

Science Applications International Corp
 Form 4
 October 01, 2013

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Hartley John Robert

2. Issuer Name and Ticker or Trading Symbol
 Science Applications International Corp [SAIC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1710 SAIC DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/27/2013

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Chief Financial Officer

MCLEAN, VA 22102
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount or Price			
Common Stock	09/27/2013		A ⁽¹⁾		3,129.9396 <u>(2)</u>	A	\$ 0 5,749.9396 <u>(3)</u>	D
Common Stock	09/27/2013		A ⁽¹⁾		2,115 ⁽⁴⁾	A	\$ 0 7,864.9396	D
Common Stock	09/27/2013		A ⁽¹⁾		783 ⁽⁵⁾	A	\$ 0 8,647.9396	D
Common Stock	09/27/2013		A ⁽¹⁾		2,494 ⁽⁶⁾	A	\$ 0 11,141.9396	D
Common Stock	09/27/2013		A ⁽¹⁾		3,943 ⁽⁷⁾	A	\$ 0 15,084.9396	D

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Common Stock	289 ⁽⁸⁾	I	By Retirement Plan
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	
Stock Option (Right to Buy)	\$ 37.8911	09/27/2013		A ⁽¹⁾		18,074		⁽⁹⁾	04/02/2014	Common Stock	18,074
Stock Option (Right to Buy)	\$ 35.7565	09/27/2013		A ⁽¹⁾		21,770		⁽¹⁰⁾	04/01/2015	Common Stock	21,770
Stock Option (Right to Buy)	\$ 34.7302	09/27/2013		A ⁽¹⁾		21,475		⁽¹¹⁾	03/31/2018	Common Stock	21,475
Stock Option (Right to Buy)	\$ 27.1151	09/27/2013		A ⁽¹⁾		26,768		⁽¹²⁾	03/29/2019	Common Stock	26,768
Stock Option (Right to Buy)	\$ 27.8128	09/27/2013		A ⁽¹⁾		50,190		⁽¹³⁾	04/04/2020	Common Stock	50,190

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hartley John Robert 1710 SAIC DRIVE MCLEAN, VA 22102			Chief Financial Officer	

Signatures

/s/ N. Walker, 10/01/2013
Attorney-in-Fact

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Represents equity awards granted by Leidos Holdings, Inc. (formerly SAIC, Inc.) that have been converted into equity awards of Science Applications International Corporation (the "Issuer") in connection with the spin-off of the Issuer from Leidos Holdings, Inc.
- (2) Restricted stock units and dividend equivalent units, which vest according to the following schedule: 25% on each of March 30, 2014 and March 30, 2015 and 50% on March 30, 2016.
- (3) Includes common stock of the Issuer received with respect to shares of common stock of Leidos Holdings, Inc. held prior to the spin-off of the Issuer from Leidos Holdings, Inc.
- (4) Restricted shares which vest on April 9, 2014.
- (5) Restricted stock units, which vest on January 31, 2014.
- (6) Performance share program award and related dividend equivalent units, which vest on January 31, 2015.
- (7) Restricted stock units and dividend equivalent units, which vest on January 31, 2015.
- (8) As of September 30, 2013.
- (9) An option which is fully vested.
- (10) An option which vests according to the following schedule: 20% on each of April 2, 2011, April 2, 2012 and April 2, 2013 and 40% on April 2, 2014.
- (11) An option which vests according to the following schedule: 20% on each of April 1, 2012, April 1, 2013 and April 1, 2014 and 40% on April 1, 2015.
- (12) An option which vests according to the following schedule: 20% on each of March 30, 2013, March 30, 2014 and March 30, 2015 and 40% on March 30, 2016.
- (13) An option which vests according to the following schedule: 20% on each of April 5, 2014, April 5, 2015 and April 5, 2016 and 40% on April 5, 2017.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ulf Corp.

