

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.
Form N-CSR
July 26, 2016

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number 811-21337

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

620 Eighth Avenue, 49th Floor, New York, NY 10018
(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.
Legg Mason & Co., LLC
100 First Stamford Place

Stamford, CT 06902

(Name and address of agent for service)

Registrant's telephone number, including area code: (888) 777-0102

Date of fiscal year end: May 31

Date of reporting period: May 31, 2016

ITEM 1. REPORT TO STOCKHOLDERS.

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

Annual Report

May 31, 2016

WESTERN ASSET

GLOBAL HIGH INCOME

FUND INC. (EHI)

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

What's inside	
Letter from the chairman	II
Investment commentary	IV
Fund overview	1
Fund at a glance	8
Spread duration	9
Effective duration	10
Schedule of investments	11
Statement of assets and liabilities	35
Statement of operations	36
Statements of changes in net assets	37
Statement of cash flows	38
Financial highlights	39
Notes to financial statements	40
Report of independent registered public accounting firm	57
Additional information	58
Annual chief executive officer and principal financial officer certifications	64
Other shareholder communications regarding accounting matters	65
Dividend reinvestment plan	66
Important tax information	68

Fund objectives

The Fund's primary investment objective is high current income. The Fund's secondary investment objective is total return.

Under normal market conditions, the Fund invests in a global portfolio of securities consisting of below investment grade fixed-income securities, emerging market fixed-income securities and investment grade fixed-income securities.

Letter from the chairman

Dear Shareholder,

We are pleased to provide the annual report of Western Asset Global High Income Fund Inc. for the twelve-month reporting period ended May 31, 2016. Please read on for a detailed look at prevailing economic and market conditions during the Fund's reporting period and to learn how those conditions have affected Fund performance.

Special shareholder notice:

On November 16, 2015, Western Asset Global Partners Income Fund Inc. and Western Asset Global High Income Fund Inc. announced approval by each Fund's Board of Directors of a proposal to merge Western Asset Global Partners Income Fund Inc. with and into Western Asset Global High Income Fund Inc., subject to approval by the stockholders of each Fund. If approved, the merger is anticipated to occur during the third quarter of 2016.

Western Asset Global Partners Income Fund Inc. and Western Asset Global High Income Fund Inc. have similar investment objectives. Western Asset Global Partners Income Fund Inc.'s primary investment objective is to maintain a high level of current income and its secondary objective is to seek capital appreciation. Western Asset Global High Income Fund Inc.'s primary investment objective is high current income and its secondary investment objective is total return.

If the proposed merger is approved by the stockholders of both Funds, stockholders of Western Asset Global Partners Income Fund Inc. would receive common stock of Western Asset Global High Income Fund Inc., based on each Fund's respective net asset value per share.

Edgar Filing: WESTERN ASSET GLOBAL HIGH INCOME FUND INC. - Form N-CSR

In recommending the merger to each Board of Directors, the Funds' investment adviser and subadviser, Legg Mason Partners Fund Advisor, LLC and Western Asset Management Company, respectively, among other things, noted the similar investment objectives and similar investment policies and strategies of the Funds, and that Western Asset Global Partners Income Fund Inc. is smaller than Western Asset Global

II Western Asset Global High Income Fund Inc.

High Income Fund Inc. and has higher operating expenses as a percentage of net assets. Management and each Board of Directors believe it is in the best interests of stockholders to merge Western Asset Global Partners Income Fund Inc. with and into Western Asset Global High Income Fund Inc. in part because the combined Fund may benefit from economies of scale, as one set of fixed expenses would be spread over a larger asset base, as well as from enhanced market liquidity. Furthermore, stockholders of Western Asset Global Partners Income Fund Inc. would likely benefit from greater asset diversification, lower overall expenses and enhanced market liquidity as part of a larger Fund. Stockholders of Western Asset Global High Income Fund Inc. may benefit from greater asset diversification in addition to a more streamlined high yield product offering, allowing for more focused marketing and shareholder servicing efforts.

In connection with the proposal to merge the Funds, both Funds filed a combined proxy statement and prospectus with the Securities and Exchange Commission (SEC). **Investors and stockholders are advised to read the proxy statement and prospectus because it contains important information.** The proxy statement and prospectus and other documents filed by the Funds are available free of charge at the SEC's website, <http://www.sec.gov>. Stockholders can also obtain copies of these documents for free by calling the Funds at 1-888-777-0102. This is neither an offer to purchase nor a solicitation of an offer to sell shares of the Funds.

Western Asset Global Partners Income Fund Inc., Western Asset Global High Income Fund Inc., their directors and executive officers and investment adviser, members of their management and employees may be deemed to be participants in the solicitation of proxies from the Funds stockholders in connection with the proposed merger. Information concerning the interests of the participants in the solicitation will be set forth in the proxy statement and prospectus and stockholder reports of both Funds on Form N-CSR, to be filed with the SEC.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, www.lmcef.com. Here you can gain immediate access to market and investment information, including:

Fund prices and performance,

Market insights and commentaries from our portfolio managers, and

A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,

Jane Trust, CFA

Chairman, President and

Chief Executive Officer

June 30, 2016

Investment commentary

Economic review

The pace of U.S. economic activity moderated during the twelve months ended May 31, 2016 (the reporting period). Looking back, the U.S. Department of Commerce reported that second quarter 2015 U.S. gross domestic product (GDP) growth was 3.9%. Third quarter 2015 GDP growth then moderated to 2.0%. Decelerating growth was primarily due to a downturn in private inventory investment and decelerations in exports, personal consumption expenditures (PCE), nonresidential fixed investment, state and local government spending, and residential fixed investment. The U.S. Department of Commerce then reported that fourth quarter 2015 GDP growth was 1.4%. Slower growth was attributed to downturns in nonresidential fixed investment and state and local government spending, along with a deceleration in PCE and less export activity. The U.S. Department of Commerce's final reading for first quarter 2016 GDP growth released after the reporting period ended was 1.1%. This further slowdown was attributed to a number of factors, including a deceleration in PCE, a larger decrease in nonresidential fixed investment and a downturn in federal government spending.

Job growth in the U.S. was generally solid and was a tailwind for the economy during the reporting period. When the period began, unemployment was 5.3%, as reported by the U.S. Department of Labor. By May 2016, unemployment was 4.7%, its lowest level since December 2007.

Turning to the global economy, in its April 2016 *World Economic Outlook Update*, the International Monetary Fund (IMF) said "Global recovery continues, but at an ever-slowing and increasingly fragile pace. The months since the last *World Economic Outlook Update* have seen a renewed episode of global asset market volatility, some loss of growth momentum in the advanced economies, and continuing headwinds for emerging market economies and lower-income countries. From a regional perspective, the IMF currently estimates 2016 growth in the Eurozone will be 1.5%, versus 1.6% in 2015. Japan's economy is expected to expand 0.5% in 2016, the same as in 2015. Elsewhere, the IMF projects that overall growth in emerging market countries will tick up to 4.1% in 2016, versus 4.0% in 2015.

After an extended period of maintaining the federal funds rateⁱⁱ at a historically low range between zero and 0.25%, the Federal Reserve Board (Fedⁱⁱⁱ) increased the rate at its meeting on December 16, 2015. This marked the first rate hike since 2006. In particular, the U.S. central bank raised the federal funds rate to a range between 0.25% and 0.50%. In its official statement after the December 2015 meeting, the Fed said, "The stance of monetary policy remains accommodative after this increase, thereby supporting further improvement in labor market conditions and a return to 2 percent inflation." The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run. At its meetings that concluded on January 27, 2016, March 16, 2016, April 27, 2016, and June 15, 2016 (after the reporting period ended), the Fed kept rates on hold.

Given the economic challenges in the Eurozone, the European Central Bank (ECB^v)

took a number of actions to stimulate growth and ward off deflation. In January 2015, before the beginning of the reporting period, the ECB announced that, beginning in March 2015, it would start a €60 billion-a-month bond buying program that is expected to run until September 2016. In December 2015, the ECB extended its monthly bond buying program until at least March 2017. Finally, in March 2016 the ECB announced that it would increase its bond purchasing program to €80 billion a month. It also cut its deposit rate to -0.4% and its main interest rate to 0%. In other developed countries, the Bank of England kept rates on hold at 0.50% during the reporting period, its lowest level since 2006. After holding rates steady at 0.10% for more than five years, in January 2016 the Bank of Japan announced that it cut the rate on current accounts that commercial banks hold with it to -0.10%. Elsewhere, after keeping rates steady at 6.0% since July 2012, the People's Bank of China lowered rates six times from November 2014 through October 2015, with the last cut pushing rates down to 4.35%.

As always, thank you for your confidence in our stewardship of your assets.

Sincerely,

Jane Trust, CFA

Chairman, President and Chief Executive Officer

June 30, 2016

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. Forecasts and predictions are inherently limited and should not be relied upon as an indication of actual or future performance.

ⁱ Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.

ⁱⁱ The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.

ⁱⁱⁱ The Federal Reserve Board (Fed) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.

^{iv} The European Central Bank (ECB) is responsible for the monetary system of the European Union and the euro currency.

Fund overview

Q. What is the Fund's investment strategy?

A. The Fund's primary investment objective is high current income and its secondary objective is total return. Under normal market conditions, the Fund invests in a global portfolio of securities consisting of below investment grade fixed-income securities, emerging market fixed-income securities and investment grade fixed-income securities. We have broad discretion to allocate the Fund's assets among the following segments of the global market for below investment and investment grade fixed income securities: corporate bonds, loans, preferred stock, mortgage- and asset-backed securities and sovereign debt, and derivative instruments of the foregoing securities. The Fund may use a variety of derivative instruments, such as options, futures contracts, swap agreements and credit default swaps, as part of its investment strategies or for hedging or risk management purposes.

At Western Asset Management Company (Western Asset), the Fund's subadviser, we utilize a fixed-income team approach, with decisions derived from interaction among various investment management sector specialists. The sector teams are comprised of Western Asset's senior portfolio management personnel, research analysts and an in-house economist. Under this team approach, management of client fixed-income portfolios will reflect a consensus of interdisciplinary views within the Western Asset organization. The individuals responsible for development of investment strategy, day-to-day portfolio management, oversight and coordination of the Fund are S. Kenneth Leech, Michael C. Buchanan, Chia-Liang (CL) Lian, Ryan K. Brist and Christopher F. Kilpatrick.

Q. What were the overall market conditions during the Fund's reporting period?

A. Most spread sectors (non-Treasuries) posted positive returns, but generated mixed results versus equal-duration¹ Treasuries over the twelve months ended May 31, 2016. The fixed income market was volatile at times given signs of moderating economic growth, uncertainties regarding future Federal Reserve Board (Fed) monetary policy and a number of geopolitical issues.

Short-term Treasury yields moved higher, whereas long-term Treasury yields declined during the twelve months ended May 31, 2016. Two-year Treasury yields rose from 0.61% at the beginning of the period to 0.87% at the end of the period. Their peak of 1.09% occurred on December 29, 2015 and they were as low as 0.55% on July 8, 2015. Ten-year Treasury yields were 2.12% at the beginning of the period and ended the period at 1.84%. Their peak of 2.50% was on June 10, 2015 and their low of 1.63% occurred on February 11, 2016.

Regarding the global credit markets for the twelve months ended May 31, 2016, the period began with a brief shift from heightened volatility to a more stable environment as energy prices, high-yield bonds, investment grade bonds and emerging markets appeared to be stabilizing. During the summer of 2015, we experienced another shift to heightened volatility, falling commodity prices, fears over global growth, reduced liquidity and uncertainty surrounding Fed interest rate policy. These concerns generally continued through mid-February 2016. Against this backdrop, spread sectors widened, technicals significantly deteriorated, default expectations increased, rating

Fund overview (cont d)

agencies aggressively downgraded commodity-related businesses and several dedicated credit funds experienced redemptions or announced liquidation strategies. Mid-February 2016 through the end of the reporting period was met with strong demand for credit as investors seemed energized by more compelling valuations and energy markets stabilized and then moved higher.

The Barclays U.S. Aggregate Indexⁱⁱⁱ returned 2.99% for the twelve months ended May 31, 2016. Investment grade corporate bonds posted a positive return, with the Barclay U.S. Credit Index^{iv} gaining 3.32%. Comparatively, riskier fixed-income securities produced mixed results. Over the fiscal year, the Barclays U.S. Corporate High Yield 2% Issuer Cap Index (the Index) declined 0.77%. During this period, as measured by the Index, higher-quality BB-rated securities gained 1.88%. However, lower-quality CCC-rated bonds declined 3.56% over the period. Elsewhere, emerging market debt, as measured by the JPMorgan Emerging Markets Bond Index Global (EMBI Globalⁱ), returned 4.55% for the twelve months ended May 31, 2016.

Q. How did we respond to these changing market conditions?

A. Overall, we maintained our main theme of a levered Fund focusing on global corporate bond opportunities. A number of minor adjustments were made to the Fund's asset class allocation during the reporting period. We modestly increased the Fund's allocations to high-yield corporate bonds and U.S. Treasuries, while marginally reducing our exposure to emerging market debt and investment grade corporate bonds. In terms of sector positioning, we marginally increased the Fund's allocations to Communications and Energy, while maintaining our Financials exposure. The Communications sector has historically been made up of various defensive businesses with consistent monthly cash flows from consumers. Due to consolidation, the sector tends to consist of issuers with larger, more liquid capital structures and, therefore, they were disproportionately punished during times of heightened risk aversion in late 2015 into early 2016. This occurred when exchange traded funds (ETFs), open-end mutual funds, hedge funds and other levered investors were forced to sell whatever they could. We added Communications exposure as we saw better relative value in this segment. The Energy sector had a very volatile fiscal year and the rating agencies downgraded several issuers from investment-grade to below investment-grade. We added fallen angel energy exposure during the reporting period. These additions, thus far, have proved an attractive entry point as energy prices stabilized in February 2016 and moved higher through the remainder of the reporting period. Elsewhere, the Financials sector came under heavy pressure during the first quarter of 2016 from general spread widening, German bank, Deutsche Bank AG (no direct Fund exposure), entered the headlines as market participants questioned the quality of its balance sheet, coupled with concerns that the U.K. may exit the Eurozone. Given the downturn, we repositioned some of the Fund's exposures. In particular, we favored large global money-center banks, such as Goldman Sachs Group, Inc., JPMorgan Chase & Co, HSBC Holdings PLC and Credit

¹ Communications consists of the following industries: Media - Cable, Media - Non-Cable and Telecommunications.

Agricole SA. From a country prospective, our emerging markets team added exposure to Argentina at attractive levels as it emerged from a lengthy restructuring process. Meanwhile, we pared the Fund's exposure to Turkey.

We continued to emphasize credit risk over interest rate risk. However, we increased the duration of the portfolio during the reporting period, as it became apparent that low developed market sovereign yields were making U.S. government bonds appear relatively attractive. In addition, we felt rates could continue to rally during periods of heightened volatility. The Fund ended the reporting period with a gross duration of 5.0 years. This was roughly 0.8 years longer than the Barclays U.S. Corporate High Yield 2% Issuer Cap Index.

At various times, we employed U.S. Treasury futures to manage the duration of the Fund. These contracts contributed to performance. Currency forwards, futures and options were used to manage currency exposure and to hedge the Fund's euro- and pound-denominated bonds back to U.S. dollars. Overall, the use of these derivatives benefited performance.

During the reporting period, we tactically utilized leverage in the Fund. We ended the period with leverage as a percentage of gross assets of approximately 26%, which was roughly 2% higher than at the beginning of the period.

Performance review

For the twelve months ended May 31, 2016, Western Asset Global High Income Fund Inc. returned -4.66% based on its net asset value (NAVⁱⁱ) and -1.08% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmarks, the Barclays U.S. Aggregate Index, the Barclays U.S. Corporate High Yield 2% Issuer Cap Index and the EMBI Global, returned 2.99%, -0.77% and 4.55%, respectively, for the same period. The Lipper High Yield (Leveraged) Closed-End Funds Category Average^{viii} returned -4.06% over the same time frame. Please note that Lipper performance returns are based on each fund's NAV.

During the twelve-month period, the Fund made distributions to shareholders totaling \$1.16 per share*. The performance table shows the Fund's twelve-month total return based on its NAV and market price as of May 31, 2016. **Past performance is no guarantee of future results.**

Performance Snapshot as of May 31, 2016

Price Per Share	12-Month Total Return**
\$10.55 (NAV)	-4.66%
\$9.52 (Market Price)	-1.08%

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

**** Total returns are based on changes in NAV or market price, respectively. Returns reflect the deduction of all Fund expenses, including management fees, operating expenses, and other Fund expenses. Returns do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.**

Total return assumes the reinvestment of all distributions at NAV.

Total return assumes the reinvestment of all distributions in additional shares in accordance with the Fund's Dividend Reinvestment Plan.

* For the tax character of distributions paid during the fiscal year ended May 31, 2016, please refer to page 58 of this report.

Fund overview (cont'd)

Q. What were the leading contributors to performance?

A. The Fund's overall allocation to investment grade corporate bonds was beneficial to absolute results during the reporting period. In particular, our exposures to JPMorgan Chase & Co., Verizon Communications, Inc., Time Warner Cable Inc. and Anheuser-Busch Inbev Fin were additive for results. Higher quality stable businesses with lower yields, such as these, were in favor with investors for a majority of the period.

