

MFS MULTIMARKET INCOME TRUST
Form N-CSR
January 04, 2011
Table of Contents

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 811-4975

MFS MULTIMARKET INCOME TRUST

(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

500 Boylston Street

Boston, Massachusetts 02116

(Name and address of agents for service)

Registrant's telephone number, including area code: (617) 954-5000

Date of fiscal year end: October 31

Date of reporting period: October 31, 2010

Table of Contents

ITEM 1. REPORTS TO STOCKHOLDERS.

Table of Contents

Annual report

MFS® Multimarket Income Trust

10/31/10

MMT-ANN

Table of Contents

MFS® Multimarket Income Trust

New York Stock Exchange Symbol: **MMT**

<u>LETTER FROM THE CEO</u>	1
<u>PORTFOLIO COMPOSITION</u>	2
<u>MANAGEMENT REVIEW</u>	4
<u>PERFORMANCE SUMMARY</u>	6
<u>INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS OF THE FUND</u>	8
<u>PORTFOLIO MANAGERS PROFILES</u>	11
<u>DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN</u>	12
<u>PORTFOLIO OF INVESTMENTS</u>	13
<u>STATEMENT OF ASSETS AND LIABILITIES</u>	39
<u>STATEMENT OF OPERATIONS</u>	40
<u>STATEMENTS OF CHANGES IN NET ASSETS</u>	41
<u>STATEMENT OF CASH FLOWS</u>	42
<u>FINANCIAL HIGHLIGHTS</u>	43
<u>NOTES TO FINANCIAL STATEMENTS</u>	45
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	60
<u>RESULTS OF SHAREHOLDER MEETING</u>	61
<u>TRUSTEES AND OFFICERS</u>	62
<u>BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT</u>	67
<u>PROXY VOTING POLICIES AND INFORMATION</u>	72
<u>QUARTERLY PORTFOLIO DISCLOSURE</u>	72
<u>FURTHER INFORMATION</u>	72
<u>FEDERAL TAX INFORMATION</u>	72
<u>MFS® PRIVACY NOTICE</u>	73
<u>CONTACT INFORMATION</u> BACK COVER	

NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

Table of Contents

LETTER FROM THE CEO

Dear Shareholders:

After an extended rebound in the financial markets, uncertainty returned in early 2010 as investors began to question the durability of the recovery for global economies and markets. That uncertainty led to increased risk aversion, especially as investors saw the eurozone struggle with the debt woes of many of its members. In September, the U.S. Federal Reserve Board's promises to further loosen monetary policy helped assuage market fears and drive asset prices off their recent lows. A combination of solid earnings and improving economic data gave an additional boost to investor sentiment. As we near the end of 2010, we are cautiously optimistic that economic growth will continue to improve and that the global economies will recover from the shocks of the past few years. We expect the pace of recovery worldwide will be uneven and volatile.

As always, we continue to be mindful of the many challenges faced at the individual, national, and international levels. It is in times such as these that we want to remind investors of the merits of maintaining a long-term view, adhering to basic investing principles such as asset allocation and diversification, and working closely with their advisors to research and identify investment opportunities.

Respectfully,

Robert J. Manning

Chairman and Chief Executive Officer

MFS Investment Management®

December 15, 2010

The opinions expressed in this letter are subject to change, may not be relied upon for investment advice, and no forecasts can be guaranteed.

Table of Contents**PORTFOLIO COMPOSITION****Portfolio structure (i)****Fixed income sectors (i)**

High Yield Corporates	59.4%
Emerging Markets Bonds	25.5%
High Grade Corporates	14.2%
Non-U.S. Government Bonds	7.7%
Commercial Mortgage-Backed Securities	5.3%
Floating Rate Loans	1.3%
Asset-Backed Securities	0.5%
Collateralized Debt Obligations	0.5%
U.S. Treasury Securities	(8.2)%

Composition including fixed income credit quality (a)(i)

AAA	7.7%
AA	7.8%
A	6.8%
BBB	21.3%
BB	31.1%
B	30.7%
CCC	8.9%
CC	0.3%
C	0.1%
D (o)	0.0%
Other Fixed Income (NR)	(8.5)%
Non-Fixed Income (NR)	0.2%
Cash & Other	(6.4)%

Portfolio facts (i)

Average Duration (d)	5.5
Average Effective Maturity (m)	8.4 yrs.

Issuer country weightings (i)

United States	57.2%
Brazil	3.2%
Russia	2.9%
Japan	2.7%
Indonesia	2.6%
United Kingdom	2.5%
Mexico	2.2%
Peru	1.7%
Italy	1.6%
Other Countries	23.4%

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- (a) The rating categories include debt securities and fixed-income structured products where these have long-term public ratings. All ratings are assigned in accordance with the following hierarchy: If a security is rated by Moody's, then that rating is used; if not rated by Moody's, then a Standard & Poor's rating is used; if not rated by S&P, then a Fitch rating is used. Ratings from Moody's are shown in the S&P and Fitch scale (e.g., AAA). All ratings are subject to change. Other Fixed Income (NR) includes unrated

Table of Contents

Portfolio Composition continued

long-term fixed income securities, interest rate swaps and fixed income futures. Non-Fixed Income (NR) includes equity securities (including convertible bonds and equity derivatives) and commodities. Cash and Other includes cash, other assets less liabilities, offsets to derivative positions and short-term securities. The fund may not hold all of these instruments.

- (d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value due to the interest rate move.

- (i) For purposes of this presentation, the components include the market value of securities, and reflect the impact of the equivalent exposure of derivative positions, if applicable. These amounts may be negative from time to time. The bond component will include any accrued interest amounts. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than market value. Where the fund holds convertible bonds, these are treated as part of the equity portion of the portfolio.

- (m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.

- (o) Less than 0.1%.
From time to time Cash & Other Net Assets may be negative due to borrowings for leverage transactions, timing of cash receipts, and/or equivalent exposure from any derivative holdings.

Percentages are based on net assets as of 10/31/10.

The portfolio is actively managed and current holdings may be different.

Table of Contents

MANAGEMENT REVIEW

Summary of Results

MFS Multimarket Income Trust (the fund) is a closed-end fund and maintains a portfolio that includes investments in high-yield and investment-grade corporate bonds, emerging markets debt securities, U.S. government securities, and international investment-grade debt securities.

For the twelve months ended October 31, 2010, shares of the MFS Multimarket Income Trust provided a total return of 18.08%, at net asset value. This compares with a return of 19.35% for the fund's benchmark, the Barclays Capital U.S. High-Yield Corporate Bond Index. Over the same period, the fund's other benchmark, the Multimarket Income Trust Blended Index (the Blended Index), generated a return of 15.42%. The Blended Index reflects the blended returns of various fixed income market indices, with percentage allocations to each index designed to resemble the fixed income allocations of the fund. The market indices and related percentage allocations used to compile the Blended Index are set forth in the Performance Summary.

Market Environment

The first half of the reporting period witnessed a continuation of the financial market and macroeconomic rebounds that had begun in early 2009. These recoveries in global activity and asset valuations were generally synchronized around the world, led importantly by emerging Asian economies, but broadening to include most of the global economy to varying degrees. Primary drivers of the recoveries included an unwinding of the inventory destocking that took place earlier, the production of manufacturing and capital goods, as well as massive fiscal and monetary stimulus.

During the second half of the period, heightened risk surrounding the public-debt profiles of several of the peripheral European countries impaired market sentiment. At the same time, the improving trend in global macroeconomic data began to weaken somewhat. These two dynamics caused many asset prices to retrench significantly, as many questioned the durability of the global recovery.

Towards the end of the period, the U.S. Federal Reserve led markets to believe that further monetary loosening would be forthcoming if macroeconomic activity did not show signs of improvement. Although policy uncertainty remained very elevated, the prospects for more easing by the Fed improved market sentiment and drove asset prices well off their recent lows.

Detractors from Performance

A lesser exposure to CCC rated (r) securities detracted from returns relative to the Blended Index. These securities exhibited strong performance for the

Table of Contents

Management Review continued

reporting period as credit spreads narrowed. The fund’s exposure to asset-backed securities and commercial mortgage-backed securities, which underperformed the Blended Index, also dampened relative returns.

Contributors to Performance

The fund’s return from yield, which was greater than that of the Blended Index, was a key contributor to performance. A greater relative exposure to BB and B rated securities, which outperformed higher-rated securities over the reporting period, also boosted performance. Yield curve (y) positioning, particularly our greater exposure to shifts in the middle portion of the yield curve (centered around maturities of 7 years), was another positive factor for the fund’s results.

A greater relative exposure to bonds in the *financial* sector helped relative returns. Holdings within this sector outperformed the Blended Index over the reporting period. Similarly, the fund benefited from its greater relative exposure to the *industrial* sector.

Respectfully,

John Addeo	David Cole	Richard Hawkins	Matthew Ryan
Portfolio Manager	Portfolio Manager	Portfolio Manager	Portfolio Manager

(r) Bonds rated BBB, Baa, or higher are considered investment grade; bonds rated BB, Ba, or below are considered non-investment grade. The primary source for bond quality ratings is Moody’s Investors Service. If not available, ratings by Standard & Poor’s are used, else ratings by Fitch, Inc. For securities which are not rated by any of the three agencies, the security is considered Not Rated.

(y) A yield curve graphically depicts the yields of different maturity bonds of the same credit quality and type; a normal yield curve is upward sloping, with short-term rates lower than long-term rates.

The views expressed in this report are those of the portfolio managers only through the end of the period of the report as stated on the cover and do not necessarily reflect the views of MFS or any other person in the MFS organization. These views are subject to change at any time based on market or other conditions, and MFS disclaims any responsibility to update such views. These views may not be relied upon as investment advice or an indication of trading intent on behalf of any MFS portfolio. References to specific securities are not recommendations of such securities, and may not be representative of any MFS portfolio’s current or future investments.

Table of Contents**PERFORMANCE SUMMARY** THROUGH 10/31/10

The following chart represents the fund's historical performance in comparison to its benchmark(s). Investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than their original cost; current performance may be lower or higher than quoted. The performance shown does not reflect the deduction of taxes, if any, that a shareholder would pay on fund distributions or the sale of fund shares. Performance data shown represents past performance and is no guarantee of future results.

Price Summary for MFS Multimarket Income Trust

Year Ended 10/31/10

	Date	Price
Net Asset Value	10/31/10	\$7.44
	10/31/09	\$6.83
New York Stock Exchange Price	10/31/10	\$7.11
	10/20/10 (high) (t)	\$7.12
	11/05/09 (low) (t)	\$6.06
	10/31/09	\$6.06

Total Returns vs Benchmarks

Year Ended 10/31/10

MFS Multimarket Income Trust at	
New York Stock Exchange Price (r)	27.18%
Net Asset Value (r)	18.08%
Barclays Capital U.S. High-Yield Corporate Bond Index (f)	19.35%
Multimarket Income Trust Blended Index (f)(x)	15.42%

(f) Source: FactSet Research Systems Inc.

(r) Includes reinvestment of dividends and capital gain distributions.

(t) For the period November 1, 2009 through October 31, 2010.

(x) Multimarket Income Trust Blended Index is at a point in time and allocations during the period can change. As of October 31, 2010, the blended index was comprised of 25% Barclays Capital U.S. Corporate Bond Index, 25% Barclays Capital U.S. High-Yield Corporate Bond Index, 7% JPMorgan Emerging Markets Bond Index Global, 18% Citigroup World Government Bond Non-Dollar Hedged Index and 25% Barclays Capital U.S. Government/Mortgage Bond Index.

Benchmark Definitions

Barclays Capital U.S. Corporate Bond Index covers U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities sold by industrial, utility and

Table of Contents

Performance Summary continued

financial issuers. It includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. This index generated a total return of 11.61% for the year ended October 31, 2010.

Barclays Capital U.S. Government/Mortgage Bond Index measures debt issued by the U.S. Government, and its agencies, as well as mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). This index generated a total return of 6.50% for the year ended October 31, 2010.

