

WESTERN ASSET PREMIER BOND FUND
Form N-Q
May 24, 2016

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 **811-10603**

Western Asset Premier Bond 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: (888) 777-0102

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

Date of reporting period: **March 31, 2016**

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET PREMIER BOND FUND

FORM N-Q

MARCH 31, 2016

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited)

March 31, 2016

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|---------|---------------|--------------------------|-----------------------------|
| CORPORATE BONDS & NOTES - 97.6% | | | | |
| CONSUMER DISCRETIONARY - 13.6% | | | | |
| Auto Components - 0.3% | | | | |
| ZF North America Capital Inc., Senior Notes | 4.750% | 4/29/25 | 530,000 | \$ 527,350 ^(a) |
| Automobiles - 2.7% | | | | |
| Daimler Finance NA LLC, Notes | 8.500% | 1/18/31 | 1,000,000 | 1,532,818 ^(b) |
| Ford Motor Credit Co., LLC, Senior Notes | 8.000% | 12/15/16 | 680,000 | 709,872 ^(b) |
| General Motors Co., Senior Notes | 6.600% | 4/1/36 | 140,000 | 154,054 |
| General Motors Co., Senior Notes | 6.250% | 10/2/43 | 1,750,000 | 1,869,074 ^(b) |
| <i>Total Automobiles</i> | | | | 4,265,818 |
| Hotels, Restaurants & Leisure - 1.0% | | | | |
| CCM Merger Inc., Senior Notes | 9.125% | 5/1/19 | 570,000 | 589,950 ^(a) |
| Greektown Holdings LLC/Greektown Mothership Corp., Senior Secured Notes | 8.875% | 3/15/19 | 220,000 | 225,500 ^{(a)(b)} |
| Landry's Holdings II Inc., Senior Notes | 10.250% | 1/1/18 | 720,000 | 716,400 ^{(a)(b)} |
| <i>Total Hotels, Restaurants & Leisure</i> | | | | 1,531,850 |
| Household Durables - 0.6% | | | | |
| Shea Homes LP/Shea Homes Funding Corp., Senior Notes | 6.125% | 4/1/25 | 580,000 | 568,400 ^(a) |
| William Lyon Homes Inc., Senior Notes | 8.500% | 11/15/20 | 390,000 | 400,173 ^(b) |
| <i>Total Household Durables</i> | | | | 968,573 |
| Media - 8.1% | | | | |
| 21st Century Fox America Inc., Senior Debentures | 8.875% | 4/26/23 | 400,000 | 536,714 ^(b) |
| CCO Safari II LLC, Senior Secured Notes | 4.908% | 7/23/25 | 1,000,000 | 1,054,816 ^{(a)(b)} |
| CCO Safari II LLC, Senior Secured Notes | 6.384% | 10/23/35 | 420,000 | 463,663 ^(a) |
| CCO Safari II LLC, Senior Secured Notes | 6.484% | 10/23/45 | 2,130,000 | 2,370,106 ^(a) |
| Comcast Corp., Notes | 7.050% | 3/15/33 | 1,000,000 | 1,377,043 ^(b) |
| DISH DBS Corp., Senior Notes | 7.875% | 9/1/19 | 385,000 | 423,500 ^(b) |
| iHeartCommunications Inc., Senior Notes | 14.000% | 2/1/21 | 525,200 | 118,170 ^(c) |
| New Cotai LLC/New Cotai Capital Corp., Senior Secured Notes | 10.625% | 5/1/19 | 402,917 | 286,071 ^{(a)(c)} |
| Time Warner Cable Inc., Debentures | 7.300% | 7/1/38 | 720,000 | 844,559 ^(b) |
| Time Warner Cable Inc., Senior Notes | 5.850% | 5/1/17 | 500,000 | 521,217 ^(b) |
| Time Warner Inc., Senior Debentures | 7.700% | 5/1/32 | 980,000 | 1,258,173 ^(b) |
| Tribune Media Co., Senior Notes | 5.875% | 7/15/22 | 260,000 | 254,015 ^(a) |
| UPC Holding BV, Junior Secured Subordinated Notes | 6.375% | 9/15/22 | 1,820,000 ^{EUR} | 2,210,769 ^{(a)(b)} |
| Viacom Inc., Senior Notes | 4.375% | 3/15/43 | 1,190,000 | 919,912 |
| <i>Total Media</i> | | | | 12,638,728 |
| Specialty Retail - 0.9% | | | | |
| Hot Topic Inc., Senior Secured Notes | 9.250% | 6/15/21 | 270,000 | 270,675 ^{(a)(b)} |
| L Brands Inc., Debentures | 6.950% | 3/1/33 | 180,000 | 185,400 |
| L Brands Inc., Senior Notes | 6.875% | 11/1/35 | 450,000 | 488,340 |

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| | | | | |
|---|--------|----------|-----------|---------------------------|
| Sally Holdings LLC/Sally Capital Inc., Senior Notes | 5.625% | 12/1/25 | 420,000 | 447,300 ^(b) |
| <i>Total Specialty Retail</i> | | | | <i>1,391,715</i> |
| TOTAL CONSUMER DISCRETIONARY | | | | 21,324,034 |
| CONSUMER STAPLES - 5.0% | | | | |
| Beverages - 1.1% | | | | |
| Anheuser-Busch InBev Finance Inc., Senior Notes | 4.700% | 2/1/36 | 540,000 | 583,580 |
| Anheuser-Busch InBev Finance Inc., Senior Notes | 4.900% | 2/1/46 | 1,010,000 | 1,128,738 |
| <i>Total Beverages</i> | | | | <i>1,712,318</i> |
| Food & Staples Retailing - 2.3% | | | | |
| CVS Pass-Through Trust, Secured Bonds | 5.789% | 1/10/26 | 413,738 | 456,543 ^{(a)(b)} |
| CVS Pass-Through Trust, Secured Notes | 5.880% | 1/10/28 | 428,369 | 472,687 ^(b) |
| CVS Pass-Through Trust, Secured Notes | 6.036% | 12/10/28 | 429,324 | 480,847 ^(b) |
| CVS Pass-Through Trust, Secured Notes | 6.943% | 1/10/30 | 417,725 | 482,524 ^(b) |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2016

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|-------------|------------------------------|
| Food & Staples Retailing - (continued) | | | | |
| CVS Pass-Through Trust, Secured Notes | 7.507% | 1/10/32 | 412,072 | \$ 496,059 ^{(a)(b)} |
| Kroger Co., Senior Notes | 6.400% | 8/15/17 | 1,090,000 | 1,164,933 ^(b) |
| <i>Total Food & Staples Retailing</i> | | | | 3,553,593 |
| Food Products - 1.2% | | | | |
| Ahold Lease USA Inc., Pass-Through Certificates | 8.620% | 1/2/25 | 686,921 | 819,048 ^(b) |
| WM Wrigley Jr. Co., Senior Notes | 2.000% | 10/20/17 | 1,000,000 | 1,004,128 ^{(a)(b)} |
| <i>Total Food Products</i> | | | | 1,823,176 |
| Household Products - 0.2% | | | | |
| Central Garden & Pet Co., Senior Notes | 6.125% | 11/15/23 | 250,000 | 260,000 ^(b) |
| Kronos Acquisition Holdings Inc., Senior Notes | 9.000% | 8/15/23 | 130,000 | 119,600 ^(a) |
| <i>Total Household Products</i> | | | | 379,600 |
| Tobacco - 0.2% | | | | |
| Reynolds American Inc., Senior Notes | 5.850% | 8/15/45 | 310,000 | 378,560 ^(b) |
| TOTAL CONSUMER STAPLES | | | | 7,847,247 |
| ENERGY - 16.1% | | | | |
| Energy Equipment & Services - 0.4% | | | | |
| CGG, Senior Notes | 6.500% | 6/1/21 | 750,000 | 303,750 |
| Ensco PLC, Senior Notes | 4.700% | 3/15/21 | 430,000 | 300,084 |
| <i>Total Energy Equipment & Services</i> | | | | 603,834 |
| Oil, Gas & Consumable Fuels - 15.7% | | | | |
| Anadarko Finance Co., Senior Notes | 7.500% | 5/1/31 | 570,000 | 617,186 ^(b) |
| Anadarko Petroleum Corp., Senior Notes | 4.500% | 7/15/44 | 1,000,000 | 784,438 ^(b) |
| Apache Corp., Senior Notes | 4.250% | 1/15/44 | 250,000 | 210,100 ^(b) |
| Berry Petroleum Co., Senior Notes | 6.375% | 9/15/22 | 130,000 | 23,400 |
| Burlington Resources Finance Co., Senior Notes | 7.400% | 12/1/31 | 450,000 | 509,267 ^(b) |
| Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes | 6.500% | 4/15/21 | 500,000 | 355,000 ^{(b)(e)} |
| Chesapeake Energy Corp., Senior Notes | 6.875% | 11/15/20 | 270,000 | 105,975 ^(b) |
| Chesapeake Energy Corp., Senior Notes | 5.375% | 6/15/21 | 320,000 | 113,600 ^(b) |
| Continental Resources Inc., Senior Notes | 4.500% | 4/15/23 | 500,000 | 418,125 ^(b) |
| Continental Resources Inc., Senior Notes | 4.900% | 6/1/44 | 500,000 | 372,500 ^(b) |
| Devon Energy Corp., Debentures | 7.950% | 4/15/32 | 310,000 | 315,269 ^(b) |
| Ecopetrol SA, Senior Notes | 5.875% | 9/18/23 | 55,000 | 54,231 ^(b) |
| Ecopetrol SA, Senior Notes | 5.875% | 5/28/45 | 2,510,000 | 1,975,872 |
| Enterprise Products Operating LLC, Senior Notes | 4.050% | 2/15/22 | 880,000 | 916,194 |
| Enterprise Products Operating LLC, Senior Notes | 5.100% | 2/15/45 | 1,000,000 | 970,615 ^(b) |
| EOG Resources Inc., Senior Notes | 3.150% | 4/1/25 | 2,250,000 | 2,183,551 |
| Freeport-McMoran Oil & Gas LLC/FCX Oil & Gas Inc., Senior Notes | 6.500% | 11/15/20 | 579,000 | 463,200 ^(b) |

