

Western Asset Income Fund  
Form N-Q  
November 29, 2005

**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: 811-02351

**Western Asset Income Fund**

(Exact Name of Registrant as Specified In Its Charter)

Address of Principal Executive Offices: 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

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Date of fiscal year end: December 31, 2005

Date of reporting period: September 30, 2005

**Item 1 Schedule of Investments**

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**Portfolio of Investments**

September 30, 2005 (Unaudited)

(Amounts in Thousands)

**Western Asset Income Fund**

	<u>RATE</u>	<u>MATURITY DATE</u>	<u>PAR/SHARES</u>	<u>VALUE</u>	
<b>Long-Term Securities 97.5%</b>					
<b>Corporate Bonds and Notes 70.9%</b>					
<i>Aerospace/Defense 0.5%</i>					
L-3 Communications Corp.	7.625%	6/15/12	275	289	
Systems 2001 Asset Trust	6.664%	9/15/13	448	480	A
				<u>769</u>	
<i>Auto Parts and Equipment 0.2%</i>					
American Axle & Manufacturing Inc.	5.250%	2/11/14	300	255	
<i>Automotive 1.0%</i>					
Ford Motor Company	7.450%	7/16/31	600	468	B
Ford Motor Company	8.900%	1/15/32	260	219	
General Motors Corporation	8.250%	7/15/23	190	148	B
General Motors Corporation	8.375%	7/15/33	760	593	B
				<u>1,428</u>	
<i>Banking and Finance 10.0%</i>					
Ford Motor Credit Company	6.625%	6/16/08	3,010	2,942	
Ford Motor Credit Company	7.375%	10/28/09	1,425	1,376	
Ford Motor Credit Company	7.375%	2/1/11	510	488	
Ford Motor Credit Company	7.250%	10/25/11	1,615	1,533	
Ford Motor Credit Company	7.000%	10/1/13	70	65	B
Fuji Co., Ltd.	9.870%	12/31/49	620	692	A,C
General Motors Acceptance Corporation	6.150%	4/5/07	570	566	
General Motors Acceptance Corporation	6.125%	8/28/07	3,190	3,140	
General Motors Acceptance Corporation	6.311%	11/30/07	110	106	
General Motors Acceptance Corporation	5.625%	5/15/09	510	468	
HSBC Finance Corporation	4.750%	4/15/10	1,790	1,783	
International Lease Finance Corporation	6.375%	3/15/09	330	346	B
Residential Capital Corporation	6.375%	6/30/10	730	739	A
SB Treasury Company LLC	9.400%	12/29/49	600	662	A
				<u>14,906</u>	
<i>Banks 2.3%</i>					
Bank of America Corporation	4.500%	8/1/10	1,075	1,064	

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Bank of America Corporation	7.800%	9/15/16	250	304	
BankAmerica Capital III	4.720%	1/15/27	215	207	D
BB&T Capital Trust I	5.850%	8/18/35	640	631	
Chase Capital II	4.743%	2/1/27	725	682	D
RBS Capital Trust III	5.512%	9/29/49	570	580	C

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3,468

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*Building Materials* 0.5%

American Standard, Inc.	8.250%	6/1/09	500	553	
Nortek, Inc.	8.500%	9/1/14	225	207	

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760

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*Cable* 1.4%

Comcast Corporation	7.050%	3/15/33	160	178	
Cox Communications, Inc.	4.625%	1/15/10	510	499	
CSC Holdings Inc.	7.250%	7/15/08	700	702	

