

WESTERN ASSET MANAGED MUNICIPALS FUND INC.  
Form N-Q  
April 29, 2008

**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 811-6629

Western Asset Managed Municipals Fund Inc.  
(Exact name of registrant as specified in charter)

55 Water Street, New York, NY  
(Address of principal executive offices)

10041  
(Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

300 First Stamford Place

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

Registrant's telephone number, including area code: 1-800-451-2010

Date of fiscal year end: May 31

Date of reporting period: February 29, 2008

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ITEM 1. SCHEDULE OF INVESTMENTS

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**WESTERN ASSET MANAGED MUNICIPALS FUND INC.**

**FORM N-Q**

FEBRUARY 29, 2008

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## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited)

February 29, 2008

|                         | Face<br>Amount | Security  | Value             |
|-------------------------|----------------|---|-------------------|
| <b>MUNICIPAL BONDS</b>  | <b>97.8%</b>   |   |                   |
| <b>Alabama 3.5%</b>     |                |   |                   |
| \$                      | 24,510,000     | Jefferson County, AL, Sewer Revenue, Capital Improvement Warrants, FGIC, 5.375% due 2/1/36 (a)  | \$ 25,387,458     |
| <b>Arizona 2.7%</b>     |                |   |                   |
|                         | 3,705,000      | Greater Arizona Development Authority, Development Authority Infrastructure Revenue, Pinal County Road Project, MBIA, 5.000% due 8/1/19 | 3,799,403         |
|                         | 4,000,000      | Mesa, AZ, IDA, Revenue, Discovery Health Systems, MBIA, 5.625% due 1/1/29 (a)   | 4,235,040         |
|                         | 3,000,000      | Phoenix, AZ:<br>Civic Improvement Corp. Airport Revenue, Senior Lien, FGIC, 5.250% due 7/1/22 (b)                                       | 2,967,060         |
|                         | 1,000,000      | GO, 5.000% due 7/1/27 (a)   | 1,041,370         |
|                         | 10,040,000     | Salt Verde, AZ Financial Corp., Gas Revenue, 5.000% due 12/1/37   | 8,118,344         |
|                         |                | <b>Total Arizona</b>  | <b>20,161,217</b> |
| <b>California 11.4%</b> |                |   |                   |
|                         | 4,485,000      | California EFA Revenue:<br>5.625% due 7/1/23 (a)  | 4,576,135         |
|                         | 2,555,000      | 5.625% due 7/1/23   | 2,413,172         |
|                         | 6,000,000      | California Health Facilities Finance Authority Revenue:<br>Cedars-Sinai Medical Center, 6.250% due 12/1/34 (a)                          | 6,419,580         |
|                         | 1,000,000      | Sutter Health, 6.250% due 8/15/35   | 1,034,920         |
|                         | 3,100,000      | California Housing Finance Agency Revenue, Home Mortgage, 4.700% due 8/1/24 (b)   | 2,789,473         |
|                         | 5,000,000      | California State Department of Veterans Affairs, Home Purchase Revenue, AMBAC, 5.350% due 12/1/27                                       | 5,051,400         |
|                         | 10,000,000     | California State, GO, 5.000% due 12/1/29 (c)  | 9,420,800         |
|                         | 7,375,000      | Garden Grove, CA, Agency for Community Development, Tax Allocation, Refunding, AMBAC, 5.000% due 10/1/29                                | 6,582,114         |
|                         | 6,000,000      | Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Revenue, 6.750% due 6/1/39 (a)  | 6,863,820         |
|                         | 6,000,000      | Long Beach, CA, Bond Finance Authority, Natural Gas Purpose Revenue, 5.500% due 11/15/28  | 5,205,660         |
|                         | 7,000,000      | Los Angeles County, CA, COP, Antelope Valley Courthouse, AMBAC, 5.250% due 11/1/33 (a)  | 7,420,910         |
|                         | 3,355,000      | Pomona, CA, Public Financing Authority Revenue, Water Facilities Project, AMBAC, 5.000% due 5/1/37                                      | 2,934,786         |
|                         | 3,340,000      | Rancho Cucamonga, CA, RDA, Tax Allocation, Rancho Redevelopment Projects, MBIA, 5.125% due 9/1/30                                       | 3,276,607         |
|                         | 1,145,000      | Sacramento County, CA, COP, Unrefunded Balance, Public Facilities Project, MBIA, 5.375% due 2/1/19                                      | 1,158,900         |
|                         | 5,000,000      | San Diego, CA, USD GO, FSA, 5.000% due 7/1/28   | 5,303,700         |
|                         | 3,000,000      | San Jose, CA, Airport Revenue, MBIA, 5.000% due 3/1/28  | 2,781,720         |
|                         | 3,000,000      | San Mateo County Community College District, COP, MBIA, 5.000% due 10/1/25 (a)  | 3,256,590         |
|                         | 2,500,000      | Santa Clara, CA, RDA, Tax Allocation, Bayshore North Project, MBIA, 5.000% due 6/1/23   | 2,499,800         |

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|                      |           |  |                   |
|----------------------|-----------|--|-------------------|
|                      | 5,000,000 | Southern California Public Power Authority, Natural Gas Revenue, Project Number 1, 5.000% due 11/1/29                    | 4,369,650         |
|                      |           | <b>Total California</b>  | <b>83,359,737</b> |
| <b>Colorado 7.3%</b> | 4,000,000 | Colorado Educational & Cultural Facilities Authority Revenue, University of Denver Project, AMBAC, 5.375% due 3/1/23 (a) | 4,263,214         |
|                      | 5,000,000 | Colorado Health Facilities Authority Revenue: Refunding Adventist Health, Sunbelt, 5.250% due 11/15/35 (d)               | 4,525,600         |

*See Notes to Schedule of Investments.*

## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited) (continued)

