PUTNAM PREMIER INCOME TRUST
Form N-CSR
September 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: (811-05452)

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

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

Name and address of agent for service: 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: July 31, 2012

Date of reporting period: August 1, 2011 - July 31, 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 Premier Income Trust

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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. Funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk. 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 are also 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 prices of bonds in the fund’s portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including both general financial market conditions and factors related to a specific issuer or industry. 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:

High volatility continues to challenge stock and bond investors around the globe. Year-to-date through July 2012, markets have made major advances and suffered sharp declines. Investor confidence has accordingly waxed, waned, and rebounded with renewed strength. These fluctuations reflect fast-changing perceptions of global macroeconomic data and policymakers inability to decisively solve problems ranging from deep structural issues in Europes economy to Chinas fluctuating growth rate and U.S. fiscal risks. Amid the uncertainties these challenges engender, taking the long view becomes all the more critical for investors, as does relying on the expertise of a financial advisor, who can help you maintain a balanced investment approach.

We would like to take this opportunity to announce the arrival of two new Trustees, Liaquat Ahamed and Katinka Domotorffy, CFA, to your funds 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 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 global bond markets

When Putnam Premier 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. And, at the time of the fund’s launch, few investors were venturing outside the United States for fixed-income opportunities.

The bond investment landscape has undergone a transformation since the fund’s launch. The U.S. investment-grade market added new sectors, and the high-yield corporate bond sector has grown significantly. Outside the United States, the advent of the euro has resulted in a large market of European bonds. And there are also growing opportunities to invest in the debt of emerging-market countries.

The fund is designed to keep pace with this market expansion. To process the market’s increasing complexity, Putnam’s fixed-income group aligns teams of specialists with the varied investment opportunities. Each group identifies what it considers to be compelling strategies within its area of expertise. The fund’s portfolio managers select from among these strategies, systematically building a diversified portfolio that seeks to carefully balance risk and return.

As different factors drive the performance of the various fixed-income sectors, the managers seek to take advantage of changing market leadership in pursuit of high current income.

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. Net cash levels in closed-end funds may vary, however, should market conditions warrant.

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.

Data are historical. Past performance does not guarantee future results. More recent returns may be less or more than those shown. 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 11–12 for 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.

Interview with your fund’s portfolio manager

Bill, what was the bond market environment like during the 12 months ended July 31, 2012?

The early months of the period were difficult ones for credit-sensitive fixed-income securities, as concern about the sovereign debt crisis in Europe and a weakening U.S. economic outlook caused investors to move away from risk. Late in 2011, however, investors became more optimistic about U.S. growth prospects and less pessimistic about the European situation, given productive steps taken by eurozone policymakers. Chief among these steps was the European Central Bank’s [ECB] Long-Term Refinancing Operation [LTRO], which was launched inDecember and expanded in February. LTRO 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 through 2014, in an effort to promote growth and maintain liquidity in the financial system. The Fed’s accommodative stance was further in evidence as it extended “Operation Twist,” under which it is helping to keep long-term Treasury yields low by selling short-term bonds and buying longer-term ones.

This comparison shows your fund’s performance in the context of broad market indexes for the 12 months ended 7/31/12. See pages 4 and 11–12 for additional fund performance information. Index descriptions can be found on page 13.

Against this backdrop, riskier and more economically sensitive fixed-income assets rallied broadly from December through March. However, the rally stalled during the latter months of the period, as global economic data came in below expectations and rising eurozone risk once again dampened investor sentiment.

For the period as a whole, emerging-market debt, corporate bonds — both investment grade and high yield — and non-government-agency residential mortgage-backed securities [non-agency RMBS] were among the strongest-performing fixed-income categories. Returns for emerging-market and corporate bonds were driven by robust demand from investors seeking higher yields. In the case of non-agency RMBS, considerable demand from hedge funds and other institutional investors, coupled with reduced supply concerns, bolstered that sector’s performance. Longer-term Treasuries and U.S. government-agency securities also outperformed the broad market, driven primarily by their returns during the risk-averse early and late months of the period.

The fund lagged its benchmark by a substantial margin during the period. What factors hampered its performance?

I think it’s important to point out that the fund’s benchmark is primarily composed

Credit qualities are shown as a percentage of net assets as of 7/31/12. 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 includes bonds and represents only the fixed-income portion of the portfolio. 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.

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of U.S. Treasury and agency securities, and these market sectors performed relatively well during the past 12 months. That said, the fund□s U.S. term-structure positioning [meaning its duration □ or interest-rate sensitivity □ and yield-curve strategy] detracted from results. 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 keeping the fund□s duration shorter than the benchmark□s. However, this positioning, which can be beneficial when rates are rising, hampered performance because interest rates generally declined during the period.

Our active currency strategy, which is implemented with long and short positions using currency forward contracts, also proved detrimental, as currency markets were volatile during the period. Specifically, our tactical exposure to commodity-linked currencies □ such as the Australian dollar and Norwegian krone □ and a short position in the euro detracted from results. Slowing global growth, particularly in China, led to falling commodity prices, which weighed on the currencies of major commodity-exporting countries. Having lighter-than-benchmark exposure to the euro hurt as the currency rebounded from the low levels it reached during 2011. A long position in the Swedish krona aided performance and partially offset the overall negative outcome of our currency strategy.

Which strategies and holdings helped the fund versus the benchmark?

Our out-of-benchmark allocation to non-agency RMBS was the biggest

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 7/31/12. Short-term holdings, derivatives, and TBA commitments are excluded. Holdings will vary over time.

contributor. Specifically, holdings of Alternative-A [Alt-A], home-equity, and payment option adjustable-rate mortgage-backed securities [pay option ARMs] produced strong gains. By way of background, Alt-A mortgage securities are considered riskier than bonds backed by standard prime mortgages. However, because Alt-A borrowers must have reasonably adequate credit histories, these securities have higher credit quality than bonds backed by subprime mortgages. Pay option ARM securities are backed by mortgages that allow the borrower to choose between several monthly payment options.

Holdings of commercial mortgage-backed securities [CMBS] were another notable contributor. We held both AAA-rated CMBS and “seasoned mezzanine” securities. CMBS are created when an underwriter assembles a package of commercial mortgages and issues bonds of varying creditworthiness. AAA-rated CMBS occupy the top of the underwriter’s capital structure, and thus offer the greatest principal protection. Mezzanine CMBS are slightly lower in the capital structure, but still provide a meaningful amount of principal protection along with higher yields. The mezzanine bonds we selected were issued prior to 2006, when CMBS underwriting standards were stronger than they were later in the decade.

Our exposure to high-yield corporate bonds also helped the fund’s performance, thanks to an overweight allocation to this strong-performing sector, along with favorable security selection.

Lastly, our international term-structure strategies were an overall contributor. The fund benefited from long-duration positioning in Europe, Japan, and the United Kingdom, along with a strategy designed to benefit from a flattening yield curve in the United Kingdom. These contributors were partially offset by unfavorable short-duration strategies in Australia, Canada, Switzerland, and Sweden.

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

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, the exclusion of as-of trades, if any, and the use of different classifications of securities for presentation purposes. Cash positions may represent collateral used to cover certain derivative contracts. Holdings will vary over time.

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.

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 toward global currency pairings.

The fund reduced its distribution rate twice during the period. What led to those decisions?

The fund’s distribution rate was lowered to $0.043 per share from $0.051 per share in August and was lowered again in November to $0.030 per share. The reductions were due to the lower yields available on asset-backed and commercial mortgage-backed securities, as well as declining yields in the marketplace generally.

What is your outlook for the coming months, and how do you plan to position the fund?

The first estimate of second-quarter gross domestic product was 1.5% on an annualized basis, confirming that the U.S. economy has slowed from the first quarter’s 2% rate. Although these were weaker readings than we were expecting, we do not view this weakness as particularly troubling. In our view, most of the recent data flow, especially the labor market and automotive sales data, points to an economy that appears to be bouncing along the bottom of its recent range. Of course, a slow-growing economy is more vulnerable to shocks, and Europe’s weakness raises the risk of a shock that could push the United States into another recession.

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 54–76 for more information on the types of derivatives used.

We believe that the risks to the United States from Europe are less from its deepening economic downturn and more from the possibility that financial market stress will cause a major European financial institution to fail. However, we believe significant steps are being taken to resolve the underlying crisis. Progress on common banking supervision, or “banking union,” and likely intervention by the ECB in the peripheral bond markets represent significant developments in the policy response to the crisis.

In terms of portfolio positioning, at period-end, we continued to de-emphasize interest-rate risk by maintaining a modestly short duration stance and a bias toward a steeper yield curve in the United States. In terms of portfolio structure, the fund’s greatest overweight was in securitized mortgage-backed instruments. We believe there are compelling tactical trading opportunities among government-agency mortgage pass-through securities and interest-only CMOs. We also believe non-agency RMBS remain attractive.

Thanks 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; Paul D. Scanlon, CFA; and Raman Srivastava, CFA.

IN THE NEWS

Speculation is high that additional monetary easing may soon be in the works. The U.S. Federal Reserve has engaged in unprecedented attempts to stimulate the economy since the onset of the global financial crisis, beginning with two rounds of bond buying called "quantitative easing." Dubbed "QE1" and "QE2" in the press, these large-scale expansions of the Fed's balance sheets were followed by a program called "Operation Twist," by which the Fed sells short-term debt on its books and uses the proceeds to purchase longer-term Treasuries and mortgage-backed securities. The goal of these programs has been to inject liquidity into the markets and drive down interest rates. Some market watchers believe "QE3" may be around the corner, this time aimed specifically at reducing today's already-low mortgage rates.

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Your fund's performance

This section shows your fund's performance, price, and distribution information for periods ended July 31, 2012, the end of its most recent fiscal year. In accordance with regulatory requirements for mutual funds, we also include performance as of the most recent calendar quarter-end. 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 and comparative index results for periods ended 7/31/12

	NAV	**Market price**	**Barclays Government Bond Index**	**Lipper Flexible Income Funds (closed-end) category average***
Annual average Life of fund (since 2/29/88)	7.65%	7.23%	6.96%	7.13%
10 years	113.79	115.55	66.49	98.83
Annual average	7.89	7.98	5.23	7.09
5 years	32.79	48.39	37.27	38.11

Annual average	5.84	8.21	6.54	6.58
3 years	37.46	43.36	18.47	35.01
Annual average	11.19	12.76	5.81	10.50
1 year	0.35	–0.63	7.56	4.41

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

Index and Lipper results should be compared to 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 NAV.

* Over the 1–year, 3–year, 5–year, 10–year, and life–of–fund periods ended 7/31/12, there were 5, 5, 4, 3, and 1 fund(s), respectively, in this Lipper category.

Fund price and distribution information For the 12-month period ended 7/31/12

Distributions		
Number	12	
Income	$0.343934	
Return of capital*	0.055066	
Capital gains	—	
Total	**$0.399000**	
Share value	**NAV**	**Market price**
7/31/11	$6.17	$6.09
7/31/12	5.76	5.63
Current yield (end of period)	**NAV**	**Market price**
Current dividend rate†	6.25%	6.39%

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.

Fund performance as of most recent calendar quarter
Total return for periods ended 6/30/12

	NAV	Market price
Annual average		
Life of fund (since 2/29/88)	7.56%	7.01%
10 years	104.78	97.39
Annual average	7.43	7.04
5 years	28.28	32.61
Annual average	5.11	5.81
3 years	44.80	46.98
Annual average	13.13	13.70
1 year	–1.79	–11.94

Terms and definitions

Important terms

Total return shows how the value of the funds 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 funds 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 Bond Index is an unmanaged index of U.S. Treasury and agency securities.

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.

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 July 31, 2012, Putnam employees had approximately $332,000,000 and the Trustees had approximately $79,000,000 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 1st 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's Investment 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) 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	3rd
Three-year period	1st
Five-year period	3rd

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.)

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 Premier Income Trust:

We have audited the accompanying statement of assets and liabilities of Putnam Premier Income Trust (the fund), including the fund□s portfolio, as of July 31, 2012, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the 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 our 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 July 31, 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 Premier Income Trust as of July 31, 2012, the results of its operations, the changes in its net assets and the financial highlights for the periods specified in the first paragraph above, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts
September 17, 2012

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The fund's portfolio7/31/12

MORTGAGE-BACKED SECURITIES (31.5%)*	Principal amount	Value
American Home Mortgage Assets Ser. 07-5, Class XP, IO, PO,		
2.781s, 2047	$26,672,873	$2,695,575
American Home Mortgage Investment Trust Ser. 07-1,		
Class GIOP, IO, 2.078s, 2047	3,028,098	369,125
Banc of America Commercial Mortgage, Inc. 144A		
Ser. 01-1, Class J, 6 1/8s, 2036	318,946	236,020
Ser. 01-1, Class K, 6 1/8s, 2036	677,530	93,115
Ser. 07-5, Class XW, IO, 0.412s, 2051	201,748,830	2,880,166
Barclays Capital, LLC Trust 144A		
Ser. 09-RR7, Class 1A7, IO, 1.792s, 2046	44,834,123	1,905,450
Ser. 09-RR7, Class 2A7, IO, 1.579s, 2047	87,893,287	3,656,361
Ser. 09-RR7, Class 2A1, IO, 0 3/4s, 2047	97,082,417	2,475,602
Ser. 09-RR7, Class 1A1, IO, 0 3/4s, 2046	99,385,188	2,534,322
Bear Stearns Commercial Mortgage Securities, Inc.		
FRB Ser. 06-PW12, Class AJ, 5.757s, 2038	1,500,000	1,289,940
Ser. 05-PWR7, Class B, 5.214s, 2041	1,641,000	1,493,310
Bear Stearns Mortgage Funding Trust		
Ser. 06-AR2, Class 1X, IO, 0.7s, 2046	16,455,702	431,139
Ser. 07-AR5, Class 1X2, IO, 0 1/2s, 2047	10,013,535	213,288
Ser. 06-AR5, Class 1X, IO, 0 1/2s, 2046	22,212,319	422,034
Ser. 06-AR3, Class 1X, IO, 0.4s, 2036	11,430,229	161,166
Citigroup Mortgage Loan Trust, Inc. FRB Ser. 06-AR3,		

Class 1A2A, 5.621s, 2036		3,653,985	3,266,224
Citigroup/Deutsche Bank Commercial Mortgage Trust 144A			
Ser. 07-CD5, Class XS, IO, 0.046s, 2044		61,047,306	229,437
Commercial Mortgage Pass-Through Certificates FRB			
Ser. 04-LB3A, Class E, 5.358s, 2037 F		1,522,000	1,464,131
Cornerstone Titan PLC 144A			
FRB Ser. 05-CT1A, Class D, 1.88s, 2014 (United Kingdom)	GBP	868,987	1,144,451
FRB Ser. 05-CT2A, Class E, 1.789s, 2014 (United Kingdom)	GBP	284,623	397,159
Countrywide Alternative Loan Trust			
Ser. 06-0A19, Class XP, IO, 2.588s, 2047		$32,732,044	2,291,243
FRB Ser. 05-38, Class A1, 1.647s, 2035		2,210,490	1,492,081
FRB Ser. 05-62, Class 2A1, 1.147s, 2035		2,520,741	1,518,746
Ser. 07-HY9, Class X, IO, 0.65s, 2047		13,334,356	542,708
FRB Ser. 05-59, Class 1A1, 0.577s, 2035		11,111,704	6,444,788
FRB Ser. 06-OA6, Class 1A1A, 0.456s, 2046		13,735,597	7,966,646
FRB Ser. 06-OA21, Class A1, 0.437s, 2047		15,432,467	8,102,045
FRB Ser. 06-OA16, Class A1C, 0.436s, 2046		3,422,636	2,720,996
FRB Ser. 06-OA8, Class 1A1, 0.436s, 2046		5,547,396	3,106,542
FRB Ser. 07-OA7, Class A1B, 0.386s, 2047		2,499,959	1,462,476
FRB Ser. 07-OA3, Class 1A1, 0.386s, 2047		3,313,287	2,186,769
FRB Ser. 06-OA18, Class A1, 0.366s, 2046		9,422,528	5,841,968
Countrywide Home Loans			
FRB Ser. 07-HYB2, Class 3A1, 2.894s, 2047		3,713,290	2,088,726
FRB Ser. 05-HY10, Class 3A1B, 2.721s, 2036		8,301,112	5,229,701
FRB Ser. 05-3, Class 1A2, 0.536s, 2035		1,223,058	819,449
FRB Ser. 06-OA4, Class A2, 0.516s, 2046		2,473,010	1,088,124
FRB Ser. 06-OA5, Class 2A1, 0.445s, 2046		4,000,578	2,240,324

MORTGAGE-BACKED SECURITIES (31.5%)* *cont.*	**Principal amount**	**Value**
Credit Suisse Mortgage Capital Certificates FRB Ser. 06-C1,		

Class AJ, 5.593s, 2039	$1,057,000	$991,466
CS First Boston Mortgage Securities Corp. Ser. 05-C6, Class AJ, 5.23s, 2040 F	1,737,000	1,705,395
CS First Boston Mortgage Securities Corp. 144A Ser. 02-CP5, Class M, 5 1/4s, 2035	684,281	40,919
Deutsche Alt-A Securities, Inc. Mortgage Loan Trust FRB Ser. 06-OA1, Class A1, 0.446s, 2047	2,372,195	1,435,178
DLJ Commercial Mortgage Corp. Ser. 98-CF2, Class B4, 6.04s, 2031	552,708	541,654
Federal Home Loan Mortgage Corp.		
IFB Ser. 3182, Class SP, 27.605s, 2032	526,015	841,750
IFB Ser. 3408, Class EK, 24.792s, 2037	318,280	507,775
IFB Ser. 2979, Class AS, 23.361s, 2034	162,461	220,700
IFB Ser. 3072, Class SM, 22.885s, 2035	543,941	860,658
IFB Ser. 3072, Class SB, 22.738s, 2035	487,217	767,844
IFB Ser. 3951, Class CS, IO, 6.508s, 2026	12,319,888	2,063,828
IFB Ser. 3727, Class PS, IO, 6.451s, 2038	5,395,607	566,907
IFB Ser. 3895, Class SM, IO, 6.401s, 2040	11,266,857	1,770,183
IFB Ser. 4048, Class GS, IO, 6.401s, 2040	4,786,744	1,013,258
IFB Ser. 3940, Class PS, IO, 6.401s, 2040	13,738,949	1,942,773
IFB Ser. 4032, Class SA, IO, 6.251s, 2042	13,796,383	1,976,706
IFB Ser. 3922, Class CS, IO, 5.851s, 2041	4,930,111	720,127
IFB Ser. 3768, Class PS, IO, 5.751s, 2036	13,436,156	1,444,387
IFB Ser. 3753, Class S, IO, 5.701s, 2040	5,868,597	958,232
Ser. 3632, Class CI, IO, 5s, 2038	2,212,107	138,788
Ser. 3626, Class DI, IO, 5s, 2037	1,382,082	51,261
Ser. 268, Class S3, IO, 4 1/2s, 2042 Δ	7,884,000	2,119,219
Ser. 4000, Class PI, IO, 4 1/2s, 2042	6,737,056	810,552
Ser. 4019, Class GI, IO, 4 1/2s, 2041	8,785,831	1,166,868
Ser. 4024, Class PI, IO, 4 1/2s, 2041	12,031,467	1,639,287
Ser. 3747, Class HI, IO, 4 1/2s, 2037	1,322,393	129,843
Ser. 4010, Class NI, IO, 4s, 2041 F	9,351,744	1,328,776
Ser. 3738, Class MI, IO, 4s, 2034	13,781,925	825,437
Ser. 3748, Class NI, IO, 4s, 2034	6,797,383	417,087
Ser. 3736, Class QI, IO, 4s, 2034	16,620,052	664,802
Ser. 3751, Class MI, IO, 4s, 2034	17,261,147	480,896

Ser. 3740, Class KI, IO, 4s, 2033	7,845,159	197,463
Ser. 4098, Class PI, IO, 2s, 2042 Δ F	8,507,000	1,427,894
Ser. T-57, Class 1AX, IO, 0.421s, 2043	5,333,774	65,817
Ser. 4077, Class TO, PO, zero %, 2041	3,635,000	3,108,216
Ser. 3124, Class DO, PO, zero %, 2036	13,452	13,284
FRB Ser. 3326, Class WF, zero %, 2035	20,087	18,078
FRB Ser. 3030, Class EF, zero %, 2035	13,545	13,410
FRB Ser. 3007, Class LU, zero %, 2035	11,392	10,025
Federal National Mortgage Association		
IFB Ser. 06-62, Class PS, 38.423s, 2036	663,345	1,205,410
IFB Ser. 07-53, Class SP, 23.297s, 2037	463,846	747,550
IFB Ser. 08-24, Class SP, 22.381s, 2038	420,393	672,629
IFB Ser. 05-75, Class GS, 19.511s, 2035	507,165	745,732
IFB Ser. 05-83, Class QP, 16.754s, 2034	530,798	727,194

