

WESTERN ASSET PREMIER BOND FUND

Form N-Q

May 30, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-10603

Western Asset Premier Bond Fund

(Exact Name of Registrant as Specified In Its Charter)

Address of Principal Executive Offices: 385 East Colorado Boulevard

Pasadena, CA 91101

Name and address of agent for service: Charles A. Ruys de Perez

385 East Colorado Boulevard

Pasadena, CA 91101

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

Date of fiscal year end: December 31, 2007

Date of reporting period: March 31, 2007

Item 1 Schedule of Investments

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2007 (Unaudited)

(Amounts in thousands)

| | % OF | | | | |
|-------------------------------------|---------------|---------|------------------|--------|------------------|
| | NET ASSETS | RATE | MATURITY DATE | PAR | VALUE |
| Long-Term Securities | 144.9% | | | | |
| Corporate Bonds and Notes | 78.5% | | | | |
| Advertising | 0.3% | | | | |
| Affinion Group, Inc. | | 10.125% | 10/15/13 | \$ 180 | \$ 196 |
| Affinion Group, Inc. | | 11.500% | 10/15/15 | 210 | 231 |
| Lamar Media Corporation | | 6.625% | 8/15/15 | 120 | 117 |
| | | | | | 544 |
| Aerospace/Defense | 1.3% | | | | |
| DRS Technologies, Inc. | | 6.625% | 2/1/16 | 300 | 303 |
| Northrop Grumman Corporation | | 7.750% | 2/15/31 | 1,000 | 1,232 |
| The Boeing Company | | 6.125% | 2/15/33 | 600 | 644 |
| TransDigm Inc. | | 7.750% | 7/15/14 | 110 | 114 ^A |
| | | | | | 2,293 |
| Apparel | 0.3% | | | | |
| Levi Strauss & Company | | 9.750% | 1/15/15 | 120 | 132 |
| Levi Strauss & Company | | 8.875% | 4/1/16 | 50 | 53 |
| Oxford Industries, Inc. | | 8.875% | 6/1/11 | 270 | 279 |
| | | | | | 464 |
| Auto Parts and Equipment | 0.5% | | | | |
| Keystone Automotive Operations Inc. | | 9.750% | 11/1/13 | 480 | 467 |
| Visteon Corporation | | 8.250% | 8/1/10 | 435 | 444 |
| | | | | | 911 |
| Automotive | 1.6% | | | | |
| DaimlerChrysler NA Holdings Corp. | | 7.300% | 1/15/12 | 1,000 | 1,079 |
| DaimlerChrysler NA Holdings Corp. | | 8.500% | 1/18/31 | 1,000 | 1,249 |
| Ford Motor Company | | 4.250% | 12/15/36 | 150 | 165 ^B |
| General Motors Corporation | | 8.375% | 7/15/33 | 420 | 377 |
| | | | | | 2,870 |
| Banking and Finance | 3.4% | | | | |
| Boeing Capital Corporation | | 6.500% | 2/15/12 | 1,000 | 1,063 |
| Boeing Capital Corporation | | 5.800% | 1/15/13 | 400 | 413 |
| E*TRADE Financial Corporation | | 7.375% | 9/15/13 | 160 | 167 |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | |
|---------------------------------|--------|---------|-------|-------|-----|
| E*TRADE Financial Corporation | 7.875% | 12/1/15 | 35 | 38 | |
| Ford Motor Credit Company | 8.110% | 1/13/12 | 70 | 68 | C |
| Fuji JGB Inv | 9.870% | 6/30/08 | 790 | 831 | A,C |
| General Motors Acceptance Corp. | 6.875% | 8/28/12 | 150 | 149 | |
| General Motors Acceptance Corp. | 8.000% | 11/1/31 | 1,530 | 1,640 | |
| HSBC Finance Corporation | 4.750% | 7/15/13 | 1,670 | 1,613 | D |

5,982

| | | | | | |
|---------------------------|--------|---------|-----|-----|--|
| Banks | 0.3% | | | | |
| Washington Mutual Bank FA | 5.500% | 1/15/13 | 440 | 439 | |

| | | | | | |
|--|--------|---------|-----|-----|--|
| Builders-Residential/Commercial | 0.2% | | | | |
| Beazer Homes USA, Inc. | 8.125% | 6/15/16 | 45 | 42 | |
| K Hovnanian Enterprises, Inc. | 8.625% | 1/15/17 | 300 | 290 | |

332

| | | | | | |
|---------------------------|--------|--------|-----|-----|---|
| Building Materials | 0.3% | | | | |
| Nortek Inc. | 8.500% | 9/1/14 | 180 | 175 | |
| NTK Holdings Inc. | 0.000% | 3/1/14 | 550 | 399 | E |

574

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2007 (Unaudited)

(Amounts in thousands)

| | % OF | | | | |
|--|------------|---------|------------------|-------|---------|
| | NET ASSETS | RATE | MATURITY DATE | PAR | VALUE |
| Corporate Bonds and Notes Continued | | | | | |
| Cable | 2.6% | | | | |
| Charter Communication Holdings LLC | | 9.920% | 4/1/11 | \$ 20 | \$ 20 E |
| Charter Communication Holdings LLC | | 11.750% | 5/15/11 | 110 | 111 E |
| Charter Communication Holdings LLC | | 12.125% | 1/15/12 | 60 | 61 E |
| Charter Communication Holdings LLC | | 11.750% | 5/15/14 | 420 | 402 E |
| Charter Communication Holdings LLC | | 11.000% | 10/1/15 | 337 | 350 |
| Charter Communication Holdings II | | 10.250% | 9/15/10 | 280 | 295 |
| Charter Communication Holdings II | | 10.250% | 10/1/13 | 46 | 50 |
| Comcast Cable Communications, Inc. | | 6.750% | 1/30/11 | 500 | 527 |
| Comcast Corporation | | 5.900% | 3/15/16 | 400 | 407 |
| Comcast Corporation | | 7.050% | 3/15/33 | 1,000 | 1,074 |
| CSC Holdings Inc. | | 8.125% | 7/15/09 | 30 | 31 A |
| CSC Holdings Inc. | | 8.125% | 8/15/09 | 40 | 41 |
| CSC Holdings Inc. | | 7.625% | 4/1/11 | 50 | 51 |
| CSC Holdings Inc. | | 6.750% | 4/15/12 | 250 | 248 |
| CSC Holdings Inc. | | 7.875% | 2/15/18 | 45 | 46 |
| EchoStar DBS Corp. | | 7.000% | 10/1/13 | 600 | 618 |
| LodgeNet Entertainment Corporation | | 9.500% | 6/15/13 | 231 | 252 |
| | | | | | 4,584 |
| Casino Resorts | 1.1% | | | | |
| Inn of The Mountain Gods | | 12.000% | 11/15/10 | 530 | 576 |
| MGM MIRAGE | | 8.500% | 9/15/10 | 10 | 11 |
| Pinnacle Entertainment, Inc. | | 8.250% | 3/15/12 | 250 | 257 |
| Premier Entertainment Biloxi LLC | | 10.750% | 2/1/12 | 707 | 732 |
| Station Casinos, Inc. | | 7.750% | 8/15/16 | 205 | 210 |
| Station Casinos, Inc. | | 6.625% | 3/15/18 | 100 | 89 |
| | | | | | 1,875 |
| Chemicals | 1.8% | | | | |
| Chemtura Corporation | | 6.875% | 6/1/16 | 45 | 44 |
| Georgia Gulf Corporation | | 9.500% | 10/15/14 | 310 | 298 A |
| Huntsman International LLC | | 7.875% | 11/15/14 | 95 | 98 A |
| Lyondell Chemical Company | | 10.500% | 6/1/13 | 135 | 148 |
| The Dow Chemical Company | | 6.000% | 10/1/12 | 2,500 | 2,578 |
| Westlake Chemical Corporation | | 6.625% | 1/15/16 | 70 | 68 |
| | | | | | 3,234 |
| Coal | 0.1% | | | | |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | |
|--------------------------------|---------|---------|-----|-----|
| International Coal Group, Inc. | 10.250% | 7/15/14 | 220 | 221 |
|--------------------------------|---------|---------|-----|-----|

| | | | | |
|---|-------------|----------|-----|-----|
| Computers Services and Systems | 1.7% | | | |
| Activant Solutions, Inc. | 9.500% | 5/1/16 | 165 | 163 |
| DynCorp Inc. | 9.500% | 2/15/13 | 502 | 535 |
| Electronic Data Systems Corporation | 7.125% | 10/15/09 | 700 | 730 |
| Electronic Data Systems Corporation | 7.450% | 10/15/29 | 500 | 545 |
| International Business Machines Corporation | 4.750% | 11/29/12 | 240 | 237 |
| Sungard Data Systems Inc. | 10.250% | 8/15/15 | 630 | 687 |

