

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.
Form N-CSR
August 07, 2009

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

FORM N-CSR

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

Investment Company Act file number 811-21337

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

55 Water Street, New York, NY
(Address of principal executive offices)

10041
(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 May 31
end:

Date of reporting period: May 31, 2009

ITEM 1. REPORT TO STOCKHOLDERS.

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

ANNUAL REPORT / MAY 31, 2009

Western Asset Global High Income Fund Inc.

(EHI)

Managed by **WESTERN ASSET**

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

Fund objective

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

What's inside

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

Letter from the chairman

Dear Shareholder,

The U.S. economy weakened significantly during the twelve-month reporting period ended May 31, 2009. Looking back, U.S. gross domestic product (GDP) growth was 2.8% during the second quarter of 2008. Contributing to the economy's expansion were rising exports that were buoyed by a weakening U.S. dollar. In addition, consumer spending increased, aided by the government's tax rebate program. However, the dollar's rally and the end of the rebate program, combined with other strains on the economy, caused GDP to take a step backward during the second half of 2008. According to the U.S. Department of Commerce, third and fourth quarter 2008 GDP contracted 0.5% and 6.3%, respectively, the latter being the worst quarterly reading since 1982. Economic weakness continued in early 2009, as first quarter 2009 GDP declined 5.5%. This marked the first time in thirty-four years that the U.S. economy posted three consecutive quarters of negative GDP growth.

It may seem like ancient history, but when the reporting period began, speculation remained as to whether the U.S. would experience a recession. This ended in December 2008, when the National Bureau of Economic Research (NBER) which has the final say on when one begins and ends announced that a recession had begun in December 2007, making the current recession the lengthiest since the Great Depression. Contributing to the economy's troubles has been the accelerating weakness in the labor market. Since December 2007, approximately six million jobs have been shed and we have experienced seventeen consecutive months of job losses, matching the record that occurred during the 1981-82 recession. In addition, the unemployment rate continued to move steadily higher, rising from 8.9% in April to 9.4% in May 2009, to reach its highest rate since 1983.

Another strain on the economy, the housing market, may finally be getting closer to reaching a bottom. After plunging late last year, new single-family home starts have been fairly stable in recent months and, while home prices continued to fall, the pace of the decline has moderated somewhat. Other economic news also seemed to be less negative. Inflation remained low, May retail sales (excluding gasoline) were modestly higher and consumer

Letter from the chairman *continued*

sentiment rose a fourth straight month in June, albeit from a very low level. In addition, while 345,000 jobs were lost in May, it was substantially less than April's 504,000 decline and the smallest monthly loss since September 2008.

Ongoing issues related to the housing and subprime mortgage markets and seizing credit markets prompted the Federal Reserve Board (Fed)ii to take aggressive and, in some cases, unprecedented actions. Looking back, after reducing the federal funds rateiii from 5.25% in August 2007 to 2.00% in April 2008, the Fed then left rates on hold for several months due to growing inflationary pressures as a result of soaring oil and commodity prices, coupled with the sagging U.S. dollar. However, as inflation receded along with oil prices and the global financial crisis escalated, the Fed cut rates twice in October 2008 to 1.00%. Then, in December 2008, it reduced the federal funds rate to a range of 0 to 1/4 percent a historic low and has maintained this stance thus far in 2009. In conjunction with the June meeting, the Fed stated that it will maintain the target range for the federal funds rate at 0 to 1/4 percent and continues to anticipate that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period.

In addition to the interest rate cuts, the Fed took several actions to improve liquidity in the credit markets. In September 2008, it announced an \$85 billion rescue plan for ailing AIG and pumped \$70 billion into the financial system as Lehman Brothers' bankruptcy and mounting troubles at other financial firms roiled the markets. More recently, the Fed has taken additional measures to thaw the frozen credit markets, including the purchase of debt issued by Fannie Mae and Freddie Mac, as well as introducing the Term Asset-Backed Securities Loan Facility (TALF). In March 2009, the Fed continued to pursue aggressive measures as it announced its intentions to:

- Purchase up to an additional \$750 billion of agency mortgage-backed securities, bringing its total purchases of these securities to up to \$1.25 trillion in 2009.
- Increase its purchases of agency debt this year by up to \$100 billion to a total of up to \$200 billion.
- Buy up to \$300 billion of longer-term Treasury securities over the next six months.

The U.S. Department of the Treasury has also taken an active role in attempting to stabilize the financial system, as it orchestrated the government's takeover of mortgage giants Fannie Mae and Freddie Mac in September 2008. In October, the Treasury's \$700 billion Troubled Asset Relief Program (TARP) was approved by Congress and signed into law by

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former President Bush. Then, in March 2009, Treasury Secretary Geithner introduced the Public-Private Partnership Investment Program (PPIP), which is intended to facilitate the purchase of troubled mortgage assets from bank balance sheets. President Obama has also made reviving the economy a priority in his administration, the cornerstone thus far being the \$787 billion stimulus package that was signed into law in February 2009.

During the twelve-month reporting period ended May 31, 2009, both short- and long-term Treasury yields experienced periods of extreme volatility. While earlier in 2008 investors were focused on the subprime segment of the mortgage-backed market, these concerns broadened to include a wide range of financial institutions and markets. As a result, other fixed-income instruments also experienced increased price volatility. This unrest triggered several flights to quality, causing Treasury yields to move lower (and their prices higher), while riskier segments of the market saw their yields move higher (and their prices lower). This was particularly true toward the end of 2008, as the turmoil in the financial markets and sharply falling stock prices caused investors to flee securities that were perceived to be risky, even high-quality corporate bonds and high-grade municipal bonds. On several occasions, the yield available from short-term Treasuries fell to nearly zero, as investors were essentially willing to forgo any return potential in order to access the relative safety of government-backed securities. During the twelve months ended May 31, 2009, two-year Treasury yields fell from 2.66% to 0.92%. Over the same time frame, ten-year Treasury yields moved from 4.06% to 3.47%. For the twelve-month period ended May 31, 2009, the Barclays Capital U.S. Aggregate Index^{iv} returned 5.36%

Periods of increased investor risk aversion caused the high-yield bond market to produce poor results over the twelve months ended May 31, 2009. While the asset class posted strong returns during the second half of the reporting period, it was not enough to overcome earlier flights to quality. In particular, seizing credit markets, coupled with fears of a global recession and rising corporate bond default rates, sent high-yield bond prices sharply lower in October and November 2008. All told, over the twelve months ended May 31, 2009, the Citigroup High Yield Market Index^v returned -9.24%.

Fears of a global recession, falling commodity prices and seizing credit markets sent emerging market debt prices lower during the twelve-month reporting period. While the asset class rallied on several occasions, it was not enough to offset its sharp loss in October 2008, as the JPMorgan Emerging Markets Bond Index Global (EMBI Global)^{vi} returned -14.89% for the month. Over the twelve months ended May 31, 2009, the EMBI Global returned -1.03%.

Letter from the chairman *continued*

Special shareholder notice

The Board of Directors of the Fund has approved Western Asset Management Company Pte. Ltd. in Singapore (*Western Singapore*) as a subadviser to the Fund under an additional subadvisory agreement between Western Asset Management Company (*Western Asset*) and Western Singapore. Western Asset will supervise Western Singapore's provision of services to the Fund. The appointment was effective as of February 3, 2009.

Western Singapore was established in 2000 and has offices at 1 George Street #23-01, Singapore 049145. The Western Singapore office is responsible, generally, for managing Asian (excluding Japan) fixed-income mandates, including the related portions of Western Asset's broader portfolios, as well as servicing these relationships. It undertakes all investment-related activities including investment management, research and analysis, securities settlement and client services.

While Western Asset will remain ultimately responsible for investment decisions relating to the Fund's portfolio, Western Singapore will provide certain subadvisory services to the Fund relating to currency transactions and investments in non-U.S. dollar-denominated securities and related foreign currency instruments. The Fund's current management fee remains unchanged. Western Asset and Western Singapore are wholly-owned subsidiaries of Legg Mason, Inc.

A special note regarding increased market volatility

Dramatically higher volatility in the financial markets has been very challenging for many investors. Market movements have been rapid—sometimes in reaction to economic news, and sometimes creating the news. In the midst of this evolving market environment, we at Legg Mason want to do everything we can to help you reach your financial goals. Now, as always, we remain committed to providing you with excellent service and a full spectrum of investment choices. Rest assured, we will continue to work hard to ensure that our investment managers make every effort to deliver strong long-term results.

We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our enhanced website, www.leggmason.com/cef. Here you can gain immediate access to many special features to help guide you through difficult times, including:

- Fund prices and performance,
- Market insights and commentaries from our portfolio managers, and

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- A host of educational resources.

During periods of market unrest, it is especially important to work closely with your financial advisor and remember that reaching one's investment goals unfolds over time and through multiple market cycles. Time and again, history has shown that, over the long run, the markets have eventually recovered and grown.

Information about your fund

Please read on for a more detailed look at prevailing economic and market conditions during the Fund's reporting period and to learn how those conditions have affected Fund performance.

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

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

Sincerely,

R. Jay Gerken, CFA

Chairman, President and Chief Executive Officer

June 26, 2009

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

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

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- ii The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.
- iii The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.
- iv The Barclays Capital (formerly Lehman Brothers) U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- v The Citigroup High Yield Market Index is a broad-based unmanaged index of high-yield securities.
- vi The JPMorgan Emerging Markets Bond Index Global (EMBI Global) tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds and local market instruments.