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MORTGAGE-BACKED SECURITIES (31.5%)* *cont.*	**Principal amount**	**Value**
Federal National Mortgage Association		
IFB Ser. 404, Class S13, IO, 6.154s, 2040	$12,179,088	$1,685,251
IFB Ser. 10-35, Class SG, IO, 6.154s, 2040	9,253,663	1,491,968
IFB Ser. 10-46, Class WS, IO, 5.504s, 2040	8,663,602	1,105,042
Ser. 374, Class 6, IO, 5 1/2s, 2036	1,862,617	243,053
Ser. 398, Class C5, IO, 5s, 2039	1,463,530	119,827
Ser. 10-13, Class EI, IO, 5s, 2038	930,421	44,762
Ser. 378, Class 19, IO, 5s, 2035	4,604,530	552,544
Ser. 12-30, Class HI, IO, 4 1/2s, 2040	23,636,329	4,060,249
Ser. 409, Class 82, IO, 4 1/2s, 2040	18,172,093	2,556,338
Ser. 366, Class 22, IO, 4 1/2s, 2035	1,702,767	129,666
Ser. 406, Class 2, IO, 4s, 2041	7,160,389	852,534
Ser. 406, Class 1, IO, 4s, 2041	4,684,137	591,372
Ser. 409, Class C16, IO, 4s, 2040	12,253,189	1,613,491
Ser. 03-W10, Class 1, IO, 1.421s, 2043	1,016,510	46,696
Ser. 00-T6, IO, 0.762s, 2030	4,137,722	82,754
Ser. 99-51, Class N, PO, zero %, 2029	56,967	54,977
FFCA Secured Lending Corp. 144A Ser. 00-1, Class X, IO,		

1.079s, 2020 F	5,220,467	112,703
First Union Commercial Mortgage Trust 144A Ser. 99-C1,		
Class G, 5.35s, 2035	891,000	442,721
GE Capital Commercial Mortgage Corp. FRB Ser. 06-C1,		
Class AJ, 5.303s, 2044	972,000	833,276
Government National Mortgage Association		
IFB Ser. 11-56, Class MS, 6.827s, 2041	7,316,786	8,217,116
IFB Ser. 10-151, Class SL, IO, 6.453s, 2039	3,370,035	549,754
IFB Ser. 11-37, Class SB, IO, 6.453s, 2038	7,898,489	1,036,677
IFB Ser. 10-85, Class SD, IO, 6.403s, 2038	1,099,768	171,377
IFB Ser. 11-37, Class SD, IO, 6.403s, 2038	10,162,023	1,324,239
IFB Ser. 10-163, Class SI, IO, 6.381s, 2037	8,988,876	1,393,276
IFB Ser. 10-120, Class SB, IO, 5.956s, 2035	2,101,433	196,316
IFB Ser. 10-20, Class SC, IO, 5.903s, 2040	559,953	92,868
IFB Ser. 11-79, Class AS, IO, 5.863s, 2037	6,480,609	603,882
IFB Ser. 10-116, Class SL, IO, 5.803s, 2039	3,305,375	516,498
IFB Ser. 10-61, Class SJ, IO, 5.801s, 2040	9,189,928	1,719,527
IFB Ser. 11-70, Class SM, IO, 5.641s, 2041	5,451,000	1,527,479
IFB Ser. 11-70, Class SH, IO, 5.641s, 2041	5,599,000	1,595,155
Ser. 11-140, Class BI, IO, 4 1/2s, 2040	3,860,627	404,478
Ser. 11-18, Class PI, IO, 4 1/2s, 2040	967,481	166,600
Ser. 10-168, Class PI, IO, 4 1/2s, 2039	3,844,995	482,393
Ser. 10-158, Class IP, IO, 4 1/2s, 2039	11,115,890	1,405,604
Ser. 12-8, Class PI, IO, 4s, 2041	7,346,940	1,092,857
Ser. 11-116, Class BI, IO, 4s, 2026	18,205,199	1,789,935
Ser. 12-H02, Class AI, IO, 1.765s, 2062	14,128,106	1,077,268
Ser. 12-H05, Class AI, IO, 1.223s, 2062	40,951,735	2,175,766
Ser. 12-H04, Class FI, IO, 0.938s, 2062	40,312,062	1,914,823
Ser. 11-70, PO, zero %, 2041	12,068,325	9,914,853
Ser. 06-36, Class OD, PO, zero %, 2036	22,823	21,374
Greenpoint Mortgage Funding Trust Ser. 06-AR3, Class 4X,		
IO, 1s, 2036	11,335,488	428,481

MORTGAGE-BACKED SECURITIES (31.5%)* *cont.*	**Principal amount**	**Value**
Greenwich Capital Commercial Funding Corp. FRB Ser. 05-GG3,		
Class D, 4.986s, 2042	$1,583,000	$1,397,789
GS Mortgage Securities Corp. II 144A Ser. 05-GG4, Class XC,		
IO, 0.76s, 2039	127,569,037	2,309,000
Harborview Mortgage Loan Trust		
FRB Ser. 05-8, Class 1A2B, 0.607s, 2035	1,689,849	397,115
FRB Ser. 05-3, Class 2A1A, 0.487s, 2035	2,220,635	1,471,171
FRB Ser. 06-7, Class 2A1A, 0.447s, 2046	8,350,845	5,177,524
IndyMac Index Mortgage Loan Trust FRB Ser. 06-AR39,		
Class A1, 0.426s, 2037	7,626,976	4,280,640
IndyMac Index Mortgage Loan Trust FRB Ser. 06-AR35,		
Class 2A1A, 0.416s, 2037	10,393,271	5,727,867
JPMorgan Chase Commercial Mortgage Securities Corp. 144A		
Ser. 07-CB20, Class X1, IO, 0.156s, 2051	122,510,020	1,225,590
LB Commercial Conduit Mortgage Trust 144A		
Ser. 99-C1, Class G, 6.41s, 2031	1,951,082	1,946,204
Ser. 98-C4, Class J, 5.6s, 2035	965,000	1,012,478
Luminent Mortgage Trust FRB Ser. 06-1, Class A1, 0.485s, 2036	3,123,203	1,530,370
Merrill Lynch Alternative Note Asset Ser. 07-OAR5, Class X,		
IO, PO, 0.8s, 2047	8,680,517	249,999
Merrill Lynch Mortgage Investors, Inc. Ser. 96-C2, Class JS, IO,		
2.133s, 2028 **F**	152,402	3,505
Merrill Lynch Mortgage Trust		
Ser. 05-LC1, Class AJ, 5.319s, 2044 **F**	1,223,000	1,184,731
Ser. 05-CKI1, Class AJ, 5.219s, 2037 **F**	2,509,000	2,344,776
Ser. 04-KEY2, Class D, 5.046s, 2039	993,000	878,805
Mezz Cap Commercial Mortgage Trust 144A		

Ser. 04-C1, Class X, IO, 8.984s, 2037	857,883	64,341
Ser. 07-C5, Class X, IO, 4.866s, 2049	4,105,190	307,889
Morgan Stanley Capital I 144A FRB Ser. 04-RR, Class F7,		
6s, 2039	3,360,000	2,990,400
Mortgage Capital Funding, Inc. Ser. 97-MC2, Class X, IO,		
1.73s, 2012	1,003	—
STRIPS 144A Ser. 03-1A, Class N, 5s, 2018	376,000	376,000
Structured Asset Mortgage Investments Trust Ser. 07-AR6,		
Class X2, IO, 0 1/2s, 2047	54,092,630	1,103,490
Structured Asset Mortgage Investments, Inc.		
Ser. 06-AR6, Class 2X, IO, 1s, 2046	22,374,496	825,619
Ser. 07-AR1, Class 1X, IO, 0.6s, 2037	7,778,367	167,235
FRB Ser. 06-AR1, Class 3A1, 0.476s, 2036	1,354,084	768,443
FRB Ser. 06-AR8, Class A1A, 0.446s, 2036	5,207,695	2,916,309
Ser. 06-AR8, Class X, IO, 0.4s, 2036	34,074,779	456,602
Structured Asset Securities Corp. IFB Ser. 07-4, Class 1A3,		
IO, 6.005s, 2045	6,955,736	1,252,032
Wachovia Bank Commercial Mortgage Trust		
FRB Ser. 06-C25, Class AJ, 5.736s, 2043	1,273,000	1,237,611
FRB Ser. 05-C20, Class B, 5 1/4s, 2042	4,060,000	3,929,443
Ser. 07-C34, IO, 0 3/8s, 2046	33,796,193	514,040
Wachovia Bank Commercial Mortgage Trust 144A		
FRB Ser. 04-C15, Class G, 5.395s, 2041	1,500,000	1,257,945
FRB Ser. 03-C8, Class H, 5.207s, 2035 **F**	1,304,000	1,169,670

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MORTGAGE-BACKED SECURITIES (31.5%)* *cont.*	**Principal amount**	**Value**
WAMU Mortgage Pass-Through Certificates		

FRB Ser. 07-HY6, Class 2A1, 5.017s, 2037	$1,914,787	$1,442,313
FRB Ser. 05-AR12, Class 1A4, 2.455s, 2035	1,130,000	962,760
FRB Ser. 06-AR17, Class 1A, 0.967s, 2046	4,651,191	3,178,624
FRB Ser. 07-OA5, Class 1A, 0.897s, 2047	1,337,987	959,337
FRB Ser. 05-AR17, Class A1C3, 0.726s, 2045	2,104,907	932,737
FRB Ser. 05-AR15, Class A1C3, 0.726s, 2045	2,011,689	794,617
FRB Ser. 05-AR8, Class 2AC2, 0.706s, 2045	3,199,067	2,495,688
FRB Ser. 05-AR13, Class A1B2, 0.676s, 2045	2,264,977	1,642,108
FRB Ser. 2005-AR17, Class A1B2, 0.655s, 2045	1,467,160	1,078,362
FRB Ser. 05-AR2, Class 2A1B, 0.616s, 2045	1,856,270	1,471,094
FRB Ser. 05-AR6, Class 2AB3, 0.516s, 2045	967,448	790,309
Washington Mutual Mortgage Pass-Through Certificates		
FRB Ser. 07-OA3, Class 5A, 2.39s, 2047 **F**	3,966,068	2,379,348
FRB Ser. 06-AR11, Class 1A, 1.107s, 2046	6,030,747	4,311,984
FRB Ser. 06-AR9, Class 2A, 0.987s, 2046	6,585,795	2,667,247
FRB Ser. 07-OA1, Class A1A, 0.847s, 2047	6,985,338	4,470,616
Total mortgage-backed securities (cost $247,214,769)		**$258,086,202**

CORPORATE BONDS AND NOTES (31.1%)*	**Principal amount**	**Value**
Basic materials (1.7%)		
Atkore International, Inc. company guaranty sr. notes 9 7/8s, 2018	$695,000	$667,200
Celanese US Holdings, LLC company guaranty sr. unsec. notes 6 5/8s, 2018 (Germany)	620,000	678,900
Celanese US Holdings, LLC sr. notes 5 7/8s, 2021 (Germany)	430,000	465,475
Clondalkin Acquisition BV 144A company guaranty sr. notes FRN 2.468s, 2013 (Netherlands)	165,000	149,325
Ferro Corp. sr. unsec. notes 7 7/8s, 2018	650,000	611,000
FMG Resources August 2006 Pty, Ltd. 144A sr. notes 8 1/4s, 2019 (Australia)	290,000	305,225
FMG Resources August 2006 Pty, Ltd. 144A sr. notes 7s, 2015 (Australia)	203,000	207,060

FMG Resources August 2006 Pty, Ltd. 144A sr. notes 6 7/8s, 2018 (Australia)		420,000	423,428
FMG Resources August 2006 Pty, Ltd. 144A sr. unsec. notes 6 7/8s, 2022 (Australia)		255,000	251,251
Grohe Holding GmbH 144A company guaranty sr. notes FRN 4.662s, 2017 (Germany)	EUR	721,000	834,601
Hexion U.S. Finance Corp./Hexion Nova Scotia Finance, ULC company guaranty sr. notes 8 7/8s, 2018		$375,000	379,688
Huntsman International, LLC company guaranty sr. unsec. sub. notes 8 5/8s, 2021		661,000	760,150
INEOS Finance PLC 144A company guaranty sr. notes 9 1/4s, 2015 (United Kingdom)	EUR	270,000	352,968
INEOS Finance PLC 144A company guaranty sr. notes 9s, 2015 (United Kingdom)		$130,000	137,150
INEOS Finance PLC 144A company guaranty sr. notes 7 1/2s, 2020 (United Kingdom)		100,000	101,500
INEOS Group Holdings, Ltd. company guaranty sr. unsec. notes Ser. REGS, 7 7/8s, 2016 (United Kingdom)	EUR	553,000	578,084

CORPORATE BONDS AND NOTES (31.1%)* *cont.*	**Principal amount**	**Value**
Basic materials *cont.*		
LyondellBasell Industries NV sr. unsec. notes 6s, 2021 (Netherlands)	$500,000	$575,000
LyondellBasell Industries NV sr. unsec. unsub notes 5s, 2019 (Netherlands)	950,000	1,030,750

LyondellBasell Industries NV sr. unsec. unsub. notes 5 3/4s, 2024 (Netherlands)		525,000	594,563
Momentive Performance Materials, Inc. company guaranty notes 9 1/2s, 2021	EUR	310,000	275,293
Momentive Performance Materials, Inc. notes 9s, 2021		$61,000	44,530
Momentive Performance Materials, Inc. 144A company guaranty sr. notes 10s, 2020		91,000	92,138
Novelis, Inc. company guaranty sr. unsec. notes 8 3/4s, 2020		360,000	399,600
Novelis, Inc. company guaranty sr. unsec. notes 7 1/4s, 2015		546,000	550,095
Roofing Supply Group, LLC/Roofing Supply Finance, Inc. 144A company guaranty sr. unsec. notes 10s, 2020		223,000	239,168
SGL Carbon SE company guaranty sr. sub. notes FRN Ser. EMTN, 1.94s, 2015 (Germany)	EUR	339,000	406,507
Smurfit Kappa Funding PLC sr. unsec. sub. notes 7 3/4s, 2015 (Ireland)		$259,000	261,590
Solutia, Inc. company guaranty sr. unsec. notes 8 3/4s, 2017		228,000	258,210
Solutia, Inc. company guaranty sr. unsec. notes 7 7/8s, 2020		499,000	591,315
Steel Dynamics, Inc. sr. unsec. unsub. notes 7 3/4s, 2016		550,000	570,625
Teck Resources Limited sr. notes 10 1/4s, 2016 (Canada)		291,000	321,555
TPC Group, LLC company guaranty sr. notes 8 1/4s, 2017		456,000	493,620
Verso Paper Holdings, LLC/Verso Paper, Inc. company guaranty sr. notes 8 3/4s, 2019		200,000	79,000
			13,686,564
Capital goods (1.7%)			

Altra Holdings, Inc. company guaranty sr. notes 8 1/8s, 2016		80,000	85,400
American Axle & Manufacturing, Inc. company guaranty sr. unsec. notes 7 3/4s, 2019		679,000	728,228
American Axle & Manufacturing, Inc. company guaranty sr. unsec. notes 5 1/4s, 2014		244,000	251,015
ARD Finance SA sr. notes Ser. REGS, 11 1/8s, 2018 (Luxembourg) ‡‡	EUR	158,343	175,169
ARD Finance SA 144A sr. notes 11 1/8s, 2018 (Luxembourg) ‡‡	EUR	111,858	123,745
Ardagh Packaging Finance PLC sr. notes Ser. REGS, 7 3/8s, 2017 (Ireland)	EUR	190,000	244,378
Ardagh Packaging Finance PLC 144A company guaranty sr. notes 7 3/8s, 2017 (Ireland)	EUR	130,000	167,206
Ball Corp. company guaranty sr. unsec. notes 5s, 2022		$82,000	86,715
BE Aerospace, Inc. sr. unsec. unsub. notes 6 7/8s, 2020		689,000	766,513
BE Aerospace, Inc. sr. unsec. unsub. notes 5 1/4s, 2022		325,000	339,625
Berry Plastics Corp. company guaranty notes 9 1/2s, 2018		199,000	217,408
Berry Plastics Corp. company guaranty unsub. notes 9 3/4s, 2021		56,000	62,720
Berry Plastics Holding Corp. company guaranty sr. unsec. sub. notes 10 1/4s, 2016		425,000	438,813
Briggs & Stratton Corp. company guaranty sr. unsec. notes 6 7/8s, 2020		345,000	369,150

CORPORATE BONDS AND NOTES (31.1%)* *cont.*	**Principal amount**	**Value**

Capital goods *cont.*			
Consolidated Container Co. LLC/Consolidated Container Capital, Inc. 144A company guaranty sr. unsec notes 10 1/8s, 2020		$250,000	$256,250
Crown Euro Holdings SA 144A sr. notes 7 1/8s, 2018 (France)	EUR	100,000	133,762
Kratos Defense & Security Solutions, Inc. company guaranty sr. notes 10s, 2017		$709,000	762,175
Legrand SA unsec. unsub. debs. 8 1/2s, 2025 (France)		860,000	1,094,131
Mueller Water Products, Inc. company guaranty sr. unsec. unsub. notes 8 3/4s, 2020		51,000	56,993
Pittsburgh Glass Works, LLC 144A sr. notes 8 1/2s, 2016		587,000	545,910
Polypore International, Inc. company guaranty sr. unsec. notes 7 1/2s, 2017		265,000	283,550
Rexam PLC unsec. sub. bonds FRB 6 3/4s, 2067 (United Kingdom)	EUR	350,000	407,881
Rexel SA company guaranty sr. unsec. notes 8 1/4s, 2016 (France)	EUR	593,000	800,094
Reynolds Group Issuer, Inc. company guaranty sr. notes 7 7/8s, 2019		$150,000	165,000
Reynolds Group Issuer, Inc. company guaranty sr. notes 7 1/8s, 2019		160,000	170,000
Reynolds Group Issuer, Inc. company guaranty sr. unsec. unsub. notes 9 7/8s, 2019		350,000	371,875
Reynolds Group Issuer, Inc. company guaranty sr. unsec. unsub. notes 9s, 2019		185,000	188,238
Reynolds Group Issuer, Inc. company guaranty sr. unsec. unsub.			

notes 8 1/4s, 2021 (New Zealand)		120,000	117,900
Reynolds Group Issuer, Inc./Reynolds Group Issuer, LLC/ Reynolds Group Issuer Lu company guaranty sr. notes 7 3/4s, 2016	EUR	843,000	1,081,309
Ryerson, Inc. company guaranty sr. notes 12s, 2015		$777,000	780,885
Tenneco, Inc. company guaranty sr. unsec. unsub. notes 7 3/4s, 2018		345,000	373,031
Tenneco, Inc. company guaranty sr. unsub. notes 6 7/8s, 2020		330,000	355,988
Terex Corp. sr. unsec. sub. notes 8s, 2017		137,000	144,193
Thermadyne Holdings Corp. company guaranty sr. notes 9s, 2017		894,000	925,290
Thermon Industries, Inc. company guaranty sr. notes 9 1/2s, 2017		232,000	255,200
TransDigm, Inc. company guaranty unsec. sub. notes 7 3/4s, 2018		519,000	578,685
			13,904,425
Communication services (4.1%)			
Bresnan Broadband Holdings, LLC 144A company guaranty sr. unsec. unsub. notes 8s, 2018		153,000	163,710
Cablevision Systems Corp. sr. unsec. unsub. notes 8 5/8s, 2017		200,000	228,500
Cablevision Systems Corp. sr. unsec. unsub. notes 8s, 2020		400,000	443,000
CCO Holdings, LLC/CCO Holdings Capital Corp. company guaranty sr. unsec. notes 7 7/8s, 2018		231,000	252,079
CCO Holdings, LLC/CCO Holdings Capital Corp. company guaranty sr. unsec. notes 6 1/2s, 2021		296,000	320,420
CCO Holdings, LLC/CCO Holdings Capital Corp. company guaranty sr. unsub. notes 7s, 2019		317,000	346,323

CORPORATE BONDS AND NOTES (31.1%)* *cont.*	**Principal amount**	**Value**
Communication services *cont.*		
Cequel Communications Holdings I, LLC/Cequel Capital Corp. 144A sr. notes 8 5/8s, 2017	$347,000	$373,893
Cincinnati Bell, Inc. company guaranty sr. unsec. sub. notes 8 3/4s, 2018	488,000	478,240
Cincinnati Bell, Inc. company guaranty sr. unsec. sub. notes 8 1/4s, 2017	174,000	184,005
Clearwire Communications, LLC/Clearwire Finance, Inc. 144A company guaranty sr. notes 12s, 2015	811,000	766,395
Cricket Communications, Inc. company guaranty sr. unsec. notes 7 3/4s, 2020	550,000	525,250
Cricket Communications, Inc. company guaranty sr. unsec. unsub. notes 10s, 2015	870,000	909,150
Cricket Communications, Inc. company guaranty sr. unsub. notes 7 3/4s, 2016	1,110,000	1,176,600
Crown Castle International Corp. sr. unsec. notes 7 1/8s, 2019	160,000	175,600
Digicel, Ltd. 144A sr. unsec. notes 8 1/4s, 2017 (Jamaica)	717,000	751,058
DISH DBS Corp. company guaranty 7 1/8s, 2016	28,000	30,905
DISH DBS Corp. company guaranty 6 5/8s, 2014	1,214,000	1,309,603
DISH DBS Corp. company guaranty sr. unsec. notes 7 3/4s, 2015	274,000	306,538
DISH DBS Corp. company guaranty sr. unsec. notes 6 3/4s, 2021	443,000	484,531
Equinix, Inc. sr. unsec. notes 7s, 2021	305,000	339,313

