

Western Asset Municipal Defined Opportunity Trust Inc.  
Form N-Q  
October 26, 2018

**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 **811-22265**

**Western Asset Municipal Defined  
Opportunity Trust 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, 2018**



**ITEM 1. SCHEDULE OF INVESTMENTS.**

**WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.**

FORM N-Q

AUGUST 31, 2018

**WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.****Schedule of investments (unaudited)****August 31, 2018**

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT  | VALUE                          |
|--|--------|---------------|--------------|--------------------------------|
| <b>MUNICIPAL BONDS - 99.4%</b>   |        |               |              |                                |
| <b>Alabama - 4.9%</b>  |        |               |              |                                |
| Jefferson County, AL, Sewer Revenue, Convertible CAB, Subordinated Lien, Step bond, 0.000% until 10/1/23; 7.900% | 0.000% | 10/1/50       | \$ 9,470,000 | \$ 8,150,071                   |
| Lower Alabama Gas District, Gas Project Revenue  | 5.000% | 9/1/46        | 300,000      | 360,534                        |
| Southeast Alabama Gas Supply District, Gas Supply Revenue:   | 4.000% | 4/1/24        | 1,500,000    | 1,593,390 <sup>(a)(b)</sup>    |
|  | 4.000% | 6/1/24        | 2,000,000    | 2,126,220 <sup>(a)(b)</sup>    |
| <i>Total Alabama</i>   |        |               |              | <i>12,230,215</i>              |
| <b>Arizona - 4.7%</b>  |        |               |              |                                |
| Chandler, AZ, Industrial Development Authority, Intel Corp.  | 2.700% | 8/14/23       | 2,000,000    | 2,006,420 <sup>(a)(b)(c)</sup> |
| La Paz County Industrial Development Authority   | 5.000% | 2/15/48       | 1,000,000    | 1,064,220                      |
| Navajo Nation, AZ, Revenue   | 5.000% | 12/1/25       | 350,000      | 385,812 <sup>(d)</sup>         |
| Salt Verde Financial Corp., AZ, Senior Gas Revenue   | 5.000% | 12/1/32       | 7,110,000    | 8,358,800                      |
| <i>Total Arizona</i>   |        |               |              | <i>11,815,252</i>              |
| <b>California - 6.3%</b>   |        |               |              |                                |
| California MFA Revenue:  |        |               |              |                                |
| Senior Lien, Linux Apartment Project   | 5.000% | 12/31/43      | 500,000      | 559,200 <sup>(c)</sup>         |
| Senior Lien, Linux Apartment Project   | 5.000% | 12/31/47      | 350,000      | 390,211 <sup>(c)</sup>         |
| California State PCFA, Water Furnishing Revenue  | 5.000% | 11/21/45      | 3,500,000    | 3,689,980 <sup>(c)(d)</sup>    |
| California State, GO, Various Purpose  | 4.000% | 11/1/36       | 250,000      | 267,808                        |
| California Statewide CDA, Student Housing Revenue, Provident Group-Pomona Properties LLC                         | 5.600% | 1/15/36       | 780,000      | 832,018 <sup>(d)</sup>         |
| Golden State Tobacco Securitization Corp. Revenue:   |        |               |              |                                |
| Tobacco Settlement Funded  | 5.000% | 6/1/47        | 500,000      | 514,025                        |
| Tobacco Settlement Funded  | 5.000% | 6/1/47        | 600,000      | 616,830                        |
| Los Angeles, CA, Department of Airports Revenue  | 5.000% | 5/15/44       | 500,000      | 564,375 <sup>(c)</sup>         |
| Los Angeles, CA, Department of Water & Power Waterworks Revenue  | 5.000% | 7/1/48        | 1,000,000    | 1,158,030                      |
| Lower Tule River, CA, Irrigation District Revenue, COP   | 5.000% | 8/1/40        | 1,000,000    | 1,046,980                      |
| M-S-R Energy Authority, CA, Gas Revenue  | 6.125% | 11/1/29       | 2,000,000    | 2,489,700                      |

