

MFS CHARTER INCOME TRUST  
Form N-CSR  
January 26, 2018  
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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 811-05822

**MFS CHARTER INCOME TRUST**

(Exact name of registrant as specified in charter)

**111 Huntington Avenue, Boston, Massachusetts 02199**

(Address of principal executive offices) (Zip code)

**Christopher R. Bohane**

**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: November 30

Date of reporting period: November 30, 2017

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**ITEM 1. REPORTS TO STOCKHOLDERS.**

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**ANNUAL REPORT**

November 30, 2017

**MFS® CHARTER INCOME TRUST**

MCR-ANN

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**MANAGED DISTRIBUTION POLICY DISCLOSURE**

The MFS Charter Income Trust's (the fund) Board of Trustees adopted a managed distribution policy. The fund seeks to pay monthly distributions based on an annual rate of 8.00% of the fund's average monthly net asset value. The primary purpose of the managed distribution policy is to provide shareholders with a constant, but not guaranteed, fixed minimum rate of distribution each month. You should not draw any conclusions about the fund's investment performance from the amount of the current distribution or from the terms of the fund's managed distribution policy. The Board may amend or terminate the managed distribution policy at any time without prior notice to fund shareholders. The amendment or termination of the managed distribution policy could have an adverse effect on the market price of the fund's shares.

With each distribution, the fund will issue a notice to shareholders and an accompanying press release which will provide detailed information regarding the amount and composition of the distribution and other related information. The amounts and sources of distributions reported in the notice to shareholders are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the fund's investment experience during its fiscal year and may be subject to changes based on tax regulations. The fund will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes. Please refer to "Tax Matters and Distributions" under Note 2 of the Notes to Financial Statements for information regarding the tax character of the fund's distributions.

Under a managed distribution policy the fund may at times distribute more than its net investment income and net realized capital gains; therefore, a portion of your distribution may result in a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the fund is paid back to you. Any such returns of capital will decrease the fund's total assets and, therefore, could have the effect of increasing the fund's expense ratio. In addition, in order to make the level of distributions called for under its managed distribution policy, the fund may have to sell portfolio securities at a less than opportune time. A return of capital does not necessarily reflect the fund's investment performance and should not be confused with "yield" or "income". The fund's total return in relation to changes in net asset value is presented in the Financial Highlights.

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**MFS® CHARTER INCOME TRUST**

New York Stock Exchange Symbol: **MCR**

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**NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE**

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**LETTER FROM THE EXECUTIVE CHAIRMAN**

Dear Shareholders:

Most markets have proved resilient over the past year, despite uncertainty accompanying a new presidential administration in the United States and unease over

ongoing negotiations between the United Kingdom and the European Union regarding Brexit. U.S. share prices have reached new highs in recent months although the U.S. Federal Reserve has continued to gradually hike interest rates and has begun to shrink its balance sheet.

Globally, we've experienced a synchronized upturn in economic growth for more than a year. Despite the improvement in economic activity, there are few immediate signs of worrisome inflation amid muted wage gains around the world. Emerging market economies have been boosted in part by a weaker

U.S. dollar and are recovering despite lingering concerns over the potential for restrictive U.S. trade policies. Commodity markets have recovered somewhat in response to solid global demand and robust global trade, though not enough to rekindle inflation fears.

At MFS®, we believe having a disciplined, long-term investment approach through a full market cycle is essential to capturing the best opportunities while also managing risk. In our view, such a strategy, along with the professional guidance of a financial advisor, will help you reach your investment objectives.

Respectfully,

**Robert J. Manning**

Executive Chairman

MFS Investment Management

January 16, 2018

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

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

High Yield Corporates	62.7%
Non-U.S. Government Bonds	16.8%
Investment Grade Corporates	13.2%
Emerging Markets Bonds	9.6%
Mortgage-Backed Securities	4.0%
U.S. Treasury Securities	2.2%
Collateralized Debt Obligations	1.5%
Asset-Backed Securities	0.7%
Commercial Mortgage-Backed Securities	0.4%
Floating Rate Loans	0.3%
Municipal Bonds (o)	0.0%

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

AAA	5.2%
AA	2.3%
A	8.9%
BBB	16.5%
BB	34.4%
B	29.2%
CCC	4.9%
C	0.2%
D (o)	0.0%
U.S. Government	14.8%
Federal Agencies	4.0%
Not Rated	(8.7)%
Non-Fixed Income	0.2%
Cash & Cash Equivalents (Less Liabilities)	(21.4)%
Other	9.5%

**Portfolio facts (i)**

Average Duration (d)	5.5
Average Effective Maturity (m)	7.4 yrs.

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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 any equity securities (including convertible bonds and equity derivatives) and/or commodity-linked derivatives. The fund may or may not have held all of these instruments on this date. 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 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. 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 value. The bond component will include any accrued interest amounts.
- (m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.
- (o) Less than 0.1%.

Where the fund holds convertible bonds, they are treated as part of the equity portion of the portfolio.

Cash & Cash Equivalents includes any cash, investments in money market funds, short-term securities, and other assets less liabilities. Please see the Statement of Assets and Liabilities for additional information related to the fund's cash position and other assets and liabilities.

From time to time Cash & Cash Equivalents may be negative due to borrowings for leverage transactions and/or timing of cash receipts.

Other includes equivalent exposure from currency derivatives and/or any offsets to derivative positions.

Percentages are based on net assets as of November 30, 2017.

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



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**MANAGEMENT REVIEW**

**Summary of Results**

MFS Charter Income Trust ( fund ) is a closed-end fund. The fund's investment objective is to seek high current income, but may also consider capital appreciation. MFS normally invests the fund's assets primarily in debt instruments. 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/or foreign issuers, and/or debt instruments of issuers located in emerging market countries. MFS allocates the fund's assets across these categories with a view toward broad diversification across and within these categories.

For the twelve months ended November 30, 2017, shares of the fund provided a total return of 9.02%, at net asset value and a total return of 9.67%, at market value. This compares with a return of 9.16% for the fund's benchmark, the Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index. Over the same period, the fund's other benchmark, the MFS Charter Income Trust Blended Index ( Blended Index ), generated a return of 6.50%. 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.

The performance commentary below is based on the net asset value performance of the fund which reflects the performance of the underlying pool of assets held by the fund. The total return at market value represents the return earned by owners of the shares of the fund which are traded publicly on the exchange.

**Market Environment**

For the first time in many years, the global economy experienced a period of synchronized economic growth over the reporting period. The rebound in emerging markets ( EM ) economies was more pronounced (despite the slight deceleration in Chinese growth at the end of the period), helped by larger economies, such as Brazil and Russia, emerging from recessions. At the same time, developed markets ( DM ) economies continued to grow at or above potential. Market confidence increased in the US during the period fueled, in part, by a more lenient US regulatory backdrop and hopes for a significant cut in corporate tax rates.

Globally, markets benefited from a reflation trade as commodity prices strengthened, activity and growth prospects improved, and inflation moved higher, though within moderate bounds. As a result, there were more tightening signals and actions by DM central banks. The US Federal Reserve ( Fed ) increased interest rates by 25 basis points three times during the period, bringing the total number of quarter-percent hikes in the federal funds rate to four, since December 2015. The European Central Bank announced an extension of its quantitative easing program at the end of the period, but reduced the pace of its monthly asset purchases by half. In addition, the Bank of England hiked its base rate for the first time in a decade, near the end of the period. Markets were comforted, along with central banks, by the decline in fears of a populist surge in Europe after establishment candidates won the Dutch and French

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*Management Review continued*

elections, though a right-wing populist party gained seats in the German parliament for the first time in the post-World War II era. Additionally, European growth reflected a generally calmer political economic backdrop.

In recent months, the US dollar reversed the sharp rise seen early in the period, easing what had been a substantial headwind to earnings for multinationals. US consumer spending held up well during the second half of the period amid a modest increase in real wages and relatively low gasoline prices. However, demand for autos cooled from the record level logged early in the period, while the housing market improved, albeit constrained by below-average inventory levels. Global trade, which was sluggish early in the period, showed signs of improvement in the period's second half, a positive indicator of global economic activity and prospects. Early in the period, there was a selloff in EM due to fears that President Trump would follow through on various campaign threats and promises that were judged to be detrimental to EM. While President Trump withdrew the US from the Trans-Pacific Partnership and began the renegotiation of the North American Free Trade Agreement, significant additional policy action was lacking on economic issues involving EM. As a result, EM resumed their upward trajectory, powered by strong inflows throughout 2017.

10-Year US Treasury yields exhibited quite a bit of volatility during the reporting period, reaching as high as 2.62% in March 2017, and as low as 2.05% in September 2017, before finishing the reporting period essentially unchanged from one year ago. The increase in yields was driven by optimism over the potential for stronger US growth in the wake of the US presidential election, as well as signs of improving global growth, and a modest improvement in oil prices, which investors felt could lead to a reflationary environment. However, yields declined subsequent to March 2017 as investors priced in a lower likelihood of fiscal stimulus, and little indication of higher inflation led markets to believe that the Fed would be dovish, or more gradual, in normalizing policy. US Treasury yields then rose during the latter part of the reporting period as the Fed signaled that it viewed the low inflationary environment as temporary, and that further increases in the Fed Funds rate were likely, and that the Fed would likely begin unwinding its balance sheet in the fall as well.

**Factors Affecting Performance**

Relative to the Blended Index, the fund's lesser exposure to *sovereign* bonds held back relative performance. Additionally, the fund's exposure to *commercial mortgage-backed securities (CMBS)*, which are not held by the benchmark, weakened relative returns.

Conversely, the fund's greater allocation to the *industrials* sector and a lesser allocation to the *treasury* sector, contributed to relative performance. The fund's greater exposure to *BB* rated bonds, particularly its position within the *government-related agencies* and *treasury* sectors, also bolstered relative results. Security selection in *CCC* rated securities, specifically within the *industrials* sector, further benefited relative performance. The fund's shorter-than-benchmark duration<sup>(4)</sup> stance, particularly in the long end of the curve, was another factor that supported relative returns as rates generally rose during the reporting period.

The fund employs leverage which has been created through the use of loan agreements with a bank. To the extent that investments are purchased through the use

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*Management Review continued*

of leverage, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. During the reporting period, the fund's use of leverage positively impacted performance.

Respectfully,

Portfolio Manager(s)

Richard Hawkins, Robert Spector, William Adams, Ward Brown, David Cole, Pilar Gomez-Bravo, Joshua Marston, Robert Persons, Matt Ryan, and Erik Weisman

(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.

(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. The views expressed in this report are those of the portfolio manager(s) 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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**PERFORMANCE SUMMARY THROUGH 11/30/17**

The following chart presents 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 Charter Income Trust**

		Date	Price
	Net Asset Value	11/30/17	\$9.26
		11/30/16	\$9.26
	New York Stock Exchange Price	11/30/17	\$8.40
		6/06/17 (high) (t)	\$8.75
Year Ended		12/01/16 (low) (t)	\$8.28
11/30/17		11/30/16	\$8.35

**Total Returns vs Benchmark(s)**

	MFS Charter Income Trust at	
	New York Stock Exchange Price (r)	9.67%
	Net Asset Value (r)	9.02%
	Bloomberg Barclays U.S. High-Yield Corporate Bond	
	2% Issuer Capped Index (f)	9.16%
	MFS Charter Income Trust Blended Index (f)(w)	6.50%
	Bloomberg Barclays U.S. Credit Bond Index (f)	5.98%
	Bloomberg Barclays U.S. Government/Mortgage Bond Index (f)	1.99%
Year Ended	Citigroup World Government Bond Non-Dollar Hedged Index (f)	2.53%
11/30/17	JPMorgan Emerging Markets Bond Index Global (f)	10.20%

(f) Source: FactSet Research Systems Inc.

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

(t) For the period December 1, 2016 through November 30, 2017.

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### *Performance Summary continued*

(w) As of November 30, 2017, the MFS Charter Income Trust Blended Index was comprised of 42% Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index, 20% Bloomberg Barclays U.S. Government/Mortgage Bond Index, 15.2% Citigroup World Government Bond Non-Dollar Hedged Index, 12.8% JPMorgan Emerging Markets Bond Index Global, and 10% Bloomberg Barclays U.S. Credit Bond Index.

### **Benchmark Definition(s)**

**Bloomberg Barclays U.S. Credit Bond Index** a market capitalization-weighted index that measures the performance of publicly issued, SEC-registered, U.S. corporate and specified foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

**Bloomberg 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).

**Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index** a component of the Bloomberg 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. 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 concurrent liquidation.

The fund's monthly distributions may include a return of capital to shareholders to the extent that the fund's net investment income and net capital gains, determined in accordance with federal income tax regulations, are insufficient to meet the fund's target annual distribution rate. 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. It may also result in a recharacterization of what economically represents a return of capital to ordinary income in those situations where a fund has long term capital gains and a capital loss carryforward. Returns of shareholder capital may have the effect of reducing the fund's assets and increasing the fund's expense ratio.

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*Performance Summary continued*

The fund's target annual distribution rate is calculated based on an annual rate of 8.00% of the fund's average monthly net asset value, not a fixed share price, and the fund's dividend amount will fluctuate with changes in the fund's average monthly net assets.

Net asset values and performance results based on net asset value per share 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 Statement of Assets and Liabilities or 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.

