WESTERN ASSET EMERGING MARKETS INCOME FUND II INC.
Form N-CSRS
February 07, 2008

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 811-7686

Western Asset Emerging Markets Income Fund II 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.
Legg Mason & Co., LLC
300 First Stamford Place, 4th Floor
Stamford, CT 06902
(Name and address of agent for service)

Registrant s telephone number, including area code: (800) 451-2010

Date of fiscal year end: May 31

Date of reporting period: November 30, 2007

ITEM 1. REPORT TO STOCKHOLDERS.

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

Western Asset
Emerging Markets
Income Fund II Inc.
(EDF)

SEMI-ANNUAL REPORT

NOVEMBER 30, 2007

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

Western Asset
Emerging Markets
Income Fund II Inc.

Semi-Annual Report • November 30, 2007

What s Inside

Fund Objective
The Fund s primary investment objective is to seek high current income. As a secondary objective, the Fund seeks capital appreciation.

Letter from the Chairman

R. JAY GERKEN, CFA

Chairman, President and Chief Executive Officer

Dear Shareholder,

Despite continued weakness in the housing market and a credit crunch that began in the summer of 2007, the U.S. economy was largely resilient during the six-month reporting period ended November 30, 2007. In the first quarter of 2007, U.S. gross domestic product (GDP)[i] growth was a tepid 0.6%, according to the U.S. Commerce Department. This was the lowest growth rate since the fourth quarter of 2002. The economy then rebounded, as second quarter 2007 GDP growth was a solid 3.8%. Given the modest increase earlier in the year, this higher growth rate was not unexpected. The final estimate for third quarter GDP growth was 4.9%. A surge in inventory-building and robust exports supported the economy during the third calendar quarter. While initial fourth quarter 2007 GDP data will not be released until the end of January 2008, the Federal Reserve Board (Fed)[ii], among others, anticipates that economic growth will moderate significantly.

Ongoing issues related to the housing and subprime mortgage markets and an abrupt tightening in the credit markets prompted the Fed to take several actions during the reporting period. The Fed initially responded by lowering the discount rate the rate the Fed uses for loans it makes directly to banks from 6.25% to 5.75% in mid-August 2007. Then, at its meeting on September 18, the Fed reduced the discount rate to 5.25% and the federal funds rate[iii] from 5.25% to 4.75%. This marked the first reduction in the federal funds rate since June 2003. The Fed again lowered the discount rate and federal funds rate in October to 5.00% and 4.50%, respectively. In December 2007, after the end of the reporting period, the Fed again reduced rates, as it cut both the discount rate and federal funds rate another 0.25% to 4.75% and 4.25%, respectively. In its statement accompanying the

December meeting, the Fed stated: Incoming information suggests that economic growth is slowing, reflecting the intensification of the housing correction and some softening in business and consumer spending. Moreover, strains in financial markets have increased in recent weeks. Today s action, combined with the policy actions taken earlier, should help promote moderate growth over time.

During the six-month reporting period, both short- and long-term Treasury yields experienced periods of significant volatility given mixed economic data and shifting expectations regarding the Fed s future monetary policy. After falling during the first three months of 2007, yields then moved steadily higher during much of the second calendar quarter. This was due, in part, to inflationary fears, a solid job market and expectations that the Fed would not be cutting short-term rates in the foreseeable future. During the remainder of the reporting period, the U.S. fixed-income markets were extremely volatile, which negatively impacted market liquidity conditions. Initially, the concern on the part of market participants was limited to the subprime segment of the mortgage-backed market. These concerns broadened, however, to include a wide range of financial institutions and markets. As a result, other fixed-income instruments also experienced increased price volatility. This turmoil triggered several flights to quality, causing Treasury yields to move sharply lower (and their prices higher), while riskier segments of the market saw their yields move higher (and their prices lower). Overall, during the six months ended November 30, 2007, two-year Treasury yields fell from 4.92% to 3.04%. Over the same period, 10-year Treasury yields fell from 4.90% to 3.97%. Looking at the six-month period as a whole, the overall bond market, as measured by the Lehman Brothers U.S. Aggregate Indexiv, returned 5.32%.

