

WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

Form N-Q

April 23, 2018

**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 **811-07362**

**Western Asset Municipal Partners Fund Inc.**

(Exact name of registrant as specified in charter)

**620 Eighth Avenue, 49<sup>th</sup> 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: **November 30**

Date of reporting period: **February 28, 2018**

**ITEM 1. SCHEDULE OF INVESTMENTS.**

**WESTERN ASSET MUNICIPAL PARTNERS FUND INC.**

FORM N-Q

FEBRUARY 28, 2018

## WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

## Schedule of investments (unaudited)

February 28, 2018

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                       |
|---|--------|---------------|-------------|-----------------------------|
| <b>MUNICIPAL BONDS - 152.4%</b>   |        |               |             |                             |
| <b>Alabama - 1.6%</b>   |        |               |             |                             |
| Jefferson County, AL, Sewer Revenue:  |        |               |             |                             |
| Subordinated Lien Warrants  | 6.000% | 10/1/42       | \$ 760,000  | \$ 879,198                  |
| Subordinated Lien Warrants  | 6.500% | 10/1/53       | 1,300,000   | 1,536,405                   |
| <i>Total Alabama</i>  |        |               |             | <i>2,415,603</i>            |
| <b>Alaska - 1.5%</b>  |        |               |             |                             |
| Valdez, AK, Marine Terminal Revenue, BP Pipelines Inc. Project  | 5.000% | 1/1/21        | 2,150,000   | 2,327,203                   |
| <b>Arizona - 1.7%</b>   |        |               |             |                             |
| Navajo Nation, AZ, Revenue  | 5.500% | 12/1/30       | 275,000     | 304,934 <sup>(a)</sup>      |
| Salt Verde, AZ, Financial Corp. Senior Gas Revenue  | 5.000% | 12/1/32       | 2,000,000   | 2,330,600                   |
| <i>Total Arizona</i>  |        |               |             | <i>2,635,534</i>            |
| <b>California - 21.5%</b>   |        |               |             |                             |
| Alameda, CA, Corridor Transportation Authority Revenue, Second Subordinated Lien                                      | 5.000% | 10/1/34       | 500,000     | 561,070                     |
| Bay Area Toll Authority, CA, Toll Bridge Revenue, San Francisco Bay Area, (SIFMA Municipal Swap Index Yield + 1.100%) | 2.190% | 4/1/24        | 2,500,000   | 2,572,275 <sup>(b)(c)</sup> |
| California State PCFA, Water Furnishing Revenue   | 5.000% | 11/21/45      | 2,470,000   | 2,515,596 <sup>(a)</sup>    |
| California State PCFA, Water Furnishing Revenue   | 5.000% | 11/21/45      | 1,000,000   | 1,064,710 <sup>(a)(d)</sup> |
| California State, GO:   |        |               |             |                             |
| Various Purpose   | 4.000% | 11/1/37       | 250,000     | 262,680                     |
| Various Purpose   | 5.000% | 4/1/43        | 4,000,000   | 4,439,960                   |
| California Statewide CDA Revenue, Insured Health Facility L.A., Jewish Home, CA, Mortgage Insurance, CMI              | 5.000% | 11/15/28      | 1,500,000   | 1,510,770                   |
| Eastern Municipal Water District Financing Authority, CA, Water & Wastewater Revenue                                  | 5.000% | 7/1/47        | 1,000,000   | 1,148,510                   |
| Los Angeles County, CA, Public Works Financing Authority, Lease Revenue, Multiple Capital Project II                  | 5.000% | 8/1/30        | 2,500,000   | 2,790,625                   |
| Los Angeles, CA, Department of Water & Power Revenue  | 5.000% | 7/1/35        | 1,000,000   | 1,172,340                   |
| Los Angeles, CA, Department of Water & Power Revenue, Power System  | 5.000% | 7/1/47        | 1,000,000   | 1,143,260                   |
| Lower Tule River, CA, Irrigation District Revenue, COP  | 5.000% | 8/1/40        | 1,000,000   | 1,060,360                   |
| M-S-R Energy Authority, CA, Gas Revenue   | 7.000% | 11/1/34       | 2,490,000   | 3,497,379                   |
| M-S-R Energy Authority, CA, Gas Revenue   | 6.500% | 11/1/39       | 2,000,000   | 2,784,860                   |
| Rancho Cucamonga, CA, RDA, Successor Agency Tax Allocation, Rancho Redevelopment Project Area, AGM                    | 5.000% | 9/1/30        | 750,000     | 857,453                     |
| River Islands, CA, Public Financing Authority Special Tax, Community Facilities District No. 2003-1                   | 5.500% | 9/1/45        | 500,000     | 534,255                     |
| Riverside County, CA, Transportation Commission Sales Tax Revenue, Limited Tax  | 5.250% | 6/1/39        | 250,000     | 291,630 <sup>(e)</sup>      |
| Riverside County, CA, Transportation Commission Toll Revenue:   |        |               |             |                             |
| Senior Lien   | 5.750% | 6/1/44        | 100,000     | 111,353                     |
| Senior Lien   | 5.750% | 6/1/48        | 200,000     | 222,300                     |
| Tulare, CA, Sewer Revenue, AGM  | 5.000% | 11/15/41      | 2,000,000   | 2,255,600                   |
| Turlock, CA, Irrigation District Revenue  | 5.000% | 1/1/35        | 2,500,000   | 2,658,775 <sup>(e)</sup>    |

