WESTERN ASSET INFLATION-LINKED OPPORTUNITIES & INCOME FUND
Form N-CSR
February 01, 2019

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 811-21477

Western Asset Inflation-Linked Opportunities & Income Fund

(Exact name of registrant as specified in charter)

620 Eighth Avenue, 49th Floor, New York, NY 10018

(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902

(Name and address of agent for service)

Registrant s telephone number, including area code: (888) 777-0102

Date of fiscal year end: November 30

Date of reporting period: November 30, 2018

ITEM 1. REPORT TO STOCKHOLDERS.

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

Annual Report November 30, 2018

WESTERN ASSET

INFLATION-LINKED OPPORTUNITIES & INCOME FUND (WIW)

Beginning in January 2021, as permitted by regulations adopted by the Securities and Exchange Commission, the Fund intends to no longer mail paper copies of the Fund s shareholder reports like this one, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary (such as a broker-dealer or bank). Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you invest through a financial intermediary and you already elected to receive shareholder reports electronically (e-delivery), you will not be affected by this change and you need not take any action. If you have not already elected e-delivery, you may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. That election will apply to all Legg Mason funds held in your account at that financial intermediary. If you are a direct shareholder with the Fund, you can call the Fund at 1-888-888-0151, or write to the Fund by regular mail at P.O. Box 505000, Louisville, KY 40233 or by overnight delivery to Computershare, 462 South 4th Street, Suite 1600, Louisville, KY 40202 to let the Fund know you wish to continue receiving paper copies of your shareholder reports. That election will apply to all Legg Mason Funds held in your account held directly with the fund complex.

What s inside

Fund objective

The Fund s primary investment objective is to provide current income. Capital appreciation, when consistent with current income, is a secondary investment objective.

Letter from the president

Dear Shareholder,

We are pleased to provide the annual report of Western Asset Inflation-Linked Opportunities & Income Fund for the twelve-month reporting period ended November 30, 2018. 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.

Special shareholder notice:

On April 27, 2018, Western Asset/Claymore Inflation-Linked Opportunities & Income Fund was renamed Western Asset Inflation-Linked Opportunities & Income Fund. The Fund s common shares continue to trade under its existing New York Stock Exchange symbol (WIW) and its CUSIP (95766R104) remains the same.

Additionally, Fund shareholders approved an investment advisory agreement between the Fund and Western Asset Management Company, LLC (formerly known as Western Asset Management Company) (Western Asset) and investment management agreements between Western Asset and each of Western Asset Management Company Limited (Western Asset London), Western Asset Management Company Ltd (Western Asset Japan), and Western Asset Management Company Pte. Ltd. (Western Asset Singapore), in each case for a two-year term, at the Fund s annual meeting of shareholders held on May 30, 2018. These new management arrangements are designed to reduce shareholder expenses and enhance management efficiencies for the Fund.

Under the new management arrangement, shareholder savings on the Fund are the result of Western Asset and Legg Mason Partners Fund Advisor, LLC (LMPFA) replacing Security Investors, LLC (Security Investors) and assuming its responsibilities for the Fund. Western Asset now provides investment advisory services directly to the Fund at an annual rate of 0.35% of total Fund assets, including assets attributable to leverage, rather than as subadviser to Security Investors. LMPFA assumed Security Investors servicing responsibilities for

a total annual rate of 0.05% of total Fund assets, including assets attributable to leverage, including the services LMPFA already provides to the Fund.

These changes were implemented beginning on April 27, 2018 on an interim basis and Fund shareholders approved the new investment advisory and investment management agreements at the Fund s annual meeting of shareholders held on May 30, 2018.

Western Asset s portfolio management team for the Fund, and the Fund s investment strategies, have not changed as a result of restructuring the management arrangements for the Fund. For more information, please call 1-888-777-0102 or consult the Fund s website at www.lmcef.com.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, www.lmcef.com. 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,

Jane Trust, CFA

President

December 28, 2018

Investment commentary

Economic review

Economic activity in the U.S. was mixed during the twelve months ended November 30, 2018 (the reporting period). Looking back, the U.S. Department of Commerce reported that fourth quarter 2017 and first quarter 2018 U.S. gross domestic product (GDP[i]) growth was 2.3% and 2.2%, respectively. GDP growth then accelerated to 4.2% during the second quarter of 2018 the strongest reading since the third quarter of 2014. Finally, the U.S. Department of Commerce s final reading for third quarter 2018 GDP growth released after the reporting period ended was 3.4%. The deceleration in GDP growth in the third quarter of 2018 reflected a downturn in exports and decelerations in nonresidential fixed investment and personal consumption expenditures. Imports increased in the third quarter after decreasing in the second. These movements were partly offset by an upturn in private inventory investment.

