

Western Asset Income Fund
Form N-Q
November 25, 2013

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 Income Fund

(Exact name of registrant as specified in charter)

620 Eighth Avenue, 49th Floor, New York, NY 10018

(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-888-777-0102

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

Date of reporting period: **September 30, 2013**

ITEM 1. SCHEDULE OF INVESTMENTS

WESTERN ASSET INCOME FUND

FORM N-Q

SEPTEMBER 30, 2013

WESTERN ASSET INCOME FUND

Schedule of Investments (unaudited)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES - 91.5%				
CONSUMER DISCRETIONARY - 8.6%				
Automobiles - 1.4%				
Ford Motor Credit Co., LLC, Senior Notes	7.000%	4/15/15	\$ 610,000	\$ 661,892
Ford Motor Credit Co., LLC, Senior Notes	8.125%	1/15/20	410,000	509,882
General Motors Co., Senior Notes	3.500%	10/2/18	670,000	668,325 ^(a)
<i>Total Automobiles</i>				<i>1,840,099</i>
Internet & Catalog Retail - 0.4%				
QVC Inc., Senior Secured Notes	5.125%	7/2/22	400,000	393,273
QVC Inc., Senior Secured Notes	4.375%	3/15/23	200,000	185,997
<i>Total Internet & Catalog Retail</i>				<i>579,270</i>
Media - 5.8%				
Comcast Corp., Bonds	6.400%	5/15/38	950,000	1,126,195
Comcast Corp., Notes	6.450%	3/15/37	220,000	262,660
Comcast Corp., Senior Notes	6.950%	8/15/37	160,000	201,306
Lynx I Corp., Senior Secured Notes	5.375%	4/15/21	270,000	263,250 ^(a)
News America Inc., Senior Notes	6.550%	3/15/33	545,000	620,446
News America Inc., Senior Notes	7.750%	12/1/45	130,000	159,156
TCI Communications Inc., Senior Debentures	8.750%	8/1/15	160,000	182,448
Time Warner Cable Inc., Senior Notes	8.750%	2/14/19	690,000	811,789
Time Warner Entertainment Co., LP, Senior Notes	8.375%	7/15/33	530,000	577,792
Time Warner Inc., Senior Debentures	7.700%	5/1/32	595,000	749,173
Time Warner Inc., Senior Notes	4.900%	6/15/42	150,000	140,312
UBM PLC, Notes	5.750%	11/3/20	640,000	654,244 ^(a)
Viacom Inc., Senior Notes	5.850%	9/1/43	400,000	407,208
Virgin Media Secured Finance PLC, Senior Secured Notes	6.500%	1/15/18	540,000	562,275
WPP Finance 2010, Senior Notes	4.750%	11/21/21	840,000	865,833
WPP Finance UK, Senior Notes	8.000%	9/15/14	180,000	191,879
<i>Total Media</i>				<i>7,775,966</i>
Multiline Retail - 0.3%				
Macy's Retail Holdings Inc., Notes	5.750%	7/15/14	400,000	415,412
Specialty Retail - 0.7%				
American Greetings Corp., Senior Notes	7.375%	12/1/21	160,000	156,400
Gap Inc., Senior Notes	5.950%	4/12/21	730,000	808,844
<i>Total Specialty Retail</i>				<i>965,244</i>
TOTAL CONSUMER DISCRETIONARY				11,575,991
CONSUMER STAPLES - 3.1%				
Beverages - 1.1%				