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TCI Communications, Inc.	8.750%	8/1/15	160	199	
Tele-Communications, Inc.	9.800%	2/1/12	375	461	
				<u>2,039</u>	
<i>Casino Resorts 0.7%</i>					
Caesars Entertainment Inc.	8.125%	5/15/11	250	278	
Harrah's Operating Company, Inc.	5.500%	7/1/10	340	343	
Harrah's Operating Company, Inc.	5.750%	10/1/17	480	470	A
				<u>1,091</u>	
<i>Chemicals 0.7%</i>					
The Dow Chemical Company	7.375%	11/1/29	800	977	
<i>Computer Services and Systems 0.7%</i>					
Electronic Data Systems Corporation	7.125%	10/15/09	600	643	
Electronic Data Systems Corporation	7.450%	10/15/29	420	440	
				<u>1,083</u>	
<i>Containers and Packaging 0.1%</i>					
Graphic Packaging International Corp.	9.500%	8/15/13	200	188	B
<i>Diversified Financial Services 3.0%</i>					
AIG SunAmerica Global Financing VI	6.300%	5/10/11	1,880	2,012	A
Beaver Valley Funding Corp.	9.000%	6/1/17	300	356	
Capital One Bank	5.750%	9/15/10	310	320	B
Capital One Bank	6.500%	6/13/13	330	354	
Capital One Financial Corporation	8.750%	2/1/07	350	368	
Capital One Financial Corporation	7.125%	8/1/08	90	95	
iStar Financial Inc.	5.375%	4/15/10	230	230	
iStar Financial Inc.	6.000%	12/15/10	230	236	
Marsh & McLennan Companies, Inc.	5.150%	9/15/10	90	89	
Marsh & McLennan Companies, Inc.	5.875%	8/1/33	330	299	
Mizuho Preferred Capital Corp. LLC	8.790%	12/29/49	110	120	A
				<u>4,479</u>	

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<i>Drug and Grocery Store Chains 0.4%</i>					
Safeway Inc.	7.500%	9/15/09	500	538	
<i>Electric 2.2%</i>					
AEP Texas Central Company	5.500%	2/15/13	420	430	
American Electric Power Company, Inc.	5.250%	6/1/15	490	491	B
Dominion Resources, Inc.	5.125%	12/15/09	210	212	
Dominion Resources, Inc.	5.150%	7/15/15	350	343	
FirstEnergy Corp.	6.450%	11/15/11	60	64	
FirstEnergy Corp.	7.375%	11/15/31	710	833	
System Energy Resources, Inc.	4.875%	10/1/07	380	378	
Tampa Electric Company	6.375%	8/15/12	145	156	
The AES Corporation	9.500%	6/1/09	39	42	
The Cleveland Electric Illuminating Company	5.650%	12/15/13	300	307	
				3,256	
<i>Energy 6.2%</i>					
CenterPoint Energy, Inc.	6.850%	6/1/15	1,150	1,266	
DTE Energy Company	6.375%	4/15/33	330	339	

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Exelon Corporation	6.750%	5/1/11	1,500	1,608	
MidAmerican Energy Holdings Company	5.875%	10/1/12	500	522	
Pacific Gas and Electric Company	6.050%	3/1/34	1,890	1,966	
Peabody Energy Corporation	6.875%	3/15/13	285	298	
Sempra Energy	4.290%	5/21/08	635	636	D
TXU Corp.	6.375%	6/15/06	750	758	
TXU Corp.	6.550%	11/15/34	520	483	
TXU Energy Co.	4.920%	1/17/06	125	125	D
TXU Energy Co.	6.125%	3/15/08	500	513	B
TXU Energy Co.	7.000%	3/15/13	370	402	
Xcel Energy, Inc.	7.000%	12/1/10	350	382	
				9,298	
<i>Environmental Services 0.3%</i>					
Waste Management, Inc.	7.375%	5/15/29	415	482	
<i>Food, Beverage and Tobacco 1.9%</i>					
Altria Group, Inc.	7.000%	11/4/13	305	334	
Altria Group, Inc.	7.750%	1/15/27	340	396	B
Domino's, Inc.	8.250%	7/1/11	200	210	
R.J. Reynolds Tobacco Holdings, Inc.	7.250%	6/1/12	1,360	1,394	B
Tyson Foods, Inc.	7.000%	1/15/28	500	547	B
				2,881	
<i>Gas and Pipeline Utilities 2.4%</i>					
Dynegy Holdings Inc.	6.875%	4/1/11	1,300	1,271	B
Dynegy Holdings Inc.	8.750%	2/15/12	735	797	
The Williams Companies, Inc.	7.500%	1/15/31	102	108	
The Williams Companies, Inc.	8.750%	3/15/32	1,250	1,475	
				3,651	
<i>Health Care 1.1%</i>					
Tenet Healthcare Corporation	6.375%	12/1/11	1,465	1,366	
Tenet Healthcare Corporation	6.875%	11/15/31	250	208	
				1,574	