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|---|--------|----------|-----------|-----------------------------|
| Freeport-McMoran Oil & Gas LLC/FCX Oil & Gas Inc., Senior Notes | 6.875% | 2/15/23 | 840,000 | 642,600 |
| Kinder Morgan Inc., Medium-Term Notes | 7.750% | 1/15/32 | 190,000 | 198,738 |
| Kinder Morgan Inc., Senior Bonds | 5.550% | 6/1/45 | 1,500,000 | 1,333,092 ^(b) |
| Lonestar Resources America Inc., Senior Notes | 8.750% | 4/15/19 | 180,000 | 106,200 ^(a) |
| Magnum Hunter Resources Corp., Senior Notes | 9.750% | 5/15/20 | 960,000 | 211,200 ^{*(d)(e)} |
| MEG Energy Corp., Senior Notes | 6.500% | 3/15/21 | 840,000 | 507,150 ^(a) |
| Natural Resource Partners LP/Natural Resource Partners Finance Corp., Senior Notes | 9.125% | 10/1/18 | 370,000 | 239,575 ^(b) |
| Noble Energy Inc., Senior Notes | 5.250% | 11/15/43 | 1,000,000 | 861,184 ^(b) |
| Oasis Petroleum Inc., Senior Notes | 7.250% | 2/1/19 | 370,000 | 282,125 |
| Oasis Petroleum Inc., Senior Notes | 6.500% | 11/1/21 | 520,000 | 384,800 |
| Oasis Petroleum Inc., Senior Notes | 6.875% | 1/15/23 | 340,000 | 250,750 |
| Occidental Petroleum Corp., Senior Notes | 3.500% | 6/15/25 | 350,000 | 358,439 |
| Petrobras Global Finance BV, Senior Notes | 4.375% | 5/20/23 | 1,060,000 | 773,482 |
| Petrobras Global Finance BV, Senior Notes | 6.750% | 1/27/41 | 920,000 | 661,480 |
| Petroleos Mexicanos | 4.250% | 1/15/25 | 1,500,000 | 1,389,375 |
| Petroleos Mexicanos, Senior Notes | 6.875% | 8/4/26 | 1,210,000 | 1,309,825 ^(a) |
| Reliance Holdings USA Inc., Senior Notes | 5.400% | 2/14/22 | 1,000,000 | 1,115,853 ^{(a)(b)} |
| Reliance Holdings USA Inc., Senior Notes | 5.400% | 2/14/22 | 250,000 | 278,963 ^(f) |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2016

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|---------|---------------|-------------|-----------------------------------|
| Oil, Gas & Consumable Fuels - (continued) | | | | |
| Sanchez Energy Corp., Senior Notes | 6.125% | 1/15/23 | 380,000 | \$ 205,200 |
| Transcontinental Gas Pipe Line Co., LLC, Senior Notes | 7.850% | 2/1/26 | 1,000,000 | 1,143,718 ^{(a)(b)} |
| Whiting Petroleum Corp., Senior Notes | 5.000% | 3/15/19 | 480,000 | 332,400 |
| Whiting Petroleum Corp., Senior Notes | 6.250% | 4/1/23 | 200,000 | 134,500 |
| Williams Cos. Inc., Debentures | 7.500% | 1/15/31 | 443,000 | 359,937 ^(b) |
| Williams Cos. Inc., Senior Notes | 4.550% | 6/24/24 | 60,000 | 45,600 |
| Williams Cos. Inc., Senior Notes | 8.750% | 3/15/32 | 39,000 | 34,710 ^(b) |
| WPX Energy Inc., Senior Notes | 7.500% | 8/1/20 | 160,000 | 124,800 |
| WPX Energy Inc., Senior Notes | 8.250% | 8/1/23 | 210,000 | 162,750 |
| YPF Sociedad Anonima, Senior Notes | 8.500% | 3/23/21 | 720,000 | 720,900 ^(a) |
| <i>Total Oil, Gas & Consumable Fuels</i> | | | | 24,557,869 |
| TOTAL ENERGY | | | | 25,161,703 |
| FINANCIALS - 26.4% | | | | |
| Banks - 17.5% | | | | |
| Bank of America Corp., Senior Notes | 3.750% | 7/12/16 | 500,000 | 503,646 ^(b) |
| Bank of America Corp., Senior Notes | 5.000% | 5/13/21 | 1,100,000 | 1,220,879 ^(b) |
| Bank of America Corp., Subordinated Notes | 4.250% | 10/22/26 | 1,200,000 | 1,217,890 ^(b) |
| Barclays Bank PLC, Subordinated Notes | 10.179% | 6/12/21 | 610,000 | 775,095 ^{(a)(b)} |
| Barclays Bank PLC, Subordinated Notes | 7.625% | 11/21/22 | 2,500,000 | 2,687,500 |
| BNP Paribas SA, Junior Subordinated Notes | 7.375% | 8/19/25 | 2,280,000 | 2,205,900 ^{(a)(g)(h)} |
| BPCE SA, Subordinated Notes | 5.150% | 7/21/24 | 1,000,000 | 1,021,426 ^{(a)(b)} |
| Capital One N.A., Senior Notes | 1.500% | 3/22/18 | 1,810,000 | 1,782,256 ^(b) |
| CIT Group Inc., Senior Notes | 5.000% | 8/15/22 | 250,000 | 252,968 |
| Citigroup Inc., Subordinated Notes | 3.500% | 5/15/23 | 500,000 | 499,889 ^(b) |
| Citigroup Inc., Subordinated Notes | 5.500% | 9/13/25 | 200,000 | 218,862 ^(b) |
| Citigroup Inc., Subordinated Notes | 6.625% | 6/15/32 | 1,000,000 | 1,167,896 ^(b) |
| Cooperatieve Rabobank U.A., Subordinated Notes | 5.250% | 8/4/45 | 270,000 | 291,995 |
| Credit Agricole SA, Junior Subordinated Notes | 8.125% | 12/23/25 | 1,080,000 | 1,077,386 ^{(a)(b)(g)(h)} |
| Credit Agricole SA, Subordinated Notes | 4.375% | 3/17/25 | 850,000 | 832,328 ^(a) |
| HBOS PLC, Subordinated Notes | 6.750% | 5/21/18 | 700,000 | 756,932 ^{(a)(b)} |
| HSBC Holdings PLC, Junior Subordinated Bonds | 6.375% | 9/17/24 | 1,480,000 | 1,374,550 ^{(g)(h)} |
| JPMorgan Chase & Co., Subordinated Notes | 4.950% | 6/1/45 | 1,500,000 | 1,583,202 ^(b) |
| Lloyds Banking Group PLC, Subordinated Notes | 4.500% | 11/4/24 | 1,000,000 | 1,004,662 ^(b) |
| Royal Bank of Scotland Group PLC, Subordinated Notes | 6.100% | 6/10/23 | 1,470,000 | 1,505,642 |
| Royal Bank of Scotland Group PLC, Subordinated Notes | 6.000% | 12/19/23 | 150,000 | 151,920 |
| Royal Bank of Scotland Group PLC, Subordinated Notes | 5.125% | 5/28/24 | 2,830,000 | 2,720,734 |
| Royal Bank of Scotland NV, Subordinated Bonds | 7.750% | 5/15/23 | 140,000 | 151,233 ^(b) |
| Santander UK PLC, Subordinated Notes | 5.000% | 11/7/23 | 510,000 | 517,602 ^(a) |
| Standard Chartered PLC, Subordinated Notes | 5.700% | 3/26/44 | 2,000,000 | 1,800,664 ^{(a)(b)} |
| <i>Total Banks</i> | | | | 27,323,057 |
| Capital Markets - 3.2% | | | | |

