

WESTERN ASSET HIGH INCOME FUND II INC.

Form N-Q

September 28, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number **811-08709**

Western Asset High Income Fund II Inc.

(Exact name of registrant as specified in charter)

620 Eighth Avenue, 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: **April 30**

Date of reporting period: **July 31, 2018**

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET HIGH INCOME FUND II INC.

FORM N-Q

JULY 31, 2018

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES - 94.9%				
CONSUMER DISCRETIONARY - 18.9%				
Auto Components - 1.1%				
Adient Global Holdings Ltd., Senior Notes	4.875%	8/15/26	2,083,000	\$ 1,921,567 ^{(a)(b)}
JB Poindexter & Co. Inc., Senior Notes	7.125%	4/15/26	2,130,000	2,215,200 ^{(a)(b)}
ZF North America Capital Inc., Senior Notes	4.750%	4/29/25	2,940,000	3,003,902 ^{(a)(b)}
<i>Total Auto Components</i>				<i>7,140,669</i>
Diversified Consumer Services - 2.6%				
Carriage Services Inc., Senior Notes	6.625%	6/1/26	2,920,000	3,003,950 ^{(a)(b)}
Prime Security Services Borrower LLC/Prime Finance Inc.	9.250%	5/15/23	3,487,000	3,744,166 ^{(a)(b)}
Service Corp. International/US, Senior Notes	7.500%	4/1/27	2,090,000	2,338,188 ^(b)
VOC Escrow Ltd., Senior Secured Notes	5.000%	2/15/28	7,330,000	7,055,125 ^{(a)(b)}
<i>Total Diversified Consumer Services</i>				<i>16,141,429</i>
Hotels, Restaurants & Leisure - 2.1%				
Bossier Casino Venture Holdco Inc., Senior Secured Bonds (14.000% PIK)	14.000%	2/9/23	2,741,273	2,741,273 ^{(a)(c)(d)(e)}
Brinker International Inc., Senior Notes	5.000%	10/1/24	1,186,000	1,144,490 ^{(a)(b)}
Carrols Restaurant Group Inc., Secured Notes	8.000%	5/1/22	3,500,000	3,659,687 ^(b)
Downstream Development Authority of the Quapaw Tribe of Oklahoma, Senior Secured Notes	10.500%	2/15/23	1,330,000	1,336,264 ^{(a)(b)}
Hilton Domestic Operating Co. Inc., Senior Notes	5.125%	5/1/26	2,145,000	2,155,725 ^{(a)(b)}
Silversea Cruise Finance Ltd., Senior Secured Notes	7.250%	2/1/25	1,933,000	2,102,138 ^{(a)(b)}
<i>Total Hotels, Restaurants & Leisure</i>				<i>13,139,577</i>
Household Durables - 0.9%				
Lennar Corp., Senior Notes	4.500%	4/30/24	730,000	709,925
Lennar Corp., Senior Notes	4.750%	5/30/25	2,220,000	2,161,725 ^(b)
LGI Homes Inc., Senior Notes	6.875%	7/15/26	760,000	761,900 ^(a)
TopBuild Corp., Senior Notes	5.625%	5/1/26	2,210,000	2,171,325 ^{(a)(b)}
<i>Total Household Durables</i>				<i>5,804,875</i>