8,950

123,779

*

TOTAL COMMON STOCKS (Cost \$1,365,326)

708,470

CONVERTIBLE PREFERRED STOCKS 0.1%

FINANCIALS 0.1%

Thriffs & Mortgage Finance 0.1%

Federal National Mortgage Association (FNMA)
(Cost - \$1,357,500)

5.375

%

15

87,000

*

PREFERRED STOCKS 0.0%

CONSUMER DISCRETIONARY 0.0%

Automobiles 0.0%

Escrow GCB General Motors

0.000

%

55,025

13,756

(d)(e)

FINANCIALS 0.0%

Explanation of Responses:

Diversified Financial Services 0.0%

Corporate-Backed Trust Certificates, Series 2001-8, Class A-1

7.375

%

33,900

30,510

Explanation of Responses:

8

*(c)(e)

Thriffs & Mortgage Finance 0.0%

Federal Home Loan Mortgage Corp. (FHLMC)

0.000

%

100

270

*(b)

Federal Home Loan Mortgage Corp. (FHLMC)

5.000

%

200

*

Total Thrifts & Mortgage Finance

TOTAL FINANCIALS

TOTAL PREFERRED STOCKS (Cost \$12,240)

45,058

EXPIRATION
DATE

WARRANTS

WARRANTS 0.1%

Buffets Restaurant Holdings

4/28/14

223

2

*(d)(e)

Charter Communications Inc.

11/30/14

265

2,981

*(d)

CMP Susquehanna Radio Holdings Co.

3/23/19

3,624

15,909

*(a)(d)(e)

General Motors Co.

7/10/16

8,062

93,842

*

General Motors Co.

7/10/19

8,062

63,932

*

Nortek Inc.

12/7/14

576

1,152

*(d)(e)

See Notes to Schedule of Investments.

WESTERN ASSET PREMIER BOND FUND

Schedule of investments (unaudited) (cont d)

September 30, 2011

SECURITY	EXPIRATION DATE	WARRANTS	VALUE
SemGroup Corp.	11/30/14	830	\$ 3,403*(e)
TOTAL WARRANTS (Cost \$749,867)			181,221
TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS (Cost \$226,232,551)			229,616,674
	RATE	MATURITY DATE	FACE AMOUNT
SHORT-TERM INVESTMENTS 2.2%			
Repurchase Agreements 2.2%			
Deutsche Bank Securities Inc. repurchase agreement dated 9/30/11; Proceeds at maturity - \$3,532,012; (Fully collateralized by U.S. government agency obligations, 0.440% due 8/28/12; Market value - \$3,602,640) (Cost - \$3,532,000)	0.040%	10/3/11	3,532,000
TOTAL INVESTMENTS 147.0% (Cost \$229,764,551#)			233,148,674
Liabilities in Excess of Other Assets (1.6%)			(2,555,801)
Liquidation value of Preferred Shares (45.4%)			(72,000,000)
TOTAL NET ASSETS 100.0%			\$ 158,592,873

Face amount denominated in U.S. dollars, unless otherwise noted.

* Non-income producing security.

(a) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. This security has been deemed liquid pursuant to guidelines approved by the Board of Trustees, unless otherwise noted.

(b) Variable rate security. Interest rate disclosed is as of the most recent information available.

(c) The coupon payment on these securities is currently in default as of September 30, 2011.

(d) Security is valued in good faith in accordance with procedures approved by the Board of Trustees (See Note 1).

(e) Illiquid security.

(f) All or a portion of this security is held by the counterparty as collateral for open reverse repurchase agreements.

(g) Payment-in-kind security for which part of the income earned may be paid as additional principal.

(h) The maturity principal is currently in default as of September 30, 2011.

(i) Interest rates disclosed represent the effective rates on collateralized senior loans. Ranges in interest rates are attributable to multiple contracts under the same loan.

(j) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax (AMT).

Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

ARM	- Adjustable Rate Mortgage
BRL	- Brazilian Real
CMB	- Cash Management Bill

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IO	- Interest Only
MXN	- Mexican Peso
MYR	- Malaysian Ringgit
PAC	- Planned Amortization Class
PO	- Principal Only
STRIPS	- Separate Trading of Registered Interest and Principal Securities

See Notes to Schedule of Investments.

Notes to Schedule of Investments (unaudited)

1. Organization and significant accounting policies

Western Asset Premier Bond Fund (the Fund) is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified, closed-end management investment company. The Fund commenced investment operations on March 28, 2002.

The Fund's investment objective is to provide current income and capital appreciation by investing primarily in a diversified portfolio of investment grade bonds. The Fund currently seeks to achieve its investment objective by investing substantially all of its assets in bonds, including corporate bonds, U.S. government and agency securities and mortgage-related securities. The ability of the issuers of the securities held by the Fund to meet their obligations might be affected by, among other things, economic developments in a specific state, industry or region.

The following are significant accounting policies consistently followed by the Fund and are in conformity with U.S. generally accepted accounting principles (GAAP).

(a) Investment valuation. The valuations for fixed income securities and certain derivative instruments are typically the prices supplied by independent third party pricing services, which may use market prices or broker/dealer quotations or a variety of fair valuation techniques and methodologies. Short-term fixed income securities that will mature in 60 days or less are valued at amortized cost, unless it is determined that using this method would not reflect an investment's fair value. Equity securities for which market quotations are available are valued at the last reported sales price or official closing price on the primary market or exchange on which they trade. If independent third party pricing services are unable to supply prices for a portfolio investment, or if the prices supplied are deemed by the manager to be unreliable, the market price may be determined by the manager using quotations from one or more broker/dealers. When the Fund holds securities or other assets that are denominated in a foreign currency, the Fund will normally use the currency exchange rates as of 4:00 p.m. (Eastern time). When reliable prices are not readily available, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the Fund calculates its net asset value, the Fund values these securities as determined in accordance with procedures approved by the Fund's Board of Trustees.

The Fund has adopted Financial Accounting Standards Board Codification Topic 820 (ASC Topic 820). ASC Topic 820 establishes a single definition of fair value, creates a three-tier hierarchy as a framework for measuring fair value based on inputs used to value the Fund's investments, and requires additional disclosure about fair value. The hierarchy of inputs is summarized below.

- Level 1 quoted prices in active markets for identical investments
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

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The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The Fund uses valuation techniques to measure fair value that are consistent with the market approach and/or income approach, depending on the type of security and the particular circumstance. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable securities. The income approach uses valuation techniques to discount estimated future cash flows to present value.

The following is a summary of the inputs used in valuing the Fund's assets and liabilities carried at fair value:

Notes to Schedule of Investments (unaudited) (continued)

ASSETS				
DESCRIPTION	QUOTED PRICES (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
Long-term investments :				
Corporate bonds & notes		\$ 72,986,077	\$ 5,933,429	\$ 78,919,506
Asset-backed securities		48,731,758	5,212,824	53,944,582
Collateralized mortgage obligations		63,867,730	413,398	64,281,128
Collateralized senior loans		9,576,018		9,576,018
Mortgage-backed securities		508,585		508,585
Municipal bonds		10,499,344	156,000	10,655,344
Non-U.S. treasury inflation protected securities		8,264,874		8,264,874
Sovereign bonds		2,444,888		2,444,888
Common stocks	\$ 571,530		136,940	708,470
Convertible preferred stocks		87,000		87,000
Preferred stocks		31,302	13,756	45,058
Warrants	157,774	19,312	4,135	181,221
Total long-term investments	\$ 729,304	\$ 217,016,888	\$ 11,870,482	\$ 229,616,674
Short-term investments		3,532,000		3,532,000
Total investments	\$ 729,304	\$ 220,548,888	\$ 11,870,482	\$ 233,148,674
Other financial instruments:				
Credit default swaps on corporate issues - buy protection		\$ 63,519		\$ 63,519
Credit default swaps on credit indices - sell protection		111,675		111,675
Credit default swaps on credit indices - buy protection		107,480		107,480
Total other financial instruments		\$ 282,674		\$ 282,674
Total	\$ 729,304	\$ 220,831,562	\$ 11,870,482	\$ 233,431,348

