

HIGH INCOME OPPORTUNITY FUND INC  
Form N-Q  
August 26, 2005

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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- 7920**

**High Income Opportunity Fund Inc.**

(Exact name of registrant as specified in charter)

125 Broad Street, New York, NY 10004  
(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.  
Citigroup Asset Management  
300 First Stamford Place, 4<sup>th</sup> Floor  
Stamford, CT 06902  
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-451-2010

Date of fiscal year end: **September 30**  
Date of reporting period: **June 30, 2005**

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ITEM 1. SCHEDULE OF INVESTMENTS

**HIGH INCOME OPPORTUNITY FUND INC.**

FORM N-Q  
JUNE 30, 2005

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## HIGH INCOME OPPORTUNITY FUND INC.

Schedule of Investments (unaudited) June 30, 2005

| FACE<br>AMOUNT                           | RATING | SECURITY  | VALUE            |
|--|--------|---|------------------|
| <b>CORPORATE BONDS &amp; NOTES 89.1%</b> |        |   |                  |
| <b>Advertising 0.5%</b>                  |        |   |                  |
| \$ 1,965,000                             | B-     | Advanstar Communications, Inc., Second Priority Senior Secured Notes, 10.768% due 8/15/08 (a)   | \$ 2,108,445     |
| 625,000                                  | CCC    | Vertis, Inc., Senior Secured Notes, 9.750% due 4/1/09   | 653,125          |
| <b>Total Advertising</b>                 |        |   | <b>2,761,570</b> |
| <b>Aerospace/Defense 0.4%</b>            |        |   |                  |
| 650,000                                  | BB-    | Sequa Corp., Senior Notes, 9.000% due 8/1/09  | 719,875          |
| 1,250,000                                | B      | Titan Corp., 8.000% due 5/15/11   | 1,346,875        |
| <b>Total Aerospace/Defense</b>           |        |   | <b>2,066,750</b> |
| <b>Airlines 0.8%</b>                     |        |   |                  |
| 431,729                                  | B+     | Continental Airlines, Inc., Pass-Through Certificates:<br>Series 2000-2, Class C, 8.312% due 4/2/11   | 341,362          |
| 2,380,000                                | B      | Series 2001-2, Class D, 7.568% due 12/1/06<br>United Airlines, Inc., Pass-Through Certificates:<br>Series 2000-1, Class B:<br>8.030% due 7/1/11 (c) | 2,050,799        |
| 962,968                                  | NR     | Series 2000-2, Class B, 7.811% due 10/1/09 (c)  | 300,642          |
| 2,268,135                                | NR     | Series 2001-1:<br>Class B, 6.932% due 9/1/11 (c)  | 1,031,173        |
| 460,000                                  | NR     | Class C, 6.831% due 9/1/08 (c)  | 291,695          |
| 1,045,000                                | NR     |   | 307,618          |
| <b>Total Airlines</b>                    |        |   | <b>4,323,289</b> |
| <b>Apparel 0.5%</b>                      |        |   |                  |
| 1,925,000                                | B-     | Levi Strauss & Co., Senior Notes, 8.254% due 4/1/12 (a)   | 1,828,750        |
| 777,000                                  | B+     | William Carter Co., Senior Subordinated Notes,<br>Series B, 10.875% due 8/15/11   | 874,249          |
| <b>Total Apparel</b>                     |        |   | <b>2,702,999</b> |
| <b>Auto Manufacturers 1.5%</b>           |        |   |                  |
| 725,000                                  | BB+    | Ford Motor Co.:<br>Bonds, 6.625% due 10/1/28  | 570,201          |
| 5,275,000                                | BB+    | Notes, 7.450% due 7/16/31<br>General Motors Corp.:<br>Senior Debentures, 8.375% due 7/15/33   | 4,414,922        |
| 1,175,000                                | BB     | Senior Notes, 7.125% due 7/15/13  | 987,000          |
| 2,125,000                                | BB     |   | 1,912,500        |
| <b>Total Auto Manufacturers</b>          |        |   | <b>7,884,623</b> |
| <b>Auto Parts &amp; Equipment 0.9%</b>   |        |   |                  |

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|   |      |  |                  |
|---|------|--|------------------|
| 695,000                                       | B    | Arvin Capital I, Capital Securities, 9.500% due 2/1/27                           | 715,850          |
| 1,925,000                                     | BBB- | Dana Corp., Notes, 6.500% due 3/1/09   | 1,898,762        |
| 625,000                                       | B-   | Rexnord Corp., Senior Subordinated Notes,<br>10.125% due 12/15/12                | 687,500          |
| 1,000,000                                     | B-   | Tenneco Automotive, Inc., Senior Secured Notes,<br>Series B, 10.250% due 7/15/13 | 1,135,000        |
| 276,000                                       | BB-  | TRW Automotive, Inc., Senior Subordinated Notes,<br>11.000% due 2/15/13          | 318,780          |
| <hr/> <b>Total Auto Parts &amp; Equipment</b> |      |  | <b>4,755,892</b> |

See Notes to Schedule of Investments.

## HIGH INCOME OPPORTUNITY FUND INC.

Schedule of Investments (unaudited) (continued) June 30, 2005

| FACE<br>AMOUNT                  | RATING | SECURITY  | VALUE            |
|---------------------------------|--------|---|------------------|
| <b>Beverages 0.2%</b>           |        |   |                  |
| \$ 875,000                      | B+     | Cott Beverages USA, Inc., Senior Subordinated Notes,<br>8.000% due 12/15/11   | \$ 942,813       |
| <b>Building Materials 1.3%</b>  |        |   |                  |
| 4,950,000                       | CCC+   | Associated Materials, Inc.:<br>Senior Discount Notes, step bond to yield<br>10.793% due 3/1/14                        | 3,168,000        |
| 435,000                         | CCC+   | Senior Subordinated Notes, 9.750% due 4/15/12   | 452,400          |
| 1,850,000                       | B-     | Goodman Global Holding Co., Inc., Senior Notes,<br>6.410% due 6/15/12 (a)(d)  | 1,831,500        |
| 1,500,000                       | CCC+   | Nortek, Inc., Senior Subordinated Notes,<br>8.500% due 9/1/14   | 1,402,500        |
| <b>Total Building Materials</b> |        |   | <b>6,854,400</b> |
| <b>Chemicals 4.2%</b>           |        |   |                  |
| 1,020,000                       | BB-    | Airgas, Inc., Senior Subordinated Notes,<br>9.125% due 10/1/11  | 1,106,700        |
| 1,700,000                       | CCC+   | Aventine Renewable Energy Holdings, Inc.,<br>Secured Notes, 9.410% due 12/15/11 (a)(d)                                | 1,640,500        |
| 1,550,000                       | B-     | Borden U.S. Finance Corp./Nova Scotia Finance ULC,<br>Second Priority Senior Secured Notes,<br>9.000% due 7/15/14 (d) | 1,584,875        |
| 2,400,000                       | BB-    | Equistar Chemicals L.P./Equistar Funding Corp.,<br>Senior Notes, 10.625% due 5/1/11                                   | 2,661,000        |
| 870,000                         | B+     | Huntsman International LLC, Senior Notes,<br>9.875% due 3/1/09  | 935,250          |
| 1,750,000                       | BB-    | ISP Chemco, Inc., Senior Subordinated Notes,<br>Series B, 10.250% due 7/1/11  | 1,916,250        |
| 1,715,000                       | B+     | ISP Holdings, Inc., Senior Secured Notes, Series B,<br>10.625% due 12/15/09   | 1,852,200        |
| 1,745,000                       | BB-    | Lyondell Chemical Co., Senior Secured Notes:<br>11.125% due 7/15/12   | 1,989,300        |
| 180,000                         | BB-    | Series B, 9.875% due 5/1/07   | 185,400          |
| 700,000                         | BBB-   | Methanex Corp., Senior Notes, 8.750% due 8/15/12  | 804,125          |
| 655,000                         | B-     | OM Group, Inc., Senior Subordinated Notes,<br>9.250% due 12/15/11   | 658,275          |
| 2,025,000                       | B-     | Resolution Performance Products, Inc., Senior<br>Subordinated Notes, 13.500% due 11/15/10                             | 2,187,000        |
|                                 |        | Rhodia SA:<br>Senior Notes:   |                  |
| 250,000                         | CCC+   | 7.625% due 6/1/10   | 243,750          |
| 450,000                         | CCC+   | 10.250% due 6/1/10  | 484,875          |
| 2,750,000                       | CCC+   | Senior Subordinated Notes, 8.875% due 6/1/11  | 2,660,625        |
| 170,000                         | B+     | Terra Capital, Inc., Senior Notes, 12.875% due 10/15/08   | 201,450          |
| 943,000                         | BB-    | Westlake Chemical Corp., Senior Notes,<br>8.750% due 7/15/11  | 1,030,227        |

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**Total Chemicals**

**22,141,802**

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**See Notes to Schedule of Investments.**

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## HIGH INCOME OPPORTUNITY FUND INC.

