

MFS INTERMEDIATE INCOME TRUST

Form N-CSRS

July 01, 2009

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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 811-5440

MFS INTERMEDIATE INCOME TRUST

(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

500 Boylston Street

Boston, Massachusetts 02116

(Name and address of agents for service)

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

Date of fiscal year end: October 31

Date of reporting period: April 30, 2009

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ITEM 1. REPORTS TO STOCKHOLDERS.

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Semiannual report

MFS® Intermediate Income Trust

4/30/09

MIN-SEM

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Managed Distribution Policy Disclosure

The MFS Intermediate Income Trust's (the fund) Board of Trustees has adopted a managed distribution policy. The fund seeks to pay monthly distributions based on an annual rate of 8.5% of the fund's average monthly net asset value. The fund's total return in relation to changes in net asset value is presented in the Financial Highlights. 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; however, at this time, there are no reasonably foreseeable circumstances that might cause the termination of the managed distribution policy.

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. In accordance with the amounts and sources of distributions reported in the notice to shareholders - the sources of distributions 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 the remainder of 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.

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. A return of capital does not necessarily reflect the fund's investment performance and should not be confused with yield or income.

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MFS® Intermediate Income Trust

New York Stock Exchange Symbol: **MIN**

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NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

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LETTER FROM THE CEO

Dear Shareholders:

The market downturns and economic setbacks of late probably rank among the worst financial declines most of us have experienced. Inevitably, people may be questioning their commitment to investing. Still, it is important to remember that downturns are an inescapable part of the business cycle. Such troughs have been seen before, and if we can use history as a guide, market recoveries typically have followed.

Recent market events have shown the value of certain types of investments. In down markets especially, the benefits that funds offer - diversification, professional management, and transparency of operations - become even more important for investors.

This year, MFS celebrates the 85th anniversary of its flagship fund, Massachusetts Investors Trust. Founded in 1924, Massachusetts Investors Trust was America's first mutual fund. Over the years, MFS has managed money through wars, recessions, and countless boom and bust market cycles. As dire as today's economic climate may seem, experience has taught us the benefits of maintaining a long-term view. No one can predict when the market will fully recover. Still, we remain fully confident that the hallmarks of funds - diversification, professional management, and transparency - can serve long-term investors well through any type of market climate.

Respectfully,

Robert J. Manning

Chief Executive Officer and Chief Investment Officer

MFS Investment Management®

June 15, 2009

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

Before investing, consider the fund's investment objectives, risks, charges, and expenses. For a prospectus containing this and other information, contact MFS or view online. Read it carefully.

MFS Fund Distributors, Inc., 500 Boylston Street, Boston, MA 02116

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Non-U.S. Government Bonds	35.8%
High Grade Corporates	35.3%
Mortgage-Backed Securities	16.7%
U.S. Government Agencies	5.0%
Emerging Markets Bonds	5.0%
U.S. Treasury Securities	2.3%
Commercial Mortgage-Backed Securities	1.9%
Asset-Backed Securities	0.9%
High Yield Corporates	0.5%
Residential Mortgage-Backed Securities	0.1%

Credit quality of bonds (r)

AAA	45.3%
AA	18.3%
A	19.4%
BBB	14.6%
BB	1.2%
B	0.1%
Not Rated	1.1%

Portfolio facts

Average Duration (d)(i)	4.0
Effective Maturity (i)(m)	5.1 yrs.
Average Credit Quality of Rated Securities (long-term) (a)	AA-
Average Credit Quality of Rated Securities (short-term) (a)	A-1

Country weightings (i)

United States	51.8%
Japan	8.5%
United Kingdom	7.0%
Germany	6.7%
France	4.2%
Canada	4.2%
Italy	3.1%
Netherlands	2.7%
Australia	2.1%
Other Countries	9.7%

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Portfolio Composition continued

- (a) The average credit quality of rated securities is based upon a market weighted average of portfolio holdings that are rated by public rating 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.

- (i) For purposes of this presentation, the bond component includes accrued interest amounts and may be positively or negatively impacted by the equivalent exposure from any derivative holdings, if applicable.