February 29, 2008

|                                  | Face<br>Amount | Security  | Value             |
|----------------------------------|----------------|---|-------------------|
| <b>Colorado 7.3% (continued)</b> |                |   |                   |
| \$                               | 4,000,000      | Remarketed 7/8/98, 5.350% due 8/1/15 (e)  | \$ 4,084,360      |
|                                  | 2,000,000      | Denver, CO, City & County, COP, AMBAC, 5.500% due 12/1/25 (a)   | 2,147,220         |
|                                  | 10,945,000     | Denver, CO, City & County Airport Revenue: 6.125% due 11/15/25 (b)(c)(e)  | 12,149,169        |
|                                  | 13,630,000     | Unrefunded Balance, 6.125% due 11/15/25 (b)   | 13,743,674        |
|                                  | 1,700,000      | El Paso County, CO, COP, Detention Facility Project, AMBAC, 5.000% due 12/1/23                                      | 1,701,292         |
|                                  |                | Garfield County, CO, GO, School District No. 2, FSA, State Aid Withholding:   |                   |
|                                  | 2,300,000      | 5.000% due 12/1/23  | 2,311,385         |
|                                  | 1,000,000      | 5.000% due 12/1/25  | 994,110           |
|                                  | 7,320,000      | University of Colorado, COP, Master Lease Purchase Agreement, AMBAC, 5.000% due 6/1/28 (a)                          | 7,859,191         |
|                                  |                | <b>Total Colorado</b>   | <b>53,779,215</b> |
| <b>Connecticut 1.0%</b>          |                |   |                   |
|                                  |                | Connecticut State:  |                   |
|                                  |                | GO:   |                   |
|                                  | 4,490,000      | 5.500% due 6/15/21 (a)  | 4,869,630         |
|                                  | 1,600,000      | 5.000% due 6/15/22 (a)  | 1,703,664         |
|                                  | 970,000        | HEFA Revenue, Child Care Facilities Project, AMBAC, 5.625% due 7/1/29   | 972,910           |
|                                  |                | <b>Total Connecticut</b>  | <b>7,546,204</b>  |
| <b>Delaware 1.4%</b>             |                |   |                   |
|                                  | 10,000,000     | Delaware State, EDA Revenue, PCR, Refunding, Delmarva Project, AMBAC, 5.200% due 2/1/19                             | 10,291,000        |
| <b>Florida 3.9%</b>              |                |   |                   |
|                                  | 5,000,000      | Florida State Board of Education, Capital Outlay, GO, Public Education, Refunding, FSA, 5.000% due 6/1/24           | 4,983,100         |
|                                  | 1,465,000      | Florida State Department of Transportation, GO, Right of Way Project, FGIC, 5.000% due 7/1/25                       | 1,405,858         |
|                                  | 5,620,000      | Jacksonville, FL, Health Facilities Authority Revenue, Brooks Health System, 5.250% due 11/1/38                     | 4,933,966         |
|                                  | 6,500,000      | Martin County, FL, IDA Revenue, Indiantown Cogeneration Project, 7.875% due 12/15/25 (b)                            | 6,515,795         |
|                                  | 1,290,000      | Miami Beach, FL, Stormwater Revenue, FGIC, 5.375% due 9/1/30  | 1,279,190         |
|                                  | 2,000,000      | Orange County, FL, School Board, COP, MBIA, 5.250% due 8/1/23 (a)   | 2,095,040         |
|                                  | 5,000,000      | Orlando, FL, State Sales Tax Payments Revenue, 5.000% due 8/1/32  | 4,710,900         |
|                                  | 2,500,000      | South Brevard, FL, Recreational Facilities Improvement, Special District, AMBAC, 5.000% due 7/1/20                  | 2,511,250         |
|                                  |                | <b>Total Florida</b>  | <b>28,435,099</b> |
| <b>Georgia 5.5%</b>              |                |   |                   |
|                                  | 6,940,000      | Atlanta, GA, Development Authority, Educational Facilities Revenue, Science Park LLC Project, 5.000% due 7/1/39 (c) | 6,067,364         |
|                                  | 6,000,000      | Augusta, GA, Water & Sewer Revenue, FSA, 5.250% due 10/1/26 (a)(c)  | 6,405,720         |

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|            |  |            |
|------------|--|------------|
| 2,335,000  | Georgia State, HFA Revenue, Single Family, 4.550% due 12/1/31<br>(b)             | 1,959,158  |
|            | Main Street Natural Gas Inc., GA, Gas Project Revenue:                           |            |
| 4,000,000  | 5.000% due 3/15/22   | 3,392,120  |
| 12,750,000 | 5.500% due 9/15/24   | 11,109,203 |
| 5,205,000  | 5.500% due 9/15/27   | 4,392,604  |
|            | Private Colleges & Universities Authority Revenue, Mercer<br>University Project: |            |
| 2,180,000  | 5.750% due 10/1/21 (a)   | 2,407,461  |
|            | Refunding:   |            |
| 2,000,000  | 5.250% due 10/1/25   | 1,774,720  |
| 1,000,000  | 5.375% due 10/1/29   | 879,640    |

*See Notes to Schedule of Investments.*

## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited) (continued)

