

WESTERN ASSET HIGH INCOME FUND II INC.
Form N-CSRS
January 04, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-8709

Western Asset High Income Fund II Inc.
(Exact name of registrant as specified in charter)

125 Broad Street, New York, NY
(Address of principal executive offices)

10004
(Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

300 First Stamford Place, 4th Floor

Stamford, CT 06902
(Name and address of agent for service)

Registrant's telephone number, including area code: (800) 451-2010

Date of fiscal year April 30
end:

Date of reporting period: October 31, 2007

ITEM 1. REPORT TO STOCKHOLDERS.

The **Semi-Annual** Report to Stockholders is filed herewith.

**Western Asset
High Income Fund II Inc.
(HIX)**

**SEMI-ANNUAL
REPORT**

OCTOBER 31, 2007

**INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE •
MAY LOSE VALUE**

**Western Asset
High Income Fund II Inc.**

Semi-Annual Report • October 31, 2007

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Fund Objective

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.

Letter from the Chairman

Dear Shareholder,

Despite continued weakness in the housing market and a credit crunch that began in the summer of 2007, the U.S. economy proved to be resilient during the six-month reporting period ended October 31, 2007. In the first quarter of 2007, U.S. gross domestic product (GDP)ⁱ growth was a tepid 0.6%, according to the U.S. Commerce Department. This was the lowest growth rate since the fourth quarter of 2002. The economy then rebounded, as second quarter 2007 GDP growth was a solid 3.8%. Given the modest increase earlier in the year, this higher growth rate was not unexpected. The preliminary estimate for third quarter GDP growth was 4.9%. A surge in inventory-building and robust exports supported the economy during the third calendar quarter.

R. JAY GERKEN, CFA

Chairman, President and
Chief Executive Officer

Ongoing issues related to the housing and subprime mortgage markets and an abrupt tightening in the credit markets prompted the Federal Reserve Board (Fed)ⁱⁱ to take several actions during the reporting period. The Fed initially responded by lowering the discount rate the rate the Fed uses for loans it makes directly to banks from 6.25% to 5.75% in mid-August 2007. Then, at its meeting on September 18, the Fed reduced the federal funds rateⁱⁱⁱ from 5.25% to 4.75% and the discount rate to 5.25%. This marked the first reduction in the federal funds rate since June 2003. The Fed again lowered rates at the end of October, as it cut both the discount rate and federal funds rate another 0.25% to 5.00% and 4.50%, respectively. In its statement accompanying the October meeting, the Fed stated: Economic growth was solid in the third quarter, and strains in financial markets have eased somewhat on balance. However, the pace of economic expansion will likely slow in the near term, partly reflecting the intensification of the housing correction. The Fed went on to say: The

Western Asset High Income Fund II Inc.

I

Committee judges that, after this action, the upside risks to inflation roughly balance the downside risks to growth.

During the six-month reporting period, both short- and long-term Treasury yields experienced periods of significant volatility. After falling during the first three months of 2007, yields then moved steadily higher during much of the second quarter. This was due, in part, to inflationary fears, a solid job market and expectations that the Fed would not be cutting short-term rates in the foreseeable future. During the remainder of the reporting period, the U.S. fixed-income markets were extremely volatile, which negatively impacted market liquidity conditions. Initially, the concern on the part of market participants was limited to the subprime segment of the mortgage-backed market. These concerns broadened, however, to include a wide range of financial institutions and markets. As a result, other fixed-income instruments also experienced increased price volatility. This turmoil triggered a significant flight to quality, causing Treasury yields to move sharply lower (and their prices higher), while riskier segments of the market saw their yields move higher (and their prices lower). Overall, during the six months ended October 31, 2007, two-year Treasury yields fell from 4.60% to 3.94%. Over the same period, 10-year Treasury yields moved from 4.63% to 4.48%. Looking at the six-month period as a whole, the overall bond market, as measured by the Lehman Brothers U.S. Aggregate Index^{iv}, returned 2.68%.

Due in large part to a dramatic flight to quality earlier in the reporting period, the high-yield bond market largely treaded water over the six months ended October 31, 2007. During that time, the Citigroup High Yield Market Index^v returned -0.06%. High-yield bond prices weakened significantly in June and July. While they subsequently posted positive results in August, September and October, it was not enough to overcome their earlier negative returns.

Despite a dramatic flight to quality and weakness earlier in the reporting period, emerging markets debt generated positive results, as the JPMorgan Emerging Markets Bond Index Global (EMBI Global)^{vi} returned 2.64% during the reporting period. Overall solid demand, an expanding global

economy, strong domestic spending and the Fed's rate cuts supported the emerging market debt asset class.

Performance Review

For the six months ended October 31, 2007, Western Asset High Income Fund II Inc. returned -1.34% based on its net asset value (NAV)^{vii} and -6.61% based on its New York Stock Exchange (NYSE) market price per share. In comparison, the Fund's new unmanaged benchmarks, the Lehman Brothers U.S. Corporate High Yield 2% Issuer Cap Index^{viii} and the EMBI Global, returned -0.07% and 2.64%, respectively, over the same period. The Fund's former unmanaged benchmark, the Citigroup High Yield Market Index, returned -0.06% for the same time frame. The Lipper High Current Yield (Leveraged) Closed-End Funds Category Average^{ix} returned -5.75% over the same period. Please note that Lipper performance returns are based on each fund's NAV per share.

During this six-month period, the Fund made distributions to shareholders totaling \$0.47 per share (which may have included a return of capital). The performance table shows the Fund's six-month total return based on its NAV and market price as of October 31, 2007. **Past performance is no guarantee of future results.**

Performance Snapshot as of October 31, 2007 (unaudited)

Price Per Share	6-Month Total Return
\$11.74 (NAV)	-1.34%
\$10.38 (Market Price)	-6.61%

All figures represent past performance and are not a guarantee of future results.

Total returns are based on changes in NAV or market price, respectively. Total returns assume the reinvestment of all distributions including returns of capital, if any, in additional shares.

Special Shareholder Notices

On August 15, 2007, the Board of Directors of Western Asset High Income Fund II Inc. approved, to be effective September 17, 2007, amending the Fund's non-fundamental investment policies relating to the types of securities in which the Fund may invest. As a result of the amendment to the Fund's non-fundamental investment policies, the Fund will be able to invest in, among other things, dollar rolls, mortgage-backed securities and asset-backed securities as part of its investment strategies. Investments in these types of securities, and other types of securities that will be permissible under the amended non-fundamental investment policies, may involve additional risk.

Under a dollar roll transaction, the Fund sells securities for delivery in the current month, or sells securities it has purchased on a to-be-announced basis, and simultaneously contracts to repurchase substantially similar (same type and coupon) securities on a specified future date. During the roll period, the Fund forgoes principal and interest paid on the purchased securities. Dollar rolls are speculative techniques involving leverage, and are considered borrowings by the Fund if the Fund does not establish and maintain a segregated account. In addition, dollar rolls involve the risk that the market value of the securities the Fund is obligated to repurchase may decline below the repurchase price. In the event the buyer of securities under a dollar roll files for bankruptcy or becomes insolvent, the Fund's use of proceeds may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities. Successful use of dollar rolls may depend upon the ability of the Fund's investment manager to correctly predict interest rates and prepayments. There is no assurance that dollar rolls can be successfully employed.

Mortgage-backed securities may be issued by private companies or by agencies of the U.S. Government and represent direct or indirect participations in, or are collateralized by and payable from, mortgage loans secured by real property. Asset-backed securities represent participations in, or are secured by and payable from, assets such as installment sales

or loan contracts, leases, credit card receivables and other categories of receivables. Certain debt instruments may only pay principal at maturity or may only represent the right to receive payments of principal or payments of interest on underlying pools of mortgages, assets or government securities, but not both. The value of these types of instruments may change more drastically than debt securities that pay both principal and interest during periods of changing interest rates. The Fund may obtain a below market yield or incur a loss on such instruments during periods of declining interest rates. Principal only and interest only instruments are subject to extension risk. For mortgage derivatives and structured securities that have imbedded leverage features, small changes in interest or prepayment rates may cause large and sudden price movements. Mortgage derivatives may be illiquid and hard to value in declining markets.

These changes are intended to provide the portfolio managers with additional flexibility to meet the Fund's investment objectives and address developments in the market, but the Fund's portfolio managers do not currently anticipate that any dramatic changes in the Fund's portfolio composition or investment approach will result.

Information About Your Fund

Important information with regard to recent regulatory developments that may affect the Fund is contained in the Notes to Financial Statements included in this report.

Looking for Additional Information?

The Fund is traded under the symbol **HIX** and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol **XHGIX** on most financial websites. *Barron's* and *The Wall Street Journal's* Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites, as well as www.leggmason.com/individualinvestors.

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888-777-0102 (toll free),

Monday through Friday from 8:00 a.m. to 6:00 p.m. Eastern Time, for the Fund's current NAV, market price and other information.

As always, thank you for your confidence in our stewardship of your assets. We look forward to helping you meet your financial goals.

