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Western Asset Income Fund
Form N-CSRS
September 05, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-02351

Name of Registrant: Western Asset Income Fund

Address of Principal Executive Offices: 385 East Colorado Boulevard, Pasadena, CA 91101

Name and address of agent for service:

Charles A. Ruys de Perez

385 East Colorado Boulevard

Pasadena, CA 91101

Registrant's telephone number, including area code: (410) 539-0000

Date of fiscal year end: 12/31/2007

Date of reporting period: 06/30/2007

Item 1. Report to Shareholders.

Western Asset Income Fund

Semi-Annual Report to Shareholders

June 30, 2007

Semi-Annual Report to Shareholders

Fund Highlights

(Amounts in Thousands, except per share amounts) (Unaudited)

	Six Months Ended June 30, 2007	Year Ended December 31, 2006
Net Asset Value	\$145,717	\$149,406
Per Share	\$15.52	\$15.91
Market Value Per Share	\$14.76	\$15.52
Net Investment Income	\$4,279	\$8,528
Per Share	\$0.46	\$0.91
Dividends Paid:		
Ordinary Income	\$4,249	\$8,100
Per Share	\$0.45	\$0.86
Long-Term Capital Gains	\$687	\$726
Per Share	\$0.07	\$0.08

The Fund

Western Asset Income Fund (the Fund) is a closed-end, diversified management investment company which seeks for its shareholders a high level of current income through investment in a diversified portfolio of debt securities. Substantially all of the net investment income is distributed to the shareholders. A Dividend Reinvestment Plan is available to those shareholders of record desiring it. The Fund's common shares are listed on the New York Stock Exchange (NYSE) where they trade under the symbol PAI, and price quotations can be found in publications under the abbreviation WstAssetIncoFd.

Investment Policies

The Fund's investment policies provide that its portfolio must be invested as follows:

At least 75% in debt securities rated within the four highest grades, and in government securities, bank debt, commercial paper, cash or cash equivalents.

Up to 25% in other fixed income securities, convertible bonds, convertible preferred and preferred stock.

Not more than 25% in securities restricted as to resale.

Dividend Reinvestment Plan and Optional Cash Investment Service

The Fund and Computershare Trust Company, N.A. (Computershare or the Agent), as the Transfer Agent and Registrar of the Fund, offer two convenient ways to add shares of the Fund to your account. First, the Fund offers to all shareholders a Dividend Reinvestment Plan (Plan). Under the Plan, cash distributions (e.g., dividends and capital gains) are automatically invested in shares of the Fund unless the shareholder elects otherwise. Second, the Fund offers to registered shareholders (those who own shares in their own name on the Fund's records) the option to purchase additional whole and partial shares of the Fund through the Optional Cash Investment Service (Optional Cash Investment Service).

Dividend Reinvestment Plan

As a participant in the Dividend Reinvestment Plan, you will automatically receive your dividend or net capital gains distribution in newly issued shares of the Fund if the market price of a share on the date of the distribution is at or above the net asset value (NAV) of a Fund share. The number of shares to be issued to you will be determined by dividing the amount of the cash distribution to which you are entitled (net of any applicable withholding taxes) by the greater of the NAV per share on such date or 95% of the market price of a share on such date. If the market price of a share on such distribution date is below the NAV, the Agent will, as agent for the participants, buy shares of the Fund stock through a broker on the open market. The price per share of shares purchased for each participant's account with respect to a particular dividend or other distribution will be the average price (including brokerage commissions, transfer taxes and any other costs of purchase) of all shares purchased with respect to that dividend or other distribution. All shares of common stock acquired on your behalf through the Plan will be automatically credited to an account maintained on the books of the Agent. Full and fractional shares will be voted by Computershare in accordance with your instructions.

Semi-Annual Report to Shareholders

Fund Highlights Continued

Optional Cash Investment Service

Under the Optional Cash Investment Service (offered to registered shareholders only), funds received from shareholders for stock purchases will be pooled once per month. The Agent will then purchase shares of the Fund's stock through a broker on the open market. For the purposes of making purchases, the Agent will commingle each participant's funds with those of all other participants in the Plan. The Agent will hold the total shares purchased for all participants in its name or the name of its nominee and will have no responsibility for the value of such shares after their purchase.

Beneficial shareholders (those who own shares held in a brokerage, bank or other financial institution account) are not eligible to participate in this option because there is no way to make payments through a broker, bank or nominee. A beneficial shareholder may, however, have his or her shares taken out of street name and re-register such shares in his or her own name, becoming a registered shareholder in order to participate. If you wish to do so, please contact your broker, bank or nominee.

