WESTERN ASSET PREMIER BOND FUND
Form N-CSRS
August 26, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10603

Western Asset Premier Bond Fund
(Exact name of registrant as specified in charter)

620 Eighth Avenue, 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: December 31

Date of reporting period: June 30, 2011

ITEM 1. REPORT TO STOCKHOLDERS.

The **Semi-Annual** Report to Stockholders is filed herewith.

June 30, 2011

Semi-Annual Report

Western Asset Premier Bond Fund
(WEA)

Fund objective

The Fund s investment objective is to provide current income and capital appreciation.

What s inside

Letter from the president

Dear Shareholder,

We are pleased to provide the semi-annual report of Western Asset Premier Bond Fund for the six-month reporting period ended June 30, 2011. Please read on for Fund performance information and a detailed look at prevailing economic and market conditions during the Fund s reporting period.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, www.leggmason.com/cef. Here you can gain immediate access to market and investment information, including:

- Fund prices and performance,

- Market insights and commentaries from our portfolio managers, and

- A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,

R. Jay Gerken, CFA

President

July 29, 2011

III

Western Asset Premier Bond Fund

Investment commentary

Economic review

Although the U.S. economy continued to grow over the six months ended June 30, 2011, the pace of the expansion was disappointing, which resulted in a significant shift in investor sentiment. During the first half of the period, there were expectations of a strengthening economy and generally robust investor risk appetite. However, as the reporting period progressed, weakening economic data triggered a flight to quality as investor risk aversion increased. Despite giving back a portion of their previous gains in late May and June, investors who took on additional risk in their portfolios during the reporting period were generally rewarded.

U.S. gross domestic product (GDP)i growth, as reported by the U.S. Department of Commerce, has been less robust than previously realized during most other periods exiting a severe recession. Revised GDP growth was 2.3% during the fourth quarter of 2010 and 3.0% for calendar 2010 as a whole. The Commerce Department then reported that first and second quarter 2011 GDP growth were 0.4% and 1.3%, respectively. This moderation in growth during the first half of the year was due to a variety of factors, including less robust export activity, a decline in government spending and a deceleration in consumer spending given higher oil and food prices.

Turning to the job market, while there was some improvement in the first half of the reporting period, unemployment again moved higher from April through June. After being 9.0% or higher since April 2009, the unemployment rate fell to 8.9% in February and 8.8% in March 2011. The job market then weakened, as unemployment rose to 9.0% in April, 9.1% in May and 9.2% in June. As of the end of the reporting period, approximately 14.1 million Americans looking for work had yet to find a job, and roughly 44% of these individuals have been out of work for more than six months. In June 2011, the Federal Reserve Board (Fed)ii projected that unemployment would moderate, but that it would remain elevated and between 7.8% and 8.2% at the end of 2012.

The long-ailing housing market continued to show signs of strain during the reporting period. Looking back, sales increased in the spring of 2010 largely due to the government s $8,000 tax credit for first-time home buyers. This proved to be only a temporary boost, as sales subsequently weakened after the tax credit expired at the end of April. Existing-home sales did rebound somewhat toward the end of 2010 and in January 2011, as mortgage rates remained relatively low. However, according to the National Association of Realtors (NAR), existing-home sales then declined a sharp 8.9% in February. After a 3.5% increase in March, existing-home sales fell 1.8%, 4.0% and 0.8% in April, May and June, respectively. At the end of June, the inventory of unsold homes was a 9.5 month supply at the current sales level, versus a 9.1 month supply in May. Existing-home prices were relatively stagnant versus a year ago, with the NAR reporting that the median existing-home price for all housing types was $184,300 in June 2011, up 0.8% from June 2010.

