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Putnam Variable Trust

Semiannual report

6 | 30 | 18

Putnam VT
Diversified Income Fund

Message from the Trustees

August 8, 2018

Dear Shareholder:

During the first half of 2018, conditions became more challenging for global financial markets. After an extended period of record advances and low volatility, a downturn early in the year pushed stocks into a brief correction. The market has since rallied, but both stocks and bonds have been more volatile, due in part to uncertainty surrounding trade policy and interest rates. Fortunately, navigating a change in market trends is nothing new to Putnam's experienced investment professionals, who continue to monitor risks and seek opportunities.

We would like to take this opportunity to extend our thanks to Jameson A. Baxter, who retired from her position as Chair of your Board of Trustees on June 30, 2018. It is hard to express in a few words the extent of Jamie's commitment to protecting the interests of Putnam shareholders like you. In addition to her professional and directorship experience, Jamie brought intelligence, insight, and compassion to a board she served for decades. Jamie began as a Trustee in 1994, served as Vice Chair for six years, and became Chair in 2011. We are also pleased to announce the appointment of Kenneth R. Leibler as your new Board of Trustees Chair. Ken became a Trustee in 2006, has served as Vice Chair since 2016, and now leads the Board in overseeing your fund and protecting your interests.

Thank you for investing with Putnam.

Respectfully yours,



Robert L. Reynolds
President and Chief Executive Officer
Putnam Investments



Kenneth R. Leibler
Chair, Board of Trustees

The views expressed in this report are exclusively those of Putnam Management and are subject to change. They are not meant as investment advice. Please note that the holdings discussed in this report may not have been held by the fund for the entire period. Portfolio composition is subject to review in accordance with the fund's investment strategy and may vary in the future.

Consider these risks before investing: International investing involves currency, economic, and political risks. Emerging-market securities carry illiquidity and volatility risks. Lower-rated bonds may offer higher yields in return for more risk. Funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk and the risk that they may increase in value when interest rates decline and decline in value when interest rates rise. Bond investments are subject to interest-rate risk (the risk of bond prices falling if interest rates rise) and credit risk (the risk of an issuer defaulting on interest or principal payments). Interest-rate risk is greater for longer-term bonds, and credit risk is greater for below-investment-grade bonds. Risks associated with derivatives include increased investment exposure (which may be considered leverage) and, in the case of over-the-counter instruments, the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. Unlike bonds, funds that invest in bonds have fees and expenses. Bond prices may fall or fail to rise over time for several reasons, including general financial market conditions, changing market perceptions (including perceptions about the risk of default and expectations about monetary policy or interest rates), changes in government intervention in the financial markets, and factors related to a specific issuer or industry. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. You can lose money by investing in the fund.

Performance summary (as of 6/30/18)

Investment objective

As high a level of current income as Putnam Investment Management, LLC, (Putnam Management) believes is consistent with preservation of capital

Net asset value June 30, 2018

| | |
|------------------|------------------|
| Class IA: \$6.02 | Class IB: \$6.04 |
|------------------|------------------|

Total return at net asset value

| (as of 6/30/18) | Class IA shares* | Class IB shares† | ICE BofAML U.S. Treasury Bill Index | Bloomberg Barclays U.S. Aggregate Bond Index |
|-----------------|------------------|------------------|-------------------------------------|--|
| 6 months | 2.67% | 2.58% | 0.79% | -1.62% |
| 1 year | 6.31 | 6.04 | 1.31 | -0.40 |
| 5 years | 20.44 | 18.87 | 2.17 | 11.89 |
| Annualized | 3.79 | 3.52 | 0.43 | 2.27 |
| 10 years | 69.26 | 66.98 | 4.22 | 44.09 |
| Annualized | 5.40 | 5.26 | 0.41 | 3.72 |
| Life | 270.66 | 255.31 | 88.89 | 240.40 |
| Annualized | 5.43 | 5.25 | 2.60 | 5.07 |

For a portion of the periods, the fund had expense limitations, without which returns would have been lower.

* Class inception date: September 15, 1993.

† Class inception date: April 6, 1998.

Effective January 30, 2018, the ICE BofAML U.S. Treasury Bill Index replaced the Bloomberg Barclays U.S. Aggregate Bond Index as the fund's benchmark. In Putnam Management's opinion, this index more accurately reflects the fund's multisector investment approach.

The ICE BofAML (Intercontinental Exchange Bank of America Merrill Lynch) U.S. Treasury Bill Index is an unmanaged index that tracks the performance of U.S.-dollar-denominated U.S. Treasury bills publicly issued in the U.S. domestic market. The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed-income securities.

ICE Data Indices, LLC ("ICE BofAML"), used with permission. ICE BofAML permits use of the ICE BofAML indices and related data on an "as is" basis; makes no warranties regarding same; does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofAML indices or any data included in, related to, or derived therefrom; assumes no liability in connection with the use of the foregoing; and does not sponsor, endorse, or recommend Putnam Investments, or any of its products or services.

Data represent past performance. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return and principal value will fluctuate, and you may have a gain or a loss when you sell your shares. Performance information does not reflect any deduction for taxes a shareholder may owe on fund distributions or on the redemption of fund shares. All total return figures are at net asset value and exclude contract charges and expenses, which are added to the variable annuity contracts to determine total return at unit value. Had these charges and expenses been reflected, performance would have been lower. Performance of class IB shares before their inception is derived from the historical performance of class IA shares, adjusted to reflect the higher operating expenses applicable to such shares. For more recent performance, contact your variable annuity provider who can provide you with performance that reflects the charges and expenses at your contract level.

Portfolio composition

| | |
|---|-------|
| Commercial mortgage-backed securities (MBS) | 21.7% |
| High-yield corporate bonds | 20.9% |
| Agency collateralized mortgage obligations | 19.6% |
| Agency pass-through | 15.6% |
| Non-agency residential MBS | 11.8% |
| Emerging-market bonds | 9.2% |
| International Treasuries/agency securities | 3.0% |
| Bank loans | 1.6% |
| Investment-grade corporate bonds | 1.5% |
| Convertible securities | 1.1% |
| Equity investments | 0.2% |
| Cash and net other assets | 17.5% |

Allocations are shown as a percentage of the fund's net assets. Cash and net other assets, if any, represent the market value weights of cash, derivatives, short-term securities, and other unclassified assets in the portfolio. Summary information may differ from the portfolio schedule included in the financial statements due to the inclusion of derivative securities, any interest accruals, and rounding. Allocations may not total 100% because the table includes the notional value of certain derivatives (the economic value for purposes of calculating periodic payment obligations), in addition to the market value of securities. Holdings and allocations may vary over time.

Credit quality

| | |
|---------------|-------|
| A-1+ | 5.1% |
| AAA | 34.2% |
| A | 0.5% |
| BBB | 8.5% |
| BB | 20.1% |
| B | 18.9% |
| CCC and below | 10.0% |
| Not rated | 2.7% |

Credit qualities are shown as a percentage of net assets. A bond rated BBB or higher (A-3 or higher, for short-term debt) is considered investment grade. This chart reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. To-be-announced (TBA) mortgage commitments, if any, are included based on their issuer ratings. Ratings may vary over time.

Cash, derivative instruments, and net other assets are shown in the not-rated category. Payables and receivables for TBA mortgage commitments are included in the not-rated category and may result in negative weights. The fund itself has not been rated by an independent rating agency.

Understanding your fund's expenses

As an investor in a variable annuity product that invests in a registered investment company, you pay ongoing expenses, such as management fees, distribution fees (12b-1 fees), and other expenses. Using the following information, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You may also pay one-time transaction expenses, which are not shown in this section and would result in higher total expenses. Charges and expenses at the insurance company separate account level are not reflected. For more information, see your fund's prospectus or talk to your financial representative.

Review your fund's expenses

The two left-hand columns of the Expenses per \$1,000 table show the expenses you would have paid on a \$1,000 investment in your fund from 1/1/18 to 6/30/18. They also show how much a \$1,000 investment would be worth at the close of the period, *assuming actual returns and expenses*. To estimate the ongoing expenses you paid over the period, divide your account value by \$1,000, then multiply the result by the number in the first line for the class of shares you own.

Compare your fund's expenses with those of other funds

The two right-hand columns of the Expenses per \$1,000 table show your fund's expenses based on a \$1,000 investment, *assuming a hypothetical 5% annualized return*. You can use this information to compare the ongoing expenses (but not transaction expenses or total costs) of investing in the fund with those of other funds. All shareholder reports of mutual funds and funds serving as variable annuity vehicles will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

Expense ratios

| | Class IA | Class IB |
|--|----------|----------|
| Total annual operating expenses for the fiscal year ended 12/31/17 | 0.78% | 1.03% |
| Annualized expense ratio for the six-month period ended 6/30/18 | 0.80% | 1.05% |

Fiscal-year expense information in this table is taken from the most recent prospectus, is subject to change, and may differ from that shown for the annualized expense ratio and in the financial highlights of this report.

Expenses are shown as a percentage of average net assets.

Expenses per \$1,000

| | Expenses and value for a \$1,000 investment, assuming actual returns for the 6 months ended 6/30/18 | | Expenses and value for a \$1,000 investment, assuming a hypothetical 5% annualized return for the 6 months ended 6/30/18 | |
|-------------------------------|---|------------|--|------------|
| | Class IA | Class IB | Class IA | Class IB |
| Expenses paid per \$1,000*† | \$4.02 | \$5.27 | \$4.01 | \$5.26 |
| Ending value (after expenses) | \$1,026.70 | \$1,025.80 | \$1,020.83 | \$1,019.59 |

*Expenses for each share class are calculated using the fund's annualized expense ratio for each class, which represents the ongoing expenses as a percentage of average net assets for the six months ended 6/30/18. The expense ratio may differ for each share class.

†Expenses based on actual returns are calculated by multiplying the expense ratio by the average account value for the period; then multiplying the result by the number of days in the period; and then dividing that result by the number of days in the year. Expenses based on a hypothetical 5% return are calculated by multiplying the expense ratio by the average account value for the six-month period; then multiplying the result by the number of days in the six-month period; and then dividing that result by the number of days in the year.

Your fund's managers



Portfolio Manager **D. William Kohli** is Chief Investment Officer, Fixed Income. He joined Putnam in 1994 and has been in the investment industry since 1988.

In addition to Bill, your fund is managed by Michael J. Atkin; Robert L. Davis, CFA; Brett S. Kozlowski, CFA; Michael V. Salm; and Paul D. Scanlon, CFA.

Your fund's managers also manage other accounts advised by Putnam Management or an affiliate, including retail mutual fund counterparts to the funds in Putnam Variable Trust.

ABOUT DERIVATIVES

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

For example, the fund's managers might use currency forward contracts to capitalize on an anticipated change in exchange rates between two currencies. This approach would require a significantly smaller outlay of capital than purchasing traditional bonds denominated in the underlying currencies. In another example, the managers may identify a bond that they believe is undervalued relative to its risk of default, but may seek to reduce the interest-rate risk of that bond by using interest-rate swaps, a derivative through which two parties "swap" payments based on the movement of certain rates. In other examples, the managers may use options and futures contracts to hedge against a variety of risks by establishing a combination of long and short exposures to specific equity markets or sectors.

Like any other investment, derivatives may not appreciate in value and may lose money. Derivatives may amplify traditional investment risks through the creation of leverage and may be less liquid than traditional securities. And because derivatives typically represent contractual agreements between two financial institutions, derivatives entail "counterparty risk," which is the risk that the other party is unable or unwilling to pay. Putnam monitors the counterparty risks we assume. For example, Putnam often enters into collateral agreements that require the counterparties to post collateral on a regular basis to cover their obligations to the fund. Counterparty risk for exchange-traded futures and centrally cleared swaps is mitigated by the daily exchange of margin and other safeguards against default through their respective clearinghouses.

The fund's portfolio 6/30/18 (Unaudited)

| MORTGAGE-BACKED SECURITIES (41.6%)* | Principal amount | Value |
|--|------------------|----------|
| Agency collateralized mortgage obligations (18.4%) | | |
| Federal Home Loan Mortgage Corporation | | |
| IFB Ser. 3408, Class EK, ((-4.024 x 1 Month US LIBOR) + 25.79%), 17.451%, 4/15/37 | \$29,828 | \$40,379 |
| IFB Ser. 3072, Class SM, ((-3.667 x 1 Month US LIBOR) + 23.80%), 16.195%, 11/15/35 | 86,050 | 110,545 |
| IFB Ser. 3249, Class PS, ((-3.3 x 1 Month US LIBOR) + 22.28%), 15.433%, 12/15/36 | 60,051 | 75,335 |
| IFB Ser. 3065, Class DC, ((-3 x 1 Month US LIBOR) + 19.86%), 13.64%, 3/15/35 | 223,008 | 270,530 |
| Structured Agency Credit Risk Debt FRN | | |
| Ser. 16-DNA2, Class M3, (1 Month US LIBOR + 4.65%), 6.741%, 10/25/28 | 250,000 | 288,350 |
| Ser. 4077, Class IK, IO, 5.00%, 7/15/42 | 1,450,879 | 308,464 |
| Ser. 4122, Class TI, IO, 4.50%, 10/15/42 | 1,248,099 | 285,397 |
| Ser. 4000, Class PI, IO, 4.50%, 1/15/42 | 592,035 | 120,068 |
| Ser. 4024, Class PI, IO, 4.50%, 12/15/41 | 1,323,114 | 251,152 |
| IFB Ser. 4678, Class MS, IO, ((-1 x 1 Month US LIBOR) + 6.10%), 4.027%, 4/15/47 | 1,124,233 | 219,034 |
| Ser. 4546, Class TI, IO, 4.00%, 12/15/45 | 913,106 | 194,035 |
| Ser. 4530, Class TI, IO, 4.00%, 11/15/45 | 1,435,759 | 305,870 |
| Ser. 4425, IO, 4.00%, 1/15/45 | 3,419,207 | 726,992 |
| Ser. 4452, Class QI, IO, 4.00%, 11/15/44 | 1,946,809 | 524,842 |
| Ser. 4403, Class CI, IO, 4.00%, 10/15/44 | 962,890 | 202,207 |
| Ser. 4000, Class LI, IO, 4.00%, 2/15/42 | 1,498,407 | 242,508 |
| Ser. 4604, Class QI, IO, 3.50%, 7/15/46 | 3,581,122 | 573,553 |
| Ser. 4580, Class ID, IO, 3.50%, 8/15/45 | 2,871,440 | 570,015 |
| Ser. 4105, Class HI, IO, 3.50%, 7/15/41 | 998,225 | 106,400 |
| Ser. 304, Class C37, IO, 3.50%, 12/15/27 | 1,115,272 | 96,206 |
| Ser. 4210, Class PI, IO, 3.00%, 12/15/41 | 1,401,829 | 91,616 |
| FRB Ser. 57, Class 1AX, IO, 0.365%, 7/25/43 W | 1,050,211 | 11,331 |
| Ser. 3300, PO, zero %, 2/15/37 | 19,915 | 16,741 |
| Ser. 3326, Class WF, zero %, 10/15/35 W | 848 | 621 |
| Federal National Mortgage Association | | |
| IFB Ser. 06-62, Class PS, ((-6 x 1 Month US LIBOR) + 39.90%), 27.353%, 7/25/36 | 36,654 | 57,994 |
| IFB Ser. 06-8, Class HP, ((-3.667 x 1 Month US LIBOR) + 24.57%), 16.899%, 3/25/36 | 124,131 | 177,642 |
| IFB Ser. 07-53, Class SP, ((-3.667 x 1 Month US LIBOR) + 24.20%), 16.533%, 6/25/37 | 81,655 | 106,269 |
| IFB Ser. 05-122, Class SE, ((-3.5 x 1 Month US LIBOR) + 23.10%), 15.781%, 11/25/35 | 97,425 | 118,991 |
| IFB Ser. 08-24, Class SP, ((-3.667 x 1 Month US LIBOR) + 23.28%), 15.616%, 2/25/38 | 77,908 | 96,274 |
| IFB Ser. 05-83, Class QP, ((-2.6 x 1 Month US LIBOR) + 17.39%), 11.957%, 11/25/34 | 79,406 | 89,415 |
| Ser. 16-3, Class NI, IO, 6.00%, 2/25/46 | 1,635,315 | 397,860 |
| Ser. 374, Class 6, IO, 5.50%, 8/25/36 | 135,118 | 25,934 |
| Ser. 378, Class 19, IO, 5.00%, 6/25/35 | 411,095 | 83,895 |
| IFB Ser. 13-90, Class SD, IO, ((-1 x 1 Month US LIBOR) + 6.60%), 4.509%, 9/25/43 | 2,389,846 | 437,361 |
| Ser. 12-127, Class BI, IO, 4.50%, 11/25/42 | 377,398 | 88,302 |
| Ser. 12-30, Class HI, IO, 4.50%, 12/25/40 | 2,050,804 | 281,795 |
| Ser. 366, Class 22, IO, 4.50%, 10/25/35 | 30,705 | 969 |
| IFB Ser. 10-35, Class SG, IO, ((-1 x 1 Month US LIBOR) + 6.40%), 4.309%, 4/25/40 | 790,177 | 134,330 |
| IFB Ser. 16-96, Class ST, IO, ((-1 x 1 Month US LIBOR) + 6.10%), 4.009%, 12/25/46 | 2,848,244 | 384,513 |
| Ser. 17-7, Class JI, IO, 4.00%, 2/25/47 | 1,212,558 | 263,731 |
| Ser. 15-88, Class QI, IO, 4.00%, 10/25/44 | 1,421,292 | 264,051 |
| Ser. 13-41, Class IP, IO, 4.00%, 5/25/43 | 1,269,347 | 199,922 |
| Ser. 13-44, Class PI, IO, 4.00%, 1/25/43 | 976,195 | 150,287 |

| MORTGAGE-BACKED SECURITIES (41.6%)* cont. | Principal amount | Value |
|---|------------------|-----------|
| Agency collateralized mortgage obligations cont. | | |
| Federal National Mortgage Association | | |
| IFB Ser. 10-140, Class GS, IO, ((-1 x 1 Month US LIBOR) + 6.00%), 3.909%, 7/25/39 | \$2,503,913 | \$202,016 |
| Ser. 13-107, Class SB, IO, ((-1 x 1 Month US LIBOR) + 5.95%), 3.859%, 2/25/43 | 1,606,051 | 277,044 |
| Ser. 16-102, Class JI, IO, 3.50%, 2/25/46 | 2,321,541 | 399,296 |
| Ser. 11-98, Class AI, IO, 3.50%, 11/25/37 | 2,677,813 | 127,689 |
| Ser. 13-35, Class IP, IO, 3.00%, 6/25/42 | 1,545,676 | 119,094 |
| Ser. 13-53, Class JI, IO, 3.00%, 12/25/41 | 1,813,991 | 188,994 |
| Ser. 13-23, Class PI, IO, 3.00%, 10/25/41 | 1,592,784 | 90,980 |
| Ser. 99-51, Class N, PO, zero %, 9/17/29 | 6,962 | 6,353 |
| Federal National Mortgage Association Grantor | | |
| Trust Ser. 00-T6, IO, 0.717%, 11/25/40 W | 858,503 | 18,243 |
| Government National Mortgage Association | | |
| Ser. 17-38, Class DI, IO, 5.00%, 3/16/47 | 948,274 | 217,250 |
| Ser. 16-42, IO, 5.00%, 2/20/46 | 1,652,384 | 348,025 |
| Ser. 14-122, Class IC, IO, 5.00%, 8/20/44 | 730,702 | 160,214 |
| Ser. 14-76, IO, 5.00%, 5/20/44 | 874,578 | 201,684 |
| Ser. 15-187, Class KI, IO, 5.00%, 6/20/43 | 1,420,491 | 150,481 |
| Ser. 13-22, Class OI, IO, 5.00%, 1/20/43 | 1,539,633 | 302,924 |
| Ser. 13-3, Class IT, IO, 5.00%, 1/20/43 | 937,949 | 205,014 |
| Ser. 13-6, Class IC, IO, 5.00%, 1/20/43 | 608,742 | 140,607 |
| Ser. 12-146, IO, 5.00%, 12/20/42 | 1,423,499 | 321,839 |
| Ser. 13-130, Class IB, IO, 5.00%, 12/20/40 | 253,354 | 16,078 |
| Ser. 13-16, Class IB, IO, 5.00%, 10/20/40 | 85,659 | 7,547 |
| Ser. 11-41, Class BI, IO, 5.00%, 5/20/40 | 254,943 | 17,343 |
| Ser. 10-35, Class UI, IO, 5.00%, 3/20/40 | 487,905 | 111,826 |
| Ser. 10-20, Class UI, IO, 5.00%, 2/20/40 | 715,201 | 161,221 |
| Ser. 10-9, Class UI, IO, 5.00%, 1/20/40 | 3,179,841 | 693,399 |
| Ser. 09-121, Class UI, IO, 5.00%, 12/20/39 | 1,811,187 | 412,335 |
| Ser. 15-79, Class GI, IO, 5.00%, 10/20/39 | 607,066 | 139,530 |
| Ser. 16-37, Class IW, IO, 4.50%, 2/20/46 | 1,099,546 | 235,028 |
| Ser. 16-104, Class GI, IO, 4.50%, 1/20/46 | 2,158,790 | 338,908 |
| Ser. 13-182, Class IQ, IO, 4.50%, 12/16/43 | 1,435,029 | 299,562 |
| Ser. 13-34, Class IH, IO, 4.50%, 3/20/43 | 2,152,665 | 452,233 |
| Ser. 13-183, Class JI, IO, 4.50%, 2/16/43 | 845,247 | 125,254 |
| Ser. 14-108, Class IP, IO, 4.50%, 12/20/42 | 315,685 | 52,126 |
| Ser. 17-42, Class IC, IO, 4.50%, 8/20/41 | 1,214,391 | 260,623 |
| Ser. 11-18, Class PI, IO, 4.50%, 8/20/40 | 118,067 | 16,788 |
| Ser. 10-35, Class AI, IO, 4.50%, 3/20/40 | 1,461,773 | 310,481 |
| Ser. 10-35, Class QI, IO, 4.50%, 3/20/40 | 1,472,454 | 318,021 |
| Ser. 13-151, Class IB, IO, 4.50%, 2/20/40 | 1,510,888 | 317,858 |
| Ser. 10-9, Class QI, IO, 4.50%, 1/20/40 | 741,896 | 150,335 |
| Ser. 09-121, Class BI, IO, 4.50%, 12/16/39 | 708,343 | 162,834 |
| Ser. 10-168, Class PI, IO, 4.50%, 11/20/39 | 267,596 | 26,792 |
| Ser. 10-158, Class IP, IO, 4.50%, 6/20/39 | 1,050,681 | 83,403 |
| IFB Ser. 13-129, Class SN, IO, ((-1 x 1 Month US LIBOR) + 6.15%), 4.066%, 9/20/43 | 845,140 | 123,272 |
| IFB Ser. 13-99, Class VS, IO, ((-1 x 1 Month US LIBOR) + 6.10%), 4.015%, 7/16/43 | 486,400 | 68,363 |
| Ser. 15-186, Class AI, IO, 4.00%, 12/20/45 | 4,266,944 | 828,726 |
| Ser. 16-27, Class IB, IO, 4.00%, 11/20/45 | 1,313,845 | 246,015 |
| Ser. 15-79, Class CI, IO, 4.00%, 5/20/45 | 2,607,618 | 511,871 |
| Ser. 15-40, IO, 4.00%, 3/20/45 | 2,341,880 | 485,598 |
| Ser. 15-64, Class YI, IO, 4.00%, 11/20/44 | 1,572,746 | 288,001 |
| Ser. 17-63, Class PI, IO, 4.00%, 12/20/43 | 1,630,624 | 244,514 |
| Ser. 13-165, Class IL, IO, 4.00%, 3/20/43 | 959,538 | 179,299 |
| Ser. 12-47, Class CI, IO, 4.00%, 3/20/42 | 1,532,816 | 296,537 |
| Ser. 12-8, Class PI, IO, 4.00%, 5/20/41 | 3,608,199 | 551,792 |
| IFB Ser. 14-119, Class SA, IO, ((-1 x 1 Month US LIBOR) + 5.60%), 3.516%, 8/20/44 | 2,227,950 | 295,203 |
| Ser. 16-48, Class MI, IO, 3.50%, 4/16/46 | 1,723,032 | 383,299 |

MORTGAGE-BACKED**SECURITIES (41.6%)* cont.****Principal amount****Value****Agency collateralized mortgage obligations cont.**

Government National Mortgage Association

| | | |
|---|-------------|-----------|
| Ser. 15-95, Class PI, IO, 3.50%, 7/20/45 | \$1,863,348 | \$326,086 |
| Ser. 15-64, Class PI, IO, 3.50%, 5/20/45 | 1,529,957 | 256,207 |
| Ser. 13-102, Class IP, IO, 3.50%, 6/20/43 | 1,104,215 | 141,781 |
| Ser. 13-76, IO, 3.50%, 5/20/43 | 2,657,602 | 444,324 |
| Ser. 13-28, IO, 3.50%, 2/20/43 | 880,426 | 151,700 |
| Ser. 13-54, Class JI, IO, 3.50%, 2/20/43 | 1,273,249 | 222,373 |
| Ser. 13-37, Class JI, IO, 3.50%, 1/20/43 | 1,996,168 | 336,454 |
| Ser. 13-27, Class PI, IO, 3.50%, 12/20/42 | 1,338,198 | 221,793 |
| Ser. 12-136, Class BI, IO, 3.50%, 11/20/42 | 1,531,460 | 311,738 |
| Ser. 12-140, Class IC, IO, 3.50%, 11/20/42 | 1,699,041 | 347,386 |
| Ser. 15-69, Class IK, IO, 3.50%, 3/20/38 | 2,064,992 | 221,596 |
| Ser. 14-44, Class IA, IO, 3.50%, 5/20/28 | 3,357,209 | 343,054 |
| Ser. 17-H16, Class JI, IO, 2.504%, 8/20/67 W | 3,867,314 | 560,761 |
| Ser. 16-H16, Class EI, IO, 2.483%, 6/20/66 W | 2,692,073 | 316,857 |
| Ser. 17-H02, Class BI, IO, 2.348%, 1/20/67 W | 2,733,231 | 350,400 |
| Ser. 17-H06, Class BI, IO, 2.271%, 2/20/67 W | 3,158,362 | 395,743 |
| Ser. 16-H14, Class AI, IO, 2.219%, 6/20/66 W | 2,584,915 | 291,366 |
| Ser. 15-H10, Class BI, IO, 2.106%, 4/20/65 W | 2,333,770 | 212,450 |
| Ser. 16-H17, Class KI, IO, 2.105%, 7/20/66 W | 1,848,468 | 210,263 |
| Ser. 17-H08, Class NI, IO, 2.098%, 3/20/67 W | 4,112,574 | 496,799 |
| Ser. 18-H03, Class XI, IO, 2.045%, 2/20/68 W | 3,145,773 | 449,846 |
| Ser. 16-H09, Class BI, IO, 2.041%, 4/20/66 W | 4,709,502 | 478,062 |
| Ser. 16-H03, Class DI, IO, 2.016%, 12/20/65 W | 3,290,288 | 316,690 |
| Ser. 17-H16, Class IB, IO, 1.973%, 8/20/67 W | 3,507,791 | 354,287 |
| Ser. 17-H12, Class QI, IO, 1.907%, 5/20/67 W | 3,235,690 | 400,860 |
| Ser. 17-H11, Class TI, IO, 1.90%, 4/20/67 W | 2,334,302 | 298,840 |
| Ser. 15-H25, Class EI, IO, 1.844%, 10/20/65 W | 3,060,873 | 274,560 |
| Ser. 16-H22, Class AI, IO, 1.841%, 10/20/66 W | 3,653,117 | 436,339 |
| Ser. 16-H23, Class NI, IO, 1.829%, 10/20/66 W | 10,052,874 | 1,244,546 |
| Ser. 17-H16, Class IG, IO, 1.82%, 7/20/67 W | 3,592,873 | 354,796 |
| Ser. 17-H11, Class DI, IO, 1.787%, 5/20/67 W | 2,725,430 | 316,831 |
| FRB Ser. 15-H08, Class CI, IO, 1.787%, 3/20/65 W | 1,828,392 | 164,210 |
| Ser. 16-H24, Class JI, IO, 1.722%, 11/20/66 W | 3,162,810 | 399,305 |
| Ser. 15-H23, Class BI, IO, 1.722%, 9/20/65 W | 3,851,342 | 331,601 |
| Ser. 17-H09, IO, 1.704%, 4/20/67 W | 3,749,080 | 398,280 |
| Ser. 16-H24, Class CI, IO, 1.69%, 10/20/66 W | 2,647,121 | 231,673 |
| Ser. 16-H14, IO, 1.67%, 6/20/66 W | 2,191,821 | 154,600 |
| Ser. 13-H08, Class CI, IO, 1.667%, 2/20/63 W | 4,685,297 | 262,845 |
| Ser. 15-H25, Class AI, IO, 1.606%, 9/20/65 W | 5,486,421 | 438,914 |
| Ser. 17-H10, Class MI, IO, 1.601%, 4/20/67 W | 5,289,619 | 535,838 |
| Ser. 16-H06, Class DI, IO, 1.578%, 7/20/65 | 5,119,164 | 418,978 |
| Ser. 16-H03, Class AI, IO, 1.542%, 1/20/66 W | 2,787,110 | 268,259 |
| Ser. 14-H21, Class BI, IO, 1.54%, 10/20/64 W | 3,454,313 | 244,911 |
| Ser. 15-H24, Class AI, IO, 1.503%, 9/20/65 W | 3,371,527 | 336,367 |
| Ser. 16-H10, Class AI, IO, 1.396%, 4/20/66 W | 5,394,300 | 407,561 |
| Ser. 16-H02, Class HI, IO, 1.336%, 1/20/66 W | 4,019,891 | 343,701 |
| Ser. 16-H06, Class CI, IO, 1.192%, 2/20/66 W | 5,717,587 | 402,570 |
| Ser. 15-H26, Class CI, IO, 0.717%, 8/20/65 W | 8,906,570 | 113,113 |
| Ser. 06-36, Class OD, PO, zero %, 7/16/36 | 1,867 | 1,516 |

38,220,518**Commercial mortgage-backed securities (11.4%)**

Banc of America Commercial Mortgage Trust 144A

| | | |
|---|-----------|----|
| FRB Ser. 07-5, Class XW, IO, zero %, 2/10/51 W | 5,398,832 | 54 |
|---|-----------|----|

Bear Stearns Commercial Mortgage Securities Trust

| | | |
|---|---------|---------|
| FRB Ser. 07-T26, Class AJ, 5.566%, 1/12/45 W | 707,000 | 650,440 |
| Ser. 05-PWR7, Class B, 5.214%, 2/11/41 W | 666,335 | 669,667 |

Bear Stearns Commercial Mortgage Securities

Trust 144A

| | | |
|---|---------|---------|
| FRB Ser. 07-T28, Class D, 5.799%, 9/11/42 W | 275,000 | 244,750 |
| FRB Ser. 06-PW11, Class B, 5.283%, 3/11/39 W | 391,172 | 254,252 |

MORTGAGE-BACKED**SECURITIES (41.6%)* cont.****Principal amount****Value****Commercial mortgage-backed securities cont.**

CD Mortgage Trust 144A FRB Ser. 07-CD5, Class XS,

| | | |
|-------------------------------|-------------|------|
| IO, zero %, 11/15/44 W | \$1,807,131 | \$71 |
|-------------------------------|-------------|------|

CFCRE Commercial Mortgage Trust 144A

| | | |
|--|---------|---------|
| FRB Ser. 11-C2, Class E, 5.947%, 12/15/47 W | 326,000 | 315,788 |
| FRB Ser. 11-C2, Class F, 5.25%, 12/15/47 W | 822,000 | 730,027 |

Citigroup Commercial Mortgage Trust 144A FRB

| | | |
|---|---------|---------|
| Ser. 14-GC21, Class D, 4.996%, 5/10/47 W | 826,000 | 721,727 |
|---|---------|---------|

COBALT CMBS Commercial Mortgage Trust FRB

| | | |
|--|---------|---------|
| Ser. 07-C3, Class AJ, 6.015%, 5/15/46 W | 237,099 | 240,323 |
|--|---------|---------|

COMM Mortgage Pass-Through Certificates 144A

| | | |
|--|---------|---------|
| Ser. 12-CR3, Class F, 4.75%, 10/15/45 W | 700,000 | 481,271 |
|--|---------|---------|

COMM Mortgage Trust 144A

| | | |
|---|---------|---------|
| FRB Ser. 12-CR3, Class E, 4.914%, 10/15/45 W | 350,000 | 295,141 |
| FRB Ser. 14-CR18, Class D, 4.89%, 7/15/47 W | 199,000 | 177,324 |
| FRB Ser. 13-CR9, Class D, 4.404%, 7/10/45 W | 452,000 | 375,477 |
| Ser. 13-LC13, Class E, 3.719%, 8/10/46 W | 566,000 | 384,527 |

Credit Suisse Commercial Mortgage Trust FRB

| | | |
|---|-----------|--------|
| Ser. 06-C5, Class AX, IO, 0.877%, 12/15/39 W | 2,566,015 | 24,377 |
|---|-----------|--------|

Credit Suisse Commercial Mortgage Trust 144A FRB

| | | |
|---|---------|---------|
| Ser. 07-C4, Class C, 6.236%, 9/15/39 W | 224,228 | 227,235 |
|---|---------|---------|

Crest, Ltd. 144A Ser. 03-2A, Class E2, 8.00%,
12/28/38 (Cayman Islands)

| | | |
|--|---------|---------|
| | 190,450 | 196,164 |
|--|---------|---------|

CSAIL Commercial Mortgage Trust 144A FRB

| | | |
|--|---------|---------|
| Ser. 15-C1, Class D, 3.94%, 4/15/50 W | 781,000 | 694,218 |
|--|---------|---------|

GMAC Commercial Mortgage Securities, Inc. Trust

| | | |
|---------------------------------------|--------|--------|
| Ser. 04-C3, Class B, 4.965%, 12/10/41 | 31,162 | 31,618 |
|---------------------------------------|--------|--------|

GS Mortgage Securities Corp. II 144A FRB

| | | |
|---|---------|-----|
| Ser. 05-GG4, Class XC, IO, 1.591%, 7/10/39 W | 590,852 | 739 |
|---|---------|-----|

GS Mortgage Securities Trust 144A Ser. 11-GC3,

| | | |
|----------------------------------|---------|---------|
| Class E, 5.00%, 3/10/44 W | 359,000 | 335,861 |
|----------------------------------|---------|---------|

JPMBB Commercial Mortgage Securities Trust 144A

| | | |
|--|---------|---------|
| FRB Ser. 14-C18, Class D, 4.974%, 2/15/47 W | 844,000 | 740,251 |
| FRB Ser. C14, Class D, 4.717%, 8/15/46 W | 372,000 | 336,625 |
| FRB Ser. 14-C18, Class E, 4.474%, 2/15/47 W | 381,000 | 273,635 |
| FRB Ser. 13-C12, Class E, 4.23%, 7/15/45 W | 138,000 | 102,806 |
| Ser. 14-C25, Class E, 3.332%, 11/15/47 W | 656,000 | 397,995 |

JPMorgan Chase Commercial Mortgage Securities

Trust 144A

| | | |
|--|-----------|---------|
| FRB Ser. 07-CB20, Class C, 6.441%, 2/12/51 W | 188,209 | 192,444 |
| FRB Ser. 07-CB20, Class E, 6.441%, 2/12/51 W | 403,000 | 407,030 |
| FRB Ser. 11-C3, Class F, 5.865%, 2/15/46 W | 401,000 | 388,478 |
| FRB Ser. 12-LC9, Class E, 4.518%, 12/15/47 W | 319,000 | 295,317 |
| FRB Ser. 13-LC11, Class E, 3.25%, 4/15/46 W | 715,000 | 514,237 |
| FRB Ser. 07-CB20, Class X1, IO, zero %, 2/12/51 W | 2,762,918 | 28 |

LB-UBS Commercial Mortgage Trust FRB Ser. 06-C6,

| | | |
|--|---------|--------|
| Class C, 5.482%, 9/15/39 (In default) † W | 824,000 | 73,995 |
|--|---------|--------|

LSTAR Commercial Mortgage Trust 144A FRB

| | | |
|--|---------|---------|
| Ser. 15-3, Class C, 3.246%, 4/20/48 W | 413,000 | 359,905 |
|--|---------|---------|

Mezz Cap Commercial Mortgage Trust 144A FRB

| | | |
|--|---------|--------|
| Ser. 07-C5, Class X, IO, 6.226%, 12/15/49 W | 315,950 | 13,807 |
|--|---------|--------|

Morgan Stanley Bank of America Merrill Lynch

Trust 144A

| | | |
|--|-----------|---------|
| Ser. 14-C17, Class D, 4.86%, 8/15/47 W | 1,047,000 | 893,379 |
| FRB Ser. 12-C6, Class F, 4.727%, 11/15/45 W | 512,000 | 410,283 |
| FRB Ser. 12-C6, Class G, 4.50%, 11/15/45 W | 800,000 | 576,840 |
| FRB Ser. 13-C10, Class D, 4.219%, 7/15/46 W | 645,000 | 586,169 |
| Ser. 14-C17, Class E, 3.50%, 8/15/47 | 369,000 | 238,615 |

Morgan Stanley Capital I Trust

| | | |
|--|---------|---------|
| Ser. 07-HQ11, Class C, 5.558%, 2/12/44 W | 364,609 | 91,147 |
| Ser. 07-HQ11, Class B, 5.538%, 2/12/44 W | 326,471 | 311,714 |
| Ser. 06-HQ10, Class B, 5.448%, 11/12/41 W | 385,000 | 364,231 |

| MORTGAGE-BACKED SECURITIES (41.6%)* cont. | Principal amount | Value |
|---|-------------------------|--------------|
| Commercial mortgage-backed securities cont. | | |
| Morgan Stanley Capital I Trust 144A | | |
| FRB Ser. 08-T29, Class D, 6.368%, 1/11/43 W | \$500,000 | \$501,200 |
| FRB Ser. 08-T29, Class F, 6.368%, 1/11/43 W | 302,000 | 292,940 |
| FRB Ser. 04-RR, Class F7, 6.00%, 4/28/39 W | 224,087 | 222,266 |
| STRIPS CDO 144A Ser. 03-1A, Class N, IO, 1.198%, 3/24/19 (Cayman Islands) (In default) † W | 158,000 | 1,548 |
| TIAA Real Estate CDO, Ltd. 144A Ser. 03-1A, Class E, 8.00%, 12/28/38 | 472,775 | 39,004 |
| UBS-Barclays Commercial Mortgage Trust 144A Ser. 12-C2, Class F, 5.00%, 5/10/63 W | 490,000 | 329,682 |
| Wachovia Bank Commercial Mortgage Trust | | |
| FRB Ser. 06-C26, Class AJ, 6.23%, 6/15/45 W | 415,551 | 390,618 |
| FRB Ser. 07-C34, IO, 0.17%, 5/15/46 W | 2,273,149 | 1,137 |
| Wells Fargo Commercial Mortgage Trust 144A | | |
| FRB Ser. 13-LC12, Class D, 4.423%, 7/15/46 W | 649,000 | 565,849 |
| Ser. 14-LC16, Class D, 3.938%, 8/15/50 | 1,020,000 | 835,186 |
| WF-RBS Commercial Mortgage Trust 144A | | |
| FRB Ser. 14-C19, Class E, 5.137%, 3/15/47 W | 875,000 | 641,153 |
| Ser. 11-C4, Class F, 5.00%, 6/15/44 W | 1,331,000 | 907,061 |
| FRB Ser. 12-C7, Class E, 4.979%, 6/15/45 W | 875,000 | 727,072 |
| FRB Ser. 13-C15, Class D, 4.628%, 8/15/46 W | 1,339,000 | 1,137,634 |
| FRB Ser. 12-C10, Class D, 4.592%, 12/15/45 W | 996,000 | 845,044 |
| Ser. 12-C7, Class F, 4.50%, 6/15/45 W | 2,626,000 | 1,631,090 |
| | 23,688,466 | |
| Residential mortgage-backed securities (non-agency) (11.8%) | | |
| BCAP, LLC Trust 144A | | |
| FRB Ser. 11-RR3, Class 3A6, 3.653%, 11/27/36 W | 598,263 | 499,550 |
| FRB Ser. 12-RR5, Class 4A8, (1 Month US LIBOR + 0.17%), 2.13%, 6/26/35 | 54,459 | 53,969 |
| Bear Stearns Alt-A Trust | | |
| FRB Ser. 04-3, Class B, (1 Month US LIBOR + 2.93%), 5.016%, 4/25/34 | 218,468 | 226,094 |
| FRB Ser. 05-8, Class 21A1, 3.693%, 10/25/35 W | 341,768 | 347,066 |
| Bellemeade Re, Ltd. 144A FRB Ser. 17-1, Class B1, (1 Month US LIBOR + 4.75%), 6.841%, 10/25/27 (Bermuda) | 220,000 | 229,900 |
| Citigroup Mortgage Loan Trust, Inc. FRB Ser. 07-AMC3, Class A2D, (1 Month US LIBOR + 0.35%), 2.441%, 3/25/37 | 892,311 | 741,967 |
| Countrywide Alternative Loan Trust | | |
| FRB Ser. 05-38, Class A1, (1 Month US LIBOR + 1.50%), 3.058%, 9/25/35 | 219,843 | 220,352 |
| FRB Ser. 06-OA7, Class 1A1, 2.663%, 6/25/46 W | 1,042,413 | 926,810 |
| FRB Ser. 06-OA7, Class 1A2, (1 Month US LIBOR + 0.94%), 2.498%, 6/25/46 | 463,888 | 415,232 |
| FRB Ser. 05-38, Class A3, (1 Month US LIBOR + 0.35%), 2.441%, 9/25/35 | 618,491 | 603,333 |
| FRB Ser. 05-59, Class 1A1, (1 Month US LIBOR + 0.33%), 2.414%, 11/20/35 | 460,443 | 454,525 |
| FRB Ser. 07-OH1, Class A1D, (1 Month US LIBOR + 0.21%), 2.301%, 4/25/47 | 189,829 | 173,871 |
| FRB Ser. 06-OA10, Class 2A1, (1 Month US LIBOR + 0.19%), 2.281%, 8/25/46 | 317,031 | 264,721 |
| FRB Ser. 06-OA10, Class 3A1, (1 Month US LIBOR + 0.19%), 2.281%, 8/25/46 | 412,584 | 348,634 |
| FRB Ser. 06-OA10, Class 4A1, (1 Month US LIBOR + 0.19%), 2.281%, 8/25/46 | 1,917,993 | 1,612,917 |
| Deutsche Alt-A Securities Mortgage Loan Trust FRB Ser. 06-AR4, Class A2, (1 Month US LIBOR + 0.19%), 2.281%, 12/25/36 | 476,592 | 288,880 |

| MORTGAGE-BACKED SECURITIES (41.6%)* cont. | Principal amount | Value |
|---|-------------------------|--------------|
| Residential mortgage-backed securities (non-agency) cont. | | |
| Federal Home Loan Mortgage Corporation | | |
| Structured Agency Credit Risk Debt FRN Ser. 16-DNA1, Class B, (1 Month US LIBOR + 10.00%), 12.091%, 7/25/28 | \$784,768 | \$1,050,253 |
| Structured Agency Credit Risk Debt FRN Ser. 15-DNA3, Class B, (1 Month US LIBOR + 9.35%), 11.441%, 4/25/28 | 601,362 | 784,937 |
| Structured Agency Credit Risk Debt FRN Ser. 15-DNA2, Class B, (1 Month US LIBOR + 7.55%), 9.641%, 12/25/27 | 420,449 | 508,453 |
| Structured Agency Credit Risk Debt FRN Ser. 16-HQA2, Class M3, (1 Month US LIBOR + 5.15%), 7.241%, 11/25/28 | 590,000 | 702,468 |
| Federal National Mortgage Association | | |
| Connecticut Avenue Securities FRB Ser. 16-C02, Class 1B, (1 Month US LIBOR + 12.25%), 14.341%, 9/25/28 | 878,417 | 1,305,152 |
| Connecticut Avenue Securities FRB Ser. 16-C03, Class 1B, (1 Month US LIBOR + 11.75%), 13.841%, 10/25/28 | 499,893 | 711,939 |
| Connecticut Avenue Securities FRB Ser. 16-C01, Class 1B, (1 Month US LIBOR + 11.75%), 13.841%, 8/25/28 | 392,205 | 573,885 |
| Connecticut Avenue Securities FRB Ser. 16-C05, Class 2B, (1 Month US LIBOR + 10.75%), 12.841%, 1/25/29 | 89,893 | 116,681 |
| Connecticut Avenue Securities FRB Ser. 16-C03, Class 2M2, (1 Month US LIBOR + 5.90%), 7.991%, 10/25/28 | 1,557,370 | 1,816,015 |
| Connecticut Avenue Securities FRB Ser. 15-C04, Class 1M2, (1 Month US LIBOR + 5.70%), 7.791%, 4/25/28 | 1,211,730 | 1,411,702 |
| Connecticut Avenue Securities FRB Ser. 15-C04, Class 2M2, (1 Month US LIBOR + 5.55%), 7.641%, 4/25/28 | 174,134 | 197,119 |
| Connecticut Avenue Securities FRB Ser. 17-C02, Class 2B1, (1 Month US LIBOR + 5.50%), 7.591%, 9/25/29 | 460,000 | 525,868 |
| Connecticut Avenue Securities FRB Ser. 15-C03, Class 1M2, (1 Month US LIBOR + 5.00%), 7.091%, 7/25/25 | 1,538,972 | 1,743,678 |
| Connecticut Avenue Securities FRB Ser. 15-C03, Class 2M2, (1 Month US LIBOR + 5.00%), 7.091%, 7/25/25 | 297,662 | 332,358 |
| Connecticut Avenue Securities FRB Ser. 17-C03, Class 1B1, (1 Month US LIBOR + 4.85%), 6.941%, 10/25/29 | 445,000 | 498,916 |
| Connecticut Avenue Securities FRB Ser. 16-C06, Class 1M2, (1 Month US LIBOR + 4.25%), 6.341%, 4/25/29 | 90,000 | 102,236 |
| Connecticut Avenue Securities FRB Ser. 15-C02, Class 1M2, (1 Month US LIBOR + 4.00%), 6.091%, 5/25/25 | 63,504 | 69,479 |
| Connecticut Avenue Securities FRB Ser. 15-C02, Class 2M2, (1 Month US LIBOR + 4.00%), 6.091%, 5/25/25 | 83,598 | 90,378 |
| Connecticut Avenue Securities FRB Ser. 17-C05, Class 1B1, (1 Month US LIBOR + 3.60%), 5.691%, 1/25/30 | 160,000 | 164,060 |
| GSAA Home Equity Trust FRB Ser. 06-8, Class 2A2, (1 Month US LIBOR + 0.18%), 2.271%, 5/25/36 | 687,683 | 321,258 |
| GSR Mortgage Loan Trust FRB Ser. 07-OA1, Class 2A3A, (1 Month US LIBOR + 0.31%), 2.401%, 5/25/37 | 267,836 | 200,312 |

