PIMCO HIGH INCOME FUND Form N-O February 23, 2007

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

OMB APPROVAL OMB Number: 3235-0578 Expires: May 31, 2007 Estimated average burden hours per response...... 21.09

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number

PIMCO High Income Fund (Exact name of registrant as specified in charter)

1345 Avenue of the Americas New York, New York (Address of principal executive offices)

> Lawrence G. Altadonna 1345 Avenue of the Americas New York, New York 10105 (Name and address of agent for service)

Registrant's telephone number, including area code: 212-739-3371

Date of fiscal year end: March 31, 2007

Date of reporting period: December 31, 2006

Form N-Q is to be used by the registered management investment company, other than a small business investment company registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b 1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

10105 (Zip code)

811-21311

Item 1. Schedule of Investments

PIMCO High Income Fund Schedule of Investments

December 31, 2006 (unaudited)

CORPORATE BONDS & NOTES 89.1% Aerospace 0.2% \$ 5,600 Armor Holdings, Inc., 8.25%, 8/15/13 B1/B+ Airlines 1.1% Baa3/BB+ Continental Airlines, Inc., pass thru certificates, 8.608%, 10/1/12 (k) Baa3/BB+ Continental Airlines, Inc., pass thru certificates, 14,508 6.92%, 4/2/13, 97-5A 9 (a)(b)(g) NR/NR 4,105 7.373%, 6/15/17, Ser. 01-1 Ba1/BB+ 1,917 8.307%, 10/2/19, Ser. 00-2 Ba2/BB- 333 United Air Lines, Inc., pass thru certificates, 6.602%, 3/1/15, Ser. 01-1 Aaa/BBB	\$ 5,852,00 9,312,97 14,594,28 4,168,90 1,985,22 337,60
\$ 5,600 Armor Holdings, Inc., 8.25%, 8/15/13 B1/B+ Airlines 1.1% 8,760 American Airlines, Inc., pass thru certificates, 8.608%, 10/1/12 (k) Baa3/BB+ Continental Airlines, Inc., pass thru certificates, 14,508 6.92%, 4/2/13, 97-5A 9 (a)(b)(g) NR/NR 4,105 7.373%, 6/15/17, Ser. 01-1 Ba1/BB+ 1,917 8.307%, 10/2/19, Ser. 00-2 Ba2/BB- 333 United Air Lines, Inc., pass thru certificates,	9,312,97 14,594,28 4,168,90 1,985,22 337,60
8,760 American Airlines, Inc., pass thru certificates, 8.608%, 10/1/12 (k) Baa3/BB+ Continental Airlines, Inc., pass thru certificates, 14,508 6.92%, 4/2/13, 97-5A 9 (a)(b)(g) NR/NR 4,105 7.373%, 6/15/17, Ser. 01-1 Ba1/BB+ 1,917 8.307%, 10/2/19, Ser. 00-2 Ba2/BB- 333 United Air Lines, Inc., pass thru certificates,	14,594,28 4,168,90 1,985,22 337,60
8,760 American Airlines, Inc., pass thru certificates, 8.608%, 10/1/12 (k) Baa3/BB+ Continental Airlines, Inc., pass thru certificates, 14,508 6.92%, 4/2/13, 97-5A 9 (a)(b)(g) NR/NR 4,105 7.373%, 6/15/17, Ser. 01-1 Ba1/BB+ 1,917 8.307%, 10/2/19, Ser. 00-2 Ba2/BB- 333 United Air Lines, Inc., pass thru certificates, 14.508 14.508 14.508	14,594,28 4,168,90 1,985,22 337,60
8.608%, 10/1/12 (k) Baa3/BB+ Continental Airlines, Inc., pass thru certificates, 6.92%, 4/2/13, 97-5A 9 (a)(b)(g) NR/NR 4,105 7.373%, 6/15/17, Ser. 01-1 Ba1/BB+ 1,917 8.307%, 10/2/19, Ser. 00-2 Ba2/BB- 333 United Air Lines, Inc., pass thru certificates,	14,594,28 4,168,90 1,985,22 337,60
14,5086.92%, 4/2/13, 97-5A 9 (a)(b)(g)NR/NR4,1057.373%, 6/15/17, Ser. 01-1Ba1/BB+1,9178.307%, 10/2/19, Ser. 00-2Ba2/BB-333United Air Lines, Inc., pass thru certificates,	4,168,90 1,985,22 337,60
14,5086.92%, 4/2/13, 97-5A 9 (a)(b)(g)NR/NR4,1057.373%, 6/15/17, Ser. 01-1Ba1/BB+1,9178.307%, 10/2/19, Ser. 00-2Ba2/BB-333United Air Lines, Inc., pass thru certificates,	4,168,90 1,985,22 337,60
4,1057.373%, 6/15/17, Ser. 01-1Ba1/BB+1,9178.307%, 10/2/19, Ser. 00-2Ba2/BB-333United Air Lines, Inc., pass thru certificates,	4,168,90 1,985,22 337,60
1,917 8.307%, 10/2/19, Ser. 00-2 Ba2/BB- 333 United Air Lines, Inc., pass thru certificates,	1,985,22 337,60
333 United Air Lines, Inc., pass thru certificates,	,
	,
	20,200,00
	30,398,99
Automotive 4.2%	
10,450 Arvin Capital I, 9.50%, 2/1/27 B-/B	10,672,06
15,475 ArvinMeritor, Inc., 8.75%, 3/1/12 BB-/BB-	15,977,93
5,375 Cooper-Standard Automotive, Inc., 7.00%, 12/15/12 CCC+/B-	4,850,93
15,750 Ford Motor Co., 7.45%, 7/16/31 CCC+/Caa1	12,442,50
General Motors Corp.,	,,.
8,000 7.20%, 1/15/11 Caa1/B-	7,780,00
7,200 8.25%, 7/15/23 Caa1/B-	6,732,00
Goodyear Tire & Rubber Co.,	
12,300 9.00%, 7/1/15 B3/B-	12,945,75
7,000 11.00%, 3/1/11 B3/B-	7,770,00
Tenneco Automotive, Inc.,	
14,000 8.625%, 11/15/14 B3/B	14,350,00
14,025 10.25%, 7/15/13, Ser. B Aa3/B	15,427,50
8,245 TRW Automotive, Inc., 9.375%, 2/15/13 Ba3/BB-	8,883,98
	117,832,67
Building/Construction 0.3%	
5,000 Ahern Rentals, Inc., 9.25%, 8/15/13 B-/B-	5,237,50
2,150 Building Materials Corp. of America, 8.00%,	5,257,50
12/1/08 B+/B3	2,252,12
	7,489,62
Chemicals 3.4%	
ARCO Chemical Co.,	
3,808 9.80%, 2/1/20 Ba3/B+	4,417,28
2,000 10.25%, 11/1/10 Ba3/B+	2,220,00
15,000 Equistar Chemicals L.P., 10.125%, 9/1/08 B1/BB-	16,012,50
21,925 Ineos Group Holdings PLC, 8.50%, 2/15/16 (d) B2/B-	21,048,00

			Lyondell Chemical Co.,		
		4,150	8.00%, 9/15/14	B+/B+	4,326,375
		3,825	8.25%, 9/15/16	B+/B+	4,035,375
		15,300	Nalco Co., 8.875%, 11/15/13	Caa1/B-	16,275,375
		13,660	PQ Corp., 7.50%, 2/15/13	B1/B-	13,523,400
		1,450	Rhodia S.A., 6.242%, 10/15/13, FRN (d)	B2/B-	1,910,323
	\$	10,500	Rockwood Specialties Group, Inc., 7.50%, 11/15/14	B3/B-	10,631,250
					94,399,878
Comme	ercial Prod	ucts 1.4%			
		19,800	Hertz Corp., 8.875%, 1/1/14 (d)	B1/B	20,839,500
		18,000	Reynolds American, Inc., 7.75%, 6/1/18	BB/Ba3	19,197,936
					40,037,436

Principal Amount (000)			Credit Rating (Moody s/S&P)	Value*
Computer Services	s 1.3%		()	
•		SunGard Data Systems, Inc.,		
\$	18,306	9.125%, 8/15/13	Caa1/B- \$	19,312,830
	17,000	10.25%, 8/15/15	Aaa/B-	18,232,500
				37,545,330
Computer Softwar	·e 0.4%			
comparer sorrer	9,500	UGS Corp., 10.00%, 6/1/12	B3/B-	10,402,500
Consumer Product	ts 0.7%			
	15 0.7 /0	Buhrmann US, Inc.,		
	500	7.875%, 3/1/15	B2/B	490,000
	6,875	8.25%, 7/1/14	B2/B B2/B	6,857,812
	11,550	NPC International, Inc., 9.50%, 5/1/14	B-/CAA1	11,896,500 19,244,312
G	. 0 = 07			
Consumer Service	s 0.5% 13,900	Education Management Corp., 10.25%, 6/1/16 (d)	Caa1/CCC+	14,768,750
				,,.
Containers & Pack	kaging 1.9%	Crown Americas LLC,		
	2 475		B/B	2 561 625
	2,475 5.650	7.625%, 11/15/13		2,561,625
	5,050	7.75%, 11/15/15	B/B	5,890,123
	11 200	Jefferson Smurfit Corp.,	Dalcoc.	10 594 000
	11,200	7.50%, 6/1/13	B2/CCC+	10,584,000
	10,263	8.25%, 10/1/12	B2/CCC+	10,057,740
	0.000	Smurfit-Stone Container,	DAVOOD	0.065.000
	9,000	8.375%, 7/1/12	B2/CCC+	8,865,000
	15,338	9.75%, 2/1/11	B2/CCC+	15,894,003 53,852,493
				,,
Diversified Manufa				
	1,000	Quiksilver, Inc., 6.875%, 4/15/15	Ba3/BB-	987,500
Electronics 2.0%				
		Freescale Semi-conductor, Inc. (d),		
	19,925	8.875%, 12/15/14	B/B1	19,949,906
	5,000	10.125%, 12/15/16	B/B2	5,031,250
	12,750	Sanmina-SCI Corp., 8.125%, 3/1/16	B-/B2	12,399,375
	13,600	Sensata Technologies BV, 8.00%, 5/1/14 (d)	NR/B-	13,124,000
	6,400	Solectron Global Finance Ltd., 8.00%, 3/15/16 (k)	B/B3	6,512,000
				57,016,531
Energy 0.9%				
	2,000	NRG Energy, Inc., 7.375%, 2/1/16	B1/B-	2,015,000
	,- **	Reliant Energy, Inc.,		_,,000
	7,025	9.25%, 7/15/10	B2/B	7,411,375
	15,525	9.50%, 7/15/13	B2/B	16,728,188
	- ,		. –	26,154,563
Financial Services	17 9%			
r mancial Sel vices	30,675	AES Ironwood LLC, 8.857%, 11/30/25	B2/B+	34,586,372
		AES Red Oak LLC, 8.54%, 11/30/19, Ser. A	B2/B+ B2/B+	8,689,472
	7,954			
	25,091	BCP Crystal U.S. Holding Corp., 9.625%, 6/15/14 Bluewater Einange Ltd., 10.25%, 2/15/12	B3/B	27,851,010
	17,700	Bluewater Finance Ltd., 10.25%, 2/15/12	B2/B-	18,629,250