LIABILITIES

DESCRIPTION	QUOTED PRICES (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
Other financial instruments:				
Credit default swaps on corporate issues - buy protection		\$ 99,739		\$ 99,739
Credit default swaps on credit indices - sell protection		96,530		96,530
Total		\$ 196,269		\$ 196,269

See Schedule of Investments for additional detailed categorizations.

Values include any premiums paid or received with respect to swap contracts.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

Explanation of Responses:

Notes to Schedule of Investments (unaudited) (continued)

	CORPORATE BONDS & NOTES	ASSET- BACKED SECURITIES	COLLATERALIZED MORTGAGE OBLIGATIONS	MUNICIPAL BONDS
INVESTMENTS IN SECURITIES				
Balance as of December 31, 2010	\$ 852,866	\$ 5,590,638	\$ 19,644	
Accrued premiums/discounts	(4,575)	70,811	3,409	\$ 2,263
Realized gain (loss)(1)	838	(42,930)	(48,967)	
Change in unrealized appreciation (depreciation)(2)	29,442	(100,621)	43,486	(263)
Net purchases (sales)	(14,000)	(124,838)	(5,687)	154,000
Transfers into Level 3	5,068,858	1,063,536	401,513	
Transfers out of Level 3		(1,243,772)		
Balance as of September 30, 2011	\$ 5,933,429	\$ 5,212,824	\$ 413,398	156,000
Net change in unrealized appreciation (depreciation) for investments in securities still held at September 30, 2011(2)	\$ 26,278	\$ (120,748)	\$ 43,486	(263)

	COMMON STOCKS	PREFERRED STOCKS	WARRANTS	TOTAL
INVESTMENTS IN SECURITIES				
Balance as of December 31, 2010	\$ 9,001	\$ 0*	\$ 4,034	\$ 6,476,183
Accrued premiums/discounts				71,908
Realized gain (loss)(1)		30,371	0*	(60,688)
Change in unrealized appreciation (depreciation)(2)	(77,685)	15,104	13,029	(77,508)
Net purchases (sales)	205,624	(31,719)		183,380
Transfers into Level 3			2,981	6,536,888
Transfers out of Level 3			(15,909)	(1,259,681)
Balance as of September 30, 2011	\$ 136,940	\$ 13,756	\$ 4,135	\$ 11,870,482
Net change in unrealized appreciation (depreciation) for investments in securities still held at September 30, 2011(2)	\$ (77,685)	\$ 13,756	(2,880)	(118,056)

* Value is less than \$1.

(1) This amount is included in net realized gain (loss) from investment transactions.

(2) Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized.

(b) Repurchase agreements. The Fund may enter into repurchase agreements with institutions that its investment adviser has determined are creditworthy. Each repurchase agreement is recorded at cost. Under the terms of a typical repurchase agreement, the Fund acquires a debt security subject to an obligation of the seller to repurchase, and of the Fund to resell, the security at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. When entering into repurchase agreements, it is the Fund's policy that its custodian or a third party custodian, acting on the Fund's behalf, take possession of the underlying collateral securities, the market value of which, at all times, at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction maturity exceeds one business day, the value of the collateral is marked-to-market and measured against the value of the agreement in an effort to ensure the adequacy of the collateral. If the counterparty defaults, the Fund generally has the right to use the collateral to satisfy the terms of the repurchase transaction. However, if the market value of the collateral declines during the period in which the Fund seeks to assert its rights or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

(c) Inflation-indexed bonds. Inflation-indexed bonds are fixed-income securities whose principal value or interest rate is periodically adjusted according to the rate of inflation. As the index measuring inflation changes, the principal value or interest rate of inflation-indexed bonds will be adjusted accordingly. Inflation adjustments to the principal amount of inflation-indexed bonds are reflected as an increase or decrease to

