

Western Asset Income Fund
Form N-Q
May 28, 2009

**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 811-02351

Western Asset Income Fund
(Exact name of registrant as specified in charter)

385 East Colorado Boulevard
Pasadena, CA
(Address of principal executive offices)

91101
(Zip code)

Charles A. Ruys de Perez
385 East Colorado Boulevard
Pasadena, CA 91101
(Name and address of agent for service)

Registrant's telephone number, including area code: (626) 844-9400

Date of fiscal year end: December 31,

Date of reporting period: March 31, 2009

Item 1 Schedule of Investments

WESTERN ASSET INCOME FUND

FORM N-Q

MARCH 31, 2009

Edgar Filing: Western Asset Income Fund - Form N-Q

Portfolio of Investments

Western Asset Income Fund

March 31, 2009 (Unaudited)

| | Rate | Maturity Date | Par/Shares | Value |
|--|--------------|---------------|------------|------------|
| LONG-TERM SECURITIES | 97.4% | | | |
| CORPORATE BONDS AND NOTES | 77.1% | | | |
| Aerospace and Defense | 0.6% | | | |
| L-3 Communications Corp. | 7.625% | 6/15/12 | \$ 275,000 | \$ 276,031 |
| United Technologies Corp. | 6.125% | 2/1/19 | 300,000 | 322,957 |
| | | | | 598,988 |
| Airlines | 0.7% | | | |
| Continental Airlines Inc. | 6.545% | 2/2/19 | 159,238 | 136,945 |
| Continental Airlines Inc. | 7.256% | 3/15/20 | 185,435 | 155,765 |
| Delta Air Lines Inc. | 7.111% | 9/18/11 | 400,000 | 348,000 |
| | | | | 640,710 |
| Automobiles | 3.1% | | | |
| Ford Motor Co. | 7.450% | 7/16/31 | 8,050,000 | 2,555,875 |
| General Motors Corp. | 8.250% | 7/15/23 | 3,450,000 | 405,375 |
| | | | | 2,961,250 |
| Beverages | 0.7% | | | |
| Bottling Group LLC | 5.125% | 1/15/19 | 470,000 | 473,023 |
| Dr Pepper Snapple Group Inc. | 6.820% | 5/1/18 | 240,000 | 226,515 |
| | | | | 699,538 |
| Building Products | N.M. | | | |
| Nortek Inc. | 8.500% | 9/1/14 | 225,000 | 22,500 |
| Capital Markets | 3.2% | | | |
| BankAmerica Capital III | 1.664% | 1/15/27 | 215,000 | 71,256A |
| Goldman Sachs Capital II | 5.793% | 12/29/49 | 920,000 | 383,034B |
| Lehman Brothers Holdings Capital Trust VII | 5.857% | 12/31/49 | 1,745,000 | 174B,C |
| Lehman Brothers Holdings Inc. | 5.750% | 5/17/13 | 350,000 | 44,625C |
| Lehman Brothers Holdings Inc. | 6.500% | 7/19/17 | 110,000 | 11C |
| Merrill Lynch and Co. Inc. | 6.050% | 8/15/12 | 400,000 | 343,223 |
| Merrill Lynch and Co. Inc. | 5.700% | 5/2/17 | 1,000,000 | 592,114 |
| Merrill Lynch and Co. Inc. | 6.400% | 8/28/17 | 300,000 | 215,222 |
| Merrill Lynch and Co. Inc. | 6.110% | 1/29/37 | 320,000 | 159,044 |
| Morgan Stanley | 5.050% | 1/21/11 | 780,000 | 766,894 |
| Morgan Stanley | 4.750% | 4/1/14 | 60,000 | 49,055 |
| Morgan Stanley | 6.625% | 4/1/18 | 100,000 | 95,351 |
| The Goldman Sachs Group Inc. | 6.345% | 2/15/34 | 555,000 | 327,654 |
| | | | | 3,047,657 |
| Chemicals | 0.9% | | | |
| Lubrizol Corp. | 8.875% | 2/1/19 | 280,000 | 287,962 |
| The Dow Chemical Co. | 7.375% | 11/1/29 | 800,000 | 515,758 |
| | | | | 803,720 |
| Commercial Banks | 3.4% | | | |
| Comerica Capital Trust II | 6.576% | 2/20/37 | 360,000 | 104,908B |
| Rabobank Capital Funding Trust II | 5.260% | 12/31/49 | 115,000 | 51,750B,E |