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Anheuser-Busch InBev Worldwide Inc., Senior Notes	5.375%	1/15/20	260,000	298,847
Constellation Brands Inc., Senior Notes	4.250%	5/1/23	80,000	73,400
Pernod-Ricard SA, Senior Bonds	5.750%	4/7/21	350,000	390,426 ^(a)
Pernod-Ricard SA, Senior Notes	5.500%	1/15/42	670,000	682,348 ^(a)
<i>Total Beverages</i>				<i>1,445,021</i>
Food Products - 0.1%				
Kraft Foods Group Inc., Senior Notes	5.000%	6/4/42	200,000	198,123
Tobacco - 1.9%				
Altria Group Inc., Senior Notes	9.250%	8/6/19	40,000	52,824
Altria Group Inc., Senior Notes	4.750%	5/5/21	70,000	74,265
Lorillard Tobacco Co., Senior Notes	8.125%	6/23/19	300,000	363,739
Lorillard Tobacco Co., Senior Notes	8.125%	5/1/40	270,000	326,252
Lorillard Tobacco Co., Senior Notes	7.000%	8/4/41	320,000	336,513
Philip Morris International Inc., Senior Notes	6.875%	3/17/14	490,000	504,391
Philip Morris International Inc., Senior Notes	4.500%	3/20/42	260,000	243,292

See Notes to Schedule of Investments.

WESTERN ASSET INCOME FUND

Schedule of Investments (unaudited) (cont d)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Tobacco - continued				
Reynolds American Inc., Senior Notes	4.750%	11/1/42	\$ 720,000	\$ 627,795
<i>Total Tobacco</i>				2,529,071
TOTAL CONSUMER STAPLES				4,172,215
ENERGY - 14.1%				
Energy Equipment & Services - 0.5%				
Atwood Oceanics Inc., Senior Notes	6.500%	2/1/20	170,000	178,075
Baker Hughes Inc., Senior Notes	7.500%	11/15/18	370,000	464,197
<i>Total Energy Equipment & Services</i>				642,272
Oil, Gas & Consumable Fuels - 13.6%				
Anadarko Finance Co., Senior Notes	7.500%	5/1/31	465,000	579,682
Apache Corp., Senior Notes	6.900%	9/15/18	100,000	122,192
Apache Corp., Senior Notes	6.000%	1/15/37	190,000	209,495
Apache Corp., Senior Notes	5.100%	9/1/40	80,000	79,051
Apache Corp., Senior Notes	5.250%	2/1/42	90,000	91,571
Arch Coal Inc., Senior Notes	7.000%	6/15/19	260,000	201,500
ConocoPhillips, Notes	6.500%	2/1/39	810,000	1,018,606
ConocoPhillips, Senior Notes	6.000%	1/15/20	310,000	367,027
Devon Energy Corp., Senior Notes	5.600%	7/15/41	320,000	327,118
Devon Financing Corp. LLC, Debentures	7.875%	9/30/31	380,000	489,357
El Paso Corp., Medium-Term Notes	7.800%	8/1/31	2,000,000	2,034,086
Enbridge Energy Partners LP, Senior Notes	9.875%	3/1/19	120,000	157,271
Energy Transfer Equity LP, Senior Notes	7.500%	10/15/20	250,000	267,500
Energy Transfer Partners LP, Senior Notes	9.700%	3/15/19	170,000	217,411
Enterprise Products Operating LLC, Senior Notes	6.125%	10/15/39	320,000	354,047
EOG Resources Inc., Senior Notes	5.875%	9/15/17	540,000	626,004
Hess Corp., Notes	7.875%	10/1/29	1,180,000	1,479,674
Hess Corp., Senior Bonds	6.000%	1/15/40	300,000	321,916
Kerr-McGee Corp., Notes	6.950%	7/1/24	1,080,000	1,264,393
LUKOIL International Finance BV, Bonds	6.356%	6/7/17	310,000	346,115 ^(a)
Noble Energy Inc., Senior Notes	6.000%	3/1/41	390,000	438,878
Pacific Rubiales Energy Corp., Senior Notes	5.125%	3/28/23	100,000	89,625 ^(a)
Pemex Project Funding Master Trust, Senior Bonds	6.625%	6/15/35	2,635,000	2,782,903
Petrobras Global Finance BV, Senior Notes	4.375%	5/20/23	420,000	384,210
Petrobras International Finance Co., Global Notes	5.875%	3/1/18	879,000	941,719
Petrobras International Finance Co., Senior Notes	6.750%	1/27/41	780,000	754,275
Phillips 66, Senior Notes	5.875%	5/1/42	160,000	168,065
Plains Exploration & Production Co., Senior Notes	6.875%	2/15/23	410,000	439,725
Shell International Finance BV, Senior Notes	6.375%	12/15/38	250,000	312,219
Transcontinental Gas Pipe Line Co. LLC, Senior Notes	5.400%	8/15/41	310,000	318,037
Transcontinental Gas Pipe Line Co. LLC, Senior Notes	4.450%	8/1/42	450,000	401,571
Williams Cos. Inc., Debentures	7.500%	1/15/31	47,000	51,976
Williams Cos. Inc., Senior Notes	7.750%	6/15/31	37,000	41,935
Williams Cos. Inc., Senior Notes	8.750%	3/15/32	610,000	743,350

