

WESTERN ASSET HIGH INCOME FUND II INC.

Form N-Q

March 28, 2019

**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, 49<sup>th</sup> 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: **January 31, 2019**

**ITEM 1. SCHEDULE OF INVESTMENTS.**

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

FORM N-Q

JANUARY 31, 2019

**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>CORPORATE BONDS &amp; NOTES - 106.5%</b>				
<b>COMMUNICATION SERVICES - 23.0%</b>				
<b>Diversified Telecommunication Services - 3.1%</b>				
Cogent Communications Group Inc., Senior Secured Notes				
	5.375%	3/1/22	1,120,000	\$ 1,143,520 <sup>(a)(b)</sup>
Intelsat Jackson Holdings SA, Senior Notes	5.500%	8/1/23	1,000,000	915,000
Intelsat Jackson Holdings SA, Senior Secured Notes	8.000%	2/15/24	2,660,000	2,776,375 <sup>(a)(b)</sup>
Telecom Italia Capital SA, Senior Notes	6.000%	9/30/34	2,660,000	2,328,298
Telecom Italia SpA, Senior Notes	5.303%	5/30/24	1,220,000	1,163,575 <sup>(a)(b)</sup>
UPCB Finance IV Ltd., Senior Secured Notes	5.375%	1/15/25	300,000	289,500 <sup>(a)</sup>
Windstream Services LLC/Windstream Finance Corp., Secured Notes	10.500%	6/30/24	8,459,000	7,063,265 <sup>(a)(b)</sup>
Windstream Services LLC/Windstream Finance Corp., Secured Notes	9.000%	6/30/25	3,950,000	2,982,250 <sup>(a)(b)</sup>
<i>Total Diversified Telecommunication Services</i>				<i>18,661,783</i>
<b>Entertainment - 0.9%</b>				
Netflix Inc., Senior Notes	5.875%	11/15/28	3,305,000	3,358,706 <sup>(a)(b)</sup>
Netflix Inc., Senior Notes	6.375%	5/15/29	2,305,000	2,379,913 <sup>(a)(b)</sup>
<i>Total Entertainment</i>				<i>5,738,619</i>
<b>Interactive Media &amp; Services - 0.4%</b>				
Match Group Inc., Senior Notes	6.375%	6/1/24	1,170,000	1,227,038 <sup>(b)</sup>
Match Group Inc., Senior Notes	5.000%	12/15/27	1,390,000	1,369,428 <sup>(a)(b)</sup>
<i>Total Interactive Media &amp; Services</i>				<i>2,596,466</i>
<b>Media - 12.1%</b>				
Altice France SA, Senior Secured Notes	7.375%	5/1/26	7,950,000	7,681,608 <sup>(a)(b)</sup>
Altice France SA, Senior Secured Notes	8.125%	2/1/27	9,390,000	9,248,211 <sup>(a)(b)</sup>
Altice Luxembourg SA, Senior Notes	7.750%	5/15/22	15,030,000	14,635,462 <sup>(a)(b)</sup>
American Media LLC, Secured Notes	10.500%	12/31/26	880,000	880,000 <sup>(a)</sup>
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.125%	5/1/27	4,850,000	4,698,292 <sup>(a)(b)</sup>
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.875%	5/1/27	1,100,000	1,105,830 <sup>(a)(b)</sup>
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.000%	2/1/28	8,060,000	7,677,150 <sup>(a)(b)</sup>
DISH DBS Corp., Senior Notes	5.875%	11/15/24	5,680,000	4,728,600 <sup>(b)</sup>

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DISH DBS Corp., Senior Notes	7.750%	7/1/26	14,809,000	12,772,762 <sup>(b)</sup>
UPC Holding BV, Senior Secured Notes	5.500%	1/15/28	3,210,000	2,961,225 <sup>(a)(b)</sup>
Virgin Media Finance PLC, Senior Notes	6.000%	10/15/24	1,710,000	1,738,301 <sup>(a)(b)</sup>
Virgin Media Secured Finance PLC, Senior Secured Notes	5.250%	1/15/26	3,600,000	3,559,500 <sup>(a)(b)</sup>
Virgin Media Secured Finance PLC, Senior Secured Notes	5.500%	8/15/26	1,610,000	1,585,850 <sup>(a)</sup>
<i>Total Media</i>				<i>73,272,791</i>

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Wireless Telecommunication Services - 6.5%</b>				
CSC Holdings LLC, Senior Notes	10.125%	1/15/23	400,000	\$ 432,920 <sup>(a)(b)</sup>
CSC Holdings LLC, Senior Notes	6.625%	10/15/25	2,510,000	2,632,36 <sup>(a)(b)</sup>
CSC Holdings LLC, Senior Notes	10.875%	10/15/25	5,649,000	6,525,668 <sup>(a)(b)</sup>
CSC Holdings LLC, Senior Notes	5.375%	2/1/28	1,000,000	963,750 <sup>(a)(b)</sup>
CSC Holdings LLC, Senior Notes	6.500%	2/1/29	1,390,000	1,410,850 <sup>(a)</sup>
Sprint Capital Corp., Senior Notes	6.875%	11/15/28	2,200,000	2,189,000 <sup>(b)</sup>
Sprint Capital Corp., Senior Notes	8.750%	3/15/32	5,170,000	5,687,000 <sup>(b)</sup>
Sprint Communications Inc., Senior Notes	7.000%	8/15/20	2,300,000	2,392,000 <sup>(b)</sup>
Sprint Communications Inc., Senior Notes	11.500%	11/15/21	4,285,000	4,986,669 <sup>(b)</sup>
Sprint Corp., Senior Notes	7.250%	9/15/21	4,400,000	4,631,000 <sup>(b)</sup>
Sprint Corp., Senior Notes	7.875%	9/15/23	110,000	117,150 <sup>(b)</sup>
T-Mobile USA Inc., Senior Notes	6.000%	3/1/23	1,900,000	1,952,250 <sup>(b)</sup>
T-Mobile USA Inc., Senior Notes	6.500%	1/15/26	310,000	328,600 <sup>(b)</sup>
VEON Holdings BV, Senior Notes	7.504%	3/1/22	1,620,000	1,775,423 <sup>(c)</sup>
VEON Holdings BV, Senior Notes	7.504%	3/1/22	700,000	767,158 <sup>(a)(b)</sup>
Vimpel Communications Via VIP Finance Ireland Ltd. OJSC, Senior Notes	7.748%	2/2/21	2,300,000	2,499,815 <sup>(a)(b)</sup>
<i>Total Wireless Telecommunication Services</i>				<i>39,291,615</i>
<b>TOTAL COMMUNICATION SERVICES</b>				<b>139,561,274</b>
<b>CONSUMER DISCRETIONARY - 11.0%</b>				
<b>Auto Components - 2.4%</b>				
Adient Global Holdings Ltd., Senior Notes	4.875%	8/15/26	5,333,000	4,026,415 <sup>(a)(b)</sup>
American Axle & Manufacturing Inc., Senior Notes	6.250%	4/1/25	209,000	204,036
American Axle & Manufacturing Inc., Senior Notes	6.250%	3/15/26	1,650,000	1,592,250 <sup>(b)</sup>
American Axle & Manufacturing Inc., Senior Notes	6.500%	4/1/27	4,121,000	3,961,312 <sup>(b)</sup>
JB Poindexter & Co. Inc., Senior Notes	7.125%	4/15/26	2,260,000	2,203,500 <sup>(a)(b)</sup>
ZF North America Capital Inc., Senior Notes	4.750%	4/29/25	2,940,000	2,837,372 <sup>(a)(b)</sup>
<i>Total Auto Components</i>				<i>14,824,885</i>

