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WESTERN ASSET PREMIER BOND FUND

Form N-Q

November 24, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-Q  
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-10603

Name of Fund: Western Asset Premier Bond Fund  
Fund Address: 385 East Colorado Boulevard  
Pasadena, CA 91101

Name and address of agent for service: Richard M. Wachterman, Esq.  
Legg Mason Wood Walker, Incorporated  
100 Light Street  
Baltimore, MD 21202

Registrant's telephone number, including area code: (410) 539-0000

Date of fiscal year end: 12/31/2004

Date of reporting period: 9/30/2004

Item 1 - Schedule of Investments

SCHEDULE OF INVESTMENTS  
Western Asset Premier Bond Fund

September 30, 2004 (Unaudited)  
(Amounts in thousands)

	% OF NET ASSETS	RATE	MATURITY DATE
Long-Term Securities	138.1%		
Corporate Bonds and Notes	85.8%		
Advertising	0.2%		
Vertis Inc.		10.875%	06/15/09
Aerospace/Defense	2.9%		
Armor Holdings, Inc.		8.250%	08/15/13
Esterline Technologies Corporation		7.750%	06/15/13
Northrop Grumman Corporation		7.750%	02/15/31
Raytheon Company		6.750%	08/15/07
Raytheon Company		7.200%	08/15/27
TD Funding Corp.		8.375%	07/15/11
The Boeing Company		6.125%	02/15/33

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Apparel	0.5%		
Oxford Industries, Inc.		8.875%	06/01/11
Russell Corporation		9.250%	05/01/10
Auto Parts and Equipment	0.6%		
Keystone Automotive Operations Inc.		9.750%	11/01/13
TRW Automotive		11.000%	02/15/13
TRW Automotive		9.375%	02/15/13
Tenneco Automotive Inc.		10.250%	07/15/13
Automotive	3.1%		
Asbury Automotive Group Inc.		9.000%	06/15/12
DaimlerChrysler NA Holdings Corp.		7.300%	01/15/12
DaimlerChrysler NA Holdings Corp.		8.500%	01/18/31
Ford Motor Company		7.450%	07/16/31
Banking and Finance	5.6%		
Boeing Capital Corporation		6.500%	02/15/12
Boeing Capital Corporation		5.800%	01/15/13
Ford Motor Credit Company		6.875%	02/01/06
Ford Motor Credit Company		7.250%	10/25/11
Fuji JGB Inv LLC		9.870%	06/30/08
General Motors Acceptance Corporation		6.125%	02/01/07
General Motors Acceptance Corporation		6.875%	09/15/11
General Motors Acceptance Corporation		7.000%	02/01/12
Household Finance Corporation		4.750%	07/15/13
Banks	0.3%		
Washington Mutual Bank FA		5.500%	01/15/13
Building Materials	0.7%		
Associated Materials Inc.		11.250%	03/01/14
MMI Products, Inc.		11.250%	04/15/07
Nortek Inc.		8.500%	09/01/14
Cable	2.3%		
Charter Communication Holdings Inc.		10.250%	09/15/10
Charter Communication Holdings, LLC		9.625%	11/15/09
Comcast Cable Communications, Inc.		6.750%	01/30/11
Comcast Corporation		6.500%	01/15/15
Comcast Corporation		7.050%	03/15/33
CSC Holdings Inc.		6.750%	04/15/12
CSC Holdings Inc.		7.875%	02/15/18
CSC Holdings Inc.		7.625%	07/15/18
LodgeNet Entertainment Corporation		9.500%	06/15/13

