

WESTERN ASSET PREMIER BOND FUND

Form N-Q

May 31, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-10603

Name of Fund: Western Asset Premier Bond Fund
Fund Address: 385 East Colorado Boulevard
Pasadena, CA 91101

Name and address of agent for service: Richard M. Wachterman, Esq.
Legg Mason Wood Walker, Incorporated
100 Light Street
Baltimore, MD 21202

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

Date of fiscal year end: 12/31/2005

Date of reporting period: 3/31/2005

Item 1 Schedule of Investments

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2005 (Unaudited)

(Amounts in thousands)

| | <u>% OF NET ASSETS</u> | <u>RATE</u> | <u>MATURITY DATE</u> | <u>PAR</u> | <u>VALUE</u> |
|--|----------------------------|-------------|--------------------------|------------|------------------|
| Long-Term Securities | 155.1% | | | | |
| Corporate Bonds and Notes | 82.2% | | | | |
| Advertising | 0.3% | | | | |
| Vertis Inc. | | 10.875% | 06/15/09 | \$ 250 | \$ 241 |
| World Directories Acquisition Subsidiary Corp. | | 8.375% | 12/01/14 | 270 | 251 _A |
| | | | | | <u>492</u> |
| Aerospace/Defense | 2.3% | | | | |
| Northrop Grumman Corporation | | 7.750% | 02/15/31 | 1,000 | 1,264 |
| Raytheon Company | | 6.750% | 08/15/07 | 584 | 614 |
| Raytheon Company | | 7.200% | 08/15/27 | 1,000 | 1,174 |
| TransDigm Inc. | | 8.375% | 07/15/11 | 200 | 205 |
| The Boeing Company | | 6.125% | 02/15/33 | 600 | 642 |
| | | | | | <u>3,899</u> |
| Apparel | 0.4% | | | | |
| Levi Strauss & Co. | | 9.750% | 01/15/15 | 120 | 118 _A |
| Oxford Industries, Inc. | | 8.875% | 06/01/11 | 270 | 286 |
| Russell Corporation | | 9.250% | 05/01/10 | 240 | 255 |
| | | | | | <u>659</u> |
| Auto Parts and Equipment | 0.4% | | | | |
| Keystone Automotive Operations Inc. | | 9.750% | 11/01/13 | 430 | 432 |
| Tenneco Automotive Inc. | | 10.250% | 07/15/13 | 230 | 256 |
| | | | | | <u>688</u> |
| Automotive | 3.0% | | | | |
| Asbury Automotive Group Inc. | | 9.000% | 06/15/12 | 405 | 413 |
| DaimlerChrysler NA Holdings Corp. | | 7.300% | 01/15/12 | 1,000 | 1,090 |
| DaimlerChrysler NA Holdings Corp. | | 8.500% | 01/18/31 | 1,000 | 1,207 |
| Ford Motor Company | | 7.450% | 07/16/31 | 2,700 | 2,442 |
| | | | | | <u>5,152</u> |
| Banking and Finance | 5.3% | | | | |
| Boeing Capital Corporation | | 6.500% | 02/15/12 | 1,000 | 1,085 |

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| | | | | |
|---------------------------------------|--------|----------|-------|--------------------|
| Boeing Capital Corporation | 5.800% | 01/15/13 | 400 | 419 |
| Ford Motor Credit Company | 6.875% | 02/01/06 | 400 | 405 |
| Ford Motor Credit Company | 7.250% | 10/25/11 | 1,700 | 1,678 |
| Fuji JGB Inv | 9.870% | 06/30/08 | 790 | 900 _{A,B} |
| General Motors Acceptance Corporation | 6.125% | 02/01/07 | 500 | 492 |
| General Motors Acceptance Corporation | 6.875% | 09/15/11 | 1,175 | 1,063 |
| General Motors Acceptance Corporation | 7.000% | 02/01/12 | 1,500 | 1,355 |
| HSBC Finance Corporation | 4.750% | 07/15/13 | 1,670 | 1,626 |
| | | | | 9,023 |

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2005 (Unaudited)

(Amounts in thousands)

| | <u>% OF NET ASSETS</u> | <u>RATE</u> | <u>MATURITY DATE</u> | <u>PAR</u> | <u>VALUE</u> |
|--|----------------------------|-------------|--------------------------|------------|--------------------|
| Corporate Bonds and Notes - Continued | | | | | |
| Banks | 0.3% | | | | |
| Washington Mutual Bank FA | | 5.500% | 01/15/13 | \$ 440 | \$ 449 |
| Building Materials | | | | | |
| | 0.8% | | | | |
| Associated Materials Inc. | | 0.000% | 03/01/14 | 720 | 500 _C |
| Goodman Global Holding Company, Inc. | | 7.875% | 12/15/12 | 270 | 247 _A |
| MMI Products, Inc. | | 11.250% | 04/15/07 | 250 | 249 |
| NTK Holdings, Inc. | | 0.000% | 03/01/14 | 320 | 170 _{A,C} |
| Nortek Inc. | | 8.500% | 09/01/14 | 290 | 280 |
| | | | | | <u>1,446</u> |
| Cable | | | | | |
| | 2.7% | | | | |
| Charter Communication Holdings II | | 10.250% | 09/15/10 | 622 | 634 |
| Charter Communication Holdings, LLC | | 9.625% | 11/15/09 | 380 | 297 |
| Comcast Cable Communications, Inc. | | 6.750% | 01/30/11 | 500 | 540 |
| Comcast Corporation | | 6.500% | 01/15/15 | 400 | 428 |
| Comcast Corporation | | 7.050% | 03/15/33 | 1,000 | 1,118 |
| CSC Holdings Inc. | | 6.750% | 04/15/12 | 250 | 248 _A |
| CSC Holdings Inc. | | 7.875% | 02/15/18 | 130 | 138 |
| CSC Holdings Inc. | | 7.625% | 07/15/18 | 253 | 263 |
| EchoStar DBS Corporation | | 5.810% | 10/01/08 | 93 | 95 _B |
| EchoStar DBS Corporation | | 6.625% | 10/01/14 | 310 | 300 _A |
| Insight Communications Company, Inc. | | 0.000% | 02/15/11 | 220 | 219 _C |
| LodgeNet Entertainment Corporation | | 9.500% | 06/15/13 | 321 | 350 |
| | | | | | <u>4,630</u> |
| Chemicals | | | | | |
| | 2.0% | | | | |
| FMC Corporation | | 10.250% | 11/01/09 | 203 | 226 |
| Huntsman International LLC | | 10.125% | 07/01/09 | 152 | 158 |
| Lyondell Chemical Company | | 9.625% | 05/01/07 | 50 | 54 |
| Millennium America Inc. | | 9.250% | 06/15/08 | 24 | 26 |
| PQ Corporation | | 7.500% | 02/15/13 | 180 | 177 _A |
| The Dow Chemical Company | | 6.000% | 10/01/12 | 2,500 | 2,665 |
| Westlake Chemical Corporation | | 8.750% | 07/15/11 | 214 | 234 |
| | | | | | <u>3,540</u> |
| Coal | | | | | |
| | 0.2% | | | | |
| Alpha Natural Resources | | 10.000% | 06/01/12 | 350 | 392 _A |

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| Computers Services and Systems | | 1.2% | | | |
|---|--------|----------|-----|------------------|--|
| DynCorp Inc. | 9.500% | 02/15/13 | 530 | 515 _A | |
| Electronic Data Systems Corporation | 7.125% | 10/15/09 | 700 | 752 | |
| Electronic Data Systems Corporation | 7.450% | 10/15/29 | 500 | 534 | |
| International Business Machines Corporation | 4.750% | 11/29/12 | 240 | 239 | |

