

WESTERN ASSET MUNICIPAL PARTNERS FUND INC.
Form N-CSR
January 22, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number 811-07362

Western Asset Municipal Partners Fund Inc.
(Exact name of registrant as specified in charter)

620 Eighth Avenue, 49th Floor, New York, NY 10018
(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902

(Name and address of agent for service)

Registrant's telephone number, including area code: (888) 777-0102

Date of fiscal year end: November 30

Date of reporting period: November 30, 2015

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ITEM 1. REPORT TO STOCKHOLDERS.

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

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Annual Report

November 30, 2015

WESTERN ASSET
MUNICIPAL PARTNERS
FUND INC. (MNP)

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

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Fund objectives

The Fund's primary investment objective is to seek a high level of current income which is exempt from regular federal income taxes,* consistent with the preservation of capital. As a secondary investment objective, the Fund intends to enhance portfolio value by purchasing tax-exempt securities that, in the opinion of the investment manager, may appreciate in value relative to other similar obligations in the marketplace.

Under normal market conditions, the Fund invests substantially all of its assets in a diversified portfolio of tax-exempt securities that are rated investment grade at the time of purchase by at least one rating agency and that the investment manager believes do not involve undue risk to income or principal.

Letter from the chairman

Dear Shareholder,

We are pleased to provide the annual report of Western Asset Municipal Partners Fund Inc. for the twelve-month reporting period ended November 30, 2015. Please read on for a detailed look at prevailing economic and market conditions during the Fund's reporting period and to learn how those conditions have affected Fund performance.

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

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

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Fund prices and performance,

Market insights and commentaries from our portfolio managers, and

A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,

Jane Trust, CFA

Chairman, President and Chief Executive Officer

December 31, 2015

* Certain investors may be subject to the federal alternative minimum tax (AMT), and state and local taxes will apply. Capital gains, if any, are fully taxable. Please consult your personal tax or legal adviser.

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Investment commentary

Economic review

The pace of U.S. economic activity was mixed during the twelve months ended November 30, 2015 (the reporting period). Looking back, the U.S. Department of Commerce's revised figures showed that fourth quarter 2014 U.S. gross domestic product (GDP) growth was 2.1%. First quarter 2015 GDP growth then moderated to 0.6%. This was attributed to a number of factors, including a deceleration in personal consumption expenditures (PCE), along with negative contributions from exports, nonresidential fixed investment, and state and local government spending. Economic activity then accelerated, as second quarter 2015 GDP growth was 3.9%. The upturn was driven by increasing exports, accelerating PCE, declining imports, expanding state and local government spending, and rising nonresidential fixed investment. The U.S. Department of Commerce's final reading for third quarter 2015 GDP growth released after the reporting period ended was 2.0%. Decelerating growth was primarily due to a downturn in private inventory investment and decelerations in exports, PCE, nonresidential fixed investment, state and local government spending, and residential fixed investment.

The labor market significantly improved and was a tailwind for the economy during the reporting period. When the period began, unemployment was 5.6%, as reported by the U.S. Department of Labor. By November 2015, unemployment was 5.0%, equaling its lowest level since April 2008.

The Federal Reserve Board (Fed) maintained the federal funds rateⁱⁱⁱ at a historically low range between zero and 0.25% during the twelve months ended November 30, 2015. However, at its meeting that ended on December 16, 2015, after the reporting period ended, the Fed raised the federal funds rate for the first time since 2006. In particular, the U.S. central bank raised the federal funds rate to a range between 0.25% and 0.50%. At its meeting that concluded on October 28, 2015, the Fed said, "In determining whether it will be appropriate to raise the target range at its next meeting, the Committee will assess progress both realized and expected toward its objectives of maximum employment and 2 percent inflation." However, in its official statement after the December meeting, the Fed said, "The stance of monetary policy remains accommodative after this increase, thereby supporting further improvement in labor market conditions and a return to 2 percent inflation." The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run.

As always, thank you for your confidence in our stewardship of your assets.

Sincerely,

Jane Trust, CFA

Chairman, President and

Chief Executive Officer

December 31, 2015

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results.

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Investment commentary (cont d)

ⁱ Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.

ⁱⁱ The Federal Reserve Board (Fed) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.

ⁱⁱⁱ The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.

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Fund overview

Q. What is the Fund's investment strategy?

A. The Fund's primary investment objective is to seek a high level of current income which is exempt from regular federal income taxes, consistent with the preservation of capital. As a secondary investment objective, the Fund intends to enhance portfolio value by purchasing tax-exempt securities that, in the opinion of the Fund's investment manager, may appreciate in value relative to other similar obligations in the marketplace. Under normal market conditions, the Fund invests substantially all of its assets in a diversified portfolio of tax-exempt securities. The Fund invests primarily in tax exempt securities that are rated investment grade at the time of purchase by at least one rating agency and that the investment manager believes do not involve undue risk to income or principal. The Fund may invest up to 20% of its net assets in securities rated below investment grade (commonly known as "high yield" or "junk" bonds) at the time of purchase. The Fund may use a variety of derivative instruments as part of its investment strategy, or for hedging or risk management purposes.

At Western Asset Management Company ("Western Asset"), the Fund's subadviser, we utilize a fixed-income team approach, with decisions derived from interaction among various investment management sector specialists. The sector teams are comprised of Western Asset's senior portfolio management personnel, research analysts and an in-house economist. Under this team approach, management of client fixed-income portfolios will reflect a consensus of interdisciplinary views within the Western Asset organization. The individuals responsible for development of investment strategy, day-to-day portfolio management, oversight and coordination of the Fund are S. Kenneth Leech, Robert E. Amodeo, David T. Fare, and Dennis J. McNamara.

