

WESTERN ASSET HIGH INCOME FUND II INC.

Form N-Q

March 23, 2016

**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 **811-08709**

**Western Asset High Income Fund II Inc.**

(Exact name of registrant as specified in charter)

**620 Eighth Avenue, 49<sup>th</sup> Floor, New York, NY 10018**

(Address of principal executive offices) (Zip code)

**Robert I. Frenkel, Esq.**

**Legg Mason & Co., LLC**

**100 First Stamford Place**

**Stamford, CT 06902**

(Name and address of agent for service)

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

Date of fiscal year end: **April 30**

Date of reporting period: **January 31, 2016**

**ITEM 1. SCHEDULE OF INVESTMENTS.**

**WESTERN ASSET HIGH INCOME FUND II INC.**

FORM N-Q

JANUARY 31, 2016

## WESTERN ASSET HIGH INCOME FUND II INC.

## Schedule of investments (unaudited)

January 31, 2016

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>CORPORATE BONDS &amp; NOTES - 120.6%</b>				
<b>CONSUMER DISCRETIONARY - 22.3%</b>				
<b>Auto Components - 0.2%</b>				
Europcar Groupe SA, Secured Notes	5.750%	6/15/22	860,000 <sup>EUR</sup>	\$ 947,923 <sup>(a)</sup>
<b>Diversified Consumer Services - 1.0%</b>				
Co-operative Group Holdings 2011 Ltd., Senior Notes	6.875%	7/8/20	337,000 <sup>GBP</sup>	515,784 <sup>(b)</sup>
Co-operative Group Holdings 2011 Ltd., Senior Notes	7.500%	7/8/26	500,000 <sup>GBP</sup>	776,394
Service Corp. International, Senior Notes	7.500%	4/1/27	2,090,000	2,408,725 <sup>(c)</sup>
StoneMor Partners LP/Cornerstone Family Services of WV, Senior Bonds	7.875%	6/1/21	1,810,000	1,864,300 <sup>(c)</sup>
<i>Total Diversified Consumer Services</i>				5,565,203
<b>Hotels, Restaurants &amp; Leisure - 4.7%</b>				
Bossier Casino Venture Holdco Inc., Senior Secured Bonds	14.000%	2/9/18	2,510,434	2,243,324 <sup>(a)(c)(d)(e)(f)</sup>
Carrols Restaurant Group Inc., Secured Notes	8.000%	5/1/22	1,910,000	2,022,212 <sup>(c)</sup>
CCM Merger Inc., Senior Notes	9.125%	5/1/19	3,360,000	3,477,600 <sup>(a)(c)</sup>
CEC Entertainment Inc., Senior Notes	8.000%	2/15/22	3,970,000	3,453,900 <sup>(c)</sup>
Downstream Development Authority of the Quapaw Tribe of Oklahoma, Senior Secured Notes	10.500%	7/1/19	2,580,000	2,496,150 <sup>(a)(c)</sup>
Fontainebleau Las Vegas Holdings LLC, Senior Secured Notes	10.250%	6/15/15	975,000	1,926 <sup>*(a)(c)(g)</sup>
Gala Electric Casinos Ltd., Secured Notes	11.500%	6/1/19	1,097,091 <sup>GBP</sup>	1,639,859 <sup>(b)</sup>
Greektown Holdings LLC/Greektown Mothership Corp., Senior Secured Notes	8.875%	3/15/19	850,000	841,500 <sup>(a)(c)</sup>
Landry's Holdings II Inc., Senior Notes	10.250%	1/1/18	1,530,000	1,518,525 <sup>(a)(c)</sup>
Landry's Inc., Senior Notes	9.375%	5/1/20	6,978,000	7,405,402 <sup>(a)(c)</sup>
Viking Cruises Ltd., Senior Notes	8.500%	10/15/22	1,820,000	1,697,150 <sup>(a)(c)</sup>
<i>Total Hotels, Restaurants &amp; Leisure</i>				26,797,548
<b>Household Durables - 2.5%</b>				
Century Intermediate Holding Co. 2, Senior Notes	9.750%	2/15/19	3,860,000	3,951,675 <sup>(a)(c)(d)</sup>
Shea Homes LP/Shea Homes Funding Corp., Senior Notes	6.125%	4/1/25	3,120,000	3,134,415 <sup>(a)(c)</sup>
William Lyon Homes Inc., Senior Notes	8.500%	11/15/20	2,980,000	3,091,750 <sup>(c)</sup>
William Lyon Homes Inc., Senior Notes	7.000%	8/15/22	610,000	588,650
Woodside Homes Co., LLC/Woodside Homes Finance Inc., Senior Notes	6.750%	12/15/21	3,940,000	3,437,650 <sup>(a)(c)</sup>
<i>Total Household Durables</i>				14,204,140
<b>Media - 10.8%</b>				
AMC Entertainment Inc., Senior Subordinated Notes	5.750%	6/15/25	1,930,000	1,971,013 <sup>(c)</sup>
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.875%	5/1/27	3,100,000	3,061,250 <sup>(a)(c)</sup>
CCO Safari II LLC, Senior Secured Notes	4.908%	7/23/25	3,510,000	3,518,757 <sup>(a)(c)</sup>
CCO Safari II LLC, Senior Secured Notes	6.484%	10/23/45	1,480,000	1,493,881 <sup>(a)(c)</sup>
Clear Channel Worldwide Holdings Inc., Senior Subordinated Notes	7.625%	3/15/20	260,000	206,375 <sup>(c)</sup>
DISH DBS Corp., Senior Notes	7.875%	9/1/19	1,815,000	1,973,813 <sup>(c)</sup>