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investment income on the Statement of Operations. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

(d) Reverse repurchase agreements. The Fund may enter into reverse repurchase agreements. Under the terms of a typical reverse repurchase agreement, a Fund sells a security subject to an obligation to repurchase the security from the buyer at an agreed-upon time and price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund's use of the proceeds of the agreement may be restricted pending a determination by the counterparty, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities. In entering into reverse repurchase agreements, the Fund will maintain cash, U.S. government securities or other liquid debt obligations at least equal in value to its obligations with respect to reverse repurchase agreements or will take other actions permitted by law to cover its obligations.

(e) Stripped securities. The Fund may invest in Stripped Securities, a term used collectively for components, or strips, fixed income securities. Stripped securities can be principal only securities (PO), which are debt obligations that have been stripped of unmatured interest coupons or, interest only securities (IO), which are unmatured interest coupons that have been stripped from debt obligations. The market value of Stripped Securities will fluctuate in response to changes in economic conditions, rates of pre-payment, interest rates and the market's perception of the securities. However, fluctuations in response to interest rates may be greater in Stripped Securities than for debt obligations of comparable maturities that pay interest currently. The amount of fluctuation may increase with a longer period of maturity.

The yield to maturity on IO s is sensitive to the rate of principal repayments (including prepayments) on the related underlying debt obligation and principal payments may have a material effect on yield to maturity. If the underlying debt obligation experiences greater than anticipated prepayments of principal, the Fund may not fully recoup its initial investment in IO s.

(f) Swap agreements. The Fund invests in swaps for the purpose of managing its exposure to interest rate, credit or market risk, or for other purposes. The use of swaps involves risks that are different from those associated with ordinary portfolio transactions.

Swap contracts are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). Gains or losses are realized upon termination of the swap agreement. Collateral, in the form of restricted cash or

Notes to Schedule of Investments (unaudited) (continued)

securities, may be required to be held in segregated accounts with the Fund's custodian in compliance with the terms of the swap contracts. Securities posted as collateral for swap contracts are identified in the Schedule of Investments.

The Fund's maximum exposure in the event of a defined credit event on a credit default swap to sell protection is the notional amount. As of September 30, 2011, the total notional value of all credit default swaps to sell protection is \$22,262,202. This amount would be offset by the value of the swap's reference entity, upfront premiums received on the swap and any amounts received from the settlement of a credit default swap where the Fund bought protection for the same referenced security/entity.

Credit default swaps

The Fund enters into credit default swap (CDS) contracts for investment purposes, to manage its credit risk or to add leverage. CDS agreements involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default by a third party, typically corporate or sovereign issuers, on a specified obligation, or in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising a credit index. The Fund may use a CDS to provide protection against defaults of the issuers (i.e., to reduce risk where the Fund has exposure to an issuer) or to take an active long or short position with respect to the likelihood of a particular issuer's default. As a seller of protection, the Fund generally receives an upfront payment or a stream of payments throughout the term of the swap provided that there is no credit event. If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the maximum potential amount of future payments (undiscounted) that the Fund could be required to make under a credit default swap agreement would be an amount equal to the notional amount of the agreement. These amounts of potential payments will be partially offset by any recovery of values from the respective referenced obligations. As a seller of protection, the Fund effectively adds leverage to its portfolio because, in addition to its total net assets, the Fund is subject to investment exposure on the notional amount of the swap. As a buyer of protection, the Fund generally receives an amount up to the notional value of the swap if a credit event occurs.

Implied spreads are the theoretical prices a lender receives for credit default protection. When spreads rise, market perceived credit risk rises and when spreads fall, market perceived credit risk falls. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to enter into the agreement. Wider credit spreads and decreasing market values, when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. Credit spreads utilized in determining the period end market value of credit default swap agreements on corporate or sovereign issues are disclosed in the Notes to the Schedule of Investments and serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for credit derivatives. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values, particularly in relation to the notional amount of the contract as well as the annual payment rate, serve as an indication of the current status of the payment/performance risk.