A number of the Fund's high-yield corporate bonds were positive for results during the reporting period. In particular, Physiotherapy Associates Holdings, Charter Communications Operating LLC and Cablevision Systems Corp.'s Neptune Finco Corp. were positive for performance. Physiotherapy Associates Holdings is a national provider of outpatient rehabilitation and orthotics and prosthetics services. During the previous reporting period, the company experienced headwinds due to both billing and accounting issues and restructured its balance sheet as bondholders led the reorganization of the credit. In doing so, Western Asset Management received equity in exchange for our original bond position. As health care valuations generally improved in 2015, Physiotherapy Associates Holdings was acquired by a competitor, sending our equity stake in the company higher. Charter Communications posted positive stable fundamental results and agreed to merge with investment grade rated Time Warner Cable, Inc. during the reporting period. Additionally, we participated in the financing of global communications conglomerate Altice S.A.'s purchase of New York cable company Cablevision Systems Corp. (Neptune Finco Corp.). Our move to add Neptune Finco Corp. exposure was timely and proved beneficial to performance.

In addition, our underweight (zero exposure) to the large previously BB-rated coal company Peabody Energy Corp. was beneficial for results. The company has recently been downgraded several times and is in the process of restructuring its balance sheet as coal prices and demand have continued to decline.

Within the emerging market debt asset class, the Fund's exposures to Republic of Argentina sovereign debt, as well as its positions in Vimpelcom Communications and Vimpelcom Holdings BV, were beneficial for performance. Argentina completed restructuring negotiations and tapped global markets with a refinancing transaction. In addition, the country was upgraded by Moody's investor Service to single B toward the end of the reporting period, sending its bond prices higher. Vimpelcom Holdings is a large BB-rated publically traded multinational telecommunications provider. It operates in several countries that experienced reduced volatility in 2015, such as Russia and Ukraine, but rallied during this reporting period, which was beneficial for our position. Additionally, we believed Vimpelcom Holdings would continue to look for asset sale opportunities to improve its liquidity position.

Q. What were the leading detractors from performance?

A. Extreme caution was rewarded during the twelve-month period ended May 31, 2016, as many high-yield corporate bond sectors posted negative total returns. Select positions within the Fund's high-yield corporate bond exposure were the main drivers of its underperformance versus the Index during

the reporting period. Falling oil and commodity prices, due to an increase in supply, coupled with fears of lower global demand and slowing global growth, sent several of the Fund's positions lower. In particular, overweight positions in specific energy issuers, including Hercules Offshore, Halcon Resources Corp. and Murray Energy Corp., were negative for results. We recently agreed to equitize our Hercules Offshore positions to improve the company's balance sheet and liquidity position. Our post-reorganization positions continued to be pressured during the reporting period. An overweight to lower quality non-conventional energy company Halcon Resources was not rewarded. Lower oil prices sent the price of its bonds lower. We sold the Fund's Halcon Resources Corp. exposure at a loss in January 2016 and the company later announced it had hired restructuring advisors, sending its bonds even lower. We replaced this exposure by adding to the Fund's Oasis Petroleum stake and adding non-conventional oil company Whiting Petroleum Corp. Coal company Murray Energy Corp. posted poor fundamental results despite being the industry's low-cost producer. In addition, most commodity-related issuers were met with poor demand from investors and our overweight position detracted from performance. Outside of the Energy sector, our exposure to global satellite service provider Intelsat SA was not rewarded. The company posted results that were generally disappointing and gave poor guidance. We reduced the Fund's exposure during the reporting period.

Our ratings biases detracted from performance. We believed the U.S. economy would continue to grow, albeit at a modest pace, and U.S. corporations would continue to post consistent fundamental performance. We therefore felt an overweight to CCC-rated securities and an underweight to BB- rated U.S. issuers was warranted. Although we took action to move closer in line with that of the Index before and during the beginning of the reporting period, ultimately this positioning was not rewarded.

Certain of the Fund's emerging market debt positions also detracted from results. Within the asset class, allocations to Oi Brasil Holdings Cooperatief UA and Pacific Exploration and Production (Pacific Rubiales) detracted from performance. Brazilian wireless and wireline operator Oi Brasil Holdings Cooperatief UA posted disappointing fundamental results, pressuring its bond prices. The company improved their balance sheet by proactively selling assets, including their Portuguese operations. In addition, they were rumored to be in merger and/or outright sale discussions for their Brazilian business which ultimately proved unsuccessful. The company has recently announced they will restructure their balance sheet and negotiations have begun with bondholders. Pacific Rubiales is the number two producer of oil and natural gas in Colombia. Its bonds were pressured by lower oil and natural gas prices over the reporting period. It too entered into merger and acquisition talks which, thus far, have proven unsuccessful. We began restructuring negotiations during the reporting period.

Looking for additional information?

The Fund is traded under the symbol **EHI** and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol **XEHIX** on most financial websites. Barron's and the Wall Street Journal's Monday edition both carry closed-end fund

Fund overview (cont d)

tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites as well as www.lmcef.com. (click on the name of the Fund).

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888-777-0102 (toll free), Monday through Friday from 8:00 a.m. to 5:30 p.m. Eastern Time, for the Fund's current NAV, market price and other information.

Thank you for your investment in Western Asset Global High Income Fund Inc. As always, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the Fund's investment goals.

Sincerely,

Western Asset Management Company

June 20, 2016

***RISKS:** Fixed-income securities are subject to credit risk, inflation risk, call risk and interest rate risk. An investment in the Fund is subject to investment risk, including the possible loss of the entire principal amount that you invest. As interest rates rise, bond prices fall, reducing the value of the Fund's holdings. The Fund may use derivatives, such as options, futures contracts, swap agreements and credit default swaps, which can be illiquid, may disproportionately increase losses and have a potentially large impact on Fund performance. Investing in foreign securities is subject to certain risks not associated with domestic investing, such as currency fluctuations, and changes in political, regulatory and economic conditions. These risks are magnified in emerging or developing markets. High yield bonds, also known as junk bonds, involve greater credit risk (risk of default) and liquidity risk than investment grade bonds. Leverage may magnify gains and increase losses in the Fund's portfolio.*

Portfolio holdings and breakdowns are as of May 31, 2016 and are subject to change and may not be representative of the portfolio managers current or future investments. Please refer to pages 11 through 34 for a list and percentage breakdown of the Fund's holdings.

The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional. The Fund's top five sector holdings (as a percentage of net assets) as of May 31, 2016 were: Energy (24.7%), Financials (22.3%), Sovereign Bonds (19.2%), Consumer Discretionary (17.0%) and Telecommunication Services (13.2%). The Fund's portfolio composition is subject to change at any time.

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

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

- i Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.
- ii The Federal Reserve Board (Fed) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.
- iii The Barclays U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- iv The Barclays U.S. Credit Index is an index composed of corporate and non-corporate debt issues that are investment grade (rated Baa3/BBB or higher).
- v The Barclays U.S. Corporate High Yield 2% Issuer Cap Index is an index of the 2% Issuer Cap component of the Barclays U.S. Corporate High Yield Index, which covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market.
- vi The JPMorgan Emerging Markets Bond Index Global (EMBI Global) tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds and local market instruments.
- vii Net asset value (NAV) is calculated by subtracting total liabilities, including liabilities associated with financial leverage (if any), from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund's market price as determined by supply of and demand for the Fund's shares.
- viii Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the twelve-month period ended May 31, 2016, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 34 funds in the Fund's Lipper category.

Fund at a glance (unaudited)

Investment breakdown (%) as a percent of total investments

The bar graph above represents the composition of the Fund's investments as of May 31, 2016 and May 31, 2015 and does not include derivatives such as futures contracts and forward foreign currency contracts. The Fund is actively managed. As a result, the composition of the Fund's investments is subject to change at any time.

Represents less than 0.1%.

Spread duration (unaudited)

Economic exposure May 31, 2016

Total Spread Duration

EHI 5.01 years

Benchmark 5.58 years

Spread duration measures the sensitivity to changes in spreads. The spread over Treasuries is the annual risk-premium demanded by investors to hold non-Treasury securities. Spread duration is quantified as the % change in price resulting from a 100 basis points change in spreads. For a security with positive spread duration, an increase in spreads would result in a price decline and a decline in spreads would result in a price increase. This chart highlights the market sector exposure of the Fund's sectors relative to the selected benchmark sectors as of the end of the reporting period.

ABS Asset-Backed Securities

Benchmark 1/3 Barclays U.S. Aggregate Index, 1/3 JP Morgan Emerging Markets Bond Index Global and 1/3 Barclays U.S. Corporate High Yield 2% Issuer Cap Index

EHI Western Asset Global High Income Fund Inc.

EM Emerging Markets

HY High Yield

IG Credit Investment Grade Credit

MBS Mortgage-Backed Securities

Effective duration (unaudited)

Interest rate exposure May 31, 2016

Total Effective Duration

EHI 5.02 years

Benchmark 5.54 years

Effective duration measures the sensitivity to changes in relevant interest rates. Effective duration is quantified as the % change in price resulting from a 100 basis points change in interest rates. For a security with positive effective duration, an increase in interest rates would result in a price decline and a decline in interest rates would result in a price increase. This chart highlights the interest rate exposure of the Fund's sectors relative to the selected benchmark sectors as of the end of the reporting period.

Benchmark 1/3 Barclays U.S. Aggregate Index, 1/3 JP Morgan Emerging Markets Bond Index Global and 1/3 Barclays U.S. Corporate High Yield 2% Issuer Cap Index

EHI Western Asset Global High Income Fund Inc.

EM Emerging Markets

HY High Yield

IG Credit Investment Grade Credit

MBS Mortgage-Backed Securities

Schedule of investments

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Corporate Bonds & Notes 111.1%				
Consumer Discretionary 16.5%				
<i>Auto Components 0.5%</i>				
Goodyear Tire & Rubber Co., Senior Notes	5.000%	5/31/26	690,000	\$ 699,488 ^(a)
ZF North America Capital Inc., Senior Notes	4.750%	4/29/25	1,000,000	1,003,750 ^{(a)(b)}
<i>Total Auto Components</i>				<i>1,703,238</i>
<i>Automobiles 0.3%</i>				
General Motors Co., Senior Notes	6.600%	4/1/36	880,000	1,011,923
<i>Diversified Consumer Services 1.4%</i>				
Cengage Learning Inc., Senior Notes	9.500%	6/15/24	970,000	984,550 ^(b)
Co-operative Group Holdings 2011 Ltd., Senior Notes	6.875%	7/8/20	100,000 ^{GBP}	158,467 ^(c)
Co-operative Group Holdings 2011 Ltd., Senior Notes	7.500%	7/8/26	260,000 ^{GBP}	410,671
Prime Security Services Borrower LLC/Prime Finance Inc., Secured Notes	9.250%	5/15/23	1,730,000	1,812,175 ^{(a)(b)}
Service Corp. International, Senior Notes	7.625%	10/1/18	185,000	207,200 ^(a)
Service Corp. International, Senior Notes	7.500%	4/1/27	480,000	564,000 ^(a)
StoneMor Partners LP/Cornerstone Family Services of WV, Senior Notes	7.875%	6/1/21	500,000	501,250 ^(a)
<i>Total Diversified Consumer Services</i>				<i>4,638,313</i>
<i>Hotels, Restaurants & Leisure 4.0%</i>				
Bossier Casino Venture Holdco Inc., Senior Secured Bonds	14.000%	2/9/18	708,670	708,670 ^{(b)(d)(e)(f)}
Boyd Gaming Corp., Senior Notes	6.375%	4/1/26	490,000	507,150 ^{(a)(b)}
Carrols Restaurant Group Inc., Secured Notes	8.000%	5/1/22	520,000	564,850 ^(a)
CCM Merger Inc., Senior Notes	9.125%	5/1/19	940,000	986,011 ^(b)
CEC Entertainment Inc., Senior Notes	8.000%	2/15/22	2,020,000	1,913,950
Choctaw Resort Development Enterprise, Senior Notes	7.250%	11/15/19	461,000	441,408 ^(b)
Downstream Development Authority of the Quapaw Tribe of Oklahoma, Senior Secured Notes	10.500%	7/1/19	700,000	658,000 ^{(a)(b)}
Enterprise Inns PLC, Senior Secured Bonds	6.500%	12/6/18	1,095,000 ^{GBP}	1,682,952
GLP Capital LP/GLP Financing II Inc., Senior Notes	5.375%	4/15/26	600,000	627,000 ^(a)
Greektown Holdings LLC/Greektown Mothership Corp., Senior Secured Notes	8.875%	3/15/19	450,000	473,625 ^{(a)(b)}
Landry s Holdings II Inc., Senior Notes	10.250%	1/1/18	420,000	425,250 ^(b)
Landry s Inc., Senior Notes	9.375%	5/1/20	1,934,000	2,033,117 ^{(a)(b)}
MGM Growth Properties Operating Partnership LP/MGP Escrow Co.-Issuer Inc., Senior Notes	5.625%	5/1/24	300,000	315,750 ^(b)
Pinnacle Entertainment Inc., Senior Bonds	5.625%	5/1/24	310,000	303,800 ^(b)
Viking Cruises Ltd., Senior Notes	8.500%	10/15/22	1,660,000	1,485,700 ^(b)
<i>Total Hotels, Restaurants & Leisure</i>				<i>13,127,233</i>

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Household Durables 1.2%</i>				
Century Intermediate Holding Co. 2, Senior Notes	9.750%	2/15/19	1,020,000	\$ 1,036,575 (a)(b)(d)
Shea Homes LP/Shea Homes Funding Corp., Senior Notes	6.125%	4/1/25	850,000	854,250 (a)(b)
William Lyon Homes Inc., Senior Notes	8.500%	11/15/20	830,000	867,350 (a)
William Lyon Homes Inc., Senior Notes	7.000%	8/15/22	160,000	159,600 (a)
Woodside Homes Co., LLC/Woodside Homes Finance Inc., Senior Notes	6.750%	12/15/21	1,050,000	981,750 (a)(b)
<i>Total Household Durables</i>				<i>3,899,525</i>
<i>Leisure Products 0.1%</i>				
Gibson Brands Inc., Senior Secured Notes	8.875%	8/1/18	670,000	356,775 (b)
<i>Media 6.6%</i>				
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.875%	4/1/24	1,150,000	1,201,750 (a)(b)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.750%	2/15/26	710,000	729,525 (b)
Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes	4.908%	7/23/25	680,000	728,659 (b)
Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes	6.484%	10/23/45	400,000	460,942 (b)
DISH DBS Corp., Senior Notes	7.875%	9/1/19	920,000	1,017,750 (a)
DISH DBS Corp., Senior Notes	6.750%	6/1/21	190,000	197,277 (a)
DISH DBS Corp., Senior Notes	5.875%	7/15/22	2,050,000	1,988,500 (a)
DISH DBS Corp., Senior Notes	5.875%	11/15/24	470,000	436,752 (a)
Grupo Televisa SAB, Senior Bonds	6.625%	1/15/40	20,000	22,316 (a)
iHeartCommunications Inc., Senior Notes	14.000%	2/1/21	858,500	341,254 (d)
MDC Partners Inc., Senior Notes	6.500%	5/1/24	1,640,000	1,594,900 (a)(b)
New Cotai LLC/New Cotai Capital Corp., Senior Secured Notes	10.625%	5/1/19	1,138,121	756,851 (b)(d)
Numericable-SFR SA, Senior Secured Bonds	6.250%	5/15/24	2,020,000	1,972,025 (a)(b)
Numericable-SFR SA, Senior Secured Notes	7.375%	5/1/26	1,570,000	1,585,700 (a)(b)
Time Warner Cable Inc., Senior Notes	8.750%	2/14/19	922,000	1,075,005
Time Warner Cable Inc., Senior Notes	8.250%	4/1/19	352,000	407,561
Tribune Media Co., Senior Notes	5.875%	7/15/22	380,000	385,700 (a)
UBM PLC, Notes	5.750%	11/3/20	1,500,000	1,602,476 (a)(b)
Univision Communications Inc., Senior Secured Notes	6.750%	9/15/22	81,000	86,366 (a)(b)
Univision Communications Inc., Senior Secured Notes	5.125%	2/15/25	670,000	666,650 (a)(b)
Viacom Inc., Senior Notes	4.375%	3/15/43	2,450,000	1,880,373 (a)
Virgin Media Finance PLC, Senior Notes	6.375%	4/15/23	1,510,000	1,566,051 (a)(b)
Virgin Media Finance PLC, Senior Notes	6.000%	10/15/24	930,000	947,438 (a)(b)
<i>Total Media</i>				<i>21,651,821</i>

See Notes to Financial Statements.