- (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.

- (r) Each security is assigned a rating from Moody's Investors Service. If not rated by Moody's, the rating will be that assigned by Standard & Poor's. Likewise, if not assigned a rating by Standard & Poor's, it will be based on the rating assigned by Fitch, Inc. For those portfolios that hold a security which is not rated by any of the three agencies, the security is considered Not Rated. Holdings in U.S. Treasuries and government agency mortgage-backed securities, if any, are included in the AAA-rating category. Percentages are based on the total market value of investments as of 4/30/09.

From time to time Cash & Other Net Assets may be negative due to timing of cash receipts and/or equivalent exposure from any derivative holdings.

Percentages are based on net assets as of 4/30/09, unless otherwise noted.

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

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INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS OF THE FUND

Investment Objective

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

Principal Investment Strategies

MFS normally invests the fund's assets primarily in debt instruments. MFS generally invests substantially all of the fund's assets in investment grade debt instruments.

The fund's dollar-weighted average effective maturity will normally be between three and ten years. In determining an instrument's 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 call, put, pre-refunding, prepayment or redemption provision, or an adjustable coupon) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.

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

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

The fund seeks to make a monthly distribution at an annual fixed rate of up to 8.50% of the fund's average monthly net asset value.

MFS may invest the fund's assets in mortgage dollar rolls.

MFS may use derivatives for different purposes, including to earn income and enhance returns, to increase or decrease exposure to a particular market, to manage or adjust the risk profile of the fund, or as alternatives to direct investments.

MFS uses a bottom-up investment approach in buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of instruments and their issuers in light of current market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality, collateral characteristics, and indenture provisions, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. Quantitative analysis of the structure of the instrument and its features may also be considered.

If approved by the fund's Board of Trustees, the fund may use leverage through the issuance of preferred shares, borrowing from banks, and/or other

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

methods of creating leverage, and investing the proceeds pursuant to its investment strategies.

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

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

Principal Risks

The portfolio's yield and share prices change daily based on the credit quality of its investments and changes in interest rates. In general, the value of debt securities will decline when interest rates rise and will increase when interest rates fall. Debt securities with longer maturity dates will generally be subject to greater price fluctuations than those with shorter maturities. Mortgage securities are subject to prepayment risk which can offer less potential for gains in a declining interest rate environment and greater potential for loss in a rising interest rate environment. The fund may invest a significant portion of its assets in asset-backed and/or mortgage-backed securities. The value of these securities may depend, in part, on the issuer's or borrower's credit quality or ability to pay principal and interest when due and may fall if an issuer or borrower defaults on its obligation to pay principal or interest or if the instrument's credit rating is downgraded by a credit rating agency. U.S. Government securities not supported as to the payment of principal or interest by the U.S. Treasury, such as those issued by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks, are subject to greater credit risk than are U.S. Government securities supported by the U.S. Treasury, such as those issued by Ginnie Mae. Derivatives can be highly volatile and involve risks in addition to those of the underlying indicator's in whose value the derivative is based. Gains or losses from derivatives can be substantially greater than the derivatives' original cost. Foreign investments can be more volatile than U.S. investments. Changes in currency exchange rates can affect the U.S. dollar rate of foreign currency investments and investments denominated in foreign currency. Investing in emerging markets can involve risks in addition to those generally associated with investing in more developed foreign markets. When you sell your shares, they may be worth more or less than the amount you paid for them. Please see the fund's registration statement for further information regarding these and other risk considerations. A copy of the fund's registration statement on Form N-2 is available on the EDGAR database on the Securities and Exchange Commission's Internet Web site at <http://sec.gov>.

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 common shares of the fund in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.

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PORTFOLIO MANAGERS PROFILES

James Calmas Investment Officer of MFS; employed in the investment management area of MFS since 1988. Portfolio Manager of the Fund since March 2002.

Erik Weisman Investment Officer of MFS; employed in the investment management area of MFS since 2002; Portfolio Manager of the Fund since May 2004.