*Total California*

*33,455,761*

**See Notes to Schedule of Investments.**

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## WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

## Schedule of investments (unaudited) (cont d)

February 28, 2018

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                    |
|--|--------|---------------|-------------|--------------------------|
| <b>Colorado - 6.9%</b>   |        |               |             |                          |
| Base Village Metropolitan District #2 Co., GO  | 5.750% | 12/1/46       | \$ 500,000  | \$ 509,740               |
| Colliers Hill Metropolitan District #2, GO   | 6.250% | 12/1/37       | 750,000     | 757,237                  |
| Colorado High Performance Transportation Enterprise Revenue, C-470 Express Lanes   | 5.000% | 12/31/51      | 200,000     | 216,686                  |
| Colorado State Health Facilities Authority Revenue, Sisters of Charity Leavenworth Health System Inc.                                | 5.250% | 1/1/25        | 3,500,000   | 3,711,155                |
| Public Authority for Colorado Energy, Natural Gas Purchase Revenue   | 5.750% | 11/15/18      | 85,000      | 87,392                   |
| Public Authority for Colorado Energy, Natural Gas Purchase Revenue   | 6.500% | 11/15/38      | 4,000,000   | 5,502,760                |
| <i>Total Colorado</i>  |        |               |             | <i>10,784,970</i>        |
| <b>Connecticut - 0.7%</b>  |        |               |             |                          |
| Connecticut State Special Tax Obligation Revenue, Transportation Infrastructure Purpose  | 5.000% | 1/1/37        | 500,000     | 554,875                  |
| Connecticut State, GO  | 5.000% | 10/15/34      | 270,000     | 296,527                  |
| Harbor Point, CT, Infrastructure Improvement District, Special Obligation Revenue, Harbor Point Project Ltd.                         | 5.000% | 4/1/39        | 250,000     | 268,478 <sup>(a)</sup>   |
| <i>Total Connecticut</i>   |        |               |             | <i>1,119,880</i>         |
| <b>District of Columbia - 0.7%</b>   |        |               |             |                          |
| District of Columbia Revenue:  |        |               |             |                          |
| Ingleside Rock Creek Project   | 4.125% | 7/1/27        | 200,000     | 202,470                  |
| KIPP DC Issue  | 5.000% | 7/1/37        | 800,000     | 892,000                  |
| <i>Total District of Columbia</i>  |        |               |             | <i>1,094,470</i>         |
| <b>Florida - 9.5%</b>  |        |               |             |                          |
| Broward County, FL, Airport System Revenue   | 5.000% | 10/1/47       | 350,000     | 389,998 <sup>(d)</sup>   |
| Capital Trust Agency, FL, Senior Living Revenue, Elim Senior Housing Inc.  | 5.875% | 8/1/52        | 100,000     | 102,205 <sup>(a)</sup>   |
| Central Florida Expressway Authority Revenue, Senior Lien  | 5.000% | 7/1/42        | 250,000     | 284,743                  |
| Florida State Development Finance Corp., Educational Facilities Revenue, Renaissance Charter School Inc. Project                     | 6.125% | 6/15/46       | 160,000     | 166,115 <sup>(a)</sup>   |
| Florida State Mid-Bay Bridge Authority Revenue   | 5.000% | 10/1/40       | 740,000     | 813,845                  |
| Greater Orlando, FL, Aviation Authority, Airport Facilities Revenue  | 5.000% | 10/1/42       | 500,000     | 557,570 <sup>(d)</sup>   |
| Miami-Dade County, FL, Aviation Revenue  | 5.000% | 10/1/41       | 3,000,000   | 3,368,790                |
| Miami-Dade County, FL, Expressway Authority Toll System Revenue  | 5.000% | 7/1/24        | 1,250,000   | 1,442,962                |
| Miami-Dade County, FL, GO, Seaport   | 5.000% | 10/1/23       | 2,315,000   | 2,566,478                |
| Miami-Dade County, FL, Health Facilities Authority Hospital Revenue, Nicklaus Children's Hospital                                    | 5.000% | 8/1/42        | 350,000     | 388,580                  |
| Miami-Dade County, FL, School District, GO   | 5.000% | 3/15/30       | 1,000,000   | 1,158,120                |
| Orange County, FL, Health Facilities Authority Revenue, Presbyterian Retirement Communities  | 5.000% | 8/1/47        | 250,000     | 273,773                  |
| Orlando & Orange County, FL, Expressway Authority Revenue  | 5.000% | 7/1/30        | 2,000,000   | 2,152,520 <sup>(e)</sup> |
| Volusia County, FL, Educational Facility Authority Revenue, Educational Facilities Embry-Riddle Aeronautical University Inc. Project | 5.000% | 10/15/42      | 1,000,000   | 1,130,300                |

