Trust, 2003-3 1A	0.929%	10/25/30	2,659,444	2,234,289 ^{(a)(b)}
American Home Mortgage Assets, 2005-2 2A1A	3.283%	1/25/36	2,133,465	1,457,713 ^{(b)(c)}
American Home Mortgage Assets, 2006-4 1A12	0.389%	10/25/46	2,952,028	1,872,808 ^{(b)(c)}
American Home Mortgage Investment Trust, 2005-1 6A	2.373%	6/25/45	144,178	134,026 ^{(b)(c)}
American Home Mortgage Investment Trust, 2005-SD1 1A1	0.629%	9/25/35	397,619	250,158 ^{(a)(b)(c)}
American Home Mortgage Investment Trust, 2007-1 GA1C	0.369%	5/25/47	1,953,431	1,271,205 ^{(b)(c)}
American Home Mortgage Investment Trust, 2007-2 11A1	0.409%	3/25/47	1,559,821	929,182 ^{(b)(c)}
American Home Mortgage Investment Trust, 2007-2 2A	0.979%	3/25/47	13,732,880	2,127,546 ^(b)
American Home Mortgage Investment Trust, 2007-A 4A	0.629%	7/25/46	2,852,699	651,736 ^{(a)(b)}
Ameriquest Mortgage Securities Inc., 2002-4 M3	5.434%	2/25/33	1,425,768	1,234,531 ^(b)
Ameriquest Mortgage Securities Inc., 2005-R9 A2B	0.409%	11/25/35	19,373	19,400 ^(b)
Argent Securities Inc., 2005-W5 A2D	0.499%	1/25/36	4,761,341	3,516,198 ^(b)
Argent Securities Inc., 2006-M2 A2B	0.289%	9/25/36	3,091,123	1,286,456 ^(b)
Argent Securities Inc., 2006-M2 A2C	0.329%	9/25/36	2,733,999	1,145,062 ^(b)
Argent Securities Inc., 2006-M2 A2D	0.419%	9/25/36	721,583	305,349 ^(b)
Argent Securities Inc., 2006-M3 A2C	0.339%	10/25/36	4,491,948	1,923,758 ^(b)
ARM Trust, 2005-05 1A1	2.769%	9/25/35	383,124	301,312 ^{(b)(c)}
ARM Trust, 2005-07 2A21	2.709%	10/25/35	1,040,000	880,758 ^{(b)(c)}
ARM Trust, 2005-10 1A21	2.716%	1/25/36	533,834	450,685 ^{(b)(c)}
ARM Trust, 2005-12 5A1	0.429%	3/25/36	473,847	306,301 ^{(b)(c)}
Asset-Backed Funding Certificates, 2005-HE1 M2	0.839%	3/25/35	2,730,567	1,987,566 ^(b)
Banc of America Funding Corp., 2004-B 6A1	2.442%	12/20/34	740,700	481,398 ^{(b)(c)}
Banc of America Funding Corp., 2004-C 3A1	3.104%	12/20/34	1,078,442	983,380 ^{(b)(c)}
Banc of America Funding Corp., 2006-D 2A1	2.750%	5/20/36	148,606	104,279 ^{(b)(c)}
Banc of America Funding Corp., 2006-D 6A1	5.068%	5/20/36	1,990,362	1,666,043 ^{(b)(c)}
Banc of America Funding Corp., 2006-F 1A1	2.726%	7/20/36	867,710	831,410 ^{(b)(c)}
Banc of America Funding Corp., 2006-H 3A1	2.867%	9/20/46	222,819	174,640 ^{(b)(c)}
Banc of America Funding Corp., 2007-A 2A1	0.340%	2/20/47	419,129	354,938 ^{(b)(c)}
Bayview Financial Acquisition Trust, 2007-A 2A	0.534%	5/28/37	2,084,440	1,440,014 ^{(b)(c)}
Bayview Financial Asset Trust, 2007-SR1A M1	0.979%	3/25/37	4,835,407	3,566,113 ^{(a)(b)(c)}
Bayview Financial Asset Trust, 2007-SR1A M2	1.079%	3/25/37	5,234,521	3,664,164 ^{(a)(b)}
Bayview Financial Asset Trust, 2007-SR1A M3	1.329%	3/25/37	2,321,763	1,462,711 ^{(a)(b)}
Bayview Financial Asset Trust, 2007-SR1A M4	1.679%	3/25/37	307,010	174,996 ^{(a)(b)}
BCAP LLC Trust, 2009-RR4 8A2	2.934%	9/26/35	2,530,357	1,699,332 ^{(a)(b)(c)}
BCAP LLC Trust, 2010-RR06 4A13	2.934%	9/26/35	2,069,731	1,413,274 ^{(a)(b)(c)}
BCAP LLC Trust, 2010-RR10 2A7	2.627%	12/27/34	5,054,762	3,160,055 ^{(a)(b)(c)}
Bear Stearns Adjustable Rate Mortgage Trust, 2004-1 23A1	5.409%	4/25/34	131,448	128,704 ^{(b)(c)}
Bear Stearns Alt-A Trust, 2005-2 2A4	2.827%	4/25/35	242,244	210,277 ^{(b)(c)}
Bear Stearns Alt-A Trust, 2005-3 4A3	2.484%	4/25/35	483,860	441,023 ^{(b)(c)}
Bear Stearns Alt-A Trust, 2005-9 25A1	2.590%	11/25/35	596,791	464,092 ^{(b)(c)}
Bear Stearns Alt-A Trust, 2006-2 23A1	2.750%	3/25/36	2,093,572	1,409,512 ^{(b)(c)}
Bear Stearns Asset-Backed Securities Trust, 2003-SD2 1A	3.712%	6/25/43	93,977	94,131 ^(b)
Bear Stearns Asset-Backed Securities Trust, 2005-CL1 A1	0.679%	9/25/34	178,365	160,751 ^(b)

See Notes to Schedule of Investments.

