

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

Form N-Q

October 22, 2014

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 **811-06629**

Western Asset Managed Municipals Fund Inc.

(Exact name of registrant as specified in charter)

620 Eighth Avenue, 49th 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: 1-(888) 777-0102

Date of fiscal year end: **May 31**

Date of reporting period: **August 31, 2014**

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

FORM N-Q

AUGUST 31, 2014

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

Schedule of investments (unaudited)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|--------------|------------------------------|
| MUNICIPAL BONDS - 135.6% | | | | |
| Alabama - 4.6% | | | | |
| Jefferson County, AL, Sewer Revenue | 6.000% | 10/1/42 | \$ 9,230,000 | \$ 10,314,802 |
| Jefferson County, AL, Sewer Revenue: AGM | 5.500% | 10/1/53 | 1,400,000 | 1,536,332 |
| Convertible CAB | 0.000% | 10/1/50 | 12,930,000 | 7,856,009 ^(a) |
| Subordinated Lien Warrants | 6.500% | 10/1/53 | 6,900,000 | 7,917,474 |
| <i>Total Alabama</i> | | | | 27,624,617 |
| Arizona - 4.9% | | | | |
| Greater Arizona Development Authority, Development Authority Infrastructure Revenue, Pinal County Road Project, NATL | 5.000% | 8/1/19 | 3,705,000 | 3,976,354 |
| Phoenix, AZ, Civic Improvement Corp. Airport Revenue | 5.000% | 7/1/40 | 5,000,000 | 5,342,950 |
| Salt Verde, AZ, Financial Corp. Gas Revenue | 5.000% | 12/1/32 | 10,000,000 | 11,454,000 |
| Salt Verde, AZ, Financial Corp. Gas Revenue | 5.000% | 12/1/37 | 5,500,000 | 6,272,695 |
| Salt Verde, AZ, Financial Corp. Senior Gas Revenue | 5.250% | 12/1/28 | 2,000,000 | 2,362,620 |
| <i>Total Arizona</i> | | | | 29,408,619 |
| California - 21.6% | | | | |
| Bay Area Toll Authority, CA, Toll Bridge Revenue: San Francisco Bay Area | 1.150% | 4/1/24 | 7,000,000 | 7,060,200 ^{(a)(b)} |
| San Francisco Bay Area | 5.125% | 4/1/39 | 21,700,000 | 25,843,181 ^(c) |
| California Health Facilities Financing Authority Revenue, Stanford Hospital & Clinics | 5.150% | 11/15/40 | 2,000,000 | 2,205,740 |
| California Housing Finance Agency Revenue, Home Mortgage | 4.700% | 8/1/24 | 2,110,000 | 2,138,190 ^(d) |
| California State PCFA, Water Furnishing Revenue | 5.000% | 11/21/45 | 12,500,000 | 13,100,875 ^{(d)(e)} |
| California State PCFA, Water Furnishing Revenue | 5.000% | 11/21/45 | 5,000,000 | 5,110,550 ^(e) |
| California State, GO | 0.810% | 12/1/17 | 4,000,000 | 4,049,680 ^{(a)(b)} |
| California Statewide CDA Revenue, Methodist Hospital Project, FHA | 6.625% | 8/1/29 | 5,235,000 | 6,229,179 |
| California Statewide CDA, Student Housing Revenue, Provident Group-Pomona Properties LLC | 5.750% | 1/15/45 | 1,770,000 | 1,776,850 |
| Imperial Irrigation District, CA, Electric Revenue | 5.500% | 11/1/41 | 2,750,000 | 3,110,717 |
| Inland Valley, CA, Development Agency, Successor Agency Tax Allocation Revenue | 5.000% | 9/1/44 | 2,405,000 | 2,613,177 |
| Los Angeles County, CA, Public Works Financing Authority, Lease Revenue: Multiple Capital Projects II | 5.000% | 8/1/32 | 3,000,000 | 3,381,270 |
| Multiple Capital Projects II | 5.000% | 8/1/37 | 2,750,000 | 3,048,760 |
| Los Angeles, CA, Convention & Exhibition Center Authority, Lease Revenue | 5.125% | 8/15/22 | 8,000,000 | 9,156,960 |
| M-S-R Energy Authority, CA, Gas Revenue | 7.000% | 11/1/34 | 3,430,000 | 4,802,960 |
| M-S-R Energy Authority, CA, Gas Revenue | 6.500% | 11/1/39 | 9,000,000 | 12,144,240 |
| Modesto, CA, Irrigation District, COP, Capital Improvements | 6.000% | 10/1/39 | 6,500,000 | 7,381,205 |
| Riverside County, CA, Transportation Commission Sales Tax Revenue, Limited Tax | 5.250% | 6/1/39 | 900,000 | 1,047,132 |
| Riverside County, CA, Transportation Commission Toll Revenue: Senior Lien | 5.750% | 6/1/44 | 200,000 | 226,222 |
| Senior Lien | 5.750% | 6/1/48 | 600,000 | 673,950 |

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| | | | | |
|---|--------|--------|-----------|-----------|
| Sacramento County, CA, COP, Unrefunded Balance, Public Facilities Project, NATL | 5.375% | 2/1/19 | 590,000 | 591,729 |
| San Bernardino County, CA, COP, Arrowhead Project | 5.125% | 8/1/24 | 5,185,000 | 5,632,465 |

See Notes to Schedule of Investments.