Job growth in the U.S. was solid overall and supported the economy during the reporting period. As reported by the U.S. Department of Labor, when the reporting period ended on November 30, 2018, the unemployment rate was 3.7%, versus 4.1% when the period began. November 2018 s reading equaled the lowest unemployment rate since 1969. The percentage of longer-term unemployed also declined during the reporting period. In November 2018, 20.8% of Americans looking for a job had been out of work for more than six months, versus 22.9% when the period began.

Looking back, at its meeting that concluded on September 20, 2017, the Federal Reserve Board (the Fed[ii]) kept the federal funds rate[iii] on hold, but reiterated its intention to begin reducing its balance sheet, saying, In October, the Committee will initiate the balance sheet normalization program . At its meeting that ended on December 13, 2017, the Fed raised rates to a range between 1.25% and 1.50%. As widely expected, the Fed again raised rates at its meetings that ended on March 21, 2018 (to a range between 1.50% and 1.75%), June 13, 2018 (to a range between 1.75% and 2.00%) and September 26, 2018 (to a range between 2.00% and 2.25%). Finally, at its meeting that ended on December 19, 2018, after the reporting period ended, the Fed raised rates to a range between 2.25% and 2.50%.

Inflation remained generally well contained during the reporting period. For the twelve months ended November 30, 2018, the seasonally unadjusted rate of inflation, as measured by the Consumer Price Index for All Urban Consumers (CPI-U[iv]), was 2.2%. The CPI-U less food and energy was also 2.2% over the same period.

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

Sincerely,

Jane Trust, CFA

President

December 28, 2018

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results.

[i] Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.

[ii] The Federal Reserve Board (the Fed) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.

[iii] The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.

[iv] The Consumer Price Index for All Urban Consumers (CPI-U) is a measure of the average change in prices over time of goods and services purchased by households, which covers approximately 87% of the total population and includes, in addition to wage earners and clerical worker households, groups such as professional, managerial and technical workers, the self-employed, short-term workers, the unemployed and retirees and others not in the labor force.

Fund overview

Q. What is the Fund s investment strategy?

A. The Fund s investment objective is to provide current income. Capital appreciation, when consistent with current income, is a secondary investment objective. Under normal market conditions and at the time of purchase, the Fund will invest at least 80% of its total managed assets[i] in inflation-linked securities. The Fund may also invest up to 40% of its total managed assets in below investment grade securities. The Fund may invest up to 100% of its total managed assets in non-U.S. dollar investments which gives the Fund flexibility to invest up to 100% of its total managed assets in non-U.S. dollar inflation-linked securities (up to 100% of its non-U.S. dollar exposure may be unhedged). The Fund may engage in currency strategies, using instruments such as currency forwards, futures and options, to take long and short foreign currency positions subject to a limit of exposure from such strategies to 40% of total managed assets. This capacity is in addition to the capacity to have 100% unhedged exposure to non-U.S. dollar currencies through the purchase of fixed income securities. The Fund may utilize commodity-related strategies for up to 10% of its total managed assets. Exposure to commodities is expected to be achieved using a variety of instruments, such as futures contracts, options and other derivatives, or through investments in exchange-traded products that offer exposure to commodities. The Fund does not expect to hold physical commodities.

Each of the foregoing policies is a non-fundamental policy that may be changed without shareholder approval. The Fund also has the following non-fundamental policy, which, to the extent required by applicable law, may only be changed after notice to shareholders: under normal market conditions, the Fund will invest at least 80% of its total managed assets in inflation-protected securities and non-inflation-protected securities and instruments with the potential to enhance the Fund s income. The Fund may invest up to 20% of the portfolio in debt instruments of emerging markets issuers, that are not inflation-linked securities.

Reverse repurchase agreements and other forms of leverage will not exceed 38% of the Fund s total managed assets. The Fund currently expects that the average effective duration[ii] of its portfolio will range between zero and fifteen years, although this target duration may change from time to time. The Fund may enter into credit default swap contracts, interest rate swap contracts, consumer price index swaps and total return swap contracts for investment purposes, to manage its credit risk interest rate and inflation-linked risk exposure, hedging, or to add leverage. There can be no assurance that the Fund will achieve its investment objectives.