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
RESIDENTIAL MORTGAGE-BACKED				
SECURITIES - continued				
Bear Stearns Asset-Backed Securities Trust, 2007-HE2 1A2	0.349%	3/25/37	\$ 2,828,132	\$ 2,129,994 ^(b)
Bear Stearns Mortgage Funding Trust, 2007-AR5 2A1	0.359%	6/25/37	2,584,195	1,981,186 ^{(b)(c)}
Chase Mortgage Finance Corp., 2005-A2 1A5	2.787%	1/25/36	2,683,018	2,337,974 ^{(b)(c)}
Chase Mortgage Finance Corp., 2006-S3 2A1	5.500%	11/25/21	379,290	339,886 ^(c)
Chevy Chase Mortgage Funding Corp., 2004-4A A2	0.469%	10/25/35	1,625,258	1,376,387 ^{(a)(b)(c)}
Chevy Chase Mortgage Funding Corp., 2005-2A A1	0.359%	5/25/36	2,425,156	1,948,241 ^{(a)(b)(c)}
Chevy Chase Mortgage Funding Corp., 2006-2A A1	0.309%	4/25/47	309,046	191,867 ^{(a)(b)(c)}
Citigroup Mortgage Loan Trust Inc., 2003-HE4 A	0.589%	12/25/33	118,629	118,287 ^{(a)(b)}
Citigroup Mortgage Loan Trust Inc., 2004-HYB3 1A	2.686%	9/25/34	264,453	262,445 ^{(b)(c)}
Citigroup Mortgage Loan Trust Inc., 2004-UST1 A2	1.408%	8/25/34	145,831	147,413 ^{(b)(c)}
Citigroup Mortgage Loan Trust Inc., 2005-05	1.622%	8/25/35	295,012	219,368 ^{(b)(c)}
Citigroup Mortgage Loan Trust Inc., 2005-10 1A1A	3.026%	12/25/35	437,739	324,001 ^{(b)(c)}
Citigroup Mortgage Loan Trust Inc., 2006-AR5 2A1A	2.698%	7/25/36	730,045	455,479 ^{(b)(c)}
Citigroup Mortgage Loan Trust Inc., 2007-06 1A1A	2.310%	3/25/37	601,517	360,780 ^{(b)(c)}
Citigroup Mortgage Loan Trust Inc., 2007-AR8 1A1A	2.740%	8/25/47	616,906	479,480 ^{(b)(c)}
Countrywide Alternative Loan Trust, 2004-J5 M1	0.779%	8/25/34	4,500,000	3,309,754 ^{(b)(c)}
Countrywide Alternative Loan Trust, 2005-14 3A1	2.505%	5/25/35	527,136	330,917 ^{(b)(c)}
Countrywide Alternative Loan Trust, 2005-27 2A1	1.508%	8/25/35	3,796,962	2,784,893 ^{(b)(c)}
Countrywide Alternative Loan Trust, 2005-27 2A3	1.718%	8/25/35	3,052,387	2,457,272 ^{(b)(c)}
Countrywide Alternative Loan Trust, 2005-36 4A1	2.634%	8/25/35	1,325,566	1,102,877 ^{(b)(c)}
Countrywide Alternative Loan Trust, 2005-3CB 1A6, IO	6.971%	3/25/35	1,112,334	231,616 ^(b)
Countrywide Alternative Loan Trust, 2005-7CB 1A3, IO	6.421%	4/25/35	3,002,854	332,044 ^(b)
Countrywide Alternative Loan Trust, 2005-J10 1A1	0.679%	10/25/35	341,959	257,879 ^{(b)(c)}
Countrywide Alternative Loan Trust, 2006-HY10 1A1	2.263%	5/25/36	1,017,360	750,804 ^{(b)(c)}
Countrywide Alternative Loan Trust, 2006-J8 A5	6.000%	2/25/37	200,963	146,523 ^(c)
Countrywide Alternative Loan Trust, 2007-23CB A4, IO	6.321%	9/25/37	14,449,474	3,135,485 ^(b)
Countrywide Alternative Loan Trust, 2007-3T1 2A1	6.000%	3/25/27	1,116,773	1,032,004 ^(c)
Countrywide Asset-Backed Certificates, 2005-13 3AV4	0.519%	4/25/36	814,320	681,489 ^(b)
Countrywide Asset-Backed Certificates, 2006-S3 A2	6.085%	6/25/21	299,085	287,034 ^(c)
Countrywide Asset-Backed Certificates, 2006-S7 A3	5.712%	11/25/35	707,864	679,232 ^{(b)(c)}
Countrywide Asset-Backed Certificates, 2006-S9 A3	5.728%	8/25/36	320,817	307,325 ^{(b)(c)}
Countrywide Asset-Backed Certificates, 2007-8 M1	0.449%	11/25/37	9,000,000	237,942 ^(b)
