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Invesco High Income Trust II
Form N-CSRS
November 04, 2016

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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 811-05769

Invesco High Income Trust II
(Exact name of registrant as specified in charter)

1555 Peachtree Street, N.E., Atlanta, Georgia 30309
(Address of principal executive offices) (Zip code)

Sheri Morris 1555 Peachtree Street, N.E., Atlanta, Georgia 30309
(Name and address of agent for service)

Registrant's telephone number, including area code: (404) 439-3217

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Date of fiscal year end: 2/28

Date of reporting period: 8/31/16

Item 1. Report to Stockholders.

Semiannual Report to Shareholders

August 31, 2016

Invesco High Income Trust II

NYSE: VLT

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Unless otherwise noted, all data provided by Invesco.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK
GUARANTEE

Letters to Shareholders

Dear Fellow Shareholders:

Bruce Crockett

As independent chair of the Invesco Funds Board, I can assure you that the members of the Board are strong advocates for the interests of investors in Invesco's mutual funds. We work hard to represent your interests through oversight of the quality of the investment management services your funds receive and other matters important to your investment. This includes but is not limited to: monitoring how the portfolio management teams of the Invesco funds are performing in light of changing economic and market conditions; assessing each portfolio management team's investment performance within the context of the fund's investment strategy; and monitoring for potential conflicts of interests that may impact the nature of the services that your funds receive.

We believe one of the most important services we provide our fund shareholders is the annual review of the funds' advisory and sub-advisory contracts with Invesco Advisers and its

affiliates. This review is required by the Investment Company Act of 1940 and focuses on the nature and quality of the services Invesco provides as the adviser to the Invesco funds and the reasonableness of the fees that it charges for those services. Each year, we spend months carefully reviewing information received from Invesco and a variety of independent sources, such as performance and fee data prepared by Lipper Inc., an independent, third-party firm widely recognized as a leader in its field. We also meet with our independent legal counsel and other independent advisers to review and help us assess the information that we have received. Our goal is to assure that you receive quality investment management services for a reasonable fee.

As always, please contact me at bruce@brucecrockett.com with any questions or concerns you may have. On behalf of the Board, we look forward to continuing to represent your interests and serving your needs.

Sincerely,

Bruce L. Crockett

Independent Chair

Invesco Funds Board of Trustees

Philip Taylor

Dear Shareholders:

This semiannual report includes information about your Trust, including performance data and a complete list of its investments as of the close of the reporting period.

The investment professionals at Invesco invest with high conviction and a long-term perspective. At Invesco, investing with high conviction means trusting our research-driven insights, having confidence in our investment processes and building portfolios that reflect our beliefs. Our goal is to look past market noise in an effort to find attractive opportunities at attractive prices. Of course, investing with high conviction can't guarantee a profit or ensure investment success; no investment strategy or risk analysis can. To learn more about how we invest with high conviction, visit **[invesco.com/HighConviction](https://www.invesco.com/HighConviction)**.

Our website, **[invesco.com/us](https://www.invesco.com/us)**, offers timely information about your Trust. Also, you can obtain updates to help you stay informed about the markets, the economy and investing by connecting with Invesco on Twitter, LinkedIn or Facebook. Additionally, you can access our blog at blog.invesco.us.com. Our goal is to provide you the information you want, when and where you want it.

Finally, I'm pleased to share with you Invesco's commitment to both the Principles for Responsible Investment and to considering environmental, social and governance issues in our robust investment process. I invite you to learn more at **[invesco.com/esg](https://www.invesco.com/esg)**.

For questions about your account, contact an Invesco client services representative at 800 341 2929. For Invesco-related questions or comments, please email me directly at phil@invesco.com.

All of us at Invesco look forward to serving your investment management needs. Thank you for investing with us.

Sincerely,

Philip Taylor

Senior Managing Director, Invesco Ltd.

Trust Performance

Performance summary

Cumulative total returns, 2/29/16 to 8/31/16

Trust at NAV	16.76%
Trust at Market Value	21.32
Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index	15.56
Market Price Discount to NAV as of 8/31/16	-8.82
Source: FactSet Research Systems Inc.	

The performance data quoted represent past performance and cannot guarantee comparable future results; current performance may be lower or higher. Investment return, net asset value (NAV) and share market price will fluctuate so that you may have a gain or loss when you sell shares. Please visit invesco.com/us for the most recent month-end performance. Performance figures reflect Trust expenses, the reinvestment of distributions (if any) and changes in NAV for performance based on NAV and changes in market price for performance based on market price.

Since the Trust is a closed-end management investment company, shares of the Trust may trade at a discount or premium from the NAV. This characteristic is separate and distinct from the risk that NAV could decrease as a result of investment activities and may be a greater risk to investors expecting to sell their shares after a short time. The Trust cannot predict whether shares will trade at, above or below NAV. The Trust should not be viewed as a vehicle for trading purposes. It is designed primarily for risk-tolerant long-term investors.

The **Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index** is an unmanaged index considered representative of the US high-yield, fixed-rate corporate bond market. Index weights for each issuer are capped at 2%.

The Trust is not managed to track the performance of any particular index, including the index described here, and consequently, the performance of the Trust may deviate significantly from the performance of the index.

A direct investment cannot be made in an index. Unless otherwise indicated, index results include reinvested dividends, and they do not reflect sales charges. Performance of the peer group, if applicable, reflects fund expenses; performance of a market index does not.

Portfolio Management Update

Effective October 13, 2016, after the close of the reporting period, the following individuals are jointly and primarily responsible for the day-to-day management of the Trust:

Scott Roberts began managing the Trust in 2010 and has been associated with Invesco and/or its affiliates since 2000.

Andrew Geryol began managing the Trust on October 13, 2016, after the close of the reporting period and has been associated with Invesco and/or its affiliates

since 2011. Mr. Geryol was employed by Allstate Investments in an investment management capacity from 2002 to 2011.

Jennifer Hartviksen began managing the Trust on October 13, 2016, after the close of the reporting period and has been associated with Invesco and/or its affiliates since 2013. Ms. Hartviksen, was employed by Fiera Quantum L.P. in an investment management capacity from 2011 to 2013.

Joseph Portera began managing the Trust on October 13, 2016, after the close of the reporting period and has been associated with Invesco and/or its affiliates since 2012. Mr. Portera was a managing director and lead portfolio manager at Hartford Investment Management from 2009 to 2012.

Effective October 13, 2016, after the close of the reporting period, Darren Hughes is no longer a portfolio manager of the Trust.

Important Notice Regarding Share Repurchase Program

In September 2016, the Trustees of the Trust approved a share repurchase program that allows the Trust to repurchase up to 25% of the

20-day average trading volume of the Trust's common shares when the Trust is trading at a 10% or greater discount to its net asset value. The Trust will

repurchase shares pursuant to this program if the Adviser reasonably believes that such repurchases may enhance shareholder value.

Dividend Reinvestment Plan

The dividend reinvestment plan (the Plan) offers you a prompt and simple way to reinvest your dividends and capital gains distributions (Distributions) into additional shares of your Invesco closed-end Trust (the Trust). Under the Plan, the money you earn from Distributions will be reinvested automatically in more shares of the Trust, allowing you to potentially increase your investment over time. All shareholders in the Trust are automatically enrolled in the Plan when shares are purchased.

Plan benefits

n Add to your account:

You may increase your shares in your Trust easily and automatically with the Plan.

n Low transaction costs:

Shareholders who participate in the Plan may be able to buy shares at below-market prices when the Trust is trading at a premium to its net asset value (NAV). In addition, transaction costs are low because when new shares are issued by the Trust, there is no brokerage fee, and when shares are bought in blocks on the open market, the per share fee is shared among all participants.

n Convenience:

You will receive a detailed account statement from Computershare Trust Company, N.A. (the Agent), which administers the Plan. The statement shows your total Distributions, date of investment, shares acquired, and price per share, as well as the total number of shares in your reinvestment account. You can also access your account at invesco.com/us.

n Safekeeping:

The Agent will hold the shares it has acquired for you in safekeeping.

Who can participate in the Plan

If you own shares in your own name, your purchase will automatically enroll you in the Plan. If your shares are held in street name in the name of your brokerage firm, bank, or other financial institution you must instruct that entity to participate on your behalf. If they are unable to participate on your behalf, you may request that they reregister your shares in your own name so that you may enroll in the Plan.

How to enroll

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If you haven't participated in the Plan in the past or chose to opt out, you are still eligible to participate. Enroll by visiting invesco.com/us, by calling toll-free 800 341 2929 or by notifying us in writing at Invesco Closed-End Funds, Computer share Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170. If you are writing to us, please include the Trust name and account number and ensure that all shareholders listed on the account sign these written instructions. Your participation in the Plan will begin with the next Distribution payable after the Agent receives your authorization, as long as they receive it before the record date, which is generally 10 business days before the Distribution is paid. If your authorization arrives after such record date, your participation in the Plan will begin with the following Distribution.

How the Plan works

If you choose to participate in the Plan, your Distributions will be promptly reinvested for you, automatically increasing your shares. If the Trust is trading at a share price that is equal to its NAV, you'll pay that amount for your reinvested shares. However, if the Trust is trading above or below NAV, the price is determined by one of two ways:

1. Premium: If the Trust is trading at a premium — a market price that is higher than its NAV — you'll pay either the NAV or 95 percent of the market price, whichever is greater. When the Trust trades at a premium, you may pay less for your reinvested shares than an investor purchasing shares on the stock exchange. Keep in mind, a portion of your price reduction may be taxable because you are receiving shares at less than market price.
2. Discount: If the Trust is trading at a discount — a market price that is lower than its NAV — you'll pay the market price for your reinvested shares.

Costs of the Plan

There is no direct charge to you for reinvesting Distributions because the Plan's fees are paid by the Trust. If the Trust is trading at or above its NAV, your new shares are issued directly by the Trust and there are no brokerage charges or fees. However, if the Trust is trading at a discount, the shares are purchased on the open market, and you will pay your portion of any per share fees. These per share fees are typically less than the standard brokerage charges for individual transactions because shares are purchased for all participants in blocks, resulting in lower fees for each individual participant. Any service or per share fees are added to the purchase price. Per share fees include any applicable brokerage commissions the Agent is required to pay.

Tax implications

The automatic reinvestment of Distributions does not relieve you of any income tax that may be due on Distributions. You will receive tax information annually to help you prepare your federal income tax return.

Invesco does not offer tax advice. The tax information contained herein is general and is not exhaustive by nature. It was not intended or written to be used, and it cannot be used, by any taxpayer for avoiding penalties that may be imposed on the taxpayer under US federal tax laws. Federal and state tax laws are complex and constantly changing. Shareholders should always consult a legal or tax adviser for information concerning their individual situation.

How to withdraw from the Plan

You may withdraw from the Plan at any time by calling 800 341 2929, by visiting invesco.com/us or by writing to Invesco Closed-End Funds, Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170. Simply indicate that you would like to withdraw from the Plan, and be sure to include your Trust name and account number. Also, ensure that all shareholders listed on the account sign these written instructions. If you withdraw, you have three options with regard to the shares held in the Plan:

1. If you opt to continue to hold your non-certificated whole shares (Investment Plan Book Shares), they will be held by the Agent electronically as Direct Registration Book-Shares (Book-Entry Shares) and fractional shares will be sold at the then-current market price. Proceeds will be sent via check to your address of record after deducting applicable fees, including per share fees such as any applicable brokerage commissions the Agent is required to pay.
2. If you opt to sell your shares through the Agent, we will sell all full and fractional shares and send the proceeds via check to your address of record after deducting a \$2.50 service fee and per share fees. Per share fees include any applicable brokerage commissions the Agent is required to pay.
3. You may sell your shares through your financial adviser through the Direct Registration System (DRS). DRS is a service within the securities industry that allows Trust shares to be held in your name in electronic format. You retain full ownership of your shares, without having to hold a share certificate. You should contact your financial adviser to learn more about any restrictions or fees that may apply.

The Trust and Computershare Trust Company, N.A. may amend or terminate the Plan at any time. Participants will receive at least 30 days written notice before the effective date of any amendment. In the case of termination, Participants will receive at least 30 days written notice before the record date for the payment of any such Distributions by the Trust. In the case of amendment or termination necessary or appropriate to comply with applicable law or the rules and policies of the Securities and Exchange Commission or any other regulatory authority, such written notice will not be required.

To obtain a complete copy of the current Dividend Reinvestment Plan, please call our Client Services department at 800 341 2929 or visit invesco.com/us.