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Chemicals	2.2%		
FMC Corporation		10.250%	11/01/09
Huntsman International LLC		10.125%	07/01/09
Lyondell Chemical Company		9.625%	05/01/07
Nalco Company		8.875%	11/15/13
The Dow Chemical Company		6.000%	10/01/12
Westlake Chemical Corporation		8.750%	07/15/11
Coal	0.2%		
Alpha Natural Resources Corp.		10.000%	06/01/12
Computers Services and Systems	1.0%		
Electronic Data Systems Corporation		7.125%	10/15/09
Electronic Data Systems Corporation		7.450%	10/15/29
International Business Machines Corporation		4.750%	11/29/12
Viasystems, Inc.		10.500%	01/15/11
Consumer Cyclical	0.1%		
Equinox Holdings Inc.		9.000%	12/15/09
Containers and Packaging	0.5%		
Owens-Brockway Glass Container Inc.		8.750%	11/15/12
Owens-Illinois, Inc.		7.500%	05/15/10
Solo Cup Company		8.500%	02/15/14
Construction Machinery	0.2%		
H&E Equipment Services LLC		11.125%	06/15/12
Distribution and Wholesale	0.1%		
National Waterworks Inc.		10.500%	12/01/12
Diversified Financial Services	2.8%		
CIT Group Inc.		7.750%	04/02/12
Citigroup Inc.		6.625%	06/15/32
General Electric Capital Corporation		4.250%	01/15/08
General Electric Capital Corporation		6.000%	06/15/12
General Electric Capital Corporation		5.450%	01/15/13
Diversified Services	1.4%		
Loews Corporation		3.125%	09/15/07
Drug & Grocery Store Chains	0.3%		
Safeway Inc.		5.800%	08/15/12

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Electric	8.0%		
American Electric Power Company, Inc.		6.125%	05/15/06
Dominion Resources, Inc.		5.700%	09/17/12
Duke Energy Corporation		6.250%	01/15/12
Exelon Generation Company LLC		6.950%	06/15/11
FirstEnergy Corp.		5.500%	11/15/06
FirstEnergy Corp.		6.450%	11/15/11
FirstEnergy Corp.		7.375%	11/15/31
MidAmerican Energy Holdings Company		5.875%	10/01/12
Niagra Mohawk Power Corporation		7.750%	10/01/08
Oncor Electric Delivery Company		7.000%	09/01/22
Orion Power Holdings, Inc.		12.000%	05/01/10
Progress Energy, Inc.		7.100%	03/01/11
Progress Energy, Inc.		6.850%	04/15/12
The AES Corporation		9.000%	05/15/15
The Cleveland Electric Illuminating Company		5.650%	12/15/13
Energy	0.7%		
Calpine Generation Co.		11.500%	04/01/11
Midwest Generation LLC		8.750%	05/01/34
Nevada Power Company		6.500%	04/15/12
NRG Energy, Inc.		8.000%	12/15/13
Entertainment	0.4%		
Cinemark, Inc.		9.750%	03/15/14
LCE Acquisition Corp.		9.000%	08/01/14
Six Flags, Inc.		9.750%	04/15/13
Warner Music Group		7.375%	04/15/14
Environmental Services	1.7%		
Allied Waste North America Incorporated		7.375%	04/15/14
Waste Management, Inc.		7.375%	05/15/29
Waste Management, Inc.		7.750%	05/15/32
Waste Services, Inc.		9.500%	04/15/14
Food, Beverage and Tobacco	3.2%		
Altria Group, Inc.		7.000%	11/04/13
Altria Group, Inc.		7.750%	01/15/27
Kraft Foods Inc.		5.250%	10/01/13
Nabisco Incorporated		7.550%	06/15/15
R.J. Reynolds Tobacco Holdings, Inc.		7.750%	05/15/06
Gaming	1.3%		
Ameristar Casinos, Inc.		10.750%	02/15/09
Inn of The Mountain Gods		12.000%	11/15/10
Isle of Capri Casinos, Inc.		9.000%	03/15/12
Pinnacle Entertainment, Inc.		9.250%	02/15/07
Premier Entertainment Biloxi LLC		10.750%	02/01/12