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Total Oil, Gas & Consumable Fuels 18,422,504

TOTAL ENERGY 19,064,776

FINANCIALS - 38.7%

Capital Markets - 6.7%

Bank of New York Mellon Corp., Junior Subordinated Notes	4.500%	6/20/23	270,000	233,550 ^{(b)(c)}
Deutsche Bank AG, Subordinated Notes	4.296%	5/24/28	500,000	451,579 ^(b)
Goldman Sachs Capital I, Capital Securities	6.345%	2/15/34	555,000	537,302
Goldman Sachs Capital II, Junior Subordinated Bonds	4.000%	11/15/13	880,000	642,400 ^{(b)(c)}
Goldman Sachs Group Inc., Senior Notes	6.000%	5/1/14	40,000	41,243
Goldman Sachs Group Inc., Senior Notes	5.375%	3/15/20	270,000	297,406
Goldman Sachs Group Inc., Senior Notes	5.250%	7/27/21	510,000	550,369
Goldman Sachs Group Inc., Senior Notes	6.250%	2/1/41	570,000	638,582

See Notes to Schedule of Investments.

WESTERN ASSET INCOME FUND

Schedule of Investments (unaudited) (cont d)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Capital Markets - continued				
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	\$ 640,000	\$ 667,927
Merrill Lynch & Co. Inc., Senior Notes	6.400%	8/28/17	300,000	344,982
Merrill Lynch & Co. Inc., Subordinated Notes	5.700%	5/2/17	1,000,000	1,103,882
Merrill Lynch & Co. Inc., Subordinated Notes	6.110%	1/29/37	320,000	329,578
Merrill Lynch & Co. Inc., Subordinated Notes	7.750%	5/14/38	900,000	1,114,400
Morgan Stanley, Medium-Term Notes	6.625%	4/1/18	100,000	116,096
Morgan Stanley, Senior Notes	6.000%	5/13/14	860,000	886,163
Morgan Stanley, Senior Notes	5.500%	7/24/20	100,000	110,378
Morgan Stanley, Senior Notes	6.375%	7/24/42	90,000	101,850
State Street Corp., Junior Subordinated Notes	4.956%	3/15/18	480,000	528,071
UBS AG Stamford CT, Subordinated Notes	7.625%	8/17/22	340,000	375,891
<i>Total Capital Markets</i>				<i>9,071,649</i>
Commercial Banks - 11.9%				
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	240,000	310,853 ^(a)
BBVA US Senior SAU, Senior Notes	4.664%	10/9/15	1,150,000	1,197,381
CIT Group Inc., Secured Notes	5.250%	4/1/14	370,000	376,012 ^(a)
CIT Group Inc., Senior Notes	5.000%	8/1/23	200,000	193,634
Cooperatieve Centrale Raiffeisen-Boerenleenbank BA, Senior Notes	5.250%	5/24/41	570,000	591,890
Credit Agricole SA, Subordinated Bonds	8.125%	9/19/33	350,000	347,375 ^{(a)(b)}
Credit Agricole SA, Subordinated Notes	8.375%	10/13/19	560,000	612,500 ^{(a)(b)(c)}
