

WESTERN ASSET HIGH INCOME FUND II INC.  
Form N-CSR  
June 23, 2015

**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 811-08709**

**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: April 30, 2015**

ITEM 1. REPORT TO STOCKHOLDERS.

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

Annual Report

April 30, 2015

WESTERN ASSET

HIGH INCOME FUND II INC.

(HIX)

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

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The Fund seeks to maximize current income by investing at least 80% of its net assets, plus any borrowings for investment purposes, in high-yield debt securities. As a secondary objective, the Fund seeks capital appreciation to the extent consistent with its objective of seeking to maximize current income.

## Letter from the chairman

### Dear Shareholder,

We are pleased to provide the annual report of Western Asset High Income Fund II Inc. for the twelve-month reporting period ended April 30, 2015. 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.lmcef.com](http://www.lmcef.com). Here you can gain immediate access to market and investment information, including:

Fund prices and performance,

Market insights and commentaries from our portfolio managers, and

A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,

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Kenneth D. Fuller

Chairman, President and Chief Executive Officer

May 29, 2015

II Western Asset High Income Fund II Inc.

## Investment commentary

### Economic review

The U.S. economy expanded moderately during the twelve month period ended April 30, 2015 (the reporting period). The U.S. Department of Commerce reported that second quarter 2014 U.S. gross domestic product (GDP) growth was 4.6%. The economy then gained momentum as third quarter GDP growth was 5.0%, its strongest reading since the third quarter of 2003. This was driven by contributions from personal consumption expenditures (PCE), exports, nonresidential fixed investment and government spending. However, fourth quarter 2014 GDP growth slowed to a modest 2.2%. The deceleration in growth primarily reflected an upturn in imports, a downturn in federal government spending and moderating nonresidential fixed investment. After the reporting period ended, the U.S. Department of Commerce reported that its second estimate for first quarter 2015 GDP was -0.7%. This downturn was attributed to a number of factors, including negative contributions from exports, nonresidential fixed investment, and state and local government spending.

Activity in the U.S. manufacturing sector also moderated during the reporting period. Based on the Institute for Supply Management's Purchasing Managers Index (PMI), U.S. manufacturing expanded during all twelve months of the reporting period (a reading below 50 indicates a contraction, whereas a reading above 50 indicates an expansion). After a reading of 55.6 in May 2014, the PMI generally rose over the next several months, reaching a high of 58.1 in August, its best reading since April 2011. Manufacturing activity then decelerated over much of the last seven months of the reporting period and the PMI was 51.5 in April 2015.

The labor market was largely a tailwind for the economy during the reporting period. When the period began, unemployment was 6.3%, as reported by the U.S. Department of Labor. Unemployment generally declined during the reporting period and was 5.4% in April 2015, its lowest level since May 2008.

The Federal Reserve Board (Fed) took a number of actions as it sought to meet its dual mandate of fostering maximum employment and price stability. As it has since December 2008, the Fed kept the federal funds rate<sup>iv</sup> at a historically low range between zero and 0.25%. The Fed ended its asset purchase program that was announced in December 2012. In December 2014, the Fed said that it can be patient in beginning to normalize the stance of monetary policy. Finally, at its meeting that ended on April 29, 2015, the Fed said, "economic growth slowed during the winter months, in part reflecting transitory factors." The Committee currently anticipates that, even after employment and inflation are near mandate-consistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Committee views as normal in the longer run.

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

Sincerely,

Kenneth D. Fuller

Chairman, President and Chief Executive Officer

May 29, 2015

## Investment commentary (cont d)

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

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

<sup>ii</sup> 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 U.S. manufacturing sector.

<sup>iii</sup> 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.

<sup>iv</sup> 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 Western Asset High Income Fund II Inc.



## Fund overview

### Q. What is the Fund's investment strategy?

A. The Fund seeks to maximize current income. As a secondary objective, the Fund seeks capital appreciation to the extent consistent with its objective of seeking to maximize current income. Under normal market conditions, the Fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in high-yield debt securities. The Fund may invest up to 35% of its total assets in debt securities of issuers located in emerging market countries. It may also invest up to 30% of its assets in zero coupon securities, pay-in-kind bonds and deferred payment securities, and up to 20% of its assets in equity securities. The Fund may utilize a variety of derivative instruments for investment or risk management purposes, such as options, futures contracts, swap agreements including credit default swaps. We employ an actively managed approach that is risk-controlled and assimilates top-down macroeconomic views with industry sector insights and bottom-up credit research to derive the general framework for the Fund's predominantly non-investment grade credit mandate. This framework provides the foundation for how the portfolio is positioned with respect to risk (aggressive, neutral, conservative), as well as identifying sector overweights and underweights.

Risk and weightings are reviewed on a regular basis. Our bottom-up process provides the basis for populating the targeted industry weightings through individual credit selection. Analysts work closely with portfolio managers to determine which credits provide the best risk/reward relationship within their respective sectors. The research team focuses on key fundamental measures such as leverage, cash flow adequacy, liquidity, amortization schedule, underlying asset value and management integrity/track record.

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 management 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 and Christopher F. Kilpatrick.

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

A. The spread sectors (non-Treasuries) experienced several periods of volatility and produced mixed results versus equal-duration<sup>1</sup> Treasuries over the twelve months ended April 30, 2015. Risk aversion was prevalent at times given mixed economic data, questions surrounding the outlook for global growth, changing monetary policy by the Federal Reserve Board (Fed), and numerous geopolitical issues. However, these factors were overshadowed at times by solid demand from investors looking to generate incremental yield.

Short-term Treasury yields moved higher, whereas long-term Treasury yields declined during the twelve months ended April 30,

## Fund overview (cont d)

2015. Two-year Treasury yields rose from 0.42% at the beginning of the period to 0.58% at the end of the period. Their peak of 0.73% occurred toward the end of December 2014, and again on March 6, 2015, and they were as low as 0.34% on October 15, 2014. Ten-year Treasury yields were 2.67% at the beginning of the period, which was also their peak for the twelve months ended April 30, 2015. Ten-year Treasury yields reached a low of 1.68% at the end of January and early February 2015 and they ended the reporting period at 2.05%.

The Barclays U.S. Aggregate Index<sup>iii</sup> returned 4.46% for the twelve months ended April 30, 2015. Comparatively, riskier fixed-income securities, including high-yield bonds and emerging market debt, produced mixed results. Over the fiscal year, the Barclays U.S. Corporate High Yield 2% Issuer Cap Index (the Index) returned 2.59%. Elsewhere, the JPMorgan Emerging Markets Bond Index Global (EMBI Global) returned 4.50% for the twelve months ended April 30, 2015.

### 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. In terms of sector positioning, we increased the Fund's allocations to Financials, and Energy. We maintained our Communications<sup>1</sup> exposure, as we felt the relatively stable cash flow characteristics of this sector would help offset some of the secured and unsecured Energy risk we added. We remained positive on Financials during the reporting period, marginally adding to our overweight position. Financials continued to post consistent fundamental results, along with increased capital ratios. In addition, they are still constrained by regulators from returning excessive amounts of capital to shareholders—a positive for fixed income investors. While we entered the third and fourth quarters of 2014 with what proved to be too much lower-quality Energy exposure, we did add more B-rated and BB-rated Energy names, such as California Resources Corp. These additions, thus far, have proved an attractive entry point as energy prices stabilized then moved higher toward the end of the reporting period. We felt we were adding both income for shareholders and an opportunity for longer-term capital appreciation. In contrast, we reduced the Fund's position in Basic Industry<sup>2</sup> given concerns over fundamental performance, specifically in the Metals & Mining portion of the sector. Finally, we actively participated in the new issue market and purchased securities that we felt were attractively valued.

From a credit quality perspective, we reduced the Fund's underperforming overweight exposure to CCC-rated securities and reduced our underweight allocation to BB-rated securities. These ratings adjustments were made to reduce the Fund's overall risk exposure.

We continued to emphasize credit risk over interest rate risk. However, we increased the effective duration of the portfolio during the reporting period, as it became apparent that low developed market sovereign yields

<sup>1</sup> Communications consists of the following industries: Media—Cable, Media—Non-Cable and Telecommunications.

<sup>2</sup> Basic Industry consists of the following industries: Chemicals, Metals & Mining and Paper.

were making U.S. government bonds appear relatively attractive. We ended the period at 3.43 years, roughly 0.37 of a year longer versus the beginning of the period.

The Fund employed U.S. Treasury futures to reduce the duration of the Fund. The use of these instruments ultimately detracted from the Fund's performance. However the Fund's Treasury futures have been beneficial recently as interest rates have moved higher off their January 2015 trough. High-yield index swaps (CDX), which were used to manage our high-yield exposure, were a small contributor to performance. We ended the period with no high-yield index swaps. Finally, currency forwards were used to hedge the Fund's euro-denominated bonds back to U.S. dollars. These currency hedges contributed significantly to results with the U.S. dollar strengthening versus the euro, as we anticipated that the European Central Bank (ECB) would embark on U.S.-inspired quantitative easing programs. Overall, the use of derivative instruments were additive to the Fund's performance during the reporting period.

During the reporting period, we tactically utilized leverage in the Fund. We ended the period with liabilities as a percentage of gross assets of approximately 26%, which was roughly 2% higher than at the beginning of the period. The use of leverage was additive for results given the positive performance of the Fund's high-yield exposure.

### Performance review

For the twelve months ended April 30, 2015, Western Asset High Income Fund II Inc. returned -0.65% based on its net asset value (NAV<sup>ii</sup>) and -4.54% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmarks, the Barclays U.S. Corporate High Yield 2% Issuer Cap Index and the EMBI Global, returned 2.59% and 4.50%, respectively, for the same period. The Lipper High Yield (Leveraged) Closed-End Funds Category Average<sup>viii</sup> returned 1.02% 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 \$0.83 per share\*. The performance table shows the Fund's twelve-month total return based on its NAV and market price as of April 30, 2015. **Past performance is no guarantee of future results.**

### Performance Snapshot as of April 30, 2015

Price Per Share	12-Month Total Return**
\$8.57 (NAV)	-0.65%
\$8.15 (Market Price)	-4.54%

**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.**

\*For the character of distributions paid during the fiscal year ended April 30, 2015, please refer to page 48 of this report.

