

HIGH YIELD INCOME FUND INC
Form N-Q
January 29, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

| | |
|---|--|
| Investment Company Act file number: | 811-05296 |
| Exact name of registrant as specified in charter: | The High Yield Income Fund, Inc. |
| Address of principal executive offices: | Gateway Center 3, 100 Mulberry Street, Newark, New Jersey 07102 |
| Name and address of agent for service: | Deborah A. Docs Gateway Center 3, 100 Mulberry Street, Newark, New Jersey 07102 |
| Registrant's telephone number, including area code: | 973-367-7521 |
| Date of fiscal year end: | 8/31/2009 |
| Date of reporting period: | 11/30/2008 |

Item 1. Schedule of Investments

Edgar Filing: HIGH YIELD INCOME FUND INC - Form N-Q

The High Yield Income Fund, Inc.

Schedule of Investments

as of November 30, 2008 (Unaudited)

| | Moody's Rating | Interest Rate | Maturity Date | Principal Amount (000) | Value |
|--|-------------------|------------------|------------------|---------------------------|--------------|
| LONG-TERM INVESTMENTS 137.7% | | | | | |
| BANK LOANS(h) 18.1% | | | | | |
| Cable 4.2% | | | | | |
| CSC Holdings, Bank Loan | Ba1 | 3.819% | 2/24/12 | \$ 1,896(f) | \$ 1,645,818 |
| Chemicals 1.2% | | | | | |
| ISP Chemco, Inc., Bank Loan | Ba3 | 4.4747 | 6/04/14 | 300(f) | 222,000 |
| Rockwood Specialty Group Inc., Bank Loan | Ba2 | 3.5463 | 12/13/13 | 300(f) | 240,250 |
| | | | | | 462,250 |
| Electric 1.7% | | | | | |
| Texas Competitive Electric Holdings Co. LLC, | | | | | |
| Bank Loan | Ba3 | 5.2776 | 10/10/14 | 224(f) | 151,423 |
| Bank Loan | Ba3 | 5.2826 | 10/10/14 | 744(f) | 502,257 |
| | | | | | 653,680 |
| Gaming 0.8% | | | | | |
| Harrahs Operating Co., Inc., Bank Loan | B1 | 6.5384 | 1/28/15 | 499(f) | 291,411 |
| Health Care & Pharmaceutical 4.1% | | | | | |
| Community Health Systems, | | | | | |
| Bank Loan | Ba3 | 1.00 | 7/25/14 | 17(f) | 12,471 |
| Bank Loan | Ba3 | 4.3939 | 7/25/14 | 333(f) | 243,849 |
| HCA, Inc., Bank Loan | Ba3 | 5.2619 | 11/17/12 | 1,226(f) | 966,247 |
| Royalty Pharma Financial Trust, Bank Loan | Baa3 | 6.569 | 5/15/15 | 400(f) | 344,667 |
| | | | | | 1,567,234 |
| Media & Entertainment 0.6% | | | | | |
| Idearc, Inc., Bank Loan | B2 | 5.6702 | 11/17/14 | 744(f) | 241,372 |
| Paper 1.4% | | | | | |
| Georgia-Pacific LLC, Bank Loan | Ba2 | 3.4688 | 12/20/12 | 715(f) | 548,658 |
| Technology 2.9% | | | | | |
| Flextronics Intl., Bank Loan | Ba1 | 6.133 | 10/01/12 | 992(f) | 687,293 |
| Sensata Technologies, Bank Loan | B1 | 5.2571 | 4/27/13 | 744(f) | 428,711 |
| | | | | | 1,116,004 |
| Telecommunications 1.2% | | | | | |
| Alltel Communications, Inc., Bank Loan | Ba3 | 5.316 | 5/15/15 | 496(f) | 469,912 |
| Total bank loans | | | | | 6,996,339 |

(cost \$8,650,847)

Edgar Filing: HIGH YIELD INCOME FUND INC - Form N-Q

CORPORATE BONDS 119.6%

Aerospace/Defense 6.1%

| | | | | | |
|---|------|-------|----------|-----|-----------|
| BE Aerospace, Inc., Sr. Unsec d Notes | Ba3 | 8.50 | 7/01/18 | 300 | 247,500 |
| DRS Technologies, Inc., Gtd. Notes | A3 | 6.625 | 2/01/16 | 200 | 198,500 |
| Gtd. Notes | Baa1 | 7.625 | 2/01/18 | 380 | 377,150 |
| Esterline Technologies Corp., Gtd. Notes | B1 | 7.75 | 6/15/13 | 300 | 258,000 |
| Gtd. Notes | Ba2 | 6.625 | 3/01/17 | 75 | 61,500 |
| L-3 Communications Corp., Gtd. Notes | Ba3 | 6.125 | 7/15/13 | 125 | 106,250 |
| Gtd. Notes | Ba3 | 7.625 | 6/15/12 | 175 | 161,875 |
| Gtd. Notes, Ser. B | Ba3 | 6.375 | 10/15/15 | 525 | 435,750 |
| Moog, Inc., Sr. Sub. Notes | Ba3 | 6.25 | 1/15/15 | 300 | 234,000 |
| Sr. Sub. Notes, 144A | Ba3 | 7.25 | 6/15/18 | 200 | 154,000 |
| TransDigm, Inc., Gtd. Notes | B3 | 7.75 | 7/15/14 | 150 | 114,000 |
| | | | | | 2,348,525 |

Airlines 0.2%

| | | | | | |
|--|---------|-------|---------|-----|--------|
| AMR Corp., M.T.N., Notes, Ser. B | CCC+(d) | 10.40 | 3/10/11 | 100 | 43,500 |
| Continental Airlines, Inc., Pass-Thru Certs., Ser. 1998-1, Class B (Sinkable, expected maturity 3/15/17) | Ba2 | 6.748 | 3/15/17 | 55 | 39,928 |
| | | | | | 83,428 |