Barclays Capital U.S. High-Yield Corporate Bond Index a market capitalization-weighted index that measures the performance of non-investment grade, fixed rate debt. Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded.

Citigroup World Government Bond Non-Dollar Hedged Index a market capitalization-weighted index that is designed to represent the currency-hedged performance of the international developed government bond markets, excluding the United States. This index generated a total return of 4.34% for the year ended October 31, 2010.

JPMorgan Emerging Markets Bond Index Global measures the performance of U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds. This index generated a total return of 17.70% for the year ended October 31, 2010.

It is not possible to invest directly in an index.

Notes to Performance Summary

The fund's shares may trade at a discount or premium to net asset value. Shareholders do not have the right to cause the fund to repurchase their shares at net asset value. When fund shares trade at a premium, buyers pay more than the net asset value underlying fund shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the fund's liquidation. As a result, the total return that is calculated based on the net asset value and New York Stock Exchange price can be different.

The fund's monthly distributions may include a return of capital to shareholders to the extent that distributions are in excess of the fund's net investment income and net capital gains, determined in accordance with federal income tax regulations. Distributions that are treated for federal income tax purposes as a return of capital will reduce each shareholder's basis in his or her shares and, to the extent the return of capital exceeds such basis, will be treated as gain to the shareholder from a sale of shares. Returns of shareholder capital have the effect of reducing the fund's assets and increasing the fund's expense ratio.

From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.

Table of Contents

INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS OF THE FUND

Investment Objective

The fund's investment objective is to seek high current income, but may also consider capital appreciation. The fund's objective may be changed without shareholder approval.

Principal Investment Strategies

Massachusetts Financial Services Company (MFS), the fund's investment adviser, normally invests at least 80% of the fund's net assets in fixed income securities. This policy may not be changed without shareholder approval.

MFS considers debt instruments of all types to be fixed income securities.

MFS normally invests the fund's assets in U.S. Government securities, foreign government securities, mortgage-backed and other asset-backed securities of U.S. and foreign issuers, corporate bonds of U.S. and/or foreign issuers, and/or debt instruments of issuers located in emerging market countries. MFS allocates the fund's assets across these categories with a view toward broad diversification across and within these categories. MFS may also invest the fund's assets in equity securities.

MFS may invest up to 100% of the fund's assets in lower quality debt instruments.

MFS may invest the fund's assets in U.S. and foreign securities, including emerging market securities.

MFS may invest a relatively large percentage of the fund's assets in instruments of issuers in a single country, a small number of countries, or a particular geographic region.

MFS may use derivatives for any investment purpose, including to earn income and enhance returns, to increase or decrease exposure to a particular market, to manage or adjust the risk profile of the fund, or as alternatives to direct investments.

MFS uses a bottom-up investment approach to buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of individual issuers and/or instruments in light of issuers' financial condition and market, economic, political, and regulatory conditions. Factors considered for debt instruments may include the instrument's credit quality, collateral characteristics and indenture provisions and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. Factors considered for equity securities may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. Quantitative models

Table of Contents

Investment Objective, Principal Investment Strategies and Risks of the Fund continued

that systematically evaluate the structure of a debt instrument and its features or the valuation, price and earnings momentum, earnings quality and other factors of the issuer of an equity security may also be considered.

The fund may use leverage by borrowing up to 33 1/3% of the fund's assets, including borrowings for investment purposes, and investing the proceeds pursuant to its investment strategies. If approved by the fund's Board of Trustees, the fund may use leverage by other methods.

MFS may engage in active and frequent trading in pursuing the fund's principal investment strategies.

In response to market, economic, political, or other conditions, MFS may depart from the fund's principal investment strategies by temporarily investing for defensive purposes.

Principal Risks

The fund may not achieve its objective and/or you could lose money on your investment in the fund. Investments in debt instruments may decline in value as the result of increases in interest rates, declines in the credit quality of the issuer, borrower, counterparty or underlying collateral, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile. Investments in foreign markets through issuers or currencies can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical, or other conditions. Emerging markets can have less market structure, depth, and regulatory oversight and greater political, social, and economic instability than developed markets. Investments in derivatives can be used to take both long and short positions, be highly volatile, result in leverage (which can magnify losses), and involve risks in addition to the risks of the underlying indicator(s) on which the derivative is based, such as counterparty and liquidity risk. Investments in lower-quality debt instruments can be more volatile and have greater risk of default than higher-quality debt instruments. The fund's performance could be more volatile than the performance of more diversified funds. The market price of common shares of the fund will be based on factors such as the supply and demand for common shares in the market and general market, economic, political or regulatory conditions. Whether shareholders will realize gains or losses upon the sale of common shares of the fund will depend on the market price of common shares at the time of the sale, not on the fund's net asset value. The market price may be lower or higher than the fund's net asset value. Shares of closed-end funds frequently trade at a discount to their net asset value. Leverage involves investment exposure in an amount exceeding the initial investment. Leverage can cause increased volatility by magnifying gains

Table of Contents

Investment Objective, Principal Investment Strategies and Risks of the Fund continued

or losses. Please see the fund's registration statement for further information regarding these and other risk considerations. A copy of the fund's registration statement on Form N-2 is available on the EDGAR database on the Securities and Exchange Commission's Internet Web site at <http://sec.gov>.

In accordance with Section 23(c) of the Investment Company Act of 1940, the fund hereby gives notice that it may from time to time repurchase shares of the fund in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.

Table of Contents

PORTFOLIO MANAGERS PROFILES

Richard Hawkins	Investment Officer of MFS; employed in the investment management area of MFS since 1988. Portfolio Manager of the Fund since April 2006.
John Addeo	Investment Officer of MFS; employed in the investment management area of MFS since 1998. Portfolio Manager of the Fund since February 2005.
David Cole	Investment Officer of MFS; employed in the investment management area of MFS since 2004. Portfolio Manager of the Fund since October 2006.
Matthew Ryan	Investment Officer of MFS; employed in the investment management area of MFS since 1997. Portfolio Manager of the Fund since September 2004.

Table of Contents

DIVIDEND REINVESTMENT AND

CASH PURCHASE PLAN

The fund offers a Dividend Reinvestment and Cash Purchase Plan (the Plan) that allows common shareholders to reinvest either all of the distributions paid by the fund or only the long-term capital gains. Generally, purchases are made at the market price unless that price exceeds the net asset value (the shares are trading at a premium). If the shares are trading at a premium, purchases will be made at a price of either the net asset value or 95% of the market price, whichever is greater. You can also buy shares on a quarterly basis in any amount \$100 and over. The Plan Agent will purchase shares under the Cash Purchase Plan on the 15th of January, April, July, and October or shortly thereafter.

If shares are registered in your own name, new shareholders will automatically participate in the Plan, unless you have indicated that you do not wish to participate. If your shares are in the name of a brokerage firm, bank, or other nominee, you can ask the firm or nominee to participate in the Plan on your behalf. If the nominee does not offer the Plan, you may wish to request that your shares be re-registered in your own name so that you can participate. There is no service charge to reinvest distributions, nor are there brokerage charges for shares issued directly by the fund. However, when shares are bought on the New York Stock Exchange or otherwise on the open market, each participant pays a pro rata share of the transaction expenses, including commissions. Dividends and capital gains distributions are taxable whether received in cash or reinvested in additional shares the automatic reinvestment of distributions does not relieve you of any income tax that may be payable (or required to be withheld) on the distributions.

You may withdraw from the Plan at any time by going to the Plan Agent's website at www.computershare.com, by calling 1-800-637-2304 any business day from 9 a.m. to 5 p.m. Eastern time or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078. Please have available the name of the fund and your account number. For certain types of registrations, such as corporate accounts, instructions must be submitted in writing. Please call for additional details. When you withdraw from the Plan, you can receive the value of the reinvested shares in one of three ways: your full shares will be held in your account, the Plan Agent will sell your shares and send the proceeds to you, or you may transfer your full shares to your investment professional who can hold or sell them. Additionally, the Plan Agent will sell your fractional shares and send the proceeds to you.

If you have any questions or for further information or a copy of the Plan, contact the Plan Agent Computershare Trust Company, N.A. (the Transfer Agent for the fund) at 1-800-637-2304, at the Plan Agent's website at www.computershare.com, or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078.

Table of Contents**PORTFOLIO OF INVESTMENTS**

10/31/10

The Portfolio of Investments is a complete list of all securities owned by your fund. It is categorized by broad-based asset classes.

Bonds - 113.2%		
Issuer	Shares/Par	Value (\$)
Aerospace - 1.0%		
Alliant Techsystems, Inc., 6.875%, 2020	\$ 565,000	\$ 594,662
BE Aerospace, Inc., 8.5%, 2018	1,135,000	1,271,200
BE Aerospace, Inc., 6.875%, 2020	390,000	414,375
Bombardier, Inc., 7.5%, 2018 (n)	1,285,000	1,403,862
Bombardier, Inc., 7.45%, 2034 (n)	210,000	205,800
Hawker Beechcraft Acquisition Co. LLC, 8.5%, 2015	1,220,000	983,625
Oshkosh Corp., 8.25%, 2017	370,000	404,225
Oshkosh Corp., 8.5%, 2020	435,000	481,763
		\$ 5,759,512
Airlines - 0.2%		
American Airlines Pass-Through Trust, 7.377%, 2019	\$ 412,122	\$ 389,455
Continental Airlines, Inc., 7.25%, 2021	195,000	216,450
GOL Linhas Aereas Inteligentes S.A., 9.25%, 2020 (n)	569,000	597,450
		\$ 1,203,355
Apparel Manufacturers - 0.3%		
Hanesbrands, Inc., 8%, 2016	\$ 820,000	\$ 887,650
Phillips-Van Heusen Corp., 7.375%, 2020	920,000	997,050
		\$ 1,884,700
Asset-Backed & Securitized - 6.2%		
ARCap REIT, Inc., CDO, H , 6.075%, 2045 (z)	\$ 2,000,000	\$ 125,000
Banc of America Commercial Mortgage, Inc., FRN, 5.741%, 2051	2,000,000	2,144,868
Bayview Financial Acquisition Trust, FRN, 5.483%, 2041	928,512	927,191
Bayview Financial Revolving Mortgage Loan Trust, FRN, 1.855%, 2040 (z)	3,028,849	1,353,896
Citigroup Commercial Mortgage Trust, FRN, 5.698%, 2049	390,311	137,844
Citigroup/Deutsche Bank Commercial Mortgage Trust, FRN, 5.366%, 2049	1,160,000	1,059,186
Crest Ltd., CDO, 7%, 2040	2,070,613	103,531
Deutsche Mortgage & Asset Receiving Corp., FRN, 7.5%, 2031	1,161,575	1,170,391
DLJ Commercial Mortgage Corp., 6.04%, 2031 (z)	1,858,857	1,924,923
Falcon Franchise Loan LLC, FRN, 3.256%, 2025 (i)(z)	5,183,589	411,059
First Union National Bank Commercial Mortgage Trust, FRN, 0.83%, 2043 (i)(n)	16,429,307	55,388
First Union-Lehman Brothers Bank of America, FRN, 0.428%, 2035 (i)	17,711,310	317,824