February 29, 2008

|                                 | Face<br>Amount | Security  | Value        |
|---------------------------------|----------------|---|--------------|
| <b>Georgia 5.5% (continued)</b> |                |   |              |
| \$                              | 2,000,000      | Savannah, GA, EDA, Revenue, College of Arts & Design Inc. Project, 6.900% due 10/1/29 (a)                             | \$ 2,164,480 |
|                                 |                | <b>Total Georgia</b>  | 40,552,470   |
| <b>Hawaii 0.6%</b>              | 4,000,000      | Hawaii State, Department of Budget & Finance, Special Purpose Revenue, Kaiser Permanente, 5.100% due 3/1/14 (e)       | 4,123,240    |
| <b>Illinois 4.1%</b>            |                | Chicago, IL:  |              |
|                                 | 4,095,000      | Refunding GO, FGIC, 5.500% due 1/1/35   | 4,083,247    |
|                                 | 7,400,000      | Skyway Toll Bridge Revenue, AMBAC, 5.500% due 1/1/31 (a)(c)   | 7,958,478    |
|                                 | 8,000,000      | Illinois Health Facilities Authority Revenue, Order of Saint Francis Healthcare System, 6.250% due 11/15/29 (a)(c)    | 8,533,680    |
|                                 | 5,000,000      | Illinois State, GO, MBIA, 5.625% due 6/1/25 (a)   | 5,306,450    |
|                                 | 4,000,000      | Illinois State, Toll Highway Authority, Toll Highway Revenue, Senior Priority, FSA, 5.000% due 1/1/22                 | 3,956,480    |
|                                 |                | <b>Total Illinois</b>   | 29,838,335   |
| <b>Indiana 0.4%</b>             | 3,000,000      | Indiana State DFA Environment Improvement Revenue, USX Corp. Project, 5.250% due 12/1/22                              | 3,144,210    |
| <b>Iowa 0.8%</b>                |                | Iowa Finance Authority Single Family Mortgage Revenue, GNMA/FNMA:   |              |
|                                 | 2,500,000      | 4.900% due 7/1/31 (b)   | 2,188,200    |
|                                 | 4,275,000      | 4.950% due 7/1/37 (b)   | 3,706,853    |
|                                 |                | <b>Total Iowa</b>   | 5,895,053    |
| <b>Kansas 1.2%</b>              |                | Johnson County, KS, GO, USD No. 229, Refunding, 5.000% due 10/1/18  | 5,230,600    |
|                                 | 3,000,000      | Wyandotte County, Kansas City, KS, Unified Government Utilities Systems Revenue, Refunding, AMBAC, 5.650% due 9/1/17  | 3,223,290    |
|                                 |                | <b>Total Kansas</b>   | 8,453,890    |
| <b>Kentucky 1.6%</b>            | 13,000,000     | Louisville & Jefferson County, KY, Metro Government Health System Revenue, Norton Healthcare Inc., 5.250% due 10/1/36 | 11,600,030   |
| <b>Maine 0.2%</b>               | 1,770,000      | Maine State Housing Authority Mortgage Revenue, 5.300% due 11/15/23   | 1,727,679    |
| <b>Maryland 1.2%</b>            |                | Baltimore, MD, Project Revenue, Refunding, Wastewater Projects, FGIC:   |              |
|                                 | 2,500,000      | 5.125% due 7/1/32   | 2,368,475    |
|                                 | 3,385,000      | 5.200% due 7/1/32   | 3,240,697    |
|                                 | 3,075,000      | Maryland State Health & Higher EFA Revenue, Johns Hopkins Hospital Issue, 5.000% due 11/15/26 (a)                     | 3,299,629    |
|                                 |                | <b>Total Maryland</b>   | 8,908,801    |
| <b>Massachusetts 4.7%</b>       | 2,430,000      |   | 2,563,504    |

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|           |  |           |
|-----------|--|-----------|
|           | Massachusetts Bay Transportation Authority, Sales Tax Revenue,<br>5.500% due 7/1/30 (a)(f) |           |
| 1,125,000 | Massachusetts DFA Revenue, Merrimack College Issue, MBIA,<br>5.200% due 7/1/32             | 1,027,958 |
| 1,850,000 | Massachusetts HEFA Revenue, University of Massachusetts Issue,<br>FGIC, 5.125% due 10/1/27 | 1,804,176 |
| 3,500,000 | Massachusetts State DFA Revenue, Boston University, AMBAC,<br>5.000% due 10/1/39           | 3,263,785 |

*See Notes to Schedule of Investments.*

## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited) (continued)

February 29, 2008

|                                       | Face<br>Amount | Security   | Value             |
|---------------------------------------|----------------|--|-------------------|
| <b>Massachusetts 4.7% (continued)</b> |                |  |                   |
| \$                                    | 2,500,000      | Massachusetts State HEFA Revenue, Berklee College of Music,<br>5.000% due 10/1/32  | \$ 2,247,850      |
|                                       | 5,000,000      | Massachusetts State Special Obligation Revenue, Consolidated<br>Loan, FGIC, 5.000% due 6/1/21 (a)                                      | 5,329,350         |
|                                       | 10,950,000     | Massachusetts State, GO, Consolidated Loan:<br>5.250% due 11/1/30 (a)  | 11,712,667        |
|                                       | 6,050,000      | Refunded Balance, 5.250% due 11/1/30 (a)   | 6,471,382         |
|                                       |                | <b>Total Massachusetts</b>   | <b>34,420,672</b> |
| <b>Michigan 3.2%</b>                  |                |  |                   |
|                                       | 5,000,000      | East Lansing, MI, Community School District, GO, School<br>Building & Site, Q-SBLF, 5.625% due 5/1/30 (a)                              | 5,290,050         |
|                                       | 2,345,000      | Michigan State, COP, AMBAC:<br>5.500% due 6/1/19 (a)(f)  | 2,477,188         |
|                                       | 6,000,000      | 5.500% due 6/1/27 (a)  | 6,338,220         |
|                                       | 5,000,000      | Michigan State Hospital Finance Authority Revenue, Refunding:<br>Sparrow Hospital Obligated, 5.000% due 11/15/36                       | 4,253,250         |
|                                       | 2,500,000      | Trinity Health Credit, 5.375% due 12/1/23  | 2,532,600         |
|                                       | 3,000,000      | Michigan State Housing Development Authority, Rental Housing<br>Revenue, 5.300% due 10/1/26 (b)  | 2,796,420         |
|                                       |                | <b>Total Michigan</b>  | <b>23,687,728</b> |
| <b>Minnesota 1.9%</b>                 |                |  |                   |
|                                       | 1,500,000      | Dakota County, MN, CDA, MFH Revenue, Southfork Apartments,<br>FNMA-Collateralized, 5.625% due 2/1/26                                   | 1,509,795         |
|                                       | 4,000,000      | Minneapolis & St. Paul, MN, Metropolitan Airports Commission,<br>Airport Revenue, FGIC, 5.250% due 1/1/26 (a)                          | 4,216,080         |
|                                       | 7,000,000      | Minneapolis, MN, Healthcare System Revenue, Allina Health<br>System, 6.000% due 11/15/23 (a)   | 7,779,940         |
|                                       | 325,000        | Minnesota State Housing Financing Agency, Single-Family<br>Mortgage, 5.500% due 1/1/17   | 326,411           |
|                                       |                | <b>Total Minnesota</b>   | <b>13,832,226</b> |
| <b>Mississippi 0.5%</b>               |                |  |                   |
|                                       | 4,000,000      | Mississippi Development Bank, Special Obligation, Capital<br>Projects & Equipment Program, AMBAC, 5.625% due 7/1/31                    | 3,851,440         |
| <b>Missouri 3.7%</b>                  |                |  |                   |
|                                       | 1,500,000      | Greene County, MO, Reorganized School District No. 8, GO,<br>Missouri State Aid Direct Deposit Program, FSA, 5.100% due 3/1/22         | 1,589,190         |
|                                       | 21,000,000     | Missouri State Environmental Improvement & Energy Resource<br>Authority, Water Pollution Revolving Funds Program, 5.000% due<br>1/1/24 | 21,066,150        |
|                                       | 5,000,000      | Platte County, MO, IDA Revenue, Refunding & Improvement Zona<br>Rosa Retail Project, 5.000% due 12/1/32                                | 4,673,600         |
|                                       | 20,000         | St. Louis, MO, Airport Revenue, Airport Development Program,<br>MBIA, 5.125% due 7/1/22 (a)  | 21,158            |
|                                       |                | <b>Total Missouri</b>  | <b>27,350,098</b> |
| <b>Montana 1.3%</b>                   |                |  |                   |
|                                       | 9,700,000      | Montana State Board of Investment, Resource Recovery Revenue,<br>Yellowstone Energy LP Project, 7.000% due 12/31/19 (b)                | 9,735,502         |
| <b>Nebraska 0.4%</b>                  |                |  |                   |

