

MFS MULTIMARKET INCOME TRUST  
Form N-CSR  
January 02, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF**  
**REGISTERED MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-4975

**MFS MULTIMARKET INCOME TRUST**

(Exact name of registrant as specified in charter)

**111 Huntington Avenue, Boston, Massachusetts 02199**

(Address of principal executive offices) (Zip code)

**Susan S. Newton**

**Massachusetts Financial Services Company**

**111 Huntington Avenue**

**Boston, Massachusetts 02199**

(Name and address of agents for service)

Registrant's telephone number, including area code: (617) 954-5000

Date of fiscal year end: October 31

Date of reporting period: October 31, 2014

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**ITEM 1. REPORTS TO STOCKHOLDERS.**

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**ANNUAL REPORT**

October 31, 2014

**MFS® MULTIMARKET INCOME TRUST**

MMT-ANN

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**MFS® MULTIMARKET INCOME TRUST**

New York Stock Exchange Symbol: **MMT**

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NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

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**LETTER FROM THE CHAIRMAN AND CEO**

Dear Shareholders:

The U.S. economy stands on much firmer ground than the rest of the world, expanding at an annualized pace of more than 3%. The U.S. Federal Reserve has ended its QE3

bond-purchasing program as the labor market has regained momentum amid other positive indicators. Improved consumer confidence and falling gasoline prices are expected to continue propelling demand for products and services heading into the end of the year.

In contrast, all other major economic regions continue to struggle. The eurozone economy is barely expanding, and deflation threatens the bloc. The European Central Bank has made several attempts to stimulate the region's economy, but has so far held back from large-scale asset purchases, including government bonds.

Japan continues to try to strengthen its economy. After making early progress at ending deflation and stimulating growth last year, the country hit a setback last spring when the sales tax increase was introduced, causing the need for recent additional monetary stimulus. China continues to struggle, and its growth rate is projected to continue to slow as it transitions to a more sustainable economy.

As always, active risk management is integral to how we at MFS® manage your investments. We use a collaborative process, sharing insights across asset classes, regions and economic sectors. Our global investment team uses a diversified, multidisciplined, long-term approach.

We understand that these are challenging economic times. Applying proven principles, such as asset allocation and diversification, can best serve investors over the long term. We are confident that this approach can help you as you work with your financial advisors to reach your goals in the years ahead.

Respectfully,

**Robert J. Manning**

Chairman and Chief Executive Officer

MFS Investment Management

December 16, 2014

The opinions expressed in this letter are subject to change and may not be relied upon for investment advice. No forecasts can be guaranteed.

**Table of Contents****PORTFOLIO COMPOSITION****Portfolio structure (i)****Fixed income sectors (i)**

High Yield Corporates	60.1%
Emerging Markets Bonds	20.1%
Investment Grade Corporates	15.7%
U.S. Government Agencies	5.3%
Commercial Mortgage-Backed Securities	4.1%
Floating Rate Loans	2.5%
Non-U.S. Government Bonds	2.4%
Mortgage-Backed Securities	1.7%
Collateralized Debt Obligations	0.3%
Asset-Backed Securities	0.3%
U.S. Treasury Securities	(8.6)%

**Composition including fixed income credit quality (a)(i)**

AAA	2.2%
AA	0.9%
A	7.2%
BBB	25.2%
BB	29.9%
B	31.9%
CCC	7.4%
C	0.3%
D	0.1%
U.S. Government	2.2%
Federal Agencies	7.0%
Not Rated	(10.4)%
Non-Fixed Income	0.1%
Cash & Other	(4.0)%

**Portfolio facts (i)**

Average Duration (d)	5.1
Average Effective Maturity (m)	7.4 yrs.

**Issuer country weightings (i)(x)**

United States	58.0%
Mexico	4.6%
Canada	3.7%
United Kingdom	3.5%
France	2.3%
Israel	1.9%
Indonesia	1.9%
China	1.8%
Germany	1.7%
Other Countries	20.6%



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*Portfolio Composition continued*

- (a) For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). Securities rated BBB or higher are considered investment grade. All ratings are subject to change. U.S. Government includes securities issued by the U.S. Department of the Treasury. Federal Agencies includes rated and unrated U.S. Agency fixed-income securities, U.S. Agency mortgage-backed securities, and collateralized mortgage obligations of U.S. Agency mortgage-backed securities. Not Rated includes fixed income securities, including fixed income futures contracts, which have not been rated by any rating agency. Non-Fixed Income includes equity securities (including convertible bonds and equity derivatives) and commodities. The fund may not hold all of these instruments. The fund is not rated by these agencies.
- (d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value due to the interest rate move.
- (i) For purposes of this presentation, the components include the value of securities, and reflect the impact of the equivalent exposure of derivative positions, if any. These amounts may be negative from time to time. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than value. The bond component will include any accrued interest amounts.
- (m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.
- (x) Represents the portfolio's exposure to issuer countries as a percentage of a portfolio's net assets. For purposes of this presentation, United States includes Cash & Other.

From time to time Cash & Other may be negative due to borrowings for leverage transactions, timing of cash receipts, and/or equivalent exposure from any derivative holdings.

Where the fund holds convertible bonds, these are treated as part of the equity portion of the portfolio.

Cash & Other can include cash, other assets less liabilities, offsets to derivative positions, and short-term securities.

Percentages are based on net assets as of 10/31/14.

The portfolio is actively managed and current holdings may be different.



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**MANAGEMENT REVIEW**

**Summary of Results**

MFS Multimarket Income Trust ( fund ) is a closed-end fund. The fund's investment objective is to seek high current income, but may also consider capital appreciation. The fund normally invests at least 80% of its net assets in fixed income securities. MFS considers debt instruments of all types to be fixed income securities. MFS normally invests the fund's assets in corporate bonds of US and/or foreign issuers, US Government securities, foreign government securities, mortgage-backed and other asset-backed securities of US and foreign issuers, and/or debt instruments of issuers located in emerging market countries. MFS allocates the fund's assets across these categories with a view toward broad diversification across and within these categories. MFS may also invest the fund's assets in equity securities.

For the twelve months ended October 31, 2014, shares of the MFS Multimarket Income Trust provided a total return of 7.13%, at net asset value and a total return of 5.09%, at market value. This compares with a return of 5.82% for the fund's benchmark, the Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index. Over the same period, the fund's other benchmark, the MFS Multimarket Income Trust Blended Index ( Blended Index ), generated a return of 5.36%. The Blended Index reflects the blended returns of various fixed income market indices, with percentage allocations to each index designed to resemble the fixed income allocations of the fund. The market indices and related percentage allocations used to compile the Blended Index are set forth in the Performance Summary.

The performance commentary below is based on the net asset value performance of the fund which reflects the performance of the underlying pool of assets held by the fund. The total return at market value represents the return earned by owners of the shares of the fund which are traded publicly on the exchange.

**Market Environment**

Prior to the reporting period, the decision by the US Federal Reserve ( Fed ) to postpone the tapering of its quantitative easing ( QE ) program surprised markets. Favorable market reactions were tempered, however, by tense negotiations over US fiscal policy which resulted in a 16-day partial shutdown of the federal government (from October 1 through 16, 2013) and a short-term extension in the debt ceiling. The volatility was short-lived, however, as an extension of budget and debt ceiling deadlines allowed the government to re-open, and subsequent economic data reflected moderate but resilient US growth. Also well-received was the decision by the European Central Bank ( ECB ) to cut its policy rate as inflation pressures waned in the region. In addition, equity investors appeared to have concluded that there would be no major change in US monetary policy as a result of the nomination of Janet Yellen as the new Fed Chair for a term beginning in early 2014 and that tapering would have no major impact on the trajectory.

As the period progressed, financial markets were forced to contend with a series of positive and negative return episodes. Geopolitical tensions flared in the Middle East and Russia/Ukraine. Market setbacks were short-lived, as improving economic growth in the US coupled with prospects for easier monetary policy in regions with slowing growth such as Japan, Europe and China, supported risk assets. For example, the ECB cut policy interest rates into negative territory and, by the end of the period,

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*Management Review continued*

expectations were for additional rate cuts and the announcement for non-conventional easing measures. Similarly, the Bank of Japan surprised markets late in the period with fresh stimulus measures given lackluster growth trends and the related decline in developed market government bond yields and credit spreads were also supportive for equity markets. At the end of the period, the US equity market was trading at all-time highs.

**Contributors to Performance**

Relative to the Blended Index, a lesser relative exposure to Venezuelan bonds contributed to performance.

The fund's return from yield, which was greater than that of the Blended Index, was also a key contributor to relative performance.

The fund's lesser exposure to shifts in the middle portion (centered around maturities of 7 years) of the US yield curve<sup>(y)</sup> also benefited relative returns.

**Detractors from Performance**

During the reporting period, the fund's lesser exposure to shifts in the long end (centered around maturities of 10 or more years) of the US yield curve detracted from relative returns as the yield curve steepened.

Credit quality in US bonds, particularly in B-rated securities, was another area of relative weakness.

The fund employs leverage and, to the extent that investments are purchased through the use of leverage, the fund's net asset value may increase or decrease at a greater rate than a comparable unleveraged fund. During the reporting period, the use of leverage did not have a material impact on the fund's performance.

Respectfully,

Richard Hawkins Portfolio Manager	William Adams Portfolio Manager	Ward Brown Portfolio Manager	David Cole Portfolio Manager
Pilar Gomez-Bravo Portfolio Manager	Robert Persons Portfolio Manager	Matthew Ryan Portfolio Manager	

(r) Bonds rated BBB, Baa, or higher are considered investment grade; bonds rated BB, Ba, or below are considered non-investment grade. The source for bond quality ratings is Moody's Investors Service, Standard & Poor's and Fitch, Inc. and are applied using the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). For securities which are not rated by any of the three agencies, the security is considered Not Rated.

(y) A yield curve graphically depicts the yields of different maturity bonds of the same credit quality and type; a normal yield curve is upward sloping, with short-term rates lower than long-term rates.

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*Management Review continued*

The views expressed in this report are those of the portfolio managers only through the end of the period of the report as stated on the cover and do not necessarily reflect the views of MFS or any other person in the MFS organization. These views are subject to change at any time based on market or other conditions, and MFS disclaims any responsibility to update such views. These views may not be relied upon as investment advice or an indication of trading intent on behalf of any MFS portfolio. References to specific securities are not recommendations of such securities, and may not be representative of any MFS portfolio's current or future investments.

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**PERFORMANCE SUMMARY THROUGH 10/31/14**

The following chart represents the fund's historical performance in comparison to its benchmark(s). Investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than their original cost; current performance may be lower or higher than quoted. The performance shown does not reflect the deduction of taxes, if any, that a shareholder would pay on fund distributions or the sale of fund shares. Performance data shown represents past performance and is no guarantee of future results.

**Price Summary for MFS Multimarket Income Trust**

		Date	Price
	Net Asset Value	10/31/14	\$7.39
		10/31/13	\$7.50
	New York Stock Exchange Price	10/31/14	\$6.37
Year Ended		6/25/14 (high) (t)	\$6.67
10/31/14		10/15/14 (low) (t)	\$6.23
		10/31/13	\$6.59

**Total Returns vs Benchmarks**

	MFS Multimarket Income Trust at	
	New York Stock Exchange Price (r)	5.09%
	Net Asset Value (r)	7.13%
	Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index (f)	5.82%
	MFS Multimarket Income Trust Blended Index (f)(w)	5.36%
	Barclays Global Aggregate Credit Bond Index (f)	3.30%
Year Ended	Barclays U.S. Government/Mortgage Bond Index (f)	3.32%
10/31/14	JPMorgan Emerging Markets Bond Index Global (f)	7.20%

(f) Source: FactSet Research Systems Inc.

(r) Includes reinvestment of dividends and capital gain distributions.

(t) For the period November 1, 2013 through October 31, 2014.

(w) MFS Multimarket Income Trust Blended Index is at a point in time and allocations during the period can change. As of October 31, 2014, the blended index was comprised of 50% Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index, 20% JPMorgan Emerging Markets Bond Index Global, 20% Barclays Global Aggregate Credit Bond Index, and 10% Barclays U.S. Government/Mortgage Bond Index.

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*Performance Summary continued*

### **Benchmark Definitions**

Barclays Global Aggregate Credit Bond Index is a subset of the Global Aggregate Index, and contains investment grade credit securities from the U.S. Aggregate, Pan-European Aggregate, Asian-Pacific Aggregate, Eurodollar, 144A, and Euro-Yen indices. Credit securities are publicly issued corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity and quality requirements.

Barclays U.S. Government/Mortgage Bond Index measures debt issued by the U.S. Government, and its agencies, as well as mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index is a component of the Barclays U.S. High-Yield Corporate Bond Index, which measures performance of non-investment grade, fixed rate debt. The index limits the maximum exposure to any one issuer to 2%.

JPMorgan Emerging Markets Bond Index Global measures the performance of U.S. dollar- denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds.

It is not possible to invest directly in an index.

### **Notes to Performance Summary**

The fund's shares may trade at a discount or premium to net asset value. When fund shares trade at a premium, buyers pay more than the net asset value underlying fund shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the fund's liquidation.

The fund's monthly distributions may include a return of capital to shareholders to the extent that distributions are in excess of the fund's net investment income and net capital gains, determined in accordance with federal income tax regulations. Distributions that are treated for federal income tax purposes as a return of capital will reduce each shareholder's basis in his or her shares and, to the extent the return of capital exceeds such basis, will be treated as gain to the shareholder from a sale of shares. Returns of shareholder capital have the effect of reducing the fund's assets and increasing the fund's expense ratio.

Net asset values and performance results based on net asset value per share do not include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles and may differ from amounts reported in the Statement of Assets and Liabilities or the Financial Highlights.

From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.

In accordance with Section 23(c) of the Investment Company Act of 1940, the fund hereby gives notice that it may from time to time repurchase shares of the fund in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.

**Table of Contents****PORTFOLIO MANAGERS PROFILES**

<b>Portfolio Manager</b>	<b>Primary Role</b>	<b>Since</b>	<b>Title and Five Year History</b>
Richard Hawkins	Lead Portfolio Manager	2006	Investment Officer of MFS; employed in the investment management area of MFS since 1988.
William Adams	Lower Quality Debt Instruments	2011	Investment Officer of MFS; employed in the investment management area of MFS since 2009.
Ward Brown	Portfolio Manager Emerging Markets Debt Instruments	2012	Investment Officer of MFS; employed in the investment management area of MFS since 2005.
David Cole	Portfolio Manager Lower Quality Debt Instruments	2006	Investment Officer of MFS; employed in the investment management area of MFS since 2004.
Pilar Gomez-Bravo	Portfolio Manager Investment Grade Debt Instruments Portfolio Manager	2013	Investment Officer of MFS; employed in the investment management area of MFS since 2013; Managing Director of Imperial Capital from May 2012 to March 2013; Portfolio Manager and Head of Research of Negentropy Capital from June 2011 to April 2012; Co-founder of Marengo Asset Management from June 2010 to April 2011; Head of Credit Europe Neuberger Berman from June 2006 to May 2010.
Robert Persons	Investment Grade Debt Instruments	2013	Investment Officer of MFS; employed in the investment management area of MFS since 2000.
Matthew Ryan	Portfolio Manager Emerging Markets Debt Instruments Portfolio Manager	2004	Investment Officer of MFS; employed in the investment management area of MFS since 1997.

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**DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN**

The fund offers a Dividend Reinvestment and Cash Purchase Plan (the Plan) that allows common shareholders to reinvest either all of the distributions paid by the fund or only the long-term capital gains. Generally, purchases are made at the market price unless that price exceeds the net asset value (the shares are trading at a premium). If the shares are trading at a premium, purchases will be made at a price of either the net asset value or 95% of the market price, whichever is greater. You can also buy shares on a quarterly basis in any amount \$100 and over. The Plan Agent will purchase shares under the Cash Purchase Plan on the 15th of January, April, July, and October or shortly thereafter.

If shares are registered in your own name, new shareholders will automatically participate in the Plan, unless you have indicated that you do not wish to participate. If your shares are in the name of a brokerage firm, bank, or other nominee, you can ask the firm or nominee to participate in the Plan on your behalf. If the nominee does not offer the Plan, you may wish to request that your shares be re-registered in your own name so that you can participate. There is no service charge to reinvest distributions, nor are there brokerage charges for shares issued directly by the fund. However, when shares are bought on the New York Stock Exchange or otherwise on the open market, each participant pays a pro rata share of the transaction expenses, including commissions. Dividends and capital gains distributions are taxable whether received in cash or reinvested in additional shares the automatic reinvestment of distributions does not relieve you of any income tax that may be payable (or required to be withheld) on the distributions.

You may withdraw from the Plan at any time by going to the Plan Agent's website at [www.computershare.com](http://www.computershare.com), by calling 1-800-637-2304 any business day from 9 a.m. to 5 p.m. Eastern time or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078. Please have available the name of the fund and your account number. For certain types of registrations, such as corporate accounts, instructions must be submitted in writing. Please call for additional details. When you withdraw from the Plan, you can receive the value of the reinvested shares in one of three ways: your full shares will be held in your account, the Plan Agent will sell your shares and send the proceeds to you, or you may transfer your full shares to your investment professional who can hold or sell them. Additionally, the Plan Agent will sell your fractional shares and send the proceeds to you.

If you have any questions or for further information or a copy of the Plan, contact the Plan Agent Computershare Trust Company, N.A. (the Transfer Agent for the fund) at 1-800-637-2304, at the Plan Agent's website at [www.computershare.com](http://www.computershare.com), or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078.

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10/31/14

The Portfolio of Investments is a complete list of all securities owned by your fund. It is categorized by broad-based asset classes.

<b>Bonds - 110.6%</b>		
<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Aerospace - 1.4%</b>		
Bombardier, Inc., 7.5%, 3/15/18 (n)	\$ 760,000	\$ 843,600
Bombardier, Inc., 7.75%, 3/15/20 (n)	930,000	1,032,300
Bombardier, Inc., 6.125%, 1/15/23 (n)	885,000	911,550
CPI International, Inc., 8.75%, 2/15/18	1,050,000	1,089,375
Gencorp, Inc., 7.125%, 3/15/21	1,405,000	1,492,813
Huntington Ingalls Industries, Inc., 7.125%, 3/15/21	1,755,000	1,886,625
TransDigm, Inc., 6%, 7/15/22	245,000	247,756
TransDigm, Inc., 6.5%, 7/15/24	575,000	592,250
		\$ 8,096,269
<b>Apparel Manufacturers - 0.4%</b>		
Hanesbrands, Inc., 6.375%, 12/15/20	\$ 845,000	\$ 896,756
PVH Corp., 4.5%, 12/15/22	1,220,000	1,210,850
		\$ 2,107,606
<b>Asset-Backed &amp; Securitized - 4.7%</b>		
Banc of America Commercial Mortgage, Inc., FRN, 5.753%, 2/10/51	\$ 1,558,729	\$ 1,713,782
Bayview Financial Acquisition Trust, FRN, 5.483%, 2/28/41 (d)(q)	252,932	257,555
Bayview Financial Revolving Mortgage Loan Trust, FRN, 1.752%, 12/28/40 (z)	2,331,137	1,387,631
Citigroup Commercial Mortgage Trust, FRN, 5.71%, 12/10/49	390,311	52,302
Citigroup/Deutsche Bank Commercial Mortgage Trust, FRN, 5.366%, 12/11/49	1,400,000	1,464,245
Credit Suisse Commercial Mortgage Trust, AM, FRN, 5.702%, 6/15/39	1,781,000	1,874,112
Crest Ltd., CDO, 7%, 1/28/40 (a)(p)	2,733,062	61,221
Dryden Senior Loan Fund, 2013-26A, A, CLO, FRN, 1.33%, 7/15/25 (z)	1,500,000	1,474,137
Falcon Franchise Loan LLC, FRN, 17.857%, 1/05/25 (i)(z)	329,471	82,368
First Union National Bank Commercial Mortgage Trust, FRN, 1.734%, 1/12/43 (d)(i)(q)(z)	532,996	671
First Union-Lehman Brothers Bank of America, FRN, 0.618%, 11/18/35 (i)	5,649,869	123,111
GMAC LLC, FRN, 8.071%, 4/15/34 (d)(n)(q)	1,171,517	656,950
Goldman Sachs Mortgage Securities Corp., FRN, 5.796%, 8/10/45	1,890,273	2,066,641
Greenwich Capital Commercial Funding Corp., 5.475%, 3/10/39	1,745,342	1,840,938
JPMorgan Chase Commercial Mortgage Securities Corp., 5.552%, 5/12/45	1,542,227	1,625,336

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**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Asset-Backed &amp; Securitized - continued</b>		
JPMorgan Chase Commercial Mortgage Securities Corp., A4 ,FRN, 5.785%, 6/15/49	\$ 2,000,000	\$ 2,169,120
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.475%, 4/15/43	1,526,838	1,590,758
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.863%, 4/15/45	1,590,000	1,675,947
JPMorgan Chase Commercial Mortgage Trust, 2007-LD11, AM ,FRN, 5.785%, 6/15/49	2,243,253	2,349,808
Lehman Brothers Commercial Conduit Mortgage Trust, FRN, 1.175%, 2/18/30 (i)	762,587	16,851
Morgan Stanley Capital I Trust, AM ,FRN, 5.683%, 4/15/49	1,674,000	1,748,473
Morgan Stanley Capital I, Inc., FRN, 1.415%, 4/28/39 (i)(z)	3,294,719	16,638
Multi Security Asset Trust, A3 ,CDO, 5%, 11/28/35 (n)	345,337	344,861
Wachovia Bank Commercial Mortgage Trust, A4 ,FRN, 5.941%, 2/15/51	998,222	1,078,037
Wachovia Bank Commercial Mortgage Trust, FRN, 5.118%, 7/15/42	1,240,991	1,261,445
		\$ 26,932,938
<b>Automotive - 2.5%</b>		
Accuride Corp., 9.5%, 8/01/18	\$ 1,365,000	\$ 1,419,600
Allison Transmission, Inc., 7.125%, 5/15/19 (n)	1,630,000	1,713,538
FCE Bank PLC, 1.875%, 5/12/16	EUR 300,000	383,577
Ford Motor Credit Co. LLC, 1.7%, 5/09/16	\$ 1,000,000	1,007,461
Goodyear Tire & Rubber Co., 6.5%, 3/01/21	1,225,000	1,310,750
Goodyear Tire & Rubber Co., 7%, 5/15/22	420,000	456,750
Harley-Davidson Financial Services, Inc., 2.7%, 3/15/17 (n)	600,000	618,159
Hyundai Capital America, 4%, 6/08/17 (n)	256,000	271,108
Jaguar Land Rover PLC, 8.125%, 5/15/21 (n)	2,020,000	2,222,000
Lear Corp., 8.125%, 3/15/20	424,000	447,850
Lear Corp., 4.75%, 1/15/23	730,000	731,825
Lear Corp., 5.375%, 3/15/24	140,000	143,500
Renault S.A., 3.625%, 9/19/18	EUR 475,000	636,925
Schaeffler Finance B.V., 6.875%, 8/15/18 (n)(p)	\$ 655,000	686,113
Schaeffler Finance B.V., 3.25%, 5/15/19	EUR 470,000	582,031
Schaeffler Finance B.V., 4.75%, 5/15/21 (n)	\$ 565,000	563,588
Schaeffler Holding Finance B.V., 6.25%, 11/15/19 (p)(z)	305,000	315,675
TRW Automotive, Inc., 4.5%, 3/01/21 (n)	500,000	502,500
Volkswagen International Finance N.V., 3.875% to 9/04/18, FRN to 9/29/49	EUR 400,000	532,285
		\$ 14,545,235
<b>Biotechnology - 0.1%</b>		
Life Technologies Corp., 6%, 3/01/20	\$ 363,000	\$ 419,107

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Broadcasting - 1.8%</b>		
AMC Networks, Inc., 7.75%, 7/15/21	\$ 884,000	\$ 963,560
Clear Channel Communications, Inc., 9%, 3/01/21	701,000	701,000
Clear Channel Worldwide Holdings, Inc., A, 6.5%, 11/15/22	245,000	252,350
Clear Channel Worldwide Holdings, Inc., B, 6.5%, 11/15/22	945,000	978,075
Grupo Televisa S.A.B., 5%, 5/13/45	200,000	199,040
Liberty Media Corp., 8.5%, 7/15/29	1,280,000	1,417,600
Liberty Media Corp., 8.25%, 2/01/30	50,000	54,500
Netflix, Inc., 5.375%, 2/01/21	945,000	982,800
Nexstar Broadcasting, Inc., 6.875%, 11/15/20	900,000	933,750
Omnicom Group, Inc., 3.65%, 11/01/24	154,000	152,980
ProSiebenSat.1 Media AG, 2.625%, 4/15/21	EUR 485,000	626,423
SES S.A., 3.6%, 4/04/23 (n)	\$ 226,000	230,366
Univision Communications, Inc., 6.875%, 5/15/19 (n)	1,035,000	1,088,044
Univision Communications, Inc., 7.875%, 11/01/20 (n)	940,000	1,016,375
Vivendi S.A., 4%, 3/31/17	EUR 400,000	543,305
		\$ 10,140,168
<b>Brokerage &amp; Asset Managers - 0.4%</b>		
E*TRADE Financial Corp., 6.375%, 11/15/19	\$ 2,050,000	\$ 2,185,813
<b>Building - 3.0%</b>		
Allegion U.S. Holding Co., Inc., 5.75%, 10/01/21	\$ 1,535,000	\$ 1,607,913
Building Materials Corp. of America, 5.375%, 11/15/24 (n)	890,000	892,225
Building Materials Holding Corp., 6.875%, 8/15/18 (n)	885,000	919,073
Building Materials Holding Corp., 7%, 2/15/20 (n)	470,000	494,440
Building Materials Holding Corp., 6.75%, 5/01/21 (n)	715,000	766,838
CEMEX Finance LLC, 9.375%, 10/12/22	335,000	386,088
CEMEX Finance LLC, 6%, 4/01/24 (n)	488,000	497,614
CEMEX S.A.B. de C.V., 5.875%, 3/25/19 (n)	202,000	209,323
CEMEX S.A.B. de C.V., 6.5%, 12/10/19 (n)	405,000	433,856
CEMEX S.A.B. de C.V., 7.25%, 1/15/21 (n)	506,000	545,848
CEMEX S.A.B. de C.V., 5.7%, 1/11/25 (z)	594,000	581,942
CEMEX S.A.B. de C.V., FRN, 5.233%, 9/30/15 (n)	552,000	562,516
Cimpor Financial Operations B.V., 5.75%, 7/17/24 (n)	284,000	273,066
CRH Finance Ltd., 3.125%, 4/03/23	EUR 300,000	416,119
Gibraltar Industries, Inc., 6.25%, 2/01/21	\$ 625,000	643,750
HD Supply, Inc., 8.125%, 4/15/19	560,000	604,800
HD Supply, Inc., 7.5%, 7/15/20	990,000	1,054,350
Headwaters, Inc., 7.25%, 1/15/19	490,000	502,250
Headwaters, Inc., 7.625%, 4/01/19	330,000	344,850
Holcim Finance Luxembourg S.A., 3%, 1/22/24	EUR 200,000	278,944
Holcim GB Finance Ltd., 8.75%, 4/24/17	GBP 200,000	372,134
Mohawk Industries, Inc., 3.85%, 2/01/23	\$ 653,000	660,169