2,897

| | | | | |
|---------------------------------------|-------------|----------|-----|-----|
| Containers and Packaging | 0.3% | | | |
| Graham Packaging Company Inc. | 9.875% | 10/15/14 | 298 | 304 |
| Graphic Packaging International Corp. | 9.500% | 8/15/13 | 210 | 223 |

527

| | | | | |
|-------------------------------|-------------|---------|-----|-----|
| Construction Machinery | 0.2% | | | |
| H&E Equipment Services, Inc. | 8.375% | 7/15/16 | 300 | 319 |

| | | | | |
|--------------------------------|-------------|---------|-----|-----|
| Consumer Products | 0.1% | | | |
| American Greetings Corporation | 7.375% | 6/1/16 | 20 | 21 |
| FTD, Inc. | 7.750% | 2/15/14 | 140 | 141 |

162

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2007 (Unaudited)

(Amounts in thousands)

| | % OF | | | | |
|--|------------|---------|------------------|--------|---------------------|
| | NET ASSETS | RATE | MATURITY DATE | PAR | VALUE |
| Corporate Bonds and Notes Continued | | | | | |
| Diversified Financial Services | 1.8% | | | | |
| AAC Group Holding Corp. | | 0.000% | 10/1/12 | \$ 440 | \$ 395 ^E |
| Citigroup Inc. | | 6.625% | 6/15/32 | 1,000 | 1,076 |
| General Electric Capital Corporation | | 3.750% | 12/15/09 | 740 | 717 |
| General Electric Capital Corporation | | 6.000% | 6/15/12 | 700 | 727 |
| General Electric Capital Corporation | | 5.450% | 1/15/13 | 250 | 253 |
| | | | | | 3,168 |
| Drug & Grocery Store Chains | 2.1% | | | | |
| CVS Corporation | | 5.789% | 1/10/26 | 920 | 903 ^A |
| CVS Lease Pass Through | | 5.880% | 1/10/28 | 994 | 986 ^A |
| CVS Lease Pass Through | | 6.036% | 12/10/28 | 995 | 1,006 ^A |
| Delhaize America, Inc. | | 9.000% | 4/15/31 | 180 | 216 |
| Safeway Inc. | | 5.800% | 8/15/12 | 500 | 506 |
| | | | | | 3,617 |
| Education | 0.2% | | | | |
| Education Management LLC | | 8.750% | 6/1/14 | 100 | 105 |
| Education Management LLC | | 10.250% | 6/1/16 | 240 | 260 |
| | | | | | 365 |
| Electric | 6.3% | | | | |
| Dominion Resources, Inc. | | 5.700% | 9/17/12 | 770 | 787 |
| Duke Energy Corporation | | 6.250% | 1/15/12 | 250 | 262 |
| Edison Mission Energy | | 7.500% | 6/15/13 | 20 | 21 |
| Edison Mission Energy | | 7.750% | 6/15/16 | 180 | 188 |
| Exelon Generation Co. LLC | | 6.950% | 6/15/11 | 2,000 | 2,097 |
| FirstEnergy Corp. | | 6.450% | 11/15/11 | 610 | 639 |
| FirstEnergy Corp. | | 7.375% | 11/15/31 | 3,040 | 3,454 |
| IPALCO Enterprises Inc. | | 8.625% | 11/14/11 | 130 | 140 |
| MidAmerican Energy Holdings Company | | 5.875% | 10/1/12 | 250 | 257 |
| Niagara Mohawk Power Corporation | | 7.750% | 10/1/08 | 1,500 | 1,553 |
| Progress Energy, Inc. | | 7.100% | 3/1/11 | 117 | 125 |
| Progress Energy, Inc. | | 6.850% | 4/15/12 | 750 | 804 |
| The AES Corporation | | 9.000% | 5/15/15 | 440 | 470 ^A |
| TXU Electric Delivery Company | | 7.000% | 9/1/22 | 250 | 268 |
| | | | | | 11,065 |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | |
|----------------------------|---------|----------|-----|-----|--|
| Energy | 1.1% | | | | |
| Midwest Generation LLC | 8.560% | 1/2/16 | 83 | 91 | |
| Midwest Generation LLC | 8.750% | 5/1/34 | 325 | 353 | |
| Mirant North America LLC | 7.375% | 12/31/13 | 350 | 359 | |
| NRG Energy, Inc. | 7.375% | 2/1/16 | 505 | 519 | |
| NRG Energy, Inc. | 7.375% | 1/15/17 | 225 | 231 | |
| Orion Power Holdings, Inc. | 12.000% | 5/1/10 | 150 | 173 | |
| Petrohawk Energy Corp. | 9.125% | 7/15/13 | 145 | 154 | |

1,880

| | | | | | |
|------------------------|---------|---------|-----|-----|--|
| Entertainment | 0.4% | | | | |
| AMC Entertainment Inc. | 11.000% | 2/1/16 | 425 | 484 | |
| Warner Music Group | 7.375% | 4/15/14 | 170 | 162 | |

646

| | | | | | |
|-------------------------------|--------|---------|-------|-------|---|
| Environmental Services | 1.3% | | | | |
| Waste Management, Inc. | 7.375% | 5/15/29 | 2,000 | 2,199 | D |
| Waste Management, Inc. | 7.750% | 5/15/32 | 40 | 46 | |

2,245

| | | | | | |
|-----------------------------------|---------|---------|-------|-------|--|
| Food, Beverage and Tobacco | 2.3% | | | | |
| Alliance One International, Inc. | 11.000% | 5/15/12 | 130 | 143 | |
| Altria Group, Inc. | 7.000% | 11/4/13 | 250 | 271 | |
| Altria Group, Inc. | 7.750% | 1/15/27 | 1,000 | 1,195 | |
| Dole Foods Co. | 7.250% | 6/15/10 | 285 | 272 | |
| Kraft Foods Inc. | 5.250% | 10/1/13 | 400 | 394 | |
| Nabisco Inc. | 7.550% | 6/15/15 | 1,500 | 1,687 | |

3,962

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2007 (Unaudited)

(Amounts in thousands)

| | % OF | | | | |
|--|------------|---------|------------------|-------|--------------------|
| | NET ASSETS | RATE | MATURITY DATE | PAR | VALUE |
| Corporate Bonds and Notes Continued | | | | | |
| Gaming | 0.2% | | | | |
| Isle of Capri Casinos, Inc. | | 9.000% | 3/15/12 | \$ 20 | \$ 21 |
| Isle of Capri Casinos, Inc. | | 7.000% | 3/1/14 | 60 | 59 |
| Pokagon Gaming Authority | | 10.375% | 6/15/14 | 250 | 276 ^A |
| | | | | | 356 |
| Gas and Pipeline Utilities | 2.1% | | | | |
| Colorado Interstate Gas Company | | 6.800% | 11/15/15 | 150 | 160 |
| Duke Energy Field Services Corporation | | 7.875% | 8/16/10 | 750 | 810 |
| Kinder Morgan Energy Partners, L.P. | | 7.125% | 3/15/12 | 500 | 536 |
| Panhandle Eastern Pipe Line Company | | 4.800% | 8/15/08 | 400 | 397 |
| Southern Natural Gas Company | | 8.000% | 3/1/32 | 20 | 24 |
| Texas Eastern Transmission | | 5.250% | 7/15/07 | 750 | 749 |
| The Williams Companies, Inc. | | 7.500% | 1/15/31 | 902 | 956 |
| The Williams Companies, Inc. | | 8.750% | 3/15/32 | 85 | 98 |
| | | | | | 3,730 |
| Healthcare | 2.2% | | | | |
| Fresenius Medical Care Capital Trust II | | 7.875% | 2/1/08 | 250 | 253 |
| Tenet Healthcare Corporation | | 9.250% | 2/1/15 | 2,810 | 2,782 |
| Triad Hospitals, Inc. | | 7.000% | 11/15/13 | 150 | 157 |
| Vanguard Health Holding Co. II, LLC | | 9.000% | 10/1/14 | 735 | 744 |
| | | | | | 3,936 |
| Insurance | 0.2% | | | | |
| Crum & Forster Holdings Corporation | | 10.375% | 6/15/13 | 360 | 389 |
| Investment Banking/Brokerage | 4.1% | | | | |
| Credit Suisse First Boston, USA | | 6.500% | 1/15/12 | 1,125 | 1,183 |
| J.P. Morgan Chase & Co. | | 5.750% | 1/2/13 | 1,750 | 1,795 |
| J.P. Morgan Chase & Co. | | 5.125% | 9/15/14 | 1,300 | 1,280 ^D |
| Morgan Stanley | | 6.600% | 4/1/12 | 1,500 | 1,588 |
| The Goldman Sachs Group, Inc. | | 6.600% | 1/15/12 | 1,200 | 1,267 |
| | | | | | 7,113 |
| Manufacturing (Diversified) | 1.9% | | | | |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | |
|-----------------------------|---------|----------|-------|-------|---|
| Eastman Kodak Company | 7.250% | 11/15/13 | 1,800 | 1,818 | |
| Interface, Inc. | 10.375% | 2/1/10 | 400 | 441 | |
| Leiner Health Products L.P. | 11.000% | 6/1/12 | 280 | 279 | |
| Norcraft Companies, L.P. | 9.000% | 11/1/11 | 360 | 371 | |
| Norcraft Companies, L.P. | 0.000% | 9/1/12 | 155 | 139 | E |
| Nutro Products Inc. | 10.750% | 4/15/14 | 115 | 124 | A |
| Simmons Company | 0.000% | 12/15/14 | 90 | 74 | E |