Automotive 1.7%

| | | | | | |
|--|------|-------|----------|-----|---------|
| Ford Motor Credit Co., Sr. Unsec d. Notes | B3 | 7.25 | 10/25/11 | 490 | 216,730 |
| Sr. Unsec d. Notes | B3 | 7.875 | 6/15/10 | 290 | 147,823 |
| General Motors Corp., Sr. Unsec d. Notes | Caa3 | 7.125 | 7/15/13 | 50 | 12,250 |
| Sr. Unsec d. Notes | Caa3 | 7.20 | 1/15/11 | 125 | 33,750 |
| Lear Corp., Gtd. Notes, Ser. B | B3 | 8.75 | 12/01/16 | 125 | 26,875 |
| TRW Automotive, Inc., Gtd. Notes, 144A | Ba3 | 7.25 | 3/15/17 | 450 | 207,000 |
| Visteon Corp., Sr. Unsec d. Notes | Caa3 | 7.00 | 3/10/14 | 135 | 14,175 |
| | | | | | 658,603 |

Banking 0.8%

| | | | | | |
|---|------|-------|----------|--------|---------|
| Halyk Savings Bank of Kazakhstan (Kazakhstan), Sr. Unsec d. Notes, 144A | Baa3 | 8.125 | 10/07/09 | 100(c) | 94,000 |
| Kazkommerts International BV (Netherlands), Gtd. Notes, 144A | Ba1 | 7.00 | 11/03/09 | 105(c) | 89,250 |
| Gtd. Notes, 144A | Ba1 | 8.50 | 4/16/13 | 205(c) | 120,950 |
| | | | | | 304,200 |

Building Materials & Construction 2.1%

| | | | | | |
|------------------------------------|-----|-------|---------|-----|---------|
| Beazer Homes USA, Inc., Gtd. Notes | B3 | 8.625 | 5/15/11 | 110 | 59,400 |
| D.R. Horton, Inc., Gtd. Notes | Ba3 | 8.00 | 2/01/09 | 750 | 735,000 |
| | | | | | 794,400 |

Edgar Filing: HIGH YIELD INCOME FUND INC - Form N-Q

Cable 5.0%

| | | | | | |
|---|------|--------|----------|--------|-----------|
| Charter Communications Holdings I LLC, Gtd. Notes | Caa3 | 10.00 | 5/15/14 | 99 | 13,365 |
| Gtd. Notes | Caa3 | 11.125 | 1/15/14 | 198 | 27,720 |
| Gtd. Notes, 144A | Caa2 | 10.25 | 10/01/13 | 300 | 127,500 |
| CSC Holdings, Inc., Sr. Unsec d. Debentures | B1 | 7.625 | 7/15/18 | 100 | 70,000 |
| Sr. Unsec d. Debentures | B1 | 7.875 | 2/15/18 | 50 | 35,250 |
| Mediacom Broadband LLC, Sr. Unsec d. Notes | B3 | 8.50 | 10/15/15 | 125 | 88,750 |
| Shaw Communications, Inc. (Canada), Sr. Unsec d. Notes | Ba1 | 7.20 | 12/15/11 | 300(c) | 282,000 |
| Sr. Unsec d. Notes | Ba1 | 8.25 | 4/11/10 | 600(c) | 577,500 |
| Videotron Ltee, (Canada), Gtd. Notes | Ba2 | 6.375 | 12/15/15 | 100(c) | 77,000 |
| Gtd. Notes | Ba2 | 6.875 | 1/15/14 | 108(c) | 90,180 |
| Gtd. Notes, 144A | Ba2 | 9.125 | 4/15/18 | 375(c) | 330,000 |
| Virgin Media Finance PLC (United Kingdom), Gtd. Notes | B2 | 9.125 | 8/15/16 | 300(c) | 211,500 |
| | | | | | 1,930,765 |

Capital Goods 17.1%

| | | | | | |
|---|------|-------|----------|--------|-----------|
| Actuant Corp., Gtd. Notes | Ba2 | 6.875 | 6/15/17 | 125 | 98,125 |
| ALH Finance LLC, Gtd. Notes | B3 | 8.50 | 1/15/13 | 250 | 192,500 |
| Allied Waste North America, Inc., Sr. Sec d. Notes | B1 | 6.125 | 2/15/14 | 150 | 130,125 |
| Sr. Sec d. Notes | B1 | 6.375 | 4/15/11 | 250 | 233,125 |
| Sr. Sec d. Notes | B1 | 6.50 | 11/15/10 | 500 | 472,500 |
| Sr. Sec d. Notes | B1 | 7.25 | 3/15/15 | 95 | 83,838 |
| Sr. Sec d. Notes, Ser. B | B1 | 5.75 | 2/15/11 | 450 | 416,250 |
| Ashtead Capital, Inc., Sr. Sec d. Notes, 144A | B1 | 9.00 | 8/15/16 | 475 | 275,500 |
| Ashtead Holdings PLC (United Kingdom), Sr. Sec d. Notes, 144A | B1 | 8.625 | 8/01/15 | 150(c) | 87,000 |
| Baldor Electric Co., Gtd. Notes | B3 | 8.625 | 2/15/17 | 360 | 264,600 |
| Blount, Inc., Gtd. Notes | B2 | 8.875 | 8/01/12 | 425 | 380,906 |
| Columbus McKinnon Corp., Gtd. Notes | B1 | 8.875 | 11/01/13 | 450 | 380,250 |
| Hertz Corp., Gtd. Notes | B1 | 8.875 | 1/01/14 | 820 | 423,325 |
| JohnsonDiversey Holdings, Inc., Discount Notes | Caa1 | 10.67 | 5/15/13 | 310 | 220,100 |
| JohnsonDiversey, Inc., Gtd. Notes, Ser. B | B2 | 9.625 | 5/15/12 | 75 | 61,313 |
| Mobile Mini, Inc., Gtd. Notes | B2 | 6.875 | 5/01/15 | 135 | 95,850 |
| RBS Global, Inc. & Rexnord Corp., Gtd. Notes | B3 | 9.50 | 8/01/14 | 345 | 241,500 |
| Rental Service Corp., Gtd. Notes | Caa1 | 9.50 | 12/01/14 | 370 | 181,300 |
| SPX Corp., Sr. Unsec d. Notes, 144A | Ba2 | 7.625 | 12/15/14 | 675 | 550,124 |
| Stena AB (Sweden), Sr. Unsec d. Notes | Ba2 | 7.00 | 12/01/16 | 229(c) | 178,048 |
| Sr. Unsec d. Notes | Ba2 | 7.50 | 11/01/13 | 275(c) | 210,375 |
| Terex Corp., Gtd. Notes | Ba2 | 7.375 | 1/15/14 | 275 | 217,250 |
| Sr. Sub. Notes | Ba3 | 8.00 | 11/15/17 | 400 | 286,000 |
| Ucar Finance, Inc., Gtd. Notes | Ba3 | 10.25 | 2/15/12 | 52 | 47,580 |
| United Rentals North America, Inc., Gtd. Notes | B1 | 6.50 | 2/15/12 | 475 | 332,500 |
| Valmont Industries, Inc., Gtd. Notes | Ba2 | 6.875 | 5/01/14 | 650 | 523,249 |
| | | | | | 6,583,233 |

