

WESTERN ASSET PREMIER BOND FUND

Form N-Q

November 25, 2014

**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 **811-10603**

**Western Asset Premier Bond Fund**

(Exact name of registrant as specified in charter)

**620 Eighth Avenue, 49<sup>th</sup> Floor, New York, NY 10018**

(Address of principal executive offices) (Zip code)

**Robert I. Frenkel, Esq.**

**Legg Mason & Co., LLC**

**100 First Stamford Place**

**Stamford, CT 06902**

(Name and address of agent for service)

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

Date of fiscal year end: **December 31**

Date of reporting period: **September 30, 2014**

**ITEM 1. SCHEDULE OF INVESTMENTS.**

**WESTERN ASSET PREMIER BOND FUND**

**FORM N-Q**

**SEPTEMBER 30, 2014**

## WESTERN ASSET PREMIER BOND FUND

## Schedule of investments (unaudited)

September 30, 2014

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>CORPORATE BONDS &amp; NOTES - 80.7%</b>				
<b>CONSUMER DISCRETIONARY - 11.4%</b>				
<b>Automobiles - 3.6%</b>				
DaimlerChrysler NA Holding Corp., Notes	8.500%	1/18/31	1,000,000	\$ 1,510,635
Ford Motor Credit Co., LLC, Senior Notes	12.000%	5/15/15	1,030,000	1,102,831
Ford Motor Credit Co., LLC, Senior Notes	8.000%	12/15/16	680,000	773,483
Ford Motor Credit Co., LLC, Senior Notes	2.375%	1/16/18	1,000,000	1,009,217
General Motors Co., Senior Notes	6.250%	10/2/43	1,750,000	2,047,500
<i>Total Automobiles</i>				6,443,666
<b>Diversified Consumer Services - 0.0%</b>				
Service Corp. International, Senior Notes	7.625%	10/1/18	5,000	5,650
Service Corp. International, Senior Notes	7.500%	4/1/27	60,000	66,450
<i>Total Diversified Consumer Services</i>				72,100
<b>Hotels, Restaurants &amp; Leisure - 1.0%</b>				
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	9.000%	2/15/20	160,000	122,400
CCM Merger Inc., Senior Notes	9.125%	5/1/19	570,000	601,350 <sup>(a)</sup>
Greektown Holdings LLC/Greektown Mothership Corp., Senior Secured Notes	8.875%	3/15/19	280,000	278,600 <sup>(a)</sup>
Landry's Holdings II Inc., Senior Notes	10.250%	1/1/18	720,000	741,600 <sup>(a)</sup>
<i>Total Hotels, Restaurants &amp; Leisure</i>				1,743,950
<b>Household Durables - 0.2%</b>				
William Lyon Homes Inc., Senior Notes	8.500%	11/15/20	390,000	421,200
<b>Media - 6.4%</b>				
21st Century Fox America Inc., Notes	8.875%	4/26/23	400,000	532,040
Comcast Corp., Notes	5.900%	3/15/16	400,000	429,786
Comcast Corp., Notes	7.050%	3/15/33	1,000,000	1,340,973
CSC Holdings LLC, Senior Notes	6.750%	11/15/21	1,000,000	1,065,200
DISH DBS Corp., Senior Notes	7.875%	9/1/19	385,000	435,050
Nara Cable Funding Ltd., Senior Secured Notes	8.875%	12/1/18	1,500,000	1,575,000 <sup>(a)</sup>
New Cotai LLC/New Cotai Capital Corp., Senior Secured Notes	10.625%	5/1/19	344,967	394,987 <sup>(a)(b)</sup>
Time Warner Cable Inc., Debentures	7.300%	7/1/38	720,000	979,131
Time Warner Cable Inc., Senior Notes	5.850%	5/1/17	500,000	554,200
Time Warner Inc., Senior Debentures	7.700%	5/1/32	980,000	1,348,674
UPC Holding BV, Junior Secured Subordinated Notes	6.375%	9/15/22	1,820,000 <sup>EUR</sup>	2,472,216 <sup>(a)</sup>
WMG Acquisition Corp., Senior Notes	6.750%	4/15/22	530,000	507,475 <sup>(a)</sup>
<i>Total Media</i>				11,634,732
<b>Specialty Retail - 0.2%</b>				