*Total Florida*

14,795,999

**See Notes to Schedule of Investments.**

## WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

## Schedule of investments (unaudited) (cont d)

February 28, 2018

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                     |
|--|--------|---------------|-------------|---------------------------|
| <b>Illinois - 11.6%</b>  |        |               |             |                           |
| Chicago, IL, Board of Education, GO, Dedicated   | 5.000% | 12/1/44       | \$ 330,000  | \$ 330,228                |
| Chicago, IL, GO  | 5.000% | 1/1/25        | 1,000,000   | 1,085,950                 |
| Chicago, IL, GO  | 5.500% | 1/1/34        | 950,000     | 1,012,747                 |
| Chicago, IL, GO  | 5.500% | 1/1/37        | 60,000      | 63,527                    |
| Chicago, IL, GO  | 6.000% | 1/1/38        | 500,000     | 567,775                   |
| Chicago, IL, Metropolitan Water Reclamation District Greater Chicago, GO, Green Bond             | 5.000% | 12/1/44       | 1,000,000   | 1,102,670                 |
| Chicago, IL, O Hare International Airport Revenue  | 5.000% | 1/1/35        | 2,200,000   | 2,429,790 <sup>(d)</sup>  |
| Chicago, IL, O Hare International Airport Revenue: General, Senior Lien                          | 5.000% | 1/1/41        | 250,000     | 278,558                   |
| Senior Lien  | 5.000% | 1/1/47        | 500,000     | 559,350                   |
| Senior Lien  | 5.000% | 1/1/52        | 500,000     | 555,325                   |
| Chicago, IL, Public Building Commission, Building Revenue, Chicago School Reform, NATL           | 5.250% | 12/1/18       | 1,000,000   | 1,025,690                 |
| Chicago, IL, Transit Authority, Sales Tax Receipts Revenue, Second Lien                          | 5.000% | 12/1/51       | 250,000     | 265,063                   |
| Chicago, IL, Wastewater Transmission Revenue, Second Lien  | 5.000% | 1/1/38        | 750,000     | 813,428                   |
| Chicago, IL, Waterworks Revenue: Second Lien Project   | 5.000% | 11/1/34       | 800,000     | 875,712                   |
| Second Lien Project  | 5.000% | 11/1/39       | 500,000     | 541,740                   |
| Second Lien, AGM   | 5.000% | 11/1/31       | 320,000     | 364,688                   |
| Illinois State Toll Highway Authority Revenue  | 5.000% | 12/1/31       | 1,500,000   | 1,718,055                 |
| Illinois State University Revenue, Auxiliary Facilities System, AGM                              | 5.000% | 4/1/37        | 100,000     | 107,538                   |
| Illinois State, GO   | 5.000% | 2/1/28        | 760,000     | 790,453                   |
| Illinois State, GO   | 5.000% | 2/1/29        | 440,000     | 455,338                   |
| Illinois State, GO   | 5.000% | 1/1/33        | 500,000     | 510,030                   |
| Metropolitan Pier & Exposition Authority, IL, Dedicated State Tax Revenue: McCormick Project     | 5.200% | 6/15/50       | 970,000     | 991,291                   |
| McCormick Project, State Appropriations  | 5.250% | 6/15/50       | 215,000     | 220,093                   |
| Metropolitan Pier & Exposition Authority, IL, Revenue, CAB-McCormick Place Expansion Project     | 0.000% | 12/15/52      | 900,000     | 151,416                   |
| Sales Tax Securitization Corp., IL, Revenue  | 5.000% | 1/1/27        | 200,000     | 231,998                   |
| University of Illinois, COP  | 5.000% | 3/15/24       | 1,000,000   | 1,118,440                 |
| <i>Total Illinois</i>  |        |               |             | <i>18,166,893</i>         |
| <b>Indiana - 2.1%</b>  |        |               |             |                           |
| Indiana Finance Authority Midwestern Disaster Relief Revenue, Ohio Valley Electric Corp. Project | 5.000% | 6/1/39        | 1,000,000   | 1,011,360                 |
| Indianapolis, IN, Local Public Improvement Bond Bank Revenue                                     | 5.000% | 6/1/27        | 2,000,000   | 2,181,740                 |
| <i>Total Indiana</i>   |        |               |             | <i>3,193,100</i>          |
| <b>Louisiana - 1.9%</b>  |        |               |             |                           |
| Port New Orleans, LA, Board of Commissioners Port Facilities Revenue, AGM                        | 5.000% | 4/1/43        | 500,000     | 565,500 <sup>(d)(f)</sup> |
| Shreveport, LA, Water & Sewer Revenue, AGM   | 5.000% | 12/1/34       | 2,080,000   | 2,362,506                 |
| <i>Total Louisiana</i>   |        |               |             | <i>2,928,006</i>          |



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**Maryland - 0.7%**

|  |        |        |           |                          |
|--|--------|--------|-----------|--------------------------|
| Maryland State EDC, EDR, Transportation Facilities Project | 5.750% | 6/1/35 | 1,000,000 | 1,091,450 <sup>(e)</sup> |
|--|--------|--------|-----------|--------------------------|