Even the manufacturing sector, one of the stalwarts of the economy in recent years, softened toward the end of the reporting period. Based on the Institute for Supply Management s PMIiii, the manufacturing sector grew twenty-three consecutive months since it

IV

Western Asset Premier Bond Fund

Investment commentary (cont d)

began expanding in August 2009 (a reading below 50 indicates a contraction, whereas a reading above 50 indicates an expansion). In January 2011, the manufacturing sector expanded at its fastest pace since May 2004, with a reading of 60.8 versus 58.5 for the previous month. Manufacturing activity remained strong during the next three months and was 60.4 in April. However, it then declined to 53.5 in May, the lowest reading in the past twelve months. This was attributed, in part, to supply disruptions triggered by the March earthquake and tsunami in Japan. Manufacturing activity then moved modestly higher in June to 55.3, although only twelve of the eighteen industries tracked by the Institute for Supply Management expanded during the month.

Financial market overview

While stocks and lower-quality bonds generated solid results during the reporting period, there were several periods of heightened volatility and periodic sell-offs. These were triggered by a variety of factors, including concerns regarding the global economy, geopolitical unrest, the natural disasters in Japan and the ongoing European sovereign debt crisis. During those periods, investors tended to favor the relative safety of U.S. Treasury securities. However, these setbacks proved to be only temporary and risk aversion was generally replaced with solid demand for riskier assets.

The Fed took a number of actions as it sought to meet its dual mandate of fostering maximum employment and price stability. In November 2010, prior to the beginning of the reporting period, the Fed announced a second round of quantitative easing (often referred to as QE2) to help stimulate the economy, entailing the purchase of $600 billion of long-term U.S. Treasury securities by the end of the second quarter of 2011. Also, as has been the case since December 2008, the Fed kept the federal funds rateiv at a historically low range between 0 and 1/4 percent.

Despite these efforts, at its meeting in June 2011, the Fed said, Information received since the Federal Open Market Committee met in April indicates that the economic recovery is continuing at a moderate pace, though somewhat more slowly than the Committee had expected. . . . To promote the ongoing economic recovery and to help ensure that inflation, over time, is at levels consistent with its mandate, the Committee decided today to keep the target range for the federal funds rate at 0 to 1/4 percent. The Committee continues to anticipate that economic conditions including low rates of resource utilization and a subdued outlook for inflation over the medium run are likely to warrant exceptionally low levels for the federal funds rate for an extended period.

In June, the Fed also announced that it would complete QE2 on schedule at the end of June. However, given ongoing strains in the economy, it made no overtures toward reversing any of its accommodative policies and the Fed said it would maintain its existing policy of reinvesting principal payments from its securities holdings rather than seeking to reduce the size of its balance sheet.

Fixed income market review

While volatility was elevated at times, the U.S. spread sectors (non-Treasuries) produced positive results during the reporting period. As was the case for much of 2010, the spread sectors generally outperformed equal-durationv

V

Treasuries during the first four months of the reporting period. A combination of positive economic growth, benign core inflation, rising corporate profits and overall robust investor demand supported the spread sectors from January through April 2011. Investor sentiment then began to shift in May, as optimism about the economic expansion waned and investor risk appetite started to be replaced with increased risk aversion. While the U.S. spread sectors generally posted positive results in May, they underperformed equal-duration Treasuries. Risk aversion then increased in June given a host of disappointing economic data and a further escalation of the European sovereign debt crisis. Against this backdrop, the spread sectors generated relatively poor results during most of June as investors fled the spread sectors in favor of Treasury securities.

Both short- and long-term Treasury yields fluctuated during the six months ended June 30, 2011. When the period began, two- and ten-year Treasury yields were 0.61% and 3.30%, respectively. Yields initially moved higher given expectations for stronger growth in 2011 and the potential for rising inflation. On February 14, 2011, two-year Treasury yields peaked at 0.87%, while ten-year Treasuries peaked at 3.75% on February 8, 2011. Treasury yields then declined as investor risk aversion increased given the uprising in Libya and, later, due to the tragic events in Japan. Yields briefly moved higher toward the end of March, but then generally declined from April through June given disappointing economic data and periodic flights to quality. In late June, two- and ten-year Treasury yields bottomed at 0.35% and 2.88%, respectively, and ended the period at 0.45% and 3.18%, respectively. For the six months ended June 30, 2011, the Barclays Capital U.S. Aggregate Index[vi] returned 2.72%.