Other Notes

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

The fund's monthly distributions may include a return of capital to shareholders to the extent that the fund's net investment income and net capital gains 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 addition, distributions of current year long-term gains may be recharacterized as ordinary income. Returns of shareholder capital have the effect of reducing the fund's assets and increasing the fund's expense ratio.

The fund's target annual distribution rate is calculated based on an annual rate of 8.5% of the fund's average daily net asset value, not a fixed share price, and the fund's dividend amount will fluctuate with changes in the fund's average daily net assets.

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DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

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

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

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

If you have any questions or for further information or a copy of the Plan, contact the Plan Agent Computershare Trust Company, N.A. (the Transfer Agent for the fund) at 1-800-637-2304, at the Plan Agent's website at

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Dividend Reinvestment and Cash Purchase Plan continued

www.computershare.com, or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078.

The following changes in the Plan will take effect on September 1, 2009:

When dividend reinvestment is being made through purchases in the open market, such purchases will be made on or shortly after the payment date for such distribution (except where temporary limits on purchases are legally required) and in no event more than 15 days thereafter (instead of 45 days as previously specified).

In an instance where the Plan Agent either cannot invest the full amount of the distribution through open market purchases or the fund's shares are no longer selling at a discount to the current net asset value per share, the fund will supplementally issue additional shares at the greater of net asset value per share or 95% of the current market value price per share calculated on the date that such request is made (instead of the distribution date net asset value as previously specified). This price may be greater or lesser than the fund's net asset value per share on the distribution payment date.

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4/30/09 (unaudited)

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

Bonds - 101.1%

Issuer	Shares/Par	Value (\$)
Asset Backed & Securitized - 2.9%		
Commercial Mortgage Acceptance Corp., FRN, 1.712%, 2030 (i)	\$ 13,283,026	\$ 642,310
Credit Suisse Mortgage Capital Certificate, 5.695%, 2040	2,000,000	1,415,634
Daimler Chrysler Auto Trust, A2B, FRN, 1.405%, 2011	2,316,483	2,310,431
Falcon Franchise Loan LLC, FRN, 3.547%, 2023 (i)(z)	9,453,858	521,853
Ford Credit Auto Owner Trust, 1.651%, 2010	2,028,664	2,025,901
Ford Credit Auto Owner Trust, FRN, 0.781%, 2010	242,464	242,104
Ford Credit Auto Owner Trust, FRN, 3.24%, 2011	2,360,000	2,365,625
Greenwich Capital Commercial Funding Corp., FRN, 6.114%, 2038	2,000,000	1,671,923
JPMorgan Chase Commercial Mortgage Securities Corp., 5.429%, 2043	2,000,000	1,548,351
JPMorgan Chase Commercial Mortgage Securities Corp., 5.466%, 2047	2,500,000	1,133,727
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.527%, 2043	4,380,726	1,920,440
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.475%, 2043	3,000,000	2,305,950
Nationslink Funding Corp., 5%, 2031 (z)	100,834	99,722
Nationstar Home Equity Loan Trust, 0.567%, 2036	801,074	644,781
PNC Mortgage Acceptance Corp., FRN, 7.1%, 2032 (z)	2,000,000	1,816,142
Wachovia Bank Commercial Mortgage Trust, FRN, 5.418%, 2045	2,000,000	1,531,433
		\$ 22,196,327
Building - 0.5%		
CRH America, Inc., 6.95%, 2012	\$ 3,275,000	\$ 2,939,296
CRH PLC, 8.125%, 2018	1,160,000	967,445
		\$ 3,906,741
Cable TV - 0.7%		
Comcast Corp., 5.45%, 2010	\$ 2,500,000	\$ 2,572,825
Time Warner Cable, Inc., 5.4%, 2012	2,670,000	2,709,140
		\$ 5,281,965
Chemicals - 0.4%		
PPG Industries, Inc., 5.75%, 2013	\$ 3,265,000	\$ 3,322,712
Conglomerates - 1.1%		
Eaton Corp., 4.9%, 2013	\$ 2,310,000	\$ 2,285,893
Ingersoll-Rand Global Holding Co. Ltd., 6%, 2013	4,460,000	4,330,517
Textron Financial Corp., 5.125%, 2010	2,600,000	2,237,971
		\$ 8,854,381

