

MFS MULTIMARKET INCOME TRUST
Form N-CSR
January 04, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-4975

MFS MULTIMARKET INCOME TRUST

(Exact name of registrant as specified in charter)

111 Huntington Avenue, Boston, Massachusetts 02199

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

111 Huntington Avenue

Boston, Massachusetts 02199

(Name and address of agents for service)

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

Date of fiscal year end: October 31

Date of reporting period: October 31, 2012

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ITEM 1. REPORTS TO STOCKHOLDERS.

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ANNUAL REPORT

October 31, 2012

MFS® MULTIMARKET INCOME TRUST

MMT-ANN

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MFS® MULTIMARKET INCOME TRUST

New York Stock Exchange Symbol: MMT

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NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

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LETTER FROM THE CHAIRMAN AND CEO

Dear Shareholders:

As 2012 winds down, economic uncertainty continues to dominate world financial markets. In the United States, all eyes are riveted to the ongoing budget deal

negotiations and the specter of a fiscal cliff. Overseas, we see growth slowing in China and Japan, and the eurozone has entered its second recession in four years against a backdrop of double-digit unemployment and the continuing sovereign debt crisis.

Amidst the instability, there are silver linings especially in the U.S. where the labor and housing markets have picked up, consumer confidence has risen and industrial output has increased. Additionally, a U.S. budgetary compromise could propel markets, unleashing pent-up spending and investments, which would help to revive both the U.S. and global economies.

As always, managing risk in the face of uncertainty remains a top priority for investors. At MFS®, an emphasis on global research and our disciplined risk management approach anchor our uniquely collaborative investment process. Our global team of more than 200 investment professionals shares ideas and evaluates opportunities across continents, investment disciplines, and asset classes all with a goal of building better insights, and ultimately better results for our clients.

We are mindful of the many economic challenges we face locally, nationally and globally. It is more important than ever to maintain a long-term view, employ time-tested principles, such as asset allocation and diversification, and work closely with investment advisors to identify and pursue the most suitable opportunities.

Respectfully,

Robert J. Manning

Chairman and Chief Executive Officer

MFS Investment Management®

December 14, 2012

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

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Fixed income sectors (i)	
High Yield Corporates	56.7%
Emerging Markets Bonds	24.1%
High Grade Corporates	15.0%
Non-U.S. Government Bonds	6.4%
Mortgage-Backed Securities	4.1%
Commercial Mortgage-Backed Securities	3.3%
Collateralized Debt Obligations	0.5%
Asset-Backed Securities	0.4%
Floating Rate Loans	0.1%
U.S. Treasury Securities	(8.3)%
Composition including fixed income credit quality (a)(i)	
AAA	3.9%
AA	0.6%
A	8.6%
BBB	26.8%
BB	26.3%
B	29.9%
CCC	9.6%
CC	0.3%
C	0.3%
U.S. Government	2.5%
Federal Agencies	4.1%
Not Rated	(10.6)%
Non-Fixed Income	0.5%
Cash & Other	(2.8)%
Portfolio facts (i)	
Average Duration (d)	5.2
Average Effective Maturity (m)	8.2 yrs.
Issuer country weightings (i)(x)	
United States	59.0%
Mexico	3.8%
United Kingdom	2.9%
Indonesia	2.5%
Russia	2.4%
Brazil	2.2%
Canada	1.8%
Luxembourg	1.7%
Japan	1.6%
Other Countries	22.1%

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Portfolio Composition continued

- (a) For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). Securities rated BBB or higher are considered investment grade. All ratings are subject to change. U.S. Government includes securities issued by the U.S. Department of the Treasury. Federal Agencies includes rated and unrated U.S. Agency fixed-income securities, U.S. Agency mortgage-backed securities, and collateralized mortgage obligations of U.S. Agency mortgage-backed securities. Not Rated includes fixed income securities, including fixed income futures contracts, which have not been rated by any rating agency. Non-Fixed Income includes equity securities (including convertible bonds and equity derivatives) and commodities. Cash & Other includes cash, other assets less liabilities, offsets to derivative positions, and short-term securities. The fund may not hold all of these instruments. The fund is not rated by these agencies.
 - (d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value due to the interest rate move.
 - (i) For purposes of this presentation, the components include the market value of securities, and reflect the impact of the equivalent exposure of derivative positions, if any. These amounts may be negative from time to time. The bond component will include any accrued interest amounts. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than market value. Where the fund holds convertible bonds, these are treated as part of the equity portion of the portfolio.
 - (m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.
 - (x) Represents the portfolio's exposure to issuer countries as a percentage of a portfolio's net assets.
- From time to time, Cash & Other Net Assets may be negative due to borrowings for leverage transactions, timing of cash receipts, and/or equivalent exposure from any derivative holdings.

Percentages are based on net assets as of 10/31/12.

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

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MANAGEMENT REVIEW

Summary of Results

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

For the twelve months ended October 31, 2012, shares of the MFS Multimarket Income Trust provided a total return of 14.30%, at net asset value. This compares with a return of 13.58% for the fund's benchmark, the Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index. Over the same period, the fund's other benchmark, the MFS Multimarket Income Trust Blended Index (the Blended Index), generated a return of 12.00%. The Blended Index reflects the blended returns of various fixed income market indices, with percentage allocations to each index designed to resemble the fixed income allocations of the fund. The market indices and related percentage allocations used to compile the Blended Index are set forth in the Performance Summary.

Market Environment

Just prior to the beginning of the reporting period, markets were roiled by several global concerns. These included the aftermath of the U.S. sovereign debt-ceiling debacle, the path of eurozone integration and the scope of its bailout facilities, and the likelihood of a Chinese hard landing. Amidst this turmoil, global equity markets had declined sharply and credit spreads widened. At the same time, global consumer and producer sentiment indicators had fallen precipitously, while highly-rated sovereign bond yields hit multi-decade lows.

During the first half of the period, however, additional liquidity from the U.S. Federal Reserve (Fed), in the form of Operation Twist, and the European Central Bank (ECB), in the form of 3-year, Long Term Refinancing Operations, or LTROs, coupled with healthier global macroeconomic conditions led by moderate but sustained U.S. growth, ushered in improved market dynamics.

During the latter part of the period, market trends were more mixed. Worsening conditions were driven by broadly weaker global macroeconomic indicators, as well as renewed concerns over the eurozone's capacity and determination to address its ongoing crisis. However, broad market sentiment remained relatively resilient, as equity markets generally maintained gains and credit spreads did not indicate deterioration. A new round of monetary easing by the Fed (QE3) and the ECB (rate cut and a new bond purchase facility) towards the end of the period instilled additional confidence in risk markets. Nonetheless, towards the end of the period, weaker equity earnings reports and declining forward guidance caused market sentiment to soften.

Contributors to Performance

During the reporting period, the fund's return from yield, which was greater than that of the Blended Index, was a key contributor to relative performance. A greater exposure to corporate bonds in the *financial* and *industrial* sectors also benefited relative performance as both sectors outperformed the broad market over the period.

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Management Review continued

In terms of credit quality, the fund's greater exposure to bonds rated ~~BBB~~ and below was a positive factor for relative performance as credit spreads narrowed during the period.

Yield curve^(y) positioning, particularly the fund's greater exposure to shifts in the long end of the yield curve (centered around maturities of 10 or more years), was another positive factor for relative results.

Detractors from Performance

The fund's lesser exposure to Venezuelan bonds detracted from relative performance as these bonds performed well over the reporting period.

Respectfully,

William Adams
Portfolio Manager

David Cole
Portfolio Manager

Richard Hawkins
Portfolio Manager

Matthew Ryan
Portfolio Manager

(r) Bonds rated BBB, Baa, or higher are considered investment grade; bonds rated BB, Ba, or below are considered non-investment grade. The source for bond quality ratings is Moody's Investors Service, Standard & Poor's and Fitch, Inc. and are applied using the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). For securities which are not rated by any of the three agencies, the security is considered Not Rated.

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

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

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

Price Summary for MFS Multimarket Income Trust

Year Ended 10/31/12

	Date	Price
Net Asset Value	10/31/12	\$7.66
	10/31/11	\$7.20
New York Stock Exchange Price	10/31/12	\$7.31
	10/12/12 (high) (t)	\$7.41
	11/23/11 (low) (t)	\$6.40
	10/31/11	\$6.68

Total Returns vs Benchmarks

Year Ended 10/31/12

MFS Multimarket Income Trust at	
New York Stock Exchange Price (r)	17.56%
Net Asset Value (r)	14.30%
Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index (f)	13.58%
MFS Multimarket Income Trust Blended Index (f)(y)	12.00%
Barclays U.S. Corporate Bond Index (f)	10.21%
Barclays U.S. Government/Mortgage Bond Index (f)	3.53%
Citigroup World Government Bond Non-Dollar Hedged Index (f)	5.90%
JPMorgan Emerging Markets Bond Index Global (f)	16.33%

(f) Source: FactSet Research Systems Inc.

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

(t) For the period November 1, 2011 through October 31, 2012.

(y) MFS Multimarket Income Trust Blended Index is at a point in time and allocations during the period can change. As of October 31, 2012, the blended index was comprised of 10% Barclays U.S. Corporate Bond Index, 50% Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index, 20% JPMorgan Emerging Markets Bond Index Global, 10% Citigroup World Government Bond Non-Dollar Hedged Index, and 10% Barclays U.S. Government/Mortgage Bond Index.

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Performance Summary continued

Benchmark Definitions

Barclays U.S. Corporate Bond Index covers U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities sold by industrial, utility and financial issuers. It includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

Barclays U.S. Government/Mortgage Bond Index measures debt issued by the U.S. Government, and its agencies, as well as mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index is a component of the Barclays U.S. High-Yield Corporate Bond Index, which measures performance of non-investment grade, fixed rate debt. The index limits the maximum exposure to any one issuer to 2%.

Citigroup World Government Bond Non-Dollar Hedged Index a market capitalization-weighted index that is designed to represent the currency-hedged performance of the international developed government bond markets, excluding the United States.

JPMorgan Emerging Markets Bond Index Global measures the performance of U.S. dollar- denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds.

It is not possible to invest directly in an index.

Notes to Performance Summary

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

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

Performance results do not include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles and may differ from amounts reported in the financial highlights.

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

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

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INVESTMENT OBJECTIVE, PRINCIPAL

INVESTMENT STRATEGIES AND RISKS

OF THE FUND

Investment Objective

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

Principal Investment Strategies

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

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

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

MFS may invest up to 100% of the fund's assets in less than investment grade quality debt instruments (lower quality debt instruments).

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

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

While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate or currency exposure, or as alternatives to direct investments.

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

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

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

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

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

Principal Risks

The fund may not achieve its objective and/or you could lose money on your investment in the fund.

Stock markets and investments in individual stocks are volatile and can decline significantly in response to issuer, market, economic, political, regulatory, geopolitical, and other considerations.

Investments in debt instruments may decline in value as the result of increases in interest rates, declines in the credit quality of the issuer, borrower, counterparty or underlying asset, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile.

Investments in foreign markets can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical, or other conditions.

Emerging markets can have less market structure, depth, and regulatory oversight and greater political, social, and economic instability than developed markets.

Investments in derivatives can be used to take both long and short positions, be highly volatile, result in leverage (which can magnify losses), and involve risks in addition to the risks of the underlying indicator(s) on which the derivative is based, such as counterparty and liquidity risk.

Investments in lower-quality debt instruments can be more volatile and have greater risk of default than higher-quality debt instruments.

Mortgage-backed securities can be subject to prepayment and/or extension and therefore can offer less potential for gains and greater potential for loss.

The market price of common shares of the fund will be based on factors such as the supply and demand for common shares in the market and general market, economic, political or regulatory conditions. Whether shareholders will realize gains or losses upon the sale of common shares of the fund will depend on the market price of common shares at the time of the sale, not on the fund's net asset value. The market price may be lower or higher than the fund's net asset value. Shares of closed-end funds frequently trade at a discount or premium to their net asset value.

Leverage involves investment exposure in an amount exceeding the initial investment. Leverage can cause increased volatility by magnifying gains or losses.

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

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PORTFOLIO MANAGERS PROFILES

Richard Hawkins	Investment Officer of MFS; employed in the investment management area of MFS since 1988. Portfolio Manager of the Fund since April 2006.
William Adams	Investment Officer of MFS; employed in the investment management area of MFS since 2009. Portfolio Manager of the Fund since May 2011.
David Cole	Investment Officer of MFS; employed in the investment management area of MFS since 2004. Portfolio Manager of the Fund since October 2006.
Matthew Ryan	Investment Officer of MFS; employed in the investment management area of MFS since 1997. Portfolio Manager of the Fund since September 2004.

