

WESTERN ASSET HIGH INCOME FUND II INC.

Form N-Q

September 24, 2015

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, 2015**

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET HIGH INCOME FUND II INC.

FORM N-Q

JULY 31, 2015

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited)

July 31, 2015

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES - 118.8%				
CONSUMER DISCRETIONARY - 20.8%				
Auto Components - 0.1%				
Europcar Groupe SA, Secured Notes	5.750%	6/15/22	860,000 ^{EUR}	\$ 977,317 ^(a)
Automobiles - 0.4%				
Chrysler Group LLC/CG Co.-Issuer Inc., Secured Notes	8.250%	6/15/21	2,482,000	2,696,073 ^(b)
Diversified Consumer Services - 0.8%				
Co-operative Group Holdings 2011 Ltd., Senior Notes	6.875%	7/8/20	337,000 ^{GBP}	567,721 ^(c)
Co-operative Group Holdings 2011 Ltd., Senior Notes	7.500%	7/8/26	500,000 ^{GBP}	851,393
Service Corp. International, Senior Notes	7.500%	4/1/27	2,090,000	2,429,625 ^(b)
StoneMor Partners LP/Cornerstone Family Services of WV, Senior Bonds	7.875%	6/1/21	1,810,000	1,891,450 ^(b)
<i>Total Diversified Consumer Services</i>				5,740,189
Hotels, Restaurants & Leisure - 4.3%				
Bossier Casino Venture Holdco Inc., Senior Secured Bonds	14.000%	2/9/18	3,389,656	3,185,259 ^{(a)(d)(e)(f)}
Carrols Restaurant Group Inc., Secured Notes	8.000%	5/1/22	1,910,000	2,015,050 ^(a)
CCM Merger Inc., Senior Notes	9.125%	5/1/19	3,360,000	3,645,600 ^{(a)(b)}
CEC Entertainment Inc., Senior Notes	8.000%	2/15/22	3,970,000	4,039,475
Downstream Development Authority of the Quapaw Tribe of Oklahoma, Senior Secured Notes	10.500%	7/1/19	2,580,000	2,625,150 ^{(a)(b)}
Fontainebleau Las Vegas Holdings LLC, Senior Secured Notes	10.250%	6/15/15	975,000	4,924 ^{*(a)(h)}
Gala Electric Casinos Ltd., Secured Notes	11.500%	6/1/19	1,724,000 ^{GBP}	2,881,500 ^(c)
Greektown Holdings LLC/Greektown Mothership Corp., Senior Secured Notes	8.875%	3/15/19	2,270,000	2,417,550 ^{(a)(b)}
Landry's Holdings II Inc., Senior Notes	10.250%	1/1/18	1,530,000	1,598,085 ^{(a)(b)}
Landry's Inc., Senior Notes	9.375%	5/1/20	6,978,000	7,518,795 ^{(a)(b)}
<i>Total Hotels, Restaurants & Leisure</i>				29,931,388
Household Durables - 2.4%				
Century Intermediate Holding Co. 2, Senior Notes	9.750%	2/15/19	3,860,000	4,038,525 ^{(a)(b)(d)}
Shea Homes LP/Shea Homes Funding Corp., Senior Notes	6.125%	4/1/25	3,120,000	3,205,800 ^{(a)(b)}
William Lyon Homes Inc., Senior Notes	8.500%	11/15/20	2,980,000	3,225,850 ^(b)
William Lyon Homes Inc., Senior Notes	7.000%	8/15/22	2,320,000	2,430,200
Woodside Homes Co., LLC/Woodside Homes Finance Inc., Senior Notes	6.750%	12/15/21	3,940,000	3,743,000 ^{(a)(b)}
<i>Total Household Durables</i>				16,643,375
Media - 10.6%				
AMC Entertainment Inc., Senior Subordinated Notes	5.750%	6/15/25	1,930,000	1,930,000
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.875%	5/1/27	3,100,000	3,078,687 ^(a)
CCO Safari II LLC, Senior Secured Notes	4.908%	7/23/25	3,510,000	3,523,271 ^(a)

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CCO Safari II LLC, Senior Secured Notes	6.484%	10/23/45	1,480,000	1,535,843 ^(a)
Clear Channel Worldwide Holdings Inc., Senior Notes	6.500%	11/15/22	900,000	928,125 ^(b)
Clear Channel Worldwide Holdings Inc., Senior Subordinated Notes	7.625%	3/15/20	260,000	270,400 ^(b)
CSC Holdings LLC, Senior Bonds	5.250%	6/1/24	3,150,000	2,925,563
CSC Holdings LLC, Senior Debentures	7.875%	2/15/18	1,500,000	1,650,000 ^(b)
CSC Holdings LLC, Senior Notes	6.750%	11/15/21	230,000	239,200 ^(b)
DISH DBS Corp., Senior Notes	7.875%	9/1/19	1,815,000	2,035,069 ^(b)
DISH DBS Corp., Senior Notes	6.750%	6/1/21	2,270,000	2,406,200 ^(b)
DISH DBS Corp., Senior Notes	5.875%	11/15/24	6,090,000	5,922,525
Gibson Brands Inc., Senior Secured Notes	8.875%	8/1/18	2,710,000	2,676,125 ^{(a)(b)}

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2015

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Media - (continued)				
iHeartCommunications Inc., Senior Notes	10.000%	1/15/18	2,630,000	\$ 2,113,863 ^(b)
New Cotai LLC/New Cotai Capital Corp., Senior Secured Notes	10.625%	5/1/19	2,883,040	2,537,075 ^{(a)(b)(d)}
Numericable-SFR SAS, Senior Secured Bonds	6.000%	5/15/22	4,980,000	5,079,600 ^{(a)(b)}
Numericable-SFR SAS, Senior Secured Bonds	6.250%	5/15/24	6,090,000	6,208,450 ^(a)
Polish Television Holding BV, Senior Secured Bonds	11.000%	1/15/21	198,000 ^{EUR}	263,254 ^{(a)(d)}
Time Warner Cable Inc., Senior Notes	8.750%	2/14/19	2,500,000	2,967,748 ^(b)
Time Warner Cable Inc., Senior Notes	8.250%	4/1/19	1,336,000	1,572,381 ^(b)
Tribune Media Co., Senior Notes	5.875%	7/15/22	1,430,000	1,480,050 ^(a)
TVN Finance Corp. III AB, Senior Bonds	7.375%	12/15/20	1,258,000 ^{EUR}	1,518,032 ^(a)
Univision Communications Inc., Senior Notes	8.500%	5/15/21	4,450,000	4,708,634 ^{(a)(b)}
UPC Holding BV, Junior Secured Subordinated Notes	6.375%	9/15/22	5,060,000 ^{EUR}	6,042,443 ^(a)
Virgin Media Finance PLC, Senior Notes	6.375%	4/15/23	5,620,000	5,893,975 ^{(a)(b)}
Virgin Media Finance PLC, Senior Notes	6.000%	10/15/24	3,990,000	4,064,812 ^{(a)(b)}

Total Media

73,571,325

Multiline Retail - 0.6%