

Western Asset Income Fund  
Form N-Q  
May 30, 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: 811-02351

**Western Asset Income Fund**

**(Exact Name of Registrant as Specified In Its Charter)**

Address of Principal Executive Offices: 385 East Colorado Boulevard  
Pasadena, CA 91101

Name and address of agent for service: Gregory B. McShea  
385 East Colorado Boulevard  
Pasadena, CA 91101

Registrant's telephone number, including area code: (410) 539-0000

Date of fiscal year end: December 31, 2006

Date of reporting period: March 31, 2006

**Item 1 Schedule of Investments**

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**Portfolio of Investments**

March 31, 2006 (Unaudited)

(Amounts in Thousands)

**Western Asset Income Fund**

	RATE	MATURITY DATE	PAR/ SHARES	VALUE
<b>Long-Term Securities 98.0%</b>				
<b>Corporate Bonds and Notes 70.9%</b>				
<i>Aerospace/Defense 0.2%</i>				
L-3 Communications Corp.	7.625%	6/15/12	275	284
<i>Auto Parts and Equipment 0.5%</i>				
American Axle & Manufacturing Inc.	5.250%	2/11/14	300	247 <sub>A</sub>
Johnson Controls, Inc.	5.250%	1/15/11	560	551
				798
<i>Automotive 3.5%</i>				
Ford Motor Company	7.450%	7/16/31	3,550	2,636 <sub>A</sub>
General Motors Corporation	8.250%	7/15/23	3,450	2,484 <sub>A</sub>
				5,120
<i>Banking and Finance 7.3%</i>				
Ford Motor Credit Company	7.375%	10/28/09	4,425	4,160
General Motors Acceptance Corporation	6.150%	4/5/07	570	560
General Motors Acceptance Corporation	6.125%	8/28/07	1,090	1,057
General Motors Acceptance Corporation	6.311%	11/30/07	110	103
General Motors Acceptance Corporation	5.625%	5/15/09	1,610	1,498 <sub>A</sub>
HSBC Finance Corporation	4.750%	4/15/10	1,790	1,743
Residential Capital Corporation	6.000%	2/22/11	1,480	1,468
				10,589
<i>Banks 3.1%</i>				
Bank of America Corporation	7.800%	9/15/16	250	290
BankAmerica Capital III	5.170%	1/15/27	215	208 <sub>B</sub>
BB&T Capital Trust I	5.850%	8/18/35	640	604
Chase Capital II	5.180%	2/1/27	725	689 <sub>B</sub>
Deutsche Bank Capital Funding Trust VII	5.628%	1/19/49	670	646
HSBC Finance Capital Trust IX	5.911%	11/30/35	1,350	1,325
RBS Capital Trust III	5.512%	9/29/49	570	550 <sub>C</sub>
Wachovia Capital Trust III	5.800%	3/15/42	200	196
				4,508
<i>Building Materials 0.5%</i>				
American Standard, Inc.	8.250%	6/1/09	500	534
Nortek, Inc.	8.500%	9/1/14	225	229

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					763
<i>Cable 1.4%</i>					
Comcast Corporation	7.050%	3/15/33	160	165 <sub>A</sub>	
Cox Communications, Inc.	4.625%	1/15/10	510	489	
CSC Holdings Inc.	7.250%	7/15/08	700	707	
TCI Communications, Inc.	8.750%	8/1/15	160	187	
Tele-Communications, Inc.	9.800%	2/1/12	375	442	
					1,990
<i>Casino Resorts 0.7%</i>					
Caesars Entertainment Inc.	8.125%	5/15/11	250	272 <sub>A</sub>	
Harrah's Operating Company, Inc.	5.500%	7/1/10	340	337	
Harrah's Operating Company, Inc.	5.750%	10/1/17	480	454	
					1,063
<i>Chemicals 0.6%</i>					
The Dow Chemical Company	7.375%	11/1/29	800	923	