Q. What were the overall market conditions during the Fund's reporting period?

A. Most spread sectors (non-Treasuries) posted positive returns, but generated mixed results versus equal-durationⁱ Treasuries over the twelve months ended November 30, 2015. The fixed income market was volatile at times given fluctuating global economic data, uncertainties regarding future Federal Reserve Board ("Fed") monetary policy and a number of geopolitical issues. Assuming greater risk was generally not rewarded during the reporting period.

Both short- and long-term Treasury yields moved higher during the twelve months ended November 30, 2015. Two-year Treasury yields rose from 0.47% at the beginning of the period to 0.94% at the end of the period. Their peak of 0.94% occurred on November 23 and on November 30, 2015, and they were as low as 0.44% on January 15, 2015. Ten-year Treasury yields were 2.18% at the beginning of the period and ended the period at 2.21%. Their peak of 2.50% was on June 10, 2015 and their low of 1.68% occurred at the end of January and early February 2015.

The municipal bond market outperformed its taxable bond counterpart during the twelve-month reporting period. Over that time, the Barclays Municipal Bond Indexⁱⁱⁱ and the Barclays U.S. Aggregate Index^{iv} returned 3.10% and 0.97%, respectively. The overall creditworthiness of the municipal bond

Table of Contents**Fund overview (cont d)**

market has improved as the U.S. economy continues to expand, resulting in a better labor market and higher consumer confidence levels. After lagging the overall taxable bond market during five of the first six months of the reporting period, the municipal market outperformed over the final six months of the period.

Q. How did we respond to these changing market conditions?

A. There were several changes to the Fund during the reporting period. We reduced the Fund's overall risk exposure by opportunistically selling securities that we believe were fully valued, replacing them with ones that offered better upside potential. In addition, we had a portion of the Fund's portfolio pre-refunded. This acts to dampen the Fund's overall sensitivity to interest rates. We also eliminated the Fund's modest exposure to Puerto Rico (interest from bonds issued in certain territories, such as Puerto Rico, are tax-exempt in all states). The Fund employed the use of short U.S. Treasury futures during the reporting period to manage duration. This strategy slightly detracted from the Fund's performance

During the reporting period, we utilized leverage in the Fund. This contributed to performance given the municipal market's positive results. We ended the period with leverage from preferred shares as a percentage of gross assets of roughly 34%.

Performance review

For the twelve months ended November 30, 2015, Western Asset Municipal Partners Fund Inc. returned 8.04% based on its net asset value (NAV) and 12.11% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmark, the Barclays Municipal Bond Index, returned 3.10% for the same period. The Lipper General & Insured Municipal Debt (Leveraged) Closed-End Funds Category Average^{vi} returned 5.39% over the same time frame. Please note that Lipper performance returns are based on each fund's NAV.

Certain investors may be subject to the federal alternative minimum tax, and state and local taxes will apply. Capital gains, if any, are fully taxable. Please consult your personal tax or legal adviser.

During the twelve-month period, the Fund made distributions to common stock shareholders totaling \$0.87 per share.* The performance table shows the Fund's twelve-month total return based on its NAV and market price as of November 30, 2015. **Past performance is no guarantee of future results.**

Performance Snapshot as of November 30, 2015

Price Per Share	12-Month Total Return
\$16.79 (NAV)	8.04% **
\$15.51 (Market Price)	12.11%

All figures represent past performance and are not a guarantee of future results.

Total returns are based on changes in NAV or market price, respectively. Returns reflect the deduction of all Fund expenses, including management fees, operating expenses, and other Fund expenses. Returns

* For the tax character of distributions paid during the fiscal year ended November 30, 2015, please refer to page 32 of this report.

** The total return based on NAV reflects the impact of the tender and repurchase by the Fund of a portion of its Auction Rate Cumulative Preferred Shares at 90% of the per share liquidation preference. Absent this transaction, the total return based on NAV would have been 3.67%

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do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.

Total return assumes the reinvestment of all distributions at NAV.

Total return assumes the reinvestment of all distributions in additional shares in accordance with the Fund's Dividend Reinvestment Plan.

Q. What were the leading contributors to performance?

A. The Fund outperformed the benchmark during the reporting period. The largest contributor to the Fund's relative performance was its tender and repurchase of approximately 78% of the Fund's outstanding Auction Rate Cumulative Preferred Stock at 90% of the per share liquidation preference.

The Fund's positioning in a number of sectors was positive for performance. In particular, overweights to the Industrial Revenue and Health Care sectors were rewarded. Security selection within the Health Care and Power sectors was also additive for results.

Yield curve^{vii} positioning, overall, was positive for performance. More specifically, an overweight to the 20+ year portion of the municipal yield curve was beneficial for results.

Q. What were the leading detractors from performance?

A. While the Fund outperformed its benchmark during the reporting period, its Treasury futures position and its security selection in the Leasing, Education and State/Local General Obligation sectors modestly detracted from performance.

Looking for additional information?

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

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

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

Sincerely,

Western Asset Management Company

December 21, 2015

***RISKS:** An investment in the Fund is subject to risk, including the possible loss of the principal amount that you invest in the Fund. Diversification does not assure against market loss. As interest rates rise, bond prices fall, reducing the value of the Fund's fixed-income securities. The Fund may invest in lower-rated high yield bonds or junk bonds, which are subject to greater liquidity and credit risk (risk of default) than higher rated obligations. Municipal securities purchased by the Fund may be adversely affected by changes in the*

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Fund overview (cont d)

financial condition of municipal issuers and insurers, regulatory and political developments, uncertainties and public perceptions, and other factors. The Fund may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance.

