

WESTERN ASSET HIGH INCOME FUND II INC.  
Form N-Q  
September 22, 2011

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

**FORM N-Q**

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

Investment Company Act file number 811-8709

Western Asset High Income Fund II Inc.  
(Exact name of registrant as specified in charter)

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

10041  
(Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902  
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-877-721-1926

Date of fiscal year end: April 30

Date of reporting period: July 31, 2011

---

ITEM 1. SCHEDULE OF INVESTMENTS

---

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

FORM N-Q

JULY 31, 2011

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited)

July 31, 2011

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

	RATE	MATURITY DATE	FACE AMOUNT	VALUE
SECURITY				
CORPORATE BONDS & NOTES	85.7%			
CONSUMER DISCRETIONARY	20.4%			
<b>Auto Components</b>	<b>0.3%</b>			
Europcar Groupe SA, Senior Notes	9.375%	4/15/18	2,010,000EUR \$	2,758,200(a)
<b>Automobiles</b>	<b>0.7%</b>			
Escrow GCB General Motors	7.200%	1/15/49	6,185,000	162,356(b)(c)(d)
Escrow GCB General Motors	8.375%	7/15/49	7,855,000	206,194(b)(c)
Ford Motor Credit Co., LLC, Senior Notes	9.875%	8/10/11	1,000,000	1,002,646(e)
Ford Motor Credit Co., LLC, Senior Notes	7.500%	8/1/12	580,000	608,079(e)
Ford Motor Credit Co., LLC, Senior Notes	12.000%	5/15/15	4,270,000	5,365,447(e)
<i>Total Automobiles</i>				7,344,722
<b>Diversified Consumer Services</b>	<b>0.7%</b>			
Service Corp. International, Senior Notes	7.500%	4/1/27	2,690,000	2,622,750(e)
Sotheby's, Senior Notes	7.750%	6/15/15	3,310,000	3,657,550(e)
Stonemor Operating LLC/Cornerstone Family Services of WV/Osiris Holding, Senior Notes	10.250%	12/1/17	791,000	794,955(e)
<i>Total Diversified Consumer Services</i>				7,075,255
<b>Hotels, Restaurants &amp; Leisure</b>	<b>6.8%</b>			
Boyd Gaming Corp., Senior Notes	9.125%	12/1/18	590,000	611,387(a)(e)
Caesars Entertainment Operating Co. Inc., Senior Notes	10.750%	2/1/16	6,646,000	6,546,310(e)
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	10.000%	12/15/15	1,260,000	1,278,900(e)
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	11.250%	6/1/17	2,875,000	3,180,469(e)
CCM Merger Inc., Notes	8.000%	8/1/13	3,450,000	3,450,000(a)(e)
CityCenter Holdings LLC/CityCenter Finance Corp., Senior Secured Notes	10.750%	1/15/17	4,739,569	5,118,735(a)(e)(f)
Downstream Development Quapaw, Senior Secured Notes	10.500%	7/1/19	2,580,000	2,573,550(a)
El Pollo Loco Inc., Secured Notes	17.000%	1/1/18	4,410,000	4,277,700(a)
Fiesta Restaurant Group, Secured Notes	8.875%	8/15/16	1,420,000	1,455,500(a)
Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp.	10.250%	6/15/15	975,000	488(a)(c)
Hoa Restaurant Group LLC/Hoa Finance Corp., Senior Secured Notes	11.250%	4/1/17	2,260,000	2,305,200(a)(e)
Inn of the Mountain Gods Resort & Casino, Senior Secured Notes	8.750%	11/30/20	1,910,000	1,900,450(a)
Landry's Holdings Inc., Senior Secured Notes	11.500%	6/1/14	2,640,000	2,646,600(a)(e)
Landry's Restaurants Inc., Senior Secured Notes	11.625%	12/1/15	2,330,000	2,557,175(e)
Landry's Restaurants Inc., Senior Secured Notes	11.625%	12/1/15	710,000	779,225(a)
MGM Resorts International, Senior Notes	5.875%	2/27/14	1,610,000	1,585,850(e)
MGM Resorts International, Senior Secured Notes	10.375%	5/15/14	890,000	1,021,275(e)
MGM Resorts International, Senior Secured Notes	11.125%	11/15/17	2,135,000	2,471,262(e)
Mohegan Tribal Gaming Authority, Senior Secured Notes	11.500%	11/1/17	1,445,000	1,473,900(a)(e)

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Mohegan Tribal Gaming Authority, Senior Subordinated Notes	8.000%	4/1/12	6,540,000	5,297,400(e)
Mohegan Tribal Gaming Authority, Senior Subordinated Notes	6.875%	2/15/15	420,000	285,600(e)
NCL Corp. Ltd., Senior Notes	9.500%	11/15/18	5,040,000	5,556,600(a)(e)
NCL Corp. Ltd., Senior Secured Notes	11.750%	11/15/16	3,990,000	4,628,400(e)
Pinnacle Entertainment Inc., Senior Notes	8.625%	8/1/17	1,665,000	1,819,012(e)
Seven Seas Cruises S de RL LLC, Senior Secured Notes	9.125%	5/15/19	2,980,000	3,121,550(a)(e)
Snoqualmie Entertainment Authority, Senior Secured Notes	4.204%	2/1/14	1,800,000	1,683,000(a)(g)
Station Casinos Inc., Senior Notes	6.000%	4/1/12	7,305,000	731(b)(c)
Station Casinos Inc., Senior Subordinated Notes	6.625%	3/15/18	1,450,000	145(b)(c)
Sugarhouse HSP Gaming Prop Mezz LP/Sugarhouse HSP Gaming Finance Corp., Secured Notes	8.625%	4/15/16	2,819,000	2,945,855(a)(e)
<i>Total Hotels, Restaurants &amp; Leisure</i>				<i>70,572,269</i>

