

Western Asset Municipal Defined Opportunity Trust Inc.
Form N-Q
October 26, 2012

**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 811-22265

Western Asset Municipal Defined Opportunity Trust Inc.
(Exact name of registrant as specified in charter)

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

10018
(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: November 30

Date of reporting period: August 31, 2012

ITEM 1.

SCHEDULE OF INVESTMENTS.

WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.

FORM N-Q

AUGUST 31, 2012

WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.

Schedule of investments (unaudited)

August 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
MUNICIPAL BONDS 98.6%				
Arizona 3.3%				
Salt Verde, AZ, Financial Corp. Gas Revenue	5.000%	12/1/32	\$ 8,610,000	\$ 9,177,313
California 1.7%				
Lower Tule River, CA, Irrigation District Revenue, COP	5.000%	8/1/40	2,110,000	2,207,988
M-S-R Energy Authority, CA, Gas Revenue	6.125%	11/1/29	2,000,000	2,372,160
<i>Total California</i>				4,580,148
Colorado 2.5%				
Public Authority for Colorado Energy, Natural Gas Purchase Revenue	6.125%	11/15/23	6,000,000	6,999,120
Florida 3.4%				
Citizens Property Insurance Corp., FL, Senior Secured High Act	6.000%	6/1/17	6,900,000	8,151,246
Florida State Municipal Power Agency Revenue, All Requirements Power	6.250%	10/1/31	1,000,000	1,192,970
<i>Total Florida</i>				9,344,216
Georgia 7.9%				
Atlanta, GA, Water & Wastewater Revenue	6.000%	11/1/23	5,000,000	6,300,000
Atlanta, GA, Water & Wastewater Revenue	6.250%	11/1/34	3,260,000	4,012,832
DeKalb, Newton & Gwinnett Counties, GA, Joint Development Authority Revenue, GGC Foundation LLC Project	6.125%	7/1/40	10,000,000	11,606,000
<i>Total Georgia</i>				21,918,832
Illinois 0.6%				
Metropolitan Pier & Exposition Authority, IL, Dedicated State Tax Revenue, McCormick Project	5.250%	6/15/50	1,400,000	1,552,362
Indiana 7.6%				
Indiana Municipal Power Agency, Power Supply System Revenue	6.000%	1/1/39	10,000,000	11,771,500
Richmond, IN, Hospital Authority Revenue, Reid Hospital & Health Care Services Inc. Project	6.500%	1/1/29	8,000,000	9,207,680
<i>Total Indiana</i>				20,979,180
Louisiana 4.3%				
Louisiana State Citizens Property Insurance Corp., Assessment Revenue, AGC	6.125%	6/1/25	10,000,000	11,796,600
Maryland 3.5%				
Maryland State Health & Higher EFA Revenue Bonds, Washington County Hospital Issue	5.750%	1/1/38	9,000,000	9,605,250
Michigan 13.8%				
Detroit, MI, Water Supply System Revenue:				
AGM	5.000%	7/1/34	7,000,000	7,321,020(a)
AGM	6.250%	7/1/36	3,000,000	3,494,490
Michigan Finance Authority Revenue, Detroit School District	5.500%	6/1/21	6,000,000	6,925,500

Edgar Filing: Western Asset Municipal Defined Opportunity Trust Inc. - Form N-Q

Michigan State Hospital Finance Authority Revenue, McLaren Health Care Corp. Royal Oak, MI, Hospital Finance Authority	5.750%	5/15/38	9,000,000	10,140,210
Revenue, William Beaumont Hospital <i>Total Michigan</i>	8.250%	9/1/39	8,000,000	10,311,040 38,192,260

See Notes to Schedule of Investments.

WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.

Schedule of investments (unaudited) (cont d)

August 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Missouri 4.5%				
Missouri State Development Finance Board, Infrastructure Facilities Revenue, Independence Events Center	6.250%	4/1/34	\$ 11,940,000	\$ 12,347,990
New Jersey 5.2%				
New Jersey State EDA Revenue, Continental Airlines Inc. Project	4.875%	9/15/19	2,000,000	2,036,280(b)
New Jersey State EFA Revenue, University of Medicine and Dentistry	7.500%	12/1/32	10,000,000	12,226,500
<i>Total New Jersey</i>				14,262,780
New York 4.3%				
Liberty, NY, Development Corporation Revenue, Goldman Sachs Headquarters	5.250%	10/1/35	2,500,000	2,905,675
Port Authority of New York & New Jersey, Special Obligation Revenue, JFK International Air Terminal LLC	5.500%	12/1/31	7,925,000	8,869,581
<i>Total New York</i>				11,775,256
Ohio 5.1%				
Ohio State Air Quality Development Authority Revenue:				
FirstEnergy Generation Corp.	5.700%	8/1/20	2,500,000	2,908,625
FirstEnergy Nuclear Generation Corp.	5.750%	6/1/16	10,000,000	11,273,900(c)
<i>Total Ohio</i>				14,182,525
Pennsylvania 4.3%				
Pennsylvania Economic Development Financing Authority, Water Facility Revenue, American Water Co. Project	6.200%	4/1/39	10,000,000	11,823,000
Rhode Island 4.2%				
Rhode Island State Health & Educational Building Corp., Revenue, Hospital Financing	7.000%	5/15/39	10,000,000	11,668,600
Tennessee 3.2%				
Tennessee Energy Acquisition Corp., Gas Revenue	5.000%	9/1/16	8,000,000	8,779,760
Texas 12.1%				
Brazos River, TX, Harbor Navigation District, Brazoria County Environmental, Dow Chemical Co. Project	5.950%	5/15/33	10,000,000	11,088,700(b)(d)
Love Field Airport Modernization Corp., TX, Special Facilities Revenue, Southwest Airlines Co. Project	5.250%	11/1/40	3,000,000	3,239,040
North Texas Tollway Authority Revenue	5.750%	1/1/33	10,200,000	11,257,638
Texas Municipal Gas Acquisition & Supply Corp. I, Gas Supply Revenue	5.250%	12/15/18	3,325,000	3,679,678
Texas Municipal Gas Acquisition & Supply Corp. I, Gas Supply Revenue	6.250%	12/15/26	1,310,000	1,588,152
	7.000%	6/30/40	2,000,000	2,444,320