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|                   |           |  |           |
|-------------------|-----------|--|-----------|
|                   | 3,000,000 | Nebraska Public Power Generation Agency Revenue, Whelan Energy Center Unit 2-A, AMBAC, 5.000% due 1/1/25   | 2,759,940 |
| <b>New Jersey</b> |           |  |           |
| <b>3.2%</b>       |           |  |           |
|                   | 1,000,000 | New Jersey EDA Revenue, School Facilities Construction, 5.000% due 6/15/28 (a)<br>New Jersey Health Care Facilities Financing Authority Revenue: | 1,068,180 |

*See Notes to Schedule of Investments.*

## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited) (continued)

February 29, 2008

|                                    | Face<br>Amount | Security   | Value             |
|------------------------------------|----------------|--|-------------------|
| <b>New Jersey 3.2% (continued)</b> |                |  |                   |
| \$                                 | 3,875,000      | Englewood Hospital, FHA/MBIA, 5.000% due 8/1/23  | \$ 3,874,806      |
|                                    | 8,000,000      | Robert Wood Johnson University Hospital, 5.700% due 7/1/20   | 8,223,120         |
|                                    | 2,395,000      | New Jersey State Highway Authority, Garden State Parkway General Revenue, 5.625% due 1/1/30 (a)  | 2,537,934         |
|                                    | 3,125,000      | New Jersey State, EDA, PCR, Refunding, PSEG Power LLC Project, 5.000% due 3/1/12   | 3,200,937         |
|                                    | 1,350,000      | South Jersey Port Corp., New Jersey Revenue, Refunding, 5.000% due 1/1/26  | 1,299,051         |
|                                    | 3,285,000      | Tobacco Settlement Financing Corp., NJ, Asset-Backed Bonds, 5.750% due 6/1/32  | 3,525,298         |
|                                    |                | <b>Total New Jersey</b>  | <b>23,729,326</b> |
| <b>New Mexico 0.1%</b>             | 495,000        | New Mexico Mortgage Financing Authority, Single-Family Mortgage Revenue, 5.625% due 9/1/28 (f)   | 498,519           |
| <b>New York 3.5%</b>               |                |  |                   |
|                                    |                | Nassau Health Care Corp., New York Health Systems Revenue, FSA:  |                   |
|                                    | 2,000,000      | 5.500% due 8/1/19 (a)  | 2,122,660         |
|                                    | 3,000,000      | 5.750% due 8/1/29 (a)  | 3,194,310         |
|                                    |                | New York City, NY:   |                   |
|                                    | 5,100,000      | Housing Development Corp. Revenue, Capital Fund Package, New York City Housing Authority, FGIC, 5.000% due 7/1/25  | 4,978,416         |
|                                    | 6,000,000      | Municipal Water Finance Authority, Water & Sewer System Revenue, 5.250% due 6/15/25  | 6,058,980         |
|                                    | 5,000,000      | New York State Dormitory Authority Revenue:  |                   |
|                                    |                | State University Educational Facility, FSA, 5.500% due 5/15/30 (a)   | 5,345,500         |
|                                    | 1,000,000      | Willow Towers Inc. Project, GNMA-Collateralized, 5.250% due 2/1/22   | 1,015,700         |
|                                    | 3,000,000      | New York State Thruway Authority, Highway & Bridge, Transportation Fund, FGIC, 5.400% due 4/1/17 (a)   | 3,188,610         |
|                                    |                | <b>Total New York</b>  | <b>25,904,176</b> |
| <b>North Carolina 0.9%</b>         |                |  |                   |
|                                    | 1,750,000      | Charlotte, NC, COP, Governmental Facilities Projects, 5.000% due 6/1/28  | 1,691,480         |
|                                    | 1,615,000      | Harnett County, NC, GO, Refunded Custody Receipts, AMBAC, 5.250% due 6/1/24  | 1,627,678         |
|                                    | 1,000,000      | Iredell County, NC, COP, Iredell County School Project, FSA, 5.000% due 6/1/28   | 948,680           |
|                                    |                | North Carolina Capital Facilities Finance Agency, Educational Facilities Revenue, Elizabeth City State University Housing Foundation LLC Project, AMBAC: |                   |
|                                    | 1,000,000      | 5.000% due 6/1/23  | 999,920           |
|                                    | 1,250,000      | 5.000% due 6/1/33  | 1,211,562         |
|                                    |                | <b>Total North Carolina</b>  | <b>6,479,320</b>  |
| <b>Ohio 8.5%</b>                   |                |  |                   |
|                                    | 2,000,000      | Canton, OH, City School District, GO, Variable Purpose, MBIA, 5.500% due 12/1/20 (a)   | 2,134,240         |
|                                    | 3,000,000      |  | 3,149,010         |