Edgar Filing: HIGH YIELD INCOME FUND INC - Form N-Q

Chemicals 6.1%

| | | | | | |
|--|------|--------|----------|-------|-----------|
| Hercules, Inc., Gtd. Notes | Ba1 | 6.75 | 10/15/29 | 175 | 182,875 |
| Huntsman LLC, Sec d. Notes | Ba1 | 11.625 | 10/15/10 | 1,111 | 1,055,450 |
| Koppers, Inc., Sr. Sec'd. Notes | Ba3 | 9.875 | 10/15/13 | 355 | 330,150 |
| Momentive Performance Materials, Inc, Gtd. Notes | B3 | 9.75 | 12/01/14 | 200 | 77,500 |
| Mosaic Co. (The), Sr. Unsec d. Notes, 144A | Baa3 | 7.375 | 12/01/14 | 125 | 106,250 |
| Sr. Unsec d. Notes, 144A | Baa3 | 7.625 | 12/01/16 | 125 | 107,500 |
| Nalco Co., Gtd. Notes | B1 | 7.75 | 11/15/11 | 575 | 510,313 |

2,370,038

Consumer 2.6%

| | | | | | |
|--|-----|-------|----------|-----|---------|
| Mac-Gray Corp., Sr. Unsec'd. Notes | B3 | 7.625 | 8/15/15 | 150 | 138,000 |
| Realogy Corp., Gtd. Notes | C | 10.50 | 4/15/14 | 750 | 131,250 |
| Gtd. Notes, PIK | C | 11.00 | 4/15/14 | 50 | 7,615 |
| Service Corp. International, Sr. Unsec d. Notes | B1 | 6.75 | 4/01/16 | 175 | 132,125 |
| Sr. Unsec d. Notes | B1 | 7.375 | 10/01/14 | 450 | 364,500 |
| Stewart Enterprises, Inc., Gtd. Notes | Ba3 | 6.25 | 2/15/13 | 200 | 162,000 |
| Ticketmaster, Gtd. Notes, 144A | Ba3 | 10.75 | 8/01/16 | 125 | 62,500 |

997,990

Electric 8.5%

| | | | | | |
|--|-----|-------|----------|----------|---------|
| AES Corp., Sr. Sec d. Notes, 144A | Ba3 | 8.75 | 5/15/13 | 47 | 41,360 |
| Sr. Unsec d Notes | B1 | 7.75 | 10/15/15 | 150 | 105,375 |
| Sr. Unsec d Notes | B1 | 8.00 | 10/15/17 | 500 | 345,000 |
| AES Eastern Energy LP, Pass-Through Cert., Ser. 1999-A | Ba1 | 9.00 | 1/02/17 | 184 | 165,776 |
| Dynegy Roseton/Danskammer, Pass-Through Trust, Series B | Ba3 | 7.67 | 11/08/16 | 550 | 392,315 |
| Energy Future Holdings Corp., Gtd. Notes, PIK, 144A | B3 | 11.25 | 11/01/17 | 200 | 106,500 |
| Mirant Corp., 144A | NR | 7.40 | 7/15/49 | 75(a)(f) | 75 |
| Mirant Mid Atlantic LLC, Pass-Through Cert., Ser. B, | Ba1 | 9.125 | 6/30/17 | 335 | 318,676 |
| Mirant North America LLC, Gtd. Notes | B1 | 7.375 | 12/31/13 | 100 | 86,500 |
| NRG Energy, Inc., Gtd. Notes | B1 | 7.25 | 2/01/14 | 400 | 326,000 |
| Gtd. Notes | B1 | 7.375 | 2/01/16 | 280 | 227,500 |
| Orion Power Holdings, Inc., Sr. Unsec d. Notes | Ba3 | 12.00 | 5/01/10 | 695 | 674,151 |
| Sierra Pacific Resources, Inc., Sr. Unsec d. Notes | Ba3 | 8.625 | 3/15/14 | 199 | 184,467 |
| Tenaska Alabama Partners LP, Sr. Sec d Notes, 144A (original cost \$127,499; purchased 5/02/08 7/01/08) | Ba2 | 7.00 | 6/30/21 | 135(g) | 102,717 |
| Texas Competitive Electric Holdings Co. LLC, Gtd. Notes, 144A | B3 | 10.50 | 11/01/15 | 325 | 208,000 |