HSBC Finance Capital Trust IX, Junior Subordinated Notes	5.911%	11/30/35	1,350,000	1,377,000 ^(b)
ING Bank NV, Subordinated Notes	5.800%	9/25/23	600,000	605,998 ^(a)
Intesa Sanpaolo SpA, Senior Notes	3.625%	8/12/15	1,240,000	1,258,526 ^(a)
Intesa Sanpaolo SpA, Senior Notes	3.875%	1/16/18	610,000	599,694
M&T Bank Corp., Junior Subordinated Notes	6.875%	6/15/16	570,000	577,613 ^{(a)(c)}
Mizuho Financial Group Cayman Ltd., Subordinated Notes	5.790%	4/15/14	550,000	562,697 ^(a)
Nordea Bank AB, Subordinated Notes	4.875%	5/13/21	510,000	529,270 ^(a)
Rabobank Nederland NV, Junior Subordinated Notes	11.000%	6/30/19	708,000	920,400 ^{(a)(b)(c)}
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	1,250,000	1,281,250 ^{(b)(c)}
Royal Bank of Scotland Group PLC, Subordinated Notes	5.000%	10/1/14	580,000	594,451
Royal Bank of Scotland Group PLC, Subordinated Notes	5.050%	1/8/15	170,000	176,272
Royal Bank of Scotland Group PLC, Subordinated Notes	6.125%	12/15/22	740,000	745,491
Royal Bank of Scotland Group PLC, Subordinated Notes	6.100%	6/10/23	1,220,000	1,230,765
Royal Bank of Scotland NV, Subordinated Notes	7.750%	5/15/23	480,000	507,683
Standard Chartered PLC, Subordinated Notes	3.950%	1/11/23	260,000	244,569 ^(a)
Wachovia Capital Trust III, Junior Subordinated Bonds	5.570%	11/15/13	1,190,000	1,076,950 ^{(b)(c)}
Wells Fargo Capital X, Capital Securities	5.950%	12/15/36	130,000	123,175
<i>Total Commercial Banks</i>				<i>16,041,449</i>
Consumer Finance - 2.6%				
Ally Financial Inc., Senior Notes	4.750%	9/10/18	150,000	149,330
Ally Financial Inc., Subordinated Notes	8.000%	12/31/18	201,000	226,125
American Express Co., Subordinated Debentures	6.800%	9/1/66	370,000	392,200 ^(b)

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Capital One Financial Corp., Senior Notes	6.750%	9/15/17	230,000	270,338
General Motors Financial Co. Inc., Senior Notes	4.250%	5/15/23	160,000	146,200 ^(a)
HSBC Finance Corp., Senior Notes	6.676%	1/15/21	1,300,000	1,484,545
SLM Corp., Senior Notes	7.250%	1/25/22	830,000	844,525
<i>Total Consumer Finance</i>				3,513,263
Diversified Financial Services - 13.2%				
Bank of America Corp., Junior Subordinated Notes	5.200%	6/1/23	650,000	568,750 ^{(b)(c)}
Bank of America Corp., Senior Notes	6.500%	8/1/16	70,000	79,332
Bank of America Corp., Senior Notes	7.625%	6/1/19	70,000	85,838

See Notes to Schedule of Investments.

