

Western Asset Mortgage Defined Opportunity Fund Inc.
Form N-Q
November 23, 2011

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-22369

Western Asset Mortgage Defined Opportunity Fund Inc.
(Exact name of registrant as specified in charter)

620 Eighth Avenue, New York, NY
(Address of principal executive offices)

10018
(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: December 31

Date of reporting period: September 30, 2011

ITEM 1. SCHEDULE OF INVESTMENTS

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

FORM N-Q

SEPTEMBER 30, 2011

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WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited)

September 30, 2011

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Commercial Mortgage-Backed Securities				
2.6%				
Air 2 US, Notes	8.027%	10/1/19	\$ 253,104	\$ 250,573(a)
Bayview Commercial Asset Trust, 2004-3 A1	0.605%	1/25/35	824,201	646,210(a)(b)
Bayview Commercial Asset Trust, 2007-1 B1	0.888%	3/25/37	1,292,396	129,240(a)(b)
CVS Corp., Pass-Through Trust	9.350%	1/10/23	80,000	92,199(a)
Extended Stay America Trust, 2010-ESHA XB1, IO	1.368%	1/5/16	41,000,000	590,031(a)(b)
Federal Home Loan Mortgage Corp. (FHLMC), K007 X1, IO	1.411%	4/25/20	9,873,707	745,937(b)
Federal Home Loan Mortgage Corp. (FHLMC), K008 X1, IO	1.841%	6/25/20	2,478,076	251,715(b)
Federal Home Loan Mortgage Corp. (FHLMC), K009 X1, IO	1.684%	8/25/20	8,111,226	753,955(b)
GS Mortgage Securities Corp., 2010-C1 X, IO	1.706%	8/10/43	16,920,257	1,608,363(a)(b)
GS Mortgage Securities Corp., IO	2.370%	2/10/21	8,790,441	350,162(a)(b)
GS Mortgage Securities Corp., IO	1.336%	3/10/44	24,272,055	1,440,279(a)(b)
Total Commercial Mortgage-Backed Securities (Cost	\$6,523,279)			6,858,664
Residential Mortgage-Backed Securities				
61.5%				
ABFS Mortgage Loan Trust, 2002-3 M1	5.902%	9/15/33	1,498,750	1,123,001
Accredited Mortgage Loan Trust, 2003-3 A1	4.460%	1/25/34	1,959,156	1,567,822(c)
American Home Mortgage Assets, 2005-2 2A1A	3.003%	1/25/36	1,285,778	578,715(b)
American Home Mortgage Investment Trust, 2005-1 6A	2.475%	6/25/45	182,239	136,742(b)
American Home Mortgage Investment Trust, 2005-SD1 1A1	0.685%	9/25/35	570,184	281,575(a)(b)
American Home Mortgage Investment Trust, 2007-2 2A	1.018%	3/25/47	4,636,763	508,069(b)
American Home Mortgage Investment Trust, 2007-A 4A	0.685%	7/25/46	634,687	186,829(a)(b)
ARM Trust, 2005-05 1A1	2.702%	9/25/35	450,497	285,856(b)
ARM Trust, 2005-07 2A21	2.711%	10/25/35	1,040,000	691,274(b)
ARM Trust, 2005-10 1A21	2.774%	1/25/36	648,684	441,325(b)
ARM Trust, 2005-12 5A1	0.485%	3/25/36	564,388	260,904(b)
ARM Trust, 2007-1 1A1	2.975%	3/25/37	820,588	382,792(b)
Banc of America Funding Corp., 2004-B 6A1	3.023%	12/20/34	1,105,826	523,177(b)
Banc of America Funding Corp., 2004-C 3A1	3.171%	12/20/34	1,299,370	1,014,052(b)(c)
Banc of America Funding Corp., 2006-5 4A5	6.000%	9/25/36	3,600,000	3,577,291(c)
Banc of America Funding Corp., 2006-D 6A1	5.358%	5/20/36	2,703,453	1,689,370(b)(c)
Banc of America Funding Corp., 2006-F 1A1	2.730%	7/20/36	1,364,785	1,109,740(b)(c)
Banc of America Funding Corp., 2006-H 3A1	5.990%	9/20/46	352,160	279,072(b)
Banc of America Funding Corp., 2007-A 2A1	0.391%	2/20/47	600,455	416,361(b)
Banc of America Funding Corp., 2007-E CA9	5.593%	7/20/47	4,628,060	1,036,199(b)

