

WESTERN ASSET HIGH INCOME FUND II INC.
Form N-Q
March 27, 2013

**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
(Address of principal executive offices)

10018
(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 April 30
end:

Date of reporting period: January 31, 2013

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET HIGH INCOME FUND II INC.

FORM N-Q

JANUARY 31, 2013

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited)

January 31, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES 110.8%				
CONSUMER DISCRETIONARY 21.2%				
Auto Components 0.5%				
American Axle & Manufacturing Inc., Senior Notes	6.625%	10/15/22	700,000 \$	731,500
Europcar Groupe SA	11.500%	5/15/17	380,000EUR	559,924(a)
Europcar Groupe SA, Senior Notes	9.375%	4/15/18	2,010,000EUR	2,514,257(a)
<i>Total Auto Components</i>				3,805,681
Automobiles 0.5%				
Chrysler Group LLC/CG Co.-Issuer Inc., Secured Notes	8.250%	6/15/21	2,862,000	3,191,130(b)
Escrow GCB General Motors			6,185,000	0*(c)(d)(e)
Escrow GCB General Motors			7,855,000	0*(c)(d)(e)
Jaguar Holding Co. II/Jaguar Merger Sub Inc., Senior Notes	9.500%	12/1/19	1,020,000	1,162,800(a)(b)
<i>Total Automobiles</i>				4,353,930
Diversified Consumer Services 0.8%				
Laureate Education Inc., Senior Notes	9.250%	9/1/19	1,910,000	2,091,450(a)
Service Corp. International, Senior Notes	7.500%	4/1/27	2,090,000	2,314,675(b)
ServiceMaster Co., Senior Notes	8.000%	2/15/20	1,390,000	1,480,350(b)
ServiceMaster Co., Senior Notes	7.000%	8/15/20	460,000	469,200(a)
<i>Total Diversified Consumer Services</i>				6,355,675
Hotels, Restaurants & Leisure 7.5%				
Affinity Gaming LLC/Affinity Gaming Finance Corp., Senior Notes	9.000%	5/15/18	2,310,000	2,460,150(a)(b)
Bossier Casino Venture Holdco Inc., Senior Secured Bonds	14.000%	2/9/18	2,543,227	2,318,055(a)(c)(d)(f)
Boyd Gaming Corp., Senior Notes	9.125%	12/1/18	1,470,000	1,536,150(b)
Boyd Gaming Corp., Senior Notes	9.000%	7/1/20	2,370,000	2,417,400(a)(b)
Caesars Entertainment Operating Co. Inc., Senior Notes	10.750%	2/1/16	6,106,000	5,449,605(b)
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	10.000%	12/15/15	10,000	9,050(b)
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	11.250%	6/1/17	2,875,000	3,090,625(b)
Caesars Operating Escrow LLC/Caesars Escrow Corp., Senior Secured Notes	9.000%	2/15/20	200,000	204,500(a)
Carrols Restaurant Group Inc., Senior Secured Notes	11.250%	5/15/18	2,720,000	3,046,400
CCM Merger Inc., Senior Notes	9.125%	5/1/19	3,360,000	3,385,200(a)(b)
Downstream Development Quapaw, Senior Secured Notes	10.500%	7/1/19	2,580,000	2,870,250(a)(b)
El Pollo Loco Inc., Secured Notes	17.000%	1/1/18	1,071,657	1,146,673(a)(f)
Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp.	10.250%	6/15/15	975,000	1,828(a)(g)(h)
Hoa Restaurant Group LLC/Hoa Finance Corp., Senior Secured Notes	11.250%	4/1/17	3,140,000	2,751,425(a)(b)
Landry's Holdings II Inc., Senior Notes	10.250%	1/1/18	1,530,000	1,598,850(a)