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Station Casinos, Inc.	6.875%	03/01/16
Wynn Las Vegas, LLC	12.000%	11/01/10
Gas and Pipeline Utilities	3.8%	
Duke Energy Field Services Corporation LLC	7.875%	08/16/10
Dynegy Holdings Inc.	8.750%	02/15/12
Kinder Morgan Energy Partners, L.P.	7.125%	03/15/12
Pacific Energy Partners LP/Pacific Energy Finance Corp.	7.125%	06/15/14
Panhandle Eastern Pipe Line Company	4.800%	08/15/08
Texas Eastern Transmission	5.250%	07/15/07
The Williams Companies, Inc.	7.500%	01/15/31
The Williams Companies, Inc.	8.750%	03/15/32
Healthcare	0.5%	
Fresenius Medical Care Capital Trust II	7.875%	02/01/08
Tenet Healthcare Corporation	9.875%	07/01/14
Home Building	0.5%	
Atrium Companies, Inc.	10.500%	05/01/09
D.R. Horton, Inc.	8.500%	04/15/12
Investment Banking/Brokerage	4.5%	
Credit Suisse First Boston, USA	6.500%	01/15/12
JPMorgan Chase & Co.	5.750%	01/02/13
JPMorgan Chase & Co.	5.125%	09/15/14
Morgan Stanley Dean Witter & Co.	6.600%	04/01/12
Refco Finance Holdings LLC	9.000%	08/01/12
The Goldman Sachs Group, Inc.	6.600%	01/15/12
Machinery	0.8%	
Case New Holland Incorporated	9.250%	08/01/11
Joy Global Inc.	8.750%	03/15/12
Terex Corporation	10.375%	04/01/11
Manufacturing (Diversified)	2.3%	
American Achievement Corp.	8.250%	04/01/12
Ames True Temper Inc.	10.000%	07/15/12
Eastman Kodak Co.	7.250%	11/15/13
Interface, Inc.	10.375%	02/01/10
Jacuzzi Brands, Incorporated	9.625%	07/01/10
Koppers Inc.	9.875%	10/15/13
Leiner Health Products Inc.	11.000%	06/01/12
Norcraft Companies, L.P.	9.000%	11/01/11
Norcraft Holdings L.P.	9.750%	09/01/12
Rayovac Corporation	8.500%	10/01/13
Samsonite Corporation	8.875%	06/01/11

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Materials and Basic Industry	0.1%		
Hexcel Corporation		9.875%	10/01/08
Media	3.4%		
AOL Time Warner Inc.		6.150%	05/01/07
AOL Time Warner Inc.		6.875%	05/01/12
AOL Time Warner Inc.		7.700%	05/01/32
Liberty Media Corporation		2.610%	09/17/06
Liberty Media Corporation		3.750%	02/15/30
News America Holdings Incorporated		6.625%	01/09/08
News America Holdings Incorporated		8.875%	04/26/23
Paxson Communications Corporation		10.750%	07/15/08
Medical Care Facilities	0.7%		
AmeriPath, Inc.		10.500%	04/01/13
Ardent Health Services		10.000%	08/15/13
Extendicare Health Services, Inc.		9.500%	07/01/10
Metals and Mining	0.7%		
AK Steel Corp		7.750%	06/15/12
Alcoa Inc.		5.375%	01/15/13
Century Aluminum Company		7.500%	08/15/14
Office Equipment	0.1%		
Xerox Corporation		6.875%	08/15/11
Xerox Corporation		7.625%	06/15/13
Oil and Gas	7.0%		
Amerada Hess Corporation		7.300%	08/15/31
Belden & Blake Corporation		8.750%	07/15/12
ConocoPhillips		4.750%	10/15/12
Devon Energy Corporation		7.950%	04/15/32
Devon Finance Corp. ULC		6.875%	09/30/11
El Paso CPG Co.		6.375%	02/01/09
El Paso CPG Co.		7.750%	06/15/10
El Paso Corporation		7.625%	07/15/11
El Paso Corporation		7.875%	06/15/12
El Paso Production Holding Company		7.750%	06/01/13
Evergreen Resources, Inc.		5.875%	03/15/12
Ferrellgas Partners LP		8.750%	06/15/12
Ferrellgas Partners LP		6.750%	05/01/14
Hanover Compressor Company		8.625%	12/15/10
Occidental Petroleum Corporation		6.750%	01/15/12
Parker Drilling Company		10.125%	11/15/09
Parker Drilling Company		6.540%	09/01/10
Plains Exploration & Production Company		7.125%	06/15/14
Suburban Propane Partners LP		6.875%	12/15/13
Valero Energy Corporation		7.500%	04/15/32

