

March 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—Investor	5.94%	5.94%	5.94%	1.57%/1.24%
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 until January 31, 2009, in amounts necessary to limit the Fund's operating expenses (exclusive of brokerage costs, interest, taxes, dividends and extraordinary expenses) for the Investor Class shares to an annual rate (as a percentage of the Fund's average daily net assets) of 1.24%.

[‡]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

During the opening quarter of 2008, interest-rate markets were dominated by the financial crisis and fears of a U.S. recession. The torrent of bad news fuelled investors' aversion to risk. In March, the troubles besetting Ambac, a string of hedge funds and mortgage lenders who had failed to meet margin calls, sparked fears of renewed fire sales on credit markets. Likewise, anxieties about the unraveling of collateralized and constant-proportion debt obligations (CDO/CPDO) continued to weigh heavily on sentiment. Against this backdrop, the ongoing rise in default rates on subprime mortgage loans pointed toward the financial services sector still struggling, with the eleventh-hour bailout of Bear Stearns merely confirming this perception.

In this fevered atmosphere, government bonds held their form up to mid-March, assisted by the prospect of slowing economies and investors' flight towards quality. Yields drifted down across the maturities spectrum, with the declines steepest at the short-dated end. Given the European Central Bank (ECB)'s intransigent stance, with its prime focus on inflationary risks, the euro-zone market tended to behave quite erratically.

Government bond markets delivered some handsome returns for the first quarter of 2008. Credit-risk instruments remained under the cosh, with spreads stretching ever wider in all market segments. Corporate and emerging-market debt thus turned in poorer returns than government bonds, with high-yield vehicles incurring quite sizeable falls in value.

So as to boost liquidity on interbank markets, central bankers once again worked in concert in early March to pump liquidity wholesale into the system. Moreover, the U.S. Federal Reserve lowered the Fed funds rate twice in March, taking it down to 2.25% and leaving the door open for further cuts. In addition, it pushed through a whole string of measures aimed at easing the stresses and strains on financial markets and at kick starting the economy. In its latest press release, it painted a rather gloomy picture of the U.S. economy, highlighting the mounting tension on financial markets and the worsening housing crisis.

Over the first quarter of 2008, emerging-market USD and local-currency bonds posted divergent returns. Emerging USD bonds experienced widening spreads over the period although slightly positive returns were recorded as U.S. Treasuries performed well. In contrast, the local-currency debt market delivered robust returns, with significant differentiation between regions.

PERFORMANCE ANALYSIS

The key question in the current economic climate is no longer the possibility of recession in the USA, but rather how long it will drag on. With a several-times-shaken financial sector prompting fears of further losses to come and the risk of a crisis paralyzing the whole system, the Global Government asset class has been (for the third quarter in a row) the fixed income asset class of

choice, posting an above 10% performance when coupled with the U.S. dollar weakness. European High Yield return was roughly flat whereas Emerging Local Debt ended the quarter with a performance above 2%.

On Emerging Local Debt, the divergence in returns between regions and countries has been wide. In the first quarter of 2008, Latin America was the best-performing region by quite some considerable margin, the highest-returning country being Chile, which benefited from a stronger currency as the interest-rate differential with the USA widened and it benefited from the significant rise in copper prices. All the other local markets in Latin America also posted positive returns. In contrast, the Middle East and Africa region came under pressure. South Africa was behind this move as the currency was sold off significantly and rates continued to move upwards. Electricity shortages and the impact that these could have on inflation, together with high food price inflation, are among the concerns. The South African rand also suffered from the greater differentiation seen in emerging markets. The currencies of countries with poorer fundamentals (e.g., current-account deficits) underperformed those with sounder fundamentals.

MARKET OUTLOOK

Recent statistics released appear to have confirmed that the USA is in recession whereas other economies seem to be resisting more stoutly for the time being. Tightening lending conditions and the deteriorating housing market will probably continue applying a brake to U.S. growth in the quarters ahead. It is unclear whether the Fed's slashing of interest rates, with more cuts probably still to come, the U.S. Administration's reflationary package and the dollar's fall in value, which is underpinning U.S. exports, will be enough to help the economy swiftly back onto its feet.