Table of Contents*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Consumer Goods & Services - 1.4%		
Clorox Co., 5%, 2013	\$ 2,750,000	\$ 2,819,066
Royal Philips Electronics N.V., 4.625%, 2013	3,290,000	3,265,118
Western Union Co., 5.4%, 2011	3,000,000	3,042,360
Whirlpool Corp., 8%, 2012	1,885,000	1,917,780
		\$ 11,044,324
Emerging Market Quasi-Sovereign - 1.9%		
Corporacion Nacional del Cobre de Chile, 4.75%, 2014 (n)	\$ 1,312,000	\$ 1,297,050
Industrial Bank of Korea, 7.125%, 2014 (z)	2,168,000	2,132,870
Mubadala Development Co., 7.625%, 2019 (z)	3,027,000	3,005,145
Pemex Project Funding Master Trust, 5.75%, 2018	949,000	858,845
Pemex Project Funding Master Trust, FRN, 1.864%, 2012	2,275,000	2,002,000
Petrobras International Finance Co., 7.875%, 2019	1,665,000	1,781,550
Petroleos Mexicanos, 8%, 2019 (n)	776,000	825,496
Petronas Capital Ltd., 7.875%, 2022	2,073,000	2,278,007
RSHB Capital S.A., 7.125%, 2014 (n)	200,000	172,380
TransCapitalInvest Ltd., 5.67%, 2014	104,000	83,720
		\$ 14,437,063
Emerging Market Sovereign - 2.2%		
Emirate of Abu Dhabi, 5.5%, 2014 (z)	\$ 297,000	\$ 303,647
Emirate of Abu Dhabi, 6.75%, 2019 (z)	192,000	194,841
Federative Republic of Brazil, 8%, 2018	183,000	197,640
Federative Republic of Brazil, 11%, 2040	622,000	794,605
Republic of Argentina, FRN, 1.683%, 2012	689,600	361,905
Republic of Korea, 7.125%, 2019	1,508,000	1,540,309
Republic of Panama, 7.25%, 2015	1,835,000	1,968,037
Republic of Panama, 9.375%, 2029	1,486,000	1,738,620
Republic of Peru, 9.875%, 2015	647,000	787,722
Republic of Peru, 7.125%, 2019	362,000	390,960
State of Israel, 5.125%, 2014	5,000,000	5,370,955
State of Qatar, 5.15%, 2014 (z)	1,832,000	1,873,220
State of Qatar, 6.55%, 2019 (z)	1,174,000	1,212,155
		\$ 16,734,616
Energy - Independent - 0.6%		
EnCana Corp., 6.5%, 2019	\$ 2,110,000	\$ 2,165,556
XTO Energy, Inc., 5.75%, 2013	2,666,000	2,720,890
		\$ 4,886,446
Energy - Integrated - 3.0%		
BP Capital Markets PLC, 5.25%, 2013	\$ 3,150,000	\$ 3,396,245
Chevron Corp., 3.45%, 2012	2,340,000	2,407,146

