

WESTERN ASSET PREMIER BOND FUND

Form N-Q

November 22, 2017

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, 2017**

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET PREMIER BOND FUND

FORM N-Q

SEPTEMBER 30, 2017

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited)

September 30, 2017

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|------------------------|-----------------------------|
| CORPORATE BONDS & NOTES - 107.5% | | | | |
| CONSUMER DISCRETIONARY - 16.2% | | | | |
| Auto Components - 1.9% | | | | |
| Adient Global Holdings Ltd., Senior Notes | 4.875% | 8/15/26 | 1,410,000 | \$ 1,448,775 ^(a) |
| Delphi Technologies PLC, Senior Notes | 5.000% | 10/1/25 | 340,000 | 346,800 ^(a) |
| IHO Verwaltungs GmbH, Senior Secured Bonds (4.750% Cash or 5.500% PIK) | 4.750% | 9/15/26 | 800,000 | 817,000 ^{(a)(b)} |
| ZF North America Capital Inc., Senior Notes | 4.750% | 4/29/25 | 680,000 | 719,950 ^(a) |
| <i>Total Auto Components</i> | | | | 3,332,525 |
| Automobiles - 1.5% | | | | |
| Daimler Finance NA LLC, Notes | 8.500% | 1/18/31 | 1,000,000 | 1,498,764 |
| General Motors Co., Senior Notes | 6.600% | 4/1/36 | 140,000 | 166,771 |
| General Motors Co., Senior Notes | 6.250% | 10/2/43 | 750,000 | 860,056 |
| <i>Total Automobiles</i> | | | | 2,525,591 |
| Hotels, Restaurants & Leisure - 4.1% | | | | |
| Brinker International Inc., Senior Notes | 5.000% | 10/1/24 | 4,345,000 | 4,317,844 ^(a) |
| Hilton Worldwide Finance LLC/Hilton Worldwide Finance Corp., Senior Notes | 4.625% | 4/1/25 | 750,000 | 774,375 |
| Hilton Worldwide Finance LLC/Hilton Worldwide Finance Corp., Senior Notes | 4.875% | 4/1/27 | 350,000 | 368,375 |
| Marstons Issuer PLC, Secured Bonds (3 mo. GBP LIBOR + 2.550%) | 5.641% | 7/15/35 | 260,000 ^{GBP} | 321,204 ^{(c)(d)} |
| Silversea Cruise Finance Ltd., Senior Secured Notes | 7.250% | 2/1/25 | 348,000 | 374,100 ^(a) |
| Viking Cruises Ltd., Senior Notes | 5.875% | 9/15/27 | 1,010,000 | 1,016,010 ^(a) |
| <i>Total Hotels, Restaurants & Leisure</i> | | | | 7,171,908 |
| Media - 7.4% | | | | |
| 21st Century Fox America Inc., Senior Debentures | 8.875% | 4/26/23 | 400,000 | 514,970 |
| Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes | 4.908% | 7/23/25 | 770,000 | 824,445 |
| Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes | 4.200% | 3/15/28 | 1,190,000 | 1,206,652 ^(a) |
| Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes | 6.384% | 10/23/35 | 420,000 | 492,605 |
| Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes | 6.484% | 10/23/45 | 2,130,000 | 2,508,619 |
| Comcast Corp., Notes | 7.050% | 3/15/33 | 1,000,000 | 1,371,541 |
| DISH DBS Corp., Senior Notes | 7.750% | 7/1/26 | 650,000 | 747,936 |
| SFR Group SA, Senior Secured Notes | 7.375% | 5/1/26 | 2,020,000 | 2,189,175 ^(a) |
| Time Warner Cable LLC, Debentures | 7.300% | 7/1/38 | 720,000 | 906,401 |
| Viacom Inc., Senior Notes | 4.375% | 3/15/43 | 820,000 | 708,962 |
| Virgin Media Secured Finance PLC, Senior Secured Notes | 5.500% | 8/15/26 | 820,000 | 866,125 ^(a) |
| Ziggo Secured Finance BV, Senior Secured Notes | 5.500% | 1/15/27 | 520,000 | 534,139 ^(a) |
| <i>Total Media</i> | | | | 12,871,570 |

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Specialty Retail - 1.0%

| | | | | |
|--|--------|----------|---------|------------------------|
| American Greetings Corp., Senior Notes | 7.875% | 2/15/25 | 730,000 | 793,875 ^(a) |
| Hertz Corp., Senior Notes | 5.875% | 10/15/20 | 640,000 | 638,400 |
| Lithia Motors Inc., Senior Notes | 5.250% | 8/1/25 | 330,000 | 343,612 ^(a) |

Total Specialty Retail

1,775,887

Textiles, Apparel & Luxury Goods - 0.3%

| | | | | |
|--------------------------------|--------|---------|---------|------------------------|
| Hanesbrands Inc., Senior Notes | 4.875% | 5/15/26 | 400,000 | 417,500 ^(a) |
|--------------------------------|--------|---------|---------|------------------------|

TOTAL CONSUMER DISCRETIONARY

28,094,981

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2017

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|-------------|-------------------------|
| CONSUMER STAPLES - 4.4% | | | | |
| Beverages - 1.0% | | | | |
| Anheuser-Busch InBev Finance Inc., Senior Notes | 4.700% | 2/1/36 | 540,000 | \$ 597,206 |
| Anheuser-Busch InBev Finance Inc., Senior Notes | 4.900% | 2/1/46 | 990,000 | 1,122,728 |
| <i>Total Beverages</i> | | | | <i>1,719,934</i> |
| Food & Staples Retailing - 1.3% | | | | |
| CVS Pass-Through Trust, Secured Bonds | 5.789% | 1/10/26 | 362,394 | 397,492 ^(a) |
| CVS Pass-Through Trust, Secured Notes | 5.880% | 1/10/28 | 388,981 | 434,289 |
| CVS Pass-Through Trust, Secured Notes | 6.036% | 12/10/28 | 393,689 | 445,581 |
| CVS Pass-Through Trust, Secured Notes | 6.943% | 1/10/30 | 389,222 | 461,952 |
| CVS Pass-Through Trust, Secured Notes | 7.507% | 1/10/32 | 389,996 | 483,817 ^(a) |
| <i>Total Food & Staples Retailing</i> | | | | <i>2,223,131</i> |
| Food Products - 1.5% | | | | |
| Kraft Heinz Foods Co., Senior Notes | 3.000% | 6/1/26 | 440,000 | 422,267 |
| Lamb Weston Holdings Inc., Senior Notes | 4.625% | 11/1/24 | 390,000 | 408,525 ^(a) |
| Lamb Weston Holdings Inc., Senior Notes | 4.875% | 11/1/26 | 430,000 | 452,575 ^(a) |
| Pilgrim's Pride Corp., Senior Notes | 5.875% | 9/30/27 | 360,000 | 368,550 ^(a) |
| WM Wrigley Jr. Co., Senior Notes | 2.000% | 10/20/17 | 1,000,000 | 999,873 ^(a) |
| <i>Total Food Products</i> | | | | <i>2,651,790</i> |
| Household Products - 0.1% | | | | |
| Central Garden & Pet Co., Senior Notes | 6.125% | 11/15/23 | 250,000 | 267,500 |
| Tobacco - 0.5% | | | | |
| BAT Capital Corp., Senior Notes | 3.557% | 8/15/27 | 500,000 | 506,050 ^(a) |
| Reynolds American Inc., Senior Notes | 5.850% | 8/15/45 | 260,000 | 319,324 |
| <i>Total Tobacco</i> | | | | <i>825,374</i> |
| TOTAL CONSUMER STAPLES | | | | 7,687,729 |
| ENERGY - 21.0% | | | | |
| Energy Equipment & Services - 0.1% | | | | |
| Transocean Inc., Senior Notes | 9.000% | 7/15/23 | 190,000 | 205,675 ^(a) |
| Oil, Gas & Consumable Fuels - 20.9% | | | | |
| Anadarko Finance Co., Senior Notes | 7.500% | 5/1/31 | 570,000 | 710,988 |
| Anadarko Petroleum Corp., Senior Notes | 4.850% | 3/15/21 | 500,000 | 530,657 |
| Anadarko Petroleum Corp., Senior Notes | 4.500% | 7/15/44 | 1,000,000 | 955,353 |
| Andeavor Logistics LP/Tesoro Logistics Finance Corp., Senior Notes | 6.125% | 10/15/21 | 1,000,000 | 1,032,500 |
| Apache Corp., Senior Notes | 4.250% | 1/15/44 | 250,000 | 235,675 |
| Berry Petroleum Co. Escrow | | | 130,000 | 0 ^{*(e)(f)(g)} |
| BP Capital Markets PLC, Senior Notes | 3.723% | 11/28/28 | 410,000 | 423,034 |

