

Western Asset Investment Grade Defined Opportunity Trust Inc.
Form N-CSR
January 28, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-22294

Western Asset Investment Grade Defined Opportunity Trust Inc.
(Exact name of registrant as specified in charter)

55 Water Street, New York, NY
(Address of principal executive offices)

10041
(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: November 30, 2010

ITEM 1. REPORT TO STOCKHOLDERS.

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

November 30, 2010

Annual Report

**Western Asset Investment Grade Defined Opportunity Trust Inc.
(IGI)**

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

II Western Asset Investment Grade Defined Opportunity Trust Inc.

Fund objectives

The Fund's primary investment objective is to provide current income and then to liquidate and distribute substantially all of the Fund's net assets to stockholders on or about December 2, 2024. As a secondary investment objective, the Fund will seek capital appreciation. There can be no assurance the Fund will achieve its investment objectives.

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Letter from the chairman

Dear Shareholder,

We are pleased to provide the annual report of Western Asset Investment Grade Defined Opportunity Trust Inc. for the twelve-month reporting period ended November 30, 2010. Please read on for a detailed look at prevailing economic and market conditions during the Fund's reporting period and to learn how those conditions have affected Fund performance.

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

- Fund prices and performance,
- Market insights and commentaries from our portfolio managers, and
- A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,

R. Jay Gerken, CFA

Chairman, President and Chief Executive Officer

December 31, 2010

Investment commentary

Economic review

While the U.S. economy continued to expand over the twelve months ended November 30, 2010, economic data was mixed and unemployment remained elevated. The Federal Reserve Board (Fed)i expressed concerns regarding the direction of the economy and took additional actions in an attempt to spur growth. This initially caused investor sentiment to improve, but the financial markets declined toward the end of the reporting period given a re-escalation of the European sovereign debt crisis.

In September 2010, the National Bureau of Economic Research (NBER), the organization charged with determining when recessions start and end, announced that the recession that began in December 2007 had concluded in June 2009. However, the NBER said, In determining that a trough occurred in June 2009, the committee did not conclude that economic conditions since that month have been favorable or that the economy has returned to operating at normal capacity. The NBER s point is well-taken given continued areas of weakness in the U.S. economy.

Although the U.S. Department of Commerce continued to report positive U.S. gross domestic product (GDP)ii growth, the expansion has moderated since peaking at 5.0% in the fourth quarter of 2009. A slower drawdown in business inventories and renewed consumer spending were contributing factors spurring the economy s solid growth at the end of 2009. However, the economy has grown at a more modest pace thus far in 2010. According to the Commerce Department, GDP growth was 3.7% and 1.7% during the first and second quarters of 2010, respectively. GDP growth then edged somewhat higher to 2.6% in the third quarter.

Turning to the job market, after experiencing sharp job losses in 2009, the U.S. Department of Labor reported that over one million new positions were added during the first five months of 2010. Included in that number, however, were 700,000 temporary government jobs tied to the 2010 Census. From June through September, more than 525,000 of these temporary positions were eliminated. This more than offset private sector growth and resulted in a total net loss of 300,000 jobs from June through September. The employment picture then brightened somewhat in October, as 172,000 new jobs were created. Payrolls then increased a disappointing 39,000 in November and the unemployment rate inched up to end the period at 9.8%. The unemployment rate has now exceeded 9.0% since May 2009.

There was mixed news in the housing market during the period. According to the National Association of Realtors (NAR), existing-home sales increased 7.0% and 8.0% in March and April, respectively, after sales had fallen for the period from December 2009 through February 2010. The rebound was largely attributed to people rushing to take advantage of the government s \$8,000 tax credit for first-time home buyers that expired at the end of April. However, with the end of the tax credit, existing-home sales then declined from May through July. Sales then rose 7.3% and 10.0% in August and September, respectively. Sales then dipped 2.2% in October and rose 5.6% in November. Looking at home prices, the NAR reported that the median existing-home price for all housing types was \$170,600 in November 2010, which was 0.4% higher than in November 2009. Prices appeared to stabilize somewhat as the number of existing homes on the market declined in November. The inventory of unsold

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Investment commentary (cont d)

homes was a 9.5 month supply in November at the current sales level, versus a 10.5 month supply in October.

One overall bright spot for the economy has been the manufacturing sector. Based on the Institute for Supply Management's PMIⁱⁱⁱ, the manufacturing sector has grown sixteen consecutive months since it began expanding in August 2009. After reaching a six-year peak of 60.4 in April 2010, PMI data indicated somewhat more modest growth from May through July (a reading below 50 indicates a contraction, whereas a reading above 50 indicates an expansion). The manufacturing sector then expanded at a faster pace in August, before moderating somewhat in September. Manufacturing then grew in October at its fastest pace since May with a reading of 56.9 for the month, before dipping to 56.6 in November.

Financial market overview

During the majority of the reporting period, the financial markets were largely characterized by healthy investor risk appetite and solid results by lower-quality bonds. However, the market experienced a sharp sell-off in late April and in May, during which risk aversion returned and investors flocked to the relative safety of U.S. Treasury securities. Demand for riskier assets then resumed in June and July, followed by another flight to quality in August. Risk appetite then returned in September and October before the financial markets again weakened beginning in mid-November.

Due to signs that economic growth was slowing toward the end of the reporting period, the Fed took further actions to spur the economy. At its August 10th meeting, the Fed announced an ongoing program that calls for using the proceeds from expiring agency debt and agency mortgage-backed securities to purchase longer-dated Treasury securities.

In addition, the Fed remained cautious throughout the reporting period given pockets of weakness in the economy. At its meeting in September 2010, the Fed said, "The Committee will continue to monitor the economic outlook and financial developments and is prepared to provide additional accommodation if needed to support the economic recovery. . . . This led to speculation that the Fed may again move to purchase large amounts of agency and Treasury securities in an attempt to avoid a double-dip recession and ward off deflation.

The Fed then took additional action in early November. Citing that "the pace of recovery in output and employment continues to be slow," the Fed announced another round of quantitative easing to help stimulate the economy, entailing the purchase of \$600 billion of long-term U.S. Treasury securities by the end of the second quarter of 2011. This, coupled with the Fed's previously announced program to use the proceeds of expiring securities to purchase Treasuries, means it could buy a total of \$850 billion to \$900 billion of Treasury securities by the end of June 2011.

Fixed-income market review

Continuing the trend that began in the second quarter of 2009, nearly every spread sector (non-Treasury) outperformed equal-durationiv Treasuries during most of the first half of the reporting period. Over that time, investor confidence was high given encouraging economic data, continued low interest rates, benign inflation and rebounding corporate profits. Robust investor

Western Asset Investment Grade Defined Opportunity Trust Inc. V

appetite was then replaced with heightened risk aversion toward the end of April and during the month of May. This was due to the escalating sovereign debt crisis in Europe, uncertainties regarding new financial reforms in the U.S. and some worse-than-expected economic data. Most spread sectors then produced positive absolute returns in June and July, as investor demand for these securities again increased. There was another bout of risk aversion in August, given fears that the economy may slip back into a recession. However, with the Fed indicating the possibility of another round of quantitative easing, most spread sectors rallied in September and October. The spread sectors then ended the reporting period on a weak note as financial troubles in Ireland resulted in a re-emergence of the European sovereign debt crisis.

Both short- and long-term Treasury yields fluctuated but, overall, moved lower during the twelve months ended November 30, 2010. When the period began, two- and ten-year Treasury yields were 0.67% and 3.21%, respectively. On April 5, 2010, two- and ten-year Treasury yields peaked at 1.18% and 4.01%, respectively. Subsequent to hitting their highs for the period, yields largely declined during much of the remainder of the reporting period. When the period ended on November 30, 2010, two-year Treasury yields were 0.45%, versus a low of 0.33% earlier in the month. Ten-year Treasury yields ended the period at 2.81%, which was higher than their trough of 2.41% that occurred in October. Longer-term yields moved higher toward the end of the period as fears of future inflation increased in light of the Fed's additional policy accommodation. For the twelve months ended November 30, 2010, the Barclays Capital U.S. Aggregate Index^v returned 6.02%.

The U.S. high-yield bond market produced strong results during the reporting period. The asset class posted positive returns during each month, except for May and November 2010 when risk aversion rose sharply. The high-yield market was supported by better-than-expected corporate profits and overall strong investor demand. All told, the Barclays Capital U.S. High Yield 2% Issuer Cap Index^{vi} returned 16.60% for the twelve months ended November 30, 2010.

Emerging market debt prices rallied over the reporting period, also posting positive returns each month during the period except for May and November 2010. This solid performance was triggered by strong economic growth in many emerging market countries, solid domestic demand and generally robust investor demand for the asset class. The JPMorgan Emerging Markets Bond Index Global (EMBI Global)^{vii} returned 12.77% over the twelve months ended November 30, 2010.

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

Sincerely,

R. Jay Gerken, CFA

Chairman, President and Chief Executive Officer

December 31, 2010

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.

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Investment commentary (continued)

- i The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.
- ii Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.
- iii The Institute for Supply Management's PMI is based on a survey of purchasing executives who buy the raw materials for manufacturing at more than 350 companies. It offers an early reading on the health of the manufacturing sector.
- iv Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.
- v The Barclays Capital U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- vi The Barclays Capital U.S. High Yield 2% Issuer Cap Index is an index of the 2% Issuer Cap component of the Barclays Capital U.S. Corporate High Yield Index, which covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market.
- vii The JPMorgan Emerging Markets Bond Index Global (EMBI Global) tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds and local market instruments.

Fund overview

Q. What is the Fund's investment strategy?

A. The Fund's primary investment objective is to provide current income and then to liquidate and distribute substantially all of the Fund's net assets to stockholders on or about December 2, 2024. As a secondary investment objective, the Fund will seek capital appreciation. There can be no assurance the Fund will achieve its investment objectives.

The Fund seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its net assets in investment grade corporate fixed-income securities of varying maturities. The Fund may invest up to 20% of its net assets in corporate fixed-income securities of below investment grade quality at the time of investment and other securities, including obligations of the U.S. government, its agencies or instrumentalities, common stocks, warrants and depositary receipts. While the Fund may invest up to 20% of its net assets in below investment grade securities, the Fund will, under normal market conditions, maintain a portfolio with an overall dollar-weighted average of investment grade credit quality. The Fund may invest up to 20% of its net assets in securities of foreign issuers located anywhere in the world, including issuers located in emerging market countries. Additionally, the Fund may invest up to 20% of its net assets in non-U.S. dollar denominated securities.

The Fund may invest in derivative instruments, such as options contracts, futures contracts, options on futures contracts, indexed securities, credit default swaps and other swap agreements, provided that the Fund's exposure to derivative instruments, as measured by the total notional amount of all such instruments, will not exceed 20% of its net assets.

In purchasing securities and other investments for the Fund, we may take full advantage of the entire range of maturities and durations offered by corporate fixed-income securities and may adjust the average maturity or duration of the Fund's portfolio from time to time, depending on our assessment of the relative yields available on securities of different maturities and durations and our expectations of future changes in interest rates.

The Fund may take on leveraging risk by utilizing certain management techniques, whereby it will segregate liquid assets, enter into offsetting transactions or own positions covering its obligations. To the extent the Fund covers its commitment under such a portfolio management technique, such instrument will not be considered a senior security for the purposes of the Investment Company Act of 1940. However, as a fundamental policy, the Fund will not leverage its capital structure by issuing senior securities such as preferred shares or debt instruments.

At Western Asset Management Company (Western Asset), the Fund's subadviser, we utilize a fixed-income team approach, with decisions derived from interaction among various investment management sector specialists. The sector teams are comprised of Western Asset's senior portfolio managers, research analysts and an in-house economist. Under this team approach, management of client fixed-income portfolios will reflect a consensus of interdisciplinary views within the Western Asset organization. The portfolio managers responsible for development of investment strategy, day-to-day portfolio management, oversight and coordination of the Fund are Stephen A. Walsh, Michael C. Buchanan,

Timothy J. Settel, Dipankar Shewaram and Ryan K. Brist.

Fund overview (cont'd)

Q. What were the overall market conditions during the Fund's reporting period?

A. During the twelve months ended November 30, 2010, the riskier segments of the fixed-income market produced strong results and outperformed U.S. Treasuries. This was due, in part, to improving economic conditions following the lengthy downturn from mid-2008 through mid-2009. Also supporting the spread sectors (non-U.S. Treasuries) was overall solid demand from investors seeking incremental yields given the low rates available from short-term fixed-income securities.

The spread sectors rallied during most of the reporting period, with notable exceptions being in late April and May 2010, as well as August and November 2010. Starting toward the end of April, there was a flight to quality, triggered by concerns regarding the escalating sovereign debt crisis in Europe. In addition, investor sentiment was negatively impacted by uncertainties surrounding financial reform legislation in the U.S. and signs that economic growth was moderating. Collectively, this caused investors to flock to the relative safety of Treasury securities, driving their yields lower and prices higher.

Robust investor risk appetite largely resumed during June and July, and again in September and October. These turnarounds occurred as the situation in Europe appeared to stabilize, the financial reform bill was signed into law and the Federal Reserve Board (Fed) continued to indicate that it would keep short-term rates low for an extended period. However, investor risk aversion returned in November when fears regarding the European debt crisis re-emerged.

The yields on two- and ten-year Treasuries began the fiscal year at 0.67% and 3.21%, respectively. Treasury yields fluctuated during the twelve-month reporting period given changing perceptions regarding the economy, interest rates, inflation and deflation. Yields moved sharply lower in October 2010 in anticipation of additional quantitative easing by the Fed. Yields then reversed course toward the end of the period as certain economic data were stronger than expected and there were concerns regarding future inflation. During the fiscal year, two-year Treasury yields moved as high as 1.18% and as low as 0.33%, whereas ten-year Treasuries rose as high as 4.01% and as low as 2.41%. On November 30, 2010, yields on two- and ten-year Treasuries were 0.45% and 2.81%, respectively.

All told, the Barclays Capital U.S. Aggregate Index^{xiii} and the Barclays Capital U.S. Credit Index^{xiv} returned 6.02% and 8.48%, respectively, for the twelve months ended November 30, 2010.

Q. How did we respond to these changing market conditions?

A. A number of adjustments were made to the Fund's portfolio during the reporting period. We increased the Fund's exposure to the Financials sector and, in particular, banks. This was based on our expectation for improving profits in the banking industry. We also participated in the new

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issuance market by selectively purchasing both investment grade and high-yield corporate bonds from a variety of sectors. While the Fund maintained its lower-quality bias versus the benchmark, we pared our exposure to certain lower-quality securities to capture profits toward the end of the fiscal year.

The Fund employed U.S. Treasury futures during the reporting period to

manage duration. This strategy detracted from the Fund's performance.

Performance review

For the twelve months ended November 30, 2010, Western Asset Investment Grade Defined Opportunity Trust Inc. returned 10.28% based on its net asset value (NAV) and 12.52% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmark, the Barclays Capital U.S. Credit Index, returned 8.48% for the same period. The Lipper Corporate Debt BBB-Rated Closed-End Funds Category Average returned 13.46% over the same time frame. Please note that Lipper performance returns are based on each fund's NAV.

During the twelve-month period, the Fund made distributions to shareholders totaling \$1.25 per share. The performance table shows the Fund's twelve-month total return based on its NAV and market price as of November 30, 2010. **Past performance is no guarantee of future results.**

Performance Snapshot as of November 30, 2010

| Price Per Share | 12-Month Total Return* |
|------------------------|------------------------|
| \$21.35 (NAV) | 10.28% |
| \$20.79 (Market Price) | 12.52% |

All figures represent past performance and are not a guarantee of future results.

* Total returns are based on changes in NAV or market price, respectively. Total returns assume the reinvestment of all distributions in additional shares in accordance with the Fund's Dividend Reinvestment Plan.

Q. What were the leading contributors to performance?

A. The largest contributor to the Fund's relative performance during the reporting period was its lower-quality bias. This positioning was beneficial given strong demand from investors looking to generate incremental yield. During the reporting period, the Fund maintained roughly a 15% total allocation to below investment grade credit (high-yield bonds and floating rate senior secured high-yield loans). Within the investment grade market, we maintained an overweight versus the benchmark to lower-rated BBB bonds which outperformed the overall

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benchmark during the period. In addition, we underweighted bonds rated AAA, AA and A which underperformed the benchmark.

Issue selection also significantly contributed to results. Within the high-yield market, overweight positions in **Sprint Capital Corp.** and AIG's aircraft leasing arm, **International Lease Finance Corp.** were rewarded. Wireless service provider Sprint posted improved fundamental results and continued to generate significant free cash flow, which caused its BB-rated unsecured bonds to perform well during the period. As we anticipated, AIG's International Lease Finance freed up collateral by repaying a government loan during the period and the company accessed the capital markets in order to extend its maturity profile. This balance sheet management, combined with stable fundamental results, caused the issuer's bonds to rally significantly during the period.

Among the Fund's best performers within the investment grade market were overweight positions in **Williams Cos. Inc.** and **Altria Group Inc.** Williams Cos. is an energy company whose core business includes natural gas exploration and production (E&P) and natural gas processing and transportation via its majority stakeholding in **Williams**

Fund overview (cont'd)

Partners LP. Williams Cos. performed well as its pipeline business continued to generate strong cash flows with the distributions reinvested into the E&P operations to fund growth. Company management remains focused on preserving liquidity which was seen as beneficial for debt holders. Tobacco company Altria Group continued to generate fundamental results that were in line with expectations. We believe Altria has a strong management team which has done an effective job of offsetting declining cigarette volumes by taking market share with its premium brands and growing its smokeless tobacco division. Additionally, Altria reduced its pension obligations in 2010 which helped its BBB-rated corporate bonds to rally significantly during the reporting period.

Sector allocation was, overall, also a positive for the Fund's performance. In particular, having an underweight to non-corporates (primarily sovereign and Build America Bonds) was a contributor given their underperformance versus corporate credit during the fiscal year. Elsewhere, the Fund's overweight to Financials boosted results as the sector outperformed the overall benchmark.