WESTERN ASSET INCOME FUND

Schedule of Investments (unaudited) (cont d)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Diversified Financial Services - continued				
Bank of America Corp., Senior Notes	5.625%	7/1/20	\$ 30,000	\$ 33,613
Bank of America Corp., Senior Notes	5.875%	2/7/42	320,000	355,290
Beaver Valley Funding Corp., Senior Secured Bonds	9.000%	6/1/17	41,000	41,369
Citigroup Inc., Junior Subordinated Bonds	5.350%	5/15/23	200,000	174,000 ^{(b)(c)}
Citigroup Inc., Senior Notes	6.375%	8/12/14	315,000	330,220
Citigroup Inc., Senior Notes	5.500%	10/15/14	120,000	125,748
Citigroup Inc., Senior Notes	6.010%	1/15/15	142,000	151,058
Citigroup Inc., Senior Notes	8.500%	5/22/19	1,280,000	1,634,870
Citigroup Inc., Senior Notes	8.125%	7/15/39	450,000	624,970
Citigroup Inc., Senior Notes	5.875%	1/30/42	240,000	266,844
Citigroup Inc., Subordinated Notes	3.500%	5/15/23	130,000	117,312
Citigroup Inc., Subordinated Notes	5.500%	9/13/25	750,000	771,340
Citigroup Inc., Subordinated Notes	6.125%	8/25/36	550,000	553,544
Citigroup Inc., Subordinated Notes	6.675%	9/13/43	450,000	484,601
CME Group Inc., Senior Notes	5.300%	9/15/43	460,000	474,499
General Electric Capital Corp., Junior Subordinated Bonds	6.250%	12/15/22	600,000	606,000 ^{(b)(c)}
General Electric Capital Corp., Notes	5.300%	2/11/21	480,000	522,037
General Electric Capital Corp., Senior Notes	5.900%	5/13/14	600,000	620,643
General Electric Capital Corp., Senior Notes	6.875%	1/10/39	820,000	1,004,949
General Electric Capital Corp., Subordinated Debentures	6.375%	11/15/67	770,000	821,975 ^(b)
ILFC E-Capital Trust I, Junior Subordinated Notes	5.350%	12/21/65	470,000	401,850 ^{(a)(b)}
ILFC E-Capital Trust II, Bonds	6.250%	12/21/65	790,000	718,900 ^{(a)(b)}
ING US Inc., Junior Subordinated Notes	5.650%	5/15/53	260,000	237,678 ^(b)
ING US Inc., Senior Notes	5.500%	7/15/22	760,000	818,170
International Lease Finance Corp., Senior Notes	8.750%	3/15/17	190,000	218,025
International Lease Finance Corp., Senior Notes	8.875%	9/1/17	470,000	544,025
International Lease Finance Corp., Senior Notes	6.250%	5/15/19	130,000	136,500
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	190,000	216,600
International Lease Finance Corp., Senior Secured Notes	7.125%	9/1/18	700,000	782,250 ^(a)
JPMorgan Chase & Co., Junior Subordinated Bonds	5.150%	5/1/23	410,000	358,750 ^{(b)(c)}
JPMorgan Chase & Co., Subordinated Notes	6.125%	6/27/17	720,000	817,966
JPMorgan Chase & Co., Subordinated Notes	5.625%	8/16/43	570,000	566,138
ZFS Finance USA Trust II, Bonds	6.450%	12/15/65	1,440,000	1,519,200 ^{(a)(b)}
<i>Total Diversified Financial Services</i>				<i>17,784,854</i>
Insurance - 3.9%				
Allstate Corp., Junior Subordinated Debentures	6.500%	5/15/57	480,000	489,600 ^(b)
American Equity Investment Life Holding Co., Senior Notes	6.625%	7/15/21	60,000	62,100
American International Group Inc., Junior Subordinated Debentures	6.250%	3/15/37	80,000	78,400
American International Group Inc., Senior Notes	6.400%	12/15/20	90,000	106,057
American International Group Inc., Senior Notes	4.125%	2/15/24	70,000	70,048
AXA SA, Subordinated Bonds	8.600%	12/15/30	200,000	241,798
Delphi Financial Group Inc., Senior Notes	7.875%	1/31/20	170,000	200,369
Fidelity & Guaranty Life Holdings Inc., Senior Notes	6.375%	4/1/21	190,000	192,850 ^(a)
ING Capital Funding Trust III, Junior Subordinated Bonds	3.848%	12/31/13	870,000	835,200 ^{(b)(c)}
Liberty Mutual Group Inc., Junior Subordinated Bonds	7.800%	3/15/37	70,000	75,600 ^(a)
Liberty Mutual Insurance Co., Subordinated Notes	7.875%	10/15/26	490,000	588,730 ^(a)
MetLife Inc., Junior Subordinated Debentures	6.400%	12/15/36	1,150,000	1,161,500

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Prudential Financial Inc., Junior Subordinated Debentures	8.875%	6/15/38	340,000	411,400 ^(b)
Prudential Holdings LLC, Bonds, AGM-Insured	7.245%	12/18/23	260,000	314,806 ^(a)
Teachers Insurance & Annuity Association of America - College Retirement Equity Fund, Notes	6.850%	12/16/39	400,000	495,021 ^(a)
<i>Total Insurance</i>				5,323,479

See Notes to Schedule of Investments.