Principal Amount (000)			Credit Rating (Moody s/S&P)	Value*
Financial Services	(continued)			
		Buffalo Thunder Development Authority, 9.375%,		
\$	5,000	12/15/14 (d)	B/B2 \$	5,100,000
	7,700	Chukchansi Economic Development Authority,		0.026.075
	0.077	8.00%, 11/15/13 (d)	B2/BB-	8,036,875
	9,977	Consolidated Communications Holdings, 9.75%,	D2/D	10 725 275
		4/1/12 Ford Motor Credit Co.,	B3/B	10,725,275
	5,000	7.00%, 10/1/13	BB+/B	4,781,175
	30,000	7.375%, 2/1/11	B1/B	29,724,000
	81,100	8.00%, 12/15/16	B/B1	80,274,321
	10,000	8.11%, 1/13/12, FRN	B/B1	9,921,350
		General Motors Acceptance Corp.,		,,,,,,,,,,
	10,000	7.25%, 3/2/11	BB+/BB	10,408,620
	9,100	8.00%, 11/1/31	BB+/BB	10,477,749
	8,000	Idearc, Inc., 8.00%, 11/15/16 (d)	B2/B+	8,160,000
		JET Equipment Trust (d)(f),		
	192	7.63%, 8/15/12, Ser. 95-B (g)	NR/NR	141,722
	282	10.00%, 6/15/12, Ser. 94-A	NR/NR	277,143
	36,270	JSG Funding PLC, 9.625%, 10/1/12	B3/B-	38,627,550
	18,445	KRATON Polymers LLC, 8.125%, 1/15/14	B3/B-	18,537,225
£	3,000	Royal Bank of Scotland PLC, 6.00%, 4/6/11 (b)(g)	NR/NR	5,862,684
\$	11,000	Sally Holdings LLC, 10.50%, 11/15/16 (d)	CCC+/Caa1	11,275,000
	115,776	Targeted Return Index Securities Trust, 7.548%,	D1/D.	110 242 (9)
	10.202	5/1/16, VRN (d)(h)	B1/B+	118,343,680
	19,203	Universal City Development Partners Ltd., 11.75%,	D)/D	20 667 220
	8,030	4/1/10 Universal City Florida Holding Co., 8.375%, 5/1/10	B2/B- B3/B-	20,667,229 8,270,900
	10,200	UPC Holding BV, 8.625%, 1/15/14	Aa3/CCC+	14,055,497
	10,200	01 C Holding D V, 0.025 /0, 1113/14	Masreeer	503,424,099
Food 0.9%				
\$	1	Dole Foods Co., Inc., 8.875%, 3/15/11	B-/B	805
φ	24,926	Ingles Markets, Inc., 8.875%, 12/1/11	B3/B	26,108,937
	24,920	ingles Markets, inc., 0.07570, 12/1/11	0.00	26,109,742
Healthcare & Hos		$\mathbf{CDDW} \mathbf{I} \mathbf{I} 0 0 0 1 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 $	000.10 1	0.000
	9,000 8,000	CDRV Investors, Inc., 9.86%, 12/1/11, FRN (b)(d)	CCC+/Caa1	8,820,000
	4,950	DaVita, Inc., 7.25%, 3/15/15 Encore Medical Finance LLC, 11.75%, 11/15/14 (d)	B3/B CCC+/Caa1	8,200,000 4,937,625
	4,950	HCA, Inc.,	CCC+/Caal	4,957,02.
	1,206	6.25%, 2/15/13	B-/Caa1	1,070,325
	10,625	6.75%, 7/15/13	B-/Caa1	9,562,500
	1,500	7.19%, 11/15/15	Ba2/B-	1,294,101
	10,975	7.50%, 12/15/23	B-/Caa1	8,985,44
	4,130	7.58%, 9/15/25	B-/Caal	3,381,115
	4,600	7.69%, 6/15/25	B-/Caa1	3,830,429
	2,000	8.36%, 4/15/24	Caa1/B-	1,769,648
	20,615	9.00%, 12/15/14	Caa1/B-	20,085,648
	3,000	9.25%, 11/15/16 (d)	BB-/B2	3,221,250
	21,450	9.625%, 11/15/16 (d)	BB-/B2	23,112,375
	6,700	National Mentor Holdings, Inc., 11.25%, 7/1/14 (d)	Caa1/CCC+	7,152,250
	19,990	Rotech Healthcare, Inc., 9.50%, 4/1/12	Caa3/CC	19,690,150
		Tenet Healthcare Corp.,		
	15,206	7.375%, 2/1/13	Caa1/CCC+	14,046,543
	22,925	9.875%, 7/1/14	Aa3/CCC+	23,440,813

Amount (000)		Credit Rating (Moody s/S&P)	Value*
Hotels/Gaming 1.6%			
\$ 2,000	Gaylord Entertainment Co., 8.00%, 11/15/13	B3/B- \$	2,085,000
5,000	Herbst Gaming, Inc., 8.125%, 6/1/12	B3/B-	5,125,000
19,279	Mandalay Resort Group, 9.375%, 2/15/10	B1/B+	20,724,925
8,948	Premier Entertainment LLC, 10.75%, 2/1/12	Caa1/CCC	9,261,180
3,500	Station Casinos, Inc., 6.875%, 3/1/16	B-/Ba3	3,158,750
4,075	Tropicana Entertainment, 9.625%, 12/15/14 (d)	CCC+/B3	4,054,625
			44,409,480
Machinery 0.1%			
2,000	Chart Industries, Inc., 9.125%, 10/15/15 (d)	B3/B-	2,120,000
Manufacturing 0.0%			
783	Invensys PLC, 9.875%, 3/15/11 (d)	B3/B-	843,682
Medical Products 0.8%			
22,785	VWR International, Inc., 8.00%, 4/15/14	CCC+/B3	23,582,475
Miscellaneous 3.3%			
89,570	Dow Jones CDX U.S. High Yield, 8.375%,		
	12/29/11, Ser. 7-T1 (d)(h)(k)	NR/NR	91,634,588
		110101	91,051,500
Multi-Media 4.5%		תח/ תת	2 215 000
3,000	Cablemas S.A. de C.V., 9.375%, 11/15/15 (d)	BB-/BB-	3,315,000
5,600	Cablevision Systems Corp., 8.00%, 4/15/12, Ser. B	B3/B+	5,530,000
39,300	CCO Holdings LLC, 8.75%, 11/15/13	Caa1/CCC-	41,019,375
10,000	Charter Communications Holdings I LLC, 11.00%, 10/1/15	CCC-/CCC-	10,312,500
14,325	Charter Communications Operating LLC, 8.375%,		
	4/30/14 (d) CSC Holdings, Inc.,	B3/B-	15,023,344
6,300	7.625%, 7/15/18	B2/B+	6,166,125
4,485	7.875%, 2/15/18, Ser. B	B2/B+	4,496,212
2,000	8.125%, 7/15/09, Ser. B	B2/B+	2,082,500
4,000	DirecTV Holdings LLC, 8.375%, 3/15/13	Ba3/BB-	4,180,000
4,750	Iesy Repository GmbH, 10.375%, 2/15/15 (d)	Caa2/CCC+	4,637,188
	Lighthouse International Co. S.A., 8.00%, 4/30/14		
6,370	(d)	Aa2/B	9,229,285
\$ 12,000	Rogers Cable, Inc., 8.75%, 5/1/32	Ba2/BB+	14,640,000
3,735	Telenet Communications NV, 9.00%, 12/15/13 (d)	B2/B-	5,429,989
			126,061,518
Oil & Gas 8.5%			
\$ 18,000	Dynegy Holdings, Inc., 8.375%, 5/1/16	B-/B-	18,990,000
	Dynergy-Roseton Danskammer, Inc., pass thru certificates,		
1,050	7.27%, 11/8/10, Ser. A	Ba3/B	1,074,281
25,500	7.67%, 11/8/16, Ser. B	Ba3/B	26,440,312
23,300	El Paso Corp.,	DuorD	20,770,312
29,150	7.80%, 8/1/31	B+/B	31,992,125
27,850	8.05%, 10/15/30	B+/B	31,052,750
19,615	El Paso Production Holding Co., 7.75%, 6/1/13	B1/B+	20,620,269
	Ferrellgas L.P., 8.75%, 6/15/12	B2/B-	14,754,750
14.325			.,
14,325	Hanover Compressor Co.,		

1,550	9.00%, 6/1/14	B2/B	1,681,750
12,028	Hanover Equipment Trust, 8.50%, 9/1/08, Ser. A	B2/B+	12,238,490
7,000	OPTI Canada, Inc., 8.25%, 12/15/14 (d)	BB/B1	7,227,500
4,000	Pogo Producing Co., 7.875%, 5/1/13	B+/B1	4,080,000
16,375	SemGroup L.P., 8.75%, 11/15/15 (d)	B1/NR	16,538,750