Q. What were the leading detractors from performance?

A. The largest detractors from relative performance during the reporting period were several individual securities. Our first lien secured exposure to high-yield issuer **Blockbuster Inc.** was a negative for performance. Poor fundamental results and concerns over Blockbuster's in-store rental model pressured its bonds during the period. In September 2010, the company filed for bankruptcy. As a result, our holdings detracted from performance as their prices declined in a rising market. We liquidated our position during the period. Elsewhere, an overweight in **Telecom Italia Capital SA** was not rewarded as its bonds did not rally in a rising market based on investor concerns that the sovereign debt crisis in Greece and Ireland might spread to Italy. We continue to hold our Telecom Italia position based on predictable fundamental performance in this defensive sector, and we feel the additional compensation of roughly 175 basis points (1.75%) versus other BBB-rated corporate bonds is attractive. At the end of the reporting period, Telecom Italia traded close to where we acquired the position.

While the Fund's sector allocation was a positive for results overall, an underweight to Consumer Cyclical¹ was a modest detractor based on the sector's slight outperformance versus the benchmark during the reporting period.

Looking for additional information?

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

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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.

- 1 Consumer Cyclical consists of the following industries: Automotive, Entertainment, Gaming, Home Construction, Lodging, Retailers, Restaurants, Textiles and other consumer services.

Thank you for your investment in Western Asset Investment Grade 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,

Western Asset Management Company

December 21, 2010

RISKS: *The Fund's investments are subject to credit risk, inflation risk and interest rate risk. As interest rates rise, bond prices fall, reducing the value of the Fund's holdings. The Fund may invest in lower-rated high-yield bonds which are subject to greater credit risk (risk of default) than higher-rated obligations. 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 or engage in transactions that have the economic effects of leverage which can increase the risk and volatility of the Fund.*

Portfolio holdings and breakdowns are as of November 30, 2010 and are subject to change and may not be representative of the portfolio managers' current or future investments. Please refer to pages 9 through 19 for a list and percentage breakdown of the Fund's holdings.

The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional. The Fund's top five sector holdings (as a percentage of net assets) as of November 30, 2010 were: Financials (33.2%), Energy (11.1%), Consumer Discretionary (10.4%), Telecommunication Services (9.5%) and Utilities (7.4%). The Fund's portfolio composition is subject to change at any time.

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 Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.
- ii The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.
- iii The Barclays Capital U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- iv The Barclays Capital U.S. Credit Index is an index composed of corporate and non-corporate debt issues that are investment grade (rated Baa3/BBB- or higher).
- v Net asset value (NAV) is calculated by subtracting total liabilities and outstanding preferred stock (if any) from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund s market price as determined by supply of and demand for the Fund s shares.
- vi Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the twelve-month period ended November 30, 2010, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 26 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 November 30, 2010 and November 30, 2009 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.

Represents less than 0.1%.

Spread duration (unaudited)

Economic Exposure November 30, 2010

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 portfolio and the exposure relative to the selected benchmark as of the end of the reporting period.

| | |
|----------------|---|
| BC U.S. Credit | Barclays Capital U.S. Credit Index |
| IG Credit | Investment Grade Credit |
| IGI | Western Asset Investment Grade Defined Opportunity Trust Inc. |

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Effective duration (unaudited)

Interest Rate Exposure November 30, 2010

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

| | |
|----------------|---|
| BC U.S. Credit | Barclays Capital U.S. Credit Index |
| IG Credit | Investment Grade Credit |
| IGI | Western Asset Investment Grade Defined Opportunity Trust Inc. |

Schedule of investments

November 30, 2010

Western Asset Investment Grade Defined Opportunity Trust Inc.

| | Rate | Maturity Date | Face Amount | Value |
|---|-------------|----------------------|--------------------|-------------------|
| Security | | | | |
| Corporate Bonds & Notes 93.1% | | | | |
| Consumer Discretionary 9.5% | | | | |
| Auto Components 0.1% | | | | |
| BorgWarner Inc., Senior Notes | 4.625% | 9/15/20 | \$ 220,000 | \$ 226,268 |
| Hotels, Restaurants & Leisure 0.7% | | | | |
| Harrah's Operating Co. Inc., Senior Secured Notes | 11.250% | 6/1/17 | 1,250,000 | 1,368,750 |
| NCL Corp. Ltd., Senior Secured Notes | 11.750% | 11/15/16 | 320,000 | 364,000 |
| Total Hotels, Restaurants & Leisure | | | | 1,732,750 |
| Household Durables 0.8% | | | | |
| Fortune Brands Inc., Senior Notes | 4.875% | 12/1/13 | 720,000 | 759,307 |
| Stanley Black & Decker Inc., Senior Notes | 5.200% | 9/1/40 | 1,010,000 | 983,822 |
| Total Household Durables | | | | 1,743,129 |
| Internet & Catalog Retail 0.2% | | | | |
| QVC Inc., Senior Secured Notes | 7.375% | 10/15/20 | 500,000 | 525,000(a) |
| Leisure Equipment & Products 0.1% | | | | |
| Hasbro Inc., Senior Notes | 6.350% | 3/15/40 | 150,000 | 152,291 |
| Media 7.1% | | | | |
| Comcast Corp., Bonds | 6.400% | 5/15/38 | 2,500,000 | 2,687,020 |
| Comcast Corp., Senior Notes | 5.700% | 7/1/19 | 1,500,000 | 1,687,043 |
| DISH DBS Corp., Senior Notes | 7.875% | 9/1/19 | 1,250,000 | 1,318,750 |
| Globo Comunicacoes e Participacoes SA, Bonds | 7.250% | 4/26/22 | 1,000,000 | 1,085,000(a) |
| News America Inc., Senior Notes | 6.650% | 11/15/37 | 2,400,000 | 2,685,134 |
| Omnicom Group Inc., Notes | 6.250% | 7/15/19 | 1,760,000 | 2,041,271 |
| Time Warner Cable Inc., Debentures | 7.300% | 7/1/38 | 500,000 | 589,438 |
| Time Warner Cable Inc., Senior Notes | 8.750% | 2/14/19 | 1,100,000 | 1,433,269 |
| United Business Media Ltd., Notes | 5.750% | 11/3/20 | 300,000 | 299,647(a) |
| Univision Communications Inc., Senior Secured Notes | 12.000% | 7/1/14 | 1,000,000 | 1,088,750(a) |
| WPP Finance UK, Senior Notes | 8.000% | 9/15/14 | 1,000,000 | 1,176,009 |
| Total Media | | | | 16,091,331 |
| Textiles, Apparel & Luxury Goods 0.5% | | | | |
| Oxford Industries Inc., Senior Secured Notes | 11.375% | 7/15/15 | 1,000,000 | 1,127,500 |
| Total Consumer Discretionary | | | | 21,598,269 |
| Consumer Staples 6.0% | | | | |
| Beverages 0.9% | | | | |
| Anheuser-Busch InBev Worldwide Inc., Senior Notes | 7.750% | 1/15/19 | 1,000,000 | 1,286,939(a) |
| Diageo Capital PLC, Notes | 5.750% | 10/23/17 | 700,000 | 817,904 |
| Total Beverages | | | | 2,104,843 |

See Notes to Financial Statements.

10 Western Asset Investment Grade Defined Opportunity Trust Inc. 2010 Annual Report

Schedule of investments (cont d)

November 30, 2010

Western Asset Investment Grade Defined Opportunity Trust Inc.

| Security | Rate | Maturity Date | Face Amount | Value |
|--|-------------|--------------------------|------------------------|-------------------|
| Food & Staples Retailing 0.8% | | | | |
| CVS Caremark Corp., Senior Notes | 6.600% | 3/15/19 | \$ 600,000 | \$ 725,742 |
| Safeway Inc., Senior Notes | 6.250% | 3/15/14 | 875,000 | 988,940 |
| Total Food & Staples Retailing | | | | 1,714,682 |
| Food Products 2.0% | | | | |
| Kraft Foods Inc., Senior Notes | 5.375% | 2/10/20 | 1,030,000 | 1,149,243 |
| Mead Johnson Nutrition Co., Senior Notes | 4.900% | 11/1/19 | 1,080,000 | 1,184,891 |
| Ralcorp Holdings Inc., Senior Secured Notes | 4.950% | 8/15/20 | 600,000 | 622,175 |
| Smithfield Foods Inc., Senior Secured Notes | 10.000% | 7/15/14 | 1,500,000 | 1,702,500(a) |
| Total Food Products | | | | 4,658,809 |
| Tobacco 2.3% | | | | |
| Altria Group Inc., Senior Notes | 9.250% | 8/6/19 | 1,000,000 | 1,336,656 |
| Lorillard Tobacco Co., Senior Notes | 8.125% | 6/23/19 | 600,000 | 687,997 |
| Lorillard Tobacco Co., Senior Notes | 8.125% | 5/1/40 | 680,000 | 719,579 |
| Reynolds American Inc., Senior Secured Notes | 7.625% | 6/1/16 | 2,000,000 | 2,379,848 |
| Total Tobacco | | | | 5,124,080 |
| Total Consumer Staples | | | | 13,602,414 |
| Energy 11.1% | | | | |
| Energy Equipment & Services 0.5% | | | | |
| Baker Hughes Inc., Senior Notes | 5.125% | 9/15/40 | 420,000 | 421,228 |
| Weatherford International Ltd., Senior Notes | 5.125% | 9/15/20 | 580,000 | 590,689 |
| Total Energy Equipment & Services | | | | 1,011,917 |
| Oil, Gas & Consumable Fuels 10.6% | | | | |
| Anadarko Petroleum Corp., Senior Notes | 5.950% | 9/15/16 | 600,000 | 641,024 |
| Anadarko Petroleum Corp., Senior Notes | 6.375% | 9/15/17 | 80,000 | 86,543 |
| Anadarko Petroleum Corp., Senior Notes | 6.450% | 9/15/36 | 770,000 | 748,720 |
| ConocoPhillips, Notes | 6.500% | 2/1/39 | 1,500,000 | 1,826,126 |
| DCP Midstream LLC, Senior Notes | 9.750% | 3/15/19 | 1,000,000 | 1,313,218(a) |
| Devon Financing Corp. ULC, Debentures | 7.875% | 9/30/31 | 1,080,000 | 1,425,584 |
| Enterprise Products Operating LP, Senior Notes | 9.750% | 1/31/14 | 2,000,000 | 2,438,506 |
| EOG Resources Inc., Senior Notes | 6.875% | 10/1/18 | 800,000 | 984,041 |
| EOG Resources Inc., Senior Notes | 4.100% | 2/1/21 | 270,000 | 270,656 |
| Hess Corp., Notes | 8.125% | 2/15/19 | 1,400,000 | 1,821,330 |
| Hess Corp., Notes | 7.875% | 10/1/29 | 440,000 | 557,608 |
| Hess Corp., Senior Bonds | 6.000% | 1/15/40 | 520,000 | 551,608 |
| Kinder Morgan Energy Partners LP, Senior Notes | 5.950% | 2/15/18 | 800,000 | 898,311 |
| Newfield Exploration Co., Senior Notes | 6.625% | 4/15/16 | 970,000 | 999,100 |
| Pemex Project Funding Master Trust, Senior Bonds | 6.625% | 6/15/35 | 1,000,000 | 1,049,908 |

See Notes to Financial Statements.

Western Asset Investment Grade Defined Opportunity Trust Inc.

| Security | Rate | Maturity Date | Face Amount | Value |
|--|-------------|----------------------|--------------------|-------------------|
| <i>Oil, Gas & Consumable Fuels continued</i> | | | | |
| Petrobras International Finance Co., Senior Notes | 5.750% | 1/20/20 | \$1,109,000 | \$ 1,203,111 |
| Petroleos Mexicanos, Senior Notes | 5.500% | 1/21/21 | 250,000 | 262,500 |
| Quicksilver Resources Inc., Senior Notes | 11.750% | 1/1/16 | 1,000,000 | 1,152,500 |
| Shell International Finance BV, Senior Notes | 6.375% | 12/15/38 | 1,500,000 | 1,788,897 |
| TNK-BP Finance SA, Senior Notes | 7.500% | 3/13/13 | 870,000 | 941,775(a) |
| Valero Energy Corp., Senior Notes | 9.375% | 3/15/19 | 700,000 | 886,869 |
| Williams Cos. Inc., Notes | 7.875% | 9/1/21 | 1,490,000 | 1,805,159 |
| Williams Partners LP, Senior Notes | 5.250% | 3/15/20 | 460,000 | 493,493 |
| Total Oil, Gas & Consumable Fuels | | | | 24,146,587 |
| Total Energy | | | | 25,158,504 |
| Financials 32.2% | | | | |
| Capital Markets 7.0% | | | | |
| Bear Stearns Cos. LLC, Senior Notes | 7.250% | 2/1/18 | 3,070,000 | 3,672,641 |
| Credit Suisse New York, Senior Notes | 5.300% | 8/13/19 | 560,000 | 601,741 |
| Goldman Sachs Group Inc., Senior Notes | 5.950% | 1/18/18 | 4,250,000 | 4,618,645 |
| Goldman Sachs Group Inc., Senior Notes | 7.500% | 2/15/19 | 500,000 | 584,167 |
| Goldman Sachs Group Inc., Senior Notes | 5.375% | 3/15/20 | 470,000 | 483,239 |
| Merrill Lynch & Co. Inc., Notes | 6.875% | 4/25/18 | 990,000 | 1,089,298 |
| Morgan Stanley, Medium-Term Notes | 6.625% | 4/1/18 | 1,750,000 | 1,915,179 |
| Morgan Stanley, Senior Notes | 5.500% | 1/26/20 | 1,950,000 | 1,968,129 |
| Morgan Stanley, Senior Notes | 5.500% | 7/24/20 | 200,000 | 205,050 |
| UBS AG Stamford CT, Senior Notes | 4.875% | 8/4/20 | 790,000 | 821,052 |
| Total Capital Markets | | | | 15,959,141 |
| Commercial Banks 5.1% | | | | |
| BankAmerica Institutional Capital A, Junior Subordinated Bonds | 8.070% | 12/31/26 | 240,000 | 243,000(a) |
| BankAmerica Institutional Capital B, Junior Subordinated Bonds | 7.700% | 12/31/26 | 250,000 | 251,875(a) |
| Commonwealth Bank of Australia, Senior Notes | 5.000% | 10/15/19 | 110,000 | 118,394(a) |
| Royal Bank of Scotland Group PLC, Senior Notes | 6.400% | 10/21/19 | 1,580,000 | 1,593,683 |
| Royal Bank of Scotland Group PLC, Subordinated Notes | 5.000% | 11/12/13 | 120,000 | 118,777 |
| Royal Bank of Scotland Group PLC, Subordinated Notes | 5.000% | 10/1/14 | 740,000 | 731,639 |
| Royal Bank of Scotland PLC, Senior Notes | 4.875% | 3/16/15 | 100,000 | 103,457 |
| Santander US Debt SA Unipersonal, Senior Notes | 2.485% | 1/18/13 | 600,000 | 590,904(a) |

See Notes to Financial Statements.

12 Western Asset Investment Grade Defined Opportunity Trust Inc. 2010 Annual Report

Schedule of investments (cont d)

November 30, 2010

Western Asset Investment Grade Defined Opportunity Trust Inc.

| Security | Rate | Maturity Date | Face Amount | Value |
|--|-------------|--------------------------|------------------------|-------------------|
| Commercial Banks continued | | | | |
| Santander US Debt SA Unipersonal, Senior Notes | 3.724% | 1/20/15 | \$ 700,000 | \$ 674,898(a) |
| Svenska Handelsbanken AB, Senior Notes | 4.875% | 6/10/14 | 2,100,000 | 2,278,985(a) |
| Wachovia Corp., Senior Notes | 5.750% | 2/1/18 | 4,400,000 | 4,941,706 |
| Total Commercial Banks | | | | 11,647,318 |
| Consumer Finance 3.6% | | | | |
| Ally Financial Inc., Senior Notes | 8.000% | 3/15/20 | 1,500,000 | 1,548,750(a) |
| American Express Co., Senior Notes | 8.125% | 5/20/19 | 2,760,000 | 3,493,691 |
| Ford Motor Credit Co., LLC, Senior Notes | 12.000% | 5/15/15 | 1,000,000 | 1,239,877 |
| SLM Corp., Medium-Term Notes | 8.000% | 3/25/20 | 1,850,000 | 1,862,271 |
| Total Consumer Finance | | | | 8,144,589 |
| Diversified Financial Services 10.8% | | | | |
| Bank of America Corp., Senior Notes | 7.625% | 6/1/19 | 2,760,000 | 3,142,699 |
| Bank of America Corp., Senior Notes | 5.625% | 7/1/20 | 240,000 | 241,720 |
| Boeing Capital Corp., Senior Notes | 4.700% | 10/27/19 | 680,000 | 749,161 |
| Citigroup Inc., Senior Notes | 6.000% | 12/13/13 | 550,000 | 601,989 |
| Citigroup Inc., Senior Notes | 6.375% | 8/12/14 | 300,000 | 332,573 |
| Citigroup Inc., Senior Notes | 5.500% | 10/15/14 | 470,000 | 510,494 |
| Citigroup Inc., Senior Notes | 6.010% | 1/15/15 | 200,000 | 218,376 |
| Citigroup Inc., Senior Notes | 6.000% | 8/15/17 | 2,250,000 | 2,435,557 |
| Citigroup Inc., Senior Notes | 8.500% | 5/22/19 | 500,000 | 613,214 |
| Citigroup Inc., Senior Notes | 6.875% | 3/5/38 | 3,000,000 | 3,224,970 |
| Citigroup Inc., Senior Notes | 8.125% | 7/15/39 | 1,350,000 | 1,646,510 |
| General Electric Capital Corp., Senior Notes | 6.000% | 8/7/19 | 790,000 | 874,530 |
| General Electric Capital Corp., Senior Notes | 5.500% | 1/8/20 | 1,080,000 | 1,158,244 |
| General Electric Capital Corp., Senior Notes | 4.375% | 9/16/20 | 2,070,000 | 2,027,621 |
| General Electric Capital Corp., Senior Notes | 6.875% | 1/10/39 | 2,540,000 | 2,830,548 |
| International Lease Finance Corp., Medium-Term Notes, Senior Notes | 5.750% | 6/15/11 | 500,000 | 503,750 |
| International Lease Finance Corp., Senior Notes | 8.875% | 9/1/17 | 810,000 | 862,650 |
| International Lease Finance Corp., Senior Secured Notes | 6.500% | 9/1/14 | 130,000 | 136,825(a) |
| International Lease Finance Corp., Senior Secured Notes | 6.750% | 9/1/16 | 670,000 | 710,200(a) |
| JPMorgan Chase & Co., Senior Notes | 6.400% | 5/15/38 | 1,500,000 | 1,695,833 |
| Total Diversified Financial Services | | | | 24,517,464 |
| Insurance 4.3% | | | | |
| ACE INA Holdings Inc., Senior Notes | 5.600% | 5/15/15 | 1,300,000 | 1,457,509 |
| American International Group Inc., Senior Notes | 6.400% | 12/15/20 | 1,350,000 | 1,346,504 |

See Notes to Financial Statements.