Schedule of Investments (unaudited) (continued) June 30, 2005

| FACE<br>AMOUNT                             | RATING | SECURITY  | VALUE             |
|--|--------|---|-------------------|
| <b>Coal 0.3%</b>                           |        |   |                   |
| \$ 1,315,000                               | BB     | Luscar Coal Ltd., Senior Notes, 9.750% due 10/15/11   | \$ 1,453,075      |
| <b>Commercial Services 2.3%</b>            |        |   |                   |
| 2,250,000                                  | B-     | Allied Security Escrow Corp., Senior Subordinated Notes, 11.375% due 7/15/11                | 2,205,000         |
| 1,600,000                                  | CCC+   | Brand Services, Inc., Senior Notes, 12.000% due 10/15/12                                    | 1,720,000         |
| 1,460,000                                  | B+     | Cenveo Corp.:<br>Senior Notes, 9.625% due 3/15/12   | 1,584,100         |
| 1,075,000                                  | B-     | Senior Subordinated Notes, 7.875% due 12/1/13   | 1,026,625         |
| 550,000                                    | B      | Iron Mountain, Inc., Senior Subordinated Notes:<br>8.625% due 4/1/13                        | 572,000           |
| 2,000,000                                  | B      | 6.625% due 1/1/16   | 1,860,000         |
| 1,225,000                                  | BB     | Service Corp. International:<br>Debentures, 7.875% due 2/1/13                               | 1,326,063         |
| 1,715,000                                  | BB     | Senior Notes, 6.500% due 3/15/08  | 1,762,162         |
| <b>Total Commercial Services</b>           |        |   | <b>12,055,950</b> |
| <b>Cosmetics/Personal Care 0.1%</b>        |        |   |                   |
| 550,000                                    | CCC+   | Del Laboratories, Inc., Senior Subordinated Notes, 8.000% due 2/1/12 (d)                    | 475,750           |
| <b>Distribution/Wholesale 0.3%</b>         |        |   |                   |
| 2,550,000                                  | CCC-   | Home Interiors & Gifts, Inc., Senior Subordinated Notes, 10.125% due 6/1/08                 | 1,657,500         |
| <b>Diversified Financial Services 4.7%</b> |        |   |                   |
| 3,008,000                                  | CCC+   | Alamosa Delaware, Inc.:<br>Senior Discount Notes, step bond to yield<br>11.437% due 7/31/09 | 3,331,360         |
| 568,000                                    | CCC+   | Senior Notes, 11.000% due 7/31/10   | 639,710           |
| 435,000                                    | BB-    | Case Credit Corp., Notes, 6.750% due 10/21/07   | 426,300           |
| 1,690,000                                  | B-     | Crystal U.S. Holdings Corp., Senior Subordinated Notes,<br>9.625% due 6/15/14               | 1,901,250         |
| 925,000                                    | BB+    | Ford Motor Credit Co.:<br>Notes:<br>7.875% due 6/15/10                                      | 915,006           |
| 750,000                                    | BB+    | 7.000% due 10/1/13  | 720,711           |
| 2,750,000                                  | BB+    | Senior Notes, 7.250% due 10/25/11   | 2,649,512         |
| 4,350,000                                  | BB     | General Motors Acceptance Corp.:<br>Bonds, 8.000% due 11/1/31                               | 3,891,562         |
| 900,000                                    | BB     | Medium-Term Notes, Series E, 6.000% due 7/3/08  | 1,064,379         |
| 100,000                                    | BB     | Notes:<br>7.250% due 3/2/11   | 93,873            |
| 1,275,000                                  | BB     | 6.875% due 8/28/12  | 1,168,753         |
| 2,950,000                                  | BB     | 6.750% due 12/1/14  | 2,643,702         |

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|           |    |  |           |
|-----------|----|--|-----------|
| 1,845,000 | B- | Global Cash Access LLC/Global Cash Finance Corp.,<br>Senior Subordinated Notes, 8.750% due 3/15/12<br><b>See Notes to Schedule of Investments.</b> | 2,015,663 |
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## HIGH INCOME OPPORTUNITY FUND INC.

## Schedule of Investments (unaudited) (continued)

June 30, 2005

| FACE<br>AMOUNT   | RATING  | SECURITY  | VALUE             |
|--|---------|---|-------------------|
| <b>Diversified Financial Services 4.7% (continued)</b> |         |   |                   |
| \$ 1,875,000   | B-      | JSG Funding PLC, Senior Notes, 9.625% due 10/1/12   | \$ 1,884,375      |
| 1,515,000  | B-      | Sensus Metering Systems, Inc., Senior Subordinated Notes, 8.625% due 12/15/13                 | 1,416,525         |
| <b>Total Diversified Financial Services</b>            |         |   | <b>24,762,681</b> |
| <b>Electric 6.3%</b>                                   |         |   |                   |
| 3,855,000  | B-      | AES Corp., Senior Notes:<br>9.500% due 6/1/09   | 4,317,600         |
| 100,000  | B-      | 7.750% due 3/1/14   | 109,000           |
| 2,550,000  | BB      | Allegheny Energy Supply Statutory Trust, Secured Notes,<br>Series A, 10.250% due 11/15/07 (d) | 2,817,750         |
| 525,000  | BB+     | Avista Corp., Senior Notes, 9.750% due 6/1/08   | 595,427           |
| 4,710,000  | B-      | Calpine Corp.:<br>Second Priority Senior Secured Notes,<br>8.500% due 7/15/10 (d)             | 3,650,250         |
| 15,000   | CCC     | Senior Notes, 8.625% due 8/15/10  | 10,163            |
| 1,215,000  | B-      | Senior Secured Notes, 8.750% due 7/15/13 (d)  | 905,175           |
| 1,750,000  | B+      | Edison Mission Energy, Senior Notes:<br>10.000% due 8/15/08                                   | 1,973,125         |
| 800,000  | B+      | 7.730% due 6/15/09  | 847,000           |
| 3,000,000  | B+      | 9.875% due 4/15/11  | 3,528,750         |
| 1,225,000  | Caa3(b) | Mirant Americas Generation LLC, Senior Notes,<br>9.125% due 5/1/31 (c)                        | 1,332,187         |
| 4,029,000  | B       | NRG Energy, Inc., Senior Secured Notes,<br>8.000% due 12/15/13 (d)                            | 4,270,740         |
| 2,350,000  | B       | Orion Power Holdings, Inc., Senior Notes,<br>12.000% due 5/1/10                               | 2,825,875         |
| 2,925,000  | B+      | Reliant Energy, Inc., Secured Notes:<br>9.250% due 7/15/10                                    | 3,202,875         |
| 2,725,000  | B+      | 9.500% due 7/15/13  | 3,038,375         |
| <b>Total Electric</b>                                  |         |   | <b>33,424,292</b> |
| <b>Electronics 0.6%</b>                                |         |   |                   |
| 1,125,000  | CCC-    | Muzak LLC/Muzak Finance Corp., Senior Notes,<br>10.000% due 2/15/09                           | 939,375           |
| 2,060,000  | BBB-    | Thomas & Betts Corp., Medium-Term Notes,<br>6.625% due 5/7/08                                 | 2,166,038         |
| <b>Total Electronics</b>                               |         |   | <b>3,105,413</b>  |
| <b>Entertainment 1.7%</b>                              |         |   |                   |
| 846,000  | CCC+    | AMC Entertainment, Inc., Senior Subordinated Notes,<br>9.500% due 2/1/11                      | 834,368           |
| 3,725,000  | B-      | Cinemark, Inc., Senior Discount Notes, step bond<br>to yield 9.393% due 3/15/14               | 2,495,750         |
| 2,625,000  | B-      | Herbst Gaming, Inc., Senior Subordinated Notes,   |                   |

7.000% due 11/15/14

2,657,812

**See Notes to Schedule of Investments.**

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## HIGH INCOME OPPORTUNITY FUND INC.