13

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Asset-Backed & Securitized - continued		
First Union-Lehman Brothers Commercial Mortgage Trust, 7%, 2029 (n)	\$ 1,033,221	\$ 1,082,791
GMAC LLC, FRN, 6.02%, 2033 (z)	2,542,000	2,625,248
GMAC LLC, FRN, 7.643%, 2034 (n)	1,853,000	1,767,233
JPMorgan Chase Commercial Mortgage Securities Corp., 5.552%, 2045	1,590,000	1,729,905
JPMorgan Chase Commercial Mortgage Securities Corp., 5.42%, 2049	2,130,000	2,230,003
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.475%, 2043	1,590,000	1,760,631
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.872%, 2045	1,590,000	1,764,120
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.817%, 2049	2,000,000	2,122,855
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 6.061%, 2051	270,000	82,221
Lehman Brothers Commercial Conduit Mortgage Trust, FRN, 0.88%, 2030 (i)	3,966,898	96,216
Merrill Lynch Mortgage Trust, FRN, B, 5.825%, 2050	270,000	87,464
Morgan Stanley Capital I, Inc., FRN, 1%, 2039 (i)(z)	11,305,870	333,523
Multi Security Asset Trust, A3, 5%, 2035 (z)	2,538,190	2,462,044
PNC Mortgage Acceptance Corp., 7.1%, 2032 (z)	1,061,677	1,061,671
Prudential Securities Secured Financing Corp., FRN, 7.285%, 2013 (z)	2,581,000	2,609,731
Structured Asset Securities Corp., FRN, 4.67%, 2035	541,982	538,059
Wachovia Bank Commercial Mortgage Trust, FRN, 5.118%, 2042	1,375,626	1,515,541
Wachovia Bank Commercial Mortgage Trust, FRN, 5.693%, 2047	1,496,845	324,363
Wachovia Bank Commercial Mortgage Trust, FRN, 5.753%, 2047	229,557	43,141
Wachovia Bank Commercial Mortgage Trust, FRN, 5.902%, 2051	2,000,000	2,099,980
		\$ 36,067,841
Automotive - 2.0%		
Accuride Corp., 9.5%, 2018 (n)	\$ 855,000	\$ 931,950
Allison Transmission, Inc., 11%, 2015 (n)	1,830,000	1,985,550
Ford Motor Credit Co. LLC, 5.625%, 2015	7,035,000	7,463,045
General Motors Corp., 7.125%, 2013 (d)	1,290,000	451,500
Goodyear Tire & Rubber Co., 10.5%, 2016	245,000	280,525
Hyundai Capital America, 3.75%, 2016 (n)	245,000	249,552
		\$ 11,362,122
Basic Industry - 0.2%		
TriMas Corp., 9.75%, 2017 (n)	\$ 1,045,000	\$ 1,140,356

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Biotechnology - 0.0%		
UHS Escrow Corp., 7%, 2018 (n)	\$ 210,000	\$ 221,550
Broadcasting - 2.7%		
Allbritton Communications Co., 8%, 2018	\$ 595,000	\$ 614,337
Entravision Communications Corp., 8.75%, 2017 (n)	300,000	321,375
Inmarsat Finance PLC, 7.375%, 2017 (n)	1,590,000	1,701,300
Intelsat Jackson Holdings Ltd., 9.5%, 2016	4,430,000	4,729,025
Intelsat Jackson Holdings Ltd., 7.25%, 2020 (n)	735,000	751,537
Lamar Media Corp., 6.625%, 2015	340,000	348,925
Local TV Finance LLC, 10%, 2015 (p)(z)	706,151	606,702
Newport Television LLC, 13%, 2017 (n)(p)	365,374	318,484
Nexstar Broadcasting Group, Inc., 0.5% to 2011, 7% to 2014 (n)(p)	533,664	495,507
Nexstar Broadcasting Group, Inc., 7%, 2014	175,000	166,250
Salem Communications Corp., 9.625%, 2016	344,000	375,820
Sinclair Broadcast Group, Inc., 9.25%, 2017 (n)	570,000	627,000
Sinclair Broadcast Group, Inc., 8.375%, 2018 (n)	195,000	202,800
SIRIUS XM Radio, Inc., 8.75%, 2015 (n)	1,010,000	1,089,538
Univision Communications, Inc., 12%, 2014 (n)	208,000	230,100
Univision Communications, Inc., 9.75%, 2015 (n)(p)	2,285,489	2,393,478
Univision Communications, Inc., 7.875%, 2020 (z)	445,000	467,250
Young Broadcasting, Inc., 8.75%, 2014 (d)	215,000	0
		\$ 15,439,428
Brokerage & Asset Managers - 0.7%		
E*TRADE Financial Corp., 7.875%, 2015	\$ 690,000	\$ 682,237
E*TRADE Financial Corp., 12.5%, 2017	375,000	434,062
Janus Capital Group, Inc., 6.95%, 2017	2,555,000	2,675,811
Nuveen Investments, Inc., 10.5%, 2015	335,000	350,075
		\$ 4,142,185
Building - 1.3%		
Building Materials Holding Corp., 6.875%, 2018 (n)	\$ 755,000	\$ 755,000
Building Materials Holding Corp., 7%, 2020 (n)	470,000	489,975
CEMEX Finance Europe B.V., 9.625%, 2017 (n)	EUR 660,000	874,955
CEMEX Finance LLC, 9.5%, 2016 (n)	\$ 1,341,000	1,354,410
Masco Corp., 7.125%, 2020	505,000	530,080
Nortek, Inc., 11%, 2013	1,917,644	2,042,291
Owens Corning, 9%, 2019	735,000	890,991
Ply Gem Industries, Inc., 11.75%, 2013	585,000	628,144
		\$ 7,565,846

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Business Services - 1.2%		
First Data Corp., 9.875%, 2015	\$ 1,660,000	\$ 1,402,700
Interactive Data Corp., 10.25%, 2018 (n)	635,000	694,531
Iron Mountain, Inc., 6.625%, 2016	1,250,000	1,256,250
Iron Mountain, Inc., 8.375%, 2021	420,000	470,925
SunGard Data Systems, Inc., 9.125%, 2013	1,510,000	1,545,863
SunGard Data Systems, Inc., 10.25%, 2015	1,020,000	1,074,825
Terremark Worldwide, Inc., 12%, 2017	705,000	808,988
		\$ 7,254,082
Cable TV - 4.6%		
Cablevision Systems Corp., 8.625%, 2017	\$ 630,000	\$ 711,112
CCH II LLC, 13.5%, 2016	745,000	892,137
Charter Communications Holding Co. LLC, 7.875%, 2018 (n)	715,000	759,687
Charter Communications Holding Co. LLC, 8.125%, 2020 (n)	675,000	729,000
Charter Communications Operating LLC, 10.875%, 2014 (n)	580,000	661,200
Cox Communications, Inc., 4.625%, 2013	1,744,000	1,884,141
CSC Holdings LLC, 8.5%, 2014	1,325,000	1,477,375
CSC Holdings LLC, 8.5%, 2015	2,515,000	2,769,644
DIRECTV Holdings LLC, 5.2%, 2020	3,340,000	3,627,544
EchoStar Corp., 7.125%, 2016	1,765,000	1,870,900
Insight Communications Co., Inc., 9.375%, 2018 (n)	700,000	759,500
Mediacom LLC, 9.125%, 2019	1,325,000	1,401,188
Myriad International Holdings B.V., 6.375%, 2017 (n)	1,181,000	1,241,822
TCI Communications, Inc., 9.8%, 2012	1,135,000	1,253,728
Time Warner Cable, Inc., 5%, 2020	2,630,000	2,853,858
Videotron LTEE, 6.875%, 2014	1,520,000	1,540,900
Virgin Media Finance PLC, 9.125%, 2016	1,720,000	1,838,250
Virgin Media Finance PLC, 9.5%, 2016	680,000	772,650
		\$ 27,044,636
Chemicals - 3.2%		
Ashland, Inc., 9.125%, 2017	\$ 2,490,000	\$ 2,869,725
Braskem S.A., 7%, 2020 (n)	1,357,000	1,457,418
Celanese U.S. Holdings LLC, 6.625%, 2018 (n)	630,000	669,375
Dow Chemical Co., 8.55%, 2019	1,500,000	1,926,505
Hexion Specialty Chemicals, Inc., 8.875%, 2018	1,515,000	1,626,731
Hexion U.S. Finance Corp/Hexion Nova Scotia Finance, 9%, 2020 (z)	280,000	291,200
Huntsman International LLC, 8.625%, 2021 (n)	1,415,000	1,551,194
Linde Finance B.V., 6% to 2013, FRN to 2049	EUR 101,000	147,249
Lumena Resources Corp., 12%, 2014 (n)	\$ 958,000	901,717
Lyondell Chemical Co., 11%, 2018	1,287,686	1,442,208
Momentive Performance Materials, Inc., 12.5%, 2014	1,438,000	1,642,915

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Chemicals - continued		
Momentive Performance Materials, Inc., 11.5%, 2016	\$ 374,000	\$ 404,855
Momentive Performance Materials, Inc., 9%, 2021 (z)	565,000	586,188
Mosaic Co., 7.625%, 2016 (n)	695,000	754,573
Omnova Solutions, Inc., 7.875%, 2018 (z)	380,000	388,550
Rhodia S.A., 6.875%, 2020 (n)	330,000	346,913
Sociedad Quimica y Minera de Chile S.A., 5.5%, 2020 (n)	568,000	603,997
Solutia, Inc., 7.875%, 2020	1,175,000	1,296,906
		\$ 18,908,219
Computer Software - 0.4%		
Seagate Technology HDD Holdings, 6.375%, 2011	\$ 1,967,000	\$ 2,021,093
Computer Software - Systems - 0.3%		
DuPont Fabros Technology, Inc., REIT, 8.5%, 2017	\$ 1,785,000	\$ 1,932,262
Conglomerates - 0.5%		
Actuant Corp., 6.875%, 2017	\$ 1,495,000	\$ 1,526,769
Amsted Industries, Inc., 8.125%, 2018 (n)	905,000	954,775
Pinafore LLC, 9%, 2018 (n)	390,000	417,300
		\$ 2,898,844
Construction - 0.2%		
Corporacion GEO S.A.B. de C.V., 8.875%, 2014 (n)	\$ 477,000	\$ 538,414
Corporacion GEO S.A.B. de C.V., 9.25%, 2020 (n)	377,000	434,964
		\$ 973,378
Consumer Products - 1.1%		
ACCO Brands Corp., 10.625%, 2015	\$ 140,000	\$ 158,025
ACCO Brands Corp., 7.625%, 2015	435,000	430,650
Central Garden & Pet Co., 8.25%, 2018	765,000	803,250
Easton-Bell Sports, Inc., 9.75%, 2016	490,000	536,550
Fortune Brands, Inc., 5.125%, 2011	1,179,000	1,188,235
Jarden Corp., 7.5%, 2017	1,440,000	1,531,800
Libbey Glass, Inc., 10%, 2015 (n)	740,000	804,750
NBTY, Inc., 9%, 2018 (n)	145,000	154,063
Visant Corp., 10%, 2017 (n)	965,000	1,027,725
		\$ 6,635,048
Consumer Services - 1.5%		
KAR Holdings, Inc., 10%, 2015	\$ 1,700,000	\$ 1,797,750
KAR Holdings, Inc., FRN, 4.286%, 2014	1,135,000	1,061,225
Service Corp. International, 7.375%, 2014	500,000	546,250
Service Corp. International, 7%, 2017	3,300,000	3,514,500

