WESTERN ASSET GLOBAL HIGH INCOME FUND INC. Form N-Q October 29, 2007

#### UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

# FORM N-Q

#### QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number

Western Asset Global High Income Inc. (Exact name of registrant as specified in charter)

811-21337

125 Broad Street, New York, NY (Address of principal executive offices) 10004 (Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

300 First Stamford Place

Stamford, CT 06902 (Name and address of agent for service)

Registrant's telephone number, including area code:

1-800-451-2010

Date of fiscal year end: May 31

Date of reporting period: August 31, 2007

## WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

FORM N-Q

AUGUST 31, 2007

ITEM 1. SCHEDULE OF INVESTMENTS

Schedule of Investments (unaudited)

Face		
Amount	Security	Value
CORPORATE BONDS & NOTES 32.2%	·	
Aerospace & Defense 0.5%		
-	Alliant Techsystems Inc., Senior Subordinated Notes, 6.750% due	
410,000	4/1/16 (a)	\$ 402,825
	DRS Technologies Inc., Senior Subordinated Notes, 6.875% due	
1,150,000	11/1/13 (a)	1,132,750
	Hawker Beechcraft Acquisition Co.:	, ,
30,000	Senior Notes, 8.875% due 4/1/15 (a)(b)(c)	29,325
975,000	Senior Subordinated Notes, 9.750% due 4/1/17 (a)(b)	967,687
,	L-3 Communications Corp., Senior Subordinated Notes, 7.625%	, ,
845,000	due $6/15/12$ (a)	864,013
013,000	Total Aerospace & Defense	3,396,600
Airlines 0.2%	Total Actospace & Detense	5,590,000
An mics 0.270	Continental Airlines Inc.:	
270,000	Notes, 8.750% due 12/1/11 (a)	253,800
	Pass-Through Certificates, 6.541% due 9/15/08 (a)	,
57,385		56,814
1 170 000	DAE Aviation Holdings Inc., Senior Notes, 11.250% due 8/1/15	1 170 000
1,170,000	(a)(b)	1,170,000
	Total Airlines	1,480,614
Auto Components 0.2%		
	Keystone Automotive Operations Inc., Senior Subordinated Notes,	
750,000	9.750% due 11/1/13 (a)	603,750
1,275,000	Visteon Corp., Senior Notes, 8.250% due 8/1/10 (a)	1,096,500
	Total Auto Components	1,700,250
Automobiles 1.2%		
	Ford Motor Co.:	
	Debentures:	
545,000	8.875% due 1/15/22 (a)	457,800
275,000	8.900% due 1/15/32 (a)	229,625
7,205,000	Notes, 7.450% due 7/16/31 (a)	5,439,775
	General Motors Corp.:	
570,000	Notes, 7.200% due 1/15/11 (a)	505,875
	Senior Debentures:	
300,000	8.250% due 7/15/23 (a)	240,750
2,540,000	8.375% due 7/15/33 (a)	2,051,050
	Total Automobiles	8,924,875
Building Products 0.4%		
0	Ainsworth Lumber Co., Ltd., Senior Notes, 7.250% due 10/1/12	
205,000	(a)	147,600
,	Associated Materials Inc., Senior Subordinated Notes, 9.750% due	,
1,095,000	4/15/12 (a)	1,116,900
600,000	Nortek Inc., Senior Subordinated Notes, 8.500% due 9/1/14 (a)	522,000
	NTK Holdings Inc., Senior Discount Notes, step bond to yield	322,000
1,240,000	11.555% due 3/1/14 (a)	781,200
1,210,000	Total Building Products	2,567,700
Capital Markets 0.1%	Total Bullung I Totaco	2,307,700
730,000	E*TRADE Financial Corp., Senior Notes, 7.375% due 9/15/13 (a)	653,350
Chemicals 0.6%	E TRADET manetal Corp., Semon Notes, $7.57570$ due $7/15/15$ (a)	055,550
429,000	Equistar Chemicals LP, Senior Notes, 10.625% due 5/1/11 (a)	454,740
+29,000	Equisial Chemicals E1, Semon Notes, $10.023\%$ and $3/1/11$ (a)	454,740

5

930,000	Georgia Gulf Corp., Senior Notes, 9.500% due 10/15/14 (a)	864,900
	Huntsman International LLC, Senior Subordinated Notes, 7.875%	
415,000	due 11/15/14 (a)	435,750
	Lyondell Chemical Co., Senior Notes:	
310,000	8.000% due 9/15/14 (a)	338,675
260,000	8.250% due 9/15/16 (a)	292,500
495,000	Methanex Corp., Senior Notes, 8.750% due 8/15/12 (a)	532,125
1,190,000	Montell Finance Co. BV, Debentures, 8.100% due 3/15/27 (a)(b)	1,041,250

See Notes to Schedule of Investments.