## Schedule of Investments (unaudited) (continued)

June 30, 2005

| FACE AMOUNT                           | RATING | SECURITY   | VALUE             |
|---------------------------------------|--------|--|-------------------|
| <b>Entertainment 1.7% (continued)</b> |        |  |                   |
| \$ 250,000                            | CCC+   | LCE Acquisition Corp., Senior Subordinated Notes, 9.000% due 8/1/14 (d)              | \$ 243,125        |
| 1,400,000                             | B+     | Mohegan Tribal Gaming Authority, Senior Subordinated Notes, 6.875% due 2/15/15 (d)   | 1,438,500         |
| 125,000                               | B+     | Scientific Games Corp., Senior Subordinated Notes, 6.250% due 12/15/12 (d)           | 126,875           |
| 900,000                               | CCC    | Six Flags, Inc., Senior Notes: 9.750% due 4/15/13                                    | 853,875           |
| 675,000                               | CCC    | 9.625% due 6/1/14  | 634,500           |
| <b>Total Entertainment</b>            |        |  | <b>9,284,805</b>  |
| <b>Environmental Control 1.4%</b>     |        |  |                   |
| 2,075,000                             | B      | Aleris International, Inc., Senior Secured Notes, 10.375% due 10/15/10               | 2,287,687         |
| 25,000                                | BB-    | Allied Waste North America, Inc.: Senior Notes, 7.250% due 3/15/15 (d)               | 24,313            |
| 2,580,000                             | BB-    | Series B, Senior Secured Notes: 8.500% due 12/1/08                                   | 2,718,675         |
| 317,000                               | BB-    | 9.250% due 9/1/12  | 343,945           |
| 2,000,000                             | B+     | 7.375% due 4/15/14   | 1,860,000         |
| <b>Total Environmental Control</b>    |        |  | <b>7,234,620</b>  |
| <b>Finance 0.1%</b>                   |        |  |                   |
| 500,000                               | B+     | R.H. Donnelley Finance Corp. I, Senior Subordinated Notes, 10.875% due 12/15/12 (d)  | <b>583,750</b>    |
| <b>Food 1.9%</b>                      |        |  |                   |
| 425,000                               | BB-    | Ahold Finance USA, Inc., Notes, 8.250% due 7/15/10                                   | 469,625           |
| 1,327,823                             | BB     | Ahold Lease USA, Inc.: Pass-Through Certificates, Series 2001 A-1, 7.820% due 1/2/20 | 1,434,879         |
| 675,000                               | BB     | Pass-Through Certificates, Series 2001 A-2, 8.620% due 1/2/25                        | 739,547           |
| 995,000                               | BB-    | Dean Foods Co., Senior Notes, 6.900% due 10/15/17                                    | 1,044,750         |
| 1,125,000                             | B      | Del Monte Corp., Senior Subordinated Notes, 8.625% due 12/15/12                      | 1,243,125         |
| 2,575,000                             | CCC+   | Doane Pet Care Co.: Senior Notes, 10.750% due 3/1/10                                 | 2,735,937         |
| 175,000                               | CCC+   | Senior Subordinated Notes, 9.750% due 5/15/07  | 171,063           |
| 2,675,000                             | B-     | Pinnacle Foods Holding Corp., Senior Subordinated Notes, 8.250% due 12/1/13          | 2,407,500         |
| <b>Total Food</b>                     |        |  | <b>10,246,426</b> |

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|                                    |             |   |           |
|------------------------------------|-------------|---|-----------|
| <b>Forest Products &amp; Paper</b> | <b>2.7%</b> |   |           |
| 2,250,000                          | BB-         | Abitibi-Consolidated, Inc., Debentures,<br>8.850% due 8/1/30                      | 2,165,625 |
| 2,525,000                          | B+          | Appleton Papers, Inc., Senior Subordinated Notes,<br>Series B, 9.750% due 6/15/14 | 2,449,250 |

**See Notes to Schedule of Investments.**

## HIGH INCOME OPPORTUNITY FUND INC.

## Schedule of Investments (unaudited) (continued)

June 30, 2005

| FACE AMOUNT   | RATING | SECURITY  | VALUE             |
|---|--------|---|-------------------|
| <b>Forest Products &amp; Paper 2.7% (continued)</b> |        |   |                   |
| \$ 1,550,000  | B-     | Blue Ridge Paper Products, Inc., Secured Notes, 9.500% due 12/15/08                     | \$ 1,488,000      |
| 2,300,000   | BB     | Bowater, Inc., Debentures, 9.500% due 10/15/12  | 2,564,500         |
| 700,000   | B      | Buckeye Technologies, Inc., Senior Subordinated Notes: 9.250% due 9/15/08               | 703,500           |
| 2,930,000   | B      | 8.000% due 10/15/10   | 2,827,450         |
| 2,500,000   | B-     | Newark Group, Inc., Senior Subordinated Notes, 9.750% due 3/15/14                       | 2,312,500         |
| <b>Total Forest Products &amp; Paper</b>            |        |   | <b>14,510,825</b> |
| <b>Health Care Services 3.1%</b>                    |        |   |                   |
| 2,450,000   | B-     | AmeriPath, Inc., Senior Subordinated Notes, 10.500% due 4/1/13                          | 2,492,875         |
| 1,350,000   | B      | Community Health Systems, Inc., Senior Subordinated Notes, 6.500% due 12/15/12          | 1,380,375         |
| 1,200,000   | B      | DaVita, Inc., Senior Notes, 6.625% due 3/15/13 (d)                                      | 1,245,000         |
| 775,000   | B      | Extencicare Health Services, Inc.: Senior Notes, 9.500% due 7/1/10                      | 840,875           |
| 1,000,000   | B-     | Senior Subordinated Notes, 6.875% due 5/1/14  | 997,500           |
| 1,150,000   | BB+    | HCA, Inc., Senior Notes, 6.375% due 1/15/15   | 1,196,124         |
| 2,675,000   | B-     | IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes, 8.750% due 6/15/14 | 2,915,750         |
| 1,375,000   | CCC+   | InSight Health Services Corp., Senior Subordinated Notes, Series B, 9.875% due 11/1/11  | 1,079,375         |
| 4,250,000   | B      | Tenet Healthcare Corp., Senior Notes: 7.375% due 2/1/13                                 | 4,218,125         |
| 75,000  | B      | 9.875% due 7/1/14   | 80,813            |
| <b>Total Health Care Services</b>                   |        |   | <b>16,446,812</b> |
| <b>Home Builders 1.4%</b>                           |        |   |                   |
| 1,140,000   | BB+    | D.R. Horton, Inc.: Senior Notes, 8.000% due 2/1/09                                      | 1,254,463         |
| 910,000   | BB-    | Senior Subordinated Notes, 9.375% due 3/15/11   | 981,947           |
| 1,350,000   | BB-    | KB HOME, Senior Subordinated Notes, 9.500% due 2/15/11                                  | 1,450,575         |
| 650,000   | BBB-   | Ryland Group, Inc., Senior Notes, 9.750% due 9/1/10                                     | 699,009           |
| 1,715,000   | BB-    | Schuler Homes, Inc., Senior Subordinated Notes, 10.500% due 7/15/11                     | 1,899,363         |
| 875,000   | B+     | Standard Pacific Corp., Senior Subordinated Notes, 9.250% due 4/15/12                   | 966,875           |
| <b>Total Home Builders</b>                          |        |   | <b>7,252,232</b>  |
| <b>Home Furnishings 0.5%</b>                        |        |   |                   |

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2,550,000 B-

Sealy Mattress Co., Senior Subordinated Notes,  
8.250% due 6/15/14

2,588,250

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**See Notes to Schedule of Investments.**

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## HIGH INCOME OPPORTUNITY FUND INC.