The Fund's maximum risk of loss from counterparty risk, as the protection buyer, is the fair value of the contract (this risk is mitigated by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty). As the protection seller, the Fund's maximum risk is the notional amount of the contract. Credit default swaps are considered to have credit risk-related contingent features since they require payment by the protection seller to the protection buyer upon the occurrence of a defined credit event.

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Entering into a CDS agreement involves, to varying degrees, elements of credit, market and documentation risk. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreement may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreement, and that there will be unfavorable changes in net interest rates.

(g) Foreign currency translation. Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts based upon prevailing exchange rates on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts based upon prevailing exchange rates on the respective dates of such transactions.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of U.S. dollar denominated transactions as a result of, among other factors, the possibility of lower levels of governmental supervision and regulation of foreign securities markets and the possibility of political or economic instability.

(h) Credit and market risk. The Fund invests in high-yield and emerging market instruments that are subject to certain credit and market risks. The yields of high-yield and emerging market debt obligations reflect, among other things, perceived credit and market risks. The Fund's investment in securities rated below investment grade typically involve risks not associated with higher rated securities including, among others, greater risk related to timely and ultimate payment of interest and principal, greater market price volatility and less liquid secondary market trading. The consequences of political, social, economic or diplomatic changes may have disruptive effects on the market prices of

Notes to Schedule of Investments (unaudited) (continued)

investments held by the Fund. The Fund's investment in non-U.S. dollar denominated securities may also result in foreign currency losses caused by devaluations and exchange rate fluctuations.

Investments in securities that are collateralized by residential real estate mortgages are subject to certain credit and liquidity risks. When market conditions result in an increase in default rates of the underlying mortgages and the foreclosure values of underlying real estate properties are materially below the outstanding amount of these underlying mortgages, collection of the full amount of accrued interest and principal on these investments may be doubtful. Such market conditions may significantly impair the value and liquidity of these investments and may result in a lack of correlation between their credit ratings and values.

(i) Counterparty risk and credit-risk-related contingent features of derivative instruments. The Fund may invest in certain securities or engage in other transactions, where the Fund is exposed to counterparty credit risk in addition to broader market risks. The Fund may invest in securities of issuers, which may also be considered counterparties as trading partners in other transactions. This may increase the risk of loss in the event of default or bankruptcy by the counterparty or if the counterparty otherwise fails to meet its contractual obligations. The Fund's investment manager attempts to mitigate counterparty risk by (i) periodically assessing the creditworthiness of its trading partners, (ii) monitoring and/or limiting the amount of its net exposure to each individual counterparty based on its assessment and (iii) requiring collateral from the counterparty for certain transactions. Market events and changes in overall economic conditions may impact the assessment of such counterparty risk by the investment manager. In addition, declines in the values of underlying collateral received may expose the Fund to increased risk of loss.

The Fund has entered into master agreements with certain of its derivative counterparties that provide for general obligations, representations, agreements, collateral, events of default or termination and credit related contingent features. The credit related contingent features include, but are not limited to, a percentage decrease in the Fund's net assets or NAV over a specified period of time. If these credit related contingent features were triggered, the derivatives counterparty could terminate the positions and demand payment or require additional collateral.

As of September 30, 2011, the Fund held credit default swaps with credit related contingent features which had a liability position of \$196,269. If a contingent feature in the master agreements would have been triggered, the Fund would have been required to pay this amount to its derivatives counterparties. As of September 30, 2011, the Fund had posted with its counterparties cash and/or securities as collateral to cover the net liability of these derivatives amounting to \$100,000, which could be used to reduce the required payment.