**See Notes to Schedule of Investments.**

## WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.

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

August 31, 2018

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                    |
|---|--------|---------------|-------------|--------------------------|
| <b>California - (continued)</b>   |        |               |             |                          |
| River Islands, CA, Public Financing Authority Special Tax, Community Facilities District No. 2003-1 | 5.000% | 9/1/27        | \$ 725,000  | \$ 759,858               |
| University of California Revenue  | 5.000% | 5/15/36       | 2,500,000   | 2,915,425                |
| <i>Total California</i>   |        |               |             | <i>15,804,440</i>        |
| <b>Colorado - 4.4%</b>  |        |               |             |                          |
| Base Village Metropolitan District #2 Co., GO   | 5.750% | 12/1/46       | 500,000     | 508,135                  |
| Colorado High Performance Transportation Enterprise Revenue, C-470 Express Lanes                    | 5.000% | 12/31/51      | 200,000     | 216,166                  |
| Colorado State Health Facilities Authority Revenue, Adventist Health System/Sunbelt Obligated Group | 5.000% | 11/15/23      | 3,000,000   | 3,389,640 <sup>(a)</sup> |
| Public Authority for Colorado Energy, Natural Gas Purchase Revenue                                  | 6.125% | 11/15/23      | 6,000,000   | 6,907,800                |
| <i>Total Colorado</i>   |        |               |             | <i>11,021,741</i>        |
| <b>Connecticut - 0.3%</b>   |        |               |             |                          |
| Connecticut State Special Tax Obligation Revenue, Transportation Infrastructure Purpose             | 5.000% | 1/1/37        | 500,000     | 555,410                  |
| Connecticut State, GO   | 5.000% | 10/15/34      | 280,000     | 309,218                  |
| <i>Total Connecticut</i>  |        |               |             | <i>864,628</i>           |
| <b>District of Columbia - 0.1%</b>  |        |               |             |                          |
| District of Columbia Revenue, Ingleside Rock Creek Project  | 4.125% | 7/1/27        | 250,000     | 253,743                  |
| <b>Florida - 1.1%</b>   |        |               |             |                          |
| Central Florida Expressway Authority Revenue, Senior Lien   | 5.000% | 7/1/42        | 250,000     | 283,108                  |
| Florida State Municipal Power Agency Revenue, All Requirements Power                                | 6.250% | 10/1/31       | 1,000,000   | 1,048,890 <sup>(c)</sup> |
| Greater Orlando, FL, Aviation Authority, Airport Facilities Revenue                                 | 5.000% | 10/1/42       | 500,000     | 557,030 <sup>(c)</sup>   |
| Miami-Dade County, FL, Health Facilities Authority Hospital Revenue, Nicklaus Children's Hospital   | 5.000% | 8/1/42        | 350,000     | 388,731                  |
| Orange County, FL, Health Facilities Authority Revenue, Presbyterian Retirement Communities         | 5.000% | 8/1/47        | 250,000     | 271,070                  |
| Palm Beach County, FL, Health Facilities Authority, Acts Retirement-Life Communities                | 5.000% | 11/15/45      | 250,000     | 276,280                  |
| <i>Total Florida</i>  |        |               |             | <i>2,825,109</i>         |

See Notes to Schedule of Investments.

## WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.

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

August 31, 2018

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT  | VALUE                       |
|---|--------|---------------|--------------|-----------------------------|
| <b>Georgia - 7.9%</b>   |        |               |              |                             |
| Atlanta, GA, Water & Wastewater Revenue:  | 6.000% | 11/1/23       | \$ 5,000,000 | \$ 5,248,400 <sup>(e)</sup> |
|   | 6.250% | 11/1/34       | 3,260,000    | 3,431,248 <sup>(e)</sup>    |
| DeKalb, Newton & Gwinnett Counties, GA, Joint Development Authority Revenue, GGC Foundation LLC Project | 6.125% | 7/1/40        | 9,000,000    | 9,323,550 <sup>(e)</sup>    |
| Main Street Natural Gas Inc., GA, Gas Project Revenue, (SIFMA Municipal Swap Index Yield + 0.570%)      | 2.060% | 12/1/23       | 2,000,000    | 1,996,960 <sup>(a)(b)</sup> |
| <i>Total Georgia</i>  |        |               |              | <i>20,000,158</i>           |
| <b>Idaho - 0.1%</b>   |        |               |              |                             |
| Idaho State Health Facilities Authority Hospital Revenue, Trinity Health Credit Group                   | 5.000% | 12/1/47       | 300,000      | 337,515                     |
| <b>Illinois - 7.5%</b>  |        |               |              |                             |
| Chicago, IL, Board of Education, GO   | 5.000% | 12/1/34       | 360,000      | 374,288                     |
| Chicago, IL, GO:  | 5.000% | 1/1/25        | 250,000      | 271,683                     |
|   | 5.500% | 1/1/30        | 1,685,000    | 1,838,621                   |
|   | 6.000% | 1/1/38        | 500,000      | 566,755                     |
| Chicago, IL, Motor Fuel Tax Revenue   | 5.000% | 1/1/26        | 1,000,000    | 1,058,270                   |
| Chicago, IL, O Hare International Airport Revenue:  | 5.000% | 1/1/46        | 2,000,000    | 2,175,820                   |
| General, Senior Lien  | 5.000% | 1/1/35        | 250,000      | 278,638                     |
| Senior Lien   | 5.000% | 1/1/47        | 500,000      | 553,720                     |
| Senior Lien   | 5.000% | 1/1/52        | 500,000      | 551,820                     |
| Trips Obligated Group   | 5.000% | 7/1/48        | 200,000      | 218,482 <sup>(c)</sup>      |
| Chicago, IL, Transit Authority, Sales Tax Receipts Revenue, Second Lien                                 | 5.000% | 12/1/51       | 250,000      | 266,303                     |
| Chicago, IL, Wastewater Transmission Revenue, Second Lien   | 5.000% | 1/1/36        | 750,000      | 815,332                     |
| Chicago, IL, Waterworks Revenue:  |        |               |              |                             |
| Second Lien   | 5.000% | 11/1/29       | 600,000      | 677,478                     |
| Second Lien, AGM  | 5.000% | 11/1/32       | 2,050,000    | 2,314,716                   |
| Illinois State Finance Authority Revenue, Southern Illinois Healthcare Enterprises Inc.                 | 5.000% | 3/1/32        | 300,000      | 335,604                     |
| Illinois State Finance Authority Revenue, Southern Illinois Healthcare Enterprises Inc.                 | 5.000% | 3/1/31        | 600,000      | 674,034                     |
| Illinois State University Revenue, Auxiliary Facilities System, AGM                                     | 5.000% | 4/1/37        | 100,000      | 109,973                     |
| Illinois State, GO:   | 5.000% | 2/1/26        | 1,000,000    | 1,065,490                   |