## Schedule of Investments (unaudited) (continued)

June 30, 2005

| FACE<br>AMOUNT                        | RATING | SECURITY  | VALUE            |
|---------------------------------------|--------|---|------------------|
| <b>Household Products/Wares 0.6%</b>  |        |   |                  |
| \$ 897,000                            | Aa3(b) | Pennzoil-Quaker State Co., Senior Notes,<br>10.000% due 11/1/08               | \$ 958,193       |
| 2,150,000                             | B      | Playtex Products, Inc., Senior Secured Notes,<br>8.000% due 3/1/11            | 2,308,563        |
| <b>Total Household Products/Wares</b> |        |   | <b>3,266,756</b> |
| <b>Insurance 0.3%</b>                 |        |   |                  |
| 1,680,000                             | BB     | Markel Capital Trust I, Series B, 8.710% due 1/1/46                           | <b>1,868,472</b> |
| <b>Iron/Steel 0.1%</b>                |        |   |                  |
| 525,000                               | B+     | AK Steel Corp., Senior Notes, 7.875% due 2/15/09                              | <b>480,375</b>   |
| <b>Leisure Time 0.5%</b>              |        |   |                  |
| 800,000                               | B-     | Equinox Holdings, Inc., Senior Notes,<br>9.000% due 12/15/09                  | 830,000          |
| 1,750,000                             | CCC-   | Icon Health & Fitness, Inc., Senior Subordinated Notes,<br>11.250% due 4/1/12 | 1,347,500        |
| 225,000                               | B-     | Riddell Bell Holdings, Inc., 8.375% due 10/1/12                               | 226,688          |
| <b>Total Leisure Time</b>             |        |   | <b>2,404,188</b> |
| <b>Lodging 4.6%</b>                   |        |   |                  |
| 2,170,000                             | B+     | Ameristar Casinos, Inc., Senior Subordinated Notes,<br>10.750% due 2/15/09    | 2,370,725        |
| 1,300,000                             | BB+    | Caesars Entertainment, Inc., Senior Subordinated Notes:<br>9.375% due 2/15/07 | 1,400,750        |
| 1,325,000                             | BB+    | 8.875% due 9/15/08  | 1,482,344        |
| 2,545,000                             | BB+    | 8.125% due 5/15/11  | 2,939,475        |
| 275,000                               | BBB-   | Hilton Hotels Corp.:<br>Notes, 7.625% due 12/1/12                             | 318,008          |
| 1,360,000                             | BBB-   | Senior Notes, 7.950% due 4/15/07  | 1,438,131        |
| 2,175,000                             | B      | Kerzner International Ltd., Senior Subordinated Notes,<br>8.875% due 8/15/11  | 2,338,125        |
| 2,150,000                             | B      | Las Vegas Sands Corp., Senior Notes,<br>6.375% due 2/15/15 (d)                | 2,112,375        |
| 2,100,000                             | BB     | MGM MIRAGE, Inc.:<br>Senior Notes, 6.750% due 9/1/12                          | 2,173,500        |
| 700,000                               | B+     | Senior Subordinated Debentures, 7.625% due 7/15/13                            | 742,000          |
| 875,000                               | B+     | Senior Subordinated Notes:<br>9.750% due 6/1/07                               | 952,656          |
| 2,050,000                             | B+     | 8.375% due 2/1/11   | 2,244,750        |
| 1,725,000                             | B+     | Series B, 10.250% due 8/1/07  | 1,906,125        |
| 1,250,000                             | BB+    | Starwood Hotels & Resorts Worldwide, Inc.,<br>Senior Notes, 7.875% due 5/1/12 | 1,415,625        |
| 800,000                               | B+     | Station Casinos, Inc., Senior Subordinated Notes,                             |                  |

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6.875% due 3/1/16

826,000

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**Total Lodging**

**24,660,589**

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See Notes to Schedule of Investments.

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## HIGH INCOME OPPORTUNITY FUND INC.

## Schedule of Investments (unaudited) (continued)

June 30, 2005

| FACE<br>AMOUNT                                  | RATING | SECURITY   | VALUE            |
|---|--------|--|------------------|
| <b>Machinery-Construction &amp; Mining 0.2%</b> |        |  |                  |
| \$ 1,150,000                                    | B      | Terex Corp., Senior Subordinated Notes, Series B,<br>10.375% due 4/1/11  | \$ 1,253,500     |
| <b>Machinery-Diversified 0.7%</b>               |        |  |                  |
| 175,000   | BB-    | Case New Holland, Inc., Senior Notes,<br>9.250% due 8/1/11 (d)   | 184,625          |
| 650,000   | B-     | Dresser-Rand Group, Inc., Senior Subordinated Notes,<br>7.375% due 11/1/14 (d)                                   | 679,250          |
| 1,975,000                                       | B      | Flowserve Corp., Senior Subordinated Notes,<br>12.250% due 8/15/10   | 2,142,875        |
| 690,000   | B+     | NMHG Holding Co., 10.000% due 5/15/09  | 727,950          |
| <b>Total Machinery-Diversified</b>              |        |  | <b>3,734,700</b> |
| <b>Media 11.2%</b>                              |        |  |                  |
| 175,000   | B      | Cadmus Communications Corp., Senior Subordinated<br>Notes, 8.375% due 6/15/14                                    | 180,906          |
| 3,925,176                                       | B-     | CanWest Media, Inc., Senior Subordinated Notes,<br>8.000% due 9/15/12  | 4,150,874        |
|   |        | Charter Communications Holdings LLC,<br>Charter Communications Holdings Capital Corp.,<br>Senior Discount Notes: |                  |
| 8,305,000                                       | CCC-   | Step bond to yield 11.702% due 1/15/10   | 6,560,950        |
| 1,960,000                                       | CCC-   | Step bond to yield 11.662% due 1/15/11   | 1,509,200        |
| 3,880,000                                       | CCC-   | Step bond to yield 17.391% due 5/15/11   | 2,589,900        |
|   |        | CSC Holdings, Inc.:  |                  |
| 2,425,000                                       | BB-    | Senior Debentures, 7.625% due 7/15/18  | 2,352,250        |
|   |        | Senior Notes:  |                  |
|   |        | Series B:  |                  |
| 1,025,000                                       | BB-    | 7.875% due 12/15/07  | 1,063,437        |
| 1,200,000                                       | BB-    | 8.125% due 7/15/09   | 1,221,000        |
| 700,000   | BB-    | 7.625% due 4/1/11  | 694,750          |
| 1,955,000                                       | B+     | Senior Subordinated Debentures,<br>10.500% due 5/15/16   | 2,111,400        |
| 683,000   | B      | Dex Media East LLC/Dex Media East Finance Co.,<br>12.125% due 11/15/12   | 821,308          |
| 1,416,000                                       | B      | Dex Media West LLC/Dex Media Finance Co., Senior<br>Subordinated Notes, Series B, 9.875% due 8/15/13             | 1,621,320        |
|   |        | Dex Media, Inc., Discount Notes:   |                  |
| 3,000,000                                       | B      | Step bond to yield 8.372% due 11/15/13   | 2,430,000        |
| 1,250,000                                       | B      | Step bond to yield 9.161% due 11/15/13   | 1,012,500        |
|   |        | DirecTV Holdings LLC/DirecTV Financing Co.,<br>Senior Notes:   |                  |
| 1,544,000                                       | BB-    | 8.375% due 3/15/13   | 1,717,700        |
| 2,250,000                                       | BB-    | 6.375% due 6/15/15 (d)   | 2,250,000        |
|   |        | EchoStar DBS Corp.:  |                  |
| 3,150,000                                       | BB-    | 6.625% due 10/1/14   | 3,126,375        |