3,246

| | | | | | |
|------------------------------------|-------------|---------|-------|-------|-----|
| Media | 3.3% | | | | |
| AOL Time Warner Inc. | 6.150% | 5/1/07 | 250 | 250 | |
| AOL Time Warner Inc. | 6.875% | 5/1/12 | 1,400 | 1,492 | |
| AOL Time Warner Inc. | 7.700% | 5/1/32 | 1,150 | 1,304 | |
| Clear Channel Communications, Inc. | 4.900% | 5/15/15 | 700 | 589 | |
| CMP Susquehanna | 9.875% | 5/15/14 | 190 | 195 | A |
| ION Media Networks, Inc. | 11.610% | 1/15/13 | 55 | 57 | A,C |
| Liberty Media Corporation | 3.750% | 2/15/30 | 1,860 | 1,149 | B |
| News America Holdings Inc. | 6.625% | 1/9/08 | 300 | 303 | |
| News America Holdings Inc. | 8.875% | 4/26/23 | 400 | 499 | |

5,838

| | | | | | |
|--------------------------------|-------------|----------|-----|-----|---|
| Medical Care Facilities | 0.8% | | | | |
| DaVita Inc. | 6.625% | 3/15/13 | 100 | 100 | A |
| DaVita, Inc. | 7.250% | 3/15/15 | 300 | 303 | |
| HCA, Inc. | 6.300% | 10/1/12 | 85 | 79 | |
| HCA, Inc. | 6.500% | 2/15/16 | 105 | 89 | |
| HCA, Inc. | 9.250% | 11/15/16 | 195 | 210 | A |
| HCA, Inc. | 9.625% | 11/15/16 | 175 | 189 | A |
| HCA, Inc. | 7.690% | 6/15/25 | 90 | 78 | |
| HCA, Inc. | 7.500% | 11/15/95 | 485 | 387 | |

1,435

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2007 (Unaudited)

(Amounts in thousands)

| | % OF | | | | |
|--|------------|---------|------------------|--------|---------------------|
| | NET ASSETS | RATE | MATURITY DATE | PAR | VALUE |
| Corporate Bonds and Notes Continued | | | | | |
| Metals and Mining | 1.5% | | | | |
| Alcoa Inc. | | 5.375% | 1/15/13 | \$ 750 | \$ 746 ^D |
| Freeport-McMoRan Copper & Gold, Inc. | | 8.375% | 4/1/17 | 960 | 1,038 |
| Metals USA, Inc. | | 11.125% | 12/1/15 | 445 | 494 |
| Mueller Group Inc. | | 10.000% | 5/1/12 | 20 | 22 |
| Mueller Holdings Inc. | | 0.000% | 4/15/14 | 265 | 241 ^E |
| Tube City IMS Corporation | | 9.750% | 2/1/15 | 130 | 135 ^A |
| | | | | | 2,676 |
| Office Equipment | 0.2% | | | | |
| Xerox Corporation | | 6.750% | 2/1/17 | 280 | 293 |
| Oil and Gas | 7.7% | | | | |
| AmeriGas Partners, L.P. | | 7.250% | 5/20/15 | 90 | 91 |
| Belden & Blake Corporation | | 8.750% | 7/15/12 | 750 | 767 |
| Chesapeake Energy Corporation | | 6.375% | 6/15/15 | 480 | 478 |
| Chesapeake Energy Corporation | | 6.625% | 1/15/16 | 30 | 30 |
| Chesapeake Energy Corporation | | 6.500% | 8/15/17 | 140 | 138 |
| Complete Production Services | | 8.000% | 12/15/16 | 150 | 154 ^A |
| ConocoPhillips | | 4.750% | 10/15/12 | 1,000 | 987 |
| Devon Energy Corporation | | 7.950% | 4/15/32 | 1,000 | 1,199 |
| Devon Finance Corp. ULC | | 6.875% | 9/30/11 | 2,000 | 2,128 |
| El Paso Corporation | | 6.375% | 2/1/09 | 333 | 338 |
| El Paso Corporation | | 7.750% | 6/15/10 | 1,496 | 1,593 |
| El Paso Corporation | | 7.625% | 7/15/11 | 500 | 537 |
| El Paso Corporation | | 7.800% | 8/1/31 | 190 | 210 |
| Encore Acquisition | | 6.000% | 7/15/15 | 45 | 40 |
| EXCO Resources, Inc. | | 7.250% | 1/15/11 | 275 | 276 |
| Geokinetics Inc. | | 11.855% | 12/15/12 | 50 | 52 ^{A,C} |
| Hess Corporation | | 7.875% | 10/1/29 | 1,640 | 1,892 |
| Hess Corporation | | 7.300% | 8/15/31 | 60 | 66 |
| Occidental Petroleum Corporation | | 6.750% | 1/15/12 | 500 | 536 |
| Parker Drilling Company | | 9.625% | 10/1/13 | 300 | 326 |
| Pride International, Inc. | | 7.375% | 7/15/14 | 240 | 246 |
| SemGroup LP | | 8.750% | 11/15/15 | 305 | 310 ^A |
| SESI LLC | | 6.875% | 6/1/14 | 10 | 10 |
| Stone Energy Corporation | | 8.250% | 12/15/11 | 145 | 144 |
| Suburban Propane Partners, LP | | 6.875% | 12/15/13 | 580 | 571 |
| Valero Energy Corporation | | 7.500% | 4/15/32 | 400 | 455 |
| | | | | | 13,574 |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | | |
|----------------------------------|--|---------|----------|-------|-------|---|
| Paper and Forest Products | | 2.5% | | | | |
| Appleton Papers Inc. | | 9.750% | 6/15/14 | 305 | 315 | |
| NewPage Corporation | | 10.000% | 5/1/12 | 25 | 27 | |
| NewPage Corporation | | 12.000% | 5/1/13 | 260 | 282 | |
| Verso Paper Holdings LLC | | 11.375% | 8/1/16 | 215 | 225 | A |
| Weyerhaeuser Company | | 6.750% | 3/15/12 | 2,400 | 2,521 | D |
| Weyerhaeuser Company | | 7.375% | 3/15/32 | 1,000 | 1,048 | D |
| | | | | | 4,418 | |
| Publishing | | 0.1% | | | | |
| Dex Media East LLC | | 12.125% | 11/15/12 | 122 | 133 | |
| PRIMEDIA Inc. | | 8.875% | 5/15/11 | 115 | 118 | |
| | | | | | 251 | |
| Real Estate | | 0.3% | | | | |
| Ashton Woods USA | | 9.500% | 10/1/15 | 125 | 119 | |
| Kimball Hill Inc. | | 10.500% | 12/15/12 | 100 | 96 | |
| Ventas Realty LP | | 6.750% | 4/1/17 | 260 | 269 | |
| | | | | | 484 | |
| Rental Auto/Equipment | | 0.8% | | | | |
| Ashtead Capital Inc. | | 9.000% | 8/15/16 | 129 | 137 | A |
| Hertz Corporation | | 10.500% | 1/1/16 | 645 | 735 | |
| Penhall International Corp. | | 12.000% | 8/1/14 | 240 | 259 | A |
| Rental Service Corporation | | 9.500% | 12/1/14 | 180 | 192 | A |
| | | | | | 1,323 | |

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2007 (Unaudited)

