PUTNAM MASTER INTERMEDIATE INCOME TRUST
Form N-CSR
November 28, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number:	(811-05498)
Exact name of registrant as specified in charter:	Putnam Master Intermediate Income Trust
Address of principal executive offices:	One Post Office Square, Boston, Massachusetts 02109
Name and address of agent for service:	Robert T Burns, Vice President One Post Office Square Boston, Massachusetts 02109
Copy to:	John W. Gerstmayr, Esq. Ropes & Gray LLP 800 Boylston Street Boston, Massachusetts 02199-3600
Registrant’s telephone number, including area code:	(617) 292-1000
Date of fiscal year end:	September 30, 2012
Date of reporting period:	October 1, 2011 — September 30, 2012

Item 1. Report to Stockholders:

The following is a copy of the report transmitted to stockholders pursuant to Rule 30e-1 under the Investment Company Act of 1940:

Putnam Master Intermediate Income Trust

Annual report
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Consider these risks before investing: International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. Additional risks may be associated with emerging-market securities, including illiquidity and volatility. Lower-rated bonds may offer higher yields in return for more risk. Funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk. The use of derivatives involves additional risks, such as the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. Bond investments are subject to interest-rate risk, which means the prices of the fund's bond investments are likely to fall if interest rates rise. Bond investments also are subject to credit risk, which is the risk that the issuer of the bond may default on payment of interest or principal. Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds, which may be considered speculative. Unlike bonds, funds that invest in bonds have ongoing fees and expenses. The fund's shares trade on a stock exchange at market prices, which may be lower than the fund's net asset value.

Message from the Trustees

Dear Fellow Shareholder:

Coordinated action by central banks on both sides of the Atlantic helped lift both equity and fixed-income markets this year. Global markets continue to show signs of vulnerability, however, with investors growing more concerned about economic slowdowns in the United States, Europe, and emerging markets, particularly China. The outcome of the U.S. presidential election and the impending "fiscal cliff" are additional sources of potential volatility.

Putnam's veteran investment team relies on fundamental research and experienced judgment to seek opportunities and manage risk in this environment. In the same way, it is prudent for long-term investors to rely on the expertise of a trusted financial advisor, who can help you work toward your financial goals.

We would like to take this opportunity to announce the arrival of two new Trustees, Liaquat Ahamed and Katinka Domotorffy, CFA, to your fund's Board of Trustees. Mr. Ahamed, who in 2010 won the Pulitzer Prize for History with his book, *Lords of Finance: The Bankers Who Broke the World*, also serves on the Board of Aspen Insurance and the Board of the Rohatyn Group, an emerging-market fund complex that manages money for institutional investors.

Ms. Domotorffy, who until year-end 2011 was a Partner, Chief Investment Officer, and Global Head of Quantitative Investment Strategies at Goldman Sachs Asset Management, currently serves as a member of the Anne Ray Charitable Trust's Investment Committee, Margaret A. Cargill Philanthropies, and director for Reach Out and Read of Greater New York, an organization dedicated to promoting early childhood literacy.

We would also like to extend a welcome to new shareholders of the fund and to thank all of our investors for your continued confidence in Putnam.

About the fund

Seeking broad diversification across bond markets

When Putnam Master Intermediate Income Trust was launched in 1988, its three-pronged focus on U.S. investment-grade bonds, high-yield corporate bonds, and non-U.S. bonds was considered innovative. Lower-rated, higher-yielding corporate bonds were relatively new, having just been established in the late 1970s. In addition, at the time of the fund's launch, few investors were venturing outside the United States for fixed-income opportunities.

In the two decades since then, the bond investment landscape has undergone a transformation. New sectors such as mortgage- and asset-backed securities now make up a sizable portion of the U.S. investment-grade market. The high-yield corporate bond sector has also grown significantly. Outside the United States, the introduction of the euro fostered the development of a large market of European government bonds. There are also growing opportunities to invest in the debt of emerging-market countries.

The fund's managers believe that the fund's multi-strategy approach is well suited to the expanding opportunities in today's global bond marketplace. To respond to the market's increasing complexity, Putnam's Fixed Income group aligns teams of specialists with varied investment opportunities. Working with these teams, the fund managers strive to build a diversified portfolio that carefully balances risk and return.

As different factors drive the performance of the various bond market sectors, the managers use the fund's flexible strategy to seek opportunities for investors.

How do closed-end funds differ from open-end funds?

More assets at work While open-end funds need to maintain a cash position to meet redemptions, closed-end funds are not subject to redemptions and can keep more of their assets invested in the market.

Traded like stocks Closed-end fund shares are traded on stock exchanges, and their market prices fluctuate in response to supply and demand, among other factors.

Net asset value vs. market price Like an open-end fund's net asset value (NAV) per share, the NAV of a closed-end fund share is equal to the current value of the fund's assets, minus its liabilities, divided by the number of shares outstanding. However, when buying or selling closed-end fund shares, the price you pay or receive is the market price. Market price reflects current market supply and demand, and may be higher or lower than the NAV.

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Investment return and net asset value will fluctuate, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. Fund returns in the bar chart are at NAV. See pages 5 and 11–12for additional performance information, including fund returns at market price. Index and Lipper results should be compared with fund performance at NAV. Lipper calculates performance differently than the closed-end funds it ranks, due to varying methods for determining a fund's monthly reinvestment NAV. To obtain the most recent month-end performance, visit putnam.com.

Interview with your fund's portfolio manager

Bill, what was the bond-market environment like during the 12 months ended September 30, 2012?

The early months of the period were difficult ones for credit-sensitive fixed-income securities, as concerns about Europe's sovereign debt crisis and a weakening U.S. economic outlook caused investors to move away from risk. In December, however, riskier assets began to reverse course, as investors grew more optimistic about U.S. growth prospects and less pessimistic about the European situation. Investor confidence was buoyed by the European Central Bank's Long-Term Refinancing Operation, which provided much-needed stability to global credit markets by injecting liquidity into the European banking system, thereby reducing banks' short-term funding risk.

In the United States, the Federal Reserve remained firm in its resolve to hold its benchmark federal funds rate near zero, announcing that it would do so into 2015, with the dual objectives of promoting growth and maintaining liquidity in the financial system. The Fed's accommodative stance was further evidenced when it extended "Operation Twist," under which it helped keep long-term Treasury yields low by selling short-term bonds and buying longer-term ones.

Within this environment, bonds in sectors entailing greater credit or market risk that trade at a yield premium to U.S.

This comparison shows your fund's performance in the context of broad market indexes for the 12 months ended 9/30/12. See pages 4 and 11–12 for additional fund performance information. Index descriptions can be found on page 13.

Treasuries — so-called “spread sectors” —rallied broadly from December through March. However, the rally stalled during the April through June period, as global economic data came in below expectations and rising eurozone risk once again dampened investor sentiment.

The final three months of the period were characterized by light trading volumes, interest rates moving higher globally, and yield curves steepening. The benchmark 10-year Treasury yield hit an intra-month high of 1.83% in August, a level not reached since the beginning of May, before ending the period lower at 1.65%. Against this backdrop, fixed-income spread sectors continued to outperform other parts of the market, led by higher-yielding categories, such as non-agency residential mortgage-backed securities [RMBS], high-yield bonds, and emerging-market debt.

In a much-anticipated development, the Fed launched “QE3” in mid September, announcing that it would buy $40 billion of government-agency mortgage-backed securities [agency MBS] every month until the job market improves. The central bank also affirmed that it would continue Operation Twist through December.

Credit qualities are shown as a percentage of net assets as of 9/30/12. A bond rated Baa or higher (Prime-3 or higher, for short-term debt) is considered investment grade. The chart reflects Moody’s ratings; percentages may include bonds or derivatives not rated by Moody’s but rated by Standard & Poor’s (S&P) or, if unrated by S&P, by Fitch, and then included in the closest equivalent Moody’s rating. Ratings will vary over time.

Credit quality represents only the fixed-income portion of the portfolio. Convertible bonds are excluded from the calculation. Derivative instruments, including currency forwards, are only included to the extent of any unrealized gain or loss on such instruments and are shown in the not-rated category. Cash is also shown in the not-rated category. The fund itself has not been rated by an independent rating agency.

A negative percentage reflects the effect of fund strategies that are designed to enhance performance if certain securities decline in value.

The fund outpaced its benchmark by a considerable margin. What factors drove this solid relative performance?

Our sizable allocations to high-yield bonds and emerging-market debt, both of which were among the best-performing asset classes during the period, drove the fund’s performance versus the index. Investmentsin non-agency RMBS also meaningfully contributed. Returns for high-yield and emerging-market bonds were bolstered by investor willingness to assume more risk in exchange for higher yields. Non-agency RMBS benefited from nascent signs of strength in the housing market, along with the anticipation of heightened demand for the securities. While not the direct target of Fed purchases, non-agency RMBS may become an attractive alternative for investors should the central bank’s bond buying absorb most of the supply in the agency MBS market. Within our emerging-market debt allocation,

This table shows the fund’s top holdings across three key sectors and the percentage of the fund’s net assets that each represented as of 9/30/12. Short-term holdings, derivatives, and TBA commitments are excluded. Holdings will vary over time.

positions in Argentina, Russia, Venezuela, and Ukraine performed particularly well. Holdings of investment-grade corporate bonds and commercial mortgage-backed securities also aided the fund's relative return.

Which strategies detracted from the fund's performance?

The biggest detractor was our conservative term-structure positioning [meaning the fund's duration — or interest-rate sensitivity —and yield-curve strategy]. Given the low level of Treasury yields and expectations for modestly improving U.S. economic growth, we took a cautious approach toward interest-rate risk by maintaining minimal duration exposure within the portfolio. However, this positioning, which can be beneficial when rates are rising, dampened performance because interest rates, while volatile during the period, ended the period lower across the yield curve.

Our active currency strategy, which is implemented with long and short positions using currency forward contracts, also proved detrimental. Currency markets were volatile during the period, and our exposure to commodity-linked currencies, such as the Australian and Canadian dollars, as well as tactical trading in the British pound sterling, detracted from performance. Slowing global growth, particularly in China, led to falling commodity prices during much of the period, which weighed on the currencies of major commodity-exporting countries. Conversely, short positions in the euro and the Czech koruna aided performance and partially offset the overall negative outcome of our currency strategy.

How did you use derivatives during the period?

We used bond futures and interest-rate swaps — which allow two parties to exchange one stream of future interest payments for another, based on a specified principal amount — to take tactical positions at various points along the yield curve.

In addition, we employed interest-rate swaps and "swaptions" — which give us the option to enter into a swap contract — to hedge the interest-rate risk associated with our collateralized-mortgage-obligation [CMO] holdings.

This chart shows how the fund's top weightings have changed over the past six months. Weightings are shown as a percentage of net assets. Summary information may differ from the portfolio schedule included in the financial statements due to the inclusion of derivative securities and the exclusion of as-of trades, if any. Holdings will vary over time. Cash positions may represent collateral used to cover certain derivative contracts.

Lastly, we used forward currency contracts to hedge the foreign exchange risk associated with non-U.S. bonds, and to efficiently gain exposure to foreign currencies as part of our active strategy involving global currency pairings.

The fund reduced its distribution rate during the period. What led to that decision?

The fund's per-share distribution rate was lowered to $0.026 from $0.029 in July, due to an overall decline in the amount of interest income earned by the fund — a result of generally lower yields in the marketplace.

What is your outlook for the coming months, and how are you positioning the fund?

The latest data show that the U.S. economy is continuing on a sluggish growth path. We believe third-quarter gross domestic product may come in slightly above 1.5% on an annualized basis, which would be weaker than we expected at the beginning of 2012. With Europe in recession, Japan slowing sharply, and China growing at a rate that is slow by its own standards, the areas of the U.S. economy that are heavily dependent on global trade have weakened. On the other hand, U.S. consumer demand remains reasonably solid, as illustrated by stronger automobile sales. All told, we believe U.S. growth may strengthen in 2013 if the so-called “fiscal cliff” of currently legislated spending cuts and expiring tax reductions looming at year-end can be avoided.

As has been the case for some time, we continue to believe non-government sectors remain the most attractive areas of the bond market. While the “spreads” — or yield advantage — in many sectors of the market have tightened in recent months, they still appear attractive relative to their pre-2008 historical averages.

In our view, investors seem to be slowly returning to employing long-term strategies rather than timing the next risk trade, and

A word about derivatives

Derivatives are an increasingly common type of investment instrument, the performance of which is *derived* from an underlying security, index, currency, or other area of the capital markets. Derivatives employed by the fund’s managers generally serve one of two main purposes: to implement a strategy that may be difficult or more expensive to invest in through traditional securities, or to hedge unwanted risk associated with a particular position.

For example, the fund’s managers might use forward currency contracts to capitalize on an anticipated change in exchange rates between two currencies. This approach would require a significantly smaller outlay of capital than purchasing traditional bonds denominated in the underlying currencies. In another example, the managers may identify a bond that they believe is undervalued relative to its risk of default, but may seek to reduce the interest-rate risk of that bond by using interest-rate swaps, a derivative through which two parties “swap” payments based on the movement of certain rates.

Like any other investment, derivatives may not appreciate in value and may lose money. Derivatives may amplify traditional fixed-income risks through the creation of leverage and may be less liquid than traditional securities. And because derivatives typically represent contractual agreements between two financial institutions, derivatives entail “counterparty risk,” which is the risk that the other party is unable or unwilling to pay. Putnam monitors the counterparty risks we assume. For some types of derivatives, Putnam also seeks to mitigate the level of ongoing counterparty credit risk by entering into collateral agreements with counterparties that require the counterparties to post collateral on a regular basis to cover their obligations to the fund.

See pages 52–76 for more information on the types of derivatives used.

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we believe that makes for a more supportive investment environment overall, particularly for active managers like Putnam.

In terms of positioning, we continue to prefer credit risk via allocations to corporate bonds and non-agency RMBS, and prepayment risk through certain types of CMOs, over interest-rate risk. While the potential for short-term price volatility still remains high, we believe our actively managed, risk-conscious approach remains a prudent strategy for investing in today’s bond markets.

Thanks for your time and for bringing us up to date, Bill.

The views expressed in this report are exclusively those of Putnam Management and are subject to change. They are not meant as investment advice.

Please note that the holdings discussed in this report may not have been held by the fund for the entire period. Portfolio composition is subject to review in accordance with the fund’s investment strategy and may vary in the future. Current and future portfolio holdings are subject to risk.

Portfolio Manager **D. William Kohli** is Co-Head of Fixed Income at Putnam. He has an M.B.A. from the Haas School of Business at the University of California, Berkeley, and a B.A. from the University of California, San Diego. Bill joined Putnam in 1994 and has been in the investment industry since 1986.

In addition to Bill, your fund's portfolio managers are Michael J. Atkin, Kevin F. Murphy, Michael V. Salm, and Paul D. Scanlon, CFA.

Raman Srivastava left the fund in September 2012.

IN THE NEWS

Global economic growth is losing steam, according to the International Monetary Fund (IMF), with the majority of the world's advanced economies expected to contract in 2012, or expand at anemicrates of less than 2%. Several issues are challenging economic growth, including Europe's sovereign debt troubles, the impending "fiscal cliff" in the United States, and high unemployment in various economies. Unless leaders take meaningful steps to address these issues, the current global economic expansion may slow to the weakest level since 2009's Great Recession. These issues are weighing increasingly on the global economy. In July, the IMF predicted that global growth would be 3.5% in 2012, rising to 3.9% in 2013, but now, in its recently released *World Economic Outlook*, the IMF has revised its growth forecasts downwards, to growth of just 3.3% this year, and 3.6% in 2013.

Your fund's performance

This section shows your fund's performance, price, and distribution information for periods ended September 30, 2012, the end of its most recent fiscal year. Performance should always be considered in light of a fund's investment strategy. Data represent past performance. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return, net asset value, and market price will fluctuate, and you may have a gain or a loss when you sell your shares.

Fund performance Total return for periods ended 9/30/12

	NAV	Market price
Annual average		
Life of fund (since 4/29/88)	7.16%	6.64%
10 years	101.13	88.61
Annual average	7.24	6.55
5 years	27.59	35.64
Annual average	4.99	6.29
3 years	26.05	19.46
Annual average	8.02	6.11
1 year	8.42	9.56

Performance assumes reinvestment of distributions and does not account for taxes.

Comparative index returns For periods ended 9/30/12

	Barclays Government/Credit Bond Index	Citigroup Non-U.S. World Government Bond Index	JPMorgan Global High Yield Index	Lipper Flexible Income Funds (closed-end) category average*
Annual average Life of fund (since 4/29/88)	7.30%	6.70%	—†	6.82%
10 years	69.00	101.69	182.46%	98.21
Annual average	5.39	7.27	10.94	7.06
5 years	37.87	37.38	57.69	37.31
Annual average	6.63	6.56	9.54	6.45
3 years	20.79	12.56	45.42	29.64
Annual average	6.50	4.02	13.29	9.00
1 year	5.66	3.46	19.71	12.57

Index and Lipper results should be compared with fund performance at net asset value. Lipper calculates performance differently than the closed-end funds it ranks, due to varying methods for determining a fund's monthly reinvestment net asset value.

* Over the 1-year, 3-year, 5-year, 10-year, and life-of-fund periods ended 9/30/12, there were 5, 5, 4, 3, and 2 funds, respectively, in this Lipper category.

† The JPMorgan Global High Yield Index was introduced on 12/31/93, which post-dates the fund's inception.

Fund price and distribution information For the 12-month period ended 9/30/12

Distributions		
Number	12	
Income	$0.089638	
Return of capital*	0.249362	
Capital gains	—	
Total	**$0.339000**	
Share value	**NAV**	**Market price**

9/30/11	$5.34	$5.05
9/30/12	5.42	5.18
Current yield (end of period)	**NAV**	**Market price**
Current dividend rate†	5.76%	6.02%

The classification of distributions, if any, is an estimate. Final distribution information will appear on your year-end tax forms.

* See page 92.

† Most recent distribution, excluding capital gains, annualized and divided by NAV or market price at end of period.

Terms and definitions

Important terms

Total return shows how the value of the fund's shares changed over time, assuming you held the shares through the entire period and reinvested all distributions in the fund.

Net asset value (NAV) is the value of all your fund's assets, minus any liabilities, divided by the number of outstanding shares.

Market price is the current trading price of one share of the fund. Market prices are set by transactions between buyers and sellers on exchanges such as the New York Stock Exchange.

Fixed-income terms

Current yield is the annual rate of return earned from dividends or interest of an investment. Current yield is expressed as a percentage of the price of a security, fund share, or principal investment.

Mortgage-backed security (MBS), also known as a mortgage "pass-through", is a type of asset-backed security that is secured by a mortgage or collection of mortgages. The following are types of MBSs:

• **Agency "pass-through"** has its principal and interest backed by a U.S. government agency, such as the Federal National Mortgage Association (Fannie Mae), Government National Mortgage Association (Ginnie Mae), and Federal Home Loan Mortgage Corporation (Freddie Mac).

• **Collateralized mortgage obligation (CMO)** represents claims to specific cash flows from pools of home mortgages. The streams of principal and interest payments on the mortgages are distributed to the different classes of CMO interests in "tranches". Each tranche may have different principal balances, coupon rates, prepayment risks, and maturity dates. A CMO is highly sensitive to changes in interest rates and any resulting change in the rate at which homeowners sell their properties, refinance, or otherwise prepay loans. CMOs are subject to prepayment, market, and liquidity risks.

• **Interest-only (IO) security** is a type of CMO in which the underlying asset is the interest portion of mortgage, Treasury, or bond payments.

• **Non-agency residential mortgage-backed security (RMBS)**is an MBS not backed by Fannie Mae, Ginnie Mae, or Freddie Mac. One type of RMBS is an Alt-A mortgage-backed security.

• **Commercial mortgage-backed security (CMBS)**is secured by the loan on a commercial property.

Yield curve is a graph that plots the yields of bonds with equal credit quality against their differing maturity dates, ranging from shortest to longest. It is used as a benchmark for other debt, such as mortgage or bank lending rates.

Comparative indexes

Barclays Government/Credit Bond Index is an unmanaged index of U.S. Treasuries, agency securities, and investment-grade corporate bonds.

Barclays U.S. Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed-income securities.

BofA (Bank of America) Merrill Lynch U.S. 3-Month Treasury Bill Index is an unmanaged index that seeks to measure the performance of U.S. Treasury bills available in the marketplace.

Citigroup Non-U.S. World Government Bond Index is an unmanaged index generally considered to be representative of the world bond market excluding the United States.

JPMorgan Global High Yield Index is an unmanaged index that is designed to mirror the investable universe of the U.S. dollar global high-yield corporate debt market, including domestic (U.S.) and international (non-U.S.) issues. International issues are composed of both developed and emerging markets.

S&P 500 Index is an unmanaged index of common stock performance.

Indexes assume reinvestment of all distributions and do not account for fees. Securities and performance of a fund and an index will differ. You cannot invest directly in an index.

Lipper is a third-party industry-ranking entity that ranks mutual funds. Its rankings do not reflect sales charges. Lipper rankings are based on total return at net asset value relative to other funds that have similar current investment styles or objectives as determined by Lipper. Lipper may change a fund's category assignment at its discretion. Lipper category averages reflect performance trends for funds within a category.

Other information for shareholders

Important notice regarding share repurchase program

In September 2012, the Trustees of your fund approved the renewal of a share repurchase program that had been in effect since 2005. This renewal will allow your fund to repurchase, in the 12 months beginning October 8, 2012, up to 10% of the fund's common shares outstanding as of October 7, 2012.

Important notice regarding Putnam's privacy policy

In order to conduct business with our shareholders, we must obtain certain personal information such as account holders' names, addresses, Social Security numbers, and dates of birth. Using this information, we are able to maintain accurate records of accounts and transactions.

It is our policy to protect the confidentiality of our shareholder information, whether or not a shareholder currently owns shares of our funds. In particular, it is our policy not to sell information about you or your accounts to outside marketing firms. We have safeguards in place designed to prevent unauthorized access to our computer systems and procedures to protect personal information from unauthorized use.

Under certain circumstances, we must share account information with outside vendors who provide services to us, such as mailings and proxy solicitations. In these cases, the service providers enter into confidentiality agreements with us, and we provide only the information necessary to process transactions and perform other services related to your account. Finally, it is our policy to share account information with your financial representative, if you've listed one on your Putnam account.

Proxy voting

Putnam is committed to managing our mutual funds in the best interests of our shareholders. The Putnam funds' proxy voting guidelines and procedures, as well as information regarding how your fund voted proxies relating to portfolio securities during the 12-month period ended June 30, 2012, are available in the Individual Investors section at putnam.com, and on the Securities and Exchange Commission (SEC) website, www.sec.gov. If you have questions about finding forms on the SEC's website, you may call the SEC at 1-800-SEC-0330. You may also obtain the Putnam funds' proxy voting guidelines and procedures at no charge by calling Putnam's Shareholder Services at 1-800-225-1581.

Fund portfolio holdings

The fund will file a complete schedule of its portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain the fund's Forms N-Q on the SEC's website at www.sec.gov. In addition, the fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. You may call the SEC at 1-800-SEC-0330 for information about the SEC's website or the operation of the Public Reference Room.

Trustee and employee fund ownership

Putnam employees and members of the Board of Trustees place their faith, confidence, and, most importantly, investment dollars in Putnam mutual funds. As of September 30, 2012, Putnam employees had approximately $342,000,000 and the Trustees had approximately $81,000,000 invested in Putnam mutual funds. These amounts include investments by the Trustees' and employees' immediate family members as well as investments through retirement and deferred compensation plans.