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Multiline Retail 0.5%</i>				
Neiman Marcus Group LLC, Senior Secured Notes	7.125%	6/1/28	180,000	\$ 162,900 (a)
Neiman Marcus Group Ltd. LLC, Senior Notes	8.000%	10/15/21	1,440,000	1,094,400 (b)
Neiman Marcus Group Ltd. LLC, Senior Notes	8.750%	10/15/21	350,000	247,625 (b)(d)
<i>Total Multiline Retail</i>				<i>1,504,925</i>
<i>Specialty Retail 1.8%</i>				
American Greetings Corp., Senior Notes	7.375%	12/1/21	700,000	718,375 (a)
GameStop Corp., Senior Notes	6.750%	3/15/21	920,000	901,600 (a)(b)
Guitar Center Inc., Senior Secured Bonds	6.500%	4/15/19	2,220,000	1,981,350 (a)(b)
Hot Topic Inc., Senior Secured Notes	9.250%	6/15/21	430,000	435,375 (a)(b)
L Brands Inc., Senior Notes	6.875%	11/1/35	960,000	1,017,600 (a)
Sally Holdings LLC/Sally Capital Inc., Senior Notes	5.625%	12/1/25	880,000	925,100 (a)
<i>Total Specialty Retail</i>				<i>5,979,400</i>
<i>Textiles, Apparel & Luxury Goods 0.1%</i>				
Empire Today LLC/Empire Today Finance Corp., Senior Secured Notes	11.375%	2/1/17	290,000	285,650 (b)
Total Consumer Discretionary				54,158,803
<i>Consumer Staples 4.8%</i>				
<i>Beverages 1.7%</i>				
Anheuser-Busch InBev Finance Inc., Senior Notes	4.700%	2/1/36	1,250,000	1,355,801 (a)
Anheuser-Busch InBev Finance Inc., Senior Notes	4.900%	2/1/46	2,030,000	2,271,655
Carolina Beverage Group LLC/Carolina Beverage Group Finance Inc., Secured Notes	10.625%	8/1/18	710,000	678,050 (b)
Cott Beverages Inc., Senior Notes	6.750%	1/1/20	590,000	618,763 (a)
DS Services of America Inc., Secured Notes	10.000%	9/1/21	540,000	612,900 (a)(b)
<i>Total Beverages</i>				<i>5,537,169</i>
<i>Food & Staples Retailing 0.4%</i>				
Beverages & More Inc., Senior Secured Notes	10.000%	11/15/18	990,000	914,512 (b)
Performance Food Group Inc., Senior Notes	5.500%	6/1/24	380,000	385,700 (a)(b)
<i>Total Food & Staples Retailing</i>				<i>1,300,212</i>
<i>Food Products 1.4%</i>				
BRF SA, Senior Notes	4.750%	5/22/24	951,000	941,490 (b)
Dole Food Co. Inc., Senior Secured Notes	7.250%	5/1/19	370,000	367,225 (b)
JBS USA LLC/JBS USA Finance Inc., Senior Notes	5.750%	6/15/25	330,000	316,800 (a)(b)
Marfrig Holding Europe BV, Senior Notes	8.375%	5/9/18	200,000	212,000 (a)(c)
Marfrig Holding Europe BV, Senior Notes	6.875%	6/24/19	410,000	410,775 (a)(b)
Marfrig Overseas Ltd., Senior Notes	9.500%	5/4/20	210,000	216,720 (a)(b)
Pilgrim s Pride Corp., Senior Notes	5.750%	3/15/25	840,000	851,029 (a)(b)
Simmons Foods Inc., Secured Notes	7.875%	10/1/21	1,360,000	1,241,000 (b)
<i>Total Food Products</i>				<i>4,557,039</i>

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Household Products 1.0%</i>				
Central Garden & Pet Co., Senior Notes	6.125%	11/15/23	350,000	\$ 364,875 ^(a)
Kronos Acquisition Holdings Inc., Senior Notes	9.000%	8/15/23	200,000	194,500 ^(b)
Spectrum Brands Inc., Senior Notes	6.625%	11/15/22	350,000	374,720 ^(a)
Spectrum Brands Inc., Senior Notes	6.125%	12/15/24	200,000	212,500 ^(a)
Spectrum Brands Inc., Senior Notes	5.750%	7/15/25	740,000	777,000 ^(a)
Sun Products Corp., Senior Notes	7.750%	3/15/21	1,410,000	1,371,225 ^(b)
<i>Total Household Products</i>				<i>3,294,820</i>
<i>Tobacco 0.3%</i>				
Alliance One International Inc., Secured Notes	9.875%	7/15/21	1,230,000	1,083,938
Total Consumer Staples				15,773,178
<i>Energy 23.8%</i>				
<i>Energy Equipment & Services 1.0%</i>				
CGG, Senior Notes	6.500%	6/1/21	550,000	236,500
CGG, Senior Notes	6.875%	1/15/22	420,000	180,600
EnSCO PLC, Senior Notes	4.700%	3/15/21	210,000	165,113
EnSCO PLC, Senior Notes	5.750%	10/1/44	220,000	128,425
KCA Deutag UK Finance PLC, Senior Secured Notes	7.250%	5/15/21	370,000	270,100 ^(b)
Pride International Inc., Senior Notes	6.875%	8/15/20	140,000	124,600
Pride International Inc., Senior Notes	7.875%	8/15/40	1,080,000	740,610
SESI LLC, Senior Notes	6.375%	5/1/19	780,000	731,250 ^(a)
Sierra Hamilton LLC/Sierra Hamilton Finance Inc., Senior Secured Notes	12.250%	12/15/18	730,000	511,000 ^(b)
<i>Total Energy Equipment & Services</i>				<i>3,088,198</i>
<i>Oil, Gas & Consumable Fuels 22.8%</i>				
Anadarko Petroleum Corp., Senior Notes	6.450%	9/15/36	50,000	53,835
Apache Corp., Senior Notes	6.000%	1/15/37	280,000	305,710 ^(a)
Berry Petroleum Co., Senior Notes	6.750%	11/1/20	410,000	100,450 ^{*(g)}
Berry Petroleum Co., Senior Notes	6.375%	9/15/22	1,304,000	319,480 ^{*(g)}
Blue Racer Midstream LLC/Blue Racer Finance Corp., Senior Notes	6.125%	11/15/22	860,000	778,300 ^{(a)(b)}
California Resources Corp., Senior Notes	5.500%	9/15/21	1,430,000	779,350
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	7.625%	1/15/22	520,000	347,100
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Secured Notes	11.500%	1/15/21	1,080,000	1,177,200 ^{(a)(b)}
Chesapeake Energy Corp., Senior Notes	6.875%	11/15/20	1,840,000	1,214,400
Chesapeake Energy Corp., Senior Notes	4.875%	4/15/22	2,000,000	1,210,000
Chesapeake Energy Corp., Senior Notes	5.750%	3/15/23	1,270,000	781,050
Continental Resources Inc., Senior Notes	5.000%	9/15/22	500,000	475,000 ^(a)

See Notes to Financial Statements.

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Oil, Gas & Consumable Fuels continued</i>				
Continental Resources Inc., Senior Notes	4.500%	4/15/23	1,000,000	\$ 915,625 ^(a)
Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., Senior Notes	6.125%	3/1/22	800,000	759,760 ^(a)
Devon Energy Corp., Debentures	7.950%	4/15/32	230,000	248,139
Dolphin Energy Ltd., Senior Secured Bonds	5.888%	6/15/19	625,132	667,172 ^(c)
Ecopetrol SA, Senior Bonds	4.125%	1/16/25	30,000	26,363
Ecopetrol SA, Senior Notes	7.625%	7/23/19	770,000	858,550 ^(a)
Ecopetrol SA, Senior Notes	5.875%	9/18/23	197,000	197,680 ^(a)
Ecopetrol SA, Senior Notes	5.875%	5/28/45	1,760,000	1,427,536 ^(a)
El Paso Natural Gas Co., Bonds	8.375%	6/15/32	70,000	77,036 ^(a)
Endeavor Energy Resources LP/EER Finance Inc., Senior Notes	7.000%	8/15/21	790,000	774,200 ^(b)
Enterprise Products Operating LLC, Senior Bonds	6.300%	9/15/17	550,000	581,818 ^(a)
EP Energy LLC/Everest Acquisition Finance Inc., Senior Notes	9.375%	5/1/20	600,000	388,500
EP Energy LLC/Everest Acquisition Finance Inc., Senior Notes	6.375%	6/15/23	370,000	190,550
EV Energy Partners LP/EV Energy Finance Corp., Senior Notes	8.000%	4/15/19	180,000	96,300
Freeport-McMoran Oil & Gas LLC/FCX Oil & Gas Inc., Senior Notes	6.125%	6/15/19	340,000	336,600
Freeport-McMoran Oil & Gas LLC/FCX Oil & Gas Inc., Senior Notes	6.875%	2/15/23	1,260,000	1,178,100 ^(a)
Gazprom OAO Via Gaz Capital SA, Loan Participation Notes, Senior Notes	6.510%	3/7/22	1,330,000	1,443,414 ^{(a)(b)}
Genesis Energy LP/Genesis Energy Finance Corp., Senior Notes	6.750%	8/1/22	430,000	410,650 ^(a)
Globe Luxembourg SCA, Senior Secured Notes	9.625%	5/1/18	3,160,000	2,551,700 ^(b)
GNL Quintero SA, Senior Notes	4.634%	7/31/29	644,000	657,691 ^{(a)(b)}
Kerr-McGee Corp., Notes	6.950%	7/1/24	920,000	1,021,846
Kinder Morgan Inc., Medium-Term Notes	7.750%	1/15/32	1,260,000	1,366,292 ^(a)
Laredo Petroleum Inc., Senior Notes	7.375%	5/1/22	520,000	525,850 ^(a)
Lonestar Resources America Inc., Senior Notes	8.750%	4/15/19	290,000	121,075 ^(b)
LUKOIL International Finance BV, Bonds	6.356%	6/7/17	1,542,000	1,607,535 ^{(a)(b)}
LUKOIL International Finance BV, Bonds	6.656%	6/7/22	496,000	551,066 ^(c)
Magnum Hunter Resources Corp. Escrow			2,390,000	0 ^{*(e)(f)(h)}
MEG Energy Corp., Senior Notes	6.500%	3/15/21	560,000	443,800 ^(b)
MEG Energy Corp., Senior Notes	7.000%	3/31/24	360,000	279,000 ^(b)
Milagro Oil & Gas Inc., Secured Notes	10.500%	5/15/16	900,000	306,000 ^{*(f)(i)}
Murray Energy Corp., Senior Secured Notes	11.250%	4/15/21	5,420,000	1,056,900 ^(b)
Natural Resource Partners LP/Natural Resource Partners Finance Corp., Senior Notes	9.125%	10/1/18	810,000	554,850
NGPL PipeCo LLC, Senior Secured Notes	7.768%	12/15/37	1,120,000	1,106,000 ^{(a)(b)}

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Oil, Gas & Consumable Fuels continued</i>				
Oasis Petroleum Inc., Senior Notes	7.250%	2/1/19	1,050,000	\$ 1,010,625
Oasis Petroleum Inc., Senior Notes	6.500%	11/1/21	1,510,000	1,370,325
Oasis Petroleum Inc., Senior Notes	6.875%	1/15/23	590,000	535,425
ONGC Videsh Ltd., Senior Notes	4.625%	7/15/24	360,000	377,826 ^(c)
Pacific Exploration and Production Corp., Senior Notes	5.375%	1/26/19	780,000	122,850 ^{*(b)(f)(g)}
Pacific Exploration and Production Corp., Senior Notes	7.250%	12/12/21	1,800,000	283,500 ^{*(b)(f)(g)}
Petrobras Global Finance BV, Senior Notes	3.000%	1/15/19	580,000	534,470 ^(a)
Petrobras Global Finance BV, Senior Notes	4.875%	3/17/20	960,000	869,472 ^(a)
Petrobras Global Finance BV, Senior Notes	4.375%	5/20/23	720,000	553,680 ^(a)
Petrobras Global Finance BV, Senior Notes	6.875%	1/20/40	1,290,000	961,050 ^(a)
Petrobras Global Finance BV, Senior Notes	6.750%	1/27/41	1,850,000	1,340,695 ^(a)
Petroleos de Venezuela SA, Senior Bonds	6.000%	5/16/24	12,655,000	4,183,743 ^(c)
Petroleos Mexicanos, Senior Bonds	6.625%	6/15/35	1,000,000	984,900 ^(a)
Petroleos Mexicanos, Senior Notes	8.000%	5/3/19	1,650,000	1,834,635 ^(a)
Petroleos Mexicanos, Senior Notes	5.500%	1/21/21	970,000	1,008,800 ^(a)
Petroleos Mexicanos, Senior Notes	6.875%	8/4/26	2,430,000	2,646,513 ^{(a)(b)}
Petroleos Mexicanos, Senior Notes	6.500%	6/2/41	4,097,000	3,892,150 ^(a)
Petroleos Mexicanos, Senior Notes	5.625%	1/23/46	420,000	358,050 ^(a)
Petronas Capital Ltd., Senior Notes	5.250%	8/12/19	885,000	972,177 ^{(a)(b)}
PT Pertamina Persero, Senior Notes	5.250%	5/23/21	1,040,000	1,096,423 ^(b)
PT Pertamina Persero, Senior Notes	4.300%	5/20/23	560,000	558,798 ^(b)
Rice Energy Inc., Senior Notes	7.250%	5/1/23	2,850,000	2,892,750 ^(a)
Rockies Express Pipeline LLC, Senior Notes	7.500%	7/15/38	410,000	422,300 ^{(a)(b)}
Rockies Express Pipeline LLC, Senior Notes	6.875%	4/15/40	740,000	725,200 ^{(a)(b)}
Rosneft Finance SA, Senior Notes	6.625%	3/20/17	300,000	309,210 ^(c)
Rosneft Finance SA, Senior Notes	7.875%	3/13/18	650,000	702,000 ^{(a)(b)}
Sanchez Energy Corp., Senior Notes	7.750%	6/15/21	1,270,000	977,900
Sanchez Energy Corp., Senior Notes	6.125%	1/15/23	2,980,000	2,160,500
Shelf Drilling Holdings Ltd., Senior Secured Notes	8.625%	11/1/18	510,000	378,675 ^{(a)(b)}
Sinopec Group Overseas Development Ltd., Senior Notes	4.375%	4/10/24	1,260,000	1,335,159 ^{(a)(b)}
Tesoro Logistics LP/Tesoro Logistics Finance Corp., Senior Notes	6.125%	10/15/21	150,000	155,625
Tesoro Logistics LP/Tesoro Logistics Finance Corp., Senior Notes	6.375%	5/1/24	420,000	434,700 ^(a)
Transcontinental Gas Pipe Line Co., LLC, Senior Notes	7.850%	2/1/26	1,500,000	1,805,267 ^{(a)(b)}
Transportadora de Gas del Peru SA, Senior Notes	4.250%	4/30/28	560,000	557,480 ^{(a)(b)}
Transportadora de Gas del Peru SA, Senior Notes	4.250%	4/30/28	200,000	199,100 ^{(a)(c)}
Whiting Petroleum Corp., Senior Notes	5.000%	3/15/19	970,000	877,850

See Notes to Financial Statements.

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Oil, Gas & Consumable Fuels continued</i>				
Whiting Petroleum Corp., Senior Notes	6.250%	4/1/23	390,000	\$ 323,700
Williams Cos. Inc., Debentures	7.500%	1/15/31	170,000	167,875 (a)
Williams Cos. Inc., Senior Notes	3.700%	1/15/23	500,000	423,750 (a)
Williams Cos. Inc., Senior Notes	4.550%	6/24/24	380,000	333,450 (a)
Williams Cos. Inc., Senior Notes	8.750%	3/15/32	486,000	504,225 (a)
Williams Cos. Inc., Senior Notes	5.750%	6/24/44	930,000	762,600 (a)
WPX Energy Inc., Senior Notes	7.500%	8/1/20	320,000	315,200 (a)
WPX Energy Inc., Senior Notes	8.250%	8/1/23	120,000	117,900 (a)
YPF Sociedad Anonima, Senior Notes	8.500%	3/23/21	490,000	514,500 (b)
YPF Sociedad Anonima, Senior Notes	8.750%	4/4/24	570,000	597,759 (b)
YPF Sociedad Anonima, Senior Notes	8.500%	7/28/25	920,000	948,474 (b)
<i>Total Oil, Gas & Consumable Fuels</i>				<i>74,708,729</i>
Total Energy				77,796,927
Financials 20.9%				
<i>Banks 13.1%</i>				
Banco Bilbao Vizcaya Argentaria Colombia SA, Subordinated Notes	4.875%	4/21/25	330,000	324,225 (b)
Banco Nacional de Costa Rica, Senior Notes	5.875%	4/25/21	250,000	252,000 (b)
Bank of America Corp., Junior Subordinated Notes	6.500%	10/23/24	620,000	654,875 (a)(j)(k)
Bank of America Corp., Notes	6.875%	4/25/18	390,000	425,911 (a)
Bank of America Corp., Senior Notes	5.650%	5/1/18	490,000	524,268 (a)
Bank of America Corp., Senior Notes	7.625%	6/1/19	1,480,000	1,709,008 (a)
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	2,050,000	2,604,552 (a)(b)
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	5,200,000	5,684,250
Barclays PLC, Junior Subordinated Bonds	8.250%	12/15/18	220,000	224,957 (j)(k)
BBVA Banco Continental SA, Subordinated Notes	5.250%	9/22/29	160,000	165,440 (b)(k)
BNP Paribas SA, Junior Subordinated Notes	7.375%	8/19/25	2,360,000	2,357,050 (b)(j)(k)
CIT Group Inc., Senior Notes	5.000%	8/15/22	300,000	307,875 (a)
CIT Group Inc., Senior Notes	5.000%	8/1/23	1,280,000	1,308,800 (a)
Credit Agricole SA, Junior Subordinated Notes	8.375%	10/13/19	870,000	985,275 (a)(b)(j)(k)
Credit Agricole SA, Junior Subordinated Notes	8.125%	12/23/25	1,660,000	1,727,728 (b)(j)(k)
Export-Import Bank of China, Senior Notes	2.850%	9/16/20	550,000	559,844 (a)(b)
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	9/17/24	1,870,000	1,762,475 (a)(j)(k)
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	3/30/25	1,400,000	1,344,000 (a)(j)(k)
HSBC Holdings PLC, Senior Notes	4.300%	3/8/26	250,000	262,111 (a)
Industrial & Commercial Bank of China Ltd., Senior Notes	3.231%	11/13/19	410,000	423,375 (a)
Itau Unibanco Holding SA, Senior Notes	2.850%	5/26/18	700,000	697,200 (b)
JPMorgan Chase & Co., Junior Subordinated Bonds	6.000%	8/1/23	4,280,000	4,428,473 (a)(j)(k)

