WESTERN ASSET MUNICIPAL HIGH INCOME FUND INC.

Form N-Q March 22, 2011

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

811-5497

Western Asset Municipal High Income Fund Inc. (Exact name of registrant as specified in charter)

55 Water Street, New York, NY (Address of principal executive offices)

10041 (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: 1-888-777-0102

Date of fiscal year end: October 31

Date of reporting period: January 31, 2011

ITEM 1. SCHEDULE OF INVESTMENTS

WESTERN ASSET

MUNICIPAL HIGH INCOME FUND INC.

FORM N-Q

JANUARY 31, 2011

Schedule of investments (unaudited)

January 31, 2011

WESTERN ASSET MUNICIPAL HIGH INCOME FUND INC.

		MATURITY	FACE		
SECURITY	RATE	DATE	AMOUNT	VALUE	
MUNICIPAL BONDS 95.1%					
Alaska 0.7%					
Alaska Industrial Development & Export Authority Revenue,	0.1050	5/1/21	¢ 1.055.000	¢ 1.062.264()	
Williams Lynxs Alaska Cargoport	8.125%	5/1/31	\$ 1,055,000	\$ 1,062,364(a)	
Arizona 1.7% Pima County, AZ, IDA Revenue, Tucson Electric Power Co.	5.750%	9/1/29	1,000,000	978,740	
Salt Verde, AZ, Financial Corp. Gas Revenue	5.000%	12/1/37	1,500,000	1,265,025	
University Medical Center Corp., AZ, Hospital Revenue	6.250%	7/1/29	500,000	512,105	
Total Arizona	0.230 %	111129	300,000	2,755,870	
Arkansas 0.4%				2,733,070	
Arkansas State Development Financing Authority, Industrial					
Facilities Revenue, Potlatch Corp. Projects	7.750%	8/1/25	600,000	600,684(a)	
California 4.4%	,,,,,,,,,	0, 1, 20	000,000	000,007(u)	
Golden State Tobacco Securitization Corp., California Tobacco					
Settlement Revenue, Asset Backed	7.800%	6/1/42	2,000,000	2,300,560(b)	
M-S-R Energy Authority, CA, Gas Revenue	7.000%	11/1/34	2,000,000	2,150,340	
M-S-R Energy Authority, CA, Gas Revenue	6.500%	11/1/39	2,000,000	2,020,620	
Redding, CA, Redevelopment Agency, Tax Allocation, Shastec					
Redevelopment Project	5.000%	9/1/29	600,000	493,584	
Total California				6,965,104	
Colorado 5.1%					
Colorado Educational & Cultural Facilities Authority Revenue:					
Charter School Peak to Peak Project	7.500%	8/15/21	665,000	689,579(b)	
Cheyenne Mountain Charter Academy	5.250%	6/15/25	680,000	631,924	
Cheyenne Mountain Charter Academy	5.125%	6/15/32	510,000	440,650	
Elbert County Charter	7.375%	3/1/35	785,000	704,561	
Public Authority for Colorado Energy, Natural Gas Purchase					
Revenue	6.125%	11/15/23	4,000,000	4,208,160	
Reata South Metropolitan District, CO, GO	7.250%	6/1/37	1,000,000	792,950	
Southlands, CO, Metropolitan District No. 1, GO	7.125%	12/1/34	500,000	601,745(b)	
Total Colorado				8,069,569	
Delaware 4.1%	5 2750/	10/1/45	4 000 000	2 552 160	
Delaware State EDA Revenue, Indian River Power LLC Sussex County, DE, Recovery Zone Facility Revenue, NRG	5.375%	10/1/45	4,000,000	3,552,160	
Energy Inc., Indian River Power LLC	6.000%	10/1/40	3,000,000	2,867,910	
Total Delaware	0.000 %	10/1/40	3,000,000	6,420,070	
District of Columbia 1.2%				0,420,070	
District of Columbia COP, District Public Safety & Emergency,					
AMBAC	5.500%	1/1/20	1,895,000	1,964,925	
Florida 6.3%	2.20076	1,1,20	1,023,000	1,201,225	
Beacon Lakes, FL, Community Development District, Special					
Assessment	6.900%	5/1/35	860,000	806,241	
Bonnet Creek Resort Community Development District, Special		2. 2. 20	,	~ ~ ~,— · -	
Assessment	7.500%	5/1/34	1,500,000	1,374,105(c)	
	7.000%	11/1/31	885,000	844,024	