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DISH DBS Corp., Senior Notes	6.750%	6/1/21	2,270,000	2,321,075 <sup>(c)</sup>
DISH DBS Corp., Senior Notes	5.875%	7/15/22	5,230,000	4,935,812 <sup>(c)</sup>
DISH DBS Corp., Senior Notes	5.875%	11/15/24	1,020,000	911,625 <sup>(c)</sup>
Gibson Brands Inc., Senior Secured Notes	8.875%	8/1/18	2,710,000	1,558,250 <sup>(a)(c)</sup>
iHeartCommunications Inc., Senior Notes	14.000%	2/1/21	3,120,000	798,720 <sup>(c)(d)</sup>
Lamar Media Corp., Senior Notes	5.750%	2/1/26	350,000	361,375 <sup>(a)</sup>
New Cotai LLC/New Cotai Capital Corp., Senior Secured Notes	10.625%	5/1/19	3,036,201	2,132,931 <sup>(a)(c)(d)</sup>
Numericable-SFR SAS, Senior Secured Bonds	6.250%	5/15/24	11,070,000	10,848,600 <sup>(a)</sup>

**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH INCOME FUND II INC.

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

January 31, 2016

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Media - (continued)</b>				
Time Warner Cable Inc., Senior Notes	8.750%	2/14/19	2,500,000	\$ 2,889,398 <sup>(c)</sup>
Time Warner Cable Inc., Senior Notes	8.250%	4/1/19	1,336,000	1,539,617 <sup>(c)</sup>
Tribune Media Co., Senior Notes	5.875%	7/15/22	1,430,000	1,430,000 <sup>(a)(c)</sup>
Univision Communications Inc., Senior Notes	8.500%	5/15/21	4,450,000	4,433,312 <sup>(a)(c)</sup>
UPC Holding BV, Junior Secured Subordinated Notes	6.375%	9/15/22	5,060,000 <sup>EUR</sup>	5,812,583 <sup>(a)</sup>
Virgin Media Finance PLC, Senior Notes	6.375%	4/15/23	5,620,000	5,781,575 <sup>(a)(c)</sup>
Virgin Media Finance PLC, Senior Notes	6.000%	10/15/24	3,990,000	4,034,887 <sup>(a)(c)</sup>
<i>Total Media</i>				<i>62,014,849</i>
<b>Multiline Retail - 0.4%</b>				
Neiman Marcus Group LLC, Senior Secured Notes	7.125%	6/1/28	660,000	577,500 <sup>(c)</sup>
Neiman Marcus Group Ltd. LLC, Senior Notes	8.750%	10/15/21	2,940,000	1,881,600 <sup>(a)(c)(d)</sup>
<i>Total Multiline Retail</i>				<i>2,459,100</i>
<b>Specialty Retail - 2.6%</b>				
American Greetings Corp., Senior Notes	7.375%	12/1/21	2,480,000	2,532,700 <sup>(c)</sup>
Guitar Center Inc., Senior Secured Bonds	6.500%	4/15/19	6,850,000	5,805,375 <sup>(a)(c)</sup>
Hot Topic Inc., Senior Secured Notes	9.250%	6/15/21	1,570,000	1,413,000 <sup>(a)(c)</sup>
L Brands Inc., Debentures	6.950%	3/1/33	800,000	804,500 <sup>(c)</sup>
L Brands Inc., Senior Notes	6.875%	11/1/35	2,380,000	2,469,250 <sup>(a)(c)</sup>