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1,979,000 BB-

Senior Notes, 9.125% due 1/15/09

2,112,582

**See Notes to Schedule of Investments.**

## HIGH INCOME OPPORTUNITY FUND INC.

## Schedule of Investments (unaudited) (continued)

June 30, 2005

| FACE<br>AMOUNT                           | RATING | SECURITY   | VALUE             |
|--|--------|--|-------------------|
| <b>Media 11.2% (continued)</b>           |        |  |                   |
| \$ 1,250,000                             | B-     | Emmis Communications Corp., Senior Notes,<br>9.314% due 6/15/12 (a)(d)                             | \$ 1,278,125      |
| 2,575,000                                | BBB+   | Historic TW, Inc., Senior Notes, 6.625% due 5/15/29  | 2,878,245         |
| 2,300,000                                | B-     | Houghton Mifflin Co., Senior Discount Notes,<br>step bond to yield 11.232% due 10/15/13            | 1,690,500         |
| 2,630,000                                | CCC+   | Insight Communications Co., Inc., Senior Discount<br>Notes, step bond to yield 13.766% due 2/15/11 | 2,649,725         |
| 3,075,000                                | B      | Mediacom Broadband LLC, Senior Notes,<br>11.000% due 7/15/13                                       | 3,344,062         |
| 75,000                                   | B      | Mediacom LLC/Mediacom Capital Corp., Senior Notes,<br>9.500% due 1/15/13                           | 75,188            |
| 2,250,000                                | B-     | Nexstar Finance, Inc., Senior Subordinated Notes,<br>7.000% due 1/15/14                            | 2,095,312         |
| 375,000                                  | B-     | NextMedia Operating, Inc., Senior Subordinated Notes,<br>10.750% due 7/1/11                        | 409,219           |
| 1,235,000                                | B      | Radio One, Inc., Senior Subordinated Notes, Series B,<br>8.875% due 7/1/11                         | 1,332,256         |
| 4,500,000                                | B+     | Rogers Cablesystems Ltd., Senior Notes,<br>11.000% due 12/1/15                                     | 4,882,500         |
| 850,000                                  | CCC+   | Spanish Broadcasting System, Inc., 9.625% due 11/1/09  | 893,563           |
| 601,000                                  | B+     | Yell Finance BV, Senior Discount Notes,<br>step bond to yield 12.263% due 8/1/11                   | 605,508           |
| <b>Total Media</b>                       |        |  | <b>59,660,655</b> |
| <b>Metal Fabricate-Hardware 0.9%</b>     |        |  |                   |
| 1,600,000                                | B-     | Mueller Group, Inc., Senior Subordinated Notes,<br>10.000% due 5/1/12                              | 1,688,000         |
| 1,400,000                                | B-     | Mueller Holdings, Inc., Discount Notes,<br>step bond to yield 14.984% due 4/15/14                  | 1,029,000         |
| 2,110,000                                | B      | Wolverine Tube, Inc., Senior Notes, 10.500% due 4/1/09   | 2,015,050         |
| <b>Total Metal Fabricate-Hardware</b>    |        |  | <b>4,732,050</b>  |
| <b>Mining 0.3%</b>                       |        |  |                   |
| 1,285,000                                | BBB    | Phelps Dodge Corp., Senior Notes, 8.750% due 6/1/11  | 1,555,494         |
| <b>Miscellaneous Manufacturing 0.9%</b>  |        |  |                   |
| 1,235,000                                | NR     | Aqua-Chem, Inc., Senior Subordinated Notes,<br>11.250% due 7/1/08 (e)                              | 1,049,750         |
| 1,600,000                                | B-     | Invensys PLC, Senior Notes, 9.875% due 3/15/11 (d)   | 1,536,000         |
| 4,150,000                                | B-     | KI Holdings, Inc., Senior Discount Notes,<br>step bond to yield 9.879% due 11/15/14                | 2,427,750         |
| <b>Total Miscellaneous Manufacturing</b> |        |  | <b>5,013,500</b>  |

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|                           |             |   |                  |
|---------------------------|-------------|---|------------------|
| <b>Office Furnishings</b> | <b>0.4%</b> |   |                  |
| 2,000,000                 | B-          | Interface, Inc., Senior Notes, 10.375% due 2/1/10 | <b>2,210,000</b> |

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**See Notes to Schedule of Investments.**

## HIGH INCOME OPPORTUNITY FUND INC.

Schedule of Investments (unaudited) (continued) June 30, 2005

| FACE<br>AMOUNT                         | RATING | SECURITY   | VALUE             |
|--|--------|--|-------------------|
| <b>Oil &amp; Gas 2.2%</b>              |        |  |                   |
| \$ 3,625,000                           | BB-    | Chesapeake Energy Corp., Senior Notes,<br>6.625% due 1/15/16 (d)                               | \$ 3,760,937      |
| 1,121,000                              | B+     | Magnum Hunter Resources, Inc., Senior Notes,<br>9.600% due 3/15/12                             | 1,249,915         |
| 2,125,000                              | B+     | Plains Exploration & Production Co., Senior<br>Subordinated Notes, Series B, 8.750% due 7/1/12 | 2,316,250         |
| 520,000                                | BB     | Pogo Producing Co., Senior Subordinated Notes,<br>Series B, 8.250% due 4/15/11                 | 555,100           |
| 700,000                                | B      | Swift Energy Co., Senior Subordinated Notes,<br>9.375% due 5/1/12                              | 757,750           |
| 1,210,000                              | BB-    | Vintage Petroleum, Inc.:<br>Senior Notes, 8.250% due 5/1/12                                    | 1,318,900         |
| 1,600,000                              | B      | Senior Subordinated Notes, 7.875% due 5/15/11  | 1,696,000         |
| <b>Total Oil &amp; Gas</b>             |        |  | <b>11,654,852</b> |
| <b>Oil &amp; Gas Services 0.5%</b>     |        |  |                   |
| 1,725,000                              | B      | Hanover Compressor Co., Senior Notes,<br>9.000% due 6/1/14                                     | 1,845,750         |
| 865,000                                | BB-    | SESI LLC, Senior Notes, 8.875% due 5/15/11   | 927,713           |
| <b>Total Oil &amp; Gas Services</b>    |        |  | <b>2,773,463</b>  |
| <b>Packaging &amp; Containers 4.1%</b> |        |  |                   |
| 2,275,000                              | CCC    | Anchor Glass Container Corp., Senior Secured Notes,<br>11.000% due 2/15/13                     | 1,785,875         |
| 1,375,000                              | B-     | Berry Plastics Corp., Senior Subordinated Notes,<br>10.750% due 7/15/12                        | 1,507,344         |
| 2,655,000                              | B-     | Graphic Packaging International Corp., Senior<br>Subordinated Notes, 9.500% due 8/15/13        | 2,688,187         |
| 3,420,000                              | BB-    | Owens-Brockway Glass Container, Inc., Secured Notes,<br>8.875% due 2/15/09                     | 3,650,850         |
| 1,975,000                              | B+     | Plastipak Holdings, Inc., Senior Notes,<br>10.750% due 9/1/11                                  | 2,187,312         |
| 1,100,000                              | CCC+   | Pliant Corp.:<br>Senior Secured Second Lien Notes,<br>11.125% due 9/1/09                       | 1,078,000         |
| 245,000                                | CCC+   | Senior Subordinated Notes, 13.000% due 6/1/10  | 199,675           |
| 725,000                                | CCC-   | Radnor Holdings Corp., Senior Notes,<br>11.000% due 3/15/10                                    | 498,438           |
| 1,550,000                              | BBB    | Sealed Air Corp., Notes, 6.950% due 5/15/09 (d)  | 1,676,181         |
| 4,875,000                              | B      | Stone Container Finance Corp., Senior Notes,<br>7.375% due 7/15/14                             | 4,606,875         |
| 1,000,000                              | CCC-   | Tekni-Plex, Inc.:<br>Senior Secured Notes, 8.750% due 11/15/13 (d)                             | 892,500           |
| 1,385,000                              | CCC-   | Senior Subordinated Notes, Series B,<br>12.750% due 6/15/10                                    | 955,650           |

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**Total Packaging & Containers**

**21,726,887**

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**See Notes to Schedule of Investments.**

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## HIGH INCOME OPPORTUNITY FUND INC.