Western Asset Global High Income Fund Inc. V

Fund overview

Q. What is the Fund's investment strategy?

A. The Fund's primary investment objective is high current income and its secondary objective is total return. Under normal market conditions, the Fund invests in a global portfolio of securities consisting of below investment grade fixed-income securities, emerging market fixed-income securities and investment grade fixed-income securities. We have broad discretion to allocate the Fund's assets among the following segments of the global market for below investment and investment grade fixed-income securities: corporate bonds, loans, preferred stock, mortgage- and asset-backed securities and sovereign debt, and derivative instruments of the foregoing securities.

At Western Asset Management Company (Western Asset), the Fund's subadviser, we utilize a fixed-income team approach, with decisions derived from interaction among various investment management sector specialists. The sector teams are comprised of Western Asset's senior portfolio managers, 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.

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

A. The global fixed-income market experienced periods of extreme volatility during the fiscal year, as changing perceptions regarding the economy, inflation, deflation and central banks' monetary policy caused bond prices to fluctuate.

Beginning in mid-June 2008, seizing credit markets triggered an extreme flight to quality. Investor risk aversion further intensified from September through November given the severe disruptions in the global financial markets, with the bankruptcy of Lehman Brothers being at the epicenter of the turmoil. Given this highly unsettled environment, investors were drawn to the relative safety of short-term Treasuries, while riskier portions of the market performed poorly.

Conditions in the global fixed-income markets started to slowly improve in December 2008. The government's many initiatives to stabilize the financial system began to bear fruit as the frozen credit markets showed signs of thawing. Liquidity also improved, as did investor confidence. This, coupled with tentative signs that the global economy was nearing a bottom, served to increase investor risk appetite. As a result, demand for spread sectors (non-Treasuries) rose, in particular, lifting the prices of investment grade and high-yield corporate bonds, as well as emerging market debt.

Fund overview *continued*

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

A. We proactively managed the Fund's portfolio during the reporting period. In late 2008, we slowly began increasing our exposure to investment grade corporate bonds. The spreads on these securities relative to Treasuries had moved to historically wide levels and priced in corporate default rates that we felt were overly pessimistic. This positioning produced positive results, as these securities performed poorly in the fall of 2008, but then rallied during the second half of the reporting period.

We reduced the Fund's exposure to emerging market debt due to uncertainties regarding this sector's ability to weather the economic crisis. We also felt these were unattractively valued given the weak global economic environment. This stance was not rewarded as emerging market debt rallied sharply as the fiscal year progressed, as a result of increased optimism that the global economy was bottoming.

We also increased the Fund's allocation to U.S. Treasury Inflation-Protected Securities (TIPS). We felt this was appropriate given our expectations that inflation would become an issue in the future given the government's massive stimulus program. Our TIPS position did not materially impact the Fund's performance during the reporting period.

During the fiscal year, we employed short positions in Treasury futures to manage the Fund's yield curve exposure in both the U.S. and abroad. Although we thought interest rates would stabilize during the reporting period, this was not the case as rates were volatile and ultimately moved lower.

Performance review

For the twelve months ended May 31, 2009, Western Asset Global High Income Fund Inc. returned -15.05% based on its net asset value (NAV) and -17.37% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmarks, the Barclays Capital U.S. Aggregate Index, the Barclays Capital U.S. Corporate High Yield 2% Issuer Cap Index and the JPMorgan Emerging Markets Bond Index Global (EMBI Global), returned 5.36%, -7.06% and -1.03%, respectively, over the same time frame. The Lipper Global Income Closed-End Funds Category Average returned -7.40% for the same period. Please note that Lipper performance returns are based on each fund's NAV.

During the twelve-month period, the Fund made distributions to shareholders totaling \$1.02 per share. The performance table on the next page shows the Fund's twelve-month total return based on its NAV and

market price as of May 31, 2009. **Past performance is no guarantee of future results.**

PERFORMANCE SNAPSHOT as of May 31, 2009

PRICE PER SHARE	12-MONTH TOTAL RETURN*
\$10.23 (NAV)	-15.05%
\$8.83 (Market Price)	-17.37%

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

***Total returns are based on changes in NAV or market price, respectively. Total returns assume the reinvestment of all distributions in additional shares in accordance with the Fund's Dividend Reinvestment Plan.**

Q. What were the leading contributors to performance?

A. Our overweight allocation to agency mortgage-backed securities was beneficial to performance during the fiscal year as the Federal Reserve Board (Fed)^{viii} supported the agency market through its direct purchases of these securities. As discussed, we increased our exposure to investment grade corporate bonds as we felt their valuations had become attractive. Despite periods of extreme volatility, our exposure to the Consumer Cyclical¹ and Communications² sectors positively contributed to the Fund's performance.

Actively managing the Fund's currency exposure in developed countries was rewarded during the fiscal year. In particular, we were underweight the pound and the euro when these currencies sold off. We then adjusted our positioning by overweighting these currencies and benefited when they rallied later in the reporting period.

Q. What were the leading detractors from performance?

A. Overall, the Fund's high-yield bond allocation detracted from performance during the fiscal year. We utilized credit default swaps, a type of financial derivative, to increase our high-yield exposure. While high-yield bond prices rallied during the second half of the reporting period, it was not enough to overcome their extremely poor performance during the financial crisis in the fall of 2008. Our security selection within the high-yield sector, specifically, **Charter Communications Inc.**, **General Motors Corp.** and **Ford Motor Credit Co.**, also detracted from performance.

The Fund's allocation to emerging market Industrials also detracted from results. In addition, our overweight in **Gazprom**, the world's largest gas company based in Russia, was a detractor, as it performed poorly given the deteriorating Russian economy.

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- 1 Consumer Cyclical consists of the following industries: Automotive, Entertainment, Gaming, Home Construction, Lodging, Retailers, Restaurants, Textiles and other consumer services.
- 2 Communications consists of the following industries: Media Cable, Media Non-cable and Telecommunications.

Fund overview *continued*

As discussed earlier, while our short Treasury futures positions met their desired goal of helping to manage the Fund's duration and yield curve exposure, they detracted from performance as risk aversion drove U.S. Treasury yields down to historically low levels.

Elsewhere, the Fund's exposure to local currency-denominated debt dragged down our results. In particular, our exposure to Brazil hurt the Fund's performance as the financial crisis led to a flight to quality to the U.S. dollar and many local currencies sold off as they were perceived to be riskier.

Looking for additional information?

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

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888-777-0102 (toll free), Monday through Friday from 8:00 a.m. to 6:00 p.m. Eastern Standard Time, for the Fund's current NAV, market price and other information.

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

Sincerely,

Western Asset Management Company

June 16, 2009

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

RISKS: An investment in the Fund is subject to investment risk, including the possible loss of the entire principal amount that you invest. The Fund may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses and have a potentially large impact on Fund performance. Investing in foreign securities is subject to certain risks not associated with domestic investing, such as currency fluctuations, and changes in political and economic conditions. These risks are magnified in emerging or developing markets. High-yield bonds involve greater credit and liquidity risks than investment grade bonds. Leverage may magnify gains and increase losses in the Fund's portfolio.

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

- i U.S. Treasury Inflation-Protected Securities (TIPS) are inflation-indexed securities issued by the U.S. Treasury in five-year, ten-year and twenty-year maturities. The principal is adjusted to the Consumer Price Index, the commonly used measure of inflation. The coupon rate is constant, but generates a different amount of interest when multiplied by the inflation-adjusted principal.
- ii The yield curve is the graphical depiction of the relationship between the yield on bonds of the same credit quality but different maturities.
- iii Net asset value (NAV) is calculated by subtracting total liabilities and outstanding preferred stock (if any) from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund's market price as determined by supply of and demand for the Fund's shares.
- iv The Barclays Capital (formerly Lehman Brothers) U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- v The Barclays Capital (formerly Lehman Brothers) U.S. Corporate High Yield 2% Issuer Cap Index is an index of the 2% Issuer Cap component of the Barclays Capital U.S. Corporate High Yield Index, which covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market.
- vi The JPMorgan Emerging Markets Bond Index Global (EMBI Global) tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds and local market instruments.
- vii Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the twelve-month period ended May 31, 2009, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 16 funds in the Fund's Lipper category.
- viii The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.
- ix 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.

