

Western Asset Municipal Defined Opportunity Trust Inc.  
Form N-CSRS  
July 26, 2018  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**  
**Investment Company Act file number 811-22265**

**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: May 31, 2018**

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ITEM 1. REPORT TO STOCKHOLDERS.

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

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Semi-Annual Report

May 31, 2018

WESTERN ASSET

MUNICIPAL DEFINED OPPORTUNITY TRUST  
INC. (MTT)

INVESTMENT PRODUCTS: NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

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## **Fund objectives**

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.

As a fundamental policy, the Fund seeks to achieve its primary investment objective by investing, under normal market conditions, at least 80% of its net assets in investment grade municipal securities, the interest on which is exempt from federal income tax.

## **Letter from the chairman**

### **Dear Shareholder,**

We are pleased to provide the semi-annual report of Western Asset Municipal Defined Opportunity Trust Inc. for the six-month reporting period ended May 31, 2018. Please read on for Fund performance information and a detailed look at prevailing economic and market conditions during the Fund's reporting period.

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

Fund prices and performance,

Market insights and commentaries from our portfolio managers, and

A host of educational resources.

We look forward to helping you meet your financial goals.

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Sincerely,

Jane Trust, CFA

Chairman, President and Chief Executive Officer

June 29, 2018

\*Certain investors may be subject to the federal alternative minimum tax ( AMT ), and state and local taxes will apply. Capital gains, if any, are fully taxable. Please consult your personal tax or legal adviser.

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## Investment commentary

### Economic review

Economic activity in the U.S. was somewhat mixed during the six months ended May 31, 2018 (the reporting period). Looking back, the U.S. Department of Commerce reported that third and fourth quarter 2017 U.S. gross domestic product (GDP) growth was 3.2% and 2.9%, respectively. Finally, the U.S. Department of Commerce's final reading for first quarter 2018 GDP growth released after the reporting period ended was 2.0%. More modest GDP growth in the first quarter reflected decelerations in personal consumption expenditures (PCE), exports, state and local government spending, and federal government spending and a downturn in residential fixed investment. These movements were partly offset by a smaller decrease in private inventory investment and a larger increase in nonresidential fixed investment.

Job growth in the U.S. was solid overall and supported the economy during the reporting period. When the reporting period ended on May 31, 2018, the unemployment rate was 3.8%, as reported by the U.S. Department of Labor. This was the lowest unemployment rate since April 2000. The percentage of longer-term unemployed declined during the reporting period. In May 2018, 19.4% of Americans looking for a job had been out of work for more than six months, versus 22.9% when the period began.

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### **Investment commentary (cont d)**

#### **Market review**

##### **Q. How did the Federal Reserve Board (the Fed) respond to the economic environment?**

A. The Fed increased the federal funds rate<sup>iii</sup> twice during the reporting period. Looking back, at its meeting that concluded on September 20, 2017 before the reporting period began the Fed kept rates on hold but reiterated its intention to begin reducing its balance sheet, saying, "In October, the Committee will initiate the balance sheet normalization program." At its meeting that ended on December 13, 2017, the Fed raised rates to a range between 1.25% and 1.50%. As expected, the Fed kept rates on hold at its meeting that concluded on January 31, 2018. However, at its meeting that ended on March 21, 2018, the Fed again raised the federal funds rate, moving it to a range between 1.50% and 1.75%. Finally, at its meeting that concluded on June 13, 2018 after the reporting period ended the Fed raised the federal funds rate to a range between 1.75% and 2.00%.

##### **Q. Did Treasury yields trend higher or lower during the reporting period?**

A. Both short-term and longer-term Treasury yields moved higher during the six-month reporting period ended May 31, 2018. The yield for the two-year Treasury note began the reporting period at 1.78% equaling its low for the period and ended the period at 2.40%. Its peak for the period of 2.59% occurred on May 22, 2018. The yield for the ten-year Treasury began the reporting period at 2.42% and ended the period at 2.83%. The low for the period of 2.33% occurred on December 6, 2017 and the high for the period of 3.11% took place on May 17, 2018.

