

Western Asset High Yield Defined Opportunity Fund Inc.  
Form N-Q  
January 23, 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 **811-22444**

**Western Asset High Yield Defined Opportunity Fund 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: **August 31**

Date of reporting period: **November 30, 2014**

**ITEM 1. SCHEDULE OF INVESTMENTS.**

**WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.**

FORM N-Q

NOVEMBER 30, 2014

## WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.

## Schedule of investments (unaudited)

November 30, 2014

| SECURITY  | RATE    | MATURITY DATE | FACE AMOUNT              | VALUE                             |
|---|---------|---------------|--------------------------|-----------------------------------|
| <b>CORPORATE BONDS &amp; NOTES - 89.9%</b>  |         |               |                          |                                   |
| <b>CONSUMER DISCRETIONARY - 19.2%</b>   |         |               |                          |                                   |
| <b>Auto Components - 0.6%</b>   |         |               |                          |                                   |
| Europcar Groupe SA, Senior Notes  | 11.500% | 5/15/17       | 350,000 <sup>EUR</sup>   | \$ 493,960 <sup>(a)</sup>         |
| Europcar Groupe SA, Senior Notes  | 9.375%  | 4/15/18       | 1,540,000 <sup>EUR</sup> | 2,010,659 <sup>(a)</sup>          |
| <i>Total Auto Components</i>  |         |               |                          | 2,504,619                         |
| <b>Automobiles - 0.3%</b>   |         |               |                          |                                   |
| Chrysler Group LLC/CG Co.-Issuer Inc., Secured Notes  | 8.250%  | 6/15/21       | 1,030,000                | 1,153,600                         |
| <b>Diversified Consumer Services - 0.6%</b>   |         |               |                          |                                   |
| Co-operative Group Holdings 2011 Ltd., Senior Notes   | 6.875%  | 7/8/20        | 100,000 <sup>GBP</sup>   | 161,081 <sup>(b)</sup>            |
| Co-operative Group Holdings 2011 Ltd., Senior Notes   | 7.500%  | 7/8/26        | 280,000 <sup>GBP</sup>   | 463,602                           |
| Service Corp. International, Senior Notes   | 7.500%  | 4/1/27        | 1,030,000                | 1,169,050                         |
| StoneMor Partners LP/Cornerstone Family Services of WV, Senior Notes                                    | 7.875%  | 6/1/21        | 760,000                  | 794,200 <sup>(a)</sup>            |
| <i>Total Diversified Consumer Services</i>  |         |               |                          | 2,587,933                         |
| <b>Hotels, Restaurants &amp; Leisure - 6.2%</b>   |         |               |                          |                                   |
| 24 Hour Holdings III LLC, Senior Notes  | 8.000%  | 6/1/22        | 2,800,000                | 2,541,000 <sup>(a)</sup>          |
| Bossier Casino Venture Holdco Inc.  | 11.000% | 2/9/18        | 224,799                  | 225,001 <sup>(a)(c)(d)</sup>      |
| Bossier Casino Venture Holdco Inc., Senior Secured Bonds  | 14.000% | 2/9/18        | 1,299,544                | 1,157,764 <sup>(a)(c)(d)(e)</sup> |
| Burger King Capital Holdings LLC/Burger King Capital Finance Inc., Senior Notes, Step Bond              | 0.000%  | 4/15/19       | 360,000                  | 334,800 <sup>(a)</sup>            |
| Caesars Entertainment Operating Co. Inc., Senior Secured Notes  | 11.250% | 6/1/17        | 1,810,000                | 1,457,050                         |
| Caesars Entertainment Operating Co. Inc., Senior Secured Notes  | 9.000%  | 2/15/20       | 1,820,000                | 1,456,000                         |
| Caesars Entertainment Resort Properties LLC, Secured Notes  | 11.000% | 10/1/21       | 1,650,000                | 1,515,937 <sup>(a)</sup>          |
| Carlson Travel Holdings Inc., Senior Notes  | 7.500%  | 8/15/19       | 420,000                  | 424,200 <sup>(a)(e)</sup>         |
| Carrols Restaurant Group Inc., Senior Secured Notes   | 11.250% | 5/15/18       | 1,130,000                | 1,217,575                         |
| CCM Merger Inc., Senior Notes   | 9.125%  | 5/1/19        | 1,400,000                | 1,512,000 <sup>(a)</sup>          |
| CEC Entertainment Inc., Senior Notes  | 8.000%  | 2/15/22       | 1,630,000                | 1,589,250 <sup>(a)</sup>          |
| Downstream Development Quapaw, Senior Secured Notes   | 10.500% | 7/1/19        | 1,090,000                | 1,122,700 <sup>(a)</sup>          |
| Gala Electric Casinos Ltd., Secured Notes   | 11.500% | 6/1/19        | 1,380,000 <sup>GBP</sup> | 2,263,338 <sup>(b)</sup>          |
| Greektown Holdings LLC/Greektown Mothership Corp., Senior Secured Notes                                 | 8.875%  | 3/15/19       | 820,000                  | 838,450 <sup>(a)</sup>            |
| Landry's Holdings II Inc., Senior Notes   | 10.250% | 1/1/18        | 650,000                  | 676,000 <sup>(a)</sup>            |
| Landry's Inc., Senior Notes   | 9.375%  | 5/1/20        | 2,890,000                | 3,088,687 <sup>(a)</sup>          |
| Paris Las Vegas Holding LLC/Harrah's Las Vegas LLC/Flamingo Las Vegas Holding LLC, Senior Secured Notes | 8.000%  | 10/1/20       | 1,170,000                | 1,152,450 <sup>(a)</sup>          |
| Rivers Pittsburgh Borrower LP/Rivers Pittsburgh Finance Corp., Senior Secured Notes                     | 9.500%  | 6/15/19       | 213,000                  | 228,443 <sup>(a)</sup>            |
| Seneca Gaming Corp., Senior Notes   | 8.250%  | 12/1/18       | 1,410,000                | 1,468,162 <sup>(a)</sup>          |
| Seven Seas Cruises S de RL LLC, Senior Secured Notes  | 9.125%  | 5/15/19       | 1,570,000                | 1,709,259                         |
| <i>Total Hotels, Restaurants &amp; Leisure</i>  |         |               |                          | 25,978,066                        |
| <b>Household Durables - 1.3%</b>  |         |               |                          |                                   |

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|   |        |          |           |                             |
|---|--------|----------|-----------|-----------------------------|
| Century Intermediate Holding Co. 2, Senior Notes                  | 9.750% | 2/15/19  | 1,630,000 | 1,733,913 <sup>(a)(e)</sup> |
| William Lyon Homes Inc., Senior Notes                             | 8.500% | 11/15/20 | 950,000   | 1,040,250                   |
| William Lyon Homes PNW Finance Corp., Senior Notes                | 7.000% | 8/15/22  | 970,000   | 1,003,950 <sup>(a)</sup>    |
| Woodside Homes Co., LLC/Woodside Homes Finance Inc., Senior Notes | 6.750% | 12/15/21 | 1,650,000 | 1,658,250 <sup>(a)</sup>    |
| <i>Total Household Durables</i>                                   |        |          |           | <i>5,436,363</i>            |