See Notes to Schedule of Investments.

## WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.

Schedule of investments (unaudited) (cont d)

August 31, 2018

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                    |
|--|--------|---------------|-------------|--------------------------|
| <b>Illinois - (continued)</b>  |        |               |             |                          |
|  | 5.000% | 11/1/26       | \$ 550,000  | \$ 587,136               |
|  | 5.000% | 2/1/29        | 600,000     | 634,986                  |
|  | 5.000% | 10/1/29       | 1,600,000   | 1,704,192 <sup>(f)</sup> |
|  | 5.000% | 12/1/42       | 500,000     | 520,615                  |
| Metropolitan Pier & Exposition Authority, IL, Dedicated State Tax Revenue, McCormick Project, State Appropriations | 5.250% | 6/15/50       | 1,000,000   | 1,019,800                |
| Metropolitan Pier & Exposition Authority, IL, Revenue, McCormick Place Expansion Project, CAB                      | 0.000% | 12/15/52      | 1,000,000   | 185,240                  |
| <i>Total Illinois</i>  |        |               |             | <i>18,798,996</i>        |
| <b>Indiana - 6.8%</b>  |        |               |             |                          |
| Indiana Finance Authority, IN, Wastewater Utility Revenue, CWA Authority Project                                   | 5.000% | 10/1/41       | 675,000     | 756,229                  |
| Indiana Municipal Power Agency, Power Supply System Revenue  | 6.000% | 1/1/39        | 8,000,000   | 8,114,800 <sup>(e)</sup> |
| Richmond, IN, Hospital Authority Revenue, Reid Hospital & Health Care Services Inc. Project                        | 6.500% | 1/1/29        | 8,000,000   | 8,127,600 <sup>(e)</sup> |
| <i>Total Indiana</i>   |        |               |             | <i>16,998,629</i>        |
| <b>Louisiana - 0.2%</b>  |        |               |             |                          |
| Port New Orleans, LA, Board of Commissioners Port Facilities Revenue, AGM  | 5.000% | 4/1/43        | 500,000     | 563,580 <sup>(e)</sup>   |
| <b>Maryland - 0.6%</b>   |        |               |             |                          |
| Howard County, MD, Housing Commission Revenue, Columbia Commons Apartments   | 5.000% | 6/1/44        | 1,350,000   | 1,439,924                |
| <b>Massachusetts - 0.1%</b>  |        |               |             |                          |
| Massachusetts State Development Finance Agency Revenue, UMass Boston Student Housing Project                       | 5.000% | 10/1/41       | 250,000     | 271,585                  |
| <b>Michigan - 4.2%</b>   |        |               |             |                          |
| Detroit, MI, Water Supply System Revenue:  |        |               |             |                          |
| Second Lien, AGM   | 6.250% | 7/1/36        | 2,995,000   | 3,105,695 <sup>(e)</sup> |
| Second Lien, AGM   | 6.250% | 7/1/36        | 5,000       | 5,172                    |
| Michigan State Finance Authority, Limited Obligation Revenue, Higher Education, Thomas M Cooley Law School Project | 6.000% | 7/1/24        | 1,500,000   | 1,569,420 <sup>(d)</sup> |
| Michigan State Finance Authority Revenue:  |        |               |             |                          |
| Local Government Loan Program, Detroit Water & Sewer Department  | 5.000% | 7/1/33        | 350,000     | 384,272                  |
| Senior Lien, Detroit Water & Sewer   | 5.000% | 7/1/33        | 410,000     | 449,130                  |

See Notes to Schedule of Investments.



## WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.

Schedule of investments (unaudited) (cont d)

August 31, 2018

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT  | VALUE                     |
|---|--------|---------------|--------------|---------------------------|
| <b>Michigan - (continued)</b>   |        |               |              |                           |
| Royal Oak, MI, Hospital Finance Authority Revenue:                    |        |               |              |                           |
| William Beaumont Hospital   | 5.000% | 9/1/39        | \$ 2,000,000 | \$ 2,185,160              |
| William Beaumont Hospital   | 8.250% | 9/1/39        | 3,000,000    | 3,000,000 <sup>(e)</sup>  |
| <i>Total Michigan</i>   |        |               |              | <i>10,698,849</i>         |
| <b>Nebraska - 2.0%</b>  |        |               |              |                           |
| Central Plains Energy Project, NE, Gas Project Revenue, Project #3    | 5.000% | 9/1/42        | 4,250,000    | 5,070,548                 |
| <b>New Jersey - 6.6%</b>  |        |               |              |                           |
| Gloucester County, NJ, Pollution Control Financing Authority Revenue, |        |               |              |                           |
| Keystone Urban Renewal, Logan Generating                              | 5.000% | 12/1/24       | 750,000      | 808,597 <sup>(c)</sup>    |
| New Jersey State EDA Revenue:   |        |               |              |                           |
|   | 5.000% | 6/15/34       | 1,500,000    | 1,644,930                 |
| Continental Airlines Inc. Project                                     | 4.875% | 9/15/19       | 665,000      | 673,479 <sup>(c)</sup>    |
| New Jersey State EDA, Special Facility Revenue, Port Newark Container |        |               |              |                           |
| Terminal LLC Project  | 5.000% | 10/1/37       | 200,000      | 216,034 <sup>(c)</sup>    |
| New Jersey State EFA Revenue, University of Medicine & Dentistry      | 7.500% | 12/1/32       | 10,000,000   | 10,433,600 <sup>(e)</sup> |
| New Jersey State Health Care Facilities Financing Authority Revenue,  |        |               |              |                           |
| Hackensack Meridian Health  | 5.000% | 7/1/38        | 125,000      | 142,479                   |
| New Jersey State Transportation Trust Fund Authority Revenue,         |        |               |              |                           |
| Transportation System, CAB, NATL                                      | 0.000% | 12/15/31      | 3,000,000    | 1,725,330                 |
| New Jersey Transportation Trust Fund Authority                        | 5.000% | 6/15/29       | 750,000      | 837,345                   |
| Tobacco Settlement Financing Corp., NJ, Revenue                       | 5.000% | 6/1/46        | 200,000      | 218,520                   |
| <i>Total New Jersey</i>   |        |               |              | <i>16,700,314</i>         |
| <b>New York - 11.4%</b>   |        |               |              |                           |
| Hudson Yards Infrastructure Corp. Revenue                             | 5.000% | 2/15/36       | 1,000,000    | 1,145,790                 |
| Liberty, NY, Development Corp. Revenue, Goldman Sachs Headquarters    | 5.250% | 10/1/35       | 2,500,000    | 3,095,225                 |
| MTA, NY, Dedicated Tax Fund Revenue, Green Bonds                      | 5.000% | 11/15/47      | 500,000      | 569,035                   |
| New York City, NY, TFA Revenue, Future Tax Secured                    | 5.000% | 8/1/40        | 3,000,000    | 3,469,020 <sup>(g)</sup>  |
| New York State Convention Center Development Corp. Revenue, CAB,      |        |               |              |                           |
| Subordinated Lien, Hotel Unit Fee Secured                             | 0.000% | 11/15/32      | 2,000,000    | 1,200,220                 |

See Notes to Schedule of Investments.

## WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.

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

August 31, 2018

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT  | VALUE                    |
|---|--------|---------------|--------------|--------------------------|
| <b>New York - (continued)</b>   |        |               |              |                          |
| New York State Dormitory Authority Revenue, Non-State Supported Debt, Memorial Sloan Kettering Cancer Center      | 5.000% | 7/1/28        | \$ 1,500,000 | \$ 1,793,880             |
| New York State Dormitory Authority, State Personal Income Tax Revenue   | 5.000% | 2/15/37       | 1,000,000    | 1,145,730                |
| New York State Liberty Development Corp., Liberty Revenue, 3 World Trade Center LLC Project                       | 5.000% | 11/15/44      | 575,000      | 605,274 <sup>(d)</sup>   |
| New York State Thruway Authority General Revenue, Junior Indebtedness Obligations, Junior Lien                    | 5.000% | 1/1/46        | 1,000,000    | 1,110,420                |
| New York State Transportation Development Corp., Special Facilities Revenue:                                      |        |               |              |                          |
| LaGuardia Airport Terminal B Redevelopment Project  | 5.000% | 7/1/46        | 3,000,000    | 3,202,440 <sup>(e)</sup> |
| LaGuardia Airport Terminal C & D Redevelopment Project  | 5.000% | 1/1/31        | 1,500,000    | 1,687,740 <sup>(e)</sup> |
| LaGuardia Airport Terminal C & D Redevelopment Project  | 5.000% | 1/1/32        | 1,100,000    | 1,232,088 <sup>(e)</sup> |
| Port Authority of New York & New Jersey, Special Obligation Revenue, JFK International Air Terminal LLC           | 5.500% | 12/1/31       | 7,925,000    | 8,521,831                |
| <i>Total New York</i>   |        |               |              | 28,778,693               |
| <b>North Carolina - 0.4%</b>  |        |               |              |                          |
| North Carolina State Turnpike Authority Monroe Expressway Toll Revenue  | 5.000% | 7/1/54        | 750,000      | 814,065                  |
| North Carolina State Turnpike Authority Revenue, Senior Lien  | 5.000% | 1/1/30        | 100,000      | 113,682                  |
| <i>Total North Carolina</i>   |        |               |              | 927,747                  |
| <b>Oklahoma - 0.1%</b>  |        |               |              |                          |
| Oklahoma State Turnpike Authority Revenue   | 5.000% | 1/1/47        | 40,000       | 45,285                   |
| Payne County, OK, EDA Revenue, Epworth Living at The Ranch  | 6.250% | 11/1/31       | 170,000      | 85,000 <sup>(h)</sup>    |
| <i>Total Oklahoma</i>   |        |               |              | 130,285                  |
| <b>Oregon - 0.7%</b>  |        |               |              |                          |
| Oregon State Facilities Authority Revenue, Legacy Health Project  | 5.000% | 6/1/46        | 650,000      | 720,213                  |
| Washington Multnomah & Yamhill County, OR, School District No. 1 West Union, GO, Hillsboro, School Board Guaranty | 5.000% | 6/15/35       | 1,000,000    | 1,158,310                |
| <i>Total Oregon</i>   |        |               |              | 1,878,523                |

See Notes to Schedule of Investments.

## WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.

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

August 31, 2018

| SECURITY   | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                     |
|--|--------|---------------|-------------|---------------------------|
| <b>Pennsylvania - 5.0%</b>   |        |               |             |                           |
| Commonwealth Financing Authority, PA, Tobacco Master Settlement Payment Revenue, Tobacco Master Settlement Payment Bonds | 5.000% | 6/1/30        | \$ 250,000  | \$ 286,260                |
| Cumberland County, PA, Municipal Authority Revenue, Diakon Lutheran Social Ministries Project                            | 5.000% | 1/1/27        | 1,000,000   | 1,112,530                 |
| Pennsylvania Economic Development Financing Authority, Water Facility Revenue, American Water Co. Project                | 6.200% | 4/1/39        | 10,000,000  | 10,237,600                |
| State Public School Building Authority, PA, Lease Revenue:   |        |               |             |                           |
| Philadelphia School District Project, AGM  | 5.000% | 6/1/31        | 200,000     | 224,496                   |
| Philadelphia School District Project, AGM  | 5.000% | 6/1/33        | 550,000     | 613,580                   |
| <i>Total Pennsylvania</i>  |        |               |             | <i>12,474,466</i>         |
| <b>Rhode Island - 4.1%</b>   |        |               |             |                           |
| Rhode Island State Health & Educational Building Corp. Revenue, Hospital Financing                                       | 7.000% | 5/15/39       | 10,000,000  | 10,370,400 <sup>(c)</sup> |
| <b>South Carolina - 0.2%</b>   |        |               |             |                           |
| South Carolina Ports Authority Revenue   | 5.000% | 7/1/36        | 500,000     | 566,750 <sup>(c)</sup>    |
| <b>Texas - 8.6%</b>  |        |               |             |                           |
| Arlington TX, Special Tax Revenue, Subordinated Lien, BAM  | 5.000% | 2/15/41       | 400,000     | 439,424                   |
| Arlington, TX, Higher Education Finance Corp., Education Revenue, Uplift Education, PSF-GTD                              | 5.000% | 12/1/35       | 300,000     | 343,575                   |
| City of Houston TX Airport System Revenue  | 5.000% | 7/1/31        | 1,750,000   | 2,026,412 <sup>(c)</sup>  |
| City of Sugar Land, TX, GO   | 5.000% | 2/15/28       | 100,000     | 117,924                   |
| Clifton, TX, Higher Education Finance Corp., Education Revenue, IDEA Public Schools, PSF-GTD                             | 5.000% | 8/15/35       | 2,400,000   | 2,706,264                 |
| Grand Parkway Transportation Corp., TX, System Toll Revenue  | 5.000% | 10/1/48       | 2,500,000   | 2,848,550                 |
| Harris County, TX, Cultural Education Facilities Finance Corp., Thermal Utility Revenue, Teco Project                    | 5.000% | 11/15/33      | 250,000     | 289,470                   |
| Houston, TX, Airport Systems Revenue, Special Facilities, United Airlines Inc., Airport Improvement Project              | 5.000% | 7/15/28       | 1,000,000   | 1,127,700 <sup>(c)</sup>  |
| Love Field, TX, Airport Modernization Corp., General Airport Revenue   | 5.000% | 11/1/31       | 120,000     | 135,484 <sup>(c)</sup>    |
| Love Field, TX, Airport Modernization Corp., Special Facilities Revenue, Southwest Airlines Co. Project                  | 5.250% | 11/1/40       | 3,000,000   | 3,175,230                 |