Century Parc Community Development District, Special
Assessment
Highlands County, FL, Health Facilities Authority Revenue,
Adventist Health Systems
6.000%
11/15/25
1,000,000
1,088,140(b)
Martin County, FL, IDA Revenue, Indiantown Cogeneration
Project
7.875%
12/15/25
2,000,000
2,008,820(a)

See Notes to Schedule of Investments.

Schedule of investments (unaudited) (cont d)

January 31, 2011

WESTERN ASSET MUNICIPAL HIGH INCOME FUND INC.

SECURITY			MATURITY	FACE	
Mortgage, GC, Orlando Inc. Project 9,000% 7/1/31 1,000,000 972,640 P20,640		RATE	DATE	AMOUNT	VALUE
Mortague, GF, Orlando Inc. Project 9,000% 71/131 1,000,000 5 972,640 Palm Beach County, FL, Health Facilities Authority Revenue, John F. Kennedy Memorial Hospital Inc. Project 9,500% 8/1/13 225,000 252,932(d) Reunion East Community Development District, Special 3,375% 5/1/33 2,000,000 1,317,980(c) 3,317,980(c) 3,3					
Palm Bach County, FL, Health Facilities Authority Revenue, 50,500					
Solit Soli		9.000%	7/1/31	\$ 1,000,000	\$ 972,640
Reunion East Community Development District, Special					
Sasta Rosa, FL, Bay Bridge Authority Revenue		9.500%	8/1/13	225,000	252,932(d)
Santa Rosa, FL, Bay Bridge Authority Revenue 6.250% 7/1/28 1,000,000 440,470(c) University of Central Florida, COP, FGIC 5.000% 10/1/25 1,000,000 902,400 Total Florida 5.000% 10/1/25 1,000,000 902,400 Georgia 6.7% 4 5.000% 1/1/26 1,000,000 981,410 FGIC 5.000% 1/1/26 1,000,000 974,410(a) 440,470(c) Revenue, Science Park LLC Project 5.000% 7/1/32 2,000,000 1,797,760 Atlanta, GA, Tax Allocation, Atlantic Station Project 7.900% 12/1/24 2,500,000 2,679,250(b) Atlanta, GA, Water & Wastewater Revenue 6.250% 11/1/39 2,000,000 2,679,250(b) Atlanta, GA, Water & Wastewater Revenue 6.250% 11/1/39 1,000,000 2,679,250(b) Atlanta, GA, Water & Wastewater Revenue 6.125% 7/1/40 1,000,000 1,060,220 Gainesville & Hall County, GA, Development Authority 8.000 1,000,000 1,000,000 1,001,720 Total Georgia 8.11 <					
University of Central Florida, COP, FGIC				, ,	, , (-)
Total Florida Georgia 6.7% Atlanta, GA, Airport Revenue: S.000% 1/1/26 1.000,000 981,410 FGIC S.625% 1/1/30 1.000,000 981,410 S.605% 1/1/30 1.000,000 981,410 S.616 S.625% 1/1/30 1.000,000 974,410 S.616 S.625% 1/1/30 1.000,000 1.797,60 Atlanta, GA, Development Authority Educational Facilities Revenue, Science Park LLC Project 5.000% 7/1/32 2.000,000 1.797,60 Atlanta, GA, Tax Allocation, Atlantic Station Project 6.250% 11/1/39 2.000,000 2.679,250 S.000 Atlanta, GA, Water & Wastewater Revenue 6.250% 11/1/39 2.000,000 2.053,940 S.000 S.000 S.000,000 S.000,00				, ,	, , , ,
Actionata, GA, Airport Revenue: Science Park LLC Project 5.000% 1/1/30 1.000,000 981,410 (a) Atlanta, GA, Development Authority Educational Facilities Revenue, Science Park LLC Project 5.000% 7/1/32 2.000,000 1.797,760 (a) Atlanta, GA, Tax Allocation, Atlantic Station Project 7.900% 12/1/24 2.500,000 2.679,250(b) Atlanta, GA, Water & Wastewater Revenue 6.250% 11/1/39 2.000,000 1.000,203,940 (b) Parkalls, Newton & Gwinnett Counties, GA, Joint Development Authority Revenue, GGC Foundation LLC Project 6.125% 7/1/40 1.000,000 1.060,220 (a) Gainesville & Hall County, GA, Development Authority Revenue, Senior Living Facilities, Lanier Village Estates 7.250% 11/15/29 1.000,000 1.001,720 (a) 10,548,770 (b) 11/15/29 1.000,000 1.001,720 (a) 10,548,770 (b) 11/15/29 1.000,000 1.001,720 (b) 1.001,720 (c) 1.001,7	· · · · · · · · · · · · · · · · · · ·	5.000%	10/1/25	1,000,000	
Atlanta, GA, Airport Revenue: AGM					10,007,752
AGM					