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<i>Computer Services and Systems 0.7%</i>					
Electronic Data Systems Corporation	7.125%	10/15/09	600	630	
Electronic Data Systems Corporation	7.450%	10/15/29	420	446 <sub>A</sub>	
					1,076
<i>Containers and Packaging 0.1%</i>					
Graphic Packaging International Corp.	9.500%	8/15/13	200	187 <sub>A</sub>	
<i>Diversified Financial Services 2.7%</i>					
AIG SunAmerica Global Financing VI	6.300%	5/10/11	1,880	1,951 <sub>D</sub>	
Beaver Valley Funding Corp.	9.000%	6/1/17	300	339	
Capital One Bank	5.750%	9/15/10	310	313	
Capital One Bank	6.500%	6/13/13	330	343	
Capital One Financial Corporation	7.125%	8/1/08	90	93	
iStar Financial Inc.	5.375%	4/15/10	230	226	
iStar Financial Inc.	6.000%	12/15/10	230	232	
Marsh & McLennan Companies, Inc.	5.150%	9/15/10	90	88	
Marsh & McLennan Companies, Inc.	5.875%	8/1/33	330	299	
Mizuho Preferred Capital Corp. LLC	8.790%	12/29/49	110	117 <sub>D</sub>	
					4,001
<i>Drug and Grocery Store Chains 0.4%</i>					
Safeway Inc.	7.500%	9/15/09	500	529	
<i>Electric 2.1%</i>					
AEP Texas Central Company	5.500%	2/15/13	420	412	
American Electric Power Company, Inc.	5.250%	6/1/15	490	471	
Dominion Resources, Inc.	5.125%	12/15/09	210	207	
Dominion Resources, Inc.	5.150%	7/15/15	350	329	
FirstEnergy Corp.	6.450%	11/15/11	60	62	
FirstEnergy Corp.	7.375%	11/15/31	710	789	
System Energy Resources, Inc.	4.875%	10/1/07	380	375	
Tampa Electric Company	6.375%	8/15/12	145	151	
The AES Corporation	9.500%	6/1/09	39	42 <sub>A</sub>	
The Cleveland Electric Illuminating Company	5.650%	12/15/13	300	297	
					3,135
<i>Energy 6.1%</i>					
CenterPoint Energy, Inc.	6.850%	6/1/15	1,150	1,209 <sub>A</sub>	
DTE Energy Company	6.375%	4/15/33	330	325 <sub>A</sub>	
Exelon Corporation	6.750%	5/1/11	1,500	1,566	
MidAmerican Energy Holdings Company	5.875%	10/1/12	500	505	
Pacific Gas and Electric Company	6.050%	3/1/34	1,890	1,849	
Peabody Energy Corporation	6.875%	3/15/13	285	289	
Sempra Energy	5.240%	5/21/08	635	636 <sub>B</sub>	
TXU Corp.	6.375%	6/15/06	750	752	
TXU Corp.	6.550%	11/15/34	520	469	
TXU Energy Co.	6.125%	3/15/08	500	504	
TXU Energy Co.	7.000%	3/15/13	370	385	
Xcel Energy, Inc.	7.000%	12/1/10	350	369	
					8,858
<i>Environmental Services 0.3%</i>					
Waste Management, Inc.	7.375%	5/15/29	415	466	

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<i>Food, Beverage and Tobacco</i> 1.9%					
Altria Group, Inc.	7.000%	11/4/13	305	328	
Altria Group, Inc.	7.750%	1/15/27	340	389	
Domino s, Inc.	8.250%	7/1/11	200	205	
R.J. Reynolds Tobacco Holdings, Inc.	7.250%	6/1/12	1,360	1,404 <sub>A</sub>	
Tyson Foods, Inc.	7.000%	1/15/28	500	452 <sub>A</sub>	
					2,778

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<i>Gas and Pipeline Utilities 2.5%</i>					
Dynegy Holdings Inc.	6.875%	4/1/11	1,300	1,255	
Dynegy Holdings Inc.	8.750%	2/15/12	735	768 <sub>A</sub>	
The Williams Companies, Inc.	7.500%	1/15/31	102	106	
The Williams Companies, Inc.	8.750%	3/15/32	1,250	1,462	
					3,591
<i>Health Care 1.0%</i>					
Tenet Healthcare Corporation	6.375%	12/1/11	1,465	1,322 <sub>A</sub>	
Tenet Healthcare Corporation	6.875%	11/15/31	250	200	
					1,522
<i>Homebuilding 0.4%</i>					
D.R. Horton, Inc.	5.250%	2/15/15	410	373	
Pulte Homes, Inc.	6.250%	2/15/13	145	145	
					518
<i>Insurance 0.8%</i>					
American International Group, Inc.	5.050%	10/1/15	180	172 <sub>D</sub>	
Liberty Mutual Group	5.750%	3/15/14	270		