

Western Asset High Yield Defined Opportunity Fund Inc.
Form N-CSR
July 26, 2017

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 811-22444

Western Asset High Yield Defined Opportunity 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, 2017

ITEM 1. REPORT TO STOCKHOLDERS.

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

Annual Report

May 31, 2017

WESTERN ASSET

HIGH YIELD DEFINED

OPPORTUNITY FUND INC. (HYI)

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

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Fund objectives

The Fund's primary investment objective is to provide high income. As a secondary investment objective, the Fund will seek capital appreciation.

The Fund seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its net assets in a portfolio of high-yield corporate fixed-income securities with varying maturities. Corporate securities include those securities that are issued or originated by U.S. or foreign public or private corporations and other business entities.

Letter from the chairman

Dear Shareholder,

At a meeting held in November 2016, the Fund's Board of Directors approved a recommendation from Legg Mason Partners Fund Advisor, LLC, the Fund's investment manager, to change the fiscal year-end of the Fund from August 31 to May 31st. As a result of this change, shareholders are being provided with a short-period annual report for the nine-month period from September 1, 2016 through May 31, 2017. Please read on for a more detailed look at the prevailing economic and market conditions during the Fund's abbreviated reporting period and to learn how those conditions have affected Fund performance.

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

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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, 2017

II Western Asset High Yield Defined Opportunity Fund Inc.

Investment commentary

Economic review

The pace of U.S. economic activity fluctuated during the nine-month period from September 1, 2016 through May 31, 2017 (the reporting period). Looking back, the U.S. Department of Commerce reported that second quarter 2016 U.S. gross domestic product (GDP) growth was 1.4%. GDP growth for the third quarter of 2016 was 3.5%, the strongest reading in two years. However, fourth quarter 2016 GDP growth then moderated to 2.1%. Finally, the U.S. Department of Commerce's final reading for first quarter 2017 GDP growth released after the reporting period ended was 1.4%. The deceleration in growth reflected downturns in private inventory investment and personal consumption expenditures, along with more modest state and local government spending.

Job growth in the U.S. was solid overall and a tailwind for the economy during the reporting period. When the reporting period ended on May 31, 2017, the unemployment rate was 4.3%, as reported by the U.S. Department of Labor. This was the lowest unemployment rate since May 2001. The percentage of longer-term unemployed also declined over the period. In May 2017, 24.0% of Americans looking for a job had been out of work for more than six months, versus 24.9% when the period began.

Looking back, after an extended period of maintaining the federal funds rateⁱⁱ at a historically low range between zero and 0.25%, the Federal Reserve Board (the Fedⁱⁱ) 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%. The Fed then kept rates on hold at each meeting prior to its meeting in mid-December 2016. On December 14, 2016, the Fed raised rates to a range between 0.50% and 0.75%.

After holding rates steady at its meeting that concluded on February 1, 2017, the Fed raised rates to a range between 0.75% and 1.00% at its meeting that ended on March 15, 2017. Finally, at its meeting that concluded on June 14, 2017 after the reporting period ended the Fed raised rates to a range between 1.00% and 1.25%. The Fed also said that it planned to reduce its balance sheet, saying, "The Committee is maintaining its existing policy of reinvesting principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities and of rolling over maturing Treasury securities at auction. The Committee currently expects to begin implementing a balance sheet normalization program this year, provided that the economy evolves broadly as anticipated."

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, 2017

Investment commentary (cont d)

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results.

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 (the 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 Western Asset High Yield Defined Opportunity Fund Inc.

Fund overview

Q. What is the Fund's investment strategy?

A. The Fund's primary investment objective is to provide high income. As a secondary investment objective, the Fund will seek capital appreciation. We believe the extensive credit research and security selection expertise of Western Asset Management Company (Western Asset) will be key factors in driving Fund performance.

The Fund seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its net assets in a portfolio of high-yield corporate fixed-income securities with varying maturities. Currently, the Fund focuses on lower-quality and higher-yielding opportunities in the below investment grade corporate debt markets. Under normal market conditions, the Fund may also invest up to 20% of its net assets in fixed-income securities issued by U.S. or foreign governments, agencies and instrumentalities and/or fixed-income securities that are of investment grade quality. The Fund has a limited term and as a fundamental policy intends to liquidate and distribute substantially all of its net assets to stockholders after making appropriate provisions for any liabilities of the Fund on or about September 30, 2025.

In purchasing securities and other investments for the Fund, Western Asset, the Fund's subadviser, may take full advantage of the entire range of maturities offered by fixed-income securities and may adjust the average maturity or duration¹ of the Fund's portfolio from time to time, depending on its assessment of the relative yields available on securities of different durations and its expectations of future changes in interest rates. The Fund is also permitted purchases of equity securities (including but not limited to common stock, preferred stock, convertible securities, warrants of U.S. and non-U.S. issuers). The Fund may utilize a variety of derivative instruments primarily for hedging and risk management purposes, although the Fund may also use derivative instruments for investment purposes.

At Western Asset, 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 and Christopher F. Kilpatrick.

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

A. The overall fixed income market experienced periods of volatility and generated weak results over the nine-month reporting period from September 1, 2016 through May 31, 2017. The fixed income market was volatile at times given signs of generally modest economic growth, uncertainties regarding future Federal Reserve Board (the Fed's) monetary policy, implications of the U.K.'s referendum to leave the European Union (Brexit) and a number of geopolitical issues.

Fund overview (cont d)

Both short- and long-term Treasury yields moved higher during the reporting period as a whole. The yields for the two-year Treasury began the reporting period at 0.80% and ended the period at 1.28%. Their peak of 1.40% occurred on both March 13 and March 14, 2017, and their low of 0.73% occurred on September 29, 2016. The yields for the ten-year Treasury were 1.58% at the beginning of the period and ended the period at 2.21%. Their peak of 2.62% was on March 13, 2017, and their low of 1.54% occurred on September 7, 2016.

Regarding the global credit markets for the nine-month reporting period ended May 31, 2017, the period began with generally robust investor risk appetite as economic data improved, central banks remained highly accommodative and commodity prices stabilized. While there were occasional periods of weakness, such as immediately following the results of the U.S. elections in November 2016 and following the Fed's December 2016 meeting, these proved to be only temporary setbacks. In addition, investor sentiment was buoyed by expectations for improving growth, rising corporate profits and less regulation under President Donald Trump's administration. The market stumbled in March 2017 after the failure to repeal and replace the Affordable Care Act. This triggered skepticism regarding the timing and magnitude of President Trump's pro-growth agenda. However, the market again rallied in April and May 2017 amid generally supportive economic data.

The Bloomberg Barclays U.S. Aggregate Indexⁱⁱⁱ returned -0.73% for the nine-month reporting period from September 1, 2016 through May 31, 2017. Comparatively, riskier fixed-income securities, including high-yield bonds and emerging market debt, produced superior results. Over the reporting period, the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index^{iv} gained 7.33%. During this period, as measured by the high yield index, lower-quality CCC-rated bonds outperformed higher-quality B-rated securities, returning 14.10% and 7.05%, respectively. Elsewhere, emerging market debt, as measured by the JPMorgan Emerging Markets Bond Index Global^v, returned 2.33% for the nine-month reporting period.

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

A. A number of adjustments were made to the Fund's portfolio during the reporting period. We reduced the Fund's overall risk exposure given the strong performance of the high-yield market and tighter spreads. This included paring our overweight to securities rated CCC. We also reduced the Fund's underweight to B-rated bonds. We added attractively valued bonds in the primary market, as well as rising star issuers that our credit team believed had a chance of being upgraded to investment grade. From an industry perspective, we pared the Fund's exposure to banks, as they have moved closer to our estimate of fair value, but remained constructive. We increased our allocation to the metals & mining industry given the recovery in commodity prices. In addition, management teams appeared to be focused on improving balance sheets, especially for fallen angels (investment grade holdings that had been downgraded to below investment grade status). We also added to the Fund's Energy sector exposure due to improving pricing and fundamentals. Finally, we added to the Fund's allocations to sovereign debt issued by Argentina and Ecuador as we found them to be attractively valued.

The Fund employed U.S. Treasury futures to manage its yield curve^{vi} positioning and

duration. All told, our Treasury futures trades detracted from performance during the reporting period. A credit default index swap (CDX), which was used to manage the Fund's high-yield corporate bond exposure, also marginally detracted from performance. Finally, currency forwards and options, which were utilized to manage the Fund's currency exposure, contributed to performance. All told, derivatives did not have a material impact to performance.

Performance review

For the nine-month period from September 1, 2016 through May 31, 2017, Western Asset High Yield Defined Opportunity Fund Inc. returned 8.82% based on its net asset value (NAVⁱⁱ) and 7.15% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmarks, the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index B Componentⁱⁱⁱ and the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index Caa Component^{iv}, returned 7.05% and 14.10%, respectively, for the same period. The Lipper High Yield Closed-End Funds Category Average^x returned 8.56% over the same time frame. Please note that Lipper performance returns are based on each fund's NAV.

During the reporting period, the Fund made distributions to shareholders totaling \$0.94 per share*. The performance table shows the Fund's nine-month total return based on its NAV and market price as of May 31, 2017. **Past performance is no guarantee of future results.**

Performance Snapshot as of May 31, 2017

Price Per Share	9-Month
\$16.93 (NAV)	Total Return**
\$15.44 (Market Price)	8.82%
	7.15%

All figures represent past performance and are not a guarantee of future results. Performance figures for periods shorter than one year represent cumulative figures and are not annualized.

**** 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.

Q. What were the leading contributors to performance?

A. The largest contributor to the Fund's absolute performance during the reporting period was the Fund's positioning in a number of sectors. An overweight to the Energy sector was additive for results, as it was one of the top performing sectors during the reporting period. Individual holdings that were positive for returns included overweight positions in Chesapeake Energy Corp., Petrobras and Oasis Petroleum Inc. Prior to the reporting period, we had a backdrop of weakening oil prices and all of these companies were downgraded by Moody's Investors Service. However, they subsequently improved their balance sheets and

*For the tax character of distributions paid during the fiscal period ended May 31, 2017, please refer to page 46 of this report.

Fund overview (cont d)

benefited from recovering oil prices. As a result, several of these companies have been recently upgraded. An overweight to the metals & mining industry was rewarded given its strong results over the reporting period. An example of holdings that added value was an overweight in Murray Energy Corp. The company performed well amid stabilizing commodity prices.

Also from an industry perspective, an overweight to the wireless industry and underweights to the media and retail industries were rewarded. The wireless industry performed well amid consistently solid revenues. The retail industry was negatively impacted by poor fundamental performance and long-term challenges, whereas the media industry was hampered by weak fundamentals.

Elsewhere, within the Communications¹ sector, an overweight to Sprint (Sprint Communications, Inc. and Sprint Corp.) was the largest contributor to results. Sprint's management team made improvements both from an operational and financial standpoint and its debt was upgraded by Moody's in January 2017.

Q. What were the leading detractors from performance?

A. Our ratings biases were the largest detractor from performance during the reporting period. In particular, an underweight to securities rated CCC and an overweight to securities rated B were not rewarded, as lower quality bonds significantly outperformed their higher quality counterparts.

From an industry perspective, overweights to wirelines industry and banks were additive to the Fund's absolute performance. However, they lagged the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index during the reporting period.

A number of individual holdings were also negative for performance, including an underweight in Scientific Games International, along with our exposure to Sierra Hamilton and our equity position in Blue Ridge Mountain Resources. Scientific Games International performed well due to improving company and industry fundamentals. Therefore, the Fund's underweight position was not rewarded. A position in Sierra Hamilton LLC, an energy consulting company, was negative for performance as the company was downgraded by Moody's Investors Service in January 2017. Blue Ridge Mountain Resources Inc. filed for Chapter 11 in late 2015, emerged from bankruptcy in April 2016, and has gone through restructuring since then. In early April 2017, the company's equity valuation moved lower as a result of updated comparisons with other companies.

Looking for additional information?

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

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

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 High Yield Defined Opportunity 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 30, 2017

***RISKS:** The Fund is a non-diversified, closed-end management investment company designed primarily as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program and, due to the uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objective. The Fund's common stock is traded on the New York Stock Exchange. Similar to stocks, the Fund's share price will fluctuate with market conditions and, at the time of sale, may be worth more or less than the original investment. Shares of closed-end funds often trade at a discount to their net asset value. Because the Fund is non-diversified, it may be more susceptible to economic, political or regulatory events than a diversified fund. The Fund's investments are subject to a number of risks such as credit risk, inflation risk and interest rate risk. As interest rates rise, bond prices fall, reducing the value of the Fund's share price. The Fund may invest in lower-rated high-yield bonds, commonly known as junk bonds, which are subject to greater liquidity and credit risk (risk of default) than higher-rated obligations. The Fund is also permitted purchases of equity securities. Equity securities generally have greater price volatility than fixed income securities. Investments in foreign securities involve risks, including the possibility of losses due to changes in currency exchange rates and negative developments in the political, economic, or regulatory structure of specific countries or regions. These risks are greater in emerging markets. The Fund may make significant investments in derivative instruments. Derivative instruments can be illiquid, may disproportionately increase losses, and may have a potentially large impact on Fund performance. The Fund may invest in securities or engage in transactions that have the economic effects of leverage which can increase the risk and volatility of the Fund.*

Portfolio holdings and breakdowns are as of May 31, 2017 and are subject to change and may not be representative of the portfolio managers current or future investments. Please refer to pages 10 through 26 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, 2017 were: Consumer Discretionary (17.2%), Energy (16.5%), Financials (11.4%), Telecommunication Services (11.3%) and Materials (8.5%). 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.