Sincerely,

R. Jay Gerken, CFA
Chairman, President and Chief Executive Officer

November 30, 2007

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

RISKS: As interest rates rise, bond prices fall generally, reducing the value of the Fund. The Fund may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on fund performance. High-yield bonds involve greater credit and liquidity risks than investment grade bonds. Foreign securities are subject to certain risks not associated with domestic investing, such as currency fluctuations and changes in political and economic conditions which could result in significant fluctuations. The risks are magnified in emerging markets.

All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

- i Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.
- ii The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.
- iii The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.
- iv The Lehman Brothers U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- v The Citigroup High Yield Market Index is a broad-based unmanaged index of high-yield securities.
- vi The JPMorgan Emerging Markets Bond Index Global (EMBI Global) tracks total returns for U.S. dollar denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds, and local market instruments. Countries covered are Algeria, Argentina, Brazil, Bulgaria, Chile, China, Colombia, Cote d'Ivoire, Croatia, Ecuador, Greece, Hungary, Lebanon, Malaysia, Mexico, Morocco, Nigeria, Panama, Peru, the Philippines, Poland, Russia, South Africa, South Korea, Thailand, Turkey and Venezuela.
- vii NAV is calculated by subtracting total liabilities and outstanding preferred stock (if any) from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is at the Fund's market price as determined by supply of and demand for the Fund's shares.
- viii The Lehman Brothers U.S. Corporate High Yield 2% Issuer Cap Index is an index of the 2% Issuer Cap component of the Lehman Brothers U.S. Corporate High Yield Index, which covers the U.S. dollar-denominated, non-investment grade fixed-rate, taxable corporate bond market.

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ix Lipper, Inc. is a major independent mutual-fund tracking organization. Returns are based on the six-month period ended October 31, 2007, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 31 funds in the Fund's Lipper category.

VI Western Asset High Income Fund II Inc.

Fund at a Glance (unaudited)

Investment Breakdown

As a Percent of Total Investments

Schedule of Investments (October 31, 2007) (unaudited)

WESTERN ASSET HIGH INCOME FUND II INC.

Face Amount	Security	Value
CORPORATE BONDS & NOTES 90.4%		
Aerospace & Defense 1.8%		
1,585,000	Alliant Techsystems Inc., Senior Subordinated Notes, 6.750% due 4/1/16	\$ 1,585,000
1,535,000	DRS Technologies Inc., Senior Subordinated Notes: 6.625% due 2/1/16	1,527,326
3,320,000	7.625% due 2/1/18	3,411,300
3,710,000	Hawker Beechcraft Acquisition Co.: Senior Notes, 8.875% due 4/1/15 (a)(b)	3,747,100
4,350,000	Senior Subordinated Notes, 9.750% due 4/1/17 (a)	4,437,000
106,119	Kac Acquisition Co., Subordinated Notes, 0.000% due 4/26/26 (c)(d)(e)	0
4,935,000	L-3 Communications Corp., Senior Subordinated Notes: 7.625% due 6/15/12	5,101,556
2,600,000	6.125% due 1/15/14	2,587,000
	Total Aerospace & Defense	22,396,282
Airlines 2.0%		
965,000	Continental Airlines Inc.: Notes, 8.750% due 12/1/11	955,350
172,837	Pass-Through Certificates: 6.541% due 9/15/08	171,541
1,195,107	8.312% due 10/2/12	1,190,356
1,765,000	7.339% due 4/19/14	1,671,014
7,680,000	DAE Aviation Holdings Inc., Senior Notes, 11.250% due 8/1/15 (a)	8,102,400
1,675,000	Delta Air Lines Inc.: 8.954% due 8/10/14 (a)	1,675,000
1,781,295	Pass-Through Certificates: 6.619% due 3/18/11	1,792,428
6,135,000	7.111% due 9/18/11	6,265,369
2,135,000	7.711% due 9/18/11	2,106,978
	Total Airlines	23,930,436
Auto Components 2.0%		
2,120,000	Allison Transmission Inc.: 11.000% due 11/1/15 (a)	2,170,350
4,190,000	11.250% due 11/1/15 (a)(b)	4,153,337
5,000,000	Allison Transmission, Term Loan B, 8.540% due 8/7/14	4,885,415
3,335,000	Keystone Automotive Operations Inc., Senior Subordinated Notes, 9.750% due 11/1/13	2,726,363
11,250,000	Visteon Corp., Senior Notes, 8.250% due 8/1/10 (f)	10,518,750
	Total Auto Components	24,454,215
Automobiles 1.8%		
1,880,000	Ford Motor Co.: Debentures: 8.875% due 1/15/22	1,630,900
3,425,000	8.900% due 1/15/32	3,039,687
2,385,000	Notes, 7.450% due 7/16/31	1,896,075

See Notes to Financial Statements.

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Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Automobiles 1.8% (continued)		
5,320,000	General Motors Corp.: Notes, 7.200% due 1/15/11	\$ 5,107,200
2,375,000	Senior Debentures: 8.250% due 7/15/23	2,155,313
8,265,000	8.375% due 7/15/33	7,562,474
	Total Automobiles	21,391,649
Building Products 1.7%		
1,200,000	Ainsworth Lumber Co., Ltd., Senior Notes: 7.250% due 10/1/12	831,000
1,180,000	6.750% due 3/15/14	764,050
9,725,000	Associated Materials Inc.: Senior Discount Notes, step bond to yield 14.468% due 3/1/14	6,515,750
2,585,000	Senior Subordinated Notes, 9.750% due 4/15/12	2,649,625
2,302,000	GTL Trade Finance Inc., 7.250% due 10/20/17 (a)	2,335,425
1,750,000	Nortek Inc., Senior Subordinated Notes, 8.500% due 9/1/14	1,557,500
9,655,000	NTK Holdings Inc., Senior Discount Notes, step bond to yield 11.559% due 3/1/14	6,372,300
	Total Building Products	21,025,650
Capital Markets 0.2%		
3,000,000	E*TRADE Financial Corp., Senior Notes, 7.375% due 9/15/13	2,820,000
Chemicals 1.8%		
3,110,000	Georgia Gulf Corp.: 10.750% due 10/15/16	2,480,225
3,630,000	Senior Notes, 9.500% due 10/15/14	3,158,100
2,390,000	Huntsman International LLC, Senior Subordinated Notes, 7.875% due 11/15/14	2,581,200
2,191,000	Lyondell Chemical Co.: 6.875% due 6/15/17	2,421,055
1,400,000	Senior Notes: 8.000% due 9/15/14	1,557,500
1,155,000	8.250% due 9/15/16	1,325,362
100,000	Senior Secured Notes, 10.500% due 6/1/13	108,250
3,075,000	Methanex Corp., Senior Notes, 8.750% due 8/15/12	3,313,312
4,475,000	Montell Finance Co. BV, Debentures, 8.100% due 3/15/27 (a)	3,915,625
1,015,000	Westlake Chemical Corp., Senior Notes, 6.625% due 1/15/16	976,938
	Total Chemicals	21,837,567
Commercial Banks 2.2%		
5,260,000	ATF Capital BV, Senior Notes, 9.250% due 2/21/14 (a)	5,430,950
8,750,000	First Data Corp., 7.960% due 10/15/14 (g)	8,450,129
4,490,000	HSBK Europe BV, 7.250% due 5/3/17 (a)	4,217,457
1,170,000	ICICI Bank Ltd., Subordinated Bonds: 6.375% due 4/30/22 (g)	1,103,390
1,174,000	6.375% due 4/30/22 (a)(g)	1,088,918

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount		Security	Value
Commercial Banks	2.2% (continued)		
1,055,000		Russian Agricultural Bank:	
1,654,000		Loan Participation Notes, 6.299% due 5/15/17 (a)	\$ 1,002,144
		Notes, 7.175% due 5/16/13 (a)	1,710,071
2,785,000		TuranAlem Finance BV, Bonds:	
1,059,000		8.250% due 1/22/37 (a)	2,569,162
		8.250% due 1/22/37 (a)	961,042
		Total Commercial Banks	26,533,263
Commercial Services & Supplies	2.6%		
5,985,000		Allied Security Escrow Corp., Senior Subordinated Notes, 11.375% due 7/15/11	5,745,600
		Allied Waste North America Inc., Senior Notes:	
5,690,000		7.375% due 4/15/14	5,775,350
1,050,000		7.250% due 3/15/15	1,063,125
675,000		Ashtead Holdings PLC, Secured Notes, 8.625% due 8/1/15 (a)	648,000
7,693,000		DynCorp International LLC/DIV Capital Corp., Senior Subordinated Notes, 9.500% due 2/15/13	8,173,813
	Interface Inc.:		
2,875,000		Senior Notes, 10.375% due 2/1/10	3,061,875
1,500,000		Senior Subordinated Notes, 9.500% due 2/1/14	1,590,000
4,065,000		Rental Services Corp., 9.500% due 12/1/14	3,927,806
2,380,000		US Investigations Services Inc., 11.750% due 5/1/16 (a)	2,237,200
		Total Commercial Services & Supplies	32,222,769
Communications Equipment	0.4%		
6,100,000		Lucent Technologies Inc., Debentures, 6.450% due 3/15/29	5,124,000
Construction & Engineering	0.1%		
1,240,000		Odebrecht Finance Ltd., 7.500% due 10/18/17 (a)	1,243,100
Consumer Finance	3.2%		
4,080,000		AmeriCredit Corp., Senior Notes, 8.500% due 7/1/15 (a)	3,672,000
		Ford Motor Credit Co.:	
		Notes:	
3,075,000		7.875% due 6/15/10	2,966,108
3,320,000		7.000% due 10/1/13	2,983,581
		Senior Notes:	
4,248,000		10.944% due 6/15/11 (g)	4,250,400
1,950,000		9.875% due 8/10/11	1,948,551
1,210,000		7.993% due 1/13/12 (g)	1,121,172
2,490,000		8.000% due 12/15/16	2,308,830
		General Motors Acceptance Corp.:	
14,270,000		Bonds, 8.000% due 11/1/31 (f)	13,223,424
6,890,000		Notes, 6.875% due 8/28/12	6,217,433
		Total Consumer Finance	38,691,499