##### **Q. How did the municipal bond market perform versus the taxable bond market over the reporting period?**

A. The municipal bond market outperformed its taxable bond counterpart on a relative basis during the reporting period. For the six months ended May 31, 2018, the Bloomberg Barclays Municipal Bond Index<sup>iv</sup> and the Bloomberg Barclays U.S. Aggregate Index<sup>v</sup> returned 0.71% and -1.04%, respectively. Both municipal and taxable bonds were negatively impacted by the rising interest rate environment. The municipal market's relative outperformance was partially due to overall solid fundamentals and periods of positive investor demand.

#### **Performance review**

For the six months ended May 31, 2018, Western Asset Municipal Defined Opportunity Trust Inc. returned 1.08% based on its net asset value (NAV<sup>vi</sup>) and 1.53% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmark, the Bloomberg Barclays Municipal Bond Index, returned 0.71% for the same period. The Lipper General and Insured Municipal Debt (Unleveraged) Closed-End Funds Category Average<sup>vii</sup> returned 0.77% over the same time frame. Please note that Lipper performance returns are based on each fund's NAV.

Certain investors may be subject to the federal alternative minimum tax, and state and local taxes will apply. Capital gains, if any, are fully taxable. Please consult your personal tax or legal adviser.

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During the six-month period, the Fund made distributions to shareholders totaling \$0.50 per share. As of May 31, 2018, the Fund estimates that all of the distributions were sourced from net investment income.\* The performance table shows the Fund's six-month total return based on its NAV and market price as of May 31, 2018. **Past performance is no guarantee of future results.**

**Performance Snapshot as of May 31, 2018**

(unaudited)

	6-Month Total Return**
Price Per Share	
\$20.81 (NAV)	1.08%
\$21.18 (Market Price)	1.53%

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

**\*\* Total returns are based on changes in NAV or market price, respectively. Returns reflect the deduction of all Fund expenses, including management fees, operating expenses, and other Fund expenses. Returns do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.**

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

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

**Looking for additional information?**

The Fund is traded under the symbol **MTT** and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol **XMTTX** on most financial websites. Barron's and the Wall Street Journal's Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites as well as [www.lmcef.com](http://www.lmcef.com) (click on the name of the Fund).

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

Thank you for your investment in Western Asset Municipal Defined Opportunity Trust Inc. As always, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the Fund's investment goals.

Sincerely,

Jane Trust, CFA

Chairman, President and Chief Executive Officer

June 29, 2018

\*

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This estimate is not for tax purposes. The Fund will issue a Form 1099 with final composition of the distributions for tax purposes after year-end. A return of capital is not taxable and results in a reduction in the tax basis of a shareholder's investment. For more information about a distribution's composition, please refer to the Fund's distribution press release or, if applicable, the Section 19 notice located in the press release section of our website, [www.lmcef.com](http://www.lmcef.com) (click on the name of the Fund).

Western Asset Municipal Defined Opportunity Trust Inc.

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## Investment commentary (cont d)

***RISKS:** The Fund is a non-diversified, closed-end management investment company designed primarily as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program and, due to the uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objective. The Fund's common stock is traded on the New York Stock Exchange. Similar to stocks, the Fund's share price will fluctuate with market conditions and, at the time of sale, may be worth more or less than the original investment. Shares of closed-end funds often trade at a discount to their net asset value. Because the Fund is non-diversified, it may be more susceptible to economic, political or regulatory events than a diversified fund. The Fund's investments are subject to a number of risks, including credit risk, inflation risk and interest rate risk. As interest rates rise, bond prices fall, reducing the value of the fixed-income securities held by the Fund. The Fund may invest in lower-rated high-yield bonds, known as junk bonds, which are subject to greater liquidity and credit risk (risk of default) than higher-rated obligations. Municipal securities purchased by the Fund may be adversely affected by changes in the financial condition of municipal issuers and insurers, regulatory and political developments, uncertainties and public perceptions, and other factors. The Fund may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. The Fund may invest in securities of other investment companies. To the extent it does, Fund stockholders will indirectly pay a portion of the operating costs of such companies, in addition to the expenses that the Fund bears directly in connection with its own operation. Investing in securities issued by other investment companies, including exchange-traded funds (ETFs) that invest primarily in municipal securities, involves risks similar to those of investing directly in the securities in which those investment companies invest. The Fund may invest up to 10% of its assets in securities that have the economic effects of leverage which can increase the risk and volatility of the Fund.*

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

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

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- i Gross domestic product ( GDP ) is the market value of all final goods and services produced within a country in a given period of time.
  