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Vintage Petroleum, Inc.		7.875%	05/15/11
Paper and Forest Products	2.7%		
Georgia-Pacific Corp.		9.500%	12/01/11
Georgia-Pacific Corp.		9.375%	02/01/13
Georgia-Pacific Corp.		8.875%	05/15/31
MeadWestvaco Corporation		6.850%	04/01/12
Weyerhaeuser Company		6.750%	03/15/12
Weyerhaeuser Company		7.375%	03/15/32
Publishing	0.3%		
Dex Media East LLC		9.875%	11/15/09
Dex Media East LLC		12.125%	11/15/12
PRIMEDIA Inc.		6.615%	05/15/10
Rental Auto/Equipment	0.2%		
NationsRent Inc.		9.500%	10/15/10
Retail	0.5%		
Hollywood Entertainment Corporation		9.625%	03/15/11
Stater Bros. Holdings Inc.		5.060%	06/15/10
Toys "R" Us, Inc.		7.875%	04/15/13
Retail (Food Chains)	0.2%		
Domino's Inc.		8.250%	07/01/11
Special Purpose	1.5%		
Air 2 U.S. Series A		8.027%	10/01/19
Huntsman Advanced Materials LLC		11.000%	07/15/10
Milacron Escrow Corp.		11.500%	05/15/2011
Rainbow National Services LLC		8.750%	09/01/12
Rainbow National Services LLC		10.375%	09/01/14
River Rock Entertainment		9.750%	11/01/11
Sensus Metering Systems		8.625%	12/15/13
UGS Corp.		10.000%	06/01/12
UCAR Finance Inc.		10.250%	02/15/12
WII Components, Inc.		10.000%	02/15/12
Storage Facilities	0.2%		
Mobile Mini, Inc.		9.500%	07/01/13
Telecommunications	6.0%		
Alamosa Delaware Inc.		11.000%	07/31/10
AT&T Corp.		8.050%	11/15/11
BellSouth Corporation		6.000%	10/15/11
Cincinnati Bell Inc.		7.250%	07/15/13
Cincinnati Bell Inc.		8.375%	01/15/14

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Citizens Communications Company	8.500%	05/15/06
GTE Hawaiian Telephone Company, Incorporated	7.000%	02/01/06
GTE Hawaiian Telephone Company, Incorporated	7.375%	09/01/06
Insight Midwest LP/Insight Capital Inc.	10.500%	11/01/10
Qwest Capital Funding, Inc.	7.750%	02/15/31
Qwest Communications International Inc.	7.250%	02/15/11
Qwest Corporation	7.875%	09/01/11
Qwest Services Corp	14.000%	12/15/10
SBC Communications Inc.	6.250%	03/15/11
Sprint Capital Corporation	6.000%	01/15/07
Sprint Capital Corporation	8.375%	03/15/12
TCI Communications, Inc.	9.650%	03/31/27

Telecommunications (Cellular/Wireless)	2.1%		
AT&T Wireless Services, Inc.		7.500%	05/01/07
AT&T Wireless Services, Inc.		8.125%	05/01/12
Centennial Communications Corporation		8.125%	02/01/14
Cingular Wireless LLC		6.500%	12/15/11
Motorola, Inc.		7.625%	11/15/10
Nextel Communications, Inc.		5.250%	01/15/10
Nextel Communications, Inc.		7.375%	08/01/15
Rural Cellular Corporation		8.250%	03/15/12
SBA Communications Corp.		9.750%	12/15/11
US Unwired Inc.		10.000%	06/15/12
Verizon Wireless Capital LLC		5.375%	12/15/06

Transportation	7.4%		
Continental Airlines, Inc.		7.373%	12/15/15
Continental Airlines, Inc.		8.048%	11/01/20
Delta Airlines, Inc.		6.718%	01/02/23
GulfMark Offshore, Inc.		7.750%	07/15/14
Horizon Lines, LLC		9.000%	11/01/12
Kansas City Southern Railway		9.500%	10/01/08
Union Pacific Corporation		6.125%	01/15/12
United Air Lines, Inc.		7.783%	01/01/14
US Airways, Inc. Escrow		0.000%	01/01/07
US Airways, Inc. Series 89A2		9.820%	01/01/13
US Airways, Inc. Series 93A3		10.375%	03/01/13
US Airways, Inc. Series 98-1		6.850%	01/30/18
US Airways, Inc. Series 99-1		8.360%	01/20/19

