

Western Asset Income Fund
Form N-Q
May 29, 2012

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-02351

Western Asset Income Fund
(Exact name of registrant as specified in charter)

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

10018
(Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-888-777-0102

Date of fiscal year end: December 31

Date of reporting period: March 31, 2012

ITEM 1.

SCHEDULE OF INVESTMENTS.

WESTERN ASSET INCOME FUND

FORM N-Q

MARCH 31, 2012

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WESTERN ASSET INCOME FUND

Schedule of investments (unaudited)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES 93.6%				
CONSUMER DISCRETIONARY 6.2%				
Automobiles 0.0%				
Escrow GCB General Motors			\$ 2,710,000	\$ 37,263(e)*
Hotels, Restaurants & Leisure 0.4%				
NCL Corp. Ltd., Senior Secured Notes	11.750%	11/15/16	180,000	208,350
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., Senior Secured Notes	5.375%	3/15/22	250,000	243,750(a)
<i>Total Hotels, Restaurants & Leisure</i>				452,100
Media 4.8%				
Comcast Corp., Bonds	6.400%	5/15/38	950,000	1,132,820
Comcast Corp., Notes	6.450%	3/15/37	120,000	143,618
Comcast Corp., Senior Notes	6.950%	8/15/37	160,000	202,572
News America Inc., Senior Notes	6.550%	3/15/33	545,000	598,168
News America Inc., Senior Notes	7.750%	12/1/45	130,000	152,220
Nielsen Finance LLC/Nielsen Finance Co., Senior Notes	11.500%	5/1/16	100,000	115,250
TCI Communications Inc.	8.750%	8/1/15	160,000	197,035
Time Warner Cable Inc., Senior Notes	8.750%	2/14/19	520,000	677,875
Time Warner Entertainment Co., LP, Senior Notes	8.375%	7/15/33	530,000	708,005
Time Warner Inc., Senior Debentures	7.700%	5/1/32	595,000	776,023
United Business Media Ltd., Notes	5.750%	11/3/20	640,000	632,810(a)
WPP Finance 2010, Senior Notes	4.750%	11/21/21	840,000	878,415(a)
WPP Finance UK, Senior Notes	8.000%	9/15/14	180,000	206,374
<i>Total Media</i>				6,421,185
Multiline Retail 0.3%				
Macy's Retail Holdings Inc., Notes	5.750%	7/15/14	400,000	438,456
Specialty Retail 0.7%				
American Greetings Corp., Senior Notes	7.375%	12/1/21	160,000	164,000
Gap Inc., Senior Notes	5.950%	4/12/21	730,000	736,677
<i>Total Specialty Retail</i>				900,677
TOTAL CONSUMER DISCRETIONARY				8,249,681
CONSUMER STAPLES 4.5%				
Beverages 1.2%				
Anheuser-Busch InBev Worldwide Inc., Senior Notes	5.375%	1/15/20	260,000	305,551
Pernod-Ricard SA, Senior Bonds	5.750%	4/7/21	530,000	586,978(a)
Pernod-Ricard SA, Senior Notes	5.500%	1/15/42	670,000	673,561(a)
<i>Total Beverages</i>				1,566,090
Food & Staples Retailing 0.2%				
Delhaize Group, Senior Notes	6.500%	6/15/17	290,000	335,139
Food Products 0.2%				
Flowers Foods Inc., Senior Notes	4.375%	4/1/22	160,000	159,321
Kraft Foods Inc., Senior Notes	5.375%	2/10/20	150,000	173,407
<i>Total Food Products</i>				332,728
Tobacco 2.9%				

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Altria Group Inc., Senior Notes	9.700%	11/10/18	160,000	217,412
Altria Group Inc., Senior Notes	4.750%	5/5/21	250,000	268,733
Lorillard Tobacco Co., Senior Notes	8.125%	6/23/19	300,000	372,479
Lorillard Tobacco Co., Senior Notes	8.125%	5/1/40	270,000	326,153
Lorillard Tobacco Co., Senior Notes	7.000%	8/4/41	320,000	344,207
Philip Morris International Inc., Senior Notes	6.875%	3/17/14	490,000	549,417
Philip Morris International Inc., Senior Notes	4.500%	3/20/42	390,000	384,747
Reynolds American Inc., Senior Notes	7.250%	6/1/12	1,360,000	1,372,620
<i>Total Tobacco</i>				3,835,768
TOTAL CONSUMER STAPLES				6,069,725

See Notes to Schedule of Investments.

