# Franklin Templeton Investment Funds

Unaudited Semi-Annual Report
December 31, 2006

FRANKLIN TEMPLETON
INVESTMENTS

# FRANKLIN TEMPLETON INVESTMENT FUNDS

## société d'investissement à capital variable

UNAUDITED SEMI-ANNUAL REPORT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2006

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All the Funds marked with "★" above are currently not authorised for public distribution in Hong Kong and are not available to Hong Kong investors.
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# FRANKLIN TEMPLETON INVESTMENT FUNDS

société d'investissement à capital variable

26, boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg

(Registered with the registre de commerce et des sociétés, Luxembourg, under number B 35 177)

## GENERAL INFORMATION

### BOARD OF DIRECTORS

**Chairman**

*The Honorable Nicholas F. Brady*
Chairman and Chief Executive Officer
CHOPTANK PARTNERS, INC.
16 North Washington Street
Easton, MD 21601, U.S.A.

**Directors**

*Richard H. Frank*
Chief Executive Officer
DARBY OVERSEAS INVESTMENTS LIMITED
1133 Connecticut Avenue, NW, Suite 400
Washington DC 20036, U.S.A.

*His Grace the Duke of Abercorn, James Hamilton KG*
Chairman
ABERCORN ESTATES
Barons Court, Newtownstewart
Omagh BT78 4EZ, Northern Ireland, U.K.

*Mark G. Holowesko*
President
TEMPLETON CAPITAL ADVISORS LIMITED
P.O. Box N-7759, West Bay Street, Lyford Cay,
Nassau, Bahamas

*James J. K. Hung*
President and Chief Executive Officer
ASIA SECURITIES GLOBAL LIMITED
18 Harcourt Road, Room 2401, Tower 1, Admiralty Center
Hong Kong

*Gregory E. Johnson*
Chief Executive Officer
FRANKLIN RESOURCES, INC.
One Franklin Parkway
San Mateo, CA 94403-1906, U.S.A.

*Geoffrey A. Langlands*
Managing Partner
LANGLANDS CONSULTORIA Ltd
Avenida das Americas 500
Bloco 6, Sala 227 (Downtown)
Rio de Janeiro CEP 22630-010, Brazil

*The Right Reverend Michael A. Mann K.C.V.O.*
The Cottage, Lower End Farm, Eastington
Northleach GL54 3PN, England, U.K.

*Gregory E. McGowan*
Executive Vice President and General Counsel
TEMPLETON WORLDWIDE, INC.
500 East Broward Boulevard, Suite 2100
Fort Lauderdale, FL 33394-3091, U.S.A.

*Dr J. B. Mark Mobius*
Director Emeritus
TEMPLETON ASSET MANAGEMENT LIMITED
7 Temasek Boulevard, # 38-03 Suntec Tower One
Singapore 038987

*David E. Smart*
Director and Chief Executive Officer
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
The Adelphi Building, 1-11 John Adam Street
London WC2N 6HT, England, U.K.

*The Honourable Trevor G. Trefgarne*
Chairman
GARRO SECURITIES LIMITED
Unit 6 Plato Place, 72-74 St Dionis Road
London SW64TU, England, U.K.

### CONDUCTING OFFICERS:

*William Lockwood*
26, boulevard Royal, L-2449 Luxembourg
Grand-Duchy of Luxembourg

*Denise Voss*
26, boulevard Royal, L-2449 Luxembourg
Grand-Duchy of Luxembourg

### REGISTERED OFFICE:

26, boulevard Royal, L-2449 Luxembourg
Grand-Duchy of Luxembourg

### PRINCIPAL DISTRIBUTOR:

TEMPLETON GLOBAL ADVISORS LIMITED
P.O. Box N-7759, West Bay Street, Lyford Cay, Nassau, Bahamas

### INVESTMENT MANAGERS:

As to: Templeton Euroland Fund;
Templeton European Fund;
Templeton European Total Return Fund*;
Templeton Global (Euro) Fund;
Templeton Global Balanced Fund†;
Templeton Global Equity Income Fund;
Templeton Global Income Fund†; and
Templeton Global Smaller Companies Fund.

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
5 Morrison Street
Edinburgh EH3 8BH, Scotland
U.K

*Franklin Templeton Investment Management Limited has been appointed as Co-Investment Manager of this Fund, together with Franklin Advisers, Inc.

†Franklin Templeton Investment Management Limited has been appointed as Investment Manager in respect of the equity portion of the assets of the Templeton Global Balanced Fund and of the Templeton Global Income Fund.

As to: Templeton Asian Growth Fund;
Templeton BRIC Fund;
Templeton China Fund;
Templeton Eastern Europe Fund;
Templeton Emerging Markets Fund;
Templeton Japan Fund;
Templeton Korea Fund;
Templeton Latin America Fund; and
Templeton Thailand Fund.

TEMPLETON ASSET MANAGEMENT LTD
7 Temasek Boulevard
# 38-03 Suntec Tower One
Singapore 038987

As to: Franklin Aggressive Growth Fund;
Franklin Asian Flex Cap Fund;
Franklin Biotechnology Discovery Fund;
Franklin High Yield (Euro) Fund;
Franklin Income Fund;
Franklin India Fund;
Franklin Technology Fund;
Franklin U.S. Equity Fund;
Franklin U.S. Growth Fund;
Franklin U.S. Ultra Short Bond Fund;
Franklin U.S. Small-Mid Cap Growth Fund;
Franklin U.S. Total Return Fund;
Templeton Asian Bond Fund;
Templeton Euroland Bond Fund;
Templeton European Total Return Fund*
Templeton Global Bond (Euro) Fund;
Templeton Global Income Fund†; and
Templeton Global Total Return Fund.

FRANKLIN ADVISERS, INC.
One Franklin Parkway
San Mateo, CA 94403-1906
U.S.A.

Franklin Advisers, Inc. has appointed Franklin Templeton Investment Management Limited as sub-advisor in relation to the Templeton Euroland Bond Fund, Franklin Templeton Investment Management Limited and Franklin Templeton Institutional, LLC. as sub-advisors in relation to the Templeton Global Total Return Fund and Franklin Templeton Asset Management (India) Private Limited as sub-advisor in relation to the Franklin Asian Flex Cap Fund and the Franklin India Fund.

*Franklin Advisers, Inc. has been appointed as Co-Investment Manager of this Fund, together with Franklin Templeton Investment Management Limited.

†Franklin Advisers, Inc. has been appointed as Investment Manager in respect of the fixed income portion of the assets of Templeton Global Income Fund.

As to: Franklin European Growth Fund;
Franklin European Small-Mid Cap Growth Fund;
Franklin Global Growth Fund;
Franklin Global Real Estate (Euro) Fund;
Franklin Global Real Estate (USD) Fund;
Franklin Global Small-Mid Cap Growth Fund; and
Templeton Absolute Return (Euro) Fund.

FRANKLIN TEMPLETON INSTITUTIONAL LLC
600 Fifth Avenue,
New York, NY 10020
U.S.A.

# GENERAL INFORMATION

As to: Templeton Global Fund; and
Templeton Growth (Euro) Fund.

TEMPLETON GLOBAL ADVISORS LIMITED
P.O. Box N-7759
West Bay Street
Lyford Cay
Nassau
Bahamas

Templeton Global Advisors Limited has appointed Franklin Templeton Investment Management Limited as sub-advisor in relation to the Templeton Global Fund.

As to: Franklin High Yield Fund;
Franklin U.S. Government Fund;
Templeton Emerging Markets Bond Fund;
Templeton Euro Liquid Reserve Fund;
Templeton Global Balanced Fund*;
Templeton Global Bond Fund; and
Templeton U.S. Dollar Liquid Reserve Fund.

TEMPLETON INVESTMENT COUNSEL, LLC
500 East Broward Boulevard
Ft Lauderdale, Florida 33394-3091
U.S.A.

Templeton Investment Counsel, LLC has appointed Franklin Advisers, Inc. as sub-advisor in respect of the Franklin High Yield Fund, the Franklin U.S. Government Fund, the Templeton Emerging Markets Bond Fund, the Templeton Euro Liquid Reserve Fund, the Templeton Global Balanced Fund, the Templeton Global Bond Fund and the Templeton U.S. Dollar Liquid Reserve Fund.

*Templeton Investment Counsel, LLC has been appointed as Investment Manager in respect of the fixed income portion of the assets of Templeton Global Balanced Fund.

As to: Templeton U.S. Value Fund.

FRANKLIN TEMPLETON INVESTMENTS CORP.
1, Adelaide Street East, Suite 2101,
Toronto Ontario M5C 3B8
Canada

As to: Franklin Mutual Beacon Fund;
Franklin Mutual European Fund; and
Franklin Mutual Global Discovery Fund.

FRANKLIN MUTUAL ADVISERS, LLC
101 John F. Kennedy Parkway
Short Hills, NJ 07078-2789
U.S.A.

As to: Franklin Templeton Japan Fund.

FRANKLIN TEMPLETON INVESTMENTS JAPAN LIMITED
Kanematsu Building, 6th Floor
14-1, Kyobashi 2 – chome
Chuo-Ku, Tokyo
Japan

As to: Franklin Templeton Global Growth and Value Fund

FRANKLIN TEMPLETON ALTERNATIVE STRATEGIES, INC.
(responsible for the growth and value weights of the Fund's assets)
Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801
U.S.A

and

FRANKLIN TEMPLETON INSTITUTIONAL, LLC
(responsible for the growth equity portion of the Fund's assets)
600 Fifth Avenue,
New York, NY 10020
U.S.A.

and

TEMPLETON INVESTMENT COUNSEL, LLC
(responsible for the value portion of the Fund's assets)
500 East Broward Boulevard
Ft Lauderdale, Florida 33394
U.S.A.

## CUSTODIAN, LISTING AGENT AND PRINCIPAL PAYING AGENT:
J.P. MORGAN BANK LUXEMBOURG S.A.
European Bank and Business Centre
6 Route de Trèves, L-2633 Senningerberg
Grand-Duchy of Luxembourg

## REGISTRAR AND TRANSFER, CORPORATE, DOMICILIARY AND ADMINISTRATIVE AGENT:
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.A.
26, boulevard Royal, L-2449 Luxembourg
Grand-Duchy of Luxembourg

## AUDITORS:
Réviseur d'entreprises
PRICEWATERHOUSECOOPERS S.à r.l.
400, route d'Esch, B.P. 1443, L-1014 Luxembourg
Grand-Duchy of Luxembourg

## LEGAL ADVISERS:
ELVINGER, HOSS & PRUSSEN
2, place Winston Churchill, L-2014 Luxembourg
Grand-Duchy of Luxembourg

## REPORT OF THE INVESTMENT MANAGERS

The strong performance of all asset categories in the second half of 2006 was in large measure due to the very strong liquidity that has built up globally. This liquidity has fuelled an unprecedented boom in M&A and heavily-leveraged private-equity deals. Yet in the six months to end December 2006, stocks still had to overcome a number of negative factors that might have been expected to drag on performance in more risk-averse times. In the U.S., these included a problematic housing market and manufacturing sector plus sluggish retail sales toward the end of the year. In December, there was also a sharp one-day sell-off of the Thai stock market after the introduction of severe reserve requirements on new investments. Despite fears, there was little contagion of other emerging markets, underlining the extent to which investors' attitudes have changed since the Asian currency crisis of 1997–1998.

Uncertainties over interest rates, plus the Fed's relatively comforting stance on inflation, helped bond prices in the latter part of the year. The strong performance of bonds and equities at the same time appears to some as a kind of dichotomy. Late 2006 also saw inversion between longer- and shorter-dated maturities. The benchmark 10-year T-bill fell below 4.5% by late November, thus yielding less than shorter-term paper. Inversion is often seen as a precursor to an economic downturn, in sharp contrast to the bullish tone being struck on the equity and corporate bond markets. But low yields on long-term bonds may simply indicate that pension funds and insurance companies are increasingly buying bonds to match their liabilities and have become cautious about alternatives.

By late December, eurozone equities were close to five-and-a-half-year highs. This performance seemed appropriate, given the relatively good economic growth and solid performance of European corporations throughout much of 2006. European equities, like equities everywhere, have been benefiting from liquidity and credit growth, which the European Central Bank (ECB) has steadily been trying to rein in. The ECB is poised to continue its efforts into 2007, although it may have to tread cautiously if it is to avoid overshooting, especially in light of downward pressure on the U.S. dollar.

Despite the release of some poor figures in the second part of the year, the Japanese economy seems to have picked up momentum. Given strong earnings growth and the generally healthy economic outlook, Japanese stocks might have been expected to perform better. Instead, foreign buying interest has petered out and share indices barely budged in calendar 2006. Part of the problem is miserable returns, with dividend payouts still very low, albeit improving.

