

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Form N-Q

February 23, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number **811-07920**

Western Asset High Income Opportunity Fund Inc.

(Exact name of registrant as specified in charter)

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

(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902

(Name and address of agent for service)

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

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

Date of reporting period: **December 31, 2015**

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

FORM N-Q

DECEMBER 31, 2015

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited)

December 31, 2015

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES - 84.0%				
CONSUMER DISCRETIONARY - 14.4%				
Diversified Consumer Services - 0.6%				
Service Corp. International, Senior Notes	7.500%	4/1/27	1,280,000	\$ 1,491,200
StoneMor Partners LP/Cornerstone Family Services of WV, Senior Bonds	7.875%	6/1/21	920,000	952,200
<i>Total Diversified Consumer Services</i>				<i>2,443,400</i>
Hotels, Restaurants & Leisure - 3.0%				
Bossier Casino Venture Holdco Inc., Senior Secured Bonds	14.000%	2/9/18	1,262,613	1,132,816 ^{(a)(b)(c)(d)}
Carrols Restaurant Group Inc., Secured Notes	8.000%	5/1/22	1,000,000	1,060,000
CCM Merger Inc., Senior Notes	9.125%	5/1/19	1,710,000	1,793,363 ^(a)
CEC Entertainment Inc., Senior Notes	8.000%	2/15/22	2,090,000	1,985,500
Downstream Development Authority of the Quapaw Tribe of Oklahoma, Senior Secured Notes	10.500%	7/1/19	1,320,000	1,359,600 ^(a)
Fontainebleau Las Vegas Holdings LLC, Senior Secured Notes	10.250%	6/15/15	445,000	879 ^{*(a)(e)}
Greektown Holdings LLC/Greektown Mothership Corp., Senior Secured Notes	8.875%	3/15/19	1,200,000	1,218,000 ^(a)
Landry s Holdings II Inc., Senior Notes	10.250%	1/1/18	750,000	750,000 ^(a)
Landry s Inc., Senior Notes	9.375%	5/1/20	3,598,000	3,804,885 ^(a)
<i>Total Hotels, Restaurants & Leisure</i>				<i>13,105,043</i>
Household Durables - 1.7%				
Century Intermediate Holding Co. 2, Senior Notes	9.750%	2/15/19	1,980,000	2,031,975 ^{(a)(b)}
Shea Homes LP/Shea Homes Funding Corp., Senior Notes	6.125%	4/1/25	1,650,000	1,703,625 ^(a)
William Lyon Homes Inc., Senior Notes	8.500%	11/15/20	1,520,000	1,615,000
William Lyon Homes Inc., Senior Notes	7.000%	8/15/22	310,000	312,325
Woodside Homes Co., LLC/Woodside Homes Finance Inc., Senior Notes	6.750%	12/15/21	2,020,000	1,747,300 ^(a)
<i>Total Household Durables</i>				<i>7,410,225</i>
Media - 6.9%				
AMC Entertainment Inc., Senior Subordinated Notes	5.750%	6/15/25	1,020,000	1,027,650
CCO Safari II LLC, Senior Secured Notes	4.908%	7/23/25	1,940,000	1,941,042 ^(a)
CCO Safari II LLC, Senior Secured Notes	6.484%	10/23/45	790,000	793,365 ^(a)
DISH DBS Corp., Senior Notes	7.875%	9/1/19	1,085,000	1,182,650
DISH DBS Corp., Senior Notes	6.750%	6/1/21	2,020,000	2,040,200
DISH DBS Corp., Senior Notes	5.875%	7/15/22	2,610,000	2,440,350
DISH DBS Corp., Senior Notes	5.875%	11/15/24	480,000	428,400
Gibson Brands Inc., Senior Secured Notes	8.875%	8/1/18	1,380,000	807,300 ^(a)
iHeartCommunications Inc., Senior Notes	14.000%	2/1/21	1,860,000	516,150 ^(b)
New Cotai LLC/New Cotai Capital Corp., Senior Secured Notes	10.625%	5/1/19	1,794,072	1,350,039 ^{(a)(b)}
Numericable-SFR SAS, Senior Secured Bonds	6.000%	5/15/22	2,710,000	2,635,475 ^(a)
Numericable-SFR SAS, Senior Secured Bonds	6.250%	5/15/24	2,330,000	2,254,275 ^(a)
Time Warner Cable Inc., Senior Notes	8.750%	2/14/19	1,490,000	1,729,675
Time Warner Cable Inc., Senior Notes	8.250%	4/1/19	678,000	779,110
Tribune Media Co., Senior Notes	5.875%	7/15/22	760,000	761,900 ^(a)