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| | | | | |
|--|---------|---------|-----------|------------------------|
| Burlington Resources Finance Co., Senior Notes | 7.400% | 12/1/31 | 450,000 | 611,670 |
| Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Secured Notes | 11.500% | 1/15/21 | 550,000 | 640,063 ^(a) |
| Cheniere Corpus Christi Holdings LLC, Senior Secured Notes | 5.125% | 6/30/27 | 520,000 | 536,900 ^(a) |
| Chesapeake Energy Corp., Senior Notes | 5.375% | 6/15/21 | 320,000 | 306,400 |
| Chesapeake Energy Corp., Senior Notes | 8.000% | 1/15/25 | 230,000 | 232,875 ^(a) |
| Continental Resources Inc., Senior Notes | 4.500% | 4/15/23 | 500,000 | 502,500 |
| Continental Resources Inc., Senior Notes | 3.800% | 6/1/24 | 270,000 | 261,900 |
| Continental Resources Inc., Senior Notes | 4.900% | 6/1/44 | 500,000 | 456,250 |
| Devon Energy Corp., Debentures | 7.950% | 4/15/32 | 310,000 | 406,809 |
| Devon Energy Corp., Senior Notes | 3.250% | 5/15/22 | 500,000 | 506,428 |
| Ecopetrol SA, Senior Bonds | 4.125% | 1/16/25 | 510,000 | 512,550 |
| Ecopetrol SA, Senior Notes | 5.875% | 9/18/23 | 45,000 | 50,085 |
| Ecopetrol SA, Senior Notes | 5.375% | 6/26/26 | 750,000 | 800,625 |
| Ecopetrol SA, Senior Notes | 5.875% | 5/28/45 | 1,510,000 | 1,481,687 |
| Enterprise Products Operating LLC, Senior Notes | 4.050% | 2/15/22 | 880,000 | 932,509 |
| Enterprise Products Operating LLC, Senior Notes | 5.100% | 2/15/45 | 1,000,000 | 1,118,511 |
| EOG Resources Inc., Senior Notes | 3.150% | 4/1/25 | 2,250,000 | 2,249,570 |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2017

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|---------|---------------|-------------|--------------------------|
| Oil, Gas & Consumable Fuels - (continued) | | | | |
| Genesis Energy LP/Genesis Energy Finance Corp., Senior Bonds | 5.625% | 6/15/24 | 1,090,000 | \$ 1,062,750 |
| KazMunayGas National Co. JSC, Senior Notes | 4.750% | 4/19/27 | 770,000 | 782,459 ^(a) |
| Kinder Morgan Inc., Medium-Term Notes | 7.750% | 1/15/32 | 190,000 | 244,717 |
| Kinder Morgan Inc., Senior Bonds | 5.550% | 6/1/45 | 1,500,000 | 1,621,978 |
| Magnum Hunter Resources Corp. Escrow | | | 960,000 | 0 ^{*(e)(f)(g)} |
| MEG Energy Corp., Senior Notes | 6.375% | 1/30/23 | 480,000 | 421,200 ^(a) |
| MEG Energy Corp., Senior Notes | 7.000% | 3/31/24 | 300,000 | 258,750 ^(a) |
| NGPL PipeCo LLC, Senior Bonds | 4.875% | 8/15/27 | 460,000 | 483,161 ^(a) |
| NGPL PipeCo LLC, Senior Secured Notes | 7.768% | 12/15/37 | 490,000 | 612,500 ^(a) |
| Noble Energy Inc., Senior Notes | 5.250% | 11/15/43 | 1,000,000 | 1,052,655 |
| Oasis Petroleum Inc., Senior Notes | 7.250% | 2/1/19 | 370,000 | 370,000 |
| Oasis Petroleum Inc., Senior Notes | 6.500% | 11/1/21 | 520,000 | 533,000 |
| Oasis Petroleum Inc., Senior Notes | 6.875% | 1/15/23 | 340,000 | 346,800 |
| Occidental Petroleum Corp., Senior Notes | 3.500% | 6/15/25 | 350,000 | 358,560 |
| Petrobras Global Finance BV, Senior Notes | 4.375% | 5/20/23 | 310,000 | 307,210 |
| Petrobras Global Finance BV, Senior Notes | 6.750% | 1/27/41 | 920,000 | 917,700 |
| Petroleos Mexicanos, Senior Notes | 5.500% | 1/21/21 | 400,000 | 427,300 |
| Reliance Holdings USA Inc., Senior Notes | 5.400% | 2/14/22 | 1,000,000 | 1,099,873 ^(a) |
| Reliance Holdings USA Inc., Senior Notes | 5.400% | 2/14/22 | 250,000 | 274,968 ^(c) |
| Rockies Express Pipeline LLC, Senior Notes | 7.500% | 7/15/38 | 350,000 | 401,625 ^(a) |
| Sabine Pass Liquefaction LLC, Senior Secured Notes | 5.750% | 5/15/24 | 440,000 | 490,147 |
| Sabine Pass Liquefaction LLC, Senior Secured Notes | 5.000% | 3/15/27 | 1,850,000 | 1,974,601 |
| Sanchez Energy Corp., Senior Notes | 6.125% | 1/15/23 | 380,000 | 326,800 |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Bonds | 5.125% | 2/1/25 | 460,000 | 475,525 |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Bonds | 5.375% | 2/1/27 | 490,000 | 512,663 |
| Transcontinental Gas Pipe Line Co., LLC, Senior Notes | 7.850% | 2/1/26 | 1,000,000 | 1,293,778 |
| Transportadora de Gas del Peru SA, Senior Notes | 4.250% | 4/30/28 | 1,000,000 | 1,040,000 ^(a) |
| Whiting Petroleum Corp., Senior Notes | 5.000% | 3/15/19 | 630,000 | 633,339 |
| Whiting Petroleum Corp., Senior Notes | 6.250% | 4/1/23 | 200,000 | 197,750 |
| Williams Cos. Inc., Debentures | 7.500% | 1/15/31 | 443,000 | 533,815 |
| Williams Cos. Inc., Senior Notes | 3.700% | 1/15/23 | 310,000 | 310,000 |
| Williams Cos. Inc., Senior Notes | 4.550% | 6/24/24 | 60,000 | 62,400 |
| Williams Cos. Inc., Senior Notes | 8.750% | 3/15/32 | 39,000 | 50,603 |
| WPX Energy Inc., Senior Notes | 7.500% | 8/1/20 | 160,000 | 174,800 |
| WPX Energy Inc., Senior Notes | 8.250% | 8/1/23 | 210,000 | 236,513 |
| YPF Sociedad Anonima, Senior Notes | 8.500% | 3/23/21 | 720,000 | 809,784 ^(a) |
| <i>Total Oil, Gas & Consumable Fuels</i> | | | | 36,195,263 |
| TOTAL ENERGY | | | | 36,400,938 |
| FINANCIALS - 26.3% | | | | |
| Banks - 16.6% | | | | |
| Bank of America Corp., Senior Notes | 5.000% | 5/13/21 | 1,100,000 | 1,197,901 |
| Bank of America Corp., Subordinated Notes | 4.250% | 10/22/26 | 1,700,000 | 1,780,518 |
| Barclays Bank PLC, Subordinated Notes | 10.179% | 6/12/21 | 610,000 | 756,036 ^(a) |
| Barclays Bank PLC, Subordinated Notes | 7.625% | 11/21/22 | 2,750,000 | 3,164,219 |

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| | | | | |
|---|--------|---------|-----------|------------------------------|
| Barclays PLC, Subordinated Notes | 4.836% | 5/9/28 | 290,000 | 300,765 |
| 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 | 576,938 ^{(a)(d)(h)} |
| BPCE SA, Subordinated Notes | 5.150% | 7/21/24 | 1,000,000 | 1,079,565 ^(a) |
| Capital One N.A., Senior Notes | 1.500% | 3/22/18 | 1,810,000 | 1,809,066 |
| CIT Group Inc., Senior Notes | 5.000% | 8/15/22 | 250,000 | 271,175 |
| Citigroup Inc., Subordinated Notes | 3.500% | 5/15/23 | 500,000 | 510,018 |
| Citigroup Inc., Subordinated Notes | 5.500% | 9/13/25 | 200,000 | 224,839 |
| Citigroup Inc., Subordinated Notes | 4.450% | 9/29/27 | 500,000 | 528,408 |
| Citigroup Inc., Subordinated Notes | 6.625% | 6/15/32 | 1,000,000 | 1,276,337 |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2017