2,040

| Containers and Packaging | | 0.9% | | | |
|-------------------------------------|--------|----------|-----|------------------|--|
| Graham Packaging Company Inc. | 9.875% | 10/15/14 | 320 | 320 _A | |
| Owens-Brockway Glass Container Inc. | 8.750% | 11/15/12 | 330 | 361 | |
| Owens-Illinois, Inc. | 7.500% | 05/15/10 | 100 | 103 | |
| Portola Packaging, Inc. | 8.250% | 02/01/12 | 650 | 488 | |
| Solo Cup Company | 8.500% | 02/15/14 | 310 | 310 | |

1,582

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|--|----------------------------|-------------|--------------------------|------------|------------------|
| Corporate Bonds and Notes - Continued | | | | | |
| Construction Machinery | 0.2% | | | | |
| H&E Equipment/Finance Corp. | | 11.125% | 06/15/12 | \$ 260 | \$ 293 |
| Distribution and Wholesale | | | | | |
| Distribution and Wholesale | N.M. | | | | |
| National Waterworks Inc. | | 10.500% | 12/01/12 | 60 | 67 |
| Diversified Financial Services | | | | | |
| Diversified Financial Services | 2.7% | | | | |
| CIT Group Inc. | | 7.750% | 04/02/12 | 1,600 | 1,851 |
| Citigroup Inc. | | 6.625% | 06/15/32 | 1,000 | 1,115 |
| General Electric Capital Corporation | | 3.750% | 12/15/09 | 740 | 711 |
| General Electric Capital Corporation | | 6.000% | 06/15/12 | 700 | 746 |
| General Electric Capital Corporation | | 5.450% | 01/15/13 | 250 | 257 |
| | | | | | 4,680 |
| Drug & Grocery Store Chains | | | | | |
| Drug & Grocery Store Chains | 0.3% | | | | |
| Safeway Inc. | | 5.800% | 08/15/12 | 500 | 513 |
| Electric | | | | | |
| Electric | 7.9% | | | | |
| Dominion Resources, Inc. | | 5.700% | 09/17/12 | 770 | 799 |
| Duke Energy Corporation | | 6.250% | 01/15/12 | 250 | 266 |
| Elwood Energy LLC | | 8.159% | 07/05/26 | 289 | 321 |
| Exelon Generation Co. LLC | | 6.950% | 06/15/11 | 2,000 | 2,200 |
| FirstEnergy Corp. | | 5.500% | 11/15/06 | 750 | 763 |
| FirstEnergy Corp. | | 6.450% | 11/15/11 | 610 | 644 |
| FirstEnergy Corp. | | 7.375% | 11/15/31 | 3,040 | 3,443 |
| MidAmerican Energy Holdings Company | | 5.875% | 10/01/12 | 250 | 260 |
| Niagra Mohawk Power Corporation | | 7.750% | 10/01/08 | 1,500 | 1,657 |
| Orion Power Holdings, Inc. | | 12.000% | 05/01/10 | 311 | 378 |
| Progress Energy, Inc. | | 7.100% | 03/01/11 | 250 | 274 _A |
| Progress Energy, Inc. | | 6.850% | 04/15/12 | 750 | 818 |
| Sithe Energies, Inc. | | 9.000% | 12/30/13 | 230 | 257 |
| Texas Genco LLC | | 6.875% | 12/15/14 | 316 | 317 _A |
| The AES Corporation | | 7.750% | 03/01/14 | 430 | 444 |
| The AES Corporation | | 9.000% | 05/15/15 | 440 | 484 _A |
| TXU Electric Delivery Company | | 7.000% | 09/01/22 | 250 | 283 |
| | | | | | 13,608 |
| Energy | | | | | |
| Energy | 1.0% | | | | |

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| | | | | |
|------------------------|---------|----------|-------|------------------|
| Calpine Corporation | 7.625% | 04/15/06 | 140 | 136 |
| Calpine Generating Co. | 11.169% | 04/01/11 | 350 | 334 _B |
| Calpine Generation Co. | 11.500% | 04/01/11 | 580 | 539 |
| Midwest Generation LLC | 8.750% | 05/01/34 | 255 | 284 |
| NRG Energy, Inc. | 8.000% | 12/15/13 | 353 | 373 _A |
| Reliant Energy Inc. | 6.750% | 12/15/14 | 190 | 177 |
| | | | <hr/> | |
| | | | 1,843 | |
| | | | <hr/> | |

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|---|----------------------------|-------------|--------------------------|------------|---------------------|
| Corporate Bonds and Notes - Continued | | | | | |
| Entertainment | 0.3% | | | | |
| Cinemark, Inc. | | 0.000% | 03/15/14 | \$ 330 | \$ 234 _C |
| WMG Holdings Corp. | | 0.000% | 12/15/14 | 250 | 173 _{A,C} |
| Warner Music Group | | 7.375% | 04/15/14 | 90 | 93 |
| | | | | | <u>500</u> |
| Environmental Services | 1.9% | | | | |
| Allied Waste North America Incorporated | | 8.875% | 04/01/08 | 380 | 393 |
| Waste Management, Inc. | | 7.375% | 05/15/29 | 2,000 | 2,328 |
| Waste Management, Inc. | | 7.750% | 05/15/32 | 40 | 49 |
| Waste Services, Inc. | | 9.500% | 04/15/14 | 440 | 444 ^A |
| | | | | | <u>3,214</u> |
| Food, Beverage and Tobacco | 2.1% | | | | |
| Altria Group, Inc. | | 7.000% | 11/04/13 | 250 | 268 |
| Altria Group, Inc. | | 7.750% | 01/15/27 | 1,000 | 1,141 |
| Kraft Foods Inc. | | 5.250% | 10/01/13 | 400 | 403 |
| Nabisco Inc. | | 7.550% | 06/15/15 | 1,500 | 1,770 |
| | | | | | <u>3,582</u> |
| Gaming | 1.0% | | | | |
| Ameristar Casinos, Inc. | | 10.750% | 02/15/09 | 500 | 546 |
| Inn of The Mountain Gods | | 12.000% | 11/15/10 | 400 | 470 |
| Premier Entertainment Biloxi LLC | | 10.750% | 02/01/12 | 707 | 721 |
| Station Casinos, Inc. | | 6.875% | 03/01/16 | 20 | 20 |
| | | | | | <u>1,757</u> |
| Gas and Pipeline Utilities | 3.8% | | | | |
| Duke Energy Field Services Corporation | | 7.875% | 08/16/10 | 750 | 852 |
| Dynegy Holdings Inc. | | 8.750% | 02/15/12 | 1,500 | 1,436 |
| Kinder Morgan Energy Partners, L.P. | | 7.125% | 03/15/12 | 500 | 555 |
| Pacific Energy Partners LP/Pacific Energy Finance Corp. | | 7.125% | 06/15/14 | 120 | 124 |
| Panhandle Eastern Pipe Line Company | | 4.800% | 08/15/08 | 400 | 400 |
| Texas Eastern Transmission | | 5.250% | 07/15/07 | 750 | 762 |

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| | | | | |
|---|--------|----------|-------|--------------------|
| The Williams Companies, Inc. | 7.500% | 01/15/31 | 902 | 947 |
| The Williams Companies, Inc. | 8.750% | 03/15/32 | 1,200 | 1,425 |
| | | | | 6,501 |
| Healthcare | | | | |
| | 2.2% | | | |
| Fresenius Medical Care Capital Trust II | 7.875% | 02/01/08 | 250 | 262 |
| Tenet Healthcare Corporation | 9.875% | 07/01/14 | 713 | 742 |
| Tenet Healthcare Corporation | 9.250% | 02/01/15 | 2,810 | 2,803 _A |
| | | | | 3,807 |

