PUTNAM PREMIER INCOME TRUST
Form N-Q
December 28, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number: (811- 05452)

Exact name of registrant as specified in charter: Putnam Premier Income Trust

Address of principal executive offices: One Post Office Square, Boston, Massachusetts 02109

| | |
|---|---|
| Name and address of agent for service: | Beth S. Mazor, Vice President<br>One Post Office Square<br>Boston, Massachusetts 02109 |
| Copy to: | John W. Gerstmayr, Esq.<br>Ropes & Gray LLP<br>One International Place<br>Boston, Massachusetts 02110 |

Registrant s telephone number, including area code: (617) 292-1000

Date of fiscal year end: July 31, 2008

Date of reporting period: October 31, 2007

Item 1. Schedule of Investments:

# Putnam Premier Income Trust

## The fund's portfolio

10/31/07 (Unaudited)

**FOREIGN GOVERNMENT BONDS AND NOTES (27.6%)(a)**

| | | Principal amount | Value |
|---|---|---|---|
| Argentina (Republic of) bonds 7s, 2013 | | $1,380,000 | $1,238,128 |
| Argentina (Republic of) bonds Ser. $ V, 10 1/2s, 2012 | ARS | 9,085,000 | 2,402,983 |
| Argentina (Republic of) FRB 5.389s, 2012 | | $15,087,500 | 13,743,528 |
| Argentina (Republic of) notes Ser. $dis, 8.28s, 2033 | | 2,461,230 | 2,485,842 |
| Austria (Republic of) 144A notes Ser. EMTN, 3.8s, 2013 | EUR | 8,000,000 | 11,352,543 |

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|---|---|---|---|
| Brazil (Federal Republic of) bonds 6s, 2017 | | $2,935,000 | 3,001,038 |
| Canada (Government of) bonds 5 1/2s, 2010 | CAD | 3,730,000 | 4,067,226 |
| Canada (Government of) bonds Ser. WL43, 5 3/4s, 2029 | CAD | 1,340,000 | 1,677,402 |
| Colombia (Republic of) notes 10s, 2012 | | $3,765,000 | 4,386,225 |
| Ecuador (Republic of) regs notes 9 3/8s, 2015 | | 245,000 | 244,388 |
| Ecuador (Republic of) 12s, 2012 | | 310,080 | 311,630 |
| France (Government of) bonds 5 3/4s, 2032 | EUR | 2,605,000 | 4,431,775 |
| France (Government of) bonds 5 1/2s, 2010 | EUR | 6,300,000 | 9,469,081 |
| France (Government of) bonds 4s, 2013 | EUR | 7,700,000 | 11,059,695 |
| France (Government of) bonds 4s, 2009 | EUR | 1,520,000 | 2,199,303 |
| Germany (Federal Republic of) bonds Ser. 05, 3 1/4s, 2015 | EUR | 57,100,000 | 77,663,754 |
| Ghana (Republic of) bonds 8 1/2s, 2017 | | $555,000 | 569,430 |
| Indonesia (Republic of) bonds 14.275s, 2013 | IDR | 5,011,000,000 | 688,930 |
| Indonesia (Republic of) bonds 14 1/4s, 2013 | IDR | 14,881,000,000 | 2,023,796 |
| Indonesia (Republic of) 144A bonds 6 5/8s, 2037 | | $1,875,000 | 1,840,313 |
| Ireland (Republic of) bonds 5s, 2013 | EUR | 14,800,000 | 22,249,331 |
| Japan (Government of) 30 yr bonds Ser. 23, 2 1/2s, 2036 | JPY | 313,000,000 | 2,749,644 |
| Japan (Government of) CPI Linked bonds Ser. 12, 1.2s, 2017 | JPY | 732,600,000 | 6,354,411 |
| Japan (Government of) CPI Linked bonds Ser. 8, 1s, 2016 | JPY | 7,759,632,600 | 66,567,673 |
| Mexican (Government of) bonds Ser. M 10, 8s, 2015 | MXN | 34,400,000 | 3,253,928 |
| Peru (Republic of) bonds 8 3/4s, 2033 | | $935,000 | 1,248,225 |
| Russia (Federation of) unsub. 5s, 2030 | | 3,501,630 | 3,948,088 |
| Russia (Federation of) 144A unsub. unsec. bonds 5s, 2030 | | 5,556,573 | 6,265,036 |
| Russia (Ministry of Finance) debs. Ser. V, 3s, 2008 | | 4,040,000 | 3,984,652 |
| South Africa (Republic of) notes 5 7/8s, 2022 | | 880,000 | 872,520 |
| Spain (Kingdom of) bonds 5s, 2012 | EUR | 4,600,000 | 6,896,589 |
| Sweden (Government of) debs. Ser. 1041, 6 3/4s, 2014 | SEK | 59,875,000 | 10,737,313 |
| Turkey (Republic of) notes 6 7/8s, 2036 | | $6,870,000 | 6,811,605 |
| Ukraine (Government of) 144A sr. unsub. 6.58s, 2016 (S) | | 2,945,000 | 2,996,538 |
| United Mexican States bonds Ser. MTN, 8.3s, 2031 | | 4,545,000 | 5,960,768 |
| Venezuela (Republic of) unsub. bonds 5 3/8s, 2010 | | 1,295,000 | 1,232,193 |
| Venezuela (Republic of) notes 10 3/4s, 2013 | | 3,270,000 | 3,659,130 |

**Total foreign government bonds and notes (cost $285,449,958)** **$310,644,654**

**COLLATERALIZED MORTGAGE OBLIGATIONS (18.3%)(a)**

| | Principal amount | Value |
|---|---|---|
| Banc of America Commercial Mortgage, Inc. FRB Ser. 07-3, Class A3, 5.838s, 2049 | $343,000 | $346,294 |
| Banc of America Commercial Mortgage, Inc. 144A | | |
| Ser. 01-1, Class J, 6 1/8s, 2036 | 318,946 | 297,710 |
| Ser. 01-1, Class K, 6 1/8s, 2036 | 718,000 | 621,741 |
| Banc of America Large Loan 144A FRB Ser. 05-MIB1, Class K, 7.091s, 2022 | 1,187,000 | 1,160,620 |
| Banc of America Mortgage Securities IFB Ser. 06-2, | | |

| | | | |
|---|---|---|---|
| Class A4, IO (Interest only), 0.528s, 2046 | | 1,758,324 | 18,199 |
| Bayview Commercial Asset Trust 144A | | | |
| Ser. 07-5A, IO, 1.55s, 2037 | | 2,868,000 | 456,012 |
| Ser. 07-1, Class S, IO, 1.211s, 2037 | | 8,092,868 | 899,927 |
| Bear Stearns Commercial Mortgage Securities, Inc. | | | |
| FRB Ser. 00-WF2, Class F, 8.449s, 2032 | | 481,000 | 506,399 |
| Ser. 07-PW17, Class A3, 5.736s, 2050 | | 4,243,000 | 4,281,285 |
| Broadgate Financing PLC sec. FRB Ser. D, 7.044s, 2023 | | | |
| (United Kingdom) | GBP | 827,875 | 1,597,790 |
| Citigroup Mortgage Loan Trust, Inc. IFB Ser. 07-6, | | | |
| Class 2A5, IO, 1.778s, 2037 | | $3,814,118 | 176,805 |
| Citigroup/Deutsche Bank Commercial Mortgage Trust Ser. | | | |
| 06-CD3, Class A4, 5.658s, 2048 | | 217,000 | 217,603 |
| Commercial Mortgage Acceptance Corp. Ser. 97-ML1, IO, | | | |
| 0.705s, 2017 | | 2,203,900 | 44,508 |
| Commercial Mortgage Pass-Through Certificates 144A FRB | | | |
| Ser. 05-F10A, Class A1, 5.191s, 2017 | | 554,516 | 553,702 |
| Countrywide Alternative Loan Trust IFB Ser. 06-6CB, | | | |
| Class 1A3, IO, 0.228s, 2036 | | 12,532,661 | 74,747 |
| Countrywide Home Loans Ser. 05-2, Class 2X, IO, 1.16s, | | | |
| 2035 | | 7,127,538 | 136,983 |
| Countrywide Home Loans 144A IFB Ser. 05-R1, Class 1AS, | | | |
| IO, 0.981s, 2035 | | 6,285,705 | 263,953 |
| Countrywide Home Loans Ser. 06-0A5, Class X, IO, | | | |
| 2.435s, 2046 | | 7,774,015 | 304,888 |
| Credit Suisse Mortgage Capital Certificates FRB Ser. | | | |
| 07-C4, Class A2, 5.811s, 2039 | | 1,151,000 | 1,170,029 |
| CRESI Finance Limited Partnership 144A | | | |
| FRB Ser. 06-A, Class D, 5.673s, 2017 | | 167,000 | 158,463 |
| FRB Ser. 06-A, Class C, 5.473s, 2017 | | 495,000 | 474,734 |
| Criimi Mae Commercial Mortgage Trust 144A Ser. 98-C1, | | | |
| Class B, 7s, 2033 | | 3,957,000 | 3,963,727 |
| CS First Boston Mortgage Securities Corp. 144A | | | |
| FRB Ser. 05-TFLA, Class L, 6.941s, 2020 | | 1,356,000 | 1,349,220 |
| Ser. 98-C2, Class F, 6 3/4s, 2030 | | 3,176,400 | 3,357,469 |
| FRB Ser. 05-TFLA, Class K, 6.391s, 2020 | | 758,000 | 755,195 |

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|---|---|---|
| Ser. 98-C1, Class F, 6s, 2040 | 1,880,000 | 1,732,740 |
| Ser. 02-CP5, Class M, 5 1/4s, 2035 | 691,000 | 519,121 |
| Deutsche Mortgage & Asset Receiving Corp. Ser. 98-C1, | | |
| Class X, IO, 0.525s, 2031 | 26,178,258 | 322,115 |
| DLJ Commercial Mortgage Corp. Ser. 98-CF2, Class B4, | | |
| 6.04s, 2031 | 552,708 | 549,430 |
| DLJ Commercial Mortgage Corp. 144A Ser. 98-CF2, | | |
| Class B5, 5.95s, 2031 | 1,771,365 | 1,693,159 |
| DLJ Mortgage Acceptance Corp. 144A Ser. 97-CF1, | | |
| Class B2, 8.16s, 2030 | 314,972 | 283,475 |

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|---|---|---|---|
| European Loan Conduit 144A FRB Ser. 22A, Class D, | | | |
| 7.122s, 2014 (Ireland) | GBP | 995,000 | 1,940,841 |
| European Prime Real Estate PLC 144A FRB Ser. 1-A, | | | |
| Class D, 7 1/8s, 2014 (United Kingdom) (F) | GBP | 553,879 | 1,098,422 |
| Fannie Mae | | | |
| IFB Ser. 06-70, Class SM, 13.409s, 2036 | | $498,489 | 585,646 |
| IFB Ser. 06-62, Class PS, 10.665s, 2036 | | 1,403,499 | 1,639,452 |
| IFB Ser. 06-76, Class QB, 10.365s, 2036 | | 3,500,653 | 4,078,060 |
| IFB Ser. 06-63, Class SP, 10.065s, 2036 | | 3,813,827 | 4,380,347 |
| IFB Ser. 07-W7, Class 1A4, 9.945s, 2037 | | 1,165,192 | 1,264,520 |
| IFB Ser. 06-104, Class GS, 9.365s, 2036 | | 727,328 | 813,574 |
| IFB Ser. 06-60, Class TK, 9.11s, 2036 | | 1,083,170 | 1,187,434 |
| Ser. 04-T2, Class 1A4, 7 1/2s, 2043 | | 542,312 | 575,586 |
| Ser. 02-T19, Class A3, 7 1/2s, 2042 | | 445,141 | 469,393 |
| Ser. 02-14, Class A2, 7 1/2s, 2042 | | 3,163 | 3,265 |
| Ser. 01-T10, Class A2, 7 1/2s, 2041 | | 429,133 | 450,476 |
| Ser. 02-T4, Class A3, 7 1/2s, 2041 | | 1,824 | 1,925 |
| Ser. 01-T3, Class A1, 7 1/2s, 2040 | | 277,828 | 292,234 |
| Ser. 01-T1, Class A1, 7 1/2s, 2040 | | 853,567 | 894,913 |
| Ser. 99-T2, Class A1, 7 1/2s, 2039 | | 342,134 | 361,993 |
| Ser. 00-T6, Class A1, 7 1/2s, 2030 | | 164,468 | 173,555 |
| Ser. 01-T4, Class A1, 7 1/2s, 2028 | | 795,862 | 847,068 |
| Ser. 04-W12, Class 1A3, 7s, 2044 | | 709,471 | 743,529 |
| Ser. 01-T10, Class A1, 7s, 2041 | | 1,712,471 | 1,776,906 |
| IFB Ser. 05-74, Class CP, 6.884s, 2035 | | 1,010,947 | 1,068,183 |
| IFB Ser. 06-27, Class SP, 6.701s, 2036 | | 1,553,000 | 1,642,288 |
| IFB Ser. 06-8, Class HP, 6.701s, 2036 | | 1,692,951 | 1,774,656 |
| IFB Ser. 06-8, Class WK, 6.701s, 2036 | | 2,684,465 | 2,794,722 |
| IFB Ser. 05-106, Class US, 6.701s, 2035 | | 2,454,039 | 2,588,190 |
| IFB Ser. 05-99, Class SA, 6.701s, 2035 | | 1,199,444 | 1,244,394 |
| IFB Ser. 05-115, Class NQ, 6.666s, 2036 | | 574,860 | 584,571 |
| IFB Ser. 05-74, Class CS, 6.621s, 2035 | | 1,152,510 | 1,191,465 |
| IFB Ser. 06-60, Class CS, 6.224s, 2036 | | 1,725,780 | 1,688,381 |
| IFB Ser. 05-114, Class SP, 6.181s, 2036 | | 712,505 | 707,412 |
| IFB Ser. 05-95, Class CP, 5.415s, 2035 | | 183,903 | 186,481 |
| IFB Ser. 05-95, Class OP, 5.305s, 2035 | | 702,654 | 678,661 |
| IFB Ser. 05-83, Class QP, 4.726s, 2034 | | 412,076 | 393,964 |
| IFB Ser. 07-W6, Class 6A2, IO, 2.928s, 2037 | | 2,546,877 | 203,379 |
| IFB Ser. 06-90, Class SE, IO, 2.928s, 2036 | | 4,447,521 | 494,148 |
| IFB Ser. 03-66, Class SA, IO, 2.778s, 2033 | | 1,986,877 | 186,349 |
| IFB Ser. 07-W6, Class 5A2, IO, 2.418s, 2037 | | 3,353,669 | 252,818 |
| IFB Ser. 07-W2, Class 3A2, IO, 2.408s, 2037 | | 3,215,037 | 230,983 |
| IFB Ser. 05-113, Class AI, IO, 2.358s, 2036 | | 1,445,687 | 129,984 |
| IFB Ser. 05-113, Class DI, IO, 2.358s, 2036 | | 1,334,581 | 101,834 |
| IFB Ser. 06-60, Class SI, IO, 2.278s, 2036 | | 3,245,702 | 282,787 |
| IFB Ser. 07-W7, Class 3A2, IO, 2.258s, 2037 | | 4,031,816 | 266,744 |
| IFB Ser. 06-60, Class DI, IO, 2.198s, 2035 | | 4,213,802 | 286,869 |
| IFB Ser. 07-54, Class CI, IO, 1.888s, 2037 | | 2,590,626 | 196,134 |

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|---|---|---|
| IFB Ser. 07-39, Class PI, IO, 1.888s, 2037 | 2,086,338 | 141,436 |
| IFB Ser. 07-30, Class WI, IO, 1.888s, 2037 | 12,236,994 | 797,606 |
| IFB Ser. 07-22, Class S, IO, 1.878s, 2037 | 18,210,616 | 1,285,351 |
| IFB Ser. 06-128, Class SH, IO, 1.878s, 2037 | 2,236,923 | 147,426 |
| IFB Ser. 06-56, Class SM, IO, 1.878s, 2036 | 3,054,591 | 207,609 |
| IFB Ser. 06-12, Class SD, IO, 1.878s, 2035 | 7,697,850 | 603,642 |
| IFB Ser. 07-W5, Class 2A2, IO, 1.868s, 2037 | 1,022,889 | 44,183 |
| IFB Ser. 07-30, Class IE, IO, 1.868s, 2037 | 5,869,565 | 498,545 |
| IFB Ser. 06-123, Class CI, IO, 1.868s, 2037 | 4,659,073 | 341,942 |
| IFB Ser. 06-123, Class UI, IO, 1.868s, 2037 | 2,199,632 | 156,440 |
| IFB Ser. 07-15, Class BI, IO, 1.828s, 2037 | 3,720,393 | 260,497 |
| IFB Ser. 06-23, Class SC, IO, 1.828s, 2036 | 3,031,834 | 214,457 |
| IFB Ser. 06-16, Class SM, IO, 1.828s, 2036 | 2,420,459 | 170,601 |
| IFB Ser. 05-95, Class CI, IO, 1.828s, 2035 | 2,587,136 | 191,993 |
| IFB Ser. 05-84, Class SG, IO, 1.828s, 2035 | 4,322,845 | 326,962 |
| IFB Ser. 05-104, Class NI, IO, 1.828s, 2035 | 3,001,487 | 218,710 |
| IFB Ser. 05-104, Class SI, IO, 1.828s, 2033 | 4,957,088 | 323,554 |
| IFB Ser. 05-83, Class QI, IO, 1.818s, 2035 | 694,090 | 56,563 |
| IFB Ser. 06-128, Class GS, IO, 1.808s, 2037 | 2,955,416 | 218,356 |
| IFB Ser. 05-83, Class SL, IO, 1.798s, 2035 | 7,487,526 | 489,163 |
| IFB Ser. 06-114, Class IS, IO, 1.778s, 2036 | 2,553,077 | 166,082 |
| IFB Ser. 06-115, Class IE, IO, 1.768s, 2036 | 1,927,968 | 140,193 |
| IFB Ser. 06-117, Class SA, IO, 1.768s, 2036 | 2,942,691 | 188,600 |
| IFB Ser. 06-109, Class SH, IO, 1.748s, 2036 | 2,285,767 | 180,372 |
| IFB Ser. 07-W6, Class 4A2, IO, 1.728s, 2037 | 13,212,198 | 793,333 |
| IFB Ser. 06-128, Class SC, IO, 1.728s, 2037 | 2,498,597 | 166,021 |
| IFB Ser. 06-45, Class SM, IO, 1.728s, 2036 | 3,485,640 | 193,683 |
| IFB Ser. 06-8, Class JH, IO, 1.728s, 2036 | 8,868,113 | 652,043 |
| IFB Ser. 05-122, Class SG, IO, 1.728s, 2035 | 2,437,804 | 170,433 |
| IFB Ser. 05-95, Class OI, IO, 1.718s, 2035 | 387,305 | 32,557 |
| IFB Ser. 06-92, Class LI, IO, 1.708s, 2036 | 2,849,003 | 186,025 |
| IFB Ser. 06-99, Class AS, IO, 1.708s, 2036 | 372,133 | 25,198 |
| IFB Ser. 06-98, Class SQ, IO, 1.698s, 2036 | 13,076,746 | 848,372 |
| IFB Ser. 06-85, Class TS, IO, 1.688s, 2036 | 4,982,965 | 302,940 |
| IFB Ser. 07-75, Class PI, IO, 1.668s, 2037 | 3,120,022 | 189,307 |
| IFB Ser. 07-90, Class S, IO, 1.638s, 2037 | 5,038,494 | 202,327 |
| IFB Ser. 07-W8, Class 2A2, IO, 1.578s, 2037 | 4,732,869 | 266,093 |
| IFB Ser. 06-70, Class WI, IO, 1.578s, 2036 | 1,762,010 | 75,436 |
| IFB Ser. 07-30, Class JS, IO, 1.568s, 2037 | 5,185,822 | 321,453 |

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|---|---|---|
| IFB Ser. 07-30, Class LI, IO, 1.568s, 2037 | 3,730,900 | 241,925 |
| IFB Ser. 07-54, Class IA, IO, 1.538s, 2037 | 2,695,274 | 172,054 |
| IFB Ser. 07-54, Class IB, IO, 1.538s, 2037 | 2,695,274 | 172,054 |
| IFB Ser. 07-54, Class IC, IO, 1.538s, 2037 | 2,695,274 | 172,054 |
| IFB Ser. 07-54, Class ID, IO, 1.538s, 2037 | 2,695,274 | 172,054 |
| IFB Ser. 07-54, Class IE, IO, 1.538s, 2037 | 2,695,274 | 172,054 |
| IFB Ser. 07-54, Class IF, IO, 1.538s, 2037 | 4,009,760 | 255,964 |

| | | |
|---|---|---|
| IFB Ser. 07-54, Class UI, IO, 1.538s, 2037 | 3,924,284 | 267,935 |
| IFB Ser. 07-56, Class SA, IO, 1.538s, 2037 | 1,930,076 | 95,732 |
| IFB Ser. 07-91, Class AS, IO, 1.528s, 2037 | 2,028,620 | 119,382 |
| IFB Ser. 07-91, Class HS, IO, 1.528s, 2037 | 2,152,559 | 126,311 |
| IFB Ser. 07-15, Class CI, IO, 1.508s, 2037 | 8,570,598 | 535,541 |
| IFB Ser. 06-123, Class BI, IO, 1.508s, 2037 | 11,318,807 | 685,659 |
| IFB Ser. 06-115, Class JI, IO, 1.508s, 2036 | 6,240,682 | 390,174 |
| IFB Ser. 07-103, Class AI, IO, 1.465s, 2037 | 12,984,600 | 750,672 |
| IFB Ser. 06-123, Class LI, IO, 1.448s, 2037 | 4,193,166 | 246,040 |
| IFB Ser. 07-39, Class AI, IO, 1.248s, 2037 | 4,679,891 | 249,143 |
| IFB Ser. 07-32, Class SD, IO, 1.238s, 2037 | 3,206,633 | 162,069 |
| IFB Ser. 07-30, Class UI, IO, 1.228s, 2037 | 2,646,337 | 143,617 |
| IFB Ser. 07-32, Class SC, IO, 1.228s, 2037 | 4,242,987 | 211,615 |
| IFB Ser. 07-1, Class CI, IO, 1.228s, 2037 | 3,111,171 | 163,574 |
| IFB Ser. 05-74, Class SE, IO, 1.228s, 2035 | 6,002,651 | 266,870 |
| IFB Ser. 07-W5, Class 1A2, IO, 1.208s, 2037 | 5,946,559 | 212,442 |
| IFB Ser. 07-4, Class PS, IO, 1.183s, 2037 | 10,682,947 | 490,330 |
| FRB Ser. 03-W17, Class 12, IO, 1.15s, 2033 | 4,567,770 | 174,946 |
| IFB Ser. 07-75, Class ID, IO, 0.998s, 2037 | 3,191,958 | 157,417 |
| Ser. 03-W10, Class 3A, IO, 0.839s, 2043 | 7,698,019 | 124,645 |
| Ser. 03-W10, Class 1A, IO, 0.816s, 2043 | 6,373,820 | 88,378 |
| Ser. 00-T6, IO, 0.765s, 2030 | 6,988,571 | 98,355 |
| Ser. 02-T18, IO, 0.516s, 2042 | 12,484,695 | 157,170 |
| Ser. 06-84, Class OP, PO (Principal only), zero %, 2036 | 55,757 | 55,169 |
| Ser. 372, Class 1, PO, zero %, 2036 | 10,167,223 | 7,760,175 |
| Ser. 06-56, Class XF, zero %, 2036 | 159,203 | 159,846 |
| Ser. 04-38, Class AO, PO, zero %, 2034 | 954,265 | 685,269 |
| Ser. 04-61, Class CO, PO, zero %, 2031 | 909,958 | 744,136 |
| Ser. 99-51, Class N, PO, zero %, 2029 | 126,137 | 106,566 |
| Ser. 07-31, Class TS, IO, zero %, 2009 | 6,764,038 | 82,091 |
| Ser. 07-15, Class IM, IO, zero %, 2009 | 2,640,826 | 29,777 |
| Ser. 07-16, Class TS, IO, zero %, 2009 | 10,744,042 | 124,925 |
| Federal Home Loan Mortgage Corp. Structured | | |
| Pass-Through Securities | | |
| Ser. T-58, Class 4A, 7 1/2s, 2043 | 9,708 | 10,266 |
| Ser. T-60, Class 1A2, 7s, 2044 | 3,200,927 | 3,352,327 |
| Ser. T-57, Class 1AX, IO, 0.45s, 2043 | 4,003,157 | 46,287 |
| FFCA Secured Lending Corp. 144A Ser. 00-1, Class X, | | |
| IO, 1.347s, 2020 | 10,198,167 | 533,944 |
| First Union Commercial Mortgage Trust 144A Ser. 99-C1, | | |
| Class G, 5.35s, 2035 | 891,000 | 746,172 |
| First Union-Lehman Brothers Commercial Mortgage Trust | | |
| II Ser. 97-C2, Class G, 7 1/2s, 2029 | 1,219,000 | 1,329,941 |
| Freddie Mac | | |
| IFB Ser. 3182, Class PS, 8.235s, 2032 | 396,047 | 447,902 |
| IFB Ser. 3081, Class DC, 6.249s, 2035 | 971,948 | 1,014,715 |
| IFB Ser. 3114, Class GK, 6.035s, 2036 | 662,897 | 689,489 |
| Ser. 3382, Class SB, IO, 6s, 2037 (FWC) | 5,641,000 | 172,896 |