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Diversified Consumer Services - 1.7%</b>				
Carriage Services Inc., Senior Notes	6.625%	6/1/26	3,420,000	\$ 3,445,650 <sup>(a)(b)</sup>
Prime Security Services Borrower LLC/Prime Finance Inc., Secured Notes	9.250%	5/15/23	3,300,000	3,498,000 <sup>(a)(b)</sup>
Service Corp. International, Senior Notes	7.500%	4/1/27	2,090,000	2,288,550 <sup>(b)</sup>
Weight Watchers International Inc., Senior Notes	8.625%	12/1/25	1,000,000	988,750 <sup>(a)</sup>
<i>Total Diversified Consumer Services</i>				<i>10,220,950</i>
<b>Hotels, Restaurants &amp; Leisure - 2.3%</b>				
1011778 BC ULC/New Red Finance Inc., Senior Secured Notes	4.250%	5/15/24	2,950,000	2,861,500 <sup>(a)</sup>
Carrols Restaurant Group Inc., Secured Notes	8.000%	5/1/22	1,910,000	1,955,362 <sup>(b)</sup>
Downstream Development Authority of the Quapaw Tribe of Oklahoma, Senior Secured Notes	10.500%	2/15/23	640,000	633,600 <sup>(a)(b)</sup>
Silversea Cruise Finance Ltd., Senior Secured Notes	7.250%	2/1/25	1,803,000	1,940,479 <sup>(a)(b)</sup>
Viking Cruises Ltd., Senior Notes	6.250%	5/15/25	2,950,000	2,964,750 <sup>(a)(b)</sup>
Viking Cruises Ltd., Senior Notes	5.875%	9/15/27	750,000	735,000 <sup>(a)</sup>
VOC Escrow Ltd., Senior Secured Notes	5.000%	2/15/28	3,270,000	3,204,273 <sup>(a)(b)</sup>
<i>Total Hotels, Restaurants &amp; Leisure</i>				<i>14,294,964</i>
<b>Household Durables - 0.5%</b>				
Lennar Corp., Senior Notes	5.000%	6/15/27	3,140,000	2,986,925 <sup>(b)</sup>
<b>Specialty Retail - 3.7%</b>				
Hertz Corp., Senior Notes	5.875%	10/15/20	2,520,000	2,504,250 <sup>(b)</sup>
Maxeda DIY Holding BV, Senior Secured Notes	6.125%	7/15/22	1,360,000 <sup>EUR</sup>	1,474,911 <sup>(c)</sup>
Party City Holdings Inc., Senior Notes	6.625%	8/1/26	6,400,000	6,240,000 <sup>(a)(b)</sup>
PetSmart Inc., Senior Secured Notes	5.875%	6/1/25	9,690,000	7,658,007 <sup>(a)(b)</sup>
Sally Holdings LLC/Sally Capital Inc., Senior Notes	5.625%	12/1/25	4,670,000	4,574,265 <sup>(b)</sup>
<i>Total Specialty Retail</i>				<i>22,451,433</i>

**See Notes to Schedule of Investments.**





**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Textiles, Apparel &amp; Luxury Goods - 0.4%</b>				
CBR Fashion Finance BV, Senior Secured Notes	5.125%	10/1/22	1,000,000 <sup>EUR</sup>	\$ 984,971 <sup>(c)</sup>
Hanesbrands Inc., Senior Notes	4.875%	5/15/26	1,300,000	1,251,250 <sup>(a)(b)</sup>
<i>Total Textiles, Apparel &amp; Luxury Goods</i>				2,236,221
<b>TOTAL CONSUMER DISCRETIONARY</b>				67,015,378
<b>CONSUMER STAPLES - 1.7%</b>				
<b>Food Products - 0.9%</b>				
Pilgrim s Pride Corp., Senior Notes	5.750%	3/15/25	330,000	325,050 <sup>(a)</sup>
Pilgrim s Pride Corp., Senior Notes	5.875%	9/30/27	5,365,000	5,190,637 <sup>(a)(b)</sup>
<i>Total Food Products</i>				5,515,687
<b>Household Products - 0.8%</b>				
Spectrum Brands Inc., Senior Notes	6.125%	12/15/24	1,720,000	1,720,000 <sup>(b)</sup>
Spectrum Brands Inc., Senior Notes	5.750%	7/15/25	3,060,000	3,030,318 <sup>(b)</sup>
<i>Total Household Products</i>				4,750,318
<b>TOTAL CONSUMER STAPLES</b>				10,266,005
<b>ENERGY - 21.1%</b>				
<b>Energy Equipment &amp; Services - 0.7%</b>				
KCA Deutag UK Finance PLC, Senior Secured Notes	7.250%	5/15/21	2,990,000	2,392,000 <sup>(a)</sup>
Pride International LLC, Senior Notes	7.875%	8/15/40	920,000	731,400 <sup>(b)</sup>
Transocean Inc., Senior Notes	9.000%	7/15/23	378,000	395,834 <sup>(a)(b)</sup>
Transocean Inc., Senior Notes	6.800%	3/15/38	1,035,000	784,013 <sup>(b)</sup>
<i>Total Energy Equipment &amp; Services</i>				4,303,247
<b>Oil, Gas &amp; Consumable Fuels - 20.4%</b>				
Andeavor Logistics LP/Tesoro Logistics Finance Corp., Senior Notes	6.375%	5/1/24	810,000	845,437 <sup>(b)</sup>
Berry Petroleum Co. Escrow			1,550,000	0 <sup>*(d)(e)(f)</sup>
Blue Racer Midstream LLC/Blue Racer Finance Corp., Senior Notes	6.125%	11/15/22	2,260,000	2,293,900 <sup>(a)(b)</sup>
	6.625%	7/15/26	690,000	682,238 <sup>(a)(b)</sup>

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Blue Racer Midstream LLC/Blue Racer Finance Corp., Senior Notes				
Cheniere Corpus Christi Holdings LLC, Senior Secured Notes	5.875%	3/31/25	1,120,000	1,182,675 <sup>(b)</sup>
Chesapeake Energy Corp., Senior Notes	6.875%	11/15/20	4,340,000	4,415,950 <sup>(b)</sup>
Chesapeake Energy Corp., Senior Notes	5.375%	6/15/21	940,000	922,375 <sup>(b)</sup>
Chesapeake Energy Corp., Senior Notes	5.750%	3/15/23	700,000	661,500 <sup>(b)</sup>
Chesapeake Energy Corp., Senior Notes	8.000%	6/15/27	4,810,000	4,629,625 <sup>(b)</sup>
Continental Resources Inc., Senior Notes	4.900%	6/1/44	3,220,000	3,077,060 <sup>(b)</sup>
Ecopetrol SA, Senior Notes	5.375%	6/26/26	7,000,000	7,280,000 <sup>(b)</sup>

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Oil, Gas &amp; Consumable Fuels - (continued)</b>				
Ecopetrol SA, Senior Notes	5.875%	5/28/45	2,500,000	\$ 2,474,375 <sup>(b)</sup>
Gazprom OAO Via Gaz Capital SA, Senior Notes	6.510%	3/7/22	2,550,000	2,693,578 <sup>(a)(b)</sup>
Genesis Energy LP/Genesis Energy Finance Corp., Senior Notes	6.250%	5/15/26	3,180,000	2,931,562 <sup>(b)</sup>
KazMunayGas National Co. JSC, Senior Notes	4.750%	4/19/27	3,000,000	3,041,640 <sup>(a)(b)</sup>
Kinder Morgan Inc., Senior Notes	7.750%	1/15/32	1,950,000	2,440,514 <sup>(b)</sup>
Lukoil International Finance BV, Senior Notes	4.563%	4/24/23	2,040,000	2,043,468 <sup>(a)(b)</sup>
Lukoil International Finance BV, Senior Notes	4.750%	11/2/26	1,600,000	1,593,016 <sup>(a)(b)</sup>
Magnum Hunter Resources Corp. Escrow			8,070,000	0 <sup>*(d)(e)(f)</sup>
MEG Energy Corp., Senior Notes	7.000%	3/31/24	8,210,000	7,286,375 <sup>(a)(b)</sup>
NGPL PipeCo LLC, Senior Notes	7.768%	12/15/37	1,900,000	2,274,566 <sup>(a)(b)</sup>
Oasis Petroleum Inc., Senior Notes	6.500%	11/1/21	3,238,000	3,189,430 <sup>(b)</sup>
Oasis Petroleum Inc., Senior Notes	6.875%	1/15/23	1,540,000	1,530,375 <sup>(b)</sup>
Petrobras Global Finance BV, Senior Notes	4.375%	5/20/23	800,000	799,720
Petrobras Global Finance BV, Senior Notes	5.999%	1/27/28	4,320,000	4,322,160 <sup>(b)</sup>
Petrobras Global Finance BV, Senior Notes	5.750%	2/1/29	10,320,000	10,147,656 <sup>(b)</sup>
Petrobras Global Finance BV, Senior Notes	6.750%	1/27/41	6,620,000	6,679,580
Petroleos de Venezuela SA, Senior Notes	6.000%	5/16/24	620,000	155,620 <sup>*(c)(g)</sup>
Petroleos Mexicanos, Senior Notes	6.500%	3/13/27	1,370,000	1,317,940 <sup>(b)</sup>
Petroleos Mexicanos, Senior Notes	6.500%	6/2/41	1,600,000	1,396,000
Range Resources Corp., Senior Notes	5.000%	3/15/23	2,275,000	2,183,431 <sup>(b)</sup>
Range Resources Corp., Senior Notes	4.875%	5/15/25	3,680,000	3,339,600 <sup>(b)</sup>
Rockies Express Pipeline LLC, Senior Notes	7.500%	7/15/38	1,330,000	1,522,451 <sup>(a)(b)</sup>
Rockies Express Pipeline LLC, Senior Notes	6.875%	4/15/40	1,430,000	1,537,250 <sup>(a)(b)</sup>
Shelf Drilling Holdings Ltd., Senior Notes	8.250%	2/15/25	70,000	63,788 <sup>(a)</sup>
Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes	5.875%	4/15/26	1,400,000	1,419,250 <sup>(a)(b)</sup>