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|--------------------------|--------------------------------|
| Banks - (continued) | | | | |
| Cooperatieve Rabobank U.A., Subordinated Notes | 4.625% | 12/1/23 | 500,000 | \$ 538,015 |
| Credit Agricole SA, Junior Subordinated Notes (8.125% to 12/23/25 then USD 5 year Swap Rate + 6.185%) | | | | |
| HBOS PLC, Subordinated Notes | 8.125% | 12/23/25 | 1,080,000 | 1,281,173 ^{(a)(d)(h)} |
| Intesa Sanpaolo SpA, Senior Notes | 6.750% | 5/21/18 | 700,000 | 720,930 ^(a) |
| Intesa Sanpaolo SpA, Subordinated Notes | 3.875% | 7/14/27 | 430,000 | 432,610 ^(a) |
| JPMorgan Chase & Co., Junior Subordinated Bonds (6.000% to 8/1/23 then 3 mo. USD LIBOR + 3.300%) | 5.710% | 1/15/26 | 490,000 | 517,249 ^(a) |
| JPMorgan Chase & Co., Subordinated Notes | 6.000% | 8/1/23 | 2,800,000 | 3,052,000 ^{(d)(h)} |
| Lloyds Banking Group PLC, Senior Notes | 4.950% | 6/1/45 | 500,000 | 570,665 |
| Lloyds Banking Group PLC, Subordinated Notes | 3.100% | 7/6/21 | 400,000 | 407,080 |
| Royal Bank of Scotland Group PLC, Junior Subordinated Notes (8.625% to 8/15/21 then USD 5 year Swap Rate + 7.598%) | 4.500% | 11/4/24 | 1,000,000 | 1,049,289 |
| Royal Bank of Scotland Group PLC, Subordinated Notes | 8.625% | 8/15/21 | 450,000 | 500,063 ^{(d)(h)} |
| Royal Bank of Scotland Group PLC, Subordinated Notes | 6.000% | 12/19/23 | 150,000 | 166,105 |
| Royal Bank of Scotland Group PLC, Subordinated Notes | 5.125% | 5/28/24 | 1,330,000 | 1,417,074 |
| Royal Bank of Scotland NV, Subordinated Bonds | 7.750% | 5/15/23 | 140,000 | 165,933 |
| Santander UK Group Holdings PLC, Subordinated Notes | 5.625% | 9/15/45 | 1,000,000 | 1,168,354 ^(a) |
| Santander UK PLC, Subordinated Notes | 5.000% | 11/7/23 | 510,000 | 552,301 ^(a) |
| Standard Chartered PLC, Subordinated Notes | 5.700% | 3/26/44 | 300,000 | 353,856 ^(a) |
| UBS Group Funding Switzerland AG, Senior Notes | 4.253% | 3/23/28 | 1,850,000 | 1,944,449 ^(a) |
| Wells Fargo & Co., Subordinated Notes | 4.300% | 7/22/27 | 500,000 | 529,448 |
| <i>Total Banks</i> | | | | 28,842,379 |
| Capital Markets - 3.1% | | | | |
| Credit Suisse Group Funding Guernsey Ltd., Senior Notes | 4.875% | 5/15/45 | 1,500,000 | 1,682,995 |
| Goldman Sachs Group Inc., Senior Notes | 6.150% | 4/1/18 | 1,000,000 | 1,021,975 |
| Goldman Sachs Group Inc., Senior Notes | 5.250% | 7/27/21 | 800,000 | 879,511 |
| Goldman Sachs Group Inc., Senior Notes | 3.500% | 11/16/26 | 500,000 | 501,883 |
| Goldman Sachs Group Inc., Subordinated Notes | 6.750% | 10/1/37 | 1,000,000 | 1,321,699 |
| <i>Total Capital Markets</i> | | | | 5,408,063 |
| Consumer Finance - 1.3% | | | | |
| Ally Financial Inc., Senior Notes | 8.000% | 3/15/20 | 282,000 | 318,135 |
| DAE Funding LLC, Senior Notes | 4.500% | 8/1/22 | 706,000 | 725,327 ^(a) |
| DAE Funding LLC, Senior Notes | 5.000% | 8/1/24 | 640,000 | 657,600 ^(a) |
| FirstCash Inc., Senior Notes | 5.375% | 6/1/24 | 480,000 | 502,800 ^(a) |
| <i>Total Consumer Finance</i> | | | | 2,203,862 |
| Diversified Financial Services - 4.6% | | | | |
| AerCap Ireland Capital DAC/AerCap Global Aviation Trust, Senior Bonds | 4.625% | 7/1/22 | 230,000 | 246,785 |
| Ahold Lease USA Inc., Pass-Through Certificates | 8.620% | 1/2/25 | 686,921 | 824,590 |
| CPUK Finance Ltd., Senior Secured Notes | 7.239% | 2/28/24 | 1,000,000 ^{GBP} | 1,717,637 ^(c) |
| GE Capital International Funding Co., Unlimited Co., Senior Notes | 2.342% | 11/15/20 | 373,000 | 377,096 |
| GE Capital International Funding Co., Unlimited Co., Senior Notes | 3.373% | 11/15/25 | 500,000 | 517,671 |
| International Lease Finance Corp., Senior Notes | 6.250% | 5/15/19 | 80,000 | 85,064 |

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| | | | | |
|---|--------|---------|-----------|--------------------------|
| International Lease Finance Corp., Senior Notes | 5.875% | 8/15/22 | 1,200,000 | 1,346,672 |
| International Lease Finance Corp., Senior Secured Notes | 7.125% | 9/1/18 | 400,000 | 418,912 ^(a) |
| Ladder Capital Finance Holdings LLLP/Ladder Capital Finance Corp., Senior Notes | 5.250% | 10/1/25 | 340,000 | 337,664 ^(a) |
| Park Aerospace Holdings Ltd., Senior Notes | 5.250% | 8/15/22 | 650,000 | 678,437 ^(a) |
| Park Aerospace Holdings Ltd., Senior Notes | 4.500% | 3/15/23 | 250,000 | 250,277 ^(a) |
| Park Aerospace Holdings Ltd., Senior Notes | 5.500% | 2/15/24 | 1,180,000 | 1,241,950 ^(a) |
| <i>Total Diversified Financial Services</i> | | | | 8,042,755 |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2017

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|---------|---------------|-------------|--------------------------|
| Insurance - 0.7% | | | | |
| Genworth Holdings Inc., Senior Notes | 4.900% | 8/15/23 | 330,000 | \$ 283,800 |
| Metlife Inc., Junior Subordinated Notes | 10.750% | 8/1/39 | 500,000 | 837,500 |
| <i>Total Insurance</i> | | | | <i>1,121,300</i> |
| TOTAL FINANCIALS | | | | 45,618,359 |
| HEALTH CARE - 4.7% | | | | |
| Biotechnology - 0.4% | | | | |
| Celgene Corp., Senior Notes | 5.000% | 8/15/45 | 250,000 | 283,726 |
| Gilead Sciences Inc., Senior Notes | 4.750% | 3/1/46 | 390,000 | 437,761 |
| <i>Total Biotechnology</i> | | | | <i>721,487</i> |
| Health Care Providers & Services - 2.7% | | | | |
| Centene Corp., Senior Notes | 5.625% | 2/15/21 | 280,000 | 291,956 |
| Centene Corp., Senior Notes | 6.125% | 2/15/24 | 220,000 | 238,425 |
| Centene Corp., Senior Notes | 4.750% | 1/15/25 | 1,060,000 | 1,102,400 |
| DaVita Inc., Senior Notes | 5.750% | 8/15/22 | 270,000 | 276,919 |
| DaVita Inc., Senior Notes | 5.125% | 7/15/24 | 220,000 | 220,962 |
| DaVita Inc., Senior Notes | 5.000% | 5/1/25 | 830,000 | 820,903 |
| HCA Inc., Senior Secured Bonds | 4.500% | 2/15/27 | 1,000,000 | 1,025,000 |
| HCA Inc., Senior Secured Notes | 5.250% | 6/15/26 | 280,000 | 302,400 |
| Humana Inc., Senior Notes | 3.950% | 3/15/27 | 290,000 | 303,569 |
| <i>Total Health Care Providers & Services</i> | | | | <i>4,582,534</i> |
| Pharmaceuticals - 1.6% | | | | |
| Actavis Funding SCS, Senior Notes | 4.750% | 3/15/45 | 191,000 | 207,451 |
| Teva Pharmaceutical Finance Netherlands III BV, Senior Notes | 4.100% | 10/1/46 | 650,000 | 549,691 |
| Valeant Pharmaceuticals International Inc., Senior Notes | 6.375% | 10/15/20 | 630,000 | 633,150 ^(a) |
| Valeant Pharmaceuticals International Inc., Senior Notes | 6.125% | 4/15/25 | 1,230,000 | 1,082,400 ^(a) |
| Valeant Pharmaceuticals International Inc., Senior Secured Notes | 7.000% | 3/15/24 | 290,000 | 310,326 ^(a) |
| <i>Total Pharmaceuticals</i> | | | | <i>2,783,018</i> |
| TOTAL HEALTH CARE | | | | 8,087,039 |
| INDUSTRIALS - 9.8% | | | | |
| Aerospace & Defense - 1.0% | | | | |
| Boeing Co., Notes | 6.125% | 2/15/33 | 600,000 | 790,532 |
| CBC Ammo LLC/CBC FinCo Inc., Senior Notes | 7.250% | 11/15/21 | 370,000 | 375,550 ^(a) |
| Hexcel Corp., Senior Notes | 3.950% | 2/15/27 | 500,000 | 511,062 |
| <i>Total Aerospace & Defense</i> | | | | <i>1,677,144</i> |
| Airlines - 2.8% | | | | |