Frontier Communications Corp. sr. unsec. notes 9 1/4s, 2021		145,000	159,500
Frontier Communications Corp. sr. unsec. notes 8 1/4s, 2017		140,000	153,300
Frontier Communications Corp. sr. unsec. notes 8 1/8s, 2018		1,586,000	1,728,740
Hughes Satellite Systems Corp. company guaranty sr. notes 6 1/2s, 2019		488,000	524,600
Hughes Satellite Systems Corp. company guaranty sr. unsec. notes 7 5/8s, 2021		594,000	656,370
Inmarsat Finance PLC 144A company guaranty sr. notes 7 3/8s, 2017 (United Kingdom)		979,000	1,057,320
Intelsat Jackson Holdings SA company guaranty sr. unsec. notes 7 1/2s, 2021 (Bermuda)		323,000	345,610
Intelsat Luxembourg SA company guaranty sr. unsec. notes 11 1/2s, 2017 (Luxembourg) ‡‡		2,478,562	2,577,704
Intelsat Luxembourg SA company guaranty sr. unsec. notes 11 1/4s, 2017 (Luxembourg)		586,000	609,440
Kabel Deutschland GmbH 144A sr. bonds 6 1/2s, 2018 (Germany)	EUR	245,000	321,708
Level 3 Communications, Inc. 144A sr. unsec. notes 8 7/8s, 2019		$50,000	50,875
Level 3 Financing, Inc. company guaranty sr. unsec. unsub. notes 9 3/8s, 2019		285,000	312,075
Level 3 Financing, Inc. company guaranty sr. unsec. unsub. notes 8 5/8s, 2020		332,000	356,070
Level 3 Financing, Inc. company guaranty sr. unsec. unsub. notes 8 1/8s, 2019		85,000	89,463
Mediacom, LLC/Mediacom Capital Corp. sr. unsec. notes			

9 1/8s, 2019		131,000	144,755
MetroPCS Wireless, Inc. company guaranty sr. unsec. notes 7 7/8s, 2018		945,000	1,004,063

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CORPORATE BONDS AND NOTES (31.1%)* *cont.*		**Principal amount**	**Value**
Communication services *cont.*			
Nextel Communications, Inc. company guaranty sr. unsec. notes Ser. D, 7 3/8s, 2015		$46,000	$46,345
NII Capital Corp. company guaranty sr. unsec. unsub. notes 10s, 2016		839,000	843,195
NII Capital Corp. company guaranty sr. unsec. unsub. notes 8 7/8s, 2019		36,000	28,620
NII Capital Corp. company guaranty sr. unsec. unsub. notes 7 5/8s, 2021		159,000	123,225
PAETEC Holding Corp. company guaranty sr. notes 8 7/8s, 2017		616,000	666,820
PAETEC Holding Corp. company guaranty sr. unsec. notes 9 7/8s, 2018		371,000	418,303
Phones4U Finance PLC 144A sr. notes 9 1/2s, 2018 (United Kingdom)	GBP	410,000	581,751
Qwest Corp. sr. unsec. notes 7 1/2s, 2014		$145,000	162,703
Qwest Corp. sr. unsec. unsub. notes 7 1/4s, 2025		382,000	438,437
SBA Telecommunications, Inc. company guaranty sr. unsec. notes 8 1/4s, 2019		153,000	170,213
SBA Telecommunications, Inc. company guaranty sr. unsec.			

notes 8s, 2016		263,000	279,832
SBA Telecommunications, Inc. 144A company guaranty sr. unsec. unsub. notes 5 3/4s, 2020		125,000	131,563
Sprint Capital Corp. company guaranty 8 3/4s, 2032		79,000	78,605
Sprint Capital Corp. company guaranty 6 7/8s, 2028		110,000	98,450
Sprint Nextel Corp. sr. notes 8 3/8s, 2017		1,764,000	1,927,170
Sprint Nextel Corp. sr. unsec. notes 6s, 2016		330,000	334,125
Sprint Nextel Corp. 144A company guaranty sr. unsec. notes 9s, 2018		959,000	1,119,633
Sprint Nextel Corp. 144A sr. unsec. notes 9 1/8s, 2017		370,000	411,625
Sunrise Communications Holdings SA 144A company guaranty sr. notes 8 1/2s, 2018 (Luxembourg)	EUR	145,000	192,310
Sunrise Communications International SA 144A company guaranty sr. notes 7s, 2017 (Luxembourg)	CHF	160,000	176,364
Sunrise Communications International SA 144A company guaranty sr. notes 7s, 2017 (Luxembourg)	EUR	100,000	131,856
Unitymedia GmbH company guaranty sr. notes Ser. REGS, 9 5/8s, 2019 (Germany)	EUR	678,000	925,299
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH sr. notes 7 1/2s, 2019 (Germany)	EUR	305,000	394,036
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH 144A company guaranty sr. notes 8 1/8s, 2017 (Germany)	EUR	489,000	645,587
UPC Holdings BV sr. notes 9 3/4s, 2018 (Netherlands)	EUR	677,000	904,184
Virgin Media Finance PLC company guaranty sr. unsec. bonds 8 7/8s, 2019 (United Kingdom)	GBP	79,000	137,410

Virgin Media Finance PLC company guaranty sr. unsec. unsub. notes 5 1/4s, 2022 (United Kingdom)		$200,000	207,749
Wind Acquisition Finance SA 144A company guaranty sr. notes 7 3/8s, 2018 (Luxembourg)	EUR	760,000	806,957
Wind Acquisition Holding company guaranty sr. notes Ser. REGS, 12 1/4s, 2017 (Luxembourg) ‡‡	EUR	250,027	204,576

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CORPORATE BONDS AND NOTES (31.1%)* *cont.*	**Principal amount**	**Value**
Communication services *cont.*		
Windstream Corp. company guaranty sr. unsec. unsub. notes 8 1/8s, 2018	$140,000	$149,450
Windstream Corp. company guaranty sr. unsec. unsub. notes 7 7/8s, 2017	584,000	641,670
Windstream Corp. company guaranty sr. unsec. unsub. notes 7 3/4s, 2021	254,000	271,780
		33,306,549
Consumer cyclicals (5.4%)		
Academy, Ltd./Academy Finance Corp. 144A company guaranty sr. unsec. notes 9 1/4s, 2019	60,000	65,400
Affinion Group Holdings, Inc. company guaranty sr. unsec. notes 11 5/8s, 2015	50,000	37,000
Affinion Group, Inc. company guaranty sr. unsec. notes 7 7/8s, 2018	955,000	802,200
Affinion Group, Inc. company guaranty sr. unsec. sub. notes 11 1/2s, 2015	560,000	476,000

AMC Entertainment, Inc. company guaranty sr. sub. notes 9 3/4s, 2020	410,000	444,850
American Casino & Entertainment Properties LLC sr. notes 11s, 2014	522,000	544,838
AmeriGas Finance, LLC/AmeriGas Finance Corp. company guaranty sr. unsec. notes 7s, 2022	335,000	355,100
ARAMARK Holdings Corp. 144A sr. unsec. notes 8 5/8s, 2016 ‡‡	167,000	170,759
Ashtead Capital, Inc. 144A company guaranty sr. notes 6 1/2s, 2022	125,000	129,688
Autonation, Inc. company guaranty sr. unsec. notes 6 3/4s, 2018	600,000	666,750
Autonation, Inc. company guaranty sr. unsec. unsub. notes 5 1/2s, 2020	130,000	136,338
Beazer Homes USA, Inc. company guaranty sr. unsec. notes 6 7/8s, 2015	172,000	171,570
Beazer Homes USA, Inc. sr. unsec. notes 9 1/8s, 2019	164,000	159,695
Bon-Ton Department Stores, Inc. (The) 144A company guaranty sr. notes 10 5/8s, 2017	675,000	547,594
Building Materials Corp. 144A company guaranty sr. notes 7 1/2s, 2020	235,000	256,738
Building Materials Corp. 144A sr. notes 7s, 2020	140,000	152,600
Building Materials Corp. 144A sr. notes 6 7/8s, 2018	180,000	193,950
Building Materials Corp. 144A sr. notes 6 3/4s, 2021	360,000	393,300
Burlington Coat Factory Warehouse Corp. company guaranty sr. unsec. notes 10s, 2019	320,000	339,600
Caesars Entertainment Operating Co., Inc. company guaranty		

sr. notes 10s, 2018		777,000	503,108
Caesars Entertainment Operating Co., Inc. sr. notes 11 1/4s, 2017		394,000	426,505
Cedar Fair LP/Canada's Wonderland Co./Magnum Management Corp. company guaranty sr. unsec. notes 9 1/8s, 2018		170,000	191,356
Cenveo Corp. company guaranty sr. notes 8 7/8s, 2018		265,000	230,550
Choice Hotels International, Inc. company guaranty sr. unsec. unsub. notes 5 3/4s, 2022		175,000	186,375

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CORPORATE BONDS AND NOTES (31.1%)* *cont.*		**Principal amount**	**Value**
Consumer cyclicals *cont.*			
Chrysler Group, LLC/CG Co-Issuer, Inc. company guaranty notes 8 1/4s, 2021		$705,000	$734,081
Cinemark USA, Inc. company guaranty sr. unsec. sub. notes 7 3/8s, 2021		100,000	111,000
CityCenter Holdings LLC/CityCenter Finance Corp. company guaranty 10 3/4s, 2017 ‡‡		740,150	779,933
Clear Channel Communications, Inc. company guaranty sr. notes 9s, 2021		313,000	261,355
Clear Channel Worldwide Holdings, Inc. company guaranty sr. unsec. unsub. notes Ser. B, 9 1/4s, 2017		1,083,000	1,169,640
Compucom Systems, Inc. 144A sr. sub. notes 12 1/2s, 2015		305,000	316,438
Conti-Gummi Finance B.V. company guaranty bonds Ser. REGS, 7 1/8s, 2018 (Netherlands)	EUR	708,000	929,697

Cumulus Media Holdings, Inc. company guaranty sr. unsec. unsub. notes 7 3/4s, 2019		$540,000	523,800
FelCor Lodging LP company guaranty sr. notes 6 3/4s, 2019 R		695,000	734,963
Ford Motor Credit Co., LLC sr. unsec. notes 5s, 2018		890,000	948,613
Ford Motor Credit Co., LLC sr. unsec. unsub. notes 5 7/8s, 2021		250,000	275,593
Gray Television, Inc. company guaranty sr. notes 10 1/2s, 2015		480,000	508,800
Great Canadian Gaming Corp. 144A company guaranty sr. unsec notes 6 5/8s, 2022 (Canada)	CAD	600,000	605,415
Grupo Televisa, S.A.B sr. unsec. bonds 6 5/8s, 2040 (Mexico)		$195,000	250,035
Grupo Televisa, S.A.B sr. unsec. notes 6s, 2018 (Mexico)		128,000	151,245
Hanesbrands, Inc. company guaranty sr. unsec. notes 6 3/8s, 2020		407,000	434,981
HD Supply, Inc. 144A company guaranty sr. notes 8 1/8s, 2019		440,000	479,600
Interactive Data Corp. company guaranty sr. unsec. notes 10 1/4s, 2018		1,007,000	1,140,428
Isle of Capri Casinos, Inc. company guaranty sr. unsec. unsub. notes 7 3/4s, 2019		821,000	854,866
Isle of Capri Casinos, Inc. 144A company guaranty sr. sub. notes 8 7/8s, 2020		295,000	295,369
ISS Holdings A/S sr. sub. notes Ser. REGS, 8 7/8s, 2016 (Denmark)	EUR	698,000	878,142
Jarden Corp. company guaranty sr. unsec. sub. notes Ser. 1, 7 1/2s, 2020	EUR	75,000	95,336
KB Home company guaranty sr. unsec. unsub. notes 7 1/2s, 2022		$50,000	50,375

Lamar Media Corp. company guaranty sr. notes 9 3/4s, 2014		225,000	252,281
Lamar Media Corp. company guaranty sr. sub. notes 5 7/8s, 2022		130,000	137,150
Lender Processing Services, Inc. company guaranty sr. unsec. unsub. notes 8 1/8s, 2016		1,760,000	1,832,600
Lennar Corp. 144A company guaranty sr. notes 4 3/4s, 2017		125,000	124,375
Limited Brands, Inc. company guaranty sr. unsec. notes 6 5/8s, 2021		360,000	401,400
Limited Brands, Inc. sr. notes 5 5/8s, 2022		190,000	198,550
Lottomatica Group SpA sub. notes FRN Ser. REGS, 8 1/4s, 2066 (Italy)	EUR	730,000	810,429
Macy's Retail Holdings, Inc. company guaranty sr. unsec. notes 5.9s, 2016		$460,000	535,218

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CORPORATE BONDS AND NOTES (31.1%)* *cont.*	**Principal amount**	**Value**
Consumer cyclicals *cont.*		
Mashantucket Western Pequot Tribe 144A bonds Ser. A, 8 1/2s, 2015 (In default) †	$760,000	$62,700
Masonite International Corp., 144A company guaranty sr. notes 8 1/4s, 2021 (Canada)	274,000	284,960
MGM Resorts International company guaranty sr. notes 9s, 2020	103,000	114,716
MGM Resorts International company guaranty sr. unsec. notes 6 7/8s, 2016	145,000	146,088
MGM Resorts International company guaranty sr. unsec. notes 6 5/8s, 2015	471,000	486,896

MGM Resorts International company guaranty sr. unsec. unsub. notes 7 3/4s, 2022		255,000	255,638
MTR Gaming Group, Inc. company guaranty notes 11 1/2s, 2019 ‡‡		1,200,975	1,230,999
Navistar International Corp. sr. notes 8 1/4s, 2021		1,034,000	964,205
Needle Merger Sub Corp. 144A sr. unsec. notes 8 1/8s, 2019		315,000	316,181
Nielsen Finance, LLC/Nielsen Finance Co. company guaranty sr. unsec. notes 7 3/4s, 2018		345,000	388,125
Nortek, Inc. company guaranty sr. unsec. notes 10s, 2018		666,000	719,280
Nortek, Inc. company guaranty sr. unsec. notes 8 1/2s, 2021		355,000	365,650
Owens Corning company guaranty sr. unsec. notes 9s, 2019		1,248,000	1,588,080
Penn National Gaming, Inc. sr. unsec. sub. notes 8 3/4s, 2019		115,000	127,219
Penske Automotive Group, Inc. company guaranty sr. unsec. sub. notes 7 3/4s, 2016		380,000	393,300
PETCO Animal Supplies, Inc. 144A company guaranty sr. notes 9 1/4s, 2018		235,000	257,325
PHH Corp. sr. unsec. unsub. notes 9 1/4s, 2016		230,000	248,400
Pinnacle Entertainment, Inc. company guaranty sr. unsec. notes 8 5/8s, 2017		120,000	130,800
Polish Television Holding BV sr. notes stepped-coupon Ser. REGS, 11 1/4s (13s, 11/15/14), 2017 (Netherlands) ††	EUR	790,000	993,099
QVC Inc. 144A sr. notes 7 1/2s, 2019		$275,000	305,961
Realogy Corp. 144A company guaranty sr. notes 7 7/8s, 2019		120,000	121,200
Rivers Pittsburgh Borrower LP/Rivers Pittsburgh Finance Corp.			

144A sr. notes 9 1/2s, 2019		125,000	131,875
Sabre Holdings Corp. sr. unsec. unsub. notes 8.35s, 2016		354,000	342,495
Sabre, Inc. 144A sr. notes 8 1/2s, 2019		281,000	292,943
Schaeffler Finance BV 144A company guaranty sr. notes 8 3/4s, 2019 (Germany)	EUR	595,000	783,334
Schaeffler Finance BV 144A company guaranty sr. notes 8 1/2s, 2019 (Germany)		$200,000	214,000
Scotts Miracle-Gro Co. (The) company guaranty sr. unsec. unsub. notes 6 5/8s, 2020		330,000	358,050
Sealy Mattress Co. 144A company guaranty sr. notes 10 7/8s, 2016		200,000	216,500
Sears Holdings Corp. company guaranty 6 5/8s, 2018		323,000	289,489
Spectrum Brands Holdings, Inc. Company guaranty sr. notes 9 1/2s, 2018		879,000	1,004,258
Spectrum Brands Holdings, Inc. 144A sr. notes 6 3/4s, 2020		255,000	266,475
SugarHouse HSP Gaming Prop. Mezz LP/SugarHouse HSP Gaming Finance Corp. 144A notes 8 5/8s, 2016		165,000	173,663
Toys “R” Us, Inc. sr. unsec. unsub. notes 7 7/8s, 2013		45,000	46,913

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CORPORATE BONDS AND NOTES (31.1%)* *cont.*	**Principal amount**	**Value**
Consumer cyclicals *cont.*		
Toys “R” Us, Inc. 144A sr. unsec. notes 10 3/8s, 2017	$125,000	$125,625
Toys R Us — Delaware, Inc. 144A company guaranty sr. notes 7 3/8s, 2016	105,000	104,738

Toys R Us Property Co., LLC company guaranty sr. notes 8 1/2s, 2017		135,000	145,800
Toys R Us Property Co., LLC company guaranty sr. unsec. notes 10 3/4s, 2017		607,000	670,735
Travelport, LLC company guaranty sr. unsec. sub. notes 11 7/8s, 2016		299,000	106,893
Travelport, LLC company guaranty sr. unsec. unsub. notes 9 7/8s, 2014		55,000	40,081
Travelport, LLC 144A sr. notes 6.461s, 2016 ‡‡		114,000	86,640
Travelport, LLC/Travelport, Inc. company guaranty sr. unsec. notes 9s, 2016		304,000	207,480
TRW Automotive, Inc. company guaranty sr. unsec. unsub. notes Ser. REGS, 6 3/8s, 2014	EUR	235,000	307,771
TRW Automotive, Inc. 144A company guaranty sr. notes 7 1/4s, 2017		$800,000	907,000
TVN Finance Corp. III AB 144A company guaranty sr. unsec. notes 7 7/8s, 2018 (Sweden)	EUR	50,000	62,100
Univision Communications, Inc. 144A sr. notes 6 7/8s, 2019		$455,000	473,200
Wynn Las Vegas, LLC/Wynn Las Vegas Capital Corp. company guaranty 1st mtge. notes 7 3/4s, 2020		250,000	277,500
XM Satellite Radio, Inc. 144A company guaranty sr. unsec. notes 13s, 2013		145,000	160,950
XM Satellite Radio, Inc. 144A sr. unsec. notes 7 5/8s, 2018		1,206,000	1,308,510
YCC Holdings, LLC/Yankee Finance, Inc. sr. unsec. notes 10 1/4s, 2016 ‡‡		305,000	310,719

Yonkers Racing Corp. 144A sr. notes 11 3/8s, 2016		801,000	847,058
			44,167,189
Consumer staples (1.8%)			
Anheuser-Busch InBev Worldwide, Inc. company guaranty sr. unsec. notes 9 3/4s, 2015	BRL	1,500,000	811,041
Avis Budget Car Rental, LLC company guaranty sr. unsec. unsub. notes 9 5/8s, 2018		$275,000	304,219
Avis Budget Car Rental, LLC company guaranty sr. unsec. unsub. notes 7 3/4s, 2016		730,000	751,900
Avis Budget Car Rental, LLC 144A company guaranty sr. unsec. unsub. notes 8 1/4s, 2019		115,000	123,481
Boparan Finance PLC 144A company guaranty sr. unsec. unsub. bonds 9 3/4s, 2018 (United Kingdom)	EUR	135,000	172,570
Burger King Corp. company guaranty sr. unsec. notes 9 7/8s, 2018		$432,000	495,180
CKE Holdings, Inc. 144A sr. notes 10 1/2s, 2016 ‡‡		245,517	271,910
Claire’s Stores, Inc. company guaranty sr. notes 8 7/8s, 2019		284,000	239,270
Claire’s Stores, Inc. 144A sr. notes 9s, 2019		385,000	399,438
Constellation Brands, Inc. company guaranty sr. unsec. unsub. notes 7 1/4s, 2016		142,000	162,235
Constellation Brands, Inc. company guaranty sr. unsec. unsub. notes 6s, 2022		200,000	220,750

CORPORATE BONDS AND NOTES (31.1%)* *cont.*	**Principal amount**	**Value**

Consumer staples *cont.*

Corrections Corporation of America company guaranty sr. notes 7 3/4s, 2017		$599,000	$649,166
Dean Foods Co. company guaranty sr. unsec. unsub. notes 7s, 2016		279,000	287,370
DineEquity, Inc. company guaranty sr. unsec. notes 9 1/2s, 2018		265,000	292,825
Dole Food Co. 144A sr. notes 8s, 2016		207,000	216,315
EC Finance PLC company guaranty sr. bonds Ser. REGS, 9 3/4s, 2017 (United Kingdom)	EUR	676,000	837,897
Elizabeth Arden, Inc. sr. unsec. unsub. notes 7 3/8s, 2021		$380,000	418,000
Enterprise Inns PLC sr. unsub. mtge. notes 6 1/2s, 2018 (United Kingdom)	GBP	300,000	383,005
Hertz Corp. (The) company guaranty sr. unsec. notes 7 1/2s, 2018		$155,000	167,206
Hertz Holdings Netherlands BV 144A sr. bonds 8 1/2s, 2015 (Netherlands)	EUR	360,000	476,045
JBS USA, LLC/JBS USA Finance, Inc. 144A sr. unsec. notes 8 1/4s, 2020		$150,000	149,430
JBS USA, LLC/JBS USA Finance, Inc. 144A sr. unsec. notes 7 1/4s, 2021		810,000	757,350
Libbey Glass, Inc. 144A company guaranty sr. notes 6 7/8s, 2020		276,000	291,180
Post Holdings, Inc. 144A sr. unsec. notes 7 3/8s, 2022		165,000	172,013
Prestige Brands, Inc. company guaranty sr. unsec. notes 8 1/4s, 2018		500,000	549,375
Rite Aid Corp. company guaranty sr. notes 7 1/2s, 2017		620,000	636,275