**Table of Contents****PORTFOLIO MANAGERS PROFILES**

<b>Portfolio Manager</b>	<b>Primary Role</b>	<b>Since</b>	<b>Title and Five Year History</b>
Richard Hawkins	Co-Lead Portfolio Manager	2004	Investment Officer of MFS; employed in the investment management area of MFS since 1988.
Robert Spector	Co-Lead and Debt Instruments Portfolio Manager	2015	Investment Officer of MFS; employed in the investment management area of MFS since 2011.
William Adams	Below Investment Grade Debt Instruments Portfolio Manager	2011	Investment Officer of MFS; employed in the investment management area of MFS since 2009.
Ward Brown	Emerging Markets Debt Instruments Portfolio Manager	2012	Investment Officer of MFS; employed in the investment management area of MFS since 2005.
David Cole	Below Investment Grade Debt Instruments Portfolio Manager	2006	Investment Officer of MFS; employed in the investment management area of MFS since 2004.
Pilar Gomez-Bravo	Debt Instruments Portfolio Manager	2013	Investment Officer of MFS; employed in the investment management area of MFS since 2013; Managing Director of Imperial Capital from May 2012 to March 2013.
Joshua Marston	Structured Securities Portfolio Manager	2012	Investment Officer of MFS; employed in the investment management area of MFS since 1999.
Robert Persons	Investment Grade Debt Instruments Portfolio Manager	2013	Investment Officer of MFS; employed in the investment management area of MFS since 2000.
Matt Ryan	Emerging Markets Debt Instruments Portfolio Manager	2004	Investment Officer of MFS; employed in the investment management area of MFS since 1997.
Erik Weisman	Sovereign Debt Obligations Portfolio Manager	2012	Investment Officer of MFS; employed in the investment management area of MFS since 2002.

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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.

If your shares are held directly with the Plan Agent, you may withdraw from the Plan at any time by going to the Plan Agent's website at [www.computershare.com/investor](http://www.computershare.com/investor), 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/investor](http://www.computershare.com/investor), or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078.



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11/30/17

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

<b>Bonds - 119.6%</b>		
<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Aerospace - 1.3%</b>		
Dae Funding LLC, 5%, 8/01/2024 (n)	\$ 1,535,000	\$ 1,535,000
Huntington Ingalls Industries, Inc., 3.483%, 12/01/2027 (n)	140,000	139,719
KLX, Inc., 5.875%, 12/01/2022 (n)	1,530,000	1,598,850
Lockheed Martin Corp., 3.55%, 1/15/2026	263,000	272,189
RBS Global, Inc./Rexnord LLC, 4.875%, 12/15/2025 (z)	170,000	170,000
TransDigm, Inc., 6%, 7/15/2022	820,000	845,625
TransDigm, Inc., 6.5%, 7/15/2024	800,000	818,000
TransDigm, Inc., 6.375%, 6/15/2026	465,000	471,975
		\$ 5,851,358
<b>Airlines - 0.2%</b>		
Ryanair Ltd., 1.125%, 3/10/2023	EUR 775,000	\$ 940,359
<b>Apparel Manufacturers - 0.1%</b>		
Coach, Inc., 4.125%, 7/15/2027	\$ 385,000	\$ 385,918
<b>Asset-Backed &amp; Securitized - 2.7%</b>		
Bayview Financial Revolving Mortgage Loan Trust, FLR, 2.937%, (LIBOR-1mo. + 1.6%) 12/28/2040 (z)	\$ 459,302	\$ 399,538
Chesapeake Funding II LLC, 2016-1A, A2, FLR, 2.4%, (U.S. LIBOR-1mo. + 1.15%) 3/15/2028 (n)	1,098,367	1,101,889
Commercial Mortgage Trust, 2015-DC1, A5, 3.35%, 2/10/2048	500,000	508,182
Crest Ltd., CDO, 7%, (0.001% cash or 7% PIK) 1/28/2040 (a)(p)	3,365,600	538,496
Dryden Senior Loan Fund, 2013-26A, A, CLO, FLR, 2.459%, (U.S. LIBOR-3mo. + 1.1%) 7/15/2025 (n)	645,871	650,695
Dryden Senior Loan Fund, 2014-34A, CR, CLO, FLR, 3.509%, (LIBOR-3mo. + 2.15%) 10/15/2026 (n)	255,098	258,410
First Union-Lehman Brothers Bank of America, 1.09%, 11/18/2035 (i)	1,316,005	19,526
Flatiron CLO Ltd., 2013-1A, A2R, FLR, 3.003%, (U.S. LIBOR-3mo. + 1.65%) 1/17/2026 (n)	929,626	936,665
Ford Credit Floorplan Master Owner Trust, 2015-1, A2, FLR, 1.65%, (U.S. LIBOR-1mo. + 0.4%) 1/15/2020	1,848,000	1,848,725
HarbourView CLO VII Ltd., B1R, FLR, 3.085%, (U.S. LIBOR-3mo. + 1.65%) 11/18/2026 (n)	940,012	940,816
JPMorgan Chase Commercial Mortgage Trust, 2007-LD11, AM, 6.167%, 6/15/2049	689,405	700,752

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**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Asset-Backed &amp; Securitized - continued</b>		
Loomis, Sayles & Co., CLO, A1, FLR, 2.889%, (U.S. LIBOR-3mo. + 1.53%) 10/15/2027 (n)	\$ 2,526,150	\$ 2,541,007
Octagon Investment Partners XV, Ltd., CLO, FLR, 2.817%, (U.S. LIBOR-3mo. + 1.45%) 10/25/2025 (n)	1,177,401	1,183,481
Wells Fargo Commercial Mortgage Trust, 2015-NXS1, A5, 3.148%, 5/15/2048	768,632	773,810
		\$ 12,401,992
<b>Automotive - 1.7%</b>		
Allison Transmission, Inc., 5%, 10/01/2024 (n)	\$ 2,006,000	\$ 2,089,349
Delphi Automotive PLC, 1.5%, 3/10/2025	EUR 200,000	245,171
Ferrari N.V., 1.5%, 3/16/2023	EUR 350,000	427,060
General Motors Financial Co., Inc., 3.45%, 4/10/2022	\$ 256,000	259,631
General Motors Financial Co., Inc., 4.35%, 1/17/2027	129,000	132,569
IHO Verwaltungs GmbH, 4.75%, (4.75% cash or 5.50% PIK) 9/15/2026 (n)(p)	1,230,000	1,245,375
Lear Corp., 3.8%, 9/15/2027	127,000	126,829
RCI Banque S.A., 1%, 5/17/2023	EUR 600,000	725,440
Volkswagen International Finance N.V., 2.7% to 12/14/2022, FLR to 12/31/2099	EUR 100,000	122,655
Volkswagen Leasing GmbH, 1.375%, 1/20/2025	EUR 240,000	290,967
ZF North America Capital, Inc., 4.5%, 4/29/2022 (n)	\$ 1,085,000	1,148,744
ZF North America Capital, Inc., 4.75%, 4/29/2025 (n)	750,000	799,035
		\$ 7,612,825
<b>Banks &amp; Diversified Financials (Covered Bonds) - 0.1%</b>		
CaixaBank S.A., 1.125%, 1/12/2023	EUR 200,000	\$ 238,288
<b>Biotechnology - 0.1%</b>		
Life Technologies Corp., 6%, 3/01/2020	\$ 200,000	\$ 214,360
<b>Broadcasting - 1.9%</b>		
E. W. Scripps Co., 5.125%, 5/15/2025 (n)	\$ 845,000	\$ 842,888
ITV PLC, 2%, 12/01/2023	EUR 100,000	123,765
Liberty Media Corp. - Liberty Formula One, 8.5%, 7/15/2029	\$ 620,000	682,000
Liberty Media Corp. - Liberty Formula One, 8.25%, 2/01/2030	395,000	429,563
Match Group, Inc., 6.375%, 6/01/2024	1,195,000	1,289,106
Netflix, Inc., 5.875%, 2/15/2025	2,275,000	2,434,250
Netflix, Inc., 4.375%, 11/15/2026	400,000	392,500
ProSiebenSat.1 Media AG, 2.625%, 4/15/2021	EUR 240,000	302,135
RELX Finance B.V., 1%, 3/22/2024	EUR 150,000	181,776
Sinclair Television Group Co., 5.125%, 2/15/2027 (z)	\$ 310,000	302,250
WMG Acquisition Corp., 5%, 8/01/2023 (n)	210,000	217,350

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Broadcasting - continued</b>		
WMG Acquisition Corp., 4.875%, 11/01/2024 (n)	\$ 1,435,000	\$ 1,485,225
		\$ 8,682,808
<b>Brokerage &amp; Asset Managers - 0.2%</b>		
E*TRADE Financial Corp., 2.95%, 8/24/2022	\$ 199,000	\$ 197,392
Intercontinental Exchange, Inc., 2.75%, 12/01/2020	178,000	180,030
Intercontinental Exchange, Inc., 3.75%, 12/01/2025	292,000	304,884
TD Ameritrade Holding Corp., 3.3%, 4/01/2027	282,000	284,569
		\$ 966,875
<b>Building - 3.2%</b>		
ABC Supply Co., Inc., 5.75%, 12/15/2023 (n)	\$ 1,800,000	\$ 1,904,040
Beacon Escrow Corp., 4.875%, 11/01/2025 (n)	840,000	856,800
Beacon Roofing Supply, Inc., 6.375%, 10/01/2023	1,435,000	1,531,863
Elementia S.A. de C.V., 5.5%, 1/15/2025 (n)	210,000	218,505
Gibraltar Industries, Inc., 6.25%, 2/01/2021	1,045,000	1,065,900
HD Supply, Inc., 5.75%, 4/15/2024 (n)	1,470,000	1,565,550
Imerys S.A., 1.5%, 1/15/2027	EUR 200,000	242,520
James Hardie International Finance Ltd., 4.75%, 1/15/2025 (n)	\$ 205,000	208,588
James Hardie International Finance Ltd., 5%, 1/15/2028 (n)	230,000	234,025
Martin Marietta Materials, Inc., 3.45%, 6/01/2027	133,000	131,313
Mohawk Industries, Inc., 3.85%, 2/01/2023	134,000	138,836
New Enterprise Stone & Lime Co., Inc., 10.125%, 4/01/2022 (n)	920,000	995,900
PriSo Acquisition Corp., 9%, 5/15/2023 (n)	740,000	782,550
Standard Industries, Inc., 5.375%, 11/15/2024 (n)	1,760,000	1,852,400
Standard Industries, Inc., 6%, 10/15/2025 (n)	835,000	899,880
Summit Materials LLC/Summit Materials Finance Co., 6.125%, 7/15/2023	1,340,000	1,400,702
Union Andina de Cementos S.A.A., 5.875%, 10/30/2021 (n)	492,000	515,370
		\$ 14,544,742
<b>Business Services - 2.5%</b>		
Alliance Data Systems Corp., 5.875%, 11/01/2021 (n)	\$ 1,500,000	\$ 1,533,750
Alliance Data Systems Corp., 5.375%, 8/01/2022 (n)	450,000	456,750
Ascend Learning LLC, 6.875%, 8/01/2025 (n)	545,000	566,800
CDK Global, Inc., 4.875%, 6/01/2027 (n)	1,725,000	1,776,750
Cisco Systems, Inc., 2.2%, 2/28/2021	350,000	349,094
Equinix, Inc., 5.375%, 1/01/2022	305,000	317,581
Equinix, Inc., 5.375%, 4/01/2023	1,425,000	1,468,890
Equinix, Inc., 5.75%, 1/01/2025	202,000	216,393
Equinix, Inc., 5.875%, 1/15/2026	490,000	531,650
Fidelity National Information Services, Inc., 3.875%, 6/05/2024	146,000	151,153
Fidelity National Information Services, Inc., 5%, 10/15/2025	39,000	42,969
Fidelity National Information Services, Inc., 3%, 8/15/2026	267,000	256,721