The U.S. high-yield bond market produced strong results during the first five months of the reporting period. High-yield prices moved higher against a backdrop of generally better-than-expected corporate profits and overall strong investor demand. However, the asset class gave back a portion of its gains in June during the flight to quality, with the high-yield market posting its first monthly loss since November 2010. All told, the Barclays Capital U.S. High Yield 2% Issuer Cap Index[vii] returned 4.98% for the six months ended June 30, 2011.

Performance review

For the six months ended June 30, 2011, Western Asset Premier Bond Fund returned 6.70% based on its net asset value (NAV)[viii] and 20.49% based on its New York Stock Exchange (NYSE) market price per share. The Fund s unmanaged benchmarks, the Barclays Capital U.S. Corporate High Yield Index[ix] and the Barclays Capital U.S. Credit Index[x], returned 4.97% and 3.41%, respectively, over the same time frame. The Lipper Corporate Debt Closed-End Funds BBB-Rated Category Average[xi] returned 3.95% for the same period. Please note that Lipper performance returns are based on each fund s NAV.

During this six-month period, the Fund made distributions to common stock shareholders totaling $0.66 per share, which may have included a return of capital. The performance table on the following page shows the Fund s six-month total return based on its NAV

VI

Western Asset Premier Bond Fund

Investment commentary (cont d)

and market price as of June 30, 2011. **Past performance is no guarantee of future results.**

Performance Snapshot as of June 30, 2011 (unaudited)

Price Per Share	**6-Month Total Return***
$14.22 (NAV)	6.70%
$16.28 (Market Price)	20.49%

All figures represent past performance and are not a guarantee of future results. Performance figures for periods shorter than one year represent cumulative figures and are not annualized.

* **Total returns are based on changes in NAV or market price, respectively.**

Total return assumes the reinvestment of all distributions, including returns of capital, if any, at NAV.

Total return assumes the reinvestment of all distributions, including returns of capital, if any, in additional shares in accordance with the Fund s Dividend Reinvestment Plan.

Looking for additional information?

The Fund is traded under the symbol WEA and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol XWEAX on most financial websites. *Barron s* and the *Wall Street Journal s* Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites as well as www.leggmason.com/cef.

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888-777-0102 (toll free), Monday through Friday from 8:00 a.m. to 5:30 p.m. Eastern Time, for the Fund s current NAV, market price and other information.

As always, thank you for your confidence in our stewardship of your assets.

Sincerely,

R. Jay Gerken, CFA

President

July 29, 2011

RISKS: *Bonds are subject to a variety of risks, including interest rate, credit and inflation risks. As interest rates rise, bond prices fall, reducing the value of a fixed-income investment s price. The Fund may invest in high-yield bonds, which are rated below investment grade and carry more risk than higher-rated securities. To the extent that the Fund invests in asset-backed, mortgage-backed or mortgage-related securities, its exposure to prepayment and extension risks may be greater than investments in other fixed-income securities. Leverage may result in greater volatility of NAV and the market price of common shares and increases a shareholder s risk of loss. The Fund may invest, to a limited extent, in foreign securities, including emerging markets, which involve additional risks. The Fund may make significant investments in derivative instruments. Derivative instruments can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance.*

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

VII

Western Asset Premier Bond Fund

i Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.

ii The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.

iii The Institute for Supply Management s PMI is based on a survey of purchasing executives who buy the raw materials for manufacturing at more than 350 companies. It offers an early reading on the health of the manufacturing sector.

iv The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.

v Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.

vi The Barclays Capital U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.

vii The Barclays Capital U.S. High Yield 2% Issuer Cap Index is an index of the 2% Issuer Cap component of the Barclays Capital U.S. Corporate High Yield Index, which covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market.

viii Net asset value (NAV) is calculated by subtracting total liabilities and outstanding preferred stock (if any) from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund s market price as determined by supply of and demand for the Fund s shares.

