

WESTERN ASSET MUNICIPAL HIGH INCOME FUND INC.

Form N-Q

September 21, 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 **811-05497**

**Western Asset Municipal High Income 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: **October 31**

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

**ITEM 1. SCHEDULE OF INVESTMENTS.**

**WESTERN ASSET MUNICIPAL HIGH INCOME FUND INC.**

FORM N-Q

JULY 31, 2016

## WESTERN ASSET MUNICIPAL HIGH INCOME FUND INC.

## Schedule of investments (unaudited)

July 31, 2016

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>MUNICIPAL BONDS - 99.0%</b>				
<b>Alabama - 5.6%</b>				
Jefferson County, AL, Sewer Revenue:				
AGM	5.500%	10/1/53	\$ 400,000	\$ 470,744
Convertible CAB, Subordinated Lien	0.000%	10/1/50	3,020,000	2,369,583 <sup>(a)</sup>
Subordinated Lien Warrants	6.000%	10/1/42	1,120,000	1,358,952
Subordinated Lien Warrants	6.500%	10/1/53	3,000,000	3,766,260
Lower Alabama Gas District, Gas Project Revenue	5.000%	9/1/46	1,500,000	2,054,865
<i>Total Alabama</i>				<i>10,020,404</i>
<b>Arizona - 3.6%</b>				
La Paz County, AZ, IDA, Educational Facility Lease Revenue, Charter School Solutions, Harmony Public School Project				
	5.000%	2/15/36	1,000,000	1,116,390 <sup>(b)</sup>
Navajo Nation, AZ, Revenue	5.500%	12/1/30	190,000	218,540 <sup>(b)</sup>
Phoenix, AZ, IDA, Education Revenue:				
Basis School Inc.	5.000%	7/1/35	1,000,000	1,112,330 <sup>(b)</sup>
Great Hearts Academies	5.000%	7/1/41	1,200,000	1,372,284
Salt Verde, AZ, Financial Corp. Senior Gas Revenue	5.000%	12/1/37	1,500,000	1,925,835
University Medical Center Corp., AZ, Hospital Revenue	6.250%	7/1/29	500,000	578,725 <sup>(c)</sup>
<i>Total Arizona</i>				<i>6,324,104</i>
<b>California - 10.1%</b>				
Alameda, CA, Corridor Transportation Authority Revenue, Second Subordinated Lien				
	5.000%	10/1/37	250,000	303,018
Anaheim, CA, Public Financing Authority Lease Revenue	5.000%	5/1/46	2,000,000	2,385,700 <sup>(d)</sup>
California State PCFA, Water Furnishing Revenue	5.000%	11/21/45	3,000,000	3,096,570 <sup>(b)</sup>
California State Public Works Board, Lease Revenue, Various Capital Project	5.125%	10/1/31	1,500,000	1,773,135
California Statewide CDA, Student Housing Revenue:				
Provident Group-Pomona Properties LLC	5.600%	1/15/36	505,000	565,746
Provident Group-Pomona Properties LLC	5.750%	1/15/45	360,000	404,852
Inland Valley, CA, Development Agency, Successor Agency Tax Allocation Revenue	5.000%	9/1/44	500,000	581,295
M-S-R Energy Authority, CA, Gas Revenue	7.000%	11/1/34	2,000,000	3,040,420
M-S-R Energy Authority, CA, Gas Revenue	6.500%	11/1/39	3,000,000	4,504,800
Redding, CA, Redevelopment Agency, Tax Allocation, Shastec Redevelopment Project	5.000%	9/1/29	600,000	600,468
River Islands, CA, Public Financing Authority Special Tax, Community Facilities District No. 2003-1	5.500%	9/1/45	620,000	691,052
<i>Total California</i>				<i>17,947,056</i>
<b>Colorado - 4.0%</b>				
Colorado Educational & Cultural Facilities Authority Revenue:				
Cheyenne Mountain Charter Academy	5.250%	6/15/25	680,000	707,894 <sup>(c)</sup>
Cheyenne Mountain Charter Academy	5.125%	6/15/32	510,000	530,369 <sup>(c)</sup>
Public Authority for Colorado Energy, Natural Gas Purchase Revenue	6.125%	11/15/23	4,000,000	4,993,080