3,284,412

Edgar Filing: HIGH YIELD INCOME FUND INC - Form N-Q

Energy - Other 6.1%

| | | | | | |
|--|------|--------|----------|--------|-----------|
| Compagnie Generale de Geophysique-Veritas (France), Gtd. Notes | Ba3 | 7.50 | 5/15/15 | 110(c) | 71,500 |
| McMoRan Exploration Co., Gtd. Notes | Caa1 | 11.875 | 11/15/14 | 275 | 200,063 |
| Newfield Exploration Co., Sr. Sub. Notes | Ba3 | 6.625 | 4/15/16 | 350 | 255,500 |
| OPTI Canada, Inc., (Canada), Sec d Notes | B2 | 7.875 | 12/15/14 | 350(c) | 133,000 |
| PetroHawk Energy Corp., Gtd. Notes | B3 | 9.125 | 7/15/13 | 225 | 172,125 |
| Gtd. Notes, 144A | B3 | 7.875 | 6/01/15 | 150 | 105,750 |
| Petroplus Finance Ltd. (Bermuda), Gtd. Notes, 144A | B1 | 6.75 | 5/01/14 | 400(c) | 257,999 |
| Gtd. Notes, 144A | B1 | 7.00 | 5/01/17 | 225(c) | 139,500 |
| Pioneer Natural Resource Co., Gtd. Notes | Ba1 | 5.875 | 7/15/16 | 50 | 34,084 |
| Sr. Unsec d. Notes | Ba1 | 6.65 | 3/15/17 | 365 | 254,257 |
| Sr. Unsec d. Notes | Ba1 | 6.875 | 5/01/18 | 150 | 101,126 |
| Plains Exploration & Production Co., Gtd. Notes | B1 | 7.00 | 3/15/17 | 185 | 123,950 |
| Gtd. Notes | B1 | 7.625 | 6/01/18 | 25 | 16,625 |
| Gtd. Notes | B1 | 7.75 | 6/15/15 | 50 | 36,250 |
| Sandridge Energy, Inc., Sr. Unsec d. Notes, 144A | B3 | 8.00 | 6/01/18 | 375 | 240,000 |
| Swift Energy Co., Gtd. Notes | B1 | 7.125 | 6/01/17 | 130 | 81,900 |
| Tesoro Corp., Gtd. Notes | Ba1 | 6.50 | 6/01/17 | 175 | 102,375 |
| Gtd. Notes | Ba1 | 6.625 | 11/01/15 | 50 | 31,000 |
| | | | | | 2,357,004 |

Foods 2.8%

| | | | | | |
|---|------|----------|----------|-----|-----------|
| Albertson's, Inc., Debentures, Sr. Unsec d. Notes | B1 | 8.70 | 5/01/30 | 70 | 54,128 |
| Aramark Corp., Gtd. Notes | B3 | 6.692(h) | 2/01/15 | 200 | 140,000 |
| Gtd. Notes | B3 | 8.50 | 2/01/15 | 250 | 207,500 |
| Carrols Corp., Gtd. Notes | B3 | 9.00 | 1/15/13 | 175 | 116,375 |
| Del Monte Corp., Gtd. Notes | B2 | 8.625 | 12/15/12 | 100 | 90,500 |
| Dole Food Co., Inc., Gtd. Notes | Caa2 | 7.25 | 6/15/10 | 150 | 105,750 |
| National Beef Packing Co. LLC, Sr. Unsec d Notes | Caa1 | 10.50 | 8/01/11 | 150 | 109,875 |
| Stater Brothers Holdings, Gtd. Notes | B2 | 7.75 | 4/15/15 | 225 | 180,000 |
| Gtd. Notes | B2 | 8.125 | 6/15/12 | 100 | 87,000 |
| | | | | | 1,091,128 |

Gaming 4.9%

| | | | | | |
|--|------|-------|---------|--------|---------|
| CCM Merger, Inc., Notes, 144A | Caa1 | 8.00 | 8/01/13 | 550 | 308,000 |
| Fountainebleau Las Vegas Holdings LLC, Mortgage Backed, 144A (original cost \$277,031; purchased 5/24/07 - 6/20/07) | Caa3 | 10.25 | 6/15/15 | 275(g) | 35,750 |
| Harrah's Operating Co. Inc., Gtd. Notes | Caa3 | 5.50 | 7/01/10 | 150 | 71,250 |
| Gtd. Notes | Caa3 | 5.625 | 6/01/15 | 175 | 24,063 |
| Gtd. Notes | Caa3 | 6.50 | 6/01/16 | 25 | 3,500 |
| Gtd. Notes, 144A | Caa2 | 10.75 | 2/01/16 | 800 | 178,000 |
| Mandalay Resort Group, Gtd. Notes | B2 | 9.375 | 2/15/10 | 100 | 54,500 |
| MGM Mirage, Inc., Gtd. Notes | Ba3 | 6.875 | 4/01/16 | 225 | 117,000 |

Edgar Filing: HIGH YIELD INCOME FUND INC - Form N-Q

| | | | | | |
|--|------|-------|----------|-----|---------|
| Sr. Sec d Notes, 144A | Ba1 | 13.00 | 11/15/13 | 150 | 125,250 |
| Mohegan Tribal Gaming Authority, Sr. Sub. Notes | B3 | 8.00 | 4/01/12 | 175 | 110,250 |
| Sr. Sub. Notes | B3 | 8.375 | 7/01/11 | 850 | 684,250 |
| Park Place Entertainment, Inc., Gtd. Notes | Caa3 | 8.125 | 5/15/11 | 135 | 45,900 |
| Shingle Springs Tribal Gaming Authority, Sr. Notes, 144A | B3 | 9.375 | 6/15/15 | 150 | 67,500 |
| Station Casinos, Inc., Sr. Sub. Notes | Caa3 | 6.50 | 2/01/14 | 275 | 24,750 |
| Sr. Sub. Notes | Caa3 | 6.625 | 3/15/18 | 75 | 6,750 |
| Sr. Sub. Notes | Caa3 | 6.875 | 3/01/16 | 65 | 5,525 |
| Sr. Unsec d. Notes | Caa2 | 6.00 | 4/01/12 | 100 | 31,000 |

