

Western Asset Investment Grade Income Fund Inc.
Form N-Q
November 28, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number **811-02351**

Western Asset Investment Grade Income 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: 1-888-777-0102

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

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

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

FORM N-Q

SEPTEMBER 30, 2018

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|--------------------------|
| CORPORATE BONDS & NOTES - 86.9% | | | | |
| COMMUNICATION SERVICES - 10.5% | | | | |
| Diversified Telecommunication Services - 3.8% | | | | |
| AT&T Inc., Senior Notes | 4.300% | 2/15/30 | \$ 80,000 | \$ 77,106 ^(a) |
| AT&T Inc., Senior Notes | 4.500% | 5/15/35 | 360,000 | 337,296 |
| AT&T Inc., Senior Notes | 6.350% | 3/15/40 | 50,000 | 55,151 |
| AT&T Inc., Senior Notes | 5.350% | 9/1/40 | 30,000 | 29,847 |
| AT&T Inc., Senior Notes | 4.800% | 6/15/44 | 210,000 | 194,360 |
| AT&T Inc., Senior Notes | 5.450% | 3/1/47 | 50,000 | 50,134 |
| AT&T Inc., Senior Notes | 4.550% | 3/9/49 | 310,000 | 273,098 |
| AT&T Inc., Senior Notes (3 mo. USD LIBOR + 1.180%) | 3.514% | 6/12/24 | 480,000 | 482,532 ^(b) |
| British Telecommunications PLC, Senior Notes | 9.625% | 12/15/30 | 330,000 | 469,667 |
| Koninklijke KPN NV, Senior Notes | 8.375% | 10/1/30 | 200,000 | 258,359 |
| Telefonica Emisiones SAU, Senior Notes | 7.045% | 6/20/36 | 60,000 | 72,580 |
| Verizon Communications Inc., Senior Notes | 5.150% | 9/15/23 | 1,790,000 | 1,918,201 |
| Verizon Communications Inc., Senior Notes | 5.500% | 3/16/47 | 730,000 | 802,321 |
| Verizon Communications Inc., Senior Notes | 5.012% | 8/21/54 | 139,000 | 140,276 |
| <i>Total Diversified Telecommunication Services</i> | | | | 5,160,928 |
| Media - 4.8% | | | | |
| 21st Century Fox America Inc., Senior Notes | 6.550% | 3/15/33 | 545,000 | 687,794 |
| 21st Century Fox America Inc., Senior Notes | 7.750% | 12/1/45 | 130,000 | 199,793 |
| CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes | 5.125% | 5/1/27 | 420,000 | 399,000 ^(a) |
| Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes | 6.384% | 10/23/35 | 110,000 | 118,613 |
| Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes | 6.484% | 10/23/45 | 260,000 | 280,411 |
| Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes | 5.375% | 5/1/47 | 350,000 | 332,802 |
| Comcast Corp., Senior Notes | 6.450% | 3/15/37 | 220,000 | 262,352 |
| Comcast Corp., Senior Notes | 6.950% | 8/15/37 | 160,000 | 197,943 |
| Comcast Corp., Senior Notes | 6.400% | 5/15/38 | 950,000 | 1,126,942 |
| Time Warner Cable LLC, Senior Secured Notes | 8.750% | 2/14/19 | 690,000 | 704,321 |
| Time Warner Cable LLC, Senior Secured Notes | 6.550% | 5/1/37 | 180,000 | 195,796 |
| Time Warner Cable LLC, Senior Secured Notes | 7.300% | 7/1/38 | 200,000 | 229,716 |
| Time Warner Cable LLC, Senior Secured Notes | 6.750% | 6/15/39 | 10,000 | 10,937 |
| Time Warner Cable LLC, Senior Secured Notes | 5.500% | 9/1/41 | 50,000 | 48,312 |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|-------------|------------------------|
| Media - (continued) | | | | |
| Time Warner Entertainment Co. LP, Senior Secured Notes | 8.375% | 7/15/33 | \$ 410,000 | \$ 510,363 |
| UBM PLC, Senior Notes | 5.750% | 11/3/20 | 570,000 | 578,397 ^(a) |
| Virgin Media Finance PLC, Senior Notes | 6.375% | 4/15/23 | 600,000 | 617,250 ^(a) |
| Warner Media LLC, Senior Notes | 4.900% | 6/15/42 | 150,000 | 140,710 |
| <i>Total Media</i> | | | | 6,641,452 |
| Wireless Telecommunication Services - 1.9% | | | | |
| America Movil SAB de CV, Senior Notes | 6.125% | 3/30/40 | 850,000 | 1,010,102 |
| Sprint Communications Inc., Senior Notes | 9.000% | 11/15/18 | 50,000 | 50,372 ^(a) |
| Sprint Corp., Senior Notes | 7.250% | 9/15/21 | 330,000 | 349,800 |
| Sprint Corp., Senior Notes | 7.875% | 9/15/23 | 340,000 | 367,625 |
| Telefonica Europe BV, Senior Notes | 8.250% | 9/15/30 | 230,000 | 294,917 |
| Vodafone Group PLC, Senior Notes | 5.250% | 5/30/48 | 490,000 | 493,805 |
| <i>Total Wireless Telecommunication Services</i> | | | | 2,566,621 |
| TOTAL COMMUNICATION SERVICES | | | | |
| | | | | 14,369,001 |
| CONSUMER DISCRETIONARY - 2.1% | | | | |
| Auto Components - 0.1% | | | | |
| ZF North America Capital Inc., Senior Notes | 4.750% | 4/29/25 | 160,000 | 160,178 ^(a) |
| Automobiles - 0.7% | | | | |
| Ford Motor Credit Co. LLC, Senior Notes | 8.125% | 1/15/20 | 410,000 | 433,268 |
| General Motors Co., Senior Notes | 6.600% | 4/1/36 | 170,000 | 181,711 |
| General Motors Co., Senior Notes | 6.750% | 4/1/46 | 280,000 | 304,052 |
| <i>Total Automobiles</i> | | | | 919,031 |
| Hotels, Restaurants & Leisure - 1.0% | | | | |
| GLP Capital LP/GLP Financing II Inc., Senior Notes | 5.250% | 6/1/25 | 160,000 | 163,392 |
| GLP Capital LP/GLP Financing II Inc., Senior Notes | 5.375% | 4/15/26 | 100,000 | 101,801 |
| McDonald's Corp., Senior Notes | 4.700% | 12/9/35 | 150,000 | 156,376 |
| McDonald's Corp., Senior Notes | 4.875% | 12/9/45 | 230,000 | 241,443 |
| McDonald's Corp., Senior Notes | 4.450% | 9/1/48 | 10,000 | 9,845 |
| Sands China Ltd., Senior Notes | 5.125% | 8/8/25 | 450,000 | 449,630 ^(a) |
| Sands China Ltd., Senior Notes | 5.400% | 8/8/28 | 200,000 | 199,530 ^(a) |
| <i>Total Hotels, Restaurants & Leisure</i> | | | | 1,322,017 |
| Household Durables - 0.3% | | | | |
| Newell Brands Inc., Senior Notes | 4.200% | 4/1/26 | 480,000 | 456,965 |
| TOTAL CONSUMER DISCRETIONARY | | | | |
| | | | | 2,858,191 |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|------------------------|
| CONSUMER STAPLES - 2.5% | | | | |
| Beverages - 1.4% | | | | |
| Anheuser-Busch InBev Finance Inc., Senior Notes | 4.900% | 2/1/46 | \$ 840,000 | \$ 852,685 |
| Pernod Ricard SA, Senior Notes | 5.750% | 4/7/21 | 350,000 | 368,501 ^(a) |
| Pernod Ricard SA, Senior Notes | 5.500% | 1/15/42 | 670,000 | 745,186 ^(a) |
| <i>Total Beverages</i> | | | | 1,966,372 |
| Food & Staples Retailing - 0.1% | | | | |
| Kroger Co., Senior Notes | 4.650% | 1/15/48 | 90,000 | 85,140 |
| Food Products - 0.3% | | | | |
| Kraft Heinz Foods Co., Senior Notes | 5.000% | 7/15/35 | 50,000 | 49,530 |
| Kraft Heinz Foods Co., Senior Notes | 5.000% | 6/4/42 | 150,000 | 143,711 |
| Kraft Heinz Foods Co., Senior Notes | 5.200% | 7/15/45 | 250,000 | 245,248 |
| <i>Total Food Products</i> | | | | 438,489 |
| Tobacco - 0.7% | | | | |
| Philip Morris International Inc., Senior Notes | 4.500% | 3/20/42 | 100,000 | 97,642 |
| Reynolds American Inc., Senior Notes | 8.125% | 5/1/40 | 270,000 | 355,421 |
| Reynolds American Inc., Senior Notes | 7.000% | 8/4/41 | 320,000 | 381,128 |
| Reynolds American Inc., Senior Notes | 5.850% | 8/15/45 | 90,000 | 98,214 |
| <i>Total Tobacco</i> | | | | 932,405 |
| TOTAL CONSUMER STAPLES | | | | 3,422,406 |
| ENERGY - 16.6% | | | | |
| Energy Equipment & Services - 0.5% | | | | |
| ENSCO International Inc., Senior Notes | 7.200% | 11/15/27 | 120,000 | 113,100 |
| EnSCO PLC, Senior Notes | 5.200% | 3/15/25 | 130,000 | 113,587 |
| Halliburton Co., Senior Notes | 5.000% | 11/15/45 | 200,000 | 214,396 |
| Petrofac Ltd., Senior Notes | 3.400% | 10/10/18 | 310,000 | 309,995 ^(a) |
| <i>Total Energy Equipment & Services</i> | | | | 751,078 |
| Oil, Gas & Consumable Fuels - 16.1% | | | | |
| Anadarko Finance Co., Senior Notes | 7.500% | 5/1/31 | 465,000 | 571,674 |
| Anadarko Petroleum Corp., Senior Notes | 4.850% | 3/15/21 | 460,000 | 473,004 |
| Anadarko Petroleum Corp., Senior Notes | 5.550% | 3/15/26 | 460,000 | 488,827 |
| Apache Corp., Senior Notes | 6.000% | 1/15/37 | 106,000 | 116,165 |
| Apache Corp., Senior Notes | 5.100% | 9/1/40 | 160,000 | 158,763 |
| Apache Corp., Senior Notes | 5.250% | 2/1/42 | 90,000 | 90,772 |
| Cenovus Energy Inc., Senior Notes | 5.250% | 6/15/37 | 90,000 | 89,258 |
| Cimarex Energy Co., Senior Notes | 3.900% | 5/15/27 | 70,000 | 66,992 |