The U.S. dollar may be poised for further depreciation as interest rate differentials decline. However, the dollar's decline may well be limited if the Fed remains as vigilant as it proclaims itself to be in light of inflationary pressures (especially if unit labour costs start rising strongly again).The euro has borne the brunt of dollar weakness, although much of its rise has seemed speculative leaving it vulnerable to short-term pullbacks. Of equal interest has been the rise of the euro against the yen. With further interest rate increases predicted in Europe, euro strength may well continue, although the Bank of Japan may also move to tighten monetary conditions.

Imbalances in the world economy are likely to come increasingly into focus. Asian central banks have accumulated massive foreign reserves, which has been used to keep Asian currencies low against the dollar, helping to feed consumer spending (and indebtedness) in the U.S. and adding to a massive U.S. current account deficit. A blow-up of the bond and credit markets caused by a decline in the economy and a sharp increase in the corporate default rate, for example, could impact the market for stocks as well as fixed income. By contrast, any further rises in U.S. interest rates – induced by fears of inflation – could be bad news for equities as it would further constrain the stream of liquidity that has left companies awash with cash.

But such risks aside, prospects for the world economy look relatively good. Inflation is modest and monetary policy is still relatively accommodative in most places, Europe has recovered and emerging economies remain remarkably dynamic. On the corporate front, profitability is strong. Earnings multiples changed little in 2006 and look reasonable relative to historic norms.

THE INVESTMENT MANAGERS
January, 2007

## FUND PERFORMANCE IN BASE CURRENCY PERCENTAGE CHANGE TO DECEMBER 31, 2006

| | | Launch Date | Base Currency | 6 Months % | 1 Year % | 3 Years % | 5 Years % | 10 Years % | Since Launch % |
|---|---|---|---|---|---|---|---|---|---|
| | Franklin Aggressive Growth Fund | 03 Apr 00 | USD | 3.8 | 6.1 | 36.2 | 27.6 | – | (37.6) |
| # | Franklin Asian Flex Cap Fund | 15 Nov 06 | USD | – | – | – | – | – | 5.0 |
| | Franklin Biotechnology Discovery Fund | 03 Apr 00 | USD | 12.0 | 3.8 | 18.7 | (1.8) | – | (12.5) |
| ★ | Franklin European Growth Fund | 29 Dec 00 | EUR | 17.1 | 21.7 | 57.4 | 9.2 | – | (9.0) |
| # | Franklin European Small-Mid Cap Growth Fund | 03 Dec 01 | EUR | 15.3 | 37.3 | 113.3 | 96.5 | – | 97.7 |
| ★ | Franklin Global Growth Fund | 29 Dec 00 | USD | 16.8 | 21.7 | 51.9 | 45.2 | – | 8.6 |
| ★ | Franklin Global Real Estate (Euro) Fund | 29 Dec 05 | EUR | 17.7 | 21.0 | – | – | – | 21.0 |
| # | Franklin Global Real Estate (USD) Fund | 29 Dec 05 | USD | 19.4 | 23.9 | – | – | – | 23.9 |
| ★ | Franklin Global Small-Mid Cap Growth Fund | 15 Apr 02 | USD | 8.2 | 18.2 | 58.8 | – | – | 89.5 |
| | Franklin High Yield Fund | 01 Mar 96 | USD | 7.1 | 7.5 | 19.5 | 45.1 | 57.4 | 73.0 |
| | Franklin High Yield (Euro) Fund | 17 Apr 00 | EUR | 5.4 | 9.0 | 25.8 | 48.3 | – | 21.4 |
| | Franklin Income Fund | 01 Jul 99 | USD | 10.2 | 16.3 | 30.2 | 62.6 | – | 78.6 |
| | Franklin India Fund | 25 Oct 05 | USD | 40.5 | 45.7 | – | – | – | 68.0 |
| | Franklin Technology Fund | 03 Apr 00 | USD | 6.1 | 5.5 | 17.7 | (0.6) | – | (48.2) |
| | Franklin U.S. Equity Fund | 01 Jul 99 | USD | 12.9 | 11.5 | 20.9 | 16.8 | – | 58.6 |
| | Franklin US Government Fund | 28 Feb 91 | USD | 4.5 | 3.2 | 8.9 | 18.7 | 59.1 | 99.1 |
| ★ | Franklin U.S. Growth Fund | 29 Aug 03 | USD | 7.1 | 7.1 | 11.6 | – | – | 21.4 |
| ★ | Franklin U.S. Ultra Short Bond Fund | 29 Aug 03 | USD | 2.1 | 3.6 | 7.7 | – | – | 8.7 |
| | Franklin U.S. Small-Mid Cap Growth Fund | 29 Dec 00 | USD | 5.6 | 6.1 | 28.0 | 30.0 | – | 13.4 |
| ★ | Franklin U.S. Total Return Fund | 29 Aug 03 | USD | 5.2 | 4.3 | 10.7 | – | – | 15.4 |
| | Franklin Mutual Beacon Fund | 07 Jul 97 | USD | 12.2 | 18.3 | 42.5 | 53.3 | – | 134.9 |
| | Franklin Mutual European Fund | 03 Apr 00 | EUR* | 16.8 | 31.3 | 77.5 | 148.8 | – | 148.5 |
| | Franklin Mutual Global Discovery Fund | 25 Oct 05 | USD | 11.7 | 18.6 | – | – | – | 24.3 |
| | Franklin Templeton Global Growth and Value Fund | 09 Sep 02 | USD | 16.2 | 23.2 | 55.3 | – | – | 92.9 |
| | Franklin Templeton Japan Fund | 01 Sep 00 | JPY | 7.4 | (6.2) | 66.0 | 68.8 | – | 15.5 |
| ★ | Templeton Absolute Return (Euro) Fund | 15 Nov 06 | EUR | – | – | – | – | – | 0.9 |
| | Templeton Asian Bond Fund | 25 Oct 05 | USD | 9.4 | 18.3 | – | – | – | 21.8 |
| | Templeton Asian Growth Fund | 30 Jun 91 | USD | 24.8 | 32.8 | 91.2 | 244.0 | 53.8 | 124.2 |
| | Templeton BRIC Fund | 25 Oct 05 | USD | 26.6 | 48.6 | – | – | – | 63.7 |
| | Templeton China Fund | 01 Sep 94 | USD | 28.6 | 44.1 | 82.0 | 208.6 | 73.4 | 83.7 |
| | Templeton Eastern Europe Fund | 10 Nov 97 | EUR | 18.3 | 23.0 | 165.6 | 266.7 | – | 292.2 |
| | Templeton Emerging Markets Fund | 28 Feb 91 | USD | 20.3 | 27.0 | 96.4 | 197.4 | 87.1 | 209.0 |
| | Templeton Emerging Markets Bond Fund | 05 Jul 91 | USD | 11.6 | 15.9 | 35.6 | 79.5 | 143.2 | 387.4 |

## FUND PERFORMANCE IN BASE CURRENCY
## PERCENTAGE CHANGE TO DECEMBER 31, 2006

| | Launch Date | Base Currency | 6 Months % | 1 Year % | 3 Years % | 5 Years % | 10 Years % | Since Launch % |
|---|---|---|---|---|---|---|---|---|
| Templeton Euro Liquid Reserve Fund | 01 Jun 94 | EUR | 1.2 | 1.9 | 4.1 | 8.2 | 22.1 | 30.8 |
| Templeton Euroland Fund | 08 Jan 99 | EUR | 14.8 | 21.0 | 72.0 | 48.4 | – | 91.4 |
| Templeton Euroland Bond Fund | 08 Jan 99 | EUR | 1.8 | (1.1) | 10.2 | 20.9 | – | 23.8 |
| Templeton European Fund | 17 Apr 91 | EUR* | 16.2 | 30.1 | 73.7 | 102.8 | 157.6 | 302.6 |
| ★ Templeton European Total Return Fund | 29 Aug 03 | EUR | 3.7 | 0.4 | 11.2 | – | – | 13.6 |
| Templeton Global Fund | 28 Feb 91 | USD | 16.9 | 26.1 | 60.8 | 80.2 | 109.4 | 265.1 |
| Templeton Global (Euro) Fund | 26 Apr 91 | EUR | 12.3 | 12.4 | 53.0 | 22.7 | 99.2 | 251.8 |
| Templeton Global Balanced Fund | 01 Jun 94 | USD | 11.6 | 19.3 | 40.7 | 73.0 | 114.4 | 161.9 |
| Templeton Global Bond Fund | 28 Feb 91 | USD | 7.3 | 13.1 | 23.8 | 78.0 | 86.0 | 197.8 |
| ★ Templeton Global Bond (Euro) Fund | 29 Aug 03 | EUR | 4.7 | 1.9 | 9.9 | – | – | 10.9 |
| Templeton Global Equity Income Fund | 27 May 05 | USD | 15.7 | 25.2 | – | – | – | 33.4 |
| Templeton Global Income Fund | 27 May 05 | USD | 14.9 | 23.8 | – | – | – | 26.9 |
| Templeton Global Smaller Companies Fund | 08 Jul 91 | USD | 17.4 | 28.1 | 65.1 | 127.6 | 152.9 | 322.4 |
| Templeton Global Total Return Fund | 29 Aug 03 | USD | 9.8 | 16.9 | 31.3 | – | – | 45.0 |
| ★ Templeton Growth (Euro) Fund | 09 Aug 00 | EUR | 10.5 | 8.3 | 41.5 | 21.9 | – | 24.7 |
| Templeton Japan Fund | 23 Jun 97 | USD | 2.7 | (1.6) | 23.2 | 18.3 | – | (32.0) |
| Templeton Korea Fund | 08 May 95 | USD | 9.6 | 6.9 | 86.8 | 118.3 | (12.7) | (29.0) |
| Templeton Latin America Fund | 30 Sep 96 | USD | 34.2 | 53.9 | 218.2 | 331.1 | 223.5 | 231.2 |
| Templeton Thailand Fund | 20 Jun 97 | USD | 8.4 | 9.2 | 13.4 | 200.0 | – | (6.1) |
| Templeton U.S. Dollar Liquid Reserve Fund | 01 Jun 94 | USD | 2.2 | 4.1 | 7.1 | 8.4 | 36.0 | 51.0 |
| ★ Templeton U.S. Value Fund | 29 Aug 03 | USD | 13.3 | 17.3 | 33.4 | – | – | 50.3 |

Data source
Performance – Franklin Templeton Investments

*The base currency of the fund is Euro. However, performance is shown in the currency of the share class primarily launched, which is USD.

All of the figures above are for Class A distribution "A(dis)" Shares with all income reinvested (total return) in base currency. Where Class A(dis) Shares are not available, Class A accumulation "A(acc)" Shares are shown. Information on other Share Classes is available on request. This report does not constitute or form part of any offer of shares or an invitation to apply for shares. Subscriptions are to be made on the basis of the current simplified prospectus accompanied by the current full prospectus and its addendum, a copy of the latest available audited report and, if published thereafter, the latest unaudited semi-annual report. The price of shares and income from them can go down as well as up and you may not get back the full amount that you invested. Past performance is no guarantee of future performance. Currency fluctuations may affect the value of investments.

All the Funds marked with "★" above are currently not authorised for public distribution in Hong Kong and are not available to Hong Kong investors.
All the Funds marked with "#" above are authorised for public distribution in Hong Kong with effect from 15 February 2007.