The Fund seeks to offer an inflation hedge through investments in global inflation-linked securities, and primarily in U.S. Treasury Inflation-Protected Securities (TIPS[iii]). The Fund also seeks to offer shareholders certain additional advantages through the ability to invest in other fixed income asset classes, which may result in higher total returns and higher distribution rates. These asset classes include select investments in high-yield and investment grade credit, emerging markets and structured products.

At Western Asset Management Company, LLC (formerly known as Western Asset Management Company) (Western Asset), the Fund s investment adviser, 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 management

Fund overview (cont d)

personnel, 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 individuals responsible for development of investment strategy, day-to-day portfolio management, oversight and coordination of the Fund are S. Kenneth Leech, Michael C. Buchanan, Frederick Marki and Chia-Liang Lian.

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

A. Fixed income markets generally posted weak results over the twelve-month reporting period ended November 30, 2018. Spread sectors (non-Treasuries) experienced periods of elevated volatility as they were impacted by a number of factors, including the December 2017 signing of the U.S. tax reform legislation, solid economic growth in the U.S., four interest rate hikes by the Federal Reserve Board (the Fed)[iv], concerns over a global trade war and geopolitical issues.

Both short- and long-term Treasury yields moved sharply higher during the reporting period. The yield for the two-year Treasury note began the reporting period at 1.78% equaling the low for the period and ended the period at 2.80%. The high for the period of 2.98% occurred on November 8, 2018. The yield for the ten-year Treasury began the reporting period at 2.42% and ended the period at 3.01%. The low of 2.33% occurred on December 6, 2017, and the peak of 3.24% took place on November 8, 2018.

Inflation was relatively well contained during the reporting period. For the twelve months ended November 30, 2018, the seasonally unadjusted rate of inflation, as measured by the Consumer Price Index for All Urban Consumers (CPI-U)[v], was 2.2%. The CPI-U less food and energy was also 2.2% over the same time frame. TIPS, as measured by the Bloomberg Barclays U.S. Treasury Inflation-Linked Bond Index[vi], returned -0.90% during the reporting period.

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

A. A number of adjustments were made to the Fund during the reporting period. The Fund modestly decreased its exposures to high-yield corporate bonds and commercial mortgage-backed securities (CMBS) as they generally performed well. A portion of these proceeds were allocated to non-U.S. dollar-denominated emerging markets debt, as their spreads widened and valuations became more attractive. Finally, the Fund reduced its allocations to the long end of the real and nominal yield curves[vii] given the flattening of both curves. In addition, should economic growth moderate and the Fed take a less aggressive approach to raising rates, the shorter end of the curve could potentially benefit.

The Fund employed U.S. Treasury futures and options, including options on futures, Eurodollar futures and Euro-bund futures, during the reporting period to manage its yield curve positioning and interest rate risk, or duration[viii]. The use of these instruments contributed to performance. Credit linked credit default swap contracts were employed to achieve a synthetic exposure to corporate bonds. They were a modest contributor to performance. Currency forwards and futures, which were used to manage the Fund s currency exposure, detracted from performance. Commodity futures were used to manage the Fund s commodity exposure. They contributed to performance over the reporting period.

Leverage was used to add yield to the portfolio, by increasing the Fund s exposure to non-TIPS asset classes, including credit.

The Fund ended the reporting period with leverage as a percentage of gross assets of roughly 30% versus 27% when the reporting period began. The use of leverage to purchase TIPS and high-yield corporate bonds, amongst others, contributed to performance, despite rising borrowing costs.

Performance review

For the twelve months ended November 30, 2018, the Fund returned -3.21% based on its net asset value (NAV)[ix] and -5.32% based on its New York Stock Exchange (NYSE) market price per share. The Fund s unmanaged benchmarks, the Bloomberg Barclays U.S. Government Inflation-Linked 1-10 Year Index[x] and the Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Index[xi], returned -0.19% and -1.03%, respectively, for the same period. The Bloomberg Barclays World Government Inflation-Linked All Maturities Index[xii] and the Fund s Custom Benchmark[xiii] returned -4.04% and -1.37%, respectively, over the same time frame.

