

WESTERN ASSET INTERMEDIATE MUNI FUND INC.

Form N-Q

October 26, 2016

**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 **811-6506**

**Western Asset Intermediate Muni Fund Inc.**

(Exact name of registrant as specified in charter)

**620 Eighth Avenue, 49<sup>th</sup> Floor, New York, NY 10018**

(Address of principal executive offices) (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: (888)777-0102

Date of fiscal year end: **November 30**

Date of reporting period: **August 31, 2016**

**ITEM 1. SCHEDULE OF INVESTMENTS.**

**WESTERN ASSET INTERMEDIATE MUNI FUND INC.**

FORM N-Q

AUGUST 31, 2016

## WESTERN ASSET INTERMEDIATE MUNI FUND INC.

## Schedule of investments (unaudited)

August 31, 2016

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT  | VALUE                       |
|---|--------|---------------|--------------|-----------------------------|
| <b>MUNICIPAL BONDS - 132.4%</b>   |        |               |              |                             |
| <b>Alabama - 1.1%</b>   |        |               |              |                             |
| Jefferson County, AL, Sewer Revenue, Subordinated Lien Warrants                                     | 5.000% | 10/1/21       | \$ 1,500,000 | \$ 1,700,415                |
| <b>Arizona - 4.1%</b>   |        |               |              |                             |
| Navajo Nation, AZ, Revenue  | 5.000% | 12/1/25       | 250,000      | 283,800 <sup>(a)</sup>      |
| Phoenix, AZ, Civic Improvement Corp., Wastewater System Revenue, Junior Lien                        | 5.000% | 7/1/27        | 1,000,000    | 1,243,130                   |
| Pinal County, AZ, Electric District No. 3 Revenue   | 4.000% | 7/1/23        | 1,000,000    | 1,109,890                   |
| Pinal County, AZ, Electric District No. 3 Revenue   | 5.000% | 7/1/24        | 1,760,000    | 2,046,229                   |
| Pinal County, AZ, Electric District No. 3 Revenue   | 5.000% | 7/1/25        | 1,280,000    | 1,487,513                   |
| <i>Total Arizona</i>  |        |               |              | 6,170,562                   |
| <b>California - 19.2%</b>   |        |               |              |                             |
| Anaheim, CA, Public Financing Authority Lease Revenue   | 5.000% | 5/1/26        | 2,000,000    | 2,509,200                   |
| Bay Area Toll Authority, CA, Toll Bridge Revenue, San Francisco Bay Area                            | 1.660% | 4/1/24        | 2,000,000    | 2,031,500 <sup>(b)(c)</sup> |
| California State PCFA, Water Furnishing Revenue   | 5.000% | 7/1/27        | 2,000,000    | 2,313,720 <sup>(a)(d)</sup> |
| California State, GO  | 1.047% | 12/1/17       | 1,500,000    | 1,500,855 <sup>(b)(c)</sup> |
| California State, GO  | 5.000% | 9/1/34        | 1,000,000    | 1,251,390 <sup>(e)</sup>    |
| California Statewide CDA Revenue, Lodi Memorial Hospital, CMI                                       | 5.000% | 12/1/22       | 2,000,000    | 2,105,640                   |
| California Statewide CDA, Student Housing Revenue, Provident Group-Pomona Properties LLC            | 5.600% | 1/15/36       | 565,000      | 645,925                     |
| Long Beach, CA, Bond Finance Authority Lease Revenue  | 5.000% | 8/1/31        | 1,855,000    | 2,176,898                   |
| Los Angeles County, CA, Public Works Financing Authority, Lease Revenue:                            |        |               |              |                             |
| Multiple Capital Project II   | 5.000% | 8/1/21        | 1,000,000    | 1,193,550                   |
| Multiple Capital Project II   | 5.000% | 8/1/22        | 1,000,000    | 1,219,730                   |
| M-S-R Energy Authority, CA, Gas Revenue   | 6.125% | 11/1/29       | 3,000,000    | 3,997,080                   |
| Modesto, CA, Irrigation District Electric Revenue   | 5.000% | 7/1/24        | 4,130,000    | 4,847,876                   |
| Modesto, CA, Irrigation District Electric Revenue   | 5.000% | 7/1/25        | 2,000,000    | 2,337,440                   |
| River Islands, CA, Public Financing Authority Special Tax, Community Facilities District No. 2003-1 | 5.250% | 9/1/34        | 430,000      | 474,845                     |
| Riverside County, CA, Transportation Commission Sales Tax Revenue, Limited Tax                      | 5.250% | 6/1/26        | 300,000      | 377,508                     |
| <i>Total California</i>   |        |               |              | 28,983,157                  |
| <b>Colorado - 5.2%</b>  |        |               |              |                             |
| E-470 Public Highway Authority Revenue, CO  | 5.250% | 9/1/25        | 2,000,000    | 2,247,020                   |
| Public Authority for Colorado Energy, Natural Gas Purchase Revenue                                  | 6.125% | 11/15/23      | 3,940,000    | 4,906,915                   |
| SBC Metropolitan District, CO, GO, ACA  | 5.000% | 12/1/25       | 750,000      | 750,990                     |
| <i>Total Colorado</i>   |        |               |              | 7,904,925                   |
| <b>Connecticut - 0.7%</b>   |        |               |              |                             |
| Connecticut State HEFA Revenue, Bristol Hospital, AGC   | 5.500% | 7/1/21        | 1,125,000    | 1,128,578                   |