# STATEMENT OF NET ASSETS AT DECEMBER 31, 2006

| | TOTAL | Franklin Aggressive Growth Fund | Franklin Asian Flex Cap Fund | Franklin Biotechnology Discovery Fund | Franklin European Growth Fund |
|---|---|---|---|---|---|
| | (USD) | (USD) | (USD) | (USD) | (EUR) |
| **ASSETS** | | | | | |
| Investment in securities at market value (note 2(b)) | 49,253,081,589 | 444,451,040 | 6,803,974 | 78,037,782 | 22,233,700 |
| Cash (note 19) | 2,336,432,847 | 14,418 | 821,756 | 1,002,456 | 1,065,969 |
| Amounts receivable on sale of investments | 83,876,917 | 8,986,646 | 0 | 347,356 | 0 |
| Amounts receivable on subscriptions | 387,343,727 | 500,366 | 874,934 | 49,784 | 112,577 |
| Interest and dividends receivable, net | 282,803,539 | 97,173 | 1,929 | 0 | 11,283 |
| Other receivables | 1,823,376 | 402 | 136 | 0 | 1,579 |
| Unrealised profit on forward foreign exchange contracts (note 4) | 5,022,854 | 0 | 0 | 0 | 0 |
| | 52,350,384,849 | 454,050,045 | 8,502,729 | 79,437,378 | 23,425,108 |
| **LIABILITIES** | | | | | |
| Amounts payable on purchases of investments | 177,896,225 | 9,607,248 | 197,683 | 42,601 | 0 |
| Amounts payable on redemptions | 186,102,113 | 623,675 | 0 | 312,759 | 75,288 |
| Bank overdraft | 8,621,563 | 0 | 0 | 0 | 0 |
| Unrealised loss on forward foreign exchange contracts (note 4) | 46,716,673 | 0 | 0 | 0 | 0 |
| Investment management fees payable (note 3) | 43,665,755 | 365,584 | 5,244 | 68,594 | 19,165 |
| Taxes and expense payable | 58,155,473 | 314,414 | 5,286 | 86,950 | 24,448 |
| | 521,157,802 | 10,910,921 | 208,213 | 510,904 | 118,901 |
| **TOTAL NET ASSETS** | 51,829,227,047 | 443,139,124 | 8,294,516 | 78,926,474 | 23,306,207 |
| **THREE YEAR ASSET SUMMARY** | | | | | |
| | (USD) | (USD) | (USD) | (USD) | (EUR) |
| June 30, 2006 | 42,168,720,179 | 600,555,020 | 0 | 79,128,385 | 14,898,206 |
| June 30, 2005 | 31,570,718,303 | 88,491,649 | 0 | 89,670,153 | 12,043,296 |
| June 30, 2004 | 20,570,500,270 | 87,958,140 | 0 | 115,770,832 | 19,232,785 |

The accompanying notes form an integral

# STATEMENT OF NET ASSETS AT DECEMBER 31, 2006 (continued)

| Franklin European Small-Mid Cap Growth Fund | Franklin Global Growth Fund | Franklin Global Real Estate (Euro) Fund | Franklin Global Real Estate (USD) Fund | Franklin Global Small-Mid Cap Growth Fund | Franklin High Yield Fund | Franklin High Yield (Euro) Fund |
|---|---|---|---|---|---|---|
| (EUR) | (USD) | (EUR) | (USD) | (USD) | (USD) | (EUR) |
| 81,443,945 | 25,782,075 | 80,168,389 | 48,447,692 | 15,383,461 | 2,757,939,950 | 267,393,022 |
| 2,910,461 | 729,875 | 3,704,937 | 498,693 | 248,953 | 46,253,787 | 21,810,000 |
| 23 | 0 | 146,374 | 75,059 | 264,955 | 2,010,226 | 0 |
| 331,668 | 86,861 | 213,602 | 289,077 | 34,939 | 8,249,314 | 3,427,301 |
| 41,048 | 13,473 | 429,128 | 269,525 | 5,618 | 55,281,898 | 5,200,946 |
| 2,457 | 1,043 | 993 | 1,412 | 0 | 980 | 0 |
| 0 | 0 | 0 | 85,652 | 0 | 0 | 1,197,741 |
| 84,729,602 | 26,613,327 | 84,663,423 | 49,667,110 | 15,937,926 | 2,869,736,155 | 299,029,010 |
| 0 | 0 | 2,717,424 | 534,739 | 0 | 6,716 | 1,323,713 |
| 425,317 | 12,638 | 226,164 | 62,317 | 16,316 | 18,149,519 | 8,374,806 |
| 0 | 0 | 0 | 0 | 0 | 0 | 195,897 |
| 0 | 0 | 14,326 | 0 | 0 | 0 | 0 |
| 68,323 | 22,083 | 57,181 | 32,899 | 13,535 | 1,952,918 | 187,967 |
| 76,995 | 24,515 | 51,489 | 40,331 | 18,045 | 2,153,566 | 226,604 |
| 570,635 | 59,236 | 3,066,584 | 670,286 | 47,896 | 22,262,719 | 10,308,987 |
| 84,158,967 | 26,554,091 | 81,596,839 | 48,996,824 | 15,890,030 | 2,847,473,436 | 288,720,023 |
| (EUR) | (USD) | (EUR) | (USD) | (USD) | (USD) | (EUR) |
| 43,356,265 | 32,801,342 | 48,376,874 | 28,915,199 | 17,498,174 | 2,725,724,124 | 204,572,004 |
| 8,543,802 | 8,869,003 | 0 | 0 | 6,893,749 | 3,058,397,548 | 47,377,854 |
| 6,453,024 | 5,526,425 | 0 | 0 | 7,595,911 | 2,660,191,173 | 29,421,806 |

part of these financial statements

# STATEMENT OF NET ASSETS
# AT DECEMBER 31, 2006 (continued)

| | Franklin Income Fund (USD) | Franklin India Fund (USD) | Franklin Technology Fund (USD) | Franklin U.S. Equity Fund (USD) | Franklin U.S. Government Fund (USD) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Investment in securities at market value (note 2(b)) | 792,991,806 | 196,652,775 | 156,225,203 | 301,568,831 | 1,590,808,866 |
| Cash (note 19) | 30,397,056 | 11,919,424 | 326,314 | 11,277,008 | 65,817,175 |
| Amounts receivable on sale of investments | 1,339,120 | 266 | 3,633,230 | 4,105,232 | 0 |
| Amounts receivable on subscriptions | 2,376,628 | 4,655,397 | 38,961 | 280,476 | 7,460,224 |
| Interest and dividends receivable, net | 7,105,263 | 47,870 | 10,271 | 215,847 | 7,154,687 |
| Other receivables | 15 | 52,718 | 4,482 | 13,492 | 15,925 |
| Unrealised profit on forward foreign exchange contracts (note 4) | 0 | 0 | 0 | 17,300 | 0 |
| | 834,209,888 | 213,328,450 | 160,238,461 | 317,478,186 | 1,671,256,877 |
| **LIABILITIES** | | | | | |
| Amounts payable on purchases of investments | 3,121,620 | 2,213,623 | 1,354,886 | 3,605,162 | 38,244,793 |
| Amounts payable on redemptions | 2,094,382 | 1,178,487 | 660,871 | 3,155,728 | 5,229,651 |
| Bank overdraft | 0 | 0 | 0 | 0 | 0 |
| Unrealised loss on forward foreign exchange contracts (note 4) | 0 | 0 | 0 | 0 | 0 |
| Investment management fees payable (note 3) | 593,833 | 155,057 | 138,672 | 264,339 | 837,321 |
| Taxes and expense payable | 1,012,266 | 3,273,976 | 173,838 | 279,822 | 1,088,898 |
| | 6,822,101 | 6,821,143 | 2,328,267 | 7,305,051 | 45,400,663 |
| **TOTAL NET ASSETS** | 827,387,787 | 206,507,307 | 157,910,194 | 310,173,135 | 1,625,856,214 |
| **THREE YEAR ASSET SUMMARY** | | | | | |
| | (USD) | (USD) | (USD) | (USD) | (USD) |
| June 30, 2006 | 732,325,251 | 106,395,612 | 138,547,133 | 305,658,602 | 1,397,468,928 |
| June 30, 2005 | 875,041,993 | 0 | 166,584,380 | 1,275,184,698 | 1,421,300,577 |
| June 30, 2004 | 558,481,201 | 0 | 175,683,174 | 1,245,642,754 | 1,832,449,669 |

The accompanying notes form an integral

# STATEMENT OF NET ASSETS
# AT DECEMBER 31, 2006 (continued)

| Franklin U.S. Growth Fund (USD) | Franklin U.S. Small-Mid Cap Growth Fund (USD) | Franklin U.S. Total Return Fund (USD) | Franklin U.S. Ultra Short Bond Fund (USD) | Franklin Mutual Beacon Fund (USD) | Franklin Mutual European Fund (EUR) | Franklin Mutual Global Discovery Fund (USD) |
|---|---|---|---|---|---|---|
| 29,051,566 | 39,052,525 | 73,871,354 | 77,066,876 | 2,924,295,603 | 2,486,358,566 | 178,090,018 |
| 2,252,164 | 0 | 5,377,667 | 10,488,068 | 74,170,405 | 193,575,267 | 16,845,577 |
| 201,815 | 2,808,772 | 14,961 | 290,523 | 10,844,046 | 3,217,814 | 221,958 |
| 100,000 | 49,126 | 219,570 | 603,648 | 42,274,513 | 15,464,517 | 4,748,746 |
| 15,325 | 14,883 | 618,458 | 258,856 | 2,878,341 | 374,399 | 91,639 |
| 0 | 0 | 10,242 | 9,598 | 182,126 | 411,101 | 2,653 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31,620,870 | 41,925,306 | 80,112,252 | 88,717,569 | 3,054,645,034 | 2,699,401,664 | 200,000,591 |
| | | | | | | |
| 0 | 22,159 | 11,099,312 | 6,346,960 | 12,255,836 | 16,810 | 280,640 |
| 21,381 | 224,824 | 3,522 | 110,282 | 8,970,465 | 5,183,786 | 108,433 |
| 0 | 83,632 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 21,763 | 0 | 5,230,057 | 0 | 997,541 |
| 26,632 | 36,156 | 43,052 | 44,690 | 2,392,309 | 2,162,600 | 147,436 |
| 26,951 | 37,682 | 46,542 | 70,526 | 2,591,393 | 2,480,582 | 148,032 |
| 74,964 | 404,453 | 11,214,191 | 6,572,458 | 31,440,060 | 9,843,778 | 1,682,082 |
| | | | | | | |
| 31,545,906 | 41,520,853 | 68,898,061 | 82,145,111 | 3,023,204,974 | 2,689,557,886 | 198,318,509 |
| | | | | | | |
| (USD) | (USD) | (USD) | (USD) | (USD) | (EUR) | (USD) |
| 29,601,641 | 41,371,151 | 32,788,734 | 78,039,025 | 2,497,854,663 | 2,153,150,039 | 75,348,914 |
| 28,332,242 | 19,935,027 | 36,858,474 | 61,340,647 | 1,943,036,374 | 1,309,313,770 | 0 |
| 29,072,979 | 12,536,845 | 13,805,183 | 52,251,797 | 1,356,391,722 | 562,025,797 | 0 |

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# STATEMENT OF NET ASSETS AT DECEMBER 31, 2006 (continued)

| | Franklin Templeton Global Growth & Value Fund (USD) | Franklin Templeton Japan Fund (JPY) | Templeton Absolute Return (Euro) Fund (EUR) | Templeton Asian Bond Fund (USD) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Investment in securities at market value (note 2(b)) | 31,188,912 | 55,912,561,100 | 13,402,296 | 264,079,573 |
| Cash (note 19) | 1,165,000 | 981,567,242 | 6,232,652 | 72,272,254 |
| Amounts receivable on sale of investments | 0 | 1,483,993,920 | 9,932,127 | 0 |
| Amounts receivable on subscriptions | 279,557 | 213,900,338 | 0 | 1,360,776 |
| Interest and dividends receivable, net | 25,246 | 25,183,098 | 287,280 | 2,486,584 |
| Other receivables | 371 | 1,037,927 | 307 | 23,075 |
| Unrealised profit on forward foreign exchange contracts (note 4) | 0 | 0 | 40,879 | 0 |
| | 32,659,086 | 58,618,243,625 | 29,895,541 | 340,222,262 |
| **LIABILITIES** | | | | |
| Amounts payable on purchases of investments | 0 | 1,194,602,532 | 6,338,008 | 885,627 |
| Amounts payable on redemptions | 122,857 | 192,522,218 | 0 | 573,372 |
| Bank overdraft | 734 | 0 | 0 | 0 |
| Unrealised loss on forward foreign exchange contracts (note 4) | 0 | 0 | 0 | 866,898 |
| Investment management fees payable (note 3) | 26,816 | 47,160,636 | 8,483 | 196,235 |
| Taxes and expense payable | 31,120 | 61,016,860 | 11,108 | 419,669 |
| | 181,527 | 1,495,302,246 | 6,357,599 | 2,941,801 |
| **TOTAL NET ASSETS** | 32,477,559 | 57,122,941,379 | 23,537,942 | 337,280,461 |

**THREE YEAR ASSET SUMMARY**

| | (USD) | (JPY) | (EUR) | (USD) |
|---|---|---|---|---|
| June 30, 2006 | 25,217,045 | 73,210,840,177 | 0 | 135,336,286 |
| June 30, 2005 | 15,018,075 | 5,193,275,603 | 0 | 0 |
| June 30, 2004 | 11,270,800 | 3,814,126,971 | 0 | 0 |