Effective December 1, 2012, the following are also Portfolio Managers of the fund:

Ward Brown	Investment Officer of MFS; employed in the investment management area of MFS since 2008. Portfolio Manager of the fund since December 2012.
Erik Weisman	Investment Officer of MFS; employed in the investment management area of MFS since 2002. Portfolio Manager of the fund since December 2012.

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**DIVIDEND REINVESTMENT AND
CASH PURCHASE PLAN**

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

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

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

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

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10/31/12

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

Bonds - 111.2%		
Issuer	Shares/Par	Value (\$)
Aerospace - 1.1%		
Bombardier, Inc., 7.5%, 2018 (n)	\$ 1,285,000	\$ 1,469,719
Bombardier, Inc., 7.75%, 2020 (n)	485,000	566,844
CPI International, Inc., 8%, 2018	985,000	940,675
Heckler & Koch GmbH, 9.5%, 2018 (z)	EUR 329,000	366,733
Huntington Ingalls Industries, Inc., 7.125%, 2021	\$ 1,600,000	1,720,000
Kratos Defense & Security Solutions, Inc., 10%, 2017	1,670,000	1,803,539
		\$ 6,867,510
Agricultural Products - 0.0%		
Corporacion Azucarera del Peru S.A., 6.375%, 2022 (n)	\$ 119,000	\$ 129,115
Airlines - 0.0%		
Continental Airlines, Inc., 7.25%, 2021	\$ 175,840	\$ 203,096
Apparel Manufacturers - 0.6%		
Hanesbrands, Inc., 8%, 2016	\$ 420,000	\$ 463,579
Hanesbrands, Inc., 6.375%, 2020	505,000	551,081
Jones Group, Inc., 6.875%, 2019	1,215,000	1,257,525
Levi Strauss & Co., 6.875%, 2022	180,000	186,975
Phillips-Van Heusen Corp., 7.375%, 2020	1,185,000	1,327,200
		\$ 3,786,360
Asset-Backed & Securitized - 4.2%		
Banc of America Commercial Mortgage, Inc., FRN, 5.729%, 2051	\$ 2,000,000	\$ 2,373,166
Bayview Financial Acquisition Trust, FRN, 5.483%, 2041	473,745	473,732
Bayview Financial Revolving Mortgage Loan Trust, FRN, 1.811%, 2040 (z)	2,636,972	1,709,725
Citigroup Commercial Mortgage Trust, FRN, 5.699%, 2049	390,311	80,681
Citigroup/Deutsche Bank Commercial Mortgage Trust, FRN, 5.366%, 2049	1,160,000	1,206,785
Crest Ltd., CDO, 7%, 2040 (a)(p)	2,378,889	118,944
Falcon Franchise Loan LLC, FRN, 5.905%, 2025 (i)(z)	1,588,379	249,376
First Union National Bank Commercial Mortgage Trust, FRN, 1.573%, 2043 (i)(z)	755,398	984
First Union-Lehman Brothers Bank of America, FRN, 0.451%, 2035 (i)	12,412,010	212,010
G-Force LLC, CDO, A2, 4.83%, 2036 (z)	1,679,661	1,690,159
GMAC LLC, FRN, 6.02%, 2033 (z)	941,244	963,710

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Issuer	Shares/Par	Value (\$)
Bonds - continued		
Asset-Backed & Securitized - continued		
GMAC LLC, FRN, 7.69%, 2034 (d)(n)(q)	\$ 1,853,000	\$ 1,355,985
JPMorgan Chase Commercial Mortgage Securities Corp., 5.552%, 2045	1,590,000	1,835,033
JPMorgan Chase Commercial Mortgage Securities Corp., A4, FRN, 5.813%, 2049	2,000,000	2,341,874
JPMorgan Chase Commercial Mortgage Securities Corp., C, FRN, 6.043%, 2051	270,000	59,672
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.475%, 2043	1,590,000	1,805,833
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.867%, 2045	1,590,000	1,839,285
Lehman Brothers Commercial Conduit Mortgage Trust, FRN, 1.066%, 2030 (i)	2,286,190	34,343
Morgan Stanley Capital I, Inc., FRN, 1.38%, 2039 (i)(z)	4,501,376	85,526
Multi Security Asset Trust, A3, CDO, 5%, 2035 (z)	1,276,366	1,281,472
Prudential Securities Secured Financing Corp., FRN, 7.166%, 2013 (z)	2,581,000	2,576,068
Wachovia Bank Commercial Mortgage Trust, A4, FRN, 5.922%, 2051	1,000,000	1,187,003
Wachovia Bank Commercial Mortgage Trust, FRN, 5.118%, 2042	1,375,626	1,519,058
		\$ 25,000,424
Automotive - 2.9%		
Accuride Corp., 9.5%, 2018	\$ 1,495,000	\$ 1,474,444
Allison Transmission, Inc., 7.125%, 2019 (n)	1,500,000	1,595,625
Automotores Gildemeister S.A., 8.25%, 2021 (n)	474,000	511,920
Continental Rubber of America Corp., 4.5%, 2019 (n)	275,000	280,913
Ford Motor Co., 7.45%, 2031	315,000	398,475
Ford Motor Credit Co. LLC, 8%, 2014	620,000	676,657
Ford Motor Credit Co. LLC, 12%, 2015	5,045,000	6,217,963
Ford Motor Credit Co. LLC, 8.125%, 2020	405,000	514,734
General Motors Financial Co., Inc., 4.75%, 2017 (n)	620,000	634,755
General Motors Financial Co., Inc., 6.75%, 2018	815,000	903,551
Goodyear Tire & Rubber Co., 8.25%, 2020	235,000	255,269
Goodyear Tire & Rubber Co., 7%, 2022	420,000	440,475
Hyundai Capital America, 4%, 2017 (n)	256,000	276,739
Jaguar Land Rover PLC, 7.75%, 2018 (n)	390,000	415,350
Jaguar Land Rover PLC, 8.125%, 2021 (n)	1,770,000	1,907,175
Lear Corp., 8.125%, 2020	545,000	605,631
		\$ 17,109,676
Broadcasting - 3.5%		
Allbritton Communications Co., 8%, 2018	\$ 480,000	\$ 520,800
AMC Networks, Inc., 7.75%, 2021	644,000	729,330

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Broadcasting - continued		
Clear Channel Communications, Inc., 9%, 2021	\$ 951,000	\$ 829,748
Clear Channel Worldwide Holdings, Inc., 7.625%, 2020	1,465,000	1,395,413
Clear Channel Worldwide Holdings, Inc., A, 7.625%, 2020	55,000	51,838
Hughes Network Systems LLC, 7.625%, 2021	650,000	723,125
Inmarsat Finance PLC, 7.375%, 2017 (n)	835,000	899,713
Intelsat Bermuda Ltd., 11.25%, 2017	1,690,000	1,774,500
Intelsat Bermuda Ltd., 11.5%, 2017 (p)	2,480,000	2,610,200
Intelsat Jackson Holdings Ltd., 6.625%, 2022 (n)	795,000	789,038
Liberty Media Corp., 8.5%, 2029	1,095,000	1,177,125
Liberty Media Corp., 8.25%, 2030	235,000	251,450
Local TV Finance LLC, 9.25%, 2015 (p)(z)	755,561	767,839
Newport Television LLC, 13%, 2017 (n)(p)	846,031	909,483
Nexstar Broadcasting Group, Inc., 8.875%, 2017	410,000	446,900
Nexstar Broadcasting Group, Inc., 6.875%, 2020 (z)	165,000	165,413
Sinclair Broadcast Group, Inc., 9.25%, 2017 (n)	570,000	631,275
Sinclair Broadcast Group, Inc., 8.375%, 2018	175,000	195,125
SIRIUS XM Radio, Inc., 8.75%, 2015 (n)	1,010,000	1,146,350
SIRIUS XM Radio, Inc., 7.625%, 2018 (n)	1,195,000	1,320,475
SIRIUS XM Radio, Inc., 5.25%, 2022 (n)	180,000	180,000
Starz LLC/Starz Finance Corp., 5%, 2019 (n)	435,000	444,788
Townsquare Radio LLC, 9%, 2019 (z)	455,000	491,400
Univision Communications, Inc., 6.875%, 2019 (n)	1,035,000	1,058,288
Univision Communications, Inc., 7.875%, 2020 (n)	745,000	789,700
Univision Communications, Inc., 8.5%, 2021 (n)	685,000	688,425
WPP Finance, 3.625%, 2022	145,000	148,608
		\$ 21,136,349
Brokerage & Asset Managers - 0.4%		
E*TRADE Financial Corp., 7.875%, 2015	\$ 690,000	\$ 699,488
E*TRADE Financial Corp., 12.5%, 2017	1,685,000	1,908,263
		\$ 2,607,751
Building - 2.3%		
Boise Cascade LLC/Finance Corp., 6.375%, 2020 (z)	\$ 175,000	\$ 177,625
Building Materials Holding Corp., 6.875%, 2018 (n)	1,150,000	1,233,375
Building Materials Holding Corp., 7%, 2020 (n)	470,000	509,950
Building Materials Holding Corp., 6.75%, 2021 (n)	455,000	495,950
CEMEX Finance LLC, 9.5%, 2016 (n)	1,341,000	1,423,136
CEMEX S.A.B. de C.V., 9%, 2018 (n)	337,000	349,638
CEMEX S.A.B. de C.V., FRN, 5.362%, 2015 (n)	552,000	536,820
HD Supply, Inc., 8.125%, 2019 (n)	525,000	577,500
HD Supply, Inc., 11.5%, 2020 (z)	405,000	426,263
Masonite International Corp., 8.25%, 2021 (n)	935,000	991,100
Nortek, Inc., 8.5%, 2021	1,245,000	1,338,375

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Building - continued		
Odebrecht Finance Ltd., 5.125%, 2022 (n)	\$ 216,000	\$ 234,900
Odebrecht Finance Ltd., 6%, 2023 (n)	386,000	446,795
Odebrecht Finance Ltd., 7.125%, 2042 (n)	419,000	484,993
Owens Corning, 9%, 2019	2,070,000	2,633,301
Roofing Supply Group LLC/Roofing Supply Finance, Inc., 10%, 2020 (n)	360,000	396,000
USG Corp., 6.3%, 2016	1,200,000	1,221,000
USG Corp., 7.875%, 2020 (n)	525,000	572,250
		\$ 14,048,971
Business Services - 1.3%		
Ceridian Corp., 12.25%, 2015 (p)	\$ 600,000	\$ 589,500
Ceridian Corp., 8.875%, 2019 (n)	355,000	376,300
Fidelity National Information Services, Inc., 7.625%, 2017	415,000	452,869
Fidelity National Information Services, Inc., 5%, 2022	680,000	693,600
iGate Corp., 9%, 2016	1,652,000	1,804,810
Iron Mountain, Inc., 8.375%, 2021	1,115,000	1,232,075
Legend Acquisition Sub, Inc., 10.75%, 2020 (n)	850,000	828,750
Lender Processing Services, Inc., 5.75%, 2023	535,000	565,763
SunGard Data Systems, Inc., 7.375%, 2018	470,000	505,838
Tencent Holdings Ltd., 3.375%, 2018 (n)	664,000	677,321
		\$ 7,726,826
Cable TV - 3.2%		
Bresnan Broadband Holdings LLC, 8%, 2018 (n)	\$ 280,000	\$ 301,000
CCH II LLC, 13.5%, 2016	575,870	619,060
CCO Holdings LLC, 7.875%, 2018	715,000	772,200
CCO Holdings LLC, 8.125%, 2020	1,635,000	1,839,375
CCO Holdings LLC, 7.375%, 2020	390,000	436,800
Cequel Communications Holdings, 8.625%, 2017 (n)	915,000	979,050
DIRECTV Holdings LLC, 5.2%, 2020	3,340,000	3,846,748
DISH DBS Corp., 6.75%, 2021	890,000	991,238
EchoStar Corp., 7.125%, 2016	825,000	921,938
Myriad International Holdings B.V., 6.375%, 2017 (n)	507,000	574,178
Telenet Finance Luxembourg, 6.375%, 2020 (n)	EUR 240,000	322,741
Time Warner Cable, Inc., 5%, 2020	\$ 2,630,000	3,095,954
UPC Holding B.V., 9.875%, 2018 (n)	665,000	746,463
UPCB Finance III Ltd., 6.625%, 2020 (n)	1,294,000	1,384,580
Virgin Media Finance PLC, 8.375%, 2019	290,000	333,500
Virgin Media Finance PLC, 4.875%, 2022	200,000	202,000
Virgin Media Finance PLC, 5.25%, 2022	1,015,000	1,060,675
Ziggo Bond Co. B.V., 8%, 2018 (n)	EUR 680,000	967,316
		\$ 19,394,816