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount		Security	Value
Containers & Packaging	1.3%		
2,000,000		Berry Plastics Holding Corp., 8.875% due 9/15/14	\$ 2,060,000
2,175,000		Graham Packaging Co. Inc., Senior Subordinated Notes, 9.875% due 10/15/14	2,164,125
4,725,000		Graphic Packaging International Corp., Senior Subordinated Notes, 9.500% due 8/15/13	4,984,875
2,349,000		Owens-Brockway Glass Container Inc., Senior Secured Notes, 8.750% due 11/15/12	2,451,769
1,490,000		Plastipak Holdings Inc., Senior Notes, 8.500% due 12/15/15 (a)	1,542,150
1,975,000		Radnor Holdings Corp., Senior Notes, 11.000% due 3/15/10 (e)	24,687
195,000		Smurfit-Stone Container Corp., Senior Notes, 8.000% due 3/15/17	194,756
2,355,000		Smurfit-Stone Container Enterprises Inc., Senior Notes, 8.375% due 7/1/12	2,366,775
		Total Containers & Packaging	15,789,137
Diversified Consumer Services	0.8%		
6,870,000		Education Management LLC/Education Management Finance Corp., Senior Notes, 8.750% due 6/1/14	7,127,625
650,000		Service Corp. International: Debentures, 7.875% due 2/1/13	679,285
1,200,000		Senior Notes: 7.625% due 10/1/18	1,236,000
1,010,000		7.500% due 4/1/27	949,400
		Total Diversified Consumer Services	9,992,310
Diversified Financial Services	2.4%		
4,060,000		Basell AF SCA, Senior Secured Subordinated Second Priority Notes, 8.375% due 8/15/15 (a)	3,654,000
2,110,000		CCM Merger Inc., Notes, 8.000% due 8/1/13 (a)	2,036,150
135,000		El Paso Performance-Linked Trust Certificates, Notes, 7.750% due 7/15/11 (a)	139,862
4,400,000		Hexion U.S. Finance Corp./Hexion Nova Scotia Finance ULC, 10.058% due 11/15/14 (g)	4,576,000
3,930,000		Leucadia National Corp., Senior Notes, 8.125% due 9/15/15	3,984,037
2,990,000		Residential Capital Corp., Notes, 7.375% due 6/30/10 (g)	2,206,336
230,000		Residential Capital LLC: 9.044% due 4/17/09 (a)(g)	142,888
3,945,000		Senior Notes, 7.000% due 2/22/11 (g)	2,881,795
700,000		Smurfit Kappa Funding PLC, Senior Subordinated Notes, 7.750% due 4/1/15	693,000
1,360,000		TNK-BP Finance SA, 7.500% due 7/18/16 (a)	1,329,400
670,000		UCAR Finance Inc., Senior Notes, 10.250% due 2/15/12	703,500
490,000		Vangent Inc., Senior Subordinated Notes, 9.625% due 2/15/15 (a)	455,700
3,150,000		Vanguard Health Holdings Co. I LLC, Senior Discount Notes, step bond to yield 10.022% due 10/1/15	2,472,750
3,775,000		Vanguard Health Holdings Co. II LLC, Senior Subordinated Notes, 9.000% due 10/1/14	3,699,500
		Total Diversified Financial Services	28,974,918

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Diversified Telecommunication Services 6.0%		
370,000	Axtel SAB de CV: 7.625% due 2/1/17 (a)	\$ 374,625
4,740,000	Senior Notes, 7.625% due 2/1/17 (a)	4,799,250
1,005,000	Cincinnati Bell Inc., Senior Notes, 7.000% due 2/15/15	987,413
1,260,000	Cincinnati Bell Telephone Co., Senior Debentures, 6.300% due 12/1/28	1,102,500
315,000	Citizens Communications Co.: 7.050% due 10/1/46	259,875
4,220,000	Senior Notes, 7.875% due 1/15/27	4,167,250
2,171,000	Hawaiian Telcom Communications Inc., Senior Subordinated Notes, 12.500% due 5/1/15	2,366,390
4,315,000	Intelsat Bermuda Ltd.: 9.250% due 6/15/16	4,498,388
6,530,000	Senior Notes, 11.250% due 6/15/16	7,052,400
1,355,000	Intelsat Corp., Senior Notes, 9.000% due 8/15/14	1,388,875
150,000	L-3 Communications Corp., Senior Subordinated Notes, 6.375% due 10/15/15	150,750
4,915,000	Level 3 Financing Inc.: 9.250% due 11/1/14	4,656,962
3,000,000	9.150% due 2/15/15 (g)	2,722,500
4,525,000	Nordic Telephone Co. Holdings, Senior Secured Bonds, 8.875% due 5/1/16 (a)	4,807,812
1,250,000	Qwest Communications International Inc., Senior Notes: 9.058% due 2/15/09 (g)	1,262,500
2,100,000	7.500% due 2/15/14	2,136,750
3,878,000	Qwest Corp.: Debentures, 6.875% due 9/15/33	3,674,405
5,995,000	Notes, 8.875% due 3/15/12	6,594,500
4,770,000	Telcordia Technologies Inc., Senior Subordinated Notes, 10.000% due 3/15/13 (a)	3,982,950
9,400,000	Virgin Media Finance PLC, Senior Notes, 9.125% due 8/15/16 (f)	9,964,000
610,000	Wind Acquisition Finance SA, Senior Bonds, 10.750% due 12/1/15 (a)	681,675
5,680,000	Windstream Corp., Senior Notes, 8.625% due 8/1/16	6,106,000
	Total Diversified Telecommunication Services	73,737,770
Electric Utilities 1.1%		
2,880,000	EEB International Ltd., 8.750% due 10/31/14 (a)	2,980,800
202,000	Enersis SA, Notes, 7.375% due 1/15/14	214,839
1,665,000	IPALCO Enterprises Inc., Secured Notes, 8.625% due 11/14/11	1,760,738
1,106,110	Midwest Generation LLC, Pass-Through Certificates, 8.560% due 1/2/16	1,189,069
3,999,000	Orion Power Holdings Inc., Senior Notes, 12.000% due 5/1/10	4,438,890
4,055,000	VeraSun Energy Corp., Senior Notes, 9.375% due 6/1/17 (a)	3,355,512
	Total Electric Utilities	13,939,848
Electronic Equipment & Instruments 0.4%		
2,795,000	NXP BV/NXP Funding LLC: Senior Notes, 9.500% due 10/15/15	2,648,262
2,495,000	Senior Secured Notes, 7.875% due 10/15/14	2,448,219
	Total Electronic Equipment & Instruments	5,096,481

See Notes to Financial Statements.