WESTERN ASSET INCOME FUND

Schedule of Investments (unaudited) (cont d)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Real Estate Investment Trusts (REITs) - 0.2%				
Health Care REIT Inc., Senior Notes	5.875%	5/15/15	\$ 130,000	\$ 139,624
Ventas Realty LP, Senior Notes	5.700%	9/30/43	80,000	80,893
<i>Total Real Estate Investment Trusts (REITs)</i>				220,517
Thrifts & Mortgage Finance - 0.2%				
Santander Holdings USA Inc., Senior Notes	4.625%	4/19/16	160,000	169,533
Santander Holdings USA Inc., Senior Notes	3.450%	8/27/18	80,000	81,702
<i>Total Thrifts & Mortgage Finance</i>				251,235
TOTAL FINANCIALS				52,206,446
HEALTH CARE - 2.5%				
Biotechnology - 0.6%				
Amgen Inc., Senior Notes	5.150%	11/15/41	580,000	563,038
Gilead Sciences Inc., Senior Notes	5.650%	12/1/41	240,000	265,458
<i>Total Biotechnology</i>				828,496
Health Care Providers & Services - 1.0%				
Aetna Inc., Senior Notes	6.500%	9/15/18	240,000	284,192
Catholic Health Initiatives, Secured Bonds	4.350%	11/1/42	30,000	27,152
HCA Inc., Senior Notes	5.750%	3/15/14	65,000	66,219
Humana Inc., Senior Notes	6.450%	6/1/16	220,000	247,231
Humana Inc., Senior Notes	8.150%	6/15/38	190,000	251,513
Humana Inc., Senior Notes	4.625%	12/1/42	120,000	106,863
UnitedHealth Group Inc., Senior Notes	6.000%	11/15/17	31,000	35,362
WellPoint Inc., Notes	5.875%	6/15/17	290,000	329,546
<i>Total Health Care Providers & Services</i>				1,348,078
Pharmaceuticals - 0.9%				
AbbVie Inc., Senior Notes	4.400%	11/6/42	270,000	244,451
Mallinckrodt International Finance SA, Senior Notes	4.750%	4/15/23	860,000	817,692 ^(a)
Zoetis Inc., Senior Notes	4.700%	2/1/43	160,000	149,112 ^(a)
<i>Total Pharmaceuticals</i>				1,211,255
TOTAL HEALTH CARE				3,387,829
INDUSTRIALS - 4.8%				
Aerospace & Defense - 1.0%				
Esterline Technologies Corp., Senior Notes	7.000%	8/1/20	750,000	802,500
Exelis Inc., Senior Notes	5.550%	10/1/21	520,000	522,755
<i>Total Aerospace & Defense</i>				1,325,255

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Airlines - 2.0%

Air Canada, Pass-Through Trust, Secured Notes	6.625%	5/15/18	280,000	276,724 ^(a)
American Airlines, Pass-Through Trust, Senior Secured Notes	4.950%	1/15/23	330,000	331,650 ^(a)
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	93,798	101,771
Delta Air Lines Inc., Pass-Through Certificates,				
Senior Secured Notes	7.750%	12/17/19	221,409	257,111
United Airlines Inc., Pass Through Certificates, Secured Bond	5.375%	8/15/21	240,000	238,080
United Airlines Inc., Pass-Through Certificates	6.545%	2/2/19	118,762	129,154
United Airlines Inc., Pass-Through Certificates, Secured Notes	9.750%	1/15/17	92,115	104,781
United Airlines Inc., Pass-Through Certificates, Secured Notes	9.250%	5/10/17	166,955	182,816
United Airlines Inc., Pass-Through Certificates, Secured Notes	6.250%	4/11/20	170,000	175,100
United Airlines Inc., Pass-Through Certificates,				
Senior Secured Notes	6.125%	4/29/18	140,000	142,450
United Airlines Inc., Pass-Through Certificates,				
Senior Secured Notes	7.250%	11/10/19	187,299	211,648

See Notes to Schedule of Investments.