Schedule of Investments^(a)

August 31, 2016

(Unaudited)

	Principal Amount	Value
U.S. Dollar Denominated Bonds and Notes 127.10%		
Advertising 0.20%		
Lamar Media Corp., Sr. Unsec. Gtd. Notes, 5.75%, 02/01/2026 ^(c)	\$ 244,000	\$ 264,130
Aerospace & Defense 3.69%		
Bombardier Inc. (Canada), Sr. Unsec. Notes, 6.00%, 10/15/2022 ^(c)	333,000	315,101
7.75%, 03/15/2020 ^(c)	682,000	726,330
KLX Inc., Sr. Unsec. Gtd. Notes, 5.88%, 12/01/2022 ^(c)	853,000	898,849
Moog Inc., Sr. Unsec. Gtd. Notes, 5.25%, 12/01/2022 ^(c)	825,000	851,812
Orbital ATK Inc., Sr. Unsec. Gtd. Global Notes, 5.50%, 10/01/2023	457,000	483,278
TransDigm Inc., Sr. Unsec. Gtd. Sub. Global Notes, 6.50%, 05/15/2025	1,198,000	1,242,925
Sr. Unsec. Gtd. Sub. Notes, 6.38%, 06/15/2026 ^(c)	290,000	298,700
		4,816,995
Agricultural & Farm Machinery 0.64%		
Titan International Inc., Sr. Sec. Gtd. First Lien Global Notes, 6.88%, 10/01/2020	892,000	842,940
Air Freight & Logistics 0.05%		
XPO Logistics Inc., Sr. Unsec. Gtd. Notes, 6.13%, 09/01/2023 ^(c)	68,000	70,210
Airlines 0.68%		
Air Canada (Canada), Sr. Unsec. Gtd. Notes, 7.75%, 04/15/2021 ^(c)	840,000	890,400
Alternative Carriers 1.32%		
EarthLink Holdings Corp., Sr. Sec. Gtd. First Lien Global Notes, 7.38%, 06/01/2020	633,000	665,441
Level 3 Financing, Inc., Sr. Unsec. Gtd. Global Notes, 5.38%, 05/01/2025	495,000	522,225
Sr. Unsec. Gtd. Notes, 5.25%, 03/15/2026 ^(c)	516,000	537,930
		1,725,596
Apparel Retail 1.38%		
Hot Topic, Inc., Sr. Sec. Gtd. First Lien Notes, 9.25%, 06/15/2021 ^(c)	679,000	718,043
Men's Wearhouse, Inc. (The), Sr. Unsec. Gtd. Global Notes, 7.00%, 07/01/2022	1,214,000	1,081,977
		1,800,020

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Asset Management & Custody Banks 1.01%

Prime Security Services Borrower, LLC/Prime Finance, Inc., Sec. Gtd. Second Lien Notes, 9.25%, 05/15/2023 ^(c)	1,196,000	1,309,620
	Principal Amount	Value

Auto Parts & Equipment 0.40%

Dana Inc., Sr. Unsec. Notes, 5.38%, 09/15/2021	\$ 279,000	\$ 291,555
5.50%, 12/15/2024	229,000	235,870
		527,425

Broadcasting 4.18%

iHeartCommunications, Inc., Sr. Sec. Gtd. First Lien Global Notes, 9.00%, 12/15/2019	867,000	702,270
Series B, Sr. Unsec. Gtd. Global Notes, 6.50%, 11/15/2022	520,000	547,300
Series B, Sr. Unsec. Gtd. Sub. Global Notes, 7.63%, 03/15/2020	427,000	432,338
Netflix, Inc., Sr. Unsec. Global Notes, 5.75%, 03/01/2024	639,000	693,315
Nexstar Escrow Corp., Sr. Unsec. Gtd. Notes, 5.63%, 08/01/2024 ^(c)	440,000	451,550
Sinclair Television Group Inc., Sr. Unsec. Gtd. Notes, 5.63%, 08/01/2024 ^(c)	615,000	644,212
Sr. Unsec. Notes, 5.88%, 03/15/2026 ^(c)	325,000	346,125
Sirius XM Radio Inc., Sr. Unsec. Notes, 5.38%, 07/15/2026 ^(c)	585,000	604,744
TEGNA, Inc., Sr. Unsec. Gtd. Notes, 5.50%, 09/15/2024 ^(c)	425,000	451,562
Tribune Media Co., Sr. Unsec. Gtd. Global Notes, 5.88%, 07/15/2022	575,000	592,969
		5,466,385

Building Products 3.36%

Allegion PLC, Sr. Unsec. Gtd. Notes, 5.88%, 09/15/2023	496,000	536,300
Builders FirstSource, Inc., Sr. Sec. Gtd. Notes, 5.63%, 09/01/2024 ^(c)	112,000	114,380
Sr. Unsec. Gtd. Notes, 10.75%, 08/15/2023 ^(c)	507,000	579,247
Gibraltar Industries Inc., Sr. Unsec. Gtd. Sub. Global Notes, 6.25%, 02/01/2021	1,137,000	1,182,480
HD Supply, Inc., Sr. Unsec. Gtd. Notes, 5.75%, 04/15/2024 ^(c)	191,000	204,609
Norbord Inc. (Canada), Sr. Sec. Gtd. First Lien Notes, 6.25%, 04/15/2023 ^(c)	503,000	538,839
Standard Industries Inc., Sr. Unsec. Notes, 5.38%, 11/15/2024 ^(c)	683,000	727,395
6.00%, 10/15/2025 ^(c)	464,000	510,400
		4,393,650

Cable & Satellite 10.09%

AMC Networks Inc., Sr. Unsec. Gtd. Global Notes, 5.00%, 04/01/2024	491,000	504,503
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See accompanying Notes to Financial Statements which are an integral part of the financial statements.

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	Principal Amount	Value
Cable & Satellite-(continued)		
CCO Holdings LLC/CCO Holdings Capital Corp., Sr. Unsec. Notes, 5.75%, 02/15/2026 ^(c)	\$ 1,390,000	\$ 1,494,250
CSC Holdings LLC, Sr. Unsec. Gtd. Notes, 6.63%, 10/15/2025 ^(c)	215,000	234,619
Sr. Unsec. Notes, 10.13%, 01/15/2023 ^(c)	895,000	1,023,656
DigitalGlobe Inc., Sr. Unsec. Gtd. Notes, 5.25%, 02/01/2021 ^(c)	359,000	360,795
DISH DBS Corp., Sr. Unsec. Gtd. Global Notes, 5.88%, 11/15/2024	1,815,000	1,799,119
Hughes Satellite Systems Corp., Sr. Sec. Gtd. First Lien Notes, 5.25%, 08/01/2026 ^(c)	171,000	170,786
Sr. Unsec. Gtd. Global Notes, 7.63%, 06/15/2021	619,000	663,877
Intelsat Jackson Holdings S.A. (Luxembourg), Sr. Unsec. Gtd. Global Notes, 7.25%, 10/15/2020	570,000	446,025
SFR Group S.A. (France), Sr. Sec. Gtd. First Lien Bonds, 6.00%, 05/15/2022 ^(c)	1,530,000	1,556,775
Sr. Sec. Gtd. First Lien Notes, 7.38%, 05/01/2026 ^(c)	503,000	519,347
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH (Germany), Sr. Sec. Gtd. First Lien Bonds, 5.00%, 01/15/2025 ^(c)	1,215,000	1,269,675
Virgin Media Finance PLC (United Kingdom), Sr. Unsec. Gtd. Notes, 6.00%, 10/15/2024 ^(c)	200,000	210,500
REGS, Sr. Unsec. Gtd. Euro Notes, 6.00%, 10/15/2024 ^(c)	418,000	437,333
Virgin Media Secured Finance PLC (United Kingdom), Sr. Sec. Gtd. First Lien Bonds, 5.25%, 01/15/2026 ^(c)	200,000	205,000
Sr. Sec. Gtd. First Lien Notes, 5.50%, 08/15/2026 ^(c)	319,000	332,558
REGS, Sr. Sec. Gtd. First Lien Euro Bonds, 5.50%, 01/15/2025 ^(c)	830,000	855,937
VTR Finance B.V. (Chile), Sr. Sec. First Lien Notes, 6.88%, 01/15/2024 ^(c)	620,000	652,550
Ziggo Bond Finance B.V. (Netherlands), REGS, Sr. Unsec. Euro Notes, 5.88%, 01/15/2025 ^(c)	450,000	454,500
		13,191,805
Casinos & Gaming 3.13%		
Boyd Gaming Corp., Sr. Unsec. Gtd. Global Notes, 6.88%, 05/15/2023	890,000	963,425
Sr. Unsec. Gtd. Notes, 6.38%, 04/01/2026 ^(c)	230,000	247,250
MGM Growth Properties Operating Partnership LP/ MGP Escrow Co-Issuer Inc., Sr. Unsec. Gtd. Notes, 5.63%, 05/01/2024 ^(c)	249,000	270,788
	Principal Amount	Value
Casinos & Gaming (continued)		

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MGM Resorts International,		
Sr. Unsec. Gtd. Global Notes, 6.63%, 12/15/2021	\$ 525,000	\$ 591,937
Sr. Unsec. Gtd. Notes,		
4.63%, 09/01/2026	396,000	394,515
6.00%, 03/15/2023	165,000	179,644
7.75%, 03/15/2022	327,000	382,181
Mohegan Tribal Gaming Authority, Sr. Unsec. Gtd. Global Notes,		
9.75%, 09/01/2021	494,000	533,520
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp.,		
Sr. Unsec. Global Notes, 5.38%, 03/15/2022	88,000	91,850
Sr. Unsec. Gtd. Notes,		
5.50%, 03/01/2025 ^(c)	425,000	431,375
		4,086,485
Commercial Printing 0.88%		
Multi-Color Corp., Sr. Unsec. Gtd. Notes, 6.13%, 12/01/2022 ^(c)	1,094,000	1,150,068
Commodity Chemicals 0.44%		
Koppers Inc., Sr. Unsec. Gtd. Global Notes, 7.88%, 12/01/2019	560,000	574,000
Construction & Engineering 0.30%		
AECOM, Sr. Unsec. Gtd. Global Notes, 5.75%, 10/15/2022	375,000	398,906
Construction Machinery & Heavy Trucks 4.07%		
Allied Specialty Vehicles, Inc., Sr. Sec. Notes, 8.50%, 11/01/2019 ^(c)	677,000	699,849
Commercial Vehicle Group Inc., Sec. Gtd. Second Lien Global Notes,		
7.88%, 04/15/2019	876,000	870,525
Meritor Inc., Sr. Unsec. Gtd. Notes,		
6.25%, 02/15/2024	305,000	283,650
6.75%, 06/15/2021	528,000	533,940
Navistar International Corp., Sr. Unsec. Gtd. Notes,		
8.25%, 11/01/2021	1,390,000	1,146,750
Oshkosh Corp., Sr. Unsec. Gtd. Global Notes,		
5.38%, 03/01/2022	1,345,000	1,415,612
5.38%, 03/01/2025	354,000	373,470
		5,323,796
Consumer Finance 1.50%		
Ally Financial Inc., Sr. Unsec. Global Notes,		
4.63%, 03/30/2025	954,000	986,198
5.13%, 09/30/2024	900,000	975,375
		1,961,573
Data Processing & Outsourced Services 1.39%		
First Data Corp.,		
Sr. Sec. Gtd. First Lien Notes, 5.00%, 01/15/2024 ^(c)	400,000	409,500

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Data Processing & Outsourced Services (continued)		
Sr. Unsec. Gtd. Notes, 7.00%, 12/01/2023 ^(c)	\$ 1,342,000	\$ 1,410,778
		1,820,278
Diversified Banks 1.18%		
Dresdner Funding Trust I (Germany), REGS, Jr. Unsec. Sub. Euro Notes, 8.15%, 06/30/2031 ^(c)	385,000	460,075
Royal Bank of Scotland Group PLC (The) (United Kingdom), Unsec. Sub. Global Bonds, 5.13%, 05/28/2024	405,000	411,036
6.13%, 12/15/2022	625,000	669,498
		1,540,609
Diversified Chemicals 1.16%		
Chemours Co. (The), Sr. Unsec. Gtd. Global Notes, 6.63%, 05/15/2023	1,564,000	1,517,080
Diversified Metals & Mining 3.57%		
FMG Resources (August 2006) Pty. Ltd. (Australia), Sr. Sec. Gtd. Notes, 9.75%, 03/01/2022 ^(c)	300,000	348,000
Sr. Unsec. Gtd. Notes, 6.88%, 04/01/2022 ^(c)	813,000	845,520
Freeport-McMoRan Inc., Sr. Unsec. Gtd. Global Notes, 3.55%, 03/01/2022	751,000	657,125
Lundin Mining Corp. (Canada), Sr. Sec. Gtd. First Lien Notes, 7.50%, 11/01/2020 ^(c)	53,000	56,246
7.88%, 11/01/2022 ^(c)	630,000	678,825
Teck Resources Ltd. (Canada), Sr. Unsec. Gtd. Global Notes, 4.75%, 01/15/2022	747,000	696,577
Sr. Unsec. Gtd. Notes, 4.50%, 01/15/2021	984,000	939,720
8.50%, 06/01/2024 ^(c)	397,000	445,633
		4,667,646
Electrical Components & Equipment 1.33%		
EnerSys, Sr. Unsec. Gtd. Notes, 5.00%, 04/30/2023 ^(c)	970,000	977,275
Sensata Technologies B.V., Sr. Unsec. Gtd. Notes, 4.88%, 10/15/2023 ^(c)	320,000	332,800
5.00%, 10/01/2025 ^(c)	415,000	430,044
		1,740,119
Environmental & Facilities Services 0.99%		
Advanced Disposal Services, Inc., Sr. Unsec. Gtd. Global Notes, 8.25%, 10/01/2020	1,225,000	1,290,844
Food Distributors 0.55%		
US Foods, Inc., Sr. Unsec. Gtd. Notes, 5.88%, 06/15/2024 ^(c)	685,000	719,250
Food Retail 0.57%		
1011778 BC ULC/ New Red Finance, Inc. (Canada), Sec. Gtd. Second	713,000	747,759

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Lien Notes, 6.00%, 04/01/2022^(c)