Dil & Gas (continued) Br/B S 3.072 Small, Inc., 7.09%, 2/1/18 Br/B S 3.075 * 37,726 Williams Cos., Inc., 7.875%, 9/1/21 Ba2/BH 40,649,288,579,979 * Abitibi-Consolidated, Inc., 6,500 8,375%, 41/15 B2/B+ 5,655,6 & S.25 8,55%, 81/10 B2/B+ 5,655,6 6,500 8,375%, 41/15 B2/B+ 1,6006 & 2,000 Bowater, Inc., 9,375%, 12/1521 B1/B+ 1,6006 2,200 Bowater, Inc., 9,375%, 12/1521 B1/B+ 2,211,1 & 4,550 Cassades, Inc., 7,25%, 21/513 B2/B+ 4,800,2 2,775 8,00%, 11/5/24 B2/B 2,8379,2 & 4,550 T,75%, 11/3/29 B2/B 4,501,3 5,000 11,375%, 8/1/31 B2/B 2,830,4 & 5,000 11,375%, 8/1/31 B2/B B2/B 4,503,5 11,11,213 & Verso Paper Holdings LLC (a), Aaa/B+ 5,2750,5 111,2134,5 2,275,8 111,2134,14,609,2 & 17,631 Dex Media West LLC, 9,875%, 8/15/13, Ser. B B2/B <	Principal Amount (000)		Credit Rating (Moody s/S&P)	Value*	
\$ 3,000 Sonat, Inc., 7,09%, 2/1/18 B+/B \$ 3,0753 Paper/Paper Products 4.0% 238,3793 Paper/Paper Products 4.0% Abiliti-Consolidated, Inc., 555 Sonat, Inc., 7,875%, 9/1/21 B2/B+ 5,651 8.252 8.55%, 8/170 B2/B+ 8,181 16,250 Bowater Canada Finance, 705%, 11/15/11 B2/B+ 11,681, 16,250 Bowater Canada Finance, 705%, 11/15/11 B2/B+ 11,691, 2,200 Bowater, Inc., 9,375%, 12/15/21 B1/B+ 2,211, 3,750 Cascades, Inc., 7,25%, 11/15/21 B1/B+ 2,613, 4,550 7,75%, 11/15/29 B2/B 4,550, 2,7775 8,00%, 11/15/24 B2/B 4,550, 3,000 11,375%, 8/1/16 Aaw/B- 5,275, 5,000 9,125%, 8/1/14 Aaw/B- 5,275, 111,213, Dex Media West LLC, 9,875%, 8/15/13, Ser. B B2/B 19,055 1,000 Holinger, Inc., 11,875%, 3/1/14 Ba/B 10,078, 1,0000 Nelser America, Inc., 0,00%, 8/1/14,	Oil & Gas (continued)				
37,226 Williams Cos., Inc., 7.875%, 9/1/21 Ba2/BB. 40,649; 238,379; 238,379; Paper/Paper Products 4.0%		Sonat, Inc., 7.00%, 2/1/18	B+/B \$	3,075,000	
Paper/Paper Products 4.0% Abitible Consolidated, Inc., 6,500 8.375%, 41/15 B2/B+ 5.655, 8,525 8.55%, 81/10 B2/B+ 8.141, 16,520 Bowater Canada France, 7.95%, 11/15/11 B2/B+ 81.6006, 2,200 Bowater, Inc., 9.375%, 12/15/21 B1/B+ 11.6006, 2,200 Bowater, Inc., 9.375%, 12/15/21 B1/B+ 2.211, 4,550 Cascades, Inc., 7.25%, 21/5/13 B3//B8 8.771,4 4,550 7.75%, 11/15/29 B2/B 4.850,1 2,7775 8.00%, 11/5/24 B2/B 28.330,0 13,750 8.875%, 5/15/1 B2/B 28.300,0 13,750 8.875%, 5/15/1 B2/B 5.970,0 5,000 11.375%, 8/1/14 Aaa/B- 5.275,0 11.010 Holinger, Inc., 11.875%, 3/1/11 Galary B2/B 9.205,0 11.011 Dex Media West LLC, 9.875%, 8/15/13, Ser. B B2/B 9.205,0 111/213,0 Printing/Publishing 2.7% Dex Media West LLC, 9.875%, 8/171,1 (d)(g) B3//R 9.35,168,0 <td>. ,</td> <td></td> <td></td> <td>40,649,765</td>	. ,			40,649,765	
Abitibi-Consolidated, Inc., B2/B+ 5,565, 6,500 8,375%, 41/15 B2/B+ 8,141, 14,159 8,85%, 81/130 B1/B+ 11,641, 14,159 Bowater, Canada Finance, 7,95%, 11/15/11 B2/B+ 8,171,1 16,250 Bowater, Canada Finance, 7,95%, 11/15/11 B2/B+ 2,200 Bowater, Canada Finance, 7,95%, 11/15/11 B2/B 4,561, 2,200 2,200 Bowater, Conc., 9,375%, 21/5/13 B2/B B4/80, 2,200 4,561, 2,200 2,775 8,00%, 11/52/4 B2/B 28,300, 2,200 13,350 8,875%, 51/5/31 B2/B 14,609, 2,200 13,350 8,075%, 51/5/31 B2/B 14,609, 2,200 11,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213,	2.,.20		542,55	238,379,992	
Abitibi-Consolidated, Inc., B2/B+ 5,565, 6,500 8,375%, 41/15 B2/B+ 8,141, 14,159 8,85%, 81/130 B1/B+ 11,641, 14,159 Bowater, Canada Finance, 7,95%, 11/15/11 B2/B+ 8,171,1 16,250 Bowater, Canada Finance, 7,95%, 11/15/11 B2/B+ 2,200 Bowater, Canada Finance, 7,95%, 11/15/11 B2/B 4,561, 2,200 2,200 Bowater, Conc., 9,375%, 21/5/13 B2/B B4/80, 2,200 4,561, 2,200 2,775 8,00%, 11/52/4 B2/B 28,300, 2,200 13,350 8,875%, 51/5/31 B2/B 14,609, 2,200 13,350 8,075%, 51/5/31 B2/B 14,609, 2,200 11,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213, 2,216 111,213,	Denor/Denor Droducts 100-				
6,500 8.375%, 8/1/10 B2/B+ 5,655, 8,525 8,55%, 8/1/10 B2/B+ 8.141, 14,159 8,85%, 8/1/30 B1/B+ 11,681,1 16,250 Bowater Canada Finance, 7,95%, 11/15/11 B1/B+ 11,681,1 16,250 Bowater Canada Finance, 7,95%, 11/15/11 B1/B+ 2,211,1 6,607,00 Bi/Ba B7,11 B1/B+ 2,211,1 6,607,01 B1/Ba B7,11 B1/Ba 2,211,1 6,607,01 Cascades, Inc., 7,25%, 21/5/13 BB/BB 8,771,4 7,757 8,00%, 11/5/24 B2/B 4,560,2 27,775 8,00%, 11/5/24 B2/B 14,609,2 Verse Paper Holdings LLC (d), Aan/B+ 5,270,3 5,000 9,125%, 8/1/14 Aan/B+ 5,270,3 11,375%, N1/16 Aan/B+ 5,270,4 11,0,477 Primeting Inc., 11,875%, 3/1/11 B1/B 19,305,168,2 1,000 Holinger, Inc., 11,875%, 3/1/14 B2/B 10,212,17,596,2 1,0,000 B.F. Saul REIT, 7.50%, 3/1/14 <		Abitibi-Consolidated Inc			
8,825 8,85%, 8/1/10 B/PA+ 8,164. 14,159 8,85%, 8/1/20 B/PA+ 11,681.1 16,250 Bowater, Inc., 9,37%, 12/15/21 B/PA+ 16,602. 2,000 Bowater, Inc., 9,37%, 12/15/21 B/PA+ 2,211.1 8,771.3 B2/PB 4,550.1 2,277.7 6,000 7,75%, 11/15/29 B2/B 4,550.1 27,775 8,00%, 11/5/24 B2/B 14,609.1 Verso Paper Holdings LLC (a), 5,700 9,125%, 8/1/14 Aaa/B+ 5,970.7 5,000 11,375%, 8/1/16 Aaa/B+ 5,2750.1 111,213.0 Printing/Publishing 2,7% 11,213.0 8,275%, 5/15/1.1 B/B 19,305,5 11,000 Holinger, Inc., 11,875%, 8/15/13, Ser, B B2/B 19,305,5 11,213.0 Printing/Publishing 2,7% 11,213.0 8,333.3 RH Donnelley, CAP, 8,875%, 11/14 (d) B2/B 10,305,5 10,000 Nelsen Finance LLC, 10,00%, 8/1/14 (d) B2/B 10,212,5 8,300.2 7,966,2 2,000 RH Donnelley, CAP, 8,875%, 11/5/14 B2/B 2,000.2 7,966,2 7,956,4/13	6 500		B2/B+	5,655,000	
14,159 8.85%, 8/1/20 B)/B+ 11,650 16,250 Bowater, Inc., 9,375%, 12/15/11 B)/B+ 6,6005 2,200 Bowater, Inc., 9,375%, 12/15/21 B)/B+ 2,211,0 8,750 Cascades, Inc., 7,25%, 21/15/21 B)/B+ 8,771,1 Georgia-Pacific Corp.,					
16,250 Bowater Canada Finance, 795%, 11/15/11 B2/B+ 16,000 2,200 Bowater, Inc., 9,375%, 12/15/21 B1/B+ 2,211,0 8,750 Cascades, Inc., 7,25%, 21/51/3 BB-/BB- 8,771,3 Georgia-Pacific Corp., B2/B 4,561,2 27,775 8,00%, 1/15/24 B2/B 28,330,0 13,750 8,875%, 5/15/31 B2/B 14,609,2 Verso Paper Holdings LLC (d), B2/B 4,650,2 5,700 9,125%, 8/11/16 Aas/B+ 5,970,3 5,000 11,375%, 8/11/16 Aas/B+ 5,275,1 1112134 Trinting/Publishing 2.7% Trinting/Publishing 2.7% 11,275%, 3/1/11 (d)(g) B3/B 19,305,1 11,000 Holinger, Inc., 11,875%, 3/1/11 (d)(g) B3/B 19,305,1 10,000 Nielsen Finance 1.1C, 10,00%, 8/1/14,10 B2/B 19,035,4 10,000 Holinger, Inc., 11,875%, 3/15/11 B.7B 10,278,2 19,00 10,000 B.JF. Saul REIT, 7,50%, 3/1/14 (d)(g) B2/B 2,190,07 75,966,2 10,000 B.JF. Saul REIT, 7,50%, 3/1/14 B2/B 10,212,2 3,536,8 2000					
2.200 Bowater, Inc., 9.375%, 12/15/21 B1/B+ 2.211/ 8,750 Cascades, Inc., 7.25%, 21/5/13 B2/B 8,771.3 Georgia-Pacific Corp., B2/B 4,561.3 2.7775 8.00%, 11/5/24 B2/B 28,330.3 13,750 8.875%, 51/5/31 B2/B 14,609.3 Verso Paper Holdings LLC (d), Werso Paper Holdings LLC (d), 5,770.9 9.125%, 8/1/14 Aau/B+ 5,5775.3 5,000 11.375%, 8/1/16 Aau/B+ 5,5775.3 11/2,137.3 Printing/Publishing 2.7% Printing/Publishing 2.7% <td colspa<="" td=""><td>,</td><td></td><td></td><td></td></td>	<td>,</td> <td></td> <td></td> <td></td>	,			
8,750 Cascades, Inc., 7.25%, 21/31 BB-/BB- 8,771, k Georgin-Pacific Corp.,					
Georgia-Pacific Corp., 4,550 7,75%, 11/1529 B2/B 4,561, 27,775 8,00%, 1/1574 B2/B 28,330, Verso Paper Holdings LLC (d), Verso Paper Holdings LLC (d), 5,700 9,125%, 8/1/14 Aaa/B+ 5,5700, 7,631 Dex Media West LLC, 9,875%, 8/15/13, Ser. B B2/B 19,305, 11,2130 Dex Media West LLC, 9,875%, 8/15/13, Ser. B B2/B 19,305, 1,000 Hollinger, Inc., 11,875%, 3/1/14 (d)(g) B3e/NR 941, 7,000 Nielsen Finance LLC, 10,00%, 8/1/14 (d) Ba2/CCC+ 7,621, 10,000 Hollinger, Inc., 11,875%, 3/1/14 (d) B2/B 10,738, 3,333 RH Donnelley, Corp., 8875%, 1/15/16, Ser. A-3 B3/B 35,168, 2,000 RH Donnelley, Inc., 10,875%, 1/15/12 B2/B 2,090, 8 S,000 Delhaize America, Inc., 9,00%, 4/15/31 Ba1/BB+ 9,538, 3,900 Grupo Gigante S.A. de C.V., 8,75%, 4/13/16 (d) NR/B 4,007, 7 American Cellular Corp., 10,00%, 8/1/11, Ser. B B3/CCC 14,907,	,				
4,550 7,75% 11/15/29 B2/B 28,330, 27,775 8,00%, 1/15/24 B2/B 28,330, 13,750 8,875%, 5/15/31 B2/B 14,600, Verso Paper Holdings LLC (d), 3200 14,500 14,600, 5,700 9,125%, 8/1/16 Aaa/B+ 5,570, 5,000 11,375%, 8/1/16 Aaa/B+ 5,2750, 11,000 Hollinger, Inc., 11,875%, 3/1/1 (d)(g) B3/2MR 941,5 7,000 Nielsen Finance LLC, 10,00%, 8/1/14 (d) B2/2CC+ 7,621,4 10,477 Primedia, Inc., 8/57%, 5/15/11 B-/B 10,738,8 33,335 RH Donnelley Corp. 8.875%, 1/15/16, Ser. A-3 B3/B 35,168,8 33,335 RH Donnelley, Inc., 10.875%, 1/15/12 B2/B 10,012,5 8,000 Delhaize America, Inc., 9,00%, 4/15/31 Ba1/B+ 9,021,22,5 8,000 Delhaize America, Inc., 9,00%, 4/15/31 Ba1/B+ 9,021,23,78,1 Retail 0.6% 16,400 Bon-Ton Stores, Inc., 10,25%, 3/15/14 B-/B- 16,851,0 Celeonmunications 14,975 American Cellular Corp., 10,00%, 8/1/11, Ser. B B3/CCC 14,954,413,97	8,730		DD-/DD-	0,771,075	
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13,750 8.875%, 5/15/31 B2/B 14,609, Verso Paper Holdings LLC (d),	· · · · · · · · · · · · · · · · · · ·				
