

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)}
<i>Total Media</i>				73,571,325
Multiline Retail - 0.6%				
Neiman Marcus Group Ltd. LLC, Senior Notes	8.750%	10/15/21	2,940,000	3,167,850 ^{(a)(b)(d)}
Neiman Marcus Group Ltd. LLC, Senior Secured Notes	7.125%	6/1/28	660,000	660,000 ^(b)
<i>Total Multiline Retail</i>				3,827,850
Specialty Retail - 1.5%				
American Greetings Corp., Senior Notes	7.375%	12/1/21	2,480,000	2,613,300 ^(b)
Guitar Center Inc., Senior Secured Bonds	6.500%	4/15/19	6,850,000	6,250,625 ^{(a)(b)}
Hot Topic Inc., Senior Secured Notes	9.250%	6/15/21	1,570,000	1,617,100 ^{(a)(b)}
<i>Total Specialty Retail</i>				10,481,025
Textiles, Apparel & Luxury Goods - 0.1%				
Empire Today LLC/Empire Today Finance Corp., Senior Secured Notes	11.375%	2/1/17	1,300,000	1,020,500 ^{(a)(b)}
TOTAL CONSUMER DISCRETIONARY				144,889,042
CONSUMER STAPLES - 5.1%				
Beverages - 1.1%				
Carolina Beverage Group LLC/Carolina Beverage Group Finance Inc., Secured Notes	10.625%	8/1/18	2,610,000	2,570,850 ^{(a)(b)}
Cott Beverages Inc., Senior Notes	6.750%	1/1/20	2,140,000	2,233,625 ^(a)
DS Services of America Inc., Secured Notes	10.000%	9/1/21	2,390,000	2,805,262 ^(a)
<i>Total Beverages</i>				7,609,737
Food & Staples Retailing - 0.8%				

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Beverages & More Inc., Senior Secured Notes	10.000%	11/15/18	3,610,000	3,605,488 ^{(a)(b)}
Dollar Tree Inc., Senior Notes	5.750%	3/1/23	2,210,000	2,342,600 ^{(a)(b)}
<i>Total Food & Staples Retailing</i>				5,948,088
Food Products - 1.8%				
Dole Food Co. Inc., Senior Secured Notes	7.250%	5/1/19	2,440,000	2,482,700 ^{(a)(b)}
Hearthside Group Holdings LLC/Hearthside Finance Co., Senior Notes	6.500%	5/1/22	2,300,000	2,219,500 ^{(a)(b)}
Pilgrim s Pride Corp., Senior Notes	5.750%	3/15/25	3,090,000	3,167,250 ^(a)
Simmons Foods Inc., Secured Notes	7.875%	10/1/21	5,010,000	4,621,725 ^(a)
<i>Total Food Products</i>				12,491,175
Household Products - 0.8%				
Spectrum Brands Inc., Senior Notes	6.125%	12/15/24	1,630,000	1,701,687 ^{(a)(b)}
Spectrum Brands Inc., Senior Notes	5.750%	7/15/25	3,350,000	3,466,580 ^(a)
Sun Products Corp., Senior Notes	7.750%	3/15/21	590,000	538,375 ^(a)
<i>Total Household Products</i>				5,706,642