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Media - 11.0%				
Altice France SA, Senior Secured Bonds	6.250%	5/15/24	4,570,000	\$ 4,558,575 ^{(a)(b)}
Altice France SA, Senior Secured Notes	7.375%	5/1/26	12,450,000	12,356,625 ^{(a)(b)}
Altice Luxembourg SA, Senior Secured Notes	7.750%	5/15/22	10,920,000	10,906,350 ^{(a)(b)}
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.125%	5/1/27	350,000	335,017 ^{(a)(b)}
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.875%	5/1/27	1,100,000	1,093,125 ^{(a)(b)}
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.000%	2/1/28	6,060,000	5,722,913 ^{(a)(b)}
DISH DBS Corp., Senior Notes	5.875%	11/15/24	4,830,000	4,027,013 ^(b)
DISH DBS Corp., Senior Notes	7.750%	7/1/26	14,859,000	13,038,772 ^(b)
Time Warner Cable LLC, Senior Secured Notes	8.750%	2/14/19	2,500,000	2,576,751 ^(b)
Time Warner Cable LLC, Senior Secured Notes	8.250%	4/1/19	1,336,000	1,380,864 ^(b)
UPC Holding BV, Senior Secured Notes	5.500%	1/15/28	4,680,000	4,305,600 ^{(a)(b)}
Virgin Media Finance PLC, Senior Notes	6.375%	4/15/23	5,620,000	5,802,650 ^{(a)(b)}
Virgin Media Finance PLC, Senior Notes	6.000%	10/15/24	2,230,000	2,188,188 ^(a)
Virgin Media Finance PLC, Senior Secured Notes	5.500%	8/15/26	540,000	515,700 ^(a)
<i>Total Media</i>				68,808,143
Specialty Retail - 0.7%				
Hertz Corp., Senior Notes	5.875%	10/15/20	2,520,000	2,503,872 ^(b)
Party City Holdings Inc., Senior Notes	6.625%	8/1/26	2,020,000	2,030,100 ^{(a)(f)}
<i>Total Specialty Retail</i>				4,533,972
Textiles, Apparel & Luxury Goods - 0.5%				
Hanesbrands Inc., Senior Notes	4.625%	5/15/24	3,110,000	3,040,025 ^{(a)(b)}
TOTAL CONSUMER DISCRETIONARY				118,608,690
CONSUMER STAPLES - 1.0%				
Food Products - 0.2%				
Lamb Weston Holdings Inc., Senior Notes	4.875%	11/1/26	1,440,000	1,420,200 ^(a)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Household Products - 0.8%				
Central Garden & Pet Co., Senior Notes	6.125%	11/15/23	1,290,000	\$ 1,331,925 ^(b)
Spectrum Brands Inc., Senior Notes	6.125%	12/15/24	1,630,000	1,662,600 ^(b)
Spectrum Brands, Inc., Senior Notes	5.750%	7/15/25	2,080,000	2,085,200 ^(b)
<i>Total Household Products</i>				5,079,725
TOTAL CONSUMER STAPLES				6,499,925
ENERGY - 19.2%				
Energy Equipment & Services - 1.1%				
KCA Deutag UK Finance PLC, Senior Secured Notes	9.875%	4/1/22	2,990,000	3,094,650 ^{(a)(b)}
Pride International Inc., Senior Notes	7.875%	8/15/40	920,000	855,600 ^(b)
Transocean Guardian Ltd., Senior Secured Notes	5.875%	1/15/24	740,000	748,325 ^(a)
Transocean Inc., Senior Notes	9.000%	7/15/23	1,020,000	1,102,875 ^{(a)(b)}
Transocean, Inc., Senior Notes	6.800%	3/15/38	1,035,000	869,400 ^(b)
<i>Total Energy Equipment & Services</i>				6,670,850
Oil, Gas & Consumable Fuels - 18.1%				
Andeavor Logistics LP/Tesoro Logistics Finance Corp.	6.375%	5/1/24	810,000	864,359 ^(b)
Berry Petroleum Co. Escrow			1,550,000	0 ^{*(c)(d)(g)}
Blue Racer Midstream LLC/Blue Racer Finance Corp., Senior Notes	6.125%	11/15/22	2,260,000	2,300,228 ^{(a)(b)}
Blue Racer Midstream LLC/Blue Racer Finance Corp., Senior Notes	6.625%	7/15/26	190,000	191,900 ^{(a)(b)}
Cheniere Corpus Christi Holdings LLC, Senior Secured Notes	5.875%	3/31/25	1,620,000	1,711,125 ^(b)
Chesapeake Energy Corp., Senior Notes	6.875%	11/15/20	4,340,000	4,546,150 ^(b)
Chesapeake Energy Corp., Senior Notes	5.375%	6/15/21	940,000	940,000 ^(b)
Chesapeake Energy Corp., Senior Notes	5.750%	3/15/23	700,000	679,000 ^(b)
Chesapeake Energy Corp., Senior Notes	8.000%	1/15/25	450,000	462,375 ^(b)
Chesapeake Energy Corp., Senior Notes	8.000%	6/15/27	900,000	922,500 ^(b)
Continental Resources Inc., Senior Notes	3.800%	6/1/24	4,170,000	4,101,563 ^(b)
Continental Resources Inc., Senior Notes	4.900%	6/1/44	3,220,000	3,194,922 ^(b)
Ecopetrol SA, Senior Notes	5.875%	5/28/45	2,500,000	2,508,125 ^(b)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Oil, Gas & Consumable Fuels - (continued)				
Gazprom OAO Via Gaz Capital SA, Senior Notes	6.510%	3/7/22	2,550,000	\$ 2,714,271 ^(a)
Genesis Energy LP/Genesis Energy Finance Corp., Senior Notes	5.625%	6/15/24	2,320,000	2,175,000 ^(b)
Genesis Energy LP/Genesis Energy Finance Corp., Senior Notes	6.500%	10/1/25	840,000	816,900 ^(b)
Genesis Energy LP/Genesis Energy Finance Corp., Senior Notes	6.250%	5/15/26	1,170,000	1,102,725 ^(b)
KazMunayGas National Co. JSC, Senior Notes	4.750%	4/19/27	3,000,000	3,015,795 ^{(a)(b)}
Kinder Morgan Inc., Senior Notes	7.750%	1/15/32	1,950,000	2,425,686 ^(b)
Lukoil International Finance BV, Senior Notes	4.563%	4/24/23	2,040,000	2,052,409 ^{(a)(b)}
Magnum Hunter Resources Corp. Escrow			8,070,000	0 ^{*(c)(d)(g)}
MEG Energy Corp., Senior Notes	6.375%	1/30/23	3,920,000	3,557,400 ^{(a)(b)}
MEG Energy Corp., Senior Notes	7.000%	3/31/24	4,860,000	4,416,525 ^{(a)(b)}
NGPL PipeCo LLC, Senior Notes	7.768%	12/15/37	1,900,000	2,346,500 ^{(a)(b)}
Oasis Petroleum Inc., Senior Notes	6.500%	11/1/21	3,238,000	3,302,760 ^(b)
Oasis Petroleum Inc., Senior Notes	6.875%	1/15/23	1,540,000	1,576,575 ^(b)
Oasis Petroleum Inc., Senior Notes	6.250%	5/1/26	1,070,000	1,076,688 ^{(a)(b)}
Petrobras Global Finance BV, Senior Notes	4.375%	5/20/23	800,000	772,800
Petrobras Global Finance BV, Senior Notes	7.375%	1/17/27	1,810,000	1,886,020
Petrobras Global Finance BV, Senior Notes	5.999%	1/27/28	710,000	673,045 ^(a)
Petrobras Global Finance BV, Senior Notes	5.750%	2/1/29	7,110,000	6,534,090
Petrobras Global Finance BV, Senior Notes	6.750%	1/27/41	6,980,000	6,657,175
Petroleos de Venezuela SA	6.000%	5/16/24	1,120,000	249,200 ^{*(h)(i)}
Petroleos Mexicanos, Senior Notes	4.875%	1/24/22	2,540,000	2,564,409 ^(b)
Petroleos Mexicanos, Senior Notes	6.500%	3/13/27	1,370,000	1,392,263 ^(b)
Rockies Express Pipeline LLC, Senior Notes	7.500%	7/15/38	1,330,000	1,602,650 ^{(a)(b)}
Rockies Express Pipeline LLC, Senior Notes	6.875%	4/15/40	1,430,000	1,665,950 ^{(a)(b)}
Shelf Drilling Holdings Ltd., Senior Notes	8.250%	2/15/25	2,790,000	2,856,263 ^{(a)(b)}

