

May 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

When the credit crisis was running at fever pitch, a deep recession for the U.S. looked to be inevitably on the cards, but since then the climate has unmistakably perked up. Various measures adopted by the U.S. Federal Reserve and other central banks worldwide provided financial markets with some much-needed reassurance. The situation on money markets has slowly turned for the better. Nevertheless, central bankers are still having to drip feed the markets and, to date, European banks are still erring massively on the side of caution, hesitant to lend for any longer than the very short term. The dispelling of systemic fears and the rebound by risky assets prompted investors to turn away from government bonds that had been so keenly sought after in the first quarter. The smooth outcome to banks' recapitalization programs, involving their issuing of both shares and bonds, has been a key reassuring development. Companies' quarterly results were fairly good overall, which also eased market anxieties. Less discouraging economic news than predicted for the U.S. has suggested that the U.S. economy might well rebound thanks to the fiscal impetus. Faster GDP growth than forecast in Europe and Japan in the first quarter has fostered the view that the knock-on effects of a U.S. slowdown might be less pronounced than in the past, with the downturn cushioned by brisk demand from emerging countries. Lastly, soaring oil prices have fuelled fears about inflation, which hit new peaks in major Western countries. Against this backdrop, any hopes of cuts in central banks' interest rates vanished into thin air and government bond yields climbed across the board of maturities, although yield curves did flatten out quite noticeably. Investors' rediscovered appetite for risk helped credit markets to rally. Risk premiums on both corporate bonds and emerging debt have been diminishing. The primary market has been very lively, with the sizeable volumes of new issues from financial and non-financial companies being matched by brisk demand. Emerging debt also benefited from strong commodity prices.

PERFORMANCE ANALYSIS

At the end of the month, the fund asset allocation was the following: 60.9% in Global Government Debt, 19.8% in Emerging Local Debt and 19.39% in European High Yield. Credit spreads on high-yield bonds narrowed further, the energetic rally seen in April continued, albeit somewhat less vigorously, into May, but the segment overall still managed to turn in a positive return. Although emerging local-currency bonds have provided slightly positive returns for May, it has also been clear that there has been greater differentiation in returns. The poorest-performing region was Asia, particularly India. Asia has been struggling as it catches up with the inflation story and has suffered from higher food prices, with food constituting a greater proportion of the consumer price index (CPI) basket in the region. There have also been mounting concerns that central banks have been slow to react to this inflation risk. India in particular has suffered from both a weakening currency and higher rates, with the Reserve Bank of India having to act to reinforce the currency. In contrast, Hungary performed well as the currency strengthened on prospects of further rate hikes by the central bank, which would increase the interest-rate differential with Europe and enhance the credibility of the monetary policy board. South Africa also suffered as the political and social milieu deteriorated significantly with the riots in Johannesburg. But the

major negative contributor during May has been the global bonds component, posting a negative return for the second month in a row. With mounting inflation concerns and the brutal re-pricing of real yields, the bond sell off extended, pushing the overall fund performance into negative territory.

MARKET OUTLOOK

Market operators remain caught between their belief in a scenario envisaging an ongoing slowdown in the U.S. and one forecasting a rebound on the back of reflationary fiscal stimulus. Opinions are also divided about the outlook for inflation, but rocketing oil prices have heightened all of the fears, as evidenced by the distinct hardening of U.S. households' inflationary expectations. Although economic prospects look less grim than they did at the outset of spring when systemic risks were fuelling all the fears, the U.S. economy is likely to experience a bumpy ride despite the package of measures to underpin consumer spending approved by Congress. Tax rebate checks may only provide a passing boost. Moreover, some factors still call for caution to be exercised: the housing market is still struggling badly, the position on the jobs front looks set to deteriorate further, consumer confidence is already in free-fall and the latest data from the Senior Loan Officer Opinion survey revealed a definite tightening of lending conditions, especially for businesses. Moreover, the spreading of the financial crisis to contaminate the real economy could make a dent in corporate profits in the coming months. We remain convinced that the Eurozone economy is likely to experience a slowdown phase over the coming quarters against the background of the downturn in the U.S. economy, the euro's strength and the European Central Bank (ECB)'s restrictive monetary stance. Economic statistics and leading indicators, such as the purchasing managers index (PMI), are pointing towards GDP growth falling short of its potential. At present, the consensus is forecasting GDP growth of just 1.5% for this year and 1.6% in 2009. With inflation rates already running at record levels, rocketing oil prices have been giving rise to fears of prices escalating. It can no longer be taken for granted that inflation will retreat noticeably in the coming months in response to economic momentum slackening in tempo. Uncertainties about how commodity prices will behave are making it particularly awkward to forecast inflation reliably. In these circumstances, central bankers seem most likely to leave 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 ECB, worried about inflationary risks, seems resolutely determined to stick to its intransigent line despite the onset of a slowdown in the Eurozone economy. At best, it would appear that it has shelved the idea of putting rates up. In this climate, the mood on government bond markets looks set to stay quite defensive in the weeks ahead. Operators on credit markets will be paying very close heed to the flow of economic news and earnings growth prospects.