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Univision Communications Inc., Senior Notes	8.500%	5/15/21	1,320,000	1,354,650 ^(a)
Univision Communications Inc., Senior Secured Notes	6.750%	9/15/22	217,000	225,680 ^(a)
UPC Holding BV, Junior Secured Subordinated Notes	6.375%	9/15/22	2,030,000 ^{EUR}	2,351,153 ^(a)
Virgin Media Finance PLC, Senior Notes	6.375%	4/15/23	2,890,000	2,944,188 ^(a)
Virgin Media Finance PLC, Senior Notes	6.000%	10/15/24	2,000,000	2,002,500 ^(a)
Virgin Media Finance PLC, Senior Notes	5.750%	1/15/25	200,000	193,000 ^(a)
<i>Total Media</i>				29,758,752

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

December 31, 2015

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Multiline Retail - 0.3%				
Neiman Marcus Group LLC, Senior Secured Notes	7.125%	6/1/28	330,000	\$ 316,800
Neiman Marcus Group Ltd. LLC, Senior Notes	8.750%	10/15/21	1,530,000	956,250 ^{(a)(b)}
<i>Total Multiline Retail</i>				<i>1,273,050</i>
Specialty Retail - 1.8%				
American Greetings Corp., Senior Notes	7.375%	12/1/21	1,220,000	1,279,475
Guitar Center Inc., Senior Secured Bonds	6.500%	4/15/19	3,530,000	2,982,850 ^(a)
Hot Topic Inc., Senior Secured Notes	9.250%	6/15/21	730,000	649,700 ^(a)
L Brands Inc., Debentures	6.950%	3/1/33	470,000	470,000
L Brands Inc., Senior Notes	6.875%	11/1/35	1,290,000	1,330,312 ^(a)
Sally Holdings LLC/Sally Capital Inc., Senior Notes	5.625%	12/1/25	1,180,000	1,197,700
<i>Total Specialty Retail</i>				<i>7,910,037</i>
Textiles, Apparel & Luxury Goods - 0.1%				
Empire Today LLC/Empire Today Finance Corp., Senior Secured Notes	11.375%	2/1/17	370,000	353,350 ^(a)
TOTAL CONSUMER DISCRETIONARY				62,253,857
CONSUMER STAPLES - 4.4%				
Beverages - 0.9%				
Carolina Beverage Group LLC/Carolina Beverage Group Finance Inc., Secured Notes	10.625%	8/1/18	1,370,000	1,373,425 ^(a)
Cott Beverages Inc., Senior Notes	6.750%	1/1/20	1,120,000	1,159,200
DS Services of America Inc., Secured Notes	10.000%	9/1/21	1,230,000	1,402,200 ^(a)
<i>Total Beverages</i>				<i>3,934,825</i>
Food & Staples Retailing - 0.7%				
Beverages & More Inc., Senior Secured Notes	10.000%	11/15/18	1,900,000	1,774,125 ^(a)
Dollar Tree Inc., Senior Notes	5.750%	3/1/23	1,180,000	1,227,200 ^(a)
<i>Total Food & Staples Retailing</i>				<i>3,001,325</i>
Food Products - 1.4%				
Dole Food Co. Inc., Senior Secured Notes	7.250%	5/1/19	1,290,000	1,280,325 ^(a)
Hearthside Group Holdings LLC/Hearthside Finance Co., Senior Notes	6.500%	5/1/22	1,010,000	939,300 ^(a)
Pilgrim's Pride Corp., Senior Notes	5.750%	3/15/25	1,630,000	1,589,250 ^(a)
Simmons Foods Inc., Secured Notes	7.875%	10/1/21	2,630,000	2,386,725 ^(a)
<i>Total Food Products</i>				<i>6,195,600</i>
Household Products - 1.0%				
Central Garden & Pet Co., Senior Notes	6.125%	11/15/23	700,000	710,500

