

Edgar Filing: Western Asset Income Fund - Form 40-17G

Western Asset Income Fund
Form 40-17G
October 03, 2011

[LETTERHEAD OF LEGG MASON GLOBAL ASSET MANAGEMENT]

October 3, 2011

VIA EDGAR

Securities and Exchange Commission

100 F Street, N.E.

Washington, D.C. 20549

Re: Rule 17g-1 Filing for Registered Investment Companies
Managed by Affiliates of Legg Mason, Inc. (the Funds)

Ladies and Gentlemen:

Pursuant to Rule 17g-1(g)(1) under the Investment Company Act of 1940, as amended (the 1940 Act), the following documents are hereby submitted for filing with the Securities and Exchange Commission: (1) a copy of the joint fidelity bond executed on behalf of the Funds; (2) copies of the resolutions of a majority of the Boards of Directors/Trustees who are not interested persons (as defined in the 1940 Act) of the Funds approving the amount, type, form and coverage of the joint fidelity bond and the portion of the premium to be paid by each Fund, as well as approving the Agreement Concerning Allocation of Fidelity Bond Premiums and Recoveries (as defined below); (3) a statement showing the amount of the single insured bond which each Fund would have provided and maintained had it not been named as an insured under the joint fidelity bond; (4) a statement as to the period for which premiums have been paid under the joint fidelity bond; and (5) an agreement among the Funds concerning the allocation of fidelity bond recoveries (the Agreement Concerning Allocation of Fidelity Bond Premiums and Recoveries).

For purposes of (4) above, please note that the Funds have paid premiums under the joint fidelity bond for the period July 1, 2011 to June 30, 2012.

If you have any questions concerning this filing, please call Thomas C. Mandia at (203) 703-7038.

Very truly yours,

/s/ Thomas C. Mandia

Thomas C. Mandia

Assistant Secretary, each of the Funds listed on Schedule I

/s/ R. Jay Gerken

R. Jay Gerken

President, each of the Funds listed on Schedule II

Enclosures

cc: Jennifer L. Whitman
Rosemary D. Emmens

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SCHEDULE I

ClearBridge Energy MLP Fund, Inc.

Legg Mason Permal Global Alternatives Fund Inc.

Legg Mason BW Global Income Opportunities Fund Inc.

ClearBridge Energy MLP Opportunity Fund Inc.

Western Asset High Yield Defined Opportunity Fund, Inc.

Legg Mason Partners Equity Trust

Legg Mason Investment Counsel Financial Services Fund
Legg Mason Batterymarch Global Equity Fund
Legg Mason ClearBridge Diversified Large Cap Growth Fund
Legg Mason ClearBridge Equity Income Builder Fund
Legg Mason ClearBridge Fundamental All Cap Value Fund
Legg Mason Lifestyle Allocation 30%
Legg Mason Lifestyle Allocation 50%
Legg Mason Lifestyle Allocation 85%
Legg Mason Lifestyle Allocation 70%
Legg Mason ClearBridge Large Cap Growth Fund
Legg Mason ClearBridge Aggressive Growth Fund
Legg Mason Capital Management All Cap Fund
Legg Mason ClearBridge Mid Cap Core Fund
Legg Mason Batterymarch S&P 500 Index Fund
Legg Mason ClearBridge Large Cap Value Fund
Legg Mason ClearBridge Small Cap Growth Fund
Legg Mason ClearBridge Mid Cap Growth Fund
Legg Mason ClearBridge Appreciation Fund
Legg Mason Investment Counsel Social Awareness Fund
Legg Mason Global Currents International All Cap Opportunity Fund
Legg Mason Global Currents International Small Cap Opportunity Fund
Legg Mason ClearBridge Equity Fund
Legg Mason Batterymarch U.S. Large Cap Equity Fund
Legg Mason Esemplia Emerging Markets Equity Fund
Legg Mason ClearBridge Small Cap Value Fund
Legg Mason Target Retirement 2015
Legg Mason Target Retirement 2020
Legg Mason Target Retirement 2025
Legg Mason Target Retirement 2030
Legg Mason Target Retirement 2035
Legg Mason Target Retirement 2040
Legg Mason Target Retirement 2045

Legg Mason Target Retirement 2050
Legg Mason Target Retirement Fund
Legg Mason Permal Tactical Allocation Fund