Rite Aid Corp. company guaranty sr. unsec. unsub. notes 9 1/2s, 2017	643,000	658,271
Rite Aid Corp. company guaranty sr. unsec. unsub. notes 9 1/4s, 2020	535,000	540,350
Rite Aid Corp. company guaranty sr. unsub. notes 8s, 2020	125,000	140,781
Service Corporation International sr. notes 7s, 2019	180,000	195,750
Smithfield Foods, Inc. sr. unsec. unsub notes 6 5/8s, 2022	340,000	353,175
Stewart Enterprises, Inc. company guaranty sr. unsec. notes 6 1/2s, 2019	430,000	448,275
UR Merger Sub Corp. company guaranty sr. unsec. unsub. notes 9 1/4s, 2019	1,400,000	1,568,000
West Corp. company guaranty sr. unsec. notes 8 5/8s, 2018	37,000	40,469
West Corp. company guaranty sr. unsec. notes 7 7/8s, 2019	447,000	476,614
Wok Acquisition Corp. 144A sr. unsec. notes 10 1/4s, 2020	115,000	121,325
		14,778,456
Energy (6.5%)		
Alpha Natural Resources, Inc. company guaranty sr. unsec. notes 6 1/4s, 2021	300,000	258,000
Alpha Natural Resources, Inc. company guaranty sr. unsec. notes 6s, 2019	316,000	274,130
Anadarko Finance Co. company guaranty sr. unsec. unsub. notes Ser. B, 7 1/2s, 2031	37,000	49,531
Anadarko Petroleum Corp. sr. notes 5.95s, 2016	666,000	770,541
Arch Coal, Inc. company guaranty sr. unsec. notes 7 1/4s, 2020	112,000	97,160
Arch Coal, Inc. company guaranty sr. unsec. unsub. notes 7s, 2019	383,000	334,168

ATP Oil & Gas Corp. company guaranty sr. notes 11 7/8s, 2015		150,000	57,750

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CORPORATE BONDS AND NOTES (31.1%)* *cont.*		Principal amount	Value
Energy *cont.*			
Atwood Oceanics, Inc. sr. unsec. unsub. notes 6 1/2s, 2020		$115,000	$122,475
Aurora USA Oil & Gas Inc 144A sr. notes 9 7/8s, 2017		360,000	373,950
Carrizo Oil & Gas, Inc. company guaranty sr. unsec. notes 8 5/8s, 2018		814,000	881,155
Chaparral Energy, Inc. company guaranty sr. unsec. notes 9 7/8s, 2020		325,000	368,063
Chaparral Energy, Inc. company guaranty sr. unsec. notes 8 1/4s, 2021		5,000	5,425
Chesapeake Energy Corp. company guaranty sr. unsec. bonds 6 1/4s, 2017	EUR	145,000	172,028
Chesapeake Energy Corp. company guaranty sr. unsec. notes 9 1/2s, 2015		$1,150,000	1,236,250
Chesapeake Energy Corp. company guaranty sr. unsec. unsub. notes 6.775s, 2019		94,000	92,120
Chesapeake Midstream Partners LP/CHKM Finance Corp. company guaranty sr. unsec. notes 5 7/8s, 2021		309,000	308,228
Chesapeake Midstream Partners LP/CHKM Finance Corp. company guaranty sr. unsec. unsub. notes 6 1/8s, 2022		145,000	146,088
Concho Resources, Inc. company guaranty sr. unsec. notes 6 1/2s, 2022		515,000	551,050

Concho Resources, Inc. company guaranty sr. unsec. unsub. notes 5 1/2s, 2022		204,000	206,550
Connacher Oil and Gas, Ltd. 144A notes 8 3/4s, 2018 (Canada)	CAD	515,000	449,401
CONSOL Energy, Inc. company guaranty sr. unsec. notes 8 1/4s, 2020		$293,000	311,313
CONSOL Energy, Inc. company guaranty sr. unsec. notes 8s, 2017		1,667,000	1,762,853
Continental Resources, Inc. 144A company guaranty sr. unsec. notes 5s, 2022		430,000	447,200
Crosstex Energy LP/Crosstex Energy Finance Corp. company guaranty sr. unsec. notes 8 7/8s, 2018		850,000	901,000
Crosstex Energy LP/Crosstex Energy Finance Corp. 144A company guaranty sr. unsec. notes 7 1/8s, 2022		150,000	147,000
Denbury Resources, Inc. company guaranty sr. unsec. sub. notes 8 1/4s, 2020		302,000	339,750
Denbury Resources, Inc. company guaranty sr. unsec. sub. notes 6 3/8s, 2021		74,000	78,810
EP Energy, LLC/EP Energy Finance, Inc. 144A sr. notes 6 7/8s, 2019		170,000	181,475
EP Energy, LLC/EP Energy Finance, Inc. 144A sr. unsec. notes 9 3/8s, 2020		600,000	645,750
EXCO Resources, Inc. company guaranty sr. unsec. notes 7 1/2s, 2018		945,000	855,225
Ferrellgas LP/Ferrellgas Finance Corp. sr. unsec. notes 6 1/2s, 2021		234,000	222,300
Forbes Energy Services Ltd. company guaranty sr. unsec. notes 9s, 2019		340,000	324,700

FTS International Services, LLC/FTS International Bonds, Inc. 144A company guaranty sr. unsec. unsub. notes 8 1/8s, 2018		420,000	426,300
Gaz Capital SA sr. unsec. notes Ser. REGS, 7.288s, 2037 (Russia)		780,000	972,777

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CORPORATE BONDS AND NOTES (31.1%)* *cont.*		**Principal amount**	**Value**
Energy *cont.*			
Gazprom OAO Via Gaz Capital SA 144A sr. unsec. notes 7.288s, 2037 (Russia)		$575,000	$721,625
Gazprom OAO Via Gaz Capital SA 144A sr. unsec. unsub. notes 9 1/4s, 2019 (Russia)		1,855,000	2,399,424
Gazprom OAO Via Gaz Capital SA 144A sr. unsec. unsub. notes 8.146s, 2018 (Russia)		316,000	382,875
Gazprom OAO Via Gaz Capital SA 144A sr. unsec. unsub. notes 6.51s, 2022 (Russia)		485,000	562,862
Gazprom Via OAO White Nights Finance BV notes 10 1/2s, 2014 (Russia)		485,000	544,786
Goodrich Petroleum Corp. company guaranty sr. unsec. unsub. notes 8 7/8s, 2019		451,000	428,450
Hercules Offshore, Inc. 144A company guaranty sr. notes 7 1/8s, 2017		40,000	40,100
Inergy LP/Inergy Finance Corp. company guaranty sr. unsec. notes 6 7/8s, 2021		361,000	370,928
Infinis PLC 144A sr. notes 9 1/8s, 2014 (United Kingdom)	GBP	222,000	358,345
James River Coal Co. company guaranty sr. unsec. unsub. notes			

7 7/8s, 2019	$94,000	47,470
Key Energy Services, Inc. company guaranty unsec. unsub. notes 6 3/4s, 2021	175,000	175,438
Key Energy Services, Inc. 144A company guaranty sr. unsec. notes 6 3/4s, 2021	100,000	99,750
Kodiak Oil & Gas Corp. 144A sr. notes 8 1/8s, 2019	125,000	133,125
Laredo Petroleum, Inc. company guaranty sr. unsec notes 7 3/8s, 2022	150,000	158,250
Laredo Petroleum, Inc. company guaranty sr. unsec. unsub. notes 9 1/2s, 2019	433,000	489,290
Lone Pine Resources Canada, Ltd. 144A company guaranty sr. notes 10 3/8s, 2017 (Canada)	184,000	177,560
Lukoil International Finance BV 144A company guaranty sr. unsec. unsub. bonds 6.656s, 2022 (Russia)	1,080,000	1,244,495
MEG Energy Corp. 144A company guaranty sr. unsec notes 6 3/8s, 2023 (Canada)	150,000	153,375
MEG Energy Corp. 144A company guaranty sr. unsec. notes 6 1/2s, 2021 (Canada)	620,000	643,250
Milagro Oil & Gas, Inc. company guaranty notes 10 1/2s, 2016	520,000	413,400
National JSC Naftogaz of Ukraine govt. guaranty unsec. notes 9 1/2s, 2014 (Ukraine)	620,000	613,874
Newfield Exploration Co. sr. unsec. notes 5 3/4s, 2022	180,000	194,400
Northern Oil and Gas, Inc. 144A company guaranty sr. unsec notes 8s, 2020	375,000	378,750
Oasis Petroleum, Inc. company guaranty sr. unsec notes 6 7/8s, 2023	250,000	252,500

Offshore Group Investment, Ltd. company guaranty sr. notes 11 1/2s, 2015 (Cayman Islands)	375,000	412,500
Offshore Group Investment, Ltd. 144A company guaranty sr. notes 11 1/2s, 2015 (Cayman Islands)	325,000	357,500
PDC Energy, Inc. company guaranty sr. unsec. notes 12s, 2018	539,000	571,340

CORPORATE BONDS AND NOTES (31.1%)* *cont.*	**Principal amount**	**Value**
Energy *cont.*		
Peabody Energy Corp. company guaranty sr. unsec. notes 7 3/8s, 2016	$1,146,000	$1,260,600
Peabody Energy Corp. company guaranty sr. unsec. unsub. notes 6 1/2s, 2020	44,000	44,440
Pemex Project Funding Master Trust company guaranty sr. unsec. unsub. bonds 6 5/8s, 2035 (Mexico)	340,000	436,033
Pemex Project Funding Master Trust company guaranty unsec. unsub. notes 6 5/8s, 2038 (Mexico)	325,000	416,796
Pertamina Persero PT 144A sr. unsec. notes 4 7/8s, 2022 (Indonesia)	270,000	283,500
PetroBakken Energy, Ltd. 144A sr. unsec. notes 8 5/8s, 2020 (Canada)	728,000	731,640
Petrobras International Finance Co. company guaranty sr. unsec. notes 7 7/8s, 2019 (Brazil)	960,000	1,184,976
Petrobras International Finance Co. company guaranty sr. unsec. notes 6 7/8s, 2040 (Brazil)	140,000	177,303

Petrobras International Finance Co. company guaranty sr. unsec. notes 5 3/8s, 2021 (Brazil)	960,000	1,073,935
Petrohawk Energy Corp. company guaranty sr. unsec. notes 10 1/2s, 2014	225,000	248,099
Petroleos de Venezuela SA company guaranty sr. unsec. notes 5 1/4s, 2017 (Venezuela)	4,530,000	3,283,842
Petroleos de Venezuela SA company guaranty sr. unsec. unsub. notes 5 3/8s, 2027 (Venezuela)	650,000	379,113
Petroleos de Venezuela SA sr. unsec. notes 4.9s, 2014 (Venezuela)	910,000	794,357
Petroleos de Venezuela SA sr. unsec. sub. bonds 5s, 2015 (Venezuela)	2,205,000	1,754,166
Petroleos de Venezuela SA 144A company guaranty sr. notes 8 1/2s, 2017 (Venezuela)	4,455,000	3,731,063
Petroleos de Venezuela SA 144A company guaranty sr. unsec. notes 8s, 2013 (Venezuela)	315,000	315,000
Petroleos Mexicanos company guaranty sr. unsec. unsub. notes 5 1/2s, 2021 (Mexico)	800,000	932,000
Petroleos Mexicanos company guaranty unsec. unsub. notes 8s, 2019 (Mexico)	1,440,000	1,879,200
Plains Exploration & Production Co. company guaranty sr. unsec. notes 6 5/8s, 2021	325,000	344,500
Power Sector Assets & Liabilities Management Corp. 144A govt. guaranty sr. unsec. notes 7.39s, 2024 (Philippines)	690,000	934,950
Power Sector Assets & Liabilities Management Corp. 144A govt. guaranty sr. unsec. notes 7 1/4s, 2019 (Philippines)	950,000	1,216,000
Range Resources Corp. company guaranty sr. sub. notes 6 3/4s, 2020	350,000	385,000

Range Resources Corp. company guaranty sr. unsec. sub. notes 5s, 2022	175,000	180,250
Rosetta Resources, Inc. company guaranty sr. unsec. notes 9 1/2s, 2018	290,000	317,550
Samson Investment Co. 144A sr. unsec. notes 9 3/4s, 2020	950,000	985,625
SandRidge Energy, Inc. company guaranty sr. unsec. unsub. notes 7 1/2s, 2021	11,000	11,220

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CORPORATE BONDS AND NOTES (31.1%)* *cont.*	**Principal amount**	**Value**
Energy *cont.*		
SandRidge Energy, Inc. 144A company guaranty sr. unsec. unsub. notes 8s, 2018	$1,344,000	$1,397,760
SM Energy Co. sr. unsec. notes 6 5/8s, 2019	190,000	196,650
SM Energy Co. 144A sr. notes 6 1/2s, 2023	75,000	76,875
Unit Corp. company guaranty sr. sub. notes 6 5/8s, 2021	135,000	133,650
Unit Corp. 144A company guaranty sr. sub. notes 6 5/8s, 2021	250,000	248,125
Williams Cos., Inc. (The) notes 7 3/4s, 2031	158,000	201,142
WPX Energy, Inc. sr. unsec. unsub. notes 5 1/4s, 2017	750,000	768,750
		53,020,288
Financials (4.5%)		
ACE Cash Express, Inc. 144A sr. notes 11s, 2019	276,000	245,640
Air Lease Corp. 144A sr. notes 5 5/8s, 2017	380,000	380,950

Ally Financial, Inc. company guaranty sr. notes 6 1/4s, 2017		335,000	362,219
Ally Financial, Inc. company guaranty sr. unsec. notes 6 7/8s, 2012		818,000	819,636
Ally Financial, Inc. company guaranty sr. unsec. unsub. notes 8.3s, 2015		240,000	266,700
Ally Financial, Inc. company guaranty sr. unsec. unsub. notes 7 1/2s, 2020		1,320,000	1,539,450
Ally Financial, Inc. company guaranty sr. unsec. unsub. notes FRN 2.667s, 2014		85,000	82,445
American International Group, Inc. jr. sub. bonds FRB 8.175s, 2068		440,000	501,600
Banco do Brasil SA 144A sr. unsec. notes 9 3/4s, 2017 (Brazil)	BRL	855,000	454,787
Banco do Brasil SA 144A unsec. sub. notes 5 7/8s, 2023 (Brazil)		$475,000	498,750
Banco do Brasil SA 144A unsec. sub. notes 5 7/8s, 2022 (Brazil)		1,080,000	1,127,887
Capital One Capital IV company guaranty jr. unsec. sub. notes FRN 6.745s, 2037		374,000	375,870
CB Richard Ellis Services, Inc. company guaranty sr. unsec. notes 6 5/8s, 2020		135,000	144,956
CIT Group, Inc. sr. unsec. notes 5s, 2022		385,000	385,000
CIT Group, Inc. sr. unsec. unsub. notes 5 3/8s, 2020		310,000	326,251
CIT Group, Inc. sr. unsec. unsub. notes 5s, 2017		250,000	261,250
CIT Group, Inc. 144A bonds 7s, 2017		849,595	853,843
CIT Group, Inc. 144A bonds 7s, 2016		697,000	700,485
CIT Group, Inc. 144A company guaranty notes 6 5/8s, 2018		470,000	514,650

CIT Group, Inc. 144A company guaranty notes 5 1/2s, 2019		380,000	400,900
CNO Financial Group, Inc. 144A company guaranty sr. notes 9s, 2018		130,000	139,750
Community Choice Financial, Inc. 144A sr. notes 10 3/4s, 2019		395,000	391,050
Dresdner Funding Trust I jr. unsec. sub. notes 8.151s, 2031		500,000	407,500
Dresdner Funding Trust I 144A bonds 8.151s, 2031		579,000	471,885
HBOS Capital Funding LP 144A bank guaranty jr. unsec. sub. FRB 6.071s, (Perpetual maturity) (Jersey)		399,000	270,323
HSBC Capital Funding LP/Jersey bank guaranty jr. unsec. sub. bonds FRB 5.13s, (Perpetual maturity) (Jersey)	EUR	486,000	547,009
HUB International Holdings, Inc. 144A sr. sub. notes 10 1/4s, 2015		$185,000	185,925

CORPORATE BONDS AND NOTES (31.1%)* *cont.*	**Principal amount**	**Value**
Financials *cont.*		
HUB International Holdings, Inc. 144A sr. unsec. unsub. notes 9s, 2014	$135,000	$137,363
Icahn Enterprises LP/Icahn Enterprises Finance Corp. company guaranty sr. unsec. notes 8s, 2018	895,000	950,938
International Lease Finance Corp. sr. unsec. notes 6 1/4s, 2019	126,000	132,773
International Lease Finance Corp. sr. unsec. unsub. notes 4 7/8s, 2015	175,000	178,938
JPMorgan Chase & Co. 144A sr. unsec. notes FRN zero %, 2017	600,000	731,580

Liberty Mutual Insurance Co. 144A notes 7.697s, 2097		1,330,000	1,361,020
MPT Operating Partnership LP/MPT Finance Corp. company guaranty sr. unsec. notes 6 7/8s, 2021 **R**		177,000	188,063
MPT Operating Partnership LP/MPT Finance Corp. company guaranty sr. unsec. unsub. notes 6 3/8s, 2022 **R**		255,000	262,969
National Money Mart Co. company guaranty sr. unsec. unsub. notes 10 3/8s, 2016 (Canada)		174,000	194,010
Nuveen Investments, Inc. company guaranty sr. unsec. unsub. notes 10 1/2s, 2015		340,000	345,100
RBS Capital Trust III bank guaranty jr. unsec. sub. notes 5.512s, (Perpetual maturity) (United Kingdom)		525,000	320,250
Royal Bank of Scotland Group PLC jr. sub. notes FRN Ser. MTN, 7.64s, 2049 (United Kingdom)		600,000	429,767
Russian Agricultural Bank OJSC Via RSHB Capital SA 144A notes 7 1/8s, 2014 (Russia)		775,000	822,329
Russian Agricultural Bank OJSC Via RSHB Capital SA 144A sr. unsec. notes 5.298s, 2017 (Russia)		550,000	576,539
Sberbank of Russia Via SB Capital SA 144A sr. notes 6 1/8s, 2022 (Luxembourg)		500,000	541,770
Sberbank of Russia Via SB Capital SA 144A sr. notes 4.95s, 2017 (Luxembourg)		1,160,000	1,209,300
State Bank of India/London 144A sr. unsec. notes 4 1/2s, 2015 (India)		360,000	370,440
UBS AG/Jersey Branch jr. unsec. sub. notes FRN Ser. EMTN, 7.152s, (Perpetual maturity) (Jersey)	EUR	400,000	475,948
UBS AG/Jersey Branch jr. unsec. sub. FRB 4.28s,			

(Perpetual maturity) (Jersey)	EUR	182,000	193,319
Ukreximbank Via Biz Finance PLC sr. unsec. unsub. bonds 8 3/8s, 2015 (United Kingdom)		$425,000	395,297
Vnesheconombank Via VEB Finance PLC 144A bank guaranty, sr. unsec. unsub. bonds 6.8s, 2025 (Russia)		1,100,000	1,256,310
VTB Bank OJSC 144A jr. sub. notes FRN 9 1/2s, 2049 (Russia)		1,650,000	1,650,000
VTB Bank OJSC Via VTB Capital SA sr. notes 6 1/4s, 2035 (Russia)		1,065,000	1,123,852
VTB Bank OJSC Via VTB Capital SA 144A sr. unsec. notes 6 7/8s, 2018 (Russia)		4,520,000	4,836,400
VTB Bank OJSC Via VTB Capital SA 144A sr. unsec. notes 6 1/4s, 2035 (Russia)		2,934,000	3,096,133
VTB Bank OJSC Via VTB Capital SA 144A sr. unsec. unsub. notes 6.609s, 2012 (Russia)		2,612,000	2,644,180
			37,081,299

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CORPORATE BONDS AND NOTES (31.1%)* *cont.*		**Principal amount**	**Value**
Health care (1.8%)			
Aviv Healthcare Properties LP company guaranty sr. unsec. notes 7 3/4s, 2019		$325,000	$335,969
Bayer AG jr. unsec. sub. bonds FRB 5s, 2105 (Germany)	EUR	364,000	459,810
Biomet, Inc. company guaranty sr. unsec. notes 10s, 2017		$236,000	251,340
Biomet, Inc. 144A sr. unsec. notes 6 1/2s, 2020		275,000	283,250
Capella Healthcare, Inc. company guaranty sr. unsec. notes 9 1/4s, 2017		380,000	402,800

Capsugel FinanceCo SCA 144A company guaranty sr. unsec. notes 9 7/8s, 2019	EUR	455,000	620,613
CHS/Community Health Systems, Inc. company guaranty sr. unsec. unsub. notes 8s, 2019		$507,000	548,828
CHS/Community Health Systems, Inc. company guaranty sr. unsec. unsub. notes 7 1/8s, 2020		250,000	260,000
ConvaTec Healthcare E SA 144A sr. notes 7 3/8s, 2017 (Luxembourg)	EUR	160,000	204,654
ConvaTec Healthcare E SA 144A sr. unsec. notes 10 1/2s, 2018 (Luxembourg)		$1,070,000	1,106,113
Elan Finance PLC/Elan Finance Corp. company guaranty sr. unsec. notes 8 3/4s, 2016 (Ireland)		383,000	416,513
Emergency Medical Services Corp. company guaranty sr. unsec. notes 8 1/8s, 2019		504,000	536,130
Endo Health Solutions, Inc. company guaranty sr. unsec. notes 7s, 2019		290,000	320,450
Fresenius Medical Care US Finance II, Inc. 144A company guaranty sr. unsec. notes 5 5/8s, 2019		370,000	397,288
Fresenius US Finance II, Inc. 144A sr. unsec. notes 9s, 2015		125,000	144,219
Grifols, Inc. company guaranty sr. unsec. notes 8 1/4s, 2018		511,000	559,545
HCA, Inc. sr. notes 6 1/2s, 2020		1,580,000	1,765,650
HCA, Inc. sr. unsec. notes 7 1/2s, 2022		450,000	505,125
Health Net, Inc. sr. unsec. bonds 6 3/8s, 2017		740,000	764,050
Hologic, Inc. 144A company guaranty sr. unsec. notes 6 1/4s, 2020		110,000	116,325