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Kronos Acquisition Holdings Inc., Senior Notes	9.000%	8/15/23	380,000	326,800 ^(a)
Spectrum Brands Inc., Senior Notes	6.625%	11/15/22	580,000	614,800
Spectrum Brands Inc., Senior Notes	6.125%	12/15/24	440,000	459,800 ^(a)
Spectrum Brands Inc., Senior Notes	5.750%	7/15/25	1,530,000	1,575,900 ^(a)
Sun Products Corp., Senior Notes	7.750%	3/15/21	790,000	689,275 ^(a)
<i>Total Household Products</i>				4,377,075
Tobacco - 0.4%				
Alliance One International Inc., Secured Notes	9.875%	7/15/21	2,370,000	1,750,838
TOTAL CONSUMER STAPLES				19,259,663
ENERGY - 10.0%				
Energy Equipment & Services - 1.1%				
Atwood Oceanics Inc., Senior Notes	6.500%	2/1/20	1,020,000	550,800
CGG, Senior Notes	6.500%	6/1/21	1,470,000	661,500
CGG, Senior Notes	6.875%	1/15/22	200,000	83,000
Gulfmark Offshore Inc., Senior Notes	6.375%	3/15/22	600,000	325,500
Parker Drilling Co., Senior Notes	7.500%	8/1/20	1,680,000	1,285,200
SESI LLC, Senior Notes	7.125%	12/15/21	1,320,000	1,178,100
Sierra Hamilton LLC/Sierra Hamilton Finance Inc., Senior Secured Notes	12.250%	12/15/18	1,390,000	681,100 ^(a)
<i>Total Energy Equipment & Services</i>				4,765,200

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

December 31, 2015

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Oil, Gas & Consumable Fuels - 8.9%				
Approach Resources Inc., Senior Notes	7.000%	6/15/21	1,090,000	\$ 392,400
Arch Coal Inc., Senior Notes	7.250%	6/15/21	1,880,000	18,988*(g)
Berry Petroleum Co., Senior Notes	6.750%	11/1/20	800,000	206,000
Berry Petroleum Co., Senior Notes	6.375%	9/15/22	1,740,000	430,650
California Resources Corp., Senior Notes	5.000%	1/15/20	730,000	263,712
California Resources Corp., Senior Notes	5.500%	9/15/21	4,270,000	1,366,400
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	6.500%	4/15/21	2,310,000	2,021,250
Carrizo Oil & Gas Inc., Senior Notes	7.500%	9/15/20	960,000	843,600
Chesapeake Energy Corp., Senior Notes	6.875%	11/15/20	3,360,000	974,400
Chesapeake Energy Corp., Senior Notes	5.375%	6/15/21	1,095,000	301,125
Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., Senior Notes	6.125%	3/1/22	1,570,000	1,099,000
Endeavor Energy Resources LP/EER Finance Inc., Senior Notes	8.125%	9/15/23	600,000	543,000(a)
Enterprise Products Operating LLC, Junior Subordinated Notes	8.375%	8/1/66	680,000	610,300(f)
EP Energy LLC/Everest Acquisition Finance Inc., Senior Notes	9.375%	5/1/20	1,450,000	931,625
EV Energy Partners LP/EV Energy Finance Corp., Senior Notes	8.000%	4/15/19	360,000	181,800
Freeport-McMoran Oil & Gas LLC/FCX Oil & Gas Inc., Senior Notes	6.750%	2/1/22	162,000	100,035
Genesis Energy LP/Genesis Energy Finance Corp., Senior Notes	6.750%	8/1/22	850,000	726,750
Globe Luxembourg SCA, Senior Secured Notes	9.625%	5/1/18	3,940,000	3,201,250(a)
Halcon Resources Corp., Secured Notes	8.625%	2/1/20	290,000	201,188(a)
Halcon Resources Corp., Senior Notes	9.750%	7/15/20	6,290,000	1,855,550
Halcon Resources Corp., Senior Notes	8.875%	5/15/21	190,000	56,050
Kinder Morgan Inc., Medium-Term Notes	7.800%	8/1/31	1,040,000	977,930
Linn Energy LLC/Linn Energy Finance Corp., Senior Notes	6.250%	11/1/19	1,120,000	190,400
Lonestar Resources America Inc., Senior Notes	8.750%	4/15/19	550,000	335,500(a)
Magnum Hunter Resources Corp., Senior Notes	9.750%	5/15/20	4,340,000	1,150,100*(d)(g)
MEG Energy Corp., Senior Notes	6.375%	1/30/23	330,000	227,700(a)
MEG Energy Corp., Senior Notes	7.000%	3/31/24	2,760,000	1,973,400(a)
Milagro Oil & Gas Inc., Secured Notes	10.500%	5/15/16	1,690,000	532,350*(d)(g)
Murray Energy Corp., Senior Secured Notes	11.250%	4/15/21	4,660,000	873,750(a)
Natural Resource Partners LP/Natural Resource Partners Finance Corp., Senior Notes	9.125%	10/1/18	1,570,000	1,028,350
Oasis Petroleum Inc., Senior Notes	6.500%	11/1/21	2,660,000	1,775,550
Oasis Petroleum Inc., Senior Notes	6.875%	1/15/23	330,000	206,250
Petrobras Global Finance BV, Senior Notes	6.750%	1/27/41	1,850,000	1,193,250
Quicksilver Resources Inc., Senior Notes	11.000%	7/1/21	930,000	30,225*(g)
Rice Energy Inc., Senior Notes	7.250%	5/1/23	1,460,000	1,073,100(a)
RSP Permian Inc., Senior Notes	6.625%	10/1/22	2,730,000	2,525,250
Samson Investment Co., Senior Notes	9.750%	2/15/20	1,440,000	3,240*(g)
Sanchez Energy Corp., Senior Notes	7.750%	6/15/21	1,610,000	990,150
Sanchez Energy Corp., Senior Notes	6.125%	1/15/23	3,570,000	1,945,650
Shelf Drilling Holdings Ltd., Senior Secured Notes	8.625%	11/1/18	930,000	678,900(a)
Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes	6.625%	10/1/20	470,000	426,525(a)
Tennessee Gas Pipeline Co., LLC, Senior Notes	8.375%	6/15/32	3,270,000	3,181,952
WPX Energy Inc., Senior Notes	7.500%	8/1/20	100,000	81,500