MORTGAGE-BACKED SECURITIES (41.6%)* cont.

| | Principal amount | Value |
|--|-------------------|---------------------|
| Residential mortgage-backed securities (non-agency) cont. | | |
| JPMorgan Alternative Loan Trust FRB Ser. 07-A2, Class 12A1, IO, (1 Month US LIBOR + 0.20%), 2.291%, 6/25/37 | \$314,673 | \$186,916 |
| MortgageIT Trust FRB Ser. 05-3, Class M2, (1 Month US LIBOR + 0.80%), 2.886%, 8/25/35 | 163,473 | 144,298 |
| Oaktown Re, Ltd. 144A FRB Ser. 17-1A, Class B1, (1 Month US LIBOR + 6.00%), 7.841%, 4/25/27 (Bermuda) | 280,000 | 299,303 |
| Residential Accredit Loans, Inc. FRB Ser. 06-QO10, Class A1, (1 Month US LIBOR + 0.16%), 2.251%, 1/25/37 | 531,617 | 501,614 |
| Structured Asset Mortgage Investments II Trust FRB Ser. 07-AR1, Class 2A1, (1 Month US LIBOR + 0.18%), 2.271%, 1/25/37 | 488,389 | 466,550 |
| WaMu Mortgage Pass-Through Certificates Trust FRB Ser. 05-AR10, Class 1A3, 3.359%, 9/25/35 W | 438,901 | 439,453 |
| FRB Ser. 05-AR19, Class A1C4, (1 Month US LIBOR + 0.40%), 2.491%, 12/25/45 | 390,326 | 381,856 |
| FRB Ser. 05-AR17, Class A1B3, (1 Month US LIBOR + 0.35%), 2.441%, 12/25/45 | 807,953 | 791,335 |
| Wells Fargo Mortgage Backed Securities Trust FRB Ser. 06-AR5, Class 1A1, 4.184%, 4/25/36 W | 248,321 | 248,321 |
| FRB Ser. 06-AR2, Class 1A1, 3.821%, 3/25/36 W | 250,206 | 250,362 |
| | 24,344,976 | |
| Total mortgage-backed securities (cost \$84,264,435) | | \$86,253,960 |

U.S. GOVERNMENT AND AGENCY MORTGAGE OBLIGATIONS (31.0%)*

| | Principal amount | Value |
|--|------------------|-------------|
| U.S. Government Guaranteed Mortgage Obligations (4.5%) | | |
| Government National Mortgage Association Pass-Through Certificates | | |
| 4.50%, TBA, 7/1/48 | \$6,000,000 | \$6,235,781 |
| 4.00%, TBA, 7/1/48 | 3,000,000 | 3,074,063 |
| | 9,309,844 | |

U.S. Government Agency Mortgage Obligations (26.5%)

| | | |
|---|-------------------|------------|
| Federal National Mortgage Association Pass-Through Certificates | | |
| 6.03%, 12/1/42 ⁱ | 110,835 | 115,284 |
| 5.50%, TBA, 7/1/48 | 3,000,000 | 3,215,156 |
| 4.00%, TBA, 7/1/48 | 6,000,000 | 6,117,187 |
| 3.50%, TBA, 8/1/48 | 19,000,000 | 18,885,704 |
| 3.50%, TBA, 7/1/48 | 19,000,000 | 18,907,968 |
| 3.00%, TBA, 7/1/48 | 5,000,000 | 4,842,969 |
| 2.50%, TBA, 7/1/48 | 3,000,000 | 2,812,266 |
| | 54,896,534 | |

Total U.S. government and agency mortgage obligations (cost \$64,116,417)

\$64,206,378

CORPORATE BONDS AND NOTES (28.6%)*

| | Principal amount | Value |
|--|------------------|----------|
| Basic materials (3.3%) | | |
| A Schulman, Inc. company guaranty sr. unsec. unsub. notes 6.875%, 6/1/23 | \$59,000 | \$62,127 |
| Allegheny Technologies, Inc. sr. unsec. unsub. notes 7.875%, 8/15/23 | 92,000 | 99,015 |
| Allegheny Technologies, Inc. sr. unsec. unsub. notes 5.95%, 1/15/21 | 30,000 | 30,150 |
| Alpha 3 BV/Alpha US Bidco, Inc. 144A company guaranty sr. unsec. notes 6.25%, 2/1/25 (Netherlands) | 200,000 | 197,500 |
| American Woodmark Corp. 144A company guaranty sr. unsec. notes 4.875%, 3/15/26 | 141,000 | 133,950 |

CORPORATE BONDS AND NOTES (28.6%)* cont.

| | Principal amount | Value |
|--|------------------|----------|
| Basic materials cont. | | |
| ArcelorMittal SA sr. unsec. unsub. bonds 6.125%, 6/1/25 (France) | \$86,000 | \$92,558 |
| ArcelorMittal SA sr. unsec. unsub. notes 7.00%, 10/15/39 (France) | 130,000 | 149,266 |
| Beacon Escrow Corp. 144A sr. unsec. notes 4.875%, 11/1/25 | 117,000 | 107,570 |
| Beacon Roofing Supply, Inc. company guaranty sr. unsec. unsub. notes 6.375%, 10/1/23 | 117,000 | 120,803 |
| Big River Steel, LLC/BRS Finance Corp. 144A company guaranty sr. notes 7.25%, 9/1/25 | 160,000 | 164,416 |
| BMC East, LLC 144A company guaranty sr. notes 5.50%, 10/1/24 | 188,000 | 183,300 |
| Boise Cascade Co. 144A company guaranty sr. unsec. notes 5.625%, 9/1/24 | 238,000 | 238,595 |
| Boyd Gaming Corp. 144A sr. unsec. notes 7.875%, 7/15/26 | 45,000 | 44,825 |
| Builders FirstSource, Inc. 144A company guaranty sr. unsub. notes 5.625%, 9/1/24 | 65,000 | 63,213 |
| BWAY Holding Co. 144A sr. notes 5.50%, 4/15/24 | 135,000 | 131,625 |
| BWAY Holding Co. 144A sr. unsec. notes 7.25%, 4/15/25 | 326,000 | 317,850 |
| CF Industries, Inc. company guaranty sr. unsec. bonds 4.95%, 6/1/43 | 188,000 | 158,860 |
| Chemours Co. (The) company guaranty sr. unsec. notes 5.375%, 5/15/27 | 42,000 | 40,635 |
| Chemours Co. (The) company guaranty sr. unsec. unsub. notes 7.00%, 5/15/25 | 49,000 | 52,553 |
| Compass Minerals International, Inc. 144A company guaranty sr. unsec. notes 4.875%, 7/15/24 | 207,000 | 192,510 |
| Constellium NV 144A company guaranty sr. unsec. notes 5.875%, 2/15/26 (Netherlands) | 250,000 | 241,250 |
| Cornerstone Chemical Co. 144A company guaranty sr. notes 6.75%, 8/15/24 | 185,000 | 181,300 |
| CPG Merger Sub, LLC 144A company guaranty sr. unsec. notes 8.00%, 10/1/21 | 75,000 | 75,938 |
| Crown Americas, LLC/Crown Americas Capital Corp. VI 144A company guaranty sr. unsec. notes 4.75%, 2/1/26 | 60,000 | 57,000 |
| First Quantum Minerals, Ltd. 144A company guaranty sr. unsec. notes 7.50%, 4/1/25 (Canada) | 400,000 | 394,000 |
| Flex Acquisition Co., Inc. 144A sr. unsec. notes 6.875%, 1/15/25 | 140,000 | 134,750 |
| Freeport-McMoRan, Inc. company guaranty sr. unsec. notes 6.875%, 2/15/23 (Indonesia) | 131,000 | 138,035 |
| GCP Applied Technologies, Inc. 144A sr. unsec. notes 5.50%, 4/15/26 | 98,000 | 96,285 |
| HudBay Minerals, Inc. 144A company guaranty sr. unsec. notes 7.625%, 1/15/25 (Canada) | 100,000 | 104,750 |
| Ingevity Corp. 144A sr. unsec. notes 4.50%, 2/1/26 | 157,000 | 147,973 |
| Joseph T Ryerson & Son, Inc. 144A sr. notes 11.00%, 5/15/22 | 62,000 | 68,200 |
| Kraton Polymers, LLC/Kraton Polymers Capital Corp. 144A company guaranty sr. unsec. notes 7.00%, 4/15/25 | 106,000 | 109,710 |
| Louisiana-Pacific Corp. company guaranty sr. unsec. unsub. notes 4.875%, 9/15/24 | 100,000 | 98,250 |
| Mercer International, Inc. company guaranty sr. unsec. notes 7.75%, 12/1/22 (Canada) | 38,000 | 39,900 |
| Mercer International, Inc. sr. unsec. notes 6.50%, 2/1/24 (Canada) | 94,000 | 95,175 |

| CORPORATE BONDS AND NOTES (28.6%)* cont. | Principal amount | Value |
|--|-------------------------|--------------|
| Basic materials cont. | | |
| Mercer International, Inc. 144A sr. unsec. notes 5.50%, 1/15/26 (Canada) | \$55,000 | \$53,350 |
| New Gold, Inc. 144A company guaranty sr. unsec. unsub. notes 6.25%, 11/15/22 (Canada) | 111,000 | 112,110 |
| New Gold, Inc. 144A sr. unsec. notes 6.375%, 5/15/25 (Canada) | 35,000 | 34,650 |
| NOVA Chemicals Corp. 144A sr. unsec. bonds 5.25%, 6/1/27 (Canada) | 107,000 | 99,711 |
| Novelis Corp. 144A company guaranty sr. unsec. bonds 5.875%, 9/30/26 | 15,000 | 14,363 |
| Novelis Corp. 144A company guaranty sr. unsec. notes 6.25%, 8/15/24 | 345,000 | 344,569 |
| Pisces Midco, Inc. 144A sr. notes 8.00%, 4/15/26 | 107,000 | 102,854 |
| Platform Specialty Products Corp. 144A company guaranty sr. unsec. notes 5.875%, 12/1/25 | 49,000 | 47,898 |
| PQ Corp. 144A company guaranty sr. unsec. notes 5.75%, 12/15/25 | 18,000 | 17,730 |
| Smurfit Kappa Treasury Funding, Ltd. company guaranty sr. unsec. unsub. notes 7.50%, 11/20/25 (Ireland) | 139,000 | 165,931 |
| Steel Dynamics, Inc. company guaranty sr. unsec. notes 5.00%, 12/15/26 | 45,000 | 45,000 |
| Steel Dynamics, Inc. company guaranty sr. unsec. notes 4.125%, 9/15/25 | 35,000 | 33,556 |
| TMS International Corp. 144A sr. unsec. notes 7.25%, 8/15/25 | 135,000 | 138,038 |
| TopBuild Corp. 144A company guaranty sr. unsec. notes 5.625%, 5/1/26 | 145,000 | 139,200 |
| Trinseo Materials Operating SCA/Trinseo Materials Finance, Inc. 144A sr. unsec. notes 5.375%, 9/1/25 (Luxembourg) | 80,000 | 79,400 |
| Tronox Finance PLC 144A company guaranty sr. unsec. notes 5.75%, 10/1/25 (United Kingdom) | 45,000 | 43,706 |
| Tronox, Inc. 144A company guaranty sr. unsec. notes 6.50%, 4/15/26 | 95,000 | 94,406 |
| U.S. Concrete, Inc. company guaranty sr. unsec. unsub. notes 6.375%, 6/1/24 | 102,000 | 102,255 |
| Univar USA, Inc. 144A company guaranty sr. unsec. notes 6.75%, 7/15/23 | 100,000 | 103,125 |
| USG Corp. 144A company guaranty sr. unsec. bonds 4.875%, 6/1/27 | 137,000 | 140,083 |
| USG Corp. 144A company guaranty sr. unsec. notes 5.50%, 3/1/25 | 66,000 | 67,815 |
| Weekley Homes, LLC/Weekley Finance Corp. sr. unsec. notes 6.00%, 2/1/23 | 70,000 | 68,163 |
| WR Grace & Co. - Conn. 144A company guaranty sr. unsec. notes 5.625%, 10/1/24 | 83,000 | 86,528 |
| Zekelman Industries, Inc. 144A company guaranty sr. notes 9.875%, 6/15/23 | 165,000 | 180,675 |
| | 6,878,953 | |
| Capital goods (1.7%) | | |
| Advanced Disposal Services, Inc. 144A sr. unsec. notes 5.625%, 11/15/24 | 103,000 | 102,485 |
| Allison Transmission, Inc. 144A company guaranty sr. unsec. notes 4.75%, 10/1/27 | 30,000 | 27,975 |
| Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc. 144A company guaranty sr. unsec. notes 7.25%, 5/15/24 (Ireland) | 245,000 | 254,800 |
| ATS Automation Tooling Systems, Inc. 144A sr. unsec. notes 6.50%, 6/15/23 (Canada) | 82,000 | 84,025 |

| CORPORATE BONDS AND NOTES (28.6%)* cont. | Principal amount | Value |
|--|-------------------------|--------------|
| Capital goods cont. | | |
| Berry Global, Inc. company guaranty notes 5.50%, 5/15/22 | \$105,000 | \$105,935 |
| Berry Global, Inc. 144A notes 4.50%, 2/15/26 | 45,000 | 41,963 |
| Bombardier, Inc. 144A sr. unsec. notes 8.75%, 12/1/21 (Canada) | 130,000 | 143,163 |
| Bombardier, Inc. 144A sr. unsec. notes 7.50%, 12/1/24 (Canada) | 105,000 | 110,381 |
| Briggs & Stratton Corp. company guaranty sr. unsec. notes 6.875%, 12/15/20 | 247,000 | 262,438 |
| Cortes NP Acquisition Corp. 144A sr. unsec. notes 9.25%, 10/15/24 | 72,000 | 70,560 |
| Crown Cork & Seal Co., Inc. company guaranty sr. unsec. bonds 7.375%, 12/15/26 | 111,000 | 119,880 |
| FXI Holdings, Inc. 144A sr. notes 7.875%, 11/1/24 | 94,000 | 91,885 |
| GFL Environmental, Inc. 144A sr. unsec. notes 5.375%, 3/1/23 (Canada) | 60,000 | 55,500 |
| Great Lakes Dredge & Dock Corp. company guaranty sr. unsec. notes 8.00%, 5/15/22 | 246,000 | 251,535 |
| Hulk Finance Corp. 144A sr. unsec. notes 7.00%, 6/1/26 (Canada) | 185,000 | 176,213 |
| Novafives SAS sr. sub. notes Ser. REGS, 4.50%, 6/30/21 (France) EUR | 100,000 | 118,107 |
| Oshkosh Corp. company guaranty sr. unsec. sub. notes 5.375%, 3/1/25 | \$85,000 | 87,125 |
| Park-Ohio Industries, Inc. company guaranty sr. unsec. notes 6.625%, 4/15/27 | 133,000 | 134,663 |
| RBS Global, Inc./Rexnord, LLC 144A sr. unsec. notes 4.875%, 12/15/25 | 95,000 | 89,300 |
| Tennant Co. company guaranty sr. unsec. unsub. notes 5.625%, 5/1/25 | 90,000 | 89,325 |
| Tenneco, Inc. company guaranty sr. unsec. unsub. notes 5.375%, 12/15/24 | 110,000 | 104,775 |
| Titan Acquisition, Ltd./Titan Co-Borrower, LLC. 144A sr. unsec. notes 7.75%, 4/15/26 (Canada) | 178,000 | 165,985 |
| TransDigm, Inc. company guaranty sr. unsec. sub. notes 6.50%, 5/15/25 | 45,000 | 45,506 |
| TransDigm, Inc. company guaranty sr. unsec. sub. notes 6.375%, 6/15/26 | 76,000 | 75,430 |
| TransDigm, Inc. company guaranty sr. unsec. unsub. notes 6.50%, 7/15/24 | 100,000 | 101,750 |
| Trident Merger Sub, Inc. 144A sr. unsec. notes 6.625%, 11/1/25 | 185,000 | 181,994 |
| Vertiv Intermediate Holding Corp. 144A sr. unsec. notes 12.00%, 2/15/22 †† | 130,000 | 126,100 |
| Wabash National Corp. 144A company guaranty sr. unsec. notes 5.50%, 10/1/25 | 60,000 | 57,600 |
| Waste Pro USA, Inc. 144A sr. unsec. notes 5.50%, 2/15/26 | 85,000 | 81,706 |
| Wrangler Buyer Corp. 144A sr. unsec. notes 6.00%, 10/1/25 | 157,000 | 148,365 |
| | 3,506,469 | |
| Communication services (3.3%) | | |
| Altice Financing SA 144A company guaranty sr. notes 6.625%, 2/15/23 (Luxembourg) | 200,000 | 196,500 |
| Altice Financing SA 144A company guaranty sr. unsub. notes 7.50%, 5/15/26 (Luxembourg) | 200,000 | 193,440 |
| Altice Luxembourg SA company guaranty sr. unsec. sub. notes Ser. REGS, 6.25%, 2/15/25 (Luxembourg) EUR | 100,000 | 112,109 |
| Altice Luxembourg SA 144A company guaranty sr. unsec. notes 7.75%, 5/15/22 (Luxembourg) | \$200,000 | 193,500 |

CORPORATE BONDS**AND NOTES (28.6%)* cont.**

| | Principal amount | Value |
|--|------------------|----------|
| Communication services cont. | | |
| Cablevision Systems Corp. sr. unsec. unsub. notes 8.00%, 4/15/20 | \$66,000 | \$69,280 |
| CCO Holdings, LLC/CCO Holdings Capital Corp. 144A company guaranty sr. unsec. bonds 5.50%, 5/1/26 | 178,000 | 172,607 |
| CCO Holdings, LLC/CCO Holdings Capital Corp. 144A company guaranty sr. unsec. notes 5.875%, 4/1/24 | 220,000 | 220,550 |
| CCO Holdings, LLC/CCO Holdings Capital Corp. 144A sr. unsec. notes 5.75%, 2/15/26 | 44,000 | 43,230 |
| CCO Holdings, LLC/CCO Holdings Capital Corp. 144A sr. unsec. unsub. notes 5.125%, 5/1/27 | 81,000 | 75,786 |
| CCO Holdings, LLC/CCO Holdings Capital Corp. 144A sr. unsec. unsub. notes 5.125%, 5/1/23 | 84,000 | 82,925 |
| CenturyLink, Inc. sr. unsec. unsub. notes 6.75%, 12/1/23 | 11,000 | 11,055 |
| CenturyLink, Inc. sr. unsec. unsub. notes 5.625%, 4/1/20 | 50,000 | 50,563 |
| Cequel Communications Holdings I, LLC/Cequel Capital Corp. 144A sr. sub. notes 7.75%, 7/15/25 | 200,000 | 209,000 |
| Cequel Communications Holdings I, LLC/Cequel Capital Corp. 144A sr. unsec. unsub. notes 5.125%, 12/15/21 | 189,000 | 187,840 |
| Cequel Communications Holdings I, LLC/Cequel Capital Corp. 144A sr. unsec. unsub. notes 5.125%, 12/15/21 | 67,000 | 66,581 |
| CommScope Technologies Finance, LLC 144A sr. unsec. notes 6.00%, 6/15/25 | 265,000 | 270,631 |
| CommScope Technologies, LLC 144A company guaranty sr. unsec. unsub. notes 5.00%, 3/15/27 | 96,000 | 90,360 |
| CSC Holdings, LLC sr. unsec. unsub. bonds 5.25%, 6/1/24 | 318,000 | 300,510 |
| CSC Holdings, LLC sr. unsec. unsub. notes 6.75%, 11/15/21 | 146,000 | 152,935 |
| CSC Holdings, LLC 144A sr. unsec. unsub. notes 10.125%, 1/15/23 | 235,000 | 259,088 |
| Digicel, Ltd. 144A company guaranty sr. unsec. notes 6.75%, 3/1/23 (Jamaica) | 400,000 | 334,000 |
| DISH DBS Corp. company guaranty sr. unsec. unsub. notes 5.875%, 11/15/24 | 212,000 | 179,405 |
| Frontier Communications Corp. sr. unsec. notes 11.00%, 9/15/25 | 35,000 | 27,990 |
| Frontier Communications Corp. sr. unsec. notes 10.50%, 9/15/22 | 91,000 | 82,583 |
| Frontier Communications Corp. 144A company guaranty notes 8.50%, 4/1/26 | 156,000 | 150,540 |
| Intelsat Connect Finance SA 144A company guaranty sr. unsec. sub. notes 12.50%, 4/1/22 (Luxembourg) | 9,000 | 8,885 |
| Intelsat Jackson Holdings SA company guaranty sr. unsec. notes 7.50%, 4/1/21 (Bermuda) | 23,000 | 22,828 |
| Intelsat Jackson Holdings SA 144A company guaranty sr. notes 8.00%, 2/15/24 (Bermuda) | 8,000 | 8,400 |
| Intelsat Jackson Holdings SA 144A sr. unsec. notes 9.75%, 7/15/25 (Bermuda) | 237,000 | 250,035 |
| Quebecor Media, Inc. sr. unsec. unsub. notes 5.75%, 1/15/23 (Canada) | 36,000 | 36,765 |
| SFR Group SA 144A company guaranty sr. notes 6.00%, 5/15/22 (France) | 400,000 | 402,500 |
| SFR Group SA 144A sr. bonds 6.25%, 5/15/24 (France) | 200,000 | 194,250 |
| Sprint Capital Corp. company guaranty sr. unsec. unsub. notes 6.875%, 11/15/28 | 116,000 | 111,070 |

CORPORATE BONDS**AND NOTES (28.6%)* cont.**

| | Principal amount | Value |
|--|------------------|------------------|
| Communication services cont. | | |
| Sprint Corp. company guaranty sr. unsec. sub. notes 7.875%, 9/15/23 | \$523,000 | \$542,286 |
| Sprint Corp. company guaranty sr. unsec. sub. notes 7.25%, 9/15/21 | 175,000 | 182,000 |
| T-Mobile USA, Inc. company guaranty sr. unsec. notes 6.375%, 3/1/25 | 135,000 | 139,752 |
| T-Mobile USA, Inc. company guaranty sr. unsec. notes 5.375%, 4/15/27 | 65,000 | 63,213 |
| T-Mobile USA, Inc. company guaranty sr. unsec. unsub. bonds 4.75%, 2/1/28 | 105,000 | 97,256 |
| T-Mobile USA, Inc. company guaranty sr. unsec. unsub. notes 4.50%, 2/1/26 | 45,000 | 42,019 |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH company guaranty sr. bonds Ser. REGS, 6.25%, 1/15/29 (Germany) | EUR 231,300 | 301,893 |
| UPC Holding BV 144A sr. notes 5.50%, 1/15/28 (Netherlands) | \$200,000 | 180,000 |
| Videotron, Ltd. company guaranty sr. unsec. unsub. notes 5.00%, 7/15/22 (Canada) | 172,000 | 174,365 |
| Videotron, Ltd./Videotron Ltee. 144A sr. unsec. notes 5.125%, 4/15/27 (Canada) | 60,000 | 58,212 |
| Virgin Media Secured Finance PLC company guaranty sr. notes Ser. REGS, 5.125%, 1/15/25 (United Kingdom) | GBP 100,000 | 133,951 |
| Virgin Media Secured Finance PLC 144A company guaranty sr. bonds 5.00%, 4/15/27 (United Kingdom) | GBP 100,000 | 128,539 |
| Windstream Services, LLC company guaranty sr. unsec. notes 6.375%, 8/1/23 | \$209,000 | 123,310 |
| | | 6,934,537 |
| Consumer cyclicals (4.7%) | | |
| AMC Entertainment Holdings, Inc. company guaranty sr. unsec. notes 6.125%, 5/15/27 | 65,000 | 63,050 |
| AMC Entertainment Holdings, Inc. company guaranty sr. unsec. sub. notes 5.875%, 11/15/26 | 45,000 | 43,313 |
| AMC Entertainment Holdings, Inc. company guaranty sr. unsec. sub. notes 5.875%, 2/15/22 | 36,000 | 36,630 |
| AMC Entertainment Holdings, Inc. company guaranty sr. unsec. sub. notes 5.75%, 6/15/25 | 135,000 | 132,300 |
| American Builders & Contractors Supply Co., Inc. 144A company guaranty sr. unsec. notes 5.875%, 5/15/26 | 30,000 | 29,513 |
| American Builders & Contractors Supply Co., Inc. 144A sr. unsec. notes 5.75%, 12/15/23 | 150,000 | 153,563 |
| Boyd Gaming Corp. company guaranty sr. unsec. sub. notes 6.875%, 5/15/23 | 109,000 | 114,178 |
| Boyd Gaming Corp. 144A company guaranty sr. unsec. notes 6.00%, 8/15/26 | 50,000 | 49,500 |
| Boyne USA, Inc. 144A company guaranty notes 7.25%, 5/1/25 | 45,000 | 46,913 |
| Carriage Services, Inc. 144A sr. unsec. notes 6.625%, 6/1/26 | 95,000 | 95,950 |
| CBS Radio, Inc. 144A company guaranty sr. unsec. notes 7.25%, 11/1/24 | 172,000 | 163,830 |
| Cinemark USA, Inc. company guaranty sr. unsec. notes 5.125%, 12/15/22 | 52,000 | 52,455 |
| Cinemark USA, Inc. company guaranty sr. unsec. sub. notes 4.875%, 6/1/23 | 65,000 | 63,692 |
| Clear Channel Worldwide Holdings, Inc. company guaranty sr. unsec. sub. notes 7.625%, 3/15/20 | 76,000 | 75,525 |

| CORPORATE BONDS AND NOTES (28.6%)* cont. | Principal amount | Value |
|---|-------------------------|--------------|
| Consumer cyclicals cont. | | |
| Clear Channel Worldwide Holdings, Inc. company guaranty sr. unsec. unsub. notes 6.50%, 11/15/22 | \$105,000 | \$107,100 |
| Codere Finance 2 Luxembourg SA company guaranty sr. notes Ser. REGS, 6.75%, 11/1/21 (Luxembourg) | EUR 100,000 | 110,128 |
| Constellation Merger Sub, Inc. 144A sr. unsec. notes 8.50%, 9/15/25 | \$310,000 | 294,888 |
| CRC Escrow Issuer, LLC/CRC Finco, Inc. 144A company guaranty sr. unsec. notes 5.25%, 10/15/25 | 160,000 | 151,400 |
| Diamond Resorts International, Inc. 144A sr. notes 7.75%, 9/1/23 | 259,000 | 270,976 |
| Diamond Resorts International, Inc. 144A sr. unsec. notes 10.75%, 9/1/24 | 80,000 | 85,776 |
| Eldorado Resorts, Inc. company guaranty sr. unsec. unsub. notes 7.00%, 8/1/23 | 65,000 | 68,250 |
| Gartner, Inc. 144A company guaranty sr. unsec. notes 5.125%, 4/1/25 | 70,000 | 69,650 |
| GLP Capital LP/GLP Financing II, Inc. company guaranty sr. unsec. notes 5.25%, 6/1/25 | 90,000 | 89,775 |
| GLP Capital LP/GLP Financing II, Inc. company guaranty sr. unsec. unsub. notes 5.375%, 4/15/26 | 65,000 | 64,350 |
| Great Canadian Gaming Corp. 144A company guaranty sr. unsec. notes 6.625%, 7/25/22 (Canada) | CAD 335,000 | 260,605 |
| GW Honos Security Corp. 144A company guaranty sr. unsec. notes 8.75%, 5/15/25 (Canada) | \$140,000 | 143,500 |
| Hanesbrands, Inc. 144A company guaranty sr. unsec. unsub. notes 4.625%, 5/15/24 | 90,000 | 87,750 |
| Hilton Worldwide Finance, LLC/Hilton Worldwide Finance Corp. company guaranty sr. unsec. notes 4.875%, 4/1/27 | 135,000 | 130,275 |
| Howard Hughes Corp. (The) 144A sr. unsec. notes 5.375%, 3/15/25 | 180,000 | 176,625 |
| iHeartCommunications, Inc. company guaranty sr. notes 9.00%, 12/15/19 (In default) † | 166,000 | 125,745 |
| IHS Markit, Ltd. 144A company guaranty notes 4.75%, 2/15/25 (United Kingdom) | 80,000 | 79,200 |
| IHS Markit, Ltd. 144A company guaranty sr. unsec. notes 4.00%, 3/1/26 (United Kingdom) | 25,000 | 23,688 |
| Jack Ohio Finance, LLC/Jack Ohio Finance 1 Corp. 144A company guaranty notes 10.25%, 11/15/22 | 298,000 | 322,585 |
| Jack Ohio Finance, LLC/Jack Ohio Finance 1 Corp. 144A company guaranty sr. notes 6.75%, 11/15/21 | 174,000 | 179,220 |
| Jacobs Entertainment, Inc. 144A notes 7.875%, 2/1/24 | 45,000 | 47,025 |
| JC Penney Corp., Inc. company guaranty sr. unsec. unsub. bonds 7.40%, 4/1/37 | 84,000 | 48,720 |
| Jeld-Wen, Inc. 144A company guaranty sr. unsec. notes 4.875%, 12/15/27 | 60,000 | 55,800 |
| Jeld-Wen, Inc. 144A company guaranty sr. unsec. notes 4.625%, 12/15/25 | 38,000 | 36,195 |
| Lennar Corp. company guaranty sr. unsec. sub. notes 5.875%, 11/15/24 | 80,000 | 82,792 |
| Lions Gate Capital Holdings, LLC 144A company guaranty sr. unsec. notes 5.875%, 11/1/24 | 129,000 | 130,573 |
| Live Nation Entertainment, Inc. 144A company guaranty sr. unsec. notes 4.875%, 11/1/24 | 60,000 | 58,050 |
| Live Nation Entertainment, Inc. 144A company guaranty sr. unsec. sub. notes 5.625%, 3/15/26 | 65,000 | 64,513 |

| CORPORATE BONDS AND NOTES (28.6%)* cont. | Principal amount | Value |
|---|-------------------------|--------------|
| Consumer cyclicals cont. | | |
| Masaria Investments SAU sr. notes Ser. REGS, 5.00%, 9/15/24 (Spain) | EUR 100,000 | \$109,696 |
| Mattamy Group Corp. 144A sr. unsec. notes 6.875%, 12/15/23 (Canada) | \$30,000 | 30,408 |
| Mattamy Group Corp. 144A sr. unsec. notes 6.50%, 10/1/25 (Canada) | 80,000 | 78,300 |
| Meredith Corp. 144A sr. unsec. notes 6.875%, 2/1/26 | 120,000 | 118,350 |
| MGM Resorts International company guaranty sr. unsec. unsub. notes 6.625%, 12/15/21 | 175,000 | 184,188 |
| Navistar International Corp. 144A sr. unsec. notes 6.625%, 11/1/25 | 193,000 | 198,308 |
| Neiman Marcus Group, LLC (The) company guaranty sr. notes 7.125%, 6/1/28 | 58,000 | 47,270 |
| Neiman Marcus Group, Ltd. 144A company guaranty sr. unsec. sub. notes 8.75%, 10/15/21 | 85,585 | 56,914 |
| Neiman Marcus Group, Ltd. 144A company guaranty sr. unsec. sub. notes 8.00%, 10/15/21 | 100,000 | 66,125 |
| Nexstar Broadcasting, Inc. 144A company guaranty sr. unsec. notes 5.625%, 8/1/24 | 296,000 | 286,380 |
| Nielsen Co. Luxembourg SARL (The) 144A company guaranty sr. unsec. notes 5.00%, 2/1/25 (Luxembourg) | 70,000 | 66,675 |
| Nielsen Finance, LLC/Nielsen Finance Co. 144A company guaranty sr. unsec. sub. notes 5.00%, 4/15/22 | 90,000 | 88,434 |
| Outfront Media Capital, LLC/Outfront Media Capital Corp. company guaranty sr. unsec. sub. notes 5.875%, 3/15/25 | 125,000 | 126,019 |
| Outfront Media Capital, LLC/Outfront Media Capital Corp. company guaranty sr. unsec. sub. notes 5.625%, 2/15/24 | 66,000 | 66,413 |
| Penn National Gaming, Inc. 144A sr. unsec. notes 5.625%, 1/15/27 | 85,000 | 80,113 |
| Penske Automotive Group, Inc. company guaranty sr. unsec. sub. notes 5.75%, 10/1/22 | 200,000 | 202,500 |
| Penske Automotive Group, Inc. company guaranty sr. unsec. sub. notes 5.50%, 5/15/26 | 48,000 | 47,040 |
| Penske Automotive Group, Inc. company guaranty sr. unsec. sub. notes 5.375%, 12/1/24 | 109,000 | 107,093 |
| PetSmart, Inc. 144A sr. unsec. notes 7.125%, 3/15/23 | 45,000 | 30,209 |
| PulteGroup, Inc. company guaranty sr. unsec. unsub. notes 7.875%, 6/15/32 | 10,000 | 11,450 |
| PulteGroup, Inc. company guaranty sr. unsec. unsub. notes 5.50%, 3/1/26 | 155,000 | 153,450 |
| Rivers Pittsburgh Borrower LP/Rivers Pittsburgh Finance Corp. 144A sr. notes 6.125%, 8/15/21 | 165,000 | 163,350 |
| Sabre Global, Inc. 144A company guaranty sr. notes 5.375%, 4/15/23 | 153,000 | 154,530 |
| Scientific Games International, Inc. company guaranty sr. unsec. notes 10.00%, 12/1/22 | 376,000 | 401,181 |
| Sinclair Television Group, Inc. 144A company guaranty sr. unsec. sub. notes 5.625%, 8/1/24 | 262,000 | 260,035 |
| Sinclair Television Group, Inc. 144A company guaranty sr. unsec. unsub. notes 5.125%, 2/15/27 | 80,000 | 73,600 |
| Sirius XM Radio, Inc. 144A company guaranty sr. unsec. sub. notes 6.00%, 7/15/24 | 105,000 | 106,969 |
| Sirius XM Radio, Inc. 144A sr. unsec. bonds 5.00%, 8/1/27 | 157,000 | 146,403 |

CORPORATE BONDS**AND NOTES (28.6%)* cont.**

| | Principal amount | Value |
|--|------------------|------------------|
| Consumer cyclicals cont. | | |
| Six Flags Entertainment Corp. 144A company guaranty sr. unsec. bonds 5.50%, 4/15/27 | \$155,000 | \$150,499 |
| Six Flags Entertainment Corp. 144A company guaranty sr. unsec. unsub. notes 4.875%, 7/31/24 | 195,000 | 189,881 |
| Spectrum Brands, Inc. company guaranty sr. unsec. notes 5.75%, 7/15/25 | 95,000 | 93,813 |
| Spectrum Brands, Inc. company guaranty sr. unsec. sub. notes 6.625%, 11/15/22 | 15,000 | 15,469 |
| Standard Industries, Inc. 144A sr. unsec. notes 6.00%, 10/15/25 | 30,000 | 30,075 |
| Standard Industries, Inc. 144A sr. unsec. notes 5.375%, 11/15/24 | 151,000 | 149,113 |
| Standard Industries, Inc. 144A sr. unsec. notes 4.75%, 1/15/28 | 10,000 | 9,175 |
| SugarHouse HSP Gaming Prop. Mezz LP/SugarHouse HSP Gaming Finance Corp. 144A company guaranty sr. unsub. notes 5.875%, 5/15/25 | 100,000 | 94,000 |
| Takko Luxembourg 2 SCA company guaranty sr. notes Ser. REGS, 5.375%, 11/15/23 (Luxembourg) EUR | 100,000 | 105,267 |
| TRI Pointe Group, Inc./TRI Pointe Homes, Inc. company guaranty sr. unsec. unsub. notes 5.875%, 6/15/24 | \$111,000 | 110,168 |
| Tribune Media Co. company guaranty sr. unsec. notes 5.875%, 7/15/22 | 107,000 | 107,990 |
| Werner FinCo LP/Werner FinCo, Inc. 144A company guaranty sr. unsec. notes 8.75%, 7/15/25 | 156,000 | 151,515 |
| WMG Acquisition Corp. 144A company guaranty sr. unsec. notes 5.50%, 4/15/26 | 30,000 | 29,738 |
| Wolverine World Wide, Inc. 144A company guaranty sr. unsec. bonds 5.00%, 9/1/26 | 87,000 | 82,650 |
| Wyndham Destinations, Inc. sr. unsec. unsub. bonds 4.50%, 4/1/27 | 166,000 | 161,435 |
| Wyndham Hotels & Resorts, Inc. 144A company guaranty sr. unsec. notes 5.375%, 4/15/26 | 90,000 | 89,438 |
| Wynn Las Vegas, LLC/Wynn Las Vegas Capital Corp. 144A company guaranty sr. unsec. sub. notes 5.25%, 5/15/27 | 220,000 | 205,700 |
| | | 9,722,895 |
| Consumer staples (1.5%) | | |
| 1011778 BC ULC/New Red Finance, Inc. 144A company guaranty notes 5.00%, 10/15/25 (Canada) | 135,000 | 127,575 |
| 1011778 BC ULC/New Red Finance, Inc. 144A company guaranty sr. sub. notes 4.25%, 5/15/24 (Canada) | 100,000 | 94,750 |
| Ascend Learning, LLC 144A sr. unsec. notes 6.875%, 8/1/25 | 129,000 | 130,129 |
| BlueLine Rental Finance Corp./BlueLine Rental, LLC 144A company guaranty sub. notes 9.25%, 3/15/24 | 248,000 | 263,847 |
| Brand Energy & Infrastructure Services, Inc. 144A sr. unsec. notes 8.50%, 7/15/25 | 301,000 | 304,763 |
| CEC Entertainment, Inc. company guaranty sr. unsec. sub. notes 8.00%, 2/15/22 | 104,000 | 91,520 |
| Dean Foods Co. 144A company guaranty sr. unsec. notes 6.50%, 3/15/23 | 135,000 | 129,600 |
| Diamond (BC) BV 144A sr. unsec. notes 5.625%, 8/15/25 EUR | 305,000 | 318,773 |
| Europcar Groupe SA sr. notes Ser. REGS, 4.125%, 11/15/24 (France) EUR | 100,000 | 115,660 |
| Fresh Market, Inc. (The) 144A company guaranty sr. notes 9.75%, 5/1/23 | \$98,000 | 62,475 |
| Golden Nugget, Inc. 144A company guaranty sr. unsec. sub. notes 8.75%, 10/1/25 | 221,000 | 227,013 |