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Chemicals - 2.1%		
Celanese U.S. Holdings LLC, 6.625%, 2018	\$ 1,265,000	\$ 1,378,850
Dow Chemical Co., 8.55%, 2019	1,500,000	2,034,161
Hexion U.S. Finance Corp./Hexion Nova Scotia Finance, 8.875%, 2018	1,330,000	1,343,300
Hexion U.S. Finance Corp./Hexion Nova Scotia Finance, 9%, 2020	280,000	251,300
Huntsman International LLC, 8.625%, 2021	1,545,000	1,757,438
INEOS Finance PLC, 8.375%, 2019 (n)	645,000	677,250
INEOS Group Holdings PLC, 8.5%, 2016 (n)	855,000	825,075
LyondellBasell Industries N.V., 5%, 2019	440,000	476,300
LyondellBasell Industries N.V., 6%, 2021	1,210,000	1,399,063
Momentive Performance Materials, Inc., 12.5%, 2014	748,000	774,180
Momentive Performance Materials, Inc., 11.5%, 2016	414,000	269,100
Polypore International, Inc., 7.5%, 2017	460,000	496,800
Sociedad Quimica y Minera de Chile S.A., 5.5%, 2020 (n)	568,000	636,635
		\$ 12,319,452
Computer Software - 1.0%		
Infor U.S., Inc., 11.5%, 2018	\$ 1,185,000	\$ 1,371,638
Infor U.S., Inc., 9.375%, 2019	245,000	270,725
Nuance Communications, Inc., 5.375%, 2020 (n)	915,000	933,300
Seagate HDD Cayman, 6.875%, 2020	605,000	630,713
Syniverse Holdings, Inc., 9.125%, 2019	1,215,000	1,293,975
TransUnion Holding Co., Inc., 9.625%, 2018	455,000	481,163
TransUnion LLC/TransUnion Financing Corp., 11.375%, 2018	760,000	881,600
		\$ 5,863,114
Computer Software - Systems - 0.8%		
Audatex North America, Inc., 6.75%, 2018 (n)	\$ 645,000	\$ 691,763
CDW LLC/CDW Finance Corp., 12.535%, 2017	750,000	803,438
CDW LLC/CDW Finance Corp., 8.5%, 2019	1,145,000	1,222,288
DuPont Fabros Technology, Inc., REIT, 8.5%, 2017	1,785,000	1,963,500
		\$ 4,680,989
Conglomerates - 0.7%		
Amsted Industries, Inc., 8.125%, 2018 (n)	\$ 1,745,000	\$ 1,875,875
Dynacast International LLC, 9.25%, 2019	755,000	792,750
Griffon Corp., 7.125%, 2018	1,415,000	1,492,825
		\$ 4,161,450
Consumer Products - 0.6%		
Easton-Bell Sports, Inc., 9.75%, 2016	\$ 735,000	\$ 791,970
Elizabeth Arden, Inc., 7.375%, 2021	870,000	971,138
FGI Operating Co./FGI Finance, Inc., 7.875%, 2020 (n)	90,000	97,650

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Consumer Products - continued		
Jarden Corp., 7.5%, 2020	\$ 1,335,000	\$ 1,461,825
Libbey Glass, Inc., 6.875%, 2020 (n)	355,000	378,075
Prestige Brands, Inc., 8.125%, 2020	105,000	117,994
		\$ 3,818,652
Consumer Services - 0.7%		
Service Corp. International, 6.75%, 2015	\$ 265,000	\$ 291,500
Service Corp. International, 7%, 2017	3,300,000	3,778,500
		\$ 4,070,000
Containers - 1.4%		
Ardagh Packaging Finance PLC, 7.375%, 2017 (n)	\$ 770,000	\$ 826,788
Ardagh Packaging Finance PLC, 9.125%, 2020 (z)	200,000	209,000
Ardagh Packaging Finance PLC, 9.125%, 2020 (n)	1,450,000	1,508,000
Ball Corp., 5%, 2022	583,000	615,065
Greif, Inc., 6.75%, 2017	1,515,000	1,670,288
Reynolds Group, 7.125%, 2019	910,000	969,150
Reynolds Group, 9.875%, 2019	375,000	392,813
Reynolds Group, 5.75%, 2020 (n)	600,000	606,000
Reynolds Group, 8.25%, 2021	1,470,000	1,444,275
		\$ 8,241,379
Defense Electronics - 0.3%		
Ducommun, Inc., 9.75%, 2018	\$ 1,017,000	\$ 1,075,478
MOOG, Inc., 7.25%, 2018	750,000	795,000
		\$ 1,870,478
Electrical Equipment - 0.1%		
Avaya, Inc., 9.75%, 2015	\$ 605,000	\$ 538,450
Avaya, Inc., 7%, 2019 (n)	245,000	223,563
		\$ 762,013
Electronics - 0.6%		
Freescale Semiconductor, Inc., 9.25%, 2018 (n)	\$ 1,490,000	\$ 1,594,300
Nokia Corp., 5.375%, 2019	325,000	268,938
NXP B.V., 9.75%, 2018 (n)	107,000	124,923
Sensata Technologies B.V., 6.5%, 2019 (n)	1,545,000	1,629,975
		\$ 3,618,136
Emerging Market Quasi-Sovereign - 8.7%		
Abu Dhabi National Energy Co. PJSC (TAQA), 5.875%, 2021 (n)	\$ 320,000	\$ 380,800
Banco do Brasil S.A., 3.875%, 2022	282,000	281,154
Banco do Brasil S.A., 5.875%, 2023 (n)	502,000	554,710
Banco do Estado Rio Grande do Sul S.A., 7.375%, 2022 (n)	412,000	467,620

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Emerging Market Quasi-Sovereign - continued		
Banco do Nordeste do Brasil (BNB), 3.625%, 2015 (n)	\$ 1,332,000	\$ 1,378,620
Banco do Nordeste do Brasil (BNB), 4.375%, 2019 (n)	878,000	910,925
Bank of Ceylon, 6.875%, 2017 (n)	216,000	231,660
BNDES Participacoes S.A., 6.5%, 2019 (n)	607,000	757,233
Caixa Economica Federal, 3.5%, 2022 (z)	216,000	216,028
CEZ A.S., 4.25%, 2022 (n)	851,000	911,421
CNOOC Finance (2012) Ltd., 3.875%, 2022 (n)	918,000	985,568
CNOOC Finance (2012) Ltd., 5%, 2042 (n)	214,000	248,240
CNPC (HK) Overseas Capital Ltd., 4.5%, 2021 (n)	1,242,000	1,391,835
Comision Federal de Electricidad, 5.75%, 2042 (n)	1,546,000	1,754,710
Corporacion Financiera de Desarrollo S.A., 4.75%, 2022 (n)	346,000	386,655
Corporacion Nacional del Cobre de Chile, 4.25%, 2042 (n)	206,000	209,346
Development Bank of Kazakhstan, 5.5%, 2015 (n)	881,000	961,347
Dolphin Energy Ltd., 5.5%, 2021 (n)	441,000	510,899
Ecopetrol S.A., 7.625%, 2019	821,000	1,063,195
Gaz Capital S.A., 9.25%, 2019	744,000	970,920
Gaz Capital S.A., 5.999%, 2021 (n)	1,941,000	2,191,389
Gaz Capital S.A., 4.95%, 2022 (n)	547,000	580,157
Gazprom, 4.375%, 2022 (n)	766,000	767,915
Georgian Oil & Gas Corp., 6.875%, 2017 (n)	317,000	327,303
JSC Georgian Railway, 7.75%, 2022 (n)	218,000	243,986
Kazakhstan Temir Zholy Co., 6.95%, 2042 (n)	316,000	385,691
KazMunaiGaz Finance B.V., 8.375%, 2013	539,000	561,271
KazMunaiGaz Finance B.V., 9.125%, 2018 (n)	713,000	929,595
Majapahit Holding B.V., 7.25%, 2017 (n)	1,469,000	1,748,110
Majapahit Holding B.V., 8%, 2019 (n)	1,197,000	1,520,190
Majapahit Holding B.V., 7.75%, 2020 (n)	1,045,000	1,314,088
OAO Gazprom, 6.212%, 2016	1,886,000	2,101,419
OJSC Russian Agricultural Bank, FRN, 5.298%, 2017 (n)	448,000	479,387
Pemex Project Funding Master Trust, 5.75%, 2018	1,341,000	1,562,265
Pertamina PT, 5.25%, 2021 (n)	511,000	567,210
Pertamina PT, 4.875%, 2022 (n)	540,000	587,250
Pertamina PT, 6.5%, 2041 (n)	235,000	279,650
Pertamina PT, 6%, 2042 (n)	636,000	718,680
Petrobras International Finance Co., 7.875%, 2019	1,583,000	2,004,125
Petrobras International Finance Co., 6.75%, 2041	657,000	840,051
Petroleos Mexicanos, 8%, 2019	1,382,000	1,810,420
Petroleos Mexicanos, 6%, 2020	805,000	961,975
Petroleos Mexicanos, 5.5%, 2021	1,360,000	1,587,800
Petroleos Mexicanos, 4.875%, 2022	1,048,000	1,173,760
Petroleos Mexicanos, 6.5%, 2041	445,000	552,356
Petroleos Mexicanos, 5.5%, 2044	382,000	416,380
Petroleum Co. of Trinidad & Tobago Ltd., 9.75%, 2019 (n)	476,000	628,320

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Emerging Market Quasi-Sovereign - continued		
Petroleum Co. of Trinidad & Tobago Ltd., 6%, 2022	\$ 544,167	\$ 589,060
PT Perusahaan Listrik Negara, 5.5%, 2021 (n)	752,000	847,880
PT Perusahaan Listrik Negara, 5.25%, 2042 (z)	207,000	211,388
PTT PLC, 3.375%, 2022 (z)	430,000	424,221
PTT PLC, 4.5%, 2042 (z)	462,000	459,433
PTTEP Canada International Finance Ltd., 6.35%, 2042 (n)	250,000	316,323
Ras Laffan Liquefied Natural Gas Co. Ltd., 6.75%, 2019 (n)	1,230,000	1,541,805
Sberbank of Russia, 6.125%, 2022 (n)	1,439,000	1,610,284
Sinopec Group Overseas Development (2012) Ltd., 3.9%, 2022 (n)	544,000	589,683
Transnet SOC Ltd., 4.5%, 2016 (n)	377,000	400,749
Transnet SOC Ltd., 4%, 2022 (n)	224,000	224,000
Turkiye Halk Bankasi A.S., 4.875%, 2017 (n)	410,000	418,200
Turkiye Ihracat Kredi Bankasi A.S., 5.375%, 2016 (n)	215,000	229,652
Turkiye Ihracat Kredi Bankasi A.S., 5.875%, 2019 (n)	206,000	225,364
Turkiye Vakiflar Bankasi, 6%, 2022 (z)	498,000	498,830
Vnesheconombank, 6.025%, 2022 (n)	283,000	315,913
VTB Capital S.A., 6.465%, 2015 (n)	407,000	433,597
VTB Capital S.A., 6%, 2017 (n)	1,176,000	1,227,450
		\$ 51,977,461
Emerging Market Sovereign - 8.9%		
Dominican Republic, 7.5%, 2021 (n)	\$ 879,000	\$ 1,032,825
Government of Ukraine, 6.875%, 2015 (n)	698,000	697,093
Government of Ukraine, 6.875%, 2015	1,094,000	1,092,578
Government of Ukraine, 9.25%, 2017 (n)	320,000	348,982
Republic of Argentina, 2.5% to 2019, 3.75% to 2029, 5.25% to 2038	1,888,000	613,600
Republic of Argentina, FRN, 8.28%, 2033	1,320,837	858,544
Republic of Colombia, 4.375%, 2021	322,000	369,817
Republic of Colombia, 8.125%, 2024	679,000	1,016,803
Republic of Colombia, 6.125%, 2041	658,000	898,170
Republic of Georgia, 6.875%, 2021 (n)	216,000	247,860
Republic of Guatemala, 5.75%, 2022 (n)	387,000	441,180
Republic of Indonesia, 6.875%, 2018	838,000	1,020,265
Republic of Indonesia, 11.625%, 2019 (n)	872,000	1,325,440
Republic of Indonesia, 11.625%, 2019	733,000	1,114,160
Republic of Indonesia, 4.875%, 2021 (n)	671,000	764,940
Republic of Indonesia, 7.75%, 2038 (n)	1,559,000	2,359,936
Republic of Latvia, 5.25%, 2017 (n)	345,000	381,225
Republic of Lithuania, 6.125%, 2021 (n)	499,000	600,048
Republic of Lithuania, 6.625%, 2022 (n)	1,425,000	1,763,438
Republic of Panama, 8.875%, 2027	1,273,000	2,065,443
Republic of Panama, 9.375%, 2029	1,746,000	2,994,390
Republic of Panama, 6.7%, 2036	265,000	377,228