	Principal Amount	Value
Forest Products 0.00%		
Sino-Forest Corp. (Hong Kong), Sr. Unsec. Gtd. Notes, 6.25%, 10/21/2017 (Acquired 04/01/2014; Cost \$0) ^{(c)(d)(e)}	\$ 60,000	\$ 300
Gas Utilities 1.88%		
AmeriGas Partners, L.P./AmeriGas Finance Corp., Sr. Unsec. Global Notes, 5.63%, 05/20/2024	404,000	434,300
5.88%, 08/20/2026	292,000	314,630
Sr. Unsec. Gtd. Global Notes, 7.00%, 05/20/2022	200,000	213,750
Ferrellgas L.P./Ferrellgas Finance Corp., Sr. Unsec. Global Notes, 6.50%, 05/01/2021	731,000	690,795
Sr. Unsec. Gtd. Global Notes, 6.75%, 06/15/2023	126,000	114,345
Suburban Propane Partners, L.P./Suburban Energy Finance Corp., Sr. Unsec. Gtd. Global Notes, 5.50%, 06/01/2024	679,000	689,185
		2,457,005
General Merchandise Stores 0.46%		
Dollar Tree, Inc., Sr. Unsec. Gtd. Global Notes, 5.75%, 03/01/2023	552,000	596,160
Health Care Facilities 6.96%		
Acadia Healthcare Company, Inc., Sr. Unsec. Gtd. Global Notes, 6.50%, 03/01/2024	495,000	522,225
Community Health Systems, Inc., Sr. Unsec. Gtd. Global Notes, 6.88%, 02/01/2022	659,260	550,482
HCA Holdings, Inc., Sr. Unsec. Notes, 6.25%, 02/15/2021	610,000	664,137
HCA, Inc., Sr. Sec. Gtd. First Lien Global Notes, 5.88%, 03/15/2022	742,000	817,591
Sr. Sec. Gtd. First Lien Notes, 5.25%, 04/15/2025	913,000	980,904
Sr. Unsec. Gtd. Global Notes, 7.50%, 02/15/2022	283,000	323,328
Sr. Unsec. Gtd. Notes, 5.38%, 02/01/2025	540,000	558,900
5.88%, 02/15/2026	360,000	381,600
HealthSouth Corp., Sr. Unsec. Gtd. Global Notes, 5.75%, 09/15/2025	425,000	446,781
LifePoint Health, Inc., Sr. Unsec. Gtd. Notes, 5.38%, 05/01/2024 ^(c)	430,000	443,438
5.88%, 12/01/2023	110,000	116,050
RegionalCare Hospital Partners Holdings Inc., Sr. Sec. Gtd. First Lien Notes, 8.25%, 05/01/2023 ^(c)	295,000	301,637
Surgical Care Affiliates, Inc., Sr. Unsec. Gtd. Notes, 6.00%, 04/01/2023 ^(c)	1,060,000	1,115,650
Tenet Healthcare Corp., Sr. Unsec. Global Notes, 6.75%, 06/15/2023	909,000	869,231
8.00%, 08/01/2020	382,000	389,163
8.13%, 04/01/2022	425,000	431,375

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

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	Principal Amount	Value
Health Care Facilities (continued)		
Universal Health Services, Inc, Sr. Sec. Gtd. First Lien Notes, 5.00%, 06/01/2026 ^(c)	\$ 174,000	\$ 180,743
		9,093,235
Health Care Services 2.06%		
DaVita HealthCare Partners Inc., Sr. Unsec. Gtd. Global Notes, 5.00%, 05/01/2025	870,000	884,137
MEDNAX, Inc., Sr. Unsec. Gtd. Notes, 5.25%, 12/01/2023 ^(c)	848,000	892,520
MPH Acquisition Holdings LLC, Sr. Unsec. Notes, 7.13%, 06/01/2024 ^(c)	849,000	916,920
		2,693,577
Home Improvement Retail 0.67%		
Hillman Group Inc. (The), Sr. Unsec. Gtd. Notes, 6.38%, 07/15/2022 ^(c)	933,000	872,355
Homebuilding 3.23%		
Ashton Woods USA LLC/Ashton Woods Finance Co., Sr. Unsec. Notes, 6.88%, 02/15/2021 ^(c)	950,000	912,000
Beazer Homes USA Inc., Sr. Unsec. Gtd. Global Notes, 7.50%, 09/15/2021	1,043,000	1,014,317
CalAtlantic Group Inc., Sr. Unsec. Gtd. Notes, 5.38%, 10/01/2022	640,000	672,000
K. Hovnanian Enterprises Inc., Sr. Sec. Gtd. First Lien Notes, 7.25%, 10/15/2020 ^(c)	281,000	253,954
Meritage Homes Corp., Sr. Unsec. Gtd. Global Notes, 6.00%, 06/01/2025	433,000	461,145
7.15%, 04/15/2020	300,000	332,625
Taylor Morrison Communities Inc./ Monarch Communities Inc., Sr. Unsec. Gtd. Notes, 5.88%, 04/15/2023 ^(c)	548,000	576,085
		4,222,126
Household Products 2.39%		
Reynolds Group Issuer Inc./LLC (New Zealand), Sr. Sec. Gtd. First Lien Global Notes, 5.75%, 10/15/2020	287,000	296,686
Sr. Sec. Gtd. First Lien Notes, 5.13%, 07/15/2023 ^(c)	207,000	216,315
Sr. Unsec. Gtd. Global Notes, 8.25%, 02/15/2021	1,086,000	1,137,585
9.88%, 08/15/2019	104,000	107,380
Sr. Unsec. Gtd. Notes, 7.00%, 07/15/2024 ^(c)	64,000	68,800
Spectrum Brands, Inc., Sr. Unsec. Gtd. Global Notes, 5.75%, 07/15/2025	463,000	502,355
Springs Industries, Inc., Sr. Sec. Global Notes, 6.25%, 06/01/2021	764,000	790,740
		3,119,861
Independent Power Producers & Energy Traders 2.71%		
AES Corp. (The), Sr. Unsec. Notes, 5.50%, 04/15/2025	1,661,000	1,719,135
6.00%, 05/15/2026	51,000	54,060

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	Principal Amount	Value
Independent Power Producers & Energy Traders (continued)		
Calpine Corp., Sr. Unsec. Global Notes, 5.38%, 01/15/2023	\$ 582,000	\$ 584,910
5.50%, 02/01/2024	432,000	432,000
NRG Energy, Inc., Sr. Unsec. Gtd. Notes, 6.63%, 01/15/2027 ^(c)	661,000	662,652
Red Oak Power LLC, Series A, Sr. Sec. First Lien Bonds, 8.54%, 11/30/2019	91,820	92,050
		3,544,807
Industrial Conglomerates 0.48%		
Unifrax I LLC/Unifrax Holding Co., Sr. Unsec. Gtd. Notes, 7.50%, 02/15/2019 (Acquired 02/01/2013-07/28/2014; Cost \$702,975) ^(c)	688,000	622,640
Industrial Machinery 0.45%		
Optimas OE Solutions Holding, LLC/Optimas OE Solutions, Inc., Sr. Sec. Notes, 8.63%, 06/01/2021 ^(c)	620,000	485,150
Shape Technologies Group, Inc., Sr. Sec. Gtd. Notes, 7.63%, 02/01/2020 ^(c)	104,000	105,950
		591,100
Integrated Oil & Gas 0.14%		
California Resources Corp., Sec. Gtd. Second Lien Notes, 8.00%, 12/15/2022 ^(c)	279,000	189,720
Integrated Telecommunication Services 3.27%		
CenturyLink, Inc., Series Y, Sr. Unsec. Global Notes, 7.50%, 04/01/2024	1,030,000	1,122,700
Cequel Communications Holdings I, LLC/ Capital Corp., Sr. Sec. First Lien Notes, 7.75%, 07/15/2025 ^(c)	200,000	219,750
Communications Sales & Leasing, Inc., Sr. Sec. Gtd. First Lien Notes, 6.00%, 04/15/2023 ^(c)	70,000	73,675
Frontier Communications Corp., Sr. Unsec. Global Notes, 7.88%, 01/15/2027	156,000	141,960
8.88%, 09/15/2020 ^(c)	130,000	142,025
10.50%, 09/15/2022	320,000	351,200
11.00%, 09/15/2025	910,000	985,075
GCI, Inc., Sr. Unsec. Global Notes, 6.88%, 04/15/2025	290,000	301,600
Telecom Italia S.p.A. (Italy), Sr. Unsec. Notes, 5.30%, 05/30/2024 ^(c)	909,000	935,134
		4,273,119
Internet Software & Services 1.88%		
CyrusOne L.P./CyrusOne Finance Corp., Sr. Unsec. Gtd. Global Notes, 6.38%, 11/15/2022	1,049,000	1,121,119
Equinix Inc., Sr. Unsec. Notes, 5.88%, 01/15/2026	786,000	858,705
Match Group, Inc., Sr. Unsec. Global Notes, 6.38%, 06/01/2024	441,000	481,792
		2,461,616

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	Principal Amount	Value
Leisure Facilities 0.26%		
Cedar Fair L.P./Canada's Wonderland Co./Magnum Management Corp., Sr. Unsec. Gtd. Global Notes, 5.38%, 06/01/2024	\$ 315,000	\$ 335,475
Leisure Products 0.71%		
Vista Outdoor Inc., Sr. Unsec. Gtd. Notes, 5.88%, 10/01/2023 ^(c)	881,000	929,455
Managed Health Care 0.22%		
Centene Corp., Sr. Unsec. Notes, 4.75%, 05/15/2022	270,000	281,813
Marine 0.80%		
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Sr. Sec. Gtd. First Lien Mortgage Notes, 8.13%, 11/15/2021 (Acquired 10/29/2013-07/16/2015; Cost \$1,373,147) ^(c)	1,359,000	1,049,828
Metal & Glass Containers 1.31%		
Ardagh Packaging Finance PLC/Ardagh Holdings USA Inc (Ireland), Sr. Unsec. Gtd. Notes, 7.25%, 05/15/2024 ^(c)	335,000	358,450
Berry Plastics Corp., Sec. Gtd. Second Lien Global Notes, 6.00%, 10/15/2022	333,000	355,894
Sec. Gtd. Second Lien Notes, 5.50%, 05/15/2022	657,000	685,744
Coveris Holdings S.A. (Luxembourg), Sr. Unsec. Gtd. Notes, 7.88%, 11/01/2019 ^(c)	303,000	310,575
		1,710,663
Movies & Entertainment 0.45%		
Pinnacle Entertainment, Inc., Sr. Unsec. Bonds, 5.63%, 05/01/2024 ^(c)	577,000	589,261
Oil & Gas Drilling 0.18%		
Precision Drilling Corp. (Canada), Sr. Unsec. Gtd. Global Notes, 5.25%, 11/15/2024	277,000	233,026
Oil & Gas Equipment & Services 0.23%		
SESI, L.L.C., Sr. Unsec. Gtd. Global Notes, 7.13%, 12/15/2021	301,000	294,980
Oil & Gas Exploration & Production 10.52%		
Antero Resources Corp., Sr. Unsec. Gtd. Global Notes, 5.38%, 11/01/2021	580,000	584,350
6.00%, 12/01/2020	1,286,000	1,322,972
Concho Resources Inc., Sr. Unsec. Gtd. Global Notes, 5.50%, 10/01/2022	368,000	382,260
5.50%, 04/01/2023	1,399,000	1,451,462
Continental Resources Inc., Sr. Unsec. Gtd. Global Notes, 5.00%, 09/15/2022	316,000	306,915
	Principal Amount	Value
Oil & Gas Exploration & Production (continued)		
Denbury Resources Inc., Sr. Unsec. Gtd. Sub. Notes, 5.50%, 05/01/2022	\$ 314,000	\$ 216,660
Diamondback Energy, Inc., Sr. Unsec. Gtd. Global Notes, 7.63%, 10/01/2021	499,000	530,188

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Murphy Oil Corp., Sr. Unsec. Global Notes, 6.88%, 08/15/2024	134,000	140,365
Newfield Exploration Co., Sr. Unsec. Global Notes, 5.63%, 07/01/2024	1,261,000	1,301,982
Oasis Petroleum Inc., Sr. Unsec. Gtd. Global Notes, 6.88%, 01/15/2023	641,000	594,528
Sr. Unsec. Gtd. Notes, 6.50%, 11/01/2021	173,000	161,106
Parsley Energy LLC/Parsley Finance Corp., Sr. Unsec. Gtd. Notes, 6.25%, 06/01/2024 ^(c)	63,000	65,363
7.50%, 02/15/2022 ^(c)	604,000	639,485
PDC Energy, Inc., Sr. Unsec. Gtd. Global Notes, 7.75%, 10/15/2022	322,000	338,905
QEP Resources, Inc., Sr. Unsec. Notes, 6.88%, 03/01/2021	281,000	295,050
Range Resources Corp., Sr. Unsec. Gtd. Sub. Global Notes, 5.00%, 03/15/2023	1,053,000	1,045,102
Sr. Unsec. Gtd. Sub. Notes, 5.00%, 08/15/2022	225,000	223,313
Rice Energy Inc., Sr. Unsec. Gtd. Global Notes, 6.25%, 05/01/2022	216,000	224,100
RSP Permian, Inc., Sr. Unsec. Gtd. Global Notes, 6.63%, 10/01/2022	1,296,000	1,352,700
SM Energy Co., Sr. Unsec. Global Notes, 6.13%, 11/15/2022	172,000	167,700
6.50%, 01/01/2023	300,000	292,500
Southwestern Energy Co., Sr. Unsec. Global Notes, 4.10%, 03/15/2022	556,000	511,520
Whiting Petroleum Corp., Sr. Unsec. Gtd. Global Notes, 6.25%, 04/01/2023	580,000	511,850
WPX Energy Inc., Sr. Unsec. Global Notes, 6.00%, 01/15/2022	1,115,000	1,087,125
		13,747,501
Oil & Gas Refining & Marketing 0.91%		
MPLX LP, Sr. Unsec. Gtd. Notes, 4.88%, 06/01/2025 ^(c)	665,000	682,456
5.50%, 02/15/2023 ^(c)	487,000	507,698
		1,190,154
Oil & Gas Storage & Transportation 4.57%		
Energy Transfer Equity, L.P., Sr. Sec. First Lien Notes, 5.88%, 01/15/2024	104,000	107,120
Holly Energy Partners L.P./Holly Energy Finance Corp., Sr. Unsec. Gtd. Notes, 6.00%, 08/01/2024 ^(c)	713,000	736,173
Sabine Pass Liquefaction LLC, Sr. Sec. First Lien Global Notes, 5.63%, 04/15/2023	250,000	263,750
5.63%, 03/01/2025	1,009,000	1,072,062