(Amounts in thousands)

| | % OF NET ASSETS | RATE | MATURITY DATE | PAR | VALUE |
|--|--------------------|---------|------------------|-------|--------------------|
| Corporate Bonds and Notes Continued | | | | | |
| Retail | 0.4% | | | | |
| Blockbuster Inc. | | 9.000% | 9/1/12 | \$140 | \$ 141 |
| Eye Care Centers of America, Inc. | | 10.750% | 2/15/15 | 40 | 44 |
| Linens n Things, Inc. | | 10.985% | 1/15/14 | 100 | 93 _C |
| Neiman Marcus Group, Inc. | | 9.000% | 10/15/15 | 260 | 285 |
| Stater Bros. Holdings Inc. | | 8.855% | 6/15/10 | 170 | 173 _C |
| | | | | | 736 |
| Retail (Food Chains) | 0.2% | | | | |
| Denny s Corporation/Denny s Holdings | | 10.000% | 10/1/12 | 90 | 96 |
| El Pollo Loco, Inc. | | 11.750% | 11/15/13 | 195 | 215 |
| Sbarro, Inc. | | 10.375% | 2/1/15 | 100 | 104 _A |
| | | | | | 415 |
| Semiconductor Equipment | 0.1% | | | | |
| Freescle Semiconductor, Inc. | | 8.875% | 12/15/14 | 235 | 235 _A |
| Services | 0.2% | | | | |
| Allied Security LLC | | 11.375% | 7/15/11 | 60 | 61 |
| Service Corporation International | | 7.000% | 6/15/17 | 140 | 141 |
| Service Corporation International | | 7.625% | 10/1/18 | 5 | 5 |
| Service Corporation International | | 7.500% | 4/1/27 | 60 | 60 _A |
| | | | | | 267 |
| Special Purpose | 1.5% | | | | |
| Air 2 U.S. | | 8.027% | 10/1/19 | 540 | 567 _A |
| CCM Merger, Inc. | | 8.000% | 8/1/13 | 140 | 141 _A |
| GrafTech Finance Inc. | | 10.250% | 2/15/12 | 49 | 51 |
| Idearc Inc. | | 8.000% | 11/15/16 | 180 | 185 _A |
| Milacron Escrow Corp. | | 11.500% | 5/15/11 | 410 | 398 |
| Rainbow National Services LLC | | 8.750% | 9/1/12 | 100 | 106 _A |
| Rainbow National Services LLC | | 10.375% | 9/1/14 | 250 | 280 _A |
| River Rock Entertainment | | 9.750% | 11/1/11 | 380 | 405 |
| Snoqualmie Entertainment Authority | | 9.150% | 2/1/14 | 110 | 112 _{A,C} |
| UGS Corp. | | 10.000% | 6/1/12 | 305 | 334 |
| | | | | | 2,579 |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| <i>Telecommunications</i> | | 3.3% | | | |
|---|--------|----------|-------|-------|-----|
| BellSouth Corporation | 6.000% | 10/15/11 | 1,000 | 1,032 | |
| Cincinnati Bell Inc. | 7.000% | 2/15/15 | 330 | 328 | |
| Cincinnati Bell Inc. | 6.300% | 12/1/28 | 25 | 23 | |
| Citizens Communications Company | 9.250% | 5/15/11 | 90 | 100 | |
| Citizens Communications Company | 7.125% | 3/15/19 | 50 | 49 | A |
| Citizens Communications Company | 7.875% | 1/15/27 | 95 | 97 | A |
| Level 3 Financing Inc. | 9.150% | 11/1/14 | 50 | 50 | A,C |
| Level 3 Financing Inc. | 9.250% | 2/15/15 | 120 | 123 | A |
| Qwest Communications International Inc. | 7.250% | 2/15/11 | 160 | 164 | |
| Qwest Corporation | 7.875% | 9/1/11 | 390 | 414 | |
| Qwest Corporation | 8.875% | 3/15/12 | 140 | 155 | |
| Qwest Corporation | 7.500% | 10/1/14 | 150 | 158 | |
| SBC Communications Inc. | 6.250% | 3/15/11 | 1,000 | 1,038 | F |
| Sprint Capital Corp. | 8.375% | 3/15/12 | 1,450 | 1,618 | |
| Windstream Corporation | 8.625% | 8/1/16 | 300 | 328 | |
| XM Satellite Radio, Inc. | 9.750% | 5/1/14 | 190 | 192 | |
| | | | | 5,869 | |

| <i>Telecommunications (Cellular/Wireless)</i> | | 1.7% | | | |
|---|---------|----------|-----|-------|---|
| AT&T Wireless Services, Inc. | 7.500% | 5/1/07 | 500 | 501 | |
| AT&T Wireless Services, Inc. | 8.125% | 5/1/12 | 500 | 563 | |
| Cingular Wireless LLC | 6.500% | 12/15/11 | 250 | 263 | |
| Hawaiian Telcom Communications, Inc. | 12.500% | 5/1/15 | 465 | 509 | |
| L-3 Communications Corporation | 6.375% | 10/15/15 | 430 | 426 | |
| Motorola, Inc. | 7.625% | 11/15/10 | 64 | 69 | |
| Rural Cellular Corp. | 9.875% | 2/1/10 | 100 | 106 | |
| Rural Cellular Corp. | 8.250% | 3/15/12 | 135 | 141 | |
| Telcordia Technologies Inc. | 10.000% | 3/15/13 | 485 | 453 | A |
| | | | | 3,031 | |

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2007 (Unaudited)

(Amounts in thousands)

| | % OF NET ASSETS | RATE | MATURITY DATE | PAR | VALUE | |
|---|--------------------|--------|------------------|--------|---------|-----|
| Corporate Bonds and Notes Continued | | | | | | |
| Transportation | 11.6% | | | | | |
| America West Airlines, Inc. | | 6.850% | 7/2/09 | \$ 292 | \$ 294 | |
| America West Airlines, Inc. | | 8.057% | 7/2/20 | 3,135 | 3,402 | |
| Continental Airlines, Inc. | | 7.160% | 3/24/13 | 930 | 955 | |
| Continental Airlines, Inc. | | 6.900% | 1/2/18 | 1,024 | 1,082 | |
| Continental Airlines, Inc. | | 6.820% | 5/1/18 | 1,004 | 1,047 | |
| Continental Airlines, Inc. | | 6.545% | 2/2/19 | 1,870 | 1,945 | |
| Continental Airlines, Inc. | | 8.048% | 11/1/20 | 731 | 813 | |
| Continental Airlines, Inc. | | 6.703% | 6/15/21 | 965 | 1,003 | |
| GulfMark Offshore, Inc. | | 7.750% | 7/15/14 | 270 | 274 | |
| H-Lines Finance Holding Corp. | | 0.000% | 4/1/13 | 247 | 235 | E |
| Horizon Lines, LLC | | 9.000% | 11/1/12 | 244 | 256 | |
| Kansas City Southern Railway Co. | | 7.500% | 6/15/09 | 150 | 153 | |
| Northwest Airlines Inc. | | 5.830% | 8/6/13 | 2,473 | 2,324 | |
| Union Pacific Corporation | | 6.125% | 1/15/12 | 2,000 | 2,059 | D |
| United Air Lines, Inc. | | 7.032% | 10/1/10 | 374 | 379 | |
| United Air Lines, Inc. | | 7.186% | 4/1/11 | 78 | 80 | |
| United Air Lines, Inc. Series 01-1 | | 6.602% | 9/1/13 | 1,388 | 1,407 | |
| US Airways, Inc. Series 98-1 | | 6.850% | 1/30/18 | 2,674 | 2,741 | |
| | | | | | 20,449 | |
| Total Corporate Bonds and Notes | | | | | 137,819 | |
| (Identified Cost \$132,442) | | | | | | |
| Asset-Backed Securities | 9.2% | | | | | |
| Fixed Rate Securities | 6.9% | | | | | |
| ACE Securities Corporation 2002-M Trust | | 0.000% | 10/13/17 | 312 | 6 | A,G |
| BankAmerica Manufactured Housing Contract 1997-2 | | 6.900% | 4/10/28 | 100 | 123 | |
| Captiva CBO 1997-1 | | 6.860% | 11/30/09 | 362 | 362 | A,H |
| Conseco Finance Securitizations Corp. 2002-1 | | 6.681% | 12/1/33 | 920 | 932 | |
| Contimortgage Home Equity Loan Trust 1997-4 | | 7.330% | 10/15/28 | 705 | 607 | |
| FirstFed Corporation Manufactured Housing Contract 1996-1 | | 8.060% | 10/15/22 | 2,100 | 3,037 | A |
| Global Franchise Trust 1998-1 | | 6.659% | 10/10/11 | 2,323 | 2,314 | A |
| Green Tree Financial Corporation 1992-2 | | 9.150% | 1/15/18 | 489 | 410 | |
| Green Tree Financial Corporation 1993-1 | | 8.450% | 4/15/18 | 653 | 595 | |
| Green Tree Financial Corporation 1996-D | | 8.000% | 9/15/27 | 180 | 167 | |
| Green Tree Financial Corporation 1999-4 | | 6.970% | 5/1/31 | 186 | 186 | |
| Indymac Manufactured Housing Contract 1997-1 | | 6.970% | 2/25/28 | 445 | 434 | |
| Mutual Fund Fee 2000-2 | | 9.550% | 4/30/08 | 561 | 27 | A,I |
| Mutual Fund Fee 2000-3 | | 9.070% | 7/1/08 | 2,891 | 263 | A |
| Oakwood Mortgage Investors Inc. 2002-B | | 6.060% | 3/15/25 | 427 | 385 | |
| Pegasus Aviation Lease Securitization 2000-1 | | 8.370% | 3/25/30 | 1,300 | 852 | A |
| Saxson Asset Securities Trust 2000-2 | | 8.870% | 7/25/30 | 789 | 796 | |
| Vanderbilt Mortgage Finance 1997-B | | 8.155% | 10/7/26 | 627 | 642 | |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