**See Notes to Schedule of Investments.**

## WESTERN ASSET INTERMEDIATE MUNI FUND INC.

## Schedule of investments (unaudited) (cont d)

August 31, 2016

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                       |
|--|--------|---------------|-------------|-----------------------------|
| <b>Florida - 8.3%</b>  |        |               |             |                             |
| Florida State Development Finance Corp., Educational Facilities Revenue, Renaissance Charter School Inc. Project | 6.000% | 6/15/35       | \$ 150,000  | \$ 159,857 <sup>(a)</sup>   |
| Florida State Development Finance Corp., Senior Living Revenue, Tuscan Isle Champions Gate Project               | 6.000% | 6/1/30        | 125,000     | 130,416 <sup>(a)</sup>      |
| Florida State Mid-Bay Bridge Authority Revenue   | 5.000% | 10/1/27       | 545,000     | 662,338                     |
| Jacksonville, FL, Sales Tax Revenue, Better Jacksonville   | 5.000% | 10/1/30       | 1,500,000   | 1,777,635                   |
| Miami-Dade County, FL, Aviation Revenue  | 5.000% | 10/1/31       | 4,000,000   | 4,555,000 <sup>(d)</sup>    |
| Miami-Dade County, FL, Aviation Revenue  | 5.000% | 10/1/32       | 1,000,000   | 1,136,940 <sup>(d)</sup>    |
| Miami-Dade County, FL, Expressway Authority Toll System Revenue  | 5.000% | 7/1/26        | 1,500,000   | 1,870,920                   |
| Miami-Dade County, FL, School Board, COP, AGC  | 5.000% | 2/1/24        | 2,000,000   | 2,203,540 <sup>(f)</sup>    |
| <i>Total Florida</i>   |        |               |             | <i>12,496,646</i>           |
| <b>Georgia - 4.9%</b>  |        |               |             |                             |
| Atlanta, GA, Water & Wastewater Revenue  | 6.000% | 11/1/23       | 2,000,000   | 2,324,480 <sup>(f)</sup>    |
| Burke County, GA, Development Authority, PCR, Oglethorpe Power Corp. Vogtle Project                              | 2.400% | 4/1/20        | 1,000,000   | 1,033,280 <sup>(b)(c)</sup> |
| DeKalb Private Hospital Authority Revenue, GA, Anticipation CTFS, Children's Health Care of Atlanta Inc.         | 5.000% | 11/15/29      | 2,000,000   | 2,247,300                   |
| DeKalb, Newton & Gwinnett Counties, GA, Joint Development Authority Revenue, GGC Foundation LLC Project          | 6.000% | 7/1/29        | 1,000,000   | 1,136,250                   |
| Private Colleges & Universities Authority, GA, Revenue, Savannah College of Art & Design Inc. Project            | 5.000% | 4/1/28        | 500,000     | 600,205                     |
| <i>Total Georgia</i>   |        |               |             | <i>7,341,515</i>            |
