April 2008

Forward International Fixed Income Fund

Sub-Advised by Pictet Asset Management, SA

Performance as of March 31, 2008	1Q08	YTD	Since Inception*	Gross/Net† Expenses
Forward International Fixed Income—Institutional	6.01%	6.01%	6.01%	**1.65%**/0.99%
Citigroup World BIG Bond ex-U.S. Index‡	10.41%	10.41%	10.41%	
Blended Index‡ (60% Citigroup World BIG Bond ex-U.S. Index / 20% Merrill Lynch European Currency High Yield Index / 20% JPMorgan GBI-EM Global Diversified Composite)	6.73%	6.73%	6.73%	

*10/05/07

†The Fund's investment advisor has contractually agreed to waive a portion of its fees and reimburse other expenses until April 30, 2009, in amounts necessary to limit the Fund's operating expenses (exclusive of brokerage costs, interest, taxes, dividends and extraordinary expenses) for the Institutional Class shares to an annual rate (as a percentage of the Fund's average daily net assets) of 0.99%.

‡Unhedged USD

The performance quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance quoted. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. The returns assume reinvestment of dividends and distributions, if any. Performance current to the most recent month-end may be obtained at www.forwardfunds.com or by calling (800) 999-6809.

MARKET REVIEW

Bond markets underwent a dramatic U-turn in April. Triggering this sea change was action taken by the U.S. Federal Reserve and, especially, the emergency bailout of Bear Stearns, which considerably lessened the degree of systemic risk. In response, market operators reverted to a more fundamentals-based assessment of the situation. Even though the state of the economy was little changed, stable credit and equity markets, together with the latest spike in oil prices (which is confusing the whole inflation issue), caused perceptions to shift about movements in monetary policy. Until then, the markets had been assuming that the Fed funds rate would be lowered to 1%, but they shifted opinion, looking for just one final quarter-point cut on April 30. As for expectations about rate cuts in Europe during 2008, they just evaporated into thin air.

Against this backdrop, investors regained their appetite for risk, which helped credit and emerging-market debt markets to stage a rally. On the corporate bond front, credit default swaps (CDSs) comfortably outperformed the rest of the bond market, correcting the downtrend seen in March and iTraxx Indexes returned to their end-January 2008 levels. Companies' fairly reassuring first-quarter results overall helped to drive this move. The smoothness with which a number of banking-sector bonds were issued had a positive influence as well. Emerging debt was also aided by a lessening aversion to risk as well as robust commodity prices.

Riskier assets, including emerging-market debt, posted positive returns during April on the back of improved risk sentiment. A shift away from the unknown to the better known as the market focuses less on the credit crunch's impact on the financial sector and more on its effect on the real economy was generally supportive for risk sentiment. Slightly better-than-anticipated profits were also positive for risk. Stabilizing credit spreads and the sustained strength of commodity prices also contributed to improved risk sentiment. Although the U.S. dollar was range-bound, emerging-market local-currency bonds posted modest positive returns. Emerging external debt also delivered marginally positive returns despite the significant re-pricing of U.S. Treasury yields upwards as spreads tightened. Differentiation in returns within emerging markets remains an ongoing theme.

PERFORMANCE ANALYSIS

At the end of the month, the fund asset allocation was the following: 61.5% in Global Government debt, 19.6% in Emerging Local debt and 18.9% in European High Yield. Credit spreads on high-yield bonds narrowed further, with this segment as a whole performing encouragingly after a tough opening quarter. Although trading volume was still being dominated by CDSs, the secondary bond market did enjoy a revival, with investors showing greater discrimination with regards to borrowers' creditworthiness. This signaled the end to the era of enforced selling and fire sales. This part of the portfolio posted an astonishing performance for the second month in a row of more than 4%. The massive sell-off in Global Government bonds, triggered by renewed fears on inflation and reduced pressure on risky asset enhanced by the rebound of the dollar, induced a negative contribution to the fund performance, as this segment of the portfolio returned slightly less than -3%. The third component of the portfolio, Emerging Local bonds continued to perform well, posting a performance slightly below 2%.

MARKET OUTLOOK

Fears about the U.S. economy and its potential damaging fallout for the world economy as a whole have dissipated. With systemic risk diminishing and some company results suggesting that good business performance in emerging countries was likely to offset any slowdown in activity in Western economies, markets began to presume that the worst was over, believing that the U.S. economy would rebound energetically thanks to impetus from government pump-priming.

The upswing in the U.S. economy is, however, still reliant on the housing market stabilizing, but, as things stand, this is far from being the case. The housing market is still deteriorating, with sales and prices of homes continuing to slide. Sales of new homes slumped by 8.5% in March while the median house price fell by 13.3%. The crisis, which first flared up in the subprime sector, is now hurting investors who had signed up to instruments based on Alt-A and pay option adjustable-rate mortgages (ARMs). The U.S. House of Representatives debated a bill aimed at curbing home repossessions, but the Bush Administration opposed the project as being far too costly.

With inflation already running at record rates, the spike in commodity prices is giving rise to fears of prices escalating. Even though base effects are quite favorable, it can no longer be assumed that inflation will recede significantly in the coming months. Worse still, it could climb even faster if the U.S. economy were to stage a powerful and swift recovery.

Central banks look most likely to leave their interest rates where they are over the coming months. The Fed may well call a halt to its cutting of the Fed funds rate whilst the European Central Bank, worried about inflationary risks, seems resolutely determined to stick to its intransigent line despite the onset of a slowdown in the euro-zone economy. In this climate, the mood on government bond markets looks set to stay quite defensive in the weeks ahead.

Although credit spreads on corporate bonds are attractive, already discounting high default rates, and company results overall have been reassuring, we prefer to continue erring on the side of caution. Liquidity has undoubtedly improved considerably, but the market is still prone to being influenced by setbacks. Problems afflicting the financial sector are far from over and there is still talk about credit enhancers' ratings being downgraded. Moreover, the economic outlook has not really brightened at all and the process of de-leveraging is ongoing.

Even though there are risks in the near term of ongoing weakness reflecting the unsettled macroeconomic climate, we remain quite confident about medium-term prospects given the improving fundamentals and favorable supply/demand dynamics.

The Citigroup World BIG (Broad Investment-Grade) Bond ex-U.S. Index is a market capitalization weighted index that tracks the performance of international fixed rate bonds that have remaining maturities of one year or longer and that are rated BBB-/Baa3, or better, by S&P or Moody's, respectively. This index excludes the U.S. and is unhedged USD.

The Merrill Lynch European Currency High Yield Index tracks the performance of below investment grade sterling, euro and euro-legacy currency denominated bonds of corporate issuers domiciled in countries having an investment grade foreign currency long-term debt rating based on a composite of Moody's and S&P. This index is unhedged USD.

The JPMorgan GBI-EM (Government Bond Index-Emerging Markets) Global Diversified Composite is a comprehensive global local emerging markets index that consists of regularly traded, liquid fixed-rate, domestic currency government bonds and includes only the countries that give access to their capital markets to foreign investors (excludes China, India, and Thailand). The index is market capitalization weighted with at cap of 10% to any one country. This index is unhedged USD.

The index figures do not reflect any deduction for fees, expenses, or taxes. It is not possible to invest directly in an index.

Credit default swaps (CDSs) is a swap designed to transfer the credit exposure of fixed income products between parties. The buyer of a credit swap receives credit protection, whereas the seller of the swap guarantees the credit worthiness of the product. By doing this, the risk of default is transferred from the holder of the fixed income security to the seller of the swap.

An Alt-A mortgage is a type of U.S. mortgage that, for various reasons, is considered riskier than "prime" and less risky than "subprime," the riskiest category. Alt-A interest rates, which are determined by credit risk, therefore tend to be between those of prime and subprime home loans.

Deleverage is a process undertaken by a company in an attempt to reduce its financial leverage. Financial leverage can be beneficial for a company, but if it becomes too risky or harmful, the company may need to deleverage itself by decreasing the amount of debt that it has (by paying it off).

Investing in foreign securities, especially emerging markets, will involve certain additional risks, including exchange rate fluctuation, less liquidity, greater volatility, and less regulation.

You should consider the investment objectives, risks, charges and expenses carefully before investing. A prospectus with this and other information about the Fund may be obtained by calling (800) 999-6809 or by downloading one from www.forwardfunds.com. It should be read carefully before investing.

Forward Funds are distributed by ALPS Distributors, Inc.

FWD001475 053109

As of April 30, 2008, the Fund held the following positions in the portfolio (These holdings may not reflect the current or future positions in the portfolio. Portfolio holdings are subject to change.):

Forward International Fixed Income Fund
As of 04/30/2008

Security ID	Ticker	Security Name	Principle Amount (Shown in local currency)	Market Price	Market Value	% of Total Net Assets	Currency Code
4360818	4360818	French Government O.A.T., Bonds, 8.500%, 10/25/08	1,040,000	$ 1.59	$ 1,656,874	6.08%	EUR
6739331	6739331	Japan Government, Bonds, Series 257, 1.300%, 12/20/13	134,000,000	0.01	1,296,714	4.76%	JPY
MX27158001	B01SB54	Mexican Bonos, Bonds, Series M7, 8.000%, 12/24/08	12,000,000	0.10	1,146,829	4.21%	MXN
B1HNZP8	B1HNZP8	Bundesrepublik Deutschland, Bonds, Series 06, 3.750%, 01/04/17	674,000	1.52	1,022,710	3.76%	EUR
6740548	6740548	Japan Government, Bonds, Series 34, 0.500%, 12/20/08	103,500,000	0.01	993,354	3.65%	JPY
B00CNK6	B00CNK6	French Government O.A.T., Bonds, 4.000%, 04/25/14	620,000	1.55	963,908	3.54%	EUR
7765454	7765454	Buoni Poliennali Del Tesoro, Bonds, 4.250%, 08/01/14	606,000	1.57	949,977	3.49%	EUR
6744766	6744766	Japan Government, Bonds, Series 258, 1.300%, 03/20/14	90,000,000	0.01	870,015	3.19%	JPY
B0SYL99	B0SYL99	Japan Government, Bonds, Series 274, 1.500%, 12/20/15	74,000,000	0.01	720,453	2.65%	JPY
7334898	7334898	Bonos Y Oblig Del Estado, Bonds, 5.500%, 07/30/17	385,000	1.70	653,026	2.40%	EUR
7749061	7749061	Hellenic Republic, Unsub. Bonds, 4.500%, 05/20/14	400,000	1.57	629,272	2.31%	EUR
7705171	7705171	Portugal Obrigacoes do Tesouro OT, Bonds, 4.375%, 06/16/14	392,000	1.58	617,512	2.27%	EUR
5695768	5695768	Bonos Y Oblig Del Estado, Bonds, 4.000%, 01/31/10	378,000	1.56	590,893	2.17%	EUR
B058DQ5	B058DQ5	United Kingdom, Treasury Bonds, 4.750%, 03/07/20	277,000	1.98	548,889	2.02%	GBP
B07BNV7	B07BNV7	Czech Republic, Bonds, Series 44, 3.800%, 04/11/15	8,000,000	0.06	473,569	1.74%	CSK
5595556	5595556	Portugal Obrigacoes do Tesouro OT, Bonds, 5.450%, 09/23/13	278,000	1.65	459,954	1.69%	EUR
B0X4BZ0	B0X4BZ0	Japan Government, Bonds, Series 21, 2.300%, 12/20/35	47,000,000	0.01	438,004	1.61%	JPY
6788656	6788656	Republic of South Africa, Bonds, Series R157, 13.500%, 09/15/15	2,600,000	0.16	415,371	1.53%	ZAR
016861898	16861898	United Kingdom, Treasury Bonds, 4.000%, 03/07/09	203,000	1.98	402,053	1.48%	GBP
B033049	B033049	Hungary Government, Bonds, Series 15/A, 8.000%, 02/12/15	67,000,000	0.01	401,720	1.47%	HUF
7624641	7624641	Bundesrepublik Deutschland, Bonds, Series 03, 3.750%, 07/04/13	259,000	1.55	401,471	1.47%	EUR
B1P8H15	B1P8H15	Bundesrepublik Deutschland, Bonds, Series 07, 4.250%, 07/04/39	247,000	1.46	361,670	1.33%	EUR
B1RPMZ3	B1RPMZ3	Malaysian Government, Bonds, Series 0207, 3.814%, 02/15/17	1,100,000	0.32	347,094	1.27%	MYR
B1G0JZ8	B1G0JZ8	Poland Government, Bonds, Series 1017, 5.250%, 10/25/17	730,000	0.43	313,418	1.15%	PLN
B1VHNB8	B1VHNB8	Turkey Government, Bonds, 16.000%, 03/07/12	400,000	0.75	300,839	1.10%	TRL
B06YGN0	B06YGN0	United Kingdom, Treasury Bonds, 4.250%, 12/07/55	151,000	1.98	299,634	1.10%	GBP
B1XQY32	B1XQY32	Hellenic Republic, Unsub. Bonds, Series 15YR, 4.700%, 03/20/24	157,000	1.51	236,856	0.87%	EUR
B1VJP41	B1VJP41	Brazil Notas do Tesouro Nacional, Notes, Series F, 10.000%, 01/01/10	400,000	0.59	236,193	0.87%	BRL
7750933	7750933	Republic of Austria, Notes, 4.300%, 07/15/14	145,000	1.58	228,777	0.84%	EUR
7595684	7595684	Buoni Poliennali Del Tesoro, Bonds, 4.250%, 08/01/13	145,000	1.57	227,610	0.84%	EUR
B1Q2JQ5	B1Q2JQ5	Hellenic Republic, Unsub. Bonds, Series 30YR, 4.600%, 09/20/40	158,000	1.42	224,825	0.83%	EUR
B0Y7SL3	B0Y7SL3	Mexican Bonos, Bonds, Series M10, 8.000%, 12/17/15	2,300,000	0.10	220,061	0.81%	MXN
INDOFR47	INDOFR47	Indonesia Government, Bonds, Series FR47, 10.000%, 02/15/28	300,000	0.72	217,065	0.80%	USD
7697955	7697955	Bundesobligation, Bonds, Series 143, 3.500%, 10/10/08	127,000	1.56	197,805	0.73%	EUR
B1VRLR0	B1VRLR0	Brazil Notas do Tesouro Nacional, Notes, Series F, 10.000%, 01/01/17	350,000	0.52	182,336	0.67%	BRL
B1QY4T9	B1QY4T9	FCE Bank Plc, Sr. Euro Medium-Term Notes, 7.875%, 02/15/11	100,000	1.78	177,705	0.65%	GBP
B06BX63	B06BX63	French Government O.A.T., Bonds, 4.000%, 04/25/55	131,000	1.35	177,488	0.65%	EUR
B0R7MJ6	B0R7MJ6	Wind Acquisition Finance SA, Secured Notes, 9.750%, 12/01/15	100,000	1.63	163,367	0.60%	EUR
B1HCJ53	B1HCJ53	Bombardier, Inc., Sr. Unsec. Notes, 7.250%, 11/15/16	100,000	1.58	157,707	0.58%	EUR
B1FH1C1	B1FH1C1	Impress Holdings BV, Gtd. Notes, 7.872%, 09/15/13	100,000	1.53	152,632	0.56%	EUR
65409QAF9	65409QAF	Nielsen Finance Co., Llc, Gtd. Notes, 9.000%, 08/01/14	100,000	1.51	150,680	0.55%	EUR
B141964	B141964	FS Funding AS, Secured Notes, 8.875%, 05/15/16	100,000	1.48	148,338	0.54%	EUR

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B0BSD47	B0BSD47	Codere Finance Luxembourg SA, Gtd. Notes, 8.250%, 06/15/15	100,000	1.42	141,702	0.52%	EUR
B2QYXP5	5871773	Hellenic Republic, Bonds, 6.500%, 10/22/19	78,000	1.81	140,922	0.52%	EUR
B1YLC65	B1YLC65	Fiat Finance North America, Inc., Gtd. Euro Medium-Term Notes, 5.625%, 06/12/17	100,000	1.41	140,921	0.52%	EUR
B2NHTM6	B2NHTM6	Momentive Performance Materials, Inc., Bonds, 9.000%, 12/01/14	100,000	1.37	137,017	0.50%	EUR
B0G7TZ2	B0G7TZ2	Basell AF SCA, Secured Notes, 8.375%, 08/15/15	120,000	1.14	136,783	0.50%	EUR
5293634	5293634	Republic of Austria, Bonds, 6.250%, 07/15/27	70,000	1.86	130,485	0.48%	EUR
B068Z13	B068Z13	Republic of Colombia, Unsub. Bonds, 12.000%, 10/22/15	210,000,000	0.00	128,468	0.47%	USD
B1KMX36	B1KMX36	CEVA Group Plc, Gtd. Bonds, 10.000%, 12/01/16	100,000	1.27	127,258	0.47%	EUR
B14X1C0	B14X1C0	Europcar Groupe SA, Sr. Sub. Notes, 8.125%, 05/15/14	100,000	1.21	121,012	0.44%	EUR
B0DBVJ5	B0DBVJ5	Unity Media GmbH, Secured Notes, 10.125%, 02/15/15	75,000	1.57	117,694	0.43%	EUR
B1QHD02	B1QHD02	Lecta SA, Gtd. Notes, 8.340%, 02/15/14	100,000	1.17	117,499	0.43%	EUR
7622991	7622991	General Motors Corp., Unsub. Notes, 7.250%, 07/03/13	90,000	1.30	116,640	0.43%	EUR
B0DJPW0	B0DJPW0	Smurfit Kappa Funding Plc, Sr. Sub. Notes, 7.750%, 04/01/15	75,000	1.53	114,767	0.42%	EUR
B18TJB9	B18TJB9	Linde Finance BV, Gtd. Bonds, 7.375%, 07/14/66	70,000	1.58	110,406	0.41%	EUR
B29WRG5	B29WRG5	United Kingdom, Treasury Bonds, 4.500%, 03/07/13	55,000	1.99	109,685	0.40%	GBP
B1VWPC8	B1VWPC8	United Kingdom, Treasury Bonds, 5.000%, 03/07/18	52,000	2.04	106,080	0.39%	GBP
B14PKN0	B14PKN0	Peru Bono Soberano, Bonds, 8.200%, 08/12/26	260,000	0.41	105,891	0.39%	PEN
5481042	5481042	Swedish Government, Bonds, Series 1043, 5.000%, 01/28/09	610,000	0.17	102,500	0.38%	SEK
7335341	7335341	Denmark (Kingdom of), Bonds, 5.000%, 11/15/13	450,000	0.22	97,951	0.36%	DKK
B09KLF2	B09KLF2	Virgin Media Finance Plc, Gtd. Notes, 9.750%, 04/15/14	50,000	1.87	93,699	0.34%	GBP
B02J662	B02J662	Slovakia Government, Bonds, 5.300%, 05/12/19	1,800,000	0.05	92,734	0.34%	SKK
B014ZQ1	B014ZQ1	Mexican Bonos, Bonds, Series MI10, 8.000%, 12/19/13	900,000	0.10	86,304	0.32%	MXN
B1YXLB9	B1YXLB9	Republic of Colombia, Unsub. Bonds, 9.850%, 06/28/27	160,000,000	0.00	85,878	0.32%	COP
B1CD2C9	B1CD2C9	FMG Finance Pty Ltd., Sr. Secured Notes, 9.750%, 09/01/13	50,000	1.63	81,586	0.30%	EUR
B1GH7Y4	B1GH7Y4	Huntsman International Llc, Gtd. Notes, 6.875%, 11/15/13	50,000	1.56	78,073	0.29%	EUR
7795075	7795075	Clondalkin Industries BV, Gtd. Notes, 8.000%, 03/15/14	55,000	1.41	77,292	0.28%	EUR
B13V2C2	B13V2C2	Nordic Telephone Co., Holdings, Secured Notes, 8.250%, 05/01/16	50,000	1.55	77,292	0.28%	EUR
B13V222	B13V222	Nordic Telephone Co., Holdings, Sr. Secured Notes, 9.881%, 05/01/16	50,000	1.55	77,292	0.28%	EUR
0104009	0104009	FKI Plc, Gtd. Bonds, 6.625%, 02/22/10	50,000	1.54	77,097	0.28%	EUR
001084AK8	001084AK	AGCO Corp., Sr. Sub. Notes, 6.875%, 04/15/14	50,000	1.52	76,121	0.28%	EUR
B01FNX7	B01FNX7	Switzerland Government, Bonds, 3.000%, 05/12/19	80,000	0.95	75,761	0.28%	CHF
B0PHHM6	B0PHHM6	Rockwood Specialties Group, Inc., Gtd. Notes, 7.625%, 11/15/14	50,000	1.50	74,950	0.28%	EUR
B1KPKD4	B1KPKD4	Chesapeake Energy Corp., Gtd. Notes, 6.250%, 01/15/17	50,000	1.49	74,559	0.27%	EUR
B14Z8H0	B14Z8H0	Lottomatica SpA, Sub. Bonds, 8.250%, 03/31/66	50,000	1.48	73,779	0.27%	EUR
B1GCZZ6	B1GCZZ6	UPC Holding BV, Sr. Notes, 8.000%, 11/01/16	50,000	1.47	73,583	0.27%	EUR
B1FSV91	B1FSV91	Softbank Corp., Sr. Unsec. Notes, 7.750%, 10/15/13	50,000	1.46	72,998	0.27%	EUR
B1XFQB1	B1XFQB1	Sibacademfinance (URSABK), Euro Medium-Term Notes, 7.000%, 05/21/10	50,000	1.43	71,632	0.26%	EUR
B1XBH05	B1XBH05	Cognis GmbH, Secured Notes, 6.730%, 09/15/13	50,000	1.42	71,241	0.26%	EUR
B1MY7N8	B1MY7N8	Hertz Corp., Gtd. Notes, 7.875%, 01/01/14	50,000	1.41	70,558	0.26%	EUR
B1XFQZ5	B1XFQZ5	CMA CGM SA, Sr. Unsec. Notes, 5.500%, 05/16/12	50,000	1.40	70,181	0.26%	EUR
B1VK4C5	B1VK4C5	TRW Automotive, Inc., Gtd. Notes, 6.375%, 03/15/14	50,000	1.40	69,875	0.26%	EUR
B1YBR93	B1YBR93	NXP BV/NXP Funding Llc, Secured Notes, 7.497%, 10/15/13	50,000	1.39	69,289	0.25%	EUR
B1TR2B3	B1TR2B3	Sensata Technologies BV, Gtd. Notes, 9.000%, 05/01/16	50,000	1.38	69,094	0.25%	EUR

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As of 04/30/2008

Security ID	Ticker	Security Name	Principle Amount (Shown in local currency)	Market Price	Market Value	% of Total Net Assets	Currency Code
B14ZR28	B14ZR28	Mecachrome International, Inc., Gtd. Notes, 9.000%, 05/15/14	50,000	1.37	68,704	0.25%	EUR
B1YY220	B1YY220	Travelport Llc, Gtd. Notes, 9.012%, 09/01/14	50,000	1.35	67,728	0.25%	EUR
B0CSXF7	B0CSXF7	Cirsa Capital Luxembourg SA, Gtd. Notes, 7.875%, 07/15/12	50,000	1.34	66,752	0.25%	EUR
B0124C4	B0124C4	Cirsa Finance Luxembourg SA, Gtd. Notes, 8.750%, 05/15/14	50,000	1.34	66,752	0.25%	EUR
B00PNM7	B00PNM7	Lighthouse International Co., SA, Sr. Secured Bonds, 8.000%, 04/30/14	50,000	1.33	66,362	0.24%	EUR
B1VZ033	B1VZ033	Corral Finans AB, Secured PIK Bonds, 6.247%, 04/15/10	50,000	1.31	65,288	0.24%	EUR
B1KMV43	B1KMV43	CEVA Group Plc, Gtd. Notes, 8.500%, 12/01/16	50,000	1.29	64,410	0.24%	EUR
B1Z6K09	B1Z6K09	Beverage Packaging Holdings, Sr. Sub. Notes, 9.500%, 06/15/17	50,000	1.28	64,019	0.24%	EUR
135087XY5	135087XY	Canadian Government, Bonds, 4.000%, 09/01/10	60,000	1.02	61,152	0.22%	CAD
B0XZ3F7	B0XZ3F7	Ineos Group Holdings Plc, Gtd. Notes, 7.875%, 02/15/16	50,000	1.17	58,750	0.22%	EUR
B0Y8WM5	B0Y8WM5	Ono Finance II Plc, Gtd. Notes, 8.000%, 05/16/14	50,000	1.14	57,188	0.21%	EUR
6821788	6821788	South Africa Government, Bonds, Series R153, 13.000%, 08/31/10	400,000	0.14	55,707	0.20%	ZAR
03288521	03288521	Citigroup Funding Inc., Gtd. Notes, Credit Linked to the Arab Republic of Egypt, Egypt Treasury Bills, Zero Coupon%, 10/23/08	50,000	1.06	53,100	0.19%	USD
135087XW9	135087XW	Canadian Government, Bonds, 5.000%, 06/01/37	45,000	1.14	51,229	0.19%	CAD
6711953	6711953	South Africa Government, Bonds, Series R201, 8.750%, 12/21/14	400,000	0.13	50,867	0.19%	ZAR
4665063	4665063	HCA, Inc., Sr. Unsec. Notes, 8.750%, 11/01/10	25,000	1.91	47,814	0.18%	GBP
6261083	6261083	Australian Government, Bonds, Series 513, 6.500%, 05/15/13	50,000	0.95	47,656	0.17%	AUD
B06CV40	B06CV40	Gerresheimer Holdings GmbH, Gtd. Notes, 7.875%, 03/01/15	30,000	1.58	47,312	0.17%	EUR
7628870	7628870	Ardagh Glass Finance BV, Gtd. Notes, 8.875%, 07/01/13	30,000	1.57	46,961	0.17%	EUR
B0BP672	B0BP672	Foodcorp, Ltd., Gtd. Notes, 8.875%, 06/15/12	40,000	1.12	44,658	0.16%	EUR
135087UT9	135087UT	Canadian Government, Bonds, Series A55, 8.000%, 06/01/23	30,000	1.44	43,174	0.16%	CAD
B15S5M2	B15S5M2	Norway Government, Bonds, 4.250%, 05/19/17	217,000	0.19	41,788	0.15%	NOK
135087YG3	135087YG	Canadian Government, Bonds, 3.750%, 06/01/12	40,000	1.02	40,739	0.15%	CAD
629855AF4	B0345P8	Nalco Co., Sr. Sub. Notes, 9.000%, 11/15/13	25,000	1.60	40,012	0.15%	EUR
0999799	0999799	United Kingdom, Treasury Bonds, 8.000%, 06/07/21	15,000	2.59	38,879	0.14%	GBP
B06ZTX4	B06ZTX4	Crown European Holdings SA, Secured Notes, 6.250%, 09/01/11	25,000	1.54	38,451	0.14%	EUR
135087YB4	135087YB	Canadian Government, Bonds, 4.000%, 06/01/16	35,000	1.03	35,928	0.13%	CAD
B05QN14	B05QN14	Mexican Bonos, Gtd. Bonds, Series M20, 10.000%, 12/05/24	300,000	0.11	33,996	0.12%	MXN
135087XS8	135087XS	Canadian Government, Bonds, 5.000%, 06/01/14	30,000	1.09	32,560	0.12%	CAD
B01WL34	B01WL34	Heckler & Koch GmbH, Sr. Secured Bonds, 9.250%, 07/15/11	20,000	1.53	30,526	0.11%	EUR
7722352	7722352	Ineos Vinyls Finance Plc, Secured Bonds, 9.125%, 12/01/11	20,000	1.35	27,013	0.10%	EUR
INDOFR25	INDOFR25	Indonesia Government, Bonds, Series FR25, 10.000%, 10/15/11	29,360	0.91	26,680	0.10%	USD
B0124S0	B0124S0	Cognis GmbH, Sr. Secured Notes, 9.500%, 05/15/14	15,000	1.50	22,485	0.08%	EUR
6148788	6148788	Republic of South Africa, Bonds, Series R186, 10.500%, 12/21/26	150,000	0.15	21,902	0.08%	ZAR
B06C0C1	B06C0C1	Ardagh Glass Group Plc, Sr. Unsecured PIK Bonds, 10.75%, 03/01/15	10,000	1.42	14,170	0.04%	EUR
MAURTB		Mauritius T-Bills, Zero Coupon%, 11/10/08	200,000	0.04	7,343	0.03%	MUR
MAURTB2		Mauritius T-Bills, Zero Coupon%, 11/21/08	200,000	0.04	7,320	0.03%	MUR
MAURGB		Mauritius Treasury Notes, 9.750%, 11/23/09	200,000	0.04	7,260	0.03%	MUR
		Net Cash & Cash Equivalents			1,053,712	3.87%	