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| | | | | |
|-------------------------------------|--------|---------|---------|-----------|
| Concho Resources Inc., Senior Notes | 3.750% | 10/1/27 | 70,000 | 66,940 |
| Concho Resources Inc., Senior Notes | 4.300% | 8/15/28 | 180,000 | 179,628 |
| ConocoPhillips, Senior Notes | 6.500% | 2/1/39 | 810,000 | 1,053,480 |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|------------------------|
| Oil, Gas & Consumable Fuels - (continued) | | | | |
| Continental Resources Inc., Senior Notes | 4.375% | 1/15/28 | \$ 280,000 | \$ 278,433 |
| Devon Energy Corp., Senior Notes | 5.850% | 12/15/25 | 350,000 | 381,988 |
| Devon Energy Corp., Senior Notes | 5.600% | 7/15/41 | 320,000 | 340,466 |
| Devon Energy Corp., Senior Notes | 5.000% | 6/15/45 | 270,000 | 266,933 |
| Ecopetrol SA, Senior Notes | 5.375% | 6/26/26 | 740,000 | 764,975 |
| Ecopetrol SA, Senior Notes | 5.875% | 5/28/45 | 176,000 | 174,724 |
| Enbridge Energy Partners LP, Senior Notes | 9.875% | 3/1/19 | 120,000 | 123,200 |
| Energy Transfer Equity LP, Senior Secured Notes | 7.500% | 10/15/20 | 250,000 | 268,125 |
| Energy Transfer Partners LP, Senior Notes | 4.200% | 9/15/23 | 860,000 | 867,774 |
| Energy Transfer Partners LP, Senior Notes | 6.625% | 10/15/36 | 20,000 | 22,380 |
| Energy Transfer Partners LP, Senior Notes | 5.800% | 6/15/38 | 40,000 | 41,671 |
| Enterprise Products Operating LLC, Senior Notes | 6.125% | 10/15/39 | 320,000 | 375,574 |
| Enterprise Products Operating LLC, Senior Notes | 4.250% | 2/15/48 | 170,000 | 160,684 |
| Enterprise Products Operating LLC, Senior Notes (5.375% to 2/15/28 then 3 mo. USD LIBOR + 2.570%) | 5.375% | 2/15/78 | 540,000 | 502,268 ^(b) |
| Hess Corp., Senior Notes | 7.875% | 10/1/29 | 580,000 | 702,469 |
| Hess Corp., Senior Notes | 6.000% | 1/15/40 | 300,000 | 312,333 |
| KazMunayGas National Co. JSC, Senior Notes | 6.375% | 10/24/48 | 370,000 | 389,455 ^(a) |
| Kerr-McGee Corp., Senior Notes | 6.950% | 7/1/24 | 1,080,000 | 1,217,611 |
| Kinder Morgan Inc., Medium-Term | 7.800% | 8/1/31 | 2,000,000 | 2,496,457 |
| Lukoil International Finance BV, Senior Notes | 4.563% | 4/24/23 | 200,000 | 199,068 ^(a) |
| MEG Energy Corp., Senior Notes | 6.375% | 1/30/23 | 600,000 | 549,000 ^(a) |
| MPLX LP, Senior Notes | 4.500% | 4/15/38 | 380,000 | 359,285 |
| Noble Energy Inc., Senior Notes | 6.000% | 3/1/41 | 390,000 | 418,604 |
| Noble Energy Inc., Senior Notes | 5.250% | 11/15/43 | 150,000 | 148,460 |
| Noble Energy Inc., Senior Notes | 4.950% | 8/15/47 | 390,000 | 374,885 |
| Petrobras Global Finance BV, Senior Notes | 7.375% | 1/17/27 | 190,000 | 192,783 |
| Petrobras Global Finance BV, Senior Notes | 6.850% | 6/5/2115 | 300,000 | 258,000 |
| Petroleos Mexicanos, Senior Notes | 6.875% | 8/4/26 | 450,000 | 475,830 |
| Petroleos Mexicanos, Senior Notes | 6.625% | 6/15/35 | 2,635,000 | 2,631,047 |
| Phillips 66, Senior Notes | 5.875% | 5/1/42 | 160,000 | 184,727 |
| Shell International Finance BV, Senior Notes | 6.375% | 12/15/38 | 250,000 | 323,574 |
| Transcontinental Gas Pipe Line Co., LLC, Senior Notes | 7.850% | 2/1/26 | 470,000 | 573,307 |
| Transcontinental Gas Pipe Line Co., LLC, Senior Notes | 5.400% | 8/15/41 | 310,000 | 333,732 |
| Western Gas Partners LP, Senior Notes | 4.650% | 7/1/26 | 660,000 | 647,963 |
| Western Gas Partners LP, Senior Notes | 4.750% | 8/15/28 | 440,000 | 432,382 |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|---------|---------------|-------------|------------------------------|
| Oil, Gas & Consumable Fuels - (continued) | | | | |
| Williams Cos. Inc., Senior Notes | 7.500% | 1/15/31 | \$ 47,000 | \$ 57,279 |
| Williams Cos. Inc., Senior Notes | 7.750% | 6/15/31 | 37,000 | 44,776 |
| Williams Cos. Inc., Senior Notes | 8.750% | 3/15/32 | 610,000 | 815,629 |
| <i>Total Oil, Gas & Consumable Fuels</i> | | | | 22,063,354 |
| TOTAL ENERGY | | | | 22,814,432 |
| FINANCIALS - 30.8% | | | | |
| Banks - 18.4% | | | | |
| Banco Nacional de Costa Rica, Senior Notes | 5.875% | 4/25/21 | 340,000 | 338,941 ^(a) |
| Banco Santander SA, Senior Notes | 3.848% | 4/12/23 | 400,000 | 391,200 |
| Bank of America Corp., Senior Notes | 5.875% | 2/7/42 | 320,000 | 379,333 |
| Bank of America Corp., Senior Notes (3.004% to 12/20/22 then 3 mo. USD LIBOR + 0.790%) | 3.004% | 12/20/23 | 107,000 | 103,898 ^(b) |
| Bank of America Corp., Senior Notes (4.271% to 7/23/28 then 3 mo. USD LIBOR + 1.310%) | 4.271% | 7/23/29 | 440,000 | 439,994 ^(b) |
| Bank of America Corp., Subordinated Notes | 6.110% | 1/29/37 | 320,000 | 369,076 |
| Bank of America Corp., Subordinated Notes | 7.750% | 5/14/38 | 900,000 | 1,218,259 |
| Barclays Bank PLC, Subordinated Notes | 10.179% | 6/12/21 | 240,000 | 273,578 ^(a) |
| Barclays Bank PLC, Subordinated Notes | 7.625% | 11/21/22 | 450,000 | 488,644 |
| Barclays PLC, Junior Subordinated Notes (7.750% to 9/15/23 then USD 5 year Swap Rate + 4.842%) | 7.750% | 9/15/23 | 330,000 | 331,650 ^{(b)(c)} |
| Barclays PLC, Senior Notes (4.338% to 5/16/23 then 3 mo. USD LIBOR + 1.356%) | 4.338% | 5/16/24 | 380,000 | 375,787 ^(b) |
| Barclays PLC, Senior Notes (4.972% to 5/16/28 then 3 mo. USD LIBOR + 1.902%) | 4.972% | 5/16/29 | 260,000 | 256,498 ^(b) |
| Barclays PLC, Subordinated Notes | 4.836% | 5/9/28 | 240,000 | 225,590 |
| BBVA Bancomer SA, Subordinated Notes (5.125% to 1/18/28 then 5 year Treasury Constant Maturity Rate + 2.650%) | 5.125% | 1/18/33 | 320,000 | 292,400 ^{(a)(b)} |