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Consumer Services - continued		
Ticketmaster Entertainment, Inc., 10.75%, 2016	\$ 1,890,000	\$ 2,093,175
		\$ 9,012,900
Containers - 1.1%		
Crown Americas LLC, 7.75%, 2015	\$ 1,215,000	\$ 1,263,600
Graham Packaging Holdings Co., 9.875%, 2014	1,625,000	1,685,937
Graham Packaging Holdings Co., 8.25%, 2018 (n)	195,000	201,825
Greif, Inc., 6.75%, 2017	1,515,000	1,579,387
Owens-Illinois, Inc., 7.375%, 2016	550,000	599,500
Reynolds Group, 7.75%, 2016 (n)	470,000	498,200
Reynolds Group, 7.125%, 2019 (z)	570,000	594,225
		\$ 6,422,674
Defense Electronics - 0.2%		
ManTech International Corp., 7.25%, 2018	\$ 610,000	\$ 648,125
MOOG, Inc., 7.25%, 2018	445,000	466,138
		\$ 1,114,263
Electronics - 0.6%		
Freescale Semiconductor, Inc., 10.125%, 2018 (n)	\$ 500,000	\$ 548,750
Freescale Semiconductor, Inc., 9.25%, 2018 (n)	710,000	759,700
Jabil Circuit, Inc., 7.75%, 2016	1,345,000	1,550,112
NXP B.V., 7.875%, 2014	445,000	461,688
NXP B.V., 9.75%, 2018 (n)	107,000	116,764
		\$ 3,437,014
Emerging Market Quasi-Sovereign - 8.8%		
Banco del Estado de Chile, 4.125%, 2020 (z)	\$ 470,000	\$ 472,712
Banco do Brasil (Cayman Branch), FRN, 8.5%, 2049	738,000	878,220
Banco do Brasil S.A., 5.375%, 2021 (n)	1,764,000	1,779,435
BNDES Participacoes S.A., 6.5%, 2019 (n)	607,000	700,326
BNDES Participacoes S.A., 5.5%, 2020 (n)	277,000	299,160
Citic Resources Holdings Ltd., 6.75%, 2014	1,078,000	1,135,943
Corporacion Nacional del Cobre de Chile, 3.75%, 2020 (z)	1,540,000	1,526,248
Dubai Electricity & Water Authority, 6.375%, 2016 (z)	820,000	812,264
Dubai Electricity & Water Authority, 7.375%, 2020 (z)	1,609,000	1,582,408
Ecopetrol S.A., 7.625%, 2019	821,000	1,009,830
Empresa Nacional del Petroleo, 5.25%, 2020 (n)	389,000	410,445
Gaz Capital S.A., 8.125%, 2014 (n)	1,540,000	1,749,825
KazMunaiGaz Finance B.V., 8.375%, 2013	1,078,000	1,181,758
KazMunaiGaz Finance B.V., 11.75%, 2015 (n)	2,793,000	3,466,811
KazMunaiGaz Finance B.V., 9.125%, 2018 (n)	713,000	857,668
Majapahit Holding B.V., 7.25%, 2017 (n)	1,469,000	1,722,402

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Emerging Market Quasi-Sovereign - continued		
Majapahit Holding B.V., 7.25%, 2017	\$ 1,425,000	\$ 1,670,813
Majapahit Holding B.V., 8%, 2019 (n)	1,197,000	1,485,776
Majapahit Holding B.V., 7.75%, 2020 (n)	1,741,000	2,132,725
OAO Gazprom, 6.212%, 2016	1,886,000	1,999,349
Pemex Project Funding Master Trust, 5.75%, 2018	1,341,000	1,505,531
Petrobras International Finance Co., 7.875%, 2019	1,583,000	2,000,727
Petroleos Mexicanos, 8%, 2019	1,382,000	1,776,008
Petroleos Mexicanos, 6%, 2020	1,610,000	1,817,690
Petroleos Mexicanos, 5.5%, 2021	994,000	1,080,677
Petroleum Co. of Trinidad & Tobago Ltd., 9.75%, 2019 (n)	476,000	593,334
Petroleum Co. of Trinidad & Tobago Ltd., 6%, 2022	653,000	676,671
Qatari Diar Finance Q.S.C., 5%, 2020 (n)	1,529,000	1,600,308
Qtel International Finance Ltd., 3.375%, 2016 (z)	365,000	363,690
Qtel International Finance Ltd., 7.875%, 2019	447,000	549,152
Qtel International Finance Ltd., 7.875%, 2019 (n)	487,000	598,294
Qtel International Finance Ltd., 4.75%, 2021 (z)	580,000	574,195
Ras Laffan Liquefied Natural Gas Co. Ltd., 8.294%, 2014 (n)	1,757,000	1,948,074
Ras Laffan Liquefied Natural Gas Co. Ltd., 6.75%, 2019 (n)	2,459,000	2,938,249
SCF Capital Ltd., 5.375%, 2017 (z)	1,134,000	1,112,441
State Bank of India, 4.5%, 2015 (n)	1,197,000	1,250,266
VEB Finance Ltd., 6.902%, 2020 (n)	1,177,000	1,258,213
VTB Capital S.A., 6.465%, 2015 (n)	813,000	841,455
VTB Capital S.A., 6.551%, 2020 (z)	2,028,000	2,048,686
		\$ 51,407,779
Emerging Market Sovereign - 8.7%		
Dominican Republic, 7.5%, 2021 (n)	\$ 453,000	\$ 518,685
Government of Ukraine, 6.875%, 2015 (n)	698,000	700,443
Government of Ukraine, 7.75%, 2020 (n)	485,000	489,850
Republic of Argentina, 2.5% to 2019, 3.75% to 2029, 5.25% to 2038	1,888,000	864,704
Republic of Argentina, FRN, 0.677%, 2012	1,302,100	1,208,731
Republic of Argentina, FRN, 8.28%, 2033	3,953,412	3,749,811
Republic of Colombia, 7.375%, 2019	716,000	914,690
Republic of Colombia, 8.125%, 2024	679,000	926,835
Republic of Colombia, 7.375%, 2037	946,000	1,262,910
Republic of Indonesia, 6.875%, 2018 (n)	516,000	622,451
Republic of Indonesia, 6.875%, 2018	1,676,000	2,021,759
Republic of Indonesia, 11.625%, 2019 (n)	872,000	1,351,600
Republic of Indonesia, 11.625%, 2019	733,000	1,136,150
Republic of Indonesia, 7.75%, 2038 (n)	1,559,000	2,096,855
Republic of Panama, 8.875%, 2027	1,273,000	1,899,953

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Emerging Market Sovereign - continued		
Republic of Panama, 9.375%, 2029	\$ 1,746,000	\$ 2,680,110
Republic of Panama, 6.7%, 2036	265,000	332,973
Republic of Peru, 7.35%, 2025	544,000	722,160
Republic of Peru, 8.75%, 2033	2,935,000	4,484,680
Republic of Philippines, 9.375%, 2017	1,576,000	2,119,720
Republic of Philippines, 6.5%, 2020	1,686,000	2,025,223
Republic of Philippines, 6.375%, 2034	2,181,000	2,524,508
Republic of Serbia, 6.75%, 2024	793,633	785,697
Republic of South Africa, 5.5%, 2020	999,000	1,131,368
Republic of Sri Lanka, 6.25%, 2020 (n)	285,000	296,044
Republic of Turkey, 7%, 2019	1,953,000	2,389,984
Republic of Turkey, 5.625%, 2021	670,000	748,725
Republic of Venezuela, 5.75%, 2016	3,742,000	2,666,175
Republic of Venezuela, 7.65%, 2025	1,345,000	817,760
Republic of Vietnam, 6.75%, 2020	808,000	917,080
Russian Federation, 7.5%, 2030	2,015,540	2,408,570
Ukraine Government International, 6.58%, 2016	1,418,000	1,393,185
United Mexican States, 5.625%, 2017	1,364,000	1,577,466
United Mexican States, 5.95%, 2019	268,000	317,714
United Mexican States, 5.75%, 2110	408,000	405,290
		\$ 50,509,859
Energy - Independent - 3.8%		
Anadarko Petroleum Corp., 5.95%, 2016	\$ 625,000	\$ 683,531
Anadarko Petroleum Corp., 8.7%, 2019	440,000	544,711
Anadarko Petroleum Corp., 6.45%, 2036	270,000	268,628
Anadarko Petroleum Corp., 6.2%, 2040	590,000	566,874
Atlas Energy Operating Co. LLC, 10.75%, 2018	340,000	382,500
Carrizo Oil & Gas, Inc., 8.625%, 2018 (z)	1,010,000	1,022,625
Denbury Resources, Inc., 8.25%, 2020	855,000	953,325
Harvest Operations Corp., 6.875%, 2017 (n)	900,000	945,000
Hilcorp Energy I LP, 9%, 2016 (n)	1,415,000	1,492,825
Linn Energy LLC, 8.625%, 2020 (n)	160,000	172,800
Linn Energy LLC, 7.75%, 2021 (n)	792,000	817,740
Newfield Exploration Co., 6.625%, 2014	435,000	444,788
Newfield Exploration Co., 6.625%, 2016	845,000	878,800
OPTI Canada, Inc., 9.75%, 2013 (n)	685,000	698,700
OPTI Canada, Inc., 8.25%, 2014	960,000	727,200
Penn Virginia Corp., 10.375%, 2016	1,340,000	1,474,000
Pioneer Natural Resources Co., 6.875%, 2018	1,400,000	1,529,136
Pioneer Natural Resources Co., 7.5%, 2020	1,015,000	1,143,193
Plains Exploration & Production Co., 7%, 2017	2,225,000	2,302,875

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Energy - Independent - continued		
QEP Resources, Inc., 6.875%, 2021	\$ 945,000	\$ 1,027,688
Quicksilver Resources, Inc., 8.25%, 2015	1,120,000	1,139,600
Quicksilver Resources, Inc., 9.125%, 2019	875,000	934,063
Range Resources Corp., 8%, 2019	560,000	620,200
SandRidge Energy, Inc., 8%, 2018 (n)	1,470,000	1,470,000
		\$ 22,240,802
Energy - Integrated - 0.8%		
CCL Finance Ltd., 9.5%, 2014 (n)	\$ 2,118,000	\$ 2,470,117
CCL Finance Ltd., 9.5%, 2014	471,000	549,304
Pacific Rubiales Energy Corp., 8.75%, 2016 (n)	1,327,000	1,504,486
		\$ 4,523,907
Entertainment - 0.7%		
AMC Entertainment, Inc., 11%, 2016	\$ 1,895,000	\$ 2,020,544
AMC Entertainment, Inc., 8.75%, 2019	890,000	953,412
Cinemark USA, Inc., 8.625%, 2019	1,220,000	1,316,075
		\$ 4,290,031
Financial Institutions - 2.6%		
American General Finance Corp., 6.9%, 2017	\$ 930,000	\$ 774,225
CIT Group, Inc., 7%, 2014	1,090,000	1,095,450
CIT Group, Inc., 7%, 2016	1,410,000	1,404,712
CIT Group, Inc., 7%, 2017	4,445,000	4,422,775
GMAC, Inc., 8.3%, 2015 (z)	2,600,000	2,834,000
International Lease Finance Corp., 5.625%, 2013	525,000	528,281
International Lease Finance Corp., 8.75%, 2017 (n)	1,475,000	1,677,812
International Lease Finance Corp., 7.125%, 2018 (n)	932,000	1,025,200
Kazakhstan Temir Zholy Finance B.V., 6.375%, 2020 (n)	241,000	251,845
Nationstar Mortgage LLC, 10.875%, 2015 (z)	390,000	352,950
SLM Corp., 8%, 2020	590,000	596,353
		\$ 14,963,603
Food & Beverages - 2.4%		
Anheuser-Busch InBev S.A., 7.75%, 2019 (n)	\$ 2,000,000	\$ 2,586,312
ARAMARK Corp., 8.5%, 2015	1,495,000	1,569,750
B&G Foods, Inc., 7.625%, 2018	615,000	654,975
CEDC Finance Corp. International, Inc., 9.125%, 2016 (n)	1,310,000	1,414,800
Constellation Brands, Inc., 7.25%, 2016	1,615,000	1,776,500
Del Monte Foods Co., 6.75%, 2015	1,825,000	1,879,750
Pinnacle Foods Finance LLC, 9.25%, 2015	1,115,000	1,174,931
TreeHouse Foods, Inc., 7.75%, 2018	945,000	1,035,956