**See Notes to Schedule of Investments.**

## WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

## Schedule of investments (unaudited) (cont d)

February 28, 2018

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT  | VALUE                    |
|--|--------|---------------|--------------|--------------------------|
| <b>Massachusetts - 2.4%</b>  |        |               |              |                          |
| Massachusetts State DFA Revenue:   |        |               |              |                          |
| International Charter School   | 5.000% | 4/15/40       | \$ 1,875,000 | \$ 1,990,088             |
| Partners Healthcare System   | 5.000% | 7/1/47        | 1,000,000    | 1,115,180                |
| UMass Boston Student Housing Project   | 5.000% | 10/1/48       | 200,000      | 216,970                  |
| Massachusetts State Water Pollution Abatement Trust Revenue, MWRA Program, Unrefunded Balance                  | 5.750% | 8/1/29        | 355,000      | 356,274                  |
| <i>Total Massachusetts</i>   |        |               |              | 3,678,512                |
| <b>Michigan - 4.2%</b>   |        |               |              |                          |
| Detroit, MI, Water & Sewerage Department, Disposal System Revenue, Senior Lien                                 | 5.250% | 7/1/39        | 405,000      | 438,307                  |
| Great Lakes, MI, Water Authority Water Supply System Revenue:  |        |               |              |                          |
| Senior Lien  | 5.000% | 7/1/35        | 150,000      | 167,855                  |
| Senior Lien  | 5.000% | 7/1/46        | 1,300,000    | 1,447,745                |
| Michigan State Building Authority Revenue, Facilities Program  | 5.250% | 10/15/47      | 250,000      | 279,842                  |
| Michigan State Finance Authority Ltd. Obligation Revenue, Higher Education, Thomas M Cooley Law School Project | 6.750% | 7/1/44        | 450,000      | 450,859 <sup>(a)</sup>   |
| Michigan State Finance Authority Revenue:  |        |               |              |                          |
| Senior Lien Detroit Water & Sewer  | 5.000% | 7/1/33        | 370,000      | 407,207                  |
| Senior Lien Detroit Water & Sewer  | 5.000% | 7/1/44        | 380,000      | 412,726                  |
| Michigan State Hospital Finance Authority Revenue, McLaren Health Care Corp.                                   | 5.750% | 5/15/38       | 1,750,000    | 1,765,890 <sup>(e)</sup> |
| Wayne County, MI, Airport Authority Revenue, Detroit Metropolitan Airport                                      | 5.000% | 12/1/18       | 1,170,000    | 1,198,876 <sup>(d)</sup> |
| <i>Total Michigan</i>  |        |               |              | 6,569,307                |
| <b>Missouri - 1.5%</b>   |        |               |              |                          |
| Boone County, MO, Hospital Revenue, Boone Hospital Center  | 5.375% | 8/1/38        | 2,000,000    | 2,032,660 <sup>(e)</sup> |
| Kansas City, MO, IDA, Senior Living Facilities Revenue, Kansas City United Methodist Retirement Home Inc.      | 6.000% | 11/15/51      | 300,000      | 296,970 <sup>(a)</sup>   |
| <i>Total Missouri</i>  |        |               |              | 2,329,630                |
| <b>Nebraska - 0.2%</b>   |        |               |              |                          |
| Central Plains Energy Project, NE, Gas Project Revenue, Project #3   | 5.000% | 9/1/42        | 300,000      | 355,464                  |
| <b>New Jersey - 11.8%</b>  |        |               |              |                          |
| Casino Reinvestment Development Authority, NJ, Luxury Tax Revenue, AGM   | 5.000% | 11/1/27       | 240,000      | 264,518                  |
| New Jersey State EDA Revenue   | 5.000% | 6/15/29       | 500,000      | 535,965                  |
| New Jersey State EDA Revenue:  |        |               |              |                          |
| Continental Airlines Inc. Project  | 5.250% | 9/15/29       | 2,000,000    | 2,183,220 <sup>(d)</sup> |
| Private Activity-The Goethals Bridge Replacement Project   | 5.375% | 1/1/43        | 1,000,000    | 1,105,840 <sup>(d)</sup> |
| Provident Group - Rowan Properties LLC, Rowan University Housing Project                                       | 5.000% | 1/1/48        | 500,000      | 528,070                  |
| School Facilities Construction(SIFMA Municipal Swap Index Yield + 1.600%)                                      | 2.690% | 3/1/28        | 2,500,000    | 2,469,375 <sup>(b)</sup> |
| New Jersey State EDA, Special Facility Revenue, Port Newark Container Terminal LLC Project                     | 5.000% | 10/1/37       | 175,000      | 189,679 <sup>(d)</sup>   |
| New Jersey State EFA Revenue, Stevens Institute of Technology  | 5.000% | 7/1/42        | 3,000,000    | 3,340,290                |
| New Jersey State Health Care Facilities Financing Authority Revenue:   |        |               |              |                          |

|                            |        |        |         |         |
|----------------------------|--------|--------|---------|---------|
| Hackensack Meridian Health | 5.000% | 7/1/38 | 100,000 | 113,553 |
|----------------------------|--------|--------|---------|---------|