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|--|----------------------------|-------------|--------------------------|------------|--------------------|
| Corporate Bonds and Notes - Continued | | | | | |
| Investment Banking/Brokerage | 4.5% | | | | |
| Credit Suisse First Boston, USA | | 6.500% | 01/15/12 | \$ 1,125 | \$ 1,217 |
| JPMorgan Chase & Co. | | 5.750% | 01/02/13 | 1,750 | 1,819 |
| JPMorgan Chase & Co. | | 5.125% | 09/15/14 | 1,300 | 1,279 |
| Morgan Stanley | | 6.600% | 04/01/12 | 1,500 | 1,637 |
| Refco Finance Holdings LLC | | 9.000% | 08/01/12 | 370 | 392 _A |
| The Goldman Sachs Group, Inc. | | 6.600% | 01/15/12 | 1,200 | 1,299 |
| | | | | | <u>7,643</u> |
| Machinery | 0.7% | | | | |
| Case New Holland Inc. | | 9.250% | 08/01/11 | 458 | 488 _A |
| Joy Global Inc. | | 8.750% | 03/15/12 | 130 | 143 |
| Terex Corporation | | 10.375% | 04/01/11 | 500 | 544 |
| | | | | | <u>1,175</u> |
| Manufacturing (Diversified) | 2.3% | | | | |
| Ames True Temper, Inc. | | 6.640% | 01/15/12 | 290 | 273 _{A,B} |
| Ames True Temper, Inc. | | 10.000% | 07/15/12 | 250 | 212 |
| Eastman Kodak Co. | | 7.250% | 11/15/13 | 850 | 889 |
| Interface, Inc. | | 10.375% | 02/01/10 | 400 | 448 |
| Jacuzzi Brands, Incorporated | | 9.625% | 07/01/10 | 365 | 401 |
| KI Holdings Inc. | | 0.000% | 11/15/14 | 260 | 160 _{A,C} |
| Koppers Inc. | | 9.875% | 10/15/13 | 238 | 265 |
| Leiner Health Products L.P. | | 11.000% | 06/01/12 | 360 | 387 |
| Norcraft Companies, L.P. | | 9.000% | 11/01/11 | 370 | 383 |
| Norcraft Holdings L.P. | | 0.000% | 09/01/12 | 160 | 114 _C |
| Rayovac Corporation | | 8.500% | 10/01/13 | 240 | 247 |
| Samsonite Corporation | | 8.875% | 06/01/11 | 230 | 241 |
| | | | | | <u>4,020</u> |
| Media | 3.5% | | | | |
| AOL Time Warner Inc. | | 6.150% | 05/01/07 | 250 | 258 |
| AOL Time Warner Inc. | | 6.875% | 05/01/12 | 1,400 | 1,529 |
| AOL Time Warner Inc. | | 7.700% | 05/01/32 | 1,150 | 1,365 |
| Liberty Media Corporation | | 4.510% | 09/17/06 | 200 | 203 _B |
| Liberty Media Corporation | | 3.750% | 02/15/30 | 1,860 | 1,141 _D |

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| | | | | |
|-----------------------------------|---------|----------|-----|-------|
| News America Holdings Inc. | 6.625% | 01/09/08 | 300 | 315 |
| News America Holdings Inc. | 8.875% | 04/26/23 | 400 | 511 |
| Paxson Communications Corporation | 10.750% | 07/15/08 | 500 | 496 |
| Sinclair Broadcast Group, Inc. | 8.000% | 03/15/12 | 250 | 255 |
| | | | | 6,073 |

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|--|----------------------------|-------------|--------------------------|------------|------------------|
| Corporate Bonds and Notes - Continued | | | | | |
| Medical Care Facilities | 1.3% | | | | |
| AmeriPath, Inc. | | 10.500% | 04/01/13 | \$ 250 | \$ 249 |
| Ardent Health Services | | 10.000% | 08/15/13 | 490 | 581 |
| Community Health Systems Inc. | | 6.500% | 12/15/12 | 150 | 146 _A |
| DaVita, Inc. | | 6.625% | 03/15/13 | 50 | 49 _A |
| DaVita, Inc. | | 7.250% | 03/15/15 | 220 | 216 _A |
| Extencicare Health Services, Inc. | | 9.500% | 07/01/10 | 500 | 547 |
| HCA, Inc. | | 7.690% | 06/15/25 | 120 | 123 |
| Select Medical Corporation | | 7.625% | 02/01/15 | 240 | 240 _A |
| | | | | | <u>2,151</u> |
| Metals and Mining | 0.4% | | | | |
| Alcoa Inc. | | 5.375% | 01/15/13 | 750 | 770 |
| Office Equipment | 0.1% | | | | |
| Xerox Corporation | | 7.625% | 06/15/13 | 130 | 136 |
| Oil and Gas | 7.2% | | | | |
| Amerada Hess Corporation | | 7.300% | 08/15/31 | 1,700 | 1,917 |
| Belden & Blake Corporation | | 8.750% | 07/15/12 | 500 | 496 |
| ConocoPhillips | | 4.750% | 10/15/12 | 1,000 | 994 |
| Devon Energy Corporation | | 7.950% | 04/15/32 | 1,000 | 1,261 |
| Devon Finance Corp. ULC | | 6.875% | 09/30/11 | 2,000 | 2,202 |
| El Paso CPG Co. | | 6.375% | 02/01/09 | 333 | 320 |
| El Paso CPG Co. | | 7.750% | 06/15/10 | 1,496 | 1,496 |
| El Paso Corporation | | 7.625% | 07/15/11 | 500 | 494 |
| El Paso Corporation | | 7.800% | 08/01/31 | 210 | 197 |
| El Paso Production Holding Company | | 7.750% | 06/01/13 | 250 | 253 |
| Encore Acquisition Company | | 6.250% | 04/15/14 | 40 | 40 |
| Occidental Petroleum Corporation | | 6.750% | 01/15/12 | 500 | 553 |
| Parker Drilling Company | | 10.125% | 11/15/09 | 87 | 91 |
| Parker Drilling Company | | 9.625% | 10/01/13 | 220 | 243 |
| Plains Exploration & Production Company | | 7.125% | 06/15/14 | 190 | 199 |
| Pride International, Inc. | | 7.375% | 07/15/14 | 240 | 254 |
| Suburban Propane Partners, LP | | 6.875% | 12/15/13 | 410 | 404 |
| Valero Energy Corporation | | 7.500% | 04/15/32 | 400 | 482 |
| Vintage Petroleum, Inc. | | 7.875% | 05/15/11 | 500 | 530 |
| | | | | | <u>12,426</u> |



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|--|----------------------------|-------------|--------------------------|------------|--------------------|
| Corporate Bonds and Notes - Continued | | | | | |
| Paper and Forest Products | 2.2% | | | | |
| Weyerhaeuser Company | | 6.750% | 03/15/12 | \$ 2,400 | \$ 2,636 |
| Weyerhaeuser Company | | 7.375% | 03/15/32 | 1,000 | 1,169 |
| | | | | | <u>3,805</u> |
| Publishing | 0.5% | | | | |
| Dex Media East LLC | | 9.875% | 11/15/09 | 250 | 275 |
| Dex Media East LLC | | 12.125% | 11/15/12 | 122 | 145 |
| PRIMEDIA Inc. | | 8.164% | 05/15/10 | 310 | 329 ^B |
| PRIMEDIA Inc. | | 8.875% | 05/15/11 | 50 | 52 |
| | | | | | <u>801</u> |
| Real Estate | 0.2% | | | | |
| Forest City Enterprises, Inc. | | 6.500% | 02/01/17 | 270 | 273 |
| Rental Auto/Equipment | 0.2% | | | | |
| NationsRent Inc. | | 9.500% | 10/15/10 | 340 | 364 |
| Retail | 0.7% | | | | |
| Stater Bros. Holdings Inc. | | 6.510% | 06/15/10 | 170 | 168 ^B |
| Toys R Us, Inc. | | 7.875% | 04/15/13 | 120 | 107 |
| Toys R Us, Inc. | | 7.375% | 10/15/18 | 1,080 | 902 |
| | | | | | <u>1,177</u> |
| Retail (Food Chains) | 0.2% | | | | |
| Domino's Inc. | | 8.250% | 07/01/11 | 248 | 259 |
| Special Purpose | 2.0% | | | | |
| AAC Group Holding Corp. | | 0.000% | 10/01/12 | 440 | 317 ^{A,C} |
| Air 2 U.S. | | 8.027% | 10/01/19 | 287 | 259 ^A |
| K & F Acquisition Inc. | | 7.750% | 11/15/14 | 149 | 145 ^A |
| K & F Parent Inc. | | 11.500% | 02/01/15 | 80 | 78 ^{A,K} |
| Milacron Escrow Corp. | | 11.500% | 05/15/11 | 410 | 447 |
| Rainbow National Services LLC | | 8.750% | 09/01/12 | 100 | 108 ^A |
| Rainbow National Services LLC | | 10.375% | 09/01/14 | 250 | 279 ^A |
| River Rock Entertainment | | 9.750% | 11/01/11 | 380 | 416 |
| Sensus Metering Systems | | 8.625% | 12/15/13 | 460 | 470 |