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Building - continued</b>		
Nortek, Inc., 8.5%, 4/15/21	\$ 1,170,000	\$ 1,257,750
Odebrecht Finance Ltd., 7.125%, 6/26/42 (n)	419,000	439,741
Owens Corning, Inc., 4.2%, 12/15/22	364,000	366,428
Roofing Supply Group LLC/Roofing Supply Finance, Inc., 10%, 6/01/20 (n)	908,000	942,050
Union Andina de Cementos S.A.A., 5.875%, 10/30/21 (z)	270,000	274,104
USG Corp., 7.875%, 3/30/20 (n)	525,000	564,375
USG Corp., 5.875%, 11/01/21 (n)	245,000	252,963
		\$ 17,145,519
<b>Business Services - 1.1%</b>		
Equinix, Inc., 4.875%, 4/01/20	\$ 855,000	\$ 874,238
Equinix, Inc., 5.375%, 4/01/23	530,000	546,563
Fidelity National Information Services, Inc., 3.875%, 6/05/24	664,000	673,109
Iron Mountain, Inc., 8.375%, 8/15/21	439,000	456,560
Iron Mountain, Inc., 6%, 8/15/23	780,000	822,900
Lender Processing Services, Inc., 5.75%, 4/15/23	330,000	349,800
NeuStar, Inc., 4.5%, 1/15/23	1,015,000	877,975
Tencent Holdings Ltd., 3.375%, 3/05/18 (n)	664,000	681,073
Tencent Holdings Ltd., 3.375%, 5/02/19 (n)	965,000	981,195
		\$ 6,263,413
<b>Cable TV - 3.9%</b>		
CCO Holdings LLC/CCO Holdings Capital Corp., 8.125%, 4/30/20	\$ 1,600,000	\$ 1,696,000
CCO Holdings LLC/CCO Holdings Capital Corp., 7.375%, 6/01/20	390,000	418,031
CCO Holdings LLC/CCO Holdings Capital Corp., 6.5%, 4/30/21	1,015,000	1,070,825
CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 1/15/24	975,000	998,156
Cequel Communications Holdings, 6.375%, 9/15/20 (n)	970,000	1,011,225
Comcast Corp., 4.65%, 7/15/42	700,000	736,426
Comcast Corp., 4.75%, 3/01/44	292,000	313,742
DISH DBS Corp., 6.75%, 6/01/21	890,000	987,900
DISH DBS Corp., 5%, 3/15/23	1,010,000	1,006,213
Intelsat Jackson Holdings S.A., 6.625%, 12/15/22	1,545,000	1,626,113
Intelsat Jackson Holdings S.A., 5.5%, 8/01/23	1,495,000	1,498,738
Intelsat Luxembourg S.A., 8.125%, 6/01/23	645,000	685,313
Lynx I Corp., 5.375%, 4/15/21 (n)	520,000	539,500
Lynx II Corp., 6.375%, 4/15/23 (n)	675,000	713,813
Nara Cable Funding Ltd., 8.875%, 12/01/18	EUR 300,000	393,878
Numericable Group S.A., 6%, 5/15/22 (n)	\$ 1,290,000	1,319,025
Shaw Communications, Inc., 5.65%, 10/01/19	CAD 475,000	474,309
SIRIUS XM Radio, Inc., 4.25%, 5/15/20 (n)	\$ 290,000	288,369
SIRIUS XM Radio, Inc., 5.875%, 10/01/20 (n)	130,000	137,150
SIRIUS XM Radio, Inc., 5.75%, 8/01/21 (n)	195,000	202,313

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Cable TV - continued		
SIRIUS XM Radio, Inc., 4.625%, 5/15/23 (n)	\$ 540,000	\$ 521,100
SIRIUS XM Radio, Inc., 6%, 7/15/24 (n)	560,000	583,800
Time Warner Cable, Inc., 5.75%, 6/02/31	GBP 250,000	469,874
Unitymedia Hessen, 5.5%, 1/15/23 (n)	\$ 950,000	990,375
Unitymedia KabelBW GmbH, 6.125%, 1/15/25 (z)	700,000	730,625
UPCB Finance III Ltd., 6.625%, 7/01/20 (n)	959,000	1,009,348
Videotron Ltd., 5.375%, 6/15/24 (n)	155,000	159,650
Virgin Media Finance PLC, 5.5%, 1/15/21	GBP 300,000	500,345
VTR Finance B.V., 6.875%, 1/15/24 (n)	\$ 207,000	217,350
Ziggo Bond Co. B.V., 8%, 5/15/18 (n)	EUR 680,000	922,444
		\$ 22,221,950
Chemicals - 2.7%		
Celanese U.S. Holdings LLC, 5.875%, 6/15/21	\$ 995,000	\$ 1,079,575
Celanese U.S. Holdings LLC, 4.625%, 11/15/22	405,000	408,038
CF Industries, Inc., 3.45%, 6/01/23	577,000	569,400
Consolidated Energy Finance S.A., 6.75%, 10/15/19 (z)	384,000	391,680
Dow Chemical Co., 8.55%, 5/15/19	379,000	477,347
Flash Dutch 2 B.V./U.S. Coatings Acquisition, 7.375%, 5/01/21 (n)	810,000	876,825
Hexion U.S. Finance Corp., 6.625%, 4/15/20	500,000	500,000
Hexion U.S. Finance Corp./Hexion Nova Scotia Finance, 8.875%, 2/01/18	1,015,000	1,003,581
Huntsman International LLC, 8.625%, 3/15/21	1,240,000	1,351,600
Huntsman International LLC, 5.125%, 4/15/21	EUR 335,000	437,303
INEOS Finance PLC, 8.375%, 2/15/19 (n)	\$ 1,390,000	1,490,775
INEOS Group Holdings S.A., 6.125%, 8/15/18 (n)	920,000	928,050
INEOS Group Holdings S.A., 5.875%, 2/15/19 (n)	455,000	454,431
LYB International Finance B.V., 4%, 7/15/23	270,000	280,035
LyondellBasell Industries N.V., 5.75%, 4/15/24	487,000	568,496
NOVA Chemicals Corp., 5.25%, 8/01/23 (n)	372,000	388,740
NOVA Chemicals Corp., 5%, 5/01/25 (n)	485,000	500,763
Sociedad Quimica y Minera de Chile S.A., 5.5%, 4/21/20 (n)	353,000	384,679
Taminco Global Chemical Corp., 9.75%, 3/31/20 (n)	1,200,000	1,320,000
Tronox Finance LLC, 6.375%, 8/15/20	1,410,000	1,448,775
W.R. Grace & Co., 5.125%, 10/01/21 (n)	495,000	515,731
		\$ 15,375,824
Computer Software - 0.4%		
Oracle Corp., 3.4%, 7/08/24	\$ 483,000	\$ 488,450
Syniverse Holdings, Inc., 9.125%, 1/15/19	436,000	457,800
VeriSign, Inc., 4.625%, 5/01/23	1,165,000	1,160,631
		\$ 2,106,881

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Computer Software - Systems - 0.4%		
Audatex North America, Inc., 6%, 6/15/21 (n)	\$ 820,000	\$ 867,150
Audatex North America, Inc., 6.125%, 11/01/23 (n)	220,000	233,200
CDW LLC/CDW Finance Corp., 8.5%, 4/01/19	700,000	742,000
CDW LLC/CDW Finance Corp., 6%, 8/15/22	485,000	511,675
		\$ 2,354,025
Conglomerates - 1.7%		
Alfa S.A.B de C.V., 5.25%, 3/25/24 (n)	\$ 217,000	\$ 236,259
Amsted Industries Co., 5%, 3/15/22 (n)	1,350,000	1,331,438
BC Mountain LLC, 7%, 2/01/21 (n)	980,000	882,000
Dynacast International LLC, 9.25%, 7/15/19	755,000	806,906
EnPro Industries, Inc., 5.875%, 9/15/22 (n)	770,000	789,250
Entegris, Inc., 6%, 4/01/22 (n)	1,275,000	1,297,313
KION Finance S.A., 6.75%, 2/15/20	EUR 450,000	604,520
Metalloinvest Finance Ltd., 5.625%, 4/17/20 (n)	\$ 708,000	641,625
Renaissance Acquisition, 6.875%, 8/15/21 (n)	1,300,000	1,355,250
Rexel S.A., 6.125%, 12/15/19 (n)	1,085,000	1,120,263
Siemens Financierings N.V., 5.25% to 9/14/16, FRN to 9/14/66	EUR 300,000	403,671
Siemens Financierings N.V., 6.125% to 9/14/16, FRN to 9/14/66	GBP 150,000	253,753
		\$ 9,722,248
Construction - 0.3%		
Empresas ICA S.A.B. de C.V., 8.9%, 2/04/21	\$ 590,000	\$ 623,925
Empresas ICA S.A.B. de C.V., 8.875%, 5/29/24 (n)	914,000	927,710
		\$ 1,551,635
Consumer Products - 0.7%		
Elizabeth Arden, Inc., 7.375%, 3/15/21	\$ 595,000	\$ 539,963
Mattel, Inc., 1.7%, 3/15/18	192,000	190,992
Prestige Brands, Inc., 8.125%, 2/01/20	373,000	399,110
Prestige Brands, Inc., 5.375%, 12/15/21 (n)	720,000	696,600
Prosegur Compania de Seguridad S.A., 2.75%, 4/02/18	EUR 400,000	528,428
Reckitt Benckiser Treasury Services PLC, 3.625%, 9/21/23 (n)	\$ 500,000	519,833
Spectrum Brands, Inc., 6.375%, 11/15/20	965,000	1,022,900
		\$ 3,897,826
Consumer Services - 1.2%		
ADT Corp., 6.25%, 10/15/21	\$ 1,525,000	\$ 1,601,250
ADT Corp., 4.125%, 6/15/23	370,000	340,400
Garda World Security Corp., 7.25%, 11/15/21 (n)	755,000	751,225
Garda World Security Corp., 7.25%, 11/15/21 (n)	255,000	253,725
Grupo Posadas S.A.B. de C.V., 7.875%, 11/30/17	475,000	450,063
Monitronics International, Inc., 9.125%, 4/01/20	1,495,000	1,539,850
Service Corp. International, 7%, 6/15/17	1,025,000	1,119,813

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Consumer Services - continued</b>		
Service Corp. International, 5.375%, 5/15/24	\$ 715,000	\$ 736,450
		\$ 6,792,776
<b>Containers - 2.1%</b>		
Ardagh Packaging Finance PLC, 9.125%, 10/15/20 (n)	\$ 1,450,000	\$ 1,555,125
Ardagh Packaging Finance PLC, 9.125%, 10/15/20 (n)	750,000	808,125
Ball Corp., 5%, 3/15/22	1,338,000	1,401,555
Ball Corp., 4%, 11/15/23	280,000	268,800
Berry Plastics Group, Inc., 9.75%, 1/15/21	180,000	200,925
Berry Plastics Group, Inc., 5.5%, 5/15/22	1,155,000	1,159,331
Crown American LLC, 4.5%, 1/15/23	1,635,000	1,606,388
Greif, Inc., 6.75%, 2/01/17	580,000	629,300
Reynolds Group, 7.125%, 4/15/19	910,000	945,263
Reynolds Group, 9.875%, 8/15/19	375,000	407,344
Reynolds Group, 5.75%, 10/15/20	600,000	624,000
Reynolds Group, 8.25%, 2/15/21	1,280,000	1,376,000
Signode Industrial Group, 6.375%, 5/01/22 (n)	1,005,000	974,850
		\$ 11,957,006
<b>Defense Electronics - 0.4%</b>		
BAE Systems PLC, 4.125%, 6/08/22	GBP 350,000	\$ 590,281
Ducommun, Inc., 9.75%, 7/15/18	\$ 1,417,000	1,544,530
		\$ 2,134,811
<b>Electrical Equipment - 0.2%</b>		
Anixter, Inc., 5.125%, 10/01/21	\$ 970,000	\$ 984,429
<b>Electronics - 1.2%</b>		
Advanced Micro Devices, Inc., 6.75%, 3/01/19	\$ 975,000	\$ 921,375
Advanced Micro Devices, Inc., 7.5%, 8/15/22	320,000	292,800
Advanced Micro Devices, Inc., 7%, 7/01/24	295,000	258,863
Micron Technology, Inc., 5.875%, 2/15/22 (n)	695,000	729,750
Micron Technology, Inc., 5.5%, 2/01/25 (n)	460,000	465,750
Nokia Corp., 5.375%, 5/15/19	325,000	349,375
Nokia Corp., 6.625%, 5/15/39	250,000	270,625
NXP B.V., 5.75%, 2/15/21 (n)	480,000	506,400
NXP B.V., 5.75%, 3/15/23 (n)	400,000	423,000
Sensata Technologies B.V., 6.5%, 5/15/19 (n)	1,045,000	1,093,331
Sensata Technologies B.V., 5.625%, 11/01/24 (z)	475,000	501,422
Tyco Electronics Group S.A., 6.55%, 10/01/17	700,000	796,832
		\$ 6,609,523
<b>Emerging Market Quasi-Sovereign - 5.2%</b>		
Banco de Reservas de la Republica Dominicana, 7%, 2/01/23 (n)	\$ 946,000	\$ 955,460
Banco do Estado Rio Grande do Sul S.A., 7.375%, 2/02/22 (n)	412,000	431,393

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Emerging Market Quasi-Sovereign - continued		
Caixa Economica Federal, 4.25%, 5/13/19 (n)	\$ 300,000	\$ 302,550
CNOOC Finance (2013) Ltd., 3%, 5/09/23	389,000	369,001
CNPC (HK) Overseas Capital Ltd., 4.5%, 4/28/21 (n)	1,242,000	1,327,248
CNPC General Capital Ltd., 3.4%, 4/16/23 (n)	391,000	379,785
Comision Federal de Electricidad , 4.875%, 1/15/24	465,000	490,575
Comision Federal de Electricidad, 4.875%, 1/15/24 (n)	211,000	222,605
Comision Federal de Electricidad, 5.75%, 2/14/42 (n)	915,000	967,613
Corporacion Nacional del Cobre de Chile, Inc., 2.25%, 7/09/24 (z)	EUR 104,000	132,806
Ecopetrol S.A., 7.375%, 9/18/43	\$ 474,000	581,835
Ecopetrol S.A., 5.875%, 5/28/45	342,000	351,405
Empresa Nacional del Petroleo, 4.375%, 10/30/24 (z)	296,000	293,040
Gaz Capital S.A., 4.95%, 2/06/28 (n)	492,000	435,667
KazAgro National Management Holding, 4.625%, 5/24/23 (n)	382,000	367,675
Kazakhstan Temir Zholy Co., 6.95%, 7/10/42 (n)	316,000	352,340
KazMunayGas National Co., 4.4%, 4/30/23 (n)	285,000	279,870
KazMunayGas National Co., 6%, 11/07/44 (z)	307,000	302,797
Majapahit Holding B.V., 7.25%, 6/28/17 (n)	1,029,000	1,142,190
Majapahit Holding B.V., 8%, 8/07/19 (n)	1,197,000	1,403,483
Majapahit Holding B.V., 7.75%, 1/20/20 (n)	1,045,000	1,216,119
Office Cherifien des Phosphates, 6.875%, 4/25/44 (n)	373,000	407,111
Oleoducto Central S.A., 4%, 5/07/21 (n)	205,000	207,563
Pemex Project Funding Master Trust, 5.75%, 3/01/18	1,341,000	1,482,207
Pertamina PT, 5.25%, 5/23/21 (n)	511,000	536,550
Pertamina PT, 4.875%, 5/03/22 (n)	540,000	550,800
Pertamina PT, 4.3%, 5/20/23 (n)	323,000	314,118
Pertamina PT, 5.625%, 5/20/43 (n)	371,000	355,233
Petroleos Mexicanos, 8%, 5/03/19	926,000	1,124,997
Petroleos Mexicanos, 6%, 3/05/20	805,000	913,434
Petroleos Mexicanos, 5.5%, 1/21/21	1,360,000	1,503,548
Petroleos Mexicanos, 4.875%, 1/24/22	1,048,000	1,117,168
Petroleos Mexicanos, 4.875%, 1/18/24	640,000	676,800
Petroleos Mexicanos, 4.25%, 1/15/25 (z)	109,000	110,341
Petroleos Mexicanos, 5.5%, 6/27/44 (z)	254,000	264,795
Petroleum Co. of Trinidad & Tobago Ltd., 9.75%, 8/14/19 (n)	476,000	595,000
Petroleum Co. of Trinidad & Tobago Ltd., 6%, 5/08/22	435,333	466,351
PT Pelabuhan Indonesia III, 4.875%, 10/01/24 (z)	200,000	203,000
PT Perusahaan Gas Negara (Persero) Tbk, 5.125%, 5/16/24 (n)	438,000	449,498
PT Perusahaan Listrik Negara, 5.5%, 11/22/21 (n)	752,000	799,000
Ras Laffan Liquefied Natural Gas Co. Ltd., 6.75%, 9/30/19 (n)	825,000	977,625
Sinopec Capital (2013) Ltd., 3.125%, 4/24/23 (n)	666,000	635,696
Sinopec Capital (2013) Ltd., 4.25%, 4/24/43 (n)	548,000	525,238
Sinopec Group Overseas Development (2012) Ltd., 3.9%, 5/17/22 (n)	544,000	556,125

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Emerging Market Quasi-Sovereign - continued		
Sinopec Group Overseas Development (2014) Ltd., 4.375%, 4/10/24 (n)	\$ 177,000	\$ 184,857
State Grid Overseas Investment (2014) Ltd., 4.125%, 5/07/24 (n)	2,263,000	2,350,320
		\$ 29,612,832
Emerging Market Sovereign - 6.1%		
Dominican Republic, 7.5%, 5/06/21 (n)	\$ 879,000	\$ 999,863
Dominican Republic, 6.6%, 1/28/24 (n)	188,000	208,210
Dominican Republic, 5.875%, 4/18/24 (n)	206,000	217,330
Federative Republic of Brazil, 4.25%, 1/07/25	372,000	377,952
Oriental Republic of Uruguay, 4.5%, 8/14/24	567,000	598,185
Republic of Colombia, 8.125%, 5/21/24	679,000	904,768
Republic of Colombia, 6.125%, 1/18/41	658,000	789,600
Republic of Croatia, 5.5%, 4/04/23 (n)	1,362,000	1,425,841
Republic of El Salvador, 6.375%, 1/18/27 (z)	43,000	44,075
Republic of Guatemala, 5.75%, 6/06/22 (n)	387,000	424,733
Republic of Hungary, 5.375%, 2/21/23	674,000	724,550
Republic of Indonesia, 6.875%, 1/17/18	838,000	945,934
Republic of Indonesia, 11.625%, 3/04/19	733,000	982,220
Republic of Indonesia, 4.875%, 5/05/21 (n)	336,000	359,100
Republic of Indonesia, 2.875%, 7/08/21 (z)	EUR 375,000	476,980
Republic of Indonesia, 3.375%, 4/15/23 (n)	\$ 517,000	495,028
Republic of Indonesia, 5.875%, 1/15/24 (n)	225,000	255,938
Republic of Kazakhstan, 3.875%, 10/14/24 (z)	427,000	419,528
Republic of Kazakhstan, 4.875%, 10/14/44 (z)	207,000	199,755
Republic of Lithuania, 6.125%, 3/09/21 (n)	499,000	581,325
Republic of Lithuania, 6.625%, 2/01/22 (n)	1,425,000	1,717,125
Republic of Panama, 8.875%, 9/30/27	1,273,000	1,823,563
Republic of Panama, 9.375%, 4/01/29	873,000	1,305,135
Republic of Paraguay, 4.625%, 1/25/23 (n)	212,000	216,452
Republic of Peru, 7.35%, 7/21/25	544,000	719,440
Republic of Peru, 8.75%, 11/21/33	629,000	967,088
Republic of Philippines, 5.5%, 3/30/26	802,000	936,335
Republic of Poland, 5%, 3/23/22	609,000	684,354
Republic of Romania, 6.75%, 2/07/22 (n)	1,074,000	1,286,652
Republic of Romania, 4.375%, 8/22/23 (n)	486,000	506,048
Republic of Romania, 4.875%, 1/22/24 (n)	328,000	353,420
Republic of Slovakia, 4.375%, 5/21/22 (n)	1,047,000	1,139,921
Republic of Turkey, 7%, 3/11/19	790,000	904,899
Republic of Turkey, 5.625%, 3/30/21	670,000	733,627
Republic of Turkey, 6.25%, 9/26/22	646,000	733,210
Republic of Venezuela, 7.65%, 4/21/25	673,000	403,800
Republic of Vietnam, 6.75%, 1/29/20	537,000	601,440
Russian Federation, 4.875%, 9/16/23	200,000	200,290



**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Emerging Market Sovereign - continued		
Russian Federation, 4.875%, 9/16/23 (n)	\$ 1,200,000	\$ 1,201,740
Russian Federation, 7.5%, 3/31/30	382,520	433,965
Russian Federation, 5.625%, 4/04/42 (n)	600,000	605,502
United Mexican States, 3.625%, 3/15/22	1,710,000	1,752,750
United Mexican States, 4%, 10/02/23	1,364,000	1,424,016
United Mexican States, 8.5%, 5/31/29	MXN 29,290,000	2,587,414
United Mexican States, 5.75%, 10/12/10	\$ 408,000	432,005
		\$ 35,101,106
<b>Energy - Independent - 5.3%</b>		
Afren PLC, 11.5%, 2/01/16 (n)	\$ 335,000	\$ 345,888
Afren PLC, 10.25%, 4/08/19 (n)	219,000	227,804
American Energy-Permian Basin LLC, 7.125%, 11/01/20 (n)	375,000	324,375
American Energy-Permian Basin LLC, 7.375%, 11/01/21 (n)	520,000	455,000
Antero Resources Finance Corp., 6%, 12/01/20	625,000	650,000
Antero Resources Finance Corp., 5.375%, 11/01/21	1,020,000	1,035,300
Athlon Holdings LP/Athlon Finance Corp., 6%, 5/01/22 (n)	945,000	1,017,647
Baytex Energy Corp., 5.125%, 6/01/21 (n)	360,000	351,000
Baytex Energy Corp., 5.625%, 6/01/24 (n)	795,000	767,175
BreitBurn Energy Partners LP, 8.625%, 10/15/20	435,000	443,700
BreitBurn Energy Partners LP, 7.875%, 4/15/22	1,405,000	1,347,922
Chaparral Energy, Inc., 7.625%, 11/15/22	975,000	950,625
Chesapeake Energy Corp., 5.75%, 3/15/23	395,000	432,525
Cimarex Energy Co., 4.375%, 6/01/24	420,000	426,825
Concho Resources, Inc., 6.5%, 1/15/22	1,125,000	1,215,000
Concho Resources, Inc., 5.5%, 4/01/23	925,000	978,188
Continental Resources, Inc., 4.9%, 6/01/44	235,000	232,080
Continental Resources, Inc., 4.5%, 4/15/23	315,000	329,957
Denbury Resources, Inc., 4.625%, 7/15/23	549,000	507,139
EP Energy LLC, 6.875%, 5/01/19	330,000	343,200
EP Energy LLC, 9.375%, 5/01/20	1,405,000	1,534,963
EP Energy LLC, 7.75%, 9/01/22	2,590,000	2,732,450
Halcon Resources Corp., 8.875%, 5/15/21	1,475,000	1,209,500
Harvest Operations Corp., 6.875%, 10/01/17	540,000	550,800
Hilcorp Energy I LP/Hilcorp Finance Co., 5%, 12/01/24 (z)	175,000	168,000
Hilcorp Energy I/Hilcorp Finance Co., 8%, 2/15/20 (n)	350,000	367,500
Linn Energy LLC/Linn Energy Finance Corp., 8.625%, 4/15/20	45,000	45,113
Linn Energy LLC/Linn Energy Finance Corp., 7.75%, 2/01/21	1,647,000	1,614,060
Linn Energy LLC/Linn Energy Finance Corp., 6.5%, 9/15/21	495,000	452,925
MEG Energy Corp., 6.5%, 3/15/21 (n)	1,310,000	1,296,900
MEG Energy Corp., 7%, 3/31/24 (n)	915,000	919,575
Northern Blizzard Resources, Inc., 7.25%, 2/01/22 (n)	670,000	636,500
Nostrum Oil & Gas Finance B.V., 6.375%, 2/14/19 (n)	293,000	293,733
Oasis Petroleum, Inc., 6.875%, 3/15/22	1,320,000	1,372,800

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Energy - Independent - continued		
Range Resources Corp., 5%, 8/15/22	\$ 1,030,000	\$ 1,080,213
Rosetta Resources, Inc., 5.625%, 5/01/21	430,000	417,100
RSP Permian, Inc., 6.625%, 10/01/22 (n)	515,000	513,610
Sanchez Energy Corp., 6.125%, 1/15/23 (n)	1,155,000	1,100,138
SandRidge Energy, Inc., 8.125%, 10/15/22	670,000	606,350
SM Energy Co., 6.5%, 11/15/21	1,205,000	1,250,188
		\$ 30,543,768
Energy - Integrated - 0.8%		
BG Energy Capital PLC, FRN, 6.5%, 11/30/72	EUR 350,000	\$ 493,711
BP Capital Markets PLC, 2.521%, 1/15/20	\$ 119,000	119,523
Eni S.p.A., 4%, 6/29/20	EUR 300,000	439,553
Listrindo Capital B.V., 6.95%, 2/21/19 (n)	\$ 239,000	254,535
LUKOIL International Finance B.V., 4.563%, 4/24/23 (n)	1,029,000	933,665
Pacific Rubiales Energy Corp., 7.25%, 12/12/21 (n)	1,145,000	1,222,288
Pacific Rubiales Energy Corp., 5.125%, 3/28/23 (n)	600,000	574,500
Pacific Rubiales Energy Corp., 5.625%, 1/19/25 (z)	272,000	258,658
Repsol International Finance B.V., 3.625%, 10/07/21	EUR 400,000	573,247
		\$ 4,869,680
Entertainment - 1.4%		
Activision Blizzard, Inc., 6.125%, 9/15/23 (n)	\$ 1,485,000	\$ 1,607,513
Carnival Corp., 1.2%, 2/05/16	500,000	500,585
Cedar Fair LP, 5.25%, 3/15/21	1,130,000	1,135,650
Cedar Fair LP, 5.375%, 6/01/24 (n)	415,000	415,000
Cinemark USA, Inc., 5.125%, 12/15/22	1,045,000	1,045,000
Cinemark USA, Inc., 4.875%, 6/01/23	780,000	768,300
Seven Seas Cruises S. DE R.L., 9.125%, 5/15/19	1,270,000	1,349,375
Six Flags Entertainment Corp., 5.25%, 1/15/21 (n)	1,325,000	1,331,625
		\$ 8,153,048
Financial Institutions - 3.4%		
AerCap Ireland Capital Ltd., 5%, 10/01/21 (n)	\$ 575,000	\$ 598,000
Aircastle Ltd., 4.625%, 12/15/18	790,000	801,850
Aircastle Ltd., 5.125%, 3/15/21	385,000	389,813
Aviation Capital Group, 4.625%, 1/31/18 (n)	685,000	713,882
Aviation Capital Group, 6.75%, 4/06/21 (n)	745,000	849,300
CIT Group, Inc., 5.25%, 3/15/18	1,615,000	1,703,825
CIT Group, Inc., 6.625%, 4/01/18 (n)	1,447,000	1,584,465
CIT Group, Inc., 5.5%, 2/15/19 (n)	1,269,000	1,353,864
CIT Group, Inc., 3.875%, 2/19/19	1,255,000	1,262,844
CIT Group, Inc., 5%, 8/15/22	875,000	915,469
General Electric Capital Corp., 6.375% to 11/15/17, FRN to 11/15/67	300,000	320,250