Fund at a glance (unaudited)

INVESTMENT BREAKDOWN (%) As a percent of total investments

Schedule of investments

May 31, 2009

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
CORPORATE BONDS & NOTES 50.1%		
CONSUMER DISCRETIONARY 6.9%		
1,660,000	Auto Components 0.3% Allison Transmission Inc., Senior Notes, 11.250% due 11/1/15(a)(b)	\$ 1,128,800
790,000	Keystone Automotive Operations Inc., Senior Subordinated Notes, 9.750% due 11/1/13	264,650
484,000	Visteon Corp., Senior Notes: 8.250% due 8/1/10(c)	26,620
1,249,000	12.250% due 12/31/16(a)(c)	68,695
	<i>Total Auto Components</i>	<i>1,488,765</i>
	Automobiles 0.1% General Motors Corp.:	
570,000	Notes, 7.200% due 1/15/11(c)	52,725
	Senior Debentures:	
300,000	8.250% due 7/15/23(c)	28,500
3,570,000	8.375% due 7/15/33(c)	339,150
	<i>Total Automobiles</i>	<i>420,375</i>
	Diversified Consumer Services 0.3% Education Management LLC/Education Management Finance Corp.,	
1,550,000	Senior Subordinated Notes, 10.250% due 6/1/16	1,519,000
	Service Corp. International, Senior Notes:	
185,000	7.625% due 10/1/18	172,050
210,000	7.500% due 4/1/27	168,000
	<i>Total Diversified Consumer Services</i>	<i>1,859,050</i>
	Hotels, Restaurants & Leisure 2.0% Boyd Gaming Corp., Senior Subordinated Notes, 6.750% due 4/15/14	529,875
675,000	Choctaw Resort Development Enterprise, Senior Notes, 7.250% due 11/15/19(a)	278,735
521,000	Denny's Holdings Inc., Senior Notes, 10.000% due 10/1/12	848,750
875,000	El Pollo Loco Inc.:	
	Senior Notes, 11.750% due 11/15/13	434,700
540,000	Senior Secured Notes, 11.750% due 12/1/12(a)	184,050
180,000	Harrahs Operating Escrow LLC/Harrahs Escrow Corp., Senior Secured Notes, 11.250% due 6/1/17(a)	823,875
845,000	Inn of the Mountain Gods Resort & Casino, Senior Notes, 12.000% due 11/15/10(c)	240,000
1,000,000	MGM MIRAGE Inc.:	
	Notes, 6.750% due 9/1/12	387,800
560,000	Senior Secured Notes:	
	10.375% due 5/15/14(a)	491,625
475,000	11.125% due 11/15/17(a)	1,194,588
1,135,000		

See Notes to Financial Statements.

Schedule of investments *continued*

May 31, 2009

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Hotels, Restaurants & Leisure 2.0%<i>continued</i>	
	Mohegan Tribal Gaming Authority, Senior Subordinated Notes:	
675,000	7.125% due 8/15/14	\$ 469,125
625,000	6.875% due 2/15/15	415,625
316,000	Pokagon Gaming Authority, Senior Notes, 10.375% due 6/15/14(a)	306,520
95,000	River Rock Entertainment Authority, Senior Secured Notes, 9.750% due 11/1/11	69,825
770,000	Sbarro Inc., Senior Notes, 10.375% due 2/1/15	433,125
1,150,000	Seneca Gaming Corp., Senior Notes, 7.250% due 5/1/12	937,250
150,000	Snoqualmie Entertainment Authority, Senior Secured Notes, 5.384% due 2/1/14(a)(d)	79,125
	Station Casinos Inc., Senior Notes:	
110,000	6.000% due 4/1/12(e)	40,150
760,000	7.750% due 8/15/16(e)	277,400
2,000,000	Turning Stone Casino Resort Enterprise, Senior Notes, 9.125% due 12/15/10(a)	1,850,000
	<i>Total Hotels, Restaurants & Leisure</i>	<i>10,292,143</i>
	Household Durables 0.7%	
80,000	American Greetings Corp., Senior Notes, 7.375% due 6/1/16	50,800
1,665,000	K Hovnanian Enterprises Inc., Senior Notes, 11.500% due 5/1/13	1,427,738
2,180,000	Norcraft Cos. LP/Norcraft Finance Corp., Senior Subordinated Notes, 9.000% due 11/1/11	2,081,900
445,000	Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount Notes, 9.750% due 9/1/12	393,825
	<i>Total Household Durables</i>	<i>3,954,263</i>
	Leisure Equipment & Products 0.1%	
455,000	WMG Acquisition Corp., Senior Secured Notes, 9.500% due 6/15/16(a)	456,706
	Media 2.6%	
	Affinion Group Inc.:	
2,210,000	Senior Notes, 10.125% due 10/15/13	2,088,450
380,000	Senior Subordinated Notes, 11.500% due 10/15/15	329,650
510,000	AMC Entertainment Inc., Senior Notes, 8.750% due 6/1/19(a)	493,425
3,257,000	CCH I LLC/CCH I Capital Corp., Senior Secured Notes, 11.000% due 10/1/15(c)(e)	390,840
849,000	CCH II LLC/CCH II Capital Corp., Senior Notes, 10.250% due 10/1/13(c)(e)	840,510
1,570,000	Cengage Learning Acquisitions Inc., Senior Notes, 10.500% due 1/15/15(a)	1,232,450
125,000	Charter Communications Holdings LLC, Senior Discount Notes, 12.125% due 1/15/12(c)(e)(f)	1,250
215,000	Charter Communications Holdings LLC/Charter Communications Holdings Capital Corp., Senior Discount Notes, 11.750% due 5/15/11(c)(e)	2,150

See Notes to Financial Statements.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Media 2.6%<i>continued</i>	
1,150,000	Charter Communications Inc., Senior Secured Notes, 10.875% due 9/15/14(a)(e)	\$ 1,190,250
46,000	CMP Susquehanna Corp., 4.774% due 5/15/14(a)(d)(f)	19,550
1,120,000	Comcast Corp., 5.700% due 5/15/18	1,112,843
	CSC Holdings Inc., Senior Notes:	
250,000	7.625% due 4/1/11	250,625
575,000	6.750% due 4/15/12	557,750
3,060,000	DISH DBS Corp., Senior Notes, 7.750% due 5/31/15	2,907,000
3,155,000	Idearc Inc., Senior Notes, 8.000% due 11/15/16(c)	86,762
	R.H. Donnelley Corp., Senior Notes:	
650,000	8.875% due 1/15/16(c)	48,750
100,000	8.875% due 10/15/17(c)	7,500
1,100,000	Rogers Cable Inc., Senior Secured Notes, 7.875% due 5/1/12	1,187,617
270,000	Sun Media Corp., Senior Notes, 7.625% due 2/15/13	175,500
200,000	Time Warner Cable Inc., Senior Notes, 8.750% due 2/14/19	229,756
260,000	Time Warner Inc., 6.500% due 11/15/36	211,851
330,000	UPC Holding BV, Senior Notes, 9.875% due 4/15/18(a)	320,100
	<i>Total Media</i>	<i>13,684,579</i>
	Multiline Retail 0.6%	
	Dollar General Corp.:	
1,030,000	Senior Notes, 10.625% due 7/15/15	1,094,375
450,000	Senior Subordinated Notes, 11.875% due 7/15/17(b)	477,000
	Neiman Marcus Group Inc.:	
1,116,569	Senior Notes, 9.000% due 10/15/15(b)	602,947
1,400,000	Senior Secured Notes, 7.125% due 6/1/28	742,000
	<i>Total Multiline Retail</i>	<i>2,916,322</i>
	Specialty Retail 0.2%	
335,000	AutoNation Inc., Senior Notes, 3.131% due 4/15/13(d)	293,125
1,070,000	Blockbuster Inc., Senior Subordinated Notes, 9.000% due 9/1/12	551,050
	<i>Total Specialty Retail</i>	<i>844,175</i>
	TOTAL CONSUMER DISCRETIONARY	35,916,378
CONSUMER STAPLES 0.9%		
	Beverages 0.3%	
785,000	Constellation Brands Inc., Senior Notes, 8.375% due 12/15/14	788,925
340,000	Dr. Pepper Snapple Group Inc., Senior Notes, 6.820% due 5/1/18	342,790
390,000	PepsiCo Inc., Senior Notes, 7.900% due 11/1/18	467,767
	<i>Total Beverages</i>	<i>1,599,482</i>

See Notes to Financial Statements.

Schedule of investments *continued*

May 31, 2009

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Food & Staples Retailing 0.1%	
171,246	CVS Caremark Corp., Pass-Through Certificates, 5.298% due 1/11/27(a)	\$ 136,778
101,092	CVS Lease Pass-Through Trust, Secured Notes: 5.880% due 1/10/28(a)	82,729
622,515	6.036% due 12/10/28(a)(e) <i>Total Food & Staples Retailing</i>	514,075 733,582
	Food Products 0.2%	
610,000	Dole Food Co. Inc., Senior Notes: 7.250% due 6/15/10	599,325
432,000	8.875% due 3/15/11 <i>Total Food Products</i>	412,560 1,011,885
	Household Products 0.1%	
490,000	Visant Holding Corp., Senior Notes, 8.750% due 12/1/13	476,525
	Tobacco 0.2%	
110,000	Alliance One International Inc., Senior Notes: 8.500% due 5/15/12	102,850
790,000	11.000% due 5/15/12	799,875
140,000	Altria Group Inc., Senior Notes, 9.700% due 11/10/18 <i>Total Tobacco</i>	159,585 1,062,310
	TOTAL CONSUMER STAPLES	4,883,784
ENERGY 8.1%		
	Energy Equipment & Services 0.4%	
260,000	Baker Hughes Inc., Senior Notes, 7.500% due 11/15/18	300,093
560,000	Complete Production Services Inc., Senior Notes, 8.000% due 12/15/16	456,400
750,000	Key Energy Services Inc., Senior Notes, 8.375% due 12/1/14	663,750
270,000	Pride International Inc., Senior Notes, 7.375% due 7/15/14	270,338
390,000	Transocean Inc., Senior Notes, 5.250% due 3/15/13 <i>Total Energy Equipment & Services</i>	402,742 2,093,323
	Oil, Gas & Consumable Fuels 7.7%	
800,000	Anadarko Petroleum Corp., Senior Notes, 6.450% due 9/15/36	668,076
280,000	Apache Corp., Senior Notes, 6.000% due 1/15/37	279,790
1,395,000	Belden & Blake Corp., Secured Notes, 8.750% due 7/15/12	1,109,025
560,000	Berry Petroleum Co., Senior Notes, 10.250% due 6/1/14	552,300
1,350,000	Chesapeake Energy Corp., Senior Notes: 6.375% due 6/15/15	1,164,375
270,000	6.625% due 1/15/16	232,875
2,145,000	7.250% due 12/15/18	1,801,800
160,000	Colorado Interstate Gas Co., Senior Notes, 6.800% due 11/15/15	161,893