Schedule of Investments (unaudited) (continued)

Face Amount Security Value Chemicals 0.6% (continued) Westlake Chemical Corp., Senior Notes, 6.625% due 1/15/16 220,000 \$ 203,500 (a) **Total Chemicals** 4,163,440 Commercial Banks 1.5% 2,370,000 ATF Capital BV, Senior Notes, 9.250% due 2/21/14 (a)(b) 2,375,925 Banco Mercantil del Norte SA, Subordinated Bonds, 6.135% due 10/13/16 (a)(b)(d) 1,050,000 1,056,148 HSBK Europe BV, 7.250% due 5/3/17 (a)(b) 1,550,825 1,700,000 ICICI Bank Ltd., Subordinated Bonds: 650,000 6.375% due 4/30/22 (a)(b)(d) 608,895 454,000 6.375% due 4/30/22 (a)(b)(d) 426,173 Russian Agricultural Bank, Loan Participation Notes: 7.175% due 5/16/13 (b) 1,692,000 1,734,300 6.299% due 5/15/17 (b) 1,529,000 1,448,727 TuranAlem Finance BV. Bonds: 1,786,000 8.250% due 1/22/37 (a)(b) 1,531,495 400.000 8.250% due 1/22/37 (a)(b) 343.000 **Total Commercial Banks** 11,075,488 Commercial Services & Supplies 0.7% Allied Security Escrow Corp., Senior Subordinated Notes, 775,000 775,000 11.375% due 7/15/11 (a) Allied Waste North America Inc., Senior Notes: 400,000 7.250% due 3/15/15 (a) 402,000 900,000 Series B, 7.375% due 4/15/14 (a) 882,000 1.118.000 DynCorp International LLC/DIV Capital Corp., Senior Subordinated Notes, 9.500% due 2/15/13 (a) 1.140.360 Interface Inc., Senior Subordinated Notes, 9.500% due 2/1/14 1,100,000 1,144,000 (a) Rental Services Corp., Senior Bonds, 9.500% due 12/1/14 745,000 (a)(b) 732,894 **Total Commercial Services & Supplies** 5,076,254 Consumer Finance 1.4% Ford Motor Credit Co.: Notes: 50,000 7.875% due 6/15/10 (a) 46,968 1,300,000 7.000% due 10/1/13 (a) 1,159,114 Senior Notes: 10.615% due 6/15/11 (a)(d) 1,647,099 1,650,000 9.875% due 8/10/11 (a) 115,000 113,616 8.110% due 1/13/12 (a)(d) 192,491 210,000 8.000% due 12/15/16 (a) 440,000 406,685 General Motors Acceptance Corp.: 5,820,000 Bonds, 8.000% due 11/1/31 (a) 5,241,527 2,040,000 Notes, 6.875% due 8/28/12 (a) 1,803,970 **Total Consumer Finance** 10,611,470 **Containers & Packaging** 0.6% Graham Packaging Co. Inc., Senior Subordinated Notes, 1,100,000 9.875% due 10/15/14 (a) 1,083,500

7

	Graphic Packaging International Corp., Senior Subordinated	
805,000	Notes, 9.500% due 8/15/13 (a)	817,075
1,575,000	Owens-Illinois Inc., Senior Notes, 7.350% due 5/15/08 (a)	1,582,875
	Plastipak Holdings Inc., Senior Notes, 8.500% due 12/15/15	
390,000	(a)(b)	397,800
575,000	Radnor Holdings Corp., Senior Notes, 11.000% due 3/15/10 (e)	3,594
	Smurfit-Stone Container Enterprises Inc., Senior Notes, 8.375%	
745,000	due 7/1/12 (a)	733,825
	Total Containers & Packaging	4,618,669

See Notes to Schedule of Investments.

Schedule of Investments (unaudited) (continued)

Face		
Amount	Security	Value
Diversified Consumer Services 0.2%	Education Management LLC/Education Management Finance	
	Corp.:	
430,000	Senior Notes, 8.750% due 6/1/14 (a)	\$ 438,600
595,000	Senior Subordinated Notes, 10.250% due 6/1/16 (a)	617,312
	Service Corp. International:	
210,000	7.500% due 4/1/27 (a)	194,250
140,000	Debentures, 7.875% due 2/1/13 (a)	142,815
185,000	Senior Notes, 7.625% due 10/1/18 (a)	186,850
	Total Diversified Consumer Services	1,579,827
Diversified Financial Services 0.7%		
420,000	Basell AF SCA, Senior Secured Subordinated Second Priority	275 000
550,000	Notes, 8.375% due $8/15/15$ (a)(b)	375,900
550,000	CCM Merger Inc., Notes, 8.000% due 8/1/13 (a)(b)	528,000
290,000	El Paso Performance-Linked Trust Certificates, Notes, 7.750% due 7/15/11 (a)(b)	298,567
290,000	Global Cash Access LLC/Global Cash Finance Corp., Senior	298,307
487,000	Subordinated Notes, 8.750% due 3/15/12 (a)	496,740
107,000	Milacron Escrow Corp., Senior Secured Notes, 11.500% due	190,710
150,000	5/15/11 (a)	145,125
1,750,000	TNK-BP Finance SA, 7.500% due 7/18/16 (a)(b)	1,732,500
161,000	UCAR Finance Inc., Senior Notes, 10.250% due 2/15/12 (a)	169,050
	Vangent Inc., Senior Subordinated Notes, 9.625% due 2/15/15	
295,000	(b)	274,350
890,000	Vanguard Health Holdings Co. I LLC, Senior Discount Notes,	
	step bond to yield 9.952% due 10/1/15 (a)	649,700
	Vanguard Health Holdings Co. II LLC, Senior Subordinated	
555,000	Notes, 9.000% due 10/1/14 (a)	521,700
	Total Diversified Financial Services	5,191,632
Diversified Telecommunication Services 1.6% 650,000	Cincinnati Ball Inc. Senior Notes 7 000% due 2/15/15 (a)	627,250
050,000	Cincinnati Bell Inc., Senior Notes, 7.000% due 2/15/15 (a) Cincinnati Bell Telephone Co., Senior Debentures, 6.300%	027,230
120,000	due $12/1/28$ (a)	105,000
120,000	Citizens Communications Co., Senior Notes, 7.875% due	105,000
635,000	1/15/27 (a)	598,487
	Hawaiian Telcom Communications Inc., Senior Subordinated	,
570,000	Notes, 12.500% due 5/1/15 (a)	607,050
	Intelsat Bermuda Ltd., Senior Notes:	
755,000	9.250% due 6/15/16 (a)	781,425
1,505,000	11.250% due 6/15/16 (a)	1,582,131
	L-3 Communications Corp., Senior Subordinated Notes,	
25,000	6.375% due 10/15/15 (a)	24,313
7/5 000	Level 3 Financing Inc.:	540.105
765,000	9.250% due 11/1/14 (a) 0.150% due 2/15/15 (c)(d)	740,137
70,000	9.150% due 2/15/15 (a)(d) Nordie Talaphone Co. Holdings, Sanior Secured Bonds	65,800
670,000	Nordic Telephone Co. Holdings, Senior Secured Bonds, 8.875% due 5/1/16 (a)(b)	696,800
070,000	PAETEC Holding Corp., Senior Note, 9.500% due 7/15/15	090,000
360,000	(a)(b)	345,600
500,000	(4)(0)	575,000