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Bonds - continued</b>		
<b>Business Services - continued</b>		
First Data Corp., 5%, 1/15/2024 (n)	\$ 2,055,000	\$ 2,126,925
MSCI, Inc., 4.75%, 8/01/2026 (n)	1,045,000	1,104,879
Tencent Holdings Ltd., 3.375%, 3/05/2018 (n)	449,000	450,425
		\$ 11,350,730
<b>Cable TV - 6.3%</b>		
Altice Financing S.A., 6.5%, 1/15/2022 (n)	\$ 2,005,000	\$ 2,070,159
Altice Financing S.A., 6.625%, 2/15/2023 (n)	2,345,000	2,403,621
Altice U.S. Finance I Corp., 5.5%, 5/15/2026 (n)	970,000	982,125
CCO Holdings LLC/CCO Holdings Capital Corp., 5.125%, 5/01/2023 (n)	1,800,000	1,863,000
CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 1/15/2024	1,565,000	1,621,731
CCO Holdings LLC/CCO Holdings Capital Corp., 5.375%, 5/01/2025 (n)	335,000	342,956
CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 2/15/2026 (n)	1,475,000	1,530,313
Charter Communications Operating LLC, 6.384%, 10/23/2035	217,000	249,766
Cox Communications, Inc., 4.6%, 8/15/2047 (n)	322,000	321,207
CSC Holdings LLC, 5.5%, 4/15/2027 (n)	1,395,000	1,414,181
DISH DBS Corp., 5%, 3/15/2023	905,000	883,506
DISH DBS Corp., 5.875%, 11/15/2024	845,000	851,338
Intelsat Jackson Holdings S.A., 5.5%, 8/01/2023	485,000	397,094
Intelsat Jackson Holdings S.A., 8%, 2/15/2024 (n)	245,000	259,088
Lynx II Corp., 6.375%, 4/15/2023 (n)	555,000	575,119
Shaw Communications, Inc., 5.65%, 10/01/2019	CAD 260,000	214,187
Sirius XM Radio, Inc., 4.625%, 5/15/2023 (n)	\$ 740,000	760,350
Sirius XM Radio, Inc., 6%, 7/15/2024 (n)	1,500,000	1,593,750
Sirius XM Radio, Inc., 5.375%, 4/15/2025 (n)	705,000	741,343
Sky PLC, 2.5%, 9/15/2026	EUR 250,000	322,793
Telenet Finance Lux S.A., 5.5%, 3/01/2028 (n)	\$ 1,200,000	1,192,500
Time Warner Cable, Inc., 4.5%, 9/15/2042	119,000	108,969
Unitymedia Hessen, 5.5%, 1/15/2023 (n)	1,215,000	1,245,375
Unitymedia KabelBW GmbH, 6.125%, 1/15/2025 (n)	1,570,000	1,658,784
Videotron Ltd., 5.375%, 6/15/2024 (n)	350,000	378,000
Videotron Ltd., 5.125%, 4/15/2027 (n)	1,730,000	1,812,175
Virgin Media Finance PLC, 5.75%, 1/15/2025 (n)	200,000	204,500
Virgin Media Secured Finance PLC, 5.25%, 1/15/2026 (n)	1,100,000	1,134,375
VTR Finance B.V., 6.875%, 1/15/2024 (n)	480,000	507,600
Ziggo Bond Finance B.V., 5.875%, 1/15/2025 (n)	1,155,000	1,155,000
		\$ 28,794,905

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Bonds - continued</b>		
<b>Chemicals - 1.1%</b>		
Air Liquide Finance Co., 2.25%, 9/27/2023 (n)	\$ 261,000	\$ 253,181
Axalta Coating Systems Co., 4.875%, 8/15/2024 (n)	1,420,000	1,487,450
GCP Applied Technologies Co., 9.5%, 2/01/2023 (n)	1,621,000	1,805,389
LYB International Finance Co., 1.875%, 3/02/2022	EUR 250,000	313,433
SPCM S.A., 4.875%, 9/15/2025 (n)	\$ 1,250,000	1,271,875
		\$ 5,131,328
<b>Computer Software - 1.2%</b>		
Diamond 1 Finance Corp./Diamond 2 Finance Corp., 6.02%, 6/15/2026 (n)	\$ 765,000	\$ 840,972
Diamond 1 Finance Corp./Diamond 2 Finance Corp., 5.875%, 6/15/2021 (n)	1,100,000	1,144,005
Nuance Communications, Inc., 5.625%, 12/15/2026 (n)	1,045,000	1,094,638
Oracle Corp., 3.4%, 7/08/2024	251,000	259,113
VeriSign, Inc., 4.625%, 5/01/2023	1,465,000	1,507,119
VeriSign, Inc., 5.25%, 4/01/2025	250,000	272,188
VeriSign, Inc., 4.75%, 7/15/2027	345,000	355,781
		\$ 5,473,816
<b>Computer Software - Systems - 1.6%</b>		
Apple, Inc., 2.7%, 5/13/2022	\$ 400,000	\$ 403,278
Apple, Inc., 4.5%, 2/23/2036	417,000	472,877
Apple, Inc., 3.6%, 7/31/2042	GBP 130,000	204,653
Apple, Inc., 4.25%, 2/09/2047	\$ 84,000	89,736
CDW LLC/CDW Finance Corp., 5.5%, 12/01/2024	395,000	430,550
CDW LLC/CDW Finance Corp., 5%, 9/01/2025	235,000	245,575
JDA Software Group, Inc., 7.375%, 10/15/2024 (n)	1,105,000	1,151,963
Sabre GBLB, Inc., 5.375%, 4/15/2023 (n)	1,765,000	1,835,600
SS&C Technologies Holdings, Inc., 5.875%, 7/15/2023	945,000	999,338
Western Digital Corp., 10.5%, 4/01/2024	1,320,000	1,533,180
		\$ 7,366,750
<b>Conglomerates - 2.7%</b>		
Amsted Industries Co., 5%, 3/15/2022 (n)	\$ 2,335,000	\$ 2,402,127
EnerSys, 5%, 4/30/2023 (n)	1,965,000	2,065,702
Enpro Industries, Inc., 5.875%, 9/15/2022	1,705,000	1,773,200
Entegris, Inc., 4.625%, 2/10/2026 (n)	1,440,000	1,467,000
Gates Global LLC, 6%, 7/15/2022 (n)	915,000	935,862
Johnson Controls International PLC, 1.375%, 2/25/2025	EUR 200,000	244,097
Parker-Hannifin Corp., 4.1%, 3/01/2047 (n)	\$ 176,000	183,906
Smiths Group PLC, 2%, 2/23/2027	EUR 200,000	247,899
SPX FLOW, Inc., 5.625%, 8/15/2024 (n)	\$ 1,315,000	1,384,038
TriMas Corp., 4.875%, 10/15/2025 (n)	1,505,000	1,520,050
		\$ 12,223,881

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Construction - 0.3%</b>		
Empresas ICA S.A.B. de C.V., 8.9%, 2/04/2021 (d)	\$ 450,000	\$ 111,515
Empresas ICA S.A.B. de C.V., 8.875%, 5/29/2024 (d)(n)	853,000	208,627
Mattamy Group Corp., 6.5%, 10/01/2025 (n)	1,135,000	1,188,913
		\$ 1,509,055
<b>Consumer Products - 0.9%</b>		
Essity AB, 1.625%, 3/30/2027	EUR 300,000	\$ 369,031
Prestige Brands, Inc., 5.375%, 12/15/2021 (n)	\$ 1,180,000	1,205,075
Prestige Brands, Inc., 6.375%, 3/01/2024 (z)	610,000	635,925
Reckitt Benckiser Treasury Services PLC, 3.625%, 9/21/2023 (n)	250,000	256,540
Reckitt Benckiser Treasury Services PLC, 3%, 6/26/2027 (n)	272,000	265,808
Spectrum Brands, Inc., 6.125%, 12/15/2024	170,000	179,563
Spectrum Brands, Inc., 5.75%, 7/15/2025	1,150,000	1,207,500
		\$ 4,119,442
<b>Consumer Services - 2.0%</b>		
ADT Corp., 6.25%, 10/15/2021	\$ 1,025,000	\$ 1,127,500
G4S International Finance PLC, 1.5%, 1/09/2023	EUR 200,000	245,117
G4S International Finance PLC, 1.5%, 6/02/2024	EUR 200,000	241,911
Grupo Posadas S.A.B. de C.V., 7.875%, 6/30/2022 (n)	\$ 366,000	381,555
Interval Acquisition Corp., 5.625%, 4/15/2023	2,175,000	2,267,438
Monitronics International, Inc., 9.125%, 4/01/2020	890,000	749,825
Priceline Group, Inc., 3.55%, 3/15/2028	141,000	140,154
Priceline Group, Inc., 2.15%, 11/25/2022	EUR 110,000	140,975
Priceline Group, Inc., 1.8%, 3/03/2027	EUR 1,100,000	1,339,771
ServiceMaster Co. LLC, 5.125%, 11/15/2024 (n)	\$ 930,000	943,950
Visa, Inc., 4.15%, 12/14/2035	234,000	256,046
Visa, Inc., 4.3%, 12/14/2045	300,000	332,733
West Corp., 8.5%, 10/15/2025 (n)	805,000	785,881
		\$ 8,952,856
<b>Containers - 3.0%</b>		
Berry Global Group, Inc., 5.5%, 5/15/2022	\$ 1,025,000	\$ 1,062,156
Berry Global Group, Inc., 6%, 10/15/2022	975,000	1,028,625
Berry Global Group, Inc., 5.125%, 7/15/2023	420,000	439,950
Crown American LLC, 4.5%, 1/15/2023	875,000	913,675
Crown Americas LLC/Crown Americas Capital Corp. V, 4.25%, 9/30/2026	520,000	522,600
DS Smith PLC, 1.375%, 7/26/2024	EUR 300,000	360,798
Multi-Color Corp., 6.125%, 12/01/2022 (n)	\$ 1,700,000	1,768,000
Multi-Color Corp., 4.875%, 11/01/2025 (n)	140,000	141,050
Reynolds Group, 5.75%, 10/15/2020	510,000	518,606
Reynolds Group, 5.125%, 7/15/2023 (n)	1,200,000	1,245,000
Reynolds Group, 7%, 7/15/2024 (n)	535,000	574,015

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Containers - continued</b>		
San Miguel Industrias PET S.A., 4.5%, 9/18/2022 (n)	\$ 337,000	\$ 343,740
Sealed Air Corp., 4.875%, 12/01/2022 (n)	1,495,000	1,586,569
Sealed Air Corp., 5.125%, 12/01/2024 (n)	390,000	418,275
Sealed Air Corp., 5.5%, 9/15/2025 (n)	220,000	240,900
Signode Industrial Group, 6.375%, 5/01/2022 (n)	1,200,000	1,234,500
Silgan Holdings, Inc., 5.5%, 2/01/2022	100,000	102,500
Silgan Holdings, Inc., 4.75%, 3/15/2025 (n)	1,260,000	1,291,500
		\$ 13,792,459
<b>Electrical Equipment - 0.5%</b>		
Arrow Electronics, Inc., 3.5%, 4/01/2022	\$ 173,000	\$ 174,954
CommScope Holding Company, Inc., 5.5%, 6/15/2024 (n)	390,000	408,525
CommScope Technologies LLC, 5%, 3/15/2027 (n)	1,585,000	1,585,000
		\$ 2,168,479
<b>Electronics - 0.7%</b>		
Broadcom Corp./Broadcom Cayman Finance Ltd., 3.875%, 1/15/2027 (n)	\$ 240,000	\$ 235,178
Sensata Technologies B.V., 5.625%, 11/01/2024 (n)	520,000	574,600
Sensata Technologies B.V., 5%, 10/01/2025 (n)	1,480,000	1,579,900
Tyco Electronics Group S.A., 2.375%, 12/17/2018	294,000	294,987
Tyco Electronics Group S.A., 1.1%, 3/01/2023	EUR 350,000	427,732
		\$ 3,112,397
<b>Emerging Market Quasi-Sovereign - 2.1%</b>		
Abu Dhabi Crude Oil Pipeline, 4.6%, 11/02/2047 (n)	\$ 400,000	\$ 408,000
BPRL International Singapore Private Ltd., 4.375%, 1/18/2027	567,000	587,183
CITGO Petroleum Corp., 6.25%, 8/15/2022 (n)	757,000	757,000
Empresa Nacional del Petroleo, 3.75%, 8/05/2026 (n)	207,000	206,524
Gaz Capital S.A., 4.95%, 2/06/2028	383,000	397,257
Gaz Capital S.A., 7.288%, 8/16/2037	507,000	618,079
Kazakhstan Temir Zholy Finance B.V., 4.85%, 11/17/2027 (n)	451,000	457,765
Office Cherifien des Phosphates S.A., 6.875%, 4/25/2044 (n)	351,000	398,413
ONGC Videsh Ltd., 4.625%, 7/15/2024	511,000	546,009
Pertamina, 6%, 5/03/2042 (n)	318,000	361,148
Pertamina PT, 6%, 5/03/2042	654,000	742,739
Petrobras Global Finance B.V., 6.125%, 1/17/2022	44,000	46,860
Petrobras Global Finance B.V., 7.375%, 1/17/2027	403,000	444,106
Petrobras International Finance Co., 6.75%, 1/27/2041	1,116,000	1,120,185
Petroleos del Peru S.A., 4.75%, 6/19/2032	200,000	204,500
Petroleos Mexicanos, 4.625%, 9/21/2023	212,000	218,890
Petroleos Mexicanos, 5.625%, 1/23/2046	246,000	230,010
Southern Gas Corridor CJSC, 6.875%, 3/24/2026	1,315,000	1,486,434