Fund overview (cont d)

- 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 (the 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 Bloomberg 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 Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index is an index of the 2% Issuer Cap component of the Bloomberg Barclays U.S. Corporate High Yield Index, which covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market.
- ^v 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.
- ^{vi} The yield curve is the graphical depiction of the relationship between the yield on bonds of the same credit quality but different maturities.
- ^{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} The Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index B Component is an index of the 2% Issuer Cap component of the Bloomberg Barclays U.S. Corporate High Yield Index and is comprised of B-rated securities included in this index.
- ^{ix} The Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index Caa Component is an index of the 2% Issuer Cap component of the Bloomberg Barclays U.S. Corporate High Yield Index and is comprised of Caa-rated securities included in this index.
- ^x Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the nine-month period ended May 31, 2017, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 7 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, 2017 and August 31, 2016 and does not include derivatives, such as 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, 2017

Total Spread Duration

HYI 4.00 years

Benchmark 3.28 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.

Benchmark	60% Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index B Component & 40% Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index Caa Component
EM	Emerging Markets
HY	High Yield
HYI	Western Asset High Yield Defined Opportunity Fund Inc.
IG Credit	Investment Grade Credit
MBS	Mortgage-Backed Securities

Effective duration (unaudited)

Interest rate exposure May 31, 2017

Total Effective Duration

HYI 4.29 years

Benchmark 3.29 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	60% Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index B Component & 40% Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index Caa Component
EM	Emerging Markets
HY	High Yield
HYI	Western Asset High Yield Defined Opportunity Fund Inc.
IG Credit	Investment Grade Credit
MBS	Mortgage-Backed Securities

Schedule of investments

May 31, 2017

Western Asset High Yield Defined Opportunity Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Corporate Bonds & Notes 86.0%				
Consumer Discretionary 16.6%				
<i>Auto Components</i> 1.0%				
Adient Global Holdings Ltd., Senior Notes	4.875%	8/15/26	2,070,000	\$ 2,087,467 ^(a)
ZF North America Capital Inc., Senior Notes	4.750%	4/29/25	1,500,000	1,584,375 ^(a)
<i>Total Auto Components</i>				3,671,842
<i>Diversified Consumer Services</i> 0.7%				
Prime Security Services Borrower LLC/Prime Finance Inc., Secured Notes	9.250%	5/15/23	1,390,000	1,523,217 ^(a)
Service Corp. International, Senior Notes	7.500%	4/1/27	1,030,000	1,212,825
<i>Total Diversified Consumer Services</i>				2,736,042
<i>Hotels, Restaurants & Leisure</i> 4.8%				
Aramark Services Inc., Senior Notes	5.000%	4/1/25	630,000	663,075 ^(a)
Bossier Casino Venture Holdco Inc., Senior Secured Bonds (14.000% PIK)	14.000%	2/9/18	1,215,851	1,215,851 ^{(a)(b)(c)(d)}
Brinker International Inc., Senior Notes	5.000%	10/1/24	1,080,000	1,092,150 ^(a)
Carrols Restaurant Group Inc., Secured Notes	8.000%	5/1/22	820,000	880,475
CCM Merger Inc., Senior Notes	6.000%	3/15/22	723,000	748,305 ^(a)
CEC Entertainment Inc., Senior Notes	8.000%	2/15/22	1,200,000	1,266,000
Downstream Development Authority of the Quapaw Tribe of Oklahoma, Senior Secured Notes	10.500%	7/1/19	890,000	872,200 ^(a)
Hilton Worldwide Finance LLC/Hilton Worldwide Finance Corp., Senior Notes	4.625%	4/1/25	1,200,000	1,245,000 ^(a)
Hilton Worldwide Finance LLC/Hilton Worldwide Finance Corp., Senior Notes	4.875%	4/1/27	810,000	840,375 ^(a)
Jack Ohio Finance LLC/Jack Ohio Finance 1 Corp., Senior Secured Notes	6.750%	11/15/21	1,110,000	1,153,012 ^(a)
Landry's Inc., Senior Notes	6.750%	10/15/24	900,000	931,500 ^(a)
Mohegan Tribal Gaming Authority, Senior Notes	7.875%	10/15/24	1,000,000	1,036,250 ^(a)
Scientific Games International Inc., Senior Notes	10.000%	12/1/22	880,000	961,400
Scientific Games International Inc., Senior Secured Notes	7.000%	1/1/22	820,000	877,400 ^(a)
Silversea Cruise Finance Ltd., Senior Secured Notes	7.250%	2/1/25	852,000	914,324 ^(a)
Sugarhouse HSP Gaming Prop Mezz LP/Sugarhouse HSP Gaming Finance Corp., Senior Secured Notes	5.875%	5/15/25	990,000	978,863 ^(a)
Viking Cruises Ltd., Senior Notes	8.500%	10/15/22	2,840,000	2,985,550 ^(a)
<i>Total Hotels, Restaurants & Leisure</i>				18,661,730
<i>Household Durables</i> 0.7%				
Century Communities Inc., Senior Notes	5.875%	7/15/25	1,100,000	1,102,750 ^(a)
Lennar Corp., Senior Notes	4.500%	4/30/24	460,000	466,325
Shea Homes LP/Shea Homes Funding Corp., Senior Notes	6.125%	4/1/25	850,000	875,500 ^(a)

See Notes to Financial Statements.

Western Asset High Yield Defined Opportunity Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Household Durables continued</i>				
William Lyon Homes Inc., Senior Notes	7.000%	8/15/22	250,000	\$ 260,625
<i>Total Household Durables</i>				2,705,200
<i>Leisure Products 0.3%</i>				
Gibson Brands Inc., Senior Secured Notes	8.875%	8/1/18	1,070,000	965,675 ^(a)
<i>Media 6.4%</i>				
AMC Entertainment Holdings Inc., Senior Notes	6.125%	5/15/27	760,000	787,550 ^(a)
Carmike Cinemas Inc., Secured Notes	6.000%	6/15/23	440,000	469,700 ^(a)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.125%	5/1/27	520,000	533,975 ^(a)
Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes	4.908%	7/23/25	3,010,000	3,272,352
Charter Communications Operating LLC/Charter Communications Operating Capital Corp., Senior Secured Notes	6.484%	10/23/45	640,000	768,701
DISH DBS Corp., Senior Notes	5.875%	7/15/22	280,000	299,600
DISH DBS Corp., Senior Notes	5.875%	11/15/24	220,000	235,125
DISH DBS Corp., Senior Notes	7.750%	7/1/26	30,000	35,325
EW Scripps Co., Senior Notes	5.125%	5/15/25	630,000	646,538 ^(a)
iHeartCommunications Inc., Senior Notes (12.000% Cash, 2.000% PIK)	14.000%	2/1/21	2,858,218	703,836 ^(b)
MDC Partners Inc., Senior Notes	6.500%	5/1/24	490,000	496,125 ^(a)
SFR Group SA, Senior Secured Bonds	6.250%	5/15/24	2,730,000	2,876,737 ^(a)
SFR Group SA, Senior Secured Notes	7.375%	5/1/26	4,300,000	4,668,166 ^(a)
Time Warner Cable LLC, Senior Notes	8.250%	4/1/19	550,000	610,464
Univision Communications Inc., Senior Secured Notes	6.750%	9/15/22	1,714,000	1,797,558 ^(a)
Viacom Inc., Senior Notes	4.375%	3/15/43	2,140,000	1,892,325
Virgin Media Finance PLC, Senior Notes	6.375%	4/15/23	1,260,000	1,327,725 ^(a)
Virgin Media Finance PLC, Senior Notes	6.000%	10/15/24	1,750,000	1,850,625 ^(a)
Ziggo Secured Finance BV, Senior Secured Notes	5.500%	1/15/27	1,430,000	1,455,783 ^(a)
<i>Total Media</i>				24,728,210
<i>Multiline Retail 0.1%</i>				
Jo-Ann Stores Holdings Inc., Senior Notes (9.750% Cash or 10.500% PIK)	9.750%	10/15/19	380,000	379,050 ^{(a)(b)}
Neiman Marcus Group LLC, Senior Secured Notes	7.125%	6/1/28	270,000	196,087
<i>Total Multiline Retail</i>				575,137
<i>Specialty Retail 2.4%</i>				
American Greetings Corp., Senior Notes	7.875%	2/15/25	1,230,000	1,316,100 ^(a)
GameStop Corp., Senior Notes	6.750%	3/15/21	730,000	750,988 ^(a)
Guitar Center Inc., Senior Secured Bonds	6.500%	4/15/19	2,730,000	2,364,862 ^(a)

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2017

Western Asset High Yield Defined Opportunity Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Specialty Retail continued</i>				
Hertz Corp., Senior Notes	5.875%	10/15/20	520,000	\$ 495,300
Hot Topic Inc., Senior Secured Notes	9.250%	6/15/21	660,000	673,200 ^(a)
PetSmart Inc., Senior Notes	7.125%	3/15/23	1,630,000	1,524,050 ^(a)
PetSmart Inc., Senior Notes	8.875%	6/1/25	830,000	819,625 ^(a)
PetSmart Inc., Senior Secured Notes	5.875%	6/1/25	320,000	322,000 ^(a)
ServiceMaster Co., LLC, Senior Notes	5.125%	11/15/24	940,000	977,224 ^(a)
<i>Total Specialty Retail</i>				9,243,349
<i>Textiles, Apparel & Luxury Goods 0.2%</i>				
Hanesbrands Inc., Senior Notes	4.875%	5/15/26	640,000	644,800 ^(a)
Total Consumer Discretionary				63,931,985
<i>Consumer Staples 4.1%</i>				
<i>Beverages 0.7%</i>				
Carolina Beverage Group LLC/Carolina Beverage Group Finance Inc., Secured Notes	10.625%	8/1/18	1,060,000	1,060,000 ^(a)
Cott Holdings Inc., Senior Notes	5.500%	4/1/25	920,000	944,049 ^(a)
DS Services of America Inc., Secured Notes	10.000%	9/1/21	714,000	763,087 ^(a)
<i>Total Beverages</i>				2,767,136
<i>Food & Staples Retailing 0.4%</i>				
Beverages & More Inc., Senior Secured Notes	10.000%	11/15/18	1,550,000	1,478,313 ^(a)
<i>Food Products 2.2%</i>				
AdvancePierre Foods Holdings Inc., Senior Notes	5.500%	12/15/24	890,000	1,004,587 ^(a)
Lamb Weston Holdings Inc., Senior Notes	4.625%	11/1/24	1,260,000	1,297,800 ^(a)
Lamb Weston Holdings Inc., Senior Notes	4.875%	11/1/26	720,000	741,600 ^(a)
Pilgrim s Pride Corp., Senior Notes	5.750%	3/15/25	720,000	741,600 ^(a)
Post Holdings Inc., Senior Notes	5.500%	3/1/25	1,180,000	1,239,000 ^(a)
Simmons Foods Inc., Secured Notes	7.875%	10/1/21	3,140,000	3,351,950 ^(a)
<i>Total Food Products</i>				8,376,537
<i>Household Products 0.3%</i>				
Central Garden & Pet Co., Senior Notes	6.125%	11/15/23	570,000	612,750
Spectrum Brands Inc., Senior Notes	6.625%	11/15/22	460,000	486,450
<i>Total Household Products</i>				1,099,200
<i>Tobacco 0.5%</i>				
Alliance One International Inc., Secured Notes	9.875%	7/15/21	1,640,000	1,437,050
Alliance One International Inc., Senior Secured Notes	8.500%	4/15/21	560,000	585,200 ^(a)
<i>Total Tobacco</i>				2,022,250
Total Consumer Staples				15,743,436

See Notes to Financial Statements.

