

Edgar Filing: SENIOR HIGH INCOME PORTFOLIO INC - Form N-Q

SENIOR HIGH INCOME PORTFOLIO INC

Form N-Q

January 31, 2005

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT  
INVESTMENT COMPANY

Investment Company Act file number 811-7456

Name of Fund: Senior High Income Portfolio, Inc.

Fund Address: P.O. Box 9011  
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr.,  
President, Senior High Income Portfolio, Inc., 800 Scudders  
Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box  
9011, Princeton, NJ, 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 02/29/05

Date of reporting period: 09/01/04 - 11/30/04

Item 1 - Schedule of Investments

Senior High Income Portfolio, Inc.

Schedule of Investments as of November 30, 2004

Industry+	Face Amount	Corporate Debt Obligations
Aerospace & Defense - 2.6%	\$ 400,000 1,000,000 2,984,733 4,510,000	K & F Industries, Inc., 7.75% due 11/15/2014 (b) The Titan Corporation: 8% due 5/15/2011 Term B, due 6/30/2009++ Vought Aircraft Industries, Inc., 8% due 7/15/2011
Airlines - 0.2%	900,000	Evergreen International Aviation, Inc., 12% due 5/15/2011
Automotive - 6.9%	3,184,000 7,550,000 5,000,000 1,800,000 1,095,047 1,350,000	Accuride Corporation, Term B, due 6/30/2007++ Advanced Accessory Systems, 10.75% due 6/15/2011 The Goodyear Tire & Rubber Company, Term, due 3/31/2006+ Metaldyne Corporation, 11% due 6/15/2012 NFIL Holdings Inc., Term B, due 2/27/2010++ Remy International, Inc., 6.07% due 4/15/2009 (d) Tenneco Automotive Inc.:

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	1,875,000	11.625% due 10/15/2009
	475,000	10.25% due 7/15/2013
	1,232,069	Tranche B, due 12/12/2010++
	558,621	Tranche B-1, Credit Link, due 12/12/2010++
	3,325,000	Venture Holdings Company LLC (g):
	700,000	9.50% due 7/01/2005
		12% due 6/01/2009
Broadcasting - 0.8%	3,000,000	Granite Broadcasting Corporation, 9.75% due 12/01/2010
Cable - International - 2.3%	4,650,000	Kabel Deutschland GmbH, 10.625% due 7/01/2014 (b)
	2,350,000	NTL Cable PLC (b):
	350,000	6.07% due 10/15/2012 (d)
		8.75% due 4/15/2014
Cable - U.S. - 13.9%	1,800,000	CSC Holdings, Inc., 7.25% due 7/15/2008
	3,000,000	Century Cable Holdings, LLC++:
	5,000,000	Discretionary Term, due 12/31/2009
		Term, due 6/30/2009
	1,750,000	Charter Communications Holdings, LLC:
	1,000,000	10% due 4/01/2009
	2,000,000	11.75%* due 1/15/2010
	1,500,000	11.125% due 1/15/2011
	1,000,000	9.92% due 4/01/2011
	7,980,000	10% due 5/15/2011
		Charter Communications, Term B, due 4/27/2011++
	2,292,136	Inmarsat Investments Limited++:
	2,297,523	Term B, due 10/10/2010
	3,970,000	Term C, due 10/10/2011
	2,353,993	Insight Midwest Holdings, LLC, Term B, due 12/31/2009++
		Mallard Cablevision LLC & Sun Tel Communications, Term B
		due 9/30/2008++ (g)
	3,000,000	Mediacom Broadband LLC, 11% due 7/15/2013
	1,550,000	New Skies Satellites BV:
	500,000	7.438% due 11/01/2011 (b) (d)
	1,000,000	9.125% due 11/01/2012 (b)
	4,000,000	Term, due 5/04/2011++
	5,250,000	Olympus Cable Holdings LLC, Term B, due 9/30/2010++
		Rainbow National Services LLC, 8.75% due 9/01/2012 (b)
Chemicals - 20.8%	875,000	BCP Caylux Holdings Luxembourg SCA, 9.625% due 6/15/2014
	2,648,213	CII Carbon LLC, Term, due 6/25/2008++
	2,250,000	Compass Minerals International, Inc., 12%* due 6/01/2013
	3,000,000	Crompton Corporation (b):
	3,000,000	7.67% due 8/01/2010 (d)
	3,600,000	9.875% due 8/01/2012
	1,000,000	GEO Specialty Chemicals, Inc., 10.125% due 8/01/2008 (g)
	2,000,000	Huntsman International LLC:
	2,000,000	9.875% due 3/01/2009
	1,750,000	10.125% due 7/01/2009
	3,000,000	Term, due 12/31/2010++
	2,500,000	ISP Holdings, Inc., 10.625% due 12/15/2009
	2,500,000	Invista, 9.25% due 5/01/2012 (b)
	1,650,000	Koppers Inc., 9.875% due 10/15/2013
		KoSa B/INVISTA, Term, due 4/29/2011++
		Lyondell Chemical Company, 11.125% due 7/15/2012