Schedule of Investments (unaudited) (continued) June 30, 2005

| FACE<br>AMOUNT               | RATING | SECURITY  | VALUE             |
|------------------------------|--------|---|-------------------|
| <b>Pharmaceuticals 0.3%</b>  |        |   |                   |
| \$ 1,350,000                 | C(b)   | aaiPharma, Inc., Senior Subordinated Notes,<br>11.000% due 4/1/10 (c)   | \$ 715,500        |
| 1,150,000                    | CCC+   | Leiner Health Products, Inc., Senior Subordinated Notes,<br>11.000% due 6/1/12  | 1,132,750         |
| <b>Total Pharmaceuticals</b> |        |   | <b>1,848,250</b>  |
| <b>Pipelines 4.4%</b>        |        |   |                   |
| 4,500,000                    | CCC+   | Dynegy Holdings, Inc.:<br>Debentures, 7.625% due 10/15/26   | 4,308,750         |
| 4,500,000                    | B-     | Second Priority Senior Secured Notes,<br>9.641% due 7/15/08 (a)(d)  | 4,786,875         |
| 750,000                      | B-     | El Paso Corp., Medium-Term Notes, Senior Notes:<br>7.800% due 8/1/31  | 733,125           |
| 6,275,000                    | B-     | 7.750% due 1/15/32  | 6,149,500         |
|                              |        | Williams Cos., Inc.:<br>Notes:  |                   |
| 2,950,000                    | B+     | 7.875% due 9/1/21   | 3,370,375         |
| 1,550,000                    | B+     | 8.750% due 3/15/32  | 1,869,687         |
| 1,825,000                    | B+     | Senior Notes, 7.625% due 7/15/19  | 2,062,250         |
| <b>Total Pipelines</b>       |        |   | <b>23,280,562</b> |
| <b>REITs 1.3%</b>            |        |   |                   |
| 2,920,000                    | B+     | Host Marriott LP:<br>Notes, Series I, 9.500% due 1/15/07  | 3,109,800         |
| 1,300,000                    | B+     | Senior Notes, 6.375% due 3/15/15 (d)  | 1,293,500         |
| 2,550,000                    | CCC+   | MeriStar Hospitality Operating Partnership<br>LP/MeriStar Hospitality Finance Corp.,<br>Senior Notes, 10.500% due 6/15/09 | 2,741,250         |
| <b>Total REITs</b>           |        |   | <b>7,144,550</b>  |
| <b>Retail 3.9%</b>           |        |   |                   |
| 1,775,000                    | CCC    | Buffets, Inc., Senior Subordinated Notes,<br>11.250% due 7/15/10  | 1,797,188         |
| 1,450,000                    | B-     | Carrols Corp., Senior Subordinated Notes,<br>9.000% due 1/15/13 (d)   | 1,475,375         |
| 1,150,000                    | B-     | Friendly Ice Cream Corp., Senior Notes,<br>8.375% due 6/15/12   | 1,121,250         |
| 1,800,000                    | BBB-   | Gap, Inc., Notes, 9.550% due 12/15/08   | 2,076,961         |
| 1,950,000                    | B      | Hines Nurseries, Inc., Senior Subordinated Notes,<br>10.250% due 10/1/11  | 2,018,250         |
|                              |        | J.C. Penney Co., Inc., Notes:   |                   |
| 2,325,000                    | BB+    | 8.000% due 3/1/10   | 2,569,125         |
| 2,177,000                    | BB+    | 9.000% due 8/1/12   | 2,585,187         |

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|           |   |   |           |
|-----------|---|---|-----------|
| 1,250,000 | B | Jean Coutu Group, Inc., Senior Subordinated Notes,<br>8.500% due 8/1/14 | 1,240,625 |
|-----------|---|---|-----------|

**See Notes to Schedule of Investments.**



## HIGH INCOME OPPORTUNITY FUND INC.

Schedule of Investments (unaudited) (continued) June 30, 2005

| FACE<br>AMOUNT                  | RATING | SECURITY  | VALUE             |
|---------------------------------|--------|---|-------------------|
| <b>Retail 3.9% (continued)</b>  |        |   |                   |
| \$ 75,000                       | B-     | Rite Aid Corp.:<br>11.250% due 7/1/08   | \$ 79,219         |
| 1,845,000                       | B-     | Notes, 7.125% due 1/15/07   | 1,858,837         |
| 1,819,000                       | CCC+   | Saks, Inc., 9.875% due 10/1/11  | 1,978,162         |
| 825,000                         | B-     | Toys R Us, Inc., Notes, 7.375% due 10/15/18   | 672,375           |
| 1,000,000                       | B      | VICORP Restaurants, Inc., Senior Notes,<br>10.500% due 4/15/11                                    | 1,015,000         |
| <b>Total Retail</b>             |        |   | <b>20,487,554</b> |
| <b>Savings &amp; Loans 1.1%</b> |        |   |                   |
| 5,500,000                       | CCC-   | Ocwen Capital Trust I, 10.875% due 8/1/27   | <b>5,637,500</b>  |
| <b>Semiconductors 0.5%</b>      |        |   |                   |
| 900,000                         | B-     | Amkor Technology, Inc.:<br>Senior Notes, 9.250% due 2/15/08                                       | 868,500           |
| 2,205,000                       | CCC    | Senior Subordinated Notes, 10.500% due 5/1/09   | 1,912,838         |
| <b>Total Semiconductors</b>     |        |   | <b>2,781,338</b>  |
| <b>Telecommunications 11.6%</b> |        |   |                   |
| 525,000                         | B-     | AirGate PCS, Inc.:<br>6.891% due 10/15/11 (a)   | 539,438           |
| 1,157,300                       | CCC    | Senior Secured Subordinated Notes,<br>9.375% due 9/1/09   | 1,220,951         |
| 750,000                         | CCC+   | American Tower Corp., Senior Notes,<br>9.375% due 2/1/09  | 790,313           |
| 985,000                         | CCC+   | American Tower Escrow Corp., Discount Notes,<br>zero coupon bond to yield 14.330% due 8/1/08      | 760,913           |
| 2,250,000                       | BB+    | AT&T Corp., Senior Notes:<br>9.050% due 11/15/11  | 2,604,375         |
| 1,600,000                       | BB+    | 9.750% due 11/15/31   | 2,090,000         |
| 1,555,000                       | D      | GT Group Telecom, Inc., Senior Discount Notes,<br>step bond to yield 13.250% due 2/1/10 (c)(e)(f) | 0                 |
| 650,000                         | B      | Insight Midwest LP/Insight Capital, Inc., Senior Notes,<br>10.500% due 11/1/10                    | 692,250           |
| 950,000                         | B+     | Intelsat Bermuda Ltd., Senior Notes,<br>7.805% due 1/15/12 (a)(d)                                 | 971,375           |
| 1,550,000                       | B      | Intelsat Ltd., Senior Discount Notes, step bond to yield<br>9.253% due 2/1/15 (d)                 | 1,042,375         |
| 2,550,000                       | CCC+   | IWO Holdings, Inc., Secured Notes,<br>6.891% due 1/15/12 (a)(d)                                   | 2,543,625         |
| 6,775,000                       | B      | Lucent Technologies, Inc., Debentures,<br>6.450% due 3/15/29                                      | 6,097,500         |
| 225,000                         | B+     | MCI, Inc., Senior Notes, 8.735% due 5/1/14  | 252,844           |
| 3,825,000                       | A      | New Cingular Wireless Services, Inc.:<br>Notes, 8.125% due 5/1/12                                 | 4,589,090         |

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|           |   |                   |           |
|-----------|---|-------------------|-----------|
| 4,425,000 | A | Senior Notes:     |           |
|           |   | 7.875% due 3/1/11 | 5,148,563 |
| 100,000   | A | 8.750% due 3/1/31 | 140,597   |