The accompanying notes form an integral

# STATEMENT OF NET ASSETS AT DECEMBER 31, 2006 (continued)

| Templeton Asian Growth Fund (USD) | Templeton BRIC Fund (USD) | Templeton China Fund (USD) | Templeton Eastern Europe Fund (EUR) | Templeton Emerging Markets Fund (USD) | Templeton Emerging Markets Bond Fund (USD) | Templeton Euro Liquid Reserve Fund (EUR) |
|---|---|---|---|---|---|---|
| 5,251,052,477 | 1,236,396,017 | 1,167,764,280 | 1,475,430,627 | 1,447,897,126 | 553,510,423 | 49,844,202 |
| 86,585,000 | 56,563,643 | 56,854,383 | 78,140,000 | 17,849,565 | 96,293,640 | 15,785,745 |
| 859 | 1,627 | 346 | 0 | 9,159,544 | 34,747 | 0 |
| 47,900,837 | 13,737,803 | 23,968,795 | 5,358,846 | 3,752,747 | 12,058,409 | 1,007,713 |
| 9,380,167 | 8,291,872 | 346,803 | 4,481,042 | 3,997,950 | 12,842,496 | 0 |
| 121,139 | 274,055 | 1,427 | 36,521 | 7,605 | 2,366 | 0 |
| 0 | 0 | 0 | 0 | 0 | 1,912,762 | 0 |
| 5,395,040,479 | 1,315,265,017 | 1,248,936,034 | 1,563,447,036 | 1,482,664,537 | 676,654,843 | 66,637,660 |
| 86,546 | 13,428,185 | 667,366 | 1,231 | 2,430,945 | 324,882 | 0 |
| 12,570,173 | 12,854,495 | 12,093,416 | 8,732,150 | 5,264,799 | 953,736 | 643,358 |
| 189,300 | 0 | 0 | 2,310,200 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5,634,704 | 1,652,196 | 1,567,317 | 2,031,116 | 1,948,987 | 548,730 | 22,959 |
| 6,594,364 | 4,016,920 | 1,139,139 | 2,887,904 | 1,949,663 | 930,689 | 34,054 |
| 25,075,087 | 31,951,796 | 15,467,238 | 15,962,601 | 11,594,394 | 2,758,037 | 700,371 |
| 5,369,965,392 | 1,283,313,221 | 1,233,468,796 | 1,547,484,435 | 1,471,070,143 | 673,896,806 | 65,937,289 |
| (USD) | (USD) | (USD) | (EUR) | (USD) | (USD) | (EUR) |
| 4,090,231,599 | 849,985,119 | 900,333,445 | 1,368,376,679 | 1,269,345,014 | 436,919,556 | 103,611,297 |
| 2,064,101,157 | 0 | 479,983,362 | 828,551,948 | 669,591,773 | 241,915,174 | 59,321,720 |
| 1,083,551,954 | 0 | 341,554,186 | 161,245,536 | 410,302,739 | 165,105,611 | 89,612,346 |

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# STATEMENT OF NET ASSETS AT DECEMBER 31, 2006 (continued)

| | Templeton Euroland Fund (EUR) | Templeton Euroland Bond Fund (EUR) | Templeton European Fund (EUR) | Templeton European Total Return Fund (EUR) | Templeton Global Fund (USD) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Investment in securities at market value (note 2(b)) | 1,079,752,997 | 15,349,816 | 337,553,563 | 575,526,221 | 1,572,839,227 |
| Cash (note 19) | 17,119,597 | 1,398,952 | 3,600,000 | 28,375,000 | 77,231,086 |
| Amounts receivable on sale of investments | 0 | 0 | 0 | 0 | 322 |
| Amounts receivable on subscriptions | 2,457,303 | 1,039,679 | 1,796,749 | 1,715,289 | 6,880,204 |
| Interest and dividends receivable, net | 951,904 | 410,968 | 475,372 | 16,475,232 | 1,878,391 |
| Other receivables | 5,236 | 0 | 1,870 | 183,351 | 1,170 |
| Unrealised profit on forward foreign exchange contracts (note 4) | 0 | 0 | 0 | 971,037 | 0 |
| | 1,100,287,037 | 18,199,415 | 343,427,554 | 623,246,130 | 1,658,830,400 |
| **LIABILITIES** | | | | | |
| Amounts payable on purchases of investments | 0 | 0 | 1,121 | 0 | 813,151 |
| Amounts payable on redemptions | 2,094,160 | 71,174 | 3,248,434 | 1,854,517 | 4,458,756 |
| Bank overdraft | 0 | 0 | 390,122 | 1,217,417 | 0 |
| Unrealised loss on forward foreign exchange contracts (note 4) | 0 | 8,202 | 0 | 0 | 0 |
| Investment management fees payable (note 3) | 869,717 | 9,333 | 280,355 | 384,939 | 1,328,229 |
| Taxes and expense payable | 1,038,924 | 15,989 | 331,285 | 703,622 | 1,550,892 |
| | 4,002,801 | 104,698 | 4,251,317 | 4,160,495 | 8,151,028 |
| **TOTAL NET ASSETS** | 1,096,284,236 | 18,094,717 | 339,176,237 | 619,085,635 | 1,650,679,372 |
| **THREE YEAR ASSET SUMMARY** | | | | | |
| | (EUR) | (EUR) | (EUR) | (EUR) | (USD) |
| June 30, 2006 | 1,116,961,940 | 15,795,963 | 345,140,332 | 687,965,316 | 1,261,195,083 |
| June 30, 2005 | 1,110,899,539 | 14,808,674 | 570,723,357 | 501,144,293 | 1,749,661,441 |
| June 30, 2004 | 627,293,995 | 7,482,972 | 419,865,040 | 57,088,150 | 1,204,252,112 |

The accompanying notes form an integral

## STATEMENT OF NET ASSETS AT DECEMBER 31, 2006 (continued)

| Templeton Global (Euro) Fund (EUR) | Templeton Global Balanced Fund (USD) | Templeton Global Bond Fund (USD) | Templeton Global Bond (Euro) Fund (EUR) | Templeton Global Equity Income Fund (USD) | Templeton Global Income Fund (USD) | Templeton Global Smaller Companies Fund (USD) |
|---|---|---|---|---|---|---|
| 905,009,088 | 763,299,236 | 4,650,672,322 | 159,507,519 | 212,482,001 | 123,412,449 | 339,429,811 |
| 52,703,151 | 36,955,889 | 230,662,022 | 46,190,000 | 13,115,727 | 6,985,665 | 19,717,600 |
| 3,948,749 | 0 | 1,092,716 | 0 | 958 | 1,286 | 19 |
| 3,611,758 | 11,820,554 | 46,557,097 | 5,101,081 | 3,243,975 | 1,384,947 | 1,433,509 |
| 1,458,756 | 4,621,335 | 89,612,457 | 3,005,838 | 329,081 | 989,261 | 285,209 |
| 1,117 | 255 | 76,313 | 2,169 | 62,007 | 21,191 | 449 |
| 49,163 | 0 | 0 | 0 | 0 | 25,384 | 0 |
| 966,781,782 | 816,697,269 | 5,018,672,927 | 213,806,607 | 229,233,749 | 132,820,183 | 360,866,597 |
| 1,089,736 | 385,793 | 14,780,181 | 0 | 180,747 | 1,071,363 | 309,703 |
| 1,620,582 | 1,780,413 | 19,581,861 | 80,723 | 649,492 | 551,250 | 690,894 |
| 0 | 0 | 0 | 1,637,621 | 0 | 0 | 0 |
| 0 | 336,221 | 34,722,044 | 1,372,019 | 0 | 0 | 0 |
| 789,042 | 532,555 | 2,968,066 | 126,091 | 182,166 | 87,998 | 292,730 |
| 854,036 | 924,451 | 6,356,322 | 126,066 | 201,888 | 119,375 | 339,921 |
| 4,353,396 | 3,959,433 | 78,408,474 | 3,342,520 | 1,214,293 | 1,829,986 | 1,633,248 |
| 962,428,386 | 812,737,836 | 4,940,264,453 | 210,464,087 | 228,019,456 | 130,990,197 | 359,233,349 |
| (EUR) | (USD) | (USD) | (EUR) | (USD) | (USD) | (USD) |
| 829,359,689 | 592,514,252 | 3,634,789,337 | 59,258,439 | 121,737,457 | 39,342,011 | 303,979,488 |
| 804,840,159 | 414,867,238 | 1,922,471,448 | 45,200,547 | 60,587,153 | 33,076,131 | 324,672,443 |
| 628,666,606 | 275,295,098 | 599,028,423 | 10,132,097 | 0 | 0 | 358,470,924 |

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# STATEMENT OF NET ASSETS AT DECEMBER 31, 2006 (continued)

| | Templeton Global Total Return Fund (USD) | Templeton Growth (Euro) Fund (EUR) | Templeton Japan Fund (USD) | Templeton Korea Fund (USD) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Investment in securities at market value (note 2(b)) | 575,164,911 | 7,308,475,208 | 83,677,465 | 135,766,072 |
| Cash (note 19) | 86,516,361 | 341,441,050 | 444,402 | 0 |
| Amounts receivable on sale of investments | 541,854 | 0 | 749,564 | 1,190,598 |
| Amounts receivable on subscriptions | 20,392,043 | 29,113,751 | 726,113 | 247,154 |
| Interest and dividends receivable, net | 10,212,675 | 11,184,008 | 38,528 | 0 |
| Other receivables | 62,188 | 4,933 | 0 | 0 |
| Unrealised profit on forward foreign exchange contracts (note 4) | 0 | 0 | 0 | 0 |
| | 692,890,032 | 7,690,218,950 | 85,636,072 | 137,203,824 |
| **LIABILITIES** | | | | |
| Amounts payable on purchases of investments | 16,687,301 | 1,935,677 | 28,031 | 0 |
| Amounts payable on redemptions | 1,283,646 | 9,613,962 | 1,354,270 | 910,226 |
| Bank overdraft | 0 | 0 | 0 | 755,951 |
| Unrealised loss on forward foreign exchange contracts (note 4) | 2,701,277 | 0 | 0 | 0 |
| Investment management fees payable (note 3) | 377,023 | 6,104,646 | 70,791 | 188,244 |
| Taxes and expense payable | 637,146 | 5,990,390 | 84,702 | 175,875 |
| | 21,686,393 | 23,644,675 | 1,537,794 | 2,030,296 |
| **TOTAL NET ASSETS** | 671,203,639 | 7,666,574,275 | 84,098,278 | 135,173,528 |

**THREE YEAR ASSET SUMMARY**

| | (USD) | (EUR) | (USD) | (USD) |
|---|---|---|---|---|
| June 30, 2006 | 258,572,804 | 6,787,870,205 | 86,742,708 | 156,060,576 |
| June 30, 2005 | 141,912,613 | 6,050,528,242 | 52,500,557 | 83,976,903 |
| June 30, 2004 | 44,586,854 | 3,513,589,594 | 66,052,433 | 66,408,096 |

The accompanying notes form an integral

# STATEMENT OF NET ASSETS AT DECEMBER 31, 2006 (continued)

| Templeton Latin America Fund (USD) | Templeton Thailand Fund (USD) | Templeton U.S. Dollar Liquid Reserve Fund (USD) | Templeton U.S. Value Fund (USD) |
|---|---|---|---|
| 773,761,259 | 191,638,486 | 44,957,711 | 15,280,337 |
| 32,221,079 | 11,884,163 | 71,055,268 | 782,945 |
| 669,057 | 58,009 | 0 | 0 |
| 16,487,122 | 6,444,883 | 569,811 | 11,920 |
| 3,924,042 | 104,854 | 12,146 | 10,480 |
| 5,595 | 0 | 0 | 37 |
| 0 | 0 | 0 | 0 |
| 827,068,154 | 210,130,395 | 116,594,936 | 16,085,719 |
| | | | |
| 0 | 3,669,278 | 5,457,442 | 0 |
| 9,224,833 | 2,202,956 | 660,081 | 3,234 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| 889,142 | 265,287 | 37,367 | 13,041 |
| 863,886 | 213,330 | 80,287 | 12,847 |
| 10,977,861 | 6,350,851 | 6,235,177 | 29,122 |
| | | | |
| 816,090,293 | 203,779,544 | 110,359,759 | 16,056,597 |
| | | | |
| (USD) | (USD) | (USD) | (USD) |
| 481,098,175 | 178,853,406 | 149,922,713 | 10,424,882 |
| 234,379,856 | 88,291,983 | 109,409,607 | 7,983,329 |
| 68,465,500 | 71,494,097 | 152,842,051 | 2,883,609 |