1,893,238

Health Care & Pharmaceutical 10.4%

| | | | | | |
|---|------|--------|----------|-----------|---------|
| Accellent, Inc., Gtd. Notes | Caa3 | 10.50 | 12/01/13 | 475 | 332,500 |
| Biomet, Inc., Gtd. Notes | Caa1 | 11.625 | 10/15/17 | 480 | 360,000 |
| Gtd. Notes, PIK | B3 | 10.375 | 10/15/17 | 200 | 148,000 |
| Bio-Rad Laboratories, Inc., Sr. Sub. Notes | Ba3 | 7.50 | 8/15/13 | 125 | 107,500 |
| Boston Scientific Corp., Sr. Unsec d Notes | Ba2 | 6.25 | 11/15/15 | 250 | 191,250 |
| Catalent Pharma Solutions, Inc., Gtd. Notes | Caa1 | 9.50 | 4/15/15 | 325 | 107,250 |
| Columbia/HCA Healthcare Corp., Sr. Unsec d. Notes, M.T.N. | Caa1 | 8.70 | 2/10/10 | 500 | 457,039 |
| Columbia/HCA, Inc., Debentures, Sr. Unsec d. Notes | Caa1 | 7.50 | 11/15/95 | 100 | 45,433 |
| Community Health Systems, Inc., Gtd. Notes | B3 | 8.875 | 7/15/15 | 150 | 120,375 |
| Elan Finance PLC (Ireland), Gtd. Notes | B3 | 7.75 | 11/15/11 | 80(c) | 48,000 |
| Omega Healthcare Investors, Inc., Gtd. Notes | Ba3 | 7.00 | 4/01/14 | 150 | 125,250 |
| Gtd. Notes | Ba3 | 7.00 | 1/15/16 | 320 | 244,800 |
| Res-Care, Inc., Gtd. Notes | B1 | 7.75 | 10/15/13 | 325 | 292,500 |
| Select Medical Corp., Gtd. Notes | B3 | 7.625 | 2/01/15 | 45 | 26,550 |
| Senior Housing Properties Trust, Sr. Unsec d. Notes | Ba1 | 8.625 | 1/15/12 | 618 | 537,660 |
| Skilled Healthcare Group, Inc., Gtd. Notes | Caa1 | 11.00 | 1/15/14 | 328 | 288,640 |
| Sun Healthcare Group, Inc., Gtd. Notes | B3 | 9.125 | 4/15/15 | 300 | 249,000 |
| Surgical Care Affiliates, Inc., Sr. Sub. Notes, 144A (original cost \$191,750; purchased 6/21/07-1/4/08) | Caa1 | 10.00 | 7/15/17 | 200(f)(g) | 106,000 |
| Ventas Realty LP, Gtd. Notes | Ba1 | 9.00 | 5/01/12 | 75 | 68,625 |
| Viant Holdings, Inc., Gtd. Notes, 144A | Caa1 | 10.125 | 7/15/17 | 555(f) | 166,500 |

4,022,872

Lodging 1.8%

| | | | | | |
|---------------------------------------|-----|-------|----------|-----|---------|
| Felcor Lodging LP, Gtd. Notes | Ba3 | 8.50 | 6/01/11 | 225 | 155,813 |
| Host Marriott LP, Sr. Sec d. Notes | Ba1 | 7.125 | 11/01/13 | 525 | 381,937 |
| Sr. Sec d. Notes, Ser. M | Ba1 | 7.00 | 8/15/12 | 200 | 150,000 |

687,750

Media & Entertainment 4.4%

| | | | | | |
|--|----|-------|---------|----|--------|
| AMC Entertainment, Inc., Gtd. Notes | B2 | 11.00 | 2/01/16 | 50 | 35,500 |
|--|----|-------|---------|----|--------|

Edgar Filing: HIGH YIELD INCOME FUND INC - Form N-Q

| | | | | | |
|---|------|-----------|----------|--------|---------|
| Sr. Sub. Notes | B2 | 8.00 | 3/01/14 | 100 | 62,000 |
| Cinemark, Inc., Sr. Disc. Notes | B3 | 13.934(i) | 3/15/14 | 90 | 73,800 |
| Clear Channel Communications, Inc., Debentures, | | | | | |
| Sr. Unsec d. Notes | Caa1 | 5.50 | 9/15/14 | 150 | 22,500 |
| Sr. Unsec d. Notes | Caa1 | 5.75 | 1/15/13 | 250 | 35,000 |
| Sr. Unsec d. Notes | Caa1 | 6.875 | 6/15/18 | 25 | 3,500 |
| CMP Susquehanna Corp., Gtd. Notes | Ca | 9.875 | 5/15/14 | 50 | 8,875 |
| Dex Media West LLC, | | | | | |
| Sr. Sub. Notes, Ser. B | B2 | 9.875 | 8/15/13 | 415 | 91,300 |
| Sr. Unsec d. Notes | B3 | 8.00 | 11/15/13 | 165 | 21,450 |
| DirectTV Holdings LLC, | | | | | |
| Gtd. Notes | Ba3 | 7.625 | 5/15/16 | 50 | 42,625 |
| Sr. Notes | Ba3 | 8.375 | 3/15/13 | 175 | 161,000 |
| Echostar DBS Corp., | | | | | |
| Gtd. Notes | Ba3 | 7.00 | 10/01/13 | 75 | 56,250 |
| Gtd. Notes | Ba3 | 7.125 | 2/01/16 | 375 | 266,250 |
| Idearc, Inc., Gtd. Notes | Caa2 | 8.00 | 11/15/16 | 160 | 13,200 |
| LIN Television Corp., Gtd. Notes | B2 | 6.50 | 5/15/13 | 300 | 139,500 |
| Medianews Group, Inc., Sr. Sub. Notes | Caa2 | 6.875 | 10/01/13 | 125 | 10,938 |
| Morris Publishing Group LLC, Gtd. Notes | Ca | 7.00 | 8/01/13 | 65 | 6,013 |
| Rainbow National Services LLC, 144A | | | | | |
| Sr. Notes, | B1 | 8.75 | 9/01/12 | 125 | 110,000 |
| Sr. Sub. Debentures | B2 | 10.375 | 9/01/14 | 20 | 17,300 |
| RH Donnelley Corp., | | | | | |
| Sr. Notes, Ser. A-3 | Caa1 | 8.875 | 1/15/16 | 225 | 29,250 |
| Sr. Unsec d Notes | Caa1 | 8.875 | 10/15/17 | 150 | 19,500 |
| Sun Media Corp. (Canada), Gtd. Notes | Ba2 | 7.625 | 2/15/13 | 400(c) | 329,999 |
| Universal City Florida Holdings Co., Sr. Notes | B3 | 7.942(h) | 5/01/10 | 250 | 115,000 |
| Univision Communications, Inc., Gtd. Notes, PIK, 144A | Caa1 | 9.75 | 3/15/15 | 350 | 44,625 |