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WESTERN ASSET INCOME FUND

Schedule of investments (unaudited) (cont d)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
ENERGY 15.6%				
Energy Equipment & Services 0.6%				
Baker Hughes Inc., Senior Notes	7.500%	11/15/18	\$ 370,000	\$ 488,153
Baker Hughes Inc., Senior Notes	5.125%	9/15/40	240,000	273,043
<i>Total Energy Equipment & Services</i>				<i>761,196</i>
Oil, Gas & Consumable Fuels 15.0%				
Anadarko Finance Co., Senior Notes	7.500%	5/1/31	465,000	574,435
Anadarko Petroleum Corp., Senior Notes	6.375%	9/15/17	35,000	41,588
Apache Corp.	6.900%	9/15/18	100,000	126,238
Apache Corp., Senior Notes	6.000%	1/15/37	190,000	231,548
Apache Corp., Senior Notes	5.100%	9/1/40	80,000	87,338
Apache Corp., Senior Notes	5.250%	2/1/42	90,000	100,649
Arch Coal Inc., Senior Notes	7.000%	6/15/19	260,000	239,850(a)
ConocoPhillips, Notes	6.500%	2/1/39	810,000	1,075,774
ConocoPhillips, Senior Notes	6.000%	1/15/20	310,000	384,093
DCP Midstream Partners LP, Senior Notes	4.950%	4/1/22	520,000	521,268
Devon Energy Corp., Senior Notes	5.600%	7/15/41	320,000	360,068
Devon Financing Corp. ULC, Debentures	7.875%	9/30/31	380,000	524,277
Duke Capital LLC, Senior Notes	6.250%	2/15/13	800,000	835,486
El Paso Corp., Medium-Term Notes	7.800%	8/1/31	2,000,000	2,273,218
Enbridge Energy Partners LP	9.875%	3/1/19	120,000	159,642
Energy Transfer Partners LP, Senior Notes	9.700%	3/15/19	170,000	217,344
Enterprise Products Operating LLC, Senior Notes	6.125%	10/15/39	320,000	360,369
EOG Resources Inc., Senior Notes	5.875%	9/15/17	540,000	646,800
Hess Corp., Notes	7.875%	10/1/29	1,180,000	1,570,314
Hess Corp., Senior Bonds	6.000%	1/15/40	300,000	343,617
Kerr-McGee Corp., Notes	6.950%	7/1/24	1,080,000	1,304,369
LUKOIL International Finance BV, Bonds	6.356%	6/7/17	310,000	338,762(a)
Noble Energy Inc., Senior Notes	6.000%	3/1/41	390,000	432,426
Pemex Project Funding Master Trust, Senior Bonds	6.625%	6/15/35	2,635,000	3,003,900
Petrobras International Finance Co., Global Notes	5.875%	3/1/18	879,000	985,937
Petrobras International Finance Co., Senior Notes	6.750%	1/27/41	1,180,000	1,368,523
Petroplus Finance Ltd., Senior Notes	7.000%	5/1/17	600,000	231,000(a)(b)
Phillips 66, Senior Notes	5.875%	5/1/42	280,000	286,837(a)
Shell International Finance BV, Senior Notes	6.375%	12/15/38	250,000	330,764
Transcontinental Gas Pipe Line Co. LLC, Senior Notes	5.400%	8/15/41	310,000	326,841(a)
Williams Cos. Inc., Debentures	7.500%	1/15/31	47,000	56,408
Williams Cos. Inc., Senior Notes	7.750%	6/15/31	37,000	45,074
Williams Cos. Inc., Senior Notes	8.750%	3/15/32	610,000	804,173
<i>Total Oil, Gas & Consumable Fuels</i>				<i>20,188,930</i>
TOTAL ENERGY				20,950,126
FINANCIALS 39.6%				
Capital Markets 5.6%				
GFI Group Inc., Senior Notes	8.375%	7/19/18	470,000	447,675

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Goldman Sachs Capital I, Capital Securities	6.345%	2/15/34	555,000	517,888
Goldman Sachs Capital II, Junior Subordinated Bonds	5.793%	6/1/12	880,000	603,900(c)
Goldman Sachs Group Inc., Senior Notes	6.000%	5/1/14	40,000	42,882
Goldman Sachs Group Inc., Senior Notes	5.375%	3/15/20	270,000	274,476
Goldman Sachs Group Inc., Senior Notes	5.250%	7/27/21	510,000	504,857
Goldman Sachs Group Inc., Senior Notes	6.250%	2/1/41	570,000	562,961
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	640,000	625,327
Kaupthing Bank HF, Senior Notes	5.750%	10/4/11	480,000	127,200(a)(d)(e)
Kaupthing Bank HF, Senior Notes	7.625%	2/28/15	620,000	164,300(a)(b)(e)
Kaupthing Bank HF, Subordinated Notes	7.125%	5/19/16	1,250,000	0(a)(b)(e)(f)(g)
Merrill Lynch & Co. Inc., Senior Notes	6.400%	8/28/17	300,000	327,160
Merrill Lynch & Co. Inc., Senior Notes, Medium-Term Notes	6.050%	8/15/12	400,000	406,948
Merrill Lynch & Co. Inc., Subordinated Notes	5.700%	5/2/17	1,000,000	1,025,510
Merrill Lynch & Co. Inc., Subordinated Notes	6.110%	1/29/37	320,000	304,575