The euro-zone economy also looks to be heading for a spell of slower growth in the coming quarters. High money-market rates, soaring oil and food prices, the firm euro and the slowdown in the U.S. economy cannot be regarded as particularly conducive for the euro-zone economy. With the quickening pace of inflation and M3 money-supply growth, the ECB is most unlikely to lower interest rates before the second half of the year. As the Bank of Japan is worried about the Japanese economy backsliding into recession, it will probably not shift its monetary stance in 2008.

Headline inflation has accelerated to record rates in the West, fueled by climbing food and commodity prices, whereas core or underlying rates have remained subdued, with adverse knock-on effects fairly limited so far. The scenario of inflation being likely to fall back again under the influence of an economic slowdown remains on the agenda, but uncertainties have been mounting, as central bankers have been at pains to point out. Against this sort of macroeconomic backdrop, government bonds should hold fairly steady over the coming months.

Although credit spreads on corporate bonds are attractive, already discounting high default rates, we prefer to err on the side of caution. The corporates market, which is still plagued by a liquidity drought, remains vulnerable to fresh setbacks. The financial sector's ills are far from cured. Monolines' ratings may still be hit by downgrades, which would have disastrous implications for the rest of the market. The economic outlook is still fairly grim and, lastly, company results, especially first-quarter figures from those in the financial industry, may deliver their fair share of disappointments. Moreover, the deleveraging process is set to continue. Until confidence and liquidity have been restored to credit-risk markets, it remains quite possible that valuations will be pushed to extremes.

Emerging-market debt has performed quite robustly though, continuing to benefit from emerging countries' sound fundamentals and the ongoing de-coupling process. There were, however, quite considerable disparities from region to region. The theme of differentiation has become a key topic, with investors shunning those countries hardest hit by the global economic slowdown and shrinking funds flows. Local-currency emerging-market debt should continue to be eagerly sought after by investors.

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.

A collateralized debt obligation (CDO) is a type of asset-backed security and structured credit product that serves as an important funding vehicle for portfolio investments in credit-risky fixed income assets. A constant-proportion debt obligation (CPDO) is a debt-issuing special purpose vehicle (SPV) backed by an investment in an index of debt securities, similar to a CDO.

M3 money supply is the broadest measure of money used to estimate the entire supply of money within an economy.

A monoline is a company specializing in a single type of financial business, such as credit cards, home mortgages, or a sole class of insurance.

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 March 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 03/31/2008