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Emerging Market Quasi-Sovereign - continued</b>		
State Grid Overseas Investment (2016) Ltd., 2.75%, 5/04/2022 (n)	\$ 402,000	\$ 399,483
		\$ 9,630,585
<b>Emerging Market Sovereign - 3.9%</b>		
Dominican Republic, 7.5%, 5/06/2021 (n)	\$ 548,000	\$ 599,375
Dominican Republic, 8.625%, 4/20/2027	758,000	936,130
Federative Republic of Brazil, 4.625%, 1/13/2028	457,000	454,944
Government of Ukraine, 7.75%, 9/01/2026	200,000	207,052
Government of Ukraine, 7.375%, 9/25/2032 (n)	231,000	227,604
Republic of Angola, 7%, 8/17/2019	210,875	216,674
Republic of Argentina, 5.625%, 1/26/2022	564,000	591,918
Republic of Argentina, 6.875%, 1/26/2027	115,000	125,695
Republic of Argentina, 2.5% to 3/31/2019, 3.75% to 3/31/2029, 5.25% to 12/31/2038	353,000	258,802
Republic of Croatia, 5.5%, 4/04/2023 (n)	1,146,000	1,263,316
Republic of Hungary, 5.375%, 2/21/2023	446,000	498,182
Republic of Hungary, 7.625%, 3/29/2041	470,000	727,325
Republic of Indonesia, 11.625%, 3/04/2019 (n)	571,000	637,387
Republic of Indonesia, 2.875%, 7/08/2021 (z)	EUR 175,000	225,342
Republic of Indonesia, 3.375%, 4/15/2023 (n)	\$ 302,000	305,300
Republic of Indonesia, 2.15%, 7/18/2024 (z)	EUR 161,000	199,774
Republic of Indonesia, 4.125%, 1/15/2025 (n)	\$ 342,000	354,693
Republic of Indonesia, 4.125%, 1/15/2025	1,368,000	1,418,773
Republic of Indonesia, 4.625%, 4/15/2043	1,349,000	1,391,464
Republic of Panama, 9.375%, 4/01/2029	719,000	1,091,083
Republic of Paraguay, 6.1%, 8/11/2044	243,000	279,450
Republic of Paraguay, 6.1%, 8/11/2044 (n)	350,000	402,500
Republic of Sri Lanka, 6.125%, 6/03/2025	1,286,000	1,357,941
Republic of Sri Lanka, 6.85%, 11/03/2025	408,000	449,245
Republic of Turkey, 3.25%, 3/23/2023	633,000	594,893
Republic of Turkey, 4.875%, 10/09/2026	1,523,000	1,482,717
Russian Federation, 4.875%, 9/16/2023 (n)	400,000	434,800
Russian Federation, 4.75%, 5/27/2026	800,000	846,429
United Mexican States, 4.15%, 3/28/2027	224,000	234,528
		\$ 17,813,336
<b>Energy - Independent - 4.7%</b>		
Afren PLC, 10.25%, 4/08/2019 (d)(z)	\$ 451,812	\$ 1,130
Alta Mesa Holdings LP/Alta Mesa Finance Services Corp., 7.875%, 12/15/2024	1,315,000	1,449,788
Consol Energy, Inc., 5.875%, 4/15/2022	805,000	823,113
Consol Energy, Inc., 8%, 4/01/2023	495,000	528,413
Continental Resources, Inc., 4.5%, 4/15/2023	1,970,000	2,009,396



**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Bonds - continued</b>		
<b>Energy - Independent - continued</b>		
CrownRock LP/CrownRock Finance, Inc., 5.625%, 10/15/2025 (n)	\$ 1,365,000	\$ 1,371,821
Diamondback Energy, Inc., 5.375%, 5/31/2025	1,525,000	1,574,090
Gulfport Energy Corp., 6%, 10/15/2024	980,000	983,675
Gulfport Energy Corp., 6.375%, 5/15/2025	685,000	690,138
Parsley Energy LLC/Parsley Finance Corp., 5.625%, 10/15/2027 (n)	1,630,000	1,665,648
PDC Energy, Inc., 6.125%, 9/15/2024	1,550,000	1,618,781
QEP Resources, Inc., 5.25%, 5/01/2023	1,490,000	1,508,625
QEP Resources, Inc., 5.625%, 3/01/2026	600,000	608,928
Seven Generations Energy, 6.75%, 5/01/2023 (n)	1,230,000	1,306,875
Seven Generations Energy, 5.375%, 9/30/2025 (n)	660,000	663,300
SM Energy Co., 6.75%, 9/15/2026	1,710,000	1,729,238
Tengizchevroil Finance Co. International Ltd., 4%, 8/15/2026 (n)	401,000	397,661
Tengizchevroil Finance Co. International Ltd., 4%, 8/15/2026	987,000	978,782
Whiting Petroleum Corp., 6.25%, 4/01/2023	1,075,000	1,075,000
WPX Energy, Inc., 6%, 1/15/2022	340,000	350,200
		\$ 21,334,602
<b>Energy - Integrated - 0.1%</b>		
LUKOIL International Finance B.V., 4.563%, 4/24/2023 (n)	\$ 544,000	\$ 565,869
<b>Entertainment - 1.3%</b>		
Cedar Fair LP, 5.375%, 6/01/2024	\$ 405,000	\$ 424,238
Cedar Fair LP, 5.375%, 4/15/2027 (n)	710,000	747,275
Cinemark USA, Inc., 5.125%, 12/15/2022	1,430,000	1,462,175
Cinemark USA, Inc., 4.875%, 6/01/2023	1,150,000	1,170,125
Six Flags Entertainment Corp., 4.875%, 7/31/2024 (n)	2,105,000	2,141,838
		\$ 5,945,651
<b>Financial Institutions - 1.9%</b>		
AerCap Ireland Capital Co., 3.65%, 7/21/2027	\$ 379,000	\$ 373,364
Aircastle Ltd., 5.125%, 3/15/2021	460,000	487,025
Aircastle Ltd., 5.5%, 2/15/2022	800,000	861,000
Nationstar Mortgage LLC/Capital Corp., 6.5%, 8/01/2018	615,000	615,000
Nationstar Mortgage LLC/Capital Corp., 7.875%, 10/01/2020	2,110,000	2,154,310
Nationstar Mortgage LLC/Capital Corp., 6.5%, 7/01/2021	405,000	411,075
Navient Corp., 7.25%, 1/25/2022	1,490,000	1,605,475
Navient Corp., 7.25%, 9/25/2023	430,000	463,325
Park Aerospace Holdings Ltd., 5.5%, 2/15/2024 (n)	1,845,000	1,888,819
		\$ 8,859,393

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Bonds - continued</b>		
<b>Food &amp; Beverages - 2.9%</b>		
Anheuser-Busch InBev N.V., 1.5%, 4/18/2030	EUR 250,000	\$ 298,159
Anheuser-Busch InBev S.A., 6.875%, 11/15/2019	\$ 300,000	326,400
Anheuser-Busch InBev Worldwide, Inc., 3.3%, 2/01/2023	408,000	418,322
Anheuser-Busch InBev Worldwide, Inc., 4.7%, 2/01/2036	483,000	535,199
Aramark Services, Inc., 4.75%, 6/01/2026	1,010,000	1,046,613
Asahi Group Holdings Ltd., 1.151%, 9/19/2025	EUR 150,000	179,590
Coca-Cola Enterprises, Inc., 1.875%, 3/18/2030	EUR 200,000	247,917
Cott Holdings, Inc., 5.5%, 4/01/2025 (n)	\$ 1,360,000	1,401,480
Danone S.A., 2.077%, 11/02/2021 (n)	236,000	231,743
Danone S.A., 2.589%, 11/02/2023 (n)	553,000	539,987
Gruma S.A.B. de C.V., 4.875%, 12/01/2024 (n)	202,000	217,352
JBS USA LLC/JBS USA Finance, Inc., 5.875%, 7/15/2024 (n)	1,500,000	1,477,500
Kraft Heinz Foods Co., 5.2%, 7/15/2045	31,000	33,531
Kraft Heinz Foods Co., 4.375%, 6/01/2046	130,000	125,453
Lamb Weston Holdings, Inc., 4.625%, 11/01/2024 (n)	965,000	997,569
Lamb Weston Holdings, Inc., 4.875%, 11/01/2026 (n)	520,000	547,300
Pilgrim s Pride Corp., 5.875%, 9/30/2027 (n)	1,095,000	1,142,906
Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., 5.875%, 1/15/2024	1,430,000	1,515,800
U.S. Foods Holding Corp., 5.875%, 6/15/2024 (n)	1,590,000	1,669,500
Wm. Wrigley Jr. Co., 2.9%, 10/21/2019 (n)	107,000	108,169
Wm. Wrigley Jr. Co., 3.375%, 10/21/2020 (n)	300,000	307,678
		\$ 13,368,168
<b>Food &amp; Drug Stores - 0.1%</b>		
Walgreens Boots Alliance, Inc., 2.7%, 11/18/2019	\$ 333,000	\$ 335,339
<b>Forest &amp; Paper Products - 0.0%</b>		
Appvion, Inc., 9%, 6/01/2020 (d)(n)	\$ 281,000	\$ 105,375
<b>Gaming &amp; Lodging - 1.7%</b>		
CCM Merger, Inc., 6%, 3/15/2022 (n)	\$ 815,000	\$ 837,413
GLP Capital LP/GLP Financing II, Inc., 5.375%, 11/01/2023	1,045,000	1,124,681
GLP Capital LP/GLP Financing II, Inc., 5.375%, 4/15/2026	145,000	156,509
Hilton Worldwide Finance LLC, 4.625%, 4/01/2025	1,260,000	1,302,525
InterContinental Hotels Group PLC, 3.75%, 8/14/2025	GBP 100,000	146,214
MGM Resorts International, 6.625%, 12/15/2021	\$ 825,000	917,804
Ryman Hospitality Properties, Inc., REIT, 5%, 4/15/2021	1,375,000	1,399,063
Ryman Hospitality Properties, Inc., REIT, 5%, 4/15/2023	620,000	637,050
Wynn Macau Ltd., 4.875%, 10/01/2024 (n)	540,000	548,100
Wynn Macau Ltd., 5.5%, 10/01/2027 (n)	615,000	622,688
		\$ 7,692,047

**Table of Contents***Portfolio of Investments continued*

Issuer		Shares/Par	Value (\$)
<b>Bonds - continued</b>			
<b>Industrial - 0.3%</b>			
KAR Auction Services, Inc., 5.125%, 6/01/2025 (n)		\$ 1,480,000	\$ 1,531,800
<b>Insurance - 0.3%</b>			
American International Group, Inc., 1.875%, 6/21/2027	EUR	110,000	\$ 134,005
AssuredPartners, Inc., 7%, 8/15/2025 (n)	\$	810,000	816,075
Bupa Finance PLC, 2%, 4/05/2024	GBP	200,000	269,349
			\$ 1,219,429
<b>Insurance - Health - 0.6%</b>			
Aetna, Inc., 2.8%, 6/15/2023	\$	317,000	\$ 312,015
Centene Corp., 5.625%, 2/15/2021		410,000	423,325
Centene Corp., 6.125%, 2/15/2024		1,180,000	1,262,600
UnitedHealth Group, Inc., 2.7%, 7/15/2020		528,000	534,868
			\$ 2,532,808
<b>Insurance - Property &amp; Casualty - 0.5%</b>			
Berkshire Hathaway, Inc., 2.75%, 3/15/2023	\$	234,000	\$ 235,506
Chubb INA Holdings, Inc., 2.3%, 11/03/2020		95,000	95,071
Chubb INA Holdings, Inc., 2.875%, 11/03/2022		221,000	223,667
Liberty Mutual Group, Inc., 4.25%, 6/15/2023		365,000	385,603
Liberty Mutual Group, Inc., 2.75%, 5/04/2026	EUR	100,000	130,138
Liberty Mutual Group, Inc., 2.75%, 5/04/2026 (z)	EUR	100,000	130,138
Marsh & McLennan Cos., Inc., 3.5%, 6/03/2024	\$	159,000	164,061
Marsh & McLennan Cos., Inc., 4.35%, 1/30/2047		131,000	142,722
QBE Capital Funding III Ltd., 7.5% to 5/24/2021, FLR to 5/24/2041	GBP	200,000	304,756
XLIT Ltd., 3.25% to 6/29/2027, FLR to 6/29/2047	EUR	230,000	277,590
			\$ 2,089,252
<b>International Market Sovereign - 13.4%</b>			
Buoni del Tesoro Poliennali, 2.5%, 12/01/2024	EUR	7,218,000	\$ 9,357,558
Commonwealth of Australia, 5.75%, 5/15/2021	AUD	2,319,000	1,974,740
Commonwealth of Australia, 3.75%, 4/21/2037	AUD	197,000	165,547
Federal Republic of Germany, 6.25%, 1/04/2030	EUR	442,000	878,623
Federal Republic of Germany, 2.5%, 7/04/2044	EUR	120,000	188,636
Government of Australia, 2.75%, 11/21/2027	AUD	1,031,000	796,169
Government of Canada, 3.25%, 6/01/2021	CAD	187,000	153,313
Government of Canada, 0.5%, 3/01/2022	CAD	3,919,000	2,900,938
Government of Canada, 2.5%, 6/01/2024	CAD	5,700,000	4,623,665
Government of Canada, 1.5%, 6/01/2026	CAD	3,348,000	2,525,656
Government of Canada, 5.75%, 6/01/2033	CAD	948,000	1,089,412
Government of Japan, 0.8%, 6/20/2023	JPY	500,000,000	4,663,779
Government of Japan, 2.2%, 9/20/2027	JPY	787,000,000	8,468,440
Government of Japan, 2.4%, 3/20/2037	JPY	493,400,000	5,860,651