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|---|--------|---------------|--------------|------------------------------|
| California - 21.6% (continued) | | | | |
| San Mateo County Community College District, COP, NATL | 5.000% | 10/1/25 | \$ 3,000,000 | \$ 3,011,010 ^(c) |
| Shafter Wasco Irrigation District Revenue, CA, COP | 5.000% | 11/1/40 | 5,000,000 | 5,214,800 |
| <i>Total California</i> | | | | <i>129,551,042</i> |
| Colorado - 10.5% | | | | |
| Colorado Health Facilities Authority Revenue: | | | | |
| Catholic Health Initiatives | 5.000% | 9/1/41 | 4,000,000 | 4,119,880 |
| Sisters Leavenworth | 5.000% | 1/1/35 | 6,000,000 | 6,623,580 |
| Denver, CO, City & County Airport Revenue | 6.125% | 11/15/25 | 10,945,000 | 14,259,146 ^{(d)(f)} |
| Denver, CO, City & County Airport Revenue, Unrefunded Balance | 6.125% | 11/15/25 | 13,630,000 | 13,668,028 ^(d) |
| Public Authority for Colorado Energy, Natural Gas Purchase Revenue | 6.500% | 11/15/38 | 18,000,000 | 24,622,920 |
| <i>Total Colorado</i> | | | | <i>63,293,554</i> |
| District of Columbia - 2.5% | | | | |
| District of Columbia, Hospital Revenue, Children's Hospital Obligation, AGM | 5.450% | 7/15/35 | 13,945,000 | 15,162,538 |
| Florida - 10.2% | | | | |
| Miami-Dade County, FL, Aviation Revenue | 5.000% | 10/1/30 | 6,000,000 | 6,588,300 ^(d) |
| Miami-Dade County, FL, Aviation Revenue | 5.500% | 10/1/41 | 10,000,000 | 11,309,300 |
| Miami-Dade County, FL, Aviation Revenue, Miami International Airport | 5.375% | 10/1/35 | 10,705,000 | 12,177,152 |
| Miami-Dade County, FL, Expressway Authority Toll System Revenue | 5.000% | 7/1/40 | 10,000,000 | 10,675,100 |
| Orange County, FL, Health Facilities Authority Revenue, Hospital-Orlando Regional Healthcare | 5.000% | 11/1/35 | 4,545,000 | 4,857,332 |
| Orange County, FL, IDA Revenue, Vitag Florida LLC Project | 8.000% | 7/1/36 | 1,340,000 | 1,319,404 ^{(d)(e)} |
| Orange County, FL, School Board, COP, AGC | 5.500% | 8/1/34 | 8,000,000 | 9,157,600 |
| Orlando, FL, State Sales Tax Payments Revenue | 5.000% | 8/1/32 | 5,000,000 | 5,399,050 |
| <i>Total Florida</i> | | | | <i>61,483,238</i> |
| Georgia - 4.5% | | | | |
| Atlanta, GA, Water & Wastewater Revenue | 6.250% | 11/1/39 | 13,000,000 | 15,659,280 |
| DeKalb, Newton & Gwinnett Counties, GA, Joint Development Authority Revenue, GGC Foundation LLC Project | 6.125% | 7/1/40 | 6,220,000 | 7,074,815 |
| Main Street Natural Gas Inc., GA, Gas Project Revenue | 5.000% | 3/15/22 | 4,000,000 | 4,529,880 |
| <i>Total Georgia</i> | | | | <i>27,263,975</i> |
| Hawaii - 1.3% | | | | |
| Hawaii State Airports System Revenue | 5.000% | 7/1/39 | 7,000,000 | 7,502,880 |
| Illinois - 7.2% | | | | |
| Chicago, IL, O'Hare International Airport Revenue | 5.625% | 1/1/35 | 6,415,000 | 7,252,029 |
| Chicago, IL, O'Hare International Airport Revenue | 5.750% | 1/1/39 | 6,000,000 | 6,973,920 |
| Illinois Finance Authority Revenue: Advocate Health Care & Hospitals Corp. Network | 6.250% | 11/1/28 | 2,445,000 | 2,833,193 |

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|--|--------|---------|------------|-------------------|
| Depaul University | 6.125% | 10/1/40 | 5,000,000 | 5,825,400 |
| Memorial Health System | 5.500% | 4/1/39 | 7,000,000 | 7,431,760 |
| Metropolitan Pier & Exposition Authority, IL, Dedicated State Tax Revenue, McCormick Project | 5.250% | 6/15/50 | 12,000,000 | 12,741,120 |
| <i>Total Illinois</i> | | | | <i>43,057,422</i> |

See Notes to Schedule of Investments.