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|---|--------|---------|-----------|--------------------------|
| Credit Suisse Group Funding Guernsey Ltd., Senior Notes | 4.875% | 5/15/45 | 1,500,000 | 1,429,028 ^(b) |
| Goldman Sachs Group Inc., Senior Notes | 6.150% | 4/1/18 | 1,000,000 | 1,081,794 ^(b) |
| Goldman Sachs Group Inc., Senior Notes | 5.250% | 7/27/21 | 800,000 | 900,500 ^(b) |
| Goldman Sachs Group Inc., Subordinated Notes | 6.750% | 10/1/37 | 1,000,000 | 1,194,436 ^(b) |
| Goldman Sachs Group Inc., Subordinated Notes | 5.150% | 5/22/45 | 450,000 | 457,147 ^(b) |

Total Capital Markets 5,062,905

Consumer Finance - 0.9%

| | | | | |
|---|--------|---------|---------|------------------------|
| Ally Financial Inc., Senior Notes | 8.000% | 3/15/20 | 282,000 | 315,840 ^(b) |
| Capital One Financial Corp., Subordinated Notes | 6.150% | 9/1/16 | 500,000 | 510,149 ^(b) |
| Navient Corp., Senior Notes | 6.125% | 3/25/24 | 680,000 | 584,800 ^(b) |

Total Consumer Finance 1,410,789

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2016

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|---------|---------------|-------------|---------------------------|
| Diversified Financial Services - 2.7% | | | | |
| AerCap Ireland Capital Ltd./AerCap Global Aviation Trust, Senior Bonds | 4.625% | 7/1/22 | 230,000 | \$ 234,600 |
| Argos Merger Sub Inc., Senior Notes | 7.125% | 3/15/23 | 780,000 | 829,140 ^{(a)(b)} |
| GE Capital International Funding Co., Unlimited Co., Senior Notes | 2.342% | 11/15/20 | 373,000 | 382,116 ^(a) |
| International Lease Finance Corp., Senior Notes | 8.750% | 3/15/17 | 1,380,000 | 1,453,692 ^(b) |
| International Lease Finance Corp., Senior Notes | 6.250% | 5/15/19 | 80,000 | 85,300 |
| International Lease Finance Corp., Senior Notes | 5.875% | 8/15/22 | 700,000 | 759,500 ^(b) |
| International Lease Finance Corp., Senior Secured Notes | 7.125% | 9/1/18 | 400,000 | 436,000 ^{(a)(b)} |
| <i>Total Diversified Financial Services</i> | | | | 4,180,348 |
| Insurance - 0.8% | | | | |
| Genworth Holdings Inc., Senior Notes | 4.900% | 8/15/23 | 330,000 | 245,025 ^(b) |
| Liberty Mutual Group Inc., Junior Subordinated Bonds | 7.800% | 3/15/37 | 200,000 | 218,000 ^{(a)(b)} |
| Metlife Inc., Junior Subordinated Notes | 10.750% | 8/1/39 | 500,000 | 760,000 ^(b) |
| <i>Total Insurance</i> | | | | 1,223,025 |
| Real Estate Investment Trusts (REITs) - 0.4% | | | | |
| Communications Sales & Leasing Inc., Senior Secured Notes | 6.000% | 4/15/23 | 300,000 | 291,750 ^(a) |
| MPT Operating Partnership LP/MPT Finance Corp., Senior Notes | 6.375% | 3/1/24 | 260,000 | 273,650 |
| <i>Total Real Estate Investment Trusts (REITs)</i> | | | | 565,400 |
| Real Estate Management & Development - 0.4% | | | | |
| Howard Hughes Corp., Senior Notes | 6.875% | 10/1/21 | 690,000 | 679,650 ^{(a)(b)} |
| Thriffs & Mortgage Finance - 0.5% | | | | |
| Quicken Loans Inc., Senior Notes | 5.750% | 5/1/25 | 860,000 | 834,200 ^{(a)(b)} |
| TOTAL FINANCIALS | | | | 41,279,374 |
| HEALTH CARE - 5.1% | | | | |
| Biotechnology - 0.6% | | | | |
| AMAG Pharmaceuticals Inc., Senior Notes | 7.875% | 9/1/23 | 280,000 | 247,100 ^(a) |
| Celgene Corp., Senior Notes | 5.000% | 8/15/45 | 260,000 | 281,147 |
| Gilead Sciences Inc., Senior Notes | 4.750% | 3/1/46 | 390,000 | 426,891 |
| <i>Total Biotechnology</i> | | | | 955,138 |
| Health Care Equipment & Supplies - 1.0% | | | | |
| ConvaTec Finance International SA, Senior Notes | 8.250% | 1/15/19 | 340,000 | 336,812 ^{(a)(c)} |
| DJO Finco Inc./DJO Finance LLC/DJO Finance Corp., Secured Notes | 8.125% | 6/15/21 | 1,040,000 | 920,400 ^(a) |
| Greatbatch Ltd., Senior Notes | 9.125% | 11/1/23 | 330,000 | 327,113 ^(a) |
| <i>Total Health Care Equipment & Supplies</i> | | | | 1,584,325 |
| Health Care Providers & Services - 2.2% | | | | |

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|--|--------|----------|-----------|---------------------------|
| Centene Corp., Senior Notes | 5.625% | 2/15/21 | 280,000 | 291,900 ^(a) |
| Centene Corp., Senior Notes | 6.125% | 2/15/24 | 220,000 | 231,550 ^(a) |
| HCA Inc., Debentures | 7.500% | 11/15/95 | 475,000 | 458,375 ^(b) |
| HCA Inc., Notes | 7.690% | 6/15/25 | 90,000 | 96,750 ^(b) |
| HCA Inc., Senior Secured Notes | 5.250% | 6/15/26 | 280,000 | 287,000 |
| IASIS Healthcare LLC/IASIS Capital Corp., Senior Notes | 8.375% | 5/15/19 | 230,000 | 226,837 |
| Tenet Healthcare Corp., Senior Notes | 8.125% | 4/1/22 | 1,440,000 | 1,481,400 |
| UnitedHealth Group Inc., Senior Notes | 4.750% | 7/15/45 | 340,000 | 389,875 ^(b) |
| <i>Total Health Care Providers & Services</i> | | | | 3,463,687 |
| Pharmaceuticals - 1.3% | | | | |
| Actavis Funding SCS, Senior Notes | 4.750% | 3/15/45 | 570,000 | 599,472 ^(b) |
| JLL/Delta Dutch Pledgeco BV, Senior Notes | 8.750% | 5/1/20 | 760,000 | 741,000 ^{(a)(c)} |
| Mallinckrodt International Finance SA, Senior Notes | 5.750% | 8/1/22 | 420,000 | 386,925 ^(a) |
| Valeant Pharmaceuticals International Inc., Senior Notes | 5.375% | 3/15/20 | 360,000 | 293,400 ^(a) |
| <i>Total Pharmaceuticals</i> | | | | 2,020,797 |
| TOTAL HEALTH CARE | | | | 8,023,947 |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2016

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|---------|---------------|-------------|---------------------------|
| INDUSTRIALS - 9.7% | | | | |
| Aerospace & Defense - 0.7% | | | | |
| Aerojet Rocketdyne Holdings Inc., Secured Notes | 7.125% | 3/15/21 | 250,000 | \$ 259,375 ^(b) |
| Boeing Co., Notes | 6.125% | 2/15/33 | 600,000 | 791,895 ^(b) |
| <i>Total Aerospace & Defense</i> | | | | 1,051,270 |
| Air Freight & Logistics - 0.4% | | | | |
| XPO Logistics Inc., Senior Notes | 6.500% | 6/15/22 | 710,000 | 689,587 ^(a) |
| Airlines - 5.1% | | | | |
| Air 2 US, Notes | 8.027% | 10/1/19 | 845,907 | 883,973 ^{(a)(b)} |
| America West Airlines Inc., Pass-Through Certificates, Ambac Assurance Corp. | 8.057% | 7/2/20 | 1,146,477 | 1,261,125 ^(b) |
| Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes | 6.900% | 1/2/18 | 154,266 | 156,966 ^(b) |
| Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes | 6.820% | 5/1/18 | 423,470 | 440,409 ^(b) |
| Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes | 6.545% | 2/2/19 | 677,365 | 715,907 ^(b) |
| Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes | 8.048% | 11/1/20 | 319,403 | 350,129 ^(b) |
| Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes | 6.703% | 6/15/21 | 351,589 | 368,395 ^(b) |
| Delta Air Lines Inc., Pass-Through Certificates, Secured Notes | 8.021% | 8/10/22 | 103,435 | 116,881 ^(b) |
| Northwest Airlines Corp., Pass-Through Certificates | 7.575% | 3/1/19 | 240,956 | 262,040 |
| US Airways, Pass-Through Certificates, Senior Secured Bonds | 6.850% | 1/30/18 | 1,582,801 | 1,638,199 ^(b) |
| US Airways, Pass-Through Certificates, Senior Secured Bonds | 7.125% | 10/22/23 | 1,508,797 | 1,743,603 ^(b) |
| <i>Total Airlines</i> | | | | 7,937,627 |
| Building Products - 0.4% | | | | |
| Standard Industries Inc., Senior Notes | 5.125% | 2/15/21 | 230,000 | 235,463 ^(a) |
| Standard Industries Inc., Senior Notes | 5.500% | 2/15/23 | 330,000 | 337,425 ^(a) |
| <i>Total Building Products</i> | | | | 572,888 |
| Commercial Services & Supplies - 0.5% | | | | |
| Garda World Security Corp., Senior Notes | 7.250% | 11/15/21 | 220,000 | 169,400 ^(a) |
| West Corp., Senior Notes | 5.375% | 7/15/22 | 670,000 | 614,591 ^(a) |
| <i>Total Commercial Services & Supplies</i> | | | | 783,991 |
| Construction & Engineering - 0.3% | | | | |
| Michael Baker International LLC/CDL Acquisition Co. Inc., Senior Secured Notes | 8.250% | 10/15/18 | 350,000 | 301,000 ^{(a)(b)} |
| Modular Space Corp., Secured Notes | 10.250% | 1/31/19 | 340,000 | 188,700 ^{(a)(b)} |
| Odebrecht Offshore Drilling Finance Ltd., Senior Secured Notes | 6.625% | 10/1/22 | 180,480 | 39,706 ^(a) |
| <i>Total Construction & Engineering</i> | | | | 529,406 |
| Electrical Equipment - 0.2% | | | | |
| International Wire Group Holdings Inc., Senior Secured Notes | 8.500% | 10/15/17 | 340,000 | 338,725 ^{(a)(b)} |