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.

Gross domestic product (GDP) is the total market value of all final goods and services produced in a country in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.

Consumer price index (CPI) is an index number measuring the average price of consumer goods and services purchased by households. The percent change in the CPI is a measure of inflation.

The Senior Loan Officer Opinion survey is a quarterly survey of approximately sixty large domestic banks and twenty-four U.S. branches and agencies of foreign banks, conducted by the Federal Reserve Board. Questions cover changes in the standards and terms of the banks' lending and the state of business and household demand for loans. The survey often includes questions on one or two other topics of current interest.

The European Central Bank (ECB) is one of the world's most important central banks, responsible for monetary policy covering the fifteen member countries of the Eurozone. The ECB, established by the European Union (EU) in 1998, is headquartered in Frankfurt, Germany.

Purchasing Managers Index (PMI) is a composite index of five sub-indicators (production level, new orders from customers, supplier deliveries, inventories and employment level) which are extracted through surveys to more than 400 purchasing managers from around the country, chosen for their geographic and industry diversification benefits. PMI is an important sentiment reading, not only for manufacturing, but also for the economy as a whole. For this reason, the PMI is closely watched, setting the tone for the upcoming month and other indicator releases.

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.

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As of May 31, 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 05/31/2008

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	\$ 1.58	\$ 1,644,264	6.08%	EUR
6739331	6739331	Japan Government, Bonds, Series 257, 1.300%, 12/20/13	134,000,000	0.01	1,265,349	4.68%	JPY
MX27158001	B01SB54	Mexican Bonos, Bonds, Series M7, 8.000%, 12/24/08	12,000,000	0.10	1,164,825	4.31%	MXN
B1HNZP8	B1HNZP8	Bundesrepublik Deutschland, Bonds, Series 06, 3.750%, 01/04/17	674,000	1.48	999,268	3.69%	EUR
6740548	6740548	Japan Government, Bonds, Series 34, 0.500%, 12/20/08	103,500,000	0.01	979,929	3.62%	JPY
B00CNK6	B00CNK6	French Government O.A.T., Bonds, 4.000%, 04/25/14	620,000	1.52	944,305	3.49%	EUR
7765454	7765454	Buoni Poliennali Del Tesoro, Bonds, 4.250%, 08/01/14	606,000	1.53	927,271	3.43%	EUR
6744766	6744766	Japan Government, Bonds, Series 258, 1.300%, 03/20/14	90,000,000	0.01	848,486	3.14%	JPY
B0SYL99	B0SYL99	Japan Government, Bonds, Series 274, 1.500%, 12/20/15	74,000,000	0.01	700,327	2.59%	JPY
7334898	7334898	Bonos Y Oblig Del Estado, Bonds, 5.500%, 07/30/17	385,000	1.66	637,831	2.36%	EUR
7749061	7749061	Hellenic Republic, Unsub. Bonds, 4.500%, 05/20/14	400,000	1.54	615,970	2.28%	EUR
7705171	7705171	Portugal Obrigacoes do Tesouro OT, Bonds, 4.375%, 06/16/14	392,000	1.54	605,012	2.24%	EUR
5695768	5695768	Bonos Y Oblig Del Estado, Bonds, 4.000%, 01/31/10	378,000	1.54	583,961	2.16%	EUR
B058DQ5	B058DQ5	United Kingdom, Treasury Bonds, 4.750%, 03/07/20	277,000	1.92	532,962	1.97%	GBP
5595556	5595556	Portugal Obrigacoes do Tesouro OT, Bonds, 5.450%, 09/23/13	278,000	1.62	450,698	1.67%	EUR
B0X4BZ0	B0X4BZ0	Japan Government, Bonds, Series 21, 2.300%, 12/20/35	47,000,000	0.01	428,542	1.58%	JPY
B07BNV7	B07BNV7	Czech Republic, Bonds, Series 44, 3.800%, 04/11/15	7,200,000	0.06	419,319	1.55%	CSK
B033049	B033049	Hungary Government, Bonds, Series 15/A, 8.000%, 02/12/15	67,000,000	0.01	418,986	1.55%	HUF
6788656	6788656	Republic of South Africa, Bonds, Series R157, 13.500%, 09/15/15	2,600,000	0.15	399,828	1.48%	ZAR
016861898	16861898	United Kingdom, Treasury Bonds, 4.000%, 03/07/09	203,000	1.97	399,188	1.48%	GBP
7624641	7624641	Bundesrepublik Deutschland, Bonds, Series 03, 3.750%, 07/04/13	259,000	1.52	392,755	1.45%	EUR
B1P8H15	B1P8H15	Bundesrepublik Deutschland, Bonds, Series 07, 4.250%, 07/04/39	247,000	1.42	349,701	1.29%	EUR
B1RPMZ3	B1RPMZ3	Malaysian Government, Bonds, Series 0207, 3.814%, 02/15/17	1,100,000	0.30	335,105	1.24%	MYR
B1P89J7	B1P89J7	Thailand Government, Bonds, 5.000%, 05/26/17	11,000,000	0.03	333,834	1.23%	THB
B1G0JZ8	B1G0JZ8	Poland Government, Bonds, Series 1017, 5.250%, 10/25/17	730,000	0.43	312,727	1.16%	PLN
B1VHNB8	B1VHNB8	Turkey Government, Bonds, 16.000%, 03/07/12	400,000	0.77	308,336	1.14%	TRL
B06YGN0	B06YGN0	United Kingdom, Treasury Bonds, 4.250%, 12/07/55	151,000	1.95	294,420	1.09%	GBP
B1VJP41	B1VJP41	Brazil Notas do Tesouro Nacional, Notes, Series F, 10.000%, 01/01/10	400,000	0.60	240,969	0.89%	BRL
B1XQY32	B1XQY32	Hellenic Republic, Unsub. Bonds, Series 15YR, 4.700%, 03/20/24	157,000	1.47	230,236	0.85%	EUR
7750933	7750933	Republic of Austria, Notes, 4.300%, 07/15/14	145,000	1.55	224,477	0.83%	EUR
7595684	7595684	Buoni Poliennali Del Tesoro, Bonds, 4.250%, 08/01/13	145,000	1.53	222,346	0.82%	EUR
B0Y7SL3	B0Y7SL3	Mexican Bonos, Bonds, Series M10, 8.000%, 12/17/15	2,300,000	0.10	221,248	0.82%	MXN
B1Q2JQ5	B1Q2JQ5	Hellenic Republic, Unsub. Bonds, Series 30YR, 4.600%, 09/20/40	158,000	1.37	217,228	0.80%	EUR
B0BSD47	B0BSD47	Codere Finance Luxembourg SA, Gtd. Notes, 8.250%, 06/15/15	150,000	1.43	214,692	0.79%	EUR
5293634	5293634	Republic of Austria, Notes, 6.250%, 07/15/27	110,000	1.84	201,935	0.75%	EUR
7697955	7697955	Bundessobligation, Bonds, Series 143, 3.500%, 10/10/08	127,000	1.55	197,059	0.73%	EUR
B1VRLR0	B1VRLR0	Brazil Notas do Tesouro Nacional, Notes, Series F, 10.000%, 01/01/17	350,000	0.51	180,055	0.67%	BRL
B1QY4T9	B1QY4T9	FCE Bank Plc, Sr. Euro Medium-Term Notes, 7.875%, 02/15/11	100,000	1.75	174,567	0.65%	GBP
INDOFR47	INDOFR47	Indonesia Government, Bonds, Series FR47, 10.000%, 02/15/28	221,911	0.77	170,761	0.63%	USD
B06BX63	B06BX63	French Government O.A.T., Bonds, 4.000%, 04/25/55	131,000	1.30	170,154	0.63%	EUR
B0R7MJ6	B0R7MJ6	Wind Acquisition Finance SA, Secured Notes, 9.750%, 12/01/15	100,000	1.65	165,103	0.61%	EUR
B1HCJ53	B1HCJ53	Bombardier, Inc., Sr. Unsec. Notes, 7.250%, 11/15/16	100,000	1.59	159,075	0.59%	EUR

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As of 05/31/2008

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B141964	B141964	FS Funding AS, Secured Notes, 8.875%, 05/15/16	100,000	1.53	153,241	0.57%	EUR
65409QAF9	65409QAF	Nielsen Finance Co., Llc, Gtd. Notes, 9.000%, 08/01/14	100,000	1.52	152,447	0.56%	EUR
B1FH1C1	B1FH1C1	Impress Holdings BV, Gtd. Notes, 7.872%, 09/15/13	100,000	1.49	148,962	0.55%	EUR
B1XFQB1	B1XFQB1	Sibacademfinace (URSABK), Euro Medium-Term Notes, 7.000%, 05/21/10	100,000	1.49	148,573	0.55%	EUR
B1YLC65	B1YLC65	Fiat Finance North America, Inc., Gtd. Euro Medium-Term Notes, 5.625%, 06/12/17	100,000	1.42	142,350	0.53%	EUR
B2QYXP5	5871773	Hellenic Republic, Bonds, 6.500%, 10/22/19	78,000	1.76	137,259	0.51%	EUR
B1Z6K09	B1Z6K09	Beverage Packaging Holdings, Sr. Sub. Notes, 9.500%, 06/15/17	100,000	1.33	132,627	0.49%	EUR
B2NHTM6	B2NHTM6	Momentive Performance Materials, Inc., Bonds, 9.000%, 12/01/14	100,000	1.30	130,293	0.48%	EUR
B068Z13	B068Z13	Republic of Colombia, Unsub. Bonds, 12.000%, 10/22/15	210,000,000	0.00	127,249	0.47%	COP
B14X1C0	B14X1C0	Europcar Groupe SA, Sr. Sub. Notes, 8.125%, 05/15/14	100,000	1.26	126,015	0.47%	EUR
B1KMX36	B1KMX36	CEVA Group Plc, Gtd. Bonds, 10.000%, 12/01/16	100,000	1.21	120,570	0.45%	EUR
B0DBVJ5	B0DBVJ5	Unity Media GmbH, Secured Notes, 10.125%, 02/15/15	75,000	1.58	118,285	0.44%	EUR
3216019	3216019	Northern Rock Plc, Sub. Notes, 5.625%, 01/13/15	70,000	1.64	114,883	0.42%	GBP
B0XZ3F7	B0XZ3F7	Ineos Group Holdings Plc, Gtd. Notes, 7.875%, 02/15/16	100,000	1.13	112,791	0.42%	EUR
B0DJPW0	B0DJPW0	Smurfit Kappa Funding Plc, Sr. Sub. Notes, 7.750%, 04/01/15	75,000	1.50	112,597	0.42%	EUR
B14PKN0	B14PKN0	Peru Bono Soberano, Bonds, 8.200%, 08/12/26	260,000	0.40	104,281	0.39%	PEN
5481042	5481042	Swedish Government, Bonds, Series 1043, 5.000%, 01/28/09	610,000	0.17	102,085	0.38%	SEK
B02J662	B02J662	Slovakia Government, Bonds, 5.300%, 05/12/19	1,800,000	0.05	96,766	0.36%	SKK
7335341	7335341	Denmark (Kingdom of), Bonds, 5.000%, 11/15/13	450,000	0.21	95,580	0.35%	DKK
B09KLF2	B09KLF2	Virgin Media Finance Plc, Gtd. Notes, 9.750%, 04/15/14	50,000	1.87	93,722	0.35%	GBP
B1VVPC8	B1VVPC8	United Kingdom, Treasury Bonds, 5.000%, 03/07/18	47,000	1.98	93,270	0.34%	GBP
B014ZQ1	B014ZQ1	Mexican Bonos, Bonds, Series MI10, 8.000%, 12/19/13	900,000	0.10	87,016	0.32%	MXN
B1CD2C9	B1CD2C9	FMG Finance Pty Ltd., Sr. Secured Notes, 9.750%, 09/01/13	50,000	1.66	83,038	0.31%	EUR
B1GH7Y4	B1GH7Y4	Huntsman International Llc, Gtd. Notes, 6.875%, 11/15/13	50,000	1.57	78,273	0.29%	EUR
7628870	7628870	Ardagh Glass Finance BV, Gtd. Notes, 8.875%, 07/01/13	50,000	1.56	78,176	0.29%	EUR
0104009	0104009	FKI Plc, Gtd. Bonds, 6.625%, 02/22/10	50,000	1.55	77,301	0.29%	EUR
B13V222	B13V222	Nordic Telephone Co., Holdings, Sr. Secured Notes, 10.357%, 05/01/16	50,000	1.54	77,009	0.28%	EUR
7795075	7795075	Clondalkin Industries BV, Gtd. Notes, 8.000%, 03/15/14	55,000	1.39	76,581	0.28%	EUR
001084AK8	001084AK	AGCO Corp., Sr. Sub. Notes, 6.875%, 04/15/14	50,000	1.51	75,454	0.28%	EUR
B0PHHM6	B0PHHM6	Rockwood Specialties Group, Inc., Gtd. Notes, 7.625%, 11/15/14	50,000	1.51	75,454	0.28%	EUR
B14Z8H0	B14Z8H0	Lottomatica SpA, Sub. Bonds, 8.250%, 03/31/66	50,000	1.50	75,065	0.28%	EUR
B13V2C2	B13V2C2	Nordic Telephone Co., Holdings, Secured Notes, 8.250%, 05/01/16	50,000	1.50	75,065	0.28%	EUR
B01FNX7	B01FNX7	Switzerland Government, Bonds, 3.000%, 05/12/19	80,000	0.94	74,961	0.28%	CHF
B1KPKD4	B1KPKD4	Chesapeake Energy Corp., Gtd. Notes, 6.250%, 01/15/17	50,000	1.49	74,676	0.28%	EUR
B0SXZG1	B0SXZG1	TUI AG, Sr. Unsec. Notes, 5.979%, 12/10/10	50,000	1.49	74,676	0.28%	EUR
B1FSV91	B1FSV91	Softbank Corp., Sr. Unsec. Notes, 7.750%, 10/15/13	50,000	1.46	73,120	0.27%	EUR
B1VK4C5	B1VK4C5	TRW Automotive, Inc., Gtd. Notes, 6.375%, 03/15/14	50,000	1.45	72,731	0.27%	EUR
B1XBH05	B1XBH05	Cognis GmbH, Secured Notes, 6.730%, 09/15/13	50,000	1.44	72,148	0.27%	EUR
B1GCZZ6	B1GCZZ6	UPC Holding BV, Sr. Notes, 8.000%, 11/01/16	50,000	1.44	71,856	0.27%	EUR
B1MY7N8	B1MY7N8	Hertz Corp., Gtd. Notes, 7.875%, 01/01/14	50,000	1.43	71,467	0.26%	EUR
B1XFQZ5	B1XFQZ5	CMA CGM SA, Sr. Unsec. Notes, 5.500%, 05/16/12	50,000	1.41	70,310	0.26%	EUR
B14ZR28	B14ZR28	Mecachrome International, Inc., Gtd. Notes, 9.000%, 05/15/14	50,000	1.40	70,008	0.26%	EUR
B1TR2B3	B1TR2B3	Sensata Technologies BV, Gtd. Notes, 9.000%, 05/01/16	50,000	1.39	69,619	0.26%	EUR

Forward International Fixed Income Fund

As of 05/31/2008

Security ID	Ticker	Security Name	Principle Amount (Shown in Local Currency)	Market Price	Market Value	% of Total Net Assets	Currency Code
B1YBR93	B1YBR93	NXP BV/NXP Funding Llc, Secured Notes, 7.497%, 10/15/13	50,000	1.39	69,425	0.26%	EUR
B0124C4	B0124C4	Cirsa Finance Luxembourg SA, Gtd. Notes, 8.750%, 05/15/14	50,000	1.38	69,231	0.26%	EUR
B1VZ033	B1VZ033	Corral Finans AB, Secured PIK Bonds, 6.247%, 04/15/10	50,000	1.37	68,550	0.25%	EUR
B0CSXF7	B0CSXF7	Cirsa Capital Luxembourg SA, Gtd. Notes, 7.875%, 07/15/12	50,000	1.37	68,453	0.25%	EUR
B1YY220	B1YY220	Travelport Llc, Gtd. Notes, 9.012%, 09/01/14	50,000	1.34	67,091	0.25%	EUR
B00PNM7	B00PNM7	Lighthouse International Co., SA, Sr. Secured Bonds, 8.000%, 04/30/14	50,000	1.32	66,216	0.24%	EUR
7622991	7622991	General Motors Corp., Unsub. Notes, 7.250%, 07/03/13	50,000	1.32	66,119	0.24%	EUR
B01WL34	B01WL34	Heckler & Koch Inc., 9.250%, 07/15/11	40,000	1.55	62,074	0.23%	EUR
B1KMW43	B1KMW43	CEVA Group Plc, Gtd. Notes, 8.500%, 12/01/14	50,000	1.24	61,841	0.23%	EUR
135087XY	135087XY	Canadian Government, Bonds, 4.000%, 09/01/10	60,000	1.03	61,649	0.23%	CAD
6821788	6821788	South Africa Government, Bonds, Series R153, 13.000%, 08/31/10	400,000	0.14	54,003	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	1.07	53,311	0.19%	USD
135087XW9	135087XW	Canadian Government, Bonds, 5.000%, 06/01/37	45,000	1.16	51,993	0.18%	CAD
6711953	6711953	South Africa Government, Bonds, Series R201, 8.750%, 12/21/14	400,000	0.12	49,056	0.17%	ZAR
4665063	4665063	HCA, Inc., Sr. Unsec. Notes, 8.750%, 11/01/10	25,000	1.91	47,789	0.17%	GBP
6261083	6261083	Australian Government, Bonds, Series 513, 6.500%, 05/15/13	50,000	0.95	47,619	0.17%	AUD
B06CV40	B06CV40	Gerresheimer Holdings GmbH, Gtd. Notes, 7.875%, 03/01/15	30,000	1.58	47,372	0.17%	EUR
135087UT9	135087UT	Canadian Government, Bonds, Series A55, 8.000%, 06/01/23	30,000	1.45	43,614	0.15%	CAD
135087YG3	135087YG	Canadian Government, Bonds, 3.750%, 06/01/12	40,000	1.02	40,976	0.15%	CAD
B15S5M2	B15S5M2	Norway Government, Bonds, 4.250%, 05/19/17	217,000	0.19	40,939	0.15%	NOK
629855AF4	B0345P8	Nalco Co., Sr. Sub. Notes, 9.000%, 11/15/13	25,000	1.61	40,255	0.15%	EUR
0999799	0999799	United Kingdom, Treasury Bonds, 8.000%, 06/07/21	15,000	2.52	37,822	0.14%	GBP
B06ZTX4	B06ZTX4	Crown European Holdings SA, Secured Notes, 6.250%, 09/01/11	25,000	1.50	37,532	0.14%	EUR
135087YB4	135087YB	Canadian Government, Bonds, 4.000%, 06/01/16	35,000	1.03	36,177	0.13%	CAD
B0BP672	B0BP672	Foodcorp, Ltd., Gtd. Notes, 8.875%, 06/15/12	30,000	1.20	35,938	0.13%	EUR
B05QN14	B05QN14	Mexican Bonos, Gtd. Bonds, Series M20, 10.000%, 12/05/24	300,000	0.11	33,699	0.12%	MXN
135087XS8	135087XS	Canadian Government, Bonds, 5.000%, 06/01/14	30,000	1.09	32,793	0.12%	CAD
B0CL7S7	B0CL7S7	Cell C Pty, Ltd., Sr. Secured Notes, 8.625%, 07/01/12	20,000	1.57	31,468	0.12%	EUR
7722352	7722352	Ineos Vinyls Finance Plc, Secured Bonds, 9.125%, 12/01/11	20,000	1.35	27,070	0.10%	EUR
B0124S0	B0124S0	Cognis GmbH, Sr. Secured Notes, 9.500%, 05/15/14	15,000	1.49	22,286	0.08%	EUR
6148788	6148788	Republic of South Africa, Bonds, Series R186, 10.500%, 12/21/26	150,000	0.14	21,030	0.08%	ZAR
B06C0C1	B06C0C1	Ardagh Glass Group Plc, Sr. Unsecured PIK Bonds, 10.75%, 03/01/15	10,000	1.40	14,041	0.05%	EUR
MAURTB		Mauritius T-Bills, Zero Coupon%, 11/10/08	200,000	0.03	6,942	0.03%	MUR
MAURTB2		Mauritius T-Bills, Zero Coupon%, 11/21/08	200,000	0.03	6,920	0.03%	MUR
MAURGB		Mauritius Treasury Notes, 9.750%, 11/23/09	200,000	0.03	6,813	0.03%	MUR
		Net Cash & Cash Equivalents			1,015,789	3.76%	