Total Corporate Bonds and Notes  
(Identified Cost---(\$138,938))

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Asset-Backed Securities	11.5%
Fixed Rate Securities	9.2%

ACE 2002-M Trust	0.000%	10/13/17
Banagricola DPR Funding	2.910%	03/15/10
BankAmerica Manufactured Housing Contract 1997-2	6.900%	04/10/28
Captiva CBO 1997-1 Ltd.	6.860%	11/30/09
Conseco Finance Securitizations Corp. 2002-1	6.681%	12/01/33
Conseco Recreational Enthusiast Consumer Trust 2000-A	8.480%	11/15/20



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Contimortgage Home Equity Loan Trust 1997-4	7.330%	10/15/28
Contimortgage Home Equity Loan Trust 1998-3	8.250%	10/15/29
Green Tree Financial Corporation 1992-2	9.150%	01/15/18
Green Tree Financial Corporation 1993-1	8.450%	04/15/18
Green Tree Financial Corporation 1999-4	6.970%	05/01/31
Mutual Fund Fee 2000-3	9.070%	06/30/08
Pegasus Aviation Lease Securitization 2000-1	8.370%	03/25/30
Saxson Asset Securities Trust 2000-2	8.370%	07/25/30
Vanderbilt Mortgage Finance 1997-B	8.155%	10/07/26
Floating Rate Securities	2.1%	
Countrywide Asset-Backed Certificates 2004-BC2	1.920%	09/25/27
Korea Asset Funding Ltd. 2000-1A	3.941%	02/10/09
Residential Asset Securities Corporation 2001-KS3	2.070%	09/25/31
Stripped Securities	0.2%	
Bayview Financial Acquisition Trust 2002-FA	5.500%	06/25/05
Oakwood Mortgage Investors Inc. 2002-C	6.000%	08/15/10
Total Asset-Backed Securities (Identified Cost---\$20,228)		
-----		
Mortgage-Backed Securities	4.3%	
Fixed Rate Securities	3.6%	
Asset Securitization Corporation 1996-D2	6.920%	02/14/29
Commercial Mortgage Acceptance Corporation 1997-ML1	6.570%	12/15/30
Commercial Mortgage Acceptance Corporation 1997-ML1	6.735%	12/15/30
Enterprise Mortgage Acceptance Company 1998-1	6.110%	01/15/25
Enterprise Mortgage Acceptance Company 1999-1	6.420%	10/15/25
GMAC Commercial Mortgage Security Inc. 1998-C1	6.700%	05/15/30
GMAC Commercial Mortgage Security Inc. 1998-C1	6.974%	05/15/30
Nomura Asset Securities Corporation 1996-MD5	7.120%	04/13/39
Floating Rate Securities	0.6%	
Blackrock Capital Finance LP 1997-R2	5.844%	12/25/35
Stripped Securities	0.1%	
LB-UBS Commercial Mortgage Trust 2001-C3	1.214%	06/15/36
Total Mortgage-Backed Securities (Identified Cost---\$7,435)		
-----		
U.S. Government Securities 3.0%		
Indexed Securities		
United States Treasury Inflation-Protected Security	1.875%	07/15/13
Total U.S. Government Securities (Identified Cost---\$5,013)		