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
International Market Sovereign - continued		
Government of Japan, 1.8%, 3/20/2043	JPY 81,000,000	\$ 896,329
Kingdom of Spain, 4.6%, 7/30/2019	EUR 1,130,000	1,455,010
Kingdom of Spain, 5.4%, 1/31/2023	EUR 746,000	1,114,678
Kingdom of Spain, 5.15%, 10/31/2028	EUR 1,210,000	1,951,056
Republic of France, 4.75%, 4/25/2035	EUR 747,000	1,401,271
Republic of France, 4.5%, 4/25/2041	EUR 580,000	1,122,919
Republic of Ireland, 4.5%, 4/18/2020	EUR 222,000	296,030
Republic of Italy, 3.75%, 3/01/2021	EUR 1,581,000	2,106,390
Republic of Italy, 5.5%, 9/01/2022	EUR 925,000	1,359,436
Republic of Portugal, 4.95%, 10/25/2023	EUR 1,894,000	2,776,887
United Kingdom Treasury, 4.25%, 3/07/2036	GBP 111,000	207,686
United Kingdom Treasury, 3.25%, 1/22/2044	GBP 1,530,000	2,637,781
		\$ 60,972,600
Local Authorities - 0.1%		
Province of Alberta, 4.5%, 12/01/2040	CAD 255,000	\$ 246,554
Province of British Columbia, 2.3%, 6/18/2026	CAD 370,000	285,099
		\$ 531,653
Machinery & Tools - 0.5%		
Ashted Capital, Inc., 5.625%, 10/01/2024 (n)	\$ 1,185,000	\$ 1,256,100
CNH Industrial Capital LLC, 4.375%, 11/06/2020	1,045,000	1,088,368
		\$ 2,344,468
Major Banks - 2.8%		
Bank of America Corp., 7.625%, 6/01/2019	\$ 370,000	\$ 398,236
Bank of America Corp., 2.625%, 4/19/2021	370,000	370,943
Bank of America Corp., 3.248%, 10/21/2027	462,000	456,800
Bank of America Corp., 6.1% to 3/17/2025, FLR to 12/29/2049	670,000	742,863
Barclays Bank PLC, 6%, 1/14/2021	EUR 250,000	345,976
Barclays Bank PLC, 6.75% to 1/16/2018, FLR to 1/16/2023	GBP 100,000	136,143
Credit Agricole S.A., 7.375%, 12/18/2023	GBP 100,000	173,623
Credit Suisse Group AG, 6.5%, 8/08/2023 (n)	\$ 200,000	224,750
Goldman Sachs Group, Inc., 2.625%, 4/25/2021	360,000	359,781
Goldman Sachs Group, Inc., 5.75%, 1/24/2022	500,000	555,832
Goldman Sachs Group, Inc., 3.625%, 1/22/2023	454,000	467,211
Goldman Sachs Group, Inc., 3.85%, 1/26/2027	314,000	320,508
HSBC Holdings PLC, 4.375%, 11/23/2026	269,000	280,263
JPMorgan Chase & Co., 6.3%, 4/23/2019	500,000	528,021
JPMorgan Chase & Co., 3.25%, 9/23/2022	478,000	488,729
JPMorgan Chase & Co., 2.95%, 10/01/2026	601,000	585,533
JPMorgan Chase & Co., 3.54% to 5/01/2027, FLR to 5/01/2028	291,000	293,495
JPMorgan Chase & Co., 4.26% to 2/22/2047, FLR to 2/22/2048	303,000	320,011
JPMorgan Chase & Co., 6% to 8/01/2023, FLR to 12/31/2049	1,210,000	1,311,338

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Major Banks - continued</b>		
Morgan Stanley, 6.625%, 4/01/2018	\$ 391,000	\$ 396,918
Morgan Stanley, 2.2%, 12/07/2018	238,000	238,284
Morgan Stanley, 2.625%, 3/09/2027	GBP 200,000	271,351
Morgan Stanley, 3.95%, 4/23/2027	\$ 514,000	520,539
Nordea Bank AB, 1% to 9/07/2021, FLR to 9/07/2026	EUR 200,000	240,778
PNC Bank N.A., 2.6%, 7/21/2020	\$ 295,000	297,013
UBS Group AG, 6.875% to 8/07/2025, FLR to 12/29/2049	1,220,000	1,350,638
UBS Group Funding (Jersey) Ltd., 1.5%, 11/30/2024	EUR 300,000	372,750
UBS Group Funding (Switzerland) AG, 2.859% to 8/15/2022, FLR to 8/15/2023 (n)	\$ 750,000	742,062
Wells Fargo & Co., 4.1%, 6/03/2026	100,000	103,981
		\$ 12,894,370
<b>Medical &amp; Health Technology &amp; Services - 4.1%</b>		
AmSurg Corp., 5.625%, 7/15/2022	\$ 865,000	\$ 882,300
Baxter International, Inc., 1.3%, 5/30/2025	EUR 200,000	242,025
Becton, Dickinson and Co., 2.675%, 12/15/2019	\$ 379,000	380,959
Becton, Dickinson and Co., 3.734%, 12/15/2024	239,000	243,245
CHS/Community Health Systems, Inc., 6.875%, 2/01/2022	775,000	466,938
DaVita, Inc., 5.125%, 7/15/2024	455,000	462,963
DaVita, Inc., 5%, 5/01/2025	1,075,000	1,075,323
HCA, Inc., 7.5%, 2/15/2022	2,085,000	2,350,838
HCA, Inc., 5.875%, 3/15/2022	1,505,000	1,631,044
HCA, Inc., 5%, 3/15/2024	1,040,000	1,092,000
HCA, Inc., 5.375%, 2/01/2025	695,000	721,063
HCA, Inc., 5.25%, 6/15/2026	215,000	228,303
HealthSouth Corp., 5.125%, 3/15/2023	1,305,000	1,335,276
HealthSouth Corp., 5.75%, 11/01/2024	30,000	30,713
Laboratory Corp. of America Holdings, 3.2%, 2/01/2022	200,000	204,046
Laboratory Corp. of America Holdings, 4.7%, 2/01/2045	310,000	327,760
Northwell Healthcare, Inc., 3.979%, 11/01/2046	40,000	38,635
Northwell Healthcare, Inc., 4.26%, 11/01/2047	307,000	309,563
Polaris, 8.5%, 12/01/2022 (n)	445,000	462,978
Quintiles IMS Holdings, Inc., 5%, 10/15/2026 (n)	1,225,000	1,283,188
Quorum Health Corp., 11.625%, 4/15/2023	550,000	521,125
Tenet Healthcare Corp., 8.125%, 4/01/2022	765,000	757,350
THC Escrow Corp. III, 5.125%, 5/01/2025 (n)	965,000	928,813
Thermo Fisher Scientific, Inc., 3.2%, 8/15/2027	476,000	466,725
Thermo Fisher Scientific, Inc., 3%, 4/15/2023	360,000	361,313
Universal Health Services, Inc., 7.625%, 8/15/2020	1,325,000	1,328,710
West Street Merger Sub, Inc., 6.375%, 9/01/2025 (n)	640,000	644,800
		\$ 18,777,996

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Medical Equipment - 0.8%</b>		
Hologic, Inc., 5.25%, 7/15/2022 (n)	\$ 830,000	\$ 866,313
Teleflex, Inc., 5.25%, 6/15/2024	1,095,000	1,149,750
Teleflex, Inc., 4.875%, 6/01/2026	610,000	631,893
Teleflex, Inc., 4.625%, 11/15/2027	790,000	808,763
Zimmer Biomet Holdings, Inc., 1.414%, 12/13/2022	EUR 300,000	367,170
		\$ 3,823,889
<b>Metals &amp; Mining - 3.9%</b>		
Cameco Corp., 5.67%, 9/02/2019	CAD 262,000	\$ 211,332
First Quantum Minerals Ltd., 7%, 2/15/2021 (n)	\$ 495,000	513,563
First Quantum Minerals Ltd., 7.25%, 4/01/2023 (n)	1,070,000	1,131,525
Freeport-McMoRan, Inc., 6.5%, 11/15/2020	135,000	137,673
Freeport-McMoRan, Inc., 6.875%, 2/15/2023	2,270,000	2,477,251
Freeport-McMoRan, Inc., 3.875%, 3/15/2023	445,000	439,927
Freeport-McMoRan, Inc., 5.4%, 11/14/2034	410,000	398,725
Glencore Finance (Europe) S.A., 1.25%, 3/17/2021	EUR 330,000	403,340
GrafTech International Co., 6.375%, 11/15/2020	\$ 680,000	678,300
Kaiser Aluminum Corp., 5.875%, 5/15/2024	1,660,000	1,780,350
Kinross Gold Corp., 4.5%, 7/15/2027 (n)	920,000	926,900
Kinross Gold Corp., 5.125%, 9/01/2021	300,000	316,500
Kinross Gold Corp., 5.95%, 3/15/2024	1,265,000	1,388,338
Lundin Mining Corp., 7.875%, 11/01/2022 (n)	930,000	1,002,075
Northwest Acquisitions ULC/Dominion Finco, Inc., 7.125%, 11/01/2022 (n)	935,000	965,388
Novelis Corp., 5.875%, 9/30/2026 (n)	1,455,000	1,507,744
Steel Dynamics, Inc., 5.125%, 10/01/2021	430,000	441,288
Steel Dynamics, Inc., 5.25%, 4/15/2023	775,000	798,483
Steel Dynamics, Inc., 5.5%, 10/01/2024	835,000	888,774
Steel Dynamics, Inc., 4.125%, 9/15/2025 (n)	541,000	542,353
Suncoke Energy, Inc., 7.625%, 8/01/2019	127,000	126,683
TMS International Corp., 7.25%, 8/15/2025 (n)	860,000	903,000
		\$ 17,979,512
<b>Midstream - 3.4%</b>		
APT Pipelines Ltd., 5%, 3/23/2035 (n)	\$ 280,000	\$ 299,717
Blue Racer Midstream LLC/Blue Racer Finance Corp., 6.125%, 11/15/2022 (n)	1,755,000	1,820,813
DCP Midstream LP, 4.95%, 4/01/2022	486,000	505,440
DCP Midstream LP, 5.6%, 4/01/2044	530,000	518,075
DCP Midstream LP, 3.875%, 3/15/2023	665,000	663,338
Enterprise Products Operating LLC, 1.65%, 5/07/2018	296,000	295,689
Kinder Morgan (Delaware), Inc., 7.75%, 1/15/2032	1,160,000	1,486,428
ONEOK, Inc., 4.95%, 7/13/2047	474,000	477,992
Phillips 66 Partners LP, 3.75%, 3/01/2028	127,000	125,990

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Midstream - continued</b>		
Plains All American Pipeline LP, 6.125% to 11/15/2022, FLR to 12/31/2099	\$ 1,090,000	\$ 1,077,738
Sabine Pass Liquefaction LLC, 5.625%, 4/15/2023	1,130,000	1,243,335
Sabine Pass Liquefaction LLC, 4.2%, 3/15/2028	333,000	335,450
Tallgrass Energy GP, LP, 5.5%, 1/15/2028 (n)	2,110,000	2,173,300
Targa Resources Partners LP, 5.375%, 2/01/2027	2,300,000	2,357,500
Targa Resources Partners LP/Targa Resources Finance Corp., 4.125%, 11/15/2019	1,050,000	1,057,875
Targa Resources Partners LP/Targa Resources Finance Corp., 5.25%, 5/01/2023	860,000	881,500
		\$ 15,320,180
<b>Mortgage-Backed - 4.0%</b>		
Fannie Mae, 5.5%, 9/01/2019 - 7/01/2035	\$ 256,627	\$ 277,597
Fannie Mae, 6.5%, 4/01/2032 - 1/01/2033	46,303	52,151
Fannie Mae, 6%, 8/01/2034 - 2/01/2037	83,217	94,185
Fannie Mae, FLR, 1.487%, 5/25/2018	671,715	671,207
Freddie Mac, 3.187%, 9/25/2027	492,000	502,607
Freddie Mac, 3.064%, 8/25/2024	1,141,916	1,169,363
Freddie Mac, 2.811%, 1/25/2025	11,000,000	11,097,533
Freddie Mac, 2.673%, 3/25/2026	701,000	693,840
Freddie Mac, 3.243%, 4/25/2027	991,000	1,016,949
Freddie Mac, 3.117%, 6/25/2027	298,465	303,196
Freddie Mac, 3.194%, 7/25/2027	1,073,000	1,095,315
Freddie Mac, 3.244%, 8/25/2027	1,160,000	1,190,685
Freddie Mac, 6%, 8/01/2034	66,934	75,892
		\$ 18,240,520
<b>Municipals - 0.0%</b>		
Commonwealth of Puerto Rico, Public Improvement, C-7, NATL, 6%, 7/01/2027	\$ 20,000	\$ 20,128
Puerto Rico Electric Power Authority Rev., PP, NATL, 5%, 7/01/2022	95,000	95,152
		\$ 115,280
<b>Natural Gas - Distribution - 0.1%</b>		
Boston Gas Co., 3.15%, 8/01/2027 (n)	\$ 248,000	\$ 246,297
GNL Quintero S.A., 4.634%, 7/31/2029 (n)	323,000	335,920
		\$ 582,217
<b>Network &amp; Telecom - 1.5%</b>		
AT&T, Inc., 4.9%, 8/14/2037	\$ 488,000	\$ 486,429
AT&T, Inc., 4.25%, 6/01/2043	GBP 100,000	142,902
AT&T, Inc., 5.65%, 2/15/2047	\$ 206,000	224,434

