

WESTERN ASSET PREMIER BOND FUND

Form N-Q

November 26, 2018

**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 **811-10603**

**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: 1-(888) 777-0102

Date of fiscal year end: **December 31**

Date of reporting period: **September 30, 2018**

**ITEM 1. SCHEDULE OF INVESTMENTS.**

**WESTERN ASSET PREMIER BOND FUND**

FORM N-Q

SEPTEMBER 30, 2018

## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited)

September 30, 2018

| SECURITY  | RATE    | MATURITY DATE | FACE AMOUNT | VALUE                     |
|---|---------|---------------|-------------|---------------------------|
| <b>CORPORATE BONDS &amp; NOTES - 96.2%</b>  |         |               |             |                           |
| <b>COMMUNICATION SERVICES - 15.2%</b>   |         |               |             |                           |
| <b>Diversified Telecommunication Services - 4.0%</b>  |         |               |             |                           |
| Cogent Communications Group Inc., Senior Secured Notes  | 5.375%  | 3/1/22        | 570,000     | \$ 581,400 <sup>(a)</sup> |
| Orange SA, Senior Notes, Step Bond  | 9.000%  | 3/1/31        | 600,000     | 853,337                   |
| Telefonica Emisiones SAU, Senior Notes  | 5.134%  | 4/27/20       | 2,000,000   | 2,056,280                 |
| UPCB Finance IV Ltd., Senior Secured Notes  | 5.375%  | 1/15/25       | 400,000     | 400,500 <sup>(a)</sup>    |
| Verizon Communications Inc., Senior Notes   | 5.150%  | 9/15/23       | 1,180,000   | 1,264,513                 |
| Windstream Services LLC/Windstream Finance Corp., Senior Notes  | 10.500% | 6/30/24       | 1,480,000   | 1,272,800 <sup>(a)</sup>  |
| <i>Total Diversified Telecommunication Services</i>   |         |               |             | 6,428,830                 |
| <b>Interactive Media &amp; Services - 0.7%</b>  |         |               |             |                           |
| Match Group Inc., Senior Notes  | 5.000%  | 12/15/27      | 1,155,000   | 1,155,116 <sup>(a)</sup>  |
| <b>Media - 7.5%</b>   |         |               |             |                           |
| 21st Century Fox America Inc., Senior Notes   | 8.875%  | 4/26/23       | 400,000     | 482,562                   |
| Altice France SA, Senior Secured Notes  | 7.375%  | 5/1/26        | 570,000     | 572,138 <sup>(a)</sup>    |
| Altice France SA, Senior Secured Notes  | 8.125%  | 2/1/27        | 2,200,000   | 2,271,500 <sup>(a)</sup>  |
| Altice Luxembourg SA, Senior Notes  | 7.750%  | 5/15/22       | 1,180,000   | 1,150,500 <sup>(a)</sup>  |
| CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes   | 5.125%  | 5/1/27        | 60,000      | 57,000 <sup>(a)</sup>     |
| CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes   | 5.000%  | 2/1/28        | 410,000     | 386,384 <sup>(a)</sup>    |
| Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes | 6.384%  | 10/23/35      | 420,000     | 452,885                   |
| Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes | 6.484%  | 10/23/45      | 1,130,000   | 1,218,710                 |
| Comcast Corp., Senior Notes   | 7.050%  | 3/15/33       | 1,000,000   | 1,244,095                 |
| DISH DBS Corp., Senior Notes  | 5.875%  | 11/15/24      | 740,000     | 666,000                   |
| DISH DBS Corp., Senior Notes  | 7.750%  | 7/1/26        | 1,320,000   | 1,250,106                 |
| Time Warner Cable LLC, Senior Secured Notes   | 7.300%  | 7/1/38        | 720,000     | 826,978                   |

See Notes to Schedule of Investments.

## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY   | RATE    | MATURITY DATE | FACE AMOUNT | VALUE                     |
|--|---------|---------------|-------------|---------------------------|
| <b>Media - (continued)</b>   |         |               |             |                           |
| UPC Holding BV, Senior Secured Notes                                   | 5.500%  | 1/15/28       | 940,000     | \$ 894,476 <sup>(a)</sup> |
| Virgin Media Finance PLC, Senior Notes                                 | 6.000%  | 10/15/24      | 770,000     | 773,411 <sup>(a)</sup>    |
| <i>Total Media</i>   |         |               |             | <i>12,246,745</i>         |
| <b>Wireless Telecommunication Services - 3.0%</b>                      |         |               |             |                           |
| CSC Holdings LLC, Senior Notes   | 6.625%  | 10/15/25      | 610,000     | 644,312 <sup>(a)</sup>    |
| CSC Holdings LLC, Senior Notes   | 10.875% | 10/15/25      | 201,000     | 234,165 <sup>(a)</sup>    |
| Sprint Capital Corp., Senior Notes                                     | 6.875%  | 11/15/28      | 420,000     | 423,150                   |
| Sprint Capital Corp., Senior Notes                                     | 8.750%  | 3/15/32       | 30,000      | 33,825                    |
| Sprint Communications Inc., Senior Notes                               | 9.000%  | 11/15/18      | 500,000     | 503,725 <sup>(a)</sup>    |
| Sprint Communications Inc., Senior Notes                               | 7.000%  | 8/15/20       | 260,000     | 272,350                   |
| Sprint Communications Inc., Senior Notes                               | 11.500% | 11/15/21      | 280,000     | 329,700                   |
| Sprint Corp., Senior Notes   | 7.875%  | 9/15/23       | 760,000     | 821,750                   |
| VEON Holdings BV, Senior Notes   | 5.950%  | 2/13/23       | 570,000     | 576,544 <sup>(a)</sup>    |
| Vodafone Group PLC, Senior Notes                                       | 4.375%  | 5/30/28       | 1,130,000   | 1,115,477                 |
| <i>Total Wireless Telecommunication Services</i>                       |         |               |             | <i>4,954,998</i>          |
| <b>TOTAL COMMUNICATION SERVICES</b>                                    |         |               |             | <b>24,785,689</b>         |
| <b>CONSUMER DISCRETIONARY - 6.5%</b>                                   |         |               |             |                           |
| <b>Auto Components - 1.0%</b>  |         |               |             |                           |
| Adient Global Holdings Ltd., Senior Notes                              | 4.875%  | 8/15/26       | 230,000     | 205,562 <sup>(a)</sup>    |
| IHO Verwaltungs GmbH, Senior Secured Notes (4.750% Cash or 5.500% PIK) | 4.750%  | 9/15/26       | 350,000     | 330,750 <sup>(a)(b)</sup> |
| JB Poindexter & Co. Inc., Senior Notes                                 | 7.125%  | 4/15/26       | 550,000     | 573,375 <sup>(a)</sup>    |
| ZF North America Capital Inc., Senior Notes                            | 4.750%  | 4/29/25       | 530,000     | 530,590 <sup>(a)</sup>    |
| <i>Total Auto Components</i>   |         |               |             | <i>1,640,277</i>          |
| <b>Automobiles - 1.4%</b>  |         |               |             |                           |
| Daimler Finance North America LLC, Senior Notes                        | 8.500%  | 1/18/31       | 1,000,000   | 1,393,882                 |
| General Motors Co., Senior Notes                                       | 6.600%  | 4/1/36        | 140,000     | 149,644                   |
| General Motors Financial Co. Inc., Senior Notes                        | 4.350%  | 1/17/27       | 750,000     | 717,757                   |
| <i>Total Automobiles</i>   |         |               |             | <i>2,261,283</i>          |
| <b>Diversified Consumer Services - 0.4%</b>                            |         |               |             |                           |
| Carriage Services Inc., Senior Notes                                   | 6.625%  | 6/1/26        | 550,000     | 565,125 <sup>(a)</sup>    |

See Notes to Schedule of Investments.



## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT            | VALUE                       |
|---|--------|---------------|------------------------|-----------------------------|
| <b>Hotels, Restaurants &amp; Leisure - 2.6%</b>                                       |        |               |                        |                             |
| Brinker International Inc., Senior Notes  | 5.000% | 10/1/24       | 1,611,000              | \$ 1,526,423 <sup>(a)</sup> |
| Hilton Domestic Operating Co. Inc., Senior Notes                                      | 5.125% | 5/1/26        | 1,020,000              | 1,020,000 <sup>(a)</sup>    |
| Marston s Issuer PLC, Secured Notes (5.641% to 7/15/19 then 3 mo. GBP LIBOR + 2.550%) | 5.641% | 7/15/35       | 260,000 <sup>GBP</sup> | 302,695 <sup>(c)(d)</sup>   |
| Silversea Cruise Finance Ltd., Senior Secured Notes                                   | 7.250% | 2/1/25        | 348,000                | 380,190 <sup>(a)</sup>      |
| VOC Escrow Ltd., Senior Secured Notes   | 5.000% | 2/15/28       | 1,110,000              | 1,072,304 <sup>(a)</sup>    |
| <i>Total Hotels, Restaurants &amp; Leisure</i>  |        |               |                        | <i>4,301,612</i>            |
| <b>Household Durables - 0.1%</b>  |        |               |                        |                             |
| Lennar Corp., Senior Notes  | 4.500% | 4/30/24       | 140,000                | 137,438                     |
| <b>Specialty Retail - 0.7%</b>  |        |               |                        |                             |
| Hertz Corp., Senior Notes   | 5.875% | 10/15/20      | 640,000                | 640,000                     |
| Party City Holdings Inc., Senior Notes  | 6.625% | 8/1/26        | 500,000                | 507,500 <sup>(a)</sup>      |
| <i>Total Specialty Retail</i>   |        |               |                        | <i>1,147,500</i>            |
| <b>Textiles, Apparel &amp; Luxury Goods - 0.3%</b>                                    |        |               |                        |                             |
| Hanesbrands Inc., Senior Notes  | 4.625% | 5/15/24       | 550,000                | 537,281 <sup>(a)</sup>      |
| <b>TOTAL CONSUMER DISCRETIONARY</b>   |        |               |                        | <b>10,590,516</b>           |
| <b>CONSUMER STAPLES - 2.7%</b>  |        |               |                        |                             |
| <b>Beverages - 0.9%</b>   |        |               |                        |                             |
| Anheuser-Busch InBev Finance Inc., Senior Notes                                       | 4.700% | 2/1/36        | 540,000                | 542,288                     |
| Anheuser-Busch InBev Worldwide Inc., Senior Notes                                     | 4.000% | 4/13/28       | 1,000,000              | 987,608                     |
| <i>Total Beverages</i>  |        |               |                        | <i>1,529,896</i>            |
| <b>Food &amp; Staples Retailing - 1.2%</b>  |        |               |                        |                             |
| CVS Health Corp. Pass-Through Trust, Secured Trust                                    | 5.880% | 1/10/28       | 360,730                | 379,951                     |
| CVS Health Corp. Pass-Through Trust, Secured Trust                                    | 6.036% | 12/10/28      | 368,080                | 393,051                     |
| CVS Health Corp. Pass-Through Trust, Secured Trust                                    | 6.943% | 1/10/30       | 368,507                | 411,867                     |
| CVS Health Corp. Pass-Through-Trust   | 5.789% | 1/10/26       | 325,697                | 339,617 <sup>(a)</sup>      |
| CVS Health Corp. Pass-Through-Trust   | 7.507% | 1/10/32       | 373,841                | 434,940 <sup>(a)</sup>      |
| <i>Total Food &amp; Staples Retailing</i>   |        |               |                        | <i>1,959,426</i>            |
| <b>Food Products - 0.3%</b>   |        |               |                        |                             |
| Kraft Heinz Foods Co., Senior Notes   | 3.950% | 7/15/25       | 440,000                | 434,227                     |
| <b>Household Products - 0.1%</b>  |        |               |                        |                             |
| Central Garden & Pet Co., Senior Notes  | 6.125% | 11/15/23      | 250,000                | 259,063                     |