CORPORATE BONDS**AND NOTES (28.6%)* cont.**

| | Principal amount | Value |
|--|------------------|------------------|
| Consumer staples cont. | | |
| Golden Nugget, Inc. 144A sr. unsec. notes 6.75%, 10/15/24 | \$150,000 | \$150,027 |
| Itron, Inc. 144A company guaranty sr. unsec. notes 5.00%, 1/15/26 | 70,000 | 66,479 |
| KFC Holding Co./Pizza Hut Holdings, LLC/Taco Bell of America, LLC 144A company guaranty sr. unsec. notes 5.25%, 6/1/26 | 115,000 | 113,275 |
| KFC Holding Co./Pizza Hut Holdings, LLC/Taco Bell of America, LLC 144A company guaranty sr. unsec. notes 5.00%, 6/1/24 | 115,000 | 113,528 |
| KFC Holding Co./Pizza Hut Holdings, LLC/Taco Bell of America, LLC 144A company guaranty sr. unsec. notes 4.75%, 6/1/27 | 65,000 | 61,425 |
| Lamb Weston Holdings, Inc. 144A company guaranty sr. unsec. unsub. notes 4.875%, 11/1/26 | 130,000 | 126,425 |
| Lamb Weston Holdings, Inc. 144A company guaranty sr. unsec. unsub. notes 4.625%, 11/1/24 | 32,000 | 31,120 |
| Match Group, Inc. 144A sr. unsec. bonds 5.00%, 12/15/27 | 110,000 | 102,300 |
| Netflix, Inc. 144A sr. unsec. bonds 4.875%, 4/15/28 | 90,000 | 85,785 |
| Netflix, Inc. 144A sr. unsec. unsub. bonds 5.875%, 11/15/28 | 65,000 | 65,631 |
| Revlon Consumer Products Corp. company guaranty sr. unsec. notes 6.25%, 8/1/24 | 259,000 | 145,040 |
| Rite Aid Corp. 144A company guaranty sr. unsec. unsub. notes 6.125%, 4/1/23 | 155,000 | 157,170 |
| | | 3,084,310 |
| Energy (6.5%) | | |
| Alta Mesa Holdings LP/Alta Mesa Finance Services Corp. company guaranty sr. unsec. notes 7.875%, 12/15/24 | 360,000 | 381,150 |
| Antero Resources Corp. company guaranty sr. unsec. notes 5.625%, 6/1/23 | 40,000 | 40,500 |
| Antero Resources Corp. company guaranty sr. unsec. sub. notes 5.375%, 11/1/21 | 150,000 | 151,875 |
| Apergy Corp. 144A sr. unsec. notes 6.375%, 5/1/26 | 103,000 | 104,674 |
| Ascent Resources Utica Holdings, LLC/ARU Finance Corp. 144A sr. unsec. notes 10.00%, 4/1/22 | 67,000 | 73,700 |
| California Resources Corp. 144A company guaranty notes 8.00%, 12/15/22 | 60,000 | 54,450 |
| Cheniere Corpus Christi Holdings, LLC company guaranty sr. notes 5.875%, 3/31/25 | 219,000 | 227,760 |
| Cheniere Corpus Christi Holdings, LLC company guaranty sr. notes 5.125%, 6/30/27 | 130,000 | 128,863 |
| Chesapeake Energy Corp. company guaranty sr. unsec. notes 8.00%, 6/15/27 | 43,000 | 43,753 |
| Chesapeake Energy Corp. company guaranty sr. unsec. notes 8.00%, 1/15/25 | 168,000 | 171,100 |
| Chesapeake Energy Corp. company guaranty sr. unsec. notes 5.75%, 3/15/23 | 20,000 | 18,900 |
| Chesapeake Energy Corp. 144A company guaranty notes 8.00%, 12/15/22 | 70,000 | 73,479 |
| Continental Resources, Inc. company guaranty sr. unsec. bonds 4.90%, 6/1/44 | 214,000 | 209,588 |
| Continental Resources, Inc. company guaranty sr. unsec. notes 3.80%, 6/1/24 | 376,000 | 366,803 |
| Continental Resources, Inc. company guaranty sr. unsec. unsub. notes 4.50%, 4/15/23 | 67,000 | 67,990 |
| Covey Park Energy, LLC/Covey Park Finance Corp. 144A company guaranty sr. unsec. notes 7.50%, 5/15/25 | 163,000 | 166,260 |

| CORPORATE BONDS AND NOTES (28.6%)* cont. | Principal amount | Value |
|--|-------------------------|--------------|
| Energy cont. | | |
| CrownRock LP/CrownRock Finance, Inc. 144A sr. unsec. notes 5.625%, 10/15/25 | \$110,000 | \$106,150 |
| Denbury Resources, Inc. company guaranty sr. unsec. sub. notes 6.375%, 8/15/21 | 25,000 | 23,938 |
| Denbury Resources, Inc. 144A company guaranty notes 9.00%, 5/15/21 | 115,000 | 121,578 |
| Diamondback Energy, Inc. company guaranty sr. unsec. unsub. notes 5.375%, 5/31/25 | 220,000 | 220,000 |
| Diamondback Energy, Inc. company guaranty sr. unsec. unsub. notes 4.75%, 11/1/24 | 50,000 | 48,750 |
| Endeavor Energy Resources LP/EER Finance, Inc. 144A sr. unsec. bonds 5.75%, 1/30/28 | 120,000 | 117,000 |
| Endeavor Energy Resources LP/EER Finance, Inc. 144A sr. unsec. notes 5.50%, 1/30/26 | 50,000 | 48,500 |
| Energy Transfer Partners LP jr. unsec. sub. FRB Ser. B, 6.625%, perpetual maturity | 265,000 | 241,813 |
| EnSCO PLC sr. unsec. notes 7.75%, 2/1/26 (United Kingdom) | 86,000 | 81,244 |
| EP Energy, LLC/Everest Acquisition Finance, Inc. company guaranty sr. unsec. sub. notes 9.375%, 5/1/20 | 75,000 | 73,875 |
| EP Energy, LLC/Everest Acquisition Finance, Inc. 144A company guaranty notes 9.375%, 5/1/24 | 194,000 | 159,080 |
| EP Energy, LLC/Everest Acquisition Finance, Inc. 144A company guaranty notes 8.00%, 2/15/25 | 70,000 | 54,250 |
| EP Energy, LLC/Everest Acquisition Finance, Inc. 144A company guaranty sr. notes 8.00%, 11/29/24 | 37,000 | 37,370 |
| EP Energy, LLC/Everest Acquisition Finance, Inc. 144A company guaranty sr. notes 7.75%, 5/15/26 | 95,000 | 97,138 |
| Extraction Oil & Gas, Inc. 144A sr. unsec. notes 5.625%, 2/1/26 | 112,000 | 107,247 |
| Hess Infrastructure Partners LP/Hess Infrastructure Partners Finance Corp. 144A sr. unsec. notes 5.625%, 2/15/26 | 129,000 | 128,678 |
| Holly Energy Partners LP/Holly Energy Finance Corp. 144A company guaranty sr. unsec. notes 6.00%, 8/1/24 | 166,000 | 167,660 |
| Indigo Natural Resources, LLC 144A sr. unsec. notes 6.875%, 2/15/26 | 150,000 | 144,750 |
| Jagged Peak Energy, LLC 144A company guaranty sr. unsec. notes 5.875%, 5/1/26 | 91,000 | 89,180 |
| Jonah Energy, LLC/Jonah Energy Finance Corp. 144A company guaranty sr. unsec. notes 7.25%, 10/15/25 | 49,000 | 39,568 |
| MEG Energy Corp. 144A company guaranty sr. unsec. notes 7.00%, 3/31/24 (Canada) | 7,000 | 6,528 |
| MEG Energy Corp. 144A company guaranty sr. unsec. notes 6.375%, 1/30/23 (Canada) | 110,000 | 102,300 |
| MEG Energy Corp. 144A notes 6.50%, 1/15/25 (Canada) | 90,000 | 89,775 |
| Nabors Industries, Inc. 144A company guaranty sr. unsec. notes 5.75%, 2/1/25 | 145,000 | 137,025 |
| Newfield Exploration Co. sr. unsec. unsub. notes 5.375%, 1/1/26 | 80,000 | 81,800 |
| Noble Holding International, Ltd. company guaranty sr. unsec. unsub. notes 7.75%, 1/15/24 | 55,000 | 52,113 |
| Noble Holding International, Ltd. 144A company guaranty sr. unsec. notes 7.875%, 2/1/26 | 45,000 | 46,350 |
| Oasis Petroleum, Inc. company guaranty sr. unsec. sub. notes 6.875%, 1/15/23 | 61,000 | 62,068 |
| Oasis Petroleum, Inc. company guaranty sr. unsec. unsub. notes 6.875%, 3/15/22 | 66,000 | 67,136 |

| CORPORATE BONDS AND NOTES (28.6%)* cont. | Principal amount | Value |
|---|-------------------------|--------------|
| Energy cont. | | |
| Oasis Petroleum, Inc. 144A sr. unsec. notes 6.25%, 5/1/26 | \$95,000 | \$96,069 |
| Pertamina Persero PT 144A sr. unsec. unsub. notes 4.875%, 5/3/22 (Indonesia) | 200,000 | 203,082 |
| Pertamina Persero PT 144A sr. unsec. unsub. notes 4.30%, 5/20/23 (Indonesia) | 285,000 | 281,607 |
| Petrobras Global Finance BV company guaranty sr. unsec. notes Ser. REGS, 5.999%, 1/27/28 (Brazil) | 172,000 | 155,660 |
| Petrobras Global Finance BV company guaranty sr. unsec. notes Ser. REGS, 5.299%, 1/27/25 (Brazil) | 57,000 | 52,668 |
| Petrobras Global Finance BV company guaranty sr. unsec. unsub. bonds 7.375%, 1/17/27 (Brazil) | 1,434,000 | 1,432,208 |
| Petrobras Global Finance BV company guaranty sr. unsec. unsub. notes 8.75%, 5/23/26 (Brazil) | 378,000 | 409,185 |
| Petrobras Global Finance BV company guaranty sr. unsec. unsub. notes 6.25%, 3/17/24 (Brazil) | 740,000 | 734,450 |
| Petrobras Global Finance BV company guaranty sr. unsec. unsub. notes 6.125%, 1/17/22 (Brazil) | 636,000 | 647,925 |
| Petroleos de Venezuela SA company guaranty sr. unsec. bonds Ser. REGS, 6.00%, 11/15/26 (Venezuela) (In default) † | 688,000 | 144,480 |
| Petroleos de Venezuela SA company guaranty sr. unsec. unsub. notes 5.375%, 4/12/27 (Venezuela) | 1,103,000 | 247,624 |
| Petroleos de Venezuela SA 144A company guaranty sr. unsec. notes 6.00%, 11/15/26 (Venezuela) (In default) † | 760,000 | 159,600 |
| Petroleos Mexicanos company guaranty sr. unsec. unsub. notes 5.375%, 3/13/22 (Mexico) | 377,000 | 386,804 |
| Petroleos Mexicanos company guaranty sr. unsec. unsub. notes 4.50%, 1/23/26 (Mexico) | 1,784,000 | 1,673,681 |
| QEP Resources, Inc. sr. unsec. notes 5.625%, 3/1/26 | 95,000 | 90,963 |
| Range Resources Corp. company guaranty sr. unsec. sub. notes 5.75%, 6/1/21 | 108,000 | 110,700 |
| Regency Energy Partners LP/Regency Energy Finance Corp. company guaranty sr. unsec. unsub. notes 4.50%, 11/1/23 | 69,000 | 69,407 |
| Rose Rock Midstream LP/Rose Rock Finance Corp. company guaranty sr. unsec. sub. notes 5.625%, 11/15/23 | 16,000 | 15,080 |
| SemGroup Corp. company guaranty sr. unsec. notes 6.375%, 3/15/25 | 36,000 | 34,200 |
| SESI, LLC company guaranty sr. unsec. notes 7.75%, 9/15/24 | 100,000 | 102,625 |
| SESI, LLC company guaranty sr. unsec. unsub. notes 7.125%, 12/15/21 | 43,000 | 43,753 |
| Seven Generations Energy, Ltd. 144A company guaranty sr. unsec. notes 5.375%, 9/30/25 (Canada) | 80,000 | 76,700 |
| Seventy Seven Energy, Inc. escrow sr. unsec. notes 6.50%, 7/15/22 F | 20,000 | 2 |
| SM Energy Co. sr. unsec. unsub. notes 6.50%, 1/1/23 | 31,000 | 31,310 |
| SM Energy Co. sr. unsec. unsub. notes 6.125%, 11/15/22 | 98,000 | 100,450 |
| Tallgrass Energy Partners LP/Tallgrass Energy Finance Corp. 144A company guaranty sr. unsec. bonds 5.50%, 1/15/28 | 85,000 | 83,513 |

CORPORATE BONDS**AND NOTES (28.6%)* cont.**

| | Principal amount | Value |
|---|-------------------|----------|
| Energy cont. | | |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp. company guaranty sr. unsec. notes 5.375%, 2/1/27 | \$80,000 | \$77,600 |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp. 144A company guaranty sr. unsec. unsub. bonds 5.00%, 1/15/28 | 163,000 | 151,590 |
| Trinidad Drilling, Ltd. 144A company guaranty sr. unsec. notes 6.625%, 2/15/25 (Canada) | 122,000 | 117,425 |
| USA Compression Partners LP/USA Compression Finance Corp. 144A sr. unsec. notes 6.875%, 4/1/26 | 85,000 | 87,975 |
| Vermilion Energy, Inc. 144A company guaranty sr. unsec. notes 5.625%, 3/15/25 (Canada) | 97,000 | 96,273 |
| Weatherford International, LLC 144A company guaranty sr. unsec. notes 9.875%, 3/1/25 | 50,000 | 50,250 |
| Weatherford International, Ltd. company guaranty sr. unsec. sub. notes 9.875%, 2/15/24 | 183,000 | 184,771 |
| Weatherford International, Ltd. company guaranty sr. unsec. unsub. notes 8.25%, 6/15/23 | 25,000 | 24,802 |
| Whiting Petroleum Corp. 144A sr. unsec. notes 6.625%, 1/15/26 | 70,000 | 72,100 |
| Williams Cos., Inc. (The) sr. unsec. unsub. notes 8.75%, 3/15/32 | 85,000 | 109,595 |
| WPX Energy, Inc. sr. unsec. notes 8.25%, 8/1/23 | 22,000 | 24,915 |
| WPX Energy, Inc. sr. unsec. notes 5.75%, 6/1/26 | 50,000 | 49,860 |
| WPX Energy, Inc. sr. unsec. unsub. notes 6.00%, 1/15/22 | 22,000 | 22,880 |
| | 13,487,491 | |
| Financials (2.9%) | | |
| Alliance Data Systems Corp. 144A company guaranty sr. unsec. notes 5.375%, 8/1/22 | 150,000 | 150,731 |
| Ally Financial, Inc. company guaranty sr. unsec. notes 8.00%, 11/1/31 | 338,000 | 402,220 |
| Ally Financial, Inc. sub. unsec. notes 5.75%, 11/20/25 | 85,000 | 86,594 |
| American International Group, Inc. jr. unsec. sub. FRB 8.175%, 5/15/58 | 72,000 | 90,720 |
| Bank of America Corp. jr. unsec. sub. FRN Ser. AA, 6.10%, perpetual maturity | 50,000 | 51,750 |
| Bank of America Corp. jr. unsec. sub. FRN Ser. Z, 6.50%, perpetual maturity | 80,000 | 85,000 |
| CBRE Services, Inc. company guaranty sr. unsec. notes 5.25%, 3/15/25 | 75,000 | 78,937 |
| CIT Group, Inc. sr. unsec. sub. notes 5.00%, 8/1/23 | 125,000 | 126,250 |
| CIT Group, Inc. sr. unsec. unsub. notes 5.25%, 3/7/25 | 65,000 | 65,488 |
| CIT Group, Inc. sr. unsec. unsub. notes 5.00%, 8/15/22 | 84,000 | 84,945 |
| CNG Holdings, Inc. 144A sr. notes 9.375%, 5/15/20 | 83,000 | 82,378 |
| CNO Financial Group, Inc. sr. unsec. unsub. notes 5.25%, 5/30/25 | 174,000 | 172,695 |
| Credit Acceptance Corp. company guaranty sr. unsec. notes 6.125%, 2/15/21 | 119,000 | 119,446 |
| Dresdner Funding Trust I jr. unsec. sub. notes 8.151%, 6/30/31 | 250,000 | 311,236 |
| ESH Hospitality, Inc. 144A company guaranty sr. unsec. notes 5.25%, 5/1/25 ^R | 80,000 | 77,200 |
| Fairfax Financial Holdings, Ltd. 144A sr. unsec. notes 4.85%, 4/17/28 (Canada) | 60,000 | 59,337 |
| Freedom Mortgage Corp. 144A sr. unsec. notes 8.25%, 4/15/25 | 91,000 | 89,180 |
| Freedom Mortgage Corp. 144A sr. unsec. notes 8.125%, 11/15/24 | 122,000 | 118,340 |

CORPORATE BONDS**AND NOTES (28.6%)* cont.**

| | Principal amount | Value |
|--|------------------|----------|
| Financials cont. | | |
| goeasy, Ltd. 144A company guaranty sr. unsec. notes 7.875%, 11/1/22 (Canada) | \$75,000 | \$79,313 |
| HUB International, Ltd. 144A sr. unsec. notes 7.00%, 5/1/26 | 117,000 | 115,538 |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp. company guaranty sr. unsec. notes 6.75%, 2/1/24 | 75,000 | 75,563 |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp. company guaranty sr. unsec. notes 6.25%, 2/1/22 | 75,000 | 76,500 |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp. company guaranty sr. unsec. notes 6.00%, 8/1/20 | 68,000 | 68,850 |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp. company guaranty sr. unsec. notes 5.875%, 2/1/22 | 195,000 | 195,244 |
| Intesa Sanpaolo SpA 144A company guaranty jr. unsec. sub. FRB 7.70%, perpetual maturity (Italy) | 200,000 | 186,800 |
| iStar, Inc. sr. unsec. notes 6.00%, 4/1/22 ^R | 45,000 | 45,000 |
| iStar, Inc. sr. unsec. unsub. notes 5.25%, 9/15/22 ^R | 45,000 | 43,566 |
| Lloyds Banking Group PLC 144A jr. unsec. sub. FRN 6.657%, perpetual maturity (United Kingdom) | 86,000 | 91,829 |
| LPL Holdings, Inc. 144A company guaranty sr. unsec. notes 5.75%, 9/15/25 | 160,000 | 155,600 |
| MGM Growth Properties Operating Partnership LP/MGP Finance Co-Issuer, Inc. company guaranty sr. unsec. notes 4.50%, 1/15/28 ^R | 40,000 | 36,300 |
| Miller Homes Group Holdings PLC company guaranty sr. notes Ser. REGS, 5.50%, 10/15/24 (United Kingdom) GBP | 100,000 | 131,398 |
| Nationstar Mortgage, LLC/Nationstar Capital Corp. company guaranty sr. unsec. unsub. notes 6.50%, 7/1/21 | \$100,000 | 99,750 |
| Provident Funding Associates LP/PFG Finance Corp. 144A sr. unsec. notes 6.375%, 6/15/25 | 135,000 | 131,429 |
| Royal Bank of Scotland Group PLC jr. unsec. sub. FRB 8.00%, perpetual maturity (United Kingdom) | 200,000 | 210,000 |
| Royal Bank of Scotland Group PLC jr. unsec. sub. FRB 7.648%, perpetual maturity (United Kingdom) | 95,000 | 118,869 |
| Royal Bank of Scotland Group PLC jr. unsec. sub. FRB 7.50%, perpetual maturity (United Kingdom) | 200,000 | 203,900 |
| Springleaf Finance Corp. company guaranty sr. unsec. unsub. notes 6.875%, 3/15/25 | 95,000 | 94,288 |
| Starwood Property Trust, Inc. 144A sr. unsec. notes 4.75%, 3/15/25 ^R | 120,000 | 115,800 |
| TMX Finance, LLC/TitleMax Finance Corp. 144A sr. notes 11.125%, 4/1/23 | 180,000 | 182,700 |
| Travelport Corporate Finance PLC 144A company guaranty sr. notes 6.00%, 3/15/26 (United Kingdom) | 65,000 | 65,488 |
| UBS Group AG jr. unsec. sub. FRN 6.875%, perpetual maturity (Switzerland) | 200,000 | 198,193 |
| USIS Merger Sub, Inc. 144A sr. unsec. notes 6.875%, 5/1/25 | 114,000 | 113,430 |
| VTB Bank OJSC Via VTB Capital SA 144A unsec. sub. bonds 6.95%, 10/17/22 (Russia) | 700,000 | 715,750 |
| Wand Merger Corp. 144A sr. unsec. notes 9.125%, 7/15/26 | 30,000 | 30,375 |

| CORPORATE BONDS AND NOTES (28.6%)* cont. | Principal amount | Value |
|--|-------------------------|------------------|
| Financials cont. | | |
| Wand Merger Corp. 144A sr. unsec. notes 8.125%, 7/15/23 | \$40,000 | \$40,550 |
| WeWork Cos, Inc. 144A company guaranty sr. unsec. notes 7.875%, 5/1/25 | 185,000 | 177,138 |
| | | 6,051,608 |
| Health care (2.4%) | | |
| Air Medical Merger Sub Corp. 144A sr. unsec. notes 6.375%, 5/15/23 | 190,000 | 175,750 |
| ASP AMC Merger Sub, Inc. 144A sr. unsec. notes 8.00%, 5/15/25 | 151,000 | 125,330 |
| BioScrip, Inc. company guaranty sr. unsec. notes 8.875%, 2/15/21 | 146,000 | 139,430 |
| Centene Corp. sr. unsec. unsub. notes 6.125%, 2/15/24 | 155,000 | 163,331 |
| Centene Corp. sr. unsec. unsub. notes 4.75%, 5/15/22 | 135,000 | 135,844 |
| Centene Escrow I Corp. 144A sr. unsec. notes 5.375%, 6/1/26 | 50,000 | 50,657 |
| CHS/Community Health Systems, Inc. company guaranty sr. notes 6.25%, 3/31/23 | 116,000 | 106,285 |
| CHS/Community Health Systems, Inc. company guaranty sr. unsec. notes 6.875%, 2/1/22 | 286,000 | 145,860 |
| CHS/Community Health Systems, Inc. 144A company guaranty sub. notes 8.125%, 6/30/24 | 103,000 | 84,911 |
| Concordia International Corp. 144A company guaranty sr. unsec. notes 7.00%, 4/15/23 (Canada) (In default) † | 120,000 | 7,200 |
| Endo DAC/Endo Finance, LLC/Endo Finco, Inc. 144A company guaranty sr. unsec. unsub. notes 6.00%, 7/15/23 (Ireland) | 200,000 | 164,500 |
| Endo Finance, LLC/Endo Finco, Inc. 144A company guaranty sr. unsec. unsub. notes 5.375%, 1/15/23 | 158,000 | 128,770 |
| HCA, Inc. company guaranty sr. bonds 5.25%, 6/15/26 | 130,000 | 129,116 |
| HCA, Inc. company guaranty sr. notes 6.50%, 2/15/20 | 102,000 | 106,080 |
| HCA, Inc. company guaranty sr. sub. bonds 5.50%, 6/15/47 | 205,000 | 188,088 |
| HCA, Inc. company guaranty sr. unsec. unsub. notes 7.50%, 2/15/22 | 74,000 | 80,660 |
| Jaguar Holding Co. II/Pharmaceutical Product Development, LLC 144A company guaranty sr. unsec. notes 6.375%, 8/1/23 | 150,000 | 149,280 |
| Kinetic Concepts, Inc./KCI USA, Inc. 144A company guaranty sub. notes 12.50%, 11/1/21 | 149,000 | 164,645 |
| Mallinckrodt International Finance SA/Mallinckrodt CB, LLC 144A company guaranty sr. unsec. unsub. notes 5.50%, 4/15/25 (Luxembourg) | 132,000 | 106,260 |
| Molina Healthcare, Inc. company guaranty sr. unsec. notes 5.375%, 11/15/22 | 105,000 | 105,656 |
| Molina Healthcare, Inc. 144A company guaranty sr. unsec. notes 4.875%, 6/15/25 | 25,000 | 24,250 |
| Ortho-Clinical Diagnostics, Inc./Ortho-Clinical Diagnostics SA 144A sr. unsec. notes 6.625%, 5/15/22 | 245,000 | 239,488 |
| Service Corp. International sr. unsec. notes 4.625%, 12/15/27 | 35,000 | 33,061 |
| Service Corp. International sr. unsec. unsub. notes 5.375%, 5/15/24 | 478,000 | 488,755 |
| Sotera Health Holdings, LLC 144A sr. unsec. notes 6.50%, 5/15/23 | 90,000 | 91,800 |

| CORPORATE BONDS AND NOTES (28.6%)* cont. | Principal amount | Value |
|---|-------------------------|------------------|
| Health care cont. | | |
| Tenet Healthcare Corp. company guaranty sr. sub. notes 6.00%, 10/1/20 | \$164,000 | \$168,510 |
| Tenet Healthcare Corp. sr. unsec. notes 8.125%, 4/1/22 | 63,000 | 65,868 |
| Teva Pharmaceutical Finance Netherlands III BV company guaranty sr. unsec. notes 6.00%, 4/15/24 (Netherlands) | 200,000 | 198,065 |
| Unilabs Subholding AB company guaranty sr. unsec. notes Ser. REGS, 5.75%, 5/15/25 (Sweden) EUR | 100,000 | 111,275 |
| Valeant Pharmaceuticals International, Inc. 144A company guaranty sr. notes 5.50%, 11/1/25 | \$35,000 | 34,493 |
| Valeant Pharmaceuticals International, Inc. 144A company guaranty sr. unsec. notes 9.25%, 4/1/26 | 110,000 | 114,263 |
| Valeant Pharmaceuticals International, Inc. 144A company guaranty sr. unsec. notes 9.00%, 12/15/25 | 90,000 | 93,258 |
| Valeant Pharmaceuticals International, Inc. 144A company guaranty sr. unsec. notes 6.125%, 4/15/25 | 233,000 | 214,651 |
| Valeant Pharmaceuticals International, Inc. 144A company guaranty sr. unsec. notes 5.875%, 5/15/23 | 289,000 | 271,479 |
| Valeant Pharmaceuticals International, Inc. 144A company guaranty sr. unsub. notes 7.00%, 3/15/24 | 130,000 | 136,299 |
| Valeant Pharmaceuticals International, Inc. 144A company guaranty sr. unsub. notes 6.50%, 3/15/22 | 45,000 | 46,575 |
| Valeant Pharmaceuticals International, Inc. 144A sr. unsec. notes 8.50%, 1/31/27 | 95,000 | 96,188 |
| WellCare Health Plans, Inc. sr. unsec. notes 5.25%, 4/1/25 | 60,000 | 59,700 |
| | | 4,945,631 |
| Technology (1.2%) | | |
| Avaya, Inc. 144A escrow notes 7.00%, 4/1/19 | 546,000 | — |
| Diamond 1 Finance Corp./Diamond 2 Finance Corp. 144A company guaranty sr. unsec. notes 7.125%, 6/15/24 | 503,000 | 532,893 |
| Energizer Gamma Acquisition, Inc. 144A company guaranty sr. unsec. notes 6.375%, 7/15/26 | 35,000 | 35,591 |
| First Data Corp. 144A company guaranty sr. unsec. unsub. notes 7.00%, 12/1/23 | 56,000 | 58,328 |
| First Data Corp. 144A notes 5.75%, 1/15/24 | 214,000 | 214,004 |
| First Data Corp. 144A sr. notes 5.375%, 8/15/23 | 150,000 | 151,388 |
| Inception Merger Sub, Inc./Rackspace Hosting, Inc. 144A sr. unsec. notes 8.625%, 11/15/24 | 226,000 | 227,130 |
| Infor Software Parent, LLC/Infor Software Parent, Inc. 144A company guaranty sr. unsec. notes 7.125%, 5/1/21 †† | 179,000 | 179,448 |
| Infor US, Inc. company guaranty sr. unsec. notes 6.50%, 5/15/22 | 188,000 | 188,235 |
| Infor US, Inc. 144A company guaranty sr. notes 5.75%, 8/15/20 | 51,000 | 51,638 |
| Iron Mountain, Inc. 144A company guaranty sr. unsec. bonds 5.25%, 3/15/28 ^R | 50,000 | 46,270 |
| Iron Mountain, Inc. 144A company guaranty sr. unsec. notes 4.875%, 9/15/27 ^R | 170,000 | 156,613 |
| Solera, LLC / Solera Finance, Inc. 144A sr. unsec. notes 10.50%, 3/1/24 | 236,000 | 262,109 |
| Tempo Acquisition, LLC/Tempo Acquisition Finance Corp. 144A sr. unsec. notes 6.75%, 6/1/25 | 107,000 | 102,720 |

CORPORATE BONDS**AND NOTES (28.6%)* cont.**

| | Principal amount | Value |
|---|------------------|---------------------|
| Technology cont. | | |
| TTM Technologies, Inc. 144A company guaranty sr. unsec. notes 5.625%, 10/1/25 | \$210,000 | \$204,750 |
| Western Digital Corp. company guaranty sr. unsec. notes 4.75%, 2/15/26 | 145,000 | 141,013 |
| | | 2,552,130 |
| Transportation (0.1%) | | |
| Watco Cos., LLC/Watco Finance Corp. 144A company guaranty sr. unsec. notes 6.375%, 4/1/23 | 162,000 | 164,633 |
| | | 164,633 |
| Utilities and power (1.0%) | | |
| AES Corp./Virginia (The) sr. unsec. notes 5.50%, 4/15/25 | 280,000 | 281,400 |
| AES Corp./Virginia (The) sr. unsec. notes 4.875%, 5/15/23 | 85,000 | 85,000 |
| AES Corp./Virginia (The) sr. unsec. notes 4.50%, 3/15/23 | 50,000 | 49,563 |
| AES Corp./Virginia (The) sr. unsec. unsubs. bonds 5.125%, 9/1/27 | 131,000 | 130,673 |
| Calpine Corp. sr. unsec. sub. notes 5.75%, 1/15/25 | 247,000 | 225,851 |
| Calpine Corp. 144A company guaranty sr. notes 5.25%, 6/1/26 | 65,000 | 61,222 |
| Calpine Corp. 144A company guaranty sr. sub. notes 5.875%, 1/15/24 | 40,000 | 39,700 |
| Colorado Interstate Gas Co., LLC company guaranty sr. unsec. notes 6.85%, 6/15/37 | 290,000 | 312,646 |
| Dynegy, Inc. company guaranty sr. unsec. unsubs. notes 7.625%, 11/1/24 | 132,000 | 140,745 |
| Dynegy, Inc. 144A company guaranty sr. unsec. notes 8.125%, 1/30/26 | 60,000 | 65,250 |
| Energy Transfer Equity LP sr. sub. notes 5.875%, 1/15/24 | 91,000 | 93,275 |
| Energy Transfer Equity LP sr. sub. notes 5.50%, 6/1/27 | 50,000 | 50,000 |
| GenOn Energy, Inc. sr. unsec. sub. notes 9.875%, 10/15/20 (In default) † | 195,000 | 177,450 |
| NRG Energy, Inc. company guaranty sr. unsec. notes 7.25%, 5/15/26 | 80,000 | 85,200 |
| NRG Energy, Inc. company guaranty sr. unsec. notes 6.625%, 1/15/27 | 148,000 | 152,070 |
| NRG Energy, Inc. 144A company guaranty sr. unsec. bonds 5.75%, 1/15/28 | 45,000 | 44,438 |
| Texas Competitive Electric Holdings Co., LLC/TCEH Finance, Inc. escrow company guaranty sr. notes 11.50%, 10/1/20 | 119,000 | 893 |
| | | 1,995,376 |
| Total corporate bonds and notes (cost \$61,652,171) | | \$59,324,033 |

FOREIGN GOVERNMENT AND AGENCY**BONDS AND NOTES (7.8%)***

| | Principal amount | Value |
|--|------------------|-----------|
| Argentina (Republic of) sr. unsec. unsubs. bonds 6.625%, 7/6/28 (Argentina) | \$160,000 | \$134,800 |
| Argentina (Republic of) sr. unsec. unsubs. notes 7.50%, 4/22/26 (Argentina) | 1,765,000 | 1,628,213 |
| Argentina (Republic of) sr. unsec. unsubs. notes 6.875%, 1/26/27 (Argentina) | 1,233,000 | 1,085,040 |
| Argentina (Republic of) 144A sr. unsec. notes 7.125%, 8/1/27 (Argentina) | 285,000 | 238,688 |
| Buenos Aires (Province of) sr. unsec. unsubs. bonds Ser. REGS, 7.875%, 6/15/27 (Argentina) | 200,000 | 175,500 |
| Buenos Aires (Province of) sr. unsec. unsubs. notes 6.50%, 2/15/23 (Argentina) | 215,000 | 196,325 |

FOREIGN GOVERNMENT AND AGENCY**BONDS AND NOTES (7.8%)* cont.**

| | Principal amount | Value |
|--|------------------|-----------|
| Buenos Aires (Province of) unsec. FRN (Argentina Deposit Rates BADLAR + 3.83%), 35.19%, 5/31/22 (Argentina) ARS | 6,180,000 | \$180,539 |
| Buenos Aires (Province of) 144A sr. unsec. unsubs. bonds 7.875%, 6/15/27 (Argentina) | \$390,000 | 339,300 |
| Buenos Aires (Province of) 144A sr. unsec. unsubs. notes 10.875%, 1/26/21 (Argentina) | 1,075,000 | 1,109,723 |
| Buenos Aires (Province of) 144A sr. unsec. unsubs. notes 9.125%, 3/16/24 (Argentina) | 230,000 | 221,613 |
| Cordoba (Province of) sr. unsec. unsubs. notes 7.45%, 9/1/24 (Argentina) | 440,000 | 399,850 |
| Dominican (Republic of) sr. unsec. unsubs. notes 7.50%, 5/6/21 (Dominican Republic) | 260,000 | 273,130 |
| Dominican (Republic of) sr. unsec. unsubs. notes Ser. REGS, 8.625%, 4/20/27 (Dominican Republic) | 260,000 | 291,486 |
| Egypt (Arab Republic of) sr. unsec. notes Ser. REGS, 6.125%, 1/31/22 (Egypt) | 200,000 | 197,000 |
| Egypt (Arab Republic of) 144A sr. unsec. notes 5.577%, 2/21/23 (Egypt) | 390,000 | 369,427 |
| El Salvador (Republic of) sr. unsec. unsubs. notes Ser. REGS, 5.875%, 1/30/25 (El Salvador) | 250,000 | 233,723 |
| Hellenic (Republic of) sr. unsec. notes 4.375%, 8/1/22 (Greece) EUR | 832,000 | 1,024,047 |
| Hellenic (Republic of) sr. unsec. unsubs. bonds Ser. PSI, stepped-coupon 3.00% (3.00%, 2/24/20), 2/24/40 (Greece) †† EUR | 16,000 | 16,375 |
| Hellenic (Republic of) sr. unsec. unsubs. bonds Ser. PSI, stepped-coupon 3.00% (3.65%, 2/24/20), 2/24/33 (Greece) †† EUR | 62,000 | 65,559 |
| Hellenic (Republic of) sr. unsec. unsubs. bonds Ser. PSI, stepped-coupon 3.00% (3.65%, 2/24/20), 2/24/32 (Greece) †† EUR | 63,000 | 66,858 |
| Hellenic (Republic of) sr. unsec. unsubs. bonds Ser. PSI, stepped-coupon 3.00% (3.65%, 2/24/20), 2/24/31 (Greece) †† EUR | 167,000 | 178,590 |
| Hellenic (Republic of) sr. unsec. unsubs. bonds Ser. PSI, stepped-coupon 3.00% (3.65%, 2/24/20), 2/24/30 (Greece) †† EUR | 1,108,933 | 1,242,175 |
| Hellenic (Republic of) sr. unsec. unsubs. bonds Ser. PSI, stepped-coupon 3.00% (3.65%, 2/24/20), 2/24/29 (Greece) †† EUR | 633,267 | 710,089 |
| Hellenic (Republic of) sr. unsec. unsubs. bonds Ser. PSI, stepped-coupon 3.00% (3.65%, 2/24/20), 2/24/28 (Greece) †† EUR | 546,533 | 613,490 |
| Hellenic (Republic of) sr. unsec. unsubs. bonds Ser. PSI, stepped-coupon 3.00% (3.65%, 2/24/20), 2/24/27 (Greece) †† EUR | 106,000 | 119,551 |
| Hellenic (Republic of) sr. unsec. unsubs. bonds Ser. PSI, stepped-coupon 3.00% (3.65%, 2/24/20), 2/24/26 (Greece) †† EUR | 500,000 | 580,256 |
| Hellenic (Republic of) sr. unsec. unsubs. bonds Ser. PSI, stepped-coupon 3.00% (3.65%, 2/24/20), 2/24/25 (Greece) †† EUR | 604,753 | 700,199 |
| Hellenic (Republic of) sr. unsec. unsubs. bonds Ser. PSI, stepped-coupon 3.00% (3.65%, 2/24/20), 2/24/23 (Greece) †† EUR | 690,192 | 810,294 |
| Indonesia (Republic of) 144A sr. unsec. notes 4.75%, 1/8/26 (Indonesia) | \$300,000 | 304,125 |
| Indonesia (Republic of) 144A sr. unsec. unsubs. bonds 6.625%, 2/17/37 (Indonesia) | 575,000 | 659,813 |

FOREIGN GOVERNMENT AND AGENCY

| BONDS AND NOTES (7.8%)* cont. | Principal amount | Value |
|--|-------------------------|---------------------|
| Indonesia (Republic of) 144A sr. unsec. unsub. notes 5.95%, 1/8/46 (Indonesia) | \$300,000 | \$329,250 |
| Indonesia (Republic of) 144A sr. unsec. unsub. notes 4.35%, 1/8/27 (Indonesia) | 220,000 | 216,771 |
| Ivory Coast (Republic of) 144A sr. unsec. bonds 6.125%, 6/15/33 (Ivory Coast) | 515,000 | 453,645 |
| Ivory Coast (Republic of) 144A sr. unsec. notes 5.25%, 3/22/30 (Ivory Coast) EUR | 245,000 | 273,562 |
| Russia (Federation of) 144A sr. unsec. notes 4.50%, 4/4/22 (Russia) | \$235,000 | 238,938 |
| Russia (Federation of) 144A sr. unsec. notes 4.375%, 3/21/29 (Russia) | 200,000 | 193,500 |
| United Mexican States sr. unsec. notes 4.00%, 10/2/23 (Mexico) | 220,000 | 220,306 |
| Venezuela (Bolivarian Republic of) sr. unsec. bonds 7.00%, 3/31/38 (Venezuela) | 265,000 | 68,900 |
| Total foreign government and agency bonds and notes (cost \$16,214,965) | | \$16,160,650 |

PURCHASED SWAP OPTIONS OUTSTANDING(2.5%)*

| Counterparty | Fixed right % to receive or (pay)/ Floating rate index/Maturity date | Expiration date/strike | Notional/ Contract amount | Value |
|--|---|-------------------------------|----------------------------------|--------------|
| Bank of America N.A. | | | | |
| (1.9325)/3 month USD-LIBOR-BBA/ Aug-19 | Aug-18/1.9325 | | \$49,739,000 | \$506,840 |
| (2.2625)/3 month USD-LIBOR-BBA/ Aug-22 | Aug-21/2.2625 | | 22,382,600 | 196,519 |
| 2.2625/3 month USD-LIBOR-BBA/ Aug-22 | Aug-21/2.2625 | | 22,382,600 | 57,523 |
| 1.9325/3 month USD-LIBOR-BBA/ Aug-19 | Aug-18/1.9325 | | 49,739,000 | 50 |
| Barclays Bank PLC | | | | |
| 2.89/3 month USD-LIBOR-BBA/ Jul-28 | Jul-18/2.89 | | 29,933,300 | 102,073 |
| 2.655/3 month USD-LIBOR-BBA/ Sep-28 | Sep-18/2.655 | | 10,784,000 | 17,686 |
| (3.255)/3 month USD-LIBOR-BBA/ Sep-28 | Sep-18/3.255 | | 10,784,000 | 14,019 |
| Citibank, N.A. | | | | |
| 2.945/3 month USD-LIBOR-BBA/ Jul-28 | Jul-18/2.945 | | 29,845,000 | 101,175 |
| (3.031)/3 month USD-LIBOR-BBA/ Jun-49 | Jun-19/3.031 | | 2,388,900 | 98,399 |
| 2.826/3 month USD-LIBOR-BBA/ Aug-28 | Aug-18/2.826 | | 14,966,700 | 38,764 |
| 2.884/3 month USD-LIBOR-BBA/ Jul-28 | Jul-18/2.884 | | 15,875,700 | 37,625 |
| (3.115)/3 month USD-LIBOR-BBA/ Jul-28 | Jul-18/3.115 | | 29,845,000 | 1,492 |
| 2.47/3 month USD-LIBOR-BBA/ Aug-19 | Aug-18/2.47 | | 19,895,600 | 796 |
| (1.091)/6 month EUR-EURIBOR-Reuters/Jul-23 | Jul-18/1.091 | EUR 3,410,000 | | 4 |
| Credit Suisse International | | | | |
| 3.056/3 month USD-LIBOR-BBA/ Sep-20 | Sep-18/3.056 | | \$26,542,900 | 84,672 |
| 2.8475/3 month USD-LIBOR-BBA/ Aug-28 | Aug-18/2.8475 | | 15,875,700 | 63,344 |
| 2.895/3 month USD-LIBOR-BBA/ Sep-20 | Sep-18/2.895 | | 26,542,900 | 57,333 |

PURCHASED SWAP OPTIONS OUTSTANDING(2.5%)* cont.