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|--------------|-----------------------------|
| Indiana - 4.2% | | | | |
| Indiana Finance Authority, Wastewater Utility Revenue, CWA Authority | 5.000% | 10/1/41 | \$ 5,000,000 | \$ 5,430,400 |
| Indiana State Finance Authority Revenue: | | | | |
| I-69 Development Partners LLC | 5.000% | 9/1/46 | 1,750,000 | 1,822,642 ^(d) |
| Private Activity-Ohio River Bridges East End Crossing | | | | |
| Project | 5.000% | 7/1/44 | 5,000,000 | 5,284,600 ^(d) |
| Indianapolis, IN, Thermal Energy System | 5.000% | 10/1/25 | 5,000,000 | 5,588,300 |
| Richmond, IN, Hospital Authority Revenue, Reid Hospital & Health Care Services Inc. Project | 6.625% | 1/1/39 | 5,000,000 | 5,764,850 |
| Valparaiso, IN, Exempt Facilities Revenue, Pratt Paper LLC Project | 7.000% | 1/1/44 | 1,000,000 | 1,133,160 ^(d) |
| <i>Total Indiana</i> | | | | 25,023,952 |
| Iowa - 1.7% | | | | |
| Iowa State Finance Authority Midwestern Disaster Area Revenue: | | | | |
| Iowa Fertilizer Co. Project | 5.000% | 12/1/19 | 2,450,000 | 2,596,755 |
| Iowa Fertilizer Co. Project | 5.250% | 12/1/25 | 7,100,000 | 7,592,669 |
| <i>Total Iowa</i> | | | | 10,189,424 |
| Kentucky - 1.9% | | | | |
| Louisville & Jefferson County, KY, Metropolitan Government Health System Revenue, Norton Healthcare Inc. | 5.250% | 10/1/36 | 11,000,000 | 11,523,490 |
| Louisiana - 0.9% | | | | |
| St. Charles Parish, LA, Gulf Zone Opportunity Zone Revenue, Valero Refining-New Orleans LLC | 4.000% | 6/1/22 | 5,000,000 | 5,378,750 ^{(a)(b)} |
| Massachusetts - 5.6% | | | | |
| Massachusetts State DFA Revenue: | | | | |
| Boston University | 5.000% | 10/1/29 | 3,000,000 | 3,435,360 |
| Boston University, AMBAC | 5.000% | 10/1/39 | 3,500,000 | 3,612,210 |
| Broad Institute Inc. | 5.250% | 4/1/37 | 8,000,000 | 8,960,240 |
| Milford Regional Medical Center | 5.750% | 7/15/43 | 500,000 | 546,770 |
| Massachusetts State HEFA Revenue, Suffolk University | 5.750% | 7/1/39 | 8,000,000 | 8,707,120 ^(c) |
| Massachusetts State Housing Finance Agency Revenue | 7.000% | 12/1/38 | 4,575,000 | 4,954,862 |
| Massachusetts State School Building Authority Sales Tax Revenue | 5.000% | 5/15/43 | 3,000,000 | 3,414,330 |
| <i>Total Massachusetts</i> | | | | 33,630,892 |
| Michigan - 3.3% | | | | |
| Lansing, MI, Board of Water & Light Utility System Revenue | 5.000% | 7/1/37 | 7,000,000 | 7,798,490 |
| Michigan State Building Authority Revenue, Facilities Program | 5.250% | 10/15/47 | 650,000 | 728,384 |
| Michigan State Finance Authority Revenue: | | | | |
| Local Government Loan Program, Detroit Water & Sewer | 5.000% | 7/1/34 | 950,000 | 971,403 ^(g) |
| Senior Lien Detroit Water & Sewer | 5.000% | 7/1/33 | 1,270,000 | 1,329,144 ^(g) |
| Senior Lien Detroit Water & Sewer | 5.000% | 7/1/44 | 1,320,000 | 1,358,663 ^(g) |
| Royal Oak, MI, Hospital Finance Authority Revenue: | | | | |

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| | | | | |
|---------------------------|--------|--------|-----------|-----------------------------|
| William Beaumont Hospital | 5.000% | 9/1/39 | 2,500,000 | 2,730,925 |
| William Beaumont Hospital | 8.250% | 9/1/39 | 4,000,000 | 5,173,920 ^{(c)(h)} |
| <i>Total Michigan</i> | | | | <i>20,090,929</i> |

See Notes to Schedule of Investments.