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Banks continued</i>				
M&T Bank Corp., Junior Subordinated Bonds	6.875%	6/27/16	1,880,000	\$ 1,887,050 (a)(j)
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	460,000	543,950 (a)(j)(k)
Royal Bank of Scotland Group PLC, Subordinated Notes	6.100%	6/10/23	2,920,000	3,062,111 (a)
Royal Bank of Scotland NV, Subordinated Bonds	7.750%	5/15/23	340,000	374,732 (a)
Royal Bank of Scotland PLC, Subordinated Notes	13.125%	3/19/22	1,280,000 ^{AUD}	989,238 (k)
Santander Issuances SAU, Notes	5.911%	6/20/16	600,000	601,164 (a)(b)
Santander UK Group Holdings PLC, Junior Subordinated Bonds	7.375%	6/24/22	860,000 ^{GBP}	1,212,367 (c)(j)(k)
Sberbank of Russia Via SB Capital SA, Subordinated Notes	5.500%	2/26/24	2,300,000	2,223,847 (c)(k)
Shinhan Bank, Subordinated Notes	3.875%	3/24/26	200,000	202,448 (a)(b)
Societe Generale SA, Junior Subordinated Bonds	7.875%	12/18/23	3,040,000	2,939,777 (b)(j)(k)
Wells Fargo & Co., Junior Subordinated Bonds	5.875%	6/15/25	240,000	257,100 (a)(j)(k)
<i>Total Banks</i>				43,027,476
<i>Capital Markets 2.5%</i>				
Credit Suisse Group Funding Guernsey Ltd., Senior Notes	4.875%	5/15/45	580,000	582,598 (a)
Goldman Sachs Group Inc., Senior Notes	6.150%	4/1/18	330,000	355,943 (a)
Goldman Sachs Group Inc., Senior Notes	7.500%	2/15/19	1,430,000	1,630,350 (a)
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	2,500,000	3,049,425 (a)
Magyar Export-Import Bank Zrt., Senior Bonds	4.000%	1/30/20	1,830,000	1,863,269 (a)(b)
Morgan Stanley, Medium-Term Notes	6.625%	4/1/18	470,000	510,848 (a)
<i>Total Capital Markets</i>				7,992,433
<i>Consumer Finance 1.1%</i>				
American Express Co., Junior Subordinated Notes	5.200%	11/15/19	540,000	513,675 (j)(k)
American Express Co., Notes	7.000%	3/19/18	260,000	284,338 (a)
HSBC Finance Corp., Senior Notes	6.676%	1/15/21	970,000	1,100,766 (a)
Navient Corp., Medium-Term Notes, Senior Notes	8.450%	6/15/18	590,000	637,937 (a)
TMX Finance LLC/TitleMax Finance Corp., Senior Secured Notes	8.500%	9/15/18	1,230,000	953,250 (a)(b)
<i>Total Consumer Finance</i>				3,489,966
<i>Diversified Financial Services 2.8%</i>				
AerCap Ireland Capital Ltd./AerCap Global Aviation Trust, Senior Bonds	4.625%	7/1/22	460,000	473,225
Argos Merger Sub Inc., Senior Notes	7.125%	3/15/23	330,000	334,950 (a)(b)
Banco Nacional de Comercio Exterior SNC, Senior Notes	4.375%	10/14/25	800,000	826,400 (a)(b)
International Lease Finance Corp., Senior Notes	8.750%	3/15/17	1,620,000	1,700,208
International Lease Finance Corp., Senior Notes	6.250%	5/15/19	160,000	173,200
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	2,530,000	2,985,400
International Lease Finance Corp., Senior Notes	5.875%	8/15/22	400,000	438,000

See Notes to Financial Statements.

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Diversified Financial Services continued</i>				
Nationwide Building Society, Junior Subordinated Notes	6.875%	6/20/19	1,650,000 GBP	\$ 2,326,747 (c)(j)(k)
<i>Total Diversified Financial Services</i>				<i>9,258,130</i>
<i>Insurance 0.4%</i>				
Fidelity & Guaranty Life Holdings Inc., Senior Notes	6.375%	4/1/21	460,000	462,300 (a)(b)
Galaxy Bidco Ltd., Senior Secured Notes	6.375%	11/15/20	280,000 GBP	404,119 (c)
Genworth Holdings Inc., Senior Notes	4.900%	8/15/23	480,000	354,000
<i>Total Insurance</i>				<i>1,220,419</i>
<i>Real Estate Investment Trusts (REITs) 0.4%</i>				
Communications Sales & Leasing Inc., Senior Notes	8.250%	10/15/23	330,000	312,675
GEO Group Inc., Senior Notes	6.000%	4/15/26	500,000	506,250
MPT Operating Partnership LP/MPT Finance Corp., Senior Notes	6.375%	3/1/24	540,000	580,500
<i>Total Real Estate Investment Trusts (REITs)</i>				<i>1,399,425</i>
<i>Real Estate Management & Development 0.6%</i>				
Caesars Entertainment Resort Properties LLC, Secured Notes	11.000%	10/1/21	480,000	462,000
Caesars Entertainment Resort Properties LLC, Senior Secured Notes	8.000%	10/1/20	670,000	678,375
Greystar Real Estate Partners LLC, Senior Secured Notes	8.250%	12/1/22	850,000	888,250 (a)(b)
<i>Total Real Estate Management & Development</i>				<i>2,028,625</i>
Total Financials				68,416,474
<i>Health Care 5.8%</i>				
<i>Biotechnology 0.1%</i>				
AMAG Pharmaceuticals Inc., Senior Notes	7.875%	9/1/23	410,000	362,850 (a)(b)
<i>Health Care Equipment & Supplies 1.6%</i>				
ConvaTec Finance International SA, Senior Notes	8.250%	1/15/19	550,000	550,688 (b)(d)
ConvaTec Healthcare E SA, Senior Notes	10.875%	12/15/18	1,460,000 EUR	1,686,800 (b)
DJO Finance LLC/DJO Finance Corp., Secured Notes	10.750%	4/15/20	820,000	666,250 (b)
DJO Finco Inc./DJO Finance LLC/DJO Finance Corp., Secured Notes	8.125%	6/15/21	690,000	622,725 (b)
Greatbatch Ltd., Senior Notes	9.125%	11/1/23	710,000	717,100 (b)
Immucor Inc., Senior Notes	11.125%	8/15/19	1,030,000	942,450
<i>Total Health Care Equipment & Supplies</i>				<i>5,186,013</i>
<i>Health Care Providers & Services 3.1%</i>				
BioScrip Inc., Senior Notes	8.875%	2/15/21	630,000	535,500
Centene Corp., Senior Notes	5.625%	2/15/21	570,000	594,225 (a)(b)
Centene Corp., Senior Notes	6.125%	2/15/24	430,000	453,921 (a)(b)
HCA Inc., Senior Secured Notes	5.250%	6/15/26	570,000	587,100
Humana Inc., Senior Notes	7.200%	6/15/18	2,000,000	2,209,738 (a)

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Health Care Providers & Services continued</i>				
IASIS Healthcare LLC/IASIS Capital Corp., Senior Notes	8.375%	5/15/19	950,000	\$ 916,750
MPH Acquisition Holdings LLC, Senior Notes	7.125%	6/1/24	1,640,000	1,689,200 (b)
Synlab Unsecured Bondco PLC, Senior Bonds	8.250%	7/1/23	440,000 EUR	504,253
Tenet Healthcare Corp., Senior Notes	8.125%	4/1/22	1,410,000	1,425,862
Universal Hospital Services Inc., Secured Notes	7.625%	8/15/20	1,110,000	1,042,013 (a)
<i>Total Health Care Providers & Services</i>				<i>9,958,562</i>
<i>Pharmaceuticals 1.0%</i>				
DPx Holdings BV, Senior Notes	7.500%	2/1/22	180,000	185,175 (b)
JLL/Delta Dutch Pledgeco BV, Senior Notes	8.750%	5/1/20	750,000	750,000 (b)(d)
Mallinckrodt International Finance SA, Senior Notes	5.750%	8/1/22	1,020,000	969,000 (a)(b)
Valeant Pharmaceuticals International Inc., Senior Notes	5.375%	3/15/20	670,000	594,625 (b)
Valeant Pharmaceuticals International Inc., Senior Notes	7.500%	7/15/21	990,000	900,900 (b)
<i>Total Pharmaceuticals</i>				<i>3,399,700</i>
Total Health Care				18,907,125
<i>Industrials 9.2%</i>				
<i>Aerospace & Defense 0.7%</i>				
Aerojet Rocketdyne Holdings Inc., Secured Notes	7.125%	3/15/21	420,000	444,150
CBC Ammo LLC/CBC FinCo Inc., Senior Notes	7.250%	11/15/21	1,210,000	1,028,500 (a)(b)
LMI Aerospace Inc., Secured Notes	7.375%	7/15/19	700,000	717,500
<i>Total Aerospace & Defense</i>				<i>2,190,150</i>
<i>Air Freight & Logistics 0.3%</i>				
XPO Logistics Inc., Senior Notes	7.875%	9/1/19	550,000	574,750 (a)(b)
XPO Logistics Inc., Senior Notes	6.500%	6/15/22	400,000	386,000 (a)(b)
<i>Total Air Freight & Logistics</i>				<i>960,750</i>
<i>Airlines 0.6%</i>				
American Airlines, Pass-Through Trust, Secured Notes	7.000%	1/31/18	266,580	278,243 (a)(b)
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	275,676	316,324 (a)
Heathrow Finance PLC, Senior Secured Notes	7.125%	3/1/17	900,000 GBP	1,357,415 (c)
<i>Total Airlines</i>				<i>1,951,982</i>
<i>Building Products 0.7%</i>				
Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Notes	6.875%	2/15/21	760,000	674,500 (b)
GTL Trade Finance Inc., Senior Notes	7.250%	4/16/44	550,000	437,250 (b)
Standard Industries Inc., Senior Notes	5.125%	2/15/21	450,000	469,125 (b)
Standard Industries Inc., Senior Notes	5.500%	2/15/23	680,000	703,800 (b)
<i>Total Building Products</i>				<i>2,284,675</i>
<i>Commercial Services & Supplies 2.0%</i>				
Garda World Security Corp., Senior Notes	7.250%	11/15/21	420,000	343,350 (b)

See Notes to Financial Statements.

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Commercial Services & Supplies continued</i>				
GFL Environmental Inc., Senior Notes	9.875%	2/1/21	1,450,000	\$ 1,555,125 (a)(b)
Monitronics International Inc., Senior Notes	9.125%	4/1/20	1,690,000	1,394,250
United Rentals North America Inc., Senior Notes	7.625%	4/15/22	948,000	1,013,175 (a)
West Corp., Senior Notes	5.375%	7/15/22	2,460,000	2,235,525 (a)(b)
<i>Total Commercial Services & Supplies</i>				<i>6,541,425</i>
<i>Construction & Engineering 0.7%</i>				
Brundage-Bone Concrete Pumping Inc., Senior Secured Notes	10.375%	9/1/21	640,000	656,000 (a)(b)
Michael Baker Holdings LLC/Michael Baker Finance Corp., Senior Notes	8.875%	4/15/19	751,809	618,363 (b)(d)
Michael Baker International LLC/CDL Acquisition Co. Inc., Senior Secured Notes	8.250%	10/15/18	680,000	680,000 (a)(b)
Modular Space Corp., Secured Notes	10.250%	1/31/19	750,000	384,375 (b)
Odebrecht Finance Ltd., Senior Notes	5.250%	6/27/29	300,000	94,500 (b)
Odebrecht Offshore Drilling Finance Ltd., Senior Secured Notes	6.625%	10/1/22	180,480	25,267 (b)
<i>Total Construction & Engineering</i>				<i>2,458,505</i>
<i>Electrical Equipment 0.4%</i>				
International Wire Group Holdings Inc., Senior Secured Notes	8.500%	10/15/17	560,000	557,900 (a)(b)
NES Rentals Holdings Inc., Senior Secured Notes	7.875%	5/1/18	490,000	477,750 (b)
Trionista TopCo GmbH, Senior Subordinated Notes	6.875%	4/30/21	100,000 EUR	117,579 (b)
<i>Total Electrical Equipment</i>				<i>1,153,229</i>
<i>Industrial Conglomerates 0.2%</i>				
Alfa SAB de CV, Senior Notes	6.875%	3/25/44	200,000	204,500 (b)
Sinochem Overseas Capital Co., Ltd., Senior Notes	4.500%	11/12/20	380,000	401,988 (a)(b)
<i>Total Industrial Conglomerates</i>				<i>606,488</i>
<i>Machinery 0.8%</i>				
CTP Transportation Products LLC/CTP Finance Inc., Senior Secured Notes	8.250%	12/15/19	320,000	310,400 (a)(b)
DH Services Luxembourg Sarl, Senior Notes	7.750%	12/15/20	1,490,000	1,475,100 (b)
Global Brass and Copper Inc., Senior Secured Notes	9.500%	6/1/19	680,000	711,025 (a)
SPL Logistics Escrow LLC/SPL Logistics Finance Corp., Senior Secured Notes	8.875%	8/1/20	270,000	212,625 (b)
<i>Total Machinery</i>				<i>2,709,150</i>
<i>Marine 0.3%</i>				
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes	8.125%	11/15/21	1,120,000	921,984 (a)(b)
Ultrapetrol Bahamas Ltd., Senior Secured Notes	8.875%	6/15/21	570,000	105,450 *(f)(g)
<i>Total Marine</i>				<i>1,027,434</i>

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Road & Rail 1.2%</i>				
Flexi-Van Leasing Inc., Senior Notes	7.875%	8/15/18	1,502,000	\$ 1,479,470 (a)(b)
Florida East Coast Holdings Corp., Senior Notes	9.750%	5/1/20	140,000	116,900 (b)
Florida East Coast Holdings Corp., Senior Secured Notes	6.750%	5/1/19	1,600,000	1,600,000 (a)(b)
Jack Cooper Holdings Corp., Senior Secured Notes	10.250%	6/1/20	1,180,000	784,700 (b)
<i>Total Road & Rail</i>				<i>3,981,070</i>
<i>Trading Companies & Distributors 0.7%</i>				
H&E Equipment Services Inc., Senior Notes	7.000%	9/1/22	1,400,000	1,449,000 (a)
HD Supply Inc., Senior Notes	5.750%	4/15/24	790,000	823,575 (a)(b)
<i>Total Trading Companies & Distributors</i>				<i>2,272,575</i>
<i>Transportation 0.3%</i>				
Hapag-Lloyd AG, Senior Notes	9.750%	10/15/17	451,000	460,020 (b)
Neovia Logistics Intermediate Holdings LLC/Logistics Intermediate Finance Corp., Senior Notes	10.000%	2/15/18	1,090,000	555,900 (b)(d)
<i>Total Transportation</i>				<i>1,015,920</i>
<i>Transportation Infrastructure 0.3%</i>				
Mersin Uluslararası Liman İşletmeciliği AS, Notes	5.875%	8/12/20	220,000	231,392 (b)
PT Pelabuhan Indonesia II, Senior Bonds	4.250%	5/5/25	750,000	730,462 (b)
<i>Total Transportation Infrastructure</i>				<i>961,854</i>
Total Industrials				
30,115,207				
<i>Information Technology 2.5%</i>				
<i>Electronic Equipment, Instruments & Components 0.2%</i>				
Interface Security Systems Holdings Inc./Interface Security Systems LLC, Senior Secured Notes	9.250%	1/15/18	710,000	696,688
<i>Internet Software & Services 0.5%</i>				
Ancestry.com Holdings LLC, Senior Notes	9.625%	10/15/18	350,000	357,875 (b)(d)
Ancestry.com Inc., Senior Notes	11.000%	12/15/20	590,000	640,150
Match Group Inc., Senior Notes	6.375%	6/1/24	610,000	623,725 (b)
<i>Total Internet Software & Services</i>				<i>1,621,750</i>
<i>IT Services 0.8%</i>				
Compiler Finance Subordinated Inc., Senior Notes	7.000%	5/1/21	330,000	155,100 (b)(f)
First Data Corp., Senior Secured Notes	6.750%	11/1/20	663,000	698,882 (a)(b)
First Data Corp., Senior Secured Notes	5.000%	1/15/24	1,590,000	1,594,961 (a)(b)
<i>Total IT Services</i>				<i>2,448,943</i>
<i>Semiconductors & Semiconductor Equipment 0.3%</i>				
QUALCOMM Inc., Senior Subordinated Notes	4.800%	5/20/45	850,000	861,761 (a)
<i>Software 0.3%</i>				
Oberthur Technologies Holding SAS, Senior Secured Notes	9.250%	4/30/20	890,000 EUR	1,055,071 (b)

See Notes to Financial Statements.

