

WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

Form N-Q

October 22, 2014

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 **811-07362**

Western Asset Municipal Partners 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: 1-888-777-0102

Date of fiscal year end: **November 30**

Date of reporting period: **August 31, 2014**

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

FORM N-Q

AUGUST 31, 2014

WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

Schedule of investments (unaudited)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|-----------------------------|
| MUNICIPAL BONDS - 149.4% | | | | |
| Alabama - 0.5% | | | | |
| Jefferson County, AL, Sewer Revenue | 6.000% | 10/1/42 | \$ 740,000 | \$ 825,211 |
| Alaska - 1.6% | | | | |
| Valdez, AK, Marine Terminal Revenue, BP Pipelines Inc. Project | 5.000% | 1/1/21 | 2,150,000 | 2,539,773 |
| Arizona - 2.0% | | | | |
| Glendale, AZ, Transportation Excise Tax Revenue, NATL | 5.000% | 7/1/28 | 2,855,000 | 3,104,641 |
| California - 26.2% | | | | |
| Bay Area Toll Authority, CA, Toll Bridge Revenue, San Francisco Bay Area | 1.150% | 4/1/24 | 3,000,000 | 3,023,430 ^{(a)(b)} |
| California Health Facilities Financing Authority Revenue: | | | | |
| Catholic Healthcare West | 5.250% | 3/1/24 | 2,500,000 | 2,624,475 |
| Catholic Healthcare West | 5.625% | 7/1/32 | 5,000,000 | 5,151,600 |
| California State PCFA, Water Furnishing Revenue | 5.000% | 11/21/45 | 2,500,000 | 2,553,275 ^(c) |
| California State PCFA, Water Furnishing Revenue | 5.000% | 11/21/45 | 1,000,000 | 1,046,040 ^{(c)(d)} |
| California State, GO | 0.809% | 12/1/17 | 1,000,000 | 1,011,060 ^{(a)(b)} |
| California State, GO, Various Purpose | 5.000% | 4/1/43 | 4,000,000 | 4,472,480 |
| California Statewide CDA Revenue, Insured Health Facility L.A., Jewish Home, CA, Mortgage Insurance | 5.000% | 11/15/28 | 1,500,000 | 1,630,485 |
| Los Angeles County, CA, MTA Revenue, Union Station Project | 0.351% | 7/1/27 | 300,000 | 269,839 ^(a) |
| Los Angeles County, CA, Public Works Financing Authority, Lease Revenue, Multiple Capital Projects II | 5.000% | 8/1/30 | 2,500,000 | 2,842,075 |
| Los Angeles, CA, Department of Water & Power Revenue, Power Systems, Subordinated, AGM | 5.000% | 7/1/35 | 2,500,000 | 2,575,625 |
| Lower Tule River, CA, Irrigation District Revenue, COP | 5.000% | 8/1/40 | 1,000,000 | 1,055,890 |
| M-S-R Energy Authority, CA, Gas Revenue | 7.000% | 11/1/34 | 2,490,000 | 3,473,874 |
| M-S-R Energy Authority, CA, Gas Revenue | 6.500% | 11/1/39 | 3,000,000 | 4,030,980 |
| Rancho Cucamonga, CA, RDA, Successor Agency Tax Allocation, Rancho Redevelopment Project Area | 5.000% | 9/1/30 | 750,000 | 866,055 |
| Riverside County, CA, Transportation Commission Sales Tax Revenue, Limited Tax | 5.250% | 6/1/39 | 250,000 | 290,662 |
| Riverside County, CA, Transportation Commission Toll Revenue: | | | | |
| Senior Lien | 5.750% | 6/1/44 | 100,000 | 112,875 |
| Senior Lien | 5.750% | 6/1/48 | 200,000 | 224,182 |
| Turlock, CA, Irrigation District Revenue | 5.000% | 1/1/35 | 2,500,000 | 2,755,925 |
| Turlock, CA, Public Financing Authority, Tax Allocation Revenue, AGM | 5.000% | 9/1/30 | 1,500,000 | 1,520,970 |
| <i>Total California</i> | | | | <i>41,531,797</i> |
| Colorado - 8.1% | | | | |
| Colorado Health Facilities Authority Revenue: | | | | |
| Poudre Valley Health Care | 5.000% | 3/1/25 | 2,850,000 | 2,903,922 |
| Sisters of Charity Leavenworth Health System Inc. | 5.250% | 1/1/25 | 3,500,000 | 4,083,310 |
| Public Authority for Colorado Energy, Natural Gas Purchase Revenue | 5.750% | 11/15/18 | 340,000 | 372,208 |

See Notes to Schedule of Investments.

WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|--------------|------------------------|
| Colorado - 8.1% (continued) | | | | |
| Public Authority for Colorado Energy, Natural Gas Purchase Revenue | 6.500% | 11/15/38 | \$ 4,000,000 | \$ 5,449,000 |
| <i>Total Colorado</i> | | | | <i>12,808,440</i> |
| Florida - 3.4% | | | | |
| Miami-Dade County, FL, GO, Seaport | 5.000% | 10/1/23 | 2,315,000 | 2,712,694 |
| Orlando & Orange County, FL, Expressway Authority Revenue | 5.000% | 7/1/30 | 2,000,000 | 2,213,360 |
| Seminole Tribe Florida Special Obligation Revenue | 5.250% | 10/1/27 | 500,000 | 524,245 ^(c) |
| <i>Total Florida</i> | | | | <i>5,450,299</i> |
| Illinois - 8.6% | | | | |
| Chicago, IL, Park District, GO, Refunding, FGIC | 5.000% | 1/1/29 | 5,000,000 | 5,134,650 |
| Chicago, IL, Public Building Commission, Building Revenue, Chicago School Reform, FGIC | 5.250% | 12/1/18 | 1,000,000 | 1,116,390 |
| Illinois Health Facilities Authority Revenue, South Suburban Hospital Project | 7.000% | 2/15/18 | 315,000 | 344,509 ^(e) |
| Illinois Municipal Electric Agency Power Supply, FGIC | 5.250% | 2/1/28 | 4,145,000 | 4,490,735 |
| Illinois State, GO | 5.000% | 5/1/39 | 1,000,000 | 1,034,000 |
| Illinois State, GO, First Series, AGM | 5.500% | 5/1/16 | 1,500,000 | 1,610,205 |
| <i>Total Illinois</i> | | | | <i>13,730,489</i> |
| Indiana - 2.1% | | | | |
| Indiana Finance Authority Midwestern Disaster Relief Revenue, Ohio Valley Electric Corp. Project | 5.000% | 6/1/39 | 1,000,000 | 1,022,470 |
| Indianapolis, IN, Local Public Improvement Bond Bank | 5.000% | 6/1/27 | 2,000,000 | 2,272,480 |
| <i>Total Indiana</i> | | | | <i>3,294,950</i> |
| Iowa - 1.9% | | | | |
| Iowa State Finance Authority Midwestern Disaster Area Revenue: | | | | |
| Iowa Fertilizer Co. Project | 5.000% | 12/1/19 | 1,110,000 | 1,174,868 |
| Iowa Fertilizer Co. Project | 5.250% | 12/1/25 | 1,790,000 | 1,910,002 |
| <i>Total Iowa</i> | | | | <i>3,084,870</i> |
| Maryland - 2.3% | | | | |
| Maryland State EDC, EDR, Transportation Facilities Project | 5.750% | 6/1/35 | 1,000,000 | 1,064,630 |
| Maryland State Health & Higher EFA Revenue Bonds, Suburban Hospital | 5.500% | 7/1/16 | 2,500,000 | 2,509,125 |
| <i>Total Maryland</i> | | | | <i>3,573,755</i> |
| Massachusetts - 0.9% | | | | |
| Massachusetts State Water Pollution Abatement Trust Revenue, MWRA Program, Unrefunded Balance | 5.750% | 8/1/29 | 355,000 | 356,232 |
| Massachusetts State Water Resources Authority, NATL | 5.000% | 8/1/34 | 1,000,000 | 1,075,520 |

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Total Massachusetts 1,431,752

Michigan - 6.1%

| | | | | |
|---|--------|---------|-----------|-----------|
| Detroit, MI, GO, District State Aid | 5.250% | 11/1/24 | 3,500,000 | 3,879,435 |
| Detroit, MI, Water & Sewerage Department, Disposal System Revenue, Senior Lien | 5.250% | 7/1/39 | 405,000 | 428,656 |
| Detroit, MI, Water Supply System Revenue, Senior Lien, NATL | 5.000% | 7/1/34 | 500,000 | 500,215 |

See Notes to Schedule of Investments.

WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|-----------------------------|
| Michigan - 6.1% (continued) | | | | |
| Michigan State Building Authority Revenue, Facilities Program | 5.250% | 10/15/47 | \$ 250,000 | \$ 279,942 |
| Michigan State Finance Authority Revenue: | | | | |
| Local Government Loan Program, Detroit Water & Sewer | 5.000% | 7/1/34 | 270,000 | 275,446 ^(f) |
| Senior Lien Detroit Water & Sewer | 5.000% | 7/1/33 | 370,000 | 386,332 ^(f) |
| Senior Lien Detroit Water & Sewer | 5.000% | 7/1/44 | 380,000 | 390,374 ^(f) |
| Michigan State Hospital Finance Authority Revenue, McLaren Health Care Corp. | 5.750% | 5/15/38 | 2,000,000 | 2,231,100 ^(g) |
| Wayne County, MI, Airport Authority Revenue, Detroit Metropolitan Airport | 5.000% | 12/1/18 | 1,170,000 | 1,326,815 ^(d) |
| <i>Total Michigan</i> | | | | <i>9,698,315</i> |
| Minnesota - 0.4% | | | | |
| Western Minnesota Municipal Power Agency Revenue | 5.000% | 1/1/46 | 500,000 | 568,590 |
| Missouri - 1.3% | | | | |
| Boone County, MO, Hospital Revenue, Boone Hospital Center | 5.375% | 8/1/38 | 2,000,000 | 2,109,620 |
| Nevada - 1.4% | | | | |
| Clark County, NV, GO, AMBAC | 5.000% | 11/1/21 | 2,000,000 | 2,188,420 |
| New Jersey - 9.5% | | | | |
| New Jersey State EDA Revenue | 5.000% | 6/15/29 | 500,000 | 548,175 |
| New Jersey State EDA Revenue: | | | | |
| Continental Airlines Project | 5.250% | 9/15/29 | 2,000,000 | 2,103,820 ^(d) |
| Private Activity-Goethals Bridge Replacement Project | 5.375% | 1/1/43 | 1,000,000 | 1,082,600 ^(d) |
| School Facilities Construction | 1.650% | 3/1/28 | 2,500,000 | 2,440,450 ^(a) |
| New Jersey State Transportation Trust Fund Authority, Revenue, Transportation Program | 5.000% | 6/15/38 | 6,000,000 | 6,455,580 |
| New Jersey State Turnpike Authority Revenue | 0.730% | 1/1/18 | 2,500,000 | 2,502,775 ^{(a)(b)} |
| <i>Total New Jersey</i> | | | | <i>15,133,400</i> |
| New York - 27.2% | | | | |
| Brooklyn Arena, NY, Local Development Corp., Barclays Center Project | 6.250% | 7/15/40 | 1,000,000 | 1,134,950 |
| Liberty, NY, Development Corporation Revenue, Goldman Sachs Headquarters | 5.250% | 10/1/35 | 3,045,000 | 3,641,729 |
| MTA, NY, Revenue | 5.000% | 11/15/25 | 1,000,000 | 1,168,720 |
| MTA, NY, Revenue | 5.250% | 11/15/40 | 1,000,000 | 1,110,800 |
| Nassau County, NY, Industrial Development Agency Revenue, Continuing Care Retirement, Amsterdam at Harborside | 6.700% | 1/1/43 | 360,000 | 244,800 ^(h) |
| New York City, NY, Municipal Water Finance Authority, Water & Sewer System Revenue, Second General Resolution Fiscal 2011 | 5.000% | 6/15/31 | 4,850,000 | 5,557,663 ^(g) |
| New York Liberty Development Corp., Liberty Revenue: | | | | |
| 4 World Trade Center LLC Project | 5.750% | 11/15/51 | 2,000,000 | 2,317,080 |
| Second Priority, Bank of America Tower | 5.125% | 1/15/44 | 2,500,000 | 2,762,625 |
| New York State Dormitory Authority Revenue: | | | | |