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|--------------|-----------------------------|
| Minnesota - 0.3% | | | | |
| Western Minnesota Municipal Power Agency Revenue | 5.000% | 1/1/46 | \$ 1,530,000 | \$ 1,741,201 |
| Missouri - 2.6% | | | | |
| Kansa City, MO, Water Revenue | 5.250% | 12/1/32 | 1,000,000 | 1,153,080 |
| Missouri State HEFA Revenue: | | | | |
| Children s Mercy Hospital | 5.625% | 5/15/39 | 6,000,000 | 6,453,300 |
| Lutheran Senior Services | 5.000% | 2/1/44 | 2,710,000 | 2,857,560 |
| Platte County, MO, IDA Revenue, Refunding & Improvement Zona Rosa Retail Project | 5.000% | 12/1/32 | 5,000,000 | 5,319,200 |
| <i>Total Missouri</i> | | | | <i>15,783,140</i> |
| Nebraska - 0.5% | | | | |
| Nebraska Public Power Generation Agency Revenue, Whelan Energy Center Unit 2-A, AMBAC | 5.000% | 1/1/25 | 3,000,000 | 3,230,400 |
| Nevada - 2.3% | | | | |
| Reno, NV, Hospital Revenue, Washoe Medical Centre, AGM | 5.500% | 6/1/33 | 12,750,000 | 13,535,145 |
| New Jersey - 10.4% | | | | |
| New Jersey State EDA Revenue | 5.000% | 6/15/26 | 2,500,000 | 2,800,350 |
| New Jersey State EDA Revenue: | | | | |
| Continental Airlines Inc. Project | 4.875% | 9/15/19 | 2,265,000 | 2,325,385 ^(d) |
| Continental Airlines Inc. Project | 5.125% | 9/15/23 | 2,000,000 | 2,111,640 ^(d) |
| Continental Airlines Inc. Project | 5.250% | 9/15/29 | 3,000,000 | 3,161,910 ^(d) |
| Private Activity-The Goethals Bridge Replacement | | | | |
| Project, AGM | 5.125% | 7/1/42 | 2,500,000 | 2,682,750 ^(d) |
| School Facilities Construction | 1.650% | 3/1/28 | 15,000,000 | 14,658,000 ^(a) |
| New Jersey State Higher Education Assistance Authority, Student Loan Revenue | 5.625% | 6/1/30 | 12,320,000 | 13,805,915 |
| New Jersey State Higher Education Assistance Authority, Student Loan Revenue, AGC | 6.125% | 6/1/30 | 9,450,000 | 10,167,255 ^(d) |
| New Jersey State Housing & Mortgage Finance Agency Revenue | 6.375% | 10/1/28 | 3,010,000 | 3,185,784 |
| New Jersey State Turnpike Authority Revenue | 0.530% | 1/1/17 | 5,000,000 | 5,002,900 ^(a) |
| New Jersey State Turnpike Authority Revenue | 0.730% | 1/1/18 | 2,500,000 | 2,503,450 ^{(a)(b)} |
| <i>Total New Jersey</i> | | | | <i>62,405,339</i> |
| New Mexico - 1.0% | | | | |
| New Mexico State Hospital Equipment Loan Council, Hospital Revenue, Presbyterian Healthcare Services | 6.125% | 8/1/28 | 5,000,000 | 5,753,250 |
| New York - 10.3% | | | | |
| Liberty, NY, Development Corporation Revenue: | | | | |
| Goldman Sachs Headquarters | 5.250% | 10/1/35 | 4,000,000 | 4,790,320 |
| Goldman Sachs Headquarters | 5.500% | 10/1/37 | 1,485,000 | 1,833,945 |
| Long Island Power Authority, NY, Electric System Revenue | 6.000% | 5/1/33 | 24,570,000 | 28,634,124 |

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|--|--------|----------|-----------|------------|
| MTA, NY, Revenue | 5.250% | 11/15/40 | 5,000,000 | 5,556,950 |
| New York City, NY, Municipal Water Finance Authority, Water & Sewer Systems Revenue, Second General Resolution Fiscal 2013 | 5.000% | 6/15/47 | 5,000,000 | 5,578,500 |
| New York City, NY, TFA, Building Aid Revenue | 5.000% | 1/15/32 | 4,000,000 | 4,449,400 |
| New York Liberty Development Corp., Liberty Revenue: | | | | |
| 4 World Trade Center LLC Project | 5.750% | 11/15/51 | 5,000,000 | 5,796,150 |
| Second Priority, Bank of America Tower | 5.125% | 1/15/44 | 1,000,000 | 1,105,570 |
| Port Authority of New York & New Jersey | 5.000% | 1/15/41 | 3,820,000 | 4,292,419 |
| <i>Total New York</i> | | | | 62,037,378 |

See Notes to Schedule of Investments.