Western Asset Investment Grade Defined Opportunity Trust Inc.

| Security | Rate | Maturity Date | Face Amount | Value |
|---|-------------|----------------------|--------------------|-------------------|
| Insurance continued | | | | |
| Chubb Corp., Senior Notes | 5.750% | 5/15/18 | \$ 600,000 | \$ 684,097 |
| Chubb Corp., Senior Notes | 6.500% | 5/15/38 | 600,000 | 696,275 |
| CNA Financial Corp., Senior Notes | 5.875% | 8/15/20 | 460,000 | 467,098 |
| Delphi Financial Group Inc., Senior Notes | 7.875% | 1/31/20 | 290,000 | 320,425 |
| MetLife Inc., Senior Notes | 6.817% | 8/15/18 | 1,500,000 | 1,776,989 |
| Nationwide Mutual Insurance Co., Notes | 9.375% | 8/15/39 | 520,000 | 604,804(a) |
| Teachers Insurance & Annuity Association of America - College Retirement Equity Fund, Notes | 6.850% | 12/16/39 | 1,050,000 | 1,224,552(a) |
| Travelers Cos. Inc., Senior Notes | 6.250% | 6/15/37 | 400,000 | 451,625 |
| Travelers Cos. Inc., Senior Notes | 5.350% | 11/1/40 | 860,000 | 860,594 |
| Total Insurance | | | | 9,890,472 |
| Real Estate Investment Trusts (REITs) 0.3% | | | | |
| Digital Realty Trust LP, Senior Notes | 5.875% | 2/1/20 | 40,000 | 42,096 |
| WEA Finance LLC/WT Finance Aust Pty. Ltd., Senior Notes | 6.750% | 9/2/19 | 580,000 | 670,275(a) |
| Total Real Estate Investment Trusts (REITs) | | | | 712,371 |
| Thriffs & Mortgage Finance 1.1% | | | | |
| Countrywide Financial Corp., Medium-Term Notes | 5.800% | 6/7/12 | 2,300,000 | 2,418,247 |
| Total Financials | | | | 73,289,602 |
| Health Care 5.8% | | | | |
| Health Care Equipment & Supplies 0.5% | | | | |
| Biomet Inc., Senior Toggle Notes | 10.375% | 10/15/17 | 1,000,000 | 1,095,000(b) |
| Health Care Providers & Services 3.0% | | | | |
| AmerisourceBergen Corp., Senior Notes | 4.875% | 11/15/19 | 440,000 | 466,507 |
| Humana Inc., Senior Notes | 6.450% | 6/1/16 | 1,000,000 | 1,112,174 |
| Humana Inc., Senior Notes | 7.200% | 6/15/18 | 1,000,000 | 1,162,993 |
| Tenet Healthcare Corp., Senior Secured Notes | 10.000% | 5/1/18 | 1,000,000 | 1,122,500 |
| UnitedHealth Group Inc., Senior Notes | 4.875% | 2/15/13 | 1,300,000 | 1,390,755 |
| WellPoint Inc., Notes | 5.250% | 1/15/16 | 1,200,000 | 1,351,698 |
| WellPoint Inc., Senior Notes | 4.350% | 8/15/20 | 140,000 | 143,730 |
| Total Health Care Providers & Services | | | | 6,750,357 |
| Pharmaceuticals 2.3% | | | | |
| GlaxoSmithKline Capital Inc., Senior Bonds | 5.650% | 5/15/18 | 1,500,000 | 1,764,296 |
| Pfizer Inc., Senior Notes | 7.200% | 3/15/39 | 560,000 | 745,904 |
| Roche Holdings Inc., Senior Notes | 6.000% | 3/1/19 | 1,100,000 | 1,315,856(a) |
| Wyeth, Notes | 5.950% | 4/1/37 | 1,300,000 | 1,480,630 |
| Total Pharmaceuticals | | | | 5,306,686 |
| Total Health Care | | | | 13,152,043 |

See Notes to Financial Statements.

14 Western Asset Investment Grade Defined Opportunity Trust Inc. 2010 Annual Report

Schedule of investments (cont d)

November 30, 2010

Western Asset Investment Grade Defined Opportunity Trust Inc.

| Security | Rate | Maturity Date | Face Amount | Value |
|--|-------------|----------------------|--------------------|---------------------|
| Industrials 4.7% | | | | |
| <i>Aerospace & Defense 0.4%</i> | | | | |
| L-3 Communications Corp., Senior Notes | 5.200% | 10/15/19 | \$ 380,000 | \$ 404,396 |
| L-3 Communications Corp., Senior Subordinated Notes | 5.875% | 1/15/15 | 100,000 | 102,375 |
| L-3 Communications Corp., Senior Subordinated Notes | 6.375% | 10/15/15 | 460,000 | 476,100 |
| Total Aerospace & Defense | | | | 982,871 |
| <i>Air Freight & Logistics 0.4%</i> | | | | |
| United Parcel Service Inc., Senior Notes | 6.200% | 1/15/38 | 700,000 | 835,099 |
| <i>Airlines 1.8%</i> | | | | |
| American Airlines Pass-Through Trust, Secured Notes | 7.858% | 4/1/13 | 1,725,000 | 1,806,938 |
| Continental Airlines Inc., Pass-Through Certificates | 9.250% | 5/10/17 | 180,474 | 195,137(c) |
| Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes | 7.250% | 11/10/19 | 787,623 | 888,045 |
| Delta Air Lines, Pass-Through Trust, Senior Secured Notes | 7.750% | 12/17/19 | 531,149 | 601,527 |
| United Airlines, Pass-Through Trust, Secured Notes | 9.750% | 1/15/17 | 237,931 | 268,862 |
| United Airlines, Pass-Through Trust, Senior Secured Notes | 10.400% | 11/1/16 | 207,747 | 240,987 |
| Total Airlines | | | | 4,001,496 |
| <i>Commercial Services & Supplies 1.3%</i> | | | | |
| Avery Dennison Corp., Senior Notes | 5.375% | 4/15/20 | 420,000 | 455,667 |
| Republic Services Inc., Senior Notes | 5.500% | 9/15/19 | 220,000 | 246,822 |
| Republic Services Inc., Senior Notes | 5.000% | 3/1/20 | 490,000 | 533,852 |
| Republic Services Inc., Senior Notes | 5.250% | 11/15/21 | 580,000 | 638,356 |
| RSC Equipment Rental Inc./RSC Holdings III LLC, Senior Secured Notes | 10.000% | 7/15/17 | 1,000,000 | 1,110,000(a) |
| Total Commercial Services & Supplies | | | | 2,984,697 |
| <i>Industrial Conglomerates 0.4%</i> | | | | |
| Hutchison Whampoa International Ltd., Notes | 4.625% | 9/11/15 | 950,000 | 1,017,994(a) |
| <i>Road & Rail 0.4%</i> | | | | |
| Kansas City Southern de Mexico, Senior Notes | 12.500% | 4/1/16 | 650,000 | 806,000 |
| Total Industrials | | | | 10,628,157 |
| Information Technology 0.7% | | | | |
| <i>Electronic Equipment, Instruments & Components 0.3%</i> | | | | |
| Corning Inc., Senior Notes | 5.750% | 8/15/40 | 630,000 | 637,588 |
| <i>IT Services 0.2%</i> | | | | |
| Mantech International Corp., Senior Notes | 7.250% | 4/15/18 | 540,000 | 561,600 |

See Notes to Financial Statements.

Western Asset Investment Grade Defined Opportunity Trust Inc.

| Security | Rate | Maturity Date | Face Amount | Value |
|---|-------------|----------------------|--------------------|-------------------|
| <i>Semiconductors & Semiconductor Equipment</i> 0.2% | | | | |
| National Semiconductor Corp., Senior Notes | 6.600% | 6/15/17 | \$ 360,000 | \$ 410,344 |
| Total Information Technology | | | | 1,609,532 |
| <i>Materials</i> 6.5% | | | | |
| <i>Chemicals</i> 0.2% | | | | |
| Potash Corp. of Saskatchewan Inc., Senior Notes | 5.625% | 12/1/40 | 530,000 | 536,629 |
| <i>Containers & Packaging</i> 0.7% | | | | |
| Ball Corp., Senior Notes | 6.625% | 3/15/18 | 180,000 | 184,050 |
| Solo Cup Co., Senior Secured Notes | 10.500% | 11/1/13 | 1,300,000 | 1,361,750 |
| Total Containers & Packaging | | | | 1,545,800 |
| <i>Metals & Mining</i> 4.2% | | | | |
| Freeport-McMoRan Copper & Gold Inc., Senior Notes | 8.375% | 4/1/17 | 2,770,000 | 3,097,938 |
| Rio Tinto Finance USA Ltd., Senior Notes | 9.000% | 5/1/19 | 2,000,000 | 2,744,380 |
| Southern Copper Corp., Senior Notes | 5.375% | 4/16/20 | 260,000 | 271,564 |
| Vale Overseas Ltd., Notes | 6.875% | 11/21/36 | 2,100,000 | 2,335,357 |
| Xstrata Finance Canada Ltd., Senior Bonds | 5.800% | 11/15/16 | 1,000,000 | 1,123,241(a) |
| Total Metals & Mining | | | | 9,572,480 |
| <i>Paper & Forest Products</i> 1.4% | | | | |
| Georgia-Pacific LLC, Senior Notes | 5.400% | 11/1/20 | 460,000 | 455,979(a) |
| NewPage Corp., Senior Secured Notes | 11.375% | 12/31/14 | 500,000 | 455,000 |
| PE Paper Escrow GmbH, Senior Secured Notes | 12.000% | 8/1/14 | 1,030,000 | 1,186,283(a) |
| Verso Paper Holdings LLC, Senior Secured Notes | 11.500% | 7/1/14 | 1,000,000 | 1,090,000 |
| Total Paper & Forest Products | | | | 3,187,262 |
| Total Materials | | | | 14,842,171 |
| <i>Telecommunication Services</i> 9.5% | | | | |
| <i>Diversified Telecommunication Services</i> 7.2% | | | | |
| AT&T Inc., Global Notes | 5.600% | 5/15/18 | 2,000,000 | 2,305,874 |
| AT&T Inc., Global Notes | 6.550% | 2/15/39 | 650,000 | 719,253 |
| British Telecommunications PLC, Bonds | 9.875% | 12/15/30 | 2,000,000 | 2,673,060 |
| Deutsche Telekom International Finance BV, Bonds | 8.750% | 6/15/30 | 800,000 | 1,088,857 |
| Embarq Corp., Notes | 7.995% | 6/1/36 | 1,500,000 | 1,632,931 |
| France Telecom SA, Senior Notes | 5.375% | 7/8/19 | 1,000,000 | 1,136,545 |
| Koninklijke KPN NV, Senior Notes | 8.375% | 10/1/30 | 1,000,000 | 1,311,030 |
| Qwest Corp., Senior Notes | 7.875% | 9/1/11 | 500,000 | 525,000 |
| Telecom Italia Capital SA, Senior Notes | 7.721% | 6/4/38 | 1,000,000 | 1,010,520 |
| Telefonica Emisiones SAU, Senior Notes | 5.134% | 4/27/20 | 1,220,000 | 1,239,400 |
| Telefonica Emisiones SAU, Senior Notes | 7.045% | 6/20/36 | 410,000 | 441,464 |

See Notes to Financial Statements.

16 Western Asset Investment Grade Defined Opportunity Trust Inc. 2010 Annual Report

Schedule of investments (cont d)

November 30, 2010

Western Asset Investment Grade Defined Opportunity Trust Inc.

| Security | Rate | Maturity Date | Face Amount | Value |
|--|-------------|----------------------|--------------------|--------------------|
| <i>Diversified Telecommunication Services continued</i> | | | | |
| Valor Telecommunications Enterprises LLC/Finance Corp., Senior Notes | 7.750% | 2/15/15 | \$1,500,000 | \$ 1,542,023 |
| Verizon Communications Inc., Senior Notes | 8.950% | 3/1/39 | 430,000 | 617,091 |
| <i>Total Diversified Telecommunication Services</i> | | | | 16,243,048 |
| <i>Wireless Telecommunication Services 2.3%</i> | | | | |
| Cellco Partnership/Verizon Wireless Capital LLC, Senior Notes | 8.500% | 11/15/18 | 2,000,000 | 2,710,274 |
| Crown Castle Towers LLC, Senior Secured Notes | 4.883% | 8/15/20 | 150,000 | 148,997(a) |
| Rogers Communications Inc., Senior Notes | 6.800% | 8/15/18 | 1,000,000 | 1,224,014 |
| Sprint Capital Corp., Senior Notes | 8.750% | 3/15/32 | 1,250,000 | 1,243,750 |
| <i>Total Wireless Telecommunication Services</i> | | | | 5,327,035 |
| <i>Total Telecommunication Services</i> | | | | 21,570,083 |
| <i>Utilities 7.1%</i> | | | | |
| <i>Electric Utilities 5.6%</i> | | | | |
| Commonwealth Edison Co., First Mortgage Bonds | 5.800% | 3/15/18 | 600,000 | 695,534 |
| Commonwealth Edison Co., First Mortgage Bonds | 6.450% | 1/15/38 | 600,000 | 691,095 |
| FirstEnergy Corp., Senior Notes | 7.375% | 11/15/31 | 2,230,000 | 2,377,428 |
| FirstEnergy Solutions Corp., Senior Notes | 4.800% | 2/15/15 | 730,000 | 781,818 |
| IPALCO Enterprises Inc., Senior Secured Notes | 7.250% | 4/1/16 | 1,030,000 | 1,112,400(a) |
| MidAmerican Energy Holdings Co., Bonds | 6.125% | 4/1/36 | 1,000,000 | 1,114,341 |
| MidAmerican Energy Holdings Co., Senior Notes | 5.750% | 4/1/18 | 1,000,000 | 1,160,386 |
| Pacific Gas & Electric Co., Senior Notes | 8.250% | 10/15/18 | 800,000 | 1,063,187 |
| Pacific Gas & Electric Co., Senior Notes | 5.800% | 3/1/37 | 820,000 | 883,903 |
| Reliant Energy Mid-Atlantic Power Holdings LLC, Senior Notes | 9.681% | 7/2/26 | 2,000,000 | 2,135,000 |
| Virginia Electric and Power Co., Senior Notes | 8.875% | 11/15/38 | 500,000 | 731,911 |
| <i>Total Electric Utilities</i> | | | | 12,747,003 |
| <i>Gas Utilities 0.7%</i> | | | | |
| Southern Natural Gas Co., Senior Notes | 8.000% | 3/1/32 | 1,500,000 | 1,689,061 |
| <i>Independent Power Producers & Energy Traders 0.5%</i> | | | | |
| AES Corp., Senior Notes | 8.000% | 6/1/20 | 1,100,000 | 1,155,000 |
| <i>Multi-Utilities 0.3%</i> | | | | |
| Dominion Resources Inc., Senior Notes | 8.875% | 1/15/19 | 500,000 | 666,664 |
| <i>Total Utilities</i> | | | | 16,257,728 |
| Total Corporate Bonds & Notes (Cost \$190,925,766) | | | | 211,708,503 |

See Notes to Financial Statements.

Western Asset Investment Grade Defined Opportunity Trust Inc.

| Security | Rate | Maturity Date | Face Amount | Value |
|--|----------------|---------------|-------------|------------------|
| Collateralized Senior Loans 3.7% | | | | |
| Consumer Discretionary 0.9% | | | | |
| <i>Diversified Consumer Services 0.4%</i> | | | | |
| Thomson Learning, Term Loan B | 2.540% | 7/3/14 | \$ 987,277 | \$ 913,231(d) |
| <i>Hotels, Restaurants & Leisure 0.5%</i> | | | | |
| Venetian Macau, Term Loan B | 4.800% | 5/25/12 | 453,853 | 454,797(d) |
| Venetian Macau, Term Loan B | 4.800% | 5/27/13 | 785,737 | 787,373(d) |
| Total Hotels, Restaurants & Leisure | | | | 1,242,170 |
| Total Consumer Discretionary | | | | 2,155,401 |
| Financials 0.4% | | | | |
| <i>Diversified Financial Services 0.4%</i> | | | | |
| CCM Merger Inc., Term Loan B | 8.500% | 7/13/12 | 955,338 | 954,025(d) |
| Health Care 0.4% | | | | |
| <i>Health Care Equipment & Supplies 0.4%</i> | | | | |
| Fenwal Inc., Term Loan | 2.506 - 2.544% | 2/28/14 | 144,574 | 127,105(d) |
| Fenwal Inc., Term Loan | 2.506 - 2.544% | 2/28/14 | 843,409 | 741,497(d) |
| Total Health Care | | | | 868,602 |
| Industrials 0.9% | | | | |
| <i>Airlines 0.5%</i> | | | | |
| Delta Air Lines Inc., Credit-Linked Deposit Facility | 2.198 - 2.289% | 4/30/12 | 989,796 | 970,413(d) |
| <i>Commercial Services & Supplies 0.4%</i> | | | | |
| Nielsen Finance LLC, Term Loan | 4.003% | 5/2/16 | 985,031 | 968,819(d) |
| Total Industrials | | | | 1,939,232 |
| Information Technology 0.4% | | | | |
| <i>IT Services 0.4%</i> | | | | |
| First Data Corp., Term Loan B2 | 3.003% | 9/24/14 | 945,984 | 854,879(d) |
| Materials 0.4% | | | | |
| <i>Containers & Packaging 0.4%</i> | | | | |
| Berry Plastics Group Inc., Term Loan C | 2.268 - 2.284% | 4/3/15 | 984,694 | 927,521(d) |
| Utilities 0.3% | | | | |
| <i>Independent Power Producers & Energy Traders 0.3%</i> | | | | |
| Energy Future Holdings, Term Loan B3 | 3.753 - 3.789% | 10/10/14 | 984,772 | 760,982(d) |
| Total Collateralized Senior Loans (Cost \$7,939,229) | | | | 8,460,642 |
| Sovereign Bonds 0.9% | | | | |
| <i>Russia 0.9%</i> | | | | |
| RSHB Capital, Loan Participation Notes, Senior Secured Notes | 9.000% | 6/11/14 | 1,000,000 | 1,125,000(a) |
| Russian Foreign Bond-Eurobond, Senior Bonds | 7.500% | 3/31/30 | 895,000 | 1,032,651(a) |
| Total Sovereign Bonds (Cost \$1,910,946) | | | | 2,157,651 |

See Notes to Financial Statements.