1,715,375

Metal 7.7%

| | | | | | |
|--|------|----------|----------|----------|---------|
| Aleris International, Inc., Gtd. Notes, PIK | Caa2 | 9.00 | 12/15/14 | 150 | 9,000 |
| Century Aluminum Co., Gtd. Notes | B1 | 7.50 | 8/15/14 | 155 | 89,125 |
| FMG Finance Pty Ltd. (Australia), Sr. Sec d. Notes, 144A | B1 | 10.625 | 9/01/16 | 375(c) | 211,875 |
| Freeport-McMoRan Copper & Gold, Inc., | | | | | |
| Sr. Unsec d. Notes | Ba2 | 7.084(h) | 4/01/15 | 100 | 60,000 |
| Sr. Unsec d. Notes | Ba2 | 8.375 | 4/01/17 | 440 | 312,400 |
| Gerdau AmeriSteel Corp. (Canada), Gtd. Notes | Ba1 | 10.375 | 7/15/11 | 1,000(c) | 930,000 |
| Ispat Inland ULC (Canada), Gtd. Notes | Baa2 | 9.75 | 4/01/14 | 840(c) | 809,131 |
| Metals USA, Inc., Sr. Sec d. Notes | B3 | 11.125 | 12/01/15 | 347 | 213,405 |
| Novelis, Inc. (Canada), Gtd. Notes | B3 | 7.25 | 2/15/15 | 115(c) | 66,700 |
| U.S. Steel Corp., Sr. Unsec d Notes | Baa3 | 7.00 | 2/01/18 | 400 | 252,135 |

2,953,771

Non-Captive Finance 1.4%

| | | | | | |
|---|-----|-------|---------|-----|---------|
| GMAC LLC, | | | | | |
| Sr. Unsec d. Notes | C | 6.875 | 8/28/12 | 190 | 66,513 |
| Unsub. Sr. Unsec d. Notes | C | 6.625 | 5/15/12 | 75 | 26,295 |
| Lender Process Services, Inc., Gtd. Notes | Ba2 | 8.125 | 7/01/16 | 475 | 399,000 |
| Residential Capital LLC, Sec d. Notes, 144A | C | 9.625 | 5/15/15 | 464 | 47,560 |

539,368

Edgar Filing: HIGH YIELD INCOME FUND INC - Form N-Q

| Packaging 6.6% | | | | | |
|--|------|----------|----------|-----|-----------|
| Ball Corp., Gtd. Notes | Ba1 | 6.625 | 3/15/18 | 525 | 441,000 |
| Berry Plastics Holding Corp., Sec d. Notes | Caa1 | 6.694(h) | 9/15/14 | 225 | 105,750 |
| Sr. Sec d. Notes | Caa1 | 8.875 | 9/15/14 | 175 | 92,750 |
| BWAY Corp., Gtd. Notes | B3 | 10.00 | 10/15/10 | 150 | 129,000 |
| Crown Americas LLC, Gtd. Notes | B1 | 7.625 | 11/15/13 | 400 | 370,000 |
| Gtd. Notes | B1 | 7.75 | 11/15/15 | 250 | 226,250 |
| Exopack Holding Corp., Gtd. Notes | B3 | 11.25 | 2/01/14 | 225 | 141,750 |
| Graham Packaging Co., Inc., Gtd. Notes | Caa1 | 8.50 | 10/15/12 | 100 | 73,000 |
| Gtd. Notes | Caa1 | 9.875 | 10/15/14 | 75 | 47,250 |
| Greif, Inc., Gtd. Notes | Ba2 | 6.75 | 2/01/17 | 415 | 348,600 |
| Owens Brockway Glass Container, Inc., Gtd. Notes | Ba3 | 8.25 | 5/15/13 | 450 | 423,000 |
| Silgan Holdings, Inc., Sr. Sub. Notes | B1 | 6.75 | 11/15/13 | 175 | 152,250 |
| | | | | | 2,550,600 |

| Paper 2.4% | | | | | |
|---|-----|--------|----------|--------|---------|
| Cascades, Inc. (Canada), Gtd. Notes | Ba3 | 7.25 | 2/15/13 | 185(c) | 103,600 |
| Cellu Tissue Holdings, Inc., Sec d. Notes | B2 | 9.75 | 3/15/10 | 75 | 60,000 |
| Domtar Corp., Gtd. Notes | Ba3 | 5.375 | 12/01/13 | 175 | 115,500 |
| Gtd. Notes | Ba3 | 7.875 | 10/15/11 | 100 | 81,500 |
| Georgia-Pacific Corp., Gtd. Notes, 144A (original cost \$275,000; purchased 12/13/06) | Ba3 | 7.125 | 1/15/17 | 275(g) | 202,125 |
| Graphic Packaging International Corp., Gtd. Notes | B3 | 8.50 | 8/15/11 | 275 | 225,500 |
| Norampac, Inc. (Canada), Gtd. Notes | Ba3 | 6.75 | 6/01/13 | 60(c) | 30,600 |
| Verso Paper Holdings LLC, Gtd. Notes, Ser. B | B3 | 11.375 | 8/01/16 | 335 | 123,950 |
| | | | | | 942,775 |

| Pipelines & Other 3.6% | | | | | |
|---|------|-------|----------|-----|-----------|
| AmeriGas Partners LP, Sr. Unsec d. Notes | Ba3 | 7.125 | 5/20/16 | 175 | 122,500 |
| El Paso Corp., Sr. Unsec d. Notes, M.T.N. | Ba3 | 7.75 | 1/15/32 | 110 | 69,300 |
| Ferrellgas Partners LP, Sr. Unsec d. Notes | Ba3 | 6.75 | 5/01/14 | 50 | 35,000 |
| Inergy LP, Gtd. Notes | B1 | 8.25 | 3/01/16 | 50 | 36,750 |
| Sr. Unsec d. Notes | B1 | 6.875 | 12/15/14 | 100 | 72,750 |
| Markwest Energy Partners LP, Gtd. Notes, Ser. B | B2 | 8.75 | 4/15/18 | 170 | 107,100 |
| Targa Resources, Inc., Gtd. Notes | B3 | 8.50 | 11/01/13 | 400 | 220,000 |
| Williams Cos., Inc. (The), Sr. Unsec d. Notes | Baa3 | 8.125 | 3/15/12 | 475 | 410,875 |
| Williams Partners LP, Sr. Unsec d. Notes | Ba2 | 7.25 | 2/01/17 | 375 | 294,375 |
| | | | | | 1,368,650 |