## Fund overview (cont d)

### Q. What were the leading contributors to performance?

A. Despite underperforming the Index, the Fund's concentrations in select outperforming sectors added to relative results during the reporting period. In particular, the Fund's overweight to the Transportation sector was beneficial for results. The sector performed well as it was viewed as being a beneficiary of falling oil prices. In addition, an overweight to the Financials sector contributed to the Fund's results.

A number of individual holdings contributed to performance, including our overweight positions in Physiotherapy Associates Holdings and Vimplecom Communications and Vimplecom Holdings BV. Physiotherapy Associates Holdings is a national provider of outpatient rehabilitation and orthotics and prosthetics services. The company experienced headwinds due to both billing and accounting issues, and in May 2013, restructured its balance sheet as bondholders led the reorganization of the credit. In doing so, Western received equity in exchange for our original bond position and participated in the new financing of a secured loan. The valuation of the company has improved since the workout took place due to successful management initiatives. We remain positive regarding the prospects for further recovery and believe the company is well positioned, which includes more than 500 outpatient rehabilitation clinics in 34 states. Vimplecom is a large publically traded multinational telecommunications provider operating in several countries. The company continued to experience heightened volatility given its exposure to countries such as Russia, Ukraine and Italy. The company posted disappointing results due to macro sluggishness in several of their markets as well as currency fluctuations. Its bonds traded significantly lower and we added exposure. We felt adding risk was appropriate and the company would maintain its relatively higher quality balance sheet and its ability to generate positive free cash flow. Additionally, we felt that Vimplecom would continue to look for asset sale opportunities and Russian and Ukrainian relations only needed to stabilize for its bonds to move significantly higher. As we write this report, its bonds have approximately fully recovered to their pre-crisis values.

### Q. What were the leading detractors from performance?

A. The largest detractor from the Fund's relative performance during the reporting period was its sector positioning. In particular, the Fund's overweight in lower-quality Energy (the worst performing sector in the Index) negatively impacted results. Falling oil prices from an increase in supply and fears of lower global demand and slowing global growth sent several of our positions significantly lower. Elsewhere, an overweight to Basic Industry, specifically our Metals and Mining exposure, detracted from performance.

Our ratings and duration biases also detracted from results. We reduced both our underweight to BB-rated securities and our overweight to CCC-rated securities, but our efforts proved to be too little too late, as longer duration, higher quality bonds remained in favor. This trend reversed during the latter part of the reporting period.

<sup>1</sup> Transportation consists of the following industries: Airlines, Railroads and other transportation-related services.

as the Fed prepares to exit U.S. quantitative easing and rates have marginally risen off their recent lows.

Security selection, overall, also detracted from performance. In particular, overweight positions in select energy issuers, including Hercules Offshore, Quicksilver Resources and Samson Investment Co., were negative for performance. These three energy-related companies were hurt by the previously mentioned sharply declining oil prices. Despite posting unimpressive performance for the reporting period, we do feel the portfolio stabilized and showed positive momentum both at the end of the period and after the reporting period ended. We expect to maintain our longer-term proven track record of providing both an attractive income opportunity for shareholders and positive capital appreciation relative to the market.

#### Looking for additional information?

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

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 High Income Fund II 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

May 19, 2015

***RISKS:** The Fund's investments are subject to credit risk, inflation risk and interest rate risk. As interest rates rise, bond prices fall generally, reducing the value of the Fund's holdings. 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. High-yield bonds involve greater credit and liquidity risks than investment grade bonds. Foreign securities are subject to certain risks not associated with domestic investing, such as currency fluctuations and changes in political and economic conditions which could result in significant fluctuations. These risks are magnified in emerging markets. Leverage may result in greater volatility of NAV and the market price of common shares and increases a shareholder's risk of loss.*

Portfolio holdings and breakdowns are as of April 30, 2015 and are subject to change and may not be representative of the portfolio managers current or future investments. Please refer to pages 10 through 27 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

## Fund overview (cont'd)

their financial professional. The Fund's top five sector holdings (as a percentage of net assets) as of April 30, 2015 were: Consumer Discretionary (22.9%), Industrials (20.4%), Energy (19.6%), Financials (17.6%) and Materials (14.6%). 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.

- <sup>i</sup> 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.
- <sup>ii</sup> 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.
- <sup>iii</sup> The Barclays U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- <sup>iv</sup> The Barclays U.S. Corporate High Yield 2% Issuer Cap Index is an index of the 2% Issuer Cap component of the Barclays U.S. Corporate High Yield Index, which covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market.
- <sup>v</sup> 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.
- <sup>vi</sup> The European Central Bank ( ECB ) is responsible for the monetary system of the European Union and the euro currency.
- <sup>vii</sup> 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.
- <sup>viii</sup> Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the twelve-month period ended April 30, 2015, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 32 funds in the Fund's Lipper category.

## 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 April 30, 2015 and April 30, 2014 and does not include derivatives, such as futures contracts, swap contracts and forward foreign currency 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 April 30, 2015

### Total Spread Duration

HIX 3.43 years

Benchmark 4.80 years

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

Benchmark 80% of Barclays U.S. Corporate High Yield 2% Issuer Cap Index and 20% of JPMorgan Emerging Markets Bond Index Global  
EM Emerging Markets  
HIX Western Asset High Income Fund II Inc.  
HY High Yield  
IG Credit Investment Grade Credit



## Effective duration (unaudited)

Interest rate exposure April 30, 2015

### Total Effective Duration

HIX 3.42 years

Benchmark 4.83 years

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

Benchmark	80% of Barclays U.S. Corporate High Yield	2% Issuer Cap Index and 20% of JPMorgan Emerging Markets Bond Index Global
EM	Emerging Markets	
HIX	Western Asset High Income Fund II Inc.	
HY	High Yield	
IG Credit	Investment Grade Credit	

## Schedule of investments

April 30, 2015

### Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<b>Corporate Bonds &amp; Notes</b> 120.9%				
<b>Consumer Discretionary</b> 21.9%				
<i>Auto Components</i> 0.4%				
Europcar Groupe SA, Senior Notes	11.500%	5/15/17	380,000 <sup>EUR</sup>	\$ 483,218 <sup>(a)</sup>
Europcar Groupe SA, Senior Notes	9.375%	4/15/18	2,010,000 <sup>EUR</sup>	2,382,233 <sup>(a)</sup>
<i>Total Auto Components</i>				2,865,451
<i>Automobiles</i> 0.4%				
Chrysler Group LLC/CG Co.-Issuer Inc., Secured Notes	8.250%	6/15/21	2,482,000	2,745,713 <sup>(b)</sup>
<i>Diversified Consumer Services</i> 0.8%				
Co-operative Group Holdings 2011 Ltd., Senior Notes	6.875%	7/8/20	337,000 <sup>GBP</sup>	563,798 <sup>(c)</sup>
Co-operative Group Holdings 2011 Ltd., Senior Notes	7.500%	7/8/26	500,000 <sup>GBP</sup>	857,419
Service Corp. International, Senior Notes	7.500%	4/1/27	2,090,000	2,455,750 <sup>(b)</sup>
StoneMor Partners LP/Cornerstone Family Services of WV, Senior Bonds	7.875%	6/1/21	1,810,000	1,914,075 <sup>(b)</sup>
<i>Total Diversified Consumer Services</i>				5,791,042
<i>Hotels, Restaurants &amp; Leisure</i> 5.1%				
24 Hour Holdings III LLC, Senior Notes	8.000%	6/1/22	1,940,000	1,726,600 <sup>(a)</sup>
Bossier Casino Venture Holdco Inc., Senior Secured Bonds	14.000%	2/9/18	3,360,800	3,094,961 <sup>(a)(d)(e)(f)</sup>
Boyd Gaming Corp., Senior Notes	9.125%	12/1/18	1,470,000	1,541,662 <sup>(b)</sup>
Carlson Travel Holdings Inc., Senior Notes	7.500%	8/15/19	1,010,000	1,030,200 <sup>(a)(d)</sup>
Carrols Restaurant Group Inc., Secured Notes	8.000%	5/1/22	1,910,000	1,991,175 <sup>(a)</sup>
CCM Merger Inc., Senior Notes	9.125%	5/1/19	3,360,000	3,666,600 <sup>(a)(b)</sup>
CEC Entertainment Inc., Senior Notes	8.000%	2/15/22	3,760,000	3,868,100
Downstream Development Quapaw, Senior Secured Notes	10.500%	7/1/19	2,580,000	2,438,100 <sup>(a)(b)</sup>
Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp., Senior Secured Notes	10.250%	6/15/15	975,000	4,924 <sup>(a)(g)</sup>
Gala Electric Casinos Ltd., Secured Notes	11.500%	6/1/19	1,724,000 <sup>GBP</sup>	2,765,424 <sup>(c)</sup>
Greektown Holdings LLC/Greektown Mothership Corp., Senior Secured Notes	8.875%	3/15/19	2,270,000	2,411,875 <sup>(a)</sup>
International Game Technology PLC, Senior Secured Notes	6.500%	2/15/25	2,740,000	2,671,500 <sup>(a)</sup>
Landry's Holdings II Inc., Senior Notes	10.250%	1/1/18	1,530,000	1,598,850 <sup>(a)(b)</sup>
Landry's Inc., Senior Notes	9.375%	5/1/20	6,978,000	7,501,350 <sup>(a)(b)</sup>
MGM Resorts International, Senior Notes	6.625%	12/15/21	310,000	333,250 <sup>(b)</sup>
Nathan's Famous Inc., Senior Secured Notes	10.000%	3/15/20	740,000	793,650 <sup>(a)</sup>
Rivers Pittsburgh Borrower LP/Rivers Pittsburgh Finance Corp., Senior Secured Notes	9.500%	6/15/19	514,000	542,270 <sup>(a)(b)</sup>
<i>Total Hotels, Restaurants &amp; Leisure</i>				37,980,491
<i>Household Durables</i> 2.3%				
Century Intermediate Holding Co. 2, Senior Notes	9.750%	2/15/19	3,860,000	4,110,900 <sup>(a)(b)(d)</sup>
Shea Homes LP/Shea Homes Funding Corp., Senior Notes	6.125%	4/1/25	3,120,000	3,213,600 <sup>(a)</sup>

See Notes to Financial Statements.