Edgar Filing: Western Asset Income Fund - Form N-Q

Rabobank Capital Funding Trust III

5.254%

12/31/16

1,145,000

515,250B,E

1

Edgar Filing: Western Asset Income Fund - Form N-Q

Portfolio of Investments

Western Asset Income Fund

March 31, 2009 (Unaudited) (continued)

| | Rate | Maturity Date | Par/Shares | Value |
|--|--------|---------------|--------------|-------------|
| Commercial Banks 3.4% (continued) | | | | |
| RBS Capital Trust III | 5.512% | 9/29/49 | \$ 1,460,000 | \$ 584,000B |
| SunTrust Capital VIII | 6.100% | 12/15/36 | 560,000 | 313,947B |
| Wachovia Bank NA | 7.800% | 8/18/10 | 650,000 | 647,334 |
| Wachovia Capital Trust III | 5.800% | 3/15/42 | 410,000 | 147,600B |
| Wells Fargo Capital X | 5.950% | 12/15/36 | 450,000 | 303,750B |
| Wells Fargo Capital XIII | 7.700% | 12/29/49 | 1,100,000 | 523,946B |
| | | | | 3,192,485 |
| Commercial Services and Supplies 0.4% | | | | |
| Waste Management Inc. | 7.375% | 5/15/29 | 415,000 | 376,953 |
| Consumer Finance 3.0% | | | | |
| American Express Co. | 6.800% | 9/1/66 | 1,120,000 | 540,169B |
| Capital One Financial Corp. | 6.750% | 9/15/17 | 230,000 | 191,895 |
| GMAC LLC | 7.500% | 12/31/13 | 1,551,000 | 745,535E |
| GMAC LLC | 8.000% | 12/31/18 | 201,000 | 58,352E |
| GMAC LLC | 8.000% | 11/1/31 | 988,000 | 475,386E |
| Nelnet Inc. | 7.400% | 9/29/36 | 460,000 | 67,155B |
| SLM Corp. | 5.000% | 10/1/13 | 810,000 | 430,732 |
| SLM Corp. | 5.050% | 11/14/14 | 130,000 | 68,816 |
| SLM Corp. | 8.450% | 6/15/18 | 230,000 | 124,229 |
| SLM Corp. | 5.625% | 8/1/33 | 180,000 | 72,043 |
| | | | | 2,774,312 |
| Diversified Financial Services 6.9% | | | | |
| AGFC Capital Trust I | 6.000% | 1/15/67 | 300,000 | 27,186B,E |
| AIG SunAmerica Global Financing VI | 6.300% | 5/10/11 | 1,880,000 | 1,433,132E |
| BAC Capital Trust XIV | 5.630% | 12/31/49 | 585,000 | 128,694B |
| Bank of America Corp. | 8.000% | 12/29/49 | 150,000 | 60,073B |
| Beaver Valley II Funding | 9.000% | 6/1/17 | 272,000 | 269,612 |
| Capital One Bank | 6.500% | 6/13/13 | 330,000 | 292,582 |
| Chase Capital II | 1.670% | 2/1/27 | 725,000 | 287,583A |
| Citigroup Capital XXI | 8.300% | 12/21/57 | 320,000 | 154,079B |
| Citigroup Inc. | 6.125% | 8/25/36 | 550,000 | 295,547 |
| General Electric Capital Corp. | 6.375% | 11/15/67 | 600,000 | 291,349B |
| Glen Meadow Pass-Through Certificates | 6.505% | 2/12/67 | 310,000 | 69,835B,E |
| HSBC Finance Capital Trust IX | 5.911% | 11/30/35 | 1,350,000 | 270,256B |
| HSBC Finance Corp. | 5.700% | 6/1/11 | 1,380,000 | 1,171,362 |
| ILFC E-Capital Trust II | 6.250% | 12/21/65 | 790,000 | 126,705B,E |
| JPMorgan Chase and Co. | 6.125% | 6/27/17 | 720,000 | 662,382 |
| TNK-BP Finance SA | 7.875% | 3/13/18 | 100,000 | 70,000E |
| UBS Preferred Funding Trust V | 6.243% | 5/12/49 | 1,120,000 | 305,904B |
| ZFS Finance USA Trust II | 6.450% | 12/15/65 | 1,440,000 | 622,236B,E |
| | | | | 6,538,517 |
| Diversified Telecommunication Services 3.2% | | | | |

Edgar Filing: Western Asset Income Fund - Form N-Q

| | | | | |
|-----------------------------|--------|----------|-----------|---------|
| AT&T Corp. | 8.000% | 11/15/31 | 260,000 | 282,408 |
| AT&T Inc. | 6.550% | 2/15/39 | 500,000 | 453,491 |
| Embarq Corp. | 7.082% | 6/1/16 | 330,000 | 297,000 |
| Qwest Corp. | 6.875% | 9/15/33 | 1,000,000 | 655,000 |
| Verizon Communications Inc. | 8.950% | 3/1/39 | 720,000 | 827,420 |

Portfolio of Investments

Western Asset Income Fund

March 31, 2009 (Unaudited) (continued)

| | Rate | Maturity Date | Par/Shares | Value |
|--|-------------|--------------------------|-------------------|--------------|
| Diversified Telecommunication Services 3.2% (continued) | | | | |
| Verizon Global Funding Corp. | 5.850% | 9/15/35 | \$ 570,000 | \$ 484,281 |
| | | | | 2,999,600 |
| Electric Utilities 7.7% | | | | |
| Commonwealth Edison Co. | 5.800% | 3/15/18 | 560,000 | 530,565 |
| CP&L Inc. | 5.300% | 1/15/19 | 820,000 | 830,173 |
| Duke Energy Corp. | 6.300% | 2/1/14 | 500,000 | 511,865 |