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<i>Homebuilding 0.4%</i>					
D.R. Horton, Inc.	5.250%	2/15/15	410	384	
Pulte Homes, Inc.	6.250%	2/15/13	145	150	B
				534	
<i>Insurance 0.2%</i>					
Willis Group North America	5.125%	7/15/10	280	280	
<i>Investment Banking/Brokerage 2.1%</i>					
J.P. Morgan Capital Trust II	7.950%	2/1/27	150	161	
J.P. Morgan Chase & Co.	5.125%	9/15/14	1,140	1,137	
J.P. Morgan Chase & Co.	5.150%	10/1/15	670	666	
Merrill Lynch & Co., Inc.	5.000%	1/15/15	60	60	
Morgan Stanley	4.750%	4/1/14	500	482	
The Goldman Sachs Group, Inc.	6.345%	2/15/34	555	578	
				3,084	

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	<u>RATE</u>	<u>MATURITY DATE</u>	<u>PAR/SHARES</u>	<u>VALUE</u>	
<i>Lodging/Hotels 0.3%</i>					
Hilton Hotels Corporation	7.625%	12/1/12	450	506	B
<i>Machinery 0.3%</i>					
Case New Holland Incorporated	9.250%	8/1/11	475	502	
<i>Media 4.3%</i>					
AMFM Inc.	8.000%	11/1/08	210	226	
Clear Channel Communications, Inc.	5.500%	9/15/14	915	882	
Liberty Media Corporation	5.370%	9/17/06	455	458	D
Liberty Media Corporation	7.875%	7/15/09	750	789	
Liberty Media Corporation	8.500%	7/15/29	130	126	
Liberty Media Corporation	8.250%	2/1/30	65	62	B
News America, Inc.	6.550%	3/15/33	545	567	B
News America, Inc.	6.200%	12/15/34	35	35	
Readers Digest Association, Inc.	6.500%	3/1/11	300	305	
Sinclair Broadcast Group, Inc.	8.750%	12/15/11	210	221	
Time Warner Entertainment Company, L.P.	8.375%	7/15/33	680	851	
Time Warner Inc.	9.125%	1/15/13	240	293	
Time Warner Inc.	7.700%	5/1/32	885	1,048	
Viacom Inc.	5.625%	8/15/12	520	528	
				<u>6,391</u>	
<i>Medical Care Facilities 1.6%</i>					
Coventry Health Care, Inc.	5.875%	1/15/12	400	406	
HCA, Inc.	5.250%	11/6/08	105	103	
HCA, Inc.	7.875%	2/1/11	250	268	
HCA, Inc.	6.300%	10/1/12	180	179	
HCA, Inc.	6.250%	2/15/13	930	919	
HCA, Inc.	5.750%	3/15/14	65	62	
Health Care REIT, Inc.	8.000%	9/12/12	370	420	
				<u>2,357</u>	
<i>Oil and Gas 6.2%</i>					
Amerada Hess Corporation	7.300%	8/15/31	1,440	1,680	
Conoco Inc.	6.950%	4/15/29	90	110	
ConocoPhillips	4.750%	10/15/12	200	201	
Devon Energy Corporation	7.950%	4/15/32	350	446	

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El Paso Corporation	7.625%	8/16/07	300	305	A
El Paso Corporation	7.800%	8/1/31	2,000	2,005	
Kerr-McGee Corporation	7.875%	9/15/31	1,315	1,522	
Occidental Petroleum Corporation	6.750%	1/15/12	1,000	1,110	
Ocean Energy Inc.	4.375%	10/1/07	430	427	
Panhandle Eastern Pipe Line Company	4.800%	8/15/08	445	444	
Valero Energy Corporation	6.875%	4/15/12	215	236	
Vintage Petroleum, Inc.	7.875%	5/15/11	250	261	
XTO Energy, Inc.	6.250%	4/15/13	560	598	
				<u>9,345</u>	
<i>Paper and Forest Products 1.8%</i>					
Georgia-Pacific Corp.	9.500%	12/1/11	325	384	
Georgia-Pacific Corp.	7.375%	12/1/25	250	260	