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## STATISTICAL INFORMATION

All classes in base currency unless otherwise stated

| | Total Expense Ratio December 31, 2006 (see Note 17) | Shares Outstanding December 31, 2006 | Net Asset Value per Share December 31, 2006 | June 30, 2006 | June 30, 2005 |
|---|---|---|---|---|---|
| **Franklin Aggressive Growth Fund – USD** | | | | | |
| Franklin Aggressive Growth – A(acc) | 1.82% | 56,593,599.685 | 6.24 | 6.01 | 5.13 |
| Franklin Aggressive Growth – A(acc) – EUR | 1.88% | 6,617.631 | 4.72 | | |
| Franklin Aggressive Growth – A(dis) – EUR | 1.84% | 1,106.195 | 4.72 | | |
| Franklin Aggressive Growth – A(dis) – GBP | 1.82% | 5,301.792 | 3.18 | 3.24 | |
| Franklin Aggressive Growth – B(acc) | 3.08% | 1,432,271.952 | 5.71 | 5.53 | 4.79 |
| Franklin Aggressive Growth – C(acc) | 2.45% | 1,311.176 | 10.71 | | |
| Franklin Aggressive Growth – I(acc) | 0.97% | 5,064,370.307 | 14.53 | 13.93 | 11.79 |
| Franklin Aggressive Growth – I(acc) – EUR | 0.97% | 475.285 | 11.01 | | |
| Franklin Aggressive Growth – N(acc) | 2.57% | 590,144.129 | 13.59 | 13.14 | 11.31 |
| Franklin Aggressive Growth – N(acc) – EUR | 2.59% | 505.561 | 10.29 | | |
| **Franklin Asian Flex Cap Fund – USD*** | | | | | |
| Franklin Asian Flex Fund – A(acc) | 1.83% | 226,556.543 | 10.50 | | |
| Franklin Asian Flex Fund – A(dis) | 1.82% | 100,450.119 | 10.50 | | |
| Franklin Asian Flex Fund – A(dis) – GBP | 1.82% | 99,784.943 | 5.36 | | |
| Franklin Asian Flex Fund – B(acc) | 3.20% | 163,054.862 | 10.48 | | |
| Franklin Asian Flex Fund – C(acc) | 2.52% | 500.000 | 10.49 | | |
| Franklin Asian Flex Fund – I(acc) | 0.92% | 99,700.000 | 10.51 | | |
| Franklin Asian Flex Fund – I(dis) | 0.92% | 99,700.000 | 10.51 | | |
| Franklin Asian Flex Fund – N(acc) | 2.73% | 500.000 | 10.49 | | |
| **Franklin Biotechnology Discovery Fund – USD** | | | | | |
| Franklin Biotechnology Discovery – A(acc) | 2.06% | 7,468,235.333 | 8.75 | 7.81 | 7.55 |
| Franklin Biotechnology Discovery – B(acc) | 3.31% | 831,731.436 | 8.05 | 7.23 | 7.08 |
| Franklin Biotechnology Discovery – C(acc) | 2.57% | 2,793.578 | 11.07 | | |
| Franklin Biotechnology Discovery – I(acc) | 0.97% | 500.000 | 11.92 | 10.58 | 10.12 |
| Franklin Biotechnology Discovery – N(acc) | 2.80% | 825,053.060 | 8.26 | 7.39 | 7.20 |
| **Franklin European Growth Fund – EUR** | | | | | |
| Franklin European Growth – A(acc) | 2.02% | 2,068,409.688 | 9.10 | 7.77 | 6.62 |
| Franklin European Growth – I(acc) | 1.00% | 500.000 | 16.49 | 14.00 | 11.81 |
| Franklin European Growth – N(acc) | 2.78% | 514,440.646 | 8.68 | 7.44 | 6.39 |
| **Franklin European Small-Mid Cap Growth Fund – EUR** | | | | | |
| Franklin European Small-Mid Cap Growth – A(acc) | 1.88% | 2,812,534.112 | 19.77 | 17.14 | 12.05 |
| Franklin European Small-Mid Cap Growth – A(acc) – USD | 1.89% | 2,655.443 | 26.10 | | |
| Franklin European Small-Mid Cap Growth – B(acc) – USD | 3.12% | 71,085.133 | 27.20 | 23.00 | 15.49 |
| Franklin European Small-Mid Cap Growth – I(acc) | 0.97% | 211,183.444 | 21.69 | 18.72 | 13.12 |
| Franklin European Small-Mid Cap Growth – I(acc) – USD | 0.96% | 204.583 | 28.63 | | |
| Franklin European Small-Mid Cap Growth – N(acc) | 2.63% | 1,138,447.509 | 19.72 | 17.16 | 12.15 |
| **Franklin Global Growth Fund – USD** | | | | | |
| Franklin Global Growth – A(acc) | 1.92% | 2,290,154.754 | 10.86 | 9.30 | 7.94 |
| Franklin Global Growth – N(acc) | 2.66% | 161,685.734 | 10.37 | 8.91 | 7.66 |
| **Franklin Global Real Estate (Euro) Fund – EUR** | | | | | |
| Franklin Global Real Estate (Euro) – A(acc) | 1.84% | 2,724,836.197 | 12.10 | 10.28 | |
| Franklin Global Real Estate (Euro) – A(dis) | 1.79% | 157,774.110 | 17.41 | | |
| Franklin Global Real Estate (Euro) – A(dis) – GBP | 1.84% | 479,217.545 | 11.74 | 10.31 | |
| Franklin Global Real Estate (Euro) – I(acc) | 0.96% | 2,543,854.281 | 12.20 | 10.32 | |
| Franklin Global Real Estate (Euro) – I(dis) | 0.97% | 464.684 | 12.18 | | |
| Franklin Global Real Estate (Euro) – N(acc) | 2.60% | 539,667.419 | 12.01 | 10.23 | |
| **Franklin Global Real Estate (USD) Fund – USD** | | | | | |
| Franklin Global Real Estate (USD) – A(acc) | 1.87% | 976,978.290 | 12.40 | 10.38 | |
| Franklin Global Real Estate (USD) – A(dis) | 1.87% | 600,214.501 | 12.24 | 10.35 | |
| Franklin Global Real Estate (USD) – B(dis) | 3.12% | 179,987.738 | 12.17 | 10.30 | |
| Franklin Global Real Estate (USD) – C(dis) | 2.47% | 296,357.975 | 12.22 | 10.34 | |
| Franklin Global Real Estate (USD) – I(acc) | 0.97% | 1,651,164.050 | 12.52 | 10.43 | |
| Franklin Global Real Estate (USD) – I(dis) | 0.97% | 187,506.866 | 12.27 | 10.37 | |
| Franklin Global Real Estate (USD) – N(acc) | 2.62% | 60,716.718 | 12.30 | 10.34 | |
| Franklin Global Real Estate (USD) – N(dis) | 2.62% | 1,240.656 | 12.20 | 10.33 | |
| **Franklin Global Small-Mid Cap Growth Fund – USD** | | | | | |
| Franklin Global Small-Mid Cap Growth – A(acc) | 1.98% | 604,273.917 | 18.95 | 17.52 | 13.46 |
| Franklin Global Small-Mid Cap Growth – B(acc) | 3.23% | 93,181.094 | 17.76 | 16.52 | 12.85 |
| Franklin Global Small-Mid Cap Growth – N(acc) | 2.74% | 153,370.067 | 18.14 | 16.83 | 13.03 |

*The above funds launched during the current period.

## STATISTICAL INFORMATION (continued)

All classes in base currency unless otherwise stated

| | Total Expense Ratio December 31, 2006 (see Note 17) | Shares Outstanding December 31, 2006 | Net Asset Value per Share December 31, 2006 | June 30, 2006 | June 30, 2005 |
|---|---|---|---|---|---|
| **Franklin High Yield Fund – USD** | | | | | |
| Franklin High Yield – A(acc) | 1.52% | 7,696,065.222 | 10.99 | 10.26 | 10.03 |
| Franklin High Yield – A(dis) | 1.52% | 333,127,752.065 | 7.59 | 7.31 | 7.58 |
| Franklin High Yield – B(dis) | 2.88% | 25,842,443.955 | 7.64 | 7.36 | 7.63 |
| Franklin High Yield – C(acc) | 2.23% | 326,194.465 | 15.10 | 14.14 | 13.91 |
| Franklin High Yield – I(dis) | 0.80% | 1,627,858.280 | 11.91 | 11.47 | 11.90 |
| Franklin High Yield – N(acc) | 2.13% | 995,070.450 | 12.10 | 11.34 | 11.14 |
| **Franklin High Yield (Euro) Fund – EUR** | | | | | |
| Franklin High Yield (Euro) – A(acc) | 1.54% | 7,416,712.513 | 12.00 | 11.39 | 10.62 |
| Franklin High Yield (Euro) – A(dis) | 1.54% | 7,051,488.159 | 7.63 | 7.72 | 7.58 |
| Franklin High Yield (Euro) – I(acc) | 0.88% | 147,995.060 | 12.26 | 11.60 | 10.74 |
| Franklin High Yield (Euro) – I(dis) | 0.86% | 3,155,442.904 | 11.58 | 11.59 | |
| Franklin High Yield (Euro) – N(acc) | 2.14% | 9,308,268.195 | 11.55 | 11.00 | 10.32 |
| **Franklin Income Fund – USD** | | | | | |
| Franklin Income – A(dis) | 1.70% | 29,754,187.850 | 12.73 | 11.77 | 11.65 |
| Franklin Income – B(dis) | 2.95% | 22,602,248.171 | 12.20 | 11.27 | 11.16 |
| Franklin Income – C(acc) | 2.30% | 6,512,070.810 | 16.93 | 15.40 | 14.75 |
| Franklin Income – C(dis) | 2.30% | 255,302.450 | 16.35 | 15.14 | |
| Franklin Income – I(acc) | 0.90% | 82,824.858 | 12.88 | 11.64 | 10.99 |
| Franklin Income – N(acc) | 2.20% | 3,670,743.502 | 15.62 | 14.20 | 13.59 |
| **Franklin India Fund – USD** | | | | | |
| Franklin India – A(acc) | 1.95% | 4,868,818.934 | 16.80 | 11.96 | |
| Franklin India – A(acc) – EUR | 1.92% | 1,332,629.020 | 15.39 | 11.31 | |
| Franklin India – A(dis) – EUR | 1.81% | 4,663.414 | 22.70 | | |
| Franklin India – A(dis) – GBP | 1.95% | 104,176.330 | 15.30 | 11.54 | |
| Franklin India – B(acc) | 3.20% | 809,052.590 | 16.55 | 11.86 | |
| Franklin India – C(acc) | 2.55% | 932,819.686 | 16.69 | 11.91 | |
| Franklin India – I(acc) | 0.94% | 805,019.661 | 16.98 | 12.03 | |
| Franklin India – I(acc) – EUR | 1.00% | 941,312.280 | 15.57 | 11.38 | |
| Franklin India – I(dis) – EUR | 0.98% | 396.511 | 15.57 | | |
| Franklin India – N(acc) | 2.70% | 1,182,594.080 | 16.65 | 11.90 | |
| Franklin India – N(acc) – EUR | 2.63% | 627,700.629 | 15.32 | 11.29 | |
| **Franklin Technology Fund – USD** | | | | | |
| Franklin Technology – A(acc) | 1.85% | 28,715,894.531 | 5.18 | 4.88 | 4.45 |
| Franklin Technology – A(acc) – EUR | 1.89% | 3,350.831 | 3.92 | | |
| Franklin Technology – B(acc) | 3.10% | 244,524.696 | 4.74 | 4.49 | 4.15 |
| Franklin Technology – C(acc) | 2.49% | 1,651.736 | 10.77 | | |
| Franklin Technology – N(acc) | 2.60% | 773,419.273 | 4.76 | 4.50 | 4.13 |
| Franklin Technology – N(acc) – EUR | 2.60% | 914,656.174 | 3.60 | 3.52 | 3.41 |
| **Franklin U.S. Equity Fund – USD** | | | | | |
| Franklin U.S. Equity – A(acc) | 1.87% | 15,981,989.267 | 15.86 | 14.05 | 14.01 |
| Franklin U.S. Equity – A(acc) – EUR | 1.87% | 766,479.133 | 12.00 | 10.97 | 11.56 |
| Franklin U.S. Equity – A(acc) – EUR hedged | 1.85% | 105,898.661 | 12.03 | 10.81 | 11.14 |
| Franklin U.S. Equity – B(acc) | 3.12% | 1,354,378.855 | 14.35 | 12.79 | 12.91 |
| Franklin U.S. Equity – C(acc) | 2.47% | 325,526.174 | 14.41 | 12.80 | 12.84 |
| Franklin U.S. Equity – I(acc) | 0.98% | 100,334.265 | 12.16 | 10.72 | 10.58 |
| Franklin U.S. Equity – I(acc) – EUR | 0.87% | 644.330 | 8.52 | 8.33 | 8.74 |
| Franklin U.S. Equity – N(acc) | 2.62% | 1,064,852.890 | 14.99 | 13.33 | 13.39 |
| Franklin U.S. Equity – N(acc) – EUR | 2.62% | 102,277.864 | 11.34 | 10.40 | 11.05 |
| **Franklin U.S. Government Fund – USD** | | | | | |
| Franklin U.S. Government – A(dis) | 1.28% | 122,441,731.949 | 9.07 | 8.87 | 9.31 |
| Franklin U.S. Government – AX(acc) | 1.49% | 1,088,802.536 | 11.65 | 11.16 | 11.26 |
| Franklin U.S. Government – B(acc) | 2.48% | 208,117.818 | 10.35 | 9.97 | 10.16 |
| Franklin U.S. Government – B(dis) | 2.48% | 16,991,336.198 | 9.09 | 8.88 | 9.32 |
| Franklin U.S. Government – C(acc) | 2.09% | 2,010,711.960 | 10.74 | 10.32 | 10.47 |
| Franklin U.S. Government – I(acc) | 0.60% | 530.223 | 9.57 | | |
| Franklin U.S. Government – I(dis) | 0.60% | 30,536,176.133 | 9.50 | 9.28 | 9.75 |
| Franklin U.S. Government – N(acc) | 1.99% | 1,424,422.943 | 11.20 | 10.75 | 10.90 |
| Franklin U.S. Government – N(dis) | 1.98% | 1,976,024.013 | 9.09 | 8.89 | 9.35 |