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Hot Topic Inc., Senior Secured Notes	9.250%	6/15/21	270,000	288,900 <sup>(a)</sup>
<b>TOTAL CONSUMER DISCRETIONARY</b>				20,604,548
<b>CONSUMER STAPLES - 4.7%</b>				
<b>Food &amp; Staples Retailing - 2.2%</b>				
CVS Pass-Through Trust, Secured Bonds	5.789%	1/10/26	460,822	516,775 <sup>(a)</sup>
CVS Pass-Through Trust, Secured Notes	5.880%	1/10/28	464,439	522,499
CVS Pass-Through Trust, Secured Notes	6.036%	12/10/28	461,881	534,170
CVS Pass-Through Trust, Secured Notes	6.943%	1/10/30	443,418	539,770
CVS Pass-Through Trust, Secured Notes	7.507%	1/10/32	431,803	549,309 <sup>(a)</sup>
Kroger Co., Senior Notes	6.400%	8/15/17	1,090,000	1,232,103
<i>Total Food &amp; Staples Retailing</i>				3,894,626
<b>Food Products - 2.5%</b>				
Ahold Lease USA Inc., Pass-Through Certificates	8.620%	1/2/25	686,921	828,566
Chiquita Brands International Inc./Chiquita Brands LLC, Senior Secured Notes	7.875%	2/1/21	465,000	502,200
Hearthside Group Holdings LLC/Hearthside Finance Co., Senior Notes	6.500%	5/1/22	500,000	486,250 <sup>(a)</sup>

See Notes to Schedule of Investments.

## WESTERN ASSET PREMIER BOND FUND

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

September 30, 2014

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Food Products - (continued)</b>				
Simmons Foods Inc., Senior Secured Notes	10.500%	11/1/17	500,000	\$ 528,750 <sup>(a)</sup>
Wells Enterprises Inc., Senior Secured Notes	6.750%	2/1/20	176,000	180,840 <sup>(a)</sup>
WM Wrigley Jr. Co., Senior Notes	2.000%	10/20/17	2,000,000	2,018,702 <sup>(a)</sup>
<i>Total Food Products</i>				4,545,308
<b>TOTAL CONSUMER STAPLES</b>				
				8,439,934
<b>ENERGY - 9.1%</b>				
<b>Energy Equipment &amp; Services - 1.1%</b>				
CGG, Senior Notes	6.500%	6/1/21	750,000	656,250
FTS International Inc., Senior Secured Notes	6.250%	5/1/22	370,000	363,525 <sup>(a)</sup>
Hercules Offshore Inc., Senior Notes	8.750%	7/15/21	410,000	356,700 <sup>(a)</sup>
Hercules Offshore Inc., Senior Notes	7.500%	10/1/21	650,000	523,250 <sup>(a)</sup>
<i>Total Energy Equipment &amp; Services</i>				1,899,725
<b>Oil, Gas &amp; Consumable Fuels - 8.0%</b>				
Anadarko Finance Co., Senior Notes	7.500%	5/1/31	570,000	771,965
Arch Coal Inc., Senior Notes	7.000%	6/15/19	1,080,000	575,100
Burlington Resources Finance Co., Senior Notes	7.400%	12/1/31	450,000	642,317
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	6.500%	4/15/21	900,000	855,000 <sup>(a)</sup>
Colorado Interstate Gas Co., Senior Notes	6.800%	11/15/15	150,000	159,562
CONSOL Energy Inc., Senior Notes	8.250%	4/1/20	440,000	459,800
Devon Energy Corp., Debentures	7.950%	4/15/32	310,000	438,306
Devon Energy Corp., Senior Notes	1.875%	5/15/17	1,000,000	1,009,192
Ecopetrol SA, Senior Notes	5.875%	9/18/23	55,000	60,706
Ecopetrol SA, Senior Notes	5.875%	5/28/45	130,000	131,625
El Paso Corp., Medium-Term Notes	7.800%	8/1/31	190,000	229,900
EXCO Resources Inc., Senior Notes	8.500%	4/15/22	320,000	304,000
Halcon Resources Corp., Senior Notes	9.750%	7/15/20	670,000	681,725
Hess Corp., Notes	7.875%	10/1/29	350,000	475,130
Lonestar Resources America Inc., Senior Notes	8.750%	4/15/19	180,000	178,425 <sup>(a)</sup>
Magnum Hunter Resources Corp., Senior Notes	9.750%	5/15/20	740,000	782,550
MEG Energy Corp., Senior Notes	7.000%	3/31/24	840,000	869,400 <sup>(a)</sup>
Natural Resource Partners LP/Natural Resource Partners Finance Corp., Senior Notes	9.125%	10/1/18	370,000	380,175
Parsley Energy LLC/Parsley Finance Corp., Senior Notes	7.500%	2/15/22	150,000	154,688 <sup>(a)</sup>
Petrobras International Finance Co., Senior Notes	5.375%	1/27/21	960,000	970,387
Plains Exploration & Production Co., Senior Notes	8.625%	10/15/19	125,000	131,106
Plains Exploration & Production Co., Senior Notes	6.500%	11/15/20	429,000	469,806
Plains Exploration & Production Co., Senior Notes	6.875%	2/15/23	650,000	737,750
Regency Energy Partners LP/Regency Energy Finance Corp., Senior Notes	5.875%	3/1/22	80,000	83,200
Reliance Holdings USA Inc., Senior Notes	5.400%	2/14/22	250,000	272,908 <sup>(c)</sup>
Sanchez Energy Corp., Senior Notes	7.750%	6/15/21	710,000	759,700