	Qwest Communications International Inc., Senior Notes,	
1,520,000	7.500% due 2/15/14 (a)	1,501,000
85,000	Qwest Corp., Notes, 8.615% due 6/15/13 (a)(d)	90,100
	Telcordia Technologies Inc., Senior Subordinated Notes,	
1,255,000	10.000% due 3/15/13 (a)(b)	947,525
	Univision Communications Inc., Senior Notes, 9.750% due	
370,000	3/15/15 (a)(b)(c)	354,275
	Virgin Media Finance PLC, Senior Notes:	
650,000	8.750% due 4/15/14 (a)	661,375
550,000	9.125% due 8/15/16 (a)	558,938
	Wind Acquisition Finance SA, Senior Bonds, 10.750% due	
155,000	12/1/15 (a)(b)	160,425
155,000	12/1/15 (a)(b)	160,425

### See Notes to Schedule of Investments.

Schedule of Investments (unaudited) (continued)

Face Amount Security Value **Diversified Telecommunication Services** 1.6% (continued) 1,225,000 Windstream Corp., Senior Notes, 8.625% due 8/1/16 (a) \$ 1,286,250 **Total Diversified Telecommunication Services** 11,733,881 Electric Utilities 0.2% 581,000 Enersis SA, Notes, 7.375% due 1/15/14 (a) 621,768 Orion Power Holdings Inc., Senior Notes, 12.000% due 5/1/10 602,250 550,000 (a) **Total Electric Utilities** 1,224,018 Electronic Equipment & Instruments 0.1% NXP BV/NXP Funding LLC: Senior Notes, 9.500% due 10/15/15 (a) 170,000 147,475 530,000 Senior Secured Notes, 7.875% due 10/15/14 (a) 480,312 **Total Electronic Equipment & Instruments** 627,787 Energy Equipment & Services 0.1% Complete Production Services Inc., 8.000% due 12/15/16 (a) 560,000 541,800 GulfMark Offshore Inc., Senior Subordinated Notes, 7.750% due 175,000 7/15/14 (a) 173,250 270,000 Pride International Inc., Senior Notes, 7.375% due 7/15/14 (a) 274,050 989,100 **Total Energy Equipment & Services** Food & Staples Retailing 0.1% CVS Caremark Corp., Pass-Through Certificates, 5.298% due 192,505 1/11/27 (a)(b) 185,310 CVS Lease Pass-Through Trust: 106,058 5.880% due 1/10/28 (a)(b) 101.153 650,466 6.036% due 12/10/28 (a)(b) 636,170 **Total Food & Staples Retailing** 922.633 Food Products 0.1% Dole Food Co. Inc., Senior Notes: 7.250% due 6/15/10 (a) 610,000 567,300 8.875% due 3/15/11 (a) 432,000 412,560 **Total Food Products** 979,860 Gas Utilities 0.2% 1,480,000 Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes, 6.875% due 12/15/13 (a) 1,420,800 Health Care Equipment & Supplies 0.0% 330.000 Advanced Medical Optics Inc., 7.500% due 5/1/17 (a) 302,775 Health Care Providers & Services 1.6% Community Health Systems Inc., Senior Notes, 8.875% due 1,180,000 7/15/15 (a)(b) 1,184,425 DaVita Inc., Senior Subordinated Notes, 7.250% due 3/15/15 (a) 1,300,000 1,280,500 HCA Inc.: Notes, 6.375% due 1/15/15 (a) 1,111,800 1,360,000 400,000 Senior Notes, 6.500% due 2/15/16 (a) 328,000 Senior Secured Notes: 540,000 9.250% due 11/15/16 (a)(b) 556,200 2,920,000 9.625% due 11/15/16 (a)(b)(c) 3,025,850 1,675,000 IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes, 8.750% due 6/15/14 (a) 1.641.500

Tenet Healthcare Corp., Senior Notes:

430,000	6.375% due 12/1/11 (a)	363,350
125,000	7.375% due 2/1/13 (a)	104,375
1,539,000	9.875% due 7/1/14 (a)	1,369,710
	Universal Hospital Services Inc., Secured Notes:	
135,000	8.500% due 6/1/15 (a)(b)(c)	128,925
160,000	8.760% due 6/1/15 (a)(b)(d)	155,200

See Notes to Schedule of Investments.