**See Notes to Schedule of Investments.**

## WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

## Schedule of investments (unaudited) (cont d)

February 28, 2018

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                    |
|---|--------|---------------|-------------|--------------------------|
| <b>New Jersey - (continued)</b>   |        |               |             |                          |
| RWJ Barnabas Health Obligation Group  | 5.000% | 7/1/43        | \$ 300,000  | \$ 331,170               |
| New Jersey State Transportation Trust Fund Authority Revenue, Transportation Program, State Appropriations                | 5.000% | 6/15/38       | 6,000,000   | 6,238,620                |
| New Jersey State Turnpike Authority Revenue   | 5.000% | 1/1/35        | 1,000,000   | 1,146,210                |
| <i>Total New Jersey</i>   |        |               |             | <i>18,446,510</i>        |
| <b>New York - 24.7%</b>   |        |               |             |                          |
| Brooklyn Arena, NY, Local Development Corp. Revenue, Barclays Center Project  | 6.250% | 7/15/40       | 1,000,000   | 1,085,280 <sup>(e)</sup> |
| Hudson, NY, Yards Infrastructure Corp. Revenue  | 5.000% | 2/15/42       | 850,000     | 961,911                  |
| MTA Hudson Rail Yards Trust Obligations Revenue   | 5.000% | 11/15/56      | 3,330,000   | 3,698,698                |
| MTA, NY, Dedicated Tax Fund Revenue, Green Bonds  | 5.000% | 11/15/47      | 500,000     | 567,390                  |
| MTA, NY, Revenue  | 5.250% | 11/15/40      | 1,000,000   | 1,097,260 <sup>(e)</sup> |
| MTA, NY, Revenue, Transportation  | 5.000% | 11/15/25      | 1,000,000   | 1,117,530 <sup>(e)</sup> |
| Nassau County, NY, Industrial Development Agency, Continuing Care Retirement Community Revenue, Amsterdam At Harborside   | 2.000% | 1/1/49        | 67,436      | 11,464                   |
| New York City, NY, Municipal Water Finance Authority, Water & Sewer System Revenue, Second General Resolution Fiscal 2011 | 5.000% | 6/15/31       | 4,850,000   | 5,208,415                |
| New York State Dormitory Authority Revenue:   |        |               |             |                          |
| Court Facilities Lease, NYC Issue, Non-State Supported Debt, AMBAC  | 5.500% | 5/15/30       | 3,365,000   | 4,215,268                |
| Non State Supported Debt, New School  | 5.000% | 7/1/35        | 2,000,000   | 2,241,820                |
| Non-State Supported Debt, Columbia University   | 5.000% | 7/1/38        | 2,000,000   | 2,024,140                |
| New York State Liberty Development Corp., Liberty Revenue:  |        |               |             |                          |
| 3 World Trade Center LLC Project  | 5.000% | 11/15/44      | 490,000     | 518,533 <sup>(a)</sup>   |
| 4 World Trade Center LLC Project  | 5.750% | 11/15/51      | 2,000,000   | 2,249,560                |
| Second Priority, Bank of America Tower  | 5.125% | 1/15/44       | 2,500,000   | 2,637,875                |
| New York State Transportation Development Corp., Special Facilities Revenue:  |        |               |             |                          |
| American Airlines Inc., John F. Kennedy International Airport Project   | 5.000% | 8/1/31        | 2,000,000   | 2,119,480 <sup>(d)</sup> |
| LaGuardia Airport Terminal B Redevelopment Project  | 5.000% | 7/1/41        | 2,250,000   | 2,453,400 <sup>(d)</sup> |
| LaGuardia Airport Terminal B Redevelopment Project  | 5.000% | 7/1/46        | 400,000     | 434,496 <sup>(d)</sup>   |
| New York State Urban Development Corp. Revenue, State Personal Income Tax   | 5.000% | 3/15/26       | 430,000     | 431,333                  |
| Port Authority of New York & New Jersey Revenue   | 5.000% | 1/15/41       | 4,750,000   | 5,148,145                |
| Triborough Bridge & Tunnel Authority, NY, Revenue, MTA Bridges & Tunnels  | 5.000% | 11/15/42      | 250,000     | 286,820                  |
| <i>Total New York</i>   |        |               |             | <i>38,508,818</i>        |
| <b>North Carolina - 4.1%</b>  |        |               |             |                          |
| Charlotte-Mecklenburg Hospital Authority, NC, Health Care System Revenue, Carolinas Healthcare System                     | 5.000% | 1/15/31       | 5,000,000   | 5,483,350                |
| North Carolina State Turnpike Authority Monroe Expressway Toll Revenue  | 5.000% | 7/1/47        | 750,000     | 818,190                  |
| North Carolina State Turnpike Authority Revenue, Senior Lien  | 5.000% | 1/1/30        | 100,000     | 116,168                  |
| <i>Total North Carolina</i>   |        |               |             | <i>6,417,708</i>         |