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| | | | | |
|---------------------------|---------|----------|-----|------------------|
| UGS Corp. | 10.000% | 06/01/12 | 230 | 254 _A |
| UCAR Finance Inc. | 10.250% | 02/15/12 | 300 | 321 |
| WII Components, Inc. | 10.000% | 02/15/12 | 250 | 256 |
| | | | | 3,350 |
| Storage Facilities | 0.1% | | | |
| Mobile Mini, Inc. | 9.500% | 07/01/13 | 129 | 145 |

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|---|----------------------------|-------------|--------------------------|------------|------------------|
| Corporate Bonds and Notes - Continued | | | | | |
| Telecommunications | 5.1% | | | | |
| Alamosa Delaware Inc. | | 11.000% | 07/31/10 | \$ 319 | \$ 363 |
| AT&T Corp. | | 9.050% | 11/15/11 | 360 | 409 |
| BellSouth Corporation | | 6.000% | 10/15/11 | 1,000 | 1,059 |
| Cincinnati Bell Inc. | | 7.250% | 07/15/13 | 129 | 128 |
| Cincinnati Bell Inc. | | 8.375% | 01/15/14 | 140 | 138 |
| Cincinnati Bell Inc. | | 8.375% | 01/15/14 | 260 | 256 _A |
| Qwest Capital Funding, Inc. | | 7.750% | 02/15/31 | 1,000 | 845 |
| Qwest Communications International Inc. | | 7.250% | 02/15/11 | 500 | 489 _A |
| Qwest Corporation | | 7.875% | 09/01/11 | 390 | 402 _A |
| Qwest Services Corp. | | 14.000% | 12/15/10 | 10 | 12 _A |
| SBC Communications Inc. | | 6.250% | 03/15/11 | 1,000 | 1,061 |
| Sprint Capital Corp. | | 6.000% | 01/15/07 | 1,500 | 1,542 |
| Sprint Capital Corp. | | 8.375% | 03/15/12 | 1,450 | 1,695 |
| Telcordia Technologies Inc. | | 10.000% | 03/15/13 | 160 | 159 _A |
| Valor Communications Group, Inc. | | 7.750% | 02/15/15 | 260 | 259 _A |
| | | | | | 8,817 |
| Telecommunications (Cellular/Wireless) | 2.4% | | | | |
| AT&T Wireless Services, Inc. | | 7.500% | 05/01/07 | 500 | 532 |
| AT&T Wireless Services, Inc. | | 8.125% | 05/01/12 | 500 | 584 |
| Centennial Communications Corp. | | 8.125% | 02/01/14 | 500 | 513 |
| Cingular Wireless LLC | | 6.500% | 12/15/11 | 250 | 269 |
| Motorola, Inc. | | 7.625% | 11/15/10 | 400 | 449 |
| Nextel Communications, Inc. | | 5.950% | 03/15/14 | 288 | 287 |
| Nextel Communications, Inc. | | 7.375% | 08/01/15 | 130 | 137 |
| Rural Cellular Corporation | | 9.750% | 01/15/10 | 300 | 275 |
| Rural Cellular Corporation | | 8.250% | 03/15/12 | 80 | 82 |
| SBA Communications Corp. | | 8.500% | 12/01/12 | 248 | 257 _A |
| Ubiquitel Operating Co. | | 9.875% | 03/01/11 | 150 | 165 _A |
| US Unwired Inc. | | 10.000% | 06/15/12 | 210 | 233 |
| Verizon Wireless Capital LLC | | 5.375% | 12/15/06 | 250 | 255 |
| | | | | | 4,038 |
| Transportation | 5.4% | | | | |
| American Commercial Lines/ACL Finance Corp. | | 9.500% | 02/15/15 | 260 | 268 _A |
| Continental Airlines, Inc. | | 7.373% | 06/15/17 | 101 | 85 |
| Continental Airlines, Inc. | | 8.048% | 05/01/22 | 804 | 793 |
| Delta Air Lines, Inc. | | 6.718% | 07/02/24 | 3,115 | 3,240 |
| GulfMark Offshore, Inc. | | 7.750% | 07/15/14 | 270 | 278 _A |

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| | | | | |
|---|--------|----------|-------|--------------------|
| H-Lines Finance Holding Corp. | 0.000% | 04/01/13 | 380 | 296 _{A,C} |
| Horizon Lines, LLC | 9.000% | 11/01/12 | 240 | 256 _A |
| Kansas City Southern Railway Co. | 9.500% | 10/01/08 | 165 | 180 |
| Progress Rail Services Corp./Progress Metal Reclamation Co. | 7.750% | 04/01/12 | 230 | 230 _A |
| Union Pacific Corporation | 6.125% | 01/15/12 | 2,000 | 2,126 |
| United Air Lines, Inc. | 7.783% | 07/01/15 | 643 | 588 _E |

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2005 (Unaudited)

(Amounts in thousands)