| Counterparty | Fixed right % to receive or (pay)/ Floating rate index/Maturity date | Expiration date/strike | Notional/ Contract amount | Value |
|---|---|-------------------------------|----------------------------------|--------------|
| Credit Suisse International cont. | | | | |
| (3.056)/3 month USD-LIBOR-BBA/ Sep-20 | Sep-18/3.056 | | \$26,542,900 | \$38,487 |
| (2.895)/3 month USD-LIBOR-BBA/ Sep-20 | Sep-18/2.895 | | 26,542,900 | 36,629 |
| 2.85/3 month USD-LIBOR-BBA/ Jul-28 | Jul-18/2.85 | | 14,966,700 | 34,723 |
| 2.80/3 month USD-LIBOR-BBA/ Jul-20 | Jul-18/2.80 | | 21,167,700 | 17,569 |
| Goldman Sachs International | | | | |
| 2.965/3 month USD-LIBOR-BBA/ Jul-28 | Jul-18/2.965 | | 29,933,300 | 158,646 |
| 1.673/3 month GBP-LIBOR-BBA/ Oct-48 | Oct-18/1.673 | GBP 2,455,000 | | 105,073 |
| 1.522/3 month GBP-LIBOR-BBA/ Oct-28 | Oct-18/1.522 | GBP 6,309,000 | | 82,264 |
| 3.04375/3 month USD-LIBOR-BBA/ Sep-19 | Sep-18/3.04375 | | \$42,335,300 | 57,999 |
| 3.005/3 month USD-LIBOR-BBA/ Sep-19 | Sep-18/3.005 | | 42,335,300 | 47,839 |
| (3.005)/3 month USD-LIBOR-BBA/ Sep-19 | Sep-18/3.005 | | 42,335,300 | 46,569 |
| (3.04375)/3 month USD-LIBOR-BBA/ Sep-19 | Sep-18/3.04375 | | 42,335,300 | 41,489 |
| 2.73375/3 month USD-LIBOR-BBA/ Sep-19 | Sep-18/2.73375 | | 42,335,300 | 31,328 |
| 2.70/3 month USD-LIBOR-BBA/ Sep-19 | Sep-18/2.70 | | 42,335,300 | 24,978 |
| (2.70)/3 month USD-LIBOR-BBA/ Sep-19 | Sep-18/2.70 | | 42,335,300 | 23,708 |
| (2.73375)/3 month USD-LIBOR-BBA/ Sep-19 | Sep-18/2.73375 | | 42,335,300 | 21,168 |
| 2.695/3 month USD-LIBOR-BBA/ Oct-23 | Oct-18/2.695 | | 4,178,100 | 5,808 |
| (3.135)/3 month USD-LIBOR-BBA/ Jul-28 | Jul-18/3.135 | | 29,933,300 | 5,089 |
| 1.9175/3 month USD-LIBOR-BBA/ Oct-19 | Oct-18/1.9175 | | 18,105,000 | 18 |
| JPMorgan Chase Bank N.A. | | | | |
| (1.919)/3 month USD-LIBOR-BBA/ Aug-19 | Aug-18/1.919 | | 49,739,000 | 512,809 |
| 1.376/6 month EUR-EURIBOR-Reuters/ Sep-29 | Sep-19/1.376 | EUR 6,240,000 | | 246,084 |
| 1.758/6 month EUR-EURIBOR-Reuters/ Sep-49 | Sep-19/1.758 | EUR 2,489,000 | | 229,219 |
| (2.25)/3 month USD-LIBOR-BBA/ Aug-22 | Aug-21/2.25 | | \$22,382,600 | 198,310 |
| (2.7575)/3 month USD-LIBOR-BBA/ Dec-37 | Dec-27/2.7575 | | 2,557,500 | 168,718 |
| (2.795)/3 month USD-LIBOR-BBA/ Dec-37 | Dec-27/2.795 | | 2,557,500 | 165,010 |
| 2.795/3 month USD-LIBOR-BBA/ Dec-37 | Dec-27/2.795 | | 2,557,500 | 125,164 |
| 2.7575/3 month USD-LIBOR-BBA/ Dec-37 | Dec-27/2.7575 | | 2,557,500 | 122,274 |
| 2.25/3 month USD-LIBOR-BBA/ Aug-22 | Aug-21/2.25 | | 22,382,600 | 56,852 |
| (2.68)/3 month USD-LIBOR-BBA/ Jul-20 | Jul-18/2.68 | | 19,895,600 | 50,336 |

PURCHASED SWAP OPTIONS OUTSTANDING(2.5%)* cont.

| Counterparty Fixed right % to receive or (pay)/ Floating rate index/Maturity date | Expiration date/strike | Notional/ Contract amount | Value |
|---|---------------------------|---------------------------------|----------|
| JPMorgan Chase Bank N.A. cont. | | | |
| (2.895)/3 month USD-LIBOR-BBA/ Sep-20 | Sep-18/2.895 | \$31,851,500 | \$43,955 |
| 2.865/3 month USD-LIBOR-BBA/ Jul-28 | Jul-18/2.865 | 9,977,800 | 30,333 |
| 0.882/3 month GBP-LIBOR-BBA/ Nov-19 | Nov-18/0.882 | GBP 17,050,000 | 11,701 |
| (3.115)/3 month USD-LIBOR-BBA/ Jul-28 | Jul-18/3.115 | \$9,977,800 | 9,978 |
| 1.919/3 month USD-LIBOR-BBA/ Aug-19 | Aug-18/1.919 | 49,739,000 | 50 |
| Morgan Stanley & Co. International PLC | | | |
| 3.00/3 month USD-LIBOR-BBA/ Apr-72 | Apr-47/3.00 | 2,490,200 | 286,597 |
| 3.00/3 month USD-LIBOR-BBA/ Apr-72 | Apr-47/3.00 | 2,490,200 | 286,473 |
| 2.9125/3 month USD-LIBOR-BBA/ Jul-28 | Jul-18/2.9125 | 39,911,100 | 156,052 |
| 2.89/3 month USD-LIBOR-BBA/ Sep-28 | Sep-18/2.89 | 19,955,600 | 155,654 |
| (2.8225)/3 month USD-LIBOR-BBA/ Oct-20 | Oct-18/2.8225 | 42,335,300 | 110,072 |
| (2.92875)/3 month USD-LIBOR-BBA/ Nov-20 | Nov-18/2.92875 | 21,167,700 | 53,978 |
| 2.745/3 month USD-LIBOR-BBA/ Aug-28 | Aug-18/2.745 | 14,922,500 | 38,799 |
| 2.78/3 month USD-LIBOR-BBA/ Jul-20 | Jul-18/2.78 | 21,167,700 | 12,277 |
| (2.9525)/3 month USD-LIBOR-BBA/ Jul-28 | Jul-18/2.9525 | 10,784,000 | 5,280 |
| Total purchased swap options outstanding (cost \$5,425,698) \$5,233,673 | | | |

SENIOR LOANS (1.6%)* c

| | Principal amount | Value |
|---|------------------|----------|
| Academy, Ltd. bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 4.00%), 5.988%, 7/2/22 | \$77,676 | \$64,617 |
| Air Methods Corp. bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 3.50%), 5.834%, 4/21/24 | 63,924 | 61,187 |
| Avaya, Inc. bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 4.25%), 6.323%, 12/15/24 | 154,113 | 154,402 |
| Azek Co., LLC (The) bank term loan FRN (BBA LIBOR USD 3 Month + 3.75%), 4.75%, 5/5/24 | 40,000 | 39,975 |
| BWAY Corp. bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 3.25%), 5.588%, 4/3/24 | 54,588 | 54,588 |
| California Resources Corp. bank term loan FRN (BBA LIBOR USD 3 Month + 4.75%), 6.838%, 11/17/22 | 120,000 | 121,950 |
| CCC Information Services, Inc. bank term loan FRN (BBA LIBOR USD 3 Month + 6.75%), 8.844%, 3/30/25 | 53,000 | 53,133 |
| Chesapeake Energy Corp. bank term loan FRN (BBA LIBOR USD 3 Month + 7.50%), 9.594%, 8/23/21 | 140,000 | 146,038 |
| CPG International, Inc. bank term loan FRN (BBA LIBOR USD 3 Month + 3.75%), 6.251%, 5/5/24 | 33,195 | 33,174 |
| Eagleclaw Midstream Ventures, LLC bank term loan FRN (BBA LIBOR USD 3 Month + 4.25%), 6.421%, 6/30/24 | 107,728 | 105,371 |
| First Data Corp. bank term loan FRN (BBA LIBOR USD 3 Month + 2.00%), 4.091%, 4/26/24 | 91,342 | 90,726 |
| Forterra Finance, LLC bank term loan FRN (BBA LIBOR USD 3 Month + 3.00%), 5.094%, 10/25/23 | 146,791 | 136,577 |
| FTS International, Inc. bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 4.75%), 6.844%, 4/16/21 | 100,500 | 100,919 |

SENIOR LOANS (1.6%)* c cont.

| | Principal amount | Value |
|---|------------------|--------------------|
| Gates Global, LLC bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 2.75%), 5.084%, 3/31/24 | \$57,181 | \$57,110 |
| HFOTCO, LLC bank term loan FRN Ser. B1, (BBA LIBOR USD 3 Month + 2.75%), 2.75%, 6/19/25 | 155,000 | 154,871 |
| iHeartCommunications, Inc. bank term loan FRN Ser. D, (BBA LIBOR USD 3 Month + 6.75%), 8.844%, 1/30/19 (In default) † | 319,000 | 242,706 |
| Jo-Ann Stores, LLC bank term loan FRN (BBA LIBOR USD 3 Month + 9.25%), 11.604%, 5/21/24 | 205,000 | 202,438 |
| Jo-Ann Stores, LLC bank term loan FRN (BBA LIBOR USD 3 Month + 5.00%), 7.509%, 10/16/23 | 59,845 | 59,347 |
| KCA Deutag Alpha, Ltd. bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 6.75%), 9.021%, 3/21/23 | 118,519 | 117,927 |
| Kronos, Inc./MA bank term loan FRN (BBA LIBOR USD 3 Month + 8.25%), 10.608%, 11/1/24 | 80,000 | 82,600 |
| Murray Energy Corp. bank term loan FRN Ser. B2, (BBA LIBOR USD 3 Month + 7.25%), 9.344%, 4/17/20 | 80,000 | 75,400 |
| Navistar, Inc. bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 3.50%), 5.53%, 11/6/24 | 264,338 | 264,888 |
| Neiman Marcus Group, Ltd., Inc. bank term loan FRN (BBA LIBOR USD 3 Month + 3.25%), 5.263%, 10/25/20 | 136,885 | 121,075 |
| Oryx Southern Delaware Holdings, LLC bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 3.25%), 5.267%, 2/28/25 | 84,788 | 83,834 |
| Rackspace Hosting, Inc. bank term loan FRN (BBA LIBOR USD 3 Month + 3.00%), 5.363%, 11/3/23 | 69,474 | 68,518 |
| Revlon Consumer Products Corp. bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 3.50%), 5.594%, 9/7/23 | 190,677 | 147,775 |
| Robertshaw Holdings Corp. bank term loan FRN (BBA LIBOR USD 3 Month + 8.00%), 9.873%, 2/28/26 | 75,000 | 73,500 |
| Robertshaw Holdings Corp. bank term loan FRN (BBA LIBOR USD 3 Month + 3.50%), 5.373%, 2/28/25 | 79,800 | 79,601 |
| Talbots, Inc. (The) bank term loan FRN (BBA LIBOR USD 3 Month + 8.50%), 10.594%, 3/19/21 | 59,964 | 58,016 |
| Talbots, Inc. (The) bank term loan FRN (BBA LIBOR USD 3 Month + 4.50%), 6.594%, 3/19/20 | 96,410 | 94,964 |
| Titan Acquisition, Ltd. (United Kingdom) bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 3.00%), 5.202%, 3/28/25 | 104,738 | 103,094 |
| Werner Finco LP bank term loan FRN Ser. B, (BBA LIBOR USD 3 Month + 4.00%), 5.983%, 7/24/24 | 59,850 | 59,850 |
| Total senior loans (cost \$3,436,065) | | \$3,310,171 |

CONVERTIBLE BONDS AND NOTES (1.1%)*

| | Principal amount | Value |
|--|------------------|----------------|
| Basic materials (—%) | | |
| Cemex SAB de CV cv. unsec. sub. notes 3.72%, 3/15/20, (Mexico) | \$17,000 | \$17,052 |
| Patrick Industries, Inc. 144A cv. sr. unsec. notes 1.00%, 2/1/23 | 20,000 | 18,660 |
| | | 35,712 |
| Capital goods (0.1%) | | |
| Aerojet Rocketdyne Holdings, Inc. cv. sr. unsec. sub. notes 2.25%, 12/15/23 | 17,000 | 21,965 |
| Dycom Industries, Inc. cv. sr. unsec. notes 0.75%, 9/15/21 | 27,000 | 31,267 |
| Greenbrier Cos., Inc. (The) cv. sr. unsec. notes 2.875%, 2/1/24 | 16,000 | 18,412 |
| Horizon Global Corp. cv. sr. unsec. unsub. notes 2.75%, 7/1/22 | 16,000 | 11,183 |
| II-VI, Inc. 144A cv. sr. unsec. notes 0.25%, 9/1/22 | 12,000 | 13,400 |
| Kaman Corp. cv. sr. unsec. notes 3.25%, 5/1/24 | 23,000 | 27,738 |
| | | 123,965 |

| CONVERTIBLE BONDS AND NOTES (1.1%)* cont. | Principal amount | Value |
|--|-------------------------|----------------|
| Communication services (—%) | | |
| DISH Network Corp. cv. sr. unsec. notes 3.375%, 8/15/26 | \$51,000 | \$49,398 |
| RingCentral, Inc. 144A cv. sr. unsec. notes zero %, 3/15/23 | 12,000 | 12,709 |
| | | 62,107 |
| Consumer cyclicals (0.1%) | | |
| Caesars Entertainment Corp. cv. sr. unsec. notes 5.00%, 10/1/24 | 11,075 | 18,941 |
| Euronet Worldwide, Inc. cv. sr. unsec. bonds 1.50%, 10/1/44 | 17,000 | 20,833 |
| Liberty Interactive, LLC 144A cv. sr. unsec. bonds 1.75%, 9/30/46 | 41,000 | 44,681 |
| Liberty Media Corp. cv. sr. unsec. bonds 1.375%, 10/15/23 | 44,000 | 54,735 |
| Liberty Media Corp. cv. sr. unsec. notes 1.00%, 1/30/23 | 4,000 | 4,678 |
| Live Nation Entertainment, Inc. 144A cv. sr. unsec. notes 2.50%, 3/15/23 | 20,000 | 20,708 |
| Macquarie Infrastructure Corp. cv. sr. unsec. unsub. notes 2.00%, 10/1/23 | 16,000 | 14,190 |
| Navistar International Corp. cv. sr. unsec. sub. bonds 4.75%, 4/15/19 | 12,000 | 12,367 |
| Priceline Group, Inc. (The) cv. sr. unsec. unsub. notes 0.35%, 6/15/20 | 36,000 | 55,733 |
| Square, Inc. cv. sr. unsec. unsub. notes 0.375%, 3/1/22 | 6,000 | 16,199 |
| Square, Inc. 144A cv. sr. unsec. notes 0.50%, 5/15/23 | 20,000 | 21,388 |
| | | 284,453 |
| Consumer staples (0.1%) | | |
| Chegg, Inc. 144A cv. sr. unsec. notes 0.25%, 5/15/23 | 9,000 | 10,655 |
| IAC FinanceCo, Inc. 144A cv. company guaranty sr. unsec. notes 0.875%, 10/1/22 | 15,000 | 17,457 |
| Liberty Expedia Holdings, Inc. cv. sr. unsec. unsub. bonds 1.00%, 6/30/47 | 42,000 | 41,477 |
| Vector Group, Ltd. cv. sr. unsec. sub. notes 1.75%, 4/15/20 | 21,000 | 22,101 |
| Wayfair, Inc. 144A cv. sr. unsec. sub. notes 0.375%, 9/1/22 | 15,000 | 19,324 |
| | | 111,014 |
| Energy (0.1%) | | |
| CHC Group, LLC/CHC Finance Ltd. cv. notes Ser. A1, zero %, 10/1/20, (acquired 2/2/17, cost \$24,845) (Cayman Islands) ΔΔ | 35,887 | 35,887 |
| Cheniere Energy, Inc. cv. sr. unsec. unsub. notes 4.25%, 3/15/45 | 6,000 | 4,750 |
| Chesapeake Energy Corp. cv. company guaranty sr. unsec. notes 5.50%, 9/15/26 | 28,000 | 28,456 |
| Oasis Petroleum, Inc. cv. sr. unsec. notes 2.625%, 9/15/23 | 21,000 | 27,247 |
| Whiting Petroleum Corp. cv. company guaranty sr. unsec. unsub. notes 1.25%, 4/1/20 | 34,000 | 32,451 |
| | | 128,791 |
| Financials (—%) | | |
| Blackstone Mortgage Trust, Inc. cv. sr. unsec. notes 4.75%, 3/15/23 ^R | 14,000 | 13,568 |
| Heritage Insurance Holdings, Inc. 144A cv. company guaranty sr. unsec. bonds 5.875%, 8/1/37 | 12,000 | 15,104 |
| IH Merger Sub, LLC cv. company guaranty sr. unsec. notes 3.50%, 1/15/22 ^R | 29,000 | 32,295 |

| CONVERTIBLE BONDS AND NOTES (1.1%)* cont. | Principal amount | Value |
|---|-------------------------|----------------|
| Financials cont. | | |
| JPMorgan Chase Financial Co., LLC cv. company guaranty sr. unsec. notes 0.25%, 5/1/23 | \$20,000 | \$19,150 |
| Starwood Property Trust, Inc. cv. sr. unsec. unsub. notes 4.00%, 1/15/19 ^R | 18,000 | 20,036 |
| | | 100,153 |
| Health care (0.2%) | | |
| BioMarin Pharmaceutical, Inc. cv. sr. unsec. sub. notes 0.599%, 8/1/24 | 34,000 | 34,347 |
| Clovis Oncology, Inc. cv. sr. unsec. notes 1.25%, 5/1/25 | 23,000 | 21,181 |
| Exact Sciences Corp. cv. sr. unsec. notes 1.00%, 1/15/25 | 9,000 | 9,466 |
| Insmmed, Inc. cv. sr. unsec. sub. notes 1.75%, 1/15/25 | 15,000 | 13,770 |
| Insulet Corp. 144A cv. sr. unsec. notes 1.375%, 11/15/24 | 12,000 | 13,479 |
| Ironwood Pharmaceuticals, Inc. cv. sr. unsec. notes 2.25%, 6/15/22 | 13,000 | 17,240 |
| Jazz Investments I, Ltd. cv. company guaranty sr. unsec. sub. bonds 1.875%, 8/15/21, (Ireland) | 56,000 | 60,877 |
| Medicines Co. (The) cv. sr. unsec. notes 2.50%, 1/15/22 | 38,000 | 46,170 |
| Neurocrine Biosciences, Inc. cv. sr. unsec. notes 2.25%, 5/15/24 | 12,000 | 17,319 |
| Nevro Corp. cv. sr. unsec. unsub. notes 1.75%, 6/1/21 | 13,000 | 14,116 |
| Pacira Pharmaceuticals, Inc./Delaware cv. sr. unsec. sub. notes 2.375%, 4/1/22 | 24,000 | 22,245 |
| Supernus Pharmaceuticals, Inc. 144A cv. sr. unsec. notes 0.625%, 4/1/23 | 16,000 | 19,499 |
| Teladoc, Inc. 144A cv. sr. unsec. notes 1.375%, 5/15/25 | 21,000 | 26,421 |
| Wright Medical Group, Inc. cv. sr. unsec. notes 2.00%, 2/15/20 | 21,000 | 22,719 |
| | | 338,849 |
| Technology (0.5%) | | |
| Akamai Technologies, Inc. 144A cv. sr. unsec. notes 0.125%, 5/1/25 | 18,000 | 18,024 |
| Carbonite, Inc. cv. sr. unsec. unsub. notes 2.50%, 4/1/22 | 10,000 | 14,825 |
| Citrix Systems, Inc. cv. sr. unsec. notes 0.50%, 4/15/19 | 10,000 | 14,520 |
| Coupa Software, Inc. 144A cv. sr. unsec. notes 0.375%, 1/15/23 | 19,000 | 28,425 |
| Cypress Semiconductor Corp. cv. sr. unsec. notes 4.50%, 1/15/22 | 20,000 | 26,513 |
| Everbridge, Inc. cv. sr. unsec. unsub. notes 1.50%, 11/1/22 | 13,000 | 19,492 |
| Finisar Corp. cv. sr. unsec. unsub. bonds 0.50%, 12/15/36 | 16,000 | 14,522 |
| HubSpot, Inc. cv. sr. unsec. notes 0.25%, 6/1/22 | 19,000 | 27,143 |
| Inphi Corp. cv. sr. unsec. notes 0.75%, 9/1/21 | 18,000 | 16,820 |
| Integrated Device Technology, Inc. cv. sr. unsec. unsub. notes 0.875%, 11/15/22 | 24,000 | 27,350 |
| Intel Corp. cv. jr. unsec. sub. notes 3.25%, 8/1/39 | 23,000 | 55,050 |
| J2 Global, Inc. cv. sr. unsec. notes 3.25%, 6/15/29 | 21,000 | 28,378 |
| Jazz US Holdings, Inc. cv. company guaranty sr. unsec. notes 8.00%, 12/31/18 | 4,000 | 8,827 |
| Microchip Technology, Inc. cv. sr. unsec. sub. notes 1.625%, 2/15/27 | 78,000 | 90,695 |

| CONVERTIBLE BONDS AND NOTES (1.1%)* cont. | Principal amount | Value |
|--|-------------------------|--------------------|
| Technology cont. | | |
| Micron Technology, Inc. cv. sr. unsec. bonds 3.00%, 11/15/43 | \$34,000 | \$61,229 |
| Nice Systems, Inc. cv. company guaranty sr. unsec. notes 1.25%, 1/15/24 | 20,000 | 26,501 |
| Novellus Systems, Inc. cv. company guaranty sr. unsec. notes 2.625%, 5/15/41 | 11,000 | 57,067 |
| Nuance Communications, Inc. cv. sr. unsec. notes 1.25%, 4/1/25 | 15,000 | 14,102 |
| Nutanix, Inc. 144A cv. sr. unsec. notes zero %, 1/15/23 | 18,000 | 22,224 |
| Okta, Inc. 144A cv. sr. unsec. notes 0.25%, 2/15/23 | 19,000 | 23,453 |
| ON Semiconductor Corp. cv. company guaranty sr. unsec. unsub. notes 1.625%, 10/15/23 | 20,000 | 25,311 |
| ON Semiconductor Corp. cv. company guaranty sr. unsec. unsub. notes 1.00%, 12/1/20 | 15,000 | 19,734 |
| OSI Systems, Inc. cv. sr. unsec. unsub. notes 1.25%, 9/1/22 | 24,000 | 23,222 |
| Proofpoint, Inc. cv. sr. unsec. unsub. notes 0.75%, 6/15/20 | 23,000 | 33,734 |
| RealPage, Inc. cv. sr. unsec. notes 1.50%, 11/15/22 | 28,000 | 39,675 |
| Red Hat, Inc. cv. sr. unsec. unsub. bonds 0.25%, 10/1/19 | 18,000 | 32,796 |
| ServiceNow, Inc. cv. sr. unsec. unsub. bonds zero %, 11/1/18 | 3,000 | 6,986 |
| ServiceNow, Inc. cv. sr. unsec. unsub. notes zero %, 6/1/22 | 21,000 | 28,447 |
| Teradyne, Inc. cv. sr. unsec. notes 1.25%, 12/15/23 | 20,000 | 26,622 |
| TTM Technologies, Inc. cv. sr. unsec. notes 1.75%, 12/15/20 | 12,000 | 22,360 |
| Twitter, Inc. cv. sr. unsec. unsub. bonds 1.00%, 9/15/21 | 24,000 | 23,223 |
| Twitter, Inc. 144A cv. sr. unsec. notes 0.25%, 6/15/24 | 10,000 | 10,330 |
| Vocera Communications, Inc. 144A cv. sr. unsec. notes 1.50%, 5/15/23 | 12,000 | 13,323 |
| Western Digital Corp. 144A cv. company guaranty sr. unsec. notes 1.50%, 2/1/24 | 17,000 | 17,187 |
| Wix.com, Ltd. 144A cv. sr. unsec. notes zero %, 7/1/23, (Israel) | 12,000 | 11,836 |
| Workday, Inc. 144A cv. sr. unsec. notes 0.25%, 10/1/22 | 21,000 | 22,045 |
| | | 951,991 |
| Transportation (—%) | | |
| Air Transport Services Group, Inc. 144A cv. sr. unsec. notes 1.125%, 10/15/24 | 28,000 | 27,281 |
| Scorpio Tankers, Inc. 144A cv. sr. unsec. sub. notes 2.375%, 7/1/19 | 15,000 | 14,534 |
| | | 41,815 |
| Total convertible bonds and notes (cost \$2,019,342) | | \$2,178,850 |
| COMMON STOCKS (0.1%)* | | |
| Avaya Holdings Corp. † | 4,869 | \$97,769 |
| Caesars Entertainment Corp. † | 2,065 | 22,096 |
| CHC Group, LLC (Units) (acquired 3/23/17, cost \$10,107) (Cayman Islands) † ΔΔ | 697 | 5,053 |
| Halcon Resources Corp. † | 11,413 | 50,103 |
| MWO Holdings, LLC (Units) F | 98 | 7,938 |
| Nine Point Energy F | 648 | 8,916 |
| SandRidge Energy, Inc. † | 3,221 | 57,141 |
| Tervita Corp. Class A (Canada) | 191 | 1,453 |

| COMMON STOCKS (0.1%)* cont. | Shares | Value | | |
|--|--------------------------------------|------------------------|------------------------|------------------|
| Texas Competitive Electric Holdings Co., LLC/TCEH Finance, Inc. (Rights) | 10,369 | \$5,599 | | |
| Tribune Media Co. Class 1C | 55,356 | 19,375 | | |
| Total common stocks (cost \$375,491) | | \$275,443 | | |
| PREFERRED STOCKS (0.1%)* | | | | |
| GMAC Capital Trust I Ser. 2, \$1.91 cum. ARP | 6,980 | \$183,574 | | |
| Total preferred stocks (cost \$175,813) | | \$183,574 | | |
| PURCHASED OPTIONS OUTSTANDING (0.1%)* | | | | |
| Counterparty | Expiration date/ Strike price | Notional amount | Contract amount | Value |
| Barclays Bank PLC | | | | |
| NOK/SEK (Put) | Jul-18/SEK 1.08 | \$1,719,847 NOK | 14,007,037 | \$419 |
| Goldman Sachs International | | | | |
| NOK/SEK (Put) | Jul-18/SEK 1.08 | 1,719,847 NOK | 14,007,037 | 420 |
| HSBC Bank USA, National Association | | | | |
| EUR/SEK (Put) | Aug-18/SEK 10.00 | 6,907,712 EUR | 5,915,150 | 1,533 |
| NOK/SEK (Put) | Jul-18/SEK 1.07 | 1,719,847 NOK | 14,007,038 | 334 |
| JPMorgan Chase Bank N.A. | | | | |
| Federal National Mortgage Association 30 yr 2.50% | | | | |
| TBA commitments (Call) | Jul-18/\$93.22 | 3,000,000 | \$3,000,000 | 17,112 |
| Federal National Mortgage Association 30 yr 3.00% | | | | |
| TBA commitments (Call) | Jul-18/96.48 | 16,000,000 | 16,000,000 | 68,848 |
| Federal National Mortgage Association 30 yr 3.50% | | | | |
| TBA commitments (Put) | Sep-18/98.84 | 10,000,000 | 10,000,000 | 35,480 |
| Federal National Mortgage Association 30 yr 3.50% | | | | |
| TBA commitments (Put) | Sep-18/98.68 | 10,000,000 | 10,000,000 | 30,470 |
| Federal National Mortgage Association 30 yr 3.50% | | | | |
| TBA commitments (Put) | Sep-18/98.52 | 10,000,000 | 10,000,000 | 26,080 |
| Federal National Mortgage Association 30 yr 3.50% | | | | |
| TBA commitments (Put) | Jul-18/98.91 | 10,000,000 | 10,000,000 | 720 |
| Federal National Mortgage Association 30 yr 3.50% | | | | |
| TBA commitments (Put) | Jul-18/98.75 | 10,000,000 | 10,000,000 | 260 |
| Federal National Mortgage Association 30 yr 3.50% | | | | |
| TBA commitments (Put) | Jul-18/98.59 | 10,000,000 | 10,000,000 | 80 |
| Total purchased options outstanding (cost \$473,342) | | | | \$181,756 |
| CONVERTIBLE PREFERRED STOCKS (—%)* | | | Shares | Value |
| Nine Point Energy 6.75% cv. pfd. | | | 13 | \$14,345 |
| Total convertible preferred stocks (cost \$13,000) | | | | \$14,345 |
| WARRANTS (—%)* † | | | | |
| Counterparty | Expiration date | Strike price | Warrants | Value |
| Halcon Resources Corp. | 9/9/20 | \$14.04 | 3,100 | \$1,237 |
| Total warrants (cost \$—) | | | | \$1,237 |

| SHORT-TERM INVESTMENTS (19.5%)* | Principal amount/ shares | Value |
|---|-------------------------------------|----------------------|
| Argentina (Republic of) Central bank letters with effective yields ranging from 28.01% to 29.31%, 8/15/18 (Argentina) | ARS 14,912,000 | \$491,099 |
| Argentina (Republic of) Treasury bills with effective yields ranging from 24.66% to 25.05%, 9/19/18 (Argentina) | ARS 21,280,000 | 674,392 |
| Putnam Short Term Investment Fund 2.04% ^L | Shares 27,735,103 | 27,735,103 |
| State Street Institutional U.S. Government Money Market Fund, Premier Class 1.82% ^P | Shares 860,000 | 860,000 |
| U.S. Treasury Bills 1.932%, 9/13/18 # Δ \$ | \$5,068,000 | 5,048,680 |
| U.S. Treasury Bills 1.910%, 9/6/18 # Δ \$ | 2,027,000 | 2,020,023 |
| U.S. Treasury Bills 1.905%, 8/16/18 \$ | 218,000 | 217,502 |
| U.S. Treasury Bills 1.900%, 9/20/18 \$ | 125,000 | 124,479 |
| U.S. Treasury Bills 1.883%, 8/9/18 # Δ | 46,000 | 45,912 |
| U.S. Treasury Bills 1.838%, 7/19/18 # Δ \$ | 470,000 | 469,614 |
| U.S. Treasury Bills 1.747%, 7/12/18 # Δ \$ | 1,863,000 | 1,862,133 |
| U.S. Treasury Bills 1.640%, 7/5/18 \$ | 796,000 | 795,890 |
| Total short-term investments (cost \$41,051,708) | | \$40,344,827 |
| Total investments (cost \$279,218,447) | | \$277,668,897 |

Key to holding's currency abbreviations

| | |
|--------|----------------------|
| ARS | Argentine Peso |
| AUD | Australian Dollar |
| BRL | Brazilian Real |
| CAD | Canadian Dollar |
| CHF | Swiss Franc |
| EUR | Euro |
| GBP | British Pound |
| HKD | Hong Kong Dollar |
| INR | Indian Rupee |
| JPY | Japanese Yen |
| MXN | Mexican Peso |
| MYR | Malaysian Ringgit |
| NOK | Norwegian Krone |
| NZD | New Zealand Dollar |
| SEK | Swedish Krona |
| USD/\$ | United States Dollar |
| ZAR | South African Rand |

Key to holding's abbreviations

| | |
|------|--|
| ARP | Adjustable Rate Preferred Stock: the rate shown is the current interest rate at the close of the reporting period |
| bp | Basis Points |
| DAC | Designated Activity Company |
| FRB | Floating Rate Bonds: the rate shown is the current interest rate at the close of the reporting period. Rates may be subject to a cap or floor. For certain securities, the rate may represent a fixed rate currently in place at the close of the reporting period. |
| FRN | Floating Rate Notes: the rate shown is the current interest rate or yield at the close of the reporting period. Rates may be subject to a cap or floor. For certain securities, the rate may represent a fixed rate currently in place at the close of the reporting period. |
| IFB | Inverse Floating Rate Bonds, which are securities that pay interest rates that vary inversely to changes in the market interest rates. As interest rates rise, inverse floaters produce less current income. The rate shown is the current interest rate at the close of the reporting period. Rates may be subject to a cap or floor. |
| IO | Interest Only |
| OJSC | Open Joint Stock Company |
| OTC | Over-the-counter |
| PO | Principal Only |
| REGS | Securities sold under Regulation S may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933. |
| TBA | To Be Announced Commitments |

Notes to the fund's portfolio

Unless noted otherwise, the notes to the fund's portfolio are for the close of the fund's reporting period, which ran from January 1, 2018 through June 30, 2018 (the reporting period). Within the following notes to the portfolio, references to "Putnam Management" represent Putnam Investment Management, LLC, the fund's manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*.

* Percentages indicated are based on net assets of \$207,115,186.

† This security is non-income-producing.

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

ΔΔ This security is restricted with regard to public resale. The total fair value of this security and any other restricted securities (excluding 144A securities), if any, held at the close of the reporting period was \$40,940, or less than 0.1% of net assets.

‡‡ Income may be received in cash or additional securities at the discretion of the issuer. The rate shown in parenthesis is the rate paid in kind, if applicable.

This security, in part or in entirety, was pledged and segregated with the broker to cover margin requirements for futures contracts at the close of the reporting period. Collateral at period end totaled \$201,538 and is included in Investments in securities on the Statement of assets and liabilities (Notes 1 and 9).

Δ This security, in part or in entirety, was pledged and segregated with the custodian for collateral on certain derivative contracts at the close of the reporting period. Collateral at period end totaled \$3,135,671 and is included in Investments in securities on the Statement of assets and liabilities (Notes 1 and 9).

§ This security, in part or in entirety, was pledged and segregated with the custodian for collateral on the initial margin on certain centrally cleared derivative contracts at the close of the reporting period. Collateral at period end totaled \$6,994,049 and is included in Investments in securities on the Statement of assets and liabilities (Notes 1 and 9).

c Senior loans are exempt from registration under the Securities Act of 1933, as amended, but contain certain restrictions on resale and cannot be sold publicly. These loans pay interest at rates which adjust periodically. The interest rates shown for senior loans are the current interest rates at the close of the reporting period. Senior loans are also subject to mandatory and/or optional prepayment which cannot be predicted. As a result, the remaining maturity may be substantially less than the stated maturity shown (Notes 1 and 7).

F This security is valued by Putnam Management at fair value following procedures approved by the Trustees. Securities are classified as Level 3 for ASC 820 based on the securities' valuation inputs (Note 1).

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

L Affiliated company (Note 5). The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.

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

R Real Estate Investment Trust.

W The rate shown represents the weighted average coupon associated with the underlying mortgage pools. Rates may be subject to a cap or floor.

At the close of the reporting period, the fund maintained liquid assets totaling \$48,652,274 to cover certain derivative contracts and delayed delivery securities.

Unless otherwise noted, the rates quoted in Short-term investments security descriptions represent the weighted average yield to maturity.

Debt obligations are considered secured unless otherwise indicated.

144A after the name of an issuer represents securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

See Note 1 to the financial statements regarding TBA commitments.

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

DIVERSIFICATION BY COUNTRY

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

| | | | |
|---------------|-------|----------------|---------------|
| United States | 87.2% | Mexico | 0.8% |
| Argentina | 2.5 | Indonesia | 0.8 |
| Greece | 2.2 | United Kingdom | 0.5 |
| Brazil | 1.2 | Other | 3.6 |
| Canada | 1.2 | Total | 100.0% |

FORWARD CURRENCY CONTRACTS at 6/30/18 (aggregate face value \$115,887,286) (Unaudited)

| Counterparty | Currency | Contract type* | Delivery date | Value | Aggregate face value | Unrealized appreciation/(depreciation) |
|------------------------------------|--------------------|----------------|---------------|-------------|----------------------|--|
| Bank of America N.A. | | | | | | |
| | Australian Dollar | Buy | 7/18/18 | \$2,282,894 | \$2,400,664 | \$(117,770) |
| | British Pound | Sell | 9/19/18 | 869,535 | 862,686 | (6,849) |
| | Canadian Dollar | Buy | 7/18/18 | 7,685 | 7,728 | (43) |
| | Euro | Sell | 9/19/18 | 1,312,515 | 1,319,235 | 6,720 |
| | Japanese Yen | Sell | 8/16/18 | 845,230 | 860,587 | 15,357 |
| | New Taiwan Dollar | Sell | 8/16/18 | 1,967 | 13,155 | 11,188 |
| | New Zealand Dollar | Sell | 7/18/18 | 843,035 | 877,393 | 34,358 |
| | Norwegian Krone | Buy | 9/19/18 | 1,870,992 | 1,866,814 | 4,178 |
| | Swedish Krona | Sell | 9/19/18 | 1,502,588 | 1,529,403 | 26,815 |
| Barclays Bank PLC | | | | | | |
| | Australian Dollar | Buy | 7/18/18 | 1,930,768 | 2,003,446 | (72,678) |
| | British Pound | Buy | 9/19/18 | 1,224,315 | 1,241,122 | (16,807) |
| | Canadian Dollar | Sell | 7/18/18 | 755,695 | 761,284 | 5,589 |
| | Euro | Sell | 9/19/18 | 2,185,489 | 2,191,569 | 6,080 |
| | Hong Kong Dollar | Sell | 8/16/18 | 229,369 | 229,354 | (15) |
| | Japanese Yen | Sell | 8/16/18 | 208,033 | 204,218 | (3,815) |
| | Norwegian Krone | Buy | 9/19/18 | 1,310,280 | 1,308,136 | 2,144 |
| | Swedish Krona | Sell | 9/19/18 | 751,502 | 771,346 | 19,844 |
| Citibank, N.A. | | | | | | |
| | Australian Dollar | Buy | 7/18/18 | 1,898,946 | 1,984,266 | (85,320) |
| | Brazilian Real | Buy | 7/3/18 | 882,229 | 1,043,806 | (161,577) |
| | Brazilian Real | Sell | 7/3/18 | 882,229 | 1,042,883 | 160,654 |
| | British Pound | Sell | 9/19/18 | 519,523 | 525,995 | 6,472 |
| | Canadian Dollar | Buy | 7/18/18 | 1,143,890 | 1,161,304 | (17,414) |
| | Canadian Dollar | Sell | 7/18/18 | 1,143,890 | 1,130,452 | (13,438) |
| | Euro | Sell | 9/19/18 | 875,441 | 876,508 | 1,067 |
| | Japanese Yen | Buy | 8/16/18 | 429,600 | 437,885 | (8,285) |
| | New Zealand Dollar | Sell | 7/18/18 | 328,219 | 348,448 | 20,229 |
| | Norwegian Krone | Buy | 9/19/18 | 453,695 | 452,958 | 737 |
| | Swedish Krona | Sell | 9/19/18 | 1,779,395 | 1,821,860 | 42,465 |
| Credit Suisse International | | | | | | |
| | Australian Dollar | Buy | 7/18/18 | 1,915,967 | 1,976,390 | (60,423) |
| | British Pound | Sell | 9/19/18 | 107,930 | 112,188 | 4,258 |
| | Canadian Dollar | Buy | 7/18/18 | 857,652 | 884,937 | (27,285) |
| | Canadian Dollar | Sell | 7/18/18 | 857,652 | 898,017 | 40,365 |
| | Euro | Sell | 9/19/18 | 1,312,397 | 1,319,158 | 6,761 |
| | Japanese Yen | Sell | 8/16/18 | 1,046,958 | 1,060,034 | 13,076 |
| | New Zealand Dollar | Buy | 7/18/18 | 866,537 | 881,587 | (15,050) |
| | New Zealand Dollar | Sell | 7/18/18 | 866,537 | 884,967 | 18,430 |
| | Swedish Krona | Sell | 9/19/18 | 2,069,982 | 2,107,321 | 37,339 |
| Goldman Sachs International | | | | | | |
| | Australian Dollar | Buy | 7/18/18 | 650,298 | 815,903 | (165,605) |
| | Brazilian Real | Buy | 7/3/18 | 1,650,003 | 1,883,869 | (233,866) |
| | Brazilian Real | Sell | 7/3/18 | 1,650,003 | 1,928,074 | 278,071 |

FORWARD CURRENCY CONTRACTS at 6/30/18 (aggregate face value \$115,887,286) (Unaudited) cont.

| Counterparty | Currency | Contract type* | Delivery date | Value | Aggregate face value | Unrealized appreciation/(depreciation) |
|--|-------------------------|----------------|---------------|------------|----------------------|--|
| Goldman Sachs International cont. | | | | | | |
| | Brazilian Real | Sell | 10/2/18 | \$84,164 | \$86,929 | \$2,765 |
| | British Pound | Sell | 9/19/18 | 681,352 | 689,125 | 7,773 |
| | Canadian Dollar | Buy | 7/18/18 | 283,576 | 293,654 | (10,078) |
| | Chinese Yuan (Offshore) | Buy | 8/16/18 | 1,159 | 23,367 | (22,208) |
| | Euro | Sell | 9/19/18 | 422,157 | 416,900 | (5,257) |
| | Japanese Yen | Buy | 8/16/18 | 438,161 | 443,623 | (5,462) |
| | New Taiwan Dollar | Sell | 8/16/18 | 5,029 | 7,973 | 2,944 |
| | New Zealand Dollar | Sell | 7/18/18 | 4,390,190 | 4,579,406 | 189,216 |
| | Norwegian Krone | Buy | 9/19/18 | 11,424,919 | 11,415,511 | 9,408 |
| | South African Rand | Buy | 7/18/18 | 119,460 | 157,140 | (37,680) |
| | Swedish Krona | Sell | 9/19/18 | 1,440,616 | 1,499,767 | 59,151 |
| HSBC Bank USA, National Association | | | | | | |
| | Australian Dollar | Buy | 7/18/18 | 1,447,281 | 1,519,317 | (72,036) |
| | British Pound | Buy | 9/19/18 | 863,708 | 873,668 | (9,960) |
| | Chinese Yuan (Offshore) | Buy | 8/16/18 | 1,174 | 23,103 | (21,929) |
| | Japanese Yen | Sell | 8/16/18 | 863,426 | 863,371 | (55) |
| | Mexican Peso | Buy | 7/18/18 | 235,754 | 254,453 | (18,699) |
| | New Zealand Dollar | Sell | 7/18/18 | 978,360 | 1,003,522 | 25,162 |
| | Swedish Krona | Sell | 9/19/18 | 1,511,112 | 1,538,981 | 27,869 |
| JPMorgan Chase Bank N.A. | | | | | | |
| | Australian Dollar | Buy | 7/18/18 | 182,872 | 275,437 | (92,565) |
| | British Pound | Buy | 9/19/18 | 265,786 | 266,419 | (633) |
| | Canadian Dollar | Sell | 7/18/18 | 330,216 | 352,570 | 22,354 |
| | Euro | Sell | 9/19/18 | 883,663 | 882,168 | (1,495) |
| | Japanese Yen | Sell | 8/16/18 | 552,105 | 538,494 | (13,611) |
| | New Zealand Dollar | Sell | 7/18/18 | 1,210,267 | 1,292,581 | 82,314 |
| | Norwegian Krone | Buy | 9/19/18 | 2,526,575 | 2,520,839 | 5,736 |
| | Russian Ruble | Buy | 9/19/18 | 860,609 | 870,969 | (10,360) |
| | Russian Ruble | Sell | 9/19/18 | 860,609 | 866,507 | 5,898 |
| | Swedish Krona | Sell | 9/19/18 | 2,865,745 | 2,914,385 | 48,640 |
| | Swiss Franc | Buy | 9/19/18 | 39,137 | 39,165 | (28) |
| NatWest Markets PLC | | | | | | |
| | Canadian Dollar | Buy | 7/18/18 | 864,423 | 854,331 | 10,092 |
| | Canadian Dollar | Sell | 7/18/18 | 864,423 | 860,575 | (3,848) |
| | Euro | Sell | 9/19/18 | 779,945 | 775,547 | (4,398) |
| | Japanese Yen | Buy | 8/16/18 | 859,744 | 861,875 | (2,131) |
| | Swedish Krona | Sell | 9/19/18 | 1,888,222 | 1,933,040 | 44,818 |
| State Street Bank and Trust Co. | | | | | | |
| | Australian Dollar | Buy | 7/18/18 | 2,480,863 | 2,602,543 | (121,680) |
| | British Pound | Sell | 9/19/18 | 473,040 | 478,014 | 4,974 |
| | Canadian Dollar | Sell | 7/18/18 | 77,152 | 63,841 | (13,311) |
| | Euro | Sell | 9/19/18 | 4,149,680 | 4,151,009 | 1,329 |
| | Japanese Yen | Buy | 8/16/18 | 428,036 | 431,001 | (2,965) |
| | New Zealand Dollar | Sell | 7/18/18 | 1,533,610 | 1,599,572 | 65,962 |
| | Norwegian Krone | Buy | 9/19/18 | 3,390,821 | 3,387,517 | 3,304 |
| | Swedish Krona | Sell | 9/19/18 | 4,916,578 | 5,027,935 | 111,357 |
| UBSAG | | | | | | |
| | Australian Dollar | Buy | 7/18/18 | 2,225,613 | 2,315,255 | (89,642) |
| | British Pound | Sell | 9/19/18 | 8,476 | 8,577 | 101 |
| | Canadian Dollar | Sell | 7/18/18 | 7,913 | 27,084 | 19,171 |
| | Euro | Sell | 9/19/18 | 1,898,648 | 1,900,935 | 2,287 |
| | Japanese Yen | Sell | 8/16/18 | 848,249 | 854,269 | 6,020 |

FORWARD CURRENCY CONTRACTS at 6/30/18 (aggregate face value \$115,887,286) (Unaudited) cont.

| Counterparty | Currency | Contract type* | Delivery date | Value | Aggregate face value | Unrealized appreciation/(depreciation) |
|----------------------------------|--------------------|----------------|---------------|-------------|----------------------|--|
| UBS AG cont. | | | | | | |
| | New Zealand Dollar | Sell | 7/18/18 | \$1,997,357 | \$2,131,082 | \$133,725 |
| | Norwegian Krone | Buy | 9/19/18 | 1,655,235 | 1,651,298 | 3,937 |
| | Swedish Krona | Sell | 9/19/18 | 1,060,339 | 1,097,896 | 37,557 |
| WestPac Banking Corp. | | | | | | |
| | Australian Dollar | Buy | 7/18/18 | 1,605,063 | 1,681,579 | (76,516) |
| | Canadian Dollar | Buy | 7/18/18 | 45,576 | 45,418 | 158 |
| | Canadian Dollar | Sell | 7/18/18 | 45,576 | 45,786 | 210 |
| | Japanese Yen | Sell | 8/16/18 | 558,107 | 565,013 | 6,906 |
| Unrealized appreciation | | | | | | 1,703,335 |
| Unrealized (depreciation) | | | | | | (1,642,787) |
| Total | | | | | | \$60,548 |

* The exchange currency for all contracts listed is the United States Dollar.