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Industrial Conglomerates - 0.1%

| | | | | |
|--|--------|---------|---------|------------------------|
| General Electric Co., Subordinated Notes | 5.300% | 2/11/21 | 129,000 | 149,814 ^(b) |
|--|--------|---------|---------|------------------------|

Machinery - 0.2%

| | | | | |
|--|--------|--------|---------|---------------------------|
| SPL Logistics Escrow LLC/SPL Logistics Finance Corp., Senior Secured Notes | 8.875% | 8/1/20 | 410,000 | 323,900 ^{(a)(b)} |
|--|--------|--------|---------|---------------------------|

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2016

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|---------|---------------|-------------|------------------------------|
| Marine - 0.2% | | | | |
| Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes | 8.125% | 11/15/21 | 470,000 | \$ 311,375 ^{(a)(b)} |
| Professional Services - 0.7% | | | | |
| IHS Inc., Senior Notes | 5.000% | 11/1/22 | 1,000,000 | 1,036,250 ^(b) |
| Road & Rail - 0.5% | | | | |
| Flexi-Van Leasing Inc., Senior Notes | 7.875% | 8/15/18 | 420,000 | 415,800 ^(a) |
| Florida East Coast Holdings Corp., Senior Notes | 9.750% | 5/1/20 | 100,000 | 72,000 ^(a) |
| Florida East Coast Holdings Corp., Senior Secured Notes | 6.750% | 5/1/19 | 240,000 | 240,000 ^(a) |
| <i>Total Road & Rail</i> | | | | 727,800 |
| Trading Companies & Distributors - 0.4% | | | | |
| H&E Equipment Services Inc., Senior Notes | 7.000% | 9/1/22 | 630,000 | 639,450 ^(b) |
| TOTAL INDUSTRIALS | | | | 15,092,083 |
| INFORMATION TECHNOLOGY - 3.3% | | | | |
| Communications Equipment - 1.0% | | | | |
| Harris Corp., Senior Notes | 5.054% | 4/27/45 | 1,500,000 | 1,598,202 ^(b) |
| Electronic Equipment, Instruments & Components - 0.2% | | | | |
| Interface Security Systems Holdings Inc./Interface Security Systems LLC, Senior Secured Notes | 9.250% | 1/15/18 | 340,000 | 319,600 ^(b) |
| IT Services - 0.6% | | | | |
| Compiler Finance Subordinated Inc., Senior Notes | 7.000% | 5/1/21 | 465,000 | 209,250 ^{(a)(e)} |
| First Data Corp., Senior Secured Notes | 6.750% | 11/1/20 | 98,000 | 103,047 ^{(a)(b)} |
| HP Enterprise Services LLC, Notes | 7.450% | 10/15/29 | 500,000 | 570,435 ^(b) |
| <i>Total IT Services</i> | | | | 882,732 |
| Semiconductors & Semiconductor Equipment - 0.9% | | | | |
| QUALCOMM Inc., Senior Subordinated Notes | 4.800% | 5/20/45 | 1,500,000 | 1,485,880 ^(b) |
| Technology Hardware, Storage & Peripherals - 0.6% | | | | |
| Seagate HDD Cayman, Senior Bonds | 4.750% | 1/1/25 | 750,000 | 585,793 ^(b) |
| Western Digital Corp., Senior Notes | 10.500% | 4/1/24 | 320,000 | 320,800 ^(a) |
| <i>Total Technology Hardware, Storage & Peripherals</i> | | | | 906,593 |
| TOTAL INFORMATION TECHNOLOGY | | | | 5,193,007 |
| MATERIALS - 3.4% | | | | |
| Chemicals - 0.7% | | | | |
| Braskem America Finance Co., Senior Notes | 7.125% | 7/22/41 | 920,000 | 780,574 ^(f) |

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| | | | | |
|--|---------|----------|---------|------------------------------|
| Braskem Finance Ltd., Senior Notes | 5.375% | 5/2/22 | 230,000 | 208,725 ^(a) |
| HIG BBC Intermediate Holdings LLC/HIG BBC Holdings Corp., Senior Notes | 10.500% | 9/15/18 | 264,062 | 184,843 ^{(a)(c)} |
| <i>Total Chemicals</i> | | | | <i>1,174,142</i> |
| Containers & Packaging - 0.7% | | | | |
| Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes | 9.125% | 10/15/20 | 415,000 | 427,450 ^(a) |
| Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes | 7.000% | 11/15/20 | 213,529 | 203,387 ^(a) |
| Coveris Holdings SA, Senior Notes | 7.875% | 11/1/19 | 390,000 | 349,050 ^(a) |
| Pactiv LLC, Senior Notes | 7.950% | 12/15/25 | 50,000 | 46,000 |
| <i>Total Containers & Packaging</i> | | | | <i>1,025,887</i> |
| Metals & Mining - 2.0% | | | | |
| Anglo American Capital PLC, Senior Notes | 4.125% | 9/27/22 | 210,000 | 170,625 ^(a) |
| ArcelorMittal SA, Senior Notes | 6.500% | 3/1/21 | 160,000 | 157,600 |
| ArcelorMittal SA, Senior Notes | 8.000% | 10/15/39 | 430,000 | 374,100 |
| Barmenco Finance Pty Ltd., Senior Notes | 9.000% | 6/1/18 | 400,000 | 299,000 ^{(a)(b)} |
| BHP Billiton Finance USA Ltd., Subordinated Notes | 6.750% | 10/19/75 | 800,000 | 800,000 ^{(a)(b)(g)} |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND**Schedule of investments (unaudited) (cont d)****March 31, 2016**