Trustee approval of management contract

General conclusions

The Board of Trustees of the Putnam funds oversees the management of each fund and, as required by law, determines annually whether to approve the continuance of your fund's management contract with Putnam Investment Management ("Putnam Management") and the sub-management contract with respect to your fund between Putnam Management and its affiliate, Putnam Investments Limited ("PIL").

The Board of Trustees, with the assistance of its Contract Committee, requests and evaluates all information it deems reasonably necessary under the circumstances in connection with its annual contract review. The Contract Committee consists solely of Trustees who are not "interested persons" (as this term is defined in the Investment Company Act of 1940, as amended (the "1940 Act")) of the Putnam funds ("Independent Trustees").

At the outset of the review process, members of the Board's independent staff and independent legal counsel met with representatives of Putnam Management to review the annual contract review materials furnished to the Contract Committee during the course of the previous year's review and to discuss possible changes in these materials that might be necessary or desirable for the coming year. Following these discussions and in consultation with the Contract Committee, the Independent Trustees' independent legal counsel requested that Putnam Management furnish specified information, together with any additional information that Putnam Management considered relevant, to the Contract Committee. Over the course of several months ending in June 2012, the Contract Committee met on a number of occasions with representatives of Putnam Management, and separately in executive session, to consider the information that Putnam Management provided. Throughout this process, the Contract Committee was assisted by the members of the Board's independent staff and by independent legal counsel for the Putnam funds and the Independent Trustees.

In May 2012, the Contract Committee met in executive session with the other Independent Trustees to discuss the Contract Committee's preliminary recommendations with respect to the continuance of the contracts. At the Trustees' June 22, 2012 meeting, the Contract Committee met in executive session with the other Independent Trustees to review a summary of the key financial data that the Contract Committee considered in the course of its review. The Contract Committee then presented its written report, which summarized the key factors that the Committee had considered and set forth its final recommendations. The Contract Committee then recommended, and the Independent Trustees approved, the continuance of your fund's management and sub-management contracts, effective July 1, 2012. (Because PIL is an affiliate of Putnam Management and Putnam Management remains fully responsible for all services provided by PIL, the Trustees have not evaluated PIL as a separate entity, and all subsequent references to Putnam Management below should be deemed to include reference to PIL as necessary or appropriate in the context.)

The Independent Trustees' approval was based on the following conclusions:

• That the fee schedule in effect for your fund represented reasonable compensation in light of the nature and quality of the services being provided to the fund, the fees paid by competitive funds, and the costs incurred by Putnam Management in providing services, and

• That the fee schedule represented an appropriate sharing between fund shareholders and Putnam Management of such economies of scale as may exist in the management of the fund at current asset levels.

These conclusions were based on a comprehensive consideration of all information provided to the Trustees and were not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations and how the Trustees considered these factors are described below, although individual Trustees may have evaluated the information presented differently, giving different weights to various factors. It is also important to recognize that the management arrangements for your fund and the other Putnam funds are the result of many years of review and discussion between the Independent Trustees and Putnam Management, that some aspects of the arrangements may receive greater scrutiny in some years than others, and that the Trustees' conclusions may be based, in part, on their consideration of fee arrangements in previous years.

Management fee schedules and total expenses

The Trustees reviewed the management fee schedules in effect for all Putnam funds, including fee levels and breakpoints. In reviewing management fees, the Trustees generally focus their attention on material changes in circumstances — for example, changes in assets under management, changes in a fund's investment style, changes in Putnam Management's operating costs, or changes in competitive practices in the mutual fund industry — that suggest that consideration of fee changes might be warranted. The Trustees concluded that the circumstances did not warrant changes to the management fee structure of your fund.

Your fund has the benefit of breakpoints in its management fee that provide shareholders with significant economies of scale in the form of reduced fee levels as the fund's assets under management increase. In recent years, the Trustees have examined the operation of the existing breakpoint structure during periods of both growth and decline in asset levels. The Trustees concluded that the fee schedule in effect for your fund represented an appropriate sharing of economies of scale at that time.

The Trustees reviewed comparative fee and expense information for a custom group of competitive funds selected by Lipper Inc. This comparative information included your fund's percentile ranking for effective management fees and total expenses, which provides a general indication of your fund's relative standing. In the custom peer group, your fund ranked in the 5th quintile in effective management fees (determined for your fund and the other funds in the custom peer group based on fund asset size and the applicable contractual management fee schedule) and in the 1st quintile in total expenses as of December 31, 2011 (the first quintile representing the least expensive funds and the fifth quintile the most expensive funds). The fee and expense data reported by Lipper as of December 31, 2011 reflected the most recent fiscal year-end data available in Lipper's database at that time.

In connection with their review of the management fees and total expenses of the Putnam funds, the Trustees also reviewed the costs of the services provided and the profits realized by Putnam Management and its affiliates from their contractual relationships with the funds. This information included trends in revenues, expenses and profitability of Putnam Management and its affiliates relating to the investment management, investor servicing and distribution services provided to the funds. In this regard, the Trustees also reviewed an analysis of Putnam Management's revenues, expenses and profitability, allocated on a fund-by-fund basis, with respect to the funds' management, distribution, and investor servicing contracts. For each fund, the analysis presented information about revenues, expenses and profitability for each of the agreements separately and for the agreements taken together on a combined basis. The Trustees concluded that, at current asset levels, the fee schedules in place represented reasonable compensation for the services being provided and represented an

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appropriate sharing of such economies of scale as may exist in the management of the funds at that time.

The information examined by the Trustees as part of their annual contract review for the Putnam funds has included for many years information regarding fees charged by Putnam Management and its affiliates to institutional clients such as defined benefit pension plans, college endowments, and the like. This information included comparisons of those fees with fees charged to the funds, as well as an assessment of the differences in the services provided to these different types of clients. The Trustees observed that the differences in fee rates between institutional clients and mutual funds are by no means uniform when examined by individual asset sectors, suggesting that differences in the pricing of investment management services to these types of clients may reflect historical competitive forces operating in separate markets. The Trustees considered the fact that in many cases fee rates across different asset classes are higher on average for mutual funds than for institutional clients, as well as the differences between the services that Putnam Management provides to the Putnam funds and those that it provides to its institutional clients. The Trustees did not rely on these comparisons to any significant extent in concluding that the management fees paid by your fund are reasonable.

Investment performance

The quality of the investment process provided by Putnam Management represented a major factor in the Trustees' evaluation of the quality of services provided by Putnam Management under your fund's management contract. The Trustees were assisted in their review of the Putnam funds' investment process and performance by the work of the investment oversight committees of the Trustees, which meet on a regular basis with the funds' portfolio teams and with the Chief Investment Officer and other members of Putnam Management'sInvestment Division throughout the year. The Trustees concluded that Putnam Management generally provides a high-quality investment process — based on the experience and skills of the individuals assigned to the management of fund portfolios, the resources made available to them, and in general Putnam Management's ability to attract and retain high-quality personnel — but also recognized that this does not guarantee favorable investment results for every fund in every time period.

The Trustees considered the investment performance of each fund over multiple time periods and considered information comparing each fund's performance with various benchmarks and, where applicable, with the performance of competitive funds or targeted annualized return. They noted that since 2009, when Putnam Management began implementing major changes to strengthen its investment personnel and processes, there has been a steady improvement in the number of Putnam funds showing above-median three-year performance results. They also noted the disappointing investment performance of some funds for periods ended December 31, 2011 and considered information provided by Putnam Management regarding the factors contributing to the underperformance and actions being taken to improve the performance of these particular funds. The Trustees indicated their intention to continue to monitor performance trends to assess the effectiveness of these efforts and to evaluate whether additional actions to address areas of underperformance are warranted.

In the case of your fund, the Trustees considered that its common share cumulative total return performance at net asset value was in the following quartiles of its Lipper Inc. peer group (Lipper Flexible Income Funds (closed-end)) for the one-year, three-year and five-year periods ended December 31, 2011 (the first quartile representing the best-performing funds and the fourth quartile the worst-performing funds):

One-year period	4th
Three-year period	2nd
Five-year period	4th

Over the one-year, three-year and five-year periods ended December 31, 2011, there were 5, 4 and 4 funds, respectively, in your fund's Lipper peer group. (When considering performance information, shareholders should be mindful that past performance is not a guarantee of future results.)

The Trustees, while noting that your fund's investment performance over the three-year period ended December 31, 2011 had been favorable, expressed concern about your fund's fourth quartile performance over the one- and five-year periods ended December 31, 2011 and considered the circumstances that may have contributed to this disappointing performance. The Trustees considered Putnam Management's view that the fund's underperformance over the one-year period was due in significant part to the fund's relative emphasis on shorter duration investments, which reduced the fund's sensitivity to interest rate changes but detracted from performance. In addition, performance in 2011 was hurt by the fund's exposure to high yield, non-Agency residential mortgage-backed securities, and its exposure to emerging markets coupled with currency exposure to the Australian dollar. The Trustees also considered Putnam Management's observation that the fund's underperformance over the five-year period was due in significant part to the fund's investments in commercial and residential mortgage-backed securities, which exhibited significant volatility and under-performed during the economic downturn in 2008.

The Trustees considered that, although the fund had not performed well over the one- and five-year periods ended December 31, 2011, the fund ranked in the second quartile for the three-year period, and that Putnam Management remained confident in the fund's portfolio managers and their investment process. TheTrustees also considered a number of other changes that Putnam Management had made in recent years in efforts to support and improve fund performance generally. In particular, the Trustees recognized that Putnam Management has adjusted the compensation structure for portfolio managers and research analysts so that only those who achieve top-quartile returns over a rolling three-year basis are eligible for full bonuses.

As a general matter, the Trustees believe that cooperative efforts between the Trustees and Putnam Management represent the most effective way to address investment performance problems. The Trustees noted that investors in the Putnam funds have, in effect, placed their trust in the Putnam organization, under the oversight of the funds' Trustees, to make appropriate decisions regarding the management of the funds. Based on the responsiveness of Putnam Management in the recent past to performance issues, the Trustees concluded that it is preferable to seek change within Putnam Management to address performance shortcomings. In the Trustees' view, the alternative of engaging a new investment adviser for an underperforming fund would entail significant disruptions and would not provide any greater assurance of improved investment performance.

Brokerage and soft-dollar allocations; investor servicing

The Trustees considered various potential benefits that Putnam Management may receive in connection with the services it provides under the management contract with your fund. These include benefits related to brokerage allocation and the use of soft dollars, whereby a portion of the commissions paid by a fund for brokerage may be used to acquire research services that are expected to be useful to Putnam Management in managing the assets of the fund and of other clients. Subject to policies established by the Trustees, soft-dollar credits acquired through these means are

used primarily to acquire research services that supplement Putnam Management's internal research efforts. However, the Trustees noted that a portion of available soft-dollar credits continues to be allocated to the payment of fund expenses. The Trustees indicated their continued intent to monitor regulatory developments in this area with the assistance of their Brokerage Committee and also indicated their continued intent to monitor the potential benefits associated with fund brokerage and soft-dollar allocations and trends in industry practices to ensure that the principle of seeking best price and execution remains paramount in the portfolio trading process.

Putnam Management may also receive benefits from payments that the funds make to Putnam Management's affiliates for investor services. In conjunction with the annual review of your fund's management and sub-management contracts, the Trustees reviewed your fund's investor servicing agreement with Putnam Investor Services, Inc. ("PSERV"), an affiliate of Putnam Management. The Trustees concluded that the fees payable by the funds to PSERV for such services are reasonable in relation to the nature and quality of such services.

Financial statements

These sections of the report, as well as the accompanying Notes, preceded by the Report of Independent Registered Public Accounting Firm, constitute the fund's financial statements.

The fund's portfolio lists all the fund's investments and their values as of the last day of the reporting period. Holdings are organized by asset type and industry sector, country, or state to show areas of concentration and diversification.

Statement of assets and liabilities shows how the fund's net assets and share price are determined. All investment and non-investment assets are added together. Any unpaid expenses and other liabilities are subtracted from this total. The result is divided by the number of shares to determine the net asset value per share. (For funds with preferred shares, the amount subtracted from total assets includes the liquidation preference of preferred shares.)

Statement of operations shows the fund's net investment gain or loss. This is done by first adding up all the fund's earnings — from dividends and interest income — and subtracting its operating expenses to determine net investment income (or loss). Then, any net gain or loss the fund realized on the sales of its holdings — as well as any unrealized gains or losses over the period — is added to or subtracted from the net investment result to determine the fund's net gain or loss for the fiscal year.

Statement of changes in net assets shows how the fund's net assets were affected by the fund's net investment gain or loss, by distributions to shareholders, and by changes in the number of the fund's shares. It lists distributions and their sources (net investment income or realized capital gains) over the current reporting period and the most recent fiscal year-end. The distributions listed here may not match the sources listed in the Statement of operations because the distributions are determined on a tax basis and may be paid in a different period from the one in which they were earned.

Financial highlights provide an overview of the fund's investment results, per-share distributions, expense ratios, net investment income ratios, and portfolio turnover in one summary table, reflecting the five most recent reporting periods. In a semiannual report, the highlights table also includes the current reporting period.

Report of Independent Registered Public Accounting Firm

The Board of Trustees and Shareholders
Putnam Master Intermediate Income Trust:

We have audited the accompanying statement of assets and liabilities of Putnam Master Intermediate Income Trust (the fund), including the fund's portfolio, as of September 30, 2012, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of the fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2012, by correspondence with the custodian and brokers or by other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Putnam Master Intermediate Income Trust as of September 30, 2012, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts
November 14, 2012

The fund's portfolio 9/30/12

MORTGAGE-BACKED SECURITIES (45.7%)*	**Principal amount**	**Value**
American Home Mortgage Assets Ser. 07-5, Class XP, PO, IO, 2.781s, 2047	$9,787,136	$1,174,455
American Home Mortgage Investment Trust Ser. 07-1, Class GIOP, IO, 2.078s, 2047	1,265,447	177,163

Banc of America Commercial Mortgage, Inc.		
FRB Ser. 08-1, Class AJ, 6.438s, 2051	571,000	535,313
FRB Ser. 05-5, Class D, 5.405s, 2045	600,000	522,000
Banc of America Commercial Mortgage, Inc. 144A		
Ser. 01-1, Class J, 6 1/8s, 2036	163,000	128,770
Ser. 01-1, Class K, 6 1/8s, 2036	346,443	47,684
Ser. 07-5, Class XW, IO, 0.555s, 2051	101,911,055	1,328,104
Banc of America Funding Corp.		
FRB Ser. 06-A, Class 3A1, 2.942s, 2036	2,028,998	1,359,428
FRB Ser. 07-C, Class 07-C, 2.711s, 2036	2,152,673	1,781,336
FRB Ser. 06-G, Class 2A5, 0.499s, 2036	561,689	440,926
Barclays Capital, LLC Trust 144A		
FRB Ser. 11-RR4, Class 6A4, 15.143s, 2037	1,141,416	850,355
Ser. 09-RR7, Class 1A7, IO, 1.769s, 2046	18,422,114	782,940
Ser. 09-RR7, Class 2A7, IO, 1.589s, 2047	37,458,482	1,558,272
Ser. 09-RR7, Class 2A1, IO, 0 3/4s, 2047	45,861,145	1,169,458
Ser. 09-RR7, Class 1A1, IO, 0 3/4s, 2046	41,628,402	1,061,524
Bear Stearns Adjustable Rate Mortgage Trust		
FRB Ser. 05-10, Class A3, 2.648s, 2035	3,535,059	3,269,928
FRB Ser. 06-1, Class A1, 2.37s, 2036	391,128	358,860
Bear Stearns Commercial Mortgage Securities, Inc.		
FRB Ser. 07-PW17, Class AJ, 6.089s, 2050	1,492,000	1,193,600
FRB Ser. 06-PW12, Class AJ, 5.933s, 2038	718,000	648,920
Ser. 05-PWR7, Class D, 5.304s, 2041	441,000	386,292
Ser. 05-PWR7, Class B, 5.214s, 2041	697,000	648,210
Bear Stearns Mortgage Funding Trust		
Ser. 06-AR2, Class 1X, IO, 0.7s, 2046	6,838,078	179,158
Ser. 07-AR5, Class 1X2, IO, 0 1/2s, 2047	4,279,329	91,150
Ser. 06-AR5, Class 1X, IO, 0 1/2s, 2046	9,060,665	172,153
Ser. 06-AR3, Class 1X, IO, 0.4s, 2036	4,839,010	68,230
Citigroup Commercial Mortgage Trust FRB Ser. 05-C3, Class B, 5.029s, 2043	1,720,000	1,499,840
Citigroup Commercial Mortgage Trust 144A FRB Ser. 04-C1, Class G, 5.534s, 2040	3,000,000	2,889,000
Citigroup Mortgage Loan Trust, Inc. FRB Ser. 06-AR3, Class 1A2A, 5.584s, 2036	1,394,318	1,268,828

Citigroup Mortgage Loan Trust, Inc. 144A			
FRB Ser. 11-12, Class 2A2, 0.587s, 2035		900,000	587,250
FRB Ser. 12-1, Class 1A2, 0.587s, 2035		870,000	550,274
Citigroup/Deutsche Bank Commercial Mortgage Trust 144A			
Ser. 07-CD5, Class XS, IO, 0.074s, 2044		30,013,418	115,161
Cornerstone Titan PLC 144A			
FRB Ser. 05-CT1A, Class D, 1.88s, 2014 (United Kingdom)	GBP	444,023	602,287
FRB Ser. 05-CT2A, Class E, 1.789s, 2014 (United Kingdom)	GBP	145,267	208,774

MORTGAGE-BACKED SECURITIES (45.7%)* *cont.*	**Principal amount**	**Value**
Countrywide Alternative Loan Trust		
Ser. 06-0A19, Class XP, IO, 2.588s, 2047	$12,411,066	$961,857
Ser. 07-HY9, Class X, IO, 0.65s, 2047	5,657,648	229,701
Countrywide Home Loans		
Ser. 07-17, Class 1A2, 6s, 2037	1,693,251	1,627,408
Ser. 07-1, Class A8, 6s, 2037	1,733,136	1,627,003
Ser. 06-21, Class A1, 6s, 2037	824,166	725,266
Ser. 06-10, Class 1A16, 6s, 2036	1,064,524	926,136
Ser. 06-6, Class 06-6, 6s, 2036	488,871	436,195
Ser. 06-1, Class A2, 6s, 2036	931,021	821,625
FRB Ser. 05-HY10, Class 3A1B, 2.747s, 2036	2,516,068	1,761,247
Credit Suisse Mortgage Capital Certificates FRB Ser. 06-C1, Class AJ, 5.588s, 2039	184,000	188,361
CS First Boston Mortgage Securities Corp. Ser. 05-C6, Class AJ, 5.23s, 2040	613,000	648,211
CS First Boston Mortgage Securities Corp. 144A Ser. 02-CP5, Class M, 5 1/4s, 2035	344,030	17,202
DLJ Commercial Mortgage Corp. Ser. 98-CF2, Class B4, 6.04s, 2031	286,492	283,627
Federal Home Loan Mortgage Corp.		
IFB Ser. 3182, Class SP, 27.717s, 2032	276,808	450,637

IFB Ser. 3408, Class EK, 24.905s, 2037	153,993	248,441
IFB Ser. 2979, Class AS, 23.464s, 2034	76,236	102,236
IFB Ser. 3072, Class SM, 22.987s, 2035	222,548	355,195
IFB Ser. 3072, Class SB, 22.841s, 2035	199,365	316,961
IFB Ser. 3249, Class PS, 21.547s, 2036	173,809	266,607
IFB Ser. 3951, Class CS, IO, 6.529s, 2026	4,501,320	703,106
IFB Ser. 4098, Class MS, IO, 6.479s, 2041	4,184,625	912,415
IFB Ser. 3727, Class PS, IO, 6.479s, 2038	2,111,537	189,045
IFB Ser. 3895, Class SM, IO, 6.429s, 2040	4,729,470	633,601
IFB Ser. 4048, Class GS, IO, 6.429s, 2040	1,991,259	386,025
IFB Ser. 3940, Class PS, IO, 6.429s, 2040	5,693,270	901,814
IFB Ser. 3860, Class SP, IO, 6.379s, 2040	4,279,935	722,196
IFB Ser. 4032, Class SA, IO, 6.279s, 2042	5,358,602	722,840
IFB Ser. 3708, Class SA, IO, 6.229s, 2040	5,322,946	693,952
IFB Ser. 3780, Class PS, IO, 6.229s, 2035	2,450,190	206,256
IFB Ser. 4105, Class LS, IO, 5.9s, 2041	2,474,000	519,045
IFB Ser. 3922, Class CS, IO, 5.879s, 2041	2,069,066	315,410
IFB Ser. 3768, Class PS, IO, 5.779s, 2036	7,021,407	385,005
IFB Ser. 3753, Class S, IO, 5.729s, 2040	2,484,391	329,182
Ser. 3632, Class CI, IO, 5s, 2038	911,835	49,795
Ser. 3626, Class DI, IO, 5s, 2037	542,767	17,846
Ser. 4000, Class PI, IO, 4 1/2s, 2042	2,744,984	346,691
Ser. 4019, Class GI, IO, 4 1/2s, 2041	7,159,031	887,004
Ser. 3747, Class HI, IO, 4 1/2s, 2037	558,375	44,466
Ser. 4090, Class BI, IO, 4s, 2042	850,670	103,943
Ser. 4098, Class PI, IO, 4s, 2042	3,798,635	614,163
Ser. 4010, Class NI, IO, 4s, 2041	3,825,964	525,305
Ser. 3738, Class MI, IO, 4s, 2034	5,587,487	209,531
Ser. 3748, Class NI, IO, 4s, 2034	2,627,861	89,768
Ser. 3736, Class QI, IO, 4s, 2034	5,981,010	163,282
Ser. 3751, Class MI, IO, 4s, 2034	6,332,488	107,779

MORTGAGE-BACKED SECURITIES (45.7%)* *cont.*	**Principal amount**	**Value**
Federal Home Loan Mortgage Corp.		
Ser. T-57, Class 1AX, IO, 0.418s, 2043	$2,817,945	$34,412
Ser. 4077, Class TO, PO, zero %, 2041	1,207,144	1,031,817
Ser. 3124, Class DO, PO, zero %, 2036	3,617	3,571
FRB Ser. 3326, Class WF, zero %, 2035	9,706	8,735
FRB Ser. 3030, Class EF, zero %, 2035	3,921	3,911
Federal National Mortgage Association		