**See Notes to Schedule of Investments.**

## HIGH INCOME OPPORTUNITY FUND INC.

Schedule of Investments (unaudited) (continued) June 30, 2005

| FACE<br>AMOUNT   | RATING | SECURITY  | VALUE              |
|--|--------|---|--------------------|
| <b>Telecommunications 11.6% (continued)</b>                      |        |   |                    |
| \$ 1,875,000   | BB     | Nextel Communications, Inc., Senior Notes,<br>7.375% due 8/1/15   | \$ 2,034,375       |
| 998,000  | BB-    | Nextel Partners, Inc., Senior Notes,<br>12.500% due 11/15/09  | 1,089,067          |
| 1,950,000  | B-     | Nortel Networks Corp., Notes, 6.875% due 9/1/23   | 1,833,000          |
| 475,000  | B-     | Nortel Networks Ltd., Notes, 6.125% due 2/15/06   | 480,344            |
| 895,000  | B-     | Northern Telecom Capital Corp., 7.875% due 6/15/26  | 899,475            |
| 400,000  | B-     | NTL Cable PLC, Senior Notes, 8.750% due 4/15/14   | 418,500            |
| 845,000  | B+     | PanAmSat Corp., Senior Notes, 9.000% due 8/15/14  | 926,331            |
| 4,025,000  | BB-    | Qwest Corp., Notes, 8.875% due 3/15/12 (d)<br>Qwest Services Corp., Secured Notes:<br>13.500% due 12/15/10      | 4,397,312          |
| 3,990,000  | B      | 14.000% due 12/15/14  | 4,628,400          |
| 1,583,000  | B      | SpectraSite, Inc., Senior Notes, 8.250% due 5/15/10   | 1,927,302          |
| 1,700,000  | B-     | Sprint Capital Corp.:   | 1,810,500          |
| 5,550,000  | BBB-   | 8.750% due 3/15/32  | 7,744,814          |
| 3,250,000  | BBB-   | Senior Notes, 6.875% due 11/15/28   | 3,742,147          |
| <b>Total Telecommunications</b>                                  |        |   | <b>61,415,776</b>  |
| <b>Textiles 0.3%</b>   |        |   |                    |
| 3,350,000  | B-     | Simmons Co., Senior Discount Notes, step bond to<br>yield 10.002% due 12/15/14 (d)                              | <b>1,524,250</b>   |
| <b>Transportation 0.5%</b>                                       |        |   |                    |
| 1,450,000  | B+     | General Maritime Corp., Senior Notes,<br>10.000% due 3/15/13  | 1,580,500          |
| 960,000  | BB+    | Windsor Petroleum Transport Corp., Secured Notes,<br>7.840% due 1/15/21 (d)                                     | 1,070,934          |
| <b>Total Transportation</b>                                      |        |   | <b>2,651,434</b>   |
| <b>TOTAL CORPORATE BONDS &amp; NOTES</b><br>(Cost \$447,787,566) |        |   | <b>473,283,214</b> |
| <b>CONVERTIBLE BOND 0.1%</b>                                     |        |   |                    |
| <b>Electronics 0.1%</b>  |        |   |                    |
| 562,000  | B      | Sanmina-SCI Corp., Subordinated Debentures,<br>zero coupon bond to yield 5.386% due 9/12/20<br>(Cost \$303,855) | <b>309,100</b>     |
| <b>ASSET-BACKED SECURITY 0.0%</b>                                |        |   |                    |
| <b>Diversified Financial Services 0.0%</b>                       |        |   |                    |
| 9,956,016  | D      | Airplanes Pass-Through Trust, Series D,<br>10.875% due 3/15/12 (c)(e)(f) (Cost \$11,102,032)                    | <b>0</b>           |

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**LOAN PARTICIPATION 1.0%**

**Telecommunications 1.0%**

|           |    |  |                  |
|-----------|----|--|------------------|
| 5,500,000 | NR | UPC Broadband, Inc., Term Loan, Tranche H2,<br>(Bank of America), 5.752% due 3/15/12<br>(Cost \$5,500,000) | <b>5,504,964</b> |
|-----------|----|--|------------------|

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See Notes to Schedule of Investments.

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## HIGH INCOME OPPORTUNITY FUND INC.

Schedule of Investments (unaudited) (continued) June 30, 2005

| SHARES   | SECURITY   | VALUE            |
|--|--|------------------|
| <b>COMMON STOCK 1.0%</b>                                 |  |                  |
| <b>CONSUMER STAPLES 0.0%</b>                             |  |                  |
| <b>Food Products 0.0%</b>                                |  |                  |
| 73,499   | Aurora Foods, Inc. (e)(f)*                           | \$ 0             |
| <b>FINANCIALS 0.0%</b>                                   |  |                  |
| <b>Diversified Financial Services 0.0%</b>               |  |                  |
| 9,777  | Outsourcing Solutions, Inc. (f)*                     | 34,220           |
| <b>INDUSTRIALS 0.0%</b>                                  |  |                  |
| <b>Aerospace &amp; Defense 0.0%</b>                      |  |                  |
| 3,259  | Northrop Grumman Corp.                               | 180,060          |
| <b>INFORMATION TECHNOLOGY 0.1%</b>                       |  |                  |
| <b>Communications Equipment 0.1%</b>                     |  |                  |
| 12,427   | Motorola, Inc.                                       | 226,917          |
| <b>Semiconductors &amp; Semiconductor Equipment 0.0%</b> |  |                  |
| 1,372  | Freescale Semiconductor, Inc., Class B Shares*       | 29,059           |
| <b>TOTAL INFORMATION TECHNOLOGY</b>                      |  | <b>255,976</b>   |
| <b>TELECOMMUNICATION SERVICES 0.9%</b>                   |  |                  |
| <b>Diversified Telecommunication Services 0.4%</b>       |  |                  |
| 3,736  | McLeodUSA, Inc., Class A Shares*                     | 183              |
| 87,708   | Telewest Global, Inc.*                               | 1,997,988        |
| 20,125   | Weblink Wireless, Inc. (d)(e)(f)*                    | 201              |
|  |  | 1,998,372        |
| <b>Wireless Telecommunication Services 0.5%</b>          |  |                  |
| 137,186  | Alamosa Holdings, Inc.*                              | 1,906,885        |
| 37,218   | Crown Castle International Corp.*                    | 756,270          |
|  |  | 2,663,155        |
| <b>TOTAL TELECOMMUNICATION SERVICES</b>                  |  | <b>4,661,527</b> |
| <b>TOTAL COMMON STOCK</b>                                |  |                  |
| (Cost \$8,867,429)                                       |  | <b>5,131,783</b> |
| <b>CONVERTIBLE PREFERRED STOCK 1.1%</b>                  |  |                  |
| <b>TELECOMMUNICATION SERVICES 1.1%</b>                   |  |                  |
| <b>Wireless Telecommunication Services 1.1%</b>          |  |                  |
| 4,660  | Alamosa Holdings, Inc., Series B, 7.500% due 7/31/13 | 4,810,868        |
| 19,800   | Crown Castle International Corp., 6.250% due 8/15/12 | 955,350          |

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**TOTAL CONVERTIBLE PREFERRED STOCK**  
(Cost \$2,063,871)

**5,766,218**

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**See Notes to Schedule of Investments.**

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**14**

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## HIGH INCOME OPPORTUNITY FUND INC.