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Schedule of investments (cont d)

November 30, 2010

Western Asset Investment Grade Defined Opportunity Trust Inc.

| Security | Rate | Maturity Date | Face Amount | Value |
|---|-----------------------|---------------|-------------|----------------------|
| U.S. Government & Agency Obligations | | | | |
| 0.2% | | | | |
| <i>U.S. Government Obligations</i> 0.2% | | | | |
| U.S. Treasury Notes | 1.250% | 9/30/15 | \$ 385,000 | \$ 382,323 |
| U.S. Treasury Notes | 2.625% | 8/15/20 | 50,000 | 49,446 |
| Total U.S. Government & Agency Obligations (Cost | \$434,352) | | | 431,769 |
| Shares | | | | |
| Preferred Stocks 0.6% | | | | |
| Financials 0.6% | | | | |
| <i>Commercial Banks</i> 0.1% | | | | |
| Santander Finance Preferred SA Unipersonal | 10.500% | | 7,725 | 207,107 |
| <i>Diversified Financial Services</i> 0.5% | | | | |
| Citigroup Capital XIII | 7.875% | | 39,950 | 1,049,886(e) |
| Total Preferred Stocks (Cost | \$1,242,968) | | | 1,256,993 |
| Total Investments before Short-Term Investments (Cost | \$202,453,261) | | | 224,015,558 |
| Face Amount | | | | |
| Short-Term Investments 0.6% | | | | |
| <i>U.S. Government Agencies</i> 0.1% | | | | |
| Federal National Mortgage Association (FNMA), Discount Notes (Cost \$287,699) | 0.200 - 0.240% | 5/9/11 | \$ 288,000 | 287,758(f)(g) |
| <i>Repurchase Agreements</i> 0.5% | | | | |
| Goldman Sachs & Co., repurchase agreement dated 11/30/10; Proceeds at maturity \$1,000,006; (Fully collateralized by U.S. government agency obligations, 0.190% due 11/9/2011; Market value \$1,023,719) (Cost \$1,000,000) | 0.230% | 12/1/10 | 1,000,000 | 1,000,000 |
| Total Short-Term Investments (Cost | | | | 1,287,758 |
| \$1,287,699) | | | | |
| Total Investments 99.1% (Cost | | | | 225,303,316 |
| \$203,740,960#) | | | | |
| Other Assets in Excess of Liabilities 0.9% | | | | 2,034,173 |
| Total Net Assets 100.0% | | | | \$227,337,489 |

See Notes to Financial Statements.

Western Asset Investment Grade Defined Opportunity Trust Inc.

- (a) 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.
 - (b) Payment-in-kind security for which part of the income earned may be paid as additional principal.
 - (c) Security is valued in good faith at fair value in accordance with procedures approved by the Board of Directors (See Note 1).
 - (d) Interest rates disclosed represent the effective rates on collateralized senior loans. Ranges in interest rates are attributable to multiple contracts under the same loan.
 - (e) Variable rate security. Interest rate disclosed is that which is in effect at November 30, 2010.
 - (f) Rate shown represents yield-to-maturity.
 - (g) All or a portion of this security is held at the broker as collateral for open futures contracts.
- # Aggregate cost for federal income tax purposes is \$204,298,441.

See Notes to Financial Statements.

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Statement of assets and liabilities

November 30, 2010

| | | |
|--|--|----------------------|
| Assets: | | |
| Investments, at value (Cost \$203,740,960) | | \$225,303,316 |
| Cash | | 33,029 |
| Interest receivable | | 3,598,416 |
| Principal paydown receivable | | 3,759 |
| Prepaid expenses | | 11,630 |
| Total Assets | | 228,950,150 |
| | | |
| Liabilities: | | |
| Payable for securities purchased | | 1,346,504 |
| Investment management fee payable | | 122,799 |
| Payable to broker variation margin on open futures contracts | | 6,716 |
| Directors fees payable | | 1,526 |
| Accrued expenses | | 135,116 |
| Total Liabilities | | 1,612,661 |
| Total Net Assets | | \$227,337,489 |
| | | |
| Net Assets: | | |
| Par value (\$0.001 par value; 10,646,933 shares issued and outstanding; 100,000,000 shares authorized) | | \$ 10,647 |
| Paid-in capital in excess of par value | | 202,991,630 |
| Undistributed net investment income | | 1,001,112 |
| Accumulated net realized gain on investments and futures contracts | | 1,762,161 |
| Net unrealized appreciation on investments and futures contracts | | 21,571,939 |
| Total Net Assets | | \$227,337,489 |
| | | |
| Shares Outstanding | | 10,646,933 |
| | | |
| Net Asset Value | | \$21.35 |

See Notes to Financial Statements.

Statement of operations

For the Year Ended November 30, 2010

| | | |
|---|--|---------------------|
| Investment Income: | | |
| Interest | | \$14,212,769 |
| Dividends | | 15,209 |
| Total Investment Income | | 14,227,978 |
| Expenses: | | |
| Investment management fee (Note 2) | | 1,443,611 |
| Excise tax (Note 1) | | 78,234 |
| Transfer agent fees | | 56,625 |
| Audit and tax | | 54,500 |
| Directors' fees | | 48,919 |
| Shareholder reports | | 38,266 |
| Legal fees | | 30,098 |
| Stock exchange listing fees | | 28,313 |
| Insurance | | 6,040 |
| Custody fees | | 3,004 |
| Miscellaneous expenses | | 4,096 |
| Total Expenses | | 1,791,706 |
| Net Investment Income | | 12,436,272 |
| Realized and Unrealized Gain (Loss) on Investments and Futures Contracts (Notes 1, 3 and 4): | | |
| Net Realized Gain (Loss) From: | | |
| Investment transactions | | 3,223,220 |
| Futures contracts | | (769,982) |
| Net Realized Gain | | 2,453,238 |
| Change in Net Unrealized Appreciation (Depreciation) From: | | |
| Investments | | 6,620,285 |
| Futures contracts | | 17,654 |
| Change in Net Unrealized Appreciation (Depreciation) | | 6,637,939 |
| Net Gain on Investments and Futures Contracts | | 9,091,177 |
| Increase in Net Assets from Operations | | \$21,527,449 |

See Notes to Financial Statements.

Statements of changes in net assets

| For the Years Ended November 30, | 2010 | 2009 |
|--|----------------------------|---------------------------|
| Operations: | | |
| Net investment income | \$12,436,272 | \$4,549,781 |
| Net realized gain | 2,453,238 | 922,880 |
| Change in net unrealized appreciation (depreciation) | 6,637,939 | 14,934,000 |
| <i>Increase in Net Assets From Operations</i> | <i>21,527,449</i> | <i>20,406,661</i> |
| Distributions to Shareholders From (Note 1): | | |
| Net investment income | (12,415,724) | (4,404,968) |
| Net realized gains | (866,916) | |
| <i>Decrease in Net Assets From Distributions to Shareholders</i> | <i>(13,282,640)</i> | <i>(4,404,968)</i> |
| Fund Share Transactions: | | |
| Net proceeds from sale of shares (0 and 10,525,136 shares issued, respectively) | | 200,609,294 |
| Reinvestment of distributions (104,377 and 17,420 shares reinvested, respectively) | 2,141,098 | 340,595 |
| <i>Increase in Net Assets From Fund Share Transactions</i> | <i>2,141,098</i> | <i>200,949,889</i> |
| <i>Increase in Net Assets</i> | <i>10,385,907</i> | <i>216,951,582</i> |
| Net Assets: | | |
| Beginning of year | 216,951,582 | |
| End of year* | \$227,337,489 | \$216,951,582 |
| * Includes undistributed net investment income of: | \$1,001,112 | \$430,790 |

For the period June 26, 2009 (commencement of operations) through November 30, 2009.

See Notes to Financial Statements.

Financial highlights

For a share of capital stock outstanding throughout each year ended November 30, unless otherwise noted:

| | 2010 ¹ | 2009 ^{1,2} |
|--|-------------------|----------------------|
| Net asset value, beginning of year | \$20.58 | \$19.06 ³ |
| Income (loss) from operations: | | |
| Net investment income | 1.17 | 0.44 |
| Net realized and unrealized gain | 0.85 | 1.50 |
| Total income from operations | 2.02 | 1.94 |
| Less distributions from: | | |
| Net investment income | (1.17) | (0.42) |
| Net realized gains | (0.08) | |
| Total distributions | (1.25) | (0.42) |
| Net asset value, end of year | \$21.35 | \$20.58 |
| Market price, end of year | \$20.79 | \$19.64 |
| Total return, based on NAV^{4,5} | 10.28% | 10.32% |
| Total return, based on Market Price⁵ | 12.52% | 0.33% |
| Net assets, end of year (000s) | \$227,337 | \$216,952 |
| Ratios to average net assets: | | |
| Gross expenses | 0.81% | 0.86% ⁶ |
| Net expenses ⁷ | 0.81 | 0.83 ^{6,8} |
| Net investment income | 5.60 | 5.12 ⁶ |
| Portfolio turnover rate | 31% | 19% |

1 Per share amounts have been calculated using the average shares method.

2 For the period June 26, 2009 (commencement of operations) through November 30, 2009.

3 Initial public offering price of \$20.00 per share less offering costs and sales load totaling \$0.94 per share.

4 Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results. Total returns for periods of less than one year are not annualized.

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- 5 The total return calculation assumes that distributions are reinvested in accordance with the Fund's dividend reinvestment plan. Past performance is no guarantee of future results. Total returns for periods of less than one year are not annualized.
- 6 Annualized.
- 7 The impact of compensating balance arrangements, if any, was less than 0.01%.
- 8 The investment manager has agreed to reimburse all organization expenses.

See Notes to Financial Statements.

Notes to financial statements

1. Organization and significant accounting policies

Western Asset Investment Grade Defined Opportunity Trust Inc. (the Fund) was incorporated in Maryland on April 24, 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 current income and then to liquidate and distribute substantially all of the Fund's net assets to stockholders on or about December 2, 2024. As a secondary investment objective, the Fund will seek capital appreciation. There can be no assurance the Fund will achieve its investment objectives.

The following are significant accounting policies consistently followed by the Fund and are in conformity with U.S. generally accepted accounting principles (GAAP). Estimates and assumptions are required to be made regarding assets, liabilities and changes in net assets resulting from operations when financial statements are prepared. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ. Subsequent events have been evaluated through the date the financial statements were issued.

(a) Investment valuation. Debt securities are valued at the mean between the last quoted bid and asked prices provided by an independent pricing service, which are based on transactions in debt obligations, quotations from bond dealers, market transactions in comparable securities and various other relationships between securities. Publicly traded foreign government debt securities are typically traded internationally in the over-the-counter market, and are valued at the mean between the last quoted bid and asked prices as of the close of business of that market. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. Equity securities for which market quotations are available are valued at the last reported sales price or official closing price on the primary market or exchange on which they trade. When prices are not readily available, or are determined not to reflect fair value, 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 at fair value as determined in accordance with procedures approved by the Fund's Board of Directors. Short-term obligations with maturities of 60 days or less are valued at amortized cost, which approximates fair value.

The Fund has adopted Financial Accounting Standards Board Codification Topic 820 (ASC Topic 820). ASC Topic 820 establishes a single definition of fair value, creates a three-tier hierarchy as a framework for measuring fair value based on inputs used to value the Fund's investments, and requires additional disclosure about fair value. The hierarchy of inputs is summarized 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 methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

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.

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 |
|--------------------------------------|----------------------------|---|--|----------------------|
| Long-term investments : | | | | |
| Corporate bonds & notes | | \$211,708,503 | | \$211,708,503 |
| Collateralized senior loans | | 8,460,642 | | 8,460,642 |
| Sovereign bonds | | 2,157,651 | | 2,157,651 |
| U.S. government & agency obligations | | 431,769 | | 431,769 |
| Preferred stocks | \$1,256,993 | | | 1,256,993 |
| Total long-term investments | \$1,256,993 | \$222,758,565 | | \$224,015,558 |
| Short-term investments | | 1,287,758 | | 1,287,758 |
| Total investments | \$1,256,993 | \$224,046,323 | | \$225,303,316 |
| Other financial instruments: | | | | |
| Futures contracts | 43,244 | | | 43,244 |
| Total | \$1,300,237 | \$224,046,323 | | \$225,346,560 |

LIABILITIES

| Description | Quoted Prices (Level 1) | Other Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|------------------------------|----------------------------|---|--|----------|
| Other financial instruments: | | | | |
| Futures contracts | \$33,661 | | | \$33,661 |

See Schedule of Investments for additional detailed categorizations.

(b) Repurchase agreements. The Fund may enter into repurchase agreements with institutions that its investment adviser has determined are creditworthy. Each repurchase agreement is recorded at cost. Under the terms of a typical repurchase agreement, the Fund acquires a debt security subject to an obligation of the seller to repurchase, and of the Fund to resell, the security at an

Notes to financial statements (cont d)

agreed-upon price and time, thereby determining the yield during the Fund's holding period. When entering into repurchase agreements, it is the Fund's policy that its custodian or a third party custodian, acting on the Fund's behalf, take possession of the underlying collateral securities, the market value of which, at all times, at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction maturity exceeds one business day, the value of the collateral is marked-to-market and measured against the value of the agreement in an effort to ensure the adequacy of the collateral. If the counterparty defaults, the Fund generally has the right to use the collateral to satisfy the terms of the repurchase transaction. However, if the market value of the collateral declines during the period in which the Fund seeks to assert its rights or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

(c) Futures contracts. The Fund may use futures contracts to gain exposure to, or hedge against, changes in the value of equities, interest rates or foreign currencies. 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. The daily changes in contract value are recorded as unrealized gains or losses in the Statement of Operations and the Fund recognizes a realized gain or loss when the contract is closed.

Futures contracts involve, to varying degrees, risk of loss in excess of the amounts reflected in the financial statements. 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.

(d) Credit and market risk. The Fund invests in high-yield instruments that are subject to certain credit and market risks. The yields of high-yield obligations reflect, among other things, perceived credit and market risks. The Fund's investment in securities rated below investment grade typically involves risks not associated with higher rated securities including, among others, greater risk related to timely and ultimate payment of interest and principal, greater market price volatility and less liquid secondary market trading.

(e) Security transactions and investment income. Security transactions are accounted for on a trade date basis. Interest income, adjusted for amortization of premium and accretion of discount, is recorded on the accrual basis.

Dividend income is recorded on the ex-dividend date. The cost of investments sold is determined by use of the specific identification method. To the extent any issuer defaults or a credit event occurs that impacts the issuer, the Fund may halt any additional interest income accruals and consider the realizability of interest accrued up to the date of default or credit event.

(f) Distributions to shareholders. Distributions from net investment income for the Fund, if any, are declared and paid on a monthly basis. Distributions of net realized gains, if any, are declared at least annually. Distributions to shareholders of the Fund are recorded on the ex-dividend date and are determined in accordance with income tax regulations, which may differ from GAAP.

(g) Compensating balance arrangements. The Fund has an arrangement with its custodian bank whereby a portion of the custodian's fees is paid indirectly by credits earned on the Fund's cash on deposit with the bank.

(h) Federal and other taxes. It is the Fund's policy to comply with the federal income and excise tax requirements of the Internal Revenue Code of 1986 (the Code), as amended, applicable to regulated investment companies. Accordingly, the Fund intends to distribute its taxable income and net realized gains, if any, to shareholders in accordance with timing requirements imposed by the Code. Therefore, no federal or state income tax provision is required in the Fund's financial statements. However, due to the timing of when distributions are made, the Fund may be subject to an excise tax of 4% of the amount by which 98% of the Fund's annual taxable income exceeds the distributions from such taxable income for the year. The Fund paid \$44,792 of federal excise tax attributable to calendar year 2009 in March 2010. The Fund anticipates being subject to an excise tax of approximately \$77,000 for calendar year 2010.

Management has analyzed the Fund's tax positions taken on income tax returns for all open tax years and has concluded that as of November 30, 2010, no provision for income tax is required in the Fund's financial statements. The Fund's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by Internal Revenue Service and state departments of revenue.

(i) Reclassification. GAAP requires that certain components of net assets be reclassified to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. During the current year, the following reclassifications have been made:

| | Undistributed Net Investment Income | Accumulated Net Realized Gain | Paid-in Capital |
|-----|--|--|------------------------|
| (a) | \$ 78,234 | | \$(78,234) |
| (b) | 471,540 | \$(471,540) | |

(a) Reclassifications are primarily due to a non-deductible excise tax accrued by the Fund.