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	\$ 1.62	\$ 1,681,312	6.17%	EUR
6739331	6739331	Japan Government, Bonds, Series 257, 1.300%, 12/20/13	134,000,000	0.01	1,384,133	5.08%	JPY
MX27158001	B01SB54	Mexican Bonos, Bonds, Series M7, 8.000%, 12/24/08	12,000,000	0.09	1,132,602	4.16%	MXN
6740548	6740548	Japan Government, Bonds, Series 34, 0.500%, 12/20/08	111,000,000	0.01	1,112,369	4.08%	JPY
B1HNZP8	B1HNZP8	Bundesrepublik Deutschland, Bonds, Series 06, 3.750%, 01/04/17	674,000	1.56	1,051,379	3.86%	EUR
B00CNK6	B00CNK6	French Government O.A.T., Bonds, 4.000%, 04/25/14	620,000	1.59	987,538	3.62%	EUR
7765454	7765454	Buoni Poliennali Del Tesoro, Bonds, 4.250%, 08/01/14	606,000	1.60	971,795	3.57%	EUR
6744766	6744766	Japan Government, Bonds, Series 258, 1.300%, 03/20/14	90,000,000	0.01	929,673	3.41%	JPY
B0SYL99	B0SYL99	Japan Government, Bonds, Series 274, 1.500%, 12/20/15	74,000,000	0.01	772,059	2.83%	JPY
7334898	7334898	Bonos Y Oblig Del Estado, Bonds, 5.500%, 07/30/17	385,000	1.74	668,993	2.46%	EUR
7749061	7749061	Hellenic Republic, Unsub. Bonds, 4.500%, 05/20/14	400,000	1.60	641,479	2.35%	EUR
7705171	7705171	Portugal Obrigacoes do Tesouro OT, Bonds, 4.375%, 06/16/14	392,000	1.60	628,968	2.31%	EUR
5695768	5695768	Bonos Y Oblig Del Estado, Bonds, 4.000%, 01/31/10	378,000	1.59	599,634	2.20%	EUR
B058DQ5	B058DQ5	United Kingdom, Bonds, 4.750%, 03/07/20	277,000	2.03	562,554	2.06%	GBP
B07BNV7	B07BNV7	Czech Republic Bonds, Series 44, 3.800%, 04/11/15	9,400,000	0.06	558,871	2.05%	CSK
5595556	5595556	Portugal Obrigacoes do Tesouro OT, Bonds, 5.450%, 09/23/13	278,000	1.69	468,617	1.72%	EUR
7624641	7624641	Bundesrepublik Deutschland, Bonds, Series 03, 3.750%, 07/04/13	259,000	1.59	411,857	1.51%	EUR
016861898	16861898	United Kingdom, Bonds, 4.000%, 03/07/09	203,000	1.98	402,680	1.48%	GBP
6788656	6788656	Republic of South Africa, Bonds, Series R157, 13.500%, 09/15/15	2,600,000	0.15	393,119	1.44%	ZAR
B0X4BZ0	B0X4BZ0	Japan Government, Bonds, Series 21, 2.300%, 12/20/35	39,000,000	0.01	386,077	1.42%	JPY
B033049	B033049	Hungary Government, Bonds, Series 15/A, 8.000%, 02/12/15	67,000,000	0.01	384,004	1.41%	HUF
B1P8H15	B1P8H15	Bundesrepublik Deutschland, Bonds, Series 07, 4.250%, 07/04/39	247,000	1.50	371,066	1.36%	EUR
B1RPMZ3	B1RPMZ3	Malaysian Government, Bonds, Series 0207, 3.814%, 02/15/17	1,100,000	0.31	344,031	1.26%	MYR
B1G0JZ8	B1G0JZ8	Poland Government, Bonds, Series 1017, 5.250%, 10/25/17	730,000	0.43	313,148	1.15%	PLN
B1VHNB8	B1VHNB8	Turkey Government, Bonds, 16.000%, 03/07/12	400,000	0.71	282,545	1.04%	TRL
B06YGN0	B06YGN0	United Kingdom, Bonds, 4.250%, 12/07/55	141,000	2.00	281,933	1.03%	GBP
7660173	7660173	French Government O.A.T., Bonds, Zero Coupon%, 04/25/13	200,000	1.30	260,889	0.96%	EUR
INDOFR47	INDOFR47	Indonesia Government, Bonds, Series FR47, 10.000%, 02/15/28	300,000	0.83	249,642	0.92%	USD
B1XQY32	B1XQY32	Hellenic Republic, Unsub. Bonds, Series 15YR, 4.700%, 03/20/24	157,000	1.53	240,910	0.88%	EUR
7750933	7750933	Republic of Austria, Notes, 4.300%, 07/15/14	145,000	1.62	234,780	0.86%	EUR
7595684	7595684	Buoni Poliennali Del Tesoro, Bonds, 4.250%, 08/01/13	145,000	1.60	232,182	0.85%	EUR
B1Q2JQ5	B1Q2JQ5	Hellenic Republic, Unsub. Bonds, Series 30YR, 4.600%, 09/20/40	158,000	1.44	228,056	0.84%	EUR
B0Y7SL3	B0Y7SL3	Mexican Bonos, Bonds, Series M10, 8.000%, 12/17/15	2,300,000	0.10	223,468	0.82%	MXN
B1VJP41	B1VJP41	Brazil Notas do Tesouro Nacional, Notes, Series F, 10.000%, 01/01/10	400,000	0.56	222,146	0.82%	BRL
B29WRG5	B29WRG5	United Kingdom, Treasury Bonds, 4.500%, 03/07/13	100,000	2.03	202,969	0.74%	GBP
7697955	7697955	Bundessobligation, Bonds, Series 143, 3.500%, 10/10/08	127,000	1.57	199,994	0.73%	EUR
B1VWPC8	B1VWPC8	United Kingdom, Treasury Bonds, 5.000%, 03/07/18	95,000	2.09	198,420	0.73%	GBP
B06BX63	B06BX63	French Government O.A.T., Bonds, 4.000%, 04/25/55	131,000	1.40	182,868	0.67%	EUR
B1VRLR0	B1VRLR0	Brazil Notas do Tesouro Nacional, Notes, Series F, 10.000%, 01/01/17	350,000	0.49	170,588	0.63%	BRL
B00VS20	B00VS20	French Government O.A.T., Bonds, Zero Coupon%, 04/25/10	110,000	1.47	161,477	0.59%	EUR
B0R7MJ6	B0R7MJ6	Wind Acquisition Finance SA, Secured Notes, 9.750%, 12/01/15	100,000	1.57	156,889	0.58%	EUR
B1HCJ53	B1HCJ53	Bombardier, Inc., Sr. Unsec. Notes, 7.250%, 11/15/16	100,000	1.50	150,377	0.55%	EUR

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As of 03/31/2008

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65409QAF9	65409QAF	Nielsen Finance Co., Llc, Gtd. Notes, 9.000%, 08/01/14	100,000	1.48	148,403	0.54%	EUR
B1FH1C1	B1FH1C1	Impress Holdings BV, Gtd. Notes, 7.701%, 09/15/13	100,000	1.46	145,640	0.53%	EUR
5871773	5871773	Hellenic Republic, Bonds, 6.500%, 10/22/19	78,000	1.85	144,088	0.53%	EUR
B141964	B141964	FS Funding AS, Secured Notes, 8.875%, 05/15/16	100,000	1.40	139,720	0.51%	EUR
B1YLC65	B1YLC65	Fiat Finance North America, Inc., Gtd. Euro Medium-Term Notes, 5.625%, 06/12/17	100,000	1.36	136,199	0.50%	EUR
B2NHTM6	B2NHTM6	Momentive Performance Materials, Inc., Bonds, 9.000%, 12/01/14	100,000	1.29	129,063	0.47%	EUR
B068Z13	B068Z13	Republic of Colombia, Unsub. Bonds, 12.000%, 10/22/15	210,000,000	0.00	120,444	0.44%	USD
B0XZ3F7	B0XZ3F7	Ineos Group Holdings Plc, Gtd. Notes, 7.875%, 02/15/16	100,000	1.15	115,249	0.42%	EUR
7622991	7622991	General Motors Corp., Unsub. Notes, 7.250%, 07/03/13	90,000	1.26	112,960	0.41%	EUR
B0DBVJ5	B0DBVJ5	Unity Media GmbH, Secured Notes, 10.125%, 02/15/15	75,000	1.49	111,894	0.41%	EUR
B0DJPW0	B0DJPW0	Smurfit Kappa Funding Plc, Sr. Sub. Notes, 7.750%, 04/01/15	75,000	1.46	109,526	0.40%	EUR
B18TJB9	B18TJB9	Linde Finance BV, Gtd. Bonds, 7.375%, 07/14/66	70,000	1.56	109,231	0.40%	EUR
B14PKN0	B14PKN0	Peru Bono Soberano, Bonds, 8.200%, 08/12/26	260,000	0.41	106,981	0.39%	PEN
5481042	5481042	Swedish Government, Bonds, Series 1043, 5.000%, 01/28/09	610,000	0.17	103,349	0.38%	SEK
7335341	7335341	Denmark (Kingdom of), Bonds, 5.000%, 11/15/13	450,000	0.22	100,453	0.37%	DKK
B14X1C0	B14X1C0	Europcar Groupe SA, Sr. Sub. Notes, 8.125%, 05/15/14	100,000	0.98	97,883	0.36%	EUR
0999799	0999799	United Kingdom, Treasury Bonds, 8.000%, 06/07/21	35,000	2.65	92,711	0.34%	GBP
B014ZQ1	B014ZQ1	Mexican Bonos, Bonds, Series M110, 8.000%, 12/19/13	900,000	0.10	87,034	0.32%	MXN
B09KLF2	B09KLF2	Virgin Media Finance Plc, Gtd. Notes, 9.750%, 04/15/14	50,000	1.69	84,471	0.31%	GBP
B1QY4T9	B1QY4T9	FCE Bank Plc, Sr. Euro Medium-Term Notes, 7.875%, 02/15/11	50,000	1.67	83,479	0.31%	GBP