IFB Ser. 06-62, Class PS, 38.601s, 2036	327,992	603,264
IFB Ser. 07-53, Class SP, 23.406s, 2037	193,706	314,224
IFB Ser. 08-24, Class SP, 22.489s, 2038	174,201	273,495
IFB Ser. 05-75, Class GS, 19.601s, 2035	208,065	307,537
IFB Ser. 05-83, Class QP, 16.831s, 2034	230,926	325,559
IFB Ser. 10-99, Class NS, IO, 6.384s, 2039	4,269,773	411,692
IFB Ser. 404, Class S13, IO, 6.184s, 2040	4,472,628	660,184
IFB Ser. 10-35, Class SG, IO, 6.184s, 2040	3,272,515	432,037
IFB Ser. 12-113, Class CS, IO, 5.9s, 2041	1,816,000	363,091
IFB Ser. 12-113, Class SG, IO, 5.85s, 2042	1,953,000	361,754
IFB Ser. 10-46, Class WS, IO, 5.534s, 2040	3,353,514	423,951
Ser. 374, Class 6, IO, 5 1/2s, 2036	752,527	98,303
Ser. 398, Class C5, IO, 5s, 2039	566,174	54,240
Ser. 10-13, Class EI, IO, 5s, 2038	356,910	16,061
Ser. 378, Class 19, IO, 5s, 2035	1,744,849	191,933
Ser. 12-30, Class HI, IO, 4 1/2s, 2040	10,146,169	1,623,386
Ser. 409, Class 82, IO, 4 1/2s, 2040	7,252,034	912,033
Ser. 366, Class 22, IO, 4 1/2s, 2035	702,521	54,326
Ser. 12-75, Class AI, IO, 4 1/2s, 2027	2,953,468	307,574
Ser. 12-96, Class PI, IO, 4s, 2041	2,670,706	406,188
Ser. 406, Class 2, IO, 4s, 2041	3,187,115	355,045
Ser. 406, Class 1, IO, 4s, 2041	2,105,900	248,707
Ser. 409, Class C16, IO, 4s, 2040	4,630,559	487,196
Ser. 03-W10, Class 1, IO, 1.408s, 2043	660,746	30,095
Ser. 99-51, Class N, PO, zero %, 2029	27,829	26,870
FFCA Secured Lending Corp. 144A Ser. 00-1, Class X, IO, 1.068s, 2020	2,669,748	56,732
GE Capital Commercial Mortgage Corp.		
FRB Ser. 05-C4, Class AJ, 5.483s, 2045	305,000	253,150
FRB Ser. 05-C1, Class D, 4.949s, 2048	1,850,000	1,799,310
GMAC Commercial Mortgage Securities, Inc. Ser. 04-C3, Class B, 4.965s, 2041	452,000	383,884
GMAC Commercial Mortgage Securities, Inc. 144A Ser. 02-C3, Class H, 5.944s, 2039	450,000	445,612
Government National Mortgage Association		
IFB Ser. 11-56, Class MS, 6.855s, 2041	2,858,504	3,132,520
IFB Ser. 10-151, Class SL, IO, 6.482s, 2039	2,312,638	323,237
IFB Ser. 10-163, Class SI, IO, 6.409s, 2037	3,833,061	584,542
IFB Ser. 10-120, Class SB, IO, 5.982s, 2035	841,095	57,245
IFB Ser. 10-20, Class SC, IO, 5.932s, 2040	228,653	34,753
IFB Ser. 10-116, Class SL, IO, 5.832s, 2039	1,344,899	180,338
IFB Ser. 10-61, Class SJ, IO, 5.829s, 2040	3,665,233	674,550

IFB Ser. 11-70, Class SM, IO, 5.669s, 2041	2,415,000	631,861
IFB Ser. 11-70, Class SH, IO, 5.669s, 2041	2,481,000	668,059

MORTGAGE-BACKED SECURITIES (45.7%)* *cont.*	**Principal amount**	**Value**
Government National Mortgage Association		
Ser. 11-140, Class BI, IO, 4 1/2s, 2040	$1,564,381	$141,045
Ser. 11-18, Class PI, IO, 4 1/2s, 2040	403,798	60,529
Ser. 10-168, Class PI, IO, 4 1/2s, 2039	1,559,449	176,545
Ser. 11-73, Class IP, IO, 4 1/2s, 2039	4,654,151	472,510
Ser. 10-158, Class IP, IO, 4 1/2s, 2039	4,752,951	533,804
Ser. 10-98, Class PI, IO, 4 1/2s, 2037	1,973,166	223,599
Ser. 11-116, Class BI, IO, 4s, 2026	7,479,368	844,944
Ser. 10-H03, Class DI, IO, 2.115s, 2060	6,099,918	640,491
Ser. 12-H02, Class AI, IO, 1.769s, 2062	6,056,878	461,837
Ser. 12-H05, Class AI, IO, 1.227s, 2062	16,957,698	900,963
Ser. 12-H04, Class FI, IO, 0.94s, 2062	16,831,995	799,520
Ser. 11-70, PO, zero %, 2041	5,109,701	4,331,288
Ser. 06-36, Class OD, PO, zero %, 2036	9,665	9,034
Greenpoint Mortgage Funding Trust Ser. 06-AR3, Class 4X, IO, 1s, 2036	4,845,820	183,172
Greenwich Capital Commercial Funding Corp. FRB Ser. 05-GG3, Class D, 4.986s, 2042	546,000	491,743
GS Mortgage Securities Corp. II Ser. 05-GG4, Class AJ, 4.782s, 2039	606,000	604,062
GS Mortgage Securities Corp. II 144A Ser. 05-GG4, Class XC, IO, 0.925s, 2039	58,432,022	934,912
GSR Mortgage Loan Trust		
FRB Ser. 05-AR4, Class 3A5, 2.771s, 2035	725,000	644,344
FRB Ser. 06-AR1, Class 2A4, 2.705s, 2036	750,000	552,660
Harborview Mortgage Loan Trust		
FRB Ser. 05-9, Class 2A1C, 0.669s, 2035	680,727	589,170
FRB Ser. 05-8, Class 1A2B, 0.579s, 2035	732,440	175,786
FRB Ser. 05-8, Class 1A2A, 0.549s, 2035	619,245	411,798
FRB Ser. 06-7, Class 2A1A, 0.419s, 2046	4,092,940	2,905,986

IndyMac Index Mortgage Loan Trust FRB Ser. 06-AR39, Class A1, 0.397s, 2037	3,242,554	2,059,021
JPMorgan Chase Commercial Mortgage Securities Corp.		
Ser. 06-LDP6, Class AJ, 5.565s, 2043	443,000	412,454
FRB Ser. 05-LDP3, Class AJ, 5.171s, 2042	617,000	619,702
FRB Ser. 04-CBX, Class E, 5.126s, 2037	1,790,000	1,534,030
FRB Ser. 04-CBX, Class B, 5.021s, 2037	247,000	243,415
FRB Ser. 05-LDP2, Class C, 4.911s, 2042	350,000	311,530
FRB Ser. 05-LDP2, Class B, 4.882s, 2042	1,900,000	1,890,500
JPMorgan Chase Commercial Mortgage Securities Corp. 144A Ser. 07-CB20, Class X1, IO, 0.203s, 2051	61,461,540	608,223
JPMorgan Mortgage Trust FRB Ser. 06-A2, Class 1A3, 2.889s, 2036	1,641,273	1,311,991
LB Commercial Conduit Mortgage Trust 144A Ser. 99-C1, Class G, 6.41s, 2031	857,101	857,101
LB-UBS Commercial Mortgage Trust FRB Ser. 06-C6, Class AJ, 5.452s, 2039	1,386,000	1,428,960
Merrill Lynch Alternative Note Asset Ser. 07-OAR5, Class X, PO, IO, 0.8s, 2047	3,548,447	106,453
Merrill Lynch Mortgage Investors, Inc. Ser. 96-C2, Class JS, IO, 2.408s, 2028	98,467	123

MORTGAGE-BACKED SECURITIES (45.7%)* *cont.*	**Principal amount**	**Value**
Merrill Lynch Mortgage Trust		
Ser. 06-C2, Class AJ, 5.802s, 2043	$1,351,000	$1,168,614
Ser. 05-LC1, Class AJ, 5.487s, 2044	431,000	450,934
Ser. 05-CKI1, Class AJ, 5.39s, 2037	885,000	897,390
Mezz Cap Commercial Mortgage Trust 144A		
Ser. 04-C1, Class X, IO, 9.115s, 2037	524,196	39,315
Ser. 07-C5, Class X, IO, 5.231s, 2049	2,034,385	150,951

Morgan Stanley Capital I		
Ser. 06-HQ9, Class C, 5.842s, 2044	1,100,000	970,342
FRB Ser. 07-T27, Class AJ, 5.823s, 2042 **F**	829,000	783,729
Ser. 06-HQ9, Class AJ, 5.793s, 2044	1,450,000	1,487,261
FRB Ser. 06-HQ8, Class B, 5.678s, 2044	1,800,000	1,542,600
Ser. 04-IQ8, Class C, 5.3s, 2040	1,400,000	1,398,600
Morgan Stanley Capital I 144A FRB Ser. 04-RR, Class F7, 6s, 2039	1,595,878	1,428,310
Morgan Stanley ReREMIC Trust 144A FRB Ser. 10-C30A,		
Class A3B, 5.843s, 2043	1,215,429	1,251,891
Mortgage Capital Funding, Inc. Ser. 97-MC2, Class X, IO,		
1.988s, 2012	296	—
Residential Asset Securitization Trust Ser. 07-A1,		
Class A1, 6s, 2037	460,460	359,159
STRIPS 144A Ser. 03-1A, Class N, 5s, 2018	193,000	193,000
Structured Asset Mortgage Investments Trust Ser. 07-AR6,		
Class X2, IO, 0 1/2s, 2047	15,900,153	324,363
Structured Asset Mortgage Investments, Inc.		
Ser. 06-AR6, Class 2X, IO, 1s, 2046	9,387,192	346,387
Ser. 07-AR1, Class 1X, IO, 0.6s, 2037	3,222,094	69,275
Ser. 06-AR8, Class X, IO, 0.4s, 2036	14,297,871	191,591
Structured Asset Securities Corp. IFB Ser. 07-4, Class 1A3,		
IO, 6.035s, 2045	3,202,374	608,451
Wachovia Bank Commercial Mortgage Trust		
FRB Ser. 06-C26, Class AJ, 6.199s, 2045	1,237,000	1,151,646
FRB Ser. 06-C25, Class AJ, 5.922s, 2043	528,000	512,794
FRB Ser. 05-C20, Class B, 5.42s, 2042	1,679,000	1,629,972
Ser. 07-C34, IO, 0.53s, 2046	16,157,878	195,510
WAMU Mortgage Pass-Through Certificates		
FRB Ser. 07-HY6, Class 2A1, 4.948s, 2037	813,101	618,770
FRB Ser. 07-HY1, Class 5A1, 4.866s, 2037	2,923,114	2,265,413
FRB Ser. 07-HY3, Class 2A1, 4.853s, 2037	2,607,767	2,070,905
FRB Ser. 07-HY2, Class 1A1, 2.657s, 2036	685,776	540,371
FRB Ser. 07-HY7, Class 2A1, 2.608s, 2037	730,981	498,529
FRB Ser. 05-AR12, Class 1A4, 2.488s, 2035	490,000	423,850
FRB Ser. 06-AR14, Class 1A4, 2.228s, 2036	556,994	428,885

FRB Ser. 06-AR1, Class 2A1B, 1.218s, 2046	414,587	352,399
FRB Ser. 06-AR1, Class 2A1C, 1.218s, 2046	1,954,482	987,014
FRB Ser. 06-AR9, Class 1A, 1.148s, 2046	3,356,808	2,576,350
FRB Ser. 06-AR15, Class 1A, 0.988s, 2046	2,226,000	1,691,760
FRB Ser. 06-AR17, Class 1A, 0.968s, 2046	2,042,880	1,460,658
FRB Ser. 07-OA6, Class 1A, 0.958s, 2047	605,699	454,274
FRB Ser. 06-AR17, Class 1A1, 0.958s, 2046	2,129,702	1,016,932
FRB Ser. 07-OA5, Class 1A, 0.898s, 2047	3,326,099	2,511,205
FRB Ser. 06-AR19, Class 1A, 0.888s, 2047	884,581	623,364

MORTGAGE-BACKED SECURITIES (45.7%)* *cont.*	**Principal amount**	**Value**
WAMU Mortgage Pass-Through Certificates		
FRB Ser. 05-AR11, Class A1C3, 0.727s, 2045	$2,054,192	$1,386,580
FRB Ser. 05-AR13, Class A1C3, 0.707s, 2045	3,653,865	2,273,617
FRB Ser. 05-AR17, Class A1C3, 0.697s, 2045	870,718	391,823
FRB Ser. 05-AR15, Class A1C3, 0.697s, 2045	1,009,904	373,665
FRB Ser. 05-AR8, Class 2AC2, 0.677s, 2045	1,332,292	1,092,479
FRB Ser. 05-AR11, Class A1C4, 0.657s, 2045	1,045,316	705,588
FRB Ser. 05-AR13, Class A1B2, 0.647s, 2045	966,782	778,260
FRB Ser. 2005-AR17, Class A1B2, 0.627s, 2045	633,137	493,847
FRB Ser. 05-AR11, Class A1B3, 0.617s, 2045	1,571,904	1,343,978
FRB Ser. 05-AR8, Class 2AC3, 0.607s, 2045	469,469	384,964
FRB Ser. 05-AR2, Class 2A1B, 0.587s, 2045	997,346	857,717
FRB Ser. 05-AR1, Class A3, 0.577s, 2045	529,440	452,671
FRB Ser. 05-AR15, Class A1A2, 0.497s, 2045	2,343,023	1,932,994
FRB Ser. 05-AR6, Class 2AB3, 0.487s, 2045	456,174	392,310
Washington Mutual Mortgage Pass-Through Certificates		
FRB Ser. 07-OA3, Class 5A, 2.366s, 2047	1,110,764	695,338
FRB Ser. 06-AR11, Class 1A, 1.108s, 2046	2,877,623	2,244,546
FRB Ser. 07-OA1, Class A1A, 0.848s, 2047	3,015,575	2,035,513
Wells Fargo Mortgage Backed Securities Trust		
Ser. 07-8, Class 2A8, 6s, 2037	3,549,181	3,531,436
Ser. 07-12, Class A7, 5 1/2s, 2037	346,302	355,306
FRB Ser. 07-AR3, Class A2, 5.395s, 2037	409,154	360,796
FRB Ser. 06-AR1, Class 2A5, 5.36s, 2036	890,000	872,200
FRB Ser. 05-AR16, Class 4A2, 2.648s, 2035	1,098,044	1,062,357
FRB Ser. 06-AR2, Class 2A1, 2.617s, 2036	3,070,197	2,935,876
FRB Ser. 05-AR15, Class 1A8, 2.617s, 2035	1,440,000	1,292,040

FRB Ser. 06-AR17, Class A1, 2.612s, 2036		657,268	558,678
Total mortgage-backed securities (cost $157,635,260)			**$162,976,596**

CORPORATE BONDS AND NOTES (30.4%)*		**Principal amount**	**Value**
Basic materials (1.6%)			
Ashland, Inc. 144A sr. unsec. notes 4 3/4s, 2022		$70,000	$71,575
Atkore International, Inc. company guaranty sr. notes 9 7/8s, 2018		302,000	293,695
Celanese US Holdings, LLC company guaranty sr. unsec. notes 6 5/8s, 2018 (Germany)		270,000	295,650
Celanese US Holdings, LLC sr. notes 5 7/8s, 2021 (Germany)		185,000	207,200
Ferro Corp. sr. unsec. notes 7 7/8s, 2018		283,000	273,095
FMG Resources August 2006 Pty, Ltd. 144A sr. notes 8 1/4s, 2019 (Australia)		135,000	130,950
FMG Resources August 2006 Pty, Ltd. 144A sr. notes 7s, 2015 (Australia)		82,000	83,025
FMG Resources August 2006 Pty, Ltd. 144A sr. notes 6 7/8s, 2018 (Australia)		180,000	169,200
FMG Resources August 2006 Pty, Ltd. 144A sr. unsec. notes 6 7/8s, 2022 (Australia)		110,000	100,925
Grohe Holding GmbH 144A company guaranty sr. notes FRN 4.252s, 2017 (Germany)	EUR	313,000	384,575
Hexion U.S. Finance Corp./Hexion Nova Scotia Finance, ULC company guaranty sr. notes 8 7/8s, 2018		$160,000	164,400

CORPORATE BONDS AND NOTES (30.4%)* *cont.*		**Principal amount**	**Value**
Basic materials *cont.*			
Huntsman International, LLC company guaranty sr. unsec. sub. notes 8 5/8s, 2021		$287,000	$328,615
IAMGOLD Corp. 144A company guaranty sr. unsec. notes 6 3/4s, 2020 (Canada)		81,000	79,380
INEOS Finance PLC 144A company guaranty sr. notes 9s, 2015 (United Kingdom)		100,000	105,750
INEOS Finance PLC 144A company guaranty sr. notes 7 1/2s, 2020 (United Kingdom)		70,000	70,875
INEOS Group Holdings, Ltd. company guaranty sr. unsec. notes Ser. REGS, 7 7/8s, 2016 (United Kingdom)	EUR	178,000	212,725
LyondellBasell Industries NV sr. unsec. notes 6s, 2021 (Netherlands)		$220,000	250,800
LyondellBasell Industries NV sr. unsec. unsub. notes 5s, 2019 (Netherlands)		415,000	440,938
Momentive Performance Materials, Inc. company guaranty notes 9 1/2s, 2021	EUR	135,000	124,676
Momentive Performance Materials, Inc. 144A company guaranty sr. notes 10s, 2020		$35,000	35,263
Novelis, Inc. company guaranty sr. unsec. notes 8 3/4s, 2020		155,000	171,663
Novelis, Inc. company guaranty sr. unsec. notes 7 1/4s, 2015		243,000	244,215
Nufarm Australia Ltd. 144A company guaranty sr. notes 6 3/8s, 2019 (Australia)		75,000	75,000
PH Glatfelter Co. 144A sr. notes 5 3/8s, 2020		30,000	30,600
Rockwood Specialties Group, Inc. company guaranty sr. unsec. notes 4 5/8s, 2020		40,000	40,550
Roofing Supply Group, LLC/Roofing Supply Finance, Inc. 144A company guaranty sr. unsec. notes 10s, 2020		130,000	141,700

Ryerson, Inc./Joseph T Ryerson & Son, Inc. 144A company guaranty sr. notes 9s, 2017		135,000	138,375
SGL Carbon SE company guaranty sr. sub. notes FRN Ser. EMTN, 1.599s, 2015 (Germany)	EUR	152,000	191,612
Smurfit Kappa Funding PLC sr. unsec. sub. notes 7 3/4s, 2015 (Ireland)		$115,000	116,288
Steel Dynamics, Inc. 144A company guaranty sr. unsec. notes 6 3/8s, 2022		30,000	30,975
Steel Dynamics, Inc. 144A company guaranty sr. unsec. notes 6 1/8s, 2019		40,000	41,600
TPC Group, LLC company guaranty sr. notes 8 1/4s, 2017		201,000	217,080
Tronox Finance, LLC 144A company guaranty sr. unsec. notes 6 3/8s, 2020		210,000	212,100
Verso Paper Holdings, LLC/Verso Paper, Inc. company guaranty sr. notes 8 3/4s, 2019		31,000	14,880
			5,489,950
Capital goods (1.6%)			
ADS Waste Holdings, Inc. 144A sr. notes 8 1/4s, 2020		30,000	30,600
Altra Holdings, Inc. company guaranty sr. notes 8 1/8s, 2016		34,000	36,423
American Axle & Manufacturing, Inc. company guaranty sr. unsec. notes 7 3/4s, 2019		344,000	377,540
ARD Finance SA sr. notes Ser. REGS, 11 1/8s, 2018 (Luxembourg) ‡‡	EUR	105,562	135,709

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**

Capital goods *cont.*			
Ardagh Packaging Finance PLC sr. notes Ser. REGS, 7 3/8s, 2017 (Ireland)	EUR	140,000	$190,989
B/E Aerospace, Inc. sr. unsec. unsub. notes 6 7/8s, 2020		$298,000	330,780
B/E Aerospace, Inc. sr. unsec. unsub. notes 5 1/4s, 2022		140,000	144,900
Ball Corp. company guaranty sr. unsec. notes 5s, 2022		36,000	37,710
Berry Plastics Corp. company guaranty notes 9 1/2s, 2018		86,000	94,385
Berry Plastics Corp. company guaranty unsub. notes 9 3/4s, 2021		24,000	27,360
Berry Plastics Holding Corp. company guaranty sr. unsec. sub. notes 10 1/4s, 2016		170,000	176,375
Briggs & Stratton Corp. company guaranty sr. unsec. notes 6 7/8s, 2020		159,000	173,310
Consolidated Container Co. LLC/Consolidated Container Capital, Inc. 144A company guaranty sr. unsec. notes 10 1/8s, 2020		105,000	112,613
Crown Euro Holdings SA 144A sr. notes 7 1/8s, 2018 (France)	EUR	50,000	70,069
Kratos Defense & Security Solutions, Inc. company guaranty sr. notes 10s, 2017		$307,000	331,560
Mueller Water Products, Inc. company guaranty sr. unsec. unsub. notes 8 3/4s, 2020		22,000	24,860
Pittsburgh Glass Works, LLC 144A sr. notes 8 1/2s, 2016		288,000	267,840
Polypore International, Inc. company guaranty sr. unsec. notes 7 1/2s, 2017		115,000	123,913
Rexel SA company guaranty sr. unsec. notes 8 1/4s, 2016 (France)	EUR	229,000	322,465
Reynolds Group Issuer, Inc. company guaranty sr. notes 7 7/8s, 2019		$100,000	107,750

Reynolds Group Issuer, Inc. company guaranty sr. notes 7 1/8s, 2019		130,000	137,150
Reynolds Group Issuer, Inc. company guaranty sr. unsec. unsub. notes 9 7/8s, 2019		100,000	106,000
Reynolds Group Issuer, Inc. company guaranty sr. unsec. unsub. notes 9s, 2019		100,000	102,000
Reynolds Group Issuer, Inc. 144A company guaranty sr. notes 5 3/4s, 2020		105,000	105,000
Reynolds Group Issuer, Inc./Reynolds Group Issuer, LLC/Reynolds Group Issuer Lu company guaranty sr. notes 7 3/4s, 2016	EUR	377,000	503,842
Ryerson, Inc. company guaranty sr. notes 12s, 2015		$334,000	344,855
Tenneco, Inc. company guaranty sr. unsec. unsub. notes 7 3/4s, 2018		150,000	163,125
Tenneco, Inc. company guaranty sr. unsub. notes 6 7/8s, 2020		140,000	153,300
Terex Corp. sr. unsec. sub. notes 8s, 2017		58,000	60,030
Thermadyne Holdings Corp. company guaranty sr. notes 9s, 2017		331,000	352,515
Thermon Industries, Inc. company guaranty sr. notes 9 1/2s, 2017		99,000	110,261
TransDigm, Inc. company guaranty unsec. sub. notes 7 3/4s, 2018		226,000	249,730
			5,504,959