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Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Household Durables continued</i>				
William Lyon Homes Inc., Senior Notes	8.500%	11/15/20	2,980,000	\$ 3,248,200 <sup>(b)</sup>
William Lyon Homes Inc., Senior Notes	7.000%	8/15/22	2,320,000	2,430,200
Woodside Homes Co., LLC/Woodside Homes Finance Inc., Senior Notes	6.750%	12/15/21	3,940,000	3,782,400 <sup>(a)(b)</sup>
<i>Total Household Durables</i>				<i>16,785,300</i>
<i>Media 10.4%</i>				
Carmike Cinemas Inc., Secured Notes	7.375%	5/15/19	1,040,000	1,103,648 <sup>(b)</sup>
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	8.125%	4/30/20	5,050,000	5,285,835 <sup>(b)</sup>
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.875%	5/1/27	3,500,000	3,456,250 <sup>(a)</sup>
Clear Channel Worldwide Holdings Inc., Senior Notes	6.500%	11/15/22	900,000	947,250 <sup>(b)</sup>
Clear Channel Worldwide Holdings Inc., Senior Subordinated Notes	7.625%	3/15/20	260,000	272,350 <sup>(b)</sup>
CSC Holdings Inc., Senior Debentures	7.875%	2/15/18	1,500,000	1,698,750 <sup>(b)</sup>
CSC Holdings LLC, Senior Notes	6.750%	11/15/21	230,000	260,763 <sup>(b)</sup>
CSC Holdings LLC, Senior Notes	5.250%	6/1/24	3,150,000	3,287,812 <sup>(a)</sup>
DISH DBS Corp., Senior Notes	7.875%	9/1/19	1,815,000	2,053,219 <sup>(b)</sup>
DISH DBS Corp., Senior Notes	6.750%	6/1/21	2,270,000	2,409,219 <sup>(b)</sup>
DISH DBS Corp., Senior Notes	5.875%	11/15/24	6,090,000	6,013,875
Gibson Brands Inc., Senior Secured Notes	8.875%	8/1/18	2,710,000	2,784,525 <sup>(a)(b)</sup>
iHeartCommunications Inc., Senior Notes	10.000%	1/15/18	2,630,000	2,311,113
MDC Partners Inc., Senior Notes	6.750%	4/1/20	800,000	815,000 <sup>(a)</sup>
New Cotai LLC/New Cotai Capital Corp., Senior Secured Notes	10.625%	5/1/19	2,737,605	2,723,917 <sup>(a)(b)(d)</sup>
Numericable-SFR, Senior Secured Bonds	6.000%	5/15/22	4,980,000	5,107,612 <sup>(a)(b)</sup>
Numericable-SFR, Senior Secured Bonds	6.250%	5/15/24	4,590,000	4,722,008 <sup>(a)</sup>
Polish Television Holding BV, Senior Secured Bonds	11.000%	1/15/21	198,000 <sup>EUR</sup>	267,345 <sup>(a)(d)</sup>
Time Warner Cable Inc., Senior Notes	8.750%	2/14/19	2,500,000	2,953,570 <sup>(b)</sup>
Time Warner Cable Inc., Senior Notes	8.250%	4/1/19	1,336,000	1,562,110 <sup>(b)</sup>
TVN Finance Corp. III AB, Senior Bonds	7.375%	12/15/20	1,258,000 <sup>EUR</sup>	1,575,468 <sup>(a)</sup>
Univision Communications Inc., Senior Notes	8.500%	5/15/21	4,450,000	4,789,312 <sup>(a)(b)</sup>
UPC Holding BV, Junior Secured Subordinated Notes	6.375%	9/15/22	5,060,000 <sup>EUR</sup>	6,163,649 <sup>(a)</sup>
UPCB Finance II Ltd., Senior Notes	6.375%	7/1/20	887,000 <sup>EUR</sup>	1,039,442 <sup>(c)</sup>
Virgin Media Finance PLC, Senior Notes	6.375%	4/15/23	5,620,000	5,943,150 <sup>(a)(b)</sup>
Virgin Media Finance PLC, Senior Notes	6.000%	10/15/24	3,990,000	4,142,119 <sup>(a)(b)</sup>
WMG Acquisition Corp., Senior Notes	6.750%	4/15/22	3,150,000	3,008,250 <sup>(a)</sup>
<i>Total Media</i>				<i>76,697,561</i>

See Notes to Financial Statements.

## Schedule of investments (cont d)

April 30, 2015

### Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Multiline Retail 0.5%</i>				
Neiman Marcus Group LLC, Senior Secured Notes	7.125%	6/1/28	660,000	\$ 681,450 (b)
Neiman Marcus Group Ltd. LLC, Senior Notes	8.750%	10/15/21	2,940,000	3,175,200 (a)(b)(d)
<i>Total Multiline Retail</i>				<i>3,856,650</i>
<i>Specialty Retail 1.9%</i>				
American Greetings Corp., Senior Notes	7.375%	12/1/21	2,480,000	2,662,900 (b)
Guitar Center Inc., Senior Secured Bonds	6.500%	4/15/19	6,850,000	6,062,250 (a)
Hot Topic Inc., Senior Secured Notes	9.250%	6/15/21	1,570,000	1,711,300 (a)(b)
Spencer Spirit Holdings Inc., Senior Notes	9.000%	5/1/18	3,408,000	3,459,120 (a)(b)(d)
<i>Total Specialty Retail</i>				<i>13,895,570</i>
<i>Textiles, Apparel &amp; Luxury Goods 0.1%</i>				
Empire Today LLC/Empire Today Finance Corp., Senior Secured Notes	11.375%	2/1/17	1,300,000	1,183,000 (a)(b)
<b>Total Consumer Discretionary</b>				<b>161,800,778</b>
<i>Consumer Staples 4.3%</i>				
<i>Beverages 1.0%</i>				
Carolina Beverage Group LLC/Carolina Beverage Group Finance Inc., Secured Notes	10.625%	8/1/18	2,610,000	2,557,800 (a)(b)
Cott Beverages Inc., Senior Notes	6.750%	1/1/20	2,140,000	2,247,000 (a)
DS Services of America Inc., Secured Notes	10.000%	9/1/21	2,390,000	2,820,200 (a)
<i>Total Beverages</i>				<i>7,625,000</i>
<i>Food &amp; Staples Retailing 0.8%</i>				
Beverages & More Inc., Senior Secured Notes	10.000%	11/15/18	3,610,000	3,614,512 (a)(b)
Family Tree Escrow LLC, Senior Notes	5.750%	3/1/23	2,210,000	2,331,550 (a)
<i>Total Food &amp; Staples Retailing</i>				<i>5,946,062</i>
<i>Food Products 1.8%</i>				
Dole Food Co. Inc., Senior Secured Notes	7.250%	5/1/19	3,070,000	3,146,750 (a)(b)
Hearthside Group Holdings LLC/Hearthside Finance Co., Senior Notes	6.500%	5/1/22	2,970,000	2,984,850 (a)
Pilgrim s Pride Corp., Senior Notes	5.750%	3/15/25	3,090,000	3,174,975 (a)
Simmons Foods Inc., Secured Notes	7.875%	10/1/21	4,050,000	3,948,750 (a)
Virgolino de Oliveira Finance SA, Senior Secured Notes	10.875%	1/13/20	2,700,000	327,375 (a)(g)
<i>Total Food Products</i>				<i>13,582,700</i>
<i>Household Products 0.3%</i>				
Spectrum Brands Inc., Senior Notes	6.125%	12/15/24	1,630,000	1,735,950 (a)(b)
Sun Products Corp., Senior Notes	7.750%	3/15/21	590,000	522,888 (a)
<i>Total Household Products</i>				<i>2,258,838</i>
<i>Tobacco 0.4%</i>				
Alliance One International Inc., Secured Notes	9.875%	7/15/21	2,940,000	2,572,500
<b>Total Consumer Staples</b>				<b>31,985,100</b>

See Notes to Financial Statements.