| BNP Paribas SA, Junior Subordinated Notes (7.000% to 8/16/28 then USD 5 year Swap Rate + 3.980%) | 7.000% | 8/16/28 | 220,000 | 222,035 ^{(a)(b)(c)} |
| BNP Paribas SA, Junior Subordinated Notes (7.625% to 3/30/21 then USD 5 year Swap Rate + 6.314%) | 7.625% | 3/30/21 | 330,000 | 347,325 ^{(a)(b)(c)} |
| BNP Paribas SA, Senior Notes | 4.400% | 8/14/28 | 280,000 | 275,318 ^(a) |
| BNP Paribas SA, Subordinated Notes | 4.625% | 3/13/27 | 220,000 | 217,532 ^(a) |
| BPCE SA, Subordinated Notes | 5.150% | 7/21/24 | 410,000 | 417,501 ^(a) |
| Citigroup Inc., Senior Notes | 8.125% | 7/15/39 | 251,000 | 363,380 |
| Citigroup Inc., Senior Notes | 5.875% | 1/30/42 | 240,000 | 279,861 |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|---------|---------------|-------------|--------------------------------|
| Banks - (continued) | | | | |
| Citigroup Inc., Subordinated Notes | 5.500% | 9/13/25 | \$ 750,000 | \$ 800,157 |
| Citigroup Inc., Subordinated Notes | 4.450% | 9/29/27 | 400,000 | 395,813 |
| Citigroup Inc., Subordinated Notes | 6.125% | 8/25/36 | 404,000 | 461,713 |
| Citigroup Inc., Subordinated Notes | 6.675% | 9/13/43 | 370,000 | 455,106 |
| Cooperatieve Rabobank U.A., Senior Notes | 5.250% | 5/24/41 | 570,000 | 641,278 |
| Cooperatieve Rabobank U.A., Senior Notes | 5.750% | 12/1/43 | 450,000 | 504,264 |
| Cooperatieve Rabobank U.A., Senior Notes | 5.250% | 8/4/45 | 340,000 | 358,426 |
| Cooperatieve Rabobank UA, Junior Subordinated Notes (11.000% to 6/30/19 then 3 mo. USD LIBOR + 10.868%) | 11.000% | 6/30/19 | 708,000 | 749,949 ^{(a)(b)(c)} |
| Credit Agricole SA, Junior Subordinated Notes (8.125% to 12/23/25 then USD 5 year Swap Rate + 6.185%) | 8.125% | 12/23/25 | 1,040,000 | 1,146,585 ^{(a)(b)(c)} |
| Credit Agricole SA, Junior Subordinated Notes (8.375% to 10/13/19 then 3 mo. USD LIBOR + 6.982%) | 8.375% | 10/13/19 | 560,000 | 584,010 ^{(a)(b)(c)} |
| HSBC Holdings PLC, Junior Subordinated Notes (6.500% to 3/23/28 then USD 5 year ICE Swap Rate + 3.606%) | 6.500% | 3/23/28 | 300,000 | 289,875 ^{(b)(c)} |
| HSBC Holdings PLC, Subordinated Notes | 4.250% | 8/18/25 | 210,000 | 206,332 |
| ING Bank NV, Subordinated Notes | 5.800% | 9/25/23 | 600,000 | 633,291 ^(a) |
| Intesa Sanpaolo SpA, Senior Notes | 3.125% | 7/14/22 | 300,000 | 279,006 ^(a) |
| Intesa Sanpaolo SpA, Senior Notes | 3.875% | 7/14/27 | 360,000 | 307,779 ^(a) |
| Intesa Sanpaolo SpA, Subordinated Notes | 5.710% | 1/15/26 | 690,000 | 628,593 ^(a) |
| JPMorgan Chase & Co., Junior Subordinated Notes (6.000% to 8/1/23 then 3 mo. USD LIBOR + 3.300%) | 6.000% | 8/1/23 | 260,000 | 270,725 ^{(b)(c)} |
| JPMorgan Chase & Co., Subordinated Notes | 5.625% | 8/16/43 | 440,000 | 501,732 |
| JPMorgan Chase & Co., Subordinated Notes | 4.950% | 6/1/45 | 410,000 | 430,916 |
| Lloyds Banking Group PLC, Junior Subordinated Notes (7.500% to 6/27/24 then USD 5 year Swap Rate + 4.760%) | 7.500% | 6/27/24 | 360,000 | 372,150 ^{(b)(c)} |
| NatWest Markets NV, Subordinated Notes | 7.750% | 5/15/23 | 480,000 | 531,439 |
| Royal Bank of Scotland Group PLC, Junior Subordinated Notes (7.648% to 9/30/31 then 3 mo. USD LIBOR + 2.500%) | 7.648% | 9/30/31 | 1,360,000 | 1,708,500 ^{(b)(c)} |
| Royal Bank of Scotland Group PLC, Junior Subordinated Notes (8.625% to 8/15/21 then USD 5 year Swap Rate + 7.598%) | 8.625% | 8/15/21 | 590,000 | 633,513 ^{(b)(c)} |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|--------------------------------|
| Banks - (continued) | | | | |
| Royal Bank of Scotland Group PLC, Senior Notes (4.892% to 5/18/28 then 3 mo. USD LIBOR + 1.754%) | 4.892% | 5/18/29 | \$ 200,000 | \$ 199,148 ^(b) |
| Royal Bank of Scotland Group PLC, Subordinated Notes | 6.100% | 6/10/23 | 1,010,000 | 1,054,862 |
| Royal Bank of Scotland Group PLC, Subordinated Notes | 6.000% | 12/19/23 | 350,000 | 364,518 |
| Santander UK Group Holdings PLC, Subordinated Notes | 4.750% | 9/15/25 | 210,000 | 205,014 ^(a) |
| Standard Chartered PLC, Subordinated Notes | 5.700% | 3/26/44 | 410,000 | 426,032 ^(a) |
| Wachovia Capital Trust III, Junior Subordinated Bonds (the greater of 3 mo. USD LIBOR + 0.930% or 5.570%) | 5.570% | 10/29/18 | 1,190,000 | 1,180,183 ^{(b)(c)} |
| Wells Fargo & Co., Senior Notes | 3.000% | 10/23/26 | 310,000 | 287,968 |
| Wells Fargo & Co., Subordinated Notes | 5.375% | 11/2/43 | 430,000 | 462,943 |
| Wells Fargo & Co., Subordinated Notes | 4.750% | 12/7/46 | 580,000 | 579,115 |
| <i>Total Banks</i> | | | | 25,258,735 |
| Capital Markets - 5.2% | | | | |
| CME Group Inc., Senior Notes | 5.300% | 9/15/43 | 440,000 | 507,959 |
| Credit Suisse Group AG, Junior Subordinated Notes (6.250% to 12/18/24 then USD 5 year Swap Rate + 3.455%) | 6.250% | 12/18/24 | 1,170,000 | 1,156,837 ^{(a)(b)(c)} |
| Credit Suisse Group AG, Junior Subordinated Notes (7.250% to 9/12/25 then USD 5 year Swap Rate + 4.332%) | 7.250% | 9/12/25 | 400,000 | 402,500 ^{(a)(b)(c)} |
| Goldman Sachs Group Inc., Senior Notes | 5.375% | 3/15/20 | 270,000 | 278,372 |
| Goldman Sachs Group Inc., Senior Notes | 6.250% | 2/1/41 | 570,000 | 686,431 |
| Goldman Sachs Group Inc., Subordinated Notes | 6.750% | 10/1/37 | 640,000 | 771,212 |
| Goldman Sachs Group Inc., Subordinated Notes | 5.150% | 5/22/45 | 500,000 | 511,404 |
| Intercontinental Exchange Inc., Senior Notes | 3.750% | 9/21/28 | 640,000 | 633,615 |
| KKR Group Finance Co. III LLC, Senior Notes | 5.125% | 6/1/44 | 820,000 | 815,890 ^(a) |