Western Asset High Yield Defined Opportunity Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Energy 14.8%				
<i>Energy Equipment & Services 1.8%</i>				
Ensco PLC, Senior Notes	4.700%	3/15/21	190,000	\$ 192,850
Ensco PLC, Senior Notes	5.750%	10/1/44	1,130,000	808,492
KCA Deutag UK Finance PLC, Senior Secured Notes	7.250%	5/15/21	440,000	416,240 ^(a)
KCA Deutag UK Finance PLC, Senior Secured Notes	9.875%	4/1/22	1,480,000	1,524,400 ^(a)
Pride International Inc., Senior Notes	6.875%	8/15/20	280,000	299,250
Pride International Inc., Senior Notes	7.875%	8/15/40	1,680,000	1,528,800
Sierra Hamilton LLC/Sierra Hamilton Finance Inc., Senior Secured Notes	12.250%	12/15/18	1,140,000	174,306 ^{*(a)(c)(d)(e)}
Transocean Inc., Senior Notes	9.000%	7/15/23	440,000	462,000 ^(a)
Trinidad Drilling Ltd., Senior Notes	6.625%	2/15/25	1,490,000	1,486,275 ^(a)
<i>Total Energy Equipment & Services</i>				<i>6,892,613</i>
<i>Oil, Gas & Consumable Fuels 13.0%</i>				
Berry Petroleum Co. Escrow			640,000	0 ^{*(c)(d)(f)}
Berry Petroleum Co. Escrow			1,571,000	0 ^{*(c)(d)(f)}
Blue Racer Midstream LLC/Blue Racer Finance Corp., Senior Notes	6.125%	11/15/22	1,920,000	1,982,400 ^(a)
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Secured Notes	11.500%	1/15/21	910,000	1,066,975 ^(a)
Carrizo Oil & Gas Inc., Senior Notes	7.500%	9/15/20	780,000	800,475
Cheniere Corpus Christi Holdings LLC, Senior Secured Notes	5.875%	3/31/25	1,110,000	1,196,025
Chesapeake Energy Corp., Senior Notes	6.875%	11/15/20	1,960,000	2,038,400
Chesapeake Energy Corp., Senior Notes	4.875%	4/15/22	3,320,000	3,104,200
Chesapeake Energy Corp., Senior Notes	5.750%	3/15/23	320,000	301,600
Chesapeake Energy Corp., Senior Notes	8.000%	1/15/25	390,000	389,513 ^(a)
Continental Resources Inc., Senior Notes	5.000%	9/15/22	310,000	311,550
Continental Resources Inc., Senior Notes	3.800%	6/1/24	500,000	469,700
Continental Resources Inc., Senior Notes	4.900%	6/1/44	1,090,000	938,076
Covey Park Energy LLC/Covey Park Finance Corp., Senior Notes	7.500%	5/15/25	760,000	780,900 ^(a)
Ecopetrol SA, Senior Notes	5.875%	5/28/45	1,500,000	1,392,600
EP Energy LLC/Everest Acquisition Finance Inc., Senior Notes	9.375%	5/1/20	820,000	754,400
EP Energy LLC/Everest Acquisition Finance Inc., Senior Notes	6.375%	6/15/23	2,080,000	1,500,200
Exterran Energy Solutions LP/EES Finance Corp., Senior Notes	8.125%	5/1/25	730,000	759,200 ^(a)
Holly Energy Partners LP/Holly Energy Finance Corp., Senior Notes	6.000%	8/1/24	300,000	318,375 ^(a)
Kinder Morgan Inc., Medium-Term Notes	7.750%	1/15/32	810,000	1,043,922

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2017

Western Asset High Yield Defined Opportunity Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Oil, Gas & Consumable Fuels continued</i>				
Magnum Hunter Resources Corp. Escrow			3,530,000	\$ 0 *(c)(d)(f)
MEG Energy Corp., Senior Notes	6.375%	1/30/23	2,600,000	2,242,500 (a)
MEG Energy Corp., Senior Notes	7.000%	3/31/24	590,000	513,300 (a)
Murphy Oil USA Inc., Senior Notes	5.625%	5/1/27	740,000	776,075
Murray Energy Corp., Senior Secured Notes	11.250%	4/15/21	740,000	569,800 (a)
NGL Energy Partners LP/NGL Energy Finance Corp., Senior Notes	7.500%	11/1/23	850,000	864,875 (a)
NGPL PipeCo LLC, Senior Secured Notes	7.768%	12/15/37	790,000	942,075 (a)
Oasis Petroleum Inc., Senior Notes	7.250%	2/1/19	1,490,000	1,490,000
Oasis Petroleum Inc., Senior Notes	6.500%	11/1/21	2,140,000	2,182,800
Oasis Petroleum Inc., Senior Notes	6.875%	1/15/23	1,553,000	1,574,354
Petrobras Global Finance BV, Senior Notes	6.750%	1/27/41	4,540,000	4,292,570
Rice Energy Inc., Senior Notes	7.250%	5/1/23	1,490,000	1,599,887
Rockies Express Pipeline LLC, Senior Notes	7.500%	7/15/38	570,000	641,250 (a)
Rockies Express Pipeline LLC, Senior Notes	6.875%	4/15/40	590,000	643,100 (a)
Sanchez Energy Corp., Senior Notes	7.750%	6/15/21	860,000	814,850
Sanchez Energy Corp., Senior Notes	6.125%	1/15/23	4,020,000	3,557,700
Shelf Drilling Holdings Ltd., Secured Notes	9.500%	11/2/20	738,868	740,715 (a)
Tesoro Logistics LP/Tesoro Logistics Finance Corp., Senior Notes	6.125%	10/15/21	120,000	125,475
Tesoro Logistics LP/Tesoro Logistics Finance Corp., Senior Notes	6.375%	5/1/24	340,000	371,450
Whiting Petroleum Corp., Senior Notes	5.000%	3/15/19	770,000	771,925
Whiting Petroleum Corp., Senior Notes	6.250%	4/1/23	1,750,000	1,750,000
Williams Cos. Inc., Debentures	7.500%	1/15/31	330,000	392,700
Williams Cos. Inc., Senior Notes	3.700%	1/15/23	430,000	425,700
Williams Cos. Inc., Senior Notes	4.550%	6/24/24	530,000	547,225
Williams Cos. Inc., Senior Notes	5.750%	6/24/44	1,620,000	1,697,954
WPX Energy Inc., Senior Notes	7.500%	8/1/20	270,000	286,200
WPX Energy Inc., Senior Notes	6.000%	1/15/22	710,000	720,650
WPX Energy Inc., Senior Notes	8.250%	8/1/23	460,000	506,000
<i>Total Oil, Gas & Consumable Fuels</i>				<i>50,189,641</i>
Total Energy				57,082,254
Financials 10.9%				
<i>Banks 5.9%</i>				
Bank of America Corp., Junior Subordinated Notes	6.500%	10/23/24	1,120,000	1,240,400 (g)(h)
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	1,550,000	1,965,373 (a)
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	1,950,000	2,209,594
Barclays PLC, Junior Subordinated Bonds	8.250%	12/15/18	340,000	363,800 (g)(h)

See Notes to Financial Statements.

Western Asset High Yield Defined Opportunity Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Banks continued</i>				
BNP Paribas SA, Junior Subordinated Notes	7.375%	8/19/25	810,000	\$ 891,000 (a)(g)(h)
CIT Group Inc., Senior Notes	5.000%	8/15/22	110,000	119,317
CIT Group Inc., Senior Notes	5.000%	8/1/23	360,000	389,250
Citigroup Inc., Junior Subordinated Bonds	6.300%	5/15/24	3,080,000	3,249,400 (g)(h)
Credit Agricole SA, Junior Subordinated Notes	8.375%	10/13/19	660,000	739,200 (a)(g)(h)
Credit Agricole SA, Junior Subordinated Notes	8.125%	12/23/25	1,330,000	1,541,349 (a)(g)(h)
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	9/17/24	290,000	303,485 (g)(h)
HSBC Holdings PLC, Junior Subordinated Bonds	6.375%	3/30/25	860,000	907,300 (g)(h)
JPMorgan Chase & Co., Junior Subordinated Bonds	6.000%	8/1/23	30,000	31,969 (g)(h)
JPMorgan Chase & Co., Junior Subordinated Notes	6.100%	10/1/24	1,000,000	1,077,500 (g)(h)
Royal Bank of Scotland Group PLC, Junior Subordinated Notes	8.625%	8/15/21	610,000	669,475 (g)(h)
Royal Bank of Scotland Group PLC, Junior Subordinated Notes, Medium-Term Notes	7.640%	9/30/17	7,000,000	6,667,500 (g)(h)
Royal Bank of Scotland NV, Subordinated Bonds	7.750%	5/15/23	350,000	416,311
<i>Total Banks</i>				<i>22,782,223</i>
<i>Capital Markets 1.0%</i>				
Credit Suisse Group Funding Guernsey Ltd., Senior Notes	4.875%	5/15/45	460,000	498,463
Donnelley Financial Solutions Inc., Senior Notes	8.250%	10/15/24	890,000	936,725
Eagle Holding Co. II LLC, Senior Notes (7.625% Cash or 8.375% PIK)	7.625%	5/15/22	1,090,000	1,127,093 (a)(b)
Goldman Sachs Group Inc., Subordinated Notes	5.150%	5/22/45	1,080,000	1,179,554
<i>Total Capital Markets</i>				<i>3,741,835</i>
<i>Consumer Finance 1.2%</i>				
FirstCash Inc., Senior Notes	5.375%	6/1/24	800,000	821,000 (a)
Navient Corp., Medium-Term Notes, Senior Notes	8.450%	6/15/18	920,000	978,144
Navient Corp., Senior Notes	6.750%	6/25/25	260,000	261,833
TMX Finance LLC/TitleMax Finance Corp., Senior Secured Notes	8.500%	9/15/18	2,630,000	2,511,650 (a)
<i>Total Consumer Finance</i>				<i>4,572,627</i>
<i>Diversified Financial Services 2.5%</i>				
AerCap Ireland Capital DAC/AerCap Global Aviation Trust, Senior Bonds	4.625%	7/1/22	360,000	386,231
ASP AMC Merger Subordinated Inc., Senior Notes	8.000%	5/15/25	1,830,000	1,795,688 (a)
International Lease Finance Corp., Senior Notes	6.250%	5/15/19	130,000	139,836
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	3,140,000	3,721,343
International Lease Finance Corp., Senior Notes	5.875%	8/15/22	310,000	352,590
Park Aerospace Holdings Ltd., Senior Notes	5.250%	8/15/22	1,090,000	1,147,906 (a)
Park Aerospace Holdings Ltd., Senior Notes	5.500%	2/15/24	2,010,000	2,121,806 (a)
<i>Total Diversified Financial Services</i>				<i>9,665,400</i>

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Schedule of investments (cont d)

May 31, 2017

Western Asset High Yield Defined Opportunity Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Insurance 0.3%</i>				
Fidelity & Guaranty Life Holdings Inc., Senior Notes	6.375%	4/1/21	620,000	\$ 637,825 (a)
Genworth Holdings Inc., Senior Notes	4.900%	8/15/23	760,000	625,100
<i>Total Insurance</i>				<i>1,262,925</i>
Total Financials				42,025,010
<i>Health Care 6.2%</i>				
<i>Biotechnology 0.2%</i>				
AMAG Pharmaceuticals Inc., Senior Notes	7.875%	9/1/23	660,000	641,850 (a)
<i>Health Care Equipment & Supplies 0.5%</i>				
DJO Finance LLC/DJO Finance Corp., Secured Notes	10.750%	4/15/20	260,000	223,600
DJO Finco Inc./DJO Finance LLC/DJO Finance Corp., Secured Notes	8.125%	6/15/21	1,190,000	1,112,650 (a)
Greatbatch Ltd., Senior Notes	9.125%	11/1/23	780,000	826,800 (a)
<i>Total Health Care Equipment & Supplies</i>				<i>2,163,050</i>
<i>Health Care Providers & Services 3.5%</i>				
BioScrip Inc., Senior Notes	8.875%	2/15/21	820,000	692,900
Centene Corp., Senior Notes	5.625%	2/15/21	630,000	659,534
Centene Corp., Senior Notes	6.125%	2/15/24	370,000	402,952
Centene Corp., Senior Notes	4.750%	1/15/25	1,080,000	1,117,800
CHS/Community Health Systems Inc., Senior Notes	8.000%	11/15/19	630,000	635,513
CHS/Community Health Systems Inc., Senior Secured Notes	6.250%	3/31/23	330,000	343,365
DaVita Inc., Senior Notes	5.750%	8/15/22	1,400,000	1,453,375
DaVita Inc., Senior Notes	5.125%	7/15/24	890,000	907,244
DaVita Inc., Senior Notes	5.000%	5/1/25	1,750,000	1,743,437
HCA Inc., Debentures	7.500%	11/15/95	1,000,000	1,001,250
Tenet Healthcare Corp., Senior Notes	8.125%	4/1/22	2,790,000	2,950,425
Universal Hospital Services Inc., Secured Notes	7.625%	8/15/20	1,410,000	1,445,250
<i>Total Health Care Providers & Services</i>				<i>13,353,045</i>
<i>Pharmaceuticals 2.0%</i>				
Valeant Pharmaceuticals International Inc., Senior Notes	5.375%	3/15/20	890,000	832,195 (a)
Valeant Pharmaceuticals International Inc., Senior Notes	7.000%	10/1/20	310,000	297,600 (a)
Valeant Pharmaceuticals International Inc., Senior Notes	6.375%	10/15/20	280,000	264,600 (a)
Valeant Pharmaceuticals International Inc., Senior Notes	7.500%	7/15/21	780,000	725,891 (a)
Valeant Pharmaceuticals International Inc., Senior Notes	6.750%	8/15/21	460,000	414,000 (a)
Valeant Pharmaceuticals International Inc., Senior Notes	7.250%	7/15/22	1,890,000	1,686,825 (a)
Valeant Pharmaceuticals International Inc., Senior Notes	5.875%	5/15/23	840,000	688,275 (a)
Valeant Pharmaceuticals International Inc., Senior Notes	6.125%	4/15/25	2,000,000	1,617,500 (a)
Valeant Pharmaceuticals International Inc., Senior Secured Notes	6.500%	3/15/22	380,000	399,874 (a)

See Notes to Financial Statements.

Western Asset High Yield Defined Opportunity Fund Inc.