Countrywide Asset-Backed Certificates, 2007-SE1 1A1	0.729%	5/25/47	1,285,058	646,455 ^{(a)(b)}
Countrywide Home Equity Loan Trust, 2004-L 2A	0.462%	2/15/34	174,026	124,520 ^{(b)(c)}
Countrywide Home Equity Loan Trust, 2005-E 2A	0.402%	11/15/35	238,493	187,590 ^{(b)(c)}
Countrywide Home Loans, 2004-16 1A3A	0.939%	9/25/34	1,712,277	1,516,853 ^{(b)(c)}
Countrywide Home Loans, 2005-11 3A3	2.691%	4/25/35	994,336	697,192 ^{(b)(c)}
Countrywide Home Loans, 2005-11 6A1	0.479%	3/25/35	105,019	90,569 ^{(b)(c)}
Countrywide Home Loans, 2005-18 A7	19.033%	10/25/35	58,761	73,514 ^{(b)(c)}
Countrywide Home Loans, 2005-HYB7 1A1	2.882%	11/20/35	1,178,117	905,717 ^{(b)(c)}
Countrywide Home Loans, 2005-HYB9 1A1	2.423%	2/20/36	401,909	314,778 ^{(b)(c)}
Countrywide Home Loans, 2005-R2 1AF2	0.519%	6/25/35	1,656,571	1,149,816 ^{(a)(b)}
Countrywide Home Loans, 2006-HYB4 3B	2.698%	6/20/36	1,963,592	1,475,475 ^{(b)(c)}

See Notes to Schedule of Investments.

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
RESIDENTIAL MORTGAGE-BACKED				
SECURITIES - continued				
Countrywide Home Loans Mortgage Pass-Through				
Trust, 2004-23 A Countrywide Home Loans Mortgage Pass-Through	2.465%	11/25/34	\$ 400,198	\$ 302,956 ^{(b)(c)}
Trust, 2005-02 2A1 Countrywide Home Loans Mortgage Pass-Through	0.499%	3/25/35	169,933	136,813 ^{(b)(c)}
Trust, 2005-07 2A1 Countrywide Home Loans Mortgage Pass-Through	0.489%	3/25/35	380,667	319,372 ^{(b)(c)}
Trust, 2005-09 1A1 Countrywide Home Loans Mortgage Pass-Through	0.479%	5/25/35	214,721	180,322 ^{(b)(c)}
Trust, 2005-HY10 1A1 Countrywide Home Loans Mortgage Pass-Through	3.301%	2/20/36	377,387	323,249 ^{(b)(c)}
Trust, 2005-HYB6 1A1 Countrywide Home Loans Mortgage Pass-Through	2.489%	10/20/35	1,336,142	965,860 ^{(b)(c)}
Trust, 2005-J2 3A10 Countrywide Home Loans Mortgage Pass-Through	48.633%	8/25/35	83,592	146,694 ^{(b)(c)}
Trust, 2005-R1 1AF1 Countrywide Home Loans Mortgage Pass-Through	0.539%	3/25/35	885,681	778,167 ^{(a)(b)(c)}
Trust, 2005-R2 2A3 Countrywide Home Loans Mortgage Pass-Through	8.000%	6/25/35	190,112	202,238 ^{(a)(c)}
Trust, 2006-3 2A1 Credit Suisse First Boston Mortgage Securities	0.429%	3/25/36	780,128	629,874 ^{(b)(c)}
Corp., 2005-10 03A3	5.500%	11/25/35	971,886	832,647 ^(c)
Credit Suisse Mortgage Capital Certificates, 2006-8 2A1	5.500%	10/25/21	1,617,002	1,559,675 ^(c)
Credit Suisse Mortgage Capital Certificates, 2009-5R 2A3	2.418%	7/26/49	4,000,000	2,997,604 ^{(a)(b)(c)}
Credit-Based Asset Servicing and Securitization LLC, 2003-RP1 M1 Credit-Based Asset Servicing and Securitization	1.729%	3/25/33	2,734,941	1,980,748 ^{(a)(b)}
LLC, 2005-CB4 M1	0.599%	7/25/35	2,000,000	1,685,092 ^(b)
Credit-Based Asset Servicing and Securitization LLC, 2006-SL1 A3	0.619%	9/25/36	5,004,730	1,203,287 ^{(a)(b)}
Credit-Based Asset Servicing and Securitization LLC, 2007-SP1 A4	6.020%	12/25/37	2,587,000	2,720,437 ^{(a)(e)}
Deutsche ALT-A Securities Inc. Mortgage Loan				
Trust, 2005-AR2 3A1	2.567%	10/25/35	1,968,387	1,372,375 ^{(b)(c)}
Deutsche ALT-A Securities Inc. Mortgage Loan	2.969%	2/25/36	417,271	302,750 ^{(b)(c)}

