

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

Form N-Q

April 29, 2008

**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

811-6629

Western Asset Managed Municipals 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

300 First Stamford Place

Stamford, CT 06902  
(Name and address of agent for service)

Registrant's telephone number, including area code:

1-800-451-2010

Date of fiscal year end: May 31

Date of reporting period: February 29, 2008

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ITEM 1. SCHEDULE OF INVESTMENTS

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**WESTERN ASSET MANAGED MUNICIPALS FUND INC.**

**FORM N-Q**

FEBRUARY 29, 2008

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## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited)

February 29, 2008

	Face Amount	Security	Value
<b>MUNICIPAL BONDS</b>	<b>97.8%</b>		
<b>Alabama 3.5%</b>			
\$	24,510,000	Jefferson County, AL, Sewer Revenue, Capital Improvement Warrants, FGIC, 5.375% due 2/1/36 (a)	\$ 25,387,458
<b>Arizona 2.7%</b>			
	3,705,000	Greater Arizona Development Authority, Development Authority Infrastructure Revenue, Pinal County Road Project, MBIA, 5.000% due 8/1/19	3,799,403
	4,000,000	Mesa, AZ, IDA, Revenue, Discovery Health Systems, MBIA, 5.625% due 1/1/29 (a)	4,235,040
	3,000,000	Phoenix, AZ: Civic Improvement Corp. Airport Revenue, Senior Lien, FGIC, 5.250% due 7/1/22 (b)	2,967,060
	1,000,000	GO, 5.000% due 7/1/27 (a)	1,041,370
	10,040,000	Salt Verde, AZ Financial Corp., Gas Revenue, 5.000% due 12/1/37	8,118,344
		<b>Total Arizona</b>	<b>20,161,217</b>
<b>California 11.4%</b>			
	4,485,000	California EFA Revenue: 5.625% due 7/1/23 (a)	4,576,135
	2,555,000	5.625% due 7/1/23	2,413,172
	6,000,000	California Health Facilities Finance Authority Revenue: Cedars-Sinai Medical Center, 6.250% due 12/1/34 (a)	6,419,580
	1,000,000	Sutter Health, 6.250% due 8/15/35	1,034,920
	3,100,000	California Housing Finance Agency Revenue, Home Mortgage, 4.700% due 8/1/24 (b)	2,789,473
	5,000,000	California State Department of Veterans Affairs, Home Purchase Revenue, AMBAC, 5.350% due 12/1/27	5,051,400
	10,000,000	California State, GO, 5.000% due 12/1/29 (c)	9,420,800
	7,375,000	Garden Grove, CA, Agency for Community Development, Tax Allocation, Refunding, AMBAC, 5.000% due 10/1/29	6,582,114
	6,000,000	Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Revenue, 6.750% due 6/1/39 (a)	6,863,820
	6,000,000	Long Beach, CA, Bond Finance Authority, Natural Gas Purpose Revenue, 5.500% due 11/15/28	5,205,660
	7,000,000	Los Angeles County, CA, COP, Antelope Valley Courthouse, AMBAC, 5.250% due 11/1/33 (a)	7,420,910
	3,355,000	Pomona, CA, Public Financing Authority Revenue, Water Facilities Project, AMBAC, 5.000% due 5/1/37	2,934,786
	3,340,000	Rancho Cucamonga, CA, RDA, Tax Allocation, Rancho Redevelopment Projects, MBIA, 5.125% due 9/1/30	3,276,607
	1,145,000	Sacramento County, CA, COP, Unrefunded Balance, Public Facilities Project, MBIA, 5.375% due 2/1/19	1,158,900
	5,000,000	San Diego, CA, USD GO, FSA, 5.000% due 7/1/28	5,303,700
	3,000,000	San Jose, CA, Airport Revenue, MBIA, 5.000% due 3/1/28	2,781,720
	3,000,000	San Mateo County Community College District, COP, MBIA, 5.000% due 10/1/25 (a)	3,256,590
	2,500,000	Santa Clara, CA, RDA, Tax Allocation, Bayshore North Project, MBIA, 5.000% due 6/1/23	2,499,800

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	5,000,000	Southern California Public Power Authority, Natural Gas Revenue, Project Number 1, 5.000% due 11/1/29	4,369,650
<b>Colorado 7.3%</b>		<b>Total California</b>	<b>83,359,737</b>
	4,000,000	Colorado Educational & Cultural Facilities Authority Revenue, University of Denver Project, AMBAC, 5.375% due 3/1/23 (a)	4,263,214
	5,000,000	Colorado Health Facilities Authority Revenue: Refunding Adventist Health, Sunbelt, 5.250% due 11/15/35 (d)	4,525,600

*See Notes to Schedule of Investments.*

## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited) (continued)