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Food & Beverages - continued		
Tyson Foods, Inc., 7.35%, 2016	\$ 1,520,000	\$ 1,691,000
		\$ 13,783,974
Food & Drug Stores - 0.3%		
CVS Caremark Corp., 6.125%, 2016	\$ 1,300,000	\$ 1,539,733
Forest & Paper Products - 1.8%		
Boise, Inc., 8%, 2020	\$ 1,100,000	\$ 1,188,000
Cascades, Inc., 7.75%, 2017	1,025,000	1,095,469
Georgia-Pacific Corp., 7.125%, 2017 (n)	2,395,000	2,574,625
Georgia-Pacific Corp., 5.4%, 2020 (z)	585,000	590,850
Georgia-Pacific Corp., 8%, 2024	695,000	849,637
Georgia-Pacific Corp., 7.25%, 2028	270,000	297,000
Graphic Packaging Holding Co., 7.875%, 2018	615,000	650,362
JSG Funding PLC, 7.75%, 2015	65,000	66,787
Sappi Papier Holding GmbH, 6.75%, 2012 (z)	440,000	445,493
Sino-Forest Corp., 6.25%, 2017 (z)	237,000	237,889
Smurfit Kappa Group PLC, 7.75%, 2019 (n)	EUR 600,000	887,273
Suzano Trading Ltd., 5.875%, 2021 (n)	\$ 368,000	369,840
UPM-Kymmene Corp., 6.125%, 2012	EUR 100,000	145,400
Votorantim Participacoes S.A., 6.75%, 2021 (n)	\$ 883,000	972,404
		\$ 10,371,029
Gaming & Lodging - 3.6%		
Ameristar Casinos, Inc., 9.25%, 2014	\$ 920,000	\$ 995,900
Firekeepers Development Authority, 13.875%, 2015 (n)	760,000	891,100
Fontainebleau Las Vegas Holdings LLC, 10.25%, 2015 (d)(n)	405,000	1,162
Gaylord Entertainment Co., 6.75%, 2014	1,710,000	1,714,275
GWR Operating Partnership LLP, 10.875%, 2017 (n)	710,000	749,050
Harrah s Operating Co., Inc., 11.25%, 2017	1,500,000	1,657,500
Harrah s Operating Co., Inc., 10%, 2018	2,000	1,735
Harrah s Operating Co., Inc., 10%, 2018	490,000	425,075
Host Hotels & Resorts, Inc., 6.75%, 2016	3,550,000	3,687,562
Host Hotels & Resorts, Inc., 9%, 2017	1,220,000	1,375,550
MGM Mirage, 10.375%, 2014	190,000	213,750
MGM Mirage, 11.125%, 2017	470,000	540,500
MGM Mirage, 9%, 2020 (n)	860,000	940,625
MGM Resorts International, 11.375%, 2018	730,000	757,375
Penn National Gaming, Inc., 8.75%, 2019	1,555,000	1,722,163
Pinnacle Entertainment, Inc., 7.5%, 2015	435,000	432,825
Royal Caribbean Cruises Ltd., 11.875%, 2015	385,000	481,250
Starwood Hotels & Resorts Worldwide, Inc., 6.75%, 2018	990,000	1,096,425

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Gaming & Lodging - continued		
Station Casinos, Inc., 6.5%, 2014 (d)	\$ 325,000	\$ 449
Station Casinos, Inc., 6.875%, 2016 (d)	1,450,000	174
Wyndham Worldwide Corp., 6%, 2016	1,415,000	1,511,050
Wyndham Worldwide Corp., 7.375%, 2020	595,000	659,904
Wynn Las Vegas LLC, 7.75%, 2020 (n)	820,000	889,700
		\$ 20,745,099
Industrial - 0.8%		
Altra Holdings, Inc., 8.125%, 2016	\$ 595,000	\$ 622,519
Baldor Electric Co., 8.625%, 2017	1,760,000	1,878,800
Diversey, Inc., 8.25%, 2019	720,000	787,500
Great Lakes Dredge & Dock Corp., 7.75%, 2013	725,000	734,062
Mueller Water Products, Inc., 7.375%, 2017	365,000	330,325
Mueller Water Products, Inc., 8.75%, 2020 (n)	499,000	540,791
		\$ 4,893,997
Insurance - 2.5%		
AIG SunAmerica Global Financing X, 6.9%, 2032 (n)	\$ 2,384,000	\$ 2,604,520
Allianz AG, 5.5% to 2014, FRN to 2049	EUR 140,000	193,878
American International Group, Inc., 8.175% to 2038, FRN to 2058	\$ 3,170,000	3,376,050
ING Groep N.V., 5.775% to 2015, FRN to 2049	4,595,000	4,238,887
MetLife, Inc., 9.25% to 2038, FRN to 2068 (n)	1,500,000	1,807,500
Unum Group, 7.125%, 2016	1,829,000	2,111,215
		\$ 14,332,050
Insurance - Property & Casualty - 1.2%		
Liberty Mutual Group, Inc., 10.75% to 2038, FRN to 2088 (n)	\$ 1,615,000	\$ 2,002,600
USI Holdings Corp., FRN, 4.16%, 2014 (n)	1,495,000	1,293,175
XL Group PLC, 6.5% to 2017, FRN to 2049	775,000	693,625
ZFS Finance USA Trust II, 6.45% to 2016, FRN to 2065 (n)	2,310,000	2,217,600
ZFS Finance USA Trust IV, 5.875% to 2012, FRN to 2062 (n)	146,000	139,189
ZFS Finance USA Trust V, 6.5% to 2017, FRN to 2067 (n)	680,000	650,250
		\$ 6,996,439
International Market Quasi-Sovereign - 0.7%		
Bank of Ireland, 2.75%, 2012 (n)	\$ 1,520,000	\$ 1,468,168
Canada Housing Trust, 4.6%, 2011 (n)	CAD 294,000	296,629
Irish Life & Permanent PLC, 3.6%, 2013 (e)(n)	\$ 2,500,000	2,342,295
		\$ 4,107,092

Table of Contents*Portfolio of Investments continued*

Issuer		Shares/Par	Value (\$)
Bonds - continued			
International Market Sovereign - 6.6%			
Federal Republic of Germany, 3.75%, 2015	EUR	1,265,000	\$ 1,916,231
Federal Republic of Germany, 4.25%, 2018	EUR	766,000	1,211,868
Federal Republic of Germany, 6.25%, 2030	EUR	489,000	993,873
Government of Canada, 4.5%, 2015	CAD	531,000	580,607
Government of Canada, 4.25%, 2018	CAD	251,000	275,714
Government of Canada, 5.75%, 2033	CAD	96,000	128,325
Government of Japan, 1.5%, 2012	JPY	318,000,000	4,038,738
Government of Japan, 1.3%, 2014	JPY	131,000,000	1,695,904
Government of Japan, 1.7%, 2017	JPY	372,600,000	5,001,401
Government of Japan, 2.2%, 2027	JPY	358,200,000	4,806,740
Kingdom of Belgium, 5.5%, 2017	EUR	218,000	353,293
Kingdom of Spain, 4.6%, 2019	EUR	379,000	547,710
Kingdom of Sweden, 4.5%, 2015	SEK	1,965,000	323,006
Kingdom of the Netherlands, 3.75%, 2014	EUR	770,000	1,157,989
Kingdom of the Netherlands, 5.5%, 2028	EUR	262,000	481,380
Republic of Austria, 4.65%, 2018	EUR	774,000	1,221,961
Republic of Finland, 3.875%, 2017	EUR	531,000	812,248
Republic of France, 4.75%, 2012	EUR	406,000	604,665
Republic of France, 4.75%, 2035	EUR	789,000	1,345,155
Republic of Italy, 4.75%, 2013	EUR	3,231,000	4,755,973
Republic of Italy, 5.25%, 2017	EUR	1,903,000	2,962,189
United Kingdom Treasury, 8%, 2015	GBP	943,000	1,964,488
United Kingdom Treasury, 8%, 2021	GBP	304,000	699,487
United Kingdom Treasury, 4.25%, 2036	GBP	432,000	705,402
			\$ 38,584,347
Machinery & Tools - 0.7%			
Case Corp., 7.25%, 2016	\$	1,065,000	\$ 1,160,850
Case New Holland, Inc., 7.875%, 2017 (n)		1,960,000	2,190,300
Rental Service Corp., 9.5%, 2014		865,000	902,844
			\$ 4,253,994
Major Banks - 2.9%			
Bank of America Corp., 5.65%, 2018	\$	2,000,000	\$ 2,104,968
Bank of America Corp., 8% to 2018, FRN to 2049		1,395,000	1,407,792
BNP Paribas, 5.186% to 2015, FRN to 2049 (n)		2,099,000	2,009,792
BNP Paribas Capital Trust III, 6.625% to 2011, FRN to 2049	EUR	100,000	139,876
Credit Suisse (USA), Inc., 6%, 2018	\$	1,500,000	1,685,367
Goldman Sachs Group, Inc., 7.5%, 2019		2,000,000	2,407,508
HSBC USA, Inc., 4.875%, 2020		470,000	488,321
JPMorgan Chase & Co., 7.9% to 2018, FRN to 2049		500,000	533,005
JPMorgan Chase Capital XXII, 6.45%, 2087		324,000	312,203
JPMorgan Chase Capital XXVII, 7%, 2039		85,000	85,984

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Major Banks - continued		
Morgan Stanley, 6.625%, 2018	\$ 2,000,000	\$ 2,246,462
National Westminster Bank PLC, FRN, 3.092%, 2049	EUR 330,000	362,842
Royal Bank of Scotland Group PLC, 7.648% to 2031, FRN to 2049	\$ 1,545,000	1,498,650
Royal Bank of Scotland Group PLC, 6.99% to 2017, FRN to 2049 (d)(n)	435,000	357,244
UniCredito Luxembourg Finance S.A., 6%, 2017 (n)	990,000	1,023,973
		\$ 16,663,987
Medical & Health Technology & Services - 4.9%		
Biomet, Inc., 10%, 2017	\$ 560,000	\$ 621,600
Biomet, Inc., 11.625%, 2017	925,000	1,041,781
Community Health Systems, Inc., 8.875%, 2015	2,955,000	3,161,850
Cooper Cos., Inc., 7.125%, 2015	1,020,000	1,058,250
Dasa Finance Corp., 8.75%, 2018	800,000	900,000
Davita, Inc., 6.375%, 2018	905,000	925,362
Davita, Inc., 6.625%, 2020	480,000	493,800
Fresenius Medical Care AG & Co. KGaA, 9%, 2015 (n)	875,000	1,021,562
HCA, Inc., 9.25%, 2016	4,555,000	4,930,787
HCA, Inc., 8.5%, 2019	765,000	860,625
HealthSouth Corp., 8.125%, 2020	2,200,000	2,376,000
Owens & Minor, Inc., 6.35%, 2016	1,420,000	1,456,954
Psychiatric Solutions, Inc., 7.75%, 2015	440,000	457,600
Psychiatric Solutions, Inc., 7.75%, 2015	410,000	426,400
Tenet Healthcare Corp., 9.25%, 2015	1,560,000	1,723,800
Tenet Healthcare Corp., 8%, 2020 (n)	395,000	401,419
U.S. Oncology, Inc., 10.75%, 2014	825,000	854,906
United Surgical Partners International, Inc., 8.875%, 2017	560,000	589,400
United Surgical Partners International, Inc., 9.25%, 2017 (p)	650,000	687,375
Universal Hospital Services, Inc., 8.5%, 2015 (p)	1,640,000	1,709,700
Vanguard Health Systems, Inc., 8%, 2018	1,225,000	1,290,844
VWR Funding, Inc., 10.25%, 2015 (p)	1,415,000	1,496,363
		\$ 28,486,378
Metals & Mining - 3.3%		
Arch Coal, Inc., 7.25%, 2020	\$ 490,000	\$ 536,550
Arch Western Finance LLC, 6.75%, 2013	668,000	674,680
Bumi Investment Pte Ltd., 10.75%, 2017 (n)	500,000	521,665
Cloud Peak Energy, Inc., 8.25%, 2017	1,475,000	1,604,062
Cloud Peak Energy, Inc., 8.5%, 2019	1,135,000	1,248,500
CONSOL Energy, Inc., 8%, 2017 (n)	1,255,000	1,374,225
CONSOL Energy, Inc., 8.25%, 2020 (n)	505,000	563,075
Gold Fields Orogen Holdings Ltd., 4.875%, 2020 (z)	2,352,000	2,308,573
International Steel Group, Inc., 6.5%, 2014	1,300,000	1,445,907