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	Principal Amount	Value
Oil & Gas Storage & Transportation (continued)		
Targa Resources Partners L.P./Targa Resources Partners Finance Corp.,		
Sr. Unsec. Gtd. Global Bonds,		
5.25%, 05/01/2023	\$ 266,000	\$ 269,990
Sr. Unsec. Gtd. Global Notes,		
6.88%, 02/01/2021	753,000	779,355
Teekay Corp. (Bermuda), Sr. Unsec. Global Notes, 8.50%, 01/15/2020	370,000	317,275
Tesoro Logistics L.P./Tesoro Logistics Finance Corp., Sr. Unsec. Gtd. Global Notes,		
6.13%, 10/15/2021	59,000	61,950
6.38%, 05/01/2024	1,721,000	1,845,772
Williams Cos. Inc. (The), Sr. Unsec. Global Notes, 4.55%, 06/24/2024	56,000	57,540
Williams Partners L.P., Sr. Unsec. Notes, 4.00%, 11/15/2021	444,000	456,541
		5,967,528
Other Diversified Financial Services 0.43%		
Lincoln Finance Ltd. (Netherlands), Sr. Sec. Gtd. Notes,		
7.38%, 04/15/2021 ^(c)	521,000	561,634
Packaged Foods & Meats 2.98%		
FAGE International S.A./FAGE USA Dairy Industry, Inc. (Luxembourg),		
Sr. Unsec. Gtd. Notes,		
5.63%, 08/15/2026 ^(c)	200,000	207,500
9.88%, 02/01/2020 ^(c)	1,161,000	1,191,476
JBS Investments GmbH (Brazil),		
Sr. Unsec. Gtd. Notes,		
7.25%, 04/03/2024 ^(c)	355,000	377,631
REGS, Sr. Unsec. Gtd. Euro Notes,		
7.25%, 04/03/2024 ^(c)	205,000	218,018
Pinnacle Foods Finance LLC/Corp., Sr. Unsec. Gtd. Notes,		
5.88%, 01/15/2024 ^(c)	254,000	274,637
Smithfield Foods Inc., Sr. Unsec. Notes, 6.63%, 08/15/2022	722,000	767,125
TreeHouse Foods, Inc., Sr. Unsec. Gtd. Notes, 6.00%, 02/15/2024 ^(c)	790,000	865,050
		3,901,437
Paper Packaging 0.38%		
Graphic Packaging International Inc., Sr. Unsec. Gtd. Notes,		
4.88%, 11/15/2022	477,000	500,850
Paper Products 0.86%		
Clearwater Paper Corp., Sr. Unsec. Gtd. Global Notes,		
4.50%, 02/01/2023	479,000	479,599
PH Glatfelter Co., Sr. Unsec. Gtd. Global Notes, 5.38%, 10/15/2020	631,000	642,042
		1,121,641
Pharmaceuticals 2.58%		
Concordia International Corp. (Canada),		
Sr. Unsec. Gtd. Notes,		
7.00%, 04/15/2023 ^(c)	946,000	735,515

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9.50%, 10/21/2022 ^(c)	240,000	199,200
	Principal Amount	Value
Pharmaceuticals (continued)		
Endo Ltd./Endo Finance LLC/Endo Finco Inc., Sr. Unsec. Gtd. Notes, 6.00%, 07/15/2023 ^(c)	\$ 275,000	\$ 250,937
Mallinckrodt International Finance S.A./Mallinckrodt CB LLC, Sr. Unsec. Gtd. Notes, 5.63%, 10/15/2023 ^(c)	215,000	216,881
Quintiles Transnational Corp., Sr. Unsec. Gtd. Notes, 4.88%, 05/15/2023 ^(c)	272,000	284,240
Valeant Pharmaceuticals International, Inc., Sr. Unsec. Gtd. Notes, 5.50%, 03/01/2023 ^(c)	469,000	410,375
5.63%, 12/01/2021 ^(c)	1,136,000	1,028,080
5.88%, 05/15/2023 ^(c)	227,000	200,328
REGS, Sr. Unsec. Gtd. Euro Notes, 6.13%, 04/15/2025 ^(c)	50,000	44,063
		3,369,619
Restaurants 0.39%		
Carrols Restaurant Group, Inc., Sec. Gtd. Second Lien Global Notes, 8.00%, 05/01/2022	465,000	508,013
Semiconductors 1.43%		
Micron Technology, Inc., Sr. Unsec. Notes, 5.25%, 08/01/2023 ^(c)	1,050,000	1,023,750
5.25%, 01/15/2024 ^(c)	410,000	394,625
NXP B.V./NXP Funding LLC (Netherlands), Sr. Unsec. Gtd. Notes, 5.75%, 03/15/2023 ^(c)	420,000	447,169
		1,865,544
Specialized Consumer Services 0.81%		
ServiceMaster Co., LLC (The), Sr. Unsec. Notes, 7.45%, 08/15/2027	992,000	1,057,720
Specialized Finance 5.14%		
AerCap Global Aviation Trust (Netherlands), Jr. Unsec. Gtd. Sub. Notes, 6.50%, 06/15/2045 ^(c)	640,000	660,800
Aircastle Ltd., Sr. Unsec. Notes, 5.00%, 04/01/2023	840,000	896,700
5.50%, 02/15/2022	1,093,000	1,195,469
CIT Group Inc., Sr. Unsec. Global Notes, 5.00%, 08/15/2022	1,500,000	1,593,750
5.00%, 08/01/2023	415,000	441,975
Fly Leasing Ltd. (Ireland), Sr. Unsec. Global Notes, 6.75%, 12/15/2020	1,022,000	1,047,550
MSCI Inc., Sr. Unsec. Gtd. Notes., 5.25%, 11/15/2024 ^(c)	830,000	883,950
		6,720,194
Specialized REIT s 0.45%		
GLP Capital LP/GLP Financing II Inc., Sr. Unsec. Gtd. Notes, 5.38%, 04/15/2026	535,000	587,163

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	Principal Amount	Value
Specialty Chemicals 2.55%		
Axalta Coating Systems Ltd., Sr. Unsec. Gtd. Notes, 4.88%, 08/15/2024 ^(c)	\$ 322,000	\$ 335,282
GCP Applied Technologies Inc., Sr. Unsec. Gtd. Notes, 9.50%, 02/01/2023 ^(c)	630,000	724,500
Kraton Polymers LLC/Kraton Polymers Capital Corp., Sr. Unsec. Gtd. Notes, 10.50%, 04/15/2023 ^(c)	897,000	1,000,155
PolyOne Corp., Sr. Unsec. Global Notes, 5.25%, 03/15/2023	645,000	677,250
PQ Corp., Sr. Sec. Gtd. First Lien Notes, 6.75%, 11/15/2022 ^(c)	448,000	477,680
Valvoline Inc., Sr. Unsec. Gtd. Notes, 5.50%, 07/15/2024 ^(c)	110,000	115,500
		3,330,367
Steel 1.76%		
ArcelorMittal (Luxembourg), Sr. Unsec. Global Bonds, 6.13%, 06/01/2025	794,000	863,475
Sr. Unsec. Global Notes, 8.00%, 10/15/2039	139,000	148,730
Steel Dynamics, Inc., Sr. Unsec. Gtd. Global Notes, 5.50%, 10/01/2024	185,000	197,025
United States Steel Corp., Sr. Sec. First Lien Notes, 8.38%, 07/01/2021 ^(c)	586,000	638,740
Sr. Unsec. Global Notes, 7.50%, 03/15/2022	405,000	394,875
Sr. Unsec. Notes, 6.88%, 04/01/2021	54,000	53,595
		2,296,440
Technology Hardware, Storage & Peripherals 2.15%		
CommScope Technologies Finance LLC, Sr. Unsec. Notes, 6.00%, 06/15/2025 ^(c)	840,000	892,500
Diamond 1 Finance Corp./Diamond 2 Finance Corp., Sr. Unsec. Gtd. Notes, 7.13%, 06/15/2024 ^(c)	421,000	457,837
Sr. Unsec. Notes, 5.88%, 06/15/2021 ^(c)	389,000	411,368
Western Digital Corp., Sr. Sec. Gtd. First Lien Notes, 7.38%, 04/01/2023 ^(c)	975,000	1,058,789
		2,820,494
Trading Companies & Distributors 1.72%		
Avis Budget Car Rental LLC/Avis Budget Finance Inc., Sr. Unsec. Gtd. Notes, 5.13%, 06/01/2022 ^(c)	448,000	456,960
6.38%, 04/01/2024 ^(c)	650,000	687,375
United Rentals North America Inc., Sr. Unsec. Gtd. Global Notes, 5.50%, 07/15/2025	469,000	486,001
Sr. Unsec. Gtd. Notes, 6.13%, 06/15/2023	581,000	613,681
		2,244,017

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	Principal Amount	Value
Trucking 0.63%		
OPE KAG Finance Sub Inc., Sr. Unsec. Notes, 7.88%, 07/31/2023 ^(c)	\$ 857,000	\$ 818,435
Wireless Telecommunication Services 8.04%		
Altice Luxembourg S.A. (Luxembourg), Sr. Unsec. Gtd. Notes, 7.75%, 05/15/2022 ^(c)	1,076,000	1,145,940
REGS, Sr. Unsec. Gtd. Euro Notes, 7.75%, 05/15/2022 ^(c)	430,000	459,294
Digicel Group Ltd. (Jamaica), Sr. Unsec. Notes, 8.25%, 09/30/2020 ^(c)	225,000	204,187
Digicel Ltd. (Jamaica), Sr. Unsec. Gtd. Notes, 6.75%, 03/01/2023 ^(c)	800,000	736,000
SBA Communications Corp., Sr. Unsec. Global Notes, 4.88%, 07/15/2022	995,000	1,026,094
Sr. Unsec. Notes, 4.88%, 09/01/2024 ^(c)	460,000	470,350
Sprint Communications Inc., Sr. Unsec. Gtd. Notes, 9.00%, 11/15/2018 ^(c)	660,000	729,300
Sprint Corp., Sr. Unsec. Gtd. Global Notes, 7.25%, 09/15/2021	816,000	813,960
7.88%, 09/15/2023	472,000	460,200
T-Mobile USA, Inc., Sr. Unsec. Gtd. Global Bonds, 6.50%, 01/15/2026	351,000	387,416
6.84%, 04/28/2023	443,000	480,655
Sr. Unsec. Gtd. Global Notes, 6.38%, 03/01/2025	1,660,000	1,796,950
6.63%, 04/01/2023	405,000	435,375
Sr. Unsec. Gtd. Notes, 6.00%, 04/15/2024	180,000	193,500
Wind Acquisition Finance S.A. (Italy), Sec. Gtd. Second Lien Notes, 7.38%, 04/23/2021 ^(c)	500,000	518,750
Sr. Sec. Gtd. First Lien Notes, 4.75%, 07/15/2020 ^(c)	435,000	443,700
REGS, Sr. Sec. Gtd. First Lien Euro Notes, 6.50%, 04/30/2020 ^(c)	200,000	210,376
		10,512,047
Total U.S. Dollar Denominated Bonds and Notes (Cost \$161,643,745)		166,120,509
Non-U.S. Dollar Denominated Bonds & Notes 2.62%		
Cable & Satellite 0.16%		
Virgin Media Secured Finance PLC (United Kingdom), Sr. Sec. Gtd. First Lien Notes, 4.88%, 01/15/2027 ^(c)	GBP 150,000	207,067
Casinos & Gaming 0.16%		
Gala Electric Casinos PLC (United Kingdom), REGS, Sec. Gtd. Second Lien Euro Notes, 11.50%, 06/01/2019 ^(c)	GBP 159,091	216,678
Diversified Support Services 0.21%		
AA Bond Co. Ltd. (United Kingdom), Sec. Second Lien Notes, 5.50%, 07/31/2022 ^(c)	GBP 200,000	270,837