12,138

| | | | | | | |
|--|--------|----------|-------|-------|-----|--------|
| Floating Rate Securities^B | | 2.2% | | | | |
| ACE Securities Corp. 2005-SD1 | 5.720% | 11/25/50 | 393 | 394 | | |
| Banagricola DPR Funding | 6.370% | 3/15/10 | 1,258 | 1,261 | A,H | |
| Bayview Financial Asset Trust 2004-SSRA | 5.920% | 12/25/39 | 828 | 831 | A | |
| CS First Boston Mortgage Securities Corporation 2004-CF2 | 5.790% | 5/25/44 | 336 | 337 | A | |
| Residential Asset Mortgage Products 2004-RZ1 | 5.560% | 3/25/34 | 528 | 529 | | |
| Residential Asset Securities Corporation 2001-KS3 | 5.780% | 9/25/31 | 579 | 579 | | |
| | | | | | | 3,931 |
| Stripped Securities | | 0.1% | | | | |
| Oakwood Mortgage Investors Inc. 2002-C | 6.000% | 8/15/10 | 734 | 101 | J1 | |
| Total Asset-Backed Securities | | | | | | |
| (Identified Cost \$17,563) | | | | | | 16,170 |

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2007 (Unaudited)

(Amounts in thousands)

| | % OF NET ASSETS | RATE | MATURITY DATE | PAR | VALUE | |
|---|--------------------|--------|------------------|--------|--------|------|
| Mortgage-Backed Securities | 8.1% | | | | | |
| <i>Fixed Rate Securities</i> | 3.6% | | | | | |
| Asset Securitization Corporation 1996-D2 | | 6.920% | 2/14/29 | \$ 3 | \$ 3 | |
| Bear Stearns Asset Backed Securities, Inc. 2002-AC1 | | 7.000% | 1/25/32 | 1,485 | 1,497 | A |
| Commercial Mortgage Acceptance Corporation 1997-ML1 | | 6.570% | 12/15/30 | 1,046 | 1,046 | |
| Commercial Mortgage Acceptance Corporation 1997-ML1 | | 6.735% | 12/15/30 | 1,507 | 1,510 | |
| Enterprise Mortgage Acceptance Company 1999-1 | | 6.420% | 10/15/25 | 51 | 22 | A |
| GMAC Commercial Mortgage Security Inc. 1998-C1 | | 6.700% | 5/15/30 | 382 | 385 | |
| GMAC Commercial Mortgage Security Inc. 1998-C1 | | 6.974% | 5/15/30 | 1,000 | 1,014 | |
| Metropolitan Asset Funding, Inc. 1998-B1 | | 8.000% | 11/20/24 | 1,000 | 866 | |
| | | | | | 6,343 | |
| <i>Floating Rate Securities</i> ^B | 2.4% | | | | | |
| Banc of America Commercial Mortgage Inc. 2005-5 A4 | | 5.115% | 10/10/45 | 1,050 | 1,034 | |
| BlackRock Capital Finance LP 1997-R2 | | 6.866% | 12/25/35 | 793 | 583 | A |
| Harborview Mortgage Loan Trust 2004-8 | | 5.720% | 11/19/34 | 425 | 427 | |
| Harborview Mortgage Loan Trust 2005-9 | | 7.070% | 6/20/35 | 1,500 | 1,282 | |
| Merit Securities Corporation 11PA | | 7.570% | 9/28/32 | 850 | 221 | A |
| Regal Trust IV 1999-1 | | 5.896% | 9/29/31 | 239 | 238 | |
| Washington Mutual 2004-AR12 | | 5.765% | 10/25/44 | 489 | 491 | |
| | | | | | 4,276 | |
| <i>Stripped Securities</i> | 2.1% | | | | | |
| Bear Stearns Asset Backed Securities, Inc. 2006-SD3 | | 0.000% | 8/25/36 | 2,101 | 1,684 | J2 |
| LB-UBS Commercial Mortgage Trust 2001-C3 | | 0.949% | 6/15/36 | 2,719 | 93 | A,J1 |
| Prime Mortgage Trust 2005-2 | | 1.743% | 10/25/32 | 4,129 | 385 | J1 |
| Prime Mortgage Trust 2005-5 | | 0.876% | 7/25/34 | 18,080 | 619 | J1 |
| Prime Mortgage Trust 2005-5 | | 1.573% | 7/25/34 | 3,310 | 286 | J1 |
| Residential Asset Mortgage Products, Inc. 2005-SL2 | | 0.000% | 2/25/32 | 732 | 595 | J2 |
| | | | | | 3,662 | |
| Total Mortgage-Backed Securities | | | | | | |
| (Identified Cost \$13,537) | | | | | 14,281 | |
| U.S. Government Securities | 7.5% | | | | | |
| <i>Fixed Rate Securities</i> | 2.3% | | | | | |
| United States Treasury Bond | | 5.375% | 2/15/31 | 2,500 | 2,665 | D |
| United States Treasury Bond | | 4.500% | 2/15/36 | 850 | 801 | D |
| United States Treasury Note | | 4.625% | 2/15/17 | 610 | 609 | |
| | | | | | 4,075 | |
| <i>Indexed Securities</i> | 5.2% | | | | | |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | |
|---|--------|---------|-------|-------|-----|
| United States Treasury Inflation-Protected Security | 3.625% | 1/15/08 | 2,300 | 2,925 | K |
| United States Treasury Inflation-Protected Security | 3.000% | 7/15/12 | 2,550 | 3,009 | D,K |
| United States Treasury Inflation-Protected Security | 2.000% | 7/15/14 | 3,000 | 3,190 | D,K |

9,124

Total U.S. Government Securities

(Identified Cost \$12,866)

13,199

U.S. Government Agency Mortgage-Backed Securities

7.5%

| | | | | | |
|------------|--------|----------|--------|--------|---|
| Fannie Mae | 6.000% | 12/25/34 | 12,000 | 12,083 | L |
| Fannie Mae | 6.500% | 8/25/44 | 1,036 | 1,057 | |

Total U.S. Government Agency Mortgage-Backed

13,140

Securities

(Identified Cost \$13,166)

13,140

Yankee Bonds^H

22.2%

Aerospace/Defense

0.1%

| | | | | | |
|--------------------------|--------|---------|-----|-----|---|
| Systems 2001 Asset Trust | 6.664% | 9/15/13 | 241 | 254 | A |
|--------------------------|--------|---------|-----|-----|---|

Chemicals

0.1%

| | | | | | |
|--------------------------|--------|---------|-----|-----|---|
| Montell Finance Co. B.V. | 8.100% | 3/15/27 | 200 | 200 | A |
|--------------------------|--------|---------|-----|-----|---|

Commercial Banks

0.8%

| | | | | | |
|------------------------|--------|---------|-----|-----|-----|
| ATF Capital B.V. | 9.250% | 2/21/14 | 660 | 644 | A |
| ICICI Bank Limited | 6.375% | 4/30/22 | 284 | 281 | A,C |
| TuranAlem Finance B.V. | 8.250% | 1/22/37 | 440 | 442 | A |

1,367

Electric

1.2%

| | | | | | |
|---------------------------------------|--------|---------|-------|-------|--|
| Hydro-Quebec | 6.300% | 5/11/11 | 1,700 | 1,784 | |
| MMG Fiduciary (AES El Salvador Trust) | 6.750% | 2/1/16 | 261 | 261 | |

2,045

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2007 (Unaudited)