See Notes to Financial Statements.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Oil, Gas & Consumable Fuels 7.7%<i>continued</i>	
245,000	Compagnie Generale de Geophysique SA, Senior Notes, 7.500% due 5/15/15	\$ 225,400
483,128	Corral Petroleum Holdings AB, Senior Secured Subordinated Bonds, 2.631% due 4/15/10(a)(b)(d)	210,161
230,000	Devon Energy Corp., Debentures, 7.950% due 4/15/32	259,421
	El Paso Corp.:	
	Medium-Term Notes:	
2,050,000	7.375% due 12/15/12	1,989,029
1,330,000	7.750% due 1/15/32	1,062,048
125,000	Notes, 7.875% due 6/15/12	123,137
70,000	El Paso Natural Gas Co., Bonds, 8.375% due 6/15/32	71,011
480,000	Energy Transfer Partners LP, Senior Notes, 6.700% due 7/1/18	462,779
	Enterprise Products Operating LLP:	
980,000	Junior Subordinated Notes, 8.375% due 8/1/66	745,716
550,000	Senior Bonds, 6.300% due 9/15/17	529,536
1,530,000	EXCO Resources Inc., Senior Notes, 7.250% due 1/15/11	1,377,000
1,555,000	Forest Oil Corp., Senior Notes, 8.500% due 2/15/14(a)	1,508,350
890,000	Gazprom, Loan Participation Notes, 6.212% due 11/22/16(a)	753,118
655,000	International Coal Group Inc., Senior Notes, 10.250% due 7/15/14	455,225
2,990,000	KazMunaiGaz Finance Sub B.V., Senior Notes, 8.375% due 7/2/13(a)	2,735,850
390,000	Kinder Morgan Energy Partners LP, Medium-Term Notes, 6.950% due 1/15/38	362,464
	LUKOIL International Finance BV:	
946,000	6.656% due 6/7/22(a)	723,690
1,850,000	Bonds, 6.356% due 6/7/17(a)	1,544,750
830,000	Notes, 6.356% due 6/7/17(a)	693,050
390,000	Mariner Energy Inc., Senior Notes, 7.500% due 4/15/13	343,200
330,000	Occidental Petroleum Corp., Senior Notes, 7.000% due 11/1/13	377,864
	OPTI Canada Inc., Senior Secured Notes:	
690,000	7.875% due 12/15/14	469,200
445,000	8.250% due 12/15/14	309,275
6,747,000	Pemex Project Funding Master Trust, Senior Bonds, 6.625% due 6/15/35	6,277,982
510,000	Petrohawk Energy Corp., Senior Notes, 9.125% due 7/15/13	503,625
2,500,000	Petroleos Mexicanos, 8.000% due 5/3/19(a)	2,745,000
410,000	Petroplus Finance Ltd., Senior Notes, 7.000% due 5/1/17(a)	336,200
585,000	Plains Exploration & Production Co., Senior Notes, 10.000% due 3/1/16	586,462
	SandRidge Energy Inc., Senior Notes:	
1,000,000	8.625% due 4/1/15(b)	857,500
675,000	9.875% due 5/15/16(a)	646,312

See Notes to Financial Statements.

Schedule of investments *continued*

May 31, 2009

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Oil, Gas & Consumable Fuels 7.7%<i>continued</i>	
1,245,000	SemGroup LP, Senior Notes, 8.750% due 11/15/15(a)(c)(e)	\$ 87,150
660,000	Stone Energy Corp., Senior Subordinated Notes, 8.250% due 12/15/11	435,600
1,140,000	Teekay Corp., Senior Notes, 8.875% due 7/15/11	1,131,450
355,000	W&T Offshore Inc., Senior Notes, 8.250% due 6/15/14(a)	271,575
630,000	Whiting Petroleum Corp., Senior Subordinated Notes, 7.000% due 2/1/14	567,000
1,060,000	Williams Cos. Inc.: Notes, 8.750% due 3/15/32	1,020,040
1,000,000	Senior Notes, 7.625% due 7/15/19	976,687
440,000	XTO Energy Inc., Senior Notes, 5.500% due 6/15/18	432,474
	<i>Total Oil, Gas & Consumable Fuels</i>	<i>40,176,465</i>
	TOTAL ENERGY	42,269,788
FINANCIALS 9.8%	Capital Markets 1.7%	
1,120,000	Bear Stearns Co. Inc., Senior Notes, 7.250% due 2/1/18	1,156,501
330,000	Goldman Sachs Group Inc., Senior Notes, 6.150% due 4/1/18	319,107
390,000	Merrill Lynch & Co. Inc., Notes, 6.875% due 4/25/18	362,527
470,000	Morgan Stanley, Medium-Term Notes, 6.625% due 4/1/18	465,399
6,200,000	Morgan Stanley Bank AG for OAO Gazprom, Loan Participation Notes, 9.625% due 3/1/13(a)	6,409,250
	<i>Total Capital Markets</i>	<i>8,712,784</i>
	Commercial Banks 3.1%	
2,370,000	ATF Capital BV, Senior Notes, 9.250% due 2/21/14(a)	1,564,200
1,050,000	Banco Mercantil del Norte SA, Subordinated Bonds, 6.135% due 10/13/16(a)(d)	876,425
1,700,000	HSBK Europe BV: 7.250% due 5/3/17(a)	1,003,000
730,000	7.250% due 5/3/17(a)	430,700
1,840,000	ICICI Bank Ltd., Subordinated Bonds: 6.375% due 4/30/22(a)(d)	1,362,853
454,000	6.375% due 4/30/22(a)(d)	342,988
120,000	Keybank National Association, Senior Notes, 3.200% due 6/15/12	124,586
	RSHB Capital, Loan Participation Notes: Secured Notes:	
1,232,000	7.175% due 5/16/13(a)	1,178,285
4,120,000	7.125% due 1/14/14(a)	3,936,289
1,350,000	7.125% due 1/14/14(a)	1,279,395
470,000	Senior Notes, 6.299% due 5/15/17(a)	411,250
	Senior Secured Notes: 7.175% due 5/16/13(a)	269,500

See Notes to Financial Statements.

12 Western Asset Global High Income Fund Inc. 2009 Annual Report

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Commercial Banks 3.1%<i>continued</i>	
1,529,000	6.299% due 5/15/17(a) TuranAlem Finance BV, Bonds:	\$ 1,322,585
1,786,000	8.250% due 1/22/37(a)	375,060
880,000	8.250% due 1/22/37(a)	206,800
1,350,000	Wachovia Corp., Senior Notes, 5.750% due 2/1/18	1,297,496
350,000	Wells Fargo Capital XV, Junior Subordinated Notes, 9.750% due 9/26/13(d)(g)	325,776
	<i>Total Commercial Banks</i>	<i>16,307,188</i>
	Consumer Finance 2.1%	
260,000	American Express Co., Notes, 7.000% due 3/19/18 Ford Motor Credit Co.:	248,719
	Notes:	
50,000	7.875% due 6/15/10	47,603
1,300,000	7.000% due 10/1/13 Senior Notes:	1,049,968
1,650,000	6.570% due 6/15/11(d)	1,396,313
115,000	9.875% due 8/10/11	105,034
210,000	3.889% due 1/13/12(d)	166,163
380,000	12.000% due 5/15/15 GMAC LLC:	349,739
	Senior Notes:	
978,000	6.875% due 8/28/12(a)	846,557
30,000	7.500% due 12/31/13(a)	25,073
3,877,000	8.000% due 11/1/31(a)	2,914,073
36,000	Subordinated Notes, 8.000% due 12/31/18(a)	26,139
4,350,000	SLM Corp., Senior Notes, 1.252% due 7/26/10(d)	3,829,283
	<i>Total Consumer Finance</i>	<i>11,004,664</i>
	Diversified Financial Services 2.2%	
350,000	AAC Group Holding Corp., Senior Discount Notes, 10.250% due 10/1/12(a) Bank of America Corp., Senior Notes:	215,250
60,000	2.375% due 6/22/12	60,802
490,000	5.650% due 5/1/18	439,235
550,000	CCM Merger Inc., Notes, 8.000% due 8/1/13(a) Citigroup Inc.:	382,250
290,000	Notes, 6.875% due 3/5/38	255,935
490,000	Senior Notes, 6.125% due 11/21/17	439,905
290,000	El Paso Performance-Linked Trust Certificates, Senior Notes, 7.750% due 7/15/11(a)	287,915
470,000	Galaxy Entertainment Finance Co. Ltd., Senior Notes, 7.323% due 12/15/10(a)(d)	420,650

See Notes to Financial Statements.