Increased investor risk aversion at the beginning and the end of the reporting period offset the gains in the high-yield bond market over the six months ended November 30, 2007. During that period, the Citigroup High Yield Market Indexv returned -2.99%. While high-yield bond prices rallied in the middle of the period, flights to quality in

June and July, as well as in November, dragged down the sector, despite continued low default rates.

Despite a dramatic flight to quality and weakness earlier in the reporting period, emerging markets debt generated positive results, as the JPMorgan Emerging Markets Bond Index Global (EMBI Global)vi returned 2.65% for the six months ended November 30, 2007. Overall solid demand, an expanding global economy, strong domestic spending and the Fed s rate cuts supported the emerging markets debt asset class.

Performance Review

For the six months ended November 30, 2007, Western Asset Emerging Markets Income Fund II Inc. returned 1.68% based on its net asset value (NAV)vii and -4.58% based on its New York Stock Exchange (NYSE) market price per share. In comparison, the Fund s unmanaged benchmark, the EMBI Global, returned 2.65% over the same time frame. The Lipper Emerging Markets Debt Closed-End Funds Category Averageviii increased 0.55% for the same period. Please note that Lipper performance returns are based on each fund s NAV per share.

During the six-month period, the Fund made distributions to shareholders totaling $0.55 per share (which may have included a return of capital). The performance table shows the Fund s six-month total return based on its NAV and market price as of November 30, 2007. **Past performance is no guarantee of future results.**

Performance Snapshot as of November 30, 2007 (unaudited)

Price Per Share	Six-Month Total Return
$14.69 (NAV)	1.68%
$12.65 (Market Price)	-4.58%

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, including returns of capital, if any, in additional shares.

Special Shareholder Notices

On August 15, 2007, the Board of Directors of Western Asset Emerging Markets Income Fund II Inc. approved changes, to be effective on September 17, 2007, to the Fund s non-fundamental investment policies relating to limits on the credit ratings of the securities, the maturities of the securities and the types of securities in which the Fund may invest.

These changes, which are further described below, are intended to provide the portfolio managers with additional flexibility to meet the Fund s investment objectives and address recent and future developments in the market, although the Fund s portfolio managers do not currently anticipate that any dramatic changes in the Fund s portfolio composition or investment approach will result.

As a result of these changes, the Fund is no longer subject to upper limits on the credit ratings of the emerging markets country debt securities in which it may invest. The Fund was previously limited to investing in emerging markets country debt securities rated below investment grade. The Fund is also no longer subject to restrictions on the maturities of the emerging market country debt securities it holds. The Fund s previous policy provided that those securities could have maturities ranging from overnight to 30 years.

In addition, the Fund is no longer prohibited from investing more than 35% of its total assets in debt securities of corporate issuers in emerging market countries. Under the amended policies, the Fund will invest a minimum of 80% of its total assets in debt securities of government and government-related issuers located in emerging market countries, of entities organized to restructure outstanding debt of such issuers, and debt of corporate issuers in emerging market countries.

Additionally, the Fund is now able to invest up to 20% of its total assets in a broad range of other U.S. and non-U.S. fixed-income securities, including, but not limited to: corporate bonds, loans, mortgage- and asset-backed securities, preferred stock and sovereign debt, derivative instruments of the foregoing securities and dollar rolls. Such securities may be rated high-yield (i.e., rated below investment grade by any nationally recognized statistical rating organization or, if unrated, of equivalent quality as determined by the manager). Previously, the Fund was not permitted to invest in dollar rolls, mortgage-backed securities or asset-backed securities, among other securities and instruments, and was limited to investing in non-U.S. fixed-income securities. Investments in these types of securities may involve additional risks.