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Oil, Gas &amp; Consumable Fuels - (continued)</b>				
Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes	6.500%	7/15/27	1,150,000	\$ 1,188,801 <sup>(a)</sup>
Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes	5.000%	1/15/28	6,525,000	6,145,734 <sup>(b)</sup>
Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes	6.875%	1/15/29	1,430,000	1,491,604 <sup>(a)</sup>
Transportadora de Gas del Sur SA, Senior Notes	6.750%	5/2/25	7,600,000	7,123,480 <sup>(a)(b)</sup>
Whiting Petroleum Corp., Senior Notes	6.250%	4/1/23	1,530,000	1,518,525 <sup>(b)</sup>
Whiting Petroleum Corp., Senior Notes	6.625%	1/15/26	1,540,000	1,516,900 <sup>(b)</sup>
Williams Cos. Inc., Senior Notes	3.700%	1/15/23	1,040,000	1,039,234 <sup>(b)</sup>
Williams Cos. Inc., Senior Notes	4.550%	6/24/24	1,280,000	1,323,072 <sup>(b)</sup>
Williams Cos. Inc., Senior Notes	7.500%	1/15/31	780,000	948,228 <sup>(b)</sup>
Williams Cos. Inc., Senior Notes	5.750%	6/24/44	3,900,000	4,125,189 <sup>(b)</sup>
WPX Energy Inc., Senior Notes	8.250%	8/1/23	1,070,000	1,195,725 <sup>(b)</sup>
YPF SA, Senior Notes	6.950%	7/21/27	4,430,000	3,983,456 <sup>(a)</sup>
<i>Total Oil, Gas &amp; Consumable Fuels</i>				<i>123,974,053</i>
<b>TOTAL ENERGY</b>				<b>128,277,300</b>
<b>FINANCIALS - 16.1%</b>				
<b>Banks - 11.6%</b>				
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	2,747,485 <sup>(b)(h)(i)</sup>
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	1,970,000	2,231,746 <sup>(a)(b)</sup>
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	2,950,000	3,147,901 <sup>(b)</sup>
BBVA Bancomer SA, Subordinated Notes (5.125% to 1/18/28 then 5 year Treasury Constant Maturity Rate + 2.650%)	5.125%	1/18/33	2,000,000	1,812,500 <sup>(a)(i)</sup>
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	1,892,400 <sup>(a)(b)(h)(i)</sup>
CIT Group Inc., Senior Notes	5.000%	8/15/22	1,060,000	1,089,150 <sup>(b)</sup>
CIT Group Inc., Senior Notes	5.000%	8/1/23	2,801,000	2,871,025 <sup>(b)</sup>
Citigroup Inc., Junior Subordinated Notes (5.950% to 5/15/25 then 3 mo. USD LIBOR + 3.905%)	5.950%	5/15/25	2,900,000	2,889,778 <sup>(b)(h)(i)</sup>

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**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Banks - (continued)</b>				
Citigroup Inc., Junior Subordinated Notes (6.300% to 5/15/24 then 3 mo. USD LIBOR + 3.423%)	6.300%	5/15/24	10,120,000	\$ 10,261,427 <sup>(b)(h)(i)</sup>
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	2,726,663 <sup>(a)(b)(h)(i)</sup>
Credit Agricole SA, Junior Subordinated Notes (8.375% to 10/13/19 then 3 mo. USD LIBOR + 6.982%)	8.375%	10/13/19	1,710,000	1,761,300 <sup>(a)(b)(h)(i)</sup>
HSBC Holdings PLC, Junior Subordinated Notes (6.000% to 5/22/27 then USD 5 year ICE Swap Rate + 3.746%)	6.000%	5/22/27	2,640,000	2,544,894 <sup>(b)(h)(i)</sup>
HSBC Holdings PLC, Junior Subordinated Notes (6.500% to 3/23/28 then USD 5 year ICE Swap Rate + 3.606%)	6.500%	3/23/28	4,100,000	4,001,477 <sup>(b)(h)(i)</sup>
Intesa Sanpaolo SpA, Subordinated Notes	5.017%	6/26/24	5,280,000	4,850,607 <sup>(a)</sup>
Intesa Sanpaolo SpA, Subordinated Notes	5.710%	1/15/26	7,490,000	6,948,341 <sup>(a)(b)</sup>
JPMorgan Chase & Co., Junior Subordinated Notes (6.000% to 8/1/23 then 3 mo. USD LIBOR + 3.300%)	6.000%	8/1/23	1,570,000	1,610,561 <sup>(b)(h)(i)</sup>
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	2,469,250 <sup>(b)(h)(i)</sup>
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	4,317,614 <sup>(b)(h)(i)</sup>
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	1,462,064 <sup>(b)(h)(i)</sup>
Santander UK Group Holdings PLC, Junior Subordinated Notes (7.375% to 6/24/22 then GBP 5 year Swap Rate + 5.543%)	7.375%	6/24/22	1,640,000 <sup>GBP</sup>	2,221,590 <sup>(b)(c)(h)(i)</sup>

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Banks - (continued)</b>				
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	\$ 3,829,397 <sup>(c)(i)</sup>
TC Ziraat Bankasi AS, Senior Notes	5.125%	9/29/23	2,530,000	2,298,758 <sup>(a)(b)</sup>
<i>Total Banks</i>				69,985,928
<b>Capital Markets - 2.0%</b>				
Credit Suisse Group AG, Junior Subordinated Notes (7.250% to 9/12/25 then USD 5 year Swap Rate + 4.332%)	7.250%	9/12/25	3,920,000	3,886,582 <sup>(a)(h)(i)</sup>
Donnelley Financial Solutions Inc., Senior Notes	8.250%	10/15/24	2,080,000	2,067,000 <sup>(b)</sup>
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	2,320,000	2,830,023 <sup>(b)</sup>
UBS Group Funding Switzerland AG, Senior Notes (7.000% to 1/31/24 then USD 5 year Swap Rate + 4.344%)	7.000%	1/31/24	3,290,000	3,318,787 <sup>(a)(h)(i)</sup>
<i>Total Capital Markets</i>				12,102,392
<b>Consumer Finance - 0.3%</b>				
Navient Corp., Senior Notes	6.750%	6/15/26	1,990,000	1,880,510
<b>Diversified Financial Services - 2.0%</b>				
AerCap Ireland Capital DAC/AerCap Global Aviation Trust, Senior Notes	4.625%	10/30/20	890,000	901,070
AerCap Ireland Capital DAC/AerCap Global Aviation Trust, Senior Notes	4.625%	7/1/22	1,390,000	1,396,165
ASP AMC Merger Sub Inc., Senior Notes	8.000%	5/15/25	2,220,000	1,121,100 <sup>(a)(b)</sup>
DAE Funding LLC, Senior Notes	5.750%	11/15/23	993,000	1,005,413 <sup>(a)</sup>
International Lease Finance Corp., Senior Notes	6.250%	5/15/19	310,000	312,665
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	2,160,000	2,316,989 <sup>(b)</sup>
International Lease Finance Corp., Senior Notes	5.875%	8/15/22	760,000	794,204 <sup>(b)</sup>
Nationwide Building Society, Junior Subordinated Notes (6.875% to 6/20/19 then	6.875%	6/20/19	1,140,000 <sup>GBP</sup>	1,513,370 <sup>(b)(c)(h)(i)</sup>

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GBP 5 year Swap Rate + 4.880%)

Navient Corp., Senior Notes	5.875%	10/25/24	1,170,000	1,105,650 <sup>(b)</sup>
Travelport Corporate Finance PLC, Senior Secured Notes	6.000%	3/15/26	1,700,000	1,762,679 <sup>(a)(b)</sup>
<i>Total Diversified Financial Services</i>				<i>12,229,305</i>

**See Notes to Schedule of Investments.**



**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Insurance - 0.2%</b>				
MetLife Capital Trust IV, Junior Subordinated Notes	7.875%	12/15/37	1,100,000	\$ 1,314,500 <sup>(a)(b)</sup>
<b>TOTAL FINANCIALS</b>				97,512,635
<b>HEALTH CARE - 7.6%</b>				
<b>Health Care Providers &amp; Services - 4.5%</b>				
Air Medical Group Holdings Inc., Senior Notes	6.375%	5/15/23	1,740,000	1,513,800 <sup>(a)(b)</sup>
BioScrip Inc., First Lien Notes (1 mo. USD LIBOR + 7.000%)	8.224%	6/30/22	4,552,000	4,756,840 <sup>(e)(i)(j)</sup>
Centene Corp., Senior Notes	5.625%	2/15/21	1,020,000	1,037,850 <sup>(b)</sup>
Centene Corp., Senior Notes	6.125%	2/15/24	810,000	850,500 <sup>(b)</sup>
Centene Corp., Senior Notes	4.750%	1/15/25	2,500,000	2,540,625 <sup>(b)</sup>
DaVita Inc., Senior Notes	5.125%	7/15/24	2,460,000	2,436,138 <sup>(b)</sup>
DaVita Inc., Senior Notes	5.000%	5/1/25	2,500,000	2,415,625 <sup>(b)</sup>
HCA Inc., Senior Notes	5.625%	9/1/28	5,760,000	5,970,586 <sup>(b)</sup>
HCA Inc., Senior Notes	7.500%	11/15/95	2,205,000	2,210,512 <sup>(b)</sup>
HCA Inc., Senior Secured Notes	5.250%	6/15/26	1,090,000	1,146,544 <sup>(b)</sup>
Tenet Healthcare Corp., Secured Notes	5.125%	5/1/25	2,500,000	2,448,950 <sup>(b)</sup>
<i>Total Health Care Providers &amp; Services</i>				27,327,970
<b>Pharmaceuticals - 3.1%</b>				
Bausch Health Cos. Inc., Senior Notes	5.875%	5/15/23	840,000	825,300 <sup>(a)(b)</sup>
Bausch Health Cos. Inc., Senior Secured Notes	7.000%	3/15/24	740,000	779,294 <sup>(a)(b)</sup>
Bausch Health Cos. Inc., Senior Notes	6.125%	4/15/25	5,510,000	5,220,725 <sup>(a)(b)</sup>
Bausch Health Cos. Inc., Senior Notes	9.000%	12/15/25	500,000	535,000 <sup>(a)(b)</sup>
Endo Finance LLC/Endo Finco Inc., Senior Notes	5.375%	1/15/23	480,000	394,200 <sup>(a)</sup>
Teva Pharmaceutical Finance Co. BV, Senior Notes	2.950%	12/18/22	6,330,000	5,927,230
Teva Pharmaceutical Finance Netherlands III BV, Senior Notes	2.200%	7/21/21	5,114,000	4,836,776
<i>Total Pharmaceuticals</i>				18,518,525
<b>TOTAL HEALTH CARE</b>				45,846,495