| <b>Illinois - 7.1%</b>   |        |               |             |                             |
| Chicago, IL, GO  | 5.500% | 1/1/30        | 1,000,000   | 1,073,710                   |
| Chicago, IL, Metropolitan Water Reclamation District Greater Chicago, GO, Green Bond                             | 5.000% | 12/1/29       | 850,000     | 1,041,275                   |
| Chicago, IL, O'Hare International Airport Revenue  | 5.000% | 1/1/31        | 1,750,000   | 2,069,515 <sup>(d)</sup>    |
| Illinois State Finance Authority Revenue, Memorial Health System   | 5.250% | 4/1/29        | 1,670,000   | 1,841,509                   |
| Illinois State Sports Facilities Authority Revenue, State Tax Supported, AGM                                     | 5.250% | 6/15/30       | 3,000,000   | 3,517,080                   |
| Will County, IL, GO  | 5.000% | 11/15/32      | 1,000,000   | 1,226,230                   |
| <i>Total Illinois</i>  |        |               |             | <i>10,769,319</i>           |
| <b>Indiana - 7.1%</b>  |        |               |             |                             |
| Indiana State Finance Authority, Environmental Revenue, U.S. Steel Corp.   | 6.000% | 12/1/19       | 1,000,000   | 1,004,260                   |
| Indianapolis, IN, Gas Utility Revenue, Second Lien   | 5.250% | 8/15/29       | 4,000,000   | 4,824,240                   |
| Indianapolis, IN, Thermal Energy System Revenue, Multi-Mode, AGC   | 5.000% | 10/1/23       | 4,000,000   | 4,320,880                   |
| Valparaiso, IN, Exempt Facilities Revenue, Pratt Paper LLC Project   | 5.875% | 1/1/24        | 475,000     | 570,342 <sup>(d)</sup>      |
| <i>Total Indiana</i>   |        |               |             | <i>10,719,722</i>           |
| <b>Louisiana - 3.2%</b>  |        |               |             |                             |
| New Orleans, LA, Aviation Board Revenue  | 5.000% | 1/1/29        | 2,000,000   | 2,380,020 <sup>(d)</sup>    |

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|  |        |         |           |                          |
|--|--------|---------|-----------|--------------------------|
| New Orleans, LA, Aviation Board Revenue  | 5.000% | 1/1/30  | 2,000,000 | 2,371,740 <sup>(d)</sup> |
| <i>Total Louisiana</i>   |        |         |           | <i>4,751,760</i>         |
| <b>Maryland - 0.7%</b>   |        |         |           |                          |
| Maryland State EDC, Private Activity Revenue, Purple Line Light Rail Project, Green Bond | 5.000% | 9/30/26 | 850,000   | 985,703 <sup>(d)</sup>   |