**See Notes to Schedule of Investments.**



**WESTERN ASSET PREMIER BOND FUND****Schedule of investments (unaudited) (cont d)****September 30, 2018**

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                    |
|---|--------|---------------|-------------|--------------------------|
| <b>Tobacco - 0.2%</b>   |        |               |             |                          |
| Reynolds American Inc., Senior Notes                            | 5.850% | 8/15/45       | 260,000     | \$ 283,729               |
| <b>TOTAL CONSUMER STAPLES</b>                                   |        |               |             | 4,466,341                |
| <b>ENERGY - 22.7%</b>   |        |               |             |                          |
| <b>Oil, Gas &amp; Consumable Fuels - 22.7%</b>                  |        |               |             |                          |
| Anadarko Finance Co., Senior Notes                              | 7.500% | 5/1/31        | 570,000     | 700,761                  |
| Anadarko Petroleum Corp., Senior Notes                          | 5.550% | 3/15/26       | 750,000     | 797,000                  |
| Apache Corp., Senior Notes                                      | 4.250% | 1/15/44       | 250,000     | 222,434                  |
| Berry Petroleum Co. Escrow                                      |        |               | 130,000     | 0 <sup>*(e)(f)(g)</sup>  |
| Blue Racer Midstream LLC/Blue Racer Finance Corp., Senior Notes | 6.625% | 7/15/26       | 310,000     | 317,362 <sup>(a)</sup>   |
| BP Capital Markets PLC, Senior Notes                            | 3.723% | 11/28/28      | 410,000     | 406,426                  |
| Burlington Resources Finance Co., Senior Notes                  | 7.400% | 12/1/31       | 450,000     | 585,621                  |
| Chesapeake Energy Corp., Senior Notes                           | 5.375% | 6/15/21       | 320,000     | 320,000                  |
| Chesapeake Energy Corp., Senior Notes                           | 8.000% | 1/15/25       | 230,000     | 237,763                  |
| Continental Resources Inc., Senior Notes                        | 4.500% | 4/15/23       | 500,000     | 509,294                  |
| Continental Resources Inc., Senior Notes                        | 3.800% | 6/1/24        | 270,000     | 265,112                  |
| Continental Resources Inc., Senior Notes                        | 4.900% | 6/1/44        | 500,000     | 495,520                  |
| Devon Energy Corp., Senior Notes                                | 3.250% | 5/15/22       | 500,000     | 491,630                  |
| Ecopetrol SA, Senior Notes                                      | 5.875% | 9/18/23       | 45,000      | 48,060                   |
| Ecopetrol SA, Senior Notes                                      | 4.125% | 1/16/25       | 2,260,000   | 2,197,850                |
| Ecopetrol SA, Senior Notes                                      | 5.375% | 6/26/26       | 750,000     | 775,312                  |
| Ecopetrol SA, Senior Notes                                      | 5.875% | 5/28/45       | 2,510,000   | 2,491,802                |
| Enterprise Products Operating LLC, Senior Notes                 | 4.050% | 2/15/22       | 880,000     | 893,467                  |
| EOG Resources Inc., Senior Notes                                | 3.150% | 4/1/25        | 2,250,000   | 2,182,331                |
| Genesis Energy LP/Genesis Energy Finance Corp., Senior Notes    | 5.625% | 6/15/24       | 590,000     | 560,500                  |
| Genesis Energy LP/Genesis Energy Finance Corp., Senior Notes    | 6.500% | 10/1/25       | 210,000     | 204,225                  |
| Genesis Energy LP/Genesis Energy Finance Corp., Senior Notes    | 6.250% | 5/15/26       | 290,000     | 276,950                  |
| KazMunayGas National Co. JSC, Senior Notes                      | 4.750% | 4/19/27       | 770,000     | 773,611 <sup>(a)</sup>   |
| Kinder Morgan Inc., Senior Notes                                | 7.750% | 1/15/32       | 190,000     | 240,616                  |
| Kinder Morgan Inc., Senior Notes                                | 5.550% | 6/1/45        | 1,500,000   | 1,591,034                |
| Lukoil International Finance BV, Senior Notes                   | 4.750% | 11/2/26       | 1,200,000   | 1,188,714 <sup>(a)</sup> |
| Magnum Hunter Resources Corp. Escrow                            |        |               | 960,000     | 0 <sup>*(e)(f)(g)</sup>  |
| MEG Energy Corp., Secured                                       | 6.500% | 1/15/25       | 350,000     | 348,250 <sup>(a)</sup>   |

**See Notes to Schedule of Investments.**

## WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                     |
|--|--------|---------------|-------------|---------------------------|
| <b>Oil, Gas &amp; Consumable Fuels - (continued)</b>                             |        |               |             |                           |
| MEG Energy Corp., Senior Notes   | 6.375% | 1/30/23       | 860,000     | \$ 786,900 <sup>(a)</sup> |
| MEG Energy Corp., Senior Notes   | 7.000% | 3/31/24       | 150,000     | 137,625 <sup>(a)</sup>    |
| NGPL PipeCo LLC, Senior Notes  | 7.768% | 12/15/37      | 490,000     | 602,700 <sup>(a)</sup>    |
| Noble Energy Inc., Senior Notes  | 5.250% | 11/15/43      | 1,000,000   | 989,737                   |
| Oasis Petroleum Inc., Senior Notes   | 6.500% | 11/1/21       | 520,000     | 527,800                   |
| Oasis Petroleum Inc., Senior Notes   | 6.875% | 1/15/23       | 340,000     | 346,375                   |
| Oasis Petroleum Inc., Senior Notes   | 6.250% | 5/1/26        | 500,000     | 509,375 <sup>(a)</sup>    |
| Occidental Petroleum Corp., Senior Notes   | 3.500% | 6/15/25       | 350,000     | 347,601                   |
| Petrobras Global Finance BV, Senior Notes  | 4.375% | 5/20/23       | 310,000     | 295,213                   |
| Petrobras Global Finance BV, Senior Notes  | 5.999% | 1/27/28       | 710,000     | 656,395                   |
| Petrobras Global Finance BV, Senior Notes  | 5.750% | 2/1/29        | 1,000,000   | 894,350                   |
| Petrobras Global Finance BV, Senior Notes  | 6.750% | 1/27/41       | 920,000     | 849,275                   |
| Petroleos Mexicanos, Senior Notes  | 6.500% | 3/13/27       | 450,000     | 460,800                   |
| Range Resources Corp., Senior Notes  | 4.875% | 5/15/25       | 380,000     | 361,475                   |
| Rockies Express Pipeline LLC, Senior Notes                                       | 7.500% | 7/15/38       | 350,000     | 418,250 <sup>(a)</sup>    |
| Sabine Pass Liquefaction LLC, Senior Secured Notes                               | 5.750% | 5/15/24       | 440,000     | 472,873                   |
| Sabine Pass Liquefaction LLC, Senior Secured Notes                               | 5.000% | 3/15/27       | 1,850,000   | 1,901,543                 |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes | 5.125% | 2/1/25        | 460,000     | 465,750                   |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes | 5.375% | 2/1/27        | 200,000     | 201,000                   |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes | 5.000% | 1/15/28       | 1,310,000   | 1,280,525 <sup>(a)</sup>  |
| Transcontinental Gas Pipe Line Co., LLC, Senior Notes                            | 7.850% | 2/1/26        | 1,000,000   | 1,219,802                 |
| Transportadora de Gas del Peru SA, Senior Notes                                  | 4.250% | 4/30/28       | 1,500,000   | 1,477,500 <sup>(a)</sup>  |
| Transportadora de Gas del Sur SA, Senior Notes                                   | 6.750% | 5/2/25        | 490,000     | 472,850 <sup>(a)</sup>    |
| Whiting Petroleum Corp., Senior Notes  | 6.250% | 4/1/23        | 100,000     | 103,750                   |

See Notes to Schedule of Investments.

## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY  | RATE    | MATURITY DATE | FACE AMOUNT | VALUE                          |
|---|---------|---------------|-------------|--------------------------------|
| <b>Oil, Gas &amp; Consumable Fuels - (continued)</b>  |         |               |             |                                |
| Williams Cos. Inc., Senior Notes  | 3.700%  | 1/15/23       | 470,000     | \$ 465,747                     |
| Williams Cos. Inc., Senior Notes  | 4.550%  | 6/24/24       | 60,000      | 61,033                         |
| Williams Cos. Inc., Senior Notes  | 7.500%  | 1/15/31       | 443,000     | 539,890                        |
| Williams Cos. Inc., Senior Notes  | 8.750%  | 3/15/32       | 39,000      | 52,147                         |
| WPX Energy Inc., Senior Notes   | 8.250%  | 8/1/23        | 210,000     | 239,400                        |
| YPF SA, Senior Notes  | 6.950%  | 7/21/27       | 800,000     | 702,760 <sup>(a)</sup>         |
| <b>TOTAL ENERGY</b>   |         |               |             | <b>36,962,086</b>              |
| <b>FINANCIALS - 23.1%</b>   |         |               |             |                                |
| <b>Banks - 17.2%</b>  |         |               |             |                                |
| Bank of America Corp., Junior Subordinated Notes (5.875% to 3/15/28 then 3 mo. USD LIBOR + 2.931%)    | 5.875%  | 3/15/28       | 350,000     | 346,063 <sup>(d)(h)</sup>      |
| Bank of America Corp., Senior Notes   | 5.000%  | 5/13/21       | 1,100,000   | 1,143,507                      |
| Bank of America Corp., Subordinated Notes   | 4.250%  | 10/22/26      | 2,700,000   | 2,671,760                      |
| Barclays Bank PLC, Subordinated Notes   | 10.179% | 6/12/21       | 610,000     | 695,343 <sup>(a)</sup>         |
| Barclays Bank PLC, Subordinated Notes   | 7.625%  | 11/21/22      | 4,500,000   | 4,886,437                      |
| Barclays PLC, Subordinated Notes  | 5.200%  | 5/12/26       | 500,000     | 492,135                        |
| BNP Paribas SA, Junior Subordinated Notes (7.375% to 8/19/25 then USD 5 year Swap Rate + 5.150%)      | 7.375%  | 8/19/25       | 510,000     | 536,749 <sup>(a)(d)(h)</sup>   |
| BPCE SA, Subordinated Notes   | 5.150%  | 7/21/24       | 1,000,000   | 1,018,295 <sup>(a)</sup>       |
| Citigroup Inc., Subordinated Notes  | 3.500%  | 5/15/23       | 500,000     | 492,351                        |
| Citigroup Inc., Subordinated Notes  | 4.450%  | 9/29/27       | 800,000     | 791,626                        |
| Citigroup Inc., Subordinated Notes  | 6.625%  | 6/15/32       | 1,000,000   | 1,182,745                      |
| Cooperatieve Rabobank UA, Subordinated Notes  | 4.375%  | 8/4/25        | 500,000     | 495,860                        |
| Credit Agricole SA, Junior Subordinated Notes (8.125% to 12/23/25 then USD 5 year Swap Rate + 6.185%) | 8.125%  | 12/23/25      | 1,080,000   | 1,190,685 <sup>(a)(d)(h)</sup> |
| Intesa Sanpaolo SpA, Subordinated Notes   | 5.017%  | 6/26/24       | 1,950,000   | 1,761,782 <sup>(a)</sup>       |
| Intesa Sanpaolo SpA, Subordinated Notes   | 5.710%  | 1/15/26       | 540,000     | 491,942 <sup>(a)</sup>         |
| JPMorgan Chase & Co., Junior Subordinated Notes (6.000% to 8/1/23 then 3 mo. USD LIBOR + 3.300%)      | 6.000%  | 8/1/23        | 2,800,000   | 2,915,500 <sup>(d)(h)</sup>    |
| JPMorgan Chase & Co., Subordinated Notes  | 4.950%  | 6/1/45        | 500,000     | 525,508                        |

See Notes to Schedule of Investments.

## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                     |
|--|--------|---------------|-------------|---------------------------|
| <b>Banks - (continued)</b>   |        |               |             |                           |
| Lloyds Banking Group PLC, Subordinated Notes   | 4.650% | 3/24/26       | 1,500,000   | \$ 1,476,118              |
| NatWest Markets NV, Subordinated Notes   | 7.750% | 5/15/23       | 140,000     | 155,003                   |
| Royal Bank of Scotland Group PLC, Junior Subordinated Notes (8.625% to 8/15/21 then USD 5 year Swap Rate + 7.598%) | 8.625% | 8/15/21       | 450,000     | 483,188 <sup>(d)(h)</sup> |
| Royal Bank of Scotland Group PLC, Subordinated Notes   | 6.000% | 12/19/23      | 150,000     | 156,222                   |
| Royal Bank of Scotland Group PLC, Subordinated Notes   | 5.125% | 5/28/24       | 1,330,000   | 1,332,630                 |
| Santander UK Group Holdings PLC, Subordinated Notes  | 5.625% | 9/15/45       | 1,000,000   | 1,036,766 <sup>(a)</sup>  |
| Santander UK PLC, Subordinated Notes   | 5.000% | 11/7/23       | 510,000     | 514,922 <sup>(a)</sup>    |
| Standard Chartered PLC, Subordinated Notes   | 5.700% | 3/26/44       | 300,000     | 311,730 <sup>(a)</sup>    |
| Wells Fargo & Co., Subordinated Notes  | 4.300% | 7/22/27       | 1,000,000   | 998,024                   |
| <i>Total Banks</i>   |        |               |             | <i>28,102,891</i>         |
| <b>Capital Markets - 2.3%</b>  |        |               |             |                           |
| Goldman Sachs Group Inc., Senior Notes   | 5.250% | 7/27/21       | 800,000     | 837,927                   |
| Goldman Sachs Group Inc., Senior Notes   | 3.500% | 11/16/26      | 1,750,000   | 1,662,471                 |
| Goldman Sachs Group Inc., Subordinated Notes   | 6.750% | 10/1/37       | 1,000,000   | 1,205,018                 |
| <i>Total Capital Markets</i>   |        |               |             | <i>3,705,416</i>          |
| <b>Consumer Finance - 0.2%</b>   |        |               |             |                           |
| Ally Financial Inc., Senior Notes  | 8.000% | 3/15/20       | 282,000     | 299,625                   |
| <b>Diversified Financial Services - 2.9%</b>   |        |               |             |                           |
| AerCap Ireland Capital DAC/AerCap Global Aviation Trust, Senior Notes  | 4.625% | 7/1/22        | 230,000     | 234,875                   |
| Ahold Lease USA Inc. Pass-Through-Trust, 2001, A-2   | 8.620% | 1/2/25        | 686,921     | 786,211                   |
| DAE Funding LLC, Senior Notes  | 5.000% | 8/1/24        | 1,986,000   | 1,948,763 <sup>(a)</sup>  |
| International Lease Finance Corp., Senior Notes  | 6.250% | 5/15/19       | 80,000      | 81,568                    |
| International Lease Finance Corp., Senior Notes  | 5.875% | 8/15/22       | 1,200,000   | 1,270,500                 |
| Travelport Corporate Finance PLC, Senior Secured Notes   | 6.000% | 3/15/26       | 422,000     | 429,668 <sup>(a)</sup>    |
| <i>Total Diversified Financial Services</i>  |        |               |             | <i>4,751,585</i>          |

See Notes to Schedule of Investments.

## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY   | RATE    | MATURITY DATE | FACE AMOUNT | VALUE                    |
|--|---------|---------------|-------------|--------------------------|
| <b>Insurance - 0.5%</b>  |         |               |             |                          |
| MetLife Inc., Junior Subordinated Notes                                      | 10.750% | 8/1/39        | 500,000     | \$ 768,750               |
| <b>TOTAL FINANCIALS</b>  |         |               |             | 37,628,267               |
| <b>HEALTH CARE - 6.4%</b>  |         |               |             |                          |
| <b>Biotechnology - 0.1%</b>  |         |               |             |                          |
| Celgene Corp., Senior Notes  | 4.625%  | 5/15/44       | 250,000     | 236,121                  |
| <b>Health Care Providers &amp; Services - 2.9%</b>                           |         |               |             |                          |
| Centene Corp., Senior Notes  | 5.625%  | 2/15/21       | 280,000     | 285,600                  |
| Centene Corp., Senior Notes  | 6.125%  | 2/15/24       | 220,000     | 231,550                  |
| Centene Corp., Senior Notes  | 4.750%  | 1/15/25       | 810,000     | 810,000                  |
| DaVita Inc., Senior Notes  | 5.750%  | 8/15/22       | 270,000     | 275,967                  |
| DaVita Inc., Senior Notes  | 5.000%  | 5/1/25        | 250,000     | 239,688                  |
| HCA Inc., Senior Secured Notes   | 5.250%  | 6/15/26       | 280,000     | 288,750                  |
| HCA Inc., Senior Secured Notes   | 4.500%  | 2/15/27       | 1,000,000   | 981,250                  |
| Humana Inc., Senior Notes  | 3.950%  | 3/15/27       | 290,000     | 285,548                  |
| Magellan Health Inc., Senior Notes   | 4.400%  | 9/22/24       | 1,000,000   | 967,479                  |
| RegionalCare Hospital Partners Holdings Inc., Senior Secured Notes           | 8.250%  | 5/1/23        | 360,000     | 379,800 <sup>(a)</sup>   |
| <i>Total Health Care Providers &amp; Services</i>                            |         |               |             | 4,745,632                |
| <b>Pharmaceuticals - 3.4%</b>  |         |               |             |                          |
| Allergan Funding SCS, Senior Notes   | 3.800%  | 3/15/25       | 500,000     | 490,315                  |
| Bausch Health Cos. Inc., Senior Notes  | 6.125%  | 4/15/25       | 1,490,000   | 1,419,225 <sup>(a)</sup> |
| Teva Pharmaceutical Finance Co. BV, Senior Notes                             | 3.650%  | 11/10/21      | 70,000      | 67,852                   |
| Teva Pharmaceutical Finance Netherlands III BV, Senior Notes                 | 2.200%  | 7/21/21       | 3,758,000   | 3,533,752                |
| <i>Total Pharmaceuticals</i>   |         |               |             | 5,511,144                |
| <b>TOTAL HEALTH CARE</b>   |         |               |             | 10,492,897               |
| <b>INDUSTRIALS - 7.7%</b>  |         |               |             |                          |
| <b>Aerospace &amp; Defense - 1.1%</b>  |         |               |             |                          |
| BBA US Holdings Inc., Senior Notes   | 5.375%  | 5/1/26        | 600,000     | 602,250 <sup>(a)</sup>   |
| Boeing Co., Senior Notes   | 6.125%  | 2/15/33       | 600,000     | 737,118                  |
| BWX Technologies Inc., Senior Notes  | 5.375%  | 7/15/26       | 410,000     | 412,563 <sup>(a)</sup>   |
| <i>Total Aerospace &amp; Defense</i>   |         |               |             | 1,751,931                |
| <b>Airlines - 2.0%</b>   |         |               |             |                          |
| Airbus SAS Pass-Through Trust  | 8.027%  | 10/1/19       | 174,101     | 177,474 <sup>(a)</sup>   |
| America West Airlines Inc. Pass-Through-Trust                                | 8.057%  | 7/2/20        | 868,194     | 926,351                  |
| Continental Airlines 1999-1 Class A Pass Through Trust, Senior Secured Notes | 6.545%  | 2/2/19        | 246,733     | 249,672                  |

See Notes to Schedule of Investments.



## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                     |
|---|--------|---------------|-------------|---------------------------|
| <b>Airlines - (continued)</b>   |        |               |             |                           |
| Continental Airlines 2000-1 Class A-1 Pass Through Trust                | 8.048% | 11/1/20       | 171,689     | \$ 178,230 <sup>(f)</sup> |
| Continental Airlines 2001-1 Class A-1 Pass-Through Trust                | 6.703% | 6/15/21       | 87,239      | 93,346                    |
| Delta Air Lines 2007-1 Class B Pass Through Trust, Senior Secured Notes | 8.021% | 8/10/22       | 68,728      | 75,505 <sup>(f)</sup>     |
| Northwest Airlines 1999-2 Class A Pass-Through Trust                    | 7.575% | 3/1/19        | 28,914      | 29,275                    |
| United Airlines 2014-1 Class B Pass-Through Trust                       | 4.750% | 4/11/22       | 253,673     | 254,307 <sup>(f)</sup>    |
| US Airways 2011-1 Class A Pass Through Trust                            | 7.125% | 10/22/23      | 1,180,783   | 1,308,372                 |
| <i>Total Airlines</i>   |        |               |             | 3,292,532                 |
| <b>Building Products - 1.6%</b>   |        |               |             |                           |
| Standard Industries Inc., Senior Notes                                  | 5.000% | 2/15/27       | 1,840,000   | 1,736,500 <sup>(a)</sup>  |
| Standard Industries Inc., Senior Notes                                  | 4.750% | 1/15/28       | 991,000     | 919,103 <sup>(a)</sup>    |
| <i>Total Building Products</i>  |        |               |             | 2,655,603                 |
| <b>Diversified Consumer Services - 0.1%</b>                             |        |               |             |                           |
| frontdoor Inc., Senior Notes  | 6.750% | 8/15/26       | 70,000      | 72,275 <sup>(a)</sup>     |
| <b>Machinery - 1.2%</b>   |        |               |             |                           |
| Allison Transmission Inc., Senior Notes                                 | 4.750% | 10/1/27       | 1,980,000   | 1,873,575 <sup>(a)</sup>  |
| <b>Professional Services - 0.6%</b>                                     |        |               |             |                           |
| IHS Markit Ltd., Senior Notes   | 5.000% | 11/1/22       | 1,000,000   | 1,034,600 <sup>(a)</sup>  |
| <b>Trading Companies &amp; Distributors - 1.1%</b>                      |        |               |             |                           |
| Ashtead Capital Inc., Secured Notes                                     | 4.125% | 8/15/25       | 670,000     | 639,850 <sup>(a)</sup>    |
| Ashtead Capital Inc., Secured Notes                                     | 4.375% | 8/15/27       | 1,280,000   | 1,219,200 <sup>(a)</sup>  |
| <i>Total Trading Companies &amp; Distributors</i>                       |        |               |             | 1,859,050                 |
| <b>TOTAL INDUSTRIALS</b>  |        |               |             |                           |
|   |        |               |             | 12,539,566                |
| <b>INFORMATION TECHNOLOGY - 2.4%</b>                                    |        |               |             |                           |
| <b>IT Services - 0.4%</b>   |        |               |             |                           |
| DXC Technology Co., Senior Notes  | 7.450% | 10/15/29      | 500,000     | 601,786                   |
| <b>Semiconductors &amp; Semiconductor Equipment - 0.4%</b>              |        |               |             |                           |
| Broadcom Corp./Broadcom Cayman Finance Ltd., Senior Notes               | 3.125% | 1/15/25       | 750,000     | 697,775                   |
| <b>Software - 0.7%</b>  |        |               |             |                           |
| CDK Global Inc., Senior Notes   | 5.875% | 6/15/26       | 620,000     | 640,385                   |
| j2 Cloud Services LLC/j2 Global Co-Obligor Inc., Senior Notes           | 6.000% | 7/15/25       | 520,000     | 536,250 <sup>(a)</sup>    |
| <i>Total Software</i>   |        |               |             | 1,176,635                 |

**See Notes to Schedule of Investments.**



## WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                     |
|--|--------|---------------|-------------|---------------------------|
| <b>Technology Hardware, Storage &amp; Peripherals - 0.9%</b>   |        |               |             |                           |
| Seagate HDD Cayman, Senior Notes                               | 4.750% | 1/1/25        | 1,220,000   | \$ 1,171,326              |
| Seagate HDD Cayman, Senior Notes                               | 4.875% | 6/1/27        | 260,000     | 243,679                   |
| <i>Total Technology Hardware, Storage &amp; Peripherals</i>    |        |               |             | 1,415,005                 |
| <b>TOTAL INFORMATION TECHNOLOGY</b>                            |        |               |             | 3,891,201                 |
| <b>MATERIALS - 5.9%</b>  |        |               |             |                           |
| <b>Chemicals - 1.1%</b>  |        |               |             |                           |
| Braskem America Finance Co., Senior Notes                      | 7.125% | 7/22/41       | 920,000     | 1,066,372 <sup>(c)</sup>  |
| Braskem Finance Ltd., Senior Notes                             | 5.375% | 5/2/22        | 230,000     | 234,888 <sup>(a)</sup>    |
| Valvoline Inc., Senior Notes                                   | 4.375% | 8/15/25       | 550,000     | 512,187                   |
| <i>Total Chemicals</i>   |        |               |             | 1,813,447                 |
| <b>Containers &amp; Packaging - 0.9%</b>                       |        |               |             |                           |
| ARD Securities Finance SARL, Senior Secured Notes (8.750% PIK) | 8.750% | 1/31/23       | 512,390     | 514,952 <sup>(a)(b)</sup> |
| Pactiv LLC, Senior Notes                                       | 7.950% | 12/15/25      | 50,000      | 53,750                    |
| Suzano Austria GmbH, Senior Notes                              | 5.750% | 7/14/26       | 950,000     | 960,687 <sup>(a)</sup>    |
| <i>Total Containers &amp; Packaging</i>                        |        |               |             | 1,529,389                 |
| <b>Metals &amp; Mining - 3.5%</b>                              |        |               |             |                           |
| Alcoa Nederland Holding BV, Senior Notes                       | 6.750% | 9/30/24       | 300,000     | 318,750 <sup>(a)</sup>    |
| Alcoa Nederland Holding BV, Senior Notes                       | 7.000% | 9/30/26       | 560,000     | 604,100 <sup>(a)</sup>    |
| Alcoa Nederland Holding BV, Senior Notes                       | 6.125% | 5/15/28       | 400,000     | 412,000 <sup>(a)</sup>    |
| Anglo American Capital PLC, Senior Notes                       | 4.125% | 9/27/22       | 210,000     | 210,320 <sup>(a)</sup>    |
| ArcelorMittal, Senior Notes                                    | 7.000% | 10/15/39      | 430,000     | 501,275                   |
| Freeport-McMoRan Inc., Senior Notes                            | 6.875% | 2/15/23       | 630,000     | 674,100                   |
| Freeport-McMoRan Inc., Senior Notes                            | 4.550% | 11/14/24      | 400,000     | 390,000                   |
| Freeport-McMoRan Inc., Senior Notes                            | 5.450% | 3/15/43       | 800,000     | 732,000                   |
| Teck Resources Ltd., Senior Notes                              | 8.500% | 6/1/24        | 470,000     | 515,825 <sup>(a)</sup>    |
| Teck Resources Ltd., Senior Notes                              | 6.250% | 7/15/41       | 210,000     | 221,550                   |
| Vale Overseas Ltd., Senior Notes                               | 6.875% | 11/10/39      | 940,000     | 1,105,910                 |
| <i>Total Metals &amp; Mining</i>                               |        |               |             | 5,685,830                 |
| <b>Paper &amp; Forest Products - 0.4%</b>                      |        |               |             |                           |
| Schweitzer-Mauduit International Inc., Senior Notes            | 6.875% | 10/1/26       | 600,000     | 613,500 <sup>(a)</sup>    |
| <b>TOTAL MATERIALS</b>   |        |               |             | 9,642,166                 |

See Notes to Schedule of Investments.



## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY   | RATE         | MATURITY DATE | FACE AMOUNT | VALUE                          |
|--|--------------|---------------|-------------|--------------------------------|
| <b>REAL ESTATE - 1.3%</b>  |              |               |             |                                |
| <b>Equity Real Estate Investment Trusts (REITs) - 1.1%</b>                     |              |               |             |                                |
| MPT Operating Partnership LP/MPT Finance Corp., Senior Notes                   | 6.375%       | 3/1/24        | 260,000     | \$ 273,000                     |
| MPT Operating Partnership LP/MPT Finance Corp., Senior Notes                   | 5.250%       | 8/1/26        | 1,560,000   | 1,558,050                      |
| <i>Total Equity Real Estate Investment Trusts (REITs)</i>                      |              |               |             | 1,831,050                      |
| <b>Real Estate Management &amp; Development - 0.2%</b>                         |              |               |             |                                |
| WeWork Cos. Inc., Senior Notes   | 7.875%       | 5/1/25        | 360,000     | 350,687 <sup>(a)</sup>         |
| <b>TOTAL REAL ESTATE</b>   |              |               |             | 2,181,737                      |
| <b>UTILITIES - 2.3%</b>  |              |               |             |                                |
| <b>Electric Utilities - 1.8%</b>   |              |               |             |                                |
| FirstEnergy Corp., Senior Notes  | 7.375%       | 11/15/31      | 1,770,000   | 2,289,753                      |
| Pampa Energia SA, Senior Notes   | 7.400%       | 7/21/23       | 670,000     | 624,782 <sup>(c)</sup>         |
| <i>Total Electric Utilities</i>  |              |               |             | 2,914,535                      |
| <b>Independent Power and Renewable Electricity Producers - 0.5%</b>            |              |               |             |                                |
| Minejesa Capital BV, Senior Secured Notes                                      | 4.625%       | 8/10/30       | 810,000     | 746,438 <sup>(a)</sup>         |
| <b>TOTAL UTILITIES</b>   |              |               |             | 3,660,973                      |
| <b>TOTAL CORPORATE BONDS &amp; NOTES</b>                                       |              |               |             |                                |
| (Cost - \$148,932,905)   |              |               |             | 156,841,439                    |
| <b>SENIOR LOANS - 20.5%</b>  |              |               |             |                                |
| <b>COMMUNICATION SERVICES - 2.8%</b>   |              |               |             |                                |
| <b>Diversified Telecommunication Services - 0.2%</b>                           |              |               |             |                                |
| Level 3 Financing Inc., Tranche B 2024 Term Loan (1 mo. LIBOR + 2.250%)        | 4.432%       | 2/22/24       | 250,000     | 250,885 <sup>(d)(i)(j)</sup>   |
| <b>Media - 2.6%</b>  |              |               |             |                                |
| Charter Communications Operating LLC, Term Loan B (1 mo. LIBOR + 2.000%)       | 4.250%       | 4/30/25       | 1,836,786   | 1,841,483 <sup>(d)(i)(j)</sup> |
| Lamar Media Corp., Term Loan B (1 mo. LIBOR + 1.750%)                          | 3.938%       | 3/14/25       | 2,437,750   | 2,449,432 <sup>(d)(i)(j)</sup> |
| <i>Total Media</i>   |              |               |             | 4,290,915                      |
| <b>TOTAL COMMUNICATION SERVICES</b>  |              |               |             | 4,541,800                      |
| <b>CONSUMER DISCRETIONARY - 8.4%</b>   |              |               |             |                                |
| <b>Auto Components - 0.2%</b>  |              |               |             |                                |
| American Axle & Manufacturing Inc., Tranche B Term Loan (1 mo. LIBOR + 2.250%) | 4.450-4.470% | 4/6/24        | 303,449     | 303,924 <sup>(d)(i)(j)</sup>   |
| <b>Diversified Consumer Services - 0.4%</b>                                    |              |               |             |                                |