CORPORATE BONDS AND NOTES (30.4%)* *cont.*		**Principal amount**	**Value**
Communication services (4.0%)			
Bresnan Broadband Holdings, LLC 144A company			

guaranty sr. unsec. unsub. notes 8s, 2018	$68,000	$73,270
Cablevision Systems Corp. sr. unsec. unsub. notes 8 5/8s, 2017	155,000	180,188
Cablevision Systems Corp. sr. unsec. unsub. notes 8s, 2020	150,000	167,250
Cablevision Systems Corp. sr. unsec. unsub. notes 7 3/4s, 2018	45,000	49,838
CCO Holdings, LLC/CCO Holdings Capital Corp. company guaranty sr. unsec. notes 7 7/8s, 2018	51,000	55,208
CCO Holdings, LLC/CCO Holdings Capital Corp. company guaranty sr. unsec. notes 6 1/2s, 2021	131,000	140,498
CCO Holdings, LLC/CCO Holdings Capital Corp. company guaranty sr. unsub. notes 7s, 2019	121,000	131,436
Cequel Communications Holdings I, LLC/Cequel Capital Corp. 144A sr. notes 8 5/8s, 2017	146,000	155,855
Cincinnati Bell, Inc. company guaranty sr. unsec. sub. notes 8 3/4s, 2018	170,000	172,975
Cincinnati Bell, Inc. company guaranty sr. unsec. sub. notes 8 1/4s, 2017	78,000	83,265
Clearwire Communications, LLC/Clearwire Finance, Inc. 144A company guaranty sr. notes 12s, 2015	355,000	351,450
Cricket Communications, Inc. company guaranty sr. unsec. notes 7 3/4s, 2020	233,000	227,175
Cricket Communications, Inc. company guaranty sr. unsec. unsub. notes 10s, 2015	354,000	372,585
Cricket Communications, Inc. company guaranty sr. unsub. notes 7 3/4s, 2016	480,000	506,400
Crown Castle International Corp. sr. unsec. notes 7 1/8s, 2019	70,000	75,950
Digicel, Ltd. 144A sr. unsec. notes 8 1/4s, 2017 (Jamaica)	326,000	352,080
DISH DBS Corp. company guaranty 6 5/8s, 2014	517,000	560,945

DISH DBS Corp. company guaranty sr. unsec. notes 7 3/4s, 2015		117,000	131,625
DISH DBS Corp. company guaranty sr. unsec. notes 6 3/4s, 2021		192,000	209,280
Equinix, Inc. sr. unsec. notes 7s, 2021		130,000	145,600
Frontier Communications Corp. sr. unsec. notes 9 1/4s, 2021		65,000	75,238
Frontier Communications Corp. sr. unsec. notes 8 1/8s, 2018		753,000	847,125
Hughes Satellite Systems Corp. company guaranty sr. notes 6 1/2s, 2019		214,000	228,980
Hughes Satellite Systems Corp. company guaranty sr. unsec. notes 7 5/8s, 2021		260,000	287,950
Inmarsat Finance PLC 144A company guaranty sr. notes 7 3/8s, 2017 (United Kingdom)		365,000	394,200
Intelsat Jackson Holdings SA company guaranty sr. unsec. notes 7 1/2s, 2021 (Bermuda)		140,000	151,550
Intelsat Jackson Holdings SA 144A sr. unsec. notes 6 5/8s, 2022 (Bermuda)		80,000	79,600
Intelsat Luxembourg SA company guaranty sr. unsec. notes 11 1/2s, 2017 (Luxembourg) ‡‡		948,812	1,005,741
Intelsat Luxembourg SA company guaranty sr. unsec. notes 11 1/4s, 2017 (Luxembourg)		253,000	267,548
Kabel Deutschland GmbH 144A sr. bonds 6 1/2s, 2018 (Germany)	EUR	105,000	143,578

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**

Communication services *cont.*

Level 3 Financing, Inc. company guaranty sr. unsec.

unsub. notes 9 3/8s, 2019		$124,000	$137,640
Level 3 Financing, Inc. company guaranty sr. unsec. unsub. notes 8 5/8s, 2020		143,000	154,440
Level 3 Financing, Inc. company guaranty sr. unsec. unsub. notes 8 1/8s, 2019		40,000	42,500
Level 3 Financing, Inc. 144A company guaranty sr. unsec. unsub. notes 7s, 2020		17,000	17,170
Mediacom, LLC/Mediacom Capital Corp. sr. unsec. notes 9 1/8s, 2019		59,000	65,195
MetroPCS Wireless, Inc. company guaranty sr. unsec. notes 7 7/8s, 2018		407,000	441,595
Nextel Communications, Inc. company guaranty sr. unsec. notes Ser. D, 7 3/8s, 2015		10,000	10,038
NII Capital Corp. company guaranty sr. unsec. unsub. notes 10s, 2016		360,000	354,600
NII Capital Corp. company guaranty sr. unsec. unsub. notes 8 7/8s, 2019		14,000	11,760
NII Capital Corp. company guaranty sr. unsec. unsub. notes 7 5/8s, 2021		51,000	40,800
PAETEC Holding Corp. company guaranty sr. notes 8 7/8s, 2017		261,000	283,185
PAETEC Holding Corp. company guaranty sr. unsec. notes 9 7/8s, 2018		156,000	178,620
Phones4U Finance PLC 144A sr. notes 9 1/2s, 2018 (United Kingdom)	GBP	180,000	292,844
Qwest Corp. sr. unsec. notes 7 1/2s, 2014		$75,000	83,668
SBA Telecommunications, Inc. company guaranty sr. unsec. notes 8 1/4s, 2019		68,000	75,990
SBA Telecommunications, Inc. 144A company guaranty sr. unsec. unsub. notes 5 3/4s, 2020		55,000	57,750

Sprint Nextel Corp. sr. notes 8 3/8s, 2017		801,000	891,113
Sprint Nextel Corp. sr. unsec. notes 6s, 2016		147,000	151,410
Sprint Nextel Corp. sr. unsec. unsub. notes 9 1/8s, 2017		160,000	181,200
Sprint Nextel Corp. sr. unsec. unsub. notes 7s, 2020		122,000	126,880
Sprint Nextel Corp. 144A company guaranty sr. unsec. notes 9s, 2018		418,000	500,555
Telenet Finance V Luxembourg SCA 144A bonds 6 3/4s, 2024 (Luxembourg)	EUR	100,000	129,629
Telenet Finance V Luxembourg SCA 144A bonds 6 1/4s, 2022 (Luxembourg)		$100,000	129,148
TW Telecom Holdings, Inc. 144A company guaranty sr. unsec. notes 5 3/8s, 2022		50,000	50,938
Unitymedia KabelBW GmbH company guaranty sr. unsec. notes Ser. REGS, 9 5/8s, 2019 (Germany)	EUR	293,000	416,645
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH sr. notes 7 1/2s, 2019 (Germany)	EUR	130,000	184,180
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH 144A company guaranty sr. notes 8 1/8s, 2017 (Germany)	EUR	218,000	301,488
UPC Holdings BV bonds 8 3/8s, 2020 (Netherlands)		$361,000	500,523

CORPORATE BONDS AND NOTES (30.4%)* *cont.*		**Principal amount**	**Value**
Communication services *cont.*			
Virgin Media Finance PLC company guaranty sr. unsec. bonds 8 7/8s, 2019 (United Kingdom)	GBP	50,000	$90,756
Wind Acquisition Finance SA 144A company			

guaranty sr. notes 7 3/8s, 2018 (Luxembourg)	EUR	325,000	375,192
Windstream Corp. company guaranty sr. unsec. unsub. notes 8 1/8s, 2018		$60,000	64,800
Windstream Corp. company guaranty sr. unsec. unsub. notes 7 7/8s, 2017		247,000	276,023
Windstream Corp. company guaranty sr. unsec. unsub. notes 7 3/4s, 2021		109,000	117,448
			14,360,106
Consumer cyclicals (5.6%)			
Academy, Ltd./Academy Finance Corp. 144A company guaranty sr. unsec. notes 9 1/4s, 2019		25,000	27,625
Affinion Group Holdings, Inc. company guaranty sr. unsec. notes 11 5/8s, 2015		20,000	13,600
Affinion Group, Inc. company guaranty sr. unsec. notes 7 7/8s, 2018		407,000	332,723
Affinion Group, Inc. company guaranty sr. unsec. sub. notes 11 1/2s, 2015		250,000	207,500
AMC Entertainment, Inc. company guaranty sr. sub. notes 9 3/4s, 2020		150,000	168,938
American Casino & Entertainment Properties LLC sr. notes 11s, 2014		225,000	234,000
ARAMARK Holdings Corp. 144A sr. unsec. notes 8 5/8s, 2016 ‡‡		74,000	75,851
Ashtead Capital, Inc. 144A company guaranty sr. notes 6 1/2s, 2022		80,000	84,000
Autonation, Inc. company guaranty sr. unsec. notes 6 3/4s, 2018		255,000	286,556
Autonation, Inc. company guaranty sr. unsec. unsub. notes 5 1/2s, 2020		55,000	58,781
Beazer Homes USA, Inc. company guaranty sr. unsec. notes 6 7/8s, 2015		75,000	75,375
Beazer Homes USA, Inc. sr. unsec. notes 9 1/8s, 2019		71,000	71,355

Bon-Ton Department Stores, Inc. (The) 144A company guaranty sr. notes 10 5/8s, 2017	285,000	257,213
Building Materials Corp. 144A company guaranty sr. notes 7 1/2s, 2020	100,000	109,250
Building Materials Corp. 144A sr. notes 6 7/8s, 2018	75,000	80,438
Building Materials Corp. 144A sr. notes 6 3/4s, 2021	180,000	197,100
Burlington Coat Factory Warehouse Corp. company guaranty sr. unsec. notes 10s, 2019	140,000	154,875
Caesars Entertainment Operating Co., Inc. company guaranty sr. notes 10s, 2018	260,000	170,300
Caesars Entertainment Operating Co., Inc. sr. notes 11 1/4s, 2017	154,000	165,550
Cedar Fair LP/Canada’s Wonderland Co./Magnum Management Corp. company guaranty sr. unsec. notes 9 1/8s, 2018	70,000	79,538
Cenveo Corp. company guaranty sr. notes 8 7/8s, 2018	110,000	104,225
Choice Hotels International, Inc. company guaranty sr. unsec. unsub. notes 5 3/4s, 2022	75,000	81,750

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**
Consumer cyclicals *cont.*		
Chrysler Group, LLC/CG Co-Issuer, Inc. company guaranty notes 8 1/4s, 2021	$305,000	$324,825
Cinemark USA, Inc. company guaranty sr. unsec. sub. notes 7 3/8s, 2021	40,000	44,500
CityCenter Holdings LLC/CityCenter Finance Corp. company guaranty 10 3/4s, 2017 ‡‡	319,905	341,499

Clear Channel Communications, Inc. company guaranty sr. notes 9s, 2021		135,000	120,150
Clear Channel Worldwide Holdings, Inc. company guaranty sr. unsec. notes 7 5/8s, 2020		186,000	181,815
Clear Channel Worldwide Holdings, Inc. company guaranty sr. unsec. unsub. notes Ser. B, 9 1/4s, 2017		299,000	322,173
Compucom Systems, Inc. 144A sr. sub. notes 12 1/2s, 2015		155,000	160,813
Conti-Gummi Finance B.V. company guaranty bonds Ser. REGS, 7 1/8s, 2018 (Netherlands)	EUR	257,000	353,541
Cumulus Media Holdings, Inc. company guaranty sr. unsec. unsub. notes 7 3/4s, 2019		$266,000	258,685
DR Horton, Inc. company guaranty sr. unsec. unsub. notes 4 3/8s, 2022		80,000	79,500
FelCor Lodging LP company guaranty sr. notes 6 3/4s, 2019 **R**		300,000	321,750
Ford Motor Credit Co., LLC sr. unsec. notes 5s, 2018		385,000	420,313
Ford Motor Credit Co., LLC sr. unsec. unsub. notes 5 7/8s, 2021		410,000	464,508
Gray Television, Inc. company guaranty sr. notes 10 1/2s, 2015		210,000	227,588
Gray Television, Inc. 144A company guaranty sr. unsec. notes 7 1/2s, 2020		125,000	124,375
Great Canadian Gaming Corp. 144A company guaranty sr. unsec. notes 6 5/8s, 2022 (Canada)	CAD	260,000	272,843
Grupo Televisa, S.A.B sr. unsec. notes 6s, 2018 (Mexico)		$226,000	268,219
Hanesbrands, Inc. company guaranty sr. unsec. notes 6 3/8s, 2020		175,000	189,875
HD Supply, Inc. 144A company guaranty sr. notes 8 1/8s, 2019		195,000	212,550
Host Hotels & Resorts LP company guaranty sr. unsec. unsub. notes 4 3/4s, 2023 **R**		55,000	57,200

Interactive Data Corp. company guaranty sr. unsec. notes 10 1/4s, 2018		434,000	486,080
Isle of Capri Casinos, Inc. company guaranty sr. unsec. unsub. notes 7 3/4s, 2019		356,000	382,700
Isle of Capri Casinos, Inc. 144A company guaranty sr. sub. notes 8 7/8s, 2020		130,000	137,150
ISS Holdings A/S sr. sub. notes Ser. REGS, 8 7/8s, 2016 (Denmark)	EUR	216,000	285,898
Jarden Corp. company guaranty sr. unsec. sub. notes Ser. 1, 7 1/2s, 2020	EUR	50,000	68,946
Jeld-Wen Escrow Corp. 144A sr. notes 12 1/4s, 2017		$310,000	352,625
K Hovnanian Enterprises, Inc. 144A company guaranty notes 9 1/8s, 2020		50,000	50,250
K Hovnanian Enterprises, Inc. 144A sr. notes 7 1/4s, 2020		115,000	117,300
KB Home company guaranty sr. unsec. unsub. notes 7 1/2s, 2022		20,000	21,300
Lamar Media Corp. company guaranty sr. notes 9 3/4s, 2014		100,000	112,000

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**
Consumer cyclicals *cont.*		
Lamar Media Corp. company guaranty sr. sub. notes 5 7/8s, 2022	$55,000	$58,575
Lender Processing Services, Inc. company guaranty sr. unsec. unsub. notes 8 1/8s, 2016	795,000	830,775
Lender Processing Services, Inc. company guaranty sr. unsec. unsub. notes 5 3/4s, 2023	200,000	200,000

Lennar Corp. 144A company guaranty sr. notes 4 3/4s, 2017	55,000	56,788
Limited Brands, Inc. company guaranty sr. unsec. notes 6 5/8s, 2021	155,000	176,313
Limited Brands, Inc. sr. notes 5 5/8s, 2022	85,000	91,269
Macy's Retail Holdings, Inc. company guaranty sr. unsec. notes 5.9s, 2016	195,000	227,687
Mashantucket Western Pequot Tribe 144A bonds Ser. A, 8 1/2s, 2015 (In default) †	340,000	30,600
Masonite International Corp., 144A company guaranty sr. notes 8 1/4s, 2021 (Canada)	123,000	129,765
MGM Resorts International company guaranty sr. notes 9s, 2020	45,000	50,231
MGM Resorts International company guaranty sr. unsec. notes 6 7/8s, 2016	65,000	67,925
MGM Resorts International company guaranty sr. unsec. notes 6 5/8s, 2015	205,000	219,350
MGM Resorts International company guaranty sr. unsec. unsub. notes 7 3/4s, 2022	110,000	114,675
MGM Resorts International 144A company guaranty sr. unsec. notes 6 3/4s, 2020	120,000	120,000
MTR Gaming Group, Inc. company guaranty notes 11 1/2s, 2019 ‡‡	525,213	552,787
Navistar International Corp. sr. notes 8 1/4s, 2021	431,000	409,450
Needle Merger Sub Corp. 144A sr. unsec. notes 8 1/8s, 2019	135,000	137,700
Nielsen Finance, LLC/Nielsen Finance Co. company guaranty sr. unsec. notes 7 3/4s, 2018 (Netherlands)	52,000	58,630
Nielsen Finance, LLC/Nielsen Finance Co. 144A sr. unsec. notes 4 1/2s, 2020 (Netherlands)	89,000	88,333
Nortek, Inc. company guaranty sr. unsec. notes 10s, 2018	290,000	320,450

Nortek, Inc. company guaranty sr. unsec. notes 8 1/2s, 2021		155,000	165,075
Owens Corning company guaranty sr. unsec. notes 9s, 2019		542,000	681,565
Penn National Gaming, Inc. sr. unsec. sub. notes 8 3/4s, 2019		50,000	56,000
Penske Automotive Group, Inc. 144A company guaranty sr. sub. notes 5 3/4s, 2022		160,000	164,000
PETCO Animal Supplies, Inc. 144A company guaranty sr. notes 9 1/4s, 2018		100,000	110,000
Pinnacle Entertainment, Inc. company guaranty sr. unsec. notes 8 5/8s, 2017		55,000	60,088
Polish Television Holding BV sr. notes stepped-coupon Ser. REGS, 11 1/4s (13s, 11/15/14), 2017 (Netherlands) ††	EUR	380,000	509,458
QVC Inc. 144A sr. notes 7 1/2s, 2019		$120,000	132,781
Realogy Corp. 144A company guaranty sr. notes 7 7/8s, 2019		50,000	52,500
Rivers Pittsburgh Borrower LP/Rivers Pittsburgh Finance Corp. 144A sr. notes 9 1/2s, 2019		55,000	58,713
Sabre Holdings Corp. sr. unsec. unsub. notes 8.35s, 2016		152,000	154,280
Sabre, Inc. 144A sr. notes 8 1/2s, 2019		174,000	179,655

CORPORATE BONDS AND NOTES (30.4%)* *cont.*		**Principal amount**	**Value**
Consumer cyclicals *cont.*			
Schaeffler Finance BV 144A company guaranty sr. notes 8 3/4s, 2019 (Germany)	EUR	310,000	$450,153
Scotts Miracle-Gro Co. (The) company guaranty sr. unsec. unsub. notes 6 5/8s, 2020		$140,000	150,850

Sealy Mattress Co. 144A company guaranty sr. notes 10 7/8s, 2016		87,000	95,048
Sears Holdings Corp. company guaranty 6 5/8s, 2018		139,000	129,618
Sinclair Television Group, Inc. 144A sr. notes 6 1/8s, 2022		70,000	70,175
Sirius XM Radio, Inc. 144A sr. unsec. notes 5 1/4s, 2022		20,000	19,850
Spectrum Brands Holdings, Inc. Company guaranty sr. notes 9 1/2s, 2018		385,000	434,088
Spectrum Brands Holdings, Inc. 144A sr. notes 6 3/4s, 2020		110,000	113,575
SugarHouse HSP Gaming Prop. Mezz LP/SugarHouse HSP Gaming Finance Corp. 144A notes 8 5/8s, 2016		30,000	32,175
Toys R Us — Delaware, Inc. 144A company guaranty sr. notes 7 3/8s, 2016		45,000	45,788
Toys R Us Property Co., LLC company guaranty sr. unsec. notes 10 3/4s, 2017		293,000	319,370
Toys R Us, Inc. 144A sr. unsec. notes 10 3/8s, 2017		55,000	56,031
Travelport, LLC company guaranty sr. unsec. sub. notes 11 7/8s, 2016		127,000	47,943
Travelport, LLC company guaranty sr. unsec. unsub. notes 9 7/8s, 2014		26,000	20,800
Travelport, LLC 144A sr. notes 6.362s, 2016 ††		48,000	36,480
Travelport, LLC/Travelport, Inc. company guaranty sr. unsec. notes 9s, 2016		127,000	90,805
TRW Automotive, Inc. company guaranty sr. unsec. unsub. notes Ser. REGS, 6 3/8s, 2014	EUR	110,000	148,864
TRW Automotive, Inc. 144A company guaranty sr. notes 7 1/4s, 2017		$350,000	399,875
Univision Communications, Inc. 144A sr. notes 6 7/8s, 2019		200,000	206,000

Wynn Las Vegas, LLC/Wynn Las Vegas Capital Corp. company guaranty 1st mtge. notes 7 3/4s, 2020		36,000	40,050
XM Satellite Radio, Inc. 144A sr. unsec. notes 7 5/8s, 2018		524,000	579,020
YCC Holdings, LLC/Yankee Finance, Inc. sr. unsec. notes 10 1/4s, 2016 ‡‡		135,000	139,725
Yonkers Racing Corp. 144A sr. notes 11 3/8s, 2016		350,000	378,000
			20,067,215
Consumer staples (1.9%)			
Anheuser-Busch InBev Worldwide, Inc. company guaranty sr. unsec. notes 9 3/4s, 2015	BRL	1,400,000	781,735
Avis Budget Car Rental, LLC company guaranty sr. unsec. unsub. notes 9 5/8s, 2018		$105,000	116,550
Avis Budget Car Rental, LLC company guaranty sr. unsec. unsub. notes 8 1/4s, 2019		50,000	54,438
Avis Budget Car Rental, LLC company guaranty sr. unsec. unsub. notes 7 3/4s, 2016		299,000	307,599
Burger King Corp. company guaranty sr. unsec. notes 9 7/8s, 2018		184,000	213,440
CKE Holdings, Inc. 144A sr. unsec. notes 10 1/2s, 2016 ‡‡		111,981	122,059

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**
Consumer staples *cont.*		
Claire’s Stores, Inc. company guaranty sr. notes 8 7/8s, 2019	$124,000	$114,080
Claire’s Stores, Inc. 144A sr. notes 9s, 2019	300,000	310,500
Constellation Brands, Inc. company guaranty sr. unsec. notes 7 1/4s, 2017	23,000	26,853

Constellation Brands, Inc. company guaranty sr. unsec. unsub. notes 7 1/4s, 2016		111,000	127,095
Constellation Brands, Inc. company guaranty sr. unsec. unsub. notes 6s, 2022		90,000	102,375
Constellation Brands, Inc. company guaranty sr. unsec. unsub. notes 4 5/8s, 2023		45,000	45,675
Corrections Corporation of America company guaranty sr. notes 7 3/4s, 2017		257,000	274,990
Dean Foods Co. company guaranty sr. unsec. unsub. notes 7s, 2016		118,000	127,440
DineEquity, Inc. company guaranty sr. unsec. notes 9 1/2s, 2018		115,000	129,663
Dole Food Co. 144A sr. notes 8s, 2016		87,000	91,024
EC Finance PLC company guaranty sr. bonds Ser. REGS, 9 3/4s, 2017 (United Kingdom)	EUR	161,000	218,723
Elizabeth Arden, Inc. sr. unsec. unsub. notes 7 3/8s, 2021		$165,000	184,800
Enterprise Inns PLC sr. unsub. mtge. notes 6 1/2s, 2018 (United Kingdom)	GBP	100,000	141,808
Hertz Corp. (The) company guaranty sr. unsec. notes 7 1/2s, 2018		$65,000	70,200
Hertz Holdings Netherlands BV 144A sr. bonds 8 1/2s, 2015 (Netherlands)	EUR	156,000	216,124
JBS USA, LLC/JBS USA Finance, Inc. 144A sr. unsec. notes 8 1/4s, 2020		$67,000	66,833
JBS USA, LLC/JBS USA Finance, Inc. 144A sr. unsec. notes 7 1/4s, 2021		350,000	325,500
Libbey Glass, Inc. 144A company guaranty sr. notes 6 7/8s, 2020		119,000	127,925
Post Holdings, Inc. 144A sr. unsec. notes 7 3/8s, 2022		70,000	74,375

Prestige Brands, Inc. company guaranty sr. unsec. notes 8 1/4s, 2018	215,000	236,500
Rite Aid Corp. company guaranty sr. notes 7 1/2s, 2017	315,000	323,663
Rite Aid Corp. company guaranty sr. unsec. unsub. notes 9 1/2s, 2017	321,000	330,229
Rite Aid Corp. company guaranty sr. unsec. unsub. notes 9 1/4s, 2020	235,000	240,875
Rite Aid Corp. company guaranty sr. unsub. notes 8s, 2020	55,000	62,425
Service Corporation International sr. notes 7s, 2019	80,000	88,400
Smithfield Foods, Inc. sr. unsec. unsub. notes 6 5/8s, 2022	145,000	150,438
Stewart Enterprises, Inc. company guaranty sr. unsec. notes 6 1/2s, 2019	185,000	198,875
UR Merger Sub Corp. company guaranty sr. unsec. unsub. notes 9 1/4s, 2019	565,000	637,038
West Corp. company guaranty sr. unsec. notes 8 5/8s, 2018	6,000	6,300
West Corp. company guaranty sr. unsec. notes 7 7/8s, 2019	191,000	196,730
Wok Acquisition Corp. 144A sr. unsec. notes 10 1/4s, 2020	50,000	53,750
		6,897,027