WESTERN ASSET INCOME FUND

Schedule of Investments (unaudited) (cont d)

September 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Airlines - continued				
United Airlines Inc., Pass-Through Certificates, Senior Secured Notes	7.256%	3/15/20	\$ 155,638	\$ 168,478
US Airways, Pass-Through Trust, Senior Secured Bonds	5.900%	10/1/24	359,351	375,522
<i>Total Airlines</i>				2,695,285
Commercial Services & Supplies - 0.6%				
Republic Services Inc., Senior Notes	5.500%	9/15/19	130,000	146,910
Republic Services Inc., Senior Notes	5.250%	11/15/21	330,000	361,996
Waste Management Inc., Senior Notes	7.750%	5/15/32	250,000	328,222
<i>Total Commercial Services & Supplies</i>				837,128
Construction & Engineering - 0.1%				
Ausdrill Finance Pty Ltd., Senior Notes	6.875%	11/1/19	200,000	185,000 ^(a)
Industrial Conglomerates - 0.2%				
United Technologies Corp., Senior Notes	6.125%	2/1/19	200,000	238,593
Machinery - 0.7%				
Valmont Industries Inc., Senior Notes	6.625%	4/20/20	790,000	909,021
Marine - 0.2%				
Horizon Lines LLC, Senior Secured Notes	11.000%	10/15/16	288,000	286,560
TOTAL INDUSTRIALS				6,476,842
INFORMATION TECHNOLOGY - 0.9%				
Computers & Peripherals - 0.2%				
Hewlett-Packard Co., Senior Notes	4.650%	12/9/21	310,000	304,454
Internet Software & Services - 0.1%				
VeriSign Inc., Senior Notes	4.625%	5/1/23	150,000	141,000 ^(a)
IT Services - 0.3%				
Electronic Data Systems Corp., Notes	7.450%	10/15/29	420,000	451,863
Semiconductors & Semiconductor Equipment - 0.1%				
National Semiconductor Corp., Senior Notes	6.600%	6/15/17	110,000	128,643
Software - 0.2%				
Interface Security Systems Holdings Inc./Interface Security Systems LLC, Senior Secured Notes	9.250%	1/15/18	210,000	216,825 ^(a)
TOTAL INFORMATION TECHNOLOGY				1,242,785
MATERIALS - 6.4%				

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Chemicals - 0.9%

Dow Chemical Co., Debentures	7.375%	11/1/29	800,000	1,005,939
Ecolab Inc., Senior Notes	5.500%	12/8/41	140,000	150,244

Total Chemicals

1,156,183

Containers & Packaging - 0.8%

Rock-Tenn Co., Senior Notes	4.450%	3/1/19	470,000	499,216
Rock-Tenn Co., Senior Notes	4.900%	3/1/22	460,000	475,443
Rock-Tenn Co., Senior Notes	4.000%	3/1/23	80,000	77,510

Total Containers & Packaging

1,052,169

Metals & Mining - 4.5%

ArcelorMittal, Senior Notes	5.000%	2/25/17	10,000	10,400
Barrick Gold Corp., Senior Notes	4.100%	5/1/23	60,000	52,836
Barrick Gold Corp., Senior Notes	5.250%	4/1/42	970,000	776,474
BHP Billiton Finance USA Ltd., Senior Notes	3.850%	9/30/23	180,000	181,380
BHP Billiton Finance USA Ltd., Senior Notes	5.000%	9/30/43	100,000	101,849
Cliffs Natural Resources Inc., Senior Notes	3.950%	1/15/18	110,000	110,470
Cliffs Natural Resources Inc., Senior Notes	5.900%	3/15/20		