**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.

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

November 30, 2014

| SECURITY  | RATE    | MATURITY DATE | FACE AMOUNT              | VALUE                       |
|---|---------|---------------|--------------------------|-----------------------------|
| <b>Media - 7.5%</b>   |         |               |                          |                             |
| Altice SA, Senior Secured Notes                                   | 7.750%  | 5/15/22       | 690,000                  | \$ 715,012 <sup>(a)</sup>   |
| Carmike Cinemas Inc., Secured Notes                               | 7.375%  | 5/15/19       | 430,000                  | 458,488                     |
| Cerved Group SpA, Senior Secured Notes                            | 6.375%  | 1/15/20       | 100,000 <sup>EUR</sup>   | 133,049 <sup>(a)</sup>      |
| Cerved Group SpA, Senior Subordinated Notes                       | 8.000%  | 1/15/21       | 150,000 <sup>EUR</sup>   | 203,803 <sup>(a)</sup>      |
| CSC Holdings LLC, Senior Notes                                    | 6.750%  | 11/15/21      | 450,000                  | 500,625                     |
| DISH DBS Corp., Senior Notes                                      | 6.750%  | 6/1/21        | 2,670,000                | 2,906,962                   |
| DISH DBS Corp., Senior Notes                                      | 5.875%  | 11/15/24      | 1,310,000                | 1,323,100 <sup>(a)</sup>    |
| Gibson Brands Inc., Senior Secured Notes                          | 8.875%  | 8/1/18        | 1,130,000                | 1,096,100 <sup>(a)</sup>    |
| iHeartCommunications Inc., Senior Notes                           | 10.000% | 1/15/18       | 900,000                  | 721,125                     |
| Nara Cable Funding Ltd., Senior Secured Notes                     | 8.875%  | 12/1/18       | 1,000,000                | 1,044,380 <sup>(a)</sup>    |
| New Cotai LLC/New Cotai Capital Corp., Senior Secured Notes       | 10.625% | 5/1/19        | 1,323,627                | 1,502,317 <sup>(a)(e)</sup> |
| Numericable-SFR, Senior Secured Bonds                             | 6.000%  | 5/15/22       | 3,240,000                | 3,295,145 <sup>(a)</sup>    |
| Ono Finance II PLC, Senior Bonds                                  | 10.875% | 7/15/19       | 4,631,000                | 4,955,170 <sup>(a)</sup>    |
| Polish Television Holding BV, Senior Secured Bonds                | 11.000% | 1/15/21       | 220,000 <sup>EUR</sup>   | 321,979 <sup>(a)(e)</sup>   |
| Time Warner Cable Inc., Senior Notes                              | 8.250%  | 4/1/19        | 550,000                  | 680,802                     |
| Univision Communications Inc., Senior Notes                       | 8.500%  | 5/15/21       | 680,000                  | 734,400 <sup>(a)</sup>      |
| Univision Communications Inc., Senior Secured Notes               | 6.750%  | 9/15/22       | 2,514,000                | 2,777,970 <sup>(a)</sup>    |
| UPC Holding BV, Junior Secured Subordinated Notes                 | 6.375%  | 9/15/22       | 140,000 <sup>EUR</sup>   | 189,315 <sup>(a)</sup>      |
| UPCB Finance II Ltd., Senior Notes                                | 6.375%  | 7/1/20        | 2,000,000 <sup>EUR</sup> | 2,623,705 <sup>(b)</sup>    |
| Virgin Media Finance PLC, Senior Notes                            | 6.375%  | 4/15/23       | 2,260,000                | 2,418,200 <sup>(a)</sup>    |
| Virgin Media Finance PLC, Senior Notes                            | 6.000%  | 10/15/24      | 1,750,000                | 1,839,687 <sup>(a)</sup>    |
| WMG Acquisition Corp., Senior Notes                               | 6.750%  | 4/15/22       | 1,330,000                | 1,296,750 <sup>(a)</sup>    |
| <i>Total Media</i>  |         |               |                          | 31,738,084                  |
| <b>Multiline Retail - 0.6%</b>                                    |         |               |                          |                             |
| Neiman Marcus Group LLC, Senior Secured Notes                     | 7.125%  | 6/1/28        | 270,000                  | 275,400                     |
| Neiman Marcus Group Ltd. LLC, Senior Notes                        | 8.750%  | 10/15/21      | 2,080,000                | 2,251,600 <sup>(a)(e)</sup> |
| <i>Total Multiline Retail</i>                                     |         |               |                          | 2,527,000                   |
| <b>Specialty Retail - 1.8%</b>                                    |         |               |                          |                             |
| AA Bond Co., Ltd., Secured Notes                                  | 9.500%  | 7/31/19       | 280,000 <sup>GBP</sup>   | 484,003 <sup>(a)</sup>      |
| Edcon Pty Ltd., Senior Secured Notes                              | 9.500%  | 3/1/18        | 1,950,000 <sup>EUR</sup> | 2,042,833 <sup>(a)</sup>    |
| Edcon Pty Ltd., Senior Secured Notes                              | 9.500%  | 3/1/18        | 1,120,000 <sup>EUR</sup> | 1,173,320 <sup>(b)</sup>    |
| Guitar Center Inc., Senior Bonds                                  | 9.625%  | 4/15/20       | 2,880,000                | 1,936,800 <sup>(a)</sup>    |
| Hot Topic Inc., Senior Secured Notes                              | 9.250%  | 6/15/21       | 660,000                  | 711,150 <sup>(a)</sup>      |
| Spencer Spirit Holdings Inc., Senior Notes                        | 9.000%  | 5/1/18        | 1,415,000                | 1,425,612 <sup>(a)(e)</sup> |
| <i>Total Specialty Retail</i>                                     |         |               |                          | 7,773,718                   |
| <b>Textiles, Apparel &amp; Luxury Goods - 0.3%</b>                |         |               |                          |                             |
| Chinos Intermediate Holdings A Inc., Senior Notes                 | 7.750%  | 5/1/19        | 890,000                  | 843,275 <sup>(a)(e)</sup>   |
| Empire Today LLC/Empire Today Finance Corp., Senior Secured Notes | 11.375% | 2/1/17        | 550,000                  | 401,500 <sup>(a)</sup>      |
| <i>Total Textiles, Apparel &amp; Luxury Goods</i>                 |         |               |                          | 1,244,775                   |

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**TOTAL CONSUMER DISCRETIONARY** 80,944,158

**CONSUMER STAPLES - 2.7%**

**Beverages - 0.5%**

|   |         |        |           |                        |
|---|---------|--------|-----------|------------------------|
| Carolina Beverage Group LLC/Carolina Beverage Group Finance Inc., Secured Notes | 10.625% | 8/1/18 | 930,000   | 946,275 <sup>(a)</sup> |
| Crestview DS Merger Subordinated II Inc., Secured Notes                         | 10.000% | 9/1/21 | 1,000,000 | 1,185,000              |

*Total Beverages* 2,131,275

**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.

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

November 30, 2014

| SECURITY   | RATE    | MATURITY DATE | FACE AMOUNT | VALUE                       |
|--|---------|---------------|-------------|-----------------------------|
| <b>Food &amp; Staples Retailing - 0.3%</b>                                   |         |               |             |                             |
| Beverages & More Inc., Senior Secured Notes                                  | 10.000% | 11/15/18      | 1,340,000   | \$ 1,284,725 <sup>(a)</sup> |
| <b>Food Products - 1.4%</b>  |         |               |             |                             |
| Chiquita Brands International Inc./Chiquita Brands LLC, Senior Secured Notes | 7.875%  | 2/1/21        | 1,143,000   | 1,244,441                   |
| Dole Food Co. Inc., Senior Secured Notes                                     | 7.250%  | 5/1/19        | 1,280,000   | 1,284,800 <sup>(a)</sup>    |
| Hearthside Group Holdings LLC/Hearthside Finance Co., Senior Notes           | 6.500%  | 5/1/22        | 1,240,000   | 1,230,700 <sup>(a)</sup>    |
| Simmons Foods Inc., Secured Notes  | 7.875%  | 10/1/21       | 1,550,000   | 1,581,000 <sup>(a)</sup>    |
| Wells Enterprises Inc., Senior Secured Notes                                 | 6.750%  | 2/1/20        | 672,000     | 702,240 <sup>(a)</sup>      |
| <i>Total Food Products</i>   |         |               |             | <i>6,043,181</i>            |
| <b>Household Products - 0.1%</b>   |         |               |             |                             |
| Spectrum Brands Inc., Senior Notes   | 6.625%  | 11/15/22      | 460,000     | 491,625                     |
| <b>Media - 0.1%</b>  |         |               |             |                             |
| SiTV LLC/SiTV Finance Inc., Senior Secured Notes                             | 10.375% | 7/1/19        | 270,000     | 255,150 <sup>(a)</sup>      |
| <b>Tobacco - 0.3%</b>  |         |               |             |                             |
| Alliance One International Inc., Secured Notes                               | 9.875%  | 7/15/21       | 1,220,000   | 1,162,050                   |
| <b>TOTAL CONSUMER STAPLES</b>  |         |               |             | <b>11,368,006</b>           |
| <b>ENERGY - 12.4%</b>  |         |               |             |                             |
| <b>Energy Equipment &amp; Services - 2.0%</b>                                |         |               |             |                             |
| Atwood Oceanics Inc., Senior Notes   | 6.500%  | 2/1/20        | 2,120,000   | 1,971,600                   |
| Exterran Partners LP/EXLP Finance Corp., Senior Notes                        | 6.000%  | 10/1/22       | 400,000     | 360,000 <sup>(a)</sup>      |
| FTS International Inc., Senior Secured Notes                                 | 6.250%  | 5/1/22        | 930,000     | 771,900 <sup>(a)</sup>      |
| Hercules Offshore Inc., Senior Notes   | 6.750%  | 4/1/22        | 2,910,000   | 1,484,100 <sup>(a)</sup>    |
| KCA Deutag UK Finance PLC, Senior Secured Notes                              | 7.250%  | 5/15/21       | 930,000     | 785,850 <sup>(a)</sup>      |
| Parker Drilling Co., Senior Notes  | 6.750%  | 7/15/22       | 1,370,000   | 1,082,300                   |
| Petroleum Geo-Services ASA, Senior Notes                                     | 7.375%  | 12/15/18      | 1,060,000   | 911,600 <sup>(a)</sup>      |
| Sierra Hamilton LLC/Sierra Hamilton Finance Inc., Senior Secured Notes       | 12.250% | 12/15/18      | 1,140,000   | 1,151,400 <sup>(a)</sup>    |
| <i>Total Energy Equipment &amp; Services</i>                                 |         |               |             | <i>8,518,750</i>            |
| <b>Oil, Gas &amp; Consumable Fuels - 10.4%</b>                               |         |               |             |                             |
| Arch Coal Inc., Senior Notes   | 7.250%  | 6/15/21       | 1,530,000   | 566,100                     |
| Blue Racer Midstream LLC/Blue Racer Finance Corp., Senior Notes              | 6.125%  | 11/15/22      | 730,000     | 739,125 <sup>(a)</sup>      |
| California Resources Corp., Senior Notes                                     | 6.000%  | 11/15/24      | 1,920,000   | 1,722,000 <sup>(a)</sup>    |
| Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes   | 9.625%  | 8/1/20        | 570,000     | 622,725                     |
| Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes   | 6.500%  | 4/15/21       | 400,000     | 386,000 <sup>(a)</sup>      |
| Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes   | 7.625%  | 1/15/22       | 970,000     | 989,400                     |
| Carrizo Oil & Gas Inc., Senior Notes   | 7.500%  | 9/15/20       | 620,000     | 632,400                     |
| Carrizo Oil & Gas Inc., Senior Notes   | 7.500%  | 9/15/20       | 160,000     | 163,200 <sup>(a)</sup>      |
| Chesapeake Energy Corp., Senior Notes  | 6.875%  | 11/15/20      | 1,240,000   | 1,395,000                   |
| Comstock Resources Inc., Senior Notes  | 7.750%  | 4/1/19        | 1,420,000   | 1,320,600                   |
| Comstock Resources Inc., Senior Notes  | 9.500%  | 6/15/20       | 890,000     | 883,325                     |
| Dynagas LNG Partners LP/Dynagas Finance Inc., Senior Notes                   | 6.250%  | 10/30/19      | 240,000     | 231,600                     |