Sally Holdings LLC/Sally Capital Inc., Senior Notes	5.625%	12/1/25	1,650,000	1,711,875 <sup>(c)</sup>
<i>Total Specialty Retail</i>				<i>14,736,700</i>
<b>Textiles, Apparel &amp; Luxury Goods - 0.1%</b>				
Empire Today LLC/Empire Today Finance Corp., Senior Secured Notes	11.375%	2/1/17	590,000	572,300 <sup>(a)(c)</sup>
<b>TOTAL CONSUMER DISCRETIONARY</b>				<b>127,297,763</b>
<b>CONSUMER STAPLES - 6.5%</b>				
<b>Beverages - 1.3%</b>				
Carolina Beverage Group LLC/Carolina Beverage Group Finance Inc., Secured Notes	10.625%	8/1/18	2,610,000	2,570,850 <sup>(a)(c)</sup>
Cott Beverages Inc., Senior Notes	6.750%	1/1/20	2,140,000	2,209,550 <sup>(c)</sup>
DS Services of America Inc., Secured Notes	10.000%	9/1/21	2,390,000	2,694,725 <sup>(a)(c)</sup>
<i>Total Beverages</i>				<i>7,475,125</i>
<b>Food &amp; Staples Retailing - 1.0%</b>				
Beverages & More Inc., Senior Secured Notes	10.000%	11/15/18	3,610,000	3,298,637 <sup>(a)(c)</sup>
Dollar Tree Inc., Senior Notes	5.750%	3/1/23	2,210,000	2,339,838 <sup>(a)(c)</sup>
<i>Total Food &amp; Staples Retailing</i>				<i>5,638,475</i>

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**Food Products - 2.2%**

Dole Food Co. Inc., Senior Secured Notes	7.250%	5/1/19	2,440,000	2,397,300 <sup>(a)(c)</sup>
Hearthside Group Holdings LLC/Hearthside Finance Co., Senior Notes	6.500%	5/1/22	2,300,000	2,121,750 <sup>(a)(c)</sup>
Pilgrim's Pride Corp., Senior Notes	5.750%	3/15/25	3,090,000	2,981,850 <sup>(a)(c)</sup>
Simmons Foods Inc., Secured Notes	7.875%	10/1/21	5,010,000	4,446,375 <sup>(a)(c)</sup>
TreeHouse Foods Inc., Senior Notes	6.000%	2/15/24	670,000	690,938 <sup>(a)</sup>

*Total Food Products*

12,638,213

**Household Products - 1.4%**

Central Garden & Pet Co., Senior Notes	6.125%	11/15/23	1,290,000	1,325,475 <sup>(c)</sup>
Kronos Acquisition Holdings Inc., Senior Notes	9.000%	8/15/23	690,000	596,850 <sup>(a)</sup>
Spectrum Brands Inc., Senior Notes	6.125%	12/15/24	1,630,000	1,703,350 <sup>(a)(c)</sup>
Spectrum Brands Inc., Senior Notes	5.750%	7/15/25	3,350,000	3,450,500 <sup>(a)(c)</sup>
Sun Products Corp., Senior Notes	7.750%	3/15/21	850,000	782,000 <sup>(a)(c)</sup>

*Total Household Products*

7,858,175

**Tobacco - 0.6%**

Alliance One International Inc., Secured Notes	9.875%	7/15/21	4,500,000	3,583,125 <sup>(c)</sup>
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**TOTAL CONSUMER STAPLES**

37,193,113

See Notes to Schedule of Investments.