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**
Energy (6.7%)		
Access Midstream Partners, LP/ACMP Finance Corp. company guaranty sr. unsec. notes 5 7/8s, 2021	$135,000	$141,413
Access Midstream Partners, LP/ACMP Finance Corp. company guaranty sr. unsec. unsub. notes 6 1/8s, 2022	65,000	68,738

Alpha Natural Resources, Inc. company guaranty sr. unsec. notes 6 1/4s, 2021		130,000	107,900
Alpha Natural Resources, Inc. company guaranty sr. unsec. notes 6s, 2019		136,000	114,920
AmeriGas Finance, LLC/AmeriGas Finance Corp. company guaranty sr. unsec. notes 7s, 2022		145,000	155,875
Anadarko Petroleum Corp. sr. notes 5.95s, 2016		283,000	329,007
Arch Coal, Inc. company guaranty sr. unsec. notes 7 1/4s, 2020		48,000	40,320
Arch Coal, Inc. company guaranty sr. unsec. unsub. notes 7s, 2019		166,000	139,440
Atlas Pipeline Partners LP / Atlas Pipeline Finance Corp. 144A company guaranty sr. notes 6 5/8s, 2020		60,000	61,050
ATP Oil & Gas Corp. company guaranty sr. notes 11 7/8s, 2015 (In default) †		65,000	12,350
Atwood Oceanics, Inc. sr. unsec. unsub. notes 6 1/2s, 2020		50,000	53,500
Aurora USA Oil & Gas, Inc., 144A sr. notes 9 7/8s, 2017		155,000	165,850
Carrizo Oil & Gas, Inc. company guaranty sr. unsec. notes 8 5/8s, 2018		347,000	372,158
Carrizo Oil & Gas, Inc. company guaranty sr. unsec. unsub. notes 7 1/2s, 2020		50,000	51,125
Chaparral Energy, Inc. company guaranty sr. unsec. notes 9 7/8s, 2020		140,000	158,200
Chesapeake Energy Corp. company guaranty sr. unsec. bonds 6 1/4s, 2017	EUR	50,000	65,662
Chesapeake Energy Corp. company guaranty sr. unsec. notes 9 1/2s, 2015		$495,000	545,119
Chesapeake Energy Corp. company guaranty sr. unsec. unsub. notes 6.775s, 2019		41,000	41,103

Concho Resources, Inc. company guaranty sr. unsec. notes 6 1/2s, 2022		225,000	247,500
Concho Resources, Inc. company guaranty sr. unsec. unsub. notes 5 1/2s, 2023		55,000	57,475
Concho Resources, Inc. company guaranty sr. unsec. unsub. notes 5 1/2s, 2022		88,000	91,740
Connacher Oil and Gas, Ltd. 144A notes 8 3/4s, 2018 (Canada)	CAD	225,000	196,993
Connacher Oil and Gas, Ltd. 144A notes 8 1/2s, 2019 (Canada)		$90,000	77,400
CONSOL Energy, Inc. company guaranty sr. unsec. notes 8 1/4s, 2020		125,000	130,938
CONSOL Energy, Inc. company guaranty sr. unsec. notes 8s, 2017		710,000	741,950
Continental Resources, Inc. company guaranty sr. unsec. notes 5s, 2022		185,000	192,863
Continental Resources, Inc. 144A company guaranty sr. unsec. unsub. notes 5s, 2022		160,000	167,200
Crosstex Energy LP/Crosstex Energy Finance Corp. company guaranty sr. unsec. notes 8 7/8s, 2018		365,000	390,550

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**
Energy *cont.*		
Crosstex Energy LP/Crosstex Energy Finance Corp. 144A company guaranty sr. unsec. notes 7 1/8s, 2022	$65,000	$64,675
Denbury Resources, Inc. company guaranty sr. unsec. sub. notes 8 1/4s, 2020	118,000	132,750
Denbury Resources, Inc. company guaranty sr. unsec.		

sub. notes 6 3/8s, 2021		31,000	33,635
EXCO Resources, Inc. company guaranty sr. unsec. notes 7 1/2s, 2018		405,000	376,650
Ferrellgas LP/Ferrellgas Finance Corp. sr. unsec. notes 6 1/2s, 2021		98,000	94,815
Forbes Energy Services Ltd. company guaranty sr. unsec. notes 9s, 2019		150,000	145,500
FTS International Services, LLC/FTS International Bonds, Inc. 144A company guaranty sr. unsec. unsub. notes 8 1/8s, 2018		180,000	191,700
Gazprom OAO Via Gaz Capital SA 144A sr. unsec. unsub. notes 9 1/4s, 2019 (Russia)		2,055,000	2,666,753
Gazprom OAO Via Gaz Capital SA 144A sr. unsec. unsub. notes 8.146s, 2018 (Russia)		176,000	215,313
Gazprom Via OAO White Nights Finance BV notes 10 1/2s, 2014 (Russia)		230,000	257,287
Goodrich Petroleum Corp. company guaranty sr. unsec. unsub. notes 8 7/8s, 2019		195,000	188,663
Hercules Offshore, Inc. 144A company guaranty sr. notes 7 1/8s, 2017		15,000	15,600
Hiland Partners LP / Hiland Partners Finance Corp. 144A company guaranty sr. notes 7 1/4s, 2020		85,000	88,400
Infinis PLC 144A sr. notes 9 1/8s, 2014 (United Kingdom)	GBP	98,000	161,768
Key Energy Services, Inc. company guaranty unsec. unsub. notes 6 3/4s, 2021		$76,000	77,140
Key Energy Services, Inc. 144A company guaranty sr. unsec. notes 6 3/4s, 2021		45,000	45,450
Kodiak Oil & Gas Corp. 144A sr. notes 8 1/8s, 2019		55,000	58,300
Laredo Petroleum, Inc. company guaranty sr. unsec. notes 7 3/8s, 2022		65,000	70,200

Laredo Petroleum, Inc. company guaranty sr. unsec. unsub. notes 9 1/2s, 2019	188,000	212,910
Lone Pine Resources Canada, Ltd. 144A company guaranty sr. notes 10 3/8s, 2017 (Canada)	80,000	73,600
MEG Energy Corp. 144A company guaranty sr. unsec. notes 6 1/2s, 2021 (Canada)	285,000	304,950
MEG Energy Corp. 144A company guaranty sr. unsec. notes 6 3/8s, 2023 (Canada)	65,000	69,388
Milagro Oil & Gas, Inc. company guaranty notes 10 1/2s, 2016	225,000	159,750
National JSC Naftogaz of Ukraine govt. guaranty unsec. notes 9 1/2s, 2014 (Ukraine)	275,000	277,175
Northern Oil and Gas, Inc. company guaranty sr. unsec. notes 8s, 2020	160,000	164,800
Oasis Petroleum, Inc. company guaranty sr. unsec. notes 6 7/8s, 2023	110,000	116,463

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**
Energy *cont.*		
Offshore Group Investment, Ltd. company guaranty sr. notes 11 1/2s, 2015 (Cayman Islands)	$305,000	$337,025
PDC Energy, Inc. company guaranty sr. unsec. notes 12s, 2018	240,000	261,600
Peabody Energy Corp. company guaranty sr. unsec. notes 7 3/8s, 2016	494,000	559,455
Peabody Energy Corp. company guaranty sr. unsec. unsub. notes 6 1/2s, 2020	19,000	19,428
Pertamina Persero PT 144A sr. unsec. notes 4 7/8s, 2022		

(Indonesia)	925,000	995,531
PetroBakken Energy, Ltd. 144A sr. unsec. notes 8 5/8s, 2020 (Canada)	317,000	329,680
Petrobras International Finance Co. company guaranty sr. unsec. notes 7 7/8s, 2019 (Brazil)	440,000	552,429
Petrobras International Finance Co. company guaranty sr. unsec. notes 5 3/8s, 2021 (Brazil)	625,000	704,232
Petrohawk Energy Corp. company guaranty sr. unsec. notes 10 1/2s, 2014	95,000	103,313
Petroleos de Venezuela SA company guaranty sr. unsec. notes 5 1/4s, 2017 (Venezuela)	1,500,000	1,189,440
Petroleos de Venezuela SA sr. unsec. notes 4.9s, 2014 (Venezuela)	620,000	560,306
Petroleos de Venezuela SA sr. unsec. sub. bonds 5s, 2015 (Venezuela)	1,120,000	947,621
Petroleos de Venezuela SA 144A company guaranty sr. notes 8 1/2s, 2017 (Venezuela)	1,135,000	1,027,175
Petroleos de Venezuela SA 144A company guaranty sr. unsec. notes 8s, 2013 (Venezuela)	225,000	225,675
Petroleos Mexicanos company guaranty unsec. unsub. notes 8s, 2019 (Mexico)	1,855,000	2,427,268
Plains Exploration & Production Co. company guaranty sr. unsec. notes 6 5/8s, 2021	140,000	142,100
Range Resources Corp. company guaranty sr. sub. notes 6 3/4s, 2020	150,000	165,000
Range Resources Corp. company guaranty sr. unsec. sub. notes 5s, 2022	75,000	79,125
Rosetta Resources, Inc. company guaranty sr. unsec. notes 9 1/2s, 2018	124,000	137,020
Samson Investment Co. 144A sr. unsec. notes 9 3/4s, 2020	415,000	427,450

SandRidge Energy, Inc. company guaranty sr. unsec. unsub. notes 7 1/2s, 2021	5,000	5,150
SandRidge Energy, Inc. 144A company guaranty sr. unsec. unsub. notes 8s, 2018	578,000	606,900
SM Energy Co. sr. unsec. notes 6 5/8s, 2019	85,000	89,675
SM Energy Co. 144A sr. notes 6 1/2s, 2023	35,000	36,838
Suburban Propane Partners LP/Suburban Energy Finance Corp. 144A sr. unsec. notes 7 3/8s, 2021	130,000	138,775
Unit Corp. company guaranty sr. sub. notes 6 5/8s, 2021	60,000	62,100
Unit Corp. 144A company guaranty sr. sub. notes 6 5/8s, 2021	110,000	113,575
WPX Energy, Inc. sr. unsec. unsub. notes 5 1/4s, 2017	480,000	518,400
		23,944,260

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**
Financials (3.6%)		
ACE Cash Express, Inc. 144A sr. notes 11s, 2019	$119,000	$111,860
Air Lease Corp. 144A sr. notes 5 5/8s, 2017	165,000	168,713
Ally Financial, Inc. company guaranty sr. notes 6 1/4s, 2017	140,000	151,422
Ally Financial, Inc. company guaranty sr. unsec. unsub. notes 8.3s, 2015	65,000	71,988
Ally Financial, Inc. company guaranty sr. unsec. unsub. notes 7 1/2s, 2020	565,000	648,338
Ally Financial, Inc. company guaranty sr. unsec. unsub. notes FRN 2.618s, 2014	39,000	38,513

Banco do Brasil SA 144A sr. unsec. notes 9 3/4s, 2017 (Brazil)	BRL	436,000	246,255
Banco do Brasil SA 144A unsec. sub. notes 5 7/8s, 2023 (Brazil)		$150,000	162,000
Banco do Brasil SA 144A unsec. sub. notes 5 7/8s, 2022 (Brazil)		790,000	837,638
CB Richard Ellis Services, Inc. company guaranty sr. unsec. notes 6 5/8s, 2020		56,000	61,180
CIT Group, Inc. sr. unsec. notes 5s, 2022		170,000	176,869
CIT Group, Inc. sr. unsec. unsub. notes 5 3/8s, 2020		135,000	146,138
CIT Group, Inc. sr. unsec. unsub. notes 5s, 2017		110,000	117,425
CIT Group, Inc. 144A company guaranty notes 6 5/8s, 2018		205,000	232,675
CIT Group, Inc. 144A company guaranty notes 5 1/2s, 2019		165,000	178,613
CNO Financial Group, Inc. 144A company guaranty sr. notes 9s, 2018		55,000	64,213
Community Choice Financial, Inc. 144A sr. notes 10 3/4s, 2019		170,000	165,750
Hub International Ltd. 144A company guaranty sr. notes 8 1/8s, 2018		65,000	66,300
Icahn Enterprises LP/Icahn Enterprises Finance Corp. company guaranty sr. unsec. notes 8s, 2018		385,000	412,912
International Lease Finance Corp. sr. unsec. notes 6 1/4s, 2019		51,000	54,953
International Lease Finance Corp. sr. unsec. unsub. notes 5 7/8s, 2022		200,000	206,500
International Lease Finance Corp. sr. unsec. unsub. notes 4 7/8s, 2015		76,000	78,660
JPMorgan Chase & Co. 144A sr. unsec. notes FRN 6.46s, 2017		1,000,000	1,269,300

MPT Operating Partnership LP/MPT Finance Corp. company guaranty sr. unsec. notes 6 7/8s, 2021 **R**	75,000	81,750
MPT Operating Partnership LP/MPT Finance Corp. company guaranty sr. unsec. unsub. notes 6 3/8s, 2022 **R**	110,000	118,250
National Money Mart Co. company guaranty sr. unsec. unsub. notes 10 3/8s, 2016 (Canada)	75,000	83,813
Nuveen Investments, Inc. 144A sr. unsec. notes 9 1/2s, 2020	45,000	44,775
Nuveen Investments, Inc. 144A sr. unsec. notes 9 1/8s, 2017	100,000	99,250
PHH Corp. sr. unsec. unsub. notes 9 1/4s, 2016	100,000	114,750
PHH Corp. sr. unsec. unsub. notes 7 3/8s, 2019	130,000	139,263
Russian Agricultural Bank OJSC Via RSHB Capital SA 144A sr. unsec. notes 5.298s, 2017 (Russia)	2,750,000	2,899,782
Sberbank of Russia Via SB Capital SA 144A sr. notes 6 1/8s, 2022 (Luxembourg)	325,000	357,089

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**
Financials *cont.*		
Sberbank of Russia Via SB Capital SA 144A sr. notes 4.95s, 2017 (Luxembourg)	$500,000	$525,000
State Bank of India/London 144A sr. unsec. notes 4 1/2s, 2015 (India)	155,000	161,115
Ukreximbank Via Biz Finance PLC sr. unsec. unsub. bonds 8 3/8s, 2015 (United Kingdom)	200,000	192,790
VTB Bank OJSC Via VTB Capital SA 144A sr. unsec. notes 6 7/8s, 2018 (Russia)	1,385,000	1,490,675

VTB Bank OJSC Via VTB Capital SA 144A sr. unsec. notes 6 1/4s, 2035 (Russia)		130,000	138,177
VTB Bank OJSC Via VTB Capital SA 144A sr. unsec. unsub. notes 6.609s, 2012 (Russia)		472,000	473,704
			12,588,398
Health care (1.8%)			
Aviv Healthcare Properties LP company guaranty sr. unsec. notes 7 3/4s, 2019		139,000	147,340
Biomet, Inc. 144A sr. unsec. notes 6 1/2s, 2020		220,000	227,975
Capella Healthcare, Inc. company guaranty sr. unsec. notes 9 1/4s, 2017		160,000	170,600
Capsugel FinanceCo SCA 144A company guaranty sr. unsec. notes 9 7/8s, 2019	EUR	220,000	317,309
CDRT Holding Corp. 144A sr. unsec. notes 9 1/4s, 2017 ‡‡		$205,000	197,825
CHS/Community Health Systems, Inc. company guaranty sr. notes 5 1/8s, 2018		160,000	166,000
CHS/Community Health Systems, Inc. company guaranty sr. unsec. unsub. notes 8s, 2019		220,000	241,450
CHS/Community Health Systems, Inc. company guaranty sr. unsec. unsub. notes 7 1/8s, 2020		110,000	117,150
ConvaTec Healthcare E SA 144A sr. notes 7 3/8s, 2017 (Luxembourg)	EUR	100,000	138,632
ConvaTec Healthcare E SA 144A sr. unsec. notes 10 1/2s, 2018 (Luxembourg)		$428,000	464,380
Emergency Medical Services Corp. company guaranty sr. unsec. notes 8 1/8s, 2019		220,000	233,200
Endo Health Solutions, Inc. company guaranty sr. unsec. notes 7s, 2019		130,000	140,075
Fresenius Medical Care US Finance II, Inc. 144A company guaranty sr. unsec. notes 5 5/8s, 2019		165,000	175,725

Grifols, Inc. company guaranty sr. unsec. notes 8 1/4s, 2018	226,000	249,730
HCA, Inc. sr. notes 6 1/2s, 2020	633,000	702,630
HCA, Inc. sr. unsec. notes 7 1/2s, 2022	55,000	62,150
Health Net, Inc. sr. unsec. bonds 6 3/8s, 2017	325,000	339,625
Hologic, Inc. 144A company guaranty sr. unsec. notes 6 1/4s, 2020	50,000	53,000
IASIS Healthcare, LLC/IASIS Capital Corp. company guaranty sr. unsec. notes 8 3/8s, 2019	334,000	318,970
Kinetics Concept/KCI USA 144A company guaranty sr. unsec. notes 12 1/2s, 2019	195,000	183,300
Multiplan, Inc. 144A company guaranty sr. notes 9 7/8s, 2018	150,000	165,750

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**
Health care *cont.*		
Omega Healthcare Investors, Inc. company guaranty sr. unsec. notes 6 3/4s, 2022 **R**	$85,000	$93,925
Sky Growth Acquisition Corp. 144A company guaranty sr. unsec. notes 7 3/8s, 2020	50,000	50,250
Surgical Care Affiliates, Inc. 144A sr. sub. notes 10s, 2017	310,000	319,300
Surgical Care Affiliates, Inc. 144A sr. unsec. notes 8 7/8s, 2015	120,841	121,445
Teleflex, Inc. company guaranty sr. unsec. sub. notes 6 7/8s, 2019	160,000	172,000
Tenet Healthcare Corp. company guaranty sr. notes 10s, 2018	119,000	137,445

Tenet Healthcare Corp. company guaranty sr. notes 6 1/4s, 2018	200,000	220,000
Tenet Healthcare Corp. sr. notes 8 7/8s, 2019	198,000	223,740
Valeant Pharmaceuticals International 144A company guaranty sr. notes 7s, 2020	30,000	31,575
Valeant Pharmaceuticals International 144A company guaranty sr. unsec. notes 6 7/8s, 2018	75,000	78,938
Valeant Pharmaceuticals International 144A sr. notes 6 3/4s, 2017	30,000	31,950
Vanguard Health Systems, Inc. sr. unsec. notes zero %, 2016	7,000	4,900
VPI Escrow Corp. 144A sr. unsec. notes 6 3/8s, 2020 (Canada)	30,000	30,600
		6,328,884
Technology (1.4%)		
Advanced Micro Devices, Inc. sr. unsec. notes 7 3/4s, 2020	261,000	264,915
Advanced Micro Devices, Inc. 144A sr. unsec. notes 7 1/2s, 2022	30,000	28,950
Avaya, Inc. company guaranty sr. unsec. notes 9 3/4s, 2015	107,000	94,963
Avaya, Inc. 144A company guaranty sr. notes 7s, 2019	241,000	224,130
Ceridian Corp. company guaranty sr. unsec. notes 12 1/4s, 2015 ‡‡	129,000	128,355
Ceridian Corp. sr. unsec. notes 11 1/4s, 2015	283,000	278,755
Epicor Software Corp. company guaranty sr. unsec. notes 8 5/8s, 2019	80,000	84,400
Fidelity National Information Services, Inc. company guaranty sr. unsec. notes 7 7/8s, 2020	111,000	124,043
Fidelity National Information Services, Inc. company guaranty sr. unsec. notes 7 5/8s, 2017	76,000	83,220
First Data Corp. company guaranty sr. unsec. notes 12 5/8s, 2021	346,000	358,543
First Data Corp. company guaranty sr. unsec. notes 10.55s, 2015	314,401	321,868

First Data Corp. company guaranty sr. unsec. sub. notes 11 1/4s, 2016	97,000	94,090
First Data Corp. 144A company guaranty notes 8 1/4s, 2021	231,000	230,423
First Data Corp. 144A company guaranty sr. notes 8 7/8s, 2020	75,000	81,750
First Data Corp. 144A company guaranty sr. notes 7 3/8s, 2019	105,000	108,281
Freescale Semiconductor, Inc. company guaranty sr. unsec. notes 10 3/4s, 2020	43,000	46,548
Freescale Semiconductor, Inc. 144A company guaranty sr. notes 10 1/8s, 2018	368,000	404,800
Infor (US), Inc. 144A sr. notes 9 3/8s, 2019	55,000	61,050
Iron Mountain, Inc. company guaranty sr. unsec. sub. notes 8s, 2020	470,000	499,375

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**
Technology *cont.*		
NXP BV/NXP Funding, LLC 144A company guaranty sr. notes 9 3/4s, 2018 (Netherlands)	$314,000	$361,100
Seagate HDD Cayman company guaranty sr. unsec. unsub. notes 7 3/4s, 2018 (Cayman Islands)	186,000	205,530
SunGard Data Systems, Inc. company guaranty sr. unsec. sub. notes 10 1/4s, 2015	351,000	359,775
SunGard Data Systems, Inc. 144A sr. unsec. notes 7 5/8s, 2020	149,000	161,665
Syniverse Holdings, Inc. company guaranty sr. unsec. notes 9 1/8s, 2019	188,000	202,100
Techem Energy Metering Service GmbH 144A		

sr. sub. bonds 7 7/8s, 2020 (Germany)		200,000	268,092
			5,076,721
Transportation (0.3%)			
Aguila 3 SA company guaranty sr. notes Ser. REGS, 7 7/8s, 2018 (Luxembourg)	CHF	528,000	592,281
Air Medical Group Holdings, Inc. company guaranty sr. notes 9 1/4s, 2018		$198,000	217,305
Swift Services Holdings, Inc. company guaranty sr. notes 10s, 2018		240,000	259,800
Western Express, Inc. 144A sr. notes 12 1/2s, 2015		111,000	74,370
			1,143,756
Utilities and power (1.9%)			
AES Corp. (The) sr. unsec. unsub. notes 7 3/8s, 2021		135,000	153,900
AES Corp. (The) sr. unsec. unsub. notes 8s, 2017		475,000	548,625
Calpine Corp. 144A company guaranty sr. notes 7 7/8s, 2020		165,000	181,500
Calpine Corp. 144A sr. notes 7 1/4s, 2017		425,000	453,688
Dynegy Holdings, LLC sr. unsec. notes 7 3/4s, 2019 (In default) †		401,000	226,565
Edison Mission Energy sr. unsec. notes 7 3/4s, 2016		151,000	78,520
Edison Mission Energy sr. unsec. notes 7 1/2s, 2013		69,000	37,950
Edison Mission Energy sr. unsec. notes 7.2s, 2019		147,000	75,705
Edison Mission Energy sr. unsec. notes 7s, 2017		23,000	11,903
El Paso Natural Gas Co. debs. 8 5/8s, 2022		247,000	332,847
Energy Future Holdings Corp. company guaranty sr. notes 10s, 2020		595,000	655,988
Energy Future Intermediate Holding Co., LLC/EFIH Finance, Inc. sr. notes 10s, 2020		296,000	333,000