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WPX Energy Inc., Senior Notes	8.250%	8/1/23	770,000	617,925
<i>Total Oil, Gas & Consumable Fuels</i>				38,344,020
TOTAL ENERGY				43,109,220

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

December 31, 2015

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
FINANCIALS - 13.1%				
Banks - 5.8%				
Bank of America Corp., Junior Subordinated Notes	6.500%	10/23/24	810,000	\$ 854,550 ^{(f)(h)}
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	1,930,000	2,504,457 ^(a)
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	2,000,000	2,281,250
Barclays PLC, Junior Subordinated Bonds	8.250%	12/15/18	420,000	448,600 ^{(f)(h)}
BNP Paribas SA, Junior Subordinated Notes	7.375%	8/19/25	2,700,000	2,774,250 ^{(a)(f)(h)}
Citigroup Inc., Junior Subordinated Bonds	6.300%	5/15/24	650,000	634,563 ^{(f)(h)}
Citigroup Inc., Junior Subordinated Bonds	5.950%	5/15/25	640,000	616,800 ^{(f)(h)}
Credit Agricole SA, Junior Subordinated Notes	8.375%	10/13/19	1,660,000	1,867,500 ^{(a)(f)(h)}
Credit Agricole SA, Junior Subordinated Notes	7.875%	1/23/24	700,000	717,998 ^{(a)(f)(h)}
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	9/17/24	790,000	781,112 ^{(f)(h)}
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	3/30/25	1,070,000	1,071,337 ^{(f)(h)}
JPMorgan Chase & Co., Junior Subordinated Bonds	6.000%	8/1/23	630,000	630,696 ^{(f)(h)}
JPMorgan Chase & Co., Junior Subordinated Notes	6.100%	10/1/24	800,000	805,080 ^{(f)(h)}
M&T Bank Corp., Junior Subordinated Bonds	6.875%	6/15/16	1,790,000	1,794,475 ^(h)
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	1,210,000	1,504,937 ^{(f)(h)}
Royal Bank of Scotland Group PLC, Subordinated Notes	6.100%	6/10/23	1,470,000	1,581,801
Royal Bank of Scotland NV, Subordinated Bonds	7.750%	5/15/23	390,000	449,837
Royal Bank of Scotland PLC, Subordinated Notes	13.125%	3/19/22	2,480,000 ^{AUD}	1,990,266 ^{(f)(i)}
Santander Issuances SAU, Notes	5.911%	6/20/16	1,100,000	1,117,575 ^(a)
Wells Fargo & Co., Junior Subordinated Bonds	5.875%	6/15/25	580,000	611,175 ^{(f)(h)}
<i>Total Banks</i>				25,038,259
Capital Markets - 1.3%				
Credit Suisse Group AG, Junior Subordinated Notes	6.250%	12/18/24	1,800,000	1,804,264 ^{(a)(f)(h)}
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	1,210,000	1,418,710
Goldman Sachs Group Inc., Subordinated Notes	5.150%	5/22/45	1,320,000	1,287,003
Pershing Square Holdings Ltd., Senior Notes	5.500%	7/15/22	1,000,000	935,770 ^(a)
<i>Total Capital Markets</i>				5,445,747
Consumer Finance - 0.9%				
Ally Financial Inc., Senior Notes	8.000%	3/15/20	1,133,000	1,294,452
Navient Corp., Medium-Term Notes, Senior Notes	8.450%	6/15/18	1,110,000	1,171,050
Navient Corp., Medium-Term Notes, Senior Notes	8.000%	3/25/20	1,150,000	1,139,075
TMX Finance LLC/TitleMax Finance Corp., Senior Secured Notes	8.500%	9/15/18	720,000	540,000 ^(a)
<i>Total Consumer Finance</i>				4,144,577
Diversified Financial Services - 2.4%				
Argos Merger Sub Inc., Senior Notes	7.125%	3/15/23	2,530,000	2,514,820 ^(a)
International Lease Finance Corp., Senior Notes	8.750%	3/15/17	100,000	106,750
International Lease Finance Corp., Senior Notes	8.875%	9/1/17	4,200,000	4,583,250
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	1,860,000	2,204,100
ZFS Finance USA Trust II, Bonds	6.450%	12/15/65	1,000,000	1,015,500 ^{(a)(f)}