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	1,350,000	Lyondell Chemical Worldwide, Inc., 9.80% due 2/01/2020
	1,200,000	Millennium America Inc., 7.625% due 11/15/2026
	5,350,000	Omnova Solutions Inc., 11.25% due 6/01/2010
	1,498,403	Pinnacle Polymers, Term, due 12/15/2006++
	2,500,000	Pioneer Companies, Inc., 5.475% due 12/31/2006 (d)
	3,763,333	Polymer Group, Inc., First Lien Term, due 4/01/2010++
	6,375,000	PolyOne Corporation, 10.625% due 5/15/2010
		Rockwood Specialties Group, Inc.:
	1,825,000	10.625% due 5/15/2011
	250,000	7.50% due 11/15/2014 (b)
	1,600,000	Term B, due 7/30/2012++
		Terra Capital, Inc.:
	2,500,000	12.875% due 10/15/2008
	832,000	11.50% due 6/01/2010
	400,000	United Agri Products, Inc., 8.25% due 12/15/2011 (b)
	8,000,000	Wellman, Inc., First Lien Term, due 2/04/2009++
Consumer Durables - 2.8%	6,000,000	Sealy Mattress Company, Term, due 4/06/2013++
		Simmons Company:
	450,000	7.875% due 1/15/2014
	3,000,000	Term B, due 6/19/2011++
Consumer Non-Durables - 4.8%	4,975,000	American Safety Razor Company, Term B, due 4/01/2011++
	1,675,000	Chattem, Inc., 5.40% due 3/01/2010 (d)
	1,500,000	Culligan U.S., Term, due 9/30/2011++
	1,000,000	General Binding Corporation, 9.375% due 6/01/2008
	1,975,000	Hines Nurseries, Inc., 10.25% due 10/01/2011
	2,125,000	North Atlantic Trading Company, Inc., 9.25% due 3/01/2011
	200,000	Riddell Bell Holdings, Inc., 8.375% due 10/01/2012 (b)
	1,488,750	Solo Cup Company, Term, due 2/27/2011++
	2,000,000	True Temper Sports, Inc., 8.375% due 9/15/2011
Diversified Media - 1.7%	325,000	Houghton Mifflin Company, 9.875% due 2/01/2013
	5,520,000	TransWestern Publishing Company, LLC, Term B, due 2/25/2013
Energy - Exploration & Production - 1.0%	1,625,000	Quest Cherokee, LLC++:
	222,222	Revolving Credit, due 7/25/2009
	1,777,778	Revolving Credit, due 7/25/2010
		Term B, due 7/25/2010
Energy - Other - 4.1%		Dresser, Inc.:
	1,000,000	9.375% due 4/15/2011
	1,250,000	Term, due 2/25/2010++
	718,038	Term B, due 4/10/2009++
	1,100,000	Dresser-Rand Group Inc., 7.375% due 11/01/2014 (b)
	1,035,000	Energy Corporation of America, 9.50% due 5/15/2007
	3,656,000	Giant Industries, Inc., 11% due 5/15/2012
		Star Gas Partners, LP:
	2,750,000	10.25% due 2/15/2013
	1,750,000	10.25% due 2/15/2013 (b)