FUTURES

| CONTRACTS OUTSTANDING at 6/30/18 (Unaudited) | Number of contracts | Notional amount | Value | Expiration date | Unrealized appreciation/(depreciation) |
|--|---------------------|-----------------|-------------|-----------------|--|
| Euro-BTP Italian Government Bond (Long) | 18 | \$2,674,636 | \$2,674,636 | Sep-18 | \$20,758 |
| Euro-Bund 10yr (Short) | 39 | 7,403,210 | 7,403,210 | Sep-18 | (52,489) |
| Euro-OAT 10yr (Short) | 6 | 1,082,831 | 1,082,831 | Sep-18 | (9,547) |
| U.S. Treasury Note Ultra 10yr (Long) | 23 | 2,949,391 | 2,949,391 | Sep-18 | 35,016 |
| Unrealized appreciation | | | | | 55,774 |
| Unrealized (depreciation) | | | | | (62,036) |
| Total | | | | | \$(6,262) |

WRITTEN SWAP OPTIONS OUTSTANDING at 6/30/18 (premiums \$5,852,898) (Unaudited)

| Counterparty | Fixed Obligation % to receive or (pay)/Floating rate index/ Maturity date | Expiration date/strike | Notional/ Contract amount | Value |
|--|---|------------------------|---------------------------|---------|
| Bank of America N.A. | | | | |
| (2.2625)/3 month USD-LIBOR-BBA/Aug-19 | | Aug-18/2.2625 | \$22,382,600 | \$224 |
| (1.9325)/3 month USD-LIBOR-BBA/Aug-20 | | Aug-19/1.9325 | 49,739,000 | 12,932 |
| 2.2625/3 month USD-LIBOR-BBA/Aug-19 | | Aug-18/2.2625 | 22,382,600 | 138,996 |
| 1.9325/3 month USD-LIBOR-BBA/Aug-20 | | Aug-19/1.9325 | 49,739,000 | 519,773 |
| Barclays Bank PLC | | | | |
| 2.9425/3 month USD-LIBOR-BBA/Jul-28 | | Jul-18/2.9425 | 4,313,600 | 3,321 |
| (2.9425)/3 month USD-LIBOR-BBA/Jul-28 | | Jul-18/2.9425 | 4,313,600 | 7,635 |
| 2.813/3 month USD-LIBOR-BBA/Jan-21 | | Jan-19/2.813 | 21,287,000 | 101,965 |
| (2.98)/3 month USD-LIBOR-BBA/Jul-28 | | Jul-18/2.98 | 14,966,700 | 109,257 |
| Citibank, N.A. | | | | |
| 1.291/6 month EUR-EURIBOR-Reuters/Jul-23 | | Jul-18/1.291 | EUR 5,422,000 | 6 |
| (2.6325)/3 month USD-LIBOR-BBA/Aug-19 | | Aug-18/2.6325 | \$19,895,600 | 1,990 |

WRITTEN SWAP OPTIONS OUTSTANDING at 6/30/18 (premiums \$5,852,898) (Unaudited) cont.

| Counterparty | Fixed Obligation % to receive or (pay)/Floating rate index/ Maturity date | Expiration date/strike | Notional/ Contract amount | Value |
|---------------------------------------|---|------------------------|---------------------------|---------|
| Citibank, N.A. cont. | | | | |
| (2.739)/3 month USD-LIBOR-BBA/Jul-28 | | Jul-18/2.739 | \$15,875,700 | \$5,557 |
| 3.03/3 month USD-LIBOR-BBA/Jul-28 | | Jul-18/3.03 | 14,922,500 | 6,118 |
| 3.126/3 month USD-LIBOR-BBA/Aug-28 | | Aug-18/3.126 | 14,966,700 | 18,409 |
| 3.029/3 month USD-LIBOR-BBA/Jul-28 | | Jul-18/3.029 | 15,875,700 | 20,321 |
| 3.09/3 month USD-LIBOR-BBA/Jun-24 | | Jun-19/3.09 | 10,617,200 | 97,572 |
| (3.03)/3 month USD-LIBOR-BBA/Jul-28 | | Jul-18/3.03 | 14,922,500 | 134,153 |
| 2.663/3 month USD-LIBOR-BBA/Jan-21 | | Jan-19/2.663 | 21,287,000 | 142,410 |
| Credit Suisse International | | | | |
| 3.3575/3 month USD-LIBOR-BBA/Aug-28 | | Aug-18/3.3575 | 15,875,700 | 4,128 |
| 3.10/3 month USD-LIBOR-BBA/Jul-28 | | Jul-18/3.10 | 14,966,700 | 13,919 |
| (2.915)/3 month USD-LIBOR-BBA/Jul-28 | | Jul-18/2.915 | 4,762,700 | 20,432 |
| 2.973/3 month USD-LIBOR-BBA/Sep-22 | | Sep-18/2.973 | 26,542,900 | 74,320 |
| (2.973)/3 month USD-LIBOR-BBA/Sep-22 | | Sep-18/2.973 | 26,542,900 | 140,677 |
| Goldman Sachs International | | | | |
| (2.3025)/3 month USD-LIBOR-BBA/Oct-19 | | Oct-18/2.3025 | 39,791,200 | 5,571 |
| 3.05/3 month USD-LIBOR-BBA/Jul-28 | | Jul-18/3.05 | 14,966,700 | 10,776 |
| 2.8875/3 month USD-LIBOR-BBA/Sep-20 | | Sep-18/2.8875 | 42,335,300 | 60,116 |
| 2.85/3 month USD-LIBOR-BBA/Sep-20 | | Sep-18/2.85 | 42,335,300 | 68,583 |
| (2.85)/3 month USD-LIBOR-BBA/Sep-20 | | Sep-18/2.85 | 42,335,300 | 69,853 |
| (2.8875)/3 month USD-LIBOR-BBA/Sep-20 | | Sep-18/2.8875 | 42,335,300 | 87,634 |
| (3.05)/3 month USD-LIBOR-BBA/Jul-28 | | Jul-18/3.05 | 14,966,700 | 163,885 |

WRITTEN SWAP OPTIONS OUTSTANDING at 6/30/18
(premiums \$5,852,898) (Unaudited) cont.

| Counterparty | Fixed Obligation % to receive or (pay)/Floating rate index/ Maturity date | Expiration date/strike | Notional/ Contract amount | Value |
|---|---|------------------------|---------------------------|--------------------|
| Goldman Sachs International cont. | | | | |
| (1.6975)/3 month | GBP-LIBOR-BBA/Oct-38 | Oct-18/1.6975 | GBP 6,820,000 | \$209,896 |
| 2.01/6 month | EUR-EURIBOR-Reuters/Dec-37 | Dec-27/2.01 | EUR 3,410,000 | 264,936 |
| (2.01)/6 month | EUR-EURIBOR-Reuters/Dec-37 | Dec-27/2.01 | EUR 3,410,000 | 268,360 |
| JPMorgan Chase Bank N.A. | | | | |
| (2.25)/3 month | USD-LIBOR-BBA/Aug-19 | Aug-18/2.25 | \$22,382,600 | 224 |
| (1.919)/3 month | USD-LIBOR-BBA/Aug-20 | Aug-19/1.919 | 49,739,000 | 12,435 |
| 3.055/3 month | USD-LIBOR-BBA/Sep-20 | Sep-18/3.055 | 31,851,500 | 13,696 |
| 2.975/3 month | USD-LIBOR-BBA/Sep-20 | Sep-18/2.975 | 31,851,500 | 25,481 |
| (1.106)/3 month | GBP-LIBOR-BBA/Nov-27 | Nov-22/1.106 | GBP 3,751,000 | 68,563 |
| 2.25/3 month | USD-LIBOR-BBA/Aug-19 | Aug-18/2.25 | \$22,382,600 | 141,458 |
| 2.77/3 month | USD-LIBOR-BBA/Jan-21 | Jan-19/2.77 | 39,791,200 | 206,516 |
| (1.733)/6 month | EUR-EURIBOR-Reuters/Sep-39 | Sep-19/1.733 | EUR 6,820,000 | 452,937 |
| 1.919/3 month | USD-LIBOR-BBA/Aug-20 | Aug-19/1.919 | \$49,739,000 | 525,741 |
| Morgan Stanley & Co. International PLC | | | | |
| 3.0625/3 month | USD-LIBOR-BBA/Jul-28 | Jul-18/3.0625 | 10,784,000 | 11 |
| (2.8425)/3 month | USD-LIBOR-BBA/Jul-28 | Jul-18/2.8425 | 10,784,000 | 108 |
| (2.8525)/3 month | USD-LIBOR-BBA/Jul-28 | Jul-18/2.8525 | 4,762,700 | 8,335 |
| 3.1225/3 month | USD-LIBOR-BBA/Jul-28 | Jul-18/3.1225 | 19,955,600 | 11,574 |
| 3.255/3 month | USD-LIBOR-BBA/Aug-28 | Aug-18/3.255 | 14,922,500 | 15,967 |
| 3.24/3 month | USD-LIBOR-BBA/Sep-28 | Sep-18/3.24 | 9,977,800 | 22,350 |
| 2.75/3 month | USD-LIBOR-BBA/Aug-20 | Aug-18/2.75 | 21,167,700 | 54,824 |
| 3.02/3 month | USD-LIBOR-BBA/Jul-28 | Jul-18/3.02 | 30,126,800 | 75,618 |
| 2.655/3 month | USD-LIBOR-BBA/Jul-20 | Jul-18/2.655 | 42,335,300 | 114,305 |
| (2.99)/3 month | USD-LIBOR-BBA/Sep-28 | Sep-18/2.99 | 9,977,800 | 120,033 |
| (2.9725)/3 month | USD-LIBOR-BBA/Jul-28 | Jul-18/2.9725 | 19,955,600 | 132,306 |
| (3.00)/3 month | USD-LIBOR-BBA/Apr-48 | Apr-25/3.00 | 2,490,200 | 247,750 |
| (3.00)/3 month | USD-LIBOR-BBA/Apr-48 | Apr-25/3.00 | 2,490,200 | 247,999 |
| (3.02)/3 month | USD-LIBOR-BBA/Jul-28 | Jul-18/3.02 | 30,126,800 | 299,159 |
| Total | | | | \$5,581,115 |

WRITTEN OPTIONS OUTSTANDING at 6/30/18 (premiums \$418,750)
(Unaudited)

| Counterparty | Expiration date/strike price | Notional amount | Contract amount | Value |
|---|------------------------------|-----------------|-----------------|-----------------|
| JPMorgan Chase Bank N.A. | | | | |
| Federal National Mortgage Association 30 yr 2.50% TBA commitments (Put) | Jul-18/\$93.22 | \$3,000,000 | \$3,000,000 | \$939 |
| Federal National Mortgage Association 30 yr 3.00% TBA commitments (Put) | Jul-18/96.48 | 16,000,000 | 16,000,000 | 5,104 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Sep-18/98.27 | 10,000,000 | 10,000,000 | 20,050 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Sep-18/98.11 | 10,000,000 | 10,000,000 | 17,050 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Sep-18/97.95 | 10,000,000 | 10,000,000 | 14,470 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Sep-18/97.70 | 10,000,000 | 10,000,000 | 10,980 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Sep-18/97.54 | 10,000,000 | 10,000,000 | 9,260 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Sep-18/97.38 | 10,000,000 | 10,000,000 | 7,780 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Jul-18/98.55 | 10,000,000 | 10,000,000 | 50 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Jul-18/97.88 | 10,000,000 | 10,000,000 | 10 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Jul-18/98.03 | 10,000,000 | 10,000,000 | 10 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Jul-18/98.23 | 10,000,000 | 10,000,000 | 10 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Jul-18/98.39 | 10,000,000 | 10,000,000 | 10 |
| Federal National Mortgage Association 30 yr 3.50% TBA commitments (Put) | Jul-18/98.19 | 10,000,000 | 10,000,000 | 10 |
| Total | | | | \$85,733 |

FORWARD PREMIUM SWAP OPTION CONTRACTS OUTSTANDING at 6/30/18 (Unaudited)

| Counterparty Fixed right or obligation % to receive or (pay)/ Floating rate index/Maturity date | Expiration date/strike | Notional/ Contract amount | Premium receivable/ (payable) | Unrealized appreciation/ (depreciation) |
|---|---------------------------|---------------------------------|-------------------------------------|---|
| Bank of America N.A. | | | | |
| (2.203)/3 month USD-LIBOR-BBA/Jun-24 (Purchased) | Jun-19/2.203 | \$4,973,900 | \$(99,478) | \$84,656 |
| (2.647)/3 month USD-LIBOR-BBA/Jun-29 (Purchased) | Jun-24/2.647 | 4,973,900 | (194,479) | 15,519 |
| (2.5925)/3 month USD-LIBOR-BBA/Jan-27 (Purchased) | Jan-19/2.5925 | 2,984,300 | (105,197) | (13,161) |
| (2.785)/3 month USD-LIBOR-BBA/Jan-47 (Purchased) | Jan-27/2.785 | 2,984,300 | (320,215) | (14,710) |
| 2.647/3 month USD-LIBOR-BBA/Jun-29 (Purchased) | Jun-24/2.647 | 4,973,900 | (194,479) | (56,702) |
| 2.785/3 month USD-LIBOR-BBA/Jan-47 (Purchased) | Jan-27/2.785 | 2,984,300 | (320,215) | (78,845) |
| 2.203/3 month USD-LIBOR-BBA/Jun-24 (Purchased) | Jun-19/2.203 | 4,973,900 | (99,478) | (85,501) |
| 2.5925/3 month USD-LIBOR-BBA/Jan-27 (Purchased) | Jan-19/2.5925 | 2,984,300 | (105,197) | (88,634) |
| (2.7175)/3 month USD-LIBOR-BBA/Jan-47 (Written) | Jan-19/2.7175 | 2,984,300 | 269,632 | 212,930 |
| (2.413)/3 month USD-LIBOR-BBA/Jun-29 (Written) | Jun-19/2.413 | 4,973,900 | 191,246 | 155,882 |
| 2.7175/3 month USD-LIBOR-BBA/Jan-47 (Written) | Jan-19/2.7175 | 2,984,300 | 269,632 | 74,548 |
| 2.413/3 month USD-LIBOR-BBA/Jun-29 (Written) | Jun-19/2.413 | 4,973,900 | 191,246 | (85,501) |
| Barclays Bank PLC | | | | |
| (2.205)/3 month USD-LIBOR-BBA/Jun-24 (Purchased) | Jun-19/2.205 | 4,973,900 | (99,478) | 84,258 |
| (2.43)/3 month USD-LIBOR-BBA/Feb-22 (Purchased) | Feb-19/2.43 | 2,984,300 | (41,631) | 7,640 |
| 2.43/3 month USD-LIBOR-BBA/Feb-22 (Purchased) | Feb-19/2.43 | 2,984,300 | (41,631) | (36,796) |
| 2.205/3 month USD-LIBOR-BBA/Jun-24 (Purchased) | Jun-19/2.205 | 4,973,900 | (99,478) | (85,452) |
| Citibank, N.A. | | | | |
| (2.654)/3 month USD-LIBOR-BBA/Jun-29 (Purchased) | Jun-24/2.654 | 4,973,900 | (194,479) | 14,673 |
| (2.34)/3 month USD-LIBOR-BBA/Nov-24 (Purchased) | Nov-19/2.34 | 725,000 | (13,449) | 10,940 |
| (2.689)/3 month USD-LIBOR-BBA/Nov-49 (Purchased) | Nov-24/2.689 | 725,000 | (93,344) | 8,932 |
| 2.34/3 month USD-LIBOR-BBA/Nov-24 (Purchased) | Nov-19/2.34 | 725,000 | (13,449) | (9,157) |
| 2.689/3 month USD-LIBOR-BBA/Nov-49 (Purchased) | Nov-24/2.689 | 725,000 | (93,344) | (19,822) |
| 2.654/3 month USD-LIBOR-BBA/Jun-29 (Purchased) | Jun-24/2.654 | 4,973,900 | (194,479) | (56,106) |
| (2.42)/3 month USD-LIBOR-BBA/Jun-29 (Written) | Jun-19/2.42 | 4,973,900 | 191,495 | 155,583 |
| (2.615)/3 month USD-LIBOR-BBA/Nov-49 (Written) | Nov-19/2.615 | 725,000 | 58,000 | 32,451 |
| 2.615/3 month USD-LIBOR-BBA/Nov-49 (Written) | Nov-19/2.615 | 725,000 | 58,000 | (15,827) |
| 2.42/3 month USD-LIBOR-BBA/Jun-29 (Written) | Jun-19/2.42 | 4,973,900 | 190,500 | (83,760) |
| Goldman Sachs International | | | | |
| (2.47)/3 month USD-LIBOR-BBA/Nov-29 (Purchased) | Nov-19/2.47 | 1,208,400 | (42,898) | 24,688 |
| (2.7725)/3 month USD-LIBOR-BBA/Nov-29 (Purchased) | Nov-19/2.7725 | 1,208,400 | (30,814) | 15,153 |
| (2.725)/3 month USD-LIBOR-BBA/Nov-39 (Purchased) | Nov-29/2.725 | 1,208,400 | (96,853) | 6,779 |
| (3.005)/3 month USD-LIBOR-BBA/Nov-39 (Purchased) | Nov-29/3.005 | 1,208,400 | (83,742) | 4,809 |
| (2.8175)/3 month USD-LIBOR-BBA/Mar-47 (Purchased) | Mar-27/2.8175 | 596,900 | (75,359) | (1,331) |
| 2.8175/3 month USD-LIBOR-BBA/Mar-47 (Purchased) | Mar-27/2.8175 | 596,900 | (75,359) | (11,580) |
| 3.005/3 month USD-LIBOR-BBA/Nov-39 (Purchased) | Nov-29/3.005 | 1,208,400 | (109,964) | (13,643) |
| 2.725/3 month USD-LIBOR-BBA/Nov-39 (Purchased) | Nov-29/2.725 | 1,208,400 | (96,853) | (14,320) |
| 2.47/3 month USD-LIBOR-BBA/Nov-29 (Purchased) | Nov-19/2.47 | 1,208,400 | (42,898) | (28,180) |
| 2.7725/3 month USD-LIBOR-BBA/Nov-29 (Purchased) | Nov-19/2.7725 | 1,208,400 | (58,003) | (33,038) |
| (2.875)/3 month USD-LIBOR-BBA/Nov-39 (Written) | Nov-19/2.875 | 1,208,400 | 99,210 | 50,427 |
| (2.584)/3 month USD-LIBOR-BBA/Nov-39 (Written) | Nov-19/2.584 | 1,208,400 | 72,323 | 43,357 |
| 2.875/3 month USD-LIBOR-BBA/Nov-39 (Written) | Nov-19/2.875 | 1,208,400 | 50,994 | (16,809) |
| 2.584/3 month USD-LIBOR-BBA/Nov-39 (Written) | Nov-19/2.584 | 1,208,400 | 72,323 | (30,125) |
| JPMorgan Chase Bank N.A. | | | | |
| (2.2525)/3 month USD-LIBOR-BBA/Nov-29 (Purchased) | Nov-19/2.2525 | 1,208,400 | (74,921) | 11,492 |
| (2.553)/3 month USD-LIBOR-BBA/Nov-24 (Purchased) | Nov-19/2.553 | 725,000 | (9,643) | 9,353 |
| (2.902)/3 month USD-LIBOR-BBA/Nov-49 (Purchased) | Nov-24/2.902 | 725,000 | (77,793) | 8,736 |
| 2.50/3 month USD-LIBOR-BBA/Nov-39 (Purchased) | Nov-29/2.50 | 1,208,400 | (69,846) | (1,498) |
| (1.045)/6 month EUR-EURIBOR-Reuters/Jul-28 (Purchased) | Jul-18/1.045 | EUR 15,677,000 | (9,998) | (2,380) |
| (2.50)/3 month USD-LIBOR-BBA/Nov-39 (Purchased) | Nov-29/2.50 | \$1,208,400 | (125,674) | (4,266) |
| 2.2525/3 month USD-LIBOR-BBA/Nov-29 (Purchased) | Nov-19/2.2525 | 1,208,400 | (14,501) | (5,124) |

FORWARD PREMIUM SWAP OPTION CONTRACTS OUTSTANDING at 6/30/18 (Unaudited) cont.

| Counterparty Fixed right or obligation % to receive or (pay)/ Floating rate index/Maturity date | Expiration date/strike | Notional/ Contract amount | Premium receivable/ (payable) | Unrealized appreciation/ (depreciation) |
|---|---------------------------|---------------------------------|-------------------------------------|---|
| JPMorgan Chase Bank N.A. cont. | | | | |
| 2.553/3 month USD-LIBOR-BBA/Nov-24 (Purchased) | Nov-19/2.553 | \$725,000 | \$(17,763) | \$(11,644) |
| 2.902/3 month USD-LIBOR-BBA/Nov-49 (Purchased) | Nov-24/2.902 | 725,000 | (112,085) | (24,984) |
| (2.8325)/3 month USD-LIBOR-BBA/Feb-52 (Purchased) | Feb-22/2.8325 | 2,984,300 | (416,683) | (73,682) |
| 2.8325/3 month USD-LIBOR-BBA/Feb-52 (Purchased) | Feb-22/2.8325 | 2,984,300 | (416,683) | (127,818) |
| (2.79)/3 month USD-LIBOR-BBA/Feb-49 (Written) | Feb-19/2.79 | 2,984,300 | 283,359 | 201,977 |
| 2.79/3 month USD-LIBOR-BBA/Feb-49 (Written) | Feb-19/2.79 | 2,984,300 | 283,359 | 106,719 |
| (2.826)/3 month USD-LIBOR-BBA/Nov-49 (Written) | Nov-19/2.826 | 725,000 | 79,823 | 42,456 |
| (2.36)/3 month USD-LIBOR-BBA/Nov-39 (Written) | Nov-19/2.36 | 1,208,400 | 19,939 | 1,885 |
| (0.745)/6 month EUR-EURIBOR-Reuters/Jul-28 (Written) | Jul-18/0.745 | EUR 15,677,000 | 6,363 | (366) |
| 2.36/3 month USD-LIBOR-BBA/Nov-39 (Written) | Nov-19/2.36 | \$1,208,400 | 131,716 | (4,000) |
| 2.826/3 month USD-LIBOR-BBA/Nov-49 (Written) | Nov-19/2.826 | 725,000 | 40,673 | (12,847) |
| Morgan Stanley & Co. International PLC | | | | |
| (2.155)/3 month USD-LIBOR-BBA/Nov-24 (Purchased) | Nov-19/2.155 | 725,000 | (18,125) | 11,390 |
| (2.505)/3 month USD-LIBOR-BBA/Nov-49 (Purchased) | Nov-24/2.505 | 725,000 | (111,070) | 6,641 |
| 2.155/3 month USD-LIBOR-BBA/Nov-24 (Purchased) | Nov-19/2.155 | 725,000 | (9,498) | (6,395) |
| 2.505/3 month USD-LIBOR-BBA/Nov-49 (Purchased) | Nov-24/2.505 | 725,000 | (78,010) | (14,899) |
| (2.43)/3 month USD-LIBOR-BBA/Nov-49 (Written) | Nov-19/2.43 | 725,000 | 40,310 | 22,359 |
| 2.43/3 month USD-LIBOR-BBA/Nov-49 (Written) | Nov-19/2.43 | 725,000 | 79,460 | (15,073) |
| Unrealized appreciation | | | | 1,426,233 |
| Unrealized (depreciation) | | | | (1,183,976) |
| Total | | | | \$242,257 |

**TBA SALE COMMITMENTS OUTSTANDING at 6/30/18
(proceeds receivable \$31,639,609) (Unaudited)**

| Agency | Principal amount | Settlement date | Value |
|--|---------------------|--------------------|---------------------|
| Federal National Mortgage Association, 4.50%, 7/1/48 | \$3,000,000 | 7/12/18 | \$3,123,750 |
| Federal National Mortgage Association, 3.50%, 7/1/48 | 19,000,000 | 7/12/18 | 18,907,968 |
| Federal National Mortgage Association, 3.00%, 8/1/48 | 5,000,000 | 8/13/18 | 4,837,890 |
| Federal National Mortgage Association, 3.00%, 7/1/48 | 5,000,000 | 7/12/18 | 4,842,969 |
| Total | | | \$31,712,577 |

OTC INTEREST RATE SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited)

| Swap counterparty/ Notional amount | Value | Upfront premium received (paid) | Termination date | Payments made by fund | Payments received by fund | Unrealized appreciation/ (depreciation) |
|---------------------------------------|---------|---------------------------------------|---------------------|----------------------------------|--|---|
| JPMorgan Chase Bank N.A. | | | | | | |
| MYR 3,250,000 | \$2,213 | \$— | 12/12/22 | 3.925% — Quarterly | 3 month MYR-KLIBOR- BNM — Quarterly | \$(2,312) |
| Upfront premium received | | — | | Unrealized appreciation | | — |
| Upfront premium (paid) | | — | | Unrealized (depreciation) | | (2,312) |
| Total | | \$— | | Total | | \$(2,312) |

CENTRALLY CLEARED INTEREST RATE SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited)

| Notional amount | Value | Upfront premium received (paid) | Termination date | Payments made by fund | Payments received by fund | Unrealized appreciation/ (depreciation) |
|-----------------|-----------------------|---------------------------------------|---------------------|---|------------------------------|---|
| \$3,816,000 | \$33,134 ^E | \$(28) | 10/27/27 | 3 month USD-LIBOR-BBA — Quarterly | 2.74875% — Semiannually | \$(33,162) |
| 16,709,000 | 78,181 | (158) | 3/21/23 | 3 month USD-LIBOR-BBA — Quarterly | 2.7725% — Semiannually | 39,528 |
| 3,261,000 | 19,745 ^E | (37) | 2/27/28 | 3 month USD-LIBOR-BBA — Quarterly | 3.11% — Semiannually | 19,709 |
| 30,454,000 | 53,386 ^E | (38,182) | 6/7/20 | 3 month USD-LIBOR-BBA — Semiannually | 2.79375% — Quarterly | 15,204 |
| 30,454,000 | 21,135 ^E | 25,771 | 6/7/20 | 3 month USD-LIBOR-BBA — Quarterly | 2.90375% — Semiannually | 4,636 |
| 3,819,000 | 13,405 ^E | (43) | 3/7/28 | 3 month USD-LIBOR-BBA — Quarterly | 3.05125% — Semiannually | 13,362 |

CENTRALLY CLEARED INTEREST RATE SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited) cont.

| Notional amount | Value | Upfront premium received (paid) | Termination date | Payments made by fund | Payments received by fund | Unrealized appreciation/ (depreciation) |
|-----------------|----------------------|---------------------------------|------------------|--|--|---|
| \$115,946,700 | \$704,724 | \$(280,229) | 6/20/23 | 2.75% — Semiannually | 3 month USD-LIBOR-BBA — Quarterly | \$409,427 |
| 29,226,000 | 1,607 | (71) | 4/25/19 | 3 month USD-LIBOR-BBA — Quarterly | 2.547% — Semiannually | 6,451 |
| 73,065,000 | 3,142 | (177) | 4/26/19 | 3 month USD-LIBOR-BBA — Quarterly | 2.55% — Semiannually | 16,733 |
| 14,613,000 | 2,528 | (35) | 5/1/19 | 3 month USD-LIBOR-BBA — Quarterly | 2.5371% — Semiannually | 840 |
| 14,922,500 | 41,335 | 96,599 | 7/3/28 | 3 month USD-LIBOR-BBA — Quarterly | 2.899% — Semiannually | 55,264 |
| 53,184,000 | 108,495 ^E | (56,194) | 9/19/23 | 3 month USD-LIBOR-BBA — Semiannually | 2.95% — Quarterly | (164,689) |
| 3,020,000 | 15,565 ^E | (7,465) | 9/19/28 | 3 month USD-LIBOR-BBA — Quarterly | 3.00% — Semiannually | 8,100 |
| 134,006,600 | 30,017 ^E | 48,815 | 9/19/20 | 2.875% — Semiannually | 3 month USD-LIBOR-BBA — Quarterly | 18,798 |
| 1,518,900 | 20,803 ^E | (11,311) | 9/19/48 | 3 month USD-LIBOR-BBA — Quarterly | 3.00% — Semiannually | 9,492 |
| 3,746,300 | 1,064 ^E | (3,118) | 9/19/23 | 2.90% — Semiannually | 3 month USD-LIBOR-BBA — Quarterly | (2,054) |
| 18,249,500 | 14,308 ^E | (23,260) | 9/19/28 | 2.95% — Semiannually | 3 month USD-LIBOR-BBA — Quarterly | (37,567) |
| 2,587,000 | 10,589 | (34) | 6/26/28 | 3 month USD-LIBOR-BBA — Semiannually | 2.9715% — Quarterly | (10,850) |
| 6,435,700 | 24,481 ^E | (91) | 8/7/28 | 3 month USD-LIBOR-BBA — Semiannually | 2.976% — Quarterly | (24,573) |
| 6,665,200 | 26,081 ^E | (94) | 7/27/28 | 3 month USD-LIBOR-BBA — Semiannually | 2.975% — Quarterly | (26,175) |
| 1,157,400 | 5,036 ^E | (16) | 7/27/28 | 3 month USD-LIBOR-BBA — Semiannually | 2.98% — Quarterly | (5,052) |
| 7,475,000 | 7,767 | (60) | 6/27/23 | 3 month USD-LIBOR-BBA — Semiannually | 2.9035% — Quarterly | (8,298) |
| 4,010,000 | 5,289 | (53) | 6/28/28 | 3 month USD-LIBOR-BBA — Semiannually | 2.9398% — Quarterly | (5,544) |
| 4,390,000 | 7,770 | (58) | 7/2/28 | 3 month USD-LIBOR-BBA — Semiannually | 2.91024% — Quarterly | 7,712 |
| 3,935,000 | 1,613 | (52) | 7/3/28 | 3 month USD-LIBOR-BBA — Semiannually | 2.92594% — Quarterly | 1,561 |
| 4,878,600 | 3,317 | (65) | 7/3/28 | 3 month USD-LIBOR-BBA — Semiannually | 2.92287% — Quarterly | 3,253 |
| AUD | 4,194,000 | 1,487 | 11/3/22 | 2.427% — Semiannually | 6 month AUD-BBR-BBSW — Semiannually | (2,859) |
| AUD | 4,194,000 | 5,624 | 11/15/22 | 2.4525% — Semiannually | 6 month AUD-BBR-BBSW — Semiannually | (7,229) |
| AUD | 4,857,000 | 33,892 ^E | 3/7/28 | 3.395% — Semiannually | 6 month AUD-BBR-BBSW — Semiannually | (33,934) |
| AUD | 30,298,000 | 29,350 ^E | 9/19/23 | 6 month AUD-BBR-BBSW — Semiannually | 2.55% — Semiannually | (74,885) |
| AUD | 2,003,000 | 6,871 ^E | 9/19/28 | 6 month AUD-BBR-BBSW — Semiannually | 2.90% — Semiannually | (8,581) |
| BRL | 7,491,718 | 41,118 | 1/2/23 | Brazil Cetip DI Interbank Deposit Rate — At maturity | 0.00% — At maturity | (42,140) |
| BRL | 3,805,921 | 15,741 | 1/2/23 | 0.00% — At maturity | Brazil Cetip DI Interbank Deposit Rate — At maturity | 16,149 |
| BRL | 4,135,315 | 47,495 | 1/2/23 | 0.00% — At maturity | Brazil Cetip DI Interbank Deposit Rate — At maturity | 48,341 |
| CAD | 4,114,000 | 52,348 | 11/2/22 | 3 month CAD-BA-CDOR — Semiannually | 2.02% — Semiannually | (50,905) |

CENTRALLY CLEARED INTEREST RATE SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited) cont.

| Notional amount | Value | Upfront premium received (paid) | Termination date | Payments made by fund | Payments received by fund | Unrealized appreciation/ (depreciation) | |
|-----------------|-------------|---------------------------------|------------------|-----------------------|---|---|------------|
| CAD | 4,114,000 | \$48,633 | \$(13) | 11/14/22 | 3 month CAD-BA-CDOR — Semiannually | 2.0525% — Semiannually | \$(47,383) |
| CAD | 17,591,000 | 10,223 ^E | 6,651 | 9/19/23 | 3 month CAD-BA-CDOR — Semiannually | 2.50% — Semiannually | 16,874 |
| CAD | 2,250,000 | 1,547 ^E | (5,687) | 9/19/28 | 3 month CAD-BA-CDOR — Semiannually | 2.60% — Semiannually | (7,234) |
| CHF | 8,297,000 | 9,828 ^E | (1,630) | 9/19/23 | 0.05% plus 6 month CHF-LIBOR-BBA — Semiannually | — | 8,198 |
| CHF | 7,072,000 | 39,605 ^E | (24,459) | 9/19/28 | 6 month CHF-LIBOR-BBA — Semiannually | 0.50% — Annually | 15,147 |
| EUR | 3,103,000 | 7,041 ^E | (12) | 2/18/20 | — | 0.124% plus 1 Day Euribor rate — Annually | (7,053) |
| EUR | 3,103,000 | 7,780 ^E | (12) | 2/18/20 | — | 0.104% plus 1 Day Euribor rate — Annually | (7,792) |
| EUR | 9,970,000 | 53,930 | (88) | 5/4/22 | 0.21% — Annually | 6 month EUR-EURIBOR-REUTERS — Semiannually | (62,982) |
| EUR | 2,872,000 | 37,279 ^E | (24) | 10/27/27 | 1.61375% — Annually | 6 month EUR-EURIBOR-REUTERS — Semiannually | (37,303) |
| EUR | 5,039,000 | 48,265 | (50) | 1/24/23 | 6 month EUR-EURIBOR-REUTERS — Semiannually | 0.378% — Annually | 65,687 |
| EUR | 1,294,000 | 20,455 | (21) | 1/24/28 | 0.976% — Annually | 6 month EUR-EURIBOR-REUTERS — Semiannually | (29,047) |
| EUR | 6,256,000 | 9,154 | (29) | 1/24/20 | — | 0.14% plus 6 month EUR-EURIBOR-REUTERS — Semiannually | (13,765) |
| EUR | 6,293,000 | 10,913 | (30) | 1/30/20 | — | 0.1249% plus 6 month EUR-EURIBOR-REUTERS — Semiannually | (15,888) |
| EUR | 5,063,000 | 65,523 | (51) | 1/30/23 | 6 month EUR-EURIBOR-REUTERS — Semiannually | 0.4419% — Annually | 84,008 |
| EUR | 1,297,000 | 23,574 | (21) | 1/30/28 | 0.9987% — Annually | 6 month EUR-EURIBOR-REUTERS — Semiannually | (32,007) |
| EUR | 13,299,000 | 207,302 | (154) | 3/21/23 | 0.503% — Annually | 6 month EUR-EURIBOR-REUTERS — Semiannually | (241,967) |
| EUR | 2,609,000 | 53,496 ^E | (36) | 2/27/28 | 1.815% — Annually | 6 month EUR-EURIBOR-REUTERS — Semiannually | (53,532) |
| EUR | 8,388,000 | 9,247 ^E | (11,912) | 9/19/23 | 6 month EUR-EURIBOR-REUTERS — Annually | 0.30% — Semiannually | (2,665) |
| EUR | 22,084,000 | 68,833 ^E | 33,632 | 9/19/28 | 6 month EUR-EURIBOR-REUTERS — Semiannually | 0.95% — Annually | 102,464 |
| EUR | 2,194,800 | 302 ^E | (36) | 8/1/28 | 6 month EUR-EURIBOR-REUTERS — Semiannually | 0.895% — Annually | 267 |
| GBP | 1,405,000 | 25,049 ^E | (26) | 1/19/32 | 1.912% — Semiannually | 6 month GBP-LIBOR-BBA — Semiannually | (25,075) |
| GBP | 6,390,000 | 13,485 | (20) | 9/15/19 | 6 month GBP-LIBOR-BBA — Semiannually | 0.766% — Semiannually | (12,104) |
| GBP | 1,278,000 | 12,584 ^E | (16) | 9/22/32 | 1.863% — Semiannually | 6 month GBP-LIBOR-BBA — Semiannually | (12,600) |
| GBP | 6,390,000 | 10,862 | 7,934 | 12/20/19 | 6 month GBP-LIBOR-BBA — Semiannually | 0.85% — Semiannually | (2,679) |
| GBP | 9,331,000 | 4,680 ^E | 6,599 | 9/19/23 | 6 month GBP-LIBOR-BBA — Semiannually | 1.35% — Semiannually | 11,278 |
| GBP | 6,745,000 | 125,897 ^E | (103,933) | 9/19/28 | 6 month GBP-LIBOR-BBA — Semiannually | 1.70% — Semiannually | 21,964 |
| HKD | 230,532,000 | 44,428 | (56) | 4/23/19 | 1.955% — Quarterly | 3 month HKD-HIBOR-HKAB — Quarterly | 12,700 |
| HKD | 57,721,000 | 10,734 | (18) | 4/24/19 | 1.965% — Quarterly | 3 month HKD-HIBOR-HKAB — Quarterly | 3,517 |
| HKD | 230,883,000 | 42,642 | (71) | 4/24/19 | 1.96625% — Quarterly | 3 month HKD-HIBOR-HKAB — Quarterly | 13,708 |

CENTRALLY CLEARED INTEREST RATE SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited) cont.

| Notional amount | Value | Upfront premium received (paid) | Termination date | Payments made by fund | Payments received by fund | Unrealized appreciation/ (depreciation) | |
|-----------------|-------------|---------------------------------|------------------|--------------------------------------|--|--|----------|
| HKD | 288,458,000 | \$53,312 | 4/25/19 | 1.972% — Quarterly | 3 month HKD-HIBOR-HKAB — Quarterly | \$22,680 | |
| HKD | 115,441,000 | 23,587 | 4/27/19 | 1.96% — Quarterly | 3 month HKD-HIBOR-HKAB — Quarterly | 13,476 | |
| INR | 54,940,000 | 14,341 | 12/22/22 | 6.715% — Semiannually | INR-FBIL-MIBOR-OIS-Compound — Semiannually | 14,261 | |
| JPY | 308,000,000 | 815 | 12/19/22 | 6 month JPY-LIBOR-BBA — Semiannually | 0.09% — Semiannually | (758) | |
| JPY | 155,000,000 | 3,066 | 12/19/27 | 0.29% — Semiannually | 6 month JPY-LIBOR-BBA — Semiannually | (3,203) | |
| JPY | 308,000,000 | 4,715 | 1/15/23 | 6 month JPY-LIBOR-BBA — Semiannually | 0.135% — Semiannually | 6,107 | |
| JPY | 155,000,000 | 12,720 | 1/15/28 | 0.365% — Semiannually | 6 month JPY-LIBOR-BBA — Semiannually | (14,955) | |
| JPY | 308,000,000 | 6,254 | 2/16/23 | 6 month JPY-LIBOR-BBA — Semiannually | 0.148% — Semiannually | 7,821 | |
| JPY | 155,000,000 | 12,531 | 2/16/28 | 0.366% — Semiannually | 6 month JPY-LIBOR-BBA — Semiannually | (14,507) | |
| MXN | 32,807,000 | 171,769 | 1/1/26 | 1 month MXN-TIIE-BANXICO — 28 Days | 6.16% — 28 Days | (172,035) | |
| MXN | 33,655,000 | 99,866 | 10/6/21 | 1 month MXN-TIIE-BANXICO — 28 Days | 5.93% — 28 Days | (100,874) | |
| MXN | 7,880,000 | 3,652 | 12/24/26 | 8.12% — 28 Days | 1 month MXN-TIIE-BANXICO — 28 Days | (3,681) | |
| MXN | 9,640,000 | 6,892 | 1/7/27 | 8.20% — 28 Days | 1 month MXN-TIIE-BANXICO — 28 Days | (7,004) | |
| MXN | 330,000 | 89 | 6/16/23 | 1 month MXN-TIIE-BANXICO — 28 Days | 8.005% — 28 Days | (89) | |
| MXN | 32,075,000 | 9,637 | 6/16/23 | 1 month MXN-TIIE-BANXICO — 28 Days | 8.02% — 28 Days | (9,698) | |
| MXN | 38,360,000 | 8,537 | 6/26/23 | 1 month MXN-TIIE-BANXICO — 28 Days | 7.77% — 28 Days | (8,554) | |
| NOK | 44,288,000 | 8,842 ^E | 3,519 | 9/19/28 | 6 month NOK-NIBOR-NIBR — Semiannually | 2.20% — Annually | 12,361 |
| NOK | 56,476,000 | 20,228 ^E | (16,997) | 9/19/23 | 6 month NOK-NIBOR-NIBR — Annually | 1.80% — Semiannually | 3,231 |
| NZD | 8,756,000 | 31,384 ^E | (874) | 9/19/23 | 3 month NZD-BBR-FRA — Semiannually | 2.70% — Quarterly | (32,258) |
| NZD | 6,903,000 | 36,716 ^E | 9,652 | 9/19/28 | 3 month NZD-BBR-FRA — Quarterly | 3.15% — Semiannually | 46,368 |
| SEK | 63,093,000 | 2,339 | (17) | 11/10/19 | — | 0.245% plus 3 month SEK-STIBOR-SIDE — Quarterly | 5,767 |
| SEK | 12,926,000 | 9,331 | (11) | 11/10/27 | 3 month SEK-STIBOR-SIDE — Quarterly | 1.125% — Annually | 21,216 |
| SEK | 63,093,000 | 2,240 | (17) | 11/10/19 | — | 0.246% plus 3 month SEK-STIBOR-SIDE — Quarterly | 5,914 |
| SEK | 12,926,000 | 9,985 | (11) | 11/10/27 | 3 month SEK-STIBOR-SIDE — Quarterly | 1.13% — Annually | 21,920 |
| SEK | 63,093,000 | 4,487 | (17) | 11/13/19 | — | 0.2225% plus 3 month SEK-STIBOR-SIDE — Quarterly | 2,632 |
| SEK | 12,926,000 | 13,722 | (11) | 11/13/27 | 3 month SEK-STIBOR-SIDE — Quarterly | 1.16% — Annually | 25,752 |
| SEK | 12,926,000 | 13,394 | (11) | 11/13/27 | 3 month SEK-STIBOR-SIDE — Quarterly | 1.1575% — Annually | 25,400 |
| SEK | 63,093,000 | 3,762 | (17) | 11/13/19 | — | 0.23% plus 3 month SEK-STIBOR-SIDE — Quarterly | 3,715 |
| SEK | 12,938,000 | 34,172 | (21) | 1/24/28 | 3 month SEK-STIBOR-SIDE — Quarterly | 1.3325% — Annually | 44,082 |

CENTRALLY CLEARED INTEREST RATE SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited) cont.

| Notional amount | Value | Upfront premium received (paid) | Termination date | Payments made by fund | Payments received by fund | Unrealized appreciation/ (depreciation) | |
|-----------------|------------|---------------------------------|------------------|--|-------------------------------------|---|----------|
| SEK | 49,865,000 | \$69,953 | 1/24/23 | 0.6075% — Annually | 3 month SEK-STIBOR-SIDE — Quarterly | \$(89,566) | |
| SEK | 61,637,000 | 15,394 | 1/24/20 | 0.0925% plus 3 month SEK-STIBOR-SIDE — Quarterly | — | 17,211 | |
| SEK | 60,709,000 | 15,867 | 1/30/20 | 0.085% plus 3 month SEK-STIBOR-SIDE — Quarterly | — | 17,636 | |
| SEK | 49,156,000 | 83,974 | 1/30/23 | 0.66875% — Annually | 3 month SEK-STIBOR-SIDE — Quarterly | (103,889) | |
| SEK | 12,802,000 | 39,633 | 1/30/28 | 3 month SEK-STIBOR-SIDE — Quarterly | 1.3775% — Annually | 49,293 | |
| SEK | 18,659,000 | 34,336 | 2/5/23 | 0.6975% — Annually | 3 month SEK-STIBOR-SIDE — Quarterly | (41,781) | |
| SEK | 19,432,000 | 1,575 ^E | 1,172 | 9/19/23 | 3 month SEK-STIBOR-SIDE — Annually | 0.50% — Quarterly | (404) |
| SEK | 51,006,000 | 10,558 ^E | (81) | 9/19/28 | 3 month SEK-STIBOR-SIDE — Quarterly | 1.20% — Annually | 10,477 |
| ZAR | 33,140,000 | 5,325 | (5) | 10/31/20 | 3 month ZAR-JIBAR-SAFEX — Quarterly | 7.48% — Quarterly | 7,857 |
| ZAR | 12,750,000 | 7,246 | (6) | 10/31/27 | 8.365% — Quarterly | 3 month ZAR-JIBAR-SAFEX — Quarterly | (9,719) |
| ZAR | 27,700,000 | 16,819 | (15) | 1/25/21 | 3 month ZAR-JIBAR-SAFEX — Quarterly | 7.06% — Quarterly | (16,199) |
| ZAR | 10,610,000 | 17,687 | (12) | 1/25/28 | 7.92% — Quarterly | 3 month ZAR-JIBAR-SAFEX — Quarterly | 16,127 |
| Total | | \$(394,842) | | | | \$(327,071) | |

^E Extended effective date.

OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited)

| Swap counterparty/ Notional amount | Value | Upfront premium received (paid) | Termination date | Payments received (paid) by fund | Total return received by or paid by fund | Unrealized appreciation/ (depreciation) |
|---------------------------------------|-----------|---------------------------------|------------------|-------------------------------------|--|---|
| Barclays Bank PLC | | | | | | |
| \$114,769 | \$112,098 | \$— | 1/12/42 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | \$(1,764) |
| 118,001 | 118,452 | — | 1/12/40 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 4.00% 30 year Fannie Mae pools — Monthly | 568 |
| 62,262 | 60,107 | — | 1/12/39 | 6.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.00% 30 year Fannie Mae pools — Monthly | (1,470) |
| 102,015 | 102,405 | — | 1/12/40 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 4.00% 30 year Fannie Mae pools — Monthly | 491 |
| 9,489 | 9,254 | — | 1/12/38 | 6.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.50% 30 year Fannie Mae pools — Monthly | (128) |
| 140,067 | 139,802 | — | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 5.00% 30 year Ginnie Mae II pools — Monthly | (72) |
| 677,388 | 679,978 | — | 1/12/40 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 4.00% 30 year Fannie Mae pools — Monthly | 3,258 |
| 569,903 | 571,094 | — | 1/12/40 | 4.50% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 4.50% 30 year Fannie Mae pools — Monthly | 1,868 |
| 353,261 | 352,029 | — | 1/12/39 | (6.00%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 6.00% 30 year Fannie Mae pools — Monthly | 615 |

OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited) cont.

| Swap counterparty/ Notional amount | Value | Upfront premium received (paid) | Termination date | Payments received (paid) by fund | Total return received by or paid by fund | Unrealized appreciation/ (depreciation) |
|---------------------------------------|-----------|---------------------------------------|---------------------|--|---|---|
| Barclays Bank PLC cont. | | | | | | |
| \$93,913 | \$89,923 | \$— | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 5.00% 30 year Ginnie Mae II pools — Monthly | \$(3,086) |
| 56,512 | 54,111 | — | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 5.00% 30 year Ginnie Mae II pools — Monthly | (1,857) |
| 71,704 | 68,658 | — | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 5.00% 30 year Ginnie Mae II pools — Monthly | (2,356) |
| 106,599 | 103,959 | — | 1/12/38 | 6.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.50% 30 year Fannie Mae pools — Monthly | (1,438) |
| 15,292 | 14,913 | — | 1/12/38 | 6.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.50% 30 year Fannie Mae pools — Monthly | (206) |
| 206,804 | 192,158 | — | 1/12/41 | (5.00%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 5.00% 30 year Fannie Mae pools — Monthly | 12,736 |
| 94,932 | 92,941 | — | 1/12/41 | (4.00%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | 1,226 |
| 155,918 | 151,281 | — | 1/12/43 | (3.50%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | 3,501 |
| 1,116,934 | 1,118,239 | — | 1/12/40 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 5.00% 30 year Fannie Mae pools — Monthly | 2,854 |
| 9,325,824 | 9,461,849 | — | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 5.00% 30 year Fannie Mae pools — Monthly | 148,927 |
| 5,936,444 | 5,919,501 | — | 1/12/38 | (6.50%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 6.50% 30 year Fannie Mae pools — Monthly | 5,640 |
| Citibank, N.A. | | | | | | |
| 556,637 | 564,756 | — | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 5.00% 30 year Fannie Mae pools — Monthly | 8,889 |
| 337,312 | 342,232 | — | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 5.00% 30 year Fannie Mae pools — Monthly | 5,387 |
| 871,083 | 883,789 | — | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 5.00% 30 year Fannie Mae pools — Monthly | 13,911 |
| Credit Suisse International | | | | | | |
| 365,848 | 371,184 | — | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 5.00% 30 year Fannie Mae pools — Monthly | 5,842 |
| 403,533 | 402,381 | — | 1/12/38 | (6.50%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 6.50% 30 year Fannie Mae pools — Monthly | 383 |
| 130,605 | 125,056 | — | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 5.00% 30 year Ginnie Mae II pools — Monthly | (4,291) |
| 145,575 | 135,266 | — | 1/12/41 | (5.00%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 5.00% 30 year Fannie Mae pools — Monthly | 8,966 |
| 160,391 | 149,032 | — | 1/12/41 | (5.00%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 5.00% 30 year Fannie Mae pools — Monthly | 9,878 |

OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited) cont.

| Swap counterparty/ Notional amount | Value | Upfront premium received (paid) | Termination date | Payments received (paid) by fund | Total return received by or paid by fund | Unrealized appreciation/ (depreciation) |
|--|-----------|---------------------------------------|---------------------|--|---|---|
| Credit Suisse International cont. | | | | | | |
| \$127,694 | \$122,269 | \$— | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 5.00% 30 year Ginnie Mae II pools — Monthly | \$(4,196) |
| 243,555 | 233,208 | — | 1/12/41 | 5.00% (1 month USD-LIBOR) — Monthly | Synthetic MBX Index 5.00% 30 year Ginnie Mae II pools — Monthly | (8,002) |
| 116,548 | 112,569 | — | 1/12/44 | 3.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | (3,145) |
| 58,333 | 56,341 | — | 1/12/44 | 3.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | (1,574) |
| 76,020 | 73,424 | — | 1/12/44 | 3.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | (2,052) |
| 103,463 | 100,385 | — | 1/12/43 | 3.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | (2,323) |
| 83,079 | 80,608 | — | 1/12/43 | 3.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | (1,865) |
| 199,100 | 193,178 | — | 1/12/43 | 3.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | (4,470) |
| 551,233 | 523,833 | — | 1/12/45 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (23,124) |
| 225,830 | 214,605 | — | 1/12/45 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (9,473) |
| 223,455 | 213,411 | — | 1/12/45 | 3.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | (8,459) |
| 223,867 | 219,172 | — | 1/12/41 | (4.00%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | 2,891 |
| Deutsche Bank AG | | | | | | |
| 403,533 | 402,381 | — | 1/12/38 | (6.50%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 6.50% 30 year Fannie Mae pools — Monthly | 383 |
| Goldman Sachs International | | | | | | |
| 114,338 | 110,379 | — | 1/12/39 | 6.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.00% 30 year Fannie Mae pools — Monthly | (2,699) |
| 44,218 | 43,123 | — | 1/12/38 | 6.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.50% 30 year Fannie Mae pools — Monthly | (596) |
| 284,863 | 278,234 | — | 1/12/42 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (4,378) |
| 284,863 | 278,234 | — | 1/12/42 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (4,378) |
| 282,620 | 281,813 | — | 1/12/38 | (6.50%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 6.50% 30 year Fannie Mae pools — Monthly | 269 |
| 106,166 | 105,863 | — | 1/12/38 | (6.50%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 6.50% 30 year Fannie Mae pools — Monthly | 101 |

OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited) cont.

| Swap counterparty/ Notional amount | Value | Upfront premium received (paid) | Termination date | Payments received (paid) by fund | Total return received by or paid by fund | Unrealized appreciation/ (depreciation) |
|--|----------|---------------------------------------|---------------------|--|--|---|
| Goldman Sachs International cont. | | | | | | |
| \$16,722 | \$16,143 | \$— | 1/12/39 | 6.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.00% 30 year Fannie Mae pools — Monthly | \$(395) |
| 165,923 | 162,262 | — | 1/12/40 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (2,245) |
| 43,865 | 42,346 | — | 1/12/39 | 6.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.00% 30 year Fannie Mae pools — Monthly | (1,036) |
| 87,721 | 84,684 | — | 1/12/39 | 6.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.00% 30 year Fannie Mae pools — Monthly | (2,071) |
| 197,328 | 196,764 | — | 1/12/38 | (6.50%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 6.50% 30 year Fannie Mae pools — Monthly | 187 |
| 387,171 | 386,066 | — | 1/12/38 | (6.50%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 6.50% 30 year Fannie Mae pools — Monthly | 368 |
| 236,764 | 236,088 | — | 1/12/38 | (6.50%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 6.50% 30 year Fannie Mae pools — Monthly | 225 |
| 18,159 | 18,107 | — | 1/12/38 | (6.50%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 6.50% 30 year Fannie Mae pools — Monthly | 17 |
| 48,387 | 48,249 | — | 1/12/38 | (6.50%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 6.50% 30 year Fannie Mae pools — Monthly | 46 |
| 3,136 | 3,059 | — | 1/12/38 | 6.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.50% 30 year Fannie Mae pools — Monthly | (42) |
| 59,971 | 58,486 | — | 1/12/38 | 6.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.50% 30 year Fannie Mae pools — Monthly | (809) |
| 370,924 | 362,292 | — | 1/12/42 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (5,700) |
| 44,796 | 43,245 | — | 1/12/39 | 6.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 6.00% 30 year Fannie Mae pools — Monthly | (1,058) |
| 320,640 | 313,178 | — | 1/12/42 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (4,928) |
| 212,922 | 197,843 | — | 1/12/41 | (5.00%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 5.00% 30 year Fannie Mae pools — Monthly | 13,113 |
| 240,476 | 232,265 | — | 1/12/44 | 3.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | (6,490) |
| 191,983 | 185,427 | — | 1/12/44 | 3.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | (5,181) |
| 117,837 | 113,813 | — | 1/12/44 | 3.50% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | (3,180) |
| 224,143 | 213,002 | — | 1/12/45 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (9,403) |
| 145,968 | 141,626 | — | 1/12/43 | (3.50%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | 3,277 |

OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited) cont.

| Swap counterparty/ Notional amount | Value | Upfront premium received (paid) | Termination date | Payments received (paid) by fund | Total return received by or paid by fund | Unrealized appreciation/ (depreciation) |
|--|-----------|---------------------------------------|---------------------|--|---|---|
| Goldman Sachs International cont. | | | | | | |
| \$403,351 | \$383,302 | \$— | 1/12/45 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | \$(16,920) |
| 157,786 | 155,195 | — | 1/12/44 | (3.00%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 3.00% 30 year Fannie Mae pools — Monthly | 1,511 |
| 532,863 | 521,686 | — | 1/12/41 | (4.00%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | 6,881 |
| JPMorgan Chase Bank N.A. | | | | | | |
| 444,291 | 434,973 | — | 1/12/41 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (5,737) |
| 337,307 | 330,233 | — | 1/12/41 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (4,356) |
| 70,063 | 68,594 | — | 1/12/41 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (905) |
| 212,922 | 197,843 | — | 1/12/41 | (5.00%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 5.00% 30 year Fannie Mae pools — Monthly | 13,113 |
| JPMorgan Securities LLC | | | | | | |
| 186,175 | 175,879 | — | 1/12/44 | 4.00% (1 month USD-LIBOR) — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | (8,860) |
| 83,755 | 81,264 | — | 1/12/43 | (3.50%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | 1,881 |
| 1,376,059 | 1,344,036 | — | 1/12/42 | (4.00%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 4.00% 30 year Fannie Mae pools — Monthly | 21,147 |
| 471,657 | 451,618 | — | 1/12/41 | (5.00%) 1 month USD-LIBOR — Monthly | Synthetic MBX Index 5.00% 30 year Ginnie Mae II pools — Monthly | 15,497 |
| 801,197 | 773,839 | — | 1/12/44 | (3.50%) 1 month USD-LIBOR — Monthly | Synthetic TRS Index 3.50% 30 year Fannie Mae pools — Monthly | 21,623 |
| Upfront premium received | | — | | Unrealized appreciation | | 337,470 |
| Upfront premium (paid) | | — | | Unrealized (depreciation) | | (176,718) |
| Total | | \$— | | Total | | \$160,752 |

CENTRALLY CLEARED TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited)

| Notional amount | Value | Upfront premium received (paid) | Termination date | Payments received (paid) by fund | Total return received by or paid by fund | Unrealized appreciation/ (depreciation) |
|-----------------|-----------|---------------------------------------|---------------------|--|--|---|
| EUR 6,295,000 | \$122,973 | \$— | 7/15/27 | (1.40%) — At maturity | Eurostat Eurozone HICP excluding tobacco — At maturity | \$122,973 |
| EUR 6,295,000 | 153,098 | — | 7/15/37 | 1.71% — At maturity | Eurostat Eurozone HICP excluding tobacco — At maturity | (153,097) |
| EUR 2,361,000 | 46,737 | (31) | 8/15/27 | (1.42%) — At maturity | Eurostat Eurozone HICP excluding tobacco — At maturity | 46,706 |
| EUR 2,361,000 | 64,948 | (57) | 8/15/37 | 1.71% — At maturity | Eurostat Eurozone HICP excluding tobacco — At maturity | (65,005) |
| EUR 3,935,000 | 74,196 | (51) | 8/15/27 | (1.4275%) — At maturity | Eurostat Eurozone HICP excluding tobacco — At maturity | 74,145 |

CENTRALLY CLEARED TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 6/30/18 (Unaudited) cont.

| Notional amount | Value | Upfront premium received (paid) | Termination date | Payments received (paid) by fund | Total return received by or paid by fund | Unrealized appreciation/ (depreciation) | |
|-----------------|-------------|---------------------------------|------------------|----------------------------------|--|--|--------------------|
| EUR | 3,935,000 | \$104,515 | \$ (94) | 8/15/37 | 1.7138% — At maturity | Eurostat Eurozone HICP excluding tobacco — At maturity | \$(104,610) |
| EUR | 3,148,000 | 54,434 | (41) | 9/15/27 | (1.4475%) — At maturity | Eurostat Eurozone HICP excluding tobacco — At maturity | 54,393 |
| EUR | 3,148,000 | 70,870 | (76) | 9/15/37 | 1.735% — At maturity | Eurostat Eurozone HICP excluding tobacco — At maturity | (70,947) |
| GBP | 1,892,000 | 5,216 | (26) | 2/15/23 | (3.19%) — At maturity | GBP Non-revised UK Retail Price Index — At maturity | (5,242) |
| GBP | 1,892,000 | 18,001 | (44) | 2/15/28 | 3.34% — At maturity | GBP Non-revised UK Retail Price Index — At maturity | 17,956 |
| GBP | 2,460,000 | 16,512 | (41) | 3/15/23 | (3.325%) — At maturity | GBP Non-revised UK Retail Price Index — At maturity | (16,553) |
| GBP | 2,460,000 | 32,122 | (57) | 3/15/28 | 3.4025% — At maturity | GBP Non-revised UK Retail Price Index — At maturity | 32,065 |
| GBP | 883,000 | 4,027 | (12) | 3/15/23 | (3.295%) — At maturity | GBP Non-revised UK Retail Price Index — At maturity | (4,040) |
| GBP | 883,000 | 9,429 | (21) | 3/15/28 | 3.3875% — At maturity | GBP Non-revised UK Retail Price Index — At maturity | 9,408 |
| GBP | 1,766,000 | 1,734 | (25) | 3/15/23 | (3.245%) — At maturity | GBP Non-revised UK Retail Price Index — At maturity | (1,759) |
| GBP | 1,766,000 | 2,366 | (25) | 3/15/23 | (3.25%) — At maturity | GBP Non-revised UK Retail Price Index — At maturity | (2,391) |
| GBP | 3,532,000 | 11,164 | (84) | 3/15/28 | 3.34% — At maturity | GBP Non-revised UK Retail Price Index — At maturity | 11,080 |
| | \$2,544,000 | 52,259 | — | 7/3/22 | (1.9225%) — At maturity | USA Non Revised Consumer Price Index-Urban (CPI-U) — At maturity | 52,259 |
| | 2,544,000 | 70,136 | — | 7/3/27 | 2.085% — At maturity | USA Non Revised Consumer Price Index-Urban (CPI-U) — At maturity | (70,136) |
| | 2,927,000 | 65,140 | — | 7/5/22 | (1.89%) — At maturity | USA Non Revised Consumer Price Index-Urban (CPI-U) — At maturity | 65,140 |
| | 2,927,000 | 90,872 | — | 7/5/27 | 2.05% — At maturity | USA Non Revised Consumer Price Index-Urban (CPI-U) — At maturity | (90,872) |
| | 2,833,000 | 39,095 | (17) | 12/21/22 | (2.068%) — At maturity | USA Non Revised Consumer Price Index-Urban (CPI-U) — At maturity | 39,078 |
| | 2,833,000 | 49,623 | (31) | 12/21/27 | 2.1939% — At maturity | USA Non Revised Consumer Price Index-Urban (CPI-U) — At maturity | (49,653) |
| | 2,833,000 | 40,370 | (17) | 12/6/22 | (2.05%) — At maturity | USA Non Revised Consumer Price Index-Urban (CPI-U) — At maturity | 40,353 |
| | 2,833,000 | 49,473 | (31) | 12/6/27 | 2.19% — At maturity | USA Non Revised Consumer Price Index-Urban (CPI-U) — At maturity | (49,503) |
| Total | | | \$(781) | | | | \$(118,252) |

OTC CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION SOLD at 6/30/18 (Unaudited)

| Swap counterparty/ Referenced debt* | Rating*** | Upfront premium received (paid)** | Notional amount | Value | Termination date | Payments received by fund | Unrealized appreciation/ (depreciation) |
|--|-----------|--|--------------------|---------|---------------------|------------------------------|---|
| Bank of America N.A. | | | | | | | |
| CMBX NA BBB-.6 Index | BBB-/P | \$5,468 | \$80,000 | \$8,296 | 5/11/63 | 300 bp — Monthly | \$(2,788) |
| CMBX NA BBB-.6 Index | BBB-/P | 10,546 | 175,000 | 18,148 | 5/11/63 | 300 bp — Monthly | (7,514) |
| CMBX NA BBB-.6 Index | BBB-/P | 21,545 | 349,000 | 36,191 | 5/11/63 | 300 bp — Monthly | (14,471) |
| CMBX NA BBB-.6 Index | BBB-/P | 20,577 | 361,000 | 37,436 | 5/11/63 | 300 bp — Monthly | (16,678) |
| Citigroup Global Markets, Inc. | | | | | | | |
| CMBX NA BBB-.6 Index | BBB-/P | 7,274 | 51,000 | 5,289 | 5/11/63 | 300 bp — Monthly | 2,011 |
| CMBX NA BBB-.6 Index | BBB-/P | 42,022 | 296,000 | 30,695 | 5/11/63 | 300 bp — Monthly | 11,475 |
| CMBX NA BB.6 Index | BB/P | 111,251 | 452,000 | 86,829 | 5/11/63 | 500 bp — Monthly | 24,799 |
| CMBX NA BB.6 Index | BB/P | 146,290 | 772,000 | 148,301 | 5/11/63 | 500 bp — Monthly | (1,368) |
| CMBX NA BBB-.6 Index | BBB-/P | 1,359 | 10,000 | 1,037 | 5/11/63 | 300 bp — Monthly | 327 |
| CMBX NA BBB-.6 Index | BBB-/P | 1,822 | 17,000 | 1,763 | 5/11/63 | 300 bp — Monthly | 68 |
| CMBX NA BBB-.6 Index | BBB-/P | 1,805 | 17,000 | 1,763 | 5/11/63 | 300 bp — Monthly | 51 |
| CMBX NA BBB-.6 Index | BBB-/P | 3,560 | 21,000 | 2,178 | 5/11/63 | 300 bp — Monthly | 1,392 |
| CMBX NA BBB-.6 Index | BBB-/P | 12,482 | 117,000 | 12,133 | 5/11/63 | 300 bp — Monthly | 407 |
| CMBX NA BBB-.6 Index | BBB-/P | 14,353 | 139,000 | 14,414 | 5/11/63 | 300 bp — Monthly | 8 |
| CMBX NA BBB-.6 Index | BBB-/P | 23,393 | 159,000 | 16,488 | 5/11/63 | 300 bp — Monthly | 6,984 |
| CMBX NA BBB-.6 Index | BBB-/P | 23,530 | 159,000 | 16,488 | 5/11/63 | 300 bp — Monthly | 7,121 |
| CMBX NA BBB-.6 Index | BBB-/P | 15,915 | 161,000 | 16,696 | 5/11/63 | 300 bp — Monthly | (700) |
| Credit Suisse International | | | | | | | |
| CMBX NA BBB-.6 Index | BBB-/P | 30,050 | 206,000 | 21,362 | 5/11/63 | 300 bp — Monthly | 8,790 |
| CMBX NA BBB-.6 Index | BBB-/P | 38,606 | 249,000 | 25,821 | 5/11/63 | 300 bp — Monthly | 12,910 |
| CMBX NA BBB-.6 Index | BBB-/P | 36,892 | 264,000 | 27,377 | 5/11/63 | 300 bp — Monthly | 9,647 |
| CMBX NA BBB-.6 Index | BBB-/P | 60,099 | 412,000 | 42,724 | 5/11/63 | 300 bp — Monthly | 17,581 |
| CMBX NA BBB-.6 Index | BBB-/P | 2,902 | 29,000 | 3,007 | 5/11/63 | 300 bp — Monthly | (91) |
| CMBX NA BBB-.6 Index | BBB-/P | 6,647 | 58,000 | 6,015 | 5/11/63 | 300 bp — Monthly | 662 |
| CMBX NA BBB-.6 Index | BBB-/P | 16,463 | 130,000 | 13,481 | 5/11/63 | 300 bp — Monthly | 3,047 |
| CMBX NA BBB-.6 Index | BBB-/P | 48,130 | 319,000 | 33,080 | 5/11/63 | 300 bp — Monthly | 15,209 |
| CMBX NA BBB-.6 Index | BBB-/P | 120,551 | 799,000 | 82,856 | 5/11/63 | 300 bp — Monthly | 38,092 |
| CMBX NA BBB-.6 Index | BBB-/P | 126,062 | 1,159,000 | 120,188 | 5/11/63 | 300 bp — Monthly | 6,453 |
| CMBX NA BBB-.6 Index | BBB-/P | 274,145 | 2,564,000 | 265,887 | 5/11/63 | 300 bp — Monthly | 9,540 |
| CMBX NA BBB-.7 Index | BBB-/P | 34,676 | 528,000 | 37,382 | 1/17/47 | 300 bp — Monthly | (2,442) |
| CMBX NA BBB-.7 Index | BBB-/P | 284,055 | 3,843,000 | 272,084 | 1/17/47 | 300 bp — Monthly | 13,892 |
| Goldman Sachs International | | | | | | | |
| CMBX NA BBB-.6 Index | BBB-/P | 13,478 | 87,000 | 9,022 | 5/11/63 | 300 bp — Monthly | 4,500 |
| CMBX NA BBB-.6 Index | BBB-/P | 5,978 | 69,000 | 7,155 | 5/11/63 | 300 bp — Monthly | (1,143) |
| CMBX NA BBB-.6 Index | BBB-/P | 8,842 | 79,000 | 8,192 | 5/11/63 | 300 bp — Monthly | 689 |
| CMBX NA BBB-.6 Index | BBB-/P | 9,574 | 87,000 | 9,022 | 5/11/63 | 300 bp — Monthly | 596 |
| CMBX NA BBB-.6 Index | BBB-/P | 8,117 | 94,000 | 9,748 | 5/11/63 | 300 bp — Monthly | (1,584) |
| CMBX NA BBB-.6 Index | BBB-/P | 16,293 | 98,000 | 10,163 | 5/11/63 | 300 bp — Monthly | 6,179 |
| CMBX NA BBB-.6 Index | BBB-/P | 8,608 | 102,000 | 10,577 | 5/11/63 | 300 bp — Monthly | (1,919) |
| CMBX NA BBB-.6 Index | BBB-/P | 8,150 | 103,000 | 10,681 | 5/11/63 | 300 bp — Monthly | (2,479) |
| CMBX NA BBB-.6 Index | BBB-/P | 16,916 | 113,000 | 11,718 | 5/11/63 | 300 bp — Monthly | 5,254 |
| CMBX NA BBB-.6 Index | BBB-/P | 16,910 | 115,000 | 11,926 | 5/11/63 | 300 bp — Monthly | 5,042 |
| CMBX NA BBB-.6 Index | BBB-/P | 13,259 | 119,000 | 12,340 | 5/11/63 | 300 bp — Monthly | 979 |
| CMBX NA BBB-.6 Index | BBB-/P | 13,360 | 123,000 | 12,755 | 5/11/63 | 300 bp — Monthly | 667 |
| CMBX NA BBB-.6 Index | BBB-/P | 13,309 | 123,000 | 12,755 | 5/11/63 | 300 bp — Monthly | 615 |
| CMBX NA BBB-.6 Index | BBB-/P | 10,857 | 131,000 | 13,585 | 5/11/63 | 300 bp — Monthly | (2,662) |
| CMBX NA BBB-.6 Index | BBB-/P | 13,452 | 134,000 | 13,896 | 5/11/63 | 300 bp — Monthly | (376) |
| CMBX NA BBB-.6 Index | BBB-/P | 15,957 | 143,000 | 14,829 | 5/11/63 | 300 bp — Monthly | 1,199 |
| CMBX NA BBB-.6 Index | BBB-/P | 15,957 | 143,000 | 14,829 | 5/11/63 | 300 bp — Monthly | 1,199 |
| CMBX NA BBB-.6 Index | BBB-/P | 12,743 | 151,000 | 15,659 | 5/11/63 | 300 bp — Monthly | (2,841) |
| CMBX NA BBB-.6 Index | BBB-/P | 21,242 | 153,000 | 15,866 | 5/11/63 | 300 bp — Monthly | 5,452 |
| CMBX NA BBB-.6 Index | BBB-/P | 25,922 | 172,000 | 17,836 | 5/11/63 | 300 bp — Monthly | 8,172 |

OTC CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION SOLD at 6/30/18 (Unaudited) cont.

| Swap counterparty/ Referenced debt* | Rating*** | Upfront premium received (paid)** | Notional amount | Value | Termination date | Payments received by fund | Unrealized appreciation/ (depreciation) |
|--|-----------|--|--------------------|----------|---------------------|------------------------------|---|
| Goldman Sachs International cont. | | | | | | | |
| CMBX NA BBB-.6 Index | BBB-/P | \$20,787 | \$192,000 | \$19,910 | 5/11/63 | 300 bp — Monthly | \$973 |
| CMBX NA BBB-.6 Index | BBB-/P | 14,034 | 206,000 | 21,362 | 5/11/63 | 300 bp — Monthly | (7,225) |
| CMBX NA BBB-.6 Index | BBB-/P | 31,126 | 222,000 | 23,021 | 5/11/63 | 300 bp — Monthly | 8,216 |
| CMBX NA BBB-.6 Index | BBB-/P | 11,031 | 228,000 | 23,644 | 5/11/63 | 300 bp — Monthly | (12,499) |
| CMBX NA BBB-.6 Index | BBB-/P | 11,359 | 229,000 | 23,747 | 5/11/63 | 300 bp — Monthly | (12,274) |
| CMBX NA BBB-.6 Index | BBB-/P | 11,164 | 229,000 | 23,747 | 5/11/63 | 300 bp — Monthly | (12,469) |
| CMBX NA BBB-.6 Index | BBB-/P | 28,369 | 233,000 | 24,162 | 5/11/63 | 300 bp — Monthly | 4,323 |
| CMBX NA BBB-.6 Index | BBB-/P | 12,206 | 234,000 | 24,266 | 5/11/63 | 300 bp — Monthly | (11,943) |
| CMBX NA BBB-.6 Index | BBB-/P | 32,901 | 315,000 | 32,666 | 5/11/63 | 300 bp — Monthly | 393 |
| CMBX NA BBB-.6 Index | BBB-/P | 42,332 | 384,000 | 39,821 | 5/11/63 | 300 bp — Monthly | 2,704 |
| CMBX NA BBB-.7 Index | BBB-/P | 8,225 | 118,000 | 8,354 | 1/17/47 | 300 bp — Monthly | (71) |
| CMBX NA BBB-.7 Index | BBB-/P | 165,569 | 2,240,000 | 158,592 | 1/17/47 | 300 bp — Monthly | 8,097 |
| JPMorgan Securities LLC | | | | | | | |
| CMBX NA BB.6 Index | BB/P | 27,963 | 132,000 | 25,357 | 5/11/63 | 500 bp — Monthly | 2,716 |
| CMBX NA BB.6 Index | BB/P | 30,266 | 143,000 | 27,470 | 5/11/63 | 500 bp — Monthly | 2,915 |
| CMBX NA BBB-.6 Index | BBB-/P | 5,682 | 39,000 | 4,044 | 5/11/63 | 300 bp — Monthly | 1,658 |
| CMBX NA BB.6 Index | BB/P | 67,995 | 323,000 | 62,048 | 5/11/63 | 500 bp — Monthly | 6,216 |
| CMBX NA BBB-.6 Index | BBB-/P | 1,696 | 14,000 | 1,452 | 5/11/63 | 300 bp — Monthly | 252 |
| CMBX NA BBB-.6 Index | BBB-/P | 3,626 | 36,000 | 3,733 | 5/11/63 | 300 bp — Monthly | (89) |
| CMBX NA BBB-.6 Index | BBB-/P | 3,856 | 39,000 | 4,044 | 5/11/63 | 300 bp — Monthly | (169) |
| CMBX NA BBB-.6 Index | BBB-/P | 4,295 | 42,000 | 4,355 | 5/11/63 | 300 bp — Monthly | (40) |
| CMBX NA BBB-.6 Index | BBB-/P | 6,331 | 49,000 | 5,081 | 5/11/63 | 300 bp — Monthly | 1,274 |
| CMBX NA BBB-.6 Index | BBB-/P | 5,697 | 50,000 | 5,185 | 5/11/63 | 300 bp — Monthly | 537 |
| CMBX NA BBB-.6 Index | BBB-/P | 8,667 | 58,000 | 6,015 | 5/11/63 | 300 bp — Monthly | 2,682 |
| CMBX NA BBB-.6 Index | BBB-/P | 8,071 | 62,000 | 6,429 | 5/11/63 | 300 bp — Monthly | 1,672 |
| CMBX NA BBB-.6 Index | BBB-/P | 7,875 | 63,000 | 6,533 | 5/11/63 | 300 bp — Monthly | 1,373 |
| CMBX NA BBB-.6 Index | BBB-/P | 7,555 | 75,000 | 7,778 | 5/11/63 | 300 bp — Monthly | (185) |
| CMBX NA BBB-.6 Index | BBB-/P | 10,040 | 90,000 | 9,333 | 5/11/63 | 300 bp — Monthly | 752 |
| CMBX NA BBB-.6 Index | BBB-/P | 16,004 | 103,000 | 10,681 | 5/11/63 | 300 bp — Monthly | 5,375 |
| CMBX NA BBB-.6 Index | BBB-/P | 12,484 | 110,000 | 11,407 | 5/11/63 | 300 bp — Monthly | 1,132 |
| CMBX NA BBB-.6 Index | BBB-/P | 17,763 | 120,000 | 12,444 | 5/11/63 | 300 bp — Monthly | 5,379 |
| CMBX NA BBB-.6 Index | BBB-/P | 16,286 | 124,000 | 12,859 | 5/11/63 | 300 bp — Monthly | 3,490 |
| CMBX NA BBB-.6 Index | BBB-/P | 13,688 | 125,000 | 12,963 | 5/11/63 | 300 bp — Monthly | 788 |
| CMBX NA BBB-.6 Index | BBB-/P | 16,923 | 129,000 | 13,377 | 5/11/63 | 300 bp — Monthly | 3,610 |
| CMBX NA BBB-.6 Index | BBB-/P | 19,342 | 131,000 | 13,585 | 5/11/63 | 300 bp — Monthly | 5,823 |
| CMBX NA BBB-.6 Index | BBB-/P | 19,893 | 179,000 | 18,562 | 5/11/63 | 300 bp — Monthly | 1,420 |
| CMBX NA BBB-.6 Index | BBB-/P | 31,972 | 188,000 | 19,496 | 5/11/63 | 300 bp — Monthly | 12,570 |
| CMBX NA BBB-.6 Index | BBB-/P | 32,237 | 188,000 | 19,496 | 5/11/63 | 300 bp — Monthly | 12,835 |
| CMBX NA BBB-.6 Index | BBB-/P | 21,423 | 191,000 | 19,807 | 5/11/63 | 300 bp — Monthly | 1,712 |
| CMBX NA BBB-.6 Index | BBB-/P | 21,088 | 192,000 | 19,910 | 5/11/63 | 300 bp — Monthly | 1,274 |
| CMBX NA BBB-.6 Index | BBB-/P | 27,772 | 197,000 | 20,429 | 5/11/63 | 300 bp — Monthly | 7,442 |
| CMBX NA BBB-.6 Index | BBB-/P | 23,020 | 214,000 | 22,192 | 5/11/63 | 300 bp — Monthly | 936 |
| CMBX NA BBB-.6 Index | BBB-/P | 23,020 | 214,000 | 22,192 | 5/11/63 | 300 bp — Monthly | 936 |
| CMBX NA BBB-.6 Index | BBB-/P | 34,093 | 231,000 | 23,955 | 5/11/63 | 300 bp — Monthly | 10,254 |
| CMBX NA BBB-.6 Index | BBB-/P | 35,180 | 232,000 | 24,058 | 5/11/63 | 300 bp — Monthly | 11,238 |
| CMBX NA BBB-.6 Index | BBB-/P | 31,908 | 270,000 | 27,999 | 5/11/63 | 300 bp — Monthly | 4,044 |
| CMBX NA BBB-.6 Index | BBB-/P | 29,242 | 278,000 | 28,829 | 5/11/63 | 300 bp — Monthly | 552 |
| CMBX NA BBB-.6 Index | BBB-/P | 31,696 | 288,000 | 29,866 | 5/11/63 | 300 bp — Monthly | 1,974 |
| CMBX NA BBB-.6 Index | BBB-/P | 43,613 | 293,000 | 30,384 | 5/11/63 | 300 bp — Monthly | 13,375 |
| CMBX NA BBB-.6 Index | BBB-/P | 33,035 | 315,000 | 32,666 | 5/11/63 | 300 bp — Monthly | 527 |
| CMBX NA BBB-.6 Index | BBB-/P | 43,848 | 395,000 | 40,962 | 5/11/63 | 300 bp — Monthly | 3,084 |
| CMBX NA BBB-.6 Index | BBB-/P | 70,994 | 446,000 | 46,250 | 5/11/63 | 300 bp — Monthly | 24,967 |
| CMBX NA BBB-.6 Index | BBB-/P | 70,494 | 466,000 | 48,324 | 5/11/63 | 300 bp — Monthly | 22,403 |

OTC CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION SOLD at 6/30/18 (Unaudited) cont.

| Swap counterparty/ Referenced debt* | Rating*** | Upfront premium received (paid)** | Notional amount | Value | Termination date | Payments received by fund | Unrealized appreciation/ (depreciation) |
|---|-----------|--|--------------------|----------|---------------------|------------------------------|---|
| JPMorgan Securities LLC cont. | | | | | | | |
| CMBX NA BBB-.6 Index | BBB-/P | \$52,979 | \$480,000 | \$49,776 | 5/11/63 | 300 bp — Monthly | \$3,443 |
| CMBX NA BBB-.6 Index | BBB-/P | 77,596 | 560,000 | 58,072 | 5/11/63 | 300 bp — Monthly | 19,804 |
| Merrill Lynch International | | | | | | | |
| CMBX NA BBB-.6 Index | BBB-/P | 314 | 3,000 | 311 | 5/11/63 | 300 bp — Monthly | 5 |
| CMBX NA BBB-.6 Index | BBB-/P | 27,479 | 247,000 | 25,614 | 5/11/63 | 300 bp — Monthly | 1,989 |
| CMBX NA BBB-.6 Index | BBB-/P | 37,100 | 253,000 | 26,236 | 5/11/63 | 300 bp — Monthly | 10,990 |
| Morgan Stanley & Co. International PLC | | | | | | | |
| CMBX NA BBB-.6 Index | BBB-/P | 30,298 | 205,000 | 21,259 | 5/11/63 | 300 bp — Monthly | 9,142 |
| CMBX NA BBB-.6 Index | BBB-/P | 30,343 | 205,000 | 21,259 | 5/11/63 | 300 bp — Monthly | 9,187 |
| CMBX NA BBB-.6 Index | BBB-/P | 30,013 | 206,000 | 21,362 | 5/11/63 | 300 bp — Monthly | 8,754 |
| CMBX NA BBB-.6 Index | BBB-/P | 30,432 | 220,000 | 22,814 | 5/11/63 | 300 bp — Monthly | 7,728 |
| CMBX NA BBB-.6 Index | BBB-/P | 39,598 | 281,000 | 29,140 | 5/11/63 | 300 bp — Monthly | 10,599 |
| CMBX NA BBB-.6 Index | BBB-/P | 60,891 | 411,000 | 42,621 | 5/11/63 | 300 bp — Monthly | 18,475 |
| CMBX NA BBB-.6 Index | BBB-/P | 60,834 | 411,000 | 42,621 | 5/11/63 | 300 bp — Monthly | 18,418 |
| CMBX NA BBB-.6 Index | BBB-/P | 60,246 | 412,000 | 42,724 | 5/11/63 | 300 bp — Monthly | 17,728 |
| CMBX NA BBB-.6 Index | BBB-/P | 90,712 | 616,000 | 63,879 | 5/11/63 | 300 bp — Monthly | 27,141 |
| CMBX NA BBB-.6 Index | BBB-/P | 89,899 | 617,000 | 63,983 | 5/11/63 | 300 bp — Monthly | 26,224 |
| CMBX NA BBB-.6 Index | BBB-/P | 121,341 | 822,000 | 85,241 | 5/11/63 | 300 bp — Monthly | 36,511 |
| CMBX NA A.6 Index | A/P | 61 | 6,000 | 32 | 5/11/63 | 200 bp — Monthly | 31 |
| CMBX NA BB.6 Index | BB/P | 35,608 | 145,000 | 27,855 | 5/11/63 | 500 bp — Monthly | 7,874 |
| CMBX NA BB.6 Index | BB/P | 71,706 | 291,000 | 55,901 | 5/11/63 | 500 bp — Monthly | 16,047 |
| CMBX NA BBB-.6 Index | BBB-/P | 421 | 4,000 | 415 | 5/11/63 | 300 bp — Monthly | 8 |
| CMBX NA BBB-.6 Index | BBB-/P | 1,116 | 9,000 | 933 | 5/11/63 | 300 bp — Monthly | 187 |
| CMBX NA BBB-.6 Index | BBB-/P | 962 | 9,000 | 933 | 5/11/63 | 300 bp — Monthly | 33 |
| CMBX NA BBB-.6 Index | BBB-/P | 1,693 | 16,000 | 1,659 | 5/11/63 | 300 bp — Monthly | 42 |
| CMBX NA BBB-.6 Index | BBB-/P | 2,545 | 21,000 | 2,178 | 5/11/63 | 300 bp — Monthly | 377 |
| CMBX NA BBB-.6 Index | BBB-/P | 3,756 | 31,000 | 3,215 | 5/11/63 | 300 bp — Monthly | 557 |
| CMBX NA BBB-.6 Index | BBB-/P | 19,323 | 114,000 | 11,822 | 5/11/63 | 300 bp — Monthly | 7,558 |
| CMBX NA BBB-.6 Index | BBB-/P | 17,877 | 120,000 | 12,444 | 5/11/63 | 300 bp — Monthly | 5,493 |
| CMBX NA BBB-.6 Index | BBB-/P | 43,512 | 293,000 | 30,384 | 5/11/63 | 300 bp — Monthly | 13,274 |
| CMBX NA BBB-.6 Index | BBB-/P | 37,565 | 310,000 | 32,147 | 5/11/63 | 300 bp — Monthly | 5,573 |
| CMBX NA BBB-.7 Index | BBB-/P | 15,705 | 236,000 | 16,709 | 1/17/47 | 300 bp — Monthly | (886) |
| Upfront premium received | | 4,229,055 | | | | | Unrealized appreciation |
| Upfront premium (paid) | | — | | | | | Unrealized (depreciation) |
| Total | | \$4,229,055 | | | | | Total |
| | | | | | | | \$718,094 |
| | | | | | | | (116,906) |
| | | | | | | | \$601,188 |

* Payments related to the referenced debt are made upon a credit default event.

