

Western Asset Mortgage Defined Opportunity Fund Inc.
Form N-Q
November 27, 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 811-22369

Western Asset Mortgage Defined Opportunity Fund Inc.
(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: (888)777-0102

Date of fiscal year end: December 31

Date of reporting period: September 30, 2012

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

FORM N-Q

SEPTEMBER 30, 2012

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WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited)

September 30, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Commercial Mortgage-Backed Securities 13.5%				
Bayview Commercial Asset Trust, 2004-3 A1	0.587%	1/25/35	\$ 725,526	\$ 626,055(a)(b)
Bayview Commercial Asset Trust, 2007-1 B1	0.887%	3/25/37	894,938	41,314(a)(b)
Chevy Chase Mortgage Funding Corp., 2004-4A A2	0.507%	10/25/35	1,826,380	1,338,709(a)(b)
Chevy Chase Mortgage Funding Corp., 2005-2A A1	0.397%	5/25/36	2,772,946	2,116,354(a)(b)
Countrywide Alternative Loan Trust, 2005-27 2A1	1.498%	8/25/35	4,129,935	2,778,833(b)
Countrywide Alternative Loan Trust, 2005-27 2A3	1.708%	8/25/35	3,320,065	2,447,595(b)
Countrywide Home Loans, 2005-HYB9 1A1	2.818%	2/20/36	437,753	300,843(b)
Countrywide Home Loans, 2005-R2 1AF2	0.557%	6/25/35	2,217,547	1,378,875(a)(b)
DSL A Mortgage Loan Trust, 2005-AR4 2A1B	0.499%	8/19/45	4,785,582	2,205,363(b)
Extended Stay America Trust, 2010-ESHA XB1, IO	1.368%	1/5/16	41,000,000	89,954(a)(b)
Federal Home Loan Mortgage Corp. (FHLMC) STRIPS, 262 S5, IO	6.279%	7/15/42	6,580,198	2,030,444(b)
Federal Home Loan Mortgage Corp. (FHLMC), Multi-Family Structured Pass-Through Certificates, K007 X1, IO	1.403%	4/25/20	9,748,260	667,415(b)(c)
Federal Home Loan Mortgage Corp. (FHLMC), Multi-Family Structured Pass-Through Certificates, K008 X1, IO	1.834%	6/25/20	2,451,378	234,855(b)(c)
Federal Home Loan Mortgage Corp. (FHLMC), Multi-Family Structured Pass-Through Certificates, K009 X1, IO	1.676%	8/25/20	8,019,283	679,562(b)(c)
Greenpoint Mortgage Funding Trust, 2006-AR6 A4	0.557%	10/25/46	6,580,005	1,773,163(b)
GS Mortgage Securities Corp., 2010-C1 X, IO	1.685%	8/10/43	16,628,441	1,351,186(a)(b)(c)
GS Mortgage Securities Corp., IO	2.370%	2/10/21	8,790,441	163,080(a)(b)
GSMPS Mortgage Loan Trust, 2001-2 A	7.500%	6/19/32	929,248	982,369(a)(b)
Homestar Mortgage Acceptance Corp., 2004-1 M1	0.747%	3/25/34	2,668,018	1,562,082(b)
Homestar Mortgage Acceptance Corp., 2004-6 M4	1.417%	1/25/35	2,448,000	1,149,638(b)
Indymac Index Mortgage Loan Trust, 2004-AR2 2A1	0.837%	6/25/34	1,925,501	1,704,110(b)
New York Mortgage Trust, 2005-3 M1	0.667%	2/25/36	2,071,706	1,528,309(b)
Residential Asset Mortgage Products Inc., 2004-SL3 A3	7.500%	12/25/31	1,649,459	1,723,731
Residential Funding Mortgage Securities I	3.109%	8/25/35	5,728,331	4,053,092(b)
	2.704%	2/25/37	1,763,947	1,380,119(b)

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WaMu Mortgage Pass-Through Certificates, 2007-HY1 4A1				
Total Commercial Mortgage-Backed Securities (Cost	\$33,490,940)			34,307,050
Residential Mortgage-Backed Securities				
66.4%				
ABFS Mortgage Loan Trust, 2002-3 M1	5.902%	9/15/33	1,442,872	1,061,453
Accredited Mortgage Loan Trust, 2003-3 A1	5.210%	1/25/34	1,781,600	1,679,536
American Home Mortgage Assets, 2005-2 2A1A	3.162%	1/25/36	1,188,535	729,312(b)
American Home Mortgage Investment Trust, 2005-1 6A	2.655%	6/25/45	165,270	154,788(b)(c)
American Home Mortgage Investment Trust, 2005-SD1 1A1	0.667%	9/25/35	473,526	288,717(a)(b)(c)
American Home Mortgage Investment Trust, 2007-2 2A	1.017%	3/25/47	14,169,061	1,406,315(b)
American Home Mortgage Investment Trust, 2007-A 4A	0.667%	7/25/46	599,841	176,316(a)(b)
ARM Trust, 2005-05 1A1	2.969%	9/25/35	409,610	304,949(b)(c)
ARM Trust, 2005-07 2A21	2.895%	10/25/35	1,040,000	803,852(b)(c)
ARM Trust, 2005-10 1A21	2.992%	1/25/36	610,857	473,755(b)(c)
ARM Trust, 2005-12 5A1	0.467%	3/25/36	518,167	300,048(b)
Banc of America Funding Corp., 2004-B 6A1	2.912%	12/20/34	1,022,998	647,443(b)
Banc of America Funding Corp., 2004-C 3A1	2.908%	12/20/34	1,327,872	1,176,488(b)(c)

See Notes to Schedule of Investments.

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Residential Mortgage-Backed Securities continued				
Banc of America Funding Corp., 2006-D 6A1	5.176%	5/20/36	\$ 2,370,494	\$ 1,831,834(b)(c)
Banc of America Funding Corp., 2006-F 1A1	2.668%	7/20/36	1,168,317	1,067,331(b)(c)
Banc of America Funding Corp., 2006-H 3A1	5.952%	9/20/46	302,113	221,624(b)(c)
Banc of America Funding Corp., 2007-A 2A1	0.379%	2/20/47	500,239	422,247(b)(c)
Banc of America Funding Corp., 2007-E CA9	5.903%	7/20/47	2,021,479	147,889