| | <u>% OF NET ASSETS</u> | <u>RATE</u> | <u>MATURITY DATE</u> | <u>PAR</u> | <u>VALUE</u> |
|--|----------------------------|-------------|--------------------------|------------|------------------------|
| Corporate Bonds and Notes Continued | | | | | |
| <i>Transportation Continued</i> | | | | | |
| US Airways, Inc. Escrow | | 0.000% | 01/01/07 | \$ 1,900 | \$ F |
| US Airways, Inc. Series 89A2 | | 9.820% | 01/01/13 | 468 | 182 ^E |
| US Airways, Inc. Series 93A3 | | 10.375% | 03/01/13 | 236 | 66 ^E |
| US Airways, Inc. Pass Thru Certificates | | 6.850% | 07/30/19 | 612 | 611 |
| | | | | | 9,199 |
| Total Corporate Bonds and Notes | | | | | 140,979 |
| (Identified Cost (\$135,609)) | | | | | |
| Asset-Backed Securities 13.1% | | | | | |
| <i>Fixed Rate Securities 6.0%</i> | | | | | |
| ACE Securities Corp. 2002-M Trust | | 0.000% | 10/13/17 | \$ 312 | \$ 6 ^{A,F} |
| BankAmerica Manufactured Housing Contract 1997-2 | | 6.900% | 04/10/28 | 100 | 113 |
| Captiva CBO 1997-1 | | 6.860% | 11/30/09 | 498 | 498 ^{A,G} |
| Conseco Finance Securitizations Corp. 2002-1 | | 6.681% | 12/01/33 | 1,539 | 1,577 |
| Contimortgage Home Equity Loan Trust 1997-4 | | 7.330% | 10/15/28 | 796 | 579 |
| Green Tree Financial Corporation 1992-2 | | 9.150% | 01/15/18 | 913 | 790 |
| Green Tree Financial Corporation 1993-1 | | 8.450% | 04/15/18 | 1,147 | 1,080 |
| Green Tree Financial Corporation 1999-4 | | 6.970% | 05/01/31 | 869 | 891 |
| Mutual Fund Fee 2000-2 | | 9.550% | 04/30/08 | 568 | 141 |
| Mutual Fund Fee 2000-3 | | 9.070% | 07/01/08 | 3,046 | 918 ^A |
| Pegasus Aviation Lease Securitization 2000-1 | | 8.370% | 03/25/30 | 1,300 | 863 ^A |
| Saxson Asset Securities Trust 2000-2 | | 8.370% | 07/25/30 | 2,000 | 2,032 |
| Vanderbilt Mortgage Finance 1997-B | | 8.155% | 10/07/26 | 750 | 785 |
| | | | | | 10,273 |
| <i>Floating Rate Securities 7.0%</i> | | | | | |
| ACE Securities Corp. 2005-SD1 | | 3.250% | 11/25/50 | 1,665 | 1,665 ^B |
| Banagricola DPR Funding | | 3.860% | 03/15/10 | 2,086 | 2,086 ^{A,B,G} |
| Bayview Financial Asset Trust 2004-SSRA | | 3.450% | 12/25/39 | 1,651 | 1,653 ^{A,B} |
| Countrywide Asset-Backed Certificates 2004-BC2 | | 2.930% | 09/25/27 | 169 | 169 ^B |
| CS First Boston Mortgage Securities Corp. 2004-CF2 | | 3.210% | 05/25/44 | 1,463 | 1,463 ^{A,B} |
| Residential Asset Mortgage Products 2004-RZ1 | | 3.090% | 03/25/34 | 2,775 | 2,774 ^B |
| Residential Asset Securities Corporation 2001-KS3 | | 3.080% | 09/25/31 | 2,226 | 2,235 ^B |
| | | | | | 12,045 |
| <i>Stripped Securities 0.1%</i> | | | | | |
| Bayview Financial Acquisition Trust 2002-FA | | 5.500% | 06/25/05 | 1,667 | 18 ^{A,H} |

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| | | | | |
|--|--------|----------|-----|------------------|
| Oakwood Mortgage Investors Inc. 2002-C | 6.000% | 08/15/10 | 970 | 181 _H |
| | | | | <hr/> |
| | | | | 199 |
| | | | | <hr/> |
| Total Asset-Backed Securities | | | | |
| (Identified Cost \$22,900) | | | | 22,517 |

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2005 (Unaudited)

(Amounts in thousands)

| | <u>% OF NET ASSETS</u> | <u>RATE</u> | <u>MATURITY DATE</u> | <u>PAR</u> | <u>VALUE</u> |
|---|----------------------------|-------------|--------------------------|------------|----------------------|
| Mortgage-Backed Securities | 6.7% | | | | |
| <i>Fixed Rate Securities</i> | 4.1% | | | | |
| Asset Securitization Corporation 1996-D2 | | 6.920% | 02/14/29 | \$ 525 | \$ 537 |
| Commercial Mortgage Acceptance Corporation 1997-ML1 | | 6.570% | 12/15/30 | 1,250 | 1,308 |
| Commercial Mortgage Acceptance Corporation 1997-ML1 | | 6.735% | 12/15/30 | 1,644 | 1,723 |
| Enterprise Mortgage Acceptance Company 1999-1 | | 6.420% | 10/15/25 | 408 | 176 _A |
| GMAC Commercial Mortgage Security Inc. 1998-C1 | | 6.700% | 05/15/30 | 631 | 665 |
| GMAC Commercial Mortgage Security Inc. 1998-C1 | | 6.974% | 05/15/30 | 1,000 | 1,062 |
| Metropolitan Asset Funding, Inc. 1998-B1 | | 8.000% | 11/20/24 | 1,000 | 961 |
| Nomura Asset Securities Corporation 1996-MD5 | | 7.120% | 04/13/39 | 520 | 536 |
| | | | | | <u>6,968</u> |
| <i>Floating Rate Securities</i> | 2.5% | | | | |
| Blackrock Capital Finance LP 1997-R2 | | 5.856% | 12/25/35 | 1,364 | 893 _{A,B} |
| Harborview Mortgage Loan Trust 2004-8 | | 3.250% | 11/19/34 | 1,864 | 1,869 _B |
| Washington Mutual 2004-AR12 | | 3.240% | 10/25/44 | 1,454 | 1,458 _B |
| | | | | | <u>4,220</u> |
| <i>Stripped Securities</i> | 0.1% | | | | |
| LB-UBS Commercial Mortgage Trust 2001-C3 | | 1.214% | 06/15/36 | 3,170 | 149 _{A, H} |
| Total Mortgage-Backed Securities (Identified Cost \$11,489) | | | | | <u>11,337</u> |
| U.S. Government Securities | 15.3% | | | | |
| <i>Fixed Rate Securities</i> | | | | | |
| United States Treasury Notes | | 3.375% | 02/28/07 | 6,000 | 5,956 _J |
| United States Treasury Notes | | 4.000% | 03/15/10 | 6,000 | 5,953 _J |
| | | | | | <u>11,909</u> |
| <i>Indexed Securities</i> | | | | | |
| United States Treasury Inflation-Protected Security | | 3.625% | 01/15/08 | 2,300 | 2,920 _{I,J} |
| United States Treasury Inflation-Protected Security | | 3.000% | 07/15/12 | 2,550 | 2,976 _{I,J} |
| United States Treasury Inflation-Protected Security | | 1.875% | 07/15/13 | 5,000 | 5,282 _{I,J} |
| United States Treasury Inflation-Protected Security | | 2.000% | 07/15/14 | 3,000 | 3,100 _{I,J} |
| | | | | | <u>14,278</u> |
| Total U.S. Government Securities (Identified Cost \$25,821) | | | | | <u>26,187</u> |

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| | | | | | |
|--|--------------|---------|----------|-------|--------------------|
| U.S. Government Agency Mortgage-Backed Securities | 1.1% | | | | |
| Fixed Rate Securities | | | | | |
| Fannie Mae | | 6.500% | 08/25/44 | 1,893 | 1,947 |
| | | | | | 1,947 |
| Total U.S. Government Agency Mortgage-Backed Securities | | | | | |
| (Identified Cost \$1,968) | | | | | 1,947 |
| Yankee Bonds^G | 36.5% | | | | |
| Aerospace/Defense | | | | | |
| Systems 2001 Asset Trust | | 6.664% | 09/15/13 | 267 | 289 _A |
| | | | | | 289 _A |
| Cable | | | | | |
| Kabel Deutschland GmbH | | 10.625% | 07/01/14 | 390 | 431 _A |
| | | | | | 431 _A |
| Chemicals | | | | | |
| Rhodia SA | | 10.250% | 06/01/10 | 570 | 621 |
| | | | | | 621 |
| Electric | | | | | |
| Empresa Nacional de Electricidad S.A. | | 8.625% | 08/01/15 | 370 | 427 |
| Hydro-Quebec | | 6.300% | 05/11/11 | 1,700 | 1,838 |
| | | | | | 1,838 |
| | | | | | 2,265 |
| Energy | | | | | |
| Petroliam Nasional Berhad (Petronas) | | 7.750% | 08/15/15 | 1,410 | 1,665 _A |
| | | | | | 1,665 _A |
| Food, Beverage and Tobacco | | | | | |
| Bavaria S.A. | | 8.875% | 11/01/10 | 1,550 | 1,690 _A |
| | | | | | 1,690 _A |

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2005 (Unaudited)