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| | | | | |
|---|--------|---------|-----------|--------------------------|
| Court Facilities Lease, NYC Issue, Non-State Supported Debt, AMBAC | 5.500% | 5/15/30 | 3,365,000 | 4,372,380 |
| Non-State Supported Debt, Columbia University | 5.000% | 7/1/38 | 2,000,000 | 2,222,960 |
| New York State Energy Research & Development Authority Revenue, Niagara Mohawk Power Corp. | 0.388% | 7/1/29 | 2,520,000 | 2,338,442 ^(a) |
| New York State Thruway Authority, Second General Highway & Bridge Trust Fund, AMBAC | 5.000% | 4/1/26 | 4,700,000 | 5,155,242 |

See Notes to Schedule of Investments.

WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|--------------|--------------------------|
| New York - 27.2% (continued) | | | | |
| New York State Urban Development Corp. Revenue, State Personal Income Tax | 5.000% | 3/15/26 | \$ 5,000,000 | \$ 5,485,300 |
| Port Authority of New York & New Jersey | 5.000% | 1/15/41 | 5,000,000 | 5,615,250 |
| <i>Total New York</i> | | | | <i>43,127,941</i> |
| North Carolina - 4.3% | | | | |
| Charlotte-Mecklenburg Hospital Authority, NC, Health Care System Revenue, Carolinas Healthcare System | 5.000% | 1/15/31 | 5,000,000 | 5,600,050 |
| North Carolina Medical Care Commission Health Care Facilities Revenue, Novant Health Obligation Group | 5.000% | 11/1/39 | 1,200,000 | 1,247,712 |
| <i>Total North Carolina</i> | | | | <i>6,847,762</i> |
| Ohio - 3.6% | | | | |
| Northeast, OH, Regional Sewer District Revenue, Waste Water Revenue Improvement | 5.000% | 11/15/43 | 4,040,000 | 4,584,794 |
| Ohio State Air Quality Development Authority Revenue, FirstEnergy Generation Corp. | 5.700% | 8/1/20 | 1,000,000 | 1,154,530 |
| <i>Total Ohio</i> | | | | <i>5,739,324</i> |
| Oklahoma - 1.4% | | | | |
| Grand River Dam Authority, OK, Revenue | 5.250% | 6/1/40 | 2,000,000 | 2,266,080 |
| Oregon - 0.8% | | | | |
| Multnomah County, OR, Hospital Facilities Authority Revenue, Providence Health Systems | 5.250% | 10/1/18 | 1,250,000 | 1,254,725 ⁽ⁱ⁾ |
| Pennsylvania - 5.9% | | | | |
| Central Bradford, PA, Progress Authority Revenue, Guthrie Healthcare Systems | 5.000% | 12/1/26 | 5,130,000 | 5,818,138 |
| Pennsylvania Economic Development Financing Authority, Sewer Sludge Disposal Revenue, Philadelphia Biosolids Facility | 6.250% | 1/1/32 | 500,000 | 545,185 |
| Philadelphia, PA, Gas Works Revenue, 7th General Ordinance, AMBAC | 5.000% | 10/1/17 | 2,685,000 | 3,031,231 |
| <i>Total Pennsylvania</i> | | | | <i>9,394,554</i> |
| Puerto Rico - 0.8% | | | | |
| Puerto Rico Commonwealth, GO, Public Improvement | 5.000% | 7/1/31 | 1,710,000 | 1,265,383 |
| Tennessee - 5.4% | | | | |
| Clarksville, TN, Natural Gas Acquisition Corp., Gas Revenue | 5.000% | 12/15/20 | 2,030,000 | 2,287,993 |
| Tennessee Energy Acquisition Corp., Gas Revenue | 5.000% | 2/1/20 | 3,555,000 | 4,015,337 |
| Tennessee Energy Acquisition Corp., Gas Revenue | 5.000% | 2/1/21 | 2,000,000 | 2,271,500 |

