

WESTERN ASSET PREMIER BOND FUND
Form N-CSRS
August 21, 2015

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
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 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: June 30, 2015

ITEM 1. REPORT TO STOCKHOLDERS.

The **Semi-Annual** Report to Stockholders is filed herewith.

Semi-Annual Report

June 30, 2015

WESTERN ASSET

PREMIER BOND FUND (WEA)

INVESTMENT PRODUCTS: NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

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Fund objective

The Fund's investment objective is to provide current income and capital appreciation.

Under normal market conditions, the Fund expects to invest substantially all (but at least 80%) of its total managed assets in bonds, including corporate bonds, U.S. government and agency securities and mortgage-related securities, and at least 65% of its total managed assets in bonds that, at the time of purchase, are of investment grade quality. The Fund may invest up to 35% of its total managed assets in bonds of below investment grade quality at the time of purchase. The Fund may invest in securities or instruments other than bonds (including preferred stock) and may invest up to 10% of its total managed assets in instruments denominated in currencies other than the U.S. dollar. The Fund expects that the average effective duration of its portfolio will range between 3.5 and seven years, although this target duration may change from time to time. Trust preferred interests and capital securities are considered bonds and not preferred stock for purposes of the foregoing guidelines.

Letter from the president

Dear Shareholder,

We are pleased to provide the semi-annual report of Western Asset Premier Bond Fund for the six-month reporting period ended June 30, 2015. Please read on for Fund performance information and a detailed look at prevailing economic and market conditions during the Fund's reporting period.

I am pleased to introduce myself as the new President and Chief Executive Officer of the Fund, succeeding Kenneth D. Fuller. I am honored to have been appointed to my new role. During my 27 year career with Legg Mason, I have seen the investment management industry evolve and expand. Throughout these changes, maintaining an unwavering focus on our shareholders and their needs has remained paramount.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, www.lmcef.com. Here you can gain immediate access to market and investment information, including:

Fund prices and performance,

Market insights and commentaries from our portfolio managers, and

A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,

Jane Trust, CFA

President and Chief Executive Officer

July 31, 2015

Investment commentary

Economic review

After a tepid start, the pace of U.S. economic activity improved during the six months ended June 30, 2015 (the reporting period). Looking back, the U.S. Department of Commerce's revised figures showed that fourth quarter 2014 U.S. gross domestic product (GDP) growth was 2.1%. First quarter 2015 GDP growth then moderated to 0.6%. This was attributed to a number of factors, including a deceleration in personal consumption expenditures (PCE), along with negative contributions from exports, nonresidential fixed investment, and state and local government spending. However, the economy then gained some traction, as the U.S. Department of Commerce's initial estimate for second quarter 2015 GDP growth released after the reporting period ended was 2.3%. The upturn was driven by an increase in exports, an acceleration in PCE, a deceleration in imports and increased state and local government spending.

Activity in the U.S. manufacturing sector initially moderated and then strengthened during the reporting period. Based on the Institute for Supply Management's Purchasing Managers Index (PMI), U.S. manufacturing expanded during all six months of the reporting period (a reading below 50 indicates a contraction, whereas a reading above 50 indicates an expansion).

The labor market was a tailwind for the economy during the reporting period. When the period began, unemployment was 5.7%, as reported by the U.S. Department of Labor. By June 2015, unemployment was 5.3%, its lowest level since April 2008.

Market review

Q. How did the Federal Reserve Board (Fedⁱⁱⁱ) respond to the economic environment?

A. The Fed took a number of actions as it sought to meet its dual mandate of fostering maximum employment and price stability. As it has since December 2008, the Fed maintained the federal funds rate^{iv} at a historically low range between zero and 0.25%. However, in October 2014 the Fed ended its asset purchase program that was announced in December 2012. In December 2014, the Fed said that it can be patient in beginning to normalize the stance of monetary policy. At its meeting that ended on April 29, 2015, the Fed said, economic growth slowed during the winter months, in part reflecting transitory factors. Finally, at its meeting that ended on July 29, 2015, after the reporting period ended, the Fed said, The Committee currently anticipates that, even after employment and inflation are near mandate-consistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Committee views as normal in the longer run.

Q. Did Treasury yields trend higher or lower during the six months ended June 30, 2015?

A. Short-term Treasury yields edged lower, whereas long-term Treasury yields increased during the reporting period. When the reporting period began, the yield on the two-year Treasury note was 0.67%. It peaked at 0.75% on June 10, 2015, and fell as low as 0.44% on January 15, 2015, before ending the period at 0.64%. The yield on the ten-year Treasury note began the period at 2.17% and its peak of 2.50% occurred on June 10, 2015. The yield on the ten-year Treasury note was as low as 1.68% in late January/early February 2015 and concluded the reporting period at 2.35%.

Q. What factors impacted the spread sectors (non-Treasuries) during the reporting period?

A. The spread sectors generally posted positive, albeit small gains, during the reporting period. Performance fluctuated with investor sentiment given the uncertainties regarding future Fed monetary policy, along with concerns over global growth and geopolitical issues. The broad U.S. bond market, as measured by the Barclays U.S. Aggregate Index^v, declined 0.10% during the six months ended June 30, 2015.

Q. How did the high-yield bond market perform over the six months ended June 30, 2015?

A. The U.S. high-yield bond market, as measured by the Barclays U.S. Corporate High Yield 2% Issuer Cap Index^{xi}, returned 2.53% for the six months ended June 30, 2015. High yield bonds were volatile during the reporting period. While the underlying fundamentals in the high-yield market remained generally solid and default rates were well below their long-term average, the asset class posted negative returns in March and June 2015 when investor risk aversion increased.

Performance review

For the six months ended June 30, 2015, Western Asset Premier Bond Fund returned 0.30% based on its net asset value (NAV^{vii}) and 0.24% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmarks, the Barclays U.S. Corporate High Yield Index^{viii} and the Barclays U.S. Credit Index^{ix}, returned 2.53% and -0.78%, respectively,

Investment commentary (cont d)

for the same period. The Lipper Corporate BBB-Rated Debt (Leveraged) Closed-End Funds Category Average^x returned 0.40% over the same time frame. Please note that Lipper performance returns are based on each fund's NAV.

During this six-month period, the Fund made distributions to shareholders totaling \$0.54 per share. As of June 30, 2015, the Fund estimates that all of the distributions were sourced from net investment income.* The performance table shows the Fund's six-month total return based on its NAV and market price as of June 30, 2015. **Past performance is no guarantee of future results.**

Performance Snapshot as of June 30, 2015 (unaudited)

	6-Month Total Return**
Price Per Share	
\$14.34 (NAV)	0.30%
\$13.40 (Market Price)	0.24%

All figures represent past performance and are not a guarantee of future results. Performance figures for periods shorter than one year represent cumulative figures and are not annualized.

**** Total returns are based on changes in NAV or market price, respectively. Returns reflect the deduction of all Fund expenses, including management fees, operating expenses, and other Fund expenses. Returns do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.**

Total return assumes the reinvestment of all distributions, including returns of capital, if any, at NAV.

Total return assumes the reinvestment of all distributions, including returns of capital, if any, in additional shares in accordance with the Fund's Dividend Reinvestment Plan.

Looking for additional information?

The Fund is traded under the symbol WEA and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol XWEAX on most financial websites. *Barron's* and the *Wall Street Journal's* Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites as well as www.lmcef.com.

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888-777-0102 (toll free), Monday through Friday from 8:00 a.m. to 5:30 p.m. Eastern Time, for the Fund's current NAV, market price and other information.

Thank you for your investment in Western Asset Premier Bond Fund. As always, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the Fund's investment goals.