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

July 31, 2015

ISecurity	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Tobacco - 0.6%				
Alliance One International Inc., Secured Notes	9.875%	7/15/21	4,500,000	\$ 3,965,625 ^(b)
TOTAL CONSUMER STAPLES				35,721,267
ENERGY - 18.5%				
Energy Equipment & Services - 2.2%				
Atwood Oceanics Inc., Senior Notes	6.500%	2/1/20	1,923,000	1,810,024 ^(b)
CGG, Senior Notes	7.750%	5/15/17	378,000	364,052 ^(b)
CGG, Senior Notes	6.500%	6/1/21	2,520,000	1,927,800
CGG, Senior Notes	6.875%	1/15/22	480,000	367,200
Hercules Offshore Inc., Senior Notes	7.500%	10/1/21	1,885,000	556,075 ^(a)
Hercules Offshore Inc., Senior Notes	6.750%	4/1/22	4,225,000	1,256,937 ^(a)
Key Energy Services Inc., Senior Notes	6.750%	3/1/21	990,000	490,050
McDermott International Inc., Secured Notes	8.000%	5/1/21	680,000	589,900 ^(a)
Parker Drilling Co., Senior Notes	7.500%	8/1/20	3,250,000	2,843,750
SESI LLC, Senior Notes	7.125%	12/15/21	2,780,000	2,905,100 ^(b)
Sierra Hamilton LLC/Sierra Hamilton Finance Inc., Senior Secured Notes	12.250%	12/15/18	2,730,000	2,047,500 ^{(a)(b)}
<i>Total Energy Equipment & Services</i>				15,158,388
Oil, Gas & Consumable Fuels - 16.3%				
American Energy-Permian Basin LLC/AEPB Finance Corp., Secured Notes	8.000%	6/15/20	1,980,000	1,885,950 ^{(a)(b)}
Approach Resources Inc., Senior Notes	7.000%	6/15/21	1,600,000	1,364,000 ^(b)
Arch Coal Inc., Senior Notes	7.250%	6/15/21	3,700,000	425,500
Berry Petroleum Co., Senior Notes	6.375%	9/15/22	1,570,000	1,059,750 ^(b)
California Resources Corp., Senior Notes	6.000%	11/15/24	7,540,000	6,126,250
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	6.500%	4/15/21	520,000	514,072
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	7.625%	1/15/22	2,130,000	2,168,749 ^(b)
Carrizo Oil & Gas Inc., Senior Notes	7.500%	9/15/20	1,750,000	1,767,500 ^(b)
Chesapeake Energy Corp., Senior Notes	6.875%	11/15/20	960,000	866,400 ^(b)
Chesapeake Energy Corp., Senior Notes	5.750%	3/15/23	2,600,000	2,210,000
Comstock Resources Inc., Senior Notes	9.500%	6/15/20	4,980,000	1,867,500 ^(b)
Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., Senior Notes	6.125%	3/1/22	2,919,000	2,897,107 ^(b)
EDC Finance Ltd., Senior Notes	4.875%	4/17/20	370,000	333,000 ^(a)
Endeavor Energy Resources LP/EER Finance Inc., Senior Notes	8.125%	9/15/23	1,140,000	1,139,376 ^{(a)(b)}
Enterprise Products Operating LLC, Junior Subordinated Notes	8.375%	8/1/66	285,000	291,413 ^{(b)(i)}
EP Energy LLC/Everest Acquisition Finance Inc., Senior Notes	9.375%	5/1/20	2,730,000	2,832,375 ^(b)
Gazprom OAO Via Gaz Capital SA, Loan Participation Notes, Senior Notes	6.510%	3/7/22	3,580,000	3,562,673 ^(a)
Globe Luxembourg SCA, Senior Secured Notes	9.625%	5/1/18	6,520,000	5,778,350 ^{(a)(b)}
Halcon Resources Corp., Secured Notes	8.625%	2/1/20	2,350,000	2,253,062 ^{(a)(b)}
Halcon Resources Corp., Senior Notes	9.750%	7/15/20	3,793,000	2,067,185
Halcon Resources Corp., Senior Notes	8.875%	5/15/21	8,490,000	4,457,250 ^(b)
Kinder Morgan Inc., Medium-Term Notes	7.800%	8/1/31	1,952,000	2,211,403 ^(b)
Lonestar Resources America Inc., Senior Notes	8.750%	4/15/19	1,080,000	815,400 ^(a)