During the twelve-month period, the Fund made distributions to shareholders totaling $0.43 per share*. The performance table shows the Fund s twelve-month total return based on its NAV and market price as of November 30, 2018. **Past performance is no guarantee of future results.**

Performance Snapshot as of November 30, 2018

Price Per Share	12-Month Total Return**
$ 11.96 (NAV)	-3.21%
$ 10.30 (Market Price)	-5.32%

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. Returns reflect the deduction of all Fund expenses, including management fees, operating expenses, and other Fund expenses. Returns do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.**

Total return assumes the reinvestment of all distributions at NAV.

Total return assumes the reinvestment of all distributions in additional shares in accordance with the Fund s Dividend Reinvestment Plan.

One of the distinguishing features of closed-end funds compared to other investment vehicles is the ability to trade at a premium or discount to NAV. Since the Fund is listed on the NYSE, the share price may trade above (premium) or below (discount) its NAV. Whereas the NAV is reflective of the Fund s underlying investments, the share price is reflective of the overall supply and demand in the marketplace. Historically, the majority of closed-end funds have traded at a discount to NAV. This Fund was no exception to the phenomenon. We believe the Fund s discount may be driven by a number of factors, including the overall closed-end fund market, current distribution rate and muted demand for inflation-linked investment products. While there are actions that may temporarily reduce the discount to NAV, which the Board of Trustees regularly evaluates, we believe that if investor demand for inflation-linked investments increased, that development, among other factors, may help reduce the Fund s share price discount to NAV over time. Western Asset continues to believe the

* For the tax character of distributions paid during the fiscal year ended November 30, 2018, please refer to page 41 of this report.

Fund overview (cont d)

Fund offers investors the opportunity for long-term inflation protection while providing a source of diversification for investors fixed-income portfolios.

Q. What were the leading contributors to performance?

A. The largest contributor to the Fund s absolute performance during the reporting period were its allocations to high-yield corporate bonds and securitized products. Despite weakness late in the reporting period, high-yield bonds generated a positive return over the twelve months ended November 30, 2018. In terms of the Fund s structured product allocation, its exposures to non-agency residential mortgage-backed securities and CMBS were the most additive for results. Elsewhere, our tactical commodity exposure contributed to performance. In particular, the Fund s tactical positioning in the Energy sector was rewarded.

Q. What were the leading detractors from performance?

A. The largest detractor from the Fund s absolute performance for the reporting period was its allocation to emerging markets debt. The asset class was impacted by a combination of a stronger U.S. dollar and idiosyncratic headlines that weighed on investor sentiment. Concerns surrounding the impact of escalating tariffs between the U.S. and China further weighed on the asset class, as the anticipated impact of a full-blown trade war would be destabilizing to emerging market countries.

Looking for additional information?

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

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

Thank you for your investment in Western Asset Inflation-Linked Opportunities & Income Fund. As always, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the Fund s investment goals.

Western Asset Management Company, LLC

December 18, 2018

RISKS: Bonds are subject to a variety of risks, including interest rate, credit and inflation risks. As interest rates rise, bond prices fall, reducing the value of a fixed-income investment s price. The Fund is subject to the additional risks associated with inflation protected securities, including liquidity risk, prepayment risk, extension risk and deflation risk. Investments in foreign companies, including emerging markets, involve risks beyond those inherent solely in domestic investments. Leverage may cause a fund to be more volatile than if the fund had not been leveraged, which may increase the risk of investment loss. Derivatives, such as options, futures, forwards and swaps, can be illiquid, create counterparty risk, may disproportionately increase losses, and may have a potentially large impact on fund performance. To the extent that the Fund invests in asset-backed, *mortgage-backed or mortgage-related securities, its exposure to prepayment and extension risks may be greater than if it invested in other fixed-income securities. International investments are subject to currency fluctuations as well as social, economic and political risks. These risks are magnified in emerging markets.*