The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional. Portfolio holdings are subject to change at any time and may not be representative of the portfolio managers' current or future investments. The Fund's portfolio composition is subject to change at any time.

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

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

- ⁱ Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.
- ⁱⁱ The Federal Reserve Board (Fed) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.
- ⁱⁱⁱ The Barclays Municipal Bond Index is a market value weighted index of investment grade municipal bonds with maturities of one year or more.
- ^{iv} The Barclays U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- ^v Net asset value (NAV) is calculated by subtracting total liabilities, including liabilities associated with financial leverage (if any), from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund's market price as determined by supply of and demand for the Fund's shares.
- ^{vi} Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the twelve-month period ended November 30, 2015, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 76 funds in the Fund's Lipper category.
- ^{vii} The yield curve is the graphical depiction of the relationship between the yield on bonds of the same credit quality but different maturities.

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Fund at a glance (unaudited)

Investment breakdown (%) as a percent of total investments

The bar graph above represents the composition of the Fund's investments as of November 30, 2015 and November 30, 2014 and does not include derivatives such as futures contracts. The Fund is actively managed. As a result, the composition of the Fund's investments is subject to change at any time.

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Spread duration (unaudited)

Economic exposure November 30, 2015

Total Spread Duration

MNP 6.55 years

Benchmark 5.95 years

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

Benchmark Barclays Municipal Bond Index

MNP Western Asset Municipal Partners Fund Inc.

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Effective duration (unaudited)

Interest rate exposure November 30, 2015

Total Effective Duration

MNP 6.47 years

Benchmark 6.15 years

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

Benchmark Barclays Municipal Bond Index

MNP Western Asset Municipal Partners Fund Inc.

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November 30, 2015

Western Asset Municipal Partners Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Municipal Bonds 147.7%				
<i>Alabama 1.4%</i>				
Jefferson County, AL, Sewer Revenue:				
Subordinated Lien Warrants	6.000%	10/1/42	\$ 740,000	\$ 838,087
Subordinated Lien Warrants	6.500%	10/1/53	1,300,000	1,502,488
<i>Total Alabama</i>				<i>2,340,575</i>
<i>Alaska 1.5%</i>				
Valdez, AK, Marine Terminal Revenue, BP Pipelines Inc. Project	5.000%	1/1/21	2,150,000	2,465,534
<i>Arizona 3.5%</i>				
Glendale, AZ, Transportation Excise Tax Revenue, NATL	5.000%	7/1/28	2,855,000	3,040,746 ^(a)
Navajo Nation, AZ, Revenue	5.500%	12/1/30	275,000	298,554 ^(b)
Salt Verde, AZ, Financial Corp. Senior Gas Revenue	5.000%	12/1/32	2,000,000	2,282,220
<i>Total Arizona</i>				<i>5,621,520</i>
<i>California 21.6%</i>				
Bay Area Toll Authority, CA, Toll Bridge Revenue, San Francisco Bay Area	1.110%	4/1/24	2,500,000	2,474,125 ^{(c)(d)}
California Health Facilities Financing Authority Revenue, Catholic Healthcare West	5.250%	3/1/24	2,500,000	2,527,950
California State PCFA, Water Furnishing Revenue	5.000%	11/21/45	2,500,000	2,570,200 ^(b)
California State PCFA, Water Furnishing Revenue	5.000%	11/21/45	1,000,000	1,056,710 ^{(b)(e)}
California State, GO, Various Purpose	5.000%	4/1/43	4,000,000	4,547,960 ^(f)
California Statewide CDA Revenue, Insured Health Facility L.A., Jewish Home, CA, Mortgage Insurance	5.000%	11/15/28	1,500,000	1,638,345
Los Angeles County, CA, MTA Revenue, Union Station Project	0.456%	7/1/27	300,000	300,000 ^(c)
Los Angeles County, CA, Public Works Financing Authority, Lease Revenue, Multiple Capital Project II	5.000%	8/1/30	2,500,000	2,892,850
Lower Tule River, CA, Irrigation District Revenue, COP	5.000%	8/1/40	1,000,000	1,083,640
M-S-R Energy Authority, CA, Gas Revenue	7.000%	11/1/34	2,490,000	3,536,647
M-S-R Energy Authority, CA, Gas Revenue	6.500%	11/1/39	3,000,000	4,062,450
Rancho Cucamonga, CA, RDA, Successor Agency Tax Allocation, Rancho Redevelopment Project Area, AGM	5.000%	9/1/30	750,000	867,712
River Islands, CA, Public Financing Authority Special Tax, Community Facilities District No. 2003-1	5.500%	9/1/45	500,000	525,830
Riverside County, CA, Transportation Commission Sales Tax Revenue, Limited Tax	5.250%	6/1/39	250,000	287,503
Riverside County, CA, Transportation Commission Toll Revenue:				
Senior Lien	5.750%	6/1/44	100,000	111,716
Senior Lien	5.750%	6/1/48	200,000	222,746
Tulare, CA, Sewer Revenue, AGM	5.000%	11/15/41	2,000,000	2,280,880
Turlock, CA, Irrigation District Revenue	5.000%	1/1/35	2,500,000	2,794,325

See Notes to Financial Statements.