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|---|---|---|
| IFB Ser. 3149, Class SU, 5.662s, 2036 | 826,621 | 809,603 |
| IFB Ser. 2979, Class AS, 5.605s, 2034 | 432,618 | 437,710 |
| IFB Ser. 3065, Class DC, 4.586s, 2035 | 1,536,297 | 1,474,254 |
| IFB Ser. 3184, Class SP, IO, 2.259s, 2033 | 4,095,599 | 326,753 |
| IFB Ser. 3203, Class SH, IO, 2.049s, 2036 | 2,327,004 | 211,648 |
| IFB Ser. 2755, Class SG, IO, 2.009s, 2031 | 3,251,807 | 234,670 |
| IFB Ser. 2828, Class TI, IO, 1.959s, 2030 | 1,378,455 | 96,680 |
| IFB Ser. 3297, Class BI, IO, 1.669s, 2037 | 8,080,224 | 602,051 |
| IFB Ser. 3284, Class IV, IO, 1.659s, 2037 | 2,064,514 | 163,618 |
| IFB Ser. 3287, Class SD, IO, 1.659s, 2037 | 3,049,589 | 216,149 |
| IFB Ser. 3281, Class BI, IO, 1.659s, 2037 | 1,582,360 | 112,191 |
| IFB Ser. 3028, Class ES, IO, 1.659s, 2035 | 7,187,138 | 534,547 |
| IFB Ser. 3042, Class SP, IO, 1.659s, 2035 | 1,676,249 | 120,795 |
| IFB Ser. 3045, Class DI, IO, 1.639s, 2035 | 13,692,945 | 863,173 |
| IFB Ser. 3054, Class CS, IO, 1.609s, 2035 | 1,543,469 | 80,663 |
| IFB Ser. 3107, Class DC, IO, 1.609s, 2035 | 7,808,608 | 600,999 |
| IFB Ser. 3066, Class SI, IO, 1.609s, 2035 | 4,945,852 | 369,014 |
| IFB Ser. 2950, Class SM, IO, 1.609s, 2016 | 1,179,272 | 74,877 |
| IFB Ser. 3256, Class S, IO, 1.599s, 2036 | 4,540,077 | 337,494 |
| IFB Ser. 3031, Class BI, IO, 1.599s, 2035 | 1,372,357 | 111,334 |
| IFB Ser. 3244, Class SB, IO, 1.569s, 2036 | 2,268,098 | 154,577 |
| IFB Ser. 3244, Class SG, IO, 1.569s, 2036 | 2,609,213 | 183,827 |
| IFB Ser. 3326, Class GS, IO, 1.559s, 2037 | 13,034,662 | 722,749 |
| IFB Ser. 3236, Class IS, IO, 1.559s, 2036 | 4,250,603 | 279,294 |
| IFB Ser. 3147, Class SH, IO, 1.559s, 2036 | 7,831,301 | 570,010 |
| IFB Ser. 3114, Class TS, IO, 1.559s, 2030 | 8,521,488 | 489,094 |
| IFB Ser. 3240, Class S, IO, 1.529s, 2036 | 7,260,197 | 494,943 |
| IFB Ser. 3153, Class JI, IO, 1.529s, 2036 | 3,599,909 | 211,610 |
| IFB Ser. 3065, Class DI, IO, 1.529s, 2035 | 1,075,941 | 86,760 |
| IFB Ser. 3218, Class AS, IO, 1.489s, 2036 | 2,556,836 | 154,905 |
| IFB Ser. 3221, Class SI, IO, 1.489s, 2036 | 3,429,354 | 217,881 |
| IFB Ser. 3153, Class UI, IO, 1.479s, 2036 | 527,797 | 42,270 |
| IFB Ser. 3202, Class PI, IO, 1.449s, 2036 | 9,321,863 | 597,813 |
| IFB Ser. 3355, Class MI, IO, 1.409s, 2037 | 2,193,341 | 129,013 |
| IFB Ser. 3355, Class LI, IO, 1.409s, 2037 | 2,727,563 | 117,612 |
| IFB Ser. 3201, Class SG, IO, 1.409s, 2036 | 4,333,273 | 275,078 |
| IFB Ser. 3203, Class SE, IO, 1.409s, 2036 | 3,892,659 | 243,266 |
| IFB Ser. 3171, Class PS, IO, 1.394s, 2036 | 3,214,260 | 206,898 |
| IFB Ser. 3152, Class SY, IO, 1.389s, 2036 | 6,429,012 | 453,412 |
| IFB Ser. 3284, Class BI, IO, 1.359s, 2037 | 2,579,218 | 153,841 |
| IFB Ser. 3199, Class S, IO, 1.359s, 2036 | 5,516,785 | 331,344 |
| IFB Ser. 3284, Class LI, IO, 1.349s, 2037 | 5,253,221 | 334,858 |
| IFB Ser. 3281, Class AI, IO, 1.339s, 2037 | 8,651,935 | 552,366 |
| IFB Ser. 3311, Class IA, IO, 1.319s, 2037 | 3,801,279 | 251,039 |
| IFB Ser. 3311, Class IB, IO, 1.319s, 2037 | 3,801,279 | 251,039 |
| IFB Ser. 3311, Class IC, IO, 1.319s, 2037 | 3,801,279 | 251,039 |

| | | |
|---|---|---|
| IFB Ser. 3311, Class ID, IO, 1.319s, 2037 | 3,801,279 | 251,039 |
| IFB Ser. 3311, Class IE, IO, 1.319s, 2037 | 5,861,395 | 387,090 |
| IFB Ser. 3274, Class JS, IO, 1.319s, 2037 | 6,775,303 | 364,737 |
| IFB Ser. 3240, Class GS, IO, 1.289s, 2036 | 4,387,542 | 271,610 |
| IFB Ser. 3339, Class TI, IO, 1.049s, 2037 | 5,034,627 | 281,245 |
| IFB Ser. 3288, Class SJ, IO, 1.039s, 2037 | 4,204,322 | 196,291 |
| IFB Ser. 3284, Class CI, IO, 1.029s, 2037 | 10,222,346 | 550,786 |
| IFB Ser. 3016, Class SQ, IO, 1.019s, 2035 | 3,064,173 | 120,063 |
| IFB Ser. 3284, Class WI, IO, 1.009s, 2037 | 16,960,309 | 885,005 |
| IFB Ser. 3286, Class SA, IO, 1.009s, 2037 | 4,598,382 | 195,428 |
| IFB Ser. 3235, Class SA, IO, 0.859s, 2036 | 2,023,446 | 84,499 |
| Ser. 246, PO, zero %, 2037 | 10,657,909 | 8,168,496 |
| Ser. 3300, PO, zero %, 2037 | 1,864,635 | 1,465,881 |
| Ser. 236, PO, zero %, 2036 | 831,566 | 637,243 |
| FRB Ser. 3326, Class XF, zero %, 2037 | 380,861 | 365,652 |
| FRB Ser. 3122, Class GF, zero %, 2036 | 829,357 | 839,572 |
| FRB Ser. 3326, Class WF, zero %, 2035 | 347,815 | 328,490 |
| GE Capital Commercial Mortgage Corp. 144A | | |
| Ser. 00-1, Class F, 7.514s, 2033 | 251,000 | 257,842 |
| Ser. 00-1, Class G, 6.131s, 2033 | 1,159,000 | 1,087,779 |
| GMAC Commercial Mortgage Securities, Inc. 144A Ser. | | |
| 99-C3, Class G, 6.974s, 2036 | 1,022,427 | 1,038,357 |
| Government National Mortgage Association | | |
| IFB Ser. 07-51, Class SP, 9.495s, 2037 | 232,757 | 255,970 |
| IFB Ser. 07-64, Class AM, 7.45s, 2037 | 100,000 | 102,922 |
| Ser. 07-73, Class KG, IO, 6s, 2037 (FWC) | 1,540,000 | 1,916,820 |
| IFB Ser. 05-66, Class SP, 3.967s, 2035 | 937,870 | 886,216 |
| IFB Ser. 06-62, Class SI, IO, 2.383s, 2036 | 3,349,313 | 240,982 |
| IFB Ser. 07-1, Class SL, IO, 2.363s, 2037 | 1,453,872 | 114,137 |
| IFB Ser. 07-1, Class SM, IO, 2.353s, 2037 | 1,454,786 | 113,766 |
| IFB Ser. 07-26, Class SG, IO, 1.853s, 2037 | 4,325,715 | 300,571 |
| IFB Ser. 07-9, Class BI, IO, 1.823s, 2037 | 9,020,718 | 563,900 |
| IFB Ser. 07-25, Class SA, IO, 1.803s, 2037 | 3,554,218 | 209,762 |
| IFB Ser. 07-25, Class SB, IO, 1.803s, 2037 | 6,963,578 | 410,976 |
| IFB Ser. 07-26, Class LS, IO, 1.803s, 2037 | 8,996,252 | 607,521 |
| IFB Ser. 07-26, Class SA, IO, 1.803s, 2037 | 9,989,891 | 576,202 |
| IFB Ser. 07-22, Class S, IO, 1.803s, 2037 | 2,309,149 | 176,159 |
| IFB Ser. 07-11, Class SA, IO, 1.803s, 2037 | 2,119,936 | 142,897 |
| IFB Ser. 07-14, Class SB, IO, 1.803s, 2037 | 2,024,836 | 135,309 |
| IFB Ser. 07-51, Class SJ, IO, 1.753s, 2037 | 2,381,695 | 186,156 |
| IFB Ser. 07-26, Class SD, IO, 1.74s, 2037 | 4,976,311 | 326,679 |
| IFB Ser. 06-38, Class SG, IO, 1.653s, 2033 | 10,118,674 | 464,898 |
| IFB Ser. 07-53, Class SG, IO, 1.603s, 2037 | 1,698,089 | 96,277 |
| IFB Ser. 07-48, Class SB, IO, 1.59s, 2037 | 3,892,960 | 205,632 |
| IFB Ser. 07-53, Class ES, IO, 1.553s, 2037 | 2,722,112 | 128,840 |
| IFB Ser. 07-59, Class SP, IO, 1.54s, 2037 | 578,000 | 39,015 |
| IFB Ser. 07-59, Class PS, IO, 1.54s, 2037 | 1,852,000 | 126,457 |
| IFB Ser. 07-9, Class DI, IO, 1.513s, 2037 | 4,558,060 | 246,300 |

| | | |
|---|---|---|
| IFB Ser. 07-53, Class SC, IO, 1.503s, 2037 | 3,096,950 | 129,372 |
| IFB Ser. 07-64, Class AI, IO, 1.49s, 2037 | 900,000 | 45,637 |
| IFB Ser. 07-9, Class AI, IO, 1.44s, 2037 | 5,133,380 | 313,664 |
| IFB Ser. 07-36, Class SY, IO, 1.41s, 2037 | 2,850,232 | 156,127 |
| IFB Ser. 07-57, Class QA, IO, 1.38s, 2037 | 5,887,000 | 303,548 |
| IFB Ser. 07-61, Class SA, IO, 1.369s, 2037 | 3,133,000 | 170,408 |
| IFB Ser. 05-65, Class SI, IO, 1.353s, 2035 | 3,258,056 | 178,305 |
| IFB Ser. 07-58, Class SC, IO, 1.35s, 2037 | 5,010,000 | 225,450 |
| IFB Ser. 07-58, Class SD, IO, 1.34s, 2037 | 4,752,000 | 210,547 |
| IFB Ser. 07-59, Class SD, IO, 1.34s, 2037 | 1,150,000 | 59,117 |
| IFB Ser. 06-14, Class S, IO, 1.253s, 2036 | 3,182,432 | 153,324 |
| IFB Ser. 06-11, Class ST, IO, 1.243s, 2036 | 1,982,039 | 93,707 |
| IFB Ser. 07-27, Class SD, IO, 1.203s, 2037 | 2,537,622 | 112,705 |
| IFB Ser. 07-19, Class SJ, IO, 1.203s, 2037 | 4,304,460 | 186,368 |
| IFB Ser. 07-23, Class ST, IO, 1.203s, 2037 | 4,641,692 | 180,807 |
| IFB Ser. 07-9, Class CI, IO, 1.203s, 2037 | 5,931,833 | 262,410 |
| IFB Ser. 07-7, Class EI, IO, 1.203s, 2037 | 2,512,583 | 105,711 |
| IFB Ser. 07-1, Class S, IO, 1.203s, 2037 | 5,708,740 | 249,788 |
| IFB Ser. 07-3, Class SA, IO, 1.203s, 2037 | 5,440,998 | 235,635 |
| IFB Ser. 07-31, Class AI, IO, 1.12s, 2037 | 2,418,610 | 179,884 |
| IFB Ser. 07-43, Class SC, IO, 1.04s, 2037 | 3,960,688 | 162,375 |
| FRB Ser. 98-2, Class EA, PO, zero %, 2028 | 123,272 | 99,801 |
| GS Mortgage Securities Corp. II | | |
| FRB Ser. 07-GG10, Class A3, 5.993s, 2045 | 679,000 | 688,970 |
| FRB Ser. 07-GG10, Class AM, 5.993s, 2045 | 2,379,000 | 2,405,671 |
| GS Mortgage Securities Corp. II 144A FRB Ser. 03-FL6A, | | |
| Class L, 8.341s, 2015 | 417,000 | 414,915 |
| GSR Mortgage Loan Trust IFB Ser. 06-4F, Class 4A2, IO, | | |
| 2.278s, 2036 | 2,023,814 | 101,774 |
| JPMorgan Chase Commercial Mortgage Securities Corp. | | |
| FRB Ser. 07-LD12, Class AM, 6.260s, 2051 | 2,325,000 | 2,388,566 |
| FRB Ser. 07-LD12, Class A3, 6.188s, 2051 | 4,928,000 | 5,025,032 |
| Ser. 07-CB20, Class A3, 5.863s, 2051 | 1,698,000 | 1,713,129 |
| FRB Ser. 07-LD11, Class A3, 6.007s, 2049 | 847,000 | 859,053 |
| FRB Ser. 07-LD11, Class AM, 6.007s, 2049 | 1,071,000 | 1,081,539 |
| Ser. 07-CB20, Class A4, 5.794s, 2051 | 2,037,000 | 2,072,322 |
| FRB Ser. 07-LDPX, Class AM, 5.464s, 2049 | 1,090,000 | 1,059,687 |
| JPMorgan Chase Commercial Mortgage Securities Corp. | | |
| 144A Ser. 07-CB20, Class X1, IO, 0.049s, 2051 | 125,281,000 | 1,624,895 |
| LB Commercial Conduit Mortgage Trust 144A | | |
| Ser. 99-C1, Class G, 6.41s, 2031 | 492,082 | 513,686 |
| Ser. 98-C4, Class J, 5.6s, 2035 | 965,000 | 886,270 |
| LB-UBS Commercial Mortgage Trust | | |
| Ser. 07-C6, Class AM, 6.114s, 2017 | 1,612,000 | 1,639,707 |
| Ser. 07-C6, Class A2, 5.845s, 2012 | 1,535,000 | 1,572,896 |

Lehman Mortgage Trust

| | | |
|---|---|---|
| IFB Ser. 07-5, Class 4A3, 10.845s, 2036 | 1,633,761 | 1,814,627 |
| IFB Ser. 06-6, Class 5A2, IO, 1.628s, 2036 | 3,234,399 | 92,839 |
| IFB Ser. 07-5, Class 8A2, IO, 2.848s, 2036 | 3,017,979 | 183,287 |
| IFB Ser. 07-4, Class 3A2, IO, 2.328s, 2037 | 2,238,129 | 132,728 |
| IFB Ser. 06-5, Class 2A2, IO, 2.278s, 2036 | 5,572,365 | 300,834 |
| IFB Ser. 07-2, Class 2A13, IO, 1.818s, 2037 | 4,104,919 | 241,882 |
| IFB Ser. 06-9, Class 2A2, IO, 1.748s, 2037 | 4,863,318 | 299,820 |
| IFB Ser. 06-7, Class 2A4, IO, 1.678s, 2036 | 8,512,029 | 376,886 |
| IFB Ser. 06-7, Class 2A5, IO, 1.678s, 2036 | 7,716,267 | 440,502 |
| IFB Ser. 06-6, Class 1A2, IO, 1.628s, 2036 | 3,147,999 | 140,603 |
| IFB Ser. 06-6, Class 1A3, IO, 1.628s, 2036 | 4,341,009 | 221,787 |
| IFB Ser. 06-5, Class 1A3, IO, 0.528s, 2036 | 1,479,112 | 13,870 |
| IFB Ser. 06-4, Class 1A3, IO, 0.528s, 2036 | 2,113,834 | 28,592 |
| IFB Ser. 06-7, Class 1A3, IO, 0.478s, 2036 | 3,591,434 | 38,847 |
| Local Insight Media Finance, LLC Ser. 07-1W, Class A1, | | |
| 5.53s, 2012 | 3,423,000 | 3,372,725 |
| Mach One Commercial Mortgage Trust 144A | | |
| Ser. 04-1A, Class J, 5.45s, 2040 (Canada) | 1,154,000 | 817,447 |
| Ser. 04-1A, Class K, 5.45s, 2040 (Canada) | 411,000 | 300,963 |
| Ser. 04-1A, Class L, 5.45s, 2040 (Canada) | 187,000 | 106,751 |
| MASTR Adjustable Rate Mortgages Trust FRB Ser. 04-13, | | |
| Class 3A6, 3.786s, 2034 | 554,000 | 539,958 |
| Merrill Lynch Capital Funding Corp. Ser. 06-4, | | |
| Class XC, IO, 0.062s, 2049 | 111,261,432 | 1,599,383 |
| Merrill Lynch Mortgage Investors, Inc. | | |
| FRB Ser. 05-A9, Class 3A1, 5.278s, 2035 | 929,978 | 926,315 |
| Ser. 96-C2, Class JS, IO, 2.263s, 2028 (F) | 2,177,377 | 176,678 |
| Merrill Lynch Mortgage Trust | | |
| FRB Ser. 07-C1, Class A3, 5.83s, 2050 | 451,000 | 458,837 |
| FRB Ser. 07-C1, Class AM, 6.023s, 2050 | 308,000 | 309,531 |
| Merrill Lynch/Countrywide Commercial Mortgage Trust | | |
| FRB Ser. 07-8, Class A2, 5.92s, 2049 | 821,000 | 838,081 |
| Mezz Cap Commercial Mortgage Trust 144A Ser. 04-C1, | | |
| Class X, IO, 7.798s, 2037 | 1,377,954 | 409,511 |
| Morgan Stanley Capital I | | |
| Ser. 98-CF1, Class E, 7.35s, 2032 | 2,455,000 | 2,312,325 |
| FRB Ser. 07-IQ14, Class AM, 5.877s, 2049 | 507,000 | 503,712 |
| Morgan Stanley Capital I 144A FRB Ser. 04-RR, | | |
| Class F7, 6s, 2039 | 3,360,000 | 1,743,538 |
| Mortgage Capital Funding, Inc. | | |
| FRB Ser. 98-MC2, Class E, 7.085s, 2030 | 459,501 | 465,906 |
| Ser. 97-MC2, Class X, IO, 1.795s, 2012 | 334,344 | 391 |
| Permanent Financing PLC FRB Ser. 8, Class 2C, 6.124s, | | |
| 2042 (United Kingdom) | 1,112,000 | 1,105,613 |
| PNC Mortgage Acceptance Corp. 144A Ser. 00-C1, | | |
| Class J, 6 5/8s, 2010 | 285,000 | 269,476 |
| Residential Asset Securitization Trust | | |
| IFB Ser. 07-A3, Class 2A2, IO, 1.818s, 2037 | 9,633,772 | 564,566 |

| | | | |
|---|---|---|---|
| IFB Ser. 06-A7CB, Class 1A6, IO, 0.678s, 2036 | | 880,397 | 14,390 |
| SBA CMBS Trust 144A Ser. 05-1A, Class E, 6.706s, 2035 | | 595,000 | 594,925 |
| STRIPS 144A | | | |
| Ser. 03-1A, Class M, 5s, 2018 (Cayman Islands) | | 316,000 | 283,783 |
| Ser. 03-1A, Class N, 5s, 2018 (Cayman Islands) | | 376,000 | 323,757 |
| Ser. 04-1A, Class M, 5s, 2018 (Cayman Islands) | | 345,000 | 306,525 |
| Ser. 04-1A, Class N, 5s, 2018 (Cayman Islands) | | 325,000 | 270,474 |
| Structured Asset Securities Corp. | | | |
| IFB Ser. 07-4, Class 1A3, IO, 1.378s, 2037 | | 8,687,019 | 401,502 |
| Ser. 07-4, Class 1A4, IO, 1s, 2037 | | 8,687,019 | 267,380 |
| Structured Asset Securities Corp. 144A Ser. 07-RF1, | | | |
| Class 1A, IO, 0.674s, 2037 | | 10,321,003 | 262,441 |
| Titan Europe PLC 144A | | | |
| FRB Ser. 05-CT2A, Class E, 7.095s, 2014 (Ireland) | GBP | 444,138 | 898,641 |
| FRB Ser. 05-CT1A, Class D, 7.095s, 2014 (Ireland) | GBP | 956,785 | 1,885,554 |
| URSUS EPC 144A FRB Ser. 1-A, Class D, 6.938s, 2012 | | | |
| (Ireland) | GBP | 468,096 | 940,302 |
| Wachovia Bank Commercial Mortgage Trust 144A FRB Ser. | | | |
| 05-WL5A, Class L, 8.391s, 2018 | | $917,000 | 914,708 |
| Wells Fargo Mortgage Backed Securities Trust | | | |
| Ser. 05-AR16, Class 2A1, 4.943s, 2035 | | 30,021 | 29,853 |
| Ser. 05-AR13, Class 1A4, IO, 0.742s, 2035 | | 22,659,043 | 289,530 |
| **Total collateralized mortgage obligations (cost $195,091,729)** | | | **$206,787,760** |