Schedule of Investments (unaudited) (continued)

Face Amount Security Value Health Care Providers & Services 1.6% (continued) US Oncology Holdings Inc., Senior Notes, 9.797% due 3/15/12 705,000 \$ 655,650 (a)(b)(c)(d)**Total Health Care Providers & Services** 11,905,485 Hotels, Restaurants & Leisure 2.3% Boyd Gaming Corp., Senior Subordinated Notes, 6.750% due 4/15/14 (a) 675,000 641,250 695,000 Buffets Inc., Senior Notes, 12.500% due 11/1/14 (a) 538,625 Caesars Entertainment Inc.: 479,504 465,000 Senior Notes, 7.000% due 4/15/13 (a) 650,000 Senior Subordinated Notes, 8.875% due 9/15/08 (a) 660,562 Choctaw Resort Development Enterprise, Senior Notes, 7.250% 557,000 538,898 due 11/15/19 (a)(b) Denny s Holdings Inc., Senior Notes, 10.000% due 10/1/12 (a) 892,500 875,000 255,000 El Pollo Loco Inc., Senior Notes, 11.750% due 11/15/13 (a) 261,375 Herbst Gaming Inc., Senior Subordinated Notes, 7.000% due 825,000 11/15/14 (a) 643,500 Inn of the Mountain Gods Resort & Casino, Senior Notes, 1,000,000 12.000% due 11/15/10 (a) 1,060,000 975,000 Las Vegas Sands Corp., Senior Notes, 6.375% due 2/15/15 (a) 931,125 MGM MIRAGE Inc.: Notes, 6.750% due 9/1/12 (a) 546,000 560,000 Senior Notes: 675,000 5.875% due 2/27/14 (a) 622,688 30,000 6.625% due 7/15/15 (a) 28,388 725.000 7.625% due 1/15/17 (a) 721.375 Mohegan Tribal Gaming Authority, Senior Subordinated Notes: 7.125% due 8/15/14 (a) 675.000 663.187 6.875% due 2/15/15 (a) 625,000 603,125 Pinnacle Entertainment Inc., Senior Subordinated Notes: 8.250% due 3/15/12 (a) 450,000 454,500 8.750% due 10/1/13 (a) 675,000 688,500 Pokagon Gaming Authority, Senior Notes, 10.375% due 940,000 6/15/14 (a)(b) 1,010,500 River Rock Entertainment Authority, Senior Notes, 9.750% due 95,000 97,850 11/1/11 (a) 400,000 Sbarro Inc., Senior Notes, 10.375% due 2/1/15 (a) 353,500 1,150,000 Seneca Gaming Corp., Senior Notes, 7.250% due 5/1/12 (a) 1,161,500 Snoqualmie Entertainment Authority, Senior Secured Notes: 147,188 150,000 9.063% due 2/1/14 (a)(b)(d) 9.125% due 2/1/15 (a)(b) 142,281 145,000 Station Casinos Inc.: Senior Notes: 110,000 6.000% due 4/1/12 (a) 102,575 760,000 7.750% due 8/15/16 (a) 731,500 Senior Subordinated Notes, 6.875% due 3/1/16 (a) 160,075 190,000 Turning Stone Casino Resort Enterprise, Senior Notes, 9.125% 2,000,000 due  $\frac{12}{15}$  (a)(b) 2.030.000 **Total Hotels, Restaurants & Leisure** 16,912,071

Household Durables	0.3%		
	80,000	American Greetings Corp., Senior Notes, 7.375% due 6/1/16 (a)	76,000
		K Hovnanian Enterprises Inc., Senior Notes:	
	780,000	7.500% due 5/15/16 (a)	604,500
	130,000	8.625% due 1/15/17 (a)	103,350
		Norcraft Cos. LP/Norcraft Finance Corp., Senior Subordinated	
	1,050,000	Notes, 9.000% due 11/1/11 (a)	1,055,250
	445,000	Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount	
		Notes, step bond to yield 9.838% due 9/1/12 (a)	396,050
		Total Household Durables	2,235,150

See Notes to Schedule of Investments.

Schedule of Investments (unaudited) (continued)