(b) Reclassifications are primarily due to differences between book and tax amortization of premium on fixed-income securities.

Notes to financial statements (cont d)

2. Investment management agreement and other transactions with affiliates

Legg Mason Partners Fund Advisor, LLC (LMPFA) is the Fund's investment manager. Western Asset Management Company (Western Asset), Western Asset Management Company Pte. Ltd. in Singapore (Western Singapore), Western Asset Management Company Ltd in Japan (Western Japan) and Western Asset Management Company Limited in London (Western Asset Limited) are the Fund's subadvisers. LMPFA, Western Asset, Western Singapore, Western Japan and Western Asset Limited are wholly-owned subsidiaries of Legg Mason, Inc. (Legg Mason).

LMPFA provides administrative and certain oversight services to the Fund. The Fund pays LMPFA an investment management fee, calculated daily and paid monthly, at an annual rate of 0.65% of the Fund's average daily net assets.

LMPFA delegates to Western Asset the day-to-day portfolio management of the Fund. Western Singapore, Western Asset Japan and Western Asset Limited provide certain advisory services to the Fund relating to currency transactions and investment in non-U.S. dollar denominated securities. For its services, LMPFA pays Western Asset 70% of the net management fee it receives from the Fund. In turn, Western Asset pays each of Western Singapore, Western Japan and Western Asset Limited a fee for its services at no additional expense to the Fund. Each of Western Singapore, Western Japan and Western Asset Limited receives a fee from Western Asset payable monthly, in an amount equal to 70% of the Fund's fee paid to LMPFA by the Fund related to the Fund's assets that Western Asset allocates to Western Singapore, Western Japan and Western Asset Limited, respectively, to manage.

All officers and one Director of the Fund are employees of Legg Mason or its affiliates and do not receive compensation from the Fund.

3. Investments

During the year ended November 30, 2010, the aggregate cost of purchases and proceeds from sales of investments (excluding short-term investments) and U.S Government & Agency Obligations were as follows:

| | Investments | U.S. Government & Agency Obligations |
|-----------|--------------------|---|
| Purchases | \$59,496,824 | \$8,349,830 |
| Sales | 58,442,650 | 9,123,980 |

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At November 30, 2010, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were as follows:

| | |
|------------------------------------|---------------------|
| Gross unrealized appreciation | \$21,240,089 |
| Gross unrealized depreciation | (235,214) |
| Net unrealized appreciation | \$21,004,875 |

At November 30, 2010, the Fund had the following open futures contracts:

| | Number of Contracts | Expiration Date | Basis Value | Market Value | Unrealized Gain (Loss) |
|--|--------------------------------|----------------------------|------------------------|-------------------------|-----------------------------------|
| Contracts to Buy: | | | | | |
| U.S. Treasury Ultra Long-Term Bonds | 11 | 3/11 | \$1,433,754 | \$1,453,375 | \$ 19,621 |
| U.S. Treasury 5-Year Notes | 12 | 12/10 | 1,458,719 | 1,447,500 | (11,219) |
| U.S. Treasury 5-Year Notes | 19 | 3/11 | 2,273,827 | 2,277,179 | 3,352 |
| | | | | | 11,754 |
| Contracts to Sell: | | | | | |
| U.S. Treasury 30-Year Bonds | 20 | 3/11 | \$2,524,240 | \$2,545,625 | (21,385) |
| U.S. Treasury 2-Year Notes | 3 | 3/11 | 657,068 | 658,125 | (1,057) |
| U.S. Treasury 10-Year Notes | 73 | 3/11 | 9,080,255 | 9,059,984 | 20,271 |
| | | | | | (2,171) |
| Net unrealized gain on open futures contracts | | | | | \$ 9,583 |

4. Derivative instruments and hedging activities

Financial Accounting Standards Board Codification Topic 815 requires enhanced disclosure about an entity's derivative and hedging activities.

Below is a table, grouped by derivative type that provides information about the fair value and the location of derivatives within the Statement of Assets and Liabilities at November 30, 2010.

ASSET DERIVATIVES¹

| | Interest Rate Contracts Risk |
|--------------------------------|---|
| Futures contracts ² | \$43,244 |

LIABILITY DERIVATIVES¹

| | Interest Rate Contracts Risk |
|--------------------------------|---|
| Futures contracts ² | \$33,661 |

¹ Generally, the balance sheet location for asset derivatives is receivables/net unrealized appreciation (depreciation) and for liability derivatives is payables/net unrealized appreciation (depreciation).

² Includes cumulative appreciation (depreciation) of futures contracts as reported in the footnotes. Only variation margin is reported within the receivables and/or payables of the Statement of Assets and Liabilities.

The following tables provide information about the effect of derivatives and hedging activities on the Fund's Statement of Operations for the year ended November 30, 2010. The first table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the period. The second table provides additional information about the changes in

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Notes to financial statements (cont d)

unrealized appreciation (depreciation) resulting from the Fund's derivatives and hedging activities during the period.

AMOUNT OF REALIZED GAIN (LOSS) ON DERIVATIVES RECOGNIZED

| | Interest Rate Contracts Risk |
|-------------------|---|
| Futures contracts | \$(769,982) |

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON DERIVATIVES RECOGNIZED

| | Interest Rate Contracts Risk |
|-------------------|---|
| Futures contracts | \$17,654 |

During the year ended November 30, 2010, the volume of derivative activity for the Fund was as follows:

| | Average Market Value |
|-----------------------------|---------------------------------|
| Futures contracts (to buy) | \$ 426,368 |
| Futures contracts (to sell) | 9,405,468 |

5. Distributions subsequent to November 30, 2010

On November 15, 2010, the Board of Directors declared a distribution, in the amount of \$0.1418 per share, payable on December 30, 2010, to shareholders of record on December 23, 2010, and two distributions, each in the amount of \$0.1045, payable on January 28, 2011 and February 25, 2011 to shareholders of record on January 21, 2011 and February 18, 2011, respectively.

6. Income tax information and distributions to shareholders

The tax character of distributions paid during the fiscal year ended November 30 and the fiscal period ended November 30, respectively, was as follows:

| | 2010 | 2009 |
|---------------------------------|--------------|--------------|
| Distributions Paid From: | | |
| Ordinary income | \$13,282,640 | \$ 4,404,968 |

As of November 30, 2010, the components of accumulated earnings on a tax basis were as follows:

| | | |
|--|---------------------|--|
| Undistributed ordinary income net | \$ 2,441,993 | |
| Undistributed long-term capital gains net | 960,544 | |
| Total undistributed earnings | \$ 3,402,537 | |
| Other book/tax temporary differences(a) | (81,783) | |
| Unrealized appreciation (depreciation)(b) | 21,014,458 | |
| Total accumulated earnings (losses) net | \$24,335,212 | |

(a) Other book/tax temporary differences are attributable primarily to the realization for tax purposes of unrealized gains on certain futures contracts and book/tax differences in the timing of the deductibility of various expenses.

(b) The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable primarily to the tax deferral of losses on wash sales and the difference between book and tax amortization methods for premiums on fixed-income securities.

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Report of independent registered public accounting firm

**The Board of Directors and Shareholders
Western Asset Investment Grade Defined Opportunity Trust Inc.:**

We have audited the accompanying statement of assets and liabilities of Western Asset Investment Grade Defined Opportunity Trust Inc., including the schedule of investments, as of November 30, 2010, and the related statement of operations for the year then ended, and the statements of changes in net assets and financial highlights for the year then ended and for the period from June 26, 2009 (commencement of operations) to November 30, 2009. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of November 30, 2010, by correspondence with the custodian and brokers or by other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Western Asset Investment Grade Defined Opportunity Trust Inc. as of November 30, 2010, and the results of its operations, the changes in its net assets, and the financial highlights for the periods described above, in conformity with U.S. generally accepted accounting principles.

New York, New York
January 20, 2011

Board approval of management and subadvisory agreements (unaudited)**Background**

The Investment Company Act of 1940, as amended (the 1940 Act), requires that the Board of Directors (the Board) of Western Asset Investment Grade Defined Opportunity Trust Inc. (the Fund), including a majority of its members that are not considered to be interested persons under the 1940 Act (the Independent Directors) voting separately, approve on an annual basis the continuation of the investment management contract (the Management Agreement) with the Fund's manager, Legg Mason Partners Fund Advisor, LLC (the Manager), and the sub-advisory agreements (individually, a Sub-Advisory Agreement and, collectively, the Sub-Advisory Agreements) with the Manager's affiliates, Western Asset Management Company (Western Asset), Western Asset Management Company Pte. Ltd. in Singapore (Western Asset Singapore), Western Asset Management Company Ltd in Japan (Western Asset Japan) and Western Asset Management Company Limited in London (Western Asset London). Western Asset, Western Asset Singapore, Western Asset Japan and Western Asset London collectively are hereinafter referred to as the Sub-Advisers, and Western Asset Singapore, Western Asset Japan and Western Asset London together are hereinafter referred to as the Non-U.S. Sub-Advisers. At a meeting (the Contract Renewal Meeting) held in-person on November 10 and 11, 2010, the Board, including the Independent Directors, considered and approved the continuation of each of the Management Agreement and Sub-Advisory Agreements for an additional one-year term. To assist in its consideration of the renewals of the Management Agreement and Sub-Advisory Agreements, the Board received and considered a variety of information (together with the information provided at the Contract Renewal Meeting, the Contract Renewal Information) about the Manager and Sub-Advisers, as well as the management and sub-advisory arrangements for the Fund and the other closed-end funds in the same complex under the Board's supervision (collectively, the Legg Mason Closed-End Funds), certain portions of which are discussed below. A presentation made by the Manager and Western Asset to the Board at the Contract Renewal Meeting in connection with its evaluations of the Management Agreement and Sub-Advisory Agreements encompassed the Fund and other Legg Mason Closed-End Funds. In addition to the Contract Renewal Information, the Board received performance and other information throughout the year from the commencement of Fund operations related to the respective services rendered by the Manager and the Sub-Advisers to the Fund. The Board's evaluation took into account the information received throughout the year and also reflected the knowledge and familiarity gained as members of the Board of the Fund and the other Legg Mason Closed-End Funds with respect to the services provided to the Fund by the Manager and the Sub-Advisers.

The Manager provides the Fund with investment advisory and administrative services pursuant to the Management Agreement and the Sub-Advisers

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Board approval of management and subadvisory agreements (unaudited) (cont d)

provide, or in the case of the Non-U.S. Sub-Advisers help to provide, the Fund with certain investment sub-advisory services pursuant to the Sub-Advisory Agreements. The discussion below covers the advisory and administrative functions being rendered by the Manager, each such function being encompassed by the Management Agreement, and the investment sub-advisory functions being rendered by the Sub-Advisers.

Board approval of management agreement and sub-advisory agreements

In its deliberations regarding renewal of the Management Agreement and Sub-Advisory Agreements, the Board, including the Independent Directors, considered the factors below.

Nature, extent and quality of the services under the management agreement and sub-advisory agreements

The Board received and considered Contract Renewal Information regarding the nature, extent and quality of services provided to the Fund by the Manager and the Sub-Advisers under the Management Agreement and the Sub-Advisory Agreements, respectively, during the past year. The Board also reviewed Contract Renewal Information regarding the Fund's compliance policies and procedures established pursuant to the 1940 Act.

The Board reviewed the qualifications, backgrounds and responsibilities of the Fund's senior personnel and the portfolio management team primarily responsible for the day-to-day portfolio management of the Fund. The Board also considered, based on its knowledge of the Manager and its affiliates, the Contract Renewal Information and the Board's discussions with the Manager and Western Asset at the Contract Renewal Meeting, the general reputation and investment records of the Manager, Western Asset and their affiliates and the financial resources available to the corporate parent of the Manager and the Sub-Advisers, Legg Mason, Inc. (Legg Mason), to support their activities in respect of the Fund and the other Legg Mason Closed-End Funds.

The Board considered the responsibilities of the Manager and the Sub-Advisers under the Management Agreement and the Sub-Advisory Agreements, respectively, including the Manager's coordination and oversight of services provided to the Fund by the Sub-Advisers and others and Western Asset's coordination and oversight of services provided to the Fund by the Non-U.S. Sub-Advisers. The Management Agreement permits the Manager to delegate certain of its responsibilities, including its advisory duties thereunder, provided that the Manager, in each case, will supervise the activities of the delegee. Pursuant to this provision of the Management Agreement, the Manager does not provide day-to-day portfolio management services to the Fund. Rather, portfolio management services for the Fund are provided by Western Asset pursuant to the Sub-Advisory Agreement (the

Western Asset Sub-Advisory Agreement) between the Manager and Western Asset. The Western Asset Sub-Advisory Agreement permits Western Asset to delegate certain of its responsibilities, including its sub-advisory duties thereunder, provided that Western Asset, in each case, will supervise the activities of the delegee. Each Non-U.S. Sub-Adviser helps to provide certain sub-advisory services to the Fund pursuant to a separate Sub-Advisory Agreement with Western Asset.

In reaching its determinations regarding continuation of the Management Agreement and Sub-Advisory Agreements, the Board took into account that Fund shareholders, in pursuing their investment goals and objectives, likely purchased their shares based upon the reputation and the investment style, philosophy and strategy of the Manager and Western Asset, as well as the resources available to the Manager and the Sub-Advisers.

The Board concluded that, overall, the nature, extent and quality of services provided to the Fund under the Management Agreement and the Sub-Advisory Agreements have been satisfactory under the circumstances.

Fund performance

The Board received and considered performance information and analyses (the Lipper Performance Information) for the Fund, as well as for a group of funds (the Performance Universe) selected by Lipper, Inc. (Lipper), an independent provider of investment company data. The Board was provided with a description of the methodology Lipper used to determine the similarity of the Fund with the funds included in the Performance Universe. The Performance Universe consisted of the Fund and all BBB-rated non-leveraged corporate debt closed-end funds, as classified by Lipper, regardless of asset size. The Board noted that it had received and discussed with the Manager and Western Asset information throughout the year at periodic intervals comparing the Fund's performance against its benchmarks and its peer funds as selected by Lipper.

The Lipper Performance Information comparing the Fund's performance to that of the Performance Universe based on net asset value per share showed, among other things, that the Fund's performance for the 1-year period ended June 30, 2010 was ranked eighth among the thirteen funds in the Performance Universe for that period and was worse than the Performance Universe median. The Board considered the limited performance record of the Fund, which commenced operations in mid-2009. The Board also considered the Fund's performance in relation to its benchmarks and in absolute terms.

Based on its review, which included consideration of all of the factors noted above, the Board concluded that, under the circumstances, the Fund's performance supported continuation of the Management Agreement and Sub-Advisory Agreements for an additional period not to exceed one year.

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Board approval of management and subadvisory agreements (unaudited) (cont d)

Management fees and expense ratios

The Board reviewed and considered the management fee (the Management Fee) payable by the Fund to the Manager under the Management Agreement and the sub-advisory fees (the Sub-Advisory Fees) payable to the Sub-Advisers under the Sub-Advisory Agreements in light of the nature, extent and quality of the management and sub-advisory services provided by the Manager and the Sub-Advisers. The Board noted that the Sub-Advisory Fees payable to Western Asset under the Western Asset Sub-Advisory Agreement are paid by the Manager, not the Fund, and accordingly, that the retention of Western Asset does not increase the fees or expenses otherwise incurred by the Fund's shareholders. Similarly, the Board noted that the Sub-Advisory Fees payable to each of the Non-U.S. Sub-Advisers under its Sub-Advisory Agreement with Western Asset are paid by Western Asset, not the Fund, and, accordingly, that the retention of such Non-U.S. Sub-Advisers does not increase the fees or expenses otherwise incurred by the Fund's shareholders.

Additionally, the Board received and considered information and analyses prepared by Lipper (the Lipper Expense Information) comparing the Management Fee and the Fund's overall expenses with those of funds in an expense group (the Expense Group) selected and provided by Lipper. The comparison was based upon the constituent funds' latest fiscal years. The Expense Group consisted of the Fund and seven other BBB-rated non-leveraged corporate debt closed-end funds, as classified by Lipper. The Expense Group funds had net common share assets ranging from \$71.7 million to the Fund's \$217.8 million.

The Lipper Expense Information comparing the Management Fee as well as the Fund's actual total expenses to the Fund's Expense Group showed that the Management Fee on both a contractual basis and on an actual basis (i.e., giving in effect to any voluntary fee waivers implemented by the Manager with respect to the Fund and by the managers of the other Expense Group funds) was ranked eighth among the funds in the Expense Group and was worse than the Expense Group median; and the Fund's actual total expenses were ranked fifth among the funds in the Expense Group and also were worse than the Expense Group median. The Manager noted the small differential between the Fund's actual total expenses and the Expense Group median. The Board noted that the small number of funds in the Expense Group and the Fund's limited operating history made meaningful comparisons difficult.

At the Contract Renewal Meeting, the Board considered and approved a request (the Cost Allocation Request) from the Manager to allocate to the Fund certain fund accounting and financial reporting costs previously paid by the Manager on a voluntary basis in line with industry practice and the terms of the Management Agreement. In doing so, the Board reviewed supporting

information and analyses provided by the Manager, including information and analyses as to the impact of the Cost Allocation Request on Fund expenses.

The Board also reviewed Contract Renewal Information regarding fees charged by the Manager to other U.S. clients investing primarily in an asset class similar to that of the Fund, including, where applicable, separate accounts. The Board was advised that the fees paid by such other clients generally are lower, and may be significantly lower, than the Management Fee. The Contract Renewal Information discussed the significant differences in scope of services provided to the Fund and to these other clients, noting that the Fund is provided with administrative services, office facilities, Fund officers (including the Fund's chief executive, chief financial and chief compliance officers), and that the Manager coordinates and oversees the provision of services to the Fund by other fund service providers. The Contract Renewal Information included an analysis of complex-wide management fees provided by the Manager. At the Contract Renewal Meeting, the Board noted that the Contract Renewal Information included information regarding management fees paid by open-end mutual funds in the same complex (the Legg Mason Open-End Funds) and that such information indicated that the management fees paid by the Legg Mason Closed-End Funds generally were higher than those paid by the Legg Mason Open-End Funds. The Manager, in response, discussed differences between the services provided to the Fund and the other Legg Mason Closed-End Funds and services provided to the Legg Mason Open-End Funds. The Board considered the fee comparisons in light of the different services provided in managing these other types of clients and funds.