**CORPORATE BONDS AND NOTES (16.1%)(a)**

| | Principal amount | Value |
|---|---|---|
| **Basic Materials (1.2%)** | | |
| Algoma Acquisition Corp. 144A unsec. notes 9 7/8s, | | |
| 2015 (Canada) | $280,000 | $247,800 |
| Builders FirstSource, Inc. company guaranty FRN | | |
| 9.808s, 2012 | 530,000 | 498,200 |
| Clondalkin Acquisition BV 144A sec. FRN 7.694s, 2013 | | |
| (Netherlands) | 360,000 | 345,600 |
| Compass Minerals International, Inc. sr. disc. notes | | |
| stepped-coupon Ser. B, zero % (12s, 6/1/08), 2013 (STP) | 555,000 | 559,163 |
| Domtar, Inc. notes 7 7/8s, 2011 (Canada) | 205,000 | 210,638 |
| Freeport-McMoRan Copper & Gold, Inc. sr. unsec. bonds | | |
| 8 3/8s, 2017 | 1,657,000 | 1,814,415 |
| Freeport-McMoRan Copper & Gold, Inc. sr. unsec. FRN | | |
| 8.394s, 2015 | 295,000 | 305,325 |
| Freeport-McMoRan Copper & Gold, Inc. sr. unsec. notes | | |
| 8 1/4s, 2015 | 830,000 | 898,475 |
| Georgia-Pacific Corp. debs. 9 1/2s, 2011 | 99,000 | 104,445 |
| Georgia-Pacific Corp. notes 8 1/8s, 2011 | 110,000 | 112,200 |
| Gerdau Ameristeel Corp. sr. notes 10 3/8s, 2011 | | |
| (Canada) | 691,000 | 730,733 |

| | | | |
|---|---|---|---|
| Hexion U.S. Finance Corp./Hexion Nova Scotia Finance, | | | |
| ULC company guaranty 9 3/4s, 2014 | | 1,195,000 | 1,311,513 |
| Lyondell Chemical Co. company guaranty 8 1/4s, 2016 | | 910,000 | 1,039,675 |
| Lyondell Chemical Co. company guaranty 6 7/8s, 2017 | | 905,000 | 997,763 |
| Momentive Performance Materials, Inc. 144A sr. notes | | | |
| 9 3/4s, 2014 | | 520,000 | 507,000 |
| Mosaic Co. (The) 144A sr. notes 7 5/8s, 2016 | | 446,000 | 480,565 |
| Mosaic Co. (The) 144A sr. notes 7 3/8s, 2014 | | 269,000 | 284,468 |
| NewPage Corp. company guaranty 10s, 2012 | | 116,000 | 122,670 |
| NewPage Holding Corp. sr. notes FRN 12.36s, 2013 (PIK) | | 145,000 | 139,200 |
| Norske Skog Canada, Ltd. company guaranty Ser. D, | | | |
| 8 5/8s, 2011 (Canada) | | 30,000 | 23,700 |
| Novelis, Inc. company guaranty 7 1/4s, 2015 | | 221,000 | 212,160 |
| Rockwood Specialties Group, Inc. company guaranty | | | |
| 7 5/8s, 2014 | EUR | 405,000 | 589,640 |
| Steel Dynamics, Inc. 144A sr. notes 7 3/8s, 2012 | | $175,000 | 175,000 |
| Steel Dynamics, Inc. 144A sr. notes 6 3/4s, 2015 | | 983,000 | 941,223 |
| Stone Container Corp. sr. notes 8 3/8s, 2012 | | 399,000 | 399,000 |
| Stone Container Finance company guaranty 7 3/8s, 2014 | | | |
| (Canada) | | 490,000 | 474,075 |
| | | | **13,524,646** |
| | | | |
| **Capital Goods (1.0%)** | | | |
| Alliant Techsystems, Inc. sr. sub. notes 6 3/4s, 2016 | | 907,000 | 902,465 |
| Berry Plastics Holding Corp. sec. notes 8 7/8s, 2014 | | 524,000 | 537,100 |
| Bombardier, Inc. 144A sr. notes 8s, 2014 (Canada) | | 620,000 | 644,800 |
| Crown Americas, LLC/Crown Americas Capital Corp. sr. | | | |
| notes 7 5/8s, 2013 | | 1,281,000 | 1,303,418 |
| General Cable Corp. company guaranty FRN 7.606s, 2015 | | 375,000 | 370,313 |
| Hawker Beechcraft Acquisition Co., LLC 144A sr. notes | | | |
| 8 1/2s, 2015 | | 1,100,000 | 1,119,250 |
| Hawker Beechcraft Acquisition Co., LLC 144A sr. sub. | | | |
| notes 9 3/4s, 2017 | | 220,000 | 223,850 |
| Hexcel Corp. sr. sub. notes 6 3/4s, 2015 | | 132,000 | 129,690 |
| L-3 Communications Corp. company guaranty 6 1/8s, 2013 | | 1,298,000 | 1,288,265 |
| L-3 Communications Corp. sr. sub. notes 5 7/8s, 2015 | | 1,019,000 | 993,525 |
| Legrand SA debs. 8 1/2s, 2025 (France) | | 1,573,000 | 1,840,410 |
| Milacron Escrow Corp. sec. notes 11 1/2s, 2011 | | 28,000 | 26,320 |
| Owens-Illinois, Inc. debs. 7 1/2s, 2010 | | 207,000 | 209,588 |
| RBS Global, Inc. / Rexnord Corp. company guaranty | | | |
| 9 1/2s, 2014 | | 1,395,000 | 1,440,338 |
| Ryerson Tull, Inc. 144A sec. notes 12s, 2015 | | 225,000 | 231,188 |
| TD Funding Corp. company guaranty 7 3/4s, 2014 | | 205,000 | 208,588 |
| Tekni-Plex, Inc. sec. notes 10 7/8s, 2012 | | 265,000 | 286,200 |
| | | | **11,755,308** |
| | | | |
| **Communication Services (0.9%)** | | | |

| | | |
|---|---|---|
| American Cellular Corp. company guaranty 9 1/2s, 2009 | 375,000 | 379,688 |
| American Tower Corp. 144A sr. notes 7s, 2017 | 770,000 | 787,325 |
| Cincinnati Bell, Inc. company guaranty 7s, 2015 | 1,040,000 | 1,016,600 |
| Cricket Communications, Inc. 144A company guaranty 9 3/8s, 2014 | 860,000 | 853,550 |
| Digicel, Ltd. 144A sr. notes 9 1/4s, 2012 (Jamaica) | 320,000 | 328,000 |
| Inmarsat Finance PLC company guaranty stepped-coupon zero % (10 3/8s, 11/15/08), 2012 (United Kingdom) (STP) | 1,503,000 | 1,450,395 |
| iPCS, Inc. sec. FRN 7.036s, 2013 | 280,000 | 273,000 |
| MetroPCS Wireless, Inc. 144A sr. notes 9 1/4s, 2014 | 180,000 | 178,650 |
| PAETEC Holding Corp. 144A sr. notes 9 1/2s, 2015 | 295,000 | 302,375 |
| Qwest Communications International, Inc. company guaranty 7 1/2s, 2014 | 699,000 | 707,738 |
| Qwest Corp. debs. 7 1/4s, 2025 | 382,000 | 380,090 |
| Qwest Corp. notes 8 7/8s, 2012 | 2,424,000 | 2,654,280 |
| Qwest Corp. sr. unsec. notes 7 1/2s, 2014 | 145,000 | 151,344 |
| Rural Cellular Corp. 144A sr. sub. notes FRN 8.621s, 2013 | 385,000 | 393,181 |
| West Corp. company guaranty 9 1/2s, 2014 | 255,000 | 262,013 |
| | | **10,118,229** |
| | | |
| **Consumer Cyclicals (2.3%)** | | |
| Allison Transmission 144A company guaranty 11s, 2015 | 150,000 | 152,813 |
| Boyd Gaming Corp. sr. sub. notes 7 3/4s, 2012 | 315,000 | 324,450 |
| Boyd Gaming Corp. sr. sub. notes 6 3/4s, 2014 | 265,000 | 260,031 |
| CanWest Media, Inc. company guaranty 8s, 2012 (Canada) | 663,075 | 646,498 |
| FelCor Lodging LP company guaranty 8 1/2s, 2008 (R) | 1,012,000 | 1,072,720 |
| Ford Motor Co. notes 7.45s, 2031 | 510,000 | 402,900 |
| Ford Motor Credit Corp. notes 7 3/8s, 2009 | 382,000 | 368,421 |
| Ford Motor Credit Corp. sr. notes 9 7/8s, 2011 | 1,389,000 | 1,386,915 |
| Ford Motor Credit Corp. sr. unsec. 9 3/4s, 2010 | 873,000 | 869,341 |
| Ford Motor Credit Corp. sr. unsec. FRN 7.993s, 2012 | 250,000 | 231,312 |
| General Motors Corp. debs. 9.4s, 2021 | 170,000 | 166,600 |
| Goodman Global Holding Co., Inc. sr. notes FRN Ser. B, 8.36s, 2012 | 70,000 | 70,350 |
| Hanesbrands, Inc. company guaranty FRN Ser. B, 8.784s, 2014 | 620,000 | 623,100 |
| Host Marriott LP sr. notes Ser. M, 7s, 2012 (R) | 1,460,000 | 1,474,600 |
| Jostens IH Corp. company guaranty 7 5/8s, 2012 | 1,164,000 | 1,196,010 |
| Lamar Media Corp. 144A sr. sub. notes 6 5/8s, 2015 | 325,000 | 311,188 |
| Levi Strauss & Co. sr. notes 9 3/4s, 2015 | 1,275,000 | 1,330,781 |
| Levi Strauss & Co. sr. notes 8 7/8s, 2016 | 560,000 | 574,000 |
| Meritage Homes Corp. company guaranty 6 1/4s, 2015 (S) | 692,000 | 543,220 |
| Meritage Homes Corp. sr. notes 7s, 2014 | 90,000 | 73,350 |
| Meritor Automotive, Inc. notes 6.8s, 2009 | 135,000 | 133,650 |
| MGM Mirage, Inc. company guaranty 8 1/2s, 2010 | 885,000 | 925,931 |
| MGM Mirage, Inc. company guaranty 6s, 2009 | 1,929,000 | 1,924,178 |
| NTK Holdings, Inc. sr. disc. notes zero %, 2014 | 207,000 | 135,585 |

| | | |
|---|---|---|
| Oxford Industries, Inc. sr. notes 8 7/8s, 2011 | 880,000 | 880,000 |
| Pinnacle Entertainment, Inc. sr. sub. notes 8 1/4s, 2012 | 665,000 | 684,950 |
| Pinnacle Entertainment, Inc. 144A sr. sub. notes 7 1/2s, 2015 | 625,000 | 603,125 |
| Quebecor Media notes 7 3/4s, 2016 (Canada) | 140,000 | 135,100 |
| Scientific Games Corp. company guaranty 6 1/4s, 2012 | 1,226,000 | 1,176,960 |
| Sealy Mattress Co. sr. sub. notes 8 1/4s, 2014 | 580,000 | 577,100 |
| Standard Pacific Corp. sr. notes 6 1/2s, 2008 | 395,000 | 357,475 |
| Station Casinos, Inc. sr. notes 6s, 2012 | 614,000 | 569,485 |
| Tenneco Automotive, Inc. company guaranty 8 5/8s, 2014 | 136,000 | 138,720 |
| Texas Industries, Inc. sr. unsec. notes 7 1/4s, 2013 | 713,000 | 713,000 |
| THL Buildco, Inc. (Nortek Holdings, Inc.) sr. sub. notes 8 1/2s, 2014 | 510,000 | 451,350 |
| Trump Entertainment Resorts, Inc. sec. notes 8 1/2s, 2015 | 686,000 | 581,385 |
| Vertis, Inc. company guaranty Ser. B, 10 7/8s, 2009 | 1,305,000 | 1,208,756 |
| Vertis, Inc. 144A sub. notes 13 1/2s, 2009 | 335,000 | 227,800 |
| Wimar Opco, LLC. 144A sr. sub. notes 9 5/8s, 2014 | 1,980,000 | 1,485,000 |
| Wynn Las Vegas, LLC/Wynn Las Vegas Capital Corp. 1st mtge. 6 5/8s, 2014 | 1,087,000 | 1,067,978 |
| | | **26,056,128** |
| **Consumer Staples (1.9%)** | | |
| Affinity Group, Inc. sr. sub. notes 9s, 2012 | 1,055,000 | 1,055,000 |
| AMC Entertainment, Inc. company guaranty 11s, 2016 | 485,000 | 525,013 |
| AMC Entertainment, Inc. sr. sub. notes 8s, 2014 | 399,000 | 390,023 |
| Archibald Candy Corp. company guaranty 10s, 2008 (In default) (NON)(F) | 173,688 | 2,551 |
| Avis Budget Car Rental, LLC company guaranty 7 3/4s, 2016 | 560,000 | 551,600 |
| CCH I Holdings, LLC company guaranty 12 1/8s, 2015 | 47,000 | 41,360 |
| CCH I, LLC/Capital Corp. sec. notes 11s, 2015 | 745,000 | 722,650 |
| CCH II, LLC/Capital Corp. sr. unsec. notes Ser. B, 10 1/4s, 2010 | 2,154,000 | 2,191,695 |
| CCH, LLC/Capital Corp. sr. unsec. notes 10 1/4s, 2010 | 166,000 | 169,320 |
| Church & Dwight Co., Inc. company guaranty 6s, 2012 | 865,000 | 842,294 |
| Cinemark, Inc. sr. disc. notes stepped-coupon zero % (9 3/4s, 3/15/09), 2014 (STP) | 990,000 | 931,838 |
| CSC Holdings, Inc. sr. notes 6 3/4s, 2012 | 1,063,000 | 1,028,453 |
| Dean Foods Co. company guaranty 7s, 2016 | 272,000 | 254,320 |
| Del Monte Corp. company guaranty 6 3/4s, 2015 | 640,000 | 622,400 |
| Del Monte Corp. sr. sub. notes 8 5/8s, 2012 | 1,085,000 | 1,106,700 |
| DirecTV Holdings, LLC company guaranty 6 3/8s, 2015 | 1,416,000 | 1,366,440 |
| Echostar DBS Corp. company guaranty 6 5/8s, 2014 | 4,144,000 | 4,226,880 |
| Interpublic Group of Companies, Inc. notes 6 1/4s, 2014 | 233,000 | 212,030 |

| | | |
|---|---|---|
| Nielsen Finance LLC/Nielsen Finance Co. company guaranty 10s, 2014 | 365,000 | 384,163 |
| Nielsen Finance LLC/Nielsen Finance Co. company guaranty stepped-coupon zero % (12 1/2s, 8/1/11), 2016 (STP) | 700,000 | 505,750 |
| Prestige Brands, Inc. sr. sub. notes 9 1/4s, 2012 | 724,000 | 731,240 |
| Rainbow National Services, LLC 144A sr. notes 8 3/4s, 2012 | 750,000 | 780,000 |
| Rental Services Corp. company guaranty 9 1/2s, 2014 | 264,000 | 253,770 |
| Rite Aid Corp. company guaranty 9 3/8s, 2015 | 645,000 | 595,013 |
| Rite Aid Corp. sec. notes 7 1/2s, 2017 | 620,000 | 576,600 |
| United Rentals NA, Inc. sr. sub. notes 7s, 2014 | 515,000 | 545,900 |
| Young Broadcasting, Inc. company guaranty 10s, 2011 | 469,000 | 440,860 |
| Young Broadcasting, Inc. sr. sub. notes 8 3/4s, 2014 | 160,000 | 138,000 |
| | | **21,191,863** |
| | | |
| **Energy (2.2%)** | | |
| Arch Western Finance, LLC sr. notes 6 3/4s, 2013 | 2,598,000 | 2,533,050 |
| Chaparral Energy, Inc. 144A sr. notes 8 7/8s, 2017 | 630,000 | 589,050 |
| CHC Helicopter Corp. sr. sub. notes 7 3/8s, 2014 (Canada) | 1,577,000 | 1,525,748 |
| Chesapeake Energy Corp. sr. notes 7 1/2s, 2013 | 1,991,000 | 2,045,753 |
| Complete Production Services, Inc. company guaranty 8s, 2016 | 1,020,000 | 989,400 |
| Comstock Resources, Inc. sr. notes 6 7/8s, 2012 | 995,000 | 955,200 |
| Denbury Resources, Inc. sr. sub. notes 7 1/2s, 2015 | 625,000 | 634,375 |
| EXCO Resources, Inc. company guaranty 7 1/4s, 2011 | 830,000 | 819,625 |
| Forest Oil Corp. sr. notes 8s, 2011 | 1,465,000 | 1,516,275 |
| Gaz Capital for Gazprom 144A sr. unsec. 7.288s, 2037 (Luxembourg) | 575,000 | 610,765 |
| Harvest Operations Corp. sr. notes 7 7/8s, 2011 (Canada) | 1,140,000 | 1,108,650 |
| Hornbeck Offshore Services, Inc. sr. notes Ser. B, 6 1/8s, 2014 | 1,013,000 | 964,883 |
| Lukoil International Finance 144A company guaranty 6.656s, 2022 (Netherlands) | 500,000 | 478,600 |
| Lukoil International Finance 144A company guaranty 6.356s, 2017 (Netherlands) | 1,200,000 | 1,155,000 |
| Massey Energy Co. sr. notes 6 5/8s, 2010 | 523,000 | 509,925 |
| Newfield Exploration Co. sr. sub. notes 6 5/8s, 2014 | 698,000 | 685,785 |
| Offshore Logistics, Inc. company guaranty 6 1/8s, 2013 | 910,000 | 889,525 |
| Oslo Seismic Services, Inc. 1st mtge. 8.28s, 2011 | 747,385 | 772,354 |
| Pacific Energy Partners/Pacific Energy Finance Corp. sr. notes 7 1/8s, 2014 | 695,000 | 718,087 |
| Peabody Energy Corp. sr. notes 5 7/8s, 2016 | 1,470,000 | 1,396,500 |
| PetroHawk Energy Corp. company guaranty 9 1/8s, 2013 | 607,000 | 644,179 |
| Petroleum Co. of Trinidad & Tobago Ltd. 144A sr. unsec 6s, 2022 (Trinidad) | 1,745,000 | 1,767,790 |

| | | | |
|---|---|---|---|
| Plains Exploration & Production Co. company guaranty 7 3/4s, 2015 | | 140,000 | 139,300 |
| Plains Exploration & Production Co. company guaranty 7s, 2017 | | 150,000 | 142,500 |
| Pride International, Inc. sr. notes 7 3/8s, 2014 | | 1,619,000 | 1,659,475 |
| | | | **25,251,794** |
| **Financial (3.1%)** | | | |
| Banco Do Brasil 144A sr. unsec. 9 3/4s, 2017 (Cayman Islands) | | 1,055,000 | 555,199 |
| Bear Stearns Cos., Inc. (The) notes Ser. MTN, 6.95s, 2012 | | 2,375,000 | 2,471,644 |
| Bosphorus Financial Services, Ltd. 144A sec. sr. notes FRN 7.358s, 2012 (Cayman Islands) | | 2,828,000 | 2,799,655 |
| Finova Group, Inc. notes 7 1/2s, 2009 | | 803,510 | 136,597 |
| General Motors Acceptance Corp. notes 7 3/4s, 2010 | | 176,000 | 170,361 |
| General Motors Acceptance Corp. notes 7s, 2012 | | 185,000 | 168,983 |
| General Motors Acceptance Corp. notes 6 7/8s, 2012 | | 1,292,000 | 1,164,730 |
| General Motors Acceptance Corp. notes 6 7/8s, 2011 | | 165,000 | 152,066 |
| General Motors Acceptance Corp. notes 6 3/4s, 2014 | | 2,509,000 | 2,223,210 |
| General Motors Acceptance Corp. notes FRN 7.821s, 2014 | | 670,000 | 596,031 |
| General Motors Acceptance Corp. sr. unsub. notes 5.85s, 2009 | | 209,000 | 201,669 |
| GMAC LLC unsub. notes 6 5/8s, 2012 | | 1,345,000 | 1,215,606 |
| Goldman Sachs Group, Inc (The) sub. notes 6 3/4s, 2037 | | 655,000 | 660,383 |
| HUB International Holdings, Inc. 144A sr. notes 9s, 2014 | | 135,000 | 129,600 |
| HUB International Holdings, Inc. 144A sr. sub. notes 10 1/4s, 2015 | | 185,000 | 171,125 |
| Lehman Brothers Holdings, Inc. sr. unsec 6.2s, 2014 | | 2,375,000 | 2,390,411 |
| Leucadia National Corp. sr. unsec. 8 1/8s, 2015 | | 205,000 | 206,794 |
| Leucadia National Corp. sr. unsec. 7 1/8s, 2017 | | 495,000 | 465,300 |
| Liberty Mutual Insurance 144A notes 7.697s, 2097 | | 1,330,000 | 1,292,489 |
| Morgan Stanley sr. unsec. bonds 5.578s, 2017 | BRL | 3,655,000 | 2,007,549 |
| Nuveen Investments, Inc. 144A sr. notes 10 1/2s, 2015 | | $295,000 | 295,000 |
| Petroplus Finance, Ltd. company guaranty 6 3/4s, 2014 (Bermuda) | | 700,000 | 665,000 |
| Realogy Corp. 144A sr. notes 10 1/2s, 2014 | | 1,365,000 | 1,134,656 |
| RSHB Capital SA for OJSC Russian Agricultural Bank notes 6.299s, 2017 (Luxembourg) | | 1,880,000 | 1,781,112 |
| UBS Luxembourg SA for Sberbank unsec. sub. notes stepped-coupon 6.23s (7.429s, 2/11/10), 2015 (Luxembourg) (STP) | | 2,730,000 | 2,719,080 |
| USI Holdings Corp. 144A sr. notes FRN 9.433s, 2014 | | 120,000 | 111,600 |
| VTB Capital SA bonds 6 1/4s, 2035 (Luxembourg) | | 1,724,000 | 1,693,830 |
| VTB Capital SA sr. notes 6 1/4s, 2035 (Luxembourg) | | 1,065,000 | 1,046,363 |