6 Western Asset High Income Fund II Inc. 2007 Semi-Annual Report

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Energy Equipment & Services 0.5%		
3,270,000	Complete Production Services Inc., Senior Notes, 8.000% due 12/15/16	\$ 3,188,250
1,275,000	GulfMark Offshore Inc., Senior Subordinated Notes, 7.750% due 7/15/14	1,287,750
1,210,000	Pride International Inc., Senior Notes, 7.375% due 7/15/14	1,246,300
400,000	Southern Natural Gas Co., Senior Notes, 8.000% due 3/1/32	458,229
	Total Energy Equipment & Services	6,180,529
Food & Staples Retailing 0.3%		
2,591,000	Delhaize America Inc., Debentures, 9.000% due 4/15/31	3,149,091
Food Products 0.4%		
1,600,000	Dole Food Co. Inc.: Debentures, 8.750% due 7/15/13	1,576,000
2,065,000	Senior Notes: 7.250% due 6/15/10	1,972,075
1,050,000	8.875% due 3/15/11	1,038,188
	Total Food Products	4,586,263
Gas Utilities 0.6%		
7,425,000	Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes, 6.875% due 12/15/13	7,276,500
Health Care Equipment & Supplies 0.1%		
1,960,000	Advanced Medical Optics Inc., 7.500% due 5/1/17	1,857,100
Health Care Providers & Services 5.0%		
4,890,000	Community Health Systems Inc., Senior Notes, 8.875% due 7/15/15 (a)	4,975,575
240,000	DaVita Inc.: Senior Notes, 6.625% due 3/15/13	240,000
4,885,000	Senior Subordinated Notes, 7.250% due 3/15/15	4,964,381
950,000	HCA Inc.: Debentures, 7.500% due 11/15/95	739,445
1,500,000	Notes, 6.375% due 1/15/15	1,288,125
6,115,000	Senior Notes, 6.500% due 2/15/16	5,251,256
3,580,000	Senior Secured Notes: 9.250% due 11/15/16 (a)	3,776,900
9,560,000	9.625% due 11/15/16 (a)(b)	10,133,600
4,800,000	IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes, 8.750% due 6/15/14	4,872,000
3,555,000	Tenet Healthcare Corp., Senior Notes: 6.375% due 12/1/11	3,128,400
1,500,000	6.500% due 6/1/12	1,278,750
6,000,000	7.375% due 2/1/13	5,130,000
4,375,000	9.875% due 7/1/14	4,003,125
1,470,000	6.875% due 11/15/31	1,087,800
4,505,000	Universal Hospital Services Inc., Secured Notes: 8.500% due 6/1/15 (a)(b)	4,606,363
910,000	8.759% due 6/1/15 (a)(g)	916,825
5,850,000	US Oncology Holdings Inc., Senior Notes, 10.759% due 3/15/12 (a)(b)	5,177,250
	Total Health Care Providers & Services	61,569,795

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Hotels, Restaurants & Leisure 5.2%		
600,000	Boyd Gaming Corp., Senior Subordinated Notes: 7.750% due 12/15/12	\$ 621,000
1,000,000	6.750% due 4/15/14	986,250
4,560,000	Buffets Inc., Senior Notes, 12.500% due 11/1/14	2,975,400
4,500,000	Caesars Entertainment Inc., Senior Subordinated Notes, 8.875% due 9/15/08	4,573,125
2,725,000	Carrols Corp., Senior Subordinated Notes, 9.000% due 1/15/13 Choctaw Resort Development Enterprise, Senior Notes, 7.250% due 11/15/19 (a)	2,616,000 490,000
500,000		490,000
4,515,000	Denny's Holdings Inc., Senior Notes, 10.000% due 10/1/12 Downstream Development Quapaw, Senior Notes, 12.000% due 10/15/15 (a)	4,661,737 1,687,800
1,740,000		1,687,800
2,360,000	El Pollo Loco Inc., Senior Notes, 11.750% due 11/15/13	2,383,600
975,000	Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp., 10.250% due 6/15/15 (a)	916,500
4,150,000	Herbst Gaming Inc., Senior Subordinated Notes, 7.000% due 11/15/14	3,382,250
2,620,000	Indianapolis Downs LLC & Capital Corp., 11.000% due 11/1/12 (a)	2,646,200
4,070,000	Inn of the Mountain Gods Resort & Casino, Senior Notes, 12.000% due 11/15/10	4,314,200
3,850,000	Las Vegas Sands Corp., Senior Notes, 6.375% due 2/15/15 MGM MIRAGE Inc.:	3,758,563
955,000	Notes, 6.750% due 9/1/12	945,450
355,000	Senior Notes: 8.500% due 9/15/10	373,194
450,000	5.875% due 2/27/14	419,625
620,000	7.500% due 6/1/16	619,225
4,470,000	7.625% due 1/15/17	4,492,350
455,000	Senior Subordinated Notes, 8.375% due 2/1/11	477,750
380,000	Mohegan Tribal Gaming Authority, Senior Subordinated Notes, 6.875% due 2/15/15	373,350
1,805,000	Outback Steakhouse Inc., Senior Notes, 10.000% due 6/15/15 (a) Pinnacle Entertainment Inc., Senior Subordinated Notes, 8.250% due 3/15/12	1,561,325 4,864,500
4,700,000		4,864,500
3,930,000	Pokagon Gaming Authority, Senior Notes, 10.375% due 6/15/14 (a)	4,362,300
2,255,000	Sbarro Inc., Senior Notes, 10.375% due 2/1/15 Snoqualmie Entertainment Authority, Senior Secured Notes:	2,049,231
885,000	9.063% due 2/1/14 (a)(g)	857,344
840,000	9.125% due 2/1/15 (a)	829,500
40,000	Station Casinos Inc.:	
4,150,000	Senior Notes: 6.000% due 4/1/12 7.750% due 8/15/16	37,300 4,082,562
80,000	Senior Subordinated Notes: 6.875% due 3/1/16	66,600
1,635,000	6.625% due 3/15/18	1,303,913
	Total Hotels, Restaurants & Leisure	63,728,144
Household Durables 1.4%		
310,000	American Greetings Corp., Senior Notes, 7.375% due 6/1/16	305,350
4,000,000	Holt Group Inc., Senior Notes, 9.750% due 1/15/06 (c)(d)(e)	0
3,355,000	Jarden Corp., Senior Subordinated Notes, 7.500% due 5/1/17	3,204,025

See Notes to Financial Statements.

8 Western Asset High Income Fund II Inc. 2007 Semi-Annual Report

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Household Durables 1.4% (continued)		
2,605,000	K Hovnanian Enterprises Inc., Senior Notes, 7.500% due 5/15/16	\$ 2,070,975
3,010,000	KB Home, 7.750% due 2/1/10	2,919,700
3,230,000	Norcraft Cos. LP/Norcraft Finance Corp., Senior Subordinated Notes, 9.000% due 11/1/11	3,326,900
5,765,000	Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount Notes, step bond to yield 9.952% due 9/1/12	5,159,675
	Total Household Durables	16,986,625
Household Products 0.3%		
1,265,000	American Achievement Corp., Senior Subordinated Notes, 8.250% due 4/1/12	1,271,325
1,890,000	Visant Holding Corp., Senior Notes, 8.750% due 12/1/13	1,946,700
	Total Household Products	3,218,025
Independent Power Producers & Energy Traders 7.5%		
2,480,000	AES China Generating Co., Ltd., 8.250% due 6/26/10	2,452,048
6,635,000	AES Corp.: 8.000% due 10/15/17 (a)	6,726,231
1,177,000	Senior Notes: 9.500% due 6/1/09	1,229,965
1,900,000	9.375% due 9/15/10	2,018,750
2,930,000	Senior Secured Notes, 9.000% due 5/15/15 (a)	3,135,100
3,605,000	Dynegy Holdings Inc.: Senior Debentures, 7.625% due 10/15/26	3,217,463
3,770,000	Senior Notes, 7.750% due 6/1/19 (a)	3,557,938
4,000,000	Dynegy Inc., 7.670% due 11/8/16	4,010,000
445,000	Edison Mission Energy, Senior Notes: 7.500% due 6/15/13	453,344
2,600,000	7.750% due 6/15/16	2,684,500
2,500,000	7.200% due 5/15/19 (a)	2,456,250
2,670,000	7.625% due 5/15/27 (a)	2,556,525
5,160,000	Energy Future Holdings: 10.875% due 11/1/17 (a)	5,243,850
28,770,000	11.250% due 11/1/17 (a)(b)	29,273,475
584,577	Mirant Mid Atlantic LLC: 10.060% due 12/30/28	695,646
1,923,235	Pass-Through Certificates, 9.125% due 6/30/17	2,117,962
4,235,000	Mirant North America LLC, Senior Notes, 7.375% due 12/31/13	4,314,406
890,000	NRG Energy Inc., Senior Notes: 7.250% due 2/1/14	892,225
11,570,000	7.375% due 2/1/16 (f)	11,570,000
1,800,000	7.375% due 1/15/17	1,795,500
890,000	TXU Corp., Senior Notes, 6.500% due 11/15/24	658,269
	Total Independent Power Producers & Energy Traders	91,059,447
Industrial Conglomerates 0.1%		
680,000	Koppers Inc., Senior Notes, 9.875% due 10/15/13	722,500
2,750,000	Moll Industries Inc., Senior Subordinated Notes, 10.500% due 7/1/08 (c)(d)(e)	0
	Total Industrial Conglomerates	722,500