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Financial Institutions - continued</b>		
Icahn Enterprises LP, 6%, 8/01/20	\$ 1,060,000	\$ 1,113,000
Icahn Enterprises LP, 5.875%, 2/01/22	1,405,000	1,443,638
International Lease Finance Corp., 7.125%, 9/01/18 (n)	337,000	381,653
Nationstar Mortgage LLC/Capital Corp., 6.5%, 8/01/18	640,000	627,200
Nationstar Mortgage LLC/Capital Corp., 7.875%, 10/01/20	1,560,000	1,536,600
SLM Corp., 4.875%, 6/17/19	276,000	280,140
SLM Corp., 8%, 3/25/20	1,815,000	2,082,713
SLM Corp., 7.25%, 1/25/22	935,000	1,044,863
SLM Corp., 6.125%, 3/25/24	455,000	469,792
		\$ 19,473,161
<b>Food &amp; Beverages - 2.0%</b>		
B&G Foods, Inc., 4.625%, 6/01/21	\$ 855,000	\$ 840,038
BRF S.A., 5.875%, 6/06/22 (n)	216,000	237,600
BRF S.A., 3.95%, 5/22/23 (n)	205,000	193,725
BRF S.A., 4.75%, 5/22/24 (n)	382,000	382,478
BRF S.A., 4.75%, 5/22/24	660,000	660,825
Coca-Cola HBC Finance B.V., 4.25%, 11/16/16	EUR 348,000	467,075
Constellation Brands, Inc., 3.75%, 5/01/21	\$ 150,000	150,188
Constellation Brands, Inc., 4.25%, 5/01/23	1,460,000	1,467,300
Cosan Luxembourg S.A., 5%, 3/14/23 (n)	205,000	197,313
Darling Ingredients, Inc., 5.375%, 1/15/22	990,000	992,475
Embotelladora Andina S.A., 5%, 10/01/23 (n)	418,000	442,766
Grupo Bimbo S.A.B. de C.V., 4.5%, 1/25/22 (n)	417,000	439,510
H.J. Heinz Co., 4.25%, 10/15/20	790,000	797,742
JBS Investments GmbH, 7.75%, 10/28/20 (n)	201,000	220,222
Kraft Foods Group, Inc., 2.25%, 6/05/17	700,000	714,442
Minerva Luxembourg S.A., 7.75%, 1/31/23 (n)	204,000	213,180
Sun Merger Sub, Inc., 5.875%, 8/01/21 (n)	1,315,000	1,393,900
Tyson Foods, Inc., 6.6%, 4/01/16	820,000	882,898
Tyson Foods, Inc., 5.15%, 8/15/44	156,000	166,560
Wm. Wrigley Jr. Co., 2.9%, 10/21/19 (n)	239,000	243,051
Wm. Wrigley Jr. Co., 3.375%, 10/21/20 (n)	124,000	126,666
		\$ 11,229,954
<b>Food &amp; Drug Stores - 0.1%</b>		
CVS Health Corp., 3.375%, 8/12/24	\$ 354,000	\$ 352,968
Loblaw Cos. Ltd., 4.86%, 9/12/23	CAD 423,000	407,852
		\$ 760,820
<b>Forest &amp; Paper Products - 0.3%</b>		
Appvion, Inc., 9%, 6/01/20 (n)	\$ 795,000	\$ 620,100
International Paper Co., 6%, 11/15/41	700,000	806,698
Tembec Industries, Inc., 9%, 12/15/19 (n)	570,000	577,125
		\$ 2,003,923

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Gaming & Lodging - 1.6%		
CCM Merger, Inc., 9.125%, 5/01/19 (n)	\$ 890,000	\$ 956,750
Chester Downs & Marina LLC, 9.25%, 2/01/20 (n)	425,000	378,250
Greektown Holdings LLC, 8.875%, 3/15/19 (n)	860,000	864,300
Hilton Worldwide Finance Co., 5.625%, 10/15/21 (n)	1,125,000	1,185,469
Isle of Capri Casinos, Inc., 8.875%, 6/15/20	280,000	299,600
Isle of Capri Casinos, Inc., 5.875%, 3/15/21	575,000	589,375
MGM Resorts International, 6.625%, 12/15/21	820,000	897,900
Pinnacle Entertainment, Inc., 8.75%, 5/15/20	610,000	648,125
Ryman Hospitality Properties, Inc., REIT, 5%, 4/15/21	975,000	970,125
Wyndham Worldwide Corp., 2.5%, 3/01/18	650,000	653,799
Wyndham Worldwide Corp., 5.625%, 3/01/21	132,000	147,541
Wynn Las Vegas LLC, 7.75%, 8/15/20	1,250,000	1,343,750
		\$ 8,934,984
Industrial - 0.6%		
Dematic S.A., 7.75%, 12/15/20 (n)	\$ 1,395,000	\$ 1,485,675
Howard Hughes Corp., 6.875%, 10/01/21 (n)	1,260,000	1,332,450
SPL Logistics Escrow LLC, 8.875%, 8/01/20 (n)	795,000	860,588
		\$ 3,678,713
Insurance - 0.8%		
AIG SunAmerica Global Financing X, 6.9%, 3/15/32 (n)	\$ 484,000	\$ 643,156
American International Group, Inc., 4.875% to 3/15/17, FRN to 3/15/67	EUR 600,000	784,973
Assicurazioni Generali S.p.A., 7.75% to 2022, FRN to 12/12/42	EUR 200,000	313,914
Aviva PLC, 5.7% to 9/29/15, FRN to 9/29/49	EUR 400,000	514,666
CNP Assurances S.A., 6% to 9/14/20, FRN to 9/14/40	EUR 400,000	572,690
Delta Lloyd N.V., FRN, 9%, 8/29/42	EUR 450,000	734,221
Unum Group, 7.125%, 9/30/16	\$ 829,000	922,695
Unum Group, 4%, 3/15/24	259,000	265,402
		\$ 4,751,717
Insurance - Property & Casualty - 0.7%		
Amlin PLC, 6.5% to 12/19/16, FRN to 12/19/26	GBP 200,000	\$ 331,138
Clerical Medical Finance PLC, 4.25% to 6/24/15, FRN to 10/15/19	EUR 500,000	626,811
CNA Financial Corp., 5.875%, 8/15/20	\$ 700,000	804,249
Marsh & McLennan Cos., Inc., 2.55%, 10/15/18	330,000	337,224
Marsh & McLennan Cos., Inc., 3.5%, 6/03/24	315,000	316,752
QBE Capital Funding III Ltd., 7.5% to 5/24/21, FRN to 5/24/41	GBP 300,000	535,772
ZFS Finance USA Trust II, 6.45% to 6/15/16, FRN to 12/15/65 (n)	\$ 810,000	862,650
		\$ 3,814,596

**Table of Contents***Portfolio of Investments continued*

Issuer		Shares/Par	Value (\$)
<b>Bonds - continued</b>			
<b>International Market Quasi-Sovereign - 1.2%</b>			
Caisse d'Amortissement de la Dette Sociale, 1%, 5/25/18	EUR	350,000	\$ 451,844
Eksportfinans A.S.A., 5.5%, 5/25/16	\$	315,000	330,356
Eksportfinans A.S.A., 5.5%, 6/26/17		125,000	133,305
ESB Finance Ltd., 4.375%, 11/21/19	EUR	400,000	583,853
Israel Electric Corp. Ltd., 6.7%, 2/10/17 (n)	\$	843,000	910,862
Israel Electric Corp. Ltd., 5.625%, 6/21/18 (n)		2,268,000	2,409,977
Israel Electric Corp. Ltd., 6.875%, 6/21/23 (n)		1,683,000	1,927,035
			\$ 6,747,232
<b>International Market Sovereign - 1.0%</b>			
Commonwealth of Australia, 5.75%, 5/15/21	AUD	759,000	\$ 775,782
Government of Japan, 1.1%, 6/20/20	JPY	217,950,000	2,043,542
Government of Japan, 2.1%, 9/20/24	JPY	35,750,000	368,464
Republic of Iceland, 4.875%, 6/16/16 (n)	\$	1,716,000	1,800,657
Republic of Iceland, 5.875%, 5/11/22 (n)		631,000	712,991
			\$ 5,701,436
<b>Internet - 0.4%</b>			
Baidu, Inc., 3.25%, 8/06/18	\$	1,846,000	\$ 1,898,022
Baidu, Inc., 3.5%, 11/28/22		475,000	465,823
			\$ 2,363,845
<b>Machinery &amp; Tools - 1.5%</b>			
Ashtead Capital, Inc., 5.625%, 10/01/24 (n)	\$	1,465,000	\$ 1,527,263
CNH America LLC, 7.25%, 1/15/16		1,065,000	1,122,510
Ferrecorp S.A.A., 4.875%, 4/26/20 (n)		347,000	342,663
H&E Equipment Services Co., 7%, 9/01/22		1,050,000	1,120,875
Jurassic Holdings III, Inc., 6.875%, 2/15/21 (n)		875,000	881,563
Light Tower Rentals, Inc., 8.125%, 8/01/19 (n)		625,000	615,625
Loxam SAS, 4.875%, 7/23/21 (z)	EUR	650,000	798,257
RSC Equipment Rental, Inc., 8.25%, 2/01/21	\$	910,000	991,900
United Rentals North America, Inc., 5.75%, 11/15/24		135,000	141,581
United Rentals North America, Inc., 7.625%, 4/15/22		789,000	879,735
			\$ 8,421,972
<b>Major Banks - 3.6%</b>			
ABN AMRO North America Finance, Inc., 7.125%, 7/06/22	EUR	250,000	\$ 407,566
Banco Santander U.S. Debt S.A.U., 3.781%, 10/07/15 (n)	\$	500,000	512,688
Bank of America Corp., 4.125%, 1/22/24		475,000	494,011
Bank of America Corp., 4.2%, 8/26/24		904,000	910,474
Bank of America Corp., 4.875%, 4/01/44		212,000	227,036
Bank of America Corp., FRN, 5.2%, 12/31/49		2,189,000	2,030,298
Barclays Bank PLC, 6%, 1/14/21	EUR	300,000	453,178
Barclays Bank PLC, 6.75% to 1/16/18, FRN to 1/16/23	GBP	200,000	349,176
BBVA Senior Finance S.A., 3.25%, 3/21/16	EUR	300,000	390,329

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Major Banks - continued</b>		
BNP Paribas, FRN, 2.983%, 12/22/14	\$ 1,532,000	\$ 1,537,359
Credit Agricole S.A., 7.375%, 12/18/23	GBP 200,000	399,361
Credit Agricole S.A., 7.875% to 10/26/19, FRN to 10/29/49	EUR 350,000	521,279
DBS Bank Ltd., 3.625% to 9/21/17, FRN to 9/21/22 (n)	\$ 1,055,000	1,087,200
Goldman Sachs Group, Inc., 7.5%, 2/15/19	1,200,000	1,432,842
ING Bank N.V., 4.875%, 1/18/21	EUR 250,000	389,175
ING Bank N.V., 3.50% to 11/21/18, FRN to 11/21/23	EUR 500,000	660,400
JPMorgan Chase & Co., 3.25%, 9/23/22	\$ 765,000	766,043
JPMorgan Chase & Co., 6.75% to 2/01/24, FRN to 1/29/49	486,000	512,050
JPMorgan Chase & Co., 6% to 8/01/23, FRN to 12/29/49	1,315,000	1,303,494
Morgan Stanley, 3.875%, 4/29/24	500,000	506,546
Morgan Stanley, 6.625%, 4/01/18	1,000,000	1,145,156
PNC Bank N.A., 3.8%, 7/25/23	600,000	618,280
Regions Financial Corp., 2%, 5/15/18	421,000	417,610
Royal Bank of Scotland Group PLC, 5.5%, 3/23/20	EUR 300,000	464,913
Royal Bank of Scotland Group PLC, 7.648% to 9/30/31, FRN to 8/29/49	\$ 765,000	899,831
Royal Bank of Scotland Group PLC, 6.99% to 2017, FRN to 10/29/49 (n)	435,000	493,725
Royal Bank of Scotland Group PLC, FRN, 3.625%, 3/25/24	EUR 500,000	636,043
Societe Generale, 4.25%, 7/13/22	EUR 200,000	309,934
Wells Fargo & Co., 5.9% to 6/15/24, FRN to 12/29/49	509,000	523,303
		\$ 20,399,300
<b>Medical &amp; Health Technology &amp; Services - 3.0%</b>		
CHS/Community Health Systems, Inc., 5.125%, 8/01/21	\$ 225,000	\$ 235,125
CHS/Community Health Systems, Inc., 6.875%, 2/01/22	1,715,000	1,847,913
Davita, Inc., 6.625%, 11/01/20	1,696,000	1,774,440
Davita, Inc., 5.125%, 7/15/24	555,000	566,100
Fresenius Medical Care Capital Trust III, 5.625%, 7/31/19 (n)	800,000	857,000
Fresenius Medical Care Capital Trust III, 5.875%, 1/31/22 (n)	430,000	468,700
Fresenius US Finance II, Inc., 4.25%, 2/01/21 (n)	84,000	86,625
HCA, Inc., 4.25%, 10/15/19	785,000	797,756
HCA, Inc., 7.5%, 2/15/22	980,000	1,138,025
HCA, Inc., 5.875%, 3/15/22	1,140,000	1,251,150
HCA, Inc., 5%, 3/15/24	690,000	711,569
HealthSouth Corp., 8.125%, 2/15/20	1,510,000	1,589,275
LifePoint Hospitals, Inc., 5.5%, 12/01/21	1,710,000	1,791,225
Tenet Healthcare Corp., 8%, 8/01/20	1,920,000	2,044,800
Tenet Healthcare Corp., 4.5%, 4/01/21	1,070,000	1,072,675
Universal Health Services, Inc., 7.625%, 8/15/20	1,010,000	941,926
		\$ 17,174,304

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Medical Equipment - 0.5%		
Biomet, Inc., 6.5%, 8/01/20	\$ 517,000	\$ 553,190
Physio-Control International, Inc., 9.875%, 1/15/19 (n)	603,000	649,733
Teleflex, Inc., 6.875%, 6/01/19	800,000	858,000
Teleflex, Inc., 5.25%, 6/15/24 (n)	695,000	705,425
		\$ 2,766,348
Metals & Mining - 3.1%		
ArcelorMittal S.A., 6.75%, 2/25/22	\$ 260,000	\$ 288,626
ArcelorMittal S.A., 7.25%, 3/01/41	405,000	418,163
Arch Coal, Inc., 8%, 1/15/19 (n)	470,000	305,500
Arch Coal, Inc., 7.25%, 10/01/20	300,000	144,000
Cameco Corp., 5.67%, 9/02/19	CAD 765,000	756,706
Century Aluminum Co., 7.5%, 6/01/21 (n)	\$ 1,405,000	1,496,325
Commercial Metals Co., 4.875%, 5/15/23	743,000	724,425
Consol Energy, Inc., 6.375%, 3/01/21	340,000	351,900
Consol Energy, Inc., 5.875%, 4/15/22 (n)	1,354,000	1,374,310
EVRAZ, Inc. N.A. Canada, 7.5%, 11/15/19 (z)	820,000	830,250
First Quantum Minerals Ltd., 7.25%, 10/15/19 (n)	1,496,000	1,488,520
First Quantum Minerals Ltd., 7.25%, 5/15/22 (n)	245,000	238,875
Fortescue Metals Group Ltd., 8.25%, 11/01/19 (n)	1,285,000	1,333,188
Glencore Finance (Europe) S.A., 6.5%, 2/27/19	GBP 150,000	273,776
GrafTech International Co., 6.375%, 11/15/20	\$ 940,000	876,644
Lundin Mining Corp., 7.5%, 11/01/20 (n)	455,000	474,338
Lundin Mining Corp., 7.875%, 11/01/22 (n)	455,000	473,200
Molycorp, Inc., 10%, 6/01/20	260,000	185,900
Plains Exploration & Production Co., 6.875%, 2/15/23	650,000	735,111
Rio Tinto Finance (USA) Ltd., 3.75%, 9/20/21	242,000	252,124
Southern Copper Corp., 5.25%, 11/08/42	700,000	656,894
Steel Dynamics, Inc., 5.125%, 10/01/21 (n)	435,000	450,225
Steel Dynamics, Inc., 5.25%, 4/15/23	435,000	456,750
Steel Dynamics, Inc., 5.5%, 10/01/24 (n)	435,000	460,013
Suncoke Energy Partners LP/Suncoke Energy Partners Finance Corp., 7.375%, 2/01/20 (n)	375,000	391,875
Suncoke Energy, Inc., 7.625%, 8/01/19	700,000	734,860
TMS International Corp., 7.625%, 10/15/21 (n)	680,000	710,600
Walter Energy, Inc., 9.5%, 10/15/19 (n)	440,000	381,700
Walter Energy, Inc., 8.5%, 4/15/21	470,000	122,200
Xstrata Finance (Canada) Ltd., 5.25%, 6/13/17	EUR 300,000	418,791
		\$ 17,805,789
Midstream - 3.9%		
Access Midstream Partner LP, 4.875%, 3/15/24	\$ 240,000	\$ 250,800
Access Midstream Partners Co., 5.875%, 4/15/21	320,000	338,400
Access Midstream Partners Co., 4.875%, 5/15/23	635,000	663,575

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Midstream - continued</b>		
AmeriGas Finance LLC, 6.75%, 5/20/20	\$ 1,375,000	\$ 1,464,375
Atlas Pipeline Partners LP/Atlas Pipeline, 4.75%, 11/15/21	305,000	304,238
Atlas Pipeline Partners LP/Atlas Pipeline, 5.875%, 8/01/23	1,180,000	1,224,250
Crestwood Midstream Partners LP, 6%, 12/15/20	860,000	870,750
Crestwood Midstream Partners LP, 6.125%, 3/01/22	565,000	570,650
El Paso Corp., 7.75%, 1/15/32	2,394,000	2,992,500
Enbridge, Inc., 3.19%, 12/05/22	CAD 500,000	445,175
Energy Transfer Equity LP, 7.5%, 10/15/20	\$ 1,165,000	1,339,750
Energy Transfer Partners LP, 3.6%, 2/01/23	591,000	578,995
Enterprise Products Operating LLC, 3.9%, 2/15/24	287,000	295,371
Enterprise Products Operating LLC, 4.85%, 3/15/44	148,000	152,419
Ferrellgas LP/Ferrellgas Finance Corp., 6.5%, 5/01/21	845,000	851,338
Ferrellgas LP/Ferrellgas Finance Corp., 6.75%, 1/15/22	1,180,000	1,188,850
Kinder Morgan Energy Partners LP, 4.15%, 2/01/24	341,000	337,630
Kinder Morgan Energy Partners LP, 5.4%, 9/01/44	281,000	275,256
MarkWest Energy Partners LP, 5.5%, 2/15/23	810,000	862,650
MarkWest Energy Partners LP, 4.5%, 7/15/23	626,000	641,650
ONEOK, Inc., 4.25%, 2/01/22	424,000	418,778
Sabine Pass Liquefaction LLC, 5.625%, 2/01/21	860,000	900,850
Sabine Pass Liquefaction LLC, 5.625%, 4/15/23	1,285,000	1,329,975
Sabine Pass Liquefaction LLC, 5.75%, 5/15/24 (n)	545,000	563,394
Spectra Energy Partners LP, 4.75%, 3/15/24	306,000	331,645
Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.5%, 7/01/21	580,000	629,300
Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 5.5%, 8/15/22	765,000	765,000
Sunoco Logistics Partners LP, 5.3%, 4/01/44	319,000	330,029
Targa Resources Partners LP/Targa Resources Finance Corp., 4.125%, 11/15/19 (n)	575,000	583,625
Williams Cos., Inc., 3.7%, 1/15/23	600,000	564,430
		\$ 22,065,648
<b>Mortgage-Backed - 1.7%</b>		
Fannie Mae, 5.5%, 1/01/37 - 8/01/37	\$ 2,677,666	\$ 2,998,546
Fannie Mae, FRN, 0.405%, 5/25/18	6,590,124	6,586,723
		\$ 9,585,269
<b>Natural Gas - Distribution - 0.1%</b>		
Centrica PLC, 4.375%, 3/13/29	GBP 250,000	\$ 419,545
GNL Quintero S.A., 4.634%, 7/31/29 (n)	\$ 377,000	388,538
		\$ 808,083
<b>Network &amp; Telecom - 2.4%</b>		
British Telecom PLC, 1.125%, 6/10/19	EUR 360,000	\$ 457,707
British Telecom PLC, 5.75%, 12/07/28	GBP 300,000	570,720



**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Network & Telecom - continued		
Centurylink, Inc., 6.45%, 6/15/21	\$ 670,000	\$ 733,650
Centurylink, Inc., 6.75%, 12/01/23	255,000	283,050
Centurylink, Inc., 7.65%, 3/15/42	890,000	887,775
Citizens Communications Co., 9%, 8/15/31	920,000	998,200
Columbus International, Inc., 7.375%, 3/30/21 (n)	200,000	212,000
Deutsche Telekom International Finance B.V., 4.875%, 4/22/25	EUR 250,000	404,618
Empresa Nacional de Telecomunicaciones S.A., 4.875%, 10/30/24 (n)	\$ 776,000	803,772
Empresa Nacional de Telecomunicaciones S.A., 4.75%, 8/01/26 (n)	2,336,000	2,365,574
Frontier Communications Corp., 8.125%, 10/01/18	245,000	278,198
Telecom Italia Capital, 6%, 9/30/34	320,000	315,200
Telecom Italia Finance S.A., 7.75%, 1/24/33	EUR 170,000	275,753
Telecom Italia S.p.A., 5.375%, 1/29/19	EUR 400,000	555,054
Telecom Italia S.p.A., 5.303%, 5/30/24 (n)	\$ 900,000	911,250
TW Telecom Holdings, Inc., 5.375%, 10/01/22	295,000	325,975
TW Telecom Holdings, Inc., 5.375%, 10/01/22	565,000	624,325
Verizon Communications, Inc., 6.4%, 9/15/33	1,000,000	1,218,064
Verizon Communications, Inc., 6.55%, 9/15/43	478,000	602,570
Windstream Corp., 7.75%, 10/15/20	710,000	756,150
		\$ 13,579,605
Oil Services - 1.1%		
Bristow Group, Inc., 6.25%, 10/15/22	\$ 1,090,000	\$ 1,133,600
Odebrecht Offshore Drilling Finance Ltd., 6.75%, 10/01/22 (n)	1,476,328	1,546,453
Odebrecht Oil & Finance Co., 7% to 6/17/24, FRN to 12/29/49 (n)	201,000	195,473
Pacific Drilling S.A., 5.375%, 6/01/20 (n)	1,050,000	939,094
QGOG Constellation S.A., 6.25%, 11/09/19 (n)	438,000	431,430
Shale-Inland Holdings LLC/Finance Co., 8.75%, 11/15/19 (n)	710,000	734,850
Unit Corp., 6.625%, 5/15/21	1,505,000	1,501,238
		\$ 6,482,138
Oils - 0.1%		
CITGO Petroleum Corp., 6.25%, 8/15/22 (n)	\$ 605,000	\$ 615,588
Other Banks & Diversified Financials - 3.1%		
Banco de Credito del Peru, 6.125% to 4/24/22, FRN to 4/24/27 (n)	\$ 509,000	\$ 547,175
Banco GNB Sudameris S.A., 3.875%, 5/02/18 (n)	431,000	426,130
Banco Inbursa S.A. Institucion de Banca Multiple Grupo Financiero Inbursa, 4.125%, 6/06/24 (n)	583,000	571,340
Bancolombia S.A., 5.95%, 6/03/21	1,094,000	1,212,973
Bankia S.A., 3.5%, 1/17/19	EUR 400,000	542,237

**Table of Contents***Portfolio of Investments continued*

Issuer		Shares/Par	Value (\$)
<b>Bonds - continued</b>			
Other Banks & Diversified Financials - continued			
Banque Federative du Credit Mutuel, 2%, 9/19/19	EUR	300,000	\$ 398,917
BBVA Banco Continental S.A., 5%, 8/26/22 (n)	\$	325,000	342,550
BBVA Banco Continental S.A., 5.25% to 9/22/24, FRN to 9/22/29 (z)		104,000	105,196
BBVA Bancomer S.A. de C.V., 6.5%, 3/10/21 (n)		1,207,000	1,339,770
BBVA Bancomer S.A. de C.V., 6.75%, 9/30/22 (n)		848,000	960,360
BBVA Continental, 5.75%, 1/18/17 (n)		518,000	556,850
BPCE S.A., 4.5%, 3/15/25 (n)		302,000	293,337
CaixaBank S.A., 5% to 9/04/18, FRN to 11/14/23	EUR	400,000	543,370
Capital One Financial Corp., 1%, 11/06/15	\$	800,000	802,032
Citigroup, Inc., 1.25%, 1/15/16		125,000	125,533
Corpbanca, 3.875%, 9/22/19 (z)		1,596,000	1,608,675
Discover Bank, 7%, 4/15/20		249,000	294,718
Discover Bank, 4.25%, 3/13/26		312,000	323,965
Groupe BPCE S.A., 12.5% to 9/30/19, FRN to 8/29/49 (n)		2,583,000	3,512,880
Industrial Senior Trust, 5.5%, 11/01/22 (n)		220,000	218,350
Intesa Sanpaolo S.p.A., 4.125%, 9/19/16	EUR	300,000	400,289
Intesa Sanpaolo S.p.A., 5.25%, 1/28/22	GBP	250,000	441,976
Intesa Sanpaolo S.p.A., 5.017%, 6/26/24 (n)	\$	534,000	521,886
KBC Internationale Financieringsmaatschappij N.V., 4.5%, 3/27/17	EUR	300,000	411,868
LBG Capital No. 2 PLC, 6.385%, 5/12/20	EUR	450,000	601,418
Macquarie Group Ltd., 3%, 12/03/18 (n)	\$	404,000	415,929
Rabobank Nederland N.V., 4%, 9/19/22	GBP	200,000	343,458
			\$ 17,863,182
Pharmaceuticals - 1.9%			
Bayer AG, 3.00% to 7/01/20, FRN to 7/01/75	EUR	360,000	\$ 464,149
Bayer U.S. Finance LLC, 3.375%, 10/08/24 (n)	\$	225,000	225,658
Celgene Corp., 1.9%, 8/15/17		526,000	530,789
Endo Finance LLC/Endo Finco, Inc., 7.25%, 1/15/22 (n)		1,190,000	1,270,325
Forest Laboratories, Inc., 4.375%, 2/01/19 (n)		618,000	647,330
Gilead Sciences, Inc., 3.7%, 4/01/24		545,000	560,373
Hospira, Inc., 5.2%, 8/12/20		72,000	77,916
Mallinckrodt International Finance S.A., 5.75%, 8/01/22 (n)		890,000	932,275
Mylan, Inc., 2.6%, 6/24/18		1,000,000	1,014,290
Salix Pharmaceuticals Ltd., 6%, 1/15/21 (n)		585,000	633,263
Teva Pharmaceutical Finance B.V., 2.95%, 12/18/22		500,000	484,836
Valeant Pharmaceuticals International, Inc., 7%, 10/01/20 (n)		1,560,000	1,634,100
Valeant Pharmaceuticals International, Inc., 7.25%, 7/15/22 (n)		815,000	859,825
Vantage Point Imaging, 7.5%, 7/15/21 (n)		525,000	561,750
Watson Pharmaceuticals, Inc., 1.875%, 10/01/17		700,000	693,851
			\$ 10,590,730