ix The Barclays Capital U.S. Corporate High Yield Index covers the universe of fixed-rate, non-investment grade debt, including corporate and non-corporate sectors. Pay-in-kind (PIK) bonds, Eurobonds and debt issues from countries designated as emerging markets are excluded, but Canadian and global bonds (SEC registered) of issuers in non-emerging market countries are included. Original issue zero coupon bonds, step-up coupon structures and 144-As are also included.

x The Barclays Capital U.S. Credit Index is an index composed of corporate and non-corporate debt issues that are investment grade (rated Baa3/BBB- or higher).

xi Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the six-month period ended June 30, 2011, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 27 funds in the Fund s Lipper category.

Fund at a glance (unaudited)

Investment breakdown (%) as a percent of total investments

The bar graph above represents the Fund s portfolio as of June 30, 2011 and December 31, 2010 and does not include derivatives such as swap contracts. The Fund s portfolio is actively managed. As a result, the composition of its portfolio holdings and sectors is subject to change at any time.

Spread duration (unaudited)

Economic Exposure June 30, 2011

Spread duration measures the sensitivity to changes in spreads. The spread over Treasuries is the annual risk-premium demanded by investors to hold non-Treasury securities. Spread duration is quantified as the % change in price resulting from a 100 basis points change in spreads. For a security with positive spread duration, an increase in spreads would result in a price decline and a decline in spreads would result in a price increase. This chart highlights the market sector exposure of the Fund s sectors relative to the selected benchmark sectors as of the end of the reporting period.

ABS	Asset-Backed Securities
BCI	Barclays Capital U.S. Credit Index
HY	High Yield
IG Credit	Investment Grade Credit
MBS	Mortgage Backed Securities
WEA	Western Asset Premier Bond Fund
EM	Emerging Markets

Effective duration (unaudited)

Interest Rate Exposure June 30, 2011

Effective duration measures the sensitivity to changes in relevant interest rates. Effective duration is quantified as the % change in price resulting from a 100 basis points change in interest rates. For a security with positive effective duration, an increase in interest rates would result in a price decline and a decline in interest rates would result in a price increase. This chart highlights the interest rate exposure of the Fund s sectors relative to the selected benchmark sectors as of the end of the reporting period.

ABS	Asset-Backed Securities
BCI	Barclays Capital U.S. Credit Index
HY	High Yield
IG Credit	Investment Grade Credit
MBS	Mortgage Backed Securities
WEA	Western Asset Premier Bond Fund
EM	Emerging Markets

4

Western Asset Premier Bond Fund 2011 Semi-Annual Report

Schedule of investments (unaudited)