**See Notes to Schedule of Investments.**

## WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

## Schedule of investments (unaudited) (cont d)

February 28, 2018

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT  | VALUE                       |
|---|--------|---------------|--------------|-----------------------------|
| <b>Ohio - 3.0%</b>  |        |               |              |                             |
| Northeast, OH, Regional Sewer District Revenue, Waste Water Revenue Improvement   | 5.000% | 11/15/43      | \$ 4,040,000 | \$ 4,625,194 <sup>(e)</sup> |
| <b>Oklahoma - 1.5%</b>  |        |               |              |                             |
| Grand River Dam Authority, OK, Revenue  | 5.250% | 6/1/40        | 2,000,000    | 2,158,600 <sup>(e)</sup>    |
| Payne County, OK, EDA Revenue, Epworth Living at The Ranch  | 6.875% | 11/1/46       | 150,000      | 111,141                     |
| <i>Total Oklahoma</i>   |        |               |              | 2,269,741                   |
| <b>Oregon - 1.1%</b>  |        |               |              |                             |
| Multnomah County, OR, School District # 7 Reynolds, GO, Deferred Interest, School Board Guaranty  | 0.000% | 6/15/31       | 1,000,000    | 608,050                     |
| Oregon State Facilities Authority Revenue, Legacy Health Project  | 5.000% | 6/1/46        | 600,000      | 667,140                     |
| Yamhill County, OR, Hospital Authority Revenue, Friendsview Retirement Community  | 5.000% | 11/15/46      | 475,000      | 506,170                     |
| <i>Total Oregon</i>   |        |               |              | 1,781,360                   |
| <b>Pennsylvania - 7.5%</b>  |        |               |              |                             |
| Allegheny County, PA, IDA Revenue, Environmental Improvement, US Steel Corp.  | 6.750% | 11/1/24       | 85,000       | 87,421                      |
| Central Bradford, PA, Progress Authority Revenue, Guthrie Healthcare Systems Commonwealth Financing Authority, PA, Tobacco Master Settlement Payment Revenue, Tobacco Master Settlement Payment Bonds | 5.000% | 12/1/26       | 5,130,000    | 5,627,866                   |
| Cumberland County, PA, Municipal Authority Revenue, Diakon Lutheran Social Ministries Project   | 5.000% | 6/1/33        | 250,000      | 278,173                     |
| East Hempfield Township, PA, IDA Revenue, Student Services Inc.-Student Housing Project-Millersville University   | 5.000% | 1/1/29        | 750,000      | 830,272                     |
| Pennsylvania Economic Development Financing Authority, Sewer Sludge Disposal Revenue, Philadelphia Biosolids Facility   | 5.000% | 7/1/47        | 250,000      | 263,785                     |
| Philadelphia, PA, Airport Revenue   | 6.250% | 1/1/32        | 500,000      | 529,170                     |
| Philadelphia, PA, School District, GO   | 5.000% | 6/15/35       | 2,000,000    | 2,214,400 <sup>(d)</sup>    |
| State Public School Building Authority PA, Lease Revenue:   | 5.000% | 9/1/32        | 1,000,000    | 1,081,040                   |
| Philadelphia School District Project, AGM   | 5.000% | 6/1/31        | 200,000      | 220,052                     |
| Philadelphia School District Project, AGM   | 5.000% | 6/1/33        | 500,000      | 546,215                     |
| <i>Total Pennsylvania</i>   |        |               |              | 11,678,394                  |
| <b>South Dakota - 0.1%</b>  |        |               |              |                             |
| South Dakota State HEFA Revenue, Regional Health  | 5.000% | 9/1/40        | 200,000      | 222,728                     |
| <b>Tennessee - 5.2%</b>   |        |               |              |                             |
| Clarksville, TN, Natural Gas Acquisition Corp., Gas Revenue   | 5.000% | 12/15/20      | 2,030,000    | 2,192,461                   |
| Tennessee Energy Acquisition Corp., Gas Revenue   | 5.000% | 2/1/20        | 3,555,000    | 3,761,794                   |
| Tennessee Energy Acquisition Corp., Gas Revenue   | 5.000% | 2/1/21        | 2,025,000    | 2,191,313                   |
| <i>Total Tennessee</i>  |        |               |              | 8,145,568                   |

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**Texas - 14.1%**

|  |        |          |           |                          |
|--|--------|----------|-----------|--------------------------|
| Arlington, TX, Higher Education Finance Corp., Education Revenue, Uplift<br>Education, PSF-GTD | 5.000% | 12/1/47  | 250,000   | 280,023                  |
| Austin, TX, Water & Wastewater System Revenue  | 5.000% | 11/15/26 | 2,500,000 | 2,646,075 <sup>(e)</sup> |
| Austin, TX, Water & Wastewater System Revenue  | 5.125% | 11/15/28 | 2,210,000 | 2,343,149 <sup>(e)</sup> |