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Oil, Gas & Consumable Fuels - (continued)				
Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes	5.125%	2/1/25	1,810,000	\$ 1,805,475 ^(b)
Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes	5.875%	4/15/26	2,380,000	2,430,575 ^{(a)(b)}
Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes	5.000%	1/15/28	7,910,000	7,484,837 ^{(a)(b)}
Transportadora de Gas del Peru SA, Senior Notes	4.250%	4/30/28	1,500,000	1,490,625 ^(a)
Transportadora de Gas del Sur SA, Senior Notes	6.750%	5/2/25	7,030,000	6,641,241 ^(a)
Vesta Energy Corp.	8.125%	7/24/23	1,900,000 ^{CAD}	1,467,886
Whiting Petroleum Corp., Senior Notes	6.250%	4/1/23	340,000	353,175 ^(b)
Williams Cos. Inc., Senior Notes	3.700%	1/15/23	2,830,000	2,773,400 ^(b)
Williams Cos. Inc., Senior Notes	4.550%	6/24/24	1,320,000	1,333,200 ^(b)
Williams Cos. Inc., Senior Notes	7.500%	1/15/31	780,000	943,800 ^(b)
Williams Cos. Inc., Senior Notes	5.750%	6/24/44	3,900,000	4,173,000 ^(b)
WPX Energy Inc., Senior Notes	8.250%	8/1/23	1,070,000	1,215,841 ^(b)
YPF SA, Senior Notes	8.500%	3/23/21	540,000	561,465 ^{(a)(b)}
YPF SA, Senior Notes	8.500%	7/28/25	1,550,000	1,555,813 ^{(a)(b)}
<i>Total Oil, Gas & Consumable Fuels</i>				<i>114,085,679</i>
TOTAL ENERGY				120,756,529
FINANCIALS - 14.3%				
Banks - 9.1%				
Bank of America Corp., Junior Subordinated Notes (6.500% to 10/23/24 then 3 mo. USD LIBOR + 4.174%)	6.500%	10/23/24	2,550,000	2,738,062 ^{(b)(j)(k)}
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	3,710,000	4,273,505 ^{(a)(b)}
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	2,950,000	3,198,906 ^(b)
Barclays PLC, Junior Subordinated Notes (8.250% to 12/15/18 then USD 5 year Swap Rate + 6.705%)	8.250%	12/15/18	800,000	816,129 ^{(b)(j)(k)}
BNP Paribas SA, Junior Subordinated Notes (7.375% to 8/19/25 then USD 5 year Swap Rate + 5.150%)	7.375%	8/19/25	1,820,000	1,936,025 ^{(a)(b)(j)(k)}