As a result of the amendments to the Fund s non-fundamental investment policies, the Fund will be able to invest in, among other things, dollar rolls, mortgage-backed securities and asset-backed securities as part of its investment strategies. Under a dollar roll transaction, the Fund sells securities for delivery in the current month, or sells securities it has purchased on a to-be-announced basis, and simultaneously contracts to repurchase substantially similar (same type and coupon) securities on a specified future date. During the roll period, the Fund forgoes principal and interest paid on the purchased securities. Dollar rolls are speculative techniques involving leverage and are considered borrowings by the Fund if the Fund does not establish and maintain a segregated account. In addition, dollar rolls involve the risk that the market value of the securities the Fund is obligated to repurchase may decline below the repurchase price. In the event the buyer of securities under a dollar roll files for bankruptcy or becomes insolvent, the Fund s use of proceeds may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Fund s obligation to repurchase the securities. Successful use of dollar rolls may depend upon the ability of the Fund s investment manager to correctly predict interest rates and prepayments. There is no assurance that dollar rolls can be successfully employed.

Mortgage-backed securities may be issued by private companies or by agencies of the U.S. Government and represent direct or indirect participations in, or are collateralized by and payable from, mortgage loans secured by real property. Asset-backed securities represent participations in, or are secured by and payable from, assets such as installment sales or loan contracts, leases, credit card receivables and other categories of receivables. Certain debt instruments may only pay principal at maturity or may only represent the right to receive payments of principal or payments of interest on underlying pools of mortgages, assets or government securities, but not both. The value of these types of instruments may change more drastically than debt securities that pay both principal and interest during periods of changing interest rates. The Fund may obtain a below market yield or incur a loss on such instruments during periods of declining interest rates. Principal only and interest only instruments are subject to extension risk. For mortgage derivatives and structured securities that have imbedded leverage features, small changes in interest or prepayment rates may cause large and sudden price movements. Mortgage derivatives may be illiquid and hard to value in declining markets.

Information About Your Fund

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

Looking for Additional Information?

The Fund is traded under the symbol EDF and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol XEDFX 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/individualinvestors.

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 Time, for the Fund s current NAV, market price and other information.

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

December 28, 2007

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: Foreign bonds are subject to certain risks of overseas investing including currency fluctuations and changes in political and economic conditions, which could result in significant market fluctuations. These risks are magnified in emerging or developing markets. High-yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. 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. 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 Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.

ii The Federal 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 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. Countries covered are Algeria, Argentina, Brazil, Bulgaria, Chile, China, Colombia, Cote d Ivoire, Croatia, Ecuador, Greece, Hungary, Lebanon, Malaysia, Mexico, Morocco, Nigeria, Panama, Peru, the Philippines, Poland, Russia, South Africa, South Korea, Thailand, Turkey and Venezuela.

vii NAV is calculated by subtracting total liabilities 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 at the Fund s market price as determined by supply of and demand for the Fund s shares.

viii Lipper, Inc. is a major independent mutual-fund tracking organization. Returns are based on the six-month period ended November 30, 2007, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 12 funds in the Fund s Lipper category.

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Fund at a Glance (unaudited)

Investment Breakdown (unaudited)

As a Percent of Total Investments

Schedule of Investments (November 30, 2007) (unaudited)

WESTERN ASSET EMERGING MARKETS INCOME FUND II INC.