Legg Mason Partners Income Trust

Legg Mason Western Asset Strategic Income Fund
Legg Mason Western Asset Government Securities Fund
Legg Mason Western Asset Pennsylvania Municipals Fund
Legg Mason Western Asset Oregon Municipals Fund
Legg Mason Western Asset Intermediate Maturity New York Municipals Fund
Legg Mason Western Asset New York Municipals Fund
Legg Mason Western Asset California Municipals Fund
Legg Mason Western Asset Core Bond Fund
Legg Mason Western Asset Managed Municipals Fund
Legg Mason Western Asset Intermediate Maturity California Municipals Fund
Legg Mason Western Asset Municipal High Income Fund
Legg Mason Western Asset Massachusetts Municipals Fund
Legg Mason Western Asset New Jersey Municipals Fund
Legg Mason Western Asset Intermediate-Term Municipals Fund
Legg Mason Western Asset High Income Fund
Legg Mason Western Asset Corporate Bond Fund
Legg Mason Western Asset Core Plus Bond Fund
Legg Mason Western Asset Short-Term Bond Fund
Legg Mason Western Asset Adjustable Rate Income Fund
Legg Mason Western Asset Global Inflation Management Fund
Western Asset Emerging Markets Debt Portfolio
Legg Mason Western Asset Global High Yield Bond Fund
Legg Mason Western Asset Short Duration Municipal Income Fund
Western Asset Short Term Yield Fund

Legg Mason Partners Institutional Trust

Western Asset Institutional Liquid Reserves
Western Asset Institutional U.S. Treasury Reserves
Western Asset Institutional Cash Reserves
Western Asset Institutional Tax Free Reserves
Legg Mason Western Asset SMASh Series M Fund
Legg Mason Western Asset SMASh Series C Fund
Legg Mason Western Asset SMASh Series EC Fund
Western Asset Institutional Government Reserves
Western Asset Institutional AMT Free Municipal Money Market Fund

Legg Mason Partners Money Market Trust

Western Asset California Tax Free Money Market Fund
Western Asset Liquid Reserves
Western Asset Tax Free Reserves
Western Asset New York Tax Free Money Market Fund

Western Asset U.S. Treasury Reserves
Western Asset Connecticut Municipal Money Market Fund
Western Asset Massachusetts Municipal Money Market Fund
Western Asset Municipal Money Market Fund
Western Asset New York Municipal Money Market Fund
Western Asset California Municipal Money Market Fund
Western Asset Money Market Fund
Western Asset Government Money Market Fund

Legg Mason Partners Premium Money Market Trust

Western Asset Premium Liquid Reserves
Western Asset Premium U.S. Treasury Reserves
Western Asset Premium Tax Free Reserves

Legg Mason Partners Variable Equity Trust

Legg Mason ClearBridge Variable Equity Income Builder Portfolio
Legg Mason Variable Lifestyle Allocation 50%
Legg Mason ClearBridge Variable Aggressive Growth Portfolio
Legg Mason Global Currents Variable International All Cap Opportunity Portfolio
Legg Mason ClearBridge Variable Appreciation Portfolio
Legg Mason Variable Lifestyle Allocation 85%
Legg Mason Variable Lifestyle Allocation 70%
Legg Mason ClearBridge Variable Large Cap Growth Portfolio
Legg Mason ClearBridge Variable Mid Cap Core Portfolio
Legg Mason Investment Counsel Variable Social Awareness Portfolio
Legg Mason ClearBridge Variable Large Cap Value Portfolio
Legg Mason ClearBridge Variable Small Cap Growth Portfolio
Legg Mason ClearBridge Variable Fundamental All Cap Value Portfolio

Legg Mason Partners Variable Income Trust

Legg Mason Western Asset Variable Money Market Portfolio
Legg Mason Western Asset Variable High Income Portfolio
Legg Mason Western Asset Variable Strategic Bond Portfolio
Legg Mason Western Asset Variable Global High Yield Bond Portfolio

LMP Capital and Income Fund Inc.

LMP Corporate Loan Fund Inc.

LMP Real Estate Income Fund Inc.

Master Portfolio Trust

Liquid Reserves Portfolio
Tax Free Reserves Portfolio
U.S. Treasury Reserves Portfolio
Prime Cash Reserves Portfolio
Government Portfolio

Western Asset Short Term Yield Portfolio

Western Asset Emerging Markets Income Fund Inc.

Western Asset Worldwide Income Fund Inc.

Western Asset Intermediate Muni Fund Inc.

Western Asset Managed Municipals Fund Inc.

Western Asset Municipal High Income Fund Inc.

Western Asset Managed High Income Fund Inc.

Western Asset Emerging Markets Debt Fund Inc.

Western Asset Inflation Management Fund Inc.

Western Asset High Income Opportunity Fund Inc.