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Precious Metals & Minerals - 0.4%		
Aurico Gold, Inc., 7.75%, 4/01/20 (n)	\$ 920,000	\$ 901,600
Eldorado Gold Corp., 6.125%, 12/15/20 (n)	1,540,000	1,524,600
		\$ 2,426,200
Printing & Publishing - 0.7%		
American Media, Inc., 13.5%, 6/15/18 (z)	\$ 32,653	\$ 31,673
Gannett Co., Inc., 5.125%, 10/15/19	570,000	592,800
Gannett Co., Inc., 5.125%, 7/15/20	460,000	476,100
Gannett Co., Inc., 4.875%, 9/15/21 (n)	255,000	256,913
Gannett Co., Inc., 6.375%, 10/15/23	840,000	903,000
Lamar Media Corp., 5%, 5/01/23	755,000	755,094
Nielsen Finance LLC, 5%, 4/15/22 (n)	715,000	725,725
		\$ 3,741,305
Railroad & Shipping - 0.1%		
Watco Cos. LLC, 6.375%, 4/01/23 (n)	\$ 720,000	\$ 730,800
Real Estate - Apartment - 0.1%		
Deutsche Annington Immobilien SE, 2.125%, 7/09/22	EUR 450,000	\$ 582,527
Real Estate - Healthcare - 0.6%		
Aviv Healthcare Properties LP/Aviv Healthcare, REIT, 6%, 10/15/21	\$ 1,110,000	\$ 1,143,300
HCP, Inc., REIT, 3.875%, 8/15/24	278,000	277,877
MPT Operating Partnership LP, REIT, 6.875%, 5/01/21	760,000	813,200
MPT Operating Partnership LP, REIT, 6.375%, 2/15/22	1,255,000	1,333,438
		\$ 3,567,815
Real Estate - Other - 0.9%		
CNL Lifestyle Properties, Inc., REIT, 7.25%, 4/15/19	\$ 705,000	\$ 720,863
DuPont Fabros Technology LP, REIT, 5.875%, 9/15/21	1,915,000	1,991,600
ERP Properties, REIT, 7.75%, 7/15/20	990,000	1,195,870
ERP Properties, REIT, 5.75%, 8/15/22	250,000	274,954
Felcor Lodging LP, REIT, 5.625%, 3/01/23	945,000	942,638
		\$ 5,125,925
Real Estate - Retail - 0.4%		
Hammerson PLC, REIT, 2.75%, 9/26/19	EUR 300,000	\$ 406,949
Hammerson PLC, REIT, 6%, 2/23/26	GBP 250,000	485,449
Simon Property Group, Inc., REIT, 10.35%, 4/01/19	\$ 900,000	1,191,327
		\$ 2,083,725
Restaurants - 0.1%		
YUM! Brands, Inc., 5.35%, 11/01/43	\$ 306,000	\$ 321,671

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Retailers - 1.6%</b>		
Bed Bath & Beyond, Inc., 5.165%, 8/01/44	\$ 423,000	\$ 422,607
Best Buy Co., Inc., 5.5%, 3/15/21	1,175,000	1,207,313
Bon Ton Stores, Inc., 8%, 6/15/21	650,000	565,500
Dollar General Corp., 4.125%, 7/15/17	831,000	865,433
Gap, Inc., 5.95%, 4/12/21	1,000,000	1,129,318
Home Depot, Inc., 4.875%, 2/15/44	378,000	425,794
Jo-Ann Stores Holdings, Inc., 9.75%, 10/15/19 (n)(p)	705,000	648,600
Limited Brands, Inc., 7%, 5/01/20	415,000	471,025
Limited Brands, Inc., 6.95%, 3/01/33	360,000	374,400
Marks & Spencer Group PLC, 4.75%, 6/12/25	GBP 300,000	504,785
Neiman Marcus Group Ltd., 8%, 10/15/21 (n)	\$ 440,000	469,342
Rite Aid Corp., 9.25%, 3/15/20	595,000	657,356
S.A.C.I. Falabella, 4.375%, 1/27/25 (z)	389,000	390,442
Sally Beauty Holdings, Inc., 6.875%, 11/15/19	590,000	632,775
Wesfarmers Ltd., 1.874%, 3/20/18 (n)	156,000	155,671
		\$ 8,920,361
<b>Specialty Chemicals - 0.4%</b>		
Chemtura Corp., 5.75%, 7/15/21	\$ 1,215,000	\$ 1,211,963
Ecolab, Inc., 4.35%, 12/08/21	500,000	546,833
Mexichem S.A.B. de C.V., 5.875%, 9/17/44 (z)	748,000	748,000
		\$ 2,506,796
<b>Specialty Stores - 0.4%</b>		
Group 1 Automotive, Inc., 5%, 6/01/22 (n)	\$ 1,150,000	\$ 1,138,500
Men s Wearhouse, Inc., 7%, 7/01/22 (n)	325,000	336,781
Michaels Stores, Inc., 5.875%, 12/15/20 (n)	750,000	759,375
		\$ 2,234,656
<b>Supermarkets - 0.1%</b>		
Delhaize Group, 3.125%, 2/27/20	EUR 300,000	\$ 410,724
William Morrison Supermarkets PLC, 3.5%, 7/27/26	GBP 150,000	216,545
		\$ 627,269
<b>Supranational - 0.2%</b>		
European Investment Bank, 5.125%, 5/30/17	\$ 500,000	\$ 553,228
European Investment Bank, 4.25%, 4/15/19	EUR 350,000	517,204
		\$ 1,070,432
<b>Telecommunications - Wireless - 4.6%</b>		
Altice Financing S.A., 6.5%, 1/15/22 (n)	\$ 2,026,000	\$ 2,081,715
Altice Finco S.A., 8.125%, 1/15/24 (n)	919,000	967,248
America Movil S.A.B. de C.V., 4.75%, 6/28/22	EUR 525,000	813,616
American Tower Corp., REIT, 3.5%, 1/31/23	\$ 743,000	711,073

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Telecommunications - Wireless - continued		
Bharti Airtel International (Netherlands) B.V., 3.375%, 5/20/21 (n)	EUR 124,000	\$ 164,756
Bharti Airtel International B.V., 5.35%, 5/20/24 (n)	1,368,000	1,470,162
Crown Castle International Corp., 4.875%, 4/15/22	375,000	378,750
Crown Castle International Corp., 5.25%, 1/15/23	735,000	752,456
Crown Castle Towers LLC, 6.113%, 1/15/20 (n)	420,000	485,253
Digicel Group Ltd., 8.25%, 9/01/17 (n)	1,140,000	1,167,075
Digicel Group Ltd., 8.25%, 9/30/20 (n)	615,000	642,675
Digicel Group Ltd., 6%, 4/15/21 (n)	1,614,000	1,630,140
Digicel Group Ltd., 7.125%, 4/01/22 (n)	731,000	734,655
Eileme 2 AB, 11.625%, 1/31/20 (n)	925,000	1,059,125
Millicom International Cellular S.A., 4.75%, 5/22/20 (n)	446,000	440,425
Millicom International Cellular S.A., 6.625%, 10/15/21 (n)	412,000	440,840
MTS International Funding Ltd., 5%, 5/30/23 (n)	201,000	180,146
Rogers Communications, Inc., 5%, 3/15/44	278,000	289,811
SBA Tower Trust, 2.898%, 10/15/19 (n)	439,000	440,166
Sprint Capital Corp., 6.875%, 11/15/28	1,210,000	1,176,725
Sprint Corp., 7.875%, 9/15/23 (n)	1,410,000	1,526,325
Sprint Corp., 7.125%, 6/15/24 (n)	790,000	811,725
Sprint Nextel Corp., 9%, 11/15/18 (n)	470,000	552,838
Sprint Nextel Corp., 6%, 11/15/22	1,050,000	1,047,375
T-Mobile USA, Inc., 6.125%, 1/15/22	145,000	150,256
T-Mobile USA, Inc., 6.5%, 1/15/24	405,000	424,238
T-Mobile USA, Inc., 6.464%, 4/28/19	395,000	411,788
T-Mobile USA, Inc., 6.25%, 4/01/21	1,675,000	1,748,281
T-Mobile USA, Inc., 6.633%, 4/28/21	540,000	569,025
VimpelCom Ltd., 5.95%, 2/13/23 (n)	255,000	234,302
Wind Acquisition Finance S.A., 4%, 7/15/20 (n)	EUR 300,000	370,306
Wind Acquisition Finance S.A., 4.75%, 7/15/20 (n)	\$ 995,000	972,613
Wind Acquisition Finance S.A., 7.375%, 4/23/21 (n)	1,435,000	1,402,713
		\$ 26,248,597
Telephone Services - 0.7%		
B Communications Ltd., 7.375%, 2/15/21 (n)	\$ 1,872,000	\$ 1,993,867
Cogent Communications Group, Inc., 8.375%, 2/15/18 (n)	460,000	481,850
Frontier Communications Corp., 6.25%, 9/15/21	305,000	315,103
Level 3 Financing, Inc., 8.625%, 7/15/20	425,000	467,500
TELUS Corp., 5.05%, 7/23/20	CAD 765,000	756,095
		\$ 4,014,415
Tobacco - 0.3%		
Altria Group, Inc., 4%, 1/31/24	\$ 164,000	\$ 169,762
Lorillard Tobacco Co., 8.125%, 6/23/19	257,000	314,831
Philip Morris International, Inc., 4.875%, 11/15/43	356,000	386,304

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
<b>Tobacco - continued</b>		
Reynolds American, Inc., 6.75%, 6/15/17	\$ 816,000	\$ 920,042
		\$ 1,790,939
<b>Transportation - Services - 1.3%</b>		
Aguila American Resources Ltd., 7.875%, 1/31/18 (n)	\$ 870,000	\$ 872,175
ERAC USA Finance Co., 7%, 10/15/37 (n)	628,000	826,209
HIT Finance B.V., 4.875%, 10/27/21	EUR 300,000	461,986
Jack Cooper Holdings Corp., 9.25%, 6/01/20 (n)	\$ 995,000	1,067,138
Navios Logistics Finance (U.S.), Inc., 7.25%, 5/01/22 (n)	299,000	301,243
Navios Maritime Acquisition Corp., 8.125%, 11/15/21 (n)	591,000	601,343
Navios Maritime Holding, Inc., 7.375%, 1/15/22 (n)	1,325,000	1,331,625
Stena AB, 7%, 2/01/24 (n)	1,215,000	1,211,963
Syncreon Group BV/Syncre, 8.625%, 11/01/21 (n)	585,000	571,838
Topaz Marine S.A., 8.625%, 11/01/18 (n)	208,000	211,640
Ultrapetrol (Bahamas) Ltd., 8.875%, 6/15/21	246,000	258,300
		\$ 7,715,460
<b>U.S. Government Agencies and Equivalents - 5.3%</b>		
Fannie Mae, 1.125%, 4/27/17	\$ 15,000,000	\$ 15,123,510
Freddie Mac, 0.875%, 2/22/17	15,000,000	15,050,055
		\$ 30,173,565
<b>U.S. Treasury Obligations - 2.1%</b>		
U.S. Treasury Bonds, 3.125%, 11/15/41 (f)	\$ 12,069,000	\$ 12,291,528
<b>Utilities - Electric Power - 2.7%</b>		
AES Corp., 7.375%, 7/01/21	\$ 560,000	\$ 638,925
Alabama Power Co., 4.15%, 8/15/44	201,000	204,436
Calpine Corp., 5.375%, 1/15/23	550,000	555,500
CMS Energy Corp., 5.05%, 3/15/22	500,000	560,222
CMS Energy Corp., 3.875%, 3/01/24	200,000	206,721
Colbun S.A., 4.5%, 7/10/24 (n)	243,000	244,857
Covanta Holding Corp., 7.25%, 12/01/20	1,815,000	1,932,975
Covanta Holding Corp., 6.375%, 10/01/22	320,000	340,800
E.CL S.A., 4.5%, 1/29/25 (z)	609,000	610,609
E.ON International Finance B.V., 6.375%, 6/07/32	GBP 200,000	407,780
EDP Finance B.V., 5.25%, 1/14/21 (n)	\$ 200,000	207,538
EDP Finance B.V., 4.125%, 1/20/21	EUR 350,000	478,076
Empresa de Energia de Bogota S.A., 6.125%, 11/10/21 (n)	\$ 303,000	327,528
Empresa Nacional de Electricidad S.A., 4.25%, 4/15/24	127,000	128,742
Enel S.p.A., 6.25%, 6/20/19	GBP 250,000	462,309
Enel S.p.A., 5.25%, 5/20/24	EUR 300,000	483,830
Enel S.p.A., 8.75% to 2013, FRN to 9/24/73 (n)	\$ 500,000	583,750
Greenko Dutch B.V., 8%, 8/01/19 (n)	410,000	404,875

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Bonds - continued</b>		
Utilities - Electric Power - continued		
NGG Finance PLC, FRN, 5.625%, 6/18/73	GBP 250,000	\$ 420,321
NRG Energy, Inc., 8.25%, 9/01/20	\$ 1,860,000	2,011,125
NRG Energy, Inc., 6.25%, 7/15/22	385,000	402,325
NRG Energy, Inc., 6.625%, 3/15/23	1,420,000	1,498,100
PPL Capital Funding, Inc., 5%, 3/15/44	270,000	290,919
PPL WEM Holdings PLC, 5.375%, 5/01/21 (n)	183,000	206,499
Red Electrica de Espana, 4.75%, 2/16/18	EUR 200,000	283,643
Southern Electric Power Co. Ltd., 4.625%, 2/20/37	GBP 200,000	341,247
Transelec S.A., 4.25%, 1/14/25 (n)	\$ 235,000	235,774
Waterford 3 Funding Corp., 8.09%, 1/02/17	813,046	812,936
		\$ 15,282,362
Utilities - Gas - 0.1%		
Transport de Gas Peru, 4.25%, 4/30/28 (n)	\$ 387,000	\$ 371,520
<b>Total Bonds (Identified Cost, \$618,380,301)</b>		<b>\$ 631,271,641</b>
<b>Convertible Bonds - 0.1%</b>		
Network & Telecom - 0.1%		
Nortel Networks Corp., 2.125%, 4/15/14 (a)(d) (Identified Cost, \$194,556)	\$ 197,000	\$ 192,814
<b>Floating Rate Loans (g)(r) - 2.5%</b>		
Aerospace - 0.1%		
TransDigm, Inc., Term Loan C, 3.75%, 2/28/20	\$ 664,085	\$ 652,671
Building - 0.2%		
ABC Supply Co., Inc., Term Loan, 3.5%, 4/16/20	\$ 884,058	\$ 862,399
HD Supply, Inc., Term Loan B, 4%, 6/28/18	489,948	485,457
		\$ 1,347,856
Business Services - 0.0%		
Fleetcor Technologies, Inc., Term Loan B, 9/24/21 (o)	\$ 122,316	\$ 122,163
Cable TV - 0.1%		
Cequel Communications LLC, Term Loan B, 3.5%, 2/14/19	\$ 471,763	\$ 466,034
Conglomerates - 0.2%		
Entegris, Inc., Term Loan B, 3.5%, 4/30/21	\$ 775,533	\$ 748,390
Silver II U.S. Holdings LLC, Term Loan, 4%, 12/13/19	581,769	567,770
		\$ 1,316,160
Consumer Services - 0.1%		
Realogy Corp., Term Loan B, 3.75%, 3/05/20	\$ 589,570	\$ 582,347

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Floating Rate Loans (g)(r) - continued</b>		
Containers - 0.1%		
Berry Plastics Group, Inc., Term Loan E, 3.75%, 1/06/21	\$ 454,823	\$ 446,674
Electronics - 0.2%		
Avago Technologies Cayman Ltd., Term Loan B, 3.75%, 5/06/21	\$ 944,028	\$ 940,488
Energy - Independent - 0.1%		
MEG Energy Corp., Term Loan, 3.75%, 3/31/20	\$ 527,805	\$ 517,908
Entertainment - 0.1%		
Cedar Fair LP, Term Loan B, 3.25%, 3/06/20	\$ 368,283	\$ 366,288
Food & Beverages - 0.0%		
H.J. Heinz Co., Term Loan B2, 3.5%, 6/05/20	\$ 271,174	\$ 269,254
Gaming & Lodging - 0.1%		
Hilton Worldwide Finance LLC, Term Loan B2, 3.5%, 10/25/20	\$ 852,129	\$ 843,075
Medical & Health Technology & Services - 0.1%		
Community Health Systems, Inc., Term Loan D, 4.25%, 1/27/21	\$ 180,230	\$ 180,342
Davita Healthcare Partners, Inc., Term Loan B, 3.5%, 6/24/21	373,393	369,393
		\$ 549,735
Metals & Mining - 0.1%		
FMG Resources Ltd., Term Loan B, 3.75%, 6/30/19	\$ 479,847	\$ 467,679
Printing & Publishing - 0.1%		
CBS Outdoor Americas Capital LLC, Term Loan B, 3%, 1/31/21	\$ 574,548	\$ 562,578
Retailers - 0.2%		
Dollar Tree, Inc., Term Loan, 8/08/15 (o)	\$ 630,000	\$ 630,000
Rite Aid Corp., Term Loan, 4.87%, 6/21/21	328,597	328,289
		\$ 958,289
Specialty Stores - 0.1%		
Mens Wearhouse Inc. Term Loan B, 4.5%, 6/18/21	\$ 670,988	\$ 668,262
Supermarkets - 0.1%		
Albertson's Holdings LLC Term Loan B4, 4.5%, 8/25/21	\$ 617,479	\$ 617,136
Telephone Services - 0.1%		
Level 3 Financing, Inc., Term Loan B, 1/31/22 (o)	\$ 751,583	\$ 753,697
Transportation - Services - 0.2%		
Commercial Barge Line Co., Term Loan B, 7.5%, 9/15/19	\$ 1,008,763	\$ 1,006,872



**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Floating Rate Loans (g)(r) - continued</b>		
Utilities - Electric Power - 0.2%		
Calpine Construction Finance Co., Term Loan B1, 3%, 5/03/20	\$ 927,006	\$ 898,907
<b>Total Floating Rate Loans (Identified Cost, \$14,511,740)</b>		<b>\$ 14,354,073</b>
<b>Common Stocks - 0.0%</b>		
Automotive - 0.0%		
Accuride Corp. (a)	20,680	\$ 99,678
Printing & Publishing - 0.0%		
American Media Operations, Inc. (a)	8,368	\$ 1,502
<b>Total Common Stocks (Identified Cost, \$399,733)</b>		<b>\$ 101,180</b>
<b>Money Market Funds - 3.1%</b>		
MFS Institutional Money Market Portfolio, 0.09%, at Cost and Net Asset Value (v)		
	17,572,803	\$ 17,572,803
<b>Total Investments (Identified Cost, \$651,059,133)</b>		<b>\$ 663,492,511</b>
<b>Other Assets, Less Liabilities - (16.3)%</b>		(93,038,885)
<b>Net Assets - 100.0%</b>		<b>\$ 570,453,626</b>

(a) Non-income producing security.

(d) In default.

(f) All or a portion of the security has been segregated as collateral for open futures contracts.

(g) The rate shown represents a weighted average coupon rate on settled positions at period end, unless otherwise indicated.

(i) Interest only security for which the fund receives interest on notional principal (Par amount). Par amount shown is the notional principal and does not reflect the cost of the security.

(n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$211,415,469, representing 37.1% of net assets.

(o) All or a portion of this position has not settled. Upon settlement date, interest rates for unsettled amounts will be determined. The rate shown, if any, represents the weighted average coupon rate for settled amounts.

(p) Payment-in-kind security for which interest income may be received in additional securities and/or cash. During the period, the following amount of interest income was received in additional securities and/or cash:

	Cash	Additional Securities
<b>Payment-in-kind Securities</b>		
Jo-Ann Stores Holdings, Inc., 9.75%, 10/15/19	\$68,738	\$
Schaeffler Finance B.V., 6.875%, 8/15/18	22,516	
Schaeffler Holding Finance B.V., 6.25%, 11/15/19		
Total	\$91,254	\$

(q) Interest received was less than stated coupon rate.

**Table of Contents***Portfolio of Investments continued*

- (r) Remaining maturities of floating rate loans may be less than stated maturities shown as a result of contractual or optional prepayments by the borrower. Such prepayments cannot be predicted with certainty. These loans may be subject to restrictions on resale. Floating rate loans generally have rates of interest which are determined periodically by reference to a base lending rate plus a premium.
- (v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.
- (z) Restricted securities are not registered under the Securities Act of 1933 and are subject to legal restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are subsequently registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The fund holds the following restricted securities:

	<b>Acquisition</b>		
<b>Restricted Securities</b>	<b>Date</b>	<b>Cost</b>	<b>Value</b>
American Media, Inc., 13.5%, 6/15/18	12/22/10	\$32,967	\$31,673
BBVA Banco Continental S.A., 5.25% to 9/22/24, FRN to , 9/22/29	9/15/14	103,293	105,196
Bayview Financial Revolving Mortgage Loan Trust, FRN, 1.752%, 12/28/40	3/01/06	2,331,137	1,387,631
CEMEX S.A.B. de C.V., 5.7%, 1/11/25	9/04/14	594,000	581,942
Consolidated Energy Finance S.A., 6.75%, 10/15/19	10/02/14	380,205	391,680
Corpbanca, 3.875%, 9/22/19	9/16/14	1,585,679	1,608,675
Corporacion Nacional del Cobre de Chile, Inc., 2.25%, 7/09/24	7/02/14	140,220	132,806
Dryden Senior Loan Fund, 2013-26A, A , CLO, FRN, 1.33%, 7/15/25	9/26/14	1,476,175	1,474,137
E.CL S.A., 4.5%, 1/29/25	10/24/14	605,683	610,609
EVRAZ, Inc. N.A. Canada, 7.5%, 11/15/19	10/31/14	821,438	830,250
Empresa Nacional del Petroleo S.A., 4.375%, 10/30/24	10/27/14	294,012	293,040
Falcon Franchise Loan LLC, FRN, 17.857%, 1/05/25	1/29/03	24,854	82,368
First Union National Bank Commercial Mortgage Trust, FRN, 1.734%, 1/12/43	12/11/03	637	671
Hilcorp Energy I LP/Hilcorp Finance Co., 5%, 12/01/24	10/16/14	167,361	168,000
KazMunayGas National Co., 6%, 11/07/44	10/31/14	302,797	302,797
Loxam SAS, 4.875%, 7/23/21	7/18/14	879,092	798,257
Mexichem S.A.B. de C.V., 5.875%, 9/17/44	9/09/14	741,652	748,000
Morgan Stanley Capital I, Inc., FRN, 1.415%, 4/28/39	7/20/04	42,678	16,638
PT Pelabuhan Indonesia III, 4.875%, 10/01/24	9/24/14	198,836	203,000
Pacific Rubiales Energy Corp., 5.625%, 1/19/25	9/15/14	269,424	258,658
Petroleos Mexicanos, 4.25%, 1/15/25	10/06/14	108,373	110,341
Petroleos Mexicanos, 5.5%, 6/27/44	10/06/14	258,810	264,795
Republic of El Salvador, 6.375%, 1/18/27	9/11/14	43,000	44,075
Republic of Indonesia, 2.875%, 7/08/21	7/02/14	508,944	476,980
Republic of Kazakhstan, 3.875%, 10/14/24	10/06/14	420,140	419,528
Republic of Kazakhstan, 4.875%, 10/14/44	10/06/14	199,396	199,755
S.A.C.I. Falabella, 4.375%, 1/27/25	10/22/14	388,736	390,442
Schaeffler Holding Finance B.V., 6.25%, 11/15/19	10/21/14	305,000	315,675

**Table of Contents***Portfolio of Investments continued*

	Acquisition		
Restricted Securities - continued	Date	Cost	Value
Sensata Technologies B.V., 5.625%, 11/01/24	10/07/14-10/16/14	\$476,870	\$501,422
Union Andina de Cementos S.A.A., 5.875%, 10/30/21	10/28/14	270,000	274,104
Unitymedia KabelBW GmbH, 6.125%, 1/15/25	10/07/14	700,000	730,625
Total Restricted Securities			\$13,753,770
% of Net assets			2.4%

The following abbreviations are used in this report and are defined:

CDO	Collateralized Debt Obligation
CLO	Collateralized Loan Obligation
FRN	Floating Rate Note. Interest rate resets periodically and may not be the rate reported at period end.
PLC	Public Limited Company
REIT	Real Estate Investment Trust

Abbreviations indicate amounts shown in currencies other than the U.S. dollar. All amounts are stated in U.S. dollars unless otherwise indicated. A list of abbreviations is shown below:

AUD	Australian Dollar
BRL	Brazilian Real
CAD	Canadian Dollar
CHF	Swiss Franc
DKK	Danish Krone
EUR	Euro
GBP	British Pound
INR	Indian Rupee
JPY	Japanese Yen
KRW	Korean Won
MXN	Mexican Peso
NOK	Norwegian Krone
SEK	Swedish Krona
SGD	Singapore Dollar
ZAR	South African Rand

**Derivative Contracts at 10/31/14****Forward Foreign Currency Exchange Contracts at 10/31/14**

Type	Currency	Counter-party	Contracts to Deliver/Receive	Settlement Date Range	In Exchange For	Contracts at Value	Net
							Unrealized Appreciation (Depreciation)
<b>Asset Derivatives</b>							
SELL	BRL	UBS AG	16,884,681	12/02/14	\$6,873,191	\$6,755,710	\$117,481
SELL	CAD	Goldman Sachs International	1,825	1/09/15	1,628	1,616	12
SELL	CAD	Merrill Lynch International Bank	3,275,635	1/09/15	2,915,200	2,901,547	13,653
SELL	EUR	Barclays Bank PLC	9,255,755	12/18/14-1/09/15	11,985,780	11,602,172	383,609

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SELL	EUR	Credit Suisse Group	15,547,956	1/09/15	19,647,724	19,492,298	155,426
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Portfolio of Investments continued

**Forward Foreign Currency Exchange Contracts at 10/31/14 - continued**

Type	Currency	Counter-party	Contracts to Deliver/Receive	Settlement Date Range	In Exchange For	Contracts at Value	Net Unrealized Appreciation (Depreciation)
<b>Asset Derivatives - continued</b>							
SELL	EUR	Goldman Sachs International	469,130	1/09/15	\$591,881	\$588,143	\$3,738
SELL	GBP	Barclays Bank PLC	96,000	1/09/15	154,315	153,491	824
SELL	GBP	Credit Suisse Group	2,803,861	1/09/15	4,485,707	4,482,994	2,713
SELL	GBP	Merrill Lynch International Bank	2,803,861	1/09/15	4,488,968	4,482,994	5,974
SELL	JPY	Deutsche Bank AG	271,593,273	1/09/15	2,511,298	2,419,950	91,348
SELL	JPY	Goldman Sachs International	21,875,000	1/09/15	202,501	194,911	7,590
SELL	NOK	JPMorgan Chase Bank N.A.	6,710	1/09/15	1,035	993	42
BUY	ZAR	JPMorgan Chase Bank N.A.	921,000	1/09/15	81,014	82,562	1,548
							\$783,958

**Liability Derivatives**

SELL	AUD	Westpac Banking Corp.	861,592	1/09/15	\$745,618	\$754,699	\$(9,081)
BUY	BRL	Citibank N.A.	17,946,000	12/02/14	7,200,000	7,180,353	(19,647)
SELL	CHF	UBS AG	5,432,919	1/09/15	5,631,456	5,650,371	(18,915)
BUY	DKK	Citibank N.A.	11,054	1/09/15	1,871	1,862	(9)
BUY	EUR	Citibank N.A.	111,877	1/09/15	141,489	140,259	(1,230)
BUY	EUR	Merrill Lynch International Bank	418,476	1/09/15	530,492	524,638	(5,854)
BUY	EUR	UBS AG	375,855	1/09/15	475,566	471,205	(4,361)
BUY	INR	Barclays Bank PLC	353,296,000	11/21/14	5,773,754	5,733,370	(40,384)
BUY	KRW	JPMorgan Chase Bank N.A.	112,535,000	12/16/14	105,409	105,124	(285)
SELL	MXN	UBS AG	32,899,000	1/09/15	2,433,358	2,433,597	(239)
BUY	SEK	Goldman Sachs International	272	1/09/15	38	37	(1)
BUY	SGD	Citibank N.A.	102,000	1/09/15	79,876	79,380	(496)
							\$(100,502)

**Table of Contents***Portfolio of Investments continued***Futures Contracts at 10/31/14**

Description	Currency	Contracts	Value	Expiration Date	Unrealized
					Appreciation (Depreciation)
<b>Liability Derivatives</b>					
<i>Interest Rate Futures</i>					
U.S. Treasury Note 10 yr (Short)	USD	477	\$60,273,422	December - 2014	\$(325,285)
U.S. Treasury Bond 30 yr (Short)	USD	8	1,128,750	December - 2014	(11,097)
					\$(336,382)

At October 31, 2014, the fund had cash collateral of \$60,000 and other liquid securities with an aggregate value of \$688,465 to cover any commitments for certain derivative contracts. Cash collateral is comprised of Restricted cash in the Statement of Assets and Liabilities.