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
IT Services 1.5%		
1,580,000	Ceridian Corp.:	
2,380,000	11.250% due 11/15/15 (a)	\$ 1,568,150
5,720,000	12.250% due 11/15/15 (a)(b)	2,362,150
	First Data Corp., 9.875% due 9/24/15 (a)	5,484,050
	SunGard Data Systems Inc.:	
2,900,000	Senior Notes, 9.125% due 8/15/13	2,972,500
5,390,000	Senior Subordinated Notes, 10.250% due 8/15/15	5,646,025
	Total IT Services	18,032,875
Machinery 0.1%		
1,260,000	American Railcar Industries Inc., Senior Notes, 7.500% due 3/1/14	1,250,550
Media 7.8%		
4,465,000	Affinion Group Inc.:	
4,030,000	Senior Notes, 10.125% due 10/15/13	4,677,087
	Senior Subordinated Notes, 11.500% due 10/15/15	4,221,425
2,265,000	CCH I Holdings LLC/CCH I Holdings Capital Corp.:	
8,010,000	Senior Accreting Notes, 12.125% due 1/15/15	2,004,525
8,676,000	Senior Notes, 11.750% due 5/15/14	7,028,775
	CCH I LLC/CCH Capital Corp., Senior Secured Notes, 11.000% due 10/1/15 (f)	8,459,100
	CCH II LLC/CCH II Capital Corp., Senior Notes:	
4,390,000	10.250% due 9/15/10	4,499,750
1,593,000	10.250% due 10/1/13	1,648,755
1,500,000	Charter Communications Holdings LLC, Senior Discount Notes, 12.125% due 1/15/12	1,395,000
1,325,000	Charter Communications Holdings LLC/Charter Communications Holdings Capital Corp., Senior Discount Notes, 11.750% due 5/15/11	1,252,125
1,375,000	Chukchansi Economic Development Authority, Senior Notes, 8.000% due 11/15/13 (a)	1,392,188
3,270,000	CMP Susquehanna Corp., 9.875% due 5/15/14	3,020,663
	CSC Holdings Inc.:	
4,210,000	Senior Debentures, 8.125% due 8/15/09	4,304,725
	Senior Notes:	
280,000	8.125% due 7/15/09	286,300
3,400,000	7.625% due 4/1/11	3,408,500
813,000	Dex Media East LLC/Dex Media East Finance Co., Senior Notes, 12.125% due 11/15/12	866,861
3,350,000	Dex Media Inc., Discount Notes, step bond to yield 8.367% due 11/15/13	3,190,875
2,344,000	Dex Media West LLC/Dex Media Finance Co., Senior Subordinated Notes, 9.875% due 8/15/13	2,511,010
	EchoStar DBS Corp., Senior Notes:	
3,410,000	7.000% due 10/1/13	3,567,713
8,010,000	7.125% due 2/1/16	8,410,500
2,419,000	Globo Comunicacoes e Participacoes SA, Bonds, 7.250% due 4/26/22 (a)	2,406,905
5,025,000	Idearc Inc., Senior Notes, 8.000% due 11/15/16	5,062,687
1,260,000	Lamar Media Corp., Senior Subordinated Notes, 6.625% due 8/15/15	1,215,900

See Notes to Financial Statements.

10 Western Asset High Income Fund II Inc. 2007 Semi-Annual Report

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Media 7.8% (continued)		
3,200,000	R.H. Donnelley Corp.:	
5,200,000	Senior Discount Notes, 6.875% due 1/15/13	\$ 3,024,000
2,345,000	Senior Notes, 8.875% due 1/15/16	5,226,000
	Sun Media Corp., 7.625% due 2/15/13	2,321,550
	TL Acquisitions Inc.:	
4,350,000	Senior Notes, 10.500% due 1/15/15 (a)	4,350,000
3,380,000	Senior Subordinated Notes, step bond to yield 13.358% due 7/15/15 (a)	2,771,600
	XM Satellite Radio Inc., Senior Notes:	
2,065,000	9.856% due 5/1/13 (g)	2,065,000
790,000	9.750% due 5/1/14	801,850
	Total Media	95,391,369
Metals & Mining 4.6%		
17,960,000	Freeport-McMoRan Copper & Gold Inc., Senior Notes, 8.375% due 4/1/17 (f)	19,711,100
2,545,000	Metals USA Holdings Corp., Senior Notes, 11.231% due 7/1/12 (a)(b)	2,366,850
5,685,000	Metals USA Inc., Senior Secured Notes, 11.125% due 12/1/15	6,097,163
1,240,000	Noranda Aluminium Acquisition Corp., 9.360% due 5/15/15 (a)(b)	1,150,100
	Noranda Aluminum Holding Corp., Senior Notes, 11.146% due 11/15/14 (a)(b)	3,189,375
3,375,000	Novelis Inc., Senior Notes, 7.250% due 2/15/15	3,618,750
3,750,000	Ryerson Inc., 12.000% due 11/1/15 (a)	6,437,637
6,235,000	Steel Dynamics Inc., 7.375% due 11/1/12 (a)	1,728,600
1,720,000	Tube City IMS Corp., 9.750% due 2/1/15	4,868,375
4,930,000	Vale Overseas Ltd., Notes:	
1,284,000	8.250% due 1/17/34	1,547,509
5,008,000	6.875% due 11/21/36	5,231,071
	Total Metals & Mining	55,946,530
Multiline Retail 1.3%		
2,165,000	Dollar General Corp.:	
5,365,000	Senior Notes, 10.625% due 7/15/15 (a)	2,089,225
	Senior Subordinated Notes, 11.875% due 7/15/17 (a)(b)	4,761,437
	Neiman Marcus Group Inc.:	
1,040,000	7.125% due 6/1/28	1,008,800
3,200,000	Senior Notes, 9.000% due 10/15/15 (b)	3,392,000
3,940,000	Senior Subordinated Notes, 10.375% due 10/15/15	4,304,450
	Total Multiline Retail	15,555,912
Oil, Gas & Consumable Fuels 9.5%		
5,145,000	Belden & Blake Corp., Secured Notes, 8.750% due 7/15/12	5,273,625
	Chesapeake Energy Corp., Senior Notes:	
4,430,000	6.625% due 1/15/16	4,363,550
2,755,000	6.500% due 8/15/17	2,672,350
	Compagnie Generale de Geophysique SA, Senior Notes, 7.500% due 5/15/15	1,030,125
1,005,000	Corral Finans AB, 10.243% due 4/15/10 (a)(b)	2,468,694
2,598,625	El Paso Corp.:	
	Medium-Term Notes:	
5,025,000	7.800% due 8/1/31	5,044,874
7,525,000	7.750% due 1/15/32	7,579,308

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Oil, Gas & Consumable Fuels 9.5% (continued)		
5,200,000	Notes, 7.875% due 6/15/12	\$ 5,434,796
3,000,000	Senior Subordinated Notes, 7.000% due 6/15/17	3,021,126
	Enterprise Products Operating LP:	
4,740,000	7.034% due 1/15/68 (g)	4,364,109
2,250,000	Junior Subordinated Notes, 8.375% due 8/1/66 (g)	2,345,749
5,670,000	EXCO Resources Inc., Senior Notes, 7.250% due 1/15/11	5,627,475
	Gazprom:	
	Bonds:	
104,590,000RUB	6.790% due 10/29/09	4,238,789
34,860,000RUB	7.000% due 10/27/11	1,416,326
	Loan Participation Notes:	
873,000	6.212% due 11/22/16 (a)	862,961
1,770,000	Senior Notes, 6.510% due 3/7/22 (a)	1,739,025
50,960,000RUB	Gazprom OAO, 6.950% due 8/6/09	2,070,721
3,705,000	International Coal Group Inc., Senior Notes, 10.250% due 7/15/14	3,612,375
1,720,000	LUKOIL International Finance BV, 6.356% due 6/7/17 (a)	1,666,336
	Mariner Energy Inc., Senior Notes:	
1,465,000	7.500% due 4/15/13	1,432,037
1,110,000	8.000% due 5/15/17	1,101,675
995,000	Northwest Pipeline Corp., Senior Notes, 7.000% due 6/15/16	1,062,162
2,525,000	OPTI Canada Inc., Senior Secured Notes, 8.250% due 12/15/14 (a)	2,543,937
	Pemex Project Funding Master Trust:	
1,846,000	6.125% due 8/15/08	1,863,906
245,000	6.994% due 6/15/10 (a)(g)	249,288
142,000	6.994% due 6/15/10 (a)(g)	145,202
230,000	6.625% due 6/15/35 (a)	247,020
689,000	Bonds, 6.625% due 6/15/35	737,402
908,000	Senior Notes, 6.180% due 12/3/12 (a)(g)	910,951
1,705,000	Petrohawk Energy Corp., Senior Notes, 9.125% due 7/15/13	1,817,956
	Petroplus Finance Ltd.:	
1,500,000	6.750% due 5/1/14 (a)	1,432,500
2,250,000	Senior Note, 7.000% due 5/1/17 (a)	2,126,250
	Petrozuata Finance Inc.:	
4,276,000	8.220% due 4/1/17 (a)	4,297,380
268,000	8.220% due 4/1/17 (a)	269,340
	Pogo Producing Co., Senior Subordinated Notes, 7.875% due 5/1/13	1,158,250
5,665,000	SemGroup LP, Senior Notes, 8.750% due 11/15/15 (a)	5,466,725
160,000	SESI LLC, Senior Notes, 6.875% due 6/1/14	156,000
3,000,000	Stallion Oilfield Services, 9.626% due 7/31/12 (g)	2,955,000
230,000	TNK-BP Finance SA, 6.625% due 3/20/17 (a)	210,738
2,275,000	W&T Offshore Inc., Senior Notes, 8.250% due 6/15/14 (a)	2,218,125
	Whiting Petroleum Corp., Senior Subordinated Notes:	
2,550,000	7.250% due 5/1/12	2,530,875
1,975,000	7.000% due 2/1/14	1,952,781
	Williams Cos. Inc.:	
90,000	Debentures, 7.500% due 1/15/31	95,400

See Notes to Financial Statements.