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Technology Hardware, Storage & Peripherals 0.4%</i>				
Seagate HDD Cayman, Senior Bonds	4.750%	1/1/25	1,140,000	\$ 877,088 (a)
Seagate HDD Cayman, Senior Notes	4.875%	6/1/27	530,000	373,981 (b)
Western Digital Corp., Senior Notes	10.500%	4/1/24	110,000	114,125 (b)
<i>Total Technology Hardware, Storage & Peripherals</i>				<i>1,365,194</i>
Total Information Technology				8,049,407
<i>Materials 11.0%</i>				
<i>Chemicals 1.7%</i>				
Alpek SAB de CV, Senior Notes	4.500%	11/20/22	382,000	395,370 (a)(b)
Braskem America Finance Co., Senior Notes	7.125%	7/22/41	630,000	566,213 (c)
Eco Services Operations LLC/Eco Finance Corp., Senior Notes	8.500%	11/1/22	570,000	561,450 (b)
HIG BBC Intermediate Holdings LLC/HIG BBC Holdings Corp., Senior Notes	10.500%	9/15/18	411,937	311,012 (b)(d)
Mexichem SAB de CV, Senior Notes	4.875%	9/19/22	549,000	577,109 (a)(c)
Mexichem SAB de CV, Senior Notes	4.875%	9/19/22	250,000	262,800 (a)(b)
OCP SA, Senior Notes	5.625%	4/25/24	800,000	840,272 (b)
OCP SA, Senior Notes	4.500%	10/22/25	640,000	620,531 (b)
PQ Corp., Senior Secured Notes	6.750%	11/15/22	440,000	459,800 (a)(b)
Rain CII Carbon LLC/CII Carbon Corp., Senior Secured Notes	8.000%	12/1/18	1,250,000	1,092,188 (a)(b)
<i>Total Chemicals</i>				<i>5,686,745</i>
<i>Construction Materials 0.7%</i>				
Cementos Pacasmayo SAA, Senior Notes	4.500%	2/8/23	360,000	355,500 (b)
Cementos Pacasmayo SAA, Senior Notes	4.500%	2/8/23	140,000	138,250 (c)
Cemex Finance LLC, Senior Secured Notes	9.375%	10/12/22	550,000	602,305 (b)
Cimpor Financial Operations BV, Senior Notes	5.750%	7/17/24	780,000	604,500 (b)
Hardwoods Acquisition Inc., Senior Secured Notes	7.500%	8/1/21	680,000	503,200 (a)(b)
NWH Escrow Corp., Senior Secured Notes	7.500%	8/1/21	230,000	165,600 (a)(b)
<i>Total Construction Materials</i>				<i>2,369,355</i>
<i>Containers & Packaging 2.9%</i>				
Ardagh Finance Holdings SA, Senior Notes	8.625%	6/15/19	738,280	764,120 (b)(d)
Ardagh Packaging Finance PLC, Senior Notes	9.250%	10/15/20	1,700,000 ^{EUR}	1,985,948 (b)
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	7.250%	5/15/24	1,250,000	1,281,250 (b)
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Secured Notes	4.625%	5/15/23	700,000	700,000 (b)
BWAY Holding Co., Senior Notes	9.125%	8/15/21	1,120,000	1,083,600 (b)
Coveris Holdings SA, Senior Notes	7.875%	11/1/19	840,000	827,400 (b)
Pactiv LLC, Senior Bonds	8.375%	4/15/27	150,000	153,750
Pactiv LLC, Senior Notes	7.950%	12/15/25	1,890,000	1,918,350

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Containers & Packaging continued</i>				
PaperWorks Industries Inc., Senior Secured Notes	9.500%	8/15/19	540,000	\$ 503,550 ^{(a)(b)}
Suzano Trading Ltd., Senior Notes	5.875%	1/23/21	250,000	260,000 ^{(a)(c)}
<i>Total Containers & Packaging</i>				9,477,968
<i>Metals & Mining 5.1%</i>				
Anglo American Capital PLC, Senior Notes	3.625%	5/14/20	560,000	534,800 ^{(a)(b)}
Anglo American Capital PLC, Senior Notes	4.125%	4/15/21	310,000	282,875 ^{(a)(b)}
Anglo American Capital PLC, Senior Notes	4.875%	5/14/25	1,070,000	984,400 ^{(a)(b)}
ArcelorMittal SA, Senior Notes	8.000%	10/15/39	870,000	826,500 ^(a)
Barmenco Finance Pty Ltd., Senior Notes	9.000%	6/1/18	1,270,000	1,000,125 ^{(a)(b)(f)}
Corporacion Nacional del Cobre de Chile, Senior Notes	3.750%	11/4/20	360,000	378,218 ^{(a)(b)}
Corporacion Nacional del Cobre de Chile, Senior Notes	3.875%	11/3/21	600,000	625,893 ^{(a)(c)}
Freeport-McMoRan Inc., Senior Notes	4.000%	11/14/21	580,000	506,050 ^(a)
Freeport-McMoRan Inc., Senior Notes	3.875%	3/15/23	470,000	388,925 ^(a)
Freeport-McMoRan Inc., Senior Notes	5.450%	3/15/43	680,000	516,589 ^(a)
Gerdau Trade Inc., Senior Notes	4.750%	4/15/23	440,000	356,400 ^(b)
Joseph T. Ryerson & Son Inc., Senior Notes	11.250%	10/15/18	117,000	110,857
Midwest Vanadium Pty Ltd., Senior Secured Notes	11.500%	2/15/18	810,000	60,750 ^{*(b)(f)(g)}
Mirabela Nickel Ltd., Subordinated Notes	1.000%	9/10/44	9,765	0 ^{(e)(f)(h)}
Schaeffler Holding Finance BV, Senior Secured Bonds	6.875%	8/15/18	170,000	174,675 ^{(a)(b)(d)}
Schaeffler Holding Finance BV, Senior Secured Notes	6.875%	8/15/18	85,752 EUR	98,573 ^{(b)(d)}
Schaeffler Holding Finance BV, Senior Secured Notes	6.750%	11/15/22	500,000	553,750 ^{(b)(d)}
Severstal OAO Via Steel Capital SA, Senior Notes	4.450%	3/19/18	500,000	513,137 ^(b)
Southern Copper Corp., Senior Notes	5.250%	11/8/42	2,200,000	1,824,676 ^(a)
Steel Dynamics Inc., Senior Notes	6.125%	8/15/19	370,000	384,800 ^(a)
Teck Resources Ltd., Senior Notes	3.000%	3/1/19	250,000	240,625
Teck Resources Ltd., Senior Notes	8.000%	6/1/21	810,000	828,225 ^(b)
Teck Resources Ltd., Senior Notes	8.500%	6/1/24	950,000	976,125 ^(b)
United States Steel Corp., Senior Secured Notes	8.375%	7/1/21	720,000	745,200 ^{(a)(b)}
Vale Overseas Ltd., Senior Notes	4.375%	1/11/22	2,383,000	2,147,989
Vale SA, Senior Notes	5.625%	9/11/42	2,250,000	1,715,625
<i>Total Metals & Mining</i>				16,775,782
<i>Paper & Forest Products 0.6%</i>				
Celulosa Arauco y Constitucion SA, Senior Notes	7.250%	7/29/19	202,000	229,119 ^(a)
Celulosa Arauco y Constitucion SA, Senior Notes	4.750%	1/11/22	245,000	259,692 ^(a)
Inversiones CMPC SA, Notes	4.375%	5/15/23	260,000	265,441 ^(b)
Inversiones CMPC SA, Senior Notes	4.750%	1/19/18	460,000	474,507 ^{(a)(b)}
Inversiones CMPC SA, Senior Notes	4.500%	4/25/22	310,000	320,862 ^{(a)(b)}

See Notes to Financial Statements.

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Paper & Forest Products continued</i>				
Resolute Forest Products Inc., Senior Notes	5.875%	5/15/23	390,000	\$ 291,038 ^(a)
<i>Total Paper & Forest Products</i>				<i>1,840,659</i>
Total Materials				36,150,509
Telecommunication Services 13.1%				
<i>Diversified Telecommunication Services 7.5%</i>				
Bharti Airtel International Netherlands BV, Senior Bonds	5.350%	5/20/24	630,000	685,960 ^{(a)(b)}
Bharti Airtel Ltd., Senior Notes	4.375%	6/10/25	790,000	808,661 ^{(a)(b)}
British Telecommunications PLC, Bonds	9.625%	12/15/30	240,000	378,717 ^(a)
CenturyLink Inc., Senior Notes	7.650%	3/15/42	3,830,000	3,150,175 ^(a)
Empresa Nacional de Telecomunicaciones SA, Senior Notes	4.875%	10/30/24	270,000	269,960 ^(b)
Frontier Communications Corp., Senior Notes	11.000%	9/15/25	1,400,000	1,429,750 ^(b)
Intelsat Jackson Holdings SA, Senior Notes	7.500%	4/1/21	40,000	27,400
Intelsat Jackson Holdings SA, Senior Secured Notes	8.000%	2/15/24	1,900,000	1,945,125 ^{(a)(b)}
Koninklijke KPN NV, Senior Notes	8.375%	10/1/30	190,000	259,651 ^(a)
Level 3 Financing Inc., Senior Notes	5.250%	3/15/26	1,580,000	1,580,000 ^{(a)(b)}
Oi Brasil Holdings Cooperatief U.A., Senior Notes	5.750%	2/10/22	2,700,000	558,900 ^{(b)(f)}
Oi Brasil Holdings Cooperatief U.A., Senior Notes	5.750%	2/10/22	1,000,000	207,000 ^{(c)(f)}
Ooredoo International Finance Ltd., Senior Notes	4.750%	2/16/21	400,000	437,204 ^{(a)(b)}
Telecom Italia SpA, Senior Notes	5.303%	5/30/24	3,000,000	3,031,890 ^{(a)(b)}
Telefonica Emisiones SAU, Senior Notes	5.134%	4/27/20	3,000,000	3,295,182 ^(a)
Verizon Communications Inc., Senior Notes	5.150%	9/15/23	2,810,000	3,227,954 ^(a)
Windstream Services LLC, Senior Notes	7.750%	10/15/20	3,150,000	2,961,000 ^(a)
Windstream Services LLC, Senior Notes	6.375%	8/1/23	330,000	255,545 ^(a)
<i>Total Diversified Telecommunication Services</i>				<i>24,510,074</i>
<i>Wireless Telecommunication Services 5.6%</i>				
Altice Financing SA, Senior Secured Bonds	7.500%	5/15/26	3,160,000	3,160,000 ^{(a)(b)}
America Movil SAB de CV, Senior Notes	5.625%	11/15/17	504,000	532,770 ^(a)
Neptune Finco Corp., Senior Notes	10.125%	1/15/23	380,000	426,550 ^{(a)(b)}
Neptune Finco Corp., Senior Notes	6.625%	10/15/25	810,000	867,113 ^{(a)(b)}
Neptune Finco Corp., Senior Notes	10.875%	10/15/25	1,930,000	2,200,200 ^{(a)(b)}
Sprint Capital Corp., Senior Notes	6.875%	11/15/28	560,000	420,700
Sprint Capital Corp., Senior Notes	8.750%	3/15/32	30,000	24,450
Sprint Communications Inc., Senior Notes	9.000%	11/15/18	1,780,000	1,900,150 ^{(a)(b)}
Sprint Communications Inc., Senior Notes	7.000%	8/15/20	1,200,000	1,032,624
Sprint Communications Inc., Senior Notes	11.500%	11/15/21	2,810,000	2,599,250
Sprint Corp., Senior Notes	7.875%	9/15/23	3,110,000	2,441,350
T-Mobile USA Inc., Senior Notes	6.000%	3/1/23	1,190,000	1,245,037 ^(a)

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Wireless Telecommunication Services continued</i>				
Vimpel Communications Via VIP Finance Ireland Ltd. OJSC, Senior Notes	7.748%	2/2/21	820,000	\$ 895,953 (a)(b)
VimpelCom Holdings BV, Senior Notes	7.504%	3/1/22	460,000	492,200 (c)
VimpelCom Holdings BV, Senior Notes	7.504%	3/1/22	250,000	267,500 (a)(b)
<i>Total Wireless Telecommunication Services</i>				<i>18,505,847</i>
Total Telecommunication Services				43,015,921
<i>Utilities 3.5%</i>				
<i>Electric Utilities 1.1%</i>				
Comision Federal de Electricidad, Senior Notes	4.875%	1/15/24	370,000	381,100 (a)(b)
Comision Federal de Electricidad, Senior Notes	6.125%	6/16/45	350,000	357,875 (a)(b)
Majapahit Holding BV, Senior Notes	7.750%	1/20/20	370,000	422,980 (c)
NRG REMA LLC, Pass-Through Certificates, Senior Secured Bonds	9.681%	7/2/26	1,150,000	1,105,438 (a)
Red Oak Power LLC, Secured Notes	9.200%	11/30/29	1,180,000	1,227,200 (a)
<i>Total Electric Utilities</i>				<i>3,494,593</i>
<i>Gas Utilities 0.2%</i>				
Gas Natural de Lima y Callao SA, Senior Notes	4.375%	4/1/23	320,000	321,600 (a)(b)
Transportadora de Gas Internacional SA ESP, Senior Notes	5.700%	3/20/22	480,000	497,760 (a)(b)
<i>Total Gas Utilities</i>				<i>819,360</i>
<i>Independent Power and Renewable Electricity Producers 2.2%</i>				
Calpine Corp., Senior Secured Notes	7.875%	1/15/23	1,851,000	1,978,256 (a)(b)
Mirant Mid Atlantic LLC, Pass-Through Certificates, Secured Bonds	10.060%	12/30/28	2,240,877	2,109,225
Mirant Mid Atlantic LLC, Pass-Through Certificates, Senior Secured Notes	9.125%	6/30/17	63,933	61,456
NRG Energy Inc., Senior Notes	7.250%	5/15/26	1,400,000	1,398,250 (a)(b)
Three Gorges Finance Ltd., Senior Bonds	3.150%	6/2/26	550,000	551,045 (b)
Three Gorges Finance Ltd., Senior Notes	3.700%	6/10/25	1,000,000	1,055,769 (b)
<i>Total Independent Power and Renewable Electricity Producers</i>				<i>7,154,001</i>
Total Utilities				11,467,954
Total Corporate Bonds & Notes (Cost \$363,914,618)				363,851,505
<i>Asset-Backed Securities 0.4%</i>				
Finance America Net Interest Margin Trust, 2004-1 A	5.250%	6/27/34	110,125	1 *(b)(f)(g)
Greenpoint Manufactured Housing, 1999-2 A2	3.076%	3/18/29	425,000	375,806 (k)
Greenpoint Manufactured Housing, 1999-3 2A2	3.713%	6/19/29	200,000	174,250 (k)
Greenpoint Manufactured Housing, 1999-4 A2	3.941%	2/20/30	200,000	174,250 (k)
Greenpoint Manufactured Housing, 2001-2 IA2	3.935%	2/20/32	250,000	222,029 (k)
Greenpoint Manufactured Housing, 2001-2 IIA2	3.937%	3/13/32	425,000	377,366 (k)

See Notes to Financial Statements.

Western Asset Global High Income Fund Inc.

	Rate	Maturity Date	Face Amount	Value
Security				
Asset-Backed Securities continued				
SAIL Net Interest Margin Notes, 2003-6A A	7.000%	7/27/33	14,101	\$ 0 *(b)(f)(g)(h)
SAIL Net Interest Margin Notes, 2003-7A A	7.000%	7/27/33	42,974	38,333 (b)(f)
Total Asset-Backed Securities (Cost \$1,476,458)				1,362,035
Convertible Bonds & Notes 0.2%				
Materials 0.2%				
<i>Chemicals 0.1%</i>				
Hercules Inc., Junior Subordinated Bonds	6.500%	6/30/29	220,000	184,061
<i>Metals & Mining 0.1%</i>				
Mirabela Nickel Ltd., Senior Secured Bonds	9.500%	6/24/19	802,266	280,793 (b)(d)(f)
Total Convertible Bonds & Notes (Cost \$1,005,450)				464,854
Senior Loans 1.6%				
Consumer Discretionary 0.4%				
<i>Hotels, Restaurants & Leisure 0.2%</i>				
Equinox Holdings Inc., Second Lien Term Loan	9.750%	7/31/20	710,000	710,887 (l)(m)
<i>Specialty Retail 0.1%</i>				
Spencer Gifts LLC, Second Lien Term Loan	9.250%	6/29/22	560,000	462,000 (l)(m)
<i>Textiles, Apparel & Luxury Goods 0.1%</i>				
TOMS Shoes LLC, Term Loan B	6.500%	10/28/20	425,700	257,549 (l)(m)
Total Consumer Discretionary				1,430,436
Consumer Staples 0.1%				
<i>Food Products 0.1%</i>				
AdvancePierre Foods Inc., Second Lien Term Loan	9.500%	10/10/17	306,467	307,617 (l)(m)
Energy 0.4%				
<i>Energy Equipment & Services 0.2%</i>				
Hercules Offshore LLC, Exit Term Loan	10.500%	5/6/20	850,000	722,500 (l)(m)
<i>Oil, Gas & Consumable Fuels 0.2%</i>				
Magnum Hunter Resources Inc., Exit Term Loan	8.000%	5/6/19	210,000	208,950 (f)(l)(m)
Westmoreland Coal Co., Term Loan B	7.500%	12/16/20	430,013	307,460 (l)(m)
<i>Total Oil, Gas & Consumable Fuels</i>				
				516,410
Total Energy				1,238,910
Health Care 0.4%				
<i>Health Care Equipment & Supplies 0.2%</i>				
Lantheus Medical Imaging Inc., Term Loan	7.000%	6/30/22	516,100	461,910 (l)(m)
<i>Health Care Providers & Services 0.2%</i>				
Radnet Management Inc., Second Lien Term Loan	8.000%	3/25/21	700,000	668,062 (l)(m)
Total Health Care				1,129,972

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Utilities 0.3%				
<i>Electric Utilities 0.3%</i>				
Panda Temple II Power LLC, New Term Loan B	7.250%	4/3/19	490,000	\$ 458,150 ^{(1)(m)}
Panda Temple Power LLC, 2015 Term Loan B	7.250%	3/4/22	623,700	558,211 ^{(1)(m)}
Total Utilities				1,016,361
Total Senior Loans (Cost \$5,688,408)				5,123,296
Sovereign Bonds 19.2%				
<i>Argentina 4.2%</i>				
City of Buenos Aires Argentina, Senior Notes	7.500%	6/1/27	2,190,000	2,199,855 ^(b)
Provincia de Buenos Aires, Senior Notes	9.950%	6/9/21	750,000	826,875 ^(c)
Provincia de Buenos Aires, Senior Notes	9.125%	3/16/24	2,480,000	2,659,800 ^(b)
Republic of Argentina, Senior Notes	6.875%	4/22/21	1,630,000	1,711,500 ^(b)
Republic of Argentina, Senior Notes	7.500%	4/22/26	2,140,000	2,251,280 ^(b)
Republic of Argentina, Senior Notes	8.280%	12/31/33	2,677,893	2,932,292
Republic of Argentina, Senior Notes	7.625%	4/22/46	1,170,000	1,199,250 ^(b)
<i>Total Argentina</i>				<i>13,780,852</i>
<i>Armenia 0.1%</i>				
Republic of Armenia, Senior Notes	6.000%	9/30/20	460,000	453,721 ^(c)
<i>Colombia 1.5%</i>				
Republic of Colombia, Senior Bonds	11.750%	2/25/20	544,000	710,736 ^(a)
Republic of Colombia, Senior Bonds	4.000%	2/26/24	540,000	535,950 ^(a)
Republic of Colombia, Senior Bonds	7.375%	9/18/37	2,392,000	2,858,440 ^(a)
Republic of Colombia, Senior Bonds	6.125%	1/18/41	330,000	348,150 ^(a)
Republic of Colombia, Senior Notes	7.375%	3/18/19	498,000	564,732 ^(a)
<i>Total Colombia</i>				<i>5,018,008</i>
<i>Costa Rica 0.2%</i>				
Republic of Costa Rica, Notes	7.000%	4/4/44	890,000	817,688 ^{(a)(b)}
<i>Croatia 0.4%</i>				
Republic of Croatia, Senior Notes	6.625%	7/14/20	370,000	403,799 ^{(a)(b)}
Republic of Croatia, Senior Notes	5.500%	4/4/23	450,000	473,625 ^(c)
Republic of Croatia, Senior Notes	5.500%	4/4/23	410,000	431,525 ^{(a)(b)}
<i>Total Croatia</i>				<i>1,308,949</i>
<i>Dominican Republic 0.7%</i>				
Dominican Republic, Senior Notes	6.850%	1/27/45	2,490,000	2,483,775 ^{(a)(b)}
<i>Ecuador 0.4%</i>				
Republic of Ecuador, Senior Bonds	10.500%	3/24/20	1,260,000	1,269,450 ^(b)
<i>Egypt 0.1%</i>				
Arab Republic of Egypt, Senior Notes	5.875%	6/11/25	240,000	207,000 ^{(a)(b)}

See Notes to Financial Statements.