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|---------|---------------|-------------|-----------------------------------|
| Metals & Mining - (continued) | | | | |
| Freeport-McMoRan Inc., Senior Notes | 2.375% | 3/15/18 | 230,000 | \$ 203,550 |
| Freeport-McMoRan Inc., Senior Notes | 5.450% | 3/15/43 | 210,000 | 128,625 |
| Joseph T. Ryerson & Son Inc., Senior Notes | 11.250% | 10/15/18 | 414,000 | 277,380 |
| Vale SA, Senior Notes | 5.625% | 9/11/42 | 1,090,000 | 768,450 |
| <i>Total Metals & Mining</i> | | | | <i>3,179,330</i> |
| TOTAL MATERIALS | | | | |
| | | | | 5,379,359 |
| TELECOMMUNICATION SERVICES - 11.8% | | | | |
| Diversified Telecommunication Services - 9.3% | | | | |
| AT&T Inc., Senior Notes | 5.350% | 9/1/40 | 170,000 | 178,749 ^(b) |
| CCOH Safari LLC, Senior Notes | 5.750% | 2/15/26 | 890,000 | 921,150 ^{(a)(b)} |
| Cincinnati Bell Telephone Co., LLC, Senior Debentures | 6.300% | 12/1/28 | 25,000 | 23,188 ^(b) |
| Frontier Communications Corp., Senior Notes | 11.000% | 9/15/25 | 390,000 | 391,950 ^(a) |
| Level 3 Financing Inc., Senior Notes | 6.125% | 1/15/21 | 530,000 | 555,175 ^(b) |
| Oi Brasil Holdings Cooperatief U.A., Senior Notes | 5.750% | 2/10/22 | 400,000 | 106,960 ^(a) |
| Orange SA, Notes | 9.000% | 3/1/31 | 600,000 | 910,431 ^(b) |
| Qwest Corp., Senior Notes | 6.750% | 12/1/21 | 1,500,000 | 1,612,500 ^(b) |
| Telecom Italia SpA, Senior Notes | 5.303% | 5/30/24 | 2,750,000 | 2,818,750 ^(a) |
| Telefonica Emisiones SAU, Senior Notes | 5.134% | 4/27/20 | 2,000,000 | 2,213,156 ^(b) |
| Verizon Communications Inc., Senior Notes | 5.150% | 9/15/23 | 3,330,000 | 3,843,529 |
| Windstream Services LLC, Senior Notes | 7.750% | 10/15/20 | 830,000 | 713,800 |
| Windstream Services LLC, Senior Notes | 7.750% | 10/1/21 | 50,000 | 40,781 |
| Windstream Services LLC, Senior Notes | 6.375% | 8/1/23 | 250,000 | 183,125 ^(b) |
| <i>Total Diversified Telecommunication Services</i> | | | | <i>14,513,244</i> |
| Wireless Telecommunication Services - 2.5% | | | | |
| Altice Financing SA, Senior Secured Notes | 6.625% | 2/15/23 | 400,000 | 401,000 ^{(a)(b)} |
| Neptune Finco Corp., Senior Notes | 10.125% | 1/15/23 | 200,000 | 214,000 ^(a) |
| Neptune Finco Corp., Senior Notes | 6.625% | 10/15/25 | 610,000 | 659,502 ^{(a)(b)} |
| Neptune Finco Corp., Senior Notes | 10.875% | 10/15/25 | 240,000 | 260,880 ^(a) |
| Sprint Capital Corp., Senior Notes | 6.875% | 11/15/28 | 420,000 | 306,600 |
| Sprint Communications Inc., Senior Notes | 9.000% | 11/15/18 | 500,000 | 523,750 ^{(a)(b)} |
| Sprint Communications Inc., Senior Notes | 7.000% | 8/15/20 | 260,000 | 206,700 |
| Sprint Communications Inc., Senior Notes | 11.500% | 11/15/21 | 310,000 | 275,900 |
| Sprint Corp., Senior Notes | 7.875% | 9/15/23 | 760,000 | 581,240 |
| VimpelCom Holdings BV, Senior Notes | 5.950% | 2/13/23 | 570,000 | 554,690 ^{(a)(b)} |
| <i>Total Wireless Telecommunication Services</i> | | | | <i>3,984,262</i> |
| TOTAL TELECOMMUNICATION SERVICES | | | | |
| | | | | 18,497,506 |
| UTILITIES - 3.2% | | | | |
| Electric Utilities - 2.8% | | | | |
| Centrais Eletricas Brasileiras SA, Senior Notes | 5.750% | 10/27/21 | 210,000 | 176,400 ^(a) |
| Electricite de France SA, Junior Subordinated Notes | 5.625% | 1/22/24 | 1,500,000 | 1,372,500 ^{(a)(b)(g)(h)} |

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| | | | | |
|---|--------|----------|-----------|---------------------------|
| FirstEnergy Corp., Notes | 7.375% | 11/15/31 | 1,770,000 | 2,149,784 ^(b) |
| Southern Co., Senior Notes | 1.950% | 9/1/16 | 150,000 | 150,708 ^(b) |
| State Grid Overseas Investment 2014 Ltd., Senior Notes | 4.125% | 5/7/24 | 500,000 | 545,754 ^(f) |
| <i>Total Electric Utilities</i> | | | | 4,395,146 |
| Gas Utilities - 0.0% | | | | |
| Southern Natural Gas Co., LLC, Senior Notes | 8.000% | 3/1/32 | 20,000 | 21,139 ^(b) |
| Independent Power and Renewable Electricity Producers - 0.4% | | | | |
| AES Corp., Senior Notes | 8.000% | 6/1/20 | 100,000 | 113,500 ^(b) |
| Calpine Corp., Senior Secured Notes | 7.875% | 1/15/23 | 403,000 | 427,180 ^{(a)(b)} |
| <i>Total Independent Power and Renewable Electricity Producers</i> | | | | 540,680 |
| TOTAL UTILITIES | | | | 4,956,965 |
| TOTAL CORPORATE BONDS & NOTES | | | | |
| (Cost - \$150,817,307) | | | | 152,755,225 |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2016

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|-------------|------------------------------|
| ASSET-BACKED SECURITIES - 13.1% | | | | |
| AAA Trust, 2005-1A 1A3B | 0.843% | 2/27/35 | 463,310 | \$ 419,875 ^{(a)(g)} |
| ABFS Mortgage Loan Trust, 2002-3 M1 | 5.902% | 9/15/33 | 889,799 | 676,872 |
| ACE Securities Corp., 2005-WF1 M1 | 1.063% | 5/25/35 | 405,690 | 403,205 ^(g) |
| Argent Securities Inc., 2003-W3 M1 | 1.561% | 9/25/33 | 32,125 | 27,283 ^(g) |
| Associates Manufactured Housing Pass-Through Certificates, 1997-CLB2 | 8.900% | 6/15/28 | 1,990,656 | 1,891,123 ⁽ⁱ⁾ |
| Bank of America Manufactured Housing Contract Trust, 1997-2M | 6.900% | 4/10/28 | 24,371 | 24,884 ^(g) |
| Bayview Financial Asset Trust, 2007-SR1A M1 | 1.233% | 3/25/37 | 843,299 | 724,718 ^{(a)(g)} |
| Bayview Financial Asset Trust, 2007-SR1A M3 | 1.583% | 3/25/37 | 319,872 | 256,656 ^{(a)(g)} |
| Bayview Financial Asset Trust, 2007-SR1A M4 | 1.933% | 3/25/37 | 87,238 | 66,498 ^{(a)(g)} |
| Bear Stearns Asset-Backed Securities Trust, 2006-SD3 1P0, STRIPS, PO | 0.000% | 8/25/36 | 465,240 | 285,619 |
| Centex Home Equity Loan Trust, 2003-B AF4 | 3.735% | 2/25/32 | 344,729 | 346,128 |
| Conseco Financial Corp., 1993-1 B | 8.450% | 4/15/18 | 11,969 | 4,078 |
| Contimortgage Home Equity Trust, 1997-4 B1F | 7.330% | 10/15/28 | 139,489 | 140,334 |
| Countrywide Asset-Backed Certificates, 2004-3 3A3 | 1.193% | 8/25/34 | 135,516 | 125,223 ^(g) |
| Countrywide Asset-Backed Certificates, 2006-3 3A1 | 0.553% | 6/25/36 | 406 | 405 ^(g) |
| Countrywide Asset-Backed Certificates, 2007-13 2A1 | 1.333% | 10/25/47 | 804,652 | 716,482 ^(g) |
| Countrywide Asset-Backed Certificates, 2007-SEA2 1A1 | 1.433% | 8/25/47 | 34,198 | 31,594 ^{(a)(g)} |
| Credit Suisse First Boston Mortgage Securities Corp., 2004-CF2 2A1 | 0.903% | 5/25/44 | 11,666 | 11,550 ^{(a)(g)} |
| Education Funding Capital Trust, 2004-1 B1 | 1.846% | 6/15/43 | 1,200,000 | 1,055,641 ^{(b)(g)} |
| EMC Mortgage Loan Trust, 2003-B A1 | 0.983% | 11/25/41 | 14,053 | 13,183 ^{(a)(g)} |
| Firstfed Corp. Manufactured Housing Contract, 1996-1 B | 8.060% | 10/15/22 | 214,074 | 81,048 ^(a) |
| GMAC Mortgage Corp. Loan Trust, 2004-VF1 A1 | 1.186% | 2/25/31 | 48,494 | 47,823 ^{(a)(g)} |
| Green Tree Home Improvement Loan Trust, 1996-D HIB2 | 8.000% | 9/15/27 | 10,702 | 10,702 |
| Greenpoint Manufactured Housing, 1999-2 A2 | 3.055% | 3/18/29 | 425,000 | 367,846 ^(g) |
| Greenpoint Manufactured Housing, 1999-3 2A2 | 3.581% | 6/19/29 | 125,000 | 108,750 ^(g) |
| Greenpoint Manufactured Housing, 1999-4 A2 | 3.925% | 2/20/30 | 125,000 | 108,750 ^(g) |
| Greenpoint Manufactured Housing, 2001-2 IA2 | 3.929% | 2/20/32 | 275,000 | 249,629 ^(g) |
| Greenpoint Manufactured Housing, 2001-2 IIA2 | 3.931% | 3/13/32 | 450,000 | 403,198 ^(g) |
| GSAA Home Equity Trust, 2004-8 A3A | 1.173% | 9/25/34 | 104,191 | 102,080 ^(g) |
| GSAA Home Equity Trust, 2006-19 A3A | 0.673% | 12/25/36 | 564,961 | 314,783 ^(g) |
| GSAMP Trust, 2003-SEA2 A1 | 4.422% | 7/25/33 | 1,124,199 | 1,111,818 |
| GSRPM Mortgage Loan Trust, 2006-1 A1 | 0.733% | 3/25/35 | 65,277 | 63,990 ^{(a)(g)} |
| GSRPM Mortgage Loan Trust, 2006-2 A2 | 0.736% | 9/25/36 | 91,123 | 86,504 ^{(a)(g)} |
| Indymac Manufactured Housing Contract, 1997-1 A5 | 6.970% | 2/25/28 | 98,336 | 100,085 |
| Lehman XS Trust, 2007-1 WF1 | 4.771% | 1/25/37 | 548,756 | 364,472 ^(g) |
| Morgan Stanley Capital Inc., 2003-NC9 M | 1.558% | 9/25/33 | 915,839 | 804,195 ^(g) |
| Morgan Stanley Capital Inc., 2003-SD1 A1 | 1.433% | 3/25/33 | 13,673 | 12,843 ^(g) |
| Morgan Stanley Capital Inc., 2004-HE7 M1 | 1.333% | 8/25/34 | 1,539,471 | 1,392,490 ^{(b)(g)} |
| New Century Home Equity Loan Trust, 2004-2 A2 | 1.173% | 8/25/34 | 475,320 | 430,535 ^(g) |
| New Century Home Equity Loan Trust, 2004-3 M1 | 1.363% | 11/25/34 | 1,480,740 | 1,290,913 ^(g) |
| Oakwood Mortgage Investors Inc., 2002-B A3 | 6.060% | 6/15/32 | 143,212 | 147,625 ^(g) |
| Option One Mortgage Loan Trust, 2003-2 A2 | 1.033% | 4/25/33 | 266,808 | 244,652 ^(g) |
| Origen Manufactured Housing Contract Trust, 2006-A A2 | 2.379% | 10/15/37 | 1,713,000 | 1,494,648 ^(g) |
| Origen Manufactured Housing Contract Trust, 2007-A A2 | 2.291% | 4/15/37 | 1,926,721 | 1,700,537 ^(g) |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2016