12 Western Asset High Income Fund II Inc. 2007 Semi-Annual Report

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Oil, Gas & Consumable Fuels 9.5% (continued)		
	Notes:	
3,650,000	7.875% due 9/1/21	\$ 4,033,250
5,225,000	8.750% due 3/15/32	6,113,250
3,700,000	Senior Notes, 7.625% due 7/15/19	4,033,000
	Total Oil, Gas & Consumable Fuels	115,992,714
Paper & Forest Products 2.0%		
	Abitibi-Consolidated Co. of Canada:	
700,000	Notes, 7.750% due 6/15/11	584,500
	Senior Notes:	
2,845,000	6.000% due 6/20/13	2,105,300
2,550,000	8.375% due 4/1/15	1,989,000
	Abitibi-Consolidated Inc.:	
1,750,000	Debentures, 7.400% due 4/1/18	1,242,500
1,335,000	Notes, 8.550% due 8/1/10	1,191,488
	Appleton Papers Inc.:	
3,895,000	Senior Notes, 8.125% due 6/15/11	3,885,262
4,685,000	Senior Subordinated Notes, 9.750% due 6/15/14	4,685,000
	NewPage Corp.:	
5,690,000	Senior Secured Notes, 11.606% due 5/1/12 (g)	6,159,425
1,170,000	Senior Subordinated Notes, 12.000% due 5/1/13	1,269,450
1,535,000	Smurfit Capital Funding PLC, Debentures, 7.500% due 11/20/25	1,496,625
	Total Paper & Forest Products	24,608,550
Pharmaceuticals 0.7%		
10,855,000	Leiner Health Products Inc., Senior Subordinated Notes, 11.000% due 6/1/12 (f)	9,145,338
Real Estate Investment Trusts (REITs) 0.8%		
130,000	Forest City Enterprises Inc., Senior Notes, 7.625% due 6/1/15	128,375
	Host Marriott LP, Senior Notes:	
2,500,000	7.125% due 11/1/13	2,550,000
1,860,000	6.375% due 3/15/15	1,846,050
920,000	Kimball Hill Inc., Senior Subordinated Notes, 10.500% due 12/15/12	588,800
	Ventas Realty LP/Ventas Capital Corp., Senior Notes:	
1,245,000	6.500% due 6/1/16	1,235,662
3,105,000	6.750% due 4/1/17	3,120,525
	Total Real Estate Investment Trusts (REITs)	9,469,412
Real Estate Management & Development 0.7%		
2,180,000	Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Subordinated Notes, 9.500% due 10/1/15	1,635,000
9,270,000	Realogy Corp., Senior Subordinated Notes, 12.375% due 4/15/15 (a)	6,790,275
	Total Real Estate Management & Development	8,425,275
Road & Rail 1.7%		
6,090,000	Grupo Transportacion Ferroviaria Mexicana SA de CV, Senior Notes, 9.375% due 5/1/12	6,485,850

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Road & Rail 1.7% (continued)		
3,930,000	Hertz Corp.:	
7,905,000	Senior Notes, 8.875% due 1/1/14	\$ 4,067,550
	Senior Subordinated Notes, 10.500% due 1/1/16 (f)	8,537,400
	Kansas City Southern de Mexico, Senior Notes:	
910,000	7.625% due 12/1/13 (a)	930,475
125,000	7.375% due 3/1/14 (a)	125,312
820,000	Kansas City Southern Railway, Senior Notes, 7.500% due 6/15/09	834,350
	Total Road & Rail	20,980,937
Semiconductors & Semiconductor Equipment 0.2%		
2,195,000	Freescale Semiconductor Inc., 8.875% due 12/15/14	2,087,994
Software 0.2%		
2,960,000	Activant Solutions Inc., Senior Subordinated Notes, 9.500% due 5/1/16	2,715,800
Specialty Retail 0.8%		
850,000	AutoNation Inc., Senior Notes:	
830,000	7.243% due 4/15/13 (g)	835,125
4,005,000	7.000% due 4/15/14	807,175
	Blockbuster Inc., Senior Subordinated Notes, 9.000% due 9/1/12	3,624,525
1,995,000	Eye Care Centers of America, Senior Subordinated Notes, 10.750% due 2/15/15	2,119,687
2,410,000	Michaels Stores Inc., 10.000% due 11/1/14	2,440,125
	Total Specialty Retail	9,826,637
Textiles, Apparel & Luxury Goods 0.3%		
1,320,000	Levi Strauss & Co., Senior Notes:	
400,000	9.750% due 1/15/15	1,384,350
	8.875% due 4/1/16	412,000
2,950,000	Simmons Co., Senior Discount Notes, step bond to yield 9.995% due 12/15/14	2,396,875
	Total Textiles, Apparel & Luxury Goods	4,193,225
Tobacco 0.4%		
875,000	Alliance One International Inc.:	
3,780,000	8.500% due 5/15/12	875,000
	Senior Notes, 11.000% due 5/15/12	4,063,500
	Total Tobacco	4,938,500
Trading Companies & Distributors 1.3%		
2,955,000	Ashtead Capital Inc., Notes, 9.000% due 8/15/16 (a)	2,881,125
6,865,000	H&E Equipment Services Inc., Senior Notes, 8.375% due 7/15/16	6,693,375
5,865,000	Penhall International Corp., Senior Secured Notes, 12.000% due 8/1/14 (a)	6,026,287
	Total Trading Companies & Distributors	15,600,787
Transportation Infrastructure 0.5%		
6,585,000	Saint Acquisition Corp.:	
3,520,000	Secured Notes, 12.500% due 5/15/17 (a)	4,230,863
	Senior Secured Notes, 13.308% due 5/15/15 (a)(g)	2,261,600
	Total Transportation Infrastructure	6,492,463

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Wireless Telecommunication Services 2.8%		
1,825,000	American Tower Corp., Senior Notes, 7.500% due 5/1/12	\$ 1,888,875
4,860,000	MetroPCS Wireless Inc., Senior Notes, 9.250% due 11/1/14 (a)	4,847,850
4,180,000	Nextel Communications Inc., Senior Notes, 7.375% due 8/1/15	4,225,207
440,000	Rogers Wireless Communications Inc., Senior Secured Notes, 7.250% due 12/15/12	470,096
	Rural Cellular Corp.:	
1,575,000	Senior Notes, 9.875% due 2/1/10	1,649,813
2,105,000	Senior Secured Notes, 8.250% due 3/15/12	2,204,988
2,590,000	Senior Subordinated Notes, 8.621% due 6/1/13 (a)(g)	2,657,987
13,510,000	True Move Co., Ltd., 10.750% due 12/16/13 (a)	13,949,075
2,220,000	UBS Luxembourg SA for OJSC Vimpel Communications, Loan Participation Notes, 8.250% due 5/23/16	2,303,250
	Total Wireless Telecommunication Services	34,197,141
	TOTAL CORPORATE BONDS & NOTES	
	(Cost \$1,118,216,792)	1,104,386,922
ASSET-BACKED SECURITY 0.0%		
Diversified Financial Services 0.0%		
1,975,400	Airplanes Pass-Through Trust, Subordinated Notes, 10.875% due 3/15/19 (c)(d)(e)	
	(Cost \$2,001,007)	0
CONVERTIBLE BOND & NOTE 0.1%		
Airlines 0.1%		
704,459	Delta Air Lines Inc., Pass-Through Certificates, 7.379% due 5/18/10 (g)	
	(Cost \$710,799)	711,064
SOVEREIGN BONDS 5.6%		
Argentina 0.5%		
1,400,000EUR	Republic of Argentina: 9.250% due 10/21/02 (e)	638,017
300,000EUR	9.000% due 6/20/03 (e)	141,058
250,000EUR	10.250% due 1/26/07 (e)	122,974
275,000EUR	8.000% due 2/26/08 (e)	131,790
4,979,251ARS	Bonds, 2.000% due 1/3/10 (g)	3,217,204
665,000	Bonds, Series VII, 7.000% due 9/12/13	597,299
97,000EUR	GDP Linked Securities, 0.662% due 12/15/35 (g)	17,472
	Medium-Term Notes:	
1,175,000EUR	7.000% due 3/18/04 (e)	556,728
525,000EUR	9.000% due 5/24/04 (a)(e)	247,801
600,000EUR	8.125% due 10/4/05 (e)	274,521
	Total Argentina	5,944,864
Brazil 1.2%		
1,000BRL	Brazil Nota do Tesouro Nacional: 9.762% due 1/1/10 (g)	558
18,729,000BRL	9.762% due 7/1/10 (f)(g)	10,407,337
2,175,000BRL	Series B, 6.000% due 5/15/45 (g)	1,981,767