## STATISTICAL INFORMATION (continued)

All classes in base currency unless otherwise stated

| | Total Expense Ratio December 31, 2006 (see Note 17) | Shares Outstanding December 31, 2006 | Net Asset Value per Share December 31, 2006 | June 30, 2006 | June 30, 2005 |
|---|---|---|---|---|---|
| **Franklin U.S. Growth Fund – USD** | | | | | |
| Franklin U.S. Growth Fund – A(acc) | 1.82% | 2,509,370.996 | 12.14 | 11.34 | 10.73 |
| Franklin U.S. Growth Fund – B(acc) | 3.08% | 15,973.686 | 11.65 | 10.95 | 10.49 |
| Franklin U.S. Growth Fund – C(acc) | 2.44% | 45,135.190 | 11.89 | 11.14 | 10.60 |
| Franklin U.S. Growth Fund – I(acc) | 0.97% | 405.515 | 12.63 | 11.56 | 10.84 |
| Franklin U.S. Growth Fund – N(acc) | 2.58% | 29,620.920 | 11.84 | 11.10 | 10.58 |
| **Franklin U.S. Small-Mid Cap Growth Fund – USD** | | | | | |
| Franklin U.S. Small Mid-Cap Growth – A(acc) | 1.92% | 3,345,431.289 | 11.34 | 10.74 | 9.75 |
| Franklin U.S. Small Mid-Cap Growth – B(acc) | 3.18% | 102,438.159 | 17.33 | 16.51 | 15.17 |
| Franklin U.S. Small Mid-Cap Growth – C(acc) | 2.52% | 7,621.115 | 11.10 | 10.54 | |
| Franklin U.S. Small Mid-Cap Growth – I(acc) | 0.96% | 500.000 | 10.34 | | |
| Franklin U.S. Small Mid-Cap Growth – N(acc) | 2.68% | 157,731.039 | 10.80 | 10.26 | 9.39 |
| **Franklin U.S. Total Return Fund – USD** | | | | | |
| Franklin U.S. Total Return – A(acc) | 1.20% | 3,909,299.689 | 11.54 | 10.97 | 11.08 |
| Franklin U.S. Total Return – A(dis) | 1.20% | 1,181,512.332 | 10.27 | 9.96 | 10.45 |
| Franklin U.S. Total Return – B(acc) | 2.65% | 76,802.795 | 11.00 | 10.53 | 10.78 |
| Franklin U.S. Total Return – B(dis) | 2.64% | 37,574.287 | 10.26 | 9.95 | 10.44 |
| Franklin U.S. Total Return – C(dis) | 2.22% | 150,041.999 | 10.26 | 9.95 | 10.44 |
| Franklin U.S. Total Return – I(acc) | 0.82% | 148,924.040 | 10.94 | 10.38 | 10.42 |
| Franklin U.S. Total Return – I(dis) | 0.85% | 467.727 | 10.83 | | |
| Franklin U.S. Total Return – N(dis) | 1.89% | 704,808.976 | 10.26 | 9.95 | 10.44 |
| **Franklin U.S. Ultra Short Bond Fund – USD** | | | | | |
| Franklin U.S. Ultra Short Bond – A(dis) | 1.15% | 2,328,343.176 | 9.87 | 9.87 | 9.91 |
| Franklin U.S. Ultra Short Bond – AX(acc) | 1.35% | 3,130,771.218 | 10.80 | 10.59 | 10.31 |
| Franklin U.S. Ultra Short Bond – B(acc) | 2.35% | 70,670.932 | 10.44 | 10.28 | 10.12 |
| Franklin U.S. Ultra Short Bond – B(dis) | 2.35% | 776,377.477 | 9.87 | 9.87 | 9.91 |
| Franklin U.S. Ultra Short Bond – C(dis) | 2.10% | 240,605.452 | 9.86 | 9.86 | 9.90 |
| Franklin U.S. Ultra Short Bond – I(acc) | 0.66% | 172,009.587 | 10.80 | 10.54 | 10.20 |
| Franklin U.S. Ultra Short Bond – N(dis) | 1.85% | 1,288,726.484 | 9.86 | 9.86 | 9.90 |
| **Franklin Mutual Beacon Fund – USD** | | | | | |
| Franklin Mutual Beacon – A(acc) | 1.84% | 31,942,645.893 | 55.54 | 49.52 | 44.07 |
| Franklin Mutual Beacon – A(acc) – EUR | 1.84% | 2,476,202.413 | 42.11 | 38.74 | 36.46 |
| Franklin Mutual Beacon – A(dis) | 1.85% | 152,748.493 | 54.98 | 49.41 | 44.08 |
| Franklin Mutual Beacon – B(acc) | 3.09% | 6,844,865.871 | 28.19 | 25.30 | 22.80 |
| Franklin Mutual Beacon – C(acc) | 2.44% | 6,111,935.977 | 16.57 | 14.82 | 13.27 |
| Franklin Mutual Beacon – I(acc) | 0.97% | 31,071,578.336 | 14.24 | 12.64 | 11.15 |
| Franklin Mutual Beacon – I(acc) – EUR | 0.98% | 490.677 | 10.78 | | |
| Franklin Mutual Beacon – N(acc) | 2.59% | 7,807,437.218 | 29.43 | 26.34 | 23.62 |
| Franklin Mutual Beacon – N(acc) – EUR | 2.59% | 4,649,142.560 | 22.26 | 20.56 | 19.49 |
| **Franklin Mutual European Fund – EUR** | | | | | |
| Franklin Mutual European – A(acc) | 1.86% | 83,690,188.426 | 18.83 | 16.64 | 14.29 |
| Franklin Mutual European – A(acc) – USD | 1.86% | 17,577,804.351 | 24.85 | 21.28 | 17.28 |
| Franklin Mutual European – A(dis) | 1.84% | 434,882.637 | 18.44 | 16.63 | |
| Franklin Mutual European – A(dis) – GBP | 1.87% | 21,548.513 | 12.53 | 11.50 | |
| Franklin Mutual European – B(acc) – USD | 3.11% | 4,246,185.481 | 22.83 | 19.67 | 16.18 |
| Franklin Mutual European – C(acc) | 2.47% | 28,095.645 | 17.94 | 15.90 | |
| Franklin Mutual European – C(acc) – USD | 2.46% | 1,800,138.820 | 23.67 | 20.33 | 16.61 |
| Franklin Mutual European – I(acc) | 0.99% | 16,888,546.673 | 16.07 | 14.13 | 12.03 |
| Franklin Mutual European – I(dis) | 1.00% | 338.753 | 16.07 | | |
| Franklin Mutual European – N(acc) | 2.61% | 21,380,962.428 | 16.78 | 14.88 | 12.88 |
| Franklin Mutual European – N(acc) – USD | 2.61% | 2,268,440.222 | 22.05 | 18.95 | 15.51 |
| **Franklin Mutual Global Discovery Fund – USD** | | | | | |
| Franklin Mutual Global Discovery – A(acc) | 1.85% | 4,854,387.602 | 12.43 | 11.13 | |
| Franklin Mutual Global Discovery – A(acc) – EUR | 1.84% | 2,262,180.660 | 11.39 | 10.52 | |
| Franklin Mutual Global Discovery – A(dis) – EUR | 1.84% | 22,818.802 | 16.58 | | |
| Franklin Mutual Global Discovery – A(dis) – GBP | 1.86% | 94,559.445 | 11.17 | 10.74 | |
| Franklin Mutual Global Discovery – B(acc) | 3.10% | 773,426.818 | 12.25 | 11.03 | |
| Franklin Mutual Global Discovery – C(acc) | 2.45% | 2,436,332.651 | 12.34 | 11.08 | |
| Franklin Mutual Global Discovery – I(acc) | 0.95% | 2,016,949.296 | 12.57 | 11.20 | |
| Franklin Mutual Global Discovery – I(acc) – EUR | 0.94% | 1,104,274.057 | 11.51 | 10.59 | |
| Franklin Mutual Global Discovery – I(dis) – EUR | 0.96% | 457.457 | 11.52 | | |
| Franklin Mutual Global Discovery – N(acc) | 2.61% | 623,533.576 | 12.32 | 11.07 | |
| Franklin Mutual Global Discovery – N(acc) – EUR | 2.59% | 808,592.827 | 11.27 | 10.45 | |