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|-------------|---------------------------|
| ASSET-BACKED SECURITIES - (continued) | | | | |
| Park Place Securities Inc., 2004-WCW1 M2 | 1.453% | 9/25/34 | 354,969 | \$ 353,779 ^(g) |
| Park Place Securities Inc., 2004-WHQ2 M2 | 1.378% | 2/25/35 | 250,127 | 249,175 ^(g) |
| RAAC Series, 2007-RP1 M1 | 0.986% | 5/25/46 | 210,000 | 154,789 ^{(a)(g)} |
| Renaissance Home Equity Loan Trust, 2004-2 AF4 | 5.392% | 7/25/34 | 150,202 | 151,127 |
| Renaissance Home Equity Loan Trust, 2005-3 AV3 | 0.813% | 11/25/35 | 495,930 | 431,529 ^(g) |
| Residential Asset Mortgage Products Inc., 2004-RZ1 AII | 0.913% | 3/25/34 | 144,849 | 145,387 ^(g) |
| Residential Asset Securities Corp., 2002-KS2 AI6 | 6.228% | 4/25/32 | 84,949 | 86,184 ^(g) |
| Residential Asset Securities Corp., 2003-KS8 AI6 | 4.830% | 10/25/33 | 66,753 | 66,291 ^(g) |
| Settlement Fee Finance LLC, 2004-1A A | 9.100% | 7/25/34 | 342,913 | 359,384 ^(a) |
| Structured Asset Securities Corp., 2006-GEL3 A2 | 0.663% | 7/25/36 | 259,506 | 258,482 ^{(a)(g)} |

TOTAL ASSET-BACKED SECURITIES

(Cost - \$17,801,478)

20,517,394

COLLATERALIZED MORTGAGE OBLIGATIONS - 7.8%

| | | | | |
|--|--------|----------|-----------|-----------------------------|
| American Home Mortgage Investment Trust, 2007-A 4A | 1.336% | 7/25/46 | 577,663 | 184,885 ^{(a)(g)} |
| Banc of America Funding Corp., 2004-B 6A1 | 2.088% | 12/20/34 | 235,060 | 158,588 ^(g) |
| BCAP LLC Trust, 2009-RR12 2A2 | 0.796% | 3/26/35 | 1,843,522 | 1,223,522 ^{(a)(g)} |
| Bear Stearns Alt-A Trust, 2004-03 A1 | 1.073% | 4/25/34 | 273,258 | 260,097 ^(g) |
| Bear Stearns Alt-A Trust, 2005-10 21A1 | 2.623% | 1/25/36 | 702,077 | 570,197 ^(g) |
| Bear Stearns Asset-Backed Securities Trust, 2002-AC1 B4 | 7.000% | 1/25/32 | 320,418 | 1,757 ^(a) |
| BlackRock Capital Finance LP, 1997-R2 B5 | 4.778% | 12/25/35 | 690 | 2 ^(a) |
| Chevy Chase Mortgage Funding Corp., 2004-4A A1 | 0.663% | 10/25/35 | 1,101,717 | 960,848 ^{(a)(g)} |
| Countrywide Home Loans, 2004-R2 1AF1 | 0.853% | 11/25/34 | 177,654 | 149,628 ^{(a)(g)} |
| Countrywide Home Loans, 2005-7 1A1 | 0.973% | 3/25/35 | 814,907 | 749,154 ^(g) |
| Countrywide Home Loans, 2006-HYB4 3B | 2.830% | 6/20/36 | 631,099 | 538,682 ^(g) |
| Greenpoint Mortgage Funding Trust, 2005-AR5 3A2 | 0.703% | 11/25/46 | 176,068 | 820,277 ^(g) |
| GSMPS Mortgage Loan Trust, 2001-2 A | 7.500% | 6/19/32 | 946,411 | 962,227 ^{(a)(g)} |
| HarborView Mortgage Loan Trust, 2004-08 3A2 | 1.232% | 11/19/34 | 97,967 | 73,792 ^(g) |
| HarborView Mortgage Loan Trust, 2004-10 4A | 2.818% | 1/19/35 | 187,463 | 183,423 ^(g) |
| Impac CMB Trust, 2004-9 1A1 | 1.193% | 1/25/35 | 33,852 | 30,463 ^(g) |
| Impac CMB Trust, 2005-2 2A2 | 1.233% | 4/25/35 | 84,863 | 76,477 ^(g) |
| Impac CMB Trust, 2A-10 | 1.073% | 3/25/35 | 231,788 | 197,670 ^(g) |
| Indymac Manufactured Housing Contract, A2-2 | 6.170% | 8/25/29 | 53,362 | 52,814 |
| JPMorgan Alternative Loan Trust, 2006-S1 3A4 | 6.180% | 3/25/36 | 890,477 | 612,980 ^{(b)(g)} |
| JPMorgan Mortgage Trust, 2007-A2 4A2 | 4.807% | 4/25/37 | 171,435 | 150,977 ^(g) |
| LB-UBS Commercial Mortgage Trust, 2001-C3 X, IO, STRIPS | 0.509% | 6/15/36 | 235,832 | 671 ^{(a)(e)(g)} |
| Merit Securities Corp., 11PA 3A1 | 1.053% | 4/28/27 | 87,280 | 74,024 ^{(a)(g)} |
| Merit Securities Corp., 11PA B3 | 2.683% | 9/28/32 | 675,752 | 533,234 ^{(a)(g)} |
| Metropolitan Asset Funding Inc., 1998-BI B1 | 8.000% | 11/20/24 | 407,414 | 364,274 ^{(b)(g)} |
| Prime Mortgage Trust, 2005-2 2XB, STRIPS, IO | 1.743% | 10/25/32 | 2,180,660 | 104,444 ^(g) |
| Prime Mortgage Trust, 2005-5 1X, STRIPS, IO | 0.983% | 7/25/34 | 4,551,325 | 191,349 ^(g) |
| Prime Mortgage Trust, 2005-5 1XB, STRIPS, IO | 1.156% | 7/25/34 | 342,309 | 3,485 ^(g) |
| Regal Trust IV, 1999-1 A | 2.155% | 9/29/31 | 23,430 | 21,453 ^{(a)(g)} |
| Residential Asset Mortgage Products Inc., 2005-SL2 AP0, STRIPS, PO | 0.000% | 2/25/32 | 14,159 | 13,563 |
| Sequoia Mortgage Trust, 2003-2 A2 | 1.198% | 6/20/33 | 21,073 | 20,396 ^(g) |

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| | | | | |
|--|--------|----------|---------|---------------------------|
| Sequoia Mortgage Trust, 2004-10 A1A | 1.052% | 11/20/34 | 16,951 | 15,780 ^(g) |
| Sequoia Mortgage Trust, 2004-11 A1 | 1.032% | 12/20/34 | 25,524 | 24,552 ^(g) |
| Sequoia Mortgage Trust, 2004-12 A1 | 0.972% | 1/20/35 | 208,462 | 189,304 ^(g) |
| Structured Asset Securities Corp., 1998-RF2 A | 6.657% | 7/15/27 | 202,698 | 198,220 ^{(a)(g)} |
| Structured Asset Securities Corp., 2002-9 A2 | 1.033% | 10/25/27 | 401,214 | 389,138 ^(g) |
| Structured Asset Securities Corp., 2003-9A 2A2 | 2.630% | 3/25/33 | 125,350 | 123,815 ^(g) |
| Structured Asset Securities Corp., 2004-NP1 A | 1.233% | 9/25/33 | 63,176 | 62,066 ^{(a)(g)} |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2016