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

Landry's Inc., Senior Notes	9.375%	5/1/20	2,540,000	2,755,900(a)(b)
Mastro's Restaurants LLC/RRG Finance Corp., Senior Secured Notes	12.000%	6/1/17	2,449,586	2,670,049(a)(b)
MGM Resorts International, Senior Notes	5.875%	2/27/14	1,610,000	1,670,375(b)
Mohegan Tribal Gaming Authority, Secured Notes	11.500%	11/1/17	1,445,000	1,589,500(a)(b)
Mohegan Tribal Gaming Authority, Senior Secured Notes	10.500%	12/15/16	4,820,000	4,856,150(a)(b)
NCL Corp. Ltd., Senior Notes	9.500%	11/15/18	3,276,000	3,619,980(b)
NCL Corp. Ltd., Senior Secured Notes	11.750%	11/15/16	3,990,000	4,528,650(b)
Pinnacle Entertainment Inc., Senior Notes	8.625%	8/1/17	1,665,000	1,789,875(b)
Rivers Pittsburgh Borrower LP/Rivers Pittsburgh Finance Corp., Senior Secured Notes	9.500%	6/15/19	710,000	770,350(a)(b)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Hotels, Restaurants & Leisure continued				
Seven Seas Cruises S de RL LLC, Senior Secured Notes	9.125%	5/15/19	3,770,000	\$ 4,015,050(b)
<i>Total Hotels, Restaurants & Leisure</i>				<i>60,552,040</i>
Household Durables 0.4%				
William Lyon Homes Inc., Senior Notes	8.500%	11/15/20	2,980,000	3,203,500(a)
Internet & Catalog Retail 0.1%				
Netflix Inc., Senior Notes	8.500%	11/15/17	920,000	1,017,759(b)
Media 8.0%				
Carmike Cinemas Inc., Secured Notes	7.375%	5/15/19	1,040,000	1,141,400(b)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	7.875%	4/30/18	840,000	901,950(b)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	8.125%	4/30/20	5,050,000	5,693,875(b)
Cengage Learning Acquisitions Inc., Senior Secured Notes	11.500%	4/15/20	4,000,000	3,200,000(a)(b)
Cerved Technologies SpA, Senior Secured Notes	6.375%	1/15/20	200,000EUR	264,262(a)
Cerved Technologies SpA, Senior Subordinated Notes	8.000%	1/15/21	300,000EUR	405,813(a)(c)
Clear Channel Worldwide Holdings Inc., Senior Notes	6.500%	11/15/22	1,960,000	2,097,200(a)
Clear Channel Worldwide Holdings Inc., Senior Notes	6.500%	11/15/22	900,000	954,000(a)
Clear Channel Worldwide Holdings Inc., Senior Subordinated Notes	7.625%	3/15/20	1,850,000	1,942,500
Clear Channel Worldwide Holdings Inc., Senior Subordinated Notes	7.625%	3/15/20	260,000	270,400
CSC Holdings Inc., Senior Debentures	7.875%	2/15/18	1,500,000	1,755,000(b)
DISH DBS Corp., Senior Notes	7.875%	9/1/19	1,815,000	2,155,312(b)
DISH DBS Corp., Senior Notes	6.750%	6/1/21	1,050,000	1,181,250(b)
Global Generations Merger Subsidiary Inc., Senior Notes	11.000%	12/15/20	2,100,000	2,220,750(a)
Good Sam Enterprises LLC, Secured Notes	11.500%	12/1/16	3,220,000	3,437,350
LBI Media Inc., Senior Secured Notes	10.000%	4/15/19	2,610,000	2,453,400(a)(b)
Nara Cable Funding Ltd., Senior Secured Notes	8.875%	12/1/18	5,000,000EUR	6,996,069(a)
Ono Finance II PLC, Senior Bonds	10.875%	7/15/19	4,061,000	4,121,915(a)
Univision Communications Inc., Senior Notes	8.500%	5/15/21	1,060,000	1,134,200(a)(b)
Univision Communications Inc., Senior Secured Notes	6.875%	5/15/19	1,780,000	1,877,900(a)(b)
Univision Communications Inc., Senior Secured Notes	7.875%	11/1/20	2,020,000	2,196,750(a)(b)
Univision Communications Inc., Senior Secured Notes	6.750%	9/15/22	3,300,000	3,465,000(a)
UPC Holding BV, Junior Secured Subordinated Notes	6.375%	9/15/22	5,060,000EUR	6,978,683(a)
UPC Holding BV, Senior Notes	9.875%	4/15/18	1,265,000	1,435,775(a)(b)
UPCB Finance II Ltd., Senior Notes	6.375%	7/1/20	4,500,000EUR	6,461,435(a)
<i>Total Media</i>				<i>64,742,189</i>
Multiline Retail 0.6%				
Bon-Ton Department Stores Inc., Senior Notes	10.250%	3/15/14	460,000	462,300
Bon-Ton Department Stores Inc., Senior Secured Notes	10.625%	7/15/17	1,900,000	1,900,000(a)(b)
Neiman Marcus Group Inc., Senior Secured Notes	7.125%	6/1/28	2,620,000	2,652,750(b)
<i>Total Multiline Retail</i>				<i>5,015,050</i>