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**WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.****Schedule of investments (unaudited) (cont d)****August 31, 2018**

| SECURITY  | RATE    | MATURITY<br>DATE | FACE<br>AMOUNT | VALUE                  |
|---|---------|------------------|----------------|------------------------|
| <b>Texas - (continued)</b>  |         |                  |                |                        |
| North Texas Tollway Authority Revenue, First Tier   | 5.000%  | 1/1/43           | \$ 2,000,000   | \$ 2,267,400           |
| Socorro, TX, ISD, GO, School Building, PSF - GTD  | 5.000%  | 8/15/40          | 800,000        | 909,608                |
| Tarrant County, TX, Cultural Education Facilities Finance Corp., Retirement Facility Revenue, Buckner Senior Living Ventana Project | 6.625%  | 11/15/37         | 190,000        | 210,408                |
| Texas State Municipal Gas Acquisition & Supply Corp. I, Gas Supply Revenue  | 6.250%  | 12/15/26         | 1,310,000      | 1,518,054              |
| Texas State Private Activity Bond Surface Transportation Corp. Revenue, Senior Lien, Blueridge Transportation Group LLC             | 5.000%  | 12/31/40         | 500,000        | 541,665 <sup>(c)</sup> |
| Texas State Water Development Board Revenue:  | 5.000%  | 10/15/42         | 1,500,000      | 1,722,105              |
|   | 5.000%  | 10/15/47         | 200,000        | 228,760                |
| Texas State, GO, Transport Commission - Mobility Fund   | 5.000%  | 10/1/34          | 500,000        | 582,355                |
| Woodloch Health Facilities Development Corp., TX, Senior Housing Revenue:   |         |                  |                |                        |
| Inspired Living Lewisville Project  | 6.750%  | 12/1/51          | 300,000        | 311,853 <sup>(d)</sup> |
| Inspired Living Lewisville Project  | 10.000% | 12/1/51          | 50,000         | 52,353                 |
| <i>Total Texas</i>  |         |                  |                | <i>21,554,594</i>      |
| <b>U.S. Virgin Islands - 1.6%</b>   |         |                  |                |                        |
| Virgin Islands Public Finance Authority Revenue, Matching Fund Loan   | 6.625%  | 10/1/29          | 4,000,000      | 4,010,000              |
| <b>Utah - 0.3%</b>  |         |                  |                |                        |
| Utah State Charter School Finance Authority, Charter School Revenue:  |         |                  |                |                        |
| Syracuse Arts Academy Project, UT CSCE  | 5.000%  | 10/15/38         | 500,000        | 558,475                |
| Syracuse Arts Academy Project, UT CSCE  | 5.000%  | 4/15/47          | 250,000        | 273,285                |
| <i>Total Utah</i>   |         |                  |                | <i>831,760</i>         |
| <b>Virginia - 1.8%</b>  |         |                  |                |                        |
| Virginia State College Building Authority, VA, Educational Facilities Revenue, 21st Century College & Equipment Programs            | 5.000%  | 2/1/32           | 1,000,000      | 1,181,690              |
| Virginia State Port Authority Port Facility Revenue:  |         |                  |                |                        |
|   | 5.000%  | 7/1/41           | 400,000        | 444,196 <sup>(c)</sup> |
|   | 5.000%  | 7/1/45           | 500,000        | 551,630 <sup>(c)</sup> |

**See Notes to Schedule of Investments.**

**WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.****Schedule of investments (unaudited) (cont d)****August 31, 2018**