| Moody's Corp, Senior Notes | 2.750% | 12/15/21 | 500,000 | 489,390 |
| Morgan Stanley, Senior Notes | 5.500% | 7/24/20 | 100,000 | 103,798 |
| Morgan Stanley, Senior Notes | 6.375% | 7/24/42 | 90,000 | 112,587 |
| Raymond James Financial Inc., Senior Notes | 4.950% | 7/15/46 | 90,000 | 91,705 |
| Societe Generale SA, Junior Subordinated Notes (6.750% to 4/6/28 then USD 5 year Swap Rate + 3.929%) | 6.750% | 4/6/28 | 200,000 | 186,850 ^{(a)(b)(c)} |
| UBS AG Stamford, CT, Subordinated Notes | 7.625% | 8/17/22 | 340,000 | 379,610 |
| <i>Total Capital Markets</i> | | | | 7,128,160 |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|-------------|---------------------------|
| Consumer Finance - 1.7% | | | | |
| Ally Financial Inc., Subordinated Notes | 8.000% | 12/31/18 | \$ 201,000 | \$ 203,261 |
| Nationwide Building Society, Senior Notes (3 mo. USD LIBOR + 1.392%) | 4.363% | 8/1/24 | 210,000 | 209,126 ^{(a)(b)} |
| Navient Corp., Senior Notes | 7.250% | 1/25/22 | 830,000 | 878,763 |
| Navient Corp., Senior Notes | 6.125% | 3/25/24 | 290,000 | 291,450 |
| Synchrony Financial, Senior Notes | 3.700% | 8/4/26 | 856,000 | 774,428 |
| <i>Total Consumer Finance</i> | | | | 2,357,028 |
| Diversified Financial Services - 1.8% | | | | |
| Carlyle Finance LLC, Senior Notes | 5.650% | 9/15/48 | 110,000 | 110,563 ^(a) |
| Carlyle Holdings II Finance LLC, Senior Notes | 5.625% | 3/30/43 | 220,000 | 217,869 ^(a) |
| ILFC E-Capital Trust I, Junior Subordinated Notes ((Highest of 3 mo. USD LIBOR, 10 year U.S. Treasury Constant Maturity Rate and 30 year U.S. Treasury Constant Maturity Rate) + 1.550%) | 4.780% | 12/21/65 | 470,000 | 428,875 ^{(a)(b)} |
| ILFC E-Capital Trust II, Senior Notes ((Highest of 3 mo. USD LIBOR, 10 year U.S. Treasury Constant Maturity Rate and 30 year U.S. Treasury Constant Maturity Rate) + 1.800%) | 5.030% | 12/21/65 | 270,000 | 245,700 ^{(a)(b)} |
| International Lease Finance Corp., Senior Notes | 6.250% | 5/15/19 | 130,000 | 132,549 |
| International Lease Finance Corp., Senior Notes | 8.250% | 12/15/20 | 190,000 | 207,732 |
| Park Aerospace Holdings Ltd., Senior Notes | 5.250% | 8/15/22 | 392,000 | 396,900 ^(a) |
| Park Aerospace Holdings Ltd., Senior Notes | 5.500% | 2/15/24 | 220,000 | 226,050 ^(a) |
| Voya Financial Inc., Senior Notes | 5.700% | 7/15/43 | 500,000 | 550,499 |
| <i>Total Diversified Financial Services</i> | | | | 2,516,737 |
| Insurance - 3.7% | | | | |
| Allstate Corp., Junior Subordinated Notes (6.500% to 5/15/37 then 3 mo. USD LIBOR + 2.120%) | 6.500% | 5/15/57 | 480,000 | 534,000 ^(b) |
| American International Group Inc., Junior Subordinated Notes (6.250% to 3/15/37 then 3 mo. USD LIBOR + 2.056%) | 6.250% | 3/15/87 | 80,000 | 80,600 ^(b) |
| American International Group Inc., Senior Notes | 6.400% | 12/15/20 | 90,000 | 95,807 |
| American International Group Inc., Senior Notes | 4.750% | 4/1/48 | 70,000 | 69,085 |
| Aon PLC, Senior Notes | 4.750% | 5/15/45 | 90,000 | 90,373 |
| AXA SA, Subordinated Notes | 8.600% | 12/15/30 | 200,000 | 260,500 |
| Berkshire Hathaway Finance Corp., Senior Notes | 4.200% | 8/15/48 | 480,000 | 477,994 |
| Bighthouse Financial Inc., Senior Notes | 3.700% | 6/22/27 | 40,000 | 35,574 |
| Delphi Financial Group Inc., Senior Notes | 7.875% | 1/31/20 | 170,000 | 179,567 |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|---------------------------|
| Insurance - (continued) | | | | |
| Fidelity & Guaranty Life Holdings Inc., Senior Notes | 5.500% | 5/1/25 | \$ 230,000 | \$ 229,126 ^(a) |
| Liberty Mutual Group Inc., Senior Notes | 7.800% | 3/15/37 | 190,000 | 222,775 ^(a) |
| Liberty Mutual Insurance Co., Subordinated Notes | 7.875% | 10/15/26 | 490,000 | 594,778 ^(a) |
| Massachusetts Mutual Life Insurance Co., Subordinated Notes | 4.900% | 4/1/77 | 260,000 | 257,332 ^(a) |
| MetLife Inc., Junior Subordinated Notes | 6.400% | 12/15/36 | 1,150,000 | 1,221,875 |
| Nuveen Finance LLC, Senior Notes | 2.950% | 11/1/19 | 210,000 | 209,767 ^(a) |
| Teachers Insurance & Annuity Association of America, Subordinated Notes | 6.850% | 12/16/39 | 400,000 | 525,947 ^(a) |
| <i>Total Insurance</i> | | | | <i>5,085,100</i> |
| TOTAL FINANCIALS | | | | 42,345,760 |
| HEALTH CARE - 7.0% | | | | |
| Biotechnology - 0.7% | | | | |
| AbbVie Inc., Senior Notes | 2.500% | 5/14/20 | 430,000 | 425,348 |
| AbbVie Inc., Senior Notes | 4.700% | 5/14/45 | 180,000 | 173,585 |
| Celgene Corp., Senior Notes | 5.000% | 8/15/45 | 250,000 | 249,353 |
| Gilead Sciences Inc., Senior Notes | 5.650% | 12/1/41 | 60,000 | 69,103 |
| Gilead Sciences Inc., Senior Notes | 4.750% | 3/1/46 | 50,000 | 51,656 |
| <i>Total Biotechnology</i> | | | | <i>969,045</i> |
| Health Care Equipment & Supplies - 1.0% | | | | |
| Abbott Laboratories, Senior Notes | 2.900% | 11/30/21 | 540,000 | 533,649 |
| Abbott Laboratories, Senior Notes | 4.900% | 11/30/46 | 230,000 | 250,766 |
| Becton Dickinson & Co., Senior Notes | 4.685% | 12/15/44 | 200,000 | 197,938 |
| Becton Dickinson & Co., Senior Notes | 4.669% | 6/6/47 | 410,000 | 407,108 |
| <i>Total Health Care Equipment & Supplies</i> | | | | <i>1,389,461</i> |
| Health Care Providers & Services - 4.8% | | | | |
| Cardinal Health Inc., Senior Notes | 3.410% | 6/15/27 | 270,000 | 249,650 |
| CVS Health Corp., Senior Notes | 4.100% | 3/25/25 | 940,000 | 938,806 |
| CVS Health Corp., Senior Notes | 4.300% | 3/25/28 | 540,000 | 536,799 |
| CVS Health Corp., Senior Notes | 4.780% | 3/25/38 | 1,330,000 | 1,327,795 |