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|-------------|------------------------|
| North Carolina - 0.4% | | | | |
| Harnett County, NC, GO, Custody Receipts, AMBAC | 5.250% | 6/1/24 | \$ 110,000 | \$ 110,339 |
| North Carolina Capital Facilities Finance Agency, Educational Facilities Revenue: | | | | |
| Elizabeth City State University Housing Foundation LLC Project, AMBAC | 5.000% | 6/1/23 | 1,000,000 | 1,000,700 |
| Elizabeth City State University Housing Foundation LLC Project, AMBAC | 5.000% | 6/1/33 | 1,250,000 | 1,250,075 |
| <i>Total North Carolina</i> | | | | <i>2,361,114</i> |
| Ohio - 2.0% | | | | |
| JobsOhio Beverage System Statewide Liquor Profits Revenue | 5.000% | 1/1/38 | 8,000,000 | 8,841,520 |
| Ohio State Water Development Authority, Environmental Improvement Revenue, U.S. Steel Corp. Project | 6.600% | 5/1/29 | 3,000,000 | 3,369,990 |
| <i>Total Ohio</i> | | | | <i>12,211,510</i> |
| Oregon - 0.2% | | | | |
| Oregon State Housing & Community Services Department, Mortgage Revenue, Single-Family Mortgage Program | 5.050% | 7/1/26 | 450,000 | 458,024 ^(d) |
| Umatilla County, OR, Hospital Facility Authority Revenue, Catholic Health Initiatives | 5.000% | 5/1/32 | 510,000 | 510,928 |
| <i>Total Oregon</i> | | | | <i>968,952</i> |
| Pennsylvania - 2.4% | | | | |
| Pennsylvania State Public School Building Authority Lease Revenue, Philadelphia School District Project, AGM | 5.000% | 6/1/33 | 7,255,000 | 7,660,772 |
| Pennsylvania State Turnpike Commission Revenue | 5.250% | 12/1/41 | 6,000,000 | 6,526,080 |
| <i>Total Pennsylvania</i> | | | | <i>14,186,852</i> |
| Puerto Rico - 2.7% | | | | |
| Puerto Rico Sales Tax Financing Corp., Sales Tax Revenue | 5.750% | 8/1/37 | 2,500,000 | 2,066,900 |
| Puerto Rico Sales Tax Financing Corp., Sales Tax Revenue | 5.250% | 8/1/41 | 8,550,000 | 6,687,810 |
| Puerto Rico Sales Tax Financing Corp., Sales Tax Revenue | 5.000% | 8/1/43 | 10,000,000 | 7,513,400 |
| <i>Total Puerto Rico</i> | | | | <i>16,268,110</i> |
| Rhode Island - 0.9% | | | | |
| Rhode Island State Health & Educational Building Corp., Revenue, Hospital Financing | 7.000% | 5/15/39 | 5,000,000 | 5,561,500 |
| South Carolina - 0.5% | | | | |
| South Carolina State Ports Authority Revenue | 5.250% | 7/1/40 | 2,500,000 | 2,739,650 |
| Tennessee - 0.1% | | | | |

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|---|--------|---------|------------|------------|
| Hardeman County, TN, Correctional Facilities Corp., Correctional Facilities Revenue | 7.750% | 8/1/17 | 390,000 | 391,927 |
| Texas - 13.2% | | | | |
| Dallas-Fort Worth, TX, International Airport Revenue, Joint Improvement | 5.000% | 11/1/45 | 10,000,000 | 10,835,600 |

See Notes to Schedule of Investments.