(Amounts in thousands)

| | <u>% OF NET ASSETS</u> | <u>RATE</u> | <u>MATURITY DATE</u> | <u>PAR</u> | <u>VALUE</u> |
|---|----------------------------|-------------|--------------------------|------------|---------------------|
| Yankee Bonds^G (Continued) | | | | | |
| Foreign Government | | | | | |
| | 20.6% | | | | |
| Dominican Republic | | 9.500% | 09/27/06 | \$ 370 | \$ 342 _A |
| Federative Republic of Brazil | | 14.500% | 10/15/09 | 2,465 | 3,096 |
| Federative Republic of Brazil | | 12.000% | 04/15/10 | 800 | 936 |
| Federative Republic of Brazil | | 3.125% | 04/15/12 | 529 | 497 _B |
| Federative Republic of Brazil | | 8.000% | 04/15/14 | 1,348 | 1,335 |
| Federative Republic of Brazil | | 10.125% | 05/15/27 | 1,130 | 1,187 |
| Federative Republic of Brazil | | 11.000% | 08/17/40 | 1,100 | 1,224 |
| Kingdom of Morocco | | 3.803% | 01/02/09 | 229 | 225 _B |
| Republic of Bulgaria | | 8.250% | 01/15/15 | 2,823 | 3,416 _A |
| Republic of Colombia | | 11.750% | 02/25/20 | 2,090 | 2,487 |
| Republic of Ecuador | | 8.000% | 08/15/30 | 705 | 635 _{A,C} |
| Republic of El Salvador | | 8.250% | 04/10/32 | 625 | 631 _A |
| Republic of Honduras | | 2.982% | 10/01/11 | 234 | 228 _B |
| Republic of Panama | | 9.625% | 02/08/11 | 1,420 | 1,605 |
| Republic of Panama | | 10.750% | 05/15/20 | 1,020 | 1,265 |
| Republic of Panama | | 9.375% | 01/16/23 | 340 | 381 |
| Republic of Peru | | 5.000% | 03/07/17 | 3,032 | 2,835 _B |
| Republic of Peru | | 8.750% | 11/21/33 | 520 | 541 |
| Russian Federation | | 5.000% | 03/31/30 | 8,005 | 8,225 _C |
| Russian Ministry of Finance | | 3.000% | 05/14/06 | 10 | 10 |
| United Mexican States | | 11.500% | 05/15/26 | 1,150 | 1,739 |
| United Mexican States | | 7.500% | 04/08/33 | 2,290 | 2,427 |
| | | | | | <u>35,267</u> |
| Insurance | | | | | |
| | 0.8% | | | | |
| Residential Reinsurance LTD | | 7.300% | 01/14/12 | 300 | 302 _{A,B} |
| XL Capital Ltd. | | 5.250% | 09/15/14 | 1,000 | 987 |
| | | | | | <u>1,289</u> |
| Manufacturing (Diversified) | | | | | |
| | 2.3% | | | | |
| Tyco International Group SA | | 6.375% | 10/15/11 | 1,000 | 1,068 |
| Tyco International Group SA | | 6.875% | 01/15/29 | 2,615 | 2,931 |
| | | | | | <u>3,999</u> |
| Metals and Mining | | | | | |
| | 0.1% | | | | |
| Novelis, Inc. | | 7.250% | 02/15/15 | 210 | 206 _A |

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| | | | | | |
|--------------------------------------|---------|----------|-------|------------------|--|
| Oil and Gas | | 1.6% | | | |
| Anadarko Finance Co. | 6.750% | 05/01/11 | 750 | 826 | |
| Anadarko Finance Co. | 7.500% | 05/01/31 | 1,000 | 1,227 | |
| Gazprom | 9.625% | 03/01/13 | 210 | 240 _A | |
| Gazprom | 9.625% | 03/01/13 | 70 | 80 | |
| Western Oil Sands Inc. | 8.375% | 05/01/12 | 342 | 389 | |
| | | | | 2,762 | |
| Paper and Forest Products | | 0.1% | | | |
| Abitibi-Consolidated Inc. | 8.550% | 08/01/10 | 150 | 152 | |
| Abitibi-Consolidated Inc. | 6.510% | 06/15/11 | 38 | 38 _B | |
| Abitibi-Consolidated Inc. | 8.375% | 04/01/15 | 60 | 58 | |
| | | | | 248 | |
| Services | | 0.2% | | | |
| Compagnie Generale de Geophysique SA | 10.625% | 11/15/07 | 333 | 351 | |

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2005 (Unaudited)

(Amounts in thousands)

| | <u>% OF NET ASSETS</u> | <u>RATE</u> | <u>MATURITY DATE</u> | <u>PAR</u> | <u>VALUE</u> |
|--|----------------------------|-------------|--------------------------|------------|---------------------|
| Yankee Bonds^G (Continued) | | | | | |
| Special Purposes | 3.7% | | | | |
| Arcel Finance Limited | | 5.984% | 02/01/09 | \$ 941 | \$ 965 _A |
| Burlington Resources Finance | | 7.400% | 12/01/31 | 450 | 548 |
| Deutsche Telekom International Finance BV | | 5.250% | 07/22/13 | 600 | 602 |
| Inmarsat Finance PLC | | 7.625% | 06/30/12 | 105 | 104 |
| Inmarsat Finance II, PLC | | 0.000% | 11/15/12 | 563 | 397 _C |
| Petrozuata Finance, Inc. | | 8.220% | 04/01/17 | 3,380 | 3,177 _A |
| UFJ Finance Aruba AEC | | 6.750% | 07/15/13 | 500 | 538 |
| | | | | | <u>6,331</u> |
| Telecommunications | 1.3% | | | | |
| Axtel SA | | 11.000% | 12/15/13 | 340 | 360 |
| France Telecom SA | | 8.750% | 03/01/31 | 600 | 790 |
| Hanarotelecom Inc. | | 7.000% | 02/01/12 | 310 | 300 _A |
| Innova S. de R.L. | | 9.375% | 09/19/13 | 320 | 354 |
| INTELSAT | | 7.625% | 04/15/12 | 370 | 322 |
| INTELSAT | | 6.500% | 11/01/13 | 170 | 136 |
| | | | | | <u>2,262</u> |
| Telecommunications (Cellular/Wireless) | 0.2% | | | | |
| Rogers Wireless Communications Inc. | | 9.625% | 05/01/11 | 60 | 68 |
| Vodafone Group PLC | | 7.750% | 02/15/10 | 250 | 282 |
| | | | | | <u>350</u> |
| Transportation | 1.4% | | | | |
| Canadian Pacific Railroad Co. | | 6.250% | 10/15/11 | 1,000 | 1,084 |
| Grupo Transportacion Ferroviaria Mexicana, S.A de C.V. (TFM) | | 11.750% | 06/15/09 | 350 | 350 _C |
| Grupo Transportacion Ferroviaria Mexicana, S.A de C.V. (TFM) | | 12.500% | 06/15/12 | 750 | 855 |
| OMI Corporation | | 7.625% | 12/01/13 | 200 | 208 |
| | | | | | <u>2,497</u> |
| Total Yankee Bonds | | | | | 62,523 |
| (Identified Cost \$55,570) | | | | | |
| Preferred Stocks | 0.2% | | | | |
| Fannie Mae | | | | 7 shrs | 387 |