| CVS Health Corp., Senior Notes | 5.125% | 7/20/45 | 340,000 | 350,805 |
| CVS Health Corp., Senior Notes | 5.050% | 3/25/48 | 730,000 | 749,539 |
| Dartmouth-Hitchcock Health, Secured Bonds | 4.178% | 8/1/48 | 100,000 | 96,766 |
| Halfmoon Parent Inc., Senior Secured Notes | 4.125% | 11/15/25 | 340,000 | 339,550 ^(a) |
| Halfmoon Parent Inc., Senior Secured Notes | 4.375% | 10/15/28 | 340,000 | 339,693 ^(a) |
| Halfmoon Parent Inc., Senior Secured Notes | 4.800% | 8/15/38 | 340,000 | 342,024 ^(a) |
| HCA Inc., Senior Secured Notes | 5.500% | 6/15/47 | 370,000 | 376,012 |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|------------------------|
| Health Care Providers & Services - (continued) | | | | |
| Humana Inc., Senior Notes | 8.150% | 6/15/38 | \$ 80,000 | \$ 109,049 |
| Humana Inc., Senior Notes | 4.800% | 3/15/47 | 230,000 | 235,491 |
| Magellan Health Inc., Senior Notes | 4.400% | 9/22/24 | 420,000 | 406,341 |
| Orlando Health Obligated Group, Senior Notes | 4.089% | 10/1/48 | 170,000 | 164,367 |
| <i>Total Health Care Providers & Services</i> | | | | 6,562,687 |
| Pharmaceuticals - 0.5% | | | | |
| Allergan Funding SCS, Senior Notes | 4.550% | 3/15/35 | 190,000 | 185,343 |
| Allergan Funding SCS, Senior Notes | 4.750% | 3/15/45 | 200,000 | 195,170 |
| Bausch Health Cos. Inc., Senior Notes | 9.000% | 12/15/25 | 320,000 | 345,600 ^(a) |
| Zoetis Inc., Senior Notes | 4.700% | 2/1/43 | 30,000 | 30,811 |
| <i>Total Pharmaceuticals</i> | | | | 756,924 |
| TOTAL HEALTH CARE | | | | 9,678,117 |
| INDUSTRIALS - 5.1% | | | | |
| Aerospace & Defense - 1.5% | | | | |
| Avolon Holdings Funding Ltd., Senior Notes | 5.125% | 10/1/23 | 210,000 | 212,789 ^(a) |
| Huntington Ingalls Industries Inc., Senior Notes | 3.483% | 12/1/27 | 200,000 | 187,820 |
| Lockheed Martin Corp., Senior Notes | 4.500% | 5/15/36 | 40,000 | 41,820 |
| Northrop Grumman Systems Corp., Senior Notes | 7.875% | 3/1/26 | 870,000 | 1,065,348 |
| United Technologies Corp., Senior Notes | 4.125% | 11/16/28 | 510,000 | 507,556 |
| United Technologies Corp., Senior Notes | 4.625% | 11/16/48 | 110,000 | 111,058 |
| <i>Total Aerospace & Defense</i> | | | | 2,126,391 |
| Airlines - 0.5% | | | | |
| Continental Airlines 1999-1 Class A Pass Through Trust, Senior Secured Notes | 6.545% | 2/2/19 | 31,870 | 32,249 |
| Continental Airlines 2009-2 Class A Pass Through Trust, Senior Secured Notes | 7.250% | 11/10/19 | 134,052 | 139,331 |
| Continental Airlines 2012-1 Class B Pass Through Trust, Senior Secured Notes | 6.250% | 4/11/20 | 83,850 | 85,979 |
| Continental Airlines Pass Through Trust 1999-2, Class A-1, Senior Secured Notes | 7.256% | 3/15/20 | 39,796 | 40,940 |
| Delta Air Lines 2007-1 Class B Pass Through Trust, Senior Secured Notes | 8.021% | 8/10/22 | 47,811 | 52,525 ^(d) |
| Delta Air Lines 2009-1 Class A Pass Through Trust, Senior Secured Notes | 7.750% | 12/17/19 | 82,257 | 85,946 |
| US Airways 2012-1 Class A Pass Through Trust, Senior Secured Notes | 5.900% | 10/1/24 | 248,880 | 267,546 |
| <i>Total Airlines</i> | | | | 704,516 |
| Commercial Services & Supplies - 1.1% | | | | |
| Republic Services Inc., Senior Notes | 5.500% | 9/15/19 | 130,000 | 133,063 |
| Republic Services Inc., Senior Notes | 5.250% | 11/15/21 | 330,000 | 347,488 |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|---------------------------|
| Commercial Services & Supplies - (continued) | | | | |
| Taylor Morrison Communities Inc./Taylor Morrison Holdings II Inc., Senior Notes | 5.250% | 4/15/21 | \$ 320,000 | \$ 322,400 ^(a) |
| Waste Management Holdings Inc., Senior Notes | 7.100% | 8/1/26 | 260,000 | 314,507 |
| Waste Management Inc., Senior Notes | 7.750% | 5/15/32 | 250,000 | 331,995 |
| <i>Total Commercial Services & Supplies</i> | | | | <i>1,449,453</i> |
| Industrial Conglomerates - 1.3% | | | | |
| General Electric Co., Junior Subordinated Notes (5.000% to 1/21/21 then 3 mo. USD LIBOR + 3.330%) | 5.000% | 1/21/21 | 710,000 | 692,605 ^{(b)(c)} |
| General Electric Co., Senior Notes | 6.875% | 1/10/39 | 716,000 | 895,894 |
| General Electric Co., Subordinated Notes | 5.300% | 2/11/21 | 138,000 | 143,849 |
| <i>Total Industrial Conglomerates</i> | | | | <i>1,732,348</i> |
| Machinery - 0.2% | | | | |
| Caterpillar Inc., Senior Notes | 4.750% | 5/15/64 | 220,000 | 228,670 |
| Wabtec Corp., Senior Notes | 4.150% | 3/15/24 | 60,000 | 59,650 |
| <i>Total Machinery</i> | | | | <i>288,320</i> |
| Road & Rail - 0.2% | | | | |
| Union Pacific Corp., Senior Notes | 4.500% | 9/10/48 | 30,000 | 30,722 |
| Union Pacific Corp., Senior Notes | 4.375% | 11/15/65 | 320,000 | 297,596 |
| <i>Total Road & Rail</i> | | | | <i>328,318</i> |
| Transportation Infrastructure - 0.3% | | | | |
| SMBC Aviation Capital Finance DAC, Senior Notes | 4.125% | 7/15/23 | 350,000 | 350,814 ^(a) |
| TOTAL INDUSTRIALS | | | | 6,980,160 |
| INFORMATION TECHNOLOGY - 2.5% | | | | |
| Communications Equipment - 0.4% | | | | |
| Harris Corp., Senior Notes | 4.854% | 4/27/35 | 260,000 | 267,578 |
| Harris Corp., Senior Notes | 5.054% | 4/27/45 | 210,000 | 221,764 |
| <i>Total Communications Equipment</i> | | | | <i>489,342</i> |
| Semiconductors & Semiconductor Equipment - 0.1% | | | | |
| Intel Corp., Senior Notes | 4.900% | 7/29/45 | 130,000 | 144,327 |
| Software - 0.8% | | | | |
| Microsoft Corp., Senior Notes | 4.250% | 2/6/47 | 970,000 | 1,021,046 |
| salesforce.com Inc., Senior Notes | 3.700% | 4/11/28 | 100,000 | 99,263 |