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LUKOIL International Finance BV, Bonds	6.356%	6/7/17	1,720,000	1,804,039 ^(c)
LUKOIL International Finance BV, Senior Notes	4.563%	4/24/23	2,040,000	1,829,794 ^(a)
Magnum Hunter Resources Corp., Senior Notes	9.750%	5/15/20	7,190,000	5,536,300 ^(b)
MEG Energy Corp., Senior Notes	6.375%	1/30/23	5,020,000	4,492,900 ^(a)
Milagro Oil & Gas Inc., Secured Notes	10.500%	5/15/16	3,290,000	625,100 ^{*(e)(g)}
Murray Energy Corp., Senior Secured Notes	11.250%	4/15/21	8,900,000	5,518,000 ^(a)
Natural Resource Partners LP/Natural Resource Partners Finance Corp., Senior Notes	9.125%	10/1/18	2,950,000	2,138,750 ^(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
Oil, Gas & Consumable Fuels - (continued)				
New Gulf Resources LLC/NGR Finance Corp., Senior Secured Notes	12.250%	5/15/19	1,960,000	\$ 970,200 ^(b)
Pacific Exploration and Production Corp., Senior Notes	5.375%	1/26/19	2,350,000	1,674,375 ^(a)
Petrobras Global Finance BV, Senior Notes	7.250%	3/17/44	3,000,000	2,647,710
Petrobras Global Finance BV, Senior Notes	6.850%	6/5/2115	1,320,000	1,070,098
Petroleos de Venezuela SA, Senior Bonds	6.000%	5/16/24	12,780,000	4,311,972 ^(c)
Petroleos de Venezuela SA, Senior Notes	8.500%	11/2/17	1,124,000	768,816 ^(c)
Puma International Financing SA, Senior Bonds	6.750%	2/1/21	4,610,000	4,682,193 ^{(a)(b)}
Quicksilver Resources Inc., Senior Notes	11.000%	7/1/21	1,335,000	130,163 ^{*(g)}
Rice Energy Inc., Senior Notes	7.250%	5/1/23	1,830,000	1,807,125 ^(a)
Rosneft Finance SA, Senior Notes	7.500%	7/18/16	270,000	280,800 ^(a)
Rosneft Finance SA, Senior Notes	6.625%	3/20/17	230,000	238,625 ^(c)
Rosneft Finance SA, Senior Notes	7.875%	3/13/18	1,390,000	1,471,732 ^{(a)(b)}
RSP Permian Inc., Senior Notes	6.625%	10/1/22	5,280,000	5,346,000 ^(a)
Samson Investment Co., Senior Notes	9.750%	2/15/20	2,730,000	3,003
Sanchez Energy Corp., Senior Notes	6.125%	1/15/23	9,940,000	8,101,100
Shelf Drilling Holdings Ltd., Senior Secured Notes	8.625%	11/1/18	1,810,000	1,588,275 ^(a)
Whiting Canadian Holding Co. ULC, Senior Notes	8.125%	12/1/19	2,720,000	2,818,600 ^(b)
WPX Energy Inc., Senior Notes	7.500%	8/1/20	790,000	803,825
WPX Energy Inc., Senior Notes	8.250%	8/1/23	840,000	855,750
YPF SA, Senior Notes	8.500%	7/28/25	3,530,000	3,409,627 ^(a)
<i>Total Oil, Gas & Consumable Fuels</i>				<i>113,819,137</i>
TOTAL ENERGY				128,977,525
FINANCIALS - 15.9%				
Banks - 7.7%				
Bank of America Corp., Junior Subordinated Notes	6.500%	10/23/24	1,190,000	1,230,162 ^{(b)(i)(j)}
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	3,710,000	4,912,133 ^{(a)(b)}
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	5,000,000	5,775,000 ^(b)
Barclays PLC, Junior Subordinated Bonds	8.250%	12/15/18	800,000	857,974 ^{(b)(i)(j)}
Citigroup Inc., Junior Subordinated Bonds	6.300%	5/15/24	950,000	932,188 ^{(i)(j)}
Citigroup Inc., Junior Subordinated Bonds	5.950%	5/15/25	1,580,000	1,542,475 ^{(b)(i)(j)}
Credit Agricole SA, Junior Subordinated Notes	8.375%	10/13/19	3,180,000	3,657,000 ^{(a)(b)(i)(j)}
Credit Agricole SA, Junior Subordinated Notes	7.875%	1/23/24	1,350,000	1,404,872 ^{(a)(i)(j)}
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	9/17/24	1,560,000	1,571,700 ^{(b)(i)(j)}
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	3/30/25	2,000,000	2,014,000 ^{(i)(j)}
Intesa Sanpaolo SpA, Senior Notes	3.625%	8/12/15	3,920,000	3,922,003 ^{(a)(b)}
JPMorgan Chase & Co., Junior Subordinated Bonds	6.000%	8/1/23	1,270,000	1,260,475 ^{(b)(i)(j)}
JPMorgan Chase & Co., Junior Subordinated Notes	6.100%	10/1/24	2,410,000	2,422,050 ^{(b)(i)(j)}
M&T Bank Corp., Junior Subordinated Bonds	6.875%	6/15/16	4,400,000	4,477,000 ^{(b)(j)}
Novo Banco SA, Senior Notes	5.875%	11/9/15	1,500,000 ^{EUR}	1,659,731 ^(c)
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	3,530,000	4,465,450 ^{(b)(i)(j)}
Royal Bank of Scotland Group PLC, Subordinated Notes	6.100%	6/10/23	1,470,000	1,589,886 ^(b)
Royal Bank of Scotland NV, Subordinated Bonds	7.750%	5/15/23	650,000	766,590 ^(b)
Royal Bank of Scotland PLC, Subordinated Notes	13.125%	3/19/22	4,860,000 ^{AUD}	4,032,607 ^{(c)(i)}

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Sberbank of Russia Via SB Capital SA, Subordinated Notes	5.500%	2/26/24	4,420,000	3,737,375 ^{(c)(i)}
Wells Fargo & Co., Junior Subordinated Bonds	5.875%	6/15/25	1,140,000	1,168,500 ^{(b)(i)(j)}
<i>Total Banks</i>				<i>53,399,171</i>

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
Capital Markets - 1.1%				
Credit Suisse Group AG, Junior Subordinated Notes	6.250%	12/18/24	1,350,000	\$ 1,317,937 ^{(a)(i)(j)}
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	2,320,000	2,784,933 ^(b)
Goldman Sachs Group Inc., Subordinated Notes	5.150%	5/22/45	2,480,000	2,465,9