## WESTERN ASSET HIGH INCOME FUND II INC.

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

January 31, 2016

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>ENERGY - 13.8%</b>				
<b>Energy Equipment &amp; Services - 1.4%</b>				
Atwood Oceanics Inc., Senior Notes	6.500%	2/1/20	1,923,000	\$ 692,280 <sup>(c)</sup>
CGG, Senior Notes	6.500%	6/1/21	2,520,000	971,208
CGG, Senior Notes	6.875%	1/15/22	480,000	182,400
KCA Deutag UK Finance PLC, Senior Secured Notes	7.250%	5/15/21	880,000	532,400 <sup>(a)</sup>
Parker Drilling Co., Senior Notes	7.500%	8/1/20	3,140,000	2,205,850 <sup>(c)</sup>
SESI LLC, Senior Notes	7.125%	12/15/21	2,780,000	1,980,750 <sup>(c)</sup>
Sierra Hamilton LLC/Sierra Hamilton Finance Inc., Senior Secured Notes	12.250%	12/15/18	2,730,000	1,337,700 <sup>(a)(c)</sup>
<i>Total Energy Equipment &amp; Services</i>				<i>7,902,588</i>
<b>Oil, Gas &amp; Consumable Fuels - 12.4%</b>				
Approach Resources Inc., Senior Notes	7.000%	6/15/21	1,600,000	324,160 <sup>(c)</sup>
Berry Petroleum Co., Senior Notes	6.750%	11/1/20	1,550,000	348,750 <sup>(c)</sup>
California Resources Corp., Senior Notes	5.500%	9/15/21	7,550,000	1,547,750
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	7.625%	1/15/22	2,130,000	1,565,550 <sup>(c)</sup>
Carrizo Oil & Gas Inc., Senior Notes	7.500%	9/15/20	1,750,000	1,369,375 <sup>(c)</sup>
Chesapeake Energy Corp., Senior Notes	6.875%	11/15/20	4,340,000	1,171,800 <sup>(c)</sup>
Chesapeake Energy Corp., Senior Notes	5.375%	6/15/21	940,000	249,100
Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., Senior Notes	6.125%	3/1/22	2,919,000	1,773,292 <sup>(c)</sup>
Endeavor Energy Resources LP/EER Finance Inc., Senior Notes	7.000%	8/15/21	1,090,000	931,950 <sup>(a)(c)</sup>
Enterprise Products Operating LLC, Junior Subordinated Notes	8.375%	8/1/66	285,000	228,713 <sup>(c)(h)</sup>
EP Energy LLC/Everest Acquisition Finance Inc., Senior Notes	9.375%	5/1/20	2,730,000	1,173,900 <sup>(c)</sup>
EV Energy Partners LP/EV Energy Finance Corp., Senior Notes	8.000%	4/15/19	510,000	170,850
Gazprom OAO Via Gaz Capital SA, Loan Participation Notes, Senior Notes	6.510%	3/7/22	3,580,000	3,627,166 <sup>(a)</sup>
Globe Luxembourg SCA, Senior Secured Notes	9.625%	5/1/18	5,640,000	3,919,800 <sup>(a)(c)</sup>
Halcon Resources Corp., Senior Notes	9.750%	7/15/20	7,141,000	1,071,150
Halcon Resources Corp., Senior Notes	8.875%	5/15/21	115,000	17,250
Kinder Morgan Inc., Medium-Term Notes	7.750%	1/15/32	1,950,000	1,838,862 <sup>(c)</sup>
Lonestar Resources America Inc., Senior Notes	8.750%	4/15/19	1,080,000	550,800 <sup>(a)(c)</sup>
LUKOIL International Finance BV, Bonds	6.356%	6/7/17	1,720,000	1,791,380 <sup>(b)</sup>
LUKOIL International Finance BV, Senior Notes	4.563%	4/24/23	2,040,000	1,858,695 <sup>(a)</sup>
Magnum Hunter Resources Corp., Senior Notes	9.750%	5/15/20	8,070,000	2,057,850 <sup>(c)(i)</sup>
MEG Energy Corp., Senior Notes	6.500%	3/15/21	5,300,000	3,034,250 <sup>(a)</sup>
MEG Energy Corp., Senior Notes	6.375%	1/30/23	610,000	315,309 <sup>(a)</sup>
Milagro Oil & Gas Inc., Secured Notes	10.500%	5/15/16	3,290,000	1,003,450 <sup>(c)(f)(i)</sup>
Murray Energy Corp., Senior Secured Notes	11.250%	4/15/21	8,900,000	1,268,250 <sup>(a)</sup>
Natural Resource Partners LP/Natural Resource Partners Finance Corp., Senior Notes	9.125%	10/1/18	2,950,000	1,666,750 <sup>(c)</sup>
Oasis Petroleum Inc., Senior Notes	7.250%	2/1/19	2,240,000	1,405,600
Oasis Petroleum Inc., Senior Notes	6.500%	11/1/21	3,238,000	1,958,990 <sup>(c)</sup>
Oasis Petroleum Inc., Senior Notes	6.875%	1/15/23	1,540,000	885,500
Pacific Exploration and Production Corp., Senior Notes	7.250%	12/12/21	2,350,000	305,500 <sup>(a)(c)</sup>
Petrobras Global Finance BV, Senior Notes	6.750%	1/27/41	3,980,000	2,521,131
Petroleos de Venezuela SA, Senior Bonds	6.000%	5/16/24	12,780,000	3,802,050 <sup>(b)</sup>