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|  |        |         |           |                          |
|--|--------|---------|-----------|--------------------------|
| El Paso Corp., Medium-Term Notes                   | 7.800% | 8/1/31  | 810,000   | 1,019,158                |
| EP Energy LLC/EP Energy Finance Inc., Senior Notes | 9.375% | 5/1/20  | 100,000   | 109,750                  |
| EXCO Resources Inc., Senior Notes                  | 8.500% | 4/15/22 | 800,000   | 684,000                  |
| Globe Luxembourg SCA, Senior Secured Notes         | 9.625% | 5/1/18  | 3,130,000 | 3,051,750 <sup>(a)</sup> |

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.****Schedule of investments (unaudited) (cont d)****November 30, 2014**

| <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>                               |             |                      |                    |                          |
| Halcon Resources Corp., Senior Notes   | 9.750%      | 7/15/20              | 2,690,000          | \$ 2,071,300             |
| Halcon Resources Corp., Senior Notes   | 8.875%      | 5/15/21              | 1,920,000          | 1,488,000                |
| Kodiak Oil & Gas Corp., Senior Notes   | 8.125%      | 12/1/19              | 1,130,000          | 1,220,400                |
| Linn Energy LLC/Linn Energy Finance Corp., Senior Notes                            | 6.500%      | 9/15/21              | 640,000            | 556,800                  |
| Lonestar Resources America Inc., Senior Notes                                      | 8.750%      | 4/15/19              | 450,000            | 396,000 <sup>(a)</sup>   |
| Magnum Hunter Resources Corp., Senior Notes  | 9.750%      | 5/15/20              | 2,220,000          | 2,120,100                |
| MEG Energy Corp., Senior Notes   | 7.000%      | 3/31/24              | 2,010,000          | 1,829,100 <sup>(a)</sup> |
| Milagro Oil & Gas Inc., Secured Notes  | 10.500%     | 5/15/16              | 1,360,000          | 958,800 <sup>(f)</sup>   |
| Murray Energy Corp., Senior Secured Notes  | 9.500%      | 12/5/20              | 870,000            | 922,200 <sup>(a)</sup>   |
| Murray Energy Corp., Senior Secured Notes  | 8.625%      | 6/15/21              | 740,000            | 752,950 <sup>(a)</sup>   |
| Natural Resource Partners LP/Natural Resource Partners Finance Corp., Senior Notes | 9.125%      | 10/1/18              | 940,000            | 954,100                  |
| New Gulf Resources LLC/NGR Finance Corp., Senior Secured Notes                     | 11.750%     | 5/15/19              | 1,220,000          | 1,079,700                |
| Parsley Energy LLC/Parsley Finance Corp., Senior Notes                             | 7.500%      | 2/15/22              | 1,260,000          | 1,236,375 <sup>(a)</sup> |
| Petrobras Global Finance BV, Senior Notes  | 6.250%      | 3/17/24              | 1,500,000          | 1,541,010                |
| Quicksilver Resources Inc., Senior Notes   | 11.000%     | 7/1/21               | 1,450,000          | 696,000                  |
| Rice Energy Inc., Senior Notes   | 6.250%      | 5/1/22               | 1,030,000          | 993,950 <sup>(a)</sup>   |
| RSP Permian Inc., Senior Notes   | 6.625%      | 10/1/22              | 2,220,000          | 2,161,725 <sup>(a)</sup> |
| Samson Investment Co., Senior Notes  | 9.750%      | 2/15/20              | 1,170,000          | 681,525                  |
| Sanchez Energy Corp., Senior Notes   | 7.750%      | 6/15/21              | 1,610,000          | 1,593,900                |
| Sanchez Energy Corp., Senior Notes   | 6.125%      | 1/15/23              | 2,550,000          | 2,301,375 <sup>(a)</sup> |
| SandRidge Energy Inc., Senior Notes  | 7.500%      | 2/15/23              | 380,000            | 296,400                  |
| Shelf Drilling Holdings Ltd., Senior Secured Notes                                 | 8.625%      | 11/1/18              | 750,000            | 675,000 <sup>(a)</sup>   |
| Sidewinder Drilling Inc., Senior Notes   | 9.750%      | 11/15/19             | 690,000            | 617,550 <sup>(a)</sup>   |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., Senior Notes         | 7.500%      | 7/1/21               | 580,000            | 629,300                  |
| Teine Energy Ltd., Senior Notes  | 6.875%      | 9/30/22              | 470,000            | 439,450 <sup>(a)</sup>   |
| Triangle USA Petroleum Corp., Senior Notes   | 6.750%      | 7/15/22              | 470,000            | 385,400 <sup>(a)</sup>   |
| Westmoreland Coal Co./Westmoreland Partners, Senior Secured Notes                  | 10.750%     | 2/1/18               | 700,000            | 736,050                  |

*Total Oil, Gas & Consumable Fuels*

43,850,593

**TOTAL ENERGY**

52,369,343

**FINANCIALS - 9.3%****Banks - 5.6%**

|   |         |          |                        |                                |
|---|---------|----------|------------------------|--------------------------------|
| Banco Espirito Santo SA, Senior Notes           | 5.875%  | 11/9/15  | 500,000 <sup>EUR</sup> | 617,839 <sup>(b)</sup>         |
| Bank of America Corp., Junior Subordinated      | 6.500%  | 10/23/24 | 650,000                | 670,313 <sup>(g)(h)</sup>      |
| Barclays Bank PLC, Subordinated Notes           | 10.179% | 6/12/21  | 1,550,000              | 2,093,673 <sup>(a)</sup>       |
| Barclays Bank PLC, Subordinated Notes           | 7.625%  | 11/21/22 | 1,750,000              | 1,934,844                      |
| Barclays PLC, Junior Subordinated Bonds         | 8.250%  | 12/15/18 | 340,000                | 354,238 <sup>(g)(h)</sup>      |
| Credit Agricole SA, Junior Subordinated Notes   | 7.875%  | 1/23/24  | 600,000                | 624,827 <sup>(a)(g)(h)</sup>   |
| Credit Agricole SA, Subordinated Notes          | 8.375%  | 10/13/19 | 1,320,000              | 1,544,400 <sup>(a)(g)(h)</sup> |
| HSBC Holdings PLC, Junior Subordinated Bonds    | 6.375%  | 9/17/24  | 640,000                | 655,520 <sup>(g)(h)</sup>      |
| Intesa Sanpaolo SpA, Senior Notes               | 3.625%  | 8/12/15  | 1,490,000              | 1,514,753 <sup>(a)</sup>       |
| JPMorgan Chase & Co., Junior Subordinated Bonds | 6.000%  | 8/1/23   | 530,000                | 536,625 <sup>(g)(h)</sup>      |
| JPMorgan Chase & Co., Junior Subordinated Notes | 6.100%  | 10/1/24  | 1,000,000              | 1,015,000 <sup>(g)(h)</sup>    |

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|   |         |         |                          |                             |
|---|---------|---------|--------------------------|-----------------------------|
| M&T Bank Corp., Junior Subordinated Bonds   | 6.875%  | 6/15/16 | 1,170,000                | 1,195,724 <sup>(h)</sup>    |
| Royal Bank of Scotland Group PLC, Junior Subordinated Notes,<br>Medium-Term Notes | 7.640%  | 9/30/17 | 7,000,000                | 7,411,250 <sup>(g)(h)</sup> |
| Royal Bank of Scotland NV, Subordinated Notes                                     | 7.750%  | 5/15/23 | 350,000                  | 411,246                     |
| Royal Bank of Scotland PLC, Subordinated Notes                                    | 13.125% | 3/19/22 | 2,030,000 <sup>AUD</sup> | 2,027,041 <sup>(b)(g)</sup> |
| Santander Issuances SAU, Notes  | 5.911%  | 6/20/16 | 900,000                  | 946,253 <sup>(a)</sup>      |
| <i>Total Banks</i>  |         |         |                          | 23,553,546                  |
| <b>Capital Markets - 0.3%</b>   |         |         |                          |                             |
| Boparan Finance PLC, Senior Notes   | 5.250%  | 7/15/19 | 870,000 <sup>GBP</sup>   | 1,239,380 <sup>(b)</sup>    |
| <b>Consumer Finance - 0.5%</b>  |         |         |                          |                             |
| SLM Corp., Medium-Term Notes, Senior Notes  | 8.450%  | 6/15/18 | 920,000                  | 1,041,900                   |
| Stearns Holdings Inc., Senior Secured Notes                                       | 9.375%  | 8/15/20 | 520,000                  | 535,600 <sup>(a)</sup>      |
| TMX Finance LLC/TitleMax Finance Corp., Senior Secured Notes                      | 8.500%  | 9/15/18 | 460,000                  | 443,900 <sup>(a)</sup>      |
| <i>Total Consumer Finance</i>   |         |         |                          | 2,021,400                   |