Verso Paper Holdings LLC (d), 5,700 9.125%, 8/1/14 Aaa/B+ 5.9700, 5,000 11.375%, 8/1/16 Aaa/B+ 5.2750, III.12136 Printing/Publishing 2.7% 17,631 Dex Media West LLC, 9.875%, 8/15/13, Ser. B B2/B 19,305,5 1,000 Hollinger, Inc., 11.875%, 3/1/11 (d)(g) B32/NR 941,5 7,000 Nielsen Finance LLC, 10.00%, 8/1/14 (d) Ba2/CCC+ 7,621,2 10,477 Primedia, Inc., 8.875%, 5/15/11 B./B 10,738,3 33,35 RH Donnelley, Corp., 8.875%, 11/5/16, Ser. A-3 B3/B 35,168,2 2,000 RH Donnelley, Corp., 8.875%, 12/15/12 B2/B 2,190,0 75,966,3 75,966,3 2,3758,300 Grupo Gigante S.A. de C.V., 8.75%, 4/13/16 (d) NR/B 4,007,2 8,000 Delnaize America, Inc., 9.00%, 4/15/31 Ba1/BB+ 9,538,4 3,900 Grupo Gigante S.A. de C.V., 8.75%, 11/11, Ser. B B3/CCC 14,955,4 2,3758,115/14 B/B- 16,851,0 Felecommunications Inc., Inc., 9.375%, 11/1,14,16,10 <t< td=""><td></td><td></td><td></td><td>, ,</td></t<>				, ,	
5,700 9,125%, §/1/14 Aaa/B+ 5,970. 5,000 11,375%, 8/1/16 Aaa/B- 5,275. Printing/Publishing 2,7% 11,213. 11,213. 17,031 Dex Media West LLC, 9,875%, 8/15/13, Ser. B B2/B 19,305.5 1,000 Hollinger, Inc., 11,875%, 3/1/11 (d)(g) B3e/NR 941.5 7,000 Nielsen Finance LLC, 10,00%, 8/1/14 (d) Ba2/CCC+ 7,621.2 10,477 Primedia, Inc., 8875%, 5/15/11 B-/B 10,738.5 33,335 RH Donnelley Corp., 8.875%, 11/5/16, Ser. A-3 B3/B 35,168.4 2,000 RH Donnelley, Inc., 10.875%, 12/15/12 B2/B 2,1900.75,966.3 75,966,3 75,966,4 75,966.4 75,966.4 8,000 Delhaize America, Inc., 9,00%, 4/15/31 Ba1/BB+ 9,338,4 3,900 Grupo Gigante S.A. de C.V., 8,75%, 4/13/16 (d) NR/B 40,07, 23,758,1 8etail 0.6% 6 16,400 Bon-Ton Stores, Inc., 10.25%, 3/15/14 B-/B- 16,851.0 Telecommunications Corp., 8125%, 2/1/14 B3/CCC 14,954,14,155 Centemial Communications Corp., 8125%, 2/1/14 B3/CCC 14,954,14,14,9	13,750		B2/B	14,609,375	
5,000 11.375%, 8/1/16 Aaa/B- 5,275,1 Printing/Publishing 2.7%	5 800				
111,213,0 111,213,0 Printing/Publishing 2.7% 17,631 102,00 Network (1,1,1,875%, 3/1/11 (d)(g) B2/B 19,000 Network (1,0,00%, 8/1/14 (d) B2/CCC+ 7,621,7 10,007,81/14 (d) B2/B 10,477 Primedia, Inc., 8.875%, 5/15/11 B-/B 0,007,817/14 B2/B 2,000 RH Donnelley, Inc., 10.875%, 12/15/12 B2/B 2,000 Retail Estate 0.8% 10,000 B.F. Saul REIT, 7.50%, 3/1/14 B2/BB- 0,007, 4715/31 B3/RET 3,000 Grapo Gigante S.A. de C.V., 8.75%, 4/13/16 (d) NR/B4 4,000%, 8/1/11, Ser. B B3/CCC 14,075				5,970,750	
Printing/Publishing 2.7% Printing/Publishing 2.7% Printing Publishing 2.7% Printing Publishing 2.7% Dex Media West LLC, 9.875%, 8/15/13, Ser. B B2/B 19.305,5 1000 Hollinger, Inc., 11.875%, 3/1/11 (d)(g) B3:e/NR 9441,5 7,000 Nielsen Finance LLC, 10.00%, 8/1/14 (d) B2/CC+ 7,621,2 7,000 Nielsen Finance LLC, 10.00%, 8/1/14 (d) B2/B 10,780,272,190,073,193,193,193,193,193,193,193,193,193,19	5,000	11.375%, 8/1/16	Aaa/B-		
Interval Dex Media West LLC, 9.875%, 8/15/13, Ser. B B2/B 19,305,9 1,000 Hollinger, Inc., 11.875%, 3/1/11 (d)(g) B3e/NR 941,1 7,000 Nielsen Finance LLC, 10,00%, 8/1/14 (d) B2/CC+ 7,621,1 10,477 Primedia, Inc., 8.875%, 5/15/11 B-/B 10,738,2 33,335 RH Donnelley Corp., 8.875%, 1/15/16, Ser. A-3 B3/B 35,168,4 2,000 RH Donnelley, Inc., 10.875%, 12/15/12 B2/B 2,190,0 7,966,2 7,966,2 7,966,3 8,000 Delhaize America, Inc., 9.00%, 4/15/31 Ba1/BB+ 9,538,4 3,900 Grupo Gigante S.A. de C.V., 8.75%, 4/13/16 (d) NR/BB 4,007,3 23,758. 23,758 23,758 23,758 Retail 0.6% 16,400 Bon-Ton Stores, Inc., 10.25%, 3/15/14 B-/B- 16,851,0 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,0 14,075 American Cellular Corp., 10.00%, 8/1/513 B2/B- 32,833,1 12,000 Ciricinanta Bell, Inc., 8.375%, 1/15/14 B3/CCC 15,909,3				111,213,675	
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7,000 Nielsen Finance LLC, 10.00%, 8/1/14 (d) Ba2/CCC+ 7,621,1 10,477 Primedia, Inc., 8.875%, 5/15/11 B-/B 10,738,2 333,335 RH Donnelley Corp., 8.875%, 1/5/16, Ser. A-3 B3/B 35,168,2 2,000 RH Donnelley, Inc., 10.875%, 12/15/12 B2/B 2,190,0 78,966,5 75,966,5 75,966,5 Real Estate 0.8% Real Estate 0.8% Real Estate 0.8% Retail 0.600 B-F. Saul REIT, 7.50%, 3/1/14 B2/BB- 10,212,5 8,000 Delhaize America, Inc., 9.00%, 4/15/31 Ba1/BB+ 9,538,4 3,900 Grupo Gigante S.A. de C.V., 8.75%, 4/13/16 (d) NR/BB 4,007,2 Retail 0.6% Retail 0.6% Ifeecommunications I4.8% Felecommunications Corp., 81/25%, 21/14 B3/CCC 14,075,000 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,0 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,0 14,075 American Cellular Corp., 10.00%, 8/15/14 B2/B+ 30,800	17,631	Dex Media West LLC, 9.875%, 8/15/13, Ser. B	B2/B	19,305,945	
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	1,000	Hollinger, Inc., 11.875%, 3/1/11 (d)(g)	B3e/NR	941,977	
33,335 RH Donnelley Corp., 8.875%, 1/15/16, Ser. A-3 B3/B 35,168,4 2,000 RH Donnelley, Inc., 10.875%, 12/15/12 B2/B 2,190,0 75.966,5 75.966,5 75.966,5 Real Estate 0.8% 10,000 B.F. Saul REIT, 7.50%, 3/1/14 B2/BB- 10,212,5 8,000 Delhaize America, Inc., 9.00%, 4/15/31 Ba1/BB+ 9,538,4 3,900 Grupo Gigante S.A. de C.V., 8.75%, 4/13/16 (d) NR/BB 4,007,237,58,1 Retail 0.6% Telecommunications 14.8% 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,4 14,075 American Cellular Corp., 10.00%, 8/1/14 B2/B- 32,833,5 12,000 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B- 32,833,5 12,000 Citizens Communications Co., 9.00%, 8/15/31 Ba2/BB+ 13,080,0 11,300 Circiket Communications, Inc., 9.375%, 1/11/14 (d) CCC/Caa2 11,978,0 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,6 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,6 12,225 9.75%, 5/1/13 (k	7,000	Nielsen Finance LLC, 10.00%, 8/1/14 (d)	Ba2/CCC+	7,621,250	
2,000 RH Donnelley, Inc., 10.875%, 12/15/12 B2/B 2,190, (75,966,5) Real Estate 0.8% 10,000 B.F. Saul REIT, 7,50%, 3/1/14 B2/BB- 10,212,5 8,000 Delhaize America, Inc., 9.00%, 4/15/31 Ba1/BB+ 9,538,4 3,900 Grupo Gigante S.A. de C.V., 8.75%, 4/13/16 (d) NR/BB 4,007,2 23,758,1 Retail 0.6% 16,400 Bon-Ton Stores, Inc., 10.25%, 3/15/14 B-/B- 16,851,0 Felecommunications 14,975 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,0 14,075 American Cellular Corp., 8.125%, 2/1/14 B2/B+ 32,833,3 31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B+ 32,833,3 12,000 Citizens Communications Co., 9.00%, 8/15/31 Ba2/BH+ 13,080,0 11,300 Cricket Communications, Inc., Ser. B, B3/CCC+ 12,316,0 12,225 9,75%, 5/1/13 (k) B3/CCC+ 12,316,0 12,225 9,75%, 5/1/13 (k) B3/CCC+ 12,316,0 12,225 9,75%, 5/1/13 (k) B3/CCC+ 12,316,0	10,477	Primedia, Inc., 8.875%, 5/15/11	B-/B	10,738,925	
2,000 RH Donnelley, Inc., 10.875%, 12/15/12 B2/B 2,190, (75,966,5) Real Estate 0.8% 10,000 B.F. Saul REIT, 7,50%, 3/1/14 B2/BB- 10,212,5 8,000 Delhaize America, Inc., 9.00%, 4/15/31 Ba1/BB+ 9,538,4 3,900 Grupo Gigante S.A. de C.V., 8.75%, 4/13/16 (d) NR/BB 4,007,2 23,758,1 Retail 0.6% 16,400 Bon-Ton Stores, Inc., 10.25%, 3/15/14 B-/B- 16,851,0 Felecommunications 14,975 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,0 14,075 American Cellular Corp., 8.125%, 2/1/14 B2/B+ 32,833,3 31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B+ 32,833,3 12,000 Citizens Communications Co., 9.00%, 8/15/31 Ba2/BH+ 13,080,0 11,300 Cricket Communications, Inc., Ser. B, B3/CCC+ 12,316,0 12,225 9,75%, 5/1/13 (k) B3/CCC+ 12,316,0 12,225 9,75%, 5/1/13 (k) B3/CCC+ 12,316,0 12,225 9,75%, 5/1/13 (k) B3/CCC+ 12,316,0	33,335	RH Donnelley Corp., 8.875%, 1/15/16, Ser. A-3	B3/B	35,168,425	
Real Estate 0.8% 10,000 B.F. Saul REIT, 7.50%, 3/1/14 B2/BB- 10,212,2, 8,000 Delhaize America, Inc., 9.00%, 4/15/31 Ba1/BB+ 9,538,4 3,900 Grupo Gigante S.A. de C.V., 8.75%, 4/13/16 (d) NR/BB 4,007,23,758,1 Retail 0.6% Retail 0.6% Telecommunications 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,6 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,6 14,555 Centennial Communications Corp., 8.125%, 2/1/14 B3/CCC 15,009,8 31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B- 32,833,5 12,000 Citizens Communications, Inc., 9.375%, 11/1/14 B2/B- 32,833,5 13,000 Citizens Communications, Inc., 9.375%, 11/1/14 B2/B+ 13,080,0 11,300 Cricket Communications, Inc., 9.375%, 11/1/14 B3/CCC+ 12,316,6 7,000 12.50%, 5/1/15 Caa1/CC+ 7,367,7 Intelsat Bermuda Ltd. (d), Caa1/B 14,332,5 <td< td=""><td></td><td></td><td>B2/B</td><td>2,190,000</td></td<>			B2/B	2,190,000	
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$				75,966,522	
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Real Estate 0.8%				
8,000 Delhaize America, Inc., 9.00%, 4/15/31 Ba1/BB+ 9,538,4 3,900 Grupo Gigante S.A. de C.V., 8.75%, 4/13/16 (d) NR/BB 4,007,2 23,758,1 23,758,1 23,758,1 Retail 0.6% Felecommunications 14.8% 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954, 14,955 Centennial Communications Corp., 8.125%, 2/1/14 B3/CCC 15,009, 8 31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B- 32,833, 12,000 Cricket Communications Co., 9.00%, 8/15/31 Ba2/BB+ 13,080, 11,300 Cricket Communications, Inc., 9.375%, 11/1/14 (d) CCC/Caa2 11,978, 0 Hawaiian Telcom Communications, Inc., Ser. B, 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316, 0 CC 12,316, 0 Call/CCC+ 7,367, 1 Intelsat Bermuda Ltd. (d), Caa1/CCC+ 7,367, 1 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 11/15/15 Caa1/B		B F Saul REIT 7 50% 3/1/14	B2/BB-	10 212 500	