Schedule of investments *continued*

May 31, 2009

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Diversified Financial Services 2.2% <i>continued</i>	
	General Electric Capital Corp., Senior Notes:	
1,950,000	2.125% due 12/21/12	\$ 1,961,671
650,000	5.625% due 5/1/18	621,850
220,000	John Deere Capital Corp., Senior Notes, 4.900% due 9/9/13	221,990
530,000	JPMorgan Chase & Co., 2.125% due 12/26/12	531,869
	Leucadia National Corp., Senior Notes:	
540,000	8.125% due 9/15/15	481,950
340,000	7.125% due 3/15/17	263,925
	TNK-BP Finance SA:	
550,000	6.625% due 3/20/17(a)	429,000
	Senior Notes:	
1,750,000	7.500% due 7/18/16(a)	1,461,250
170,000	7.500% due 7/18/16(a)	144,925
1,490,000	7.875% due 3/13/18(a)	1,236,700
890,000	Vanguard Health Holdings Co., I LLC, Senior Discount Notes, step bond to yield 9.952% due 10/1/15	834,375
	Vanguard Health Holdings Co., II LLC, Senior Subordinated Notes, 9.000% due 10/1/14	743,675
755,000	<i>Total Diversified Financial Services</i>	<i>11,435,122</i>
	Real Estate Investment Trusts (REITs) 0.6%	
30,000	Forest City Enterprises Inc., Senior Notes, 7.625% due 6/1/15	16,650
2,275,000	Host Marriott LP, Senior Notes, 7.125% due 11/1/13	2,127,125
	Ventas Realty LP/Ventas Capital Corp., Senior Notes:	
175,000	6.500% due 6/1/16	160,563
690,000	6.750% due 4/1/17	639,975
	<i>Total Real Estate Investment Trusts (REITs)</i>	<i>2,944,313</i>
	Real Estate Management & Development 0.1%	
169,000	Ashton Woods USA LLC, Ashton Woods Finance Co., Senior Subordinated Notes, step bond to yield 37.040% due 6/30/15(a)(e)(f)	63,375
1,750,000	Realogy Corp., Senior Subordinated Notes, 12.375% due 4/15/15	446,250
	<i>Total Real Estate Management & Development</i>	<i>509,625</i>
	TOTAL FINANCIALS	50,913,696
HEALTH CARE 3.4%		
	Health Care Providers & Services 3.3%	
240,000	Cardinal Health Inc., Senior Bonds, 5.850% due 12/15/17	219,672
620,000	Community Health Systems Inc., Senior Notes, 8.875% due 7/15/15	616,125
1,300,000	DaVita Inc., Senior Subordinated Notes, 7.250% due 3/15/15	1,228,500
	HCA Inc.:	
1,360,000	Notes, 6.375% due 1/15/15	1,057,400

See Notes to Financial Statements.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Health Care Providers & Services 3.3%<i>continued</i>	
	Senior Secured Notes:	
540,000	9.250% due 11/15/16	\$ 531,900
4,386,000	9.625% due 11/15/16(b)	4,210,560
2,680,000	IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes, 8.750% due 6/15/14	2,633,100
	Tenet Healthcare Corp., Senior Notes:	
1,030,000	7.375% due 2/1/13	996,525
1,959,000	9.875% due 7/1/14	1,968,795
1,015,000	9.000% due 5/1/15(a)	1,040,375
215,000	10.000% due 5/1/18(a)	225,750
	Universal Hospital Services Inc., Senior Secured Notes:	
160,000	5.943% due 6/1/15(d)	130,400
135,000	8.500% due 6/1/15(b)	130,275
3,377,000	US Oncology Holdings Inc., Senior Notes, 7.654% due 3/15/12(b)(d)	2,313,245
240,000	WellPoint Inc., Senior Notes, 5.875% due 6/15/17	229,349
	<i>Total Health Care Providers & Services</i>	<i>17,531,971</i>
	Pharmaceuticals 0.1%	
	Leiner Health Products Inc., Senior Subordinated Notes, 11.000% due 6/1/12(c)(e)	6,350
1,270,000	Wyeth, Notes, 5.950% due 4/1/37	265,148
260,000	<i>Total Pharmaceuticals</i>	<i>271,498</i>
	TOTAL HEALTH CARE	17,803,469
INDUSTRIALS 5.6%	Aerospace & Defense 0.3%	
	Hawker Beechcraft Acquisition Co.:	
2,545,000	Senior Notes, 8.875% due 4/1/15(b)	801,675
55,000	Senior Subordinated Notes, 9.750% due 4/1/17	17,325
845,000	L-3 Communications Corp., Senior Subordinated Notes, 7.625% due 6/15/12	846,056
	<i>Total Aerospace & Defense</i>	<i>1,665,056</i>
	Airlines 0.3%	
	Continental Airlines Inc.:	
195,810	8.388% due 5/1/22	133,151
	Pass-Through Certificates:	
279,117	8.312% due 4/2/11(f)	220,502
290,000	7.339% due 4/19/14	197,925
2,290,000	DAE Aviation Holdings Inc., Senior Notes, 11.250% due 8/1/15(a)	1,019,050
	<i>Total Airlines</i>	<i>1,570,628</i>

See Notes to Financial Statements.

Schedule of investments *continued*

May 31, 2009

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Building Products 0.9%	
	Associated Materials Inc.:	
25,000	Senior Discount Notes, 11.250% due 3/1/14	\$ 8,125
1,560,000	Senior Subordinated Notes, 9.750% due 4/15/12	1,326,000
	GTL Trade Finance Inc.:	
1,060,000	7.250% due 10/20/17(a)	1,022,900
2,036,000	Senior Notes, 7.250% due 10/20/17(a)	1,964,740
160,000	Nortek Inc., Senior Subordinated Notes, 8.500% due 9/1/14	43,200
1,130,000	NTK Holdings Inc., Senior Discount Notes, step bond to yield 11.542% due 3/1/14	117,238
	<i>Total Building Products</i>	<i>4,482,203</i>
	Commercial Services & Supplies 1.2%	
900,000	Allied Waste North America Inc., Senior Notes, 7.375% due 4/15/14	918,930
1,618,000	DynCorp International LLC/DIV Capital Corp., Senior Subordinated Notes, 9.500% due 2/15/13	1,573,505
1,100,000	Interface Inc., Senior Subordinated Notes, 9.500% due 2/1/14	844,250
1,295,000	Rental Services Corp., Senior Notes, 9.500% due 12/1/14	1,016,575
2,510,000	US Investigations Services Inc., Senior Subordinated Notes, 10.500% due 11/1/15(a)	2,058,200
	<i>Total Commercial Services & Supplies</i>	<i>6,411,460</i>
	Construction & Engineering 1.4%	
7,177,000	Odebrecht Finance Ltd., 7.500% due 10/18/17(a)	7,123,172
	Machinery 0.1%	
680,000	Terex Corp., Senior Notes, 10.875% due 6/1/16	663,904
	Road & Rail 0.9%	
2,610,000	Hertz Corp., Senior Subordinated Notes, 10.500% due 1/1/16	2,283,750
	Kansas City Southern de Mexico, Senior Notes:	
790,000	9.375% due 5/1/12	712,975
980,000	7.625% due 12/1/13	808,500
615,000	12.500% due 4/1/16(a)	581,175
	<i>Total Road & Rail</i>	<i>4,386,400</i>
	Trading Companies & Distributors 0.4%	
595,000	Ashtead Capital Inc., Notes, 9.000% due 8/15/16(a)	443,275
1,370,000	H&E Equipment Services Inc., Senior Notes, 8.375% due 7/15/16	1,082,300
1,415,000	Penhall International Corp., Senior Secured Notes, 12.000% due 8/1/14(a)(e)	502,325
	<i>Total Trading Companies & Distributors</i>	<i>2,027,900</i>
	Transportation Infrastructure 0.1%	
	Swift Transportation Co., Senior Secured Notes:	
270,000	8.633% due 5/15/15(a)(d)	117,450