(Amounts in thousands)

| | % OF NET ASSETS | RATE | MATURITY DATE | PAR | VALUE | |
|---|----------------------------|-------------|--------------------------|------------|--------------|-----|
| Yankee Bonds^H (Continued) | | | | | | |
| Foreign Government | 8.5% | | | | | |
| Dominican Republic | | 9.500% | 9/27/11 | \$ 366 | \$ 392 | A |
| Federative Republic of Brazil | | 7.125% | 1/20/37 | 856 | 947 | |
| Federative Republic of Brazil | | 11.000% | 8/17/40 | 199 | 268 | |
| Republic of Argentina | | 7.000% | 9/12/13 | 818 | 790 | |
| Republic of Colombia | | 11.750% | 2/25/20 | 768 | 1,129 | |
| Republic of Ecuador | | 10.000% | 8/15/30 | 605 | 538 | A,E |
| Republic of El Salvador | | 8.250% | 4/10/32 | 412 | 497 | A |
| Republic of Honduras | | 5.728% | 10/1/11 | 167 | 166 | C |
| Republic of Panama | | 9.375% | 4/1/29 | 1,147 | 1,528 | |
| Republic of Panama | | 6.700% | 1/26/36 | 202 | 210 | |
| Republic of Peru | | 8.750% | 11/21/33 | 950 | 1,249 | |
| Republic of Peru | | 6.550% | 3/14/37 | 147 | 153 | |
| Republic of Venezuela | | 9.375% | 1/13/34 | 2 | 3 | |
| Russian Federation | | 5.000% | 3/31/30 | 4,025 | 4,568 | |
| United Mexican States | | 7.500% | 4/8/33 | 49 | 58 | |
| United Mexican States | | 6.750% | 9/27/34 | 2,170 | 2,366 | |
| | | | | | 14,862 | |
| Insurance | 0.5% | | | | | |
| XL Capital Ltd. | | 5.250% | 9/15/14 | 1,000 | 980 | |
| Manufacturing (Diversified) | 2.4% | | | | | |
| Tyco International Group SA | | 6.375% | 10/15/11 | 1,000 | 1,057 | |
| Tyco International Group SA | | 6.875% | 1/15/29 | 2,615 | 3,086 | |
| | | | | | 4,143 | |
| Media | N.M. | | | | | |
| Quebecor Media Inc. | | 7.750% | 3/15/16 | 55 | 57 | |
| Metals and Mining | 0.5% | | | | | |
| Chaparral Steel Co. | | 10.000% | 7/15/13 | 20 | 22 | |
| Vale Overseas Ltd. | | 6.875% | 11/21/36 | 920 | 950 | |
| | | | | | 972 | |
| Oil and Gas | 2.1% | | | | | |
| Anadarko Finance Co. | | 6.750% | 5/1/11 | 750 | 788 | |
| Anadarko Finance Co. | | 7.500% | 5/1/31 | 1,000 | 1,104 | |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | |
|--|--------|----------|-----|-------|---|
| Compagnie Generale de Geophysique SA (CGG) | 7.500% | 5/15/15 | 210 | 216 | |
| Gazprom | 6.212% | 11/22/16 | 540 | 541 | A |
| Gazprom | 6.510% | 3/7/22 | 230 | 233 | A |
| OPTI Canada Inc. | 8.250% | 12/15/14 | 125 | 130 | A |
| Pogo Producing Co. | 6.875% | 10/1/17 | 290 | 283 | |
| Western Oil Sands Inc. | 8.375% | 5/1/12 | 342 | 382 | |
| | | | | 3,677 | |

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2007 (Unaudited)

(Amounts in thousands)

| | % OF NET ASSETS | RATE | MATURITY DATE | PAR/SHARES | VALUE | |
|---|--------------------|---------|------------------|------------|--------|-----|
| Yankee Bonds^H (Continued) | | | | | | |
| <i>Semiconductor Equipment</i> | 0.1% | | | | | |
| NXP B.V./NXP Funding LLC | | 7.875% | 10/15/14 | \$ 150 | \$ 155 | A |
| NXP B.V./NXP Funding LLC | | 9.500% | 10/15/15 | 45 | 46 | A |
| | | | | | 201 | |
| <i>Special Purposes</i> | | | | | | |
| | 2.8% | | | | | |
| Burlington Resources Finance | | 7.400% | 12/1/31 | 450 | 533 | |
| Deutsche Telekom International Finance BV | | 5.250% | 7/22/13 | 600 | 592 | |
| Nell AF S.A.R.L. | | 8.375% | 8/15/15 | 150 | 156 | A |
| Petrozuata Finance, Inc. | | 8.220% | 4/1/17 | 2,880 | 2,894 | A |
| Smurfit Kappa Funding PLC | | 9.625% | 10/1/12 | 51 | 54 | |
| Smurfit Kappa Funding PLC | | 7.750% | 4/1/15 | 230 | 235 | |
| UFJ Finance Aruba AEC | | 6.750% | 7/15/13 | 500 | 539 | |
| | | | | | 5,003 | |
| <i>Telecommunications</i> | | | | | | |
| | 1.5% | | | | | |
| Axtel SA | | 11.000% | 12/15/13 | 221 | 246 | |
| France Telecom SA | | 8.750% | 3/1/31 | 600 | 780 | M |
| Intelsat Bermuda Ltd. | | 8.872% | 1/15/15 | 200 | 204 | A,C |
| Intelsat Bermuda Ltd. | | 9.250% | 6/15/16 | 225 | 249 | A |
| Intelsat Bermuda Ltd. | | 11.250% | 6/15/16 | 340 | 386 | A |
| NTL Cable Plc | | 9.125% | 8/15/16 | 140 | 148 | |
| Wind Acquisition Finance SA | | 10.750% | 12/1/15 | 500 | 573 | A |
| | | | | | 2,586 | |
| <i>Telecommunications (Cellular/Wireless)</i> | | | | | | |
| | 0.3% | | | | | |
| True Move Co. Ltd. | | 10.750% | 12/16/13 | 200 | 204 | A |
| Vodafone Group PLC | | 7.750% | 2/15/10 | 250 | 267 | |
| | | | | | 471 | |
| <i>Transportation</i> | | | | | | |
| | 1.3% | | | | | |
| Canadian Pacific Railroad Co. | | 6.250% | 10/15/11 | 1,000 | 1,038 | |
| Grupo Transportacion Ferroviaria Mexicana, S.A. de C.V. (TFM) | | 9.375% | 5/1/12 | 170 | 183 | |
| Grupo Transportacion Ferroviaria Mexicana, S.A. de C.V. (TFM) | | 12.500% | 6/15/12 | 750 | 804 | |
| OMI Corporation | | 7.625% | 12/1/13 | 200 | 203 | |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | | |
|---|--------|----------|-----------|-------|--|---------|
| | | | | | | 2,228 |
| Total Yankee Bonds | | | | | | |
| (Identified Cost \$35,537) | | | | | | 39,046 |
| Foreign Government Obligations 4.0% | | | | | | |
| Nota Do Tesouro Nacional | 6.000% | 5/15/15 | 3,641 | 2,727 | | N |
| Nota Do Tesouro Nacional | 6.000% | 5/15/45 | 3,934 | 2,748 | | N |
| Republic of Argentina | 3.938% | 1/3/10 | 2,267 | 1,536 | | O,P |
| | | | | | | 7,011 |
| Total Foreign Government Obligations | | | | | | |
| (Identified Cost \$6,145) | | | | | | 7,011 |
| Foreign Corporate Bonds 0.9% | | | | | | |
| Gazprom | 6.790% | 10/29/09 | 31,200 | 1,205 | | Q |
| Gazprom | 7.000% | 10/27/11 | 10,400 | 401 | | Q |
| | | | | | | 1,606 |
| Total Foreign Corporate Bonds | | | | | | |
| (Identified Cost \$1,559) | | | | | | 1,606 |
| Preferred Stocks 3.6% | | | | | | |
| Chesapeake Energy Corporation | 6.250% | | .339 shrs | 88 | | R |
| Fannie Mae | 5.375% | | 0.015 | 1,505 | | R |
| Freddie Mac | 3.850% | | 0.100 | 5 | | S |
| Freddie Mac | 5.000% | | 0.200 | 9 | | |
| General Motors Corporation | 5.250% | | 225 | 4,669 | | R |
| | | | | | | 6,276 |
| Total Preferred Stocks | | | | | | |
| (Identified Cost \$5,139) | | | | | | 6,276 |
| Trust Preferred Securities 3.4% | | | | | | |
| Corporate-Backed Trust Certificates | 7.375% | | 34 | 685 | | |
| Corporate-Backed Trust Certificates | 8.000% | | 16 | 293 | | |
| CORTS Trust for Ford Motor Co. | 8.000% | | 155 | 2,897 | | |
| PreferredPlus TR-CCR1 | 8.250% | | 5 | 105 | | |
| SATURNS-F 2003-5 | 8.125% | | 104 | 1,988 | | |
| | | | | | | 5,968 |
| Total Trust Preferred Securities | | | | | | |
| (Identified Cost \$5,033) | | | | | | 5,968 |
| Total Long-Term Securities | | | | | | |
| (Identified Cost \$242,987) | | | | | | 254,516 |

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2007 (Unaudited)