Taking all of the above into consideration, the Board determined that the Management Fee and the Sub-Advisory Fees were reasonable in light of the nature, extent and overall quality of the investment advisory and other services provided to the Fund under the Management Agreement and the Sub-Advisory Agreements.

Manager profitability

The Board, as part of the Contract Renewal Information, received an analysis of the profitability to the Manager and its affiliates in providing services to the Fund for the Manager's fiscal years ended March 31, 2010 and March 31, 2009. The Board also received profitability information with respect to the Legg Mason fund complex as a whole. In addition, the Board received Contract Renewal Information with respect to the Manager's revenue and cost allocation methodologies used in preparing such profitability data. In 2007, the Board received a report from an outside consultant that had reviewed the Manager's methodologies and the Board was assured by the Manager at the Contract Renewal Meeting that there had been no significant changes in those methodologies since the report was rendered. The profitability to each of the Sub-Advisers was not considered to be a material factor in the Board's considerations since Western Asset's Sub-Advisory Fees

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Board approval of management and subadvisory agreements (unaudited) (cont d)

are paid by the Manager and the Sub-Advisory Fees for the Non-U.S. Sub-Advisers, in each case, are paid by Western Asset. The profitability analysis presented to the Board as part of the Contract Renewal Information indicated that the Fund in its limited period of operations had not been profitable to the Manager over the period covered by the analysis. The Manager presented information to the Board showing that the Cost Allocation Request would increase profitability slightly.

Economies of scale

The Board received and discussed Contract Renewal Information concerning whether the Manager realizes economies of scale if the Fund's assets grow. The Board noted that because the Fund is a closed-end fund with no current plans to seek additional assets beyond maintaining its dividend reinvestment plan, any significant growth in its assets generally will occur through appreciation in the value of the Fund's investment portfolio, rather than sales of additional shares in the Fund. The Board determined that the Management Fee structure was appropriate under present circumstances.

Other

The Board considered other benefits received by the Manager, the Sub-Advisers and their affiliates as a result of their relationship with the Fund and did not regard such benefits as excessive.

* * *

In light of all of the foregoing and other relevant factors, the Board determined that, under the circumstances, continuation of the Management Agreement and Sub-Advisory Agreements would be in the interests of the Fund and its shareholders and unanimously voted to continue each Agreement for a period of one additional year.

No single factor reviewed by the Board was identified by the Board as the principal factor in determining whether to approve continuation of the Management Agreement and Sub-Advisory Agreements, and each Board member attributed different weights to the various factors. The Independent Directors were advised by separate independent legal counsel throughout the process. Prior to the Contract Renewal Meeting, the Board received a memorandum prepared by the Manager discussing its responsibilities in connection with the proposed continuation of the Management Agreement and Sub-Advisory Agreements as part of the Contract Renewal Information and the Independent Directors separately received a memorandum discussing such responsibilities from their independent counsel. Prior to voting, the Independent Directors also discussed the proposed continuation of the Management Agreement and the Sub-Advisory Agreements in private sessions with their independent legal counsel at which no representatives of the Manager were present.

Additional information (unaudited)**Information about Directors and Officers**

The business and affairs of Western Asset Investment Grade Defined Opportunity Trust Inc. (the Fund) are conducted by management under the supervision and subject to the direction of its Board of Directors. The business address of each Director is c/o R. Jay Gerken, 620 Eighth Avenue, New York, New York 10018. Information pertaining to the Directors and officers of the Fund is set forth below.

Independent Directors :**Carol L. Colman**

| | |
|--|---|
| Year of birth | 1946 |
| Position(s) held with Fund ¹ | Director and Member of the Nominating and Audit Committees, Class I |
| Term of office ¹ and length of time served | Since 2009 |
| Principal occupation(s) during past five years | President, Colman Consulting Company (consulting) |
| Number of portfolios in fund complex overseen by Director (including the Fund) | 24 |
| Other board memberships held by Director | None |

Daniel P. Cronin

| | |
|--|---|
| Year of birth | 1946 |
| Position(s) held with Fund ¹ | Director and Member of the Nominating and Audit Committees, Class I |
| Term of office ¹ and length of time served | Since 2009 |
| Principal occupation(s) during past five years | Retired; formerly, Associate General Counsel, Pfizer Inc. (prior to and including 2004) |
| Number of portfolios in fund complex overseen by Director (including the Fund) | 24 |
| Other board memberships held by Director | None |

Paolo M. Cucchi

| | |
|--|--|
| Year of birth | 1941 |
| Position(s) held with Fund ¹ | Director and Member of the Nominating and Audit Committees, Class I |
| Term of office ¹ and length of time served | Since 2009 |
| Principal occupation(s) during past five years | Professor of French and Italian at Drew University; formerly, Vice President and Dean of College of Liberal Arts at Drew University (1984 to 2009) |
| Number of portfolios in fund complex overseen by Director (including the Fund) | 24 |
| Other board memberships held by Director | None |

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Additional information (unaudited) (continued)

Information about Directors and Officers

Independent Directors continued

Leslie H. Gelb

| | |
|--|---|
| Year of birth | 1937 |
| Position(s) held with Fund ¹ | Director and Member of the Nominating and Audit Committees, Class II |
| Term of office ¹ and length of time served | Since 2009 |
| Principal occupation(s) during past five years | President Emeritus and Senior Board Fellow (since 2003), The Council on Foreign Relations; formerly, President, (prior to 2003), the Council on Foreign Relations; formerly, Columnist, Deputy Editorial Page Editor and Editor, Op-Ed Page, The New York Times |
| Number of portfolios in fund complex overseen by Director (including the Fund) | 24 |
| Other board memberships held by Director | Director of two registered investment companies advised by Blackstone Asia Advisors LLC: India Fund, Inc. and Asia Tigers Fund, Inc. (since 1994) |

William R. Hutchinson

| | |
|--|---|
| Year of birth | 1942 |
| Position(s) held with Fund ¹ | Director and Member of the Nominating and Audit Committees, Class II |
| Term of office ¹ and length of time served | Since 2009 |
| Principal occupation(s) during past five years | President, W.R. Hutchinson & Associates Inc. (Consulting) (since 2001) |
| Number of portfolios in fund complex overseen by Director (including the Fund) | 24 |
| Other board memberships held by Director | Director (Non-Executive Chairman of the Board (since December 1, 2009)), Associated Banc Corp. (banking) (since 1994) |

Riordan Roett

| | |
|--|---|
| Year of birth | 1938 |
| Position(s) held with Fund ¹ | Director and Member of the Nominating and Audit Committees, Class III |
| Term of office ¹ and length of time served | Since 2009 |
| Principal occupation(s) during past five years | The Sarita and Don Johnston Professor of Political Science and Director of Western Hemisphere Studies, Paul H. Nitze School of Advanced International Studies, The John Hopkins University (since 1973) |
| Number of portfolios in fund complex overseen by Director (including the Fund) | 24 |
| Other board memberships held by Director | None |

Independent Directors cont d

Jeswald W. Salacuse

| | |
|--|---|
| Year of birth | 1938 |
| Position(s) held with Fund ¹ | Director and Member of the Nominating and Audit Committees, Class III |
| Term of office ¹ and length of time served | Since 2009 |
| Principal occupation(s) during past five years | Henry J. Braker Professor of Commercial Law, The Fletcher School of Law and Diplomacy, Tufts University (since 1986); President and Member, Arbitration Tribunal, World Bank/ICSID (since 2004) |
| Number of portfolios in fund complex overseen by Director (including the Fund) | 24 |
| Other board memberships held by Director | Director of two registered investment companies advised by Blackstone Asia Advisors LLC; India Fund, Inc. and Asia Tigers Fund, Inc. (since 1993) |

Interested Director and Officer:

R. Jay Gerken, CFA²

| | |
|--|--|
| Year of birth | 1951 |
| Position(s) held with Fund ¹ | Director, Chairman, President and Chief Executive Officer, Class II |
| Term of office ¹ and length of time served | Since 2009 |
| Principal occupation(s) during past five years | Managing Director of Legg Mason & Co., LLC (Legg Mason & Co.) (since 2005); Officer and Trustee/Director of 149 funds associated with Legg Mason Partners Fund Advisor, LLC (LMPFA) or its affiliates (since 2006) and Legg Mason & Co. predecessors (prior to 2006); President and Chief Executive Officer (CEO) of LMPFA (since 2006); President and CEO of Smith Barney Fund Management LLC (SBFM) and Citi Fund Management Inc. (CFM) (formerly registered investment advisers) (since 2002); formerly, Chairman, President and CEO, Travelers Investment Adviser Inc. (prior to 2005) |
| Number of portfolios in fund complex overseen by Director (including the Fund) | 136 |
| Other board memberships held by Director | Former Trustee, Consulting Group Capital Markets Funds (11 funds) (prior to 2006) |

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Additional information (unaudited) (continued)

Information about Directors and Officers

Additional Officers:

Ted P. Becker

Legg Mason

620 Eighth Avenue, New York, NY 10018

Year of birth

Position(s) held with Fund1

Term of office1 and length of time served

Principal occupation(s) during past five years

1951

Chief Compliance Officer

Since 2009

Director of Global Compliance at Legg Mason (since 2006); Chief Compliance Officer of LMPFA (since 2006); Managing Director of Compliance of Legg Mason & Co. (since 2005); Chief Compliance Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006) and Legg Mason & Co. predecessors (prior to 2006)

John Chiota

Legg Mason

100 First Stamford Place, Stamford, CT 06902

Year of birth

Position(s) with Fund1

Term of office1 and length of time served

Principal occupation(s) during past five years

1968

Identity Theft Prevention Officer

Since 2009

Identity Theft Prevention Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2008); Chief Anti-Money Laundering Compliance Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006); Vice President of Legg Mason & Co. (since 2006) and Legg Mason & Co. predecessors (prior to 2006); formerly, Chief Anti-Money Laundering Compliance Officer of TD Waterhouse (prior to 2004)

Robert I. Frenkel

Legg Mason

100 First Stamford Place, Stamford, CT 06902

Year of birth

Position(s) held with Fund1

Term of office1 and length of time served

Principal occupation(s) during past five years

1954

Secretary and Chief Legal Officer

Since 2009

Vice President and Deputy General Counsel of Legg Mason (since 2006); Managing Director and General Counsel of Global Mutual Funds for Legg Mason & Co. (since 2006) and Legg Mason & Co. predecessors (since 1994); Secretary and Chief Legal Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006) and Legg Mason & Co. predecessors (prior to 2006)

Additional Officers cont d

Thomas C. Mandia

Legg Mason

100 First Stamford Place, Stamford, CT 06902

Year of birth

Position(s) held with Fund1

Term of office1 and length of time served

Principal occupation(s) during past five years

1962

Assistant Secretary

Since 2009

Managing Director and Deputy General Counsel of Legg Mason & Co. (since 2005) and Legg Mason & Co. predecessors (prior to 2005); Secretary of LMPFA (since 2006); Assistant Secretary of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006) and Legg Mason & Co. predecessors (prior to 2006); Secretary of SBFM and CFM (since 2002)

Kaprel Ozsolak

Legg Mason

55 Water Street, New York, NY 10041

Year of birth

Position(s) held with Fund1

Term of office1 and length of time served

Principal occupation(s) during past five years

1965

Chief Financial Officer

Since 2009

Director of Legg Mason & Co. (since 2005); Chief Financial Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2007) and Legg Mason & Co. predecessors (prior to 2007); formerly, Treasurer of certain mutual funds associated with Legg Mason & Co. or its affiliates (prior to 2010) and Legg Mason & Co. predecessors (prior to 2005); formerly, Controller of certain mutual funds associated with Legg Mason & Co. predecessors (prior to 2004)

Steven Frank

Legg Mason

55 Water Street, New York, NY 10041

Year of birth

Position(s) held with Fund1

Term of office1 and length of time served

Principal occupation(s) during past five years

1967

Treasurer

Since 2010

Vice President of Legg Mason & Co. and Legg Mason & Co. predecessors (since 2002); Treasurer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2010); formerly, Controller of certain mutual funds associated with Legg Mason & Co. or its affiliates (prior to 2010); formerly, Assistant Controller of certain mutual funds associated with Legg Mason & Co. predecessors (prior to 2005)

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Additional information (unaudited) (continued)

Information about Directors and Officers

Additional Officers continued

Jeanne M. Kelly

Legg Mason

620 Eighth Avenue, New York, NY 10018

Year of birth

1951

Position(s) with Fund¹

Senior Vice President

Term of office¹ and length of time served

Since 2009

Principal occupation(s) during past five years

Senior Vice President of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2007); Senior Vice President of LMPFA (since 2006); Managing Director of Legg Mason & Co. (since 2005) and Legg Mason & Co. predecessors (prior to 2005)

Directors who are not interested persons of the Fund within the meaning of Section 2(a)(19) of the 1940 Act.

- 1 The Fund's Board of Directors is divided into three classes: Class I, Class II and Class III. The terms of office of the Class I, II and III Directors expire at the Annual Meetings of Stockholders in the year 2013, year 2011 and year 2012, respectively, or thereafter in each case when their respective successors are duly elected and qualified. The Fund's executive officers are chosen each year at the first meeting of the Fund's Board of Directors following the Annual Meeting of Stockholders, to hold office until the meeting of the Board following the next Annual Meeting of Stockholders and until their successors are duly elected and qualified.
- 2 Mr. Gerken is an interested person of the Fund as defined in the 1940 Act because Mr. Gerken is an officer of LMPFA and certain of its affiliates.

Annual chief executive officer and chief financial officer certifications (unaudited)

The Fund's Chief Executive Officer (CEO) has submitted to the NYSE the required annual certification and the Fund also has included the certifications of the Fund's CEO and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act in the Fund's Form N-CSR filed with the SEC for the period of this report.

Dividend reinvestment plan (unaudited)

Unless you elect to receive distributions in cash (i.e., opt-out), all dividends, including any capital gain dividends, on your Common Stock will be automatically reinvested by American Stock Transfer & Trust Company LLC, as agent for the stockholders (the Plan Agent), in additional shares of Common Stock under the Fund's Dividend Reinvestment Plan (the Plan). You may elect not to participate in the Plan by contacting the Plan Agent. If you do not participate, you will receive all cash distributions paid by check mailed directly to you by American Stock Transfer & Trust Company LLC, as dividend paying agent.

If you participate in the Plan, the number of shares of Common Stock you will receive will be determined as follows:

(1) If the market price of the Common Stock on the record date (or, if the record date is not a NYSE trading day, the immediately preceding trading day) for determining stockholders eligible to receive the relevant dividend or distribution (the determination date) is equal to or exceeds 98% of the net asset value per share of the Common Stock, the Fund will issue new Common Stock at a price equal to the greater of (a) 98% of the net asset value per share at the close of trading on the NYSE on the determination date or (b) 95% of the market price per share of the Common Stock on the determination date.

(2) If 98% of the net asset value per share of the Common Stock exceeds the market price of the Common Stock on the determination date, the Plan Agent will receive the dividend or distribution in cash and will buy Common Stock in the open market, on the NYSE or elsewhere, for your account as soon as practicable commencing on the trading day following the determination date and terminating no later than the earlier of (a) 30 days after the dividend or distribution payment date, or (b) the record date for the next succeeding dividend or distribution to be made to the stockholders; except when necessary to comply with applicable provisions of the federal securities laws. If during this period: (i) the market price rises so that it equals or exceeds 98% of the net asset value per share of the Common Stock at the close of trading on the NYSE on the determination date before the Plan Agent has completed the open market purchases or (ii) if the Plan Agent is unable to invest the full amount eligible to be reinvested in open market purchases, the Plan Agent will cease purchasing Common Stock in the open market and the Fund shall issue the remaining Common Stock at a price per share equal to the greater of (a) 98% of the net asset value per share at the close of trading on the Exchange on the determination date or (b) 95% of the then current market price per share.

Common Stock in your account will be held by the Plan Agent in non-certificated form. Any proxy you receive will include all shares of Common Stock you have received under the Plan.

You may withdraw from the Plan (i.e., opt-out) by notifying the Plan Agent in writing at 59 Maiden Lane, New York, New York 10038 or by calling the Plan Agent at 1-888-888-0151. Such withdrawal will be effective immediately if notice is received by the Plan Agent not less than ten business days prior to any dividend or distribution record date; otherwise such withdrawal will be effective as soon as practicable after the Plan Agent's investment of the most recently declared dividend or distribution on the Common Stock. The Plan may be terminated by the Fund upon notice in writing mailed to stockholders at least 30 days prior to the record date for the payment of any dividend or distribution by the Fund for which the termination is to be effective. Upon any termination, you will be sent a certificate or certificates for the full number of shares of Common Stock held for you under the Plan and cash for any fractional share of Common Stock. You may elect to notify the Plan Agent in advance of such termination to have the Plan Agent sell part or all of your Common Stock on your behalf. You will be charged a service charge and the Plan Agent is authorized to deduct brokerage charges actually incurred for this transaction from the proceeds.

There is no service charge for reinvestment of your dividends or distributions in Common Stock. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases. Because all dividends and distributions will be automatically reinvested in additional shares of Common Stock, this allows you to add to your investment through dollar cost averaging, which may lower the average cost of your Common Stock over time. Dollar cost averaging is a technique for lowering the average cost per share over time if the Fund's net asset value declines. While dollar cost averaging has definite advantages, it cannot assure profit or protect against loss in declining markets.

Automatically reinvesting dividends and distributions does not mean that you do not have to pay income taxes due upon receiving dividends and distributions. Investors will be subject to income tax on amounts reinvested under the Plan.

The Fund reserves the right to amend or terminate the Plan if, in the judgment of the Board of Directors, the change is warranted. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. Additional information about the Plan and your account may be obtained from the Plan Agent at 1-888-888-0151.