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Total Diversified Financial Services

10,424,420

Insurance - 0.8%

Fidelity & Guaranty Life Holdings Inc., Senior Notes	6.375%	4/1/21	850,000	871,250 ^(a)
Genworth Holdings Inc., Senior Notes	4.900%	8/15/23	940,000	629,800
Liberty Mutual Group Inc., Junior Subordinated Bonds	7.800%	3/15/37	900,000	1,028,250 ^(a)
MetLife Capital Trust IV, Junior Subordinated Notes	7.875%	12/15/37	650,000	796,250 ^(a)

Total Insurance

3,325,550

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

December 31, 2015

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Real Estate Investment Trusts (REITs) - 0.2%				
Communications Sales & Leasing Inc., Senior Secured Notes	6.000%	4/15/23	870,000	\$ 824,325 ^(a)
Real Estate Management & Development - 1.7%				
Caesars Entertainment Resort Properties LLC, Secured Notes	11.000%	10/1/21	800,000	728,000
Caesars Entertainment Resort Properties LLC, Senior Secured Notes	8.000%	10/1/20	2,870,000	2,740,850
Greystar Real Estate Partners LLC, Senior Secured Notes	8.250%	12/1/22	1,610,000	1,678,425 ^(a)
Howard Hughes Corp., Senior Notes	6.875%	10/1/21	2,130,000	2,183,250 ^(a)
<i>Total Real Estate Management & Development</i>				7,330,525
TOTAL FINANCIALS				56,533,403
HEALTH CARE - 6.2%				
Biotechnology - 0.2%				
AMAG Pharmaceuticals Inc., Senior Notes	7.875%	9/1/23	800,000	708,000 ^(a)
Health Care Equipment & Supplies - 1.2%				
ConvaTec Finance International SA, Senior Notes	8.250%	1/15/19	2,330,000	2,175,637 ^{(a)(b)}
DJO Finance LLC/DJO Finance Corp., Secured Notes	10.750%	4/15/20	1,210,000	1,101,100 ^(a)
DJO Finco Inc./DJO Finance LLC/DJO Finance Corp., Secured Notes	8.125%	6/15/21	930,000	827,700 ^(a)
Greatbatch Ltd., Senior Notes	9.125%	11/1/23	950,000	942,875 ^(a)
<i>Total Health Care Equipment & Supplies</i>				5,047,312
Health Care Providers & Services - 2.8%				
BioScrip Inc., Senior Notes	8.875%	2/15/21	750,000	600,000
CHS/Community Health Systems Inc., Senior Notes	8.000%	11/15/19	380,000	384,750
Fresenius Medical Care U.S. Finance Inc., Senior Notes	6.500%	9/15/18	280,000	309,406 ^(a)
HCA Inc., Debentures	7.500%	11/15/95	3,920,000	3,763,200
IASIS Healthcare LLC/IASIS Capital Corp., Senior Notes	8.375%	5/15/19	2,580,000	2,386,500
Tenet Healthcare Corp., Senior Notes	8.125%	4/1/22	1,480,000	1,483,700
Tenet Healthcare Corp., Senior Secured Notes	6.000%	10/1/20	1,330,000	1,406,475
Universal Hospital Services Inc., Secured Notes	7.625%	8/15/20	2,160,000	2,038,500
<i>Total Health Care Providers & Services</i>				12,372,531
Pharmaceuticals - 2.0%				
DPx Holdings BV, Senior Notes	7.500%	2/1/22	980,000	959,175 ^(a)
JLL/Delta Dutch Pledgeco BV, Senior Notes	8.750%	5/1/20	2,610,000	2,525,175 ^{(a)(b)}
Mallinckrodt International Finance SA, Senior Notes	5.750%	8/1/22	1,590,000	1,534,350 ^(a)
Valeant Pharmaceuticals International Inc., Senior Notes	6.750%	8/15/18	360,000	358,560 ^(a)
Valeant Pharmaceuticals International Inc., Senior Notes	5.375%	3/15/20	570,000	538,650 ^(a)
Valeant Pharmaceuticals International Inc., Senior Notes	6.375%	10/15/20	610,000	591,700 ^(a)
Valeant Pharmaceuticals International Inc., Senior Notes	7.500%	7/15/21	1,310,000	1,313,275 ^(a)
Valeant Pharmaceuticals International Inc., Senior Notes	7.250%	7/15/22	1,100,000	1,080,750 ^(a)