- ii The Federal Reserve Board (the Fed ) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.
  
- iii The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.
  
- iv The Bloomberg Barclays Municipal Bond Index is a market value weighted index of investment grade municipal bonds with maturities of one year or more.
  
- v The Bloomberg Barclays U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
  
- vi Net asset value ( NAV ) is calculated by subtracting total liabilities, including liabilities associated with financial leverage (if any), from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund's market price as determined by supply of and demand for the Fund's shares.
  
- vii Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the six-month period ended May 31, 2018, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 7 funds in the Fund's Lipper category.

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**Fund at a glance** (unaudited)

**Investment breakdown** (%) as a percent of total investments

The bar graph above represents the composition of the Fund's investments as of May 31, 2018 and November 30, 2017 and does not include derivatives such as futures contracts. The Fund is actively managed. As a result, the composition of the Fund's investments is subject to change at any time.

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**Spread duration** (unaudited)

**Economic exposure** May 31, 2018

**Total Spread Duration**

MTT 4.90 years

Benchmark 5.87 years

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

Benchmark Bloomberg Barclays Municipal Bond Index

MTT Western Asset Municipal Defined Opportunity Trust Inc.

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## Effective duration (unaudited)

Interest rate exposure May 31, 2018

**Total Effective Duration**

MTT 4.92 years

Benchmark 5.92 years

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

Benchmark Bloomberg Barclays Municipal Bond Index  
MTT Western Asset Municipal Defined Opportunity Trust Inc.

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May 31, 2018

**Western Asset Municipal Defined Opportunity Trust Inc.**

		Maturity		
	Rate	Date	Face Amount	Value
Security				
<b>Municipal Bonds 99.5%</b>				
<i>Alabama 4.0%</i>				
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	\$ 8,040,219
Lower Alabama Gas District, AL, Natural Gas Revenue	5.000%	9/1/46	300,000	369,774
Southeast Alabama Gas Supply District, AL, Gas Revenue	4.000%	4/1/24	1,500,000	1,608,570 (a)(b)
<i>Total Alabama</i>				<i>10,018,563</i>
<i>Arizona 3.5%</i>				
Navajo Nation, AZ, Revenue	5.000%	12/1/25	350,000	387,996 (c)
Salt Verde, AZ, Financial Corp. Senior Gas Revenue	5.000%	12/1/32	7,110,000	8,412,125
<i>Total Arizona</i>				<i>8,800,121</i>
<i>California 5.7%</i>				
California State PCFA, Water Furnishing Revenue	5.000%	11/21/45	3,500,000	3,733,310 (c)(d)
California State, GO, Various Purpose	4.000%	11/1/36	250,000	267,390
California Statewide CDA, Student Housing Revenue, Provident Group-Pomona Properties LLC	5.600%	1/15/36	780,000	836,480 (c)
Los Angeles, CA, Department of Water & Power Waterworks Revenue	5.000%	7/1/48	1,000,000	1,178,120
Lower Tule River, CA, Irrigation District Revenue, COP	5.000%	8/1/40	1,000,000	1,050,020
M-S-R Energy Authority, CA, Gas Revenue	6.125%	11/1/29	2,000,000	2,483,840
River Islands, CA, Public Financing Authority Special Tax, Community Facilities District No. 2003-1	5.000%	9/1/27	725,000	762,787
University of California, CA, Revenue:				
	5.000%	5/15/36	2,500,000	2,952,125
	4.000%	5/15/46	1,000,000	1,048,570
<i>Total California</i>				<i>14,312,642</i>
<i>Colorado 4.4%</i>				
Base Village Metropolitan District #2 Co., GO	5.750%	12/1/46	500,000	513,050
Colorado High Performance Transportation Enterprise Revenue, C-470 Express Lanes	5.000%	12/31/51	200,000	216,990

See Notes to Financial Statements.