| SECURITY  | RATE   | MATURITY DATE | FACE AMOUNT | VALUE                     |
|---|--------|---------------|-------------|---------------------------|
| <b>Virginia - (continued)</b>   |        |               |             |                           |
| Virginia State Public Building Authority, Public Facilities Revenue                                   | 5.000% | 8/1/29        | \$ 250,000  | \$ 297,857                |
| Virginia State Small Business Financing Authority Revenue, Elizabeth River Crossings OpCo LLC Project | 5.000% | 7/1/23        | 1,775,000   | 1,938,460 <sup>(c)</sup>  |
| <i>Total Virginia</i>   |        |               |             | <i>4,413,833</i>          |
| <b>Washington - 2.6%</b>  |        |               |             |                           |
| Port of Seattle, WA, Revenue  | 5.000% | 5/1/36        | 500,000     | 561,520 <sup>(c)</sup>    |
| Washington Health Care Facilities Authority Revenue, Overlake Hospital Medical Center                 | 5.000% | 7/1/42        | 3,750,000   | 4,162,463                 |
| Washington State HFC Revenue, Heron s Key   | 6.000% | 7/1/25        | 675,000     | 733,448 <sup>(d)</sup>    |
| Washington State, GO  | 5.000% | 8/1/33        | 1,000,000   | 1,162,900                 |
| <i>Total Washington</i>   |        |               |             | <i>6,620,331</i>          |
| <b>Wisconsin - 4.8%</b>   |        |               |             |                           |
| Public Finance Authority, WI, Limited Obligation Pilot Revenue, American Dream @ Meadowlands Project  | 5.000% | 12/1/27       | 1,500,000   | 1,598,115 <sup>(d)</sup>  |
| Public Finance Authority, WI, Revenue, Denver International Airport Great Hall Project                | 5.000% | 9/30/49       | 300,000     | 327,633 <sup>(c)</sup>    |
| Wisconsin State HEFA Revenue, Prohealth Care Inc. Obligation Group                                    | 6.625% | 2/15/39       | 10,000,000  | 10,220,600 <sup>(e)</sup> |
| <i>Total Wisconsin</i>  |        |               |             | <i>12,146,348</i>         |
| <b>TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS</b>  |        |               |             |                           |
| (Cost - \$235,456,849)  |        |               |             | 250,398,956               |
| <b>SHORT-TERM INVESTMENTS - 0.5%</b>  |        |               |             |                           |
| <b>MUNICIPAL BONDS - 0.5%</b>   |        |               |             |                           |
| <b>California - 0.1%</b>  |        |               |             |                           |
| Santa Clara Valley, CA, Transportation Authority, Sales Tax Revenue, SPA - Sumitomo Mitsui Banking    | 1.250% | 4/1/36        | 300,000     | 300,000 <sup>(i)(j)</sup> |
| <b>Florida - 0.1%</b>   |        |               |             |                           |
| Sarasota County, FL, Public Hospital District, Sarasota Memorial Hospital                             | 1.510% | 7/1/37        | 100,000     | 100,000 <sup>(i)(j)</sup> |

See Notes to Schedule of Investments.

**WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.**

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

**August 31, 2018**

| SECURITY  | RATE   | MATURITY<br>DATE | FACE<br>AMOUNT | VALUE                        |
|---|--------|------------------|----------------|------------------------------|
| <b>New York - 0.3%</b>  |        |                  |                |                              |
| New York City, NY, HDC, MFH Revenue Sustainable Neighborhood,<br>LIQ - Citibank N.A.              | 1.440% | 5/1/20           | \$ 300,000     | \$ 300,000 <sup>(i)(j)</sup> |
| New York State Housing Finance Agency Revenue, 42nd and 10th<br>Housing, LIQ - FHLMC, LOC - FHLMC | 1.530% | 11/1/41          | 200,000        | 200,000 <sup>(e)(i)(j)</sup> |
| New York State Urban Development Corp.  | 1.520% | 3/15/33          | 300,000        | 300,000 <sup>(i)(j)</sup>    |
| <i>Total New York</i>   |        |                  |                | <i>800,000</i>               |
| <b>TOTAL MUNICIPAL BONDS</b><br>(Cost - \$1,200,000)  |        |                  |                | 1,200,000                    |
|   |        |                  | <b>SHARES</b>  |                              |
| <b>MONEY MARKET FUNDS - 0.0%</b>  |        |                  |                |                              |
| Dreyfus Government Cash Management, Institutional Shares<br>(Cost - \$32,225)                     | 1.850% |                  | 32,225         | 32,225                       |
| <b>TOTAL SHORT-TERM INVESTMENTS</b><br>(Cost - \$1,232,225)                                       |        |                  |                | 1,232,225                    |
| <b>TOTAL INVESTMENTS - 99.9%</b><br>(Cost - \$236,689,074)  |        |                  |                | 251,631,181                  |
| Other Assets in Excess of Liabilities - 0.1%  |        |                  |                | 207,712                      |
| <b>TOTAL NET ASSETS - 100.0%</b>  |        |                  |                | <b>\$ 251,838,893</b>        |

\* Non-income producing security.

(a) Maturity date shown represents the mandatory tender date.

(b) Variable rate security. Interest rate disclosed is as of the most recent information available. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description above.

(c) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax ( AMT ).

(d) 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.

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- (e) 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.
- (f) Securities traded on a when-issued or delayed delivery basis.
- (g) All or a portion of this security is held at the broker as collateral for open futures contracts.
- (h) The coupon payment on these securities is currently in default as of August 31, 2018.
- (i) Variable rate demand obligations ( VRDOs ) 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. The interest rate generally resets on a daily or weekly basis and is determined on the specific interest rate reset date by the Remarketing Agent, pursuant to a formula specified in official documents for the VRDO, or set at the highest rate allowable as specified in official documents for the VRDO. VRDOs are benchmarked to the Securities Industry and Financial Markets Association ( SIFMA ) Municipal Swap Index. The SIFMA Municipal Swap Index is compiled from weekly interest rate resets of tax-exempt VRDOs reported to the Municipal Securities Rulemaking Board 's Short-term Obligation Rate Transparency System.
- (j) Maturity date shown is the final maturity date. The security may be sold back to the issuer before final maturity.