**See Notes to Schedule of Investments.**

## WESTERN ASSET MUNICIPAL PARTNERS FUND INC.

## Schedule of investments (unaudited) (cont d)

February 28, 2018

| SECURITY  | RATE    | MATURITY DATE | FACE AMOUNT  | VALUE                    |
|---|---------|---------------|--------------|--------------------------|
| <b>Texas - (continued)</b>  |         |               |              |                          |
| Corpus Christi, TX, Utility System Revenue, Junior Lien   | 5.000%  | 7/15/31       | \$ 2,905,000 | \$ 3,286,485             |
| Grand Parkway Transportation Corp., TX, System Toll Revenue, Convertible CAB, Step bond, 0.000% until 10/1/23; 5.500%                   | 0.000%  | 10/1/36       | 2,000,000    | 1,842,880                |
| Harris County, TX, Metropolitan Transit Authority Sales & Use Tax Revenue   | 5.000%  | 11/1/36       | 3,125,000    | 3,445,219                |
| Houston, TX, Airport Systems Revenue, United Airlines Inc.  | 5.000%  | 7/15/30       | 1,000,000    | 1,091,230 <sup>(d)</sup> |
| Love Field, TX, Airport Modernization Corp., General Airport Revenue  | 5.000%  | 11/1/33       | 40,000       | 45,054 <sup>(d)</sup>    |
| Love Field, TX, Airport Modernization Corp., General Airport Revenue  | 5.000%  | 11/1/35       | 40,000       | 44,798 <sup>(d)</sup>    |
| Love Field, TX, Airport Modernization Corp., General Airport Revenue  | 5.000%  | 11/1/36       | 40,000       | 44,702 <sup>(d)</sup>    |
| New Hope Cultural Education Facilities Finance Corp., TX, Student Housing Revenue, Collegiate Housing-Tarleton State University Project | 5.000%  | 4/1/35        | 800,000      | 862,992                  |
| North Texas Tollway Authority Revenue   | 5.000%  | 1/1/39        | 250,000      | 279,290                  |
| North Texas Tollway Authority Revenue   | 5.000%  | 1/1/40        | 600,000      | 653,280                  |
| North Texas Tollway Authority Revenue   | 5.000%  | 1/1/45        | 600,000      | 663,444                  |
| North Texas Tollway Authority Revenue, First Tier   | 5.000%  | 1/1/43        | 750,000      | 847,522                  |
| Socorro, TX, ISD, GO, School Building, PSF-GTD  | 5.000%  | 8/15/43       | 750,000      | 851,857                  |
| Tarrant County, TX, Cultural Education Facilities Finance Corp., Retirement Facility Revenue, Buckner Senior Living Ventana Project     | 6.625%  | 11/15/37      | 170,000      | 188,573                  |
| Texas State Private Activity Bond Surface Transportation Corp. Revenue, Senior Lien, Blueridge Transportation Group LLC                 | 5.000%  | 12/31/40      | 460,000      | 503,580 <sup>(d)</sup>   |
| Texas State Water Development Board Revenue   | 5.000%  | 10/15/47      | 1,550,000    | 1,772,487                |
| Woodloch Health Facilities Development Corp., TX, Senior Housing Revenue: Inspired Living Lewsville Project                             | 6.750%  | 12/1/51       | 300,000      | 311,385 <sup>(a)</sup>   |
| Inspired Living Lewsville Project   | 10.000% | 12/1/51       | 50,000       | 52,296                   |
| <i>Total Texas</i>  |         |               |              | 22,056,321               |
| <b>U.S. Virgin Islands - 0.4%</b>   |         |               |              |                          |
| Virgin Islands Public Finance Authority Revenue: Matching Fund Loan   | 6.750%  | 10/1/37       | 670,000      | 407,025                  |
| Matching Fund Loan  | 6.000%  | 10/1/39       | 420,000      | 244,650                  |
| <i>Total U.S. Virgin Islands</i>  |         |               |              | 651,675                  |
| <b>Utah - 0.2%</b>  |         |               |              |                          |
| Utah State Charter School Finance Authority, Charter School Revenue, Syracuse Arts Academy Project, UT CSCE                             | 5.000%  | 4/15/42       | 250,000      | 274,443                  |
| <b>Virginia - 0.8%</b>  |         |               |              |                          |
| Virginia State Port Authority Port Facility Revenue   | 5.000%  | 7/1/41        | 300,000      | 333,636 <sup>(d)</sup>   |
| Virginia State Port Authority Port Facility Revenue   | 5.000%  | 7/1/45        | 500,000      | 552,245 <sup>(d)</sup>   |
| Virginia State Small Business Financing Authority Revenue, Senior Lien, 95 Express Lanes LLC  | 5.000%  | 1/1/40        | 400,000      | 426,488 <sup>(d)</sup>   |
| <i>Total Virginia</i>   |         |               |              | 1,312,369                |
| <b>Washington - 3.9%</b>  |         |               |              |                          |
| Port of Seattle, WA, Revenue  | 5.000%  | 8/1/25        | 2,395,000    | 2,675,574                |



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|  |        |         |           |                        |
|--|--------|---------|-----------|------------------------|
| Washington State Health Care Facilities Authority Revenue, PeaceHealth | 5.000% | 11/1/28 | 3,000,000 | 3,122,640              |
| Washington State HFC Revenue:  |        |         |           |                        |
| Heron s Key  | 6.500% | 7/1/30  | 100,000   | 106,142 <sup>(a)</sup> |
| Heron s Key  | 6.750% | 7/1/35  | 100,000   | 106,271 <sup>(a)</sup> |
| <i>Total Washington</i>  |        |         |           | <i>6,010,627</i>       |