Face	Security	¥7 - 1
Amount Household Products 0.1%	Security	Value
	Visant Holding Com. Series Notes 97500 due 12/1/12 (a)	\$ 492,450
490,000	Visant Holding Corp., Senior Notes, 8.750% due 12/1/13 (a) <b>1.4%</b>	\$ 492,450
Independent Power Producers & Energy Traders		((7,500
675,000	AES China Generating Co., Ltd., 8.250% due 6/26/10 (a)	667,590
	AES Corp.:	
525 000	Senior Notes:	551 050
525,000	9.375% due 9/15/10 (a)	551,250
670,000	8.875% due 2/15/11 (a)	691,775
1,940,000	7.750% due 3/1/14 (a)	1,930,300
190,000	Senior Secured Notes, 9.000% due 5/15/15 (a)(b)	199,025
1,150,000	Dynegy Holdings Inc., Senior Notes, 7.750% due 6/1/19 (a)(b)	1,069,500
	Edison Mission Energy, Senior Notes:	
75,000	7.500% due 6/15/13 (a)	75,937
690,000	7.750% due 6/15/16 (a)	698,625
550,000	7.200% due 5/15/19 (a)(b)	522,500
590,000	7.625% due 5/15/27 (a)(b)	551,650
	Mirant North America LLC, Senior Notes, 7.375% due 12/31/13	
845,000	(a)	845,000
	NRG Energy Inc., Senior Notes:	
450,000	7.250% due 2/1/14 (a)	446,625
2,135,000	7.375% due 2/1/16 (a)	2,113,650
_,,~~~	Total Independent Power Producers & Energy Traders	10,363,427
Industrial Conglomerates 0.1%		10,000,127
523,000	Koppers Inc., Senior Notes, 9.875% due 10/15/13 (a)	546,535
205,000	Sequa Corp., Senior Notes, 9.000% due 8/1/09 (a)	213,200
205,000	Total Industrial Conglomerates	759,735
Internet & Catalog Retail 0.1%	Total industrial congromerates	159,155
405,000	FTD Inc., Senior Subordinated Notes, 7.750% due 2/15/14 (a)	378,675
IT Services 0.2%	11D me., Senior Subordinated Notes, $7.750%$ due $2715/14$ (a)	576,075
11 Services 0.2 /0	SunGard Data Systems Inc.:	
325,000	Senior Notes, 9.125% due 8/15/13 (a)	337,187
1,415,000		1,464,525
1,415,000	Senior Subordinated Notes, 10.250% due 8/15/15 (a)	
	Total IT Services	1,801,712
Leisure Equipment & Products 0.1%	WMC Accessibilities Come Service Subardinated Nature 7 2750	
420,000	WMG Acquisition Corp., Senior Subordinated Notes, 7.375%	271 700
420,000	due 4/15/14 (a)	371,700
Media 2.5%		
777.000	Affinion Group Inc.:	
755,000	Senior Notes, 10.125% due 10/15/13 (a)	758,775
380,000	Senior Subordinated Notes, 11.500% due 10/15/15 (a)	381,900
	AMC Entertainment Inc., Senior Subordinated Notes, 11.000%	
610,000	due 2/1/16 (a)	637,450
	CCH I Holdings LLC/CCH I Holdings Capital Corp.:	
325,000	Senior Accreting Notes, 12.125% due 1/15/15 (a)	292,500
1,205,000	Senior Notes, 11.750% due 5/15/14 (a)	1,078,475
	CCH I LLC/CCH Capital Corp., Senior Secured Notes, 11.000%	
1,247,000	due 10/1/15 (a)	1,228,295
	CCH II LLC/CCH II Capital Corp., Senior Notes:	
1,050,000	10.250% due 9/15/10 (a)	1,065,750

309,000	10.250% due 10/1/13 (a)	313,635
	Charter Communications Holdings LLC, Senior Discount Notes,	
185,000	12.125% due 1/15/12 (a)	179,450
285,000	Charter Communications Holdings LLC/Charter	
	Communications Holdings Capital Corp., Senior Discount	
	Notes, 11.750% due 5/15/11 (a)	276,450

See Notes to Schedule of Investments.

Schedule of Investments (unaudited) (continued)

Face Amount Security Value Media 2.5% (continued) Chukchansi Economic Development Authority, Senior Notes, 400,000 8.000% due 11/15/13 (a)(b) \$ 400,000 CMP Susquehanna Corp., 9.875% due 5/15/14 (a) 575,000 534,750 CSC Holdings Inc.: 425,000 Senior Debentures, 8.125% due 8/15/09 (a) 429,250 Senior Notes: 8.125% due 7/15/09 (a) 555,500 550,000 250,000 7.625% due 4/1/11 (a) 247,500 546,250 575,000 6.750% due 4/15/12 (a) Dex Media West LLC/Dex Media Finance Co., Senior 1,367,000 Subordinated Notes, 9.875% due 8/15/13 (a) 1,449,020 EchoStar DBS Corp., Senior Notes: 7.000% due 10/1/13 (a) 375,000 372,187 6.625% due 10/1/14 (a) 1,775,000 1,721,750 675,000 Idearc Inc., Senior Notes, 8.000% due 11/15/16 (a) 669,937 ION Media Networks Inc., Senior Secured Notes, 11.610% due 160,000 1/15/13 (a)(b)(d) 160,400 Lamar Media Corp., Senior Subordinated Notes, 6.625% due 455,000 8/15/15 (a) 436,800 270,000 Quebecor Media Inc., Senior Notes, 7.750% due 3/15/16 (a) 258,188 R.H. Donnelley Corp., Senior Notes, 8.875% due 1/15/16 (a) 566,500 550,000 R.H. Donnelley Inc., Senior Subordinated Notes, 10.875% due 1,000,000 12/15/12 (a) 1,062,500 1,100,000 Rogers Cable Inc., Senior Secured Notes, 7.875% due 5/1/12 (a) 1,187,889 Sinclair Broadcast Group Inc., Senior Subordinated Notes, 69.000 8.000% due 3/15/12 (a) 70.035 690.000 TL Acquisitions Inc., Senior Notes, 10.500% due 1/15/15 (a)(b) 653.775 Videotron Ltee., Senior Notes, 6.375% due 12/15/15 (a) 225,000 206,438 XM Satellite Radio Inc., Senior Notes: 370,000 9.856% due 5/1/13 (a)(d) 345,950 205,000 9.750% due 5/1/14 (a) 195,775 **Total Media** 18,283,074 Metals & Mining 2.0% 80,000 Chaparral Steel Co., Senior Notes, 10.000% due 7/15/13 (a) 91,200 Corporacion Nacional del Cobre-Codelco, Notes, 5.500% due 1,050,000 10/15/13 (a)(b) 1,060,296 Freeport-McMoRan Copper & Gold Inc., Senior Notes, 8.375% 4,210,000 4,494,175 due 4/1/17 (a) Metals USA Inc., Senior Secured Notes, 11.125% due 12/1/15 (a) 1,235,000 1,321,450 Noranda Aluminum Holding Corp., Senior Notes, 11.146% due 525,000 11/15/14 (a)(b)(c)(d) 480,375 495,000 Novelis Inc., Senior Notes, 7.250% due 2/15/15 (a) 482,625 500,000 Tube City IMS Corp., 9.750% due 2/1/15 (a) 492,500 Vale Overseas Ltd., Notes: 1,448,000 8.250% due 1/17/34 (a) 1,705,889 4,524,000 6.875% due 11/21/36 (a) 4,603,622 **Total Metals & Mining** 14,732,132

Multiline Retail 0.3%

	Dollar General Corp.:	
650,000	Senior Notes, 10.625% due 7/15/15 (a)(b)	588,250
640,000	Senior Subordinated Notes, 11.875% due 7/15/17 (a)(b)(c)	540,800
	Neiman Marcus Group Inc.:	
165,000	Senior Notes, 9.000% due 10/15/15 (a)(c)	174,900
925,000	Senior Subordinated Notes, 10.375% due 10/15/15 (a)	999,000
	Total Multiline Retail	2,302,950
Oil, Gas & Consumable Fuels 5.9%		
1,135,000	Belden & Blake Corp., Secured Notes, 8.750% due 7/15/12 (a)	1,140,675
	Chesapeake Energy Corp., Senior Notes:	

See Notes to Schedule of Investments.

Schedule of Investments (unaudited) (continued)

Face Security Value Amount Oil, Gas & Consumable Fuels 5.9% (continued) \$ 1,350,000 6.375% due 6/15/15 (a) 1,297,687 270,000 6.625% due 1/15/16 (a) 262,575 Colorado Interstate Gas Co., Senior Notes, 6.800% due 160,000 11/15/15 (a) 165,911 Compagnie Generale de Geophysique SA, Senior Notes, 7.500% due 5/15/15 (a) 245,000 247,450 454,112 Corral Finans AB, 10.360% due 4/15/10 (a)(b)(c)(d) 435,948 El Paso Corp.: Medium-Term Notes: 2,050,000 7.375% due 12/15/12 (a) 2,105,557 1,330,000 7.750% due 1/15/32 (a) 1,330,827 125,000 Notes, 7.875% due 6/15/12 (a) 130,430 El Paso Natural Gas Co., Bonds, 8.375% due 6/15/32 (a) 70,000 81,688 Enterprise Products Operating LP, Junior Subordinated 540,000 Notes, 8.375% due 8/1/66 (a)(d) 553.757 1,030,000 EXCO Resources Inc., Senior Notes, 7.250% due 1/15/11 (a) 1,042,875 Gazprom: Bonds: 159,710,000 Series A7, 6.790% due 10/29/09 (a) 6,269,060 RUB 53,230,000 RUB Series A8, 7.000% due 10/27/11 (a) 2,070,742 Loan Participation Notes: 890,000 6.212% due 11/22/16 (b) 859,740 1,179,000 6.510% due 3/7/22 (b) 1,163,040 Senior Notes, 6.510% due 3/7/22 (b) 570,000 552,330 61.340.000 RUB Gazprom OAO, Series A6, 6.950% due 8/6/09 (a) 2.404.727 International Coal Group Inc., Senior Notes, 10.250% due 655,000 7/15/14 (a) 617,337 LUKOIL International Finance BV: 6.356% due 6/7/17 (b) 830,000 780,200 946,000 6.656% due 6/7/22 (a)(b) 877,415 390,000 Mariner Energy Inc., Senior Notes, 7.500% due 4/15/13 (a) 372,450 Northwest Pipeline Corp., Senior Notes, 7.000% due 6/15/16 845,000 885,137 (a) OPTI Canada Inc., Senior Secured Notes: 690,000 7.875% due 12/15/14 (a)(b) 695,175 445,000 8.250% due 12/15/14 (a)(b) 452,788 Pemex Project Funding Master Trust: 5,000,000 8.625% due 12/1/23 (a) 6,137,500 1,040,000 Bonds, 6.625% due 6/15/35 (a) 1,064,679 Petrohawk Energy Corp., Senior Notes, 9.125% due 7/15/13 510,000 534,225 (a) Petroplus Finance Ltd., Senior Notes, 7.000% due 5/1/17 410,000 (a)(b) 379,250 Petrozuata Finance Inc.: 1,800,000 8.220% due 4/1/17 (a)(b) 1,782,000 600,000 8.220% due 4/1/17 (a)(b) 603,000 Pogo Producing Co., Senior Subordinated Notes, 7.875% due 610,000 5/1/13 (a) 617,625

19

1,245,000	SemGroup LP, Senior Notes, 8.750% due 11/15/15 (a)(b)	1,204,537
40,000	SESI LLC, Senior Notes, 6.875% due 6/1/14 (a)	38,400
	Stone Energy Corp., Senior Subordinated Notes, 8.250% due	
660,000	12/15/11 (a)	651,750
550,000	TNK-BP Finance SA, 6.625% due 3/20/17 (a)(b)	510,125
355,000	W&T Offshore Inc., Senior Notes, 8.250% due 6/15/14 (a)(b)	332,813
	Whiting Petroleum Corp., Senior Subordinated Notes,	
630,000	7.000% due 2/1/14 (a)	596,925
	Williams Cos. Inc.:	
1,060,000	Notes, 8.750% due 3/15/32 (a)	1,211,050
1,000,000	Senior Notes, 7.625% due 7/15/19 (a)	1,067,500
	Total Oil, Gas & Consumable Fuels	43,526,900
Paper & Forest Products 0.5%		
	Abitibi-Consolidated Co. of Canada, Senior Notes:	
550,000	6.000% due 6/20/13 (a)	409,750

See Notes to Schedule of Investments.

Schedule of Investments (unaudited) (continued)

Face Amount Security Value Paper & Forest Products 0.5% (continued) 325,000 8.375% due 4/1/15 (a) \$ 256,750 Abitibi-Consolidated Inc.: 485,000 354,050 Debentures, 7.400% due 4/1/18 (a) 110,000 Notes, 7.750% due 6/15/11 (a) 92,400 Appleton Papers Inc.: Senior Notes, 8.125% due 6/15/11 (a) 373,594 375,000 715,000 Senior Subordinated Notes, 9.750% due 6/15/14 (a) 723,043 NewPage Corp.: 942,525 885,000 Senior Secured Notes, 11.606% due 5/1/12 (a)(d) 65,000 Senior Subordinated Notes, 12.000% due 5/1/13 (a) 68,250 565,000 Verso Paper Holdings LLC, 11.375% due 8/1/16 (a) 579,125 **Total Paper & Forest Products** 3,799,487 Pharmaceuticals 0.2% Leiner Health Products Inc., Senior Subordinated Notes, 11.000% 1.270.000 due 6/1/12 1,111,250 Real Estate Investment Trusts (REITs) 0.4% 30.000 Forest City Enterprises Inc., Senior Notes, 7.625% due 6/1/15 (a) 28,350 2,275,000 Host Marriott LP, Senior Notes, 7.125% due 11/1/13 (a) 2,275,000 Kimball Hill Inc., Senior Subordinated Notes, 10.500% due 155,000 12/15/12 (a) 113,925 Ventas Realty LP/Ventas Capital Corp., Senior Notes: 175.000 6.500% due 6/1/16 (a) 169.312 690,000 6.750% due 4/1/17 (a) 674,475 Total Real Estate Investment Trusts (REITs) 3,261,062 Real Estate Management & Development 0.2% Ashton Woods USA LLC/Ashton Woods Finance Co., Senior 325.000 Subordinated Notes, 9.500% due 10/1/15 (a) 260.000 Realogy Corp., Senior Subordinated Notes, 12.375% due 4/15/15 1,145,062 1,550,000 (a)(b)**Total Real Estate Management & Development** 1,405,062 Road & Rail 0.5% Grupo Transportacion Ferroviaria Mexicana SA de CV, Senior 790,000 Notes, 9.375% due 5/1/12 (a) 821,600 Hertz Corp .: 750,000 Senior Notes, 8.875% due 1/1/14 (a) 780,000 Senior Subordinated Notes, 10.500% due 1/1/16 (a) 1,660,000 1,801,100 Kansas City Southern de Mexico, Senior Notes, 7.625% due 160,000 12/1/13 (a)(b) 157,200 Kansas City Southern Railway, Senior Notes, 7.500% due 6/15/09 190,000 190,950 (a) Total Road & Rail 3,750,850 Semiconductors & Semiconductor Equipment 0.1% 605,000 Freescale Semiconductor Inc., 8.875% due 12/15/14 (a) 561,138 Software 0.1% Activant Solutions Inc., Senior Subordinated Notes, 9.500% due 495,000 5/1/16 (a) 439,313 Specialty Retail 0.2%

AutoNation Inc., Senior Notes:

335,000	7.360% due 4/15/13 (a)(d)	316,575
85,000	7.000% due 4/15/14 (a)	80,431
	Blockbuster Inc., Senior Subordinated Notes, 9.000% due 9/1/12	
590,000	(a)	510,350
	Eye Care Centers of America, Senior Subordinated Notes, 10.750%	
345,000	due 2/15/15 (a)	370,875
	Total Specialty Retail	1,278,231

See Notes to Schedule of Investments.

Schedule of Investments (unaudited) (continued)