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| | | | | |
|--|--------|---------|---------|------------------------|
| Air 2 U.S., Notes | 8.027% | 10/1/19 | 377,625 | 391,077 ^(a) |
| America West Airlines Inc., Pass-Through Certificates, Ambac Assurance Corp. | 8.057% | 7/2/20 | 868,195 | 981,060 |
| Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes | 6.900% | 1/2/18 | 34,932 | 35,194 |
| Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes | 6.820% | 5/1/18 | 102,596 | 104,904 |
| Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes | 6.545% | 2/2/19 | 479,243 | 497,214 |
| Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes | 8.048% | 11/1/20 | 216,312 | 240,376 |
| Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes | 6.703% | 6/15/21 | 118,250 | 125,937 |
| Delta Air Lines Inc., Pass-Through Certificates, Secured Notes | 8.021% | 8/10/22 | 81,512 | 93,331 |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2017

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|-------------|---------------------------|
| Airlines - (continued) | | | | |
| Northwest Airlines Corp., Pass-Through Certificates | 7.575% | 3/1/19 | 123,963 | \$ 129,542 |
| U.S. Airways, Pass-Through Certificates, Senior Secured Bonds | 6.850% | 1/30/18 | 340,472 | 348,984 |
| U.S. Airways, Pass-Through Certificates, Senior Secured Bonds | 7.125% | 10/22/23 | 1,319,876 | 1,555,210 |
| United Airlines Inc., Pass-Through Certificates, Secured Notes | 4.750% | 4/11/22 | 285,387 | 297,687 |
| <i>Total Airlines</i> | | | | <i>4,800,516</i> |
| Building Products - 0.3% | | | | |
| Standard Industries Inc., Senior Notes | 5.125% | 2/15/21 | 230,000 | 237,763 ^(a) |
| Standard Industries Inc., Senior Notes | 5.500% | 2/15/23 | 330,000 | 350,212 ^(a) |
| <i>Total Building Products</i> | | | | <i>587,975</i> |
| Commercial Services & Supplies - 0.7% | | | | |
| Multi-Color Corp., Senior Notes | 4.875% | 11/1/25 | 140,000 | 141,883 ^{(a)(i)} |
| United Rentals North America Inc., Senior Notes | 4.625% | 10/15/25 | 130,000 | 131,950 |
| United Rentals North America Inc., Senior Notes | 4.875% | 1/15/28 | 300,000 | 302,250 |
| West Corp., Senior Notes | 5.375% | 7/15/22 | 670,000 | 678,375 ^(a) |
| <i>Total Commercial Services & Supplies</i> | | | | <i>1,254,458</i> |
| Industrial Conglomerates - 0.4% | | | | |
| General Electric Co., Subordinated Notes | 5.300% | 2/11/21 | 623,000 | 685,366 |
| Machinery - 1.3% | | | | |
| Allison Transmission Inc., Senior Bonds | 5.000% | 10/1/24 | 1,150,000 | 1,196,402 ^(a) |
| Allison Transmission Inc., Senior Notes | 4.750% | 10/1/27 | 250,000 | 252,500 ^(a) |
| Tennant Co., Senior Notes | 5.625% | 5/1/25 | 700,000 | 729,750 ^(a) |
| <i>Total Machinery</i> | | | | <i>2,178,652</i> |
| Professional Services - 0.6% | | | | |
| IHS Markit Ltd., Senior Notes | 5.000% | 11/1/22 | 1,000,000 | 1,082,500 ^(a) |
| Road & Rail - 0.5% | | | | |
| Flexi-Van Leasing Inc., Senior Notes | 7.875% | 8/15/18 | 790,000 | 793,950 ^(a) |
| Trading Companies & Distributors - 1.2% | | | | |
| Ashtead Capital Inc., Secured Notes | 4.125% | 8/15/25 | 700,000 | 721,875 ^(a) |
| Ashtead Capital Inc., Secured Notes | 4.375% | 8/15/27 | 910,000 | 938,437 ^(a) |
| H&E Equipment Services Inc., Senior Notes | 5.625% | 9/1/25 | 470,000 | 497,025 ^(a) |
| <i>Total Trading Companies & Distributors</i> | | | | <i>2,157,337</i> |
| Transportation - 1.0% | | | | |
| Mexico City Airport Trust, Senior Secured Bonds | 5.500% | 10/31/46 | 1,000,000 | 1,023,300 ^(a) |
| Mexico City Airport Trust, Senior Secured Notes | 4.250% | 10/31/26 | 750,000 | 772,500 ^(a) |

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| | | | | |
|--|--------|----------|-----------|------------------------|
| <i>Total Transportation</i> | | | | <i>1,795,800</i> |
| TOTAL INDUSTRIALS | | | | 17,013,698 |
| INFORMATION TECHNOLOGY - 4.5% | | | | |
| Communications Equipment - 1.0% | | | | |
| Harris Corp., Senior Notes | 5.054% | 4/27/45 | 1,500,000 | 1,724,619 |
| IT Services - 0.4% | | | | |
| HP Enterprise Services LLC, Notes | 7.450% | 10/15/29 | 500,000 | 610,682 |
| Semiconductors & Semiconductor Equipment - 0.3% | | | | |
| Analog Devices Inc., Senior Notes | 2.500% | 12/5/21 | 490,000 | 491,490 |
| Software - 0.8% | | | | |
| j2 Cloud Services LLC/j2 Global Co.-Obligor Inc., Senior Notes | 6.000% | 7/15/25 | 520,000 | 546,650 ^(a) |
| Microsoft Corp., Senior Notes | 2.875% | 2/6/24 | 800,000 | 818,227 |
| <i>Total Software</i> | | | | <i>1,364,877</i> |
| Technology Hardware, Storage & Peripherals - 2.0% | | | | |
| Dell International LLC/EMC Corp., Senior Notes | 5.875% | 6/15/21 | 350,000 | 366,772 ^(a) |
| Dell International LLC/EMC Corp., Senior Notes | 7.125% | 6/15/24 | 320,000 | 353,686 ^(a) |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2017

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|-----------------------------|
| Technology Hardware, Storage & Peripherals - (continued) | | | | |
| Dell International LLC/EMC Corp., Senior Secured Notes | 4.420% | 6/15/21 | 1,300,000 | \$ 1,366,030 ^(a) |
| Seagate HDD Cayman, Senior Bonds | 4.750% | 1/1/25 | 1,220,000 | 1,188,398 |
| Seagate HDD Cayman, Senior Bonds | 4.875% | 6/1/27 | 260,000 | 245,622 |
| <i>Total Technology Hardware, Storage & Peripherals</i> | | | | 3,520,508 |
| TOTAL INFORMATION TECHNOLOGY | | | | 7,712,176 |
| MATERIALS - 6.6% | | | | |
| Chemicals - 1.3% | | | | |
| Braskem America Finance Co., Senior Notes | 7.125% | 7/22/41 | 920,000 | 1,048,800 ^(c) |
| Braskem Finance Ltd., Senior Notes | 5.375% | 5/2/22 | 230,000 | 245,525 ^(a) |
| Valvoline Inc., Senior Notes | 5.500% | 7/15/24 | 550,000 | 588,500 ^(a) |
| Venator Finance Sarl/Venator Materials Corp., Senior Notes | 5.750% | 7/15/25 | 410,000 | 427,425 ^(a) |
| <i>Total Chemicals</i> | | | | 2,310,250 |
| Construction Materials - 0.3% | | | | |
| U.S. Concrete Inc., Senior Notes | 6.375% | 6/1/24 | 420,000 | 454,650 |
| Containers & Packaging - 0.5% | | | | |
| Pactiv LLC, Senior Notes | 7.950% | 12/15/25 | 50,000 | 56,625 |
| Suzano Austria GmbH, Senior Notes | 5.750% | 7/14/26 | 730,000 | 786,064 ^(a) |
| <i>Total Containers & Packaging</i> | | | | 842,689 |
| Metals & Mining - 4.5% | | | | |
| Alcoa Nederland Holding BV, Senior Notes | 6.750% | 9/30/24 | 300,000 | 333,750 ^(a) |
| Alcoa Nederland Holding BV, Senior Notes | 7.000% | 9/30/26 | 560,000 | 637,000 ^(a) |
| Anglo American Capital PLC, Senior Notes | 3.625% | 5/14/20 | 450,000 | 462,892 ^(a) |
| Anglo American Capital PLC, Senior Notes | 4.125% | 9/27/22 | 210,000 | 218,688 ^(a) |
| Anglo American Capital PLC, Senior Notes | 3.625% | 9/11/24 | 200,000 | 199,744 ^(a) |
| ArcelorMittal SA, Senior Notes | 7.500% | 10/15/39 | 430,000 | 518,150 |
| First Quantum Minerals Ltd., Senior Notes | 7.500% | 4/1/25 | 260,000 | 266,825 ^(a) |
| Freeport-McMoRan Inc., Senior Notes | 2.375% | 3/15/18 | 230,000 | 230,575 |
| Freeport-McMoRan Inc., Senior Notes | 6.500% | 11/15/20 | 579,000 | 593,041 |
| Freeport-McMoRan Inc., Senior Notes | 6.875% | 2/15/23 | 630,000 | 689,850 |
| Freeport-McMoRan Inc., Senior Notes | 5.450% | 3/15/43 | 800,000 | 751,500 |
| Teck Resources Ltd., Senior Notes | 8.500% | 6/1/24 | 470,000 | 540,500 ^(a) |
| Teck Resources Ltd., Senior Notes | 6.250% | 7/15/41 | 210,000 | 238,207 |
| Vale Overseas Ltd., Senior Notes | 6.875% | 11/10/39 | 940,000 | 1,082,128 |
| Vale SA, Senior Notes | 5.625% | 9/11/42 | 1,090,000 | 1,117,250 |
| <i>Total Metals & Mining</i> | | | | 7,880,100 |
| TOTAL MATERIALS | | | | 11,487,689 |