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|            |   |            |
|------------|---|------------|
| 1,000,000  | Cuyahoga County, OH, Hospital Revenue, University Hospitals Health System Inc., AMBAC, 5.500% due 1/15/30 (a)<br>Garfield Heights, OH, City School District, School Improvement, FSA, 5.000% due 12/15/22 | 1,010,920  |
| 2,000,000  | Hamilton County, OH:<br>Hospital Facilities Revenue, Cincinnati Childrens Hospital, FGIC, 5.250% due 5/15/23  | 2,013,500  |
| 19,925,000 | Sales Tax Revenue, AMBAC:<br>5.250% due 12/1/32 (a)   | 21,132,256 |
| 5,075,000  | 5.250% due 12/1/32  | 4,964,517  |

*See Notes to Schedule of Investments.*

## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited)(continued)

February 29, 2008

|                              | Face<br>Amount | Security  | Value             |
|------------------------------|----------------|---|-------------------|
| <b>Ohio 8.5% (continued)</b> |                |   |                   |
| \$                           | 7,500,000      | Lorain County, OH, Hospital Revenue, Catholic Healthcare Partners, 5.375% due 10/1/30   | \$ 7,074,300      |
|                              | 5,990,000      | Lucas County, OH, Hospital Revenue, Promedica Healthcare Obligation Group, AMBAC, 5.375% due 11/15/29   | 5,763,219         |
|                              | 3,025,000      | Muskingum County, OH, GO, Refunding & County Facilities Improvement, MBIA, 5.125% due 12/1/19   | 3,092,306         |
|                              | 1,805,000      | Ohio State Revenue, Revitalization Project, AMBAC, 5.000% due 4/1/21  | 1,821,642         |
|                              | 1,375,000      | Ohio State, Higher Educational Facility Commission Revenue, University of Dayton Project, AMBAC, 5.500% due 12/1/25 (a)                           | 1,479,981         |
|                              | 1,500,000      | Steubenville, OH, Hospital Revenue, 6.375% due 10/1/20 (a)  | 1,625,160         |
|                              | 1,000,000      | Summit County, OH, GO, FGIC:<br>5.000% due 12/1/21  | 1,008,860         |
|                              | 500,000        | 5.000% due 12/1/22  | 500,950           |
|                              | 1,500,000      | Trumbull County, OH, GO, MBIA, 5.200% due 12/1/20   | 1,544,835         |
|                              | 2,000,000      | University of Cincinnati, OH, General Receipts, FGIC, 5.250% due 6/1/24 (a)   | 2,154,040         |
|                              | 1,500,000      | Warrensville Heights, OH, GO, City School District, School Improvements, FGIC, 5.625% due 12/1/20 (a)(f)  | 1,619,430         |
|                              |                | <b>Total Ohio</b>   | <b>62,089,166</b> |
| <b>Oregon 2.2%</b>           |                |   |                   |
|                              | 3,210,000      | Clackamas County, OR, Hospital Facilities Authority Revenue, Legacy Health System, 5.750% due 5/1/16  | 3,359,329         |
|                              | 4,895,000      | Oregon State Department of Transportation, Highway User Tax Revenue, 5.125% due 11/15/23 (a)  | 5,267,069         |
|                              | 2,000,000      | Oregon State Facilities Authority Revenue, University Portland Projects, 5.000% due 4/1/32  | 1,711,500         |
|                              | 1,680,000      | Oregon State Housing & Community Services Department, Mortgage Revenue, Single-Family Mortgage Program, 5.050% due 7/1/26 (b)                     | 1,558,284         |
|                              | 3,980,000      | Oregon State Veterans Welfare, GO, 5.500% due 12/1/42   | 3,901,077         |
|                              |                | <b>Total Oregon</b>   | <b>15,797,259</b> |
| <b>Pennsylvania 3.6%</b>     |                |   |                   |
|                              | 18,745,000     | State Public School Building Authorities, School Revenue, Philadelphia School District Project, FSA, State Aid Withholding: 5.250% due 6/1/26 (a) | 20,301,772        |
|                              | 5,540,000      | 5.250% due 6/1/27 (a)   | 6,000,097         |
|                              |                | <b>Total Pennsylvania</b>   | <b>26,301,869</b> |
| <b>South Carolina 5.1%</b>   |                |   |                   |
|                              | 10,000,000     | Berkeley County, SC:<br>PCR, Refunding, SC Generating Co. Project, 4.875% due 10/1/14   | 10,222,400        |
|                              | 2,025,000      | Water & Sewer Revenue, FSA, 5.000% due 6/1/23   | 2,032,169         |
|                              | 15,000,000     | Greenville County, SC, School District Installment Purchase, Refunding, Building Equity Sooner for Tomorrow, 5.500% due 12/1/28 (a)(c)            | 16,557,450        |
|                              | 2,505,000      | South Carolina Transportation Infrastructure Bank Revenue: AMBAC, 5.125% due 10/1/31 (a)  | 2,677,845         |