February 29, 2008

	Face Amount	Security	Value
<b>Colorado 7.3% (continued)</b>			
\$	4,000,000	Remarketed 7/8/98, 5.350% due 8/1/15 (e)	\$ 4,084,360
	2,000,000	Denver, CO, City & County, COP, AMBAC, 5.500% due 12/1/25 (a)	2,147,220
	10,945,000	Denver, CO, City & County Airport Revenue: 6.125% due 11/15/25 (b)(c)(e)	12,149,169
	13,630,000	Unrefunded Balance, 6.125% due 11/15/25 (b)	13,743,674
	1,700,000	El Paso County, CO, COP, Detention Facility Project, AMBAC, 5.000% due 12/1/23	1,701,292
		Garfield County, CO, GO, School District No. 2, FSA, State Aid Withholding:	
	2,300,000	5.000% due 12/1/23	2,311,385
	1,000,000	5.000% due 12/1/25	994,110
	7,320,000	University of Colorado, COP, Master Lease Purchase Agreement, AMBAC, 5.000% due 6/1/28 (a)	7,859,191
		<b>Total Colorado</b>	<b>53,779,215</b>
<b>Connecticut 1.0%</b>			
		Connecticut State:	
		GO:	
	4,490,000	5.500% due 6/15/21 (a)	4,869,630
	1,600,000	5.000% due 6/15/22 (a)	1,703,664
	970,000	HEFA Revenue, Child Care Facilities Project, AMBAC, 5.625% due 7/1/29	972,910
		<b>Total Connecticut</b>	<b>7,546,204</b>
<b>Delaware 1.4%</b>			
	10,000,000	Delaware State, EDA Revenue, PCR, Refunding, Delmarva Project, AMBAC, 5.200% due 2/1/19	10,291,000
<b>Florida 3.9%</b>			
	5,000,000	Florida State Board of Education, Capital Outlay, GO, Public Education, Refunding, FSA, 5.000% due 6/1/24	4,983,100
	1,465,000	Florida State Department of Transportation, GO, Right of Way Project, FGIC, 5.000% due 7/1/25	1,405,858
	5,620,000	Jacksonville, FL, Health Facilities Authority Revenue, Brooks Health System, 5.250% due 11/1/38	4,933,966
	6,500,000	Martin County, FL, IDA Revenue, Indiantown Cogeneration Project, 7.875% due 12/15/25 (b)	6,515,795
	1,290,000	Miami Beach, FL, Stormwater Revenue, FGIC, 5.375% due 9/1/30	1,279,190
	2,000,000	Orange County, FL, School Board, COP, MBIA, 5.250% due 8/1/23 (a)	2,095,040
	5,000,000	Orlando, FL, State Sales Tax Payments Revenue, 5.000% due 8/1/32	4,710,900
	2,500,000	South Brevard, FL, Recreational Facilities Improvement, Special District, AMBAC, 5.000% due 7/1/20	2,511,250
		<b>Total Florida</b>	<b>28,435,099</b>
<b>Georgia 5.5%</b>			
	6,940,000	Atlanta, GA, Development Authority, Educational Facilities Revenue, Science Park LLC Project, 5.000% due 7/1/39 (c)	6,067,364
	6,000,000	Augusta, GA, Water & Sewer Revenue, FSA, 5.250% due 10/1/26 (a)(c)	6,405,720

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2,335,000	Georgia State, HFA Revenue, Single Family, 4.550% due 12/1/31 (b)	1,959,158
	Main Street Natural Gas Inc., GA, Gas Project Revenue:	
4,000,000	5.000% due 3/15/22	3,392,120
12,750,000	5.500% due 9/15/24	11,109,203
5,205,000	5.500% due 9/15/27	4,392,604
	Private Colleges & Universities Authority Revenue, Mercer University Project:	
2,180,000	5.750% due 10/1/21 (a)	2,407,461
	Refunding:	
2,000,000	5.250% due 10/1/25	1,774,720
1,000,000	5.375% due 10/1/29	879,640

*See Notes to Schedule of Investments.*

## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited) (continued)