**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH INCOME FUND II INC.

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

January 31, 2016

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Oil, Gas &amp; Consumable Fuels - (continued)</b>				
Petroleos de Venezuela SA, Senior Notes	8.500%	11/2/17	749,333	\$ 310,898 <sup>(b)</sup>
Puma International Financing SA, Senior Bonds	6.750%	2/1/21	4,610,000	4,287,503 <sup>(a)(c)</sup>
Quicksilver Resources Inc., Senior Notes	11.000%	7/1/21	1,335,000	30,038 <sup>*(c)(i)</sup>
Rice Energy Inc., Senior Notes	6.250%	5/1/22	600,000	457,500 <sup>(c)</sup>
Rice Energy Inc., Senior Notes	7.250%	5/1/23	2,352,000	1,816,920
Rosneft Finance SA, Senior Notes	7.500%	7/18/16	270,000	275,656 <sup>(a)</sup>
Rosneft Finance SA, Senior Notes	6.625%	3/20/17	230,000	236,531 <sup>(b)</sup>
Rosneft Finance SA, Senior Notes	7.875%	3/13/18	1,390,000	1,476,465 <sup>(a)(c)</sup>
RSP Permian Inc., Senior Notes	6.625%	10/1/22	5,280,000	4,725,600 <sup>(c)</sup>
Samson Investment Co., Senior Notes	9.750%	2/15/20	2,730,000	4,095 <sup>*(i)</sup>
Sanchez Energy Corp., Senior Notes	6.125%	1/15/23	9,910,000	4,013,550
Shelf Drilling Holdings Ltd., Senior Secured Notes	8.625%	11/1/18	1,810,000	1,276,050 <sup>(a)(c)</sup>
Whiting Petroleum Corp., Senior Notes	6.250%	4/1/23	2,530,000	1,593,900
WPX Energy Inc., Senior Notes	7.500%	8/1/20	150,000	94,965
WPX Energy Inc., Senior Notes	8.250%	8/1/23	1,480,000	950,900 <sup>(c)</sup>
YPF SA, Senior Notes	8.500%	7/28/25	3,530,000	3,302,756 <sup>(a)</sup>
<i>Total Oil, Gas &amp; Consumable Fuels</i>				70,608,250
<b>TOTAL ENERGY</b>				78,510,838
<b>FINANCIALS - 17.7%</b>				
<b>Banks - 8.9%</b>				
Bank of America Corp., Junior Subordinated Notes	6.500%	10/23/24	1,190,000	1,244,657 <sup>(c)(h)(j)</sup>
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	3,710,000	4,941,534 <sup>(a)(c)</sup>
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	5,000,000	5,597,140 <sup>(c)</sup>
Barclays PLC, Junior Subordinated Bonds	8.250%	12/15/18	800,000	839,972 <sup>(c)(h)(j)</sup>
BNP Paribas SA, Junior Subordinated Notes	7.375%	8/19/25	2,640,000	2,593,800 <sup>(a)(c)(h)(j)</sup>
Citigroup Inc., Junior Subordinated Bonds	6.300%	5/15/24	950,000	922,688 <sup>(c)(h)(j)</sup>
Citigroup Inc., Junior Subordinated Bonds	5.950%	5/15/25	1,580,000	1,535,049 <sup>(c)(h)(j)</sup>