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Security	Rate	Maturity Date	Face Amount	Value
<i>California continued</i>				
Turlock, CA, Public Financing Authority, Tax Allocation Revenue, AGM	5.000%	9/1/30	\$ 1,500,000	\$ 1,545,615
<i>Total California</i>				<i>35,327,204</i>
<i>Colorado 5.9%</i>				
Colorado Health Facilities Authority Revenue, Sisters of Charity Leavenworth Health System Inc.	5.250%	1/1/25	3,500,000	3,980,060
Public Authority for Colorado Energy, Natural Gas Purchase Revenue	5.750%	11/15/18	225,000	244,777
Public Authority for Colorado Energy, Natural Gas Purchase Revenue	6.500%	11/15/38	4,000,000	5,346,520
<i>Total Colorado</i>				<i>9,571,357</i>
<i>Florida 4.9%</i>				
Florida State Development Finance Corp., Educational Facilities Revenue, Renaissance Charter School Inc. Project	6.125%	6/15/46	160,000	159,885 ^(b)
Florida State Mid-Bay Bridge Authority Revenue	5.000%	10/1/40	740,000	799,607
Miami-Dade County, FL, Expressway Authority Toll System Revenue	5.000%	7/1/24	1,250,000	1,504,875
Miami-Dade County, FL, GO, Seaport	5.000%	10/1/23	2,315,000	2,728,667
Orlando & Orange County, FL, Expressway Authority Revenue	5.000%	7/1/30	2,000,000	2,232,400
Seminole Tribe Florida Special Obligation Revenue	5.250%	10/1/27	500,000	522,205 ^(b)
<i>Total Florida</i>				<i>7,947,639</i>
<i>Illinois 8.9%</i>				
Chicago, IL, Metropolitan Water Reclamation District Greater Chicago, GO, Green Bond	5.000%	12/1/44	1,000,000	1,108,380
Chicago, IL, O Hare International Airport Revenue	5.000%	1/1/35	2,200,000	2,411,640 ^(e)
Chicago, IL, Public Building Commission, Building Revenue, Chicago School Reform, NATL	5.250%	12/1/18	1,000,000	1,051,660
Chicago, IL, Waterworks Revenue:				
Second Lien Project	5.000%	11/1/34	800,000	851,424
Second Lien Project	5.000%	11/1/39	500,000	527,180
Illinois Health Facilities Authority Revenue, South Suburban Hospital Project	7.000%	2/15/18	245,000	262,461 ^(g)
Illinois Municipal Electric Agency Power Supply Revenue, NATL	5.250%	2/1/28	4,145,000	4,369,659 ^(a)
Illinois State, GO	5.000%	5/1/39	1,000,000	1,036,070
Illinois State, GO, AGM	5.500%	5/1/16	1,500,000	1,528,995
Metropolitan Pier & Exposition Authority, IL, Revenue, CAB-McCormick Place Expansion Project	0.000%	12/15/52	900,000	122,868
University of Illinois, COP	5.000%	3/15/24	1,000,000	1,186,790
<i>Total Illinois</i>				<i>14,457,127</i>

See Notes to Financial Statements.

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November 30, 2015

Western Asset Municipal Partners Fund Inc.

	Rate	Maturity Date	Face Amount	Value
Security				
<i>Indiana 2.0%</i>				
Indiana Finance Authority Midwest Disaster Relief Revenue, Ohio Valley Electric Corp. Project	5.000%	6/1/39	\$ 1,000,000	\$ 1,037,580
Indianapolis, IN, Local Public Improvement Bond Bank Revenue	5.000%	6/1/27	2,000,000	2,279,440
<i>Total Indiana</i>				<i>3,317,020</i>
<i>Iowa 1.9%</i>				
Iowa State Finance Authority Midwest Disaster Area Revenue:				
Iowa Fertilizer Co. Project	5.000%	12/1/19	1,110,000	1,169,030
Iowa Fertilizer Co. Project	5.250%	12/1/25	1,790,000	1,941,810
<i>Total Iowa</i>				<i>3,110,840</i>
<i>Maryland 1.3%</i>				
Maryland State EDC, EDR, Transportation Facilities Project	5.750%	6/1/35	1,000,000	1,094,130
Maryland State Health & Higher EFA Revenue, Suburban Hospital	5.500%	7/1/16	1,015,000	1,019,141
<i>Total Maryland</i>				<i>2,113,271</i>
<i>Massachusetts 2.1%</i>				
Massachusetts State DFA Revenue, International Charter School				
Massachusetts State Water Pollution Abatement Trust Revenue, MWRA Program, Unrefunded Balance	5.750%	8/1/29	355,000	356,452
Massachusetts State Water Resources Authority Revenue:				
General, NATL	5.000%	8/1/34	940,000	997,434
General, NATL	5.000%	8/1/34	60,000	64,211 (a)
<i>Total Massachusetts</i>				<i>3,411,166</i>
<i>Michigan 5.8%</i>				
Detroit, MI, GO, District State Aid	5.250%	11/1/24	3,500,000	3,845,275
Detroit, MI, Water & Sewerage Department, Disposal System Revenue, Senior Lien	5.250%	7/1/39	405,000	438,392
Michigan State Building Authority Revenue, Facilities Program	5.250%	10/15/47	250,000	280,030
Michigan State Finance Authority Limited Obligation Revenue, Higher Education, Thomas M Cooley Law School Project	6.750%	7/1/44	610,000	644,471 (b)
Michigan State Finance Authority Revenue:				
Senior Lien Detroit Water & Sewer	5.000%	7/1/33	370,000	401,387
Senior Lien Detroit Water & Sewer	5.000%	7/1/44	380,000	402,002
Michigan State Hospital Finance Authority Revenue, McLaren Health Care Corp.	5.750%	5/15/38	2,000,000	2,231,920 (a)
Wayne County, MI, Airport Authority Revenue, Detroit Metropolitan Airport	5.000%	12/1/18	1,170,000	1,281,899 (e)
<i>Total Michigan</i>				<i>9,525,376</i>
<i>Missouri 1.3%</i>				
Boone County, MO, Hospital Revenue, Boone Hospital Center	5.375%	8/1/38	2,000,000	2,151,900

See Notes to Financial Statements.