IASIS Healthcare, LLC/IASIS Capital Corp. company guaranty sr. unsec. notes 8 3/8s, 2019	548,000	537,040
Kinetics Concept/KCI USA 144A company guaranty sr. unsec. notes 12 1/2s, 2019	445,000	409,400
Multiplan, Inc. 144A company guaranty sr. notes 9 7/8s, 2018	345,000	379,069
Omega Healthcare Investors, Inc. company guaranty sr. unsec. notes 6 3/4s, 2022 **R**	277,000	306,085
Surgical Care Affiliates, Inc. 144A sr. sub. notes 10s, 2017	640,000	651,200
Surgical Care Affiliates, Inc. 144A sr. unsec. notes 8 7/8s, 2015	329,569	334,513
Teleflex, Inc. company guaranty sr. unsec. sub. notes 6 7/8s, 2019	370,000	393,125
Tenet Healthcare Corp. company guaranty sr. notes 10s, 2018	276,000	320,160
Tenet Healthcare Corp. company guaranty sr. notes 6 1/4s, 2018	455,000	494,813
Tenet Healthcare Corp. sr. notes 8 7/8s, 2019	471,000	533,996
Valeant Pharmaceuticals International 144A company guaranty sr. notes 7s, 2020	70,000	72,275

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CORPORATE BONDS AND NOTES (31.1%)* *cont.*	**Principal amount**	**Value**
Health care *cont.*		
Valeant Pharmaceuticals International 144A company guaranty sr. unsec. notes 6 7/8s, 2018	$170,000	$179,563
Valeant Pharmaceuticals International 144A sr. notes 6 3/4s, 2017	70,000	74,550

Vanguard Health Systems, Inc. sr. unsec. notes zero %, 2016	16,000	10,880
		14,695,341
Technology (1.3%)		
Advanced Micro Devices, Inc. sr. unsec. notes 7 3/4s, 2020	599,000	627,453
Avaya, Inc. company guaranty sr. unsec. notes 9 3/4s, 2015	252,000	196,560
Avaya, Inc. 144A company guaranty sr. notes 7s, 2019	552,000	497,490
Ceridian Corp. company guaranty sr. unsec. notes 12 1/4s, 2015 ‡‡	288,000	285,840
Ceridian Corp. sr. unsec. notes 11 1/4s, 2015	643,000	630,140
Epicor Software Corp. company guaranty sr. unsec. notes 8 5/8s, 2019	183,000	187,575
Fidelity National Information Services, Inc. company guaranty sr. unsec. notes 7 7/8s, 2020	258,000	290,895
Fidelity National Information Services, Inc. company guaranty sr. unsec. notes 7 5/8s, 2017	172,000	190,060
First Data Corp. company guaranty sr. unsec. notes 12 5/8s, 2021	790,000	797,900
First Data Corp. company guaranty sr. unsec. notes 10.55s, 2015	783,603	803,193
First Data Corp. company guaranty sr. unsec. sub. notes 11 1/4s, 2016	242,000	230,505
First Data Corp. 144A company guaranty notes 8 1/4s, 2021	537,000	535,658
First Data Corp. 144A company guaranty sr. notes 8 7/8s, 2020	175,000	191,625
First Data Corp. 144A company guaranty sr. notes 7 3/8s, 2019	235,000	245,281
Freescale Semiconductor, Inc. company guaranty sr. unsec. notes 10 3/4s, 2020	85,000	90,525
Freescale Semiconductor, Inc. 144A company guaranty sr. notes		

10 1/8s, 2018		855,000	936,225
Infor (US), Inc. 144A sr. notes 9 3/8s, 2019		125,000	133,750
Iron Mountain, Inc. company guaranty sr. unsec. sub. notes 8s, 2020		1,035,000	1,104,863
Iron Mountain, Inc. sr. sub. notes 8 3/8s, 2021		290,000	321,175
NXP BV/NXP Funding, LLC 144A company guaranty sr. notes 9 3/4s, 2018 (Netherlands)		516,000	590,820
Seagate HDD Cayman company guaranty sr. unsec. unsub. notes 7 3/4s, 2018 (Cayman Islands)		433,000	479,548
SunGard Data Systems, Inc. company guaranty sr. unsec. sub. notes 10 1/4s, 2015		817,000	836,404
SunGard Data Systems, Inc. 144A sr. unsec. notes 7 5/8s, 2020		344,000	369,370
Syniverse Holdings, Inc. company guaranty sr. unsec. notes 9 1/8s, 2019		431,000	470,868
			11,043,723
Transportation (0.3%)			
Aguila 3 SA company guaranty sr. notes Ser. REGS, 7 7/8s, 2018 (Luxembourg)	CHF	1,111,000	1,203,403
Aguila 3 SA 144A company guaranty sr. notes 7 7/8s, 2018 (Luxembourg)		$170,000	180,200
AMGH Merger Sub, Inc. 144A company guaranty sr. notes 9 1/4s, 2018		466,000	497,455

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CORPORATE BONDS AND NOTES (31.1%)* *cont.*		**Principal amount**	**Value**

Transportation *cont.*		
Swift Services Holdings, Inc. company guaranty sr. notes 10s, 2018	$555,000	$603,563
Western Express, Inc. 144A sr. notes 12 1/2s, 2015	261,000	161,168
		2,645,789
Utilities and power (2.0%)		
AES Corp. (The) sr. unsec. unsub. notes 8s, 2017	1,140,000	1,325,250
AES Corp. (The) 144A sr. notes 7 3/8s, 2021	310,000	354,563
Calpine Corp. 144A company guaranty sr. notes 7 7/8s, 2020	380,000	427,500
Calpine Corp. 144A sr. notes 7 1/4s, 2017	995,000	1,077,088
Colorado Interstate Gas Co., LLC debs. 6.85s, 2037 (Canada)	615,000	702,077
Dynegy Holdings, LLC sr. unsec. notes 7 3/4s, 2019 (In default) †	940,000	599,250
Edison Mission Energy sr. unsec. notes 7 3/4s, 2016	289,000	158,950
Edison Mission Energy sr. unsec. notes 7 1/2s, 2013	135,000	78,975
Edison Mission Energy sr. unsec. notes 7.2s, 2019	292,000	156,950
Edison Mission Energy sr. unsec. notes 7s, 2017	44,000	23,980
El Paso Corp. sr. unsec. notes 7s, 2017	160,000	183,332
El Paso Natural Gas Co. debs. 8 5/8s, 2022	577,000	743,625
Energy Future Holdings Corp. company guaranty sr. notes 10s, 2020	1,390,000	1,502,938
Energy Future Intermediate Holding Co., LLC/EFIH Finance, Inc. sr. notes 10s, 2020	784,000	863,380
Energy Transfer Equity LP company guaranty sr. unsec. notes 7 1/2s, 2020	692,000	790,610

GenOn Energy, Inc. sr. unsec. notes 9 7/8s, 2020		644,000	705,180
GenOn Energy, Inc. sr. unsec. notes 9 1/2s, 2018		105,000	115,763
Ipalco Enterprises, Inc. 144A sr. notes 7 1/4s, 2016		220,000	245,300
Majapahit Holding BV 144A company guaranty sr. unsec. notes 8s, 2019 (Indonesia)		525,000	644,438
Majapahit Holding BV 144A company guaranty sr. unsec. notes 7 3/4s, 2020 (Indonesia)		2,425,000	2,960,028
NGPL PipeCo, LLC 144A sr. notes 9 5/8s, 2019		180,000	195,300
NRG Energy, Inc. company guaranty sr. unsec. notes 7 7/8s, 2021		1,375,000	1,460,938
NV Energy, Inc. sr. unsec. notes 6 1/4s, 2020		255,000	295,293
Tennessee Gas Pipeline Co., LLC sr. unsec. unsub. debs. 7s, 2028		145,000	187,940
Texas Competitive/Texas Competitive Electric Holdings Co., LLC 144A company guaranty sr. notes 11 1/2s, 2020		205,000	151,700
Vattenfall AB jr. unsec. sub. bonds FRB 5 1/4s, 2049 (Replace maturity date by Perpetual maturity) (Sweden)	EUR	364,000	467,321
			16,417,669
Total corporate bonds and notes (cost $248,156,844)			**$254,747,292**

U.S. GOVERNMENT AND AGENCY MORTGAGE OBLIGATIONS (12.7%)*	**Principal amount**	**Value**
U.S. Government Guaranteed Mortgage Obligations (0.6%)		
Government National Mortgage Association		
Pass-Through Certificates		
6 1/2s, November 20, 2038	$1,507,371	$1,713,987
3s, TBA, August 1, 2042	3,000,000	3,171,563

	4,885,550

U.S. GOVERNMENT AND AGENCY MORTGAGE OBLIGATIONS (12.7%)* *cont.*	**Principal amount**	**Value**
U.S. Government Agency Mortgage Obligations (12.1%)		
Federal Home Loan Mortgage Corporation Pass-Through Certificates 3 1/2s, TBA, August 1, 2042	$23,000,000	$24,355,742
Federal National Mortgage Association Pass-Through Certificates		
6 1/2s, April 1, 2016	7,579	8,075
6 1/2s, TBA, August 1, 2042	4,000,000	4,507,500
3 1/2s, TBA, August 1, 2042	13,000,000	13,793,203
3s, TBA, September 1, 2042	12,000,000	12,450,937
3s, TBA, August 1, 2042	42,000,000	43,693,125
		98,808,582
Total U.S. government and agency mortgage obligations (cost $103,033,850)		**$103,694,132**

U.S. TREASURY OBLIGATIONS (1.0%)*	**Principal amount**	**Value**
U.S. Treasury Inflation Protected Securities 1.125%, January 15, 2021 **i**	$921,420	$1,077,656
U.S. Treasury Inflation Protected Securities 2.000%, January 15, 2014 **i**	1,552,337	1,620,919
U.S. Treasury Notes 0.125%, September 30, 2013 **i**	635,000	634,740
U.S. Treasury Notes 0.375%, July 31, 2013 **i**	3,998,000	4,005,356
U.S. Treasury Notes 1.375%, September 15, 2012 **i**	400,000	402,688
U.S. Treasury Notes 1.875%, August 31, 2017 **i**	333,000	356,360
Total U.S. treasury obligations (cost $8,097,719)		**$8,097,719**

PURCHASED OPTIONS OUTSTANDING (10.0%)*	**Expiration date/ strike price**	**Contract amount**	**Value**
Option on an interest rate swap with Bank of America, N.A. for the right to receive a fixed rate of 2.042% versus the three month USD-LIBOR-BBA maturing August 2022.	Aug-12/2.042	$893,000	$35,604
Option on an interest rate swap with Bank of America, N.A. for the right to receive a fixed rate of 2.064% versus the three month USD-LIBOR-BBA maturing September 2022.	Sep-12/2.064	893,000	36,622
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	893,000	38,060
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	27,030,000	448,157
Option on an interest rate swap with Barclay's Bank, PLC for the right to pay a fixed rate of 2.00% versus the three month USD-LIBOR-BBA maturing September 2022.	Sep-12/2.00	10,049,000	18,591
Option on an interest rate swap with Barclay's Bank, PLC for the right to pay a fixed rate of 3.37% versus the three month USD-LIBOR-BBA maturing August 2022.	Aug-12/3.37	33,939,791	34
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	27,030,000	558,710

PURCHASED OPTIONS OUTSTANDING (10.0%)* *cont.*	**Expiration date/ strike price**	**Contract amount**	**Value**
Option on an interest rate swap with Barclay's Bank, PLC for the right to receive a fixed rate of 2.00% versus the three month USD-LIBOR-BBA maturing September 2022.	Sep-12/2.00	$10,049,000	$356,237
Option on an interest rate swap with Barclay's Bank, PLC for the right to receive a fixed rate of 3.37% versus the three month USD-LIBOR-BBA maturing August 2022.	Aug-12/3.37	33,939,791	5,623,823
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.	Jul-16/4.74	18,108,147	311,170
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.	Jul-16/4.74	18,108,147	3,715,104
Option on an interest rate swap with Credit Suisse International for the right to pay a fixed rate of 4.04% versus the three month USD-LIBOR-BBA maturing September 2025.	Sep-15/4.04	22,922,000	424,905
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.	Aug-16/4.28	59,347,000	1,370,382
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.	Jul-16/4.67	43,271,000	804,841
Option on an interest rate swap with Credit Suisse			

International for the right to receive a fixed rate of 1.9475% versus the three month USD-LIBOR-BBA maturing August 2022.	Aug-12/1.9475	42,961,000	1,330,502
Option on an interest rate swap with Credit Suisse International for the right to receive a fixed rate of 2.144% versus the three month USD-LIBOR-BBA maturing August 2022.	Aug-12/2.144	15,237,000	759,260
Option on an interest rate swap with Credit Suisse International for the right to receive a fixed rate of 2.169% versus the three month USD-LIBOR-BBA maturing September 2022.	Sep-12/2.169	15,237,000	768,859
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	15,237,000	790,496
Option on an interest rate swap with Credit Suisse International for the right to receive a fixed rate of 4.04% versus the three month USD-LIBOR-BBA maturing September 2025.	Sep-15/4.04	22,922,000	3,727,278
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.	Aug-16/4.28	59,347,000	9,973,204

PURCHASED OPTIONS OUTSTANDING (10.0%)* *cont.*	**Expiration date/ strike price**	**Contract amount**	**Value**
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.	Jul-16/4.67	$43,271,000	$8,544,854

Option on an interest rate swap with Deutsche Bank AG for the right to pay a fixed rate of 2.73% versus the three month USD-LIBOR-BBA maturing August 2022.	Aug-12/2.73	21,595,000	22
Option on an interest rate swap with Deutsche Bank AG for the right to pay a fixed rate of 4.375% versus the three month USD-LIBOR-BBA maturing August 2045.	Aug-15/4.375	7,284,400	205,493
Option on an interest rate swap with Deutsche Bank AG for the right to pay a fixed rate of 4.46% versus the three month USD-LIBOR-BBA maturing August 2045.	Aug-15/4.46	7,284,400	190,706
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	893,000	39,953
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	893,000	41,489
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	8,182,000	446,246
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	8,182,000	457,701
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	8,182,000	468,665
Option on an interest rate swap with Deutsche Bank AG for the right to receive a fixed rate of 2.73% versus the three month USD-LIBOR-BBA maturing			

August 2022.	Aug-12/2.73	21,595,000	2,260,349
Option on an interest rate swap with Deutsche Bank AG for the right to receive a fixed rate of 4.375% versus the three month USD-LIBOR-BBA maturing August 2045.	Aug-15/4.375	7,284,400	2,942,898
Option on an interest rate swap with Deutsche Bank AG for the right to receive a fixed rate of 4.46% versus the three month USD-LIBOR-BBA maturing August 2045.	Aug-15/4.46	7,284,400	3,066,732
Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 2.235% versus the three month USD-LIBOR-BBA maturing August 2022.	Aug-12/2.235	2,266,000	23
Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 2.26% versus the three month USD-LIBOR-BBA maturing September 2022.	Sep-12/2.26	2,266,000	1,042

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PURCHASED OPTIONS OUTSTANDING (10.0%)* *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 2.28% versus the three month USD-LIBOR-BBA maturing October 2022.	Oct-12/2.28	$2,266,000	$3,036
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	2,266,000	5,846
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	2,266,000	8,905
Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 2.855% versus the three month USD-LIBOR-BBA maturing September 2042.	Sep-12/2.855	4,711,000	9,328
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	4,711,000	62,798
Option on an interest rate swap with Goldman Sachs International for the right to pay a fixed rate of 3.49% versus the three month USD-LIBOR-BBA maturing September 2026.	Sep-16/3.49	1,774,702	65,806
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.	Aug-16/4.17	14,131,000	159,539
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.	May-16/4.705	38,578,000	305,924
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.	May-16/4.72	41,000,000	325,950
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	5,860,000	138,355
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	5,860,000	145,504
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	5,860,000	151,950
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	5,860,000	158,103

PURCHASED OPTIONS OUTSTANDING (10.0%)* *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 1.8625% versus the three month USD-LIBOR-BBA maturing January 2023.	Jan-13/1.8625	$5,860,000	$161,912
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 2.235% versus the three month USD-LIBOR-BBA maturing August 2022.	Aug-12/2.235	2,266,000	131,065
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 2.26% versus the three month USD-LIBOR-BBA maturing September 2022.	Sep-12/2.26	2,266,000	132,606
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	2,266,000	134,555

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	2,266,000	137,524
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	8,182,000	513,175
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	2,266,000	140,220
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	8,182,000	525,366
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	8,182,000	535,348
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 2.855% versus the three month USD-LIBOR-BBA maturing September 2042.	Sep-12/2.855	4,711,000	518,446
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	4,711,000	572,434
Option on an interest rate swap with Goldman Sachs International for the right to receive a fixed rate of 3.49% versus the three month USD-LIBOR-BBA maturing September 2026.	Sep-16/3.49	1,774,702	198,926
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.	Aug-16/4.17	14,131,000	1,429,492

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PURCHASED OPTIONS OUTSTANDING (10.0%)* *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 4.705% versus the three month USD-LIBOR-BBA maturing May 2021.	May-16/4.705	$38,578,000	$4,871,244
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.	May-16/4.72	41,000,000	5,192,240
Option on an interest rate swap with JPMorgan Chase Bank NA for the right to pay a fixed rate of 2.855% versus the three month USD-LIBOR-BBA maturing August 2022.	Aug-12/2.855	74,503,300	75
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.	Aug-16/4.17	14,131,000	155,356
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.	May-16/4.705	38,578,000	296,511
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.	May-16/5.11	28,044,000	186,857

Option on an interest rate swap with JPMorgan Chase Bank NA for the right to receive a fixed rate of 2.855% versus the three month USD-LIBOR-BBA maturing August 2022.	Aug-12/2.855	74,503,300	8,670,694
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.	Aug-16/4.17	14,131,000	1,449,388
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.	May-16/4.705	38,578,000	4,946,313
Total purchased options outstanding (cost $65,109,571)			**$82,198,803**

FOREIGN GOVERNMENT AND AGENCY BONDS AND NOTES (9.2%)*		**Principal amount/units**	**Value**
Argentina (Republic of) sr. unsec. bonds 7s, 2017		$1,665,000	$1,240,425
Argentina (Republic of) sr. unsec. bonds Ser. VII, 7s, 2013		1,136,000	1,113,285
Argentina (Republic of) sr. unsec. bonds FRB 0.739s, 2013		3,113,000	370,447
Argentina (Republic of) sr. unsec. unsub. bonds 7s, 2015		13,260,000	11,251,110
Argentina (Republic of) sr. unsec. unsub. notes Ser. NY, 8.28s, 2033		2,863,164	1,896,846
Brazil (Federal Republic of) unsec. notes 10s, 2017	BRL	3,500	1,779,352
Brazil (Federal Republic of) unsub. notes 10s, 2014	BRL	2,365	1,193,583
Chile (Republic of) notes 5 1/2s, 2020	CLP	397,500,000	905,057
Croatia (Republic of) 144A sr. unsec. unsub. notes			

6 3/8s, 2021	$620,000	633,175
Croatia (Republic of) 144A unsec. notes 6 1/4s, 2017	715,000	737,037

FOREIGN GOVERNMENT AND AGENCY BONDS AND NOTES (9.2%)* *cont.*		Principal amount/units	Value
Export-Import Bank of Korea 144A sr. unsec. unsub. notes 5.1s, 2013 (South Korea)	INR	53,200,000	$926,272
Ghana (Republic of) 144A unsec. notes 8 1/2s, 2017		$1,590,000	1,797,400
Hungary (Republic of) sr. unsec. unsub. notes 7 5/8s, 2041		340,000	349,544
Hungary (Republic of) sr. unsec. unsub. notes 6 3/8s, 2021		22,000	22,466
Indonesia (Republic of) 144A sr. unsec. notes 11 5/8s, 2019		1,305,000	1,977,310
Indonesia (Republic of) 144A sr. unsec. unsub. bonds 7 3/4s, 2038		920,000	1,357,000
Indonesia (Republic of) 144A sr. unsec. unsub. bonds 6 3/4s, 2014		460,000	493,401
Indonesia (Republic of) 144A sr. unsec. unsub. bonds 6 5/8s, 2037		1,555,000	2,036,568
International Bank for Reconstruction & Development sr. disc. unsec. unsub. notes Ser. GDIF, 5 1/4s, 2014	RUB	22,650,000	679,915
Iraq (Republic of) 144A bonds 5.8s, 2028		$1,275,000	1,119,450
Italy (Republic of) unsec. bonds 5 1/2s, 2022	EUR	7,358,000	8,737,412
Peru (Republic of) bonds 6.95s, 2031	PEN	5,885,000	2,655,825
Russia (Federation of) sr. unsec. unsub. bonds 7 1/2s, 2030		$53,935	67,326
Russia (Federation of) 144A sr. notes 5 5/8s, 2042		4,000,000	4,743,680