Table of Contents*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Energy - Integrated - continued		
ConocoPhillips, 5.75%, 2019	\$ 5,800,000	\$ 5,920,826
Hess Corp., 8.125%, 2019	1,230,000	1,347,525
Petro-Canada, 5%, 2014	2,140,000	2,018,345
Petro-Canada, 6.05%, 2018	904,000	823,305
Shell International Finance, 4%, 2014	6,900,000	7,115,452
		\$ 23,028,844
Financial Institutions - 1.2%		
General Electric Capital Corp., 4.8%, 2013	\$ 2,120,000	\$ 2,073,349
HSBC Finance Corp., 4.125%, 2009	3,571,000	3,544,696
NYSE Euronext, Inc., 4.8%, 2013	4,000,000	4,076,392
		\$ 9,694,437
Food & Beverages - 4.1%		
Anheuser-Busch Companies, Inc., 7.75%, 2019 (n)	\$ 4,080,000	\$ 4,271,638
Brown-Forman Corp., 5.2%, 2012	4,600,000	4,853,865
Conagra Foods, Inc., 7%, 2019	800,000	849,990
Diageo Capital PLC, 5.125%, 2012	3,900,000	4,040,466
Dr. Pepper Snapple Group, Inc., 6.82%, 2018	560,000	545,367
General Mills, Inc., 5.65%, 2019	960,000	980,126
General Mills, Inc., FRN, 1.23%, 2010	2,710,000	2,701,398
Kellogg Co., 6.6%, 2011	4,370,000	4,658,866
Kraft Foods, Inc., 4.125%, 2009	3,050,000	3,082,739
Kraft Foods, Inc., 6.75%, 2014	1,390,000	1,514,526
Kraft Foods, Inc., 6.125%, 2018	1,310,000	1,330,727
SABMiller PLC, 6.2%, 2011 (z)	2,800,000	2,818,696
		\$ 31,648,404
Food & Drug Stores - 0.8%		
CVS Caremark Corp., 4%, 2009	\$ 3,190,000	\$ 3,197,682
CVS Caremark Corp., 6.6%, 2019	350,000	370,231
CVS Caremark Corp., FRN, 1.561%, 2010	2,680,000	2,629,514
		\$ 6,197,427
Industrial - 1.2%		
Duke University Taxable Bonds, A, 4.2%, 2014	\$ 1,900,000	\$ 1,938,779
Johns Hopkins University, 5.25%, 2019	4,350,000	4,319,289
Princeton University, 4.95%, 2019	2,860,000	2,833,488
		\$ 9,091,556
Insurance - 1.4%		
ING Groep N.V., 5.775% to 2015, FRN to 2049	\$ 150,000	\$ 55,500
Jackson National Life Global Funding, 5.375%, 2013 (n)	5,000,000	4,427,015

Table of Contents*Portfolio of Investments (unaudited) continued*

Issuer		Shares/Par	Value (\$)
Bonds - continued			
Insurance - continued			
Metropolitan Life Global Funding, 5.125%, 2013 (n)		\$ 230,000	\$ 219,864
New York Life Global Funding, 4.65%, 2013 (n)		6,000,000	5,939,016
			\$ 10,641,395
International Market Quasi-Sovereign - 7.3%			
Canada Housing Trust, 4.6%, 2011 (n)	CAD	3,148,000	\$ 2,836,893
Commonwealth Bank of Australia, 2.4%, 2012 (n)	\$	2,410,000	2,399,760
Eksportfinans A.S.A., 5.125%, 2011		3,780,000	3,935,774
Eksportfinans A.S.A., 1.6%, 2014	JPY	350,000,000	3,353,576
Electricité de France, 5.5%, 2014 (n)	\$	4,750,000	5,087,255
ING Bank N.V., 3.9%, 2014 (z)		6,650,000	6,603,144
KfW Bankengruppe, 4.875%, 2009		2,800,000	2,828,927
KfW Bankengruppe, 3.5%, 2014		3,571,000	3,668,610
Landwirtschaftliche Rentenbank, 5.25%, 2012		8,360,000	8,795,748
LeasePlan Corp. N.V., 3%, 2012 (z)		1,640,000	1,639,361
National Australia Bank Ltd., 2.55%, 2012 (n)		2,410,000	2,399,770
SBAB, 3.125%, 2012 (n)		5,260,000	5,247,136
Societe Financement de l' Economie, 3.375%, 2014 (z)		5,315,000	5,332,991
Westpac Banking Corp., 3.25%, 2011 (n)		2,400,000	2,458,104
			\$ 56,587,049
International Market Sovereign - 24.2%			
Federal Republic of Germany, 3.75%, 2015	EUR	9,517,000	\$ 13,377,424
Federal Republic of Germany, 4.25%, 2018	EUR	7,040,000	10,139,710
Government of Australia, 6.25%, 2015	AUD	3,646,000	2,929,754
Government of Canada, 4.5%, 2015	CAD	4,214,000	3,973,124
Government of Canada, 5.75%, 2033	CAD	704,000	758,176
Government of Japan, 1.5%, 2012	JPY	2,777,000,000	28,991,153
Government of Japan, 1.3%, 2014	JPY	1,078,000,000	11,151,529
Government of Japan, 1.7%, 2017	JPY	2,401,000,000	25,241,809
Kingdom of Belgium, 5.5%, 2017	EUR	3,500,000	5,235,406
Kingdom of Netherlands, 3.75%, 2014	EUR	1,514,000	2,098,163
Kingdom of Spain, 5.35%, 2011	EUR	4,594,000	6,574,554
Kingdom of Sweden, 4.5%, 2015	SEK	9,300,000	1,272,347
Republic of Austria, 4.65%, 2018	EUR	2,660,000	3,715,126
Republic of France, 5%, 2016	EUR	11,914,000	17,560,122
Republic of Ireland, 4.6%, 2016	EUR	2,379,000	3,139,690
Republic of Italy, 5.25%, 2017	EUR	12,975,000	18,927,544
Republic of Portugal, 4.45%, 2018	EUR	925,000	1,251,686
United Kingdom Treasury, 5%, 2012	GBP	9,457,000	15,161,324
United Kingdom Treasury, 8%, 2015	GBP	8,364,000	16,275,683
			\$ 187,774,324
Local Authorities - 2.1%			
California Build America, 7.55%, 2039	\$	3,265,000	\$ 3,404,252
Province of Ontario, 5%, 2011		5,000,000	5,298,595