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

Specialty Retail 2.1%

American Greetings Corp., Senior Notes	7.375%	12/1/21	2,480,000	2,538,900(b)
Edcon Proprietary Ltd., Senior Secured Notes	9.500%	3/1/18	3,550,000EUR	4,856,345(a)
Edcon Proprietary Ltd., Senior Secured Notes	9.500%	3/1/18	760,000	763,800(a)
Gymboree Corp., Senior Notes	9.125%	12/1/18	4,540,000	4,290,300(b)
Michaels Stores Inc., Senior Subordinated Bonds	11.375%	11/1/16	1,303,000	1,363,277(b)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Specialty Retail continued				
New Academy Finance Co. LLC/New Academy Finance Corp., Senior Notes	8.000%	6/15/18	530,000 \$	549,212(a)(f)
Spencer Spirit Holdings Inc./Spencer Gifts LLC/Spirit Halloween Superstores, Senior Notes	11.000%	5/1/17	2,260,000	2,452,100(a)(b)
<i>Total Specialty Retail</i>				16,813,934
Textiles, Apparel & Luxury Goods 0.7%				
Boardriders SA, Senior Notes	8.875%	12/15/17	2,900,000EUR	4,223,100(a)
Empire Today LLC/Empire Today Finance Corp., Senior Secured Notes	11.375%	2/1/17	1,300,000	1,400,750(a)(b)
<i>Total Textiles, Apparel & Luxury Goods</i>				5,623,850
TOTAL CONSUMER DISCRETIONARY				171,483,608
CONSUMER STAPLES 2.3%				
Food Products 1.3%				
Chiquita Brands International Inc./Chiquita Brands LLC, Senior Secured Notes	7.875%	2/1/21	1,980,000	2,002,275(a)
Harmony Foods Corp., Senior Secured Notes	10.000%	5/1/16	1,250,000	1,348,438(a)(b)
Post Holdings Inc., Senior Notes	7.375%	2/15/22	3,140,000	3,501,100
Simmons Foods Inc., Senior Secured Notes	10.500%	11/1/17	2,800,000	2,716,000(a)(b)
Wells Enterprises Inc., Senior Secured Notes	6.750%	2/1/20	1,280,000	1,331,200(a)
<i>Total Food Products</i>				10,899,013
Household Products 0.2%				
Harbinger Group Inc., Senior Secured Notes	7.875%	7/15/19	1,710,000	1,765,575(a)
Personal Products 0.2%				
Hypermecas SA, Notes	6.500%	4/20/21	1,230,000	1,334,550(a)
Tobacco 0.6%				
Alliance One International Inc., Senior Notes	10.000%	7/15/16	4,650,000	4,963,875(b)
TOTAL CONSUMER STAPLES				18,963,013
ENERGY 16.9%				
Energy Equipment & Services 2.6%				
Atwood Oceanics Inc., Senior Notes	6.500%	2/1/20	1,470,000	1,605,975(b)
GulfMark Offshore Inc., Senior Notes	6.375%	3/15/22	2,420,000	2,510,750(a)
Hercules Offshore Inc., Senior Notes	10.250%	4/1/19	1,760,000	1,958,000(a)(b)
Hercules Offshore Inc., Senior Secured Notes	10.500%	10/15/17	4,905,000	5,346,450(a)(b)
Parker Drilling Co., Senior Notes	9.125%	4/1/18	3,240,000	3,515,400(b)
Petroleum Geo-Services ASA, Senior Notes	7.375%	12/15/18	1,720,000	1,883,400(a)(b)
SESI LLC, Senior Notes	7.125%	12/15/21	2,780,000	3,106,650
Vantage Drilling Co., Senior Secured Notes	11.500%	8/1/15	1,023,000	1,112,513
<i>Total Energy Equipment & Services</i>				21,039,138
Oil, Gas & Consumable Fuels 14.3%				
Arch Coal Inc., Senior Notes	8.750%	8/1/16	3,710,000	3,830,575(b)
Arch Coal Inc., Senior Notes	9.875%	6/15/19	1,360,000	1,417,800(a)
	6.625%	10/1/20	1,010,000	1,065,550(a)