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Emerging Market Sovereign - continued		
Republic of Peru, 7.35%, 2025	\$ 544,000	\$ 791,520
Republic of Peru, 8.75%, 2033	1,258,000	2,201,500
Republic of Peru, 5.625%, 2050	203,000	262,885
Republic of Philippines, 6.5%, 2020	489,000	625,309
Republic of Philippines, 5.5%, 2026	802,000	1,014,530
Republic of Philippines, 6.375%, 2032	540,000	739,125
Republic of Philippines, 6.375%, 2034	1,391,000	1,933,490
Republic of Poland, 5%, 2022	609,000	709,601
Republic of Romania, 6.75%, 2022 (n)	1,074,000	1,240,470
Republic of Serbia, 7.25%, 2021 (n)	228,000	242,820
Republic of Slovakia, 4.375%, 2022 (n)	2,330,000	2,487,019
Republic of Slovenia, 5.5%, 2022 (z)	233,000	233,232
Republic of Sri Lanka, 6.25%, 2020 (n)	285,000	319,200
Republic of Sri Lanka, 6.25%, 2021 (n)	248,000	277,314
Republic of Sri Lanka, 5.875%, 2022 (n)	208,000	227,760
Republic of Turkey, 7%, 2019	790,000	968,935
Republic of Turkey, 5.625%, 2021	670,000	778,875
Republic of Turkey, 6.25%, 2022	646,000	782,629
Republic of Turkey, 6%, 2041	287,000	337,225
Republic of Venezuela, 5.75%, 2016	3,742,000	3,451,995
Republic of Venezuela, 7.65%, 2025	1,345,000	1,059,188
Republic of Vietnam, 6.75%, 2020	537,000	626,948
Republic of Zambia, 5.375%, 2022 (n)	200,000	201,500
Russian Federation, 4.5%, 2022 (n)	600,000	671,280
Russian Federation, 7.5%, 2030	905,200	1,146,255
Russian Federation, 5.625%, 2042 (n)	600,000	720,780
Ukraine Government International, 6.58%, 2016	1,418,000	1,403,196
United Mexican States, 5.625%, 2017	1,364,000	1,594,516
United Mexican States, 5.95%, 2019	268,000	330,980
United Mexican States, 3.625%, 2022	2,850,000	3,113,625
United Mexican States, 5.75%, 2110	408,000	479,400
		\$ 53,357,067
Energy - Independent - 5.1%		
BreitBurn Energy Partners LP, 8.625%, 2020	\$ 435,000	\$ 470,888
BreitBurn Energy Partners LP, 7.875%, 2022 (n)	985,000	1,019,475
Carrizo Oil & Gas, Inc., 8.625%, 2018	370,000	398,675
Chaparral Energy, Inc., 7.625%, 2022 (n)	785,000	830,138
Chesapeake Energy Corp., 6.875%, 2020	805,000	853,300
Concho Resources, Inc., 8.625%, 2017	540,000	591,300
Concho Resources, Inc., 6.5%, 2022	1,125,000	1,234,688
Continental Resources, Inc., 8.25%, 2019	940,000	1,059,850
Denbury Resources, Inc., 8.25%, 2020	1,395,000	1,579,838

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Energy - Independent - continued		
Energy XXI Gulf Coast, Inc., 9.25%, 2017	\$ 1,510,000	\$ 1,702,525
Everest Acquisition LLC/Everest Acquisition Finance, Inc., 9.375%, 2020 (n)	2,225,000	2,458,625
EXCO Resources, Inc., 7.5%, 2018	800,000	752,000
Harvest Operations Corp., 6.875%, 2017	1,715,000	1,877,925
Hilcorp Energy I/Hilcorp Finance Co., 8%, 2020 (n)	350,000	383,250
Laredo Petroleum, Inc., 9.5%, 2019	730,000	828,550
LINN Energy LLC, 6.5%, 2019	450,000	453,375
LINN Energy LLC, 8.625%, 2020	510,000	557,813
LINN Energy LLC, 7.75%, 2021	972,000	1,037,610
MEG Energy Corp., 6.5%, 2021 (n)	225,000	241,313
Newfield Exploration Co., 6.875%, 2020	1,560,000	1,688,700
OGX Austria GmbH, 8.375%, 2022 (n)	344,000	288,960
OGX Petroleo e Gas Participacoes S.A., 8.5%, 2018 (n)	816,000	711,960
Plains Exploration & Production Co., 8.625%, 2019	895,000	986,738
Plains Exploration & Production Co., 6.5%, 2020	400,000	400,000
Plains Exploration & Production Co., 6.75%, 2022	480,000	482,400
QEP Resources, Inc., 6.875%, 2021	2,045,000	2,331,300
Range Resources Corp., 8%, 2019	900,000	994,500
Range Resources Corp., 5%, 2022	305,000	318,725
Samson Investment Co., 9.75%, 2020 (n)	530,000	559,150
SandRidge Energy, Inc., 8%, 2018 (n)	1,560,000	1,638,000
SM Energy Co., 6.5%, 2021	875,000	920,938
Whiting Petroleum Corp., 6.5%, 2018	600,000	647,250
		\$ 30,299,759
Energy - Integrated - 0.5%		
Listrindo Capital B.V., 6.95%, 2019 (n)	\$ 239,000	\$ 270,648
LUKOIL International Finance B.V., 6.656%, 2022	269,000	324,925
Pacific Rubiales Energy Corp., 7.25%, 2021 (n)	1,921,000	2,276,385
		\$ 2,871,958
Engineering - Construction - 0.1%		
BakerCorp International, Inc., 8.25%, 2019	\$ 710,000	\$ 710,000
Entertainment - 0.7%		
AMC Entertainment, Inc., 8.75%, 2019	\$ 680,000	\$ 751,400
AMC Entertainment, Inc., 9.75%, 2020	1,005,000	1,128,113
Cedar Fair LP, 9.125%, 2018	575,000	650,469
Cinemark USA, Inc., 8.625%, 2019	1,220,000	1,351,150
NAI Entertainment Holdings LLC, 8.25%, 2017 (n)	396,000	440,550
		\$ 4,321,682

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Financial Institutions - 4.1%		
Ally Financial, Inc., 5.5%, 2017	\$ 2,330,000	\$ 2,465,545
CIT Group, Inc., 5.25%, 2014 (n)	1,245,000	1,291,688
CIT Group, Inc., 5.25%, 2018	1,115,000	1,184,688
CIT Group, Inc., 6.625%, 2018 (n)	1,447,000	1,613,405
CIT Group, Inc., 5.5%, 2019 (n)	3,024,000	3,224,340
Credit Acceptance Corp., 9.125%, 2017	780,000	856,050
GMAC, Inc., 8%, 2031	180,000	214,200
Icahn Enterprises LP, 8%, 2018 (n)	179,000	192,425
Icahn Enterprises LP, 8%, 2018	1,651,000	1,774,825
International Lease Finance Corp., 4.875%, 2015	455,000	470,925
International Lease Finance Corp., 8.625%, 2015	410,000	461,660
International Lease Finance Corp., 7.125%, 2018 (n)	1,937,000	2,275,975
Nationstar Mortgage LLC/Capital Corp., 10.875%, 2015	1,580,000	1,708,375
Nationstar Mortgage LLC/Capital Corp., 9.625%, 2019 (n)	345,000	381,225
Nationstar Mortgage LLC/Capital Corp., 7.875%, 2020 (n)	325,000	334,750
PHH Corp., 9.25%, 2016	835,000	964,425
PHH Corp., 7.375%, 2019	630,000	674,100
SLM Corp., 8.45%, 2018	1,565,000	1,859,893
SLM Corp., 8%, 2020	1,795,000	2,078,825
SLM Corp., 7.25%, 2022	305,000	336,263
		\$ 24,363,582
Food & Beverages - 1.5%		
ARAMARK Corp., 8.5%, 2015	\$ 1,495,000	\$ 1,519,309
B&G Foods, Inc., 7.625%, 2018	1,335,000	1,438,463
BRF - Brasil Foods S.A., 5.875%, 2022 (n)	216,000	243,000
Constellation Brands, Inc., 7.25%, 2016	1,615,000	1,865,325
Grupo Bimbo S.A.B. de C.V., 4.5%, 2022 (n)	417,000	458,719
JBS USA LLC/JBS USA Finance, 8.25%, 2020 (n)	250,000	258,125
Pinnacle Foods Finance LLC, 8.25%, 2017	245,000	263,375
Sigma Alimentos S.A., 5.625%, 2018 (n)	462,000	523,215
TreeHouse Foods, Inc., 7.75%, 2018	745,000	815,775
Tyson Foods, Inc., 6.6%, 2016	1,520,000	1,751,998
		\$ 9,137,304
Forest & Paper Products - 1.1%		
Boise, Inc., 8%, 2020	\$ 1,100,000	\$ 1,204,500
Georgia-Pacific Corp., 8%, 2024	86,000	120,741
Graphic Packaging Holding Co., 7.875%, 2018	615,000	679,575
Inversiones CMPC S.A., 4.75%, 2018 (n)	841,000	904,475
Millar Western Forest Products Ltd., 8.5%, 2021	190,000	161,975
Sappi Papier Holding GmbH, 7.75%, 2017 (n)	340,000	361,250
Smurfit Kappa Group PLC, 4.875%, 2018 (n)	475,000	475,000

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Forest & Paper Products - continued		
Smurfit Kappa Group PLC, 7.75%, 2019 (n)	EUR 600,000	\$ 855,459
Tembec Industries, Inc., 11.25%, 2018	\$ 495,000	523,463
Votorantim Participacoes S.A., 6.75%, 2021 (n)	883,000	1,052,978
Xerium Technologies, Inc., 8.875%, 2018	378,000	319,410
		\$ 6,658,826
Gaming & Lodging - 2.9%		
Caesars Operating Escrow LLC, 8.5%, 2020 (n)	\$ 795,000	\$ 781,088
Choice Hotels International, Inc., 5.75%, 2022	180,000	197,100
Fontainebleau Las Vegas Holdings LLC, 10.25%, 2015 (a)(d)(n)	405,000	253
GWR Operating Partnership LLP, 10.875%, 2017	405,000	461,700
Harrah's Operating Co., Inc., 11.25%, 2017	1,465,000	1,585,863
Host Hotels & Resorts, Inc., REIT, 6.75%, 2016	2,080,000	2,135,900
Host Hotels & Resorts, Inc., REIT, 5.25%, 2022	240,000	265,200
Isle of Capri Casinos, Inc., 8.875%, 2020 (n)	795,000	836,738
MGM Mirage, 10.375%, 2014	190,000	213,513
MGM Mirage, 6.625%, 2015	345,000	366,563
MGM Resorts International, 11.375%, 2018	1,460,000	1,715,500
MGM Resorts International, 9%, 2020	1,470,000	1,639,050
Penn National Gaming, Inc., 8.75%, 2019	1,555,000	1,737,713
Pinnacle Entertainment, Inc., 8.75%, 2020	440,000	480,700
Rivers Pittsburgh Borrower LP/Rivers Pittsburgh Finance Corp., 9.5%, 2019 (n)	180,000	194,400
Seven Seas Cruises S. DE R.L., 9.125%, 2019	1,125,000	1,168,594
Starwood Hotels & Resorts Worldwide, Inc., 6.75%, 2018	990,000	1,197,145
Viking Cruises Ltd., 8.5%, 2022 (z)	640,000	660,800
Wyndham Worldwide Corp., 6%, 2016	9,000	10,077
Wyndham Worldwide Corp., 7.375%, 2020	515,000	617,613
Wynn Las Vegas LLC, 7.75%, 2020	1,250,000	1,403,125
		\$ 17,668,635
Industrial - 0.9%		
Altra Holdings, Inc., 8.125%, 2016	\$ 532,000	\$ 566,580
Dematic S.A., 8.75%, 2016 (z)	1,415,000	1,501,669
Hyva Global B.V., 8.625%, 2016 (n)	702,000	654,615
Mirror PIK S.A., 9%, 2016 (p)(z)	470,000	471,175
Mueller Water Products, Inc., 8.75%, 2020	690,000	791,775
Rexel S.A., 6.125%, 2019 (n)	585,000	599,625
SPL Logistics Escrow LLC, 8.875%, 2020 (n)	535,000	568,438
		\$ 5,153,877
Insurance - 2.4%		
AIG SunAmerica Global Financing X, 6.9%, 2032 (n)	\$ 2,384,000	\$ 3,179,917
Allianz AG, 5.5% to 2014, FRN to 2049	EUR 140,000	183,276