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|   |              |          |         |                              |
|---|--------------|----------|---------|------------------------------|
| Weight Watchers International Inc., Initial Term Loan<br>(1 mo. LIBOR + 4.750%) | 6.860-7.090% | 11/29/24 | 673,750 | 682,382 <sup>(d)(i)(i)</sup> |
|---|--------------|----------|---------|------------------------------|

**See Notes to Schedule of Investments.**

## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                                |
|--|--------|---------------|-------------|--------------------------------------|
| <b>Hotels, Restaurants &amp; Leisure - 5.9%</b>                                |        |               |             |                                      |
| Aramark Services Inc., US Term Loan B3 (3 mo. LIBOR + 1.750%)                  | 4.084% | 3/11/25       | 3,326,635   | \$ 3,337,446 <sup>(d)(i)(j)</sup>    |
| Hilton Worldwide Finance LLC, Series B-2 Term Loan (1 mo. LIBOR + 1.750%)      | 3.966% | 10/25/23      | 3,653,873   | 3,672,153 <sup>(d)(i)(j)(k)</sup>    |
| Las Vegas Sands LLC, Term Loan B (1 mo. LIBOR + 1.750%)                        | 3.992% | 3/27/25       | 1,239,373   | 1,239,796 <sup>(d)(i)(j)</sup>       |
| Wyndham Hotels & Resorts Inc., Term Loan B (1 mo. LIBOR + 1.750%)              | 3.992% | 5/30/25       | 1,410,000   | 1,415,993 <sup>(d)(i)(j)</sup>       |
| <i>Total Hotels, Restaurants &amp; Leisure</i>                                 |        |               |             | 9,665,388                            |
| <b>Specialty Retail - 1.9%</b>   |        |               |             |                                      |
| PetSmart Inc., Term Loan B-2 (1 mo. LIBOR + 3.000%)                            | 5.120% | 3/11/22       | 2,231,639   | 1,964,773 <sup>(d)(i)(j)</sup>       |
| Sally Holdings LLC, Term Loan B1 (1 mo. LIBOR + 2.250%)                        | 4.330% | 7/5/24        | 1,030,300   | 1,025,148 <sup>(d)(f)(i)(j)(k)</sup> |
| <i>Total Specialty Retail</i>  |        |               |             | 2,989,921                            |
| <b>TOTAL CONSUMER DISCRETIONARY</b>  |        |               |             | 13,641,615                           |
| <b>FINANCIALS - 0.6%</b>   |        |               |             |                                      |
| <b>Diversified Financial Services - 0.6%</b>                                   |        |               |             |                                      |
| Travelport Finance (Luxembourg) SARL, Initial Term Loan (3 mo. LIBOR + 2.500%) | 4.814% | 3/17/25       | 915,072     | 916,444 <sup>(d)(i)(j)</sup>         |
| <b>HEALTH CARE - 1.1%</b>  |        |               |             |                                      |
| <b>Health Care Providers &amp; Services - 1.1%</b>                             |        |               |             |                                      |
| DaVita Healthcare Partner, Tranche B Term Loan (1 mo. LIBOR + 2.750%)          | 4.992% | 6/24/21       | 1,732,563   | 1,742,309 <sup>(d)(i)(j)</sup>       |
| <b>INDUSTRIALS - 4.0%</b>  |        |               |             |                                      |
| <b>Air Freight &amp; Logistics - 3.5%</b>                                      |        |               |             |                                      |
| Avolon TLB Borrower 1 (US) LLC, Term Loan B3 (1 mo. LIBOR + 2.000%)            | 4.165% | 1/15/25       | 4,229,356   | 4,247,868 <sup>(d)(i)(j)</sup>       |
| Delos Finance SARL, 2018 Term Loan (1 mo. LIBOR + 1.750%)                      | 4.136% | 10/6/23       | 1,500,000   | 1,507,769 <sup>(d)(i)(j)</sup>       |
| <i>Total Air Freight &amp; Logistics</i>                                       |        |               |             | 5,755,637                            |
| <b>Trading Companies &amp; Distributors - 0.5%</b>                             |        |               |             |                                      |
| Beacon Roofing Supply Inc., Initial Term Loan (1 mo. LIBOR + 2.250%)           | 4.383% | 1/2/25        | 796,000     | 795,502 <sup>(d)(i)(j)</sup>         |
| <b>TOTAL INDUSTRIALS</b>   |        |               |             | 6,551,139                            |
| <b>INFORMATION TECHNOLOGY - 2.1%</b>   |        |               |             |                                      |
| <b>Software - 0.9%</b>   |        |               |             |                                      |
| Dell International LLC, Refinancing Term Loan A2 (1 mo. LIBOR + 1.750%)        | 4.000% | 9/7/21        | 1,425,240   | 1,427,133 <sup>(d)(i)(j)</sup>       |

**See Notes to Schedule of Investments.**

## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY   | RATE    | MATURITY DATE | FACE AMOUNT              | VALUE                              |
|--|---------|---------------|--------------------------|------------------------------------|
| <b>Technology Hardware, Storage &amp; Peripherals - 1.2%</b>                               |         |               |                          |                                    |
| Western Digital Corp., New Term Loan B4 (1 mo. LIBOR + 1.750%)                             | 3.992%  | 4/29/23       | 1,990,000                | \$ 1,996,211 <sup>(d)(i)(j)</sup>  |
| <b>TOTAL INFORMATION TECHNOLOGY</b>  |         |               |                          | 3,423,344                          |
| <b>MATERIALS - 1.4%</b>  |         |               |                          |                                    |
| <b>Containers &amp; Packaging - 1.4%</b>   |         |               |                          |                                    |
| Berry Global Inc., Term Loan Q (1 mo. LIBOR + 2.000%)                                      | 4.186%  | 10/1/22       | 1,878,401                | 1,883,163 <sup>(d)(i)(j)</sup>     |
| Reynolds Group Holdings Inc., Incremental US Term Loan (1 mo. LIBOR + 2.750%)              | 4.992%  | 2/5/23        | 496,212                  | 499,037 <sup>(d)(i)(j)</sup>       |
| <b>TOTAL MATERIALS</b>   |         |               |                          | 2,382,200                          |
| <b>UTILITIES - 0.1%</b>  |         |               |                          |                                    |
| <b>Electric Utilities - 0.1%</b>   |         |               |                          |                                    |
| Panda Temple Power LLC, Second Lien Term Loan (1 mo. LIBOR + 8.000% PIK)                   | 10.148% | 2/7/23        | 156,924                  | 158,101 <sup>(b)(d)(f)(i)(j)</sup> |
| <b>TOTAL SENIOR LOANS</b><br>(Cost - \$33,512,115)   |         |               |                          | 33,356,952                         |
| <b>SOVEREIGN BONDS - 6.5%</b>  |         |               |                          |                                    |
| <b>Argentina - 0.9%</b>  |         |               |                          |                                    |
| Argentina POM Politica Monetaria, Bonds (Argentina Central Bank 7 Day Repo Reference Rate) | 43.077% | 6/21/20       | 8,140,000 <sup>ARS</sup> | 233,613 <sup>(d)</sup>             |
| Argentine Republic Government International Bond, Senior Notes                             | 5.875%  | 1/11/28       | 1,020,000                | 809,880                            |
| Provincia de Buenos Aires, Senior Notes  | 9.125%  | 3/16/24       | 500,000                  | 462,950 <sup>(a)</sup>             |
| <i>Total Argentina</i>   |         |               |                          | 1,506,443                          |
| <b>Brazil - 0.6%</b>   |         |               |                          |                                    |
| Brazil Notas do Tesouro Nacional Series F, Notes   | 10.000% | 1/1/23        | 3,800,000 <sup>BRL</sup> | 918,614                            |
| <b>Colombia - 0.8%</b>   |         |               |                          |                                    |
| Colombia Government International Bond, Senior Notes                                       | 4.500%  | 1/28/26       | 1,250,000                | 1,276,094                          |
| <b>Indonesia - 2.0%</b>  |         |               |                          |                                    |
| Indonesia Government International Bond, Senior Notes                                      | 4.125%  | 1/15/25       | 1,000,000                | 986,070 <sup>(a)</sup>             |
| Indonesia Government International Bond, Senior Notes                                      | 3.850%  | 7/18/27       | 1,670,000                | 1,594,175 <sup>(a)</sup>           |
| Indonesia Government International Bond, Senior Notes                                      | 3.500%  | 1/11/28       | 750,000                  | 699,019                            |
| <i>Total Indonesia</i>   |         |               |                          | 3,279,264                          |

See Notes to Schedule of Investments.