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Banks - (continued)				
CIT Group Inc., Senior Notes	5.375%	5/15/20	340,000	\$ 351,050 ^(b)
CIT Group Inc., Senior Notes	5.000%	8/15/22	1,060,000	1,082,525 ^(b)
CIT Group Inc., Senior Notes	5.000%	8/1/23	3,901,000	3,974,144 ^(b)
Citigroup Inc., Junior Subordinated Notes (6.300% to 5/15/24 then 3 mo. USD LIBOR + 3.423%)	6.300%	5/15/24	2,530,000	2,574,275 ^{(b)(j)(k)}
Credit Agricole SA, Junior Subordinated Notes (8.375% to 10/13/19 then 3 mo. USD LIBOR + 6.982%)	8.375%	10/13/19	3,180,000	3,354,900 ^{(a)(b)(j)(k)}
Credit Agricole SA, Junior Subordinated Notes (8.125% to 12/23/25 then USD 5 year Swap Rate + 6.185%)	8.125%	12/23/25	2,510,000	2,762,062 ^{(a)(b)(j)(k)}
Intesa Sanpaolo SpA, Junior Subordinated Notes (7.000% to 1/19/21 then EUR 5 year Swap Rate + 6.884%)	7.000%	1/19/21	1,000,000 ^{EUR}	1,225,656 ^{(i)(j)(k)}
Intesa Sanpaolo SpA, Subordinated Notes	5.017%	6/26/24	6,440,000	5,952,314 ^{(a)(b)}
Intesa Sanpaolo SpA, Subordinated Notes	5.710%	1/15/26	880,000	818,307 ^{(a)(b)}
JPMorgan Chase & Co., Junior Subordinated Notes (6.000% to 8/1/23 then 3 mo. USD LIBOR + 3.300%)	6.000%	8/1/23	2,390,000	2,475,634 ^{(b)(j)(k)}
JPMorgan Chase & Co., Junior Subordinated Notes (6.100% to 10/1/24 then 3 mo. USD LIBOR + 3.330%)	6.100%	10/1/24	2,410,000	2,484,903 ^{(b)(j)(k)}
Lloyds Banking Group PLC, Subordinated Notes	4.650%	3/24/26	1,560,000	1,548,985 ^(b)
NatWest Markets NV, Subordinated Notes	7.750%	5/15/23	650,000	715,919 ^(b)
Royal Bank of Scotland Group PLC, Junior Subordinated Notes (8.625% to 8/15/21 then USD 5 year Swap Rate + 7.598%)	8.625%	8/15/21	1,370,000	1,481,792 ^{(b)(j)(k)}
Royal Bank of Scotland Group PLC, Junior Subordinated Notes (7.648% to 9/30/31 then 3 mo. USD LIBOR + 2.500%)	7.648%	9/30/31	3,530,000	4,412,500 ^{(b)(j)(k)}

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Banks - (continued)				
Royal Bank of Scotland Group PLC, Subordinated Notes	5.125%	5/28/24	2,830,000	\$ 2,884,420 ^(b)
Santander UK Group Holdings PLC, Junior Subordinated Bonds (7.375% to 6/24/22 then GBP 5 year Swap Rate + 5.543%)	7.375%	6/24/22	1,640,000 ^{GBP}	2,263,978 ^{(b)(i)(j)(k)}
Sberbank of Russia Via SB Capital SA, Subordinated Notes (5.500% to 2/26/19 then 5 year Treasury Constant Maturity Rate + 4.023%)	5.500%	2/26/24	3,820,000	3,839,100 ^{(i)(k)}
<i>Total Banks</i>				<i>57,165,091</i>
Capital Markets - 0.8%				
Donnelley Financial Solutions Inc., Senior Notes	8.250%	10/15/24	2,080,000	2,173,600 ^(b)
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	2,320,000	2,841,872 ^(b)
<i>Total Capital Markets</i>				<i>5,015,472</i>
Consumer Finance - 0.6%				
FirstCash Inc., Senior Notes	5.375%	6/1/24	1,490,000	1,490,000 ^{(a)(b)}
Navient Corp., Senior Notes	6.750%	6/15/26	2,160,000	2,133,000
<i>Total Consumer Finance</i>				<i>3,623,000</i>
Diversified Financial Services - 3.6%				
AerCap Ireland Capital DAC / AerCap Global Aviation Trust, Senior Notes	4.625%	10/30/20	890,000	907,233
AerCap Ireland Capital DAC/AerCap Global Aviation Trust, Senior Notes	4.625%	7/1/22	1,390,000	1,414,950
ASP AMC Merger Sub Inc., Senior Notes	8.000%	5/15/25	3,910,000	3,225,750 ^{(a)(b)}
DAE Funding LLC, Senior Notes	5.000%	8/1/24	9,663,000	9,518,055 ^{(a)(b)}
Garfunkelux Holdco 3 SA, Senior Secured Notes	7.500%	8/1/22	1,000,000 ^{EUR}	1,155,172 ⁽ⁱ⁾
International Lease Finance Corp., Senior Notes	6.250%	5/15/19	310,000	317,900 ^(b)
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	2,160,000	2,379,083 ^(b)
International Lease Finance Corp., Senior Notes	5.875%	8/15/22	760,000	810,577 ^(b)