Additional Information Regarding the Plan and the Optional Cash Investment Service

The Fund will pay all costs applicable to the Plan and Optional Cash Investment Service, with the exceptions noted below. Brokerage commissions, transfer taxes and any other costs of purchase or sale by the Agent under the Plan or Optional Cash Investment Service will be charged to participants. In the event the Fund determines to no longer pay such costs, the Agent will terminate the Plan and Optional Cash Investment Service and may, but is not obligated to, offer a new plan under which it would impose a direct service charge on participants.

All shares acquired through the Plan or the Optional Cash Investment Service receive voting rights and are eligible for any stock split, stock dividend, or other rights accruing to shareholders that the Board of Directors may declare.

You may terminate participation in the Plan or the Optional Cash Investment Service at any time by giving written notice to the Agent. Such termination will be effective prior to the record date next succeeding the receipt of such instructions or by a later date of termination specified in such instructions. Upon termination, a participant may request a certificate for the full shares credited to his or her account or may request the sale of all or part of such shares. If the participant instructs the Agent to sell the shares credited to the participant's account, the Agent may accumulate such shares and those of any other terminating participants for purposes of such sale. Brokerage charges, transfer taxes, and any other costs of sale will be allocated pro rata among the selling participants. Any such sale may be made on any securities exchange where such shares are traded, in the over-the-counter market or in negotiated transactions, and may be subject to such terms of price, delivery, etc., as the Agent may agree to. Fractional shares credited to a terminating account will be paid for in cash at the current market price at the time of termination.

Dividends and other distributions invested in additional shares under the Plan are subject to income tax just as if they had been received in cash. After year end, dividends paid on the accumulated shares will be included in the Form 1099-DIV information return to the Internal Revenue Service and only one Form 1099-DIV will be sent to each participant each year.

Inquiries regarding the Plan and the Optional Cash Investment Service, as well as notices of termination, should be directed to Computershare Trust Company, N.A., P.O. Box 43010, Providence, RI 02940-3010 Investor Relations telephone number 1-866-290-4386.

Schedule of Portfolio Holdings

The Fund files a complete schedule of its portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. You may obtain a free copy of the Fund's Form N-Q by calling 1-800-799-4932 or by writing to the Fund, or you may obtain a copy of this report (and other information relating to the Fund) from the Securities and Exchange Commission's (SEC) website (<http://www.sec.gov>). Additionally, the Fund's Form N-Q can be viewed or copied at the SEC's Public Reference Room in Washington D.C. Information about the operation of the Public Reference Room can be obtained by calling 1-202-551-8090.

Proxy Voting

You may request a free description of the policies and procedures that the Fund uses to determine how proxies relating to the Fund's portfolio securities are voted by calling 1-800-799-4932 or by writing to the Fund, or you may obtain a copy of these policies and procedures (and other information regarding the Fund) from the SEC's web site (<http://www.sec.gov>). You may

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request a free report regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 by calling 1-800-799-4932 or by writing to the Fund, or you may obtain a copy of this report (and other information relating to the Fund) from the SEC's website (<http://www.sec.gov>).

Quarterly Comparison of Market Price and Net Asset Value (NAV), Discount or Premium to NAV and Average Daily Volume of Shares Traded

	Market Price	Net Asset Value	Premium/ (Discount)	Average Daily Volume (Shares) ^A
September 30, 2006	\$ 14.91	\$ 15.80	(5.63)%	12,263
December 31, 2006	\$ 15.52	\$ 15.91	(2.45)%	12,435
March 31, 2007	\$ 14.91	\$ 15.92	(6.34)%	10,671
June 30, 2007	\$ 14.76	\$ 15.52	(4.90)%	12,238

^A Amounts not in thousands.

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Portfolio Diversification

June 30, 2007^A

The pie chart and bar chart above represent the Fund's assets as of June 30, 2007. The Fund's portfolio is actively managed, and its portfolio composition, credit quality breakdown, and other portfolio characteristics will vary from time to time.