**See Notes to Schedule of Investments.**

## WESTERN ASSET INTERMEDIATE MUNI FUND INC.

## Schedule of investments (unaudited) (cont d)

August 31, 2016

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT  | VALUE                    |
|---|--------|---------------|--------------|--------------------------|
| <b>Massachusetts - 2.0%</b>   |        |               |              |                          |
| Massachusetts State Water Resources Authority Revenue, Green Bond   | 5.000% | 8/1/35        | \$ 1,350,000 | \$ 1,702,499             |
| Massachusetts State, GO   | 5.000% | 7/1/26        | 1,000,000    | 1,313,110                |
| <i>Total Massachusetts</i>  |        |               |              | <i>3,015,609</i>         |
| <b>Michigan - 6.7%</b>  |        |               |              |                          |
| Michigan State Finance Authority Limited Obligation Revenue, Higher Education, Thomas M Cooley Law School Project | 6.250% | 7/1/29        | 600,000      | 657,756 <sup>(a)</sup>   |
| Michigan State Finance Authority Revenue:   |        |               |              |                          |
| Local Government Loan Program, Detroit Water & Sewer Department   | 5.000% | 7/1/33        | 275,000      | 324,569                  |
| Local Government Loan Program, Detroit Water & Sewer, AGM   | 5.000% | 7/1/24        | 1,000,000    | 1,223,430                |
| Michigan State Housing Development Authority, Rental Housing Revenue  | 5.250% | 10/1/24       | 2,640,000    | 2,816,088                |
| Wayne County, MI, Airport Authority Revenue, Detroit Metropolitan Airport   | 5.000% | 12/1/16       | 5,000,000    | 5,050,350 <sup>(d)</sup> |
| <i>Total Michigan</i>   |        |               |              | <i>10,072,193</i>        |
| <b>Nevada - 3.0%</b>  |        |               |              |                          |
| Humboldt County, NV, PCR, Idaho Power Co. Project   | 5.150% | 12/1/24       | 4,000,000    | 4,468,560                |
| <b>New Hampshire - 4.5%</b>   |        |               |              |                          |
| New Hampshire HEFA Revenue, Healthcare Systems Covenant Health  | 5.000% | 7/1/28        | 6,400,000    | 6,851,904                |
| <b>New Jersey - 11.7%</b>   |        |               |              |                          |
| Casino Reinvestment Development Authority, NJ, Luxury Tax Revenue, AGM  | 5.000% | 11/1/28       | 1,000,000    | 1,132,830                |
| New Jersey State EDA Revenue:   |        |               |              |                          |
| Continental Airlines Inc. Project   | 4.875% | 9/15/19       | 965,000      | 1,024,193 <sup>(d)</sup> |
| School Facilities Construction, State Appropriations  | 5.000% | 3/1/29        | 5,000,000    | 5,582,300                |
| New Jersey State EFA Revenue, University of Medicine & Dentistry  | 7.125% | 12/1/23       | 2,000,000    | 2,344,620 <sup>(f)</sup> |
| New Jersey State Higher Education Assistance Authority, Student Loan Revenue                                      | 5.375% | 6/1/24        | 2,710,000    | 2,950,458                |
| New Jersey State Transportation Trust Fund Authority Revenue  | 5.250% | 6/15/23       | 4,000,000    | 4,600,920                |
| <i>Total New Jersey</i>   |        |               |              | <i>17,635,321</i>        |
| <b>New Mexico - 1.7%</b>  |        |               |              |                          |
| Bernalillo County, NM, Gross Receipts Tax Revenue, AMBAC  | 5.250% | 10/1/18       | 1,100,000    | 1,203,840                |
| New Mexico Finance Authority Revenue, Subordinated Lien, Public Project Revolving Fund, NATL                      | 5.000% | 6/15/19       | 1,415,000    | 1,419,486                |
| <i>Total New Mexico</i>   |        |               |              | <i>2,623,326</i>         |
| <b>New York - 8.0%</b>  |        |               |              |                          |
| New York State Thruway Authority General Revenue, Junior Indebtedness Obligations, Junior Lien                    | 5.000% | 1/1/36        | 1,000,000    | 1,215,930                |
| New York State Thruway Authority, State Personal Income Tax Revenue, Transportation                               | 5.000% | 3/15/26       | 200,000      | 246,430                  |