FGIC 5,625% 1/1/30 1,000,000 974,410(a) Atlanta, GA, Development Authority Educational Facilities Revenue, Science Park LLC Project 5,000% 7/1/32 2,000,000 1,797,760 Atlanta, GA, Water & Wastewater Revenue 6,250% 11/1/39 2,000,000 2,679,250(b) Atlanta, GA, Water & Wastewater Revenue 6,250% 11/1/39 2,000,000 2,053,940 DeKalb, Newton & Gwinnet Counties, GA, Joint Development 4,11/1/39 2,000,000 1,060,220 Authority Revenue, GGC Foundation LLC Project 6,125% 7/1/40 1,000,000 1,060,220 Gainesville & Hall County, GA, Development Authority Revenue, Face, senior Living Facilities, Lanier Village Estates 7,250% 11/15/29 1,000,000 1,001,720 Total Georgia 7,500% 11/15/29 1,000,000 1,001,720 Hawaii 2,7% 11/15/29 1,000,000 2,007,560 Revenue, Hawaiian Electric Co. 6,500% 7/1/39 2,000,000 2,007,560 Senior Living Revenue 5,000% 11/15/15 1,500,000 15,1677 Senior Livi	-				
Atlanta, GA, Development Authority Educational Facilities Revenue, Science Park LLC Project Revenue, GA, Tax Allocation, Atlantic Station Project Revenue, GA, Tax Allocation, Atlantic Station Project Revenue, GGK Poundation LLC Project Revenue, GGC Foundation LLC Project Revenue, GGC Foundation LLC Project Revenue, Senior Living Facilities, Lanier Village Estates Revenue, Senior Living Facilities, Lanier Village Estates Revenue, Senior Living Facilities, Lanier Village Estates Revenue, Hawaiia State Department of Budget & Finance Special Purpose: Revenue, Hawaiia Electric Co. Revenue, Hawaiian Electric Co. Revenue, Houterity Revenue Revenue, 15 Craigside Project Revenue, 15 Craigside Project Revenue, 16 Craigside Project Revenue, 17,500% Revenue, 17,500,000 Revenue, 18,100,000 Revenue, 19,100,000 Revenue, 19,100,0				, ,	
Revenue, Science Park LLC Project		5.625%	1/1/30	1,000,000	974,410(a)
Atlanta, GA, Tax Allocation, Atlantic Station Project 7.900% 12/1/24 2,500,000 2,679,250(b) Atlanta, GA, Water & Wastewater Revenue 6.250% 11/1/39 2,000,000 2,053,940 DeKalbs, Newton & Gwinnett Counties, GA, Joint Development Authority Revenue, GGC Foundation LLC Project 6.125% 7/1/40 1,000,000 1,060,220 Gainesville & Hall County, GA, Development Authority Revenue, Senior Living Facilities, Lanier Village Estates 7.250% 11/15/29 1,000,000 1,001,720 Total Georgia 10,548,710 10,548					
Atlanta, GA, Water & Wastewater Revenue DeKalb, Newton & Gwinnett Counties, GA, Joint Development Authority Revenue, GGC Foundation LLC Project Gainesville & Hall County, GA, Development Authority Revenue, Senior Living Facilities, Lanier Village Estates 7.250% 11/15/29 1,000,000 1,001,720 10.548,710 11/15/29 1,000,000 1,001,720 10.548,710 11/15/29 1,000,000 1,001,720 10.548,710 11/15/29 1,000,000 1,001,720 10.548,710 11/15/29 1,000,000 1,001,720 10.548,710 11/15/14 150,000 1,001,720 10.548,710 11/15/14 150,000 1,001,720 10.548,710 11/15/14 150,000 1,001,720 11/15/15 1,500,000 1,541,890 11/15/15 1,500,000 1,543,890 11/15/15 1,500,000 1,543,890 11/15/19 200,000 224,034 10/15/19 11/15/29 200,000 224,034 10/15/29 200,000 224,034 10/15/29 11/15/29 200,000 224,034 10/15/20 11/15/29 200,000 224,034 10/15/20 11/15/29 200,000 224,034 10/15/20 11/15/29 200,000 224,034 10/15/20 10/15/40 10/10/20 10/15/40 10/10/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 10/10/20 10/15/40 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 10/15/40 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 2,000,000 2,001,180 11/16/20 2,000,000 2,000,000 2,001,180 11/16/20 2,000,000 2,000,000 2,001,180 11/16/20 2,000,000 2,				, ,	, ,
DeKalb, Newton & Gwinnett Counties, GA, Joint Development Authority Revenue, GGC Foundation LLC Project (aliensville & Hall County, GA, Development Authority Revenue, Senior Living Facilities, Lanier Village Estates (aliensville & Hall County, GA, Development Authority Revenue, Senior Living Facilities, Lanier Village Estates (aliensville & Hall County, GA, Development Authority Revenue, Senior Living Facilities, Lanier Village Estates (aliensville & Hall County, GA, Development Authority Revenue (aliensville & Hall County) (a					