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

July 31, 2011

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

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Household Durables 0.3%</b>				
DirectBuy Holdings Inc., Senior Secured Notes	12.000%	2/1/17	800,000	\$ 332,000(a)(e)
Standard Pacific Corp., Senior Notes	8.375%	1/15/21	2,270,000	2,275,675(e)
<i>Total Household Durables</i>				
<b>Internet &amp; Catalog Retail 0.7%</b>				
Netflix Inc., Senior Notes	8.500%	11/15/17	2,790,000	3,166,650(e)
QVC Inc., Senior Secured Notes	7.375%	10/15/20	4,055,000	4,490,912(a)(e)
<i>Total Internet &amp; Catalog Retail</i>				
<b>Media 6.5%</b>				
Affinity Group LLC, Senior Secured Notes	11.500%	12/1/16	2,360,000	2,460,300(a)(e)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	7.875%	4/30/18	1,740,000	1,879,200(e)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	8.125%	4/30/20	3,930,000	4,332,825(e)
Cengage Learning Acquisitions Inc., Senior Notes	10.500%	1/15/15	8,705,000	7,486,300(a)(e)
Cengage Learning Acquisitions Inc., Senior Subordinated Notes	13.250%	7/15/15	3,340,000	2,822,300(a)(e)
Charter Communications Inc., Senior Notes	6.500%	4/30/21	2,000,000	2,005,000(e)
Charter Communications Operating LLC/Charter Communications Operating Capital, Senior Secured Notes	10.875%	9/15/14	960,000	1,063,200(a)(e)
CMP Susquehanna Corp.	3.443%	5/15/14	254,000	193,902(a)(b)(g)
CSC Holdings Inc., Senior Debentures	7.875%	2/15/18	1,500,000	1,653,750(e)
DISH DBS Corp., Senior Notes	7.875%	9/1/19	1,815,000	2,003,306(e)
DISH DBS Corp., Senior Notes	6.750%	6/1/21	1,550,000	1,608,125(a)(e)
Globo Comunicacoes e Participacoes SA, Bonds	7.250%	4/26/22	2,039,000	2,171,535(a)(h)
Kabel BW Erste Beteiligungs GmbH/Kabel Baden-Wuerttemberg GmbH & Co. KG, Senior Secured Notes	7.500%	3/15/19	1,050,000	1,086,750(a)(e)
LBI Media Inc., Senior Secured Notes	9.250%	4/15/19	2,800,000	2,789,500(a)(e)
Nara Cable Funding Ltd., Senior Secured Notes	8.875%	12/1/18	5,000,000EUR	7,004,884(a)
Nielsen Finance LLC/Nielsen Finance Co., Senior Notes	7.750%	10/15/18	7,000,000	7,455,000(a)(e)
Ono Finance II PLC, Senior Bonds	11.125%	7/15/19	2,960,000EUR	4,274,488(a)
Univision Communications Inc., Senior Notes	8.500%	5/15/21	2,260,000	2,248,700(a)(e)
Univision Communications Inc., Senior Secured Notes	6.875%	5/15/19	3,100,000	3,092,250(a)(e)
Univision Communications Inc., Senior Secured Notes	7.875%	11/1/20	2,840,000	2,942,950(a)(e)
UPC Holding BV, Senior Notes	9.875%	4/15/18	1,265,000	1,407,313(a)(e)
UPCB Finance III Ltd., Senior Secured Notes	6.625%	7/1/20	5,250,000	5,289,375(a)(e)
<i>Total Media</i>				
<b>Multiline Retail 0.4%</b>				
Neiman Marcus Group Inc., Senior Secured Notes	7.125%	6/1/28	4,770,000	4,507,650(e)
<b>Specialty Retail 2.7%</b>				
American Greetings Corp., Senior Notes	7.375%	6/1/16	5,710,000	5,909,850(e)
American Greetings Corp., Senior Notes	7.375%	6/1/16	937,000	932,315(e)
American Greetings Corp., Senior Notes	7.375%	6/1/16	390,000	388,050

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Edcon Proprietary Ltd., Senior Secured Notes	9.500%	3/1/18	3,550,000EUR	4,578,141(a)
Edcon Proprietary Ltd., Senior Secured Notes	9.500%	3/1/18	760,000	712,652(a)
Gymboree Corp., Senior Notes	9.125%	12/1/18	4,540,000	4,403,800
Michaels Stores Inc., Senior Subordinated Bonds	11.375%	11/1/16	2,000,000	2,147,500(e)
Michaels Stores Inc., Senior Subordinated Notes, step bond	13.000%	11/1/16	7,020,000	7,353,450(e)
Spencer Spirit Holdings Inc./Spencer Gifts LLC/Spirit Halloween Superstores, Senior Notes	11.000%	5/1/17	1,800,000	1,863,000(a)(e)
<i>Total Specialty Retail</i>				28,288,758
<b>Textiles, Apparel &amp; Luxury Goods 1.3%</b>				
Boardriders SA, Senior Notes	8.875%	12/15/17	2,900,000EUR	4,396,194(a)
Burlington Coat Factory Warehouse Corp., Senior Notes	10.000%	2/15/19	1,930,000	1,944,475(a)(e)

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

July 31, 2011

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

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Textiles, Apparel &amp; Luxury Goods continued</b>				
Empire Today LLC/Empire Today Finance Corp., Senior Secured Notes	11.375%	2/1/17	1,300,000	\$ 1,316,250(a)(e)
Oxford Industries Inc., Senior Secured Notes	11.375%	7/15/15	5,285,000	6,005,081
<i>Total Textiles, Apparel &amp; Luxury Goods</i>				13,662,000
<b>TOTAL CONSUMER DISCRETIONARY</b>				211,745,044
<b>CONSUMER STAPLES 1.3%</b>				
<b>Food Products 1.1%</b>				
Blue Merger Sub Inc., Senior Notes	7.625%	2/15/19	4,540,000	4,693,225(a)(e)
Bumble Bee Acquisiton Co., Senior Secured Notes	9.000%	12/15/17	1,690,000	1,713,237(a)(e)
Harmony Foods Corp., Senior Secured Notes	10.000%	5/1/16	1,250,000	1,267,187(a)(e)
Simmons Foods Inc., Senior Secured Notes	10.500%	11/1/17	2,800,000	2,961,000(a)(e)
Smithfield Foods Inc., Senior Secured Notes	10.000%	7/15/14	514,000	603,308
<i>Total Food Products</i>				11,237,957
<b>Household Products 0.0%</b>				
Reynolds Group DL Escrow Inc./Reynolds Group Escrow LLC, Senior Secured Notes	7.750%	10/15/16	300,000	314,250(a)
<b>Personal Products 0.1%</b>				
Hypermecas SA, Notes	6.500%	4/20/21	1,230,000	1,245,990(a)
<b>Tobacco 0.1%</b>				
Alliance One International Inc., Senior Notes	10.000%	7/15/16	1,180,000	1,138,700(e)
<b>TOTAL CONSUMER STAPLES</b>				13,936,897
<b>ENERGY 10.7%</b>				
<b>Energy Equipment &amp; Services 1.6%</b>				
Complete Production Services Inc., Senior Notes	8.000%	12/15/16	2,225,000	2,347,375(e)
Hercules Offshore LLC, Senior Secured Notes	10.500%	10/15/17	3,565,000	3,743,250(a)(e)
Parker Drilling Co., Senior Notes	9.125%	4/1/18	2,730,000	2,921,100(e)
Precision Drilling Corp., Senior Notes	6.625%	11/15/20	770,000	798,875
Vantage Drilling Co., Senior Secured Notes	11.500%	8/1/15	6,260,000	6,964,250
<i>Total Energy Equipment &amp; Services</i>				16,774,850
<b>Oil, Gas &amp; Consumable Fuels 9.1%</b>				
Berry Petroleum Co., Senior Notes	10.250%	6/1/14	2,280,000	2,616,300(e)
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.375%	5/1/19	2,140,000	2,204,200(a)(e)
Chesapeake Energy Corp., Senior Notes	7.250%	12/15/18	2,260,000	2,519,900(e)
Chesapeake Energy Corp., Senior Notes	6.625%	8/15/20	1,340,000	1,453,900(e)
Compagnie Generale de Geophysique-Veritas, Senior Notes	9.500%	5/15/16	1,545,000	1,699,500(e)
Compagnie Generale de Geophysique-Veritas, Senior Notes	7.750%	5/15/17	1,120,000	1,164,800(e)
CONSOL Energy Inc., Senior Notes	8.250%	4/1/20	2,870,000	3,207,225
Corral Petroleum Holdings AB, Senior Bonds	15.000%	9/18/11	5,676,563	5,449,500(a)(b)(e)(f)
Crosstex Energy LP/Crosstex Energy Finance Corp., Senior Notes	8.875%	2/15/18	1,600,000	1,748,000(e)
Denbury Resources Inc., Senior Subordinated Notes	8.250%	2/15/20	1,875,000	2,081,250(e)



Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Energy Transfer Equity LP, Senior Notes	7.500%	10/15/20	2,810,000	3,020,750(e)
Enterprise Products Operating LLP, Junior Subordinated Notes	8.375%	8/1/66	285,000	310,255(e)(g)
EXCO Resources Inc., Senior Notes	7.500%	9/15/18	5,260,000	5,246,850(e)
LUKOIL International Finance BV, Bonds	6.356%	6/7/17	1,720,000	1,872,650(a)(h)
MarkWest Energy Partners LP/MarkWest Energy Finance Corp., Senior Notes	8.750%	4/15/18	2,440,000	2,684,000(e)
Milagro Oil & Gas Inc., Secured Notes	10.500%	5/15/16	3,290,000	3,207,750(a)(e)
Novatek Finance Ltd., Notes	6.604%	2/3/21	2,300,000	2,461,000(a)(h)
Offshore Group Investments Ltd., Senior Secured Notes	11.500%	8/1/15	1,190,000	1,323,875(a)
Overseas Shipholding Group Inc., Senior Notes	8.125%	3/30/18	4,830,000	4,540,200(e)
Peabody Energy Corp., Senior Notes	7.875%	11/1/26	1,220,000	1,387,750(e)
Pemex Project Funding Master Trust, Senior Bonds	6.625%	6/15/35	6,067,000	6,642,206(h)
Petrobras International Finance Co., Senior Notes	6.875%	1/20/40	1,145,000	1,312,963(h)
Petrobras International Finance Co., Senior Notes	6.750%	1/27/41	360,000	405,577
Petroplus Finance Ltd., Senior Notes	6.750%	5/1/14	3,640,000	3,558,100(a)(e)

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

July 31, 2011

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

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Oil, Gas &amp; Consumable Fuels continued</b>				
Petroplus Finance Ltd., Senior Notes	7.000%	5/1/17	320,000	\$ 299,200(a)(e)
Plains Exploration & Production Co., Senior Notes	10.000%	3/1/16	2,915,000	3,308,525(e)
Plains Exploration & Production Co., Senior Notes	8.625%	10/15/19	2,260,000	2,525,550(e)
PT Adaro Indonesia, Senior Notes	7.625%	10/22/19	770,000	870,100(a)(e)
Quicksilver Resources Inc., Senior Notes	11.750%	1/1/16	7,344,000	8,519,040(e)
Range Resources Corp., Senior Subordinated Notes	8.000%	5/15/19	530,000	588,300(e)
SandRidge Energy Inc., Senior Notes	7.500%	3/15/21	990,000	1,040,738(a)(e)
Teekay Corp., Senior Notes	8.500%	1/15/20	4,810,000	5,050,500(e)
Tesoro Corp., Senior Notes	6.250%	11/1/12	2,000,000	2,110,000(e)
TNK-BP Finance SA	6.625%	3/20/17	230,000	253,575(a)
TNK-BP Finance SA, Senior Notes	7.500%	7/18/16	270,000	309,488(a)(h)
TNK-BP Finance SA, Senior Notes	7.875%	3/13/18	1,390,000	1,612,400(a)(h)
TNK-BP Finance SA, Senior Notes	7.875%	3/13/18	200,000	232,000(a)
Whiting Petroleum Corp., Senior Subordinated Notes	6.500%	10/1/18	2,000,000	2,070,000(e)
Xinergy Ltd., Senior Secured Notes	9.250%	5/15/19	2,940,000	2,991,450(a)(e)
<i>Total Oil, Gas &amp; Consumable Fuels</i>				93,899,367
<b>TOTAL ENERGY</b>				110,674,217
<b>FINANCIALS 5.7%</b>				
<b>Capital Markets 0.2%</b>				
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	2,320,000	2,327,668(e)
<b>Commercial Banks 1.1%</b>				
BAC Capital Trust VI, Capital Securities, Junior Subordinated Notes	5.625%	3/8/35	1,910,000	1,679,018(e)
BankAmerica Institutional Capital A, Junior Subordinated Bonds	8.070%	12/31/26	970,000	996,675(a)(e)
CIT Group Inc., Senior Secured Bonds	7.000%	5/1/16	2,657,888	2,667,855(e)
Credit Agricole SA, Subordinated Notes	8.375%	10/13/19	1,710,000	1,769,850(a)(e)(g)(i)
NB Capital Trust II, Junior Subordinated Notes	7.830%	12/15/26	1,300,000	1,326,000(e)
NB Capital Trust IV, Junior Subordinated Notes	8.250%	4/15/27	1,762,000	1,817,063(e)
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	1,670,000	1,448,725(e)(g)(i)
<i>Total Commercial Banks</i>				11,705,186
<b>Consumer Finance 1.5%</b>				
Ally Financial Inc., Senior Bonds	0.000%	12/1/12	4,210,000	3,988,975(e)
Ally Financial Inc., Senior Notes	6.750%	12/1/14	6,140,000	6,477,700(e)
SLM Corp., Medium-Term Notes	8.000%	3/25/20	2,800,000	3,072,675(e)
SLM Corp., Medium-Term Notes, Senior Notes	8.450%	6/15/18	1,340,000	1,500,178(e)
<i>Total Consumer Finance</i>				15,039,528
<b>Diversified Financial Services 2.3%</b>				
Bank of America Corp.	8.125%	5/15/18	80,000	82,493(g)(i)
Bankrate Inc., Senior Secured Notes	11.750%	7/15/15	2,498,000	2,891,435(a)
Capital One Capital V, Junior Subordinated Notes, Cumulative Trust Preferred Securities	10.250%	8/15/39	2,160,000	2,298,780(e)
International Lease Finance Corp., Medium-Term Notes	6.375%	3/25/13	2,402,000	2,504,085

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

International Lease Finance Corp., Senior Notes	8.750%	3/15/17	3,385,000	3,791,200
International Lease Finance Corp., Senior Notes	8.875%	9/1/17	5,180,000	5,827,500(e)
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	1,060,000	1,181,900(e)
MBNA Capital A, Junior Subordinated Notes	8.278%	12/1/26	2,150,000	2,211,812(e)
Residential Capital LLC, Junior Secured Notes	9.625%	5/15/15	3,260,000	3,227,400(e)
<i>Total Diversified Financial Services</i>				<i>24,016,605</i>
<b>Insurance 0.6%</b>				
American International Group Inc., Senior Notes	8.250%	8/15/18	3,180,000	3,779,586(e)
Dai-ichi Life Insurance Co., Ltd., Subordinated Notes	7.250%	7/25/21	670,000	708,422(a)(g)(i)
ING Capital Funding Trust III, Junior Subordinated Bonds	3.846%	9/30/11	890,000	836,495(e)(g)(i)