Western Asset Global High Income Fund Inc.

	Rate	Maturity Date	Face Amount	Value
Security				
<i>El Salvador 0.1%</i>				
Republic of El Salvador, Notes	6.375%	1/18/27	300,000	\$ 260,250 (b)
<i>Gabon 0.2%</i>				
Gabonese Republic, Bonds	6.375%	12/12/24	470,000	394,800 (b)
Gabonese Republic, Senior Bonds	6.950%	6/16/25	320,000	271,200 (b)
<i>Total Gabon</i>				666,000
<i>Ghana 0.3%</i>				
Republic of Ghana, Bonds	8.125%	1/18/26	270,000	221,400 (a)(b)
Republic of Ghana, Bonds	10.750%	10/14/30	630,000	633,150 (b)
<i>Total Ghana</i>				854,550
<i>Honduras 0.2%</i>				
Republic of Honduras, Senior Notes	7.500%	3/15/24	500,000	541,250 (c)
<i>Hungary 0.5%</i>				
Republic of Hungary, Senior Notes	5.750%	11/22/23	1,414,000	1,600,167
<i>Indonesia 1.7%</i>				
Republic of Indonesia, Senior Bonds	6.875%	1/17/18	165,000	178,390 (c)
Republic of Indonesia, Senior Bonds	6.625%	2/17/37	2,900,000	3,436,677 (c)
Republic of Indonesia, Senior Notes	5.875%	1/15/24	1,642,000	1,859,796 (a)(b)
<i>Total Indonesia</i>				5,474,863
<i>Israel 0.2%</i>				
Government of Israel, Senior Bonds	2.875%	3/16/26	630,000	634,026 (a)
<i>Ivory Coast 0.6%</i>				
Republic of Cote D'Ivoire, Senior Bonds	5.750%	12/31/32	2,140,000	1,939,375 (c)
<i>Kenya 0.1%</i>				
Republic of Kenya, Senior Notes	6.875%	6/24/24	330,000	304,425 (b)
<i>Lithuania 0.5%</i>				
Republic of Lithuania, Senior Notes	6.125%	3/9/21	1,300,000	1,510,928 (a)(b)
<i>Mexico 0.9%</i>				
United Mexican States, Medium-Term Notes	6.050%	1/11/40	124,000	146,165 (a)
United Mexican States, Senior Bonds	6.500%	6/9/22	19,000,000 MXN	1,068,921
United Mexican States, Senior Notes	3.625%	3/15/22	1,840,000	1,904,400 (a)
United Mexican States, Senior Notes	4.000%	10/2/23	4,000	4,180 (a)
<i>Total Mexico</i>				3,123,666
<i>Namibia 0.1%</i>				
Republic of Namibia, Senior Notes	5.250%	10/29/25	420,000	412,125 (b)
<i>Pakistan 0.2%</i>				
Republic of Pakistan, Senior Bonds	7.250%	4/15/19	500,000	528,500 (a)(b)
<i>Panama 0.0%</i>				
Republic of Panama, Senior Bonds	6.700%	1/26/36	1,000	1,260 (a)

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Paraguay 0.2%</i>				
Republic of Paraguay, Senior Bonds	5.000%	4/15/26	570,000	\$ 587,100 (a)(b)
<i>Peru 1.5%</i>				
Republic of Peru, Senior Bonds	7.350%	7/21/25	50,000	66,063 (a)
Republic of Peru, Senior Bonds	8.750%	11/21/33	2,314,000	3,453,645
Republic of Peru, Senior Bonds	6.550%	3/14/37	1,083,000	1,367,287 (a)
<i>Total Peru</i>				<i>4,886,995</i>
<i>Poland 0.8%</i>				
Republic of Poland, Senior Notes	5.125%	4/21/21	890,000	997,649 (a)
Republic of Poland, Senior Notes	5.000%	3/23/22	1,582,000	1,772,682 (a)
<i>Total Poland</i>				<i>2,770,331</i>
<i>Russia 1.9%</i>				
Russian Foreign Bond Eurobond, Senior Bonds	4.875%	9/16/23	1,000,000	1,061,800 (a)(b)
Russian Foreign Bond Eurobond, Senior Bonds	7.500%	3/31/30	1,211,642	1,480,330 (c)
Russian Foreign Bond Eurobond, Senior Bonds	5.875%	9/16/43	3,400,000	3,683,394 (a)(b)
<i>Total Russia</i>				<i>6,225,524</i>
<i>Senegal 0.1%</i>				
Republic of Senegal, Bonds	6.250%	7/30/24	250,000	231,250 (c)
<i>Sri Lanka 0.2%</i>				
Republic of Sri Lanka, Senior Notes	6.250%	7/27/21	370,000	365,916 (a)(c)
Republic of Sri Lanka, Senior Notes	5.875%	7/25/22	200,000	189,802 (a)(c)
<i>Total Sri Lanka</i>				<i>555,718</i>
<i>Tunisia 0.1%</i>				
Banque Centrale de Tunisie SA, Senior Bonds	5.750%	1/30/25	290,000	260,903 (b)
<i>Turkey 0.6%</i>				
Republic of Turkey, Senior Bonds	5.625%	3/30/21	270,000	289,119 (a)
Republic of Turkey, Senior Bonds	4.250%	4/14/26	1,180,000	1,149,269 (a)
Republic of Turkey, Senior Notes	6.750%	5/30/40	602,000	690,772 (a)
<i>Total Turkey</i>				<i>2,129,160</i>
<i>United Arab Emirates 0.3%</i>				
Abu Dhabi Government International Bond, Senior Notes	3.125%	5/3/26	1,150,000	1,154,985 (b)
<i>Uruguay 0.2%</i>				
Republic of Uruguay, Senior Notes	4.375%	10/27/27	566,267	587,502 (a)
<i>Vietnam 0.1%</i>				
Republic of Vietnam, Senior Bonds	6.750%	1/29/20	200,000	222,431 (a)(c)
Republic of Vietnam, Senior Bonds	4.800%	11/19/24	200,000	204,429 (a)(b)
<i>Total Vietnam</i>				<i>426,860</i>
Total Sovereign Bonds (Cost \$59,423,048)				63,007,156

See Notes to Financial Statements.

Western Asset Global High Income Fund Inc.

	Rate	Maturity Date	Face Amount	Value
Security				
U.S. Government & Agency Obligations 1.5%				
<i>U.S. Government Obligations</i> 1.5%				
U.S. Treasury Bonds	2.500%	2/15/46	440,000	\$ 427,763
U.S. Treasury Notes	1.375%	9/30/20	3,700,000	3,710,478
U.S. Treasury Notes	1.625%	5/15/26	900,000	882,950
Total U.S. Government & Agency Obligations (Cost \$5,011,528)				5,021,191
Common Stocks 2.1%				
Consumer Discretionary 0.1%				
<i>Hotels, Restaurants & Leisure</i> 0.1%				
Bossier Casino Venture Holdco Inc.			46,209	426,047 *(e)(f)
Energy 0.5%				
<i>Energy Equipment & Services</i> 0.0%				
Hercules Offshore Inc.			25,348	28,897 *
<i>Oil, Gas & Consumable Fuels</i> 0.5%				
Magnum Hunter Resources Corp.			121,157	1,587,158 *(a)(f)
Total Energy				1,616,055
Financials 1.3%				
<i>Banks</i> 1.3%				
Citigroup Inc.			75,394	3,511,099 (a)
JPMorgan Chase & Co.			12,923	843,484 (a)
Total Financials				4,354,583
Health Care 0.0%				
<i>Health Care Providers & Services</i> 0.0%				
Physiotherapy Associates Holdings Inc. (Escrow)			8,500	99,535 *(e)(f)
Industrials 0.1%				
<i>Marine</i> 0.1%				
DeepOcean Group Holding AS			56,705	315,507 *(e)(f)
Materials 0.0%				
<i>Metals & Mining</i> 0.0%				
Mirabela Nickel Ltd.			1,991,337	1 *(e)(f)
Telecommunication Services 0.1%				
<i>Diversified Telecommunication Services</i> 0.1%				
Axtel SAB de CV, ADR			74,595	183,011 *(b)
Total Common Stocks (Cost \$9,156,750)				6,994,739
Convertible Preferred Stocks 0.2%				
Health Care 0.2%				
<i>Pharmaceuticals</i> 0.2%				
Allergan PLC (Cost \$503,829)	5.500%		599	505,951

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Security	Rate	Shares	Value
Preferred Stocks 0.1%			
Financials 0.1%			
<i>Diversified Financial Services 0.1%</i>			
Citigroup Capital XIII (Cost \$155,287)	7.008%	5,950	\$ 155,117 ^(k)
		Expiration Date	
Purchased Options 0.0%		Contracts	
U.S. Dollar/Saudi Arabian Riyal, Call @ 3.84 SAR (Cost \$201,738)		1/17/17	49,086
Total Investments before Short-Term Investments (Cost \$446,537,114)			446,534,930
		Shares	
Short-Term Investments 0.7%			
State Street Institutional U.S. Government Money Market Fund, Premier Class (Cost \$2,350,233)	0.239%	2,350,233	2,350,233
Total Investments 137.1% (Cost \$448,887,347#)			448,885,163
<i>Liabilities in Excess of Other Assets (37.1)%</i>			(121,408,331)
Total Net Assets 100.0%			\$ 327,476,832

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

* Non-income producing security.

(a) All or a portion of this security is pledged as collateral pursuant to the loan agreement (See Note 5).

(b) 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.

(c) Security is exempt from registration under Regulation S of the Securities Act of 1933. Regulation S applies to securities offerings that are made outside of the United States and do not involve direct selling efforts in the United States. This security has been deemed liquid pursuant to guidelines approved by the Board of Directors, unless otherwise noted.

(d) 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.

(e) Security is valued in good faith in accordance with procedures approved by the Board of Directors (See Note 1).

(f) Illiquid security (unaudited).

Edgar Filing: WESTERN ASSET GLOBAL HIGH INCOME FUND INC. - Form N-CSR

- (g) The coupon payment on these securities is currently in default as of May 31, 2016.
 - (h) Value is less than \$1.
 - (i) The maturity principal is currently in default as of May 31, 2016.
 - (j) Security has no maturity date. The date shown represents the next call date.
 - (k) Variable rate security. Interest rate disclosed is as of the most recent information available.
 - (l) 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.
 - (m) 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 \$451,262,109.

[See Notes to Financial Statements.](#)

Western Asset Global High Income Fund Inc.

Abbreviations used in this schedule:

ADR	American Depositary Receipts
AUD	Australian Dollar
EUR	Euro
GBP	British Pound
MXN	Mexican Peso
OJSC	Open Joint Stock Company
SAR	Saudi Arabian Riyal

Summary of Investments by Country (unaudited)**

United States	50.6%
United Kingdom	7.5
Mexico	4.1
Argentina	3.5
Brazil	3.4
Russia	3.2
France	2.9
Luxembourg	2.5
Colombia	2.0
Peru	1.9
Indonesia	1.8
Canada	1.2
China	1.0
Venezuela	0.9
Ireland	0.9
Spain	0.9
Belgium	0.8
Chile	0.8
Hungary	0.8
Italy	0.7
Poland	0.6
Netherlands	0.6
Dominican Republic	0.6
Germany	0.5
Turkey	0.5
United Arab Emirates	0.5
Ivory Coast	0.4
India	0.4
Lithuania	0.3
Morocco	0.3
Australia	0.3

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2016

Western Asset Global High Income Fund Inc.

Summary of Investments by Country** (unaudited) (cont d)

Croatia	0.3%
Ecuador	0.3
Costa Rica	0.2
Malaysia	0.2
Ghana	0.2
Gabon	0.2
Israel	0.1
Uruguay	0.1
Paraguay	0.1
Switzerland	0.1
Sri Lanka	0.1
Honduras	0.1
Pakistan	0.1
Armenia	0.1
Qatar	0.1
Vietnam	0.1
Namibia	0.1
Norway	0.1
Kenya	0.1
Tunisia	0.1
El Salvador	0.1
Senegal	0.1
Egypt	0.1
South Korea	0.0
Bahamas	0.0
Cayman Islands	0.0
Panama	0.0
Short-Term Investments	0.5
	100.0%

** As a percentage of total investments. Please note that the Fund holdings are as of May 31, 2016 and are subject to change.

Represents less than 0.1%.

See Notes to Financial Statements.

Statement of assets and liabilities

May 31, 2016

Assets:	
Investments, at value (Cost \$448,887,347)	\$ 448,885,163
Foreign currency, at value (Cost \$409,292)	404,491
Interest and dividends receivable	7,621,091
Receivable for securities sold	2,731,842
Unrealized appreciation on forward foreign currency contracts	800,763
Deposits with brokers for open futures contracts	131,006
Prepaid expenses	21,873
Other receivables	36,995
Total Assets	460,633,224
Liabilities:	
Loan payable (Note 5)	120,000,000
Payable for securities purchased	10,872,710
Due to custodian	1,100,225
Unrealized depreciation on forward foreign currency contracts	538,649
Investment management fee payable	301,844
Interest payable	87,422
Payable to broker variation margin on open futures contracts	7,625
Directors' fees payable	6,573
Accrued expenses	241,344
Total Liabilities	133,156,392
Total Net Assets	\$ 327,476,832
Net Assets:	
Par value (\$0.001 par value; 31,053,250 shares issued and outstanding; 100,000,000 shares authorized) (Note 7)	\$ 31,053
Paid-in capital in excess of par value	440,775,570
Overdistributed net investment income	(177,649)
Accumulated net realized loss on investments, futures contracts, written options and foreign currency transactions	(113,393,967)
Net unrealized appreciation on investments, futures contracts and foreign currencies	241,825
Total Net Assets	\$ 327,476,832
Shares Outstanding	31,053,250
Net Asset Value	\$10.55

See Notes to Financial Statements.

Statement of operations

For the Year Ended May 31, 2016

Investment Income:	
Interest	\$ 35,488,533
Dividends	330,990
Less: Foreign taxes withheld	(76)
Total Investment Income	35,819,447
Expenses:	
Investment management fee (Note 2)	3,867,616
Interest expense (Notes 3 and 5)	1,415,444
Excise tax (Note 1)	135,337
Reorganization fees (Note 9)	119,112
Legal fees	102,706
Directors' fees	78,644
Audit and tax fees	76,070
Transfer agent fees	76,069
Shareholder reports	37,599
Stock exchange listing fees	26,579
Custody fees	26,323
Commitment fees (Note 5)	7,582
Insurance	6,888
Miscellaneous expenses	13,054
Total Expenses	5,989,023
Less: Fee waivers and/or expense reimbursements (Note 2)	(227,507)
Net Expenses	5,761,516
Net Investment Income	30,057,931
Realized and Unrealized Gain (Loss) on Investments, Futures Contracts, Written Options and Foreign Currency Transactions (Notes 1, 3 and 4):	
Net Realized Gain (Loss) From:	
Investment transactions	(44,206,784)
Futures contracts	(7,723)
Written options	293,843
Foreign currency transactions	1,323,527
Net Realized Loss	(42,597,137)
Change in Net Unrealized Appreciation (Depreciation) From:	
Investments	(6,242,638)
Futures contracts	220,720
Foreign currencies	(836,766)
Change in Net Unrealized Appreciation (Depreciation)	(6,858,684)
Net Loss on Investments, Futures Contracts, Written Options and Foreign Currency Transactions	(49,455,821)
Decrease in Net Assets From Operations	\$ (19,397,890)

See Notes to Financial Statements.