Energy Transfer Equity LP company guaranty sr. unsec. notes 7 1/2s, 2020	300,000	340,500
EP Energy, LLC/EP Energy Finance, Inc. 144A sr. notes 6 7/8s, 2019	75,000	80,250
EP Energy, LLC/EP Energy Finance, Inc. 144A sr. unsec. notes 9 3/8s, 2020	260,000	283,400
EP Energy, LLC/Everest Acquisition Finance, Inc. 144A company guaranty sr. unsec. notes 7 3/4s, 2022	50,000	51,000
GenOn Energy, Inc. sr. unsec. notes 9 7/8s, 2020	278,000	308,580
GenOn Energy, Inc. sr. unsec. notes 9 1/2s, 2018	45,000	51,075
Ipalco Enterprises, Inc. 144A sr. notes 7 1/4s, 2016	115,000	127,938
Majapahit Holding BV 144A company guaranty sr. unsec. notes 8s, 2019 (Indonesia)	400,000	505,000

CORPORATE BONDS AND NOTES (30.4%)* *cont.*	**Principal amount**	**Value**
Utilities and power *cont.*		
Majapahit Holding BV 144A company guaranty sr. unsec. notes 7 3/4s, 2020 (Indonesia)	$785,000	$983,173
NGPL PipeCo, LLC 144A sr. notes 9 5/8s, 2019	75,000	85,500
NRG Energy, Inc. company guaranty sr. unsec. notes 7 7/8s, 2021	595,000	647,063
NV Energy, Inc. sr. unsec. notes 6 1/4s, 2020	110,000	127,111
Regency Energy Partners company guaranty sr. unsec. unsub. notes 5 1/2s, 2023	120,000	120,900
Texas Competitive/Texas Competitive Electric Holdings Co.,		

LLC 144A company guaranty sr. notes 11 1/2s, 2020		90,000	70,425
			6,872,106
Total corporate bonds and notes (cost $103,795,991)			**$108,273,382**

U.S. GOVERNMENT AND AGENCY MORTGAGE OBLIGATIONS (17.7%)*		**Principal amount**	**Value**
U.S. Government Guaranteed Mortgage Obligations (0.8%)			
Government National Mortgage Association			
Pass-Through Certificates			
6 1/2s, November 20, 2038		$715,368	$810,322
3s, TBA, November 1, 2042		1,000,000	1,068,476
3s, TBA, October 1, 2042		1,000,000	1,071,250
			2,950,048
U.S. Government Agency Mortgage Obligations (16.9%)			
Federal Home Loan Mortgage Corporation Pass-Through			
Certificates 3s, TBA, October 1, 2042		7,000,000	7,379,532
Federal National Mortgage Association			
Pass-Through Certificates			
3s, TBA, November 1, 2042		18,000,000	18,952,031
3s, TBA, October 1, 2042		32,000,000	33,777,501
			60,109,064
Total U.S. government and agency mortgage obligations (cost $61,645,807)			**$63,059,112**

FOREIGN GOVERNMENT AND AGENCY BONDS AND NOTES (8.0%)*		**Principal amount**	**Value**
Argentina (Republic of) sr. unsec. bonds 7s, 2017		$1,520,000	$1,292,000
Argentina (Republic of) sr. unsec. bonds Ser. VII, 7s, 2013		197,000	196,015
Argentina (Republic of) sr. unsec. bonds FRB 0.739s, 2013		1,431,000	174,582
Argentina (Republic of) sr. unsec. unsub. bonds 7s, 2015		5,501,000	5,019,662
Brazil (Federal Republic of) unsec. notes 10s, 2017	BRL	1,500	782,857

Brazil (Federal Republic of) unsub. notes 10s, 2014	BRL	990	512,313
Chile (Republic of) notes 5 1/2s, 2020	CLP	170,000,000	382,057
Croatia (Republic of) 144A sr. unsec. unsub. notes 6 3/8s, 2021		$265,000	293,925
Croatia (Republic of) 144A unsec. notes 6 1/4s, 2017		225,000	242,518
Export-Import Bank of Korea 144A sr. unsec. unsub. notes 5.1s, 2013	INR	22,600,000	415,147
Ghana (Republic of) 144A unsec. notes 8 1/2s, 2017		$690,000	808,232
Indonesia (Republic of) 144A sr. unsec. unsub. bonds 6 3/4s, 2014		1,590,000	1,703,160

FOREIGN GOVERNMENT AND AGENCY BONDS AND NOTES (8.0%)* *cont.*		**Principal amount**	**Value**
International Bank for Reconstruction & Development sr. disc. unsec. unsub. notes Ser. GDIF, 5 1/4s, 2014	RUB	9,750,000	$303,783
Ireland (Republic of) unsec. bonds 5 1/2s, 2017	EUR	443,000	613,772
Portugal (Republic of) sr. unsec. bonds 4.35s, 2017	EUR	443,000	504,522
Russia (Federation of) 144A unsec. notes 3 1/4s, 2017		$2,600,000	2,723,734
Russia (Federation of) 144A unsec. unsub. bonds 7 1/2s, 2030		1,964,200	2,460,161
Spain (Kingdom of) sr. unsec. bonds 5 1/2s, 2017	EUR	443,000	582,581
Sri Lanka (Republic of) 144A notes 7.4s, 2015		$200,000	218,374
Turkey (Republic of) sr. unsec. notes 7 1/2s, 2017		1,205,000	1,447,808

Ukraine (Government of) Financing of Infrastructural Projects State Enterprise 144A govt. guaranty notes 8 3/8s, 2017	175,000	161,000
Ukraine (Government of) 144A bonds 7 3/4s, 2020	385,000	380,653
Ukraine (Government of) 144A notes 9 1/4s, 2017	1,340,000	1,404,491
Ukraine (Government of) 144A sr. unsec. bonds 7.95s, 2014	300,000	300,736
Ukraine (Government of) 144A sr. unsec. notes 7.95s, 2021	360,000	358,967
Ukraine (Government of) 144A sr. unsec. unsub. notes 7.65s, 2013	1,715,000	1,726,148
Venezuela (Republic of) unsec. notes 10 3/4s, 2013	1,985,000	2,044,867
Venezuela (Republic of) 144A unsec. bonds 13 5/8s, 2018	1,285,000	1,373,768
Total foreign government and agency bonds and notes (cost $27,181,034)		**$28,427,833**

PURCHASED OPTIONS OUTSTANDING (5.8%)*	**Expiration date/ strike price**	**Contract amount**	**Value**
Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 2.28% versus the three month USD-LIBOR-BBA maturing October 2022.	Oct-12/2.28	$800,000	$8
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 1.82% versus the three month USD-LIBOR-BBA maturing November 2022.	Nov-12/1.82	2,578,000	35,370
Option on an interest rate swap with Bank of America, N.A. for the right to receive a fixed rate of 2.085% versus the three month USD-LIBOR-BBA maturing October 2022.	Oct-12/2.085	2,633,000	92,366
Option on an interest rate swap with Credit Suisse International for the right to receive a fixed rate of 2.193% versus the three month USD-LIBOR-BBA			

maturing October 2022.	Oct-12/2.193	6,702,000	303,198
Option on an interest rate swap with Deutsche Bank AG for the right to receive a fixed rate of 2.225% versus the three month USD-LIBOR-BBA maturing October 2022.	Oct-12/2.225	4,714,000	225,329
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 2.28% versus the three month USD-LIBOR-BBA maturing October 2022.	Oct-12/2.28	800,000	42,376

PURCHASED OPTIONS OUTSTANDING (5.8%)* *cont.*	**Expiration date/ strike price**	**Contract amount**	**Value**
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 2.3175% versus the three month USD-LIBOR-BBA maturing October 2022.	Oct-12/2.3175	$4,714,000	$266,341
Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 2.305% versus the three month USD-LIBOR-BBA maturing November 2022.	Nov-12/2.305	800,000	360
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 1.835% versus the three month USD-LIBOR-BBA maturing November 2022.	Nov-12/1.835	2,578,000	39,315
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 1.845% versus the three month USD-LIBOR-BBA maturing December 2022.	Dec-12/1.845	2,578,000	42,949
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 1.855% versus the three month USD-LIBOR-BBA maturing December 2022.	Dec-12/1.855	2,578,000	46,275

Option on an interest rate swap with Deutsche Bank AG for the right to receive a fixed rate of 2.1125% versus the three month USD-LIBOR-BBA maturing November 2022.	Nov-12/2.1125	2,633,000	95,288
Option on an interest rate swap with Deutsche Bank AG for the right to receive a fixed rate of 2.2475% versus the three month USD-LIBOR-BBA maturing November 2022.	Nov-12/2.2475	4,714,000	227,309
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 2.305% versus the three month USD-LIBOR-BBA maturing November 2022.	Nov-12/2.305	800,000	42,544
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 2.34375% versus the three month USD-LIBOR-BBA maturing November 2022.	Nov-12/2.34375	4,714,000	268,792
Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 2.325% versus the three month USD-LIBOR-BBA maturing December 2022.	Dec-12/2.325	800,000	1,232
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 1.8625% versus the three month USD-LIBOR-BBA maturing January 2023.	Jan-13/1.8625	2,578,000	48,338
Option on an interest rate swap with Deutsche Bank AG for the right to receive a fixed rate of 2.13375% versus the three month USD-LIBOR-BBA maturing December 2022.	Dec-12/2.13375	2,633,000	99,317
Option on an interest rate swap with Deutsche Bank AG for the right to receive a fixed rate of 2.27% versus the three month USD-LIBOR-BBA maturing December 2022.	Dec-12/2.27	4,714,000	231,175

PURCHASED OPTIONS OUTSTANDING (5.8%)* *cont.*	**Expiration date/ strike price**	**Contract amount**	**Value**
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 2.325% versus the three month USD-LIBOR-BBA maturing December 2022.	Dec-12/2.325	$800,000	$43,080
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 2.3675% versus the three month USD-LIBOR-BBA maturing December 2022.	Dec-12/2.3675	4,714,000	271,479
Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 2.8825% versus the three month USD-LIBOR-BBA maturing December 2042.	Dec-12/2.8825	2,260,000	28,702
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 2.8825% versus the three month USD-LIBOR-BBA maturing December 2042.	Dec-12/2.8825	2,260,000	150,765
Option on an interest rate swap with Barclay’s Bank, PLC for the right to pay a fixed rate of 1.75% versus the three month USD-LIBOR-BBA maturing December 2022.	Dec-12/1.75	11,763,000	160,918
Option on an interest rate swap with Barclay’s Bank, PLC for the right to receive a fixed rate of 1.75% versus the three month USD-LIBOR-BBA maturing December 2022.	Dec-12/1.75	11,763,000	141,627
Option on an interest rate swap with Credit Suisse International for the right to pay a fixed rate of 4.28% versus the three month USD-LIBOR-BBA maturing August 2026. **E**	Aug-16/4.28	24,236,000	586,463
Option on an interest rate swap with Credit Suisse International for the right to pay a fixed rate of 4.67% versus the three month USD-LIBOR-BBA maturing July 2026. **E**	Jul-16/4.67	19,702,000	378,515
Option on an interest rate swap with Citibank, N.A.			

for the right to pay a fixed rate of 4.74% versus the three month USD-LIBOR-BBA maturing July 2026. **E**	Jul-16/4.74	12,253,944	223,438
Option on an interest rate swap with Credit Suisse International for the right to receive a fixed rate of 4.28% versus the three month USD-LIBOR-BBA maturing August 2026. **E**	Aug-16/4.28	24,236,000	3,584,504
Option on an interest rate swap with Credit Suisse International for the right to receive a fixed rate of 4.67% versus the three month USD-LIBOR-BBA maturing July 2026. **E**	Jul-16/4.67	19,702,000	3,479,373
Option on an interest rate swap with Citibank, N.A. for the right to receive a fixed rate of 4.74% versus the three month USD-LIBOR-BBA maturing July 2026. **E**	Jul-16/4.74	12,253,944	2,225,586
Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 4.17% versus the three month USD-LIBOR-BBA maturing August 2021. **E**	Aug-16/4.17	5,316,000	59,343
Option on an interest rate swap with JPMorgan Chase Bank NA for the right to pay a fixed rate of 4.17% versus the three month USD-LIBOR-BBA maturing August 2021. **E**	Aug-16/4.17	5,316,000	59,343

PURCHASED OPTIONS OUTSTANDING (5.8%)* *cont.*	**Expiration date/ strike price**	**Contract amount**	**Value**
Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 4.705% versus the three month USD-LIBOR-BBA maturing May 2021. **E**	May-16/4.705	$14,853,000	$113,150
Option on an interest rate swap with JPMorgan Chase Bank NA for the right to pay a fixed rate of 4.705% versus the three month USD-LIBOR-BBA maturing May 2021. **E**	May-16/4.705	14,853,000	113,150

Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 4.72% versus the three month USD-LIBOR-BBA maturing May 2021. E	May-16/4.72	15,808,000	121,010
Option on an interest rate swap with JPMorgan Chase Bank NA for the right to pay a fixed rate of 5.11% versus the three month USD-LIBOR-BBA maturing May 2021. E	May-16/5.11	10,549,000	68,600
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 4.17% versus the three month USD-LIBOR-BBA maturing August 2021. E	Aug-16/4.17	5,316,000	511,532
Option on an interest rate swap with JPMorgan Chase Bank NA for the right to receive a fixed rate of 4.17% versus the three month USD-LIBOR-BBA maturing August 2021. E	Aug-16/4.17	5,316,000	511,532
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 4.705% versus the three month USD-LIBOR-BBA maturing May 2021. E	May-16/4.705	14,853,000	1,809,363
Option on an interest rate swap with JPMorgan Chase Bank NA for the right to receive a fixed rate of 4.705% versus the three month USD-LIBOR-BBA maturing May 2021. E	May-16/4.705	14,853,000	1,809,363
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 4.72% versus the three month USD-LIBOR-BBA maturing May 2021. E	May-16/4.72	15,808,000	1,930,837
Total purchased options outstanding (cost $20,566,862)			**$20,489,555**

SENIOR LOANS (2.0%)* c	**Principal amount**	**Value**
Ardent Health Services bank term loan FRN Ser. B, 6 1/2s, 2015	$219,390	$219,390

Burlington Coat Factory Warehouse Corp. bank term loan FRN Ser. B1, 5 1/2s, 2017	26,025	26,299
Caesars Entertainment Operating Co., Inc. bank term loan FRN Ser. B6, 5.467s, 2018	722,663	655,559
Charter Communications Operating, LLC bank term loan FRN Ser. C, 3.49s, 2016	621,091	621,091
Chesapeake Energy Corp. bank term loan FRN 8 1/2s, 2017	160,000	160,400
Clear Channel Communications, Inc. bank term loan FRN Ser. B, 3.882s, 2016	429,181	350,118
Compucom Systems, Inc. bank term loan FRN 3.74s, 2014	79,332	78,936
Del Monte Corp. bank term loan FRN Ser. B, 4 1/2s, 2018	110,257	109,936

SENIOR LOANS (2.0%)* c *cont.*	**Principal amount**	**Value**
Emergency Medical Services Corp. bank term loan FRN Ser. B, 5 1/4s, 2018	$156,644	$157,101
Frac Tech International, LLC bank term loan FRN Ser. B, 6 1/4s, 2016	140,497	134,745
Golden Nugget, Inc. bank term loan FRN Ser. B, 3.24s, 2014 ‡‡	101,338	96,575
Golden Nugget, Inc. bank term loan FRN Ser. DD, 3.24s, 2014 ‡‡	57,684	54,973
Goodman Global, Inc. bank term loan FRN 9s, 2017	114,545	115,405
Goodman Global, Inc. bank term loan FRN 5 3/4s, 2016	177,585	177,712
HUB International Holdings, Inc. bank term loan FRN 6 3/4s, 2017	70,997	71,618
Intelsat SA bank term loan FRN 3.221s, 2014 (Luxembourg)	460,000	455,745

Landry's, Inc. bank term loan FRN Ser. B, 6 1/2s, 2017	354,438	358,868
Momentive Performance Materials, Inc. bank term loan FRN Ser. B1, 3 3/4s, 2015	69,764	67,148
Motor City bank term loan FRN 6s, 2017	232,325	233,777
Multiplan, Inc. bank term loan FRN Ser. B, 4 3/4s, 2017	123,918	124,073
National Bedding Company, LLC bank term loan FRN Ser. B, 4s, 2013	71,374	71,240
Navistar, Inc. bank term loan FRN Ser. B, 7s, 2017	75,000	76,031
Neiman Marcus Group, Inc. (The) bank term loan FRN 4 3/4s, 2018	160,000	160,673
Nexeo Solutions, LLC bank term loan FRN Ser. B, 5s, 2017	88,650	87,874
Quintiles Transnational Corp. bank term loan FRN 7 1/2s, 2017 ‡‡	60,000	60,450
R.H. Donnelley, Inc. bank term loan FRN Ser. B, 9s, 2014	457,343	273,099
Realogy Corp. bank term loan FRN Ser. B, 4.478s, 2016	422,232	416,338
Revlon Consumer Products Corp. bank term loan FRN 4 3/4s, 2017	242,550	243,193
Rite Aid Corp. bank term loan FRN Ser. B, 1.98s, 2014	94,027	93,074
Servicemaster Co. bank term loan FRN 4.48s, 2017	67,438	67,649
Springleaf Financial bank term loan FRN Ser. B, 5 1/2s, 2017	170,000	166,303
SRAM Corp. bank term loan FRN 8 1/2s, 2018	60,000	60,900
Texas Competitive Electric Holdings Co., LLC bank term loan FRN 4.757s, 2017	640,516	439,654
Thomson Learning bank term loan FRN Ser. B, 2 1/2s, 2014	210,104	199,190
Tribune Co. bank term loan FRN Ser. B, 5 1/4s, 2014 (In default) †	289,000	218,031
Univision Communications, Inc. bank term loan FRN 4.482s, 2017	97,824	96,764

West Corp. bank term loan FRN Ser. B5, 5 1/2s, 2016		55,560	55,907
Total senior loans (cost $7,468,401)			**$7,055,839**

ASSET-BACKED SECURITIES (0.6%)*		**Principal amount**	**Value**
Bear Stearns Asset Backed Securities, Inc. FRB Ser. 04-FR3, Class M6, 5.092s, 2034		$44,609	$15,569
Citigroup Mortgage Loan Trust, Inc. Ser. 2005-WF2, Class AF4, 4.964s, 2035		384,448	365,226
Crest, Ltd. 144A Ser. 03-2A, Class E2, 8s, 2038		504,985	20,704
Granite Mortgages PLC			
FRB Ser. 03-2, Class 2C1, 3.01s, 2043	EUR	1,028,000	1,117,592
FRB Ser. 03-2, Class 3C, 3.333, 2043	GBP	384,009	524,603
Guggenheim Structured Real Estate Funding, Ltd. 144A FRB Ser. 05-2A, Class E, 2.217s, 2030 (Cayman Islands)		$405,145	202,572

ASSET-BACKED SECURITIES (0.6%)* *cont.*	**Principal amount**	**Value**
Morgan Stanley Capital, Inc. FRB Ser. 04-HE8, Class B3, 3.417s, 2034	$44,320	$15,640
TIAA Real Estate CDO, Ltd. Ser. 03-1A, Class E, 8s, 2038	530,378	53,038
Total asset-backed securities (cost $2,378,119)		**$2,314,944**

CONVERTIBLE BONDS AND NOTES (0.1%)*	**Principal amount**	**Value**
Ford Motor Co. cv. sr. unsec. notes 4 1/4s, 2016	$157,000	$217,445
Navistar International Corp. cv. sr. unsec. sub. notes 3s, 2014	70,000	62,081
Steel Dynamics, Inc. cv. sr. notes 5 1/8s, 2014	155,000	162,072

Total convertible bonds and notes (cost $374,488)		**$441,598**

CONVERTIBLE PREFERRED STOCKS (0.1%)*	**Shares**	**Value**
General Motors Co. Ser. B, $2.375 cv. pfd.	3,856	$144,720
Lucent Technologies Capital Trust I 7.75% cv. pfd.	176	101,640
United Technologies Corp. $3.75 cv. pfd. †	2,100	117,810
Total convertible preferred stocks (cost $470,500)		**$364,170**

PREFERRED STOCKS (0.1%)*	**Shares**	**Value**
Ally Financial, Inc. 144A 7.00% cum. pfd.	198	$185,223
M/I Homes, Inc. $2.438 pfd. †	4,410	90,008
Total preferred stocks (cost $148,711)		**$275,231**

WARRANTS (—%)* †	**Expiration date**	**Strike price**	**Warrants**	**Value**
Charter Communications, Inc. Class A	11/30/14	$0.01	20	$585
Smurfit Kappa Group PLC 144A (Ireland) **F**	10/1/13	EUR 1.00	508	26,594
Total warrants (cost $19,277)				**$27,179**

COMMON STOCKS (—%)*	**Shares**	**Value**
HealthSouth Corp. †	224	$5,389
Magellan Health Services, Inc. †	158	8,154
Trump Entertainment Resorts, Inc. †	94	376
Vertis Holdings, Inc. †**F**	734	7
Total common stocks (cost $17,619)		**$13,926**

SHORT-TERM INVESTMENTS (14.9%)*	**Principal amount/shares**	**Value**
Putnam Money Market Liquidity Fund 0.14% **L**	6,987,387	$6,987,387
SSgA Prime Money Market Fund 0.14% # **P**	1,625,020	1,625,020
Straight-A Funding, LLC with an effective yield of 0.178%, December 18, 2012	$8,000,000	7,996,880
U.S. Treasury Bills with an effective yield of 0.104% , December 13, 2012 # ##	5,000,000	4,999,165
U.S. Treasury Bills with effective yields ranging from 0.084% to 0.102%, November 15, 2012 # ##	5,534,000	5,533,364
U.S. Treasury Bills with an effective yield of 0.087%, October 18, 2012 # ##	26,095,000	26,093,916
Total short-term investments (cost $53,235,513)		**$53,235,732**
TOTAL INVESTMENTS		
Total investments (cost $434,937,582)		**$446,955,097**

Key to holding's currency abbreviations

AUD	Australian Dollar
BRL	Brazilian Real
CAD	Canadian Dollar
CHF	Swiss Franc
CLP	Chilean Peso
EUR	Euro
GBP	British Pound
INR	Indian Rupee
JPY	Japanese Yen
KRW	South Korean Won
MXN	Mexican Peso
MYR	Malaysian Ringgit
RUB	Russian Ruble
SEK	Swedish Krona

Key to holding's abbreviations

EMTN	Euro Medium Term Notes
FRB	Floating Rate Bonds: the rate shown is the current interest rate at the close of the reporting period
FRN	Floating Rate Notes: the rate shown is the current interest rate at the close of the reporting period
IFB	Inverse Floating Rate Bonds, which 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 rate shown is the current interest rate at the close of the reporting period.
IO	Interest Only
JSC	Joint Stock Company
OAO	Open Joint Stock Company
OJSC	Open Joint Stock Company
PO	Principal Only
TBA	To Be Announced Commitments

Notes to the fund's portfolio

Unless noted otherwise, the notes to the fund's portfolio are for the close of the fund's reporting period, which ran from October 1, 2011 through September 30, 2012 (the reporting period). Within the following notes to the portfolio, references to "ASC 820" represent Accounting Standards Codification ASC 820 *Fair Value Measurements and Disclosures*.

