

Western Asset Income Fund
Form N-Q
November 18, 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 **811-02351**

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, 2016**

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET INCOME FUND

FORM N-Q

SEPTEMBER 30, 2016

WESTERN ASSET INCOME FUND

Schedule of investments (unaudited)

September 30, 2016

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES - 89.6%				
CONSUMER DISCRETIONARY - 9.6%				
Auto Components - 0.5%				
ZF North America Capital Inc., Senior Notes	4.750%	4/29/25	\$ 740,000	\$ 777,000 ^(a)
Automobiles - 0.8%				
Ford Motor Credit Co., LLC, Senior Notes	8.125%	1/15/20	410,000	484,210
General Motors Co., Senior Notes	6.600%	4/1/36	170,000	204,541
General Motors Co., Senior Notes	5.200%	4/1/45	310,000	322,456
General Motors Co., Senior Notes	6.750%	4/1/46	80,000	100,294
<i>Total Automobiles</i>				<i>1,111,501</i>
Hotels, Restaurants & Leisure - 0.4%				
GLP Capital LP/GLP Financing II Inc., Senior Notes	5.375%	4/15/26	180,000	193,500
McDonald's Corp., Senior Notes	4.700%	12/9/35	150,000	169,883
McDonald's Corp., Senior Notes	4.875%	12/9/45	230,000	266,931
<i>Total Hotels, Restaurants & Leisure</i>				<i>630,314</i>
Household Durables - 0.5%				
Newell Brands Inc., Senior Notes	4.200%	4/1/26	630,000	686,138
Media - 7.0%				
21st Century Fox America Inc., Senior Debentures	7.750%	12/1/45	130,000	191,578
21st Century Fox America Inc., Senior Notes	6.550%	3/15/33	545,000	698,162
Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes	6.384%	10/23/35	110,000	129,556 ^(a)
Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes	6.484%	10/23/45	260,000	314,424 ^(a)
Comcast Corp., Bonds	6.400%	5/15/38	950,000	1,321,690
Comcast Corp., Notes	6.450%	3/15/37	220,000	303,739
Comcast Corp., Senior Notes	6.950%	8/15/37	160,000	233,265
Time Warner Cable Inc., Debentures	7.300%	7/1/38	200,000	255,920
Time Warner Cable Inc., Senior Bonds	6.550%	5/1/37	160,000	189,701
Time Warner Cable Inc., Senior Notes	8.750%	2/14/19	690,000	795,749
Time Warner Cable Inc., Senior Notes	5.500%	9/1/41	50,000	53,370
Time Warner Entertainment Co., LP, Senior Notes	8.375%	7/15/33	410,000	558,310
Time Warner Inc., Senior Debentures	7.700%	5/1/32	595,000	846,022
Time Warner Inc., Senior Notes	4.900%	6/15/42	150,000	167,769
UBM PLC, Notes	5.750%	11/3/20	570,000	617,708 ^(a)
Viacom Inc., Senior Debentures	5.250%	4/1/44	70,000	73,286
Viacom Inc., Senior Notes	3.450%	10/4/26	900,000	899,469
Viacom Inc., Senior Notes	4.375%	3/15/43	40,000	36,723
Virgin Media Finance PLC, Senior Notes	6.375%	4/15/23	1,000,000	1,050,000 ^(a)
WPP Finance 2010, Senior Notes	4.750%	11/21/21	840,000	942,234
WPP Finance 2010, Senior Notes	5.625%	11/15/43	150,000	177,970
<i>Total Media</i>				<i>9,856,645</i>

Edgar Filing: Western Asset Income Fund - Form N-Q

Multiline Retail - 0.2%

Nordstrom Inc., Senior Notes	5.000%	1/15/44	260,000	272,336
------------------------------	--------	---------	---------	---------

Specialty Retail - 0.2%

American Greetings Corp., Senior Notes	7.375%	12/1/21	160,000	166,400
PetSmart Inc., Senior Notes	7.125%	3/15/23	60,000	62,850 ^(a)

<i>Total Specialty Retail</i>				229,250
-------------------------------	--	--	--	---------

TOTAL CONSUMER DISCRETIONARY				13,563,184
-------------------------------------	--	--	--	------------

CONSUMER STAPLES - 4.6%

Beverages - 2.1%

Anheuser-Busch InBev Finance Inc., Senior Notes	4.900%	2/1/46	1,230,000	1,463,430
Anheuser-Busch InBev Worldwide Inc., Senior Notes	5.375%	1/15/20	260,000	290,443
Pernod-Ricard SA, Senior Bonds	5.750%	4/7/21	350,000	403,160 ^(a)
Pernod-Ricard SA, Senior Notes	5.500%	1/15/42	670,000	816,599 ^(a)

<i>Total Beverages</i>				2,973,632
------------------------	--	--	--	-----------

See Notes to Schedule of Investments.