	Rate	Maturity Date	Face Amount	Value
Security				
<i>Pharmaceuticals continued</i>				
Valeant Pharmaceuticals International Inc., Senior Secured Notes	7.000%	3/15/24	670,000	\$ 710,207 ^(a)
<i>Total Pharmaceuticals</i>				7,636,967
Total Health Care				23,794,912
Industrials 7.9%				
<i>Aerospace & Defense 1.1%</i>				
CBC Ammo LLC/CBC FinCo Inc., Senior Notes	7.250%	11/15/21	2,900,000	2,936,250 ^(a)
Heligear Acquisition Co., Senior Secured Bonds	10.250%	10/15/19	620,000	637,732 ^(a)
LMI Aerospace Inc., Secured Notes	7.375%	7/15/19	730,000	760,113
<i>Total Aerospace & Defense</i>				4,334,095
<i>Air Freight & Logistics 0.5%</i>				
XPO Logistics Inc., Senior Notes	6.500%	6/15/22	880,000	937,596 ^(a)
XPO Logistics Inc., Senior Notes	6.125%	9/1/23	810,000	857,588 ^(a)
<i>Total Air Freight & Logistics</i>				1,795,184
<i>Airlines 0.3%</i>				
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	881,510	1,006,024
<i>Commercial Services & Supplies 2.0%</i>				
ACCO Brands Corp., Senior Notes	5.250%	12/15/24	670,000	693,450 ^(a)
Garda World Security Corp., Senior Notes	7.250%	11/15/21	540,000	548,100 ^(a)
GFL Environmental Inc., Senior Notes	9.875%	2/1/21	1,000,000	1,092,500 ^(a)
Monitronics International Inc., Senior Notes	9.125%	4/1/20	800,000	768,000
Ritchie Bros. Auctioneers Inc., Senior Notes	5.375%	1/15/25	870,000	902,625 ^(a)
United Rentals North America Inc., Senior Notes	7.625%	4/15/22	751,000	785,734
West Corp., Senior Notes	5.375%	7/15/22	2,990,000	3,051,683 ^(a)
<i>Total Commercial Services & Supplies</i>				7,842,092
<i>Construction & Engineering 0.5%</i>				
Brundage-Bone Concrete Pumping Inc., Senior Secured Notes	10.375%	9/1/21	860,000	907,300 ^(a)
Michael Baker Holdings LLC/Michael Baker Finance Corp., Senior Notes (8.875% Cash or 9.625% PIK)	8.875%	4/15/19	596,164	592,438 ^{(a)(b)}
Michael Baker International LLC/CDL Acquisition Co. Inc., Senior Secured Notes	8.250%	10/15/18	530,000	533,975 ^(a)
<i>Total Construction & Engineering</i>				2,033,713
<i>Electrical Equipment 0.2%</i>				
Interface Grand Master Holdings Inc., Senior Notes (19.000% PIK)	19.000%	8/15/19	719,460	697,876 ^{(b)(c)(d)}
Trionista TopCo GmbH, Senior Subordinated Notes	6.875%	4/30/21	150,000 ^{EUR}	175,868 ^(a)
<i>Total Electrical Equipment</i>				873,744

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Schedule of investments (cont d)

May 31, 2017

Western Asset High Yield Defined Opportunity Fund Inc.

	Rate	Maturity Date	Face Amount	Value
Security				
<i>Machinery 1.4%</i>				
BlueLine Rental Finance Corp/BlueLine Rental LLC, Senior Secured Notes	9.250%	3/15/24	2,610,000	\$ 2,733,975 ^(a)
CTP Transportation Products LLC/CTP Finance Inc., Senior Secured Notes	8.250%	12/15/19	1,040,000	969,800 ^(a)
Park-Ohio Industries Inc., Senior Notes	6.625%	4/15/27	650,000	679,656 ^(a)
Tennant Co., Senior Notes	5.625%	5/1/25	890,000	930,050 ^(a)
<i>Total Machinery</i>				<i>5,313,481</i>
<i>Marine 0.4%</i>				
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes	8.125%	11/15/21	1,670,000	1,477,950 ^(a)
<i>Road & Rail 0.7%</i>				
Flexi-Van Leasing Inc., Senior Notes	7.875%	8/15/18	2,280,000	2,257,200 ^(a)
Jack Cooper Enterprises Inc., Senior Notes (10.500% Cash or 11.250% PIK)	10.500%	3/15/19	3,286,801	443,718 ^{(a)(b)}
<i>Total Road & Rail</i>				<i>2,700,918</i>
<i>Trading Companies & Distributors 0.6%</i>				
Ahern Rentals Inc., Secured Notes	7.375%	5/15/23	370,000	311,725 ^(a)
H&E Equipment Services Inc., Senior Notes	7.000%	9/1/22	1,870,000	1,964,809
<i>Total Trading Companies & Distributors</i>				<i>2,276,534</i>
<i>Transportation 0.2%</i>				
Neovia Logistics Services LLC/Logistics Intermediate Finance Corp., Senior Notes (10.000% PIK)	10.000%	4/1/20	1,007,293	579,193 ^{(a)(b)}
Neovia Logistics Services LLC/SPL Logistics Finance Corp., Senior Secured Notes	8.875%	8/1/20	150,000	120,750 ^(a)
<i>Total Transportation</i>				<i>699,943</i>
Total Industrials				30,353,678
<i>Information Technology 1.7%</i>				
<i>Electronic Equipment, Instruments & Components 0.1%</i>				
Interface Security Systems Holdings Inc./Interface Security Systems LLC, Senior Secured Notes	9.250%	1/15/18	500,000	492,375
<i>Internet Software & Services 0.1%</i>				
Match Group Inc., Senior Notes	6.375%	6/1/24	490,000	535,938
<i>IT Services 0.4%</i>				
Alliance Data Systems Corp., Senior Notes	5.375%	8/1/22	1,080,000	1,098,900 ^(a)
Compiler Finance Subordinated Inc., Senior Notes	7.000%	5/1/21	430,000	217,150 ^(a)
<i>Total IT Services</i>				<i>1,316,050</i>
<i>Software 0.1%</i>				
CDK Global Inc., Senior Notes	4.875%	6/1/27	380,000	384,989 ^(a)
<i>Technology Hardware, Storage & Peripherals 1.0%</i>				
Dell International LLC/EMC Corp., Senior Notes	7.125%	6/15/24	520,000	579,791 ^(a)

See Notes to Financial Statements.

Western Asset High Yield Defined Opportunity Fund Inc.

	Rate	Maturity Date	Face Amount	Value
Security				
<i>Technology Hardware, Storage & Peripherals continued</i>				
Seagate HDD Cayman, Senior Bonds	4.750%	6/1/23	720,000	\$ 739,890
Seagate HDD Cayman, Senior Bonds	4.750%	1/1/25	2,350,000	2,348,790
Seagate HDD Cayman, Senior Bonds	4.875%	6/1/27	210,000	205,927
<i>Total Technology Hardware, Storage & Peripherals</i>				<i>3,874,398</i>
Total Information Technology				6,603,750
Materials 8.5%				
<i>Chemicals 0.4%</i>				
Eco Services Operations LLC/Eco Finance Corp., Senior Notes	8.500%	11/1/22	910,000	964,600 (a)
HIG BBC Intermediate Holdings LLC/HIG BBC Holdings Corp., Senior Notes (10.500% Cash or 11.250% PIK)	10.500%	9/15/18	348,233	349,103 (a)(b)
<i>Total Chemicals</i>				<i>1,313,703</i>
<i>Construction Materials 0.1%</i>				
Summit Materials LLC/Summit Materials Finance Corp., Senior Notes	5.125%	6/1/25	390,000	395,850 (a)
<i>Containers & Packaging 2.0%</i>				
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	7.250%	5/15/24	830,000	908,850 (a)
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	6.000%	2/15/25	2,180,000	2,278,100 (a)
Flex Acquisition Co. Inc., Senior Notes	6.875%	1/15/25	940,000	986,412 (a)
Pactiv LLC, Senior Bonds	8.375%	4/15/27	2,280,000	2,553,600
Pactiv LLC, Senior Notes	7.950%	12/15/25	410,000	452,538
PaperWorks Industries Inc., Senior Secured Notes	9.500%	8/15/19	840,000	653,100 (a)
<i>Total Containers & Packaging</i>				<i>7,832,600</i>
<i>Metals & Mining 6.0%</i>				
Alcoa Nederland Holding BV, Senior Notes	6.750%	9/30/24	500,000	542,500 (a)
Alcoa Nederland Holding BV, Senior Notes	7.000%	9/30/26	1,130,000	1,243,000 (a)
Anglo American Capital PLC, Senior Notes	3.625%	5/14/20	430,000	437,757 (a)
Anglo American Capital PLC, Senior Notes	4.125%	4/15/21	250,000	258,475 (a)
Anglo American Capital PLC, Senior Notes	4.875%	5/14/25	860,000	896,060 (a)
Anglo American Capital PLC, Senior Notes	4.750%	4/10/27	200,000	207,000 (a)
ArcelorMittal SA, Senior Notes	7.500%	10/15/39	2,020,000	2,272,096
Coeur Mining Inc., Senior Notes	5.875%	6/1/24	1,080,000	1,075,950 (a)
First Quantum Minerals Ltd., Senior Notes	7.250%	4/1/23	760,000	769,500 (a)
First Quantum Minerals Ltd., Senior Notes	7.500%	4/1/25	2,350,000	2,372,031 (a)
FMG Resources (August 2006) Pty Ltd., Senior Secured Notes	9.750%	3/1/22	520,000	598,325 (a)
Freeport-McMoRan Inc., Senior Notes	6.125%	6/15/19	280,000	284,900 (a)
Freeport-McMoRan Inc., Senior Notes	3.100%	3/15/20	10,000	9,891
Freeport-McMoRan Inc., Senior Notes	4.000%	11/14/21	450,000	441,540

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2017

Western Asset High Yield Defined Opportunity Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Metals & Mining continued</i>				
Freeport-McMoRan Inc., Senior Notes	6.750%	2/1/22	320,000	\$ 332,800 (a)
Freeport-McMoRan Inc., Senior Notes	3.550%	3/1/22	310,000	291,400
Freeport-McMoRan Inc., Senior Notes	6.875%	2/15/23	770,000	810,425 (a)
Freeport-McMoRan Inc., Senior Notes	3.875%	3/15/23	380,000	355,072
Freeport-McMoRan Inc., Senior Notes	5.450%	3/15/43	530,000	450,829
HudBay Minerals Inc., Senior Notes	7.250%	1/15/23	500,000	525,000 (a)
HudBay Minerals Inc., Senior Notes	7.625%	1/15/25	1,170,000	1,262,875 (a)
Midwest Vanadium Pty Ltd., Senior Secured Notes	11.500%	2/15/18	1,229,243	23,048 *(a)(e)
Mirabela Nickel Ltd., Subordinated Notes (1.000% PIK)	1.000%	9/10/44	13,687	0 (a)(b)(c)(d)(f)
Teck Resources Ltd., Senior Notes	3.000%	3/1/19	1,340,000	1,360,100
Teck Resources Ltd., Senior Notes	8.000%	6/1/21	650,000	706,875 (a)
Teck Resources Ltd., Senior Notes	8.500%	6/1/24	1,970,000	2,280,275 (a)
Teck Resources Ltd., Senior Notes	6.250%	7/15/41	260,000	273,000
Vale Overseas Ltd., Senior Notes	6.875%	11/21/36	2,220,000	2,397,600
Vale Overseas Ltd., Senior Notes	6.875%	11/10/39	750,000	808,650
<i>Total Metals & Mining</i>				<i>23,286,974</i>
Total Materials				32,829,127
Real Estate 1.5%				
<i>Equity Real Estate Investment Trusts (REITs) 0.4%</i>				
CoreCivic Inc., Senior Notes	4.125%	4/1/20	130,000	134,225
CoreCivic Inc., Senior Notes	5.000%	10/15/22	630,000	652,050
CoreCivic Inc., Senior Notes	4.625%	5/1/23	170,000	172,125
GEO Group Inc., Senior Notes	6.000%	4/15/26	810,000	842,400
<i>Total Equity Real Estate Investment Trusts (REITs)</i>				<i>1,800,800</i>
<i>Real Estate Management & Development 1.1%</i>				
Caesars Entertainment Resort Properties LLC, Secured Notes	11.000%	10/1/21	1,410,000	1,521,249
Caesars Entertainment Resort Properties LLC, Senior Secured Notes	8.000%	10/1/20	1,170,000	1,214,606
Greystar Real Estate Partners LLC, Senior Secured Notes	8.250%	12/1/22	1,310,000	1,418,075 (a)
<i>Total Real Estate Management & Development</i>				<i>4,153,930</i>
Total Real Estate				5,954,730
Telecommunication Services 10.7%				
<i>Diversified Telecommunication Services 4.6%</i>				
CenturyLink Inc., Senior Notes	7.650%	3/15/42	2,370,000	2,248,537
Cogent Communications Group Inc., Senior Secured Notes	5.375%	3/1/22	800,000	846,000 (a)
Frontier Communications Corp., Senior Notes	11.000%	9/15/25	1,080,000	1,015,200
Intelsat Jackson Holdings SA, Senior Notes	7.250%	4/1/19	1,750,000	1,684,375

See Notes to Financial Statements.