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Trust, 2006-AR1 2A1				
Deutsche ALT-A Securities Inc. Mortgage Loan Trust, 2007-1 2A1	0.279%	8/25/37	577,835	396,548 ^{(b)(c)}
Downey Savings & Loan Association Mortgage Loan				
Trust, 2005-AR1 2A1B	0.501%	3/19/45	844,936	273,477 ^(b)
Downey Savings & Loan Association Mortgage Loan Trust,				
2005-AR2 2A1A	0.391%	3/19/45	610,890	517,382 ^{(b)(c)}
EMC Mortgage Loan Trust, 2002-AA A1	0.649%	5/25/39	204,525	192,738 ^{(a)(b)}
EMC Mortgage Loan Trust, 2006-A A1	0.629%	12/25/42	1,447,524	1,289,191 ^{(a)(b)}
Federal National Mortgage Association (FNMA), 2012-134, IO	5.971%	12/25/42	7,135,606	1,608,870 ^{(b)(c)}
First Horizon Alternative Mortgage Securities, 2005-AA6 3A1	2.277%	8/25/35	1,581,334	1,399,037 ^{(b)(c)}
First Horizon Alternative Mortgage Securities, 2006-FA6 2A1, PAC-11	6.250%	11/25/36	240,044	200,457 ^(c)
First Horizon Alternative Mortgage Securities, 2006-FA8 1A8	0.549%	2/25/37	556,466	352,154 ^{(b)(c)}
First Horizon Mortgage Pass-Through Trust, 2005-AR4 2A1	2.597%	10/25/35	947,568	816,579 ^{(b)(c)}
First Republic Mortgage Loan Trust, 2000-FRB2 A1	0.682%	11/15/30	327,993	330,422 ^{(b)(c)}
Fremont Home Loan Trust, 2006-B 2A2	0.279%	8/25/36	878,269	336,686 ^(b)
Fremont Home Loan Trust, 2006-B 2A4	0.419%	8/25/36	1,061,300	417,378 ^(b)
Greenpoint Mortgage Funding Trust, 2005-AR4 A1	0.439%	10/25/45	672,627	562,943 ^{(b)(c)}

See Notes to Schedule of Investments.

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
RESIDENTIAL MORTGAGE-BACKED				
SECURITIES - continued				
Greenpoint Mortgage Funding Trust, 2006-AR3 4A1	0.389%	4/25/36	\$ 4,471,919	\$ 3,137,905 ^{(b)(c)}
GreenPoint Mortgage Funding Trust, 2006-AR6 A4	0.519%	10/25/46	6,236,140	2,107,048 ^(b)
GSAMP Trust, 2004-SEA2 M2	1.429%	3/25/34	6,200,000	4,681,756 ^(b)
GSAMP Trust, 2005-AHL2 A2C	0.419%	12/25/35	3,845,017	3,154,190 ^(b)
GSAMP Trust, 2007-FM1 A2C	0.349%	12/25/36	2,268,245	1,131,326 ^{(b)(c)}
GSAMP Trust, 2007-FM1 A2D	0.429%	12/25/36	3,745,898	1,903,684 ^{(b)(c)}
GSMPS Mortgage Loan Trust, 2001-2 A	7.500%	6/19/32	837,566	887,461 ^{(a)(b)(c)}
GSMPS Mortgage Loan Trust, 2004-4 2A1	3.437%	6/25/34	333,805	303,296 ^{(a)(b)(c)}
GSMPS Mortgage Loan Trust, 2005-LT1 A1	0.639%	2/25/35	266,638	205,978 ^{(a)(b)(c)(d)}
GSMPS Mortgage Loan Trust, 2005-RP1 1A3	8.000%	1/25/35	191,181	204,322 ^{(a)(c)}
GSMPS Mortgage Loan Trust, 2005-RP1 1A4	8.500%	1/25/35	134,460	146,650 ^{(a)(c)}
GSMPS Mortgage Loan Trust, 2005-RP1 1AF	0.529%	1/25/35	401,249	339,171 ^{(a)(b)(c)}
GSMPS Mortgage Loan Trust, 2006-RP1 1A2	7.500%	1/25/36	732,890	741,115 ^(a)
GSMPS Mortgage Loan Trust, 2006-RP1 1A3	8.000%	1/25/36	135,778	141,950 ^{(a)(c)}
GSR Mortgage Loan Trust, 2005-AR4 2A1	2.838%	7/25/35	525,566	428,418 ^{(b)(c)}
GSR Mortgage Loan Trust, 2005-AR5 1A1	2.817%	10/25/35	219,314	189,668 ^{(b)(c)}
GSR Mortgage Loan Trust, 2006-09F 5A2, IO	6.371%	10/25/36	1,200,040	246,496 ^(b)
GSR Mortgage Loan Trust, 2006-10F 4A2, IO	6.471%	1/25/37	2,064,512	582,648 ^(b)
GSRPM Mortgage Loan Trust, 2007-1 A	0.579%	10/25/46	2,710,769	1,942,911 ^{(a)(b)}