** Upfront premium is based on the difference between the original spread on issue and the market spread on day of execution.

*** Ratings for an underlying index represent the average of the ratings of all the securities included in that index. The Moody's, Standard & Poor's or Fitch ratings are believed to be the most recent ratings available at June 30, 2018. Securities rated by Putnam are indicated by "/P." The Putnam rating categories are comparable to the Standard & Poor's classifications.

OTC CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION PURCHASED at 6/30/18 (Unaudited)

| Swap counterparty/ Referenced debt* | Rating*** | Upfront premium received (paid)** | Notional amount | Value | Termination date | Payments (paid) by fund | Unrealized appreciation/ (depreciation) |
|--|-----------|--|--------------------|--------|---------------------|-------------------------------|---|
| Citigroup Global Markets, Inc. | | | | | | | |
| CMBX NA A.6 Index | | \$(56) | \$6,000 | \$32 | 5/11/63 | (200 bp) — Monthly | \$(26) |
| CMBX NA BB.7 Index | | (23,815) | 118,000 | 17,169 | 1/17/47 | (500 bp) — Monthly | (6,744) |
| CMBX NA BB.7 Index | | (18,452) | 113,000 | 16,442 | 1/17/47 | (500 bp) — Monthly | (2,104) |
| CMBX NA BB.7 Index | | (17,747) | 113,000 | 16,442 | 1/17/47 | (500 bp) — Monthly | (1,400) |
| CMBX NA BB.9 Index | | (34,507) | 223,000 | 37,330 | 9/17/58 | (500 bp) — Monthly | 2,638 |
| CMBX NA BB.9 Index | | (34,352) | 223,000 | 37,330 | 9/17/58 | (500 bp) — Monthly | 2,792 |
| CMBX NA BB.9 Index | | (17,377) | 111,000 | 18,581 | 9/17/58 | (500 bp) — Monthly | 1,112 |
| CMBX NA BB.9 Index | | (1,117) | 7,000 | 1,172 | 9/17/58 | (500 bp) — Monthly | 49 |

OTC CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION PURCHASED at 6/30/18 (Unaudited) cont.

| Swap counterparty/ Referenced debt* | Upfront premium received (paid)** | Notional amount | Value | Termi- nation date | Payments (paid) by fund | Unrealized appreciation/ (depreciation) |
|---|--|--------------------|-----------|--------------------------|-------------------------------|---|
| Credit Suisse International | | | | | | |
| CMBX NA BB.7 Index | \$(19,787) | \$1,121,000 | \$215,344 | 5/11/63 | (500 bp) — Monthly | \$194,621 |
| CMBX NA BB.7 Index | (177,481) | 1,079,000 | 156,995 | 1/17/47 | (500 bp) — Monthly | (21,386) |
| CMBX NA BB.7 Index | (25,825) | 140,000 | 20,370 | 1/17/47 | (500 bp) — Monthly | (5,572) |
| CMBX NA BB.9 Index | (54,911) | 344,000 | 57,586 | 9/17/58 | (500 bp) — Monthly | 2,388 |
| Goldman Sachs International | | | | | | |
| CMBX NA BB.6 Index | (51,150) | 500,000 | 96,050 | 5/11/63 | (500 bp) — Monthly | 44,484 |
| CMBX NA BB.7 Index | (27,088) | 179,000 | 26,045 | 1/17/47 | (500 bp) — Monthly | (1,192) |
| CMBX NA BB.6 Index | (47,339) | 324,000 | 62,240 | 5/11/63 | (500 bp) — Monthly | 14,632 |
| CMBX NA BB.7 Index | (74,898) | 443,000 | 64,457 | 1/17/47 | (500 bp) — Monthly | (10,811) |
| CMBX NA BB.7 Index | (35,390) | 216,000 | 31,428 | 1/17/47 | (500 bp) — Monthly | (4,142) |
| CMBX NA BB.7 Index | (26,396) | 130,000 | 18,915 | 1/17/47 | (500 bp) — Monthly | (7,590) |
| CMBX NA BB.7 Index | (6,572) | 36,000 | 5,238 | 1/17/47 | (500 bp) — Monthly | (1,364) |
| JPMorgan Securities LLC | | | | | | |
| CMBX NA BB.7 Index | (22,838) | 143,000 | 20,807 | 1/17/47 | (500 bp) — Monthly | (2,151) |
| CMBX NA BB.7 Index | (21,102) | 132,000 | 19,206 | 1/17/47 | (500 bp) — Monthly | (2,006) |
| CMBX NA BB.7 Index | (12,795) | 66,000 | 9,603 | 1/17/47 | (500 bp) — Monthly | (3,247) |
| CMBX NA BB.6 Index | (28,120) | 200,000 | 38,420 | 5/11/63 | (500 bp) — Monthly | 10,133 |
| CMBX NA BB.6 Index | (16,094) | 111,000 | 21,323 | 5/11/63 | (500 bp) — Monthly | 5,137 |
| CMBX NA BB.6 Index | (9,349) | 65,000 | 12,487 | 5/11/63 | (500 bp) — Monthly | 3,084 |
| CMBX NA BB.7 Index | (40,618) | 260,000 | 37,830 | 1/17/47 | (500 bp) — Monthly | (3,004) |
| CMBX NA BB.7 Index | (41,089) | 253,000 | 36,812 | 1/17/47 | (500 bp) — Monthly | (4,488) |
| CMBX NA BB.7 Index | (29,082) | 182,000 | 26,481 | 1/17/47 | (500 bp) — Monthly | (2,753) |
| CMBX NA BB.7 Index | (24,478) | 136,000 | 19,788 | 1/17/47 | (500 bp) — Monthly | (4,803) |
| CMBX NA BB.7 Index | (25,877) | 133,000 | 19,352 | 1/17/47 | (500 bp) — Monthly | (6,637) |
| CMBX NA BB.7 Index | (21,373) | 130,000 | 18,915 | 1/17/47 | (500 bp) — Monthly | (2,567) |
| CMBX NA BB.7 Index | (18,315) | 117,000 | 17,024 | 1/17/47 | (500 bp) — Monthly | (1,389) |
| CMBX NA BB.7 Index | (17,747) | 113,000 | 16,442 | 1/17/47 | (500 bp) — Monthly | (1,400) |
| CMBX NA BB.7 Index | (15,888) | 80,000 | 11,640 | 1/17/47 | (500 bp) — Monthly | (4,314) |
| CMBX NA BB.7 Index | (8,850) | 45,000 | 6,548 | 1/17/47 | (500 bp) — Monthly | (2,340) |
| CMBX NA BB.7 Index | (6,379) | 42,000 | 6,111 | 1/17/47 | (500 bp) — Monthly | (303) |
| CMBX NA BB.7 Index | (6,643) | 36,000 | 5,238 | 1/17/47 | (500 bp) — Monthly | (1,435) |
| CMBX NA BBB-.7 Index | (70,643) | 767,000 | 54,304 | 1/17/47 | (300 bp) — Monthly | (16,723) |
| CMBX NA BBB-.7 Index | (37,437) | 450,000 | 31,860 | 1/17/47 | (300 bp) — Monthly | (5,802) |
| CMBX NA BBB-.7 Index | (17,403) | 220,000 | 15,576 | 1/17/47 | (300 bp) — Monthly | (1,937) |
| CMBX NA BBB-.7 Index | (15,745) | 214,000 | 15,151 | 1/17/47 | (300 bp) — Monthly | (701) |
| CMBX NA BBB-.7 Index | (15,745) | 214,000 | 15,151 | 1/17/47 | (300 bp) — Monthly | (701) |
| CMBX NA BBB-.7 Index | (21,984) | 197,000 | 13,948 | 1/17/47 | (300 bp) — Monthly | (8,134) |
| CMBX NA BBB-.7 Index | (10,662) | 118,000 | 8,354 | 1/17/47 | (300 bp) — Monthly | (2,367) |
| CMBX NA BBB-.7 Index | (10,092) | 118,000 | 8,354 | 1/17/47 | (300 bp) — Monthly | (1,797) |
| CMBX NA BBB-.7 Index | (6,133) | 114,000 | 8,071 | 1/17/47 | (300 bp) — Monthly | 1,881 |
| CMBX NA BBB-.7 Index | (10,790) | 103,000 | 7,292 | 1/17/47 | (300 bp) — Monthly | (3,549) |
| CMBX NA BBB-.7 Index | (6,329) | 74,000 | 5,239 | 1/17/47 | (300 bp) — Monthly | (1,127) |
| Merrill Lynch International | | | | | | |
| CMBX NA BB.7 Index | (120,916) | 697,000 | 101,414 | 1/17/47 | (500 bp) — Monthly | (20,083) |
| CMBX NA BB.9 Index | (17,257) | 112,000 | 18,749 | 9/17/58 | (500 bp) — Monthly | 1,398 |
| CMBX NA BB.9 Index | (17,413) | 112,000 | 18,749 | 9/17/58 | (500 bp) — Monthly | 1,243 |
| CMBX NA BBB-.7 Index | (20,241) | 247,000 | 17,488 | 1/17/47 | (300 bp) — Monthly | (2,877) |
| Morgan Stanley & Co. International PLC | | | | | | |
| CMBX NA BBB-.7 Index | (10,189) | 100,000 | 7,080 | 1/17/47 | (300 bp) — Monthly | (3,159) |
| CMBX NA BB.7 Index | (58,522) | 291,000 | 42,341 | 1/17/47 | (500 bp) — Monthly | (16,424) |
| CMBX NA BB.7 Index | (50,136) | 260,000 | 37,830 | 1/17/47 | (500 bp) — Monthly | (12,522) |

OTC CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION PURCHASED at 6/30/18 (Unaudited) *cont.*

| Swap counterparty/ Referenced debt* | Upfront premium received (paid)** | Notional amount | Value | Termi- nation date | Payments (paid) by fund | Unrealized appreciation/ (depreciation) |
|--|--|--------------------|----------|--------------------------|-------------------------------|---|
| Morgan Stanley & Co. International PLC <i>cont.</i> | | | | | | |
| CMBX NA BB.7 Index | \$(46,015) | \$228,000 | \$33,174 | 1/17/47 | (500 bp) — Monthly | \$(13,031) |
| CMBX NA BB.7 Index | (15,718) | 84,000 | 12,222 | 1/17/47 | (500 bp) — Monthly | (3,566) |
| Upfront premium received | — | | | | | Unrealized appreciation |
| | | | | | | 285,592 |
| Upfront premium (paid) | (1,640,267) | | | | | Unrealized (depreciation) |
| | | | | | | (219,668) |
| Total | \$(1,640,267) | | | | | Total |
| | | | | | | \$65,924 |

* Payments related to the referenced debt are made upon a credit default event.

** Upfront premium is based on the difference between the original spread on issue and the market spread on day of execution.

CENTRALLY CLEARED CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION PURCHASED at 6/30/18 (Unaudited)

| Referenced debt* | Upfront premium received (paid)** | Notional amount | Value | Termi- nation date | Payments (paid) by fund | Unrealized appreciation/ (depreciation) |
|-----------------------|--|--------------------|-----------|--------------------------|-------------------------------|---|
| NA HY Series 30 Index | \$371,586 | \$5,955,000 | \$350,094 | 6/20/23 | (500 bp) — Quarterly | \$12,394 |
| Total | \$371,586 | | | | | \$12,394 |

* Payments related to the referenced debt are made upon a credit default event.

** Upfront premium is based on the difference between the original spread on issue and the market spread on day of execution.

ASC 820 establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fund's investments. The three levels are defined as follows:

Level 1: Valuations based on quoted prices for identical securities in active markets.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the fair value measurement.

The following is a summary of the inputs used to value the fund's net assets as of the close of the reporting period:

| Investments in securities: | Valuation inputs | | |
|---|---------------------|----------------------|-----------------|
| | Level 1 | Level 2 | Level 3 |
| Common stocks*: | | | |
| Consumer cyclicals | \$22,096 | \$19,375 | \$— |
| Energy | 107,244 | 1,453 | 16,854 |
| Technology | 97,769 | — | — |
| Transportation | — | 5,053 | — |
| Utilities and power | — | 5,599 | — |
| Total common stocks | 227,109 | 31,480 | 16,854 |
| Convertible bonds and notes | — | 2,178,850 | — |
| Convertible preferred stocks | — | 14,345 | — |
| Corporate bonds and notes | — | 59,324,031 | 2 |
| Foreign government and agency bonds and notes | — | 16,160,650 | — |
| Mortgage-backed securities | — | 86,253,960 | — |
| Preferred stocks | 183,574 | — | — |
| Purchased options outstanding | — | 181,756 | — |
| Purchased swap options outstanding | — | 5,233,673 | — |
| Senior loans | — | 3,310,171 | — |
| U.S. government and agency mortgage obligations | — | 64,206,378 | — |
| Warrants | 1,237 | — | — |
| Short-term investments | 28,595,103 | 11,749,724 | — |
| Totals by level | \$29,007,023 | \$248,645,018 | \$16,856 |

| Other financial instruments: | Valuation inputs | | |
|---------------------------------------|------------------|-----------------------|------------|
| | Level 1 | Level 2 | Level 3 |
| Forward currency contracts | \$— | \$60,548 | \$— |
| Futures contracts | (6,262) | — | — |
| Written options outstanding | — | (85,733) | — |
| Written swap options outstanding | — | (5,581,115) | — |
| Forward premium swap option contracts | — | 242,257 | — |
| TBA sale commitments | — | (31,712,577) | — |
| Interest rate swap contracts | — | 65,459 | — |
| Total return swap contracts | — | 43,281 | — |
| Credit default contracts | — | (2,280,868) | — |
| Totals by level | \$(6,262) | \$(39,248,748) | \$— |

* Common stock classifications are presented at the sector level, which may differ from the fund's portfolio presentation.

During the reporting period, transfers within the fair value hierarchy, if any (other than certain transfers involving non-U.S. equity securities as described in Note 1), did not represent, in the aggregate, more than 1% of the fund's net assets measured as of the end of the period. Transfers are accounted for using the end of period pricing valuation method.

At the start and close of the reporting period, Level 3 investments in securities represented less than 1% of the fund's net assets and were not considered a significant portion of the fund's portfolio.

Statement of assets and liabilities

6/30/18 (Unaudited)

Assets

| | |
|--|--------------------|
| Investment in securities, at value (Notes 1 and 9): | |
| Unaffiliated issuers (identified cost \$251,483,344) | \$249,933,794 |
| Affiliated issuers (identified cost \$27,735,103) (Note 5) | 27,735,103 |
| Cash | 36,522 |
| Foreign currency (cost \$88,903) (Note 1) | 76,009 |
| Interest and other receivables | 2,538,595 |
| Receivable for shares of the fund sold | 76,178 |
| Receivable for investments sold | 418,244 |
| Receivable for sales of delayed delivery securities (Note 1) | 31,673,637 |
| Receivable for variation margin on futures contracts (Note 1) | 15,739 |
| Receivable for variation margin on centrally cleared swap contracts (Note 1) | 236,174 |
| Unrealized appreciation on forward premium swap option contracts (Note 1) | 1,426,233 |
| Unrealized appreciation on forward currency contracts (Note 1) | 1,703,335 |
| Unrealized appreciation on OTC swap contracts (Note 1) | 1,341,156 |
| Premium paid on OTC swap contracts (Note 1) | 1,640,267 |
| Total assets | 318,850,986 |

Liabilities

| | |
|--|----------------------|
| Payable for investments purchased | 482,271 |
| Payable for purchases of delayed delivery securities (Note 1) | 64,082,369 |
| Payable for shares of the fund repurchased | 557,008 |
| Payable for compensation of Manager (Note 2) | 92,695 |
| Payable for custodian fees (Note 2) | 63,261 |
| Payable for investor servicing fees (Note 2) | 24,410 |
| Payable for Trustee compensation and expenses (Note 2) | 133,714 |
| Payable for administrative services (Note 2) | 789 |
| Payable for distribution fees (Note 2) | 28,111 |
| Payable for variation margin on futures contracts (Note 1) | 3,566 |
| Payable for variation margin on centrally cleared swap contracts (Note 1) | 225,788 |
| Unrealized depreciation on OTC swap contracts (Note 1) | 515,604 |
| Premium received on OTC swap contracts (Note 1) | 4,229,055 |
| Unrealized depreciation on forward currency contracts (Note 1) | 1,642,787 |
| Unrealized depreciation on forward premium swap option contracts (Note 1) | 1,183,976 |
| Written options outstanding, at value (premiums \$6,271,648) (Note 1) | 5,666,848 |
| TBA sale commitments, at value (proceeds receivable \$31,639,609) (Note 1) | 31,712,577 |
| Collateral on certain derivative contracts, at value (Notes 1 and 9) | 975,284 |
| Other accrued expenses | 115,687 |
| Total liabilities | 111,735,800 |
| Net assets | \$207,115,186 |

Represented by

| | |
|---|----------------------|
| Paid-in capital (Unlimited shares authorized) (Notes 1 and 4) | \$260,439,881 |
| Undistributed net investment income (Note 1) | 4,408,457 |
| Accumulated net realized loss on investments and foreign currency transactions (Note 1) | (57,381,160) |
| Net unrealized depreciation of investments and assets and liabilities in foreign currencies | (351,992) |
| Total — Representing net assets applicable to capital shares outstanding | \$207,115,186 |

Computation of net asset value Class IA

| | |
|---|--------------|
| Net assets | \$70,941,784 |
| Number of shares outstanding | 11,775,584 |
| Net asset value, offering price and redemption price per share (net assets divided by number of shares outstanding) | \$6.02 |

Computation of net asset value Class IB

| | |
|---|---------------|
| Net assets | \$136,173,402 |
| Number of shares outstanding | 22,537,829 |
| Net asset value, offering price and redemption price per share (net assets divided by number of shares outstanding) | \$6.04 |

The accompanying notes are an integral part of these financial statements.

Statement of operations

Six months ended 6/30/18 (Unaudited)

Investment income

| | |
|---|------------------|
| Interest (net of foreign tax of \$1,571) (including interest income of \$198,590 from investments in affiliated issuers) (Note 5) | \$6,460,319 |
| Dividends | 6,500 |
| Total investment income | 6,466,819 |

Expenses

| | |
|--|---------|
| Compensation of Manager (Note 2) | 570,538 |
| Investor servicing fees (Note 2) | 74,267 |
| Custodian fees (Note 2) | 66,975 |
| Trustee compensation and expenses (Note 2) | 5,962 |
| Distribution fees (Note 2) | 172,832 |
| Administrative services (Note 2) | 2,333 |
| Auditing and tax fees | 75,470 |
| Other | 51,135 |

Total expenses **1,019,512**

Expense reduction (Note 2) (410)

Net expenses **1,019,102**

Net investment income **5,447,717**

Realized and unrealized gain (loss)

Net realized gain (loss) on:

| | |
|--|-------------|
| Securities from unaffiliated issuers (Notes 1 and 3) | (6,873,988) |
| Foreign currency transactions (Note 1) | (226) |
| Forward currency contracts (Note 1) | (1,514,669) |
| Futures contracts (Note 1) | (159,554) |
| Swap contracts (Note 1) | 5,831,382 |
| Written options (Note 1) | 3,788,348 |

Total net realized gain **1,071,293**

Change in net unrealized appreciation (depreciation) on:

| | |
|---|-------------|
| Securities from unaffiliated issuers and TBA sale commitments | (2,712,916) |
| Assets and liabilities in foreign currencies | (28,517) |
| Forward currency contracts | 960,216 |
| Futures contracts | (35,025) |
| Swap contracts | 2,623,154 |
| Written options | (1,700,387) |

Total change in net unrealized depreciation **(893,475)**

Net gain on investments **177,818**

Net increase in net assets resulting from operations **\$5,625,535**

The accompanying notes are an integral part of these financial statements.

Statement of changes in net assets

| | Six months ended 6/30/18* | Year ended 12/31/17 |
|---|------------------------------|------------------------|
| Decrease in net assets | | |
| Operations: | | |
| Net investment income | \$5,447,717 | \$10,940,401 |
| Net realized gain on investments and foreign currency transactions | 1,071,293 | 143,289 |
| Net unrealized appreciation (depreciation) of investments and assets and liabilities in foreign currencies | (893,475) | 3,757,142 |
| Net increase in net assets resulting from operations | 5,625,535 | 14,840,832 |
| Distributions to shareholders (Note 1): | | |
| From ordinary income | | |
| Net investment income | | |
| Class IA | (3,170,313) | (4,515,761) |
| Class IB | (5,754,359) | (7,768,755) |
| Increase (decrease) from capital share transactions (Note 4) | 406,014 | (9,257,637) |
| Total decrease in net assets | (2,893,123) | (6,701,321) |
| Net assets: | | |
| Beginning of period | 210,008,309 | 216,709,630 |
| End of period (including undistributed net investment income of \$4,408,457 and \$7,885,412, respectively) | \$207,115,186 | \$210,008,309 |

* Unaudited.

The accompanying notes are an integral part of these financial statements.

Financial highlights (For a common share outstanding throughout the period)

| Period ended | INVESTMENT OPERATIONS: | | | | LESS DISTRIBUTIONS: | | RATIOS AND SUPPLEMENTAL DATA: | | | | | |
|-----------------|--------------------------------------|---|--|----------------------------------|----------------------------|---------------------|--------------------------------|--|--|--|---|------------------------|
| | Net asset value, beginning of period | Net investment income (loss) ^a | Net realized and unrealized gain (loss) on investments | Total from investment operations | From net investment income | Total distributions | Net asset value, end of period | Total return at net asset value (%) ^{b,c} | Net assets, end of period (in thousands) | Ratio of expenses to average net assets (%) ^{b,d} | Ratio of net investment income (loss) to average net assets (%) | Portfolio turnover (%) |
| Class IA | | | | | | | | | | | | |
| 6/30/18† | \$6.13 | .16 | — ^e | .16 | (.27) | (.27) | \$6.02 | 2.67* | \$70,942 | .40* | 2.66* | 418* ^f |
| 12/31/17 | 6.06 | .32 | .11 | .43 | (.36) | (.36) | 6.13 | 7.42 | 73,119 | .78 | 5.30 | 1,100 ^f |
| 12/31/16 | 6.21 | .34 | (.03) | .31 | (.46) | (.46) | 6.06 | 5.76 | 77,226 | .79 ^g | 5.89 ^g | 846 ^f |
| 12/31/15 | 7.02 | .32 | (.47) | (.15) | (.66) | (.66) | 6.21 | (2.32) | 84,766 | .75 | 5.02 | 876 ^f |
| 12/31/14 | 7.58 | .38 | (.32) | .06 | (.62) | (.62) | 7.02 | .68 | 103,063 | .76 | 5.27 | 408 ^f |
| 12/31/13 | 7.26 | .42 | .16 | .58 | (.26) | (.26) | 7.58 | 8.08 | 121,877 | .75 | 5.71 | 234 ^h |
| Class IB | | | | | | | | | | | | |
| 6/30/18† | \$6.14 | .15 | .01 | .16 | (.26) | (.26) | \$6.04 | 2.58* | \$136,173 | .52* | 2.52* | 418* ^f |
| 12/31/17 | 6.07 | .30 | .12 | .42 | (.35) | (.35) | 6.14 | 7.12 | 136,889 | 1.03 | 5.04 | 1,100 ^f |
| 12/31/16 | 6.22 | .33 | (.04) | .29 | (.44) | (.44) | 6.07 | 5.42 | 139,483 | 1.04 ^g | 5.63 ^g | 846 ^f |
| 12/31/15 | 7.01 | .31 | (.46) | (.15) | (.64) | (.64) | 6.22 | (2.34) | 157,069 | 1.00 | 4.76 | 876 ^f |
| 12/31/14 | 7.57 | .36 | (.32) | .04 | (.60) | (.60) | 7.01 | .35 | 189,608 | 1.01 | 5.02 | 408 ^f |
| 12/31/13 | 7.25 | .40 | .16 | .56 | (.24) | (.24) | 7.57 | 7.81 | 237,938 | 1.00 | 5.45 | 234 ^h |

* Not annualized.

† Unaudited.

^a Per share net investment income (loss) has been determined on the basis of the weighted average number of shares outstanding during the period.

^b The charges and expenses at the insurance company separate account level are not reflected.

^c Total return assumes dividend reinvestment.

^d Includes amounts paid through expense offset and/or brokerage/service arrangements, if any (Note 2). Also excludes acquired fund fees and expenses, if any.

^e Amount represents less than \$0.01 per share.

^f Portfolio turnover includes TBA purchase and sale commitments.

^g Reflects a voluntary waiver of certain fund expenses in effect during the period. As a result of such waiver, the expenses of each class reflect a reduction of less than 0.01% as a percentage of average net assets.

^h Portfolio turnover excludes TBA purchase and sale commitments. Including TBA purchase and sale commitments to conform with current year presentation, the portfolio turnover would have been the following:

| | Portfolio turnover (%) |
|-------------------|------------------------|
| December 31, 2013 | 586% |

The accompanying notes are an integral part of these financial statements.

Notes to financial statements 6/30/18 (Unaudited)

Within the following Notes to financial statements, references to “State Street” represent State Street Bank and Trust Company, references to “the SEC” represent the Securities and Exchange Commission, references to “Putnam Management” represent Putnam Investment Management, LLC, the fund’s manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to “OTC”, if any, represent over-the-counter. Unless otherwise noted, the “reporting period” represents the period from January 1, 2018 through June 30, 2018.

Putnam VT Diversified Income Fund (the fund) is a diversified series of Putnam Variable Trust (the Trust), a Massachusetts business trust registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The goal of the fund is to seek as high a level of current income as Putnam Management believes is consistent with preservation of capital. The fund invests mainly in bonds that are securitized debt instruments (such as mortgage-backed investments) and other obligations of companies and governments worldwide, are either investment-grade or below-investment-grade in quality (sometimes referred to as “junk bonds”) and have intermediate- to long-term maturities (three years or longer). Putnam Management may consider, among other factors, credit, interest rate and prepayment risks, as well as general market conditions, when deciding whether to buy or sell investments. The fund typically uses to a significant extent derivatives, such as futures, options, certain foreign currency transactions and swap contracts, for both hedging and non-hedging purposes.

The fund offers class IA and class IB shares of beneficial interest. Class IA shares are offered at net asset value and are not subject to a distribution fee. Class IB shares are offered at net asset value and pay an ongoing distribution fee, which is identified in Note 2.

In the normal course of business, the fund enters into contracts that may include agreements to indemnify another party under given circumstances. The fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be, but have not yet been, made against the fund. However, the fund’s management team expects the risk of material loss to be remote.

The fund has entered into contractual arrangements with an investment adviser, administrator, distributor, shareholder servicing agent and custodian, who each provide services to the fund. Unless expressly stated otherwise, shareholders are not parties to, or intended beneficiaries of these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the fund.

Under the fund’s Agreement and Declaration of Trust, any claims asserted against or on behalf of the Putnam Funds, including claims against Trustees and Officers, must be brought in state and federal courts located within the Commonwealth of Massachusetts.

Note 1 — Significant accounting policies

The following is a summary of significant accounting policies consistently followed by the fund in the preparation of its financial statements. The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations. Actual results could differ from those estimates. Subsequent events after the Statement of assets and liabilities date through the date that the financial statements were issued have been evaluated in the preparation of the financial statements.

Investment income, realized and unrealized gains and losses and expenses of the fund are borne pro-rata based on the relative net assets of each class to the total net assets of the fund, except that each class bears expenses unique to that class (including the distribution fees applicable to such classes). Each class votes as a class only with respect to its own distribution plan or other matters on which a class vote is required by law or determined by the Trustees. If the fund were liquidated, shares of each class would receive their pro-rata share of the net assets of the fund. In addition, the Trustees declare separate dividends on each class of shares.

Security valuation Portfolio securities and other investments are valued using policies and procedures adopted by the Board of Trustees. The Trustees have formed a Pricing Committee to oversee the implementation of these procedures and have delegated responsibility for valuing the fund’s assets in accordance with these procedures to Putnam Management. Putnam Management has established

an internal Valuation Committee that is responsible for making fair value determinations, evaluating the effectiveness of the pricing policies of the fund and reporting to the Pricing Committee.

Investments for which market quotations are readily available are valued at the last reported sales price on their principal exchange, or official closing price for certain markets, and are classified as Level 1 securities under Accounting Standards Codification 820 *Fair Value Measurements and Disclosures* (ASC 820). If no sales are reported, as in the case of some securities that are traded OTC, a security is valued at its last reported bid price and is generally categorized as a Level 2 security.

Investments in open-end investment companies (excluding exchange-traded funds), if any, which can be classified as Level 1 or Level 2 securities, are valued based on their net asset value. The net asset value of such investment companies equals the total value of their assets less their liabilities and divided by the number of their outstanding shares.

Market quotations are not considered to be readily available for certain debt obligations (including short-term investments with remaining maturities of 60 days or less) and other investments; such investments are valued on the basis of valuations furnished by an independent pricing service approved by the Trustees or dealers selected by Putnam Management. Such services or dealers determine valuations for normal institutional-size trading units of such securities using methods based on market transactions for comparable securities and various relationships, generally recognized by institutional traders, between securities (which consider such factors as security prices, yields, maturities and ratings). These securities will generally be categorized as Level 2.

Many securities markets and exchanges outside the U.S. close prior to the scheduled close of the New York Stock Exchange and therefore the closing prices for securities in such markets or on such exchanges may not fully reflect events that occur after such close but before the scheduled close of the New York Stock Exchange. Accordingly, on certain days, the fund will fair value certain foreign equity securities taking into account multiple factors including movements in the U.S. securities markets, currency valuations and comparisons to the valuation of American Depository Receipts, exchange-traded funds and futures contracts. The foreign equity securities, which would generally be classified as Level 1 securities, will be transferred to Level 2 of the fair value hierarchy when they are valued at fair value. The number of days on which fair value prices will be used will depend on market activity and it is possible that fair value prices will be used by the fund to a significant extent. Securities quoted in foreign currencies, if any, are translated into U.S. dollars at the current exchange rate.

To the extent a pricing service or dealer is unable to value a security or provides a valuation that Putnam Management does not believe accurately reflects the security’s fair value, the security will be valued at fair value by Putnam Management in accordance with policies and procedures approved by the Trustees. Certain investments, including certain restricted and illiquid securities and derivatives, are also valued at fair value following procedures approved by the Trustees. These valuations consider such factors as significant market or specific security events such as interest rate or credit quality changes, various relationships with other securities, discount rates, U.S. Treasury, U.S. swap and credit yields, index levels, convexity exposures, recovery rates, sales and other multiples and resale restrictions. These securities are classified as Level 2 or as Level 3 depending on the priority of the significant inputs.

To assess the continuing appropriateness of fair valuations, the Valuation Committee reviews and affirms the reasonableness of such valuations on a regular basis after considering all relevant information that is reasonably available. Such valuations and procedures are reviewed periodically by the Trustees. Certain securities may be valued on the basis of a price provided by a single source. The fair value of securities is generally determined as the amount that the fund could reasonably expect to realize from an orderly disposition of such securities over a reasonable period of time. By its nature, a fair value price is a good faith estimate of the value of a security in a current sale and does not reflect an actual market price, which may be different by a material amount.

Security transactions and related investment income Security transactions are recorded on the trade date (the date the order to buy or sell is executed). Gains or losses on securities sold are determined on the identified cost basis.

Interest income, net of any applicable withholding taxes, is recorded on the accrual basis. Dividend income, net of any applicable withholding taxes, is recognized on the ex-dividend date except that certain dividends from foreign securities, if any, are recognized as soon as the fund is informed of the ex-dividend date. Non-cash

dividends, if any, are recorded at the fair value of the securities received. Dividends representing a return of capital or capital gains, if any, are reflected as a reduction of cost and/or as a realized gain.

All premiums/discounts are amortized/accreted on a yield-to-maturity basis.

The fund earned certain fees in connection with its senior loan purchasing activities. These fees are treated as market discount and are amortized into income in the Statement of operations.

Securities purchased or sold on a delayed delivery basis may be settled at a future date beyond customary settlement time; interest income is accrued based on the terms of the securities. Losses may arise due to changes in the fair value of the underlying securities or if the counterparty does not perform under the contract.

Stripped securities The fund may invest in stripped securities which represent a participation in securities that may be structured in classes with rights to receive different portions of the interest and principal. Interest-only securities receive all of the interest and principal-only securities receive all of the principal. If the interest-only securities experience greater than anticipated prepayments of principal, the fund may fail to recoup fully its initial investment in these securities. Conversely, principal-only securities increase in value if prepayments are greater than anticipated and decline if prepayments are slower than anticipated. The fair value of these securities is highly sensitive to changes in interest rates.

Foreign currency translation The accounting records of the fund are maintained in U.S. dollars. The fair value of foreign securities, currency holdings, and other assets and liabilities is recorded in the books and records of the fund after translation to U.S. dollars based on the exchange rates on that day. The cost of each security is determined using historical exchange rates. Income and withholding taxes are translated at prevailing exchange rates when earned or incurred. The fund does not isolate that portion of realized or unrealized gains or losses resulting from changes in the foreign exchange rate on investments from fluctuations arising from changes in the market prices of the securities. Such gains and losses are included with the net realized and unrealized gain or loss on investments. Net realized gains and losses on foreign currency transactions represent net realized exchange gains or losses on disposition of foreign currencies, currency gains and losses realized between the trade and settlement dates on securities transactions and the difference between the amount of investment income and foreign withholding taxes recorded on the fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized appreciation and depreciation of assets and liabilities in foreign currencies arise from changes in the value of assets and liabilities other than investments at the period end, resulting from changes in the exchange rate.

Options contracts The fund uses options contracts to hedge duration and convexity, to isolate prepayment risk and to manage downside risks.

The potential risk to the fund is that the change in value of options contracts may not correspond to the change in value of the hedged instruments. In addition, losses may arise from changes in the value of the underlying instruments if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly or if the counterparty to the contract is unable to perform. Realized gains and losses on purchased options are included in realized gains and losses on investment securities. If a written call option is exercised, the premium originally received is recorded as an addition to sales proceeds. If a written put option is exercised, the premium originally received is recorded as a reduction to the cost of investments.

Exchange-traded options are valued at the last sale price or, if no sales are reported, the last bid price for purchased options and the last ask price for written options. OTC traded options are valued using prices supplied by dealers.

Options on swaps are similar to options on securities except that the premium paid or received is to buy or grant the right to enter into a previously agreed upon interest rate or credit default contract. Forward premium swap option contracts include premiums that have extended settlement dates. The delayed settlement of the premiums is factored into the daily valuation of the option contracts. In the case of interest rate cap and floor contracts, in return for a premium, ongoing payments between two parties are based on interest rates exceeding a specified rate, in the case of a cap contract, or falling below a specified rate in the case of a floor contract.

Written option contracts outstanding at period end, if any, are listed after the fund's portfolio.

Futures contracts The fund uses futures contracts for hedging treasury term structure risk and for yield curve positioning.

The potential risk to the fund is that the change in value of futures contracts may not correspond to the change in value of the hedged instruments. In addition,

losses may arise from changes in the value of the underlying instruments, if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly or if the counterparty to the contract is unable to perform. With futures, there is minimal counterparty credit risk to the fund since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. Risks may exceed amounts recognized on the Statement of assets and liabilities. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. The fund and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin."

Futures contracts outstanding at period end, if any, are listed after the fund's portfolio.

Forward currency contracts The fund buys and sells forward currency contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. These contracts are used for hedging currency exposures and to gain exposure to currencies.

The U.S. dollar value of forward currency contracts is determined using current forward currency exchange rates supplied by a quotation service. The fair value of the contract will fluctuate with changes in currency exchange rates. The contract is marked to market daily and the change in fair value is recorded as an unrealized gain or loss. The fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed when the contract matures or by delivery of the currency. The fund could be exposed to risk if the value of the currency changes unfavorably, if the counterparties to the contracts are unable to meet the terms of their contracts or if the fund is unable to enter into a closing position. Risks may exceed amounts recognized on the Statement of assets and liabilities.

Forward currency contracts outstanding at period end, if any, are listed after the fund's portfolio.

Interest rate swap contracts The fund entered into OTC and/or centrally cleared interest rate swap contracts, which are arrangements between two parties to exchange cash flows based on a notional principal amount, for hedging term structure risk, for yield curve positioning and for gaining exposure to rates in various countries.

An OTC and centrally cleared interest rate swap can be purchased or sold with an upfront premium. For OTC interest rate swap contracts, an upfront payment received by the fund is recorded as a liability on the fund's books. An upfront payment made by the fund is recorded as an asset on the fund's books. OTC and centrally cleared interest rate swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. Any change is recorded as an unrealized gain or loss on OTC interest rate swaps. Daily fluctuations in the value of centrally cleared interest rate swaps are settled through a central clearing agent and are recorded in variation margin on the Statement of assets and liabilities and recorded as unrealized gain or loss. Payments, including upfront premiums, received or made are recorded as realized gains or losses at the reset date or the closing of the contract. Certain OTC and centrally cleared interest rate swap contracts may include extended effective dates. Payments related to these swap contracts are accrued based on the terms of the contract.

The fund could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or if the counterparty defaults, in the case of OTC interest rate contracts, or the central clearing agency or a clearing member defaults, in the case of centrally cleared interest rate swap contracts, on its respective obligation to perform under the contract. The fund's maximum risk of loss from counterparty risk or central clearing risk is the fair value of the contract. This risk may be mitigated for OTC interest rate swap contracts by having a master netting arrangement between the fund and the counterparty and for centrally cleared interest rate swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared interest rate swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of assets and liabilities.

OTC and centrally cleared interest rate swap contracts outstanding, including their respective notional amounts at period end, if any, are listed after the fund's portfolio.

Total return swap contracts The fund entered into OTC and/or centrally cleared total return swap contracts, which are arrangements to exchange a market-linked

return for a periodic payment, both based on a notional principal amount, to hedge sector exposure, for gaining exposure to specific sectors, for hedging inflation and for gaining exposure to inflation.

To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the fund will receive a payment from or make a payment to the counterparty. OTC and/or centrally cleared total return swap contracts are marked to market daily based upon quotations from an independent pricing service or market maker. Any change is recorded as an unrealized gain or loss on OTC total return swaps. Daily fluctuations in the value of centrally cleared total return swaps are settled through a central clearing agent and are recorded in variation margin on the Statement of assets and liabilities and recorded as unrealized gain or loss. Payments received or made are recorded as realized gains or losses. Certain OTC and/or centrally cleared total return swap contracts may include extended effective dates. Payments related to these swap contracts are accrued based on the terms of the contract. The fund could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or in the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The fund's maximum risk of loss from counterparty risk or central clearing risk is the fair value of the contract. This risk may be mitigated for OTC total return swap contracts by having a master netting arrangement between the fund and the counterparty and for centrally cleared total return swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared total return swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of assets and liabilities.

OTC and/or centrally cleared total return swap contracts outstanding, including their respective notional amounts at period end, if any, are listed after the fund's portfolio.

Credit default contracts The fund entered into OTC and/or centrally cleared credit default contracts to hedge credit risk, for gaining liquid exposure to individual names, to hedge market risk and for gaining exposure to specific sectors.

In OTC and centrally cleared credit default contracts, the protection buyer typically makes a periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. For OTC credit default contracts, an upfront payment received by the fund is recorded as a liability on the fund's books. An upfront payment made by the fund is recorded as an asset on the fund's books. Centrally cleared credit default contracts provide the same rights to the protection buyer and seller except the payments between parties, including upfront premiums, are settled through a central clearing agent through variation margin payments. Upfront and periodic payments received or paid by the fund for OTC and centrally cleared credit default contracts are recorded as realized gains or losses at the reset date or close of the contract. The OTC and centrally cleared credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. Any change in value of OTC credit default contracts is recorded as an unrealized gain or loss. Daily fluctuations in the value of centrally cleared credit default contracts are recorded in variation margin on the Statement of assets and liabilities and recorded as unrealized gain or loss. Upon the occurrence of a credit event, the difference between the par value and fair value of the reference obligation, net of any proportional amount of the upfront payment, is recorded as a realized gain or loss.

In addition to bearing the risk that the credit event will occur, the fund could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that the fund may be unable to close out its position at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances, the fund may enter into offsetting OTC and centrally cleared credit default contracts which would mitigate its risk of loss. Risks of loss may exceed amounts recognized on the Statement of assets and liabilities. The fund's maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated for OTC credit default contracts by having a master netting arrangement between the fund and the counterparty and for centrally cleared credit default contracts through the daily exchange of variation margin. Counterparty risk is further mitigated with respect to centrally cleared credit default swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Where the

fund is a seller of protection, the maximum potential amount of future payments the fund may be required to make is equal to the notional amount.

OTC and centrally cleared credit default contracts outstanding, including their respective notional amounts at period end, if any, are listed after the fund's portfolio.

TBA commitments The fund may enter into TBA (to be announced) commitments to purchase securities for a fixed unit price at a future date beyond customary settlement time. Although the unit price and par amount have been established, the actual securities have not been specified. However, it is anticipated that the amount of the commitments will not significantly differ from the principal amount. The fund holds, and maintains until settlement date, cash or high-grade debt obligations in an amount sufficient to meet the purchase price, or the fund may enter into offsetting contracts for the forward sale of other securities it owns. Income on the securities will not be earned until settlement date.

The fund may also enter into TBA sale commitments to hedge its portfolio positions, to sell mortgage-backed securities it owns under delayed delivery arrangements or to take a short position in mortgage-backed securities. Proceeds of TBA sale commitments are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, either equivalent deliverable securities or an offsetting TBA purchase commitment deliverable on or before the sale commitment date are held as "cover" for the transaction, or other liquid assets in an amount equal to the notional value of the TBA sale commitment are segregated. If the TBA sale commitment is closed through the acquisition of an offsetting TBA purchase commitment, the fund realizes a gain or loss. If the fund delivers securities under the commitment, the fund realizes a gain or a loss from the sale of the securities based upon the unit price established at the date the commitment was entered into.