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Yankee Bonds /H/	33.4%		
Aerospace/Defense	0.2%		
Systems 2001 Asset Trust		6.664%	09/15/13
Cable	0.3%		
Kabel Deutschland GmbH		10.625%	07/01/14
Chemicals	0.5%		
Rhodia SA		10.250%	06/01/10
Rhodia SA		8.875%	06/01/11
Electric	1.1%		
Hydro-Quebec		6.300%	05/11/11
Energy	1.2%		
Calpine Canada Power Ltd.		8.500%	05/01/08
North America Energy Partners		8.750%	12/01/11
Petroliam Nasional Berhad		7.750%	08/15/15
Food, Beverage and Tobacco	1.0%		
Bavaria S.A.		8.875%	11/01/10
Foreign Government	17.9%		
Dominican Republic		9.500%	09/27/06
Federative Republic of Brazil		14.500%	10/15/09
Federative Republic of Brazil		12.000%	04/15/10
Federative Republic of Brazil		2.125%	04/15/12
Federative Republic of Brazil		8.000%	04/15/14
Federative Republic of Brazil		12.750%	01/15/20
Federative Republic of Brazil		11.000%	08/17/40
Morocco A Loan Participation Note		2.781%	01/02/09
Republic of Bulgaria		8.250%	01/15/15
Republic of Colombia		11.750%	02/25/20
Republic of Honduras		1.505%	10/01/11
Republic of Panama		9.625%	02/08/11
Republic of Panama		10.750%	05/15/20
Republic of Panama		9.375%	01/16/23
Republic of Peru		5.000%	03/07/17
Republic of Peru		8.750%	11/21/33
Russian Federation		8.250%	03/31/10
Russian Federation		5.000%	03/31/30
Russian Ministry of Finance		3.000%	05/14/06
United Mexican States		11.500%	05/15/26
Insurance	0.8%		
Residential Reinsurance LTD		6.690%	06/01/05
XL Capital Finance (Europe) plc		6.500%	01/15/12

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Manufacturing (Diversified)	2.3%		
Tyco International Group SA		6.375%	10/15/2011
Tyco International Group SA		6.875%	01/15/2029
Metals and Mining	0.2%		
Ispat Inland Inc.		9.750%	04/01/14
Oil and Gas	1.6%		
Anadarko Finance Company		6.750%	05/01/11
Anadarko Finance Company		7.500%	05/01/31
Gaz Capital SA		8.625%	04/28/34
Morgan Stanley Bank AG (OAO Gazprom)		9.625%	03/01/13
Western Oil Sands Inc.		8.375%	05/01/12
Paper and Forest Products	0.2%		
Abitibi-Consolidated Inc.		8.550%	08/01/10
Abitibi-Consolidated Inc.		5.380%	06/15/11
Services	0.3%		
Compagnie Generale de Geophysique SA		10.625%	11/15/07
Special Purposes	3.7%		
Arcel Finance Limited		5.984%	02/01/09
Burlington Resources Finance		7.400%	12/01/31
Deutsche Telekom International Finance		5.250%	07/22/13
Inmarsat Finance PLC		7.625%	06/30/12
Petrozuata Finance, Inc.		8.220%	04/01/17
UFJ Finance Aruba AEC		6.750%	07/15/13
Telecommunications	0.9%		
Axtel SA		11.000%	12/15/13
France Telecom SA		8.500%	03/01/31
Innova S. de R.L		9.375%	09/19/13
Nortel Networks LTD		6.125%	02/15/06
Telecommunications (Cellular/Wireless)	0.2%		
Rogers Wireless Communications Inc.		9.625%	05/01/11
Vodafone Group PLC		7.750%	02/15/10
Transportation	1.0%		
Canadian Pacific Railway		6.250%	10/15/11
Grupo Transportacion Ferroviaria Mexicana, S.A de C.V		11.750%	06/15/09
OMI Corporation		7.625%	12/01/13

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Total Yankee Bonds  
(Identified Cost---\$51,237)

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Preferred Stocks 0.1%

Rural Cellular Corporation

Total Preferred Stocks  
(Identified Cost---\$103)

-----  
Warrants N.M.  
American Tower

Total Warrants  
(Identified Cost---\$16)

-----  
Total Long-Term Securities  
(Identified Cost---\$222,970)

-----  
Short-Term Security 0.6%

Repurchase Agreement

Lehman Brothers

1.86%, dated 09/30/04, to be repurchased at \$951 on 10/01/04  
(Collateral: Federal National Mortgage Association notes,  
due 01/15/30, value \$956)

Total Short-Term Security  
(Identified Cost---\$951)

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Total Investments 138.7%  
(Identified Cost---\$223,921)

Other Assets Less Liabilities 2.9%

Liquidation Value of Preferred Shares -41.6%

Net Assets Applicable to Common Shareholders 100.0%

Futures Contracts Written  
U.S. Treasury Bond Futures

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EXPIRATION

Dec 2004

/A/ Rule 144a Security - A security purchased pursuant to Rule 144a under the Securities Act of 1933 which may not be resold subject to that rule except to qualified institutional buyers. These securities represent 17.8% of net assets applicable to common shareholders.