Sincerely,

Jane Trust, CFA

President and Chief Executive Officer

July 31, 2015

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*This estimate is not for tax purposes. The Fund will issue a Form 1099 with final composition of the distributions for tax purposes after year-end. A return of capital is not taxable and results in a reduction in the tax basis of a shareholder's investment. For more information about a distribution's composition, please refer to the Fund's distribution press release or, if applicable, the Section 19 notice located in the press release section of our website, www.lmcef.com.

VI Western Asset Premier Bond Fund

***RISKS:** Bonds are subject to a variety of risks, including interest rate, credit and inflation risks. As interest rates rise, bond prices fall, reducing the value of a fixed-income investment's price. The Fund may invest in high-yield bonds, which are rated below investment grade and carry more risk than higher-rated securities. To the extent that the Fund invests in asset-backed, mortgage-backed or mortgage related securities, its exposure to prepayment and extension risks may be greater than investments in other fixed-income securities. Leverage may result in greater volatility of NAV and the market price of common shares and increases a shareholder's risk of loss. The Fund may invest, to a limited extent, in foreign securities, including emerging markets, which involve additional risks. The Fund may make significant investments in derivative instruments. Derivative instruments can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance.*

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

- ⁱ Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.
- ⁱⁱ The Institute for Supply Management's PMI is based on a survey of purchasing executives who buy the raw materials for manufacturing at more than 350 companies. It offers an early reading on the health of the U.S. manufacturing sector.
- ⁱⁱⁱ The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.
- ^{iv} The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.
- ^v The Barclays U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- ^{vi} The Barclays U.S. Corporate High Yield 2% Issuer Cap Index is an index of the 2% Issuer Cap component of the Barclays U.S. Corporate High Yield Index, which covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market.
- ^{vii} Net asset value (NAV) is calculated by subtracting total liabilities and outstanding preferred stock (if any) from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total investments) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund's market price as determined by supply of and demand for the Fund's shares.
- ^{viii} The Barclays U.S. Corporate High Yield Index covers the universe of fixed-rate, non-investment grade debt, including corporate and non-corporate sectors. Pay-in-kind (PIK) bonds, Eurobonds and debt issues from countries designated as emerging markets are excluded, but Canadian and global bonds (SEC registered) of issuers in non-emerging market countries are included. Original issue zero coupon bonds, step-up coupon structures and 144-A securities are also included.
- ^{ix} The Barclays U.S. Credit Index is an index composed of corporate and non-corporate debt issues that are investment grade (rated Baa3/BBB- or higher).

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^x Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the six-month period ended June 30, 2015, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 9 funds in the Fund's Lipper category.

Western Asset Premier Bond Fund

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Fund at a glance (unaudited)

Investment breakdown (%) as a percent of total investments

The bar graph above represents the Fund's portfolio as of June 30, 2015 and December 31, 2014 and does not include derivatives such as futures contracts and forward foreign currency contracts. The Fund's portfolio is actively managed. As a result, the composition of its portfolio holdings and sectors is subject to change at any time.

Spread duration (unaudited)

Economic exposure June 30, 2015

Total Spread Duration

WEA 5.24 years
Benchmark 4.24 years

Spread duration measures the sensitivity to changes in spreads. The spread over Treasuries is the annual risk-premium demanded by investors to hold non-Treasury securities. Spread duration is quantified as the % change in price resulting from a 100 basis points change in spreads. For a security with positive spread duration, an increase in spreads would result in a price decline and a decline in spreads would result in a price increase. This chart highlights the market sector exposure of the Fund's sectors relative to the selected benchmark sectors as of the end of the reporting period.

ABS	Asset-Backed Securities
Benchmark	Barclays U.S. Corporate High Yield
EM	Emerging Markets
HY	High Yield
IG Credit	Investment Grade Credit
MBS	Mortgage-Backed Securities
WEA	Western Asset Premier Bond Fund

Effective duration (unaudited)

Interest rate exposure June 30, 2015

Total Effective Duration

WEA 4.78 years

Benchmark 4.21 years

Effective duration measures the sensitivity to changes in relevant interest rates. Effective duration is quantified as the % change in price resulting from a 100 basis points change in interest rates. For a security with positive effective duration, an increase in interest rates would result in a price decline and a decline in interest rates would result in a price increase. This chart highlights the interest rate exposure of the Fund's sectors relative to the selected benchmark sectors as of the end of the reporting period.

ABS	Asset-Backed Securities
Benchmark	Barclays U.S. Corporate High Yield
EM	Emerging Markets
HY	High Yield
IG Credit	Investment Grade Credit
MBS	Mortgage-Backed Securities
WEA	Western Asset Premier Bond Fund

Schedule of investments (unaudited)

June 30, 2015

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
Corporate Bonds & Notes 92.4%				
Consumer Discretionary 10.3%				
<i>Automobiles 3.0%</i>				
DaimlerChrysler NA Holding Corp., Notes	8.500%	1/18/31	1,000,000	\$ 1,469,639 (a)
Ford Motor Credit Co., LLC, Senior Notes	8.000%	12/15/16	680,000	740,798 (a)
Ford Motor Credit Co., LLC, Senior Notes	2.375%	1/16/18	1,000,000	1,009,296 (a)
General Motors Co., Senior Notes	6.250%	10/2/43	1,750,000	1,952,222 (a)
<i>Total Automobiles</i>				<i>5,171,955</i>
<i>Hotels, Restaurants & Leisure 1.0%</i>				
CCM Merger Inc., Senior Notes	9.125%	5/1/19	570,000	609,900 (a)(b)
Greektown Holdings LLC/Greektown Mothership Corp., Senior Secured Notes	8.875%	3/15/19	420,000	441,000 (a)(b)
Landry's Holdings II Inc., Senior Notes	10.250%	1/1/18	720,000	747,000 (a)(b)
<i>Total Hotels, Restaurants & Leisure</i>				<i>1,797,900</i>
<i>Household Durables 0.6%</i>				
Shea Homes LP/Shea Homes Funding Corp., Senior Notes	6.125%	4/1/25	580,000	584,350 (b)
William Lyon Homes Inc., Senior Notes	8.500%	11/15/20	390,000	421,200 (a)
<i>Total Household Durables</i>				<i>1,005,550</i>
<i>Media 5.5%</i>				
21st Century Fox America Inc., Senior Debentures	8.875%	4/26/23	400,000	528,917 (a)
AMC Entertainment Inc., Senior Subordinated Notes	5.750%	6/15/25	350,000	343,000 (b)
Comcast Corp., Notes	7.050%	3/15/33	1,000,000	1,282,444 (a)
CSC Holdings LLC, Senior Notes	6.750%	11/15/21	1,000,000	1,055,000 (a)
DISH DBS Corp., Senior Notes	7.875%	9/1/19	385,000	426,965 (a)
iHeartCommunications Inc., Senior Notes	10.000%	1/15/18	440,000	354,200
New Cotai LLC/New Cotai Capital Corp., Senior Secured Notes	10.625%	5/1/19	382,592	329,029 (b)(c)
Time Warner Cable Inc., Debentures	7.300%	7/1/38	720,000	811,230 (a)
Time Warner Cable Inc., Senior Notes	5.850%	5/1/17	500,000	533,934 (a)
Time Warner Inc., Senior Debentures	7.700%	5/1/32	980,000	1,287,346 (a)
Tribune Media Co., Senior Notes	5.875%	7/15/22	260,000	261,950 (b)
UPC Holding BV, Junior Secured Subordinated Notes	6.375%	9/15/22	1,820,000 EUR	2,176,130 (a)(b)
<i>Total Media</i>				<i>9,390,145</i>
<i>Specialty Retail 0.2%</i>				
Hot Topic Inc., Senior Secured Notes	9.250%	6/15/21	270,000	283,500 (a)(b)
Total Consumer Discretionary				17,649,050
Consumer Staples 4.1%				
<i>Food & Staples Retailing 2.2%</i>				
CVS Pass-Through Trust, Secured Bonds	5.789%	1/10/26	437,790	488,652 (a)(b)
CVS Pass-Through Trust, Secured Notes	5.880%	1/10/28	446,801	506,668 (a)

See Notes to Financial Statements.