| | | |
|---|---|---|
| VTB Capital SA 144A notes 7 1/2s, 2011 (Luxembourg) | 2,595,000 | 2,685,825 |
| VTB Capital SA 144A sec. notes 6.609s, 2012 (Luxembourg) | 3,815,000 | 3,816,908 |
| | | **35,128,776** |
| **Government (0.1%)** | | |
| Pemex Finance, Ltd. bonds 9.69s, 2009 (Cayman Islands) | 786,000 | 818,683 |
| Pemex Project Funding Master Trust 144A company guaranty 6 5/8s, 2035 | 340,000 | 363,460 |
| Pemex Project Funding Master Trust 144A company guaranty 5 3/4s, 2018 | 425,000 | 428,613 |
| | | **1,610,756** |
| **Health Care (1.2%)** | | |
| Bausch & Lomb, Inc. 144A sr. unsec. 9 7/8s, 2015 | 400,000 | 412,000 |
| Community Health Systems, Inc. 144A sr. notes 8 7/8s, 2015 | 1,310,000 | 1,326,375 |
| DaVita, Inc. company guaranty 6 5/8s, 2013 | 291,000 | 289,545 |
| HCA, Inc. sec. notes 9 5/8s, 2016 (PIK) | 1,095,000 | 1,157,963 |
| HCA, Inc. sec. notes 9 1/4s, 2016 | 1,275,000 | 1,341,938 |
| Omnicare, Inc. sr. sub. notes 6 1/8s, 2013 | 1,450,000 | 1,363,000 |
| Service Corporation International debs. 7 7/8s, 2013 | 112,000 | 116,486 |
| Service Corporation International sr. notes 7s, 2017 | 333,000 | 325,508 |
| Stewart Enterprises, Inc. sr. notes 6 1/4s, 2013 | 1,412,000 | 1,369,640 |
| Surgical Care Affiliates, Inc. 144A sr. notes 8 7/8s, 2015 (PIK) | 200,000 | 191,000 |
| Surgical Care Affiliates, Inc. 144A sr. sub. notes 10s, 2017 | 600,000 | 573,000 |
| Tenet Healthcare Corp. notes 7 3/8s, 2013 | 750,000 | 637,500 |
| Tenet Healthcare Corp. sr. notes 9 7/8s, 2014 | 598,000 | 544,180 |
| Tenet Healthcare Corp. sr. notes 6 3/8s, 2011 | 340,000 | 297,500 |
| US Oncology, Inc. company guaranty 9s, 2012 | 965,000 | 967,413 |
| Vanguard Health Holding Co. II, LLC sr. sub. notes 9s, 2014 | 973,000 | 948,675 |
| Ventas Realty LP/Capital Corp. company guaranty 9s, 2012 (R) | 590,000 | 643,100 |
| Ventas Realty LP/Capital Corp. company guaranty 6 3/4s, 2010 (R) | 392,000 | 393,960 |
| Ventas Realty LP/Capital Corp. sr. notes 6 5/8s, 2014 (R) | 337,000 | 336,158 |
| | | **13,234,941** |
| **Technology (0.7%)** | | |
| Advanced Micro Devices, Inc. sr. notes 7 3/4s, 2012 | 649,000 | 600,325 |
| Compucom Systems, Inc. sr. sub. notes 12 1/2s, 2015 | 305,000 | 304,238 |
| Freescale Semiconductor, Inc. sr. sec. notes 10 1/8s, 2016 (S) | 757,000 | 686,031 |
| Freescale Semiconductor, Inc. sr. unsec. 9 1/8s, 2014 | | |

| | | |
|---|---|---|
| (PIK) | 753,000 | 681,465 |
| Freescale Semiconductor, Inc. sr. unsec. 8 7/8s, 2014 | 1,082,000 | 1,023,843 |
| Iron Mountain, Inc. company guaranty 8 5/8s, 2013 | 435,000 | 441,525 |
| Iron Mountain, Inc. sr. sub. notes 8 1/4s, 2011 | 770,000 | 765,188 |

| | | | |
|---|---|---|---|
| JPMorgan Chase & Co. 144A 0.201s, 2012 | INR | 37,500,000 | 1,020,4 |
| New ASAT Finance, Ltd. company guaranty 9 1/4s, 2011 (Cayman Islands) | | $25,000 | 20,2 |
| Nortel Networks, Ltd. 144A company guaranty 10 3/4s, 2016 (Canada) | | 425,000 | 443,0 |
| Nortel Networks, Ltd. 144A company guaranty FRN 9.493s, 2011 (Canada) | | 460,000 | 454,2 |
| SunGard Data Systems, Inc. company guaranty 9 1/8s, 2013 | | 660,000 | 673,2 |
| Travelport LLC company guaranty 9 7/8s, 2014 | | 325,000 | 334,7 |
| | | | **7,448,5** |
| **Utilities & Power (1.4%)** | | | |
| AES Corp. (The) sr. notes 8 7/8s, 2011 | | 107,000 | 112,0 |
| AES Corp. (The) 144A sec. notes 8 3/4s, 2013 | | 895,000 | 951,4 |
| AES Corp. (The) 144A sr. notes 8s, 2017 | | 255,000 | 257,2 |
| CMS Energy Corp. sr. notes 7 3/4s, 2010 | | 350,000 | 365,5 |
| Colorado Interstate Gas Co. debs. 6.85s, 2037 | | 615,000 | 610,4 |
| Colorado Interstate Gas Co. sr. notes 5.95s, 2015 | | 173,000 | 170,5 |
| Edison Mission Energy sr. unsec. notes 7 3/4s, 2016 | | 289,000 | 296,9 |
| Edison Mission Energy sr. unsec. notes 7 1/2s, 2013 | | 338,000 | 342,0 |
| Edison Mission Energy 144A sr. notes 7.2s, 2019 | | 545,000 | 532,7 |
| Edison Mission Energy 144A sr. notes 7s, 2017 | | 380,000 | 371,4 |
| El Paso Natural Gas Co. debs. 8 5/8s, 2022 | | 370,000 | 430,5 |
| Ferrellgas LP/Finance sr. notes 6 3/4s, 2014 | | 1,010,000 | 994,8 |
| Kinder Morgan, Inc. sr. notes 6 1/2s, 2012 | | 3,850,000 | 3,830,7 |
| NRG Energy, Inc. sr. notes 7 3/8s, 2016 | | 465,000 | 463,8 |
| Orion Power Holdings, Inc. sr. notes 12s, 2010 | | 1,115,000 | 1,232,0 |
| SEMCO Energy, Inc. sr. notes 7 3/4s, 2013 | | 993,000 | 1,045,9 |
| Teco Energy, Inc. notes 7.2s, 2011 | | 350,000 | 365,7 |
| Teco Energy, Inc. notes 7s, 2012 | | 550,000 | 573,2 |
| Teco Energy, Inc. sr. notes 6 3/4s, 2015 | | 63,000 | 64,7 |
| Tennessee Gas Pipeline Co. debs. 7s, 2028 | | 145,000 | 148,0 |
| Tennessee Gas Pipeline Co. unsec. notes 7 1/2s, 2017 | | 291,000 | 315,0 |
| Transcontinental Gas Pipeline Corp. debs. 7 1/4s, 2026 | | 875,000 | 929,0 |
| Utilicorp United, Inc. sr. notes 9.95s, 2011 | | 36,000 | 38,9 |
| Williams Cos., Inc. (The) notes 8 1/8s, 2012 | | 290,000 | 312,4 |
| Williams Cos., Inc. (The) notes 7 5/8s, 2019 | | 736,000 | 798,5 |
| Williams Partners LP/ Williams Partners Finance Corp. company guaranty 7 1/4s, 2017 | | 280,000 | 288,7 |
| | | | **15,843,8** |

| | | |
|---|---|---|
| **Total corporate bonds and notes (cost $183,799,070)** | | **$181,164,8** |
| | | |
| **U.S. GOVERNMENT AND AGENCY MORTGAGE OBLIGATIONS (3.3%)(a)** | | |
| | Principal amount | Va |
| **U.S. Government Guaranteed Mortgage Obligations (0.6%)** | | |
| Government National Mortgage Association Pass-Through Certificates | | |
| 6 1/2s, August 20, 2037 | $5,194,471 | $5,340,9 |
| 6 1/2s, TBA, November 1, 2036 | 1,100,000 | 1,129,9 |
| | | **6,470,8** |
| | | |
| **U.S. Government Agency Mortgage Obligations (2.7%)** | | |
| Federal Home Loan Mortgage Corporation Pass-Through Certificates | | |
| 6s, with due dates from September 1, 2021 to October 1, 2021 | 925,906 | 941,8 |
| Federal National Mortgage Association Pass-Through Certificates | | |
| 7 1/2s, January 1, 2030 | 56,811 | 60,7 |
| 6 1/2s, September 1, 2036 | 1,012,218 | 1,036,0 |
| 6 1/2s, April 1, 2016 | 42,179 | 43,4 |
| 6 1/2s, TBA, December 1, 2036 | 1,900,000 | 1,942,5 |
| 6 1/2s, TBA, November 1, 2034 | 4,000,000 | 4,094,0 |
| 6s, July 1, 2021 | 5,853,374 | 5,957,0 |
| 5 1/2s, with due dates from December 1, 2011 to August 1, 2021 | 2,622,263 | 2,631,7 |
| 5s, July 1, 2021 | 192,774 | 189,8 |
| 4 1/2s, with due dates from April 1, 2020 to June 1, 2034 | 14,067,976 | 13,441,7 |
| | | **30,339,8** |
| **Total U.S. government and agency mortgage obligations (cost $36,606,066)** | | **$36,810,6** |
| | | |
| **U.S. TREASURY OBLIGATIONS (12.4%)(a)** | | |
| | Principal amount | Va |
| U.S. Treasury Bonds | | |
| 7 1/2s, November 15, 2016 | $27,040,000 | $33,085,9 |
| 6 1/4s, May 15, 2030 | 46,303,000 | 55,664,8 |
| U.S. Treasury Inflation Index Notes 2 3/8s, January 15, 2017 | 8,042,580 | 8,215,9 |
| U.S. Treasury Notes | | |
| 4 1/4s, August 15, 2013 | 29,883,000 | 29,969,3 |
| 4s, November 15, 2012 | 3,000 | 2,9 |
| U.S. Treasury Strip zero %, November 15, 2024 | 28,450,000 | 12,386,3 |
| | | |
| **Total U.S. treasury obligations (cost $133,379,471)** | | **$139,325,5** |
| | | |
| **ASSET-BACKED SECURITIES (11.4%)(a)** | | |
| | Principal amount | Va |

| | | |
|---|---|---|
| Accredited Mortgage Loan Trust FRB Ser. 05-4, | | |
| Class A2C, 5.083s, 2035 | 68,000 | $64,3 |
| Ace Securities Corp. | | |
| FRB Ser. 06-OP2, Class A2C, 5.023s, 2036 | 217,000 | 201,2 |

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| | | |
|---|---|---|
| FRB Ser. 06-HE3, Class A2C, 5.023s, 2036 | 191,000 | 179,136 |
| Ameriquest Finance NIM Trust 144A Ser. 04-RN9, | | |
| Class N2, 10s, 2034 (Cayman Islands) | 114,758 | 57,379 |
| Arcap REIT, Inc. 144A | | |
| Ser. 03-1A, Class E, 7.11s, 2038 | 743,000 | 745,155 |
| Ser. 04-1A, Class E, 6.42s, 2039 | 420,000 | 397,640 |
| Argent Securities, Inc. FRB Ser. 06-W4, Class A2C, | | |
| 5.033s, 2036 | 340,000 | 323,000 |
| Asset Backed Funding Certificates 144A FRB Ser. | | |
| 06-OPT3, Class B, 7.373s, 2036 | 117,000 | 17,060 |
| Asset Backed Securities Corp. Home Equity Loan Trust | | |
| FRB Ser. 06-HE2, Class A3, 5.063s, 2036 | 94,000 | 90,895 |
| FRB Ser. 06-HE4, Class A5, 5.033s, 2036 | 241,000 | 225,571 |
| Asset Backed Securities Corp. Home Equity Loan Trust | | |
| 144A FRB Ser. 06-HE2, Class M10, 7.373s, 2036 | 1,001,000 | 80,080 |
| Aviation Capital Group Trust 144A FRB Ser. 03-2A, | | |
| Class G1, 5.698s, 2033 | 521,889 | 516,670 |
| Bank One Issuance Trust FRB Ser. 03-C4, Class C4, | | |
| 6.121s, 2011 (F) | 740,000 | 738,795 |
| Bear Stearns Asset Backed Securities, Inc. | | |
| FRB Ser. 04-FR3, Class M6, 8.123s, 2034 | 507,000 | 349,830 |
| FRB Ser. 06-PC1, Class M9, 6.623s, 2035 | 364,000 | 69,160 |
| Bear Stearns Asset Backed Securities, Inc. 144A FRB | | |
| Ser. 06-HE2, Class M10, 7.123s, 2036 | 552,000 | 104,880 |
| Bombardier Capital Mortgage Securitization Corp. | | |
| Ser. 00-A, Class A4, 8.29s, 2030 | 1,533,255 | 1,053,394 |
| Ser. 00-A, Class A2, 7.575s, 2030 | 2,728,643 | 1,840,715 |
| Ser. 99-B, Class A4, 7.3s, 2016 | 1,331,230 | 821,558 |
| Ser. 99-B, Class A3, 7.18s, 2015 | 2,275,341 | 1,432,042 |
| FRB Ser. 00-A, Class A1, 5.251s, 2030 | 293,584 | 158,536 |
| Capital Auto Receivables Asset Trust 144A Ser. 06-1, | | |
| Class D, 7.16s, 2013 | 500,000 | 501,836 |
| Chase Credit Card Master Trust FRB Ser. 03-3, Class C, | | |
| 6.171s, 2010 | 860,000 | 857,517 |
| Citigroup Mortgage Loan Trust, Inc. | | |
| FRB Ser. 05-HE4, Class M11, 7.373s, 2035 | 599,000 | 167,720 |
| FRB Ser. 05-HE4, Class M12, 6.923s, 2035 | 899,000 | 161,820 |
| FRB Ser. 05-OPT1, Class M1, 5.293s, 2035 | 106,000 | 93,538 |
| Conseco Finance Securitizations Corp. | | |
| Ser. 00-2, Class A5, 8.85s, 2030 | 2,840,750 | 2,543,255 |
| Ser. 00-4, Class A6, 8.31s, 2032 | 6,999,507 | 5,789,901 |
| Ser. 00-5, Class A7, 8.2s, 2032 | 1,053,000 | 912,407 |

| | | | |
|---|---|---|---|
| Ser. 00-1, Class A5, 8.06s, 2031 | | 2,027,330 | 1,629,148 |
| Ser. 00-4, Class A5, 7.97s, 2032 | | 399,893 | 334,441 |
| Ser. 00-5, Class A6, 7.96s, 2032 | | 1,631,000 | 1,454,819 |
| Ser. 02-1, Class M1F, 7.954s, 2033 | | 85,000 | 82,742 |
| Ser. 01-3, Class M2, 7.44s, 2033 | | 153,159 | 9,190 |
| Ser. 01-4, Class A4, 7.36s, 2033 | | 450,518 | 458,025 |
| Ser. 00-6, Class A5, 7.27s, 2031 | | 164,077 | 160,736 |
| FRB Ser. 02-1, Class M1A, 7.178s, 2033 | | 4,326,000 | 4,086,837 |
| Ser. 01-1, Class A5, 6.99s, 2032 | | 1,755,621 | 1,648,700 |
| Ser. 01-3, Class A4, 6.91s, 2033 | | 6,266,094 | 6,076,125 |
| FRB Ser. 01-4, Class M1, 6.878s, 2033 | | 573,000 | 277,015 |
| Ser. 02-1, Class A, 6.681s, 2033 | | 2,063,002 | 2,111,588 |
| Countrywide Asset Backed Certificates | | | |
| FRB Ser. 05-BC3, Class M1, 5.393s, 2035 | | 96,000 | 86,400 |
| FRB Ser. 05-14, Class 3A2, 5.113s, 2036 | | 78,000 | 75,716 |
| Countrywide Asset Backed NIM Certificates 144A Ser. | | | |
| 04-BC1N, Class Note, 5 1/2s, 2035 | | 437 | 175 |
| Crest, Ltd. 144A Ser. 03-2A, Class E2, 8s, 2038 | | | |
| (Cayman Islands) | | 838,000 | 670,400 |
| DB Master Finance, LLC 144A Ser. 06-1, Class M1, | | | |
| 8.285s, 2031 | | 545,000 | 546,050 |
| FHLMC Structured Pass Through Securities IFB Ser. | | | |
| T-56, Class 2ASI, IO, 3.228s, 2043 | | 1,553,502 | 142,243 |
| First Chicago Lennar Trust 144A Ser. 97-CHL1, Class E, | | | |
| 8.096s, 2039 | | 1,320,594 | 1,324,721 |
| First Franklin Mortgage Loan Asset Backed Certificates | | | |
| FRB Ser. 06-FF7, Class 2A3, 5.023s, 2036 | | 356,000 | 336,298 |
| Fremont Home Loan Trust | | | |
| FRB Ser. 05-E, Class 2A4, 5.203s, 2036 | | 498,000 | 474,494 |
| FRB Ser. 06-2, Class 2A3, 5.043s, 2036 | | 589,000 | 569,858 |
| Fremont NIM Trust 144A | | | |
| Ser. 04-3, Class B, 7 1/2s, 2034 | | 81,238 | 650 |
| Ser. 04-3, Class A, 4 1/2s, 2034 | | 3,186 | 46 |
| Gears Auto Owner Trust 144A Ser. 05-AA, Class E1, | | | |
| 8.22s, 2012 | | 1,347,000 | 1,323,424 |
| Granite Mortgages PLC | | | |
| FRB Ser. 03-2, Class 3C, 7.589s, 2043 (United Kingdom) | GBP | 1,842,817 | 3,743,020 |
| FRB Ser. 03-2, Class 2C1, 5.2s, 2043 (United Kingdom) | EUR | 2,785,000 | 3,716,658 |
| Green Tree Financial Corp. | | | |
| Ser. 94-6, Class B2, 9s, 2020 | | $1,686,394 | 1,717,766 |
| Ser. 94-4, Class B2, 8.6s, 2019 | | 572,635 | 436,941 |
| Ser. 93-1, Class B, 8.45s, 2018 | | 942,963 | 870,933 |
| Ser. 99-5, Class A5, 7.86s, 2030 | | 8,391,858 | 7,762,468 |
| Ser. 96-8, Class M1, 7.85s, 2027 | | 754,000 | 685,669 |
| Ser. 95-8, Class B1, 7.3s, 2026 | | 704,416 | 638,732 |
| Ser. 95-4, Class B1, 7.3s, 2025 | | 726,329 | 730,956 |
| Ser. 97-6, Class M1, 7.21s, 2029 | | 1,325,000 | 1,241,300 |
| Ser. 95-F, Class B2, 7.1s, 2021 | | 80,890 | 80,081 |

| | | | |
|---|---|---|---|
| Ser. 99-3, Class A7, 6.74s, 2031 | | 1,438,000 | 1,412,107 |
| Greenpoint Manufactured Housing | | | |
| Ser. 00-3, Class IA, 8.45s, 2031 | | 3,489,925 | 3,292,019 |
| Ser. 99-5, Class M1A, 8.3s, 2026 | | 312,000 | 277,629 |
| Ser. 99-5, Class A4, 7.59s, 2028 | | 74,003 | 73,494 |
| GS Auto Loan Trust 144A Ser. 04-1, Class D, 5s, 2011 | | 712,336 | 711,780 |
| GSAMP Trust FRB Ser. 06-HE5, Class A2C, 5.023s, 2036 | | 877,000 | 825,767 |

| | | | |
|---|---|---|---|
| Guggenheim Structured Real Estate Funding, Ltd. 144A | | | |
| FRB Ser. 05-2A, Class E, 6.873s, 2030 (Cayman Islands) | | 729,000 | 631,751 |
| FRB Ser. 05-1A, Class E, 6.673s, 2030 (Cayman Islands) | | 163,023 | 146,558 |
| HASCO NIM Trust 144A Ser. 05-OP1A, Class A, 6 1/4s, 2035 (Cayman Islands) | | 350,867 | 235,081 |
| Home Equity Asset Trust FRB Ser. 06-1, Class 2A4, 5.203s, 2036 | | 248,000 | 217,493 |
| JPMorgan Mortgage Acquisition Corp. FRB Ser. 06-FRE1, Class A4, 5.163s, 2035 | | 211,000 | 202,033 |
| Lehman XS Trust FRB Ser. 07-6, Class 2A1, 5.083s, 2037 | | 2,814,759 | 2,765,501 |
| LNR CDO, Ltd. 144A | | | |
| FRB Ser. 03-1A, Class EFL, 7.95s, 2036 (Cayman Islands) | | 1,485,000 | 1,392,188 |
| FRB Ser. 02-1A, Class FFL, 7.643s, 2037 (Cayman Islands) | | 2,440,000 | 2,112,125 |
| Long Beach Mortgage Loan Trust | | | |
| FRB Ser. 06-4, Class 2A4, 5.133s, 2036 | | 240,000 | 220,072 |
| FRB Ser. 06-1, Class 2A3, 5.063s, 2036 | | 269,000 | 255,550 |
| Lothian Mortgages PLC 144A FRB Ser. 3A, Class D, 7.076s, 2039 (United Kingdom) | GBP | 1,700,000 | 3,345,731 |
| Madison Avenue Manufactured Housing Contract FRB Ser. 02-A, Class B1, 8.123s, 2032 | | $2,025,781 | 1,519,336 |
| Mastr Asset Backed Securities Trust FRB Ser. 06-FRE2, Class A4, 5.023s, 2036 | | 126,000 | 120,871 |
| MBNA Credit Card Master Note Trust FRB Ser. 03-C5, Class C5, 6.271s, 2010 | | 860,000 | 858,842 |
| Merrill Lynch Mortgage Investors, Inc. 144A Ser. 04-FM1N, Class N1, 5s, 2035 (Cayman Islands) (In default) (NON) | | 11,046 | 10,880 |
| Mid-State Trust Ser. 11, Class B, 8.221s, 2038 | | 236,980 | 220,943 |
| Morgan Stanley ABS Capital I FRB Ser. 04-HE8, Class B3, 8.073s, 2034 (F) | | 458,000 | 274,798 |
| Morgan Stanley Auto Loan Trust 144A Ser. 04-HB2, Class E, 5s, 2012 (F) | | 27,281 | 27,192 |
| Morgan Stanley Mortgage Loan Trust Ser. 05-5AR, Class 2A1, 5.348s, 2035 | | 2,655,469 | 2,640,280 |
| N-Star Real Estate CDO, Ltd. 144A FRB Ser. 04-2A, Class C1, 6.819s, 2039 (Cayman Islands) | | 500,000 | 505,000 |
| Navistar Financial Corp. Owner Trust | | | |
| Ser. 05-A, Class C, 4.84s, 2014 | | 287,811 | 278,747 |