**WESTERN ASSET PREMIER BOND FUND****Schedule of investments (unaudited) (cont d)****September 30, 2018**

| <b>SECURITY</b>   | <b>RATE</b> | <b>MATURITY DATE</b> | <b>FACE AMOUNT</b>        | <b>VALUE</b>                |
|---|-------------|----------------------|---------------------------|-----------------------------|
| <b>Mexico - 0.8%</b>  |             |                      |                           |                             |
| Mexican Bonos, Bonds  | 6.500%      | 6/9/22               | 7,990,000 <sup>MXN</sup>  | \$ 410,161                  |
| Mexico Government International Bond, Senior Notes  | 3.750%      | 1/11/28              | 1,000,000                 | 954,250                     |
| <i>Total Mexico</i>   |             |                      |                           | <i>1,364,411</i>            |
| <b>Peru - 0.6%</b>  |             |                      |                           |                             |
| Peruvian Government International Bond, Senior Notes  | 7.350%      | 7/21/25              | 750,000                   | 921,382                     |
| <b>Russia - 0.8%</b>  |             |                      |                           |                             |
| Russian Federal Bond - OFZ, Bonds   | 7.050%      | 1/19/28              | 97,605,000 <sup>RUB</sup> | 1,365,264                   |
| <b>TOTAL SOVEREIGN BONDS</b>  |             |                      |                           |                             |
| (Cost - \$10,990,602)   |             |                      |                           | 10,631,472                  |
| <b>ASSET-BACKED SECURITIES - 4.6%</b>   |             |                      |                           |                             |
| American Home Mortgage Investment Trust, 2007-A 4A<br>(1 mo. USD LIBOR + 0.900%)                    | 3.116%      | 7/25/46              | 517,327                   | 246,468 <sup>(a)(d)</sup>   |
| Argent Securities Inc., Pass-Through Certificates Series, 2003-W3,<br>M1 (1 mo. USD LIBOR + 1.125%) | 3.341%      | 9/25/33              | 32,125                    | 32,149 <sup>(d)</sup>       |
| Bayview Financial Asset Trust, 2007-SR1A M1<br>(1 mo. LIBOR + 0.800%)                               | 3.016%      | 3/25/37              | 613,323                   | 592,086 <sup>(a)(d)</sup>   |
| Bayview Financial Asset Trust, 2007-SR1A M3<br>(1 mo. LIBOR + 1.150%)                               | 3.366%      | 3/25/37              | 232,640                   | 228,323 <sup>(a)(d)</sup>   |
| Bayview Financial Asset Trust, 2007-SR1A M4<br>(1 mo. LIBOR + 1.500%)                               | 3.716%      | 3/25/37              | 63,447                    | 63,755 <sup>(a)(d)(f)</sup> |
| Bear Stearns Asset Backed Securities Trust, 2006-SD3, IPO, PO                                       | 0.000%      | 8/25/36              | 280,233                   | 236,950                     |
| ContiMortgage Home Equity Loan Trust, 201997-4, B1F   | 7.330%      | 10/15/28             | 52,399                    | 95,804 <sup>(d)</sup>       |
| Countrywide Asset-Backed Certificates, 2004-3, 3A3<br>(1 mo. USD LIBOR + 0.760%)                    | 2.976%      | 8/25/34              | 248,126                   | 250,203 <sup>(d)</sup>      |
| Countrywide Asset-Backed Certificates, 2007-13, 2A1<br>(1 mo. USD LIBOR + 0.900%)                   | 3.116%      | 10/25/47             | 513,043                   | 513,359 <sup>(d)</sup>      |
| CWABS Asset Backed Notes Trust, 2007-SEA2, 1A1<br>(1 mo. USD LIBOR + 1.000%)                        | 3.216%      | 8/25/47              | 10,965                    | 10,818 <sup>(a)(d)</sup>    |
| Financial Asset Securities Corp. AAA Trust, 2005-1A, 1A3B<br>(1 mo. USD LIBOR + 0.410%)             | 2.640%      | 2/27/35              | 436,933                   | 416,426 <sup>(a)(d)</sup>   |
| Firstfed Corp. Manufactured Housing Contract, 201996-1, B   | 8.060%      | 10/15/22             | 177,679                   | 3,586 <sup>(a)</sup>        |

**See Notes to Schedule of Investments.**

## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                     |
|---|--------|---------------|-------------|---------------------------|
| <b>ASSET-BACKED SECURITIES - (continued)</b>  |        |               |             |                           |
| GSAA Home Equity Trust, 2004-8, A3A (1 mo. USD LIBOR + 0.740%)                                    | 2.956% | 9/25/34       | 12,873      | \$ 12,913 <sup>(d)</sup>  |
| GSAMP Trust, 2003-SEA2, A1  | 4.421% | 7/25/33       | 734,494     | 729,612                   |
| Indymac Manufactured Housing Contract Pass-Through Certificates Series 1997-1, 1997-1, A5         | 6.970% | 2/25/28       | 61,338      | 62,277                    |
| Manufactured Housing Contract Pass-Through Certificates Trust, 2001-2 IA2 (Auction Rate Security) | 5.631% | 2/20/32       | 225,000     | 226,165 <sup>(d)</sup>    |
| Morgan Stanley ABS Capital I Inc. Trust, 2004-HE7 (1 mo. USD LIBOR + 0.900%)                      | 3.116% | 8/25/34       | 1,505,578   | 1,526,005 <sup>(d)</sup>  |
| Morgan Stanley ABS Capital I Inc. Trust Series, 2003-SD1, A1 (1 mo. USD LIBOR + 1.000%)           | 3.216% | 3/25/33       | 9,654       | 9,542 <sup>(d)</sup>      |
| Oakwood Mortgage Investors Inc., 2002-B, A3   | 6.060% | 6/15/32       | 93,590      | 99,388 <sup>(d)</sup>     |
| Origen Manufactured Housing Contract Trust, 2006-A A2   | 3.953% | 10/15/37      | 1,043,942   | 983,680 <sup>(d)</sup>    |
| Origen Manufactured Housing Contract Trust, 2007-A A2   | 4.538% | 4/15/37       | 1,261,096   | 1,243,530 <sup>(d)</sup>  |
| <b>TOTAL ASSET-BACKED SECURITIES</b>  |        |               |             |                           |
| (Cost - \$6,140,226)  |        |               |             | 7,583,039                 |
| <b>COLLATERALIZED MORTGAGE OBLIGATIONS<sup>(1)</sup> - 1.8%</b>                                   |        |               |             |                           |
| Banc of America Funding Trust, 2004-B 6A1   | 2.355% | 12/20/34      | 199,607     | 161,138 <sup>(d)</sup>    |
| Bear Stearns ALT-A Trust, 2004-3, A1 (1 mo. USD LIBOR + 0.640%)                                   | 2.856% | 4/25/34       | 153,405     | 153,738 <sup>(d)</sup>    |
| CHL Mortgage Pass-Through Trust, 2005-7, 1A1 (1 mo. USD LIBOR + 0.540%)                           | 2.756% | 3/25/35       | 426,607     | 411,778 <sup>(d)</sup>    |
| Fannie Mae Trust, 2004-W15, 1A2   | 6.500% | 8/25/44       | 111,660     | 122,395                   |
| HarborView Mortgage Loan Trust, 2004-10, 4A   | 4.199% | 1/19/35       | 86,376      | 85,844 <sup>(d)</sup>     |
| Impac CMB Trust Series, 2004-10, 2A (1 mo. USD LIBOR + 0.640%)                                    | 2.856% | 3/25/35       | 139,506     | 129,727 <sup>(d)</sup>    |
| Impac CMB Trust Series, 2005-2, 2A2 (1 mo. USD LIBOR + 0.800%)                                    | 3.016% | 4/25/35       | 43,517      | 42,135 <sup>(d)</sup>     |
| MAFI II Remic Trust 1998-B, 201998-BI, B1   | 6.874% | 11/20/24      | 298,893     | 278,083 <sup>(d)</sup>    |
| MERIT Securities Corp., 2011PA, 3A1 (1 mo. LIBOR + 0.620%)  | 2.862% | 4/28/27       | 54,542      | 53,567 <sup>(a)(d)</sup>  |
| MERIT Securities Corp., 2011PA, B3 (1 mo. LIBOR + 2.250%)   | 4.492% | 9/28/32       | 564,608     | 502,372 <sup>(a)(d)</sup> |

See Notes to Schedule of Investments.

## WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                     |
|---|--------|---------------|-------------|---------------------------|
| <b>COLLATERALIZED MORTGAGE OBLIGATIONS<sup>(1)</sup> - (continued)</b>                          |        |               |             |                           |
| Prime Mortgage Trust, 2005-2, 2XB, IO   | 1.743% | 10/25/32      | 1,497,403   | \$ 118,616 <sup>(d)</sup> |
| Prime Mortgage Trust, 2005-5, 1X, IO  | 1.061% | 7/25/34       | 2,570,268   | 99,956 <sup>(d)</sup>     |
| RAMP Series Trust, 2005-SL2, APO  | 0.000% | 2/25/32       | 4,218       | 3,446                     |
| Regal Trust IV (11th District Cost of Funds + 1.500%)   | 2.434% | 9/29/31       | 3,403       | 3,209 <sup>(a)(d)</sup>   |
| Sequoia Mortgage Trust, 2003-2, A2 (6 mo. USD LIBOR + 0.680%)                                   | 3.179% | 6/20/33       | 14,336      | 14,328 <sup>(d)</sup>     |
| Sequoia Mortgage Trust, 2004-10, A1A (1 mo. USD LIBOR + 0.620%)                                 | 2.785% | 11/20/34      | 9,458       | 9,407 <sup>(d)</sup>      |
| Structured Asset Securities Corp., 1998-RF2, A  | 5.062% | 7/15/27       | 126,241     | 123,563 <sup>(a)(d)</sup> |
| Structured Asset Securities Corp. Mortgage Loan Trust, 2002-9, A2 (1 mo. USD LIBOR + 0.600%)    | 2.816% | 10/25/27      | 182,361     | 180,738 <sup>(d)</sup>    |
| Structured Asset Securities Corp. Mortgage Pass-Through Certificates Series, 2003-9A, 2A2       | 4.153% | 3/25/33       | 74,853      | 74,892 <sup>(d)</sup>     |
| WaMu Mortgage Pass-Through Certificates Series Trust, 2004-AR6, A (1 mo. USD LIBOR + 0.420%)    | 2.636% | 5/25/44       | 196,688     | 200,455 <sup>(d)</sup>    |
| WaMu Mortgage Pass-Through Certificates Series Trust, 2004-AR12, A2A (1 mo. USD LIBOR + 0.780%) | 2.996% | 10/25/44      | 180,944     | 182,758 <sup>(d)</sup>    |
| Washington Mutual MSC Mortgage Pass-Through Certificates Series Trust, 2004-RA1, 2A             | 7.000% | 3/25/34       | 8,756       | 9,563                     |
| <b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b><br>(Cost - \$2,343,322)                        |        |               |             | 2,961,708                 |
| <b>U.S. GOVERNMENT &amp; AGENCY OBLIGATIONS - 1.5%</b>  |        |               |             |                           |
| <b>U.S. Government Obligations - 1.5%</b>   |        |               |             |                           |
| U.S. Treasury Notes   | 1.375% | 5/31/21       | 500,000     | 480,938                   |
| U.S. Treasury Notes   | 2.125% | 8/15/21       | 500,000     | 489,697                   |
| U.S. Treasury Notes   | 2.125% | 11/30/23      | 500,000     | 480,156                   |
| U.S. Treasury Notes   | 2.125% | 3/31/24       | 500,000     | 478,711                   |
| U.S. Treasury Notes   | 1.875% | 12/15/20      | 450,000     | 440,780                   |
| <b>TOTAL U.S. GOVERNMENT &amp; AGENCY OBLIGATIONS</b><br>(Cost - \$2,386,984)                   |        |               |             | 2,370,282                 |