Western Asset High Yield Defined Opportunity Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Diversified Telecommunication Services continued</i>				
Intelsat Jackson Holdings SA, Senior Notes	7.250%	10/15/20	1,260,000	\$ 1,140,300
Intelsat Jackson Holdings SA, Senior Notes	7.500%	4/1/21	360,000	323,100
Intelsat Jackson Holdings SA, Senior Secured Notes	8.000%	2/15/24	1,530,000	1,655,269 (a)
Level 3 Financing Inc., Senior Notes	6.125%	1/15/21	520,000	532,350
Oi Brasil Holdings Cooperatief U.A., Senior Notes	5.750%	2/10/22	2,460,000	750,300 *(a)(e)
Telecom Italia Capital SpA, Senior Notes	6.000%	9/30/34	1,500,000	1,593,270
Telecom Italia SpA, Senior Notes	5.303%	5/30/24	2,130,000	2,280,421 (a)
Windstream Services LLC, Senior Notes	7.750%	10/15/20	1,900,000	1,923,161
Windstream Services LLC, Senior Notes	7.750%	10/1/21	1,460,000	1,419,850
Windstream Services LLC, Senior Notes	6.375%	8/1/23	130,000	110,911
<i>Total Diversified Telecommunication Services</i>				<i>17,523,044</i>
<i>Wireless Telecommunication Services 6.1%</i>				
Altice Financing SA, Senior Secured Bonds	7.500%	5/15/26	2,530,000	2,792,487 (a)
CSC Holdings LLC, Senior Notes	10.125%	1/15/23	200,000	233,374 (a)
CSC Holdings LLC, Senior Notes	6.625%	10/15/25	1,190,000	1,313,939 (a)
CSC Holdings LLC, Senior Notes	10.875%	10/15/25	1,070,000	1,305,400 (a)
Sprint Capital Corp., Senior Notes	6.875%	11/15/28	4,288,000	4,765,040
Sprint Capital Corp., Senior Notes	8.750%	3/15/32	130,000	164,206
Sprint Communications Inc., Senior Notes	9.000%	11/15/18	2,220,000	2,439,225 (a)
Sprint Communications Inc., Senior Notes	7.000%	8/15/20	420,000	465,150
Sprint Communications Inc., Senior Notes	11.500%	11/15/21	1,452,000	1,873,080
Sprint Corp., Senior Notes	7.875%	9/15/23	3,160,000	3,657,700
Vimpel Communications Via VIP Finance Ireland Ltd. OJSC, Senior Notes	7.748%	2/2/21	2,730,000	3,141,987 (a)
VimpelCom Holdings BV, Senior Notes	7.504%	3/1/22	800,000	924,752 (i)
VimpelCom Holdings BV, Senior Notes	7.504%	3/1/22	520,000	601,089 (a)
<i>Total Wireless Telecommunication Services</i>				<i>23,677,429</i>
Total Telecommunication Services 41,200,473				
<i>Utilities 3.1%</i>				
<i>Electric Utilities 1.6%</i>				
FirstEnergy Corp., Notes	7.375%	11/15/31	1,260,000	1,686,149
NRG REMA LLC, Pass-Through Certificates, Senior Secured Bonds	9.681%	7/2/26	2,060,000	1,581,050
Pampa Energia SA, Senior Notes	7.500%	1/24/27	1,920,000	2,030,400 (a)
Red Oak Power LLC, Secured Notes	9.200%	11/30/29	1,000,000	1,067,500
<i>Total Electric Utilities</i>				<i>6,365,099</i>
<i>Gas Utilities 0.6%</i>				
Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes	5.875%	3/1/27	2,430,000	2,423,925

See Notes to Financial Statements.

Schedule of investments (cont'd)

May 31, 2017

Western Asset High Yield Defined Opportunity Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
<i>Independent Power and Renewable Electricity Producers</i> 0.9%				
Mirant Mid Atlantic LLC, Pass-Through Certificates, Secured Bonds	10.060%	12/30/28	3,624,375	\$ 3,343,486
Total Utilities				12,132,510
Total Corporate Bonds & Notes (Cost \$309,021,749)				331,651,865
<i>Collateralized Mortgage Obligations</i> 0.4%				
Commercial Mortgage Trust, 2015-LC21 E	3.250%	7/10/48	900,000	507,470 (a)
JPMBB Commercial Mortgage Securities Trust, 2015-C31 E	4.772%	8/15/48	700,000	467,787 (a)(h)
Wells Fargo Commercial Mortgage Trust, 2015-C28 E	3.000%	5/15/48	800,000	463,973 (a)
Total Collateralized Mortgage Obligations (Cost \$1,602,250)				1,439,230
<i>Convertible Bonds & Notes</i> 0.8%				
<i>Energy</i> 0.3%				
<i>Energy Equipment & Services</i> 0.0%				
Nabors Industries Inc., Senior Notes	0.750%	1/15/24	70,000	57,750 (a)
<i>Oil, Gas & Consumable Fuels</i> 0.3%				
Oasis Petroleum Inc., Senior Notes	2.625%	9/15/23	900,000	984,938
Total Energy				1,042,688
<i>Information Technology</i> 0.5%				
<i>Communications Equipment</i> 0.1%				
Finisar Corp., Senior Notes	0.500%	12/15/36	300,000	286,688 (a)
<i>Internet Software & Services</i> 0.1%				
WebMD Health Corp., Notes	2.625%	6/15/23	420,000	407,662 (a)
<i>Semiconductors & Semiconductor Equipment</i> 0.3%				
Microchip Technology Inc., Senior Subordinated Notes	1.625%	2/15/27	570,000	631,631 (a)
ON Semiconductor Corp., Senior Notes	1.625%	10/15/23	570,000	592,800 (a)
Total Semiconductors & Semiconductor Equipment				1,224,431
<i>Software</i> 0.0%				
HubSpot Inc., Senior Notes	0.250%	6/1/22	90,000	90,731 (a)
Total Information Technology				2,009,512
Total Convertible Bonds & Notes (Cost \$3,039,049)				3,052,200
<i>Senior Loans</i> 2.3%				
<i>Consumer Discretionary</i> 0.5%				
<i>Specialty Retail</i> 0.5%				
PetSmart Inc., Term Loan B2	4.010%	3/11/22	1,458,601	1,405,423 (j)(k)(l)
Spencer Gifts LLC, Second Lien Term Loan	9.280%	6/29/22	900,000	675,000 (d)(j)(k)
Total Consumer Discretionary				2,080,423
<i>Energy</i> 0.4%				
<i>Energy Equipment & Services</i> 0.1%				
Hercules Offshore Inc. (wind-down lender claim)			370,094	300,701 *

See Notes to Financial Statements.

Western Asset High Yield Defined Opportunity Fund Inc.

	Rate	Maturity Date	Face Amount	Value
Security				
<i>Oil, Gas & Consumable Fuels 0.3%</i>				
Blue Ridge Mountain Resources Inc., Exit Term Loan (8.000% Cash, 8.000% PIK)	16.000%	5/6/19	357,748	\$ 355,959 (b)(e)(d)(j)(k)
Chesapeake Energy Corp., Term Loan	8.686%	8/23/21	590,000	638,921 (j)(k)
Westmoreland Coal Co., Term Loan B	7.647%	12/16/20	450,041	407,849 (j)(k)
<i>Total Oil, Gas & Consumable Fuels</i>				<i>1,402,729</i>
Total Energy				1,703,430
Health Care 0.4%				
<i>Health Care Equipment & Supplies 0.1%</i>				
Lantheus Medical Imaging Inc., 2017 Term Loan	5.545%	6/30/22	300,000	301,813 (j)(k)
<i>Health Care Providers & Services 0.3%</i>				
Radnet Management Inc., Second Lien Term Loan	8.151%	3/25/21	1,026,667	1,036,933 (d)(j)(k)
Total Health Care				1,338,746
Information Technology 0.2%				
<i>Internet Software & Services 0.2%</i>				
Ancestry.com Operations Inc., Second Lien Term Loan	9.260%	10/19/24	820,000	843,233 (j)(k)
Telecommunication Services 0.6%				
<i>Diversified Telecommunication Services 0.6%</i>				
CenturyLink Inc., 2017 Term Loan B		1/31/25	2,110,000	2,107,175 (l)
Utilities 0.2%				
<i>Electric Utilities 0.2%</i>				
Panda Temple Power LLC, 2015 Term Loan B	7.397%	3/4/22	982,402	699,961 *(e)(j)(k)
Total Senior Loans (Cost \$9,236,664)				8,772,968
Sovereign Bonds 4.6%				
<i>Argentina 2.5%</i>				
Provincia de Buenos Aires, Senior Notes	7.875%	6/15/27	2,600,000	2,740,764 (a)
Republic of Argentina, Bonds	18.200%	10/3/21	38,060,000 ARS	2,550,740
Republic of Argentina, Senior Bonds	6.875%	4/22/21	560,000	612,920
Republic of Argentina, Senior Bonds	7.500%	4/22/26	1,500,000	1,658,250
Republic of Argentina, Senior Bonds	7.625%	4/22/46	1,290,000	1,374,495
Republic of Argentina, Senior Notes	6.875%	1/26/27	790,000	841,350
<i>Total Argentina</i>				<i>9,778,519</i>
<i>Brazil 0.5%</i>				
Federative Republic of Brazil, Notes	10.000%	1/1/23	6,200,000 BRL	1,866,449
<i>Ecuador 0.8%</i>				
Republic of Ecuador, Senior Bonds	10.500%	3/24/20	750,000	792,188 (a)
Republic of Ecuador, Senior Bonds	10.750%	3/28/22	2,050,000	2,206,312 (a)
Republic of Ecuador, Senior Bonds	7.950%	6/20/24	290,000	275,500 (i)
<i>Total Ecuador</i>				<i>3,274,000</i>

See Notes to Financial Statements.

Schedule of investments (cont d)

May 31, 2017

Western Asset High Yield Defined Opportunity Fund Inc.

	Rate	Maturity Date	Face Amount	Value
Security				
<i>Russia 0.8%</i>				
Russian Federal Bond, Bonds	8.150%	2/3/27	110,000,000 RUB	\$ 2,035,640
Russian Federal Bond, Bonds	7.050%	1/19/28	57,840,000 RUB	981,220
<i>Total Russia</i>				<i>3,016,860</i>
Total Sovereign Bonds (Cost \$17,066,215)				17,935,828
U.S. Government & Agency Obligations 2.2%				
<i>U.S. Government Obligations 2.2%</i>				
U.S. Treasury Notes	2.000%	12/31/21	1,750,000	1,771,499
U.S. Treasury Notes	1.875%	3/31/22	3,000,000	3,017,694
U.S. Treasury Notes	2.000%	11/30/22	2,000,000	2,016,954
U.S. Treasury Notes	2.125%	12/31/22	1,750,000	1,775,293
Total U.S. Government & Agency Obligations (Cost \$8,484,611)				8,581,440
			Shares	
Common Stocks 0.9%				
Consumer Discretionary 0.1%				
<i>Hotels, Restaurants & Leisure 0.1%</i>				
Bossier Casino Venture Holdco Inc.			68,957	507,524 *(c)(d)
Energy 0.7%				
<i>Energy Equipment & Services 0.0%</i>				
Hercules Offshore Inc. (Escrow)			46,103	13,001 *(c)(d)
<i>Oil, Gas & Consumable Fuels 0.7%</i>				
Berry Petroleum Co.			87,245	916,072 *(c)(d)
Blue Ridge Mountain Resources Inc.			183,339	1,650,051 *
MWO Holdings LLC			442	73,991 *(c)(d)
Pacific Exploration and Production Corp.			5,509	154,829 *
<i>Total Oil, Gas & Consumable Fuels</i>				<i>2,794,943</i>
Total Energy				2,807,944
Health Care 0.1%				
<i>Health Care Providers & Services 0.1%</i>				
Physiotherapy Associates Holdings Inc. (Escrow)			13,300	169,575 *(c)(d)
Industrials 0.0%				
<i>Road & Rail 0.0%</i>				
Jack Cooper Enterprises Inc.			2,532	0 *(a)(c)(d)(f)
Materials 0.0%				
<i>Metals & Mining 0.0%</i>				
Mirabela Nickel Ltd.			2,742,654	0 *(c)(d)(f)
Total Common Stocks (Cost \$8,654,674)				3,485,043

See Notes to Financial Statements.

Western Asset High Yield Defined Opportunity Fund Inc.

Security	Rate	Shares	Value
Convertible Preferred Stocks 0.9%			
Energy 0.3%			
<i>Oil, Gas & Consumable Fuels 0.3%</i>			
Berry Petroleum Co. (6.000% Cash or 6.000% PIK)	6.000%	94,963	\$ 1,258,259 ^{(b)(d)}
Berry Petroleum Co. (6.000% Cash or 6.000% PIK)	6.000%	1,423	18,855 ^{(b)(d)(m)}
Total Energy			1,277,114
Health Care 0.6%			
<i>Pharmaceuticals 0.6%</i>			
Allergan PLC	5.500%	2,980	2,386,295
Total Convertible Preferred Stocks (Cost \$3,297,786)			3,663,409
Preferred Stocks 0.5%			
Financials 0.5%			
<i>Consumer Finance 0.5%</i>			
GMAC Capital Trust I (Cost \$1,714,352)	6.967%	76,500	1,952,280 ^(h)
Total Investments before Short-Term Investments (Cost \$362,117,350)			380,534,263
Short-Term Investments 0.8%			
State Street Institutional U.S. Government Money Market Fund, Premier Class (Cost \$2,947,368)	0.723%	2,947,368	2,947,368
Total Investments 99.4% (Cost \$365,064,718#)			383,481,631
Other Assets in Excess of Liabilities 0.6%			2,306,204
Total Net Assets 100.0%			\$ 385,787,835

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

* Non-income producing security.

(a) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. This security has been deemed liquid pursuant to guidelines approved by the Board of Directors, unless otherwise noted.

(b) 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.

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

(d) Security is valued using significant unobservable inputs (See Note 1).

(e) The coupon payment on these securities is currently in default as of May 31, 2017.

(f) Value is less than \$1.

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- (g) Security has no maturity date. The date shown represents the next call date.
- (h) Variable rate security. Interest rate disclosed is as of the most recent information available.
- (i) 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.
- (j) Senior loans may be considered restricted in that the Fund ordinarily is contractually obligated to receive approval from the agent bank and/or borrower prior to the disposition of a senior loan.

[See Notes to Financial Statements.](#)

Schedule of investments (cont d)

May 31, 2017

Western Asset High Yield Defined Opportunity Fund Inc.