Harborview Mortgage Loan Trust, 2006-02	2.786%	2/25/36	72,534	56,488 ^{(b)(c)}
Home Equity Mortgage Trust, 2006-1 A3	0.679%	5/25/36	3,500,000	354,728 ^(b)
Homestar Mortgage Acceptance Corp., 2004-1 M1	0.974%	3/25/34	2,668,018	1,568,595 ^{(b)(c)}
Homestar Mortgage Acceptance Corp., 2004-3 M3	1.779%	7/25/34	683,956	496,429 ^(b)
Homestar Mortgage Acceptance Corp., 2004-6 M4	1.379%	1/25/35	2,448,000	1,738,129 ^{(b)(c)}
HSI Asset Loan Obligation Trust, 2007-AR1 4A1	5.235%	1/25/37	480,699	406,014 ^{(b)(c)}
IMC Home Equity Loan Trust, 1998-1 A5	7.450%	6/20/29	1,505,160	1,536,198 ^(e)
IMPAC CMB Trust, 2005-4 1M1	0.824%	5/25/35	1,043,833	676,631 ^{(b)(c)}
IMPAC Secured Assets Corp., 2004-4 M1	0.689%	2/25/35	2,340,000	2,038,049 ^{(b)(c)}
IMPAC Secured Assets Corp., 2007-1 A2	0.339%	3/25/37	903,094	660,254 ^{(b)(c)}
Indymac Home Equity Loan Asset-Backed Trust, 2001-A	0.439%	3/25/31	115,825	93,984 ^(b)
Indymac INDA Mortgage Loan Trust, 2005-AR2 1A1	2.568%	1/25/36	243,392	224,767 ^{(b)(c)}
Indymac INDB Mortgage Loan Trust, 2005-1 A1	0.479%	11/25/35	2,214,792	1,292,841 ^(b)
Indymac Index Mortgage Loan Trust, 2004-AR02 2A1	0.799%	6/25/34	1,589,929	1,459,708 ^{(b)(c)}
Indymac Index Mortgage Loan Trust, 2004-AR13 1A1	2.452%	1/25/35	168,450	148,930 ^{(b)(c)}
Indymac Index Mortgage Loan Trust, 2004-AR15 1A1	2.559%	2/25/35	224,213	189,530 ^{(b)(c)}
Indymac Index Mortgage Loan Trust, 2005-AR15 A2	4.656%	9/25/35	177,881	157,714 ^{(b)(c)}
Indymac Index Mortgage Loan Trust, 2006-AR07 5A1	2.775%	5/25/36	706,411	548,248 ^{(b)(c)}
Indymac Index Mortgage Loan Trust, 2006-AR09 3A3	4.646%	6/25/36	1,070,997	990,888 ^{(b)(c)}
Indymac Index Mortgage Loan Trust, 2006-AR11 1A1	2.752%	6/25/36	697,886	503,412 ^{(b)(c)}
Indymac Index Mortgage Loan Trust, 2006-AR25 4A3	2.726%	9/25/36	2,710,492	1,525,595 ^{(b)(c)}
Indymac Index Mortgage Loan Trust, 2007-AR05 2A1	2.743%	5/25/37	3,159,038	2,248,060 ^{(b)(c)}
Indymac Index Mortgage Loan Trust, 2007-AR07 1A1	3.065%	11/25/37	45,419	41,007 ^{(b)(c)}
Indymac Index Mortgage Loan Trust, 2007-AR07 2A1	2.177%	6/25/37	371,431	268,932 ^{(b)(c)}
Indymac Index Mortgage Loan Trust, 2007-AR15 2A1	4.548%	8/25/37	406,452	337,949 ^{(b)(c)}

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WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
RESIDENTIAL MORTGAGE-BACKED				
SECURITIES - continued				
Indymac Residential Asset-Backed Trust, 2006-H4 A1	0.319%	3/25/37	\$ 2,342,342	\$ 1,793,062 ^{(b)(c)}
Irwin Home Equity, 2005-C 1M4	6.750%	4/25/30	608,152	62,181
Jefferies & Co., 2009-R2 5A	3.311%	1/26/36	1,736,245	1,642,644 ^{(a)(b)(c)}
Jefferies & Co., 2009-R3 2A2	3.186%	11/26/34	4,040,045	2,929,033 ^{(a)(b)(c)(d)}
Jefferies & Co., 2009-R6 6A2	2.641%	10/26/35	2,981,788	1,843,687 ^{(a)(b)(c)}
JPMorgan Alternative Loan Trust, 2006-A4 A7	3.873%	9/25/36	1,098,557	616,740 ^{(b)(c)}
JPMorgan Alternative Loan Trust, 2006-S1 3A4	6.180%	3/25/36	1,443,527	851,812 ^{(b)(c)}
JPMorgan Alternative Loan Trust, 2007-A1 3A1	5.436%	3/25/37	951,065	693,878 ^(b)
JPMorgan Mortgage Acquisition Corp., 2007-CH3 M3	0.549%	3/25/37	2,540,000	167,419 ^(b)