**See Notes to Financial Statements**

**Table of Contents***Financial Statements***STATEMENT OF ASSETS AND LIABILITIES**

At 10/31/14

This statement represents your fund's balance sheet, which details the assets and liabilities comprising the total value of the fund.

<b>Assets</b>	
Investments-	
Non-affiliated issuers, at value (identified cost, \$633,486,330)	\$645,919,708
Underlying affiliated funds, at cost and value	17,572,803
Total investments, at value (identified cost, \$651,059,133)	\$663,492,511
Cash	57,208
Restricted cash	60,000
Foreign currency, at value (identified cost, \$383,510)	377,418
Receivables for	
Forward foreign currency exchange contracts	783,958
Daily variation margin on open futures contracts	130,453
Investments sold	3,365,436
Interest	8,690,410
Other assets	63,449
Total assets	\$677,020,843
<b>Liabilities</b>	
Notes payable	\$100,000,000
Payables for	
Distributions	155,904
Forward foreign currency exchange contracts	100,502
Investments purchased	5,605,549
Payable to affiliates	
Investment adviser	19,533
Transfer agent and dividend disbursing costs	5,810
Payable for independent Trustees' compensation	178,711
Accrued interest expense	68,882
Deferred country tax expense payable	271,733
Accrued expenses and other liabilities	160,593
Total liabilities	\$106,567,217
Net assets	\$570,453,626
<b>Net assets consist of</b>	
Paid-in capital	\$552,770,858
Unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies (net of \$117,683 deferred country tax)	12,610,198
Accumulated net realized gain (loss) on investments and foreign currency	3,371,652
Undistributed net investment income	1,700,918
Net assets	\$570,453,626
Shares of beneficial interest outstanding	77,230,862
Net asset value per share (net assets of \$570,453,626 / 77,230,862 shares of beneficial interest outstanding)	\$7.39

**See Notes to Financial Statements**

**Table of Contents***Financial Statements***STATEMENT OF OPERATIONS**

Year ended 10/31/14

This statement describes how much your fund earned in investment income and accrued in expenses. It also describes any gains and/or losses generated by fund operations.

<b>Net investment income</b>	
Income	
Interest	\$36,302,226
Dividends	68,237
Dividends from underlying affiliated funds	27,623
Total investment income	\$36,398,086
Expenses	
Management fee	\$4,042,972
Transfer agent and dividend disbursing costs	137,752
Administrative services fee	83,874
Independent Trustees' compensation	75,418
Stock exchange fee	69,120
Custodian fee	87,156
Interest expense	848,009
Shareholder communications	184,492
Audit and tax fees	80,267
Legal fees	13,245
Miscellaneous	41,071
Total expenses	\$5,663,376
Fees paid indirectly	(372)
Reduction of expenses by investment adviser	(998)
Net expenses	\$5,662,006
Net investment income	\$30,736,080
<b>Realized and unrealized gain (loss) on investments and foreign currency</b>	
Realized gain (loss) (identified cost basis)	
Investments (net of \$136,343 country tax)	\$9,998,022
Futures contracts	(2,632,718)
Foreign currency	2,026,401
Net realized gain (loss) on investments and foreign currency	\$9,391,705
Change in unrealized appreciation (depreciation)	
Investments (net of \$4,511 decrease in deferred country tax)	\$(8,876,729)
Futures contracts	996,139
Translation of assets and liabilities in foreign currencies	919,035
Net unrealized gain (loss) on investments and foreign currency translation	\$(6,961,555)
Net realized and unrealized gain (loss) on investments and foreign currency	\$2,430,150
Change in net assets from operations	\$33,166,230

**See Notes to Financial Statements**



**Table of Contents***Financial Statements***STATEMENTS OF CHANGES IN NET ASSETS**

These statements describe the increases and/or decreases in net assets resulting from operations, any distributions, and any shareholder transactions.

	<b>Years ended 10/31</b>	
	<b>2014</b>	<b>2013</b>
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income	\$30,736,080	\$34,125,056
Net realized gain (loss) on investments and foreign currency	9,391,705	20,848,699
Net unrealized gain (loss) on investments and foreign currency translation	(6,961,555)	(31,209,800)
Change in net assets from operations	\$33,166,230	\$23,763,955
<b>Distributions declared to shareholders</b>		
From net investment income	\$(32,557,449)	\$(36,124,929)
From net realized gain on investments	(10,287,949)	
Total distributions declared to shareholders	\$(42,845,398)	\$(36,124,929)
Change in net assets from fund share transactions	\$(6,163,584)	\$(1,314,939)
Total change in net assets	\$(15,842,752)	\$(13,675,913)
<b>Net assets</b>		
At beginning of period	586,296,378	599,972,291
At end of period (including undistributed net investment income of \$1,700,918 and accumulated distributions in excess of net investment income of \$872,273, respectively)	\$570,453,626	\$586,296,378
<b>See Notes to Financial Statements</b>		

**Table of Contents***Financial Statements***STATEMENT OF CASH FLOWS**

Year ended 10/31/14

This statement provides a summary of cash flows from investment activity for the fund.

<b>Cash flows from operating activities:</b>	
Change in net assets from operations	\$33,166,230
<b>Adjustments to reconcile change in net assets from operations to net cash provided by operating activities:</b>	
Purchase of investment securities	(350,633,961)
Proceeds from disposition of investment securities	357,444,464
Payments for futures contracts	(2,632,718)
Proceeds from disposition of short-term investments, net	6,868,641
Realized gain/loss on investments	(10,134,365)
Realized gain/loss on futures contracts	2,632,718
Unrealized appreciation/depreciation on investments	8,881,240
Unrealized appreciation/depreciation on foreign currency contracts	(995,083)
Net amortization/accretion of income	1,750,168
Decrease in interest and dividends receivable	1,408,447
Increase in accrued expenses and other liabilities	80,128
Increase in receivable for daily variation margin on open futures contracts	(54,672)
Decrease in restricted cash	617,700
Increase in other assets	(272)
Decrease in interest payable	(4,884)
Net cash provided by operating activities	\$48,393,781
<b>Cash flows from financing activities:</b>	
Distributions paid in cash	(42,870,553)
Repurchase of shares of beneficial interest	(6,163,584)
Net cash used by financing activities	\$(49,034,137)
Net decrease in cash	\$(640,356)
<b>Cash:</b>	
Beginning of period	\$1,074,982
End of period (including foreign currency of \$377,418)	\$434,626
Supplemental disclosure of cash flow information:	

Cash paid during the year ended October 31, 2014 for interest was \$852,893.

**See Notes to Financial Statements**

**Table of Contents***Financial Statements***FINANCIAL HIGHLIGHTS**

The financial highlights table is intended to help you understand the fund's financial performance for the past 5 years. Certain information reflects financial results for a single fund share. The total returns in the table represent the rate by which an investor would have earned (or lost) on an investment in the fund share class (assuming reinvestment of all distributions) held for the entire period.

	Years ended 10/31				
	2014	2013	2012	2011	2010
Net asset value, beginning of period	\$7.50	\$7.65	\$7.20	\$7.44	\$6.83
<b>Income (loss) from investment operations</b>					
Net investment income (d)	\$0.39	\$0.44	\$0.47	\$0.50	\$0.52
Net realized and unrealized gain (loss) on investments and foreign currency	0.04	(0.13)	0.49	(0.20)	0.63
Total from investment operations	\$0.43	\$0.31	\$0.96	\$0.30	\$1.15
<b>Less distributions declared to shareholders</b>					
From net investment income	\$(0.42)	\$(0.46)	\$(0.51)	\$(0.54)	\$(0.54)
From net realized gain on investments	(0.13)				
Total distributions declared to shareholders	\$(0.55)	\$(0.46)	\$(0.51)	\$(0.54)	\$(0.54)
Net increase from repurchase of capital shares	\$0.01	\$0.00(w)	\$	\$	\$
Net asset value, end of period (x)	\$7.39	\$7.50	\$7.65	\$7.20	\$7.44
Market value, end of period	\$6.37	\$6.59	\$7.31	\$6.68	\$7.11
Total return at market value (%)	5.09	(3.73)	17.56	1.67	27.18
Total return at net asset value (%) (j)(r)(s)(x)	7.13	4.69	14.15	4.73	18.08
<b>Ratios (%) (to average net assets) and Supplemental data:</b>					
Expenses before expense reductions (f)	0.98	1.02	1.10	1.12	1.25
Expenses after expense reductions (f)	0.98	1.02	1.10	1.12	1.25
Net investment income	5.32	5.75	6.39	6.80	7.39
Portfolio turnover	46	65	48	49	65
Net assets at end of period (000 omitted)	\$570,454	\$586,296	\$599,972	\$564,446	\$583,317
<b>Supplemental Ratios (%):</b>					
Ratio of expenses to average net assets after expense reductions and excluding interest expense (f)	0.83	0.86	0.91	0.91	0.97
<b>Senior Securities:</b>					
Total notes payable outstanding (000 omitted)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Asset coverage per \$1,000 of indebtedness (k)	\$6,705	\$6,863	\$7,000	\$6,644	\$6,833

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*Financial Highlights continued*

- (d) Per share data is based on average shares outstanding.
- (f) Ratios do not reflect reductions from fees paid indirectly, if applicable.
- (j) Total return at net asset value is calculated using the net asset value of the fund, not the publicly traded price and therefore may be different than the total return at market value.
- (k) Calculated by subtracting the fund's total liabilities (not including notes payable) from the fund's total assets and dividing this number by the notes payable outstanding and then multiplying by 1,000.
- (r) Certain expenses have been reduced without which performance would have been lower.
- (s) From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.
- (w) Per share amount was less than \$0.01.
- (x) The net asset values per share and total returns at net asset value per share have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.

**See Notes to Financial Statements**

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**NOTES TO FINANCIAL STATEMENTS**

**(1) Business and Organization**

MFS Multimarket Income Trust (the fund) is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a diversified closed-end management investment company.

The fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 Financial Services – Investment Companies.

**(2) Significant Accounting Policies**

**General** The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. In the preparation of these financial statements, management has evaluated subsequent events occurring after the date of the fund’s Statement of Assets and Liabilities through the date that the financial statements were issued. The fund invests in high-yield securities rated below investment grade. Investments in high-yield securities involve greater degrees of credit and market risk than investments in higher-rated securities and tend to be more sensitive to economic conditions. The fund invests in foreign securities, including securities of emerging market issuers. Investments in foreign securities are vulnerable to the effects of changes in the relative values of the local currency and the U.S. dollar and to the effects of changes in each country’s legal, political, and economic environment. The markets of emerging markets countries are generally more volatile than the markets of developed countries with more mature economies. All of the risks of investing in foreign securities previously described are heightened when investing in emerging markets countries.

In June 2014, FASB issued Accounting Standards Update 2014-11, Transfers and Servicing (Topic 860) – Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures (ASU 2014-11). ASU 2014-11 changes the accounting for repurchase-to-maturity transactions (i.e., repurchase agreements that settle at the same time as the maturity of the transferred financial asset) and enhances the required disclosures for repurchase agreements and other similar transactions. Although still evaluating the potential impacts of ASU 2014-11 to the fund, management expects that the impact of the fund’s adoption will be limited to additional financial statement disclosures which would first be effective for interim reporting periods beginning after March 15, 2015.

**Balance Sheet Offsetting** The fund’s accounting policy with respect to balance sheet offsetting is that, absent an event of default by the counterparty or a termination of the agreement, the International Swaps and Derivatives Association (ISDA) Master Agreement does not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the fund and the applicable counterparty. The fund’s right to setoff may be restricted

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*Notes to Financial Statements continued*

or prohibited by the bankruptcy or insolvency laws of the particular jurisdiction to which a specific master netting agreement counterparty is subject. Balance sheet offsetting disclosures, to the extent applicable to the fund, have been included in the fund's Significant Accounting Policies note under the captions for each of the fund's in-scope financial instruments and transactions.

**Investment Valuations** Equity securities, including restricted equity securities, are generally valued at the last sale or official closing price as provided by a third-party pricing service on the market or exchange on which they are primarily traded. Equity securities, for which there were no sales reported that day, are generally valued at the last quoted daily bid quotation as provided by a third-party pricing service on the market or exchange on which such securities are primarily traded. Debt instruments and floating rate loans, including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less may be valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price as provided by a third-party pricing service on the market on which they are primarily traded. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation as provided by a third-party pricing service on the market on which such futures contracts are primarily traded. Forward foreign currency exchange contracts are generally valued at the mean of bid and asked prices for the time period interpolated from rates provided by a third-party pricing service for proximate time periods. Open-end investment companies are generally valued at net asset value per share. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. Values obtained from third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data. The values of foreign securities and other assets and liabilities expressed in foreign currencies are converted to U.S. dollars using the mean of bid and asked prices for rates provided by a third-party pricing service.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund's investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund's valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third-party pricing services

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or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments not reflected in total investments, such as futures contracts and forward foreign currency exchange contracts. The following is a summary of the levels used as of October 31, 2014 in valuing the fund's assets or liabilities:

<b>Investments at Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity Securities	\$99,678	\$1,502	\$	\$101,180
U.S. Treasury Bonds & U.S. Government Agency & Equivalents		42,465,093		42,465,093
Non-U.S. Sovereign Debt		78,233,096		78,233,096
U.S. Corporate Bonds		318,053,434		318,053,434
Residential Mortgage-Backed Securities		9,842,823		9,842,823
Commercial Mortgage-Backed Securities		23,407,533		23,407,533
Asset-Backed Securities (including CDOs)		3,267,849		3,267,849
Foreign Bonds		156,194,627		156,194,627
Floating Rate Loans		14,354,073		14,354,073
Mutual Funds	17,572,803			17,572,803
Total Investments	\$17,672,481	\$645,820,030	\$	\$663,492,511
<b>Other Financial Instruments</b>				
Futures Contracts	\$(336,382)	\$	\$	\$(336,382)
Forward Foreign Currency Exchange Contracts		683,456		683,456

For further information regarding security characteristics, see the Portfolio of Investments.

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The following is a reconciliation of level 3 assets for which significant unobservable inputs were used to determine fair value. The fund's policy is to recognize transfers between the levels as of the end of the period. The table presents the activity of level 3 securities held at the beginning and the end of the period.

	Equity
	Securities
Balance as of 10/31/13	\$41,673
Change in unrealized appreciation (depreciation)	(40,171)
Transfers out of level 3	(1,502)
Balance as of 10/31/14	\$

**Foreign Currency Translation** Purchases and sales of foreign investments, income, and expenses are converted into U.S. dollars based upon currency exchange rates prevailing on the respective dates of such transactions or on the reporting date for foreign denominated receivables and payables. Gains and losses attributable to foreign currency exchange rates on sales of securities are recorded for financial statement purposes as net realized gains and losses on investments. Gains and losses attributable to foreign exchange rate movements on receivables, payables, income and expenses are recorded for financial statement purposes as foreign currency transaction gains and losses. That portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed.

**Derivatives** The fund uses derivatives for different purposes, primarily to increase or decrease exposure to a particular market or segment of the market, or security, to increase or decrease interest rate or currency exposure, or as alternatives to direct investments. Derivatives are used for hedging or non-hedging purposes. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. When the fund uses derivatives as an investment to increase market exposure, or for hedging purposes, gains and losses from derivative instruments may be substantially greater than the derivative's original cost.

The derivative instruments used by the fund were futures contracts and forward foreign currency exchange contracts. The fund's period end derivatives, as presented in the Portfolio of Investments and the associated Derivative Contract tables, generally are indicative of the volume of its derivative activity during the period.

The following table presents, by major type of derivative contract, the fair value, on a gross basis, of the asset and liability components of derivatives held by the fund at October 31, 2014 as reported in the Statement of Assets and Liabilities:

Risk	Derivative Contracts	Fair Value (a)	
		Asset Derivatives	Liability Derivatives
Interest Rate	Interest Rate Futures	\$	\$(336,382)
Foreign Exchange	Forward Foreign Currency Exchange	783,958	(100,502)
Total		\$783,958	\$(436,884)

(a) The value of futures contracts includes cumulative appreciation (depreciation) as reported in the fund's Portfolio of Investments. Only the current day variation margin for futures contracts is separately reported within the fund's Statement of Assets and Liabilities.



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The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the year ended October 31, 2014 as reported in the Statement of Operations:

<b>Risk</b>	<b>Futures</b>	<b>Foreign</b>
	<b>Contracts</b>	<b>Currency</b>
Interest Rate	\$(2,632,718)	\$
Foreign Exchange		2,077,110
Total	\$(2,632,718)	\$2,077,110

The following table presents, by major type of derivative contract, the change in unrealized appreciation (depreciation) on derivatives held by the fund for the year ended October 31, 2014 as reported in the Statement of Operations:

<b>Risk</b>	<b>Futures</b>	<b>Translation of Assets and Liabilities in Foreign</b>
	<b>Contracts</b>	<b>Currencies</b>
Interest Rate	\$996,139	\$
Foreign Exchange		995,083
Total	\$996,139	\$995,083

Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. On certain, but not all, over-the-counter derivatives, the fund attempts to reduce its exposure to counterparty credit risk whenever possible by entering into an ISDA Master Agreement on a bilateral basis with each of the counterparties with whom it undertakes a significant volume of transactions. The ISDA Master Agreement gives each party to the agreement the right to terminate all transactions traded under such agreement if there is a certain deterioration in the credit quality of the other party. Upon an event of default or a termination of the ISDA Master Agreement, the non-defaulting party has the right to close out all transactions traded under such agreement and to net amounts owed under each transaction to one net amount payable by one party to the other. This right to close out and net payments across all transactions traded under the ISDA Master Agreement could result in a reduction of the fund's credit risk to such counterparty equal to any amounts payable by the fund under the applicable transactions, if any. The fund's right to setoff may be restricted or prohibited by the bankruptcy or insolvency laws of the particular jurisdiction to which a specific ISDA counterparty is subject.

Collateral and margin requirements differ by type of derivative. Margin requirements are set by the broker or clearing house for cleared derivatives (i.e., futures contracts, cleared swaps, and exchange-traded options) while collateral terms are contract specific for over-the-counter traded derivatives (i.e., forward foreign currency exchange contracts, uncleared swap agreements, and over-the-counter options). For derivatives traded under an ISDA Master Agreement, the collateral requirements are netted across all transactions traded under such agreement and one amount is posted from one party to the other to collateralize such obligations. Cash that has been segregated to

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*Notes to Financial Statements continued*

cover the fund's collateral or margin obligations under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities as Restricted cash or Deposits with brokers. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments.

**Futures Contracts** The fund entered into futures contracts which may be used to hedge against or obtain broad market exposure, interest rate exposure, currency exposure, or to manage duration. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the fund is required to deposit with the broker, either in cash or securities, an initial margin in an amount equal to a certain percentage of the notional amount of the contract. Subsequent payments (variation margin) are made or received by the fund each day, depending on the daily fluctuations in the value of the contract, and are recorded for financial statement purposes as unrealized gain or loss by the fund until the contract is closed or expires at which point the gain or loss on futures contracts is realized.

The fund bears the risk of interest rates, exchange rates or securities prices moving unexpectedly, in which case, the fund may not achieve the anticipated benefits of the futures contracts and may realize a loss. While futures contracts may present less counterparty risk to the fund since the contracts are exchange traded and the exchange's clearinghouse guarantees payments to the broker, there is still counterparty credit risk due to the insolvency of the broker. The fund's maximum risk of loss due to counterparty credit risk is equal to the margin posted by the fund to the broker plus any gains or minus any losses on the outstanding futures contracts.

**Forward Foreign Currency Exchange Contracts** The fund entered into forward foreign currency exchange contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date. These contracts may be used to hedge the fund's currency risk or for non-hedging purposes. For hedging purposes, the fund may enter into contracts to deliver or receive foreign currency that the fund will receive from or use in its normal investment activities. The fund may also use contracts to hedge against declines in the value of foreign currency denominated securities due to unfavorable exchange rate movements. For non-hedging purposes, the fund may enter into contracts with the intent of changing the relative exposure of the fund's portfolio of securities to different currencies to take advantage of anticipated exchange rate changes.

Forward foreign currency exchange contracts are adjusted by the daily exchange rate of the underlying currency and any unrealized gains or losses are recorded as a receivable or payable for forward foreign currency exchange contracts until the contract settlement date. On contract settlement date, any gain or loss on the contract is recorded as realized gains or losses on foreign currency.

Risks may arise upon entering into these contracts from unanticipated movements in the value of the contract and from the potential inability of counterparties to meet the terms of their contracts. Generally, the fund's maximum risk due to counterparty credit risk is the unrealized gain on the contract due to the use of Continuous Linked Settlement, an industry accepted settlement system. This risk is mitigated in cases where there is an ISDA Master Agreement between the fund and the counterparty.

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*Notes to Financial Statements continued*

providing for netting as described above and for posting of collateral by the counterparty to the fund to cover the fund's exposure to the counterparty under such ISDA Master Agreement.

**Loans and Other Direct Debt Instruments** The fund invests in loans and loan participations or other receivables. These investments may include standby financing commitments, including revolving credit facilities, which contractually obligate the fund to supply additional cash to the borrower on demand. The fund generally provides this financial support in order to preserve its existing investment or to obtain a more senior secured interest in the assets of the borrower. Loan participations involve a risk of insolvency of the lending bank or other financial intermediary.

**Statement of Cash Flows** Information on financial transactions which have been settled through the receipt or disbursement of cash is presented in the Statement of Cash Flows. The cash amount shown in the Statement of Cash Flows is the amount included within the fund's Statement of Assets and Liabilities and includes cash on hand at its custodian bank and does not include any short term investments.

**Indemnifications** Under the fund's organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the fund. Additionally, in the normal course of business, the fund enters into agreements with service providers that may contain indemnification clauses. The fund's maximum exposure under these agreements is unknown as this would involve future claims that may be made against the fund that have not yet occurred.

**Investment Transactions and Income** Investment transactions are recorded on the trade date. Interest income is recorded on the accrual basis. All premium and discount is amortized or accreted for financial statement purposes in accordance with U.S. generally accepted accounting principles. The fund earns certain fees in connection with its floating rate loan purchasing activities. These fees are in addition to interest payments earned and may include amendment fees, commitment fees, facility fees, consent fees, and prepayment fees. Commitment fees are recorded on an accrual basis as income in the accompanying financial statements. Dividends received in cash are recorded on the ex-dividend date. Certain dividends from foreign securities will be recorded when the fund is informed of the dividend if such information is obtained subsequent to the ex-dividend date. Dividend and interest payments received in additional securities are recorded on the ex-dividend or ex-interest date in an amount equal to the value of the security on such date. Debt obligations may be placed on non-accrual status or set to accrue at a rate of interest less than the contractual coupon when the collection of all or a portion of interest has become doubtful. Interest income for those debt obligations may be further reduced by the write-off of the related interest receivables when deemed uncollectible.

The fund may receive proceeds from litigation settlements. Any proceeds received from litigation involving portfolio holdings are reflected in the Statement of Operations in realized gain/loss if the security has been disposed of by the fund or in unrealized gain/loss if the security is still held by the fund. Any other proceeds from litigation not related to portfolio holdings are reflected as other income in the Statement of Operations.

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*Notes to Financial Statements continued*

**Fees Paid Indirectly** The fund's custody fee may be reduced according to an arrangement that measures the value of cash deposited with the custodian by the fund. This amount, for the year ended October 31, 2014, is shown as a reduction of total expenses in the Statement of Operations.

**Tax Matters and Distributions** The fund intends to qualify as a regulated investment company, as defined under Subchapter M of the Internal Revenue Code, and to distribute all of its taxable income, including realized capital gains. As a result, no provision for federal income tax is required. The fund's federal tax returns, when filed, will remain subject to examination by the Internal Revenue Service for a three year period. Management has analyzed the fund's tax positions taken on federal and state tax returns for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability. Foreign taxes, if any, have been accrued by the fund in the accompanying financial statements in accordance with the applicable foreign tax law. Foreign income taxes may be withheld by certain countries in which the fund invests. Additionally, capital gains realized by the fund on securities issued in or by certain foreign countries may be subject to capital gains tax imposed by those countries.

Distributions to shareholders are recorded on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These adjustments have no impact on net assets or net asset value per share. Temporary differences which arise from recognizing certain items of income, expense, gain or loss in different periods for financial statement and tax purposes will reverse at some time in the future. Distributions in excess of net investment income or net realized gains are temporary overdistributions for financial statement purposes resulting from differences in the recognition or classification of income or distributions for financial statement and tax purposes.

Book/tax differences primarily relate to amortization and accretion of debt securities, straddle loss deferrals, and derivative transactions.

The tax character of distributions declared to shareholders for the last two fiscal years is as follows:

	<b>10/31/14</b>	<b>10/31/13</b>
Ordinary income (including any short-term capital gains)	\$32,557,449	\$36,124,929
Long-term capital gains	10,287,949	
Total distributions	\$42,845,398	\$36,124,929

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The federal tax cost and the tax basis components of distributable earnings were as follows:

<b>As of 10/31/14</b>	
Cost of investments	\$654,021,175
Gross appreciation	21,774,329
Gross depreciation	(12,302,993)
Net unrealized appreciation (depreciation)	\$9,471,336
Undistributed ordinary income	3,419,378
Undistributed long-term capital gain	5,937,702
Other temporary differences	(1,145,648)

**(3) Transactions with Affiliates**

**Investment Adviser** The fund has an investment advisory agreement with MFS to provide overall investment management and related administrative services and facilities to the fund. The management fee is computed daily and paid monthly at an annual rate of 0.34% of the fund's average daily net assets and 5.40% of gross income. Gross income is calculated based on tax elections that generally include the accretion of discount and exclude the amortization of premium, which may differ from investment income reported in the Statement of Operations. The management fee, from net assets and gross income, incurred for the year ended October 31, 2014 was equivalent to an annual effective rate of 0.70% of the fund's average daily net assets.

**Transfer Agent** The fund engages Computershare Trust Company, N.A. ( Computershare ) as the sole transfer agent for the fund. MFS Service Center, Inc. (MFSC) monitors and supervises the activities of Computershare for an agreed upon fee approved by the Board of Trustees. For the year ended October 31, 2014, these fees paid to MFSC amounted to \$34,211.