B1GH7Y4	B1GH7Y4	Huntsman International Lic, Gtd. Notes, Series Regs, 6.875%, 11/15/13	50,000	1.54	76,767	0.28%	EUR
B13V2C2	B13V2C2	Nordic Telephone Co., Holdings, Secured Notes, 8.250%, 05/01/16	50,000	1.50	74,991	0.28%	EUR
B0PHHM6	B0PHHM6	Rockwood Specialties Group, Inc., Gtd. Notes, 7.625%, 11/15/14	50,000	1.47	73,412	0.27%	EUR
001084AK8	001084AK	AGCO Corp., Sr. Sub. Notes, 6.875%, 04/15/14	50,000	1.47	73,404	0.27%	EUR
B1KPKD4	B1KPKD4	Chesapeake Energy Corp., Gtd. Notes, 6.250%, 01/15/17	50,000	1.43	71,636	0.26%	EUR
B1FSV91	B1FSV91	Softbank Corp., Sr. Unsec. Notes, 7.750%, 10/15/13	50,000	1.42	71,044	0.26%	EUR
B14ZR28	B14ZR28	Mecachrome International, Inc., Gtd. Notes, 9.000%, 05/15/14	50,000	1.37	68,281	0.25%	EUR
B14Z8H0	B14Z8H0	Lottomatica SpA, Sub. Bonds, 8.250%, 03/31/66	50,000	1.37	68,281	0.25%	EUR
B1GCZZ6	B1GCZZ6	UPC Holding BV, Sr. Notes, 8.000%, 11/01/16	50,000	1.36	68,084	0.25%	EUR
B1XBH05	B1XBH05	Cognis GmbH, Secured Notes, 6.730%, 09/15/13	50,000	1.36	68,084	0.25%	EUR
B1XFQZ5	B1XFQZ5	CMA CGM SA, Sr. Unsec. Notes, 5.500%, 05/16/12	50,000	1.34	66,997	0.25%	EUR
B1VK4C5	B1VK4C5	TRW Automotive, Inc., Notes, 6.375%, 03/15/14	50,000	1.33	66,702	0.24%	EUR
B1MY7N8	B1MY7N8	Hertz Corp., Gtd. Notes, 7.875%, 01/01/14	50,000	1.32	65,814	0.24%	EUR
B0BSD47	B0BSD47	Codere Finance Luxembourg SA, Gtd. Notes, 8.250%, 06/15/15	50,000	1.29	64,532	0.24%	EUR
B1YBR93	B1YBR93	NXP BV/NXP Funding Llc, Secured Notes, 7.326%, 10/15/13	50,000	1.26	62,756	0.23%	EUR
B1TR2B3	B1TR2B3	Sensata Technologies BV, Gtd. Notes, 9.000%, 05/01/16	50,000	1.26	62,756	0.23%	EUR
135087XY5	135087XY	Canadian Government, Bonds, 4.000%, 09/01/10	60,000	1.01	60,319	0.22%	CAD
B1YY220	B1YY220	Travelport Llc, Gtd. Notes, 9.012%, 09/01/14	50,000	1.20	59,795	0.22%	EUR
B0CSXF7	B0CSXF7	Cirsa Capital Luxembourg SA, Gtd. Notes, 7.875%, 07/15/12	50,000	1.17	58,414	0.21%	EUR
B0G7TZ2	B0G7TZ2	Basell AF SCA, Secured Notes, 8.375%, 08/15/15	50,000	1.16	58,019	0.21%	EUR
B1KMW43	B1KMW43	CEVA Group Plc, Gtd. Notes, 8.500%, 12/01/14	50,000	1.12	56,046	0.21%	EUR
B1Z6K09	B1Z6K09	Beverage Packaging Holdings, Sr. Sub. Notes, 9.500%, 06/15/17	50,000	1.11	55,454	0.20%	EUR
BOY8WM5	BOY8WM5	Ono Finance II Plc, Gtd. Notes, 8.000%, 05/16/14	50,000	1.10	55,059	0.20%	EUR