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Reata South Metropolitan District, CO, GO	7.250%	6/1/37	1,000,000	947,080
<i>Total Colorado</i>				<i>7,178,423</i>

**See Notes to Schedule of Investments.**

## WESTERN ASSET MUNICIPAL HIGH INCOME FUND INC.

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

July 31, 2016

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Delaware - 1.2%</b>				
Delaware State EDA Revenue, Indian River Power LLC	5.375%	10/1/45	\$ 2,000,000	\$ 2,197,580
<b>District of Columbia - 1.6%</b>				
District of Columbia Revenue:				
Friendship Public Charter School Inc.	5.000%	6/1/42	2,000,000	2,225,240
KIPP Charter School	6.000%	7/1/33	200,000	241,912
KIPP Charter School	6.000%	7/1/43	250,000	298,040
<i>Total District of Columbia</i>				2,765,192
<b>Florida - 2.8%</b>				
Bonnet Creek Resort Community Development District, Special Assessment	7.500%	5/1/34	755,000	756,314
Florida State Development Finance Corp., Educational Facilities Revenue:				
Renaissance Charter School Inc. Project	6.000%	6/15/35	250,000	266,568 <sup>(b)</sup>
Renaissance Charter School Inc. Project	6.125%	6/15/46	220,000	233,939 <sup>(b)</sup>
Florida State Development Finance Corp., Senior Living Revenue, Tuscan Isle				
Champions Gate Project	6.375%	6/1/46	250,000	258,170 <sup>(b)</sup>
Florida State Mid-Bay Bridge Authority Revenue	5.000%	10/1/28	500,000	607,700
Martin County, FL, IDA Revenue, Indiantown Cogeneration LP Project	4.200%	12/15/25	1,500,000	1,576,980 <sup>(e)</sup>
Palm Beach County, FL, Health Facilities Authority Revenue, Sinai Residences				
Boca Raton Project	7.500%	6/1/49	400,000	493,308
Reunion, FL, East Community Development District, Special Assessment	6.600%	5/1/33	315,000	322,941
Reunion, FL, East Community Development District, Special Assessment	7.375%	5/1/33	285,000	3 <sup>*(f)</sup>
Santa Rosa, FL, Bay Bridge Authority Revenue	6.250%	7/1/28	823,104	493,862 <sup>*(f)</sup>
<i>Total Florida</i>				5,009,785
<b>Georgia - 3.5%</b>				
Atlanta, GA, Development Authority Educational Facilities Revenue, Science				
Park LLC Project	5.000%	7/1/32	2,000,000	2,081,520 <sup>(c)</sup>
Atlanta, GA, Water & Wastewater Revenue	6.250%	11/1/39	2,000,000	2,355,440 <sup>(c)</sup>
DeKalb, Newton & Gwinnett Counties, GA, Joint Development Authority				
Revenue, GGC Foundation LLC Project	6.125%	7/1/40	1,000,000	1,142,330
Franklin County, GA, Industrial Building Authority Revenue, Emmanuel College				
Inc.	6.000%	11/1/32	1,000,000	600,000 <sup>*(f)</sup>
<i>Total Georgia</i>				6,179,290
<b>Hawaii - 1.3%</b>				
Hawaii State Department of Budget & Finance Special Purpose Revenue,				
Hawaiian Electric Co.	6.500%	7/1/39	2,000,000	2,277,020
<b>Illinois - 2.3%</b>				
Chicago, IL, Motor Fuel Tax Revenue, AGM				
Chicago, IL, O Hare International Airport Revenue	5.000%	1/1/32	1,000,000	1,140,550
	5.000%	1/1/31	1,500,000	1,777,845 <sup>(e)</sup>

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Illinois State Finance Authority Revenue, Franciscan Communities Inc.	5.250%	5/15/47	1,000,000	1,103,530
Metropolitan Pier & Exposition Authority, IL, Revenue, CAB-McCormick Place Expansion Project	0.000%	12/15/52	700,000	130,158

*Total Illinois*