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|                       |           |  |                   |
|-----------------------|-----------|--|-------------------|
|                       | 3,000,000 | MBIA, 5.500% due 10/1/30 (a)   | 3,165,750         |
|                       | 3,000,000 | Refunding, AMBAC, 5.000% due 10/1/23   | 2,927,010         |
|                       |           | <b>Total South Carolina</b>  | <b>37,582,624</b> |
| <b>Tennessee 1.9%</b> | 1,025,000 | Hardeman County, TN, Correctional Facilities Corp., Correctional Facilities Revenue, 7.750% due 8/1/17           | 1,039,934         |
|                       | 6,420,000 | Memphis-Shelby County, TN, Sports Authority Income Revenue, Memphis Arena Project, AMBAC, 5.125% due 11/1/21 (a) | 6,904,325         |
|                       | 3,000,000 | Tennessee Energy Acquisition Corp., Gas Revenue, 5.000% due 2/1/27   | 2,640,450         |

*See Notes to Schedule of Investments.*

## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited)(continued)

February 29, 2008

|                                    | Face<br>Amount | Security  | Value             |
|------------------------------------|----------------|---|-------------------|
| <b>Tennessee 1.9% (continued)</b>  |                |   |                   |
| \$                                 | 3,000,000      | Tennessee State, GO, 5.250% due 3/1/17 (a)  | \$ 3,139,440      |
|                                    |                | <b>Total Tennessee</b>  | <b>13,724,149</b> |
| <b>Texas 2.3%</b>                  |                |   |                   |
|                                    | 10,000,000     | Board of Managers Guadalupe Joint County-City of Seguin Hospital Revenue, Guadalupe Regional Medical Center Project, FHA, 5.500% due 8/15/36 (c)      | 9,425,100         |
|                                    | 5,000,000      | Dallas-Fort Worth, TX, International Airport Facilities Improvement Corp. Revenue, American Airlines Inc., Guarantee Agreement, 6.375% due 5/1/35 (b) | 4,128,000         |
|                                    | 1,000,000      | Harris County, TX, Health Facilities Development Corp., School Health Care System, Revenue, 5.750% due 7/1/27 (e)                                     | 1,077,810         |
|                                    | 2,335,000      | Pasadena, TX, ISD, GO, School Building, PSF-GTD, 4.750% due 2/15/24   | 2,258,856         |
|                                    |                | <b>Total Texas</b>  | <b>16,889,766</b> |
| <b>Virginia 2.7%</b>               |                |   |                   |
|                                    | 3,000,000      | Chesterfield County, VA, IDA, PCR, Virginia Electric & Power Co., Remarketed 11/8/02, 5.875% due 6/1/17   | 3,139,620         |
|                                    | 10,000,000     | Virginia State HDA Commonwealth Mortgage Revenue, MBIA, 5.350% due 7/1/31   | 9,894,100         |
|                                    | 7,000,000      | York County, VA, IDA, PCR, Virginia Electrical & Power Co., Remarketed 11/8/02, 5.500% due 7/1/09   | 7,062,020         |
|                                    |                | <b>Total Virginia</b>   | <b>20,095,740</b> |
| <b>Washington 0.4%</b>             |                |   |                   |
|                                    | 3,000,000      | State of Washington, GO, AMBAC, 5.000% due 7/1/20   | 3,079,320         |
| <b>West Virginia 0.6%</b>          |                |   |                   |
|                                    | 3,845,000      | West Virginia State Housing Development Fund, Housing Finance Revenue: 5.300% due 5/1/24  | 3,849,345         |
|                                    | 400,000        | 5.350% due 11/1/27  | 398,620           |
|                                    |                | <b>Total West Virginia</b>  | <b>4,247,965</b>  |
| <b>Wisconsin 0.3%</b>              |                |   |                   |
|                                    | 1,100,000      | Wisconsin State HEFA Revenue: Kenosha Hospital & Medical Center Project, 5.700% due 5/15/20   | 1,114,355         |
|                                    | 1,250,000      | Medical College of Wisconsin Inc. Project, MBIA, 5.400% due 12/1/16   | 1,265,200         |
|                                    |                | <b>Total Wisconsin</b>  | <b>2,379,555</b>  |
|                                    |                | <b>TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS</b>  |                   |
|                                    |                | (Cost \$708,961,056)  | 717,639,998       |
| <b>SHORT-TERM INVESTMENTS 2.2%</b> |                |   |                   |
| <b>Alaska 0.3%</b>                 |                |   |                   |
|                                    | 2,300,000      | Alaska State Housing Finance Corp., Home Mortgage Revenue, SPA - Landesbank Baden-Wuerttemberg, 3.100%, 3/6/08 (g)                                    | 2,300,000         |
| <b>Arizona 0.0%</b>                |                |   |                   |
|                                    | 250,000        | Arizona Health Facilities Authority Revenue, Health Facility Catholic West, LOC-Bank of America NA, 3.200%, 3/5/08 (g)                                | 250,000           |
| <b>Delaware 0.1%</b>               |                |   |                   |

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|                     |         |   |         |
|---------------------|---------|---|---------|
| <b>Georgia</b> 0.1% | 500,000 | Delaware State EDA Revenue, Hospital Billing, LOC-JPMorgan Chase, 3.200%, 3/5/08 (g)                  | 500,000 |
|                     | 300,000 | Municipal Electric Authority of Georgia, Project One, FSA, SPA-Dexia Credit Local, 3.200%, 3/5/08 (g) | 300,000 |

*See Notes to Schedule of Investments.*

## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited)(continued)