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
<i>Food & Staples Retailing continued</i>				
CVS Pass-Through Trust, Secured Notes	6.036%	12/10/28	445,970	\$ 507,547 ^(a)
CVS Pass-Through Trust, Secured Notes	6.943%	1/10/30	430,905	511,987 ^(a)
CVS Pass-Through Trust, Secured Notes	7.507%	1/10/32	422,214	532,003 ^{(a)(b)}
Kroger Co., Senior Notes	6.400%	8/15/17	1,090,000	1,200,083 ^(a)
<i>Total Food & Staples Retailing</i>				<i>3,746,940</i>
<i>Food Products 1.7%</i>				
Ahold Lease USA Inc., Pass-Through Certificates	8.620%	1/2/25	686,921	839,018 ^(a)
WM Wrigley Jr. Co., Senior Notes	2.000%	10/20/17	2,000,000	2,017,472 ^{(a)(b)}
<i>Total Food Products</i>				<i>2,856,490</i>
<i>Tobacco 0.2%</i>				
Reynolds American Inc., Senior Notes	5.850%	8/15/45	310,000	325,157
Total Consumer Staples				6,928,587
<i>Energy 15.7%</i>				
<i>Energy Equipment & Services 1.6%</i>				
CGG, Senior Notes	6.500%	6/1/21	750,000	622,500 ^(a)
FTS International Inc., Senior Secured Bonds	6.250%	5/1/22	370,000	271,950
Hercules Offshore Inc., Senior Notes	8.750%	7/15/21	410,000	141,450 ^{(a)(b)(d)}
Hercules Offshore Inc., Senior Notes	6.750%	4/1/22	650,000	224,250 ^{(a)(b)(d)}
Transocean Inc., Senior Notes	5.550%	12/15/16	1,000,000	1,034,970 ^(a)
Transocean Inc., Senior Notes	6.800%	3/15/38	500,000	373,750 ^(a)
<i>Total Energy Equipment & Services</i>				<i>2,668,870</i>
<i>Oil, Gas & Consumable Fuels 14.1%</i>				
Anadarko Finance Co., Senior Notes	7.500%	5/1/31	570,000	713,790 ^(a)
Anadarko Petroleum Corp., Senior Notes	4.500%	7/15/44	1,000,000	919,050 ^(a)
Apache Corp., Senior Notes	4.250%	1/15/44	250,000	217,109 ^(a)
Arch Coal Inc., Senior Notes	7.000%	6/15/19	1,080,000	156,600 ^(a)
Burlington Resources Finance Co., Senior Notes	7.400%	12/1/31	450,000	597,973 ^(a)
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	6.500%	4/15/21	900,000	886,500 ^(a)
Colorado Interstate Gas Co., Senior Notes	6.800%	11/15/15	150,000	153,169 ^(a)
Comstock Resources Inc., Senior Notes	9.500%	6/15/20	900,000	380,250
Continental Resources Inc., Senior Notes	3.800%	6/1/24	1,000,000	912,799 ^(a)
Continental Resources Inc., Senior Notes	4.900%	6/1/44	500,000	421,103 ^(a)
Devon Energy Corp., Debentures	7.950%	4/15/32	310,000	402,822 ^(a)
Ecopetrol SA, Senior Bonds	4.125%	1/16/25	1,000,000	922,800
Ecopetrol SA, Senior Notes	5.875%	9/18/23	55,000	57,750 ^(a)
Ecopetrol SA, Senior Notes	5.375%	6/26/26	1,000,000	990,000
Ecopetrol SA, Senior Notes	5.875%	5/28/45	130,000	114,725

See Notes to Financial Statements.

Schedule of investments (unaudited) (cont d)

June 30, 2015

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
<i>Oil, Gas & Consumable Fuels continued</i>				
Enterprise Products Operating LLC, Senior Notes	3.700%	2/15/26	880,000	\$ 852,071 (a)
Enterprise Products Operating LLC, Senior Notes	5.100%	2/15/45	1,000,000	972,642 (a)
EXCO Resources Inc., Senior Notes	8.500%	4/15/22	320,000	164,000 (a)
Freeport-McMoran Oil & Gas LLC/FCX Oil & Gas Inc., Senior Notes	6.500%	11/15/20	429,000	453,667 (a)
Freeport-McMoran Oil & Gas LLC/FCX Oil & Gas Inc., Senior Notes	6.875%	2/15/23	650,000	697,125 (a)
Halcon Resources Corp., Secured Notes	8.625%	2/1/20	440,000	434,500 (b)
Halcon Resources Corp., Senior Notes	9.750%	7/15/20	670,000	450,575 (a)
Hess Corp., Notes	7.875%	10/1/29	350,000	440,808 (a)
Kinder Morgan Inc., Medium-Term Notes	7.800%	8/1/31	190,000	216,997
Kinder Morgan Inc., Senior Bonds	5.550%	6/1/45	1,500,000	1,386,427 (a)
Lonestar Resources America Inc., Senior Notes	8.750%	4/15/19	180,000	146,700 (b)
Magnum Hunter Resources Corp., Senior Notes	9.750%	5/15/20	740,000	662,300
MEG Energy Corp., Senior Notes	7.000%	3/31/24	840,000	805,350 (a)(b)
Natural Resource Partners LP/Natural Resource Partners Finance Corp., Senior Notes	9.125%	10/1/18	370,000	327,450 (a)
Newfield Exploration Co., Senior Notes	5.625%	7/1/24	2,500,000	2,525,000
Noble Energy Inc., Senior Notes	5.250%	11/15/43	1,000,000	974,260 (a)
Parsley Energy LLC/Parsley Finance Corp., Senior Notes	7.500%	2/15/22	150,000	152,204 (a)(b)
Petrobras Global Finance BV, Senior Notes	7.250%	3/17/44	1,000,000	928,360 (a)
Petroleos Mexicanos, Senior Notes	4.250%	1/15/25	1,500,000	1,460,850 (b)
Reliance Holdings USA Inc., Senior Notes	5.400%	2/14/22	1,000,000	1,078,328 (a)(b)
Reliance Holdings USA Inc., Senior Notes	5.400%	2/14/22	250,000	269,582 (e)
Sanchez Energy Corp., Senior Notes	7.750%	6/15/21	380,000	378,100 (a)
Williams Cos. Inc., Debentures	7.500%	1/15/31	413,000	451,994 (a)
Williams Cos. Inc., Senior Notes	8.750%	3/15/32	39,000	47,295 (a)
<i>Total Oil, Gas & Consumable Fuels</i>				24,123,025
Total Energy				26,791,895
Financials 26.2%				
<i>Banks 15.6%</i>				
Bank of America Corp., Senior Notes	3.750%	7/12/16	1,000,000	1,025,139 (a)
Bank of America Corp., Senior Notes	5.000%	5/13/21	1,100,000	1,207,544 (a)
Bank of America Corp., Subordinated Notes	4.250%	10/22/26	700,000	685,722 (a)
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	610,000	808,188 (a)(b)
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	2,500,000	2,847,000
BPCE SA, Subordinated Notes	5.150%	7/21/24	1,000,000	1,015,962 (b)
Capital One N.A., Senior Notes	1.500%	3/22/18	1,810,000	1,786,408 (a)

See Notes to Financial Statements.