**See Notes to Schedule of Investments.**

## WESTERN ASSET INTERMEDIATE MUNI FUND INC.

## Schedule of investments (unaudited) (cont d)

August 31, 2016

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                     |
|---|--------|---------------|-------------|---------------------------|
| <b>New York - (continued)</b>   |        |               |             |                           |
| New York State Transportation Development Corp., Special Facilities Revenue:                  |        |               |             |                           |
| American Airlines Inc., John F Kennedy International Airport Project                          | 5.000% | 8/1/26        | \$ 600,000  | \$ 667,182 <sup>(d)</sup> |
| Laguardia Airport Terminal B Redevelopment Project  | 5.000% | 7/1/30        | 1,225,000   | 1,442,682 <sup>(d)</sup>  |
| Laguardia Airport Terminal B Redevelopment Project  | 4.000% | 7/1/31        | 500,000     | 542,775 <sup>(d)</sup>    |
| New York, NY, GO  | 5.000% | 8/1/21        | 4,000,000   | 4,767,840                 |
| Port Authority of New York & New Jersey Revenue   | 5.000% | 10/15/30      | 1,500,000   | 1,858,890 <sup>(d)</sup>  |
| Utility Debt Securitization Authority, NY, Revenue, Restructuring                             | 5.000% | 12/15/27      | 1,000,000   | 1,248,940                 |
| <i>Total New York</i>   |        |               |             | <i>11,990,669</i>         |
| <b>North Carolina - 1.3%</b>  |        |               |             |                           |
| North Carolina Eastern Municipal Power Agency, Power System Revenue                           | 5.000% | 1/1/26        | 1,750,000   | 1,920,258 <sup>(f)</sup>  |
| <b>Oklahoma - 2.0%</b>  |        |               |             |                           |
| Grand River Dam Authority, OK, Revenue  | 5.000% | 6/1/30        | 2,500,000   | 2,840,125                 |
| Payne County, OK, EDA Revenue, Epworth Living at The Ranch                                    | 6.250% | 11/1/31       | 150,000     | 156,162                   |
| <i>Total Oklahoma</i>   |        |               |             | <i>2,996,287</i>          |
| <b>Oregon - 1.0%</b>  |        |               |             |                           |
| Portland, OR, River District Urban Renewal & Redevelopment                                    | 5.000% | 6/15/28       | 570,000     | 675,102                   |
| Yamhill County, OR, Hospital Authority Revenue:   |        |               |             |                           |
| Friendsview Retirement Community  | 5.000% | 11/15/31      | 350,000     | 396,389                   |
| Friendsview Retirement Community  | 5.000% | 11/15/36      | 325,000     | 362,606                   |
| <i>Total Oregon</i>   |        |               |             | <i>1,434,097</i>          |
| <b>Pennsylvania - 3.9%</b>  |        |               |             |                           |
| Cumberland County, PA, Municipal Authority Revenue, Diakon Lutheran Social Ministries Project | 5.000% | 1/1/27        | 500,000     | 601,255                   |
| Montgomery County, PA, IDA Revenue, New Regional Medical Center Project, FHA                  | 5.000% | 8/1/24        | 1,925,000   | 2,235,040 <sup>(f)</sup>  |
| Philadelphia, PA, Gas Works Revenue:  |        |               |             |                           |
| 1998 General Ordinance  | 5.000% | 10/1/30       | 500,000     | 620,720                   |
| 7th General Ordinance, AMBAC  | 5.000% | 10/1/17       | 1,000,000   | 1,044,960                 |
| Pittsburgh, PA, School District GO, AGM   | 5.375% | 9/1/16        | 1,350,000   | 1,350,000                 |
| <i>Total Pennsylvania</i>   |        |               |             | <i>5,851,975</i>          |
| <b>Tennessee - 5.5%</b>   |        |               |             |                           |
| Tennessee Energy Acquisition Corp., Gas Revenue   | 5.250% | 9/1/20        | 2,030,000   | 2,330,278                 |
| Tennessee Energy Acquisition Corp., Gas Revenue   | 5.250% | 9/1/23        | 4,940,000   | 6,025,120                 |
| <i>Total Tennessee</i>  |        |               |             | <i>8,355,398</i>          |
| <b>Texas - 9.6%</b>   |        |               |             |                           |