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Insurance - continued		
American International Group, Inc., 4.875%, 2016	\$ 1,550,000	\$ 1,733,032
American International Group, Inc., 8.25%, 2018	865,000	1,123,676
American International Group, Inc., 8.175% to 2038, FRN to 2068	3,145,000	3,923,388
MetLife, Inc., 9.25% to 2038, FRN to 2068 (n)	1,500,000	2,085,000
Unum Group, 7.125%, 2016	1,829,000	2,154,683
		\$ 14,382,972
Insurance - Health - 0.1%		
AMERIGROUP Corp., 7.5%, 2019	\$ 350,000	\$ 408,625
Insurance - Property & Casualty - 1.2%		
Liberty Mutual Group, Inc., 10.75% to 2038, FRN to 2088 (n)	\$ 1,615,000	\$ 2,406,350
XL Group PLC, 6.5% to 2017, FRN to 2049	1,825,000	1,692,688
ZFS Finance USA Trust II, 6.45% to 2016, FRN to 2065 (n)	2,310,000	2,483,250
ZFS Finance USA Trust V, 6.5% to 2017, FRN to 2067 (n)	680,000	725,900
		\$ 7,308,188
International Market Quasi-Sovereign - 0.6%		
Irish Life & Permanent PLC, 3.6%, 2013 (e)(n)	\$ 2,500,000	\$ 2,500,000
Israel Electric Corp. Ltd., 6.7%, 2017 (n)	843,000	923,085
		\$ 3,423,085
International Market Sovereign - 5.4%		
Commonwealth of Australia, 5.75%, 2021	AUD 555,000	\$ 695,662
Federal Republic of Germany, 3.75%, 2015	EUR 1,850,000	2,590,306
Federal Republic of Germany, 4.25%, 2018	EUR 211,000	328,158
Federal Republic of Germany, 6.25%, 2030	EUR 456,000	942,715
Government of Canada, 4.5%, 2015	CAD 404,000	439,156
Government of Canada, 4.25%, 2018	CAD 251,000	289,519
Government of Canada, 3.25%, 2021	CAD 182,000	205,229
Government of Canada, 5.75%, 2033	CAD 74,000	115,145
Government of Japan, 1.7%, 2017	JPY 207,600,000	2,773,427
Government of Japan, 1.1%, 2020	JPY 189,000,000	2,473,135
Government of Japan, 2.1%, 2024	JPY 126,000,000	1,776,079
Government of Japan, 2.2%, 2027	JPY 202,200,000	2,838,211
Government of New Zealand, 6%, 2021	NZD 257,000	253,265
Government of Norway, 3.75%, 2021	NOK 1,101,000	221,278
Kingdom of Belgium, 5.5%, 2017	EUR 743,000	1,159,364
Kingdom of Denmark, 3%, 2021	DKK 1,368,000	273,149
Kingdom of Spain, 4%, 2015	EUR 279,000	366,323
Kingdom of Spain, 5.5%, 2017	EUR 127,000	172,157
Kingdom of Spain, 4.6%, 2019	EUR 207,000	263,082
Kingdom of Sweden, 5%, 2020	SEK 3,665,000	704,400

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
International Market Sovereign - continued		
Kingdom of the Netherlands, 5.5%, 2028	EUR 262,000	\$ 481,814
Republic of Austria, 4.65%, 2018	EUR 450,000	692,338
Republic of Finland, 3.875%, 2017	EUR 145,000	216,234
Republic of France, 6%, 2025	EUR 212,000	378,267
Republic of France, 4.75%, 2035	EUR 741,000	1,220,453
Republic of Iceland, 4.875%, 2016 (n)	\$ 1,716,000	1,803,945
Republic of Iceland, 5.875%, 2022 (n)	631,000	687,885
Republic of Italy, 4.25%, 2015	EUR 918,000	1,235,485
Republic of Italy, 5.25%, 2017	EUR 1,784,000	2,464,454
Republic of Italy, 3.75%, 2021	EUR 350,000	431,696
United Kingdom Treasury, 8%, 2015	GBP 943,000	1,881,146
United Kingdom Treasury, 8%, 2021	GBP 515,000	1,266,667
United Kingdom Treasury, 4.25%, 2036	GBP 397,000	784,755
		\$ 32,424,899
Machinery & Tools - 1.4%		
Ashtead Capital, Inc., 6.5%, 2022 (n)	\$ 285,000	\$ 300,675
Case Corp., 7.25%, 2016	1,065,000	1,192,800
Case New Holland, Inc., 7.875%, 2017	1,960,000	2,303,000
CNH Capital LLC, 3.875%, 2015 (z)	215,000	220,375
CNH Capital LLC, 6.25%, 2016 (n)	295,000	318,600
H&E Equipment Services LLC, 7%, 2022 (n)	805,000	837,200
NESCO LLC/NESCO Holdings Corp., 11.75%, 2017 (n)	915,000	965,325
RSC Equipment Rental, Inc., 8.25%, 2021	910,000	1,005,550
UR Financing Escrow Corp., 5.75%, 2018 (n)	510,000	548,250
UR Financing Escrow Corp., 7.625%, 2022 (n)	509,000	557,355
		\$ 8,249,130
Major Banks - 2.4%		
Banco Santander U.S. Debt S.A.U., 3.781%, 2015 (n)	\$ 1,500,000	\$ 1,509,555
Bank of America Corp., 5.65%, 2018	2,900,000	3,376,316
BNP Paribas, FRN, 3.128%, 2014	1,532,000	1,588,587
DBS Bank Ltd., 3.625% to 2017, FRN to 2022 (n)	1,055,000	1,087,744
Goldman Sachs Group, Inc., 7.5%, 2019	1,200,000	1,498,561
JPMorgan Chase & Co., 3.25%, 2022	765,000	784,139
Morgan Stanley, 6.625%, 2018	2,000,000	2,326,156
National Westminster Bank PLC, FRN, 2.368%, 2049	EUR 330,000	290,856
Royal Bank of Scotland Group PLC, 6.99% to 2017, FRN to 2049 (n)	\$ 435,000	394,763
Royal Bank of Scotland Group PLC, 7.648% to 2031, FRN to 2049	1,420,000	1,398,700
		\$ 14,255,377

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Medical & Health Technology & Services - 3.4%		
Biomet, Inc., 6.5%, 2020 (n)	\$ 960,000	\$ 991,200
Davita, Inc., 6.375%, 2018	1,600,000	1,708,000
Davita, Inc., 6.625%, 2020	825,000	880,688
Fresenius Medical Care AG & Co. KGaA, 9%, 2015 (n)	875,000	1,004,063
Fresenius Medical Care Capital Trust III, 5.625%, 2019 (n)	800,000	842,000
HCA, Inc., 8.5%, 2019	2,960,000	3,326,300
HCA, Inc., 7.5%, 2022	1,560,000	1,743,300
HCA, Inc., 5.875%, 2022	660,000	707,850
HealthSouth Corp., 8.125%, 2020	1,510,000	1,664,775
Hologic, Inc., 6.25%, 2020 (n)	180,000	190,800
IASIS Healthcare LLC/IASIS Capital Corp., 8.375%, 2019	1,180,000	1,085,600
Owens & Minor, Inc., 6.35%, 2016	1,420,000	1,583,696
Physio-Control International, Inc., 9.875%, 2019 (n)	635,000	695,325
Select Medical Corp., 7.625%, 2015	136,000	137,360
Teleflex, Inc., 6.875%, 2019	800,000	860,000
Tenet Healthcare Corp., 9.25%, 2015	580,000	653,950
Truven Health Analytics, Inc., 10.625%, 2020 (z)	415,000	445,088
Universal Health Services, Inc., 7%, 2018	650,000	698,750
Universal Hospital Services, Inc., 7.625%, 2020 (n)	920,000	954,500
Vanguard Health Systems, Inc., 0%, 2016	4,000	2,800
		\$ 20,176,045
Metals & Mining - 2.0%		
Arch Coal, Inc., 7.25%, 2020	\$ 675,000	\$ 597,375
Cloud Peak Energy, Inc., 8.25%, 2017	1,815,000	1,964,738
Cloud Peak Energy, Inc., 8.5%, 2019	10,000	11,025
Consol Energy, Inc., 8%, 2017	1,255,000	1,327,163
Consol Energy, Inc., 8.25%, 2020	715,000	757,900
First Quantum Minerals Ltd., 7.25%, 2019 (z)	456,000	465,120
Fortescue Metals Group Ltd., 8.25%, 2019 (n)	680,000	680,000
Metinvest B.V., 8.75%, 2018 (n)	320,000	307,120
Peabody Energy Corp., 6%, 2018	485,000	503,188
Peabody Energy Corp., 6.25%, 2021	485,000	500,763
Southern Copper Corp., 7.5%, 2035	1,648,000	2,089,112
Southern Copper Corp., 6.75%, 2040	744,000	882,787
Vale Overseas Ltd., 5.625%, 2019	218,000	248,653
Vale Overseas Ltd., 4.625%, 2020	681,000	734,393
Vale Overseas Ltd., 4.375%, 2022	658,000	700,408
		\$ 11,769,745
Mortgage - Backed - 4.1%		
Fannie Mae, 5.5%, 2037	\$ 6,111,357	\$ 6,702,102
Fannie Mae, 6%, 2037	522,633	580,666

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Mortgage - Backed - continued		
Fannie Mae, TBA, 3.5%, 2042	\$ 4,500,000	\$ 4,793,203
Ginnie Mae, TBA, 3%, 2042	12,000,000	12,737,813
		\$ 24,813,784
Natural Gas - Distribution - 0.3%		
AmeriGas Finance LLC, 6.75%, 2020	\$ 1,145,000	\$ 1,230,875
Ferrellgas LP/Ferrellgas Finance Corp., 6.5%, 2021	845,000	815,425
		\$ 2,046,300
Natural Gas - Pipeline - 1.9%		
Atlas Pipeline Partners LP, 8.75%, 2018	\$ 1,440,000	\$ 1,540,800
Crosstex Energy, Inc., 8.875%, 2018	1,400,000	1,501,500
El Paso Corp., 7%, 2017	1,770,000	2,022,289
El Paso Corp., 7.75%, 2032	1,824,000	2,176,752
Energy Transfer Equity LP, 7.5%, 2020	1,165,000	1,325,188
Enterprise Products Partners LP, 8.375% to 2016, FRN to 2066	527,000	600,780
Enterprise Products Partners LP, 7.034% to 2018, FRN to 2068	340,000	388,450
Kinder Morgan Energy Partners LP, 5.125%, 2014	1,147,000	1,244,520
Rockies Express Pipeline LLC, 5.625%, 2020 (n)	451,000	429,578
		\$ 11,229,857
Network & Telecom - 2.3%		
BellSouth Corp., 6.55%, 2034	\$ 3,213,000	\$ 3,878,734
Centurylink, Inc., 7.65%, 2042	660,000	675,238
Cincinnati Bell, Inc., 8.25%, 2017	1,350,000	1,444,500
Citizens Communications Co., 9%, 2031	1,440,000	1,537,200
Eileme 2 AB, 11.625%, 2020 (n)	925,000	1,039,469
Frontier Communications Corp., 8.125%, 2018	585,000	662,513
Qwest Communications International, Inc., 7.125%, 2018 (n)	1,500,000	1,584,405
Telefonica Emisiones S.A.U., 2.582%, 2013	1,050,000	1,050,000
TW Telecom Holdings, Inc., 5.375%, 2022 (n)	405,000	416,138
Windstream Corp., 8.125%, 2018	220,000	238,150
Windstream Corp., 7.75%, 2020	1,335,000	1,438,463
		\$ 13,964,810
Oil Services - 0.9%		
Afren PLC, 11.5%, 2016 (n)	\$ 335,000	\$ 381,900
Afren PLC, 10.25%, 2019 (n)	219,000	250,755
Bristow Group, Inc., 6.25%, 2022	400,000	418,500
Chesapeake Energy Corp., 6.625%, 2019 (n)	390,000	371,475
Dresser-Rand Group, Inc., 6.5%, 2021	405,000	425,250
Edgen Murray Corp., 8.75%, 2020 (z)	765,000	759,263
Pioneer Energy Services Corp., 9.875%, 2018	840,000	909,300
Shale-Inland Holdings LLC/Finance Co., 8.75%, 2019 (z)	680,000	678,300