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Total Software

1,120,309

Technology Hardware, Storage & Peripherals - 1.2%

| | | | | |
|--|--------|---------|---------|------------------------|
| Apple Inc., Senior Notes | 3.850% | 8/4/46 | 340,000 | 326,868 |
| Dell International LLC/EMC Corp., Senior Secured Notes | 4.420% | 6/15/21 | 620,000 | 629,734 ^(a) |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|---------------------------|
| Technology Hardware, Storage & Peripherals - (continued) | | | | |
| HP Inc., Senior Notes | 4.650% | 12/9/21 | \$ 310,000 | \$ 319,353 |
| Seagate HDD Cayman, Senior Notes | 4.250% | 3/1/22 | 420,000 | 417,703 |
| <i>Total Technology Hardware, Storage & Peripherals</i> | | | | 1,693,658 |
| TOTAL INFORMATION TECHNOLOGY | | | | 3,447,636 |
| MATERIALS - 6.7% | | | | |
| Chemicals - 1.0% | | | | |
| Dow Chemical Co., Senior Notes | 7.375% | 11/1/29 | 800,000 | 1,003,654 |
| Syngenta Finance NV, Senior Notes | 4.892% | 4/24/25 | 230,000 | 226,078 ^(a) |
| Syngenta Finance NV, Senior Notes | 5.676% | 4/24/48 | 200,000 | 180,371 ^(a) |
| <i>Total Chemicals</i> | | | | 1,410,103 |
| Metals & Mining - 5.5% | | | | |
| Alcoa Nederland Holding BV, Senior Notes | 6.750% | 9/30/24 | 250,000 | 265,625 ^(a) |
| Alcoa Nederland Holding BV, Senior Notes | 6.125% | 5/15/28 | 800,000 | 824,000 ^(a) |
| Anglo American Capital PLC, Senior Notes | 4.000% | 9/11/27 | 500,000 | 461,527 ^(a) |
| ArcelorMittal, Senior Notes | 5.125% | 6/1/20 | 70,000 | 71,717 |
| ArcelorMittal, Senior Notes | 6.125% | 6/1/25 | 50,000 | 54,399 |
| Barrick North America Finance LLC, Senior Notes | 5.700% | 5/30/41 | 50,000 | 54,252 |
| Barrick PD Australia Finance Pty Ltd., Senior Notes | 5.950% | 10/15/39 | 180,000 | 197,977 |
| BHP Billiton Finance USA Ltd., Senior Notes | 5.000% | 9/30/43 | 100,000 | 111,256 |
| BHP Billiton Finance USA Ltd., Senior Notes (6.750% to 10/20/25 then USD 5 year Swap Rate + 5.093%) | 6.750% | 10/19/75 | 470,000 | 516,412 ^{(a)(b)} |
| First Quantum Minerals Ltd., Senior Notes | 7.000% | 2/15/21 | 230,000 | 227,844 ^(a) |
| Freeport-McMoRan Inc., Senior Notes | 3.550% | 3/1/22 | 60,000 | 58,200 |
| Freeport-McMoRan Inc., Senior Notes | 6.875% | 2/15/23 | 630,000 | 674,100 |
| Glencore Finance Canada Ltd., Senior Notes | 6.900% | 11/15/37 | 430,000 | 480,786 ^(a) |
| Glencore Finance Canada, Ltd., Senior Notes | 5.550% | 10/25/42 | 150,000 | 148,475 ^(a) |
| Glencore Funding LLC, Senior Notes | 4.000% | 3/27/27 | 560,000 | 526,558 ^(a) |
| Glencore Funding LLC, Senior Notes | 3.875% | 10/27/27 | 170,000 | 158,031 ^(a) |
| Northwest Acquisitions ULC/Dominion Finco Inc., Senior Secured Notes | 7.125% | 11/1/22 | 380,000 | 389,500 ^(a) |
| Southern Copper Corp., Senior Notes | 5.375% | 4/16/20 | 150,000 | 154,728 |
| Southern Copper Corp., Senior Notes | 5.250% | 11/8/42 | 470,000 | 476,770 |
| Vale Overseas Ltd., Senior Notes | 6.875% | 11/21/36 | 1,148,000 | 1,338,798 |
| Yamana Gold Inc., Senior Notes | 4.950% | 7/15/24 | 370,000 | 365,199 |
| <i>Total Metals & Mining</i> | | | | 7,556,154 |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|-------------|------------------------|
| Paper & Forest Products - 0.2% | | | | |
| Georgia-Pacific LLC, Senior Notes | 7.375% | 12/1/25 | \$ 250,000 | \$ 298,920 |
| TOTAL MATERIALS | | | | 9,265,177 |
| REAL ESTATE - 0.8% | | | | |
| Equity Real Estate Investment Trusts (REITs) - 0.6% | | | | |
| American Homes 4 Rent LP, Senior Notes | 4.250% | 2/15/28 | 10,000 | 9,585 |
| MPT Operating Partnership LP/MPT Finance Corp., Senior Notes | 5.000% | 10/15/27 | 250,000 | 241,563 |
| Washington Prime Group LP, Senior Notes | 5.950% | 8/15/24 | 200,000 | 189,518 |
| WEA Finance LLC, Senior Notes | 4.125% | 9/20/28 | 340,000 | 337,327 ^(a) |
| <i>Total Equity Real Estate Investment Trusts (REITs)</i> | | | | 777,993 |
| Real Estate Management & Development - 0.2% | | | | |
| Security Capital Group Inc., Senior Notes | 7.700% | 6/15/28 | 280,000 | 336,482 |
| TOTAL REAL ESTATE | | | | 1,114,475 |
| UTILITIES - 2.3% | | | | |
| Electric Utilities - 2.3% | | | | |
| CenterPoint Energy Houston Electric LLC, Senior Secured Bonds | 4.500% | 4/1/44 | 210,000 | 221,833 |
| Enel Finance International NV, Senior Notes | 2.875% | 5/25/22 | 300,000 | 285,584 ^(a) |
| FirstEnergy Corp., Senior Notes | 3.900% | 7/15/27 | 310,000 | 302,110 |
| FirstEnergy Corp., Senior Notes | 7.375% | 11/15/31 | 830,000 | 1,073,726 |
| Pacific Gas & Electric Co., Senior Notes | 3.300% | 12/1/27 | 500,000 | 458,000 |
| Pacific Gas & Electric Co., Senior Notes | 6.050% | 3/1/34 | 130,000 | 148,146 |
| Virginia Electric & Power Co., Senior Notes | 8.875% | 11/15/38 | 390,000 | 607,521 |
| TOTAL UTILITIES | | | | 3,096,920 |
| TOTAL CORPORATE BONDS & NOTES | | | | |
| (Cost - \$113,048,162) | | | | 119,392,275 |
| U.S. GOVERNMENT & AGENCY OBLIGATIONS - 6.1% | | | | |
| U.S. Government Obligations - 6.1% | | | | |
| U.S. Treasury Notes | 2.625% | 8/31/20 | 2,300,000 | 2,291,959 |
| U.S. Treasury Notes | 2.750% | 8/31/23 | 3,380,000 | 3,350,755 |
| U.S. Treasury Notes | 2.875% | 9/30/23 | 230,000 | 229,223 |
| U.S. Treasury Notes | 2.875% | 7/31/25 | 120,000 | 118,992 |
| U.S. Treasury Notes | 2.750% | 8/31/25 | 200,000 | 196,739 |
| U.S. Treasury Notes | 2.875% | 8/15/28 | 1,855,000 | 1,826,704 |
| U.S. Treasury Notes | 3.125% | 5/15/48 | 430,000 | 424,373 |
| TOTAL U.S. GOVERNMENT & AGENCY OBLIGATIONS | | | | 8,438,745 |