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Financial - 2.7%	4,000,000	Highland Legacy Limited Co., 8.41% due 6/01/2011 (b) (d)
	500,000	Investcorp SA, 7.54% due 10/21/2008
	1,000,000	Pennant CBO Limited, 13.43% due 3/14/2011 (b)
	3,925,000	Refco Finance Holdings LLC, 9% due 8/01/2012 (b)
	1,500,000	SKM-Libertyview CBO I Limited (b) (g):
	1,000,000	8.71% due 4/10/2011
		11.91% due 4/10/2011
Food / Tobacco - 4.4%		Commonwealth Brands, Inc. (b):
	2,250,000	9.75% due 4/15/2008
	2,825,000	10.625% due 9/01/2008
	1,800,000	Dole Food Company, Inc., 8.875% due 3/15/2011
	1,793,219	Dr Pepper Bottling, Term B, due 12/19/2010++
	1,442,000	Gold Kist Inc., 10.25% due 3/15/2014
	3,000,000	Merisant Company, 9.50% due 7/15/2013 (b)
	1,895,000	Pierre Foods, Inc., Term B, due 6/30/2010++
Gaming - 2.1%	2,000,000	Jacobs Entertainment, Inc., 11.875% due 2/01/2009
	925,000	The Majestic Star Casino, LLC, 9.50% due 10/15/2010
	311,000	Pinnacle Entertainment, Inc., 9.25% due 2/15/2007 (b)
	2,000,000	Venetian Casino Resort, LLC, 11% due 6/15/2010
	1,450,000	Wynn Las Vegas, LLC, 6.625% due 12/01/2014 (b)
Health Care - 4.1%		Elan Finance PLC (b):
	1,325,000	6.51% due 11/15/2011 (d)
	1,650,000	7.75% due 11/15/2011
	1,712,820	MedPointe Inc., Term B, due 9/30/2008++
	2,085,227	Orthofix International NV, Term B, due 12/15/2008++
	3,000,000	Tenet Healthcare Corporation, 7.375% due 2/01/2013
		VWR International, Inc.:
	700,000	8% due 4/15/2014 (b)
	3,661,334	Term B, due 4/07/2011++
Housing - 2.5%	226,860	Formica Holdings Corporation, 9.25% due 6/10/2011
	2,300,000	General Growth Properties, Inc., Term B, due 11/12/2008++
	3,465,000	Headwaters Incorporated, Term B, due 4/30/2011++
	2,000,000	Lone Star Industries Inc., 8.85% due 6/15/2005 (b)
	700,000	U.S. Concrete, Inc., 8.375% due 4/01/2014
Information Technology - 2.7%	3,100,000	Amkor Technology, Inc., 9.25% due 2/15/2008
	2,450,000	Freescale Semiconductor, Inc., 4.82% due 7/15/2009 (d)
	3,826,563	VUTEk Inc., Term, due 6/25/2010++
Leisure - 3.5%	6,000,000	FelCor Lodging LP, 6.874% due 6/01/2011 (d)
	274,000	HMH Properties, Inc., 7.875% due 8/01/2008
		Wyndham International, Inc.++:
	956,102	Increasing Rate Term II, due 4/01/2006
	4,709,309	Term I, due 6/30/2006