**See Notes to Schedule of Investments.**

**WESTERN ASSET MUNICIPAL PARTNERS FUND INC.****Schedule of investments (unaudited) (cont d)****February 28, 2018**

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT  | VALUE                       |
|--|--------|---------------|--------------|-----------------------------|
| <b>Wisconsin - 5.3%</b>  |        |               |              |                             |
| Public Finance Authority, WI, Airport Facilities Revenue, Transportation Infrastructure Properties LLC | 5.000% | 7/1/42        | \$ 4,000,000 | \$ 4,238,960 <sup>(d)</sup> |
| Public Finance Authority, WI, Ltd. Obligation Pilot Revenue, American Dream @ Meadowlands Project      | 7.000% | 12/1/50       | 400,000      | 462,760 <sup>(a)</sup>      |
| Public Finance Authority, WI, Revenue, Denver International Airport Great Hall Project                 | 5.000% | 9/30/49       | 285,000      | 310,086 <sup>(d)</sup>      |
| Wisconsin State HEFA Revenue, SSM Health Care Corp.  | 5.000% | 6/1/25        | 3,110,000    | 3,304,748                   |
| <i>Total Wisconsin</i>   |        |               |              | <i>8,316,554</i>            |
| <b>TOTAL INVESTMENTS - 152.4%</b>  |        |               |              |                             |
| (Cost - \$225,029,657)   |        |               |              | 237,659,792                 |
| Auction Rate Cumulative Preferred Stock, at Liquidation Value - (11.9)%                                |        |               |              | (18,500,000)                |
| Variable Rate Demand Preferred Stock, at Liquidation Value - (42.6)%                                   |        |               |              | (66,500,000)                |
| Other Assets in Excess of Liabilities - 2.1%   |        |               |              | 3,334,382                   |
| <b>TOTAL NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS - 100.0%</b>                                     |        |               |              |                             |
|  |        |               |              | \$ 155,994,174              |

- (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 Directors.
- (b) Variable rate security. Interest rate disclosed is as of the most recent information available. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description above.
- (c) Maturity date shown represents the mandatory tender date.
- (d) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax ( AMT ).
- (e) Pre-Refunded bonds are escrowed with U.S. government obligations and/or U.S. government agency securities and are considered by the manager to be triple-A rated even if issuer has not applied for new ratings.
- (f) Securities traded on a when-issued or delayed delivery basis.

See Notes to Schedule of Investments.



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**WESTERN ASSET MUNICIPAL PARTNERS FUND INC.**

**Schedule of investments (unaudited) (cont d)**

**February 28, 2018**

Abbreviations used in this schedule:

|       |   |
|-------|---|
| AGM   | Assured Guaranty Municipal Corporation - Insured Bonds        |
| AMBAC | American Municipal Bond Assurance Corporation - Insured Bonds |
| CAB   | Capital Appreciation Bonds                                    |
| CDA   | Communities Development Authority                             |
| CMI   | California Mortgage Insurance Program - Insured Bonds         |
| COP   | Certificates of Participation                                 |
| CSCE  | Charter School Credit Enhancement                             |
| DFA   | Development Finance Agency                                    |
| EDA   | Economic Development Authority                                |
| EDC   | Economic Development Corporation                              |
| EDR   | Economic Development Revenue                                  |
| EFA   | Educational Facilities Authority                              |
| GO    | General Obligation  |
| GTD   | Guaranteed  |
| HEFA  | Health & Educational Facilities Authority                     |
| HFC   | Housing Finance Commission                                    |
| IDA   | Industrial Development Authority                              |
| ISD   | Independent School District                                   |
| MTA   | Metropolitan Transportation Authority                         |
| MWRA  | Massachusetts Water Resources Authority                       |
| NATL  | National Public Finance Guarantee Corporation - Insured Bonds |
| PCFA  | Pollution Control Financing Authority                         |
| PSF   | Permanent School Fund   |
| RDA   | Redevelopment Agency  |
| SIFMA | Securities Industry and Financial Market Association          |

This Schedule of Investments is unaudited and is intended to provide information about the Fund's investments 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.**

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**Notes to Schedule of Investments (unaudited)**

**1. Organization and significant accounting policies**

Western Asset Municipal Partners Fund Inc. (the Fund) was incorporated in Maryland on November 24, 1992 and is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Board of Directors authorized 100 million shares of \$0.001 par value common stock. The Fund's primary investment objective is to seek a high level of current income which is exempt from federal income taxes, consistent with the preservation of capital. As a secondary investment objective, the Fund intends to enhance portfolio value by purchasing tax exempt securities that, in the opinion of the investment manager, may appreciate in value relative to other similar obligations in the marketplace.

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. Prior to December 1, 2017, short-term fixed income securities that would mature in 60 days or less were valued at amortized cost, unless it was 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. 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 Directors.

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

| DESCRIPTION     | ASSETS                     |   |  | TOTAL          |
|-----------------|----------------------------|---|--|----------------|
|                 | QUOTED PRICES<br>(LEVEL 1) | OTHER SIGNIFICANT<br>OBSERVABLE INPUTS<br>(LEVEL 2) | SIGNIFICANT<br>UNOBSERVABLE<br>INPUTS<br>(LEVEL 3) |                |
| Municipal Bonds |                            | \$ 237,659,792                                      |  | \$ 237,659,792 |

See Schedule of Investments for additional detailed categorizations.

**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 Municipal Partners Fund Inc.

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

Date: April 23, 2018

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: April 23, 2018

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

Date: April 23, 2018