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|--------------|------------------------------|
| Texas - 13.2% (continued) | | | | |
| Grand Parkway Transportation Corp., TX, System Toll Revenue, Convertible CAB, Step Bond | 0.000% | 10/1/36 | \$ 4,000,000 | \$ 2,980,440 ^(a) |
| Harris County, TX, Cultural Education Facilities Finance Corp. Revenue, Memorial Herman Health System | 1.000% | 6/1/23 | 4,500,000 | 4,503,420 ^(a) |
| Harris County, TX, Health Facilities Development Corp., School Health Care System Revenue | 5.750% | 7/1/27 | 1,000,000 | 1,276,280 ^(f) |
| Houston, TX, Utility System Revenue, Combined First Lien | 5.000% | 11/15/44 | 1,000,000 | 1,144,270 |
| Love Field Airport Modernization Corp., TX, Special Facilities Revenue, Southwest Airlines Co. Project | 5.250% | 11/1/40 | 15,000,000 | 15,921,150 |
| New Hope Cultural Education Facilities Corp., TX, Student Housing Revenue, Collegiate Housing College Station LLC, Texas A&M University Proect | 5.000% | 4/1/46 | 750,000 | 812,257 |
| North Texas Tollway Authority Revenue | 5.750% | 1/1/33 | 5,000,000 | 5,562,550 |
| North Texas Tollway Authority Revenue | 5.750% | 1/1/40 | 15,000,000 | 16,708,050 |
| Texas Municipal Gas Acquisition & Supply Corp. I, Gas Supply Revenue | 5.625% | 12/15/17 | 1,470,000 | 1,618,147 |
| Texas Private Activity Bond Surface Transportation Corp. Revenue, LBJ Infrastructure Group LLC | 7.000% | 6/30/40 | 7,000,000 | 8,394,120 |
| Texas State Municipal Gas Acquisition & Supply Corp. III, Gas Supply Revenue | 5.000% | 12/15/27 | 8,550,000 | 9,406,539 |
| <i>Total Texas</i> | | | | <i>79,162,823</i> |
| Virginia - 0.9% | | | | |
| Virginia State Small Business Financing Authority Revenue: | | | | |
| Elizabeth River Crossings OpCo LLC Project | 5.250% | 1/1/32 | 3,000,000 | 3,226,680 ^(d) |
| Elizabeth River Crossings OpCo LLC Project | 5.500% | 1/1/42 | 2,000,000 | 2,137,360 ^(d) |
| <i>Total Virginia</i> | | | | <i>5,364,040</i> |
| TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS | | | | |
| (Cost - \$724,944,464) | | | | 813,887,653 |
| SHORT-TERM INVESTMENTS - 4.9% | | | | |
| California - 0.3% | | | | |
| California Statewide CDA Revenue, Kaiser Permanente | 0.030% | 4/1/46 | 1,900,000 | 1,900,000 ^{(i)(j)} |
| Eastern Municipal Water District, Water & Sewer Revenue, COP, SPA-Wells Fargo Bank N.A. | 0.030% | 7/1/30 | 300,000 | 300,000 ^{(i)(j)} |
| <i>Total California</i> | | | | <i>2,200,000</i> |
| Florida - 0.0% | | | | |
| Miami-Dade County, FL, IDA, Professional Modification, AAR Aircraft Services Inc., LOC-Wells Fargo Bank N.A. | 0.080% | 8/1/18 | 100,000 | 100,000 ^{(d)(i)(j)} |
| Illinois - 0.5% | | | | |
| | 0.040% | 8/15/42 | 1,400,000 | 1,400,000 ^{(i)(j)} |

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|--|--------|--------|-----------|-----------------------------|
| Illinois State Finance Authority Revenue, Northwestern Memorial Hospital-A-2 | | | | |
| Illinois State Health Facilities Authority Revenue, Evanston Hospital Corp., SPA-Wells Fargo Bank N.A. | 0.040% | 6/1/35 | 1,422,000 | 1,422,000 ^{(i)(j)} |
| <i>Total Illinois</i> | | | | <i>2,822,000</i> |
| Indiana - 0.3% | | | | |
| Indiana State Finance Authority Revenue, Lease Appropriation, SPA-JPMorgan Chase | 0.040% | 2/1/37 | 1,600,000 | 1,600,000 ^{(i)(j)} |
| Minnesota - 0.2% | | | | |
| Rochester, MN, Health Care Facilities Revenue: | | | | |

See Notes to Schedule of Investments.

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

| SECURITY | RATE | MATURITY DATE | FACE AMOUNT | VALUE |
|--|--------|---------------|-------------|------------------------------|
| Minnesota - 0.2% (continued) | | | | |
| Mayo Clinic, SPA-Northern Trust Co. | 0.030% | 11/15/38 | \$ 100,000 | \$ 100,000 ^{(i)(j)} |
| Mayo Foundation, SPA-Bank of America N.A. | 0.030% | 8/15/32 | 1,300,000 | 1,300,000 ^{(i)(j)} |
| <i>Total Minnesota</i> | | | | <i>1,400,000</i> |
| Mississippi - 0.2% | | | | |
| Mississippi State Business Finance Commission Gulf Opportunity Revenue, Chevron U.S.A. Inc. | 0.040% | 11/1/35 | 1,400,000 | 1,400,000 ^{(i)(j)} |
| Nevada - 0.6% | | | | |
| Las Vegas Valley, NV, Water District, GO: | | | | |
| Water Improvement, SPA-Dexia Credit Local | 0.150% | 6/1/36 | 3,255,000 | 3,255,000 ^{(i)(j)} |
| Water Improvement, SPA-Dexia Credit Local | 0.150% | 6/1/36 | 300,000 | 300,000 ^{(i)(j)} |
| <i>Total Nevada</i> | | | | <i>3,555,000</i> |
| New York - 2.0% | | | | |
| New York City, NY, GO: | | | | |
| LIQ-Dexia Credit Local | 0.230% | 4/1/35 | 2,200,000 | 2,200,000 ^{(i)(j)} |
| SPA-Dexia Credit Local | 0.200% | 8/1/28 | 2,450,000 | 2,450,000 ^{(i)(j)} |
| New York City, NY, Municipal Water Finance Authority, Water & Sewer System Revenue: | | | | |
| Second General Resolution, SPA-Dexia Credit Local | 0.200% | 6/15/32 | 1,585,000 | 1,585,000 ^{(i)(j)} |
| SPA-Dexia Credit Local | 0.200% | 6/15/32 | 1,700,000 | 1,700,000 ^{(i)(j)} |
| New York City, NY, TFA Revenue, Future Tax Secured, SPA-Citibank N.A. | 0.040% | 8/1/31 | 1,500,000 | 1,500,000 ^{(i)(j)} |
| New York State Housing Finance Agency Revenue, Gotham West Housing, LOC-Wells Fargo Bank N.A. | 0.030% | 5/1/45 | 400,000 | 400,000 ^{(i)(j)} |
| New York, NY, GO, Subordinated, LOC-Dexia Credit Local | 0.200% | 3/1/34 | 1,975,000 | 1,975,000 ^{(i)(j)} |
| <i>Total New York</i> | | | | <i>11,810,000</i> |
| Pennsylvania - 0.2% | | | | |
| Bucks County, PA, St. Mary Hospital Authority, Catholic Health, Series B, SPA-Landesbank Hessen-Thurigen | 0.040% | 3/1/32 | 1,100,000 | 1,100,000 ^{(i)(j)} |
| Mercer County, PA, GO | 0.080% | 10/1/31 | 100,000 | 100,000 ^{(i)(j)} |
| Philadelphia, PA, Authority For Industrial Development, Gift of Life Donor Programme Project, LOC-Commerce Bank N.A. | 0.040% | 12/1/34 | 200,000 | 200,000 ^{(i)(j)} |
| <i>Total Pennsylvania</i> | | | | <i>1,400,000</i> |
| Texas - 0.3% | | | | |
| Harris County, TX, Cultural Education Facilities Finance Corp. Revenue, Memorial Herman Health System | 0.020% | 12/1/43 | 1,600,000 | 1,600,000 ^{(i)(j)} |
| Vermont - 0.3% | | | | |
| Vermont State Housing Finance Agency Revenue: | | | | |