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

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	Principal Amount	Value
Food Retail 0.18%		
Labeyrie Fine Foods S.A.S. (France), Sr. Sec. Gtd. First Lien Notes, 5.63%, 03/15/2021 ^(c)	EUR 200,000	\$ 234,384
Health Care Services 0.29%		
Synlab Bondco PLC (United Kingdom), REGS, Sr. Sec. Gtd. First Lien Euro Notes, 6.25%, 07/01/2022 ^(c)	EUR 195,000	237,089
Synlab Unsecured Bondco PLC (United Kingdom), REGS, Sr. Unsec. Euro Bonds, 8.25%, 07/01/2023 ^(c)	EUR 115,000	141,415
		378,504
Hotels, Resorts & Cruise Lines 0.24%		
Thomas Cook Finance PLC (United Kingdom), Sr. Unsec. Gtd. Bonds, 6.75%, 06/15/2021 ^(c)	EUR 278,000	318,623
Leisure Facilities 0.41%		
Cirsa Funding Luxembourg S.A. (Spain), Sr. Unsec. Gtd. Bonds, 5.75%, 05/15/2021 ^(c)	EUR 250,000	297,028
REGS, Sr. Unsec. Gtd. Euro Notes, 5.88%, 05/15/2023 ^(c)	EUR 200,000	235,622
		532,650
Metal & Glass Containers 0.23%		
Verallia Packaging SASU (France), Sr. Sec. Gtd. First Lien Notes, 5.13%, 08/01/2022 ^(c)	EUR 250,000	300,195
	Principal Amount	Value
Other Diversified Financial Services 0.53%		
eircom Finance DAC (Ireland), Sr. Sec. Gtd. Bonds, 4.50%, 05/31/2022 ^(c)	EUR 600,000	\$ 687,520
Packaged Foods & Meats 0.21%		
Moy Park (Bondco) PLC (United Kingdom), Sr. Unsec. Gtd. Notes, 6.25%, 05/29/2021 ^(c)	GBP 200,000	278,060
Total Non-U.S. Dollar Denominated Bonds & Notes (Cost \$3,442,434)		3,424,518
Variable Rate Senior Loan Interests 0.23%		
Specialty Chemicals 0.23%		
Kraton Polymers LLC/Kraton Polymers Capital Corp., Term Loan, %, 01/06/2022 (Cost \$303,883) ^(h)	305,000	305,764
	Shares	
Money Market Funds 4.39%		
Liquid Assets Portfolio Institutional Class, 0.38%	2,866,362	2,866,362
Premier Portfolio Institutional Class, 0.37%	2,866,363	2,866,363
Total Money Market Funds (Cost \$5,732,725)		5,732,725
TOTAL INVESTMENTS 134.34% (Cost \$171,122,787)		175,583,516
OTHER ASSETS LESS LIABILITIES 2.04%		2,664,695
BORROWINGS (36.38)%		(47,550,000)
NET ASSETS 100.00%		\$ 130,698,211

Investment Abbreviations:

EUR	Euro
GBP	British Pound
Gtd.	Guaranteed
Jr.	Junior
REGS	Regulation S
REIT	Real Estate Investment Trust
Sec.	Secured
Sr.	Senior
Sub.	Subordinated
Unsec.	Unsecured

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Notes to Schedule of Investments:

- (a) Industry and/or sector classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.
- (b) Calculated as a percentage of net assets. Amounts in excess of 100% are due to the Trust's use of leverage.
- (c) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended (the 1933 Act). The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at August 31, 2016 was \$75,748,820, which represented 57.96% of the Trust's Net Assets.
- (d) Acquired as part of the Sino-Forest Corp. reorganization.
- (e) Defaulted security. Currently, the issuer is partially or fully in default with respect to interest payments. The value of this security at August 31, 2016 represented less than 1% of the Trust's Net Assets.
- (f) Foreign denominated security. Principal amount is denominated in the currency indicated.
- (g) Variable rate senior loan interests are, at present, not readily marketable, not registered under the 1933 Act, and may be subject to contractual and legal restrictions on sale. Senior secured corporate loans and senior secured debt securities in the Fund's portfolio generally have variable rates which adjust to a base, such as the London Inter-Bank Offered Rate (LIBOR), on set dates, typically every 30 days but not greater than one year; and/or have interest rates that float at a margin above a widely recognized base lending rate such as the Prime Rate of a designated U.S. bank.
- (h) This floating rate interest will settle after August 31, 2016, at which time the interest rate will be determined.
- (i) The money market fund and the Fund are affiliated by having the same investment adviser. The rate shown is the 7-day SEC standardized yield as of August 31, 2016.

Portfolio Composition

*By credit quality, based on Total Investments**

as of August 31, 2016

BBB	6.3%
BB	49.3
B	36.7
CCC	4.8
Cash	2.9

Source: Standard & Poor's. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. Non-Rated indicates the debtor was not rated, and should not be interpreted as indicating low quality. For more information on Standard and Poor's rating methodology, please visit standardandpoors.com and select Understanding Ratings under Rating Resources on the homepage.

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

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Invesco High Income Trust II

Statement of Assets and Liabilities*August 31, 2016**(Unaudited)***Assets:**

Investments, at value (Cost \$165,390,062)	\$ 169,850,791
Investments in affiliated money market funds, at value and cost	5,732,725
Total investments, at value (Cost \$171,122,787)	175,583,516
Cash	259,407
Foreign currencies, at value (Cost \$267)	266
Receivable for:	
Investments sold	1,108,451
Dividends and interest	2,984,852
Custody expenses reimbursed	79,797
Investment for trustee deferred compensation and retirement plans	11,563
Unrealized appreciation on forward foreign currency contracts outstanding	310,207
Other assets	12,386
Total assets	180,350,445

Liabilities:

Payable for:	
Investments purchased	1,888,075
Dividends	22,672
Borrowings	47,550,000
Accrued fees to affiliates	111
Accrued interest expense and line of credit fees	56,095
Accrued trustees and officers fees and benefits	3,329
Accrued other operating expenses	63,307
Trustee deferred compensation and retirement plans	12,666
Unrealized depreciation on forward foreign currency contracts outstanding	55,979
Total liabilities	49,652,234
Net assets applicable to shares outstanding	\$ 130,698,211

Net assets consist of:

Shares of beneficial interest	\$ 147,826,149
Undistributed net investment income	(830,705)
Undistributed net realized gain (loss)	(21,011,850)
Net unrealized appreciation	4,714,617
	\$ 130,698,211

**Common shares outstanding, no par value,
with an unlimited number of common shares authorized:**

Outstanding	8,118,429
Net asset value per share	\$ 16.10
Market value per share	\$ 14.68

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

14 **Invesco High Income Trust II**

Statement of Operations*For the six months ended August 31, 2016**(Unaudited)*

Investment income:	
Interest (net of foreign withholding taxes of \$942)	\$ 5,420,023
Dividends	12,088
Dividends from affiliated money market funds	8,006
Other income	271,339
Total investment income	5,711,456
Expenses:	
Advisory fees	610,393
Administrative services fees	25,205
Interest, facilities and maintenance fees	350,245
Transfer agent fees	17,814
Trustees and officers fees and benefits	9,843
Registration and filing fees	12,500
Reports to shareholders	16,158
Professional services fees	31,524
Other	12,918
Total expenses	1,086,600
Less: Fees waived	(3,130)
Net expenses	1,083,470
Net investment income	4,627,986
Realized and unrealized gain (loss) from:	
Net realized gain (loss) from:	
Investment securities	(912,267)
Foreign currencies	26,641
Forward foreign currency contracts	22,416
	(863,210)
Change in net unrealized appreciation of:	
Investment securities	14,937,875
Foreign currencies	5,232
Forward foreign currency contracts	23,365
	14,966,472
Net realized and unrealized gain	14,103,262
Net increase in net assets resulting from operations	\$ 18,731,248

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Changes in Net Assets*For the six months ended August 31, 2016 and the year ended February 29, 2016**(Unaudited)*

	August 31, 2016	February 29, 2016
Operations:		
Net investment income	\$ 4,627,986	\$ 9,229,376
Net realized gain (loss)	(863,210)	(9,875,333)
Change in net unrealized appreciation (depreciation)	14,966,472	(11,584,080)
Net increase (decrease) in net assets resulting from operations	18,731,248	(12,230,037)
Distributions to shareholders from net investment income	(4,676,218)	(9,332,544)
Return of capital		(734,308)
Net increase (decrease) in net assets	14,055,030	(22,296,889)
Net assets:		
Beginning of period	116,643,181	138,940,070
End of period (includes undistributed net investment income of \$(830,705) and \$(782,473), respectively)	\$ 130,698,211	\$ 116,643,181

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Cash Flows*For the six months ended August 31, 2016**(Unaudited)***Cash provided by operating activities:**

Net increase in net assets resulting from operations	\$ 18,731,248
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Adjustments to reconcile the change in net assets applicable from operations to net cash provided by operating activities:

Purchases of investments	(81,005,601)
Proceeds from sales of investments	81,883,313
Amortization of premium	227,186
Accretion of discount	(205,150)
Decrease in interest receivables and other assets	7,261
Decrease in accrued expenses and other payables	(45,199)
Net realized loss from investment securities	912,267
Net change in unrealized appreciation on investment securities	(14,937,875)
Net cash provided by operating activities	5,567,450

Cash provided by (used in) financing activities:

Dividends paid to shareholders from net investment income	(4,676,844)
Net increase in cash and cash equivalents	890,606
Cash at beginning of period	5,101,792
Cash at end of period	\$ 5,992,398

Supplemental disclosure of cash flow information:

Cash paid during the period for interest, facilities and maintenance fees	\$ 347,418
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Notes to Financial Statements*August 31, 2016**(Unaudited)***NOTE 1 Significant Accounting Policies**

Invesco High Income Trust II (the "Trust") is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end management investment company.

The Trust's investment objective is to provide high current income, while seeking to preserve shareholders' capital, through investment in a professionally managed, diversified portfolio of income producing, fixed-income securities.

The following is a summary of the significant accounting policies followed by the Trust in the preparation of its financial statements.

A. Security Valuations Securities, including restricted securities, are valued according to the following policy. Debt obligations (including convertible securities) and unlisted equities are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service may be determined

without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to specific securities, dividend rate (for unlisted equities), yield (for debt obligations), quality, type of issue, coupon rate (for debt obligations), maturity (for debt obligations), individual trading characteristics and other market data. Debt obligations are subject to interest rate and credit risks. In addition, all debt obligations involve some risk of default with respect to interest and/or principal payments.

Senior secured floating rate loans and senior secured floating rate debt securities are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service may reflect appropriate factors such as ratings, tranche type, industry, company performance, spread, individual trading characteristics, institution-size trading in similar groups of securities and other market data.

A security listed or traded on an exchange (except convertible securities) is valued at its last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded, or lacking any sales or official closing price on a particular day, the security may be valued at the closing bid price on that day. Securities traded in the over-the-counter market are valued based on prices furnished by independent pricing services or market makers. When such securities are valued by an independent pricing service they may be considered fair valued. Futures contracts are valued at the final settlement price set by an exchange on which they are principally traded. Listed options are valued at the mean between the last bid and asked prices from the exchange on which they are principally traded. Options not listed on an exchange are valued by an independent source at the mean between the last bid and asked prices. For purposes of determining net asset value (NAV) per share, futures and option contracts generally are valued 15 minutes after the close of the customary trading session of the New York Stock Exchange (NYSE).

Investments in open-end and closed-end registered investment companies that do not trade on an exchange are valued at the end-of-day net asset value per share. Investments in open-end and closed-end registered investment companies that trade on an exchange are valued at the last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded.

Foreign securities (including foreign exchange contracts) prices are converted into U.S. dollar amounts using the applicable exchange rates as of the close of the NYSE. If market quotations are available and reliable for foreign exchange-traded equity securities, the securities will be valued at the market quotations. Because trading hours for certain foreign securities end before the close of the NYSE, closing market quotations may become unreliable. If between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that the Adviser determines are significant and make the closing price unreliable, the Fund may fair value the security. If the event is likely to have affected the closing price of the security, the security will be valued at fair value in good faith using procedures approved by the Board of Trustees. Adjustments to closing prices to reflect fair value may also be based on a screening process of an independent pricing service to indicate the degree of certainty, based on historical data, that the closing price in the principal market where a foreign security trades is not the current value as of the close of the NYSE. Foreign securities prices meeting the approved degree of certainty that the price is not reflective of current value will be priced at the indication of fair value from the independent pricing service. Multiple factors may be considered by the independent pricing service in determining adjustments to reflect fair value and may include information relating to sector indices, American Depositary Receipts and domestic and foreign index futures. Foreign securities may have additional risks including exchange rate changes, potential for sharply devalued currencies and high inflation, political and economic upheaval, the relative lack of issuer information, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Securities for which market prices are not provided by any of the above methods may be valued based upon quotes furnished by independent sources. The last bid price may be used to value equity securities. The mean between the last bid and asked prices is used to value debt obligations, including corporate loans.

Securities for which market quotations are not readily available or became unreliable are valued at fair value as determined in good faith by or under the supervision of the Fund's officers following procedures approved by the Board of Directors. Issuer specific events, market trends, bid/asked quotes of brokers and information providers and other market data may be reviewed in the course of making a good faith determination of a security's fair value.

The Trust may invest in securities that are subject to interest rate risk, meaning the risk that the prices will generally fall as interest rates rise and, conversely, the prices will generally rise as interest rates fall. Specific securities differ in their sensitivity to changes in interest rates depending on their individual characteristics. Changes in interest rates may result in increased market volatility, which may affect the value and/or liquidity of certain Trust investments.