Face Amount	Security	Value
SOVEREIGN BONDS 57.6%		
Argentina 4.3%		
	Republic of Argentina:	
2,000,000DEM	10.250% due 2/6/03 (a)	$ 520,565
1,000,000DEM	9.000% due 9/19/03 (a)	244,437
3,000,000DEM	7.000% due 3/18/04 (a)	753,814
3,875,000DEM	8.500% due 2/23/05 (a)	989,972
5,400,000DEM	11.250% due 4/10/06 (a)	1,391,739
1,000,000DEM	11.750% due 5/20/11 (a)	255,477
8,800,000DEM	12.000% due 9/19/16 (a)	2,168,893
3,448,605ARS	5.830% due 12/31/33 (b)	1,111,555
3,062,390ARS	Bonds, 2.000% due 1/3/10 (b)	1,975,182
591,000	Bonds, Series VII, 7.000% due 9/12/13	505,518
	GDP Linked Securities:	
57,059,503ARS	1.383% due 12/15/35 (b)	1,885,360
3,200,000EUR	1.262% due 12/15/35 (b)	531,100
2,705,000	1.318% due 12/15/35 (b)	347,863
	Medium-Term Notes:	
6,000,000,000ITL	7.000% due 3/18/04 (a)	1,523,770
3,000,000,000ITL	5.002% due 7/13/05 (a)	732,539
1,000,000,000ITL	7.625% due 8/11/07 (a)	248,189
625,000DEM	8.000% due 10/30/09 (a)	150,990
	Total Argentina	15,336,963
Brazil 15.8%		
	Brazil Nota do Tesouro Nacional:	
1,000BRL	10.000% due 1/1/10	540
47,854,000BRL	10.000% due 7/1/10 (c)	25,592,459
5,763,000BRL	Series B, 6.000% due 5/15/45	4,971,176
	Federative Republic of Brazil:	
5,679,000	11.000% due 8/17/40	7,631,156
	Collective Action Securities:	
3,980,000	8.750% due 2/4/25	5,104,350
11,911,000	Notes, 8.000% due 1/15/18	13,382,009
	Total Brazil	56,681,690
Colombia 2.9%		
	Republic of Colombia:	
1,632,000	7.375% due 1/27/17	1,815,600
7,711,000	7.375% due 9/18/37	8,694,153
	Total Colombia	10,509,753
Ecuador 1.3%		
4,840,000	Republic of Ecuador, 10.000% due 8/15/30 (d)	4,694,800

See Notes to Financial Statements.

Schedule of Investments (November 30, 2007) (unaudited) (continued)

Face Amount	Security		Value
Egypt 0.6%			
11,070,000EGP	Arab Republic of Egypt, 8.750% due 7/18/12 (d)	$	2,047,000
Indonesia 2.4%			
	Republic of Indonesia:		
21,153,000,000IDR	Series FR40, 11.000% due 9/15/25		2,217,986
17,914,000,000IDR	Series FR42, 10.250% due 7/15/27		1,749,775
28,181,000,000IDR	Series FR43, 10.250% due 7/15/22		2,843,592
21,312,000,000IDR	Series FR45, 9.750% due 5/15/37		1,944,221
	Total Indonesia		8,755,574
Mexico 5.8%			
	United Mexican States:		
390,000	11.375% due 9/15/16		555,769
	Medium-Term Notes:		
2,395,000	8.300% due 8/15/31		3,134,576
13,840,000	Series A, 8.000% due 9/24/22		17,110,392
	Total Mexico		20,800,737
Panama 4.3%			
	Republic of Panama:		
2,225,000	9.375% due 4/1/29		3,048,250
11,793,000	6.700% due 1/26/36		12,412,133
	Total Panama		15,460,383
Peru 0.4%			
	Republic of Peru:		
169,000	8.750% due 11/21/33		223,503
1,073,000	Bonds, 6.550% due 3/14/37		1,121,285
	Total Peru		1,344,788
Russia 3.3%			
	Russian Federation:		
4,175,000	11.000% due 7/24/18 (d)		5,980,688
2,930,000	12.750% due 6/24/28 (d)		5,332,600
532,620	7.500% due 3/31/30 (d)		605,522
	Total Russia		11,918,810
Turkey 8.9%			
	Republic of Turkey:		
5,206,000TRY	14.000% due 1/19/11		4,185,490
3,519,000	11.875% due 1/15/30		5,560,020
22,449,000	Notes, 6.875% due 3/17/36 (c)		22,112,265
	Total Turkey		31,857,775
Uruguay 1.3%			
4,298,944	Republic of Uruguay, Benchmark Bonds, 7.875% due 1/15/33 (e)		4,863,180

See Notes to Financial Statements.