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(Cost - \$8,446,071)

SOVEREIGN BONDS - 4.1%

Argentina - 2.0%

| | | | | |
|--|--------|---------|---------|---------|
| Argentine Republic Government International Bond, Senior Notes | 7.500% | 4/22/26 | 370,000 | 330,780 |
|--|--------|---------|---------|---------|

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|---------|---------------|-------------|--------------------------|
| Argentina - (continued) | | | | |
| Argentine Republic Government International Bond, Senior Notes | 6.875% | 1/26/27 | \$ 120,000 | \$ 102,300 |
| Argentine Republic Government International Bond, Senior Notes | 5.875% | 1/11/28 | 390,000 | 309,660 |
| Argentine Republic Government International Bond, Senior Notes | 7.625% | 4/22/46 | 150,000 | 122,214 |
| Argentine Republic Government International Bond, Senior Notes | 6.875% | 1/11/48 | 150,000 | 116,250 |
| Provincia de Buenos Aires, Senior Notes | 9.125% | 3/16/24 | 1,220,000 | 1,129,598 ^(a) |
| Provincia de Cordoba, Senior Notes | 7.450% | 9/1/24 | 740,000 | 638,398 ^(a) |
| <i>Total Argentina</i> | | | | <i>2,749,200</i> |
| Canada - 0.7% | | | | |
| Province of Quebec Canada, Senior Notes, Step Bond | 7.970% | 7/22/36 | 650,000 | 979,854 |
| Ecuador - 0.5% | | | | |
| Ecuador Government International Bond, Senior Notes | 10.750% | 3/28/22 | 610,000 | 650,412 ^(a) |
| Indonesia - 0.3% | | | | |
| Indonesia Government International Bond, Senior Notes | 4.350% | 1/11/48 | 440,000 | 403,531 |
| Mexico - 0.2% | | | | |
| Mexico Government International Bond, Senior Notes | 4.350% | 1/15/47 | 360,000 | 327,604 |
| United Arab Emirates - 0.3% | | | | |
| Abu Dhabi Government International Bond, Senior Notes | 4.125% | 10/11/47 | 440,000 | 421,344 ^(a) |
| Uruguay - 0.1% | | | | |
| Uruguay Government International Bond, Senior Notes | 4.975% | 4/20/55 | 70,000 | 70,175 |
| TOTAL SOVEREIGN BONDS | | | | |
| (Cost - \$5,820,981) | | | | 5,602,120 |
| MUNICIPAL BONDS - 1.3% | | | | |
| Alabama - 0.2% | | | | |
| Alabama Economic Settlement Authority, BP Settlement Revenue, Series B | 3.163% | 9/15/25 | 280,000 | 275,036 |

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2018

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|-------------|------------------------|
| California - 0.8% | | | | |
| Los Angeles County Public Works Financing Authority Revenue, Multiple Capital Projects I, Series 2010 B, Taxable Build America Bonds | 7.618% | 8/1/40 | \$ 650,000 | \$ 940,270 |
| University of California Revenue, Taxable, General Series AG | 4.062% | 5/15/33 | 150,000 | 151,485 |
| <i>Total California</i> | | | | <i>1,091,755</i> |
| Florida - 0.1% | | | | |
| Sumter Landing Community Development District Recreational Revenue, Taxable Community Development District | 4.172% | 10/1/47 | 170,000 | 168,560 |
| Illinois - 0.2% | | | | |
| State of Illinois, GO Build America Bonds-Taxable | 6.725% | 4/1/35 | 310,000 | 329,592 |
| TOTAL MUNICIPAL BONDS | | | | |
| (Cost - \$1,876,802) | | | | 1,864,943 |
| SHARES | | | | |
| PREFERRED STOCKS - 0.3% | | | | |
| FINANCIALS - 0.3% | | | | |
| Capital Markets - 0.2% | | | | |
| Carlyle Group LP | 5.875% | | 10,775 | 243,946 |
| Insurance - 0.1% | | | | |
| Delphi Financial Group Inc. (3 mo. USD LIBOR + 3.190%) | 5.504% | | 5,725 | 132,391 ^(b) |
| TOTAL PREFERRED STOCKS | | | | |
| (Cost - \$412,443) | | | | 376,337 |
| TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS | | | | |
| (Cost - \$129,604,459) | | | | 135,674,420 |
| SHORT-TERM INVESTMENTS - 0.4% | | | | |
| Western Asset Government Cash Management Portfolio LLC | | | | |
| (Cost - \$502,094) | 2.100% | | 502,094 | 502,094 ^(e) |
| TOTAL INVESTMENTS - 99.1% | | | | |
| (Cost - \$130,106,553) | | | | 136,176,514 |
| Other Assets in Excess of Liabilities - 0.9% | | | | 1,231,192 |

TOTAL NET ASSETS - 100.0%

\$ 137,407,706

See Notes to Schedule of Investments.