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
<i>Banks continued</i>				
Citigroup Inc., Subordinated Notes	3.500%	5/15/23	500,000	\$ 488,165 ^(a)
Citigroup Inc., Subordinated Notes	5.500%	9/13/25	200,000	216,159 ^(a)
Citigroup Inc., Subordinated Notes	6.625%	6/15/32	1,000,000	1,183,752 ^(a)
Credit Agricole SA, Junior Subordinated Notes	7.875%	1/23/24	750,000	771,014 ^{(b)(f)(g)}
Credit Agricole SA, Subordinated Notes	4.375%	3/17/25	350,000	335,272 ^(b)
HBOS PLC, Subordinated Notes	6.750%	5/21/18	700,000	776,127 ^{(a)(b)}
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	9/17/24	1,480,000	1,483,700 ^{(f)(g)}
Intesa Sanpaolo SpA, Senior Notes	3.625%	8/12/15	300,000	300,743 ^(b)
Intesa Sanpaolo SpA, Senior Notes	3.875%	1/16/18	1,000,000	1,032,333
Intesa Sanpaolo SpA, Subordinated Bonds	5.017%	6/26/24	910,000	884,105 ^(b)
JPMorgan Chase & Co., Subordinated Notes	4.950%	6/1/45	1,500,000	1,458,099 ^(a)
Lloyds Banking Group PLC, Subordinated Notes	4.500%	11/4/24	1,000,000	1,000,588
Royal Bank of Scotland Group PLC, Subordinated Notes	6.100%	6/10/23	1,470,000	1,562,958
Royal Bank of Scotland Group PLC, Subordinated Notes	6.000%	12/19/23	150,000	158,840
Royal Bank of Scotland Group PLC, Subordinated Notes	5.125%	5/28/24	2,830,000	2,826,556
Royal Bank of Scotland NV, Subordinated Bonds	7.750%	5/15/23	140,000	163,806 ^(a)
Santander UK PLC, Subordinated Notes	5.000%	11/7/23	510,000	521,875 ^(b)
Standard Chartered PLC, Subordinated Notes	5.700%	3/26/44	2,000,000	2,073,344 ^(b)
<i>Total Banks</i>				<i>26,613,399</i>
<i>Capital Markets 4.4%</i>				
Credit Suisse Group Funding Guernsey Ltd., Senior Notes	4.875%	5/15/45	1,500,000	1,443,260 ^(b)
Deutsche Bank AG, Subordinated Notes	4.296%	5/24/28	2,000,000	1,890,348 ^{(a)(f)}
Goldman Sachs Group Inc., Senior Notes	6.150%	4/1/18	1,000,000	1,111,880 ^(a)
Goldman Sachs Group Inc., Senior Notes	5.250%	7/27/21	800,000	888,414 ^(a)
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	1,000,000	1,172,948 ^(a)
Pershing Square Holdings Ltd., Senior Notes	5.500%	7/15/22	1,000,000	1,002,890 ^(b)
<i>Total Capital Markets</i>				<i>7,509,740</i>
<i>Consumer Finance 1.1%</i>				
Ally Financial Inc., Senior Notes	8.000%	3/15/20	282,000	332,055 ^(a)
Capital One Financial Corp., Subordinated Notes	6.150%	9/1/16	500,000	527,743 ^(a)
Synchrony Financial, Senior Notes	4.250%	8/15/24	1,000,000	1,004,295
<i>Total Consumer Finance</i>				<i>1,864,093</i>
<i>Diversified Financial Services 3.0%</i>				
Argos Merger Sub Inc., Senior Notes	7.125%	3/15/23	890,000	932,275 ^{(a)(b)}
General Electric Capital Corp., Subordinated Debentures	6.375%	11/15/67	500,000	537,500 ^{(a)(f)}
General Electric Capital Corp., Subordinated Notes	5.300%	2/11/21	450,000	505,994 ^(a)
International Lease Finance Corp., Senior Notes	8.750%	3/15/17	1,380,000	1,509,872 ^(a)
International Lease Finance Corp., Senior Notes	5.875%	8/15/22	750,000	810,000 ^(a)

See Notes to Financial Statements.

Schedule of investments (unaudited) (cont d)

June 30, 2015

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
<i>Diversified Financial Services continued</i>				
International Lease Finance Corp., Senior Secured Notes	7.125%	9/1/18	400,000	\$ 446,000 (a)(b)
ZFS Finance USA Trust II, Bonds	6.450%	12/15/65	500,000	511,385 (a)(b)(f)
<i>Total Diversified Financial Services</i>				5,253,026
<i>Insurance 0.8%</i>				
Genworth Holdings Inc., Senior Notes	4.900%	8/15/23	330,000	292,152 (a)
Liberty Mutual Group Inc., Junior Subordinated Bonds	7.800%	3/15/37	200,000	237,000 (a)(b)
Metlife Inc., Junior Subordinated Notes	10.750%	8/1/39	500,000	810,000 (a)
<i>Total Insurance</i>				1,339,152
<i>Real Estate Management & Development 0.8%</i>				
Communications Sales & Leasing Inc., Senior Notes	8.250%	10/15/23	630,000	618,975 (a)(b)
Howard Hughes Corp., Senior Notes	6.875%	10/1/21	690,000	731,400 (a)(b)
<i>Total Real Estate Management & Development</i>				1,350,375
<i>Thrifts & Mortgage Finance 0.5%</i>				
Quicken Loans Inc., Senior Notes	5.750%	5/1/25	860,000	823,450 (b)
Total Financials				44,753,235
<i>Health Care 5.2%</i>				
<i>Health Care Equipment & Supplies 1.2%</i>				
ConvaTec Finance International SA, Senior Notes	8.250%	1/15/19	340,000	334,050 (a)(b)(c)
DJO Finco Inc./DJO Finance LLC/DJO Finance Corp., Secured Notes	8.125%	6/15/21	1,040,000	1,071,200 (b)
Lantheus Medical Imaging Inc., Senior Notes	9.750%	5/15/17	610,000	626,470 (a)
<i>Total Health Care Equipment & Supplies</i>				2,031,720
<i>Health Care Providers & Services 1.3%</i>				
HCA Inc., Debentures	7.500%	11/15/95	475,000	470,250 (a)
HCA Inc., Notes	7.690%	6/15/25	90,000	102,150 (a)
IASIS Healthcare LLC/IASIS Capital Corp., Senior Notes	8.375%	5/15/19	230,000	238,050 (a)
Tenet Healthcare Corp., Senior Notes	8.125%	4/1/22	480,000	524,880 (a)
Tenet Healthcare Corp., Senior Notes	6.750%	6/15/23	960,000	979,200 (b)
<i>Total Health Care Providers & Services</i>				2,314,530
<i>Pharmaceuticals 2.7%</i>				
AbbVie Inc., Senior Subordinated Notes	3.600%	5/14/25	700,000	691,877 (a)
Actavis Funding SCS, Senior Notes	4.550%	3/15/35	270,000	256,708 (a)
Actavis Funding SCS, Senior Notes	4.750%	3/15/45	1,080,000	1,028,218 (a)
Concordia Healthcare Corp., Senior Notes	7.000%	4/15/23	300,000	300,000 (b)
JLL/Delta Dutch Pledgeco BV, Senior Notes	8.750%	5/1/20	760,000	771,400 (b)(c)
Valeant Pharmaceuticals International Inc., Senior Notes	6.125%	4/15/25	1,500,000	1,543,125 (b)
<i>Total Pharmaceuticals</i>				4,591,328
Total Health Care				8,937,578

See Notes to Financial Statements.