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|---------|---------------|-------------|------------------------------|
| COLLATERALIZED MORTGAGE OBLIGATIONS - (continued) | | | | |
| Thornburg Mortgage Securities Trust, 2004-03 A | 1.173% | 9/25/44 | 335,938 | \$ 307,640 ^(g) |
| Washington Mutual Alternative Mortgage Pass-Through Certificates, 2006-7 A2A | 4.495% | 9/25/36 | 1,000,287 | 540,338 |
| Washington Mutual Inc., Mortgage Pass-Through Certificates, 2004-AR06 A | 0.853% | 5/25/44 | 368,782 | 344,674 ^(g) |
| Washington Mutual Inc., Mortgage Pass-Through Certificates, 2004-AR12 A2A | 0.823% | 10/25/44 | 281,187 | 268,769 ^(g) |
| Washington Mutual Inc., Mortgage Pass-Through Certificates, 2006-AR5 3A | 1.291% | 7/25/46 | 682,635 | 421,613 ^(g) |
| Washington Mutual Inc., MSC Pass-Through Certificates, 2004-RA1 2A | 7.000% | 3/25/34 | 14,388 | 15,015 |
| TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS | | | | |
| (Cost - \$10,256,613) | | | | 12,186,277 |
| MORTGAGE-BACKED SECURITIES - 0.1% | | | | |
| FNMA - 0.1% | | | | |
| Federal National Mortgage Association (FNMA), Whole Loan (Cost - \$181,827) | 6.500% | 8/25/44 | 179,026 | 200,362 |
| SENIOR LOANS - 1.3% | | | | |
| CONSUMER DISCRETIONARY - 0.3% | | | | |
| Hotels, Restaurants & Leisure - 0.3% | | | | |
| Equinox Holdings Inc., Second Lien Term Loan | 9.750% | 7/31/20 | 430,000 | 428,387 ^{(j)(k)} |
| CONSUMER STAPLES - 0.1% | | | | |
| Food Products - 0.1% | | | | |
| AdvancePierre Foods Inc., Second Lien Term Loan | 9.500% | 10/10/17 | 180,000 | 178,650 ^{(j)(k)} |
| ENERGY - 0.5% | | | | |
| Energy Equipment & Services - 0.3% | | | | |
| Hercules Offshore LLC, Exit Term Loan | 10.500% | 5/6/20 | 710,000 | 504,100 ^{(j)(k)} |
| Oil, Gas & Consumable Fuels - 0.2% | | | | |
| Magnum Hunter Resources Inc., DIP Term Loan | 9.000% | 9/15/16 | 245,000 | 242,550 ^{(e)(j)(k)} |
| TOTAL ENERGY | | | | 746,650 |
| HEALTH CARE - 0.2% | | | | |
| Health Care Providers & Services - 0.2% | | | | |
| Radnet Management Inc., Second Lien Term Loan | 8.000% | 3/25/21 | 440,000 | 401,500 ^{(j)(k)} |
| UTILITIES - 0.2% | | | | |
| Electric Utilities - 0.2% | | | | |

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| | | | | |
|--|--------|----------|--------------------------|---------------------------|
| Panda Temple Power LLC, 2015 Term Loan B | 7.250% | 3/4/22 | 425,700 | 308,633 ^{(j)(k)} |
| TOTAL SENIOR LOANS | | | | |
| (Cost - \$2,388,347) | | | | 2,063,820 |
| SOVEREIGN BONDS - 1.8% | | | | |
| Argentina - 0.2% | | | | |
| Republic of Argentina, Senior Bonds | 7.000% | 4/17/17 | 290,000 | 292,627 |
| Poland - 1.6% | | | | |
| Republic of Poland, Bonds | 4.000% | 10/25/23 | 8,440,000 ^{PLN} | 2,490,017 |
| TOTAL SOVEREIGN BONDS | | | | |
| (Cost - \$3,029,989) | | | | 2,782,644 |
| U.S. GOVERNMENT & AGENCY OBLIGATIONS - 7.5% | | | | |
| U.S. Government Obligations - 7.5% | | | | |
| U.S. Treasury Bonds | 3.000% | 11/15/45 | 791,000 | 853,940 |
| U.S. Treasury Notes | 0.875% | 11/30/17 | 6,750,000 | 6,766,611 |
| U.S. Treasury Notes | 1.375% | 9/30/20 | 3,250,000 | 3,277,167 |
| U.S. Treasury Notes | 1.625% | 2/15/26 | 780,000 | 768,666 |
| TOTAL U.S. GOVERNMENT & AGENCY OBLIGATIONS | | | | |
| (Cost - \$11,621,536) | | | | 11,666,384 |

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2016

| SECURITY | SHARES | VALUE |
|---|-------------|---------------------|
| COMMON STOCKS - 0.7% | | |
| ENERGY - 0.0% | | |
| Energy Equipment & Services - 0.0% | | |
| Hercules Offshore Inc. | 16,942 | \$ 40,661* |
| FINANCIALS - 0.7% | | |
| Banks - 0.7% | | |
| Citigroup Inc. | 25,131 | 1,049,219 |
| HEALTH CARE - 0.0% | | |
| Health Care Providers & Services - 0.0% | | |
| Physiotherapy Associates Holdings Inc. | 1,900 | 21,622*(e)(i) |
| INDUSTRIALS - 0.0% | | |
| Marine - 0.0% | | |
| DeepOcean Group Holding AS | 8,860 | 48,376*(e)(i) |
| TOTAL COMMON STOCKS | | |
| (Cost - \$1,780,935) | | 1,159,878 |
| | RATE | |
| PREFERRED STOCKS - 2.3% | | |
| FINANCIALS - 2.3% | | |
| Consumer Finance - 1.0% | | |
| GMAC Capital Trust I | 6.402% | 62,722 1,537,316(g) |
| Diversified Financial Services - 1.3% | | |
| Citigroup Capital XIII | 6.988% | 75,725 1,990,810(g) |
| Corporate-Backed Trust Certificates, Series 2001-8, Class A-1 | 7.375% | 33,900 34*(d)(i) |
| <i>Total Diversified Financial Services</i> | | <i>1,990,844</i> |
| Thriffs & Mortgage Finance - 0.0% | | |
| Federal Home Loan Mortgage Corp. (FHLMC) | 0.000% | 100 380*(g) |
| Federal Home Loan Mortgage Corp. (FHLMC) | 5.000% | 200 819* |
| <i>Total Thriffs & Mortgage Finance</i> | | <i>1,199</i> |
| TOTAL PREFERRED STOCKS | | |
| (Cost - \$3,682,190) | | 3,529,359 |
| TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS | | 206,861,343 |

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(Cost - \$201,560,222)

| | MATURITY DATE | FACE AMOUNT | |
|--|------------------|----------------|---------------------|
| SHORT-TERM INVESTMENTS - 1.2% | | | |
| Repurchase Agreements - 0.4% | | | |
| Bank of America repurchase agreement dated 3/31/16; Proceeds at maturity - \$600,005; (Fully collateralized by U.S. government obligations, 3.625% due 2/15/44; Market value - \$612,000) (Cost - \$600,000) | 0.270% | 4/1/16 | 600,000 |
| | | | <i>600,000</i> |
| | | | SHARES |
| Money Market Funds - 0.8% | | | |
| State Street Institutional U.S. Government Money Market Fund, Premier Class (Cost - \$1,291,368) | 0.225% | | 1,291,368 |
| | | | <i>1,291,368</i> |
| TOTAL SHORT-TERM INVESTMENTS | | | |
| (Cost - \$1,891,368) | | | 1,891,368 |
| TOTAL INVESTMENTS - 133.4% | | | |
| (Cost - \$203,451,590#) | | | 208,752,711 |
| Liabilities in Excess of Other Assets - (33.4)% | | | <i>(52,291,719)</i> |
| TOTAL NET ASSETS - 100.0% | | | |
| | | | \$ 156,460,992 |

Face amount denominated in U.S. dollars, unless otherwise noted.

* Non-income producing security.