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| | | | |
|---|--------|-----------|------------|
| Total Preferred Stocks | | | |
| (Identified Cost \$350) | | | 387 |
| Warrants | | | |
| American Tower | N.M. | 0.251 wts | 56 |
| Total Warrants | | | |
| (Identified Cost \$16) | | | 56 |
| Total Investments | | | |
| (Identified Cost \$253,723) | 155.1% | | 265,933 |
| Other Assets Less Liabilities | | | |
| | -13.1% | | (22,461) |
| Liquidation Value of Preferred Shares | | | |
| | -42.0% | | (72,000) |
| Net Assets Applicable to Common Shareholders | | | |
| | 100.0% | | \$ 171,472 |

| | <u>EXPIRATION</u> | <u>ACTUAL CONTRACTS</u> | <u>APPRECIATION/ (DEPRECIATION)</u> |
|---|-------------------|-----------------------------|---|
| Options Written | | | |
| U.S. Treasury Note Futures Call, Strike Price \$115.00 | August 2005 | 55 | (7) |
| | | | \$(7) |

PORTFOLIO OF INVESTMENTS

Western Asset Premier Bond Fund

March 31, 2005 (Unaudited)

(Amounts in thousands)

- ^A *Rule 144a Security - A security purchased pursuant to Rule 144a under the Securities Act of 1933 which may not be resold subject to that rule except to qualified institutional buyers. These securities represent 22.3% of net assets applicable to common shareholders.*
- ^B *Floating Rate Security - The rate of interest on this type of security is tied to the London Interbank Offer Rate (LIBOR). The coupon rate is as of March 31, 2005.*
- ^C *Stepped-coupon Security - A security with a predetermined schedule of interest or dividend rate changes at which time it begins to accrue interest or pay dividends.*
- ^D *Convertible Bond - Bond may be converted into the issuer's common stock.*
- ^E *Bond in default as of March 31, 2005.*
- ^F *Zero-coupon Bond - A bond with no periodic interest payments which is sold at such a discount as to produce a current yield to maturity.*
- ^G *Yankee Bond - A dollar-denominated bond issued in the U.S. by foreign entities.*
- ^H *Stripped Security - Security with interest-only payment streams. For interest-only securities, the amount shown as principal is the notional balance used to calculate the amount of the interest due.*
- ^I *Treasury Inflation Protected Security - Treasury security whose principal value is adjusted daily in accordance with changes to the Consumer Price Index (CPI). Interest is calculated on the basis of the current adjusted principal value.*
- ^J *Securities, or a portion thereof, held as collateral for reverse repurchase agreements.*
- ^K *Pay-in-kind Security - Dividend income is paid with additional shares instead of receiving cash.*

N.M.-Not meaningful

Notes

Security Valuation

Securities owned by the Fund for which market quotations are readily available are valued at current market value. Securities for which market quotations are not readily available are fair valued by the Board of Trustees or the Fund's Valuation Committee pursuant to procedures adopted by the Board. In determining fair value, the Board of Trustees or the Fund's Valuation Committee consider all relevant qualitative and quantitative information available. The values assigned to fair value investments are based on available information and do not necessarily represent amounts that might ultimately be realized, since such amounts depend on future developments inherent in long-term investments. Further, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

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

Options, Swaps, and Futures

The current market value of a traded option is the last sale price or, in the absence of a sale, the mean between the closing bid and asked price. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. Futures contracts are marked-to-market on a daily basis. As a contract's value fluctuates, payments known as variation margin are made or received by the Fund each day, depending on the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealized gains or losses, and the Fund recognized a gain or loss when the contract is closed. Swap agreements are priced daily based upon quotations from brokers and the change, if any, is recorded as unrealized appreciation or depreciation.

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

The following is a summary of open swap contracts outstanding at March 31, 2005 (amounts not in thousands).

| <u>Agreement With:</u> | <u>Termination Date</u> | <u>The Fund Agrees to Pay</u> | <u>The Fund Will Receive</u> | <u>Contract Notional Amount</u> | <u>Unrealized Appreciation/ (Depreciation)</u> |
|--|-------------------------|--|----------------------------------|-------------------------------------|--|
| Credit Suisse First Boston USA (Long Beach Mortgage Trust 2004-1, 1 - Month LIBOR + 350 bp), due 2/25/34) | February 25, 2034 | Specified Amount upon credit event notice | 2.15% Monthly | \$ 58,000 | \$ 162 |
| Credit Suisse First Boston USA (Argent Securities Inc. 2004-W4, 1 - Month LIBOR + 300 bp, due 3/25/34) | March 25, 2034 | Specified Amount upon credit event notice | 2.20% Monthly | 58,000 | 201 |
| Credit Suisse First Boston USA | June 25, 2034 | Specified Amount | 1.37% Monthly | 58,000 | 151 |

(People's Choice Home Loan Securities
Trust 2004-1, 1 - Month LIBOR + 230
bp, due 6/25/34)

upon credit event notice

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| <u>Agreement With:</u> | <u>Termination Date</u> | <u>The Fund Agrees to Pay</u> | <u>The Fund Will Receive</u> | <u>Contract Notional Amount</u> | <u>Unrealized Appreciation/ (Depreciation)</u> |
|---|-------------------------|--|------------------------------|---------------------------------|--|
| Credit Suisse First Boston USA (New Century Home Equity Loan Trust, 1- Month LIBOR + 325 bp), due 8/25/34) | August 25, 2034 | Specified Amount upon credit event notice | 2.15% Monthly | \$ 58,000 | \$ 208 |
| Credit Suisse First Boston USA (Aegis Asset Backed Securities Trust, 1- Month LIBOR + 190 bp), due 10/25/34) | October 25, 2034 | Specified Amount upon credit event notice | 1.37% Monthly | 58,000 | 165 |
| Credit Suisse First Boston USA (Finance America Mortgage Loan Trust, 1- Month LIBOR + 180 bp, due 11/25/34) | November 25, 2034 | Specified Amount upon credit event notice | 1.31% Monthly | 43,000 | 97 |
| Credit Suisse First Boston USA (Argent Securities Inc. 2004-W11, 1- Month LIBOR + 225 bp, due 11/25/34) | November 25, 2034 | Specified Amount upon credit event notice | 1.33% Monthly | 43,000 | 127 |
| Credit Suisse First Boston USA (Argent Securities Inc. 2004-W11, 1- Month LIBOR + 350 bp, due 11/25/34) | November 25, 2034 | Specified Amount upon credit event notice | 2.15% Monthly | 43,000 | 142 |
| Credit Suisse First Boston USA (Finance America Mortgage Loan Trust 2004-3, 1- Month LIBOR + 315 bp, due 11/25/34) | November 25, 2034 | Specified Amount upon credit event notice | 2.18% Monthly | 43,000 | 153 |
| Credit Suisse First Boston USA (MASTR Asset Backed Securities Trust 2005-NC1, 1- Month LIBOR + 153 bp, due 12/25/34) | December 25, 2034 | Specified Amount upon credit event notice | 1.31% Monthly | 43,000 | 97 |
| Credit Suisse First Boston USA (MASTR Asset Backed Securities Trust 2005-NC1, 1- Month LIBOR + 240 bp, due 12/25/34) | December 25, 2034 | Specified Amount upon credit event notice | 2.08% Monthly | 43,000 | 180 |
| Credit Suisse First Boston USA (People's Choice Home Loan Securities 2005-1, 1- Month LIBOR + 165 bp, due 1/25/35) | January 25, 2035 | Specified Amount upon credit event notice | 1.28% Monthly | 43,000 | 108 |
| Credit Suisse First Boston USA (Fremont Home Loan Trust 2005-A, 1 - Month LIBOR + 135 bp, due 1/25/35) | January 25, 2035 | Specified Amount upon credit event notice | 1.31% Monthly | 43,000 | 114 |
| Credit Suisse First Boston USA | January 25, 2035 | Specified Amount upon credit event notice | 1.31% Monthly | 43,000 | 105 |