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Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<b>Energy 18.0%</b>				
<i>Energy Equipment &amp; Services 2.5%</i>				
Atwood Oceanics Inc., Senior Notes	6.500%	2/1/20	2,503,000	\$ 2,459,197 <sup>(b)</sup>
CGG, Senior Notes	7.750%	5/15/17	378,000	372,330 <sup>(b)</sup>
CGG, Senior Notes	6.500%	6/1/21	2,520,000	2,053,800
CGG, Senior Notes	6.875%	1/15/22	480,000	393,600
Gulfmark Offshore Inc., Senior Notes	6.375%	3/15/22	1,600,000	1,272,000 <sup>(b)</sup>
Hercules Offshore Inc., Senior Notes	7.500%	10/1/21	1,885,000	579,638 <sup>(a)(f)</sup>
Hercules Offshore Inc., Senior Notes	6.750%	4/1/22	4,225,000	1,278,063 <sup>(a)(f)</sup>
KCA Deutag UK Finance PLC, Senior Secured Notes	7.250%	5/15/21	1,280,000	1,104,000 <sup>(a)</sup>
Key Energy Services Inc., Senior Notes	6.750%	3/1/21	990,000	663,300
Parker Drilling Co., Senior Notes	7.500%	8/1/20	3,250,000	2,916,875
SESI LLC, Senior Notes	7.125%	12/15/21	2,780,000	2,905,100 <sup>(b)</sup>
Sierra Hamilton LLC/Sierra Hamilton Finance Inc., Senior Secured Notes	12.250%	12/15/18	2,730,000	2,033,850 <sup>(a)(b)</sup>
TMK OAO Via TMK Capital SA, Senior Notes	6.750%	4/3/20	210,000	180,810 <sup>(a)</sup>
<i>Total Energy Equipment &amp; Services</i>				<i>18,212,563</i>
<i>Oil, Gas &amp; Consumable Fuels 15.5%</i>				
Approach Resources Inc., Senior Notes	7.000%	6/15/21	650,000	589,875
Arch Coal Inc., Senior Notes	7.250%	6/15/21	3,700,000	823,250
Berry Petroleum Co., Senior Notes	6.375%	9/15/22	1,570,000	1,299,175
Blue Racer Midstream LLC/Blue Racer Finance Corp., Senior Notes	6.125%	11/15/22	1,740,000	1,818,300 <sup>(a)</sup>
California Resources Corp., Senior Notes	5.500%	9/15/21	1,920,000	1,828,800
California Resources Corp., Senior Notes	6.000%	11/15/24	5,620,000	5,310,900
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	6.500%	4/15/21	520,000	520,000
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	7.625%	1/15/22	2,130,000	2,172,600
Carrizo Oil & Gas Inc., Senior Notes	7.500%	9/15/20	1,750,000	1,850,275 <sup>(b)</sup>
Chesapeake Energy Corp., Senior Notes	6.875%	11/15/20	2,100,000	2,168,250 <sup>(b)</sup>
Comstock Resources Inc., Senior Notes	9.500%	6/15/20	4,980,000	2,514,900 <sup>(b)</sup>
Crestwood Midstream Partners LP, Senior Notes	6.125%	3/1/22	2,919,000	3,028,462
CrownRock LP/CrownRock Finance Inc., Senior Notes	7.750%	2/15/23	2,130,000	2,268,450 <sup>(a)</sup>
EDC Finance Ltd., Senior Notes	4.875%	4/17/20	570,000	513,000 <sup>(a)</sup>
El Paso Corp., Medium-Term Notes	7.800%	8/1/31	1,952,000	2,347,134 <sup>(b)</sup>
Endeavor Energy Resources LP/EER Finance Inc., Senior Notes	8.125%	9/15/23	1,140,000	1,188,450 <sup>(a)</sup>
Enterprise Products Operating LLC, Junior Subordinated Notes	8.375%	8/1/66	285,000	303,582 <sup>(b)(h)</sup>
EP Energy LLC/EP Energy Finance Inc., Senior Notes	9.375%	5/1/20	910,000	978,250 <sup>(b)</sup>

See Notes to Financial Statements.

## Schedule of investments (cont d)

April 30, 2015

### Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Oil, Gas &amp; Consumable Fuels continued</i>				
Globe Luxembourg SCA, Senior Secured Notes	9.625%	5/1/18	5,270,000	\$ 5,006,500 <sup>(a)(b)</sup>
Halcon Resources Corp., Secured Notes	8.625%	2/1/20	2,350,000	2,451,344 <sup>(a)</sup>
Halcon Resources Corp., Senior Notes	9.750%	7/15/20	3,793,000	3,129,225
Halcon Resources Corp., Senior Notes	8.875%	5/15/21	8,490,000	6,673,140 <sup>(b)</sup>
Lonestar Resources America Inc., Senior Notes	8.750%	4/15/19	1,080,000	864,000 <sup>(a)</sup>
LUKOIL International Finance BV, Bonds	6.356%	6/7/17	1,720,000	1,790,210 <sup>(c)</sup>
Magnum Hunter Resources Corp., Senior Notes	9.750%	5/15/20	7,190,000	6,578,850 <sup>(b)</sup>
MEG Energy Corp., Senior Notes	6.375%	1/30/23	5,020,000	4,919,600 <sup>(a)</sup>
Milagro Oil & Gas Inc., Secured Notes	10.500%	5/15/16	3,290,000	822,500 <sup>(g)</sup>
Murray Energy Corp., Senior Secured Notes	11.250%	4/15/21	4,860,000	4,969,350 <sup>(a)</sup>
Natural Resource Partners LP/Natural Resource Partners Finance Corp., Senior Notes	9.125%	10/1/18	2,240,000	2,200,800 <sup>(b)</sup>
Natural Resource Partners LP/Natural Resource Partners Finance Corp., Senior Notes	9.125%	10/1/18	710,000	697,575 <sup>(a)</sup>
New Gulf Resources LLC/NGR Finance Corp., Senior Secured Notes	11.750%	5/15/19	2,910,000	2,284,350
Novatek Finance Ltd., Notes	6.604%	2/3/21	2,300,000	2,254,690 <sup>(a)</sup>
Pacific Rubiales Energy Corp., Senior Notes	5.375%	1/26/19	2,350,000	1,845,220 <sup>(a)</sup>
Parsley Energy LLC/Parsley Finance Corp., Senior Notes	7.500%	2/15/22	1,330,000	1,396,500 <sup>(a)</sup>
Petrobras Global Finance BV, Senior Notes	7.250%	3/17/44	3,000,000	2,961,750
Petroleos de Venezuela SA, Senior Notes	8.500%	11/2/17	1,124,000	872,224 <sup>(c)</sup>
Puma International Financing SA, Senior Bonds	6.750%	2/1/21	4,610,000	4,817,450 <sup>(a)(b)</sup>
Quicksilver Resources Inc., Senior Notes	11.000%	7/1/21	1,335,000	176,888 <sup>(g)</sup>
Rice Energy Inc., Senior Notes	7.250%	5/1/23	1,960,000	2,048,200 <sup>(a)</sup>
Rosneft Finance SA, Senior Notes	7.500%	7/18/16	270,000	277,425 <sup>(a)</sup>
Rosneft Finance SA, Senior Notes	6.625%	3/20/17	230,000	232,243 <sup>(c)</sup>
Rosneft Finance SA, Senior Notes	7.875%	3/13/18	1,390,000	1,422,317 <sup>(a)(b)</sup>
RSP Permian Inc., Senior Notes	6.625%	10/1/22	5,280,000	5,507,040 <sup>(a)</sup>
Samson Investment Co., Senior Notes	9.750%	2/15/20	2,730,000	344,662
Sanchez Energy Corp., Senior Notes	6.125%	1/15/23	9,940,000	9,790,900
Shelf Drilling Holdings Ltd., Senior Secured Notes	8.625%	11/1/18	1,810,000	1,579,225 <sup>(a)</sup>
Summit Midstream Holdings LLC/Summit Midstream Finance Corp., Senior Notes	7.500%	7/1/21	1,370,000	1,431,650 <sup>(b)</sup>
Teine Energy Ltd., Senior Notes	6.875%	9/30/22	1,130,000	1,127,175 <sup>(a)</sup>
Whiting Canadian Holding Co. ULC, Senior Notes	8.125%	12/1/19	2,720,000	2,900,064 <sup>(b)</sup>
<i>Total Oil, Gas &amp; Consumable Fuels</i>				<i>114,896,720</i>
<b>Total Energy</b>				<b>133,109,283</b>

See Notes to Financial Statements.

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Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<b>Financials 13.8%</b>				
<i>Banks 6.8%</i>				
Bank of America Corp., Junior Subordinated Notes	6.500%	10/23/24	1,190,000	\$ 1,267,350 (b)(h)(i)
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	3,710,000	5,019,849 (a)(b)
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	5,000,000	5,866,875 (b)
Barclays PLC, Junior Subordinated Bonds	8.250%	12/15/18	800,000	853,758 (b)(h)(i)
Citigroup Inc., Junior Subordinated Bonds	6.300%	5/15/24	950,000	963,585 (h)(i)
Citigroup Inc., Junior Subordinated Bonds	5.950%	5/15/25	820,000	816,668 (h)(i)
Credit Agricole SA, Junior Subordinated Notes	7.875%	1/23/24	1,350,000	1,447,812 (a)(h)(i)
Credit Agricole SA, Subordinated Notes	8.375%	10/13/19	3,180,000	3,773,865 (a)(b)(h)(i)
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	9/17/24	1,560,000	1,614,990 (b)(h)(i)
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	3/30/25	2,000,000	2,070,000 (h)(i)
Intesa Sanpaolo SpA, Senior Notes	3.625%	8/12/15	3,920,000	3,946,531 (a)(b)
JPMorgan Chase & Co., Junior Subordinated Bonds	6.000%	8/1/23	1,270,000	1,311,275 (b)(h)(i)
JPMorgan Chase & Co., Junior Subordinated Notes	6.100%	10/1/24	2,410,000	2,500,375 (b)(h)(i)
M&T Bank Corp., Junior Subordinated Bonds	6.875%	6/15/16	4,400,000	4,554,000 (b)(i)
Novo Banco SA, Senior Notes	5.875%	11/9/15	1,500,000 <sup>EUR</sup>	1,696,065 (c)
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	3,530,000	4,518,400 (b)(h)(i)
Royal Bank of Scotland Group PLC, Subordinated Notes	6.100%	6/10/23	1,470,000	1,617,498 (b)
Royal Bank of Scotland NV, Subordinated Notes	7.750%	5/15/23	650,000	782,697 (b)
Royal Bank of Scotland PLC, Subordinated Notes	13.125%	3/19/22	4,860,000 <sup>AUD</sup>	4,453,163 (c)(h)
Wells Fargo & Co., Junior Subordinated Bonds	5.875%	6/15/25	1,140,000	1,212,675 (h)(i)
<i>Total Banks</i>				<i>50,287,431</i>
<i>Capital Markets 0.6%</i>				
Credit Suisse Group AG, Junior Subordinated Notes	6.250%	12/18/24	1,350,000	1,340,550 (a)(h)(i)
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	2,320,000	2,923,430 (b)
<i>Total Capital Markets</i>				<i>4,263,980</i>
<i>Consumer Finance 0.6%</i>				
SLM Corp., Medium-Term Notes, Senior Notes	8.450%	6/15/18	2,230,000	2,493,586 (b)
Stearns Holdings Inc., Senior Secured Notes	9.375%	8/15/20	1,250,000	1,246,875 (a)(b)
TMX Finance LLC/TitleMax Finance Corp., Senior Secured Notes	8.500%	9/15/18	1,110,000	799,200 (a)(b)
<i>Total Consumer Finance</i>				<i>4,539,661</i>
<i>Diversified Financial Services 2.5%</i>				
Argos Merger Sub Inc., Senior Notes	7.125%	3/15/23	4,760,000	5,009,900 (a)
International Lease Finance Corp., Senior Notes	5.750%	5/15/16	800,000	828,000 (b)
International Lease Finance Corp., Senior Notes	8.750%	3/15/17	3,385,000	3,769,536 (b)
International Lease Finance Corp., Senior Notes	8.875%	9/1/17	5,180,000	5,898,725 (b)

See Notes to Financial Statements.