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REAL ESTATE - 1.1%

Equity Real Estate Investment Trusts (REITs) - 1.1%

| | | | | |
|--|--------|----------|---------|---------|
| Care Capital Properties LP, Senior Notes | 5.125% | 8/15/26 | 250,000 | 256,891 |
| iStar Inc., Senior Bonds | 5.250% | 9/15/22 | 450,000 | 457,875 |
| MPT Operating Partnership LP/MPT Finance Corp., Senior Notes | 6.375% | 3/1/24 | 260,000 | 281,775 |
| MPT Operating Partnership LP/MPT Finance Corp., Senior Notes | 5.250% | 8/1/26 | 210,000 | 217,875 |
| MPT Operating Partnership LP/MPT Finance Corp., Senior Notes | 5.000% | 10/15/27 | 700,000 | 719,250 |

TOTAL REAL ESTATE

1,933,666

TELECOMMUNICATION SERVICES - 11.1%

Diversified Telecommunication Services - 7.4%

| | | | | |
|--|--------|---------|-----------|--------------------------|
| Cogent Communications Group Inc., Senior Secured Notes | 5.375% | 3/1/22 | 470,000 | 496,438 ^(a) |
| Orange SA, Notes | 9.000% | 3/1/31 | 600,000 | 912,866 |
| Qwest Corp., Senior Notes | 6.750% | 12/1/21 | 1,500,000 | 1,641,725 |
| Telecom Italia SpA, Senior Notes | 5.303% | 5/30/24 | 3,350,000 | 3,655,688 ^(a) |
| Telefonica Emisiones SAU, Senior Notes | 5.134% | 4/27/20 | 2,000,000 | 2,146,680 |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND**Schedule of investments (unaudited) (cont d)****September 30, 2017**

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|---------|------------------|----------------|---------------------------|
| Diversified Telecommunication Services - (continued) | | | | |
| Verizon Communications Inc., Senior Notes | 5.150% | 9/15/23 | 2,780,000 | \$ 3,120,324 |
| Windstream Services LLC, Senior Notes | 7.750% | 10/15/20 | 1,130,000 | 909,650 |
| <i>Total Diversified Telecommunication Services</i> | | | | <i>12,883,371</i> |
| Wireless Telecommunication Services - 3.7% | | | | |
| CSC Holdings LLC, Senior Notes | 6.625% | 10/15/25 | 610,000 | 669,475 ^(a) |
| CSC Holdings LLC, Senior Notes | 10.875% | 10/15/25 | 201,000 | 248,989 ^(a) |
| Sprint Capital Corp., Senior Notes | 6.875% | 11/15/28 | 420,000 | 471,450 |
| Sprint Capital Corp., Senior Notes | 8.750% | 3/15/32 | 30,000 | 38,437 |
| Sprint Communications Inc., Senior Notes | 9.000% | 11/15/18 | 500,000 | 537,710 ^(a) |
| Sprint Communications Inc., Senior Notes | 7.000% | 8/15/20 | 260,000 | 284,731 |
| Sprint Communications Inc., Senior Notes | 11.500% | 11/15/21 | 280,000 | 357,297 |
| Sprint Corp., Senior Notes | 7.875% | 9/15/23 | 760,000 | 883,500 |
| Sprint Spectrum Co., LLC/Sprint Spectrum Co. II LLC/Sprint Spectrum Co. III LLC, Senior Secured Notes | 3.360% | 9/20/21 | 2,290,000 | 2,330,075 ^(a) |
| VEON Holdings BV, Senior Notes | 5.950% | 2/13/23 | 570,000 | 620,445 ^(a) |
| <i>Total Wireless Telecommunication Services</i> | | | | <i>6,442,109</i> |
| TOTAL TELECOMMUNICATION SERVICES | | | | 19,325,480 |
| UTILITIES - 1.8% | | | | |
| Electric Utilities - 1.8% | | | | |
| FirstEnergy Corp., Notes | 7.375% | 11/15/31 | 1,770,000 | 2,360,301 |
| Pampa Energia SA, Senior Notes | 7.500% | 1/24/27 | 670,000 | 729,851 ^(a) |
| TOTAL UTILITIES | | | | 3,090,152 |
| TOTAL CORPORATE BONDS & NOTES | | | | |
| (Cost - \$170,086,016) | | | | 186,451,907 |
| ASSET-BACKED SECURITIES - 5.9% | | | | |
| AAA Trust, 2005-1A 1A3B (1 mo. LIBOR + 0.410%) | 1.647% | 2/27/35 | 456,313 | 417,275 ^{(a)(d)} |
| ACE Securities Corp., 2005-WF1 M1 (1 mo. USD LIBOR + 0.630%) | 1.867% | 5/25/35 | 53,831 | 53,996 ^(d) |
| Argent Securities Inc., 2003-W3 M1 (1 mo. USD LIBOR + 1.125%) | 2.362% | 9/25/33 | 32,125 | 29,252 ^(d) |
| Bayview Financial Asset Trust, 2007-SR1A M1 (1 mo. USD LIBOR + 0.800%) | 2.037% | 3/25/37 | 702,740 | 656,708 ^{(a)(d)} |
| Bayview Financial Asset Trust, 2007-SR1A M3 (1 mo. USD LIBOR + 1.150%) | 2.387% | 3/25/37 | 266,557 | 238,154 ^{(a)(d)} |
| Bayview Financial Asset Trust, 2007-SR1A M4 (1 mo. USD LIBOR + 1.500%) | 2.737% | 3/25/37 | 72,697 | 65,552 ^{(a)(d)} |
| Bear Stearns Asset-Backed Securities Trust, 2006-SD3 1P0, STRIPS, PO | 0.000% | 8/25/36 | 369,281 | 277,368 |
| Conseco Financial Corp., 1993-1 B | 8.450% | 4/15/18 | 1,200 | 47 |
| Contimortgage Home Equity Trust, 1997-4 B1F (6 mo. USD LIBOR + 5.520%) | 7.330% | 10/15/28 | 86,283 | 104,680 ^(d) |
| Countrywide Asset-Backed Certificates, 2004-3 3A3 (1 mo. USD LIBOR + 0.760%) | 1.997% | 8/25/34 | 317,417 | 314,461 ^(d) |

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| | | | | |
|---|--------|----------|---------|--------------------------|
| Countrywide Asset-Backed Certificates, 2007-13 2A1 (1 mo. USD LIBOR + 0.900%) | 2.137% | 10/25/47 | 569,882 | 569,070 ^(d) |
| Countrywide Asset-Backed Certificates, 2007-SEA2 1A1 (1 mo. USD LIBOR + 1.000%) | 2.237% | 8/25/47 | 16,624 | 16,320 ^{(a)(d)} |
| EMC Mortgage Loan Trust, 2003-B A1 (1 mo. USD LIBOR + 0.550%) | 2.334% | 11/25/41 | 10,057 | 9,738 ^{(a)(d)} |
| Firstfed Corp. Manufactured Housing Contract, 1996-1 B | 8.060% | 10/15/22 | 177,679 | 74,961 ^(a) |
| Greenpoint Manufactured Housing, 1999-3 2A2 (1 year Treasury Constant Maturity Rate + 3.800%) | 4.890% | 6/19/29 | 300,000 | 290,803 ^(d) |
| Greenpoint Manufactured Housing, 2001-2 IA2 (Auction Rate Security) | 4.731% | 2/20/32 | 250,000 | 238,270 ^(d) |
| Greenpoint Manufactured Housing, 2001-2 IIA2 (Auction Rate Security) | 4.724% | 3/13/32 | 400,000 | 382,084 ^(d) |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2017