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Network &amp; Telecom - continued</b>		
British Telecom PLC, 5.75%, 12/07/2028	GBP 150,000	\$ 256,980
CenturyLink, Inc., 7.65%, 3/15/2042	\$ 595,000	499,800
Deutsche Telekom International Finance B.V., 1.5%, 4/03/2028	EUR 200,000	244,094
Empresa Nacional de Telecomunicaciones S.A., 4.75%, 8/01/2026	\$ 300,000	310,875
Telecom Italia Capital, 6%, 9/30/2034	250,000	279,063
Telecom Italia S.p.A., 5.303%, 5/30/2024 (n)	1,515,000	1,615,823
Telefonica Celular del Paraguay S.A., 6.75%, 12/13/2022	517,000	529,460
Verizon Communications, Inc., 4.812%, 3/15/2039	323,000	331,911
Zayo Group LLC/Zayo Capital, Inc., 6.375%, 5/15/2025	660,000	700,425
Zayo Group LLC/Zayo Capital, Inc., 5.75%, 1/15/2027 (n)	1,285,000	1,323,550
		\$ 6,945,746
<b>Oil Services - 0.7%</b>		
Bristow Group, Inc., 6.25%, 10/15/2022	\$ 791,000	\$ 636,280
Diamond Offshore Drilling, Inc., 7.875%, 8/15/2025	440,000	458,700
Diamond Offshore Drilling, Inc., 5.7%, 10/15/2039	945,000	767,813
Schlumberger Ltd., 2.65%, 11/20/2022 (n)	310,000	308,961
Trinidad Drilling Ltd., 6.625%, 2/15/2025 (n)	945,000	902,475
		\$ 3,074,229
<b>Oils - 0.1%</b>		
Marathon Petroleum Corp., 4.75%, 9/15/2044	\$ 200,000	\$ 203,728
Neste Oyj, 1.5%, 6/07/2024	EUR 100,000	120,982
Phillips 66, 4.875%, 11/15/2044	\$ 150,000	165,684
		\$ 490,394
<b>Other Banks &amp; Diversified Financials - 0.9%</b>		
Arion Banki, 2.5%, 4/26/2019	EUR 100,000	\$ 123,012
Bank of Iceland, 1.75%, 9/07/2020	EUR 300,000	370,031
BBVA Bancomer S.A. de C.V., 6.75%, 9/30/2022 (n)	\$ 1,004,000	1,137,231
Belfius Bank S.A., 3.125%, 5/11/2026	EUR 200,000	262,249
Capital One Financial Corp., 2.35%, 8/17/2018	\$ 806,000	807,745
Citizens Bank N.A., 2.55%, 5/13/2021	250,000	249,509
Deutsche Bank AG, 1.875%, 2/28/2020	GBP 200,000	271,766
Groupe BPCE S.A., 12.5% to 9/30/2019, FLR to 8/29/2049 (n)	113,000	132,140
ING Groep N.V., 3.95%, 3/29/2027	249,000	260,357
Intesa Sanpaolo S.p.A., 5.25%, 1/28/2022	GBP 100,000	153,045
JSC Kazkommertsbank, 5.5%, 12/21/2022	\$ 342,000	341,213
		\$ 4,108,298
<b>Personal Computers &amp; Peripherals - 0.0%</b>		
Equifax, Inc., 2.3%, 6/01/2021	\$ 160,000	\$ 155,249



**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Bonds - continued</b>		
<b>Pharmaceuticals - 0.5%</b>		
Celgene Corp., 2.875%, 8/15/2020	\$ 524,000	\$ 529,122
Gilead Sciences, Inc., 2.35%, 2/01/2020	52,000	52,228
Mallinckrodt International Finance S.A., 5.75%, 8/01/2022 (n)	710,000	654,975
Mallinckrodt International Finance S.A., 5.625%, 10/15/2023 (z)	315,000	276,413
Valeant Pharmaceuticals International, Inc., 5.5%, 3/01/2023 (n)	315,000	269,719
Valeant Pharmaceuticals International, Inc., 6.125%, 4/15/2025 (n)	745,000	638,838
		\$ 2,421,295
<b>Pollution Control - 0.0%</b>		
Republic Services, Inc., 3.375%, 11/15/2027	\$ 75,000	\$ 75,337
<b>Printing &amp; Publishing - 0.2%</b>		
Nielsen Finance LLC, 5%, 4/15/2022 (n)	\$ 954,000	\$ 982,000
<b>Real Estate - Apartment - 0.1%</b>		
Grand City Properties S.A., 1.375%, 8/03/2026	EUR 300,000	\$ 357,707
Vonovia SE, REIT, 2.125%, 7/09/2022	EUR 225,000	289,050
		\$ 646,757
<b>Real Estate - Healthcare - 0.6%</b>		
MPT Operating Partnership LP/MPT Financial Co., 5%, 10/15/2027	\$ 1,330,000	\$ 1,386,525
MPT Operating Partnership LP/MPT Financial Co., REIT, 5.25%, 8/01/2026	1,375,000	1,448,906
		\$ 2,835,431
<b>Real Estate - Office - 0.2%</b>		
Boston Properties, Inc., REIT, 3.125%, 9/01/2023	\$ 250,000	\$ 252,313
Merlin Properties SOCIMI S.A., REIT, 2.225%, 4/25/2023	EUR 250,000	315,389
Merlin Properties SOCIMI S.A., REIT, 1.875%, 11/02/2026	EUR 150,000	179,156
		\$ 746,858
<b>Real Estate - Other - 1.2%</b>		
CyrusOne LP/CyrusOne Finance Co., REIT, 5.375%, 3/15/2027 (z)	\$ 525,000	\$ 549,938
CyrusOne LP/CyrusOne Finance Corp., REIT, 5.375%, 3/15/2027 (n)	320,000	335,200
CyrusOne LP/CyrusOne Finance Corp., REIT, 5%, 3/15/2024 (n)	1,455,000	1,513,200
Felcor Lodging LP, REIT, 5.625%, 3/01/2023	1,240,000	1,277,200
Starwood Property Trust, Inc., REIT, 5%, 12/15/2021	865,000	900,681
Starwood Property Trust, Inc., REIT, 4.75%, 3/15/2025 (n)	725,000	723,188
		\$ 5,299,407

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Restaurants - 0.5%</b>		
Golden Nugget, Inc., 6.75%, 10/15/2024 (n)	\$ 850,000	\$ 868,063
KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, 5.25%, 6/01/2026 (n)	1,365,000	1,443,488
		\$ 2,311,551
<b>Retailers - 1.1%</b>		
Best Buy Co., Inc., 5.5%, 3/15/2021	\$ 347,000	\$ 372,179
Dollar Tree, Inc., 5.75%, 3/01/2023	1,270,000	1,328,738
Hanesbrands, Inc., 4.625%, 5/15/2024 (n)	300,000	305,625
Hanesbrands, Inc., 4.875%, 5/15/2026 (n)	1,280,000	1,305,216
Home Depot, Inc., 3%, 4/01/2026	310,000	309,658
Home Depot, Inc., 4.875%, 2/15/2044	200,000	235,881
Kering S.A., 1.25%, 5/10/2026	EUR 200,000	244,808
Sally Beauty Holdings, Inc., 5.625%, 12/01/2025	\$ 1,075,000	1,074,328
		\$ 5,176,433
<b>Specialty Chemicals - 0.9%</b>		
A Schulman, Inc., 6.875%, 6/01/2023	\$ 1,230,000	\$ 1,288,425
Ecolab, Inc., 2.625%, 7/08/2025	EUR 100,000	132,918
Koppers, Inc., 6%, 2/15/2025 (n)	\$ 1,235,000	1,326,452
Univar USA, Inc., 6.75%, 7/15/2023 (n)	1,430,000	1,497,925
		\$ 4,245,720
<b>Specialty Stores - 0.5%</b>		
Group 1 Automotive, Inc., 5%, 6/01/2022	\$ 1,455,000	\$ 1,500,469
PetSmart, Inc., 7.125%, 3/15/2023 (n)	825,000	602,250
		\$ 2,102,719
<b>Supermarkets - 0.3%</b>		
Albertsons Cos. LLC/Safeway Co., 6.625%, 6/15/2024	\$ 1,260,000	\$ 1,190,700
Loblaw Cos. Ltd., 4.86%, 9/12/2023	CAD 262,000	224,414
		\$ 1,415,114
<b>Supranational - 0.1%</b>		
International Bank for Reconstruction and Development, 2.8%, 1/13/2021	AUD 170,000	\$ 130,655
International Bank for Reconstruction and Development, 4.25%, 6/24/2025	AUD 210,000	174,461
International Finance Corp., 3.25%, 7/22/2019	AUD 305,000	235,207
		\$ 540,323
<b>Telecommunications - Wireless - 3.0%</b>		
Altice Luxembourg S.A., 7.75%, 5/15/2022 (n)	\$ 415,000	\$ 395,288
Altice Luxembourg S.A., 7.625%, 2/15/2025 (n)	1,340,000	1,222,750

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Telecommunications - Wireless - continued</b>		
American Tower Corp., REIT, 3.5%, 1/31/2023	\$ 465,000	\$ 475,806
Crown Castle International Corp., 3.7%, 6/15/2026	157,000	156,348
Digicel Group Ltd., 6%, 4/15/2021 (n)	967,000	932,817
Digicel Group Ltd., 7.125%, 4/01/2022 (n)	640,000	578,093
Digicel Group Ltd., 6.75%, 3/01/2023 (n)	1,150,000	1,115,500
SBA Communications Corp., 4%, 10/01/2022 (n)	1,485,000	1,492,425
SBA Communications Corp., 4.875%, 9/01/2024	350,000	362,250
SBA Tower Trust, 2.898%, 10/08/2019 (n)	220,000	221,009
Sprint Corp., 7.875%, 9/15/2023	980,000	1,055,950
Sprint Corp., 7.125%, 6/15/2024	1,655,000	1,722,243
Sprint Nextel Corp., 6%, 11/15/2022	895,000	903,950
T-Mobile USA, Inc., 6.125%, 1/15/2022	135,000	139,725
T-Mobile USA, Inc., 6.5%, 1/15/2024	615,000	652,669
T-Mobile USA, Inc., 5.125%, 4/15/2025	815,000	851,675
T-Mobile USA, Inc., 6.5%, 1/15/2026	775,000	847,656
T-Mobile USA, Inc., 5.375%, 4/15/2027	695,000	743,650
		\$ 13,869,804
<b>Telephone Services - 0.5%</b>		
Chorus Ltd. Co., 1.125%, 10/18/2023	EUR 150,000	\$ 180,641
Level 3 Financing, Inc., 5.375%, 1/15/2024	\$ 470,000	471,175
Level 3 Financing, Inc., 5.375%, 5/01/2025	1,545,000	1,549,326
TELUS Corp., 5.05%, 7/23/2020	CAD 265,000	220,598
		\$ 2,421,740
<b>Tobacco - 0.2%</b>		
Imperial Brands Finance PLC, 1.375%, 1/27/2025	EUR 150,000	\$ 181,692
Reynolds American, Inc., 8.125%, 6/23/2019	\$ 92,000	99,995
Reynolds American, Inc., 4.45%, 6/12/2025	415,000	442,407
Reynolds American, Inc., 5.7%, 8/15/2035	118,000	138,171
		\$ 862,265
<b>Transportation - Services - 0.6%</b>		
Autostrade per L Italia S.p.A., 1.75%, 6/26/2026	EUR 250,000	\$ 309,862
Brambles Finance PLC, 1.5%, 10/04/2027	EUR 150,000	182,414
Compagnie Financier et Indus Unternehmensanleihe, 0.75%, 9/09/2028	EUR 200,000	227,923
ERAC USA Finance LLC, 7%, 10/15/2037 (n)	\$ 250,000	329,566
Heathrow Funding Ltd., 1.875%, 7/12/2032	EUR 150,000	184,461
Heathrow Funding Ltd., 4.625%, 10/31/2046	GBP 100,000	170,212
Navios Maritime Holding, Inc., 7.375%, 1/15/2022 (n)	\$ 335,000	263,813
Navios South American Logistics, Inc./Navios Logistics Finance (U.S.), Inc., 7.25%, 5/01/2022	130,000	126,100
Syncreon Group BV/Syncre, 8.625%, 11/01/2021 (n)	670,000	546,050