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Banc of America Mortgage Securities Inc., 2005-E 2A7	2.867%	6/25/35	700,000	522,374(b)
Bayview Financial Acquisition Trust, 2005-B M1	0.671%	4/28/39	3,490,000	2,514,348(b)(c)
Bayview Financial Acquisition Trust, 2007-A 2A	0.571%	5/28/37	2,733,517	1,505,066(b)(c)
Bayview Financial Asset Trust, 2007-SR1A M2	1.118%	3/25/37	4,201,527	2,520,916(a)(b)
Bayview Financial Asset Trust, 2007-SR1A M3	1.385%	3/25/37	2,911,711	1,484,973(a)(b)
Bear Stearns Adjustable Rate Mortgage Trust, 2004-1 23A1	5.464%	4/25/34	477,683	452,280(b)
Bear Stearns Alt-A Trust, 2005-2 2A4	2.722%	4/25/35	293,429	215,889(b)
Bear Stearns Alt-A Trust, 2005-3 4A3	2.488%	3/25/35	613,459	431,382(b)
Bear Stearns Alt-A Trust, 2005-4 2A1	5.009%	5/25/35	782,906	641,233(b)
Bear Stearns Alt-A Trust, 2005-9 25A1	5.228%	11/25/35	731,835	497,506(b)
Bear Stearns Alt-A Trust, 2006-2 23A1	2.803%	3/25/36	2,701,325	1,386,184(b)
Bear Stearns ARM Trust, 2005-1 2A1	2.739%	3/25/35	783,520	621,248(b)
Bear Stearns ARM Trust, 2005-6 1A1	2.734%	8/25/35	240,569	166,017(b)
Bear Stearns Asset Backed Securities Trust, 2003-SD2 1A	3.904%	6/25/43	109,984	99,763(b)(c)

See Notes to Schedule of Investments.

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2011

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Residential Mortgage-Backed Securities continued				
Bear Stearns Asset Backed Securities Trust, 2005-CL1 A1	0.735%	9/25/34	\$ 257,551	\$ 190,801(b)
Chase Mortgage Finance Corp., 2005-A2 1A5	2.784%	1/25/36	3,867,719	2,786,705(b)(c)
Chase Mortgage Finance Corp., 2006-S3 2A1	5.500%	11/25/21	954,121	889,927(c)
Chevy Chase Mortgage Funding Corp., 2006-2A A1	0.348%	4/25/47	391,465	227,870(a)(b)
Citigroup Mortgage Loan Trust Inc., 2005-10 1A1A	3.010%	12/25/35	580,015	280,188(b)
Citigroup Mortgage Loan Trust Inc., 2006-AR5 2A1A	2.667%	7/25/36	1,081,195	456,416(b)
Citigroup Mortgage Loan Trust Inc., 2007-6 1A1A	2.345%	5/25/37	784,782	399,789(b)
Citigroup Mortgage Loan Trust Inc., 2007-AR8 1A1A	5.280%	8/25/47	806,113	538,491(b)
Countrywide Alternative Loan Trust, 2005-14 3A1	2.968%	5/25/35	701,733	347,354(b)
Countrywide Alternative Loan Trust, 2005-3CB 1A6, IO	6.915%	3/25/35	1,773,313	336,405(b)
Countrywide Alternative Loan Trust, 2005-7CB 1A3, IO	6.365%	4/25/35	5,412,644	772,655(b)
Countrywide Alternative Loan Trust, 2005-J08 2A1	5.000%	6/25/20	341,684	333,196
Countrywide Alternative Loan Trust, 2005-J10 1A1	0.735%	10/25/35	509,488	330,264(b)
Countrywide Alternative Loan Trust, 2006-HY10 1A1	5.280%	5/25/36	1,499,410	818,212(b)
Countrywide Alternative Loan Trust, 2006-J8 A5	6.000%	2/25/37	274,360	176,535
Countrywide Alternative Loan Trust, 2007-3T1 2A1	6.000%	3/25/27	2,065,603	1,603,999(c)
Countrywide Home Loans, 2005-11 6A1	0.535%	3/25/35	167,530	101,669(b)
Countrywide Home Loans, 2005-18 A7	18.880%	10/25/35	104,168	114,538(b)
Countrywide Home Loans, 2006-HYB4 3B	5.227%	6/20/36	2,597,739	1,382,486(b)
Countrywide Home Loans Mortgage Pass-Through Trust, 2004-23 A	2.475%	11/25/34	527,029	309,772(b)
Countrywide Home Loans Mortgage Pass-Through Trust, 2005-02 2A1	0.555%	3/25/35	220,442	132,737(b)
Countrywide Home Loans Mortgage Pass-Through Trust, 2005-07 2A1	0.545%	3/25/35	532,367	318,708(b)
Countrywide Home Loans Mortgage Pass-Through Trust, 2005-09 1A1	0.535%	5/25/35	279,666	179,578(b)
Countrywide Home Loans Mortgage Pass-Through Trust, 2005-HY10 1A1	3.341%	2/20/36	480,173	271,929(b)
Countrywide Home Loans Mortgage Pass-Through Trust, 2005-HYB6 1A1	2.448%	10/20/35	1,667,327	947,574(b)
Countrywide Home Loans Mortgage Pass-Through Trust, 2005-J2 3A10	48.020%	8/25/35	140,226	306,425(b)
Countrywide Home Loans Mortgage Pass-Through Trust, 2005-R1 1AF1	0.595%	3/25/35	1,305,419	1,065,229(a)(b)
Countrywide Home Loans Mortgage Pass-Through Trust, 2005-R2 2A3	8.000%	6/25/35	265,249	270,657(a)(c)
Countrywide Home Loans Mortgage Pass-Through Trust, 2006-3 2A1	0.485%	3/25/36	972,206	571,157(b)
Credit Suisse First Boston Mortgage Securities Corp., 2005-10 03A3	5.500%	11/25/35	1,221,090	899,407
Credit Suisse First Boston Mortgage Securities Corp., 2005-10 12A1	5.250%	11/25/20	427,187	408,035(c)
Credit Suisse Mortgage Capital Certificates, 2006-8 2A1	5.500%	10/25/21	3,084,967	2,571,887(c)