Credit Agricole SA, Junior Subordinated Notes	8.375%	10/13/19	3,180,000	3,552,235 <sup>(a)(c)(h)(j)</sup>
Credit Agricole SA, Junior Subordinated Notes	7.875%	1/23/24	1,350,000	1,317,732 <sup>(a)(c)(h)(j)</sup>
Credit Agricole SA, Junior Subordinated Notes	8.125%	12/23/25	960,000	961,490 <sup>(a)(h)(j)</sup>
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	9/17/24	1,560,000	1,499,550 <sup>(c)(h)(j)</sup>
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	3/30/25	2,000,000	1,932,220 <sup>(c)(h)(j)</sup>
JPMorgan Chase & Co., Junior Subordinated Bonds	6.000%	8/1/23	1,270,000	1,270,794 <sup>(c)(h)(j)</sup>
JPMorgan Chase & Co., Junior Subordinated Notes	6.100%	10/1/24	2,410,000	2,425,063 <sup>(c)(h)(j)</sup>
M&T Bank Corp., Junior Subordinated Bonds	6.875%	6/15/16	4,400,000	4,449,500 <sup>(c)(j)</sup>
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	3,530,000	4,377,200 <sup>(c)(h)(j)</sup>
Royal Bank of Scotland Group PLC, Subordinated Notes	6.100%	6/10/23	1,470,000	1,568,034 <sup>(c)</sup>
Royal Bank of Scotland NV, Subordinated Bonds	7.750%	5/15/23	650,000	740,412 <sup>(c)</sup>
Royal Bank of Scotland PLC, Subordinated Notes	13.125%	3/19/22	4,860,000 <sup>AUD</sup>	3,769,653 <sup>(b)(h)</sup>
Sberbank of Russia Via SB Capital SA, Subordinated Notes	5.500%	2/26/24	4,420,000	3,966,950 <sup>(b)(h)</sup>
Wells Fargo & Co., Junior Subordinated Bonds	5.875%	6/15/25	1,140,000	1,203,099 <sup>(c)(h)(j)</sup>
<i>Total Banks</i>				50,708,772
<b>Capital Markets - 1.0%</b>				
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	2,320,000	2,686,409 <sup>(c)</sup>

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Goldman Sachs Group Inc., Subordinated Notes	5.150%	5/22/45	2,480,000	2,426,266 <sup>(c)</sup>
Pershing Square Holdings Ltd., Senior Notes	5.500%	7/15/22	1,000,000	891,300 <sup>(a)</sup>
<i>Total Capital Markets</i>				<i>6,003,975</i>
<b>Consumer Finance - 0.7%</b>				
Navient Corp., Medium-Term Notes, Senior Notes	8.450%	6/15/18	2,230,000	2,313,625 <sup>(c)</sup>
Navient Corp., Senior Notes	6.125%	3/25/24	710,000	585,750
TMX Finance LLC/TitleMax Finance Corp., Senior Secured Notes	8.500%	9/15/18	1,339,000	970,775 <sup>(a)(c)</sup>
<i>Total Consumer Finance</i>				<i>3,870,150</i>

See Notes to Schedule of Investments.