Russia (Federation of) 144A unsec. notes 3 1/4s, 2017	400,000	412,172
Russia (Federation of) 144A unsec. unsub. bonds 7 1/2s, 2030	4,518,224	5,636,484
Sri Lanka (Republic of) 144A notes 7.4s, 2015	440,000	473,290
Turkey (Republic of) sr. unsec. notes 7 1/2s, 2017	3,785,000	4,508,200
Ukraine (Government of) Financing of Infrastructural Projects State Enterprise 144A govt. guaranty notes 8 3/8s, 2017	425,000	363,375
Ukraine (Government of) 144A bonds 7 3/4s, 2020	1,140,000	1,028,850
Ukraine (Government of) 144A notes 9 1/4s, 2017	2,640,000	2,626,963
Ukraine (Government of) 144A sr. unsec. notes 7.95s, 2021	1,580,000	1,456,175
Ukraine (Government of) 144A sr. unsec. unsub. notes 7.65s, 2013	4,165,000	4,144,175
United Mexican States sr. unsec. notes 5 3/4s, 2110	1,120,000	1,400,000
Venezuela (Republic of) sr. unsec. bonds 7s, 2038	650,000	435,754
Venezuela (Republic of) unsec. notes 10 3/4s, 2013	2,510,000	2,592,479
Venezuela (Republic of) 144A unsec. bonds 13 5/8s, 2018	2,215,000	2,288,494
Total foreign government and agency bonds and notes (cost $73,160,300)		**$75,450,297**

SENIOR LOANS (2.0%)* [c]	Principal amount	Value
Basic materials (—%)		
Momentive Performance Materials, Inc. bank term loan FRN Ser. B1, 3 3/4s, 2015	$163,510	$156,050
Nexeo Solutions, LLC bank term loan FRN Ser. B, 5s, 2017	202,437	197,208
		353,258
Capital goods (—%)		

SRAM Corp. bank term loan FRN 8 1/2s, 2018	135,000	135,675
		135,675
Communication services (0.3%)		
Charter Communications Operating, LLC bank term loan FRN Ser. C, 3.72s, 2016	1,122,882	1,117,424
Intelsat SA bank term loan FRN 3.24s, 2014 (Luxembourg)	885,000	869,070
Level 3 Financing, Inc. bank term loan FRN 2.652s, 2014	35,000	34,858
		2,021,352

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SENIOR LOANS (2.0%)* c *cont.*	**Principal amount**	**Value**
Consumer cyclicals (0.9%)		
Burlington Coat Factory Warehouse Corp. bank term loan FRN Ser. B1, 6 1/4s, 2017	$108,158	$107,729
Caesars Entertainment Operating Co., Inc. bank term loan FRN Ser. B6, 5.489s, 2018	1,677,518	1,474,585
CCM Merger, Inc. bank term loan FRN Ser. B, 6s, 2017	542,091	536,941
Cengage Learning Acquisitions, Inc. bank term loan FRN Ser. B, 2.49s, 2014	485,307	442,691
Clear Channel Communications, Inc. bank term loan FRN Ser. B, 3.889s, 2016	987,831	743,342
Compucom Systems, Inc. bank term loan FRN 3.74s, 2014	151,195	149,305
Golden Nugget, Inc. bank term loan FRN Ser. B, 3 1/4s, 2014 ‡‡	199,161	189,037
Golden Nugget, Inc. bank term loan FRN Ser. DD, 3 1/4s, 2014 ‡‡	113,367	107,604
Goodman Global, Inc. bank term loan FRN 9s, 2017	271,091	274,593

Goodman Global, Inc. bank term loan FRN 5 3/4s, 2016	416,710	416,395
National Bedding Company, LLC bank term loan FRN Ser. B, 4 3/8s, 2013	148,203	148,203
Neiman Marcus Group, Inc. (The) bank term loan FRN 4 3/4s, 2018	370,000	366,814
R.H. Donnelley, Inc. bank term loan FRN Ser. B, 9s, 2014	1,199,105	571,074
Realogy Corp. bank term loan FRN Ser. B, 4.77s, 2016	800,784	757,075
ServiceMaster Co. (The) bank term loan FRN Ser. B, 2.795s, 2014	284,667	282,947
ServiceMaster Co. (The) bank term loan FRN Ser. DD, 2.74s, 2014	28,368	28,196
Tribune Co. bank term loan FRN Ser. B, 5 1/4s, 2014 (In default) †	670,438	487,743
Univision Communications, Inc. bank term loan FRN 4.489s, 2017	345,227	330,699
		7,414,973
Consumer staples (0.3%)		
Claire's Stores, Inc. bank term loan FRN 3.056s, 2014	309,389	295,115
Del Monte Corp. bank term loan FRN Ser. B, 4 1/2s, 2018	249,277	244,759
Landry's, Inc. bank term loan FRN Ser. B, 6 1/2s, 2017	818,700	820,057
Revlon Consumer Products bank term loan FRN Ser. B, 4 3/4s, 2017	559,350	556,553
Rite Aid Corp. bank term loan FRN Ser. B, 1.994s, 2014	179,586	175,545
West Corp. bank term loan FRN Ser. B2, 2.653s, 2013	44,736	44,624
West Corp. bank term loan FRN Ser. B5, 4.489s, 2016	108,231	107,690
		2,244,343
Energy (0.1%)		
Chesapeake Energy Corp. bank term loan FRN 8 1/2s, 2017	365,000	363,733

EP Energy, LLC bank term loan FRN 6 1/2s, 2018	135,000	136,519
Frac Tech International, LLC bank term loan FRN Ser. B, 6 1/4s, 2016	323,488	278,200
		778,452
Financials (0.1%)		
AGFS Funding Co. bank term loan FRN Ser. B, 5 1/2s, 2017	395,000	375,826
HUB International Holdings, Inc. bank term loan FRN 6 3/4s, 2017	162,418	162,892
		538,718
Health care (0.2%)		
Ardent Health Services bank term loan FRN Ser. B, 6 1/2s, 2015	508,907	507,635
Emergency Medical Services Corp. bank term loan FRN Ser. B, 5 1/4s, 2018	371,110	370,554
IASIS Healthcare, LLC bank term loan FRN Ser. B, 5s, 2018	617,188	614,487
Multiplan, Inc. bank term loan FRN Ser. B, 4 3/4s, 2017	294,840	293,489
Quintiles Transnational Corp. bank term loan FRN 7 1/2s, 2017 ‡‡	135,000	135,675
		1,921,840

SENIOR LOANS (2.0%)* [c] *cont.*	**Principal amount**	**Value**
Utilities and power (0.1%)		
Texas Competitive Electric Holdings Co., LLC bank term loan FRN 4.741s, 2017	$1,360,286	$863,782
		863,782
Total senior loans (cost $17,641,980)		**$16,272,393**

ASSET-BACKED SECURITIES (1.1%)*	**Principal amount**	**Value**

Bear Stearns Asset Backed Securities, Inc. FRB Ser. 04-FR3, Class M6, 5.121s, 2034		$79,080	$24,343
Countrywide Asset Backed Certificates FRB Ser. 07-1, Class 2A2, 0.346s, 2037		4,195,000	3,929,666
Crest, Ltd. 144A Ser. 03-2A, Class E2, 8s, 2038		981,851	40,256
Granite Mortgages PLC			
FRB Ser. 03-2, Class 2C1, 4.13s, 2043	EUR	2,002,000	1,970,608
FRB Ser. 03-2, Class 3C, 3.52s, 2043	GBP	746,898	936,819
Green Tree Financial Corp. Ser. 95-F, Class B2, 7.1s, 2021		$12,422	12,128
Guggenheim Structured Real Estate Funding, Ltd. 144A FRB Ser. 05-2A, Class E, 2.246s, 2030 (Cayman Islands)		779,289	389,645
Merrill Lynch Mortgage Investors Trust FRB Ser. 06-HE5, Class A2B, 0.356s, 2037		3,162,812	1,739,546
Morgan Stanley Capital, Inc. FRB Ser. 04-HE8, Class B3, 3.446s, 2034		94,854	28,756
TIAA Real Estate CDO, Ltd. Ser. 03-1A, Class E, 8s, 2038		1,026,685	102,668
Total asset-backed securities (cost $9,312,986)			**$9,174,435**

CONVERTIBLE BONDS AND NOTES (0.2%)*	**Principal amount**	**Value**
Altra Holdings, Inc. cv. company guaranty sr. unsec. notes 2 3/4s, 2031	$330,000	$319,275
Ford Motor Co. cv. sr. unsec. notes 4 1/4s, 2016	345,000	465,319
Meritor, Inc. cv. company guaranty sr. unsec. notes stepped-coupon 4 5/8s (zero %, 3/1/16) 2026 ††	659,000	573,330
Steel Dynamics, Inc. cv. sr. notes 5 1/8s, 2014	350,000	377,125

Total convertible bonds and notes (cost $1,703,534)		**$1,735,049**

PREFERRED STOCKS (0.1%)*	**Shares**	**Value**
Ally Financial, Inc. 144A 7.00% cum. pfd.	440	$395,395
GMAC Capital Trust I Ser. 2, $2.031 cum. pfd.	28,680	699,218
Total preferred stocks (cost $881,238)		**$1,094,613**

CONVERTIBLE PREFERRED STOCKS (0.1%)*	**Shares**	**Value**
General Motors Co. Ser. B, $2.375 cv. pfd.	9,017	$303,197
Lehman Brothers Holdings, Inc. 7.25% cv. pfd. (Escrow) † F	1,477	15
Lucent Technologies Capital Trust I 7.75% cv. pfd.	407	223,850
United Technologies Corp. $3.75 cv. pfd. †	4,800	253,200
Total convertible preferred stocks (cost $1,090,810)		**$780,262**

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WARRANTS (—%)* †	**Expiration date**		**Strike price**	**Warrants**	**Value**
Charter Communications, Inc. Class A	11/30/14		$0.01	117	$3,686
Smurfit Kappa Group PLC 144A (Ireland) F	10/1/13	EUR	1.00	960	37,088
Total warrants (cost $35,777)					**$40,774**

COMMON STOCKS (—%)*	**Shares**	**Value**
Magellan Health Services, Inc. †	304	$14,653

Trump Entertainment Resorts, Inc.	224	672
Vertis Holdings, Inc. F	1,450	15
Total common stocks (cost $26,153)		**$15,340**

SHORT-TERM INVESTMENTS (18.9%)*	**Principal amount/shares**	**Value**
Putnam Money Market Liquidity Fund 0.13% e	51,748,870	$51,748,870
SSgA Prime Money Market Fund 0.12% P	10,943,447	10,943,447
Straight-A Funding, LLC commercial paper with an effective yield of 0.178%, August 10, 2012	$9,000,000	8,999,595
Straight-A Funding, LLC commercial paper 144A Ser. 1 with an effective yield of 0.178%, October 10, 2012	15,000,000	14,993,778
U.S. Treasury Bills with an effective yield of 0.090%, November 15, 2012 # ##	1,690,000	1,689,441
U.S. Treasury Bills with an effective yield of 0.087%, October 18, 2012 # ##	35,685,000	35,677,863
U.S. Treasury Bills with effective yields ranging from 0.077% to 0.094%, August 23, 2012 #	30,707,000	30,705,335
Total short-term investments (cost $154,759,740)		**$154,758,329**

TOTAL INVESTMENTS		
Total investments (cost $930,225,271)		**$966,145,640**

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
PEN	Peruvian Neuvo Sol
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.
IO	Interest Only
JSC	Joint Stock Company
MTN	Medium Term Notes
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 August 1, 2011 through July 31, 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 $818,077,054.

† Non-income-producing security.

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

‡‡ 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.

Δ Forward commitment, in part or in entirety (Note 1).

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 See Note 6 to the financial statements regarding investments in Putnam Money Market Liquidity Fund. The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.

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.

i Security purchased with cash or security received, that was pledged to the fund for collateral on certain derivative contracts (Note 1).

P Security purchased with cash or security received, 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 $192,260,821 to cover certain derivatives contracts.

Debt obligations are considered secured unless otherwise indicated.

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.

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

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FORWARD CURRENCY CONTRACTS at 7/31/12 (aggregate face value $639,528,529)

Counterparty	Currency	Contract type	Delivery date	Value	Aggregate face value	Unrealized appreciation/ (depreciation)
Bank of America, N.A.						

	Australian Dollar	Sell	8/16/12	$740,457	$720,054	$(20,403)
	Euro	Buy	8/16/12	9,786,641	9,812,174	(25,533)
	Euro	Sell	8/16/12	9,897,271	9,783,116	(114,155)
	Japanese Yen	Buy	8/16/12	4,075,307	4,070,831	4,476
	Japanese Yen	Sell	8/16/12	4,075,307	4,013,443	(61,864)
Barclays Bank PLC						
	Australian Dollar	Buy	8/16/12	6,599,039	6,371,443	227,596
	Brazilian Real	Buy	8/16/12	2,788,270	2,841,941	(53,671)
	British Pound	Sell	8/16/12	12,508,835	12,462,725	(46,110)
	Canadian Dollar	Sell	8/16/12	1,210,725	1,168,667	(42,058)
	Chilean Peso	Buy	8/16/12	2,693,224	2,620,002	73,222
	Czech Koruna	Sell	8/16/12	2,840,954	2,880,711	39,757
	Euro	Sell	8/16/12	14,665,564	14,639,737	(25,827)
	Japanese Yen	Sell	8/16/12	3,890,120	3,830,400	(59,720)
	Malaysian Ringgit	Buy	8/16/12	914,757	902,551	12,206
	Mexican Peso	Buy	8/16/12	1,461,547	1,463,975	(2,428)
	Mexican Peso	Sell	8/16/12	1,461,547	1,442,949	(18,598)
	New Zealand Dollar	Buy	8/16/12	616,941	569,886	47,055
	Norwegian Krone	Sell	8/16/12	650,396	730,039	79,643
	Polish Zloty	Sell	8/16/12	2,479,926	2,423,676	(56,250)

	Singapore Dollar	Sell	8/16/12	2,287,119	2,246,507	(40,612)
	South African Rand	Buy	8/16/12	1,210,399	1,215,407	(5,008)
	South Korean Won	Buy	8/16/12	1,674,332	1,653,625	20,707
	Swedish Krona	Buy	8/16/12	2,174,902	2,127,766	47,136
	Swiss Franc	Sell	8/16/12	2,719,036	2,747,831	28,795
	Taiwan Dollar	Sell	8/16/12	1,937,831	1,936,208	(1,623)
	Turkish Lira	Sell	8/16/12	1,537,106	1,520,508	(16,598)
Citibank, N.A.						
	Australian Dollar	Buy	8/16/12	12,628,173	12,583,323	44,850
	Brazilian Real	Buy	8/16/12	7,205	7,307	(102)
	Brazilian Real	Sell	8/16/12	7,205	7,209	4
	British Pound	Sell	8/16/12	8,143,975	8,199,182	55,207
	Canadian Dollar	Sell	8/16/12	3,462,961	3,365,889	(97,072)
	Czech Koruna	Sell	8/16/12	2,681,035	2,733,524	52,489
	Euro	Sell	8/16/12	11,728,636	11,855,378	126,742
	Japanese Yen	Sell	8/16/12	6,594,961	6,494,536	(100,425)
	Mexican Peso	Sell	8/16/12	1,301,452	1,306,778	5,326
	Norwegian Krone	Buy	8/16/12	874,502	868,344	6,158
	Norwegian Krone	Sell	8/16/12	874,502	862,345	(12,157)
	Singapore Dollar	Sell	8/16/12	2,286,154	2,245,737	(40,417)

	South Korean Won	Buy	8/16/12	1,492,278	1,473,308	18,970
	Swedish Krona	Buy	8/16/12	164,788	160,426	4,362
	Swedish Krona	Sell	8/16/12	164,788	158,609	(6,179)
	Swiss Franc	Buy	8/16/12	463,316	468,281	(4,965)

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FORWARD CURRENCY CONTRACTS at 7/31/12 (aggregate face value $639,528,529) *cont.*

Counterparty	Currency	Contract type	Delivery date	Value	Aggregate face value	Unrealized appreciation/ (depreciation)
Citibank, N.A. *cont.*						
	Taiwan Dollar	Sell	8/16/12	$1,711,216	$1,717,495	$6,279
	Turkish Lira	Buy	8/16/12	1,609,807	1,595,055	14,752
Credit Suisse AG						
	Australian Dollar	Buy	8/16/12	10,317,801	9,913,282	404,519
	Brazilian Real	Buy	8/16/12	1,201,559	1,227,137	(25,578)
	British Pound	Sell	8/16/12	3,106,670	3,144,045	37,375
	Canadian Dollar	Sell	8/16/12	5,390,772	5,168,581	(222,191)
	Chilean Peso	Buy	8/16/12	1,902,220	1,849,811	52,409
	Czech Koruna	Sell	8/16/12	3,333,471	3,409,004	75,533
	Euro	Sell	8/16/12	16,379,776	16,537,055	157,279

	Hungarian Forint	Buy	8/16/12	1,083,482	1,141,859	(58,377)
	Japanese Yen	Buy	8/16/12	4,060,113	4,045,242	14,871
	Malaysian Ringgit	Buy	8/16/12	924,652	912,490	12,162
	Mexican Peso	Buy	8/16/12	1,215,232	1,218,787	(3,555)
	Mexican Peso	Sell	8/16/12	1,215,232	1,208,535	(6,697)
	New Zealand Dollar	Sell	8/16/12	1,163,651	1,180,121	16,470
	Norwegian Krone	Sell	8/16/12	3,065,714	3,044,979	(20,735)
	Philippines Peso	Buy	8/16/12	1,880,794	1,870,120	10,674
	Polish Zloty	Sell	8/16/12	1,217,551	1,166,871	(50,680)
	Singapore Dollar	Sell	8/16/12	2,608,960	2,560,978	(47,982)
	South African Rand	Buy	8/16/12	1,363,385	1,392,642	(29,257)
	South Korean Won	Buy	8/16/12	3,952,735	3,923,325	29,410
	Swedish Krona	Buy	8/16/12	6,060,220	5,832,103	228,117
	Swiss Franc	Buy	8/16/12	4,303	4,347	(44)
	Taiwan Dollar	Sell	8/16/12	1,799,218	1,805,575	6,357
	Turkish Lira	Sell	8/16/12	648,580	641,506	(7,074)
Deutsche Bank AG						
	Australian Dollar	Buy	8/16/12	403,027	459,224	(56,197)
	British Pound	Sell	8/16/12	6,156,271	6,130,949	(25,322)
	Canadian Dollar	Buy	8/16/12	3,415,511	3,469,763	(54,252)

	Czech Koruna	Sell	8/16/12	3,319,157	3,396,728	77,571
	Euro	Sell	8/16/12	10,940,566	11,060,475	119,909
	Mexican Peso	Sell	8/16/12	1,840,582	1,831,222	(9,360)
	Polish Zloty	Sell	8/16/12	2,562,191	2,517,278	(44,913)
	Singapore Dollar	Sell	8/16/12	2,289,690	2,251,442	(38,248)
	South Korean Won	Buy	8/16/12	2,415,826	2,412,874	2,952
	Swedish Krona	Buy	8/16/12	6,177,525	5,938,810	238,715
	Swiss Franc	Buy	8/16/12	1,421,505	1,436,797	(15,292)
	Turkish Lira	Buy	8/16/12	2,207,474	2,176,756	30,718
Goldman Sachs International						
	Australian Dollar	Sell	8/16/12	970,308	1,021,280	50,972
	British Pound	Buy	8/16/12	351,196	302,188	49,008
	Canadian Dollar	Sell	8/16/12	819,113	796,098	(23,015)
	Chilean Peso	Buy	8/16/12	1,247,979	1,205,318	42,661

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FORWARD CURRENCY CONTRACTS at 7/31/12 (aggregate face value $639,528,529) *cont.*

Counterparty	Currency	Contract type	Delivery date	Value	Aggregate face value	Unrealized appreciation/ (depreciation)
Goldman Sachs International *cont.*						

	Chilean Peso	Sell	8/16/12	$1,247,979	$1,202,415	$(45,564)
	Czech Koruna	Sell	8/16/12	91,424	168,354	76,930
	Euro	Buy	8/16/12	1,276,122	1,224,328	51,794
	Japanese Yen	Sell	8/16/12	1,807,398	1,755,037	(52,361)
	Norwegian Krone	Buy	8/16/12	4,125,287	4,094,131	31,156
	Norwegian Krone	Sell	8/16/12	4,125,287	4,069,970	(55,317)
	Singapore Dollar	Sell	8/16/12	1,773,781	1,742,697	(31,084)
	South Korean Won	Buy	8/16/12	542,893	538,747	4,146
	Swedish Krona	Buy	8/16/12	3,207,427	3,086,449	120,978
	Turkish Lira	Buy	8/16/12	2,890,348	2,861,970	28,378
HSBC Bank USA, National Association						
	Australian Dollar	Buy	8/16/12	14,007,518	13,504,935	502,583
	British Pound	Sell	8/16/12	8,101,314	8,098,062	(3,252)
	Canadian Dollar	Sell	8/16/12	4,189,466	4,034,891	(154,575)
	Czech Koruna	Sell	8/16/12	2,453,796	2,555,447	101,651
	Euro	Sell	8/16/12	16,442,044	16,625,217	183,173
	Indian Rupee	Sell	8/16/12	1,777,206	1,770,760	(6,446)
	Japanese Yen	Buy	8/16/12	5,420,937	5,335,900	85,037
	Norwegian Krone	Sell	8/16/12	2,900,939	2,878,616	(22,323)
	Singapore Dollar	Sell	8/16/12	2,268,073	2,230,512	(37,561)