An investment in the Fund is subject to the following additional risks. Lower grade securities, or equivalent unrated securities, which are commonly known as junk bonds, typically entail greater potential price volatility and may be less liquid than higher-rated securities. The Fund may have to apply a greater degree of judgment in establishing a price for lower grade securities for purposes of valuing fund shares. Changes in economic conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of such securities to make principal and interest payments than is the case for higher grade securities. Lower grade securities are regarded as having predominantly speculative characteristics with respect to the issuer s capacity to pay interest and repay principal. These securities may also be more susceptible to real or perceived adverse economic and competitive industry conditions than higher rated securities. Lower grade and unrated securities are generally issued by less creditworthy issuers that may have a larger amount of outstanding debt relative to their assets than issuers of higher grade securities. In the event of an issuer s bankruptcy, claims of other creditors may have priority over the claims of lower grade security holders, leaving few or no assets available to repay lower grade security holders. The Fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting issuer. Lower grade securities frequently have redemption features that permit an issuer to repurchase the security from the Fund before it matures. If the issuer redeems lower grade securities, the Fund may have to invest the proceeds in securities with lower yields and may lose income. Lower grade and unrated securities involve the risk that the Fund s investment manager may not accurately evaluate the security s comparative rating. Analysis of the creditworthiness of issuers of lower grade and unrated securities may be more complex than for issuers of higher-quality securities. To the extent that the Fund holds lower grade and/or unrated securities, the Fund s success in achieving its investment objectives may depend more heavily on the Fund s investment manager s credit analysis than if the Fund held exclusively higher-quality and rated securities. If changes in the currency exchange rates do not occur as anticipated, the Fund may lose money on currency transactions. The Fund s ability to use currency transactions successfully depends on a number of factors, including the currency transactions being available at prices that are not too costly, the availability of liquid markets and the ability of the Fund to accurately predict the direction of changes in currency exchange rates. Currency exchange rates may be volatile. Currency transactions are subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. The Fund may gain exposure to the commodities markets by investing a portion of its assets in a wholly-owned subsidiary, Western Asset Inflation-Linked Opportunities & Income Fund CFC (the Subsidiary), organized under the laws of the Cayman Islands. The Fund and the Subsidiary are deemed commodity pools and the investment adviser is considered a commodity pool operator with respect to the Fund under the Commodity Exchange Act. The investment adviser, directly or through its affiliates, is

Fund overview (cont d)

therefore subject to dual regulation by the Securities and Exchange Commission (the SEC) and the Commodity Futures Trading Commission (the CFTC).

Due to recent regulatory changes, additional regulatory requirements may be imposed, and additional expenses may be incurred by the Fund. The regulatory requirements governing the use of commodity futures (which include futures on broad-based securities indexes, interest rate futures and currency futures), options on commodity futures, certain swaps or certain other investments could change at any time. Investments by the Fund in commodity-linked derivatives may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivatives may be affected by changes in overall market movements, commodity index volatility, prolonged or intense speculation by investors, changes in interest rates or factors affecting a particular industry or commodity, such as drought, floods, other weather phenomena, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. By investing in the Subsidiary, the Fund is indirectly exposed to the risks associated with the Subsidiary s investments. The investments held by the Subsidiary are generally similar to those that are permitted to be held by the Fund and are subject to the same risks that apply to similar investments if held directly by the Fund. The Subsidiary is not registered as an investment company and is not subject to all of the investor protections of the Investment Company Act of 1940 (the 1940 Act). Changes in the laws of the United States and/or the Cayman Islands could adversely affect the Fund. For example, the Cayman Islands does not currently impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax on the Subsidiary. If Cayman Islands law changes such that the Subsidiary must pay Cayman Islands taxes, shareholders would likely suffer decreased investment returns. The Fund s exposure to commodities markets, including through the Subsidiary, may be limited by its intention to qualify as a regulated investment company for U.S. federal income tax purposes, and may interfere with its ability to qualify as such.

This material is not intended as a recommendation or as investment advice of any kind, including in connection with rollovers, transfers, and distributions. Such material is not provided in a fiduciary capacity, may not be relied upon for or in connection with the making of investment decisions, and does not constitute a solicitation of an offer to buy or sell securities. All content has been provided for informational or educational purposes only and is not intended to be and should not be construed as legal or tax advice and/or a legal opinion. Always consult a financial, tax and/or legal professional regarding your specific situation.

Portfolio holdings and breakdowns are as of November 30, 2018 and are subject to change and may not be representative of the portfolio managers current or future investments. Please refer to pages 11 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, 2018 were: U.S. Treasury Inflation Protected Securities (108.7%), Corporate Bonds & Notes (8.7%), Non-U.S. Treasury

Inflation Protected Securities (8.4%), Sovereign Bonds (6.4%) and Collateralized Mortgage Obligations (5.4%). 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.

[i] Total managed assets equals the total assets of the Fund (including any assets attributable to leverage) minus accrued liabilities (other than liabilities representing leverage).