| Retailers 1.3% | | | | | |
|--|-----|--------|----------|-----|---------|
| GameStop Corp., Gtd. Notes | Ba1 | 8.00 | 10/01/12 | 140 | 121,800 |
| Neiman-Marcus Group, Inc., Gtd. Notes, PIK | B2 | 9.00 | 10/15/15 | 405 | 172,125 |
| Saks, Inc., Sr. Unsec d. Notes | B2 | 9.875 | 10/01/11 | 58 | 45,240 |
| Susser Holdings LLC, Gtd. Notes | B3 | 10.625 | 12/15/13 | 204 | 167,280 |
| | | | | | 506,445 |

Edgar Filing: HIGH YIELD INCOME FUND INC - Form N-Q

Technology 8.6%

| | | | | | |
|--|------|--------|----------|--------|-----------|
| Affiliated Computer Services, Inc., Sr. Unsec d. Notes | Ba2 | 4.70 | 6/01/10 | 800 | 712,000 |
| Avago Technologies Finance Wireless (Singapore), Gtd. Notes | B1 | 10.125 | 12/01/13 | 355(c) | 287,994 |
| Gtd. Notes | B3 | 11.875 | 12/01/15 | 125(c) | 96,406 |
| First Data Corp., Gtd. Notes | B3 | 9.875 | 9/24/15 | 100 | 57,500 |
| Freescale Semiconductor, Inc., Gtd. Notes, PIK | B2 | 9.125 | 12/15/14 | 455 | 93,275 |
| Iron Mountain, Inc., Gtd. Notes | B2 | 7.75 | 1/15/15 | 250 | 210,000 |
| Gtd. Notes | B2 | 8.00 | 6/15/20 | 50 | 38,500 |
| Gtd. Notes | B2 | 8.625 | 4/01/13 | 175 | 157,938 |
| Nortel Networks Ltd. (Canada), Gtd. Notes | B3 | 10.125 | 7/15/13 | 100(c) | 31,000 |
| Open Solutions, Inc., Gtd. Notes, 144A | Caa1 | 9.75 | 2/01/15 | 100 | 30,500 |
| Seagate Technology HDD Holdings (Cayman Islands), Gtd. Notes | Ba1 | 6.375 | 10/01/11 | 674(c) | 532,460 |
| Sensata Technologies BV (Netherlands), Gtd. Notes | Caa1 | 8.00 | 5/01/14 | 200(c) | 90,000 |
| Serena Software, Inc., Gtd. Notes | Caa1 | 10.375 | 3/15/16 | 300 | 166,500 |
| STATS ChipPAC Ltd. (Singapore), Gtd. Notes | Ba1 | 6.75 | 11/15/11 | 250(c) | 177,500 |
| Sr. Notes | Ba1 | 7.50 | 7/19/10 | 150 | 114,000 |
| SunGard Data Systems, Inc., Sr. Unsec d. Notes | B3 | 4.875 | 1/15/14 | 485 | 363,750 |
| Sr. Unsec d. Notes, 144A | Caa1 | 10.625 | 5/15/15 | 200 | 154,000 |
| | | | | | 3,313,323 |

Telecommunications 7.4%

| | | | | | |
|--|------|--------|----------|--------|-----------|
| American Tower Corp., Sr. Unsecd. Notes | Ba1 | 7.125 | 10/15/12 | 250 | 234,375 |
| Centennial Communications Corp., Gtd. Notes | B2 | 10.125 | 6/15/13 | 175 | 172,594 |
| Citizens Communications Co., Sr. Unsec d. Notes | Ba2 | 9.00 | 8/15/31 | 150 | 82,500 |
| Fairpoint Communications, Inc., Sr. Unsec d. Notes, 144A | B3 | 13.125 | 4/01/18 | 250 | 127,500 |
| Hawaiian Telcom Communications, Inc., Gtd. Notes, Ser. B | C | 12.50 | 5/01/15 | 225(f) | 1,125 |
| Level 3 Financing, Inc., Gtd. Notes | Caa1 | 12.25 | 3/15/13 | 425 | 244,374 |
| Qwest Capital Funding, Inc., Gtd. Notes | B1 | 7.00 | 8/03/09 | 1,000 | 960,000 |
| Qwest Communications International, Inc., Gtd. Notes, Ser. B | Ba3 | 7.50 | 2/15/14 | 205 | 133,250 |
| Qwest Corp., Sr. Unsec d. Notes | Ba1 | 7.50 | 10/01/14 | 275 | 211,750 |
| Sprint Capital Corp., Gtd. Notes | Baa3 | 6.375 | 5/01/09 | 250 | 242,500 |
| Gtd. Notes | Baa3 | 8.75 | 3/15/32 | 250 | 130,000 |
| Time Warner Telecom Holdings, Inc., Gtd. Notes | B3 | 9.25 | 2/15/14 | 100 | 79,000 |
| Windstream Corp., Gtd. Notes | Ba3 | 8.625 | 8/01/16 | 300 | 234,000 |
| | | | | | 2,852,968 |

Edgar Filing: HIGH YIELD INCOME FUND INC - Form N-Q

| | |
|--|------------|
| Total corporate bonds (cost \$65,495,175) | 46,150,861 |
|--|------------|

Shares

COMMON STOCK

| | | |
|--------------|----|-------|
| Electric | | |
| Mirant Corp. | 92 | 1,584 |

(cost \$1,623)