| | | | |
|---|---|---|---|
| Ser. 04-B, Class C, 3.93s, 2012 | | 130,393 | 123,917 |
| Novastar Home Equity Loan | | | |
| FRB Ser. 06-1, Class A2C, 5.033s, 2036 | | 298,000 | 286,587 |
| FRB Ser. 06-2, Class A2C, 5.023s, 2036 | | 298,000 | 282,740 |
| Oakwood Mortgage Investors, Inc. | | | |
| Ser. 96-C, Class B1, 7.96s, 2027 | | 2,078,522 | 1,369,977 |
| Ser. 99-D, Class A1, 7.84s, 2029 | | 1,912,003 | 1,654,357 |
| Ser. 00-A, Class A2, 7.765s, 2017 | | 275,171 | 237,247 |
| Ser. 95-B, Class B1, 7.55s, 2021 | | 542,000 | 336,040 |
| Ser. 00-D, Class A4, 7.4s, 2030 | | 1,945,000 | 1,356,110 |
| Ser. 02-B, Class A4, 7.09s, 2032 | | 792,171 | 743,454 |
| Ser. 99-B, Class A4, 6.99s, 2026 | | 2,053,540 | 1,950,863 |
| Ser. 00-D, Class A3, 6.99s, 2022 | | 923,832 | 932,608 |
| Ser. 01-D, Class A4, 6.93s, 2031 | | 1,440,237 | 1,083,936 |
| Ser. 01-E, Class A4, 6.81s, 2031 | | 1,926,461 | 1,660,427 |
| Ser. 01-C, Class A2, 5.92s, 2017 | | 2,183,462 | 1,030,153 |
| Ser. 02-C, Class A1, 5.41s, 2032 | | 2,447,177 | 2,186,734 |
| Ser. 01-D, Class A2, 5.26s, 2019 | | 288,518 | 201,429 |
| Ser. 01-E, Class A2, 5.05s, 2019 | | 1,926,953 | 1,464,484 |
| Ser. 02-A, Class A2, 5.01s, 2020 | | 549,957 | 486,520 |
| Oakwood Mortgage Investors, Inc. 144A | | | |
| Ser. 01-B, Class A4, 7.21s, 2030 | | 494,587 | 431,638 |
| FRB Ser. 01-B, Class A2, 5.466s, 2018 | | 109,689 | 96,036 |
| Ocean Star PLC 144A | | | |
| FRB Ser. 04-A, Class E, 12s, 2018 (Ireland) | | 1,695,000 | 1,440,750 |
| FRB Ser. 05-A, Class E, 10.1s, 2012 (Ireland) | | 466,000 | 448,478 |
| Option One Mortgage Loan Trust FRB Ser. 05-4, | | | |
| Class M11, 7.373s, 2035 | | 783,000 | 234,900 |
| Park Place Securities, Inc. FRB Ser. 04-MCW1, | | | |
| Class A2, 5.253s, 2034 | | 214,657 | 204,763 |
| Park Place Securities, Inc. 144A FRB Ser. 04-MHQ1, | | | |
| Class M10, 7.373s, 2034 | | 300,000 | 165,000 |
| People's Choice Net Interest Margin Note 144A Ser. | | | |
| 04-2, Class B, 5s, 2034 | | 12,732 | 12,095 |
| People's Financial Realty Mortgage Securities Trust | | | |
| FRB Ser. 06-1, Class 1A2, 5.003s, 2036 | | 455,000 | 441,350 |
| Permanent Financing PLC | | | |
| FRB Ser. 6, Class 3C, 7.576s, 2042 (United Kingdom) | GBP | 1,731,000 | 3,578,232 |
| FRB Ser. 3, Class 3C, 6.874s, 2042 (United Kingdom) | | $680,000 | 668,277 |
| Residential Asset Mortgage Products, Inc. | | | |
| FRB Ser. 06-NC3, Class A2, 5.063s, 2036 | | 323,000 | 312,126 |
| FRB Ser. 07-RZ1, Class A2, 5.033s, 2037 | | 293,000 | 276,772 |
| Residential Asset Securities Corp. Ser. 01-KS3, | | | |
| Class AII, 5.333s, 2031 | | 3,452,255 | 3,288,204 |
| Residential Asset Securities Corp. 144A FRB Ser. | | | |
| 05-KS10, Class B, 7.623s, 2035 | | 778,000 | 124,480 |
| Residential Mortgage Securities 144A FRB Ser. 20A, | | | |
| Class B1A, 7.02s, 2038 (United Kingdom) | GBP | 250,000 | 487,180 |

| | | |
|---|---|---|
| Rural Housing Trust Ser. 87-1, Class D, 6.33s, 2026 | $48,928 | 49,379 |
| SAIL Net Interest Margin Notes 144A | | |
| Ser. 03-3, Class A, 7 3/4s, 2033 (Cayman Islands) (In default) (NON) | 33,837 | 102 |
| Ser. 03-BC2A, Class A, 7 3/4s, 2033 (Cayman Islands) (In default) (NON) | 145,799 | 4,374 |
| Ser. 03-10A, Class A, 7 1/2s, 2033 (Cayman Islands) (In default) (NON) | 96,609 | 10 |
| Ser. 03-5, Class A, 7.35s, 2033 (Cayman Islands) (In default) (NON) | 23,808 | 476 |

| | | |
|---|---|---|
| Ser. 03-8A, Class A, 7s, 2033 (Cayman Islands) (In default) (NON) | 14,179 | 57 |
| Ser. 03-9A, Class A, 7s, 2033 (Cayman Islands) (In default) (NON) | 19,982 | 20 |
| Ser. 03-6A, Class A, 7s, 2033 (Cayman Islands) (In default) (NON) | 6,641 | 113 |
| Ser. 03-7A, Class A, 7s, 2033 (Cayman Islands) (In default) (NON) | 40,481 | 162 |
| Sasco Net Interest Margin Trust 144A Ser. 03-BC1, Class B, zero %, 2033 (Cayman Islands) (In default) (NON) | 530,404 | 53 |
| Securitized Asset Backed Receivables, LLC FRB Ser. 07-NC2, Class A2B, 5.013s, 2037 | 275,000 | 261,250 |
| SG Mortgage Securities Trust | | |
| FRB Ser. 06-OPT2, Class A3D, PO, 5.083s, 2036 | 507,000 | 476,428 |
| FRB Ser. 06-FRE1, Class A2B, 5.053s, 2036 | 231,000 | 211,550 |
| Soundview Home Equity Loan Trust | | |
| FRB Ser. 06-OPT3, Class 2A3, 5.043s, 2036 | 240,000 | 233,063 |
| FRB Ser. 06-3, Class A3, 5.033s, 2036 | 882,000 | 849,143 |
| Soundview Home Equity Loan Trust 144A FRB Ser. 05-4, Class M10, 7.373s, 2036 | 463,000 | 46,300 |
| South Coast Funding 144A FRB Ser. 3A, Class A2, 6.58s, 2038 (Cayman Islands) | 200,000 | 98,000 |
| Structured Asset Investment Loan Trust FRB Ser. 06-BNC2, Class A6, 5.133s, 2036 | 240,000 | 212,558 |
| Structured Asset Investment Loan Trust 144A FRB Ser. 05-HE3, Class M11, 7.373s, 2035 | 858,000 | 85,800 |
| Structured Asset Receivables Trust 144A FRB Ser. 05-1, 5.87s, 2015 | 3,470,190 | 3,465,852 |
| TIAA Real Estate CDO, Ltd. Ser. 03-1A, Class E, 8s, 2038 (Cayman Islands) | 904,000 | 778,552 |
| TIAA Real Estate CDO, Ltd. 144A Ser. 02-1A, Class IV, 6.84s, 2037 (Cayman Islands) | 756,000 | 612,420 |
| Wells Fargo Home Equity Trust FRB Ser. 07-1, Class A3, 5.193s, 2037 | 106,000 | 94,868 |
| Whinstone Capital Management, Ltd. 144A FRB Ser. 1A, | | |

| | | |
|---|---|---|
| Class B3, 5.984s, 2044 (United Kingdom) | 1,008,835 | 990,595 |
| **Total asset-backed securities (cost $136,214,000)** | | **$128,642,206** |

**SENIOR LOANS (8.4%)(a)(c)**

| | Principal amount | Value |
|---|---|---|
| **Basic Materials (0.8%)** | | |
| Aleris International, Inc. bank term loan FRN Ser. B, 7.063s, 2013 | $522,368 | $496,903 |
| Celanese Corp. bank term loan FRN Ser. B, 6.979s, 2014 | 597,000 | 586,138 |
| Domtar Corp. bank term loan FRN 6.475s, 2014 (Canada) | 640,521 | 629,312 |
| Georgia-Pacific Corp. bank term loan FRN Ser. B, 7.422s, 2013 | 1,621,125 | 1,581,754 |
| Georgia-Pacific Corp. bank term loan FRN Ser. B2, 7.372s, 2012 | 595,500 | 581,038 |
| Hexion Specialty Chemicals, Inc. bank term loan FRN 7 5/8s, 2013 | 495,000 | 489,199 |
| Hexion Specialty Chemicals, Inc. bank term loan FRN Ser. C, 7.44s, 2013 | 39,900 | 39,432 |
| Innophos, Inc. bank term loan FRN 7.38s, 2010 | 316,986 | 313,816 |
| Lyondell Chemical Co. bank term loan FRN Ser. B, 6.631s, 2013 | 198,000 | 196,818 |
| Momentive Performance Materials, Inc. bank term loan FRN 7.813s, 2013 | 347,375 | 340,179 |
| NewPage Corp. bank term loan FRN 7.468s, 2011 | 332,483 | 328,327 |
| Novelis Canadian, Inc. bank term loan FRN Ser. B, 7.2s, 2014 | 458,227 | 444,861 |
| Novelis, Inc. bank term loan FRN Ser. B, 7.2s, 2014 | 1,008,098 | 978,695 |
| Rockwood Specialties Group, Inc. bank term loan FRN Ser. E, 6.858s, 2012 | 2,283,430 | 2,242,899 |
| Smurfit-Stone Container Corp. bank term loan FRN 5.23s, 2010 | 43,665 | 43,174 |
| Smurfit-Stone Container Corp. bank term loan FRN Ser. B, 7.428s, 2011 | 65,328 | 64,593 |
| Smurfit-Stone Container Corp. bank term loan FRN Ser. C, 7.523s, 2011 | 57,472 | 56,826 |
| | | **9,413,964** |
| **Capital Goods (0.2%)** | | |
| Berry Plastics Holding Corp. bank term loan FRN 7.36s, 2015 | 298,500 | 289,732 |
| Graham Packaging Co., LP bank term loan FRN 7.661s, 2011 | 199,000 | 194,771 |
| Hexcel Corp. bank term loan FRN Ser. B, 7.033s, 2012 | 378,012 | 368,562 |
| Mueller Water Products, Inc. bank term loan FRN Ser. B, 7.108s, 2014 | 701,564 | 689,725 |
| Polypore, Inc. bank term loan FRN Ser. B, 7.07s, 2014 | 204,488 | 198,608 |
| Terex Corp. bank term loan FRN Ser. D, 6.948s, 2013 | 98,750 | 97,763 |

| | | |
|---|---|---|
| Transdigm, Inc. bank term loan FRN 7.2s, 2013 | 450,000 | 441,141 |
| | | **2,280,302** |
| | | |
| **Communication Services (0.5%)** | | |
| American Cellular Corp. bank term loan FRN 7.24s, 2014 | 348,250 | 346,726 |
| Consolidated Communications Holdings, Inc. bank term loan FRN Ser. D, 6.948s, 2011 | 297,884 | 295,836 |
| Fairpoint Communications, Inc. bank term loan FRN Ser. B, 7s, 2012 | 541,884 | 535,110 |
| Hawaiian Telcom Communications, Inc. bank term loan FRN Ser. C, 7.45s, 2014 | 1,157,100 | 1,127,209 |

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|---|---|---|
| Intelsat, Ltd. bank term loan FRN Ser. B, 7.124s, 2013 (Bermuda) | 1,188,000 | 1,171,962 |
| MetroPCS Wireless, Inc. bank term loan FRN 7.579s, 2013 | 445,500 | 435,932 |
| PanAmSat Corp. bank term loan FRN Ser. B, 7.124s, 2013 | 1,188,000 | 1,172,513 |
| Time Warner Telecom, Inc. bank term loan FRN Ser. B, 6.82s, 2013 | 363,255 | 356,172 |
| | | **5,441,460** |
| | | |
| **Consumer Cyclicals (1.9%)** | | |
| Adesa, Inc. bank term loan FRN 7.45s, 2013 | 997,500 | 962,588 |
| Allison Transmission bank term loan FRN Ser. B, 7.979s, 2014 | 470,000 | 457,173 |
| CCM Merger, Inc. bank term loan FRN Ser. B, 7.3s, 2012 | 129,694 | 126,452 |
| Cenveo, Inc. bank term loan FRN Ser. B, 6.988s, 2014 | 471,992 | 458,423 |
| Cenveo, Inc. bank term loan FRN Ser. DD, 6.988s, 2014 | 15,727 | 15,275 |
| Claire's Stores, Inc. bank term loan FRN 7.948s, 2014 | 1,157,100 | 1,087,313 |
| Coinmach Corp. bank term loan FRN Ser. B-1, 7.738s, 2012 | 546,116 | 542,020 |
| Cooper Tire & Rubber Co. bank term loan FRN Ser. B, 7 3/4s, 2012 | 448,000 | 440,720 |
| Cooper-Standard Automotive, Inc. bank term loan FRN Ser. C, 7 3/4s, 2012 | 1,119,747 | 1,101,551 |
| Dex Media West, LLC bank term loan FRN Ser. B1, 7.041s, 2010 | 731,142 | 722,231 |
| GateHouse Media, Inc. bank term loan FRN Ser. B, 7.72s, 2014 | 430,000 | 399,363 |
| GateHouse Media, Inc. bank term loan FRN Ser. B, 7.51s, 2014 | 1,012,283 | 937,627 |
| GateHouse Media, Inc. bank term loan FRN Ser. DD, 7.271s, 2014 | 377,717 | 349,861 |
| Golden Nugget, Inc. bank term loan FRN Ser. B, 6.94s, 2014 | 200,455 | 194,441 |
| Golden Nugget, Inc. bank term loan FRN Ser. DD, 7 1/2s, 2014 (U) | 114,545 | 111,109 |
| Goodyear Tire & Rubber Co. (The) bank term loan FRN | | |

| | | |
|---|---|---|
| 6.85s, 2010 | 3,050,000 | 2,959,772 |
| Isle of Capri Casinos, Inc. bank term loan FRN 6.741s, 2014 | 412,691 | 396,184 |
| Isle of Capri Casinos, Inc. bank term loan FRN Ser. A, 7.11s, 2014 (U) | 124,118 | 119,153 |
| Isle of Capri Casinos, Inc. bank term loan FRN Ser. B, 6.643s, 2014 | 165,076 | 158,473 |
| Lear Corp bank term loan FRN 7.789s, 2013 | 1,010,000 | 991,343 |
| Michaels Stores, Inc. bank term loan FRN Ser. B, 7.619s, 2013 | 646,734 | 618,072 |
| Neiman Marcus Group, Inc. bank term loan FRN Ser. B, 7.448s, 2013 | 852,873 | 837,450 |
| Nortek Holdings, Inc. bank term loan FRN Ser. B, 7.058s, 2011 | 300,640 | 293,124 |
| R.H. Donnelley, Inc. bank term loan FRN 7.013s, 2011 | 1,694,075 | 1,667,017 |
| R.H. Donnelley, Inc. bank term loan FRN Ser. D1, 7.059s, 2011 | 635,347 | 624,705 |
| Reader's Digest Association, Inc. (The) bank term loan FRN 7.544s, 2014 | 820,880 | 775,321 |
| Standard-Pacific Corp. bank term loan FRN Ser. B, 7.02s, 2013 | 179,999 | 150,299 |
| Tribune Co. bank term loan FRN Ser. B, 8.244s, 2014 | 1,880,288 | 1,744,437 |
| Trump Hotel & Casino Resort, Inc. bank term loan FRN 7.861s, 2012 | 165,856 | 163,369 |
| Trump Hotel & Casino Resort, Inc. bank term loan FRN Ser. B-1, 7.9s, 2012 | 165,856 | 163,369 |
| TRW Automotive, Inc. bank term loan FRN Ser. B, 6.781s, 2014 | 369,075 | 364,692 |
| United Components, Inc. bank term loan FRN Ser. D, 7.38s, 2012 | 905,000 | 886,900 |
| Visant Holding Corp. bank term loan FRN Ser. C, 7.198s, 2010 | 466,809 | 462,141 |
| | | **21,281,968** |
| | | |
| **Consumer Staples (2.2%)** | | |
| Affinion Group, Inc. bank term loan FRN Ser. B, 7.982s, 2013 | 1,635,991 | 1,620,313 |
| Cablevision Systems Corp. bank term loan FRN 6 7/8s, 2013 | 2,117,750 | 2,065,336 |
| Cebridge Connections, Inc. bank term loan FRN Ser. B, 7.268s, 2013 | 1,343,250 | 1,299,762 |
| Charter Communications, Inc. bank term loan FRN 7.698s, 2014 | 400,000 | 383,125 |
| Charter Communications, Inc. bank term loan FRN 7.36s, 2014 | 3,460,417 | 3,322,000 |
| Charter Communications, Inc. bank term loan FRN Ser. B, 7.13s, 2014 | 100,000 | 96,000 |
| Cinemark, Inc. bank term loan FRN 7.245s, 2013 | 586,235 | 572,312 |

| | | |
|---|---|---|
| Citadel Communications bank term loan FRN Ser. B, 6.794s, 2014 | 835,000 | 798,260 |
| Dean Foods Co. bank term loan FRN Ser. B, 6.7s, 2014 | 1,492,500 | 1,443,824 |
| Gray Television, Inc. bank term loan FRN Ser. B, 6.73s, 2014 | 350,000 | 336,729 |
| Idearc, Inc. bank term loan FRN Ser. B, 7.2s, 2014 | 2,329,133 | 2,293,954 |
| Insight Midwest, LP bank term loan FRN 7s, 2014 | 361,150 | 353,225 |
| Jarden Corp. bank term loan FRN Ser. B1, 6.948s, 2012 | 522,315 | 510,926 |
| Jarden Corp. bank term loan FRN Ser. B2, 6.948s, 2012 | 248,728 | 243,304 |
| Mediacom Communications Corp. bank term loan FRN Ser. C, 6.61s, 2015 | 980,094 | 948,241 |
| Mediacom Communications Corp. bank term loan FRN Ser. DD, 6.61s, 2015 | 238,200 | 230,288 |

| | | |
|---|---|---|
| MGM Studios, Inc. bank term loan FRN Ser. B, 8.448s, 2011 | 1,200,728 | 1,149,196 |
| Pinnacle Foods Holding Corp. bank term loan FRN Ser. B, 7.948s, 2014 | 598,500 | 577,980 |
| Prestige Brands, Inc. bank term loan FRN Ser. B, 7.731s, 2011 | 853,608 | 847,206 |
| Rental Service Corp. bank term loan FRN 8 3/4s, 2013 | 890,000 | 866,081 |
| Six Flags Theme Parks bank term loan FRN 7 3/4s, 2015 | 1,276,800 | 1,213,957 |
| Spanish Broadcasting Systems, Inc. bank term loan FRN 6.95s, 2012 | 781,955 | 738,947 |
| Spectrum Brands, Inc. bank term loan FRN 4.974s, 2013 | 34,048 | 33,549 |
| Spectrum Brands, Inc. bank term loan FRN Ser. B1, 9 3/8s, 2013 | 679,250 | 666,854 |
| Universal City Development Partners bank term loan FRN Ser. B, 7.323s, 2011 | 1,136,666 | 1,122,458 |
| Warner Music Group bank term loan FRN Ser. B, 7.419s, 2011 | 459,345 | 447,479 |
| Young Broadcasting, Inc. bank term loan FRN Ser. B, 7.874s, 2012 | 473,687 | 452,371 |
| | | **24,633,677** |
| | | |
| **Energy (0.6%)** | | |
| Enterprise GP Holdings, LP bank term loan FRN 7.479s, 2014 | 430,000 | **428,388** |
| EPCO Holding, Inc. bank term loan FRN Ser. A, 6.998s, 2012 | 440,000 | 430,833 |
| Hercules Offshore, Inc. bank term loan FRN Ser. B, 6.99s, 2013 | 129,675 | 127,795 |
| Key Energy Services, Inc. bank term loan FRN 8s, 2010 | 125,000 | 124,453 |
| Key Energy Services, Inc. bank term loan FRN Ser. B, 7.773s, 2012 | 1,848,390 | 1,840,303 |
| Meg Energy Corp. bank term loan FRN 7.2s, 2013 (Canada) | 221,625 | 216,805 |
| Meg Energy Corp. bank term loan FRN Ser. DD, 6.23s, | | |

| | | |
|---|---|---|
| 2013 (Canada) (U) | 225,000 | 218,063 |
| Niska Gas Storage bank term loan FRN 7.323s, 2013 | 102,409 | 99,720 |
| Niska Gas Storage bank term loan FRN 7.28s, 2013 | 115,094 | 112,073 |
| Niska Gas Storage bank term loan FRN Ser. B, 7.323s, 2013 | 630,659 | 614,104 |
| Niska Gas Storage bank term loan FRN Ser. DD, 7.325s, 2013 | 69,371 | 67,550 |
| Petroleum Geo-Services ASA bank term loan FRN 6.95s, 2015 (Norway) | 294,263 | 288,622 |
| Targa Resources, Inc. bank term loan FRN 7.525s, 2012 | 423,301 | 418,750 |
| Targa Resources, Inc. bank term loan FRN 5.043s, 2012 | 236,129 | 233,591 |
| Western Refining, Inc. bank term loan FRN 6.569s, 2014 | 1,389,375 | 1,359,851 |
| | | **6,580,901** |
| | | |
| **Financial (0.2%)** | | |
| Hub International, Ltd. bank term loan FRN Ser. B, 8.203s, 2014 | 281,159 | 275,008 |
| Hub International, Ltd. bank term loan FRN Ser. DD, 6.885s, 2014 (U) | 63,088 | 61,708 |
| Landsource, Inc. bank term loan FRN 8.249s, 2013 | 184,535 | 163,050 |
| Navistar Financial Corp. bank term loan FRN 6.459s, 2012 | 154,667 | 151,689 |
| Realogy Corp. bank term loan FRN 5.32s, 2013 | 408,333 | 378,882 |
| Realogy Corp. bank term loan FRN Ser. B, 8.24s, 2013 | 1,512,875 | 1,403,759 |
| | | **2,434,096** |
| | | |
| **Health Care (0.8%)** | | |
| Carestream Health, Inc. bank term loan FRN 7.275s, 2013 | 785,000 | 757,525 |
| Community Health Systems, Inc. bank term loan FRN Ser. B, 7.756s, 2014 | 1,196,114 | 1,166,958 |
| Community Health Systems, Inc. bank term loan FRN Ser. DD, 7 3/4s, 2014 (U) | 79,781 | 77,836 |
| Concentra, Inc. bank term loan FRN Ser. B, 7.448s, 2014 | 463,838 | 449,922 |
| Davita, Inc. bank term loan FRN Ser. B, 6.774s, 2012 | 550,000 | 537,625 |
| Health Management Associates, Inc. bank term loan FRN 6.947s, 2014 | 2,415,860 | 2,303,119 |
| Healthsouth Corp. bank term loan FRN Ser. B, 7.628s, 2013 | 1,008,772 | 985,158 |
| Hologic, Inc. bank term loan FRN Ser. B1, 7.86s, 2013 | 376,667 | 373,842 |
| Hologic, Inc. bank term loan FRN Ser. B2, 7.86s, 2013 | 188,333 | 188,333 |
| IASIS Healthcare, LLC/ IASIS Capital Corp. bank term loan FRN Ser. DD, 7.703s, 2014 (U) | 131,161 | 124,766 |
| IASIS Healthcare, LLC/IASIS Capital Corp. bank term loan FRN 10.61s, 2014 | 685,327 | 652,774 |
| IASIS Healthcare, LLC/IASIS Capital Corp. bank term loan FRN 7.22s, 2014 | 34,976 | 33,271 |
| IASIS Healthcare, LLC/IASIS Capital Corp. bank term loan FRN Ser. B, 7.066s, 2014 | 381,944 | 363,324 |

| | | |
|---|---|---|
| LifePoint, Inc. bank term loan FRN Ser. B, 7.165s, 2012 | 142,618 | 139,485 |
| Psychiatric Solutions, Inc. bank term loan FRN Ser. B, 7.129s, 2012 | 660,850 | 646,807 |
| | | **8,800,745** |
| **Technology (0.5%)** | | |
| Activant Solutions Holdings, Inc. bank term loan FRN Ser. B, 7.378s, 2013 | 350,000 | 334,031 |
| Affiliated Computer Services, Inc. bank term loan FRN Ser. B2, 7 1/8s, 2013 | 98,750 | 97,346 |
| AMI Semiconductor, Inc. bank term loan FRN 6.819s, 2012 | 624,949 | 601,513 |
| Aspect Software, Inc. bank term loan FRN 8 1/4s, 2011 | 49,500 | 47,768 |
| Compucom Systems, Inc. bank term loan FRN 8.63s, 2014 | 390,000 | 388,050 |
| First Data Corp. bank term loan FRN Ser. B1, 7.96s, 2014 | 365,000 | 351,146 |
| First Data Corp. bank term loan FRN Ser. B3, 7.96s, 2014 | 365,000 | 352,453 |
| Flextronics International, Ltd. bank term loan FRN Ser. B, 7.479s, 2014 | 343,750 | 340,656 |
| Flextronics International, Ltd. bank term loan FRN Ser. B, 7.479s, 2014 | 1,196,250 | 1,185,484 |
| JDA Software Group, Inc. bank term loan FRN Ser. B, 7.494s, 2013 | 85,714 | 85,286 |
| Sabre Holdings Corp. bank term loan FRN 7.608s, 2014 | 534,494 | 507,035 |
| SunGard Data Systems, Inc. bank term loan FRN 7.356s, 2014 | 1,166,188 | 1,149,093 |
| Travelport bank term loan FRN 7.698s, 2013 | 12,491 | 12,214 |
| Travelport bank term loan FRN Ser. B, 7.448s, 2013 | 62,253 | 60,872 |
| | | **5,512,947** |
| **Transportation (0.2%)** | | |
| Delta Airlines, Inc. bank term loan FRN 6.84s, 2012 | 141,750 | 137,994 |
| Navistar International Corp. bank term loan FRN 8.61s, 2012 | 425,333 | 417,146 |
| United Airlines Corp. bank term loan FRN Ser. B, 7.001s, 2014 | 1,492,500 | 1,428,239 |
| | | **1,983,379** |
| **Utilities & Power (0.6%)** | | |
| Dynegy, Inc. bank term loan FRN 6.319s, 2013 | 1,505,000 | 1,453,500 |
| Energy Future Holdings bank term loan FRN Ser. B2, 8.565s, 2014 | 945,000 | 944,188 |
| Energy Future Holdings bank term loan FRN Ser. B3, 8.729s, 2014 | 1,255,000 | 1,255,000 |
| Mirant North America, LLC. bank term loan FRN 6.879s, 2013 | 120,660 | 118,422 |

| | | |
|---|---|---|
| NRG Energy, Inc. bank term loan FRN 8s, 2014 (U) | 355,000 | 346,632 |
| NRG Energy, Inc. bank term loan FRN 6.948s, 2014 | 1,044,879 | 1,021,238 |
| NRG Energy, Inc. bank term loan FRN 6.848s, 2014 | 434,871 | 425,032 |
| Reliant Energy, Inc. bank term loan FRN 4.998s, 2014 | 890,000 | 861,075 |
| | | **6,425,087** |
| **Total senior loans (cost $97,418,632)** | | **$94,788,526** |