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

July 31, 2011

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

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Insurance continued</b>				
MetLife Capital Trust IV, Junior Subordinated Notes	7.875%	12/15/37	1,100,000	\$ 1,211,851(a)(e)
<i>Total Insurance</i>				6,536,354
<b>TOTAL FINANCIALS</b>				
<b>HEALTH CARE 4.8%</b>				
<b>Health Care Equipment &amp; Supplies 0.2%</b>				
Biomet Inc., Senior Notes	10.000%	10/15/17	520,000	569,400(e)
Biomet Inc., Senior Toggle Notes	10.375%	10/15/17	1,400,000	1,533,000(e)(f)
<i>Total Health Care Equipment &amp; Supplies</i>				2,102,400
<b>Health Care Providers &amp; Services 4.1%</b>				
American Renal Holdings, Senior Notes	9.750%	3/1/16	3,180,000	3,228,454(a)(e)(f)
American Renal Holdings, Senior Secured Notes	8.375%	5/15/18	2,390,000	2,485,600
CRC Health Corp., Senior Subordinated Notes	10.750%	2/1/16	9,225,000	9,524,812(e)
ExamWorks Group Inc., Senior Notes	9.000%	7/15/19	1,840,000	1,904,400(a)
Fresenius Medical Care U.S. Finance Inc., Senior Notes	6.875%	7/15/17	1,610,000	1,730,750
Fresenius U.S. Finance II Inc., Senior Notes	9.000%	7/15/15	1,020,000	1,162,800(a)(e)
HCA Inc., Debentures	7.500%	11/15/95	1,325,000	1,093,125(e)
HCA Inc., Senior Secured Notes	9.625%	11/15/16	684,000	733,590(e)(f)
HCA Inc., Senior Secured Notes	8.500%	4/15/19	1,710,000	1,893,825
HCA Inc., Senior Secured Notes	6.500%	2/15/20	2,770,000	2,818,475
INC Research LLC, Senior Notes	11.500%	7/15/19	1,380,000	1,386,900(a)
InVentiv Health Inc., Senior Notes	10.000%	8/15/18	2,850,000	2,793,000(a)
Symbion Inc., Senior Secured Notes	8.000%	6/15/16	460,000	449,650(a)
Tenet Healthcare Corp., Senior Notes	6.875%	11/15/31	1,480,000	1,235,800(e)
Tenet Healthcare Corp., Senior Secured Notes	10.000%	5/1/18	2,277,000	2,601,473(e)
Tenet Healthcare Corp., Senior Secured Notes	8.875%	7/1/19	1,120,000	1,243,200
Universal Hospital Services Inc., Senior Secured Notes	8.500%	6/1/15	4,030,000	4,181,125(e)(f)
US Oncology Inc.	0.000%	8/15/17	1,760,000	39,600
Vanguard Health Holdings Co., II LLC, Senior Notes	8.000%	2/1/18	2,225,000	2,291,750(e)
<i>Total Health Care Providers &amp; Services</i>				42,798,329
<b>Pharmaceuticals 0.5%</b>				
ConvaTec Healthcare E SA, Senior Notes	10.875%	12/15/18	2,500,000EUR	3,628,171(a)
Giant Funding Corp., Senior Secured Notes	8.250%	2/1/18	1,390,000	1,469,925(a)(e)
<i>Total Pharmaceuticals</i>				5,098,096
<b>TOTAL HEALTH CARE</b>				
<b>INDUSTRIALS 14.5%</b>				
<b>Aerospace &amp; Defense 1.9%</b>				
Ducommun Inc., Senior Notes	9.750%	7/15/18	1,880,000	1,941,100(a)
FGI Operating Co. Inc., Senior Secured Notes	10.250%	8/1/15	3,717,000	3,995,775(e)
Kratos Defense & Security Solutions Inc., Senior Notes	10.000%	6/1/17	380,000	403,512(a)
Kratos Defense & Security Solutions Inc., Senior Secured Notes	10.000%	6/1/17	2,280,000	2,445,300(a)
Kratos Defense & Security Solutions Inc., Senior Secured Notes	10.000%	6/1/17	2,160,000	2,316,600(e)
Northrop Grumman Corp., Senior Notes	7.125%	3/15/21	1,670,000	1,732,625(a)(e)

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Triumph Group Inc., Senior Notes	8.625%	7/15/18	1,870,000	2,061,675(e)
Wyle Services Corp., Senior Subordinated Notes	10.500%	4/1/18	4,360,000	4,681,550(a)
<i>Total Aerospace &amp; Defense</i>				<i>19,578,137</i>
<b>Air Freight &amp; Logistics 0.1%</b>				
TGI International Ltd., Senior Notes	9.500%	10/3/17	500,000	560,000(a)(h)
<b>Airlines 2.5%</b>				
American Airlines Pass-Through Trust, Secured Notes	7.000%	1/31/18	1,540,000	1,455,300(a)(e)
BAA SH PLC, Senior Secured Notes	7.125%	3/1/17	2,450,000GBP	4,039,846
Continental Airlines Inc., Pass-Through Certificates	5.983%	4/19/22	4,735,085	4,871,455(e)
Continental Airlines Inc., Senior Secured Notes	6.750%	9/15/15	1,030,000	1,049,312(a)(e)
DAE Aviation Holdings Inc., Senior Notes	11.250%	8/1/15	8,390,000	8,683,650(a)(e)
Delta Air Lines Inc., Pass-Through Certificates	8.954%	8/10/14	73,569	75,136

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

July 31, 2011

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

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Airlines continued</b>				
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	2,120,794 \$	2,144,759(e)
Delta Air Lines Inc., Pass-Through Certificates, Subordinated Secured Notes	9.750%	12/17/16	800,109	848,116(e)
Delta Air Lines Inc., Senior Secured Notes	9.500%	9/15/14	1,177,000	1,257,919(a)(e)
United Air Lines Inc., Senior Secured Notes	9.875%	8/1/13	1,737,000	1,841,220(a)(e)
<i>Total Airlines</i>				26,266,713
<b>Building Products 1.1%</b>				
Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Subordinated Notes, step bond	0.000%	6/30/15	1,297,400	788,171(a)(b)
Building Materials Corp. of America, Senior Notes	6.750%	5/1/21	3,970,000	4,034,512(a)
GTL Trade Finance Inc., Senior Notes	7.250%	10/20/17	2,260,000	2,542,500(a)(h)
GTL Trade Finance Inc., Senior Notes	7.250%	10/20/17	1,424,000	1,602,000(a)(h)
Rearden G Holdings EINS GmbH, Senior Notes	7.875%	3/30/20	800,000	880,000(a)(h)
Shea Homes LP, Senior Secured Notes	8.625%	5/15/19	1,940,000	1,940,000(a)(e)
<i>Total Building Products</i>				11,787,183
<b>Commercial Services &amp; Supplies 1.8%</b>				
ACCO Brands Corp., Senior Secured Notes	10.625%	3/15/15	3,075,000	3,447,844(e)
Altegrity Inc., Senior Subordinated Notes	10.500%	11/1/15	800,000	828,000(a)(e)
Altegrity Inc., Senior Subordinated Notes	11.750%	5/1/16	5,495,000	5,742,275(a)(e)
American Reprographics Co., Senior Notes	10.500%	12/15/16	3,260,000	3,317,050
Geo Group Inc., Senior Notes	7.750%	10/15/17	2,965,000	3,187,375(e)
RSC Equipment Rental Inc./RSC Holdings III LLC, Senior Notes	8.250%	2/1/21	1,600,000	1,660,000(e)
<i>Total Commercial Services &amp; Supplies</i>				18,182,544
<b>Construction &amp; Engineering 0.7%</b>				
Abengoa Finance SAU, Senior Notes	8.875%	11/1/17	2,710,000	2,737,100(a)(e)
Odebrecht Finance Ltd., Senior Notes	6.000%	4/5/23	4,730,000	4,824,600(a)(h)
<i>Total Construction &amp; Engineering</i>				7,561,700
<b>Electrical Equipment 0.4%</b>				
NES Rentals Holdings Inc., Senior Secured Notes	12.250%	4/15/15	4,510,000	4,408,525(a)(e)
<b>Industrial Conglomerates 0.3%</b>				
Leucadia National Corp., Senior Notes	8.125%	9/15/15	2,840,000	3,138,200(e)
<b>Machinery 0.4%</b>				
Dematic SA, Senior Secured Notes	8.750%	5/1/16	4,460,000	4,526,900(a)(e)
<b>Marine 0.7%</b>				
Navios Maritime Acquisition Corp., Senior Secured Notes	8.625%	11/1/17	810,000	787,725(a)
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes	8.625%	11/1/17	5,070,000	4,930,575(e)
Navios Maritime Holdings Inc./Navios Maritime Finance II U.S. Inc., Senior Notes	8.125%	2/15/19	1,600,000	1,492,000(a)(e)
<i>Total Marine</i>				7,210,300
<b>Road &amp; Rail 2.4%</b>				