(Amounts in thousands)

| | % OF NET ASSETS | RATE | MATURITY DATE | PAR | VALUE |
|---|--------------------|--------|------------------|-----------|-----------|
| Short-Term Securities | 12.5% | | | | |
| Repurchase Agreement | 11.6% | | | | |
| Merrill Lynch Government Securities, Inc. 5.25% dated 03/30/07, to be repurchased at \$20,360 on 04/02/07 (Collateral: \$20,760 Fannie Mae, 5.25% due 3/26/10, value \$20,758) | | | | \$ 20,351 | \$ 20,351 |
| Foreign Government Obligations | 0.9% | | | | |
| Egyptian Treasury Bill | | 0.000% | 10/30/07 | 9,375 | 1,566 G.T |
| Egyptian Treasury Bill | | 0.000% | 11/6/07 | 450 | 75 G.T |
| | | | | | 1,641 |
| Total Short-Term Securities (Identified Cost \$21,975) | | | | | 21,992 |
| Total Investments (Identified Cost \$264,962) | 157.4% | | | | 276,508 |
| Other Assets Less Liabilities | (16.4%) | | | | (28,887) |
| Liquidation Value of Preferred Shares | (41.0%) | | | | (72,000) |
| Net Assets Applicable to Common Shareholders | 100.0% | | | \$ | 175,621 |

| | EXPIRATION | ACTUAL CONTRACTS | APPRECIATION/ (DEPRECIATION) |
|----------------------------------|------------|---------------------|---------------------------------|
| Futures Contracts Written | | | |
| U.S. Treasury Note Futures | June 2007 | 104 | \$ 104 |
| | | | \$ 104 |

A Rule 144a Security A security purchased pursuant to Rule 144a under the Securities Act of 1933 which may not be resold subject to that rule except to qualified institutional buyers. These securities, which the Fund's investment adviser has determined to be liquid, represent 17.5% of net assets applicable to common shareholders.

B Convertible Bond Bond may be converted into the issuer's common stock.

C Floating Rate Security The rate of interest on this type of security is tied to the London Interbank Offer Rate (LIBOR). The coupon rate is as of March 31, 2007.

D Position, or a portion thereof, with an aggregate market value of \$21,307 have been collateralized to support reverse repurchase agreements.

E Stepped-Coupon Security A security with a predetermined schedule of interest or dividend rate changes at which time it begins to accrue interest or pay dividends in accordance with a pre-determined schedule.

F Position, or a portion thereof is collateral to cover futures contracts written.

G Zero-Coupon Bond A bond with no periodic interest payments which is sold at such a discount as to produce a current yield to maturity.

H Yankee Bond A dollar-denominated bond issued in the U.S. by a foreign entity.

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

- I Bond is in default as of March 31, 2007.*
- J Stripped Security Security with interest-only or principal-only payment streams, denoted by a 1 or 2, respectively. For interest-only securities, the amount shown as principal is the notional balance used to calculate the amount of the interest due.*
- K Treasury Inflation Protected Security Treasury security whose principal value is adjusted daily in accordance with changes to the Consumer Price Index (CPI) for all Urban Consumers. Interest is calculated on the basis of the current adjusted principal value.*
- L When-issued security Security purchased on a delayed basis. Final settlement amount and maturity date have not yet been announced.*
- M The coupon shown on the variable rate security is the rate in effect as of March 31, 2007.*
- N Denominated in Brazilian Reals.*
- O Indexed Security The rate of interest on this type of security is linked to the Coeficiente de Estabilizacion de Referencia (CER). The coupon rate is as of March 31, 2007.*
- P Denominated in Argentine Pesos.*
- Q Denominated in Russian Rubles.*
- R Convertible Preferred Stock Stock may be converted into the issuer's common stock.*
- S Indexed Security The rate of interest on this type of security is based on the Constant Maturity Treasury (CMT) index. The coupon rate is as of March 31, 2007.*
- T Denominated in Egyptian Pounds.*
- N.M.- Not meaningful.*

Notes

Security Valuation

The Fund's securities are valued on the basis of readily available market quotations or, lacking such quotations, at fair value as determined under policies approved by and under the general oversight of the Board of Trustees. In determining fair value, all relevant qualitative and quantitative factors available are considered. These factors are subject to change over time and are reviewed periodically. The Fund may use fair value pricing instead of market quotations to value one or more securities if the Fund believes that, because of special circumstances, doing so would more accurately reflect the prices the Fund expects to realize on the current sale of those securities. Further, because of the inherent uncertainty of valuation, those estimated values may differ significantly from quoted or published values or from the values that would have been used had a ready market for the investments existed, and the differences could be material.

With respect to the Fund, where a security is traded on more than one market, which may include foreign markets, the securities are generally valued on the market considered by the Fund's adviser to be the primary market. The Fund will value its foreign securities in U.S. dollars on the basis of the then-prevailing exchange rates.

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

The following is a summary of open swap contracts outstanding at March 31, 2007.

| Agreement With: | Termination Date | The Fund Agrees to Pay | The Fund Will Receive | Contract | |
|--|-------------------|---------------------------|--|--------------------|--|
| | | | | Notional Amount | Unrealized Appreciation/ (Depreciation) ^A |
| Credit Suisse First Boston USA (AAMES Mortgage Investment Trust 2005-1, 1- Month LIBOR ^C + 160 bp*, due 6/25/35) | June 25, 2035 | 1.28% | Specified Amount upon credit event notice ^B | \$ 43 | \$ 2 |
| Credit Suisse First Boston USA (AAMES Mortgage Investment Trust 2005-1, 1- Month LIBOR ^C + 250 bp*, due 6/25/35) | June 25, 2035 | 2.05% | Specified Amount upon credit event notice ^B | 43 | 3 |
| Credit Suisse First Boston USA (ACE Securities Corporation, 1- Month LIBOR ^C + 138 bp*, due 2/25/35) | February 25, 2035 | 1.31% | Specified Amount upon credit event notice ^B | 43 | 3 |
| Credit Suisse First Boston USA (ACE Securities Corporation 2005-HE1, 1- Month LIBOR ^C + 220 bp*, due 2/25/35) | February 25, 2035 | 2.06% | Specified Amount upon credit event notice ^B | 43 | 4 |
| Credit Suisse First Boston USA (Aegis Asset Backed Securities Trust, 1- Month LIBOR ^C + 190 bp*), due 10/25/34) | October 25, 2034 | 1.37% | Specified Amount upon credit event notice ^B | 58 | 3 |
| Credit Suisse First Boston USA (Aegis Asset Backed Securities Trust 2005-1, 1- Month LIBOR ^C + 130 bp*, due 3/25/35) | March 25, 2035 | 1.31% | Specified Amount upon credit event notice ^B | 43 | 3 |
| Credit Suisse First Boston USA (Aegis Asset Backed Securities Trust 2005-1, 1- Month LIBOR ^C + 200 bp*, due 3/25/35) | March 25, 2035 | 2.18% | Specified Amount upon credit event notice ^B | 43 | 6 |
| Credit Suisse First Boston USA (Argent Securities Inc. 2004-W4, 1- Month LIBOR ^C + 300 bp*, due 3/25/34) | March 25, 2034 | 2.20% | Specified Amount upon credit event notice ^B | 58 | 3 |
| Credit Suisse First Boston USA (Argent Securities Inc. 2004-W11, 1- Month LIBOR ^C + | November 25, 2034 | 1.33% | Specified Amount upon credit event | 43 | 3 |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | |
|--|-------------------|-------|---|----|---|
| 225 bp*, due 11/25/34) | | | notice ^B | | |
| Credit Suisse First Boston USA (Argent Securities Inc. 2004-W11, 1- Month LIBOR ^C + 350 bp*, due 11/25/34) | November 25, 2034 | 2.15% | Specified Amount upon credit event | 43 | 3 |
| | | | notice ^B | | |
| Credit Suisse First Boston USA (Finance America Mortgage Loan Trust, 1- Month LIBOR ^C + 180 bp*, due 11/25/34) | November 25, 2034 | 1.31% | Specified Amount upon credit event | 43 | 2 |
| | | | notice ^B | | |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | |
|---|-------------------|-------|--|-------|------|
| Credit Suisse First Boston USA (Finance America Mortgage Loan Trust 2004-3, 1- Month LIBOR ^C + 315 bp*, due 11/25/34) | November 25, 2034 | 2.18% | Specified Amount upon credit event notice ^B | \$ 43 | \$ 3 |
| Credit Suisse First Boston USA (Fremont Home Loan Trust 2005-A, 1- Month LIBOR ^C + 135 bp*, due 1/25/35)t | January 25, 2035 | 1.31% | Specified Amount upon credit event notice ^B | 43 | 3 |
| Credit Suisse First Boston USA (Fremont Home Loan Trust 2005-A, 1- Month LIBOR ^C + 200 bp*, due 1/25/35) | January 25, 2035 | 2.08% | Specified Amount upon credit event notice ^B | 43 | 4 |
| Credit Suisse First Boston USA (IndyMAC Home Equity Loan Asset-Backed Trust 2004-C, 1- Month LIBOR ^C + 190 bp*, due 3/25/35) | March 25, 2035 | 1.28% | Specified Amount upon credit event notice ^B | 43 | 3 |
| Credit Suisse First Boston USA (IndyMAC Home Equity Loan Asset-Backed Trust 2004-C, 1- Month LIBOR ¹ + 325 bp*, due 3/25/35) | March 25, 2035 | 2.05% | Specified Amount upon credit event notice ^B | 43 | 4 |
| Credit Suisse First Boston USA (Long Beach Mortgage Loan Trust 2004-1, 1- Month LIBOR ^C + 350 bp*), due 2/25/34) | February 25, 2034 | 2.15% | Specified Amount upon credit event notice ^B | 58 | 3 |
| Credit Suisse First Boston USA (Long Beach Mortgage Loan Trust 2005-1, 1- Month LIBOR ^C + 170 bp*, due 2/25/35) | February 25, 2035 | 1.31% | Specified Amount upon credit event notice ^B | 43 | 3 |
| Credit Suisse First Boston USA (Long Beach Mortgage Loan Trust 2005-1, 1- Month LIBOR ^C + 275 bp*, due 2/25/35) | February 25, 2035 | 2.08% | Specified Amount upon credit event notice ^B | 43 | 4 |
| Credit Suisse First Boston USA (MASTR Asset Backed Securities Trust 2005-NC1, 1- Month LIBOR ^C + 153 bp*, due 12/25/34) | December 25, 2034 | 1.31% | Specified Amount upon credit event notice ^B | 43 | 2 |
| Credit Suisse First Boston USA (MASTR Asset Backed Securities Trust 2005-NC1, 1- Month LIBOR ^C + 240 | December 25, 2034 | 2.08% | Specified Amount | 43 | 4 |