TBA commitments, which are accounted for as purchase and sale transactions, may be considered securities themselves, and involve a risk of loss due to changes in the value of the security prior to the settlement date as well as the risk that the counterparty to the transaction will not perform its obligations. Counterparty risk is mitigated by having a master agreement between the fund and the counterparty.

Unsettled TBA commitments are valued at their fair value according to the procedures described under "Security valuation" above. The contract is marked to market daily and the change in fair value is recorded by the fund as an unrealized gain or loss. Based on market circumstances, Putnam Management will determine whether to take delivery of the underlying securities or to dispose of the TBA commitments prior to settlement.

TBA purchase commitments outstanding at period end, if any, are listed within the fund's portfolio and TBA sale commitments outstanding at period end, if any, are listed after the fund's portfolio.

Master agreements The fund is a party to ISDA (International Swaps and Derivatives Association, Inc.) Master Agreements that govern OTC derivative and foreign exchange contracts and Master Securities Forward Transaction Agreements that govern transactions involving mortgage-backed and other asset-backed securities that may result in delayed delivery (Master Agreements) with certain counterparties entered into from time to time. The Master Agreements may contain provisions regarding, among other things, the parties' general obligations, representations, agreements, collateral requirements, events of default and early termination. With respect to certain counterparties, in accordance with the terms of the Master Agreements, collateral posted to the fund is held in a segregated account by the fund's custodian and, with respect to those amounts which can be sold or repledged, are presented in the fund's portfolio. Collateral posted to the fund which cannot be sold or repledged totaled \$233,470 at the close of the reporting period.

Collateral pledged by the fund is segregated by the fund's custodian and identified in the fund's portfolio. Collateral can be in the form of cash or debt securities issued by the U.S. Government or related agencies or other securities as agreed to by the fund and the applicable counterparty. Collateral requirements are determined based on the fund's net position with each counterparty.

With respect to ISDA Master Agreements, termination events applicable to the fund may occur upon a decline in the fund's net assets below a specified threshold over a certain period of time. Termination events applicable to counterparties may occur upon a decline in the counterparty's long-term or short-term credit ratings below a specified level. In each case, upon occurrence, the other party may elect to terminate early and cause settlement of all derivative and foreign exchange contracts outstanding, including the payment of any losses and costs resulting from such early termination, as reasonably determined by the terminating party. Any decision by one or more of the fund's counterparties to elect early termination could impact the fund's future derivative activity.

At the close of the reporting period, the fund had a net liability position of \$2,883,467 on open derivative contracts subject to the Master Agreements. Collateral posted by the fund at period end for these agreements totaled \$3,135,671 and may include amounts related to unsettled agreements.

Interfund lending The fund, along with other Putnam funds, may participate in an interfund lending program pursuant to an exemptive order issued by the SEC. This program allows the fund to borrow from or lend to other Putnam funds that permit such transactions. Interfund lending transactions are subject to each fund's investment policies and borrowing and lending limits. Interest earned or paid on the interfund lending transaction will be based on the average of certain current market rates. During the reporting period, the fund did not utilize the program.

Lines of credit The fund participates, along with other Putnam funds, in a \$317.5 million unsecured committed line of credit and a \$235.5 million unsecured uncommitted line of credit, both provided by State Street. Borrowings may be made for temporary or emergency purposes, including the funding of shareholder redemption requests and trade settlements. Interest is charged to the fund based on the fund's borrowing at a rate equal to 1.25% plus the higher of (1) the Federal Funds rate and (2) the overnight LIBOR for the committed line of credit and the Federal Funds rate plus 1.30% for the uncommitted line of credit. A closing fee equal to 0.04% of the committed line of credit plus a \$25,000 flat fee and 0.04% of the uncommitted line of credit has been paid by the participating funds. In addition, a commitment fee of 0.21% per annum on any unutilized portion of the committed line of credit is allocated to the participating funds based on their relative net assets and paid quarterly. During the reporting period, the fund had no borrowings against these arrangements.

Federal taxes It is the policy of the fund to distribute all of its taxable income within the prescribed time period and otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the Code), applicable to regulated investment companies.

The fund is subject to the provisions of Accounting Standards Codification 740 *Income Taxes* (ASC 740). ASC 740 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The fund did not have a liability to record for any unrecognized tax benefits in the accompanying financial statements. No provision has been made for federal taxes on income, capital gains or unrealized appreciation on securities held nor for excise tax on income and capital gains. Each of the fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

The fund may also be subject to taxes imposed by governments of countries in which it invests. Such taxes are generally based on either income or gains earned or repatriated. The fund accrues and applies such taxes to net investment income, net realized gains and net unrealized gains as income and/or capital gains are earned. In some cases, the fund may be entitled to reclaim all or a portion of such taxes, and such reclaim amounts, if any, are reflected as an asset on the fund's books. In many cases, however, the fund may not receive such amounts for an extended period of time, depending on the country of investment.

Under the Regulated Investment Company Modernization Act of 2010, the fund will be permitted to carry forward capital losses incurred for an unlimited period and the carry forwards will retain their character as either short-term or long-term capital losses. At December 31, 2017, the fund had the following capital loss carryovers available, to the extent allowed by the Code, to offset future net capital gain, if any:

| Loss carryover | | |
|----------------|--------------|--------------|
| Short-term | Long-term | Total |
| \$34,058,711 | \$15,292,315 | \$49,351,026 |

Tax cost of investments includes adjustments to net unrealized appreciation (depreciation) which may not necessarily be final tax cost basis adjustments, but closely approximate the tax basis unrealized gains and losses that may be realized and distributed to shareholders. The aggregate identified cost on a tax basis is \$248,061,918, resulting in gross unrealized appreciation and depreciation of \$10,054,716 and \$19,702,747, respectively, or net unrealized depreciation of \$9,648,031.

Distributions to shareholders Distributions to shareholders from net investment income are recorded by the fund on the ex-dividend date. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid at least annually. The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. Dividend sources are estimated at the time of

declaration. Actual results may vary. Any non-taxable return of capital cannot be determined until final tax calculations are completed after the end of the fund's fiscal year. Reclassifications are made to the fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations.

Expenses of the Trust Expenses directly charged or attributable to any fund will be paid from the assets of that fund. Generally, expenses of the Trust will be allocated among and charged to the assets of each fund on a basis that the Trustees deem fair and equitable, which may be based on the relative assets of each fund or the nature of the services performed and relative applicability to each fund.

Beneficial interest At the close of the reporting period, insurance companies or their separate accounts were record owners of all but a de minimis number of the shares of the fund. Approximately 45.2% of the fund is owned by accounts of one insurance company.

Note 2 — Management fee, administrative services and other transactions

The fund pays Putnam Management a management fee (based on the fund's average net assets and computed and paid monthly) at annual rates that may vary based on the average of the aggregate net assets of all open-end mutual funds sponsored by Putnam Management (excluding net assets of funds that are invested in, or that are invested in by, other Putnam funds to the extent necessary to avoid "double counting" of those assets). Such annual rates may vary as follows:

| | |
|--------|-------------------------------|
| 0.700% | of the first \$5 billion, |
| 0.650% | of the next \$5 billion, |
| 0.600% | of the next \$10 billion, |
| 0.550% | of the next \$10 billion, |
| 0.500% | of the next \$50 billion, |
| 0.480% | of the next \$50 billion, |
| 0.470% | of the next \$100 billion and |
| 0.465% | of any excess thereafter. |

For the reporting period, the management fee represented an effective rate (excluding the impact from any expense waivers in effect) of 0.269% of the fund's average net assets.

Putnam Management has contractually agreed, through April 30, 2020, to waive fees and/or reimburse the fund's expenses to the extent necessary to limit the cumulative expenses of the fund, exclusive of brokerage, interest, taxes, investment-related expenses, extraordinary expenses, acquired fund fees and expenses and payments under the fund's investor servicing contract, investment management contract and distribution plan, on a fiscal year-to-date basis to an annual rate of 0.20% of the fund's average net assets over such fiscal year-to-date period. During the reporting period, the fund's expenses were not reduced as a result of this limit.

Putnam Investments Limited (PIL), an affiliate of Putnam Management, is authorized by the Trustees to manage a separate portion of the assets of the fund as determined by Putnam Management from time to time. PIL did not manage any portion of the assets of the fund during the reporting period. If Putnam Management were to engage the services of PIL, Putnam Management would pay a quarterly sub-management fee to PIL for its services at an annual rate of 0.40% of the average net assets of the portion of the fund managed by PIL.

The fund reimburses Putnam Management an allocated amount for the compensation and related expenses of certain officers of the fund and their staff who provide administrative services to the fund. The aggregate amount of all such reimbursements is determined annually by the Trustees.

Custodial functions for the fund's assets are provided by State Street. Custody fees are based on the fund's asset level, the number of its security holdings and transaction volumes.

Putnam Investor Services, Inc., an affiliate of Putnam Management, provides investor servicing agent functions to the fund. Putnam Investor Services, Inc. was paid a monthly fee for investor servicing at an annual rate of 0.07% of the fund's average daily net assets. During the reporting period, the expenses for each class of shares related to investor servicing fees were as follows:

| | |
|----------|----------|
| Class IA | \$25,479 |
| Class IB | 48,788 |
| Total | \$74,267 |

The fund has entered into expense offset arrangements with Putnam Investor Services, Inc. and State Street whereby Putnam Investor Services, Inc.'s and State Street's fees are reduced by credits allowed on cash balances. For the

reporting period, the fund's expenses were reduced by \$410 under the expense offset arrangements.

Each Independent Trustee of the fund receives an annual Trustee fee, of which \$161, as a quarterly retainer, has been allocated to the fund, and an additional fee for each Trustees meeting attended. Trustees also are reimbursed for expenses they incur relating to their services as Trustees.

The fund has adopted a Trustee Fee Deferral Plan (the Deferral Plan) which allows the Trustees to defer the receipt of all or a portion of Trustees fees payable on or after July 1, 1995. The deferred fees remain invested in certain Putnam funds until distribution in accordance with the Deferral Plan.

The fund has adopted an unfunded noncontributory defined benefit pension plan (the Pension Plan) covering all Trustees of the fund who have served as a Trustee for at least five years and were first elected prior to 2004. Benefits under the Pension Plan are equal to 50% of the Trustee's average annual attendance and retainer fees for the three years ended December 31, 2005. The retirement benefit is payable during a Trustee's lifetime, beginning the year following retirement, for the number of years of service through December 31, 2006. Pension expense for the fund is included in Trustee compensation and expenses in the Statement of operations. Accrued pension liability is included in Payable for Trustee compensation and expenses in the Statement of assets and liabilities. The Trustees have terminated the Pension Plan with respect to any Trustee first elected after 2003.

The fund has adopted a distribution plan (the Plan) with respect to its class IB shares pursuant to Rule 12b-1 under the Investment Company Act of 1940. The purpose of the Plan is to compensate Putnam Retail Management Limited Partnership, an indirect wholly-owned subsidiary of Putnam Investments, LLC, for

services provided and expenses incurred in distributing shares of the fund. The Plan provides for payment by the fund to Putnam Retail Management Limited Partnership at an annual rate of up to 0.35% of the average net assets attributable to the fund's class IB shares. The Trustees have approved payment by the fund at an annual rate of 0.25% of the average net assets attributable to the fund's class IB shares. The expenses related to distribution fees during the reporting period are included in Distribution fees in the Statement of operations.

Note 3 — Purchases and sales of securities

During the reporting period, the cost of purchases and the proceeds from sales, excluding short-term investments, were as follows:

| | Cost of purchases | Proceeds from sales |
|--|----------------------|----------------------|
| Investments in securities, including TBA commitments (Long-term) | \$883,194,290 | \$888,260,189 |
| U.S. government securities (Long-term) | — | — |
| Total | \$883,194,290 | \$888,260,189 |

The fund may purchase or sell investments from or to other Putnam funds in the ordinary course of business, which can reduce the fund's transaction costs, at prices determined in accordance with SEC requirements and policies approved by the Trustees. During the reporting period, purchases or sales of long-term securities from or to other Putnam funds, if any, did not represent more than 5% of the fund's total cost of purchases and/or total proceeds from sales.

Note 4 — Capital shares

At the close of the reporting period, there were an unlimited number of shares of beneficial interest authorized. Subscriptions and redemptions are presented at the omnibus level. Transactions in capital shares were as follows:

| | Class IA shares | | | | Class IB shares | | | |
|--|--------------------------|----------------------|---------------------|----------------------|--------------------------|--------------------|---------------------|----------------------|
| | Six months ended 6/30/18 | | Year ended 12/31/17 | | Six months ended 6/30/18 | | Year ended 12/31/17 | |
| | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Amount |
| Shares sold | 178,698 | \$1,101,566 | 288,415 | \$1,752,099 | 3,096,748 | \$19,037,744 | 2,105,331 | \$12,738,574 |
| Shares issued in connection with reinvestment of distributions | 530,153 | 3,170,313 | 770,608 | 4,515,761 | 959,060 | 5,754,359 | 1,321,217 | 7,768,755 |
| | 708,851 | 4,271,879 | 1,059,023 | 6,267,860 | 4,055,808 | 24,792,103 | 3,426,548 | 20,507,329 |
| Shares repurchased | (864,745) | (5,287,217) | (1,870,269) | (11,235,243) | (3,819,460) | (23,370,751) | (4,109,764) | (24,797,583) |
| Net increase (decrease) | (155,894) | \$(1,015,338) | (811,246) | \$(4,967,383) | 236,348 | \$1,421,352 | (683,216) | \$(4,290,254) |

Note 5 — Affiliated transactions

Transactions during the reporting period with any company which is under common ownership or control were as follows:

| Name of affiliate | Fair value as of 12/31/17 | Purchase cost | Sale proceeds | Investment Income | Shares outstanding and fair value as of 6/30/18 |
|-------------------------------------|---------------------------|---------------------|---------------------|-------------------|---|
| Short-term investments | | | | | |
| Putnam Short Term Investment Fund** | \$2,369,374 | \$59,034,191 | \$33,668,462 | \$198,590 | \$27,735,103 |
| Total Short-term investments | \$2,369,374 | \$59,034,191 | \$33,668,462 | \$198,590 | \$27,735,103 |

**Management fees charged to Putnam Short Term Investment Fund have been waived by Putnam Management. There were no realized or unrealized gains or losses during the period.

Note 6 — Market, credit and other risks

In the normal course of business, the fund trades financial instruments and enters into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the contracting party to the transaction to perform (credit risk). The fund may be exposed to additional credit risk that an institution or other entity with which the fund has unsettled or open transactions will default. Investments in foreign securities involve certain risks, including those related to economic instability, unfavorable political developments, and currency fluctuations. The fund may invest in higher-yielding, lower-rated bonds that may have a higher rate of default. The fund may invest a significant portion of its assets in securitized debt instruments, including mortgage-backed and asset-backed investments. The yields and values of these investments are sensitive to changes in interest rates, the rate of principal payments on the underlying assets and the market's perception of the issuers. The market for these investments may be volatile and limited, which may make them difficult to buy or sell.

Note 7 — Senior loan commitments

Senior loans are purchased or sold on a when-issued or delayed delivery basis and may be settled a month or more after the trade date, which from time to time can delay the actual investment of available cash balances; interest income is accrued based on the terms of the securities. Senior loans can be acquired through an agent, by assignment from another holder of the loan, or as a participation interest in another holder's portion of the loan. When the fund invests in a loan or participation, the fund is subject to the risk that an intermediate participant between the fund and the borrower will fail to meet its obligations to the fund, in addition to the risk that the borrower under the loan may default on its obligations.

Note 8 — Summary of derivative activity

The volume of activity for the reporting period for any derivative type that was held during the period is listed below and was based on an average of the holdings at the end of each fiscal quarter:

| | |
|---|-----------------|
| Purchased TBA commitment option contracts (contract amount) | \$88,900,000 |
| Purchased currency options (contract amount) | \$10,000,000 |
| Purchased swap option contracts (contract amount) | \$1,214,000,000 |
| Written TBA commitment option contracts (contract amount) | \$153,900,000 |
| Written currency options (contract amount) | \$4,800,000 |
| Written swap option contracts (contract amount) | \$1,037,000,000 |
| Futures contracts (number of contracts) | 100 |
| Forward currency contracts (contract amount) | \$245,900,000 |
| OTC interest rate swap contracts (notional) | \$820,000 |
| Centrally cleared interest rate swap contracts (notional) | \$912,900,000 |
| OTC total return swap contracts (notional) | \$35,500,000 |
| Centrally cleared total return swap contracts (notional) | \$82,100,000 |
| OTC credit default contracts (notional) | \$47,400,000 |
| Centrally cleared credit default contracts (notional) | \$6,000,000 |
| Warrants (number of warrants) | 3,100 |

The following is a summary of the fair value of derivative instruments as of the close of the reporting period:

Fair value of derivative instruments as of the close of the reporting period

| Derivatives not accounted for as hedging instruments under ASC 815 | Asset derivatives | | Liability derivatives | |
|--|--|---------------------|--|---------------------|
| | Statement of assets and liabilities location | Fair value | Statement of assets and liabilities location | Fair value |
| Credit contracts | Receivables | \$1,706,191 | Payables, Net assets — Unrealized depreciation | \$3,987,059* |
| Foreign exchange contracts | Investments, Receivables | 1,706,041 | Payables | 1,642,787 |
| Equity contracts | Investments | 1,237 | Payables | — |
| Interest rate contracts | Investments, Receivables, Net assets — Unrealized appreciation | 9,607,033* | Payables, Net assets — Unrealized depreciation | 9,516,423* |
| Total | | \$13,020,502 | | \$15,146,269 |

*Includes cumulative appreciation/depreciation of futures contracts and/or centrally cleared swaps as reported in the fund's portfolio. Only current day's variation margin is reported within the Statement of assets and liabilities.

The following is a summary of realized and change in unrealized gains or losses of derivative instruments in the Statement of operations for the reporting period (Note 1):

Amount of realized gain or (loss) on derivatives recognized in net gain or (loss) on investments

| Derivatives not accounted for as hedging instruments under ASC 815 | Options | Futures | Forward currency contracts | Swaps | Total |
|--|----------------------|--------------------|----------------------------|--------------------|--------------------|
| Credit contracts | \$— | \$— | \$— | \$182,031 | \$182,031 |
| Foreign exchange contracts | (155,080) | — | (1,514,669) | — | \$(1,669,749) |
| Interest rate contracts | (1,988,178) | (159,554) | — | 5,649,351 | \$3,501,619 |
| Total | \$(2,143,258) | \$(159,554) | \$(1,514,669) | \$5,831,382 | \$2,013,901 |

Change in unrealized appreciation or (depreciation) on derivatives recognized in net gain or (loss) on investments

| Derivatives not accounted for as hedging instruments under ASC 815 | Warrants | Options | Futures | Forward currency contracts | Swaps | Total |
|--|----------------|----------------------|-------------------|----------------------------|--------------------|--------------------|
| Credit contracts | \$— | \$— | \$— | \$— | \$985,730 | \$985,730 |
| Foreign exchange contracts | — | (14,956) | — | 960,216 | — | \$945,260 |
| Equity contracts | (964) | — | — | — | — | \$(964) |
| Interest rate contracts | — | (1,029,268) | (35,025) | — | 1,637,424 | \$573,131 |
| Total | \$(964) | \$(1,044,224) | \$(35,025) | \$960,216 | \$2,623,154 | \$2,503,157 |

Note 9 — Offsetting of financial and derivative assets and liabilities

The following table summarizes any derivatives, repurchase agreements and reverse repurchase agreements, at the end of the reporting period, that are subject to an enforceable master netting agreement or similar agreement. For securities lending transactions or borrowing transactions associated with securities sold short, if any, see Note 1. For financial reporting purposes, the fund does not offset financial assets and financial liabilities that are subject to the master netting agreements in the Statement of assets and liabilities.

| | Bank of America N.A. | Barclays Bank PLC | Barclays Capital, Inc. (clearing broker) | Citibank, N.A. | Citigroup Global Markets, Inc. | Credit Suisse International | Credit Suisse Securities (USA), LLC (clearing broker) | Deutsche Bank AG | Goldman Sachs International |
|---|-------------------------|-------------------|--|------------------|-----------------------------------|--------------------------------|--|------------------|--------------------------------|
| Assets: | | | | | | | | | |
| OTC Interest rate swap contracts*# | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— |
| Centrally cleared interest rate swap contracts [§] | — | — | 204,249 | — | — | — | 8,181 | — | — |
| OTC Total return swap contracts*# | — | 181,684 | — | 28,187 | — | 27,960 | — | 383 | 25,995 |
| Centrally cleared total return swap contracts [§] | — | — | 19,629 | — | — | — | — | — | — |
| OTC Credit default contracts — protection sold*# | — | — | — | — | — | — | — | — | — |
| OTC Credit default contracts — protection purchased*# | — | — | — | — | 143,740 | 448,055 | — | — | 302,850 |
| Centrally cleared credit default contracts [§] | — | — | 4,115 | — | — | — | — | — | — |
| Futures contracts [§] | — | — | — | — | — | — | — | — | — |
| Forward currency contracts [#] | 98,616 | 33,657 | — | 231,624 | — | 120,229 | — | — | 549,328 |
| Forward premium swap option contracts [#] | 543,535 | 91,898 | — | 222,579 | — | — | — | — | 145,213 |
| Purchased swap options**# | 760,932 | 133,778 | — | 278,255 | — | 332,757 | — | — | 651,976 |
| Purchased options**# | — | 419 | — | — | — | — | — | — | 420 |
| Total Assets | \$1,403,083 | \$441,436 | \$227,993 | \$760,645 | \$143,740 | \$929,001 | \$8,181 | \$383 | \$1,675,782 |
| Liabilities: | | | | | | | | | |
| OTC Interest rate swap contracts*# | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— |
| Centrally cleared interest rate swap contracts [§] | — | — | 181,202 | — | — | — | 9,129 | — | — |
| OTC Total return swap contracts*# | — | 12,377 | — | — | — | 72,974 | — | — | 71,509 |
| Centrally cleared total return swap contracts [§] | — | — | 35,457 | — | — | — | — | — | — |
| OTC Credit default contracts — protection sold*# | 99,587 | — | — | — | 352,481 | 945,988 | — | — | 662,263 |
| OTC Credit default contracts — protection purchased*# | — | — | — | — | — | — | — | — | — |
| Centrally cleared credit default contracts [§] | — | — | — | — | — | — | — | — | — |
| Futures contracts [§] | — | — | — | — | — | — | — | — | — |
| Forward currency contracts [#] | 124,662 | 93,315 | — | 286,034 | — | 102,758 | — | — | 480,156 |
| Forward premium swap option contracts [#] | 423,054 | 122,248 | — | 184,672 | — | — | — | — | 149,026 |
| Written swap options [#] | 671,925 | 222,178 | — | 426,536 | — | 253,476 | — | — | 1,209,610 |
| Written options [#] | — | — | — | — | — | — | — | — | — |
| Total Liabilities | \$1,319,228 | \$450,118 | \$216,659 | \$897,242 | \$352,481 | \$1,375,196 | \$9,129 | \$— | \$2,572,564 |

| HSBC Bank USA, National Association | JPMorgan Chase Bank N.A. | JPMorgan Securities LLC | Merrill Lynch International | Merrill Lynch, Pierce, Fenner & Smith, Inc. | Morgan Stanley & Co. International PLC | NatWest Markets PLC | State Street Bank and Trust Co. | UBSAG | WestPac Banking Corp. | Total |
|--|-----------------------------|----------------------------|--------------------------------|---|--|------------------------|------------------------------------|------------------|--------------------------|---------------------|
| \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— |
| — | — | — | — | — | — | — | — | — | — | 212,430 |
| — | 13,113 | 60,148 | — | — | — | — | — | — | — | 337,470 |
| — | — | — | — | — | — | — | — | — | — | 19,629 |
| — | — | — | — | — | — | — | — | — | — | — |
| — | — | 524,160 | 155,508 | — | 131,878 | — | — | — | — | 1,706,191 |
| — | — | — | — | — | — | — | — | — | — | 4,115 |
| — | — | — | — | 15,739 | — | — | — | — | — | 15,739 |
| 53,031 | 164,942 | — | — | — | — | 54,910 | 186,926 | 202,798 | 7,274 | 1,703,335 |
| — | 382,618 | — | — | — | 40,390 | — | — | — | — | 1,426,233 |
| — | 1,970,793 | — | — | — | 1,105,182 | — | — | — | — | 5,233,673 |
| 1,867 | 179,050 | — | — | — | — | — | — | — | — | 181,756 |
| \$54,898 | \$2,710,516 | \$584,308 | \$155,508 | \$15,739 | \$1,277,450 | \$54,910 | \$186,926 | \$202,798 | \$7,274 | \$10,840,571 |
| \$— | \$2,312 | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$2,312 |
| — | — | — | — | — | — | — | — | — | — | 190,331 |
| — | 10,998 | 8,860 | — | — | — | — | — | — | — | 176,718 |
| — | — | — | — | — | — | — | — | — | — | 35,457 |
| — | — | 865,257 | 51,909 | — | 650,382 | — | — | — | — | 3,627,867 |
| — | — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | 3,566 | — | — | — | — | — | 3,566 |
| 122,679 | 118,692 | — | — | — | — | 10,377 | 137,956 | 89,642 | 76,516 | 1,642,787 |
| — | 268,609 | — | — | — | 36,367 | — | — | — | — | 1,183,976 |
| — | 1,447,051 | — | — | — | 1,350,339 | — | — | — | — | 5,581,115 |
| — | 85,733 | — | — | — | — | — | — | — | — | 85,733 |
| \$122,679 | \$1,933,395 | \$874,117 | \$51,909 | \$3,566 | \$2,037,088 | \$10,377 | \$137,956 | \$89,642 | \$76,516 | \$12,529,862 |

| | Bank of America N.A. | Barclays Bank PLC | Barclays Capital, Inc. (clearing broker) | Citibank, N.A. | Citigroup Global Markets, Inc. | Credit Suisse International | Credit Suisse Securities (USA), LLC (clearing broker) | Deutsche Bank AG | Goldman Sachs International |
|---|-------------------------|-------------------|--|--------------------|-----------------------------------|--------------------------------|--|------------------|--------------------------------|
| Total Financial and Derivative Net Assets | \$83,855 | \$(8,682) | \$11,334 | \$(136,597) | \$(208,741) | \$(446,195) | \$(948) | \$383 | \$(896,782) |
| Total collateral received (pledged)†## | \$83,855 | \$(8,682) | \$— | \$(101,750) | \$(208,741) | \$(446,195) | \$— | \$— | \$(896,782) |
| Net amount | \$— | \$— | \$11,334 | \$(34,847) | \$— | \$— | \$(948) | \$383 | \$— |
| <i>Controlled collateral received (including TBA commitments)**</i> | \$115,284 | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— |
| <i>Uncontrolled collateral received</i> | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— | \$— |
| <i>Collateral (pledged) (including TBA commitments)**</i> | \$— | \$(72,715) | \$— | \$(101,750) | \$(223,496) | \$(493,635) | \$— | \$— | \$(1,060,847) |

*Excludes premiums, if any. Included in unrealized appreciation and depreciation on OTC swap contracts on the Statement of assets and liabilities.

**Included with Investments in securities on the Statement of assets and liabilities.

†Additional collateral may be required from certain brokers based on individual agreements.

#Covered by master netting agreement (Note 1).

##Any over-collateralization of total financial and derivative net assets is not shown. Collateral may include amounts related to unsettled agreements.

§Includes current day's variation margin only as reported on the Statement of assets and liabilities, which is not collateralized. Cumulative appreciation/ (depreciation) for futures contracts and centrally cleared swap contracts is represented in the tables listed after the fund's portfolio. Collateral pledged for initial margin on futures contracts and centrally cleared swap contracts, which is not included in the table above, amounted to \$201,538 and \$6,994,049, respectively.

Note 10 — New accounting pronouncements

In March 2017, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2017-08, *Receivables — Nonrefundable Fees and Other Costs* (Subtopic 310-20): *Premium Amortization on Purchased Callable Debt Securities*. The amendments in the ASU shorten the amortization period for certain callable debt securities held at a premium, to be amortized to the earliest call date. The ASU is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. Management is currently evaluating the impact, if any, of applying this provision.

| HSBC Bank USA, National Association | JPMorgan Chase Bank N.A. | JPMorgan Securities LLC | Merrill Lynch International | Merrill Lynch, Pierce, Fenner & Smith, Inc. | Morgan Stanley & Co. International PLC | NatWest Markets PLC | State Street Bank and Trust Co. | UBSAG | WestPac Banking Corp. | Total |
|--|-----------------------------|----------------------------|--------------------------------|---|--|------------------------|------------------------------------|-----------|--------------------------|---------------|
| \$(67,781) | \$777,121 | \$(289,809) | \$103,599 | \$12,173 | \$(759,638) | \$44,533 | \$48,970 | \$113,156 | \$(69,242) | \$(1,689,291) |
| \$— | \$777,121 | \$(289,809) | \$103,599 | \$— | \$(759,638) | \$20,000 | \$— | \$113,156 | \$— | |
| \$(67,781) | \$— | \$— | \$— | \$12,173 | \$— | \$24,533 | \$48,970 | \$— | \$(69,242) | |
| \$— | \$781,000 | \$59,000 | \$— | \$— | \$— | \$20,000 | \$— | \$— | \$— | \$975,284 |
| \$— | \$— | \$— | \$120,305 | \$— | \$— | \$— | \$— | \$113,165 | \$— | \$233,470 |
| \$— | \$— | \$(323,733) | \$— | \$— | \$(859,495) | \$— | \$— | \$— | \$— | \$(3,135,671) |

Trustee approval of management contract

General conclusions

The Board of Trustees of The Putnam Funds oversees the management of each fund and, as required by law, determines annually whether to approve the continuance of your fund's management contract with Putnam Investment Management, LLC ("Putnam Management") and the sub-management contract with respect to your fund between Putnam Management and its affiliate, Putnam Investments Limited ("PIL"). The Board, with the assistance of its Contract Committee, requests and evaluates all information it deems reasonably necessary under the circumstances in connection with its annual contract review. The Contract Committee consists solely of Trustees who are not "interested persons" (as this term is defined in the Investment Company Act of 1940, as amended (the "1940 Act")) of The Putnam Funds ("Independent Trustees").

At the outset of the review process, members of the Board's independent staff and independent legal counsel discussed with representatives of Putnam Management the annual contract review materials furnished to the Contract Committee during the course of the previous year's review, identifying possible changes in these materials that might be necessary or desirable for the coming year. Following these discussions and in consultation with the Contract Committee, the Independent Trustees' independent legal counsel requested that Putnam Management and its affiliates furnish specified information, together with any additional information that Putnam Management considered relevant, to the Contract Committee. Over the course of several months ending in June 2018, the Contract Committee met on a number of occasions with representatives of Putnam Management, and separately in executive session, to consider the information that Putnam Management provided. Throughout this process, the Contract Committee was assisted by the members of the Board's independent staff and by independent legal counsel for The Putnam Funds and the Independent Trustees.

In May 2018, the Contract Committee met in executive session to discuss and consider its recommendations with respect to the continuance of the contracts. At the Trustees' June 2018 meeting, the Contract Committee met in executive session with the other Independent Trustees to review a summary of the key financial, performance and other data that the Contract Committee considered in the course of its review. The Contract Committee then presented its written report, which summarized the key factors that the Committee had considered and set forth its recommendations. The Contract Committee recommended, and the Independent Trustees approved, the continuance of your fund's management and sub-management contracts, effective July 1, 2018. (Because PIL is an affiliate of Putnam Management and Putnam Management remains fully responsible for all services provided by PIL, the Trustees have not attempted to evaluate PIL as a separate entity, and all subsequent references to Putnam Management below should be deemed to include reference to PIL as necessary or appropriate in the context.)

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

- That the fee schedule in effect for your fund represented reasonable compensation in light of the nature and quality of the services being provided to the fund, the fees paid by competitive funds, the costs incurred by Putnam Management in providing services to the fund, and the application of certain reductions and waivers noted below; and

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

These conclusions were based on a comprehensive consideration of all information provided to the Trustees and were not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations and how the Trustees considered these factors are described below, although individual Trustees may have evaluated the information presented differently, giving different weights to various factors. It is also important to recognize that the management arrangements for your fund and the other Putnam funds are the result of many years of review and discussion between the Independent Trustees and Putnam Management, that some aspects of the arrangements may receive greater scrutiny in some years than others, and that the Trustees' conclusions may be based, in part, on their consideration of fee arrangements in previous years. For example, with some minor exceptions, the funds' current fee arrangements under the management contracts were first implemented at the beginning of 2010 following extensive review by the Contract Committee and discussions with representatives of Putnam Management, as well as approval by shareholders.

Management fee schedules and total expenses

The Trustees reviewed the management fee schedules in effect for all Putnam funds, including fee levels and breakpoints. The Trustees also reviewed the total expenses of each Putnam fund, recognizing that in most cases management fees represented the major, but not the sole, determinant of total costs to fund shareholders. (In a few instances, funds have implemented so-called "all-in" management fees covering substantially all routine fund operating costs.)

In reviewing fees and expenses, the Trustees generally focus their attention on material changes in circumstances — for example, changes in assets under management, changes in a fund's investment strategy, changes in Putnam Management's operating costs or profitability, or changes in competitive practices in the mutual fund industry — that suggest that consideration of fee changes might be warranted. The Trustees concluded that the circumstances did not indicate that changes to the management fee structure for your fund would be appropriate at this time.

Under its management contract, your fund has the benefit of breakpoints in its management fee schedule that provide shareholders with economies of scale in the form of reduced fee rates as assets under management in the Putnam family of funds increase. The Trustees concluded that the fee schedule in effect for your fund represented an appropriate sharing of economies of scale between fund shareholders and Putnam Management.

As in the past, the Trustees also focused on the competitiveness of each fund's total expense ratio. In order to support the effort to have fund expenses meet competitive standards, the Trustees and Putnam Management have implemented certain expense limitations that were in effect during your fund's fiscal year ending in 2017. These expense limitations were: (i) a contractual expense limitation applicable to all open-end funds of 25 basis points on investor servicing fees and expenses and (ii) a contractual expense limitation applicable to specified open-end funds, including your fund, of 20 basis points on so-called "other expenses" (i.e., all expenses exclusive of management fees, distribution fees, investor

servicing fees, investment-related expenses, interest, taxes, brokerage commissions, acquired fund fees and expenses and extraordinary expenses). These expense limitations attempt to maintain competitive expense levels for the funds. Most funds, including your fund, had sufficiently low expenses that these expense limitations were not operative during their fiscal years ending in 2017. Putnam Management has agreed to maintain these expense limitations until at least April 30, 2020. Putnam Management's support for these expense limitation arrangements was an important factor in the Trustees' decision to approve the continuance of your fund's management and sub-management contracts.

The Trustees reviewed comparative fee and expense information for a custom group of competitive funds selected by Broadridge Financial Solutions, Inc. ("Broadridge"). This comparative information included your fund's percentile ranking for effective management fees and total expenses (excluding any applicable 12b-1 fee), which provides a general indication of your fund's relative standing. In the custom peer group, your fund ranked in the second quintile in effective management fees (determined for your fund and the other funds in the custom peer group based on fund asset size and the applicable contractual management fee schedule) and in the fifth quintile in total expenses (excluding any applicable 12b-1 fees) as of December 31, 2017. The first quintile represents the least expensive funds and the fifth quintile the most expensive funds. The fee and expense data reported by Broadridge as of December 31, 2017 reflected the most recent fiscal year-end data available in Broadridge's database at that time.

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

The information examined by the Trustees in connection with their annual contract review for the Putnam funds included information regarding fees charged by Putnam Management and its affiliates to institutional clients, including defined benefit pension and profit-sharing plans and sub-advised mutual funds. This information included, in cases where an institutional product's investment strategy corresponds with a fund's strategy, comparisons of those fees with fees charged to the Putnam funds, as well as an assessment of the differences in the services provided to these different types of clients as compared to the services provided to the Putnam funds. The Trustees observed that the differences in fee rates between these clients and the Putnam funds are by no means uniform when examined by individual asset sectors, suggesting that differences in the pricing of investment management services to these types of clients may reflect, among other things, historical competitive forces operating in separate markets. The Trustees considered the fact that in many cases

fee rates across different asset classes are higher on average for mutual funds than for institutional clients, as well as the differences between the services that Putnam Management provides to the Putnam funds and those that it provides to its other clients. The Trustees did not rely on these comparisons to any significant extent in concluding that the management fees paid by your fund are reasonable.

Investment performance

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

The Trustees considered that 2017 was a strong year for the performance of the Putnam funds, with generally favorable results for most asset classes, including U.S. equity, international and global equity, taxable and tax exempt fixed income, and global asset allocation Funds. In this regard, the Trustees considered that, for the one-year period ended December 31, 2017, the Putnam open-end Funds' performance, on an asset-weighted basis, ranked in the 32nd percentile of their Lipper peers (excluding those Putnam funds that are evaluated based on their total returns and/or comparisons of those returns versus selected investment benchmarks or targeted annual returns). The Trustees observed that this strong performance has continued a positive trend that began in mid-year 2016 across most Putnam funds. They noted that the longer-term performance of the Putnam funds continued to be strong, exemplified by the fact that the Putnam funds were ranked by the Barron's/Lipper Fund Families survey as the 7th-best performing mutual fund complex out of 55 complexes for the five-year period ended December 31, 2017 and the 9th-best performing mutual fund complex out of 50 complexes for the ten-year period ended 2017. In addition, the survey ranked the Putnam funds 7th out of 59 mutual fund complexes for the one-year period ended 2017; the Putnam funds have ranked 1st or 2nd in the survey for the one-year period three times since 2009 (most recently in 2013). They also noted, however, the disappointing investment performance of some funds for periods ended December 31, 2017 and considered information provided by Putnam Management regarding the factors contributing to the underperformance and actions being taken to improve the performance of these particular funds. The Trustees indicated their intention to continue to monitor closely the performance of those funds, including the effectiveness of any efforts Putnam Management has undertaken to address underperformance and whether additional actions to address areas of underperformance are warranted.

For purposes of the Trustees' evaluation of the Putnam Funds' investment performance, the Trustees generally focus on a competitive industry ranking of each fund's total net return over a one-year, three-year and five-year period. For a number of Putnam funds with relatively unique investment mandates for which Putnam Management informed the Trustees that meaningful competitive performance rankings are not

considered to be available, the Trustees evaluated performance based on their total gross and net returns and, in most cases, comparisons of those returns with the returns of selected investment benchmarks. In the case of your fund, the Trustees considered that its class IA share cumulative total return performance at net asset value was in the following quartiles of its Lipper Inc. (“Lipper”) peer group (Lipper VP (Underlying Funds) — General Bond Funds) for the one-year, three-year and five-year periods ended December 31, 2017 (the first quartile representing the best-performing funds and the fourth quartile the worst-performing funds):

| One-year period | Three-year period | Five-year period |
|-----------------|-------------------|------------------|
| 1st | 2nd | 1st |

Over the one-year, three-year and five-year periods ended December 31, 2017, there were 47, 40 and 32 funds, respectively, in your fund’s Lipper peer group. (When considering performance information, shareholders should be mindful that past performance is not a guarantee of future results.)

The Trustees also considered Putnam Management’s continued efforts to support fund performance through initiatives including structuring compensation for portfolio managers and research analysts to enhance accountability for fund performance, emphasizing accountability in the portfolio management process, and affirming its commitment to a fundamental-driven approach to investing. The Trustees noted further that Putnam Management continued to strengthen its fundamental research capabilities by adding new investment personnel.

Brokerage and soft-dollar allocations; investor servicing

The Trustees considered various potential benefits that Putnam Management may receive in connection with the services it provides under the management contract with your fund. These include benefits related to brokerage allocation and the use of soft dollars, whereby a portion of

the commissions paid by a fund for brokerage may be used to acquire research services that are expected to be useful to Putnam Management in managing the assets of the fund and of other clients. Subject to policies established by the Trustees, soft dollars generated by these means are used predominantly to acquire brokerage and research services (including third-party research and market data) that enhance Putnam Management’s investment capabilities and supplement Putnam Management’s internal research efforts. However, the Trustees noted that a portion of available soft dollars continues to be used to pay fund expenses. The Trustees indicated their continued intent to monitor regulatory and industry developments in this area with the assistance of their Brokerage Committee. The Trustees also indicated their continued intent to monitor the allocation of the Putnam funds’ brokerage in order to ensure that the principle of seeking best price and execution remains paramount in the portfolio trading process.

Putnam Management may also receive benefits from payments that the funds make to Putnam Management’s affiliates for investor or distribution services. In conjunction with the annual review of your fund’s management and sub-management contracts, the Trustees reviewed your fund’s investor servicing agreement with Putnam Investor Services, Inc. (“PSERV”) and its distributor’s contracts and distribution plans with Putnam Retail Management Limited Partnership (“PRM”), both of which are affiliates of Putnam Management. The Trustees concluded that the fees payable by the funds to PSERV and PRM, as applicable, for such services are fair and reasonable in relation to the nature and quality of such services, the fees paid by competitive funds, and the costs incurred by PSERV and PRM, as applicable, in providing such services. Furthermore, the Trustees were of the view that the services provided were required for the operation of the funds, and that they were of a quality at least equal to those provided by other providers.

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Other important information

Proxy voting

Putnam is committed to managing our mutual funds in the best interests of our shareholders. The Putnam funds' proxy voting guidelines and procedures, as well as information regarding how your fund voted proxies relating to portfolio securities during the 12-month period ended June 30, 2018, are available in the Individual Investors section of putnam.com and on the Securities and Exchange Commission's (SEC) website at www.sec.gov. If you have questions about finding forms on the SEC's website, you may call the SEC at 1-800-SEC-0330. You may also obtain the Putnam funds' proxy voting guidelines and procedures at no charge by calling Putnam's Shareholder Services at 1-800-225-1581.

Fund portfolio holdings

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

Fund information

Investment Manager

Putnam Investment Management, LLC
One Post Office Square
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Investment Sub-Advisor

Putnam Investments Limited
16 St James's Street
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Marketing Services

Putnam Retail Management
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Boston, MA 02109

Investor Servicing Agent

Putnam Investor Services, Inc.
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P.O. Box 8383
Boston, MA 02266-8383
1-800-225-1581

Custodian

State Street Bank and Trust Company

Legal Counsel

Ropes & Gray LLP

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Kenneth R. Leibler, *Chair*
Liaquat Ahamed
Ravi Akhoury
Barbara M. Baumann
Katinka Domotorffy
Catharine Bond Hill
Paul L. Joskow
Robert E. Patterson
George Putnam, III
Robert L. Reynolds
Manoj P. Singh

The fund's Statement of Additional Information contains additional information about the fund's Trustees and is available without charge upon request by calling 1-800-225-1581.