**Administrator** MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund partially reimburses MFS the costs incurred to provide these services. The fund is charged an annual fixed amount of \$17,500 plus a fee based on average daily net assets. The administrative services fee incurred for the year ended October 31, 2014 was equivalent to an annual effective rate of 0.0145% of the fund's average daily net assets.

**Trustees and Officers Compensation** The fund pays compensation to independent Trustees in the form of a retainer, attendance fees, and additional compensation to Board and Committee chairpersons. The fund does not pay compensation directly to Trustees or officers of the fund who are also officers of the investment adviser, all of whom receive remuneration for their services to the fund from MFS. Certain officers and Trustees of the fund are officers or directors of MFS and MFSC.

Prior to December 31, 2001, the fund had an unfunded defined benefit plan ( DB plan ) for independent Trustees. As of December 31, 2001, the Board took action to terminate the DB plan with respect to then-current and any future independent Trustees, such that the DB plan covers only certain of those former independent Trustees who retired on or before December 31, 2001. Effective January 1, 2002,

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accrued benefits under the DB plan for then-current independent Trustees who continued were credited to an unfunded retirement deferral plan (the Retirement Deferral plan ), which was established for and exists solely with respect to these credited amounts, and is not available for other deferrals by these or other independent Trustees. Although the Retirement Deferral plan is unfunded, amounts deferred under the plan are periodically adjusted for investment experience as if they had been invested in shares of the fund. The DB plan resulted in a pension expense of \$4,730 and the Retirement Deferral plan resulted in an expense of \$7,837. Both amounts are included in independent Trustees' compensation for the year ended October 31, 2014. The liability for deferred retirement benefits payable to certain independent Trustees under both plans amounted to \$130,796 at October 31, 2014, and is included in Payable for independent Trustees' compensation in the Statement of Assets and Liabilities.

**Deferred Trustee Compensation** Under a Deferred Compensation Plan (the Plan ), independent Trustees previously were allowed to elect to defer receipt of all or a portion of their annual compensation. Effective January 1, 2005, the Board elected to no longer allow Trustees to defer receipt of future compensation under the Plan. Amounts deferred under the Plan are invested in shares of certain MFS Funds selected by the independent Trustees as notional investments. Deferred amounts represent an unsecured obligation of the fund until distributed in accordance with the Plan. Included in Other assets and Payable for independent Trustees' compensation in the Statement of Assets and Liabilities is \$47,905 of deferred Trustees' compensation. There is no current year expense associated with the Plan.

**Other** This fund and certain other funds managed by MFS (the funds) have entered into services agreements (the Agreements) which provide for payment of fees by the funds to Tarantino LLC and Griffin Compliance LLC in return for the provision of services of an Independent Chief Compliance Officer (ICCO) and Assistant ICCO, respectively, for the funds. The funds can terminate the Agreements with Tarantino LLC and Griffin Compliance LLC at any time under the terms of the Agreements. Frank L. Tarantino serves as the ICCO and is an officer of the funds and the sole member of Tarantino LLC. Prior to June 1, 2014, Robyn L. Griffin served as the Assistant ICCO and was an officer of the funds. Ms. Griffin is the sole member of Griffin Compliance LLC. Effective May 31, 2014, Ms. Griffin resigned as Assistant ICCO and the service agreement between the funds and Griffin Compliance LLC was terminated. For the year ended October 31, 2014, the aggregate fees paid by the fund to Tarantino LLC and Griffin Compliance LLC were \$2,852 and are included in Miscellaneous expense in the Statement of Operations. MFS has agreed to reimburse the fund for a portion of the payments made by the fund in the amount of \$998, which is included in the reduction of total expenses in the Statement of Operations. Additionally, MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ICCO and Assistant ICCO. On October 31, 2014, Mr. Tarantino resigned as ICCO and the service agreement between the funds and Tarantino LLC for the services of an ICCO was terminated. Effective November 1, 2014, the funds entered into a service agreement which provides for payment of fees solely by the funds to Tarantino LLC in return for the provision of services of an Independent

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*Notes to Financial Statements continued*

Senior Officer (ISO). Additionally, MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ISO.

The fund invests in the MFS Institutional Money Market Portfolio which is managed by MFS and seeks current income consistent with preservation of capital and liquidity. Income earned on this investment is included in Dividends from underlying affiliated funds in the Statement of Operations. This money market fund does not pay a management fee to MFS.

**(4) Portfolio Securities**

For the year ended October 31, 2014, purchases and sales of investments, other than short-term obligations, were as follows:

	Purchases	Sales
U.S. Government securities	\$36,670,241	\$6,871,842
Investments (non-U.S. Government securities)	\$256,449,398	\$289,157,468

**(5) Shares of Beneficial Interest**

The fund's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. The Trustees have authorized the repurchase by the fund of up to 10% annually of its own shares of beneficial interest. The fund repurchased and retired 945,042 shares of beneficial interest during the year ended October 31, 2014 at an average price per share of \$6.52 and a weighted average discount of 11.85% per share. The fund repurchased and retired 202,200 shares of beneficial interest during the year ended October 31, 2013 at an average price per share of \$6.50 and a weighted average discount of 11.84% per share. Transactions in fund shares were as follows:

	Year ended 10/31/14		Year ended 10/31/13	
	Shares	Amount	Shares	Amount
Capital shares reacquired	(945,042)	\$(6,163,584)	(202,200)	\$(1,314,939)

**(6) Loan Agreement**

The fund has a credit agreement with a bank for a revolving secured line of credit that can be drawn upon up to \$100,000,000. At October 31, 2014, the fund had outstanding borrowings under this agreement in the amount of \$100,000,000, which are secured by a lien on the fund's assets. The loan's carrying value in the fund's Statement of Assets and Liabilities approximates its fair value. The loan value as of the reporting date is considered level 2 under the fair value hierarchy. The credit agreement matures on August 21, 2015. Borrowing under the agreement can be made for liquidity or leverage purposes. Interest is charged at a rate per annum equal to LIBOR plus an agreed upon spread or an alternate rate, at the option of the borrower, stated as the greater of Overnight LIBOR or the Federal Funds Rate each plus an agreed upon spread. The fund incurred interest expense of \$848,009 during the period. The fund may also be charged a commitment fee based on the average daily unused portion of the line of credit. The fund did not incur a commitment fee during the period. For the year ended October 31, 2014, the average loan balance was \$100,000,000 at a weighted average annual interest rate of 0.848%. The fund is subject to certain covenants including, but not limited to, requirements with respect to asset coverage, portfolio diversification and liquidity.

**Table of Contents***Notes to Financial Statements continued***(7) Transactions in Underlying Affiliated Funds-Affiliated Issuers**

An affiliated issuer may be considered one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common control. For the purposes of this report, the fund assumes the following to be an affiliated issuer:

<b>Underlying Affiliated Fund</b>	<b>Beginning Shares/Par Amount</b>	<b>Acquisitions Shares/Par Amount</b>	<b>Dispositions Shares/Par Amount</b>	<b>Ending Shares/Par Amount</b>
MFS Institutional Money Market Portfolio	24,441,444	181,402,386	(188,271,027)	17,572,803

  

<b>Underlying Affiliated Fund</b>	<b>Realized Gain (Loss)</b>	<b>Capital Gain Distributions</b>	<b>Dividend Income</b>	<b>Ending Value</b>
MFS Institutional Money Market Portfolio	\$	\$	\$27,623	\$17,572,803



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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Trustees and Shareholders of MFS Multimarket Income Trust:

We have audited the accompanying statement of assets and liabilities of MFS Multimarket Income Trust (the Fund), including the portfolio of investments, as of October 31, 2014, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2014, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of MFS Multimarket Income Trust at October 31, 2014, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts

December 18, 2014

**Table of Contents****RESULTS OF SHAREHOLDER MEETING**

(unaudited)

At the annual meeting of shareholders of MFS Multimarket Income Trust, which was held on October 2, 2014, the following action was taken:

**Item 1:** To elect the following individuals as Trustees:

<b>Nominee</b>	<b>For</b>	<b>Number of Shares</b>	<b>Withheld Authority</b>
Steven E. Buller	64,020,532.370		1,539,936.849
William R. Gutow	63,944,929.994		1,615,539.225
Michael Hegarty	63,974,811.712		1,585,657.507
John P. Kavanaugh	64,105,419.703		1,455,049.516
Robert W. Uek	63,994,811.709		1,565,657.510

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**Table of Contents****TRUSTEES AND OFFICERS IDENTIFICATION AND BACKGROUND**

The Trustees and Officers of the Trust, as of December 1, 2014, are listed below, together with their principal occupations during the past five years. (Their titles may have varied during that period.) The address of each Trustee and Officer is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

<b>Name, Age</b>	<b>Position(s) Held</b>	<b>Trustee/Officer Since<sup>(b)</sup></b>	<b>Term Expiring</b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships<sup>(d)</sup></b>
<b>INTERESTED TRUSTEES</b>					
Robert J. Manning <sup>(k)</sup> (age 51)	Trustee	February 2004	2016	Massachusetts Financial Services Company, Chairman, Chief Executive Officer and Director; President (until 2009); Chief Investment Officer (until 2010)	N/A
Robin A. Stelmach <sup>(k)</sup> (age 53)	Trustee and President	January 2014	2015	Massachusetts Financial Services Company, Executive Vice President and Chief Operating Officer	N/A
<b>INDEPENDENT TRUSTEES</b>					
David H. Gunning (age 72)	Trustee and Chair of Trustees	January 2004	2015	Private investor	Lincoln Electric Holdings, Inc. (welding equipment manufacturer), Director; Development Alternatives, Inc. (consulting), Director/Non-Executive Chairman
Steven E. Buller (age 63)	Trustee	February 2014	2014	Chairman, Financial Accounting Standards Advisory Council; Standing Advisory Group, Public Company Accounting Oversight Board, Member; BlackRock, Inc. (investment management), Managing Director (until 2014), BlackRock Finco UK (investment management), Director (until 2014)	N/A

**Table of Contents***Trustees and Officers continued*

<b>Name, Age</b>	<b>Position(s) Held</b>	<b>Trustee/Officer</b>	<b>Term</b>	<b>Principal Occupations During</b>	<b>Other</b>
	<b>with Fund</b>	<b>Since <sup>(h)</sup></b>	<b>Expiring</b>	<b>the Past Five Years</b>	<b>Directorships <sup>(i)</sup></b>
Robert E. Butler (age 73)	Trustee	January 2006	2015	Consultant investment company industry regulatory and compliance matters	N/A
Maureen R. Goldfarb  (age 59)	Trustee	January 2009	2016	Private investor	N/A
William R. Gutow (age 73)	Trustee	December 1993	2014	Private investor and real estate consultant; Capitol Entertainment Management Company (video franchise), Vice Chairman	Texas Donuts (donut franchise), Vice Chairman (until 2010)
Michael Hegarty (age 69)	Trustee	December 2004	2014	Private investor	Brookfield Office Properties, Inc. (real estate), Director; Rouse Properties Inc. (real estate), Director; Capmark Financial Group Inc. (real estate), Director
John P. Kavanaugh  (age 60)	Trustee	January 2009	2014	Private investor	N/A
Maryanne L. Roepke  (age 58)	Trustee	May 2014	2016	American Century Investments (investment management), Senior Vice President and Chief Compliance Officer (until 2014)	N/A
Laurie J. Thomsen (age 57)	Trustee	March 2005	2016	Private investor; New Profit, Inc. (venture philanthropy), Executive Partner (until 2010)	The Travelers Companies (insurance), Director
Robert W. Uek (age 73)	Trustee	January 2006	2014	Consultant to investment company industry	N/A
<b>OFFICERS</b>					
Christopher R. Bohane <sup>(k)</sup> (age 40)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Assistant General Counsel	N/A

**Table of Contents***Trustees and Officers continued*

<b>Name, Age</b>	<b>Position(s) Held</b>	<b>Trustee/Officer</b>	<b>Term</b>	<b>Principal Occupations During</b>	<b>Other</b>
	<b>with Fund</b>	<b>Since <sup>(h)</sup></b>	<b>Expiring</b>	<b>the Past Five Years</b>	<b>Directorships <sup>(i)</sup></b>
Kino Clark <sup>(k)</sup>  (age 46)	Assistant Treasurer	January 2012	N/A	Massachusetts Financial Services Company, Vice President	N/A
Thomas H. Connors <sup>(k)</sup>  (age 55)	Assistant  Secretary and Assistant Clerk	September 2012	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel; Deutsche Investment Management Americas Inc. (financial service provider), Director and Senior Counsel (until 2012)	N/A
Ethan D. Corey <sup>(k)</sup> (age 51)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
David L. DiLorenzo <sup>(k)</sup> (age 46)	Treasurer	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President	N/A
Timothy M. Fagan <sup>(k)</sup>  (age 46)	Chief Compliance Officer	November 2014	N/A	Massachusetts Financial Services Company, Chief Compliance Officer; Vice President and Senior Counsel (until 2012)	N/A
Brian E. Langenfeld <sup>(k)</sup>  (age 41)	Assistant Secretary and Assistant Clerk	June 2006	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A
Susan S. Newton <sup>(k)</sup>  (age 64)	Assistant Secretary and Assistant Clerk	May 2005	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
Susan A. Pereira <sup>(k)</sup> (age 44)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A

**Table of Contents***Trustees and Officers continued*

<b>Name, Age</b>	<b>Position(s) Held</b>	<b>Trustee/Officer Since <sup>(h)</sup></b>	<b>Term Expiring</b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships <sup>(j)</sup></b>
Kasey L. Phillips <sup>(k)</sup>  (age 43)	Assistant Treasurer	September 2012	N/A	Massachusetts Financial Services Company, Vice President; Wells Fargo Funds Management, LLC, Senior Vice President, Fund Treasurer (until 2012)	N/A
Mark N. Polebaum <sup>(k)</sup> (age 62)	Secretary and Clerk	January 2006	N/A	Massachusetts Financial Services Company, Executive Vice President, General Counsel and Secretary	N/A
Matthew A. Stowe <sup>(k)</sup>  (age 40)	Assistant Secretary and Assistant Clerk	October 2014	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A
Frank L. Tarantino (age 70)	Independent Senior Officer	June 2004	N/A	Tarantino LLC (provider of compliance services), Principal	N/A
Richard S. Weitzel <sup>(k)</sup> (age 44)	Assistant Secretary and Assistant Clerk	October 2007	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
James O. Yost <sup>(k)</sup> (age 54)	Deputy Treasurer	September 1990	N/A	Massachusetts Financial Services Company, Senior Vice President	N/A

(h) Date first appointed to serve as Trustee/officer of an MFS Fund. Each Trustee has served continuously since appointment unless indicated otherwise. For the period from December 15, 2004 until February 22, 2005, Mr. Manning served as Advisory Trustee. Prior to January 2012, Messrs. DiLorenzo and Yost served as Assistant Treasurers of the Funds. Ms. Stelmach was appointed as President of the Funds as of October 1, 2014.

(j) Directorships or trusteeships of companies required to report to the Securities and Exchange Commission (i.e., public companies).

(k) Interested person of the Trust within the meaning of the Investment Company Act of 1940 (referred to as the 1940 Act), which is the principal federal law governing investment companies like the fund, as a result of position with MFS. The address of MFS is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

The Trust holds annual shareholder meetings for the purpose of electing Trustees, and Trustees are elected for fixed terms. The Board of Trustees is currently divided into three classes, each having a term of three years which term expires on the date of the

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*Trustees and Officers continued*

third annual meeting following the election to office of the Trustee's class. Each year the term of one class expires. Each Trustee and officer will serve until next elected or his or her earlier death, resignation, retirement or removal.

Messrs. Butler, Kavanaugh, Uek and Mses. Thomsen and Roepke are members of the Fund's Audit Committee.

Each of the Fund's Trustees and officers holds comparable positions with certain other funds of which MFS or a subsidiary is the investment adviser or distributor, and, in the case of the officers, with certain affiliates of MFS. As of December 1, 2014, the Trustees served as board members of 135 funds within the MFS Family of Funds.

**Investment Adviser**

Massachusetts Financial Services Company  
111 Huntington Avenue

Boston, MA 02199-7618

**Portfolio Managers**

Richard Hawkins  
William Adams  
Ward Brown  
David Cole  
Pilar Gomez-Bravo  
Robert Persons  
Matthew Ryan

**Custodian**

State Street Bank and Trust Company  
1 Lincoln Street

Boston, MA 02111-2900

**Independent Registered Public Accounting Firm**

Ernst & Young LLP  
200 Clarendon Street  
Boston, MA 02116

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**BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT**

The Investment Company Act of 1940 requires that both the full Board of Trustees and a majority of the non-interested ( independent ) Trustees, voting separately, annually approve the continuation of the Fund s investment advisory agreement with MFS. The Trustees consider matters bearing on the Fund and its advisory arrangements at their meetings throughout the year, including a review of performance data at each regular meeting. In addition, the independent Trustees met several times over the course of three months beginning in May and ending in July, 2014 ( contract review meetings ) for the specific purpose of considering whether to approve the continuation of the investment advisory agreement for the Fund and the other investment companies that the Board oversees (the MFS Funds ). The independent Trustees were assisted in their evaluation of the Fund s investment advisory agreement by independent legal counsel, from whom they received separate legal advice and with whom they met separately from MFS during various contract review meetings. The independent Trustees were also assisted in this process by the MFS Funds Independent Chief Compliance Officer, a full-time senior officer appointed by and reporting to the independent Trustees.

In connection with their deliberations regarding the continuation of the investment advisory agreement, the Trustees, including the independent Trustees, considered such information and factors as they believed, in light of the legal advice furnished to them and their own business judgment, to be relevant. The investment advisory agreement for the Fund was considered separately, although the Trustees also took into account the common interests of all MFS Funds in their review. As described below, the Trustees considered the nature, quality, and extent of the various investment advisory, administrative, and shareholder services performed by MFS under the existing investment advisory agreement and other arrangements with the Fund.

In connection with their contract review meetings, the Trustees received and relied upon materials that included, among other items: (i) information provided by Lipper Inc., an independent third party, on the investment performance (based on net asset value) of the Fund for various time periods ended December 31, 2013 and the investment performance (based on net asset value) of a group of funds with substantially similar investment classifications/objectives (the Lipper performance universe ), (ii) information provided by Lipper Inc. on the Fund s advisory fees and other expenses and the advisory fees and other expenses of comparable funds identified by Lipper Inc. (the Lipper expense group ), (iii) information provided by MFS on the advisory fees of comparable portfolios of other clients of MFS, including institutional separate accounts and other clients, (iv) information as to whether and to what extent applicable expense waivers, reimbursements or fee breakpoints are observed for the Fund, (v) information regarding MFS financial results and financial condition, including MFS and certain of its affiliates estimated profitability from services performed for the Fund and the MFS Funds as a whole, and compared to MFS institutional business, (vi) MFS views regarding the outlook for the mutual fund industry and the strategic business plans of MFS, (vii) descriptions of various functions performed by MFS for the Funds, such as compliance monitoring and portfolio trading practices, and (viii) information regarding the overall organization of MFS, including information about MFS senior management and other personnel providing investment



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*Board Review of Investment Advisory Agreement continued*

advisory, administrative and other services to the Fund and the other MFS Funds. The comparative performance, fee and expense information prepared and provided by Lipper Inc. was not independently verified and the independent Trustees did not independently verify any information provided to them by MFS.

The Trustees' conclusion as to the continuation of the investment advisory agreement was based on a comprehensive consideration of all information provided to the Trustees and not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, giving different weights to various factors. It is also important to recognize that the fee arrangements for the Fund and other MFS Funds are the result of years of review and discussion between the independent Trustees and MFS, that certain aspects of such arrangements may receive greater scrutiny in some years than in others, and that the Trustees' conclusions may be based, in part, on their consideration of these same arrangements during the course of the year and in prior years.

Based on information provided by Lipper Inc. and MFS, the Trustees reviewed the Fund's total return investment performance as well as the performance of peer groups of funds over various time periods. The Trustees placed particular emphasis on the total return performance of the Fund's common shares in comparison to the performance of funds in its Lipper performance universe over the three-year period ended December 31, 2013, which the Trustees believed was a long enough period to reflect differing market conditions. The total return performance of the Fund's common shares ranked 15th out of a total of 20 funds in the Lipper performance universe for this three-year period (a ranking of first place out of the total number of funds in the performance universe indicating the best performer and a ranking of last place out of the total number of funds in the performance universe indicating the worst performer). The total return performance of the Fund's common shares ranked 13th out of a total of 20 funds for the one-year period and 11th out of a total of 16 funds for the five-year period ended December 31, 2013. Given the size of the Lipper performance universe and information previously provided by MFS regarding differences between the Fund and other funds in its Lipper performance universe, the Trustees also reviewed the Fund's performance in comparison to a custom benchmark developed by MFS. The Fund out-performed its custom benchmark for each of the one-, three- and five-year periods ended December 31, 2013 (one-year: 3.3% total return for the Fund versus 2.3% total return for the benchmark; three-year: 8.1% total return for the Fund versus 7.2% total return for the benchmark; five-year: 14.2% total return for the Fund versus 13.3% total return for the benchmark). Because of the passage of time, these performance results may differ from the performance results for more recent periods, including those shown elsewhere in this report.

In the course of their deliberations, the Trustees took into account information provided by MFS in connection with the contract review meetings, as well as during investment review meetings conducted with portfolio management personnel during the course of the year regarding the Fund's performance. After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions regarding the investment advisory agreement, that they were satisfied with MFS' responses and efforts relating to investment performance.

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*Board Review of Investment Advisory Agreement continued*

In assessing the reasonableness of the Fund's advisory fee, the Trustees considered, among other information, the Fund's advisory fee and the total expense ratio of the Fund's common shares as a percentage of average daily net assets and the advisory fee and total expense ratios of peer groups of funds based on information provided by Lipper Inc. The Trustees considered that, according to the Lipper data (which takes into account any fee reductions or expense limitations that were in effect during the Fund's last fiscal year), the Fund's effective advisory fee rate and total expense ratio were each lower than the Lipper expense group median.

The Trustees also considered the advisory fees charged by MFS to any comparable institutional accounts. In comparing these fees, the Trustees considered information provided by MFS as to the generally broader scope of services provided by MFS to the Fund in comparison to institutional accounts and the impact on MFS and expenses associated with the more extensive regulatory regime to which the Fund is subject in comparison to institutional accounts.

The Trustees considered that, as a closed-end fund, the Fund is unlikely to experience meaningful asset growth. As a result, the Trustees did not view the potential for realization of economies of scale as the Fund's assets grow to be a material factor in their deliberations. The Trustees noted that they would consider economies of scale in the future in the event the Fund experiences significant asset growth, such as through an offering of preferred shares (which is not currently contemplated), or a material increase in the market value of the Fund's portfolio securities.

The Trustees also considered information prepared by MFS relating to MFS's costs and profits with respect to the Fund, the MFS Funds considered as a group, and other investment companies and accounts advised by MFS, as well as MFS's methodologies used to determine and allocate its costs to the MFS Funds, the Fund and other accounts and products for purposes of estimating profitability.

After reviewing these and other factors described herein, the Trustees concluded, within the context of their overall conclusions regarding the investment advisory agreement, that the advisory fees charged to the Fund represent reasonable compensation in light of the services being provided by MFS to the Fund.

In addition, the Trustees considered MFS's resources and related efforts to continue to retain, attract and motivate capable personnel to serve the Fund. The Trustees also considered current and developing conditions in the financial services industry, including the presence of large and well-capitalized companies which are spending, and appear to be prepared to continue to spend, substantial sums to engage personnel and to provide services to competing investment companies. In this regard, the Trustees also considered the financial resources of MFS and its ultimate parent, Sun Life Financial Inc. The Trustees also considered the advantages and possible disadvantages to the Fund of having an adviser that also serves other investment companies as well as other accounts.

The Trustees also considered the nature, quality, cost, and extent of administrative services provided to the Fund by MFS under agreements other than the investment advisory agreement. The Trustees also considered the nature, extent and quality of certain other services MFS performs or arranges for on the Fund's behalf, which may include securities lending programs, directed expense payment programs, class action

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*Board Review of Investment Advisory Agreement continued*

recovery programs, and MFS' interaction with third-party service providers, principally custodians and sub-custodians. The Trustees concluded that the various non-advisory services provided by MFS and its affiliates on behalf of the Fund were satisfactory.

The Trustees also considered benefits to MFS from the use of the Fund's portfolio brokerage commissions, if applicable, to pay for investment research and various other factors. Additionally, the Trustees considered so-called "fall-out benefits" to MFS such as reputational value derived from serving as investment manager to the Fund.

Based on their evaluation of factors that they deemed to be material, including those factors described above, the Board of Trustees, including the independent Trustees, concluded that the Fund's investment advisory agreement with MFS should be continued for an additional one-year period, commencing August 1, 2014.

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### PROXY VOTING POLICIES AND INFORMATION

MFS votes proxies on behalf of the fund pursuant to proxy voting policies and procedures that are available without charge, upon request, by calling 1-800-225-2606, by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC's Web site at <http://www.sec.gov>.

Information regarding how the fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available without charge by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC's Web site at <http://www.sec.gov>.

### QUARTERLY PORTFOLIO DISCLOSURE

The fund will file a complete schedule of portfolio holdings with the Securities and Exchange Commission (the Commission) for the first and third quarters of each fiscal year on Form N-Q. A shareholder can obtain the quarterly portfolio holdings report at *mfs.com*. The fund's Form N-Q is also available on the EDGAR database on the Commission's Internet Web site at <http://www.sec.gov>, and may be reviewed and copied at the:

Public Reference Room

Securities and Exchange Commission

100 F Street, NE, Room 1580

Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-800-SEC-0330. Copies of the Fund's Form N-Q also may be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the Public Reference Section at the above address.

### FURTHER INFORMATION

From time to time, MFS may post important information about the fund or the MFS funds on the MFS web site (*mfs.com*). This information is available by visiting the Market Commentary and Announcements sub sections in the Market Outlooks section of *mfs.com* or by clicking on the fund's name under Closed-End Funds in the Products section of *mfs.com*.

Additional information about the fund (e.g. performance, dividends and the fund's price history) is also available by clicking on the fund's name under Closed-End Funds in the Products section of *mfs.com*.

### FEDERAL TAX INFORMATION (unaudited)

The fund will notify shareholders of amounts for use in preparing 2014 income tax forms in January 2015. The following information is provided pursuant to provisions of the Internal Revenue Code.

The fund designates \$11,317,000 as capital gain dividends paid during the fiscal year.

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**FACTS**

**WHAT DOES MFS DO WITH YOUR PERSONAL INFORMATION?**

**Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- Account transactions and transaction history
- Checking account information and wire transfer instructions

When you are *no longer* our customer, we continue to share your information as described in this notice.

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons MFS chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does MFS share?	Can you limit this sharing?
<b>For our everyday business purposes</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> to offer our products and services to you	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes</b> information about your creditworthiness	No	We don't share

For nonaffiliates to market to you

No

We don't share

**Questions?**

Call **800-225-2606** or go to **mfs.com**.

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Page 2

**Who we are**

**Who is providing this notice?** MFS Funds, MFS Investment Management, MFS Institutional Advisors, Inc., MFS Fund Distributors, Inc., MFS Heritage Trust Company, and MFS Service Center, Inc.

**What we do**

**How does MFS protect my personal information?** To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include procedural, electronic, and physical safeguards for the protection of the personal information we collect about you.

**How does MFS collect my personal information?** We collect your personal information, for example, when you

open an account or provide account information

direct us to buy securities or direct us to sell your securities

make a wire transfer

We also collect your personal information from others, such as credit bureaus, affiliates and other companies.