February 29, 2008

|                           | Face<br>Amount | Security   | Value                 |
|---------------------------|----------------|--|-----------------------|
| <b>Illinois 0.8%</b>      |                |  |                       |
| \$                        | 400,000        | Cook County, IL, GO, Capital Improvement, SPA-Depfa Bank PLC, 3.250%, 3/6/08 (g)   | \$ 400,000            |
|                           | 5,100,000      | Illinois Finance Authority Revenue, Alexian Brothers Health, LOC-Bank One N.A., 3.100%, 3/6/08 (g)   | 5,100,000             |
|                           |                | <b>Total Illinois</b>  | <b>5,500,000</b>      |
| <b>Kansas 0.0%</b>        | 150,000        | Kansas State Department of Transportation Highway Revenue, Refunding, SPA-Dexia Credit Local & Westdeutsche Landesbank, 3.050%, 3/6/08 (g)       | 150,000               |
| <b>Massachusetts 0.7%</b> | 300,000        | Massachusetts State HEFA, Partners Healthcare Systems, SPA-JPMorgan Chase, 3.350%, 3/6/08 (g)  | 300,000               |
|                           | 4,500,000      | Massachusetts State HEFA Revenue, Amherst College, 3.000%, 3/6/08 (g)  | 4,500,000             |
|                           | 200,000        | Massachusetts State, GO, Consolidated Loan, SPA-Bank of America, 4.020%, 3/3/08 (g)  | 200,000               |
|                           |                | <b>Total Massachusetts</b>   | <b>5,000,000</b>      |
| <b>New York 0.0%</b>      | 300,000        | Long Island, NY, Power Authority, Electric System Revenue, FSA, SPA-Dexia Credit Local, 3.250%, 3/5/08 (g)                                       | 300,000               |
| <b>Pennsylvania 0.0%</b>  | 250,000        | Northampton County, PA, General Purpose Authority Revenue, Higher Education Lehigh University, SPA- JPMorgan Chase, 3.230%, 3/6/08 (g)           | 250,000               |
| <b>Vermont 0.1%</b>       | 625,000        | Vermont Educational & Health Buildings Financing Agency Revenue, Hospital, Northeastern Vermont, LOC-TD Banknorth NA, 3.500%, 3/3/08 (g)         | 625,000               |
| <b>Washington 0.1%</b>    | 400,000        | Washington State Health Care Facilities Authority, National Healthcare Research and Education Finance Corp., LOC-BNP Paribas, 3.200%, 3/5/08 (g) | 400,000               |
|                           | 200,000        | Washington, WA, HEFA, Revenue, Whitman College Project, SPA-JPMorgan Chase, 3.400%, 3/6/08 (g)   | 200,000               |
|                           |                | <b>Total Washington</b>  | <b>600,000</b>        |
|                           |                | <b>TOTAL SHORT-TERM INVESTMENTS</b> (Cost \$15,775,000)  | <b>15,775,000</b>     |
|                           |                | <b>TOTAL INVESTMENTS 100.0%</b> (Cost \$724,736,056#)  | <b>\$ 733,414,998</b> |

- (a) Pre-Refunded bonds are escrowed with government obligations and/or government agency securities and are considered by the manager to be triple-A rated even if issuer has not applied for new ratings.
- (b) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax ( AMT ).
- (c) All or a portion of this security is segregated for open futures contracts and extended settlements.
- (d) Variable rate security. Interest rate disclosed is that which is in effect at February 29, 2008.
- (e) Bonds are escrowed to maturity by government securities 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) All or a portion of this security is held at the broker as collateral for open futures contracts.

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- (g) Variable rate demand obligations have a demand feature under which the Fund can tender them back to the issuer on no more than 7 days notice. Date shown is the date of the next interest rate change.
- # Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

AMBAC - Ambac Assurance Corporation - Insured Bonds

CDA - Community Development Authority

COP - Certificate of Participation

DFA - Development Finance Agency

*See Notes to Schedule of Investments.*

**Western Asset Managed Municipals Fund Inc.**

Schedule of Investments (unaudited)(continued)

February 29, 2008

EDA - Economic Development Authority  
 EFA - Educational Facilities Authority  
 FGIC - Financial Guaranty Insurance Company - Insured Bonds  
 FHA - Federal Housing Administration  
 FNMA - Federal National Mortgage Association  
 FSA - Financial Security Assurance - Insured Bonds  
 GNMA - Government National Mortgage Association  
 GO - General Obligation  
 GTD - Guaranteed  
 HDA - Housing Development Agency  
 HEFA - Health & Educational Facilities Authority  
 HFA - Housing Finance Authority  
 IDA - Industrial Development Authority  
 ISD - Independent School District  
 LOC - Letter of Credit  
 MBIA - Municipal Bond Investors Assurance Corporation - Insured Bonds  
 MFH - Multi-Family Housing  
 PCR - Pollution Control Revenue  
 PSF - Permanent School Fund  
 Q-SBLF - Qualified School Board Loan Fund  
 RDA - Redevelopment Agency  
 SPA - Standby Bond Purchase Agreement  
 USD - Unified School District

**Summary of Investments by Industry \* (unaudited)**

|                                   |        |
|-----------------------------------|--------|
| Pre-Refunded/Escrowed to Maturity | 41.8%  |
| Hospitals                         | 9.5    |
| Electric                          | 7.1    |
| Housing                           | 5.9    |
| Water & Sewer                     | 5.3    |
| Local General Obligation          | 5.3    |
| Industrial Development            | 5.2    |
| Transportation                    | 4.4    |
| Education                         | 4.0    |
| Special Tax                       | 4.0    |
| State General Obligation          | 3.4    |
| Other Revenue                     | 1.7    |
| Resource Recovery                 | 1.3    |
| Leasing                           | 0.6    |
| Housing: Single Family            | 0.3    |
| General Obligation                | 0.1    |
| Utilities                         | 0.1    |
|                                   | 100.0% |

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\* As a percentage of total investments. Please note that the Fund holdings are as of February 29, 2008 and are subject to change.

**Ratings Table \* (unaudited)**

| <b>S&amp;P/Moodys</b> |        |
|-----------------------|--------|
| AAA/Aaa               | 28.8%  |
| AA/Aa                 | 22.4   |
| A                     | 37.6   |
| BBB/Baa               | 3.9    |
| BB/Ba                 | 1.9    |
| CCC/Caa               | 0.6    |
| A-1/VMIG1             | 2.2    |
| NR                    | 2.6    |
|                       | 100.0% |

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\* As a percentage of total investments.

S&P primary rating; then Moody s.

See pages 10 and 11 for definitions of ratings.

*See Notes to Schedule of Investments.*

**Bond Ratings (*unaudited*)**

The definitions of the applicable rating symbols are set forth below:

*Standard & Poor's Ratings Service (Standard & Poor's)* Ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standings within the major rating categories.