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Transportation - Services - continued</b>		
Transurban Finance Co., 1.75%, 3/29/2028	EUR 200,000	\$ 243,845
		\$ 2,584,246
<b>U.S. Treasury Obligations - 14.8%</b>		
U.S. Treasury Bonds, 5.25%, 2/15/2029	\$ 3,824,000	\$ 4,868,579
U.S. Treasury Bonds, 5.375%, 2/15/2031	286,200	379,282
U.S. Treasury Bonds, 4.5%, 2/15/2036	1,082,000	1,384,706
U.S. Treasury Bonds, 4.75%, 2/15/2037 (f)	1,885,200	2,493,251
U.S. Treasury Bonds, 3.125%, 2/15/2043 (f)	2,920,000	3,087,900
U.S. Treasury Bonds, 3.625%, 2/15/2044	771,000	887,584
U.S. Treasury Notes, 0.875%, 10/15/2018	11,000,000	10,927,813
U.S. Treasury Notes, 1.25%, 12/15/2018	10,000,000	9,954,297
U.S. Treasury Notes, 0.75%, 10/31/2018	14,000,000	13,884,609
U.S. Treasury Notes, 0.875%, 5/15/2019	9,000,000	8,887,500
U.S. Treasury Notes, 1.75%, 5/15/2022	4,692,000	4,624,553
U.S. Treasury Notes, 2.25%, 11/15/2025	6,005,000	5,952,691
		\$ 67,332,765
<b>Utilities - Electric Power - 3.3%</b>		
American Electric Power Co., Inc., 1.65%, 12/15/2017	\$ 185,000	\$ 185,000
Calpine Corp., 5.5%, 2/01/2024	1,765,000	1,705,431
Calpine Corp., 5.75%, 1/15/2025	930,000	895,125
Calpine Corp., 5.25%, 6/01/2026 (n)	695,000	702,819
Covanta Holding Corp., 6.375%, 10/01/2022	310,000	317,750
Covanta Holding Corp., 5.875%, 3/01/2024	995,000	1,004,950
Covanta Holding Corp., 5.875%, 7/01/2025	1,215,000	1,215,000
Dominion Resources, Inc., 2.5%, 12/01/2019	250,000	250,485
Duke Energy Florida LLC, 3.2%, 1/15/2027	310,000	313,381
EDP Finance B.V., 5.25%, 1/14/2021 (n)	200,000	214,948
EDP Finance B.V., 2%, 4/22/2025	EUR 100,000	126,328
Emera U.S. Finance LP, 2.7%, 6/15/2021	\$ 98,000	97,986
Emera U.S. Finance LP, 3.55%, 6/15/2026	112,000	112,283
Enel Finance International N.V., 4.75%, 5/25/2047 (n)	442,000	458,915
Engie Energia Chile S.A., 5.625%, 1/15/2021	757,000	824,370
Engie Energia Chile S.A., 4.5%, 1/29/2025 (n)	512,000	532,524
Exelon Corp., 3.497%, 6/01/2022	151,000	154,463
Innogy Finance B.V., 4.75%, 1/31/2034	GBP 100,000	163,599
NextEra Energy Capital Holdings, Inc., 3.55%, 5/01/2027	\$ 377,000	384,547
NextEra Energy Operating Co., 4.25%, 9/15/2024 (n)	1,290,000	1,302,900
NRG Energy, Inc., 6.625%, 3/15/2023	1,530,000	1,586,763
Pattern Energy Group, Inc., 5.875%, 2/01/2024 (n)	1,240,000	1,311,300
PPL Capital Funding, Inc., 3.1%, 5/15/2026	379,000	371,946
PPL WEM Holdings PLC, 5.375%, 5/01/2021 (n)	250,000	268,548

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Utilities - Electric Power - continued		
Virginia Electric & Power Co., 3.5%, 3/15/2027	\$ 475,000	\$ 490,636
		\$ 14,991,997
<b>Total Bonds (Identified Cost, \$539,212,595)</b>		<b>\$ 546,077,640</b>
<b>Floating Rate Loans (g)(r) - 0.3%</b>		
Computer Software - Systems - 0.1%		
Sabre GBLB, Inc., Term Loan B, 3.59%, 2/22/2024	\$ 236,813	\$ 237,775
Consumer Products - 0.0%		
Spectrum Brands, Inc., Term Loan B, 3.37%, 6/23/2022	\$ 129,227	\$ 129,825
Entertainment - 0.1%		
Cedar Fair LP, Term Loan B, 3.59%, 4/13/2024	\$ 317,611	\$ 319,199
Six Flags Theme Parks, Inc., Term Loan B, 3.32%, 6/30/2022	331,400	333,057
		\$ 652,256
Medical & Health Technology & Services - 0.1%		
DaVita HealthCare Partners, Inc., Term Loan B, 4.09%, 6/24/2021	\$ 555,971	\$ 560,557
<b>Total Floating Rate Loans (Identified Cost, \$1,572,239)</b>		<b>\$ 1,580,413</b>
<b>Common Stocks - 0.2%</b>		
Energy - Independent - 0.1%		
Frontera Energy Corp. (a)	8,177	\$ 237,869
Oil Services - 0.1%		
Gravity Oilfield Services, Inc. (a)(u)	615	\$ 546,993
<b>Total Common Stocks (Identified Cost, \$1,645,971)</b>		<b>\$ 784,862</b>
<b>Investment Companies (h) - 1.3%</b>		
Money Market Funds - 1.3%		
MFS Institutional Money Market Portfolio, 1.19% (v) (Identified Cost, \$5,804,198)	5,804,640	\$ 5,804,060
<b>Other Assets, Less Liabilities - (21.4)%</b>		<b>(97,656,238)</b>
<b>Net Assets - 100.0%</b>		<b>\$ 456,590,737</b>

(a) Non-income producing security.

(d) In default.

(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.

**Table of Contents***Portfolio of Investments continued*

- (h) An affiliated issuer may be considered one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common control. At period end, the aggregate values of the fund's investments in affiliated issuers and in unaffiliated issuers were \$5,804,060 and \$548,442,915, respectively.
- (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 \$179,834,997, representing 39.4% of net assets.
- (p) Payment-in-kind security for which interest income may be received in additional securities and/or cash.
- (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.
- (u) The security was valued using significant unobservable inputs and is considered level 3 under the fair value hierarchy. For further information about the fund's level 3 holdings, please see Note 2 in the Notes to Financial Statements.
- (v) Affiliated issuer 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.
- (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:

<b>Restricted Securities</b>	<b>Acquisition Date</b>	<b>Cost</b>	<b>Value</b>
Afren PLC, 10.25%, 4/08/2019	3/01/12-4/02/13	\$482,712	\$1,130
Bayview Financial Revolving Mortgage Loan Trust, FLR, 2.937%, (LIBOR-1mo. + 1.6%), 12/28/2040	3/01/06	459,302	399,538
CyrusOne LP/CyrusOne Finance Co., 5.375%, 3/15/2027	11/01/17	553,030	549,938
Liberty Mutual Group, Inc., 2.75%, 5/04/2026	4/26/16	112,171	130,138
Mallinckrodt International Finance S.A., 5.625%, 10/15/2023	11/08/17-11/10/17	275,901	276,413
Prestige Brands, Inc., 6.375%, 3/01/2024	11/03/17	652,314	635,925
RBS Global, Inc./Rexnord LLC, 4.875%, 12/15/2025	11/30/17	170,000	170,000
Republic of Indonesia, 2.875%, 7/08/2021	7/02/14	238,025	225,342
Republic of Indonesia, 2.15%, 7/18/2024	7/11/17	184,239	199,774
Sinclair Television Group Co., 5.125%, 2/15/2027	11/28/17	302,251	302,250
Total Restricted Securities			\$2,890,448
% of Net assets			0.6%

**Table of Contents***Portfolio of Investments continued*

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

CDO	Collateralized Debt Obligation
CLO	Collateralized Loan Obligation
FLR	Floating rate. Interest rate resets periodically based on the parenthetically disclosed reference rate plus a spread (if any). The period-end rate reported may not be the current rate.
PLC	Public Limited Company
REIT	Real Estate Investment Trust

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

AUD	Australian Dollar
CAD	Canadian Dollar
CHF	Swiss Franc
DKK	Danish Krone
EUR	Euro
GBP	British Pound
HKD	Hong Kong Dollar
INR	Indian Rupee
JPY	Japanese Yen
KRW	Korean Won
MXN	Mexican Peso
NOK	Norwegian Krone
NZD	New Zealand Dollar
SEK	Swedish Krona
SGD	Singapore Dollar
ZAR	South African Rand

**Derivative Contracts at 11/30/17****Forward Foreign Currency Exchange Contracts**

	Currency		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)	
	Currency Purchased	Sold				
<b>Asset Derivatives</b>						
DKK	31,438	USD	5,031	Barclays Bank PLC	1/12/2018	\$11
EUR	2,073,101	USD	2,460,910	Brown Brothers Harriman	1/12/2018	13,355
EUR	658,445	USD	777,218	Goldman Sachs International	1/12/2018	8,642
EUR	2,911,018	USD	3,411,997	JPMorgan Chase Bank N.A.	1/12/2018	62,329
GBP	200,734	USD	268,473	Brown Brothers Harriman	1/12/2018	3,436
GBP	1,517,833	USD	2,007,191	JPMorgan Chase Bank N.A.	1/12/2018	48,828
INR	149,980,000	USD	2,273,010	JPMorgan Chase Bank N.A.	12/11/2017	51,001
JPY	16,804,516	USD	149,457	JPMorgan Chase Bank N.A.	1/12/2018	203
KRW	44,218,500	USD	39,510	JPMorgan Chase Bank N.A.	1/23/2018	1,135
MXN	3,219,094	USD	169,420	JPMorgan Chase Bank N.A.	1/12/2018	2,142
USD	20,226,879	JPY	2,258,189,459	Barclays Bank PLC	1/12/2018	115,671
USD	9,733,930	CAD	12,193,948	Citibank N.A.	1/12/2018	275,954
USD	1,152,726	HKD	8,975,000	Citibank N.A.	1/12/2018	3,017
USD	116,057	JPY	13,004,000	Citibank N.A.	1/12/2018	245

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USD	62,108	AUD	81,000	Deutsche Bank AG	1/12/2018	852
USD	30,317	CAD	39,000	Deutsche Bank AG	1/12/2018	67

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Portfolio of Investments - continued

**Forward Foreign Currency Exchange Contracts - continued**

	Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
<b>Asset Derivatives - continued</b>					
USD	652,179	NOK	5,169,000 Deutsche Bank AG	1/12/2018	\$29,996
USD	124,272	CAD	155,000 Goldman Sachs International	1/12/2018	4,049
USD	182,344	CHF	177,000 Goldman Sachs International	1/12/2018	1,793
USD	5,817,447	AUD	7,482,978 JPMorgan Chase Bank N.A.	1/12/2018	158,520
USD	3,957,507	NOK	31,518,000 JPMorgan Chase Bank N.A.	1/12/2018	163,746
USD	2,475	NZD	3,506 JPMorgan Chase Bank N.A.	1/12/2018	80
USD	7,947,163	CAD	9,926,483 Merrill Lynch International	1/12/2018	247,897
ZAR	569,852	USD	41,059 JPMorgan Chase Bank N.A.	1/12/2018	228
					\$1,193,197
<b>Liability Derivatives</b>					
CAD	1,458,000	USD	1,150,569 Goldman Sachs International	1/12/2018	\$(19,702)
CHF	57,082	USD	59,051 Goldman Sachs International	1/12/2018	(824)
HKD	18,713,000	USD	2,403,193 Brown Brothers Harriman	1/12/2018	(6,034)
HKD	17,765,000	USD	2,278,205 Deutsche Bank AG	1/12/2018	(2,486)
HKD	8,071,000	USD	1,036,434 JPMorgan Chase Bank N.A.	1/12/2018	(2,529)
INR	150,464,000	USD	2,333,463 Barclays Bank PLC	12/11/2017	(1,953)
INR	89,271,000	USD	1,384,025 JPMorgan Chase Bank N.A.	12/11/2017	(729)
NOK	36,558,912	USD	4,624,111 Goldman Sachs International	1/12/2018	(223,584)
SEK	1,084,119	USD	135,003 Deutsche Bank AG	1/12/2018	(5,066)
USD	9,438,887	GBP	7,124,215 Barclays Bank PLC	1/12/2018	(211,398)
USD	51,200	CHF	51,000 Citibank N.A.	1/12/2018	(823)
USD	865,877	EUR	730,739 Citibank N.A.	1/12/2018	(6,266)
USD	101,261	SEK	846,000 Citibank N.A.	1/12/2018	(136)
USD	5,583,743	EUR	4,800,742 Deutsche Bank AG	1/12/2018	(145,984)
USD	1,695,175	EUR	1,424,000 Goldman Sachs International	1/12/2018	(4,381)
USD	40,453,721	EUR	34,162,875 JPMorgan Chase Bank N.A.	1/12/2018	(319,967)
USD	456,552	GBP	346,000 JPMorgan Chase Bank N.A.	1/12/2018	(12,131)
USD	49,364	SGD	66,859 JPMorgan Chase Bank N.A.	1/12/2018	(224)
USD	451,272	EUR	379,000 UBS AG	1/12/2018	(1,068)
					\$(965,285)

**Futures Contracts**

Description	Long/Short	Currency	Contracts	Notional Amount	Expiration Date	Value/Unrealized Appreciation (Depreciation)
<b>Asset Derivatives</b>						
<b>Interest Rate Futures</b>						
Euro-Bund 10 yr	Long	EUR	27	\$5,229,290	December - 2017	\$2,507

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Euro-Buxl 30 yr

Long

EUR

5

994,691

December - 2017

1,178

35

**Table of Contents***Portfolio of Investments continued***Futures Contracts - continued**

Description	Long/ Short	Currency	Contracts	Notional Amount	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
<b>Asset Derivatives continued</b>						
<i>Interest Rate Futures continued</i>						
U.S. Treasury Ultra Note 10 yr	Short	USD	41	\$5,460,047	March - 2018	\$46,860
Government of Canada Bond 10 yr	Short	CAD	12	1,271,480	March - 2018	614
U.S. Treasury Bond 30 yr	Short	USD	4	606,875	March - 2018	7,860
U.S. Treasury Note 5 yr	Short	USD	48	5,584,500	March - 2018	24,959
U.S. Treasury Note 10 yr	Short	USD	379	47,013,766	March - 2018	355,288
						\$439,266
<b>Liability Derivatives</b>						
<i>Interest Rate Futures</i>						
Euro-Bobl 5 yr	Long	EUR	22	\$3,443,654	December - 2017	\$(5,813)
Long Gilt 10 yr	Long	GBP	35	5,850,484	March - 2018	(36,568)
U.S. Treasury Ultra Bond	Long	USD	8	1,319,000	March - 2018	(17,600)
						\$(59,981)

At November 30, 2017, the fund had liquid securities with an aggregate value of \$800,144 to cover any collateral or margin obligations for certain derivative contracts.