See Notes to Financial Statements.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Transportation Infrastructure 0.1%<i>continued</i>	
1,120,000	12.500% due 5/15/17(a)	\$ 520,800
	<i>Total Transportation Infrastructure</i>	638,250
	TOTAL INDUSTRIALS	28,968,973
INFORMATION TECHNOLOGY 0.6%		
	IT Services 0.4%	
520,000	Ceridian Corp., Senior Notes, 12.250% due 11/15/15(b)	351,000
1,240,000	First Data Corp., Senior Notes, 9.875% due 9/24/15	849,400
1,000,000	SunGard Data Systems Inc., Senior Subordinated Notes, 10.250% due 8/15/15	912,500
	<i>Total IT Services</i>	2,112,900
	Semiconductors & Semiconductor Equipment 0.0%	
	Freescall Semiconductor Inc.:	
80,000	Senior Notes, 8.875% due 12/15/14	36,400
510,000	Senior Subordinated Notes, 10.125% due 12/15/16	137,700
	<i>Total Semiconductors & Semiconductor Equipment</i>	174,100
	Software 0.2%	
1,355,000	Activant Solutions Inc., Senior Subordinated Notes, 9.500% due 5/1/16	999,313
	TOTAL INFORMATION TECHNOLOGY	3,286,313
MATERIALS 4.5%		
	Chemicals 0.1%	
	Georgia Gulf Corp., Senior Notes:	
10,000	9.500% due 10/15/14(e)	2,725
2,035,000	10.750% due 10/15/16(e)	208,587
495,000	Methanex Corp., Senior Notes, 8.750% due 8/15/12	457,875
220,000	Westlake Chemical Corp., Senior Notes, 6.625% due 1/15/16	185,900
	<i>Total Chemicals</i>	855,087
	Containers & Packaging 0.0%	
575,000	Radnor Holdings Inc., Senior Notes, 11.000% due 3/15/10(c)(e)(f)	0
	Metals & Mining 3.7%	
	Corporacion Nacional del Cobre-Codelco, Notes, 5.500% due 10/15/13(a)(f)	1,123,742
	Evrax Group SA, Notes:	
3,220,000	8.875% due 4/24/13(a)	2,576,000
280,000	8.875% due 4/24/13(a)	226,310
2,950,000	Freeport-McMoRan Copper & Gold Inc., Senior Notes, 8.375% due 4/1/17	2,932,017
2,100,000	Metals USA Inc., Senior Secured Notes, 11.125% due 12/1/15	1,590,750
	Noranda Aluminium Acquisition Corp., Senior Notes, 6.163% due 5/15/15(b)(d)	260,488
486,893		260,488
950,000	Novelis Inc., Senior Notes, 7.250% due 2/15/15	629,375

See Notes to Financial Statements.

Schedule of investments *continued*

May 31, 2009

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Metals & Mining 3.7%<i>continued</i>	
1,530,000	Ryerson Inc., Senior Secured Notes, 12.000% due 11/1/15	\$ 1,040,400
250,000	Steel Dynamics Inc., Senior Notes, 7.375% due 11/1/12	231,250
	Teck Resources Ltd., Senior Secured Notes:	
490,000	9.750% due 5/15/14(a)	488,019
410,000	10.250% due 5/15/16(a)	415,635
810,000	10.750% due 5/15/19(a)	834,557
	Vale Overseas Ltd., Notes:	
1,448,000	8.250% due 1/17/34	1,507,728
2,704,000	6.875% due 11/21/36	2,451,073
2,980,000	Vedanta Resources PLC, Senior Notes, 8.750% due 1/15/14(a)	2,905,500
	<i>Total Metals & Mining</i>	<i>19,212,844</i>
	Paper & Forest Products 0.7%	
2,110,000	Abitibi-Consolidated Co. of Canada, Senior Secured Notes, 13.750% due 4/1/11(a)(c)	1,951,750
	Appleton Papers Inc.:	
375,000	Senior Notes, 8.125% due 6/15/11(e)	245,625
715,000	Senior Subordinated Notes, 9.750% due 6/15/14(e)	246,675
2,095,000	NewPage Corp., Senior Secured Notes, 7.278% due 5/1/12(d)	1,026,550
	<i>Total Paper & Forest Products</i>	<i>3,470,600</i>
	TOTAL MATERIALS	23,538,531
TELECOMMUNICATION SERVICES 6.2%	Diversified Telecommunication Services 4.4%	
	AT&T Inc.:	
630,000	Global Notes, 5.600% due 5/15/18	639,185
720,000	Senior Notes, 6.400% due 5/15/38	687,478
	Axtel SAB de CV, Senior Notes:	
1,996,000	7.625% due 2/1/17(a)	1,506,980
1,714,000	7.625% due 2/1/17(a)	1,289,785
240,000	British Telecommunications PLC, Bonds, 9.125% due 12/15/30	252,643
	Cincinnati Bell Telephone Co., Senior Debentures, 6.300% due 12/1/28	93,000
120,000	Hawaiian Telcom Communications Inc., Senior Subordinated Notes, 12.500% due 5/1/15(c)(e)	3,344
535,000		
1,505,000	Intelsat Bermuda Ltd., Senior Notes, 11.250% due 6/15/16	1,550,150
900,000	Intelsat Intermediate Holding Co., Ltd., Senior Discount Notes, step bond to yield 11.454% due 2/1/15(a)	816,750
210,000	Intelsat Jackson Holdings Ltd., Senior Notes, 9.500% due 6/15/16(a)	210,000
350,000	Koninklijke KPN NV, Senior Notes, 8.375% due 10/1/30	390,027
	L-3 Communications Corp., Senior Subordinated Notes, 6.375% due 10/15/15	297,375

See Notes to Financial Statements.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Diversified Telecommunication Services 4.4%<i>continued</i>	
	Level 3 Financing Inc., Senior Notes:	
965,000	12.250% due 3/15/13	\$ 887,800
1,105,000	9.250% due 11/1/14	868,806
70,000	5.474% due 2/15/15(d)	43,750
1,895,000	Nordic Telephone Co. Holdings, Senior Secured Bonds, 8.875% due 5/1/16(a)	1,904,475
1,520,000	Qwest Communications International Inc., Senior Notes, 7.500% due 2/15/14	1,406,000
85,000	Qwest Corp., Senior Notes, 4.570% due 6/15/13(d)	76,713
1,255,000	Telcordia Technologies Inc., Senior Subordinated Notes, 10.000% due 3/15/13(a)	796,925
450,000	Telefonica Emisiones SAU, Senior Notes, 6.221% due 7/3/17	472,654
1,708,000	UBS Luxembourg SA for OJSC Vimpel Communications, Loan Participation Notes, 8.250% due 5/23/16(a)	1,421,910
	Verizon Communications Inc., Senior Notes:	
510,000	5.500% due 2/15/18	511,984
560,000	6.400% due 2/15/38	541,610
	Vimpel Communications, Loan Participation Notes:	
1,030,000	8.375% due 4/30/13(a)	942,450
1,535,000	Secured Notes, 8.375% due 4/30/13(a)	1,411,977
	Virgin Media Finance PLC, Senior Notes:	
1,200,000	9.125% due 8/15/16	1,164,000
1,415,000	9.500% due 8/15/16	1,352,372
155,000	Wind Acquisition Finance SA, Senior Bonds, 10.750% due 12/1/15(a)	163,525
1,225,000	Windstream Corp., Senior Notes, 8.625% due 8/1/16	1,209,687
	<i>Total Diversified Telecommunication Services</i>	<i>22,913,355</i>
	Wireless Telecommunication Services 1.8%	
630,000	ALLTEL Communications Inc., Senior Notes, 10.375% due 12/1/17(a)(b)	751,162
1,090,000	America Movil SAB de CV, Senior Notes, 5.625% due 11/15/17	1,060,429
1,295,000	Crickit Communications Inc., Senior Secured Notes, 7.750% due 5/15/16(a)	1,257,769
150,000	MetroPCS Wireless Inc., Senior Notes, 9.250% due 11/1/14	151,313
1,105,000	Nextel Communications Inc., Senior Notes, 7.375% due 8/1/15	881,237
170,000	Rogers Wireless Inc., Senior Subordinated Notes, 8.000% due 12/15/12	175,525
320,000	Sprint Capital Corp., Senior Notes, 8.375% due 3/15/12	316,800
6,510,000	True Move Co., Ltd., Notes, 10.750% due 12/16/13(a)	4,719,750
	<i>Total Wireless Telecommunication Services</i>	<i>9,313,985</i>
	TOTAL TELECOMMUNICATION SERVICES	32,227,340

See Notes to Financial Statements.

Schedule of investments *continued*

May 31, 2009

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
UTILITIES 4.1%		
	Electric Utilities 0.7%	
2,050,000	EEB International Ltd., Senior Bonds, 8.750% due 10/31/14(a)	\$ 2,111,500
581,000	Enersis SA, Notes, 7.375% due 1/15/14	626,600
270,000	FirstEnergy Corp., Notes, 7.375% due 11/15/31	234,772
550,000	Orion Power Holdings Inc., Senior Notes, 12.000% due 5/1/10	570,625
290,000	Pacific Gas & Electric Co., First Mortgage Bonds, 6.050% due 3/1/34	293,437
	<i>Total Electric Utilities</i>	<i>3,836,934</i>
	Gas Utilities 0.3%	
1,480,000	Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes, 6.875% due 12/15/13	1,398,600
	Independent Power Producers & Energy Traders 3.1%	
	AES Corp., Senior Notes:	
525,000	9.375% due 9/15/10	531,563
670,000	8.875% due 2/15/11	678,375
1,940,000	7.750% due 3/1/14	1,857,550
1,500,000	7.750% due 10/15/15	1,402,500
1,150,000	Dynegy Holdings Inc., Senior Notes, 7.750% due 6/1/19	842,375
	Edison Mission Energy, Senior Notes:	
1,890,000	7.750% due 6/15/16	1,474,200
550,000	7.200% due 5/15/19	374,688
765,000	7.625% due 5/15/27	471,431
8,564,800	Energy Future Holdings Corp., Senior Notes, 11.250% due 11/1/17(b)	4,517,932
845,000	Mirant North America LLC, Senior Notes, 7.375% due 12/31/13	813,312
	NRG Energy Inc., Senior Notes:	
2,195,000	7.250% due 2/1/14	2,107,200
1,105,000	7.375% due 2/1/16	1,042,844
	<i>Total Independent Power Producers & Energy Traders</i>	<i>16,113,970</i>
	TOTAL UTILITIES	21,349,504
	TOTAL CORPORATE BONDS & NOTES	
	(Cost \$313,134,453)	261,157,776
ASSET-BACKED SECURITIES 0.0%		
FINANCIALS 0.0%		
	Home Equity 0.0%	
110,125	Finance America Net Interest Margin Trust, 5.250% due 6/27/34(a)(e)(f)	55
	Sail Net Interest Margin Notes:	
42,974	7.000% due 7/27/33(a)(e)(f)	22
14,101	7.000% due 7/27/33(a)(e)(f)	7
	TOTAL ASSET-BACKED SECURITIES	
	(Cost \$166,862)	84