(j) Foreign investment risks. The Fund's investments in foreign securities may involve risks not present in domestic investments. Since securities may be denominated in foreign currencies, may require settlement in foreign currencies or pay interest or dividends in foreign currencies, changes in the relationship of these foreign currencies to the U.S. dollar can significantly affect the value of the investments and earnings of the Fund. Foreign investments may also subject the Fund to foreign government exchange restrictions, expropriation, taxation or other political, social or economic developments, all of which affect the market and/or credit risk of the investments.

(k) Security transactions. Security transactions are accounted for on a trade date basis.

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2. Investments

At September 30, 2011, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

Gross unrealized appreciation	\$	18,368,045
Gross unrealized depreciation		(14,983,922)
Net unrealized appreciation	\$	3,384,123

Transactions in reverse repurchase agreements for the Fund during the period ended September 30, 2011 were as follows:

Average Daily Balance*	Weighted Average Interest Rate*	Maximum Amount Outstanding
\$4,897,168	1.09%	\$4,947,389

* Average based on the number of days the Fund had reverse repurchase agreements outstanding.

Interest rates on reverse repurchase agreements ranged from 0.38% to 1.56% during the period ended September 30, 2011. Interest expense incurred on reverse repurchase agreements totaled \$40,309.

At September 30, 2011, the Fund had the following open reverse repurchase agreements:

Counterparty	Rate	Effective Date	Maturity Date		Face Amount of Reverse Repurchase Agreements
Deutsche Bank Securities, Inc.	0.40%	9/27/2011	10/27/2011	\$	1,301,430
Deutsche Bank Securities, Inc.	0.40%	9/27/2011	10/27/2011		1,511,183
Deutsche Bank Securities, Inc.	0.40%	9/27/2011	10/27/2011		869,940
Deutsche Bank Securities, Inc.	0.40%	9/27/2011	10/27/2011		1,005,800
				\$	4,688,353

Notes to Schedule of Investments (unaudited) (continued)

On September 30, 2011, the total market value of underlying collateral (refer to the Schedule of Investments for positions held at the counterparty as collateral for reverse repurchase agreements) for open reverse repurchase agreements was \$5,030,239.

At September 30, 2011, the Fund held the following open swap contracts:

CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - BUY PROTECTION¹

SWAP COUNTERPARTY (REFERENCE ENTITY)	NOTIONAL AMOUNT ²	TERMINATION DATE	PERIODIC PAYMENTS MADE BY THE FUND	MARKET VALUE	UPFRONT PREMIUMS PAID (RECEIVED)	UNREALIZED APPRECIATION (DEPRECIATION)
Goldman Sachs Group Inc. (Citigroup Inc., 6.125%, due 5/15/18)	\$ 1,700,000	3/20/14	4.700% quarterly	\$ (67,966)		\$ (67,966)
Goldman Sachs Group Inc. (CVS Corporation, 4.875%, due 9/15/14)	2,000,000	12/20/14	0.680% quarterly	(31,773)	\$ (16,219)	(15,554)
Goldman Sachs Group Inc. (Assured Guaranty Municipal Corp., 0.480% due 11/15/13)	100,000	3/20/15	5.000% quarterly	11,513	676	10,837
Goldman Sachs Group Inc. (Assured Guaranty Municipal Corp., 0.480% due 11/15/13)	130,000	3/20/20	5.000% quarterly	23,804	2,898	20,906
Goldman Sachs Group Inc. (Assured Guaranty Municipal Corp., 0.480%, due 11/15/13)	70,000	3/20/13	5.000% quarterly	2,442	(226)	2,668
Goldman Sachs Group Inc. (Assured Guaranty Municipal Corp., 0.480%, due 11/15/13)	80,000	3/20/13	5.000% quarterly	2,790	(157)	2,947
Goldman Sachs Group Inc. (Assured Guaranty Municipal Corp., 0.480%, due 11/15/13)	120,000	3/20/15	5.000% quarterly	13,815	1,133	12,682
Goldman Sachs Group Inc. (Assured Guaranty Municipal Corp., 0.480%, due 11/15/13)	50,000	3/20/20	5.000% quarterly	9,155	1,351	7,804
Total	\$ 4,250,000			\$ (36,220)	\$ (10,544)	\$ (25,676)