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|   |        |          |           |                             |
|---|--------|----------|-----------|-----------------------------|
| Austin, TX, Airport Systems Revenue   | 5.000% | 11/15/27 | 1,000,000 | 1,205,480 <sup>(d)</sup>    |
| Harris County, TX, Houston Sports Authority Revenue, Senior Lien, AGM   | 5.000% | 11/15/25 | 1,000,000 | 1,235,820                   |
| Mission, TX, Economic Development Corp. Revenue, Senior Lien,<br>Natgasoline Project                                      | 5.750% | 10/1/31  | 100,000   | 106,867 <sup>(a)(d)</sup>   |
| New Hope Cultural Education Facilities Finance Corp., TX, Student<br>Housing Revenue, NCCD-College Station Properties LLC | 5.000% | 7/1/30   | 500,000   | 594,450                     |
| North Texas Tollway Authority Revenue   | 5.000% | 1/1/33   | 300,000   | 368,154                     |
| North Texas Tollway Authority Revenue   | 5.000% | 1/1/34   | 1,300,000 | 1,568,723                   |
| North Texas Tollway Authority Revenue:<br>System-First Tier, NATL   | 5.125% | 1/1/28   | 1,755,000 | 1,857,281 <sup>(f)(g)</sup> |
| System-First Tier, NATL   | 5.125% | 1/1/28   | 245,000   | 257,811                     |

**See Notes to Schedule of Investments.**

## WESTERN ASSET INTERMEDIATE MUNI FUND INC.

## Schedule of investments (unaudited) (cont d)

August 31, 2016

| SECURITY  | RATE    | MATURITY DATE | FACE AMOUNT  | VALUE                    |
|---|---------|---------------|--------------|--------------------------|
| <b>Texas - (continued)</b>  |         |               |              |                          |
| Sabine River Authority, Texas PCR, Southwestern Electric Power Co., NATL  | 4.950%  | 3/1/18        | \$ 3,000,000 | \$ 3,150,630             |
| Tarrant, TX, Regional Water District Revenue  | 5.000%  | 3/1/32        | 750,000      | 942,060                  |
| Texas State Department Housing Community Affairs Home Mortgage Revenue, RIBS / GNMA / FNMA / FHLMC Collateralized | 13.007% | 7/2/24        | 75,000       | 75,713 <sup>(b)(d)</sup> |
| Texas State Municipal Gas Acquisition & Supply Corp. III, Gas Supply Revenue                                      | 5.000%  | 12/15/22      | 2,000,000    | 2,413,680                |
| University of Texas, TX, Revenue  | 5.000%  | 8/15/27       | 500,000      | 665,280                  |
| <i>Total Texas</i>  |         |               |              | <i>14,441,949</i>        |
| <b>U.S. Virgin Islands - 0.5%</b>   |         |               |              |                          |
| Virgin Islands Public Finance Authority Revenue:  |         |               |              |                          |
| Matching Fund Loan  | 6.750%  | 10/1/37       | 450,000      | 472,131                  |
| Matching Fund Loan Note   | 6.000%  | 10/1/39       | 335,000      | 342,990                  |
| <i>Total U.S. Virgin Islands</i>  |         |               |              | <i>815,121</i>           |
| <b>Virginia - 4.6%</b>  |         |               |              |                          |
| Pittsylvania County, VA, GO   | 5.500%  | 2/1/22        | 540,000      | 602,062 <sup>(f)</sup>   |
| Pittsylvania County, VA, GO   | 5.500%  | 2/1/23        | 1,030,000    | 1,148,378 <sup>(f)</sup> |
| Pittsylvania County, VA, GO   | 5.600%  | 2/1/24        | 2,490,000    | 2,782,102 <sup>(f)</sup> |
| Virginia State Small Business Financing Authority Revenue, Elizabeth River Crossings OpCo LLC Project             | 5.000%  | 1/1/27        | 2,000,000    | 2,328,020 <sup>(d)</sup> |
| <i>Total Virginia</i>   |         |               |              | <i>6,860,562</i>         |
| <b>Washington - 1.4%</b>  |         |               |              |                          |
| Washington State Health Care Facilities Authority Revenue, Multicare Health System, AGC                           | 5.750%  | 8/15/29       | 1,000,000    | 1,143,310 <sup>(f)</sup> |
| Washington State HFC Revenue, Heron's Key   | 5.500%  | 1/1/24        | 875,000      | 890,409 <sup>(a)</sup>   |
| <i>Total Washington</i>   |         |               |              | <i>2,033,719</i>         |
| <b>Wisconsin - 3.4%</b>   |         |               |              |                          |
| Central Brown County, WI, Water Authority System Revenue  | 5.000%  | 11/1/35       | 2,105,000    | 2,520,064                |
| La Crosse, WI, Resource Recovery Revenue, Refunding Bonds, Northern States Power Co. Project                      | 6.000%  | 11/1/21       | 2,000,000    | 2,406,080 <sup>(d)</sup> |
| Public Finance Authority, WI, Education Revenue, North Carolina Charter Educational Foundation Project            | 5.000%  | 6/15/36       | 150,000      | 154,551                  |
| <i>Total Wisconsin</i>  |         |               |              | <i>5,080,695</i>         |
| <b>TOTAL MUNICIPAL BONDS</b>  |         |               |              |                          |
| (Cost - \$182,153,096)  |         |               |              | 199,399,945              |
| <b>TOTAL INVESTMENTS - 132.4%</b>   |         |               |              |                          |
| (Cost - \$182,153,096#)   |         |               |              | 199,399,945              |