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Total Tennessee 8,574,830

Texas - 13.7%

| | | | | |
|---|--------|----------|-----------|--------------------------|
| Austin, TX, Water & Wastewater System Revenue | 5.000% | 11/15/26 | 2,500,000 | 2,912,725 |
| Austin, TX, Water & Wastewater System Revenue | 5.125% | 11/15/28 | 2,210,000 | 2,572,971 |
| Beaumont, TX, ISD, GO, School Building, PSF | 5.000% | 2/15/33 | 1,100,000 | 1,195,216 |
| Grand Parkway Transportation Corp., TX, System Toll Revenue, Convertible CAB, Step Bond | 0.000% | 10/1/36 | 2,000,000 | 1,488,240 ^(a) |
| Harris County, TX, Health Facilities Development Corp., Hospital Revenue, Memorial Hermann Healthcare Systems | 5.250% | 12/1/18 | 2,960,000 | 2,996,467 ⁽ⁱ⁾ |
| Harris County, TX, Metropolitan Transit Authority Sales & Use Tax | 5.000% | 11/1/36 | 3,125,000 | 3,520,531 |

See Notes to Schedule of Investments.

WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|--------------|------------------------------|
| Texas - 13.7% (continued) | | | | |
| Kemp, TX, ISD, GO, School Building | 5.250% | 2/15/33 | \$ 3,450,000 | \$ 3,763,191 |
| Mesquite, TX, ISD, GO: | | | | |
| PSFG | 0.000% | 8/15/27 | 505,000 | 272,877 ⁽ⁱ⁾ |
| PSFG | 0.000% | 8/15/27 | 495,000 | 265,082 |
| North Texas Tollway Authority Revenue | 5.750% | 1/1/40 | 2,500,000 | 2,783,825 |
| <i>Total Texas</i> | | | | 21,771,125 |
| Washington - 5.2% | | | | |
| Port of Seattle, WA, Revenue | 5.000% | 8/1/25 | 2,395,000 | 2,824,064 |
| Port of Seattle, WA, Revenue, Refunding, Intermediate Lien, NATL | 5.000% | 3/1/30 | 2,000,000 | 2,036,540 |
| Washington State Health Care Facilities Authority Revenue, PeaceHealth | 5.000% | 11/1/28 | 3,000,000 | 3,323,970 |
| <i>Total Washington</i> | | | | 8,184,574 |
| Wisconsin - 4.8% | | | | |
| Public Finance Authority, WI, Airport Facilities Revenue, Transportation Infrastructure Properties LLC | 5.000% | 7/1/42 | 4,000,000 | 4,051,400 ^(d) |
| Wisconsin State HEFA Revenue, SSM Health Care Corp. | 5.000% | 6/1/25 | 3,110,000 | 3,544,747 |
| <i>Total Wisconsin</i> | | | | 7,596,147 |
| TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS | | | | |
| (Cost - \$216,905,844) | | | | 237,096,767 |
| SHORT-TERM INVESTMENTS - 3.2% | | | | |
| Illinois - 0.3% | | | | |
| Illinois DFA, IDR, Profile Packaging Inc. Project, LOC-LaSalle Bank N.A. | 0.210% | 7/1/18 | 500,000 | 500,000 ^{(d)(j)(k)} |
| Indiana - 0.1% | | | | |
| Indiana State Finance Authority Revenue, Lease Appropriation, SPA-JPMorgan Chase | 0.040% | 2/1/37 | 200,000 | 200,000 ^{(j)(k)} |
| Massachusetts - 0.3% | | | | |
| Massachusetts State HEFA Revenue, Partners Healthcare Systems, SPA-JPMorgan Chase | 0.030% | 7/1/27 | 500,000 | 500,000 ^{(j)(k)} |
| Minnesota - 0.1% | | | | |
| Rochester, MN, Health Care Facilities Revenue, Mayo Foundation, SPA-Bank of America N.A. | 0.030% | 8/15/32 | 100,000 | 100,000 ^{(j)(k)} |
| New York - 1.4% | | | | |