	South Korean Won	Buy	8/16/12	2,448,033	2,439,471	8,562
	Swiss Franc	Buy	8/16/12	1,798,449	1,817,909	(19,460)
	Turkish Lira	Buy	8/16/12	4,538,117	4,467,498	70,619
JPMorgan Chase Bank, N.A.						
	Australian Dollar	Buy	8/16/12	4,363,080	4,327,191	35,889
	Brazilian Real	Buy	8/16/12	351,905	355,793	(3,888)
	Brazilian Real	Sell	8/16/12	351,905	352,651	746
	British Pound	Buy	8/16/12	2,505,718	2,436,746	68,972
	Canadian Dollar	Sell	8/16/12	146,537	40,776	(105,761)
	Chilean Peso	Buy	8/16/12	1,453,858	1,377,581	76,277
	Czech Koruna	Sell	8/16/12	3,864,383	3,945,628	81,245
	Euro	Sell	8/16/12	13,844,390	13,964,517	120,127
	Hungarian Forint	Buy	8/16/12	1,187,936	1,172,723	15,213
	Japanese Yen	Sell	8/16/12	1,835,766	1,779,018	(56,748)
	Mexican Peso	Sell	8/16/12	769,869	767,099	(2,770)
	New Zealand Dollar	Sell	8/16/12	221,209	245,137	23,928
	Norwegian Krone	Buy	8/16/12	4,043,124	4,004,819	38,305
	Peruvian New Sol	Sell	8/16/12	2,429,039	2,393,352	(35,687)
	Polish Zloty	Sell	8/16/12	1,244,684	1,214,161	(30,523)
	Russian Ruble	Sell	8/16/12	717,744	711,930	(5,814)

	Singapore Dollar	Sell	8/16/12	2,564,360	2,520,343	(44,017)
	South African Rand	Buy	8/16/12	98,099	105,900	(7,801)
	South Korean Won	Buy	8/16/12	1,768,479	1,753,744	14,735
	Swedish Krona	Buy	8/16/12	2,001,590	2,013,609	(12,019)

FORWARD CURRENCY CONTRACTS at 7/31/12 (aggregate face value $639,528,529) *cont.*

Counterparty	Currency	Contract type	Delivery date	Value	Aggregate face value	Unrealized appreciation/ (depreciation)
JPMorgan Chase Bank, N.A. *cont.*						
	Swiss Franc	Buy	8/16/12	$2,301,622	$2,325,779	$(24,157)
	Taiwan Dollar	Sell	8/16/12	1,776,194	1,783,842	7,648
	Turkish Lira	Buy	8/16/12	4,256,986	4,207,317	49,669
Royal Bank of Scotland PLC (The)						
	Australian Dollar	Sell	8/16/12	790,100	564,823	(225,277)
	Brazilian Real	Sell	8/16/12	987,076	988,597	1,521
	British Pound	Buy	8/16/12	1,849,421	1,782,669	66,752
	Canadian Dollar	Buy	8/16/12	706,768	730,734	(23,966)
	Chilean Peso	Buy	8/16/12	26,688	25,642	1,046
	Chilean Peso	Sell	8/16/12	26,688	25,995	(693)

	Czech Koruna	Sell	8/16/12	221,520	286,488	64,968
	Euro	Sell	8/16/12	471,193	805,004	333,811
	Japanese Yen	Sell	8/16/12	3,935,899	3,874,256	(61,643)
	Mexican Peso	Sell	8/16/12	1,908,021	1,900,655	(7,366)
	New Zealand Dollar	Buy	8/16/12	2,472,616	2,420,694	51,922
	New Zealand Dollar	Sell	8/16/12	2,472,616	2,436,164	(36,452)
	Norwegian Krone	Buy	8/16/12	1,422,570	1,410,857	11,713
	Norwegian Krone	Sell	8/16/12	1,422,570	1,405,783	(16,787)
	Singapore Dollar	Sell	8/16/12	1,829,872	1,798,259	(31,613)
	South Korean Won	Buy	8/16/12	271,174	274,991	(3,817)
	Swedish Krona	Buy	8/16/12	117,290	114,173	3,117
	Swedish Krona	Sell	8/16/12	117,290	112,767	(4,523)
	Taiwan Dollar	Sell	8/16/12	454,989	456,226	1,237
	Turkish Lira	Buy	8/16/12	3,591,286	3,542,962	48,324
State Street Bank and Trust Co.						
	Australian Dollar	Buy	8/16/12	9,927,788	9,716,333	211,455
	Brazilian Real	Sell	8/16/12	69,855	79,815	9,960
	British Pound	Sell	8/16/12	4,628,099	4,638,877	10,778
	Canadian Dollar	Sell	8/16/12	2,693,392	2,547,851	(145,541)
	Chilean Peso	Buy	8/16/12	1,901,431	1,838,761	62,670

	Czech Koruna	Sell	8/16/12	3,352,265	3,482,900	130,635
	Euro	Sell	8/16/12	16,775,288	16,946,460	171,172
	Hungarian Forint	Buy	8/16/12	1,317,019	1,336,094	(19,075)
	Japanese Yen	Buy	8/16/12	4,161,377	4,144,789	16,588
	Japanese Yen	Sell	8/16/12	4,161,377	4,097,080	(64,297)
	Mexican Peso	Sell	8/16/12	1,547,789	1,533,968	(13,821)
	New Zealand Dollar	Sell	8/16/12	1,219,155	1,250,428	31,273
	Norwegian Krone	Sell	8/16/12	388,815	431,603	42,788
	Polish Zloty	Sell	8/16/12	2,489,368	2,428,407	(60,961)
	Singapore Dollar	Sell	8/16/12	2,015,984	1,983,720	(32,264)
	South African Rand	Buy	8/16/12	107,808	150,688	(42,880)
	South Korean Won	Buy	8/16/12	2,697,087	2,700,264	(3,177)
	Swedish Krona	Buy	8/16/12	9,253,141	8,888,556	364,585
	Swiss Franc	Buy	8/16/12	3,014,424	3,045,999	(31,575)

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FORWARD CURRENCY CONTRACTS at 7/31/12 (aggregate face value $639,528,529) *cont.*

Counterparty	**Currency**	**Contract type**	**Delivery date**	**Value**	**Aggregate face value**	**Unrealized appreciation/ (depreciation)**
State Street Bank and Trust Co. *cont.*						

	Taiwan Dollar	Sell	8/16/12	$1,955,043	$1,957,018	$1,975
	Thai Baht	Buy	8/16/12	1,827,266	1,820,773	6,493
	Turkish Lira	Buy	8/16/12	3,419,929	3,388,216	31,713
UBS AG						
	Australian Dollar	Buy	8/16/12	11,175,387	11,002,738	172,649
	Brazilian Real	Buy	8/16/12	794,792	803,633	(8,841)
	Brazilian Real	Sell	8/16/12	794,792	798,582	3,790
	British Pound	Sell	8/16/12	8,103,525	8,091,611	(11,914)
	Canadian Dollar	Sell	8/16/12	1,396,588	1,280,520	(116,068)
	Czech Koruna	Sell	8/16/12	3,347,727	3,425,830	78,103
	Euro	Sell	8/16/12	16,185,466	16,101,412	(84,054)
	Hungarian Forint	Buy	8/16/12	1,190,831	1,208,463	(17,632)
	Indian Rupee	Sell	8/16/12	2,796,948	2,791,541	(5,407)
	Japanese Yen	Buy	8/16/12	1,520,590	1,440,309	80,281
	Mexican Peso	Sell	8/16/12	1,257,129	1,299,000	41,871
	New Zealand Dollar	Sell	8/16/12	2,853,056	2,846,985	(6,071)
	Norwegian Krone	Sell	8/16/12	3,388,135	3,322,189	(65,946)
	Philippines Peso	Buy	8/16/12	1,880,797	1,869,789	11,008
	Polish Zloty	Buy	8/16/12	88,481	88,408	73
	Polish Zloty	Sell	8/16/12	88,481	86,300	(2,181)

	Singapore Dollar	Sell	8/16/12	3,543,623	3,483,191	(60,432)
	Swedish Krona	Buy	8/16/12	7,340,434	7,301,319	39,115
	Swiss Franc	Sell	8/16/12	7,284,268	7,359,121	74,853
	Taiwan Dollar	Sell	8/16/12	1,220,163	1,219,495	(668)
	Thai Baht	Buy	8/16/12	1,827,263	1,818,498	8,765
	Turkish Lira	Buy	8/16/12	2,819,704	2,788,168	31,536
Westpac Banking Corp.						
	Australian Dollar	Buy	8/16/12	6,990,730	6,728,381	262,349
	British Pound	Sell	8/16/12	5,272,168	5,309,628	37,460
	Canadian Dollar	Sell	8/16/12	2,033,477	1,890,818	(142,659)
	Euro	Sell	8/16/12	15,571,721	15,805,940	234,219
	Japanese Yen	Buy	8/16/12	6,773,601	6,670,035	103,566
	Mexican Peso	Sell	8/16/12	570,326	560,927	(9,399)
	Norwegian Krone	Sell	8/16/12	2,550,976	2,552,574	1,598
	Swedish Krona	Buy	8/16/12	4,164,736	4,009,318	155,418
Total						**$3,679,653**

FUTURES CONTRACTS OUTSTANDING at 7/31/12

	Number of contracts	Value	Expiration date	Unrealized appreciation/ (depreciation)
Australian Government				

Treasury Bond 3 yr (Short)	106	$12,252,901	Sep-12	$89,220
Australian Government Treasury Bond 10 yr (Long)	5	660,510	Sep-12	(2,875)

FUTURES CONTRACTS OUTSTANDING at 7/31/12 *cont.*

	Number of contracts	Value	Expiration date	Unrealized appreciation/ (depreciation)
Canadian Government Bond 10 yr (Long)	60	$8,312,709	Sep-12	$103,724
Euro-Bund 10 yr (Short)	212	37,710,325	Sep-12	(268,557)
Euro-Swiss Franc 3 Month (Short)	87	22,302,494	Dec-12	(350,742)
Japanese Government Bond 10 yr (Short)	2	3,686,656	Sep-12	(13,580)
Japanese Government Bond 10 yr Mini (Long)	19	3,505,242	Sep-12	1,810
U.K. Gilt 10 yr (Short)	12	2,293,075	Sep-12	(36,530)
U.S. Treasury Note 10 yr (Short)	2	269,313	Sep-12	652
Total				**$(476,878)**

WRITTEN OPTIONS OUTSTANDING at 7/31/12 (premiums received $43,141,927)

	Contract amount	Expiration date/ strike price	Value

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.	$27,536,670	Aug-16/4.28	$4,640,975
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.	64,500,748	Aug-16/4.35	11,202,812
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.	27,536,670	Aug-16/4.28	644,055
Option on an interest rate swap with Barclay's Bank, PLC for the obligation to pay a fixed rate of 2.73% versus the three month USD-LIBOR-BBA maturing August 2022.	21,595,000	Aug-12/2.73	2,260,349
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.	4,548,270	Jun-16/4.39	508,497
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.	15,044,234	Jul-16/4.67	2,963,714
Option on an interest rate swap with Barclay's Bank, PLC for the obligation to pay a fixed rate of 4.68% versus the three month USD-LIBOR-BBA maturing August 2026.	18,053,080	Aug-16/4.68	3,569,094
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.	6,017,693	Jul-16/4.80	1,246,866
Option on an interest rate swap with Barclay's Bank,			

PLC for the obligation to receive a fixed rate of 2.73% versus the three month USD-LIBOR-BBA maturing August 2022.	21,595,000	Aug-12/2.73	22

WRITTEN OPTIONS OUTSTANDING at 7/31/12 (premiums received $43,141,927) *cont.*

	Contract amount	Expiration date/ strike price	Value
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.	$15,044,234	Jul-16/4.67	$273,805
Option on an interest rate swap with Barclay's Bank, PLC for the obligation to receive a fixed rate of 4.68% versus the three month USD-LIBOR-BBA maturing August 2026.	18,053,080	Aug-16/4.68	326,761
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.	6,017,693	Jul-16/4.80	101,699
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.	4,548,270	Jun-16/4.89	34,567
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.	23,498,613	May-16/4.11	2,383,417
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.	4,622,106	Jun-16/4.12	470,216

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.	71,799,174	May-16/4.705	9,116,916
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.	71,799,174	May-16/4.705	555,869
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.	23,498,613	May-16/5.11	155,326
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.	4,622,106	Jun-16/5.12	30,645
Option on an interest rate swap with Credit Suisse International for the obligation to pay a fixed rate of 2.855% versus the three month USD-LIBOR-BBA maturing August 2022.	74,503,300	Aug-12/2.855	8,670,694
Option on an interest rate swap with Credit Suisse International for the obligation to receive a fixed rate of 2.855% versus the three month USD-LIBOR-BBA maturing August 2022.	74,503,300	Aug-12/2.855	75
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.	24,005,421	May-16/4.60	2,976,672
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.	3,321,532	May-16/4.765	438,442
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.	24,005,421	May-16/4.60	196,124

WRITTEN OPTIONS OUTSTANDING at 7/31/12 (premiums received $43,141,927) *cont.*

	Contract amount	Expiration date/ strike price	Value
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.	$3,321,532	May-16/4.765	$26,572
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.	24,125,492	May-16/4.36	2,682,031
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.	24,125,492	May-16/4.86	181,182
Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to pay a fixed rate of 4.04% versus the three month USD-LIBOR-BBA maturing September 2025.	22,922,000	Sep-15/4.04	3,786,623
Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to pay a fixed rate of 4.375% versus the three month USD-LIBOR-BBA maturing August 2045.	7,284,400	Aug-15/4.375	2,890,312
Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to pay a fixed rate of 4.46% versus the three month USD-LIBOR-BBA maturing August 2045.	7,284,400	Aug-15/4.46	3,008,333
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.	4,519,392	Jun-16/4.575	550,774

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.	15,141,557	Jul-16/4.74	3,143,296
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.	8,457,241	Jul-16/4.79	1,787,159
Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to receive a fixed rate of 4.04% versus the three month USD-LIBOR-BBA maturing September 2025.	22,922,000	Sep-15/4.04	399,187
Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to receive a fixed rate of 4.375% versus the three month USD-LIBOR-BBA maturing August 2045.	7,284,400	Aug-15/4.375	205,493
Option on an interest rate swap with JPMorgan Chase Bank NA for the obligation to receive a fixed rate of 4.46% versus the three month USD-LIBOR-BBA maturing August 2045.	7,284,400	Aug-15/4.46	190,706
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.	4,519,392	Jun-16/4.575	37,827

WRITTEN OPTIONS OUTSTANDING at 7/31/12 (premiums received $43,141,927) *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 4.74% versus the three month USD-LIBOR-BBA maturing July 2026.	$15,141,557	Jul-16/4.74	$254,999
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.	8,457,241	Jul-16/4.79	139,053
Total			**$72,051,159**

TBA SALE COMMITMENTS OUTSTANDING at 7/31/12 (proceeds receivable $30,723,789)

Agency	Principal amount	Settlement date	Value
Federal National Mortgage Association 6 1/2s, August 1, 2042	$4,000,000	8/13/12	$4,507,500
Federal National Mortgage Association 3 1/2s, August 1, 2042	13,000,000	8/13/12	13,793,203
Federal National Mortgage Association 3s, August 1, 2042	12,000,000	8/13/12	12,483,750
Total			**$30,784,453**

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 7/31/12

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.					
$16,504,000	$—	5/14/14	0.58%	3 month USD-LIBOR-BBA	$(52,748)
28,701,000	—	5/14/17	3 month USD-LIBOR-BBA	1.0925%	493,148

	133,146,000	—	5/14/14	0.577%	3 month USD-LIBOR-BBA	(418,034)
	101,305,000	—	5/14/17	1.1005%	3 month USD-LIBOR-BBA	(1,779,865)
	5,625,000	—	5/14/22	2.0215%	3 month USD-LIBOR-BBA	(245,865)
	2,754,000	73,098	6/20/22	2.183%	3 month USD-LIBOR-BBA	(82,972)
CAD	6,724,000	—	6/13/14	1.285%	3 month CAD-BA-CDOR	5,560
CAD	11,469,000	—	6/13/17	1.5875%	3 month CAD-BA-CDOR	7,082
CAD	2,878,000	—	6/13/22	2.2%	3 month CAD-BA-CDOR	(25,428)
Barclay's Bank, PLC						
	$112,492,000 **E**	2,311,194	9/19/22	2.00%	3 month USD-LIBOR-BBA	(1,470,786)
	348,148,000 **E**	319,741	9/19/14	0.60%	3 month USD-LIBOR-BBA	(912,704)
	19,105,000 **E**	(57,697)	9/19/14	3 month USD-LIBOR-BBA	0.60%	9,935

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 7/31/12 *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.*						
	$19,944,000 **E**	$94,566	9/19/17	1.10%	3 month USD-LIBOR-BBA	$(167,897)
	65,906,000 **E**	(1,418,094)	9/19/22	3 month USD-LIBOR-BBA	2.00%	797,666
	381,000 **E**	40,310	9/19/42	2.75%	3 month USD-LIBOR-BBA	8,169
	28,283,159	(1,084,659)	7/27/22	3 month USD-LIBOR-BBA	3.5375%	4,062,333
	11,313,264	(437,823)	7/30/22	3 month USD-LIBOR-BBA	3.51%	1,590,223
	28,283,159	(1,084,659)	8/1/22	3 month USD-LIBOR-BBA	3.52%	4,005,461
	28,283,159	(1,093,144)	8/1/22	3 month USD-LIBOR-BBA	3.36%	3,570,466
	4,939,000	—	7/20/22	3 month USD-LIBOR-BBA	1.645%	19,464
	2,754,000	72,568	6/20/22	2.183%	3 month USD-LIBOR-BBA	(83,502)
AUD	1,838,000	—	6/22/22	6 month AUD-BBR-BBSW	4.035%	34,505
AUD	8,190,000	—	6/22/22	4.06%	6 month AUD-BBR-BBSW	(171,711)
AUD	8,811,000	—	6/29/22	3.9275%	6 month AUD-BBR-BBSW	(81,808)
AUD	4,990,000	—	7/4/22	3.9975%	6 month AUD-BBR-BBSW	(72,900)

AUD	5,610,000	—	8/1/22	6 month AUD-BBR-BBSW	3.838%	(932)
EUR	12,209,000	—	6/18/22	1.945%	6 month EUR-EURIBOR-REUTERS	(262,746)
EUR	1,190,000	—	6/18/42	6 month EUR-EURIBOR-REUTERS	2.24%	10,887
EUR	14,021,000	—	6/19/22	6 month EUR-EURIBOR-REUTERS	1.934%	283,296
EUR	4,613,000	—	6/19/22	1.885%	6 month EUR-EURIBOR-REUTERS	(67,055)
EUR	7,360,000	—	6/25/22	6 month EUR-EURIBOR-REUTERS	1.97682%	181,522
EUR	5,516,000	—	7/5/22	1.945%	6 month EUR-EURIBOR-REUTERS	(112,239)
EUR	6,594,000	—	7/11/22	1.806%	6 month EUR-EURIBOR-REUTERS	(29,885)

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 7/31/12 *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.*						
EUR	14,235,000	$—	7/18/22	6 month EUR-EURIBOR-REUTERS	1.766%	$(3,682)
EUR	4,529,000	—	7/27/22	1 month EUR-EONIA-OIS-COMPOUND	1.3575%	(11,186)
GBP	1,992,000	—	6/14/22	6 month GBP-LIBOR-BBA	2.13%	67,487
GBP	4,143,000	—	7/25/42	6 month GBP-LIBOR-BBA	2.8425%	(25,416)
GBP	7,350,000	—	7/25/22	1.885%	6 month GBP-LIBOR-BBA	32,453
GBP	6,323,000	—	8/15/31	3.6%	6 month GBP-LIBOR-BBA	(1,606,974)
JPY	987,400,000	—	7/20/22	0.7775%	6 month JPY-LIBOR-BBA	7,310
JPY	764,200,000	—	7/27/22	0.7325%	6 month JPY-LIBOR-BBA	40,460
JPY	1,813,000,000	—	8/1/22	0.77%	6 month JPY-LIBOR-BBA	15,780
SEK	32,838,000	—	7/11/22	2.1275%	3 month SEK-STIBOR-SIDE	61,579
Citibank, N.A.						
	$2,053,000 E	—	10/7/21	3 month USD-LIBOR-BBA	3.0625%	73,580
	18,362,000 E	19,850	9/19/17	1.10%	3 month USD-LIBOR-BBA	(221,794)

	24,740,000 E	21,377	9/19/17	3 month USD-LIBOR-BBA	1.10%	346,956
	53,230,000 E	678,551	9/19/22	2.00%	3 month USD-LIBOR-BBA	(1,111,041)
	68,006,000 E	22,953	9/19/14	0.60%	3 month USD-LIBOR-BBA	(217,790)
	58,648,000 E	(1,393,017)	9/19/22	3 month USD-LIBOR-BBA	2.00%	578,729
	960,000 E	58,618	9/19/42	2.75%	3 month USD-LIBOR-BBA	(22,368)
	2,061,000 E	(123,763)	9/19/42	3 month USD-LIBOR-BBA	2.75%	50,103
EUR	8,777,000	—	8/2/22	6 month EUR-EURIBOR-REUTERS	1.8%	27,357
SEK	43,535,000	—	8/2/22	3 month SEK-STIBOR-SIDE	2.285%	7,438

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 7/31/12 *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					
$218,647,000 E	$(3,891,577)	9/19/22	3 month USD-LIBOR-BBA	2.00%	$3,459,337
165,967,000 E	(6,113)	9/19/14	3 month USD-		