See Notes to Financial Statements.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
COLLATERALIZED MORTGAGE OBLIGATIONS 0.4%		
	Federal National Mortgage Association (FNMA) STRIPS, IO:	
6,383,010	5.500% due 1/1/33(e)(h)	\$ 1,021,808
8,146,007	5.500% due 6/1/33(e)(h)	1,329,807
	TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS	
	(Cost \$4,462,228)	2,351,615
COLLATERALIZED SENIOR LOANS 0.1%		
ENERGY 0.1%		
	Oil, Gas & Consumable Fuels 0.1%	
	Ashmore Energy International:	
131,105	Synthetic Revolving Credit Facility, 3.313% due 3/30/14(d)	98,984
924,078	Term Loan, 4.220% due 3/30/14(d)	697,679
	TOTAL COLLATERALIZED SENIOR LOANS	
	(Cost \$1,053,212)	796,663
MORTGAGE-BACKED SECURITIES 31.4%		
	FHLMC 13.7%	
	Federal Home Loan Mortgage Corp. (FHLMC):	
1,480,648	5.844% due 10/1/36(d)(h)	1,546,872
3,946,648	5.721% due 3/1/37(d)(h)	4,124,944
2,994,399	5.862% due 5/1/37(d)(h)	3,143,130
165,276	6.092% due 9/1/37(d)(h)	172,827
3,620,342	5.814% due 11/1/37(d)(h)	3,774,194
	Gold:	
17,060,366	5.500% due 11/1/37-4/1/38(h)	17,646,461
40,000,000	5.000% due 6/11/39(h)(i)	40,918,760
	<i>Total FHLMC</i>	71,327,188
	FNMA 16.8%	
	Federal National Mortgage Association (FNMA):	
2,700,000	5.500% due 6/16/24(h)(i)	2,817,704
500,000	6.000% due 6/16/24(h)(i)	527,578
3,885,921	5.000% due 6/1/35-7/1/38(h)	3,989,437
3,134,935	5.500% due 2/1/36-7/1/38(h)	3,245,499
696,004	6.500% due 7/1/36(h)	742,636
8,788,437	6.000% due 10/1/37(h)	9,213,211
48,250,000	5.000% due 6/11/39(h)(i)	49,403,465
16,700,000	6.500% due 6/11/39(h)(i)	17,793,332
	<i>Total FNMA</i>	87,732,862
	GNMA 0.9%	
	Government National Mortgage Association (GNMA), 6.500% due	
4,300,000	6/18/39(i)	4,547,921
	TOTAL MORTGAGE-BACKED SECURITIES	
	(Cost \$161,604,286)	163,607,971

See Notes to Financial Statements.

Schedule of investments *continued*

May 31, 2009

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
SOVEREIGN BONDS 8.5%		
	Argentina 0.2%	
	Republic of Argentina:	
1,074,000EUR	9.000% due 6/20/03(c)	\$ 197,109
1,100,000EUR	10.250% due 1/26/07(c)	201,880
1,729,117EUR	8.000% due 2/26/08(c)	317,340
1,550,000DEM	11.750% due 11/13/26(c)	145,446
522,000EUR	Medium-Term Notes, 10.000% due 2/22/07(c)	95,801
	<i>Total Argentina</i>	<i>957,576</i>
	Brazil 2.2%	
	Brazil Nota do Tesouro Nacional:	
1,000BRL	10.000% due 1/1/10	510
21,922,000BRL	10.000% due 7/1/10	11,200,355
	<i>Total Brazil</i>	<i>11,200,865</i>
	Colombia 0.9%	
	Republic of Colombia:	
544,000	11.750% due 2/25/20	742,560
2,852,000	7.375% due 9/18/37	2,904,762
830,000	Senior Notes, 7.375% due 3/18/19	883,950
	<i>Total Colombia</i>	<i>4,531,272</i>
	Indonesia 0.9%	
	Republic of Indonesia:	
15,399,000,000IDR	10.250% due 7/15/22	1,433,301
25,206,000,000IDR	11.000% due 9/15/25	2,405,289
11,646,000,000IDR	Bonds, 9.750% due 5/15/37	965,808
	<i>Total Indonesia</i>	<i>4,804,398</i>
	Mexico 0.2%	
	United Mexican States:	
148,000	11.375% due 9/15/16	202,760
	Medium-Term Notes:	
4,000	5.625% due 1/15/17	4,100
1,046,000	6.750% due 9/27/34	1,079,995
	<i>Total Mexico</i>	<i>1,286,855</i>
	Panama 1.0%	
	Republic of Panama:	
621,000	7.250% due 3/15/15	669,127
1,275,000	9.375% due 4/1/29	1,581,000
3,080,000	6.700% due 1/26/36	2,972,200
	<i>Total Panama</i>	<i>5,222,327</i>

See Notes to Financial Statements.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
	Peru 0.6%	
	Republic of Peru:	
278,000	8.750% due 11/21/33	\$ 337,770
1,774,000	Bonds, 6.550% due 3/14/37	1,732,311
50,000	Global Bonds, 7.350% due 7/21/25	53,825
895,000	Global Senior Bonds, 8.375% due 5/3/16	1,036,410
	<i>Total Peru</i>	<i>3,160,316</i>
	Russia 0.9%	
4,454,400	Russian Federation, 7.500% due 3/31/30(a)	4,487,808
	United Arab Emirates 0.1%	
750,000	MDC-GMTN B.V., Senior Notes, 5.750% due 5/6/14(a)	754,331
	Venezuela 1.5%	
	Bolivarian Republic of Venezuela:	
365,000	8.500% due 10/8/14	246,375
10,497,000	5.750% due 2/26/16(a)	5,852,077
475,000	7.650% due 4/21/25	243,438
	Collective Action Securities:	
1,608,000	9.375% due 1/13/34	940,680
875,000	Notes, 10.750% due 9/19/13	695,625
	<i>Total Venezuela</i>	<i>7,978,195</i>
	TOTAL SOVEREIGN BONDS	
	(Cost \$50,973,475)	44,383,943
U.S. GOVERNMENT & AGENCY OBLIGATIONS	2.4%	
	U.S. Government Agencies 2.3%	
	Federal Home Loan Mortgage Corp. (FHLMC):	
10,000,000	0.926% due 5/4/11(d)(h)	10,031,120
390,000	Notes, 2.500% due 4/23/14(h)	386,083
	Federal National Mortgage Association (FNMA):	
1,000,000	5.625% due 11/15/21(h)	1,048,986
500,000	Senior Notes, 5.500% due 9/14/17(h)	506,634
	<i>Total U.S. Government Agencies</i>	<i>11,972,823</i>
	U.S. Government Obligations 0.1%	
220,000	U.S. Treasury Bonds, 4.250% due 5/15/39	216,872
210,000	U.S. Treasury Notes, 2.750% due 2/15/19	197,417
	<i>Total U.S. Government Obligations</i>	<i>414,289</i>
	TOTAL U.S. GOVERNMENT & AGENCY OBLIGATIONS	
	(Cost \$12,314,299)	12,387,112

See Notes to Financial Statements.

Schedule of investments *continued*

May 31, 2009

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FACE AMOUNT	SECURITY	VALUE
U.S. TREASURY INFLATION PROTECTED SECURITIES	2.4%	
	U.S. Treasury Bonds, Inflation Indexed:	
3,118,414	2.000% due 1/15/26	\$ 3,000,501
970,306	2.375% due 1/15/27(j)	983,647
2,406,166	1.750% due 1/15/28(j)	2,223,447
1,397,304	3.875% due 4/15/29	1,737,024
	U.S. Treasury Notes, Inflation Indexed:	
750,134	2.000% due 1/15/16	768,653
1,729,675	2.375% due 1/15/17	1,819,943
1,744,591	2.625% due 7/15/17	1,877,616
	TOTAL U.S. TREASURY INFLATION PROTECTED SECURITIES	
	(Cost \$12,257,991)	12,410,831
SHARES		
COMMON STOCK 0.0%		
CONSUMER DISCRETIONARY 0.0%		
1,290	Hotels, Restaurants & Leisure 0.0% Buffets Restaurant Holdings(f)* (Cost \$695,435)	0
PREFERRED STOCKS 0.2%		
CONSUMER DISCRETIONARY 0.1%		
30,500	Automobiles 0.1% Corts-Ford Motor Co., 7.400%	311,100
1,900	Corts-Ford Motor Co., 8.000%	22,135
	<i>Total Automobiles</i>	333,235
10,728	Media 0.0% CMP Susquehanna Radio Holdings Corp., 0.000%(a)(d)(f)*	4,559
	TOTAL CONSUMER DISCRETIONARY	337,794
FINANCIALS 0.1%		
1,176	Consumer Finance 0.1% Preferred Blocker Inc., 7.000%(a)	496,089
2,600	Diversified Financial Services 0.0% Preferred Plus, Trust, Series FRD-1, 7.400%	27,196
9,700	Saturns, Series F 2003-5, 8.125%	118,825
	<i>Total Diversified Financial Services</i>	146,021
	TOTAL FINANCIALS	642,110
	TOTAL PREFERRED STOCKS	
	(Cost \$1,085,658)	979,904

See Notes to Financial Statements.