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

Atlas Pipeline Partners LP/Atlas Pipeline Finance Corp., Senior Notes				
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.375%	5/1/19	2,140,000	2,362,025(b)
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.375%	5/1/19	690,000	761,588(b)
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.625%	8/1/20	1,570,000	1,762,325(a)(b)
Carrizo Oil & Gas Inc., Senior Notes	7.500%	9/15/20	1,140,000	1,191,300
Chesapeake Energy Corp., Senior Notes	6.775%	3/15/19	410,000	414,613(b)
Chesapeake Energy Corp., Senior Notes	6.625%	8/15/20	2,100,000	2,315,250
Chesapeake Energy Corp., Senior Notes	6.125%	2/15/21	2,700,000	2,902,500
Compagnie Generale de Geophysique-Veritas, Senior Notes	9.500%	5/15/16	1,545,000	1,649,287(b)
Compagnie Generale de Geophysique-Veritas, Senior Notes	7.750%	5/15/17	1,120,000	1,170,400(b)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT		VALUE
Oil, Gas & Consumable Fuels continued					
Comstock Resources Inc., Senior Notes	9.500%	6/15/20	2,130,000	\$	2,311,050(b)
CONSOL Energy Inc., Senior Notes	8.250%	4/1/20	2,870,000		3,121,125(b)
Corral Petroleum Holdings AB, Senior Notes	15.000%	12/31/17	4,451,416		3,650,161(a)(c)(f)
Crosstex Energy LP/Crosstex Energy Finance Corp., Senior Notes	8.875%	2/15/18	1,600,000		1,726,000(b)
Crosstex Energy LP/Crosstex Energy Finance Corp., Senior Notes	7.125%	6/1/22	2,720,000		2,862,800(a)(b)
Denbury Resources Inc., Senior Subordinated Notes	8.250%	2/15/20	1,875,000		2,100,000(b)
Energy Transfer Equity LP, Senior Notes	7.500%	10/15/20	1,135,000		1,313,762
Enterprise Products Operating LLC, Junior Subordinated Notes	8.375%	8/1/66	285,000		325,862(b)(h)
EP Energy AS, Senior Secured Notes	5.875%	11/1/19	1,270,000	EUR	1,836,494(a)
EP Energy LLC/EP Energy Finance Inc., Senior Notes	9.375%	5/1/20	910,000		1,023,750
EPE Holdings LLC/EP Energy Bond Co. Inc., Senior Notes	8.125%	12/15/17	2,230,000		2,257,875(a)(f)
EXCO Resources Inc., Senior Notes	7.500%	9/15/18	1,610,000		1,533,525(b)
Halcon Resources Corp., Senior Notes	9.750%	7/15/20	3,090,000		3,399,000(a)(b)
Halcon Resources Corp., Senior Notes	8.875%	5/15/21	2,310,000		2,477,475(a)
Hiland Partners LP/Hiland Partners Finance Corp., Senior Notes	7.250%	10/1/20	1,080,000		1,174,500(a)
Kodiak Oil & Gas Corp., Senior Notes	8.125%	12/1/19	2,720,000		3,046,400
LUKOIL International Finance BV, Bonds	6.356%	6/7/17	1,720,000		1,965,788(a)
Magnum Hunter Resources Corp., Senior Notes	9.750%	5/15/20	2,200,000		2,310,000(a)