* Percentages indicated are based on net assets of $356,295,984.

† Non-income-producing security.

†† The interest or dividend rate and date shown parenthetically represent the new interest or dividend rate to be paid and the date the fund will begin accruing interest or dividend income at this rate.

‡‡ Income may be received in cash or additional securities at the discretion of the issuer.

This security, in part or in entirety, was pledged and segregated with the broker to cover margin requirements for futures contracts at the close of the reporting period.

This security, in part or in entirety, was pledged and segregated with the custodian for collateral on certain derivative contracts at the close of the reporting period.

[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 the close of the reporting period. 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 (Notes 1 and 7).

[E] Extended settlement date on premium.

[F] Is valued at fair value following procedures approved by the Trustees. Securities may be classified as Level 2 or Level 3 for ASC 820 based on the securities' valuation inputs.

[L] Affiliated company (Note 6). The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.

P Security was pledged, or purchased with cash that was pledged, to the fund for collateral on certain derivatives contracts. The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period (Note 1).

R Real Estate Investment Trust.

At the close of the reporting period, the fund maintained liquid assets totaling $121,828,532 to cover certain derivatives contracts.

Debt obligations are considered secured unless otherwise indicated.

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

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.

See Note 1 to the financial statements regarding TBA’s.

DIVERSIFICATION BY COUNTRY

Distribution of investments by country of risk at the close of the reporting period, excluding collateral received, if any (as a percentage of Portfolio Value):

United States	85.3%	Brazil	0.9%
Russia	3.0	Mexico	0.6
Venezuela	1.7	United Kingdom	0.6
Argentina	1.5	Netherlands	0.6
Ukraine	1.0	Germany	0.6
Luxembourg	1.0	Other	2.3
Indonesia	0.9	**Total**	**100.0%**

FORWARD CURRENCY CONTRACTS at 9/30/12 (aggregate face value $237,188,477)

Counterparty	Currency	Contract type	Delivery date	Value	Aggregate face value	Unrealized appreciation/ (depreciation)
Bank of America, N.A.						
	Euro	Buy	10/17/12	$1,163,269	$1,140,352	$22,917

	Euro	Sell	10/17/12	1,163,269	1,180,612	17,343
	Swedish Krona	Buy	10/17/12	974	951	23
	Swedish Krona	Sell	10/17/12	974	973	(1)
	Swiss Franc	Buy	10/17/12	1,377,409	1,354,268	23,141
Barclays Bank PLC						
	Australian Dollar	Buy	10/17/12	2,106,740	2,042,525	64,215
	Brazilian Real	Buy	10/17/12	1,156,017	1,144,633	11,384
	Brazilian Real	Sell	10/17/12	1,156,017	1,153,222	(2,795)
	British Pound	Sell	10/17/12	613,918	599,779	(14,139)
	Canadian Dollar	Sell	10/17/12	2,964,318	2,959,257	(5,061)
	Chilean Peso	Sell	10/17/12	162,230	172,771	10,541
	Czech Koruna	Buy	10/17/12	1,706,840	1,734,643	(27,803)
	Czech Koruna	Sell	10/17/12	1,706,840	1,695,655	(11,185)
	Euro	Sell	10/17/12	2,998,846	2,815,873	(182,973)
	Hungarian Forint	Buy	10/17/12	2,376	2,405	(29)
	Hungarian Forint	Sell	10/17/12	2,376	2,316	(60)
	Japanese Yen	Sell	10/17/12	786,383	784,133	(2,250)
	Malaysian Ringgit	Buy	10/17/12	546,711	543,151	3,560

FORWARD CURRENCY CONTRACTS at 9/30/12 (aggregate face value $237,188,477) *cont.*

Counterparty	Currency	Contract type	Delivery date	Value	Aggregate face value	Unrealized appreciation/ (depreciation)
Barclays Bank PLC *cont.*						
	Malaysian Ringgit	Sell	10/17/12	$547,071	$537,659	$(9,412)
	Mexican Peso	Buy	10/17/12	543,989	549,328	(5,339)
	Mexican Peso	Sell	10/17/12	543,989	540,600	(3,389)
	New Zealand Dollar	Sell	10/17/12	779,056	751,943	(27,113)
	Norwegian Krone	Sell	10/17/12	894,513	907,911	13,398
	Polish Zloty	Buy	10/17/12	230,903	294,168	(63,265)
	Singapore Dollar	Sell	10/17/12	489,968	477,650	(12,318)
	South African Rand	Sell	10/17/12	282,164	283,382	1,218
	South Korean Won	Buy	10/17/12	193,097	182,030	11,067
	Swedish Krona	Buy	10/17/12	1,840,047	1,803,893	36,154
	Swedish Krona	Sell	10/17/12	1,840,047	1,791,689	(48,358)
	Swiss Franc	Buy	10/17/12	1,204,475	1,205,716	(1,241)
	Swiss Franc	Sell	10/17/12	1,204,475	1,185,025	(19,450)
	Taiwan Dollar	Buy	10/17/12	1,683,082	1,674,599	8,483
	Taiwan Dollar	Sell	10/17/12	1,683,083	1,656,112	(26,971)
	Turkish Lira	Buy	10/17/12	1,300,864	1,287,157	13,707
Citibank, N.A.						
	Australian Dollar	Buy	10/17/12	2,356,316	2,307,387	48,929
	Brazilian Real	Sell	10/17/12	543,522	544,591	1,069

	British Pound	Sell	10/17/12	3,471,178	3,413,923	(57,255)
	Canadian Dollar	Buy	10/17/12	1,431,418	1,421,518	9,900
	Czech Koruna	Buy	10/17/12	1,061,272	1,073,613	(12,341)
	Czech Koruna	Sell	10/17/12	1,061,272	1,064,330	3,058
	Euro	Sell	10/17/12	4,577,763	4,490,157	(87,606)
	Japanese Yen	Sell	10/17/12	2,339,153	2,329,462	(9,691)
	Mexican Peso	Buy	10/17/12	25,941	25,445	496
	Mexican Peso	Sell	10/17/12	25,941	25,813	(128)
	Singapore Dollar	Buy	10/17/12	1,057,508	1,054,750	2,758
	Singapore Dollar	Sell	10/17/12	1,057,508	1,041,284	(16,224)
	South Korean Won	Buy	10/17/12	105,834	96,393	9,441
	Swiss Franc	Buy	10/17/12	792,986	773,184	19,802
	Taiwan Dollar	Sell	10/17/12	442,176	427,366	(14,810)
	Turkish Lira	Buy	10/17/12	1,146,910	1,130,813	16,097
Credit Suisse AG						
	Australian Dollar	Buy	10/17/12	3,239,833	3,135,440	104,393
	Brazilian Real	Sell	10/17/12	318,285	324,431	6,146
	British Pound	Sell	10/17/12	2,200,711	2,169,986	(30,725)
	Canadian Dollar	Buy	10/17/12	5,547,418	5,563,694	(16,276)
	Canadian Dollar	Sell	10/17/12	5,548,588	5,560,306	11,718
	Chilean Peso	Sell	10/17/12	225,488	229,111	3,623

	Czech Koruna	Buy	10/17/12	1,782,936	1,809,814	(26,878)
	Czech Koruna	Sell	10/17/12	1,782,935	1,786,052	3,117
	Euro	Sell	10/17/12	2,174,237	2,060,355	(113,882)
	Hungarian Forint	Buy	10/17/12	549,409	541,757	7,652

FORWARD CURRENCY CONTRACTS at 9/30/12 (aggregate face value $237,188,477) *cont.*

Counterparty	Currency	Contract type	Delivery date	Value	Aggregate face value	Unrealized appreciation/ (depreciation)
Credit Suisse AG *cont.*						
	Hungarian Forint	Sell	10/17/12	$549,406	$535,950	$(13,456)
	Japanese Yen	Buy	10/17/12	1,713,109	1,706,383	6,726
	Malaysian Ringgit	Buy	10/17/12	411,742	403,517	8,225
	Malaysian Ringgit	Sell	10/17/12	411,741	410,591	(1,150)
	Mexican Peso	Buy	10/17/12	548,636	553,873	(5,237)
	New Zealand Dollar	Sell	10/17/12	831,717	802,455	(29,262)
	Norwegian Krone	Sell	10/17/12	466,953	495,590	28,637
	Philippines Peso	Buy	10/17/12	818,224	812,794	5,430
	Polish Zloty	Buy	10/17/12	534,492	552,220	(17,728)
	Singapore Dollar	Buy	10/17/12	1,316,956	1,312,310	4,646
	Singapore Dollar	Sell	10/17/12	1,316,956	1,298,983	(17,973)

	South African Rand	Buy	10/17/12	591,725	585,789	5,936
	South African Rand	Sell	10/17/12	591,724	598,128	6,404
	South Korean Won	Buy	10/17/12	659,319	636,248	23,071
	Swedish Krona	Buy	10/17/12	3,743,793	3,733,970	9,823
	Swedish Krona	Sell	10/17/12	3,743,792	3,716,094	(27,698)
	Swiss Franc	Buy	10/17/12	1,914	1,884	30
	Swiss Franc	Sell	10/17/12	1,914	1,916	2
	Taiwan Dollar	Sell	10/17/12	374,529	360,465	(14,064)
	Turkish Lira	Buy	10/17/12	862,764	851,295	11,469
Deutsche Bank AG						
	Australian Dollar	Buy	10/17/12	805,607	759,057	46,550
	Brazilian Real	Sell	10/17/12	273,435	280,644	7,209
	British Pound	Sell	10/17/12	1,828,517	1,796,817	(31,700)
	Canadian Dollar	Buy	10/17/12	484,732	473,099	11,633
	Czech Koruna	Buy	10/17/12	1,072,355	1,099,207	(26,852)
	Czech Koruna	Sell	10/17/12	1,072,355	1,069,231	(3,124)
	Euro	Sell	10/17/12	2,777,143	2,688,499	(88,644)
	Japanese Yen	Buy	10/17/12	549,272	556,399	(7,127)
	Mexican Peso	Buy	10/17/12	230,015	223,078	6,937
	Norwegian Krone	Buy	10/17/12	911,574	890,445	21,129
	Polish Zloty	Buy	10/17/12	469,437	514,689	(45,252)

	Singapore Dollar	Sell	10/17/12	230,683	219,867	(10,816)
	South Korean Won	Buy	10/17/12	168,851	159,990	8,861
	Swedish Krona	Buy	10/17/12	1,814,924	1,775,148	39,776
	Swedish Krona	Sell	10/17/12	1,814,924	1,775,668	(39,256)
	Swiss Franc	Buy	10/17/12	14,996	15,011	(15)
	Swiss Franc	Sell	10/17/12	14,996	14,754	(242)
	Turkish Lira	Buy	10/17/12	1,157,958	1,142,080	15,878
	Turkish Lira	Sell	10/17/12	1,157,958	1,147,180	(10,778)
Goldman Sachs International						
	British Pound	Buy	10/17/12	275,957	271,268	4,689
	British Pound	Sell	10/17/12	275,957	277,765	1,808
	Czech Koruna	Buy	10/17/12	25,503	25,889	(386)

FORWARD CURRENCY CONTRACTS at 9/30/12 (aggregate face value $237,188,477) *cont.*

Counterparty	Currency	Contract type	Delivery date	Value	Aggregate face value	Unrealized appreciation/ (depreciation)
Goldman Sachs International *cont.*						
	Czech Koruna	Sell	10/17/12	$25,503	$25,387	$(116)
	Euro	Buy	10/17/12	27,504	21,374	6,130
	Norwegian Krone	Buy	10/17/12	135,955	134,137	1,818

	Norwegian Krone	Sell	10/17/12	135,955	135,361	(594)
	Singapore Dollar	Sell	10/17/12	239,157	225,493	(13,664)
	South Korean Won	Buy	10/17/12	21,188	20,662	526
	Swedish Krona	Buy	10/17/12	5,798	5,664	134
	Swedish Krona	Sell	10/17/12	5,798	5,795	(3)
	Turkish Lira	Buy	10/17/12	183,823	181,256	2,567
	Turkish Lira	Sell	10/17/12	183,823	184,755	932
HSBC Bank USA, National Association						
	Australian Dollar	Buy	10/17/12	14	5,061	(5,047)
	British Pound	Sell	10/17/12	1,011,861	986,225	(25,636)
	Canadian Dollar	Buy	10/17/12	1,794,942	1,803,193	(8,251)
	Canadian Dollar	Sell	10/17/12	1,794,942	1,799,951	5,009
	Czech Koruna	Buy	10/17/12	1,061,293	1,073,623	(12,330)
	Czech Koruna	Sell	10/17/12	1,061,293	1,066,331	5,038
	Euro	Sell	10/17/12	2,032,862	1,918,471	(114,391)
	Indian Rupee	Buy	10/17/12	29,523	64,654	(35,131)
	Japanese Yen	Buy	10/17/12	1,376,408	1,367,727	8,681
	Norwegian Krone	Buy	10/17/12	479,322	475,280	4,042
	Norwegian Krone	Sell	10/17/12	479,322	473,299	(6,023)
	Russian Ruble	Buy	10/17/12	540,108	551,820	(11,712)
	Singapore Dollar	Buy	10/17/12	1,057,508	1,054,682	2,826
	Singapore Dollar	Sell	10/17/12	1,057,508	1,041,367	(16,141)

	South Korean Won	Buy	10/17/12	323,908	313,803	10,105
	Turkish Lira	Buy	10/17/12	1,019,661	992,689	26,972
JPMorgan Chase Bank, N.A.						
	Australian Dollar	Buy	10/17/12	2,939,491	2,894,571	44,920
	Australian Dollar	Sell	10/17/12	2,939,491	2,946,870	7,379
	Brazilian Real	Sell	10/17/12	173,690	177,360	3,670
	British Pound	Sell	10/17/12	447,441	430,564	(16,877)
	Canadian Dollar	Buy	10/17/12	1,874,663	1,882,886	(8,223)
	Canadian Dollar	Sell	10/17/12	1,874,663	1,890,834	16,171
	Chilean Peso	Buy	10/17/12	100,088	92,724	7,364
	Czech Koruna	Buy	10/17/12	2,249,834	2,285,808	(35,974)
	Czech Koruna	Sell	10/17/12	2,249,834	2,237,477	(12,357)
	Euro	Sell	10/17/12	736,185	642,903	(93,282)
	Hungarian Forint	Buy	10/17/12	549,408	537,723	11,685
	Hungarian Forint	Sell	10/17/12	549,408	536,010	(13,398)
	Japanese Yen	Sell	10/17/12	1,588,814	1,584,747	(4,067)
	Mexican Peso	Buy	10/17/12	352,691	354,517	(1,826)
	Mexican Peso	Sell	10/17/12	352,691	346,044	(6,647)

FORWARD CURRENCY CONTRACTS at 9/30/12 (aggregate face value $237,188,477) *cont.*

Counterparty	Currency	Contract type	Delivery date	Value	Aggregate face value	Unrealized appreciation/ (depreciation)
JPMorgan Chase Bank, N.A. *cont.*						
	New Zealand Dollar	Sell	10/17/12	$819,463	$812,105	$(7,358)
	Norwegian Krone	Buy	10/17/12	2,095,616	2,062,895	32,721
	Polish Zloty	Buy	10/17/12	246,138	274,253	(28,115)
	Russian Ruble	Buy	10/17/12	220,904	244,416	(23,512)
	Singapore Dollar	Sell	10/17/12	85,070	71,769	(13,301)
	South African Rand	Sell	10/17/12	120,249	117,085	(3,164)
	South Korean Won	Buy	10/17/12	236,887	224,461	12,426
	Swedish Krona	Buy	10/17/12	1,597,659	1,561,617	36,042
	Taiwan Dollar	Sell	10/17/12	471,603	452,152	(19,451)
	Turkish Lira	Buy	10/17/12	68,343	58,006	10,337
Royal Bank of Scotland PLC (The)						
	Australian Dollar	Buy	10/17/12	1,968	1,962	6
	Australian Dollar	Sell	10/17/12	1,968	1,937	(31)
	Brazilian Real	Buy	10/17/12	32,985	32,693	292
	Brazilian Real	Sell	10/17/12	32,985	32,990	5
	British Pound	Buy	10/17/12	158,405	155,675	2,730
	British Pound	Sell	10/17/12	158,405	159,443	1,038
	Czech Koruna	Buy	10/17/12	11,461	11,415	46

	Czech Koruna	Sell	10/17/12	11,461	11,670	209
	Euro	Buy	10/17/12	52,695	51,575	1,120
	Japanese Yen	Sell	10/17/12	82,951	82,556	(395)
	Mexican Peso	Buy	10/17/12	26,298	26,379	(81)
	Mexican Peso	Sell	10/17/12	26,298	25,795	(503)
	Norwegian Krone	Buy	10/17/12	657,146	647,947	9,199
	Norwegian Krone	Sell	10/17/12	657,146	654,293	(2,853)
	Singapore Dollar	Buy	10/17/12	807,350	808,892	(1,542)
	Singapore Dollar	Sell	10/17/12	807,350	794,853	(12,497)
	South Korean Won	Buy	10/17/12	16,059	15,675	384
	Swiss Franc	Buy	10/17/12	782,031	769,062	12,969
	Swiss Franc	Sell	10/17/12	782,031	782,834	803
	Taiwan Dollar	Buy	10/17/12	204,622	203,671	951
	Taiwan Dollar	Sell	10/17/12	204,622	200,874	(3,748)
	Turkish Lira	Buy	10/17/12	75,838	72,147	3,691
State Street Bank and Trust Co.						
	Australian Dollar	Buy	10/17/12	1,811,994	1,792,358	19,636
	Australian Dollar	Sell	10/17/12	1,811,994	1,808,759	(3,235)
	Brazilian Real	Sell	10/17/12	1,089,701	1,085,817	(3,884)
	British Pound	Buy	10/17/12	3,621,994	3,612,105	9,889
	British Pound	Sell	10/17/12	3,621,994	3,627,969	5,975
	Canadian Dollar	Sell	10/17/12	1,216,151	1,220,161	4,010

	Chilean Peso	Buy	10/17/12	22,743	20,412	2,331
	Czech Koruna	Buy	10/17/12	1,289,352	1,321,597	(32,245)
	Czech Koruna	Sell	10/17/12	1,289,352	1,282,936	(6,416)
	Euro	Sell	10/17/12	3,228,134	3,146,823	(81,311)

FORWARD CURRENCY CONTRACTS at 9/30/12 (aggregate face value $237,188,477) *cont.*

Counterparty	**Currency**	**Contract type**	**Delivery date**	**Value**	**Aggregate face value**	**Unrealized appreciation/ (depreciation)**
State Street Bank and Trust Co. *cont.*						
	Hungarian Forint	Buy	10/17/12	$572,565	$558,476	$14,089
	Hungarian Forint	Sell	10/17/12	572,565	559,418	(13,147)
	Japanese Yen	Sell	10/17/12	1,255,780	1,253,147	(2,633)
	Mexican Peso	Buy	10/17/12	122,420	134,087	(11,667)
	New Zealand Dollar	Sell	10/17/12	552,932	530,267	(22,665)
	Norwegian Krone	Buy	10/17/12	1,583,584	1,554,312	29,272
	Polish Zloty	Buy	10/17/12	141,233	189,458	(48,225)
	Singapore Dollar	Sell	10/17/12	372,548	362,173	(10,375)
	South African Rand	Sell	10/17/12	400,338	405,673	5,335
	South Korean Won	Buy	10/17/12	110,717	98,619	12,098
	Swedish Krona	Buy	10/17/12	234,841	235,616	(775)

	Swiss Franc	Buy	10/17/12	1,439,414	1,416,490	22,924
	Taiwan Dollar	Sell	10/17/12	549,701	530,922	(18,779)
	Thai Baht	Buy	10/17/12	812,069	799,770	12,299
	Turkish Lira	Buy	10/17/12	1,152,017	1,138,649	13,368
	Turkish Lira	Sell	10/17/12	1,152,017	1,150,939	(1,078)
UBS AG						
	Australian Dollar	Buy	10/17/12	2,705,143	2,650,661	54,482
	British Pound	Sell	10/17/12	409,818	392,627	(17,191)
	Canadian Dollar	Buy	10/17/12	2,780,675	2,779,766	909
	Canadian Dollar	Sell	10/17/12	2,780,675	2,771,084	(9,591)
	Czech Koruna	Buy	10/17/12	1,061,293	1,073,653	(12,360)
	Czech Koruna	Sell	10/17/12	1,061,293	1,063,337	2,044
	Euro	Sell	10/17/12	1,776,328	1,693,600	(82,728)
	Hungarian Forint	Buy	10/17/12	537,403	524,198	13,205
	Hungarian Forint	Sell	10/17/12	537,403	541,104	3,701
	Indian Rupee	Sell	10/17/12	409,110	351,627	(57,483)
	Japanese Yen	Sell	10/17/12	3,009,163	2,999,020	(10,143)
	Mexican Peso	Buy	10/17/12	274,853	282,897	(8,044)
	New Zealand Dollar	Sell	10/17/12	819,545	812,192	(7,353)
	Norwegian Krone	Buy	10/17/12	4,063,740	4,016,433	47,307
	Philippines Peso	Buy	10/17/12	818,224	813,065	5,159
	Russian Ruble	Buy	10/17/12	540,108	551,838	(11,730)

	Singapore Dollar	Sell	10/17/12	785,594	765,962	(19,632)
	South African Rand	Sell	10/17/12	184,839	199,707	14,868
	Swedish Krona	Buy	10/17/12	1,348,057	1,346,811	1,246
	Swedish Krona	Sell	10/17/12	1,348,057	1,343,798	(4,259)
	Swiss Franc	Sell	10/17/12	3,809,333	3,736,069	(73,264)
	Taiwan Dollar	Buy	10/17/12	1,683,078	1,674,166	8,912
	Taiwan Dollar	Sell	10/17/12	1,683,078	1,653,506	(29,572)
	Thai Baht	Buy	10/17/12	812,066	799,677	12,389
	Turkish Lira	Buy	10/17/12	611,208	596,747	14,461

FORWARD CURRENCY CONTRACTS at 9/30/12 (aggregate face value $237,188,477) *cont.*

Counterparty	Currency	Contract type	Delivery date	Value	Aggregate face value	Unrealized appreciation/ (depreciation)
WestPac Banking Corp.						
	Australian Dollar	Buy	10/17/12	$652,587	$637,924	$14,663
	British Pound	Buy	10/17/12	1,545,293	1,520,224	25,069
	Canadian Dollar	Buy	10/17/12	1,879,442	1,897,587	(18,145)
	Canadian Dollar	Sell	10/17/12	1,879,442	1,891,478	12,036
	Euro	Sell	10/17/12	573,217	509,724	(63,493)
	Japanese Yen	Buy	10/17/12	1,298,896	1,293,763	5,133

	Mexican Peso	Buy	10/17/12	295,038	299,834	(4,796)
	Norwegian Krone	Buy	10/17/12	658,140	649,256	8,884
	Norwegian Krone	Sell	10/17/12	658,140	652,608	(5,532)
	Swedish Krona	Sell	10/17/12	992,608	969,790	(22,818)
Total						**$(1,065,687)**

FUTURES CONTRACTS OUTSTANDING at 9/30/12

	Number of contracts	Value	Expiration date	Unrealized appreciation/ (depreciation)
Australian Government Treasury Bond 3 yr (Short)	46	$5,273,238	Dec-12	$(28,526)
Australian Government Treasury Bond 10 yr (Long)	3	394,876	Dec-12	6,686
Canadian Government Bond 10 yr (Long)	26	3,630,638	Dec-12	31,882
Euro-Bobl 5 yr (Short)	83	13,405,986	Dec-12	17,803
Euro-Bund 10 yr (Short)	159	28,966,859	Dec-12	94,506
Euro-Swiss Franc 3 Month (Short)	38	10,102,020	Dec-12	(146,956)
Japanese Government Bond 10 yr (Short)	12	22,171,707	Dec-12	(78,491)
Japanese Government Bond 10 yr Mini (Long)	4	739,313	Dec-12	3,004
U.K. Gilt 10 yr (Short)	4	779,108	Dec-12	1,023
Total				**$(99,069)**

WRITTEN OPTIONS OUTSTANDING at 9/30/12 (premiums $18,902,333)

	Contract amount	Expiration date/ strike price	Value
Option on an interest rate swap with Goldman Sachs International for the obligation to receive a fixed rate of 1.75% versus the three month USD-LIBOR-BBA maturing October 2022.	$7,802,000	Oct-12/1.75	$35,967
Option on an interest rate swap with Goldman Sachs International for the obligation to pay a fixed rate of 1.75% versus the three month USD-LIBOR-BBA maturing October 2022.	7,802,000	Oct-12/1.75	58,905
Option on an interest rate swap with Goldman Sachs International for the obligation to receive a fixed rate of 3.49% versus the three month USD-LIBOR-BBA maturing September 2026. **E**	526,562	Sep-16/3.49	21,357

WRITTEN OPTIONS OUTSTANDING at 9/30/12 (premiums $18,902,333)
cont.