**Why can't I limit all sharing?** Federal law gives you the right to limit only

sharing for affiliates everyday business purposes information about your creditworthiness

affiliates from using your information to market to you

sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

**Definitions**

**Affiliates** Companies related by common ownership or control. They can be financial and nonfinancial companies.

## Edgar Filing: MFS MULTIMARKET INCOME TRUST - Form N-CSR

*MFS does not share personal information with affiliates, except for everyday business purposes as described on page one of this notice.*

### **Nonaffiliates**

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

*MFS does not share with nonaffiliates so they can market to you.*

### **Joint Marketing**

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

*MFS doesn't jointly market.*

### **Other important information**

If you own an MFS product or receive an MFS service in the name of a third party such as a bank or broker-dealer, their privacy policy may apply to you instead of ours.



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**CONTACT US**

**TRANSFER AGENT, REGISTRAR, AND**

**DIVIDEND DISBURSING AGENT**

**CALL**

1-800-637-2304

9 a.m. to 5 p.m. Eastern time

**WRITE**

Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

New York Stock Exchange Symbol: **MMT**

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**ITEM 2. CODE OF ETHICS.**

The Registrant has adopted a Code of Ethics pursuant to Section 406 of the Sarbanes-Oxley Act and as defined in Form N-CSR that applies to the Registrant's principal executive officer and principal financial and accounting officer. During the period covered by this report, the Registrant has not amended any provision in its Code of Ethics (the "Code") that relates to an element of the Code's definitions enumerated in paragraph (b) of Item 2 of this Form N-CSR. During the period covered by this report, the Registrant did not grant a waiver, including an implicit waiver, from any provision of the Code.

A copy of the Code of Ethics is filed as an exhibit to this Form N-CSR.

**ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.**

Messrs. Robert E. Butler, John P. Kavanaugh and Robert W. Uek and Meses. Maryanne L. Roepke and Laurie J. Thomsen, members of the Audit Committee, have been determined by the Board of Trustees in their reasonable business judgment to meet the definition of "audit committee financial expert" as such term is defined in Form N-CSR. In addition, Messrs. Butler, Kavanaugh and Uek and Meses. Roepke and Thomsen are "independent" members of the Audit Committee (as such term has been defined by the Securities and Exchange Commission in regulations implementing Section 407 of the Sarbanes-Oxley Act of 2002). The Securities and Exchange Commission has stated that the designation of a person as an audit committee financial expert pursuant to this Item 3 on the Form N-CSR does not impose on such a person any duties, obligations or liability that are greater than the duties, obligations or liability imposed on such person as a member of the Audit Committee and the Board of Trustees in the absence of such designation or identification.

**ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.**

**Items 4(a) through 4(d) and 4(g):**

The Board of Trustees has appointed Ernst & Young LLP ("E&Y") to serve as independent accountants to the Registrant (hereinafter the "Registrant" or the "Fund"). The tables below set forth the audit fees billed to the Fund as well as fees for non-audit services provided to the Fund and/or to the Fund's investment adviser, Massachusetts Financial Services Company ("MFS") and to various entities either controlling, controlled by, or under common control with MFS that provide ongoing services to the Fund ("MFS Related Entities").

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For the fiscal years ended October 31, 2014 and 2013, audit fees billed to the Fund by E&Y were as follows:

	Audit Fees	
	2014	2013
<b>Fees billed by E&amp;Y:</b>		
MFS Multimarket Income Trust	54,150	53,517

For the fiscal years ended October 31, 2014 and 2013, fees billed by E&Y for audit-related, tax and other services provided to the Fund and for audit-related, tax and other services provided to MFS and MFS Related Entities were as follows:

	Audit-Related Fees <sup>1</sup>		Tax Fees <sup>2</sup>		All Other Fees <sup>3</sup>	
	2014	2013	2014	2013	2014	2013
<b>Fees billed by E&amp;Y:</b>						
To MFS Multimarket Income Trust	10,843	10,714	10,101	9,978	0	0
<b>Fees billed by E&amp;Y:</b>						
To MFS and MFS Related Entities of MFS Multimarket Income Trust <sup>*</sup>	0	0	0	0	0	0

	Aggregate Fees for Non-audit Services	
	2014	2013
<b>Fees Billed by E&amp;Y:</b>		
To MFS Multimarket Income Trust, MFS and MFS Related Entities <sup>#</sup>	95,944	78,692

\* This amount reflects the fees billed to MFS and MFS Related Entities for non-audit services relating directly to the operations and financial reporting of the Fund (portions of which services also related to the operations and financial reporting of other funds within the MFS Funds complex).

# This amount reflects the aggregate fees billed by E&Y for non-audit services rendered to the Fund and for non-audit services rendered to MFS and the MFS Related Entities.

<sup>1</sup> The fees included under **Audit-Related Fees** are fees related to assurance and related services that are reasonably related to the performance of the audit or review of financial statements, but not reported under **Audit Fees**, including accounting consultations, agreed-upon procedure reports, attestation reports, comfort letters and internal control reviews.

<sup>2</sup> The fees included under **Tax Fees** are fees associated with tax compliance, tax advice and tax planning, including services relating to the filing or amendment of federal, state or local income tax returns, regulated investment company qualification reviews and tax distribution and analysis.

<sup>3</sup> The fees under **All Other Fees** are fees for products and services provided by E&Y other than those reported under **Audit Fees**, **Audit-Related Fees** and **Tax Fees**.

**Item 4(e)(1):**

Set forth below are the policies and procedures established by the Audit Committee of the Board of Trustees relating to the pre-approval of audit and non-audit related services:

To the extent required by applicable law, pre-approval by the Audit Committee of the Board is needed for all audit and permissible non-audit services rendered to the Fund and all permissible non-audit services rendered to MFS or MFS Related Entities if the services relate directly to the operations and financial reporting of the Registrant. Pre-approval is currently on an engagement-by-engagement basis. In the event pre-approval of such services is necessary between regular meetings of the Audit Committee and it is not

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practical to wait to seek pre-approval at the next regular meeting of the Audit Committee, pre-approval of such services may be referred to the Chair of the Audit Committee for approval; provided that the Chair may not pre-approve any individual engagement for such services exceeding \$50,000 or multiple engagements for such services in the aggregate exceeding \$100,000 between such regular meetings of the Audit Committee. Any engagement pre-approved by the Chair between regular meetings of the Audit Committee shall be presented for ratification by the entire Audit Committee at its next regularly scheduled meeting.

**Item 4(e)(2):**

None, or 0%, of the services relating to the Audit-Related Fees, Tax Fees and All Other Fees paid by the Fund and MFS and MFS Related Entities relating directly to the operations and financial reporting of the Registrant disclosed above were approved by the audit committee pursuant to paragraphs (c)(7)(i)(C) of Rule 2-01 of Regulation S-X (which permits audit committee approval after the start of the engagement with respect to services other than audit, review or attest services, if certain conditions are satisfied).

**Item 4(f):** Not applicable.

**Item 4(h):** The Registrant's Audit Committee has considered whether the provision by a Registrant's independent registered public accounting firm of non-audit services to MFS and MFS Related Entities that were not pre-approved by the Committee (because such services were provided prior to the effectiveness of SEC rules requiring pre-approval or because such services did not relate directly to the operations and financial reporting of the Registrant) was compatible with maintaining the independence of the independent registered public accounting firm as the Registrant's principal auditors.

**ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.**

The Registrant has an Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the Audit Committee are Messrs. Robert E. Butler, John P. Kavanaugh, and Robert W. Uek and Ms. Maryanne L. Roepke and Laurie J. Thomsen.

**ITEM 6. SCHEDULE OF INVESTMENTS**

A schedule of investments of the Registrant is included as part of the report to shareholders of the Registrant under Item 1 of this Form N-CSR.

**ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.**

**MASSACHUSETTS FINANCIAL SERVICES COMPANY**

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**PROXY VOTING POLICIES AND PROCEDURES**

**February 1, 2014**

Massachusetts Financial Services Company, MFS Institutional Advisors, Inc., MFS International (UK) Limited, MFS Heritage Trust Company, MFS Investment Management (Canada) Limited, MFS Investment Management Company (Lux) S.à r.l., MFS International Singapore Pte. Ltd., and MFS other subsidiaries that perform discretionary investment management activities (collectively, MFS ) have adopted proxy voting policies and procedures, as set forth below ( MFS Proxy Voting Policies and Procedures ), with respect to securities owned by the clients for which MFS serves as investment adviser and has the power to vote proxies, including the pooled investment vehicles sponsored by MFS (the MFS Funds ). References to clients in these policies and procedures include the MFS Funds and other clients of MFS, such as funds organized offshore, sub-advised funds and separate account clients, to the extent these clients have delegated to MFS the responsibility to vote proxies on their behalf under the MFS Proxy Voting Policies and Procedures.

The MFS Proxy Voting Policies and Procedures include:

- A. Voting Guidelines;
- B. Administrative Procedures;
- C. Records Retention; and
- D. Reports.

**A. VOTING GUIDELINES**

**1. General Policy; Potential Conflicts of Interest**

MFS policy is that proxy voting decisions are made in what MFS believes to be the best long-term economic interests of MFS clients, and not in the interests of any other party or in MFS corporate interests, including interests such as the distribution of MFS Fund shares and institutional client relationships.

MFS reviews corporate governance issues and proxy voting matters that are presented for shareholder vote by either management or shareholders of public companies. Based on the overall principle that all votes cast by MFS on behalf of its clients must be in what MFS believes to be the best long-term economic interests of such clients, MFS has adopted proxy voting guidelines, set forth below, that govern how MFS generally will vote on specific matters presented for shareholder vote.

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As a general matter, MFS votes consistently on similar proxy proposals across all shareholder meetings. However, some proxy proposals, such as certain excessive executive compensation, environmental, social and governance matters, are analyzed on a case-by-case basis in light of all the relevant facts and circumstances of the proposal. Therefore, MFS may vote similar proposals differently at different shareholder meetings based on the specific facts and circumstances of the issuer or the terms of the proposal. In addition, MFS also reserves the right to override the guidelines with respect to a particular proxy proposal when such an override is, in MFS' best judgment, consistent with the overall principle of voting proxies in the best long-term economic interests of MFS' clients.

MFS also generally votes consistently on the same matter when securities of an issuer are held by multiple client accounts, unless MFS has received explicit voting instructions to vote differently from a client for its own account. From time to time, MFS may also receive comments on the MFS Proxy Voting Policies and Procedures from its clients. These comments are carefully considered by MFS when it reviews these guidelines and revises them as appropriate.

These policies and procedures are intended to address any potential material conflicts of interest on the part of MFS or its subsidiaries that are likely to arise in connection with the voting of proxies on behalf of MFS' clients. If such potential material conflicts of interest do arise, MFS will analyze, document and report on such potential material conflicts of interest (see Sections B.2 and D below), and shall ultimately vote the relevant proxies in what MFS believes to be the best long-term economic interests of its clients. The MFS Proxy Voting Committee is responsible for monitoring and reporting with respect to such potential material conflicts of interest.

MFS is also a signatory to the United Nations Principles for Responsible Investment. In developing these guidelines, MFS considered environmental, social and corporate governance issues in light of MFS' fiduciary obligation to vote proxies in the best long-term economic interest of its clients.

## **2. MFS Policy on Specific Issues**

### **Election of Directors**

MFS believes that good governance should be based on a board with at least a simple majority of directors who are independent of management, and whose key committees (e.g., compensation, nominating, and audit committees) consist

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entirely of independent directors. While MFS generally supports the board's nominees in uncontested or non-contentious elections, we will not support a nominee to a board of a U.S. issuer (or issuer listed on a U.S. exchange) if, as a result of such nominee being elected to the board, the board would consist of a simple majority of members who are not independent or, alternatively, the compensation, nominating (including instances in which the full board serves as the compensation or nominating committee) or audit committees would include members who are not independent.

MFS will also not support a nominee to a board if we can determine that he or she attended less than 75% of the board and/or relevant committee meetings in the previous year without a valid reason stated in the proxy materials or other company communications. In addition, MFS may not support some or all nominees standing for re-election to a board if we can determine: (1) the board or its compensation committee has re-priced or exchanged underwater stock options since the last annual meeting of shareholders and without shareholder approval; (2) the board or relevant committee has not taken adequately responsive action to an issue that received majority support or opposition from shareholders; (3) the board has implemented a poison pill without shareholder approval since the last annual meeting and such poison pill is not on the subsequent shareholder meeting's agenda, (including those related to net-operating loss carryforwards); (4) the board or relevant committee has failed to adequately oversee risk by allowing the hedging and/or significant pledging of company shares by executives; or (5) there are governance concerns with a director or issuer.

MFS may not support certain board nominees of U.S. issuers under certain circumstances where MFS deems compensation to be egregious due to pay-for-performance issues and/or poor pay practices. Please see the section below titled "MFS Policy on Specific Issues - Advisory Votes on Executive Compensation" for further details.

MFS evaluates a contested or contentious election of directors on a case-by-case basis considering the long-term financial performance of the company relative to its industry, management's track record, the qualifications of all nominees, and an evaluation of what each side is offering shareholders.

## **Majority Voting and Director Elections**

MFS votes for reasonably crafted proposals calling for directors to be elected with an affirmative majority of votes cast and/or the elimination of the plurality standard for electing directors (including binding resolutions requesting that the board amend the company's bylaws), provided the proposal includes a carve-out for a plurality voting standard when there are more director nominees than board seats (*e.g.*, contested elections) (Majority Vote Proposals).

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### **Classified Boards**

MFS generally supports proposals to declassify a board (i.e.; a board in which only one-third of board members is elected each year) for all issuers other than for certain closed-end investment companies. MFS generally opposes proposals to classify a board for issuers other than for certain closed-end investment companies.

### **Proxy Access**

MFS believes that the ability of qualifying shareholders to nominate a certain number of directors on the company's proxy statement ( Proxy Access ) may have corporate governance benefits. However, such potential benefits must be balanced by its potential misuse by shareholders. Therefore, we support Proxy Access proposals at U.S. issuers that establish an ownership criteria of 3% of the company held continuously for a period of 3 years. MFS analyzes all other proposals seeking Proxy Access on a case-by-case basis. In its analysis, MFS will consider the proposed ownership criteria for qualifying shareholders (such as ownership threshold and holding period) as well as the proponent's rationale for seeking Proxy Access.

### **Stock Plans**

MFS opposes stock option programs and restricted stock plans that provide unduly generous compensation for officers, directors or employees, or that could result in excessive dilution to other shareholders. As a general guideline, MFS votes against restricted stock, stock option, non-employee director, omnibus stock plans and any other stock plan if all such plans for a particular company involve potential dilution, in the aggregate, of more than 15%. However, MFS will also vote against stock plans that involve potential dilution, in aggregate, of more than 10% at U.S. issuers that are listed in the Standard and Poor's 100 index as of December 31 of the previous year. In the cases where a stock plan amendment is seeking qualitative changes and not additional shares, MFS will vote its shares on a case-by-case basis.



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MFS also opposes stock option programs that allow the board or the compensation committee to re-price underwater options or to automatically replenish shares without shareholder approval. MFS also votes against stock option programs for officers, employees or non-employee directors that do not require an investment by the optionee, that give free rides on the stock price, or that permit grants of stock options with an exercise price below fair market value on the date the options are granted. MFS will consider proposals to exchange existing options for newly issued options, restricted stock or cash on a case-by-case basis, taking into account certain factors, including, but not limited to, whether there is a reasonable value-for-value exchange and whether senior executives are excluded from participating in the exchange.

MFS supports the use of a broad-based employee stock purchase plans to increase company stock ownership by employees, provided that shares purchased under the plan are acquired for no less than 85% of their market value and do not result in excessive dilution.

**Shareholder Proposals on Executive Compensation**

MFS believes that competitive compensation packages are necessary to attract, motivate and retain executives. However, MFS also recognizes that certain executive compensation practices can be excessive and not in the best, long-term economic interest of a company's shareholders. We believe that the election of an issuer's board of directors (as outlined above), votes on stock plans (as outlined above) and advisory votes on pay (as outlined below) are typically the most effective mechanisms to express our view on a company's compensation practices.

MFS generally opposes shareholder proposals that seek to set rigid restrictions on executive compensation as MFS believes that compensation committees should retain some flexibility to determine the appropriate pay package for executives. Although we support linking executive stock option grants to a company's performance, MFS also opposes shareholder proposals that mandate a link of performance-based pay to a specific metric. MFS generally supports reasonably crafted shareholder proposals that (i) require the issuer to adopt a policy to recover the portion of performance-based bonuses and awards paid to senior executives that were not earned based upon a significant negative restatement of earnings unless the company already has adopted a satisfactory policy on the matter, (ii) expressly prohibit the backdating of stock options, and (iii) prohibit the acceleration of vesting of equity awards upon a broad definition of a change-in-control (e.g.; single or modified single-trigger).

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**Advisory Votes on Executive Compensation**

MFS will analyze advisory votes on executive compensation on a case-by-case basis. MFS will vote against an advisory vote on executive compensation if MFS determines that the issuer has adopted excessive executive compensation practices and will vote in favor of an advisory vote on executive compensation if MFS has not determined that the issuer has adopted excessive executive compensation practices. Examples of excessive executive compensation practices may include, but are not limited to, a pay-for-performance disconnect, employment contract terms such as guaranteed bonus provisions, unwarranted pension payouts, backdated stock options, overly generous hiring bonuses for chief executive officers, unnecessary perquisites, or the potential reimbursement of excise taxes to an executive in regards to a severance package. In cases where MFS (i) votes against consecutive advisory pay votes, or (ii) determines that a particularly egregious excessive executive compensation practice has occurred, then MFS may also vote against certain or all board nominees. MFS may also vote against certain or all board nominees if an advisory pay vote for a U.S. issuer is not on the agenda, or the company has not implemented the advisory vote frequency supported by a plurality/ majority of shareholders.

MFS generally supports proposals to include an advisory shareholder vote on an issuer's executive compensation practices on an annual basis.

**Golden Parachutes**

From time to time, MFS may evaluate a separate, advisory vote on severance packages or golden parachutes to certain executives at the same time as a vote on a proposed merger or acquisition. MFS will support an advisory vote on a severance package on a on a case-by-case basis, and MFS may vote against the severance package regardless of whether MFS supports the proposed merger or acquisition.

Shareholders of companies may also submit proxy proposals that would require shareholder approval of severance packages for executive officers that exceed certain predetermined thresholds. MFS votes in favor of such shareholder proposals when they would require shareholder approval of any severance package for an executive officer that exceeds a certain multiple of such officer's annual compensation that is not determined in MFS' judgment to be excessive.

**Anti-Takeover Measures**

In general, MFS votes against any measure that inhibits capital appreciation in a stock, including proposals that protect management from action by shareholders. These types of proposals take many forms, ranging from poison pills and shark repellents to super-majority requirements.

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MFS generally votes for proposals to rescind existing poison pills and proposals that would require shareholder approval to adopt prospective poison pills, unless the company already has adopted a clearly satisfactory policy on the matter. MFS may consider the adoption of a prospective poison pill or the continuation of an existing poison pill if we can determine that the following two conditions are met: (1) the poison pill allows MFS clients to hold an aggregate position of up to 15% of a company's total voting securities (and of any class of voting securities); and (2) either (a) the poison pill has a term of not longer than five years, provided that MFS will consider voting in favor of the poison pill if the term does not exceed seven years and the poison pill is linked to a business strategy or purpose that MFS believes is likely to result in greater value for shareholders; or (b) the terms of the poison pill allow MFS clients the opportunity to accept a fairly structured and attractively priced tender offer (e.g. a chewable poison pill that automatically dissolves in the event of an all cash, all shares tender offer at a premium price). MFS will also consider on a case-by-case basis proposals designed to prevent tenders which are disadvantageous to shareholders such as tenders at below market prices and tenders for substantially less than all shares of an issuer.

MFS will consider any poison pills designed to protect a company's net-operating loss carryforwards on a case-by-case basis, weighing the accounting and tax benefits of such a pill against the risk of deterring future acquisition candidates.

### **Reincorporation and Reorganization Proposals**

When presented with a proposal to reincorporate a company under the laws of a different state, or to effect some other type of corporate reorganization, MFS considers the underlying purpose and ultimate effect of such a proposal in determining whether or not to support such a measure. MFS generally votes with management in regards to these types of proposals, however, if MFS believes the proposal is in the best long-term economic interests of its clients, then MFS may vote against management (e.g. the intent or effect would be to create additional inappropriate impediments to possible acquisitions or takeovers).

### **Issuance of Stock**

There are many legitimate reasons for the issuance of stock. Nevertheless, as noted above under Stock Plans, when a stock option plan (either individually or when aggregated with other plans of the same company) would substantially dilute the existing equity (e.g. by approximately 10-15% as described above), MFS generally votes against the plan. In addition, MFS typically votes against proposals where management is asking for authorization to issue common or preferred stock with no reason stated (a blank check) because the unexplained authorization could work as a potential anti-takeover device. MFS may also vote against the authorization or issuance of common or preferred stock if MFS determines that the requested authorization is excessive or not warranted.

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**Repurchase Programs**

MFS supports proposals to institute share repurchase plans in which all shareholders have the opportunity to participate on an equal basis. Such plans may include a company acquiring its own shares on the open market, or a company making a tender offer to its own shareholders.

**Cumulative Voting**

MFS opposes proposals that seek to introduce cumulative voting and for proposals that seek to eliminate cumulative voting. In either case, MFS will consider whether cumulative voting is likely to enhance the interests of MFS clients as minority shareholders.

**Written Consent and Special Meetings**

The right to call a special meeting or act by written consent can be a powerful tool for shareholders. As such, MFS supports proposals requesting the right for shareholders who hold at least 10% of the issuer's outstanding stock to call a special meeting. MFS also supports proposals requesting the right for shareholders to act by written consent.

**Independent Auditors**

MFS believes that the appointment of auditors for U.S. issuers is best left to the board of directors of the company and therefore supports the ratification of the board's selection of an auditor for the company. Some shareholder groups have submitted proposals to limit the non-audit activities of a company's audit firm or prohibit *any* non-audit services by a company's auditors to that company. MFS opposes proposals recommending the prohibition or limitation of the performance of non-audit services by an auditor, and proposals recommending the removal of a company's auditor due to the performance of non-audit work for the company by its auditor. MFS believes that the board, or its audit committee, should have the discretion to hire the company's auditor for specific pieces of non-audit work in the limited situations permitted under current law.

**Other Business**

MFS generally votes against other business proposals as the content of any such matter is not known at the time of our vote.

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**Adjourn Shareholder Meeting**

MFS generally supports proposals to adjourn a shareholder meeting if we support the other ballot items on the meeting's agenda. MFS generally votes against proposals to adjourn a meeting if we do not support the other ballot items on the meeting's agenda.

**Environmental, Social and Governance ( ESG ) Issues**

MFS believes that a company's ESG practices may have an impact on the company's long-term economic financial performance and will generally support proposals relating to ESG issues that MFS believes are in the best long-term economic interest of the company's shareholders. For those ESG proposals for which a specific policy has not been adopted, MFS considers such ESG proposals on a case-by-case basis. As a result, it may vote similar proposals differently at various shareholder meetings based on the specific facts and circumstances of such proposal.

MFS generally supports proposals that seek to remove governance structures that insulate management from shareholders (*i.e.*, anti-takeover measures) or that seek to enhance shareholder rights. Many of these governance-related issues, including compensation issues, are outlined within the context of the above guidelines. In addition, MFS typically supports proposals that require an issuer to reimburse successful dissident shareholders (who are not seeking control of the company) for reasonable expenses that such dissident incurred in soliciting an alternative slate of director candidates. MFS also generally supports reasonably crafted shareholder proposals requesting increased disclosure around the company's use of collateral in derivatives trading. MFS typically supports proposals for an independent board chairperson. However, we may not support such proposals if we determine there to be an appropriate and effective counter-balancing leadership structure in place (e.g.; a strong, independent lead director with an appropriate level of powers and duties). For any governance-related proposal for which an explicit guideline is not provided above, MFS will consider such proposals on a case-by-case basis and will support such proposals if MFS believes that it is in the best long-term economic interest of the company's shareholders.

MFS generally supports proposals that request disclosure on the impact of environmental issues on the company's operations, sales, and capital investments. However, MFS may not support such proposals based on the facts and circumstances surrounding a specific proposal, including, but not limited to, whether (i) the proposal is unduly costly, restrictive, or burdensome, (ii) the company already provides publicly-available information that is sufficient to enable shareholders to evaluate the potential opportunities and risks that environmental matters pose to the company's operations, sales and capital investments, or (iii) the proposal seeks a level of disclosure that exceeds that provided by the company's industry peers. MFS will analyze all other environmental proposals on a case-by-case basis and will support such proposals if

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MFS believes such proposal is in the best long-term economic interest of the company's shareholders.

MFS will analyze social proposals on a case-by-case basis. MFS will support such proposals if MFS believes that such proposal is in the best long-term economic interest of the company's shareholders. Generally, MFS will support shareholder proposals that (i) seek to amend a company's equal employment opportunity policy to prohibit discrimination based on sexual orientation and gender identity; and (ii) request additional disclosure regarding a company's political contributions (including trade organizations and lobbying activity) (unless the company already provides publicly-available information that is sufficient to enable shareholders to evaluate the potential opportunities and risks that such contributions pose to the company's operations, sales and capital investments).

The laws of various states or countries may regulate how the interests of certain clients subject to those laws (e.g. state pension plans) are voted with respect to social issues. Thus, it may be necessary to cast ballots differently for certain clients than MFS might normally do for other clients.

**Foreign Issuers**

MFS generally supports the election of a director nominee standing for re-election in uncontested or non-contentious elections unless it can be determined that (1) he or she failed to attend at least 75% of the board and/or relevant committee meetings in the previous year without a valid reason given in the proxy materials; (2) since the last annual meeting of shareholders and without shareholder approval, the board or its compensation committee has re-priced underwater stock options; or (3) since the last annual meeting, the board has either implemented a poison pill without shareholder approval or has not taken responsive action to a majority shareholder approved resolution recommending that the poison pill be rescinded. In such circumstances, we will vote against director nominee(s). Also, certain markets outside of the U.S. have adopted best practice guidelines relating to corporate governance matters (e.g. the United Kingdom's Corporate Governance Code). Many of these guidelines operate on a comply or explain basis. As such, MFS will evaluate any explanations by companies relating to their compliance with a particular corporate governance guideline on a case-by-case basis and may vote against the board nominees or other relevant ballot item if such explanation is not satisfactory. In some circumstances, MFS may submit a vote to abstain from certain director nominees or the relevant ballot items if we have concerns with the nominee or ballot item, but do not believe these concerns rise to the level where a vote against is warranted.

MFS generally supports the election of auditors, but may determine to vote against the election of a statutory auditor in certain markets if MFS reasonably believes that the statutory auditor is not truly independent.

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Some international markets have also adopted mandatory requirements for all companies to hold shareholder votes on executive compensation. MFS will vote against such proposals if MFS determines that a company's executive compensation practices are excessive, considering such factors as the specific market's best practices that seek to maintain appropriate pay-for-performance alignment and to create long-term shareholder value. We may alternatively submit an abstention vote on such proposals in circumstances where our executive compensation concerns are not as severe.

Many other items on foreign proxies involve repetitive, non-controversial matters that are mandated by local law. Accordingly, the items that are generally deemed routine and which do not require the exercise of judgment under these guidelines (and therefore voted with management) for foreign issuers include, but are not limited to, the following: (i) receiving financial statements or other reports from the board; (ii) approval of declarations of dividends; (iii) appointment of shareholders to sign board meeting minutes; (iv) discharge of management and supervisory boards; and (v) approval of share repurchase programs (absent any anti-takeover or other concerns). MFS will evaluate all other items on proxies for foreign companies in the context of the guidelines described above, but will generally vote against an item if there is not sufficient information disclosed in order to make an informed voting decision. For any ballot item where MFS wishes to express a more moderate level of concern than a vote of against, we will cast a vote to abstain.