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Credit Suisse Mortgage Capital Certificates, 2009-5R 2A3	5.926%	7/26/49	4,000,000	2,783,950(a)(b)(c)
Credit-Based Asset Servicing & Securitization LLC, 2004-CB2 M1	1.015%	7/25/33	777,640	549,112(b)
Deutsche ALT-A Securities Inc. Mortgage Loan Trust, 2005-AR2 3A1	2.667%	10/25/35	2,259,150	1,127,423(b)
Deutsche ALT-A Securities Inc. Mortgage Loan Trust, 2006-AR1 2A1	2.945%	2/25/36	581,607	312,663(b)

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WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

September 30, 2011

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Residential Mortgage-Backed Securities continued				
Deutsche ALT-A Securities Inc. Mortgage Loan Trust, 2007-1 2A1	0.335%	8/25/37	\$ 868,891	\$ 530,939(b)
Deutsche Mortgage Securities Inc., 2005-WF1 1A3	5.239%	6/26/35	2,200,000	2,031,503(a)(b)(c)
Downey Savings & Loan Association Mortgage Loan Trust, 2005-AR2 2A1A	0.440%	3/19/45	768,322	506,341(b)
First Horizon Alternative Mortgage Securities, 2005-AA6 3A1	2.282%	8/25/35	1,905,834	1,346,310(b)(c)
First Horizon Alternative Mortgage Securities, 2006-FA6 2A1	6.250%	11/25/36	350,835	249,734
First Horizon Alternative Mortgage Securities, 2006-FA8 1A8	0.605%	2/25/37	757,431	400,999(b)
First Horizon Mortgage Pass-Through Trust, 2005-AR4 2A1	2.755%	10/25/35	1,101,527	879,432(b)
Greenpoint Mortgage Funding Trust, 2005-AR4 A1	0.495%	10/25/45	862,432	519,429(b)
Greenpoint Mortgage Funding Trust, 2006-AR3 4A1	0.428%	4/25/36	1,843,270	930,836(b)
Greenpoint Mortgage Funding Trust, 2006-AR5 A1A	0.298%	10/25/46	98,993	93,047(b)(c)
GSMPS Mortgage Loan Trust, 2004-4 2A1	3.883%	6/25/34	395,868	360,010(a)(b)(c)
GSMPS Mortgage Loan Trust, 2005-LT1 A1	0.448%	2/25/35	431,199	353,583(a)(b)(c)(d)
GSMPS Mortgage Loan Trust, 2005-RP1 1A3	8.000%	1/25/35	229,103	236,315(a)(c)
GSMPS Mortgage Loan Trust, 2005-RP1 1A4	8.500%	1/25/35	168,769	165,766(a)
GSMPS Mortgage Loan Trust, 2006-RP1 1A2	7.500%	1/25/36	876,942	837,373(a)
GSMPS Mortgage Loan Trust, 2006-RP1 1A3	8.000%	1/25/36	168,405	164,542(a)
GSR Mortgage Loan Trust, 2005-3F 1A15	22.957%	3/25/35	236,428	