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| | | | | |
|--|--------|---------|---------|---------------------------|
| New York City, NY, GO: | | | | |
| LIQ-Dexia Credit Local | 0.230% | 4/1/35 | 100,000 | 100,000 ^{(j)(k)} |
| SPA-Dexia Credit Local | 0.200% | 8/1/28 | 900,000 | 900,000 ^{(j)(k)} |
| New York City, NY, HDC, MFH Revenue, LIQ-JPMorgan Chase | 0.030% | 5/1/18 | 400,000 | 400,000 ^{(j)(k)} |
| New York City, NY, TFA Revenue: | | | | |
| Future Tax Secured, SPA-Dexia Credit Local | 0.200% | 8/1/22 | 100,000 | 100,000 ^{(j)(k)} |
| New York City Recovery Project Revenue, Subordinated, LIQ-Dexia Credit Local | 0.200% | 11/1/22 | 700,000 | 700,000 ^{(j)(k)} |
| <i>Total New York</i> | | | | <i>2,200,000</i> |
| North Carolina - 0.3% | | | | |
| Raleigh, NC, Combined Enterprise System Revenue, SPA-Wells Fargo Bank N.A. | 0.040% | 3/1/35 | 200,000 | 200,000 ^{(j)(k)} |
| Raleigh, NC, COP, Downtown Improvement Project, SPA-Wells Fargo Bank N.A. | 0.040% | 2/1/34 | 300,000 | 300,000 ^{(j)(k)} |
| <i>Total North Carolina</i> | | | | <i>500,000</i> |

See Notes to Schedule of Investments.

WESTERN ASSET MUNICIPAL PARTNERS FUND INC.**Schedule of investments (unaudited) (cont d)****August 31, 2014**

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|------------------|----------------|---------------------------------|
| Pennsylvania - 0.4% | | | | |
| Pennsylvania State Housing Finance Agency, Single-Family Mortgage Revenue | 0.060% | 4/1/26 | \$ 600,000 | \$ 600,000 ^{(d)(j)(k)} |
| Vermont - 0.3% | | | | |
| Vermont State Housing Finance Agency Revenue, Multiple Purpose, SPA-Bank of New York Mellon | 0.070% | 11/1/37 | 500,000 | 500,000 ^{(d)(j)(k)} |
| TOTAL SHORT-TERM INVESTMENTS (Cost - \$5,100,000) | | | | 5,100,000 |
| TOTAL INVESTMENTS - 152.6% (Cost - \$222,005,844#) Auction Rate Cumulative Preferred Stock, at Liquidation | | | | 242,196,767 |
| Value - (53.5)% | | | | (85,000,000) |
| Other Assets in Excess of Liabilities - 0.9% | | | | 1,541,096 |
| TOTAL NET ASSETS - 100.0% | | | | \$ 158,737,863 |

(a) Variable rate security. Interest rate disclosed is as of the most recent information available.

(b) Maturity date shown represents the mandatory tender date.

(c) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. This security has been deemed liquid pursuant to guidelines approved by the Board of Directors, unless otherwise noted.

(d) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax (AMT).

(e) Bonds are escrowed to maturity by government securities and/or U.S. government agency securities and are considered by the manager to be triple-A rated even if issuer has not applied for new ratings.

(f) Security is purchased on a when-issued basis.

(g) All or a portion of this security is held at the broker as collateral for open futures contracts.

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- (h) Illiquid security.
- (i) Pre-Refunded bonds are escrowed with U.S. government obligations and/or U.S. government agency securities and are considered by the manager to be triple-A rated even if issuer has not applied for new ratings.
- (j) Variable rate demand obligations have a demand feature under which the Fund can tender them back to the issuer or liquidity provider on no more than 7 days notice.
- (k) Maturity date shown is the final maturity date. The security may be sold back to the issuer before final maturity.

Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

| | | |
|-------|---|---------------|
| AGM | Assured Guaranty Municipal Corporation | Insured Bonds |
| AMBAC | American Municipal Bond Assurance Corporation | Insured Bonds |
| CAB | Capital Appreciation Bonds | |
| CDA | Communities Development Authority | |
| COP | Certificates of Participation | |
| DFA | Development Finance Agency | |
| EDA | Economic Development Authority | |
| EDC | Economic Development Corporation | |
| EDR | Economic Development Revenue | |
| EFA | Educational Facilities Authority | |
| FGIC | Financial Guaranty Insurance Company | Insured Bonds |
| GO | General Obligation | |
| HDC | Housing Development Corporation | |
| HEFA | Health & Educational Facilities Authority | |
| IDR | Industrial Development Revenue | |
| ISD | Independent School District | |
| LIQ | Liquidity Facility | |
| LOC | Letter of Credit | |
| MFH | Multi-Family Housing | |
| MTA | Metropolitan Transportation Authority | |
| MWRA | Massachusetts Water Resources Authority | |
| NATL | National Public Finance Guarantee Corporation | Insured Bonds |
| PCFA | Pollution Control Financing Authority | |
| PSF | Permanent School Fund | |
| PSFG | Permanent School Fund Guaranty | |
| RDA | Redevelopment Agency | |
| SPA | Standby Bond Purchase Agreement | Insured Bonds |
| TFA | Transitional Finance Authority | |