## STATISTICAL INFORMATION (continued)

All classes in base currency unless otherwise stated

| | Total Expense Ratio December 31, 2006 (see Note 17) | Shares Outstanding December 31, 2006 | Net Asset Value per Share December 31, 2006 | June 30, 2006 | June 30, 2005 |
|---|---|---|---|---|---|
| **Franklin Templeton Global Growth and Value Fund – USD** | | | | | |
| Franklin Templeton Global Growth and Value – A(acc) | 1.92% | 1,321,207.904 | 19.29 | 16.60 | 14.10 |
| Franklin Templeton Global Growth and Value – B(acc) | 3.17% | 102,350.281 | 18.25 | 15.80 | 13.59 |
| Franklin Templeton Global Growth and Value – C(acc) | 2.51% | 77,696.628 | 18.61 | 16.07 | 13.72 |
| Franklin Templeton Global Growth and Value – I(acc) | 0.98% | 500.000 | 19.83 | 16.99 | 14.29 |
| Franklin Templeton Global Growth and Value – N(acc) | 2.67% | 196,767.902 | 18.63 | 16.09 | 13.77 |
| **Franklin Templeton Japan Fund – JPY** | | | | | |
| Franklin Templeton Japan – A(acc) | 1.89% | 26,904,109.351 | 1,154.21 | 1,075.11 | 792.90 |
| Franklin Templeton Japan – A(acc) – EUR | 1.89% | 1,868,401.786 | 7.35 | 7.34 | |
| Franklin Templeton Japan – A(acc) – USD | 1.90% | 5,136,288.932 | 9.70 | 9.40 | |
| Franklin Templeton Japan – A(dis) – EUR | 1.92% | 677.507 | 7.36 | | |
| Franklin Templeton Japan – A(dis) – GBP | 1.90% | 13,124.190 | 4.95 | 5.08 | |
| Franklin Templeton Japan – C(acc) – USD | 2.50% | 473,605.407 | 11.30 | 10.98 | |
| Franklin Templeton Japan – I(acc) – EUR | 0.99% | 4,381,560.536 | 10.52 | 10.47 | |
| Franklin Templeton Japan – I(acc) – USD | 0.95% | 391,147.212 | 11.49 | 11.08 | |
| Franklin Templeton Japan – N(acc) – EUR | 2.65% | 8,726,181.604 | 6.97 | 6.99 | 5.67 |
| **Templeton Absolute Return (Euro) Fund – EUR*** | | | | | |
| Templeton Absolute Return (Euro) Fund – A(acc) | 1.14% | 2,082,291.885 | 10.09 | | |
| Templeton Absolute Return (Euro) Fund – I(acc) | 0.58% | 249,750.000 | 10.10 | | |
| Templeton Absolute Return (Euro) Fund – N(acc) | 2.00% | 500.000 | 10.08 | | |
| **Templeton Asian Bond Fund – USD** | | | | | |
| Templeton Asian Bond – A(acc) | 1.38% | 6,205,041.689 | 12.18 | 11.12 | |
| Templeton Asian Bond – A(acc) – EUR | 1.37% | 7,504,279.470 | 11.16 | 10.52 | |
| Templeton Asian Bond – A(dis) | 1.38% | 4,715,649.405 | 11.72 | 10.93 | |
| Templeton Asian Bond – A(dis) – EUR | 1.37% | 2,063.340 | 8.91 | | |
| Templeton Asian Bond – B(dis) | 2.83% | 950,155.833 | 11.70 | 10.91 | |
| Templeton Asian Bond – C(dis) | 2.18% | 1,459,942.026 | 11.70 | 10.91 | |
| Templeton Asian Bond – I(acc) | 0.83% | 4,539,025.363 | 12.25 | 11.16 | |
| Templeton Asian Bond – I(dis) – EUR | 0.84% | 558.659 | 9.19 | | |
| Templeton Asian Bond – N(acc) | 2.08% | 556,130.052 | 12.08 | 11.07 | |
| Templeton Asian Bond – N(acc) – EUR | 2.08% | 291,760.551 | 11.06 | 10.47 | |
| Templeton Asian Bond – N(dis) | 2.08% | 93,384.952 | 11.71 | 10.92 | |
| **Templeton Asian Growth Fund – USD** | | | | | |
| Templeton Asian Growth – A(acc) | 2.27% | 103,878,941.984 | 20.91 | 16.75 | 13.21 |
| Templeton Asian Growth – A(acc) – EUR | 2.27% | 3,679,770.324 | 15.81 | 13.07 | |
| Templeton Asian Growth – A(dis) – EUR | 2.27% | 4,041,137.874 | 15.20 | 12.69 | |
| Templeton Asian Growth – A(dis) – GBP | 2.27% | 155,159.495 | 10.24 | 8.77 | |
| Templeton Asian Growth – A(dis) | 2.27% | 87,666,626.203 | 20.03 | 16.23 | 12.92 |
| Templeton Asian Growth – C(acc) | 2.87% | 5,086,009.700 | 18.66 | 15.00 | 11.89 |
| Templeton Asian Growth – I(acc) | 1.20% | 39,643,385.870 | 19.57 | 15.59 | 12.17 |
| Templeton Asian Growth – I(acc) – EUR | 1.20% | 9,755,010.696 | 14.82 | 12.19 | 10.05 |
| Templeton Asian Growth – N(acc) | 2.77% | 7,347,576.102 | 29.81 | 23.94 | 18.97 |
| Templeton Asian Growth – N(acc) – EUR | 2.86% | 13,380.344 | 22.58 | | |
| **Templeton BRIC Fund – USD** | | | | | |
| Templeton BRIC – A(acc) | 2.47% | 50,940,256.030 | 16.37 | 12.93 | |
| Templeton BRIC – A(acc) – EUR | 2.45% | 5,364,304.723 | 15.01 | 12.22 | |
| Templeton BRIC – A(dis) – EUR | 2.39% | 14,104.429 | 22.04 | | |
| Templeton BRIC – A(dis) – GBP | 2.47% | 455,783.033 | 14.85 | 12.47 | |
| Templeton BRIC – B(acc) | 3.72% | 7,511,630.838 | 16.14 | 12.82 | |
| Templeton BRIC – C(acc) | 3.07% | 5,127,031.565 | 16.26 | 12.88 | |
| Templeton BRIC – I(acc) | 1.37% | 258,456.029 | 16.58 | 13.02 | |
| Templeton BRIC – N(acc) | 2.93% | 4,932,711.967 | 16.28 | 12.88 | |
| Templeton BRIC – N(acc) – EUR | 2.94% | 2,038,459.809 | 14.92 | 12.18 | |
| **Templeton China Fund – USD** | | | | | |
| Templeton China – A(acc) | 2.49% | 68,202,196.101 | 16.85 | 13.10 | 10.78 |
| Templeton China – A(dis) – EUR | 2.57% | 32,952.381 | 12.70 | | |
| Templeton China – A(dis) – GBP | 2.49% | 14,255.031 | 8.56 | 7.07 | |
| Templeton China – C(acc) | 3.18% | 541,923.247 | 12.53 | | |
| Templeton China – I(acc) | 1.40% | 1,581,669.077 | 18.53 | 14.32 | 11.67 |
| Templeton China – N(acc) | 2.99% | 2,744,421.466 | 17.28 | 13.46 | 11.14 |

*The above funds launched during the current period.

## STATISTICAL INFORMATION (continued)

All classes in base currency unless otherwise stated

| | Total Expense Ratio December 31, 2006 (see Note 17) | Shares Outstanding December 31, 2006 | Net Asset Value per Share December 31, 2006 | Net Asset Value per Share June 30, 2006 | Net Asset Value per Share June 30, 2005 |
|---|---|---|---|---|---|
| **Templeton Eastern Europe Fund – EUR** | | | | | |
| Templeton Eastern Europe – A(acc) | 2.69% | 35,248,559.232 | 33.70 | 28.48 | 21.78 |
| Templeton Eastern Europe – A(acc) – USD | 2.69% | 1,633,211.963 | 44.47 | 36.42 | |
| Templeton Eastern Europe – A(dis) | 2.69% | 66,073.776 | 33.53 | 28.47 | |
| Templeton Eastern Europe – A(dis) – GBP | 2.71% | 8,341.053 | 22.61 | 19.70 | |
| Templeton Eastern Europe – B(acc) – USD | 3.97% | 24,158.195 | 11.12 | | |
| Templeton Eastern Europe – C(acc) | 3.29% | 45,392.647 | 13.88 | 11.76 | |
| Templeton Eastern Europe – C(acc) – USD | 3.29% | 885,971.359 | 15.14 | 12.43 | |
| Templeton Eastern Europe – I(acc) | 1.39% | 6,390,959.903 | 22.13 | 18.58 | 14.04 |
| Templeton Eastern Europe – N(acc) | 3.19% | 4,620,540.469 | 32.41 | 27.46 | 21.10 |
| **Templeton Emerging Markets Fund – USD** | | | | | |
| Templeton Emerging Markets – A(acc) | 2.57% | 18,656,766.951 | 33.16 | 27.55 | 21.82 |
| Templeton Emerging Markets – A(dis) | 2.57% | 17,638,441.413 | 32.53 | 27.20 | 21.60 |
| Templeton Emerging Markets – B(acc) | 3.81% | 8,996,431.308 | 17.52 | 14.65 | 11.75 |
| Templeton Emerging Markets – C(acc) | 3.17% | 1,015,919.466 | 29.44 | 24.54 | 19.55 |
| Templeton Emerging Markets – I(acc) | 1.39% | 783,448.204 | 19.91 | 16.44 | 12.88 |
| Templeton Emerging Markets – N(acc) | 3.07% | 3,094,380.703 | 18.52 | 15.43 | 12.28 |
| Templeton Emerging Markets – N(acc) – EUR | 3.06% | 977,940.868 | 14.05 | 12.07 | 10.16 |
| **Templeton Emerging Markets Bond Fund – USD** | | | | | |
| Templeton Emerging Markets Bond – A(dis) | 1.94% | 30,163,999.339 | 17.17 | 15.76 | 15.48 |
| Templeton Emerging Markets Bond – A(dis) – EUR | 1.94% | 1,288,796.712 | 13.00 | 12.32 | 12.79 |
| Templeton Emerging Markets Bond – B(dis) | 3.20% | 5,165,334.360 | 15.52 | 14.25 | 14.00 |
| Templeton Emerging Markets Bond – C(acc) | 2.54% | 820,245.264 | 16.79 | 15.10 | 14.28 |
| Templeton Emerging Markets Bond – I(acc) | 1.00% | 1,267,001.330 | 13.50 | 12.05 | 11.22 |
| Templeton Emerging Markets Bond – I(dis) | 1.00% | 395.257 | 13.44 | | |
| Templeton Emerging Markets Bond – N(acc) | 2.44% | 1,135,611.469 | 20.19 | 18.15 | 17.15 |
| **Templeton Euro Liquid Reserve Fund – EUR** | | | | | |
| Templeton Euro Liquid Reserve – A(acc) | 0.90% | 4,509,215.577 | 5.25 | 5.19 | 5.13 |
| Templeton Euro Liquid Reserve – A(dis) | 0.90% | 6,443,275.277 | 4.60 | 4.60 | 4.58 |
| Templeton Euro Liquid Reserve – N(acc) | 1.79% | 1,208,652.312 | 10.46 | 10.39 | 10.37 |
| **Templeton Euroland Fund – EUR** | | | | | |
| Templeton Euroland – A(acc) | 1.87% | 45,466,660.646 | 19.02 | 16.57 | 14.48 |
| Templeton Euroland – A(dis) | 1.89% | 30,744.391 | 19.01 | 16.57 | |
| Templeton Euroland – B(acc) – USD | 3.10% | 500.000 | 11.34 | | |
| Templeton Euroland – C(acc) | 2.46% | 6,097.428 | 12.81 | 11.20 | |
| Templeton Euroland – C(acc) – USD | 2.46% | 336.022 | 16.91 | | |
| Templeton Euroland – I(acc) | 1.00% | 11,031,337.451 | 16.28 | 14.13 | 12.24 |
| Templeton Euroland – I(dis) | 1.00% | 341.064 | 16.28 | | |
| Templeton Euroland – N(acc) | 2.61% | 4,285,269.317 | 11.99 | 10.49 | 9.23 |
| **Templeton Euroland Bond Fund – EUR** | | | | | |
| Templeton Euroland Bond – A(dis) | 1.39% | 1,344,089.212 | 9.82 | 9.86 | 10.30 |
| Templeton Euroland Bond – I(acc) | 0.75% | 90,788.800 | 10.78 | 10.54 | 10.78 |
| Templeton Euroland Bond – N(acc) | 2.10% | 372,813.629 | 10.49 | 10.33 | 10.71 |
| **Templeton European Fund – EUR** | | | | | |
| Templeton European – A(acc) | 1.90% | 7,154,016.976 | 19.62 | 17.42 | 15.18 |
| Templeton European – A(acc) – USD | 1.90% | 1,751,451.688 | 25.86 | 22.26 | 18.35 |
| Templeton European – A(dis) | 1.92% | 24,832.839 | 18.55 | 16.76 | |
| Templeton European – A(dis) – USD | 1.90% | 6,238,464.988 | 24.60 | 21.45 | 17.83 |
| Templeton European – C(acc) | 2.51% | 500.000 | 12.51 | 11.15 | |
| Templeton European – C(acc) – USD | 2.58% | 3,295.725 | 16.52 | | |
| Templeton European – I(acc) | 1.00% | 1,507,745.944 | 15.77 | 13.95 | 12.05 |
| Templeton European – N(acc) | 2.65% | 755,532.091 | 19.00 | 16.94 | 14.88 |
| Templeton European – N(acc) – USD | 2.65% | 503,880.597 | 25.14 | 21.72 | 18.04 |