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Gainesville & Hall County, GA, Development Authority Revenue, Senior Living Facilities, Lanier Village Estates 7.250% 11/15/29 1,000,000 1,001,720 10548,710 1					
Revenue, Senior Living Facilities, Lanier Village Estates 7.250% 11/15/29 1,000,000 1,001,720 10,548,710 11/15/15 1,500,000 2,007,560 11/15/15 1,500,000 1,543,890 11/15/15 1,500,000 1,543,890 11/15/15 1,500,000 1,543,890 11/15/15 1,500,000 1,543,890 10/15/40 1,548,710 10/101		6.125%	7/1/40	1,000,000	1,060,220
10,548,710 10,					
Hawaii 2.7% Hawaii State Department of Budget & Finance Special Purpose: 6.500% 7/1/39 2,000,000 2,007,560 Senior Living Revenue 6.400% 11/15/14 550,000 551,677 Senior Living Revenue 7.500% 11/15/15 1,500,000 1,543,890 Senior Living Revenue, 15 Craigside Project 8.750% 11/15/29 200,000 224,034 Total Hawaii 4,327,161 Illinois 2.4% 5000 2,000,000 2,001,180 Cook County, IL, Revenue, Navistar International Corp. 6.500% 10/15/40 2,000,000 2,001,180 Illinois Finance Authority Revenue: 8.125% 5/15/40 1,000,000 942,160 Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 942,160 Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 839,030 Total Illinois 3,782,370 3,782,370 3,782,370 Indiana 0.5% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana		7.250%	11/15/29	1,000,000	
Hawaii State Department of Budget & Finance Special Purpose: Revenue, Hawaiian Electric Co.	9				10,548,710
Revenue, Hawaiian Electric Co. 6.500% 7/1/39 2,000,000 2,007,560 Senior Living Revenue 6.400% 11/15/14 550,000 551,677 Senior Living Revenue 7.500% 11/15/15 1,500,000 1,543,890 Senior Living Revenue, 15 Craigside Project 8.750% 11/15/29 200,000 224,034 Total Hawaii 4,327,161 Illinois 2.4% 2,000,000 2,001,180 Illinois 2.4% Cook County, IL, Revenue, Navistar International Corp. 6.500% 10/15/40 2,000,000 2,001,180 Illinois Finance Authority Revenue: Park Place of Elmhurst 8.125% 5/15/40 1,000,000 942,160 Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 839,030 Total Illinois Total Illinois Says of St. Joseph, IN, EDR: Holy Cross Village Notre Dame Project 6.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana Total Indiana					
Senior Living Revenue 6.400% 11/15/14 550,000 551,677 Senior Living Revenue 7.500% 11/15/15 1,500,000 1,543,890 Senior Living Revenue, 15 Craigside Project 8.750% 11/15/29 200,000 224,034 Atotal Hawaii 11/15/29 200,000 224,034 Hollinois 2.4% 2.000,000 2,001,180 Cook County, IL, Revenue, Navistar International Corp. 6.500% 10/15/40 2,000,000 2,001,180 Illinois Finance Authority Revenue: 8.125% 5/15/40 1,000,000 942,160 Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 839,030 Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 839,030 Total Illinois Indiana 0.5% County of St. Joseph, IN, EDR: Holy Cross Village Notre Dame Project 6.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana					
Senior Living Revenue 7.500% 11/15/15 1,500,000 1,543,890 Senior Living Revenue, 15 Craigside Project 8.750% 11/15/29 200,000 224,034 Total Hawaii 4,327,161 Illinois 2.4% 5 10/15/40 2,000,000 2,001,180 Cook County, IL, Revenue, Navistar International Corp. 6.500% 10/15/40 2,000,000 2,001,180 Illinois Finance Authority Revenue: 8.125% 5/15/40 1,000,000 942,160 Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 839,030 Total Illinois 3,782,370 Indiana 0.5% County of St. Joseph, IN, EDR: Holy Cross Village Notre Dame Project 6.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana 717,263 Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687					, ,