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|  |                       |
|--|-----------------------|
| Auction Rate Cumulative Preferred Stock, at Liquidation Value - (1.7)% | (2,600,000)           |
| Variable Rate Demand Preferred Stock, at Liquidation Value - (31.5)%   | (47,400,000)          |
| Other Assets in Excess of Liabilities - 0.8%                           | 1,219,166             |
| <b>TOTAL NET ASSETS APPLICABLE TO COMMON<br/>SHAREHOLDERS - 100.0%</b> | <b>\$ 150,619,111</b> |

**See Notes to Schedule of Investments.**

**WESTERN ASSET INTERMEDIATE MUNI FUND INC.**

**Schedule of investments (unaudited) (cont d)**

**August 31, 2016**

- (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 Directors, unless otherwise noted.
- (b) Variable rate security. Interest rate disclosed is as of the most recent information available.
- (c) Maturity date shown represents the mandatory tender date.
- (d) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax ( AMT ).
- (e) Security is purchased on a when-issued basis.
- (f) Pre-Refunded bonds are escrowed with U.S. government obligations and/or U.S. government agency securities and are considered by the manager to be triple-A rated even if issuer has not applied for new ratings.
- (g) All or a portion of this security is held at the broker as collateral for open futures contracts.

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

Abbreviations used in this schedule:

|       |   |
|-------|---|
| ACA   | American Capital Assurance - Insured Bonds                    |
| AGC   | Assured Guaranty Corporation - Insured Bonds                  |
| AGM   | Assured Guaranty Municipal Corporation - Insured Bonds        |
| AMBAC | American Municipal Bond Assurance Corporation - Insured Bonds |
| CDA   | Communities Development Authority                             |
| CMI   | California Mortgage Insurance Program - Insured Bonds         |
| COP   | Certificates of Participation                                 |
| CTFS  | Certificates  |
| EDA   | Economic Development Authority                                |
| EDC   | Economic Development Corporation                              |
| EFA   | Educational Facilities Authority                              |
| FHA   | Federal Housing Administration                                |
| FHLMC | Federal Home Loan Mortgage Corporation                        |
| FNMA  | Federal National Mortgage Association                         |
| GNMA  | Government National Mortgage Association                      |
| GO    | General Obligation  |
| HEFA  | Health & Educational Facilities Authority                     |

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|      |   |
|------|---|
| HFC  | Housing Finance Commission                                    |
| IDA  | Industrial Development Authority                              |
| NATL | National Public Finance Guarantee Corporation - Insured Bonds |
| PCFA | Pollution Control Financing Authority                         |
| PCR  | Pollution Control Revenue                                     |
| RIBS | Residual Interest Bonds                                       |

This Schedule of Investments is unaudited and is intended to provide information about the Fund's portfolio holdings as of the date of the schedule. Other information regarding the Fund is available in the Fund's most recent annual or semi-annual shareholder report.