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| | | | | | | |
|--|------------------|------------------|--------------------------|--------|-----|--|
| (Morgan Stanley ABS Capital I 2005-WMC1, 1 - Month LIBOR + 130 bp, due 1/25/35) | | | upon credit event notice | | | |
| Credit Suisse First Boston USA | January 25, 2035 | Specified Amount | 2.05% Monthly | 43,000 | 150 | |
| (People's Choice Home Loan Securities 2005-1, 1 - Month LIBOR + 260 bp, due 1/25/35) | | | upon credit event notice | | | |
| Credit Suisse First Boston USA | January 25, 2035 | Specified Amount | 2.08% Monthly | 43,000 | 155 | |
| (Fremont Home Loan Trust 2005-A, 1 - Month LIBOR + 200 bp, due 1/25/35) | | | upon credit event notice | | | |

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| <u>Agreement With:</u> | <u>Termination Date</u> | <u>The Fund Agrees to Pay</u> | <u>The Fund Will Receive</u> | <u>Contract Notional Amount</u> | <u>Unrealized Appreciation/ (Depreciation)</u> |
|--|-------------------------|-----------------------------------|----------------------------------|-------------------------------------|--|
| Credit Suisse First Boston USA (Morgan Stanley ABS Capital I 2005-WMC1, 1 - Month LIBOR + 215 bp, due 1/25/35) | January 25, 2035 | Specified Amount | 2.18% Monthly | \$ 43,000 | \$ 166 |
| Credit Suisse First Boston USA (Ace Securities Corp., 1- Month LIBOR +138 bp, due 2/25/35) | February 25, 2035 | Specified Amount | 1.31% Monthly | 43,000 | 123 |
| Credit Suisse First Boston USA (Long Beach Mortgage Loan Trust 2005-1, 1- Month LIBOR + 170 bp, due 2/25/35) | February 25, 2035 | Specified Amount | 1.31% Monthly | 43,000 | 107 |
| Credit Suisse First Boston USA (ACE Securities Corp. 2005-HE1, 1- Month LIBOR + 220 bp, due 2/25/35) | February 25, 2035 | Specified Amount | 2.06% Monthly | 43,000 | 163 |
| Credit Suisse First Boston USA (Long Beach Mortgage Loan Trust 2005-1, 1- Month LIBOR + 275 bp, due 2/25/35) | February 25, 2035 | Specified Amount | 2.08% Monthly | 43,000 | 167 |
| Credit Suisse First Boston USA (INDYMAC Home Equity Loan Asset-Backed Trust 2004-C, 1- Month LIBOR + 190 bp, due 3/25/35) | March 25, 2035 | Specified Amount | 1.28% Monthly | 43,000 | 105 |
| Credit Suisse First Boston USA (New Century Home Equity Loan Trust 2005-1, 1- Month LIBOR + 140 bp, due 3/25/35) | March 25, 2035 | Specified Amount | 1.31% Monthly | 43,000 | 114 |
| Credit Suisse First Boston USA (Aegis Asset Backed Securities Trust 2005-1, 1- Month LIBOR + 130 bp, due 3/25/35) | March 25, 2035 | Specified Amount | 1.31% Monthly | 43,000 | 102 |
| Credit Suisse First Boston USA (INDYMAC Home Equity Loan Asset-Backed Trust 2004-C, 1- Month LIBOR + 325 bp, due 3/25/35) | March 25, 2035 | Specified Amount | 2.05% Monthly | 43,000 | 146 |
| Credit Suisse First Boston USA (Aegis Asset Backed Securities Trust 2005-1, 1- Month LIBOR + 200 bp, due 3/25/35) | March 25, 2035 | Specified Amount | 2.18% Monthly | 43,000 | 158 |
| | | upon credit event notice | | | |

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|--|----------------|--------------------------|------------------|--------|-----|
| Credit Suisse First Boston USA | March 25, 2035 | Specified Amount | 2.18% Monthly | 43,000 | 156 |
| (New Century Home Equity Loan Trust 2005-1, 1- Month LIBOR + 205 bp, due 3/25/35) | | upon credit event notice | | | |
| Credit Suisse First Boston USA | April 25, 2035 | Specified Amount | 2.15% Monthly | 58,000 | 158 |
| (Merrill Lynch Mortgage Investors, Inc. 2004-WMC4, 1- Month LIBOR + 375 bp, due 4/25/35) | | upon credit event notice | | | |
| Credit Suisse First Boston USA | June 25, 2035 | Specified Amount | 1.28% Monthly | 43,000 | 95 |
| (AAMES Mortgage Investment Trust 2005-1, 1- Month LIBOR + 160 bp, due 6/25/35) | | upon credit event notice | | | |

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| Agreement With: | Termination Date | The Fund | The Fund Will | Contract Notional | Unrealized |
|--|--------------------|--|------------------|-------------------|---------------------------------|
| | | Agrees to Pay | Receive | Amount | Appreciation/ (Depreciation) |
| Credit Suisse First Boston USA (Novastar Home Equity Loan 2005-1, 1-Month LIBOR + 135 bp, due 6/25/05) | June 25, 2035 | Specified Amount | 1.28% Monthly | \$ 43,000 | \$ 103 |
| Credit Suisse First Boston USA (AAMES Mortgage Investment Trust 2005-1, 1-Month LIBOR + 250 bp, due 6/25/35) | June 25, 2035 | upon credit event notice Specified Amount | 2.05% Monthly | 43,000 | 133 |
| Credit Suisse First Boston USA (Novastar Home Equity Loan 2005-1, 1-Month LIBOR + 195 bp, due 6/25/05) | June 25, 2035 | upon credit event notice Specified Amount | 2.05% Monthly | 43,000 | 145 |
| Credit Suisse First Boston USA (Merrill Lynch Mortgage Investors, Inc. 2005-WMC1, 1-Month LIBOR + 135 bp, due 9/25/35) | September 25, 2035 | upon credit event notice Specified Amount | 1.28% Monthly | 43,000 | 95 |
| Credit Suisse First Boston USA (Merrill Lynch Mortgage Investors, Inc. 2004-WMC1, 1-Month LIBOR + 225 bp, due 9/25/35) | September 25, 2035 | upon credit event notice Specified Amount | 2.05% Monthly | 43,000 | 136 |
| Credit Suisse First Boston USA (Merrill Lynch Mortgage Investors, Inc. 2004-NC1, 1-Month LIBOR + 130 bp, due 10/25/35) | October 25, 2035 | upon credit event notice Specified Amount | 1.28% Monthly | 43,000 | 96 |
| Credit Suisse First Boston USA (Merrill Lynch Mortgage Investors, Inc. 2004-NC1, 1-Month LIBOR + 205 bp, due 10/25/35) | October 25, 2035 | upon credit event notice Specified Amount | 2.05% Monthly | 43,000 | 130 |
| Credit Suisse First Boston USA (Park Place Securities, Inc. 2005-WCH1, 1-Month LIBOR + 155 bp, due 1/25/36) | January 25, 2036 | upon credit event notice Specified Amount | 1.36% Monthly | 43,000 | 121 |
| Credit Suisse First Boston USA (Park Place Securities, Inc. 2005-WCH1, 1-Month LIBOR + 250 bp, due 1/25/36) | January 25, 2036 | upon credit event notice Specified Amount | 2.18% Monthly | 43,000 | 163 |
| | | | | | \$ 5,197 |

The 1 month LIBOR in effect for 3/31/05 is 2.85.

Item 2 Controls and Procedures

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

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

Item 3 Exhibits

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

SIGNATURES

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

Western Asset Premier Bond Fund

By: /s/ JAMES W. HIRSCHMANN
James W. Hirschmann
President

Western Asset Premier Bond Fund

Date: May 27, 2005

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/ JAMES W. HIRSCHMANN
James W. Hirschmann
President

Western Asset Premier Bond Fund

Date: May 27, 2005

By: /s/ MARIE K. KARPINSKI
Marie K. Karpinski
Treasurer and Principal Financial and Accounting
Officer

Western Asset Premier Bond Fund

Date: May 27, 2005