See Notes to Schedule of Investments.

## WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY   | RATE   | SHARES               | VALUE                       |
|--|--------|----------------------|-----------------------------|
| <b>PREFERRED STOCKS - 1.3%</b>                             |        |                      |                             |
| <b>FINANCIALS - 1.3%</b>                                   |        |                      |                             |
| <b>Diversified Financial Services - 1.3%</b>               |        |                      |                             |
| Citigroup Capital XIII (3 mo. USD LIBOR + 6.370%)          | 8.709% | 75,725               | \$ 2,033,216 <sup>(d)</sup> |
| Corporate Backed Trust Certificates                        | 7.375% | 33,900               | 3 <sup>*(e)(f)</sup>        |
| <b>TOTAL FINANCIALS</b>                                    |        |                      | 2,033,219                   |
| <b>INDUSTRIALS - 0.0%</b>                                  |        |                      |                             |
| <b>Marine - 0.0%</b>                                       |        |                      |                             |
| Tricer Tracking Preferred Equity Certificates (8.000% PIK) | 8.000% | 2,233,838            | 22,339 <sup>(b)(e)(f)</sup> |
| <b>TOTAL PREFERRED STOCKS</b>                              |        |                      | 2,055,558                   |
| (Cost - \$2,153,801)                                       |        |                      |                             |
|  |        | <b>MATURITY DATE</b> | <b>FACE AMOUNT</b>          |
| <b>CONVERTIBLE BONDS &amp; NOTES - 0.9%</b>                |        |                      |                             |
| <b>COMMUNICATION SERVICES - 0.9%</b>                       |        |                      |                             |
| <b>Interactive Media &amp; Services - 0.1%</b>             |        |                      |                             |
| Twitter Inc., Senior Notes                                 | 1.000% | 9/15/21              | 250,000                     |
| 230,784  |        |                      |                             |
| <b>Media - 0.8%</b>  |        |                      |                             |
| DISH Network Corp., Senior Notes                           | 2.375% | 3/15/24              | 1,375,000                   |
| 1,223,866  |        |                      |                             |
| <b>TOTAL CONVERTIBLE BONDS &amp; NOTES</b>                 |        |                      | 1,454,650                   |
| (Cost - \$1,409,544)                                       |        |                      |                             |
|  |        | <b>SHARES</b>        |                             |
| <b>COMMON STOCKS - 0.4%</b>                                |        |                      |                             |
| <b>ENERGY - 0.3%</b>                                       |        |                      |                             |
| <b>Energy Equipment &amp; Services - 0.0%</b>              |        |                      |                             |
| Hercules Offshore Inc. (Escrow)                            |        | 16,942               | 4,777 <sup>*(e)(f)</sup>    |
| <b>Oil, Gas &amp; Consumable Fuels - 0.3%</b>              |        |                      |                             |
| Berry Petroleum Corp.                                      |        | 11,312               | 193,096 <sup>*(e)</sup>     |
| Blue Ridge Mountain Resources Inc.                         |        | 52,812               | 264,060 <sup>*(e)(f)</sup>  |
| <i>Total Oil, Gas &amp; Consumable Fuels</i>               |        |                      | 457,156                     |
| <b>TOTAL ENERGY</b>  |        |                      | 461,933                     |
| <b>INDUSTRIALS - 0.0%</b>                                  |        |                      |                             |
| <b>Marine - 0.0%</b>                                       |        |                      |                             |
| Tricer HoldCo, S.C.A.                                      |        | 4,654                | 17,034 <sup>*(e)(f)</sup>   |
| <b>UTILITIES - 0.1%</b>                                    |        |                      |                             |

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|  |        |                |
|--|--------|----------------|
| <b>Electric Utilities - 0.1%</b>                       |        |                |
| Panda Temple Power LLC                                 | 10,597 | 255,653*(e)(f) |
| <b>TOTAL COMMON STOCKS</b>                             |        |                |
| (Cost - \$2,320,509)                                   |        | 734,620        |
| <b>TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS</b> |        |                |
| (Cost - \$210,190,008)                                 |        | 217,989,720    |

**See Notes to Schedule of Investments.**

**WESTERN ASSET PREMIER BOND FUND****Schedule of investments (unaudited) (cont d)****September 30, 2018**

|  | <b>SECURITY</b> | <b>RATE</b> | <b>SHARES</b> | <b>VALUE</b>              |
|--|-----------------|-------------|---------------|---------------------------|
| <b>SHORT-TERM INVESTMENTS - 0.1%</b>                   |                 |             |               |                           |
| Western Asset Government Cash Management Portfolio LLC |                 |             |               |                           |
| (Cost - \$101,741)                                     |                 |             |               |                           |
|  |                 | 2.100%      | 101,741       | \$ 101,741 <sup>(m)</sup> |
| <b>TOTAL INVESTMENTS** - 133.8%</b>                    |                 |             |               |                           |
| (Cost - \$210,291,749)                                 |                 |             |               |                           |
|  |                 |             |               | 218,091,461               |
| Liabilities in Excess of Other Assets - (33.8)%        |                 |             |               | (55,093,882)              |
| <b>TOTAL NET ASSETS - 100.0%</b>                       |                 |             |               | <b>\$ 162,997,579</b>     |

Face amount denominated in U.S. dollars, unless otherwise noted.

\* Non-income producing security.

\*\* The entire portfolio is subject to lien, granted to the lender, to the extent of the borrowing outstanding and any additional expenses.

- (a) 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 Trustees.
- (b) Payment-in-kind security for which the issuer has the option at each interest payment date of making interest payments in cash or additional debt securities.
- (c) Security is exempt from registration under Regulation S of the Securities Act of 1933. Regulation S applies to securities offerings that are made outside of the United States and do not involve direct selling efforts in the United States. This security has been deemed liquid pursuant to guidelines approved by the Board of Trustees.
- (d) Variable rate security. Interest rate disclosed is as of the most recent information available. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description above.
- (e) Security is valued in good faith in accordance with procedures approved by the Board of Trustees (Note 1).
- (f) Security is valued using significant unobservable inputs (Note 1).
- (g) Value is less than \$1.

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- (h) Security has no maturity date. The date shown represents the next call date.
- (i) Interest rates disclosed represent the effective rates on senior loans. Ranges in interest rates are attributable to multiple contracts under the same loan.
- (j) Senior loans may be considered restricted in that the Fund ordinarily is contractually obligated to receive approval from the agent bank and/or borrower prior to the disposition of a senior loan.
- (k) All or a portion of this loan is unfunded as of September 30, 2018. The interest rate for fully unfunded term loans is to be determined.
- (l) Collateralized mortgage obligations are secured by an underlying pool of mortgages or mortgage pass-through certificates that are structured to direct payments on underlying collateral to different series or classes of the obligations. The interest rate may change positively or inversely in relation to one or more interest rates, financial indices or other financial indicators and may be subject to an upper and/or lower limit.
- (m) In this instance, as defined in the Investment Company Act of 1940, an **Affiliated Company** represents Fund ownership of at least 5% of the outstanding voting securities of an issuer, or a company which is under common ownership or control. At September 30, 2018, the total market value of investments in Affiliated Companies was \$101,741 and the cost was \$101,741 (Note 2).

**See Notes to Schedule of Investments.**

**WESTERN ASSET PREMIER BOND FUND**

Schedule of investments (unaudited) (cont d)

September 30, 2018

Abbreviations used in this schedule:

|       |                               |
|-------|-------------------------------|
| ARS   | Argentine Peso                |
| BRL   | Brazilian Real                |
| GBP   | British Pound                 |
| IO    | Interest Only                 |
| JSC   | Joint Stock Company           |
| LIBOR | London Interbank Offered Rate |
| MXN   | Mexican Peso                  |
| PIK   | Payment-In-Kind               |
| PO    | Principal Only                |
| RUB   | Russian Ruble                 |

At September 30, 2018, the Fund had the following open forward foreign currency contracts:

| Currency<br>Purchased |           | Currency<br>Sold |           | Counterparty      | Settlement<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|-----------|------------------|-----------|-------------------|--------------------|--|
| GBP                   | 7,000     | USD              | 8,952     | Barclays Bank PLC | 10/18/18           | \$ 180                                       |
| GBP                   | 300,000   | USD              | 384,252   | Barclays Bank PLC | 10/18/18           | 7,123  |
| GBP                   | 1,006,461 | USD              | 1,324,752 | Barclays Bank PLC | 10/18/18           | (11,738)                                     |
| USD                   | 1,939,983 | GBP              | 1,462,200 | Barclays Bank PLC | 10/18/18           | 32,418                                       |
| Total                 |           |                  |           |                   |                    | \$ 27,983                                    |

Abbreviations used in this table:

|     |                      |
|-----|----------------------|
| GBP | British Pound        |
| USD | United States Dollar |

This Schedule of Investments is unaudited and is intended to provide information about the Fund's investments as of the date of the schedule. Other information regarding the Fund is available in the Fund's most recent annual or semi-annual shareholder report.