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Oil Services - continued		
Unit Corp., 6.625%, 2021	\$ 645,000	\$ 657,900
Unit Corp., 6.625%, 2021 (n)	440,000	448,800
		\$ 5,301,443
Other Banks & Diversified Financials - 3.0%		
Ajecorp B.V., 6.5%, 2022 (n)	\$ 235,000	\$ 256,738
Akbank T.A.S., 3.875%, 2017 (z)	244,000	243,795
Akbank T.A.S., 5%, 2022 (z)	188,000	191,187
Alfa Bank, 7.5%, 2019 (n)	367,000	377,188
Banco de Credito del Peru, 6.125% to 2022, FRN to 2027 (n)	509,000	569,444
Banco de Credito e Inversiones, 3%, 2017 (n)	250,000	253,786
Bancolombia S.A., 5.95%, 2021	1,094,000	1,263,570
Bancolombia S.A., 5.125%, 2022	385,000	402,325
Bangkok Bank (Hong Kong), 3.875%, 2022 (n)	463,000	470,187
BBVA Banco Continental S.A., 5%, 2022 (n)	325,000	346,125
BBVA Bancomer S.A. de C.V., 6.5%, 2021 (n)	1,207,000	1,377,489
BBVA Bancomer S.A. de C.V., 6.75%, 2022 (n)	350,000	396,375
BBVA Continental, 5.75%, 2017 (n)	518,000	574,980
Capital One Financial Corp., 10.25%, 2039	2,030,000	2,090,900
Citigroup, Inc., 6.125%, 2018	463,000	553,237
Groupe BPCE S.A., 12.5% to 2019, FRN to 2049 (n)	2,583,000	2,952,834
Grupo Aval Ltd., 5.25%, 2017 (n)	387,000	413,123
Grupo Aval Ltd., 4.75%, 2022 (n)	378,000	378,000
Industrial Senior Trust, 5.5%, 2022 (z)	220,000	221,047
LBG Capital No. 1 PLC, 7.875%, 2020 (n)	805,000	827,138
PKO Finance AB, 4.63%, 2022 (n)	473,000	487,663
Santander UK PLC, 8.963% to 2030, FRN to 2049	1,901,000	2,095,853
Turkiye Garanti Bankasi A.S., 4%, 2017 (n)	203,000	204,523
Turkiye Garanti Bankasi A.S., 5.25%, 2022 (n)	393,000	406,755
UBS AG, 7.625%, 2022	435,000	469,107
		\$ 17,823,369
Pharmaceuticals - 0.5%		
Capsugel FinanceCo. SCA, 9.875%, 2019 (n)	EUR 670,000	\$ 983,486
Endo Health Solutions, Inc., 7%, 2019	\$ 600,000	648,000
Valeant Pharmaceuticals International, Inc., 7%, 2020 (n)	935,000	1,006,294
Valeant Pharmaceuticals International, Inc., 7.25%, 2022 (n)	530,000	573,725
		\$ 3,211,505
Pollution Control - 0.1%		
Heckmann Corp., 9.875%, 2018	\$ 675,000	\$ 676,688
Rough Rider Escrow, Inc., 9.875%, 2018 (z)	220,000	221,100
		\$ 897,788

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Precious Metals & Minerals - 0.1%		
IAMGOLD Corp., 6.75%, 2020 (n)	\$ 776,000	\$ 774,060
Printing & Publishing - 0.2%		
American Media, Inc., 13.5%, 2018 (z)	\$ 32,653	\$ 29,878
Nielsen Finance LLC, 7.75%, 2018	835,000	939,375
Nielsen Finance LLC, 4.5%, 2020 (n)	490,000	487,550
		\$ 1,456,803
Railroad & Shipping - 0.1%		
Brunswick Rail, 6.5%, 2017 (z)	\$ 257,000	\$ 260,773
Kansas City Southern de Mexico S.A. de C.V., 6.125%, 2021	425,000	474,938
		\$ 735,711
Real Estate - 1.3%		
CB Richard Ellis Group, Inc., 11.625%, 2017	\$ 545,000	\$ 606,313
CNL Lifestyle Properties, Inc., REIT, 7.25%, 2019	410,000	388,475
Entertainment Properties Trust, REIT, 7.75%, 2020	990,000	1,149,258
Entertainment Properties Trust, REIT, 5.75%, 2022	250,000	262,016
Kennedy Wilson, Inc., 8.75%, 2019	380,000	404,700
MPT Operating Partnership LP, REIT, 6.875%, 2021	760,000	820,800
MPT Operating Partnership LP, REIT, 6.375%, 2022	685,000	714,113
Simon Property Group, Inc., REIT, 10.35%, 2019	2,200,000	3,169,960
		\$ 7,515,635
Retailers - 2.1%		
Academy Ltd., 9.25%, 2019 (n)	\$ 475,000	\$ 520,125
Burlington Coat Factory Warehouse Corp., 10%, 2019	895,000	987,856
Dollar General Corp., 4.125%, 2017	831,000	868,395
Home Depot, Inc., 5.875%, 2036	846,000	1,143,772
J. Crew Group, Inc., 8.125%, 2019	760,000	789,450
Limited Brands, Inc., 6.9%, 2017	630,000	723,713
Limited Brands, Inc., 7%, 2020	415,000	473,619
Limited Brands, Inc., 6.95%, 2033	360,000	364,050
Neiman Marcus Group, Inc., 10.375%, 2015	1,390,000	1,419,551
Pantry, Inc., 8.375%, 2020 (n)	450,000	468,000
QVC, Inc., 7.375%, 2020 (n)	620,000	687,106
Rite Aid Corp., 9.25%, 2020	625,000	639,063
Sally Beauty Holdings, Inc., 6.875%, 2019	480,000	532,200
Toys R Us Property Co. II LLC, 8.5%, 2017	660,000	708,675
Toys R Us, Inc., 10.75%, 2017	1,545,000	1,670,531
Yankee Acquisition Corp., 8.5%, 2015	7,000	7,061
YCC Holdings LLC/Yankee Finance, Inc., 10.25%, 2016 (p)	430,000	444,513
		\$ 12,447,680

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Specialty Chemicals - 0.1%		
Koppers, Inc., 7.875%, 2019	\$ 350,000	\$ 384,125
Mexichem S.A.B. de C.V., 4.875%, 2022 (n)	221,000	233,708
		\$ 617,833
Specialty Stores - 0.3%		
Gymboree Corp., 9.125%, 2018	\$ 390,000	\$ 367,088
Michaels Stores, Inc., 11.375%, 2016	625,000	652,344
Michaels Stores, Inc., 7.75%, 2018	475,000	510,031
		\$ 1,529,463
Steel - 0.1%		
Severstal (Steel Cap), 5.9%, 2022 (z)	\$ 322,000	\$ 319,666
Supermarkets - 0.3%		
Delhaize Group, 5.7%, 2040	\$ 1,395,000	\$ 1,314,493
SUPERVALU, Inc., 7.5%, 2014	225,000	216,844
		\$ 1,531,337
Supranational - 0.3%		
Eurasian Development Bank, 4.767%, 2022 (n)	\$ 226,000	\$ 231,368
European Investment Bank, 5.125%, 2017	1,500,000	1,779,300
		\$ 2,010,668
Telecommunications - Wireless - 2.9%		
America Movil S.A.B. de C.V., 3.125%, 2022	\$ 1,439,000	\$ 1,483,878
Clearwire Corp., 12%, 2015 (n)	640,000	681,600
Cricket Communications, Inc., 7.75%, 2016	735,000	777,263
Cricket Communications, Inc., 7.75%, 2020	785,000	809,531
Crown Castle International Corp., 9%, 2015	2,330,000	2,493,100
Crown Castle International Corp., 7.125%, 2019	370,000	406,075
Crown Castle Towers LLC, 6.113%, 2020 (n)	420,000	511,001
Digicel Group Ltd., 12%, 2014 (n)	400,000	442,000
Digicel Group Ltd., 8.25%, 2017 (n)	1,140,000	1,225,500
Digicel Group Ltd., 10.5%, 2018 (n)	880,000	972,400
Digicel Group Ltd., 8.25%, 2020 (n)	324,000	349,110
Globo Comunicacoes e Participacoes S.A., 6.25% to 2015, 9.375% to 2049 (n)	322,000	347,760
MetroPCS Wireless, Inc., 7.875%, 2018	720,000	788,400
Sprint Capital Corp., 6.875%, 2028	2,210,000	2,259,725
Sprint Nextel Corp., 6%, 2016	1,300,000	1,397,500
Sprint Nextel Corp., 9%, 2018 (n)	470,000	580,450
Wind Acquisition Finance S.A., 11.75%, 2017 (n)	1,395,000	1,360,125
Wind Acquisition Finance S.A., 7.25%, 2018 (n)	640,000	624,000
		\$ 17,509,418

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Telephone Services - 0.5%		
Cogent Communications Group, Inc., 8.375%, 2018 (n)	\$ 460,000	\$ 499,100
Level 3 Financing, Inc., 9.375%, 2019	790,000	880,850
Level 3 Financing, Inc., 7%, 2020 (n)	230,000	234,025
Level 3 Financing, Inc., 8.625%, 2020	855,000	931,950
Oi S.A., 5.75%, 2022 (n)	281,000	303,480
Sable International Finance Ltd., 8.75%, 2020 (n)	200,000	228,000
		\$ 3,077,405
Tobacco - 0.4%		
Reynolds American, Inc., 6.75%, 2017	\$ 2,016,000	\$ 2,436,247
Transportation - 0.1%		
Navios South American Logistics, Inc., 9.25%, 2019	\$ 755,000	\$ 715,363
Transportation - Services - 2.1%		
ACL I Corp., 10.625%, 2016 (p)	\$ 1,003,297	\$ 981,698
Aguila American Resources Ltd., 7.875%, 2018 (n)	930,000	983,475
Atlas Airlines, Inc. Pass-Through Certificates, B, 7.68%, 2014	373,961	357,133
Avis Budget Car Rental LLC, 8.25%, 2019	635,000	692,944
Avis Budget Car Rental LLC, 9.75%, 2020	420,000	478,275
CEVA Group PLC, 8.375%, 2017 (n)	1,155,000	1,111,688
Commercial Barge Line Co., 12.5%, 2017	1,785,000	1,981,350
ERAC USA Finance Co., 7%, 2037 (n)	878,000	1,144,203
HDTFS, Inc., 5.875%, 2020 (z)	200,000	202,000
Navios Maritime Acquisition Corp., 8.625%, 2017	1,095,000	1,032,038
Navios Maritime Holdings, Inc., 8.875%, 2017	970,000	994,250
Swift Services Holdings, Inc., 10%, 2018	1,905,000	2,043,113
Westinghouse Air Brake Technologies Corp., 6.875%, 2013	795,000	818,850
		\$ 12,821,017
U.S. Treasury Obligations - 2.5%		
U.S. Treasury Bonds, 4.5%, 2039 (f)	\$ 11,103,000	\$ 14,890,167
Utilities - Electric Power - 3.5%		
AES Corp., 8%, 2017	\$ 1,495,000	\$ 1,709,906
APT Pipelines Ltd., 3.875%, 2022 (z)	919,000	915,904
Atlantic Power Corp., 9%, 2018	625,000	670,313
Calpine Corp., 8%, 2016 (n)	940,000	1,003,450
Calpine Corp., 7.875%, 2020 (n)	1,035,000	1,133,325
CenterPoint Energy, Inc., 6.5%, 2018	600,000	730,456
Covanta Holding Corp., 7.25%, 2020	1,120,000	1,243,299
Covanta Holding Corp., 6.375%, 2022	300,000	326,482
DPL, Inc., 7.25%, 2021	680,000	766,700

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Utilities - Electric Power - continued		
Edison Mission Energy, 7%, 2017	\$ 785,000	\$ 378,763
EDP Finance B.V., 6%, 2018 (n)	1,360,000	1,389,240
Empresa de Energia de Bogota S.A., 6.125%, 2021 (n)	303,000	342,390
Energy Future Holdings Corp., 10%, 2020	1,370,000	1,455,625
Energy Future Holdings Corp., 10%, 2020	2,550,000	2,785,875
Energy Future Holdings Corp., 11.75%, 2022 (n)	805,000	786,888
GenOn Energy, Inc., 9.5%, 2018	65,000	74,100
GenOn Energy, Inc., 9.875%, 2020	1,410,000	1,582,725
NRG Energy, Inc., 8.25%, 2020	1,440,000	1,587,600
System Energy Resources, Inc., 5.129%, 2014 (z)	719,527	729,888
Texas Competitive Electric Holdings Co. LLC, 11.5%, 2020 (n)	415,000	296,725
Waterford 3 Funding Corp., 8.09%, 2017	1,086,408	1,109,918
		\$ 21,019,572
Total Bonds (Identified Cost, \$615,225,746)		\$ 667,031,675
Convertible Bonds - 0.2%		
Network & Telecom - 0.2%		
Nortel Networks Corp., 2.125%, 2014 (a)(d) (Identified Cost, \$1,322,731)	\$ 1,340,000	\$ 1,340,000
Floating Rate Loans (g)(r) - 0.1%		
Financial Institutions - 0.1%		
Springleaf Financial Funding Co., Term Loan, 5.5%, 2017	\$ 401,312	\$ 394,790
Utilities - Electric Power - 0.0%		
Dynegy Midwest Generation LLC, Term Loan, 9.25%, 2016	\$ 114,666	\$ 118,679
Dynegy Power LLC, Term Loan, 9.25%, 2016	171,999	179,148
		\$ 297,827
Total Floating Rate Loans (Identified Cost, \$682,144)		\$ 692,617
Common Stocks - 0.0%		
Automotive - 0.0%		
Accuride Corp. (a)	20,680	\$ 55,216
Printing & Publishing - 0.0%		
American Media Operations, Inc. (a)	8,368	\$ 44,267
Total Common Stocks (Identified Cost, \$399,733)		\$ 99,483

Table of Contents*Portfolio of Investments continued*

Preferred Stocks - 0.2%		
Issuer	Shares/Par	Value (\$)
Other Banks & Diversified Financials - 0.2%		
Ally Financial, Inc., 7% (z)	480	\$ 462,540
GMAC Capital Trust I, 8.125%	28,250	738,455
Total Preferred Stocks (Identified Cost, \$1,165,111)		\$ 1,200,995
Convertible Preferred Stocks - 0.1%		
Automotive - 0.1%		
General Motors Co., 4.75% (Identified Cost, \$733,500)	14,670	\$ 595,895
Money Market Funds - 6.4%		
MFS Institutional Money Market Portfolio, 0.16%, at Cost and Net Asset Value (v)	38,135,567	\$ 38,135,567
Total Investments (Identified Cost, \$657,664,532)		\$ 709,096,232
Other Assets, Less Liabilities - (18.2)%		(109,123,941)
Net Assets - 100.0%		\$ 599,972,291

(a) Non-income producing security.