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Brazil 1.2% (continued)		
720,000	Federative Republic of Brazil: 11.000% due 8/17/40	\$ 967,860
1,203,000	Collective Action Securities: 8.750% due 2/4/25	1,569,314
197,000	Notes, 8.000% due 1/15/15	220,640
	Total Brazil	15,147,476
Colombia 0.2%		
2,055,000	Republic of Colombia, 7.375% due 9/18/37	2,352,975
Ecuador 0.2%		
2,100,000	Republic of Ecuador, 10.000% due 8/15/30 (g)	2,027,550
Indonesia 0.3%		
8,077,000,000IDR	Republic of Indonesia: Series FR40, 11.000% due 9/15/25	953,790
6,948,000,000IDR	Series FR42, 10.250% due 7/15/27	770,414
11,011,000,000IDR	Series FR43, 10.250% due 7/15/22	1,242,832
8,327,000,000IDR	Series FR45, 9.750% due 5/15/37	887,008
	Total Indonesia	3,854,044
Mexico 0.8%		
50,000	United Mexican States: 11.375% due 9/15/16	71,438
8,386,000	Medium-Term Notes, 6.750% due 9/27/34 (f)	9,402,802
	Total Mexico	9,474,240
Panama 0.5%		
1,285,000	Republic of Panama: 9.625% due 2/8/11	1,452,050
350,000	7.250% due 3/15/15	383,250
4,130,000	6.700% due 1/26/36	4,398,450
	Total Panama	6,233,750
Peru 0.0%		
259,000	Republic of Peru: Bonds, 6.550% due 3/14/37	272,921
198,000	Global Bonds, 7.350% due 7/21/25	228,195
	Total Peru	501,116
Russia 0.0%		
244,000	Russian Federation, 12.750% due 6/24/28 (a)	440,267
Turkey 1.0%		
2,023,000TRY	Republic of Turkey: 14.000% due 1/19/11	1,673,316
490,000	7.000% due 6/5/20	510,825
1,175,000	11.875% due 1/15/30	1,871,187
594,000	Bonds, 7.000% due 9/26/16	621,473
7,954,000	Notes, 6.875% due 3/17/36	7,904,287
	Total Turkey	12,581,088

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Face Amount	Security	Value
Uruguay 0.1%		
1,026,307	Oriental Republic of Uruguay, Bonds, 7.625% due 3/21/36	\$ 1,152,030
Venezuela 0.8%		
273,000	Bolivarian Republic of Venezuela:	
8,258,000	8.500% due 10/8/14	281,054
241,000	5.750% due 2/26/16	7,143,170
	7.650% due 4/21/25	229,251
	Collective Action Securities:	
1,164,000	9.375% due 1/13/34	1,283,892
183,000	Notes, 10.750% due 9/19/13	205,326
	Total Venezuela	9,142,693
	TOTAL SOVEREIGN BONDS	
	(Cost \$65,399,393)	68,852,093
U.S. GOVERNMENT & AGENCY OBLIGATION 0.2%		
U.S. Government Agency 0.2%		
2,000,000	Federal National Mortgage Association (FNMA), 5.625% due 11/15/21	
	(Cost \$2,005,773)	2,004,016
COLLATERALIZED SENIOR LOANS 1.9%		
Containers & Packaging 0.4%		
5,026,500	Berry Plastics Corp., Senior Term Loan, 12.244% due 6/15/14 (g)	4,624,380
Diversified Telecommunication Services 0.4%		
5,000,000	Univision Communications Inc., Term Loan B, 7.610% due 9/15/14 (g)	4,746,875
Oil, Gas & Consumable Fuels 0.8%		
2,107,592	Ashmore Energy International Term Loan, 8.360% due 3/30/14 (g)	2,065,440
279,613	Ashmore Energy International, Synthetic Revolving Credit Facility,	
	5.098% due 3/30/14 (g)	274,021
7,500,000	SandRidge Energy, Term Loan, 8.625% due 4/1/15 (g)	7,406,250
	Total Oil, Gas & Consumable Fuels	9,745,711
Paper & Forest Products 0.2%		
2,500,000	Verso Paper Holdings Term Loan, 11.606% due 2/1/12 (g)	2,443,750
Trading Companies & Distributors 0.1%		
2,000,000	Penhall International Corp., Term Loan, 12.824% due 4/1/12 (g)	2,040,000
	TOTAL COLLATERALIZED SENIOR LOANS	
	(Cost \$24,025,916)	23,600,716

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Shares	Security	Value
COMMON STOCKS 0.0%		
CONSUMER DISCRETIONARY 0.0%		
Household Durables 0.0%		
10,685,938	Home Interiors & Gifts Inc. (c)(d)*	\$ 106,860
52,472	Mattress Discounters Corp. (c)(d)*	0
	TOTAL CONSUMER DISCRETIONARY	106,860
CONSUMER STAPLES 0.0%		
Food Products 0.0%		
3,784	Imperial Sugar Co.	97,589
	TOTAL COMMON STOCKS	
	(Cost \$7,846,354)	204,449
ESCROWED SHARES 0.0%		
2,025,000	Pillowtex Corp. (c)(d)(e)* (Cost \$0)	0
PREFERRED STOCKS 0.2%		
CONSUMER DISCRETIONARY 0.1%		
Automobiles 0.1%		
65,000	Ford Motor Co.:	1,106,300
1,800	7.400%	34,200
1,800	8.000%	32,580
	Series F, 7.550%	32,580
	Total Automobiles	1,173,080
Media 0.0%		
8	ION Media Networks Inc., Series B, 12.000%	45,375
	TOTAL CONSUMER DISCRETIONARY	1,218,455
FINANCIALS 0.1%		
Diversified Financial Services 0.1%		
12,100	Preferred Plus:	
8,200	Series FRD-1, 7.400%	205,700
44,100	Series FMC1 Trust, Senior Debentures, Series LMG-3, 8.250%	173,020
	Saturns, Series F 2003-5, 8.125%	829,962
17,552	TCR Holdings Corp.,	
9,654	Class B Shares (c)(d)*	17
25,451	Class C Shares (c)(d)*	10
52,657	Class D Shares (c)(d)*	25
	Class E Shares (c)(d)*	53
	TOTAL FINANCIALS	1,208,787
	TOTAL PREFERRED STOCKS	
	(Cost \$2,387,505)	2,427,242

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

Warrants	Security	Value
WARRANTS 0.1%		
18,500	Bolivarian Republic of Venezuela, Oil-linked payment obligations, Expires 4/15/20*	\$ 693,750
3,500	Brown Jordan International Inc., Expires 8/15/07*	31
31,517,970	ContiFinancial Corp., Liquidating Trust, Units of Interest (Represents interest in a trust in the liquidation of ContiFinancial Corp. and its affiliates) (c)(d)*	32
2,750	Leap Wireless International Inc., Expires 4/15/10(c)(d)*	0
3,500	Mattress Discounters Co., Expires 7/15/07(c)(d)*	0
13,614	Pillowtex Corp., Expires 11/24/09(c)(d)*	0
	TOTAL WARRANTS	
	(Cost \$259,089)	693,813
	TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS	
	(Cost \$1,222,852,628)	1,202,880,315
Face Amount		
SHORT-TERM INVESTMENTS 1.5%		
Sovereign Bonds 1.5%		
4,491,000MYR	Bank Negara Malaysia Monetary Notes: Series 0207, 3.569% due 2/14/08	1,332,622
6,600,000MYR	Series 2307, zero coupon bond to yield 3.487% due 1/17/08	1,963,772
3,379,000MYR	Series 3007, zero coupon bond to yield 3.490% due 11/6/07	1,012,712
33,275,000EGP	Egypt Treasury Bills: Zero coupon bond to yield 9.680% due 11/6/07	6,023,515
43,825,000EGP	Zero coupon bond to yield, 7.080% due 10/28/08	7,385,158
	TOTAL SOVEREIGN BONDS	
	(Cost \$17,357,170)	17,717,779
U.S. Government Agency 0.0%		
25,000	Federal National Mortgage Association (FNMA), Discount Notes, 4.365% due 3/17/08 (h) (Cost \$24,592)	24,600
Repurchase Agreement 0.0%		
17,000	Morgan Stanley tri-party repurchase agreement dated 10/31/07, 4.800% due 11/1/07; Proceeds at maturity \$17,002; (Fully collateralized by various U.S. government agency obligations, 0.00% due 1/30/08 to 6/13/33; Market value \$735,155) (Cost \$17,000)	17,000
	TOTAL SHORT-TERM INVESTMENTS	
	(Cost \$17,398,762)	17,759,379
	TOTAL INVESTMENTS 100.0% (Cost \$1,240,251,390#)	\$ 1,220,639,694

See Notes to Financial Statements.

Schedule of Investments (October 31, 2007) (unaudited) (continued)

* Non-income producing security.