Western Asset

Investment Grade Defined Opportunity Trust Inc.

Directors

Carol L. Colman
Daniel P. Cronin
Paolo M. Cucchi
Leslie H. Gelb
R. Jay Gerken, CFA
Chairman
William R. Hutchinson
Riordan Roett
Jeswald W. Salacuse

Officers

R. Jay Gerken, CFA
President and Chief Executive Officer
Kapel Oszolak
Chief Financial Officer
Ted P. Becker
Chief Compliance Officer
John Chiota
Identity Theft Protection Officer
Robert I. Frenkel
Secretary and Chief Legal Officer
Thomas C. Mandia
Assistant Secretary
Steven Frank
Treasurer
Jeanne M. Kelly
Senior Vice President

Western Asset Investment Grade Defined Opportunity Trust Inc.

55 Water Street
New York, NY 10041

Investment manager

Legg Mason Partners Fund Advisor, LLC

Subadvisers

Western Asset Management Company
Western Asset Management Company Limited
Western Asset Management Company Ltd
Western Asset Management Company Pte. Ltd.

Custodian

State Street Bank and Trust Company
1 Lincoln Street
Boston, MA 02111

Transfer agent

American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038

Independent registered public accounting firm

KPMG LLP
345 Park Avenue
New York, NY 10154

Legal counsel

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017

New York Stock Exchange Symbol

IGI

Privacy policy

We are committed to keeping nonpublic personal information about you secure and confidential. This notice is intended to help you understand how we fulfill this commitment. From time to time, we may collect a variety of personal information about you, including:

- Information we receive from you on applications and forms, via the telephone, and through our websites;
- Information about your transactions with us, our affiliates, or others (such as your purchases, sales, or account balances); and
- Information we receive from consumer reporting agencies.

We do not disclose nonpublic personal information about our customers or former customers, except to our affiliates (such as broker-dealers or investment advisers within the Legg Mason family of companies) or as is otherwise permitted by applicable law or regulation. For example, we may share this information with others in order to process your transactions or service an account. We may also provide this information to companies that perform marketing services on our behalf, such as printing and mailing, or to other financial institutions with whom we have joint marketing agreements. When we enter into such agreements, we will require these companies to protect the confidentiality of this information and to use it only to perform the services for which we hired them.

With respect to our internal security procedures, we maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information, and we restrict access to this information.

If you decide at some point either to close your account(s) or become an inactive customer, we will continue to adhere to our privacy policies and practices with respect to your nonpublic personal information.

NOT PART OF THE ANNUAL REPORT

Western Asset Investment Grade Defined Opportunity Trust Inc.

Western Asset Investment Grade Defined Opportunity Trust Inc.
55 Water Street
New York, NY 10041

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Fund may purchase at market price shares of its common stock in the open market.

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at www.sec.gov. The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. To obtain information on Form N-Q from the Fund, shareholders can call 1-888-777-0102.

Information on how the Fund voted proxies relating to portfolio securities during the prior 12-month period ended June 30th of each year and a description of the policies and procedures that the Fund uses to determine how to vote proxies related to portfolio transactions are available (1) without charge, upon request, by calling 1-888-777-0102, (2) on the Fund's website at www.leggmason.com/cef and (3) on the SEC's website at www.sec.gov.

This report is transmitted to the shareholders of Western Asset Investment Grade Defined Opportunity Trust Inc. for their information. This is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.

American Stock
Transfer & Trust Company
59 Maiden Lane
New York, NY 10038

WASX012164 1/11 SR10-1277

ITEM 2. CODE OF ETHICS.

The registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The Board of Directors of the registrant has determined that William R. Hutchinson, the Chairman of the Board's Audit Committee, possesses the technical attributes identified in Instruction 2(b) of Item 3 to Form N-CSR to qualify as an audit committee financial expert, and has designated Mr. Hutchinson as the Audit Committee's financial expert. Mr. Hutchinson is an independent Director pursuant to paragraph (a)(2) of Item 3 to Form N-CSR.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

a) Audit Fees. The aggregate fees billed in the last fiscal year ending November 30, 2009 and November 30, 2010 (the Reporting Periods) for professional services rendered by the Registrant's principal accountant (the Auditor) for the audit of the Registrant's annual financial statements, or services that are normally provided by the Auditor in connection with the statutory and regulatory filings or engagements for the Reporting Period, were \$0 in 2009 and \$48,500 in 2010.

b) Audit-Related Fees. There were no fees billed in the Reporting Periods for assurance and related services by the Auditor that are reasonably related to the performance of the audit of the Registrant's financial statements and are not reported under paragraph (a) of the Item 4 for Western Asset Investment Grade Defined Opportunity Trust Inc.

In addition, there were no Audit-Related Fees billed in the Reporting Period for assurance and related services by the Auditor to the Registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by or under common control with the investment adviser that provides ongoing services to the Western Asset Investment Grade Defined Opportunity Trust Inc. (service affiliates), that were reasonably related to the performance of the annual audit of the service affiliates. Accordingly, there were no such fees that required pre-approval by the Audit Committee for the Reporting Periods.

(c) Tax Fees. The aggregate fees billed in the Reporting Period for professional services rendered by the Auditor for tax compliance, tax advice and tax planning (Tax Services) were \$5,500 in 2009 and \$3,100 in 2010. These services consisted of (i) review or preparation of U.S. federal, state, local and excise tax returns; (ii) U.S. federal, state and local tax planning, advice and assistance regarding statutory, regulatory or administrative developments, and (iii) tax advice regarding tax qualification matters and/or treatment of various financial instruments held or proposed to be acquired or held.

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There were no fees billed for tax services by the Auditors to service affiliates during the Reporting Period that required pre-approval by the Audit Committee.

d) All Other Fees. There were no other fees billed in the Reporting Periods for products and services provided by the Auditor, other than the services reported in paragraphs (a) through (c) of this Item 4 for the Western Asset Investment Defined Opportunity Trust Inc.

All Other Fees. There were no other non-audit services rendered by the Auditor to Legg Mason Partners Fund Advisors, LLC (LMPFA), and any entity controlling, controlled by or under common control with LMPFA that provided ongoing services to Western Asset Investment Defined Opportunity Trust Inc. requiring pre-approval by the Audit Committee in the Reporting Period.

(e) Audit Committee's pre-approval policies and procedures described in paragraph (c) (7) of Rule 2-01 of Regulation S-X.

(1) The Charter for the Audit Committee (the "Committee") of the Board of each registered investment company (the "Fund") advised by LMPFA or one of their affiliates (each, an "Adviser") requires that the Committee shall approve (a) all audit and permissible non-audit services to be provided to the Fund and (b) all permissible non-audit services to be provided by the Fund's independent auditors to the Adviser and any Covered Service Providers if the engagement relates directly to the operations and financial reporting of the Fund. The Committee may implement policies and procedures by which such services are approved other than by the full Committee.

The Committee shall not approve non-audit services that the Committee believes may impair the independence of the auditors. As of the date of the approval of this Audit Committee Charter, permissible non-audit services include any professional services (including tax services), that are not prohibited services as described below, provided to the Fund by the independent auditors, other than those provided to the Fund in connection with an audit or a review of the financial statements of the Fund. Permissible non-audit services may not include: (i) bookkeeping or other services related to the accounting records or financial statements of the Fund; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, fairness opinions or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management functions or human resources; (vii) broker or dealer, investment adviser or investment banking services; (viii) legal services and expert services unrelated to the audit; and (ix) any other service the Public Company Accounting Oversight Board determines, by regulation, is impermissible.

Pre-approval by the Committee of any permissible non-audit services is not required so long as: (i) the aggregate amount of all such permissible non-audit services provided to the Fund, the Adviser and any service providers controlling, controlled by or under common control with the Adviser that provide ongoing services to the Fund ("Covered Service Providers") constitutes not more than 5% of the total amount of revenues paid to the independent auditors during the fiscal year in which the permissible non-audit services are provided to (a) the Fund, (b) the Adviser and (c) any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund during the fiscal year in which the services are provided that would have to be approved by the Committee; (ii) the permissible non-audit services were not recognized by the Fund at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Committee and approved by the Committee (or its delegate(s)) prior to the completion of the audit.

(2) For the Western Asset Investment Grade Defined Opportunity Trust Inc., the percentage of fees that were approved by the audit committee, with respect to: Audit-Related Fees was 100% 2009 and 100% for 2010; Tax Fees was 100% for 2009 and 100% for 2010; and Other Fees were 100% for 2009 and 100% for 2010.

(f) N/A

(g) Non-audit fees billed by the Auditor for services rendered to Western Asset Investment Grade Defined Opportunity Trust Inc., LMPFA and any entity controlling, controlled by, or under common control with LMPFA that provides ongoing services to Western Asset Investment Grade Defined Opportunity Trust Inc. during the reporting period were \$0 in 2009 and \$0 in 2010.

(h) Yes. Western Asset Investment Grade Defined Opportunity Trust Inc.'s Audit Committee has considered whether the provision of non-audit services that were rendered to Service Affiliates, which were not pre-approved (not requiring pre-approval), is compatible with maintaining the Accountant's independence. All services provided by the Auditor to the Western Asset Investment Grade Defined Opportunity Trust Inc. or to Service Affiliates, which were required to be pre-approved, were pre-approved as required.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

a) Registrant has a separately-designated standing Audit Committee established in accordance with *Section 3(a)58(A) of the Exchange Act*. The Audit Committee consists of the following Board members:

William R. Hutchinson

Paolo M. Cucchi

Daniel P. Cronin

Carol L. Colman

Leslie H. Gelb

Dr. Riordan Roett

Jeswald W. Salacuse

b) Not applicable

ITEM 6. SCHEDULE OF INVESTMENTS.

Included herein under Item 1.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Proxy Voting Guidelines and Procedures

Legg Mason Partners Fund Advisor, LLC (LMPFA) delegates the responsibility for voting proxies for the fund to the subadviser through its contracts with the subadviser. The subadviser will use its own proxy voting policies and procedures to vote proxies. Accordingly, LMPFA does not expect to have proxy-voting responsibility for the fund. Should LMPFA become responsible for voting proxies for any reason, such as the inability of the subadviser to provide investment advisory services, LMPFA shall utilize the proxy voting guidelines established by the most recent subadviser to vote proxies until a new subadviser is retained.

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The subadviser's Proxy Voting Policies and Procedures govern in determining how proxies relating to the fund's portfolio securities are voted and are provided below. Information regarding how each fund voted proxies (if any) relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge (1) by calling 888-777-0102, (2) on the fund's website at <http://www.leggmason.com/individualinvestors> and (3) on the SEC's website at <http://www.sec.gov>.

Background

Western Asset Management Company (WA), Western Asset Management Company Limited (WAML), Western Asset Management Company Ltd. (WAMCL) and Western Asset Management Company Pte. Ltd. (WAMC) (together Western Asset) have adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties and SEC Rule 206(4)-6 under the Investment Advisers Act of 1940 (Advisers Act). Our authority to vote the proxies of our clients is established through investment management agreements or comparable documents, and our proxy voting guidelines have been tailored to reflect these specific contractual obligations. In addition to SEC requirements governing advisers, our proxy voting policies reflect the long-standing fiduciary standards and responsibilities for ERISA accounts. Unless a manager of ERISA assets has been expressly precluded from voting proxies, the Department of Labor has determined that the responsibility for these votes lies with the Investment Manager.

In exercising its voting authority, Western Asset will not consult or enter into agreements with officers, directors or employees of Legg Mason Inc. or any of its affiliates (except that WA, WAML, WAMCL and WAMC may so consult and agree with each other) regarding the voting of any securities owned by its clients.

Policy

Western Asset's proxy voting procedures are designed and implemented in a way that is reasonably expected to ensure that proxy matters are handled in the best interest of our clients. While the guidelines included in the procedures are intended to provide a benchmark for voting standards, each vote is ultimately cast on a case-by-case basis, taking into consideration Western Asset's contractual obligations to our clients and all other relevant facts and circumstances at the time of the vote (such that these guidelines may be overridden to the extent Western Asset deems appropriate).

Procedures

Responsibility and Oversight

The Western Asset Compliance Department (Compliance Department) is responsible for administering and overseeing the proxy voting process. The gathering of proxies is coordinated through the Corporate Actions area of Investment Support (Corporate Actions). Research analysts and portfolio managers are responsible for determining appropriate voting positions on each proxy utilizing any applicable guidelines contained in these procedures.

Client Authority

Prior to August 1, 2003, all existing client investment management agreements (IMAs) will be reviewed to determine whether Western Asset has authority to vote client proxies. At account start-up, or upon amendment of an IMA, the applicable client IMA are similarly reviewed. If an agreement is silent on proxy voting, but contains an overall delegation of discretionary authority or if the account represents assets of an ERISA plan, Western Asset will assume responsibility for proxy voting. The Client Account Transition Team maintains a matrix of proxy voting authority.

Proxy Gathering

Registered owners of record, client custodians, client banks and trustees (Proxy Recipients) that receive proxy materials on behalf of clients should forward them to Corporate Actions. Prior to August 1, 2003, Proxy Recipients of existing clients will be reminded of the appropriate routing to Corporate Actions for proxy materials received and reminded of their responsibility to forward all proxy materials on a timely basis. Proxy Recipients for new clients (or, if Western Asset becomes aware that the applicable Proxy Recipient for an existing client has changed, the Proxy Recipient for the existing client) are notified at start-up of appropriate routing to Corporate Actions of proxy materials received and reminded of their responsibility to forward all proxy materials on a timely basis. If Western Asset personnel other than Corporate Actions

receive proxy materials, they should promptly forward the materials to Corporate Actions.

Proxy Voting

Once proxy materials are received by Corporate Actions, they are forwarded to the Compliance Department for coordination and the following actions:

- a. Proxies are reviewed to determine accounts impacted.
-

b. Impacted accounts are checked to confirm Western Asset voting authority.

c. Compliance Department staff reviews proxy issues to determine any material conflicts of interest. (See conflicts of interest section of these procedures for further information on determining material conflicts of interest.)

d. If a material conflict of interest exists, (i) to the extent reasonably practicable and permitted by applicable law, the client is promptly notified, the conflict is disclosed and Western Asset obtains the client's proxy voting instructions, and (ii) to the extent that it is not reasonably practicable or permitted by applicable law to notify the client and obtain such instructions (e.g., the client is a mutual fund or other commingled vehicle or is an ERISA plan client), Western Asset seeks voting instructions from an independent third party.

e. Compliance Department staff provides proxy material to the appropriate research analyst or portfolio manager to obtain their recommended vote. Research analysts and portfolio managers determine votes on a case-by-case basis taking into account the voting guidelines contained in these procedures. For avoidance of doubt, depending on the best interest of each individual client, Western Asset may vote the same proxy differently for different clients. The analyst's or portfolio manager's basis for their decision is documented and maintained by the Compliance Department.

f. Compliance Department staff votes the proxy pursuant to the instructions received in (d) or (e) and returns the voted proxy as indicated in the proxy materials.

Timing

Western Asset personnel act in such a manner to ensure that, absent special circumstances, the proxy gathering and proxy voting steps noted above can be completed before the applicable deadline for returning proxy votes.

Recordkeeping

Western Asset maintains records of proxies voted pursuant to Section 204-2 of the Advisers Act and ERISA DOL Bulletin 94-2. These records include:

a. A copy of Western Asset's policies and procedures.

b. Copies of proxy statements received regarding client securities.

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- c. A copy of any document created by Western Asset that was material to making a decision how to vote proxies.

 - d. Each written client request for proxy voting records and Western Asset's written response to both verbal and written client requests.

 - e. A proxy log including:
 - 1. Issuer name;
 - 2. Exchange ticker symbol of the issuer's shares to be voted;
 - 3. Council on Uniform Securities Identification Procedures (CUSIP) number for the shares to be voted;
 - 4. A brief identification of the matter voted on;
-

5. Whether the matter was proposed by the issuer or by a shareholder of the issuer;
6. Whether a vote was cast on the matter;
7. A record of how the vote was cast; and
8. Whether the vote was cast for or against the recommendation of the issuer's management team.

Records are maintained in an easily accessible place for five years, the first two in Western Asset's offices.

Disclosure

Part II of the WA Form ADV, the WAML Form ADV, WAMCL Form ADV and WAMC Form ADV, each, contain a description of Western Asset's proxy policies. Prior to August 1, 2003, Western Asset will deliver Part II of its revised Form ADV to all existing clients, along with a letter identifying the new disclosure. Clients will be provided a copy of these policies and procedures upon request. In addition, upon request, clients may receive reports on how their proxies have been voted.

Conflicts of Interest

All proxies are reviewed by the Compliance Department for material conflicts of interest. Issues to be reviewed include, but are not limited to:

1. Whether Western Asset (or, to the extent required to be considered by applicable law, its affiliates) manages assets for the company or an employee group of the company or otherwise has an interest in the company;
2. Whether Western Asset or an officer or director of Western Asset or the applicable portfolio manager or analyst responsible for recommending the proxy vote (together, "Voting Persons") is a close relative of or has a personal or business relationship with an executive, director or person who is a candidate for director of the company or is a participant in a proxy contest; and
3. Whether there is any other business or personal relationship where a Voting Person has a personal interest in the outcome of the matter before shareholders.

Voting Guidelines

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Western Asset's substantive voting decisions turn on the particular facts and circumstances of each proxy vote and are evaluated by the designated research analyst or portfolio manager. The examples outlined below are meant as guidelines to aid in the decision making process.

Guidelines are grouped according to the types of proposals generally presented to shareholders. Part I deals with proposals which have been approved and are recommended by a company's board of directors; Part II deals with proposals submitted by shareholders for inclusion in proxy statements; Part III addresses issues relating to voting shares of investment companies; and Part IV addresses unique considerations pertaining to foreign issuers.