## Schedule of investments (cont d)

April 30, 2015

### Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Diversified Financial Services continued</i>				
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	2,160,000	\$ 2,651,400 <sup>(b)</sup>
ZFS Finance USA Trust II, Bonds	6.450%	12/15/65	500,000	521,750 <sup>(a)(b)(h)</sup>
<i>Total Diversified Financial Services</i>				<i>18,679,311</i>
<i>Insurance 0.9%</i>				
Fidelity & Guaranty Life Holdings Inc., Senior Notes	6.375%	4/1/21	1,450,000	1,529,750 <sup>(a)(b)</sup>
Genworth Holdings Inc., Senior Notes	4.900%	8/15/23	1,780,000	1,557,500
Liberty Mutual Group Inc., Junior Subordinated Bonds	7.800%	3/15/37	1,750,000	2,161,425 <sup>(a)(b)</sup>
MetLife Capital Trust IV, Junior Subordinated Notes	7.875%	12/15/37	1,100,000	1,463,000 <sup>(a)(b)</sup>
<i>Total Insurance</i>				<i>6,711,675</i>
<i>Real Estate Management &amp; Development 2.4%</i>				
Caesars Entertainment Resort Properties LLC, Secured Notes	11.000%	10/1/21	1,430,000	1,287,000
Caesars Entertainment Resort Properties LLC, Senior Secured Notes	8.000%	10/1/20	5,450,000	5,477,250
Communications Sales & Leasing Inc., Senior Notes	8.250%	10/15/23	2,900,000	2,983,375 <sup>(a)</sup>
Greystar Real Estate Partners LLC, Senior Secured Notes	8.250%	12/1/22	3,110,000	3,304,375 <sup>(a)(b)</sup>
Howard Hughes Corp., Senior Notes	6.875%	10/1/21	4,140,000	4,388,400 <sup>(a)(b)</sup>
<i>Total Real Estate Management &amp; Development</i>				<i>17,440,400</i>
<b>Total Financials</b>				<b>101,922,458</b>
<i>Health Care 9.8%</i>				
<i>Health Care Equipment &amp; Supplies 2.4%</i>				
ConvaTec Finance International SA, Senior Notes	8.250%	1/15/19	1,610,000	1,625,094 <sup>(a)(b)(d)</sup>
DJO Finance LLC/DJO Finance Corp., Senior Notes	7.750%	4/15/18	750,000	781,058
DJO Finance LLC/DJO Finance Corp., Senior Notes	9.875%	4/15/18	4,390,000	4,609,500 <sup>(b)</sup>
DJO Finance LLC/DJO Finance Corp., Senior Subordinated Notes	9.750%	10/15/17	590,000	607,700
DJO Finco Inc./DJO Finance LLC/DJO Finance Corp., Secured Notes	8.125%	6/15/21	4,930,000	5,016,275 <sup>(a)</sup>
Lantheus Medical Imaging Inc., Senior Notes	9.750%	5/15/17	5,070,000	5,000,287 <sup>(b)</sup>
<i>Total Health Care Equipment &amp; Supplies</i>				<i>17,639,914</i>
<i>Health Care Providers &amp; Services 4.5%</i>				
Acadia Healthcare Co. Inc., Senior Notes	12.875%	11/1/18	1,248,000	1,391,520 <sup>(b)</sup>
Acadia Healthcare Co. Inc., Senior Notes	6.125%	3/15/21	1,540,000	1,599,675 <sup>(b)</sup>
CHS/Community Health Systems Inc., Senior Notes	8.000%	11/15/19	4,590,000	4,876,875 <sup>(b)</sup>
ExamWorks Group Inc., Senior Notes	9.000%	7/15/19	5,000,000	5,306,250 <sup>(b)</sup>
Fresenius U.S. Finance II Inc., Senior Notes	9.000%	7/15/15	1,020,000	1,039,125 <sup>(a)(b)</sup>
HCA Inc., Debentures	7.500%	11/15/95	2,205,000	2,171,925 <sup>(b)</sup>
IASIS Healthcare LLC/IASIS Capital Corp., Senior Notes	8.375%	5/15/19	3,520,000	3,660,800 <sup>(b)</sup>

See Notes to Financial Statements.



Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Health Care Providers &amp; Services continued</i>				
Jaguar Holding Co. II/Jaguar Merger Sub Inc., Senior Notes	9.500%	12/1/19	1,020,000	\$ 1,100,325 (a)(b)
Kindred Healthcare Inc., Senior Secured Notes	8.750%	1/15/23	760,000	849,300 (a)
Labco SAS, Senior Secured Notes	8.500%	1/15/18	254,000 <sup>EUR</sup>	300,747 (a)
Surgical Care Affiliates Inc., Senior Notes	6.000%	4/1/23	1,210,000	1,243,275 (a)
Tenet Healthcare Corp., Senior Notes	8.125%	4/1/22	2,870,000	3,139,063 (b)
Tenet Healthcare Corp., Senior Secured Notes	6.000%	10/1/20	2,580,000	2,760,600 (b)
Universal Hospital Services Inc., Secured Notes	7.625%	8/15/20	4,100,000	3,618,250
<i>Total Health Care Providers &amp; Services</i>				<i>33,057,730</i>
<i>Pharmaceuticals 2.9%</i>				
Concordia Healthcare Corp., Senior Notes	7.000%	4/15/23	4,090,000	4,161,575 (a)
ConvaTec Healthcare E SA, Senior Notes	10.875%	12/15/18	2,500,000 <sup>EUR</sup>	2,982,570 (b)(c)
JLL/Delta Dutch Newco BV, Senior Notes	7.500%	2/1/22	2,830,000	2,978,575 (a)(b)
JLL/Delta Dutch Pledgeco BV, Senior Notes	8.750%	5/1/20	4,990,000	5,052,375 (a)(d)
Valeant Pharmaceuticals International Inc., Senior Notes	6.125%	4/15/25	6,260,000	6,475,187 (a)
<i>Total Pharmaceuticals</i>				<i>21,650,282</i>
<b>Total Health Care</b>				
<b>Industrials 19.9%</b>				
<i>Aerospace &amp; Defense 1.6%</i>				
Aerojet Rocketdyne Holdings Inc., Secured Notes	7.125%	3/15/21	1,490,000	1,605,475 (b)
CBC Ammo LLC/CBC FinCo Inc., Senior Notes	7.250%	11/15/21	4,430,000	4,053,450 (a)(b)
Ducommun Inc., Senior Notes	9.750%	7/15/18	1,960,000	2,087,400 (b)
Erickson Inc., Secured Notes	8.250%	5/1/20	3,234,000	2,627,625 (b)
LMI Aerospace Inc., Secured Notes	7.375%	7/15/19	1,400,000	1,422,750 (a)(b)
<i>Total Aerospace &amp; Defense</i>				<i>11,796,700</i>
<i>Air Freight &amp; Logistics 0.5%</i>				
XPO Logistics Inc., Senior Notes	7.875%	9/1/19	3,610,000	3,849,162 (a)(b)
<i>Airlines 1.8%</i>				
Air Canada, Pass-Through Trust, Secured Notes	6.625%	5/15/18	1,100,000	1,173,590 (a)
American Airlines, Pass-Through Trust, Secured Notes	7.000%	1/31/18	1,088,034	1,183,237 (a)(b)
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	1,181,303	1,379,172 (b)
Delta Air Lines Inc., Pass-Through Certificates, Subordinated Secured Notes	9.750%	12/17/16	503,828	559,249 (b)
Heathrow Finance PLC, Senior Secured Notes	7.125%	3/1/17	2,450,000 <sup>GBP</sup>	4,085,768 (b)(c)
United Airlines Inc., Pass-Through Certificates	5.983%	4/19/22	4,042,551	4,547,870 (b)
<i>Total Airlines</i>				<i>12,928,886</i>
<i>Building Products 0.4%</i>				
Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Notes	6.875%	2/15/21	2,851,000	2,708,450 (a)(b)

See Notes to Financial Statements.