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| | | | | |
|---|--------|---------|---------|------------------------------|
| AGM | 0.070% | 5/1/37 | 800,000 | 800,000 ^{(d)(i)(j)} |
| Multiple Purpose, SPA-Bank of New York Mellon | 0.070% | 11/1/37 | 900,000 | 900,000 ^{(d)(i)(j)} |
| <i>Total Vermont</i> | | | | <i>1,700,000</i> |
| TOTAL SHORT-TERM INVESTMENTS | | | | |
| (Cost - \$29,587,000) | | | | 29,587,000 |
| TOTAL INVESTMENTS - 140.5% | | | | |
| (Cost - \$754,531,464#) | | | | 843,474,653 |
| Auction Rate Cumulative Preferred Stock, at Liquidation Value - (41.7)% | | | | (250,000,000) |
| Other Assets in Excess of Liabilities - 1.2% | | | | 6,698,165 |
| TOTAL NET ASSETS - 100.0% | | | | \$ 600,172,818 |

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

See Notes to Schedule of Investments.

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

- (b) Maturity date shown represents the mandatory tender date.
- (c) 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.
- (d) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax (AMT).
- (e) 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.
- (f) Bonds are escrowed to maturity by government securities 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) Security is purchased on a when-issued basis.
- (h) All or a portion of this security is held at the broker as collateral for open futures contracts.
- (i) Variable rate demand obligations have a demand feature under which the Fund can tender them back to the issuer or liquidity provider on no more than 7 days notice.
- (j) Maturity date shown is the final maturity date. The security may be sold back to the issuer before final maturity.

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

Abbreviations used in this schedule:

| | |
|-------|---|
| AGC | Assured Guaranty Corporation - Insured Bonds |
| AGM | Assured Guaranty Municipal Corporation - Insured Bonds |
| AMBAC | American Municipal Bond Assurance Corporation - Insured Bonds |
| CAB | Capital Appreciation Bonds |
| CDA | Communities Development Authority |
| COP | Certificates of Participation |
| DFA | Development Finance Agency |
| EDA | Economic Development Authority |
| FHA | Federal Housing Administration |
| GO | General Obligation |
| HEFA | Health & Educational Facilities Authority |
| IDA | Industrial Development Authority |
| LIQ | Liquidity Facility |

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| | |
|------|---|
| LOC | Letter of Credit |
| MTA | Metropolitan Transportation Authority |
| NATL | National Public Finance Guarantee Corporation - Insured Bonds |
| PCFA | Pollution Control Financing Authority |
| SPA | Standby Bond Purchase Agreement - Insured Bonds |
| TFA | Transitional Finance Authority |

Summary of Investments by Industry

| | |
|-----------------------------------|--------|
| Transportation | 20.3% |
| Industrial Revenue | 15.9 |
| Health Care | 13.6 |
| Education | 9.4 |
| Water & Sewer | 9.2 |
| Pre-Refunded/Escrowed to Maturity | 7.5 |
| Power | 7.2 |
| Special Tax Obligation | 5.8 |
| Leasing | 5.5 |
| Housing | 1.5 |
| State General Obligation | 0.5 |
| Solid Waste/Resource Recovery | 0.1 |
| Local General Obligation | 0.0 |
| Short - Term Investments | 3.5 |
| | 100.0% |

As a percentage of total investments. Please note that Fund holdings are as of August 31, 2014 and are subject to change.