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

WARRANTS	WARRANTS	SECURITY	VALUE
	0.0%		
	2,675	Bolivarian Republic of Venezuela, Oil-linked payment obligations, Expires 4/15/20*	\$ 45,234
	570	Buffets Restaurant Holdings, Expires 4/28/14(f)*	0
	12,259	CNB Capital Trust, Expires 3/23/19(a)(f)*	337
		TOTAL WARRANTS (Cost \$83,262)	45,571
		TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS (Cost \$557,831,161)	498,121,470
	FACE AMOUNT		
SHORT-TERM INVESTMENTS	4.5%		
	8,600,000	U.S. Government Agency 1.6% Federal Home Loan Mortgage Corp. (FHLMC), Discount Notes, 0.471% due 6/15/09(h)(k) (Cost \$8,598,428)	8,598,428
	2,200,000	U.S. Treasury Bills 0.4% U.S. Treasury Bills, 0.150% due 6/25/09(k) (Cost \$2,199,781)	2,199,781
	12,782,000	Repurchase Agreement 2.5% Morgan Stanley tri-party repurchase agreement dated 5/29/09, 0.110% due 6/1/09; Proceeds at maturity \$12,782,117; (Fully collateralized by U.S. government agency obligation, 2.125% due 3/16/11; Market value \$13,095,934) (Cost \$12,782,000)	12,782,000
		TOTAL SHORT-TERM INVESTMENTS (Cost \$23,580,209)	23,580,209
		TOTAL INVESTMENTS 100.0% (Cost \$581,411,370#)	\$521,701,679

* Non-income producing security.

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

- (a) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. This security has been deemed liquid pursuant to guidelines approved by the Board of Directors, unless otherwise noted.
- (b) Payment-in-kind security for which part of the income earned may be paid as additional principal.
- (c) Security is currently in default.
- (d) Variable rate security. Interest rate disclosed is that which is in effect at May 31, 2009.
- (e) Illiquid security.
- (f) Security is valued in good faith at fair value by or under the direction of the Board of Directors (See Note 1).
- (g) Security has no maturity date. The date shown represents the next call date.
- (h) On September 7, 2008, the Federal Housing Finance Agency placed Fannie Mae and Freddie Mac into conservatorship.
- (i) This security is traded on a to-be-announced (TBA) basis (See Note 1).
- (j) All or a portion of this security is held at the broker as collateral for open futures contracts.
- (k) Rate shown represents yield-to-maturity.
- # Aggregate cost for federal income tax purposes is substantially \$582,627,632.

See Notes to Financial Statements.

Schedule of investments *continued*

May 31, 2009

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

Abbreviations used in this schedule:

BRL	Brazilian Real
DEM	German Mark
EUR	Euro
GMAC	General Motors Acceptance Corp.
IDR	Indonesian Rupiah
IO	Interest Only
OJSC	Open Joint Stock Company
STRIPS	Separate Trading of Registered Interest and Principal Securities

See Notes to Financial Statements.

Statement of assets and liabilities**May 31, 2009**

ASSETS:	
Investments, at value (Cost \$581,411,370)	\$521,701,679
Foreign currency, at value (Cost \$424,477)	408,545
Cash	143
Deposits with brokers for open swap contracts	19,800,000
Dividends and interest receivable	7,985,859
Receivable for securities sold	3,348,774
Premiums paid for open swaps	1,177,312
Receivable for open swap contracts	795,776
Receivable for open forward currency contracts	640,348
Deposits with brokers for open futures contracts	11,848
Prepaid expenses	234,813
<i>Total Assets</i>	<i>556,105,097</i>
LIABILITIES:	
Payable for securities purchased	122,464,070
Loan payable (Note 5)	100,000,000
Unrealized depreciation on swaps	19,105,605
Investment management fee payable	374,536
Payable for open forward currency contracts	357,840
Payable to broker variation margin on open futures contracts	333,588
Interest payable	55,000
Directors fees payable	1,289
Accrued expenses	204,049
<i>Total Liabilities</i>	<i>242,895,977</i>
TOTAL NET ASSETS	\$313,209,120
NET ASSETS:	
Par value (\$0.001 par value; 30,608,381 shares issued and outstanding; 100,000,000 shares authorized)	\$ 30,608
Paid-in capital in excess of par value	436,387,300
Undistributed net investment income	1,315,097
Accumulated net realized loss on investments, futures contracts, written options, swap contracts and foreign currency transactions	(46,318,522)
Net unrealized depreciation on investments, futures contracts, swap contracts and foreign currencies	(78,205,363)
TOTAL NET ASSETS	\$313,209,120
Shares Outstanding	30,608,381
Net Asset Value	\$10.23

See Notes to Financial Statements.

Statement of operations**For the Year Ended May 31, 2009**

INVESTMENT INCOME:	
Interest	\$ 36,501,791
Dividends	132,705
Less: Foreign taxes withheld	(75,673)
<i>Total Investment Income</i>	36,558,823
EXPENSES:	
Investment management fee (Note 2)	4,529,738
Interest expense (Note 5)	2,894,210
Commitment fee (Note 5)	1,692,033
Legal fees	171,105
Shareholder reports	151,439
Directors fees	85,365
Custody fees	81,967
Audit and tax	74,678
Excise tax	33,410
Stock exchange listing fees	32,939
Transfer agent fees	16,905
Insurance	12,420
Miscellaneous expenses	37,674
<i>Total Expenses</i>	9,813,883
NET INVESTMENT INCOME	26,744,940
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, FUTURES CONTRACTS, WRITTEN OPTIONS, SWAP CONTRACTS AND FOREIGN CURRENCY TRANSACTIONS (NOTES 1 AND 3):	
Net Realized Gain (Loss) From:	
Investment transactions	(19,448,905)
Futures contracts	(5,833,761)
Written options	784,584
Swap contracts	(11,881,329)
Foreign currency transactions	(163,081)
<i>Net Realized Loss</i>	(36,542,492)
Change in Net Unrealized Appreciation/Depreciation From:	
Investments	(46,488,901)
Futures contracts	(515,198)
Swap contracts	(8,070,793)
Foreign currencies	317,235
<i>Change in Net Unrealized Appreciation/Depreciation</i>	(54,757,657)
NET LOSS ON INVESTMENTS, FUTURES CONTRACTS, WRITTEN OPTIONS, SWAP CONTRACTS AND FOREIGN CURRENCY TRANSACTIONS	(91,300,149)
DECREASE IN NET ASSETS FROM OPERATIONS	\$(64,555,209)

See Notes to Financial Statements.

Statements of changes in net assets

FOR THE YEARS ENDED MAY 31,	2009	2008
OPERATIONS:		
Net investment income	\$ 26,744,940	\$ 27,212,898
Net realized gain (loss)	(36,542,492)	2,025,616
Change in net unrealized appreciation/depreciation	(54,757,657)	(38,155,813)
<i>Decrease in Net Assets From Operations</i>	<i>(64,555,209)</i>	<i>(8,917,299)</i>
DISTRIBUTIONS TO SHAREHOLDERS FROM (NOTE 1):		
Net investment income	(31,220,548)	(31,220,548)
<i>Decrease in Net Assets From Distributions to Shareholders</i>	<i>(31,220,548)</i>	<i>(31,220,548)</i>
DECREASE IN NET ASSETS	(95,775,757)	(40,137,847)
NET ASSETS:		
Beginning of year	408,984,877	449,122,724
End of year*	\$ 313,209,120	\$408,984,877
* Includes undistributed net investment income of:	\$1,315,097	\$2,624,568

See Notes to Financial Statements.

Statement of cash flows

For the year ended May 31, 2009

CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:

Interest and dividends received	\$ 36,622,311
Operating expenses paid	(7,298,005)
Interest paid	(3,043,614)
Net sales and maturities of short-term investments	9,077,824
Realized loss on futures contracts	(5,833,761)
Realized gain on options	784,549
Realized loss on swap contracts	(11,881,329)
Realized loss on foreign currency transactions	(163,081)
Net change in unrealized depreciation on futures contracts	(515,198)
Net change in unrealized appreciation on foreign currencies	317,235
Purchases of long-term investments	(1,783,755,360)
Proceeds from disposition of long-term investments	1,806,869,866
Cash deposits with brokers for futures contracts and swap contracts	(10,111,848)
Change in premium for swap contracts	(493,313)
Change in payable to broker variation margin	157,261
Change in receivable/payable for open forward currency contracts	(358,313)
Change in payable on swap contracts	(203,494)
<i>Net Cash Provided by Operating Activities</i>	<i>30,171,730</i>

CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES: