

MFS CHARTER INCOME TRUST
Form N-CSRS
July 27, 2017
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-05822

MFS CHARTER INCOME TRUST

(Exact name of registrant as specified in charter)

111 Huntington Avenue, Boston, Massachusetts 02199

(Address of principal executive offices) (Zip code)

Christopher R. Bohane

Massachusetts Financial Services Company

111 Huntington Avenue

Boston, Massachusetts 02199

(Name and address of agents for service)

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

Date of fiscal year end: November 30

Date of reporting period: May 31, 2017

Table of Contents

ITEM 1. REPORTS TO STOCKHOLDERS.

Table of Contents

SEMIANNUAL REPORT

May 31, 2017

MFS® CHARTER INCOME TRUST

MCR-SEM

Table of Contents

MANAGED DISTRIBUTION POLICY DISCLOSURE

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

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

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

Table of Contents

MFS® CHARTER INCOME TRUST

New York Stock Exchange Symbol: **MCR**

| | |
|--|----|
| <u>Letter from the Executive Chairman</u> | 1 |
| <u>Portfolio composition</u> | 2 |
| <u>Portfolio managers _ profiles</u> | 4 |
| <u>Other notes</u> | 5 |
| <u>Portfolio of investments</u> | 6 |
| <u>Statement of assets and liabilities</u> | 33 |
| <u>Statement of operations</u> | 34 |
| <u>Statements of changes in net assets</u> | 35 |
| <u>Statement of cash flows</u> | 36 |
| <u>Financial highlights</u> | 37 |
| <u>Notes to financial statements</u> | 39 |
| <u>Report of independent registered public accounting firm</u> | 54 |
| <u>Proxy voting policies and information</u> | 55 |
| <u>Quarterly portfolio disclosure</u> | 55 |
| <u>Further information</u> | 55 |
| <u>Information about fund contracts and legal claims</u> | 56 |
| <u>Contact information</u> back cover | |

NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

Table of Contents

LETTER FROM THE EXECUTIVE CHAIRMAN

Dear Shareholders:

Despite policy uncertainty accompanying a new presidential administration in the United States and unease over looming Brexit negotiations, most markets have proved

resilient. U.S. share prices have reached new highs, and U.S. bond yields rose on hopes surrounding President Trump's proposed fiscal policies and indications that the U.S. Federal Reserve will continue to gradually hike interest rates. However, interest rates in most developed markets remain very low, with central banks maintaining accommodative monetary policies in hopes of reinvigorating slow-growing economies and lifting inflation.

Globally, economic growth has shown signs of recovery, led by China, the U.S. and the eurozone. Despite better growth, there are few immediate signs of worrisome inflation, as wage growth remains muted. Emerging market economies are recovering at a

somewhat slower pace amid fears that restrictive U.S. trade policies could further hamper the restrained pace of global trade growth. Looking ahead, markets will have to contend with elections in the United Kingdom and Germany in the months ahead, as well as geopolitical hot spots on the Korean peninsula and in the Middle East.

At MFS®, we believe time is an asset. A patient, long-term approach to investing can have a powerful impact on decision making and outcomes. Time arbitrage, as we call it, simply comes down to having the conviction and discipline to allow enough time for good investment ideas to play out. In our view, such an approach, along with the professional guidance of a financial advisor, will help you reach your investment objectives.

Respectfully,

Robert J. Manning

Executive Chairman

MFS Investment Management

July 14, 2017

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

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

| | |
|---------------------------------------|-------|
| High Yield Corporates | 64.2% |
| Non-U.S. Government Bonds | 16.2% |
| Investment Grade Corporates | 14.9% |
| Emerging Markets Bonds | 9.3% |
| Mortgage-Backed Securities | 3.1% |
| Collateralized Debt Obligations | 1.5% |
| U.S. Treasury Securities | 1.2% |
| Asset-Backed Securities | 0.9% |
| Commercial Mortgage-Backed Securities | 0.9% |
| Floating Rate Loans | 0.7% |

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

| | |
|--|---------|
| AAA | 4.8% |
| AA | 2.7% |
| A | 9.3% |
| BBB | 16.9% |
| BB | 34.5% |
| B | 29.6% |
| CCC | 5.5% |
| CC | 0.2% |
| C | 0.2% |
| D | 0.1% |
| U.S. Government | 12.6% |
| Federal Agencies | 3.1% |
| Not Rated | (6.6)% |
| Non-Fixed Income | 0.2% |
| Cash & Cash Equivalents (less liabilities) | (19.8)% |
| Other | 6.7% |

Portfolio facts (i)

| | |
|--------------------------------|----------|
| Average Duration (d) | 5.4 |
| Average Effective Maturity (m) | 7.4 yrs. |

Table of Contents

Portfolio Composition continued

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

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

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

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

Percentages are based on net assets as of May 31, 2017.

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

Table of Contents**PORTFOLIO MANAGERS PROFILES**

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

Table of Contents

OTHER NOTES

The fund's shares may trade at a discount or premium to net asset value. When fund shares trade at a premium, buyers pay more than the net asset value underlying fund shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the fund's concurrent liquidation.

The fund's monthly distributions may include a return of capital to shareholders to the extent that the fund's net investment income and net capital gains, determined in accordance with federal income tax regulations, are insufficient to meet the fund's target annual distribution rate. Distributions that are treated for federal income tax purposes as a return of capital will reduce each shareholder's basis in his or her shares and, to the extent the return of capital exceeds such basis, will be treated as gain to the shareholder from a sale of shares. It may also result in a recharacterization of what economically represents a return of capital to ordinary income in those situations where a fund has long term capital gains and a capital loss carryforward. Returns of shareholder capital may have the effect of reducing the fund's assets and increasing the fund's expense ratio.

The fund's target annual distribution rate is calculated based on an annual rate of

8.00% of the fund's average monthly net asset value, not a fixed share price, and the fund's dividend amount will fluctuate with changes in the fund's average monthly net assets.

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

Table of Contents**PORTFOLIO OF INVESTMENTS**

5/31/17 (unaudited)

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

| Bonds - 118.1% | | |
|---|-------------------|---------------------|
| Issuer | Shares/Par | Value (\$) |
| Aerospace - 0.8% | | |
| KLX, Inc., 5.875%, 12/01/2022 (n) | \$ 1,445,000 | \$ 1,524,591 |
| Lockheed Martin Corp., 3.55%, 1/15/2026 | 263,000 | 272,951 |
| TransDigm, Inc., 6%, 7/15/2022 | 820,000 | 849,623 |
| TransDigm, Inc., 6.5%, 7/15/2024 | 800,000 | 832,000 |
| TransDigm, Inc., 6.375%, 6/15/2026 | 380,000 | 389,500 |
| | | \$ 3,868,665 |
| Airlines - 0.2% | | |
| Ryanair Ltd., 1.125%, 3/10/2023 | EUR 775,000 | \$ 881,465 |
| Asset-Backed & Securitized - 3.3% | | |
| Bayview Financial Revolving Mortgage Loan Trust, FRN, 2.643%, 12/28/2040 (z) | \$ 497,017 | \$ 383,998 |
| Chesapeake Funding II LLC, 2016-1A, A2, FRN, 2.139%, 3/15/2028 (n) | 1,460,492 | 1,469,067 |
| Commercial Mortgage Trust, 2015-DC1, A5, 3.35%, 2/10/2048 | 500,000 | 511,465 |
| Crest Ltd., CDO, 7%, 1/28/2040 (a)(p) | 3,250,826 | 522,769 |
| Dryden Senior Loan Fund, 2013-26A, A, CLO, FRN, 2.258%, 7/15/2025 (n) | 722,000 | 723,014 |
| Dryden Senior Loan Fund, 2014-34A, CR, FRN, 3.308%, 10/15/2026 (n) | 255,098 | 257,271 |
| First Union-Lehman Brothers Bank of America, FRN, 1.071%, 11/18/2035 (i) | 2,586,549 | 14,047 |
| Flatiron CLO Ltd., 2013-1A, A2R, FRN, 2.808%, 1/17/2026 (n) | 929,626 | 927,528 |
| Ford Credit Floorplan Master Owner Trust, 2015-1, A2, FRN, 1.389%, 1/15/2020 | 1,848,000 | 1,850,588 |
| HarbourView CLO VII Ltd., B1R, FRN, 2.831%, 11/18/2026 (z) | 940,012 | 939,965 |
| John Deere Owner Trust, A2, 1.15%, 10/15/2018 | 636,869 | 636,651 |
| JPMorgan Chase Commercial Mortgage Securities Corp., A4, FRN, 5.722%, 6/15/2049 | 7,654 | 7,647 |
| JPMorgan Chase Commercial Mortgage Trust, 2007-LD11, AM, FRN, 5.722%, 6/15/2049 | 2,142,300 | 2,193,180 |
| Loomis, Sayles & Co., CLO, A1, FRN, 2.688%, 10/15/2027 (z) | 2,526,150 | 2,533,425 |
| Merrill Lynch Mortgage Trust, FRN, 5.835%, 6/12/2050 | 50,218 | 50,159 |
| Morgan Stanley Capital I Trust, AM, FRN, 5.744%, 4/15/2049 | 478,851 | 483,639 |

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

| Issuer | Shares/Par | Value (\$) |
|---|--------------|---------------|
| Bonds - continued | | |
| Asset-Backed & Securitized - continued | | |
| Octagon Investment Partners XV, Ltd., 2.554%, 10/25/2025 (z) | \$ 1,177,401 | \$ 1,177,401 |
| Wells Fargo Commercial Mortgage Trust, 2015-NXS1, A5, 3.148%, 5/15/2048 | 768,632 | 781,490 |
| | | \$ 15,463,304 |
| Automotive - 1.6% | | |
| Allison Transmission, Inc., 5%, 10/01/2024 (n) | \$ 1,456,000 | \$ 1,485,120 |
| Delphi Automotive PLC, 1.5%, 3/10/2025 | EUR 200,000 | 224,602 |
| Ferrari N.V., 1.5%, 3/16/2023 | EUR 350,000 | 400,510 |
| FGA Capital Ireland PLC, 2%, 10/23/2019 | EUR 450,000 | 524,059 |
| Gates Global LLC, 6%, 7/15/2022 (n) | \$ 915,000 | 932,202 |
| General Motors Financial Co., Inc., 3.45%, 4/10/2022 | 256,000 | 259,497 |
| General Motors Financial Co., Inc., 4.35%, 1/17/2027 | 129,000 | 130,562 |
| IHO Verwaltungs GmbH, 4.75%, 9/15/2026 (n) | 830,000 | 838,300 |
| RCI Banque S.A., 1%, 5/17/2023 | EUR 600,000 | 674,681 |
| ZF North America Capital, Inc., 4.5%, 4/29/2022 (n) | \$ 1,085,000 | 1,140,606 |
| ZF North America Capital, Inc., 4.75%, 4/29/2025 (n) | 750,000 | 789,375 |
| | | \$ 7,399,514 |
| Biotechnology - 0.0% | | |
| Life Technologies Corp., 6%, 3/01/2020 | \$ 200,000 | \$ 219,398 |
| Broadcasting - 2.2% | | |
| CBS Radio, Inc., 7.25%, 11/01/2024 (n) | \$ 785,000 | \$ 828,175 |
| Clear Channel Worldwide Holdings, Inc., A, 6.5%, 11/15/2022 | 365,000 | 372,300 |
| Clear Channel Worldwide Holdings, Inc., B, 6.5%, 11/15/2022 | 1,305,000 | 1,349,044 |
| E. W. Scripps Co., 5.125%, 5/15/2025 (n) | 885,000 | 906,019 |
| Liberty Media Corp. - Liberty Formula One, 8.5%, 7/15/2029 | 875,000 | 971,250 |
| Liberty Media Corp. - Liberty Formula One, 8.25%, 2/01/2030 | 210,000 | 224,963 |
| Match Group, Inc., 6.375%, 6/01/2024 | 965,000 | 1,051,850 |
| Netflix, Inc., 5.375%, 2/01/2021 | 1,680,000 | 1,822,800 |
| Netflix, Inc., 5.875%, 2/15/2025 | 70,000 | 76,825 |
| Omnicom Group, Inc., 3.65%, 11/01/2024 | 77,000 | 79,500 |
| Omnicom Group, Inc., 3.6%, 4/15/2026 | 290,000 | 295,257 |
| ProSiebenSat.1 Media AG, 2.625%, 4/15/2021 | EUR 240,000 | 287,510 |
| RELX Finance B.V., 1%, 3/22/2024 | EUR 150,000 | 170,625 |
| SES Global Americas Holdings GP, 2.5%, 3/25/2019 (n) | \$ 181,000 | 180,936 |
| Time Warner, Inc., 3.8%, 2/15/2027 | 332,000 | 331,444 |
| WMG Acquisition Corp., 5%, 8/01/2023 (z) | 210,000 | 214,988 |
| WMG Acquisition Corp., 4.875%, 11/01/2024 (n) | 1,285,000 | 1,297,850 |
| | | \$ 10,461,336 |

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

| Issuer | Shares/Par | Value (\$) |
|--|--------------|---------------|
| Bonds - continued | | |
| Brokerage & Asset Managers - 0.2% | | |
| Intercontinental Exchange, Inc., 2.75%, 12/01/2020 | \$ 178,000 | \$ 181,334 |
| Intercontinental Exchange, Inc., 3.75%, 12/01/2025 | 292,000 | 305,902 |
| TD Ameritrade Holding Corp., 3.3%, 4/01/2027 | 282,000 | 283,670 |
| | | \$ 770,906 |
| Building - 3.1% | | |
| ABC Supply Co., Inc., 5.75%, 12/15/2023 (n) | \$ 1,105,000 | \$ 1,171,300 |
| Allegion PLC, 5.875%, 9/15/2023 | 501,000 | 541,080 |
| Allegion U.S. Holding Co., Inc., 5.75%, 10/01/2021 | 1,630,000 | 1,696,015 |
| Beacon Roofing Supply, Inc., 6.375%, 10/01/2023 | 1,035,000 | 1,117,800 |
| Elementia S.A. de C.V., 5.5%, 1/15/2025 (n) | 210,000 | 213,150 |
| Gibraltar Industries, Inc., 6.25%, 2/01/2021 | 1,045,000 | 1,076,350 |
| HD Supply, Inc., 5.75%, 4/15/2024 (n) | 1,470,000 | 1,567,388 |
| HeidelbergCement AG, 2.25%, 3/30/2023 | EUR 170,000 | 206,030 |
| Imerys S.A., 1.5%, 1/15/2027 | EUR 200,000 | 226,322 |
| Martin Marietta Materials, Inc., 3.45%, 6/01/2027 | \$ 133,000 | 133,020 |
| Mohawk Industries, Inc., 3.85%, 2/01/2023 | 134,000 | 139,375 |
| New Enterprise Stone & Lime Co, Inc., 10.125%, 4/01/2022 (z) | 715,000 | 757,900 |
| Owens Corning, 4.2%, 12/15/2022 | 127,000 | 134,884 |
| Owens Corning, 3.4%, 8/15/2026 | 238,000 | 235,776 |
| PriSo Acquisition Corp., 9%, 5/15/2023 (n) | 915,000 | 935,588 |
| Standard Industries, Inc., 5.375%, 11/15/2024 (n) | 1,380,000 | 1,450,725 |
| Standard Industries, Inc., 6%, 10/15/2025 (n) | 835,000 | 901,800 |
| Summit Materials LLC/Summit Materials Finance Co., 6.125%, 7/15/2023 | 1,340,000 | 1,400,300 |
| Summit Materials LLC/Summit Materials Finance Co., 5.125%, 6/01/2025 (z) | 340,000 | 344,250 |
| Union Andina de Cementos S.A.A., 5.875%, 10/30/2021 (n) | 492,000 | 514,632 |
| | | \$ 14,763,685 |
| Business Services - 2.3% | | |
| Alliance Data Systems Corp., 5.875%, 11/01/2021 (n) | \$ 1,500,000 | \$ 1,552,500 |
| Alliance Data Systems Corp., 5.375%, 8/01/2022 (n) | 450,000 | 455,625 |
| CDK Global, Inc., 4.875%, 6/01/2027 (n) | 650,000 | 656,910 |
| Cisco Systems, Inc., 2.2%, 2/28/2021 | 350,000 | 352,647 |
| Equinix, Inc., 4.875%, 4/01/2020 | 565,000 | 579,831 |
| Equinix, Inc., 5.375%, 1/01/2022 | 305,000 | 322,251 |
| Equinix, Inc., 5.375%, 4/01/2023 | 925,000 | 968,660 |
| Equinix, Inc., 5.75%, 1/01/2025 | 202,000 | 218,160 |
| Fidelity National Information Services, Inc., 3.875%, 6/05/2024 | 537,000 | 561,691 |
| Fidelity National Information Services, Inc., 5%, 10/15/2025 | 138,000 | 153,930 |
| Fidelity National Information Services, Inc., 3%, 8/15/2026 | 267,000 | 259,020 |

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

| Issuer | Shares/Par | Value (\$) |
|--|--------------|---------------|
| Bonds - continued | | |
| Business Services - continued | | |
| Fidelity National Information Services, Inc., 4.5%, 8/15/2046 | \$ 133,000 | \$ 134,498 |
| First Data Corp., 5%, 1/15/2024 (n) | 1,755,000 | 1,817,285 |
| Iron Mountain, Inc., REIT, 6%, 10/01/2020 (n) | 510,000 | 531,675 |
| Iron Mountain, Inc., REIT, 6%, 8/15/2023 | 1,540,000 | 1,632,400 |
| Tencent Holdings Ltd., 3.375%, 3/05/2018 (n) | 449,000 | 453,957 |
| | | \$ 10,651,040 |
| Cable TV - 6.3% | | |
| Altice Financing S.A., 6.5%, 1/15/2022 (n) | \$ 2,005,000 | \$ 2,105,250 |
| Altice Financing S.A., 6.625%, 2/15/2023 (n) | 2,345,000 | 2,495,080 |
| Altice U.S. Finance I Corp., 5.5%, 5/15/2026 (n) | 670,000 | 701,825 |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.125%, 5/01/2023 (n) | 2,535,000 | 2,666,516 |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 1/15/2024 | 1,565,000 | 1,657,930 |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.375%, 5/01/2025 (n) | 335,000 | 354,681 |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 2/15/2026 (n) | 695,000 | 742,781 |
| Cequel Communications Holdings, 6.375%, 9/15/2020 (n) | 938,000 | 961,450 |
| Charter Communications Operating LLC, 6.384%, 10/23/2035 | 217,000 | 254,470 |
| Comcast Corp., 2.75%, 3/01/2023 | 880,000 | 892,309 |
| Comcast Corp., 4.65%, 7/15/2042 | 60,000 | 64,724 |
| Comcast Corp., 4.75%, 3/01/2044 | 223,000 | 245,540 |
| CSC Holdings LLC, 5.5%, 4/15/2027 (n) | 1,055,000 | 1,104,923 |
| DISH DBS Corp., 5%, 3/15/2023 | 1,065,000 | 1,094,628 |
| DISH DBS Corp., 5.875%, 11/15/2024 | 1,665,000 | 1,773,225 |
| Intelsat Jackson Holdings S.A., 7.25%, 4/01/2019 | 395,000 | 378,213 |
| Intelsat Jackson Holdings S.A., 5.5%, 8/01/2023 | 335,000 | 275,538 |
| Intelsat Jackson Holdings S.A., 8%, 2/15/2024 (n) | 245,000 | 264,447 |
| LGE Holdco VI B.V., 7.125%, 5/15/2024 (n) | EUR 520,000 | 661,540 |
| Lynx II Corp., 6.375%, 4/15/2023 (n) | \$ 555,000 | 582,056 |
| Shaw Communications, Inc., 5.65%, 10/01/2019 | CAD 260,000 | 209,317 |
| Sirius XM Radio, Inc., 5.75%, 8/01/2021 (n) | \$ 185,000 | 191,475 |
| Sirius XM Radio, Inc., 4.625%, 5/15/2023 (n) | 740,000 | 751,566 |
| Sirius XM Radio, Inc., 6%, 7/15/2024 (n) | 1,500,000 | 1,591,875 |
| Sirius XM Radio, Inc., 5.375%, 4/15/2025 (n) | 705,000 | 724,388 |
| Sky PLC, 2.5%, 9/15/2026 | EUR 350,000 | 428,370 |
| Time Warner Cable, Inc., 4.5%, 9/15/2042 | \$ 119,000 | 113,630 |
| Unitymedia Hessen, 5.5%, 1/15/2023 (n) | 1,350,000 | 1,404,000 |
| Unitymedia KabelBW GmbH, 6.125%, 1/15/2025 (n) | 770,000 | 823,900 |
| Videotron Ltd., 5.375%, 6/15/2024 (n) | 350,000 | 373,149 |
| Videotron Ltd., 5.125%, 4/15/2027 (n) | 1,360,000 | 1,407,600 |
| Virgin Media Finance PLC, 5.75%, 1/15/2025 (n) | 200,000 | 204,500 |

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

| Issuer | Shares/Par | Value (\$) |
|--|-------------|---------------|
| Bonds - continued | | |
| Cable TV - continued | | |
| Virgin Media Secured Finance PLC, 5.25%, 1/15/2026 (n) | \$ 800,000 | \$ 814,000 |
| VTR Finance B.V., 6.875%, 1/15/2024 (n) | 480,000 | 510,600 |
| Ziggo Bond Finance B.V., 5.875%, 1/15/2025 (n) | 850,000 | 869,125 |
| | | \$ 29,694,621 |
| Chemicals - 1.2% | | |
| Air Liquide Finance Co., 2.25%, 9/27/2023 (n) | \$ 261,000 | \$ 250,939 |
| Axalta Coating Systems Co., 4.875%, 8/15/2024 (n) | 670,000 | 685,913 |
| Chemours Co., 6.625%, 5/15/2023 | 600,000 | 640,434 |
| Chemours Co., 7%, 5/15/2025 | 290,000 | 321,175 |
| GCP Applied Technologies Co., 9.5%, 2/01/2023 (n) | 1,195,000 | 1,362,300 |
| LYB International Finance B.V., 4%, 7/15/2023 | 135,000 | 143,669 |
| PPG Industries, Inc., 0.875%, 11/03/2025 | EUR 230,000 | 252,703 |
| Tronox Finance LLC, 6.375%, 8/15/2020 | \$ 415,000 | 419,150 |
| Tronox Finance LLC, 7.5%, 3/15/2022 (n) | 645,000 | 669,994 |
| W.R. Grace & Co., 5.125%, 10/01/2021 (n) | 800,000 | 852,000 |
| | | \$ 5,598,277 |
| Computer Software - 1.4% | | |
| Diamond 1 Finance Corp./Diamond 2 Finance Corp., 6.02%, 6/15/2026 (n) | \$ 915,000 | \$ 1,010,007 |
| Diamond 1 Finance Corp./Diamond 2 Finance Corp., 5.875%, 6/15/2021 (n) | 1,100,000 | 1,162,563 |
| Microsoft Corp., 1.55%, 8/08/2021 | 1,014,000 | 998,296 |
| Nuance Communications, Inc., 5.625%, 12/15/2026 (n) | 1,275,000 | 1,341,938 |
| Oracle Corp., 3.4%, 7/08/2024 | 251,000 | 261,404 |
| VeriSign, Inc., 4.625%, 5/01/2023 | 1,465,000 | 1,503,456 |
| VeriSign, Inc., 5.25%, 4/01/2025 | 100,000 | 106,125 |
| | | \$ 6,383,789 |
| Computer Software - Systems - 1.4% | | |
| Apple, Inc., 2.7%, 5/13/2022 | \$ 400,000 | \$ 409,308 |
| Apple, Inc., 3.6%, 7/31/2042 | GBP 130,000 | 198,529 |
| Apple, Inc., 3.85%, 8/04/2046 | \$ 338,000 | 335,576 |
| Apple, Inc., 4.25%, 2/09/2047 | 84,000 | 88,130 |
| CDW LLC/CDW Finance Corp., 5.5%, 12/01/2024 | 395,000 | 426,600 |
| CDW LLC/CDW Finance Corp., 5%, 9/01/2025 | 235,000 | 242,050 |
| JDA Software Group, Inc., 7.375%, 10/15/2024 (n) | 1,105,000 | 1,146,438 |
| Sabre GLOBAL, Inc., 5.375%, 4/15/2023 (n) | 1,865,000 | 1,955,919 |
| SS&C Technologies Holdings, Inc., 5.875%, 7/15/2023 | 140,000 | 149,608 |
| Western Digital Corp., 10.5%, 4/01/2024 | 1,320,000 | 1,547,040 |
| | | \$ 6,499,198 |

Table of Contents

Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|--|---------------|---------------|
| Bonds - continued | | |
| Conglomerates - 2.1% | | |
| Amsted Industries Co., 5%, 3/15/2022 (n) | \$ 2,335,000 | \$ 2,405,050 |
| EnerSys, 5%, 4/30/2023 (n) | 1,875,000 | 1,933,594 |
| Enpro Industries, Inc., 5.875%, 9/15/2022 | 1,800,000 | 1,881,000 |
| Enpro Industries, Inc., 5.875%, 9/15/2022 (n) | 55,000 | 57,475 |
| Entegris, Inc., 6%, 4/01/2022 (n) | 1,643,000 | 1,712,828 |
| Johnson Controls International PLC, 1.375%, 2/25/2025 | EUR 200,000 | 225,977 |
| Johnson Controls International PLC, 4.5%, 2/15/2047 | \$ 68,000 | 71,568 |
| Parker-Hannifin Corp., 1.125%, 3/01/2025 (z) | EUR 100,000 | 113,438 |
| Parker-Hannifin Corp., 4.1%, 3/01/2047 (n) | \$ 176,000 | 182,503 |
| SPX FLOW, Inc., 5.625%, 8/15/2024 (n) | 1,355,000 | 1,388,875 |
| | | \$ 9,972,308 |
| Construction - 0.1% | | |
| Empresas ICA S.A.B. de C.V., 8.9%, 2/04/2021 (a)(d) | \$ 450,000 | \$ 113,810 |
| Empresas ICA S.A.B. de C.V., 8.875%, 5/29/2024 (a)(d)(n) | 853,000 | 223,230 |
| | | \$ 337,040 |
| Consumer Products - 0.8% | | |
| Essity AB, 1.625%, 3/30/2027 | EUR 300,000 | \$ 339,832 |
| NBTY, Inc., 7.625%, 5/15/2021 (n) | \$ 855,000 | 893,475 |
| Prestige Brands, Inc., 5.375%, 12/15/2021 (n) | 1,085,000 | 1,106,700 |
| Reckitt Benckiser Treasury Services PLC, 3.625%, 9/21/2023 (n) | 250,000 | 258,603 |
| Spectrum Brands, Inc., 6.125%, 12/15/2024 | 170,000 | 180,200 |
| Spectrum Brands, Inc., 5.75%, 7/15/2025 | 835,000 | 887,271 |
| | | \$ 3,666,081 |
| Consumer Services - 2.5% | | |
| ADT Corp., 6.25%, 10/15/2021 | \$ 2,155,000 | \$ 2,370,500 |
| ADT Corp., 4.125%, 6/15/2023 | 60,000 | 59,550 |
| G4S International Finance PLC, 1.5%, 1/09/2023 | EUR 200,000 | 228,940 |
| Grupo Posadas S.A.B. de C.V., 7.875%, 6/30/2022 (n) | \$ 520,000 | 540,800 |
| Interval Acquisition Corp., 5.625%, 4/15/2023 | 2,175,000 | 2,256,563 |
| Mobile Mini, Inc., 5.875%, 7/01/2024 | 1,255,000 | 1,305,200 |
| Monitronics International, Inc., 9.125%, 4/01/2020 | 890,000 | 849,950 |
| Priceline Group, Inc., 2.15%, 11/25/2022 | EUR 110,000 | 132,139 |
| Priceline Group, Inc., 1.8%, 3/03/2027 | EUR 1,100,000 | 1,242,380 |
| Service Corp. International, 5.375%, 5/15/2024 | \$ 350,000 | 368,778 |
| ServiceMaster Co. LLC, 5.125%, 11/15/2024 (n) | 1,495,000 | 1,550,465 |
| Visa, Inc., 2.8%, 12/14/2022 | 571,000 | 584,806 |
| Visa, Inc., 4.3%, 12/14/2045 | 300,000 | 324,554 |
| | | \$ 11,814,625 |

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

| Issuer | Shares/Par | Value (\$) |
|--|--------------|---------------|
| Bonds - continued | | |
| Containers - 2.8% | | |
| Berry Plastics Group, Inc., 5.5%, 5/15/2022 | \$ 1,025,000 | \$ 1,068,563 |
| Berry Plastics Group, Inc., 6%, 10/15/2022 | 975,000 | 1,039,594 |
| Crown American LLC, 4.5%, 1/15/2023 | 1,179,000 | 1,229,108 |
| Crown American LLC, 4.25%, 9/30/2026 (n) | 565,000 | 555,169 |
| Multi-Color Corp., 6.125%, 12/01/2022 (n) | 1,700,000 | 1,780,750 |
| Plastipak Holdings, Inc., 6.5%, 10/01/2021 (n) | 1,858,000 | 1,904,450 |
| Reynolds Group, 5.75%, 10/15/2020 | 510,000 | 523,643 |
| Reynolds Group, 5.125%, 7/15/2023 (n) | 900,000 | 936,000 |
| Reynolds Group, 7%, 7/15/2024 (n) | 535,000 | 575,791 |
| Sealed Air Corp., 4.875%, 12/01/2022 (n) | 1,495,000 | 1,560,406 |
| Sealed Air Corp., 5.125%, 12/01/2024 (n) | 390,000 | 410,475 |
| Signode Industrial Group, 6.375%, 5/01/2022 (n) | 740,000 | 771,450 |
| Silgan Holdings, Inc., 5.5%, 2/01/2022 | 100,000 | 102,750 |
| Silgan Holdings, Inc., 4.75%, 3/15/2025 (n) | 630,000 | 641,025 |
| | | \$ 13,099,174 |
| Defense Electronics - 0.0% | | |
| BAE Systems PLC, 4.125%, 6/08/2022 | GBP 150,000 | \$ 218,911 |
| Electrical Equipment - 0.4% | | |
| Arrow Electronics, Inc., 3.5%, 4/01/2022 | \$ 173,000 | \$ 177,271 |
| CommScope Holding Company, Inc., 5.5%, 6/15/2024 (n) | 390,000 | 409,013 |
| CommScope Technologies LLC, 5%, 3/15/2027 (n) | 1,115,000 | 1,115,000 |
| | | \$ 1,701,284 |
| Electronics - 0.8% | | |
| Broadcom Corp./Broadcom Cayman Finance Ltd., 3.875%, 1/15/2027 (n) | \$ 507,000 | \$ 515,429 |
| Intel Corp., 3.15%, 5/11/2027 | 750,000 | 755,948 |
| Sensata Technologies B.V., 5.625%, 11/01/2024 (n) | 520,000 | 559,650 |
| Sensata Technologies B.V., 5%, 10/01/2025 (n) | 1,255,000 | 1,302,841 |
| Tyco Electronics Group S.A., 2.375%, 12/17/2018 | 294,000 | 296,333 |
| Tyco Electronics Group S.A., 1.1%, 3/01/2023 | EUR 350,000 | 398,591 |
| | | \$ 3,828,792 |
| Emerging Market Quasi-Sovereign - 1.9% | | |
| BPRL International Singapore Pte. Ltd., 4.375%, 1/18/2027 | \$ 567,000 | \$ 587,205 |
| CNPC General Capital Ltd., 3.4%, 4/16/2023 (n) | 293,000 | 299,156 |
| Empresa Nacional del Petroleo, 3.75%, 8/05/2026 (n) | 207,000 | 206,586 |
| Gaz Capital S.A., 4.95%, 2/06/2028 | 383,000 | 394,586 |
| Gaz Capital S.A., 7.288%, 8/16/2037 | 507,000 | 615,812 |
| KazMunayGas National Co., 4.75%, 4/19/2027 (n) | 355,000 | 358,905 |
| Majapahit Holding B.V., 7.25%, 6/28/2017 (n) | 591,000 | 593,246 |
| Office Cherifien des Phosphates S.A., 6.875%, 4/25/2044 (n) | 351,000 | 390,926 |

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

| Issuer | Shares/Par | Value (\$) |
|---|--------------------|---------------|
| Bonds - continued | | |
| Emerging Market Quasi-Sovereign - continued | | |
| ONGC Videsh Ltd., 4.625%, 7/15/2024 | \$ 511,000 | \$ 542,171 |
| Pertamina PT, 6%, 5/03/2042 (n) | 318,000 | 349,244 |
| Pertamina PT, 6%, 5/03/2042 | 654,000 | 718,256 |
| Pertamina PT, 5.625%, 5/20/2043 (n) | 375,000 | 397,498 |
| Petrobras Global Finance B.V., 6.125%, 1/17/2022 | 44,000 | 45,782 |
| Petrobras Global Finance B.V., 7.375%, 1/17/2027 | 37,000 | 39,657 |
| Petrobras International Finance Co., 6.75%, 1/27/2041 | 1,116,000 | 1,049,598 |
| Petroleos Mexicanos, 4.625%, 9/21/2023 | 212,000 | 216,113 |
| Petroleos Mexicanos, 6.5%, 3/13/2027 (n) | 106,000 | 115,673 |
| Southern Gas Corridor CJSC, 6.875%, 3/24/2026 | 1,315,000 | 1,453,338 |
| State Grid Overseas Investment (2016) Ltd., 2.75%, 5/04/2022 (n) | 402,000 | 401,336 |
| | | \$ 8,775,088 |
| Emerging Market Sovereign - 4.0% | | |
| Dominican Republic, 7.5%, 5/06/2021 (n) | \$ 548,000 | \$ 608,965 |
| Dominican Republic, 8.625%, 4/20/2027 | 758,000 | 903,930 |
| Republic of Angola, 7%, 8/17/2019 | 271,125 | 279,980 |
| Republic of Argentina, 5.625%, 1/26/2022 | 564,000 | 587,688 |
| Republic of Argentina, 2.5% to 3/31/2019, 3.75% to 3/31/2029, 5.25% to 12/31/2038 | 353,000 | 238,275 |
| Republic of Croatia, 5.5%, 4/04/2023 (n) | 1,146,000 | 1,248,842 |
| Republic of Hungary, 5.375%, 2/21/2023 | 746,000 | 829,883 |
| Republic of Hungary, 7.625%, 3/29/2041 | 470,000 | 697,762 |
| Republic of Indonesia, 11.625%, 3/04/2019 (n) | 571,000 | 666,692 |
| Republic of Indonesia, 2.875%, 7/08/2021 (z) | EUR 175,000 | 210,210 |
| Republic of Indonesia, 7%, 5/15/2022 | IDR 30,561,000,000 | 2,323,049 |
| Republic of Indonesia, 3.375%, 4/15/2023 (n) | \$ 302,000 | 302,688 |
| Republic of Indonesia, 4.125%, 1/15/2025 (n) | 342,000 | 352,720 |
| Republic of Indonesia, 4.125%, 1/15/2025 | 1,368,000 | 1,410,880 |
| Republic of Indonesia, 4.625%, 4/15/2043 | 1,349,000 | 1,380,727 |
| Republic of Kazakhstan, 5.125%, 7/21/2025 (n) | 341,000 | 373,112 |
| Republic of Panama, 9.375%, 4/01/2029 | 719,000 | 1,065,918 |
| Republic of Paraguay, 6.1%, 8/11/2044 (n) | 550,000 | 599,517 |
| Republic of Paraguay, 6.1%, 8/11/2044 | 443,000 | 482,883 |
| Republic of Sri Lanka, 6.125%, 6/03/2025 | 1,286,000 | 1,322,068 |
| Republic of Turkey, 3.25%, 3/23/2023 | 633,000 | 597,995 |
| Republic of Turkey, 4.875%, 10/09/2026 | 1,183,000 | 1,178,112 |
| Russian Federation, 4.875%, 9/16/2023 (n) | 400,000 | 434,210 |
| Russian Federation, 4.75%, 5/27/2026 | 800,000 | 842,739 |
| | | \$ 18,938,845 |

13

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

| Issuer | Shares/Par | Value (\$) |
|--|-------------|---------------|
| Bonds - continued | | |
| Energy - Independent - 4.1% | | |
| Afren PLC, 10.25%, 4/08/2019 (a)(d)(n) | \$ 451,812 | \$ 90 |
| Alta Mesa Holdings LP/Alta Mesa Finance Services Corp., 7.875%, 12/15/2024 (n) | 1,170,000 | 1,225,575 |
| Carrizo Oil & Gas, Inc., 6.25%, 4/15/2023 | 1,760,000 | 1,711,600 |
| Concho Resources, Inc., 5.5%, 4/01/2023 | 1,375,000 | 1,421,406 |
| Consol Energy, Inc., 5.875%, 4/15/2022 | 805,000 | 793,931 |
| Consol Energy, Inc., 8%, 4/01/2023 | 730,000 | 769,238 |
| Continental Resources, Inc., 4.5%, 4/15/2023 | 1,845,000 | 1,803,488 |
| Diamondback Energy, Inc., 5.375%, 5/31/2025 (n) | 1,415,000 | 1,457,450 |
| Gulfport Energy Corp., 6%, 10/15/2024 (n) | 980,000 | 960,400 |
| Gulfport Energy Corp., 6.375%, 5/15/2025 (n) | 355,000 | 352,338 |
| PDC Energy, Inc., 6.125%, 9/15/2024 (n) | 1,175,000 | 1,201,438 |
| Rice Energy, Inc., 7.25%, 5/01/2023 | 1,380,000 | 1,474,875 |
| Sanchez Energy Corp., 6.125%, 1/15/2023 | 436,000 | 383,680 |
| Seven Generations Energy, 8.25%, 5/15/2020 (n) | 700,000 | 731,500 |
| Seven Generations Energy, 6.75%, 5/01/2023 (z) | 960,000 | 1,012,800 |
| SM Energy Co., 6.75%, 9/15/2026 | 1,710,000 | 1,675,800 |
| Tengizchevroil Finance Co. International Ltd., 4%, 8/15/2026 (n) | 401,000 | 390,374 |
| Tengizchevroil Finance Co. International Ltd., 4%, 8/15/2026 | 987,000 | 960,845 |
| Whiting Petroleum Corp., 6.25%, 4/01/2023 | 1,075,000 | 1,069,625 |
| | | \$ 19,396,453 |
| Energy - Integrated - 0.3% | | |
| Inkia Energy Ltd., 8.375%, 4/04/2021 | \$ 754,000 | \$ 781,333 |
| LUKOIL International Finance B.V., 4.563%, 4/24/2023 (n) | 544,000 | 560,347 |
| | | \$ 1,341,680 |
| Entertainment - 1.2% | | |
| Carnival Corp., 1.875%, 11/07/2022 | EUR 330,000 | \$ 393,880 |
| Cedar Fair LP, 5.375%, 6/01/2024 | \$ 405,000 | 424,238 |
| Cedar Fair LP, 5.375%, 4/15/2027 (n) | 710,000 | 745,500 |
| Cinemark USA, Inc., 5.125%, 12/15/2022 | 1,430,000 | 1,469,325 |
| Cinemark USA, Inc., 4.875%, 6/01/2023 | 955,000 | 971,703 |
| Six Flags Entertainment Corp., 4.875%, 7/31/2024 (n) | 1,875,000 | 1,886,719 |
| | | \$ 5,891,365 |
| Financial Institutions - 2.8% | | |
| Aircastle Ltd., 4.625%, 12/15/2018 | \$ 130,000 | \$ 134,550 |
| Aircastle Ltd., 5.125%, 3/15/2021 | 1,470,000 | 1,574,738 |
| Aircastle Ltd., 5.5%, 2/15/2022 | 1,425,000 | 1,546,125 |
| Nationstar Mortgage LLC/Capital Corp., 6.5%, 8/01/2018 | 615,000 | 621,150 |
| Nationstar Mortgage LLC/Capital Corp., 7.875%, 10/01/2020 | 2,180,000 | 2,250,850 |
| Nationstar Mortgage LLC/Capital Corp., 6.5%, 7/01/2021 | 515,000 | 525,944 |

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

| Issuer | Shares/Par | Value (\$) |
|--|--------------|---------------|
| Bonds - continued | | |
| Financial Institutions - continued | | |
| Navient Corp., 8%, 3/25/2020 | \$ 1,135,000 | \$ 1,254,175 |
| Navient Corp., 7.25%, 1/25/2022 | 2,455,000 | 2,636,056 |
| Navient Corp., 7.25%, 9/25/2023 | 430,000 | 451,930 |
| Navient Corp., 6.125%, 3/25/2024 | 398,000 | 397,124 |
| Park Aerospace Holdings Ltd., 5.5%, 2/15/2024 (n) | 1,660,000 | 1,748,188 |
| | | \$ 13,140,830 |
| Food & Beverages - 2.6% | | |
| Anheuser-Busch InBev N.V., 1.5%, 4/18/2030 | EUR 250,000 | \$ 275,275 |
| Anheuser-Busch InBev S.A., 6.875%, 11/15/2019 | \$ 300,000 | 335,183 |
| Anheuser-Busch InBev Worldwide, Inc., 3.3%, 2/01/2023 | 408,000 | 420,486 |
| Anheuser-Busch InBev Worldwide, Inc., 4.7%, 2/01/2036 | 533,000 | 580,848 |
| Aramark Services, Inc., 4.75%, 6/01/2026 | 1,010,000 | 1,047,673 |
| Coca-Cola Enterprises, Inc., 1.875%, 3/18/2030 | EUR 200,000 | 230,436 |
| Cott Holdings, Inc., 5.5%, 4/01/2025 (n) | \$ 690,000 | 706,312 |
| Danone S.A., 2.077%, 11/02/2021 (n) | 236,000 | 232,020 |
| Danone S.A., 2.589%, 11/02/2023 (n) | 553,000 | 542,672 |
| Gruma S.A.B. de C.V., 4.875%, 12/01/2024 (n) | 202,000 | 214,878 |
| JBS Investments GmbH, 7.25%, 4/03/2024 | 200,000 | 185,500 |
| JBS USA LLC/JBS USA Finance, Inc., 5.875%, 7/15/2024 (n) | 1,775,000 | 1,730,625 |
| Lamb Weston Holdings, Inc., 4.625%, 11/01/2024 (n) | 835,000 | 855,875 |
| Lamb Weston Holdings, Inc., 4.875%, 11/01/2026 (n) | 280,000 | 287,000 |
| PepsiCo, Inc., 2.15%, 10/14/2020 | 858,000 | 865,327 |
| Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., 5.875%, 1/15/2024 | 1,380,000 | 1,469,700 |
| U.S. Foods Holding Corp., 5.875%, 6/15/2024 (n) | 1,590,000 | 1,660,914 |
| Wm. Wrigley Jr. Co., 2.9%, 10/21/2019 (n) | 107,000 | 109,149 |
| Wm. Wrigley Jr. Co., 3.375%, 10/21/2020 (n) | 300,000 | 310,975 |
| | | \$ 12,060,848 |
| Food & Drug Stores - 0.1% | | |
| Walgreens Boots Alliance, Inc., 2.7%, 11/18/2019 | \$ 333,000 | \$ 337,976 |
| Walgreens Boots Alliance, Inc., 4.5%, 11/18/2034 | 326,000 | 331,759 |
| | | \$ 669,735 |
| Forest & Paper Products - 0.0% | | |
| Appvion, Inc., 9%, 6/01/2020 (n) | \$ 281,000 | \$ 160,170 |
| Gaming & Lodging - 1.6% | | |
| CCM Merger, Inc., 6%, 3/15/2022 (n) | \$ 730,000 | \$ 753,725 |
| GLP Capital LP/GLP Financing II, Inc., 5.375%, 11/01/2023 | 1,500,000 | 1,623,750 |
| GLP Capital LP/GLP Financing II, Inc., 5.375%, 4/15/2026 | 175,000 | 189,438 |
| Hilton Worldwide Finance LLC/Hilton Worldwide Finance Corp., 4.625%, 4/01/2025 (n) | 1,065,000 | 1,102,275 |

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

| Issuer | Shares/Par | Value (\$) |
|--|---------------|--------------|
| Bonds - continued | | |
| Gaming & Lodging - continued | | |
| InterContinental Hotels Group PLC, 3.75%, 8/14/2025 | GBP 100,000 | \$ 144,538 |
| Isle of Capri Casinos, Inc., 8.875%, 6/15/2020 | \$ 300,000 | 307,260 |
| MGM Resorts International, 6.625%, 12/15/2021 | 825,000 | 926,063 |
| MGM Resorts International, 6%, 3/15/2023 | 650,000 | 713,570 |
| Ryman Hospitality Properties, Inc., REIT, 5%, 4/15/2021 | 1,375,000 | 1,405,938 |
| Ryman Hospitality Properties, Inc., REIT, 5%, 4/15/2023 | 535,000 | 547,706 |
| | | \$ 7,714,263 |
| Industrial - 0.2% | | |
| KAR Auction Services, Inc., 5.125%, 6/01/2025 (z) | \$ 780,000 | \$ 795,600 |
| Insurance - Health - 0.6% | | |
| Aetna, Inc., 2.8%, 6/15/2023 | \$ 317,000 | \$ 317,567 |
| Centene Corp., 5.625%, 2/15/2021 | 495,000 | 516,968 |
| Centene Corp., 6.125%, 2/15/2024 | 1,180,000 | 1,282,141 |
| UnitedHealth Group, Inc., 2.7%, 7/15/2020 | 528,000 | 540,744 |
| | | \$ 2,657,420 |
| Insurance - Property & Casualty - 0.4% | | |
| Berkshire Hathaway, Inc., 2.75%, 3/15/2023 | \$ 234,000 | \$ 236,518 |
| Berkshire Hathaway, Inc., 1.625%, 3/16/2035 | EUR 150,000 | 159,142 |
| Chubb INA Holdings, Inc., 2.3%, 11/03/2020 | \$ 95,000 | 95,705 |
| Chubb INA Holdings, Inc., 2.875%, 11/03/2022 | 221,000 | 225,721 |
| Liberty Mutual Group, Inc., 4.25%, 6/15/2023 | 365,000 | 392,083 |
| Liberty Mutual Group, Inc., 2.75%, 5/04/2026 (z) | EUR 100,000 | 121,532 |
| Liberty Mutual Group, Inc., 2.75%, 5/04/2026 | EUR 100,000 | 121,532 |
| Marsh & McLennan Cos., Inc., 3.5%, 6/03/2024 | \$ 159,000 | 164,857 |
| Marsh & McLennan Cos., Inc., 4.35%, 1/30/2047 | 131,000 | 138,075 |
| QBE Capital Funding III Ltd., 7.5% to 5/24/2021, FRN to 5/24/2041 | GBP 200,000 | 290,912 |
| | | \$ 1,946,077 |
| International Market Quasi-Sovereign - 0.1% | | |
| Electricite de France S.A., 5.375% to 1/29/2025, FRN to 12/29/2049 | EUR 200,000 | \$ 244,014 |
| Electricite de France S.A., 6% to 1/29/2026, FRN to 1/29/2046 | GBP 100,000 | 134,482 |
| | | \$ 378,496 |
| International Market Sovereign - 11.6% | | |
| Commonwealth of Australia, 5.75%, 5/15/2021 | AUD 1,734,000 | \$ 1,482,902 |
| Commonwealth of Australia, 3.75%, 4/21/2037 | AUD 600,000 | 493,975 |
| Federal Republic of Germany, 6.25%, 1/04/2030 | EUR 442,000 | 845,593 |
| Federal Republic of Germany, 2.5%, 7/04/2044 | EUR 120,000 | 178,220 |
| Government of Canada, 3.25%, 6/01/2021 | CAD 187,000 | 151,398 |

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

| Issuer | Shares/Par | Value (\$) |
|---|-----------------|---------------|
| Bonds - continued | | |
| International Market Sovereign - continued | | |
| Government of Canada, 2.5%, 6/01/2024 | CAD 5,700,000 | \$ 4,609,369 |
| Government of Canada, 1.5%, 6/01/2026 | CAD 4,718,000 | 3,553,213 |
| Government of Canada, 5.75%, 6/01/2033 | CAD 948,000 | 1,083,247 |
| Government of Japan, 0.8%, 6/20/2023 | JPY 500,000,000 | 4,759,639 |
| Government of Japan, 0.3%, 12/20/2025 | JPY 16,400,000 | 151,823 |
| Government of Japan, 2.2%, 9/20/2027 | JPY 787,000,000 | 8,656,360 |
| Government of Japan, 2.4%, 3/20/2037 | JPY 493,400,000 | 5,978,271 |
| Government of Japan, 1.8%, 3/20/2043 | JPY 81,000,000 | 913,658 |
| Kingdom of Spain, 4.6%, 7/30/2019 | EUR 1,130,000 | 1,402,409 |
| Kingdom of Spain, 5.4%, 1/31/2023 | EUR 1,416,000 | 2,025,095 |
| Kingdom of Spain, 5.15%, 10/31/2028 | EUR 1,210,000 | 1,843,935 |
| Republic of France, 6%, 10/25/2025 | EUR 2,106,000 | 3,474,167 |
| Republic of France, 4.75%, 4/25/2035 | EUR 468,000 | 817,661 |
| Republic of Ireland, 4.5%, 4/18/2020 | EUR 222,000 | 284,714 |
| Republic of Italy, 3.75%, 3/01/2021 | EUR 3,142,000 | 3,965,112 |
| Republic of Italy, 5.5%, 9/01/2022 | EUR 925,000 | 1,278,232 |
| Republic of Portugal, 4.95%, 10/25/2023 | EUR 1,894,000 | 2,507,524 |
| United Kingdom Treasury, 4.25%, 12/07/2027 | GBP 938,000 | 1,594,414 |
| United Kingdom Treasury, 4.25%, 3/07/2036 | GBP 470,000 | 866,174 |
| United Kingdom Treasury, 3.25%, 1/22/2044 | GBP 850,000 | 1,446,452 |
| | | \$ 54,363,557 |
| Local Authorities - 0.1% | | |
| Province of Alberta, 1.25%, 6/01/2020 | CAD 188,000 | \$ 139,481 |
| Province of Alberta, 4.5%, 12/01/2040 | CAD 255,000 | 235,481 |
| Province of Manitoba, 4.15%, 6/03/2020 | CAD 166,000 | 133,648 |
| | | \$ 508,610 |
| Machinery & Tools - 1.3% | | |
| Ashtead Capital, Inc., 5.625%, 10/01/2024 (n) | \$ 1,185,000 | \$ 1,267,950 |
| CNH Industrial Capital LLC, 4.375%, 11/06/2020 | 1,930,000 | 2,014,438 |
| CNH Industrial N.V., 4.5%, 8/15/2023 | 840,000 | 867,300 |
| H&E Equipment Services Co., 7%, 9/01/2022 | 1,805,000 | 1,887,489 |
| | | \$ 6,037,177 |
| Major Banks - 2.9% | | |
| Banco Bilbao Vizcaya Argentaria S.A., 3.5%, 2/10/2027 | EUR 200,000 | \$ 240,488 |
| Bank of America Corp., 7.625%, 6/01/2019 | \$ 370,000 | 409,852 |
| Bank of America Corp., 2.625%, 4/19/2021 | 370,000 | 371,587 |
| Bank of America Corp., 3.248%, 10/21/2027 | 462,000 | 448,082 |
| Bank of America Corp., FRN, 6.1%, 12/29/2049 | 1,032,000 | 1,108,110 |
| Barclays Bank PLC, 6%, 1/14/2021 | EUR 250,000 | 330,622 |
| Barclays Bank PLC, 6.75% to 1/16/2018, FRN to 1/16/2023 | GBP 100,000 | 132,656 |
| Credit Agricole S.A., 7.375%, 12/18/2023 | GBP 100,000 | 169,362 |

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

| Issuer | Shares/Par | Value (\$) |
|--|--------------|---------------|
| Bonds - continued | | |
| Major Banks - continued | | |
| Credit Suisse Group AG, 6.5%, 8/08/2023 (n) | \$ 200,000 | \$ 224,722 |
| Goldman Sachs Group, Inc., 2.625%, 4/25/2021 | 360,000 | 361,749 |
| Goldman Sachs Group, Inc., 5.75%, 1/24/2022 | 500,000 | 565,339 |
| Goldman Sachs Group, Inc., 3.625%, 1/22/2023 | 454,000 | 470,220 |
| Goldman Sachs Group, Inc., 3.85%, 1/26/2027 | 314,000 | 320,162 |
| HSBC Holdings PLC, 4.375%, 11/23/2026 | 269,000 | 280,028 |
| HSBC Holdings PLC, 6% to 5/22/2027, FRN to 11/22/2065 | 297,000 | 303,126 |
| JPMorgan Chase & Co., 6.3%, 4/23/2019 | 500,000 | 539,455 |
| JPMorgan Chase & Co., 3.25%, 9/23/2022 | 478,000 | 490,946 |
| JPMorgan Chase & Co., 2.95%, 10/01/2026 | 601,000 | 581,821 |
| JPMorgan Chase & Co., 3.54% to 5/01/2027, FRN to 5/01/2028 | 291,000 | 292,523 |
| JPMorgan Chase & Co., 4.26% to 2/22/2047, FRN to 2/22/2048 | 303,000 | 311,608 |
| JPMorgan Chase & Co., 6% to 8/01/2023, FRN to 12/31/2049 | 1,600,000 | 1,701,008 |
| Morgan Stanley, 6.625%, 4/01/2018 | 391,000 | 406,522 |
| Morgan Stanley, 2.2%, 12/07/2018 | 238,000 | 239,152 |
| Morgan Stanley, 3.125%, 7/27/2026 | 303,000 | 294,316 |
| Morgan Stanley, 2.625%, 3/09/2027 | GBP 200,000 | 262,168 |
| Morgan Stanley, 3.95%, 4/23/2027 | \$ 229,000 | 232,425 |
| Nationwide Building Society, 1.25%, 3/03/2025 | EUR 240,000 | 278,248 |
| Nordea Bank AB, 1%, 9/07/2026 | EUR 200,000 | 226,555 |
| PNC Bank N.A., 2.6%, 7/21/2020 | \$ 295,000 | 299,785 |
| UBS Group AG, 6.875%, 12/29/2049 | 1,220,000 | 1,312,027 |
| UBS Group Funding (Jersey) Ltd., 1.5%, 11/30/2024 | EUR 300,000 | 346,388 |
| Wells Fargo & Co., 4.1%, 6/03/2026 | \$ 100,000 | 104,094 |
| | | \$ 13,655,146 |
| Medical & Health Technology & Services - 5.2% | | |
| AmSurg Corp., 5.625%, 7/15/2022 | \$ 1,095,000 | \$ 1,142,769 |
| Baxter International, Inc., 1.3%, 5/30/2025 | EUR 200,000 | 225,590 |
| Becton, Dickinson and Co., 2.675%, 12/15/2019 | \$ 379,000 | 383,803 |
| Becton, Dickinson and Co., 3.734%, 12/15/2024 | 239,000 | 243,681 |
| CHS/Community Health Systems, Inc., 6.875%, 2/01/2022 | 960,000 | 853,200 |
| DaVita, Inc., 5.125%, 7/15/2024 | 455,000 | 462,963 |
| DaVita, Inc., 5%, 5/01/2025 | 1,015,000 | 1,008,656 |
| HCA, Inc., 4.25%, 10/15/2019 | 145,000 | 150,974 |
| HCA, Inc., 7.5%, 2/15/2022 | 2,450,000 | 2,823,625 |
| HCA, Inc., 5.875%, 3/15/2022 | 1,770,000 | 1,964,700 |
| HCA, Inc., 5%, 3/15/2024 | 900,000 | 964,260 |
| HCA, Inc., 5.375%, 2/01/2025 | 1,490,000 | 1,566,363 |
| HCA, Inc., 5.875%, 2/15/2026 | 415,000 | 450,794 |
| HCA, Inc., 5.25%, 6/15/2026 | 215,000 | 233,555 |

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

| Issuer | Shares/Par | Value (\$) |
|---|--------------|---------------|
| Bonds - continued | | |
| Medical & Health Technology & Services - continued | | |
| HealthSouth Corp., 5.125%, 3/15/2023 | \$ 1,305,000 | \$ 1,331,100 |
| HealthSouth Corp., 5.75%, 11/01/2024 | 960,000 | 991,200 |
| Laboratory Corp. of America Holdings, 3.2%, 2/01/2022 | 200,000 | 203,921 |
| Laboratory Corp. of America Holdings, 4.7%, 2/01/2045 | 310,000 | 318,211 |
| MEDNAX, Inc., 5.25%, 12/01/2023 (n) | 1,435,000 | 1,456,525 |
| Quintiles IMS Holdings, Inc., 5%, 10/15/2026 (n) | 1,225,000 | 1,264,543 |
| Quorum Health Corp., 11.625%, 4/15/2023 | 630,000 | 557,550 |
| Tenet Healthcare Corp., 8%, 8/01/2020 | 2,015,000 | 2,050,263 |
| Tenet Healthcare Corp., 8.125%, 4/01/2022 | 1,740,000 | 1,835,700 |
| Thermo Fisher Scientific, Inc., 3%, 4/15/2023 | 360,000 | 365,814 |
| Universal Health Services, Inc., 7.625%, 8/15/2020 | 1,325,000 | 1,351,500 |
| Universal Health Services, Inc., 5%, 6/01/2026 (n) | 239,000 | 245,573 |
| | | \$ 24,446,833 |
| Medical Equipment - 0.8% | | |
| Hologic, Inc., 5.25%, 7/15/2022 (n) | \$ 830,000 | \$ 871,500 |
| Medtronic, Inc., 3.5%, 3/15/2025 | 615,000 | 641,735 |
| Teleflex, Inc., 5.25%, 6/15/2024 | 1,220,000 | 1,262,700 |
| Teleflex, Inc., 4.875%, 6/01/2026 | 610,000 | 625,250 |
| Zimmer Biomet Holdings, Inc., 1.414%, 12/13/2022 | EUR 300,000 | 344,723 |
| | | \$ 3,745,908 |
| Metals & Mining - 3.3% | | |
| Barrick Gold Corp., 4.1%, 5/01/2023 | \$ 194,000 | \$ 211,139 |
| Cameco Corp., 5.67%, 9/02/2019 | CAD 262,000 | 207,905 |
| First Quantum Minerals Ltd., 7%, 2/15/2021 (n) | \$ 395,000 | 413,684 |
| First Quantum Minerals Ltd., 7.25%, 4/01/2023 (n) | 570,000 | 575,700 |
| Freeport-McMoRan, Inc., 3.875%, 3/15/2023 | 855,000 | 794,637 |
| Freeport-McMoRan, Inc., 6.5%, 11/15/2020 (n) | 135,000 | 139,736 |
| Freeport-McMoRan, Inc., 6.875%, 2/15/2023 (n) | 2,270,000 | 2,377,825 |
| Glencore Finance (Europe) S.A., 6.5%, 2/27/2019 | GBP 50,000 | 70,131 |
| Glencore Finance (Europe) S.A., 1.25%, 3/17/2021 | EUR 330,000 | 376,791 |
| Glencore Finance (Europe) S.A., 1.75%, 3/17/2025 | EUR 200,000 | 221,316 |
| GrafTech International Co., 6.375%, 11/15/2020 | \$ 680,000 | 593,300 |
| Kaiser Aluminum Corp., 5.875%, 5/15/2024 | 1,525,000 | 1,608,875 |
| Kinross Gold Corp., 5.125%, 9/01/2021 | 440,000 | 464,200 |
| Kinross Gold Corp., 5.95%, 3/15/2024 | 1,265,000 | 1,382,013 |
| Lundin Mining Corp., 7.5%, 11/01/2020 (n) | 455,000 | 481,213 |
| Lundin Mining Corp., 7.875%, 11/01/2022 (n) | 930,000 | 1,018,350 |
| Novelis Corp., 5.875%, 9/30/2026 (z) | 1,310,000 | 1,355,850 |
| Steel Dynamics, Inc., 5.125%, 10/01/2021 | 430,000 | 443,438 |
| Steel Dynamics, Inc., 5.25%, 4/15/2023 | 775,000 | 801,156 |
| Steel Dynamics, Inc., 5.5%, 10/01/2024 | 835,000 | 884,056 |

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

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Bonds - continued | | |
| Metals & Mining - continued | | |
| Suncoke Energy, Inc., 7.625%, 8/01/2019 | \$ 127,000 | \$ 125,254 |
| TMS International Corp., 7.625%, 10/15/2021 (n) | 850,000 | 862,750 |
| | | \$ 15,409,319 |
| Midstream - 4.1% | | |
| APT Pipelines Ltd., 5%, 3/23/2035 (n) | \$ 280,000 | \$ 290,346 |
| Blue Racer Midstream LLC/Blue Racer Finance Corp., 6.125%, 11/15/2022 (n) | 1,585,000 | 1,628,588 |
| Dominion Gas Holdings LLC, 2.8%, 11/15/2020 | 270,000 | 274,790 |
| Enbridge, Inc., 5.5%, 12/01/2046 | 300,000 | 335,848 |
| Energy Transfer Equity LP, 7.5%, 10/15/2020 | 1,625,000 | 1,815,938 |
| Enterprise Products Operating LLC, 1.65%, 5/07/2018 | 296,000 | 295,920 |
| Enterprise Products Partners LP, 6.3%, 9/15/2017 | 180,000 | 182,372 |
| Ferrellgas LP/Ferrellgas Finance Corp., 6.75%, 1/15/2022 | 725,000 | 699,625 |
| Kinder Morgan (Delaware), Inc., 7.75%, 1/15/2032 | 1,556,000 | 2,000,621 |
| Kinder Morgan Energy Partners LP, 5.4%, 9/01/2044 | 140,000 | 143,805 |
| ONEOK, Inc., 7.5%, 9/01/2023 | 545,000 | 649,572 |
| Sabine Pass Liquefaction LLC, 5.625%, 2/01/2021 | 1,105,000 | 1,208,771 |
| Sabine Pass Liquefaction LLC, 5.625%, 4/15/2023 | 1,890,000 | 2,108,374 |
| Sabine Pass Liquefaction LLC, 5.75%, 5/15/2024 | 575,000 | 644,059 |
| Sabine Pass Liquefaction LLC, 5.625%, 3/01/2025 | 1,074,000 | 1,192,714 |
| Sabine Pass Liquefaction LLC, 4.2%, 3/15/2028 (n) | 666,000 | 674,961 |
| Spectra Energy Capital LLC, 8%, 10/01/2019 | 250,000 | 281,662 |
| Targa Resources Partners LP/Targa Resources Finance Corp., 4.125%, 11/15/2019 | 1,050,000 | 1,065,750 |
| Targa Resources Partners LP/Targa Resources Finance Corp., 5.25%, 5/01/2023 | 585,000 | 603,281 |
| Targa Resources Partners LP/Targa Resources Finance Corp., 5.375%, 2/01/2027 (n) | 1,790,000 | 1,866,075 |
| Williams Cos., Inc., 4.55%, 6/24/2024 | 1,395,000 | 1,433,363 |
| | | \$ 19,396,435 |
| Mortgage-Backed - 3.0% | | |
| Fannie Mae, 6%, 6/01/2017 - 2/01/2037 | \$ 88,515 | \$ 100,985 |
| Fannie Mae, 5.5%, 9/01/2019 - 7/01/2035 | 298,522 | 323,721 |
| Fannie Mae, 6.5%, 4/01/2032 - 1/01/2033 | 49,755 | 56,218 |
| Fannie Mae, FRN, 1.226%, 5/25/2018 | 1,811,646 | 1,811,925 |
| Freddie Mac, 2.811%, 1/25/2025 | 11,000,000 | 11,249,977 |
| Freddie Mac, 2.673%, 3/25/2026 | 701,000 | 702,659 |
| Freddie Mac, 6%, 8/01/2034 | 78,763 | 90,603 |
| | | \$ 14,336,088 |
| Natural Gas - Distribution - 0.1% | | |
| GNL Quintero S.A., 4.634%, 7/31/2029 (n) | \$ 523,000 | \$ 547,189 |

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

| Issuer | Shares/Par | Value (\$) |
|---|--------------|--------------|
| Bonds - continued | | |
| Network & Telecom - 1.6% | | |
| AT&T, Inc., 2.45%, 6/30/2020 | \$ 277,000 | \$ 278,208 |
| AT&T, Inc., 4.25%, 6/01/2043 | GBP 100,000 | 141,901 |
| AT&T, Inc., 5.65%, 2/15/2047 | \$ 206,000 | 222,642 |
| British Telecom PLC, 5.75%, 12/07/2028 | GBP 150,000 | 259,040 |
| CenturyLink, Inc., 6.45%, 6/15/2021 | \$ 575,000 | 621,719 |
| CenturyLink, Inc., 7.65%, 3/15/2042 | 595,000 | 561,531 |
| Columbus International, Inc., 7.375%, 3/30/2021 (n) | 200,000 | 213,100 |
| Deutsche Telekom International Finance B.V., 1.5%, 4/03/2028 | EUR 200,000 | 226,828 |
| Empresa Nacional de Telecomunicaciones S.A., 4.75%, 8/01/2026 | \$ 300,000 | 309,719 |
| Telecom Italia Capital, 6%, 9/30/2034 | 250,000 | 264,295 |
| Telecom Italia S.p.A., 5.303%, 5/30/2024 (n) | 1,515,000 | 1,616,308 |
| Telefonica Celular del Paraguay S.A., 6.75%, 12/13/2022 | 517,000 | 539,546 |
| Verizon Communications, Inc., 1.375%, 11/02/2028 | EUR 220,000 | 237,333 |
| Verizon Communications, Inc., 4.812%, 3/15/2039 (z) | \$ 323,000 | 325,457 |
| Zayo Group LLC/Zayo Capital, Inc., 6.375%, 5/15/2025 | 660,000 | 709,500 |
| Zayo Group LLC/Zayo Capital, Inc., 5.75%, 1/15/2027 (n) | 1,005,000 | 1,060,164 |
| | | \$ 7,587,291 |
| Oil Services - 0.7% | | |
| Bristow Group, Inc., 6.25%, 10/15/2022 | \$ 621,000 | \$ 379,586 |
| Diamond Offshore Drilling, Inc., 5.7%, 10/15/2039 | 945,000 | 761,906 |
| Odebrecht Offshore Drilling Finance Ltd., 6.75%, 10/01/2022 (n) | 880,649 | 340,150 |
| Trinidad Drilling Ltd., 6.625%, 2/15/2025 (n) | 945,000 | 940,275 |
| Weatherford International Ltd., 8.25%, 6/15/2023 | 720,000 | 763,200 |
| | | \$ 3,185,117 |
| Oils - 0.5% | | |
| CITGO Holding, Inc., 10.75%, 2/15/2020 (n) | \$ 645,000 | \$ 696,600 |
| CITGO Petroleum Corp., 6.25%, 8/15/2022 (n) | 1,135,000 | 1,160,538 |
| Marathon Petroleum Corp., 4.75%, 9/15/2044 | 200,000 | 188,105 |
| Phillips 66, 4.875%, 11/15/2044 | 150,000 | 159,803 |
| | | \$ 2,205,046 |
| Other Banks & Diversified Financials - 1.0% | | |
| Arion Banki, 2.5%, 4/26/2019 | EUR 100,000 | \$ 116,756 |
| Bank of Iceland, 1.75%, 9/07/2020 | EUR 300,000 | 346,888 |
| BBVA Bancomer S.A. de C.V., 6.75%, 9/30/2022 (n) | \$ 1,004,000 | 1,135,775 |
| Belfius Bank S.A., 3.125%, 5/11/2026 | EUR 200,000 | 237,997 |
| Capital One Financial Corp., 2.35%, 8/17/2018 | \$ 806,000 | 810,544 |
| Citizens Bank N.A., 2.55%, 5/13/2021 | 250,000 | 250,988 |
| Groupe BPCE S.A., 12.5% to 9/30/2019, FRN to 8/29/2049 (n) | 953,000 | 1,151,939 |

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

| Issuer | Shares/Par | Value (\$) |
|--|--------------|--------------|
| Bonds - continued | | |
| Other Banks & Diversified Financials - continued | | |
| ING Groep N.V., 3.95%, 3/29/2027 | \$ 249,000 | \$ 257,835 |
| Intesa Sanpaolo S.p.A., 5.25%, 1/28/2022 | GBP 100,000 | 144,383 |
| U.S. Bancorp, 0.85%, 6/07/2024 | EUR 150,000 | 168,445 |
| | | \$ 4,621,550 |
| Personal Computers & Peripherals - 0.0% | | |
| Equifax, Inc., 2.3%, 6/01/2021 | \$ 160,000 | \$ 159,219 |
| Pharmaceuticals - 1.0% | | |
| Celgene Corp., 2.875%, 8/15/2020 | \$ 524,000 | \$ 536,003 |
| Endo Finance LLC/Endo Finco, Inc., 7.25%, 1/15/2022 (n) | 985,000 | 982,538 |
| Forest Laboratories, Inc., 4.375%, 2/01/2019 (n) | 132,000 | 136,532 |
| Gilead Sciences, Inc., 2.35%, 2/01/2020 | 52,000 | 52,612 |
| Mallinckrodt International Finance S.A., 5.75%, 8/01/2022 (n) | 1,335,000 | 1,319,147 |
| Mallinckrodt International Finance S.A., 5.5%, 4/15/2025 (n) | 690,000 | 633,075 |
| Valeant Pharmaceuticals International, Inc., 7%, 10/01/2020 (n) | 890,000 | 849,950 |
| | | \$ 4,509,857 |
| Precious Metals & Minerals - 0.4% | | |
| Eldorado Gold Corp., 6.125%, 12/15/2020 (n) | \$ 1,850,000 | \$ 1,896,250 |
| Printing & Publishing - 0.9% | | |
| Nielsen Finance LLC, 5%, 4/15/2022 (n) | \$ 1,165,000 | \$ 1,198,494 |
| Outdoor Americas Capital LLC/Outfront Media Capital Corp., 5.625%, 2/15/2024 | 1,120,000 | 1,171,800 |
| TEGNA, Inc., 4.875%, 9/15/2021 (n) | 345,000 | 355,350 |
| TEGNA, Inc., 6.375%, 10/15/2023 | 1,260,000 | 1,334,025 |
| | | \$ 4,059,669 |
| Real Estate - Apartment - 0.1% | | |
| Vonovia SE, REIT, 2.125%, 7/09/2022 | EUR 225,000 | \$ 272,397 |
| Real Estate - Healthcare - 0.6% | | |
| MPT Operating Partnership LP, REIT, 6.375%, 2/15/2022 | \$ 1,490,000 | \$ 1,540,288 |
| MPT Operating Partnership LP, REIT, 5.25%, 8/01/2026 | 1,290,000 | 1,354,500 |
| | | \$ 2,894,788 |
| Real Estate - Office - 0.1% | | |
| Boston Properties, Inc., REIT, 3.125%, 9/01/2023 | \$ 250,000 | \$ 253,482 |
| Merlin Properties SOCIMI S.A., REIT, 2.225%, 4/25/2023 | EUR 250,000 | 294,497 |
| | | \$ 547,979 |

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

| Issuer | Shares/Par | Value (\$) |
|---|--------------|--------------|
| Bonds - continued | | |
| Real Estate - Other - 1.1% | | |
| CyrusOne LP/CyrusOne Finance Corp., REIT, 5%, 3/15/2024 (n) | \$ 1,455,000 | \$ 1,487,738 |
| DuPont Fabros Technology LP, REIT, 5.875%, 9/15/2021 | 1,210,000 | 1,258,400 |
| Felcor Lodging LP, REIT, 5.625%, 3/01/2023 | 1,240,000 | 1,295,800 |
| Fibra Uno, REIT, 6.95%, 1/30/2044 (n) | 200,000 | 209,000 |
| Starwood Property Trust, Inc., REIT, 5%, 12/15/2021 (n) | 1,070,000 | 1,115,475 |
| | | \$ 5,366,413 |
| Real Estate - Retail - 0.0% | | |
| Simon International Finance S.C.A., REIT, 1.25%, 5/13/2025 | EUR 200,000 | \$ 226,611 |
| Restaurants - 0.2% | | |
| KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, 5.25%, 6/01/2026 (n) | \$ 840,000 | \$ 881,370 |
| Retailers - 1.3% | | |
| Bed Bath & Beyond, Inc., 5.165%, 8/01/2044 | \$ 145,000 | \$ 129,540 |
| Best Buy Co., Inc., 5.5%, 3/15/2021 | 347,000 | 378,420 |
| Dollar Tree, Inc., 5.75%, 3/01/2023 | 1,770,000 | 1,874,430 |
| Hanesbrands, Inc., 4.625%, 5/15/2024 (z) | 300,000 | 300,000 |
| Hanesbrands, Inc., 4.875%, 5/15/2026 (n) | 1,280,000 | 1,283,200 |
| Home Depot, Inc., 3%, 4/01/2026 | 310,000 | 313,904 |
| Home Depot, Inc., 4.875%, 2/15/2044 | 200,000 | 232,665 |
| Kering S.A., 1.25%, 5/10/2026 | EUR 200,000 | 227,549 |
| Sally Beauty Holdings, Inc., 5.625%, 12/01/2025 | \$ 1,295,000 | 1,327,375 |
| | | \$ 6,067,083 |
| Specialty Chemicals - 1.2% | | |
| A Schulman, Inc., 6.875%, 6/01/2023 | \$ 1,230,000 | \$ 1,306,875 |
| Chemtura Corp., 5.75%, 7/15/2021 | 1,465,000 | 1,510,781 |
| Ecolab, Inc., 2.625%, 7/08/2025 | EUR 100,000 | 125,023 |
| Koppers, Inc., 6%, 2/15/2025 (n) | \$ 1,190,000 | 1,249,500 |
| Univar USA, Inc., 6.75%, 7/15/2023 (n) | 1,345,000 | 1,408,888 |
| | | \$ 5,601,067 |
| Specialty Stores - 0.7% | | |
| Argos Merger Sub, Inc., 7.125%, 3/15/2023 (n) | \$ 1,065,000 | \$ 993,113 |
| Group 1 Automotive, Inc., 5%, 6/01/2022 | 1,455,000 | 1,476,825 |
| Michaels Stores, Inc., 5.875%, 12/15/2020 (n) | 745,000 | 763,625 |
| | | \$ 3,233,563 |
| Supermarkets - 0.4% | | |
| Albertsons Cos. LLC/Safeway, Inc., 6.625%, 6/15/2024 (n) | \$ 1,285,000 | \$ 1,329,975 |
| Loblaw Cos. Ltd., 4.86%, 9/12/2023 | CAD 262,000 | 222,422 |
| William Morrison Supermarkets PLC, 3.5%, 7/27/2026 | GBP 100,000 | 138,659 |
| | | \$ 1,691,056 |

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

| Issuer | Shares/Par | Value (\$) |
|---|-------------|---------------|
| Bonds - continued | | |
| Supranational - 0.2% | | |
| International Bank for Reconstruction and Development, 2.8%, 1/13/2021 | AUD 170,000 | \$ 128,972 |
| International Bank for Reconstruction and Development, 4.25%, 6/24/2025 | AUD 210,000 | 172,808 |
| International Finance Corp., 3.25%, 7/22/2019 | AUD 305,000 | 232,843 |
| West African Development Bank, 5.5%, 5/06/2021 (n) | \$ 210,000 | 223,073 |
| | | \$ 757,696 |
| Telecommunications - Wireless - 3.4% | | |
| Altice Luxembourg S.A., 7.75%, 5/15/2022 (n) | \$ 415,000 | \$ 440,938 |
| Altice Luxembourg S.A., 7.625%, 2/15/2025 (n) | 840,000 | 916,650 |
| America Movil S.A.B. de C.V., 1.5%, 3/10/2024 | EUR 140,000 | 160,823 |
| American Tower Corp., REIT, 3.5%, 1/31/2023 | \$ 465,000 | 478,906 |
| American Tower Corp., REIT, 1.375%, 4/04/2025 | EUR 100,000 | 112,350 |
| Crown Castle International Corp., 3.7%, 6/15/2026 | \$ 157,000 | 158,692 |
| Digicel Group Ltd., 8.25%, 9/30/2020 (n) | 811,000 | 769,031 |
| Digicel Group Ltd., 6%, 4/15/2021 (n) | 680,000 | 657,716 |
| Digicel Group Ltd., 7.125%, 4/01/2022 (n) | 640,000 | 560,800 |
| Digicel Group Ltd., 6.75%, 3/01/2023 (n) | 1,150,000 | 1,109,750 |
| Millicom International Cellular S.A., 6.625%, 10/15/2021 (n) | 410,000 | 427,938 |
| SBA Tower Trust, 2.898%, 10/15/2044 (n) | 220,000 | 221,658 |
| SFR Group S.A., 7.375%, 5/01/2026 (n) | 1,200,000 | 1,298,244 |
| Sprint Capital Corp., 6.875%, 11/15/2028 | 1,625,000 | 1,801,719 |
| Sprint Corp., 7.875%, 9/15/2023 | 980,000 | 1,131,900 |
| Sprint Corp., 7.125%, 6/15/2024 | 1,655,000 | 1,861,668 |
| Sprint Nextel Corp., 9%, 11/15/2018 (n) | 326,000 | 357,785 |
| Sprint Nextel Corp., 6%, 11/15/2022 | 480,000 | 511,200 |
| T-Mobile USA, Inc., 6.125%, 1/15/2022 | 135,000 | 142,256 |
| T-Mobile USA, Inc., 6.5%, 1/15/2024 | 615,000 | 665,891 |
| T-Mobile USA, Inc., 5.125%, 4/15/2025 | 815,000 | 849,727 |
| T-Mobile USA, Inc., 6.5%, 1/15/2026 | 775,000 | 855,406 |
| T-Mobile USA, Inc., 5.375%, 4/15/2027 | 695,000 | 740,175 |
| | | \$ 16,231,223 |
| Telephone Services - 0.5% | | |
| Chorus Ltd. Co., 1.125%, 10/18/2023 | EUR 150,000 | \$ 169,497 |
| Level 3 Financing, Inc., 5.375%, 1/15/2024 | \$ 470,000 | 492,621 |
| Level 3 Financing, Inc., 5.375%, 5/01/2025 | 1,645,000 | 1,728,780 |
| TELUS Corp., 5.05%, 7/23/2020 | CAD 265,000 | 216,071 |
| | | \$ 2,606,969 |
| Tobacco - 0.3% | | |
| Imperial Brands Finance PLC, 1.375%, 1/27/2025 | EUR 150,000 | \$ 169,357 |
| Imperial Tobacco Finance PLC, 4.25%, 7/21/2025 (n) | \$ 455,000 | 482,243 |

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

| Issuer | Shares/Par | Value (\$) |
|---|-------------|---------------|
| Bonds - continued | | |
| Tobacco - continued | | |
| Philip Morris International, Inc., 4.875%, 11/15/2043 | \$ 174,000 | \$ 193,039 |
| Reynolds American, Inc., 8.125%, 6/23/2019 | 92,000 | 103,169 |
| Reynolds American, Inc., 3.25%, 6/12/2020 | 41,000 | 42,446 |
| Reynolds American, Inc., 4.45%, 6/12/2025 | 98,000 | 105,604 |
| Reynolds American, Inc., 5.7%, 8/15/2035 | 118,000 | 138,314 |
| | | \$ 1,234,172 |
| Transportation - Services - 0.7% | | |
| Autostrade per L Italia S.p.A., 1.75%, 6/26/2026 | EUR 250,000 | \$ 289,047 |
| Compagnie Financier et Indus Unternehmensanleihe, 0.75%, 9/09/2028 | EUR 200,000 | 212,238 |
| Delhi International Airport, 6.125%, 10/31/2026 (n) | \$ 521,000 | 556,541 |
| ERAC USA Finance LLC, 6.375%, 10/15/2017 (n) | 400,000 | 406,714 |
| ERAC USA Finance LLC, 7%, 10/15/2037 (n) | 250,000 | 317,445 |
| ERAC USA Finance LLC, 4.5%, 2/15/2045 (n) | 332,000 | 318,285 |
| Heathrow Funding Ltd., 4.625%, 10/31/2046 | GBP 100,000 | 173,191 |
| Navios Maritime Holding, Inc., 7.375%, 1/15/2022 (n) | \$ 555,000 | 444,000 |
| Navios South American Logistics, Inc./Navios Logistics Finance (U.S.), Inc., 7.25%, 5/01/2022 | 130,000 | 125,125 |
| Syncreon Group BV/Syncre, 8.625%, 11/01/2021 (n) | 670,000 | 509,200 |
| | | \$ 3,351,786 |
| U.S. Treasury Obligations - 12.6% | | |
| U.S. Treasury Bonds, 5.25%, 2/15/2029 | \$ 874,000 | \$ 1,138,112 |
| U.S. Treasury Bonds, 5.375%, 2/15/2031 | 286,200 | 388,572 |
| U.S. Treasury Bonds, 4.5%, 2/15/2036 | 95,000 | 123,147 |
| U.S. Treasury Bonds, 4.75%, 2/15/2037 (f) | 1,885,200 | 2,521,234 |
| U.S. Treasury Bonds, 3.125%, 2/15/2043 (f) | 2,920,000 | 3,074,442 |
| U.S. Treasury Notes, 0.75%, 10/31/2018 | 14,000,000 | 13,906,480 |
| U.S. Treasury Notes, 0.875%, 11/30/2017 | 20,000,000 | 19,973,410 |
| U.S. Treasury Notes, 0.875%, 5/15/2019 | 9,000,000 | 8,929,692 |
| U.S. Treasury Notes, 1.75%, 5/15/2022 | 4,692,000 | 4,690,536 |
| U.S. Treasury Notes, 2.25%, 11/15/2025 | 4,519,000 | 4,555,012 |
| | | \$ 59,300,637 |
| Utilities - Electric Power - 2.8% | | |
| American Electric Power Co., Inc., 1.65%, 12/15/2017 | \$ 185,000 | \$ 184,998 |
| Calpine Corp., 5.5%, 2/01/2024 | 1,765,000 | 1,703,225 |
| Calpine Corp., 5.75%, 1/15/2025 | 820,000 | 777,975 |
| Covanta Holding Corp., 6.375%, 10/01/2022 | 310,000 | 318,913 |
| Covanta Holding Corp., 5.875%, 3/01/2024 | 755,000 | 745,563 |
| Covanta Holding Corp., 5.875%, 7/01/2025 | 630,000 | 614,250 |
| Dominion Resources, Inc., 2.5%, 12/01/2019 | 250,000 | 252,618 |
| Duke Energy Florida LLC, 3.2%, 1/15/2027 | 310,000 | 316,662 |

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

| Issuer | Shares/Par | Value (\$) |
|---|-------------|-----------------------|
| Bonds - continued | | |
| Utilities - Electric Power - continued | | |
| EDP Finance B.V., 5.25%, 1/14/2021 (n) | \$ 200,000 | \$ 214,960 |
| EDP Finance B.V., 2%, 4/22/2025 | EUR 100,000 | 113,318 |
| Emera U.S. Finance LP, 2.7%, 6/15/2021 | \$ 98,000 | 98,552 |
| Emera U.S. Finance LP, 3.55%, 6/15/2026 | 112,000 | 112,016 |
| Enel Americas S.A., 4%, 10/25/2026 | 345,000 | 346,294 |
| Enel Finance International N.V., 4.75%, 5/25/2047 (n) | 442,000 | 445,088 |
| Engie Energia Chile S.A., 5.625%, 1/15/2021 | 757,000 | 830,197 |
| Engie Energia Chile S.A., 4.5%, 1/29/2025 (n) | 512,000 | 529,637 |
| Exelon Corp., 3.497%, 6/01/2022 | 260,000 | 266,100 |
| Greenko Dutch B.V., 8%, 8/01/2019 (n) | 378,000 | 394,538 |
| Innogy Finance B.V., 4.75%, 1/31/2034 | GBP 100,000 | 160,667 |
| NextEra Energy Capital Holdings, Inc., 3.55%, 5/01/2027 | \$ 377,000 | 383,676 |
| NRG Energy, Inc., 6.625%, 3/15/2023 | 1,985,000 | 2,044,749 |
| NRG Energy, Inc., 7.25%, 5/15/2026 | 830,000 | 848,675 |
| PG&E Corp., 2.4%, 3/01/2019 | 166,000 | 167,218 |
| PPL Capital Funding, Inc., 3.1%, 5/15/2026 | 379,000 | 371,236 |
| PPL WEM Holdings PLC, 5.375%, 5/01/2021 (n) | 250,000 | 271,359 |
| Southern Co., 4.4%, 7/01/2046 | 339,000 | 336,952 |
| Virginia Electric & Power Co., 3.5%, 3/15/2027 | 475,000 | 493,450 |
| | | \$ 13,342,886 |
| Total Bonds (Identified Cost, \$546,855,193) | | \$ 555,438,240 |
| Floating Rate Loans (g)(r) - 0.7% | | |
| Aerospace - 0.1% | | |
| TransDigm, Inc., Term Loan C, 4.13%, 2/28/2020 | \$ 529,803 | \$ 531,525 |
| Chemicals - 0.1% | | |
| GCP Applied Technologies, Inc., Term Loan B, 4.39%, 2/03/2022 | \$ 356,169 | \$ 357,060 |
| Computer Software - Systems - 0.1% | | |
| Sabre, Inc., Term Loan B, 3.79%, 2/22/2024 | \$ 330,572 | \$ 333,381 |
| Conglomerates - 0.0% | | |
| Entegris, Inc., Term Loan B, 3.79%, 4/30/2021 | \$ 140,378 | \$ 141,080 |
| Consumer Products - 0.1% | | |
| Spectrum Brands, Inc., Term Loan B, 3.08%, 6/23/2022 | \$ 311,889 | \$ 313,683 |
| Entertainment - 0.1% | | |
| Cedar Fair LP, Term Loan B, 3.29%, 4/13/2024 | \$ 324,093 | \$ 327,010 |
| Six Flags Theme Parks, Inc., Term Loan B, 3.29%, 6/30/2022 | 331,400 | 334,818 |
| | | \$ 661,828 |

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

| Issuer | Shares/Par | Value (\$) |
|--|------------|-----------------------|
| Floating Rate Loans (g)(r) - continued | | |
| Gaming & Lodging - 0.1% | | |
| Hilton Worldwide Finance LLC, Term Loan B2, 3.02%, 10/25/2023 | \$ 338,973 | \$ 340,986 |
| Medical & Health Technology & Services - 0.1% | | |
| DaVita HealthCare Partners, Inc., Term Loan B, 3.79%, 6/24/2021 | \$ 558,844 | \$ 562,536 |
| Printing & Publishing - 0.0% | | |
| Outfront Media Capital LLC, Term Loan B, 3.25%, 3/16/2024 | \$ 79,294 | \$ 79,740 |
| Utilities - Electric Power - 0.0% | | |
| Calpine Construction Finance Co. LP, Term Loan B1, 3.3%, 5/03/2020 | \$ 120,021 | \$ 119,871 |
| Total Floating Rate Loans | | |
| (Identified Cost, \$3,427,546) | | \$ 3,441,690 |
| Common Stocks - 0.2% | | |
| Energy - Independent - 0.1% | | |
| Pacific Exploration & Production Corp. (a) | 8,177 | \$ 229,812 |
| Oil Services - 0.1% | | |
| LTRI Holdings LP (a) | 615 | \$ 546,993 |
| Total Common Stocks (Identified Cost, \$1,645,971) | | \$ 776,805 |
| Money Market Funds - 3.8% | | |
| MFS Institutional Money Market Portfolio, 0.87% (v) | | |
| (Identified Cost, \$17,993,017) | 17,994,144 | \$ 17,994,144 |
| Total Investments (Identified Cost, \$569,921,727) | | \$ 577,650,879 |
| Other Assets, Less Liabilities - (22.8)% | | (107,309,103) |
| Net Assets - 100.0% | | \$ 470,341,776 |

(a) Non-income producing security.

(d) In default.

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

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

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

(n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$151,689,671, representing 31.8% of net assets.

(p) Payment-in-kind security for which interest income may be received in additional securities and/or cash. During the period, no interest income was received in additional securities and/or cash.

Table of Contents

Portfolio of Investments (unaudited) continued

- (r) Remaining maturities of floating rate loans may be less than stated maturities shown as a result of contractual or optional prepayments by the borrower. Such prepayments cannot be predicted with certainty. These loans may be subject to restrictions on resale. Floating rate loans generally have rates of interest which are determined periodically by reference to a base lending rate plus a premium.
- (v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.
- (z) Restricted securities are not registered under the Securities Act of 1933 and are subject to legal restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are subsequently registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The fund holds the following restricted securities:

| Restricted Securities | Acquisition Date | Cost | Value |
|--|-----------------------------|-------------|--------------|
| Bayview Financial Revolving Mortgage Loan Trust, FRN, 2.643%, 12/28/2040 | 3/01/06 | \$497,017 | \$383,998 |
| Hanesbrands, Inc., 4.625%, 5/15/2024 | 5/03/17 | 298,512 | 300,000 |
| HarbourView CLO VII Ltd., B1R, FRN, 2.831%, 11/18/2026 | 2/09/17 | 940,012 | 939,965 |
| KAR Auction Services, Inc., 5.125%, 6/01/2025 | 5/22/17-5/23/17 | 786,436 | 795,600 |
| Liberty Mutual Group, Inc., 2.75%, 5/04/2026 | 4/26/16 | 112,134 | 121,532 |
| Loomis, Sayles & Co., CLO, A1, FRN, 2.688%, 10/15/2027 | 7/27/16 | 2,514,408 | 2,533,425 |
| New Enterprise Stone & Lime Co, Inc., 10.125%, 4/01/2022 | 3/09/17-4/04/17 | 741,767 | 757,900 |
| Novelis Corp., 5.875%, 9/30/2026 | 5/12/17-5/24/17 | 1,358,075 | 1,355,850 |
| Octagon Investment Partners XV, Ltd., 2.554%, 10/25/2025 | 5/15/17 | 1,177,401 | 1,177,401 |
| Parker-Hannifin Corp., 1.125%, 3/01/2025 | 2/21/17 | 104,941 | 113,438 |
| Republic of Indonesia, 2.875%, 7/08/2021 | 7/02/14 | 237,934 | 210,210 |
| Seven Generations Energy, 6.75%, 5/01/2023 | 4/20/17-4/27/17 | 1,017,817 | 1,012,800 |
| Summit Materials LLC/Summit Materials Finance Co., 5.125%, 6/01/2025 | 5/24/17 | 340,000 | 344,250 |
| Verizon Communications, Inc., 4.812%, 3/15/2039 | 9/26/13-1/31/17 | 324,345 | 325,457 |
| WMG Acquisition Corp., 5%, 8/01/2023 | 5/11/17-5/12/17 | 214,970 | 214,988 |
| Total Restricted Securities | | | \$10,586,814 |
| % of Net assets | | | 2.3% |

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

- CDO Collateralized Debt Obligation
- CLO Collateralized Loan Obligation
- FRN Floating Rate Note. Interest rate resets periodically and the current rate may not be the rate reported at period end.
- PLC Public Limited Company
- REIT Real Estate Investment Trust

Table of Contents

Portfolio of Investments (unaudited) continued

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

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

Forward Foreign Currency Exchange Contracts at 5/31/17

| Type | Currency | Counter-party | Contracts to Deliver/Receive | Settlement Date Range | In Exchange For | Contracts at Value | Unrealized Appreciation (Depreciation) |
|--------------------------|----------|-----------------------------|------------------------------|-----------------------|-----------------|--------------------|--|
| Asset Derivatives | | | | | | | |
| BUY | AUD | Goldman Sachs International | 1,650,000 | 6/09/17 | \$1,221,263 | \$1,225,868 | \$4,605 |
| SELL | AUD | Barclays Bank PLC | 162,000 | 6/09/17 | 121,956 | 120,358 | 1,598 |
| SELL | AUD | Westpac Banking Corp. | 6,435,148 | 6/09/17 | 4,867,707 | 4,780,995 | 86,712 |
| BUY | CAD | Merrill Lynch International | 1,443,000 | 6/09/17 | 1,049,205 | 1,068,339 | 19,134 |
| SELL | CAD | Brown Brothers Harriman | 377,000 | 6/09/17 | 279,929 | 279,116 | 813 |
| SELL | CAD | Citibank N.A. | 17,198,222 | 6/09/17 | 12,835,308 | 12,732,870 | 102,438 |
| BUY | CHF | Citibank N.A. | 58,000 | 6/09/17 | 58,434 | 59,908 | 1,474 |
| BUY | DKK | Goldman Sachs International | 31,438 | 6/09/17 | 4,490 | 4,750 | 260 |
| BUY | EUR | Barclays Bank PLC | 48,000 | 6/09/17 | 51,484 | 53,938 | 2,454 |
| BUY | EUR | Citibank N.A. | 304,796 | 6/09/17 | 328,798 | 342,502 | 13,704 |

Table of Contents*Portfolio of Investments (unaudited) continued***Forward Foreign Currency Exchange Contracts at 5/31/17 - continued**

| Type | Currency | Counter-party | Contracts to Deliver/Receive | Settlement Date Range | In Exchange For | Contracts at Value | Unrealized Appreciation (Depreciation) |
|--------------------------------------|----------|-----------------------------|------------------------------|-----------------------|-----------------|--------------------|--|
| Asset Derivatives - continued | | | | | | | |
| BUY | EUR | Deutsche Bank AG | 722,000 | 6/09/17 | \$772,965 | \$811,318 | \$38,353 |
| BUY | EUR | Goldman Sachs International | 2,380,213 | 6/09/17 | 2,558,400 | 2,674,668 | 116,268 |
| BUY | EUR | JPMorgan Chase Bank N.A. | 141,000 | 6/09/17 | 151,958 | 158,443 | 6,485 |
| SELL | EUR | Brown Brothers Harriman | 208,000 | 6/09/17 | 233,789 | 233,732 | 57 |
| SELL | EUR | Citibank N.A. | 355,152 | 6/09/17 | 399,238 | 399,088 | 150 |
| SELL | GBP | Brown Brothers Harriman | 179,000 | 6/09/17 | 231,716 | 230,674 | 1,042 |
| SELL | HKD | Brown Brothers Harriman | 18,976,000 | 6/09/17 | 2,445,221 | 2,435,559 | 9,662 |
| BUY | INR | JPMorgan Chase Bank N.A. | 153,681,000 | 6/15/17 | 2,303,200 | 2,377,905 | 74,705 |
| SELL | INR | JPMorgan Chase Bank N.A. | 3,217,000 | 6/15/17 | 49,879 | 49,777 | 102 |
| BUY | KRW | JPMorgan Chase Bank N.A. | 44,218,500 | 8/14/17 | 39,057 | 39,530 | 473 |
| BUY | MXN | JPMorgan Chase Bank N.A. | 47,221,094 | 6/09/17 | 2,422,810 | 2,529,521 | 106,711 |
| BUY | NOK | Deutsche Bank AG | 106,912 | 6/09/17 | 12,631 | 12,655 | 24 |
| BUY | NZD | JPMorgan Chase Bank N.A. | 82,494 | 6/09/17 | 57,580 | 58,437 | 857 |
| BUY | SEK | Goldman Sachs International | 24,353,119 | 6/09/17 | 2,716,502 | 2,802,956 | 86,454 |
| BUY | ZAR | JPMorgan Chase Bank N.A. | 569,852 | 6/09/17 | 43,287 | 43,391 | 104 |
| | | | | | | | \$674,639 |

Table of Contents*Portfolio of Investments (unaudited) continued***Forward Foreign Currency Exchange Contracts at 5/31/17 - continued**

| Type | Currency | Counter-party | Contracts to Deliver/Receive | Settlement Date Range | In Exchange For | Contracts at Value | Unrealized Appreciation (Depreciation) |
|------------------------------|----------|-----------------------------|------------------------------|-----------------------|-----------------|--------------------|--|
| Liability Derivatives | | | | | | | |
| SELL | CHF | Citibank N.A. | 918 | 6/09/17 | \$911 | \$948 | \$(37) |
| BUY | EUR | Deutsche Bank AG | 146,214 | 6/09/17 | 164,539 | 164,303 | (236) |
| BUY | EUR | Goldman Sachs International | 272,561 | 6/09/17 | 306,517 | 306,279 | (238) |
| SELL | EUR | Barclays Bank PLC | 99,800 | 6/09/17 | 106,060 | 112,147 | (6,087) |
| SELL | EUR | Brown Brothers Harriman | 2,292,552 | 6/09/17 | 2,457,753 | 2,576,162 | (118,409) |
| SELL | EUR | Citibank N.A. | 53,202 | 6/09/17 | 57,407 | 59,783 | (2,376) |
| SELL | EUR | Goldman Sachs International | 514,370 | 6/09/17 | 561,159 | 578,002 | (16,843) |
| SELL | EUR | JPMorgan Chase Bank N.A. | 26,500,498 | 6/09/17 | 28,153,594 | 29,778,858 | (1,625,264) |
| SELL | EUR | UBS AG | 4,683,727 | 6/09/17 | 5,018,286 | 5,263,148 | (244,862) |
| BUY | GBP | Barclays Bank PLC | 74,382 | 6/09/17 | 96,898 | 95,854 | (1,044) |
| BUY | GBP | Brown Brothers Harriman | 267,188 | 6/09/17 | 348,016 | 344,320 | (3,696) |
| SELL | GBP | Barclays Bank PLC | 7,039,125 | 6/09/17 | 8,612,418 | 9,071,183 | (458,765) |
| SELL | GBP | Goldman Sachs International | 198,628 | 6/09/17 | 241,962 | 255,969 | (14,007) |
| BUY | HKD | Deutsche Bank AG | 28,684,000 | 6/09/17 | 3,698,844 | 3,681,575 | (17,269) |
| SELL | JPY | Goldman Sachs International | 2,239,818,459 | 6/09/17 | 19,728,695 | 20,228,789 | (500,094) |
| SELL | JPY | JPMorgan Chase Bank N.A. | 26,053,000 | 6/09/17 | 232,002 | 235,296 | (3,294) |
| SELL | MXN | Goldman Sachs International | 44,002,000 | 6/09/17 | 2,262,732 | 2,357,082 | (94,350) |
| BUY | MYR | JPMorgan Chase Bank N.A. | 444,000 | 7/31/17 | 104,006 | 103,454 | (552) |

Table of Contents

Portfolio of Investments (unaudited) continued

Forward Foreign Currency Exchange Contracts at 5/31/17 - continued

| Type | Currency | Counter-party | Contracts to Deliver/Receive | Settlement Date Range | In Exchange For | Contracts at Value | Unrealized Appreciation (Depreciation) |
|--|----------|-------------------------|------------------------------|-----------------------|-----------------|--------------------|--|
| Liability Derivatives - continued | | | | | | | |
| SELL | SEK | Brown Brothers Harriman | 2,095,000 | 6/09/17 | \$233,634 | \$241,127 | \$(7,493) |
| SELL | SGD | Barclays Bank PLC | 66,859 | 6/09/17 | 47,398 | 48,325 | (927) |
| | | | | | | | \$ (3,115,843) |

Futures Contracts at 5/31/17

| Description | Currency | Contracts | Value | Expiration Date | Unrealized Appreciation (Depreciation) |
|------------------------------------|----------|-----------|-------------|------------------|--|
| Asset Derivatives | | | | | |
| Interest Rate Futures | | | | | |
| Euro-Bobl 5 yr (Long) | EUR | 38 | \$5,642,831 | June - 2017 | \$13,148 |
| Euro-Bund 10 yr (Long) | EUR | 37 | 6,746,657 | June - 2017 | 58,522 |
| Euro-Buxl 30 yr (Long) | EUR | 17 | 3,214,015 | June - 2017 | 32,045 |
| U.S. Treasury Ultra Bond 30 (Long) | USD | 8 | 1,321,000 | September - 2017 | 16,533 |
| | | | | | \$120,248 |
| Liability Derivatives | | | | | |
| Interest Rate Futures | | | | | |
| United Kingdom Gilt 10 yr (Long) | GBP | 35 | \$5,769,553 | September - 2017 | \$(3,270) |
| Government of Canada 10 yr (Short) | CAD | 12 | 1,292,164 | September - 2017 | (8,830) |
| U.S. Treasury Note 10 yr (Short) | USD | 385 | 48,624,297 | September - 2017 | (172,957) |
| U.S. Treasury Bond 30 yr (Short) | USD | 4 | 615,250 | September - 2017 | (6,141) |
| U.S. Treasury Note 5 yr (Short) | USD | 50 | 5,915,625 | September - 2017 | (11,114) |
| | | | | | \$(202,312) |

At May 31, 2017, the fund had cash collateral of \$1,904,000 and other liquid securities with an aggregate value of \$1,034,112 to cover any commitments for securities sold short and certain derivative contracts. Cash collateral is comprised of Restricted cash on the Statement of Assets and Liabilities.

See Notes to Financial Statements

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

At 5/31/17 (unaudited)

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

| | |
|---|---------------|
| Assets | |
| Investments | |
| Non-affiliated issuers, at value (identified cost, \$551,928,710) | \$559,656,735 |
| Underlying affiliated funds, at value (identified cost, \$17,993,017) | 17,994,144 |
| Total investments, at value (identified cost, \$569,921,727) | \$577,650,879 |
| Cash | 99,992 |
| Restricted cash | 1,904,000 |
| Receivables for | |
| Forward foreign currency exchange contracts | 674,639 |
| Investments sold | 1,734,284 |
| Interest | 6,185,702 |
| Other assets | 30,727 |
| Total assets | \$588,280,223 |
| Liabilities | |
| Notes payable | \$100,000,000 |
| Payables for | |
| Distributions | 190,838 |
| Forward foreign currency exchange contracts | 3,115,843 |
| Daily variation margin on open futures contracts | 68,684 |
| Investments purchased | 14,281,729 |
| Payable to affiliates | |
| Investment adviser | 14,637 |
| Transfer agent and dividend disbursing costs | 1,579 |
| Payable for independent Trustees' compensation | 16,351 |
| Accrued interest expense | 134,213 |
| Accrued expenses and other liabilities | 114,573 |
| Total liabilities | \$117,938,447 |
| Net assets | \$470,341,776 |
| Net assets consist of | |
| Paid-in capital | \$497,818,277 |
| Unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies | 5,224,250 |
| Accumulated net realized gain (loss) on investments and foreign currency | (15,963,928) |
| Accumulated distributions in excess of net investment income | (16,736,823) |
| Net assets | \$470,341,776 |
| Shares of beneficial interest outstanding | 49,816,121 |
| Net asset value per share (net assets of \$470,341,776 / 49,816,121 shares of beneficial interest outstanding) | \$9.44 |

See Notes to Financial Statements

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

Six months ended 5/31/17 (unaudited)

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

| | |
|--|--------------|
| Net investment income | |
| Income | |
| Interest | \$12,704,833 |
| Dividends from underlying affiliated funds | 42,934 |
| Foreign taxes withheld | (1,843) |
| Total investment income | \$12,745,924 |
| Expenses | |
| Management fee | \$1,347,126 |
| Transfer agent and dividend disbursing costs | 29,201 |
| Administrative services fee | 42,343 |
| Independent Trustees' compensation | 33,742 |
| Stock exchange fee | 24,998 |
| Custodian fee | 24,423 |
| Shareholder communications | 86,208 |
| Audit and tax fees | 39,632 |
| Legal fees | 15,101 |
| Interest expense | 708,559 |
| Miscellaneous | 30,826 |
| Total expenses | \$2,382,159 |
| Net investment income | \$10,363,765 |
| Realized and unrealized gain (loss) on investments and foreign currency | |
| Realized gain (loss) (identified cost basis) | |
| Investments: | |
| Non-affiliated issuers | \$(641,708) |
| Underlying affiliated funds | 381 |
| Futures contracts | (609,189) |
| Foreign currency | 5,660,550 |
| Net realized gain (loss) on investments and foreign currency | \$4,410,034 |
| Change in unrealized appreciation (depreciation) | |
| Investments | \$19,070,498 |
| Futures contracts | 376,533 |
| Translation of assets and liabilities in foreign currencies | (7,627,098) |
| Net unrealized gain (loss) on investments and foreign currency translation | \$11,819,933 |
| Net realized and unrealized gain (loss) on investments and foreign currency | \$16,229,967 |
| Change in net assets from operations | \$26,593,732 |

See Notes to Financial Statements

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

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

| | Six months ended 5/31/17 (unaudited) | Year ended 11/30/16 |
|---|---|--------------------------------|
| Change in net assets | | |
| From operations | | |
| Net investment income | \$10,363,765 | \$23,982,372 |
| Net realized gain (loss) on investments and foreign currency | 4,410,034 | (16,119,265) |
| Net unrealized gain (loss) on investments and foreign currency translation | 11,819,933 | 32,311,594 |
| Change in net assets from operations | \$26,593,732 | \$40,174,701 |
| Distributions declared to shareholders | | |
| From net investment income | \$(8,990,425) | \$(25,680,863) |
| From tax return of capital | | (12,631,474) |
| From other sources | (9,906,640) | |
| Total distributions declared to shareholders | \$(18,897,065) | \$(38,312,337) |
| Change in net assets from fund share transactions | \$(14,476,649) | \$(8,777,369) |
| Total change in net assets | \$(6,779,982) | \$(6,915,005) |
| Net assets | | |
| At beginning of period | 477,121,758 | 484,036,763 |
| At end of period (including accumulated distributions in excess of net investment income of \$16,736,823 and \$8,203,523, respectively) | \$470,341,776 | \$477,121,758 |
| See Notes to Financial Statements | | |

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

Six months ended 5/31/17 (unaudited)

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

| | |
|--|----------------|
| Cash flows from operating activities: | |
| Change in net assets from operations | \$26,593,732 |
| Adjustments to reconcile change in net assets from operations to net cash provided by operating activities: | |
| Purchase of investment securities | (146,236,608) |
| Proceeds from disposition of investment securities | 172,907,212 |
| Purchases of short-term investments, net | (8,688,549) |
| Realized gain/loss on investments | 641,327 |
| Unrealized appreciation/depreciation on investments | (19,070,498) |
| Unrealized appreciation/depreciation on foreign currency contracts | 7,675,453 |
| Net amortization/accretion of income | 674,156 |
| Decrease in interest receivable | 563,959 |
| Decrease in accrued expenses and other liabilities | (59,596) |
| Decrease in receivable for daily variation margin on open futures contracts | 318,615 |
| Increase in payable for daily variation margin on open futures contracts | 68,684 |
| Increase in restricted cash | (1,904,000) |
| Decrease in other assets | 120,969 |
| Increase in interest payable | 45,581 |
| Net cash provided by operating activities | \$33,650,437 |
| Cash flows from financing activities: | |
| Distributions paid in cash | (18,899,577) |
| Repurchase of shares of beneficial interest | (15,257,564) |
| Net cash used by financing activities | \$(34,157,141) |
| Net decrease in cash | \$(506,704) |
| Cash: | |
| Beginning of period (including foreign currency of \$37) | \$606,696 |
| End of period | \$99,992 |
| Supplemental disclosure of cash flow information: | |

Cash paid during the six months ended May 31, 2017 for interest was \$662,978.

See Notes to Financial Statements

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

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

| | Six months ended 5/31/17 (unaudited) | 2016 | Years ended 11/30 | | | 2012 |
|---|---|-----------|-------------------|-----------|-----------|-----------|
| | | 2015 | 2014 | 2013 | | |
| Net asset value, beginning of period | \$9.26 | \$9.20 | \$10.17 | \$10.17 | \$10.40 | \$9.59 |
| Income (loss) from investment operations | | | | | | |
| Net investment income (d) | \$0.21 | \$0.46(c) | \$0.49 | \$0.52 | \$0.57 | \$0.62 |
| Net realized and unrealized gain (loss) on investments and foreign currency | 0.31 | 0.32 | (0.68) | 0.04 | (0.18) | 0.84 |
| Total from investment operations | \$0.52 | \$0.78 | \$(0.19) | \$0.56 | \$0.39 | \$1.46 |
| Less distributions declared to shareholders | | | | | | |
| From net investment income | \$(0.17) | \$(0.50) | \$(0.81) | \$(0.58) | \$(0.62) | \$(0.65) |
| From tax return of capital | | (0.24) | | | | |
| From other sources | (0.20) | | | | | |
| Total distributions declared to shareholders | \$(0.37) | \$(0.74) | \$(0.81) | \$(0.58) | \$(0.62) | \$(0.65) |
| Net increase from repurchase of capital shares | \$0.03 | \$0.02 | \$0.03 | \$0.02 | \$0.00(w) | \$ |
| Net asset value, end of period (x) | \$9.44 | \$9.26 | \$9.20 | \$10.17 | \$10.17 | \$10.40 |
| Market value, end of period | \$8.73 | \$8.35 | \$7.92 | \$8.81 | \$8.97 | \$10.19 |
| Total return at market value (%) | 9.15(n) | 15.19 | (1.28) | 4.68 | (6.13) | 21.92 |
| Total return at net asset value (%) (j)(r)(s)(x) | 6.43(n) | 9.97(c) | (0.66) | 6.58 | 4.28 | 15.87 |
| Ratios (%) (to average net assets) and Supplemental data: | | | | | | |
| Expenses before expense reductions (f) | 1.01(a) | 0.99(c) | 0.90 | 0.87 | 0.92 | 0.98 |
| Expenses after expense reductions (f) | N/A | N/A | N/A | 0.87 | 0.92 | 0.98 |
| Net investment income | 4.39(a) | 5.01(c) | 5.01 | 5.09 | 5.53 | 6.12 |
| Portfolio turnover | 26(n) | 43 | 37 | 44 | 52 | 45 |
| Net assets at end of period (000 omitted) | \$470,342 | \$477,122 | \$484,037 | \$548,530 | \$557,238 | \$570,716 |
| Supplemental Ratios (%): | | | | | | |
| Ratio of expenses to average net assets after expense reductions and excluding interest expense (f) | 0.71(a) | 0.73(c) | 0.73 | 0.72 | 0.75 | 0.79 |

Table of Contents*Financial Highlights continued*

| | Six months ended 5/31/17 | 2016 | Years ended 11/30 | | | 2012 |
|---|--------------------------------|-----------|-------------------|-----------|-----------|-----------|
| | | | 2015 | 2014 | 2013 | |
| | (unaudited) | | | | | |
| Senior Securities: | | | | | | |
| Total notes payable outstanding (000 omitted) | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| Asset coverage per \$1,000 of indebtedness (k) | \$5,703 | \$5,771 | \$5,840 | \$6,485 | \$6,572 | \$6,707 |

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

See Notes to Financial Statements

Table of Contents

NOTES TO FINANCIAL STATEMENTS

(unaudited)

(1) Business and Organization

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

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

(2) Significant Accounting Policies

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

In October 2016, the Securities and Exchange Commission (SEC) released its Final Rule on Investment Company Reporting Modernization (the Rule). The Rule, which introduces two new regulatory reporting forms for investment companies – Form N-PORT and Form N-CEN – also contains amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments. Although still evaluating the impacts of the Rule, management believes that many of the Regulation S-X amendments are consistent with the fund’s current financial statement presentation and expects that the fund will be able to comply with the Rule’s Regulation S-X amendments by the August 1, 2017 compliance date.

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

Table of Contents

Notes to Financial Statements (unaudited) continued

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

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

Investment Valuations Equity securities, including restricted equity securities, are generally valued at the last sale or official closing price on their primary market or exchange as provided by a third-party pricing service. Equity securities, for which there were no sales reported that day, are generally valued at the last quoted daily bid quotation on their primary market or exchange as provided by a third-party pricing service. Debt instruments and floating rate loans, including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less may be valued at amortized cost, which approximates market value. Exchange-traded options are generally valued at the last sale or official closing price on their primary exchange as provided by a third-party pricing service. Exchange-traded options for which there were no sales reported that day are generally valued at the last daily bid quotation on their primary exchange as provided by a third-party pricing service. Options not traded on an exchange are generally valued at a broker/dealer bid quotation. Foreign currency options are generally valued at valuations provided by a third-party pricing service. Futures contracts are generally valued at last posted settlement price on their primary exchange as provided by a third-party pricing service. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation on their primary exchange as provided by a third-party pricing service. Forward foreign currency exchange contracts are generally valued at the mean of bid and asked prices for the time period interpolated from rates provided by a third-party pricing service for proximate time periods. Open-end investment companies are generally valued at net asset value per share. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. Values obtained from third-party pricing services can utilize both transaction data and market information

Table of Contents

Notes to Financial Statements (unaudited) continued

such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data. The values of foreign securities and other assets and liabilities expressed in foreign currencies are converted to U.S. dollars using the mean of bid and asked prices for rates provided by a third-party pricing service.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund's investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund's valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

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

Table of Contents

Notes to Financial Statements (unaudited) continued

reflected in total investments, such as futures contracts and forward foreign currency exchange contracts. The following is a summary of the levels used as of May 31, 2017 in valuing the fund's assets or liabilities:

| Investments at Value | Level 1 | Level 2 | Level 3 | Total |
|--|---------------------|----------------------|------------------|----------------------|
| Equity Securities | \$229,812 | \$ | \$546,993 | \$776,805 |
| U.S. Treasury Bonds & U.S. Government Agency & Equivalents | | 59,300,637 | | 59,300,637 |
| Non-U.S. Sovereign Debt | | 83,213,682 | | 83,213,682 |
| U.S. Corporate Bonds | | 311,383,716 | | 311,383,716 |
| Residential Mortgage-Backed Securities | | 14,336,089 | | 14,336,089 |
| Commercial Mortgage-Backed Securities | | 4,033,980 | | 4,033,980 |
| Asset-Backed Securities (including CDOs) | | 11,421,677 | | 11,421,677 |
| Foreign Bonds | | 71,748,459 | | 71,748,459 |
| Floating Rate Loans | | 3,441,690 | | 3,441,690 |
| Mutual Funds | 17,994,144 | | | 17,994,144 |
| Total Investments | \$18,223,956 | \$558,879,930 | \$546,993 | \$577,650,879 |

Other Financial Instruments

| | | | | |
|---|-----------|-------------|----|-------------|
| Futures Contracts Assets | \$120,248 | \$ | \$ | \$120,248 |
| Futures Contracts Liabilities | (202,312) | | | (202,312) |
| Forward Foreign Currency Exchange Contracts Assets | | 674,639 | | 674,639 |
| Forward Foreign Currency Exchange Contracts Liabilities | | (3,115,843) | | (3,115,843) |

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

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

| | Equity Securities |
|--|--------------------------|
| Balance as of 11/30/16 | \$ |
| Received as part of a corporate action | 546,993 |
| Balance as of 5/31/17 | \$546,993 |

At May 31, 2017, the fund held one level 3 security.

Foreign Currency Translation Purchases and sales of foreign investments, income, and expenses are converted into U.S. dollars based upon currency exchange rates prevailing on the respective dates of such transactions or on the reporting date for foreign denominated receivables and payables. Gains and losses attributable to foreign currency exchange rates on sales of securities are recorded for financial statement purposes as net realized gains and losses on investments. Gains and losses attributable to foreign exchange rate movements on receivables, payables, income and expenses

Table of Contents*Notes to Financial Statements (unaudited) continued*

are recorded for financial statement purposes as foreign currency transaction gains and losses. That portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed.

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

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

The following table presents, by major type of derivative contract, the fair value, on a gross basis, of the asset and liability components of derivatives held by the fund at May 31, 2017 as reported in the Statement of Assets and Liabilities:

| Risk | Derivative Contracts | Fair Value (a) | |
|------------------|-----------------------------------|-------------------|-----------------------|
| | | Asset Derivatives | Liability Derivatives |
| Interest Rate | Interest Rate Futures | \$120,248 | \$(202,312) |
| Foreign Exchange | Forward Foreign Currency Exchange | 674,639 | (3,115,843) |
| Total | | \$794,887 | \$(3,318,155) |

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

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the six months ended May 31, 2017 as reported in the Statement of Operations:

| Risk | Futures Contracts | Foreign Currency | Investments |
|------------------|-------------------|------------------|---------------------|
| | | | (Purchased Options) |
| Interest Rate | \$(609,189) | \$ | \$ |
| Foreign Exchange | | 5,663,084 | |
| Equity | | | (70,980) |
| Total | \$(609,189) | \$5,663,084 | \$(70,980) |

Table of Contents

Notes to Financial Statements (unaudited) continued

The following table presents, by major type of derivative contract, the change in unrealized appreciation (depreciation) on derivatives held by the fund for the six months ended May 31, 2017 as reported in the Statement of Operations:

| Risk | Futures Contracts | Translation of Assets and Liabilities in Foreign Currencies | Investments (Purchased Options) |
|------------------|----------------------|--|---------------------------------------|
| Interest Rate | \$376,533 | \$ | \$ |
| Foreign Exchange | | (7,675,453) | |
| Equity | | | 49,010 |
| Total | \$376,533 | \$(7,675,453) | \$49,010 |

Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. On certain, but not all, uncleared derivatives, the fund attempts to reduce its exposure to counterparty credit risk whenever possible by entering into an ISDA Master Agreement on a bilateral basis. The ISDA Master Agreement gives each party to the agreement the right to terminate all transactions traded under such agreement if there is a certain deterioration in the credit quality of the other party. Upon an event of default or a termination of the ISDA Master Agreement, the non-defaulting party has the right to close out all transactions traded under such agreement and to net amounts owed under each agreement to one net amount payable by one party to the other. This right to close out and net payments across all transactions traded under the ISDA Master Agreement could result in a reduction of the fund's credit risk to such counterparty equal to any amounts payable by the fund under the applicable transactions, if any.

Collateral and margin requirements differ by type of derivative. Margin requirements are set by the clearing broker and the clearing house for cleared derivatives (e.g., futures contracts, cleared swaps, and exchange-traded options) while collateral terms are contract specific for uncleared derivatives (e.g., forward foreign currency exchange contracts, uncleared swap agreements, and uncleared options). For derivatives traded under an ISDA Master Agreement, which contains a collateral support annex, the collateral requirements are netted across all transactions traded under such agreement and one amount is posted from one party to the other to collateralize such obligations. Cash that has been segregated to cover the fund's collateral or margin obligations under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities as

Restricted cash or Deposits with brokers. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments. The fund may be required to make payments of interest on uncovered collateral or margin obligations with the broker. Any such payments are included in Interest expense in the Statement of Operations.

Purchased Options The fund purchased put options for a premium. Purchased put options entitle the holder to sell a specified number of shares or units of a particular security, currency or index at a specified price at a specified date or within a specified

Table of Contents

Notes to Financial Statements (unaudited) continued

period of time. Purchasing put options may hedge against an anticipated decline in the value of portfolio securities or currency or decrease the fund's exposure to an underlying instrument.

The premium paid is initially recorded as an investment in the Statement of Assets and Liabilities. That investment is subsequently marked-to-market daily with the difference between the premium paid and the market value of the purchased option being recorded as unrealized appreciation or depreciation. Premiums paid for purchased put options which have expired are treated as realized losses on investments in the Statement of Operations. Upon the exercise or closing of a purchased put option, the premium paid is offset against the proceeds on the sale of the underlying security or financial instrument in order to determine the realized gain or loss on investments.

Whether or not the option is exercised, the fund's maximum risk of loss from purchasing an option is the amount of premium paid. All option contracts involve credit risk if the counterparty to the option contract fails to perform. For uncleared options, this risk is mitigated in cases where there is an ISDA Master Agreement between the fund and the counterparty providing for netting as described above and, where applicable, by the posting of collateral by the counterparty to the fund to cover the fund's exposure to the counterparty under such ISDA Master Agreement.

Futures Contracts The fund entered into futures contracts which may be used to hedge against or obtain broad market exposure, interest rate exposure, currency exposure, or to manage duration. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the fund is required to deposit with the broker, either in cash or securities, an initial margin in an amount equal to a certain percentage of the notional amount of the contract. Subsequent payments (variation margin) are made or received by the fund each day, depending on the daily fluctuations in the value of the contract, and are recorded for financial statement purposes as unrealized gain or loss by the fund until the contract is closed or expires at which point the gain or loss on futures contracts is realized.

The fund bears the risk of interest rates, exchange rates or securities prices moving unexpectedly, in which case, the fund may not achieve the anticipated benefits of the futures contracts and may realize a loss. While futures contracts may present less counterparty risk to the fund since the contracts are exchange traded and the exchange's clearinghouse guarantees payments to the broker, there is still counterparty credit risk due to the insolvency of the broker. The fund's maximum risk of loss due to counterparty credit risk is equal to the margin posted by the fund to the broker plus any gains or minus any losses on the outstanding futures contracts.

Forward Foreign Currency Exchange Contracts The fund entered into forward foreign currency exchange contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date. These contracts may be used to hedge the fund's currency risk or for non-hedging purposes. For hedging purposes, the fund may enter into contracts to deliver or receive foreign currency that the fund will receive from or use in its normal investment activities. The fund may also use contracts to hedge against declines in the value of foreign currency denominated securities due to unfavorable exchange rate movements. For non-hedging purposes, the fund may enter

Table of Contents

Notes to Financial Statements (unaudited) continued

into contracts with the intent of changing the relative exposure of the fund's portfolio of securities to different currencies to take advantage of anticipated exchange rate changes.

Forward foreign currency exchange contracts are adjusted by the daily exchange rate of the underlying currency and any unrealized gains or losses are recorded as a receivable or payable for forward foreign currency exchange contracts until the contract settlement date. On contract settlement date, any gain or loss on the contract is recorded as realized gains or losses on foreign currency.

Risks may arise upon entering into these contracts from unanticipated movements in the value of the contract and from the potential inability of counterparties to meet the terms of their contracts. Generally, the fund's maximum risk due to counterparty credit risk is the unrealized gain on the contract due to the use of Continuous Linked Settlement, a multicurrency cash settlement system for the centralized settlement of foreign transactions. This risk is mitigated in cases where there is an ISDA Master Agreement between the fund and the counterparty providing for netting as described above and, where applicable, by the posting of collateral by the counterparty to the fund to cover the fund's exposure to the counterparty under such ISDA Master Agreement.

Loans and Other Direct Debt Instruments The fund invests in loans and loan participations or other receivables. These investments may include standby financing commitments, including revolving credit facilities, which contractually obligate the fund to supply additional cash to the borrower on demand. The fund generally provides this financial support in order to preserve its existing investment or to obtain a more senior secured interest in the assets of the borrower. Loan participations involve a risk of insolvency of the lending bank or other financial intermediary.

Statement of Cash Flows Information on financial transactions which have been settled through the receipt or disbursement of cash is presented in the Statement of Cash Flows. The cash amount shown in the Statement of Cash Flows is the amount included within the fund's Statement of Assets and Liabilities and includes cash on hand at its custodian bank and does not include any short-term investments.

Indemnifications Under the fund's organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the fund. Additionally, in the normal course of business, the fund enters into agreements with service providers that may contain indemnification clauses. The fund's maximum exposure under these agreements is unknown as this would involve future claims that may be made against the fund that have not yet occurred.

Investment Transactions and Income Investment transactions are recorded on the trade date. Interest income is recorded on the accrual basis. All premium and discount is amortized or accreted for financial statement purposes in accordance with U.S. generally accepted accounting principles. The fund earns certain fees in connection with its floating rate loan purchasing activities. These fees are in addition to interest payments earned and may include amendment fees, commitment fees, facility fees, consent fees, and prepayment fees. Commitment fees are recorded on an accrual basis as income in the accompanying financial statements. Interest payments received in

Table of Contents

Notes to Financial Statements (unaudited) continued

additional securities are recorded on the ex-interest date in an amount equal to the value of the security on such date. Debt obligations may be placed on non-accrual status or set to accrue at a rate of interest less than the contractual coupon when the collection of all or a portion of interest has become doubtful. Interest income for those debt obligations may be further reduced by the write-off of the related interest receivables when deemed uncollectible.

The fund may receive proceeds from litigation settlements. Any proceeds received from litigation involving portfolio holdings are reflected in the Statement of Operations in realized gain/loss if the security has been disposed of by the fund or in unrealized gain/loss if the security is still held by the fund. Any other proceeds from litigation not related to portfolio holdings are reflected as other income in the Statement of Operations.

The fund invests a significant portion of its assets in asset-backed and/or mortgage-backed securities. The value of these securities may depend, in part, on the issuer's or borrower's credit quality or ability to pay principal and interest when due and that value may fall if an issuer or borrower defaults on its obligation to pay principal or interest or if the instrument's credit rating is downgraded by a credit rating agency. U.S. Government securities not supported as to the payment of principal or interest by the U.S. Treasury, such as those issued by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks, are subject to greater credit risk than are U.S. Government securities supported by the U.S. Treasury, such as those issued by Ginnie Mae.

The fund purchased or sold debt securities on a when-issued or delayed delivery basis, or in a To Be Announced (TBA) or forward commitment transaction with delivery or payment to occur at a later date beyond the normal settlement period. At the time a fund enters into a commitment to purchase or sell a security, the transaction is recorded and the value of the security acquired is reflected in the fund's net asset value. The price of such security and the date that the security will be delivered and paid for are fixed at the time the transaction is negotiated. The value of the security may vary with market fluctuations. No interest accrues to the fund until payment takes place. At the time that a fund enters into this type of transaction, the fund is required to have sufficient cash and/or liquid securities to cover its commitments. Losses may arise due to changes in the value of the underlying securities or if the counterparty does not perform under the contract's terms, or if the issuer does not issue the securities due to political, economic or other factors. Additionally, losses may arise due to declines in the value of the securities prior to settlement date.

To mitigate this risk of loss on TBA securities and other types of forward settling mortgage-backed securities, the fund whenever possible enters into a Master Securities Forward Transaction Agreement (MSFTA) on a bilateral basis with each of the counterparties with whom it undertakes a significant volume of transactions. The MSFTA gives each party to the agreement the right to terminate all transactions traded under such agreement if there is a certain deterioration in the credit quality of the other party. Upon an event of default or a termination of the MSFTA, the non-defaulting party has the right to close out all transactions traded under such agreement and to net amounts owed under each transaction to one net amount payable by one party to the other. This right to close out and net payments across all

Table of Contents

Notes to Financial Statements (unaudited) continued

transactions traded under the MSFTA could result in a reduction of the fund's credit risk to such counterparty equal to any amounts payable by the fund under the applicable transactions, if any.

For mortgage-backed securities traded under a MSFTA, the collateral and margining requirements are contract specific. Collateral amounts across all transactions traded under such agreement are netted and one amount is posted from one party to the other to collateralize such obligations. Cash that has been pledged to cover the fund's collateral or margin obligations under a MSFTA, if any, will be reported separately on the Statement of Assets and Liabilities as restricted cash. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments.

Tax Matters and Distributions The fund intends to qualify as a regulated investment company, as defined under Subchapter M of the Internal Revenue Code, and to distribute all of its taxable income, including realized capital gains. As a result, no provision for federal income tax is required. The fund's federal tax returns, when filed, will remain subject to examination by the Internal Revenue Service for a three year period. Management has analyzed the fund's tax positions taken on federal and state tax returns for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability. Foreign taxes, if any, have been accrued by the fund in the accompanying financial statements in accordance with the applicable foreign tax law. Foreign income taxes may be withheld by certain countries in which the fund invests. Additionally, capital gains realized by the fund on securities issued in or by certain foreign countries may be subject to capital gains tax imposed by those countries.

Distributions to shareholders are recorded on the ex-dividend date. The fund seeks to pay monthly distributions based on an annual rate of 8.00% of the fund's average monthly net asset value. As a result, distributions may exceed actual earnings which may result in a tax return of capital or, to the extent the fund has long-term gains, distributions of current year long-term gains may be recharacterized as ordinary income. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These adjustments have no impact on net assets or net asset value per share. Temporary differences which arise from recognizing certain items of income, expense, gain or loss in different periods for financial statement and tax purposes will reverse at some time in the future.