Represents less than 0.1%.

See Notes to Schedule of Investments.

WESTERN ASSET MANAGED MUNICIPALS FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2014

Ratings Table*

Standard & Poor's/Moody's/Fitch**

| | |
|------------|--------|
| AAA/Aaa | 5.4% |
| AA/Aa | 30.3 |
| A | 42.3 |
| BBB/Baa | 15.2 |
| BB/Ba | 1.6 |
| B/B | 0.9 |
| A-1/VMIG 1 | 3.3 |
| NR | 1.0 |
| | 100.0% |

* As a percentage of total investments.

** The ratings shown are based on each portfolio security's rating as determined by Standard & Poor's, Moody's or Fitch, each a Nationally Recognized Statistical Rating Organization (NRSRO). These ratings are the opinions of the NRSRO and are not measures of quality or guarantees of performance. Securities may be rated by other NRSROs, and these ratings may be higher or lower. In the event that a security is rated by multiple NRSROs and receives different ratings, the Fund will treat the security as being rated in the highest rating category received from a NRSRO.

See Notes to Schedule of Investments.

Notes to Schedule of Investments (unaudited)

1. Organization and significant accounting policies

Western Asset Managed Municipals Fund Inc. (the Fund) was incorporated in Maryland and is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund seeks to maximize current income exempt from federal income tax as is consistent with preservation of principal.

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 American 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:

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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.)

Notes to Schedule of Investments (unaudited) (continued)

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 (LEVEL 1) | OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) | SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) | TOTAL |
| Municipal bonds | | \$ 813,887,653 | | \$ 813,887,653 |
| Short-term investments | | 29,587,000 | | 29,587,000 |
| Total investments | | \$ 843,474,653 | | \$ 843,474,653 |
| LIABILITIES | | | | |
| DESCRIPTION | QUOTED PRICES (LEVEL 1) | OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) | SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) | TOTAL |
| Other financial instruments: | | | | |
| Futures contracts | \$ 267,946 | | | \$ 267,946 |

See Schedule of Investments for additional detailed categorizations.

(b) Futures contracts. The Fund uses futures contracts generally to gain exposure to, or hedge against, changes in interest rates or gain exposure to, or hedge against, changes in certain asset classes. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the Fund is required to deposit cash or cash equivalents with a broker in an amount equal to a certain percentage of the contract amount. This is known as the initial margin and subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuation in the value of the contract. For certain futures, including foreign denominated futures, variation margin is not settled daily, but is recorded as a net variation margin payable or receivable. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded.

Futures contracts involve, to varying degrees, risk of loss. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

(c) Securities traded on a when-issued basis. The Fund may trade securities on a when-issued basis. In a when-issued transaction, the securities are purchased or sold by the Fund with payment and delivery taking place in the future in order to secure what is considered to be an advantageous price and yield to the Fund at the time of entering into the transaction.

Purchasing such securities involves risk of loss if the value of the securities declines prior to settlement. These securities are subject to market fluctuations and their current value is determined in the same manner as for other securities.

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

2. Investments

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At August 31, 2014, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

| | |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 94,009,273 |
| Gross unrealized depreciation | (5,066,084) |
| Net unrealized appreciation | \$ 88,943,189 |

Notes to Schedule of Investments (unaudited) (continued)

At August 31, 2014, the Fund had the following open futures contracts:

| | Number of Contracts | Expiration Date | Basis Value | Market Value | Unrealized Depreciation |
|---|------------------------|--------------------|----------------|-----------------|----------------------------|
| Contracts to Sell: | | | | | |
| U.S. Treasury Long-Term Bonds | 272 | 12/14 | \$ 37,837,554 | \$ 38,105,500 | \$ (267,946) |
| 3. Derivative instruments and hedging activities | | | | | |

GAAP 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 August 31, 2014.

| Primary Underlying Risk | Futures Contracts Unrealized Depreciation |
|-------------------------|---|
| Interest Rate Risk | \$ (267,946) |

During the period ended August 31, 2014, the volume of derivative activity for the Fund was as follows:

| | |
|-----------------------------|---------------------------------------|
| Futures contracts (to sell) | Average Market Value \$ 36,275,039 |
|-----------------------------|---------------------------------------|

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 Managed Municipals Fund Inc.

By /s/ **KENNETH D. FULLER**
 Kenneth D. Fuller
 Chief Executive Officer

Date: October 22, 2014

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/ **KENNETH D. FULLER**
 Kenneth D. Fuller
 Chief Executive Officer

Date: October 22, 2014

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

Date: October 22, 2014