**See Notes to Schedule of Investments.**



## WESTERN ASSET HIGH INCOME FUND II INC.

## Schedule of investments (unaudited) (cont d)

January 31, 2019

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>INDUSTRIALS - 7.1%</b>				
<b>Air Freight &amp; Logistics - 0.1%</b>				
XPO Logistics Inc., Senior Notes	6.500%	6/15/22	754,000	\$ 772,850 <sup>(a)(b)</sup>
<b>Airlines - 0.7%</b>				
Continental Airlines Inc., Pass-Through Trust	5.983%	4/19/22	3,419,359	3,569,981 <sup>(b)</sup>
Delta Air Lines Inc, Pass-Through Trust	8.021%	8/10/22	699,238	761,540 <sup>(b)</sup>
<i>Total Airlines</i>				<i>4,331,521</i>
<b>Building Products - 0.9%</b>				
Standard Industries Inc., Senior Notes	5.000%	2/15/27	3,170,000	2,971,875 <sup>(a)(b)</sup>
Standard Industries Inc., Senior Notes	4.750%	1/15/28	2,605,000	2,364,819 <sup>(a)(b)</sup>
<i>Total Building Products</i>				<i>5,336,694</i>
<b>Commercial Services &amp; Supplies - 2.1%</b>				
United Rentals North America Inc., Senior Notes	5.500%	7/15/25	230,000	233,450
United Rentals North America Inc., Senior Notes	6.500%	12/15/26	7,840,000	8,153,600 <sup>(b)</sup>
United Rentals North America Inc., Senior Notes	5.500%	5/15/27	156,000	154,097
United Rentals North America Inc., Senior Notes	4.875%	1/15/28	4,075,000	3,876,344 <sup>(b)</sup>
<i>Total Commercial Services &amp; Supplies</i>				<i>12,417,491</i>
<b>Containers &amp; Packaging - 0.3%</b>				
Berry Global Inc., Secured Notes	4.500%	2/15/26	2,130,000	2,012,850 <sup>(a)(b)</sup>
<b>Electrical Equipment - 0.1%</b>				
Resideo Funding Inc., Senior Notes	6.125%	11/1/26	790,000	815,675 <sup>(a)(b)</sup>
<b>Industrial Conglomerates - 0.3%</b>				
General Electric Co., Junior Subordinated Notes (5.000% to 1/21/21 then 3 mo. USD LIBOR + 3.330%)	5.000%	1/21/21	1,780,000	1,560,125 <sup>(h)(i)</sup>
<b>Machinery - 1.1%</b>				
Allison Transmission Inc., Senior Notes	5.000%	10/1/24	570,000	562,875 <sup>(a)(b)</sup>
Allison Transmission Inc., Senior Notes	4.750%	10/1/27	2,565,000	2,398,275 <sup>(a)(b)</sup>
CFX Escrow Corp., Senior Notes	6.000%	2/15/24	920,000	920,000 <sup>(a)</sup>
CFX Escrow Corp., Senior Notes	6.375%	2/15/26	400,000	400,000 <sup>(a)</sup>
Cleaver-Brooks Inc., Senior Secured Notes	7.875%	3/1/23	1,760,000	1,746,800 <sup>(a)(b)</sup>

Park-Ohio Industries Inc., Senior Notes	6.625%	4/15/27	926,000	905,165 <sup>(b)</sup>
<i>Total Machinery</i>				<i>6,933,115</i>

**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH INCOME FUND II INC.

## Schedule of investments (unaudited) (cont d)

January 31, 2019

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Marine - 0.5%</b>				
Navios Maritime Acquisition Corp./Navios Acquisition Finance US Inc., Senior Secured Notes	8.125%	11/15/21	3,610,000	\$ 2,743,600 <sup>(a)(b)</sup>
<b>Trading Companies &amp; Distributors - 0.8%</b>				
Beacon Roofing Supply Inc., Senior Notes	4.875%	11/1/25	5,380,000	5,030,300 <sup>(a)(b)</sup>
<b>Transportation Infrastructure - 0.2%</b>				
Neovia Logistics Services LLC/SPL Logistics Finance Corp., Senior Secured Notes	8.875%	8/1/20	1,355,000	1,192,400 <sup>(a)(b)</sup>
<b>TOTAL INDUSTRIALS</b>				43,146,621
<b>INFORMATION TECHNOLOGY - 2.3%</b>				
<b>Software - 0.6%</b>				
CDK Global Inc., Senior Notes	5.875%	6/15/26	2,190,000	2,245,407 <sup>(b)</sup>
j2 Cloud Services LLC/j2 Global Co-Obligor Inc., Senior Notes	6.000%	7/15/25	1,420,000	1,428,875 <sup>(a)(b)</sup>
<i>Total Software</i>				3,674,282
<b>Technology Hardware, Storage &amp; Peripherals - 1.7%</b>				
Dell International LLC/EMC Corp., Senior Notes	7.125%	6/15/24	740,000	781,322 <sup>(a)(b)</sup>
Seagate HDD Cayman, Senior Notes	4.750%	6/1/23	1,700,000	1,681,249 <sup>(b)</sup>
Seagate HDD Cayman, Senior Notes	4.750%	1/1/25	850,000	805,205 <sup>(b)</sup>
Seagate HDD Cayman, Senior Notes	4.875%	6/1/27	495,000	450,056
Western Digital Corp., Senior Notes	4.750%	2/15/26	7,048,000	6,572,260 <sup>(b)</sup>
<i>Total Technology Hardware, Storage &amp; Peripherals</i>				10,290,092
<b>TOTAL INFORMATION TECHNOLOGY</b>				13,964,374
<b>MATERIALS - 13.5%</b>				
<b>Chemicals - 0.6%</b>				
Braskem America Finance Co., Senior Notes	7.125%	7/22/41	700,000	791,875 <sup>(b)(c)</sup>
Braskem Netherlands Finance BV, Senior Notes	3.500%	1/10/23	600,000	583,170 <sup>(c)</sup>
Mexichem SAB de CV, Senior Notes	5.875%	9/17/44	2,000,000	1,872,500 <sup>(a)</sup>
Valvoline Inc., Senior Notes	5.500%	7/15/24	430,000	437,525 <sup>(b)</sup>
<i>Total Chemicals</i>				3,685,070