Face Amount Security Value Textiles, Apparel & Luxury Goods 0.3% 995,000 Levi Strauss & Co., Senior Notes, 9.750% due 1/15/15 (a) \$ 1,034,800 Simmons Bedding Co., Senior Subordinated Notes, 7.875% due 350,000 1/15/14 (a) 329,438 Simmons Co., Senior Discount Notes, step bond to yield 9.983% 1.375.000 due 12/15/14 (a) 1.075.937 **Total Textiles, Apparel & Luxury Goods** 2,440,175 Tobacco 0.1% Alliance One International Inc., Senior Notes, 11.000% due 5/15/12 480,000 504,000 (a) Trading Companies & Distributors 0.3% 475,000 Ashtead Capital Inc., Notes, 9.000% due 8/15/16 (a)(b) 472,625 H&E Equipment Services Inc., Senior Notes, 8.375% due 7/15/16 765,000 787,950 (a) Penhall International Corp., Senior Secured Notes, 12.000% due 1.005.000 8/1/14 (a)(b) 1.050.225 **Total Trading Companies & Distributors** 2,310,800 Transportation Infrastructure 0.1% Saint Acquisition Corp., Secured Notes: 310.000 13.308% due 5/15/15 (b)(d) 217,000 1.090.000 12.500% due 5/15/17 (b) 743,925 **Total Transportation Infrastructure** 960,925 Wireless Telecommunication Services 1.6% 260.000 MetroPCS Wireless Inc., Senior Notes, 9.250% due 11/1/14 (a)(b) 257,400 1,105,000 Nextel Communications Inc., Senior Notes, 7.375% due 8/1/15 (a) 1,113,302 Rogers Wireless Communications Inc., Senior Secured Notes, 20.000 7.250% due 12/15/12 (a) 21.221 Rogers Wireless Inc., Senior Subordinated Notes, 8.000% due 12/15/12 (a) 170,000 179,396 Rural Cellular Corp.: 260,000 Senior Notes, 9.875% due 2/1/10 (a) 270,400 900,000 Senior Secured Notes, 8.250% due 3/15/12 (a) 940,500 Senior Subordinated Notes, 8.360% due 6/1/13 (a)(b)(d) 440,000 451,000 6,510,000 True Move Co., Ltd., 10.750% due 12/16/13 (a)(b) 6,542,550 1,708,000 UBS Luxembourg SA for OJSC Vimpel Communications, Loan Participation Notes, 8.250% due 5/23/16 (b) 1,720,810 **Total Wireless Telecommunication Services** 11,496,579 **TOTAL CORPORATE BONDS & NOTES** (Cost \$242.103.141) 236,625,356 ASSET-BACKED SECURITIES 0.0% Home Equity 0.0% 110,125 Finance America Net Interest Margin Trust, 5.250% due 6/27/34 (b) 1 Sail Net Interest Margin Notes: Series 2003-6A, Class A, 7.000% due 7/27/33 (a)(b) 14,101 282 42,974 Series 2003-7A, Class A, 7.000% due 7/27/33 (a)(b)(f) 262 TOTAL ASSET-BACKED SECURITIES (Cost \$166,858) 545

COLLATERALIZED MORTGAGE OBLIGATIONS 0.7%

		Federal National Mortgage Association (FNMA) STRIP:	
8,461,746		Series 329, Class 2, IO, 5.500% due 1/1/33 (g)	2,163,684
10,397,977		Series 338, Class 2, IO, 5.500% due 7/1/33 (g)	2,690,277
		TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS	
		(Cost \$5,440,184)	4,853,961
LOAN PARTICIPATIONS	0.2%		
998,895		Ashmore Energy International Term Loan, 8.350% due 3/30/14	
		(Credit Suisse Securities)(d)(h)	968,928
		See Notes to Schedule of Investments.	

Schedule of Investments (unaudited) (continued)

Face			
Amount		Security	Value
LOAN PARTICIPATIONS	0.2% (continued)		
131,105		Ashmore Energy International, Synthetic Revolving Credit	
		Facility, 8.250% due 3/30/14 (Credit Suisse Securities)(d)(h) STOTAL LOAN PARTICIPATIONS	5 127,172
		(Cost \$1,127,322)	1,096,100
MORTGAGE-BACKED SE	ECURITIES 30.8%		
FHLMC 7.9%			
2 1 ( 2 5 1 7		Federal Home Loan Mortgage Corp. (FHLMC):	2 102 224
2,169,517		5.942% due $10/1/36$ (a)(d)	2,183,336
4,262,942		5.736% due $3/1/37$ (a)(d)	4,257,506
3,542,478		5.888% due 5/1/37 (a)(d)	3,556,525
40,000,000		Gold: 5.000% due 8/7/37 (i)	28 021 240
10,000,000		5.500% due 8/757 (i) 5.500% due 9/13/37 (i)	38,031,240 9,767,190
200,000		FH 7/1 Hybrid, 6.126% due 9/1/37 (d)(i)	200,094
200;000		TOTAL FHLMC	57,995,891
FNMA 20.8%		IOTAL FILMC	57,995,691
		Federal National Mortgage Association (FNMA):	
45,650,000		5.500% due 9/18/22-10/11/37 (i)	44,634,472
50,850,000		6.000% due 9/18/22-10/11/37 (i)	50,788,639
35,700,000		5.000% due 8/30/37-9/13/37 (i)	33,931,744
22,770,000		6.500% due 9/13/37-10/11/37 (i)	23,110,858
		TOTAL FNMA	152,465,713
GNMA 2.1%			
		Government National Mortgage Association (GNMA) I,	
2,600,000		6.500% due 9/19/37 (i)	2,649,156
		Government National Mortgage Association (GNMA) II,	
12,800,000		6.500% due 10/18/37 (i)	13,028,070
		TOTAL GNMA	15,677,226
		TOTAL MORTGAGE-BACKED SECURITIES	
		(Cost \$225,611,075)	226,138,830
	.9%		
Argentina 0.5%			
1.074.000	EUD	Republic of Argentina:	402 504
1,074,000	EUR EUR	9.000% due 6/20/03 (e)	492,584
1,100,000 1,729,117	EUR	10.250% due 1/26/07 (e) 8.000% due 2/26/08 (e)	540,144 834,325
1,729,117	DEM	11.750% due $11/13/26$ (e)	854,525 358,072
2,122,847	ARS	Bonds, 2.000% due 1/3/20 (e)	1,335,727
522,000	EUR	Medium-Term Notes, 10.000% due 2/22/07 (e)	256,323
522,000	Lon	Total Argentina	3,817,175
Brazil 2.3%		1 our mgenting	5,017,175
		Brazil Nota do Tesouro Nacional:	
1,000	BRL	10.000% due 1/1/10 (a)	493
32,108,000	BRL	10.000% due 7/1/10 (a)	15,575,101
		Federative Republic of Brazil, Collective Action Securities,	
945,000		8.750% due 2/4/25 (a)	1,180,778
		Total Brazil	16,756,372