WESTERN ASSET INVESTMENT GRADE INCOME FUND INC.**Schedule of investments (unaudited) (cont d)****September 30, 2018**

- (a) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. This security has been deemed liquid pursuant to guidelines approved by the Board of Directors.
- (b) Variable rate security. Interest rate disclosed is as of the most recent information available. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description above.
- (c) Security has no maturity date. The date shown represents the next call date. (d) Security is valued using significant unobservable inputs (Note 1).
- (e) In this instance, as defined in the Investment Company Act of 1940, an Affiliated Company represents Fund ownership of at least 5% of the outstanding voting securities of an issuer, or a company which is under common ownership or control. At September 30, 2018, the total market value of investments in Affiliated Companies was \$502,094 and the cost was \$502,094 (Note 2).

Abbreviations used in this schedule:

GO General Obligation
 ICE Intercontinental Exchange
 JSC Joint Stock Company
 LIBOR London Interbank Offered Rate

At September 30, 2018, the Fund had the following open futures contracts:

| | Number of Contracts | Expiration Date | Notional Amount | Market Value | Unrealized Appreciation (Depreciation) |
|--|--------------------------------|----------------------------|----------------------------|-------------------------|---|
| Contracts to Buy: | | | | | |
| U.S. Treasury 2-Year Notes | 31 | 12/18 | \$ 6,535,212 | \$ 6,532,766 | \$ (2,446) |
| U.S. Treasury 5-Year Notes | 26 | 12/18 | 2,944,867 | 2,924,391 | (20,476) |
| U.S. Treasury Ultra Long-Term Bonds | 16 | 12/18 | 2,561,093 | 2,468,500 | (92,593) |
| | | | | | (115,515) |
| Contracts to Sell: | | | | | |
| U.S. Treasury 10-Year Notes | 74 | 12/18 | 8,899,436 | 8,789,813 | 109,623 |
| U.S. Treasury Long-Term Bonds | 95 | 12/18 | 13,650,189 | 13,347,500 | 302,689 |
| | | | | | 412,312 |
| Net unrealized appreciation on open futures contracts | | | | | \$ 296,797 |

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

See Notes to Schedule of Investments.

Notes to Schedule of Investments (unaudited)

1. Organization and significant accounting policies

Western Asset Investment Grade Income Fund Inc. (the Fund) (formerly Western Asset Income Fund), is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a closed-end diversified investment company. The Fund seeks a high level of current income, consistent with prudent investment risk. Capital appreciation is a secondary investment objective.

The following are significant accounting policies consistently followed by the Fund and are in conformity with U.S. generally accepted accounting principles (GAAP).

(a) Investment valuation. The valuations for fixed income securities (which may include, but are not limited to, corporate, government, municipal, mortgage-backed, collateralized mortgage obligations and asset-backed securities) and certain derivative instruments are typically the prices supplied by independent third party pricing services, which may use market prices or broker/dealer quotations or a variety of valuation techniques and methodologies. The independent third party pricing services use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar securities. Investments in open-end funds are valued at the closing net asset value per share of each fund on the day of valuation. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. Equity securities for which market quotations are available are valued at the last reported sales price or official closing price on the primary market or exchange on which they trade. When the Fund holds securities or other assets that are denominated in a foreign currency, the Fund will normally use the currency exchange rates as of 4:00 p.m. (Eastern Time). If independent third party pricing services are unable to supply prices for a portfolio investment, or if the prices supplied are deemed by the manager to be unreliable, the market price may be determined by the manager using quotations from one or more broker/dealers or at the transaction price if the security has recently been purchased and no value has yet been obtained from a pricing service or pricing broker. When reliable prices are not readily available, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the Fund calculates its net asset value, the Fund values these securities as determined in accordance with procedures approved by the Fund's Board of Directors.

The Board of Directors is responsible for the valuation process and has delegated the supervision of the daily valuation process to the Legg Mason North Atlantic Fund Valuation Committee (the Valuation Committee). The Valuation Committee, pursuant to the policies adopted by the Board of Directors, is responsible for making fair value determinations, evaluating the effectiveness of the Fund's pricing policies, and reporting to the Board of Directors. When determining the reliability of third party pricing information for investments owned by the Fund, the Valuation Committee, among other things, conducts due diligence reviews of pricing vendors, monitors the daily change in prices and reviews transactions among market participants.

Notes to Schedule of Investments (unaudited) (continued)

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Directors, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such back testing monthly and fair valuation occurrences are reported to the Board of Directors quarterly.

The Fund uses valuation techniques to measure fair value that are consistent with the market approach and/or income approach, depending on the type of security and the particular circumstance. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable securities. The income approach uses valuation techniques to discount estimated future cash flows to present value.

GAAP establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. These inputs are summarized in the three broad levels listed below:

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Notes to Schedule of Investments (unaudited) (continued)

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

| DESCRIPTION | ASSETS | | | TOTAL |
|--------------------------------------|-------------------------|---|---|----------------|
| | QUOTED PRICES (LEVEL 1) | OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) | SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) | |
| Long-Term Investments : | | | | |
| Corporate Bonds & Notes: | | | | |
| Industrials | | \$ 6,927,635 | \$ 52,525 | \$ 6,980,160 |
| Other Corporate Bonds & Notes | | 112,412,115 | | 112,412,115 |
| U.S. Government & Agency Obligations | | 8,438,745 | | 8,438,745 |
| Sovereign Bonds | | 5,602,120 | | 5,602,120 |
| Municipal Bonds | | 1,864,943 | | 1,864,943 |
| Preferred Stocks: | | | | |
| Financials | \$ 243,946 | 132,391 | | 376,337 |
| Total Long-Term Investments | 243,946 | 135,377,949 | 52,525 | 135,674,420 |
| Short-Term Investments | | 502,094 | | 502,094 |
| Total Investments | \$ 243,946 | \$ 135,880,043 | \$ 52,525 | \$ 136,176,514 |
| Other Financial Instruments: | | | | |
| Futures Contracts | \$ 412,312 | | | \$ 412,312 |
| Total | \$ 656,258 | \$ 135,880,043 | \$ 52,525 | \$ 136,588,826 |
| | LIABILITIES | | | |
| DESCRIPTION | QUOTED PRICES (LEVEL 1) | OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) | SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) | TOTAL |
| Other Financial Instruments: | | | | |
| Futures Contracts | \$ 115,515 | | | \$ 115,515 |

See Schedule of Investments for additional detailed categorizations.

2. Transactions with affiliated companies

As defined by the 1940 Act, an affiliated company is one in which the Fund owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control. The Fund may invest in Western Asset Government Cash Management Portfolio, LLC (Cash Management Portfolio), an affiliated private money market fund managed by , the Fund's investment adviser. Cash Management Portfolio is available as a cash management vehicle for certain proprietary investment companies affiliated with Legg Mason. While Cash Management Portfolio is not a registered money market fund, it conducts all of its investment activities in accordance with the requirements of Rule 2a-7 under the 1940 Act. Based on the Fund's relative ownership, the following companies were considered affiliated companies for all or some portion of the period ended September 30, 2018. The

Notes to Schedule of Investments (unaudited) (continued)

following transactions were effected in shares of such companies for the period ended September 30, 2018.

| | Affiliate | Purchased | | Sold | |
|--|--------------------------------------|---------------|------------|----------------|---------------|
| | Value at | Cost | Shares | Cost | Shares |
| Western Asset Government Cash Management Portfolio LLC | December 31, 2017 \$ 1,100,244 | \$ 19,709,722 | 19,709,722 | \$ 20,307,872 | 20,307,872 |
| | | Realized | Interest | Net | Affiliate |
| (cont d) | | Gain (Loss) | Income | Increase | Value at |
| Western Asset Government Cash Management Portfolio LLC | | | \$ 9,477 | (Decrease) | September 30, |
| | | | | in | 2018 |
| | | | | Unrealized | |
| | | | | Appreciation | |
| | | | | (Depreciation) | \$ 502,094 |

ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934.

- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are likely to materially affect the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Western Asset Investment Grade Income Fund Inc.

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

Date: November 26, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

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

Date: November 26, 2018

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

Date: November 26, 2018