Western Asset Global Corporate Defined Opportunity Fund, Inc.

Western Asset High Income Fund Inc.

Western Asset Global Partners Income Fund Inc.

Western Asset Municipal Partners Fund Inc.

Western Asset High Income Fund II Inc.

Western Asset Variable Rate Strategic Fund Inc.

Western Asset Investment Grade Defined Opportunity Trust Inc.

Western Asset Municipal Defined Opportunity Trust Inc.

Western Asset Global High Income Fund Inc.

Western Asset Mortgage Defined Opportunity Fund Inc.

Western Asset Middle Market & High Yield Fund Inc.

Legg Mason Global Asset Management Trust

Legg Mason Capital Management Disciplined Equity Research Fund

Legg Mason BW International Opportunities Bond Fund

Legg Mason BW Diversified Large Cap Value Fund

Legg Mason BW Absolute Return Opportunities Fund

Legg Mason Manager Select Large Cap Growth Fund

Legg Mason Manager Select Large Cap Value Fund

Legg Mason Strategic Real Return Fund
Legg Mason BW Classic Large Cap Value Fund

Legg Mason Charles Street Trust, Inc.

Legg Mason Batterymarch U.S. Small Capitalization Equity Portfolio
Legg Mason BW Global Opportunities Bond Fund

Legg Mason Capital Management Growth Trust, Inc.

Legg Mason Global Trust, Inc.

Legg Mason Batterymarch International Equity Trust
Legg Mason Batterymarch Emerging Markets Trust

Legg Mason Investors Trust, Inc.

Legg Mason Investment Trust, Inc.

Legg Mason Capital Management Opportunity Trust

Legg Mason Capital Management Special Investment Trust, Inc.

Legg Mason Tax-Free Income Fund

Legg Mason Investment Counsel Maryland Tax-Free Income Trust

Legg Mason Capital Management Value Trust, Inc.

Western Asset Income Fund

Western Asset Premier Bond Fund

Western Asset Funds, Inc.

Western Asset Core Plus Bond Portfolio
Western Asset Core Bond Portfolio
Western Asset High Yield Portfolio
Western Asset Inflation Indexed Plus Bond Portfolio
Western Asset Intermediate Bond Portfolio
Western Asset Limited Duration Bond Portfolio
Western Asset Non-U.S. Opportunity Bond Portfolio
Western Asset Absolute Return Portfolio
Western Asset Enhanced Equity Portfolio
Western Asset Global Multi-Sector Portfolio

SCHEDULE II

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Western Asset/Claymore Inflation-Linked Opportunities & Income Fund

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ICI MUTUAL INSURANCE COMPANY,

a Risk Retention Group

1401 H St. NW

Washington, DC 20005

INVESTMENT COMPANY BLANKET BOND

ICI MUTUAL INSURANCE COMPANY,

a Risk Retention Group

1401 H St. NW

Washington, DC 20005

DECLARATIONS

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

Item 1. Name of Insured (the Insured) Bond Number:
Legg Mason Capital Management Growth Trust **87028111B**

Principal Office:

Mailing Address:

100 International Drive, 7th Floor

100 International Drive, 7th Floor

Baltimore, MD 21202

Baltimore, MD 21202

Item 2. Bond Period: from 12:01 a.m. on July 1, 2011 , to 12:01 a.m. on July 1, 2012 , or the earlier effective date of the termination of this Bond, standard time at the Principal Address as to each of said dates.

Item 3. Limit of Liability Subject to Sections 9, 10 and 12 hereof:

		LIMIT OF LIABILITY	DEDUCTIBLE AMOUNT
Insuring Agreement A-	FIDELITY	\$ 75,000,000	N/A
Insuring Agreement B-	AUDIT EXPENSE	\$ 50,000	\$ 10,000
Insuring Agreement C-	ON PREMISES	\$ 75,000,000	\$ 250,000
Insuring Agreement D-	IN TRANSIT	\$ 75,000,000	\$ 250,000
Insuring Agreement E-	FORGERY OR ALTERATION	\$ 75,000,000	\$ 250,000
Insuring Agreement F-	SECURITIES	\$ 75,000,000	\$ 250,000
Insuring Agreement G-	COUNTERFEIT CURRENCY	\$ 75,000,000	\$ 250,000
Insuring Agreement H-	UNCOLLECTIBLE ITEMS OF DEPOSIT	\$ 25,000	\$ 5,000
Insuring Agreement I-	PHONE/ELECTRONIC TRANSACTIONS	\$ 75,000,000	\$ 250,000

If Not Covered is inserted opposite any Insuring Agreement above, such Insuring Agreement and any reference thereto shall be deemed to be deleted from this Bond.