June 30, 2011

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount		Value
Corporate Bonds & Notes 47.6%					
Consumer Discretionary 7.3%					
Automobiles 2.2%					
DaimlerChrysler NA Holding Corp., Notes	8.500%	1/18/31	1,000,000	$	1,352,136
DaimlerChrysler North America Holding Corp., Notes	7.300%	1/15/12	1,000,000		1,034,810
Ford Motor Credit Co., LLC, Senior Notes	7.500%	8/1/12	70,000		73,248
Ford Motor Credit Co., LLC, Senior Notes	12.000%	5/15/15	1,030,000		1,277,322
Total Automobiles					***3,737,516***
Diversified Consumer Services 0.0%					
Service Corp. International, Senior Notes	7.625%	10/1/18	5,000		5,488
Service Corp. International, Senior Notes	7.500%	4/1/27	60,000		57,300
Total Diversified Consumer Services					***62,788***
Hotels, Restaurants & Leisure 1.2%					
Caesar s Entertainment Operating Co. Inc., Senior Notes	10.750%	2/1/16	300,000		294,000
CCM Merger Inc., Notes	8.000%	8/1/13	140,000		137,550(a)
El Pollo Loco Inc.	12.000%	12/28/17	380,000		380,000(b)
El Pollo Loco Inc., Senior Notes	11.750%	11/15/13	375,000		375,000
Inn of the Mountain Gods Resort & Casino, Senior Secured Notes	8.750%	11/15/10	146,000		143,080(a)(j)
Landry s Restaurants Inc., Senior Secured Notes	11.625%	12/1/15	110,000		117,700
Mohegan Tribal Gaming Authority, Senior Secured Notes	11.500%	11/1/17	170,000		175,100(a)
NCL Corp. Ltd., Senior Secured Notes	11.750%	11/15/16	170,000		195,925
Snoqualmie Entertainment Authority, Senior Secured Notes	4.204%	2/1/14	110,000		99,000(a)(c)
Station Casinos Inc., Senior Notes	7.750%	8/15/16	205,000		20(d)(e)
Station Casinos Inc., Senior Subordinated Notes	6.625%	3/15/18	100,000		10(d)(e)
Total Hotels, Restaurants & Leisure					***1,917,385***
Media 3.5%					
Cablevision Systems Corp., Senior Notes	7.750%	4/15/18	30,000		31,988
CCH II LLC/CCH II Capital Corp., Senior Notes	13.500%	11/30/16	108,083		127,268
Cengage Learning Acquisitions Inc., Senior Notes	10.500%	1/15/15	270,000		244,350(a)
Charter Communications Operating LLC/Charter Communications Operating Capital, Senior Secured Notes	10.875%	9/15/14	280,000		308,000(a)
CMP Susquehanna Corp.	3.443%	5/15/14	14,000		10,704(a)(c)(e)
Comcast Corp.	5.900%	3/15/16	400,000		455,332
Comcast Corp., Notes	7.050%	3/15/33	1,000,000		1,157,266
CSC Holdings Inc., Senior Notes	6.750%	4/15/12	250,000		257,187
DISH DBS Corp., Senior Notes	7.000%	10/1/13	600,000		644,250

See Notes to Financial Statements.

Western Asset Premier Bond Fund

Security	Rate	Maturity Date	Face Amount		Value
Media continued					
DISH DBS Corp., Senior Notes	7.875%	9/1/19	385,000	$	415,319
EchoStar DBS Corp., Senior Notes	7.125%	2/1/16	120,000		126,600
News America Inc.	8.875%	4/26/23	400,000		523,185
Time Warner Inc., Senior Debentures	7.700%	5/1/32	980,000		1,183,204
Virgin Media Finance PLC, Senior Notes	9.125%	8/15/16	335,000		352,587
Total Media					***5,837,240***
Multiline Retail 0.2%					
Neiman Marcus Group Inc., Senior Secured Notes	7.125%	6/1/28	330,000		***305,250***
Specialty Retail 0.0%					
American Greetings Corp., Senior Notes	7.375%	6/1/16	20,000		***20,600***
Textiles, Apparel & Luxury Goods 0.2%					
Oxford Industries Inc., Senior Secured Notes	11.375%	7/15/15	255,000		***288,150***
Total Consumer Discretionary					**12,168,929**
Consumer Staples 5.5%					
Food & Staples Retailing 4.9%					
CVS Corp.	9.350%	1/10/23	700,000		762,517(a)
CVS Corp., Pass-Through Trust, Secured Bonds	5.789%	1/10/26	785,520		801,388(a)(b)
CVS Corp., Pass-Through Trust, Secured Notes	6.943%	1/10/30	1,648,086		1,853,668
CVS Pass-Through Trust	7.507%	1/10/32	1,948,594		2,308,811(a)
CVS Pass-Through Trust, Secured Notes	5.880%	1/10/28	893,241		927,943(b)
CVS Pass-Through Trust, Secured Notes	6.036%	12/10/28	771,351		818,643
Delhaize Group, Senior Notes	5.700%	10/1/40	235,000		218,635
Safeway Inc., Notes	5.800%	8/15/12	500,000		526,059
Total Food & Staples Retailing					***8,217,664***
Food Products 0.5%					
Ahold Lease USA Inc., Pass-Through Certificates	8.620%	1/2/25	714,462		***835,921***