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer's assets, general economic conditions, interest rates, investor perceptions and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

B. Securities Transactions and Investment Income Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income (net of withholding tax, if any) is recorded on the accrual basis from settlement date. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date. Bond premiums and discounts are amortized and/or accreted for financial reporting purposes.

The Trust may periodically participate in litigation related to Trust investments. As such, the Trust may receive proceeds from litigation settlements. Any proceeds received are included in the Statement of Operations as realized gain (loss) for investments no longer held and as unrealized gain (loss) for investments still held.

Brokerage commissions and mark ups are considered transaction costs and are recorded as an increase to the cost basis of securities purchased and/or a reduction of proceeds on a sale of securities. Such transaction costs are included in the determination of net realized and unrealized gain (loss) from investment securities reported in the Statement of Operations and the Statement of Changes in Net Assets and the net realized and unrealized gains (losses) on securities

per share in the Financial Highlights. Transaction costs are included in the calculation of the Trust's net asset value and, accordingly, they reduce the Trust's total returns. These transaction costs are not considered operating expenses and are not reflected in net investment income reported in the Statement of Operations and the Statement of Changes in Net Assets, or the net investment income per share and the ratios of expenses and net investment income reported in the Financial Highlights, nor are they limited by any expense limitation arrangements between the Trust and the investment adviser.

C. Country Determination For the purposes of making investment selection decisions and presentation in the Schedule of Investments, the investment adviser may determine the country in which an issuer is located and/or credit risk exposure based on various factors. These factors include the laws of the country under which the issuer is organized, where the issuer maintains a principal office, the country in which the issuer derives 50% or more of its total revenues and the country that has the primary market for the issuer's securities, as well as other criteria. Among the other criteria that may be evaluated for making this determination are the country in which the issuer maintains 50% or more of its assets, the type of security, financial guarantees and enhancements, the nature of the collateral and the sponsor organization. Country of issuer and/or credit risk exposure has been determined to be the United States of America, unless otherwise noted.

D. Distributions Distributions from net investment income are declared and paid monthly. Distributions from net realized capital gain, if any, are generally declared and paid annually and recorded on the ex-dividend date.

E. Federal Income Taxes The Trust intends to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") necessary to qualify as a regulated investment company and to distribute substantially all of the Trust's taxable earnings to shareholders. As such, the Trust will not be subject to federal income taxes on otherwise taxable income (including net realized capital gain) that is distributed to shareholders. Therefore, no provision for federal income taxes is recorded in the financial statements.

The Trust recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained. Management has analyzed the Trust's uncertain tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions. Management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

The Trust files tax returns in the U.S. Federal jurisdiction and certain other jurisdictions. Generally, the Trust is subject to examinations by such taxing authorities for up to three years after the filing of the return for the tax period.

F. Accounting Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and

liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period including estimates and assumptions related to taxation. Actual results could differ from those estimates by a significant amount. In addition, the Trust monitors for material events or transactions that may occur or become known after the period-end date and before the date the financial statements are released to print.

G. Indemnifications Under the Trust's organizational documents, each Trustee, officer, employee or other agent of the Trust is indemnified against certain liabilities that may arise out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust enters into contracts, including the Trust's servicing agreements, that contain a variety of indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.

H. Cash and Cash Equivalents For the purposes of the Statement of Cash Flows, the Trust defines Cash and Cash Equivalents as cash (including foreign currency), money market funds and other investments held in lieu of cash and excludes investments made with cash collateral received.

I. Interest, Facilities and Maintenance Fees Interest, Facilities and Maintenance Fees include interest and related borrowing costs such as commitment fees and other expenses associated with lines of credit and interest and administrative expenses related to establishing and maintaining the credit agreement.

J. Securities Purchased on a When-Issued and Delayed Delivery Basis The Trust may purchase and sell interests in corporate loans and corporate debt securities and other portfolio securities on a when-issued and delayed delivery basis, with payment and delivery scheduled for a future date. No income accrues to the Trust on such interests or securities in connection with such transactions prior to the date the Trust actually takes delivery of such interests or securities. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Trust will generally purchase these securities with the intention of acquiring such securities, they may sell such securities prior to the settlement date.

K. Foreign Currency Translations Foreign currency is valued at the close of the NYSE based on quotations posted by banks and major currency dealers. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at date of valuation. Purchases and sales of portfolio securities (net of foreign taxes withheld on disposition) and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Trust does not separately account for the portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. The combined results of changes in foreign exchange rates and the fluctuation of market prices on investments (net of estimated foreign tax withholding) are included with the net realized and unrealized gain or loss from investments in the Statement of Operations. Reported net realized foreign currency gains or losses arise from (1) sales of foreign currencies, (2) currency gains or losses realized between the trade and settlement dates on securities transactions, and (3) the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Trust's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

The Trust may invest in foreign securities, which may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Trust invests and are shown in the Statement of Operations.

L. Forward Foreign Currency Contracts The Trust may engage in foreign currency transactions either on a spot (i.e. for prompt delivery and settlement) basis, or through forward foreign currency contracts, to manage or minimize currency or exchange rate risk.

The Trust may also enter into forward foreign currency contracts for the purchase or sale of a security denominated in a foreign currency in order to lock in the U.S. dollar price of that security, or the Trust may also enter into forward foreign currency contracts that do not provide for physical settlement of the two currencies, but instead are settled by a

single cash payment calculated as the difference between the agreed upon exchange rate and the spot rate at settlement based upon an agreed upon notional amount (non-deliverable forwards). The Trust will set aside liquid assets in an amount equal to daily mark-to-market obligation for forward foreign currency contracts.

A forward foreign currency contract is an obligation between two parties (Counterparties) to purchase or sell a specific currency for an agreed-upon price at a future date. The use of forward foreign currency contracts does not eliminate fluctuations in the price of the underlying securities the Trust owns or intends to acquire but establishes a rate of exchange in advance. Fluctuations in the value of these contracts are measured by the difference in the contract date and reporting date exchange rates and are recorded as unrealized appreciation (depreciation) until the contracts are closed. When the contracts are closed, realized gains (losses) are recorded. Realized and unrealized gains (losses) on the contracts are included in the Statement of Operations. The primary risks associated with forward foreign currency contracts include failure of the Counterparty to meet the terms of the contract and the value of the foreign currency changing unfavorably. These risks may be in excess of the amounts reflected in the Statement of Assets and Liabilities.

M. Leverage Risk The Trust may utilize leverage to seek to enhance the yield of the Trust by borrowing. There are risks associated with borrowing in an effort to increase the yield and distributions on the shares, including that the costs of the financial leverage may exceed the income from investments made with such leverage, the higher volatility of the net asset value of the shares, and that fluctuations in the interest rates on the borrowing may affect the yield and distributions to the shareholders. There can be no assurance that the Trust's leverage strategy will be successful.

N. Bank Loan Risk Although the resale, or secondary market for floating rate loans has grown substantially over the past decade, both in overall size and number of market participants, there is no organized exchange or board of trade on which floating rate loans are traded. Instead, the secondary market for floating rate loans is a private, unregulated interdealer or interbank resale market. Such a market may therefore be subject to irregular trading activity, wide bid/ask spreads, and extended trade settlement periods, which may impair the Fund's ability to sell bank loans within its desired time frame or at an acceptable price and its ability to accurately value existing and prospective investments. Extended trade settlement periods may result in cash not being immediately available to the Fund. As a result, the Fund may have to sell other investments or engage in borrowing transactions to raise cash to meet its obligations. Similar to other asset classes, bank loan funds may be exposed to counterparty credit risk, or the risk that an entity with which the Trust has unsettled or open transactions may fail to or be unable to perform on

its commitments. The Trust seeks to manage counterparty credit risk by entering into transactions only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

- O. Other Risks** The Fund may invest in lower-quality debt securities, i.e., junk bonds. Investments in lower-rated securities or unrated securities of comparable quality tend to be more sensitive to economic conditions than higher rated securities. Junk bonds involve a greater risk of default by the issuer because such securities are generally unsecured and are often subordinated to other creditors' claim.

NOTE 2 Advisory Fees and Other Fees Paid to Affiliates

The Trust has entered into a master investment advisory agreement with Invesco Advisers, Inc. (the Adviser or Invesco). Under the terms of the investment advisory agreement, the Trust pays an advisory fee to the Adviser based on the annual rate of 0.70% of the Trust's average daily managed assets. Managed assets for this purpose means the Trust's net assets, plus assets attributable to outstanding preferred shares and the amount of any borrowings incurred for the purpose of leverage (whether or not such borrowed amounts are reflected in the Trust's financial statements for purposes of GAAP).

Under the terms of a master sub-advisory agreement between the Adviser and each of Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. (collectively, the Affiliated Sub-Advisers) the Adviser, not the Trust, may pay 40% of the fees paid to the Adviser to any such Affiliated Sub-Adviser(s) that provide(s) discretionary investment management services to the Trust based on the percentage of assets allocated to such Affiliated Sub-Adviser(s).

The Adviser has contractually agreed, through at least June 30, 2018, to waive the advisory fee payable by the Trust in an amount equal to 100% of the net advisory fees the Adviser receives from the affiliated money market funds on investments by the Trust of uninvested cash in such affiliated money market funds.

For the six months ended August 31, 2016, the Adviser waived advisory fees of \$3,130.

The Trust has entered into a master administrative services agreement with Invesco pursuant to which the Trust has agreed to pay Invesco for certain administrative costs incurred in providing accounting services to the Trust. For the six months ended August 31, 2016, expenses incurred under this agreement are shown in the Statement of Operations as *Administrative services fees*.

Certain officers and trustees of the Trust are officers and directors of Invesco.

NOTE 3 Additional Valuation Information

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods, giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3), generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment's assigned level:

- Level 1 Prices are determined using quoted prices in an active market for identical assets.
- Level 2 Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, loss severities, default rates, discount rates,

volatilities and others.

Level 3 Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Trust's own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

The following is a summary of the tiered valuation input levels, as of August 31, 2016. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

	Level 1	Level 2	Level 3	Total
Equity Securities	\$ 5,732,725	\$	\$	\$ 5,732,725
Corporate Debt Securities		166,120,509		166,120,509
Foreign Debt Securities		3,424,518		3,424,518
Variable Rate Senior Loan Interests		305,764		305,764
	5,732,725	169,850,791		175,583,516
Forward Foreign Currency Contracts*		254,228		254,228
Total Investments	\$ 5,732,725	\$ 170,105,019	\$	\$ 175,837,744

*Unrealized appreciation.

NOTE 4 Derivative Investments**Value of Derivative Investments at Period-End**

The table below summarizes the value of the Trust's derivative investments, detailed by primary risk exposure, held as of August 31, 2016:

Risk Exposure/Derivative Type	Value	
	Assets	Liabilities
Currency risk:		
Forward foreign currency contracts ^(a)	\$ 310,208	\$ (55,980)

^(a) Values are disclosed on the Statement of Assets and Liabilities under the captions *Unrealized appreciation on forward foreign currency contracts outstanding* and *Unrealized depreciation on forward foreign currency contracts outstanding*.

Effect of Derivative Investments for the six months ended August 31, 2016

The table below summarizes the gains (losses) on derivative investments, detailed by primary risk exposure, recognized in earnings during the period:

	Location of Gain on Statement of Operations Forward Foreign Currency Contracts	
Realized Gain:		
Currency risk	\$	22,416
Change in Net Unrealized Appreciation:		
Currency risk		23,365
Total	\$	45,781

The table below summarizes the average notional value of forward foreign currency contracts outstanding during the period.

	Forward Foreign Currency Contracts
Average notional value	\$ 7,251,725

Open Forward Foreign Currency Contracts
Contract to

Settlement				Notional		Unrealized Appreciation
Date	Counterparty	Deliver	Receive	Value		(Depreciation)
09/09/16		EUR 2,647,000	USD 3,011,589	\$ 2,953,796		\$ 57,793

	Citigroup Global Markets Inc.						
09/09/16	Citigroup Global Markets Inc.	GBP	1,635,000	USD	2,365,101	2,147,499	217,602
09/09/16	Citigroup Global Markets Inc.	USD	422,759	EUR	381,000	425,159	2,400
09/09/16	Citigroup Global Markets Inc.	USD	1,013,748	GBP	763,096	1,002,292	(11,456)
09/09/16	Deutsche Bank Securities Inc.	EUR	44,900	USD	51,164	50,104	1,060
09/09/16	Deutsche Bank Securities Inc.	USD	294,807	EUR	260,000	290,135	(4,672)
09/09/16	Goldman Sachs & Co.	GBP	236,000	USD	341,327	309,975	31,352
09/09/16	Goldman Sachs & Co.	USD	645,247	GBP	460,919	605,396	(39,851)
Total Open Forward Foreign Currency Contracts Currency Risk							\$ 254,228
Currency Abbreviations:							

EUR Euro

GBP British Pound Sterling

USD U.S. Dollar

Offsetting Assets and Liabilities

Accounting Standards Update (ASU) No. 2011-11, *Disclosures about Offsetting Assets and Liabilities*, which was subsequently clarified in Financial Accounting Standards Board ASU 2013-01 Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities is intended to enhance disclosures about financial instruments and derivative instruments that are subject to offsetting arrangements on the Statement of Assets and Liabilities and to enable investors to better understand the effect of those arrangements on the Fund's financial position. In order for an arrangement to be eligible for netting, the Fund must have a basis to conclude that such netting arrangements are legally enforceable. The Fund enters into netting agreements and collateral agreements in an attempt to reduce the Fund's Counterparty credit risk by providing for a single net settlement with a Counterparty of all financial transactions covered by the agreement in an event of default as defined under such agreement.