Statements of changes in net assets

For the Years Ended May 31,	2016	2015
Operations:		
Net investment income	\$ 30,057,931	\$ 30,782,822
Net realized loss	(42,597,137)	(3,999,494)
Change in net unrealized appreciation (depreciation)	(6,858,684)	(30,190,554)
<i>Decrease in Net Assets From Operations</i>	<i>(19,397,890)</i>	<i>(3,407,226)</i>
Distributions to Shareholders From (Note 1):		
Net investment income	(35,866,503)	(35,866,503)
<i>Decrease in Net Assets From Distributions to Shareholders</i>	<i>(35,866,503)</i>	<i>(35,866,503)</i>
<i>Decrease in Net Assets</i>	<i>(55,264,393)</i>	<i>(39,273,729)</i>
Net Assets:		
Beginning of year	382,741,225	422,014,954
End of year*	\$ 327,476,832	\$ 382,741,225
*Includes (overdistributed) undistributed net investment income, respectively, of:	\$(177,649)	\$9,149,330

See Notes to Financial Statements.

Statement of cash flows

For the Year Ended May 31, 2016

Increase (Decrease) in Cash:

Cash Provided (Used) by Operating Activities:

Net decrease in net assets resulting from operations	\$ (19,397,890)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided (used) by operating activities:	
Purchases of portfolio securities	(320,884,679)
Sales of portfolio securities	315,697,305
Net purchases, sales and maturities of short-term investments	7,850,847
Cash paid for purchased options	(201,738)
Payment-in-kind	(458,963)
Net amortization of premium (accretion of discount)	(2,450,599)
Decrease in receivable for securities sold	5,581,746
Decrease in interest and dividends receivable	1,033,201
Increase in prepaid expenses	(95)
Decrease in other receivables	36,227
Decrease in deposits with brokers for open futures contracts	245,997
Decrease in deposits with brokers for centrally cleared swap contracts	1,820
Increase in payable for securities purchased	330,375
Decrease in investment management fee payable	(46,155)
Increase in Directors' fees payable	573
Decrease in interest payable	(18,962)
Increase in accrued expenses	150,170
Decrease in payable to broker - variation margin on open futures contracts	(61,641)
Net realized loss on investments	44,206,784
Change in net unrealized appreciation (depreciation) of investments and forward foreign currency transactions	7,109,076
Net Cash Provided by Operating Activities*	38,723,399

Cash Flows From Financing Activities:

Distributions paid on common stock	(35,866,503)
Decrease in loan payable	(5,000,000)
Decrease in payable for reverse repurchase agreements	(2,346,840)
Increase in due to custodian	1,100,225
Net Cash Used in Financing Activities	(42,113,118)
Net Decrease in Cash	(3,389,719)
Cash at Beginning of Year	3,794,210
Cash at End of Year	\$ 404,491

* Included in operating expenses is cash of \$1,440,698 paid for interest and commitment fees on borrowings.

See Notes to Financial Statements.

Financial highlights

For a share of capital stock outstanding throughout each year ended May 31:					
	2016 ¹	2015 ¹	2014 ¹	2013 ¹	2012
Net asset value, beginning of year	\$12.33	\$13.59	\$13.71	\$12.80	\$13.62
Income (loss) from operations:					
Net investment income	0.97	0.99	1.06	1.11	1.19
Net realized and unrealized gain (loss)	(1.59)	(1.09)	(0.02)	0.96	(0.85)
Total income (loss) from operations	(0.62)	(0.10)	1.04	2.07	0.34
Less distributions from:					
Net investment income	(1.16)	(1.16)	(1.16)	(1.16)	(1.16)
Total distributions	(1.16)	(1.16)	(1.16)	(1.16)	(1.16)
Net asset value, end of year	\$10.55	\$12.33	\$13.59	\$13.71	\$12.80
Market price, end of year	\$9.52	\$10.91	\$12.91	\$13.30	\$12.85
Total return, based on NAV^{2,3}	(4.66)%	(0.66)%	8.12%	16.51%	2.81%
Total return, based on Market Price⁴	(1.08)%	(6.76)%	6.59%	12.77%	5.32%
Net assets, end of year (000s)	\$327,477	\$382,741	\$422,015	\$425,790	\$395,093
Ratios to average net assets:					
Gross expenses	1.79% ⁵	1.55%	1.53%	1.53%	1.56%
Net expenses ⁶	1.72 ⁵	1.48	1.46	1.47	1.50
Net investment income	8.99	7.74	7.98	8.08	9.26
Portfolio turnover rate	71%	40%	40%	40%	33%
Supplemental data:					
Loan Outstanding, End of Year (000s)	\$120,000	\$125,000	\$90,000	\$100,000	\$100,000
Asset Coverage, per \$1,000 Principal Amount of Loan Outstanding ⁷	\$3,729	\$4,062	\$5,689 ⁸	\$5,258 ⁸	\$4,951 ⁸
Asset Coverage Ratio for Loan Outstanding ⁷	373%	406%	569%	526%	495%
Weighted Average Loan (000s)	\$120,027	\$102,205	\$99,863	\$100,000	\$100,000
Weighted Average Interest Rate on Loan	1.18%	0.97%	0.96%	1.08%	1.10%

¹ Per share amounts have been calculated using the average shares method.

² Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results.

³ The total return calculation assumes that distributions are reinvested at NAV. Past performance is no guarantee of future results.

⁴ The total return calculation assumes that distributions are reinvested in accordance with the Fund's dividend reinvestment plan. Past performance is no guarantee of future results.

⁵ Included in the expense ratios are certain non-recurring reorganization fees that were incurred by the Fund during the period. Without these fees, the gross and net expense ratios would have been 1.76% and 1.69%, respectively.

⁶ Reflects fee waivers and/or expense reimbursements.

⁷ Represents value of net assets plus the loan outstanding at the end of the period divided by the loan outstanding at the end of the period.

⁸ Added to conform to current period presentation.

[See Notes to Financial Statements.](#)

Notes to financial statements

1. Organization and significant accounting policies

Western Asset Global High Income Fund Inc. (the Fund) was incorporated in Maryland and is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Board of Directors authorized 100 million shares of \$0.001 par value common stock. The Fund's primary investment objective is high current income. The Fund's secondary objective is total return. Under normal market conditions, the Fund invests in a global portfolio of securities consisting of below investment grade fixed income securities, emerging market fixed income securities and investment grade fixed income securities.

The following are significant accounting policies consistently followed by the Fund and are in conformity with U.S. generally accepted accounting principles (GAAP). Estimates and assumptions are required to be made regarding assets, liabilities and changes in net assets resulting from operations when financial statements are prepared. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ. Subsequent events have been evaluated through the date the financial statements were issued.

(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. Investments in open-end funds are valued at the closing net asset value per share of each fund on the day of valuation. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. Equity securities for which market quotations are available are valued at the last reported sales price or official closing price on the primary market or exchange on which they trade. When the Fund holds securities or other assets that are denominated in a foreign currency, the Fund will normally use the currency exchange rates as of 4:00 p.m. (Eastern Time). If independent third party pricing services are unable to supply prices for a portfolio investment, or if the prices supplied are deemed by the manager to be unreliable, the market price may be determined by the manager using quotations from one or more broker/dealers or at the transaction price if the security has recently been purchased and no value has yet been obtained from a pricing service or pricing broker. When reliable prices are not readily available, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the Fund calculates its net asset value, the Fund values these securities as determined in accordance with procedures approved by the Fund's Board of Directors.

The Board of Directors is responsible for the valuation process and has delegated the supervision of the daily valuation process to the Legg Mason North Atlantic Fund Valuation Committee (the Valuation Committee). The Valuation Committee, pursuant to the policies adopted by the Board of Directors, is responsible for making fair value determinations, evaluating the effectiveness of the Fund's pricing policies, and reporting to the Board of Directors. When determining the reliability of third party pricing information for investments owned by the Fund, the Valuation Committee, among other things, conducts due diligence reviews of pricing vendors, monitors the daily change in prices and reviews transactions among market participants.

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

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

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

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

Level 1 quoted prices in active markets for identical investments

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

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

Notes to financial statements (cont d)

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 (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Long-term investments :				
Corporate bonds & notes:				
Consumer discretionary		\$ 53,450,133	\$ 708,670	\$ 54,158,803
Energy		77,796,927	0*	77,796,927
Materials		36,150,509	0*	36,150,509
Other corporate bonds & notes		195,745,266		195,745,266
Asset-backed securities		1,362,035		1,362,035
Convertible bonds & notes		464,854		464,854
Senior loans:				
Consumer discretionary		710,887	719,549	1,430,436
Energy			1,238,910	1,238,910
Utilities			1,016,361	1,016,361
Other senior loans		1,437,589		1,437,589
Sovereign bonds		63,007,156		63,007,156
U.S. government & agency obligations		5,021,191		5,021,191
Common stocks:				
Consumer discretionary			426,047	426,047
Energy	\$ 28,897	1,587,158		1,616,055
Financials	4,354,583			4,354,583
Health care			99,535	99,535
Industrials			315,507	315,507
Materials			1	1
Telecommunication services		183,011		183,011
Convertible preferred stocks	505,951			505,951
Preferred stocks	155,117			155,117
Purchased options		49,086		49,086
Total long-term investments	\$ 5,044,548	\$ 436,965,802	\$ 4,524,580	\$ 446,534,930
Short-term investments	\$ 2,350,233			\$ 2,350,233
Total investments	\$ 7,394,781	\$ 436,965,802	\$ 4,524,580	\$ 448,885,163
Other financial instruments:				
Futures contracts	\$ 24,558			\$ 24,558
Forward foreign currency contracts		\$ 800,763		800,763
Total other financial instruments	\$ 24,558	\$ 800,763		\$ 825,321
Total	\$ 7,419,339	\$ 437,766,565	\$ 4,524,580	\$ 449,710,484

LIABILITIES

Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Other financial instruments:				
Futures contracts	\$ 6,907			\$ 6,907
Forward foreign currency contracts		\$ 538,649		538,649
Total	\$ 6,907	\$ 538,649		\$ 545,556

See Schedule of Investments for additional detailed categorizations.

* Amount represents less than \$1.

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

Investments in Securities	Corporate Bonds & Notes					Asset-Backed Securities
	Consumer Discretionary	Energy	Industrials	Materials	Utilities	
Balance as of May 31, 2015	\$ 891,906		\$ 1,091,622	\$ 0*	\$ 1,454,074	\$ 348,000
Accrued premiums/discounts	16,997		5,739		302	4,088
Realized gain (loss) ¹			617		(1,986)	
Change in unrealized appreciation (depreciation) ²	648		(35,870)	(145)	(148,213)	(3,588)
Purchases	103,750	\$ 0*		145		
Sales	(304,631)		(467,541)		(137,284)	
Transfers into Level 3 ³						
Transfers out of Level 3 ⁴			(594,567)		(1,166,893)	(348,500)
Balance as of May 31, 2016	\$ 708,670	\$ 0*		\$ 0*		
Net change in unrealized appreciation (depreciation) for investments in securities still held at May 31, 2016 ²	\$ 648			\$ (145)		

Investments in Securities (cont d)	Senior Loans			
	Consumer Discretionary	Consumer Staples	Energy	Utilities
Balance as of May 31, 2015	\$ 724,200	\$ 313,875	\$ 559,298	
Accrued premiums/discounts	1,920	1,275	6,052	\$ 206
Realized gain (loss) ¹		24	21,327	
Change in unrealized appreciation (depreciation) ²	(110,433)	(4,024)	(226,981)	(5,107)
Purchases	557,200		1,687,800	463,050
Sales		(3,533)	(808,586)	
Transfers into Level 3 ³	257,549			558,212
Transfers out of Level 3 ⁴	(710,887)	(307,617)		
Balance as of May 31, 2016	\$ 719,549		\$ 1,238,910	\$ 1,016,361
Net change in unrealized appreciation (depreciation) for investments in securities still held at May 31, 2016 ²	\$ (95,476)		\$ (226,981)	\$ (5,107)

Notes to financial statements (cont d)

Investments in Securities (cont d)	Common Stocks				
	Consumer Discretionary	Health Care	Industrials	Materials	Total
Balance as of May 31, 2015	\$ 0*	\$ 705,500	\$ 533,991		\$ 6,622,466
Accrued premiums/discounts					36,579
Realized gain (loss) ¹		244,873			264,855
Change in unrealized appreciation (depreciation) ²	426,047	8,401	(218,484)		(317,749)
Purchases		68,946			2,880,891
Sales		(928,185)			(2,649,760)
Transfers into Level 3 ³				\$ 1	815,762
Transfers out of Level 3 ⁴					(3,128,464)
Balance as of May 31, 2016	\$ 426,047	\$ 99,535	\$ 315,507	\$ 1	\$ 4,524,580
Net change in unrealized appreciation (depreciation) for investments in securities still held at May 31, 2016 ²	\$ 426,047	\$ 30,589	\$ (218,484)		\$ (88,909)

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

* Amount represents less than \$1.

¹ This amount is included in net realized gain (loss) from investment transactions in the accompanying Statement of Operations.

² This amount is included in the change in net unrealized appreciation (depreciation) in the accompanying Statement of Operations. Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized.

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

⁴ Transferred out of Level 3 as a result of the availability of a quoted price in an active market for an identical investment or the availability of other significant observable inputs.

(b) Repurchase agreements. The Fund may enter into repurchase agreements with institutions that its subadviser has determined are creditworthy. Each repurchase agreement is recorded at cost. Under the terms of a typical repurchase agreement, the Fund acquires a debt security subject to an obligation of the seller to repurchase, and of the Fund to resell, the security at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. When entering into repurchase agreements, it is the Fund's policy that its custodian or a third party custodian, acting on the Fund's behalf, take possession of the underlying collateral securities, the market value of which, at all times, at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction maturity exceeds one business day, the value of the collateral is marked-to-market and measured against the value of the agreement in an effort to ensure the adequacy of the collateral. If the counterparty defaults, the Fund generally has the right to use the collateral to satisfy the terms of the repurchase transaction. However, if the market value of the collateral declines during the period in which the Fund seeks to assert its rights or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

(c) Reverse repurchase agreements. The Fund may enter into reverse repurchase agreements. Under the terms of a typical reverse repurchase agreement, a fund sells a security subject to an obligation to repurchase the security from the buyer at an agreed-upon time and price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund's use of the proceeds of the agreement may be restricted pending a determination by the counterparty, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities. In entering into reverse repurchase agreements, the Fund will maintain cash, U.S. government securities or other liquid debt obligations at least equal in value to its obligations with respect to reverse repurchase agreements or will take other actions permitted by law to cover its obligations. If the market value of the collateral declines during the period, the Fund may be required to post additional collateral to cover its obligation. Cash collateral that has been pledged to cover obligations of the Fund under reverse repurchase agreements, if any, will be reported separately in the Statement of Assets and Liabilities. Securities pledged as collateral are noted in the Schedule of Investments. Interest payments made on reverse repurchase agreements are recognized as a component of Interest expense on the Statement of Operations. In periods of increased demand for the security, the Fund may receive a fee for use of the security by the counterparty, which may result in interest income to the Fund.

(d) Futures contracts. The Fund uses futures contracts generally to gain exposure to, or hedge against, changes in interest rates or gain exposure to, or hedge against, changes in certain asset classes. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the Fund is required to deposit cash or cash equivalents with a broker in an amount equal to a certain percentage of the contract amount. This is known as the initial margin and subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuation in the value of the contract. For certain futures, including foreign denominated futures, variation margin is not settled daily, but is recorded as a net variation margin payable or receivable. The daily changes in contract value are recorded as unrealized gains or losses in the Statement of Operations and the Fund recognizes a realized gain or loss when the contract is closed.

Futures contracts involve, to varying degrees, risk of loss in excess of the amounts reflected in the financial statements. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

(e) Forward foreign currency contracts. The Fund enters into a forward foreign currency contract to hedge against foreign currency exchange rate risk on its non-U.S. dollar denominated securities or to facilitate settlement of a foreign currency denominated portfolio transaction. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price with delivery and settlement at a future date. The contract is marked-to-market daily and the change in value is recorded by the Fund as an unrealized gain or loss. When a forward foreign currency contract is closed, through either

Notes to financial statements (cont d)

delivery or offset by entering into another forward foreign currency contract, the Fund recognizes a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value of the contract at the time it is closed.

Forward foreign currency contracts involve elements of market risk in excess of the amounts reflected on the Statement of Assets and Liabilities. The Fund bears the risk of an unfavorable change in the foreign exchange rate underlying the forward foreign currency contract. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

(f) Foreign currency translation. Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts based upon prevailing exchange rates on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts based upon prevailing exchange rates on the respective dates of such transactions.

The Fund does not isolate that portion of the results of operations resulting from fluctuations in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Net realized foreign exchange gains or losses arise from sales of foreign currencies, including gains and losses on forward foreign currency contracts, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the values of assets and liabilities, other than investments in securities, on the date of valuation, resulting from changes in exchange rates.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of U.S. dollar denominated transactions as a result of, among other factors, the possibility of lower levels of governmental supervision and regulation of foreign securities markets and the possibility of political or economic instability.

(g) Written options. When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability, the value of which is marked-to-market daily to reflect the current market value of the option written. If the option expires, the premium received is recorded as a realized gain. When a written call option is exercised, the difference between the premium received plus the option exercise price and the Fund's basis in the underlying security (in the case of a covered written call option), or the cost to purchase the underlying security (in the case of an uncovered written call option), including brokerage commission, is recognized as a realized gain or loss. When a written put option is exercised, the amount of the premium received is subtracted from the cost of the security purchased by the Fund from the exercise of the written put option to form the Fund's basis.

in the underlying security purchased. The writer or buyer of an option traded on an exchange can liquidate the position before the exercise of the option by entering into a closing transaction. The cost of a closing transaction is deducted from the original premium received resulting in a realized gain or loss to the Fund.