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	RATE	MATURITY DATE	PAR/SHARES	VALUE	
International Paper Company	5.500%	1/15/14	330	329	
Weyerhaeuser Company	6.750%	3/15/12	995	1,075	
Weyerhaeuser Company	7.375%	3/15/32	540	611	
				<u>2,659</u>	
<i>Photo Equipment and Supplies 0.5%</i>					
Eastman Kodak Company	3.625%	5/15/08	375	351	
Eastman Kodak Company	7.250%	11/15/13	345	327	B
				<u>678</u>	
<i>Real Estate 0.2%</i>					
Forest City Enterprises, Inc.	7.625%	6/1/15	225	239	
Socgen Real Estate Co. LLC	7.640%	12/29/49	80	84	A,C
				<u>323</u>	
<i>Retail 0.2%</i>					
Toys R Us, Inc.	6.875%	8/1/06	350	354	B
<i>Special Purpose 13.2%</i>					
Ahold Finance USA, Inc.	8.250%	7/15/10	355	387	
ASIF Global Financing XIX	4.900%	1/17/13	410	403	A
Conoco Funding Company	6.350%	10/15/11	470	510	
DaimlerChrysler NA Holding Corporation	4.314%	9/10/07	1,570	1,574	D
DaimlerChrysler NA Holding Corporation	7.300%	1/15/12	415	451	
DaimlerChrysler NA Holding Corporation	6.500%	11/15/13	160	169	
Duke Capital Corporation	6.250%	2/15/13	1,200	1,262	
NiSource Finance Corp.	3.200%	11/1/06	375	369	
PNPP II Funding Corporation	9.120%	5/30/16	2,425	2,826	B
Qwest Capital Funding, Inc.	7.250%	2/15/11	1,150	1,095	B
Rabobank Capital Funding Trust II	5.260%	12/31/49	115	115	A
Rabobank Capital Funding Trust III	5.254%	12/29/49	1,145	1,141	A
Reed Elsevier Capital Inc.	4.625%	6/15/12	900	874	
Sithe Independence Funding Corporation	9.000%	12/30/13	1,500	1,637	
Sprint Capital Corporation	8.750%	3/15/32	1,420	1,904	
TCI Communications Financing III	9.650%	3/31/27	3,000	3,285	
The Williams Companies, Inc. Credit Certificate Trust	6.750%	4/15/09	1,740	1,770	A

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					19,772
					<hr/>
<i>Telecommunications 1.7%</i>					
BellSouth Corporation	4.750%	11/15/12	320	316	
Emmis Operating Company	6.875%	5/15/12	250	249	B
Qwest Communications International Inc.	7.500%	2/15/14	850	808	A
Qwest Corporation	6.875%	9/15/33	1,000	868	B
Verizon New York Inc.	6.875%	4/1/12	340	364	
					<hr/>
					2,605
					<hr/>
<i>Telecommunications (Cellular/Wireless) 1.4%</i>					
Motorola, Inc.	7.625%	11/15/10	350	396	
New Cingular Wireless Services Inc.	7.500%	5/1/07	500	522	
New Cingular Wireless Services Inc.	8.125%	5/1/12	155	182	
New Cingular Wireless Services Inc.	8.750%	3/1/31	475	641	

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Nextel Communications, Inc.	5.950%	3/15/14	88	90	
Nextel Communications, Inc.	7.375%	8/1/15	285	305	
				<u>2,136</u>	
<i>Transportation 0.9%</i>					
Continental Airlines, Inc.	6.545%	2/2/19	181	178	
Continental Airlines, Inc.	7.256%	3/15/20	234	235	
Delta Air Lines, Inc.	7.570%	11/18/10	40	39	
Delta Air Lines, Inc.	6.417%	7/2/12	400	404	
Delta Air Lines, Inc.	6.718%	7/2/24	282	289	
Northwest Airlines Corporation	7.575%	9/1/20	83	83	
United Airlines, Inc.	7.783%	1/1/14	102	97	
				<u>1,325</u>	
<b>Total Corporate Bonds and Notes</b> (Identified Cost - \$102,918)				<u>105,974</u>	
<b>Mortgage-Backed Securities 0.8%</b>					
Glendale Federal Savings Bank 1978-A	9.125%	1/25/08	7	7	
Nomura Asset Securities Corporation 1996-MD5	7.120%	4/13/39	1,170	1,184	
				<u>1,191</u>	
<b>Total Mortgage-Backed Securities</b> (Identified Cost - \$1,176)				<u>1,191</u>	
<b>U.S. Government and Agency Obligations 3.6%</b>					
<i>Fixed Rate Securities 1.4%</i>					
United States Treasury Notes	4.125%	8/15/10	1,840	1,832	B
United States Treasury Notes	4.250%	8/15/15	210	209	
				<u>2,041</u>	
<i>Indexed Securities<sup>E</sup> 2.2%</i>					
United States Treasury Inflation-Protected Security	1.875%	7/15/15	3,264	3,293	B
<b>Total U.S. Government and Agency Obligations</b> (Identified Cost - \$5,298)				<u>5,334</u>	

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**U.S. Government Agency Mortgage-Backed Securities** N.M.