Table of Contents*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Local Authorities - continued		
Province of Ontario, 2.625%, 2012	\$ 1,300,000	\$ 1,314,633
Province of Ontario, 4.75%, 2016	6,000,000	6,147,048
		\$ 16,164,528
Machinery & Tools - 0.1%		
Atlas Copco AB, 5.6%, 2017 (n)	\$ 510,000	\$ 483,893
Major Banks - 2.8%		
BAC Capital Trust XIV, 5.63% to 2012, FRN to 2049	\$ 2,000,000	\$ 779,686
Bank of America Corp., 4.9%, 2013	4,300,000	3,920,491
Credit Suisse (USA), Inc., 5.125%, 2015	2,000,000	1,945,790
Credit Suisse New York, 5.5%, 2014	2,330,000	2,335,979
Goldman Sachs Group, Inc., 6%, 2014	1,990,000	1,982,342
Goldman Sachs Group, Inc., 7.5%, 2019	1,427,000	1,464,279
Merrill Lynch & Co., Inc., 6.15%, 2013	2,190,000	2,013,486
Morgan Stanley, 6.75%, 2011	1,800,000	1,839,922
Morgan Stanley, 6.625%, 2018	1,532,000	1,457,942
Natixis S.A., 10% to 2018, FRN to 2049 (n)	3,250,000	1,333,085
SG Capital Trust I, 7.875% to 2010, FRN to 2049	EUR 375,000	285,293
Wells Fargo & Co., FRN, 1.238%, 2011	\$ 2,250,000	2,112,910
		\$ 21,471,205
Medical Equipment - 0.2%		
Novartis AG, 4.125%, 2014	\$ 1,670,000	\$ 1,730,878
Metals & Mining - 0.4%		
Rio Tinto Finance USA Ltd., 5.875%, 2013	\$ 3,690,000	\$ 3,479,485
Mortgage Backed - 16.7%		
Fannie Mae, 4.56%, 2010	\$ 1,370,388	\$ 1,406,413
Fannie Mae, 6.022%, 2010	6,800,000	7,165,561
Fannie Mae, 4.644%, 2011	5,168,052	5,070,423
Fannie Mae, 4.845%, 2013	1,998,798	2,086,782
Fannie Mae, 4.609%, 2014	2,894,210	2,992,314
Fannie Mae, 4.84%, 2014	3,336,386	3,480,791
Fannie Mae, 5.412%, 2014	1,909,097	2,037,404
Fannie Mae, 4.62%, 2015	937,003	964,114
Fannie Mae, 4.921%, 2015	1,879,245	1,959,591
Fannie Mae, 4%, 2016	2,085,974	2,123,527
Fannie Mae, 5.395%, 2016	1,347,887	1,427,108
Fannie Mae, 5.423%, 2016	2,400,249	2,558,306
Fannie Mae, 6%, 2016 - 2034	14,097,472	14,782,787
Fannie Mae, 5.32%, 2017	1,031,339	1,089,811
Fannie Mae, 5.5%, 2017 - 2035	17,310,453	18,019,275