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Florida East Coast Holdings Corp., Senior Notes	10.500%	8/1/17	3,310,000	3,574,800(a)(e)(f)
Florida East Coast Industries Inc., Senior Secured Notes	8.125%	2/1/17	3,460,000	3,650,300(a)(e)
Kansas City Southern de Mexico, Senior Notes	12.500%	4/1/16	1,699,000	2,043,048(e)
Kansas City Southern de Mexico, Senior Notes	8.000%	2/1/18	6,215,000	6,915,430(e)
Kansas City Southern Railway, Senior Notes	13.000%	12/15/13	182,000	212,940
Kansas City Southern Railway, Senior Notes	8.000%	6/1/15	600,000	648,000(e)
Quality Distribution LLC/QD Capital Corp., Secured Notes	9.875%	11/1/18	4,000,000	4,185,000
RailAmerica Inc., Senior Secured Notes	9.250%	7/1/17	3,744,000	4,137,120(e)
<i>Total Road &amp; Rail</i>				25,366,638
<b>Trading Companies &amp; Distributors 0.5%</b>				
Ashtead Capital Inc., Notes	9.000%	8/15/16	1,280,000	1,337,600(a)(e)
H&E Equipment Services Inc., Senior Notes	8.375%	7/15/16	3,475,000	3,605,313(e)
<i>Total Trading Companies &amp; Distributors</i>				4,942,913

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

July 31, 2011

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

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Transportation 1.6%</b>				
CMA CGM, Senior Notes	8.500%	4/15/17	5,840,000	\$ 4,380,000(a)(e)
Hapag-Lloyd AG, Senior Notes	9.750%	10/15/17	5,420,000	5,013,500(a)(e)
Syncreon Global Ireland Ltd./Syncreon				
Global Finance US Inc., Senior Notes	9.500%	5/1/18	6,740,000	6,908,500(a)(e)
<i>Total Transportation</i>				<i>16,302,000</i>
<b>Transportation Infrastructure 0.1%</b>				
Aguila 3 SA, Senior Secured Notes	7.875%	1/31/18	950,000	964,250(a)(e)
<b>TOTAL INDUSTRIALS</b>				<b>150,796,003</b>
<b>INFORMATION TECHNOLOGY 3.7%</b>				
<b>Communications Equipment 0.5%</b>				
Lucent Technologies Inc., Debentures	6.450%	3/15/29	6,100,000	5,535,750(e)
<b>Electronic Equipment, Instruments &amp; Components 0.7%</b>				
NXP BV/NXP Funding LLC, Senior Secured Notes	9.750%	8/1/18	6,320,000	7,125,800(a)(e)
<b>IT Services 1.6%</b>				
Ceridian Corp., Senior Notes	12.250%	11/15/15	3,498,525	3,620,973(e)(f)
First Data Corp., Senior Notes	5.625%	11/1/11	3,100,000	3,107,750(e)
First Data Corp., Senior Notes	10.550%	9/24/15	5,810,324	5,865,502(e)(f)
First Data Corp., Senior Notes	11.250%	3/31/16	1,140,000	1,128,600(e)
First Data Corp., Senior Secured Notes	7.375%	6/15/19	250,000	253,125(a)
iGATE Corp., Senior Notes	9.000%	5/1/16	1,450,000	1,457,250(a)(e)
Sterling Merger Inc., Senior Notes	11.000%	10/1/19	590,000	618,025(a)
<i>Total IT Services</i>				<i>16,051,225</i>
<b>Semiconductors &amp; Semiconductor Equipment 0.9%</b>				
CDW LLC/CDW Finance Corp., Senior Notes	11.000%	10/12/15	1,520,000	1,615,000(e)
CDW LLC/CDW Finance Corp., Senior Notes	11.500%	10/12/15	1,290,000	1,370,625(e)(f)
Freescale Semiconductor Inc., Senior Notes	10.750%	8/1/20	570,000	645,525(a)(e)
Freescale Semiconductor Inc., Senior Secured Notes	9.250%	4/15/18	1,590,000	1,741,050(a)(e)
Freescale Semiconductor Inc., Senior Subordinated Notes	10.125%	12/15/16	3,430,000	3,695,825(e)
Sensata Technologies BV, Secured Notes	6.500%	5/15/19	190,000	192,850(a)
<i>Total Semiconductors &amp; Semiconductor Equipment</i>				<i>9,260,875</i>
<b>TOTAL INFORMATION TECHNOLOGY</b>				<b>37,973,650</b>
<b>MATERIALS 9.3%</b>				
<b>Chemicals 1.4%</b>				
Georgia Gulf Corp., Senior Secured Notes	9.000%	1/15/17	2,120,000	2,310,800(a)(e)
Ineos Finance PLC, Senior Secured Notes	9.000%	5/15/15	2,430,000	2,581,875(a)
LBI Escrow Corp., Senior Secured Notes	8.000%	11/1/17	2,910,000	3,302,850(a)(e)
	11.000%	5/1/18	1,990,000	2,263,625



Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Lyondell Chemical Co., Senior Secured Notes				
Solutia Inc., Senior Notes	8.750%	11/1/17	635,000	708,025(e)
Solutia Inc., Senior Notes	7.875%	3/15/20	2,050,000	2,244,750(e)
Texas Petrochemical Corp. Group LLC, Senior Secured Notes	8.250%	10/1/17	1,590,000	1,695,337(a)(e)
<i>Total Chemicals</i>				<i>15,107,262</i>
<b>Containers &amp; Packaging 2.5%</b>				
ARD Finance SA, Senior Secured Notes	11.125%	6/1/18	950,000	978,500(a)(f)
Ardagh Packaging Finance PLC, Senior Notes	9.125%	10/15/20	3,370,000	3,572,200(a)(e)
Ardagh Packaging Finance PLC, Senior Secured Notes	7.375%	10/15/17	1,160,000EUR	1,673,054(a)(e)
Berry Plastics Corp., Secured Notes	9.750%	1/15/21	3,880,000	3,880,000(e)
Berry Plastics Corp., Senior Secured Notes	9.500%	5/15/18	410,000	413,075(e)
Longview Fibre Paper & Packaging Inc., Senior Secured Notes	8.000%	6/1/16	2,460,000	2,533,800(a)
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC, Senior Notes	9.000%	4/15/19	4,480,000	4,480,000(a)(e)
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC, Senior Notes	9.875%	8/15/19	230,000	232,588(a)
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC, Senior Notes	8.250%	2/15/21	3,220,000	2,986,550(a)(e)