Fannie Mae	8.000%	4/25/06	11	11
Fannie Mae	11.500%	11/1/17	9	10
Fannie Mae	14.000%	2/1/18	22	26
Freddie Mac	10.250%	5/1/09	20	22

**Total U.S. Government Agency Mortgage-Backed Securities** (Identified

Cost - \$63) 69

**Yankee Bonds**<sup>F</sup> 22.2%

*Banking and Finance* 2.3%

AIFUL Corporation	4.450%	2/16/10	775	755	A
Corporacion Andina de Fomento	4.010%	1/26/07	470	470	D
HBOS Capital Funding LP	6.071%	6/30/49	560	590	A,C
HBOS Treasury Services plc	4.000%	9/15/09	420	411	A
Mizuho Financial Group, Inc.	5.790%	4/15/14	1,100	1,146	A

3,372

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<i>Banks 0.2%</i>					
Sumitomo Mitsui Banking Corporation	5.625%	7/29/49	270	269	A
<i>Cable 0.2%</i>					
British Sky Broadcasting Group plc	6.875%	2/23/09	330	350	
<i>Diversified Financial Services 0.5%</i>					
Encana Holdings Finance Corp	5.800%	5/1/14	770	811	
<i>Electric 0.5%</i>					
Empresa Nacional de Electricidad S.A.	8.500%	4/1/09	670	737	B
<i>Foreign Governments 8.8%</i>					
Federative Republic of Brazil	14.500%	10/15/09	180	234	B
Federative Republic of Brazil	12.000%	4/15/10	210	257	B
Federative Republic of Brazil	4.313%	4/15/12	148	146	D
Federative Republic of Brazil	4.313%	4/15/12	231	227	D
Federative Republic of Brazil	12.250%	3/6/30	760	1,046	B
Federative Republic of Brazil	11.000%	8/17/40	340	417	B
Quebec Province	7.220%	7/22/36	650	934	
Republic of Chile	4.069%	1/28/08	150	151	D
Republic of Colombia	11.750%	2/25/20	290	403	
Republic of Panama	9.625%	2/8/11	120	143	B
Republic of Panama	10.750%	5/15/20	230	320	
Republic of Panama	9.375%	1/16/23	130	164	
Republic of Peru	5.000%	3/7/17	284	280	C
Republic of Peru	8.750%	11/21/33	230	278	
Republic of South Africa	7.375%	4/25/12	250	281	
Republic of South Africa	6.500%	6/2/14	260	284	
Russian Federation	5.000%	3/31/30	1,950	2,241	C
United Mexican States	8.375%	1/14/11	1,290	1,484	
United Mexican States	11.500%	5/15/26	960	1,541	B
United Mexican States	8.300%	8/15/31	340	425	
United Mexican States	7.500%	4/8/33	1,660	1,926	
				<u>13,182</u>	
<i>Insurance 0.9%</i>					
Axa	8.600%	12/15/30	550	724	
Oil Insurance Ltd	5.150%	8/15/33	220	219	A,C



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XL Capital Ltd.	5.250%	9/15/14	500	482	
				<u>1,425</u>	
<i>Manufacturing (Diversified) 1.0%</i>					
Tyco International Group SA	6.375%	10/15/11	1,450	1,546	
				<u>1,546</u>	
<i>Oil and Gas 1.4%</i>					
Gazprom	9.625%	3/1/13	50	62	A
Gazprom	9.625%	3/1/13	20	25	
Petrobras International Finance Company (PIFCO)	9.750%	7/6/11	345	414	
Petroliam Nasional Berhad	7.625%	10/15/26	1,260	1,543	A
				<u>2,044</u>	
<i>Special Purpose 3.6%</i>					
Deutsche Telekom International Finance BV	8.750%	6/15/30	500	646	
Molson Coors Capital Finance ULC	4.850%	9/22/10	480	476	A