**See Notes to Schedule of Investments.**

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**Notes to Schedule of Investments (unaudited)**

**1. Organization and significant accounting policies**

Western Asset Intermediate Muni Fund Inc. (the Fund) was incorporated in Maryland on December 19, 1991 and is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Board of Directors authorized 100 million shares of \$0.001 par value common stock. The Fund's investment objective is to provide common shareholders a high level of current income exempt from regular federal income taxes consistent with prudent investing. Under normal market conditions, the Fund invests at least 80% of its total assets in municipal obligations.

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 (which may include, but are not limited to, corporate, government, municipal, mortgage-backed, collateralized mortgage obligations and asset-backed 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 valuation techniques and methodologies. The independent third party pricing services use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar securities. 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. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. 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 or at the transaction price if the security has recently been purchased and no value has yet been obtained from a pricing service or pricing broker. 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 Directors.

The Board of Directors is responsible for the valuation process and has delegated the supervision of the daily valuation process to the Legg Mason North Atlantic Fund Valuation Committee (the Valuation Committee). The Valuation Committee, pursuant to the policies adopted by the Board of Directors, is responsible for making fair value determinations, evaluating the effectiveness of the Fund's pricing policies, and reporting to the Board of Directors. When determining the reliability of third party pricing information for investments owned by the Fund, the Valuation Committee, among other things, conducts due diligence reviews of pricing vendors, monitors the daily change in prices and reviews transactions among market participants.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Directors, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such back testing monthly and fair valuation occurrences are reported to the Board of Directors quarterly.

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.

GAAP establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. These inputs are summarized in the three broad levels listed below:



Level 1 quoted prices in active markets for identical investments

Notes to Schedule of Investments (unaudited) (continued)

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)  
The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

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

| ASSETS          |                            |   |  |                |
|-----------------|----------------------------|---|--|----------------|
| DESCRIPTION     | QUOTED PRICES<br>(LEVEL 1) | OTHER SIGNIFICANT<br>OBSERVABLE INPUTS<br>(LEVEL 2) | SIGNIFICANT<br>UNOBSERVABLE<br>INPUTS<br>(LEVEL 3) | TOTAL          |
| Municipal Bonds |                            | \$ 199,399,945                                      |  | \$ 199,399,945 |

  

| LIABILITIES                  |                            |   |  |           |
|------------------------------|----------------------------|---|--|-----------|
| DESCRIPTION                  | QUOTED PRICES<br>(LEVEL 1) | OTHER<br>SIGNIFICANT<br>OBSERVABLE<br>INPUTS<br>(LEVEL 2) | SIGNIFICANT<br>UNOBSERVABLE<br>INPUTS<br>(LEVEL 3) | TOTAL     |
| Other Financial Instruments: |                            |   |  |           |
| Futures Contracts            | \$ 11,747                  |   |  | \$ 11,747 |

See Schedule of Investments for additional detailed categorizations.

**2. Investments**

At August 31, 2016, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

|                               |               |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 17,448,286 |
| Gross unrealized depreciation | (201,437)     |
| Net unrealized appreciation   | \$ 17,246,849 |

At August 31, 2016, the Fund had the following open futures contracts:

|                               | Number of<br>Contracts | Expiration<br>Date | Basis<br>Value | Market<br>Value | Unrealized<br>Depreciation |
|-------------------------------|------------------------|--------------------|----------------|-----------------|----------------------------|
| <b>Contracts to Sell:</b>     |                        |                    |                |                 |                            |
| U.S. Treasury Long-Term Bonds | 21                     | 12/16              | \$ 3,566,128   | \$ 3,577,875    | \$ (11,747)                |



**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 Intermediate Muni Fund Inc.

By                    /s/ JANE TRUST  
                         **Jane Trust**  
                         **Chief Executive Officer**

Date: October 24, 2016

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/ JANE TRUST  
                         **Jane Trust**  
                         **Chief Executive Officer**

Date: October 24, 2016

By                    /s/ RICHARD F. SENNETT  
                         **Richard F. Sennett**  
                         **Principal Financial Officer**

Date: October 24, 2016