Table of Contents**Western Asset Municipal Partners Fund Inc.**

Security	Rate	Maturity Date	Face Amount	Value
<i>Nevada 1.3%</i>				
Clark County, NV, GO, AMBAC	5.000%	11/1/21	\$ 2,000,000	\$ 2,084,340
<i>New Jersey 9.4%</i>				
Casino Reinvestment Development Authority, NJ, Luxury Tax Revenue, AGM	5.000%	11/1/27	240,000	261,970
New Jersey State EDA Revenue	5.000%	6/15/29	500,000	517,730
New Jersey State EDA Revenue:				
Continental Airlines Inc. Project	5.250%	9/15/29	2,000,000	2,174,680 ^(e)
Private Activity-The Goethals Bridge Replacement Project	5.375%	1/1/43	1,000,000	1,078,330 ^(e)
Provident Group Rowan Properties LLC, Rowan University Housing Project	5.000%	1/1/48	500,000	521,475
School Facilities Construction, SIFMA	1.610%	3/1/28	2,500,000	2,211,200 ^(c)
New Jersey State Transportation Trust Fund Authority Revenue, Transportation Program	5.000%	6/15/38	6,000,000	6,164,700
New Jersey State Turnpike Authority Revenue	0.690%	1/1/18	2,500,000	2,468,175 ^{(c)(d)}
<i>Total New Jersey</i>				<i>15,398,260</i>
<i>New York 26.4%</i>				
Brooklyn Arena, NY, Local Development Corp. Revenue, Barclays Center Project	6.250%	7/15/40	1,000,000	1,137,400
Liberty, NY, Development Corporation Revenue, Goldman Sachs Headquarters	5.250%	10/1/35	3,045,000	3,627,539
MTA, NY, Revenue	5.000%	11/15/25	1,000,000	1,169,320
MTA, NY, Revenue	5.250%	11/15/40	1,000,000	1,136,260
Nassau County, NY, Industrial Development Agency, Continuing Care Retirement Community Revenue:				
Amsterdam At Harborside	2.000%	1/1/49	97,436	11,692
Amsterdam At Harborside	6.700%	1/1/49	270,000	265,955
New York City, NY, Municipal Water Finance Authority, Water & Sewer System Revenue, Second General Resolution Fiscal 2011	5.000%	6/15/31	4,850,000	5,509,115
New York State Dormitory Authority Revenue:				
Court Facilities Lease, NYC Issue, Non-State Supported Debt, AMBAC	5.500%	5/15/30	3,365,000	4,313,459
Non State Supported Debt, New School	5.000%	7/1/35	2,000,000	2,268,420
Non-State Supported Debt, Columbia University	5.000%	7/1/38	2,000,000	2,190,180
New York State Liberty Development Corp., Liberty Revenue:				
3 World Trade Center LLC Project	5.000%	11/15/44	490,000	500,986 ^(b)
4 World Trade Center LLC Project	5.750%	11/15/51	2,000,000	2,316,520
Second Priority, Bank of America Tower	5.125%	1/15/44	2,500,000	2,770,625
New York State Thruway Authority, Second General Highway & Bridge Trust Fund Revenue, AMBAC	5.000%	4/1/26	4,700,000	4,977,582 ^(a)

See Notes to Financial Statements.

Table of Contents**Schedule of investments (cont d)**

November 30, 2015

Western Asset Municipal Partners Fund Inc.

	Rate	Maturity Date	Face Amount	Value
Security				
<i>New York continued</i>				
New York State Urban Development Corp. Revenue, State Personal Income Tax	5.000%	3/15/26	\$ 5,000,000	\$ 5,266,850
Port Authority of New York & New Jersey Revenue	5.000%	1/15/41	5,000,000	5,630,000
<i>Total New York</i>				<i>43,091,903</i>
<i>North Carolina 4.5%</i>				
Charlotte-Mecklenburg Hospital Authority, NC, Health Care System Revenue, Carolinas Healthcare System	5.000%	1/15/31	5,000,000	5,656,300
North Carolina Department of Transportation Private Activity Revenue, I-77 Hot Lanes Project	5.000%	6/30/54	500,000	524,415 ^(e)
North Carolina Medical Care Commission Health Care Facilities Revenue, Novant Health Obligation Group	5.000%	11/1/39	1,200,000	1,229,796
<i>Total North Carolina</i>				<i>7,410,511</i>
<i>Ohio 3.5%</i>				
Northeast, OH, Regional Sewer District Revenue, Waste Water Revenue Improvement	5.000%	11/15/43	4,040,000	4,555,666
Ohio State Air Quality Development Authority Revenue, FirstEnergy Generation Corp.	5.700%	8/1/20	1,000,000	1,095,610
<i>Total Ohio</i>				<i>5,651,276</i>
<i>Oklahoma 1.4%</i>				
Grand River Dam Authority, OK, Revenue	5.250%	6/1/40	2,000,000	2,266,100
<i>Oregon 0.3%</i>				
Multnomah County, OR, School District # 7 Reynolds, GO, Deffered Interest, School Board Guaranty	0.000%	6/15/31	1,000,000	552,520
<i>Pennsylvania 8.4%</i>				
Central Bradford, PA, Progress Authority Revenue, Guthrie Healthcare Systems	5.000%	12/1/26	5,130,000	5,920,071
Cumberland County, PA, Municipal Authority Revenue, Diakon Lutheran Social Ministries Project	5.000%	1/1/29	750,000	810,750
East Hempfield Township, PA, IDA Revenue, Student Services Inc.-Student Housing Project-Millersville University	5.000%	7/1/47	250,000	261,613
Pennsylvania Economic Development Financing Authority, Sewer Sludge Disposal Revenue, Philadelphia Biosolids Facility	6.250%	1/1/32	500,000	551,215
Philadelphia, PA, Airport Revenue	5.000%	6/15/35	2,000,000	2,195,440 ^(e)
Philadelphia, PA, Gas Works Revenue, 7th General Ordinance, AMBAC	5.000%	10/1/17	2,685,000	2,876,977
Philadelphia, PA, School District, GO	5.000%	9/1/32	1,000,000	1,108,080
<i>Total Pennsylvania</i>				<i>13,724,146</i>
<i>Tennessee 5.3%</i>				
Clarksville, TN, Natural Gas Acquisition Corp., Gas Revenue	5.000%	12/15/20	2,030,000	2,310,830
Tennessee Energy Acquisition Corp., Gas Revenue	5.000%	2/1/20	3,555,000	4,001,402
Tennessee Energy Acquisition Corp., Gas Revenue	5.000%	2/1/21	2,000,000	2,284,340
<i>Total Tennessee</i>				<i>8,596,572</i>