**See Notes to Schedule of Investments.**

**WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC.**

Schedule of investments (unaudited) (cont d)

August 31, 2018

Abbreviations used in this schedule:

|       |   |
|-------|---|
| AGM   | Assured Guaranty Municipal Corporation - Insured Bonds        |
| BAM   | Build America Mutual - Insured Bonds                          |
| CAB   | Capital Appreciation Bonds                                    |
| CDA   | Communities Development Authority                             |
| COP   | Certificates of Participation                                 |
| CSCE  | Charter School Credit Enhancement                             |
| CWA   | Clean Water Act   |
| EDA   | Economic Development Authority                                |
| EFA   | Educational Facilities Authority                              |
| FHLMC | Federal Home Loan Mortgage Corporation                        |
| GO    | General Obligation  |
| GTD   | Guaranteed  |
| HDC   | Housing Development Corporation                               |
| HEFA  | Health & Educational Facilities Authority                     |
| HFC   | Housing Finance Commission                                    |
| ISD   | Independent School District                                   |
| LIQ   | Liquidity Facility  |
| LOC   | Letter of Credit  |
| MFA   | Municipal Finance Authority                                   |
| MFH   | Multi-Family Housing  |
| MTA   | Metropolitan Transportation Authority                         |
| NATL  | National Public Finance Guarantee Corporation - Insured Bonds |
| PCFA  | Pollution Control Financing Authority                         |
| PSF   | Permanent School Fund   |
| SIFMA | Securities Industry and Financial Markets Association         |
| SPA   | Standby Bond Purchase Agreement - Insured Bonds               |
| TFA   | Transitional Finance Authority                                |

At August 31, 2018, the Fund had the following open futures contracts:

|                                     | Number of<br>Contracts | Expiration<br>Date | Notional<br>Amount | Market<br>Value | Unrealized<br>Depreciation |
|-------------------------------------|------------------------|--------------------|--------------------|-----------------|----------------------------|
| <b>Contracts to Sell:</b>           |                        |                    |                    |                 |                            |
| U.S. Treasury Ultra Long-Term Bonds | 22                     | 12/18              | \$ 3,494,469       | \$ 3,504,875    | \$ (10,406)                |

This Schedule of Investments is unaudited and is intended to provide information about the Fund's investments 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.**

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

**1. Organization and significant accounting policies**

Western Asset Municipal Defined Opportunity Trust Inc. (the Fund) was incorporated in Maryland on January 15, 2009 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's primary investment objective is to provide high current income exempt from federal income tax and then to liquidate on or about April 30, 2021 and distribute all of the Fund's net assets to shareholders. As a secondary investment objective, the Fund will seek total return. There can be no assurance the Fund's investment objectives will be achieved.

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. Investments in open-end funds are valued at the closing net asset value per share of each fund on the day of valuation. 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.

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

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

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.

Notes to Schedule of Investments (unaudited) (continued)

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

| DESCRIPTION                  | ASSETS                     |  |  | TOTAL          |
|------------------------------|----------------------------|--|--|----------------|
|                              | QUOTED PRICES<br>(LEVEL 1) | OTHER SIGNIFICANT<br>OBSERVABLE<br>INPUTS<br>(LEVEL 2) | SIGNIFICANT<br>UNOBSERVABLE<br>INPUTS<br>(LEVEL 3) |                |
| Municipal Bonds              |                            | \$ 250,398,956   |  | \$ 250,398,956 |
| Short-Term Investments :     |                            |  |  |                |
| Municipal Bonds              |                            | 1,200,000  |  | 1,200,000      |
| Money Market Funds           | \$ 32,225                  |  |  | 32,225         |
| Total Short-Term Investments | 32,225                     | 1,200,000  |  | 1,232,225      |
| Total Investments            | \$ 32,225                  | \$ 251,598,956   |  | \$ 251,631,181 |

  

| DESCRIPTION                  | LIABILITIES                |  |  | TOTAL     |
|------------------------------|----------------------------|--|--|-----------|
|                              | QUOTED PRICES<br>(LEVEL 1) | OTHER<br>SIGNIFICANT<br>OBSERVABLE INPUTS<br>(LEVEL 2) | SIGNIFICANT<br>UNOBSERVABLE<br>INPUTS<br>(LEVEL 3) |           |
| Other Financial Instruments: |                            |  |  |           |
| Futures Contracts            | \$ 10,406                  |  |  | \$ 10,406 |

See Schedule of Investments for additional detailed categorizations.

**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 Municipal Defined Opportunity Trust Inc.

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

Date: October 26, 2018

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 26, 2018

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

Date: October 26, 2018