Table of Contents*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Mortgage Backed - continued		
Fannie Mae, 5%, 2018 - 2025	\$ 7,250,793	\$ 7,494,469
Fannie Mae, 4.5%, 2019	7,066,943	7,304,348
Fannie Mae, 6.5%, 2031	4,559,419	4,915,659
Freddie Mac, 5.5%, 2017 - 2026	11,284,855	11,695,805
Freddie Mac, 6%, 2017 - 2034	1,813,113	1,908,462
Freddie Mac, 5%, 2019 - 2027	12,365,417	12,704,594
Freddie Mac, 4%, 2024	641,559	648,064
Ginnie Mae, 6%, 2033 - 2036	4,918,034	5,145,649
Ginnie Mae, 5.612%, 2058	4,601,618	4,680,708
Ginnie Mae, 6.36%, 2058	4,416,251	4,576,858
Multi-Family Capital Access One, Inc., 6.65%, 2024	764,464	763,960
		\$ 129,002,783
Natural Gas - Pipeline - 0.0%		
Enterprise Products Operating LP, 5.65%, 2013	\$ 376,000	\$ 355,066
Network & Telecom - 2.6%		
AT&T, Inc., 1.333%, 2010	\$ 3,620,000	\$ 3,622,787
AT&T, Inc., 4.95%, 2013	2,700,000	2,797,362
British Telecommunications PLC, 5.15%, 2013	943,000	887,516
Deutsche Telekom International Finance B.V., 8.5%, 2010	2,330,000	2,449,298
France Telecom S.A., 7.75%, 2011	2,330,000	2,523,607
Telecom Italia Capital, 4.875%, 2010	3,000,000	2,979,804
Verizon Communications, Inc, 5.25%, 2013	3,260,000	3,420,490
Verizon Communications, Inc., 8.75%, 2018	1,060,000	1,266,533
		\$ 19,947,397
Oil Services - 0.4%		
Smith International, Inc., 9.75%, 2019	\$ 2,960,000	\$ 3,128,350
Other Banks & Diversified Financials - 1.9%		
American Express Centurion Bank, 5.2%, 2010	\$ 2,510,000	\$ 2,413,355
Citigroup, Inc., 5.5%, 2013	8,000,000	7,130,144
Eurohypo AG, 5.125%, 2016	3,140,000	2,743,971
Swedbank AB, 9% to 2010, FRN to 2049 (n)	5,000,000	1,925,000
UBS Preferred Funding Trust V, 6.243% to 2016, FRN to 2049	2,000,000	820,000
		\$ 15,032,470
Pharmaceuticals - 3.1%		
Amgen, Inc., 4%, 2009	\$ 2,430,000	\$ 2,459,320
AstraZeneca PLC, FRN, 1.612%, 2009	4,510,000	4,512,147
GlaxoSmithKline Capital, Inc., 4.85%, 2013	2,114,000	2,192,954
Pfizer, Inc., 6.2%, 2019	4,740,000	5,094,277