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Manufacturing - 7.1%	275,000	Aearo Company, 8.25% due 4/15/2012
	3,000,000	Communications & Power Industries, Inc., 8% due 2/01/2013
	2,250,000	EaglePicher Incorporated, 9.75% due 9/01/2013
	5,000,000	High Voltage Engineering Corporation, Term A, due 7/31/2013
	4,942,893	Invensys International Holdings Ltd., Term, due 8/26/2009
	2,825,000	Invensys PLC, 9.875% due 3/15/2011 (b)
	3,500,000	MetoKote Corporation, Term, due 2/13/2011++
	300,000	NMHG Holding Company, 10% due 5/15/2009
	2,000,000	Propex Fabrics Inc., 10% due 12/01/2012 (b)
Metals - Other - 1.8%	500,000	IMCO Recycling Escrow Inc., 9% due 11/15/2014 (b)
	5,500,000	Massey Energy Company, 6.95% due 3/01/2007
Packaging - 7.2%	5,200,000	Anchor Glass Container Corporation, 11% due 2/15/2013
	1,900,000	Consolidated Container Company LLC, 10.75%* due 6/15/2013
	2,300,000	Crown Euro Holdings SA, 10.875% due 3/01/2013
	4,002,857	Owens-Illinois Inc., Term C, due 4/01/2008++
	3,300,000	Pliant Corporation, 13% due 6/01/2010
	650,000	Tekni-Plex, Inc., 8.75% due 11/15/2013 (b)
	5,550,000	U.S. Can Corporation, 10.875% due 7/15/2010
	1,250,000	Wise Metals Group LLC, 10.25% due 5/15/2012 (b)
Paper - 6.7%	3,275,000	Abitibi-Consolidated Inc., 5.99% due 6/15/2011 (d)
	2,975,000	Ainsworth Lumber Co. Ltd., 5.669% due 10/01/2010 (b) (d)
		Boise Cascade LLC:
	250,000	5.005% due 10/15/2012 (b) (d)
	350,000	7.125% due 10/15/2014 (b)
	1,041,096	Term B, due 10/29/2011++
	958,904	Term C, due 10/29/2010++
	4,625,000	Bowater Incorporated, 5.49% due 3/15/2010 (d)
	4,325,000	Georgia-Pacific Corporation, 9.375% due 2/01/2013
	625,000	Graphic Packaging International Inc., 9.50% due 8/15/2013
		SP Newsprint Co.++:
	522,083	Tranche B, due 1/09/2010
	966,667	Tranche B L/C, due 1/09/2010
	800,000	Stone Container Corporation, 8.375% due 7/01/2012
	1,500,000	Tembec Industries, Inc., 8.625% due 6/30/2009
Retail - 0.3%	893,250	General Nutrition Center, Inc., Term B, due 12/05/2009++
Services - 6.4%	1,967,902	Allied Waste Industries, Inc., Tranche A - Credit Linked due 1/15/2010++
		Allied Waste North America, Inc.:
	720,000	7.875% due 4/15/2013
	3,125,000	7.375% due 4/15/2014
	1,600,000	Corrections Corporation of America, 9.875% due 5/01/2009
	250,000	Great Lakes Dredge & Dock Corporation, 7.75% due 12/15/2010
	3,000,000	MSW Energy Holdings LLC, 8.50% due 9/01/2010
		United Rentals, Inc.++:
	1,658,333	Initial Term, due 2/14/2011
	333,333	Tranche B, Term Link Deposit, due 2/14/2011
	5,450,000	United Rentals (North America), Inc., 7.75% due 11/15/2010

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	3,980,000	Waste Services, Inc., Term B, due 3/31/2011++
Telecommunications - 6.1%	2,045,000	Cincinnati Bell Inc., 8.375% due 1/15/2014
	2,192,667	Consolidated Communications Acquisition of TXU, Inc., Term, due 10/14/2011++
	5,550,000	FairPoint Communications, Inc., 12.50% due 5/01/2010
	4,000,000	Qwest Communications International Inc., 5.79% due 2/15/2010
	1,000,000	Rural Cellular Corporation, 6.99% due 3/15/2010 (d)
	3,500,000	Time Warner Telecom Holdings, Inc., 6.29% due 2/15/2011
	2,500,000	Time Warner Telecom, Inc., 9.75% due 7/15/2008
Transportation - 1.1%	1,325,000	Laidlaw International, Inc., 10.75% due 6/15/2011
	2,197,059	North American Van Lines, Inc., Term, due 10/29/2010++
Utilities - 7.9%	2,250,000	The AES Corporation, 8.50% due 11/01/2007
	1,500,000	Calpine Canada Energy Finance ULC, 8.50% due 5/01/2008
	1,300,000	Calpine Corporation: 8.50% due 2/15/2011
	3,950,000	Term B, due 7/15/2007++
	750,000	El Paso Corporation++: Term, due 11/23/2009
	1,250,000	Term C, due 11/23/2009
	1,000,000	Mirant Americas Generation LLC, 7.625% due 5/01/2006 (g)
	5,300,000	Mission Energy Holding Company: 13.50% due 7/15/2008
	1,000,000	Term, due 12/11/2006++
	2,000,000	Northwest Pipeline Corporation, 6.625% due 12/01/2007
	2,100,000	Sierra Pacific Resources: 8.75% due 5/15/2005
	2,750,000	8.625% due 3/15/2014
	790,000	TNP Enterprises, Inc., Term, due 12/31/2006++
	725,000	The Williams Companies, Inc., 8.625% due 6/01/2010
Wireless Communications - 6.4%	1,522,000	American Tower Corporation, 9.375% due 2/01/2009
	2,977,500	Centennial, Term A, due 2/09/2011++
	5,000,000	Crown Castle International Corp., 7.50% due 12/01/2013
	2,200,000	Dobson Cellular Systems, Inc. (b): 6.96% due 11/01/2011 (d)
	1,000,000	8.375% due 11/01/2011
	500,000	Horizon PCS, Inc., 11.375% due 7/15/2012 (b)
	3,491,250	SBA Senior Finance, Inc., Term B, due 10/31/2008++
	3,700,000	SpectraSite, Inc., 8.25% due 5/15/2010
	800,000	US Unwired Inc., 6.13% due 6/15/2010 (d)