Total Pharmaceuticals 8,901,635

TOTAL HEALTH CARE 27,029,478

INDUSTRIALS - 11.4%

Aerospace & Defense - 1.0%

Aerojet Rocketdyne Holdings Inc., Secured Notes	7.125%	3/15/21	760,000	794,200
Bombardier Inc., Senior Notes	7.500%	3/15/18	640,000	627,200 ^(a)
Bombardier Inc., Senior Notes	4.750%	4/15/19	130,000	107,575 ^(a)
CBC Ammo LLC/CBC FinCo Inc., Senior Notes	7.250%	11/15/21	2,330,000	1,935,065 ^(a)
LMI Aerospace Inc., Secured Notes	7.375%	7/15/19	910,000	905,450

Total Aerospace & Defense 4,369,490

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

December 31, 2015

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Air Freight & Logistics - 0.8%				
Air Medical Merger Sub Corp., Senior Notes	6.375%	5/15/23	990,000	\$ 886,050 ^(a)
XPO Logistics Inc., Senior Notes	7.875%	9/1/19	1,770,000	1,806,320 ^(a)
XPO Logistics Inc., Senior Notes	5.750%	6/15/21	190,000 ^{EUR}	192,927 ^(a)
XPO Logistics Inc., Senior Notes	6.500%	6/15/22	860,000	798,725 ^(a)
<i>Total Air Freight & Logistics</i>				3,684,022
Airlines - 0.5%				
Air Canada, Pass-Through Trust, Secured Notes	6.625%	5/15/18	560,000	564,547 ^(a)
American Airlines, Pass-Through Trust, Secured Notes	7.000%	1/31/18	530,312	557,490 ^(a)
Continental Airlines Inc., Pass-Through Certificates, Secured Notes	9.250%	5/10/17	72,948	78,145
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	553,517	622,015
Delta Air Lines Inc., Pass-Through Certificates, Subordinated Secured Notes	9.750%	12/17/16	270,972	287,908
<i>Total Airlines</i>				2,110,105
Building Products - 0.3%				
Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Notes	6.875%	2/15/21	1,460,000	1,248,300 ^(a)
Commercial Services & Supplies - 1.9%				
Garda World Security Corp., Senior Notes	7.250%	11/15/21	800,000	692,000 ^(a)
Monitronics International Inc., Senior Notes	9.125%	4/1/20	3,280,000	2,615,800
United Rentals North America Inc., Senior Notes	8.250%	2/1/21	374,000	393,167
United Rentals North America Inc., Senior Notes	7.625%	4/15/22	2,608,000	2,800,210
West Corp., Senior Notes	5.375%	7/15/22	1,800,000	1,559,250 ^(a)
<i>Total Commercial Services & Supplies</i>				8,060,427
Construction & Engineering - 1.4%				
Ausdrill Finance Pty Ltd., Senior Notes	6.875%	11/1/19	1,240,000	892,800 ^(a)
Brundage-Bone Concrete Pumping Inc., Senior Secured Notes	10.375%	9/1/21	1,250,000	1,231,250 ^(a)
Michael Baker Holdings LLC/Michael Baker Finance Corp., Senior Notes	8.875%	4/15/19	1,656,037	1,175,786 ^{(a)(b)}
Michael Baker International LLC/CDL Acquisition Co. Inc., Senior Secured Notes	8.250%	10/15/18	1,870,000	1,692,350 ^(a)
Modular Space Corp., Secured Notes	10.250%	1/31/19	1,510,000	611,550 ^(a)
Odebrecht Finance Ltd., Senior Notes	5.250%	6/27/29	600,000	295,500 ^(a)
<i>Total Construction & Engineering</i>				5,899,236
Electrical Equipment - 0.6%				
Interface Grand Master Holdings Inc., Senior Notes	17.000%	8/15/19	851,794	851,794 ^{(b)(c)}
International Wire Group Holdings Inc., Senior Secured Notes	8.500%	10/15/17	1,020,000	1,045,500 ^(a)
NES Rentals Holdings Inc., Senior Secured Notes	7.875%	5/1/18	930,000	850,950 ^(a)
<i>Total Electrical Equipment</i>				2,748,244