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Petrozuata Finance, Inc.	8.220%	4/1/17	3,205	3,061	A
Resona Preferred Global Securities Limited	7.191%	12/29/49	765	792	A,C
UFJ Finance Aruba AEC	6.750%	7/15/13	355	390	
				<u>5,365</u>	
<i>Telecommunications 2.2%</i>					
British Telecommunications plc	8.875%	12/15/30	330	448	
France Telecom SA	8.500%	3/1/31	560	750	
Tele Norte Leste Participacoes S.A.	8.000%	12/18/13	410	433	
Telecom Italia Capital S.p.A.	5.250%	11/15/13	750	745	
Telecom Italia Capital S.p.A.	4.950%	9/30/14	695	673	A
Telus Corporation	7.500%	6/1/07	250	261	
				<u>3,310</u>	
<i>Telecommunications (Cellular/Wireless) 0.2%</i>					
Rogers Wireless Communications Inc.	6.375%	3/1/14	300	302	
<i>Utilities 0.4%</i>					
United Utilities plc	5.375%	2/1/19	580	569	
<b>Total Yankee Bonds</b> (Identified Cost - \$30,293)				<u>33,277</u>	
<b>Total Long-Term Securities</b> (Identified Cost - \$139,748)				<u>145,843</u>	
<b>Investment of Collateral From Securities Lending 12.0%</b>					
State Street Navigator Securities Lending Prime Portfolio			17,990 shs	17,990	
<b>Total Investment of Collateral From Securities Lending</b> (Identified Cost - \$17,990)				<u>17,990</u>	
<b>Short-Term Securities 1.0%</b>					
<i>Repurchase Agreements 1.0%</i>					
Goldman, Sachs & Company					
3.8%, dated 9/30/05, to be repurchased at \$1,557 on 10/3/05 (Collateral: Federal Home Loan Bank notes, 2.22% due 6/9/06, value \$1,590)			\$ 1,557	1,557	
<b>Total Short-Term Securities</b> (Identified Cost - \$1,557)				<u>1,557</u>	

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<b>Total Investments</b> (Identified Cost - \$159,295) <b>110.6%</b>	\$ 165,390
<b>Obligation to Return Collateral For Securities Lending</b> <b>(12.0)%</b>	(17,990)
<b>Other Assets Less Liabilities</b> <b>1.4%</b>	2,160
<b>Net Assets</b> <b>100.0%</b>	\$ 149,561

*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 represents 13.2% of net assets.*

*B All or a portion of this security is on loan.*

**Western Asset Income Fund**

**September 30, 2005**

- 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.*
  
- D Indexed security - The rate of interest earned on this security is tied to the London Interbank Offered Rate ( LIBOR ). The coupon rate is the rate as of September 30, 2005.*
  
- E Treasury Inflation-Protected Security - Treasury security whose principal value is adjusted daily in accordance with changes to the Consumer Price Index for All Urban Consumers. Interest is calculated on the basis of the current adjusted principal value.*
  
- F Yankee Bond - A dollar denominated bond issued in the U.S. by foreign entities.*

### **Security Valuation**

Securities owned by the Fund for which market quotations are readily available are valued at current market value. Current market value means the last sale price of the day or, in the absence of any such sales, the bid price obtained from quotation reporting systems, pricing services or other approved methods. Other assets and securities for which no quotations are readily available are valued at fair value pursuant to procedures adopted by the Board of Directors. The factors considered making such valuations 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, such 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.

### **Securities Lending**

The Fund lends its securities to approved brokers to earn additional income and receives cash and U.S. government securities as collateral against the loans. Cash collateral received is invested in a money market pooled account by the Fund's lending agent. Collateral is maintained over the life of the loan in an amount not less than 100% of the value of loaned securities. At September 30, 2005, the market value of the securities on loan to broker-dealers was \$17,626 for which the Fund received collateral of \$17,990 in cash. Such collateral is in the possession of the Fund's custodian. The cash was invested in the State Street Navigator Securities Lending Prime Portfolio and is included in the Fund's schedule of investments. As with other extensions of credit, the Fund may bear the risk of delay in recovery or even loss of rights to the collateral should the borrower of the securities fail financially.

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](http://www.sec.gov)).

**Item 2 Controls and Procedures**

- (a) Western Asset Income Fund's (the Registrant) 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 in the Securities and Exchange Commission's rules and forms 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 Rule 30a-2(a) under the Investment Company Act of 1940 filed as an exhibit 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 Income Fund

By: /s/ JAMES W. HIRSCHMANN  
**James W. Hirschmann**

**President**

Western Asset Income Fund

Date: November 29, 2005

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  
**James W. Hirschmann**

**President**

Western Asset Income Fund

Date: November 29, 2005

By: /s/ MARIE K. KARPINSKI  
**Marie K. Karpinski**

**Treasurer and Principal Financial and Accounting  
Officer**

Western Asset Income Fund

Date: November 25, 2005