In accordance with local law or business practices, some foreign companies or custodians prevent the sales of shares that have been voted for a certain period beginning prior to the shareholder meeting and ending on the day following the meeting (share blocking). Depending on the country in which a company is domiciled, the blocking period may begin a stated number of days prior or subsequent to the meeting (e.g. one, three or five days) or on a date established by the company. While practices vary, in many countries the block period can be continued for a longer period if the shareholder meeting is adjourned and postponed to a later date. Similarly, practices vary widely as to the ability of a shareholder to have the block restriction lifted early (e.g. in some countries shares generally can be unblocked up to two days prior to the meeting whereas in other countries the removal of the block appears to be discretionary with the issuer's transfer agent). Due to these restrictions, MFS must balance the benefits to its clients of voting proxies against the potentially serious portfolio management consequences of a reduced flexibility to sell the underlying shares at the most advantageous time. For companies in countries with share blocking periods or in markets where some custodians may block shares, the disadvantage of being unable to sell the stock regardless of changing conditions generally outweighs the advantages of voting at the shareholder meeting for routine items. Accordingly, MFS will not vote those proxies in the absence of an unusual, significant vote that outweighs the disadvantage of being unable to sell the stock.

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In limited circumstances, other market specific impediments to voting shares may limit our ability to cast votes, including, but not limited to, late delivery of proxy materials, untimely vote cut-off dates, power of attorney and share re-registration requirements, or any other unusual voting requirements. In these limited instances, MFS votes securities on a best efforts basis in the context of the guidelines described above.

***B. ADMINISTRATIVE PROCEDURES***

***1. MFS Proxy Voting Committee***

The administration of these MFS Proxy Voting Policies and Procedures is overseen by the MFS Proxy Voting Committee, which includes senior personnel from the MFS Legal and Global Investment Support Departments. The Proxy Voting Committee does not include individuals whose primary duties relate to client relationship management, marketing, or sales. The MFS Proxy Voting Committee:

- a. Reviews these MFS Proxy Voting Policies and Procedures at least annually and recommends any amendments considered to be necessary or advisable;
- b. Determines whether any potential material conflict of interest exists with respect to instances in which MFS (i) seeks to override these MFS Proxy Voting Policies and Procedures; (ii) votes on ballot items not governed by these MFS Proxy Voting Policies and Procedures; (iii) evaluates an excessive executive compensation issue in relation to the election of directors; or (iv) requests a vote recommendation from an MFS portfolio manager or investment analyst (e.g. mergers and acquisitions); and
- c. Considers special proxy issues as they may arise from time to time.

***2. Potential Conflicts of Interest***

The MFS Proxy Voting Committee is responsible for monitoring potential material conflicts of interest on the part of MFS or its subsidiaries that could arise in connection with the voting of proxies on behalf of MFS clients. Due to the client focus of our investment management business, we believe that the potential for actual material conflict of interest issues is small. Nonetheless, we have developed precautions to assure that all proxy votes are cast in the best long-term economic interest of shareholders.<sup>1</sup> Other MFS internal policies require all MFS employees to avoid actual and potential conflicts of interests between personal activities and

<sup>1</sup> For clarification purposes, note that MFS votes in what we believe to be the best, long-term economic interest of our clients entitled to vote at the shareholder meeting, regardless of whether other MFS clients hold short positions in the same issuer.



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MFS client activities. If an employee (including investment professionals) identifies an actual or potential conflict of interest with respect to any voting decision (including the ownership of securities in their individual portfolio), then that employee must recuse himself/herself from participating in the voting process. Any significant attempt by an employee of MFS or its subsidiaries to unduly influence MFS voting on a particular proxy matter should also be reported to the MFS Proxy Voting Committee.

In cases where proxies are voted in accordance with these MFS Proxy Voting Policies and Procedures, no material conflict of interest will be deemed to exist. In cases where (i) MFS is considering overriding these MFS Proxy Voting Policies and Procedures, (ii) matters presented for vote are not governed by these MFS Proxy Voting Policies and Procedures, (iii) MFS evaluates a potentially excessive executive compensation issue in relation to the election of directors or advisory pay or severance package vote, (iv) a vote recommendation is requested from an MFS portfolio manager or investment analyst (e.g. mergers and acquisitions); or (v) MFS evaluates a director nominee who also serves as a director of the MFS Funds (collectively, Non-Standard Votes ); the MFS Proxy Voting Committee will follow these procedures:

- a. Compare the name of the issuer of such proxy against a list of significant current (i) distributors of MFS Fund shares, and (ii) MFS institutional clients (the MFS Significant Distributor and Client List );
- b. If the name of the issuer does not appear on the MFS Significant Distributor and Client List, then no material conflict of interest will be deemed to exist, and the proxy will be voted as otherwise determined by the MFS Proxy Voting Committee;
- c. If the name of the issuer appears on the MFS Significant Distributor and Client List, then the MFS Proxy Voting Committee will be apprised of that fact and each member of the MFS Proxy Voting Committee will carefully evaluate the proposed vote in order to ensure that the proxy ultimately is voted in what MFS believes to be the best long-term economic interests of MFS clients, and not in MFS corporate interests; and
- d. For all potential material conflicts of interest identified under clause (c) above, the MFS Proxy Voting Committee will document: the name of the issuer, the issuer's relationship to MFS, the analysis of the matters submitted for proxy vote, the votes as to be cast and the reasons why the MFS Proxy Voting Committee determined that the votes were cast in the best long-term economic interests of MFS clients, and not in MFS corporate interests. A copy of the foregoing documentation will be provided to MFS Conflicts Officer.

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The members of the MFS Proxy Voting Committee are responsible for creating and maintaining the MFS Significant Distributor and Client List, in consultation with MFS distribution and institutional business units. The MFS Significant Distributor and Client List will be reviewed and updated periodically, as appropriate.

If an MFS client has the right to vote on a matter submitted to shareholders by Sun Life Financial, Inc. or any of its affiliates (collectively Sun Life), MFS will cast a vote on behalf of such MFS client pursuant to the recommendations of Institutional Shareholder Services, Inc. (ISS) benchmark policy, or as required by law.

Except as described in the MFS Fund's prospectus, from time to time, certain MFS Funds (the top tier fund) may own shares of other MFS Funds (the underlying fund). If an underlying fund submits a matter to a shareholder vote, the top tier fund will generally vote its shares in the same proportion as the other shareholders of the underlying fund. If there are no other shareholders in the underlying fund, the top tier fund will vote in what MFS believes to be in the top tier fund's best long-term economic interest. If an MFS client has the right to vote on a matter submitted to shareholders by a pooled investment vehicle advised by MFS, MFS will cast a vote on behalf of such MFS client in the same proportion as the other shareholders of the pooled investment vehicle.

### **3. Gathering Proxies**

Most proxies received by MFS and its clients originate at Broadridge Financial Solutions, Inc. (Broadridge). Broadridge and other service providers, on behalf of custodians, send proxy related material to the record holders of the shares beneficially owned by MFS clients, usually to the client's proxy voting administrator or, less commonly, to the client itself. This material will include proxy ballots reflecting the shareholdings of Funds and of clients on the record dates for such shareholder meetings, as well as proxy materials with the issuer's explanation of the items to be voted upon.

MFS, on behalf of itself and certain of its clients (including the MFS Funds) has entered into an agreement with an independent proxy administration firm pursuant to which the proxy administration firm performs various proxy vote related administrative services such as vote processing and recordkeeping functions. Except as noted below, the proxy administration firm for MFS and its clients, including the MFS Funds, is ISS. The proxy administration firm for MFS Development Funds, LLC is Glass, Lewis & Co., Inc. (Glass Lewis); Glass Lewis and ISS are each hereinafter referred to as the Proxy Administrator.

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The Proxy Administrator receives proxy statements and proxy ballots directly or indirectly from various custodians, logs these materials into its database and matches upcoming meetings with MFS Fund and client portfolio holdings, which are input into the Proxy Administrator's system by an MFS holdings data-feed. Through the use of the Proxy Administrator system, ballots and proxy material summaries for all upcoming shareholder meetings are available on-line to certain MFS employees and members of the MFS Proxy Voting Committee.

It is the responsibility of the Proxy Administrator and MFS to monitor the receipt of ballots. When proxy ballots and materials for clients are received by the Proxy Administrator, they are input into the Proxy Administrator's on-line system. The Proxy Administrator then reconciles a list of all MFS accounts that hold shares of a company's stock and the number of shares held on the record date by these accounts with the Proxy Administrator's list of any upcoming shareholder meeting of that company. If a proxy ballot has not been received, the Proxy Administrator contacts the custodian requesting the reason as to why a ballot has not been received.

### ***4. Analyzing Proxies***

Proxies are voted in accordance with these MFS Proxy Voting Policies and Procedures. The Proxy Administrator, at the prior direction of MFS, automatically votes all proxy matters that do not require the particular exercise of discretion or judgment with respect to these MFS Proxy Voting Policies and Procedures as determined by MFS. With respect to proxy matters that require the particular exercise of discretion or judgment, the MFS Proxy Voting Committee considers and votes on those proxy matters. MFS also receives research and recommendations from the Proxy Administrator which it may take into account in deciding how to vote. MFS uses the research of ISS to identify (i) circumstances in which a board may have approved excessive executive compensation, (ii) environmental and social proposals that warrant further consideration or (iii) circumstances in which a non-U.S. company is not in compliance with local governance or compensation best practices. In those situations where the only MFS fund that is eligible to vote at a shareholder meeting has Glass Lewis as its Proxy Administrator, then we will utilize research from Glass Lewis to identify such issues. MFS analyzes such issues independently and does not necessarily vote with the ISS or Glass Lewis recommendations on these issues. MFS may also use other research tools in order to identify the circumstances described above. Representatives of the MFS Proxy Voting Committee review, as appropriate, votes cast to ensure conformity with these MFS Proxy Voting Policies and Procedures.

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As a general matter, portfolio managers and investment analysts have little involvement in most votes taken by MFS. This is designed to promote consistency in the application of MFS voting guidelines, to promote consistency in voting on the same or similar issues (for the same or for multiple issuers) across all client accounts, and to minimize the potential that proxy solicitors, issuers, or third parties might attempt to exert inappropriate influence on the vote. In limited types of votes (e.g. mergers and acquisitions, capitalization matters, potentially excessive executive compensation issues, or shareholder proposals relating to environmental and social issues), a representative of MFS Proxy Voting Committee may consult with or seek recommendations from MFS portfolio managers or investment analysts.<sup>2</sup> However, the MFS Proxy Voting Committee would ultimately determine the manner in which all proxies are voted.

As noted above, MFS reserves the right to override the guidelines when such an override is, in MFS best judgment, consistent with the overall principle of voting proxies in the best long-term economic interests of MFS clients. Any such override of the guidelines shall be analyzed, documented and reported in accordance with the procedures set forth in these policies.

### **5. Voting Proxies**

In accordance with its contract with MFS, the Proxy Administrator also generates a variety of reports for the MFS Proxy Voting Committee, and makes available on-line various other types of information so that the MFS Proxy Voting Committee or proxy team may review and monitor the votes cast by the Proxy Administrator on behalf of MFS clients.

For those markets that utilize a record date to determine which shareholders are eligible to vote, MFS generally will vote all eligible shares pursuant to these guidelines regardless of whether all (or a portion of) the shares held by our clients have been sold prior to the meeting date.

### **6. Securities Lending**

From time to time, the MFS Funds or other pooled investment vehicles sponsored by MFS may participate in a securities lending program. In the event MFS or its agent receives timely notice of a shareholder meeting for a U.S. security, MFS and its agent will attempt to recall any securities on loan before the meeting's record date so that MFS will be entitled to vote these shares. However, there may be instances in which MFS is unable to timely recall securities on loan for a U.S. security, in which cases MFS will not be able to vote these shares. MFS will report to the appropriate board of the MFS Funds those instances in which MFS is not able to timely recall the loaned securities. MFS generally does not

<sup>2</sup> From time to time, due to travel schedules and other commitments, an appropriate portfolio manager or research analyst may not be available to provide a vote recommendation. If such a recommendation cannot be obtained within a reasonable time prior to the cut-off date of the shareholder meeting, the MFS Proxy Voting Committee may determine to abstain from voting.

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recall non-U.S. securities on loan because there may be insufficient advance notice of proxy materials, record dates, or vote cut-off dates to allow MFS to timely recall the shares in certain markets on an automated basis. As a result, non-U.S. securities that are on loan will not generally be voted. If MFS receives timely notice of what MFS determines to be an unusual, significant vote for a non-U.S. security whereas MFS shares are on loan, and determines that voting is in the best long-term economic interest of shareholders, then MFS will attempt to timely recall the loaned shares.

### **7. Engagement**

The MFS Proxy Voting Policies and Procedures are available on [www.mfs.com](http://www.mfs.com) and may be accessed by both MFS clients and the companies in which MFS clients invest. From time to time, MFS may determine that it is appropriate and beneficial for representatives from the MFS Proxy Voting Committee to engage in a dialogue or written communication with a company or other shareholders regarding certain matters on the company's proxy statement that are of concern to shareholders, including environmental, social and governance matters. A company or shareholder may also seek to engage with representatives of the MFS Proxy Voting Committee in advance of the company's formal proxy solicitation to review issues more generally or gauge support for certain contemplated proposals.

### **C. RECORDS RETENTION**

MFS will retain copies of these MFS Proxy Voting Policies and Procedures in effect from time to time and will retain all proxy voting reports submitted to the Board of Trustees of the MFS Funds for the period required by applicable law. Proxy solicitation materials, including electronic versions of the proxy ballots completed by representatives of the MFS Proxy Voting Committee, together with their respective notes and comments, are maintained in an electronic format by the Proxy Administrator and are accessible on-line by the MFS Proxy Voting Committee. All proxy voting materials and supporting documentation, including records generated by the Proxy Administrator's system as to proxies processed, including the dates when proxy ballots were received and submitted, and the votes on each company's proxy issues, are retained as required by applicable law.

### **D. REPORTS**

#### **U.S. Registered MFS Funds**

MFS publicly discloses the proxy voting records of the U.S. registered MFS Funds on a quarterly basis. MFS will also report the results of its voting to the Board of Trustees of the U.S. registered MFS Funds. These reports will include: (i) a summary of how votes were cast (including advisory votes on pay and golden

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parachutes ) ; (ii) a summary of votes against management's recommendation; (iii) a review of situations where MFS did not vote in accordance with the guidelines and the rationale therefore; (iv) a review of the procedures used by MFS to identify material conflicts of interest and any matters identified as a material conflict of interest; (v) a review of these policies and the guidelines; (vi) a review of our proxy engagement activity; (vii) a report and impact assessment of instances in which the recall of loaned securities of a U.S. issuer was unsuccessful; and (viii) as necessary or appropriate, any proposed modifications thereto to reflect new developments in corporate governance and other issues. Based on these reviews, the Trustees of the U.S. registered MFS Funds will consider possible modifications to these policies to the extent necessary or advisable.

**Other MFS Clients**

MFS may publicly disclose the proxy voting records of certain other clients (including certain MFS Funds) or the votes it casts with respect to certain matters as required by law. A report can also be printed by MFS for each client who has requested that MFS furnish a record of votes cast. The report specifies the proxy issues which have been voted for the client during the year and the position taken with respect to each issue and, upon request, may identify situations where MFS did not vote in accordance with the MFS Proxy Voting Policies and Procedures.

Except as described above, MFS generally will not divulge actual voting practices to any party other than the client or its representatives because we consider that information to be confidential and proprietary to the client. However, as noted above, MFS may determine that it is appropriate and beneficial to engage in a dialogue with a company regarding certain matters. During such dialogue with the company, MFS may disclose the vote it intends to cast in order to potentially effect positive change at a company in regards to environmental, social or governance issues.

**ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.**

**Portfolio Manager(s)**

Information regarding the portfolio manager(s) of the MFS Multimarket Income Trust (the Fund ) is set forth below. Each portfolio manager is primarily responsible for the day-to-day management of the Fund.

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<b>Portfolio Manager</b>	<b>Primary Role</b>	<b>Since</b>	<b>Title and Five Year History</b>
Richard O. Hawkins	Lead Portfolio Manager	2006	Investment Officer of MFS; employed in the investment area of MFS since 1988
William J. Adams	Lower Quality Debt Instruments Portfolio Manager	2011	Investment Officer of MFS; employed in the investment area of MFS since 2009; Credit Analyst at MFS from 1997 to 2005
Ward Brown	Emerging Markets Debt Instruments Portfolio Manager	2012	Investment Officer of MFS; employed in the investment area of MFS since 2005
David P. Cole	Lower Quality Debt Instruments Portfolio Manager	2006	Investment Officer of MFS; employed in the investment area of MFS since 2004
Pilar Gomez-Bravo	Investment Grade Debt Instruments Portfolio Manager	2013	Investment Officer of MFS; employed in the investment area of MFS since 2013; Managing Director of Imperial Capital from May 2012 to March 2013; Portfolio Manager and Head of Research of Negentropy Capital from June 2011 to April 2012; Co-founder of Marengo Asset Management from June 2010 to April 2011; Head of Credit Europe Neuberger Berman from June 2006 to May 2010
Robert D. Persons	Investment Grade Debt Instruments Portfolio Manager	2013	Investment Officer of MFS; employed in the investment area of MFS since 2000
Matthew W. Ryan	Emerging Markets Debt Instruments Portfolio Manager	2004	Investment Officer of MFS; employed in the investment area of MFS since 1997

**Compensation**

Portfolio manager compensation is reviewed annually. As of December 31, 2013, portfolio manager total cash compensation is a combination of base salary and performance bonus:

*Base Salary* Base salary represents a smaller percentage of portfolio manager total cash compensation than performance bonus.

*Performance Bonus* Generally, the performance bonus represents more than a majority of portfolio manager total cash compensation.

The performance bonus is based on a combination of quantitative and qualitative factors, generally with more weight given to the former and less weight given to the latter. The quantitative portion is based on the pre-tax performance of assets managed by the portfolio manager over one-, three-, and five-year periods relative to peer group universes and/or indices ( benchmarks ). As of December 31, 2013, the following benchmarks were used to measure the following portfolio manager s performance for the Fund:

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<b>Fund</b>	<b>Portfolio Manager</b>	<b>Benchmark(s)</b>
MFS Multimarket Income Trust	Richard O. Hawkins	Barclays Global Aggregate Credit Bond Index
		JP Morgan Emerging Markets Bond Index Global
		Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index
		Barclays U.S. Government/Mortgage Bond Index
	William J. Adams	Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index
	Ward Brown	JPMorgan Emerging Markets Bond Index Global
	David P. Cole	Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index
	Pilar Gomez-Bravo	Barclays Global Credit Index
	Robert D. Persons	Barclays Global Credit Index
	Matthew W. Ryan	JPMorgan Emerging Markets Bond Index Global

Additional or different benchmarks, including versions of indices, custom indices, and linked indices that combine performance of different indices for different portions of the time period, may also be used. Primary weight is given to portfolio performance over a three-year time period with lesser consideration given to portfolio performance over one- and five-year periods (adjusted as appropriate if the portfolio manager has served for less than five years). The qualitative portion is based on the results of an annual internal peer review process (conducted by other portfolio managers, analysts, and traders) and management's assessment of overall portfolio manager contributions to investor relations and the investment process (distinct from fund and other account performance). This performance bonus may be in the form of cash and/or a deferred cash award, at the discretion of management. A deferred cash award is issued for a cash value and becomes payable over a three-year vesting period if the portfolio manager remains in the continuous employ of MFS or its affiliates. During the vesting period, the value of the unfunded deferred cash award will fluctuate as though the portfolio manager had invested the cash value of the award in an MFS Fund(s) selected by the portfolio manager. A selected fund may be, but is not required to be, a fund that is managed by the portfolio manager.

Portfolio managers also typically benefit from the opportunity to participate in the MFS Equity Plan. Equity interests and/or options to acquire equity interests in MFS or its parent company are awarded by management, on a discretionary basis, taking into account tenure at MFS, contribution to the investment process, and other factors.

Finally, portfolio managers also participate in benefit plans (including a defined contribution plan and health and other insurance plans) and programs available generally to other employees of MFS. The percentage such benefits represent of any portfolio manager's compensation depends upon the length of the individual's tenure at MFS and salary level, as well as other factors.



**Table of Contents****Ownership of Fund Shares**

The following table shows the dollar range of equity securities of the Fund beneficially owned by the Fund's portfolio manager(s) as of the Fund's fiscal year ended October 31, 2014. The following dollar ranges apply:

N. None

A. \$1 - \$10,000

B. \$10,001 - \$50,000

C. \$50,001 - \$100,000

D. \$100,001 - \$500,000

E. \$500,001 - \$1,000,000

F. Over \$1,000,000

<b>Name of Portfolio Manager</b>	<b>Dollar Range of Equity Securities in Fund</b>
Richard O. Hawkins	N
William J. Adams	N
Ward Brown	N
David P. Cole	N
Pilar Gomez-Bravo	N
Robert D. Persons	N
Matthew W. Ryan	N

**Other Accounts**

In addition to the Fund, each portfolio manager of the Fund is named as a portfolio manager of certain other accounts managed or subadvised by MFS or an affiliate. The number and assets of these accounts were as follows as of October 31, 2014:

<b>Name</b>	<b>Registered Investment Companies*</b>		<b>Other Pooled Investment Vehicles</b>		<b>Other Accounts</b>	
	<b>Number of Accounts</b>	<b>Total Assets</b>	<b>Number of Accounts</b>	<b>Total Assets</b>	<b>Number of Accounts</b>	<b>Total Assets</b>
Richard O. Hawkins	10	\$18.1 billion	3	\$3.4 billion	2	\$127.1 million
William J. Adams	13	\$8.0 billion	4	\$1.2 billion	1	\$110.9 million
Ward Brown	12	\$11.6 billion	8	\$4.1 billion	6	\$1.4 billion
David P. Cole	12	\$8.0 billion	2	\$952.5 million	1	\$109.9 million
Pilar Gomez-Bravo	4	\$3.6 billion	3	\$3.3 billion	1	\$97.2 million
Robert D. Persons	11	\$14.2 billion	5	\$4.0 billion	2	\$266.8 million
Matthew W. Ryan	14	\$12.4 billion	9	\$5.0 billion	6	\$1.4 billion

\* Includes the Fund.

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Advisory fees are not based upon performance of any of the accounts identified in the table above.

**Potential Conflicts of Interest**

The Adviser seeks to identify potential conflicts of interest resulting from a portfolio manager's management of both the Fund and other accounts, and has adopted policies and procedures designed to address such potential conflicts.

The management of multiple funds and accounts (including proprietary accounts) gives rise to conflicts of interest if the funds and accounts have different objectives and strategies, benchmarks, time horizons and fees as a portfolio manager must allocate his or her time and investment ideas across multiple funds and accounts. In certain instances there are securities which are suitable for the Fund's portfolio as well as for accounts of the Adviser or its subsidiaries with similar investment objectives. The Fund's trade allocation policies may give rise to conflicts of interest if the Fund's orders do not get fully executed or are delayed in getting executed due to being aggregated with those of other accounts of the Adviser or its subsidiaries. A portfolio manager may execute transactions for another fund or account that may adversely affect the value of the Fund's investments. Investments selected for funds or accounts other than the Fund may outperform investments selected for the Fund.

When two or more clients are simultaneously engaged in the purchase or sale of the same security, the securities are allocated among clients in a manner believed by the Adviser to be fair and equitable to each. Allocations may be based on many factors and may not always be pro rata based on assets managed. The allocation methodology could have a detrimental effect on the price or volume of the security as far as the Fund is concerned.

The Adviser and/or a portfolio manager may have a financial incentive to allocate favorable or limited opportunity investments or structure the timing of investments to favor accounts other than the Fund, for instance, those that pay a higher advisory fee and/or have a performance adjustment and/or include an investment by the portfolio manager.

**Table of Contents****ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.****MFS Multimarket Income Trust**

<b>Period</b>	<b>(a) Total number of Shares Purchased</b>	<b>(b) Average Price Paid per Share</b>	<b>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs</b>
11/01/13-11/30/13	0	N/A	0	7,635,610
12/01/13-12/31/13	159,360	6.52	159,360	7,476,250
1/01/14-1/31/14	0	N/A	0	7,476,250
2/01/14-2/28/14	0	N/A	0	7,476,250
3/01/14-3/31/14	164,049	6.52	164,049	7,637,605
4/01/14-4/30/14	0	N/A	0	7,637,605
5/01/14-5/31/14	0	N/A	0	7,637,605
6/01/14-6/30/14	235,033	6.68	235,033	7,402,572
7/01/14-7/31/14	0	N/A	0	7,402,572
8/01/14-8/31/14	0	N/A	0	7,402,572
9/01/14-9/30/14	386,600	6.43	386,600	7,015,972
10/01/14-10/31/14	0	N/A	0	7,015,972
<b>Total</b>	<b>945,042</b>	<b>6.52</b>	<b>945,042</b>	

Note: The Board of Trustees approves procedures to repurchase shares annually. The notification to shareholders of the program is part of the semi-annual and annual reports sent to shareholders. These annual programs begin on March 1<sup>st</sup> of each year. The programs conform to the conditions of Rule 10b-18 of the securities Exchange Act of 1934 and limit the aggregate number of shares that may be purchased in each annual period (March 1 through the following February 28) to 10% of the Registrant's outstanding shares as of the first day of the plan year (March 1). The aggregate number of shares available for purchase for the March 1, 2014 plan year is 7,801,654.

**ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.**

There were no material changes to the procedures by which shareholders may send recommendations to the Board for nominees to the Registrant's Board since the Registrant last provided disclosure as to such procedures in response to the requirements of Item 407 (c)(2)(iv) of Regulation S-K or this Item.

**ITEM 11. CONTROLS AND PROCEDURES.**

- (a) Based upon their evaluation of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as conducted within 90 days of the filing date of this Form N-CSR, the registrant's principal financial officer and principal executive officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the second fiscal quarter covered by the report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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**ITEM 12. EXHIBITS.**

- (a) File the exhibits listed below as part of this form. Letter or number the exhibits in the sequence indicated.
- (1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Code of Ethics attached hereto.
  - (2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.
  - (3) Any written solicitation to purchase securities under Rule 23c-1 under the Act sent or given during the period covered by the report by or on behalf of the Registrant to 10 or more persons. Not applicable.
- (b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the Act (17 CFR 270.30a-2(b)), Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for the purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference: Attached hereto.

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**Notice**

A copy of the Amended and Restated Declaration of Trust of the Registrant is on file with the Secretary of State of the Commonwealth of Massachusetts and notice is hereby given that this instrument is executed on behalf of the Registrant by an officer of the Registrant as an officer and not individually and the obligations of or arising out of this instrument are not binding upon any of the Trustees or shareholders individually, but are binding only upon the assets and property of the respective constituent series of the Registrant.

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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 MFS MULTIMARKET INCOME TRUST

By (Signature and Title)\* ROBIN A. STELMACH  
Robin A. Stelmach, President

Date: December 18, 2014

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 dates indicated.

By (Signature and Title)\* ROBIN A. STELMACH  
Robin A. Stelmach, President

(Principal Executive Officer)

Date: December 18, 2014

By (Signature and Title)\* DAVID L. DILORENZO  
David L. DiLorenzo, Treasurer

(Principal Financial Officer

and Accounting Officer)

Date: December 18, 2014

\* Print name and title of each signing officer under his or her signature.