## WESTERN ASSET HIGH INCOME FUND II INC.

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

January 31, 2016

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Diversified Financial Services - 3.1%</b>				
Argos Merger Sub Inc., Senior Notes	7.125%	3/15/23	4,760,000	\$ 4,807,600 <sup>(a)(c)</sup>
International Lease Finance Corp., Senior Notes	5.750%	5/15/16	800,000	809,482 <sup>(c)</sup>
International Lease Finance Corp., Senior Notes	8.750%	3/15/17	3,385,000	3,566,436 <sup>(c)</sup>
International Lease Finance Corp., Senior Notes	8.875%	9/1/17	5,180,000	5,555,550 <sup>(c)</sup>
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	2,160,000	2,467,800 <sup>(c)</sup>
ZFS Finance USA Trust II, Bonds	6.450%	12/15/65	500,000	503,125 <sup>(a)(c)(h)</sup>
<i>Total Diversified Financial Services</i>				17,709,993
<b>Insurance - 1.3%</b>				
Fidelity & Guaranty Life Holdings Inc., Senior Notes	6.375%	4/1/21	1,450,000	1,493,500 <sup>(a)(c)</sup>
Galaxy Bidco Ltd., Senior Secured Notes	6.375%	11/15/20	960,000 <sup>GBP</sup>	1,374,743 <sup>(b)</sup>
Genworth Holdings Inc., Senior Notes	4.900%	8/15/23	1,780,000	1,059,100 <sup>(c)</sup>
Liberty Mutual Group Inc., Junior Subordinated Bonds	7.800%	3/15/37	1,750,000	1,999,375 <sup>(a)(c)</sup>
MetLife Capital Trust IV, Junior Subordinated Notes	7.875%	12/15/37	1,100,000	1,325,500 <sup>(a)(c)</sup>
<i>Total Insurance</i>				7,252,218
<b>Real Estate Investment Trusts (REITs) - 0.3%</b>				
Communications Sales & Leasing Inc., Senior Secured Notes	6.000%	4/15/23	1,630,000	1,560,725 <sup>(a)(c)</sup>
<b>Real Estate Management &amp; Development - 2.4%</b>				
Caesars Entertainment Resort Properties LLC, Secured Notes	11.000%	10/1/21	1,430,000	1,251,250 <sup>(c)</sup>
Caesars Entertainment Resort Properties LLC, Senior Secured Notes	8.000%	10/1/20	5,450,000	5,095,750
Greystar Real Estate Partners LLC, Senior Secured Notes	8.250%	12/1/22	3,110,000	3,211,075 <sup>(a)(c)</sup>
Howard Hughes Corp., Senior Notes	6.875%	10/1/21	4,140,000	4,160,700 <sup>(a)(c)</sup>
<i>Total Real Estate Management &amp; Development</i>				13,718,775
<b>TOTAL FINANCIALS</b>				100,824,608
<b>HEALTH CARE - 7.9%</b>				
<b>Biotechnology - 0.2%</b>				
AMAG Pharmaceuticals Inc., Senior Notes	7.875%	9/1/23	1,490,000	1,359,625 <sup>(a)(c)</sup>
<b>Health Care Equipment &amp; Supplies - 1.3%</b>				
ConvaTec Finance International SA, Senior Notes	8.250%	1/15/19	1,610,000	1,438,938 <sup>(a)(c)(d)</sup>
DJO Finance LLC/DJO Finance Corp., Secured Notes	10.750%	4/15/20	1,860,000	1,543,800 <sup>(a)(c)</sup>
DJO Finco Inc./DJO Finance LLC/DJO Finance Corp., Secured Notes	8.125%	6/15/21	2,120,000	1,791,400 <sup>(a)(c)</sup>
Greatbatch Ltd., Senior Notes	9.125%	11/1/23	1,760,000	1,733,600 <sup>(a)(c)</sup>
Immucor Inc., Senior Notes	11.125%	8/15/19	1,330,000	1,093,925
<i>Total Health Care Equipment &amp; Supplies</i>				7,601,663
<b>Health Care Providers &amp; Services - 3.3%</b>				
BioScrip Inc., Senior Notes	8.875%	2/15/21	1,458,000	1,170,045 <sup>(c)</sup>
Centene Escrow Corp., Senior Notes	5.625%	2/15/21	1,190,000	1,213,800 <sup>(a)</sup>