**PURCHASED OPTIONS OUTSTANDING (1.9%)(a)**

| | Expiration date/ strike price | | Contract amount | Value |
|---|---|---|---|---|
| Option on an interest rate swap with Citibank for the right to pay a fixed rate of 4.0625% versus the six-month EUR-EURIBOR-Telerate maturing on March 25, 2011. | Mar-09/4.063 | EUR | 17,330,000 | $230,922 |
| Option on an interest rate swap with Citibank for the right to pay a fixed rate of 4.16% versus the six-month EUR-EURIBOR-Telerate maturing on March 26, 2014. | Mar-12/4.160 | EUR | 12,120,000 | 196,561 |
| Option on an interest rate swap with Citibank, N.A. London for the right to receive a fixed rate swap of 4.16% versus the six month EUR-EURIBOR-Telerate maturing March 26, 2014. | Mar-12/4.160 | EUR | 12,120,000 | 82,779 |
| Option on an interest rate swap with Citibank, N.A. London for the right to receive a fixed rate swap of 4.0625% versus the six month EUR-EURIBOR-Telerate maturing March 25, 2011. | Mar-09/4.063 | EUR | 17,330,000 | 55,287 |
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the right to pay a fixed rate of 4.5775% versus the six month EUR-EURIBOR-Reuters maturing on October 29, 2018. | Oct-08/4.578 | EUR | 26,180,000 | 851,980 |
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the right to receive a fixed rate of 4.5775% versus the six month EUR-EURIBOR-Telerate maturing on October 29, 2018. | Oct-08/4.578 | EUR | 26,180,000 | 515,546 |
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the right to receive a fixed rate of 5.45% versus the three month USD-LIBOR-BBA maturing on May 28, 2018. | May-08/5.450 | | $58,857,000 | 1,952,287 |
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the right to receive a fixed rate of 5.20% versus the three month USD-LIBOR-BBA maturing on May 14, 2018. | May-08/5.200 | | 64,022,000 | 1,357,266 |
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the right to receive a fixed rate of 5.22% versus the three month USD-LIBOR-BBA maturing on May 14, 2018. | May-08/5.220 | | 49,355,000 | 1,086,797 |

| | | | |
|---|---|---|---|
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the right to pay a fixed rate of 5.20% versus the three month USD-LIBOR-BBA maturing on May 14, 2018. | May-08/5.200 | 64,022,000 | 1,070,448 |
| Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 5.1975% versus the three month USD-LIBOR-BBA maturing on May 14, 2018. | May-08/5.198 | 49,355,000 | 1,041,391 |
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the right to receive a fixed rate of 5.215% versus the three month USD-LIBOR-BBA maturing on May 14, 2018. | May-08/5.215 | 39,102,000 | 852,815 |
| Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 5.1975% versus the three month USD-LIBOR-BBA maturing on May 14, 2018. | May-08/5.198 | 49,355,000 | 830,151 |

| | | | |
|---|---|---|---|
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the right to receive a fixed rate of 5.235% versus the three month USD-LIBOR-BBA maturing on May 08, 2018. | May-08/5.235 | 35,961,000 | 8 |
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the right to pay a fixed rate of 5.22% versus the three month USD-LIBOR-BBA maturing on May 14, 2018. | May-08/5.220 | 49,355,000 | 7 |
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the right to pay a fixed rate of 5.215% versus the three month USD-LIBOR-BBA maturing on May 14, 2018. | May-08/5.215 | 39,102,000 | 6 |
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the right to pay a fixed rate of 5.45% versus the three month USD-LIBOR-BBA maturing on May 28, 2018. | May-08/5.450 | 58,857,000 | 5 |
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the right to receive a fixed rate of 5.21% versus the three month USD-LIBOR-BBA maturing on May 14, 2018. | May-08/5.210 | 25,610,000 | 5 |
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the right to pay a fixed rate of 5.235% versus the three month USD-LIBOR-BBA maturing on May 8, 2018. | May-08/5.235 | 35,961,000 | 5 |
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the right to pay a fixed rate of 5.21% versus the three month USD-LIBOR-BBA maturing on May 14, 2018. | May-08/5.210 | 25,610,000 | 4 |
| Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate | | | |

| | | | | |
|---|---|---|---|---|
| swap of 5.16% versus the three month USD-LIBOR-BBA maturing April 28, 2018. | Apr-08/5.160 | | 16,675,000 | 1 |
| Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate swap of 5.16% versus the three month USD-LIBOR-BBA maturing April 28, 2018. | Apr-08/5.160 | | 16,675,000 | 2 |
| Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 4.5943% versus the six month EUR-EURIBOR-Telerate maturing on May 18, 2019. | May-09/4.594 | EUR | 7,300,000 | 2 |
| Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 4.5943% versus the six month EUR-EURIBOR-Telerate maturing on May 18, 2019. | May-09/4.594 | EUR | 7,300,000 | 1 |
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the right to receive a fixed rate of 5.3475% versus the three month USD-LIBOR-BBA maturing on February 4, 2018. | Jan-08/5.348 | | $131,421,000 | 3, |
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the right to receive a fixed rate of 5.39% versus the three month USD-LIBOR-BBA maturing on January 29, 2018. | Jan-08/5.390 | | 59,983,000 | 1,5 |
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the right to pay a fixed rate swap of 5.3475% versus the three month USD-LIBOR-BBA maturing February 04, 2018. | Jan-08/5.348 | | 131,421,000 | 8 |
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the right to pay a fixed rate of 5.39% versus the three month USD-LIBOR-BBA maturing on January 29, 2018. | Jan-08/5.390 | | 59,983,000 | 2 |
| Option on an interest rate swap with Citibank for the right to pay a fixed rate of 1.03% versus the six-month JPY-LIBOR-BBA maturing on January 26, 2009. | Jan-08/1.030 | JPY | 13,814,000,000 | 1 |
| **Total purchased options outstanding (cost $23,506,269)** | | | | **$21,5** |

**COMMON STOCKS (0.0%)(a)**

| | | |
|---|---|---|
| | Shares | |
| AboveNet, Inc. (NON) | 466 | 9 |
| Bohai Bay Litigation, LLC (Units) (F) | 1,327 | |
| Contifinancial Corp. Liquidating Trust Units (F) | 5,373,919 | |
| Knology, Inc. (NON) | 707 | |
| VFB LLC (acquired various dates from 6/22/99 through 12/8/03, cost $1,311,474) (RES)(NON)(F) | 1,795,382 | |
| XCL Warranty Escrow (F) | 1,327 | 1 |
| **Total common stocks (cost $4,317,592)** | | **$2** |

**CONVERTIBLE PREFERRED STOCKS (0.0%)(a) (cost $221,464)**

| | Shares | |
|---|---|---|
| Emmis Communications Corp. Ser. A, $3.125 cum. cv. pfd. | 4,826 | **$1** |

**WARRANTS (0.0%)(a)(NON)**

| | Expiration date | Strike Price | Warrants | |
|---|---|---|---|---|
| AboveNet, Inc. | 9/08/10 | 24.00 | 230 | $ |
| AboveNet, Inc. | 9/08/08 | 20.00 | 196 | |
| Dayton Superior Corp. 144A (F) | 6/15/09 | .01 | 1,980 | |
| MDP Acquisitions PLC 144A (Ireland) | 10/01/13 | EUR .001 | 960 | |
| **Total warrants (cost $72,846)** | | | | **$1** |

**SHORT-TERM INVESTMENTS (1.3%)(a)**

| | Principal amount | Value |
|---|---|---|
| Short-term investments held as collateral for loaned securities with yields ranging from 4.50% to 5.69% and due dates ranging from November 1, 2007 to November 28, 2007 (d) | $3,070,136 | $3,065,160 |
| U.S. Treasury Bills for an effective yield of 3.89%, March 27, 2008 (SEG) | 739,000 | 727,259 |
| U.S. Treasury Bills for an effective yield of 4.01%, March 27, 2008 (SEG) | 10,371,000 | 10,206,225 |
| U.S. Treasury Bills for an effective yield of 3.95%, March 27, 2008 (SEG) | 612,000 | 602,277 |
| **Total short-term investments (cost $14,595,943)** | | **$14,600,921** |
| **TOTAL INVESTMENTS** | | |
| **Total investments (cost $1,110,673,040) (b)** | | **$1,134,917,999** |

**FORWARD CURRENCY CONTRACTS TO BUY at 10/31/07 (aggregate face value $168,444,077) (Unaudited)**

| | Value | Aggregate face value | Delivery date | Unrealized appreciation/ (depreciation) |
|---|---|---|---|---|
| Australian Dollar | $47,362,837 | $45,528,431 | 1/16/08 | $1,834,406 |
| British Pound | 22,470,714 | 22,189,963 | 12/19/07 | 280,751 |
| Canadian Dollar | 28,350 | 27,529 | 1/16/08 | 821 |
| Danish Krone | 2,713,785 | 2,585,065 | 12/19/07 | 128,720 |
| Euro | 12,080,848 | 11,878,181 | 12/19/07 | 202,667 |

| | | | | |
|---|---|---|---|---|
| Indian Rupee | 3,629,784 | 3,518,786 | 11/21/07 | 110,998 |
| Japanese Yen | 3,404,161 | 3,432,686 | 11/21/07 | (28,525) |
| Malaysian Ringgit | 3,650,315 | 3,536,164 | 11/21/07 | 114,151 |
| Mexican Peso | 6,606,050 | 6,476,392 | 1/16/08 | 129,658 |
| Norwegian Krone | 54,430,759 | 51,365,952 | 12/19/07 | 3,064,807 |
| Polish Zloty | 8,386,461 | 7,579,151 | 12/19/07 | 807,310 |
| Swedish Krona | 2,898,117 | 2,850,620 | 12/19/07 | 47,497 |
| Swiss Franc | 7,697,060 | 7,475,157 | 12/19/07 | 221,903 |
| **Total** | | | | **$6,915,164** |

**FORWARD CURRENCY CONTRACTS TO SELL at 10/31/07 (aggregate face value $330,197,533) (Unaudited)**

| | Value | Aggregate face value | Delivery date | Unrealized depreciation |
|---|---|---|---|---|
| Australian Dollar | $3,812,761 | $3,678,005 | 1/16/08 | $(134,756) |
| British Pound | 39,654,718 | 38,557,371 | 12/19/07 | (1,097,347) |
| Canadian Dollar | 15,774,862 | 15,091,905 | 1/16/08 | (682,957) |
| Euro | 139,151,058 | 132,702,657 | 12/19/07 | (6,448,401) |
| Hungarian Forint | 7,192,122 | 6,683,564 | 12/19/07 | (508,558) |
| Japanese Yen | 69,501,060 | 68,835,780 | 11/21/07 | (665,280) |
| Norwegian Krone | 4,708,410 | 4,347,997 | 12/19/07 | (360,413) |
| South African Rand | 6,191,289 | 5,798,365 | 1/16/08 | (392,924) |
| Swedish Krona | 40,622,977 | 38,313,536 | 12/19/07 | (2,309,441) |
| Swiss Franc | 16,592,247 | 16,164,611 | 12/19/07 | (427,636) |
| Taiwan Dollar | 24,035 | 23,742 | 11/21/07 | (293) |
| **Total** | | | | **$(13,028,006)** |

**FUTURES CONTRACTS OUTSTANDING at 10/31/07 (Unaudited)**

| | Number of contracts | Value | Expiration date | Unrealized appreciation/ (depreciation) |
|---|---|---|---|---|
| Canadian Government Bond 10 yr (Long) | 20 | $ 2,385,323 | Dec-07 | $16,126 |
| Euro-Bobl 5 yr (Short) | 128 | 19,992,355 | Dec-07 | 22,870 |
| Euro-Bund 10 yr (Short) | 171 | 28,102,111 | Dec-07 | (127,806) |
| Euro-Dollar 90 day (Long) | 1,597 | 381,124,050 | Sep-09 | 880,206 |
| Euro-Dollar 90 day (Short) | 2,408 | 575,632,400 | Jun-08 | (2,022,067) |
| Euro-Dollar 90 day (Short) | 1597 | 382,042,325 | Sep-08 | (1,363,219) |
| Euro-Schatz 2 yr (Long) | 653 | 97,731,128 | Dec-07 | (190,820) |
| Japanese Government Bond 10 yr (Long) | 122 | 143,904,762 | Dec-07 | 708,519 |
| U.K. Gilt 10 yr (Long) | 52 | 11,612,821 | Dec-07 | 24,412 |
| U.S. Treasury Bond 20 yr (Long) | 1,413 | 159,094,969 | Dec-07 | 457,146 |
| U.S. Treasury Note 2 yr (Short) | 695 | 143,941,016 | Dec-07 | (105,885) |
| U.S. Treasury Note 5 yr (Long) | 818 | 87,807,188 | Dec-07 | (400,564) |

| | | | | |
|---|---|---|---|---|
| U.S. Treasury Note 10 yr (Short) | 4,141 | 455,574,703 | Dec-07 | (2,255,660) |
| **Total** | | | | $(4,356,742) |

**WRITTEN OPTIONS OUTSTANDING at 10/31/07 (premiums received $8,617,036) (Unaudited)**

| | | Contract amount | Expiration dat strike pri |
|---|---|---|---|
| Option on an interest rate swap with Merrill Lynch Capital Services Inc. for the obligation to pay a fixed rate of 5.83% versus the three month USD-LIBOR-BBA maturing on July 16, 2018. | | $68,738,000 | Jul-08/5.83 |
| Option on an interest rate swap with Merrill Lynch Capital Services Inc. for the obligation to receive a fixed rate of 5.83% versus the three month USD-LIBOR-BBA maturing on July 16, 2018. | | 68,738,000 | Jul-08/5.83 |
| Option on an interest rate swap with Citibank for the obligation to receive a fixed rate of 4.40% versus the six-month EUR-EURIBOR-Telerate maturing on March 26, 2022. | EUR | 2,820,000 | Mar-12/4.40 |
| Option on an interest rate swap with Citibank for the obligation to receive a fixed rate of 4.56% versus the six-month EUR-EURIBOR-Telerate maturing on March 24, 2027. | EUR | 2,540,000 | Mar-17/4.56 |
| Option on an interest rate swap with Citibank for the obligation to pay a fixed rate of 4.56% versus the six-month EUR-EURIBOR-Telerate maturing on March 24, 2027. | EUR | 2,540,000 | Mar-17/4.56 |
| Option on an interest rate swap with Citibank for the obligation to pay a fixed rate of 4.40% versus the six-month EUR-EURIBOR-Telerate maturing on March 28, 2022. | EUR | 2,820,000 | Mar-12/4.40 |
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the obligation to receive a fixed rate of 5.515% versus the three month USD-LIBOR-BBA maturing on May 14, 2022. | | $ 32,011,000 | May-12/5.51 |
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the obligation to pay a fixed rate of 5.515% versus the three month USD-LIBOR-BBA maturing on May 14, 2022. | | 32,011,000 | May-12/5.51 |
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the obligation to receive a fixed rate of 5.51% versus the three month USD-LIBOR-BBA maturing on May 14, 2022. | | 19,551,000 | May-12/5.51 |
| Option on an interest rate swap with JPMorgan Chase Bank, N.A. for the obligation to pay a fixed rate of 5.51% versus the three month USD-LIBOR-BBA maturing on May 14, 2022. | | 19,551,000 | May-12/5.51 |
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the obligation to pay a fixed rate of 5.52% versus the three month USD-LIBOR-BBA maturing on May 14, 2022. | | 12,805,000 | May-12/5.52 |
| Option on an interest rate swap with Lehman Brothers Special Financing, Inc. for the obligation to receive a fixed rate of 5.52% versus the three month USD-LIBOR-BBA maturing on May 14, 2022. | | 12,805,000 | May-12/5.52 |
| **Total** | | | |

**TBA SALE COMMITMENTS OUTSTANDING at 10/31/07 (proceeds receivable $12,351,297) (Unaudited)**

| Agency | Principal amount | Settlement date | Value |
|---|---|---|---|
| FNMA, 6 1/2s, November 1, 2037 | $4,000,000 | 11/13/07 | $4,094,062 |
| FNMA, 4 1/2s, November 1, 2022 | 8,600,000 | 11/19/07 | 8,319,157 |
| **Total** | | | **$12,413,219** |

**INTEREST RATE SWAP CONTRACTS OUTSTANDING at 10/31/07 (Unaudited)**

| Swap counterparty / Notional amount | | Termination date | Payments made by fund per annum | Payments received by fund per annum | Unreali appreciati (depreciati |
|---|---|---|---|---|---|
| **Bank of America, N.A.** | | | | | |
| | $900,000 | 9/1/15 | 3 month USD-LIBOR-BBA | 4.53% | $(29,8 |
| | 105,277,000 | 9/24/09 | 3 month USD-LIBOR-BBA | 4.7375% | 226,3 |
| | 32,700,000 | 3/30/09 | 3.075% | 3 month USD-LIBOR-BBA | 745,9 |
| | 6,900,000 | 1/27/14 | 4.35% | 3 month USD-LIBOR-BBA | 134,7 |
| **Citibank, N.A.** | | | | | |
| | 46,380,000 | 7/27/09 | 5.504% | 3 month USD-LIBOR-BBA | (1,344,5 |
| | 23,700,000 | 9/29/13 | 5.078% | 3 month USD-LIBOR-BBA | (218,3 |
| JPY | 2,230,000,000 | 9/11/16 | 1.8675% | 6 month JPY-LIBOR-BBA | (319,8 |
| | $10,000,000 | 9/17/09 | 3 month USD-LIBOR-BBA | 4.765% | 13,6 |
| | 105,170,000 | 10/26/12 | 4.6275% | 3 month USD-LIBOR-BBA | 933,9 |
| **Citibank, N.A., London** | | | | | |
| AUD | 118,510,000 | 6/18/12 | 6 month AUD-BBR-BBSW | 6.915% | (1,061,1 |
| EUR | 25,680,000 | 8/2/17 | 6 month EUR-EURIBOR-Telerate | 4.7476% | 322,1 |
| JPY | 2,600,000,000 | 2/10/16 | 6 month JPY-LIBOR-BBA | 1.755% | 277,6 |
| JPY | 25,769,748,000 | 4/3/08 | 1.165% | 6 month JPY-LIBOR-BBA | (53,4 |
| EUR | 13,800,000 | 8/28/17 | 4.649% | 6 month EUR-EURIBOR-Reuters | 22,6 |
| EUR | 58,050,000 | 8/28/09 | 6 month EUR-EURIBOR-Reuters | 4.535% | (165,2 |
| AUD | 133,080,000 | 6/18/09 | 6.79% | 3 month AUD-BBR-BBSW | 862,5 |
| AUD | 34,430,000 | 6/19/17 | 6.8095% | 6 month AUD-BBR-BBSW | 151,9 |
| **Credit Suisse International** | | | | | |
| GBP | 11,873,000 (E) | 12/20/09 | 6 month GBP-LIBOR-BBA | 5.695% | (2,2 |
| **Credit Suisse First Boston International** | | | | | |
| | $11,257,600 | 7/9/14 | 4.945% | 3 month USD-LIBOR-BBA | (135,7 |
| **Credit Suisse International** | | | | | |
| EUR | 56,330,000 | 7/4/15 | 3.93163% | 6 month EUR-EURIBOR-Telerate | 3,340,7 |
| GBP | 2,910,000 | 4/3/36 | 7,330,962 GBP at maturity | 6 month GBP-LIBOR-BBA | 826,9 |
| GBP | 5,270,000 | 8/28/37 | 5.00% | 6 month GBP-LIBOR-BBA | (199,5 |
| GBP | 42,850,000 | 8/28/09 | 6 month GBP-LIBOR-BBA | 6.145% | 419,7 |
| | $1,153,000 | 8/29/12 | 5.04556% | 3 month USD-LIBOR-BBA | (10,1 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | 2,070,000 | | 10/16/17 | 3 month USD-LIBOR-BBA | 5.297% | 30,5 |
| **Deutsche Bank AG** | | | | | | |
| ZAR | 23,880,000 | | 7/6/11 | 3 month ZAR-JIBAR-SAFEX | 9.16% | (36,7 |
| | $4,723,000 | | 10/16/17 | 3 month USD-LIBOR-BBA | 5.297% | 69,5 |
| **Goldman Sachs International** | | | | | | |
| AUD | 10,780,000 | (E) | 7/23/19 | 6.84% | 6 month AUD-BBR-BBSW | (55,7 |
| AUD | 10,780,000 | (E) | 7/20/19 | 6.79% | 6 month AUD-BBR-BBSW | (23,4 |
| JPY | 1,465,300,000 | | 6/10/16 | 1.953% | 6 month JPY-LIBOR-BBA | (358,8 |
| AUD | 43,130,000 | (E) | 7/23/11 | 3 month AUD-BBR-BBSW | 6.994% | (138,6 |
| AUD | 43,130,000 | (E) | 7/20/11 | 3 month AUD-BBR-BBSW | 6.954% | (166,1 |
| | $144,500,000 | (E) | 3/10/10 | 4.779% | 3 month USD-LIBOR-BBA | (749,9 |
| | 158,900,000 | (E) | 3/8/12 | 3 month USD-LIBOR-BBA | 4.99% | (17,4 |
| | 51,830,600 | | 9/21/17 | 5.149% | 3 month USD-LIBOR-BBA | (174,9 |
| | 185,880,600 | | 9/21/09 | 3 month USD-LIBOR-BBA | 4.60% | (104,8 |
| | 2,070,000 | | 9/14/17 | 5.0625% | 3 month USD-LIBOR-BBA | 9,3 |
| | 4,243,000 | | 9/14/14 | 4.906% | 3 month USD-LIBOR-BBA | 19,3 |
| | 3,190,000 | | 9/14/09 | 3 month USD-LIBOR-BBA | 4.717% | 1,2 |
| | 700,000 | | 7/25/09 | 5.327% | 3 month USD-LIBOR-BBA | (17,9 |
| | 96,335,000 | | 9/19/09 | 3 month USD-LIBOR-BBA | 4.763% | 155,1 |
| **JPMorgan Chase Bank, N.A.** | | | | | | |
| | 13,000,000 | | 5/10/35 | 5.062% | 3 month USD-LIBOR-BBA | 390,6 |
| | 30,500,000 | | 8/4/16 | 3 month USD-LIBOR-BBA | 5.5195% | 1,015,6 |
| | 139,343,000 | | 5/4/08 | 3 month USD-LIBOR-BBA | 5.37% | 2,236,3 |
| | 45,120,000 | | 5/4/16 | 5.62375% | 3 month USD-LIBOR-BBA | (2,495,4 |
| | 56,000,000 | | 8/4/08 | 3 month USD-LIBOR-BBA | 5.40% | 250,1 |
| JPY | 11,230,000,000 | | 6/6/13 | 1.83% | 6 month JPY-LIBOR-BBA | (2,869,8 |
| | $20,430,000 | | 10/10/13 | 5.09% | 3 month USD-LIBOR-BBA | (196,3 |
| | 66,000,000 | | 3/6/16 | 3 month USD-LIBOR-BBA | 5.176% | 567,2 |
| | 297,249,000 | | 4/27/09 | 5.034% | 3 month USD-LIBOR-BBA | (1,852,4 |