See Notes to Financial Statements.

Table of Contents**Western Asset Municipal Partners Fund Inc.**

Security	Rate	Maturity Date	Face Amount	Value
<i>Texas 16.5%</i>				
Austin, TX, Water & Wastewater System Revenue	5.000%	11/15/26	\$ 2,500,000	\$ 2,850,875
Austin, TX, Water & Wastewater System Revenue	5.125%	11/15/28	2,210,000	2,517,035
Beaumont, TX, ISD, GO, School Building, PSF-GTD	5.000%	2/15/33	1,100,000	1,151,656
Corpus Christi, TX, Utility System Revenue, Junior Lien	5.000%	7/15/31	2,905,000	3,353,009
Grand Parkway Transportation Corp., TX, System Toll Revenue, Convertible CAB, Step Bond	0.000%	10/1/36	2,000,000	1,607,760 ^(c)
Harris County, TX, Metropolitan Transit Authority Sales & Use Tax Revenue	5.000%	11/1/36	3,125,000	3,607,469
Houston, TX, Airport Systems Revenue, United Airlines Inc.	5.000%	7/15/30	1,000,000	1,067,610 ^(e)
Kemp, TX, ISD, GO, School Building, PSF-GTD	5.250%	2/15/33	3,450,000	3,642,154 ^(a)
New Hope Cultural Education Facilities Finance Corp., TX, Student Housing Revenue, Collegiate Housing-Tarleton State University Project	5.000%	4/1/35	800,000	841,352
North Texas Tollway Authority Revenue	5.000%	1/1/40	600,000	663,900
North Texas Tollway Authority Revenue	5.000%	1/1/45	600,000	662,580
North Texas Tollway Authority Revenue: System-First Tier	5.750%	1/1/40	1,250,000	1,374,513 ^(a)
System-First Tier	5.750%	1/1/40	1,250,000	1,349,438
Texas State Transportation Commission Turnpike System Revenue	5.000%	8/15/42	2,000,000	2,170,100
<i>Total Texas</i>				<i>26,859,451</i>
<i>Washington 3.9%</i>				
Port of Seattle, WA, Revenue	5.000%	8/1/25	2,395,000	2,805,096
Washington State Health Care Facilities Authority Revenue, PeaceHealth	5.000%	11/1/28	3,000,000	3,350,100
Washington State HFC Revenue:				
Heron s Key	6.500%	7/1/30	100,000	101,703 ^(b)
Heron s Key	6.750%	7/1/35	100,000	101,897 ^(b)
<i>Total Washington</i>				<i>6,358,796</i>
<i>Wisconsin 4.7%</i>				
Public Finance Authority, WI, Airport Facilities Revenue, Transportation Infrastructure Properties LLC	5.000%	7/1/42	4,000,000	4,147,200 ^(e)
Wisconsin State HEFA Revenue, SSM Health Care Corp.	5.000%	6/1/25	3,110,000	3,534,950
<i>Total Wisconsin</i>				<i>7,682,150</i>
Total Investments before Short-Term Investments (Cost \$221,873,521)				241,036,554
<i>Short-Term Investments 2.1%</i>				
<i>New York 1.8%</i>				
New York City, NY, Municipal Water Finance Authority, Water & Sewer System Revenue, Second General Resolution, SPA-Dexia Credit Local	0.270%	6/15/32	1,000,000	1,000,000 ^{(h)(i)}

See Notes to Financial Statements.

Table of Contents**Schedule of investments (cont d)**

November 30, 2015

Western Asset Municipal Partners Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>New York continued</i>				
New York City, NY, TFA Revenue, New York City Recovery Project Revenue, Subordinated, LIQ-Dexia Credit Local	0.270%	11/1/22	\$ 2,000,000	\$ 2,000,000 ^{(b)(i)}
<i>Total New York</i>				<i>3,000,000</i>
<i>North Carolina 0.3%</i>				
North Carolina State Medical Care Commission, Health Care Facilities Revenue, Novant Health Group, SPA-JPMorgan Chase	0.060%	11/1/34	450,000	450,000 ^{(b)(i)}
Total Short-Term Investments (Cost \$3,450,000)				3,450,000
Total Investments 149.8% (Cost \$225,323,521#)				244,486,554
Auction Rate Cumulative Preferred Stock, at Liquidation Value (11.3)%				(18,500,000)
Variable Rate Demand Preferred Stock, at Liquidation Value (40.7)%				(66,500,000)
Other Assets in Excess of Liabilities 2.2%				3,743,707
Total Net Assets Applicable to Common Shareholders 100.0%				\$ 163,230,261

(a) Pre-Refunded bonds are escrowed with U.S. government obligations and/or U.S. government agency securities and are considered by the manager to be triple-A rated even if issuer has not applied for new ratings.