JPMorgan Mortgage Trust, 2005-A6 3A3	2.785%	9/25/35	1,100,000	938,235 ^{(b)(c)}
JPMorgan Mortgage Trust, 2005-S3 1A1	6.500%	1/25/36	1,728,814	1,552,580 ^(c)
JPMorgan Mortgage Trust, 2007-S2 3A2	6.000%	6/25/37	246,739	227,151 ^(c)
JPMorgan Mortgage Trust, 2007-S2 3A3	6.500%	6/25/37	85,302	80,107 ^(c)
Lehman ABS Corp. Home Equity Loan Trust, 2004-2 A	0.619%	6/25/34	316,244	295,939 ^(b)
Lehman Mortgage Trust, 2006-3 2A1	0.539%	7/25/36	4,687,390	1,765,421 ^(b)
Lehman Mortgage Trust, 2006-3 2A2, IO	6.961%	7/25/36	5,292,773	1,392,206 ^(b)
Lehman Mortgage Trust, 2006-7 1A3, IO	5.166%	11/25/36	13,125,423	2,355,055 ^(b)
Lehman Mortgage Trust, 2007-1 2A3, IO	6.451%	2/25/37	14,241,273	3,754,042 ^(b)
Lehman XS Trust, 2005-9N 1A1	0.449%	2/25/36	1,799,512	1,448,396 ^{(b)(c)}
Lehman XS Trust, 2006-14N 1A1B	0.389%	9/25/46	2,619,618	1,768,976 ^{(b)(c)}
Lehman XS Trust, 2006-14N 3A2	0.299%	8/25/36	364,048	241,392 ^{(b)(c)}
Lehman XS Trust, 2006-19 A4	0.349%	12/25/36	1,543,010	999,583 ^{(b)(c)}
Lehman XS Trust, 2007-4N 1A2A	0.339%	3/25/47	4,676,529	3,127,284 ^{(b)(c)}
Lehman XS Trust, 2007-8H A1	0.309%	6/25/37	152,870	122,639 ^{(b)(c)}
MASTR Adjustable Rate Mortgages Trust, 2004-12 5A1	3.118%	10/25/34	263,613	246,669 ^{(b)(c)}
MASTR Adjustable Rate Mortgages Trust, 2004-15 1A1	3.352%	12/25/34	114,235	112,011 ^{(b)(c)}
MASTR Adjustable Rate Mortgages Trust, 2006-0A1 1A1	0.389%	4/25/46	471,999	337,574 ^{(b)(c)}
MASTR Adjustable Rate Mortgages Trust, 2006-2 4A1	2.650%	2/25/36	162,733	156,139 ^{(b)(c)}
MASTR Alternative Loans Trust, 2006-2 2A4, IO	6.960%	3/25/36	2,263,643	726,741 ^(b)
MASTR Asset-Backed Securities Trust, 2005-AB1 A5A	5.712%	11/25/35	3,360,000	2,130,801
MASTR Asset-Backed Securities Trust, 2006-HE4 A3	0.329%	11/25/36	4,111,391	1,725,419 ^(b)
MASTR Reperforming Loan Trust, 2005-1 1A2	6.500%	8/25/34	1,130,526	1,175,454 ^{(a)(c)}
MASTR Reperforming Loan Trust, 2005-1 1A3	7.000%	8/25/34	297,046	309,264 ^{(a)(c)}
MASTR Reperforming Loan Trust, 2005-1 1A4	7.500%	8/25/34	122,032	127,285 ^(a)
MASTR Reperforming Loan Trust, 2005-2 1A3	7.500%	5/25/35	19,042	17,508 ^{(a)(c)}
MASTR Reperforming Loan Trust, 2006-2 1A1	4.894%	5/25/36	2,220,517	2,100,167 ^{(a)(b)(c)}
Merrill Lynch Alternative Note Asset Trust, 2007-OAR1 A1	0.349%	2/25/37	3,322,386	2,889,825 ^{(b)(c)}
Merrill Lynch Mortgage Investors Trust, 2005-1 2A2	2.153%	4/25/35	188,716	187,190 ^{(b)(c)}
Merrill Lynch Mortgage Investors Trust, 2005-A2 A3	2.534%	2/25/35	355,079	321,384 ^{(b)(c)}
Merrill Lynch Mortgage Investors Trust, 2005-A2 A5	2.534%	2/25/35	650,000	637,176 ^{(b)(c)}
Merrill Lynch Mortgage Investors Trust, 2006-A1 2A1	3.019%	3/25/36	113,701	80,217 ^{(b)(c)}
Morgan Stanley Capital Inc., 2003-NC10 M2	2.879%	10/25/33	811,061	690,398 ^(b)
Morgan Stanley Mortgage Loan Trust, 2004-6AR 2A2	2.971%	8/25/34	670,911	663,638 ^{(b)(c)}
Morgan Stanley Mortgage Loan Trust, 2005-5AR 4A1	5.270%	9/25/35	4,782,475	3,721,139 ^{(b)(c)}
Morgan Stanley Mortgage Loan Trust, 2006-1AR 1AX, IO	3.740%	2/25/36	15,379,546	1,784,281 ^(b)

See Notes to Schedule of Investments.