Magnum Hunter Resources Corp., Senior Notes	9.750%	5/15/20	1,700,000		1,785,000(a)(b)
Milagro Oil & Gas Inc., Secured Notes	10.500%	5/15/16	3,290,000		2,467,500(b)
Novatek Finance Ltd., Notes	6.604%	2/3/21	2,300,000		2,688,240(a)(i)
Overseas Shipholding Group Inc., Senior Notes	8.750%	12/1/13	760,000		298,300(g)
Overseas Shipholding Group Inc., Senior Notes	8.125%	3/30/18	4,830,000		1,871,625(g)
Pacific Drilling V Ltd., Senior Secured Notes	7.250%	12/1/17	2,310,000		2,413,950(a)
Peabody Energy Corp., Senior Notes	7.875%	11/1/26	1,220,000		1,320,650(b)
Pemex Project Funding Master Trust, Senior Bonds	6.625%	6/15/35	6,067,000		7,356,237
Petrobras International Finance Co., Senior Notes	6.875%	1/20/40	1,145,000		1,364,750(i)
Petrobras International Finance Co., Senior Notes	6.750%	1/27/41	360,000		422,574(b)
Plains Exploration & Production Co., Senior Notes	8.625%	10/15/19	2,260,000		2,587,700(b)
PT Adaro Indonesia, Senior Notes	7.625%	10/22/19	770,000		854,700(a)(b)
Quicksilver Resources Inc., Senior Notes	11.750%	1/1/16	7,094,000		7,271,350(b)
Range Resources Corp., Senior Subordinated Notes	8.000%	5/15/19	530,000		590,950(b)
Samson Investment Co., Senior Notes	9.750%	2/15/20	6,550,000		7,000,312(a)(b)
SandRidge Energy Inc., Senior Notes	7.500%	3/15/21	990,000		1,054,350(b)
SandRidge Energy Inc., Senior Notes	7.500%	2/15/23	1,930,000		2,060,275
Shelf Drilling Holdings Ltd., Senior Secured Notes	8.625%	11/1/18	1,810,000		1,918,600(a)
Sidewinder Drilling Inc., Senior Notes	9.750%	11/15/19	1,100,000		1,108,250(a)
Teekay Corp., Senior Notes	8.500%	1/15/20	3,830,000		4,155,550(b)
TNK-BP Finance SA	6.625%	3/20/17	230,000		262,200(a)

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

TNK-BP Finance SA, Senior Notes	7.500%	7/18/16	270,000	310,163(a)
TNK-BP Finance SA, Senior Notes	7.875%	3/13/18	1,390,000	1,685,375(a)
TNK-BP Finance SA, Senior Notes	7.875%	3/13/18	200,000	242,500(a)
Xinergy Ltd., Senior Secured Notes	9.250%	5/15/19	4,740,000	2,915,100(a)(b)
<i>Total Oil, Gas & Consumable Fuels</i>				<i>115,284,981</i>
TOTAL ENERGY				136,324,119
FINANCIALS 9.6%				
Capital Markets 0.7%				
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	2,320,000	2,627,177(b)
Onex USI Acquisition Corp., Senior Notes	7.750%	1/15/21	2,580,000	2,541,300(a)
<i>Total Capital Markets</i>				<i>5,168,477</i>
Commercial Banks 3.0%				
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	3,710,000	5,045,210(a)
BBVA US Senior SAU, Senior Notes	4.664%	10/9/15	1,380,000	1,425,121