Units

WARRANTS(b)

| | | |
|--|-----------|---|
| Sirius XM Radio, Inc., 144A Expiring 3/15/10 | 150(f) | 0 |
| Viasystems Group, Inc., Expiring 1/10/31 | 10,871(f) | 1 |

| | |
|------------------------------------|---|
| Total warrants (cost \$219,817) | 1 |
|------------------------------------|---|

| | |
|--|------------|
| Total long-term investments (cost \$74,367,462) | 53,148,785 |
|--|------------|

**Principal
Amount (000)**

SHORT-TERM INVESTMENT 4.9%

U.S. Government Agency Security

| | | | | | |
|---|----|---------|----------|----------|-----------|
| Federal Home Loan Bank, Discount Note (cost \$1,907,000) | NR | .10%(i) | 12/01/08 | \$ 1,907 | 1,906,995 |
|---|----|---------|----------|----------|-----------|

| | |
|---|------------|
| Total Investments(e) 142.6% (cost \$76,274,462)(j) | 55,055,780 |
|---|------------|

| | |
|--|--------------|
| Liabilities in excess of other assets (42.6%) | (16,443,868) |
|--|--------------|

| | |
|--------------------------|---------------|
| Net Assets 100.0% | \$ 38,611,912 |
|--------------------------|---------------|

The ratings reflected are as of November 30, 2008. Ratings of certain bonds may have changed subsequent to that date. The following abbreviations are used in the portfolio descriptions:

M.T.N. Medium Term Note

NR Not rated by Moody's or Standard & Poor's

PIK Payment in Kind

144A-Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may not be resold subject to that rule except to qualified institution buyers. Unless otherwise noted, 144A securities are deemed to be liquid.

- (a) Represents issuer in default on interest payment; non-income producing security.
- (b) Non-income producing security.
- (c) US\$ denominated foreign securities.
- (d) Standard & Poor's Rating.
- (e) As of November 30, 2008, two securities representing \$76 and 0.0% of net assets value were fair valued in accordance with the policies adopted by the Board of Directors.
- (f) Indicates a security that has been deemed illiquid.
- (g) Indicates a restricted security; the aggregate original cost of such securities is \$871,280. The aggregate value of \$446,592 is approximately 1.2% of net assets.
- (h) Indicates a variable rate security. The interest rate shown reflects the rate in effect at November 30, 2008.
- (i) Represents zero coupon or step bond. Rate shown reflects the effective yield at November 30, 2008.
- (j) The United States federal income tax basis of the Fund's investments and the net unrealized depreciation as of November 30, 2008 were as follows:

| Tax Basis | | | Net |
|----------------|--------------|-----------------|-------------------------|
| of Investments | Appreciation | Depreciation | Unrealized Depreciation |
| \$76,380,471 | \$ 48,248 | \$ (21,372,939) | \$ (21,324,691) |

The difference between the book basis and tax basis is primarily attributable to deferred losses on wash sales and differences in the treatment of premium and market discount amortization for book and tax purposes.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

Level 1 - quoted prices in active markets for identical securities

Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The following is a summary of the inputs used as of November 30, 2008 in valuing the Fund's assets carried at fair value:

| Valuation inputs | Investments in Securities | Other Financial Instruments* |
|--|---------------------------|------------------------------|
| Level 1 - Quoted Prices | \$ 1,584 | \$ |
| Level 2 - Other Significant Observable Inputs | 55,054,120 | |
| Level 3 - Significant Unobservable Inputs | 76 | |
| Total | \$ 55,055,780 | \$ |

* Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards and swap contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

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

Edgar Filing: HIGH YIELD INCOME FUND INC - Form N-Q

| | Investments in Securities |
|--|--------------------------------------|
| Balance as of 8/31/08 | \$ 76 |
| Realized gain (loss) | |
| Change in unrealized appreciation (depreciation) | |
| Net purchases (sales) | |
| Transfers in and/or out of Level 3 | |
| Balance as of 11/30/08 | \$ 76 |

Notes to Schedule of Investments (Unaudited)

Securities Valuation: Securities for which market quotations are readily available including securities listed on national securities exchanges and those traded over-the-counter are valued at the last quoted sales price on the valuation date on which the security is traded. If such securities were not traded on the valuation date, but market quotations are readily available, they are valued at the most recently quoted bid price provided by an independent pricing service or by a principal market maker. Securities for which market quotations are not readily available or for which the pricing agent or market maker does not provide a valuation or methodology, or provides a valuation or methodology that, in the judgment of the adviser, does not represent fair value, are valued by a Valuation Committee appointed by the Board of Directors, in consultation with the adviser. When determining the fair valuation of securities some of the factors influencing the valuation include, the nature of any restrictions on disposition of the securities; assessment of the general liquidity of the securities; the issuer's financial condition and the markets in which it does business; the cost of the investment; the size of the holding and the capitalization of issuer; the prices of any recent transactions or bids/offers for such securities or any comparable securities; any available analyst media or other reports or information deemed reliable by the investment adviser regarding the issuer or the markets or industry in which it operates. Using fair value to price securities may result in a value that is different from a security's most recent closing price and from the price used by other mutual funds to calculate their net asset values.

Short-term debt securities, which mature in sixty days or less, are valued at amortized cost, which approximates market value. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of the difference between the principal amount due at maturity and cost. Short-term debt securities, which mature in more than sixty days, are valued at current market quotations.

Other information regarding the Fund is available in the Fund's most recent Report to Shareholders. This information is available on the Securities and Exchange Commission's website (www.sec.gov).

Item 2. Controls and Procedures

- (a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

- (b) There have been no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Item 3. Exhibits

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 Attached hereto.

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.

(Registrant) The High Yield Income Fund, Inc.

By (Signature and Title)* /s/ Deborah A. Docs
Deborah A. Docs
Secretary of the Fund

Date January 28, 2009

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 (Signature and Title)* /s/ Judy A. Rice
Judy A. Rice
President and Principal Executive Officer

Date January 28, 2009

By (Signature and Title)* /s/ Grace C. Torres
Grace C. Torres
Treasurer and Principal Financial Officer

Date January 28, 2009

* Print the name and title of each signing officer under his or her signature.