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

July 31, 2011

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

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Containers &amp; Packaging continued</b>				
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC, Senior Secured Notes	7.875%	8/15/19	250,000	\$ 254,062(a)
Viskase Cos. Inc., Senior Secured Notes	9.875%	1/15/18	3,850,000	4,061,750(a)(b)(e)
Viskase Cos. Inc., Senior Secured Notes	9.875%	1/15/18	800,000	844,000(a)(b)(e)
<i>Total Containers &amp; Packaging</i>				25,909,579
<b>Metals &amp; Mining 4.0%</b>				
Atkore International Inc., Senior Secured Notes	9.875%	1/1/18	1,860,000	1,976,250(a)(e)
CSN Resources SA, Senior Bonds	6.500%	7/21/20	990,000	1,069,200(a)(h)
Evrax Group SA, Notes	8.250%	11/10/15	170,000	188,275(a)
Evrax Group SA, Notes	9.500%	4/24/18	680,000	784,924(a)(e)
Evrax Group SA, Notes	6.750%	4/27/18	4,550,000	4,561,375(a)
Evrax Group SA, Senior Notes	9.500%	4/24/18	330,000	381,150(a)
FMG Resources (August 2006) Pty Ltd., Senior Notes	7.000%	11/1/15	750,000	780,938(a)(e)
Midwest Vanadium Pty Ltd., Senior Secured Notes	11.500%	2/15/18	7,400,000	7,548,000(a)(e)
Mirabela Nickel Ltd., Senior Notes	8.750%	4/15/18	1,480,000	1,498,500(a)(e)
Novelis Inc., Senior Notes	8.750%	12/15/20	4,410,000	4,928,175
Rio Tinto Finance USA Ltd., Senior Notes	9.000%	5/1/19	1,820,000	2,483,652(e)
Ryerson Holding Corp., Senior Secured Notes	0.000%	2/1/15	5,220,000	2,844,900
Ryerson Inc., Senior Secured Notes	12.000%	11/1/15	310,000	330,925
Tempel Steel Co., Senior Secured Notes	12.000%	8/15/16	1,840,000	1,835,400(a)(j)
Vale Overseas Ltd., Notes	8.250%	1/17/34	1,846,000	2,400,285(h)
Vale Overseas Ltd., Notes	6.875%	11/21/36	1,826,000	2,111,360(h)
Vedanta Resources PLC, Senior Notes	8.750%	1/15/14	2,070,000	2,235,600(a)(h)
Vedanta Resources PLC, Senior Notes	6.750%	6/7/16	3,630,000	3,707,137(a)
<i>Total Metals &amp; Mining</i>				41,666,046
<b>Paper &amp; Forest Products 1.4%</b>				
Appleton Papers Inc., Senior Secured Notes	11.250%	12/15/15	3,615,000	3,737,006(e)
NewPage Corp., Senior Secured Notes	11.375%	12/31/14	3,220,000	2,914,100(e)
PE Paper Escrow GmbH, Senior Secured Notes	12.000%	8/1/14	1,070,000	1,219,800(a)(e)
Sappi Papier Holding GmbH, Senior Secured Notes	6.625%	4/15/21	740,000	732,600(a)(e)
Verso Paper Holdings LLC, Senior Secured Notes	8.750%	2/1/19	1,645,000	1,533,963(a)
Verso Paper Holdings LLC, Senior Subordinated Notes	11.375%	8/1/16	4,240,000	3,964,400(e)
<i>Total Paper &amp; Forest Products</i>				14,101,869
<b>TOTAL MATERIALS</b>				96,784,756
<b>TELECOMMUNICATION SERVICES 8.8%</b>				
<b>Diversified Telecommunication Services 5.0%</b>				
Axtel SAB de CV, Senior Notes	7.625%	2/1/17	4,620,000	4,469,850(a)(h)
Axtel SAB de CV, Senior Notes	7.625%	2/1/17	370,000	357,050(a)(h)
Axtel SAB de CV, Senior Notes	9.000%	9/22/19	98,000	96,040(a)

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Cogent Communications Group Inc., Senior Secured Notes	8.375%	2/15/18	3,340,000	3,523,700(a)(e)
Inmarsat Finance PLC, Senior Notes	7.375%	12/1/17	4,330,000	4,616,862(a)(e)
Intelsat Jackson Holdings Ltd., Senior Notes	9.500%	6/15/16	4,225,000	4,452,094(e)
Intelsat Jackson Holdings Ltd., Senior Notes	11.250%	6/15/16	710,000	757,925(e)
Level 3 Financing Inc., Senior Notes	9.250%	11/1/14	2,305,000	2,381,353(e)
Primus Telecommunications Holding Inc., Senior Notes	10.000%	4/15/17	514,708	519,855(a)
Satelite Mexicanos SA de CV, Senior Secured Notes	9.500%	5/15/17	2,170,000	2,235,100(a)(e)
Sunrise Communications Holdings SA, Senior Secured Notes	8.500%	12/31/18	533,000EUR	796,502(a)
Sunrise Communications International SA, Senior Secured Notes	7.000%	12/31/17	448,000EUR	663,043(a)
TW Telecom Holdings Inc., Senior Notes	8.000%	3/1/18	3,120,000	3,361,800(e)
UBS Luxembourg SA for OJSC Vimpel Communications, Loan Participation Notes	8.250%	5/23/16	2,220,000	2,436,450(a)(h)
Vimpel Communications, Loan Participation Notes	8.375%	4/30/13	700,000	756,000(a)(e)
Vimpel Communications, Notes	6.493%	2/2/16	375,000	390,188(a)
West Corp., Senior Notes	8.625%	10/1/18	3,430,000	3,575,775(a)(e)
West Corp., Senior Notes	7.875%	1/15/19	4,000,000	4,010,000(a)(e)
West Corp., Senior Subordinated Notes	11.000%	10/15/16	2,370,000	2,527,013