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Commercial Banks continued				
Credit Agricole SA, Subordinated Notes	8.375%	10/13/19	1,710,000	\$ 1,874,588(a)(b)(h)(j)
Intesa Sanpaolo SpA, Senior Notes	3.625%	8/12/15	3,920,000	3,976,083(a)
M&T Bank Corp., Junior Subordinated Notes	6.875%	6/15/16	4,400,000	4,626,596(a)(j)
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	3,530,000	3,759,450(b)(h)(j)
Royal Bank of Scotland Group PLC, Subordinated Notes	5.000%	10/1/14	1,660,000	1,714,119
Santander Issuances SAU, Notes	5.911%	6/20/16	2,090,000	2,159,010(a)
<i>Total Commercial Banks</i>				<i>24,580,177</i>
Consumer Finance 0.8%				
Ally Financial Inc., Senior Notes	6.750%	12/1/14	6,140,000	6,661,900(b)
Diversified Financial Services 3.7%				
Bank of America Corp., Senior Notes	6.500%	8/1/16	420,000	486,014
Bankrate Inc., Senior Secured Notes	11.750%	7/15/15	5,248,000	5,759,680(b)
International Lease Finance Corp., Medium-Term Notes	6.375%	3/25/13	2,402,000	2,421,216(b)
International Lease Finance Corp., Senior Notes	5.750%	5/15/16	800,000	864,648
International Lease Finance Corp., Senior Notes	8.750%	3/15/17	3,385,000	4,002,763(b)
International Lease Finance Corp., Senior Notes	8.875%	9/1/17	5,180,000	6,261,325(b)
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	2,160,000	2,651,400(b)
Nationstar Mortgage LLC/Nationstar Capital Corp., Senior Notes	7.875%	10/1/20	2,720,000	2,978,400(a)
TransUnion Holding Co. Inc., Senior Notes	8.125%	6/15/18	980,000	1,031,450(a)(f)
TransUnion Holding Co. Inc., Senior Notes	9.625%	6/15/18	2,630,000	2,820,675
ZFS Finance USA Trust II, Bonds	6.450%	12/15/65	500,000	537,500(a)(h)
<i>Total Diversified Financial Services</i>				<i>29,815,071</i>
Insurance 1.2%				
A-S Co-Issuer Subsidiary Inc./A-S Merger Subsidiary LLC, Senior Notes	7.875%	12/15/20	1,270,000	1,273,175(a)
American International Group Inc., Senior Notes	8.250%	8/15/18	3,180,000	4,137,253(b)
ING Capital Funding Trust III, Junior Subordinated Bonds	3.911%	3/31/13	890,000	849,950(b)(h)(j)
Liberty Mutual Group Inc., Junior Subordinated Bonds	7.800%	3/15/37	1,750,000	1,995,000(a)
MetLife Capital Trust IV, Junior Subordinated Notes	7.875%	12/15/37	1,100,000	1,375,000(a)(b)
<i>Total Insurance</i>				<i>9,630,378</i>
Real Estate Management & Development 0.2%				
Realogy Corp., Senior Secured Notes	7.625%	1/15/20	1,320,000	1,504,800(a)(b)
TOTAL FINANCIALS				77,360,803
HEALTH CARE 5.7%				
Health Care Equipment & Supplies 0.2%				
Hologic Inc., Senior Notes	6.250%	8/1/20	1,330,000	1,436,400(a)
Lantheus Medical Imaging Inc., Senior Notes	9.750%	5/15/17	210,000	196,875
<i>Total Health Care Equipment & Supplies</i>				<i>1,633,275</i>
Health Care Providers & Services 4.6%				