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WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Diversified Financial Services - (continued)				
Nationwide Building Society, Junior Subordinated Notes (6.875% to 6/20/19 then GBP 5 year Swap Rate + 4.880%)	6.875%	6/20/19	1,140,000 ^{GBP}	\$ 1,544,733 ^{(b)(i)(j)(k)}
Travelpoort Corporate Finance PLC, Senior Secured Notes	6.000%	3/15/26	1,700,000	1,734,000 ^{(a)(b)}
<i>Total Diversified Financial Services</i>				23,007,453
Insurance - 0.2%				
MetLife Capital Trust IV, Junior Subordinated Notes	7.875%	12/15/37	1,100,000	1,370,963 ^{(a)(b)}
TOTAL FINANCIALS				90,181,979
HEALTH CARE - 8.2%				
Health Care Providers & Services - 3.4%				
Air Medical Group Holdings Inc., Senior Notes	6.375%	5/15/23	1,460,000	1,342,666 ^{(a)(b)}
BioScrip Inc., First Lien Notes (1 mo. USD LIBOR + 7.000%)	8.224%	6/30/22	4,552,000	4,756,840 ^{(d)(k)(l)}
Centene Corp., Senior Notes	5.625%	2/15/21	1,020,000	1,044,863 ^(b)
Centene Corp., Senior Notes	4.750%	5/15/22	1,290,000	1,310,962 ^(b)
Centene Corp., Senior Notes	6.125%	2/15/24	810,000	854,550 ^(b)
Centene Corp., Senior Notes	4.750%	1/15/25	4,780,000	4,785,975 ^(b)
DaVita Inc., Senior Notes	5.750%	8/15/22	2,218,000	2,258,201 ^(b)
DaVita Inc., Senior Notes	5.000%	5/1/25	20,000	18,900 ^(b)
HCA Inc., Debentures	7.500%	11/15/95	2,205,000	2,177,437 ^(b)
HCA Inc., Senior Secured Notes	5.250%	6/15/26	1,090,000	1,109,075 ^(b)
RegionalCare Hospital Partners Holdings, Inc., Senior Secured Notes	8.250%	5/1/23	1,480,000	1,576,200 ^(a)
<i>Total Health Care Providers & Services</i>				21,235,669
Pharmaceuticals - 4.8%				
Bausch Health Cos. Inc., Senior Notes	7.500%	7/15/21	3,010,000	3,075,844 ^{(a)(b)}
Bausch Health Cos. Inc., Senior Notes	5.875%	5/15/23	840,000	809,970 ^{(a)(b)}
Bausch Health Cos. Inc., Senior Notes	6.125%	4/15/25	5,510,000	5,186,288 ^{(a)(b)}
Bausch Health Cos. Inc., Senior Notes	9.000%	12/15/25	500,000	531,475 ^{(a)(b)}
Bausch Health Cos. Inc., Senior Secured Notes	7.000%	3/15/24	740,000	787,360 ^{(a)(b)}
Endo Finance LLC/Endo Finco Inc., Senior Notes	7.250%	1/15/22	540,000	513,000 ^{(a)(b)}
Endo Finance LLC/Endo Finco Inc., Senior Notes	5.375%	1/15/23	1,280,000	1,086,400 ^{(a)(b)}