The following tables present derivative instruments that are either subject to an enforceable netting agreement or offset by collateral arrangements as of August 31, 2016.

Counterparty	Gross amounts of Recognized	Gross Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount
	Assets	Financial Instruments	Non-Cash	Cash Collateral Received	
Citigroup Global Markets Inc.	\$ 277,796	\$ (11,457)	\$	\$	\$ 266,339
Deutsche Bank Securities Inc.	1,060	(1,060)			
Goldman Sachs & Co.	31,352	(31,352)			
Total	\$ 310,208	\$ (43,869)	\$	\$	\$ 266,339

Counterparty	Gross amounts of Recognized	Gross Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount
	Liabilities	Financial Instruments	Non-Cash	Cash Collateral Pledged	
Citigroup Global Markets Inc.	\$ 11,457	\$ (11,457)	\$	\$	\$
Deutsche Bank Securities Inc.	4,672	(1,060)			3,612
Goldman Sachs & Co.	39,851	(31,352)			8,499
Total	\$ 55,980	\$ (43,869)	\$	\$	\$ 12,111

NOTE 5 Trustees and Officers Fees and Benefits

Trustees and Officers Fees and Benefits include amounts accrued by the Trust to pay remuneration to certain Trustees and Officers of the Trust. Trustees have the option to defer compensation payable by the Trust, and

Trustees and Officers Fees and Benefits includes amounts accrued by the Trust to fund such deferred compensation amounts.

NOTE 6 Cash Balances and Borrowings

The Trust has entered into a \$60 million Credit Agreement which will expire on November 18, 2016. This Credit Agreement is secured by the assets of the Trust.

During the six months ended August 31, 2016, the average daily balance of borrowing under the Credit Agreement was \$47,550,000 with a weighted interest rate of 1.37%. Expenses under the Credit Agreement are shown in the Statement of Operations as *Interest, facilities and maintenance fees*.

Additionally, the Trust is permitted to temporarily carry a negative or overdrawn balance in its account with State Street Bank and Trust Company (SSB), the custodian bank. Such balances, if any at period-end, are shown in the Statement of Assets and Liabilities under the payable caption *Amount due custodian*. To compensate the custodian bank for such overdrafts, the overdrawn Trust may either (1) leave funds as a compensating balance in the account so the custodian bank can be compensated by earning the additional interest; or (2) compensate by paying the custodian

bank at a rate agreed upon by the custodian bank and Invesco, not to exceed the contractually agreed upon rate.

NOTE 7 Tax Information

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from GAAP. Reclassifications are made to the Trust's capital accounts to reflect income and gains available for distribution (or available capital loss carryforward) under income tax regulations. The tax character of distributions paid during the year and the tax components of net assets will be reported at the Trust's fiscal year-end.

Capital loss carryforward is calculated and reported as of a specific date. Results of transactions and other activity after that date may affect the amount of capital loss carryforward actually available for the Trust to utilize. Capital losses generated in years beginning after December 22, 2010 can be carried forward for an unlimited period, whereas previous losses expire in eight tax years. Capital losses with an expiration period may not be used to offset capital gains until all net capital losses without an expiration date have been utilized. Capital loss carryforwards with no expiration date will retain their character as either short-term or long-term capital losses instead of as short-term capital losses as under prior law. The ability to utilize capital loss carryforwards in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Trust had a capital loss carryforward as of February 29, 2016 which expires as follows:

Expiration	Capital Loss Carryforward*		
	Short-Term	Long-Term	Total
February 28, 2017	\$ 7,729,955	\$	\$ 7,729,955
Not subject to expiration	4,115,964	1,667,147	5,783,111
	\$ 11,845,919	\$ 1,667,147	\$ 13,513,066

*Capital loss carryforward as of the date listed above is reduced for limitations, if any, to the extent required by the Internal Revenue Code and may be further limited depending upon a variety of factors, including the realization of net unrealized gains or losses as of the date of any reorganization.

NOTE 8 Investment Securities

The aggregate amount of investment securities (other than short-term securities, U.S. Treasury obligations and money market funds, if any) purchased and sold by the Trust during the six months ended August 31, 2016 was \$79,816,978 and \$81,775,795, respectively. Cost of investments on a tax basis includes the adjustments for financial reporting purposes as of the most recently completed federal income tax reporting period-end.

Unrealized Appreciation (Depreciation) of Investment Securities on a Tax Basis

Aggregate unrealized appreciation of investment securities	\$ 6,383,225
Aggregate unrealized (depreciation) of investment securities	(2,574,856)
Net unrealized appreciation of investment securities	\$ 3,808,369

Cost of investments for tax purposes is \$171,775,147.

NOTE 9 Senior Loan Participation Commitments

The Trust invests in participations, assignments, or acts as a party to the primary lending syndicate of a Senior Loan interest to corporations, partnerships, and other entities. When the Trust purchases a participation of a Senior Loan interest, the Trust typically enters into a contractual agreement with the lender or other third party selling the participation, but not with the borrower directly. As such, the Trust assumes the credit risk of the borrower, selling participant or other persons interpositioned between the Trust and the borrower.

At the six months ended August 31, 2016, the following sets forth the selling participants with respect to interest in Senior Loans purchased by the Trust on a participation basis.

Selling Participant	Principal Amount	Value
Deutsche Bank Securities Inc.	\$ 305,000	\$ 305,764

NOTE 10 Common Shares of Beneficial Interest

Transactions in common shares of beneficial interest were as follows:

	Six months ended August 31, 2016	Year ended February 29, 2016
Beginning shares	8,118,429	8,118,429
Shares issued through dividend reinvestment		
Ending shares	8,118,429	8,118,429

The Trust may, when appropriate, purchase shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of purchase.

NOTE 11 Dividends

The Trust declared the following dividends to common shareholders from net investment income subsequent to August 31, 2016:

Declaration Date	Amount per Share	Record Date	Payable Date
September 1, 2016	\$ 0.09	September 14, 2016	September 30, 2016
October 3, 2016	\$ 0.09	October 14, 2016	October 31, 2016

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NOTE 12 Financial Highlights

The following schedule presents financial highlights for a share of the Trust outstanding throughout the periods indicated.

	Six months ended August 31, 2016	Year ended February 29, 2016	Years ended February 28,			Year ended February 29, 2012
	2015	2014	2013			
Net asset value, beginning of period	\$ 14.37	\$ 17.11	\$ 17.88	\$ 17.51	\$ 16.38	\$ 16.63
Net investment income ^(a)	0.57	1.14	1.18	1.28	1.35	1.37
Net gains (losses) on securities (both realized and unrealized)	1.74	(2.64)	(0.66)	0.46	1.17	(0.23)
Total from investment operations	2.31	(1.50)	0.52	1.74	2.52	1.14
Less: Dividends paid to common shareholders from net investment income	(0.58)	(1.15)	(1.29)	(1.37)	(1.39)	(1.39)
Less: Return of capital		(0.09)				
Net asset value per common share, end of period	\$ 16.10	\$ 14.37	\$ 17.11	\$ 17.88	\$ 17.51	\$ 16.38
Market value per common share, end of period	\$ 14.68	\$ 12.61	\$ 15.29	\$ 16.65	\$ 18.03	\$ 16.89
Total return at net asset value ^(b)	16.76%	(8.09)%	3.73%	10.95%	15.74%	7.26%
Total return at market value ^(c)	21.32%	(9.74)%	(0.46)%	0.34%	15.57%	11.33%
Net assets applicable to common shares, end of period (000 s omitted)	\$ 130,698	\$ 116,643	\$ 138,940	\$ 145,197	\$ 142,161	\$ 61,755
Portfolio turnover rate ^(d)	48%	87%	99%	74%	58%	60%
Ratios/supplemental data based on average net assets applicable to common shares:						
Ratio of expenses:						
With fee waivers and/or expense reimbursements	1.72% ^(e)	1.67%	1.49%	1.54%	1.67%	2.38%

With fee waivers and/or expense reimbursements excluding interest, facilities and maintenance fees	1.17%(e)	1.21%	1.11%	1.13%	1.20%	1.95%
Without fee waivers and/or expense reimbursements	1.72%(e)	1.67%	1.53%	1.63%	1.83%	2.38%
Ratio of net investment income to average net assets	7.32%(e)(f)	7.13%	6.81%	7.36%	7.96%	8.69%
Asset coverage per \$1,000 unit of senior indebtedness(g)	\$ 3,749	\$ 3,453	\$ 3,749	\$ 3,872	\$ 3,812	\$ 3,628
Total borrowings (000 s omitted)	\$ 47,550	\$ 47,550	\$ 50,550	\$ 50,550	\$ 50,550	\$ 23,500

(a) Calculated using average shares outstanding.

(b) Includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. Not annualized for periods less than one year, if applicable.

(c) Total return assumes an investment at the common share market price at the beginning of the period indicated, reinvestment of all distributions for the period in accordance with the Trust's dividend reinvestment plan, and sale of all shares at the closing common share market price at the end of the period indicated. Not annualized for periods less than one year, if applicable.

(d) Portfolio turnover is calculated at the fund level and is not annualized for periods less than one year, if applicable. For the year ended February 28, 2013, the portfolio turnover calculation excludes the value of securities purchased of \$94,353,288 and sold of \$25,036,644 in the effort to realign the Trust's portfolio holdings after the reorganization of Invesco High Yield Investments into the Trust.

(e) Ratios are annualized and based on average daily net assets applicable to common shares (000 s omitted) of \$125,426.

(f) Amount includes the effect of insurance settlement proceeds related to Auction Rate Preferred Shares previously issued by the Trust and the effect of a one-time reimbursement of custody expenses. The ratio of net investment income excluding these payments would have been 6.81%.

(g) Calculated by subtracting the Trust's total liabilities (not including the Borrowings) from the Trust's total assets and dividing by the total number of senior indebtedness units, where one unit equals \$1,000 of senior indebtedness.

Approval of Investment Advisory and Sub-Advisory Contracts

The Board of Trustees (the Board) of Invesco High Income Trust II (the Fund) is required under the Investment Company Act of 1940, as amended, to approve annually the renewal of the Fund's investment advisory agreements. During contract renewal meetings held on June 7-8, 2016, the Board as a whole, and the disinterested or independent Trustees, who comprise over 75% of the Board, voting separately, approved the continuance for the Fund of the Master Investment Advisory Agreement with Invesco Advisers, Inc. (Invesco Advisers and the investment advisory agreement) and the Master Intergroup Sub-Advisory Contract for Mutual Funds with Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. (collectively, the Affiliated Sub-Advisers and the sub-advisory contracts) for another year, effective July 1, 2016.

In evaluating the fairness and reasonableness of compensation under the Fund's investment advisory agreement and sub-advisory contracts, the Board considered, among other things, the factors discussed below. The Board determined that continuation of the Fund's investment advisory agreement and the sub-advisory contracts is in the best interest of the Fund and its shareholders and that the compensation payable to Invesco Advisers and the Affiliated Sub-Advisers under the agreements is fair and reasonable.

The Board's Fund Evaluation Process

The Board's Investments Committee has established three Sub-Committees, which meet throughout the year to review the performance of funds advised by Invesco Advisers (the Invesco Funds). Over the course of each year, the Sub-Committees meet with portfolio managers for their assigned Invesco Funds and other members of management to review the performance, investment objective(s), policies, strategies, limitations and investment risks of these funds. The Board had the benefit of reports from the Sub-Committees and Investments Committee throughout the year in considering approval of the continuance of each Invesco Fund's investment advisory agreement and sub-advisory contracts for another year.

During the contract renewal process, the Board receives comparative performance and fee data regarding the Invesco Funds prepared by Invesco Advisers and Broadridge Financial Solutions, Inc., an independent provider of investment company data. The Board also receives an independent written evaluation from the Senior Officer, an officer of the Invesco Funds who reports directly to the independent Trustees. The Senior Officer's evaluation is prepared as part of his responsibility to manage

the process by which the Invesco Funds' proposed management fees are negotiated during the annual contract renewal process to ensure they are negotiated in a manner that is at arms' length and reasonable. In addition to meetings with Invesco Advisers and fund counsel, the independent Trustees also discuss the continuance of the investment advisory agreement and sub-advisory contracts in separate sessions with the Senior Officer and with independent legal counsel.

The Trustees recognized that the advisory fee rates for the Invesco Funds are, in many cases, the result of years of review and negotiation. The Trustees' deliberations and conclusions in a particular year may be based in part on their deliberations and conclusions regarding these arrangements throughout the year and in prior years. The Trustees' review and conclusions are based on the comprehensive consideration of all information presented to them and are not the result of any single determinative factor. Moreover, one Trustee may have weighed a particular piece of information or factor differently than another Trustee.

The discussion below is a summary of the Senior Officer's independent written evaluation with respect to the Fund's investment advisory agreement as well as a discussion of the material factors and related conclusions that formed the

basis for the Board's approval of the Fund's investment advisory agreement and sub-advisory contracts. Unless otherwise stated, this information is current as of June 8, 2016, and does not reflect consideration of factors that became known to the Board after that date.