**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.

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

November 30, 2014

| SECURITY   | RATE    | MATURITY DATE | FACE AMOUNT              | VALUE                     |
|--|---------|---------------|--------------------------|---------------------------|
| <b>Diversified Financial Services - 1.8%</b>               |         |               |                          |                           |
| International Lease Finance Corp., Senior Notes            | 5.750%  | 5/15/16       | 1,000,000                | \$ 1,044,575              |
| International Lease Finance Corp., Senior Notes            | 8.750%  | 3/15/17       | 1,900,000                | 2,146,050                 |
| International Lease Finance Corp., Senior Notes            | 8.250%  | 12/15/20      | 3,140,000                | 3,815,100                 |
| ZFS Finance USA Trust II, Bonds                            | 6.450%  | 12/15/65      | 500,000                  | 535,000 <sup>(a)(g)</sup> |
| <i>Total Diversified Financial Services</i>                |         |               |                          | 7,540,725                 |
| <b>Insurance - 0.3%</b>                                    |         |               |                          |                           |
| Fidelity & Guaranty Life Holdings Inc., Senior Notes       | 6.375%  | 4/1/21        | 620,000                  | 663,400 <sup>(a)</sup>    |
| Liberty Mutual Group Inc., Junior Subordinated Bonds       | 7.800%  | 3/15/37       | 720,000                  | 847,800 <sup>(a)</sup>    |
| <i>Total Insurance</i>                                     |         |               |                          | 1,511,200                 |
| <b>Real Estate Management &amp; Development - 0.8%</b>     |         |               |                          |                           |
| Greystar Real Estate Partners LLC, Senior Secured Notes    | 8.250%  | 12/1/22       | 1,310,000                | 1,346,025 <sup>(a)</sup>  |
| Howard Hughes Corp., Senior Notes                          | 6.875%  | 10/1/21       | 1,750,000                | 1,855,000 <sup>(a)</sup>  |
| <i>Total Real Estate Management &amp; Development</i>      |         |               |                          | 3,201,025                 |
| <b>TOTAL FINANCIALS</b>                                    |         |               |                          | 39,067,276                |
| <b>HEALTH CARE - 5.9%</b>                                  |         |               |                          |                           |
| <b>Health Care Equipment &amp; Supplies - 1.3%</b>         |         |               |                          |                           |
| ConvaTec Finance International SA, Senior Notes            | 8.250%  | 1/15/19       | 860,000                  | 873,438 <sup>(a)(e)</sup> |
| Lantheus Medical Imaging Inc., Senior Notes                | 9.750%  | 5/15/17       | 2,020,000                | 1,979,600                 |
| Ontex IV SA, Senior Notes                                  | 9.000%  | 4/15/19       | 1,400,000 <sup>EUR</sup> | 1,877,485 <sup>(b)</sup>  |
| Ontex IV SA, Senior Notes                                  | 9.000%  | 4/15/19       | 680,000 <sup>EUR</sup>   | 911,921 <sup>(a)</sup>    |
| <i>Total Health Care Equipment &amp; Supplies</i>          |         |               |                          | 5,642,444                 |
| <b>Health Care Providers &amp; Services - 3.5%</b>         |         |               |                          |                           |
| Acadia Healthcare Co. Inc., Senior Notes                   | 12.875% | 11/1/18       | 474,000                  | 542,730                   |
| CHS/Community Health Systems Inc., Senior Notes            | 8.000%  | 11/15/19      | 1,890,000                | 2,027,025                 |
| Crown Newco 3 PLC, Senior Notes                            | 8.875%  | 2/15/19       | 225,000 <sup>GBP</sup>   | 368,320 <sup>(a)</sup>    |
| Crown Newco 3 PLC, Senior Subordinated Notes               | 8.875%  | 2/15/19       | 1,125,000 <sup>GBP</sup> | 1,841,598 <sup>(b)</sup>  |
| DJO Finance LLC/DJO Finance Corp., Senior Notes            | 9.875%  | 4/15/18       | 1,090,000                | 1,154,855                 |
| ExamWorks Group Inc., Senior Notes                         | 9.000%  | 7/15/19       | 1,670,000                | 1,786,900                 |
| HCA Inc., Debentures                                       | 7.500%  | 11/15/95      | 1,000,000                | 980,000                   |
| IASIS Healthcare LLC/IASIS Capital Corp., Senior Notes     | 8.375%  | 5/15/19       | 2,120,000                | 2,231,300                 |
| Jaguar Holding Co. II/Jaguar Merger Sub Inc., Senior Notes | 9.500%  | 12/1/19       | 430,000                  | 463,862 <sup>(a)</sup>    |
| Labco SAS, Senior Secured Notes                            | 8.500%  | 1/15/18       | 190,000 <sup>EUR</sup>   | 248,068 <sup>(b)</sup>    |
| Tenet Healthcare Corp., Senior Notes                       | 8.125%  | 4/1/22        | 1,850,000                | 2,072,000                 |
| Universal Hospital Services Inc., Secured Notes            | 7.625%  | 8/15/20       | 1,200,000                | 1,092,000                 |
| <i>Total Health Care Providers &amp; Services</i>          |         |               |                          | 14,808,658                |
| <b>Pharmaceuticals - 1.1%</b>                              |         |               |                          |                           |

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|   |         |          |                          |                          |
|---|---------|----------|--------------------------|--------------------------|
| ConvaTec Healthcare E SA, Senior Notes    | 10.875% | 12/15/18 | 1,530,000 <sup>EUR</sup> | 2,021,384 <sup>(a)</sup> |
| JLL/Delta Dutch Newco BV, Senior Notes    | 7.500%  | 2/1/22   | 1,190,000                | 1,230,162 <sup>(a)</sup> |
| Salix Pharmaceuticals Ltd., Senior Notes  | 6.000%  | 1/15/21  | 1,270,000                | 1,298,575 <sup>(a)</sup> |
| <i>Total Pharmaceuticals</i>              |         |          |                          | <i>4,550,121</i>         |
| <b>TOTAL HEALTH CARE</b>                  |         |          |                          | <b>25,001,223</b>        |
| <b>INDUSTRIALS - 14.2%</b>                |         |          |                          |                          |
| <b>Aerospace &amp; Defense - 1.8%</b>     |         |          |                          |                          |
| CBC Ammo LLC/CBC FinCo Inc., Senior Notes | 7.250%  | 11/15/21 | 1,720,000                | 1,711,400 <sup>(a)</sup> |
| Ducommun Inc., Senior Notes               | 9.750%  | 7/15/18  | 800,000                  | 870,000                  |
| Erickson Inc., Secured Notes              | 8.250%  | 5/1/20   | 2,035,000                | 1,923,075                |

**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.

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

November 30, 2014

| SECURITY   | RATE    | MATURITY DATE | FACE AMOUNT            | VALUE                       |
|--|---------|---------------|------------------------|-----------------------------|
| <b>Aerospace &amp; Defense - (continued)</b>                                   |         |               |                        |                             |
| GenCorp Inc., Secured Notes  | 7.125%  | 3/15/21       | 620,000                | \$ 656,425                  |
| Heligear Acquisition Co., Senior Secured Bonds                                 | 10.250% | 10/15/19      | 2,000,000              | 1,927,500 <sup>(a)</sup>    |
| LMI Aerospace Inc., Secured Notes  | 7.375%  | 7/15/19       | 580,000                | 577,100 <sup>(a)</sup>      |
| <i>Total Aerospace &amp; Defense</i>   |         |               |                        | 7,665,500                   |
| <b>Air Freight &amp; Logistics - 0.2%</b>                                      |         |               |                        |                             |
| XPO Logistics Inc., Senior Notes   | 7.875%  | 9/1/19        | 850,000                | 907,375 <sup>(a)</sup>      |
| <b>Airlines - 0.6%</b>   |         |               |                        |                             |
| Air Canada, Pass-Through Trust, Secured Notes                                  | 6.625%  | 5/15/18       | 460,000                | 477,664 <sup>(a)</sup>      |
| Delta Air Lines Inc., Pass-Through Certificates, Secured Notes                 | 8.021%  | 8/10/22       | 1,208,756              | 1,405,178                   |
| United Airlines Inc., Pass-Through Certificates, Senior Secured Notes          | 6.125%  | 4/29/18       | 600,000                | 637,500                     |
| <i>Total Airlines</i>  |         |               |                        | 2,520,342                   |
| <b>Building Products - 0.8%</b>  |         |               |                        |                             |
| Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Notes                    | 6.875%  | 2/15/21       | 1,190,000              | 1,163,225 <sup>(a)</sup>    |
| Reliance Intermediate Holdings LP, Senior Secured Notes                        | 9.500%  | 12/15/19      | 1,190,000              | 1,253,963 <sup>(a)</sup>    |
| Spie BondCo 3 SCA, Secured Notes   | 11.000% | 8/15/19       | 617,000 <sup>EUR</sup> | 848,149 <sup>(a)</sup>      |
| <i>Total Building Products</i>   |         |               |                        | 3,265,337                   |
| <b>Commercial Services &amp; Supplies - 2.2%</b>                               |         |               |                        |                             |
| Garda World Security Corp., Senior Notes                                       | 7.250%  | 11/15/21      | 650,000                | 653,250 <sup>(a)</sup>      |
| JM Huber Corp., Senior Notes   | 9.875%  | 11/1/19       | 680,000                | 756,500 <sup>(a)</sup>      |
| Monitronics International Inc., Senior Notes                                   | 9.125%  | 4/1/20        | 2,690,000              | 2,676,550                   |
| Taylor Morrison Communities Inc./Monarch Communities Inc., Senior Notes        | 7.750%  | 4/15/20       | 1,402,000              | 1,507,150 <sup>(a)</sup>    |
| Taylor Morrison Communities Inc./Monarch Communities Inc., Senior Notes        | 7.750%  | 4/15/20       | 489,000                | 525,675 <sup>(a)</sup>      |
| United Rentals North America Inc., Senior Notes                                | 7.625%  | 4/15/22       | 2,096,000              | 2,326,560                   |
| United Rentals North America Inc., Senior Subordinated Notes                   | 8.375%  | 9/15/20       | 390,000                | 421,200                     |
| West Corp., Senior Notes   | 5.375%  | 7/15/22       | 480,000                | 459,600 <sup>(a)</sup>      |
| <i>Total Commercial Services &amp; Supplies</i>                                |         |               |                        | 9,326,485                   |
| <b>Construction &amp; Engineering - 1.6%</b>                                   |         |               |                        |                             |
| Astaldi SpA, Senior Bonds  | 7.125%  | 12/1/20       | 580,000 <sup>EUR</sup> | 750,121 <sup>(a)</sup>      |
| Astaldi SpA, Senior Notes  | 7.125%  | 12/1/20       | 130,000 <sup>EUR</sup> | 168,131 <sup>(b)</sup>      |
| Ausdrill Finance Pty Ltd., Senior Notes  | 6.875%  | 11/1/19       | 1,010,000              | 850,925 <sup>(a)</sup>      |
| Brundage-Bone Concrete Pumping Inc., Senior Secured Notes                      | 10.375% | 9/1/21        | 860,000                | 884,725 <sup>(a)</sup>      |
| Michael Baker Holdings LLC/Michael Baker Finance Corp., Senior Notes           | 8.875%  | 4/15/19       | 1,280,000              | 1,273,600 <sup>(a)(e)</sup> |
| Michael Baker International LLC/CDL Acquisition Co. Inc., Senior Secured Notes | 8.250%  | 10/15/18      | 1,540,000              | 1,566,950 <sup>(a)</sup>    |
| Modular Space Corp., Secured Notes   | 10.250% | 1/31/19       | 1,230,000              | 1,239,225 <sup>(a)</sup>    |
| <i>Total Construction &amp; Engineering</i>                                    |         |               |                        | 6,733,677                   |