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Metals & Mining - continued		
Peabody Energy Corp., 5.875%, 2016	\$ 1,420,000	\$ 1,439,525
Rearden G Holdings Eins GmbH, 7.875%, 2020 (n)	213,000	230,839
Southern Copper Corp., 5.375%, 2020	220,000	233,396
Southern Copper Corp., 7.5%, 2035	2,746,000	3,160,808
Southern Copper Corp., 6.75%, 2040	744,000	799,357
Teck Resources Ltd., 9.75%, 2014	366,000	455,731
Teck Resources Ltd., 10.25%, 2016	428,000	528,580
U.S. Steel Corp., 7.375%, 2020	760,000	793,250
Vale Overseas Ltd., 4.625%, 2020	681,000	705,042
Vale Overseas Ltd., 6.875%, 2039	474,000	543,876
		\$ 19,167,641
Natural Gas - Distribution - 0.6%		
AmeriGas Partners LP, 7.25%, 2015	\$ 1,830,000	\$ 1,889,475
Ferrellgas Partners LP, 8.625%, 2020	895,000	988,975
Inergy LP, 6.875%, 2014	650,000	664,625
		\$ 3,543,075
Natural Gas - Pipeline - 2.0%		
Atlas Pipeline Partners LP, 8.125%, 2015	\$ 1,150,000	\$ 1,184,500
Atlas Pipeline Partners LP, 8.75%, 2018	375,000	391,875
CenterPoint Energy, Inc., 7.875%, 2013	1,250,000	1,439,499
Crosstex Energy, Inc., 8.875%, 2018	1,030,000	1,112,400
El Paso Corp., 8.25%, 2016	925,000	1,051,031
El Paso Corp., 7%, 2017	1,770,000	1,929,367
El Paso Corp., 7.75%, 2032	749,000	802,083
Energy Transfer Equity LP, 7.5%, 2020	485,000	528,650
Enterprise Products Partners LP, FRN, 8.375%, 2066	527,000	555,985
Enterprise Products Partners LP, FRN, 7.034%, 2068	340,000	351,050
Kinder Morgan Energy Partners LP, 5.125%, 2014	1,147,000	1,278,148
MarkWest Energy Partners LP, 6.875%, 2014	925,000	945,812
MarkWest Energy Partners LP, 8.75%, 2018	220,000	241,450
		\$ 11,811,850
Network & Telecom - 3.4%		
Axtel S.A.B. de C.V., 9%, 2019 (n)	\$ 719,000	\$ 664,176
BellSouth Corp., 6.55%, 2034	3,213,000	3,521,843
Cincinnati Bell, Inc., 8.25%, 2017	1,350,000	1,370,250
Cincinnati Bell, Inc., 8.75%, 2018	1,220,000	1,180,350
Citizens Communications Co., 9%, 2031	1,230,000	1,371,450
Frontier Communications Corp., 8.25%, 2017	290,000	330,600
Frontier Communications Corp., 8.5%, 2020	935,000	1,079,925
Nordic Telephone Co. Holdings, 8.875%, 2016 (n)	1,395,000	1,478,700

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Network & Telecom - continued		
Qwest Communications International, Inc., 8%, 2015	\$ 1,480,000	\$ 1,609,500
Qwest Communications International, Inc., 7.125%, 2018 (n)	1,500,000	1,593,750
Telefonica Emisiones S.A.U., 2.582%, 2013	1,050,000	1,077,483
Telemar Norte Leste S.A., 5.5%, 2020 (z)	1,133,000	1,140,081
Windstream Corp., 8.625%, 2016	2,445,000	2,597,813
Windstream Corp., 8.125%, 2018 (n)	220,000	237,050
Windstream Corp., 7.75%, 2020 (n)	580,000	614,800
		\$ 19,867,771
Oil Services - 0.6%		
Allis-Chalmers Energy, Inc., 8.5%, 2017	\$ 345,000	\$ 346,725
Basic Energy Services, Inc., 7.125%, 2016	335,000	318,250
Edgen Murray Corp., 12.25%, 2015	530,000	430,625
Expro Finance Luxembourg, 8.5%, 2016 (n)	960,000	945,600
McJunkin Red Man Holding Corp., 9.5%, 2016 (n)	840,000	772,800
Pioneer Drilling Co., 9.875%, 2018	790,000	829,500
		\$ 3,643,500
Oils - 0.4%		
LUKOIL International Finance B.V., 6.125%, 2020 (z)	\$ 1,445,000	\$ 1,431,720
Petroplus Holdings AG, 9.375%, 2019 (n)	650,000	624,000
		\$ 2,055,720
Other Banks & Diversified Financials - 3.7%		
Alfa Bank, 7.875%, 2017 (n)	\$ 1,645,000	\$ 1,661,614
Banco Cruzeiro do Sul S.A., 8.875%, 2020 (n)	335,000	350,912
Banco Internacional del Peru, 5.75%, 2020 (z)	640,000	643,200
Banco PanAmericano S.A., 8.5%, 2020 (n)	665,000	728,175
Banco Santander U.S. Debt S.A.U., 3.781%, 2015 (z)	1,500,000	1,508,624
Bangkok Bank (Hong Kong), 4.8%, 2020 (z)	1,293,000	1,278,467
Bank of China (Hong Kong) Ltd., 5.55%, 2020 (n)	1,957,000	2,069,553
Bosphorus Financial Services Ltd., FRN, 2.176%, 2012	750,000	737,531
Capital One Financial Corp., 10.25%, 2039	1,110,000	1,204,350
Citigroup Capital XXI, 8.3% to 2037, FRN to 2077	1,655,000	1,731,544
Citigroup, Inc., 6.125%, 2018	1,500,000	1,672,680
Groupe BPCE S.A., 12.5% to 2019, FRN to 2049 (n)	2,583,000	2,955,779
LBG Capital No.1 PLC, 7.875%, 2020 (n)	920,000	910,800
Santander UK PLC, 8.963% to 2030, FRN to 2049	1,200,000	1,306,151
UBS AG, 4.875%, 2020	260,000	278,757
Woori Bank, 6.125% to 2011, FRN to 2016 (n)	1,510,000	1,531,676
Zhaikmunai Finance B.V., 10.5%, 2015 (z)	907,000	894,529
		\$ 21,464,342

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Pharmaceuticals - 0.1%		
Valeant Pharmaceuticals International, Inc., 6.75%, 2017 (n)	\$ 305,000	\$ 318,344
Valeant Pharmaceuticals International, Inc., 7%, 2020 (n)	100,000	105,000
		\$ 423,344
Pollution Control - 0.1%		
Allied Waste North America, Inc., 7.125%, 2016	\$ 625,000	\$ 666,406
Precious Metals & Minerals - 0.2%		
ALROSA Finance S.A., 7.75%, 2020 (z)	\$ 1,277,000	\$ 1,281,061
Printing & Publishing - 0.3%		
American Media Operations, Inc., 9%, 2013 (p)(z)	\$ 32,523	\$ 31,710
American Media Operations, Inc., 14%, 2013 (p)(z)	341,130	205,578
Nielsen Finance LLC, 10%, 2014	253,000	265,966
Nielsen Finance LLC, 11.5%, 2016	725,000	833,750
Nielsen Finance LLC, 7.75%, 2018 (z)	475,000	492,219
		\$ 1,829,223
Railroad & Shipping - 0.3%		
Kansas City Southern Railway, 8%, 2015	\$ 1,580,000	\$ 1,706,400
Real Estate - 0.9%		
CB Richard Ellis Group, Inc., 11.625%, 2017	\$ 365,000	\$ 425,225
Country Garden Holdings Co. Ltd., 11.25%, 2017 (n)	193,000	207,494
Developers Diversified Realty Corp., REIT, 7.875%, 2020	535,000	580,701
Entertainment Properties Trust, REIT, 7.75%, 2020 (n)	990,000	1,027,125
Simon Property Group, Inc., REIT, 10.35%, 2019	2,200,000	3,109,900
		\$ 5,350,445
Retailers - 1.7%		
Couche-Tard, Inc., 7.5%, 2013	\$ 715,000	\$ 725,725
Express LLC/Express Finance Corp., 8.75%, 2018	550,000	585,750
Home Depot, Inc., 5.875%, 2036	846,000	878,851
Limited Brands, Inc., 6.9%, 2017	630,000	683,550
Limited Brands, Inc., 6.95%, 2033	360,000	335,700
Neiman Marcus Group, Inc., 10.375%, 2015	1,650,000	1,740,750
QVC, Inc., 7.375%, 2020 (n)	1,090,000	1,166,300
Rent-A-Center, Inc., 6.625%, 2020	190,000	191,900
Sally Beauty Holdings, Inc., 10.5%, 2016	1,255,000	1,377,363
Toys R Us, Inc., 10.75%, 2017	1,545,000	1,765,163
Toys R Us, Inc., 8.5%, 2017 (n)	660,000	714,450
		\$ 10,165,502

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Specialty Stores - 0.3%		
GSC Holdings Corp., 8%, 2012	\$ 259,000	\$ 267,094
Michaels Stores, Inc., 11.375%, 2016	625,000	689,063
Michaels Stores, Inc., 7.75%, 2018 (z)	725,000	717,750
Payless ShoeSource, Inc., 8.25%, 2013	227,000	230,973
		\$ 1,904,880
Steel - 0.1%		
Steel Capital S.A., 6.7%, 2017 (z)	\$ 379,000	\$ 376,661
Supermarkets - 0.2%		
Delhaize Group, 5.7%, 2040 (z)	\$ 1,395,000	\$ 1,365,559
Supranational - 0.4%		
Central American Bank, 4.875%, 2012 (n)	\$ 521,000	\$ 540,313
Eurasian Development Bank, 7.375%, 2014 (n)	160,000	176,800
European Investment Bank, 5.125%, 2017	1,500,000	1,775,256
		\$ 2,492,369
Telecommunications - Wireless - 4.0%		
Clearwire Corp., 12%, 2015 (n)	\$ 1,925,000	\$ 2,131,937
Cricket Communications, Inc., 7.75%, 2016	735,000	791,962
Crown Castle International Corp., 9%, 2015	2,330,000	2,603,775
Crown Castle International Corp., 7.75%, 2017 (n)	470,000	527,575
Crown Castle International Corp., 7.125%, 2019	370,000	407,000
Crown Castle Towers LLC, 6.113%, 2020 (n)	420,000	467,124
Digicel Group Ltd., 12%, 2014 (n)	400,000	468,500
Digicel Group Ltd., 8.25%, 2017 (n)	1,140,000	1,198,425
Digicel Group Ltd., 10.5%, 2018 (n)	880,000	969,100
Globo Comunicacoes e Participacoes S.A., 6.25% to 2015, 9.375% to 2049 (n)	322,000	331,660
Indosat Palapa Co. B.V., 7.375%, 2020 (n)	251,000	283,944
MetroPCS Wireless, Inc., 9.25%, 2014	162,000	169,695
MetroPCS Wireless, Inc., 7.875%, 2018	1,060,000	1,136,850
MTS International Funding Ltd., 8.625%, 2020 (n)	388,000	450,565
Net Servicos de Comunicacao S.A., 7.5%, 2020 (n)	1,055,000	1,222,481
Nextel Communications, 7.375%, 2015	635,000	637,381
NII Holdings, Inc., 10%, 2016	820,000	929,675
NII Holdings, Inc., 8.875%, 2019	495,000	550,688
SBA Communications Corp., 8%, 2016	340,000	374,850
SBA Communications Corp., 8.25%, 2019	590,000	663,750
Sprint Capital Corp., 6.875%, 2028	2,210,000	2,082,925
Sprint Nextel Corp., 8.375%, 2017	3,060,000	3,373,650