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WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Pharmaceuticals - (continued)				
Teva Pharmaceutical Finance Co. BV, Senior Notes	3.650%	11/10/21	350,000	\$ 336,278
Teva Pharmaceutical Finance Netherlands III BV, Senior Notes	1.700%	7/19/19	500,000	490,599
Teva Pharmaceutical Finance Netherlands III BV, Senior Notes	2.200%	7/21/21	18,429,000	17,195,822
<i>Total Pharmaceuticals</i>				30,013,036
TOTAL HEALTH CARE				51,248,705
INDUSTRIALS - 7.7%				
Aerospace & Defense - 0.6%				
BBA US Holdings Inc., Senior Notes	5.375%	5/1/26	2,380,000	2,403,776 ^{(a)(b)}
BWX Technologies Inc., Senior Notes	5.375%	7/15/26	1,590,000	1,617,825 ^{(a)(b)}
<i>Total Aerospace & Defense</i>				4,021,601
Air Freight & Logistics - 0.4%				
XPO Logistics Inc., Senior Notes	6.500%	6/15/22	1,030,000	1,062,188 ^{(a)(b)}
XPO Logistics Inc., Senior Notes	6.125%	9/1/23	1,290,000	1,330,312 ^{(a)(b)}
<i>Total Air Freight & Logistics</i>				2,392,500
Airlines - 0.7%				
Continental Airlines 2007-1 Class A Pass Through Trust	5.983%	4/19/22	3,506,774	3,701,399 ^{(b)(d)}
Delta Air Lines 2007-1 Class B Pass Through Trust	8.021%	8/10/22	764,266	841,717 ^(b)
<i>Total Airlines</i>				4,543,116
Building Products - 0.9%				
Standard Industries Inc., Senior Notes	5.000%	2/15/27	2,700,000	2,538,000 ^{(a)(b)}
Standard Industries Inc., Senior Notes	4.750%	1/15/28	3,310,000	3,045,200 ^{(a)(b)}
<i>Total Building Products</i>				5,583,200
Commercial Services & Supplies - 0.5%				
Brink's Co., Senior Notes	4.625%	10/15/27	840,000	795,900 ^{(a)(b)}
United Rentals North America Inc., Senior Notes	4.625%	10/15/25	1,000,000	967,500 ^(b)
United Rentals North America Inc., Senior Notes	4.875%	1/15/28	1,900,000	1,779,502 ^(b)
<i>Total Commercial Services & Supplies</i>				3,542,902
Construction & Engineering - 0.4%				
Brundage-Bone Concrete Pumping Inc., Senior Secured Notes	10.375%	9/1/23	2,380,000	2,540,650 ^{(a)(b)}

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Machinery - 2.3%				
Allison Transmission Inc., Senior Notes	4.750%	10/1/27	9,000,000	\$ 8,392,500 ^{(a)(b)}
BlueLine Rental Finance Corp./BlueLine Rental LLC, Senior Secured Notes	9.250%	3/15/24	2,930,000	3,102,138 ^{(a)(b)}
Cleaver-Brooks Inc., Senior Secured Notes	7.875%	3/1/23	1,760,000	1,823,800 ^{(a)(b)}
Park-Ohio Industries Inc., Senior Notes	6.625%	4/15/27	926,000	939,890 ^(b)
<i>Total Machinery</i>				<i>14,258,328</i>
Marine - 0.5%				
Navios Maritime Acquisition Corp./Navios Acquisition Finance US Inc., Senior Secured Notes	8.125%	11/15/21	3,610,000	2,978,250 ^{(a)(b)}
Trading Companies & Distributors - 1.2%				
Ashtead Capital Inc., Secured Notes	4.125%	8/15/25	6,545,000	6,258,656 ^{(a)(b)}
Ashtead Capital Inc., Secured Notes	4.375%	8/15/27	1,205,000	1,150,414 ^{(a)(b)}
<i>Total Trading Companies & Distributors</i>				<i>7,409,070</i>
Transportation Infrastructure - 0.2%				
Neovia Logistics Services LLC/Neovia Logistics Intermediate Finance Corp., Senior Notes (10.000% Cash or 10.750% PIK)	10.000%	4/1/20	689,885	410,482 ^{(a)(e)}
Neovia Logistics Services LLC/SPL Logistics Finance Corp., Senior Secured Notes	8.875%	8/1/20	1,005,000	886,912 ^{(a)(b)}
<i>Total Transportation Infrastructure</i>				<i>1,297,394</i>
TOTAL INDUSTRIALS				
				48,567,011
INFORMATION TECHNOLOGY - 2.7%				
Internet Software & Services - 1.1%				
Match Group Inc., Senior Notes	6.375%	6/1/24	1,170,000	1,241,663
Match Group Inc., Senior Notes	5.000%	12/15/27	6,060,000	5,715,337 ^{(a)(b)}
<i>Total Internet Software & Services</i>				<i>6,957,000</i>
Software - 0.7%				
CDK Global Inc., Senior Notes	5.875%	6/15/26	2,490,000	2,558,475
j2 Cloud Services LLC/j2 Global Co-Obligor Inc., Senior Notes	6.000%	7/15/25	2,020,000	2,055,350 ^{(a)(b)}
<i>Total Software</i>				<i>4,613,825</i>
Technology Hardware, Storage & Peripherals - 0.9%				
Dell International LLC/EMC Corp., Senior Notes	5.875%	6/15/21	1,790,000	1,837,502 ^{(a)(b)}
Dell International LLC/EMC Corp., Senior Notes	7.125%	6/15/24	740,000	795,667 ^{(a)(b)}