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	Rate	Maturity Date	Face Amount	Value
Security				
<i>Colorado continued</i>				
Colorado State Health Facilities Authority Revenue, Adventist Health System/Sunbelt Obligated Group	5.000%	11/15/23	3,000,000	\$ 3,420,690 <sup>(a)(b)</sup>
Public Authority for Colorado Energy, Natural Gas Purchase Revenue	6.125%	11/15/23	6,000,000	6,948,780
<i>Total Colorado</i>				<i>11,099,510</i>
<i>Connecticut 0.3%</i>				
Connecticut State Special Tax Obligation Revenue, Transportation Infrastructure Purpose	5.000%	1/1/37	500,000	560,990
Connecticut State, GO	5.000%	10/15/34	280,000	309,361
<i>Total Connecticut</i>				<i>870,351</i>
<i>District of Columbia 0.1%</i>				
District of Columbia Revenue, Ingleside Rock Creek Project	4.125%	7/1/27	250,000	253,423
<i>Florida 1.0%</i>				
Central Florida Expressway Authority Revenue, Senior Lien	5.000%	7/1/42	250,000	287,318
Florida State Municipal Power Agency Revenue, All Requirements Power	6.250%	10/1/31	1,000,000	1,057,700 <sup>(e)</sup>
Greater Orlando, FL, Aviation Authority, Airport Facilities Revenue	5.000%	10/1/42	500,000	567,730 <sup>(d)</sup>
Miami-Dade County, FL, Health Facilities Authority Hospital Revenue, Nicklaus Children's Hospital	5.000%	8/1/42	350,000	393,445
Orange County, FL, Health Facilities Authority Revenue, Presbyterian Retirement Communities	5.000%	8/1/47	250,000	273,318
<i>Total Florida</i>				<i>2,579,511</i>
<i>Georgia 8.0%</i>				
Atlanta, GA, Water & Wastewater Revenue:				
	6.000%	11/1/23	5,000,000	5,295,700 <sup>(e)</sup>
	6.250%	11/1/34	3,260,000	3,464,076 <sup>(e)</sup>
DeKalb, Newton & Gwinnett Counties, GA, Joint Development Authority Revenue, GGC Foundation LLC Project	6.125%	7/1/40	9,000,000	9,414,360 <sup>(e)</sup>
Main Street Natural Gas Inc., GA, Natural Gas Revenue (SIFMA Municipal Swap Index Yield + 0.570%)	1.630%	12/1/23	2,000,000	2,000,980 <sup>(a)(b)</sup>
<i>Total Georgia</i>				<i>20,175,116</i>
<i>Idaho 0.1%</i>				
Idaho State Health Facilities Authority Hospital Revenue, Trinity Health Credit Group	5.000%	12/1/47	300,000	341,532

See Notes to Financial Statements.

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May 31, 2018

**Western Asset Municipal Defined Opportunity Trust Inc.**

	Rate	Maturity Date	Face Amount	Value
<i>Security</i>				
<i>Illinois 7.0%</i>				
Chicago, IL, Board of Education, GO	5.000%	12/1/34	360,000	\$ 369,857
Chicago, IL, GO:				
	5.000%	1/1/25	250,000	268,053
	5.500%	1/1/30	1,685,000	1,826,759
	6.000%	1/1/38	500,000	564,230
Chicago, IL, Motor Fuel Tax Revenue	5.000%	1/1/26	1,000,000	1,057,180
Chicago, IL, O Hare International Airport Revenue:				
	5.000%	1/1/46	2,000,000	2,215,640
General Senior Lien	5.000%	1/1/35	250,000	282,385
Senior Lien	5.000%	1/1/47	500,000	562,225
Senior Lien	5.000%	1/1/52	500,000	560,245
Trips Obligation Group	5.000%	7/1/48	200,000	221,518 <sup>(d)</sup>
Chicago, IL, Transit Authority, Sales Tax Receipts Revenue, Second Lien	5.000%	12/1/51	250,000	269,342
Chicago, IL, Wastewater Transmission Revenue, Second Lien	5.000%	1/1/36	750,000	822,795
Chicago, IL, Waterworks Revenue:				
Second Lien	5.000%	11/1/29	600,000	682,422
Second Lien, AGM	5.000%	11/1/32	2,050,000	2,336,959
Illinois State Finance Authority Revenue, Southern Illinois Healthcare Enterprises Inc.	5.000%	3/1/32	300,000	339,171
Illinois State Finance Authority Revenue, Southern Illinois Healthcare Enterprises Inc.	5.000%	3/1/31	600,000	680,292
Illinois State University Revenue, Auxiliary Facilities System, AGM	5.000%	4/1/37	100,000	109,586
Illinois State, GO:				
	5.000%	2/1/26	1,000,000	1,070,800
	5.000%	11/1/26	550,000	590,144
	5.000%	2/1/27	250,000	267,753
	5.000%	2/1/29	600,000	638,094
	5.000%	12/1/42	500,000	521,885
Metropolitan Pier & Exposition Authority, IL, Dedicated State Tax Revenue, McCormick Project, State Appropriations	5.250%	6/15/50	1,000,000	1,023,540
Metropolitan Pier & Exposition Authority, IL, Revenue, CAB-McCormick Place Expansion Project	0.000%	12/15/52	1,000,000	176,290
Sales Tax Securitization Corp., IL, Revenue	5.000%	1/1/27	200,000	231,352
<i>Total Illinois</i>				<i>17,688,517</i>