See Notes to Schedule of Investments.

WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

Summary of Investments by Industry

| | |
|-----------------------------------|--------|
| Industrial Revenue | 18.2% |
| Health Care | 17.8 |
| Transportation | 13.6 |
| Water & Sewer | 9.7 |
| Special Tax Obligation | 9.4 |
| Local General Obligation | 7.9 |
| Leasing | 6.6 |
| Power | 6.5 |
| State General Obligation | 3.9 |
| Pre-Refunded/Escrowed to Maturity | 2.0 |
| Education | 1.9 |
| Solid Waste/Resource Recovery | 0.2 |
| Other | 0.2 |
| Short-Term Investments | 2.1 |
| | 100.0% |

As a percentage of total investments. Please note that Fund holdings are as of August 31, 2014 and are subject to change.

Ratings Table***Standard & Poor's/Moody's/Fitch****

| | |
|------------|--------|
| AAA/Aaa | 5.5% |
| AA/Aa | 48.7 |
| A | 32.2 |
| BBB/Baa | 8.0 |
| BB/Ba | 1.8 |
| B/B | 0.9 |
| A-1/VMIG 1 | 2.1 |
| NR | 0.8 |
| | 100.0% |

* As a percentage of total investments.

** The ratings shown are based on each portfolio security's rating as determined by Standard & Poor's, Moody's or Fitch, each a Nationally Recognized Statistical Rating Organization (NRSRO). These ratings are the opinions of the NRSRO and are not measures of quality or guarantees of performance. Securities may be rated by other NRSROs, and these ratings may be higher or lower. In the event that a

security is rated by multiple NRSROs and receives different ratings, the Fund will treat the security as being rated in the highest rating category received from a NRSRO.

See Notes to Schedule of Investments.

Notes to Schedule of Investments (unaudited)

1. Organization and significant accounting policies

Western Asset Municipal Partners Fund Inc. (the Fund) was incorporated in Maryland on November 24, 1992 and is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Board of Directors authorized 100 million shares of \$0.001 par value common stock. The Fund's primary investment objective is to seek a high level of current income which is exempt from federal income taxes, consistent with the preservation of capital. As a secondary investment objective, the Fund intends to enhance portfolio value by purchasing tax exempt securities that, in the opinion of the investment manager, may appreciate in value relative to other similar obligations in the marketplace.

The following are significant accounting policies consistently followed by the Fund and are in conformity with U.S. generally accepted accounting principles (GAAP).

(a) Investment valuation. The valuations for fixed income securities (which may include, but are not limited to, corporate, government, municipal, mortgage-backed, collateralized mortgage obligations and asset-backed securities) and certain derivative instruments are typically the prices supplied by independent third party pricing services, which may use market prices or broker/dealer quotations or a variety of valuation techniques and methodologies. The independent third party pricing services use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar securities. Short-term fixed income securities that will mature in 60 days or less are valued at amortized cost, unless it is determined that using this method would not reflect an investment's fair value. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. If independent third party pricing services are unable to supply prices for a portfolio investment, or if the prices supplied are deemed by the manager to be unreliable, the market price may be determined by the manager using quotations from one or more broker/dealers or at the transaction price if the security has recently been purchased and no value has yet been obtained from a pricing service or pricing broker. When reliable prices are not readily available, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the Fund calculates its net asset value, the Fund values these securities as determined in accordance with procedures approved by the Fund's Board of Directors.