(k) Interest rates disclosed represent the effective rates on senior loans. Ranges in interest rates are attributable to multiple contracts under the same loan.

(l) All or a portion of this loan is unfunded as of May 31, 2017. The interest rate for fully unfunded term loans is to be determined.

(m) Restricted security (See Note 7).

Aggregate cost for federal income tax purposes is \$366,251,682.

Abbreviation used in this schedule:

ARS Argentine Peso
 BRL Brazilian Real
 EUR Euro
 OJSC Open Joint Stock Company
 RUB Russian Ruble

At May 31, 2017, the Fund had the following open forward foreign currency contracts:

	Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
AUD	1,750,000	USD 1,309,683	Barclays Bank PLC	7/20/17	\$ (10,300)
EUR	440,406	USD 469,373	Barclays Bank PLC	7/20/17	26,619
GBP	68,463	USD 85,749	Barclays Bank PLC	7/20/17	2,596
USD	1,306,496	AUD 1,750,000	Barclays Bank PLC	7/20/17	7,113
Total					\$ 26,028

Abbreviations used in this table:

AUD Australian Dollar
 EUR Euro
 GBP British Pound
 USD United States Dollar

See Notes to Financial Statements.

Statement of assets and liabilities

May 31, 2017

Assets:	
Investments, at value (Cost \$365,064,718)	\$ 383,481,631
Foreign currency, at value (Cost \$665,669)	663,466
Cash	330,670
Interest and dividends receivable	6,147,290
Receivable for securities sold	2,848,596
Unrealized appreciation on forward foreign currency contracts	36,328
Prepaid expenses	10,829
Total Assets	393,518,810
Liabilities:	
Payable for securities purchased	5,051,119
Distributions payable	2,289,729
Investment management fee payable	261,642
Unrealized depreciation on forward foreign currency contracts	10,300
Directors' fees payable	7,024
Accrued expenses	111,161
Total Liabilities	7,730,975
Total Net Assets	\$ 385,787,835
Net Assets:	
Par value (\$0.001 par value, 22,783,370 shares issued and outstanding; 100,000,000 shares authorized)	\$ 22,783
Paid-in capital in excess of par value	430,805,546
Overdistributed net investment income	(1,710,073)
Accumulated net realized loss on investments, futures contracts, swap contracts, forward foreign currency contracts and foreign currency transactions	(61,767,580)
Net unrealized appreciation on investments, forward foreign currency contracts and foreign currencies	18,437,159
Total Net Assets	\$ 385,787,835
Shares Outstanding	22,783,370
Net Asset Value	\$16.93

See Notes to Financial Statements.

Statements of operations

For the Period Ended May 31, 2017 and the Year Ended August 31, 2016

	2017	2016
Investment Income:		
Interest	\$ 22,414,092	\$ 31,589,867
Dividends	225,538	878,394
Total Investment Income	22,639,630	32,468,261
Expenses:		
Investment management fee (Note 2)	2,272,273	2,881,921
Transfer agent fees	67,506	60,467
Directors' fees	65,908	93,986
Audit and tax fees	56,000	54,920
Legal fees	41,021	51,757
Shareholder reports	28,167	37,696
Fund accounting fees	27,948	36,232
Stock exchange listing fees	13,689	21,279
Custody fees	5,349	6,411
Insurance	4,397	6,603
Miscellaneous expenses	16,113	13,475
Total Expenses	2,598,371	3,264,747
Net Investment Income	20,041,259	29,203,514
Realized and Unrealized Gain (Loss) on Investments, Futures Contracts, Swap Contracts, Forward Foreign Currency Contracts and Foreign Currency Transactions (Notes 1, 3 and 4):		
Net Realized Gain (Loss) From:		
Investment transactions	(1,921,294)	(34,237,967)
Futures contracts	(135,331)	928,815
Swap contracts	(64,783)	
Forward foreign currency contracts	139,808	728,291
Foreign currency transactions	23,850	(107,487)
Net Realized Loss	(1,957,750)	(32,688,348)
Change in Net Unrealized Appreciation (Depreciation) From:		
Investments	14,107,973	21,927,030
Forward foreign currency contracts	17,266	112,922
Foreign currencies	(12,227)	19,085
Change in Net Unrealized Appreciation	14,113,012	22,059,037
Net Gain (Loss) on Investments, Futures Contracts, Swap Contracts, Forward Foreign Currency Contracts and Foreign Currency Transactions	12,155,262	(10,629,311)
Increase in Net Assets From Operations	\$ 32,196,521	\$ 18,574,203

For the period September 1, 2016 through May 31, 2017.

See Notes to Financial Statements.

Statements of changes in net assets

For the Period Ended May 31, 2017
and the Years Ended August 31,

	2017	2016	2015
Operations:			
Net investment income	\$ 20,041,259	\$ 29,203,514	\$ 29,645,856
Net realized loss	(1,957,750)	(32,688,348)	(17,063,637)
Change in net unrealized appreciation (depreciation)	14,113,012	22,059,037	(37,556,408)
<i>Increase (Decrease) in Net Assets From Operations</i>	<i>32,196,521</i>	<i>18,574,203</i>	<i>(24,974,189)</i>
Distributions to Shareholders From (Note 1):			
Net investment income	(21,393,583)	(30,074,048)	(30,074,048)
<i>Decrease in Net Assets From Distributions to Shareholders</i>	<i>(21,393,583)</i>	<i>(30,074,048)</i>	<i>(30,074,048)</i>
<i>Increase (Decrease) in Net Assets</i>	<i>10,802,938</i>	<i>(11,499,845)</i>	<i>(55,048,237)</i>
Net Assets:			
Beginning of period	374,984,897	386,484,742	441,532,979
End of period*	\$ 385,787,835	\$ 374,984,897	\$ 386,484,742
*Includes (overdistributed) undistributed net investment income, respectively, of:	\$(1,710,073)	\$639,682	\$2,472,837

For the period September 1, 2016 through May 31, 2017.

See Notes to Financial Statements.

Financial highlights

For a share of capital stock outstanding throughout each year ended May 31, unless otherwise noted:						
	2017 ^{1,2}	2016 ^{1,3}	2015 ^{1,3}	2014 ^{1,3}	2013 ^{1,3}	2012 ^{1,3}
Net asset value, beginning of period	\$16.46	\$16.96	\$19.38	\$19.02	\$18.36	\$17.93
Income (loss) from operations:						
Net investment income	0.88	1.28	1.30	1.38	1.49	1.63
Net realized and unrealized gain (loss)	0.53	(0.46)	(2.40)	0.44	0.82	0.56
Total income (loss) from operations	1.41	0.82	(1.10)	1.82	2.31	2.19
Less distributions from:						
Net investment income	(0.94)	(1.32)	(1.32)	(1.37)	(1.63)	(1.67)
Net realized gains				(0.09)	(0.02)	(0.09)
Return of capital						
Total distributions	(0.94)	(1.32)	(1.32)	(1.46)	(1.65)	(1.76)
Net asset value, end of period	\$16.93	\$16.46	\$16.96	\$19.38	\$19.02	\$18.36
Market price, end of period	\$15.44	\$15.32	\$14.46	\$17.17	\$17.65	\$19.74
Total return, based on NAV^{4,5}	8.82%	5.53%	(5.85)%	9.80%	12.89%	13.16%
Total return, based on Market Price⁶	7.15%	16.17%	(8.51)%	5.54%	(2.25)%	18.40%
Net assets, end of period (millions)	\$386	\$375	\$386	\$442	\$433	\$417
Ratios to average net assets:						
Gross expenses	0.91% ⁷	0.91%	0.88%	0.89%	0.88%	0.89%
Net expenses	0.91 ⁷	0.91	0.88	0.89	0.88	0.89
Net investment income	7.06 ⁷	8.11	7.18	7.07	7.77	9.22
Portfolio turnover rate	62%	70%	58%	42%	55%	53%

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

² For the period September 1, 2016 through May 31, 2017.

³ For the year ended August 31.

⁴ 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. Total returns for periods of less than one year are not annualized.

⁵ The total return calculation assumes that distributions are reinvested at NAV. Prior to January 1, 2012, the total return calculation assumed the reinvestment of all distributions in accordance with the Fund's dividend reinvestment plan. Past performance is no guarantee of future results. Total returns for periods of less than one year are not annualized.

⁶ 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. Total returns for periods of less than one year are not annualized.

⁷ Annualized.

See Notes to Financial Statements.

Notes to financial statements

1. Organization and significant accounting policies

Western Asset High Yield Defined Opportunity Fund Inc. (the Fund) was incorporated in Maryland on July 20, 2010 and is registered as a non-diversified, limited-term, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund's primary investment objective is to provide high income. As a secondary investment objective, the Fund will seek capital appreciation. The Fund seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its net assets in a portfolio of high-yield corporate fixed income securities with varying maturities. Corporate securities include those securities that are issued or originated by U.S. or foreign public or private corporations and other business entities. The Fund intends to liquidate on or about September 30, 2025 and distribute substantially all of its net assets to stockholders, after making appropriate provisions for any liabilities of the Fund. At a meeting held in November 2016, the Fund's Board of Directors approved changing the Fund's fiscal year end from August³¹ to May 31st. This change resulted in a short-period annual report for the nine-month period from September 1, 2016 through May 31, 2017.

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

Notes to financial statements (cont'd)

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.)

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Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)
The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

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

Description	ASSETS			Total
	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Long-term investments :				
Corporate bonds & notes:				
Consumer discretionary		\$ 62,716,134	\$ 1,215,851	\$ 63,931,985
Energy		56,907,948	174,306	57,082,254
Industrials		29,655,802	697,876	30,353,678
Materials		32,829,127	0*	32,829,127
Other corporate bonds & notes		147,454,821		147,454,821
Collateralized mortgage obligations		1,439,230		1,439,230
Convertible bonds & notes		3,052,200		3,052,200
Senior loans:				
Consumer discretionary		1,405,423	675,000	2,080,423
Energy		1,347,471	355,959	1,703,430
Health care		301,813	1,036,933	1,338,746
Other senior loans		3,650,369		3,650,369
Sovereign bonds		17,935,828		17,935,828
U.S. government & agency obligations		8,581,440		8,581,440
Common stocks:				
Consumer discretionary			507,524	507,524
Energy	\$ 1,804,880		1,003,064	2,807,944
Health care			169,575	169,575
Industrials			0*	0*
Materials			0*	0*
Convertible preferred stocks:				
Energy			1,277,114	1,277,114
Health care	2,386,295			2,386,295
Preferred stocks	1,952,280			1,952,280
Total long-term investments	6,143,455	367,277,606	7,113,202	380,534,263
Short-term investments	2,947,368			2,947,368
Total investments	\$ 9,090,823	\$ 367,277,606	\$ 7,113,202	\$ 383,481,631
Other financial instruments:				
Forward foreign currency contracts		36,328		36,328
Total	\$ 9,090,823	\$ 367,313,934	\$ 7,113,202	\$ 383,517,959

Notes to financial statements (cont d)

Description	LIABILITIES			Total
	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Other financial instruments:				
Forward foreign currency contracts		\$ 10,300		\$ 10,300

See Schedule of Investments for additional detailed categorizations.

* Amount represents less than \$1.

The Fund's policy is to recognize transfers between levels as of the end of the reporting period. At May 31, 2017, securities valued at \$1,650,051 were transferred from Level 2 to Level 1 within the fair value hierarchy because of the availability of a quoted price in an active market for an identical investment.

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

Investments in Securities	Corporate Bonds & Notes			
	Consumer Discretionary	Energy	Industrials	Materials
Balance as of August 31, 2016	\$ 1,094,983	\$ 900,600	\$ 684,192	\$ 0*
Accrued premiums/discounts	23,034		5,529	
Realized gain (loss) ¹				
Change in unrealized appreciation (depreciation) ²	(23,034)	(726,294)	(5,952)	(136)
Purchases	120,868		14,107	136
Sales				
Transfers into Level 3				
Transfers out of Level 3 ³				
Balance as of May 31, 2017	\$ 1,215,851	\$ 174,306	\$ 697,876	\$ 0*
Net change in unrealized appreciation (depreciation) for investments in securities still held at May 31, 2017 ²	\$ (23,034)	\$ (726,294)	\$ (5,952)	\$ (136)

Investments in Securities (cont d)	Senior Loans			
	Consumer Discretionary	Energy	Health Care	Utilities
Balance as of August 31, 2016	\$ 742,500	\$ 1,609,374	\$ 1,001,000	\$ 1,238,711
Accrued premiums/discounts	395	6,138	1,030	5,294
Realized gain (loss) ¹		(150,792)		(33,787)
Change in unrealized appreciation (depreciation) ²	(67,895)	525,759	34,903	(172,046)
Purchases		1,054,287		9,727
Sales		(1,980,257)		(347,938)
Transfers into Level 3				
Transfers out of Level 3 ³		(708,550)		(699,961)
Balance as of May 31, 2017	\$ 675,000	\$ 355,959	\$ 1,036,933	
Net change in unrealized appreciation (depreciation) for investments in securities still held at May 31, 2017 ²	\$ (67,895)	\$ (2,397)	\$ 34,903	

Investments in Securities (cont d)	Common Stocks					Convertible Preferred Stocks	Total
	Consumer Discretionary	Energy	Health Care	Industrials	Materials	Energy	
Balance as of August 31, 2016	\$ 624,750	\$ 442,757	\$ 165,585	\$ 0*	\$ 0*		\$ 8,504,452
Accrued premiums/discounts							41,420
Realized gain (loss) ¹							(184,579)
Change in unrealized appreciation (depreciation) ²	(117,226)	(2,368,872)	3,990			\$ 392,154	(2,524,649)
Purchases		2,963,775				884,960	5,047,860
Sales		(34,596)					(2,362,791)
Transfers into Level 3							
Transfers out of Level 3 ³							(1,408,511)
Balance as of May 31, 2017	\$ 507,524	\$ 1,003,064	\$ 169,575	\$ 0*	\$ 0*	\$ 1,277,114	\$ 7,113,202
Net change in unrealized appreciation (depreciation) for investments in securities still held at May 31, 2017 ²	\$ (117,226)	\$ (2,368,872)	\$ 3,990			\$ 392,154	\$ (2,880,759)

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 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) 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.