| | | | | | |
|---|---|---|---|---|---|
| | 30,000,000 | 5/10/15 | 3 month USD-LIBOR-BBA | 4.687% | (264,619) |
| | 14,680,000 | 10/10/13 | 5.054% | 3 month USD-LIBOR-BBA | (110,696) |
| | 13,200,000 | 8/13/12 | 3 month USD-LIBOR-BBA | 5.2% | 208,355 |
| | 114,678,000 | 10/30/12 | 4.68375% | 3 month USD-LIBOR-BBA | 679,670 |
| | 5,641,000 | 8/29/17 | 5.2925% | 3 month USD-LIBOR-BBA | (59,270) |
| | 2,577,000 | 8/29/17 | 5.263% | 3 month USD-LIBOR-BBA | (30,579) |
| | 41,913,000 | 9/11/27 | 5.27% | 3 month USD-LIBOR-BBA | 323,609 |
| | 100,000 | 7/25/17 | 3 month USD-LIBOR-BBA | 5.652% | 5,680 |
| | 3,134,000 | 9/27/17 | 5.2335% | 3 month USD-LIBOR-BBA | (31,394) |
| | 51,830,600 | 9/21/17 | 5.15% | 3 month USD-LIBOR-BBA | (178,675) |
| | 185,880,600 | 9/21/09 | 3 month USD-LIBOR-BBA | 4.6125% | (61,328) |
| **Lehman Brothers Special Financing, Inc.** | | | | | |
| JPY | 4,600,000,000 | 10/21/15 | 1.61% | 6 month JPY-LIBOR-BBA | (55,373) |
| | $1,789,000 | 8/3/16 | 5.5675% | 3 month USD-LIBOR-BBA | (65,783) |
| | 108,143,000 | 8/3/08 | 3 month USD-LIBOR-BBA | 5.425% | 509,601 |
| | 18,882,000 | 8/3/11 | 3 month USD-LIBOR-BBA | 5.445% | 476,604 |

| | | | | | |
|---|---|---|---|---|---|
| GBP | 2,685,000 | 3/15/36 | 6,499,937.50 GBP at maturity | 6 month GBP-LIBOR-BBA | 916,509 |
| | $80,954,000 | 6/14/17 | 3 month USD-LIBOR-BBA | 5.8725% | 5,957,725 |
| EUR | 13,330,000 | 8/1/17 | 6 month EUR-EURIBOR-Telerate | 4.719% | 124,712 |
| | $66,339,000 | 3/15/09 | 4.9298% | 3 month USD-LIBOR-BBA | (166,334) |
| JPY | 2,655,800,000 | 6/10/16 | 1.7775% | 6 month JPY-LIBOR-BBA | (310,121) |
| | $7,000,000 | 9/17/17 | 3 month USD-LIBOR-BBA | 5.131% | 5,833 |
| | 5,285,000 | 9/11/17 | 5.0525% | 3 month USD-LIBOR-BBA | 28,344 |
| | 182,914,000 | 8/31/09 | 3 month USD-LIBOR-BBA | 4.89% | 735,784 |
| | 1,310,000 | 9/14/17 | 3 month USD-LIBOR-BBA | 5.055% | (6,726) |
| | 105,170,000 | 10/26/12 | 4.61375% | 3 month USD-LIBOR-BBA | 997,278 |
| | 51,830,600 | 9/24/17 | 5.285% | 3 month USD-LIBOR-BBA | (729,379) |
| | 182,914,000 | 9/4/09 | 3 month USD-LIBOR-BBA | 4.836% | 481,163 |
| | 38,636,000 | 9/4/27 | 5.4475% | 3 month USD-LIBOR-BBA | (565,583) |
| | 198,421,000 | 9/11/09 | 3 month USD-LIBOR-BBA | 4.6525% | (186,240) |
| | 38,636,000 | 8/31/27 | 5.4925% | 3 month USD-LIBOR-BBA | (806,081) |
| EUR | 13,800,000 | 10/1/17 | 4.375% | 6 month EUR-EURIBOR-Telerate | (107,353) |
| EUR | 58,050,000 | 10/1/09 | 6 month EUR-EURIBOR-Telerate | 4.565% | (118,213) |
| | $134,070,000 | 6/12/17 | 3 month USD-LIBOR-BBA | 5.717% | 8,229,338 |
| | 64,223,300 | 9/19/09 | 3 month USD-LIBOR-BBA | 4.755% | 93,869 |
| | 185,880,600 | 9/24/09 | 3 month USD-LIBOR-BBA | 4.695% | 248,331 |
| **Merrill Lynch Capital Services, Inc.** | | | | | |
| JPY | 1,465,300,000 | 6/10/16 | 1.99625% | 6 month JPY-LIBOR-BBA | (405,423) |
| | $105,170,000 | 10/26/12 | 4.6165% | 3 month USD-LIBOR-BBA | 984,618 |
| **Merrill Lynch Derivative Products AG** | | | | | |
| JPY | 732,600,000 | 6/11/17 | 2.05625% | 6 month JPY-LIBOR-BBA | (203,528) |
| **Morgan Stanley Capital Services, Inc.** | | | | | |
| | $881,000 | 8/29/17 | 5.26021% | 3 month USD-LIBOR-BBA | (10,256) |
| GBP | 35,750,000 | 7/9/09 | 6 month GBP-LIBOR-BBA | 6.305% | 668,506 |
| GBP | 4,290,000 | 7/9/37 | 5.28375% | 6 month GBP-LIBOR-BBA | (557,658) |
| **Total** | | | | | **$16,870,111** |

***(E) See Interest rate swap contracts note regarding extended effective dates.***

**TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 10/31/07 (Unaudited)**

| Swap counterparty / Notional amount | Termination date | Fixed payments received (paid) by fund per annum | Total return received by or paid by fund | Unrealized appreciation/ (depreciation) |
|---|---|---|---|---|
| **Bank of America, N.A.** | | | | |
| $11,830,000 | 5/2/08 | 10 bp plus | Banc of America | $(216,736) |

| | | | | | |
|---|---|---|---|---|---|
| | | | change in spread of Banc of America Securities AAA 10 yr Index multiplied by the modified duration factor | Securities- CMBS AAA 10 year Index | |
| | 44,000,000 | 5/2/08 | Banc of America Securities AAA 10 yr Index multiplied by the modified duration factor | Banc of America Securities- CMBS AAA 10 year Index | -- |
| **Citibank, N.A.** | | | | | |
| | 11,110,000 | 5/2/08 | 12.5 bp plus change in spread of Banc of America Securities AAA 10 yr Index multiplied by the modified duration factor | Banc of America Securities- CMBS AAA 10 year Index | (201,772) |
| | 83,120,000 | 10/31/07 | 10 bp plus change in spread of Banc of America Securities AAA 10 yr Index multiplied by the modified duration factor | Banc of America Securities- CMBS AAA 10 year Index | (1,781,774) |
| **Credit Suisse International** | | | | | |
| **GBP** | 2,910,000 | 4/3/36 | 4,409,746 GBP at maturity | GBP Non-revised Retail Price Index | (451,469) |
| **GBP** | 8,860,000 | 9/25/12 | 8,860,000 GBP at maturity | GBP Non-revised Retail Price Index | (44,603) |
| **Deutsche Bank AG** | | | | | |
| | $13,216,000 | 2/1/08 | (75 bp minus | The spread | 26,279 |

| | | | | | |
|---|---|---|---|---|---|
| | | | beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index) | return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | |
| | 34,000 (F) | 2/1/08 | 50 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 157 |
| | 13,216,000 (F) | 2/1/08 | 30 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 57,371 |
| **Goldman Sachs International** | | | | | |
| | 2,644,000 | 9/15/11 | 678 bp (1 month USD-LIBOR-BBA) | Ford Credit Auto Owner Trust Series 2005-B Class D | 61,857 |
| **GBP** | 8,860,000 | 10/16/12 | 3.09% | GBP Non-revised UK Retail Price Index excluding tobacco | 21,358 |
| | 5,630,000 | 5/1/08 | 10 bp plus | Banc of America | (57,973) |

| | |
|---|---|
| change in spread of Banc of America Securities AAA 10 yr Index multiplied by the modified duration factor | Securities- CMBS AAA 10 year Index |

| | | | | | |
|---|---|---|---|---|---|
| **GBP** | 8,860,000 | 9/20/12 | 3.170% | GBP Non-revised UK Retail Price Index excluding tobacco | 39,204 |
| **GBP** | 8,860,000 | 9/13/12 | 3.110% | GBP Non-revised UK Retail Price Index excluding tobacco | (8,593) |
| | $ 77,700,000 (F) | 2/1/08 | 125 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | (31,624) |
| | 27,690,000 (F) | 1/1/08 | (10 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index) | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 818,184 |
| **JPMorgan Chase Bank, N.A.** | | | | | |
| | 41,500,000 | 4/30/08 | 47.5 bp minus change in spread of Banc of America Securities AAA 10 yr Index multiplied by the modified duration factor | Banc of America Securities- CMBS AAA 10 year Index | -- |
| | 10,228,000 | 3/1/08 | (115 bp minus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index) | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | -- |

| | | | | |
|---|---|---|---|---|
| 3,862,000 | 2/1/08 | (50 bp minus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index) | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 35,144 |
| 3,862,000 | 2/1/08 | 25 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 8,496 |
| 15,225,000 | 8/1/08 | 17.5 bp minus change in spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 4,568 |
| **Lehman Brothers Special Financing, Inc.** | | | | |
| 168,950,000 | 5/1/08 | 15 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 130,092 |

| | | | | |
|---|---|---|---|---|
| 16,009,000 | 5/1/08 | 50 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | (90,451) |
| 7,621,000 (F) | 4/1/08 | 10 bp minus | The spread | (105,162) |

| | | | | | |
|---|---|---|---|---|---|
| | | | beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | |
| **GBP** | 8,860,000 | 10/9/12 | 3.1225% | GBP Non-revised UK Retail Price Index excluding tobacco | 53,477 |
| | $ 8,745,000 (F) | 3/1/08 | (2.5 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index) | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 38,172 |
| | 33,927,000 (F) | 3/1/08 | 70 bp minus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 14,521 |
| | 7,672,000 | 3/1/08 | (120 bp minus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index) | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 18,243 |
| | 15,102,000 | 2/1/08 | (45 bp minus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index) | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 4,725 |
| | 15,102,000 (F) | 2/1/08 | 30 bp plus beginning of period nominal spread of Lehman Brothers AAA | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by | 55,122 |

| | | | | | |
|---|---|---|---|---|---|
| | | | 8.5+ Commercial Mortgage Backed Securities Index | modified duration factor | |
| | 13,212,000 (F) | 2/1/08 | 50 bp minus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 18,933 |
| | 26,289,000 | 2/1/08 | 57.5 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | (9,735) |
| **GBP** | 2,685,000 (F) | 3/15/36 | 4,063,876 GBP at maturity | GBP Non-revised Retail Price Index | (452,093) |
| | $ 979,000 | 1/1/08 | (5 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index) | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 30,224 |
| | 27,690,000 (F) | 1/1/08 | (Beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index) | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 834,161 |
| | 27,690,000 | 1/1/08 | (10 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 776,776 |

| | | | | |
|---|---|---|---|---|
| | | Securities Index) | | |
| 62,776,000 | 2/1/08 | 50 bp minus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers Aaa 8.5+ CMBS Index adjusted by modified duration factor | (213,809) |
| **Morgan Stanley & Co. International Limited** | | | | |
| 3,500,000 | 2/1/08 | 100 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers Aaa 8.5+ CMBS Index adjusted by modified duration factor | (14,267) |
| **Morgan Stanley Capital Services, Inc.** | | | | |
| 43,620,000 | 10/31/07 | 10 bp plus change in spread of Banc of America Securities AAA 10 yr Index multiplied by the modified duration factor | Banc of America Securities- CMBS AAA 10 year Index | (935,610) |
| 40,190,000 | 4/30/08 | 15 bp minus change in spread of Banc of America Securities AAA 10 yr Index multiplied by the modified duration factor | Banc of America Securities- CMBS AAA 10 year Index | (110,756) |
| 210,950,000 | 1/31/08 | 25 bp minus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | 173,338 |

| | | | | | |
|---|---|---|---|---|---|
| 11,294,500 | (F) | 1/31/08 | 80 bp minus change in spread of Banc of America Securities AAA 10 yr Index multiplied by the modified duration factor | Banc of America Securities- CMBS AAA 10 year Index | (72,827) |
| 11,294,500 | | 1/31/08 | 70 bp minus change in spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers AAA 8.5+ CMBS Index adjusted by modified duration factor | (57,346) |
| 81,843,000 | | 1/31/08 | 40 bp plus beginning of period nominal spread of Lehman Brothers AAA 8.5+ Commercial Mortgage Backed Securities Index | The spread return of Lehman Brothers Aaa 8.5+ CMBS Index adjusted by modified duration factor | (683,692) |
| **Total** | | | | | **$(2,319,890)** |

***(F) Is valued at fair value following procedures approved by the Trustees.***

**CREDIT DEFAULT CONTRACTS OUTSTANDING at 10/31/07**
**(Unaudited)**

| Swap counterparty / Referenced debt* | Upfront premium received (paid)** | Notional amount | Termination date | Fixed payments received (paid) by fund per annum | Unrealized appreciation/ (depreciation) |
|---|---|---|---|---|---|
| **Bank of America, N.A.** | | | | | |
| Abitibibowater Inc., 6 1/2%, 6/15/13 | $-- | $245,000 | 12/20/08 | 550 bp | $(297) |
| DJ ABX NA CMBX BBB Index | 267 | 389,000 | 10/12/52 | (134 bp) | 78,704 |
| DJ CDX NA HY Series 9 Index | 20,048 | 10,692,000 | 12/20/12 | (375 bp) | 170,938 |

| | | | | | |
|---|---|---|---|---|---|
| Ford Motor Co., 7.45%, 7/16/31 | -- | 935,000 | 3/20/12 | (525 bp) | 12,122 |
| Ford Motor Credit Co., 7%, 10/1/13 | -- | 2,805,000 | 3/20/12 | 285 bp | (161,217) |
| Idearc, Inc, T/L B | -- | 1,150,000 | 6/20/12 | (152 bp) | 3,131 |
| Kinder Morgan, Inc., 6 1/2%, 9/1/12 | -- | 3,850,000 | 6/20/12 | (89 bp) | 113,427 |
| L-3 Communications Corp. 7 5/8%, 6/15/12 | -- | 460,000 | 6/20/11 | (101 bp) | (2,575) |
| Nalco, Co. 7.75%,11/15/11 | -- | 175,000 | 9/20/12 | 350 bp | 6,227 |
| XL Capital Assurance Inc. | -- | 540,000 | 12/20/12 | 400 bp | 1,194 |
| **Bear Stearns Credit Products, Inc.** | | | | | |
| Claire's Stores, 9 5/8%, 6/1/15 | -- | 140,000 | 6/20/12 | 230 bp | (6,346) |
| **Bear Stearns International, Ltd.** | | | | | |
| DJ ABX NA CMBX BBB Index | 2,262 | 467,070 | 10/12/52 | (134 bp) | 96,545 |
| **Citibank, N.A.** | | | | | |
| Abitibibowater Inc., 6 1/2%, 6/15/13 | -- | 245,000 | 12/20/08 | 725 bp | 4,777 |
| First Data Corp., 4.7%, 8/1/13 | -- | 365,000 | 12/20/12 | (505 bp) | 383 |
| Freescale Semiconductor, 8 7/8%, 12/15/14 | -- | 430,000 | 9/20/12 | 495 bp | (3,760) |
| Idearc, Inc, 8%, 11/15/16 | -- | 1,185,000 | 12/20/12 | (215 bp) | 7,667 |
| **Credit Suisse First Boston International** | | | | | |
| Ukraine Government, 7.65%, 6/11/13 | -- | 2,175,000 | 10/20/11 | 194 bp | 32,536 |
| **Credit Suisse International** | | | | | |
| Advanced Micro Devices, | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 7 3/4%, 11/1/12 | -- | 420,000 | 6/20/09 | (165 bp) | (10,826) |
| Dynegy Holdings Inc.,<br>6 7/8%, 4/1/11 | -- | 295,000 | 6/20/17 | 297 bp | (22,159) |
| Freeport-McMoRan Copper<br>& Gold, Inc. | -- | 1,180,200 | 3/20/12 | (82 bp) | (8,618) |
| Freeport-McMoRan Copper<br>& Gold, Inc. | -- | 1,180,000 | 3/20/12 | 41 bp | (10,476) |
| Neiman Marcus Group,<br>Inc., 9%, 10/15/15 | -- | 700,000 | 3/20/12 | (64 bp) | 19,252 |
| Republic of Peru,<br>8 3/4%, 11/21/33 | -- | 1,205,000 | 4/20/17 | 125 bp | 1,202 |
| Sungard Data Systems,<br>Inc., 4 7/8%, 1/15/14 | -- | 1,175,000 | 3/20/10 | (48 bp) | 20,249 |
| **Deutsche Bank AG** | | | | | |
| DJ CDX NA IG Series 8<br>Index 7-10% tranche | -- | 7,132,000 | 6/20/12 | 22 bp | (144,875) |
| DJ LCDX NA Series 9.1<br>Index 15-100% tranche | -- | 5,650,000 | 12/20/12 | 61.56 bp | (52,974) |
| Nalco, Co. 7.75%,<br>11/15/11 | -- | 160,000 | 12/20/12 | 363 bp | 5,711 |
| Republic of Argentina,<br>8.28%, 12/31/33 | -- | 1,375,000 | 8/20/12 | (380 bp) | (16,012) |
| Republic of Brazil,<br>12 1/4%, 3/6/30 | -- | 1,500,000 | 10/20/17 | 105 bp | (16,967) |
| Republic of Indonesia,<br>6.75%, 2014 | -- | 1,125,000 | 9/20/16 | 292 bp | 93,698 |
| Republic of Peru,<br>8 3/4%, 11/21/33 | -- | 1,205,000 | 4/20/17 | 126 bp | 2,759 |
| Republic of Turkey,<br>11 7/8%, 1/15/30 | -- | 1,810,000 | 6/20/14 | 195 bp | 16,137 |
| Republic of Venezuela,<br>9 1/4%, 9/15/27 | -- | 1,175,000 | 6/20/14 | 220 bp | (79,916) |

| | | | | | |
|---|---|---|---|---|---|
| Russian Federation, 7 1/2%, 3/31/30 | -- | 2,210,000 | 6/20/17 | 61 bp | (41,470) |
| Russian Federation, 7.5%, 3/31/30 | -- | 1,500,000 | 8/20/17 | 86 bp | (2,000) |
| United Mexican States, 7.5%, 4/8/33 | -- | 1,080,000 | 4/20/17 | 66 bp | 4,658 |
| United Mexican States, 7.5%, 4/8/33 | -- | 2,945,000 | 3/20/14 | 56 bp | 8,668 |
| **Goldman Sachs International** | | | | | |
| Any one of the underlying securities in the basket of BB CMBS securities | -- | 7,487,000 | (a) | 2.461% | 233,512 |
| DJ CDX NA HY Series 5 Index | -- | | 12/20/10 | (395 bp) | |
| DJ CDX NA HY Series 8 Index | 220,877 | 14,690,000 | 6/20/12 | 35 bp | 41,341 |
| DJ CDX NA HY Series 9 Index 25-35% tranche | -- | 5,580,000 | 12/20/10 | 108.65 bp | (58,856) |
| DJ CDX NA IG Series 8 Index 30-100% tranche | -- | 47,479,000 | 6/20/12 | (2.75 bp) | 83,180 |
| General Motors Corp., 7 1/8%, 7/15/13 | -- | 2,720,000 | 9/20/08 | 620 bp | 106,198 |
| General Motors Corp., 7 1/8%, 7/15/13 | -- | 580,000 | 9/20/08 | 620 bp | 22,645 |
| Lehman Brothers Holdings, 6 5/8%, 1/18/12 | -- | 2,375,000 | 9/20/17 | (67.8 bp) | 54,599 |
| Merrill Lynch & Co., 5%, 1/15/15 | -- | 2,375,000 | 9/20/12 | 48 bp | (35,245) |
| Merrill Lynch & Co., 5%, 1/15/15 | -- | 2,375,000 | 9/20/17 | (59.8 bp) | 35,963 |
| **JPMorgan Chase Bank, N.A.** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| DJ CDX NA CMBX AAA Index | -- | 10,557,000 | 3/15/49 | (7 bp) | 188,562 |
| DJ CDX NA HY Series 9 Index 25-35% tranche | -- | 5,722,000 | 12/20/10 | 105.5 bp | (65,683) |
| DJ CDX NA IG Series 9 Index 30-100% tranche | -- | 16,780,000 | 12/20/12 | (5.8 bp) | 15,457 |
| First Data Corp., 4.7%, 8/1/13 | -- | 365,000 | 12/20/12 | (507 bp) | 88 |
| Freeport-McMoRan Copper & Gold, Inc. | -- | 2,360,300 | 3/20/12 | (85 bp) | (34,960) |
| General Motors Corp., 7 1/8%, 7/15/13 | -- | 460,000 | 9/20/08 | 500 bp | 12,523 |
| Idearc, Inc T/L B L | -- | 1,150,000 | 6/20/12 | 79 bp | (35,004) |
| Republic of Argentina, 8.28%, 12/31/33 | -- | 1,385,000 | 6/20/14 | 235 bp | (110,531) |
| Republic of Indonesia, 6.75%, 3/10/14 | -- | 1,870,000 | 6/20/17 | 171.5 bp | (9,648) |
| Republic of Turkey, 11 7/8%, 1/15/30 | -- | 1,945,000 | 5/20/17 | 230 bp | 11,228 |
| Republic of Turkey, 11 7/8%, 1/15/30 | -- | 1,435,000 | 5/20/17 | 244 bp | 23,924 |
| Russian Federation, 7 1/2%, 3/31/30 | -- | 1,580,000 | 5/20/17 | 60 bp | (28,972) |
| Russian Federation, 7.5%, 3/31/30 | -- | 1,500,000 | 8/20/17 | 85 bp | (3,145) |
| Russian Federation, 7.5%, 3/31/30 | -- | 2,250,000 | 8/20/12 | 65 bp | (368) |
| **Lehman Brothers Special Financing, Inc.** | | | | | |
| Bear Stearns Co. Inc., 5.3%, 10/30/15 | -- | 2,375,000 | 9/20/17 | (77 bp) | 43,371 |
| Community Health Systems, 8 7/8%, 7/15/15 | -- | 380,000 | 12/20/12 | 360 bp | (5,875) |
| DJ ABX NA CMBX BBB Index | 481 | 116,767 | 10/12/52 | (134 bp) | 24,469 |