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Telecommunications - Wireless - continued		
Wind Acquisition Finance S.A., 12%, 2015 (n)	\$ 1,602,000	\$ 1,698,120
		\$ 23,471,632
Telephone Services - 0.2%		
Frontier Communications Corp., 8.125%, 2018	\$ 985,000	\$ 1,122,900
Tobacco - 0.5%		
Alliance One International, Inc., 10%, 2016	\$ 735,000	\$ 808,500
Reynolds American, Inc., 6.75%, 2017	2,016,000	2,285,297
		\$ 3,093,797
Transportation - Services - 1.2%		
American Petroleum Tankers LLC, 10.25%, 2015 (z)	\$ 250,000	\$ 260,000
Commercial Barge Line Co., 12.5%, 2017	1,445,000	1,629,237
Erac USA Finance Co., 7%, 2037 (n)	878,000	971,958
Hertz Corp., 8.875%, 2014	2,325,000	2,388,937
Hertz Corp., 7.5%, 2018 (n)	655,000	674,650
Navios Maritime Acquisition Corp., 8.625%, 2017 (z)	475,000	479,750
Westinghouse Air Brake Technologies Corp., 6.875%, 2013	795,000	842,700
		\$ 7,247,232
U.S. Treasury Obligations - 2.1%		
U.S. Treasury Bonds, 4.5%, 2039 (f)	\$ 11,103,000	\$ 12,074,513
Utilities - Electric Power - 3.3%		
AES Corp., 8%, 2017	\$ 2,810,000	\$ 3,091,000
Allegheny Energy Supply Co. LLC, 8.25%, 2012 (n)	805,000	869,798
Calpine Corp., 8%, 2016 (n)	940,000	1,017,550
Calpine Corp., 7.875%, 2020 (n)	255,000	267,112
CenterPoint Energy, Inc., 6.5%, 2018	600,000	691,524
Colbun S.A., 6%, 2020 (n)	997,000	1,078,698
Dynegy Holdings, Inc., 7.75%, 2019	1,590,000	1,085,175
Edison Mission Energy, 7%, 2017	1,480,000	1,091,500
Energy Future Holdings Corp., 10%, 2020 (n)	1,370,000	1,434,941
Energy Future Holdings Corp., 10%, 2020	1,770,000	1,853,902
Genon Escrow Corp., 9.875%, 2020 (z)	680,000	663,000
Mirant North America LLC, 7.375%, 2013	1,630,000	1,672,788
NRG Energy, Inc., 7.375%, 2016	1,205,000	1,254,706
System Energy Resources, Inc., 5.129%, 2014 (z)	1,147,839	1,193,466
Texas Competitive Electric Holdings LLC, 10.25%, 2015	900,000	558,000
Waterford 3 Funding Corp., 8.09%, 2017	1,516,224	1,545,715
		\$ 19,368,875
Total Bonds (Identified Cost, \$611,489,459)		\$ 660,630,106

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Convertible Bonds - 0.1%		
Automotive - 0.1%		
Accuride Corp., 7.5%, 2020 (Identified Cost, \$375,910)	\$ 188,705	\$ 556,680
Floating Rate Loans (g)(r) - 1.3%		
Aerospace - 0.1%		
Hawker Beechcraft Acquisition Co. LLC, Term Loan, 10.5%, 2014	\$ 463,648	\$ 459,012
Automotive - 0.7%		
Allison Transmission, Inc., Term Loan B, 3.02%, 2014	\$ 723,432	\$ 693,590
Ford Motor Co., Term Loan B, 3.03%, 2013	3,628,386	3,590,571
		\$ 4,284,161
Broadcasting - 0.1%		
Gray Television, Inc., Term Loan B, 3.76%, 2014	\$ 204,861	\$ 198,203
Local TV Finance LLC, Term Loan B, 2.29%, 2013	82,546	76,974
		\$ 275,177
Building - 0.0%		
Goodman Global Holdings, Inc., 2nd Lien Term Loan, 2017 (o)	\$ 56,408	\$ 57,508
Consumer Services - 0.1%		
Realty Corp., Letter of Credit, 3.25%, 2013	\$ 56,443	\$ 51,041
Realty Corp., Term Loan, 3.25%, 2013	414,083	374,449
		\$ 425,490
Financial Institutions - 0.0%		
American General Financial Corp., Term Loan B, 7.25%, 2015	\$ 146,115	\$ 147,370
Gaming & Lodging - 0.2%		
MGM Mirage, Term Loan, 7%, 2014 (o)	\$ 1,257,678	\$ 1,185,187
Utilities - Electric Power - 0.1%		
Texas Competitive Electric Holdings Co. LLC, Term Loan B-2, 3.92%, 2014	\$ 749,414	\$ 587,259
Total Floating Rate Loans (Identified Cost, \$7,108,967)		\$ 7,421,164
Common Stocks - 0.1%		
Automotive - 0.0%		
Accuride Corp. (a)	69,490	\$ 86,168
Construction - 0.1%		
Nortek, Inc. (a)	7,182	\$ 299,346

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Common Stocks - continued		
Printing & Publishing - 0.0%		
American Media, Inc. (a)	5,455	\$ 33,385
Golden Books Family Entertainment, Inc. (a)	19,975	0
		\$ 33,385
Total Common Stocks (Identified Cost, \$270,688)		\$ 418,899
Preferred Stocks - 0.0%		
Other Banks & Diversified Financials - 0.0%		
Citigroup Capital XIII, 7.875% (Identified Cost, \$181,875)	7,275	\$ 192,787
		Par Amount of Contracts
Issuer/Expiration Date/Strike Price		
Call Options Purchased - 0.0%		
SEK Currency - November 2010 @ EUR 0.11 (Premiums Paid, \$31,128)	SEK 4,370,000	\$ 2,460
Put Options Purchased - 0.0%		
JPY Currency - December 2010 @ \$0.01 (Premiums Paid, \$44,479)	JPY 541,200,000	\$ 0
		Shares/Par
Money Market Funds (v) - 1.6%		
MFS Institutional Money Market Portfolio, 0.21%, at Cost and Net Asset Value	9,455,992	\$ 9,455,992
Total Investments (Identified Cost, \$628,958,498)		\$ 678,678,088
Other Assets, Less Liabilities - (16.3)%		(95,360,595)
Net Assets - 100.0%		\$ 583,317,493

(a) Non-income producing security.

(d) Non-income producing security - in default.

(e) Guaranteed by Minister for Finance of Ireland.

(f) All or a portion of the security has been segregated as collateral for open futures contracts.

(g) The rate shown represents a weighted average coupon rate on settled positions at period end, unless otherwise indicated.

(i) Interest only security for which the fund receives interest on notional principal (Par amount). Par amount shown is the notional principal and does not reflect the cost of the security.

(n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$157,863,368, representing 27.06% of net assets.

(o) All or a portion of this position has not settled. Upon settlement date, interest rates for unsettled amounts will be determined. The rate shown represents the weighted average coupon rate for settled amounts.

(p) Payment-in-kind security.

Table of Contents*Portfolio of Investments continued*

- (r) Remaining maturities of floating rate loans may be less than stated maturities shown as a result of contractual or optional prepayments by the borrower. Such prepayments cannot be predicted with certainty. These loans may be subject to restrictions on resale. Floating rate loans generally have rates of interest which are determined periodically by reference to a base lending rate plus a premium.
- (v) Underlying fund that is available only to investment companies managed by MFS. The rate quoted is the annualized seven-day yield of the fund at period end.
- (z) Restricted securities are not registered under the Securities Act of 1933 and are subject to legal restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are subsequently registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The fund holds the following restricted securities:

Restricted Securities	Acquisition Date	Cost	Current Market Value
ALROSA Finance S.A., 7.75%, 2020	10/28/10	\$1,277,000	\$1,281,061
American Media Operations, Inc., 9%, 2013	1/29/09-4/15/10	24,782	31,710
American Media Operations, Inc., 14%, 2013	1/29/09-5/01/10	227,627	205,578
American Petroleum Tankers LLC, 10.25%, 2015	5/06/10	243,503	260,000
ARCap REIT, Inc., CDO, H, 6.075%, 2045	9/21/04	1,753,513	125,000
Banco Internacional del Peru, 5.75%, 2020	9/30/10	638,853	643,200
Banco Santander U.S. Debt S.A.U., 3.781%, 2015	10/04/10-10/06/10	1,508,669	1,508,624
Banco del Estado de Chile, 4.125%, 2020	9/30/10	466,446	472,712
Bangkok Bank (Hong Kong), 4.8%, 2020	10/13/10	1,287,532	1,278,467
Bayview Financial Revolving Mortgage Loan Trust, FRN, 1.855%, 2040	3/01/06	3,028,849	1,353,896
Carrizo Oil & Gas, Inc., 8.625%, 2018	10/28/10	1,013,757	1,022,625
Corporacion Nacional del Cobre de Chile, 3.75%, 2020	10/28/10	1,512,881	1,526,248
DLJ Commercial Mortgage Corp., 6.04%, 2031	7/23/04	1,835,224	1,924,923
Delhaize Group, 5.7%, 2040	10/05/10	1,401,914	1,365,559
Dubai Electricity & Water Authority, 6.375%, 2016	10/14/10	820,000	812,264
Dubai Electricity & Water Authority, 7.375%, 2020	10/14/10	1,609,000	1,582,408
Falcon Franchise Loan LLC, FRN, 3.256%, 2025	1/29/03	503,768	411,059
GMAC LLC, FRN, 6.02%, 2033	11/17/00	2,090,997	2,625,248
GMAC, Inc., 8.3%, 2015	10/28/10	2,840,015	2,834,000
Genon Escrow Corp., 9.875%, 2020	10/08/10	669,827	663,000
Georgia-Pacific Corp., 5.4%, 2020	10/27/10	581,566	590,850
Gold Fields Orogen Holdings Ltd., 4.875%, 2020	9/30/10	2,335,547	2,308,573
Hexion U.S. Finance Corp/Hexion Nova Scotia Finance, 9%, 2020	10/27/10	280,000	291,200
LUKOIL International Finance B.V., 6.125%, 2020	10/29/10	1,431,720	1,431,720

Table of Contents*Portfolio of Investments continued*

	Acquisition Date	Cost	Current Market Value
Restricted Securities - continued			
Local TV Finance LLC, 10%, 2015	11/09/07-5/31/10	\$686,637	\$606,702
Michaels Stores, Inc., 7.75%, 2018	10/07/10-10/20/10	717,863	717,750
Momentive Performance Materials, Inc., 9%, 2021	10/27/10	565,000	586,188
Morgan Stanley Capital I, Inc., FRN, 1%, 2039	7/20/04	324,012	333,523
Multi Security Asset Trust, A3, 5%, 2035	10/12/10	2,481,147	2,462,044
Nationstar Mortgage LLC, 10.875%, 2015	3/23/10	380,099	352,950
Navios Maritime Acquisition Corp., 8.625%, 2017	10/06/10	475,000	479,750
Nielsen Finance LLC, 7.75%, 2018	9/30/10	471,534	492,219
Omnova Solutions, Inc., 7.875%, 2018	10/22/10	380,000	388,550
PNC Mortgage Acceptance Corp., 7.1%, 2032	3/25/08	1,061,677	1,061,671
Prudential Securities Secured Financing Corp., FRN, 7.285%, 2013	12/06/04	2,670,241	2,609,731
Qtel International Finance Ltd., 3.375%, 2016	10/06/10	362,255	363,690
Qtel International Finance Ltd., 4.75%, 2021	10/06/10	575,150	574,195
Reynolds Group, 7.125%, 2019	10/06/10	570,000	594,225
SCF Capital Ltd., 5.375%, 2017	10/20/10	1,134,000	1,112,441
Sappi Papier Holding GmbH, 6.75%, 2012	7/29/10-8/02/10	442,700	445,493
Sino-Forest Corp., 6.25%, 2017	10/14/10	237,000	237,889
Steel Capital S.A., 6.7%, 2017	10/14/10	379,000	376,661
System Energy Resources, Inc., 5.129%, 2014	4/16/04	1,147,839	1,193,466
Telemar Norte Leste S.A., 5.5%, 2020	4/16/09-9/22/10	928,357	1,140,081
Univision Communications, Inc., 7.875%, 2020	10/18/10-10/25/10	456,246	467,250
VTB Capital S.A., 6.551%, 2020	10/06/10	2,028,000	2,048,686
Zhaikmunai Finance B.V., 10.5%, 2015	10/12/10	907,000	894,529
Total Restricted Securities			\$46,089,609
% of Net Assets			7.9%

The following abbreviations are used in this report and are defined:

CDO Collateralized Debt Obligation

FRN Floating Rate Note. Interest rate resets periodically and may not be the rate reported at period end.