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
Industrials 10.2%				
<i>Aerospace & Defense 0.6%</i>				
Aerojet Rocketdyne Holdings Inc., Secured Notes	7.125%	3/15/21	250,000	\$ 266,250 (a)
Boeing Co., Notes	6.125%	2/15/33	600,000	750,130 (a)
<i>Total Aerospace & Defense</i>				<i>1,016,380</i>
<i>Air Freight & Logistics 0.8%</i>				
XPO Logistics Inc., Senior Notes				<i>1,272,375</i> (b)
	6.500%	6/15/22	1,300,000	
<i>Airlines 5.8%</i>				
Air 2 US, Notes	8.027%	10/1/19	1,033,852	1,106,222 (a)(b)
America West Airlines Inc., Pass-Through Certificates, Ambac Assurance Corp.	8.057%	7/2/20	1,412,985	1,589,609 (a)
Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes	6.900%	1/2/18	352,149	367,749 (a)
Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes	6.820%	5/1/18	423,470	452,054 (a)
Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes	6.545%	2/2/19	764,865	837,986 (a)
Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes	8.048%	11/1/20	322,437	365,546 (a)
Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes	6.703%	6/15/21	657,055	698,121 (a)
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	116,111	133,238 (a)
Northwest Airlines Corp., Pass-Through Certificates	7.575%	3/1/19	325,590	361,404
US Airways, Pass-Through Certificates, Senior Secured Bonds	6.850%	1/30/18	2,030,057	2,151,860 (a)
US Airways, Pass-Through Certificates, Senior Secured Bonds	7.125%	10/22/23	1,568,919	1,819,947 (a)
<i>Total Airlines</i>				<i>9,883,736</i>
<i>Commercial Services & Supplies 0.1%</i>				
Garda World Security Corp., Senior Notes	7.250%	11/15/21	220,000	<i>211,200</i> (b)
<i>Construction & Engineering 0.7%</i>				
Ausdrill Finance Pty Ltd., Senior Notes	6.875%	11/1/19	270,000	226,800 (a)(b)
Michael Baker International LLC/CDL Acquisition Co. Inc., Senior Secured Notes	8.250%	10/15/18	610,000	590,175 (a)(b)
Modular Space Corp., Secured Notes	10.250%	1/31/19	360,000	311,400 (a)(b)
Odebrecht Offshore Drilling Finance Ltd., Senior Secured Notes	6.625%	10/1/22	189,580	131,758 (b)
<i>Total Construction & Engineering</i>				<i>1,260,133</i>
<i>Electrical Equipment 0.2%</i>				
International Wire Group Holdings Inc., Senior Secured Notes	8.500%	10/15/17	340,000	<i>351,900</i> (a)(b)
<i>Machinery 0.4%</i>				
SPL Logistics Escrow LLC/SPL Logistics Finance Corp., Senior Secured Notes	8.875%	8/1/20	710,000	<i>752,600</i> (a)(b)

See Notes to Financial Statements.

Schedule of investments (unaudited) (cont d)

June 30, 2015

Western Asset Premier Bond Fund

	Rate	Maturity Date	Face Amount	Value
Security				
<i>Marine 0.3%</i>				
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes	8.125%	11/15/21	470,000	\$ 462,950 (a)(b)
<i>Professional Services 0.6%</i>				
IHS Inc., Senior Notes	5.000%	11/1/22	1,000,000	993,750 (a)(b)
<i>Road & Rail 0.3%</i>				
Florida East Coast Holdings Corp., Senior Notes	9.750%	5/1/20	100,000	94,750 (a)(b)
Florida East Coast Holdings Corp., Senior Secured Notes	6.750%	5/1/19	240,000	240,600 (b)
Jurassic Holdings III Inc., Secured Notes	6.875%	2/15/21	280,000	218,400 (a)(b)
<i>Total Road & Rail</i>				553,750
<i>Trading Companies & Distributors 0.4%</i>				
H&E Equipment Services Inc., Senior Notes	7.000%	9/1/22	590,000	608,438 (a)
Total Industrials				17,367,212
Information Technology 2.4%				
<i>Communications Equipment 0.8%</i>				
Harris Corp., Senior Notes	5.054%	4/27/45	1,500,000	1,429,074 (a)
<i>Electronic Equipment, Instruments & Components 0.2%</i>				
Interface Security Systems Holdings Inc./Interface Security Systems LLC, Senior Secured Notes	9.250%	1/15/18	340,000	341,700 (a)
<i>IT Services 1.4%</i>				
Compiler Finance Subordinated Inc., Senior Notes	7.000%	5/1/21	465,000	353,400 (b)
First Data Corp., Senior Notes	12.625%	1/15/21	940,000	1,085,700 (a)
First Data Corp., Senior Secured Notes	6.750%	11/1/20	98,000	103,574 (a)(b)
First Data Corp., Senior Subordinated Notes	11.750%	8/15/21	208,000	234,000 (a)
HP Enterprise Services LLC, Notes	7.450%	10/15/29	500,000	610,528 (a)
<i>Total IT Services</i>				2,387,202
Total Information Technology				4,157,976
Materials 4.3%				
<i>Chemicals 0.3%</i>				
Braskem Finance Ltd., Senior Notes	5.375%	5/2/22	230,000	211,830 (b)
HIG BBC Intermediate Holdings LLC/HIG BBC Holdings Corp., Senior Notes	10.500%	9/15/18	250,000	247,188 (b)(c)
<i>Total Chemicals</i>				459,018
<i>Containers & Packaging 0.8%</i>				
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	9.125%	10/15/20	415,000	435,750 (b)
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	7.000%	11/15/20	213,529	217,800 (b)
Coveris Holdings SA, Senior Notes	7.875%	11/1/19	590,000	587,050 (b)
Pactiv LLC, Senior Notes	7.950%	12/15/25	50,000	49,500 (a)
<i>Total Containers & Packaging</i>				1,290,100

See Notes to Financial Statements.