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
RESIDENTIAL MORTGAGE-BACKED				
SECURITIES - continued				
Morgan Stanley Mortgage Loan Trust, 2006-3AR 1A3	0.439%	3/25/36	\$ 2,322,138	\$ 1,632,161 ^{(b)(c)}
Morgan Stanley Mortgage Loan Trust, 2006-8AR 1A2	0.249%	6/25/36	378,612	184,233 ^{(b)(c)}
Morgan Stanley Mortgage Loan Trust, 2007-05AX 2A3	0.409%	2/25/37	1,789,393	947,750 ^{(b)(c)}
Morgan Stanley Mortgage Loan Trust, 2007-15AR 4A1	4.556%	11/25/37	1,951,437	1,430,263 ^{(b)(c)}
New Century Home Equity Loan Trust, 2005-C M1	0.609%	12/25/35	5,000,000	2,664,515 ^(b)
New York Mortgage Trust, 2005-3 M1	0.629%	2/25/36	1,738,555	1,508,480 ^{(b)(c)}
Nomura Asset Acceptance Corp., 2004-R3 B2	6.766%	2/25/35	1,352,657	14 ^(a)
Nomura Resecuritization Trust, 2010-4RA 1A2	2.482%	8/26/34	2,900,000	2,026,230 ^{(a)(b)(c)}
Opteum Mortgage Acceptance Corp., 2005-1 M3	0.749%	2/25/35	1,690,000	1,568,715 ^{(b)(c)}
Popular ABS Mortgage Pass-Through Trust, 2004-4 M2	5.010%	9/25/34	1,822,695	1,635,041
Popular ABS Mortgage Pass-Through Trust, 2005-5 MV1	0.619%	11/25/35	2,725,505	2,426,896 ^{(b)(e)}
Popular ABS Mortgage Pass-Through Trust, 2006-D A3	0.439%	11/25/46	2,450,000	1,789,157 ^(b)
Prime Mortgage Trust, 2006-DR1 2A1	5.500%	5/25/35	1,416,484	1,359,731 ^{(a)(c)}
Provident Bank Home Equity Loan Trust, 2000-2 A1	0.719%	8/25/31	1,879,401	1,299,324 ^(b)
RAAC Series, 2006-RP3 A	0.449%	5/25/36	928,825	804,964 ^{(a)(b)}
RAAC Series, 2007-RP2 A	0.529%	2/25/46	1,370,632	1,187,987 ^{(a)(b)}
RAAC Series, 2007-RP3 A	0.559%	10/25/46	2,508,748	1,951,760 ^{(a)(b)}
Renaissance Home Equity Loan Trust, 2002-3 A	0.939%	12/25/32	2,542,120	1,906,892 ^(b)
Renaissance Home Equity Loan Trust, 2006-1 AF5	6.166%	5/25/36	640,000	472,636
Renaissance Home Equity Loan Trust, 2006-2 AV3	0.419%	8/25/36	800,000	432,840 ^(b)
Renaissance Home Equity Loan Trust, 2006-4 AF2	5.285%	1/25/37	1,208,827	661,648
Renaissance Home Equity Loan Trust, 2007-1 AF3	5.612%	4/25/37	2,942,438	1,615,681
Renaissance Home Equity Loan Trust, 2007-2 AF1	5.893%	6/25/37	2,675,873	1,491,103
Renaissance Home Equity Loan Trust, 2007-2 AF2	5.675%	6/25/37	461,133	247,806
Renaissance Home Equity Loan Trust, 2007-2 AF5	6.203%	6/25/37	1,983,368	1,166,212
Renaissance Home Equity Loan Trust, 2007-2 AF6	5.879%	6/25/37	3,336,221	1,854,822
Renaissance Home Equity Loan Trust, 2007-3 AF3	7.238%	9/25/37	1,800,000	1,028,732
Residential Accredit Loans Inc., 2005-QA3 CB4	3.365%	3/25/35	3,593,095	2,363,875 ^{(b)(c)}
Residential Accredit Loans Inc., 2006-QA01 A11	3.381%	1/25/36	944,747	706,418 ^{(b)(c)}
Residential Accredit Loans Inc., 2006-QA01 A31	4.255%	1/25/36	2,705,757	2,078,411 ^{(b)(c)}
Residential Accredit Loans Inc., 2006-QA04 A	0.359%	5/25/36	624,190	468,363 ^{(b)(c)}
Residential Accredit Loans Inc., 2006-QA10 A2	0.359%	12/25/36	1,222,261	851,850 ^{(b)(c)}
Residential Accredit Loans Inc., 2006-QO1 3A1	0.449%	2/25/46	4,400,223	2,966,784 ^{(b)(c)}
Residential Accredit Loans Inc., 2006-QO3 A1	0.389%	4/25/46	5,376,807	2,494,355 ^{(b)(c)}
Residential Accredit Loans Inc., 2006-QO3 A2	0.439%	4/25/46	1,835,679	861,650 ^{(b)(c)}
Residential Accredit Loans Inc., 2006-QO3 A3	0.509%	4/25/46	2,569,511	1,225,806 ^{(b)(c)}
Residential Accredit Loans Inc., 2007-QA2 A1	0.309%	2/25/37	673,043	547,374 ^{(b)(c)}
Residential Asset Mortgage Products Inc., 2002-RS4 AII	0.819%	8/25/32	475,985	392,405 ^(b)
Residential Asset Mortgage Products Inc., 2004-RZ4 M7	2.679%	12/25/34	275,812	223,433 ^{(b)(c)}
Residential Asset Mortgage Products Inc., 2004-SL3 A3	7.500%	12/25/31	1,463,161	1,520,177 ^(c)
Residential Asset Mortgage Products Inc., 2004-SL3 A4	8.500%	12/25/31	146,301	141,181
Residential Asset Mortgage Products Inc., 2005-RZ2 M6	1.429%	5/25/35	2,853,592	448,940 ^(b)
Residential Asset Mortgage Products Inc., 2005-SL2 A5	8.000%	10/25/31	381,776	395,051 ^(c)
Residential Asset Securities Corp., 2003-KS9 A2B	0.819%	11/25/33	1,387,059	1,079,480 ^(b)

See Notes to Schedule of Investments.