## Schedule of investments (cont d)

April 30, 2015

### Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Commercial Services &amp; Supplies 3.3%</i>				
Garda World Security Corp., Senior Notes	7.250%	11/15/21	1,530,000	\$ 1,530,000 (a)
JM Huber Corp., Senior Notes	9.875%	11/1/19	1,490,000	1,616,650 (a)(b)
Monitronics International Inc., Senior Notes	9.125%	4/1/20	6,080,000	6,049,600 (b)
RSC Equipment Rental Inc./RSC Holdings III LLC, Senior Notes	8.250%	2/1/21	739,000	800,891 (b)
Taylor Morrison Communities Inc./Monarch Communities Inc., Senior Notes	7.750%	4/15/20	4,686,000	4,958,397 (a)(b)
Taylor Morrison Communities Inc./Monarch Communities Inc., Senior Notes	7.750%	4/15/20	1,186,000	1,254,942 (a)(b)
Taylor Morrison Communities Inc./Monarch Communities Inc., Senior Notes	5.250%	4/15/21	1,241,000	1,250,308 (a)(b)
United Rentals North America Inc., Senior Notes	7.625%	4/15/22	3,018,000	3,342,435 (b)
West Corp., Senior Notes	5.375%	7/15/22	3,850,000	3,720,063 (a)
<i>Total Commercial Services &amp; Supplies</i>				<i>24,523,286</i>
<i>Construction &amp; Engineering 2.9%</i>				
Astaldi SpA, Senior Bonds	7.125%	12/1/20	1,070,000 EUR	1,299,368 (a)
Astaldi SpA, Senior Notes	7.125%	12/1/20	240,000 EUR	291,110 (c)
Ausdrill Finance Pty Ltd., Senior Notes	6.875%	11/1/19	2,420,000	2,032,800 (a)
Brundage-Bone Concrete Pumping Inc., Senior Secured Notes	10.375%	9/1/21	2,380,000	2,499,000 (a)(b)
Empresas ICA SAB de CV, Senior Notes	8.875%	5/29/24	3,237,000	2,832,375 (a)
Michael Baker Holdings LLC/Michael Baker Finance Corp., Senior Notes	8.875%	4/15/19	3,110,000	2,861,200 (a)(b)(d)
Michael Baker International LLC/CDL Acquisition Co. Inc., Senior Secured Notes	8.250%	10/15/18	3,670,000	3,596,600 (a)(b)
Modular Space Corp., Secured Notes	10.250%	1/31/19	2,970,000	2,420,550 (a)
Odebrecht Finance Ltd., Senior Notes	4.375%	4/25/25	4,240,000	3,657,000 (a)
<i>Total Construction &amp; Engineering</i>				<i>21,490,003</i>
<i>Electrical Equipment 0.6%</i>				
International Wire Group Holdings Inc., Senior Secured Notes	8.500%	10/15/17	1,970,000	2,053,725 (a)(b)
NES Rentals Holdings Inc., Senior Secured Notes	7.875%	5/1/18	1,800,000	1,854,000 (a)(b)
Trionista TopCo GmbH, Senior Subordinated Notes	6.875%	4/30/21	150,000 EUR	182,660 (a)
<i>Total Electrical Equipment</i>				<i>4,090,385</i>
<i>Industrial Conglomerates 0.3%</i>				
Leucadia National Corp., Senior Notes	8.125%	9/15/15	2,490,000	2,553,744 (b)
<i>Machinery 2.5%</i>				
CTP Transportation Products LLC/CTP Finance Inc., Senior Secured Notes	8.250%	12/15/19	1,200,000	1,278,000 (a)(b)
Dematic SA/DH Services Luxembourg Sarl, Senior Notes	7.750%	12/15/20	5,370,000	5,678,775 (a)(b)
Gardner Denver Inc., Senior Notes	6.875%	8/15/21	1,070,000	1,000,450 (a)(b)

See Notes to Financial Statements.

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Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Machinery continued</i>				
Global Brass and Copper Inc., Senior Secured Notes	9.500%	6/1/19	2,390,000	\$ 2,611,075 (b)
KION Finance SA, Senior Secured Notes	6.750%	2/15/20	3,027,000 EUR	3,658,200 (a)
KraussMaffei Group GmbH, Senior Secured Notes	8.750%	12/15/20	630,000 EUR	776,366 (a)
KraussMaffei Group GmbH, Senior Secured Notes	8.750%	12/15/20	412,200 EUR	507,966 (c)
SIG Combibloc Holdings SCA, Senior Bonds	7.750%	2/15/23	800,000 EUR	964,528 (a)
SPL Logistics Escrow LLC/SPL Logistics Finance Corp., Senior Secured Notes	8.875%	8/1/20	1,760,000	1,861,200 (a)(b)
<b>Total Machinery</b>				<b>18,336,560</b>
<i>Marine 1.1%</i>				
Horizon Lines LLC, Senior Secured Notes	11.000%	10/15/16	1,842,000	1,851,210 (f)
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes	8.125%	11/15/21	4,110,000	4,223,025 (a)(b)
Ultrapetrol Bahamas Ltd., Senior Secured Notes	8.875%	6/15/21	2,150,000	1,988,750
<b>Total Marine</b>				<b>8,062,985</b>
<i>Road &amp; Rail 2.4%</i>				
Flexi-Van Leasing Inc., Senior Notes	7.875%	8/15/18	2,500,000	2,575,000 (a)(b)
Florida East Coast Holdings Corp., Senior Notes	9.750%	5/1/20	3,390,000	3,279,825 (a)(b)
Florida East Coast Holdings Corp., Senior Secured Notes	6.750%	5/1/19	1,860,000	1,855,350 (a)
Jack Cooper Holdings Corp., Senior Secured Notes	10.250%	6/1/20	5,530,000	4,797,275 (a)(b)
Jurassic Holdings III Inc., Secured Notes	6.875%	2/15/21	2,210,000	1,911,650 (a)
Quality Distribution LLC/QD Capital Corp., Secured Notes	9.875%	11/1/18	3,022,000	3,184,432 (b)
<b>Total Road &amp; Rail</b>				<b>17,603,532</b>
<i>Trading Companies &amp; Distributors 0.5%</i>				
H&E Equipment Services Inc., Senior Notes	7.000%	9/1/22	3,150,000	3,315,375 (b)
<i>Transportation 1.8%</i>				
CMA CGM, Senior Notes	8.500%	4/15/17	3,140,000	3,226,350 (a)(b)
Hapag-Lloyd AG, Senior Notes	9.750%	10/15/17	3,490,000	3,664,500 (a)(b)
Neovia Logistics Intermediate Holdings LLC/Logistics Intermediate Finance Corp., Senior Notes	10.000%	2/15/18	3,890,000	3,919,175 (a)(b)(d)
Syncreon Group BV/Syncreon Global Finance U.S. Inc., Senior Notes	8.625%	11/1/21	3,400,000	2,771,000 (a)
<b>Total Transportation</b>				<b>13,581,025</b>
<i>Transportation Infrastructure 0.2%</i>				
Aguila 3 SA, Senior Secured Notes	7.875%	1/31/18	1,700,000	1,721,250 (a)(b)
<b>Total Industrials</b>				<b>146,561,343</b>
<i>Information Technology 3.3%</i>				
<i>Electronic Equipment, Instruments &amp; Components 0.4%</i>				
Interface Security Systems Holdings Inc./Interface Security Systems LLC, Senior Secured Notes	9.250%	1/15/18	2,590,000	2,635,325 (b)

See Notes to Financial Statements.

## Schedule of investments (cont d)

April 30, 2015

### Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Internet Software &amp; Services 0.5%</i>				
Ancestry.com Inc., Senior Notes	9.625%	10/15/18	1,390,000	\$ 1,429,962 <sup>(a)(d)</sup>
Ancestry.com Inc., Senior Notes	11.000%	12/15/20	2,100,000	2,399,250 <sup>(b)</sup>
<i>Total Internet Software &amp; Services</i>				<i>3,829,212</i>
<i>IT Services 1.8%</i>				
Compiler Finance Subordinated Inc., Senior Notes	7.000%	5/1/21	3,583,000	2,705,165 <sup>(a)(b)</sup>
First Data Corp., Secured Notes	8.250%	1/15/21	810,000	862,901 <sup>(a)(b)</sup>
First Data Corp., Senior Notes	12.625%	1/15/21	4,760,000	5,631,080 <sup>(b)</sup>
First Data Corp., Senior Subordinated Notes	11.750%	8/15/21	3,535,000	4,074,088 <sup>(b)</sup>
<i>Total IT Services</i>				<i>13,273,234</i>
<i>Software 0.6%</i>				
Activision Blizzard Inc., Senior Notes	5.625%	9/15/21	2,510,000	2,688,838 <sup>(a)(b)</sup>
Audatex North America Inc., Senior Notes	6.000%	6/15/21	1,390,000	1,440,818 <sup>(a)(b)</sup>
<i>Total Software</i>				<i>4,129,656</i>
<b>Total Information Technology</b>				
				<b>23,867,427</b>
<b>Materials 13.7%</b>				
<i>Chemicals 1.0%</i>				
Eco Services Operations LLC/Eco Finance Corp., Senior Notes	8.500%	11/1/22	1,530,000	1,568,250 <sup>(a)(b)</sup>
Hexion Inc., Senior Secured Notes	8.875%	2/1/18	2,240,000	2,002,000
HIG BBC Intermediate Holdings LLC/HIG BBC Holdings Corp., Senior Notes	10.500%	9/15/18	1,500,000	1,410,000 <sup>(a)(d)</sup>
KP Germany Erste GmbH, Senior Secured Notes	11.625%	7/15/17	680,000 <sup>EUR</sup>	828,438 <sup>(a)</sup>
KP Germany Erste GmbH, Senior Secured Notes	11.625%	7/15/17	530,000 <sup>EUR</sup>	645,695 <sup>(c)</sup>
Techniplas LLC, Senior Secured Notes	10.000%	5/1/20	880,000	910,800 <sup>(a)</sup>
<i>Total Chemicals</i>				<i>7,365,183</i>
<i>Construction Materials 0.6%</i>				
Cemex SAB de CV, Senior Secured Notes	5.700%	1/11/25	810,000	813,807 <sup>(a)</sup>
Cemex SAB de CV, Senior Secured Notes	6.125%	5/5/25	740,000	761,238 <sup>(a)</sup>
Hardwoods Acquisition Inc., Senior Secured Notes	7.500%	8/1/21	2,540,000	2,444,750 <sup>(a)</sup>
NWH Escrow Corp., Senior Secured Notes	7.500%	8/1/21	790,000	748,525 <sup>(a)</sup>
<i>Total Construction Materials</i>				<i>4,768,320</i>
<i>Containers &amp; Packaging 3.8%</i>				
Ardagh Finance Holdings SA, Senior Notes	8.625%	6/15/19	2,526,101	2,709,244 <sup>(a)(d)</sup>
Ardagh Packaging Finance PLC, Senior Notes	9.125%	10/15/20	3,170,000	3,423,600 <sup>(a)(b)</sup>
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	6.250%	1/31/19	930,000	953,250 <sup>(a)</sup>
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	9.125%	10/15/20	1,220,000	1,311,500 <sup>(a)(b)</sup>
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	7.000%	11/15/20	871,765	895,738 <sup>(a)(b)</sup>

See Notes to Financial Statements.

## Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Containers &amp; Packaging continued</i>				
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	6.750%	1/31/21	2,970,000	\$ 3,096,225 (a)
BWAY Holding Co., Senior Notes	9.125%	8/15/21	4,070,000	4,212,450 (a)(b)
Coveris Holdings SA, Senior Notes	7.875%	11/1/19	3,490,000	3,559,800 (a)
Pactiv LLC, Senior Bonds	8.375%	4/15/27	3,320,000	3,436,200 (b)
Pactiv LLC, Senior Notes	7.950%	12/15/25	920,000	943,000 (b)
PaperWorks Industries Inc., Senior Secured Notes	9.500%	8/15/19	2,000,000	2,027,500 (a)(b)
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer (Luxembourg) SA, Senior Notes	8.500%	5/15/18	1,340,000	1,375,175 (b)
<i>Total Containers &amp; Packaging</i>				27,943,682
<i>Metals &amp; Mining 7.0%</i>				
Barrick Gold Corp., Senior Notes	9.000%	6/1/18	2,530,000	2,431,962 (a)(b)
Coeur Mining Inc., Senior Notes	7.875%	2/1/21	2,780,000	2,363,000 (b)
Evraz Group SA, Notes	9.500%	4/24/18	680,000	702,100 (a)(b)
Evraz Group SA, Notes	6.750%	4/27/18	2,390,000	2,282,450 (a)(j)
Evraz Group SA, Senior Notes	9.500%	4/24/18	330,000	340,725 (c)
FMG Resources (August 2006) Pty Ltd., Senior Notes	6.875%	2/1/18	1,733,333	1,798,333 (a)
FMG Resources (August 2006) Pty Ltd., Senior Notes	6.875%	4/1/22	2,930,000	2,230,463 (a)(b)
FMG Resources (August 2006) Pty Ltd., Senior Secured Notes	9.750%	3/1/22	3,420,000	3,533,287 (a)
GTL Trade Finance Inc., Senior Bonds	5.893%	4/29/24	2,996,000	3,040,940 (a)(j)
Midwest Vanadium Pty Ltd., Senior Secured Notes	11.500%	2/15/18	3,070,000	230,250 (a)(f)(g)
Mirabela Nickel Ltd.	1.000%	9/10/44	32,532	0 (e)(f)(k)
Prince Mineral Holding Corp., Senior Secured Notes	11.500%	12/15/19	1,570,000	1,517,013 (a)(b)
Rain CII Carbon LLC/CII Carbon Corp., Senior Secured Notes	8.250%	1/15/21	4,490,000	4,175,700 (a)(b)
Rio Tinto Finance USA Ltd., Senior Notes	9.000%	5/1/19	1,820,000	2,290,727 (b)
Ryerson Inc./Joseph T. Ryerson & Son Inc., Senior Secured Notes	9.000%	10/15/17	3,960,000	4,037,022 (b)
Schaeffler Holding Finance BV, Senior Secured Bonds	6.875%	8/15/18	3,230,000	3,379,387 (a)(d)
Schaeffler Holding Finance BV, Senior Secured Notes	6.875%	8/15/18	2,040,000 EUR	2,403,312 (a)(d)
Schaeffler Holding Finance BV, Senior Secured Notes	6.750%	11/15/22	3,330,000	3,663,000 (a)(b)(d)
St. Barbara Ltd., Senior Secured Notes	8.875%	4/15/18	1,600,000	1,464,000 (a)(b)
Steel Dynamics Inc., Senior Notes	6.125%	8/15/19	1,300,000	1,394,250 (b)
Thompson Creek Metals Co. Inc., Senior Secured Notes	9.750%	12/1/17	1,950,000	2,052,570 (b)
Vale Overseas Ltd., Notes	8.250%	1/17/34	1,784,000	2,061,016
Vedanta Resources PLC, Senior Notes	6.750%	6/7/16	3,630,000	3,734,181 (a)
Vedanta Resources PLC, Senior Notes	6.000%	1/31/19	760,000	720,100 (a)
<i>Total Metals &amp; Mining</i>				51,845,788

See Notes to Financial Statements.

## Schedule of investments (cont d)

April 30, 2015

### Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Paper &amp; Forest Products 1.3%</i>				
Appvion Inc., Secured Notes	9.000%	6/1/20	4,800,000	\$ 3,168,000 (a)(b)
Fibria Overseas Finance Ltd., Senior Notes	5.250%	5/12/24	1,340,000	1,386,900 (b)
Resolute Forest Products Inc., Senior Notes	5.875%	5/15/23	2,030,000	1,966,563
Verso Paper Holdings LLC/Verso Paper Inc., Senior Secured Bonds	11.750%	1/15/19	1,610,000	1,420,825
Verso Paper Holdings LLC/Verso Paper Inc., Senior Secured Notes	11.750%	1/15/19	1,768,000	1,122,680 (b)
Verso Paper Holdings LLC/Verso Paper Inc., Senior Secured Notes	11.750%	1/15/19	260,000	228,800
<i>Total Paper &amp; Forest Products</i>				9,293,768
<b>Total Materials</b>				<b>101,216,741</b>
<i>Telecommunication Services 12.1%</i>				
<i>Diversified Telecommunication Services 5.0%</i>				
Axtel SAB de CV, Senior Secured Notes	9.000%	1/31/20	2,544,000	2,454,960 (a)
CenturyLink Inc., Senior Notes	5.800%	3/15/22	6,600,000	6,880,500 (b)
CenturyLink Inc., Senior Notes	5.625%	4/1/25	110,000	110,413 (a)
Intelsat Jackson Holdings SA, Senior Bonds	5.500%	8/1/23	1,250,000	1,181,250
Intelsat Jackson Holdings SA, Senior Notes	7.250%	10/15/20	6,670,000	6,894,279 (b)
Intelsat Luxembourg SA, Senior Bonds	8.125%	6/1/23	2,070,000	1,905,042 (b)
Level 3 Financing Inc., Senior Notes	7.000%	6/1/20	750,000	805,312 (b)
Level 3 Financing Inc., Senior Notes	8.625%	7/15/20	4,090,000	4,447,875 (b)
Level 3 Financing Inc., Senior Notes	6.125%	1/15/21	1,260,000	1,337,175 (b)
Verizon Communications Inc., Senior Notes	5.150%	9/15/23	3,550,000	4,013,619 (b)
Windstream Corp., Senior Notes	7.750%	10/1/21	520,000	513,500
Windstream Corp., Senior Notes	7.500%	4/1/23	6,690,000	6,372,225 (b)
<i>Total Diversified Telecommunication Services</i>				36,916,150
<i>Wireless Telecommunication Services 7.1%</i>				
Altice Financing SA, Senior Secured Notes	5.250%	2/15/23	270,000 <sup>EUR</sup>	319,237 (a)
Altice Financing SA, Senior Secured Notes	6.625%	2/15/23	6,240,000	6,458,400 (a)
Altice Finco SA, Senior Notes	7.625%	2/15/25	1,020,000	1,044,863 (a)
Oi SA, Senior Notes	5.750%	2/10/22	1,770,000	1,500,075 (a)
Sprint Capital Corp., Senior Notes	6.875%	11/15/28	3,530,000	3,203,475 (b)
Sprint Capital Corp., Senior Notes	8.750%	3/15/32	8,465,000	8,697,787 (b)
Sprint Communications Inc., Senior Notes	9.000%	11/15/18	7,200,000	8,210,232 (a)(b)
Sprint Corp., Senior Notes	7.875%	9/15/23	6,930,000	6,973,312 (b)
Syniverse Holdings Inc., Senior Notes	9.125%	1/15/19	2,831,000	2,675,295 (b)
T-Mobile USA Inc., Senior Notes	6.542%	4/28/20	1,090,000	1,153,983 (b)
T-Mobile USA Inc., Senior Notes	6.633%	4/28/21	140,000	148,225 (b)

See Notes to Financial Statements.