February 29, 2008

	Face Amount	Security	Value
<b>Georgia 5.5% (continued)</b>			
\$	2,000,000	Savannah, GA, EDA, Revenue, College of Arts & Design Inc. Project, 6.900% due 10/1/29 (a)	\$ 2,164,480
		<b>Total Georgia</b>	40,552,470
<b>Hawaii 0.6%</b>	4,000,000	Hawaii State, Department of Budget & Finance, Special Purpose Revenue, Kaiser Permanente, 5.100% due 3/1/14 (e)	4,123,240
<b>Illinois 4.1%</b>		Chicago, IL:	
	4,095,000	Refunding GO, FGIC, 5.500% due 1/1/35	4,083,247
	7,400,000	Skyway Toll Bridge Revenue, AMBAC, 5.500% due 1/1/31 (a)(c)	7,958,478
	8,000,000	Illinois Health Facilities Authority Revenue, Order of Saint Francis Healthcare System, 6.250% due 11/15/29 (a)(c)	8,533,680
	5,000,000	Illinois State, GO, MBIA, 5.625% due 6/1/25 (a)	5,306,450
	4,000,000	Illinois State, Toll Highway Authority, Toll Highway Revenue, Senior Priority, FSA, 5.000% due 1/1/22	3,956,480
		<b>Total Illinois</b>	29,838,335
<b>Indiana 0.4%</b>	3,000,000	Indiana State DFA Environment Improvement Revenue, USX Corp. Project, 5.250% due 12/1/22	3,144,210
<b>Iowa 0.8%</b>		Iowa Finance Authority Single Family Mortgage Revenue, GNMA/FNMA:	
	2,500,000	4.900% due 7/1/31 (b)	2,188,200
	4,275,000	4.950% due 7/1/37 (b)	3,706,853
		<b>Total Iowa</b>	5,895,053
<b>Kansas 1.2%</b>		Johnson County, KS, GO, USD No. 229, Refunding, 5.000% due 10/1/18	5,230,600
	3,000,000	Wyandotte County, Kansas City, KS, Unified Government Utilities Systems Revenue, Refunding, AMBAC, 5.650% due 9/1/17	3,223,290
		<b>Total Kansas</b>	8,453,890
<b>Kentucky 1.6%</b>	13,000,000	Louisville & Jefferson County, KY, Metro Government Health System Revenue, Norton Healthcare Inc., 5.250% due 10/1/36	11,600,030
<b>Maine 0.2%</b>	1,770,000	Maine State Housing Authority Mortgage Revenue, 5.300% due 11/15/23	1,727,679
<b>Maryland 1.2%</b>		Baltimore, MD, Project Revenue, Refunding, Wastewater Projects, FGIC:	
	2,500,000	5.125% due 7/1/32	2,368,475
	3,385,000	5.200% due 7/1/32	3,240,697
	3,075,000	Maryland State Health & Higher EFA Revenue, Johns Hopkins Hospital Issue, 5.000% due 11/15/26 (a)	3,299,629
		<b>Total Maryland</b>	8,908,801
<b>Massachusetts 4.7%</b>	2,430,000		2,563,504



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	Massachusetts Bay Transportation Authority, Sales Tax Revenue, 5.500% due 7/1/30 (a)(f)	
1,125,000	Massachusetts DFA Revenue, Merrimack College Issue, MBIA, 5.200% due 7/1/32	1,027,958
1,850,000	Massachusetts HEFA Revenue, University of Massachusetts Issue, FGIC, 5.125% due 10/1/27	1,804,176
3,500,000	Massachusetts State DFA Revenue, Boston University, AMBAC, 5.000% due 10/1/39	3,263,785

*See Notes to Schedule of Investments.*

## Western Asset Managed Municipals Fund Inc.

Schedule of Investments (unaudited) (continued)

February 29, 2008

	Face Amount	Security	Value
<b>Massachusetts</b>	<b>4.7% (continued)</b>		
\$	2,500,000	Massachusetts State HEFA Revenue, Berklee College of Music, 5.000% due 10/1/32	\$ 2,247,850
	5,000,000	Massachusetts State Special Obligation Revenue, Consolidated Loan, FGIC, 5.000% due 6/1/21 (a)	5,329,350
	10,950,000	Massachusetts State, GO, Consolidated Loan: 5.250% due 11/1/30 (a)	11,712,667
	6,050,000	Refunded Balance, 5.250% due 11/1/30 (a)	6,471,382
		<b>Total Massachusetts</b>	<b>34,420,672</b>
<b>Michigan</b>	<b>3.2%</b>		
	5,000,000	East Lansing, MI, Community School District, GO, School Building & Site, Q-SBLF, 5.625% due 5/1/30 (a)	5,290,050
	2,345,000	Michigan State, COP, AMBAC: 5.500% due 6/1/19 (a)(f)	2,477,188
	6,000,000	5.500% due 6/1/27 (a)	6,338,220
	5,000,000	Michigan State Hospital Finance Authority Revenue, Refunding: Sparrow Hospital Obligated, 5.000% due 11/15/36	4,253,250
	2,500,000	Trinity Health Credit, 5.375% due 12/1/23	2,532,600
	3,000,000	Michigan State Housing Development Authority, Rental Housing Revenue, 5.300% due 10/1/26 (b)	2,796,420
		<b>Total Michigan</b>	<b>23,687,728</b>
<b>Minnesota</b>	<b>1.9%</b>		
	1,500,000	Dakota County, MN, CDA, MFH Revenue, Southfork Apartments, FNMA-Collateralized, 5.625% due 2/1/26	1,509,795
	4,000,000	Minneapolis & St. Paul, MN, Metropolitan Airports Commission, Airport Revenue, FGIC, 5.250% due 1/1/26 (a)	4,216,080
	7,000,000	Minneapolis, MN, Healthcare System Revenue, Allina Health System, 6.000% due 11/15/23 (a)	7,779,940
	325,000	Minnesota State Housing Financing Agency, Single-Family Mortgage, 5.500% due 1/1/17	326,411
		<b>Total Minnesota</b>	<b>13,832,226</b>
<b>Mississippi</b>	<b>0.5%</b>		
	4,000,000	Mississippi Development Bank, Special Obligation, Capital Projects & Equipment Program, AMBAC, 5.625% due 7/1/31	3,851,440
<b>Missouri</b>	<b>3.7%</b>		