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
<i>Metals & Mining 2.6%</i>				
ArcelorMittal, Senior Bonds	5.125%	6/1/20	160,000	\$ 162,200
ArcelorMittal, Senior Bonds	6.125%	6/1/25	430,000	428,656
Barmingo Finance Pty Ltd., Senior Notes	9.000%	6/1/18	430,000	402,050 (a)(b)
Barrick Gold Corp., Senior Notes	6.950%	4/1/19	300,000	347,451 (a)
FMG Resources (August 2006) Pty Ltd., Senior Secured Notes	9.750%	3/1/22	1,060,000	1,094,450 (b)
Freeport-McMoRan Inc., Senior Notes	4.550%	11/14/24	900,000	838,595 (a)
Prince Mineral Holding Corp., Senior Secured Notes	11.500%	12/15/19	260,000	239,200 (a)(b)
Ryerson Inc./Joseph T. Ryerson & Son Inc., Senior Notes	11.250%	10/15/18	414,000	418,140 (a)
Vedanta Resources PLC, Senior Bonds	8.250%	6/7/21	580,000	590,553 (a)(e)
<i>Total Metals & Mining</i>				<i>4,521,295</i>
<i>Paper & Forest Products 0.6%</i>				
Verso Paper Holdings LLC/Verso Paper Inc., Senior Secured Bonds	11.750%	1/15/19	610,000	350,750
Weyerhaeuser Co., Debentures	7.375%	3/15/32	560,000	700,264 (a)
<i>Total Paper & Forest Products</i>				<i>1,051,014</i>
Total Materials				
Telecommunication Services 10.7%				7,321,427
<i>Diversified Telecommunication Services 8.9%</i>				
AT&T Inc., Senior Notes	5.350%	9/1/40	170,000	167,368 (a)
Cincinnati Bell Telephone Co., Senior Debentures	6.300%	12/1/28	25,000	24,000 (a)
Intelsat Luxembourg SA, Senior Bonds	8.125%	6/1/23	470,000	390,100
Level 3 Financing Inc., Senior Notes	8.625%	7/15/20	290,000	309,923 (a)
Level 3 Financing Inc., Senior Notes	6.125%	1/15/21	530,000	555,811 (a)
Oi SA, Senior Notes	5.750%	2/10/22	400,000	346,500 (b)
Orange, Notes	9.000%	3/1/31	600,000	846,635 (a)
Qwest Corp., Senior Notes	6.750%	12/1/21	2,000,000	2,207,500 (a)
Telecom Italia SpA, Senior Notes	5.303%	5/30/24	2,750,000	2,739,687 (b)
Telefonica Emisiones SAU, Senior Notes	5.134%	4/27/20	2,000,000	2,187,762 (a)
Verizon Communications Inc., Senior Notes	5.150%	9/15/23	4,330,000	4,740,662 (a)
Windstream Corp., Senior Notes	6.375%	8/1/23	800,000	651,000 (a)
<i>Total Diversified Telecommunication Services</i>				<i>15,166,948</i>
<i>Wireless Telecommunication Services 1.8%</i>				
Altice Financing SA, Senior Secured Notes	6.625%	2/15/23	400,000	397,120 (a)(b)
Sprint Capital Corp., Senior Notes	6.875%	11/15/28	750,000	645,000 (a)
Sprint Communications Inc., Senior Notes	9.000%	11/15/18	500,000	564,630 (a)(b)
Sprint Corp., Senior Notes	7.625%	2/15/25	1,000,000	942,500 (a)
VimpelCom Holdings BV, Senior Notes	5.950%	2/13/23	570,000	502,911 (a)(b)
<i>Total Wireless Telecommunication Services</i>				<i>3,052,161</i>
Total Telecommunication Services				18,219,109

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June 30, 2015

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
Utilities 3.3%				
<i>Electric Utilities 2.7%</i>				
Centrais Eletricas Brasileiras SA, Senior Notes	5.750%	10/27/21	210,000	\$ 194,250 ^(b)
Electricite de France, Junior Subordinated Notes	5.625%	1/22/24	1,500,000	1,525,500 ^{(a)(b)(f)(g)}
FirstEnergy Corp., Notes	7.375%	11/15/31	1,770,000	2,156,573 ^(a)
Southern Co., Senior Notes	1.950%	9/1/16	150,000	151,702 ^(a)
State Grid Overseas Investment 2014 Ltd., Senior Notes	4.125%	5/7/24	500,000	523,698 ^(e)
<i>Total Electric Utilities</i>				<i>4,551,723</i>
<i>Gas Utilities 0.0%</i>				
Southern Natural Gas Co., Senior Notes	8.000%	3/1/32	20,000	23,742 ^(a)
<i>Independent Power and Renewable Electricity Producers 0.6%</i>				
AES Corp., Senior Notes	8.000%	6/1/20	100,000	115,500 ^(a)
Calpine Corp., Senior Secured Notes	7.875%	1/15/23	489,000	528,120 ^{(a)(b)}
TerraForm Power Operating LLC, Senior Notes	5.875%	2/1/23	370,000	375,550 ^{(a)(b)}
<i>Total Independent Power and Renewable Electricity Producers</i>				<i>1,019,170</i>
Total Utilities				5,594,635
Total Corporate Bonds & Notes (Cost \$155,177,089)				157,720,704
Asset-Backed Securities 15.5%				
AAA Trust, 2005-1A 1A3B	0.596%	2/27/35	463,839	418,614 ^{(b)(f)}
ABFS Mortgage Loan Trust, 2002-3 M1	5.902%	9/15/33	942,549	752,169
ACE Securities Corp., 2005-WF1 M1	0.817%	5/25/35	470,000	466,801 ^(f)
Ameriquest Mortgage Securities Inc., 2004-R1 A1B	0.987%	2/25/34	410,329	384,643 ^(f)
Ameriquest Mortgage Securities Inc., 2004-R9 M1	1.117%	10/25/34	56,796	56,786 ^(f)
Argent Securities Inc., 2003-W3 M1	1.310%	9/25/33	32,125	31,206 ^(f)
Associates Manufactured Housing Pass-Through Certificates, 1997-CLB2	8.900%	6/15/28	2,008,418	1,924,266 ^(h)
Bank of America Manufactured Housing Contract Trust, 1997-2M	6.900%	4/10/28	40,502	41,934 ^(f)
Bayview Financial Asset Trust, 2004-SSRA A1	0.787%	12/25/39	171,240	164,298 ^{(b)(f)}
Bayview Financial Asset Trust, 2007-SR1A M1	0.987%	3/25/37	928,942	811,059 ^{(b)(f)}
Bayview Financial Asset Trust, 2007-SR1A M3	1.337%	3/25/37	352,357	280,935 ^{(b)(f)}
Bayview Financial Asset Trust, 2007-SR1A M4	1.687%	3/25/37	96,098	71,939 ^{(b)(f)}
Bear Stearns Asset Backed Securities Trust, 2006-SD3 1P0, STRIPS, PO	0.000%	8/25/36	521,726	285,498
Centex Home Equity Loan Trust, 2003-B AF4	3.735%	2/25/32	349,152	350,978
Citigroup Mortgage Loan Trust Inc., 2006-SHL1 A1	0.385%	11/25/45	70,825	68,613 ^{(b)(f)}
Contimortgage Home Equity Trust, 1997-4 B1F	7.330%	10/15/28	167,594	169,124
Countrywide Asset-Backed Certificates, 2004-3 3A3	0.947%	8/25/34	135,516	133,136 ^(f)
Countrywide Asset-Backed Certificates, 2006-3 3A1	0.307%	6/25/36	61,754	61,110 ^(f)

See Notes to Financial Statements.