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

Acadia Healthcare Co. Inc., Senior Notes	12.875%	11/1/18	1,920,000	2,409,600(b)
American Renal Holdings, Senior Secured Notes	8.375%	5/15/18	2,390,000	2,539,375(b)
CHS/Community Health Systems Inc., Senior Notes	8.000%	11/15/19	4,590,000	5,060,475(b)
CRC Health Corp., Senior Subordinated Notes	10.750%	2/1/16	8,945,000	8,967,362(b)
DJO Finance LLC/DJO Finance Corp., Senior Notes	9.875%	4/15/18	1,570,000	1,683,825(a)
ExamWorks Group Inc., Senior Notes	9.000%	7/15/19	1,840,000	1,984,900(b)
Fresenius Medical Care U.S. Finance Inc., Senior Notes	6.875%	7/15/17	1,610,000	1,851,500(b)
Fresenius Medical Care U.S. Finance Inc., Senior Notes	6.500%	9/15/18	460,000	519,800(a)(b)
Fresenius U.S. Finance II Inc., Senior Notes	9.000%	7/15/15	1,020,000	1,167,900(a)(b)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Health Care Providers & Services continued				
HCA Inc., Debentures	7.500%	11/15/95	1,325,000	\$ 1,189,188(b)
HCA Inc., Senior Secured Notes	8.500%	4/15/19	3,520,000	3,924,800(b)
HCA Inc., Senior Secured Notes	6.500%	2/15/20	960,000	1,070,400(b)
INC Research LLC, Senior Notes	11.500%	7/15/19	1,000,000	1,060,000(a)(b)
Physiotherapy Associates Holdings Inc., Senior Notes	11.875%	5/1/19	760,000	731,500(a)(b)
Tenet Healthcare Corp., Senior Secured Notes	8.875%	7/1/19	1,120,000	1,268,400(b)
US Oncology Inc. Escrow			1,760,000	44,000*
Vanguard Health Holdings Co., II LLC, Senior Notes	8.000%	2/1/18	1,285,000	1,368,525(b)
<i>Total Health Care Providers & Services</i>				<i>36,841,550</i>
Pharmaceuticals 0.9%				
ConvaTec Healthcare E SA, Senior Notes	10.875%	12/15/18	2,500,000EUR	3,869,732(a)
Rottapharm Ltd., Senior Notes	6.125%	11/15/19	500,000EUR	707,024(a)
Valeant Pharmaceuticals International, Senior Notes	6.375%	10/15/20	1,930,000	1,997,550(a)
VPI Escrow Corp., Senior Notes	6.375%	10/15/20	1,060,000	1,105,050(a)
<i>Total Pharmaceuticals</i>				<i>7,679,356</i>
TOTAL HEALTH CARE				46,154,181
INDUSTRIALS 19.9%				
Aerospace & Defense 1.9%				
Ducommun Inc., Senior Notes	9.750%	7/15/18	1,960,000	2,160,900(b)
GenCorp Inc., Secured Notes	7.125%	3/15/21	1,490,000	1,549,600(a)
Kratos Defense & Security Solutions Inc., Senior Secured Notes	10.000%	6/1/17	4,570,000	5,038,425(b)
Triumph Group Inc., Senior Notes	8.625%	7/15/18	1,660,000	1,842,600(b)
Wyle Services Corp., Senior Subordinated Notes	10.500%	4/1/18	4,360,000	4,730,600(a)(b)
<i>Total Aerospace & Defense</i>				<i>15,322,125</i>
Airlines 2.8%				
American Airlines, Pass-Through Trust, Secured Notes	7.000%	1/31/18	1,309,629	1,371,836(a)
Continental Airlines Inc., Pass-Through Certificates	5.983%	4/19/22	4,472,959	5,032,079(b)
Continental Airlines Inc., Pass-Through Certificates, Senior Secured Notes	6.125%	4/29/18	1,430,000	1,422,850
DAE Aviation Holdings Inc., Senior Notes	11.250%	8/1/15	7,745,000	7,996,712(a)(b)
Delta Air Lines Inc., Pass-Through Certificates	8.954%	8/10/14	6,159	6,406
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	1,501,652	1,644,309(b)
Delta Air Lines Inc., Pass-Through Certificates, Subordinated Secured Notes	9.750%	12/17/16	590,900	661,808(b)
Heathrow Finance PLC, Senior Secured Notes	7.125%	3/1/17	2,450,000GBP	4,227,393
United Air Lines Inc., Senior Secured Notes	9.875%	8/1/13	277,000	277,000(a)(b)
<i>Total Airlines</i>				<i>22,640,393</i>
Building Products 1.3%				
Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Subordinated Notes	11.000%	6/30/15	2,467,400	2,763,488(a)(d)
	7.000%	2/1/21	690,000	708,975(a)