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Summit Midstream Holdings LLC/Summit Midstream Finance Corp., Senior Notes	7.500%	7/1/21	230,000	246,100
Transocean Inc., Senior Notes	5.050%	12/15/16	1,000,000	1,065,904
Williams Cos. Inc., Debentures	7.500%	1/15/31	413,000	478,923
Williams Cos. Inc., Senior Notes	8.750%	3/15/32	39,000	49,491

*Total Oil, Gas & Consumable Fuels* 14,424,841

**TOTAL ENERGY** 16,324,566

**FINANCIALS - 24.9%**

**Banks - 18.1%**

Bank of America Corp., Senior Notes	3.750%	7/12/16	1,000,000	1,043,888
Bank of America Corp., Senior Notes	5.000%	5/13/21	1,100,000	1,207,974
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	610,000	829,491 <sup>(a)</sup>
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	2,500,000	2,686,562
Capital One N.A., Senior Notes	1.500%	3/22/18	1,810,000	1,782,743
Citigroup Inc., Senior Notes	1.700%	7/25/16	1,000,000	1,010,135
Citigroup Inc., Subordinated Notes	3.500%	5/15/23	500,000	479,347

**See Notes to Schedule of Investments.**

## WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2014

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Banks - (continued)</b>				
Citigroup Inc., Subordinated Notes	6.625%	6/15/32	1,000,000	\$ 1,208,621
Credit Agricole SA, Subordinated Notes	8.375%	10/13/19	1,610,000	1,863,575 <sup>(a)(d)(e)</sup>
HBOS PLC, Subordinated Notes	6.750%	5/21/18	700,000	791,808 <sup>(a)</sup>
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	9/17/24	2,460,000	2,456,925 <sup>(d)(e)</sup>
Intesa Sanpaolo SpA, Senior Notes	3.625%	8/12/15	300,000	306,502 <sup>(a)</sup>
Intesa Sanpaolo SpA, Senior Notes	3.875%	1/16/18	1,000,000	1,042,745
Intesa Sanpaolo SpA, Subordinated Bonds	5.017%	6/26/24	910,000	886,646 <sup>(a)</sup>
JPMorgan Chase & Co., Junior Subordinated Bonds	6.000%	8/1/23	2,840,000	2,793,850 <sup>(d)(e)</sup>
JPMorgan Chase & Co., Junior Subordinated Notes	6.100%	10/1/24	750,000	741,563 <sup>(d)(e)</sup>
M&T Bank Corp., Junior Subordinated Bonds	6.875%	6/15/16	760,000	773,922 <sup>(e)</sup>
Royal Bank of Scotland Group PLC, Subordinated Notes	6.100%	6/10/23	1,470,000	1,552,164
Royal Bank of Scotland Group PLC, Subordinated Notes	6.000%	12/19/23	150,000	157,251
Royal Bank of Scotland Group PLC, Subordinated Notes	5.125%	5/28/24	1,580,000	1,552,446
Royal Bank of Scotland NV, Subordinated Notes	7.750%	5/15/23	140,000	160,841
Santander UK PLC, Subordinated Notes	5.000%	11/7/23	510,000	535,070 <sup>(a)</sup>
Santander US Debt SA Unipersonal, Senior Notes	3.724%	1/20/15	300,000	302,565 <sup>(a)</sup>
Wachovia Capital Trust III, Junior Subordinated Bonds	5.570%	11/17/14	2,530,000	2,450,937 <sup>(d)(e)</sup>
Wells Fargo & Co., Junior Subordinated Bonds	5.900%	6/15/24	3,990,000	4,064,812 <sup>(d)(e)</sup>
<i>Total Banks</i>				32,682,383
<b>Capital Markets - 2.9%</b>				
Deutsche Bank AG, Subordinated Notes	4.296%	5/24/28	2,000,000	1,910,180 <sup>(d)</sup>
Goldman Sachs Group Inc., Senior Notes	6.150%	4/1/18	1,000,000	1,127,560
Goldman Sachs Group Inc., Senior Notes	5.250%	7/27/21	800,000	886,882
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	1,000,000	1,193,787
<i>Total Capital Markets</i>				5,118,409
<b>Consumer Finance - 0.5%</b>				
Ally Financial Inc., Senior Notes	8.000%	3/15/20	350,000	407,750
Capital One Financial Corp., Subordinated Notes	6.150%	9/1/16	500,000	546,331
<i>Total Consumer Finance</i>				954,081
<b>Diversified Financial Services - 2.4%</b>				
General Electric Capital Corp., Notes	5.300%	2/11/21	450,000	507,170
General Electric Capital Corp., Subordinated Debentures	6.375%	11/15/67	500,000	541,250 <sup>(d)</sup>
International Lease Finance Corp., Senior Notes	8.750%	3/15/17	1,380,000	1,538,700
International Lease Finance Corp., Senior Notes	5.875%	8/15/22	750,000	783,750
International Lease Finance Corp., Senior Secured Notes	7.125%	9/1/18	400,000	450,000 <sup>(a)</sup>
ZFS Finance USA Trust II, Bonds	6.450%	12/15/65	500,000	535,000 <sup>(a)(d)</sup>
<i>Total Diversified Financial Services</i>				4,355,870
<b>Insurance - 0.6%</b>				