I. Board Approved Proposals

The vast majority of matters presented to shareholders for a vote involve proposals made by a company itself that have been approved and recommended by its board of directors. In view of the enhanced corporate governance practices currently being implemented in public companies, Western Asset generally votes in support of decisions reached by independent boards of directors. More specific guidelines related to certain board-approved proposals are as follows:

1. Matters relating to the Board of Directors

Western Asset votes proxies for the election of the company's nominees for directors and for board-approved proposals on other matters relating to the board of directors with the following exceptions:

- a. Votes are withheld for the entire board of directors if the board does not have a majority of independent directors or the board does not have nominating, audit and compensation committees composed solely of independent directors.
- b. Votes are withheld for any nominee for director who is considered an independent director by the company and who has received compensation from the company other than for service as a director.
- c. Votes are withheld for any nominee for director who attends less than 75% of board and committee meetings without valid reasons for absences.
- d. Votes are cast on a case-by-case basis in contested elections of directors.

2. Matters relating to Executive Compensation

Western Asset generally favors compensation programs that relate executive compensation to a company's long-term performance. Votes are cast on a case-by-case basis on board-approved proposals relating to executive compensation, except as follows:

- a. Except where the firm is otherwise withholding votes for the entire board of directors, Western Asset votes for stock option plans that will result in a minimal annual dilution.
- b. Western Asset votes against stock option plans or proposals that permit replacing or repricing of underwater options.
- c. Western Asset votes against stock option plans that permit issuance of options with an exercise price below the stock's current market price.
- d. Except where the firm is otherwise withholding votes for the entire board of directors, Western Asset votes for employee stock purchase plans that limit the discount for shares purchased under the plan to no more than 15% of their market value, have an offering period of 27 months or less and result in dilution of 10% or less.

3. Matters relating to Capitalization

The management of a company's capital structure involves a number of important issues, including cash flows, financing needs and market conditions that are unique to the circumstances of each company. As a result, Western Asset votes on a case-by-case basis on board-approved proposals involving changes to a company's capitalization except where Western Asset is otherwise withholding votes for the entire board of directors.

a. Western Asset votes for proposals relating to the authorization of additional common stock.

b. Western Asset votes for proposals to effect stock splits (excluding reverse stock splits).

c. Western Asset votes for proposals authorizing share repurchase programs.

4. Matters relating to Acquisitions, Mergers, Reorganizations and Other Transactions

Western Asset votes these issues on a case-by-case basis on board-approved transactions.

5. Matters relating to Anti-Takeover Measures

Western Asset votes against board-approved proposals to adopt anti-takeover measures except as follows:

a. Western Asset votes on a case-by-case basis on proposals to ratify or approve shareholder rights plans.

b. Western Asset votes on a case-by-case basis on proposals to adopt fair price provisions.

6. Other Business Matters

Western Asset votes for board-approved proposals approving such routine business matters such as changing the company's name, ratifying the appointment of auditors and procedural matters relating to the shareholder meeting.

a. Western Asset votes on a case-by-case basis on proposals to amend a company's charter or bylaws.

b. Western Asset votes against authorization to transact other unidentified, substantive business at the meeting.

II. Shareholder Proposals

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SEC regulations permit shareholders to submit proposals for inclusion in a company's proxy statement. These proposals generally seek to change some aspect of a company's corporate governance structure or to change some aspect of its business operations. Western Asset votes in accordance with the recommendation of the company's board of directors on all shareholder proposals, except as follows:

1. Western Asset votes for shareholder proposals to require shareholder approval of shareholder rights plans.
2. Western Asset votes for shareholder proposals that are consistent with Western Asset's proxy voting guidelines for board-approved proposals.
3. Western Asset votes on a case-by-case basis on other shareholder proposals where the firm is otherwise withholding votes for the entire board of directors.

III. Voting Shares of Investment Companies

Western Asset may utilize shares of open or closed-end investment companies to implement its investment strategies. Shareholder votes for investment companies that fall within the categories listed in Parts I and II above are voted in accordance with those guidelines.

1. Western Asset votes on a case-by-case basis on proposals relating to changes in the investment objectives of an investment company taking into account the original intent of the fund and the role the fund plays in the clients' portfolios.

2. Western Asset votes on a case-by-case basis all proposals that would result in increases in expenses (e.g., proposals to adopt 12b-1 plans, alter investment advisory arrangements or approve fund mergers) taking into account comparable expenses for similar funds and the services to be provided.

IV. Voting Shares of Foreign Issuers

In the event Western Asset is required to vote on securities held in foreign issuers i.e. issuers that are incorporated under the laws of a foreign jurisdiction and that are not listed on a U.S. securities exchange or the NASDAQ stock market, the following guidelines are used, which are premised on the existence of a sound corporate governance and disclosure framework. These guidelines, however, may not be appropriate under some circumstances for foreign issuers and therefore apply only where applicable.

1. Western Asset votes for shareholder proposals calling for a majority of the directors to be independent of management.

2. Western Asset votes for shareholder proposals seeking to increase the independence of board nominating, audit and compensation committees.

3. Western Asset votes for shareholder proposals that implement corporate governance standards similar to those established under U.S. federal law and the listing requirements of U.S. stock exchanges, and that do not otherwise violate the laws of the jurisdiction under which the company is incorporated.

4. Western Asset votes on a case-by-case basis on proposals relating to (1) the issuance of common stock in excess of 20% of a company's outstanding common stock where shareholders do not have preemptive rights, or (2) the issuance of common stock in excess of 100% of a company's outstanding common stock where shareholders have preemptive rights.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

(a)(1):

**NAME AND
ADDRESS**

**LENGTH OF
TIME SERVED**

**PRINCIPAL OCCUPATION(S) DURING
PAST 5 YEARS**

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Stephen A. Walsh

Since 2009

Co-portfolio manager of the fund; Deputy Chief Investment Officer of Western Asset since 2000.

Western Asset
385 East Colorado Blvd.
Pasadena, CA 91101

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| | | |
|--|------------|--|
| Michael C. Buchanan Western Asset 385 East Colorado Blvd. Pasadena, CA 91101 | Since 2009 | Co-portfolio manager of the fund; Head of Credit of Western Asset since 2005; Managing Director and head of U.S. Credit Products from 2003-2005 at Credit Suisse Asset Management |
| Dipankar Shewaram Western Asset 385 East Colorado Blvd Pasadena, CA 91101 | Since 2009 | Co-portfolio manager of the fund; portfolio manager with Western Asset since 2009; Partner/Principal, Senior Portfolio Manager for Blue Bay Asset Management from 2002-2008. |
| Timothy Settel Western Asset 385 East Colorado Blvd Pasadena, CA 91101 | Since 2009 | Co-portfolio manager of the fund; portfolio manager/research analyst with Western Asset and has been employed as portfolio manager/research analyst with Western Asset for at least the past five years. |
| Ryan Brist Western Asset 385 East Colorado Blvd Pasadena, CA 91101 | Since 2009 | Co-portfolio manager of the fund; Head of U.S. Investment Grade Credit of Western Asset since 2009; Chief Investment Officer and Portfolio Manager of Logan Circle Partners 2007-2009); Co-Chief Investment Officer and Senior Portfolio Manager at Delaware Investment Advisors (2000-2007) |

(a)(2): DATA TO BE PROVIDED BY FINANCIAL CONTROL

The following tables set forth certain additional information with respect to the fund's portfolio managers for the fund. Unless noted otherwise, all information is provided as of November 30, 2010.

Other Accounts Managed by Portfolio Managers

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The table below identifies the number of accounts (other than the fund) for which the fund's portfolio managers have day-to-day management responsibilities and the total assets in such accounts, within each of the following categories: registered investment companies, other pooled investment vehicles, and other accounts. For each category, the number of accounts and total assets in the accounts where fees are based on performance is also indicated.

| Portfolio Manager(s) | Registered Investment Companies | Other Pooled Investment Vehicles | Other Accounts |
|----------------------|---|---|--|
| Stephen A. Walsh | 104 registered investment companies with \$171.6 billion in total assets under management | 216 Other pooled investment vehicles with \$109.2 billion in assets under management* | 791 Other accounts with \$178.9 billion in total assets under management** |
| Michael C. Buchanan | 50 registered investment Companies with \$29.7 billion in total assets Under management | 6 Other pooled investment vehicles with \$3.3 billion in assets under management | 11 Other accounts with \$1.7 billion in total assets under management |
| Dipankar Shewaram | 1 registered investment Companies with \$0.4 billion in total assets Under management | 7 Other pooled investment vehicles with \$0.8 million in assets under management@ | 35 Other accounts with \$10.4 billion in total assets under management@@ |
| Timothy Settel | 2 registered investment Companies with \$1.6 billion in total assets Under management | 4 Other pooled investment vehicle with \$1.2 million in assets under management@@@ | 1 Other accounts with \$0.5 billion in total assets under management |
| Ryan Brist | 11 registered investment Companies with \$3.2 billion in total assets Under management | 4 Other pooled investment vehicles with \$6.0 million in assets under management*** | 17 Other accounts with \$4.6 billion in total assets under management**** |

- * Includes 7 accounts managed, totaling \$1.1 billion, for which advisory fee is performance based.
- ** Includes 81 accounts managed, totaling \$19.5 billion, for which advisory fee is performance based.
- *** Includes 1 account managed, totaling less than \$0.1 billion, for which advisory fee is performance based.
- **** Includes 2 accounts managed, totaling \$0.2 billion, for which advisory fee is performance based.
- @ Includes 1 account managed, totaling \$0.1 billion, for which advisory fee is performance based.
- @@ Includes 14 accounts managed, totaling \$3.2 billion, for which advisory fee is performance based.
- @@@ Includes 1 account managed, totaling \$0.3 billion, for which advisory fee is performance based.

The numbers above reflect the overall number of portfolios managed by employees of Western Asset Management Company (Western Asset). Mr. Walsh is involved in the management of all the Firm s portfolios, but they are not solely responsible for particular portfolios. Western Asset s investment discipline emphasizes a team approach that combines the efforts of groups of specialists working in different market sectors. They are responsible for overseeing implementation of Western Asset s overall investment ideas and coordinating the work of the various sector teams. This structure ensures that client portfolios benefit from a consensus that draws on the expertise of all team members.

(a)(3): Portfolio Manager Compensation

With respect to the compensation of the portfolio managers, Western Asset s compensation system assigns each employee a total compensation range, which is derived from annual market surveys that benchmark each role with its job function and peer universe. This method is designed to reward employees with total compensation reflective of the external market value of their

skills, experience, and ability to produce desired results. Standard compensation includes competitive base salaries, generous employee benefits, and a retirement plan.

In addition, the subadviser's employees are eligible for bonuses. These are structured to closely align the interests of employees with those of the subadviser, and are determined by the professional's job function and pre-tax performance as measured by a formal review process. All bonuses are completely discretionary. The principal factor considered is a portfolio manager's investment performance versus appropriate peer groups and benchmarks (*e.g.*, a securities index and with respect to a fund, the benchmark set forth in the fund's Prospectus to which the fund's average annual total returns are compared or, if none, the benchmark set forth in the fund's annual report). Performance is reviewed on a 1, 3 and 5 year basis for compensation with 3 years having the most emphasis. The subadviser may also measure a portfolio manager's pre-tax investment performance against other benchmarks, as it determines appropriate. Because portfolio managers are generally responsible for multiple accounts (including the funds) with similar investment strategies, they are generally compensated on the performance of the aggregate group of similar accounts, rather than a specific account. Other factors that may be considered when making bonus decisions include client service, business development, length of service to the subadviser, management or supervisory responsibilities, contributions to developing business strategy and overall contributions to the subadviser's business.

Finally, in order to attract and retain top talent, all professionals are eligible for additional incentives in recognition of outstanding performance. These are determined based upon the factors described above and include Legg Mason stock options and long-term incentives that vest over a set period of time past the award date.

Potential Conflicts of Interest

Conflicts of Interest

The manager, subadvisers and portfolio managers have interests which conflict with the interests of the fund. There is no guarantee that the policies and procedures adopted by the manager, the subadvisers and the fund will be able to identify or mitigate these conflicts of interest.

Some examples of material conflicts of interest include:

Allocation of Limited Time and Attention. A portfolio manager who is responsible for managing multiple funds and/or accounts may devote unequal time and attention to the management of those funds and/or accounts. A portfolio manager may not be able to formulate or complete a strategy or identify equally attractive investment opportunities for each of those funds and accounts as might be the case if he or she were to devote substantially more attention to the management of a single fund. Such a portfolio manager may make general determinations across multiple funds, rather than tailoring a unique approach for each fund. The effects of this conflict may be more pronounced where funds and/or accounts overseen by a particular portfolio manager have different investment strategies.

Allocation of Limited Investment Opportunities; Aggregation of Orders. If a portfolio manager identifies a limited investment opportunity that may be suitable for multiple funds and/or accounts, the opportunity may be allocated among these several funds or accounts, which may limit the fund's ability to take full advantage of the investment opportunity. Additionally, a subadviser may aggregate transaction orders for multiple accounts for purpose of execution. Such aggregation may cause the price or brokerage costs to be less favorable to a particular client than if

similar transactions were not being executed concurrently for other accounts. In addition, a subadviser's trade allocation policies may result in the fund's orders not being fully executed or being delayed in execution.

Pursuit of Differing Strategies. At times, a portfolio manager may determine that an investment opportunity may be appropriate for only some of the funds and/or accounts for which he or she exercises investment responsibility, or may decide that certain of the funds and/or accounts should take differing positions with respect to a particular security. In these cases, the portfolio manager may place separate transactions for one or more funds or accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other funds and/or accounts. For example, a portfolio manager may determine that it would be in the interest of another account to sell a security that the fund holds long, potentially resulting in a decrease in the market value of the security held by the fund.

Cross Trades. Portfolio managers may manage funds that engage in cross trades, where one of the manager's funds or accounts sells a particular security to another fund or account managed by the same manager. Cross trades may pose conflicts of interest because of, for example, the possibility that one account sells a security to another account at a higher price than an independent third party would pay or otherwise enters into a transaction that it would not enter into with an independent party, such as the sale of a difficult-to-obtain security.

Selection of Broker/Dealers. Portfolio managers may select or influence the selection of the brokers and dealers that are used to execute securities transactions for the funds and/or accounts that they supervise. In addition to executing trades, some brokers and dealers provide subadvisers with brokerage and research services. These services may be taken into account in the selection of brokers and dealers whether a broker is being selected to effect a trade on an agency basis for a commission or (as is normally the case for the funds) whether a dealer is being selected to effect a trade on a principal basis. This may result in the payment of higher brokerage fees and/or execution at a less favorable price than might have otherwise been available. The services obtained may ultimately be more beneficial to certain of the manager's funds or accounts than to others (but not necessarily to the funds that pay the increased commission or incur the less favorable execution). A decision as to the selection of brokers and dealers could therefore yield disproportionate costs and benefits among the funds and/or accounts managed.

Variation in Financial and Other Benefits. A conflict of interest arises where the financial or other benefits available to a portfolio manager differ among the funds and/or accounts that he or she manages. If the amount or structure of the investment manager's management fee and/or a portfolio manager's compensation differs among funds and/or accounts (such as where certain funds or accounts pay higher management fees or performance-based management fees), the portfolio manager might be motivated to help certain funds and/or accounts over others. Similarly, the desire to maintain assets under management or to enhance the portfolio manager's performance record or to derive other rewards, financial or otherwise, could influence the portfolio manager in affording preferential treatment to those funds and/or accounts that could most significantly benefit the portfolio manager. A portfolio manager may, for example, have an incentive to allocate favorable or limited opportunity investments or structure the timing of investments to favor such funds and/or accounts. Also, a portfolio manager's or the manager's or a subadviser's desire to increase assets under management could influence the portfolio manager to keep a fund open for new investors without regard to potential benefits of closing the fund to new investors. Additionally, the portfolio manager might be motivated to favor funds and/or accounts in which he or she has an ownership interest or in which the investment manager and/or its affiliates have ownership interests. Conversely, if a portfolio manager does not personally hold an investment in the fund, the portfolio manager's conflicts of interest with respect to the fund may be more acute.

Related Business Opportunities. The investment manager or its affiliates may provide more services (such as distribution or recordkeeping) for some types of funds or accounts than for others. In such cases, a portfolio manager may benefit, either directly or indirectly, by devoting disproportionate attention to the management of funds and/or accounts that provide greater overall returns to the investment manager and its affiliates.

(a)(4): Portfolio Manager Securities Ownership

The table below identifies the dollar range of securities beneficially owned by each portfolio managers as of November 30, 2010.

| Portfolio Manager(s) | Dollar Range of Portfolio Securities Beneficially Owned |
|----------------------|---|
| Stephen A. Walsh | B |
| Michael C. Buchanan | A |
| Dipankar Shewaram | A |
| Timothy Settel | A |
| Ryan Brist | A |

Dollar Range ownership is as follows:

- A: none
- B: \$1 - \$10,000
- C: 10,001 - \$50,000
- D: \$50,001 - \$100,000
- E: \$100,001 - \$500,000
- F: \$500,001 - \$1 million
- G: over \$1 million

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

ITEM 11. CONTROLS AND PROCEDURES.

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(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 half-year (the registrant's second fiscal half-year in the case of an annual report) that have materially affected, or are likely to materially affect the

registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

(a) (1) Code of Ethics attached hereto.

Exhibit 99.CODE ETH

(a) (2) Certifications pursuant to section 302 of the Sarbanes-Oxley Act of 2002 attached hereto.

Exhibit 99.CERT

(b) Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 attached hereto.

Exhibit 99.906CERT

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, there unto duly authorized.

Western Asset Investment Grade Defined Opportunity Trust Inc.

By: **/s/ R. Jay Gerken**
(R. Jay Gerken)
Chief Executive Officer of
Western Asset Investment Grade Defined Opportunity Trust Inc.

Date: January 27, 2011

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/ R. Jay Gerken**
(R. Jay Gerken)
Chief Executive Officer of
Western Asset Investment Grade Defined Opportunity Trust Inc.

Date: January 27, 2011

By: **/s/ Kaprel Ozsolak**
(Kaprel Ozsolak)
Chief Financial Officer of
Western Asset Investment Grade Defined Opportunity Trust Inc.

Date: January 27, 2011