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**Electrical Equipment - 0.5%**

|  |        |          |                        |                        |
|--|--------|----------|------------------------|------------------------|
| International Wire Group Holdings Inc., Senior Secured Notes | 8.500% | 10/15/17 | 820,000                | 873,300 <sup>(a)</sup> |
| NES Rentals Holdings Inc., Senior Secured Notes              | 7.875% | 5/1/18   | 760,000                | 794,200 <sup>(a)</sup> |
| Trionista TopCo GmbH, Senior Subordinated Notes              | 6.875% | 4/30/21  | 150,000 <sup>EUR</sup> | 199,107 <sup>(a)</sup> |

*Total Electrical Equipment*

1,866,607

**Machinery - 1.4%**

|  |        |          |           |                          |
|--|--------|----------|-----------|--------------------------|
| CTP Transportation Products LLC/CTP Finance Inc., Senior Secured Notes | 8.250% | 12/15/19 | 500,000   | 533,750 <sup>(a)</sup>   |
| Dematic SA/DH Services Luxembourg Sarl, Senior Notes                   | 7.750% | 12/15/20 | 2,310,000 | 2,454,375 <sup>(a)</sup> |
| Gardner Denver Inc., Senior Notes                                      | 6.875% | 8/15/21  | 450,000   | 448,875 <sup>(a)</sup>   |

**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.

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

November 30, 2014

| SECURITY  | RATE    | MATURITY DATE | FACE AMOUNT            | VALUE                       |
|---|---------|---------------|------------------------|-----------------------------|
| <b>Machinery - (continued)</b>  |         |               |                        |                             |
| Global Brass and Copper Inc., Senior Secured Notes  | 9.500%  | 6/1/19        | 1,000,000              | \$ 1,096,250                |
| KraussMaffei Group GmbH, Senior Secured Notes   | 8.750%  | 12/15/20      | 380,000 <sup>EUR</sup> | 517,400 <sup>(a)</sup>      |
| KraussMaffei Group GmbH, Senior Secured Notes   | 8.750%  | 12/15/20      | 137,000 <sup>EUR</sup> | 186,536 <sup>(b)</sup>      |
| SPL Logistics Escrow LLC/SPL Logistics Finance Corp., Senior Secured Notes                    | 8.875%  | 8/1/20        | 720,000                | 775,800 <sup>(a)</sup>      |
| <i>Total Machinery</i>  |         |               |                        | 6,012,986                   |
| <b>Marine - 1.1%</b>  |         |               |                        |                             |
| Horizon Lines LLC, Secured Notes  | 13.000% | 10/15/16      | 1,657,730              | 1,629,767 <sup>(d)(e)</sup> |
| Horizon Lines LLC, Senior Secured Notes   | 11.000% | 10/15/16      | 786,000                | 796,808 <sup>(d)</sup>      |
| Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes  | 8.125%  | 11/15/21      | 1,250,000              | 1,281,250 <sup>(a)</sup>    |
| Ultrapetrol Bahamas Ltd., Senior Secured Notes  | 8.875%  | 6/15/21       | 1,010,000              | 1,085,750                   |
| <i>Total Marine</i>   |         |               |                        | 4,793,575                   |
| <b>Road &amp; Rail - 1.6%</b>   |         |               |                        |                             |
| Flexi-Van Leasing Inc., Senior Notes  | 7.875%  | 8/15/18       | 1,050,000              | 1,089,375 <sup>(a)</sup>    |
| Florida East Coast Holdings Corp., Senior Notes   | 9.750%  | 5/1/20        | 1,430,000              | 1,447,875 <sup>(a)</sup>    |
| Florida East Coast Holdings Corp., Senior Secured Notes                                       | 6.750%  | 5/1/19        | 780,000                | 799,500 <sup>(a)</sup>      |
| Jack Cooper Holdings Corp., Senior Secured Notes  | 9.250%  | 6/1/20        | 1,000,000              | 1,063,750 <sup>(a)</sup>    |
| Jurassic Holdings III Inc., Secured Notes   | 6.875%  | 2/15/21       | 700,000                | 691,250 <sup>(a)</sup>      |
| Quality Distribution LLC/QD Capital Corp., Secured Notes                                      | 9.875%  | 11/1/18       | 1,704,000              | 1,801,980                   |
| <i>Total Road &amp; Rail</i>  |         |               |                        | 6,893,730                   |
| <b>Trading Companies &amp; Distributors - 0.3%</b>  |         |               |                        |                             |
| H&E Equipment Services Inc., Senior Notes   | 7.000%  | 9/1/22        | 1,110,000              | 1,184,925                   |
| <b>Transportation - 1.9%</b>  |         |               |                        |                             |
| Hapag-Lloyd AG, Senior Notes  | 9.750%  | 10/15/17      | 1,420,000              | 1,469,700 <sup>(a)</sup>    |
| JCH Parent Inc., Senior Notes   | 10.500% | 3/15/19       | 2,500,000              | 2,375,000 <sup>(a)(e)</sup> |
| Neovia Logistics Intermediate Holdings LLC/Logistics Intermediate Finance Corp., Senior Notes | 10.000% | 2/15/18       | 1,640,000              | 1,685,100 <sup>(a)(e)</sup> |
| Syncreon Group BV/Syncreon Global Finance US Inc., Senior Notes                               | 8.625%  | 11/1/21       | 1,430,000              | 1,397,825 <sup>(a)</sup>    |
| Watco Cos., LLC/Watco Finance Corp., Senior Notes   | 6.375%  | 4/1/23        | 1,070,000              | 1,094,075 <sup>(a)</sup>    |
| <i>Total Transportation</i>   |         |               |                        | 8,021,700                   |
| <b>Transportation Infrastructure - 0.2%</b>   |         |               |                        |                             |
| Aguila 3 SA, Senior Secured Notes   | 7.875%  | 1/31/18       | 720,000                | 707,400 <sup>(a)</sup>      |
| <b>TOTAL INDUSTRIALS</b>  |         |               |                        | 59,899,639                  |
| <b>INFORMATION TECHNOLOGY - 2.9%</b>  |         |               |                        |                             |
| <b>Electronic Equipment, Instruments &amp; Components - 0.4%</b>                              |         |               |                        |                             |



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|   |         |          |                        |                          |
|---|---------|----------|------------------------|--------------------------|
| Interface Security Systems Holdings Inc./Interface Security Systems LLC, Senior Secured Notes | 9.250%  | 1/15/18  | 1,090,000              | 1,111,800                |
| Techem GmbH, Senior Secured Notes   | 6.125%  | 10/1/19  | 350,000 <sup>EUR</sup> | 469,685 <sup>(a)</sup>   |
| <i>Total Electronic Equipment, Instruments &amp; Components</i>                               |         |          |                        | <i>1,581,485</i>         |
| <b>Internet Software &amp; Services - 0.8%</b>  |         |          |                        |                          |
| Ancestry.com Inc., Senior Notes   | 11.000% | 12/15/20 | 2,380,000              | 2,689,400                |
| Zayo Group LLC/Zayo Capital Inc., Senior Secured Notes  | 8.125%  | 1/1/20   | 711,000                | 761,659                  |
| <i>Total Internet Software &amp; Services</i>   |         |          |                        | <i>3,451,059</i>         |
| <b>IT Services - 1.3%</b>   |         |          |                        |                          |
| Compiler Finance Subordinated Inc., Senior Notes  | 7.000%  | 5/1/21   | 1,150,000              | 1,006,250 <sup>(a)</sup> |
| First Data Corp., Secured Notes   | 8.250%  | 1/15/21  | 330,000                | 354,750 <sup>(a)</sup>   |
| First Data Corp., Senior Notes  | 12.625% | 1/15/21  | 2,070,000              | 2,468,475                |
| First Data Corp., Senior Subordinated Notes   | 11.750% | 8/15/21  | 1,409,000              | 1,637,962                |
| <i>Total IT Services</i>  |         |          |                        | <i>5,467,437</i>         |