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Liberty Mutual Group Inc., Junior Subordinated Bonds	7.800%	3/15/37	200,000	235,250 <sup>(a)</sup>
Metlife Inc., Junior Subordinated Notes	10.750%	8/1/39	500,000	807,500
<i>Total Insurance</i>				<i>1,042,750</i>
<b>Real Estate Management &amp; Development - 0.4%</b>				
Howard Hughes Corp., Senior Notes	6.875%	10/1/21	690,000	712,425 <sup>(a)</sup>
<b>TOTAL FINANCIALS</b>				<b>44,865,918</b>
<b>HEALTH CARE - 1.3%</b>				
<b>Health Care Equipment &amp; Supplies - 0.5%</b>				
ConvaTec Finance International SA, Senior Notes	8.250%	1/15/19	340,000	345,950 <sup>(a)(b)</sup>
Lantheus Medical Imaging Inc., Senior Notes	9.750%	5/15/17	610,000	605,425
<i>Total Health Care Equipment &amp; Supplies</i>				<i>951,375</i>

See Notes to Schedule of Investments.

## WESTERN ASSET PREMIER BOND FUND

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

September 30, 2014

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Health Care Providers &amp; Services - 0.8%</b>				
HCA Inc., Debentures	7.500%	11/15/95	475,000	\$ 446,500
HCA Inc., Notes	7.690%	6/15/25	90,000	99,000
IASIS Healthcare LLC/IASIS Capital Corp., Senior Notes	8.375%	5/15/19	230,000	240,925
Tenet Healthcare Corp., Senior Notes	8.125%	4/1/22	480,000	526,800
<i>Total Health Care Providers &amp; Services</i>				1,313,225
<b>TOTAL HEALTH CARE</b>				2,264,600
<b>INDUSTRIALS - 11.3%</b>				
<b>Aerospace &amp; Defense - 0.6%</b>				
Boeing Co., Notes	6.125%	2/15/33	600,000	767,065
GenCorp Inc., Secured Notes	7.125%	3/15/21	250,000	269,375
<i>Total Aerospace &amp; Defense</i>				1,036,440
<b>Airlines - 6.8%</b>				
Air 2 US, Notes	8.027%	10/1/19	1,406,763	1,505,236 <sup>(a)</sup>
America West Airlines Inc., Pass-Through Certificates, Ambac Assurance Corp.	8.057%	7/2/20	1,448,479	1,651,266
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	122,473	142,987
Northwest Airlines Corp., Pass-Through Certificates	7.575%	3/1/19	352,881	396,109
United Airlines Inc., Pass-Through Certificates	6.900%	1/2/18	526,806	559,047
United Airlines Inc., Pass-Through Certificates	6.820%	5/1/18	587,355	643,154
United Airlines Inc., Pass-Through Certificates	6.545%	2/2/19	822,877	912,406
United Airlines Inc., Pass-Through Certificates	8.048%	11/1/20	455,416	524,275
United Airlines Inc., Pass-Through Certificates	6.703%	6/15/21	663,211	716,268
United Airlines Inc., Pass-Through Certificates, Secured Notes	6.250%	4/11/20	898,647	957,059
US Airways, Pass-Through Trust, Pass-Through Certificates	6.850%	1/30/18	2,030,057	2,192,461
US Airways, Pass-Through Trust, Secured Notes	7.125%	10/22/23	1,692,653	1,963,478
<i>Total Airlines</i>				12,163,746
<b>Commercial Services &amp; Supplies - 0.4%</b>				
Taylor Morrison Communities Inc./Monarch Communities Inc., Senior Notes	7.750%	4/15/20	590,000	631,300 <sup>(a)</sup>
Taylor Morrison Communities Inc./Monarch Communities Inc., Senior Notes	7.750%	4/15/20	72,000	77,040 <sup>(a)</sup>
<i>Total Commercial Services &amp; Supplies</i>				708,340
<b>Construction &amp; Engineering - 0.9%</b>				
Ausdrill Finance Pty Ltd., Senior Notes	6.875%	11/1/19	270,000	249,075 <sup>(a)</sup>
Michael Baker International LLC/CDL Acquisition Co. Inc., Senior Secured Notes	8.250%	10/15/18	610,000	616,100 <sup>(a)</sup>
Modular Space Corp., Secured Notes	10.250%	1/31/19	360,000	363,600 <sup>(a)</sup>
OAS Investments GmbH, Senior Notes	8.250%	10/19/19	200,000	196,242 <sup>(a)</sup>
Odebrecht Offshore Drilling Finance Ltd., Senior Secured Notes	6.625%	10/1/22	195,220	201,113 <sup>(a)</sup>