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**Western Asset Municipal Defined Opportunity Trust Inc.**

		Maturity	Face	Value
	Rate	Date	Amount	
Security				
<i>Indiana 6.8%</i>				
Indiana Finance Authority, IN, Wastewater Utility Revenue, CWA Authority Project	5.000%	10/1/41	675,000	\$ 767,907
Indiana Municipal Power Agency, Power Supply System Revenue	6.000%	1/1/39	8,000,000	8,201,920 <sup>(e)</sup>
Richmond, IN, Hospital Authority Revenue, Reid Hospital & Health Care Services Inc. Project	6.500%	1/1/29	8,000,000	8,215,360 <sup>(e)</sup>
<i>Total Indiana</i>				<i>17,185,187</i>
<i>Louisiana 0.2%</i>				
Port New Orleans, LA, Board of Commissioners Port Facilities Revenue, AGM	5.000%	4/1/43	500,000	571,260 <sup>(d)</sup>
<i>Maryland 0.6%</i>				
Howard County, MD, Housing Commission Revenue, Columbia Commons Apartments	5.000%	6/1/44	1,350,000	1,454,058
<i>Massachusetts 0.1%</i>				
Massachusetts State DFA Revenue, UMass Boston Student Housing Project	5.000%	10/1/41	250,000	272,718
<i>Michigan 6.3%</i>				
Detroit, MI, Water Supply System Revenue:				
Second Lien, AGM	6.250%	7/1/36	2,995,000	3,136,873 <sup>(e)</sup>
Second Lien, AGM	6.250%	7/1/36	5,000	5,221
Michigan State Finance Authority Limited Obligation Revenue, Higher Education, Thomas M Cooley Law School Project	6.000%	7/1/24	1,500,000	1,574,535 <sup>(e)</sup>
Michigan State Finance Authority Revenue:				
Local Government Loan Program, Detroit Water & Sewer Department	5.000%	7/1/33	350,000	387,961
Senior Lien, Detroit Water & Sewer Department	5.000%	7/1/33	410,000	453,304
Royal Oak, MI, Hospital Finance Authority Revenue:				
William Beaumont Hospital	5.000%	9/1/39	2,000,000	2,188,460
William Beaumont Hospital	8.250%	9/1/39	8,000,000	8,128,000 <sup>(e)</sup>
<i>Total Michigan</i>				<i>15,874,354</i>
<i>Nebraska 2.0%</i>				
Central Plains Energy Project, NE, Gas Project Revenue, Project #3	5.000%	9/1/42	4,250,000	5,144,412
<i>New Jersey 6.3%</i>				
Gloucester County, NJ, PCFA Revenue, Keystone Urban Renewal, Logan Generating	5.000%	12/1/24	750,000	810,750 <sup>(d)</sup>
New Jersey State EDA Revenue:	5.000%	6/15/34	1,500,000	1,621,005

See Notes to Financial Statements.