3,900 Grupo Gigante S.A. de C.V., 8.75%, 4/13/16 (d) NR/BB 4,007, 23,758,1 Retail 0.6% 16,400 Bon-Ton Stores, Inc., 10.25%, 3/15/14 B-/B- 16,851,0 Felecommunications 14.8% 16,851,0 Felecommunications 14.8% Felecommunications 14.8% Identities 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,0 14,555 Centennial Communications Corp., 8.125%, 2/1/14 B3/CCC 15,009,8 31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B- 32,833,2 12,000 Citizens Communications, Co., 9.00%, 8/15/31 Ba2/BB+ 13,080,0 11,300 Cricket Communications, Inc., 9.375%, 11/1/14 (d) CCC/Caa2 11,978,0 Hawaiian Telcom Communications, Inc., Ser. B, 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,0 12,225 9.75%, 5/1/15 Caa1/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), 12,50%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 B2/B+<	· · · · · · · · · · · · · · · · · · ·				
Retail 0.6% 23,758,1 Retail 0.6% 30,000 Bon-Ton Stores, Inc., 10.25%, 3/15/14 B-/B- 16,851,0 Felecommunications 14.8% 50,000 50,000,000 8/1/11, Ser. B B3/CCC 14,954,6 I 4,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,6 I 4,075 Centennial Communications Corp., 8.125%, 2/1/14 B3/CCC 15,009,8 31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B- 32,833,2 I 2,000 Citizens Communications Co., 9.00%, 8/15/31 Ba2/BB+ 13,080,0 I 1,300 Cricket Communications, Inc., 9.375%, 11/1/14 (d) CCC/Caa2 11,978,0 I 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,0 I 12,225 9.75%, 5/1/15 Caa1/CC+ 7,367,5 Intelsat Bermuda Ltd. (d), B2/B+ 21,600,0 I 12,50%, 6/15/16 B2/B+ 21,600,0 I 12,50%, 6/15/16 B2/B+ 14,332,5 I 14,8350 Intelsat Subsidiary Holding Co., Ltd., 8.625%, B2/B+ 19,071,2 I 15/15 B2/B+					
Retail 0.6% I6,400 Bon-Ton Stores, Inc., 10.25%, 3/15/14 B-/B- 16,851,0 Felecommunications 14.075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,0 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 15,009,8 14,555 Centennial Communications Corp., 8.125%, 2/1/14 B3/CCC 15,009,8 31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B- 32,833,5 12,000 Citizens Communications Co., 9.00%, 8/15/31 Ba2/BB+ 13,080,0 11,300 Cricket Communications, Inc., 9.375%, 11/1/14 (d) CCC/Caa2 11,978,0 Hawaiian Telcom Communications, Inc., Ser. B, 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,0 12,225 9.75%, 5/1/13 (k) B3/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), 14.000,0 12.50%, 5/1/15 Caa1/CCC+ 7,367,5 11 Intelsat Bermuda Ltd. (d), 11.25%, 6/15/16 Caa1/B 14,332,5 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15	5,900	Orupo Organie 5.A. de C.V., 6.7570, 4/15/10 (d)	NN/DD		
16,400 Bon-Ton Stores, Inc., 10.25%, 3/15/14 B-/B- 16,851,0 Felecommunications 14.8% 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,0 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,0 14,555 Centennial Communications Corp., 8.125%, 2/1/14 B3/CCC 15,009,8 31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B- 32,833,2 12,000 Citizens Communications Co., 9.00%, 8/15/31 Ba2/BB+ 13,080,0 11,300 Cricket Communications, Inc., 9.375%, 11/1/14 (d) CCC/Caa2 11,978,0 Hawaiian Telcom Communications, Inc., Ser. B, 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,0 12,225 9.75%, 5/1/13 (k) B3/CCC+ 7,367,5 11 12,200 12,50%, 5/1/15 Caa1/CCC+ 7,367,5 11telsat Bermuda Ltd. (d), 7,000 12,25%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+				25,750,170	
Telecommunications 14.8% 14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,6 14,555 Centennial Communications Corp., 8.125%, 2/1/14 B3/CCC 15,009,8 31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B- 32,833,3 12,000 Citizens Communications Co., 9.00%, 8/15/31 Ba2/BB+ 13,080,0 11,300 Cricket Communications, Inc., 9.375%, 11/1/14 (d) CCCC/Caa2 11,978,0 Hawaiian Telcom Communications, Inc., Ser. B, 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,0 12,225 9.75%, 5/1/13 (k) B3/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), 11.250%, 6/15/16 Caa1/CCC+ 7,367,5 111,2500 11.25%, 6/15/16 Caa1/B 14,332,5 14,330,0 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 9,292,5 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5	Retail 0.6%	D T 64 I 10.0507 2/15/14	D /D	16 951 000	
14,075 American Cellular Corp., 10.00%, 8/1/11, Ser. B B3/CCC 14,954,6 14,555 Centennial Communications Corp., 8.125%, 2/1/14 B3/CCC 15,009,8 31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B- 32,833,5 12,000 Citizens Communications Co., 9.00%, 8/15/31 Ba2/BB+ 13,080,0 11,300 Cricket Communications, Inc., 9.375%, 11/1/14 (d) CCC/Caa2 11,978,0 Hawaiian Telcom Communications, Inc., Ser. B, Hawaiian Telcom Communications, Inc., Ser. B, 12,225 9.75%, 5/1/13 (k) B3/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), Intelsat Bermuda Ltd. (d), 14,332,5 14,332,5 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5	16,400	Bon-1on Stores, Inc., 10.25%, 3/15/14	В-/В-	16,851,000	
14,555 Centennial Communications Corp., 8.125%, 2/1/14 B3/CCC 15,009,8 31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B- 32,833,5 12,000 Citizens Communications Co., 9.00%, 8/15/31 Ba2/BB+ 13,080,0 11,300 Cricket Communications, Inc., 9.375%, 11/1/14 (d) CCC/Caa2 11,978,0 Hawaiian Telcom Communications, Inc., Ser. B, 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,0 12,225 9.75%, 5/1/15 (k) B3/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), 12,50%, 5/1/15 Caa1/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), 11.25%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5	Felecommunications 14.8%				
31,800 Cincinnati Bell, Inc., 8.375%, 1/15/14 B2/B- 32,833,5 12,000 Citizens Communications Co., 9.00%, 8/15/31 Ba2/BB+ 13,080,0 11,300 Cricket Communications, Inc., 9.375%, 11/1/14 (d) CCC/Caa2 11,978,0 Hawaiian Telcom Communications, Inc., 9.375%, 11/1/14 (d) CCC/Caa2 11,978,0 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,0 7,000 12.50%, 5/1/15 Caa1/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), Intelsat Bermuda Ltd. (d), 11,25%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5				14,954,687	
12,000 Citizens Communications Co., 9.00%, 8/15/31 Ba2/BB+ 13,080,0 11,300 Cricket Communications, Inc., 9.375%, 11/1/14 (d) CCC/Caa2 11,978,0 Hawaiian Telcom Communications, Inc., Ser. B, 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,0 12,225 9.75%, 5/1/15 (k) B3/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), 12.50%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5			B3/CCC	15,009,844	
11,300 Cricket Communications, Inc., 9.375%, 11/1/14 (d) CCC/Caa2 11,978,0 Hawaiian Telcom Communications, Inc., Ser. B, 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,6 12,225 9.75%, 5/1/15 (k) Caa1/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), 11.25%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5	31,800		B2/B-	32,833,500	
Hawaiian Telcom Communications, Inc., Ser. B, 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,6 7,000 12.50%, 5/1/15 Caa1/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), 20,000 9.25%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5	12,000	Citizens Communications Co., 9.00%, 8/15/31	Ba2/BB+	13,080,000	
Hawaiian Telcom Communications, Inc., Ser. B, 12,225 9.75%, 5/1/13 (k) B3/CCC+ 12,316,6 7,000 12.50%, 5/1/15 Caa1/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), 20,000 9.25%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5	11,300	Cricket Communications, Inc., 9.375%, 11/1/14 (d)	CCC/Caa2	11,978,000	
7,000 12.50%, 5/1/15 Caa1/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), 11.25%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 11/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5					
7,000 12.50%, 5/1/15 Caa1/CCC+ 7,367,5 Intelsat Bermuda Ltd. (d), 11.25%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 11/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5	12,225	9.75%, 5/1/13 (k)	B3/CCC+	12,316,687	
Intelsat Bermuda Ltd. (d), 20,000 9.25%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5				7,367,500	
20,000 9.25%, 6/15/16 B2/B+ 21,600,0 13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5					
13,000 11.25%, 6/15/16 Caa1/B 14,332,5 18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5	20,000		B2/B+	21,600,000	
18,250 Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5	· · · · · · · · · · · · · · · · · · ·			14,332,500	
1/15/15 B2/B+ 19,071,2 8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5					
8,850 MetroPCS Wireless, Inc., 9.25%, 11/1/14 (b)(d) CCC/Caa2 9,292,5		· -	B2/B+	19,071,250	
	8.850			9,292,500	
	8,600	· · · · · · · · · · · · · · · · · · ·	B2/B	9,245,000	