WESTERN ASSET INCOME FUND

Schedule of investments (unaudited) (cont d)

September 30, 2016

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Food & Staples Retailing - 0.5%				
CVS Health Corp., Senior Notes	5.125%	7/20/45	\$ 340,000	\$ 416,039
Walgreens Boots Alliance Inc., Senior Notes	3.450%	6/1/26	320,000	332,198
<i>Total Food & Staples Retailing</i>				748,237
Food Products - 0.7%				
Kraft Heinz Foods Co., Senior Notes	5.000%	7/15/35	70,000	80,838
Kraft Heinz Foods Co., Senior Notes	5.000%	6/4/42	170,000	195,328
Kraft Heinz Foods Co., Senior Notes	5.200%	7/15/45	250,000	295,656
Kraft Heinz Foods Co., Senior Notes	4.375%	6/1/46	310,000	327,988
<i>Total Food Products</i>				899,810
Tobacco - 1.3%				
Altria Group Inc., Senior Notes	3.875%	9/16/46	540,000	560,223
Philip Morris International Inc., Senior Notes	4.500%	3/20/42	100,000	112,841
Reynolds American Inc., Senior Notes	8.125%	5/1/40	270,000	384,846
Reynolds American Inc., Senior Notes	7.000%	8/4/41	320,000	409,972
Reynolds American Inc., Senior Notes	5.850%	8/15/45	320,000	416,035
<i>Total Tobacco</i>				1,883,917
TOTAL CONSUMER STAPLES				6,505,596
ENERGY - 15.8%				
Energy Equipment & Services - 1.0%				
Baker Hughes Inc., Senior Notes	7.500%	11/15/18	370,000	414,478
ENSCO International Inc., Senior Bonds	7.200%	11/15/27	120,000	97,200
EnSCO PLC, Senior Notes	5.200%	3/15/25	480,000	351,048
Halliburton Co., Senior Notes	5.000%	11/15/45	200,000	218,301
Petrofac Ltd., Senior Notes	3.400%	10/10/18	310,000	311,786 ^(a)
Pride International Inc., Senior Notes	7.875%	8/15/40	130,000	97,500
<i>Total Energy Equipment & Services</i>				1,490,313
Oil, Gas & Consumable Fuels - 14.8%				
Anadarko Finance Co., Senior Notes	7.500%	5/1/31	465,000	575,668
Anadarko Petroleum Corp., Senior Notes	4.850%	3/15/21	460,000	493,818
Anadarko Petroleum Corp., Senior Notes	5.550%	3/15/26	460,000	519,818
Apache Corp., Senior Notes	6.900%	9/15/18	100,000	109,204
Apache Corp., Senior Notes	6.000%	1/15/37	190,000	216,772
Apache Corp., Senior Notes	5.100%	9/1/40	160,000	165,950
Apache Corp., Senior Notes	5.250%	2/1/42	90,000	94,695
ConocoPhillips, Notes	6.500%	2/1/39	810,000	1,045,570
Devon Energy Corp., Senior Notes	5.850%	12/15/25	350,000	393,883
Devon Energy Corp., Senior Notes	5.600%	7/15/41	320,000	322,877
Devon Energy Corp., Senior Notes	5.000%	6/15/45	270,000	262,665
Devon Financing Co., LLC, Debentures	7.875%	9/30/31	380,000	470,737

Edgar Filing: Western Asset Income Fund - Form N-Q

Ecopetrol SA, Senior Notes	5.375%	6/26/26	740,000	770,303
Ecopetrol SA, Senior Notes	5.875%	5/28/45	176,000	161,445
Enbridge Energy Partners LP, Senior Notes	9.875%	3/1/19	120,000	139,736
Energy Transfer Equity LP, Senior Notes	7.500%	10/15/20	250,000	274,375
Enterprise Products Operating LLC, Senior Notes	6.125%	10/15/39	320,000	366,791
Hess Corp., Notes	7.875%	10/1/29	1,180,000	1,436,543
Hess Corp., Senior Bonds	6.000%	1/15/40	300,000	306,562
Kerr-McGee Corp., Notes	6.950%	7/1/24	1,080,000	1,298,305
Kinder Morgan Inc., Medium-Term Notes	7.800%	8/1/31	2,000,000	2,437,362
LUKOIL International Finance BV, Senior Notes	4.563%	4/24/23	200,000	206,876 ^(a)
MEG Energy Corp., Senior Notes	6.375%	1/30/23	600,000	474,750 ^(a)
Noble Energy Inc., Senior Notes	6.000%	3/1/41	390,000	421,932
Noble Energy Inc., Senior Notes	5.250%	11/15/43	150,000	152,685
Petrobras Global Finance BV, Senior Notes	7.250%	3/17/44	280,000	252,000 ^(b)
Petroleos Mexicanos, Senior Bonds	6.625%	6/15/35	2,635,000	2,682,035
Petroleos Mexicanos, Senior Notes	6.875%	8/4/26	450,000	507,375 ^(a)

See Notes to Schedule of Investments.