Table of Contents*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Pharmaceuticals - continued		
Roche Holdings, Inc., 6%, 2019 (n)	\$ 5,800,000	\$ 6,030,573
Wyeth, 6.95%, 2011	3,730,000	4,003,607
		\$ 24,292,878
Printing & Publishing - 0.1%		
Pearson PLC, 5.5%, 2013 (n)	\$ 410,000	\$ 393,097
Railroad & Shipping - 0.2%		
Canadian Pacific Railway Co., 6.5%, 2018	\$ 1,880,000	\$ 1,665,266
Retailers - 1.1%		
Home Depot, Inc., FRN, 1.445%, 2009	\$ 3,600,000	\$ 3,564,594
Macy's Retail Holdings, Inc., 7.875%, 2015	2,670,000	2,512,019
Wesfarmers Ltd., 6.998%, 2013 (n)	2,330,000	2,215,571
		\$ 8,292,184
Supermarkets - 0.0%		
Kroger Co., 5%, 2013	\$ 303,000	\$ 306,015
Supranational - 2.7%		
Central American Bank, 4.875%, 2012 (n)	\$ 3,800,000	\$ 3,894,567
Corporacion Andina de Fomento, 6.875%, 2012	6,000,000	6,010,062
Corporacion Andina de Fomento, 5.2%, 2013	3,000,000	2,847,726
Inter-American Development Bank, 8.875%, 2009	2,220,000	2,232,272
Inter-American Development Bank, 4.75%, 2012	5,640,000	6,058,730
		\$ 21,043,357
Telecommunications - Wireless - 1.2%		
Rogers Communications, Inc., 6.8%, 2018	\$ 4,950,000	\$ 5,187,125
Vodafone Group PLC, 7.75%, 2010	3,680,000	3,816,763
		\$ 9,003,888
Tobacco - 0.6%		
Philip Morris International, Inc., 4.875%, 2013	\$ 4,620,000	\$ 4,779,478
U.S. Government Agencies and Equivalents - 4.9%		
Aid-Egypt, 4.45%, 2015	\$ 3,963,000	\$ 4,215,403
Bank of America Corp., 2.1%, 2012 (m)	2,320,000	2,334,739
Farmer Mac, 5.5%, 2011 (n)	6,070,000	6,490,930
General Electric Capital Corp., 2.2%, 2012 (m)	1,410,000	1,418,825
Small Business Administration, 6.35%, 2021	1,911,950	2,038,889
Small Business Administration, 6.34%, 2021	1,560,800	1,664,224
Small Business Administration, 6.44%, 2021	1,429,736	1,528,050

Table of Contents*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
U.S. Government Agencies and Equivalents - continued		
Small Business Administration, 6.625%, 2021	\$ 1,915,406	\$ 2,055,423
Small Business Administration, 5.34%, 2021	4,158,563	4,347,337
Small Business Administration, 4.93%, 2024	1,775,849	1,842,615
Small Business Administration, 5.36%, 2025	2,169,675	2,290,470
Small Business Administration, 5.39%, 2025	1,590,707	1,677,298
U.S. Department of Housing & Urban Development, 7.198%, 2009	6,000,000	6,105,018
		\$ 38,009,221
U.S. Treasury Obligations - 0.6%		
U.S. Treasury Bonds, 10.625%, 2015	\$ 1,190,000	\$ 1,756,737
U.S. Treasury Notes, 9.875%, 2015 (f)	2,000,000	2,881,094
		\$ 4,637,831
Utilities - Electric Power - 3.7%		
Consumers Energy Co., 6.7%, 2019	\$ 880,000	\$ 928,743
Dominion Resources, Inc., 6.4%, 2018	430,000	444,218
Duke Energy Corp., 5.65%, 2013	1,800,000	1,850,220
E.ON International Finance B.V., 5.8%, 2018 (n)	7,000,000	6,964,153
EDP Finance B.V., 6%, 2018 (n)	2,240,000	2,169,693
Enel Finance International S.A., 6.25%, 2017 (n)	2,240,000	2,064,991
Exelon Generation Co. LLC, 6.95%, 2011	2,250,000	2,335,570
Georgia Power Co., 6%, 2013	1,350,000	1,466,227
HQI Transelec Chile S.A., 7.875%, 2011	2,926,000	3,032,445
NiSource Finance Corp., 7.875%, 2010	3,500,000	3,496,587
Oncor Electric Delivery Co., 5.95%, 2013 (n)	3,570,000	3,591,098
		\$ 28,343,945
Utilities - Gas - 0.8%		
Keyspan Corp., 7.625%, 2010	\$ 3,880,000	\$ 4,087,852
Sempra Energy, 7.95%, 2010	2,290,000	2,357,069
		\$ 6,444,921
Total Bonds (Identified Cost, \$785,964,749)		\$