(b) 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 Directors, unless otherwise noted.

(c) Variable rate security. Interest rate disclosed is as of the most recent information available.

(d) Maturity date shown represents the mandatory tender date.

(e) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax (AMT).

(f) All or a portion of this security is held at the broker as collateral for open futures contracts.

(g) Bonds are escrowed to maturity by government securities and/or U.S. government agency securities and are considered by the manager to be triple-A rated even if issuer has not applied for new ratings.

(h) Variable rate demand obligations have a demand feature under which the Fund can tender them back to the issuer or liquidity provider on no more than 7 days notice.

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(i) Maturity date shown is the final maturity date. The security may be sold back to the issuer before final maturity.

Aggregate cost for federal income tax purposes is \$225,215,956.

Abbreviations used in this schedule:

AGM	Assured Guaranty Municipal Corporation	Insured Bonds
AMBAC	American Municipal Bond Assurance Corporation	Insured Bonds
CAB	Capital Appreciation Bonds	
CDA	Communities Development Authority	
COP	Certificates of Participation	
DFA	Development Finance Agency	
EDA	Economic Development Authority	
EDC	Economic Development Corporation	
EDR	Economic Development Revenue	
EFA	Educational Facilities Authority	
GO	General Obligation	

See Notes to Financial Statements.

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Western Asset Municipal Partners Fund Inc.

GTD	Guaranteed
HEFA	Health & Educational Facilities Authority
HFC	Housing Finance Commission
IDA	Industrial Development Authority
ISD	Independent School District
LIQ	Liquidity Facility
MTA	Metropolitan Transportation Authority
MWRA	Massachusetts Water Resources Authority
NATL	National Public Finance Guarantee Corporation Insured Bonds
PCFA	Pollution Control Financing Authority
PSF	Permanent School Fund
RDA	Redevelopment Agency
SIFMA	Securities Industry and Financial Markets Association
SPA	Standby Bond Purchase Agreement Insured Bonds
TFA	Transitional Finance Authority

Ratings table* (unaudited)

Standard & Poor s/Moody s/Fitch**

AAA/Aaa	4.5%
AA/Aa	43.7
A	34.9
BBB/Baa	10.6
BB/Ba	2.9
A-1/VMIG 1	1.4
NR***	2.0
	100.0%

* As a percentage of total investments.

** The ratings shown are based on each portfolio security s rating as determined by Standard & Poor s, Moody s or Fitch, each a Nationally Recognized Statistical Rating Organization (NRSRO). These ratings are the opinions of the NRSRO and are not measures of quality or guarantees of performance. Securities may be rated by other NRSROs, and these ratings may be higher or lower. In the event that a security is rated by multiple NRSROs and receives different ratings, the Fund will treat the security as being rated in the highest rating category received from a NRSRO.

***The credit quality of unrated investments is evaluated based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments.

See Notes to Financial Statements.

Table of Contents**Statement of assets and liabilities**

November 30, 2015

Assets:	
Investments, at value (Cost \$225,323,521)	\$ 244,486,554
Cash	63,186
Interest receivable	3,008,301
Prepaid expenses	44,726
Total Assets	247,602,767
Liabilities:	
Variable Rate Demand Preferred Stock (\$50,000 liquidation value per share; 1,330 shares issued and outstanding) (net of deferred offering costs of \$869,712) (Note 5)	65,630,288
Investment management fee payable	111,873
Directors' fees payable	2,461
Payable to broker - variation margin on open futures contracts	2,344
Distributions payable to Auction Rate Cumulative Preferred Stockholders	1,000
Distributions payable to Variable Rate Demand Preferred Stockholders	990
Accrued expenses	123,550
Total Liabilities	65,872,506
Auction Rate Cumulative Preferred Stock (370 shares authorized and issued at \$50,000 per share) (Note 6)	18,500,000
Total Net Assets Applicable to Common Shareholders	\$ 163,230,261
Net Assets Applicable to Common Shareholders:	
Common stock par value (\$0.001 par value; 9,719,063 shares issued and outstanding; 100,000,000 shares authorized)	\$ 9,719
Paid-in capital in excess of par value	142,195,698
Undistributed net investment income	3,941,436
Accumulated net realized loss on investments and futures contracts	(2,072,029)
Net unrealized appreciation on investments and futures contracts	19,155,437
Total Net Assets Applicable to Common Shareholders	\$ 163,230,261
Common Shares Outstanding	9,719,063
Net Asset Value Per Common Share	\$16.79

See Notes to Financial Statements.