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
Asset-Backed Securities continued				
Countrywide Asset-Backed Certificates, 2007-13 2A1	1.087%	10/25/47	886,192	\$ 789,018 ^(f)
Countrywide Asset-Backed Certificates, 2007-SEA2 1A1	1.187%	8/25/47	39,764	36,557 ^{(b)(f)}
Credit-Based Asset Servicing and Securitization LLC, 2005-RP1 M1	0.807%	1/25/35	123,552	122,264 ^{(b)(f)}
CS First Boston Mortgage Securities Corp., 2004-CF2 2A1	0.657%	5/25/44	11,667	11,465 ^{(b)(f)}
Education Funding Capital Trust, 2004-1 B1	0.174%	6/15/43	1,200,000	1,154,537 ^{(a)(f)}
EMC Mortgage Loan Trust, 2003-B A1	0.737%	11/25/41	18,903	17,735 ^{(b)(f)}
Firstfed Corp. Manufactured Housing Contract, 1996-1 B	8.060%	10/15/22	377,673	245,865 ^(b)
GMAC Mortgage Corp. Loan Trust, 2004-VF1 A1	0.935%	2/25/31	95,302	93,551 ^{(b)(f)}
Green Tree Financial Corp., 1993-1 B	8.450%	4/15/18	19,293	9,472
Green Tree Home Improvement Loan Trust, 1996-D HIB2	8.000%	9/15/27	14,135	12,101
Greenpoint Manufactured Housing, 1999-2 A2	2.900%	3/18/29	425,000	388,903 ^(f)
Greenpoint Manufactured Housing, 1999-3 2A2	3.549%	6/19/29	125,000	108,750 ^(f)
Greenpoint Manufactured Housing, 1999-4 A2	3.687%	2/20/30	125,000	108,750 ^(f)
Greenpoint Manufactured Housing, 1999-5 A5	7.820%	12/15/29	116,259	117,056 ^(f)
Greenpoint Manufactured Housing, 2001-2 IIA2	3.685%	2/20/32	300,000	275,314 ^(f)
Greenpoint Manufactured Housing, 2001-2 IIA2	3.686%	3/13/32	500,000	453,121 ^(f)
GSAA Home Equity Trust, 2004-8 A3A	0.927%	9/25/34	115,494	115,245 ^(f)
GSAA Home Equity Trust, 2006-19 A3A	0.427%	12/25/36	591,572	329,972 ^(f)
GSAMP Trust, 2003-SEA2 A1	4.422%	7/25/33	1,254,419	1,234,447
GSRPM Mortgage Loan Trust, 2006-1 A1	0.487%	3/25/35	77,604	76,177 ^{(b)(f)}
GSRPM Mortgage Loan Trust, 2006-2 A2	0.485%	9/25/36	117,751	111,870 ^{(b)(f)}
Indymac Manufactured Housing Contract, 1997-1 A5	6.970%	2/25/28	110,004	113,955
Lehman XS Trust, 2007-1 WF1	4.909%	1/25/37	584,382	372,522 ^(f)
Long Beach Mortgage Loan Trust, 2004-4 M1	1.087%	10/25/34	1,620,000	1,535,935 ^{(a)(f)}
Morgan Stanley ABS Capital I, 2003-SD1 A1	1.187%	3/25/33	14,692	13,877 ^(f)
Morgan Stanley Capital Inc., 2003-NC9 M	1.312%	9/25/33	1,040,006	1,005,842 ^(f)
Morgan Stanley Capital Inc., 2004-HE7 M1	1.087%	8/25/34	1,539,471	1,457,840 ^{(a)(f)}
New Century Home Equity Loan Trust, 2004-2 A2	0.927%	8/25/34	475,320	447,290 ^(f)
New Century Home Equity Loan Trust, 2004-3 M1	1.117%	11/25/34	1,480,740	1,367,904 ^(f)
Oakwood Mortgage Investors Inc., 2002-B A3	6.060%	6/15/32	162,334	167,746 ^(f)
Option One Mortgage Loan Trust, 2003-2 A2	0.787%	4/25/33	280,982	259,940 ^(f)
Origen Manufactured Housing Contract Trust, 2006-A A2	2.300%	10/15/37	1,914,444	1,730,636 ^(f)
Origen Manufactured Housing Contract Trust, 2007-A A2	0.174%	4/15/37	2,191,683	1,965,478 ^(f)
Park Place Securities Inc., 2004-WCW1 M2	1.207%	9/25/34	700,517	695,512 ^(f)
Park Place Securities Inc., 2004-WHQ2 M2	1.132%	2/25/35	355,543	354,554 ^(f)
People's Choice Home Loan Securities Trust, 2004-1 A3	1.227%	6/25/34	400,842	391,477 ^(f)
RAAC Series, 2007-RP1 M1	0.735%	5/25/46	210,000	155,456 ^{(b)(f)}

See Notes to Financial Statements.

Schedule of investments (unaudited) (cont d)

June 30, 2015

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
Asset-Backed Securities continued				
Renaissance Home Equity Loan Trust, 2004-2 AF4	5.392%	7/25/34	202,701	\$ 204,784
Renaissance Home Equity Loan Trust, 2005-3 AV3	0.567%	11/25/35	509,244	411,771 ^(f)
Residential Asset Mortgage Products Inc., 2004-RZ1 AII	0.667%	3/25/34	265,894	264,109 ^(f)
Residential Asset Securities Corp., 2002-KS2 A16	6.228%	4/25/32	133,928	136,503 ^(f)
Residential Asset Securities Corp., 2003-KS8 A16	4.830%	10/25/33	112,143	111,344 ^(f)
Settlement Fee Finance LLC, 2004-1A A	9.100%	7/25/34	457,639	486,104 ^(b)
Structured Asset Securities Corp., 2006-GEL3 A2	0.417%	7/25/36	463,113	460,611 ^{(b)(f)}
Total Asset-Backed Securities (Cost \$22,250,885)				26,396,469
Collateralized Mortgage Obligations 10.2%				
American Home Mortgage Investment Trust, 2007-A 4A	1.081%	7/25/46	595,142	212,596 ^{(b)(f)}
Banc of America Funding Corp., 2004-B 6A1	2.222%	12/20/34	285,337	200,415 ^(f)
BCAP LLC Trust, 2009-RR12 2A2	0.503%	3/26/35	1,844,014	1,192,749 ^{(b)(f)}
Bear Stearns Alt-A Trust, 2004-03 A1	0.827%	4/25/34	314,133	305,683 ^(f)
Bear Stearns Alt-A Trust, 2005-10 21A1	2.532%	1/25/36	760,218	626,249 ^(f)
Bear Stearns Asset Backed Securities Trust, 2002-AC1 B4	7.000%	1/25/32	450,998	81,734 ^(b)
BlackRock Capital Finance LP, 1997-R2 B5	4.778%	12/25/35	60,775	602 ^(b)
Chevy Chase Mortgage Funding Corp., 2004-3A A1	0.437%	8/25/35	824,549	753,146 ^{(b)(f)}
Chevy Chase Mortgage Funding Corp., 2004-4A A1	0.417%	10/25/35	1,316,427	1,212,512 ^{(b)(f)}
Countrywide Home Loans, 2004-R2 1AF1	0.607%	11/25/34	215,586	192,432 ^{(b)(f)}
Countrywide Home Loans, 2005-7 1A1	0.727%	3/25/35	990,056	922,200 ^(f)
Countrywide Home Loans, 2006-HYB4 3B	2.665%	6/20/36	706,395	597,442 ^(f)
Credit Suisse Mortgage Capital Certificates, 2009-16R 4A1	2.483%	3/26/35	259,953	251,240 ^{(b)(f)}
Greenpoint Mortgage Funding Trust, 2005-AR5 3A2	0.457%	11/25/46	193,424	858,801 ^(f)
GSMPS Mortgage Loan Trust, 2001-2 A	7.500%	6/19/32	1,021,171	1,059,321 ^{(b)(f)}
HarborView Mortgage Loan Trust, 2004-08 3A2	0.988%	11/19/34	103,949	79,578 ^(f)
HarborView Mortgage Loan Trust, 2004-10 4A	2.528%	1/19/35	238,422	237,292 ^(f)
HarborView Mortgage Loan Trust, 2005-9 B10	1.940%	6/20/35	12,813	0 ^{(d)(f)(i)}
Impac CMB Trust, 2004-9 1A1	0.947%	1/25/35	35,651	32,366 ^(f)
Impac CMB Trust, 2005-2 2A2	0.987%	4/25/35	94,611	86,326 ^(f)
Impac CMB Trust, 2A-10	0.827%	3/25/35	274,116	227,742 ^(f)
Indymac Manufactured Housing Contract, A2-2	6.170%	8/25/29	78,958	80,298
Jefferies & Co., 2009-B 9A	0.514%	11/21/35	16	314,579 ^{(b)(f)(h)}
JPMorgan Alternative Loan Trust, 2006-S1 3A4	6.180%	3/25/36	944,748	674,790 ^(f)
JPMorgan Mortgage Trust, 2007-A2 4A2	4.925%	4/25/37	187,204	169,527 ^(f)
LB-UBS Commercial Mortgage Trust, 2001-C3 X, IO, STRIPS	0.567%	6/15/36	246,384	676 ^{(b)(d)(f)}
MASTR Adjustable Rate Mortgages Trust, 2004-13 3A7	2.702%	11/21/34	1,110,610	1,136,015 ^(f)
Merit Securities Corp., 11PA 3A1	0.806%	4/28/27	98,328	89,001 ^{(b)(f)}
Merit Securities Corp., 11PA B3	2.436%	9/28/32	704,926	652,003 ^{(b)(f)}

See Notes to Financial Statements.