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

BC Mountain LLC/BC Mountain Finance Inc., Senior Notes

GTL Trade Finance Inc., Senior Notes	7.250%	10/20/17	2,260,000	2,655,500(a)
GTL Trade Finance Inc., Senior Notes	7.250%	10/20/17	1,424,000	1,673,200(a)(i)
Rearden G Holdings EINS GmbH, Senior Notes	7.875%	3/30/20	800,000	888,000(a)
Spie BondCo 3 SCA, Secured Notes	11.000%	8/15/19	1,139,000EUR	1,716,654(a)

Total Building Products

10,405,817

Commercial Services & Supplies 3.7%

Altegrity Inc., Senior Subordinated Notes	10.500%	11/1/15	800,000	712,000(a)(b)
Altegrity Inc., Senior Subordinated Notes	11.750%	5/1/16	5,495,000	4,258,625(a)(b)
ARC Document Solutions Inc., Senior Notes	10.500%	12/15/16	4,150,000	4,129,250(b)
JM Huber Corp., Senior Notes	9.875%	11/1/19	1,490,000	1,676,250(a)(b)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT		VALUE
Commercial Services & Supplies continued					
Monitronics International Inc., Senior Notes	9.125%	4/1/20	5,100,000	\$	5,367,750
RSC Equipment Rental Inc./RSC Holdings III LLC, Senior Notes	8.250%	2/1/21	1,600,000		1,828,000(b)
Taylor Morrison Communities Inc./Monarch Communities Inc., Senior Notes	7.750%	4/15/20	4,670,000		5,043,600(a)(b)
Taylor Morrison Communities Inc./Monarch Communities Inc., Senior Notes	7.750%	4/15/20	1,650,000		1,782,000(a)
United Rentals North America Inc., Senior Notes	7.625%	4/15/22	3,018,000		3,380,160
United Rentals North America Inc., Senior Subordinated Notes	8.375%	9/15/20	1,310,000		1,450,825
<i>Total Commercial Services & Supplies</i>					<i>29,628,460</i>
Construction & Engineering 1.2%					
Abengoa Finance SAU, Senior Notes	8.875%	11/1/17	2,710,000		2,682,900(a)(b)
Odebrecht Finance Ltd., Senior Notes	6.000%	4/5/23	4,730,000		5,439,500(a)
PH Holding LLC, Secured Notes	9.750%	12/31/17	1,950,000		1,959,786(c)(d)
<i>Total Construction & Engineering</i>					<i>10,082,186</i>
Electrical Equipment 1.1%					
313 Group Inc., Senior Secured Notes	6.375%	12/1/19	2,490,000		2,452,650(a)
International Wire Group Holdings Inc., Senior Secured Notes	8.500%	10/15/17	1,970,000		2,029,100(a)
NES Rentals Holdings Inc., Senior Secured Notes	12.250%	4/15/15	4,510,000		4,758,050(a)(b)
<i>Total Electrical Equipment</i>					