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|---------------------------|
| ASSET-BACKED SECURITIES - (continued) | | | | |
| GSAA Home Equity Trust, 2004-8 A3A (1 mo. USD LIBOR + 0.740%) | 1.977% | 9/25/34 | 58,237 | \$ 58,388 ^(d) |
| GSAA Home Equity Trust, 2006-19 A3A (1 mo. USD LIBOR + 0.240%) | 1.477% | 12/25/36 | 477,332 | 283,598 ^(d) |
| GSAMP Trust, 2003-SEA2 A1 | 4.422% | 7/25/33 | 872,693 | 865,213 |
| Indymac Manufactured Housing Contract, 1997-1 A5 | 6.970% | 2/25/28 | 78,942 | 80,485 |
| Indymac Manufactured Housing Contract, 1998-2 A2 | 6.170% | 8/25/29 | 18,466 | 18,594 |
| Morgan Stanley Capital Inc., 2003-NC9 M (1 mo. USD LIBOR + 1.125%) | 2.362% | 9/25/33 | 668,351 | 662,433 ^(d) |
| Morgan Stanley Capital Inc., 2003-SD1 A1 (1 mo. USD LIBOR + 1.000%) | 2.237% | 3/25/33 | 11,001 | 10,872 ^(d) |
| Morgan Stanley Capital Inc., 2004-HE7 M1 (1 mo. USD LIBOR + 0.900%) | 2.137% | 8/25/34 | 1,539,471 | 1,539,833 ^(d) |
| Oakwood Mortgage Investors Inc., 2002-B A3 | 6.060% | 6/15/32 | 113,412 | 121,393 ^(d) |
| Origen Manufactured Housing, 2006-A A2 | 3.047% | 10/15/37 | 1,327,425 | 1,250,396 ^(d) |
| Origen Manufactured Housing, 2007-A A2 | 3.037% | 4/15/37 | 1,504,215 | 1,406,364 ^(d) |
| Park Place Securities Inc., 2004-WHQ2 M2 (1 mo. USD LIBOR + 0.945%) | 2.182% | 2/25/35 | 46,971 | 47,153 ^(d) |
| Renaissance Home Equity Loan Trust, 2004-2 AF4 | 5.392% | 7/25/34 | 68,335 | 68,518 |
| Settlement Fee Finance LLC, 2004-1A A | 9.100% | 7/25/34 | 88,875 | 89,757 ^(a) |
| TOTAL ASSET-BACKED SECURITIES | | | | |
| (Cost - \$8,640,685) | | | | 10,241,736 |
| COLLATERALIZED MORTGAGE OBLIGATIONS^(d) - 2.7% | | | | |
| American Home Mortgage Investment Trust, 2007-A 4A (1 mo. USD LIBOR + 0.900%) | 2.137% | 7/25/46 | 537,188 | 257,635 ^{(a)(d)} |
| Banc of America Funding Corp., 2004-B 6A1 | 2.133% | 12/20/34 | 213,794 | 165,215 ^(d) |
| Bear Stearns Alt-A Trust, 2004-03 A1 (1 mo. USD LIBOR + 0.640%) | 1.877% | 4/25/34 | 196,498 | 196,804 ^(d) |
| Bear Stearns Asset-Backed Securities Trust, 2002-AC1 B4 | 7.000% | 1/25/32 | 202,720 | 2 ^(a) |
| Chevy Chase Mortgage Funding Corp., 2004-4A A1 (1 mo. LIBOR + 0.460%) | 1.786% | 10/25/35 | 835,035 | 812,689 ^{(a)(d)} |
| Countrywide Home Loans, 2005-7 1A1 (1 mo. USD LIBOR + 0.540%) | 1.777% | 3/25/35 | 532,508 | 513,108 ^(d) |
| HarborView Mortgage Loan Trust, 2004-10 4A (6 mo. USD LIBOR + 2.170%) | 3.437% | 1/19/35 | 127,271 | 126,537 ^(d) |
| Impac CMB Trust, 2005-2 2A2 (1 mo. USD LIBOR + 0.800%) | 2.037% | 4/25/35 | 66,601 | 64,757 ^(d) |
| Impac CMB Trust, 2A-10 (1 mo. USD LIBOR + 0.640%) | 1.877% | 3/25/35 | 166,197 | 156,855 ^(d) |
| LB-UBS Commercial Mortgage Trust, 2001-C3 X, IO, STRIPS | 0.574% | 6/15/36 | 227,770 | 632 ^{(a)(d)} |
| Merit Securities Corp., 11PA 3A1 (1 mo. LIBOR + 0.620%) | 1.854% | 4/28/27 | 65,955 | 62,666 ^{(a)(d)} |
| Merit Securities Corp., 11PA B3 (1 mo. LIBOR + 2.250%) | 3.484% | 9/28/32 | 613,691 | 547,005 ^{(a)(d)} |
| Metropolitan Asset Funding Inc., 1998-BI B1 | 8.000% | 11/20/24 | 335,650 | 312,535 ^(d) |
| Prime Mortgage Trust, 2005-2 2XB, STRIPS, IO | 1.743% | 10/25/32 | 1,801,075 | 91,902 ^(d) |
| Prime Mortgage Trust, 2005-5 1X, STRIPS, IO | 1.036% | 7/25/34 | 3,239,049 | 136,953 ^(d) |
| Prime Mortgage Trust, 2005-5 1XB, STRIPS, IO | 1.153% | 7/25/34 | 70,095 | 68 ^(d) |
| Regal Trust IV, 1999-1 A (11th District Cost of Funds + 1.500%) | 2.207% | 9/29/31 | 8,149 | 7,719 ^{(a)(d)} |
| Residential Asset Mortgage Products Inc., 2005-SL2 AP0, STRIPS, PO | 0.000% | 2/25/32 | 7,153 | 6,239 |
| Sequoia Mortgage Trust, 2003-2 A2 (6 mo. USD LIBOR + 0.680%) | 2.079% | 6/20/33 | 16,752 | 16,714 ^(d) |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2017

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|-------------|--------------------------------|
| COLLATERALIZED MORTGAGE OBLIGATIONS^(j) - (continued) | | | | |
| Sequoia Mortgage Trust, 2004-10 A1A (1 mo. USD LIBOR + 0.620%) | 1.856% | 11/20/34 | 12,456 | \$ 12,389 ^(d) |
| Sequoia Mortgage Trust, 2004-12 A1 (1 mo. USD LIBOR + 0.540%) | 1.776% | 1/20/35 | 131,539 | 121,240 ^(d) |
| Structured Asset Securities Corp., 1998-RF2 A | 5.429% | 7/15/27 | 157,219 | 154,357 ^{(a)(d)} |
| Structured Asset Securities Corp., 2002-9 A2 (1 mo. USD LIBOR + 0.600%) | 1.837% | 10/25/27 | 280,824 | 277,651 ^(d) |
| Structured Asset Securities Corp., 2003-9A 2A2 (6 mo. USD LIBOR + 1.990%) | 3.266% | 3/25/33 | 97,781 | 97,897 ^(d) |
| Washington Mutual Inc., Mortgage Pass-Through Certificates, 2004-AR06 A (1 mo. USD LIBOR + 0.420%) | 1.657% | 5/25/44 | 254,378 | 251,816 ^(d) |
| Washington Mutual Inc., Mortgage Pass-Through Certificates, 2004-AR12 A2A (1 mo. USD LIBOR + 0.390%) | 1.627% | 10/25/44 | 215,685 | 214,068 ^(d) |
| Washington Mutual Inc., MSC Pass-Through Certificates, 2004-RA1 2A | 7.000% | 3/25/34 | 10,205 | 11,173 |
| TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS (Cost - \$3,743,347) | | | | 4,616,626 |
| CONVERTIBLE BONDS & NOTES - 0.8% | | | | |
| ENERGY - 0.5% | | | | |
| Oil, Gas & Consumable Fuels - 0.5% | | | | |
| Oasis Petroleum Inc., Senior Notes | 2.625% | 9/15/23 | 750,000 | 818,437 |
| HEALTH CARE - 0.2% | | | | |
| Jazz Investments I Ltd., Senior Notes | 1.500% | 8/15/24 | 370,000 | 364,913 ^(a) |
| INFORMATION TECHNOLOGY - 0.1% | | | | |
| Semiconductors & Semiconductor Equipment - 0.1% | | | | |
| ON Semiconductor Corp., Senior Notes | 1.625% | 10/15/23 | 230,000 | 268,238 ^(a) |
| TOTAL CONVERTIBLE BONDS & NOTES (Cost - \$1,397,851) | | | | 1,451,588 |
| MORTGAGE-BACKED SECURITIES - 0.1% | | | | |
| FNMA - 0.1% | | | | |
| Federal National Mortgage Association (FNMA), Whole Loan (Cost - \$133,049) | 6.500% | 8/25/44 | 131,508 | 151,029 |
| SENIOR LOANS - 6.3% | | | | |
| CONSUMER DISCRETIONARY - 2.1% | | | | |
| Auto Components - 0.3% | | | | |
| American Axle & Manufacturing Inc., Term Loan B (1 mo. LIBOR + 2.250%) | 3.490% | 4/6/24 | 493,750 | 493,699 ^{(d)(k)(l)} |
| Media - 0.3% | | | | |
| Charter Communications Operating LLC, 2016 Term Loan I Add (1 mo. LIBOR + 2.250%) | 3.490% | 1/15/24 | 498,734 | 501,332 ^{(d)(k)(l)} |
| Specialty Retail - 1.5% | | | | |
| PetSmart Inc., Term Loan B2 (1 mo. LIBOR + 3.000%) | 4.240% | 3/11/22 | 1,984,013 | 1,689,246 ^{(d)(k)(l)} |