(d) In default. Interest and/or scheduled principal payment(s) have been missed.

(e) Guaranteed by Minister for Finance of Ireland.

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

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

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

(n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$191,993,145, representing 32.0% of net assets.

(p) Payment-in-kind security.

(q) Interest received was less than stated coupon rate.

(r) Remaining maturities of floating rate loans may be less than stated maturities shown as a result of contractual or optional prepayments by the borrower. Such prepayments cannot be predicted with certainty. These loans may be subject to restrictions on resale. Floating rate loans generally have rates of interest which are determined periodically by reference to a base lending rate plus a premium.

(v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.

Table of Contents*Portfolio of Investments continued*

(z) Restricted securities are not registered under the Securities Act of 1933 and are subject to legal restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are subsequently registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The fund holds the following restricted securities:

Restricted Securities	Acquisition Date	Cost	Value
APT Pipelines Ltd., 3.875%, 2022	10/03/12	\$910,549	\$915,904
Akbank T.A.S., 3.875%, 2017	10/15/12	243,203	243,795
Akbank T.A.S., 5%, 2022	10/15/12	186,125	191,187
Ally Financial, Inc., 7% (Preferred Stock)	4/13/11-4/14/11	450,000	462,540
American Media, Inc., 13.5%, 2018	12/22/10	33,088	29,878
Ardagh Packaging Finance PLC, 9.125%, 2020	7/19/12	208,278	209,000
Bayview Financial Revolving Mortgage Loan Trust, FRN, 1.811%, 2040	3/01/06	2,636,972	1,709,725
Boise Cascade LLC/Finance Corp., 6.375%, 2020	10/17/12	175,000	177,625
Brunswick Rail, 6.5%, 2017	10/25/12	257,000	260,773
CNH Capital LLC, 3.875%, 2015	10/16/12	215,000	220,375
Caixa Economica Federal, 3.5%, 2022	10/26/12	215,024	216,028
Dematic S.A., 8.75%, 2016	4/19/11-1/24/12	1,425,150	1,501,669
Edgen Murray Corp., 8.75%, 2020	10/05/12	759,551	759,263
Falcon Franchise Loan LLC, FRN, 5.905%, 2025	1/29/03	116,213	249,376
First Quantum Minerals Ltd., 7.25%, 2019	10/04/12	456,000	465,120
First Union National Bank Commercial Mortgage Trust, FRN, 1.573%, 2043	12/11/03	479	984
G-Force LLC, CDO, A2, 4.83%, 2036	1/20/11	1,631,907	1,690,159
GMAC LLC, FRN, 6.02%, 2033	11/17/00	509,195	963,710
HD Supply, Inc., 11.5%, 2020	10/09/12-10/11/12	410,635	426,263
HDTFS, Inc., 5.875%, 2020	10/01/12	200,000	202,000
Heckler & Koch GmbH, 9.5%, 2018	5/06/11-5/10/11	466,762	366,733
Industrial Senior Trust, 5.5%, 2022	10/25/12	220,000	221,047
Local TV Finance LLC, 9.25%, 2015	11/13/07-2/16/11	746,163	767,839
Mirror PIK S.A., 9%, 2016	10/16/12	470,000	471,175
Morgan Stanley Capital I, Inc., FRN, 1.38%, 2039	7/20/04	145,184	85,526
Multi Security Asset Trust, A3, CDO, 5%, 2035	10/12/10	1,249,428	1,281,472
Nexstar Broadcasting Group, Inc., 6.875%, 2020	10/24/12	165,000	165,413
PT Perusahaan Listrik Negara, 5.25%, 2042	10/16/12	203,925	211,388
PTT PLC, 3.375%, 2022	10/18/12	428,304	424,221
PTT PLC, 4.5%, 2042	10/18/12	456,005	459,433
Prudential Securities Secured Financing Corp., FRN, 7.166%, 2013	12/06/04	2,601,248	2,576,068
Republic of Slovenia, 5.5%, 2022	10/19/12	229,448	233,232
Rough Rider Escrow, Inc., 9.875%, 2018	10/26/12	220,550	221,100
Severstal (Steel Cap), 5.9%, 2022	10/04/12	322,000	319,666

Table of Contents*Portfolio of Investments continued*

Restricted Securities - continued	Acquisition Date	Cost	Value
Shale-Inland Holdings LLC/Finance Co., 8.75%, 2019	10/26/12	\$675,594	\$678,300
System Energy Resources, Inc., 5.129%, 2014	4/16/04	719,527	729,888
Townsquare Radio LLC, 9%, 2019	3/30/12	450,728	491,400
Truven Health Analytics, Inc., 10.625%, 2020	5/24/12-6/15/12	421,094	445,088
Turkiye Vakiflar Bankasi, 6%, 2022	10/24/12	498,000	498,830
Viking Cruises Ltd., 8.5%, 2022	10/12/12-10/25/12	647,697	660,800
Total Restricted Securities			\$22,203,993
% of Net assets			3.7%

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

CDO	Collateralized Debt Obligation
FRN	Floating Rate Note. Interest rate resets periodically and may not be the rate reported at period end.
PLC	Public Limited Company
REIT	Real Estate Investment Trust
TBA	To Be Announced

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

AUD	Australian Dollar
CAD	Canadian Dollar
DKK	Danish Krone
EUR	Euro
GBP	British Pound
INR	Indian Rupee
JPY	Japanese Yen
MXN	Mexican Peso
MYR	Malaysian Ringgit
NOK	Norwegian Krone
NZD	New Zealand Dollar
RUB	Russian Ruble
SEK	Swedish Krona

Derivative Contracts at 10/31/12**Forward Foreign Currency Exchange Contracts at 10/31/12**

Type	Currency	Counterparty	Contracts to Deliver/Receive	Settlement Date Range	In Exchange For	Contracts at Value	Net Unrealized Appreciation (Depreciation)
Asset Derivatives							
SELL	CAD	Merrill Lynch International Bank	1,068,534	1/11/13	\$1,089,351	\$1,068,255	\$21,096
SELL	DKK	Citibank N.A.	1,518,946	1/11/13	266,416	264,282	2,134
BUY	EUR	Deutsche Bank AG	2,441,067	1/11/13	3,145,394	3,166,274	20,880
BUY	EUR	UBS AG	2,874,681	1/11/13	3,705,004	3,728,708	23,704
SELL	JPY	Credit Suisse Group	388,577,932	1/11/13	4,970,744	4,871,213	99,531

Table of Contents*Portfolio of Investments continued***Forward Foreign Currency Exchange Contracts at 10/31/12 - continued**

Type	Currency	Counterparty	Contracts to Deliver/Receive	Settlement Date Range	In Exchange For	Contracts at Value	Net Unrealized Appreciation (Depreciation)
Asset Derivatives - continued							
SELL	JPY	Merrill Lynch International Bank	388,577,934	1/11/13	\$4,968,100	\$4,871,213	\$96,887
BUY	MYR	Barclays Bank PLC	4,623,000	11/06/12	1,509,403	1,517,265	7,862
							\$272,094

Liability Derivatives

SELL	AUD	Westpac Banking Corp.	613,493	1/11/13	\$622,284	\$633,269	\$(10,985)
SELL	EUR	Barclays Bank PLC	458,999	1/11/13	591,530	595,361	(3,831)
SELL	EUR	UBS AG	18,005,510	12/17/12	23,236,020	23,348,165	(112,145)
SELL	GBP	Barclays Bank PLC	1,252,267	1/11/13	2,002,006	2,020,404	(18,398)
SELL	GBP	Deutsche Bank AG	1,252,267	1/11/13	2,001,636	2,020,404	(18,768)
BUY	INR	Barclays Bank PLC	83,154,000	11/21/12	1,560,698	1,539,880	(20,818)
BUY	MXN	Citibank N.A.	9,632,000	1/14/13	741,693	730,480	(11,213)
BUY	MXN	UBS AG	9,632,000	1/14/13	741,317	730,480	(10,837)
SELL	NOK	Deutsche Bank AG	1,256,693	1/11/13	219,203	219,865	(662)
SELL	NZD	Westpac Banking Corp.	310,318	1/11/13	252,695	254,041	(1,346)
BUY	RUB	JPMorgan Chase Bank N.A	46,537,000	11/06/12	1,512,169	1,482,694	(29,475)
SELL	SEK	Deutsche Bank AG	4,744,082	1/11/13	710,043	713,782	(3,739)
							\$(242,217)

Futures Contracts Outstanding at 10/31/12

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
Asset Derivatives					
Interest Rate Futures					
U.S. Treasury Bond 30 yr (Short)	USD	8	\$1,194,500	December - 2012	\$722
Liability Derivatives					
Interest Rate Futures					
U.S. Treasury Note 10 yr (Short)	USD	477	63,455,906	December - 2012	\$(150,732)

At October 31, 2012, the fund had liquid securities with an aggregate value of \$616,901 to cover any commitments for certain derivative contracts.

See Notes to Financial Statements

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

At 10/31/12

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

Assets	
Investments-	
Non-affiliated issuers, at value (identified cost, \$619,528,965)	\$670,960,665
Underlying affiliated funds, at cost and value	38,135,567
Total investments, at value (identified cost, \$657,664,532)	\$709,096,232
Cash	333,011
Receivables for	
Forward foreign currency exchange contracts	272,094
Investments sold	1,192,111
Interest and dividends	10,733,458
Other assets	62,335
Total assets	\$721,689,241
Liabilities	
Notes payable	\$100,000,000
Payables for	
Distributions	202,620
Forward foreign currency exchange contracts	242,217
Daily variation margin on open futures contracts	176,922
Investments purchased	2,489,854
TBA purchase commitments	17,530,781
Payable to affiliates	
Investment adviser	29,476
Transfer agent and dividend disbursing costs	10,512
Payable for independent Trustees' compensation	210,494
Accrued interest expense	88,555
Accrued expenses and other liabilities	735,519
Total liabilities	\$121,716,950
Net assets	\$599,972,291
Net assets consist of	
Paid-in capital	\$560,249,381
Unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies (net of \$538,564 deferred country tax)	50,781,553
Accumulated net realized gain (loss) on investments and foreign currency	(9,948,383)
Accumulated distributions in excess of net investment income	(1,110,260)
Net assets	\$599,972,291
Shares of beneficial interest outstanding	78,378,104
Net asset value per share (net assets of \$599,972,291 / 78,378,104 shares of beneficial interest outstanding)	\$7.65

See Notes to Financial Statements

Table of Contents*Financial Statements***STATEMENT OF OPERATIONS**

Year ended 10/31/12

This statement describes how much your fund earned in investment income and accrued in expenses. It also describes any gains and/or losses generated by fund operations.