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

July 31, 2011

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

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Diversified Telecommunication Services continued</b>				
Wind Acquisition Finance SA, Senior Notes	11.750%	7/15/17	1,620,000 \$	1,804,275(a)
Wind Acquisition Finance SA, Senior Secured Notes	7.250%	2/15/18	1,690,000	1,690,000(a)
Wind Acquisition Holdings Finance SpA, Senior Notes	12.250%	7/15/17	2,131,942	2,370,380(a)(f)
Windstream Corp., Senior Notes	7.500%	4/1/23	4,030,000	4,115,637
<i>Total Diversified Telecommunication Services</i>				51,906,892
<b>Wireless Telecommunication Services 3.8%</b>				
Buccaneer Merger Sub Inc., Senior Notes	9.125%	1/15/19	3,754,000	3,946,393(a)(e)
MetroPCS Wireless Inc., Senior Notes	7.875%	9/1/18	2,220,000	2,372,625(e)
Phones4u Finance PLC, Senior Secured Notes	9.500%	4/1/18	1,300,000GBP	1,893,824(a)
Sprint Capital Corp., Global Notes	6.900%	5/1/19	2,380,000	2,445,450(e)
Sprint Capital Corp., Senior Notes	8.375%	3/15/12	3,235,000	3,372,488(e)
Sprint Capital Corp., Senior Notes	6.875%	11/15/28	2,500,000	2,387,500(e)
Sprint Capital Corp., Senior Notes	8.750%	3/15/32	10,435,000	11,348,062(e)
True Move Co., Ltd., Notes	10.750%	12/16/13	8,965,000	9,704,613(a)(h)
VimpelCom Holdings BV, Senior Notes	7.504%	3/1/22	2,230,000	2,235,575(a)
<i>Total Wireless Telecommunication Services</i>				39,706,530
<b>TOTAL TELECOMMUNICATION SERVICES</b>				91,613,422
<b>UTILITIES 6.5%</b>				
<b>Electric Utilities 2.3%</b>				
AES Red Oak LLC, Secured Notes	9.200%	11/30/29	4,270,000	4,376,750(e)
Astoria Depositor Corp., Pass-Through Certificates	8.144%	5/1/21	2,810,000	2,669,500(a)(e)
Midwest Generation LLC, Pass-Through Certificates	8.560%	1/2/16	1,722,921	1,770,302(e)
Reliant Energy Mid-Atlantic Power Holdings LLC, Senior Notes	9.681%	7/2/26	6,680,000	7,147,600(e)
Texas Competitive Electric Holdings Co. LLC/TCEH Finance Inc., Senior Secured Notes	4.685 - 4.768%	10/1/20	8,690,000	8,081,700(a)(e)
<i>Total Electric Utilities</i>				24,045,852
<b>Gas Utilities 0.3%</b>				
Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes	7.375%	3/15/20	2,230,000	2,391,675(e)
<b>Independent Power Producers &amp; Energy Traders 3.8%</b>				
AES Corp., Senior Notes	8.000%	10/15/17	331,000	359,135(e)
AES Corp., Senior Notes	7.375%	7/1/21	70,000	72,537(a)
Calpine Corp., Senior Secured Notes	7.875%	7/31/20	730,000	773,800(a)(e)

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Calpine Corp., Senior Secured Notes	7.500%	2/15/21	1,030,000	1,071,200(a)(e)
Calpine Corp., Senior Secured Notes	7.875%	1/15/23	6,280,000	6,601,850(a)
Colbun SA, Senior Notes	6.000%	1/21/20	1,100,000	1,178,375(a)(h)
Dynegy Inc., Bonds	7.670%	11/8/16	3,100,000	2,402,500(e)
Energy Future Holdings Corp., Senior Notes	10.875%	11/1/17	5,027,000	4,272,950
Energy Future Holdings Corp., Senior Notes	11.250%	11/1/17	1,259,330	1,051,541(f)
Energy Future Intermediate Holding Co. LLC, Senior Secured Notes	9.750%	10/15/19	920,000	949,913
Energy Future Intermediate Holding Co. LLC/EFIH Finance Inc., Senior Secured Notes	10.000%	12/1/20	3,353,000	3,554,663(e)
First Wind Holdings Inc., Senior Secured Notes	10.250%	6/1/18	2,380,000	2,415,700(a)
Foresight Energy LLC/Foresight Energy Corp., Senior Notes	9.625%	8/15/17	6,900,000	7,383,000(a)(e)
Mirant Americas Generation LLC, Senior Notes	9.125%	5/1/31	5,845,000	5,874,225(e)
Mirant Mid Atlantic LLC, Pass-Through Certificates	10.060%	12/30/28	1,607,586	1,792,458(e)
<i>Total Independent Power Producers &amp; Energy Traders</i>				<i>39,753,847</i>
<b>Multi-Utilities 0.1%</b>				
Empresas Publicas de Medellin ESP, Senior Notes	7.625%	7/29/19	740,000	869,500(a)(h)
<b>TOTAL UTILITIES</b>				<b>67,060,874</b>
<b>TOTAL CORPORATE BONDS &amp; NOTES (Cost \$845,125,317)</b>				<b>890,209,029</b>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS 0.1%</b>				
Countrywide Home Loan Mortgage Pass-Through Trust, 2004-HYB5 7A1 (Cost - \$1,161,749)	2.260%	4/20/35	1,862,812	1,455,310(g)

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

July 31, 2011

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

	RATE	MATURITY DATE	FACE AMOUNT	VALUE
SECURITY				
COLLATERALIZED SENIOR LOANS				
3.0%				
CONSUMER DISCRETIONARY 1.5%				
<b>Diversified Consumer Services 0.4%</b>				
Realogy Corp., Term Loan	13.500%	10/15/17	3,500,000	\$ 3,710,000(k)
<b>Hotels, Restaurants &amp; Leisure 0.4%</b>				
CityCenter Holdings LLC, Term Loan	7.500%	1/13/15	867,000	873,503(k)
El Pollo Loco Inc., New Term Loan	10.000%	7/14/17	3,730,000	3,627,425(k)
<i>Total Hotels, Restaurants &amp; Leisure</i>				4,500,928
<b>Media 0.4%</b>				
Newsday LLC, Term Loan B	10.500%	8/1/13	4,000,000	4,205,000(g)(k)
<b>Specialty Retail 0.3%</b>				
BCBG Maxazria International, Term Loan B	9.690%	5/19/15	2,920,000	2,817,800(k)
<b>TOTAL CONSUMER DISCRETIONARY</b>				15,233,728
INDUSTRIALS 0.1%				
<b>Marine 0.1%</b>				
Trico Shipping AS, Term Loan A	10.000%	5/12/14	1,482,173	1,482,173(j)(k)
INFORMATION TECHNOLOGY 0.2%				
<b>IT Services 0.2%</b>				
First Data Corp., Term Loan B	4.187%	3/23/18	212,079	195,345(g)(k)
First Data Corp., Term Loan B2	2.937%	9/24/14	257,218	240,338(g)(k)
SRA International Inc., Term Loan B	0.000%	7/20/18	2,150,000	2,084,603(k)
<b>TOTAL INFORMATION TECHNOLOGY</b>				2,520,286
MATERIALS 0.2%				
<b>Chemicals 0.2%</b>				
Kerling PLC, Term Loan	0.000%	6/30/16	1,200,000EUR	1,750,143(k)
TELECOMMUNICATION SERVICES				
0.8%				
<b>Diversified Telecommunication Services 0.2%</b>				
Level 3 Financing Inc., Term Loan B	11.500%	3/13/14	2,000,000	2,112,500(k)
<b>Wireless Telecommunication Services 0.6%</b>				
Vodafone Americas Finance 2 Inc., Term Loan A	6.875%	8/11/15	5,880,674	6,086,497(g)(k)
<b>TOTAL TELECOMMUNICATION SERVICES</b>				8,198,997
UTILITIES 0.2%				
<b>Electric Utilities 0.2%</b>				
Texas Competitive Electric Holdings Co. LLC, Term Loan	4.686 - 4.768%	10/10/17	2,283,729	1,708,515(k)
<b>TOTAL COLLATERALIZED SENIOR LOANS (Cost \$30,143,264)</b>				30,893,842
CONVERTIBLE BONDS & NOTES				
1.3%				
CONSUMER DISCRETIONARY 0.7%				
<b>Diversified Consumer Services 0.7%</b>				
	11.000%	4/15/18	7,025,000	7,446,500(a)(e)