Notes to financial statements (cont d)

(c) 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.

(d) 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 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.

(e) 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.

(f) Swap agreements. The Fund invests in swaps for the purpose of managing its exposure to interest rate, credit or market risk, or for other purposes, including to increase the Fund's return. The use of swaps involves risks that are different from those associated with other portfolio transactions. Swap agreements are privately negotiated in the over-the-counter market and may be entered into as a bilateral contract (OTC Swaps) or centrally cleared (Centrally Cleared Swaps). Unlike Centrally Cleared Swaps, the Fund has credit exposure to the counterparties of OTC Swaps.

In a Centrally Cleared Swap, immediately following execution of the swap, the swap agreement is submitted to a clearinghouse or central counterparty (the CCP) and the CCP becomes the ultimate counterparty of the swap agreement. The Fund is required to interface with the CCP through a broker, acting in an agency capacity. All payments are settled with the CCP through the broker. Upon entering into a Centrally Cleared Swap, the Fund is required to deposit initial margin with the broker in the form of cash or securities.

Swap contracts are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). The daily change in valuation of Centrally Cleared Swaps, if any, is recorded as a receivable or payable for variation margin on the Statement of Assets and Liabilities. Gains or losses are realized upon termination of the swap agreement. Collateral, in the form of restricted cash or securities, may be required to be held in segregated accounts with the Fund's custodian in compliance with the terms of the swap contracts. Securities posted as collateral for swap contracts are identified in the Schedule of Investments and restricted cash, if any, is identified on the Statement of Assets and Liabilities. Risks may exceed amounts recorded in the Statement of Assets and Liabilities. These risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms, and the possible lack of liquidity with respect to the swap agreements.

OTC swap payments received or made at the beginning of the measurement period are reflected as a premium or deposit, respectively, on the Statement of Assets and Liabilities. These upfront payments are amortized over the life of the swap and are recognized as realized gain or loss in the Statement of Operations. Net periodic payments received or paid by the Fund are recognized as a realized gain or loss in the Statement of Operations.

The Fund's maximum exposure in the event of a defined credit event on a credit default swap to sell protection is the notional amount. As of May 31, 2017, the Fund did not hold any credit default swaps to sell protection.

For average notional amounts of swaps held during the period ended May 31, 2017, see Note 4.

Notes to financial statements (cont d)

Credit default swaps

The Fund enters into credit default swap (CDS) contracts for investment purposes, to manage its credit risk or to add leverage. CDS agreements involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default by a third party, typically corporate or sovereign issuers, on a specified obligation, or in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising a credit index. The Fund may use a CDS to provide protection against defaults of the issuers (i.e., to reduce risk where the Fund has exposure to an issuer) or to take an active long or short position with respect to the likelihood of a particular issuer's default. As a seller of protection, the Fund generally receives an upfront payment or a stream of payments throughout the term of the swap provided that there is no credit event. If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the maximum potential amount of future payments (undiscounted) that the Fund could be required to make under a credit default swap agreement would be an amount equal to the notional amount of the agreement. These amounts of potential payments will be partially offset by any recovery of values from the respective referenced obligations. As a seller of protection, the Fund effectively adds leverage to its portfolio because, in addition to its total net assets, the Fund is subject to investment exposure on the notional amount of the swap. As a buyer of protection, the Fund generally receives an amount up to the notional value of the swap if a credit event occurs.

Implied spreads are the theoretical prices a lender receives for credit default protection. When spreads rise, market perceived credit risk rises and when spreads fall, market perceived credit risk falls. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to enter into the agreement. Wider credit spreads and decreasing market values, when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. Credit spreads utilized in determining the period end market value of credit default swap agreements on corporate or sovereign issues are disclosed in the Schedule of Investments and serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for credit derivatives. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values, particularly in relation to the notional amount of the contract as well as the annual payment rate, serve as an indication of the current status of the payment/performance risk.

The Fund's maximum risk of loss from counterparty risk, as the protection buyer, is the fair value of the contract (this risk is mitigated by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty). As the protection seller, the Fund's maximum risk is the notional amount of the contract. Credit default swaps are considered to have credit risk-related contingent features since they require payment by the protection seller to the protection buyer upon the occurrence of a defined credit event.

Entering into a CDS agreement involves, to varying degrees, elements of credit, market and documentation risk in excess of the related amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreement may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreement, and that there will be unfavorable changes in net interest rates.

(g) 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.

(h) Unfunded loan commitments. The Fund may enter into certain credit agreements where all or a portion of which may be unfunded. The Fund is obligated to fund these commitments at the borrower's discretion. The commitments are disclosed in the accompanying Schedule of Investments. At May 31, 2017, the Fund had sufficient cash and/or securities to cover these commitments.

(i) 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.

Investments in securities that are collateralized by real estate mortgages are subject to certain credit and liquidity risks. When market conditions result in an increase in default rates of the underlying mortgages and the foreclosure values of underlying real estate properties are materially below the outstanding amount of these underlying mortgages, collection of the full amount of accrued interest and principal on these investments may be doubtful. Such market conditions may significantly impair the value and liquidity of these investments and may result in a lack of correlation between their credit ratings and values.

Notes to financial statements (cont'd)

(j) 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 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.

(k) 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 clearinghouse 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, 2017, the Fund held forward foreign currency contracts with credit related contingent features which had a liability position of \$10,300. 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.

(l) 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. Paydown gains and losses on mortgage- and asset-backed securities are recorded as adjustments to interest income. 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.

(m) 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.

(n) 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.

(o) 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.

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, 2017, 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 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.

(p) Reclassification. GAAP requires that certain components of net assets be reclassified to reflect permanent differences between financial and tax reporting. These reclassifications

Notes to financial statements (cont d)

have no effect on net assets or net asset value per share. During the current period, the following reclassifications have been made:

	Overdistributed Net Investment Income	Accumulated Net Realized Loss
(a)	\$ (997,431)	\$ 997,431

(a) Reclassifications are due to foreign currency transactions treated as ordinary income for tax purposes, differences between book and tax amortization of premium on fixed income securities and book/tax differences in the treatment of swap contracts.

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) is the Fund's subadviser. Western Asset Management Company Pte. Ltd. (Western Singapore), Western Asset Management Company Ltd (Western Japan) and Western Asset Management Company Limited (Western Asset Limited) serve as additional subadvisers to the Fund, under additional subadvisory agreements with Western Asset. LMPFA, Western Asset, Western Singapore, Western Japan and Western Asset Limited 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 0.80% of the Fund's average daily net assets.

LMPFA delegates to Western Asset the day-to-day portfolio management of the Fund. Western Singapore, Western Japan and Western Asset Limited provide certain subadvisory services to the Fund relating to currency transactions and investments in non-U.S. dollar denominated debt securities. For its services, LMPFA pays Western Asset monthly 70% of the net management fee it receives from the Fund. In turn, Western Asset pays Western Singapore, Western Japan and Western Asset Limited a fee for their services at no additional expense to the Fund. Each of Western Singapore, Western Japan and Western Asset Limited receives a fee from Western Asset, payable monthly, in an amount equal to 0.56% of the Fund's average daily net assets related to the Fund's assets that Western Asset allocates to Western Singapore, Western Japan and Western Asset Limited, respectively, to manage.

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 period ended May 31, 2017, the aggregate cost of purchases and proceeds from sales of investments (excluding short-term investments) and U.S. Government & Agency Obligations were as follows:

	Investments	U.S. Government & Agency Obligations
Purchases	\$ 186,637,783	\$ 44,645,416
Sales	185,544,734	47,736,647

At May 31, 2017, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were as follows:

Gross unrealized appreciation	\$ 34,848,145
Gross unrealized depreciation	(17,618,196)
Net unrealized appreciation	\$ 17,229,949

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, 2017.

ASSET DERIVATIVES¹

	Foreign Exchange Risk
Forward foreign currency contracts	\$ 36,328

LIABILITY DERIVATIVES¹

	Foreign Exchange Risk
Forward foreign currency contracts	\$ 10,300

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).

The following tables provide information about the effect of derivatives and hedging activities on the Fund's Statement of Operations for the period ended May 31, 2017. 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	Credit Risk	Total
Purchased options ¹		\$ (224,058)		\$ (224,058)
Futures contracts	\$ (135,331)			(135,331)
Swap contracts			\$ (64,783)	(64,783)
Forward foreign currency contracts		139,808		139,808
Total	\$ (135,331)	\$ (84,250)	\$ (64,783)	\$ (284,364)

¹ Net realized gain (loss) from purchased options is reported in net realized gain (loss) from investment transactions in the Statement of Operations.

Notes to financial statements (cont d)

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON DERIVATIVES RECOGNIZED

	Foreign Exchange Risk
Purchased options ¹	\$ 200,919
Forward foreign currency contracts	17,266
Total	\$ 218,185

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.

The following tables provide information about the effect of derivatives and hedging activities on the Fund's Statement of Operations for the year ended August 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
Futures contracts	\$ 928,815		\$ 928,815
Forward foreign currency contracts		\$ 728,291	728,291
Total	\$ 928,815	\$ 728,291	\$ 1,657,106

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON DERIVATIVES RECOGNIZED

	Foreign Exchange Risk
Purchased options ¹	\$ (200,919)
Forward foreign currency contracts	112,922
Total	\$ (87,997)

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.

During the period ended May 31, 2017, the volume of derivative activity for the Fund was as follows:

	Average Market Value
Purchased options	\$ 6,168
Futures contracts (to sell)	733,994
Forward foreign currency contracts (to buy)	3,294,941
Forward foreign currency contracts (to sell)	4,002,447
	Average Notional Balance
Credit default swap contracts (to buy protection)	\$ 239,341

At May 31, 2017, there were no open positions held in this derivative.

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The following table presents by financial instrument, the Fund's derivative assets net of the related collateral received by the Fund at May 31, 2017:

	Gross Amount of Derivative Assets in the Statement of Assets and Liabilities ¹	Collateral Received	Net Amount
Forward foreign currency contracts	\$ 36,328		\$ 36,328

The following table presents by financial instrument, the Fund's derivative liabilities net of the related collateral pledged by the Fund at May 31, 2017:

	Gross Amount of Derivative Liabilities in the Statement of Assets and Liabilities ¹	Collateral Pledged	Net Amount
Forward foreign currency contracts	\$ 10,300		\$ 10,300

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.

5. Distributions subsequent to May 31, 2017

The following distributions have been declared by the Fund's Board of Directors and are payable subsequent to the period end of this report:

Record Date	Payable Date	Amount
5/19/2017	6/01/2017	\$ 0.1005
6/23/2017	7/03/2017	\$ 0.1000
7/21/2017	8/01/2017	\$ 0.1000
8/25/2017	9/01/2017	\$ 0.1000

6. Stock repurchase program

On November 16, 2015, the Fund announced that the Fund's Board of Directors (the Board) had authorized the Fund to repurchase in the open market up to approximately 10% of the Fund's outstanding common stock when the Fund's shares are trading at a discount to net asset value. The Board has directed management of the Fund to repurchase shares of common stock at such times and in such amounts as management reasonably believes may enhance stockholder value. The Fund is under no obligation to purchase shares at any specific discount levels or in any specific amounts. During the period ended May 31, 2017, the Fund did not repurchase any shares.

7. Restricted securities

The following Fund investment is restricted as to resale.

Security	Number of Shares	Acquisition Date	Cost	Value at 5/31/2017	Value per Share	Percent of Net Assets
Berry Petroleum Co.	1,423	2/17	\$ 14,230	\$ 18,855	\$ 13.25	0.00%

Notes to financial statements (cont d)

8. Income tax information and distributions to shareholders

The tax character of distributions paid during the period ended May 31, 2017 and the fiscal years ended August 31, 2016 and August 31, 2015 was as follows:

	2017	2016	2015
Distributions paid from:			
Ordinary income	\$ 21,393,583	\$ 30,074,048	\$ 30,074,048

As of May 31, 2017, the components of accumulated earnings (losses) on a tax basis were as follows:

Deferred capital losses*	\$ (60,505,727)
Other book/tax temporary differences ^(a)	(1,784,962)
Unrealized appreciation (depreciation) ^(b)	17,250,195
Total accumulated earnings (losses) net	\$ (45,040,494)

*These capital losses have been deferred in the current year as either short-term or long-term losses. The losses will be deemed to occur on the first day of the next taxable year in the same character as they were originally deferred and will be available to offset future taxable capital gains.

^(a) Other book/tax temporary differences are attributable to the tax deferral of losses on straddles, the realization for tax purposes of unrealized gains (losses) on certain foreign currency contracts, book/tax differences in the accrual of interest income on securities in default and book/tax differences in the timing of the deductibility of various expenses.

^(b) The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable to the tax deferral of losses on wash sales and the difference between book and tax amortization methods for premiums on fixed income securities.