bp*, due 12/25/34)

upon credit event

notice^B

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | |
|---|--------------------|-------|--|-------|------|
| Credit Suisse First Boston USA (Merrill Lynch Mortgage Investors, Inc. 2004-WMC1, 1-Month LIBOR ^C + 225 bp*, due 9/25/35) | September 25, 2035 | 2.05% | Specified Amount upon credit event notice ^B | \$ 43 | \$ 2 |
| Credit Suisse First Boston USA (Merrill Lynch Mortgage Investors, Inc. 2004-WMC4, 1- Month LIBOR ^C + 375 bp*, due 4/25/35) | April 25, 2035 | 2.15% | Specified Amount upon credit event notice ^B | 58 | 2 |
| Credit Suisse First Boston USA (Merrill Lynch Mortgage Investors, Inc. 2005-NC1, 1- Month LIBOR ^C + 130 bp*, due 10/25/35) | October 25, 2035 | 1.28% | Specified Amount upon credit event notice ^B | 43 | 3 |
| Credit Suisse First Boston USA (Merrill Lynch Mortgage Investors, Inc. 2005-NC1, 1- Month LIBOR ^C + 205 bp*, due 10/25/35) | October 25, 2035 | 2.05% | Specified Amount upon credit event notice ^B | 43 | 4 |
| Credit Suisse First Boston USA (Merrill Lynch Mortgage Investors, Inc. 2005-WMC1, 1- Month LIBOR ^C + 135 bp*, due 9/25/35) | September 25, 2035 | 1.28% | Specified Amount upon credit event notice ^B | 43 | 2 |
| Credit Suisse First Boston USA (Morgan Stanley ABS Capital I 2005-WMC1, 1- Month LIBOR ^C + 130 bp*, due 1/25/35) | January 25, 2035 | 1.31% | Specified Amount upon credit event notice ^B | 43 | 2 |
| Credit Suisse First Boston USA (Morgan Stanley ABS Capital I 2005-WMC1, 1- Month LIBOR ^C + 215 bp*, due 1/25/35) | January 25, 2035 | 2.18% | Specified Amount upon credit event notice ^B | 43 | 3 |
| Credit Suisse First Boston USA (New Century Home Equity Loan Trust 2004-2, 1- Month LIBOR ^C + 325 bp*), due 8/25/34) | August 25, 2034 | 2.15% | Specified Amount upon credit event notice ^B | 58 | 3 |
| Credit Suisse First Boston USA (New Century Home Equity Loan Trust 2005-1, 1- Month LIBOR ^C + 140 bp*, due 3/25/35) | March 25, 2035 | 1.31% | Specified Amount upon credit event notice ^B | 43 | 2 |
| Credit Suisse First Boston USA (New Century Home Equity Loan Trust 2005-1, 1- Month LIBOR ^C + 205 bp*, due 3/25/35) | March 25, 2035 | 2.18% | Specified Amount upon credit event notice ^B | 43 | 3 |

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | |
|--|---------------|-------|--|----|---|
| Credit Suisse First Boston USA (NovastarHome Equity Loan 2005-1, 1- Month LIBOR ^C + 135 bp*, due 6/25/35) | June 25, 2035 | 1.28% | Specified Amount upon credit event notice ^B | 43 | 2 |
|--|---------------|-------|--|----|---|

Edgar Filing: WESTERN ASSET PREMIER BOND FUND - Form N-Q

| | | | | | |
|--|------------------|---|--|--------|------|
| Credit Suisse First Boston USA (Novastar Home Equity Loan 2005-1, 1- Month LIBOR ^C + 195 bp*, due 6/25/35) | June 25, 2035 | 2.05% | Specified Amount upon credit event notice ^B | \$ 43 | \$ 3 |
| Credit Suisse First Boston USA (Park Place Securities, Inc. 2005-WCH1, 1- Month LIBOR ^C + 155 bp*, due 1/25/36) | January 25, 2036 | 1.36% | Specified Amount upon credit event notice ^B | 43 | 4 |
| Credit Suisse First Boston USA (Park Place Securities, Inc. 2005-WCH1, 1- Month LIBOR ^C + 250 bp*, due 1/25/36) | January 25, 2036 | 2.18% | Specified Amount upon credit event notice ^B | 43 | 5 |
| Credit Suisse First Boston USA (People's Choice Home Loan Securities Trust 2004-1, 1-Month LIBOR ^C + 230 bp*, due 6/25/34) | June 25, 2034 | 1.37% | Specified Amount upon credit event notice ^B | 58 | 2 |
| Credit Suisse First Boston USA (People's Choice Home Loan Securities Trust 2005-1, 1-Month LIBOR ^C + 165 bp*, due 1/25/35) | January 25, 2035 | 1.28% | Specified Amount upon credit event notice ^B | 43 | 3 |
| Credit Suisse First Boston USA (People's Choice Home Loan Securities Trust 2005-1, 1-Month LIBOR ^C + 260 bp*, due 1/25/35) | January 25, 2035 | 2.05% | Specified Amount upon credit event notice ^B | 43 | 5 |
| Merrill Lynch (iBoxx CDX NA IG) | June 20, 2010 | Specified Amount upon credit event notice ^D | 0.40% Quarterly | 15,000 | 272 |

\$ 390

^A - refers to amounts less than \$1,000.

^B Upon Bankruptcy or failure to make a scheduled interest payment, the Fund will receive \$1,000 per 1,000 notional.

^C As of March 31, 2007, the 1 month London Interbank Offered Rate was 5.32%.

^D Upon Bankruptcy or failure to make a scheduled interest payment, the Fund will pay \$1,000 per 1,000 notional.

* 100 basis points = 1%.

Other information regarding the Fund is available in the Fund's most recent Report to Shareholders. This information is available on the Securities and Exchange Commission's website (www.sec.gov).

Item 2 Controls and Procedures

- (a) Western Asset Premier Bond Fund (the Registrant) principal executive and principal financial officers have concluded, based on their evaluation of the Registrant s disclosure controls and procedures as of a date within 90 days of the filing date of this report, that the Registrant s disclosure controls and procedures are reasonably designed to ensure that information required to be disclosed by the Registrant on Form N-Q is recorded, processed, summarized and reported within the required time periods in the Securities and Exchange Commission s rules and forms and that information required to be disclosed by the Registrant in the reports that it files or submits on Form N-Q is accumulated and communicated to the Registrant s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

- (b) There were no changes in the Registrant s internal control over financial reporting during the Registrant s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

Item 3 Exhibits

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 - filed as an exhibit 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

By: R. Jay Gerken
R. Jay Gerken

President

Western Asset Premier Bond
Date: May 29, 2007

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: R. Jay Gerken
R. Jay Gerken

President

Western Asset Premier Bond
Date: May 29, 2007

By: Marie K. Karpinski
Marie K. Karpinski

Principal Financial and Accounting Officer

Western Asset Premier Bond
Date: May 23, 2007