Schedule of Investments (November 30, 2007) (unaudited) (continued)

Face Amount	Security		Value
Venezuela 6.3%			
	Bolivarian Republic of Venezuela:		
7,751,000	8.500% due 10/8/14	$	7,353,761
5,713,000	5.750% due 2/26/16		4,477,564
716,000	7.650% due 4/21/25		605,020
	Collective Action Securities:		
6,395,000	9.375% due 1/13/34		6,327,852
3,500,000	Notes, 10.750% due 9/19/13		3,710,000
	Total Venezuela		22,474,197
	TOTAL SOVEREIGN BONDS		
	(Cost $195,481,703)		**206,745,650**
CORPORATE BONDS & NOTES 35.9%			
Brazil 5.5%			
	Globo Communicacoes e Participacoes SA, Bonds, 7.250% due		
2,136,000	4/26/22 (d)		2,071,920
1,784,000	GTL Trade Finance Inc., 7.250% due 10/20/17 (d)		1,828,875
890,000	Odebrecht Finance Ltd., 7.500% due 10/18/17 (d)		901,125
	Vale Overseas Ltd., Notes:		
2,635,000	8.250% due 1/17/34		3,156,572
11,333,000	6.875% due 11/21/36		11,837,432
	Total Brazil		19,795,924
Chile 0.7%			
2,374,000	Enersis SA, Notes, 7.375% due 1/15/14		2,540,861
Colombia 0.3%			
1,010,000	EEB International Ltd., Senior Bonds, 8.750% due 10/31/14 (d)		1,028,685
India 0.2%			
	ICICI Bank Ltd., Subordinated Bonds:		
570,000	6.375% due 4/30/22 (b)(d)		511,501
340,000	6.375% due 4/30/22 (b)(d)		302,021
	Total India		813,522
Kazakhstan 1.5%			
2,270,000	ATF Capital BV, Senior Notes, 9.250% due 2/21/14 (d)		2,301,212
1,720,000	HSBK Europe BV, 7.250% due 5/3/17 (d)		1,494,250
	TuranAlem Finance BV, Bonds:		
1,400,000	8.250% due 1/22/37 (d)		1,116,500
383,000	8.250% due 1/22/37 (d)		305,443
	Total Kazakhstan		5,217,405
Mexico 6.8%			
680,000	America Movil SAB de CV, 5.625% due 11/15/17		673,569
	Axtel SAB de CV:		
190,000	11.000% due 12/15/13		207,575
7,150,000	7.625% due 2/1/17 (d)		7,078,500
1,410,000	Senior Notes, 7.625% due 2/1/17 (d)		1,395,900
220,000	Grupo Transportacion Ferroviaria Mexicana SA de CV, Senior Notes,		
	9.375% due 5/1/12		233,200

See Notes to Financial Statements.

Schedule of Investments (November 30, 2007) (unaudited) (continued)