	Contract amount	Expiration date/ strike price	Value
Option on an interest rate swap with Bank of America, N.A. for the obligation to receive a fixed rate of 4.28% versus the three month USD-LIBOR-BBA maturing August 2026. **E**	$11,059,894	Aug-16/4.28	$267,627
Option on an interest rate swap with Barclay’s Bank, PLC for the obligation to receive a fixed rate of 4.67% versus the three month USD-LIBOR-BBA maturing July 2026. **E**	6,554,860	Jul-16/4.67	125,932
Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to receive a fixed rate of 4.74% versus the three month USD-LIBOR-BBA maturing July 2026. **E**	6,572,614	Jul-16/4.74	119,845

Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to receive a fixed rate of 4.79% versus the three month USD-LIBOR-BBA maturing July 2026. E	3,686,784	Jul-16/4.79	65,628
Option on an interest rate swap with Barclay's Bank, PLC for the obligation to receive a fixed rate of 4.80% versus the three month USD-LIBOR-BBA maturing July 2026. E	2,621,944	Jul-16/4.80	46,526
Option on an interest rate swap with Citibank, N.A. for the obligation to receive a fixed rate of 5.86% versus the three month USD-LIBOR-BBA maturing June 2026. E	3,945,779	Jun-16/5.86	38,353
Option on an interest rate swap with Goldman Sachs International for the obligation to pay a fixed rate of 3.49% versus the three month USD-LIBOR-BBA maturing September 2026. E	526,562	Sep-16/3.49	49,843
Option on an interest rate swap with Bank of America, N.A. for the obligation to pay a fixed rate of 4.28% versus the three month USD-LIBOR-BBA maturing August 2026. E	11,059,894	Aug-16/4.28	1,625,063
Option on an interest rate swap with Bank of America, N.A. for the obligation to pay a fixed rate of 4.35% versus the three month USD-LIBOR-BBA maturing August 2026. E	26,715,351	Aug-16/4.35	4,074,278
Option on an interest rate swap with Barclay's Bank, PLC for the obligation to pay a fixed rate of 4.67% versus the three month USD-LIBOR-BBA maturing July 2026. E	6,554,860	Jul-16/4.67	1,203,761
Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to pay a fixed rate of 4.74% versus the three month USD-LIBOR-BBA maturing July 2026. E	6,572,614	Jul-16/4.74	1,193,731
Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to pay a fixed rate of 4.79% versus the three month USD-LIBOR-BBA maturing July 2026. E	3,686,784	Jul-16/4.79	682,730
Option on an interest rate swap with Barclay's Bank, PLC for the obligation to pay a fixed rate of 4.80% versus			

the three month USD-LIBOR-BBA maturing July 2026. **E**	2,621,944	Jul-16/4.80	508,911
Option on an interest rate swap with Citibank, N.A. for the obligation to pay a fixed rate of 4.86% versus the three month USD-LIBOR-BBA maturing June 2026. **E**	3,945,779	Jun-16/4.86	756,189

WRITTEN OPTIONS OUTSTANDING at 9/30/12 (premiums $18,902,333)
cont.

	Contract amount	Expiration date/ strike price	Value
Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to receive a fixed rate of 4.575% versus the three month USD-LIBOR-BBA maturing June 2021. **E**	$544,291	Jun-16/4.575	$4,562
Option on an interest rate swap with Deutsche Bank AG for the obligation to receive a fixed rate of 4.60% versus the three month USD-LIBOR-BBA maturing May 2021. **E**	10,187,746	May-16/4.60	83,590
Option on an interest rate swap with Citibank, N.A. for the obligation to receive a fixed rate of 4.61% versus the three month USD-LIBOR-BBA maturing June 2021. **E**	1,659,222	Jun-16/4.61	14,070
Option on an interest rate swap with Citibank, N.A. for the obligation to receive a fixed rate of 4.705% versus the three month USD-LIBOR-BBA maturing May 2021. **E**	24,507,428	May-16/4.705	186,698
Option on an interest rate swap with Deutsche Bank AG for the obligation to receive a fixed rate of 4.765% versus the three month USD-LIBOR-BBA maturing May 2021. **E**	3,106,561	May-16/4.765	23,274
Option on an interest rate swap with Goldman Sachs International for the obligation to receive a fixed rate of 4.86% versus the three month USD-LIBOR-BBA maturing May 2021. **E**	10,238,704	May-16/4.86	74,466
Option on an interest rate swap with Barclay’s Bank,			

PLC for the obligation to receive a fixed rate of 4.89% versus the three month USD-LIBOR-BBA maturing June 2021. **E**	547,769	Jun-16/4.89	3,968
Option on an interest rate swap with Citibank, N.A. for the obligation to receive a fixed rate of 5.11% versus the three month USD-LIBOR-BBA maturing May 2021. **E**	10,072,118	May-16/5.11	65,499
Option on an interest rate swap with Citibank, N.A. for the obligation to receive a fixed rate of 5.12% versus the three month USD-LIBOR-BBA maturing June 2021. **E**	556,661	Jun-16/5.12	3,639
Option on an interest rate swap with Citibank, N.A. for the obligation to pay a fixed rate of 4.11% versus the three month USD-LIBOR-BBA maturing May 2021. **E**	10,072,118	May-16/4.11	970,026
Option on an interest rate swap with Citibank, N.A. for the obligation to pay a fixed rate of 4.12% versus the three month USD-LIBOR-BBA maturing June 2021. **E**	556,661	Jun-16/4.12	53,750
Option on an interest rate swap with Goldman Sachs International for the obligation to pay a fixed rate of 4.36% versus the three month USD-LIBOR-BBA maturing May 2021. **E**	10,238,704	May-16/4.36	1,091,712
Option on an interest rate swap with Barclay’s Bank, PLC for the obligation to pay a fixed rate of 4.39% versus the three month USD-LIBOR-BBA maturing June 2021. **E**	547,769	Jun-16/4.39	60,789
Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to pay a fixed rate of 4.575% versus the three month USD-LIBOR-BBA maturing June 2021. **E**	544,291	Jun-16/4.575	62,850
Option on an interest rate swap with Deutsche Bank AG for the obligation to pay a fixed rate of 4.60% versus the three month USD-LIBOR-BBA maturing May 2021. **E**	10,187,746	May-16/4.60	1,188,892

WRITTEN OPTIONS OUTSTANDING at 9/30/12 (premiums $18,902,333)
cont.

	Contract amount	Expiration date/ strike price	Value
Option on an interest rate swap with Citibank, N.A. for the obligation to pay a fixed rate of 4.61% versus the three month USD-LIBOR-BBA maturing June 2021. E	$1,659,222	Jun-16/4.61	$192,677
Option on an interest rate swap with Citibank, N.A. for the obligation to pay a fixed rate of 4.705% versus the three month USD-LIBOR-BBA maturing May 2021. E	24,507,428	May-16/4.705	2,985,446
Option on an interest rate swap with Deutsche Bank AG for the obligation to pay a fixed rate of 4.765% versus the three month USD-LIBOR-BBA maturing May 2021. E	3,106,561	May-16/4.765	385,701
Total			**$18,326,255**

E Extended settlement date on premium.

TBA SALE COMMITMENTS OUTSTANDING at 9/30/12 (proceeds receivable $28,018,125)

Agency	Principal amount	Settlement date	Value
Federal National Mortgage Association, 3s, October 1, 2042	$26,000,000	10/11/12	$27,444,219
Government National Mortgage Association, 3s, October 1, 2042	1,000,000	10/18/12	1,071,250
Total			**$28,515,469**

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 9/30/12

Swap counterparty / Notional amount	Upfront premium received (paid)	Termination date	Payments made by fund per annum	Payments received by fund per annum	Unrealized appreciation/ (depreciation)
Bank of America N.A.					
$14,758,000	$—	5/14/17	3 month USD-LIBOR-BBA	1.0925%	$321,649
2,105,000	—	5/14/42	3 month USD-LIBOR-BBA	2.795%	106,900

	2,633,000	(53,779)	8/13/22	3 month USD-LIBOR-BBA	2.042%	39,237
	2,633,000	(58,189)	9/12/22	3 month USD-LIBOR-BBA	2.064%	34,745
	1,212,000	32,170	6/20/22	2.183%	3 month USD-LIBOR-BBA	(33,132)
CAD	2,928,000	—	6/13/14	1.285%	3 month CAD-BA-CDOR	1,319
CAD	4,995,000	—	6/13/17	1.5875%	3 month CAD-BA-CDOR	(10,164)
CAD	1,253,000	—	6/13/22	2.2%	3 month CAD-BA-CDOR	(10,946)
Barclay's Bank, PLC						
	$2,248,000	1,349	12/19/14	0.45%	3 month USD-LIBOR-BBA	(1,708)
	1,809,000 **E**	375	12/19/17	0.90%	3 month USD-LIBOR-BBA	(5,324)
	11,330,000 **E**	(9,334)	12/19/14	3 month USD-LIBOR-BBA	0.45%	6,075
	234,000 **E**	(18,650)	12/19/42	2.40%	3 month USD-LIBOR-BBA	(6,943)

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 9/30/12 *cont.*

Swap counterparty / Notional amount	Upfront premium received (paid)	Termination date	Payments made by fund per annum	Payments received by fund per annum	Unrealized appreciation/ (depreciation)
Barclay's Bank, PLC*cont.*					

	$2,886,000 **E**	$172,678	12/19/42	3 month USD-LIBOR-BBA	2.40%	$28,292
	22,877,000 **E**	249,538	12/19/22	3 month USD-LIBOR-BBA	1.75%	212,249
	20,539,000 **E**	(69,505)	12/19/22	1.75%	3 month USD-LIBOR-BBA	(36,026)
AUD	7,876,000	—	9/25/22	6 month AUD-BBR-BBSW	3.78687%	56,786
AUD	13,437,000	—	9/17/22	3.88%	6 month AUD-BBR-BBSW	(197,881)
EUR	1,115,000	—	10/2/22	6 month EUR-EURIBOR-REUTERS	1.724%	(3,707)
EUR	41,668,000 **E**	—	8/3/17	1 month EUR-EONIA-OIS-COMPOUND	1.41727%	18,741
EUR	1,957,000	—	8/16/22	1.862%	6 month EUR-EURIBOR-REUTERS	(32,066)
EUR	2,484,000	—	9/10/22	6 month EUR-EURIBOR-REUTERS	1.8325%	28,037
GBP	1,646,000	—	9/30/22	6 month GBP-LIBOR-BBA	1.865%	(6,999)
GBP	2,735,000	—	8/15/31	3.6%	6 month GBP-LIBOR-BBA	(655,363)
GBP	1,801,000	—	7/25/42	6 month GBP-LIBOR-BBA	2.8425%	(61,593)
GBP	3,199,000	—	7/25/22	1.885%	6 month GBP-LIBOR-BBA	(15,122)
GBP	990,000	—	8/2/22	6 month GBP-LIBOR-BBA	1.93%	10,878

GBP 2,686,000	—	9/17/22	6 month GBP-LIBOR-BBA	2.048%	65,504
GBP 6,613,500	—	9/21/22	1.9425%	6 month GBP-LIBOR-BBA	(54,837)
SEK 14,274,000	—	7/11/22	2.1275%	3 month SEK-STIBOR-SIDE	(4,803)
Citibank, N.A.					
$893,000 **E**	—	10/7/21	3 month USD-LIBOR-BBA	3.0625%	27,576
11,702,000 **E**	(13,481)	12/19/17	0.90%	3 month USD-LIBOR-BBA	(50,342)
3,390,000 **E**	(805)	12/19/14	3 month USD-LIBOR-BBA	0.45%	3,805
1,201,000 **E**	(9,368)	12/19/22	1.75%	3 month USD-LIBOR-BBA	(7,411)

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 9/30/12 *cont.*

Swap counterparty / Notional amount	Upfront premium received (paid)	Termination date	Payments made by fund per annum	Payments received by fund per annum	Unrealized appreciation/ (depreciation)
Citibank, N.A. *cont.*					
$610,000 **E**	$25,869	12/19/42	3 month USD-LIBOR-BBA	2.40%	$(4,649)
EUR 3,702,000	—	8/2/22	6 month EUR-EURIBOR-REUTERS	1.8%	36,062
GBP 2,391,000	—	8/8/22	6 month GBP-LIBOR-BBA	1.97%	39,609

GBP	3,119,000	—	9/24/22	1.9175%	6 month GBP-LIBOR-BBA	(12,654)
SEK	18,934,000	—	8/2/22	3 month SEK-STIBOR-SIDE	2.285%	46,319
Credit Suisse International						
	$2,185,000	—	9/27/22	1.7325%	3 month USD-LIBOR-BBA	(6,494)
	226,914,000 **E**	(265,319)	12/19/14	3 month USD-LIBOR-BBA	0.45%	43,283
	29,180,000 **E**	60,332	12/19/17	3 month USD-LIBOR-BBA	0.90%	152,249
	4,233,000 **E**	334,806	12/19/42	3 month USD-LIBOR-BBA	2.40%	123,030
	87,537,000 **E**	88,143	12/19/14	0.45%	3 month USD-LIBOR-BBA	(30,907)
	42,270,000 **E**	22,567	12/19/17	0.90%	3 month USD-LIBOR-BBA	(110,584)
	12,814,000 **E**	(843,275)	12/19/42	2.40%	3 month USD-LIBOR-BBA	(202,190)
	28,912,000 **E**	388,622	12/19/22	3 month USD-LIBOR-BBA	1.75%	341,493
	24,701,000 **E**	(375,027)	12/19/22	1.75%	3 month USD-LIBOR-BBA	(334,764)
AUD	3,284,000	—	9/21/22	6 month AUD-BBR-BBSW	3.8275%	54,345
AUD	2,533,000	—	7/17/22	3.77125%	6 month AUD-BBR-BBSW	(32,358)
AUD	3,556,000	—	7/24/22	6 month AUD-BBR-BBSW	3.665%	10,296
AUD	2,691,000	—	9/18/22	4.05%	6 month AUD-	

					BBR-BBSW	(79,881)
CAD	4,794,000	—	9/20/22	3 month CAD-BA-CDOR	2.24125%	37,822
CAD	4,379,000	—	9/27/22	2.17%	3 month CAD-BA-CDOR	(4,126)
CAD	22,006,000	—	6/13/14	1.28797%	3 month CAD-BA-CDOR	8,594
CAD	792,000	—	6/13/17	3 month CAD-BA-CDOR	1.57927%	354
CAD	7,540,000	—	8/8/22	3 month CAD-BA-CDOR	2.273%	97,345

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 9/30/12 *cont.*

Swap counterparty / Notional amount		Upfront premium received (paid)	Termination date	Payments made by fund per annum	Payments received by fund per annum	Unrealized appreciation/ (depreciation)
Credit Suisse International *cont.*						
CAD	5,462,000	$—	8/9/22	3 month CAD-BA-CDOR	2.26125%	$64,275
CAD	3,940,000	—	9/12/22	2.3175%	3 month CAD-BA-CDOR	(60,496)
CAD	3,536,000	—	9/17/22	2.38%	3 month CAD-BA-CDOR	(73,799)
CHF	3,234,000	—	9/25/22	6 month CHF-LIBOR-BBA	0.945%	8,878
CHF	3,282,000	—	9/26/22	6 month CHF-LIBOR-BBA	0.9175%	(363)

CHF	3,279,000	—	9/27/22	6 month CHF-LIBOR-BBA	0.96%	13,839
CHF	2,158,000	—	10/2/22	6 month CHF-LIBOR-BBA	0.92%	(571)
CHF	626,000	—	5/11/22	6 month CHF-LIBOR-BBA	0.975%	7,821
CHF	5,256,000	—	5/14/22	1.0125%	6 month CHF-LIBOR-BBA	(85,017)
CHF	5,502,000	—	6/19/22	0.94%	6 month CHF-LIBOR-BBA	(38,709)
CHF	5,763,000	—	7/5/22	1.015%	6 month CHF-LIBOR-BBA	(80,550)
CHF	3,617,000	—	7/25/22	0.9225%	6 month CHF-LIBOR-BBA	(12,573)
CHF	1,924,000	—	8/6/22	0.9075%	6 month CHF-LIBOR-BBA	(998)
EUR	3,234,000	—	9/25/22	1.545%	1 month EUR-EONIA-OIS-COMPOUND	(38,278)
EUR	3,240,000	—	9/26/22	1.5225%	1 month EUR-EONIA-OIS-COMPOUND	(29,174)
EUR	1,722,000	—	9/27/22	1.5275%	1 month EUR-EONIA-OIS-COMPOUND	(16,403)
EUR	13,940,000	—	6/28/14	0.85%	6 month EUR-EURIBOR-REUTERS	(106,659)
EUR	9,610,000	—	8/1/22	1 month EUR-EONIA-OIS-COMPOUND	1.45%	47,803
EUR	2,419,000	—	8/10/22	1.87%	6 month EUR-	

					EURIBOR-REUTERS	(42,805)
EUR	5,217,000	—	8/30/22	1.375%	1 month EUR-EONIA-OIS-COMPOUND	35,659

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 9/30/12 *cont.*

Swap counterparty / Notional amount		Upfront premium received (paid)	Termination date	Payments made by fund per annum	Payments received by fund per annum	Unrealized appreciation/ (depreciation)
Credit Suisse International *cont.*						
EUR	5,799,000	$—	9/6/22	1 month EUR-EONIA-OIS-COMPOUND	1.37%	$(46,864)
EUR	2,533,000	—	9/7/22	1 month EUR-EONIA-OIS-COMPOUND	1.386%	(15,647)
EUR	1,874,000	—	9/19/22	6 month EUR-EURIBOR-REUTERS	1.913%	38,509
GBP	6,284,000	—	8/2/22	6 month GBP-LIBOR-BBA	1.9125%	52,319
GBP	4,043,000	—	9/11/22	1.93%	6 month GBP-LIBOR-BBA	(28,634)
GBP	2,137,000	—	9/13/22	1.985%	6 month GBP-LIBOR-BBA	(32,756)
MXN	33,670,000	—	7/21/20	1 month MXN-TIIE-BANXICO	6.895%	213,338
SEK	20,923,000	—	9/27/22	3 month SEK-STIBOR-SIDE	2.13625%	7,678

SEK	91,740,000	—	5/16/22	2.205%	3 month SEK-STIBOR-SIDE	(206,316)
SEK	10,173,000	—	6/19/22	3 month SEK-STIBOR-SIDE	2.38%	47,929
SEK	9,997,000	—	7/2/22	3 month SEK-STIBOR-SIDE	2.325%	31,038
SEK	8,697,000	—	7/25/22	2.06%	3 month SEK-STIBOR-SIDE	5,498
SEK	10,708,000	—	9/7/22	3 month SEK-STIBOR-SIDE	2.1725%	9,007
Deutsche Bank AG						
	$452,000 **E**	—	10/7/21	3 month USD-LIBOR-BBA	3.0475%	13,646
	464,073,000 **E**	453,925	12/19/14	0.45%	3 month USD-LIBOR-BBA	(177,213)
	39,822,000 **E**	12,353	12/19/17	0.90%	3 month USD-LIBOR-BBA	(113,087)
	13,435,000 **E**	(126,398)	12/19/22	1.75%	3 month USD-LIBOR-BBA	(104,499)
KRW	4,220,000,000	—	4/24/17	3.54%	3 month KRW-CD-KSDA-BLOOMBERG	(126,229)
MXN	33,670,000	—	7/17/20	1 month MXN-TIIE-BANXICO	6.95%	223,199
MYR	11,381,000	—	7/23/17	3 month MYR-KLIBOR-BNM	2.98%	(56,273)

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 9/30/12 *cont.*

Swap counterparty / Notional amount		Upfront premium received (paid)	Termination date	Payments made by fund per annum	Payments received by fund per annum	Unrealized appreciation/ (depreciation)
Goldman Sachs International						
	$1,748,000	$—	9/27/22	1.76%	3 month USD-LIBOR-BBA	$(9,728)
	62,161,000 **E**	(42,823)	12/19/14	3 month USD-LIBOR-BBA	0.45%	41,716
	11,185,000 **E**	(21,384)	12/19/17	0.90%	3 month USD-LIBOR-BBA	(56,616)
	5,085,000 **E**	(80,029)	12/19/22	1.75%	3 month USD-LIBOR-BBA	(71,740)
	11,759,000 **E**	835,727	12/19/42	3 month USD-LIBOR-BBA	2.40%	247,425
AUD	10,978,000	—	9/17/22	3.88%	6 month AUD-BBR-BBSW	(176,837)
AUD	3,284,000	—	9/21/22	6 month AUD-BBR-BBSW	3.825%	38,070
AUD	6,568,000	—	9/24/22	6 month AUD-BBR-BBSW	3.82%	71,913
CHF	3,282,000	—	9/26/22	6 month CHF-LIBOR-BBA	0.93%	1,423
CHF	3,279,000	—	9/27/22	6 month CHF-LIBOR-BBA	0.945%	8,778
CHF	2,186,000	—	9/27/22	6 month CHF-LIBOR-BBA	0.972%	11,925
CHF	8,477,000	—	6/29/22	0.985%	6 month CHF-LIBOR-BBA	(94,976)
CHF	2,900,000	—	8/7/22	0.93%	6 month CHF-LIBOR-BBA	(10,596)

CHF	5,176,000	—	8/30/22	0.9402%	6 month CHF-LIBOR-BBA	(18,928)
EUR	1,722,000	—	9/27/22	1.505%	1 month EUR-EONIA-OIS-COMPOUND	(11,617)
EUR	75,760,000 E	—	8/1/17	1 month EUR-EONIA-OIS-COMPOUND	1.425%	43,810
EUR	8,958,000	—	8/3/22	1 month EUR-EONIA-OIS-COMPOUND	1.43%	25,481
EUR	37,880,000 E	—	8/9/17	1 month EUR-		