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6821788	6821788	South Africa Government, Bonds, Series R153, 13.000%, 08/31/10	400,000	0.13	52,719	0.19%	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	1.04	52,014	0.19%	USD
135087XW9	135087XW	Canadian Government, Bonds, 5.000%, 06/01/37	45,000	1.15	51,960	0.19%	CAD
6711953	6711953	South Africa Government, Bonds, Series R201, 8.750%, 12/21/14	400,000	0.12	48,095	0.18%	ZAR
4665063	4665063	HCA, Inc., Sr. Unsec. Notes, 8.750%, 11/01/10	25,000	1.91	47,631	0.17%	GBP
6261083	6261083	Australian Government, Bonds, Series 513, 6.500%, 05/15/13	50,000	0.93	46,525	0.17%	AUD
B06CV40	B06CV40	Gerresheimer Holdings GmbH, Gtd. Notes, 7.875%, 03/01/15	30,000	1.53	45,942	0.17%	EUR
0104009	0104009	FKI Plc, Gtd. Bonds, 6.625%, 02/22/10	30,000	1.52	45,705	0.17%	EUR
7628870	7628870	Ardagh Glass Finance BV, Gtd. Notes, 8.875%, 07/01/13	30,000	1.48	44,284	0.16%	EUR
135087UT9	135087UT	Canadian Government, Bonds, Series A55, 8.000%, 06/01/23	30,000	1.44	43,296	0.16%	CAD
B15S5M2	B15S5M2	Norway Government, Bonds, 4.250%, 05/19/17	217,000	0.20	42,347	0.16%	NOK
B0BP672	B0BP672	Foodcorp, Ltd., Gtd. Notes, 8.875%, 06/15/12	40,000	1.03	41,363	0.15%	EUR
135087YG3	135087YG	Canadian Government, Bonds, 3.750%, 06/01/12	40,000	1.01	40,255	0.15%	CAD
B06ZTX4	B06ZTX4	Crown European Holdings SA, Secured Notes, 6.250%, 09/01/11	25,000	1.51	37,791	0.14%	EUR
135087YB4	135087YB	Canadian Government, Bonds, 4.000%, 06/01/16	35,000	1.02	35,799	0.13%	CAD
B05QN14	B05QN14	Mexican Bonos, Gtd. Bonds, Series M20, 10.000%, 12/05/24	300,000	0.12	34,787	0.13%	MXN
135087XS8	135087XS	Canadian Government, Bonds, 5.000%, 06/01/14	30,000	1.08	32,359	0.13%	CAD
7795075	7795075	Clondalkin Industries BV, Gtd. Notes, 8.000%, 03/15/14	25,000	1.24	30,983	0.12%	EUR
INDOFR25	INDOFR25	Indonesia Government, Bonds, Series FR25, 10.000%, 10/15/11	29,360	1.01	29,743	0.12%	USD
7722352	7722352	Ineos Vinyls Finance PLC, 9.125%, 12/01/2011	20,000	1.25	24,944	0.10%	EUR
B0124S0	B0124S0	Cognis GmbH, Series Regs, Secured Notes, 9.500%, 05/15/14	15,000	1.40	20,958	0.08%	EUR
6148788	6148788	Republic of South Africa, Bonds, Series R186, 10.500%, 12/21/26	150,000	0.14	20,787	0.08%	ZAR
MAURGB		Mauritius Treasury Notes, 9.750%, 11/23/09	200,000	0.04	7,739	0.03%	MUR
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	7,318	0.03%	MUR
		Net Cash & Cash Equivalents			1,528,168	5.61%	