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Machinery - 1.5%

CTP Transportation Products LLC/CTP Finance Inc., Senior Secured Notes	8.250%	12/15/19	610,000	638,975 ^(a)
DH Services Luxembourg Sarl, Senior Notes	7.750%	12/15/20	2,820,000	2,848,200 ^(a)
Global Brass and Copper Inc., Senior Secured Notes	9.500%	6/1/19	1,260,000	1,338,750
SIG Combibloc Holdings SCA, Senior Bonds	7.750%	2/15/23	570,000 ^{EUR}	648,840 ^(a)
SPL Logistics Escrow LLC/SPL Logistics Finance Corp., Senior Secured Notes	8.875%	8/1/20	890,000	872,200 ^(a)
<i>Total Machinery</i>				6,346,965

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

December 31, 2015

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Marine - 0.5%				
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes	8.125%	11/15/21	2,170,000	\$ 1,901,463 ^(a)
Ultrapetrol Bahamas Ltd., Senior Secured Notes	8.875%	6/15/21	1,240,000	136,400 ^{*(g)}
<i>Total Marine</i>				2,037,863
Road & Rail - 1.4%				
Flexi-Van Leasing Inc., Senior Notes	7.875%	8/15/18	1,290,000	1,296,450 ^(a)
Florida East Coast Holdings Corp., Senior Notes	9.750%	5/1/20	260,000	178,100 ^(a)
Florida East Coast Holdings Corp., Senior Secured Notes	6.750%	5/1/19	3,280,000	3,009,400 ^(a)
Jack Cooper Holdings Corp., Senior Secured Notes	10.250%	6/1/20	2,110,000	1,761,850 ^(a)
<i>Total Road & Rail</i>				6,245,800
Trading Companies & Distributors - 0.7%				
Ashtead Capital Inc., Senior Secured Notes	6.500%	7/15/22	1,340,000	1,403,650 ^(a)
H&E Equipment Services Inc., Senior Notes	7.000%	9/1/22	1,620,000	1,595,700
<i>Total Trading Companies & Distributors</i>				2,999,350
Transportation - 0.6%				
Hapag-Lloyd AG, Senior Notes	9.750%	10/15/17	843,000	855,645 ^(a)
Neovia Logistics Intermediate Holdings LLC/Logistics Intermediate Finance Corp., Senior Notes	10.000%	2/15/18	1,980,000	1,910,700 ^{(a)(b)}
<i>Total Transportation</i>				2,766,345
Transportation Infrastructure - 0.2%				
Aguila 3 SA, Senior Secured Notes	7.875%	1/31/18	870,000	875,438 ^(a)
TOTAL INDUSTRIALS				49,391,585
INFORMATION TECHNOLOGY - 2.6%				
Communications Equipment - 0.5%				
CommScope Technologies Finance LLC, Senior Notes	6.000%	6/15/25	1,270,000	1,225,550 ^(a)
QUALCOMM Inc., Senior Subordinated Notes	4.800%	5/20/45	1,150,000	1,024,059
<i>Total Communications Equipment</i>				2,249,609
Electronic Equipment, Instruments & Components - 0.3%				
Interface Security Systems Holdings Inc./Interface Security Systems LLC, Senior Secured Notes	9.250%	1/15/18	1,400,000	1,377,250
Internet Software & Services - 0.5%				
Ancestry.com Holdings LLC, Senior Notes	9.625%	10/15/18	710,000	702,012 ^{(a)(b)}