Table of Contents**Statement of operations**

For the Year Ended November 30, 2015

Investment Income:	
<i>Interest</i>	\$ 10,200,819
Expenses:	
Investment management fee (Note 2)	1,360,478
Liquidity fees (Note 5)	373,928
Audit and tax fees	115,510
Legal fees	104,428
Distributions to Variable Rate Demand Preferred Stockholders (Notes 1 and 5)	62,455
Auction participation fees (Note 6)	61,021
Remarketing fees (Note 5)	48,951
Transfer agent fees	41,859
Directors' fees	39,168
Shareholder reports	28,947
Stock exchange listing fees	21,206
Rating agency fees	20,663
Fund accounting fees	16,298
Auction agent fees	14,912
Custody fees	13,885
Insurance	3,479
Amortization of Variable Rate Demand Preferred Stock offering costs (Note 5)	21,470
Miscellaneous expenses	27,153
<i>Total Expenses</i>	2,375,811
Net Investment Income	7,825,008
Realized and Unrealized Gain (Loss) on Investments and Futures Contracts (Notes 1, 3 and 4):	
Net Realized Loss From:	
Investment transactions	(87,029)
Futures contracts	(416,171)
<i>Net Realized Loss</i>	(503,200)
Change in Net Unrealized Appreciation (Depreciation) From:	
Investments	(1,729,982)
Futures contracts	383,817
<i>Change in Net Unrealized Appreciation (Depreciation)</i>	(1,346,165)
Net Loss on Investments and Futures Contracts	(1,849,365)
Distributions Paid to Auction Rate Cumulative Preferred Stockholders	
From Net Investment Income (Notes 1 and 6)	(45,224)
Increase in Net Assets Applicable to Common Shareholders From Operations	\$ 5,930,419

See Notes to Financial Statements.

Table of Contents**Statements of changes in net assets**

For the Years Ended November 30,	2015	2014
Operations:		
Net investment income	\$ 7,825,008	\$ 8,391,629
Net realized loss	(503,200)	(1,034,065)
Change in net unrealized appreciation (depreciation)	(1,346,165)	14,087,152
Distributions paid to Auction Rate Cumulative Preferred Stockholders from net investment income	(45,224)	(89,529)
<i>Increase in Net Assets Applicable to Common Shareholders From Operations</i>	<i>5,930,419</i>	<i>21,355,187</i>
Distributions to Common Shareholders From (Note 1):		
Net investment income	(8,455,585)	(8,309,800)
<i>Decrease in Net Assets From Distributions to Common Shareholders</i>	<i>(8,455,585)</i>	<i>(8,309,800)</i>
Fund Share Transactions:		
Net increase From tender and repurchase of Auction Rate Cumulative Preferred Shares (Note 6)	6,650,000	
<i>Increase in Net Assets From Fund Share Transactions</i>	<i>6,650,000</i>	
<i>Increase in Net Assets Applicable to Common Shareholders</i>	<i>4,124,834</i>	<i>13,045,387</i>
Net Assets Applicable to Common Shareholders:		
Beginning of year	159,105,427	146,060,040
End of year*	\$ 163,230,261	\$ 159,105,427
*Includes undistributed net investment income of:	\$3,941,436	\$4,646,717

See Notes to Financial Statements.

Table of Contents**Statement of cash flows**

For the Year Ended November 30, 2015

Increase (Decrease) in Cash:**Cash Provided (Used) by Operating Activities:**

Net increase in net assets applicable to common shareholders resulting from operations	\$ 5,975,643
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided (used) by operating activities:	
Purchases of portfolio securities	(34,876,504)
Sales of portfolio securities	32,188,725
Net purchases, sales and maturities of short-term investments	(3,050,000)
Net amortization of premium (accretion of discount)	619,052
Decrease in interest receivable	83,843
Increase in prepaid expenses	(23,101)
Increase in investment management fee payable	1,617
Increase in Directors' fees payable	1,142
Increase in accrued expenses	14,887
Increase in distributions to Variable Rate Demand Preferred Stockholders	990
Decrease in payable to broker - variation margin on open futures contracts	(47,031)
Net realized loss on investments	87,029
Change in unrealized appreciation of investments	1,729,982
Net Cash Provided by Operating Activities	2,706,274
Cash Flows from Financing Activities:	
Distributions paid on common stock	(8,455,585)
Proceeds from offering of Variable Rate Demand Preferred Stock	66,500,000
Repurchase of Auction Rate Cumulative Preferred Stock	(59,850,000)
Distributions paid on Auction Rate Cumulative Preferred Stock	(48,386)
Deferred preferred stock offering costs	(869,712)
Net Cash Used in Financing Activities	(2,723,683)
Net Decrease in Cash	(17,409)
Cash at Beginning of Year	80,595
Cash at End of Year	\$ 63,186

See Notes to Financial Statements.

Table of Contents**Financial highlights****For a common share of capital stock outstanding throughout each year ended November 30:**

	2015 ¹	2014 ¹	2013 ¹	2012 ¹	2011 ¹
Net asset value, beginning of year	\$16.37	\$15.03	\$17.30	\$15.24	\$14.49
Income (loss) from operations:					
Net investment income	0.81	0.86	0.87	0.91	0.91
Net realized and unrealized gain (loss)	(0.20)	1.35	(2.20)	2.02	0.70
Distributions paid to Auction Rate Cumulative Preferred Stockholders from:					
Net investment income	(0.00) ²	(0.01)	(0.02)	(0.02)	(0.03)
Net realized gains			(0.00) ²	(0.00) ²	
<i>Total income (loss) from operations</i>	<i>0.61</i>	<i>2.20</i>	<i>(1.35)</i>	<i>2.91</i>	<i>1.58</i>
Distributions to common shareholders from:					
Net investment income	(0.87)	(0.86)	(0.84)	(0.84)	(0.83)
Net realized gains			(0.08)	(0.01)	
<i>Total distributions to common shareholders</i>	<i>(0.87)</i>	<i>(0.86)</i>	<i>(0.92)</i>		