^A *The Fund is actively managed. As a result, the composition of its portfolio holdings and sectors is subject to change anytime.*

^B *Standard & Poor's Ratings Services provide capital markets with credit ratings for the evaluation and assessment of credit risk.*

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Portfolio of Investments

June 30, 2007 (Unaudited)

(Amounts in Thousands)

Western Asset Income Fund

	% OF NET ASSETS	RATE	MATURITY DATE	PAR	VALUE
Long-Term Securities	98.6%				
Corporate Bonds and Notes	71.2%				
<i>Aerospace and Defense</i>	<i>0.2%</i>				
L-3 Communications Corp.		7.625%	6/15/12	\$ 275	\$ 282
<i>Airlines</i>	<i>0.5%</i>				
Continental Airlines Inc.		6.545%	2/2/19	171	175
Continental Airlines Inc.		7.256%	3/15/20	209	218
Delta Air Lines Inc.		7.111%	9/18/11	400	410
					803
<i>Automobiles</i>	<i>4.3%</i>				
DaimlerChrysler NA Holding Corp.		7.300%	1/15/12	245	260
Ford Motor Co.		7.450%	7/16/31	3,550	2,835 _A
General Motors Corp.		8.250%	7/15/23	3,450	3,144 _A
					6,239
<i>Building Products</i>	<i>0.5%</i>				
American Standard Inc.		8.250%	6/1/09	500	522
Nortek Inc.		8.500%	9/1/14	225	215
					737
<i>Capital Markets</i>	<i>3.3%</i>				
BankAmerica Capital III		5.926%	1/15/27	215	209 _B
Lehman Brothers Holdings Capital Trust VII		5.857%	11/29/49	1,150	1,127 _C
Lehman Brothers Holdings Inc.		5.750%	1/3/17	110	107
Merrill Lynch and Co. Inc.		6.110%	1/29/37	320	300
Morgan Stanley		5.050%	1/21/11	1,780	1,743
Morgan Stanley		4.750%	4/1/14	60	56
The Bear Stearns Cos. Inc.		5.550%	1/22/17	720	681 _A
The Goldman Sachs Group Inc.		6.345%	2/15/34	555	529
					4,752

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<i>Chemicals</i>	<i>0.6%</i>				
The Dow Chemical Co.	7.375%	11/1/29	800	866	
<i>Commercial Banks</i>	<i>3.4%</i>				
Comerica Capital Trust II	6.576%	2/20/37	360	337 _C	
Rabobank Capital Funding Trust II	5.260%	12/31/49	115	110 _{C,D}	
Rabobank Capital Funding Trust III	5.254%	12/31/16	1,145	1,072 _{C,D}	
RBS Capital Trust III	5.512%	9/29/49	1,460	1,403 _C	
SunTrust Capital VIII	6.100%	12/1/66	560	513 _C	

*Semi-Annual Report to Shareholders***Portfolio of Investments Continued**

Western Asset Income Fund Continued

	% OF NET ASSETS	RATE	MATURITY DATE	PAR	VALUE
Corporate Bonds and Notes Continued					
<i>Commercial Banks</i> Continued					
Wachovia Capital Trust III		5.800%	3/15/42	\$ 200	\$ 199 _C
Wachovia Corp.		5.750%	6/15/17	950	937
Wells Fargo Capital X		5.950%	12/15/36	450	420 _C
					4,991
<i>Commercial Services and Supplies</i>					
Waste Management Inc.	0.3%	7.375%	5/15/29	415	437
<i>Communications Equipment</i>					
Motorola Inc.	N.M.	7.625%	11/15/10	56	59 _A
<i>Consumer Finance</i>					
American Express Co.	6.0%	6.800%	9/1/66	1,120	1,155 _C
Capital One Financial Corp.		7.125%	8/1/08	90	91
Ford Motor Credit Co.		7.375%	10/28/09	4,425	4,393
GMAC LLC		8.000%	11/1/31	1,610	1,646
Nelnet Inc.		7.400%	9/29/36	460	459 _C
SLM Corp.		5.000%	10/1/13	30	26
SLM Corp.		5.375%	5/15/14	780	668
SLM Corp.		5.050%	11/14/14	130	108 _A
SLM Corp.		5.625%	8/1/33	180	140 _A
					8,686
<i>Containers and Packaging</i>					
Graphic Packaging International Corp.	0.1%	9.500%	8/15/13	200	208
<i>Diversified Financial Services</i>					
AGFC Capital Trust I	10.2%	6.000%	1/15/67	300	287 _{C,D}
AIG SunAmerica Global Financing VI		6.300%	5/10/11	1,880	1,925 _D
American Express Travel Related Services Co. Inc.		5.250%	11/21/11	300	297 _D
Bank of America Corp.		7.800%	9/15/16	250	283
Beaver Valley II Funding		9.000%	6/1/17	294	328
Capital One Bank		5.750%	9/15/10	310	311
Capital One Bank		6.500%	6/13/13	330	339
Capital One Capital IV		6.745%	2/17/37	390	359 _C
Capmark Financial Group Inc.		5.875%	5/10/12	350	345 _{D,E}
Chase Capital II		5.856%	2/1/27	725	696 _B

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Citigroup Inc.

6.125%

8/25/36

550

540