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.****Schedule of investments (unaudited) (cont d)****November 30, 2014**

| SECURITY   | RATE    | MATURITY DATE | FACE AMOUNT              | VALUE                       |
|--|---------|---------------|--------------------------|-----------------------------|
| <b>Software - 0.4%</b>   |         |               |                          |                             |
| Audatex North America Inc., Senior Notes   | 6.000%  | 6/15/21       | 590,000                  | \$ 615,075 <sup>(a)</sup>   |
| Oberthur Technologies Holding SAS, Senior Secured Notes  | 9.250%  | 4/30/20       | 950,000 <sup>EUR</sup>   | 1,204,903 <sup>(a)</sup>    |
| <i>Total Software</i>  |         |               |                          | <i>1,819,978</i>            |
| <b>TOTAL INFORMATION TECHNOLOGY</b>  |         |               |                          | <b>12,319,959</b>           |
| <b>MATERIALS - 10.2%</b>   |         |               |                          |                             |
| <b>Chemicals - 1.4%</b>  |         |               |                          |                             |
| Eco Services Operations LLC/Eco Finance Corp., Senior Notes  | 8.500%  | 11/1/22       | 630,000                  | 655,200 <sup>(a)</sup>      |
| HIG BBC Intermediate Holdings LLC/HIG BBC Holdings Corp., Senior Notes                                   | 10.500% | 9/15/18       | 620,000                  | 610,700 <sup>(a)(e)</sup>   |
| Jac Holding Corp., Senior Secured Notes  | 11.500% | 10/1/19       | 2,000,000                | 2,045,000 <sup>(a)</sup>    |
| Kerling PLC, Senior Secured Notes  | 10.625% | 2/1/17        | 1,300,000 <sup>EUR</sup> | 1,664,171 <sup>(b)</sup>    |
| KP Germany Erste GmbH, Senior Secured Notes  | 11.625% | 7/15/17       | 370,000 <sup>EUR</sup>   | 504,934 <sup>(a)</sup>      |
| KP Germany Erste GmbH, Senior Secured Notes  | 11.625% | 7/15/17       | 290,000 <sup>EUR</sup>   | 395,759 <sup>(b)</sup>      |
| <i>Total Chemicals</i>   |         |               |                          | <i>5,875,764</i>            |
| <b>Construction Materials - 0.3%</b>   |         |               |                          |                             |
| Hardwoods Acquisition Inc., Senior Secured Notes   | 7.500%  | 8/1/21        | 1,050,000                | 1,060,500 <sup>(a)</sup>    |
| <b>Containers &amp; Packaging - 3.4%</b>   |         |               |                          |                             |
| Ardagh Finance Holdings SA, Senior Notes   | 8.625%  | 6/15/19       | 1,010,000                | 1,045,350 <sup>(a)(e)</sup> |
| Ardagh Packaging Finance PLC, Senior Notes   | 9.250%  | 10/15/20      | 2,500,000 <sup>EUR</sup> | 3,343,575 <sup>(b)</sup>    |
| Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes                                   | 6.250%  | 1/31/19       | 390,000                  | 391,950 <sup>(a)</sup>      |
| Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes                                   | 7.000%  | 11/15/20      | 148,235                  | 151,571 <sup>(a)</sup>      |
| Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes                                   | 6.750%  | 1/31/21       | 1,250,000                | 1,278,125 <sup>(a)</sup>    |
| Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes                                   | 6.000%  | 6/30/21       | 550,000                  | 545,875 <sup>(a)</sup>      |
| BWAY Holding Co., Senior Notes   | 9.125%  | 8/15/21       | 1,310,000                | 1,355,850 <sup>(a)</sup>    |
| Coveris Holdings SA, Senior Notes  | 7.875%  | 11/1/19       | 1,460,000                | 1,522,050 <sup>(a)</sup>    |
| Pactiv LLC, Senior Bonds   | 8.375%  | 4/15/27       | 1,910,000                | 2,034,150                   |
| Pactiv LLC, Senior Notes   | 7.950%  | 12/15/25      | 410,000                  | 428,450                     |
| PaperWorks Industries Inc., Senior Secured Notes   | 9.500%  | 8/15/19       | 840,000                  | 859,950 <sup>(a)</sup>      |
| Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer (Luxembourg) SA, Senior Notes | 8.500%  | 5/15/18       | 1,290,000                | 1,335,150                   |
| <i>Total Containers &amp; Packaging</i>  |         |               |                          | <i>14,292,046</i>           |
| <b>Metals &amp; Mining - 4.1%</b>  |         |               |                          |                             |
| ArcelorMittal, Senior Notes  | 6.750%  | 2/25/22       | 960,000                  | 1,048,200                   |
| Barmenco Finance Pty Ltd., Senior Notes  | 9.000%  | 6/1/18        | 2,560,000                | 2,214,400 <sup>(a)</sup>    |
| Coeur Mining Inc., Senior Notes  | 7.875%  | 2/1/21        | 3,510,000                | 2,772,900                   |
| FMG Resources (August 2006) Pty Ltd., Senior Notes   | 8.250%  | 11/1/19       | 1,340,000                | 1,244,525 <sup>(a)</sup>    |

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|  |         |          |                        |                              |
|--|---------|----------|------------------------|------------------------------|
| Midwest Vanadium Pty Ltd., Senior Secured Notes            | 11.500% | 2/15/18  | 1,290,000              | 206,400 <sup>(a)(d)(f)</sup> |
| Mirabela Nickel Ltd., Subordinated Notes                   | 1.000%  | 9/10/44  | 13,417                 | 0 <sup>(a)(c)(d)(i)</sup>    |
| Prince Mineral Holding Corp., Senior Secured Notes         | 12.000% | 12/15/19 | 670,000                | 733,650 <sup>(a)</sup>       |
| Rain CII Carbon LLC/CII Carbon Corp., Senior Secured Notes | 8.250%  | 1/15/21  | 1,880,000              | 1,945,800 <sup>(a)</sup>     |
| Ryerson Inc./Joseph T. Ryerson & Son Inc., Senior Notes    | 11.250% | 10/15/18 | 1,016,000              | 1,082,040                    |
| Schaeffler Holding Finance BV, Senior Secured Bonds        | 6.875%  | 8/15/18  | 740,000                | 777,925 <sup>(a)(e)</sup>    |
| Schaeffler Holding Finance BV, Senior Secured Notes        | 6.875%  | 8/15/18  | 850,000 <sup>EUR</sup> | 1,115,064 <sup>(a)(e)</sup>  |

**See Notes to Schedule of Investments.**

## WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.

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

November 30, 2014

| SECURITY   | RATE    | MATURITY DATE | FACE AMOUNT              | VALUE                          |
|--|---------|---------------|--------------------------|--------------------------------|
| <b>Metals &amp; Mining - (continued)</b>                                       |         |               |                          |                                |
| Schaeffler Holding Finance BV, Senior Secured Notes                            | 6.750%  | 11/15/22      | 1,400,000                | \$ 1,484,000 <sup>(a)(e)</sup> |
| St. Barbara Ltd., Senior Secured Notes   | 8.875%  | 4/15/18       | 820,000                  | 672,400 <sup>(a)</sup>         |
| SunCoke Energy Partners LP/SunCoke Energy Partners Finance Corp., Senior Notes | 7.375%  | 2/1/20        | 500,000                  | 527,400 <sup>(a)</sup>         |
| Thompson Creek Metals Co. Inc., Senior Notes                                   | 12.500% | 5/1/19        | 860,000                  | 915,900                        |
| Thompson Creek Metals Co. Inc., Senior Secured Notes                           | 9.750%  | 12/1/17       | 660,000                  | 710,325                        |
| <i>Total Metals &amp; Mining</i>   |         |               |                          | 17,450,929                     |
| <b>Paper &amp; Forest Products - 1.0%</b>                                      |         |               |                          |                                |
| Appvion Inc., Secured Notes  | 9.000%  | 6/1/20        | 2,840,000                | 2,087,400 <sup>(a)</sup>       |
| Resolute Forest Products Inc., Senior Notes                                    | 5.875%  | 5/15/23       | 860,000                  | 825,600                        |
| Verso Paper Holdings LLC/Verso Paper Inc., Senior Secured Notes                | 11.750% | 1/15/19       | 1,868,000                | 1,447,700                      |
| <i>Total Paper &amp; Forest Products</i>                                       |         |               |                          | 4,360,700                      |
| <b>TOTAL MATERIALS</b>   |         |               |                          | 43,039,939                     |
| <b>TELECOMMUNICATION SERVICES - 9.2%</b>                                       |         |               |                          |                                |
| <b>Diversified Telecommunication Services - 4.7%</b>                           |         |               |                          |                                |
| CCOH Safari LLC, Senior Bonds  | 5.500%  | 12/1/22       | 900,000                  | 912,375                        |
| Cogent Communications Holdings Inc., Senior Secured Notes                      | 8.375%  | 2/15/18       | 5,000,000                | 5,275,000 <sup>(a)</sup>       |
| Intelsat Luxembourg SA, Senior Bonds   | 8.125%  | 6/1/23        | 2,930,000                | 3,076,500                      |
| Level 3 Financing Inc., Senior Notes   | 7.000%  | 6/1/20        | 100,000                  | 107,375                        |
| Level 3 Financing Inc., Senior Notes   | 8.625%  | 7/15/20       | 1,930,000                | 2,108,525                      |
| Level 3 Financing Inc., Senior Notes   | 6.125%  | 1/15/21       | 520,000                  | 544,700 <sup>(a)</sup>         |
| TW Telecom Holdings Inc., Senior Notes   | 5.375%  | 10/1/22       | 1,059,000                | 1,203,289                      |
| TW Telecom Holdings Inc., Senior Notes   | 6.375%  | 9/1/23        | 728,000                  | 831,740                        |
| Unitymedia KabelBW GmbH, Senior Secured Notes                                  | 9.500%  | 3/15/21       | 1,600,000 <sup>EUR</sup> | 2,245,512 <sup>(a)</sup>       |
| Unitymedia KabelBW GmbH, Senior Secured Notes                                  | 9.500%  | 3/15/21       | 440,000 <sup>EUR</sup>   | 617,515 <sup>(b)</sup>         |
| Windstream Corp., Senior Notes   | 7.750%  | 10/1/21       | 720,000                  | 756,900                        |
| Windstream Corp., Senior Notes   | 6.375%  | 8/1/23        | 2,000,000                | 1,937,500                      |
| <i>Total Diversified Telecommunication Services</i>                            |         |               |                          | 19,616,931                     |
| <b>Wireless Telecommunication Services - 4.5%</b>                              |         |               |                          |                                |
| Matterhorn Midco & Cy SCA, Senior Notes  | 7.750%  | 2/15/20       | 760,000 <sup>EUR</sup>   | 993,454 <sup>(a)</sup>         |
| NII Capital Corp., Senior Notes  | 7.625%  | 4/1/21        | 3,000,000                | 525,000                        |
| Sprint Capital Corp., Senior Notes   | 6.875%  | 11/15/28      | 5,210,000                | 4,910,425                      |
| Sprint Capital Corp., Senior Notes   | 8.750%  | 3/15/32       | 2,120,000                | 2,239,250                      |
| Sprint Communications Inc., Senior Notes                                       | 9.000%  | 11/15/18      | 2,220,000                | 2,575,200 <sup>(a)</sup>       |
| Sprint Corp., Senior Notes   | 7.875%  | 9/15/23       | 2,310,000                | 2,431,275 <sup>(a)</sup>       |
| T-Mobile USA Inc., Senior Notes  | 6.542%  | 4/28/20       | 450,000                  | 468,563                        |
| T-Mobile USA Inc., Senior Notes  | 6.125%  | 1/15/22       | 390,000                  | 398,288                        |
| T-Mobile USA Inc., Senior Notes  | 6.731%  | 4/28/22       | 330,000                  | 342,788                        |
| T-Mobile USA Inc., Senior Notes  | 6.000%  | 3/1/23        | 2,070,000                | 2,106,225                      |
| VimpelCom Holdings BV, Senior Notes  | 7.504%  | 3/1/22        | 2,250,000                | 2,084,062 <sup>(a)</sup>       |