**Construction Materials - 0.3%**

Cemex SAB de CV, Senior Secured Notes	6.125%	5/5/25	1,530,000	1,565,527 <sup>(a)(b)</sup>
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**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Containers &amp; Packaging - 3.5%</b>				
ARD Securities Finance SARL, Senior Secured Notes (8.750% PIK)	8.750%	1/31/23	5,069,515	\$ 4,467,510 <sup>(a)(k)</sup>
Ardagh Packaging Finance PLC/Ardagh Holdings USA Inc., Senior Notes	7.250%	5/15/24	1,130,000	1,172,375 <sup>(a)(b)</sup>
Ardagh Packaging Finance PLC/Ardagh Holdings USA Inc., Senior Notes	6.000%	2/15/25	6,702,000	6,534,450 <sup>(a)(b)</sup>
Greif Inc., Senior Notes	6.500%	3/1/27	2,930,000	2,955,638 <sup>(a)(l)</sup>
Pactiv LLC, Senior Notes	7.950%	12/15/25	920,000	915,400 <sup>(b)</sup>
Pactiv LLC, Senior Notes	8.375%	4/15/27	5,220,000	5,206,950 <sup>(b)</sup>
<i>Total Containers &amp; Packaging</i>				21,252,323
<b>Metals &amp; Mining - 7.7%</b>				
Alcoa Nederland Holding BV, Senior Notes	6.750%	9/30/24	1,020,000	1,067,593 <sup>(a)(b)</sup>
Alcoa Nederland Holding BV, Senior Notes	7.000%	9/30/26	2,450,000	2,597,000 <sup>(a)(b)</sup>
Alcoa Nederland Holding BV, Senior Notes	6.125%	5/15/28	2,416,000	2,452,240 <sup>(a)(b)</sup>
Anglo American Capital PLC, Senior Notes	4.125%	4/15/21	590,000	589,953 <sup>(a)(b)</sup>
Anglo American Capital PLC, Senior Notes	4.875%	5/14/25	2,040,000	2,079,714 <sup>(a)(b)</sup>
ArcelorMittal, Senior Notes	7.000%	10/15/39	3,200,000	3,511,827 <sup>(b)</sup>
First Quantum Minerals Ltd., Senior Notes	7.000%	2/15/21	7,260,000	7,255,462 <sup>(a)(b)</sup>
Freeport-McMoRan Inc., Senior Notes	3.100%	3/15/20	30,000	29,738 <sup>(b)</sup>
Freeport-McMoRan Inc., Senior Notes	4.000%	11/14/21	1,060,000	1,050,725 <sup>(b)</sup>
Freeport-McMoRan Inc., Senior Notes	3.550%	3/1/22	760,000	737,200 <sup>(b)</sup>
Freeport-McMoRan Inc., Senior Notes	6.875%	2/15/23	1,870,000	1,961,162 <sup>(b)</sup>
Freeport-McMoRan Inc., Senior Notes	3.875%	3/15/23	910,000	872,463 <sup>(b)</sup>
Freeport-McMoRan Inc., Senior Notes	4.550%	11/14/24	4,605,000	4,432,312 <sup>(b)</sup>
Freeport-McMoRan Inc., Senior Notes	5.400%	11/14/34	1,320,000	1,178,100 <sup>(b)</sup>
Freeport-McMoRan Inc., Senior Notes	5.450%	3/15/43	5,310,000	4,593,150 <sup>(b)</sup>
Hudbay Minerals Inc., Senior Notes	7.250%	1/15/23	1,180,000	1,221,300 <sup>(a)(b)</sup>
Hudbay Minerals Inc., Senior Notes	7.625%	1/15/25	690,000	712,425 <sup>(a)(b)</sup>
Midwest Vanadium Pty Ltd., Senior Secured Notes	11.500%	2/15/18	2,862,131	10,733 <sup>*(a)(m)</sup>
Northwest Acquisitions ULC/Dominion Finco Inc., Secured Notes	7.125%	11/1/22	620,000	619,194 <sup>(a)(b)</sup>
Southern Copper Corp., Senior Notes	3.875%	4/23/25	2,000,000	1,987,655 <sup>(b)</sup>
Teck Resources Ltd., Senior Notes	8.500%	6/1/24	2,780,000	3,002,372 <sup>(a)(b)</sup>
Vale Overseas Ltd., Senior Notes	4.375%	1/11/22	1,784,000	1,792,028 <sup>(b)</sup>
Vale Overseas Ltd., Senior Notes	6.875%	11/21/36	2,960,000	3,300,400 <sup>(b)</sup>
<i>Total Metals &amp; Mining</i>				47,054,746

**See Notes to Schedule of Investments.**



**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Paper &amp; Forest Products - 1.4%</b>				
Mercer International Inc., Senior Notes	6.500%	2/1/24	1,509,000	\$ 1,532,208 <sup>(b)</sup>
Mercer International Inc., Senior Notes	7.375%	1/15/25	3,300,000	3,366,000 <sup>(a)(b)</sup>
Schweitzer-Mauduit International Inc., Senior Notes	6.875%	10/1/26	1,160,000	1,116,500 <sup>(a)(b)</sup>
Suzano Austria GmbH, Senior Notes	5.750%	7/14/26	2,250,000	2,362,500 <sup>(a)(b)</sup>
<i>Total Paper &amp; Forest Products</i>				8,377,208
<b>TOTAL MATERIALS</b>				81,934,874
<b>REAL ESTATE - 1.8%</b>				
<b>Equity Real Estate Investment Trusts (REITs) - 1.6%</b>				
CoreCivic Inc., Senior Notes	4.125%	4/1/20	290,000	288,550 <sup>(b)</sup>
CoreCivic Inc., Senior Notes	5.000%	10/15/22	1,440,000	1,395,000 <sup>(b)</sup>
CoreCivic Inc., Senior Notes	4.625%	5/1/23	200,000	188,250 <sup>(b)</sup>
CoreCivic Inc., Senior Notes	4.750%	10/15/27	470,000	401,850
MGM Growth Properties Operating Partnership LP/MGP Finance Co-Issuer Inc., Senior Notes	4.500%	1/15/28	3,230,000	3,003,900 <sup>(b)</sup>
MPT Operating Partnership LP/MPT Finance Corp., Senior Notes	6.375%	3/1/24	1,020,000	1,071,000 <sup>(b)</sup>
MPT Operating Partnership LP/MPT Finance Corp., Senior Notes	5.250%	8/1/26	1,590,000	1,605,900 <sup>(b)</sup>
MPT Operating Partnership LP/MPT Finance Corp., Senior Notes	5.000%	10/15/27	1,732,000	1,690,432 <sup>(b)</sup>
<i>Total Equity Real Estate Investment Trusts (REITs)</i>				9,644,882
<b>Real Estate Management &amp; Development - 0.2%</b>				
WeWork Cos. Inc., Senior Notes	7.875%	5/1/25	1,230,000	1,119,448 <sup>(a)(b)</sup>
<b>TOTAL REAL ESTATE</b>				10,764,330
<b>UTILITIES - 1.3%</b>				
<b>Electric Utilities - 0.2%</b>				
Pampa Energia SA, Senior Notes	7.375%	7/21/23	1,160,000	1,104,912 <sup>(b)(c)</sup>
<b>Gas Utilities - 0.7%</b>				
Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes	5.875%	3/1/27	4,850,000	4,607,500 <sup>(b)</sup>

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Independent Power and Renewable Electricity Producers - 0.4%</b>				
Minejesa Capital BV, Senior Secured Notes	4.625%	8/10/30	2,380,000	\$ 2,241,898 <sup>(a)(b)</sup>
<b>TOTAL UTILITIES</b>				7,954,310
<b>TOTAL CORPORATE BONDS &amp; NOTES</b>				
(Cost - \$612,287,882)				646,243,596
<b>SOVEREIGN BONDS - 15.0%</b>				
<b>Argentina - 3.0%</b>				
Argentina Bonar Bonds (Argentina BADLAR Private Deposit Rate + 2.500%)	49.105%	3/11/19	9,360,000 <sup>ARS</sup>	251,729 <sup>(i)</sup>
Argentina POM Politica Monetaria, Bonds (Argentina Central Bank 7 Day Repo Reference Rate)	51.654%	6/21/20	70,470,000 <sup>ARS</sup>	2,082,524 <sup>(i)</sup>
Argentine Republic Government International Bond, Senior Notes	5.875%	1/11/28	10,570,000	8,442,788
Bonos de la Nacion Argentina con Ajuste por CER, Bonds	4.000%	3/6/20	22,293,263 <sup>ARS</sup>	562,536
Provincia de Buenos Aires, Senior Notes	7.875%	6/15/27	7,980,000	6,583,500 <sup>(a)</sup>
<i>Total Argentina</i>				17,923,077
<b>Brazil - 1.6%</b>				
Brazil Notas do Tesouro Nacional Serie F, Notes	10.000%	1/1/21	4,502,000 <sup>BRL</sup>	1,296,547
Brazil Notas do Tesouro Nacional Serie F, Notes	10.000%	1/1/23	24,359,000 <sup>BRL</sup>	7,091,373
Brazilian Government International Bond, Senior Notes	4.625%	1/13/28	1,500,000	1,495,890
<i>Total Brazil</i>				9,883,810
<b>Colombia - 0.4%</b>				
Colombia Government International Bond, Senior Notes	4.500%	1/28/26	1,000,000	1,031,875
Colombia Government International Bond, Senior Notes	3.875%	4/25/27	1,500,000	1,483,125
<i>Total Colombia</i>				2,515,000

**Costa Rica - 0.3%**

Costa Rica Government International Bond, Senior Notes	7.158%	3/12/45	2,000,000	1,817,500 <sup>(a)</sup>
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**Dominican Republic - 0.3%**

Dominican Republic International Bond, Senior Notes	5.500%	1/27/25	1,500,000	1,526,250 <sup>(a)</sup>
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**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH INCOME FUND II INC.