Nordic Telephone Co. Holdings ApS, 8.875%, 5/1/16 (d)

Amount (000)			Credit Rating (Moody s/S&P)	Value*
Felecommunications	(continued)			
		Nortel Networks Ltd. (d),		
\$	13,000	10.125%, 7/15/13	B1/B- \$	14,105,00
	2,000	10.75%, 7/15/16	B-/B3	2,197,50
	14,625	PanAmSat Corp., 6.875%, 1/15/28	Ba2/BB	13,455,00
		Qwest Capital Funding, Inc.,		
	9,200	7.25%, 2/15/11	B+/B1	9,441,50
	44,000	7.90%, 8/15/10	B+/B	46,035,00
		Qwest Communications International, Inc.,		
	14,625	7.50%, 2/15/14	B+/B	15,136,87
	23,225	7.50%, 2/15/14, Ser. B	B+/Ba3	24,037,87
	,	Qwest Corp.,		, ,
	1,250	7.50%, 6/15/23	BB+/Ba1	1,265,62
	1,175	7.625%, 6/15/15	BB+/Ba1	1,263,12
	10,450	8.875%, 3/15/12	BB+/BB	11,690,93
	3,000	8.875%, 6/1/31	BB+/Ba1	3,142,50
	18,020	Rural Cellular Corp., 9.875%, 2/1/10	NR/CCC	19,258,87
	9,400	Suncom Wireless, Inc., 8.50%, 6/1/13	Caa2/CCC-	9,047,50
	12,400	Superior Essex Communications LLC, 9.00%,	Caa2/CCC-	9,047,30
	12,400	4/15/12	B3/B	12,958,00
	24.075		D3/D	12,958,00
	24,975	Time Warner Telecom Holdings, Inc., 9.25%,	D2/CCC	26.916.00
	12.000	2/15/14	B3/CCC+	26,816,90
	13,000	Wind Acquisition Finance S.A., 10.75%, 12/1/15 (d)	B2/B-	14,852,50
	9,000	Windstream Corp., 8.625%, 8/1/16 (d)	Ba3/BB-	9,900,00
				415,686,18
France artation 0.20				
Fransportation 0.3%		Cruno Trononortagion Formaviario Maviagno S.A. da		
		Grupo Transportacion Ferroviaria Mexicana S.A. de C.V.,		
	2 400		ND/D	2 574 00
	2,400	9.375%, 5/1/12	NR/B-	2,574,00
	5,000	12.50%, 6/15/12	B3/B-	5,425,00
				7,999,00
Utilities 3.5%				
Junites 5.5 /0	16,850	AES Corp., 8.75%, 5/15/13 (d)	Ba3/BB-	18,134,81
	2,000	Empresa Energetica de Sergipe and Sociedade	Da5/DD-	10,154,01
	2,000	Anonima de Eletrificaao da Paraiba, 10.50%, 7/19/13		
			ND/D	2 062 82
	10.450	(d)	NR/B+	2,062,82
	19,450	Legrand Holding S.A., 8.50%, 2/15/25	Baa3/BB+	22,464,75
	10.504	Midwest Generation LLC, pass thru certificates,	D (0)DD	21 5 40 50
	19,534	8.56%, 1/2/16, Ser. B	Ba2/BB-	21,548,79
	1,500	8.75%, 5/1/34	Ba2/B+	1,635,00
	21,500	PSE&G Energy Holdings LLC, 8.50%, 6/15/11	Ba3/BB-	23,220,00
	3,147	Sithe Independence Funding Corp., 9.00%, 12/30/13,		
		Ser. A	Ba2/B	3,434,42
	6,942	South Point Energy Center LLC, 8.40%, 5/30/12 (d)	NR/D	6,703,12
				99,203,73
Waste Disposal 0.7%		Alliad Weath Name Aman' T		
	12,000	Allied Waste North America, Inc.,	D1/DD	10.075.00
	12,000	7.25%, 3/15/15	B2/BB-	12,075,00
	6,823	9.25%, 9/1/12, Ser. B	B2/BB-	7,283,55
				19,358,552
		Tetel Companyes Daniels & M. (
		Total Corporate Bonds & Notes		0 505 105 00
		(cost \$2,403,604,891)		2,505,185,23