**See Notes to Financial Statements**

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

At 11/30/17

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

<b>Assets</b>	
Investments in unaffiliated issuers, at value (identified cost, \$542,430,805)	\$548,442,915
Investments in affiliated issuers, at value (identified cost, \$5,804,198)	5,804,060
Cash	835,749
Foreign currency, at value (identified cost, \$5,334)	5,356
Receivables for	
Forward foreign currency exchange contracts	1,193,197
Daily variation margin on open futures contracts	215,223
Investments sold	1,251,806
Interest	5,892,588
Other assets	3,927
Total assets	\$563,644,821
<b>Liabilities</b>	
Notes payable	\$100,000,000
Payables for	
Distributions	195,215
Forward foreign currency exchange contracts	965,285
Investments purchased	4,151,854
Capital shares reacquired	1,399,044
Payable to affiliates	
Investment adviser	14,180
Transfer agent and dividend disbursing costs	2,697
Payable for independent Trustees' compensation	12,927
Accrued interest expense	151,114
Accrued expenses and other liabilities	161,768
Total liabilities	\$107,054,084
Net assets	\$456,590,737
<b>Net assets consist of</b>	
Paid-in capital	\$469,688,561
Unrealized appreciation (depreciation)	6,633,618
Accumulated net realized gain (loss)	(17,406,307)
Accumulated distributions in excess of net investment income	(2,325,135)
Net assets	\$456,590,737
Shares of beneficial interest outstanding (49,589,421 shares authorized less 296,986 capital shares to be retired)	49,292,435
Net asset value per share (net assets of \$456,590,737 / 49,292,435 shares of beneficial interest outstanding)	\$9.26

**See Notes to Financial Statements**

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

Year ended 11/30/17

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.

<b>Net investment income (loss)</b>	
Income	
Interest	\$24,355,862
Dividends from affiliated issuers	93,342
Foreign taxes withheld	(1,156)
Total investment income	\$24,448,048
Expenses	
Management fee	\$2,633,154
Transfer agent and dividend disbursing costs	64,181
Administrative services fee	84,008
Independent Trustees' compensation	65,390
Stock exchange fee	49,976
Custodian fee	52,462
Shareholder communications	167,162
Audit and tax fees	79,682
Legal fees	62,170
Interest expense	1,617,398
Miscellaneous	60,424
Total expenses	\$4,936,007
Net investment income (loss)	\$19,512,041
<b>Realized and unrealized gain (loss)</b>	
Realized gain (loss) (identified cost basis)	
Unaffiliated issuers	\$2,513,131
Affiliated issuers	1,025
Futures contracts	(263,191)
Forward foreign currency exchange contracts	952,313
Foreign currency	27,466
Net realized gain (loss)	\$3,230,744
Change in unrealized appreciation (depreciation)	
Unaffiliated issuers	\$17,353,456
Affiliated issuers	(138)
Futures contracts	837,882
Forward foreign currency exchange contracts	(5,006,337)
Translation of assets and liabilities in foreign currencies	44,438
Net unrealized gain (loss)	\$13,229,301
Net realized and unrealized gain (loss)	\$16,460,045
Change in net assets from operations	\$35,972,086

**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.

	<b>Year ended</b>	
	<b>11/30/17</b>	<b>11/30/16</b>
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income (loss)	\$19,512,041	\$23,982,372
Net realized gain (loss)	3,230,744	(16,119,265)
Net unrealized gain (loss)	13,229,301	32,311,594
Change in net assets from operations	\$35,972,086	\$40,174,701
<b>Distributions declared to shareholders</b>		
From net investment income	\$(16,248,537)	\$(25,680,863)
From tax return of capital	(21,298,942)	(12,631,474)
Total distributions declared to shareholders	\$(37,547,479)	\$(38,312,337)
Change in net assets from fund share transactions	\$(18,955,628)	\$(8,777,369)
Total change in net assets	\$(20,531,021)	\$(6,915,005)
<b>Net assets</b>		
At beginning of period	477,121,758	484,036,763
At end of period (including accumulated distributions in excess of net investment income of \$2,325,135 and \$8,203,523, respectively)	\$456,590,737	\$477,121,758
<b>See Notes to Financial Statements</b>		

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

Year ended 11/30/17

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

<b>Cash flows from operating activities:</b>	
Change in net assets from operations	\$35,972,086
<b>Adjustments to reconcile change in net assets from operations to net cash provided by operating activities:</b>	
Purchase of investment securities	(329,785,958)
Proceeds from disposition of investment securities	360,210,864
Proceeds from disposition of short-term investments, net	3,500,955
Realized gain/loss on investments	(2,514,156)
Unrealized appreciation/depreciation on investments	(17,353,318)
Unrealized appreciation/depreciation on foreign currency contracts	5,006,337
Net amortization/accretion of income	(74,840)
Decrease in interest receivable	857,073
Decrease in accrued expenses and other liabilities	(15,164)
Decrease in receivable for daily variation margin on open futures contracts	103,392
Decrease in other assets	147,769
Increase in interest payable	62,482
Net cash provided by operating activities	\$56,117,522
<b>Cash flows from financing activities:</b>	
Distributions paid in cash	(37,545,614)
Repurchase of shares of beneficial interest	(18,337,499)
Net cash used by financing activities	\$(55,883,113)
Net increase in cash	\$234,409
<b>Cash:</b>	
Beginning of period (including foreign currency of \$37)	\$606,696
End of period (including foreign currency of \$5,356)	\$841,105

Supplemental disclosure of cash flow information:

Cash paid during the year ended November 30, 2017 for interest was \$1,554,916.

**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 that 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.

	Year ended				
	11/30/17	11/30/16	11/30/15	11/30/14	11/30/13
Net asset value, beginning of period	\$9.26	\$9.20	\$10.17	\$10.17	\$10.40
<b>Income (loss) from investment operations</b>					
Net investment income (loss) (d)	\$0.39	\$0.46(c)	\$0.49	\$0.52	\$0.57
Net realized and unrealized gain (loss)	0.33	0.32	(0.68)	0.04	(0.18)
Total from investment operations	\$0.72	\$0.78	\$(0.19)	\$0.56	\$0.39
<b>Less distributions declared to shareholders</b>					
From net investment income	\$(0.32)	\$(0.50)	\$(0.81)	\$(0.58)	\$(0.62)
From tax return of capital	(0.43)	(0.24)			
Total distributions declared to shareholders	\$(0.75)	\$(0.74)	\$(0.81)	\$(0.58)	\$(0.62)
Net increase from repurchase of capital shares	\$0.03	\$0.02	\$0.03	\$0.02	\$0.00(w)
Net asset value, end of period (x)	\$9.26	\$9.26	\$9.20	\$10.17	\$10.17
Market value, end of period	\$8.40	\$8.35	\$7.92	\$8.81	\$8.97
Total return at market value (%)	9.67	15.19	(1.28)	4.68	(6.13)
Total return at net asset value (%) (j)(r)(s)(x)	9.02	9.97(c)	(0.66)	6.58	4.28
<b>Ratios (%) (to average net assets) and Supplemental data:</b>					
Expenses before expense reductions (f)	1.05	0.99(c)	0.90	0.87	0.92
Expenses after expense reductions (f)	N/A	N/A	N/A	0.87	0.92
Net investment income	4.16	5.01(c)	5.01	5.09	5.53
Portfolio turnover	52	43	37	44	52
Net assets at end of period (000 omitted)	\$456,591	\$477,122	\$484,037	\$548,530	\$557,238
<b>Supplemental Ratios (%):</b>					
Ratio of expenses to average net assets after expense reductions and excluding interest expense and fees (f)	0.71	0.73(c)	0.73	0.72	0.75
<b>Senior Securities:</b>					
Total notes payable outstanding (000 omitted)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Asset coverage per \$1,000 of indebtedness (k)	\$5,566	\$5,771	\$5,840	\$6,485	\$6,572



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*Financial Highlights continued*

- (c) Amount reflects a one-time reimbursement of expenses by the custodian (or former custodian) without which net investment income and performance would be lower and expenses would be higher.
- (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 and total returns at net asset value 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 Charter 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 diversified closed-end management investment company.

The fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 Financial Services – Investment Companies.

**(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 increases and decreases in net assets from operations 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. 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.

In October 2016, the Securities and Exchange Commission (SEC) released its Final Rule on Investment Company Reporting Modernization (the Rule). The Rule, which introduced two new regulatory reporting forms for investment companies – Form N-PORT and Form N-CEN – also contained amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments, for all reporting periods ending after August 1, 2017. The fund has adopted the Rule's Regulation S-X amendments and believes that the fund's financial statements are in compliance with those amendments.

In November 2016, the FASB issued Accounting Standards Update 2016-18, Statement of Cash Flows (Topic 230) – Restricted Cash (ASU 2016-18). For entities that have restricted cash and are required to present a statement of cash flows, ASU 2016-18 changes the cash flow presentation for restricted cash. Although still evaluating the potential impacts of ASU 2016-18, management expects that the effects of the fund's adoption will be limited to the reclassification of restricted cash on the fund's Statement of Cash Flows and the addition of disclosures regarding the nature of the restrictions on restricted cash. ASU 2016-18 will be effective for annual reporting periods beginning after December 15, 2017, and interim periods within those annual periods.

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**Table of Contents***Notes to Financial Statements continued*

In March 2017, the FASB issued Accounting Standards Update 2017-08, *Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20) Premium Amortization on Purchased Callable Debt Securities* (ASU 2017-08). For entities that hold callable debt securities at a premium, ASU 2017-08 requires that the premium be amortized to the earliest call date. ASU 2017-08 will be effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Management is still evaluating the potential impacts of ASU 2017-08 but believes that adoption of ASU 2017-08 will not have a material effect on the fund's overall financial position or its overall results of operations.

**Balance Sheet Offsetting** The fund's accounting policy with respect to balance sheet offsetting is that, absent an event of default by the counterparty or a termination of the agreement, the International Swaps and Derivatives Association (ISDA) Master Agreement, or similar agreement, does not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the fund and the applicable counterparty. The fund's right to setoff may be restricted or prohibited by the bankruptcy or insolvency laws of the particular jurisdiction to which a specific master netting agreement counterparty is subject. Balance sheet offsetting disclosures, to the extent applicable to the fund, have been included in the fund's Significant Accounting Policies note under the captions for each of the fund's in-scope financial instruments and transactions.

**Investment Valuations** Equity securities, including restricted equity securities, are generally valued at the last sale or official closing price on their primary market or exchange as provided by a third-party pricing service. Equity securities, for which there were no sales reported that day, are generally valued at the last quoted daily bid quotation on their primary market or exchange as provided by a third-party pricing service. Debt instruments and floating rate loans, 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 may be valued at amortized cost, which approximates market value. Exchange-traded options are generally valued at the last sale or official closing price on their primary exchange as provided by a third-party pricing service. Exchange-traded options for which there were no sales reported that day are generally valued at the last daily bid quotation on their primary exchange as provided by a third-party pricing service. Options not traded on an exchange are generally valued at a broker/dealer bid quotation. Foreign currency options are generally valued at valuations provided by a third-party pricing service. Futures contracts are generally valued at last posted settlement price on their primary exchange as provided by a third-party pricing service. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation on their primary exchange as provided by a third-party pricing service. 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

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*Notes to Financial Statements continued*

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 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,

**Table of Contents***Notes to Financial Statements continued*

such as futures contracts and forward foreign currency exchange contracts. The following is a summary of the levels used as of November 30, 2017 in valuing the fund's assets or liabilities:

<b>Financial Instruments</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity Securities	\$237,869	\$	\$546,993	\$784,862
U.S. Treasury Bonds & U.S. Government Agency & Equivalents		67,332,765		67,332,765
Non-U.S. Sovereign Debt		88,956,844		88,956,844
Municipal Bonds		115,280		115,280
U.S. Corporate Bonds		282,605,676		282,605,676
Residential Mortgage-Backed Securities		18,240,520		18,240,520
Commercial Mortgage-Backed Securities		2,002,270		2,002,270
Asset-Backed Securities (including CDOs)		10,399,722		10,399,722
Foreign Bonds		76,424,563		76,424,563
Floating Rate Loans		1,580,413		1,580,413
Mutual Funds	5,804,060			5,804,060
Total	\$6,041,929	\$547,658,053	\$546,993	\$554,246,975

**Other Financial Instruments**

Futures Contracts Assets	\$439,266	\$	\$	\$439,266
Futures Contracts Liabilities	(59,981)			(59,981)
Forward Foreign Currency Exchange Contracts Assets		1,193,197		1,193,197
Forward Foreign Currency Exchange Contracts Liabilities		(965,285)		(965,285)

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

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.

	<b>Equity Securities</b>
Balance as of 11/30/16	\$
Received as part of a corporate action	546,993
Balance as of 11/30/17	\$546,993

At November 30, 2017, the fund held one level 3 security.

**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

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*Notes to Financial Statements continued*

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 purchased options, futures contracts, and forward foreign currency exchange contracts. Depending on the type of derivative, the fund may exit a derivative position by entering into an offsetting transaction with a counterparty or exchange, negotiating an agreement with the derivative counterparty, or novating the position to a third