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|   |        |          |           |            |
|---|--------|----------|-----------|------------|
| <i>Total Wireless Telecommunication Services</i>  |        |          |           | 19,074,530 |
| <b>TOTAL TELECOMMUNICATION SERVICES</b>           |        |          |           | 38,691,461 |
| <b>UTILITIES - 3.9%</b>                           |        |          |           |            |
| <b>Electric Utilities - 1.9%</b>                  |        |          |           |            |
| AES Red Oak LLC, Secured Notes                    | 9.200% | 11/30/29 | 1,000,000 | 1,105,000  |
| FirstEnergy Corp., Notes                          | 7.375% | 11/15/31 | 1,260,000 | 1,531,846  |
| GenOn REMA LLC, Pass-Through Certificates         | 9.237% | 7/2/17   | 141,540   | 150,033    |
| GenOn REMA LLC, Pass-Through Certificates         | 9.681% | 7/2/26   | 1,820,000 | 1,965,600  |
| Midwest Generation LLC, Pass-Through Certificates | 8.560% | 1/2/16   | 321,761   | 329,805    |
| Northeast Generation Co., Senior Secured Notes    | 8.812% | 10/15/26 | 2,484,375 | 2,726,358  |
| <i>Total Electric Utilities</i>                   |        |          |           | 7,808,642  |

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.****Schedule of investments (unaudited) (cont d)****November 30, 2014**

| SECURITY  | RATE    | MATURITY<br>DATE | FACE<br>AMOUNT | VALUE                        |
|---|---------|------------------|----------------|------------------------------|
| <b>Independent Power and Renewable Electricity</b>                          |         |                  |                |                              |
| <b>Producers - 2.0%</b>   |         |                  |                |                              |
| Atlantic Power Corp., Senior Notes  | 9.000%  | 11/15/18         | 780,000        | \$ 791,700                   |
| Dynegy Roseton LLC/Dynegy Danskammer LLC Pass-Through Trust, Escrow Receipt |         |                  | 1,180,000      | 0 <sup>(c)(d)(f)(i)</sup>    |
| First Wind Holdings Inc., Senior Secured Notes                              | 10.250% | 6/1/18           | 2,150,000      | 2,330,063 <sup>(a)</sup>     |
| Foresight Energy LLC/Foresight Energy Corp., Senior Notes                   | 7.875%  | 8/15/21          | 1,890,000      | 1,970,325 <sup>(a)</sup>     |
| Mirant Mid Atlantic LLC, Pass-Through Certificates                          | 10.060% | 12/30/28         | 3,078,770      | 3,352,011                    |
| <i>Total Independent Power and Renewable Electricity Producers</i>          |         |                  |                | <i>8,444,099</i>             |
| <b>TOTAL UTILITIES</b>  |         |                  |                | <b>16,252,741</b>            |
| <b>TOTAL CORPORATE BONDS &amp; NOTES</b>                                    |         |                  |                |                              |
| (Cost - \$377,964,159)  |         |                  |                | 378,953,745                  |
| <b>CONVERTIBLE BONDS &amp; NOTES - 0.2%</b>                                 |         |                  |                |                              |
| <b>MATERIALS - 0.2%</b>   |         |                  |                |                              |
| <b>Chemicals - 0.1%</b>   |         |                  |                |                              |
| Hercules Inc., Junior Subordinated Bonds                                    | 6.500%  | 6/30/29          | 340,000        | 315,350                      |
| <b>Metals &amp; Mining - 0.1%</b>   |         |                  |                |                              |
| Mirabela Nickel Ltd., Senior Secured Bonds                                  | 9.500%  | 6/20/19          | 860,000        | 705,200 <sup>(a)(c)(d)</sup> |
| <b>TOTAL CONVERTIBLE BONDS &amp; NOTES</b>                                  |         |                  |                |                              |
| (Cost - \$1,172,321)  |         |                  |                | 1,020,550                    |
| <b>SENIOR LOANS - 1.8%</b>  |         |                  |                |                              |
| <b>CONSUMER DISCRETIONARY - 0.4%</b>  |         |                  |                |                              |
| <b>Hotels, Restaurants &amp; Leisure - 0.3%</b>                             |         |                  |                |                              |
| Equinox Holdings Inc., Second Lien Term Loan                                | 9.750%  | 7/31/20          | 1,050,000      | 1,067,719 <sup>(j)(k)</sup>  |
| <b>Household Durables - 0.0%</b>  |         |                  |                |                              |
| William Lyon Homes Inc., Bridge Term Loan                                   | 7.750%  | 8/12/22          | 72,538         | 71,450 <sup>(c)(j)(k)</sup>  |
| <b>Specialty Retail - 0.1%</b>  |         |                  |                |                              |
| Gymboree Corp., Initial Term Loan   | 5.000%  | 2/23/18          | 510,000        | 314,075 <sup>(j)(k)</sup>    |
| <b>TOTAL CONSUMER DISCRETIONARY</b>   |         |                  |                | <b>1,453,244</b>             |
| <b>CONSUMER STAPLES - 0.1%</b>  |         |                  |                |                              |
| <b>Food Products - 0.1%</b>   |         |                  |                |                              |
| AdvancePierre Foods Inc., Second Lien Term Loan                             | 9.500%  | 10/10/17         | 450,000        | 446,625 <sup>(j)(k)</sup>    |
| <b>HEALTH CARE - 0.5%</b>   |         |                  |                |                              |

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|  |        |         |           |                             |
|--|--------|---------|-----------|-----------------------------|
| <b>Health Care Providers &amp; Services - 0.5%</b>         |        |         |           |                             |
| CRC Health Corp., Second Lien Term Loan                    | 9.000% | 9/28/21 | 890,000   | 913,919 <sup>(j)(k)</sup>   |
| Radnet Management Inc., Second Lien Term Loan              | 8.000% | 3/25/21 | 1,100,000 | 1,102,750 <sup>(j)(k)</sup> |
| <b>TOTAL HEALTH CARE</b>                                   |        |         |           | 2,016,669                   |
| <b>MATERIALS - 0.2%</b>                                    |        |         |           |                             |
| <b>Chemicals - 0.2%</b>                                    |        |         |           |                             |
| Kronos Inc., Second Lien Term Loan                         | 9.750% | 4/30/20 | 800,000   | 827,500 <sup>(j)(k)</sup>   |
| <b>UTILITIES - 0.6%</b>                                    |        |         |           |                             |
| <b>Independent Power and Renewable Electricity</b>         |        |         |           |                             |
| <b>Producers - 0.6%</b>                                    |        |         |           |                             |
| Energy Future Intermediate Holding Co., LLC, DIP Term Loan | 4.250% | 6/19/16 | 2,652,114 | 2,655,760 <sup>(j)(k)</sup> |
| <b>TOTAL SENIOR LOANS</b>                                  |        |         |           |                             |
| (Cost - \$7,491,505)                                       |        |         |           | 7,399,798                   |
| <b>SOVEREIGN BONDS - 0.4%</b>                              |        |         |           |                             |
| <b>Venezuela - 0.4%</b>                                    |        |         |           |                             |
| Bolivarian Republic of Venezuela, Senior Bonds             |        |         |           |                             |
| (Cost - \$2,007,000)                                       | 9.250% | 9/15/27 | 2,650,000 | 1,510,500                   |

See Notes to Schedule of Investments.

## WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.

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

November 30, 2014

| SECURITY   | SHARES      | VALUE            |
|--|-------------|------------------|
| <b>COMMON STOCKS - 2.8%</b>                            |             |                  |
| <b>CONSUMER DISCRETIONARY - 0.4%</b>                   |             |                  |
| <b>Automobiles - 0.4%</b>                              |             |                  |
| Ford Motor Co.   | 105,433     | \$ 1,658,461     |
| <b>Hotels, Restaurants &amp; Leisure - 0.0%</b>        |             |                  |
| Bossier Casino Venture Holdco Inc.                     | 68,957      | 0*(c)(d)(i)      |
| <b>TOTAL CONSUMER DISCRETIONARY</b>                    |             | 1,658,461        |
| <b>FINANCIALS - 2.1%</b>                               |             |                  |
| <b>Banks - 2.1%</b>                                    |             |                  |
| Barclays PLC, ADR                                      | 61,000      | 932,690          |
| Citigroup Inc.   | 119,668     | 6,458,482        |
| JPMorgan Chase & Co.                                   | 20,262      | 1,218,962        |
| <i>Total Banks</i>                                     |             | 8,610,134        |
| <b>Real Estate Management &amp; Development - 0.0%</b> |             |                  |
| Realogy Holdings Corp.                                 | 2,627       | 120,895*         |
| <b>TOTAL FINANCIALS</b>                                |             | 8,731,029        |
| <b>HEALTH CARE - 0.2%</b>                              |             |                  |
| <b>Health Care Providers &amp; Services - 0.2%</b>     |             |                  |
| Physiotherapy Associates Holdings Inc.                 | 13,300      | 1,103,900*(c)(d) |
| <b>INDUSTRIALS - 0.1%</b>                              |             |                  |
| <b>Marine - 0.1%</b>                                   |             |                  |
| Horizon Lines Inc., Class A Shares                     | 633,775     | 405,616*(d)      |
| <b>MATERIALS - 0.0%</b>                                |             |                  |
| <b>Metals &amp; Mining - 0.0%</b>                      |             |                  |
| Mirabela Nickel Ltd.                                   | 2,742,654   | 81,680*          |
| <b>TOTAL COMMON STOCKS</b>                             |             |                  |
| (Cost - \$12,265,281)                                  |             | 11,980,686       |
|  | <b>RATE</b> |                  |
| <b>PREFERRED STOCKS - 2.3%</b>                         |             |                  |
| <b>ENERGY - 0.3%</b>                                   |             |                  |
| <b>Oil, Gas &amp; Consumable Fuels - 0.3%</b>          |             |                  |
| Rex Energy Corp.                                       | 6.000%      | 7,600 494,228    |
| SandRidge Energy Inc.                                  | 8.500%      | 7,400 588,300    |
| <b>TOTAL ENERGY</b>                                    |             | 1,082,528        |