[ii] Effective duration is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Please note, duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. Funds that employ leverage calculate effective duration based off of net assets.

[iii] U.S. Treasury Inflation-Protected Securities (TIPS) are inflation-indexed securities issued by the U.S. Treasury in five-year, ten-year and thirty-year maturities. The principal is adjusted to the Consumer Price Index, the commonly used measure of inflation. The coupon rate is constant, but generates a different amount of interest when multiplied by the inflation-adjusted principal.

[iv] The Federal Reserve Board (the Fed) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.

[v] The Consumer Price Index for All Urban Consumers (CPI-U) is a measure of the average change in prices over time of goods and services purchased by households, which covers approximately 87% of the total population and includes, in addition to wage earners and clerical worker households, groups such as professional, managerial and technical workers, the self-employed, short-term workers, the unemployed and retirees and others not in the labor force.

[vi] Bloomberg Barclays U.S. Treasury Inflation-Linked Bond Index represents an unmanaged market index made up of U.S. Treasury Inflation-Linked Index securities.

[vii] The yield curve is the graphical depiction of the relationship between the yield on bonds of the same credit quality but different maturities.

[viii] 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.

[ix] Net asset value (NAV) is calculated by subtracting total liabilities, including liabilities associated with financial leverage (if any), from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund s market price as determined by supply of and demand for the Fund s shares.

[x] The Bloomberg Barclays U.S. Government Inflation-Linked 1-10 Year Index measures the performance of the intermediate U.S. TIPS market.

[xi] The Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Index measures the performance of the U.S. TIPS market. The Index includes TIPS with one or more years remaining maturity with total outstanding issue size of $500 million or more.

[xii] The Bloomberg Barclays World Government Inflation-Linked All Maturities Index measures the performance of the major government inflation-linked bond markets.

[xiii] The Custom Benchmark is comprised of 90% Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Index, 5% Bloomberg Barclays U.S. Credit Index and 5% JPMorgan Emerging Markets Bond Index Plus (EMBI+). The Bloomberg Barclays U.S. Credit Index is an index composed of corporate and non-corporate debt issues that are investment grade (rated Baa3/BBB- or higher). The EMBI+ is a total return index that tracks the traded market for U.S. dollar-denominated Brady and other similar sovereign restructured bonds traded in the emerging markets.

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, 2018 and November 30, 2017 and does not include derivatives such as forward foreign currency contracts, futures contracts and swap 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, 2018

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

Benchmark	Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Index
ABS	Asset-Backed Securities
EM	Emerging Markets
HY	High Yield
IG Credit	Investment Grade Credit
MBS	Mortgage-Backed Securities
WIW	Western Asset Inflation-Linked Opportunities & Income Fund*

* Formerly, Western Asset/Claymore Inflation-Linked Opportunities & Income Fund

Effective duration (unaudited)

Interest rate exposure November 30, 2018

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

Benchmark	Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Index
EM	Emerging Markets
HY	High Yield
IG Credit	Investment Grade Credit
MBS	Mortgage-Backed Securities
WIW	Western Asset Inflation-Linked Opportunities & Income Fund*

* Formerly, Western Asset/Claymore Inflation-Linked Opportunities & income Fund

Consolidated schedule of investments

November 30, 2018

Western Asset Inflation-Linked Opportunities & Income Fund

Security	Rate	Maturity Date	Face Amount	Value
U.S. Treasury Inflation Protected Securities 108.7%				
U.S. Treasury Bonds, Inflation Indexed	2.375%	1/15/25	10,713,760	$ 11,580,403
U.S. Treasury Bonds, Inflation Indexed	2.000%	1/15/26	142,921,156	152,347,143 [(a)]
U.S. Treasury Bonds, Inflation Indexed	1.750%	1/15/28	31,329,480	33,166,823
U.S. Treasury Bonds, Inflation Indexed	3.625%	4/15/28	21,507,411	26,354,979 [(a)]
U.S. Treasury Bonds, Inflation Indexed	2.500%	1/15/29	17,554,395	19,920,925 [(a)]
U.S. Treasury Bonds, Inflation Indexed	3.875%	4/15/29	72,940,050	92,655,233 [(a)]
U.S. Treasury Bonds, Inflation Indexed	2.125%	2/15/40	8,175,580	9,530,193
U.S. Treasury Bonds, Inflation Indexed	2.125%	2/15/41		