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
Collateralized Mortgage Obligations continued				
Metropolitan Asset Funding Inc., 1998-BI B1	8.000%	11/20/24	443,441	\$ 407,707 ^(f)
Nomura Asset Acceptance Corp., 2004-AR4 1A1	2.658%	12/25/34	143,624	144,285 ^(f)
Prime Mortgage Trust, 2005-2 2XB, STRIPS, IO	1.743%	10/25/32	2,509,123	120,062 ^(f)
Prime Mortgage Trust, 2005-5 1X, STRIPS, IO	0.973%	7/25/34	4,771,412	171,594 ^(f)
Prime Mortgage Trust, 2005-5 1XB, STRIPS, IO	1.156%	7/25/34	400,954	8,028 ^(f)
Regal Trust IV, 1999-1 A	1.674%	9/29/31	31,296	29,142 ^{(b)(f)}
Residential Asset Mortgage Products Inc., 2005-SL2 AP0, STRIPS, PO	0.000%	2/25/32	29,105	28,173
Sequoia Mortgage Trust, 2003-2 A2	1.083%	6/20/33	22,476	21,837 ^(f)
Sequoia Mortgage Trust, 2004-10 A1A	0.807%	11/20/34	20,879	19,961 ^(f)
Sequoia Mortgage Trust, 2004-11 A1	0.487%	12/20/34	29,027	28,193 ^(f)
Sequoia Mortgage Trust, 2004-12 A1	0.457%	1/20/35	250,753	237,390 ^(f)
Structured Asset Securities Corp., 1998-RF2 A	6.389%	7/15/27	231,256	228,937 ^{(b)(f)}
Structured Asset Securities Corp., 2002-9 A2	0.787%	10/25/27	433,506	423,801 ^(f)
Structured Asset Securities Corp., 2003-9A 2A2	2.352%	3/25/33	140,713	139,943 ^(f)
Structured Asset Securities Corp., 2004-NP1 A	0.987%	9/25/33	99,744	98,533 ^{(b)(f)}
Thornburg Mortgage Securities Trust, 2004-03 A	0.927%	9/25/44	390,108	373,864 ^(f)
Thornburg Mortgage Securities Trust, 2007-04 3A1	6.088%	9/25/37	162,673	166,980 ^(f)
WaMu Mortgage Pass-Through Certificates, 2004-AR06 A	0.607%	5/25/44	397,262	375,631 ^(f)
WaMu Mortgage Pass-Through Certificates, 2004-AR08 A1	0.607%	6/25/44	266,321	246,559 ^(f)
Washington Mutual Alternative Mortgage Pass-Through Certificates, 2006-7 A2A	4.644%	9/25/36	1,055,362	624,245
Washington Mutual Alternative Mortgage Pass-Through Certificates, 2006-7 A3	4.644%	9/25/36	130,647	74,567
Washington Mutual Inc., Mortgage Pass-Through Certificates, 2004-AR12 A2A	0.577%	10/25/44	314,821	303,905 ^(f)
Washington Mutual Inc., Mortgage Pass-Through Certificates, 2005-AR13 A1A1	0.477%	10/25/45	231,299	215,139 ^(f)
Washington Mutual Inc., Mortgage Pass-Through Certificates, 2005-AR8 2A1A	0.477%	7/25/45	286,371	267,624 ^(f)
Washington Mutual Inc., Mortgage Pass-Through Certificates, 2006-AR5 3A	1.098%	7/25/46	744,744	460,042 ^(f)
Washington Mutual Inc., MSC Pass-Through Certificates, 2004-RA1 2A	7.000%	3/25/34	15,204	16,058
Total Collateralized Mortgage Obligations (Cost \$13,860,411)				17,479,515
Mortgage-Backed Securities 0.1%				
<i>FNMA 0.1%</i>				
Federal National Mortgage Association (FNMA), Whole Loan (Cost \$216,757)	6.500%	8/25/44	213,005	236,721

See Notes to Financial Statements.

Schedule of investments (unaudited) (cont d)

June 30, 2015

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount	Value
Senior Loans 1.1%				
Consumer Discretionary 0.3%				
<i>Hotels, Restaurants & Leisure 0.3%</i>				
Equinox Holdings Inc., Second Lien Term Loan	9.750%	7/31/20	430,000	\$ 436,450 (k)(l)
Consumer Staples 0.1%				
Food Products 0.1%				
AdvancePierre Foods Inc., Second Lien Term Loan	9.500%	10/10/17	180,000	182,250 (k)(l)
Health Care 0.3%				
<i>Health Care Providers & Services 0.3%</i>				
Radnet Management Inc., Second Lien Term Loan	8.000%	3/25/21	440,000	432,300 (k)(l)
Materials 0.2%				
<i>Chemicals 0.2%</i>				
Kronos Inc., Second Lien Term Loan	9.750%	4/30/20	329,741	338,397 (k)(l)
Utilities 0.2%				
<i>Electric Utilities 0.2%</i>				
Panda Temple Power LLC, 2015 Term Loan B	7.250%	3/4/22	428,925	422,491 (k)(l)
Total Senior Loans (Cost \$1,785,987)				1,811,888
Sovereign Bonds 7.3%				
<i>Argentina 0.2%</i>				
Republic of Argentina, Senior Bonds	7.000%	10/3/15	410,000	408,351 (a)
<i>Brazil 1.6%</i>				
Federative Republic of Brazil, Senior Notes	10.000%	1/1/17	8,989,000 BRL	2,746,940
<i>Mexico 2.9%</i>				
United Mexican States, Senior Bonds	8.000%	6/11/20	11,147,000 MXN	792,732
United Mexican States, Senior Bonds	6.500%	6/9/22	60,296,400 MXN	3,974,307
United Mexican States, Senior Bonds	10.000%	12/5/24	2,750,000 MXN	224,033
<i>Total Mexico</i>				<i>4,991,072</i>
<i>Poland 1.4%</i>				
Republic of Poland, Bonds	4.000%	10/25/23	8,440,000 PLN	2,376,668
<i>Turkey 1.2%</i>				
Republic of Turkey, Senior Bonds	5.625%	3/30/21	210,000	226,359
Republic of Turkey, Senior Bonds	5.750%	3/22/24	1,200,000	1,299,000
Republic of Turkey, Senior Notes	6.250%	9/26/22	400,000	444,976
<i>Total Turkey</i>				<i>1,970,335</i>
Total Sovereign Bonds (Cost \$15,539,500)				12,493,366
U.S. Government & Agency Obligations 0.6%				
<i>U.S. Government Obligations 0.6%</i>				
U.S. Treasury Notes (Cost \$998,153)	0.500%	1/31/17	1,000,000	999,688

See Notes to Financial Statements.

Western Asset Premier Bond Fund

		Shares	Value
Security			
Common Stocks	1.0%		
Financials	0.8%		
<i>Banks</i>	<i>0.8%</i>		
Citigroup Inc.			