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Realogy Corp., Senior Subordinated Bonds				
ENERGY 0.0%				
<b>Oil, Gas &amp; Consumable Fuels 0.0%</b>				
James River Coal Co., Senior Notes	3.125%	3/15/18	270,000	264,600(a)
INDUSTRIALS 0.5%				
<b>Marine 0.5%</b>				
Horizon Lines Inc., Senior Notes	4.250%	8/15/12	5,960,000	4,507,250(b)(e)
MATERIALS 0.1%				
<b>Chemicals 0.1%</b>				
Hercules Inc.	6.500%	6/30/29	880,000	756,800
TOTAL CONVERTIBLE BONDS & NOTES (Cost \$10,880,568)				12,975,150
SOVEREIGN BONDS 3.2%				
<b>Argentina 0.5%</b>				
Republic of Argentina	7.820%	12/31/33	1,962,008EUR	2,093,262(g)
Republic of Argentina, GDP Linked Securities	0.000%	12/15/35	4,809,113EUR	1,067,628(l)
Republic of Argentina, Senior Bonds	7.000%	9/12/13	98,000	101,723
Republic of Argentina, Senior Bonds	7.000%	10/3/15	1,396,000	1,373,028(h)
Republic of Argentina, Senior Bonds	2.260%	12/31/38	224,638EUR	112,199(g)

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

July 31, 2011

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

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Argentina continued</b>				
Republic of Argentina, Senior Notes	8.750%	6/2/17	782,235 \$	823,302
<i>Total Argentina</i>				<i>5,571,142</i>
<b>Brazil 0.8%</b>				
Brazil Nota do Tesouro Nacional, Notes	9.762%	1/1/14	1,117,000BRL	678,513(g)
Brazil Nota do Tesouro Nacional, Notes	9.762%	1/1/17	14,019,000BRL	8,058,396(g)
<i>Total Brazil</i>				<i>8,736,909</i>
<b>Colombia 0.1%</b>				
Republic of Colombia, Senior Notes	7.375%	3/18/19	495,000	629,145(h)
<b>India 0.2%</b>				
ICICI Bank Ltd., Junior Subordinated Bonds	6.375%	4/30/22	1,174,000	1,162,260(a)(g)(h)
ICICI Bank Ltd., Subordinated Bonds	6.375%	4/30/22	1,170,000	1,158,300(a)(g)(h)
<i>Total India</i>				<i>2,320,560</i>
<b>Indonesia 0.6%</b>				
Republic of Indonesia, Senior Bonds	10.250%	7/15/22	11,011,000,000IDR	1,567,150
Republic of Indonesia, Senior Bonds	11.000%	9/15/25	7,031,000,000IDR	1,048,684
Republic of Indonesia, Senior Bonds	10.250%	7/15/27	6,948,000,000IDR	977,063
Republic of Indonesia, Senior Bonds	6.625%	2/17/37	825,000	966,281(a)(h)
Republic of Indonesia, Senior Bonds	9.750%	5/15/37	8,327,000,000IDR	1,098,458
<i>Total Indonesia</i>				<i>5,657,636</i>
<b>Peru 0.2%</b>				
Republic of Peru, Bonds	7.840%	8/12/20	4,040,000PEN	1,645,888
<b>Russia 0.1%</b>				
RSHB Capital, Loan Participation Notes, Senior Secured Bonds	6.299%	5/15/17	1,055,000	1,132,806(a)(h)
<b>Turkey 0.4%</b>				
Republic of Turkey, Senior Bonds	11.875%	1/15/30	1,175,000	2,003,375(h)
Republic of Turkey, Senior Notes	6.875%	3/17/36	2,064,000	2,288,357(h)
<i>Total Turkey</i>				<i>4,291,732</i>
<b>Venezuela 0.3%</b>				
Bolivarian Republic of Venezuela, Collective Action Securities, Global Senior Bonds	5.750%	2/26/16	3,370,000	2,645,450(a)(h)
<i>Total Venezuela</i>				<i>838,080(h)</i>
<b>TOTAL SOVEREIGN BONDS (Cost \$30,034,359)</b>				<b>33,469,348</b>
<b>SHARES</b>				
<b>COMMON STOCKS 2.6%</b>				
<b>CONSUMER DISCRETIONARY 1.6%</b>				
<b>Automobiles 0.2%</b>				
General Motors Co.			56,128	1,553,623*
<b>Media 1.4%</b>				
			275,822	14,894,388*



Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Charter Communications Inc., Class A Shares		
TOTAL CONSUMER DISCRETIONARY		16,448,011
ENERGY 0.5%		
<b>Energy Equipment &amp; Services 0.4%</b>		
KCAD Holdings I Ltd.	448,908,076	4,524,095*(b)(j)
<b>Oil, Gas &amp; Consumable Fuels 0.1%</b>		
SemGroup Corp., Class A Shares	20,407	475,075*
TOTAL ENERGY		4,999,170
INDUSTRIALS 0.4%		
<b>Building Products 0.0%</b>		
Ashton Woods USA LLC, Class B Membership	399	257,355*(a)(b)(j)
Nortek Inc.	7,072	222,733*
<i>Total Building Products</i>		480,088
<b>Marine 0.4%</b>		
DeepOcean Group Holding AS	198,468	3,820,509*(j)
TOTAL INDUSTRIALS		4,300,597

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

July 31, 2011

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

		SHARES	VALUE
SECURITY			
MATERIALS 0.1%			
<b>Chemicals 0.1%</b>			
LyondellBasell Industries NV, Class A			
Shares		30,773	\$ 1,214,303*
TOTAL COMMON STOCKS (Cost \$21,736,336)			26,962,081
	RATE		
CONVERTIBLE PREFERRED			
STOCKS 1.0%			
FINANCIALS 1.0%			
<b>Diversified Financial Services 1.0%</b>			
Bank of America Corp.	7.250%	6,812	6,639,861(e)
Citigroup Inc.	7.500%	28,900	3,241,135
TOTAL CONVERTIBLE PREFERRED STOCKS (Cost \$10,003,319)			9,880,996
PREFERRED STOCKS 2.5%			
CONSUMER DISCRETIONARY 0.1%			
<b>Automobiles 0.1%</b>			
Corts-Ford Motor Co.	7.400%	53,250	1,339,770
<b>Media 0.0%</b>			
CMP Susquehanna Radio Holdings Corp.	0.000%	59,329	6*(a)(b)(j)
TOTAL CONSUMER DISCRETIONARY			1,339,776
FINANCIALS 2.4%			
<b>Commercial Banks 0.4%</b>			
Banesto Holdings Ltd.	10.500%	168,225	4,268,710(a)
<b>Consumer Finance 1.1%</b>			
GMAC Capital Trust I	8.125%	424,100	10,865,442
<b>Diversified Financial Services 0.9%</b>			
Citigroup Capital XII	8.500%	200,800	5,166,584
Citigroup Capital XIII	7.875%	168,125	4,551,143
<i>Total Diversified Financial Services</i>			9,717,727
<b>Thrifts &amp; Mortgage Finance 0.0%</b>			
Federal National Mortgage Association (FNMA)	8.250%	35,900	85,442*
TOTAL FINANCIALS			24,937,321
TOTAL PREFERRED STOCKS (Cost \$26,093,238)			26,277,097
	EXPIRATION DATE	WARRANTS	
WARRANTS 0.2%			
Bolivarian Republic of Venezuela, Oil-linked payment obligations	4/15/20	18,500	527,250
Buffets Restaurant Holdings	4/28/14	3,488	35*(b)(j)
Charter Communications Inc.	11/30/14	4,876	58,512*
CMP Susquehanna Radio Holdings Co.	3/23/19	67,797	0*(a)(b)(j)(m)
General Motors Co.	7/10/16	51,025	960,801*

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

General Motors Co.	7/10/19	51,025	693,430*
Nortek Inc.	12/7/14	8,427	