				LIBOR-BBA	0.60%	581,411
	79,887,000 E	(115,480)	9/19/17	3 month USD-LIBOR-BBA	1.10%	935,834
	7,584,000 E	(560,531)	9/19/42	3 month USD-LIBOR-BBA	2.75%	79,256
	315,226,500 E	3,954,884	9/19/22	2.00%	3 month USD-LIBOR-BBA	(6,643,028)
	23,474,000 E	1,108,969	9/19/42	2.75%	3 month USD-LIBOR-BBA	(871,298)
	45,953,000 E	11,632	9/19/14	0.60%	3 month USD-LIBOR-BBA	(151,042)
	58,683,000 E	(221,517)	9/19/17	1.10%	3 month USD-LIBOR-BBA	(993,786)
	9,400,000	—	7/18/22	1.591%	3 month USD-LIBOR-BBA	9,611
	6,673,000	—	7/26/22	1.583%	3 month USD-LIBOR-BBA	15,113
	2,548,000 E	—	8/17/22	3 month USD-LIBOR-BBA	2.4475%	198,413
AUD	5,820,000	—	7/17/22	3.77125%	6 month AUD-BBR-BBSW	28,932
AUD	8,179,000	—	7/24/22	6 month AUD-BBR-BBSW	3.665%	(116,059)
CAD	50,534,000	—	6/13/14	1.28797%	3 month CAD-BA-CDOR	38,566
CAD	1,818,000	—	6/13/17	3 month CAD-BA-CDOR	1.57927%	(1,831)

CAD	21,531,000	—	6/13/22	3 month CAD-BA-CDOR	2.19177%	174,115
CAD	6,751,000	—	6/15/22	2.135%	3 month CAD-BA-CDOR	(19,159)
CAD	5,747,000	—	6/29/22	2.1725%	3 month CAD-BA-CDOR	(32,076)
CAD	8,526,000	—	7/9/22	2.1075%	3 month CAD-BA-CDOR	7,026
CAD	12,793,000	—	7/16/22	3 month CAD-BA-CDOR	2.015%	(122,313)
CAD	12,255,000	—	7/18/22	3 month CAD-BA-CDOR	1.9975%	(137,151)
CAD	3,696,000	—	7/23/22	1.9675%	3 month CAD-BA-CDOR	52,465
CAD	4,731,000	—	7/31/22	2.1175%	3 month CAD-BA-CDOR	4,037
CHF	1,442,000	—	5/11/22	6 month CHF-LIBOR-BBA	0.975%	15,190

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 7/31/12 *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.*						
CHF	12,088,000	$—	5/14/22	1.0125%	6 month CHF-LIBOR-BBA	$(172,108)

CHF	12,636,000	—	6/19/22	0.94%	6 month CHF-LIBOR-BBA	(57,608)
CHF	13,241,000	—	7/5/22	1.015%	6 month CHF-LIBOR-BBA	(148,569)
CHF	8,322,000	—	7/25/22	0.9225%	6 month CHF-LIBOR-BBA	(9,200)
EUR	32,040,000	—	6/28/14	0.85%	6 month EUR-EURIBOR-REUTERS	(133,748)
EUR	22,093,000	—	8/1/22	1 month EUR-EONIA-OIS-COMPOUND	1.45%	177,615
GBP	8,774,000	—	6/13/22	6 month GBP-LIBOR-BBA	2.1675%	346,521
GBP	9,174,000	—	6/15/22	6 month GBP-LIBOR-BBA	2.0125%	155,458
GBP	3,332,000	—	6/15/22	1.96%	6 month GBP-LIBOR-BBA	(30,722)
GBP	3,826,000	—	7/18/22	1.8825%	6 month GBP-LIBOR-BBA	17,126
GBP	4,006,000	—	7/23/22	6 month GBP-LIBOR-BBA	1.85%	(38,585)
MXN	78,540,000	—	7/21/20	1 month MXN-TIIE-BANXICO	6.895%	577,298
SEK	211,330,000	—	5/16/22	2.205%	3 month SEK-STIBOR-SIDE	158,753
SEK	23,374,000	—	6/19/22	3 month SEK-		

				STIBOR-SIDE	2.38%	34,932
SEK	23,466,000	—	7/2/22	3 month SEK-STIBOR-SIDE	2.325%	17,405
SEK	20,004,000	—	7/25/22	2.06%	3 month SEK-STIBOR-SIDE	55,481
Deutsche Bank AG						
	$1,039,000 **E**	—	10/7/21	3 month USD-LIBOR-BBA	3.0475%	36,521
	68,888,000 **E**	904,651	9/19/22	2.00%	3 month USD-LIBOR-BBA	(1,411,362)
	10,854,000 **E**	(285,228)	9/19/22	3 month USD-LIBOR-BBA	2.00%	79,684
	12,866,000 **E**	(16,473)	9/19/17	3 month USD-LIBOR-BBA	1.10%	152,843
KRW	9,700,000,000	—	4/24/17	3.54%	3 month KRW-CD-KSDA-BLOOMBERG	(280,962)

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 7/31/12 *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)
Deutsche Bank AG *cont.*						
MXN	78,540,000	$—	7/17/20	1 month MXN-TIIE-BANXICO	6.95%	$599,873
MYR	26,159,000	—	7/23/17	3 month MYR-KLIBOR-BNM	2.98%	(42,451)

Goldman Sachs International					
$2,266,000	(64,581)	7/18/22	3 month USD-LIBOR-BBA	2.215%	66,491
2,813,000	78,705	7/23/22	2.1714%	3 month USD-LIBOR-BBA	(71,450)
26,498,000 E	47,109	9/19/14	3 month USD-LIBOR-BBA	0.60%	140,912
119,605,000 E	1,491,235	9/19/22	2.00%	3 month USD-LIBOR-BBA	(2,529,887)
31,415,000 E	(529,847)	9/19/22	3 month USD-LIBOR-BBA	2.00%	526,327
14,215,000 E	37,755	9/19/17	1.10%	3 month USD-LIBOR-BBA	(149,315)
3,033,000 E	167,118	9/19/42	2.75%	3 month USD-LIBOR-BBA	(88,746)
28,684,000 E	(1,681,621)	9/19/42	3 month USD-LIBOR-BBA	2.75%	738,161
28,188,000	(446,780)	7/16/22	3 month USD-LIBOR-BBA	2.11875%	930,219
5,814,000	(87,210)	7/27/22	3 month USD-LIBOR-BBA	2.1825%	227,910
38,126,600	—	2/22/14	1 month USD-FEDERAL FUNDS-H.15	0.1925%	61,238
10,278,000	—	2/23/14	0.19625%	1 month USD-FEDERAL FUNDS-H.15	(16,911)

	3,183,000	(58,090)	7/11/22	3 month USD-LIBOR-BBA	2.055%	79,463
AUD	4,283,000	—	6/21/22	4.005%	6 month AUD-BBR-BBSW	(67,965)
AUD	1,530,000	—	6/22/22	4.035%	6 month AUD-BBR-BBSW	(28,723)
AUD	7,848,000	—	7/19/22	3.81%	6 month AUD-BBR-BBSW	15,128
AUD	6,479,000	—	7/30/22	3.73%	6 month AUD-BBR-BBSW	61,972
CHF	19,479,000	—	6/29/22	0.985%	6 month CHF-LIBOR-BBA	(166,663)
EUR	6,923,000	—	6/15/22	6 month EUR-EURIBOR-REUTERS	1.952%	156,463

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INTEREST RATE SWAP CONTRACTS OUTSTANDING at 7/31/12 *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 *cont.*						
EUR	947,000	$—	6/15/42	2.262%	6 month EUR-EURIBOR-REUTERS	$(14,597)
EUR	13,934,000	—	6/19/22	6 month EUR-EURIBOR-REUTERS	1.919%	257,406

EUR	8,710,000	—	7/27/22	1 month EUR-EONIA-OIS-COMPOUND	1.366%	(12,712)
EUR	4,347,000	—	7/30/22	1 month EUR-EONIA-OIS-COMPOUND	1.394%	7,178
EUR	174,180,000 E	—	8/1/17	1 month EUR-EONIA-OIS-COMPOUND	1.425%	180,450
GBP	6,323,000	—	9/23/31	6 month GBP-LIBOR-BBA	3.1175%	812,834
GBP	16,489,000	—	6/13/22	6 month GBP-LIBOR-BBA	2.1725%	663,542
GBP	3,356,000	—	6/20/22	6 month GBP-LIBOR-BBA	2.085%	92,214
GBP	1,853,000	—	6/28/22	2.02375%	6 month GBP-LIBOR-BBA	(32,869)
GBP	5,502,000	—	7/9/22	1.9425%	6 month GBP-LIBOR-BBA	(25,670)
GBP	2,685,000	—	7/19/22	6 month GBP-LIBOR-BBA	1.9125%	(2,360)
SEK	22,518,000	—	5/16/22	3 month SEK-STIBOR-SIDE	2.205%	(16,916)
SEK	58,660,000	—	5/29/22	3 month SEK-STIBOR-SIDE	2.215%	(36,854)
SEK	50,065,000	—	6/11/22	2.28%	3 month SEK-STIBOR-SIDE	(9,454)
SEK	44,670,000	—	8/1/22	3 month SEK-		

				STIBOR-SIDE	2.3%	16,684
JPMorgan Chase Bank NA						
	$109,216,600 **E**	772,705	9/19/22	2.00%	3 month USD-LIBOR-BBA	(2,899,158)
	71,949,000 **E**	62,381	9/19/17	1.10%	3 month USD-LIBOR-BBA	(884,468)
	66,246,000 **E**	(2,023,325)	9/19/22	3 month USD-LIBOR-BBA	2.00%	203,864
	5,809,000 **E**	(418,821)	9/19/42	3 month USD-LIBOR-BBA	2.75%	71,226
	3,450,000	—	7/30/22	1.565%	3 month USD-LIBOR-BBA	14,253
CAD	8,100,000	—	9/21/21	2.3911%	3 month CAD-BA-CDOR	(266,310)

INTEREST RATE SWAP CONTRACTS OUTSTANDING at 7/31/12 *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)
JPMorgan Chase Bank NA *cont.*						
CAD	16,713,000	$—	5/2/15	3 month CAD-BA-CDOR	1.6575%	$125,286
CAD	58,139,000	—	6/13/14	3 month CAD-BA-CDOR	1.2825%	(50,587)
CAD	9,628,000	—	6/13/17	3 month CAD-BA-CDOR	1.56%	(18,583)

CAD	5,504,000	—	6/13/22	2.175%	3 month CAD-BA-CDOR	(36,100)
CAD	5,168,000	—	6/25/22	2.1725%	3 month CAD-BA-CDOR	(29,565)
CAD	2,465,000	—	7/26/22	2.07%	3 month CAD-BA-CDOR	12,274
EUR	285,000	—	6/15/42	2.245%	6 month EUR-EURIBOR-REUTERS	(3,049)
EUR	4,347,000	—	7/30/22	6 month EUR-EURIBOR-REUTERS	1.803%	8,685
GBP	1,655,000	—	6/13/22	6 month GBP-LIBOR-BBA	2.175%	67,205
JPY	1,814,964,000	—	8/2/22	0.7775%	6 month JPY-LIBOR-BBA	17,340
JPY	799,200,000 **E**	—	7/28/29	6 month JPY-LIBOR-BBA	2.67%	611,637
JPY	1,074,500,000 **E**	—	7/28/39	2.40%	6 month JPY-LIBOR-BBA	(252,379)
MXN	44,527,000	—	9/11/20	6.82%	1 month MXN-TIIE-BANXICO	(313,242)
MXN	57,580,000	—	9/14/20	6.82%	1 month MXN-TIIE-BANXICO	(404,463)
MXN	11,220,000	—	7/16/20	1 month MXN-TIIE-BANXICO	6.99%	87,970
MXN	57,160,000	—	7/30/20	6.3833%	1 month MXN-TIIE-BANXICO	(278,303)

MXN	154,373,000	—	7/30/20	6.3833%	1 month MXN-TIIE-BANXICO	(751,618)
MXN	57,160,000	—	8/19/20	1 month MXN-TIIE-BANXICO	6.615%	347,321
MXN	88,180,000	—	11/4/20	1 month MXN-TIIE-BANXICO	6.75%	592,924
The Royal Bank of Scotland PLC						
	$4,630,000 [E]	4,630	9/19/22	2.00%	3 month USD-LIBOR-BBA	(151,031)
UBS AG						
CHF	65,659,000	—	5/23/13	0.7625%	6 month CHF-LIBOR-BBA	(432,367)
Total						**$877,641**

[E] See Note 1 to the financial statements regarding extended effective dates.

TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 7/31/12

Swap counterparty / Notional amount	Upfront premium received (paid)	Termination date	Fixed payments received (paid) by fund per annum	Total return received by or paid by fund	Unrealized appreciation/ (depreciation)
Bank of America N.A.					
$1,357,400	$—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	$2,414
Barclay's Bank, PLC					
1,330,321	—	1/12/40	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	19,107

2,405,948	—	1/12/40	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	34,556
1,934,171	—	1/12/41	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	25,056
9,411,563	—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	(60,217)
983,900	—	1/12/40	4.00% (1 month USD-LIBOR)	Synthetic MBX Index 4.00% 30 year Fannie Mae pools	702
3,397,749	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	6,043
1,544,361	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	2,747
2,173,226	—	1/12/41	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	28,153
8,217,111	—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	(52,575)

6,366,828	—	1/12/41	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	82,480
2,381,090	—	1/12/40	4.00% (1 month USD-LIBOR)	Synthetic MBX Index 4.00% 30 year Fannie Mae pools	1,698

TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 7/31/12 *cont.*

Swap counterparty / Notional amount	Upfront premium received (paid)	Termination date	Fixed payments received (paid) by fund per annum	Total return received by or paid by fund	Unrealized appreciation/ (depreciation)
Barclay's Bank, PLC*cont.*					
$278,535	$—	1/12/40	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	$322
401,688	—	1/12/38	6.50% (1 month USD-LIBOR)	Synthetic TRS Index 6.50% 30 year Fannie Mae pools	238
2,202,850	—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	(14,094)
12,280,000	—	4/7/16	(2.63%)	USA Non Revised Consumer Price Index-Urban (CPI-U)	(316,640)
4,568,262	—	1/12/41	3.50% (1 month	Synthetic MBX	(797)

			USD-LIBOR)	Index 3.50% 30 year Fannie Mae pools	
994,463	—	1/12/41	3.50% (1 month USD-LIBOR)	Synthetic MBX Index 3.50% 30 year Fannie Mae pools	(173)
8,549,224	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	15,205
1,138,342	—	1/12/41	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Ginnie Mae II pools	5,853
6,519,678	—	1/12/41	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	84,460
5,972,940	—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	(38,216)
5,802,818	—	1/12/40	4.00% (1 month USD-LIBOR)	Synthetic MBX Index 4.00% 30 year Fannie Mae pools	4,139
3,468,202	—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	(22,190)

TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 7/31/12 *cont.*

Swap counterparty / Notional amount	Upfront premium received (paid)	Termination date	Fixed payments received (paid) by fund per annum	Total return received by or paid by fund	Unrealized appreciation/ (depreciation)
Barclay's Bank, PLC*cont.*					
$6,123,365	$53,101	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	$55,227
6,132,289	(36,410)	1/12/40	(4.00%) 1 month USD-LIBOR	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	(34,714)
8,977,287	—	1/12/40	4.50% (1 month USD-LIBOR)	Synthetic MBX Index 4.50% 30 year Fannie Mae pools	26,993
27,373,957	—	1/12/41	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	354,619
2,541,218	—	1/12/41	3.50% (1 month USD-LIBOR)	Synthetic MBX Index 3.50% 30 year Fannie Mae pools	(443)
6,008,970	—	1/12/41	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	77,844
1,165,912	—	1/12/40	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00%	16,746

				30 year Fannie Mae pools	
3,780,854	—	1/12/40	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	54,303
2,740,897	—	1/12/40	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	39,366
Citibank, N.A.					
3,820,532	—	1/12/41	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	49,493
8,692,905	—	1/12/41	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	112,613
8,048,905	—	1/12/41	5.00% (1 month USD-LIBOR)	Synthetic MBX Index 5.00% 30 year Fannie Mae pools	104,270

TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 7/31/12 *cont.*

Swap counterparty / Notional amount	Upfront premium received (paid)	Termination date	Fixed payments received (paid) by fund per annum	Total return received by or paid by fund	Unrealized appreciation/ (depreciation)
Credit Suisse International					
$2,897,635	$—	1/12/41	5.00% (1 month	Synthetic MBX	$37,538

			USD-LIBOR)	Index 5.00% 30 year Fannie Mae pools	
2,411,954	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	4,290
4,306,287	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	7,659
4,515,888	—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	(28,894)
1,356,627	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	2,413
8,141,214	5,088	1/12/41	3.50% (1 month USD-LIBOR)	Synthetic MBX Index 3.50% 30 year Fannie Mae pools	(722)
Deutsche Bank AG					
4,515,888	—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	(28,894)
Goldman Sachs International					
4,150,229	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	7,381

7,020,000	—	3/1/16	2.47%	USA Non Revised Consumer Price Index-Urban (CPI-U)	112,250
5,265,000	—	3/3/16	2.45%	USA Non Revised Consumer Price Index-Urban (CPI-U)	78,791
1,870,707	—	1/12/38	6.50% (1 month USD-LIBOR)	Synthetic TRS Index 6.50% 30 year Fannie Mae pools	1,110
2,860,364	—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	(18,301)

TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 7/31/12 *cont.*

Swap counterparty / Notional amount	Upfront premium received (paid)	Termination date	Fixed payments received (paid) by fund per annum	Total return received by or paid by fund	Unrealized appreciation/ (depreciation)
Goldman Sachs International *cont.*					
$1,074,556	$—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	$(6,875)
5,003,915	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	8,900
141,122	—	1/12/38	6.50% (1 month USD-LIBOR)	Synthetic TRS Index 6.50%	84

				30 year Fannie Mae pools	
26,028,549	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	46,293
9,283,936	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	16,512
2,016,344	3,151	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	(3,483)
9,694,169	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	17,241
960,301	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	1,708
9,626,183	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	17,120
3,918,662	—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	(25,072)
2,419,387	6,048	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae	(1,911)

				pools	
185,377	—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	(1,186)

TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 7/31/12 *cont.*

Swap counterparty / Notional amount	Upfront premium received (paid)	Termination date	Fixed payments received (paid) by fund per annum	Total return received by or paid by fund	Unrealized appreciation/ (depreciation)
Goldman Sachs International *cont.*					
$494,490	$—	1/12/38	(6.50%) 1 month USD-LIBOR	Synthetic MBX Index 6.50% 30 year Fannie Mae pools	$(3,164)
7,884,000	—	4/3/17	2.3225%	USA Non Revised Consumer Price Index-Urban (CPI-U)	110,691
7,884,000	—	4/4/17	2.35%	USA Non Revised Consumer Price Index-Urban (CPI-U)	122,438
7,884,000	—	4/5/17	2.355%	USA Non Revised Consumer Price Index-Urban (CPI-U)	124,725
7,884,000	—	4/5/22	2.66%	USA Non Revised Consumer Price Index-Urban (CPI-U)	220,200
GBP 4,920,000	—	3/30/17	(3.0925%)	GBP Non-revised UK Retail Price	(244,220)

					Index	
GBP	4,920,000	—	4/2/17	(3.085%)	GBP Non-revised UK Retail Price Index	(262,424)
GBP	4,920,000	—	4/3/17	(3.09%)	GBP Non-revised UK Retail Price Index	(264,507)
GBP	4,920,000	—	4/3/22	(3.21%)	GBP Non-revised UK Retail Price Index	(436,757)
JPMorgan Chase Bank NA						
	$9,268,484	—	1/12/41	4.00% (1 month USD-LIBOR)	Synthetic TRS Index 4.00% 30 year Fannie Mae pools	16,484
Total						**$292,006**

CREDIT DEFAULT CONTRACTS OUTSTANDING at 7/31/12

Swap counterparty / Referenced debt*	**Rating*** **	**Upfront premium received (paid)****	**Notional amount**	**Termi-nation date**	**Fixed payments received (paid) by fund per annum**	**Unrealized appreciation/ (depreciation)**
Credit Suisse International						
Bonos Y Oblig Del Estado, 5 1/2%, 7/30/17	—	$(41,661)	$4,680,000	12/20/19	(100 bp)	$954,684
Deutsche Bank AG						
Republic of Argentina, 8.28%, 12/31/33	B3	161,961	1,385,000	3/20/17	500 bp	(111,157)
Russian Federation,						

7 1/2%, 3/31/30	—	—		442,500	4/20/13	(112 bp)	(4,197)

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CREDIT DEFAULT CONTRACTS OUTSTANDING at 7/31/12 *cont.*

Swap counterparty / Referenced debt*	Rating***	Upfront premium received (paid)**		Notional amount	Termi- nation date	Fixed payments received (paid) by fund per annum	Unrealized appreciation/ (depreciation)
Deutsche Bank AG *cont.*							
Smurfit Kappa Funding, 7 3/4%, 4/1/15	B1	$—	EUR	935,000	9/20/13	715 bp	$89,562
Virgin Media Finance PLC, 8 3/4%, 4/15/14	BB-	—	EUR	880,000	9/20/13	477 bp	56,199
Virgin Media Finance PLC, 8 3/4%, 4/15/14	BB-	—	EUR	880,000	9/20/13	535 bp	64,114
JPMorgan Chase Bank NA							
DJ CDX NA HY Series 18 Index	B+/P	158,602					