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

- (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, unless otherwise noted.
 - (b) Payment-in-kind security for which part of the income earned may be paid as additional principal.
 - (c) Illiquid security.
 - (d) Security is valued in good faith at fair value by or under the direction of the Board of Directors (See Note 1).
 - (e) Security is currently in default.
 - (f) All or a portion of this security is segregated for open futures contracts, extended settlements and reverse repurchase agreements.
 - (g) Variable rate security. Interest rate disclosed is that which is in effect at October 31, 2007.
 - (h) Rate shown represents yield-to-maturity.
Exercised warrants disclosed in the Schedule of Investments pending final determination from the agent.
- # Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

ARS	Argentine Peso
BRL	Brazilian Real
EGP	Egyptian Pound
EUR	Euro
GDP	Gross Domestic Product
IDR	Indonesian Rupiah
MYR	Malaysian Ringgit
OJSC	Open Joint Stock Company
RUB	Russian Ruble
TRY	Turkish Lira

See Notes to Financial Statements.

Statement of Assets and Liabilities (October 31, 2007) (unaudited)**ASSETS:**

Investments, at value (Cost \$1,240,251,390)	\$	1,220,639,694
Foreign currency, at value (Cost \$754,480)		813,813
Cash		599,594
Dividends and interest receivable		26,729,233
Receivable for securities sold		13,645,339
Receivable from broker variation margin on open futures contracts		12,813
Prepaid expenses		77,127
Total Assets		1,262,517,613

LIABILITIES:

Loan payable (Note 4)		225,000,000
Payable for open reverse repurchase agreement		103,579,847
Payable for securities purchased		20,407,914
Interest payable (Note 4)		1,411,798
Investment management fee payable		838,815
Accrued expenses		25,365
Total Liabilities		351,263,739
Total Net Assets	\$	911,253,874

NET ASSETS:

Par value (\$0.001 par value; 77,614,787 shares issued and outstanding; 100,000,000 shares authorized)	\$	77,615
Paid-in capital in excess of par value		1,041,434,075
Undistributed net investment income		7,127,184
Accumulated net realized loss on investments and foreign currency transactions		(117,879,315)
Net unrealized depreciation on investments, futures contracts and foreign currencies		(19,505,685)
Total Net Assets	\$	911,253,874
Shares Outstanding		77,614,787
Net Asset Value		\$11.74

See Notes to Financial Statements.

Statement of Operations (For the six months ended October 31, 2007) (unaudited)**INVESTMENT INCOME:**

Interest	\$ 50,829,897
Dividends	226,686
Less: Foreign taxes withheld	(7,576)
Total Investment Income	51,049,007

EXPENSES:

Interest expense (Notes 3 and 4)	7,649,777
Investment management fee (Note 2)	4,788,786
Commitment fees (Note 4)	117,351
Shareholder reports	81,593
Directors' fees	52,178
Legal fees	38,972
Custody fees	35,614
Audit and tax	31,172
Stock exchange listing fees	28,888
Transfer agent fees	13,031
Insurance	10,267
Miscellaneous expenses	11,594
Total Expenses	12,859,223
Net Investment Income	38,189,784

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, FUTURES CONTRACTS AND FOREIGN CURRENCY TRANSACTIONS (NOTES 1 AND 3):

Net Realized Loss From:	
Investment transactions	(3,097,333)
Foreign currency transactions	(51,704)
Net Realized Loss	(3,149,037)
Change in Net Unrealized Appreciation/Depreciation From:	
Investments	(47,960,033)
Futures contracts	6,463
Foreign currencies	91,141
Change in Net Unrealized Appreciation/Depreciation	(47,862,429)
Net Loss on Investments, Futures Contracts and Foreign Currency Transactions	(51,011,466)
Decrease in Net Assets From Operations	\$ (12,821,682)

See Notes to Financial Statements.

Statements of Changes in Net Assets

For the six months ended October 31, 2007 (unaudited)
and the year ended April 30, 2007

	October 31		April 30
OPERATIONS:			
Net investment income	\$ 38,189,784	\$	69,783,200
Net realized gain (loss)	(3,149,037)		25,847,494
Change in net unrealized appreciation/depreciation	(47,862,429)		22,252,936
Increase from payment by affiliate			21,963
Increase (Decrease) in Net Assets From Operations	(12,821,682)		117,905,593
DISTRIBUTIONS TO SHAREHOLDERS FROM (NOTE 1):			
Net investment income	(36,478,950)		(68,689,087)
Decrease in Net Assets From Distributions to Shareholders	(36,478,950)		(68,689,087)
Increase (Decrease) in Net Assets	(49,300,632)		49,216,506
NET ASSETS:			
Beginning of period	960,554,506		911,338,000
End of period*	\$ 911,253,874	\$	960,554,506
* Includes undistributed net investment income of:	\$ 7,127,184	\$	5,416,350

See Notes to Financial Statements.

Statement of Cash Flows (For the six months ended October 31, 2007) (unaudited)**CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:**

Interest and dividends received	\$ 44,814,341
Operating expenses paid	(5,121,591)
Net sales of short-term investments	22,148,613
Realized loss on foreign currency transactions	(51,704)
Net change in unrealized appreciation on futures contracts	6,463
Net change in unrealized appreciation on foreign currencies	52,374
Purchases of long-term investments	(447,549,684)
Proceeds from disposition of long-term investments	299,670,182
Change in receivable from broker variation margin	(12,813)
Interest paid	(7,585,381)
Net Cash Flows Used By Operating Activities	(93,629,200)

CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES:

Cash distributions paid on Common Stock	(36,478,950)
Proceeds from loan	100,000,000
Proceeds from reverse repurchase agreements	30,468,833
Net Cash Flows Provided By Financing Activities	93,989,883
Net Increase in Cash	360,683
Cash, Beginning of period	1,052,724
Cash, End of period	\$ 1,413,407

RECONCILIATION OF DECREASE IN NET ASSETS FROM OPERATIONS TO NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:

Decrease in Net Assets From Operations	\$ (12,821,682)
Accretion of discount on investments	(3,256,390)
Amortization of premium on investments	802,271
Increase in investments, at value	(68,413,828)
Increase in payable for securities purchased	1,595,111
Increase in interest and dividends receivable	(3,780,547)
Increase in receivable for securities sold	(7,893,573)
Increase in receivable from broker variation margin	(12,813)
Increase in prepaid expenses	(19,147)
Increase in interest payable	181,747
Decrease in accrued expenses	(10,349)
Total Adjustments	(80,807,518)
Net Cash Flows Used By Operating Activities	\$ (93,629,200)

See Notes to Financial Statements.

Financial Highlights

For a share of capital stock outstanding throughout each year ended April 30, unless otherwise noted:

	2007(1)(2)	2007(2)	2006	2005(2)	2004	2003
Net Asset Value, Beginning of Period	\$12.38	\$11.74	\$11.10	\$11.03	\$10.42	\$10.48
Income (Loss) From Operations:						
Net investment income	0.49	0.90	0.92	1.02	1.12	1.18
Net realized and unrealized gain (loss)	(0.66)	0.63	0.63	0.27	0.85	0.12
Total Income (Loss) From Operations	(0.17)	1.53	1.55	1.29	1.97	1.30
Less Distributions From:						
Net investment income	(0.47)	(0.89)	(0.91)	(1.22)	(1.38)	(1.16)
Return of capital						(0.22)
Total Distributions	(0.47)	(0.89)	(0.91)	(1.22)	(1.38)	(1.38)
Increase in Net Asset Value Due to Shares Issued on Reinvestment of Distributions					0.02	0.02
Net Asset Value, End of Period	\$11.74	\$12.38	\$11.74	\$11.10	\$11.03	\$10.42
Market Price, End of Period	\$10.38	\$11.61	\$10.04	\$11.14	\$11.75	\$11.65
Total Return, Based on NAV⁽³⁾⁽⁴⁾	(1.34)%	13.58%(5)	14.43%	12.13%	19.99%	15.58%
Total Return, Based on Market Price⁽⁴⁾	(6.61)%	25.58%	(1.58)%	5.39%	13.51%	15.00%
Net Assets, End of Period (000s)	\$911,254	\$960,555	\$911,338	\$861,635	\$839,022	\$771,566
Ratios to Average Net Assets:						
Gross expenses	2.78%(6)	1.96%	2.31%	2.69%	2.17%	2.49%
Gross expenses, excluding interest expense	1.10(6)	1.01	1.21	1.67	1.57	1.63
Net expenses	2.78(6)	1.96	2.30(7)	2.69	2.17	2.49
Net expenses, excluding interest expense	1.10(6)	1.01	1.20(7)	1.67	1.57	1.63
Net investment income	8.25(6)	7.55	7.94	8.99	10.18	12.64
Portfolio Turnover Rate	27%	90%	55%	54%	50%	87%
Supplemental Data:						
Loans Outstanding, End of Period (000s)	\$225,000	\$125,000	\$125,000	\$300,000	\$300,000	\$300,000
Asset Coverage for Loan Outstanding	505%	868%	829%	387%		