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

May 31, 2018

**Western Asset Municipal Defined Opportunity Trust Inc.**

		Maturity	Face	Value
Security	Rate	Date	Amount	
<i>New Jersey continued</i>				
Continental Airlines Inc. Project	4.875%	9/15/19	665,000	\$ 679,384
New Jersey State EDA, Special Facility Revenue, Port Newark Container Terminal LLC Project	5.000%	10/1/37	200,000	218,358 <sup>(d)</sup>
New Jersey State EFA Revenue, University of Medicine & Dentistry	7.500%	12/1/32	10,000,000	10,566,900 <sup>(e)</sup>
New Jersey State Health Care Facilities Financing Authority Revenue, Hackensack Meridian Health	5.000%	7/1/38	125,000	143,872
New Jersey State Transportation Trust Fund Authority Revenue, CAB, Transportation System, NATL	0.000%	12/15/31	3,000,000	1,695,990
Tobacco Settlement Financing Corp., NJ, Revenue	5.000%	6/1/46	200,000	219,798
<i>Total New Jersey</i>				<i>15,956,057</i>
<i>New York 9.9%</i>				
Hudson Yards Infrastructure Corp. Revenue	5.000%	2/15/36	1,000,000	1,152,890
Liberty, NY, Development Corp. Revenue, Goldman Sachs Headquarters	5.250%	10/1/35	2,500,000	3,143,050
MTA Hudson Rail Yards Trust Obligations Revenue	5.000%	11/15/51	1,250,000	1,330,425
MTA, NY, Dedicated Tax Fund Revenue, Green Bonds	5.000%	11/15/47	500,000	577,105
New York State Convention Center Development Corp. Revenue, CAB, Subordinated Lien, Hotel Unit Fee Secured	0.000%	11/15/32	2,000,000	1,206,360
New York State Dormitory Authority Revenue, Non-State Supported Debt, Memorial Sloan Kettering Cancer Center	5.000%	7/1/28	1,500,000	1,796,025
New York State Dormitory Authority, State Personal Income Tax Revenue	5.000%	2/15/37	1,000,000	1,161,410
New York State Liberty Development Corp., Liberty Revenue, 3 World Trade Center LLC Project	5.000%	11/15/44	575,000	611,409 <sup>(c)</sup>
New York State Thruway Authority General Revenue, Junior Indebtedness Obligations, Junior Lien	5.000%	1/1/46	1,000,000	1,123,790
New York State Transportation Development Corp., Special Facilities Revenue: Delta Airlines Inc., LaGuardia Airport	5.000%	1/1/32	1,100,000	1,249,523 <sup>(d)</sup>

See Notes to Financial Statements.

**Table of Contents****Western Asset Municipal Defined Opportunity Trust Inc.**

		Maturity	Face	Value
Security	Rate	Date	Amount	
<i>New York continued</i>				
LaGuardia Airport Terminal B Redevelopment Project	5.000%	7/1/46	3,000,000	\$ 3,256,230 <sup>(d)</sup>
Port Authority of New York & New Jersey, Special Obligation Revenue, JFK International Air Terminal LLC	5.500%	12/1/31	7,925,000	8,581,824
<i>Total New York</i>				<i>25,190,041</i>
<i>North Carolina 0.4%</i>				
North Carolina State Turnpike Authority Monroe Expressway Toll Revenue	5.000%	7/1/54	750,000	819,690
North Carolina State Turnpike Authority Revenue, Senior Lien	5.000%	1/1/30	100,000	114,370
<i>Total North Carolina</i>				<i>934,060</i>
<i>Oklahoma 0.1%</i>				
Oklahoma State Turnpike Authority Revenue	5.000%	1/1/47	40,000	45,943
Payne County, OK, EDA Revenue, Epworth Living at The Ranch	6.250%	11/1/31	170,000	85,000 <sup>(f)</sup>
<i>Total Oklahoma</i>				<i>130,943</i>
<i>Oregon 0.8%</i>				
Oregon State Facilities Authority Revenue, Legacy Health Project	5.000%	6/1/46	650,000	730,464
Washington Multnomah & Yamhill County, OR, School District No 1 West Union, GO, Hillsboro, School Board Guaranty	5.000%	6/15/35	1,000,000	1,175,340
<i>Total Oregon</i>				<i>1,905,804</i>
<i>Pennsylvania 5.0%</i>				
Commonwealth Financing Authority, PA, Tobacco Master Settlement Payment Revenue, Tobacco Master Settlement Payment Bonds	5.000%	6/1/30	250,000	286,610