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Schedule of investments (unaudited) (cont d)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Capital Markets continued				
Morgan Stanley, Medium-Term Notes	6.625%	4/1/18	\$ 100,000	\$ 105,301
Morgan Stanley, Senior Notes	6.000%	5/13/14	860,000	900,116
Morgan Stanley, Senior Notes	5.500%	7/24/20	100,000	97,599
State Street Corp., Junior Subordinated Notes	4.956%	3/15/18	480,000	501,249
<i>Total Capital Markets</i>				<i>7,539,924</i>
Commercial Banks 12.0%				
BankAmerica Capital III, Junior Subordinated Notes	1.137%	1/15/27	215,000	150,708(c)
BankAmerica Institutional Capital A, Junior Subordinated Bonds	8.070%	12/31/26	830,000	834,150(a)
BankAmerica Institutional Capital B, Junior Subordinated Bonds	7.700%	12/31/26	480,000	477,600(a)
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	240,000	282,254(a)
BBVA US Senior SAU, Senior Notes	3.250%	5/16/14	500,000	498,489
BNP Paribas, Senior Notes	5.000%	1/15/21	210,000	211,946
CIT Group Inc., Secured Notes	5.250%	4/1/14	370,000	377,863(a)
Cooperatieve Centrale Raiffeisen-Boerenleenbank BA, Senior Notes	5.250%	5/24/41	570,000	582,600
Credit Agricole SA, Subordinated Notes	8.375%	10/13/19	1,050,000	976,500(a)(c)(h)
Glitnir Banki HF, Subordinated Bonds	7.451%	9/14/16	210,000	0(a)(b)(e)(f)(g)(h)
Glitnir Banki HF, Subordinated Notes	6.693%	6/15/16	680,000	0(a)(b)(e)(f)(g)
HBOS Capital Funding LP, Tier 1 Notes, Perpetual Bonds	6.071%	6/30/14	560,000	396,200(a)(c)(h)
HSBC Finance Capital Trust IX, Junior Subordinated Notes	5.911%	11/30/35	1,350,000	1,266,516(c)
ING Bank NV, Notes	3.750%	3/7/17	350,000	346,665(a)
Intesa Sanpaolo SpA, Senior Notes	3.625%	8/12/15	1,180,000	1,127,304(a)
Intesa Sanpaolo SpA, Senior Notes	6.500%	2/24/21	180,000	173,896(a)
Landsbanki Islands HF	7.431%	10/19/17	730,000	0(a)(b)(e)(f)(g)(h)
Lloyds TSB Bank PLC, Senior Notes	4.200%	3/28/17	360,000	362,704
Mizuho Financial Group Cayman Ltd.	5.790%	4/15/14	550,000	579,137(a)
NB Capital Trust IV, Junior Subordinated Notes	8.250%	4/15/27	590,000	601,800
Nordea Bank AB, Subordinated Notes	4.875%	5/13/21	510,000	496,338(a)
Rabobank Nederland NV, Junior Subordinated Notes	11.000%	6/30/19	858,000	1,089,660(a)(c)(h)
Resona Preferred Global Securities Cayman Ltd., Junior Subordinated Bonds	7.191%	7/30/15	1,095,000	1,144,275(a)(c)(h)
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	1,260,000	1,067,850(c)(h)
Royal Bank of Scotland Group PLC, Subordinated Notes	5.000%	10/1/14	700,000	691,502
Royal Bank of Scotland Group PLC, Subordinated Notes	5.050%	1/8/15	170,000	166,326
Societe Generale, Senior Notes	5.200%	4/15/21	250,000	240,108(a)
Wachovia Capital Trust III, Junior Subordinated Bonds	5.570%	5/21/12	1,120,000	1,058,400(c)(h)

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Wells Fargo & Co., Senior Notes	3.500%	3/8/22	360,000	354,409
Wells Fargo Capital X, Capital Securities	5.950%	12/1/36	450,000	454,095
<i>Total Commercial Banks</i>				<i>16,009,295</i>
Consumer Finance 5.2%				
Ally Financial Inc., Senior Notes	7.500%	12/31/13	1,551,000	1,647,937
Ally Financial Inc., Senior Notes	8.300%	2/12/15	370,000	402,838
Ally Financial Inc., Senior Notes	8.000%	11/1/31	728,000	802,620
Ally Financial Inc., Subordinated Notes	8.000%	12/31/18	201,000	213,563