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
RESIDENTIAL MORTGAGE-BACKED				
SECURITIES - continued				
Residential Asset Securitization Trust, 2005-A13 1A3	0.649%	10/25/35	\$ 309,885	\$ 237,346 ^{(b)(c)}
Residential Asset Securitization Trust, 2005-A5 A1	0.479%	5/25/35	182,705	179,942 ^{(b)(c)}
Residential Asset Securitization Trust, 2006-A1 1A6	0.679%	4/25/36	3,150,359	2,123,185 ^{(b)(c)}
Residential Asset Securitization Trust, 2006-A1 1A7, IO	5.300%	4/25/36	2,170,973	298,270 ^(b)
Residential Asset Securitization Trust, 2007-A2 1A1	6.000%	4/25/37	570,362	505,376 ^(c)
Residential Funding Mortgage Securities I, 2005-SA3 1A	2.854%	8/25/35	4,891,643	3,885,354 ^{(b)(c)}
Residential Funding Mortgage Securities I, 2006-SA2 4A1	5.903%	8/25/36	881,099	797,775 ^{(b)(c)}
Residential Funding Mortgage Securities II, 2005-HI2 M7	5.810%	5/25/35	674,718	638,239 ^(c)
Residential Funding Mortgage Securities II Inc.,				
2004-HS1 A16	3.640%	3/25/34	301,098	299,399 ^{(b)(c)}
Residential Funding Securities LLC, 2003-RP2 A1	0.629%	6/25/33	5,684	5,647 ^{(a)(b)}
Saxon Asset Securities Trust, 2007-3 2A1	0.399%	9/25/47	1,452,870	1,389,698 ^(b)
Sequoia Mortgage Trust, 2007-1 2A1	2.523%	2/20/47	2,412,497	2,028,200 ^{(b)(c)}
Soundview Home Loan Trust, 2006-EQ1 A3	0.339%	10/25/36	2,991,468	2,315,190 ^(b)
Structured Agency Credit Risk Debt Notes, 2013-DN1 M2	7.334%	7/25/23	1,260,000	1,324,181 ^(b)
Structured ARM Loan Trust, 2004-04 5A	4.848%	4/25/34	106,739	105,627 ^{(b)(c)}
Structured ARM Loan Trust, 2004-07 A3	0.914%	6/25/34	254,848	221,838 ^{(b)(c)}
Structured ARM Loan Trust, 2004-16 1A2	2.604%	11/25/34	824,309	760,165 ^{(b)(c)}
Structured ARM Loan Trust, 2004-18 1A2	2.607%	12/25/34	859,232	791,014 ^{(b)(c)}
Structured ARM Loan Trust, 2005-01 1A1	2.561%	2/25/35	1,775,125	1,637,217 ^{(b)(c)}
Structured ARM Loan Trust, 2005-04 1A1	2.452%	3/25/35	369,125	300,276 ^{(b)(c)}
Structured ARM Loan Trust, 2005-04 3A1	2.568%	3/25/35	134,577	130,091 ^{(b)(c)}
Structured ARM Loan Trust, 2005-04 5A	4.534%	3/25/35	428,444	393,369 ^{(b)(c)}
Structured ARM Loan Trust, 2005-07 1A3	2.527%	4/25/35	190,976	178,378 ^{(b)(c)}
Structured ARM Loan Trust, 2005-12 3A1	2.460%	6/25/35	228,096	216,629 ^{(b)(c)}
Structured ARM Loan Trust, 2005-15 1A1	2.526%	7/25/35	472,164	386,155 ^{(b)(c)}
Structured ARM Loan Trust, 2005-20 4A2	5.403%	10/25/35	2,541,069	229,019 ^(b)
Structured ARM Loan Trust, 2006-4 4A1	5.005%	5/25/36	640,417	489,491 ^{(b)(c)}
Structured ARM Loan Trust, 2006-8 3A5	4.541%	9/25/36	2,316,448	1,787,376 ^{(b)(c)}
Structured ARM Loan Trust, 2007-1 2A3	4.955%	2/25/37	1,600,589	1,128,665 ^{(b)(c)}
Structured ARM Loan Trust, 2007-5 2A2	4.748%	6/25/37	1,156,004	661,512 ^{(b)(c)}
Structured ARM Loan Trust, 2007-7 1A1	0.479%	8/25/37	2,203,513	1,633,874 ^{(b)(c)}
Structured Asset Investment Loan Trust, 2004-8 M7	2.954%	9/25/34	179,490	92,893 ^(b)
Structured Asset Investment Loan Trust, 2004-8 M9	3.929%	9/25/34	318,981	78,423 ^(b)
Structured Asset Mortgage Investments Inc., 2006-AR5 4A1	0.399%	5/25/46	&nbs	