SENIOR LOANS (a)(b)(c) 2.9%		
Chemicals 0.1%		
1,800	Ineos Group Ltd., 7.611%, 10/7/12	1,809,000

Principal Amount (000)			Value*
Containers & Packa	ging 0.3%		
	8 8	JSG Packaging,	
	1,049	5.741%, 11/29/13, Term B	\$ 1,395,501
	431	5.964%, 1/12/13, Term B	572,548
	287	6.118%, 1/12/13, Term B	381,699
	324	6.157%, 1/12/13, Term B	430,597
	559	6.186%, 1/12/13, Term B	743,418
	431	6.464%, 1/12/14, Term C	572,225
	287	6.494%, 1/12/14, Term C	381,483
	324	6.657%, 1/12/14, Term C	430,354
	559	6.686%, 1/12/14, Term C	746,286
	1,049	6.835%, 11/29/14, Term C	1,400,888
\$	750	7.745%, 11/29/13, Term B	755,539
	750	8.245%, 11/29/14, Term C	755,114
			8,565,652
Financial Services 0	.1%		
	1,200	UPC Holding BV, 7.75%, 1/15/14	1,594,249
Healthcare & Hospit	tals 0.3%		
\$	9,452	HealthSouth Corp., 8.62%, 2/2/13	9,527,988
Oil & Gas 0.7%			
	20,000	Ferrellgas L.P., 8.87%, 8/1/09 (g)	20,764,873
Recreation 0.2%			
		Amadeus Global Travel,	
	2,699	5.974%, 4/8/12, Term A	3,564,660
\$	1,250	8.114%, 4/8/13, Term B2	1,260,872
	1,250	8.614%, 4/8/14, Term C2	1,265,690
			6,091,222
Telecommunications	1.0%		
		Nordic Telephone,	
	2,300	8.25%, 5/1/16 (d)	3,351,350
	5,000	8.25%, 5/1/16	7,285,545
		Nordic Telephone Co. Holdings ApS,	
	3,200	5.939%, 11/30/14, Term B (g)	4,263,250
	3,200	6.439%, 11/30/14, Term C	4,281,893
\$	2,000	NTL Investment, 7.36%, 1/6/13, Term B	2,010,416
		Weather Investments SARL (e),	
	3,000	5.505%, 6/17/12, Term A	3,963,369
	1,500	6.298%, 6/17/13, Term B (g)	1,987,249
	1,500	6.798%, 6/17/14, Term C	1,994,541
			29,137,613
Wholesale 0.2%			
wholesale 0.2%		Roundy s, Inc.,	
\$	2 450	· · · · · · · · · · · · · · · · · · ·	2 175 112
ф	2,450	8.36%, 10/27/11	2,475,113
	2,500	8.38%, 10/27/11	2,525,625
			5,000,738
		Total Senior Loans (cost \$78,738,396)	82,491,335
		$\frac{10}{10} \frac{10}{10} 10$	02,471,333

Principal Amount (000)			Credit Rating (Moody s/S&P)	Value*
MUNICIPAL BOND	S & NOTES 0.59	<i>7</i> 0		
California 0.5%				
		Los Angeles Community Redev. Agcy. Rev., Ser. H,		
\$	200	8.25%, 9/1/07	NR/NR	\$ 199,360
	725	9.00%, 9/1/12	NR/NR	744,785
	1,160	9.75%, 9/1/17	NR/NR	1,234,275
	1,375	9.75%, 9/1/22	NR/NR	1,463,688
	2,170	9.75%, 9/1/27	NR/NR	2,298,941
	3,480	9.75%, 9/1/32	NR/NR	3,678,812
		San Diego Redev. Agcy., Tax Allocation,		
	1,785	6.59%, 11/1/13	Baa3/NR	1,756,012
	1,435	7.49%, 11/1/18	Baa3/NR	1,470,875
	1,885	7.74%, 11/1/21	Baa3/NR	1,919,571
		Total Municipal Bonds & Notes (cost \$14,694,739)		14,766,319
ASSET-BACKED SH	CUDITIES 0.20			
ASSET DACKED SI	3,250			
	5,250	Northwest Airlines, Inc., pass thru certificates, 7.691%, 4/1/17, Ser. 01-B	Caa1/CCC	3,236,190
	742	Reliant Energy Mid-Atlantic Power Holdings LLC,	Caal/CCC	5,250,190
	742	9.237%, 7/2/17, Ser. B	Caa1/B	831,222
		Total Asset-Backed Securities (cost \$3,885,911)		4,067,412
Shares Financial Services 0	.9% 24,700	Fresenius Medical Care Capital Trust II, 7.875%, UNIT		
		(j)	B1/B+	25,194,000
Telecommunications	0.0%			
	155,565	Superior Essex Holding Corp., 9.50%, Ser. A, UNIT	NR/NR	127,563
		Total Preferred Stock (cost \$26,157,273)		25,321,563
SHORT-TERM INV	ESTMENTS 6.59	70		
Principal Amount (000)				
Sovereign Debt Oblig Germany 4.8%	gations (e) 4.8%)		
Germany no /c		Bundesschatzanweisungen, 2.50%, 3/23/07		
	103,000	(cost \$135,487,197)	NR/NR	135,466,519
Commercial Paper	1.2%			
Financial Services 1				
s s	12,700	Danske Corp., 5.26%, 1/4/07	NR/NR	12,694,433
φ	6,800	Rabobank USA Financial Corp., 5.28%, 1/2/07	A-1/A-1+	6,799,002
	12,600	UBS Finance LLC, 5.245%, 1/8/07	NR/NR	12,587,150
	12,000	015 Fillance LEC, 5.24570, 170/07	ININ/INK	12,307,130
		Total Commercial Paper (cost \$32,080,585)		32,080,585

U.S. Treasury Bills (i) 0.5%		
14,355	4.80%-4.87%,3/1/07-3/15/07 (cost \$14,221,024)	14,206,115

Principal Amount (000)		Value*
Repurchase Agreements 0.0%		
\$ 29	State Street Bank & Trust Co., dated 12/29/06, 4.90%, due 1/2/07, proceeds \$29,016; collateralized by Fannie Mae, 5.75%, due 2/15/08, valued at \$30,830 including accrued interest (cost \$29,000)	\$ 29,000
	Total Short-Term Investments (cost \$181,817,806)	181,782,219
OPTIONS PURCHASED (j) 0.0%		
Contracts/Notional		
	Put Options (0.0)%	
	Eurodollar Futures, Chicago Mercantile Exchange,	
1,346	strike price \$90.25, expires 9/17/07	3
1,483	strike price \$91.25, expires 6/18/07	4
1,544	strike price \$91.75, expires 3/19/07	4
	Total Options Purchased (cost \$41,543)	11
	Total Investments before options written	
	(cost \$2,708,940,559) 100.1%	2,813,614,097
		, , ,
OPTIONS WRITTEN (j) $(0.1)\%$		
	Call Options (0.0)%	
21,400,000	10-Year Interest Rate Swap, Over-the-Counter,	
	Pay 3-Month USD LIBOR Floating Rate Index,	
	strike rate 4.60%, expires 1/2/07	
2,088	U.S. Treasury Bond Futures, Chicago Board of Trade,	
	strike price \$115, expires 2/23/07	(326,250)
1,752	U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade,	
	strike price \$111, expires 2/23/07	(54,750)
		(381,000)
	Put Options (0.1)%	
21,400,000	10-Year Interest Rate Swap, Over-the-Counter,	
	Pay 3-Month USD LIBOR Floating Rate Index,	
	strike rate 5.90%, expires 1/2/07	
2,088	U.S. Treasury Bond Futures, Chicago Board of Trade,	
	strike price \$110, expires 2/23/07	(1,076,625)
1,752	U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade,	
	strike price \$106, expires 2/23/07	(355,875)
		(1,432,500)
	Total Options Written (premiums received \$5,520,556)	(1,813,500)
	Total Investments net of options written	
	(cost \$2,703,420,003) 100.0%	\$ 2,811,800,597

Notes to Schedule of Investments:

- Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees, including certain fixed income securities which may be valued with reference to securities whose prices are more readily available. The Fund s investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the last quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. The Fund s investments in senior floating rate loans (Senior Loans), for which a secondary market exists will be valued at the mean of the last available bid and asked prices in the market for such Senior Loans, as provided by an independent pricing service. Other Senior Loans are valued at fair-value pursuant to procedures approved by the Board of Trustees. Such procedures include consideration and evaluation of: (1) the creditworthiness of the borrower and any intermediate participants; (2) the term of the Senior Loan; (3) recent prices in the market for similar loans, if any, (4) recent prices in the market for loans of similar quality, coupon rate, and period until next interest rate reset and maturity; and (5) general economic and market conditions affecting the fair value of the Senior Loan. Exchange traded options and futures are valued at the settlement price determined by the relevant exchange. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement value. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold. The Fund s net asset value is determined daily as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.
- (a) Private Placement. Restricted as to resale and may not have a readily available market.
- (b) Illiquid security. Securities with an aggregate value of \$121,060,802, representing 4.31% of investments are deemed illiquid.
- (c) These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the LIBOR or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the Fund is ordinarily contractually obligated to receive approval from the Agent bank and/or borrower prior to disposition. Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty.
- (d) 144A Security Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (e) Delayed-delivery security. To be settled/delivered after December 31, 2006.
- (f) Security in default.
- (g) Fair-valued security. Securities with an aggregate value of \$48,556,039, representing 1.73% of total investments, have been fair-valued.
- (h) Credit-linked trust certificate.
- (i) All or partial amount segregated as collateral for futures contracts and/or written options.
- (j) Non-income producing.
- (k) All or partial amount segregated as collateral for reverse repurchase agreements.