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

March 31, 2016

- (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 Trustees, unless otherwise noted.
- (b) All or a portion of this security is pledged as collateral pursuant to the loan agreement.
- (c) Payment-in-kind security for which the issuer has the option at each interest payment date of making interest payments in cash or additional debt securities.
- (d) The coupon payment on these securities is currently in default as of March 31, 2016.
- (e) Illiquid security.
- (f) Security is exempt from registration under Regulation S of the Securities Act of 1933. Regulation S applies to securities offerings that are made outside of the United States and do not involve direct selling efforts in the United States. This security has been deemed liquid pursuant to guidelines approved by the Board of Trustees, unless otherwise noted.
- (g) Variable rate security. Interest rate disclosed is as of the most recent information available.
- (h) Security has no maturity date. The date shown represents the next call date.
- (i) Security is valued in good faith in accordance with procedures approved by the Board of Trustees (See Note 1).
- (j) Interest rates disclosed represent the effective rates on senior loans. Ranges in interest rates are attributable to multiple contracts under the same loan.
- (k) Senior loans may be considered restricted in that the Fund ordinarily is contractually obligated to receive approval from the agent bank and/or borrower prior to the disposition of a senior loan.

Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

DIP Debtor-in-Possession
EUR Euro

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IO Interest Only
PLN Polish Zloty
PO Principal Only
STRIPS Separate Trading of Registered Interest and Principal Securities

This Schedule of Investments is unaudited and is intended to provide information about the Fund's portfolio holdings 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 Premier Bond Fund (the Fund) is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified, closed-end management investment company. The Fund commenced investment operations on March 28, 2002.

The Fund's investment objective is to provide current income and capital appreciation by investing primarily in a diversified portfolio of investment grade bonds.

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. Short-term fixed income securities that will mature in 60 days or less are valued at amortized cost, unless it is determined that using this method would not reflect an investment's fair value. 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 Trustees.

The Board of Trustees 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 Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the Fund's pricing policies, and reporting to the Board of Trustees. 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.

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 Trustees, 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 Trustees 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.

Notes to Schedule of Investments (unaudited) (continued)

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.

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 | | \$ 13,767,701 | \$ 1,324,382 | \$ 15,092,083 |
| Other Corporate Bonds & Notes | | 137,663,142 | | 137,663,142 |
| Asset-Backed Securities | | 17,988,896 | 2,528,498 | 20,517,394 |
| Collateralized Mortgage Obligations | | 12,186,277 | | 12,186,277 |
| Mortgage-Backed Securities | | 200,362 | | 200,362 |
| Senior Loans: | | | | |
| Energy | | | 746,650 | 746,650 |
| Utilities | | | 308,633 | 308,633 |
| Other Senior Loans | | 1,008,537 | | 1,008,537 |
| Sovereign Bonds | | 2,782,644 | | 2,782,644 |
| U.S. Government & Agency Obligations | | 11,666,384 | | 11,666,384 |
| Common Stocks: | | | | |
| Health care | | | 21,622 | 21,622 |
| Industrials | | | 48,376 | 48,376 |
| Other common stocks | \$ 1,089,880 | | | 1,089,880 |
| Preferred Stocks | 3,529,325 | | 34 | 3,529,359 |
| Total Long-Term Investments | \$ 4,619,205 | \$ 197,263,943 | \$ 4,978,195 | \$ 206,861,343 |
| Short-Term Investments | | | | |
| Repurchase agreements | | \$ 600,000 | | \$ 600,000 |
| Money market funds | \$ 1,291,368 | | | 1,291,368 |
| Total short-term investments | \$ 1,291,368 | \$ 600,000 | | \$ 1,891,368 |
| Total investments | \$ 5,910,573 | \$ 197,863,943 | \$ 4,978,195 | \$ 208,752,711 |

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| | | | | | | | |
|--|----|-----------|-----------|-------------|-------|-----------|----------------|
| Receivable for insurance proceeds | | \$ | 1,633,988 | | \$ | 1,633,988 | |
| Other assets | | | | \$ | 7,743 | \$ 7,743 | |
| Other Financial Instruments: Forward Foreign Currency Contracts | | | 1,658 | | | 1,658 | |
| Total | \$ | 5,910,573 | \$ | 199,499,589 | \$ | 4,985,938 | \$ 210,396,100 |

See Schedule of Investments for additional detailed categorizations.

| DESCRIPTION | LIABILITIES | | | TOTAL | |
|--|-------------------------------|---|--|-----------|-----------|
| | QUOTED PRICES (LEVEL 1) | OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) | SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) | | |
| Other Financial Instruments: Forward Foreign Currency Contracts | | \$ | 16,201 | \$ 16,201 | |
| Futures Contracts | \$ | 17,903 | | 17,903 | |
| Total | \$ | 17,903 | \$ | 16,201 | \$ 34,104 |

Notes to Schedule of Investments (unaudited) (continued)

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

| INVESTMENTS IN SECURITIES | CORPORATE BONDS & NOTES | |
|--|----------------------------|--------------------------------|
| | INDUSTRIALS | ASSET- BACKED SECURITIES |
| Balance as of December 31, 2015 | \$ 2,546,072 | \$ 2,533,965 |
| Accrued premiums/discounts | 4,060 | 15,240 |
| Realized gain (loss) | | (657) |
| Change in unrealized appreciation (depreciation) ¹ | (71,845) | (19,671) |
| Purchases | | |
| Sales | (399,679) | (379) |
| Transfers into Level 3 ² | 883,973 | |
| Transfers out of Level 3 ³ | (1,638,199) | |
| Balance as of March 31, 2016 | \$ 1,324,382 | \$ 2,528,498 |
| Net change in unrealized appreciation (depreciation) for investments in securities still held at March 31, 2016 ¹ | \$ (4,181) | \$ (19,671) |

| INVESTMENTS IN SECURITIES (cont d) | SENIOR LOANS | | |
|--|---------------------|------------|-------------|
| | CONSUMER STAPLES | ENERGY | UTILITIES |
| Balance as of December 31, 2015 | \$ 176,400 | \$ 559,900 | \$ 341,420 |
| Accrued premiums/discounts | 186 | 3,150 | 250 |
| Realized gain (loss) | | | 19 |
| Change in unrealized appreciation (depreciation) ¹ | 2,064 | 15,600 | (31,981) |
| Purchases | | 168,000 | |
| Sales | | | (1,075) |
| Transfers into Level 3 ² | | | |
| Transfers out of Level 3 ³ | (178,650) | | |
| Balance as of March 31, 2016 | | \$ 746,650 | \$ 308,633 |
| Net change in unrealized appreciation (depreciation) for investments in securities still held at March 31, 2016 ¹ | | \$ 15,600 | \$ (31,981) |

| INVESTMENTS IN SECURITIES (cont d) | COMMON STOCKS | | | | TOTAL |
|--|----------------|-------------|---------------------|-----------------|--------------|
| | HEALTH CARE | INDUSTRIALS | PREFERRED STOCKS | OTHER ASSETS | |
| Balance as of December 31, 2015 | \$ 157,700 | \$ 41,368 | \$ | 7,743 | \$ 6,364,568 |
| Accrued premiums/discounts | | | | | 22,886 |
| Realized gain (loss) | 36,853 | | | | 36,215 |
| Change in unrealized appreciation (depreciation) ¹ | 19,135 | 7,008 | | | (79,690) |
| Purchases | 17,418 | | | | 185,418 |
| Sales | (209,484) | | | | (610,617) |
| Transfers into Level 3 ² | | | | 34 | \$ 884,007 |
| Transfers out of Level 3 ³ | | | | | (1,816,849) |
| Balance as of March 31, 2016 | 21,622 | \$ 48,376 | \$ 34 | \$ 7,743 | \$ 4,985,938 |
| Net change in unrealized appreciation (depreciation) for investments in securities still held at March 31, 2016 ¹ | 4,204 | \$ 7,008 | | | \$ (29,021) |

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The Fund's policy is to recognize transfers between levels as of the end of the reporting period.

- ¹ Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized.
- ² Transferred into Level 3 as a result of the unavailability of a quoted price in an active market for an identical investment or the unavailability of other significant observable inputs.
- ³ Transferred out of Level 3 as a result of the availability of a quoted price in an active market for an identical investment or the availability of other significant observable inputs.

Notes to Schedule of Investments (unaudited) (continued)

2. Investments

At March 31, 2016, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

| | |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 14,713,407 |
| Gross unrealized depreciation | (9,412,286) |
| Net unrealized appreciation | \$ 5,301,121 |

At March 31, 2016, the Fund had the following open futures contracts:

| | Number of Contracts | Expiration Date | Basis Value | Market Value | Unrealized Depreciation |
|-------------------------------------|------------------------|--------------------|----------------|-----------------|----------------------------|
| Contracts to Buy: | | | | | |
| U.S. Treasury Ultra Long-Term Bonds | 15 | 6/16 | \$ 2,605,872 | \$ 2,587,969 | \$ (17,903) |

At March 31, 2016, the Fund had the following open forward foreign currency contracts:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|-----------------------|------------------|---------------|--------------------|--|
| EUR 60,000 | USD 66,695 | Citibank N.A. | 5/13/16 | \$ 1,658 |
| USD 1,977,448 | EUR 1,750,000 | Citibank N.A. | 5/13/16 | (16,201) |
| Total | | | | \$ (14,543) |

Abbreviations used in this table:

EUR Euro
USD United States Dollar

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 Premier Bond Fund

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

Date: May 20, 2016

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: May 20, 2016

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

Date: May 20, 2016