PLC Public Limited Company

REIT Real Estate Investment Trust

Abbreviations indicate amounts shown in currencies other than the U.S. dollar. All amounts are stated in U.S. dollars unless otherwise indicated. A list of abbreviations is shown below:

AUD Australian Dollar

CAD Canadian Dollar

CLP Chilean Peso

CNY Chinese Yuan Renminbi

EUR Euro

GBP British Pound

IDR Indonesian Rupiah

Table of Contents*Portfolio of Investments continued*

JPY	Japanese Yen
KRW	Korean Won
MXN	Mexican Peso
MYR	Malaysian Ringgit
NOK	Norwegian Krone
NZD	New Zealand Dollar
PHP	Philippine Peso
SEK	Swedish Krona
SGD	Singapore Dollar
THB	Thailand Baht
TRY	Turkish Lira
TWD	Taiwan Dollar
ZAR	South African Rand

Derivative Contracts at 10/31/10**Forward Foreign Currency Exchange Contracts at 10/31/10**

Type	Currency	Counterparty	Contracts to Deliver/ Receive	Settlement Date Range	In Exchange For	Contracts at Value	Net Unrealized Appreciation (Depreciation)
Asset Derivatives							
BUY	CAD	Goldman Sachs International	1,438,000	11/03/10	\$ 1,406,508	\$ 1,409,878	\$ 3,370
SELL	CAD	Credit Suisse London Branch	287,190	1/12/11	285,543	281,103	4,440
SELL	CAD	HSBC Bank	2,881,000	11/03/10	2,834,375	2,824,658	9,717
BUY	CNY	Deutsche Bank AG	6,082,000	4/18/11	919,009	919,982	973
BUY	CNY	HSBC Bank	12,127,000	4/18/11	1,831,320	1,834,367	3,047
BUY	EUR	Deutsche Bank AG	2,307,000	12/15/10-1/12/11	3,200,329	3,209,063	8,734
BUY	GBP	Deutsche Bank AG	1,835,000	1/12/11	2,903,832	2,938,647	34,815
SELL	IDR	HSBC Bank	12,741,016,000	1/14/11	1,414,254	1,409,610	4,644
BUY	JPY	Barclays Bank PLC	216,532,000	1/12/11	2,648,580	2,692,731	44,151
BUY	JPY	UBS AG	241,016,000	1/12/11	2,948,388	2,997,208	48,820
BUY	MXN	Goldman Sachs International	66,000	11/03/10-11/05/10	5,257	5,345	88
BUY	MXN	HSBC Bank	35,116,000	11/05/10	2,755,536	2,843,485	87,949
SELL	MYR	Barclays Bank PLC	4,433,000	11/22/10	1,435,092	1,422,825	12,267
BUY	NOK	Deutsche Bank AG	16,888,000	11/30/10	2,876,316	2,879,427	3,111

Table of Contents*Portfolio of Investments continued***Forward Foreign Currency Exchange Contracts at 10/31/10 continued**

Type	Currency	Counterparty	Contracts to Deliver/Receive	Settlement Date Range	In Exchange For	Contracts at Value	Net Unrealized Appreciation (Depreciation)
Asset Derivatives - continued							
BUY	NZD	Barclays Bank PLC	768,000	1/12/11	\$ 581,317	\$ 582,142	\$ 825
BUY	PHP	JPMorgan Chase Bank	190,189,000	11/30/10-1/26/11	4,356,613	4,407,557	50,944
BUY	SEK	Credit Suisse London Branch	18,951,105	1/12/11	2,825,950	2,830,520	4,570
BUY	SGD	Deutsche Bank AG	1,918,000	1/12/11	1,473,508	1,481,982	8,474
BUY	THB	JPMorgan Chase Bank	43,852,000	12/01/10	1,440,841	1,461,625	20,784
BUY	TRY	Credit Suisse London Branch	2,106,000	11/22/10	1,398,685	1,462,956	64,271
BUY	TRY	HSBC Bank	2,153,000	11/22/10	1,429,520	1,495,605	66,085
BUY	TWD	Barclays Bank PLC	90,174,000	11/05/10	2,848,200	2,944,948	96,748
BUY	TWD	JPMorgan Chase Bank	86,516,000	11/29/10	2,753,533	2,826,664	73,131
SELL	ZAR	Barclays Bank PLC	4,000	1/14/11	573	565	8
SELL	ZAR	HSBC Bank	4,000	1/14/11	572	565	7
							\$ 651,973

Liability Derivatives

BUY	AUD	Citibank N.A.	588,000	1/12/11	577,338	571,058	\$ (6,280)
SELL	AUD	Deutsche Bank AG	589,000	1/12/11	565,231	572,029	(6,798)
BUY	CAD	Barclays Bank PLC	1,443,000	11/03/10	1,418,963	1,414,780	(4,183)
BUY	CAD	Citibank N.A.	586,000	12/15/10	583,260	573,978	(9,282)
SELL	CAD	Barclays Bank PLC	582,000	12/15/10	562,646	570,060	(7,414)
SELL	CAD	Goldman Sachs International	1,042,420	1/12/11	1,018,949	1,020,326	(1,377)
BUY	CLP	Deutsche Bank AG	698,233,000	12/06/10	1,441,290	1,423,740	(17,550)
BUY	CLP	Merrill Lynch International Bank	1,438,830,000	12/02/10	2,939,387	2,934,676	(4,711)

Table of Contents*Portfolio of Investments continued***Forward Foreign Currency Exchange Contracts at 10/31/10 continued**

Type	Currency	Counterparty	Contracts to Deliver/ Receive	Settlement Date Range	In Exchange For	Contracts at Value	Net Unrealized Appreciation (Depreciation)
Liability Derivatives - continued							
SELL	CLP	Deutsche Bank AG	697,824,000	12/06/10	\$ 1,402,661	\$ 1,422,906	\$ (20,245)
BUY	EUR	JPMorgan Chase Bank	3,755,809	1/12/11	5,228,180	5,222,505	(5,675)
SELL	EUR	Barclays Bank PLC	4,227,303	1/12/11	5,798,000	5,878,124	(80,124)
SELL	EUR	HSBC Bank	1,745,980	12/15/10	2,281,000	2,428,766	(147,766)
SELL	EUR	UBS AG	22,154,878	12/15/10	28,181,227	30,818,814	(2,637,587)
SELL	GBP	Barclays Bank PLC	2,083,551	1/12/11	3,315,559	3,336,687	(21,128)
SELL	GBP	Deutsche Bank AG	1,922,551	1/12/11	3,060,009	3,078,855	(18,846)
BUY	IDR	JPMorgan Chase Bank	12,749,574,000	12/20/10-1/14/11	1,423,027	1,415,972	(7,055)
SELL	JPY	JPMorgan Chase Bank	1,506,072,786	1/12/11	18,415,475	18,729,100	(313,625)
SELL	JPY	Merrill Lynch International Bank	179,255,486	1/12/11	2,192,325	2,229,171	(36,846)
BUY	KRW	Barclays Bank PLC	4,907,762,000	1/05/11-1/18/11	4,369,945	4,348,856	(21,089)
SELL	KRW	Barclays Bank PLC	3,249,068,000	1/18/11	2,849,310	2,878,684	(29,374)
SELL	KRW	JPMorgan Chase Bank	1,660,395,000	1/05/11	1,450,000	1,471,696	(21,696)
SELL	MXN	Goldman Sachs International	33,000	11/03/10	2,671	2,673	(2)
SELL	MXN	JPMorgan Chase Bank	35,139,000	11/05/10	2,693,924	2,845,348	(151,424)
BUY	MYR	Barclays Bank PLC	4,427,234	12/20/10	1,431,696	1,418,318	(13,378)
BUY	MYR	JPMorgan Chase Bank	4,439,000	11/22/10	1,441,000	1,424,750	(16,250)
SELL	MYR	JPMorgan Chase Bank	4,431,000	11/22/10	1,421,012	1,422,183	(1,171)

37

Table of Contents*Portfolio of Investments continued***Forward Foreign Currency Exchange Contracts at 10/31/10 continued**

Type	Currency	Counterparty	Contracts to Deliver/Receive	Settlement Date Range	In Exchange For	Contracts at Value	Net Unrealized Appreciation (Depreciation)
Liability Derivatives - continued							
SELL	NOK	Deutsche Bank AG	17,041,000	11/30/10	\$ 2,889,823	\$ 2,905,514	\$ (15,691)
SELL	NZD	Deutsche Bank AG	771,000	1/12/11	570,680	584,416	(13,736)
SELL	PHP	JPMorgan Chase Bank	63,495,500	11/30/10	1,450,000	1,473,625	(23,625)
BUY	SGD	HSBC Bank	1,891,000	1/12/11	1,461,247	1,461,120	(127)
BUY	TRY	HSBC Bank	2,119,000	11/22/10	1,489,945	1,471,987	(17,958)
BUY	TRY	JPMorgan Chase Bank	2,119,000	11/22/10	1,487,957	1,471,987	(15,970)
SELL	TRY	HSBC Bank	6,336,150	11/22/10	4,174,088	4,401,477	(227,389)
SELL	TWD	Barclays Bank PLC	86,300,000	11/05/10	2,721,539	2,818,429	(96,890)
							\$ (4,012,262)

Futures Contracts Outstanding at 10/31/10

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
Liability Derivatives					
<i>Interest Rate Futures</i>					
U.S. Treasury Note 10 yr (Short)	USD	477	\$60,236,156	December - 2010	\$(431,141)

At October 31, 2010, the fund had sufficient cash and/or other liquid securities to cover any commitments under these derivative contracts.

See Notes to Financial Statements

Table of Contents*Financial Statements***STATEMENT OF ASSETS AND LIABILITIES**

At 10/31/10

This statement represents your fund's balance sheet, which details the assets and liabilities comprising the total value of the fund.

Assets		
Investments -		
Non-affiliated issuers, at value (identified cost, \$619,502,506)	\$669,222,096	
Underlying funds, at cost and value	9,455,992	
Total investments, at value (identified cost, \$628,958,498)		\$678,678,088
Cash	12,439	
Restricted cash	90,000	
Receivables for		
Forward foreign currency exchange contracts	651,973	
Investments sold	19,273,921	
Interest	11,584,833	
Other assets	74,582	
Total assets		\$710,365,836
Liabilities		
Notes payable	\$100,000,000	
Payables for		
Distributions	230,746	
Forward foreign currency exchange contracts	4,012,262	
Daily variation margin on open futures contracts	201,234	
Investments purchased	21,971,634	
Payable to affiliates		
Investment adviser	42,143	
Transfer agent and dividend disbursing costs	9,652	
Administrative services fee	909	
Payable for independent Trustees' compensation	260,491	
Accrued interest expense	147,577	
Accrued expenses and other liabilities	171,695	
Total liabilities		\$127,048,343
Net assets		\$583,317,493
Net assets consist of		
Paid-in capital	\$560,249,381	
Unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies	45,953,312	
Accumulated net realized gain (loss) on investments and foreign currency transactions	(23,960,990)	
Undistributed net investment income	1,075,790	
Net assets		\$583,317,493
Shares of beneficial interest outstanding		78,378,104
Net asset value per share (net assets of \$583,317,493 / 78,378,104 shares of beneficial interest outstanding)		\$7.44

See Notes to Financial Statements

Table of Contents

Financial Statements

STATEMENT OF OPERATIONS

Year ended 10/31/10

This statement describes how much your fund earned in investment income and accrued in expenses.

It also describes any gains and/or losses generated by fund operations.

Net investment income		
Income		
Interest	\$47,747,856	
Dividends	31,903	
Dividends from underlying funds	42,193	
Total investment income		\$47,821,952
Expenses		
Management fee	\$4,569,133	
Transfer agent and dividend disbursing costs	165,000	