Senior Living Revenue, 15 Craigside Project 8.750% 11/15/29 200,000 224,034 Total Hawaii 4,327,161 Illinois 2.4% 2.4% Cook County, IL, Revenue, Navistar International Corp. 6.500% 10/15/40 2,000,000 2,001,180 Illinois Finance Authority Revenue: 8.125% 5/15/40 1,000,000 942,160 Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 839,030 Total Illinois 3,782,370 Indiana 0.5% County of St. Joseph, IN, EDR: Holy Cross Village Notre Dame Project 6.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana 717,263 Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement 5.000% 10/1/22 1,150,000 1,167,687	•			,	· · · · · · · · · · · · · · · · · · ·
Total Hawaii 4,327,161 Illinois 2.4% Cook County, IL, Revenue, Navistar International Corp. 6.500% 10/15/40 2,000,000 2,001,180 Illinois Finance Authority Revenue: Total Place of Elmhurst 8.125% 5/15/40 1,000,000 942,160 Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 839,030 Total Illinois Indiana 0.5% County of St. Joseph, IN, EDR: Holy Cross Village Notre Dame Project 6.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687	C			, ,	, ,
Cook County, IL, Revenue, Navistar International Corp. 6.500% 10/15/40 2,000,000 2,001,180 Illinois Finance Authority Revenue:		8.750%	11/15/29	200,000	
Cook County, IL, Revenue, Navistar International Corp. 6.500% 10/15/40 2,000,000 2,001,180 Illinois Finance Authority Revenue: Park Place of Elmhurst 8.125% 5/15/40 1,000,000 942,160 Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 839,030 Total Illinois Indiana 0.5% County of St. Joseph, IN, EDR: Holy Cross Village Notre Dame Project 6.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana Total Indiana Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687					4,327,161
Illinois Finance Authority Revenue: Park Place of Elmhurst 8.125% 5/15/40 1,000,000 942,160 Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 839,030 Total Illinois 3,782,370 Indiana 0.5% County of St. Joseph, IN, EDR:					
Park Place of Elmhurst 8.125% 5/15/40 1,000,000 942,160 Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 839,030 Total Illinois 3,782,370 Indiana 0.5% County of St. Joseph, IN, EDR: Holy Cross Village Notre Dame Project 6.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana 717,263 Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687		6.500%	10/15/40	2,000,000	2,001,180
Refunding, Chicago Charter School Project 5.000% 12/1/26 1,000,000 839,030 Total Illinois 3,782,370 Indiana 0.5% 5.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana 717,263 Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687	<u>.</u>				
Total Illinois 3,782,370 Indiana 0.5% County of St. Joseph, IN, EDR: Holy Cross Village Notre Dame Project 6.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana 717,263 Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687		8.125%	5/15/40	1,000,000	
Indiana 0.5% County of St. Joseph, IN, EDR: Holy Cross Village Notre Dame Project 6.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana 717,263 Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687		5.000%	12/1/26	1,000,000	,
County of St. Joseph, IN, EDR: Holy Cross Village Notre Dame Project 6.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana 717,263 Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687					3,782,370
Holy Cross Village Notre Dame Project 6.000% 5/15/26 285,000 256,500 Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687					
Holy Cross Village Notre Dame Project 6.000% 5/15/38 550,000 460,763 Total Indiana 717,263 Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687					
Total Indiana 717,263 Kansas 0.7% Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687		6.000%	5/15/26	285,000	256,500
Kansas 0.7%Salina, KS, Hospital Revenue, Refunding & ImprovementSalina Regional Health5.000%10/1/221,150,0001,167,687	•	6.000%	5/15/38	550,000	,
Salina, KS, Hospital Revenue, Refunding & Improvement Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687					717,263
Salina Regional Health 5.000% 10/1/22 1,150,000 1,167,687					
Kentucky 1.3%		5.000%	10/1/22	1,150,000	1,167,687
	Kentucky 1.3%				