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Ancestry.com Inc., Senior Notes	11.000%	12/15/20	1,070,000	1,147,575
<i>Total Internet Software & Services</i>				<i>1,849,587</i>
IT Services - 1.3%				
Compiler Finance Subordinated Inc., Senior Notes	7.000%	5/1/21	1,900,000	836,000 ^(a)
First Data Corp., Secured Notes	5.750%	1/15/24	470,000	464,125 ^(a)
First Data Corp., Senior Notes	7.000%	12/1/23	1,030,000	1,032,575 ^(a)
First Data Corp., Senior Secured Notes	5.000%	1/15/24	3,400,000	3,391,500 ^(a)
<i>Total IT Services</i>				<i>5,724,200</i>
TOTAL INFORMATION TECHNOLOGY				11,200,646
MATERIALS - 7.2%				
Chemicals - 1.2%				
Eco Services Operations LLC/Eco Finance Corp., Senior Notes	8.500%	11/1/22	470,000	401,850 ^(a)
Hexion Inc., Senior Secured Notes	8.875%	2/1/18	1,180,000	837,800
HIG BBC Intermediate Holdings LLC/HIG BBC Holdings Corp., Senior Notes	10.500%	9/15/18	770,000	731,500 ^{(a)(b)}
Kerling PLC, Senior Secured Notes	10.625%	2/1/17	1,048,000 ^{EUR}	1,144,609 ^(a)
Rain CII Carbon LLC/CII Carbon Corp., Senior Secured Notes	8.000%	12/1/18	1,980,000	1,707,750 ^(a)
Rain CII Carbon LLC/CII Carbon Corp., Senior Secured Notes	8.250%	1/15/21	280,000	219,800 ^(a)
<i>Total Chemicals</i>				<i>5,043,309</i>

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

December 31, 2015

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Construction Materials - 0.3%				
Hardwoods Acquisition Inc., Senior Secured Notes	7.500%	8/1/21	1,290,000	\$ 1,070,700 ^(a)
NWH Escrow Corp., Senior Secured Notes	7.500%	8/1/21	470,000	378,350 ^(a)
<i>Total Construction Materials</i>				<i>1,449,050</i>
Containers & Packaging - 2.8%				
Ardagh Finance Holdings SA, Senior Notes	8.625%	6/15/19	1,408,411	1,395,200 ^{(a)(b)}
Ardagh Packaging Finance PLC, Senior Notes	9.125%	10/15/20	1,130,000	1,166,725 ^(a)
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	9.125%	10/15/20	2,170,000	2,229,675 ^(a)
BWAY Holding Co., Senior Notes	9.125%	8/15/21	2,150,000	2,021,000 ^(a)
Coveris Holdings SA, Senior Notes	7.875%	11/1/19	1,380,000	1,210,950 ^(a)
Pactiv LLC, Senior Bonds	8.375%	4/15/27	3,280,000	3,066,800
PaperWorks Industries Inc., Senior Secured Notes	9.500%	8/15/19	1,030,000	947,600 ^(a)
<i>Total Containers & Packaging</i>				<i>12,037,950</i>
Metals & Mining - 2.5%				
ArcelorMittal, Senior Notes	8.000%	10/15/39	1,850,000	1,271,875
Barmenco Finance Pty Ltd., Senior Notes	9.000%	6/1/18	1,820,000	1,446,900 ^(a)
Coeur Mining Inc., Senior Notes	7.875%	2/1/21	1,020,000	614,550
Evraz Group SA, Notes	9.500%	4/24/18	100,000	105,187 ^(a)
Evraz Group SA, Senior Notes	9.500%	4/24/18	100,000	105,187 ⁽ⁱ⁾
FMG Resources (August 2006) Pty Ltd., Senior Secured Notes	9.750%	3/1/22	2,580,000	2,373,600 ^(a)
Joseph T. Ryerson & Son Inc., Senior Secured Notes	9.000%	10/15/17	260,000	201,500
Midwest Vanadium Pty Ltd., Senior Secured Notes	11.500%	2/15/18	1,570,000	88,313 ^{*(a)(d)(g)}
Mirabela Nickel Ltd., Subordinated Notes	1.000%	9/10/44	17,132	&