Factors and Conclusions and Summary of Independent Written Fee Evaluation

A. Nature, Extent and Quality of Services Provided by Invesco Advisers and the Affiliated Sub-Advisers

The Board reviewed the advisory services provided to the Fund by Invesco Advisers under the Fund's investment advisory agreement, the performance of Invesco Advisers in providing these services, and the credentials and experience of the officers and employees of Invesco Advisers who provide these services, including the Fund's portfolio manager or managers. The Board's review of the qualifications of Invesco Advisers to provide advisory services included the Board's consideration of Invesco Advisers' investment process oversight, independent credit analysis and investment risk management. The Board also considered non-advisory services that Invesco Advisers and its affiliates provide to the Invesco Funds such as various back office support functions, trading operations, internal audit, valuation and legal and compliance.

In determining whether to continue the Fund's investment advisory agreement, the

Board considered the benefits of reapproving an existing relationship and the greater uncertainty that may be associated with entering into a new relationship. The Board concluded that the nature, extent and quality of the services provided to the Fund by Invesco Advisers are appropriate and satisfactory and consistent with the terms of the Fund's investment advisory agreement.

The Board reviewed the services that may be provided by the Affiliated Sub-Advisers under the sub-advisory contracts and the credentials and experience of the officers and employees of the Affiliated Sub-Advisers who provide these services. The Board noted that the Affiliated Sub-Advisers have offices and personnel that are located in financial centers around the world. As a result, the Board noted that the Affiliated Sub-Advisers can provide research and investment analysis on the markets and economies of various countries in which the Fund may invest, make recommendations regarding securities and assist with security trades. The Board concluded that the sub-advisory contracts may benefit the Fund and its shareholders by permitting Invesco Advisers to use the resources and talents of the Affiliated Sub-Advisers in managing the Fund. The Board concluded that the nature, extent and quality of the services that may be provided by the Affiliated Sub-Advisers are appropriate and satisfactory and consistent with the terms of the Fund's sub-advisory contracts.

B. Fund Performance

The Board considered Fund performance as a relevant factor in considering whether to approve the investment advisory agreement. The Board did not view Fund performance as a relevant factor in considering whether to approve the sub-advisory contracts for the Fund, as no Affiliated Sub-Adviser currently manages assets of the Fund.

The Board compared the Fund's performance during the past one, three and five calendar years to the performance of funds in the Broadridge performance universe and against the Lipper Closed-End High Yield Leveraged Bond Funds Index. The Board noted that the Fund's performance was in the second quintile of its performance universe for the one year period, the third quintile for the three year period and the first quintile for the five year period (the first quintile being the best performing funds and the fifth quintile being the worst performing funds). The Board noted that the Fund's performance was above the performance of the Index for the one, three and five year periods. The Trustees also reviewed more recent Fund performance and this review did not change their conclusions.

C. Advisory and Sub-Advisory Fees

The Board compared the Fund's contractual management fee rate to the contractual management fee rates of funds in the Fund's

Broadridge expense group at a common asset level. The Board noted that the contractual management fee rate for shares of the Fund was below the median contractual management fee rate of funds in its expense group. The Board noted that the term contractual management fee for funds in the expense group may include both advisory and certain administrative services fees, but that Broadridge does not provide information on a fund by fund basis as to what is included. The Board noted that Invesco Advisers does not separately charge the Invesco Funds for the administrative services included in the term as defined by Broadridge. The Board also reviewed the methodology used by Broadridge in providing expense group information, which includes using each fund's contractual management fee schedule (including any applicable breakpoints) as reported in the most recent audited annual reports for each fund in the expense group.

The Board noted that Invesco Advisers and the Affiliated Sub-Advisers do not manage other funds or client accounts with investment strategies comparable to those of the Fund.

The Board also considered the services that may be provided by the Affiliated Sub-Advisers pursuant to the sub-advisory contracts, as well as the fees payable by Invesco Advisers to the Affiliated Sub-Advisers pursuant to the sub-advisory contracts. The Board also noted that the sub-advisory fees are not paid directly by the Fund, but rather, are payable by Invesco Advisers to the Affiliated Sub-Advisers.

D. Economies of Scale and Breakpoints

The Board noted that most closed-end funds do not have fund level breakpoints because closed-end funds generally do not experience substantial asset growth after the initial public offering. The Board noted that although the Fund does not benefit from economies of scale through contractual breakpoints, the Fund shares directly in economies of scale through lower fees charged by third party service providers based on the combined size of the Invesco Funds and other clients advised by Invesco Advisers.

E. Profitability and Financial Resources

The Board reviewed information from Invesco Advisers concerning the costs of the advisory and other services that Invesco Advisers and its affiliates provide to the Fund and the Invesco Funds and the profitability of Invesco Advisers and its affiliates in providing these services. The Board received information from Invesco Advisers and a report from an independent consultant engaged by the Senior Officer about the methodology used to prepare the profitability information. The Board noted that Invesco Advisers continues to operate at a net profit from services Invesco Advisers and its affiliates provide to the Invesco Funds and the Fund. The Board did not deem the level of profits realized by Invesco Advisers and its affiliates from providing services to the Fund to be excessive given the nature, quality and extent of the services provided. The Board received and accepted information from Invesco

Advisers demonstrating that Invesco Advisers and each Affiliated Sub-Adviser are financially sound and have the resources necessary to perform their obligations under the investment advisory agreement and sub-advisory contracts.

F. Collateral Benefits to Invesco Advisers and its Affiliates

The Board considered various other benefits received by Invesco Advisers and its affiliates from the relationship with the Fund. The Board considered the organizational structure employed to provide these services.

The Board considered that the Fund's uninvested cash may be invested in money market funds advised by Invesco Advisers pursuant to procedures approved by the Board. The Board noted that Invesco Advisers receives advisory fees from these affiliated money market funds attributable to such investments, although Invesco Advisers has contractually agreed to waive through varying periods the advisory fees payable by the Invesco Funds with respect to investments in the affiliated money market funds. The waiver is in an amount equal to 100% of the net advisory fee Invesco Advisers receives from the affiliated money market funds with respect to the Fund's investment in the affiliated money market funds of uninvested cash.

Distribution Information**Correction notice**

For the distribution that was paid in June 2016, the Fund previously reported estimated sources of its dividends on a per share basis. Under Rule 19a-1(e) of the Investment Company Act of 1940, the Fund has updated its estimated sources to include a return of principal.

The following table sets forth on a per share basis the distribution that was paid in June 2016. Included in the table is a written statement of the sources of the distribution on a generally accepted accounting principles (GAAP) basis.

		Gain from			
		Net Income	Sale of Securities	Return of Principal	Total Distribution
06/30/16	Common Shares	\$ 0.0930	\$ 0.000	\$ 0.0045	\$ 0.0975

Please note that the information in the preceding chart is for financial accounting purposes only. Shareholders should be aware that the tax treatment of distributions likely differs from GAAP treatment. Form 1099-DIV for the calendar year will report distributions for U.S. federal income tax purposes. This Notice is sent to comply with certain U.S. Securities and Exchange Commission requirements.

Proxy Results

A Joint Annual Meeting (Meeting) of Shareholders of Invesco High Income Trust II (the Fund) was held on August 26, 2016. The Meeting was held for the following purpose:

(1) Election of Trustees by Common Shareholders.

The results of the voting on the above matter were as follows:

Matter	Votes	
	Votes For	Withheld
(1) Albert R. Dowden	5,532,998	1,485,076
Eli Jones	5,531,299	1,486,775
Prema Mathai-Davis	5,513,635	1,504,439
Raymond Stickel, Jr.	5,562,228	1,455,846

Correspondence information

Send general correspondence to Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170.

Trust holdings and proxy voting information

The Trust provides a complete list of its holdings four times in each fiscal year, at the quarter ends. For the second and fourth quarters, the lists appear in the Trust's semiannual and annual reports to shareholders. For the first and third quarters, the Trust files the lists with the Securities and Exchange Commission (SEC) on Form N-Q. The most recent list of portfolio holdings is available at invesco.com/us. Shareholders can also look up the Trust's Forms N-Q on the SEC website at sec.gov. Copies of the Trust's Forms N-Q may be reviewed and copied at the SEC Public Reference Room in Washington, D.C. You can obtain information on the operation of the Public Reference Room, including information about duplicating fee charges, by calling 202 551 8090 or 800 732 0330, or by electronic request at the following email address: publicinfo@sec.gov. The SEC file number for the Trust is shown below.

A description of the policies and procedures that the Trust uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, from our Client Services department at 800 341 2929 or at invesco.com/proxyguidelines. The information is also available on the SEC website, sec.gov.

Information regarding how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 is available at invesco.com/proxysearch. In addition, this information is available on the SEC website at sec.gov.

SEC file number: 811-05769 VK-CE-HINC2-SAR-1

ITEM 2. CODE OF ETHICS.

There were no amendments to the Code of Ethics (the "Code") that applies to the Registrant's Principal Executive Officer ("PEO") and Principal Financial Officer ("PFO") during the period covered by the report. The Registrant did not grant any waivers, including implicit waivers, from any provisions of the Code to the PEO or PFO during the period covered by this report.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

PricewaterhouseCoopers LLP informed the Trust that it has identified an issue related to its independence under Rule 2-01(c)(1)(ii)(A) of Regulation S-X (referred to as the Loan Rule). The Loan Rule prohibits accounting firms, such as PricewaterhouseCoopers LLP, from being deemed independent if they have certain financial relationships with their audit clients or certain affiliates of those clients. The Trust is required under various securities laws to have its financial statements audited by an independent accounting firm.

The Loan Rule specifically provides that an accounting firm would not be independent if it receives a loan from a lender that is a record or beneficial owner of more than ten percent of an audit client's equity securities. For purposes of the Loan Rule, audit clients include the Funds as well as all registered investment companies advised by the Adviser and its affiliates, including other subsidiaries of the Adviser's parent company, Invesco Ltd. (collectively, the Invesco Fund Complex). PricewaterhouseCoopers LLP informed the Trust it has relationships with lenders who hold, as record owner, more than ten percent of the shares of certain funds within the Invesco Fund Complex. These relationships call into question PricewaterhouseCoopers LLP's independence under the Loan Rule with respect to those funds, as well as all other funds in the Invesco Fund Complex.

On June 20, 2016, the SEC Staff issued a "no-action" letter to another mutual fund complex (see Fidelity Management & Research Company et al., No-Action Letter) related to the audit independence issue described above. In that letter, the SEC confirmed that it would not recommend enforcement action against a fund that relied on audit services performed by an audit firm that was not in compliance with the Loan Rule in certain specified circumstances. PricewaterhouseCoopers LLP has communicated that the circumstances which called into question its independence under the Loan Rule with respect to the audits of the Funds are consistent with the circumstances described in the no action letter. PricewaterhouseCoopers LLP also concluded that its objectivity and impartiality was not impaired with respect to the planning for and execution of the Funds' audits and that they have complied with PCAOB Rule 3526(b)(1) and (2), which are conditions to the Funds relying on the no action letter. Therefore, the Adviser, the Funds and PricewaterhouseCoopers LLP have concluded that PricewaterhouseCoopers LLP can continue as the Funds independent registered public accounting firm. The Invesco Fund Complex intends to rely upon the no-action letter.

If in the future the independence of PricewaterhouseCoopers LLP is called into question under the Loan Rule by circumstances that are not addressed in the SEC's no-action letter, the Fund will need to take other action in order for the Fund's filings with the SEC containing financial statements to be deemed compliant with applicable securities laws. Such additional actions could result in additional costs, impair the ability of the Funds to issue new shares or have other material adverse effects on the Funds. In addition, the SEC has indicated that the no-action relief will expire 18 months from its issuance after which the Invesco Funds will no longer be able to rely on the letter unless its term is extended or made permanent by the SEC Staff.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. SCHEDULE OF INVESTMENTS.

Investments in securities of unaffiliated issuers is included as part of the reports to stockholders filed under Item 1 of this Form.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

ITEM 11. CONTROLS AND PROCEDURES.

- (a) As of August 12, 2016, an evaluation was performed under the supervision and with the participation of the officers of the Registrant, including the Principal Executive Officer (PEO) and Principal Financial Officer (PFO), to assess the effectiveness of the Registrant's disclosure controls and procedures, as that term is defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the

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Act), as amended. Based on that evaluation, the Registrant's officers, including the PEO and PFO, concluded that, as of August 12, 2016, the Registrant's disclosure controls and procedures were reasonably designed to ensure: (1) that information required to be disclosed by the Registrant on Form N-CSR is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission; and (2) that material information relating to the Registrant is made known to the PEO and PFO as appropriate to allow timely decisions regarding required disclosure.

- (b) There have been no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the second fiscal quarter of the period covered by the report that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

- 12(a) (1) Not applicable.
- 12(a) (2) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.
- 12(a) (3) Not applicable.
- 12(b) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(b) under the Investment Company Act of 1940.

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: Invesco High Income Trust II

By: /s/ Sheri Morris
Sheri Morris
Principal Executive Officer

Date: November 4, 2016

Pursuant to the requirements of the Securities and 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/ Sheri Morris
Sheri Morris
Principal Executive Officer

Date: November 4, 2016

By: /s/ Kelli Gallegos
Kelli Gallegos
Principal Financial Officer

Date: November 4, 2016

EXHIBIT INDEX

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| 12(a) (1) | Not applicable. |
| 12(a) (2) | Certifications of principal executive officer and Principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940. |
| 12(a) (3) | Not applicable. |
| 12(b) | Certifications of principal executive officer and Principal financial officer as required by Rule 30a-2(b) under the Investment Company Act of 1940. |