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| | | | | |
|---|--------|--------|---------|------------------------------|
| Sally Holdings LLC, Term Loan B1 (1 mo. LIBOR + 2.500%) | 3.750% | 7/5/24 | 970,000 | 976,668 ^{(d)(k)(l)} |
| <i>Total Specialty Retail</i> | | | | 2,665,914 |
| TOTAL CONSUMER DISCRETIONARY | | | | 3,660,945 |
| ENERGY - 0.1% | | | | |
| Energy Equipment & Services - 0.1% | | | | |
| Hercules Offshore Inc. (wind-down lender claim) | | | 158,293 | 122,677 ^{*(f)} |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2017

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|---------|---------------|--------------------------|--|
| Oil, Gas & Consumable Fuels - 0.0% | | | | |
| Blue Ridge Mountain Resources Inc., Exit Term Loan (LIBOR + 7.000% Cash, LIBOR + 7.000% PIK) | 16.624% | 5/6/19 | 110,685 | \$ 110,131 ^{(b)(d)(f)(g)(k)(l)} |
| TOTAL ENERGY | | | | 232,808 |
| HEALTH CARE - 0.4% | | | | |
| Health Care Providers & Services - 0.4% | | | | |
| DaVita HealthCare Partners Inc., Term Loan B (1 mo. LIBOR + 2.750%) | 3.985% | 6/24/21 | 748,067 | 753,875 ^{(d)(k)(l)} |
| INDUSTRIALS - 0.9% | | | | |
| Delos Finance Sarl, 2017 Term Loan B | | 10/6/23 | 1,500,000 | 1,511,117 ^(m) |
| INFORMATION TECHNOLOGY - 0.9% | | | | |
| Technology Hardware, Storage & Peripherals - 0.9% | | | | |
| Dell Inc., Term Loan A2 (1 Week LIBOR + 2.250%) | 3.450% | 9/7/21 | 1,480,769 | 1,483,700 ^{(d)(k)(l)} |
| TELECOMMUNICATION SERVICES - 1.7% | | | | |
| Diversified Telecommunication Services - 1.7% | | | | |
| CenturyLink Inc., 2017 Term Loan B | 2.750% | 1/31/25 | 1,550,000 | 1,504,884 ^{(k)(l)} |
| Level 3 Financing Inc., 2017 Term Loan B (1 mo. LIBOR + 2.250%) | 3.486% | 2/22/24 | 500,000 | 500,447 ^{(d)(k)(l)} |
| Unitymedia Finance LLC, Term Loan B (1 mo. LIBOR + 2.250%) | 3.487% | 9/30/25 | 780,000 | 779,086 ^{(d)(k)(l)(m)} |
| Windstream Services LLC, Repriced Term Loan B6 (1 mo. LIBOR + 4.000%) | 5.240% | 3/29/21 | 229,421 | 205,331 ^{(d)(k)(l)} |
| TOTAL TELECOMMUNICATION SERVICES | | | | 2,989,748 |
| UTILITIES - 0.2% | | | | |
| Electric Utilities - 0.2% | | | | |
| Panda Temple Power LLC, 2015 Term Loan B (3 mo. LIBOR + 6.250% PIK) | 7.567% | 3/4/22 | 426,700 | 300,823 ^{*(b)(d)(k)(l)(n)} |
| TOTAL SENIOR LOANS | | | | 10,933,016 |
| (Cost - \$11,349,745) | | | | |
| SOVEREIGN BONDS - 5.0% | | | | |
| Argentina - 1.1% | | | | |
| Provincia de Buenos Aires, Senior Notes | 9.125% | 3/16/24 | 500,000 | 576,250 ^(a) |
| Republic of Argentina, Bonds (Argentina Central Bank 7 Day Repo Reference Rate) | 26.250% | 6/21/20 | 1,080,000 ^{ARS} | 65,232 ^(d) |
| Republic of Argentina, Bonds | 18.200% | 10/3/21 | 290,000 ^{ARS} | 17,330 |
| Republic of Argentina, Senior Bonds | 22.710% | 3/11/19 | 5,930,000 ^{ARS} | 346,355 ^(d) |
| Republic of Argentina, Senior Bonds | 6.875% | 4/22/21 | 340,000 | 371,238 |
| Republic of Argentina, Senior Bonds | 7.500% | 4/22/26 | 210,000 | 236,565 |
| Republic of Argentina, Senior Bonds | 7.125% | 7/6/36 | 300,000 | 315,750 |

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| | | | | |
|--------------------------------------|---------|----------|--------------------------|------------------|
| <i>Total Argentina</i> | | | | <i>1,928,720</i> |
| Brazil - 0.3% | | | | |
| Federative Republic of Brazil, Notes | 10.000% | 1/1/23 | 1,400,000 ^{BRL} | <i>454,901</i> |
| Colombia - 0.8% | | | | |
| Republic of Colombia, Senior Bonds | 4.000% | 2/26/24 | 1,250,000 | <i>1,304,062</i> |
| Peru - 0.8% | | | | |
| Republic of Peru, Senior Bonds | 4.125% | 8/25/27 | 1,250,000 | <i>1,381,250</i> |
| Poland - 0.9% | | | | |
| Republic of Poland, Bonds | 4.000% | 10/25/23 | 5,520,000 ^{PLN} | <i>1,603,130</i> |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2017

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|---------------------------|---------------------------|
| Russia - 1.1% | | | | |
| Russian Federal Bond, Bonds | 7.050% | 1/19/28 | 65,309,000 ^{RUB} | \$ 1,102,591 |
| Russian Foreign Bond - Eurobond, Senior Bonds | 4.875% | 9/16/23 | 800,000 | 872,555 ^(a) |
| <i>Total Russia</i> | | | | <i>1,975,146</i> |
| TOTAL SOVEREIGN BONDS | | | | |
| (Cost - \$8,509,469) | | | | |
| 8,647,209 | | | | |
| U.S. GOVERNMENT & AGENCY OBLIGATIONS - 3.1% | | | | |
| U.S. Government Obligations - 3.1% | | | | |
| U.S. Treasury Notes | 1.125% | 9/30/21 | 1,000,000 | 973,750 |
| U.S. Treasury Notes | 1.875% | 3/31/22 | 750,000 | 749,854 |
| U.S. Treasury Notes | 1.750% | 6/30/22 | 500,000 | 496,416 |
| U.S. Treasury Notes | 2.125% | 6/30/22 | 1,190,000 | 1,201,621 |
| U.S. Treasury Notes | 2.000% | 11/30/22 | 1,000,000 | 1,001,934 |
| U.S. Treasury Notes | 1.625% | 5/31/23 | 1,000,000 | 978,574 |
| TOTAL U.S. GOVERNMENT & AGENCY OBLIGATIONS | | | | |
| (Cost - \$5,412,289) | | | | |
| 5,402,149 | | | | |
| SHARES | | | | |
| COMMON STOCKS - 0.4% | | | | |
| ENERGY - 0.4% | | | | |
| Energy Equipment & Services - 0.0% | | | | |
| Hercules Offshore Inc. (Escrow) | | | 16,942 | 4,777 ^{*(f)(g)} |
| Oil, Gas & Consumable Fuels - 0.4% | | | | |
| Berry Petroleum Co. | | | 5,092 | 49,036* |
| Blue Ridge Mountain Resources Inc. | | | 52,812 | 517,558* |
| Sanchez Energy Corp. | | | 2,438 | 11,751* |
| <i>Total Oil, Gas & Consumable Fuels</i> | | | | <i>578,345</i> |
| TOTAL ENERGY | | | | |
| 583,122 | | | | |
| INDUSTRIALS - 0.0% | | | | |
| Marine - 0.0% | | | | |
| Tricer HoldCo, S.C.A. | | | 4,654 | 13,869 ^{*(f)(g)} |
| TOTAL COMMON STOCKS | | | | |
| (Cost - \$2,042,820) | | | | |
| 596,991 | | | | |
| CONVERTIBLE PREFERRED STOCKS - 0.2% | | | | |
| ENERGY - 0.2% | | | | |
| Oil, Gas & Consumable Fuels - 0.2% | | | | |
| Berry Petroleum Co., (6.000% Cash or 6.000% PIK) | 6.000% | | 5,554 | 64,593 ^(b) |