Face Amount	Security	Value
Mexico 6.8% (continued)		
	Pemex Project Funding Master Trust:	
6,720,000	6.625% due 6/15/35 (d)	$ 7,167,068
7,233,000	Senior Bonds, 6.625% due 6/15/35	7,714,197
	Total Mexico	24,470,009
Russia 14.6%		
11,090,000	Gaz Capital SA, Notes, 8.625% due 4/28/34 (d)	13,917,950
	Gazprom:	
	Bonds:	
217,870,000RUB	6.790% due 10/29/09	8,882,782
72,620,000RUB	7.000% due 10/27/11	2,970,470
	Loan Participation Notes:	
1,140,000	6.212% due 11/22/16 (d)	1,102,608
2,861,000	Senior Notes 6.510% due 3/7/22 (d)	2,802,072
96,030,000RUB	Gazprom OAO, 6.950% due 8/6/09	3,927,136
	LUKOIL International Finance BV:	
680,000	6.356% due 6/7/17 (d)	647,700
1,920,000	6.656% due 6/7/22 (d)	1,785,600
	Russian Agricultural Bank, Loan Participation Notes:	
3,936,000	7.175% due 5/16/13 (d)	4,068,643
4,062,000	6.299% due 5/15/17 (d)	3,821,936
	TNK-BP Finance SA:	
3,340,000	7.500% due 7/18/16 (d)	3,236,126
2,091,000	6.625% due 3/20/17 (d)	1,914,938
1,100,000	7.875% due 3/13/18 (d)	1,087,625
2,180,000	UBS Luxembourg SA for OJSC Vimpel Communications, Loan Participation Notes, 8.250% due 5/23/16 (d)	2,213,136
	Total Russia	52,378,722
Thailand 2.0%		
	True Move Co., Ltd.:	
4,230,000	10.750% due 12/16/13 (d)	4,378,050
2,590,000	10.375% due 8/1/14 (d)	2,602,950
	Total Thailand	6,981,000
United States 1.0%		
3,330,000	Freeport-McMoRan Copper & Gold Inc., Senior Notes, 8.375% due 4/1/17	3,604,725
Venezuela 3.3%		
	Petrozuata Finance Inc.:	
11,315,000	8.220% due 4/1/17 (d)	11,711,025
271,000	8.220% due 4/1/17 (d)	277,775
	Total Venezuela	11,988,800
	TOTAL CORPORATE BONDS & NOTES (Cost $126,828,567)	**128,819,653**

See Notes to Financial Statements.

Schedule of Investments (November 30, 2007) (unaudited) (continued)

Face Amount	Security		Value
COLLATERALIZED SENIOR LOANS 0.3%			
Oil, Gas & Consumable Fuels 0.3%			
813,303	Ashmore Energy International Term Loan, (Credit Suisse Securities), 8.198% due 3/30/14	$	784,838
107,901	Ashmore Energy International, Synthetic Revolving Credit Facility, (Credit Suisse Securities), 5.098% due 3/30/14		104,124
	TOTAL COLLATERALIZED SENIOR LOANS (Cost $919,101)		**888,962**
Warrants			
WARRANT 0.1%			
10,000	Bolivarian Republic of Venezuela, Oil-linked payment obligations, Expires 4/15/20* (Cost $310,000)		375,000
	TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS (Cost $323,539,371)		**336,829,265**

Face Amount	Security	Value
SHORT-TERM INVESTMENTS 8.6%		
Sovereign Bonds 7.7%		
	Egypt Treasury Bills:	
79,475,000EGP	Zero coupon bond to yield 7.570% due 10/28/08	13,444,700
17,050,000EGP	Zero coupon bond to yield 6.800% due 11/11/08	2,885,254
	Bank Negara Malaysia Monetary Notes:	
14,271,000MYR	Series 0207, 3.569% due 2/14/08	4,241,144
13,200,000MYR	Series 2307, zero coupon bond to yield 3.450% due 1/17/08	3,905,989
10,632,000MYR	Series 4207, zero coupon bond to yield 3.400% due 4/22/08	3,117,251
	Total Sovereign Bonds (Cost $27,444,151)	**27,594,338**
U.S. Government Agencies 0.5%		
200,000	Federal Home Loan Bank (FHLB), Discount, 4.310% due 12/10/07 (f)	199,785
500,000	Federal Home Loan Mortgage Corp. (FHLMC), Discount Notes, 4.350% due 12/10/07 (f)	499,458
1,250,000	Federal National Mortgage Association (FNMA), Discount Notes, 5.203% due 3/17/08 (f)	1,234,815
	Total U.S. Government Agencies (Cost $1,930,629)	**1,934,058**

See Notes to Financial Statements.

Schedule of Investments (November 30, 2007) (unaudited) (continued)

Face Amount