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<i>Total Construction &amp; Engineering</i>				<i>1,626,130</i>
<b>Electrical Equipment - 0.2%</b>				
International Wire Group Holdings Inc., Senior Secured Notes	8.500%	10/15/17	340,000	364,650 <sup>(a)</sup>
<b>Machinery - 0.4%</b>				
SPL Logistics Escrow LLC/SPL Logistics Finance Corp., Senior Secured Notes	8.875%	8/1/20	710,000	772,125 <sup>(a)</sup>
<b>Marine - 1.2%</b>				
Horizon Lines LLC, Senior Secured Notes	11.000%	10/15/16	1,664,000	1,668,160

**See Notes to Schedule of Investments.**

## WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2014

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Marine - (continued)</b>				
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes	8.125%	11/15/21	470,000	\$ 453,550 <sup>(a)</sup>
<i>Total Marine</i>				2,121,710
<b>Road &amp; Rail - 0.5%</b>				
Florida East Coast Holdings Corp., Senior Notes	9.750%	5/1/20	620,000	629,300 <sup>(a)</sup>
Jurassic Holdings III Inc., Secured Notes	6.875%	2/15/21	280,000	280,000 <sup>(a)</sup>
<i>Total Road &amp; Rail</i>				909,300
<b>Trading Companies &amp; Distributors - 0.3%</b>				
H&E Equipment Services Inc., Senior Notes	7.000%	9/1/22	590,000	629,825
<b>TOTAL INDUSTRIALS</b>				20,332,266
<b>INFORMATION TECHNOLOGY - 1.9%</b>				
<b>Electronic Equipment, Instruments &amp; Components - 0.2%</b>				
Interface Security Systems Holdings Inc./Interface Security Systems LLC, Senior Secured Notes	9.250%	1/15/18	340,000	348,500
<b>IT Services - 1.4%</b>				
Compiler Finance Subordinated Inc., Senior Notes	7.000%	5/1/21	465,000	439,425 <sup>(a)</sup>
Electronic Data Systems Corp., Notes	7.450%	10/15/29	500,000	618,850
First Data Corp., Senior Notes	12.625%	1/15/21	940,000	1,125,650
First Data Corp., Senior Secured Notes	6.750%	11/1/20	98,000	103,880 <sup>(a)</sup>
First Data Corp., Senior Subordinated Notes	11.750%	8/15/21	208,000	240,760
<i>Total IT Services</i>				2,528,565
<b>Technology Hardware, Storage &amp; Peripherals - 0.3%</b>				
Hewlett-Packard Co., Senior Notes	4.650%	12/9/21	500,000	541,578
<b>TOTAL INFORMATION TECHNOLOGY</b>				3,418,643
<b>MATERIALS - 4.1%</b>				
<b>Chemicals - 0.3%</b>				
Braskem Finance Ltd., Senior Notes	5.375%	5/2/22	230,000	227,125 <sup>(a)</sup>
HIG BBC Intermediate Holdings LLC/HIG BBC Holdings Corp., Senior Notes	10.500%	9/15/18	250,	