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Technology Hardware, Storage & Peripherals - (continued)				
Seagate HDD Cayman, Senior Notes	4.750%	6/1/23	1,700,000	\$ 1,704,203 ^(b)
Seagate HDD Cayman, Senior Notes	4.750%	1/1/25	850,000	825,707 ^(b)
Seagate HDD Cayman, Senior Notes	4.875%	6/1/27	495,000	466,318 ^(b)
<i>Total Technology Hardware, Storage & Peripherals</i>				5,629,397
TOTAL INFORMATION TECHNOLOGY				17,200,222
MATERIALS - 9.0%				
Chemicals - 0.7%				
Braskem America Finance Co., Senior Notes	7.125%	7/22/41	700,000	813,750 ^{(b)(i)}
Braskem Netherlands Finance BV, Senior Notes	3.500%	1/10/23	1,290,000	1,240,025 ⁽ⁱ⁾
Valvoline Inc., Senior Notes	5.500%	7/15/24	1,200,000	1,215,000 ^(b)
Valvoline Inc., Senior Notes	4.375%	8/15/25	1,160,000	1,094,750 ^(b)
<i>Total Chemicals</i>				4,363,525
Construction Materials - 0.2%				
Cemex SAB de CV, Senior Secured Notes	6.125%	5/5/25	1,530,000	1,585,845 ^{(a)(b)}
Containers & Packaging - 2.3%				
ARD Securities Finance SARL, Senior Secured Notes, (8.750% PIK)	8.750%	1/31/23	1,430,000	1,437,150 ^{(a)(e)}
Ardagh Packaging Finance PLC/Ardagh Holdings USA Inc., Senior Notes	7.250%	5/15/24	580,000	606,825 ^{(a)(b)}
Ardagh Packaging Finance PLC/Ardagh Holdings USA Inc., Senior Notes	6.000%	2/15/25	2,430,000	2,378,362 ^{(a)(b)}
Berry Global Inc.	4.500%	2/15/26	3,350,000	3,157,375 ^{(a)(b)}
Pactiv LLC, Senior Notes	7.950%	12/15/25	920,000	1,005,680 ^(b)
Pactiv LLC, Senior Notes	8.375%	4/15/27	5,220,000	5,768,100 ^(b)
<i>Total Containers & Packaging</i>				14,353,492
Metals & Mining - 5.4%				
Alcoa Nederland Holding BV, Senior Notes	6.750%	9/30/24	1,020,000	1,090,125 ^{(a)(b)}
Alcoa Nederland Holding BV, Senior Notes	7.000%	9/30/26	2,450,000	2,658,250 ^{(a)(b)}
Alcoa Nederland Holding BV, Senior Notes	6.125%	5/15/28	900,000	929,250 ^{(a)(b)}
Anglo American Capital PLC, Senior Notes	4.125%	4/15/21	590,000	593,679 ^{(a)(b)}

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Metals & Mining - (continued)				
Anglo American Capital PLC, Senior Notes	4.875%	5/14/25	2,040,000	\$ 2,052,406 ^{(a)(b)}
ArcelorMittal SA, Senior Notes	7.000%	10/15/39	3,200,000	3,624,000
Freeport-McMoRan Inc., Senior Notes	3.100%	3/15/20	30,000	29,737 ^(b)
Freeport-McMoRan Inc., Senior Notes	4.000%	11/14/21	1,060,000	1,056,025 ^(b)
Freeport-McMoRan Inc., Senior Notes	3.550%	3/1/22	760,000	738,150 ^(b)
Freeport-McMoRan Inc., Senior Notes	6.875%	2/15/23	1,870,000	2,010,250 ^(b)
Freeport-McMoRan Inc., Senior Notes	3.875%	3/15/23	910,000	878,150 ^(b)
Freeport-McMoRan Inc., Senior Notes	5.450%	3/15/43	5,100,000	4,554,300 ^(b)
Hudbay Minerals Inc., Senior Notes	7.250%	1/15/23	1,180,000	1,219,825 ^{(a)(b)}
Hudbay Minerals Inc., Senior Notes	7.625%	1/15/25	1,690,000	1,753,375 ^{(a)(b)}
Midwest Vanadium Pty Ltd., Senior Secured Notes	11.500%	2/15/18	2,862,131	32,199 ^{*(a)(m)}
Northwest Acquisitions ULC/Dominion Finco Inc.	7.125%	11/1/22	1,340,000	1,340,000 ^(a)
Teck Resources Ltd., Senior Notes	8.500%	6/1/24	2,780,000	3,068,425 ^{(a)(b)}
Vale Overseas Ltd., Senior Notes	4.375%	1/11/22	1,784,000	1,820,572
Vale Overseas Ltd., Senior Notes	6.875%	11/21/36	2,960,000	3,454,912 ^(b)
Vale SA	5.625%	9/11/42	830,000	856,975
<i>Total Metals & Mining</i>				33,760,605
Paper & Forest Products - 0.4%				
Mercer International Inc., Senior Notes	6.500%	2/1/24	2,540,000	2,603,500 ^(b)
TOTAL MATERIALS				56,666,967
REAL ESTATE - 1.7%				
Equity Real Estate Investment Trusts (REITs) - 1.3%				
CoreCivic Inc., Senior Notes	4.125%	4/1/20	290,000	292,900 ^(b)
CoreCivic Inc., Senior Notes	5.000%	10/15/22	1,440,000	1,443,600 ^(b)
CoreCivic Inc., Senior Notes	4.625%	5/1/23	470,000	458,250 ^(b)
MGM Growth Properties Operating Partnership LP/MGP Finance Co-Issuer Inc., Senior Notes	4.500%	1/15/28	3,230,000	2,963,525 ^(b)
MPT Operating Partnership LP/MPT Finance Corp., Senior Notes	6.375%	3/1/24	1,020,000	1,076,100 ^(b)
MPT Operating Partnership LP/MPT Finance Corp., Senior Notes	5.250%	8/1/26	1,940,000	1,925,450 ^(b)
<i>Total Equity Real Estate Investment Trusts (REITs)</i>				8,159,825
Real Estate Management & Development - 0.4%				
WeWork Cos. Inc., Senior Notes	7.875%	5/1/25	2,290,000	2,238,475 ^{(a)(b)}
TOTAL REAL ESTATE				10,398,300

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2018

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
TELECOMMUNICATION SERVICES - 10.4%				
Diversified Telecommunication Services - 3.3%				
Cogent Communications Group Inc., Senior Secured Notes	5.375%	3/1/22	2,250,000	\$ 2,300,625 ^{(a)(b)}
Intelsat Jackson Holdings SA, Senior Secured Notes	8.000%	2/15/24	2,660,000	2,812,950 ^{(a)(b)}
Telecom Italia SpA, Senior Notes	5.303%	5/30/24	2,660,000	2,676,625 ^(a)
UPCB Finance IV Ltd., Senior Secured Notes	5.375%	1/15/25	700,000	679,000 ^(a)
Windstream Services LLC/Windstream Finance Corp., Senior Notes	7.750%	10/15/20	13,439,000	12,162,295 ^(b)
<i>Total Diversified Telecommunication Services</i>				20,631,495
Wireless Telecommunication Services - 7.1%				
Altice France SA, Senior Secured Notes	6.000%	5/15/22	320,000	330,224 ^(a)
Altice France SA, Senior Secured Notes	8.125%	2/1/27	320,000	327,632 ^{(a)(b)}
CSC Holdings LLC, Senior Notes	10.125%	1/15/23	400,000	441,000 ^{(a)(b)}
CSC Holdings LLC, Senior Notes	6.625%	10/15/25	2,510,000	2,597,850 ^{(a)(b)}
CSC Holdings LLC, Senior Notes	10.875%	10/15/25	5,649,000	6,566,962 ^{(a)(b)}
Sprint Capital Corp., Senior Notes	6.875%	11/15/28	2,200,000	2,123,000 ^(b)
Sprint Capital Corp., Senior Notes	8.750%	3/15/32	5,170,000	5,577,138 ^(b)
Sprint Communications Inc., Senior Notes	9.000%	11/15/18	7,200,000	7,331,400 ^{(a)(b)}
Sprint Communications Inc., Senior Notes	7.000%	8/15/20	2,300,000	2,409,250 ^(b)
Sprint Communications Inc., Senior Notes	11.500%	11/15/21	4,285,000	5,034,875 ^(b)
Sprint Corp., Senior Notes	7.250%	9/15/21	4,400,000	4,636,500 ^(b)
Sprint Corp., Senior Notes	7.875%	9/15/23	110,000	117,700