The risk in writing a covered call option is that the Fund may forego the opportunity of profit if the market price of the underlying security increases and the option is exercised. The risk in writing a put option is that the Fund may incur a loss if the market price of the underlying security decreases and the option is exercised. The risk in writing an uncovered call option is that the Fund is exposed to the risk of loss if the market price of the underlying security increases. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

(h) Purchased options. When the Fund purchases an option, an amount equal to the premium paid by the Fund is recorded as an investment on the Statement of Assets and Liabilities, the value of which is marked-to-market to reflect the current market value of the option purchased. If the purchased option expires, the Fund realizes a loss equal to the amount of premium paid. When an instrument is purchased or sold through the exercise of an option, the related premium paid is added to the basis of the instrument acquired or deducted from the proceeds of the instrument sold. The risk associated with purchasing put and call options is limited to the premium paid.

(i) Loan participations. The Fund may invest in loans arranged through private negotiation between one or more financial institutions. The Fund's investment in any such loan may be in the form of a participation in or an assignment of the loan. In connection with purchasing participations, the Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement related to the loan, or any rights of off-set against the borrower and the Fund may not benefit directly from any collateral supporting the loan in which it has purchased the participation.

The Fund assumes the credit risk of the borrower, the lender that is selling the participation and any other persons interpositioned between the Fund and the borrower. In the event of the insolvency of the lender selling the participation, the Fund may be treated as a general creditor of the lender and may not benefit from any off-set between the lender and the borrower.

(j) Cash flow information. The Fund invests in securities and distributes dividends from net investment income and net realized gains, which are paid in cash and may be reinvested at the discretion of shareholders. These activities are reported in the Statement of Changes in Net Assets and additional information on cash receipts and cash payments are presented in the Statement of Cash Flows.

(k) Foreign investment risks. The Fund's investments in foreign securities may involve risks not present in domestic investments. Since securities may be denominated in foreign currencies, may require settlement in foreign currencies or pay interest or dividends in foreign currencies, changes in the relationship of these foreign currencies to the U.S. dollar

Notes to financial statements (cont d)

can significantly affect the value of the investments and earnings of the Fund. Foreign investments may also subject the Fund to foreign government exchange restrictions, expropriation, taxation or other political, social or economic developments, all of which affect the market and/or credit risk of the investments.

(l) Credit and market risk. The Fund invests in high-yield and emerging market instruments that are subject to certain credit and market risks. The yields of high-yield and emerging market debt obligations reflect, among other things, perceived credit and market risks. The Fund's investments in securities rated below investment grade typically involve risks not associated with higher rated securities including, among others, greater risk related to timely and ultimate payment of interest and principal, greater market price volatility and less liquid secondary market trading. The consequences of political, social, economic or diplomatic changes may have disruptive effects on the market prices of investments held by the Fund. The Fund's investments in non-U.S. dollar denominated securities may also result in foreign currency losses caused by devaluations and exchange rate fluctuations.

(m) Counterparty risk and credit-risk-related contingent features of derivative instruments. The Fund may invest in certain securities or engage in other transactions where the Fund is exposed to counterparty credit risk in addition to broader market risks. The Fund may invest in securities of issuers, which may also be considered counterparties as trading partners in other transactions. This may increase the risk of loss in the event of default or bankruptcy by the counterparty or if the counterparty otherwise fails to meet its contractual obligations. The Fund's subadviser attempts to mitigate counterparty risk by (i) periodically assessing the creditworthiness of its trading partners, (ii) monitoring and/or limiting the amount of its net exposure to each individual counterparty based on its assessment and (iii) requiring collateral from the counterparty for certain transactions. Market events and changes in overall economic conditions may impact the assessment of such counterparty risk by the subadviser. In addition, declines in the values of underlying collateral received may expose the Fund to increased risk of loss.

The Fund has entered into master agreements with certain of its derivative counterparties that provide for general obligations, representations, agreements, collateral, events of default or termination and credit related contingent features. The credit related contingent features include, but are not limited to, a percentage decrease in the Fund's net assets or NAV over a specified period of time. If these credit related contingent features were triggered, the derivatives counterparty could terminate the positions and demand payment or require additional collateral.

Collateral requirements differ by type of derivative. Collateral or margin requirements are set by the broker or exchange clearing house for exchange traded derivatives while collateral terms are contract specific for over-the-counter traded derivatives. Cash collateral that has been pledged to cover obligations of the Fund under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities. Securities pledged as collateral, if any, for the same purpose are noted in the Schedule of Investments.

Absent an event of default by the counterparty or a termination of the agreement, the terms of the master agreements do not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the Fund and the applicable counterparty. The enforceability of the right to offset may vary by jurisdiction.

As of May 31, 2016, the Fund held forward foreign currency contracts with credit related contingent features which had a liability position of \$538,649. If a contingent feature in the master agreements would have been triggered, the Fund would have been required to pay this amount to its derivatives counterparties.

(n) Security transactions and investment income. Security transactions are accounted for on a trade date basis. Interest income, adjusted for amortization of premium and accretion of discount, is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Foreign dividend income is recorded on the ex-dividend date or as soon as practicable after the Fund determines the existence of a dividend declaration after exercising reasonable due diligence. The cost of investments sold is determined by use of the specific identification method. To the extent any issuer defaults or a credit event occurs that impacts the issuer, the Fund may halt any additional interest income accruals and consider the realizability of interest accrued up to the date of default or credit event.

(o) Compensating balance arrangements. The Fund has an arrangement with its custodian bank whereby a portion of the custodian's fees is paid indirectly by credits earned on the Fund's cash on deposit with the bank.

(p) Distributions to shareholders. Distributions from net investment income of the Fund, if any, are declared quarterly and paid on a monthly basis. Distributions of net realized gains, if any, are declared at least annually. Distributions to shareholders of the Fund are recorded on the ex-dividend date and are determined in accordance with income tax regulations, which may differ from GAAP.

(q) Federal and other taxes. It is the Fund's policy to comply with the federal income and excise tax requirements of the Internal Revenue Code of 1986 (the Code), as amended, applicable to regulated investment companies. Accordingly, the Fund intends to distribute its taxable income and net realized gains, if any, to shareholders in accordance with timing requirements imposed by the Code. Therefore, no federal or state income tax provision is required in the Fund's financial statements. However, due to the timing of when distributions are made by the Fund, the Fund may be subject to an excise tax of 4% of the amount by which 98% of the Fund's annual taxable income and 98.2% of net realized gains exceed the distributions from such taxable income and realized gains for the calendar year. The Fund paid \$135,337 of Federal excise taxes attributable to calendar year 2015 in March 2016.

Management has analyzed the Fund's tax positions taken on income tax returns for all open tax years and has concluded that as of May 31, 2016, no provision for income tax is required in the Fund's financial statements. The Fund's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have

Notes to financial statements (cont d)

not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

Under the applicable foreign tax laws, a withholding tax may be imposed on interest, dividends and capital gains at various rates.

(r) Reclassification. GAAP requires that certain components of net assets be reclassified to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. During the current year, the following reclassifications have been made:

	Overdistributed Net Investment Income	Accumulated Net Realized Loss	Paid-in Capital
(a)	\$ 254,449		\$ (254,449)
(b)	(3,772,856)	\$ 3,772,856	

(a) Reclassifications are due to a non-deductible excise tax paid by the Fund and non-deductible reorganization costs for tax purposes.

(b) Reclassifications are due to foreign currency transactions treated as ordinary income for tax purposes and differences between book and tax amortization of premium on fixed income securities.

2. Investment management agreement and other transactions with affiliates

Legg Mason Partners Fund Advisor, LLC (LMPFA) is the Fund's investment manager. Western Asset Management Company (Western Asset), Western Asset Management Company Limited (Western Asset Limited) and Western Asset Management Company Pte. Ltd. (Western Singapore) are the Fund's subadvisers. LMPFA, Western Asset, Western Asset Limited and Western Singapore are wholly-owned subsidiaries of Legg Mason, Inc. (Legg Mason).

LMPFA provides administrative and certain oversight services to the Fund. The Fund pays LMPFA an investment management fee, calculated daily and paid monthly, at an annual rate of 0.85% of the Fund's average daily net assets plus the proceeds of any outstanding borrowings. LMPFA implemented a voluntary investment management fee waiver of 0.05% beginning on March 1, 2010 and then continuing through December 31, 2016, which reduced the annual rate of that fee to 0.80%.

LMPFA delegates to Western Asset the day-to-day portfolio management of the Fund. Western Asset Limited and Western Singapore provide certain subadvisory services to the Fund relating to currency transactions and investment in non-U.S. dollar denominated securities. Western Asset Limited and Western Singapore do not receive any compensation from the Fund and are compensated by Western Asset for its services to the Fund. For its services, LMPFA pays Western Asset 70% of the net management fee it receives from the Fund. In turn, Western Asset pays Western Asset Limited and Western Singapore a subadvisory fee of 0.30% on assets managed by each subadviser.

During the periods in which the Fund utilizes financial leverage, the fees paid to LMPFA will be higher than if the Fund did not utilize leverage because the fees are calculated as a percentage of the Fund's assets, including those investments purchased with leverage.

During the year ended May 31, 2016, fees waived and/or expenses reimbursed amounted to \$227,507.

All officers and one Director of the Fund are employees of Legg Mason or its affiliates and do not receive compensation from the Fund.

3. Investments

During the year ended May 31, 2016, the aggregate cost of purchases and proceeds from sales of investments (excluding short-term investments) and U.S. Government and Agency Obligations were as follows:

	Investments	U.S. Government & Agency Obligations
Purchases	\$ 309,257,537	\$ 11,627,142
Sales	309,109,771	6,587,534

At May 31, 2016, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were as follows:

Gross unrealized appreciation	\$ 24,781,484
Gross unrealized depreciation	(27,158,430)
Net unrealized depreciation	\$ (2,376,946)

Transactions in reverse repurchase agreements for the Fund during the year ended May 31, 2016 were as follows:

Average Daily Balance*	Weighted Average Interest Rate*	Maximum Amount Outstanding
\$2,346,840	0.41%	\$2,346,840

* Averages based on the number of days that Fund had reverse repurchase agreements outstanding.

Interest expense incurred on reverse repurchase agreements totaled \$2,268 during the year ended May 31, 2016. At May 31, 2016, the Fund had no open reverse repurchase agreements.

During the year ended May 31, 2016, written option transactions for the Fund were as follows:

	Number of Contracts	Premiums
Written options, outstanding as of May 31, 2015		
Options written	3,105,144	\$ 296,980
Options closed	(144)	(269,532)
Options exercised		
Options expired	(3,105,000)	(27,448)
Written options, outstanding as of May 31, 2016		

Notes to financial statements (cont d)

At May 31, 2016, the Fund had the following open futures contracts:

	Number of Contracts	Expiration Date	Basis Value	Market Value	Unrealized Appreciation (Depreciation)
Contracts to Sell:					
U.S. Treasury 10-Year Notes	40	9/16	\$ 5,212,058	\$ 5,187,500	\$ 24,558
U.S. Treasury Long-Term Bonds	22	9/16	3,585,968	3,592,875	(6,907)
Net unrealized appreciation on open futures contracts					\$ 17,651

At May 31, 2016, the Fund had the following open forward foreign currency contracts:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
INR 240,000,000	USD 3,579,643	Citibank N.A.	6/13/16	\$ (19,634)
IDR 13,558,584,314	USD 1,021,362	Citibank N.A.	6/28/16	(33,453)
EUR 8,072,577	USD 9,208,631	Bank of America N.A.	7/14/16	(213,591)
EUR 2,400,000	USD 2,753,875	Barclays Bank PLC	8/12/16	(77,010)
USD 2,854,012	MXN 52,397,085	Barclays Bank PLC	8/12/16	36,463
EUR 150,000	USD 168,541	Citibank N.A.	8/12/16	(1,237)
MXN 52,397,085	USD 2,936,942	Citibank N.A.	8/12/16	(119,393)
USD 1,331,677	EUR 1,161,465	Citibank N.A.	8/12/16	36,226
USD 1,770,039	GBP 1,220,000	Citibank N.A.	8/12/16	2,216
USD 451,511	PLN 1,746,895	Citibank N.A.	8/12/16	9,212
EUR 320,000	USD 368,749	UBS AG	8/12/16	(11,834)
EUR 640,000	USD 734,560	UBS AG	8/12/16	(20,729)
EUR 800,000	USD 897,360	UBS AG	8/12/16	(5,072)
USD 25,194,230	EUR 21,964,370	UBS AG	8/12/16	696,044
USD 5,712,683	GBP 3,939,537	UBS AG	8/12/16	4,153
SGD 280,000	USD 202,801	Citibank N.A.	8/15/16	267
USD 3,689,248	SGD 5,064,600	Citibank N.A.	8/15/16	16,182
BRL 7,608,785	USD 2,096,662	JPMorgan Chase & Co.	8/15/16	(36,696)
Total				\$ 262,114

Abbreviations used in this table:

BRL	Brazilian Real
EUR	Euro
GBP	British Pound
IDR	Indonesian Rupiah
INR	Indian Rupee
MXN	Mexican Peso
PLN	Polish Zloty
SGD	Singapore Dollar
USD	United States Dollar

4. Derivative instruments and hedging activities

Below is a table, grouped by derivative type, that provides information about the fair value and the location of derivatives within the Statement of Assets and Liabilities at May 31, 2016.

ASSET DERIVATIVES¹			
	Interest Rate Risk	Foreign Exchange Risk	Total
Purchased options ²		\$ 49,086	\$ 49,086
Futures contracts ³	\$ 24,558		24,558
Forward foreign currency contracts		800,763	800,763
Total	\$ 24,558	\$ 849,849	\$ 874,407

LIABILITY DERIVATIVES¹			
	Interest Rate Risk	Foreign Exchange Risk	Total
Futures contracts ³	\$ 6,907		\$ 6,907
Forward foreign currency contracts		\$ 538,649	538,649
Total	\$ 6,907	\$ 538,649	\$ 545,556

¹ Generally, the balance sheet location for asset derivatives is receivables/net unrealized appreciation (depreciation) and for liability derivatives is payables/net unrealized appreciation (depreciation).

² Market value of purchased options is reported in Investments at value in the Statement of Assets and Liabilities.

³ Includes cumulative appreciation (depreciation) of futures contracts as reported in the footnotes. Only variation margin is reported within the receivables and/or payables on the Statement of Assets and Liabilities.

The following tables provide information about the effect of derivatives and hedging activities on the Fund's Statement of Operations for the year ended May 31, 2016. The first table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the period. The second table provides additional information about the change in unrealized appreciation (depreciation) resulting from the Fund's derivatives and hedging activities during the period.

AMOUNT OF REALIZED GAIN (LOSS) ON DERIVATIVES RECOGNIZED			
	Interest Rate Risk	Foreign Exchange Risk	Total
Written options		\$ 293,843	\$ 293,843
Futures contracts	\$ 131,551	(139,274)	(7,723)
Forward foreign currency contracts ¹		1,449,463	1,449,463
Total	\$ 131,551	\$ 1,604,032	\$ 1,735,583

¹ Net realized gain (loss) from forward foreign currency contracts is reported in net realized gain (loss) from foreign currency transactions in the Statement of Operations.

Notes to financial statements (cont d)

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON DERIVATIVES RECOGNIZED

	Interest Rate Risk	Foreign Exchange Risk	Total
Purchased options ¹		\$ (152,652)	\$ (152,652)
Futures contracts	\$ 220,720		220,720
Forward foreign currency contracts ²		(866,438)	(866,438)
Total	\$ 220,720	\$ (1,019,090)	\$ (798,370)

¹ The change in unrealized appreciation (depreciation) from purchased options is reported in the change in net unrealized appreciation (depreciation) from investments in the Statement of Operations.

² The change in unrealized appreciation (depreciation) from forward foreign currency contracts is reported in the change in net unrealized appreciation (depreciation) from foreign currencies in the Statement of Operations.

During the year ended May 31, 2016, the volume of derivative activity for the Fund was as follows:

	Average Market Value
Written options	\$ 10,529
Purchased options	32,596
Futures contracts (to buy)	6,595,430
Futures contracts (to sell)	21,579,795
Forward foreign currency contracts (to buy)	17,379,727
Forward foreign currency contracts (to sell)	50,529,502

At May 31, 2016, there were no open positions held in this derivative.

The following table presents by financial instrument, the Fund's derivative assets net of the related collateral received by the Fund at May 31, 2016:

	Gross Amount of Derivative Assets in the Statement of Assets and Liabilities ¹	Collateral Received	Net Amount
Purchased options ²	\$ 49,086		\$ 49,086
Forward foreign currency contracts	800,763		800,763
Total	\$ 849,849		\$ 849,849

The following table presents by financial instrument, the Fund's derivative liabilities net of the related collateral pledged by the Fund at May 31, 2016:

	Gross Amount of Derivative Liabilities in the Statement of Assets and Liabilities ¹	Collateral Pledged ^{3,4}	Net Amount
Futures contracts ⁵	\$ 7,625	\$ (7,625)	
Forward foreign currency contracts	538,649		\$ 538,649

Edgar Filing: WESTERN ASSET GLOBAL HIGH INCOME FUND INC. - Form N-CSR

Total	\$	546,274	\$ (7,625)	\$ 538,649
--------------	----	----------------	------------	-------------------

¹ Absent an event of default or early termination, derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities.

² Market value of purchased options is shown in Investments at value in the Statement of Assets and Liabilities.

³ Gross amounts are not offset in the Statement of Assets and Liabilities.

⁴ In some instances, the actual collateral received and/or pledged may be more than the amount shown here due to overcollateralization.

⁵ Amount represents the current day's variation margin as reported in the Statement of Assets and Liabilities. It differs from the cumulative appreciation (depreciation) presented in the previous table.

54 Western Asset Global High Income Fund Inc. 2016 Annual Report

5. Loan

The Fund has a revolving credit agreement with State Street Bank and Trust Co. that allows the Fund to borrow up to an aggregate amount of \$125,000,000 and renews daily for a 270-day term unless notice to the contrary is given to the Fund. The Fund pays a commitment fee on the unutilized portion of the loan commitment amount