/B/ Collateral to cover futures.

/C/ Stepped-coupon security - A security with a predetermined schedule of interest or dividend rate changes at which time it begins to accrue interest or pay dividends.

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/D/ Convertible Bond - Bond may be converted into the issuer's common stock.

/E/ Floating Rate Security - The rate of interest on this type of security is tied to the London Interbank Offer Rate (LIBOR). The coupon rate is as of September 30, 2004.

/F/ Zero-coupon Bond - A bond with no periodic interest payments which is sold at such a discount as to produce a current yield to maturity.

/G/ Bond in default as of September 30, 2004.

/H/ Yankee Bond - A dollar-denominated bond issued in the U.S. by foreign entities.

/I/ Stripped Security - Security with interest-only payment streams. For interest-only securities, the amount shown as principal is the notional balance used to calculate the amount of the interest due.

/J/ Treasury Inflation Protected Security - Treasury security whose principal value is adjusted daily in accordance with changes to the Consumer Price Index (CPI). Interest is calculated on the basis of the current adjusted principal value.

/K/ Pay-in-kind Security - Dividend income is paid with additional shares instead of receiving cash.

N.M.-Not meaningful

### Security Valuation

Securities owned by the Fund for which market quotations are readily available are valued at current market value. Securities for which market quotations are not readily available are fair valued by the Board of Trustees or the Fund's Valuation Committee pursuant to procedures adopted by the Board. In determining fair value, the Board of Trustees or the Fund's Valuation Committee consider all relevant qualitative and quantitative information available. The factors are subject to change over time and are reviewed periodically. The values assigned to fair value investments are based on available information and do not necessarily represent amounts that might ultimately be realized, since such amounts depend on future developments inherent in long-term investments. Further, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Where a security is traded on more than one market, which may include foreign markets, the securities are generally valued on the market considered by the Fund's adviser to be the primary market. The Fund will value its foreign securities in U.S. dollars on the basis of the then-prevailing exchange rates.

### Options, Futures and Swap Agreements

The current market value of a traded option is the last sale price or, in the absence of a sale, the mean between the closing bid and asked price. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which the are traded. Futures contracts are marked-to-market on a daily basis. As a contract's value fluctuates, payments known as variation margin are made or received by the Fund each day, depending on the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealized gains or losses, and the Fund recognizes a gain or loss when the contract is closed. Swap agreements are priced daily based upon quotations from brokers and the change, if any, is

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recorded as unrealized appreciation or depreciation.

Other information regarding the Fund is available in the Fund's most recent Report to Shareholders. This information is available on the Securities and Exchange Commission's website (www.sec.gov).

Item 2 - Controls and Procedures

(a) The Registrant's principal executive and principal financial officers have concluded, based on their evaluation of the Registrant's disclosure controls and procedures as of a date within 90 days of the filing date of this report, that the Registrant's disclosure controls and procedures are reasonably designed to ensure that information required to be disclosed by the Registrant on Form N-Q is recorded, processed, summarized and reported within the required time periods and that information required to be disclosed by the Registrant in the reports that it files or submits on Form N-Q is accumulated and communicated to the Registrant's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes in the Registrant's internal control over financial reporting during the Registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

Item 3 - Exhibits

Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 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/ James W. Hirschmann  
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James W. Hirschmann  
President, Western Asset Premier Bond Fund  
Date: November 22, 2004

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/ James W. Hirschmann  
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James W. Hirschmann  
President, Western Asset Premier Bond Fund  
Date: November 22, 2004

By: /s/ Marie K. Karpinski  
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Marie K. Karpinski  
Treasurer and Principal Financial and Accounting Officer,  
Western Asset Premier Bond Fund  
Date: November 22, 2004