## Schedule of investments (unaudited) (cont d)

January 31, 2019

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Ecuador - 1.3%</b>				
Ecuador Government International Bond, Senior Notes	10.750%	3/28/22	2,120,000	\$ 2,248,154 <sup>(a)</sup>
Ecuador Government International Bond, Senior Notes	9.650%	12/13/26	5,960,000	5,849,442 <sup>(a)</sup>
<i>Total Ecuador</i>				8,097,596
<b>Guatemala - 0.4%</b>				
Guatemala Government Bond, Senior Notes	4.375%	6/5/27	2,370,000	2,262,165 <sup>(a)</sup>
<b>Honduras - 0.4%</b>				
Honduras Government International Bond, Senior Notes	6.250%	1/19/27	2,450,000	2,526,415 <sup>(a)</sup>
<b>Hungary - 0.3%</b>				
Hungary Government International Bond, Senior Notes	5.750%	11/22/23	1,658,000	1,813,466
<b>Indonesia - 3.0%</b>				
Indonesia Government International Bond, Senior Notes	3.850%	7/18/27	5,760,000	5,633,165 <sup>(a)</sup>
Indonesia Government International Bond, Senior Notes	3.500%	1/11/28	10,190,000	9,709,399
Indonesia Treasury Bond, Senior Notes	7.000%	5/15/22	41,810,000,000 <sup>IDR</sup>	2,938,187
<i>Total Indonesia</i>				18,280,751
<b>Ivory Coast - 0.1%</b>				
Ivory Coast Government International Bond, Senior Notes	5.750%	12/31/32	452,500	418,142 <sup>(a)</sup>
<b>Mexico - 0.4%</b>				
Mexican Bonos, Bonds	6.500%	6/9/22	30,000,000 <sup>MXN</sup>	1,491,399
Mexico Government International Bond, Senior Notes	3.750%	1/11/28	1,000,000	954,750
<i>Total Mexico</i>				2,446,149
<b>Nigeria - 0.2%</b>				
	7.143%	2/23/30	1,130,000	1,088,009 <sup>(c)</sup>

Nigeria Government International Bond,  
Senior Notes

**Russia - 1.2%**

Russian Federal Bond - OFZ	7.750%	9/16/26	490,380,000 <sup>RUB</sup>	7,441,743
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**Turkey - 1.1%**

Turkey Government International Bond, Senior Notes	4.250%	4/14/26	3,900,000	3,446,438
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Turkey Government International Bond, Senior Notes	4.875%	10/9/26	3,875,000	3,523,293
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<i>Total Turkey</i>				6,969,731
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**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Ukraine - 0.3%</b>				
Ukraine Government International Bond, Senior Notes	7.375%	9/25/32	2,000,000	\$ 1,709,596 <sup>(a)</sup>
<b>Uruguay - 0.5%</b>				
Uruguay Government International Bond, Senior Notes	9.875%	6/20/22	82,160,000 <sup>UYU</sup>	2,540,536 <sup>(c)</sup>
Uruguay Government International Bond, Senior Notes	8.500%	3/15/28	21,960,000 <sup>UYU</sup>	595,262 <sup>(c)</sup>
<i>Total Uruguay</i>				<i>3,135,798</i>
<b>Venezuela - 0.2%</b>				
Venezuela Government International Bond, Senior Notes	8.250%	10/13/24	2,000,000	631,400 <sup>*(c)(g)</sup>
Venezuela Government International Bond, Senior Notes	9.375%	1/13/34	1,164,000	409,670 <sup>*(g)</sup>
<i>Total Venezuela</i>				<i>1,041,070</i>
<b>TOTAL SOVEREIGN BONDS</b>				
(Cost - \$90,630,770)				90,896,268
<b>SENIOR LOANS - 10.2%</b>				
<b>COMMUNICATION SERVICES - 1.4%</b>				
<b>Diversified Telecommunication Services - 0.1%</b>				
UnityMedia Hessen GmbH & Co. KG, Senior Facility B (1 mo. USD LIBOR + 2.250%)	4.759%	9/30/25	720,000	709,470 <sup>(i)(n)(o)</sup>
<b>Media - 1.3%</b>				
Charter Communications Operating LLC, Term Loan B (1 mo. USD LIBOR + 2.000%)	4.500%	4/30/25	5,345,884	5,283,738 <sup>(i)(n)(o)</sup>
Lamar Media Corp., Term Loan B (1 mo. USD LIBOR + 1.750%)	4.313%	3/14/25	2,377,013	2,369,585 <sup>(i)(n)(o)</sup>
<i>Total Media</i>				<i>7,653,323</i>
<b>TOTAL COMMUNICATION SERVICES</b>				8,362,793
<b>CONSUMER DISCRETIONARY - 4.3%</b>				

**Hotels, Restaurants & Leisure - 3.6%**

Aramark Services Inc., Term Loan B3 (1 mo. USD LIBOR + 1.750%)	4.249%	3/11/25	8,745,668	8,698,293 <sup>(i)(n)(o)</sup>
Hilton Worldwide Finance LLC, Term Loan B2 (1 mo. USD LIBOR + 1.750%)	4.260%	10/25/23	11,087,185	10,981,857 <sup>(i)(n)(o)</sup>
Wyndham Hotels & Resorts Inc., Term Loan B (1 mo. USD LIBOR + 1.750%)	4.249%	5/30/25	2,130,900	2,099,380 <sup>(i)(n)(o)</sup>
<i>Total Hotels, Restaurants &amp; Leisure</i>				<i>21,779,530</i>

**See Notes to Schedule of Investments.**



**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>Specialty Retail - 0.6%</b>				
PetSmart Inc., Term Loan B2 (1 mo. USD LIBOR + 3.000%)	5.520%	3/11/22	4,511,490	\$ 3,793,680 <sup>(i)(n)(o)</sup>
<b>Textiles, Apparel &amp; Luxury Goods - 0.1%</b>				
TOMS Shoes LLC, Term Loan (3 mo. USD LIBOR + 5.500%)	8.300%	10/30/20	544,922	427,764 <sup>(e)(i)(n)(o)</sup>
<b>TOTAL CONSUMER DISCRETIONARY</b>				26,000,974
<b>FINANCIALS - 0.3%</b>				
<b>Diversified Financial Services - 0.3%</b>				
Travelport Finance (Luxembourg) SARL, Initial Term Loan (3 mo. USD LIBOR + 2.500%)	5.116%	3/17/25	1,900,214	1,895,595 <sup>(i)(n)(o)</sup>
<b>INDUSTRIALS - 1.5%</b>				
<b>Air Freight &amp; Logistics - 1.0%</b>				
Avolon TLB Borrower 1 (US) LLC, Term Loan B3 (1 mo. USD LIBOR + 2.000%)	4.503%	1/15/25	5,988,741	5,939,334 <sup>(i)(n)(o)</sup>
<b>Professional Services - 0.5%</b>				
Trans Union LLC, 2017 Replacement Term Loan B3 (1 mo. USD LIBOR + 2.000%)	4.499%	4/9/23	3,350,530	3,315,228 <sup>(i)(n)(o)</sup>
<b>TOTAL INDUSTRIALS</b>				9,254,562
<b>INFORMATION TECHNOLOGY - 0.9%</b>				
<b>IT Services - 0.9%</b>				
First Data Corp., 2024A New Dollar Term Loan (1 mo. USD LIBOR + 2.000%)	4.519%	4/26/24	5,620,650	5,606,013 <sup>(i)(n)(o)</sup>
<b>MATERIALS - 1.0%</b>				
<b>Containers &amp; Packaging - 1.0%</b>				
Berry Global Inc., Term Loan Q (1 mo. USD LIBOR + 2.000%)	4.516%	10/1/22	6,044,003	5,966,568 <sup>(i)(n)(o)</sup>
<b>REAL ESTATE - 0.6%</b>				
<b>Equity Real Estate Investment Trusts (REITs) - 0.6%</b>				
Iron Mountain Information Management LLC, Term Loan B (1 mo. USD LIBOR + 1.750%)	4.249%	1/2/26	3,970,000	3,843,409 <sup>(i)(n)(o)</sup>

**UTILITIES - 0.2%**

**Electric Utilities - 0.2%**

Panda Temple Power LLC, Second Lien Term

Loan (1 mo. USD LIBOR +8.000% PIK)	10.508%	2/7/23	839,980	839,980 <sup>(e)(i)(k)(n)(o)</sup>
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**TOTAL SENIOR LOANS**

(Cost - \$62,417,986)

61,769,894

**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2019

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>U.S. GOVERNMENT &amp; AGENCY OBLIGATIONS - 3.5%</b>				
<b>U.S. Government Obligations - 3.5%</b>				
U.S. Treasury Notes	1.875%	1/31/22	5,000,000	\$ 4,919,141
U.S. Treasury Notes	1.875%	8/31/22	3,400,000	3,335,187 <sup>(p)</sup>
U.S. Treasury Notes	2.000%	10/31/22	2,400,000	2,362,875
U.S. Treasury Notes	1.625%	5/31/23	1,000,000	966,426 <sup>(p)</sup>
U.S. Treasury Notes	2.750%	7/31/23	1,000,000	1,013,145
U.S. Treasury Notes	2.750%	8/31/23	4,000,000	4,054,844 <sup>(p)</sup>
U.S. Treasury Notes	2.875%	10/31/23	1,500,000	1,528,857
U.S. Treasury Notes	2.125%	3/31/24	3,000,000	2,951,953 <sup>(p)</sup>
<b>TOTAL U.S. GOVERNMENT &amp; AGENCY OBLIGATIONS</b>				
(Cost - \$20,880,288)				21,132,428
<b>SHARES</b>				
<b>COMMON STOCKS - 1.5%</b>				
<b>CONSUMER DISCRETIONARY - 0.0%</b>				
<b>Hotels, Restaurants &amp; Leisure - 0.0%</b>				
Bossier Escrow Shares			166,350	50,005 <sup>*(d)(e)</sup>
<b>ENERGY - 1.3%</b>				
<b>Energy Equipment &amp; Services - 0.2%</b>				
Hercules Offshore Inc. (Escrow)			96,800	77,425 <sup>*(d)(e)</sup>
KCAD Holdings I Ltd.			533,873,172	1,348,030 <sup>*(d)(e)</sup>
<i>Total Energy Equipment &amp; Services</i>				<i>1,425,455</i>
<b>Oil, Gas &amp; Consumable Fuels - 1.1%</b>				
Berry Petroleum Corp.			370,182	4,364,446
Blue Ridge Mountain Resources Inc.			416,831	2,034,135 <sup>*(b)</sup>
MWO Holdings LLC			1,069	82,569 <sup>*(d)(e)</sup>
<i>Total Oil, Gas &amp; Consumable Fuels</i>				<i>6,481,150</i>
<b>TOTAL ENERGY</b>				<b>7,906,605</b>
<b>UTILITIES - 0.2%</b>				
<b>Electric Utilities - 0.2%</b>				
Panda Temple Power LLC			56,930	1,238,227 <sup>*</sup>