OPTIONAL INSURING AGREEMENTS ADDED BY RIDER:

Insuring Agreement J-	COMPUTER SECURITY	\$ 75,000,000	\$ 250,000
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Item 4. Offices or Premises Covered All the Insured s offices or other premises in existence at the time this Bond becomes effective are covered under this Bond, except the offices or other premises excluded by Rider. Offices or other premises acquired or established after the effective date of this Bond are covered subject to the terms of General Agreement A.

Item 5. The liability of ICI Mutual Insurance Company, a Risk Retention Group (the Underwriter) is subject to the terms of the following Riders attached hereto:

Riders: 1-2-3-4-5-6-7-8-9-10-11-12

and of all Riders applicable to this Bond issued during the Bond Period.

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By: /S/ **Matthew D. Link**
Authorized Representative

Bond (1/09)

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INVESTMENT COMPANY BLANKET BOND

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

ICI Mutual Insurance Company, a Risk Retention Group (the Underwriter), in consideration of an agreed premium, and in reliance upon the Application and all other information furnished to the Underwriter by the Insured, and subject to and in accordance with the Declarations, General Agreements, Provisions, Conditions and Limitations and other terms of this bond (including all riders hereto) (Bond), to the extent of the Limit of Liability and subject to the Deductible Amount, agrees to indemnify the Insured for the loss, as described in the Insuring Agreements, sustained by the Insured at any time but discovered during the Bond Period.

INSURING AGREEMENTS

A. FIDELITY

Loss caused by any Dishonest or Fraudulent Act or Theft committed by an Employee anywhere, alone or in collusion with other persons (whether or not Employees), during the time such Employee has the status of an Employee as defined herein, and even if such loss is not discovered until after he or she ceases to be an Employee, EXCLUDING loss covered under Insuring Agreement B.

B. AUDIT EXPENSE

Expense incurred by the Insured for that part of audits or examinations required by any governmental regulatory authority or Self Regulatory Organization to be conducted by such authority or Organization or by an independent accountant or other person, by reason of the discovery of loss sustained by the Insured and covered by this Bond.

C. ON PREMISES

Loss resulting from Property that is (1) located or reasonably believed by the Insured to be located within the Insured's offices or premises, and (2) the object of Theft, Dishonest or Fraudulent Act, or Mysterious Disappearance, EXCLUDING loss covered under Insuring Agreement A.

D. IN TRANSIT

Loss resulting from Property that is (1) in transit in the custody of any person authorized by an Insured to act as a messenger, except while in the mail or with a carrier for hire (other than a Security Company), and (2) the object of Theft, Dishonest or Fraudulent Act, or Mysterious Disappearance, EXCLUDING loss covered under Insuring Agreement A. Property is in transit beginning immediately upon receipt of such Property by the transporting person and ending immediately upon delivery at the specified destination.

E. FORGERY OR ALTERATION

Loss caused by the Forgery or Alteration of or on (1) any bills of exchange, checks, drafts, or other written orders or directions to pay certain sums in money, acceptances, certificates of deposit, due bills, money orders, or letters of credit; or (2) other written instructions, requests or applications to the Insured, authorizing or acknowledging the transfer, payment, redemption, delivery or receipt of Property, or giving notice of any bank account, which instructions or requests or applications purport to

have been signed or endorsed by (a) any customer of the Insured, or (b) any shareholder of or subscriber to shares issued by any Investment Company, or (c) any financial or banking institution or stockbroker; or (3) withdrawal orders or receipts for the withdrawal of Property, or receipts or certificates of deposit for Property and bearing the name of the Insured as issuer or of another Investment Company for which the Insured acts as agent. This Insuring Agreement E does not cover loss caused by Forgery or Alteration of Securities or loss covered under Insuring Agreement A.

F. SECURITIES

Loss resulting from the Insured, in good faith, in the ordinary course of business, and in any capacity whatsoever, whether for its own account or for the account of others, having acquired, accepted or received, or sold or delivered, or given any value, extended any credit or assumed any liability on the faith of any Securities, where such loss results from the fact that such Securities (1) were Counterfeit, or (2) were lost or stolen, or (3) contain a Forgery or Alteration, and notwithstanding whether or not the act of the Insured causing such loss violated the constitution, by-laws, rules or regulations of any Self Regulatory Organization, whether or not the Insured was a member thereof, EXCLUDING loss covered under Insuring Agreement A.