## Western Asset High Income Fund II Inc.

	Rate	Maturity Date	Face Amount	Value
<b>Security</b>				
<i>Wireless Telecommunication Services continued</i>				
T-Mobile USA Inc., Senior Notes	6.000%	3/1/23	4,970,000	\$ 5,077,104 <sup>(b)</sup>
Vimpel Communications Via VIP Finance Ireland Ltd. OJSC, Senior Notes	9.125%	4/30/18	2,220,000	2,366,520 <sup>(c)</sup>
Vimpel Communications Via VIP Finance Ireland Ltd. OJSC, Senior Notes	7.748%	2/2/21	2,300,000	2,337,904 <sup>(a)</sup>
VimpelCom Holdings BV, Senior Notes	7.504%	3/1/22	1,620,000	1,611,900 <sup>(c)</sup>
VimpelCom Holdings BV, Senior Notes	7.504%	3/1/22	700,000	696,500 <sup>(a)</sup>
<i>Total Wireless Telecommunication Services</i>				52,474,812
<b>Total Telecommunication Services</b>				<b>89,390,962</b>
<b>Utilities 4.1%</b>				
<i>Electric Utilities 1.7%</i>				
AES Red Oak LLC, Secured Notes	9.200%	11/30/29	4,380,000	4,894,650 <sup>(b)</sup>
GenOn REMA LLC, Pass-Through Certificates	9.237%	7/2/17	2,092,921	2,228,961 <sup>(b)</sup>
GenOn REMA LLC, Pass-Through Certificates	9.681%	7/2/26	4,320,000	4,687,200 <sup>(b)</sup>
Midwest Generation LLC, Pass-Through Certificates	8.560%	1/2/16	433,028	433,028
<i>Total Electric Utilities</i>				12,243,839
<i>Independent Power and Renewable Electricity Producers 2.4%</i>				
Calpine Corp., Senior Secured Notes	7.875%	1/15/23	2,927,000	3,234,335 <sup>(a)(b)</sup>
Foresight Energy LLC/Foresight Energy Corp., Senior Notes	7.875%	8/15/21	4,480,000	4,368,000 <sup>(a)(b)</sup>
Mirant Mid Atlantic LLC, Pass-Through Certificates	9.125%	6/30/17	280,365	297,887 <sup>(b)</sup>
Mirant Mid Atlantic LLC, Pass-Through Certificates	10.060%	12/30/28	7,190,293	7,976,731 <sup>(b)</sup>
TerraForm Power Operating LLC, Senior Notes	5.875%	2/1/23	1,970,000	2,058,650 <sup>(a)</sup>
<i>Total Independent Power and Renewable Electricity Producers</i>				17,935,603
<b>Total Utilities</b>				<b>30,179,442</b>
<b>Total Corporate Bonds &amp; Notes (Cost \$887,603,513)</b>				<b>892,381,460</b>
<b>Collateralized Mortgage Obligations 0.1%</b>				
Countrywide Home Loan Mortgage Pass-Through Trust, 2004-HYB5 7A1 (Cost \$722,117)	2.389%	4/20/35	1,101,495	931,586 <sup>(h)</sup>
<b>Convertible Bonds &amp; Notes 0.4%</b>				
<b>Materials 0.3%</b>				
<i>Chemicals 0.1%</i>				
Hercules Inc., Junior Subordinated Bonds	6.500%	6/30/29	802,000	734,331
<i>Metals &amp; Mining 0.2%</i>				
Mirabela Nickel Ltd., Senior Secured Bonds	9.500%	6/24/19	1,979,775	1,455,135 <sup>(a)(d)(f)</sup>
<b>Total Materials</b>				<b>2,189,466</b>
<b>Telecommunication Services 0.1%</b>				
<i>Diversified Telecommunication Services 0.1%</i>				
Axtel SAB de CV, Senior Secured Notes	9.000%	1/31/20	2,900,100 <sup>MXN</sup>	359,157 <sup>(a)</sup>
<b>Total Convertible Bonds &amp; Notes (Cost \$3,117,904)</b>				<b>2,548,623</b>

See Notes to Financial Statements.

## Schedule of investments (cont'd)

April 30, 2015

## Western Asset High Income Fund II Inc.

	Rate	Maturity Date	Face Amount	Value
Security				
<b>Senior Loans 3.2%</b>				
<b>Consumer Discretionary 0.5%</b>				
<i>Hotels, Restaurants &amp; Leisure 0.3%</i>				
Equinox Holdings Inc., Second Lien Term Loan	9.750%	7/31/20	2,510,000	\$ 2,560,200 (l)(m)
<i>Textiles, Apparel &amp; Luxury Goods 0.2%</i>				
TOMS Shoes LLC, Term Loan B	6.500%	10/28/20	1,590,000	1,478,037 (l)(m)
<b>Total Consumer Discretionary</b>				<b>4,038,237</b>
<b>Consumer Staples 0.1%</b>				
<i>Food Products 0.1%</i>				
AdvancePierre Foods Inc., Second Lien Term Loan	9.500%	10/10/17	1,080,000	<b>1,086,750</b> (l)(m)
<b>Energy 0.5%</b>				
<i>Oil, Gas &amp; Consumable Fuels 0.5%</i>				
Murray Energy Corp., Term Loan B2		3/19/21	1,740,000	1,726,950 (n)
Westmoreland Coal Co., Term Loan B	7.500%	12/16/20	2,034,900	2,014,551 (l)(m)
<b>Total Energy</b>				<b>3,741,501</b>
<b>Health Care 0.7%</b>				
<i>Health Care Providers &amp; Services 0.7%</i>				
Physiotherapy Associates Holdings Inc., Exit Term Loan	11.000%	1/2/17	2,280,000	2,278,575 (f)(l)(m)
Radnet Management Inc., Second Lien Term Loan	8.000%	3/25/21	2,620,000	2,629,825 (l)(m)
<b>Total Health Care</b>				<b>4,908,400</b>
<b>Materials 0.5%</b>				
<i>Chemicals 0.5%</i>				
Kerling PLC, EUR Term Loan	10.000%	6/30/16	1,200,000 <sup>EUR</sup>	1,362,578 (l)(m)
Kronos Inc., Second Lien Term Loan	9.750%	4/30/20	1,918,495	1,982,046 (l)(m)
<b>Total Materials</b>				<b>3,344,624</b>
<b>Utilities 0.9%</b>				
<i>Electric Utilities 0.3%</i>				
Panda Temple Power LLC, 2015 Term Loan B	7.250%	3/4/22	2,310,000	2,286,900 (l)(m)
<i>Independent Power and Renewable Electricity Producers 0.6%</i>				
Energy Future Intermediate Holding Co., LLC, DIP Term Loan	4.250%	6/19/16	4,245,032	4,275,099 (l)(m)
<b>Total Utilities</b>				<b>6,561,999</b>
<b>Total Senior Loans (Cost \$23,679,088)</b>				<b>23,681,511</b>
<b>Sovereign Bonds 2.0%</b>				
<i>Argentina 0.1%</i>				
Republic of Argentina, Senior Bonds	7.000%	10/3/15	470,000	461,373
<i>Brazil 0.7%</i>				
Federative Republic of Brazil, Notes	10.000%	1/1/17	15,782,000 <sup>BRL</sup>	4,999,379

See Notes to Financial Statements.



Western Asset High Income Fund II Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Security</i>				
<i>Hungary 0.2%</i>				
Republic of Hungary, Senior Notes	5.750%	11/22/23	1,658,000	\$ 1,913,747
<i>Turkey 0.6%</i>				
Republic of Turkey, Senior Bonds	11.875%	1/15/30	1,175,000	2,051,437
Republic of Turkey, Senior Notes	6.875%	3/17/36	2,064,000	2,520,247
<i>Total Turkey</i>				4,571,684
<i>Venezuela 0.4%</i>				
Bolivarian Republic of Venezuela, Senior Bonds	9.250%	9/15/27	3,050,000	1,509,750
Bolivarian Republic of Venezuela, Senior Bonds	9.375%	1/13/34	1,164,000	532,530
Bolivarian Republic of Venezuela, Senior Notes	7.750%	10/13/19	2,246,000	1,050,005 <sup>(c)</sup>
<i>Total Venezuela</i>				3,092,285
<b>Total Sovereign Bonds (Cost \$19,701,060)</b>				<b>15,038,468</b>
			<b>Shares</b>	
<i>Common Stocks 3.9%</i>				
<i>Consumer Discretionary 0.5%</i>				
<i>Automobiles 0.5%</i>				
Ford Motor Co.			200,627	3,169,907
General Motors Co.			19,356	678,621
<i>Total Automobiles</i>				3,848,528
<i>Hotels, Restaurants &amp; Leisure 0.0%</i>				
Bossier Casino Venture Holdco Inc.			166,350	0 <sup>*(e)(f)(k)</sup>
<b>Total Consumer Discretionary</b>				<b>3,848,528</b>
<i>Energy 0.9%</i>				
<i>Energy Equipment &amp; Services 0.9%</i>				
KCAD Holdings I Ltd.			533,873,172	6,533,540 <sup>*(e)(f)</sup>
<i>Financials 1.5%</i>				
<i>Banks 1.5%</i>				
Citigroup Inc.			143,529	7,652,966
JPMorgan Chase & Co.			48,547	3,071,083
<i>Total Banks</i>				10,724,049
<i>Diversified Financial Services 0.0%</i>				
PB Investors II LLC			60,468	0 <sup>*(e)(f)(k)</sup>
<b>Total Financials</b>				<b>10,724,049</b>
<i>Health Care 0.4%</i>				
<i>Health Care Providers &amp; Services 0.4%</i>				
Physiotherapy Associates Holdings Inc.			31,500	2,614,500 <sup>*(e)(f)</sup>

See Notes to Financial Statements.

## Schedule of investments (cont d)

April 30, 2015

### Western Asset High Income Fund II Inc.

		Shares	Value
Security			
<b>Industrials 0.5%</b>			
<i>Marine 0.5%</i>			
DeepOcean Group Holding AS		198,468	\$ 2,928,197 <sup>*(e)(f)</sup>
Horizon Lines Inc., Class A Shares		1,490,060	1,043,042 <sup>*(f)</sup>
<b>Total Industrials</b>			<b>3,971,239</b>
<b>Materials 0.1%</b>			
<i>Metals &amp; Mining 0.1%</i>			
Mirabela Nickel Ltd.		6,589,511	<b>701,798 *</b>
<b>Total Common Stocks (Cost \$37,017,213)</b>			<b>28,393,654</b>
	Rate		
<b>Convertible Preferred Stocks 0.2%</b>			
<b>Energy 0.2%</b>			
<i>Oil, Gas &amp; Consumable Fuels 0.2%</i>			
Rex Energy Corp.	6.000%	18,100	814,862
SandRidge Energy Inc.	8.500%	17,400	708,006
<b>Total Convertible Preferred Stocks (Cost \$3,451,725)</b>			<b>1,522,868</b>
<b>Preferred Stocks 2.3%</b>			
<b>Financials 2.3%</b>			
<i>Consumer Finance 1.7%</i>			
GMAC Capital Trust I	8.125%	489,100	12,853,548 <sup>(h)</sup>
<i>Diversified Financial Services 0.6%</i>			
Citigroup Capital XIII	7.875%	168,125	4,352,756 <sup>(b)(h)</sup>
<b>Total Preferred Stocks (Cost \$16,143,736)</b>			