Edgar Filing: Western Asset Municipal Defined Opportunity Trust Inc. - Form N-Q

Texas Private Activity Bond Surface Transportation Corp. Revenue, LBJ Infrastructure Group LLC				
<i>Total Texas</i>				33,297,528
U.S. Virgin Islands 2.1%				
Virgin Islands Public Finance Authority Revenue, Matching Fund Loan	6.625%	10/1/29	5,000,000	5,871,700
Virginia 0.7%				
Virginia State Small Business Financing Authority Revenue, Elizabeth River Crossings OpCo LLC Project	5.000%	7/1/23	1,775,000	1,986,722(b)

See Notes to Schedule of Investments.

WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.

Schedule of investments (unaudited) (cont d)

August 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Wisconsin 4.3%				
Wisconsin State HEFA Revenue, Prohealth Care Inc. Obligation Group	6.625%	2/15/39	\$ 10,000,000	\$ 11,857,700
TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS (Cost \$223,288,922)				271,998,842
SHORT-TERM INVESTMENTS 0.0%				
North Carolina 0.0%				
Charlotte-Mecklenburg Hospital Authority, NC, Health Care System Revenue, AGM, SPA-Dexia Credit Local (Cost - \$100,000)	0.220%	1/15/44	100,000	100,000(e)(f)
TOTAL INVESTMENTS 98.6% (Cost \$223,388,922#)				272,098,842
Other Assets in Excess of Liabilities 1.4%				3,728,682
TOTAL NET ASSETS 100.0%				\$ 275,827,524

- (a) All or a portion of this security is held at the broker as collateral for open futures contracts.
 - (b) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax (AMT).
 - (c) Maturity date shown represents the mandatory tender date.
 - (d) Variable rate security. Interest rate disclosed is as of the most recent information available.
 - (e) Variable rate demand obligations have a demand feature under which the Fund can tender them back to the issuer or liquidity provider on no more than 7 days notice.
 - (f) Maturity date shown is the final maturity date. The security may be sold back to the issuer before final maturity.
- # Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

AGC	- Assured Guaranty Corporation - Insured Bonds
AGM	- Assured Guaranty Municipal Corporation - Insured Bonds
COP	- Certificates of Participation
EDA	- Economic Development Authority
EFA	- Educational Facilities Authority
HEFA	- Health & Educational Facilities Authority
SPA	- Standby Bond Purchase Agreement - Insured Bonds

See Notes to Schedule of Investments.

WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.

Schedule of investments (unaudited) (cont d)

August 31, 2012

Summary of Investments by Industry*

Industrial Revenue	30.6%
Health Care	23.1
Education	11.3
Transportation	8.3
Special Tax Obligation	7.9
Water & Sewer	7.8
Power	5.7
Other	4.5
Leasing	0.8
Short-Term Investments	0.0
	100.0%

*As a percentage of total investments. Please note that Fund holdings are as of August 31, 2012 and are subject to change.

Represents less than 0.1%.

Ratings Table*

Standard & Poor's/Moody's/Fitch**

AAA/Aaa	0.6%
AA/Aa	12.0
A	65.6
BBB/Baa	21.1
B	0.7
A-1/VMIG 1	0.0
	100.0%

* As a percentage of total investments.

** The ratings shown are based on each portfolio security's rating as determined by Standard & Poor's, Moody's or Fitch, each a Nationally Recognized Statistical Rating Organization (NRSRO). These ratings are the opinions of the NRSRO and are not measures of quality or

Edgar Filing: Western Asset Municipal Defined Opportunity Trust Inc. - Form N-Q

guarantees of performance. Securities may be rated by other NRSROs, and these ratings may be higher or lower. In the event that a security is rated by multiple NRSROs and receives different ratings, the Fund will treat the security as being rated in the highest rating category received from a NRSRO.

Represents less than 0.1%.

See Notes to Schedule of Investments.

Notes to schedule of investments (unaudited)

1. Organization and significant accounting policies

Western Asset Municipal Defined Opportunity Trust Inc. (the Fund) was incorporated in Maryland on January 15, 2009 and is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund's primary investment objective is to provide high current income exempt from federal income tax and then to liquidate on or about April 30, 2021 and distribute all of the Fund's net assets to shareholders. As a secondary investment objective, the Fund will seek total return.

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. Th