| | | | | | |
|---|---|---|---|---|---|
| DJ CDX NA CMBX AA Index | (2,155) | 68,000 (F) | 3/15/49 | (15 bp) | 2,526 |
| DJ CDX NA CMBX AAA Index | -- | 36,746,000 | 3/15/49 | (7 bp) | 518,625 |
| DJ CDX NA HY Series 8 Index 35-60% tranche | -- | 31,139,000 | 6/20/12 | 104 bp | (588,847) |
| DJ CDX NA HY Series 8 Index 35-60% tranche | -- | 86,378,000 | 6/20/12 | 95 bp | (1,969,788) |
| DJ CDX NA HY Series 9 Index 25-35% tranche | -- | 22,600,000 | 12/20/10 | 90 bp | (354,933) |
| DJ CDX NA HY Series 9 Index 25-35% tranche | -- | 22,600,000 | 12/20/10 | 104.5 bp | (252,941) |
| DJ CDX NA IG Series 8 Index | 17,878 | 1,144,000 | 6/20/12 | 35 bp | 3,896 |
| DJ CDX NA IG Series 8 Index 30-100% tranche | -- | 17,768,850 | 6/20/12 | (3.125 bp) | 33,815 |
| DJ CDX NA IG Series 8 Index 30-100% tranche | -- | 86,339,150 | 6/20/12 | (8 bp) | (22,013) |
| DJ CDX NA IG Series 9 Index | (40,724) | 8,230,000 | 12/20/12 | 60 bp | (35,786) |
| DJ CDX NA IG Series 9 Index | 258,408 | 52,546,000 | 12/20/12 | (60 bp) | 226,880 |
| DJ LCDX NA Series 9.1 Index 15-100% tranche | -- | 5,650,000 (F) | 12/20/12 | 59.3 bp | (62,676) |
| Fed Republic of Brazil, 12.25%, 3/6/30 | -- | 230,000 | 8/20/12 | 113 bp | 3,751 |
| Fed Republic of Brazil, 12.25%, 3/6/30 | -- | 230,000 | 8/20/12 | 120 bp | 4,431 |
| Freescale Semiconductor, 8 7/8%, 12/15/14 | -- | 1,143,000 | 6/20/10 | (228 bp) | 34,713 |
| Freescale | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Semiconductor, 8 7/8%, 12/15/14 | -- | 1,143,000 | 6/20/12 | 355 bp | (64,881) |
| Goldman Sachs Group, Inc., 6.6%, 1/15/12 | -- | 1,720,000 | 9/20/12 | 45.5 bp | (9,837) |
| Goldman Sachs Group, Inc., 6.6%, 1/15/12 | -- | 2,375,000 | 9/20/17 | (58 bp) | 1,979 |
| Morgan Stanley Dean Witter, 6.6%, 4/1/12 | -- | 2,375,000 | 9/20/12 | 48 bp | (21,351) |
| Morgan Stanley Dean Witter, 6.6%, 4/1/12 | -- | 2,375,000 | 9/20/17 | (60.5 bp) | 17,110 |
| Republic of Argentina, 8.28%, 12/31/33 | -- | 1,960,000 | 5/20/17 | 296 bp | (158,474) |
| Republic of Argentina, 8.28%, 12/31/33 | -- | 685,000 | 9/20/12 | (469 bp) | (33,674) |
| Republic of Ecuador, 10%, 8/15/30 | -- | 1,110,000 | 5/20/12 | 540 bp | (12,143) |
| Republic of Ecuador, 10%, 8/15/30 | -- | 1,120,000 | 6/20/12 | 600 bp | 5,813 |
| Republic of Ecuador, 10%, 8/15/30 | -- | 665,000 | 5/20/12 | 540 bp | (7,874) |
| Republic of Peru, 8 3/4%, 11/21/33 | -- | 2,330,000 | 10/20/16 | 215 bp | 152,076 |
| Republic of Turkey, 11 7/8%, 1/15/30 | -- | 2,780,000 | 5/20/17 | 228 bp | 26,571 |
| Republic of Venezuela, 9 1/4%, 9/15/27 | -- | 2,340,000 | 5/20/08 | (130 bp) | (16,029) |
| Republic of Venezuela, 9 1/4%, 9/15/27 | -- | 2,340,000 | 5/20/12 | 183 bp | (103,883) |
| Solectron Global Finance Ltd, 8%, 3/15/16 | -- | 191,000 | 3/20/12 | 380 bp | 25,448 |
| United Mexican States, 7.5%, 4/8/33 | -- | 1,310,000 | 4/20/17 | 67 bp | 6,637 |

| | | | | | |
|---|---|---|---|---|---|
| XL Capital Assurance Inc. | -- | 1,620,000 | 12/20/12 | 400 bp | 3,582 |
| **Merrill Lynch Capital Services, Inc.** | | | | | |
| General Motors Corp., 7 1/8%, 7/15/13 | -- | 1,895,000 | 9/20/08 | 500 bp | 51,588 |
| **Merrill Lynch International** | | | | | |
| Dynegy Holdings Inc., 6 7/8%, 4/1/11 | -- | 295,000 | 6/20/17 | 295 bp | (22,502) |
| **Morgan Stanley Capital Services, Inc.** | | | | | |
| Advanced Micro Devices, 7 3/4%, 11/1/12 | -- | 1,100,000 | 6/20/09 | 190 bp | (23,909) |
| Aramark Services, Inc., 8.5%, 2/1/15 | -- | 250,000 | 12/20/12 | 355 bp | (1,597) |
| DJ ABX NA CMBX BBB Index | 118 | 162,464 | 10/12/52 | (134 bp) | 33,493 |
| DJ CDX NA HY Series 7 Index | 122,218 | 2,573,000 | 12/20/09 | (325 bp) | 74,793 |
| DJ CDX NA IG Series 7 Index 10-15% tranche | 102,920 | 2,573,000 | 12/20/09 | 0 bp | (84,858) |
| DJ CDX NA IG Series 8 Index | 42,285 | 3,517,000 | 6/20/12 | 35 bp | (698) |
| Dominican Republic, 8 5/8%, 4/20/27 | -- | 2,340,000 | 11/20/11 | (170 bp) | (34,751) |
| Dynegy Holdings Inc., 6 7/8%, 4/1/11 | -- | 295,000 | 6/20/12 | 225 bp | (11,362) |
| Freeport-McMoRan Copper & Gold, Inc. | -- | 1,180,200 | 3/20/12 | (83 bp) | (16,533) |
| Freeport-McMoRan Copper & Gold, Inc. | -- | 3,540,700 | 3/20/12 | 44 bp | (19,309) |
| General Motors Corp., 7 1/8%, 7/15/13 | -- | 465,000 | 9/20/08 | 500 bp | 11,265 |
| Nalco, Co. 7.75%, 11/15/11 | -- | 175,000 | 9/20/12 | 330 bp | 4,507 |
| Republic of Venezuela, | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 9 1/4%, 9/15/27 | -- | 1,570,000 | 10/12/12 | 339 bp | 6,663 |
| **Total** | | | | | **$(2,052,217)** |

**** Payments related to the reference debt are made upon a credit default event.***

***** Upfront premium is based on the difference between the original spread on issue and the market spread on day of execution.***

***(a) Terminating on the date on which the notional amount is reduced to zero or the date on which the assets securing the reference entity are liquidated.***

***(F) Is valued at fair value following procedures approved by the Trustees.***

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NOTES

(a) Percentages indicated are based on net assets of $1,127,040,039.

(b) The aggregate identified cost on a tax basis is $1,114,705,062, resulting in gross unrealized appreciation and depreciation of $53,091,086 and $32,878,149, respectively, or net unrealized appreciation of $20,212,937.

(NON) Non-income-producing security.

(STP) The interest rate and date shown parenthetically represent the new interest rate to be paid and the date the fund will begin accruing interest at this rate.

(RES) Restricted, excluding 144A securities, as to public resale. The total market value of restricted securities held at October 31, 2007 was $37,139 or less than 0.1% of net assets.

(PIK) Income may be received in cash or additional securities at the discretion of the issuer.

(SEG) This security was pledged and segregated with the custodian to cover margin requirements for futures contracts at October 31, 2007.

(FWC) Forward commitments.

(c) Senior loans are exempt from registration under the Securities Act of 1933, as amended, but contain certain restrictions on resale and cannot be sold publicly. These loans pay interest at rates which adjust periodically. The interest rates shown for senior loans are the current interest rates at October 31, 2007. Senior loans are also subject to mandatory and/or optional prepayment which cannot be predicted. As a result, the remaining maturity may be substantially less than the stated maturity shown. Senior loans are purchased or sold on a when-issued or delayed delivery basis and may be settled a month or more after the trade date, which from time to time can delay the actual investment of available cash balances; interest income is accrued based on the terms of the securities. Senior loans can be acquired through an agent, by assignment from another holder of the loan, or as a participation interest in another holder's portion of the loan. When the fund invests in a loan or participation, the fund is subject to the risk that an intermediate participant between the fund and the borrower will fail to meet its obligations to the fund, in addition to the risk that the borrower under the loan may default on its obligations.

(d) The fund may lend securities, through its agents, to qualified borrowers in order to earn additional income. The loans are collateralized by cash and/or securities in an amount at least equal to the market value of the securities loaned. The market value of securities loaned is determined daily and any additional required collateral is allocated to the fund on the next business day. The risk of borrower default will be borne by the fund's agents; the fund will bear the risk of loss with respect to the investment of the cash collateral. At October 31, 2007, the value of securities loaned amounted to $3,002,267. The fund received cash collateral of $3,065,160 which is pooled with collateral of other Putnam funds into 54 issues of short-term investments.

The fund invests in Putnam Prime Money Market Fund, an open-end management investment company managed by Putnam Investment Management, LLC ("Putnam Management"), the fund's manager, a wholly-owned subsidiary of Putnam, LLC. Investments in Putnam Prime Money Market Fund are valued at its closing net asset value each business day. Management fees paid by the fund are reduced by an amount equal to the management and administrative fees paid by Putnam Prime Money Market Fund with respect to assets invested by the fund in Putnam Prime Money Market Fund. Income distributions earned by the fund totaled $218,310 for the period ended October 31, 2007. During the period ended October 31, 2007, cost of purchases and proceeds of sales of investments in Putnam Prime Money Market Fund aggregated $34,651,496 and $94,973,905, respectively.

(F) Is valued at fair value following procedures approved by the Trustees.

(R) Real Estate Investment Trust.

(S) Securities on loan, in part or in entirety, at October 31, 2007.

(U) A portion of the position represents unfunded loan commitments. As of October 31, 2007, the fund had unfunded loan commitments of $937,269, which could be extended at the option of the borrower, pursuant to the following loan agreements with the following borrowers:

| **Borrower** | **Unfunded commitments** |
| --- | --- |
| Community Health | $79,781 |
| Golden Nugget | 114,545 |
| Hub Intl | 43,294 |
| Iasis Healthcare | 34,102 |
| Isle of Capri | 124,118 |
| MEG Energy | 186,429 |
| NRG Energy | 355,000 |
| **Totals** | $937,269 |

At October 31, 2007, liquid assets totaling $184,587,383 have been designated as collateral for open forward commitments, swap contracts, forward contracts, options and futures contracts.

144A after the name of an issuer represents securities exempt from registration under Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

TBA after the name of a security represents to be announced securities.

The rates shown on Floating Rate Bonds (FRB) and Floating Rate Notes (FRN) are the current interest rates at October 31, 2007.

The dates shown on debt obligations are the original maturity dates.

Inverse Floating Rate Bonds (IFB) are securities that pay interest rates that vary inversely to changes in the market interest rates. As interest rates rise, inverse floaters produce less current income. The interest rates shown are the current interest rates at October 31, 2007.

DIVERSIFICATION BY COUNTRY

Distribution of investments by country of issue at October 31, 2007: (as a percentage of Portfolio Value)

| | |
| --- | --- |
| Argentina | 1.8% |
| Austria | 1.0 |
| Canada | 1.3 |
| Cayman Islands | 1.1 |
| France | 2.6 |
| Germany | 6.8 |
| Ireland | 2.6 |
| Japan | 6.7 |

| | |
|---|---|
| Luxembourg | 1.3 |
| Mexico | 0.8 |
| Russia | 1.3 |
| Spain | 0.6 |
| Sweden | 0.9 |
| Turkey | 0.6 |
| United Kingdom | 1.9 |
| United States | 66.1 |
| Other | 2.6 |
| Total | 100.0% |

**Security valuation** Investments for which market quotations are readily available are valued at the last reported sales price on their principal exchange, or official closing price for certain markets. If no sales are reported -- as in the case of some securities traded over-the-counter -- a security is valued at its last reported bid price. Market quotations are not considered to be readily available for certain debt obligations; such investments are valued at fair value on the basis of valuations furnished by an independent pricing service or dealers, approved by the Trustees. Such services or dealers determine valuations for normal institutional-size trading units of such securities using methods based on market transactions for comparable securities and various relationships, generally recognized by institutional traders, between securities. Many securities markets and exchanges outside the U.S. close prior to the close of the New York Stock Exchange and therefore the closing prices for securities in such markets or on such exchanges may not fully reflect events that occur after such close but before the close of the New York Stock Exchange. Accordingly, on certain days, the fund will fair value foreign equity securities taking into account multiple factors, including movements in the U.S. securities markets. The number of days on which fair value prices will be used will depend on market activity and it is possible that fair value prices will be used by the fund to a significant extent.

Securities quoted in foreign currencies, if any, are translated into U.S. dollars at the current exchange rate. Certain investments, including certain restricted securities and derivatives, are also valued at fair value following procedures approved by the Trustees. Such valuations and procedures are reviewed periodically by the Trustees. The fair value of securities is generally determined as the amount that the fund could reasonably expect to realize from an orderly disposition of such securities over a reasonable period of time. By its nature, a fair value price is a good faith estimate of the value of a security at a given point in time and does not reflect an actual market price, which may be different by a material amount.

**Stripped securities** The fund may invest in stripped securities which represent a participation in securities that may be structured in classes with rights to receive different portions of the interest and principal. Interest-only securities receive all of the interest and principal-only securities receive all of the principal. If the interest-only securities experience greater than anticipated prepayments of principal, the fund may fail to recoup fully its initial investment in these securities. Conversely, principal-only securities increase in value if prepayments are greater than anticipated and decline if prepayments are slower than anticipated. The market value of these securities is highly sensitive to changes in interest rates.

**Forward currency contracts** The fund may buy and sell forward currency contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. These contracts are used to protect against a decline in value relative to the U.S. dollar of the currencies in which its portfolio securities are denominated or quoted (or an increase in the value of a currency in which securities a fund intends to buy are denominated, when a fund holds cash reserves and short term investments), or for other investment purposes. The U.S. dollar value of forward currency contracts is determined using current forward currency exchange rates supplied by a quotation service. The market value of the contract will fluctuate with changes in currency exchange rates. The contract is marked to market daily and the change in market value is recorded as an unrealized gain or loss. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The fund could be exposed to risk if the value of the currency changes unfavorably, if the counterparties to the contracts are unable to meet the terms of their contracts or if the fund is unable to enter into a closing position. Risks may exceed amounts recognized on the statement of assets and liabilities. Forward currency contracts outstanding at period end, if any, are listed after the fund's portfolio.

**Futures and options contracts** The fund may use futures and options contracts to hedge against changes in the values of securities the fund owns or expects to purchase, or for other investment purposes. The fund may also write options on swaps or securities it owns or in which it may invest to increase its current returns.

The potential risk to the fund is that the change in value of futures and options contracts may not correspond to the change in value of the hedged instruments. In addition, losses may arise from changes in the value of the underlying instruments, if there is an illiquid secondary market for the contracts, or if the counterparty to the contract is unable to perform. Risks may exceed amounts recognized on the statement of assets and liabilities. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Realized gains and losses on purchased options are included in realized gains and losses on investment securities. If a written call option is exercised, the premium originally received is recorded as an addition to sales proceeds. If a written put option is exercised, the premium originally received is recorded as a reduction to the cost of investments.

Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. The fund and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin." Exchange traded options are valued at the last sale price or, if no sales are reported, the last bid price for purchased options and the last ask price for written options. Options traded over-the-counter are valued using prices supplied by dealers. Futures and written option contracts outstanding at period end, if any, are listed after the fund's portfolio.

**Total return swap contracts** The fund may enter into total return swap contracts, which are arrangements to exchange a market-linked return for a periodic payment, both based on a notional principal amount. To the extent that the total return of the security or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the fund will receive a payment from or make a payment to the counterparty. Total return swap contracts are marked-to-market daily based upon quotations from market makers and the change, if any, is recorded as unrealized gain or loss. Payments received or made are recorded as realized gains or loss. Certain total return swap contracts may include extended effective dates. Income related to these swap contracts is accrued based on the terms of the contract. The fund could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or in the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. Risk of loss may exceed amounts recognized on the statement of assets and liabilities. Total return swap contracts outstanding at period end, if any, are listed after the fund's portfolio.

**Interest rate swap contracts** The fund may enter into interest rate swap contracts, which are arrangements between two parties to exchange cash flows based on a notional principal amount, to manage the fund's exposure to interest rates. Interest rate swap contracts are marked-to-market daily based upon quotations from an independent pricing service or market makers and the change, if any, is recorded as unrealized gain or loss. Payments received or made are recorded as realized gains or loss. Certain interest rate swap contracts may include extended effective dates. Income related to these swap contracts is accrued based on the terms of the contract. The fund could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or if the counterparty defaults on its obligation to perform. Risk of loss may exceed amounts recognized on the statement of assets and liabilities. Interest rate swap

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contracts outstanding at period end, if any, are listed after the fund's portfolio.

**Credit default contracts** The fund may enter into credit default contracts where one party, the protection buyer, makes an upfront or periodic payment to a counterparty, the protection seller, in exchange for the right to receive a contingent payment. The maximum amount of the payment may equal the notional amount, at par, of the underlying index or security as a result of a related credit event. Payments are made upon a credit default event of the disclosed primary referenced obligation or all other equally ranked obligations of the reference entity. An upfront payment received by the fund, as the protection seller, is recorded as a liability on the fund's books. An upfront payment made by the fund, as the protection buyer, is recorded as an asset on the fund's books. Periodic payments received or paid by the fund are recorded as realized gains or losses. The credit default contracts are marked-to-market daily based upon quotations from an independent pricing service or market makers and the change, if any, is recorded as unrealized gain or loss. Payments received or made as a result of a credit event or termination of the contract are recognized, net of a proportional amount of the upfront payment, as realized gains or losses. In addition to bearing the risk that the credit event will occur, the fund could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index, the possibility that the fund may be unable to close out its position at the same time or at the same price as if it had purchased comparable publicly traded securities or that the counterparty may default on its obligation to perform. Risks of loss may exceed amounts recognized on the statement of assets and liabilities. Credit default contracts outstanding at period end, if any, are listed after the fund's portfolio.

**TBA purchase commitments** The fund may enter into "TBA" (to be announced) commitments to purchase securities for a fixed unit price at a future date beyond customary settlement time. Although the unit price has been established, the principal value has not been finalized. However, the amount of the commitments will not significantly differ from the principal amount. The fund holds, and maintains until settlement date, cash or high-grade debt obligations in an amount sufficient to meet the purchase price, or the fund may enter into offsetting contracts for the forward sale of other securities it owns. Income on the securities will not be earned until settlement date. TBA purchase commitments may be considered securities themselves, and involve a risk of loss if the value of the security to be purchased declines prior to the settlement date, which risk is in addition to the risk of decline in the value of the fund's other assets. Unsettled TBA purchase commitments are valued at fair value of the underlying securities, according to the procedures described under "Security valuation" above. The contract is marked-to-market daily and the change in market value is recorded by the fund as an unrealized gain or loss.

Although the fund will generally enter into TBA purchase commitments with the intention of acquiring securities for its portfolio or for delivery pursuant to options contracts it has entered into, the fund may dispose of a commitment prior to settlement if

Putnam Management deems it appropriate to do so.

**TBA sale commitments** The fund may enter into TBA sale commitments to hedge its portfolio positions or to sell mortgage-backed securities it owns under delayed delivery arrangements. Proceeds of TBA sale commitments are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, equivalent deliverable securities or an offsetting TBA purchase commitment deliverable on or before the sale commitment date, are held as "cover" for the transaction.

Unsettled TBA sale commitments are valued at fair value of the underlying securities, generally according to the procedures described under "Security valuation" above. The contract is marked-to-market daily and the change in market value is recorded by the fund as an unrealized gain or loss. If the TBA sale commitment is closed through the acquisition of an offsetting purchase commitment, the fund realizes a gain or loss. If the fund delivers securities under the commitment, the fund realizes a gain or a loss from the sale of the securities based upon the unit price established at the date the commitment was entered into. TBA sale commitments outstanding at period end, if any, are listed after the fund's portfolio.

**Dollar rolls** To enhance returns, the fund may enter into dollar rolls (principally using TBAs) in which the fund sells securities for delivery in the current month and simultaneously contracts to purchase similar securities on a specified future date. During the period between the sale and subsequent purchase, the fund will not be entitled to receive income and principal payments on the securities sold. The fund will, however, retain the difference between the initial sales price and the forward price for the future purchase. The fund will also be able to earn interest on the cash proceeds that are received from the initial sale. The fund may be exposed to market or credit risk if the price of the security changes unfavorably or the counterparty fails to perform under the terms of the agreement.

For additional information regarding the fund please see the fund's most recent annual or semiannual shareholder report filed on the Securities and Exchange Commission's Web site, www.sec.gov, or visit Putnam's Individual Investor Web site at www.putnaminvestments.com

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Item 2. Controls and Procedures:

(a) The registrant's principal executive officer and principal financial officer have concluded, based on their evaluation of the effectiveness of the design and operation of the registrant's disclosure controls and procedures as of a date within 90 days of the filing date of this report, that the design and operation of such procedures are generally effective to provide reasonable assurance that information required to be disclosed by the registrant in this report is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms.

(b) Changes in internal control over financial reporting:

During the period, Putnam Fiduciary Trust Company, the fund's transfer agent, began utilizing shareholder systems and systems support provided by DST Systems, Inc. and certain of its affiliates.

Item 3. Exhibits:

Separate certifications for the principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are filed herewith.

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.

Putnam Premier Income Trust

By (Signature and Title):

/s/ Janet C. Smith
Janet C. Smith
Principal Accounting Officer

Date: December 28, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title):

/s/ Charles E. Porter
Charles E. Porter
Principal Executive Officer
Date: December 28, 2007

By (Signature and Title):

/s/ Steven D. Krichmar
Steven D. Krichmar
Principal Financial Officer
Date: December 28, 2007