Total Investments in Corporate Debt Obligations  
(Cost - \$463,086,670) - 134.9%

Shares  
Held Common Stocks

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Cable - International - 1.4%	323,906	Telewest Global, Inc. (c)
Leisure - 0.1%	41,866	Lodgian, Inc. (c)
Manufacturing - 0.1%	62,580	High Voltage Engineering Corporation (c)
Telecommunications - 0.2%	14,246	IDT Corporation (c)
	17,811	IDT Corporation (Class B) (c)
Total Investments in Common Stocks (Cost - \$11,270,563)		
Preferred Stocks		
Cable - U.S. - 0.0%	2,500	Adelphia Communications Corporation (c)
Total Investments in Preferred Stocks (Cost - \$225,000)		
Warrants (a)		
Gaming - 0.0%	27,112	Peninsula Gaming Company, LLC
Paper - 0.0%	3,500	JSG Funding PLC
Wireless Communications - 0.0%	600	American Tower Escrow Corporation
Total Investments in Warrants (Cost - \$2,208,695) - 0.0%		
Beneficial Interest		
Other Interests (f)		
Automotive - 0.0%	\$ 4,130,972	Cambridge Industries, Inc. (Litigation Trust Certificate)
Health Care - 0.0%	10,284	MEDIQ Incorporated (Preferred Stock Escrow due 2/01/2006)
Health Care - 0.0%	10,284	MEDIQ Incorporated (Preferred Stock Escrow due 4/01/2004)
Wireless Communications - 0.00%	2,750,000	WilTel Communications Group, Inc. (Litigation Trust Certificate)
Total Investments in Other Interests (Cost - \$0) - 0.0%		
Short-Term Securities		
	\$ 586,921	Merrill Lynch Liquidity Series, LLC Cash Sweep Series I
Total Investments in Short-Term Securities (Cost - \$586,921)		
Total Investments (Cost - \$477,377,849**) - 136.9%		
Liabilities in Excess of Other Assets - (36.9%)		

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Net Assets - 100.0%

\* Represents a zero coupon or step bond; the interest rate shown reflects the effective yield at the time of purchase by the Portfolio.

\*\* The cost and unrealized appreciation/depreciation of investments as of November 30, 2004, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$	477,110,825
		=====
Gross unrealized appreciation	\$	23,353,586
Gross unrealized depreciation		(24,518,606)
		-----
Net unrealized depreciation	\$	(1,165,020)
		=====

+ For Portfolio compliance purposes, "Industry" means any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Portfolio management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

++ Floating rate loans in which the Portfolio invests generally pay interest at rates that are periodically predetermined by reference to a base lending rate plus a premium. These base lending rates are generally (i) the lending rate offered by one or more European banks, such as London Interbank Offered Rate ("LIBOR"), (ii) the prime rate offered by one or more major U.S. banks or (iii) the certificate of deposit rate. Corporate loans represent 48.8% of the Portfolio's net assets.

(a) Warrants entitle the Portfolio to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.

(b) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.

(c) Non-income producing security.

(d) Floating rate note.

(e) Investments in companies considered to be an affiliate of the Portfolio (such companies are defined as "Affiliated Companies" in Section 2(a)(3) of the Investment Company Act of 1940) were as follows:

	Net Activity	Interest Income
Merrill Lynch Liquidity Series, LLC Cash Sweep Series I	\$ (4,233,025)	\$ 30,310

(f) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

(g) Non-income producing security; issuer filed for bankruptcy or is in default of interest payments.



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Item 2 - Controls and Procedures

2(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.

2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Senior High Income Portfolio, Inc.

By: /s/ Robert C. Doll, Jr.\_\_\_\_\_  
Robert C. Doll, Jr.,  
President  
Senior High Income Portfolio, Inc.

Date: January 13, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Robert C. Doll, Jr.\_\_\_\_\_  
Robert C. Doll, Jr.  
President  
Senior High Income Portfolio, Inc.

Date: January 13, 2005

By: /s/ Donald C. Burke\_\_\_\_\_  
Donald C. Burke  
Chief Financial Officer  
Senior High Income Portfolio, Inc.

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Date: January 13, 2005