- AAA Bonds rated AAA have the highest rating assigned by Standard & Poor's. Capacity to pay interest and repay principal is extremely strong.
- AA Bonds rated AA have a very strong capacity to pay interest and repay principal and differ from the highest rated issues only in a small degree.
- A Bonds rated A have a strong capacity to pay interest and repay principal although they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.
- BBB Bonds rated BBB are regarded as having an adequate capacity to pay interest and repay principal. Whereas they normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for bonds in this category than in higher rated categories.
- BB, B, CCC, CC and C Bonds rated BB, B, CCC, CC and C are regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. BB represents the lowest degree of speculation and C the highest degree of speculation. While such bonds will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions.
- D Bonds rated D are in default and payment of interest and/or repayment of principal is in arrears.

*Moody's Investors Service (Moody's)* Numerical modifiers 1, 2 and 3 may be applied to each generic rating from Aa to Caa, where 1 is the highest and 3 the lowest ranking within its generic category.

- Aaa Bonds rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as gilt edge. Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.
- Aa Bonds rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.
- A Bonds rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment some time in the future.
- Baa Bonds rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.
- Ba Bonds rated Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and therefore



**Bond Ratings (*unaudited*)(*continued*)**

- not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.
- B Bonds rated B generally lack characteristics of desirable investments. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.
- Caa Bonds rated Caa are of poor standing. These may be in default, or present elements of danger may exist with respect to principal or interest.
- Ca Bonds rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked short-comings.
- C Bonds rated C are the lowest class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.
- NR Indicates that the bond is not rated by Standard & Poor's Moody's.

**Short-Term Security Ratings (*unaudited*)**

- SP-1 Standard & Poor's highest rating indicating very strong or strong capacity to pay principal and interest; those issues determined to possess overwhelming safety characteristics are denoted with a plus (+) sign.
- A-1 Standard & Poor's highest commercial paper and variable-rate demand obligation (VRDO) rating indicating that the degree of safety regarding timely payment is either overwhelming or very strong; those issues determined to possess overwhelming safety characteristics are denoted with a plus (+) sign.
- VMIG 1 Moody's highest rating for issues having a demand feature VRDO.
- MIG1 Moody's highest rating for short-term municipal obligations.
- P-1 Moody's highest rating for commercial paper and for VRDO prior to the advent of the VMIG 1 rating.
- F1 Fitch's highest rating indicating the strongest capacity for timely payment of financial commitments; those issues determined to possess overwhelming strong credit feature are denoted with a plus (+) sign.

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

**1. Organization and Significant Accounting Policies**

Western Asset Managed Municipals Fund Inc. (the Fund) was incorporated in Maryland and is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended, (the 1940 Act). The Fund's investment objective is to seek as high a level of current income exempt from federal tax as is consistent with the preservation of principal.

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.** Securities are valued at the mean between the last quoted bid and asked prices provided by an independent pricing service that are based on transactions in municipal obligations, quotations from municipal bond dealers, market transactions in comparable securities and various other relationships between securities. When prices are not readily available, or are determined not to reflect fair value, the Fund may value these securities at fair value as determined in accordance with the procedures approved by the Fund's Board of Directors. Short-term obligations with maturities of 60 days or less are valued at amortized cost, which approximates fair value.

**(b) Financial Futures Contracts.** The Fund may enter into financial futures contracts typically to hedge a portion of the portfolio. Upon entering into a financial futures contract, the Fund is required to deposit cash or securities as initial margin, equal to a certain percentage of the contract amount (initial margin deposit). Additional securities are also segregated up to the current market value of the financial futures contracts. Subsequent payments, known as variation margin, are made or received by the Fund each day, depending on the daily fluctuations in the value of the underlying financial instruments. For foreign denominated futures, variation margins are not settled daily. The Fund recognizes an unrealized gain or loss equal to the fluctuation in the value. When the financial futures contracts are closed, a realized gain or loss is recognized equal to the difference between the proceeds from (or cost of) the closing transactions and the Fund's basis in the contracts.

The risks associated with entering into financial futures contracts include the possibility that a change in the value of the contract may not correlate with the changes in the value of the underlying financial instruments. In addition, investing in financial futures contracts involves the risk that the Fund could lose more than the initial margin deposit and subsequent payments required for a futures transaction. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

**(c) Security Transactions.** Security transactions are accounted for on a trade date basis.

**2. Investments**

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At February 29, 2008, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

|                               |    |              |
|-------------------------------|----|--------------|
| Gross unrealized appreciation | \$ | 29,174,400   |
| Gross unrealized depreciation |    | (20,495,458) |
| Net unrealized appreciation   | \$ | 8,678,942    |

At February 29, 2008, the Fund had the following open futures contracts:

|                           | Number of<br>Contracts | Expiration<br>Date | Basis<br>Value | Market<br>Value | Unrealized<br>Loss |
|---------------------------|------------------------|--------------------|----------------|-----------------|--------------------|
| <b>Contracts to Sell:</b> |                        |                    |                |                 |                    |
| U.S. Treasury Bonds       | 291                    | 6/08               | \$ 33,662,151  | \$ 34,519,875   | \$ (857,724)       |

**3. Recent accounting pronouncement**

In March 2008, FASB issued the Statement of Financial Accounting Standards No. 161, Disclosures about Derivative Instruments and Hedging Activities ( SFAS 161 ). SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about the Fund s derivative and hedging activities, including how such activities are accounted for and their effect on the Fund s financial position, performance and cash flows. Management is currently evaluating the impact the adoption of SFAS 161 will have on the Fund s financial statements and related disclosures.

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.

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**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 Managed Municipals Fund Inc.**

By */s/ R. Jay Gerken*  
R. Jay Gerken  
Chief Executive Officer

Date: April 29, 2008

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/ R. Jay Gerken*  
R. Jay Gerken  
Chief Executive Officer

Date: April 29, 2008

By */s/ Kaprel Ozsolak*  
Kaprel Ozsolak  
Chief Financial Officer

Date: April 29, 2008