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**FINANCIALS - 2.0%**

**Consumer Finance - 2.0%**

|                      |        |         |                          |
|----------------------|--------|---------|--------------------------|
| GMAC Capital Trust I | 8.125% | 319,200 | 8,439,648 <sup>(g)</sup> |
|----------------------|--------|---------|--------------------------|

**TOTAL PREFERRED STOCKS**

|                      |  |  |           |
|----------------------|--|--|-----------|
| (Cost - \$9,273,099) |  |  | 9,522,176 |
|----------------------|--|--|-----------|

**WARRANTS - 0.1%**

|                            | EXPIRATION<br>DATE | WARRANTS |                         |
|----------------------------|--------------------|----------|-------------------------|
| Jack Cooper Holdings Corp. | 12/15/17           | 1,686    | 269,760 <sup>*(a)</sup> |
| Jack Cooper Holdings Corp. | 5/6/18             | 846      | 135,360 <sup>*(a)</sup> |

**Total Warrants**

|                   |  |  |         |
|-------------------|--|--|---------|
| (Cost - \$46,253) |  |  | 405,120 |
|-------------------|--|--|---------|

**TOTAL INVESTMENTS - 97.5%**

|  |  |  |             |
|--|--|--|-------------|
| (Cost - \$410,219,618#)                      |  |  | 410,792,575 |
| Other Assets in Excess of Liabilities - 2.5% |  |  | 10,602,108  |

**TOTAL NET ASSETS - 100.0%**

\$ 421,394,683

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

\* Non-income producing security.

**See Notes to Schedule of Investments.**

**WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC.**

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

**November 30, 2014**

- (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) 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, unless otherwise noted.
- (c) Security is valued in good faith in accordance with procedures approved by the Board of Directors (See Note 1).
- (d) Illiquid security.
- (e) Payment-in-kind security for which the issuer has the option at each interest payment date of making interest payments in cash or additional debt securities.
- (f) The coupon payment on these securities is currently in default as of November 30, 2014.
- (g) Variable rate security. Interest rate disclosed is as of the most recent information available.
- (h) Security has no maturity date. The date shown represents the next call date.
- (i) Value is less than \$1.
- (j) 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.
- (k) Interest rates disclosed represent the effective rates on senior loans. Ranges in interest rates are attributable to multiple contracts under the same loan.

# Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

ADR American Depositary Receipts  
AUD Australian Dollar

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EUR Euro  
GBP British Pound

This Schedule of Investments is unaudited and is intended to provide information about the Fund's portfolio holdings 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.**

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

**1. Organization and significant accounting policies**

Western Asset High Yield Defined Opportunity Fund Inc. (the Fund) was incorporated in Maryland on July 20, 2010 and is registered as a non-diversified, limited-term, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund's primary investment objective is to provide high income. As a secondary investment objective, the Fund will seek capital appreciation. The Fund seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its net assets in a portfolio of high-yield corporate fixed income securities with varying maturities. The Fund intends to liquidate on or about September 30, 2025 and distribute substantially all of its net assets to stockholders, after making appropriate provisions for any liabilities of the Fund.

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. Short-term fixed income securities that will mature in 60 days or less are valued at amortized cost, unless it is determined that using this method would not reflect an investment's fair value. 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 American 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 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.



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

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.

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<br>(LEVEL 1) | OTHER SIGNIFICANT<br>OBSERVABLE INPUTS<br>(LEVEL 2) | SIGNIFICANT<br>UNOBSERVABLE<br>INPUTS<br>(LEVEL 3) |                |
| Long-term investments :            |                            |   |  |                |
| Corporate bonds & notes:           |                            |   |  |                |
| Consumer discretionary             |                            | \$ 79,561,393                                       | \$ 1,382,765                                       | \$ 80,944,158  |
| Materials                          |                            | 43,039,939  | 0*   | 43,039,939     |
| Utilities                          |                            | 16,252,741  | 0*   | 16,252,741     |
| Other corporate bonds & notes      |                            | 238,716,907   |  | 238,716,907    |
| Convertible bonds & notes          |                            | 1,020,550   |  | 1,020,550      |
| Senior loans:                      |                            |   |  |                |
| Consumer discretionary             |                            | 1,381,794   | 71,450   | 1,453,244      |
| Other senior loans                 |                            | 5,946,554   |  | 5,946,554      |
| Sovereign bonds                    |                            | 1,510,500   |  | 1,510,500      |
| Common stocks:                     |                            |   |  |                |
| Consumer discretionary             | \$ 1,658,461               |   | 0*   | 1,658,461      |
| Health care                        |                            |   | 1,103,900  | 1,103,900      |
| Other common stocks                | 9,218,325                  |   |  | 9,218,325      |
| Preferred stocks                   | 9,027,948                  | 494,228   |  | 9,522,176      |
| Warrants                           |                            | 405,120   |  | 405,120        |
| Total investments                  | \$ 19,904,734              | \$ 388,329,726                                      | \$ 2,558,115                                       | \$ 410,792,575 |
| Other financial instruments:       |                            |   |  |                |
| Forward foreign currency contracts |                            | \$ 213,817  |  | \$ 213,817     |
| Total                              | \$ 19,904,734              | \$ 388,543,543                                      | \$ 2,558,115                                       | \$ 411,006,392 |

| DESCRIPTION | LIABILITIES                |                                 |                                       | TOTAL |
|-------------|----------------------------|---------------------------------|---------------------------------------|-------|
|             | QUOTED PRICES<br>(LEVEL 1) | OTHER SIGNIFICANT<br>OBSERVABLE | SIGNIFICANT<br>UNOBSERVABLE<br>INPUTS |       |

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|                              | INPUTS<br>(LEVEL 2) | (LEVEL 3)  |
|------------------------------|---------------------|------------|
| Other financial instruments: |                     |            |
| Futures contracts            | \$ 101,028          | \$ 101,028 |

See Schedule of Investments for additional detailed categorizations.

\* Amount represents less than \$1.

**2. Investments**

At November 30, 2014, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

|                               |               |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 20,752,974 |
| Gross unrealized depreciation | (20,180,017)  |
| Net unrealized appreciation   | \$ 572,957    |

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

At November 30, 2014, the Fund had the following open futures contracts:

|                             | <b>Number of<br/>Contracts</b> | <b>Expiration<br/>Date</b> | <b>Basis<br/>Value</b> | <b>Market<br/>Value</b> | <b>Unrealized<br/>Depreciation</b> |
|-----------------------------|--------------------------------|----------------------------|------------------------|-------------------------|------------------------------------|
| <b>Contracts to Sell:</b>   |                                |                            |                        |                         |                                    |
| U.S. Treasury 10-Year Notes | 76                             | 3/15                       | \$ 9,554,535           | \$ 9,655,563            | \$ (101,028)                       |

At November 30, 2014, the Fund had the following open forward foreign currency contracts:

| <b>Currency<br/>Purchased</b> |            | <b>Currency<br/>Sold</b> |           | <b>Counterparty</b>  | <b>Settlement<br/>Date</b> | <b>Unrealized<br/>Appreciation</b> |
|-------------------------------|------------|--------------------------|-----------|----------------------|----------------------------|------------------------------------|
| USD                           | 1,586,483  | EUR                      | 1,267,565 | Citibank, N.A.       | 2/13/15                    | \$ 9,513                           |
| USD                           | 9,120,093  | EUR                      | 7,294,925 | Credit Suisse        | 2/13/15                    | 44,521                             |
| USD                           | 1,985,950  | GBP                      | 1,250,229 | Credit Suisse        | 2/13/15                    | 34,080                             |
| EUR                           | 2,000,000  | USD                      | 2,483,166 | JPMorgan Chase & Co. | 2/13/15                    | 5,021                              |
| USD                           | 6,099,148  | EUR                      | 4,874,709 | JPMorgan Chase & Co. | 2/13/15                    | 34,552                             |
| USD                           | 11,650,901 | EUR                      | 9,334,072 | UBS AG               | 2/13/15                    | 38,437                             |
| USD                           | 2,597,177  | GBP                      | 1,633,773 | UBS AG               | 2/13/15                    | 46,513                             |
| USD                           | 234,940    | GBP                      | 150,000   | UBS AG               | 2/13/15                    | 759                                |
| USD                           | 179,960    | GBP                      | 115,000   | UBS AG               | 2/13/15                    | 421                                |
| Total                         |            |                          |           |                      |                            | \$ 213,817                         |

Abbreviations used in this schedule:

|     |                      |
|-----|----------------------|
| EUR | Euro                 |
| GBP | British Pound        |
| USD | United States Dollar |



**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 Yield Defined Opportunity Fund Inc.

By */s/ KENNETH D. FULLER*  
**Kenneth D. Fuller**  
**Chief Executive Officer**

Date: January 23, 2015

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/ KENNETH D. FULLER*  
**Kenneth D. Fuller**  
**Chief Executive Officer**

Date: January 23, 2015

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

Date: January 23, 2015