Owen County, KY, Waterworks System Revenue, Kentucky				
American Water Co. Project	6.250%	6/1/39	2,000,000	2,017,860
Louisiana 0.6%				
Epps, LA, COP	8.000%	6/1/18	930,000	920,235
Massachusetts 0.6%				
Boston, MA, Industrial Development Financing Authority				
Revenue, Roundhouse Hospitality LLC Project	7.875%	3/1/25	825,000	673,695(a)

See Notes to Schedule of Investments.

Schedule of investments (unaudited) (cont d)

January 31, 2011

WESTERN ASSET MUNICIPAL HIGH INCOME FUND INC.

		MATURITY		FACE	
SECURITY	RATE	DATE	A	MOUNT	VALUE
Massachusetts continued					
Massachusetts State Port Authority Revenue	13.000%	7/1/13	\$	210,000	\$ 246,767(d)
Total Massachusetts					920,462
Michigan 5.2%					
Allen Academy, COP	7.500%	6/1/23		2,130,000	2,157,797
Cesar Chavez Academy, COP	6.500%	2/1/33		1,000,000	966,010
Cesar Chavez Academy, COP	8.000%	2/1/33		1,000,000	1,039,530
Gaudior Academy, COP	7.250%	4/1/34		1,000,000	872,360
Royal Oak, MI, Hospital Finance Authority Revenue, William					
Beaumont Hospital	8.250%	9/1/39		2,000,000	2,252,500
Star International Academy, COP	7.000%	3/1/33		960,000	904,579
Total Michigan					8,192,776
Missouri 0.8%					
Missouri State HEFA Revenue, Refunding, St. Lukes Episcopal	5.000%	12/1/21		1,300,000	1,306,435
Montana 1.3%					