The Board of Directors is responsible for the valuation process and has delegated the supervision of the daily valuation process to the Legg Mason North American Fund Valuation Committee (the Valuation Committee). The Valuation Committee, pursuant to the policies adopted by the Board of Directors, is responsible for making fair value determinations, evaluating the effectiveness of the Fund's pricing policies, and reporting to the Board of Directors. When determining the reliability of third party pricing information for investments owned by the Fund, the Valuation Committee, among other things, conducts due diligence reviews of pricing vendors, monitors the daily change in prices and reviews transactions among market participants.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Directors, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such back testing monthly and fair valuation occurrences are reported to the Board of Directors quarterly.

The Fund uses valuation techniques to measure fair value that are consistent with the market approach and/or income approach, depending on the type of security and the particular circumstance. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable securities. The income approach uses valuation techniques to discount estimated future cash flows to present value.

GAAP establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. These inputs are summarized in the three broad levels listed below:

Level 1 quoted prices in active markets for identical investments

Notes to Schedule of Investments (unaudited) (continued)

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)
The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used in valuing the Fund's assets and liabilities carried at fair value:

| DESCRIPTION | ASSETS | | | TOTAL |
|--------------------------|----------------------------|---|--|-----------------------|
| | QUOTED PRICES (LEVEL 1) | OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) | SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) | |
| Municipal bonds | | \$ 237,096,767 | | \$ 237,096,767 |
| Short-term investments | | 5,100,000 | | 5,100,000 |
| Total investments | | \$ 242,196,767 | | \$ 242,196,767 |

| DESCRIPTION | LIABILITIES | | | TOTAL |
|------------------------------|----------------------------|---|--|-----------|
| | QUOTED PRICES (LEVEL 1) | OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) | SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) | |
| Other financial instruments: | | | | |
| Futures contracts | \$ 77,882 | | | \$ 77,882 |

See Schedule of Investments for additional detailed categorizations.

(b) Futures contracts. The Fund uses futures contracts generally to gain exposure to, or hedge against, changes in interest rates or gain exposure to, or hedge against, changes in certain asset classes. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

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

Futures contracts involve, to varying degrees, risk of loss. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

(c) Securities traded on a when-issued basis. The Fund may trade securities on a when-issued basis. In a when-issued transaction, the securities are purchased or sold by the Fund with payment and delivery taking place in the future in order to secure what is considered to be an advantageous price and yield to the Fund at the time of entering into the transaction.

Purchasing such securities involves risk of loss if the value of the securities declines prior to settlement. These securities are subject to market fluctuations and their current value is determined in the same manner as for other securities.

(d) Security transactions. Security transactions are accounted for on a trade date basis.

2. Investments

At August 31, 2014, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

| | |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 20,434,588 |
| Gross unrealized depreciation | (243,665) |
| Net unrealized appreciation | \$ 20,190,923 |

Notes to Schedule of Investments (unaudited) (continued)

At August 31, 2014, the Fund had the following open futures contracts:

| | Number of Contracts | Expiration Date | Basis Value | Market Value | Unrealized Depreciation |
|---|------------------------|--------------------|----------------|-----------------|----------------------------|
| Contracts to Sell: | | | | | |
| U.S. Treasury Long-Term Bonds | 79 | 12/14 | \$ 10,989,524 | \$ 11,067,406 | \$ (77,882) |
| 3. Derivative instruments and hedging activities | | | | | |

GAAP requires enhanced disclosure about an entity's derivative and hedging activities.

The following is a summary of the Fund's derivative instruments categorized by risk exposure at August 31, 2014.

| Primary Underlying Risk | Futures Contracts Unrealized Depreciation |
|--------------------------------|--|
| Interest Rate Risk | \$ (77,882) |

During the period ended August 31, 2014, the volume of derivative activity for the Fund was as follows:

| | |
|-----------------------------|-----------------------------|
| Futures contracts (to sell) | Average Market Value |
| | \$ 9,506,178 |

ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934.

- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are likely to materially affect the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Western Asset Municipal Partners Fund Inc.

By /s/ **KENNETH D. FULLER**
 Kenneth D. Fuller
 Chief Executive Officer

Date: October 22, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ **KENNETH D. FULLER**
 Kenneth D. Fuller
 Chief Executive Officer

Date: October 22, 2014

By /s/ **RICHARD F. SENNETT**
 Richard F. Sennett
 Principal Financial Officer

Date: October 22, 2014