## Schedule of Investments (unaudited) (continued)

June 30, 2005

| WARRANTS  | SECURITY   | VALUE              |
|---|--|--------------------|
| <b>WARRANTS 0.1%</b>  |  |                    |
| <b>Capital Markets 0.1%</b>   |  |                    |
| 1,075   | Mueller Holdings, Inc., expires 4/15/14 (d)*                                   | \$ 376,519         |
| <b>Commercial Services &amp; Supplies 0.0%</b>  |  |                    |
| 1,765   | Merrill Corp., Class B Shares, expires 5/1/09 (d)(e)(f)*                       | 0                  |
| <b>Communications Equipment 0.1%</b>  |  |                    |
| 985   | American Tower Corp., Class A Shares,<br>expires 8/1/08 (d)*                   | 291,915            |
| <b>Containers &amp; Packaging 0.0%</b>  |  |                    |
| 245   | Pliant Corp., expires 6/1/10 (d)(e)(f)*  | 2                  |
| <b>Diversified Telecommunication Services 0.0%</b>                                    |  |                    |
| 1,555   | GT Group Telecom, Inc., Class B Shares,<br>expires 2/1/10 (d)(e)(f)*           | 0                  |
| 1,155   | Horizon PCS, Inc., expires 10/1/10 (d)(e)(f)*                                  | 0                  |
| 6,725   | Iridium World Communications, Inc., Class A Shares,<br>expires 7/15/05 (e)(f)* | 67                 |
| 1,000   | Jazztel PLC, expires 7/15/10 (e)(f)*   | 0                  |
| 6,975   | RSL Communications Ltd., Class A Shares,<br>expires 11/15/06 (e)(f)*           | 0                  |
| <b>Total Diversified Telecommunication Services</b>                                   |  | <b>67</b>          |
| <b>Electronic Equipment &amp; Instruments 0.0%</b>                                    |  |                    |
| 3,510   | Viasystems Group, Inc., expires 1/31/10 (e)(f)*                                | 0                  |
| <b>Internet Software &amp; Services 0.0%</b>  |  |                    |
| 1,705   | Cybernet Internet Services International, Inc.,<br>expires 7/1/09 (e)(f)*      | 0                  |
| <b>Wireless Telecommunication Services 0.0%</b>                                       |  |                    |
| 1,185   | IWO Holdings, Inc., expires 1/15/11 (d)(e)(f)*                                 | 0                  |
| <b>TOTAL WARRANTS</b><br>(Cost \$1,442,700)   |  | <b>668,503</b>     |
| <b>TOTAL INVESTMENTS BEFORE SHORT-TERM</b><br><b>INVESTMENTS</b> (Cost \$477,067,453) |  | <b>490,663,782</b> |

See Notes to Schedule of Investments.





## HIGH INCOME OPPORTUNITY FUND INC.

## Schedule of Investments (unaudited) (continued)

June 30, 2005

| FACE<br>AMOUNT                             | SECURITY  | VALUE                 |
|--|---|-----------------------|
| <b>SHORT-TERM INVESTMENTS 5.7%</b>         |   |                       |
| <b>Repurchase Agreement 5.7%</b>           |   |                       |
| \$ 30,526,000                              | Interest in \$599,362,000 joint tri-party repurchase agreement dated 6/30/05 with Merrill Lynch & Co., Inc., 3.350% due 7/1/05, Proceeds at maturity \$1,000,093; (Fully collateralized by various U.S. Treasury obligations and U.S. government agency obligations, 0.000% to 4.625% due 6/16/06 to 1/13/33; Market value \$1,020,001) (Cost \$30,526,000) | \$ 30,526,000         |
| <b>TOTAL INVESTMENTS 98.1%</b>             |   | <b>521,189,782</b>    |
| (Cost \$507,593,453#)                      |   | 10,037,113            |
| Other Assets in Excess of Liabilities 1.9% |   |                       |
| <b>TOTAL NET ASSETS 100.0%</b>             |   | <b>\$ 531,226,895</b> |

All ratings are by Standard & Poor's Ratings Service, unless otherwise footnoted.

\* Non-income producing security.

- (a) Variable rate securities. Coupon rates disclosed are those which are in effect at June 30, 2005. Maturity date shown is the date of the next coupon rate reset or actual maturity.
- (b) Rating by Moody's Investors Service, Inc.
- (c) Security is currently in default.
- (d) 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.
- (e) Illiquid security.
- (f) Security is valued in good faith at fair value by or under the direction of the Board of Directors.
- # Aggregate cost for Federal income tax purposes is substantially the same.

See Notes to Schedule of Investments.

**HIGH INCOME OPPORTUNITY FUND INC.**

**Bond Ratings (unaudited)**

The definitions of the applicable rating symbols are set forth below:

*Standard & Poor's Ratings Service (Standard & Poor's)* Ratings from AA to CCC may be modified by the addition of a plus (+) or a minus ( ) sign to show relative standings within the major rating categories.

|                      |  |
|----------------------|--|
| AAA                  | Bonds rated AAA have the highest rating assigned by Standard & Poor's. Capacity to pay interest and repay principal is extremely strong.   |
| AA                   | Bonds rated AA have a very strong capacity to pay interest and repay principal and differ from the highest rated issue only in a small degree.   |
| A                    | Bonds rated A have a strong capacity to pay interest and repay principal although they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than bonds in higher rated categories.   |
| BBB                  | Bonds rated BBB are regarded as having an adequate capacity to pay interest and repay principal. Whereas they normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for bonds in this category than for bonds in higher rated categories.  |
| BB, B, CCC, CC and C | Bonds rated BB, B, CCC, CC and C are regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. BB represents the lowest degree of speculation and C the highest degree of speculation. While such bonds will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions. |
| D                    | Bonds rated D are in default, and payment of interest and/or repayment of principal is in arrears.   |

*Moody's Investors Service (Moody's)* Numerical modifiers 1, 2 and 3 may be applied to each generic rating from Aa to Caa, where 1 is the highest and 3 the lowest rating within its generic category.

|     |   |
|-----|---|
| Aa  | Bonds rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities. |
| A   | Bonds rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment some time in the future.  |
| Baa | Bonds rated Baa are considered to be medium grade obligations; that is, they are neither highly protected nor poorly secured. Interest payment and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. These bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.                     |
| Ba  | Bonds rated Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate, and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.  |
| B   | Bonds rated B generally lack characteristics of desirable investments. Assurance of interest and principal payments or maintenance of other terms of the contract over any long period of time may be small.  |
| Caa | Bonds rated Caa are of poor standing. These issues may be in default, or there may be present elements of danger with respect to principal or interest.   |
| Ca  | Bonds rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.  |
| C   | Bonds rated C are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.   |
| NR  | Indicates that the bond is not rated by Standard & Poor's or Moody's.   |



**HIGH INCOME OPPORTUNITY FUND INC.**

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

**1. Organization and Significant Accounting Policies**

The High Income Opportunity Fund Inc. ( Fund ) was incorporated in Maryland and is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended.

The following are significant accounting policies consistently followed by the Fund. These policies are in conformity with U.S. generally accepted accounting principles ( GAAP ).

**(a) Investment Valuation.** Debt securities are valued at the mean between the bid and asked prices provided by an independent pricing service that are based on transactions in debt obligations, quotations from bond dealers, market transactions in comparable securities and various relationships between securities. Equity securities for which market quotations are available are valued at the last sale price or official closing price on the primary market or exchange on which they trade. When prices are not readily available, or are determined not to reflect fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the Fund calculates its net asset value, the Fund may value these investments at fair value as determined in accordance with the procedures approved by the Fund's Board of Directors. Short-term obligations with maturities of 60 days or less are valued at amortized cost, which approximates market value.

**(b) Repurchase Agreements.** When entering into repurchase agreements, it is the Fund's policy that its custodian or a third party custodian takes possession of the underlying collateral securities, the market value of which at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market to ensure the adequacy of the collateral. If the seller defaults and the market value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

**(c) 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.

**HIGH INCOME OPPORTUNITY FUND INC.****Notes to Schedule of Investments (unaudited) (continued)**

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 changes 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 fair values of assets and liabilities, other than investments in securities, at 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.

**(d) Security Transactions.** Security transactions are accounted for on a trade date basis.

**(e) Credit and Market Risk.** The Fund invests in high-yield instruments that are subject to certain credit and market risks. The yields of high-yield debt obligations reflect, among other things, perceived credit risk. The Fund's investment 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.

**2. Investments**

At June 30, 2005, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

|                               |               |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 45,843,866 |
| Gross unrealized depreciation | (32,247,537)  |
| Net unrealized appreciation   | \$ 13,596,329 |

ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934.
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are likely to materially affect the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are attached hereto.

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**SIGNATURES**

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

Citigroup Investments Corporate Loan Fund Inc.

By /s/ R. Jay Gerken

\_\_\_\_\_  
R. Jay Gerken  
Chief Executive Officer

Date: August 26, 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/ R. Jay Gerken

\_\_\_\_\_  
R. Jay Gerken  
Chief Executive Officer

Date: August 26, 2005

By /s/ Robert Brault

\_\_\_\_\_  
Robert Brault  
Chief Financial Officer

Date: August 26, 2005