**TOTAL COMMON STOCKS**

(Cost - \$23,948,610)

9,194,837

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

<b>SECURITY</b>	<b>RATE</b>	<b>MATURITY DATE</b>	<b>FACE AMOUNT</b>	<b>VALUE</b>
<b>CONVERTIBLE BONDS &amp; NOTES - 1.0%</b>				
<b>COMMUNICATION SERVICES - 1.0%</b>				
<b>Interactive Media &amp; Services - 0.2%</b>				
Twitter Inc., Senior Notes	1.000%	9/15/21	780,000	\$ 729,202 <sup>(b)</sup>
Twitter Inc., Senior Notes	0.250%	6/15/24	370,000	344,708 <sup>(a)</sup>
<i>Total Interactive Media &amp; Services</i>				<i>1,073,910</i>
<b>Media - 0.8%</b>				
DISH Network Corp., Senior Notes	2.375%	3/15/24	5,940,000	4,934,804 <sup>(b)</sup>
<b>TOTAL CONVERTIBLE BONDS &amp; NOTES</b> (Cost - \$6,183,521)				6,008,714
<b>SHARES</b>				
<b>PREFERRED STOCKS - 0.7%</b>				
<b>FINANCIALS - 0.7%</b>				
<b>Banks - 0.7%</b>				
GMAC Capital Trust I (3 mo. USD LIBOR + 5.785%) (Cost - \$3,419,137)	8.401%		155,800	4,067,938 <sup>(b)(i)</sup>
<b>TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS</b> (Cost - \$819,768,194)				839,313,675
<b>FACE AMOUNT</b>				
<b>SHORT-TERM INVESTMENTS - 1.3%</b>				
<b>SOVEREIGN BONDS - 0.2%</b>				
Argentina Treasury Bill	(61.128)%	3/29/19	7,772,000 <sup>ARS</sup>	241,430 <sup>(q)</sup>
Argentina Treasury Bill	(35.061)%	5/31/19	38,350,000 <sup>ARS</sup>	1,184,625 <sup>(q)</sup>
<b>TOTAL SOVEREIGN BONDS</b> (Cost - \$1,228,345)				1,426,055
<b>SHARES</b>				
<b>MONEY MARKET FUNDS - 1.1%</b>				
	2.359%		6,724,714	6,724,714

Dreyfus Government Cash Management,  
Institutional Shares  
(Cost - \$6,724,714)

**TOTAL SHORT-TERM INVESTMENTS**

(Cost - \$7,953,059)

8,150,769

**TOTAL INVESTMENTS - 139.7%**

(Cost - \$827,721,253)

847,464,444

Liabilities in Excess of Other Assets - (39.7)%

(240,898,694)

**TOTAL NET ASSETS - 100.0%**

\$ 606,565,750

**See Notes to Schedule of Investments.**

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

**Schedule of investments (unaudited) (cont d)**

**January 31, 2019**

Face amount denominated in U.S. dollars, unless otherwise noted.

- \* Non-income producing security.
  
- (a) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. This security has been deemed liquid pursuant to guidelines approved by the Board of Directors.
  
- (b) All or a portion of this security is pledged as collateral pursuant to the loan agreement.
  
- (c) Security is exempt from registration under Regulation S of the Securities Act of 1933. Regulation S applies to securities offerings that are made outside of the United States and do not involve direct selling efforts in the United States. This security has been deemed liquid pursuant to guidelines approved by the Board of Directors.
  
- (d) Security is valued in good faith in accordance with procedures approved by the Board of Directors (Note 1).
  
- (e) Security is valued using significant unobservable inputs (Note 1).
  
- (f) Value is less than \$1.
  
- (g) The coupon payment on these securities is currently in default as of January 31, 2019.
  
- (h) Security has no maturity date. The date shown represents the next call date.
  
- (i) Variable rate security. Interest rate disclosed is as of the most recent information available. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description above.
  
- (j) Restricted security (Note 2).

- (k) Payment-in-kind security for which the issuer has the option at each interest payment date of making interest payments in cash or additional securities.
- (l) Securities traded on a when-issued or delayed delivery basis.
- (m) The maturity principal is currently in default as of January 31, 2019.
- (n) Interest rates disclosed represent the effective rates on senior loans. Ranges in interest rates are attributable to multiple contracts under the same loan.
- (o) Senior loans may be considered restricted in that the Fund ordinarily is contractually obligated to receive approval from the agent bank and/or borrower prior to the disposition of a senior loan.
- (p) All or a portion of this security is held by the counterparty as collateral for open reverse repurchase agreements.
- (q) Rate shown represents yield-to-maturity.



Abbreviations used in this schedule:

ARS	Argentine Peso
BRL	Brazilian Real
CER	Coeficiente de Establilzacion de Referencia
EUR	Euro
GBP	British Pound
ICE	Intercontinental Exchange
IDR	Indonesian Rupiah
JSC	Joint Stock Company
LIBOR	London Interbank Offered Rate
MXN	Mexican Peso
OJSC	Open Joint Stock Company
PIK	Payment-In-Kind
RUB	Russian Ruble
USD	United States Dollar
UYU	Uruguayan Peso

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH INCOME FUND II INC.****Schedule of investments (unaudited) (cont d)****January 31, 2019**

At January 31, 2019, the Fund had the following open reverse repurchase agreements:

<b>Counterparty</b>	<b>Rate</b>	<b>Effective Date</b>	<b>Maturity Date</b>	<b>Face Amount of Reverse Repurchase Agreements</b>	<b>Asset Class of Collateral*</b>	<b>Collateral Value</b>
Deutsche Bank Securities Inc.	2.630%	11/16/2018	2/15/2019	\$ 2,808,750	U.S. Government & Agency Obligations	\$ 2,951,953
Deutsche Bank Securities Inc.	2.720%	1/28/2019	4/11/2019	3,259,750	U.S. Government & Agency Obligations	\$ 3,335,187
Deutsche Bank Securities Inc.	2.720%	1/11/2019	4/11/2019	4,920,000	U.S. Government & Agency Obligations	\$ 5,021,270
				<b>\$ 10,988,500</b>		<b>\$ 11,308,410</b>

\* Refer to the Schedule of Investments for positions held at the counterparty as collateral for reverse repurchase agreements.

At January 31, 2019, the Fund had the following open forward foreign currency contracts:

<b>Currency Purchased</b>	<b>Currency Sold</b>	<b>Counterparty</b>	<b>Settlement Date</b>	<b>Unrealized Appreciation (Depreciation)</b>
GBP 123,091	USD 158,159	Barclays Bank PLC	4/17/19	\$ 3,932
USD 3,407,898	BRL 12,660,000	Barclays Bank PLC	4/17/19	(45,165)
USD 174,098	EUR 150,000	Barclays Bank PLC	4/17/19	1,261
USD 1,331,452	EUR 1,150,000	Barclays Bank PLC	4/17/19	6,364
USD 354,800	EUR 305,658	Citibank N.A.	4/17/19	2,606
USD 394,222	GBP 307,151	Citibank N.A.	4/17/19	(10,248)
Total				\$ (41,250)

Abbreviations used in this table:

BRL Brazilian Real

EUR Euro

GBP British Pound

USD United States Dollar

This Schedule of Investments is unaudited and is intended to provide information about the Fund's investments as of the date of the schedule. Other information regarding the Fund is available in the Fund's most recent annual or semi-annual shareholder report.

**See Notes to Schedule of Investments.**

## Notes to Schedule of Investments (unaudited)

### 1. Organization and significant accounting policies

Western Asset High Income Fund II Inc. (the Fund) was incorporated in Maryland and is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund seeks to maximize current income by investing at least 80% of its net assets, plus any borrowings for investment purposes, in high-yield debt securities. As a secondary objective, the Fund seeks capital appreciation to the extent consistent with its objective of seeking to maximize current income.