WESTERN ASSET INCOME FUND

Schedule of investments (unaudited) (cont d)

September 30, 2016

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Oil, Gas & Consumable Fuels - (continued)				
Phillips 66, Senior Notes	5.875%	5/1/42	\$ 160,000	\$ 200,774
Schlumberger Holdings Corp., Senior Notes	4.000%	12/21/25	440,000	478,709 ^(a)
Shell International Finance BV, Senior Notes	6.375%	12/15/38	250,000	340,030
Sunoco Logistics Partners Operations LP, Senior Notes	3.900%	7/15/26	390,000	397,688
Transcontinental Gas Pipe Line Co., LLC, Senior Notes	7.850%	2/1/26	470,000	608,481 ^(a)
Transcontinental Gas Pipe Line Co., LLC, Senior Notes	5.400%	8/15/41	310,000	331,890
Transcontinental Gas Pipe Line Co., LLC, Senior Notes	4.450%	8/1/42	450,000	432,903
Western Gas Partners LP, Senior Notes	4.650%	7/1/26	660,000	683,032
Williams Cos. Inc., Debentures	7.500%	1/15/31	47,000	53,580
Williams Cos. Inc., Senior Notes	7.750%	6/15/31	37,000	42,272
Williams Cos. Inc., Senior Notes	8.750%	3/15/32	610,000	756,400
<i>Total Oil, Gas & Consumable Fuels</i>				20,886,491
TOTAL ENERGY				22,376,804
FINANCIALS - 31.8%				
Banks - 18.5%				
Banco Nacional de Costa Rica, Senior Notes	5.875%	4/25/21	340,000	354,450 ^(a)
Bank of America Corp., Senior Notes	6.400%	8/28/17	300,000	312,999
Bank of America Corp., Senior Notes	7.625%	6/1/19	70,000	80,333
Bank of America Corp., Senior Notes	5.625%	7/1/20	30,000	33,677
Bank of America Corp., Senior Notes	5.875%	2/7/42	320,000	417,185
Bank of America Corp., Subordinated Notes	5.700%	5/2/17	1,000,000	1,023,435
Bank of America Corp., Subordinated Notes	6.110%	1/29/37	320,000	391,103
Bank of America Corp., Subordinated Notes	7.750%	5/14/38	900,000	1,304,902
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	240,000	306,718 ^(a)
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	450,000	499,500
BNP Paribas SA, Junior Subordinated Notes	7.625%	3/30/21	330,000	339,663 ^{(a)(c)(d)}
BNP Paribas SA, Junior Subordinated Notes	7.375%	8/19/25	200,000	199,500 ^{(a)(c)(d)}
BPCE SA, Subordinated Notes	5.150%	7/21/24	410,000	431,258 ^(a)
Citigroup Inc., Senior Notes	8.125%	7/15/39	251,000	394,605
Citigroup Inc., Senior Notes	5.875%	1/30/42	240,000	307,215
Citigroup Inc., Subordinated Notes	5.500%	9/13/25	750,000	855,328
Citigroup Inc., Subordinated Notes	4.450%	9/29/27	400,000	418,589
Citigroup Inc., Subordinated Notes	4.125%	7/25/28	240,000	243,991
Citigroup Inc., Subordinated Notes	6.125%	8/25/36	404,000	484,557
Citigroup Inc., Subordinated Notes	6.675%	9/13/43	370,000	486,860
Cooperatieve Rabobank U.A., Junior Subordinated Notes	11.000%	6/30/19	708,000	857,565 ^{(a)(c)(d)}
Cooperatieve Rabobank U.A., Senior Notes	5.250%	5/24/41	570,000	701,991
Cooperatieve Rabobank U.A., Subordinated Notes	5.750%	12/1/43	450,000	538,748
Cooperatieve Rabobank U.A., Subordinated Notes	5.250%	8/4/45	340,000	387,926
Credit Agricole SA, Junior Subordinated Notes	8.375%	10/13/19	560,000	631,859 ^{(a)(c)(d)}
Credit Agricole SA, Junior Subordinated Notes	8.125%	12/23/25	1,040,000	1,102,400 ^{(a)(c)(d)}
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	9/17/24	1,430,000	1,408,550 ^{(c)(d)}
HSBC Holdings PLC, Subordinated Notes	4.250%			