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Centene Escrow Corp., Senior Notes	6.125%	2/15/24	810,000	834,300 <sup>(a)</sup>
HCA Inc., Debentures	7.500%	11/15/95	2,205,000	2,127,825 <sup>(c)</sup>
IASIS Healthcare LLC/IASIS Capital Corp., Senior Notes	8.375%	5/15/19	3,520,000	3,317,600 <sup>(c)</sup>
Select Medical Corp., Senior Notes	6.375%	6/1/21	1,090,000	941,487
Tenet Healthcare Corp., Senior Notes	8.125%	4/1/22	2,870,000	2,891,525 <sup>(c)</sup>
Tenet Healthcare Corp., Senior Secured Notes	6.000%	10/1/20	2,580,000	2,741,250 <sup>(c)</sup>
Universal Hospital Services Inc., Secured Notes	7.625%	8/15/20	4,100,000	3,628,500 <sup>(c)</sup>
<i>Total Health Care Providers &amp; Services</i>				<i>18,866,332</i>

**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH INCOME FUND II INC.

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

January 31, 2016

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Pharmaceuticals - 3.1%</b>				
ConvaTec Healthcare E SA, Senior Notes	10.875%	12/15/18	2,500,000 <sup>EUR</sup>	\$ 2,789,228 <sup>(b)(c)</sup>
DPx Holdings BV, Senior Notes	7.500%	2/1/22	1,130,000	1,062,200 <sup>(a)(c)</sup>
JLL/Delta Dutch Pledgeco BV, Senior Notes	8.750%	5/1/20	4,990,000	4,428,625 <sup>(a)(d)</sup>
Mallinckrodt International Finance SA, Senior Notes	5.750%	8/1/22	2,220,000	2,131,200 <sup>(a)</sup>
Valeant Pharmaceuticals International Inc., Senior Notes	6.750%	8/15/18	650,000	650,406 <sup>(a)</sup>
Valeant Pharmaceuticals International Inc., Senior Notes	5.375%	3/15/20	1,060,000	1,005,013 <sup>(a)(c)</sup>
Valeant Pharmaceuticals International Inc., Senior Notes	6.375%	10/15/20	1,110,000	1,071,150 <sup>(a)(c)</sup>
Valeant Pharmaceuticals International Inc., Senior Notes	7.500%	7/15/21	2,420,000	2,412,437 <sup>(a)(c)</sup>
Valeant Pharmaceuticals International Inc., Senior Notes	7.250%	7/15/22	2,050,000	2,009,000 <sup>(a)(c)</sup>
<i>Total Pharmaceuticals</i>				17,559,259
<b>TOTAL HEALTH CARE</b>				45,386,879
<b>INDUSTRIALS - 17.8%</b>				
<b>Aerospace &amp; Defense - 1.3%</b>				
Aerojet Rocketdyne Holdings Inc., Secured Notes	7.125%	3/15/21	1,490,000	1,519,800 <sup>(c)</sup>
Bombardier Inc., Senior Notes	7.500%	3/15/18	880,000	827,200 <sup>(a)(c)</sup>
CBC Ammo LLC/CBC FinCo Inc., Senior Notes	7.250%	11/15/21	4,430,000	3,632,600 <sup>(a)(c)</sup>
LMI Aerospace Inc., Secured Notes	7.375%	7/15/19	1,400,000	1,330,000 <sup>(c)</sup>
<i>Total Aerospace &amp; Defense</i>				7,309,600
<b>Air Freight &amp; Logistics - 1.2%</b>				
Air Medical Merger Sub Corp., Senior Notes	6.375%	5/15/23	1,880,000	1,663,800 <sup>(a)(c)</sup>
XPO Logistics Inc., Senior Notes	7.875%	9/1/19	3,120,000	3,123,900 <sup>(a)(c)</sup>
XPO Logistics Inc., Senior Notes	6.500%	6/15/22	2,270,000	