See Notes to Schedule of Investments.



**Notes to Schedule of Investments (unaudited)**

**1. Organization and significant accounting policies**

Western Asset Premier Bond Fund (the Fund) is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified closed-end management investment company. The Fund commenced investment operations on March 28, 2002.

The Fund's investment objective is to provide current income and capital appreciation by investing primarily in a diversified portfolio of investment grade bonds.

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. Investments in open-end funds are valued at the closing net asset value per share of each fund on the day of valuation. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. Equity securities for which market quotations are available are valued at the last reported sales price or official closing price on the primary market or exchange on which they trade. When the Fund holds securities or other assets that are denominated in a foreign currency, the Fund will normally use the currency exchange rates as of 4:00 p.m. (Eastern Time). 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 Trustees.

The Board of Trustees is responsible for the valuation process and has delegated the supervision of the daily valuation process to the Legg Mason North Atlantic Fund Valuation Committee (the Valuation Committee). The Valuation Committee, pursuant to the policies adopted by the Board of Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the Fund's pricing policies, and reporting to the Board of Trustees. 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.

**Notes to Schedule of Investments (unaudited) (continued)**

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 Trustees, 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 Trustees 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

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.

Notes to Schedule of Investments (unaudited) (continued)

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<br>(LEVEL 1) | OTHER SIGNIFICANT<br>OBSERVABLE INPUTS<br>(LEVEL 2) | SIGNIFICANT<br>UNOBSERVABLE<br>INPUTS<br>(LEVEL 3) |                |
| Long-Term Investments :              |                            |   |  |                |
| Corporate Bonds & Notes:             |                            |   |  |                |
| Energy                               |                            | \$ 36,962,086                                       | \$ 0*  | \$ 36,962,086  |
| Industrials                          |                            | 12,031,524  | 508,042  | 12,539,566     |
| Other Corporate Bonds & Notes        |                            | 107,339,787   |  | 107,339,787    |
| Senior Loans:                        |                            |   |  |                |
| Consumer Discretionary               |                            | 12,616,467  | 1,025,148  | 13,641,615     |
| Utilities                            |                            |   | 158,101  | 158,101        |
| Other Senior Loans                   |                            | 19,557,236  |  | 19,557,236     |
| Sovereign Bonds                      |                            | 10,631,472  |  | 10,631,472     |
| Asset-Backed Securities              |                            | 7,519,284   | 63,755   | 7,583,039      |
| Collateralized Mortgage Obligations  |                            | 2,961,708   |  | 2,961,708      |
| U.S. Government & Agency Obligations |                            | 2,370,282   |  | 2,370,282      |
| Preferred Stocks:                    |                            |   |  |                |
| Financials                           | \$ 2,033,216               |   | 3  | 2,033,219      |
| Industrials                          |                            |   | 22,339   | 22,339         |
| Convertible Bonds & Notes            |                            | 1,454,650   |  | 1,454,650      |
| Common Stocks:                       |                            |   |  |                |
| Energy                               |                            | 193,096   | 268,837  | 461,933        |
| Industrials                          |                            |   | 17,034   | 17,034         |
| Utilities                            |                            |   | 255,653  | 255,653        |
| Total Long-Term Investments          | 2,033,216                  | 213,637,592   | 2,318,912  | 217,989,720    |
| Short-Term Investments               |                            | 101,741   |  | 101,741        |
| Total Investments                    | \$ 2,033,216               | \$ 213,739,333                                      | \$ 2,318,912                                       | \$ 218,091,461 |
| Other Financial Instruments:         |                            |   |  |                |
| Forward Foreign Currency Contracts   |                            | \$ 39,721   |  | \$ 39,721      |
| Total                                | \$ 2,033,216               | \$ 213,779,054                                      | \$ 2,318,912                                       | \$ 218,131,182 |

Notes to Schedule of Investments (unaudited) (continued)

| DESCRIPTION                        | LIABILITIES                |   |  | TOTAL     |
|------------------------------------|----------------------------|---|--|-----------|
|                                    | QUOTED PRICES<br>(LEVEL 1) | OTHER SIGNIFICANT<br>OBSERVABLE INPUTS<br>(LEVEL 2) | SIGNIFICANT<br>UNOBSERVABLE<br>INPUTS<br>(LEVEL 3) |           |
| Other Financial Instruments:       |                            |   |  |           |
| Forward Foreign Currency Contracts |                            | \$ 11,738   |  | \$ 11,738 |

See Schedule of Investments for additional detailed categorizations.

\* Amount represents less than \$1.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

|                                  | Balance<br>as of<br>December 31,<br>2017 | Accrued<br>premiums/<br>discounts | Realized<br>gain<br>(loss) | Change in<br>unrealized<br>appreciation<br>(depreciation) <sup>1</sup> | Purchases  |
|----------------------------------|--|-----------------------------------|----------------------------|--|------------|
| <b>Investments in Securities</b> |  |                                   |                            |  |            |
| Corporate Bonds & Notes:         |  |                                   |                            |  |            |
| Energy                           | \$ 0*                                    |                                   |                            |  |            |
| Industrials                      | 627,306                                  | \$ (46)                           | \$ (22)                    | \$ (10,770)  |            |
| Senior Loans:                    |  |                                   |                            |  |            |
| Consumer Discretionary           | 968,784                                  | (5,251)                           | (21)                       | (390)  | \$ 69,301  |
| Energy                           | 84,928                                   | (694)                             | (5,782)                    | 21,463   |            |
| Utilities                        |  | (3,180)                           |                            | (33,525)   | 194,806    |
| Asset-Backed Securities          |  |                                   |                            |  |            |
| Preferred Stocks:                |  |                                   |                            |  |            |
| Financials                       | 3  |                                   |                            |  |            |
| Industrials                      | 20,685                                   |                                   |                            |  | 1,654      |
| Common Stocks:                   |  |                                   |                            |  |            |
| Energy                           | 4,778                                    |                                   |                            |  |            |
| Industrials                      | 13,543                                   |                                   |                            | 3,491  |            |
| Utilities                        |  |                                   |                            | 22,559   | 233,094    |
| Total                            | \$ 1,720,027                             | \$ (9,171)                        | \$ (5,825)                 | \$ 2,828   | \$ 498,855 |

Notes to Schedule of Investments (unaudited) (continued)

|                                    |              |   |   | Balance<br>as of<br>September 30,<br>2018 | Net change<br>in<br>unrealized<br>appreciation<br>(depreciation)<br>for<br>investments<br>in securities<br>still held at<br>September 30,<br>2018 <sup>1</sup> |
|------------------------------------|--------------|---|---|---|--|
| Investments in Securities (cont d) | Sales        | Transfers<br>into<br>Level 3 <sup>2</sup> | Transfers<br>out of<br>Level 3 <sup>3</sup> |   |  |
| Corporate Bonds & Notes:           |              |   |   |   |  |
| Energy                             |              |   |   | \$ 0*                                     |  |
| Industrials                        | \$ (366,797) | \$ 508,042                                | \$ (249,671)                                | 508,042                                   |  |
| Senior Loans:                      |              |   |   |   |  |
| Consumer Discretionary             | (7,275)      |   |   | 1,025,148                                 | \$ (390)   |
| Energy                             | (99,915)     |   |   |   |  |
| Utilities                          |              |   |   | 158,101                                   | (33,525)   |
| Asset-Backed Securities            |              | 63,755                                    |   | 63,755                                    |  |
| Preferred Stocks:                  |              |   |   |   |  |
| Financials                         |              |   |   | 3   |  |
| Industrials                        |              |   |   | 22,339                                    |  |
| Common Stocks:                     |              |   |   |   |  |
| Energy                             |              | 264,059                                   |   | 268,837                                   |  |
| Industrials                        |              |   |   | 17,034                                    | 3,491  |
| Utilities                          |              |   |   | 255,653                                   | 22,559   |
| Total                              | \$ (473,987) | \$ 835,856                                | \$ (249,671)                                | \$ 2,318,912                              | \$ (7,865)   |

The Fund's policy is to recognize transfers between levels as of the end of the reporting period.

\* Amount represents less than \$1.

<sup>1</sup> Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized.

<sup>2</sup> Transferred into Level 3 as a result of the unavailability of a quoted price in an active market for an identical investment or the unavailability of other significant observable inputs.

<sup>3</sup> Transferred out of Level 3 as a result of the availability of a quoted price in an active market for an identical investment or the availability of other significant observable inputs.

**2. Transactions with affiliated companies**

As defined by the 1940 Act, an affiliated company is one in which the Fund owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control. The Fund may invest in Western Asset Government Cash Management Portfolio, LLC ( Cash Management Portfolio ), an affiliated private money market fund managed by Western Asset, the Fund's investment adviser. Cash Management

Portfolio is available as a

Notes to Schedule of Investments (unaudited) (continued)

cash management vehicle for certain proprietary investment companies affiliated with Legg Mason. While Cash Management Portfolio is not a registered money market fund, it conducts all of its investment activities in accordance with the requirements of Rule 2a-7 under the 1940 Act. Based on the Fund's relative ownership, the following companies were considered affiliated companies for all or some portion of the period ended September 30, 2018. The following transactions were effected in shares of such companies for the period ended September 30, 2018.

|  | Affiliate<br>Value at<br>December 31,<br>2017 | Purchased     |            | Sold          |            | Realized<br>Gain (Loss) | Interest<br>Income | Net<br>Increase<br>(Decrease)<br>in<br>Unrealized<br>Appreciation<br>(Depreciation) | Affiliate<br>Value at<br>September 30,<br>2018 |
|--|---|---------------|------------|---------------|------------|-------------------------|--------------------|---|--|
|  |   | Cost          | Shares     | Cost          | Shares     |                         |                    |   |  |
| Western Asset Government<br>Cash Management Portfolio<br>LLC | \$ 200,000                                    | \$ 42,411,330 | 42,411,330 | \$ 42,509,589 | 42,509,589 |                         | \$ 4,775           |   | \$ 101,741                                     |

**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 Premier Bond Fund

By                    /s/ JANE TRUST  
                         **Jane Trust**  
                         **Chief Executive Officer**

Date: November 23, 2018

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/ JANE TRUST  
                         **Jane Trust**  
                         **Chief Executive Officer**

Date: November 23, 2018

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

Date: November 23, 2018