CREDIT DEFAULT SWAPS ON CREDIT INDICES SELL PROTECTION³

SWAP COUNTERPARTY (REFERENCE ENTITY)	NOTIONAL AMOUNT ²	TERMINATION DATE	PERIODIC PAYMENTS RECEIVED BY THE FUND	MARKET VALUE ⁴	UPFRONT PREMIUMS PAID (RECEIVED)	UNREALIZED APPRECIATION (DEPRECIATION)
Banc of America Securities LLC (CDX HY 8)	\$ 21,666,202	6/20/12	0.860% quarterly	\$ 111,675		\$ 111,675
JPMorgan Securities Inc. (CMBX NA AM 1)	220,000	10/12/52	0.500% monthly	(35,632)	\$ (22,179)	(13,453)
Deutsche Bank AG (CMBX NA AM 1)	190,000	10/12/52	0.500% monthly	(30,773)	(16,557)	(14,216)
Goldman Sachs Group Inc. (CMBX NA AM 1)	186,000	10/12/52	0.500% monthly	(30,125)	(17,135)	(12,990)

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Total \$ 22,262,202 \$ 15,145 \$ (55,871) \$ 71,016

CREDIT DEFAULT SWAPS ON CREDIT INDICES - BUY PROTECTION¹

SWAP COUNTERPARTY (REFERENCE ENTITY)	NOTIONAL AMOUNT ²	TERMINATION DATE	PERIODIC PAYMENTS MADE BY THE FUND	MARKET VALUE ⁴	UPFRONT PREMIUMS PAID (RECEIVED)	UNREALIZED APPRECIATION
Goldman Sachs Group Inc. (CMBX NA AM 4)	\$ 127,000	2/17/51	0.500% monthly	\$ 40,118	\$ 25,203	\$ 14,915
Deutsche Bank AG (CMBX 4 2007-2 AM)	114,000	2/17/51	0.500% monthly	36,012	18,446	17,566
Goldman Sachs Group Inc. (CMBX 1 2006-1 AAA)	449,000	10/12/52	0.100% monthly	31,350	18,446	12,904
Total	\$ 690,000			\$ 107,480	\$ 62,095	\$ 45,385

(1) If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the underlying securities comprising the referenced index.

(2) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

Notes to Schedule of Investments (unaudited) (continued)

(3) If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

(4) The quoted market prices and resulting values for credit default swap agreements on asset-backed securities and credit indices serve as an indicator of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement been closed/sold as of the period end. Decreasing market values when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

Percentage shown is an annual percentage rate.

3. Derivative instruments and hedging activities

Financial Accounting Standards Board Codification Topic 815 requires enhanced disclosure about an entity's derivative and hedging activities.

The following is a summary of the Fund's derivative instruments categorized by risk exposure at September 30, 2011.

Primary Underlying Risk Disclosure	Swap Contracts, at value
Credit Contracts	\$ 86,405

During the period ended September 30, 2011, the volume of derivative activity for the Fund was as follows:

	Average Notional Balance
Credit default swap contracts (to buy protection)	\$ 4,535,700
Credit default swap contracts (to sell protection)	21,867,002

ITEM 2.

CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are likely to materially affect the registrant's internal control over financial reporting.

ITEM 3.

EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are attached 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 Premier Bond Fund

By */s/ R. Jay Gerken*
R. Jay Gerken
President
Western Asset Premier Bond Fund

Date: November 23, 2011

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/ R. Jay Gerken*
R. Jay Gerken
President
Western Asset Premier Bond Fund

Date: November 23, 2011

By */s/ Kaprel Ozsolak*
Kaprel Ozsolak
Principal Financial and Accounting Officer
Western Asset Premier Bond Fund

Date: November 23, 2011