9. Recent accounting pronouncement

In October 2016, the U.S. Securities and Exchange Commission adopted new rules and amended existing rules (together, the final rules) intended to modernize the reporting and disclosure of information by registered investment companies. In part, the final rules amend Regulation S-X and require standardized, enhanced disclosure about derivatives in investment company financial statements, as well as other amendments. The compliance date for the amendments to Regulation S-X is August 1, 2017. Management is currently evaluating the impact that the adoption of the amendments to Regulation S-X will have on the Fund's financial statements and related disclosures.

Report of independent registered public accounting firm

The Board of Directors and Shareholders

Western Asset High Yield Defined Opportunity Fund Inc.:

We have audited the accompanying statement of assets and liabilities of Western Asset High Yield Defined Opportunity Fund Inc. (the Fund), including the schedule of investments, as of May 31, 2017, and the related statements of operations for the period from September 1, 2016 to May 31, 2017 and for the year ended August 31, 2016, the statements of changes in net assets for the period from September 1, 2016 to May 31, 2017 and for each of the years in the two-year period ended August 31, 2016, and the financial highlights for the period from September 1, 2016 to May 31, 2017 and for each of the years in the five-year period ended August 31, 2016. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of May 31, 2017, by correspondence with the custodian and brokers or by other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Western Asset High Yield Defined Opportunity Fund Inc. as of May 31, 2017, the results of its operations, the changes in its net assets, and the financial highlights for the years or periods described above, in conformity with U.S. generally accepted accounting principles.

New York, New York

July 20, 2017

Additional information (unaudited)

Information about Directors and Officers

The business and affairs of Western Asset High Yield Defined Opportunity Fund Inc. (the Fund) are conducted by management under the supervision and subject to the direction of its Board of Directors. The business address of each Director is c/o Jane Trust, Legg Mason, 100 International Drive, 11th Floor, Baltimore, Maryland 21202. Information pertaining to the Directors and officers of the Fund is set forth below.

The Fund's annual proxy statement includes additional information about Directors and is available, without charge, upon request by calling the Fund at 1-888-777-0102.

Independent Directors:

Robert D. Agdern

Year of birth	1950
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class III
Term of office ¹ and length of time served	Since 2015
Principal occupation(s) during past five years	Member of the Advisory Committee of the Dispute Resolution Research Center at the Kellogg Graduate School of Business, Northwestern University (2002 to 2016); formerly, Deputy General Counsel responsible for western hemisphere matters for BP PLC (1999 to 2001); formerly, Associate General Counsel at Amoco Corporation responsible for corporate, chemical, and refining and marketing matters and special assignments (1993 to 1998) (Amoco merged with British Petroleum in 1998 forming BP PLC).
Number of portfolios in fund complex overseen by Director (including the Fund)	27
Other board memberships held by Director during past five years	None

Carol L. Colman

Year of birth	1946
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class I
Term of office ¹ and length of time served	Since 2010
Principal occupation(s) during past five years	President, Colman Consulting Company (consulting)
Number of portfolios in fund complex overseen by Director (including the Fund)	27
Other board memberships held by Director during past five years	None

Daniel P. Cronin

Year of birth	1946
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class I
Term of office ¹ and length of time served	Since 2010
Principal occupation(s) during past five years	Retired; formerly, Associate General Counsel, Pfizer Inc. (prior to and including 2004)
Number of portfolios in fund complex overseen by Director (including the Fund)	27
Other board memberships held by Director during past five years	None

Independent Directors cont d

Paolo M. Cucchi

Year of birth	1941
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class I
Term of office ¹ and length of time served	Since 2010
Principal occupation(s) during past five years	Emeritus Professor of French and Italian (since 2014) and formerly, Vice President and Dean of The College of Liberal Arts (1984 to 2009) and Professor of French and Italian (2009 to 2014) at Drew University
Number of portfolios in fund complex overseen by Director (including the Fund)	27
Other board memberships held by Director during past five years	None

Leslie H. Gelb

Year of birth	1937
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class II
Term of office ¹ and length of time served	Since 2010
Principal occupation(s) during past five years	Consultant and Lecturer; President Emeritus (since 2003); formerly, Senior Board Fellow (2003 to 2015) and President, (prior to 2003), the Council on Foreign Relations; formerly, Columnist, Deputy Editorial Page Editor and Editor, Op-Ed Page, The New York Times
Number of portfolios in fund complex overseen by Director (including the Fund)	27
Other board memberships held by Director during past five years	Director of two registered investment companies advised by Aberdeen Asset Management Asia Limited (since 1994); Trustee, Encyclopedia Britannica; Director, Centre Partners IV and V, LP and Affiliates

William R. Hutchinson

Year of birth	1942
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class II
Term of office ¹ and length of time served	Since 2010
Principal occupation(s) during past five years	President, W.R. Hutchinson & Associates Inc. (Consulting) (since 2001)
Number of portfolios in fund complex overseen by Director (including the Fund)	27
Other board memberships held by Director during past five years	Director (Non-Executive Chairman of the Board (since December 1, 2009)), Associated Banc Corp. (banking) (since 1994)

Additional information (unaudited) (cont d)

Information about Directors and Officers

Independent Directors cont d

Eileen A. Kamerick

Year of birth

1958

Position(s) held with Fund¹

Director and Member of Nominating and Audit Committees, Class III Since 2013

Term of office¹ and length of time served

Principal occupation(s) during past five years

National Association of Corporate Directors Board Leadership Fellow and financial expert; Adjunct Professor, Washington University in St. Louis and University of Iowa law schools (since 2007); formerly, Senior Advisor to the Chief Executive Officer and Executive Vice President and Chief Financial Officer of ConnectWise, Inc. (software and services company) (2015 to 2016); Chief Financial Officer, Press Ganey Associates (health care informatics company) (2012 to 2014); Managing Director and Chief Financial Officer, Houlihan Lokey (international investment bank) and President, Houlihan Lokey Foundation (2010 to 2012)

Number of portfolios in fund complex overseen by Director (including the Fund)

27

Other board memberships held by Director during past five years

Hochschild Mining plc (precious metals company) (since 2016); Director of Associated Banc-Corp (financial services company) (since 2007); Westell Technologies, Inc. (technology company) (2003 to 2016)

Riordan Roett

Year of birth

1938

Position(s) held with Fund¹

Director and Member of Nominating and Audit Committees, Class III Since 2010

Term of office¹ and length of time served

Principal occupation(s) during past five years

The Sarita and Don Johnston Professor of Political Science and Director of Latin American Studies, Paul H. Nitze School of Advanced International Studies, The Johns Hopkins University (since 1973)

Number of portfolios in fund complex overseen by Director (including the Fund)

27

Other board memberships held by Director during past five years

None

Interested Director and Officer:

Jane Trust, CFA²

Year of birth	1962
Position(s) held with Fund ¹	Director, Chairman, President and Chief Executive Officer, Class II
Term of office ¹ and length of time served	Since 2015
Principal occupation(s) during past five years	Managing Director of Legg Mason & Co., LLC (Legg Mason & Co.) (since 2016); Officer and/or Trustee/Director of 154 funds associated with Legg Mason Partners Fund Advisor, LLC (LMPFA) or its affiliates (since 2015); President and Chief Executive Officer of LMPFA (since 2015); formerly, Senior Vice President of LMPFA (2015); Director of ClearBridge, LLC (formerly, Legg Mason Capital Management, LLC) (2007 to 2014); Managing Director of Legg Mason Investment Counsel & Trust Co. (2000 to 2007)
Number of portfolios in fund complex overseen by Director (including the Fund)	147
Other board memberships held by Director during past five years	None

Additional Officers:

Todd F. Kuehl³

Legg Mason

100 International Drive, 9th Floor, Baltimore, MD 21202

Year of birth	1969
Position(s) held with Fund ¹	Chief Compliance Officer
Term of office ¹ and length of time served	Since 2017
Principal occupation(s) during past five years	Managing Director of Legg Mason & Co. (since 2011); Chief Compliance Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006); formerly, Chief Compliance Officer of Legg Mason Private Portfolio Group (prior to 2010); formerly, Branch Chief, Division of Investment Management, U.S. Securities and Exchange Commission (2002 to 2006)

Jenna Bailey

Legg Mason

100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth	1978
Position(s) held with Fund ¹	Identity Theft Prevention Officer
Term of office ¹ and length of time served	Since 2015
Principal occupation(s) during past five years	Identity Theft Prevention Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2015); Compliance Officer of Legg Mason & Co. (since 2013); Assistant Vice President of Legg Mason & Co. (since 2011); formerly, Associate Compliance Officer of Legg Mason & Co. (2011 to 2013)

Additional information (unaudited) (cont d)

Information about Directors and Officers

Additional Officers cont d

Robert I. Frenkel

Legg Mason

100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth

Position(s) held with Fund¹

Term of office¹ and length of time served

Principal occupation(s) during past five years

1954

Secretary and Chief Legal Officer

Since 2010

Vice President and Deputy General Counsel of Legg Mason (since 2006); Managing Director and General Counsel U.S. Mutual Funds for Legg Mason & Co. (since 2006) and Legg Mason & Co. predecessors (since 1994); Secretary and Chief Legal Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006) and Legg Mason & Co. predecessors (prior to 2006)

Thomas C. Mandia

Legg Mason

100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth

Position(s) held with Fund¹

Term of office¹ and length of time served

Principal occupation(s) during past five years

1962

Assistant Secretary

Since 2010

Managing Director and Deputy General Counsel of Legg Mason & Co. (since 2005) and Legg Mason & Co. predecessors (prior to 2005); Secretary of LMPFA (since 2006); Assistant Secretary of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006) and Legg Mason & Co. predecessors (prior to 2006); Secretary of LM Asset Services, LLC (LMAS) (since 2002) and Legg Mason Fund Asset Management, Inc. (LMFAM) (since 2013) (formerly registered investment advisers)

Richard F. Sennett

Legg Mason

100 International Drive, 7th Floor, Baltimore, MD 21202

Year of birth

Position(s) held with Fund¹

Term of office¹ and length of time served

Principal occupation(s) during past five years

1970

Principal Financial Officer

Since 2011

Principal Financial Officer and Treasurer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2011 and since 2013); Managing Director of Legg Mason & Co. and Senior Manager of the Treasury Policy group for Legg Mason & Co.'s Global Fiduciary Platform (since 2011); Chief Accountant within the SEC's Division of Investment Management (2007 to 2011); formerly, Assistant Chief Accountant within the SEC's Division of Investment Management (2002 to 2007)

Additional Officers continued

Steven Frank

Legg Mason

620 Eighth Avenue, 49th Floor, New York, NY 10018

Year of birth

Position(s) held with Fund¹

Term of office¹ and length of time served

Principal occupation(s) during past five years

1967

Treasurer

Since 2010

Director of Legg Mason & Co. (since 2015); Treasurer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2010); formerly, Vice President of Legg Mason & Co. and Legg Mason & Co. predecessors (2002 to 2015); Controller of certain mutual funds associated with Legg Mason & Co. or its affiliates (prior to 2010)

Jeanne M. Kelly

Legg Mason

620 Eighth Avenue, 49th Floor, New York, NY 10018

Year of birth

Position(s) held with Fund¹

Term of office¹ and length of time served

Principal occupation(s) during past five years

1951

Senior Vice President

Since 2010

Senior Vice President of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2007); Senior Vice President of LMPFA (since 2006); President and Chief Executive Officer of LMAS and LMFAM (since 2015); Managing Director of Legg Mason & Co. (since 2005) and Legg Mason & Co. predecessors (prior to 2005); formerly, Senior Vice President of LMFAM (2013 to 2015)

Directors who are not interested persons of the Fund within the meaning of Section 2(a)(19) of the Investment Company Act of 1940, as amended (the "1940 Act").

¹ The Fund's Board of Directors is divided into three classes: Class I, Class II and Class III. The terms of office of the Class I, II and III Directors expire at the Annual Meetings of Stockholders in the year 2018, year 2019 and year 2017, respectively, or thereafter in each case when their respective successors are duly elected and qualified. The Fund's executive officers are chosen each year, to hold office until their successors are duly elected and qualified.

² Ms. Trust is an interested person of the Fund as defined in the 1940 Act because Ms. Trust is an officer of LMPFA and certain of its affiliates.

³ Effective May 11, 2017, Mr. Kuehl became Chief Compliance Officer.

Annual chief executive officer and principal financial officer certifications (unaudited)

The Fund's Chief Executive Officer (CEO) has submitted to the NYSE the required annual certification and the Fund also has included the Certifications of the Fund's CEO and Principal Financial Officer required by Section 302 of the Sarbanes-Oxley Act in the Fund's Form N-CSR filed with the SEC for the period of this report.

54 Western Asset High Yield Defined Opportunity Fund Inc.

Other shareholder communications regarding accounting matters (unaudited)

The Fund's Audit Committee has established guidelines and procedures regarding the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters (collectively, "Accounting Matters"). Persons with complaints or concerns regarding Accounting Matters may submit their complaints to the Chief Compliance Officer ("CCO"). Persons who are uncomfortable submitting complaints to the CCO, including complaints involving the CCO, may submit complaints directly to the Fund's Audit Committee Chair. Complaints may be submitted on an anonymous basis.

The CCO may be contacted at:

Legg Mason & Co., LLC

Compliance Department

620 Eighth Avenue, 49th Floor

New York, New York 10018

Complaints may also be submitted by telephone at 1-800-742-5274. Complaints submitted through this number will be received by the CCO.