Net investment income	
Income	
Interest	\$43,038,956
Dividends	210,314
Dividends from underlying affiliated funds	39,290
Foreign taxes withheld	(5,584)
Total investment income	\$43,282,976
Expenses	
Management fee	\$4,432,746
Transfer agent and dividend disbursing costs	172,777
Administrative services fee	94,511
Independent Trustees' compensation	92,954
Stock exchange fee	69,304
Custodian fee	75,079
Interest expense	1,071,388
Shareholder communications	205,457
Audit and tax fees	72,513
Legal fees	11,048
Miscellaneous	68,738
Total expenses	\$6,366,515
Fees paid indirectly	(383)
Reduction of expenses by investment adviser	(2,054)
Net expenses	\$6,364,078
Net investment income	\$36,918,898
Realized and unrealized gain (loss) on investments and foreign currency	
Realized gain (loss) (identified cost basis)	
Investments	\$9,788,391
Futures contracts	(3,332,997)
Foreign currency	315,558
Net realized gain (loss) on investments and foreign currency	\$6,770,952
Change in unrealized appreciation (depreciation)	
Investments (net of \$538,564 increase in deferred country tax)	\$30,989,599
Futures contracts	(124,047)
Translation of assets and liabilities in foreign currencies	786,496
Net unrealized gain (loss) on investments and foreign currency translation	\$31,652,048
Net realized and unrealized gain (loss) on investments and foreign currency	\$38,423,000
Change in net assets from operations	\$75,341,898
See Notes to Financial Statements	

Table of Contents*Financial Statements***STATEMENTS OF CHANGES IN NET ASSETS**

These statements describe the increases and/or decreases in net assets resulting from operations, any distributions, and any shareholder transactions.

	Years ended 10/31	
	2012	2011
Change in net assets		
From operations		
Net investment income	\$36,918,898	\$38,895,689
Net realized gain (loss) on investments and foreign currency	6,770,952	11,067,768
Net unrealized gain (loss) on investments and foreign currency translation	31,652,048	(26,823,807)
Change in net assets from operations	\$75,341,898	\$23,139,650
Distributions declared to shareholders		
From net investment income	\$(39,816,079)	\$(42,010,671)
Total change in net assets	\$35,525,819	\$(18,871,021)
Net assets		
At beginning of period	564,446,472	583,317,493
At end of period (including accumulated distributions in excess of net investment income of \$1,110,260 and \$1,628,412, respectively)	\$599,972,291	\$564,446,472
See Notes to Financial Statements		

Table of Contents*Financial Statements***STATEMENT OF CASH FLOWS**

Year ended 10/31/12

This statement provides a summary of cash flows from investment activity for the fund.

Cash flows from operating activities:	
Change in net assets from operations	\$75,341,898
Adjustments to reconcile change in net assets from operations to net cash provided by operating activities:	
Purchase of investment securities	(346,783,213)
Proceeds from disposition of investment securities	375,282,387
Payments for futures contracts	(3,332,997)
Purchases of short-term investments, net	(24,009,463)
Realized gain/loss on investments	(9,788,391)
Realized gain/loss on futures contracts	3,332,997
Unrealized appreciation/depreciation on investments	(31,528,163)
Unrealized appreciation/depreciation on foreign currency contracts	(768,559)
Net amortization/accretion of income	755,772
Decrease in interest and dividends receivable	852,367
Increase in accrued expenses and other liabilities	531,581
Decrease in payable for daily variation margin on open futures contracts	(302,422)
Decrease in other assets	7,741
Net cash provided by operating activities	\$39,591,535
Cash flows from financing activities:	
Distributions paid in cash	(39,858,706)
Decrease in interest payable	(1,134)
Net cash used by financing activities	\$(39,859,840)
Net decrease in cash	\$(268,305)
Cash:	
Beginning of period (including foreign currency of \$138,370)	\$601,316
End of period	\$333,011
Supplementary disclosure of cash flow information: cash paid during the year for interest \$1,072,522.	

See Notes to Financial Statements

Table of Contents*Financial Statements***FINANCIAL HIGHLIGHTS**

The financial highlights table is intended to help you understand the fund's financial performance for the past 5 years. Certain information reflects financial results for a single fund share. The total returns in the table represent the rate by which an investor would have earned (or lost) on an investment in the fund share class (assuming reinvestment of all distributions) held for the entire period.

	Years ended 10/31				
	2012	2011	2010	2009	2008
Net asset value, beginning of period	\$7.20	\$7.44	\$6.83	\$5.48	\$6.68
Income (loss) from investment operations					
Net investment income (d)	\$0.47	\$0.50	\$0.52	\$0.47	\$0.34
Net realized and unrealized gain (loss) on investments and foreign currency	0.49	(0.20)	0.63	1.38	(1.16)
Total from investment operations	\$0.96	\$0.30	\$1.15	\$1.85	\$(0.82)
Less distributions declared to shareholders					
From net investment income	\$(0.51)	\$(0.54)	\$(0.54)	\$(0.51)	\$(0.38)
Net increase from repurchase of capital shares	\$	\$	\$	\$0.01	\$0.00(w)
Net asset value, end of period (x)	\$7.65	\$7.20	\$7.44	\$6.83	\$5.48
Market value, end of period	\$7.31	\$6.68	\$7.11	\$6.06	\$4.71
Total return at market value (%)	17.56	1.67	27.18	41.15	(13.80)
Total return at net asset value (%) (j)(r)(s)(x)	14.15	4.73	18.08	36.73	(12.32)
Ratios (%) (to average net assets) and Supplemental data:					
Expenses before expense reductions (f)	1.10	1.12	1.25	1.07	0.88
Expenses after expense reductions (f)	1.10	1.12	1.25	1.06	0.88
Net investment income	6.39	6.80	7.39	7.76	5.22
Portfolio turnover	48	49	65	67	47
Net assets at end of period (000 omitted)	\$599,972	\$564,446	\$583,317	\$535,450	\$431,749
Supplemental Ratios (%):					
Ratio of expenses to average net assets after expense reductions and excluding interest expense (f)	0.91	0.91	0.97	1.02	N/A
Senior Securities:					
Total notes payable outstanding (000 omitted)	\$100,000	\$100,000	\$100,000	\$100,000	N/A
Asset coverage per \$1,000 of indebtedness (k)	\$7,000	\$6,644	\$6,833	\$6,354	N/A

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Financial Highlights continued

- (d) Per share data is based on average shares outstanding.
- (f) Ratios do not reflect reductions from fees paid indirectly, if applicable.
- (j) Total return at net asset value is calculated using the net asset value of the fund, not the publicly traded price and therefore may be different than the total return at market value.
- (k) Calculated by subtracting the fund's total liabilities (not including notes payable) from the fund's total assets and dividing this number by the notes payable outstanding and then multiplying by 1,000.
- (r) Certain expenses have been reduced without which performance would have been lower.
- (s) From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.
- (w) Per share amount was less than \$0.01.
- (x) The net asset values per share and total returns have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.

See Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS

(1) Business and Organization

MFS Multimarket Income Trust (the fund) is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a closed-end management investment company.

(2) Significant Accounting Policies

General The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the preparation of these financial statements, management has evaluated subsequent events occurring after the date of the fund's Statement of Assets and Liabilities through the date that the financial statements were issued. The fund invests in high-yield securities rated below investment grade. Investments in high-yield securities involve greater degrees of credit and market risk than investments in higher-rated securities and tend to be more sensitive to economic conditions. The fund invests in foreign securities, including securities of emerging market issuers. Investments in foreign securities are vulnerable to the effects of changes in the relative values of the local currency and the U.S. dollar and to the effects of changes in each country's legal, political, and economic environment. The markets of emerging markets countries are generally more volatile than the markets of developed countries with more mature economies. All of the risks of investing in foreign securities previously described are heightened when investing in emerging markets countries.

In this reporting period the fund adopted FASB Accounting Standards Update 2011-04, Fair Value Measurement (Topic 820) Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs (ASU 2011-04). ASU 2011-04 seeks to improve the comparability of fair value measurements as presented and disclosed in financial statements prepared in accordance with U.S. GAAP and International Financial Reporting Standards (IFRS) by providing common requirements for fair value measurement and disclosure.

In December 2011, the Financial Accounting Standards Board issued Accounting Standards Update 2011-11, Balance Sheet (Topic 210) Disclosures about Offsetting Assets and Liabilities (ASU 2011-11). Effective for annual reporting periods beginning on or after January 1, 2013 and interim periods within those annual periods, ASU 2011-11 is intended to enhance disclosure requirements on the offsetting of financial assets and liabilities. Although still evaluating the potential impacts of ASU 2011-11 to the fund, management expects that the impact of the fund's adoption will be limited to additional financial statement disclosures.

Investment Valuations Equity securities, including restricted equity securities, are generally valued at the last sale or official closing price as provided by a third-party pricing service on the market or exchange on which they are primarily traded. Equity securities, for which there were no sales reported that day, are generally valued at the

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Notes to Financial Statements continued

last quoted daily bid quotation as provided by a third-party pricing service on the market or exchange on which such securities are primarily traded. Debt instruments and floating rate loans (other than short-term instruments), including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less generally are valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price as provided by a third-party pricing service on the market on which they are primarily traded. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation as provided by a third-party pricing service on the market on which such futures contracts are primarily traded. Forward foreign currency exchange contracts are generally valued at the mean of bid and asked prices for the time period interpolated from rates provided by a third-party pricing service for proximate time periods. Open-end investment companies are generally valued at net asset value per share. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. Values obtained from third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data. The values of foreign securities and other assets and liabilities expressed in foreign currencies are converted to U.S. dollars using the mean of bid and asked prices for rates provided by a third-party pricing service.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund's investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund's valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same

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investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments not reflected in total investments, such as futures contracts and forward foreign currency exchange contracts. The following is a summary of the levels used as of October 31, 2012 in valuing the fund's assets or liabilities:

Investments at Value	Level 1	Level 2	Level 3	Total
Equity Securities	\$1,389,566	\$462,540	\$44,267	\$1,896,373
U.S. Treasury Bonds & U.S. Government Agency & Equivalents		14,890,167		14,890,167
Non-U.S. Sovereign Debt		143,193,175		143,193,175
Corporate Bonds		362,577,569		362,577,569
Residential Mortgage-Backed Securities		25,287,515		25,287,515
Commercial Mortgage-Backed Securities		19,726,392		19,726,392
Asset-Backed Securities (including CDOs)		4,800,300		4,800,300
Foreign Bonds		97,896,557		97,896,557
Floating Rate Loans		692,617		692,617
Mutual Funds	38,135,567			38,135,567
Total Investments	\$39,525,133	\$669,526,832	\$44,267	\$709,096,232

Other Financial Instruments

Futures Contracts	\$(150,010)	\$	\$	\$(150,010)
Forward Foreign Currency Exchange Contracts		29,877		29,877

For further information regarding security characteristics, see the Portfolio of Investments.

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The following is a reconciliation of level 3 assets for which significant unobservable inputs were used to determine fair value. The fund's policy is to recognize transfers between the levels as of the end of the period. The table presents the activity of level 3 securities held at the beginning and the end of the period.

	Equity Securities
Balance as of 10/31/11	\$109,872
Realized gain (loss)	0
Change in unrealized appreciation (depreciation)	(65,605)
Disposition of worthless securities	0
Balance as of 10/31/12	\$44,267

The net change in unrealized appreciation (depreciation) from investments still held as level 3 at October 31, 2012 is \$(65,605).

Foreign Currency Translation Purchases and sales of foreign investments, income, and expenses are converted into U.S. dollars based upon currency exchange rates prevailing on the respective dates of such transactions or on the reporting date for foreign denominated receivables and payables. Gains and losses attributable to foreign currency exchange rates on sales of securities are recorded for financial statement purposes as net realized gains and losses on investments. Gains and losses attributable to foreign exchange rate movements on receivables, payables, income and expenses are recorded for financial statement purposes as foreign currency transaction gains and losses. That portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed.

Derivatives The fund uses derivatives for different purposes, primarily to increase or decrease exposure to a particular market or segment of the market, or security, to increase or decrease interest rate or currency exposure, or as alternatives to direct investments. Derivatives are used for hedging or non-hedging purposes. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. When the fund uses derivatives as an investment to increase market exposure, or for hedging purposes, gains and losses from derivative instruments may be substantially greater than the derivative's original cost.

The derivative instruments used by the fund were futures contracts and forward foreign currency exchange contracts. The fund's period end derivatives, as presented in the Portfolio of Investments and the associated Derivative Contract tables, generally are indicative of the volume of its derivative activity during the period.

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Notes to Financial Statements continued

The following table presents, by major type of derivative contract, the fair value, on a gross basis, of the asset and liability components of derivatives held by the fund at October 31, 2012 as reported in the Statement of Assets and Liabilities:

Risk	Derivative Contracts	Fair Value (a)	
		Asset Derivatives	Liability Derivatives
Interest Rate	Interest Rate Futures	\$722	\$(150,732)
Foreign Exchange	Forward Foreign Currency Exchange	272,094	(242,217)
Total		\$272,816	\$(392,949)

(a) The value of futures contracts outstanding includes cumulative appreciation (depreciation) as reported in the fund's Portfolio of Investments. Only the current day variation margin for futures contracts is separately reported within the fund's Statement of Assets and Liabilities.

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the year ended October 31, 2012 as reported in the Statement of Operations:

Risk	Futures Contracts	Foreign Currency
Interest Rate	\$(3,332,997)	