G. COUNTERFEIT CURRENCY

Loss caused by the Insured in good faith having received or accepted (1) any money orders which prove to be Counterfeit or to contain an Alteration or (2) paper currencies or coin of the United States of America or Canada which prove to be Counterfeit. This Insuring Agreement G does not cover loss covered under Insuring Agreement A.

H. UNCOLLECTIBLE ITEMS OF DEPOSIT

Loss resulting from the payment of dividends, issuance of Fund shares or redemptions or exchanges permitted from an account with the Fund as a consequence of

- (1) uncollectible Items of Deposit of a Fund's customer, shareholder or subscriber credited by the Insured or its agent to such person's Fund account, or
- (2) any Item of Deposit processed through an automated clearing house which is reversed by a Fund's customer, shareholder or subscriber and is deemed uncollectible by the Insured;

PROVIDED, that (a) Items of Deposit shall not be deemed uncollectible until the Insured's collection procedures have failed, (b) exchanges of shares between Funds with exchange privileges shall be covered hereunder only if all such Funds are insured by the Underwriter for uncollectible Items of Deposit, and (c) the Insured Fund shall have implemented and maintained a policy to hold Items of Deposit for the minimum number of days stated in its Application (as amended from time to time) before paying any dividend or permitting any withdrawal with respect to such Items of Deposit (other than exchanges between Funds). Regardless of the number of transactions between Funds in an exchange program, the minimum number of days an Item of Deposit must be held shall begin from the date the Item of Deposit was first credited to any Insured Fund.

This Insuring Agreement H does not cover loss covered under Insuring Agreement A.

I. PHONE/ELECTRONIC TRANSACTIONS

Loss caused by a Phone/Electronic Transaction, where the request for such Phone/Electronic Transaction:

- (1) is transmitted to the Insured or its agents by voice over the telephone or by Electronic Transmission; and
- (2) is made by an individual purporting to be a Fund shareholder or subscriber or an authorized agent of a Fund shareholder or subscriber; and
- (3) is unauthorized or fraudulent and is made with the manifest intent to deceive;

PROVIDED, that the entity receiving such request generally maintains and follows during the Bond Period all Phone/Electronic Transaction Security Procedures with respect to all Phone/Electronic Transactions; and

EXCLUDING loss resulting from:

- (1) the failure to pay for shares attempted to be purchased; or
- (2) any redemption of Investment Company shares which had been improperly credited to a shareholder's account where such shareholder (a) did not cause, directly or indirectly, such shares to be credited to such account, and (b) directly or indirectly received any proceeds or other benefit from such redemption; or
- (3) any redemption of shares issued by an Investment Company where the proceeds of such redemption were requested to be paid or made payable to other than (a) the Shareholder of Record, or (b) any other person or bank account designated to receive redemption proceeds (i) in the initial account application, or (ii) in writing (not to include Electronic Transmission) accompanied by a signature guarantee; or
- (4) any redemption of shares issued by an Investment Company where the proceeds of such redemption were requested to be sent to other than any address for such account which was designated (a) in the initial account application, or (b) in writing (not to include Electronic Transmission), where such writing is received at least one (1) day prior to such redemption request, or (c) by voice over the telephone or by Electronic Transmission at least fifteen (15) days prior to such redemption; or
- (5) the intentional failure to adhere to one or more Phone/Electronic Transaction Security Procedures; or
- (6) a Phone/Electronic Transaction request transmitted by electronic mail or transmitted by any method not subject to the Phone/Electronic Transaction Security Procedures; or
- (7) the failure or circumvention of any physical or electronic protection device, including any firewall, that imposes restrictions on the flow of electronic traffic in or out of any Computer System.

This Insuring Agreement I does not cover loss covered under Insuring Agreement A, Fidelity or Insuring Agreement J, Computer Security .

GENERAL AGREEMENTS

A. ADDITIONAL OFFICES OR EMPLOYEES CONSOLIDATION OR MERGER NOTICE

1. Except as provided in paragraph 2 below, this Bond shall apply to any additional office(s) established by the Insured during the Bond Period and to all Employees during the Bond Period, without the need to give notice thereof or pay additional premiums to the

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Underwriter for the Bond Period.

2. If during the Bond Period an Insured Investment Company shall merge or consolidate with an institution in which such Insured is the surviving entity, or purchase substantially all the assets or capital stock of another institution, or acquire or create a separate investment portfolio, and shall within sixty (60) days notify the Underwriter thereof, then this Bond shall automatically apply to the Property and Employees resulting from such merger, consolidation, acquisition or creation from the date thereof; provided, that the Underwriter may make such coverage contingent upon the payment of an additional premium.