The following are significant accounting policies consistently followed by the Fund and are in conformity with U.S. generally accepted accounting principles (GAAP).

**(a) Investment valuation.** The valuations for fixed income securities (which may include, but are not limited to, corporate, government, municipal, mortgage-backed, collateralized mortgage obligations and asset-backed securities) and certain derivative instruments are typically the prices supplied by independent third party pricing services, which may use market prices or broker/dealer quotations or a variety of valuation techniques and methodologies. The independent third party pricing services use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar securities. Investments in open-end funds are valued at the closing net asset value per share of each fund on the day of valuation. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. Equity securities for which market quotations are available are valued at the last reported sales price or official closing price on the primary market or exchange on which they trade. When the Fund holds securities or other assets that are denominated in a foreign currency, the Fund will normally use the currency exchange rates as of 4:00 p.m. (Eastern Time). If independent third party pricing services are unable to supply prices for a portfolio investment, or if the prices supplied are deemed by the manager to be unreliable, the market price may be determined by the manager using quotations from one or more broker/dealers or at the transaction price if the security has recently been purchased and no value has yet been obtained from a pricing service or pricing broker. When reliable prices are not readily available, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the Fund calculates its net asset value, the Fund values these securities as determined in accordance with procedures approved by the Fund's Board of Directors.

The Board of Directors is responsible for the valuation process and has delegated the supervision of the daily valuation process to the Legg Mason North Atlantic Fund Valuation Committee (the Valuation Committee). The Valuation Committee, pursuant to the policies adopted by the Board of Directors, is responsible for making fair value determinations, evaluating the effectiveness of the Fund's pricing policies, and reporting to the Board of Directors. When determining the reliability of third party pricing information for investments

**Notes to Schedule of Investments (unaudited) (continued)**

owned by the Fund, the Valuation Committee, among other things, conducts due diligence reviews of pricing vendors, monitors the daily change in prices and reviews transactions among market participants.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Directors, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such back testing monthly and fair valuation occurrences are reported to the Board of Directors quarterly.

The Fund uses valuation techniques to measure fair value that are consistent with the market approach and/or income approach, depending on the type of security and the particular circumstance. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable securities. The income approach uses valuation techniques to discount estimated future cash flows to present value.

GAAP establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. These inputs are summarized in the three broad levels listed below:

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Notes to Schedule of Investments (unaudited) (continued)**

The following is a summary of the inputs used in valuing the Fund's assets and liabilities carried at fair value:

DESCRIPTION	ASSETS			TOTAL
	QUOTED PRICES (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	
Long-Term Investments :				
Corporate Bonds & Notes:				
Energy		\$ 128,277,300	\$ 0*	\$ 128,277,300
Health Care		41,089,655	4,756,840	45,846,495
Other Corporate Bonds & Notes		472,119,801		472,119,801
Sovereign Bonds		90,896,268		90,896,268
Senior Loans:				
Consumer Discretionary		25,573,210	427,764	26,000,974
Utilities			839,980	839,980
Other Senior Loans		34,928,940		34,928,940
U.S. Government & Agency Obligations		21,132,428		21,132,428
Common Stocks:				
Consumer Discretionary			50,005	50,005
Energy	\$ 6,398,581		1,508,024	7,906,605
Utilities		1,238,227		1,238,227
Convertible Bonds & Notes		6,008,714		6,008,714
Preferred Stocks	4,067,938			4,067,938
<b>Total Long-Term Investments</b>	<b>\$ 10,466,519</b>	<b>\$ 821,264,543</b>	<b>\$ 7,582,613</b>	<b>\$ 839,313,675</b>
Short-Term Investments :				
Sovereign Bonds		1,426,055		1,426,055
Money Market Funds	6,724,714			6,724,714
<b>Total Short-Term Investments</b>	<b>\$ 6,724,714</b>	<b>\$ 1,426,055</b>		<b>\$ 8,150,769</b>
<b>Total Investments</b>	<b>\$ 17,191,233</b>	<b>\$ 822,690,598</b>	<b>\$ 7,582,613</b>	<b>\$ 847,464,444</b>
Other Financial Instruments:				
Forward Foreign Currency Contracts		\$ 14,163		\$ 14,163
<b>Total</b>	<b>\$ 17,191,233</b>	<b>\$ 822,704,761</b>	<b>\$ 7,582,613</b>	<b>\$ 847,478,607</b>

**LIABILITIES**

DESCRIPTION	SIGNIFICANT OTHER SIGNIFICANT UNOBSERVABLE			TOTAL
	QUOTED PRICES (LEVEL 1)	OBSERVABLE INPUTS (LEVEL 2)	INPUTS (LEVEL 3)	
Other Financial Instruments:				
Forward Foreign Currency Contracts		\$ 55,413		\$ 55,413

See Schedule of Investments for additional detailed categorizations.

\* Amount represents less than \$1.

**Notes to Schedule of Investments (unaudited) (continued)**

The Fund's policy is to recognize transfers between levels as of the end of the reporting period. At January 31, 2019, securities valued \$4,364,446 were transferred from Level 2 to Level 1 within the fair value hierarchy because of the availability of a quoted price in an active market for an identical investment.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	<b>Balance as of April 30, 2018</b>	<b>Accrued premiums/ discounts</b>	<b>Realized gain (loss)</b>	<b>Change in unrealized appreciation (depreciation)<sup>1</sup></b>	<b>Purchases</b>
<b>Investments in Securities</b>					
Corporate Bonds & Notes:					
Consumer Discretionary	\$ 2,647,579				\$ 293,355
Energy	0*				
Health Care	4,756,840	\$ 6,093		\$ (6,093)	
Senior Loans:					
Consumer Discretionary	2,786,165	(4,308)	\$ (451,274)	693,730	1,609,635
Energy	129,100	5	100	22,677	
Utilities					
Common Stocks:					
Consumer Discretionary	2,871,201		1,760,590	(2,488,496)	0*
Energy	6,308,022		1	(2,644,797)	
Industrials	426,407		(850,685)	425,321	
Utilities	1,081,670			156,557	
Preferred Stocks:					
Industrials	500,399		(3,806,177)	3,321,428	
<b>Total</b>	<b>\$ 21,507,383</b>	<b>\$ 1,790</b>	<b>\$ (3,347,445)</b>	<b>\$ (519,673)</b>	<b>\$ 1,902,990</b>



## Notes to Schedule of Investments (unaudited) (continued)

Investments in Securities (cont d)	Sales	Transfers into Level 3 <sup>2</sup>	Transfers out of Level 3 <sup>3</sup>	Balance as of January 31, 2019	Net change in unrealized appreciation (depreciation) for investments in securities still held at January 31, 2019 <sup>1</sup>
Corporate Bonds & Notes:					
Consumer Discretionary	\$ (2,940,934)				
Energy				\$ 0*	
Health Care				4,756,840	\$ (6,093)
Senior Loans:					
Consumer Discretionary	(4,633,948)	\$ 427,764		427,764	
Energy	(151,882)				
Utilities		839,980		839,980	
Common Stocks:					
Consumer Discretionary	(2,093,290)			50,005	50,005
Energy	(121,067)		\$ (2,034,135)	1,508,024	(1,502,680)
Industrials	(1,043)				
Utilities			(1,238,227)		
Preferred Stocks:					
Industrials	(15,650)				
<b>Total</b>	<b>\$ (9,957,814)</b>	<b>\$ 1,267,744</b>	<b>\$ (3,272,362)</b>	<b>\$ 7,582,613</b>	<b>\$ (1,458,768)</b>

The Fund's policy is to recognize transfers between levels as of the end of the reporting period.

\* Amount represents less than \$1.

<sup>1</sup> Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized.

<sup>2</sup> Transferred into Level 3 as a result of the unavailability of a quoted price in an active market for an identical investment or the unavailability of other significant observable inputs.

<sup>3</sup>

Transferred out of Level 3 as a result of the availability of a quoted price in an active market for an identical investment or the availability of other significant observable inputs.

**Notes to Schedule of Investments (unaudited) (continued)****2. Restricted securities**

The following Fund investment is restricted as to resale.

<b>Security</b>	<b>Face Amount</b>	<b>Acquisition Date</b>	<b>Cost</b>	<b>Value at 1/31/2019</b>	<b>Value Per Unit</b>	<b>Percent of Net Assets</b>
BioScrip Inc., First Lien Notes, 8.224%, due 6/30/22	\$ 4,552,000	6/17	\$ 4,518,865	\$ 4,756,840	\$ 104.50	0.78%

**ITEM 2. CONTROLS AND PROCEDURES.**

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934.
  
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are likely to materially affect the registrant's internal control over financial reporting.

**ITEM 3. EXHIBITS.**

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are attached hereto.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Western Asset High Income Fund II Inc.

By                    /s/ JANE TRUST  
                         **Jane Trust**  
                         **Chief Executive Officer**

Date: March 27, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By                    /s/ JANE TRUST  
                         **Jane Trust**  
                         **Chief Executive Officer**

Date: March 27, 2019

By                    /s/ RICHARD F. SENNETT  
                         **Richard F. Sennett**  
                         **Principal Financial Officer**

Date: March 27, 2019