Glossary:

- \pounds British Pound Sterling
 - Euros

FRN - Floating Rate Note. The interest rate disclosed reflects the rate in effect on December 31, 2006.

- LIBOR London Inter-Bank Offered Rate
- NR Not Rated
- REIT Real Estate Investment Trust
- UNIT More than one class of securities traded together.

VRN - Variable Rate Note. The interest rate disclosed reflects the rate in effect on December 31, 2006.

Other Investments:

(1) Futures contracts outstanding at December 31, 2006:

		Market		
Туре	Contracts	value (000)	Expiration Date	Unrealized Depreciation
Type	Contracts	(000)	Date	 Depreciation
Long: Financial Future Euro 90 day	2,775	\$ 659,409	12/18/07	\$ (2,046,563)

(2) Transactions in options written for the period ended December 31, 2006:

	Contracts/Notional	Premiums
Options outstanding, March 31, 2006	58,607,211	\$ 2,490,254
Options written	36,412	11,319,123
Options terminated in closing transactions	(15,835,943)	(8,288,821)
Options outstanding, December 31, 2006	42,807,680	\$ 5,520,556

(3) Credit default swap contracts outstanding at December 31, 2006:

Swap Counterparty/ Referenced Debt Issuer	Notional A Payable on (000)	Default	Termination Date	Payments Received (Paid) by Fund	Unrealized Appreciation
Bank of America	*		a /a o /o =		6.600
Abitibi-Consolidated	\$	3,000	3/20/07	2.20% \$	6,693
AES Corp.		1,000	12/20/07	1.50%	11,904
ArvinMeritor		3,000	3/20/07	2.35%	14,813
Williams Cos.		2,000	12/20/07	1.25%	15,634
Bear Stearns					
CVC		3,000	12/20/07	2.15%	48,648
Georgia-Pacific Corp.		1,500	12/20/07	0.82%	10,810
MGM Mirage		3,500	9/20/09	1.92%	105,057
Royal Caribbean Cruises		3,500	9/20/07	1.50%	32,204
Citigroup					
Allied Waste Industries		3,500	9/20/07	2.18%	47,784
Crown Cork		3,500	9/20/07	2.38%	57,188
Ford Motor Credit		5,000	9/20/07	2.00%	55,551
Owens-Brockway		7,000	9/20/07	2.05%	73,635
Starwood Hotels & Resorts Worldwide		3,500	9/20/07	1.20%	26,292
Credit Suisse					
Ford Motor Credit		5,000	6/20/07	0.70%	8,123
Deutsche Bank					
Dow Jones CDX US High Yield		64,000	12/20/11	3.25%	1,383,880
Federation of Russia		15,000	6/20/07	0.44%	17,953
Softbank	¥	308,000	9/20/07	2.30%	19,905
Goldman Sachs					
DirecTV Holdings	\$	5,000	12/20/11	(1.70)%	881

HCA	1,000	12/20/07	0.75%	2,321
Starwood Hotels & Resorts Worldwide	1,000	12/20/07	1.10%	8,595
JPMorgan Chase				
AES Corp.	3,500	9/20/07	2.15%	50,585
Bowater	3,000	3/20/07	1.60%	7,050
Electronic Data	1,000	12/20/07	1.30%	11,076
Lear Corp.	5,000	3/20/07	7.50%	42,350
Smurfit-Stone Container Corp.	4,700	12/20/09	2.30%	88,416
Lehman Brothers				
ArvinMeritor	3,000	12/20/09	2.35%	28,546
Ford Motor Credit	4,000	9/20/07	2.15%	48,942
NRG Energy	5,000	9/20/11	2.25%	127,460
Merrill Lynch				
AES Corp.	8,000	6/20/07	0.95%	29,586
Morgan Stanley				
Gaz Capital	13,000	4/20/11	1.05%	210,730
Georgia-Pacific Corp.	5,000	12/20/09	1.15%	65,614
Royal Bank of Scotland				
GMAC	25,000	3/20/07	5.00%	322,622
			\$	2,980,848

(4) Interest rate swap agreements outstanding at December 31, 2006:

Swap Counterparty		l Amount 100)	Termination Date	Payments Made by Fund	Rate Type Payments Received by Fund	Unrealized Appreciation (Depreciation)
Citigroup	\$	240,000	7/20/16	3 Month LIBOR	5.10%	\$ (2,762,136)
Deutsche Bank		207,200	12/19/08	3 Month LIBOR	5.00%	(225,723)
Deutsche Bank	£	400	9/15/10	6 Month LIBOR	5.00%	(8,654)
Goldman Sachs	\$	39,400	12/19/08	3 Month LIBOR	5.00%	(50,176)
Goldman Sachs		1,800,000	6/21/26	6.00%	3 Month LIBOR	(114,806,630)
Goldman Sachs		1,800,000	6/21/26	3 Month LIBOR	6.00%	111,703,411
Lehman Securities		33,100	6/20/17	5.00%	3 Month LIBOR	757,580
UBS Securities		8,700	12/19/08	3 Month LIBOR	5.00%	(8,817)
UBS Securities		400,000	7/20/16	5.10%	3 Month LIBOR	(3,493,123)
UBS Securities		400,000	7/20/16	3 Month LIBOR	6.45%	4,010,029
UBS Securities		685,000	6/21/25	5.70%	3 Month LIBOR	(39,542,124)
UBS Securities		680,000	6/21/25	3 Month LIBOR	5.70%	32,493,772
						\$ (11,932,591)

LIBOR- London Inter-bank Offered Rate

The Fund received \$6,750,000 par value in U.S. Treasury Bills as collateral for swap contracts.

(5) Forward foreign currency contracts outstanding at December 31, 2006:

	U.S.\$ Value Origination Date	U.S.\$ Value December 31, 2006	Unrealized Appreciation (Depreciation)
Purchased:			
¥ 4,423,139,000 settling 2/15/07	\$ 37,899,193	\$ 37,353,479	\$ (545,714)
Sold:			
59,359,000 settling 1/23/07	79,327,071	78,370,450	956,621
£ 2,985,000 settling 1/11/07	5,809,661	5,842,607	(32,946)
			\$ 377,961

(6) Open reverse repurchase agreements at December 31, 2006:

Counterparty	Rate	Trade Date	Maturity Date	Principal & Interest	Par
Lehman Brothers	1.00%	5/26/06	5/26/08	\$ 4,917,368	\$ 4,887,500
	4.50%	10/30/06	4/25/08	4,825,202	4,787,500
	3.50%	12/14/06	12/12/08	4,676,920	4,668,750
	5.25%	12/21/06	12/19/08	76,121,917	76,000,000
					\$ 90.343.750

Collateral for open reverse repurchase agreements at December 31, 2006 as reflected in the schedule of investments:

			Maturity		
Counterparty	Description	Rate	Date	Par	Value
Lehman Brothers	American Airlines, Inc.	8.608%	10/12/12	\$ 5,000,000	\$ 5,315,625
	Dow Jones CDX U.S High				
	Yield	8.375%	12/29/11	80,000,000	81,844,000
	Hawaiian Telcom				
	Communications, Inc.	9.750%	5/1/13	5,000,000	5,037,500
	Solectron Global Finance Ltd.	8.000%	3/15/16	5,000,000	5,087,500
					\$ 97,284,625

Item 2. Controls and Procedures

(a) The Registrant s principal executive and principal financial officers have evaluated the Registrant s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and have concluded that the Registrant s disclosure controls and procedures are effective as of a date within 90 days of the filing.

Prior to reaching this conclusion, the principal officers had become aware of matters relating to the accounting treatment in connection with the Registrant s ability to participate in certain inverse floater structures that required enhancements to certain controls. The Registrant s management determined that controls relating to the review and analysis of relevant terms and conditions of certain transfers of securities under the provisions of Statement of Financial Accounting Standards No. 140 Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities (SFAS 140) were not effective.

Although the Registrant has not invested in these types of securities, the Registrant s Management is taking such further actions as are necessary to revise its disclosure controls and procedures in order to increase the effectiveness of these controls with respect to the accounting treatment of transfers of certain inverse floater transactions.

(b) There have been no changes in the Registrant s internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company act of 1940, as amended) that occurred during the second fiscal quarter of the period covered by this report that materially affected, or is reasonably likely to affect, the Registrant s internal control over financial reporting. However as discussed above, subsequent to December 31, 2006, the Registrant is enhancing controls related to the accounting treatment of transfers of certain inverse floater securities.

Item 3. Exhibits

(a) Exhibit 99.302 Cert. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

SIGNATURES

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

Registrant: PIMCO High Income Fund

By /s/ Brian S. Shlissel President & Chief Executive Officer

Date: February 23, 2007

By /s/ Lawrence G. Altadonna Treasurer, Principal Financial & Accounting Officer

Date: February 23, 2007

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

By /s/ Brian S. Shlissel President & Chief Executive Officer

Date: February 23, 2007

By /s/ Lawrence G. Altadonna Treasurer, Principal Financial & Accounting Officer

Date: February 23, 2007