Book/tax differences primarily relate to defaulted bonds, amortization and accretion of debt securities, straddle loss deferrals, and derivative transactions.

For the six months ended May 31, 2017, the amount of distributions estimated to be a tax return of capital was approximately \$9,906,640 which are reported as distributions from other sources in the Statements of Changes in Net Assets. The tax character of

Table of Contents

Notes to Financial Statements (unaudited) continued

distributions made during the current period will be determined at fiscal year end. The tax character of distributions declared to shareholders for the last fiscal year is as follows:

| | Year Ended 11/30/16 |
|--|--------------------------------|
| Ordinary income (including any short-term capital gains) | \$25,680,863 |
| Tax return of capital (b) | 12,631,474 |
| Total distributions | \$38,312,337 |

(b) Distributions in excess of tax basis earnings and profits are reported in the financial statements as a tax return of capital. The federal tax cost and the tax basis components of distributable earnings were as follows:

| | |
|--|---------------|
| As of 5/31/17 | |
| Cost of investments | \$573,810,902 |
| Gross appreciation | 15,282,958 |
| Gross depreciation | (11,442,981) |
| Net unrealized appreciation (depreciation) | \$3,839,977 |
| 11/30/2016 | |
| Capital loss carryforwards | (15,835,075) |
| Other temporary differences | (3,631,824) |
| Net unrealized appreciation (depreciation) | (15,706,269) |

The aggregate cost above includes prior fiscal year end tax adjustments, if applicable.

Under the Regulated Investment Company Modernization Act of 2010 (the Act), net capital losses recognized for fund fiscal years beginning after November 30, 2011 may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses (post-enactment losses). Previously, net capital losses were carried forward for eight years and treated as short-term losses (pre-enactment losses). As a transition rule, the Act requires that all post-enactment net capital losses be used before pre-enactment net capital losses.

As of November 30, 2016, the fund had capital loss carryforwards available to offset future realized gains as follows:

| | |
|--|-----------------------|
| Pre-enactment losses which expire as follows: | |
| 11/30/17 | \$(2,351,795) |
| Post-enactment losses which are characterized as follows: | |
| Short-Term | \$(2,549,119) |
| Long-Term | (10,934,161) |
| Total | \$(13,483,280) |

Table of Contents

Notes to Financial Statements (unaudited) continued

(3) Transactions with Affiliates

Investment Adviser The fund has an investment advisory agreement with MFS to provide overall investment management and related administrative services and facilities to the fund. The management fee is computed daily and paid monthly at an annual rate of 0.32% of the fund's average daily net assets and 4.57% of gross income less interest expense from leveraging. Gross income is calculated based on tax elections that generally include the accretion of discount and exclude the amortization of premium, which may differ from investment income reported in the Statement of Operations. The management fee, from net assets and gross income, incurred for the six months ended May 31, 2017 was equivalent to an annual effective rate of 0.57% of the fund's average daily net assets.

Transfer Agent The fund engages Computershare Trust Company, N.A. (Computershare) as the sole transfer agent for the fund. MFS Service Center, Inc. (MFSC) monitors and supervises the activities of Computershare for an agreed upon fee approved by the Board of Trustees. For the six months ended May 31, 2017, these fees paid to MFSC amounted to \$8,244.

Administrator MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund reimburses MFS the costs incurred to provide these services. The fund is charged an annual fixed amount of \$17,500 plus a fee based on average daily net assets. The administrative services fee incurred for the six months ended May 31, 2017 was equivalent to an annual effective rate of 0.0179% of the fund's average daily net assets.

Trustees and Officers Compensation The fund pays compensation to independent Trustees in the form of a retainer, attendance fees, and additional compensation to Board and Committee chairpersons. The fund does not pay compensation directly to Trustees or officers of the fund who are also officers of the investment adviser, all of whom receive remuneration for their services to the fund from MFS. Certain officers and Trustees of the fund are officers or directors of MFS and MFSC.

Prior to December 31, 2001, the fund had an unfunded defined benefit plan (DB plan) for independent Trustees. As of December 31, 2001, the Board took action to terminate the DB plan with respect to then-current and any future independent Trustees, such that the DB plan covers only certain of those former independent Trustees who retired on or before December 31, 2001. The DB plan resulted in a pension expense of \$1,341 and is included in Independent Trustees' compensation in the Statement of Operations for the six months ended May 31, 2017. The liability for deferred retirement benefits payable to certain independent Trustees under the DB plan amounted to \$14,520 at May 31, 2017, and is included in Payable for independent Trustees' compensation in the Statement of Assets and Liabilities.

Other This fund and certain other funds managed by MFS (the funds) have entered into a service agreement (the ISO Agreement) which provides for payment of fees solely by the funds to Tarantino LLC in return for the provision of services of an Independent Senior Officer (ISO) for the funds. Frank L. Tarantino serves as the ISO and is an officer of the funds and the sole member of Tarantino LLC. The funds can

Table of Contents*Notes to Financial Statements (unaudited) continued*

terminate the ISO Agreement with Tarantino LLC at any time under the terms of the ISO Agreement. For the six months ended May 31, 2017, the fee paid by the fund under this agreement was \$455 and is included in Miscellaneous expense in the Statement of Operations. MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ISO.

The fund invests in the MFS Institutional Money Market Portfolio which is managed by MFS and seeks current income consistent with preservation of capital and liquidity. This money market fund does not pay a management fee to MFS.

The fund is permitted to engage in purchase and sale transactions with funds and accounts for which MFS serves as investment adviser or sub-adviser (cross-trades) pursuant to a policy adopted by the Board of Trustees. This policy has been designed to ensure that cross-trades conducted by the fund comply with Rule 17a-7 under the Investment Company Act of 1940. Under this policy, cross-trades are effected at current market prices with no remuneration paid in connection with the transaction. During the six months ended May 31, 2017, the fund engaged in sale transactions pursuant to this policy, which amounted to \$438,690. The sales transactions resulted in net realized gains (losses) of \$8,207.

(4) Portfolio Securities

For the six months ended May 31, 2017, purchases and sales of investments, other than purchased option transactions and short-term obligations, were as follows:

| | Purchases | Sales |
|--|---------------|---------------|
| U.S. Government securities | \$43,346,429 | \$16,358,809 |
| Investments (non-U.S. Government securities) | \$101,833,413 | \$144,030,856 |

(5) Shares of Beneficial Interest

The fund's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. The Trustees have authorized the repurchase by the fund of up to 10% annually of its own shares of beneficial interest. The fund repurchased 1,685,026 shares of beneficial interest during the six months ended May 31, 2017 at an average price per share of \$8.59 and a weighted average discount of 8.27% per share. The fund repurchased 1,084,828 shares of beneficial interest during the year ended November 30, 2016 at an average price per share of \$8.57 and a weighted average discount of 11.80% per share. Transactions in fund shares were as follows:

| | Six months ended May 31, 2017 | | Year ended November 30, 2016 | |
|---------------------------|----------------------------------|----------------|---------------------------------|---------------|
| | Shares | Amount | Shares | Amount |
| Capital shares reacquired | (1,685,026) | \$(14,476,649) | (1,084,828) | \$(8,777,369) |

(6) Loan Agreement

The fund has a credit agreement with a bank for a revolving secured line of credit that can be drawn upon up to \$100,000,000. At May 31, 2017, the fund had outstanding borrowings under this agreement in the amount of \$100,000,000, which are secured by a lien on the fund's assets. The loan's carrying value in the fund's Statement of Assets and Liabilities approximates its fair value. The loan value as of the reporting date is considered level 2 under the fair value hierarchy. The credit agreement matures on

Table of Contents*Notes to Financial Statements (unaudited) continued*

August 19, 2017. The trustees approved the renewal of the revolving secured line of credit up to the amount of \$100,000,000 on substantially similar terms for a 365 day period which matures on August 20, 2018. Borrowings under the agreement can be made for liquidity or leverage purposes. Interest is charged at a rate per annum equal to LIBOR plus an agreed upon spread or an alternate rate, at the option of the borrower, stated as the greater of the bank's prime rate, the daily one month LIBOR plus an agreed upon spread, or the Overnight Federal Funds Rate plus an agreed upon spread. The fund incurred interest expense of \$705,222 during the period, which is included in Interest expense in the Statement of Operations. The fund may also be charged a commitment fee based on the average daily unused portion of the revolving secured line of credit. The fund did not incur a commitment fee during the period. For the six months ended May 31, 2017, the average loan balance was \$100,000,000 at a weighted average annual interest rate of 1.41%. The fund is subject to certain covenants including, but not limited to, requirements with respect to asset coverage, portfolio diversification and liquidity.

(7) Transactions in Underlying Affiliated Funds-Affiliated Issuers

An affiliated issuer may be considered one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common control. For the purposes of this report, the fund assumes the following to be an affiliated issuer:

| Underlying Affiliated Fund | Beginning Shares/Par Amount | Acquisitions Shares/Par Amount | Dispositions Shares/Par Amount | Ending Shares/Par Amount |
|---|--|---|---|---|
| MFS Institutional Money Market Portfolio | 9,305,595 | 96,369,801 | (87,681,252) | 17,994,144 |

| Underlying Affiliated Fund | Realized Gain (Loss) | Capital Gain Distributions | Dividend Income | Ending Value |
|---|---------------------------------|---------------------------------------|----------------------------|-------------------------|
| MFS Institutional Money Market Portfolio | \$381 | \$ | \$42,934 | \$17,994,144 |

(8) Legal Proceedings

In May 2015, the Motors Liquidation Company Avoidance Action Trust (hereafter, "AAT") served upon the fund a complaint in an adversary proceeding in the U.S. Bankruptcy Court for the Southern District of New York, captioned *Motors Liquidation Company Avoidance Action Trust v. JPMorgan Chase Bank, N.A., et al.* (No. 09-00504 (REG)). The complaint, which was originally filed in 2009 but not served on the fund until 2015, names as defendants over 500 entities (including the fund) that held an interest in a \$1.5 billion General Motors (GM) term loan in 2009, when GM filed for bankruptcy. The AAT alleges that the fund and the other term loan lenders were improperly treated as secured lenders with respect to the term loan shortly before and immediately after GM's bankruptcy, receiving full principal and interest payments under the loan. The AAT alleges that the fund and other term loan lenders should have been treated as unsecured (or partially unsecured) creditors because the main lien securing the collateral was allegedly not perfected at the time of GM's bankruptcy due to an erroneous filing in October 2008 that terminated the financing statement perfecting the lien. The AAT seeks to claw back payments made to the fund and the other term loan lenders after, and during the 90 days before, GM's June 2009

Table of Contents

Notes to Financial Statements (unaudited) continued

bankruptcy petition. During that time period, the fund received term loan payments of approximately \$1,280,000. The fund cannot predict the outcome of this proceeding. Among other things, it is unclear whether the AAT's claims will succeed; what the fund would be entitled to as an unsecured (or partially unsecured) creditor, given the existence of other collateral not impacted by the erroneous October 2008 filing; whether third parties responsible for the erroneous October 2008 filing would bear some or all of any liability; and the degree to which the fund may be entitled to indemnification from a third party for any amount required to be disgorged. The fund has and will continue to incur legal expenses associated with the defense of this action and in related claims against third parties.

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and Shareholders of MFS Charter Income Trust:

We have reviewed the accompanying statement of assets and liabilities, including the portfolio of investments, of MFS Charter Income Trust (the Fund) as of May 31, 2017, and the related statements of operations, changes in net assets, cash flows and financial highlights for the six-month period ended May 31, 2017. These interim financial statements and financial highlights are the responsibility of the Fund's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements and financial highlights for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the statement of changes in net assets for the year ended November 30, 2016 and the financial highlights for each of the five years in the period ended November 30, 2016, and in our report dated January 13, 2017, we expressed an unqualified opinion on such statement of changes in net assets and financial highlights.

Boston, Massachusetts

July 14, 2017

Table of Contents

PROXY VOTING POLICIES AND INFORMATION

MFS votes proxies on behalf of the fund pursuant to proxy voting policies and procedures that are available without charge, upon request, by calling 1-800-225-2606, by visiting *mfs.com* (once you have selected Individual Investor as your role, click on Individual Investor Home in the top navigation and then select Learn More About Proxy Voting under the I want to... header on the left hand column of the page), or by visiting the SEC's Web site at <http://www.sec.gov>.

Information regarding how the fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available by August 31 of each year without charge by visiting *mfs.com* (once you have selected Individual Investor as your role, click on Individual Investor Home in the top navigation and then select Learn More About Proxy Voting under the I want to... header on the left hand column of the page), or by visiting the SEC's Web site at <http://www.sec.gov>.

QUARTERLY PORTFOLIO DISCLOSURE

The fund will file a complete schedule of portfolio holdings with the Securities and Exchange Commission (the Commission) for the first and third quarters of each fiscal year on Form N-Q. A shareholder can obtain the quarterly portfolio holdings report at *mfs.com*. The fund's Form N-Q is also available on the EDGAR database on the Commission's Internet Web site at <http://www.sec.gov>, and may be reviewed and copied at the:

Public Reference Room

Securities and Exchange Commission

100 F Street, NE, Room 1580

Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-800-SEC-0330. Copies of the fund's Form N-Q also may be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov or by writing the Public Reference Section at the above address.

FURTHER INFORMATION

From time to time, MFS may post important information about the fund or the MFS funds on the MFS web site (*mfs.com*). This information is available by visiting the Market Commentary and Announcements sub sections in the Market Outlooks section of *mfs.com* or by clicking on the fund's name under Closed-End Funds in the Products section of *mfs.com*.

Additional information about the fund (e.g. performance, dividends and the fund's price history) is also available by clicking on the fund's name under Closed-End Funds in the Products section of *mfs.com*.

Table of Contents

INFORMATION ABOUT FUND CONTRACTS AND LEGAL CLAIMS

The fund has entered into contractual arrangements with an investment adviser, administrator, transfer 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 Trust's By-Laws and Declaration of Trust, any claims asserted against or on behalf of the MFS Funds, including claims against Trustees and Officers, must be brought in state and federal courts located within the Commonwealth of Massachusetts.

Table of Contents

CONTACT US

TRANSFER AGENT, REGISTRAR, AND

DIVIDEND DISBURSING AGENT

CALL

1-800-637-2304

9 a.m. to 5 p.m. Eastern time

WRITE

Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

New York Stock Exchange Symbol: **MCR**

Table of Contents

ITEM 2. CODE OF ETHICS.

Effective January 1, 2017, the Code of Ethics (the Code) was amended to (i) clarify that the term for profit company as used in Section II.B of the Code excludes the investment adviser and its subsidiaries and pooled investment vehicles sponsored by the investment adviser or its subsidiaries, (ii) align the Code's provisions regarding receipt of gifts and entertainment in Section II.B of the Code with the gifts and entertainment policy of the Funds' investment adviser, and (iii) make other administrative changes. During the period covered by this report, the Registrant did not grant a waiver, including an implicit waiver, from any provision of the Code.

A copy of the amended Code effective as of January 1, 2017 is filed as an exhibit to this Form N-CSR.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable for semi-annual reports.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable for semi-annual reports.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable for semi-annual reports.

ITEM 6. SCHEDULE OF INVESTMENTS

A schedule of investments for MFS Charter Income Trust is included as part of the report to shareholders under Item 1 of this Form N-CSR.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable for semi-annual reports.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

There were no changes during the period.

Table of Contents**ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.****MFS Charter Income Trust**

| Period | (a) Total number of Shares Purchased | (b) Average Price Paid per Share | (c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | (d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs |
|-------------------|---|---|---|---|
| 12/01/16-12/31/16 | 362,901 | 8.48 | 362,901 | 4,328,768 |
| 1/01/17-1/31/17 | 547,100 | 8.62 | 547,100 | 3,781,668 |
| 2/01/17-2/28/17 | 126,735 | 8.65 | 126,735 | 3,654,933 |
| 3/01/17-3/31/17 | 360,923 | 8.57 | 360,923 | 3,294,010 |
| 4/01/17-4/30/17 | 191,280 | 8.67 | 191,280 | 3,102,730 |
| 5/01/17-5/31/17 | 96,087 | 8.69 | 96,087 | 3,006,643 |
| Total | 1,685,026 | 8.59 | 1,685,026 | |

Note: The Board approved procedures to repurchase shares and reviews the results periodically. The notification to shareholders of the program is part of the semi-annual and annual reports sent to shareholders. These annual programs begin on October 1st of each year. The programs conform to the conditions of Rule 10b-18 of the Securities Exchange Act of 1934 and limit the aggregate number of shares that may be purchased in each annual period (October 1 through the following September 30) to 10% of the Registrant's outstanding shares as of the first day of the plan year (October 1). The aggregate number of shares available for purchase for the October 1, 2016 plan year is 5,201,053.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no material changes to the procedures by which shareholders may send recommendations to the Board for nominees to the Registrant's Board since the Registrant last provided disclosure as to such procedures in response to the requirements of Item 407 (c)(2)(iv) of Regulation S-K or this Item.

ITEM 11. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as conducted within 90 days of the filing date of this Form N-CSR, the registrant's principal financial officer and principal executive officer have concluded that those

Table of Contents

disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the second fiscal quarter covered by the report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

- (a) File the exhibits listed below as part of this form. Letter or number the exhibits in the sequence indicated.
- (1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit. Attached hereto.
 - (2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.
 - (3) Notices to Trust's common shareholders in accordance with Investment Company Act Section 19(a) and Rule 19a-1. Attached hereto.
- (b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the Act (17 CFR 270.30a-2(b)), Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for the purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference: Attached hereto.

Table of Contents

Notice

A copy of the Amended and Restated Declaration of Trust of the Registrant is on file with the Secretary of State of the Commonwealth of Massachusetts and notice is hereby given that this instrument is executed on behalf of the Registrant by an officer of the Registrant as an officer and not individually and the obligations of or arising out of this instrument are not binding upon any of the Trustees or shareholders individually, but are binding only upon the assets and property of the respective constituent series of the Registrant.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant MFS CHARTER INCOME TRUST

By (Signature and Title)* DAVID L. DILORENZO
David L. DiLorenzo, President

Date: July 14, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* DAVID L. DILORENZO
David L. DiLorenzo, President
(Principal Executive Officer)

Date: July 14, 2017

By (Signature and Title)* JAMES O. YOST
James O. Yost, Treasurer
(Principal Financial Officer
and Accounting Officer)

Date: July 14, 2017

* Print name and title of each signing officer under his or her signature.