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| | | | |
|---|--------|-----------|--------------------------|
| Berry Petroleum Co., (6.000% Cash or 6.000% PIK) | 6.000% | 84 | 977 ^{(b)(o)} |
| Sanchez Energy Corp. | 6.500% | 12,700 | 251,079 ^(f) |
| TOTAL CONVERTIBLE PREFERRED STOCKS | | | |
| (Cost - \$613,343) | | | 316,649 |
| PREFERRED STOCKS - 1.2% | | | |
| FINANCIALS - 1.2% | | | |
| Diversified Financial Services - 1.2% | | | |
| Citigroup Capital XIII (3 mo. USD LIBOR + 6.370%) | 7.681% | 75,725 | 2,103,641 ^(d) |
| Corporate-Backed Trust Certificates, Series 2001-8, Class A-1 | 7.375% | 33,900 | 3 ^{*(g)(n)} |
| TOTAL FINANCIALS | | | 2,103,644 |
| INDUSTRIALS - 0.0% | | | |
| Marine - 0.0% | | | |
| Tricer Tracking Preferred Equity Certificates | 8.000% | 2,068,500 | 20,685 ^{(f)(g)} |
| TOTAL PREFERRED STOCKS | | | |
| (Cost - \$2,152,147) | | | 2,124,329 |
| TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS | | | |
| (Cost - \$214,080,761) | | | 230,933,229 |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND**Schedule of investments (unaudited) (cont d)****September 30, 2017**

| SECURITY | RATE | SHARES | VALUE |
|--|--------|---------|---------------------------|
| SHORT-TERM INVESTMENTS - 0.3% | | | |
| Western Asset Government Cash Management Portfolio LLC (Cost - \$501,317) | 1.050% | 501,317 | \$ 501,317 ^(p) |
| TOTAL INVESTMENTS** - 133.5% | | | 231,434,546 |
| (Cost - \$214,582,078) | | | (58,043,640) |
| Liabilities in Excess of Other Assets - (33.5)% | | | (58,043,640) |
| TOTAL NET ASSETS - 100.0% | | | \$ 173,390,906 |

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) Value is less than \$1.
- (f) Security is valued using significant unobservable inputs (See Note 1).
- (g) Security is valued in good faith in accordance with procedures approved by the Board of Trustees (See Note 1).

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- (h) Security has no maturity date. The date shown represents the next call date.
- (i) Securities traded on a when-issued or delayed delivery basis.
- (j) 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.
- (k) 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.
- (l) Interest rates disclosed represent the effective rates on senior loans. Ranges in interest rates are attributable to multiple contracts under the same loan.
- (m) All or a portion of this loan is unfunded as of September 30, 2017. The interest rate for fully unfunded term loans is to be determined.
- (n) The coupon payment on these securities is currently in default as of September 30, 2017.
- (o) Restricted security (See Note 3).
- (p) 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, 2017, the total market value of investments in Affiliated Companies was \$501,317 and the cost was \$501,317 (See Note 2).

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Abbreviations used in this schedule:

| | |
|--------|--|
| ARS | Argentine Peso |
| BRL | Brazilian Real |
| GBP | British Pound |
| IO | Interest Only |
| LIBOR | London Interbank Offered Rate |
| PLN | Polish Zloty |
| PO | Principal Only |
| RUB | Russian Ruble |
| STRIPS | Separate Trading of Registered Interest and Principal Securities |

At September 30, 2017, the Fund had the following open forward foreign currency contracts:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|-------------------|-----------------|--|
| GBP 25,000 | USD 32,687 | Barclays Bank PLC | 10/19/17 | \$ 831 |
| USD 1,981,313 | GBP 1,527,200 | Barclays Bank PLC | 10/19/17 | (66,212) |
| Total | | | | \$ (65,381) |

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. Short-term fixed income securities that will mature in 60 days or less are valued at amortized cost, unless it is determined that using this method would not reflect an investment's fair value. 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.

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.

Notes to Schedule of Investments (unaudited) (continued)

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.

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

| DESCRIPTION | ASSETS | | | TOTAL |
|--------------------------------------|----------------------------|---|--|----------------|
| | QUOTED PRICES (LEVEL 1) | OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) | SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) | |
| Long-Term Investments : | | | | |
| Corporate Bonds & Notes: | | | | |
| Energy | | \$ 36,400,938 | \$ 0* | \$ 36,400,938 |
| Other Corporate Bonds & Notes | | 150,050,969 | | 150,050,969 |
| Asset-Backed Securities | | 10,241,736 | | 10,241,736 |
| Collateralized Mortgage Obligations | | 4,616,626 | | 4,616,626 |
| Convertible Bonds & Notes | | 1,451,588 | | 1,451,588 |
| Mortgage-Backed Securities | | 151,029 | | 151,029 |
| Senior Loans: | | | | |
| Energy | | | 232,808 | 232,808 |
| Other Senior Loans | | 10,700,208 | | 10,700,208 |
| Sovereign Bonds | | 8,647,209 | | 8,647,209 |
| U.S. Government & Agency Obligations | | 5,402,149 | | 5,402,149 |
| Common Stocks: | | | | |
| Energy | \$ 529,309 | 49,036 | 4,777 | 583,122 |
| Industrials | | | 13,869 | 13,869 |
| Convertible Preferred Stocks: | | | | |
| Energy | | 65,570 | 251,079 | 316,649 |
| Preferred Stocks: | | | | |
| Financials | 2,103,641 | 3 | | 2,103,644 |
| Industrials | | | 20,685 | 20,685 |
| Total Long-Term Investments | \$ 2,632,950 | \$ 227,777,061 | \$ 523,218 | \$ 230,933,229 |
| Short-Term Investments | | 501,317 | | 501,317 |
| Total Investments | \$ 2,632,950 | \$ 228,278,378 | \$ 523,218 | \$ 231,434,546 |
| Other Assets | | | 7,743 | 7,743 |

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| | | | | |
|------------------------------------|--------------|----------------|------------|----------------|
| Other Financial Instruments: | | | | |
| Forward Foreign Currency Contracts | | | 831 | 831 |
| Total | \$ 2,632,950 | \$ 228,279,209 | \$ 530,961 | \$ 231,443,120 |

LIABILITIES

| DESCRIPTION | QUOTED PRICES (LEVEL 1) | OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) | SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) | TOTAL |
|------------------------------------|------------------------------------|--|--|--------------|
| Other Financial Instruments: | | | | |
| Forward Foreign Currency Contracts | | \$ 66,212 | | \$ 66,212 |

See Schedule of Investments for additional detailed categorizations.

* Amount represents less than \$1.

Notes to Schedule of Investments (unaudited) (continued)

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 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, 2017. The following transactions were effected in shares of such companies for the period ended September 30, 2017.

| | Purchased | | Sold | | Net Increase (Decrease) in Unrealized Appreciation (Depreciation) | | | Affiliate Value at September 30, 2017 |
|--|--------------------------------------|---------------|------------|---------------|---|----------------------|-----------------|---------------------------------------|
| | Affiliate Value at December 31, 2016 | Cost | Shares | Cost | Shares | Realized Gain (Loss) | Interest Income | |
| Western Asset Government Cash Management Portfolio LLC | | \$ 11,401,317 | 11,401,317 | \$ 10,900,000 | 10,900,000 | | \$ 1,947 | \$ 501,317 |

3. Restricted securities

The following Fund investment is restricted as to resale.

| Security | Number of Shares | Acquisition Date | Cost | Value at 9/30/2017 | Value per Share | Percent of Net Assets |
|---------------------|------------------|------------------|--------|--------------------|-----------------|-----------------------|
| Berry Petroleum Co. | 84 | 2/17 | \$ 840 | \$ 977 | \$ 11.63 | 0.00% |

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 22, 2017

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 22, 2017

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

Date: November 22, 2017