## STATISTICAL INFORMATION (continued)

All classes in base currency unless otherwise stated

| | Total Expense Ratio December 31, 2006 (see Note 17) | Shares Outstanding December 31, 2006 | Net Asset Value per Share December 31, 2006 | Net Asset Value per Share June 30, 2006 | Net Asset Value per Share June 30, 2005 |
|---|---|---|---|---|---|
| **Templeton European Total Return Fund – EUR** | | | | | |
| Templeton European Total Return – A(acc) | 1.10% | 31,286,620.076 | 11.37 | 10.95 | 11.25 |
| Templeton European Total Return – A(dis) | 1.10% | 2,962,504.302 | 10.29 | 10.07 | 10.62 |
| Templeton European Total Return – A(dis) – GBP | 1.10% | 10,799.324 | 6.95 | 6.98 | |
| Templeton European Total Return – A(dis) – USD | 1.10% | 81,582.525 | 13.61 | 12.90 | |
| Templeton European Total Return – C(acc) | 1.89% | 500.000 | 9.98 | 9.65 | |
| Templeton European Total Return – C(dis) – USD | 1.90% | 8,264.435 | 10.65 | 10.09 | |
| Templeton European Total Return – I(acc) | 0.84% | 4,722,911.644 | 10.84 | 10.43 | 10.68 |
| Templeton European Total Return – I(dis) | 0.85% | 168,875.604 | 10.74 | | |
| Templeton European Total Return – N(acc) | 1.79% | 16,115,603.983 | 11.10 | 10.73 | 11.10 |
| **Templeton Global Fund – USD** | | | | | |
| Templeton Global – A(acc) | 1.88% | 15,659,915.455 | 33.22 | 28.42 | 24.61 |
| Templeton Global – A(dis) | 1.88% | 23,706,307.796 | 31.79 | 27.46 | 23.92 |
| Templeton Global – B(acc) | 3.13% | 3,694,219.060 | 22.10 | 19.02 | 16.69 |
| Templeton Global – C(acc) | 2.48% | 1,561,318.426 | 19.95 | 17.12 | 14.92 |
| Templeton Global – I(acc) | 0.99% | 10,176,885.057 | 17.70 | 15.07 | 12.94 |
| Templeton Global – N(acc) | 2.63% | 3,668,083.926 | 22.91 | 19.67 | 17.17 |
| **Templeton Global (Euro) Fund – EUR** | | | | | |
| Templeton Global (Euro) – A(acc) | 1.90% | 6,278,241.402 | 16.50 | 14.69 | 13.34 |
| Templeton Global (Euro) – A(dis) | 1.90% | 50,826,627.070 | 15.96 | 14.34 | 13.10 |
| Templeton Global (Euro) – B(acc) – USD | 3.16% | 500.000 | 11.05 | | |
| Templeton Global (Euro) – I(acc) | 0.99% | 969,797.380 | 14.85 | 13.16 | 11.83 |
| Templeton Global (Euro) – I(acc) hedged | 1.00% | 1,922,585.343 | 14.88 | | |
| Templeton Global (Euro) – N(acc) | 2.65% | 300,709.846 | 14.54 | 12.99 | 11.88 |
| **Templeton Global Balanced Fund – USD** | | | | | |
| Templeton Global Balanced – A(acc) | 1.67% | 14,645,015.998 | 22.51 | 20.17 | 18.06 |
| Templeton Global Balanced – A(acc) – EUR | 1.67% | 506,467.291 | 17.05 | 15.77 | 14.93 |
| Templeton Global Balanced – A(dis) | 1.67% | 12,188,939.546 | 20.78 | 18.78 | 17.02 |
| Templeton Global Balanced – B(acc) | 2.92% | 10,019,913.726 | 15.94 | 14.38 | 13.04 |
| Templeton Global Balanced – C(dis) | 2.28% | 1,523,868.706 | 12.22 | 11.05 | |
| Templeton Global Balanced – I(acc) | 0.90% | 531,133.498 | 11.64 | 10.39 | |
| Templeton Global Balanced – N(acc) – EUR | 2.17% | 2,041,007.399 | 12.58 | 11.66 | 11.10 |
| **Templeton Global Bond Fund – USD** | | | | | |
| Templeton Global Bond – A(acc) | 1.47% | 4,694,364.222 | 15.93 | 14.84 | |
| Templeton Global Bond – A(acc) – EUR | 1.46% | 95,598,042.201 | 12.07 | 11.60 | 11.63 |
| Templeton Global Bond – A(dis) | 1.46% | 111,029,152.193 | 14.77 | 13.99 | 13.65 |
| Templeton Global Bond – A(dis) – EUR | 1.46% | 17,989,203.460 | 11.20 | 10.95 | 11.29 |
| Templeton Global Bond – A(dis) – GBP | 1.53% | 515,867.559 | 7.55 | 7.58 | |
| Templeton Global Bond – AX(acc) | 1.66% | 7,905,491.508 | 12.24 | 11.41 | 10.85 |
| Templeton Global Bond – B(dis) | 2.91% | 17,704,655.980 | 15.47 | 14.65 | 14.29 |
| Templeton Global Bond – C(dis) | 2.26% | 14,447,526.291 | 11.34 | 10.74 | 10.48 |
| Templeton Global Bond – I(acc) | 0.85% | 17,342,301.758 | 12.60 | 11.70 | 11.03 |
| Templeton Global Bond – I(acc) – EUR | 0.85% | 38,028,333.796 | 9.48 | 9.08 | 9.12 |
| Templeton Global Bond – I(dis) – EUR | 0.78% | 1,147,541.126 | 9.38 | | |
| Templeton Global Bond – N(acc) | 2.16% | 11,278,505.041 | 16.49 | 15.41 | 14.72 |
| Templeton Global Bond – N(acc) – EUR | 2.24% | 4,272.000 | 12.48 | | |
| **Templeton Global Bond (Euro) Fund – EUR** | | | | | |
| Templeton Global Bond (Euro) – A(acc) | 1.35% | 14,396,881.500 | 11.09 | 10.59 | 10.92 |
| Templeton Global Bond (Euro) – A(dis) | 1.34% | 1,865,521.658 | 10.16 | 10.02 | 10.52 |
| Templeton Global Bond (Euro) – B(acc) – USD | 2.80% | 500.000 | 10.44 | | |
| Templeton Global Bond (Euro) – I(acc) | 0.83% | 70,770.739 | 10.84 | 10.32 | 10.60 |
| Templeton Global Bond (Euro) – N(acc) | 2.04% | 2,867,319.810 | 10.84 | 10.38 | 10.79 |
| **Templeton Global Equity Income Fund – USD** | | | | | |
| Templeton Global Equity Income – A(acc) | 1.50% | 4,454,259.838 | 13.34 | 11.54 | 10.09 |
| Templeton Global Equity Income – A(acc) – EUR | 1.50% | 14,912.407 | 12.71 | 11.34 | 10.48 |
| Templeton Global Equity Income – A(dis) | 1.50% | 11,919,203.311 | 12.95 | 11.42 | 10.09 |
| Templeton Global Equity Income – B(dis) | 2.75% | 987,591.056 | 12.90 | 11.33 | 10.08 |
| Templeton Global Equity Income – C(dis) | 2.10% | 32,731.788 | 12.93 | 11.35 | 10.08 |
| Templeton Global Equity Income – I(acc) | 0.99% | 500.000 | 13.45 | 11.60 | 10.09 |
| Templeton Global Equity Income – N(acc) | 2.25% | 59,106.305 | 13.18 | 11.44 | 10.08 |

## STATISTICAL INFORMATION (continued)

All classes in base currency unless otherwise stated

| | Total Expense Ratio December 31, 2006 (see Note 17) | Shares Outstanding December 31, 2006 | Net Asset Value per Share December 31, 2006 | Net Asset Value per Share June 30, 2006 | Net Asset Value per Share June 30, 2005 |
|---|---|---|---|---|---|
| **Templeton Global Income Fund – USD** | | | | | |
| Templeton Global Income – A(acc) | 1.50% | 2,673,337.857 | 12.68 | 11.04 | 10.00 |
| Templeton Global Income – A(acc) – EUR | 1.50% | 48,969.766 | 12.09 | 10.86 | 10.38 |
| Templeton Global Income – A(dis) | 1.50% | 5,994,976.304 | 12.23 | 10.87 | 10.00 |
| Templeton Global Income – B(dis) | 2.74% | 876,083.513 | 12.14 | 10.81 | 9.99 |
| Templeton Global Income – C(dis) | 2.10% | 264,133.626 | 12.15 | 10.82 | 9.98 |
| Templeton Global Income – I(acc) | 0.89% | 479,735.692 | 12.79 | 11.10 | 10.00 |
| Templeton Global Income – N(acc) | 2.00% | 239,328.809 | 12.56 | 10.96 | 9.99 |
| **Templeton Global Smaller Companies Fund – USD** | | | | | |
| Templeton Global Smaller Companies – A(acc) | 1.89% | 4,117,724.786 | 39.08 | 33.30 | 28.69 |
| Templeton Global Smaller Companies – A(dis) | 1.89% | 4,415,063.865 | 38.09 | 32.48 | 28.10 |
| Templeton Global Smaller Companies – B(acc) | 3.22% | 971.254 | 11.49 | | |
| Templeton Global Smaller Companies – C(acc) – EUR | 2.50% | 1,203.398 | 12.20 | 10.76 | |
| Templeton Global Smaller Companies – C(dis) | 2.54% | 13,551.472 | 16.11 | | |
| Templeton Global Smaller Companies – I(acc) | 1.00% | 804,731.727 | 16.48 | 13.98 | 11.94 |
| Templeton Global Smaller Companies – N(acc) | 2.64% | 600,325.180 | 27.69 | 23.68 | 20.55 |
| **Templeton Global Total Return Fund – USD** | | | | | |
| Templeton Global Total Return – A(acc) | 1.35% | 22,983,965.317 | 14.49 | 13.20 | 12.30 |
| Templeton Global Total Return – A(acc) – EUR | 1.35% | 228,179.454 | 10.97 | | |
| Templeton Global Total Return – A(dis) | 1.35% | 10,313,104.030 | 12.66 | 11.79 | 11.43 |
| Templeton Global Total Return – A(dis) – EUR | 1.35% | 820,368.082 | 9.62 | 9.25 | |
| Templeton Global Total Return – A(dis) – GBP | 1.33% | 769.231 | 6.49 | | |
| Templeton Global Total Return – B(acc) | 2.80% | 214,700.502 | 13.81 | 12.67 | 11.98 |
| Templeton Global Total Return – B(dis) | 2.80% | 537,213.101 | 12.64 | 11.78 | 11.42 |
| Templeton Global Total Return – C(dis) | 1.90% | 243,623.504 | 11.26 | 10.49 | |
| Templeton Global Total Return – I(acc) | 0.84% | 2,666,946.806 | 13.13 | 11.93 | 11.06 |
| Templeton Global Total Return – I(acc) – EUR | 0.85% | 2,803,320.833 | 9.95 | | |
| Templeton Global Total Return – I(dis) – CHF | 0.85% | 1,684.000 | 15.13 | 14.14 | |
| Templeton Global Total Return – I(dis) – EUR | 0.85% | 541.712 | 9.45 | | |
| Templeton Global Total Return – N(acc) | 2.04% | 7,728,891.261 | 14.16 | 12.94 | 12.14 |
| Templeton Global Total Return – N(acc) – EUR | 2.05% | 2,473.148 | 10.72 | | |
| **Templeton Growth (Euro) Fund – EUR** | | | | | |
| Templeton Growth (Euro) – A(acc) | 1.88% | 481,345,516.501 | 12.47 | 11.29 | 10.49 |
| Templeton Growth (Euro) – A(dis) | 1.88% | 23,484,352.705 | 13.52 | 12.28 | 11.47 |
| Templeton Growth (Euro) – A(dis) – USD | 1.91% | 267,471.227 | 17.84 | | |
| Templeton Growth (Euro) – C(acc) | 2.53% | 500.000 | 10.63 | | |
| Templeton Growth (Euro) – I(acc) | 0.98% | 88,659,872.105 | 12.99 | 11.71 | 10.78 |
| Templeton Growth (Euro) – I(dis) | 0.98% | 11,306,550.189 | 12.74 | 11.62 | 10.78 |
| Templeton Growth (Euro) – I(dis) – USD | 0.97% | 355.619 | 16.88 | 14.87 | |
| Templeton Growth (Euro) – N(acc) | 2.62% | 3,841,699.898 | 11.83 | 10.75 | 10.06 |
| **Templeton Japan Fund – USD** | | | | | |
| Templeton Japan – A(acc) | 1.97% | 11,209,479.632 | 6.79 | 6.61 | 5.80 |
| Templeton Japan – N(acc) | 2.46% | 671,147.784 | 11.88 | 11.59 | 10.22 |
| **Templeton Korea Fund – USD** | | | | | |
| Templeton Korea – A(acc) | 2.56% | 21,425,107.925 | 6.07 | 5.54 | 4.38 |
| Templeton Korea – C(acc) | 3.12% | 9,755.024 | 10.79 | | |
| Templeton Korea – I(acc) | 1.39% | 500.000 | 10.86 | | |
| Templeton Korea N(acc) | 3.07% | 302,078.333 | 16.94 | 15.53 | 12.31 |
| **Templeton Latin America Fund – USD** | | | | | |
| Templeton Latin America – A(acc) | 2.35% | 3,650,081.078 | 60.24 | 44.91 | 29.49 |
| Templeton Latin America – A(dis) | 2.35% | 8,284,520.060 | 57.20 | 43.37 | 28.82 |
| Templeton Latin America – A(dis) – EUR | 2.36% | 5,922.416 | 43.34 | | |
| Templeton Latin America – A(dis) – GBP | 2.35% | 544.633 | 29.37 | 23.44 | |
| Templeton Latin America – B(acc) | 3.63% | 39,051.595 | 12.27 | | |
| Templeton Latin America – C(acc) | 2.99% | 16,097.576 | 12.30 | | |
| Templeton Latin America – I(acc) | 1.25% | 2,783,335.808 | 17.59 | 13.04 | |
| Templeton Latin America – N(acc) | 2.85% | 2,226,468.534 | 32.49 | 24.29 | 16.03 |

## STATISTICAL INFORMATION (continued)

All classes in base currency unless otherwise stated

| | Total Expense Ratio December 31, 2006 (see Note 17) | Shares Outstanding December 31, 2006 | Net Asset Value per Share December 31, 2006 | June 30, 2006 | June 30, 2005 |
|---|---|---|---|---|---|
| **Templeton Thailand Fund – USD** | | | | | |
| Templeton Thailand – A(acc) | 2.53% | 21,451,426.239 | 9.39 | 8.66 | 7.68 |
| Templeton Thailand – B(acc) | 3.79% | 4,866.296 | 10.10 | | |
| Templeton Thailand N(acc) | 3.03% | 191,595.551 | 12.24 | 11.31 | 10.09 |
| **Templeton U.S. Dollar Liquid Reserve Fund – USD** | | | | | |
| Templeton U.S. Dollar Liquid Reserve A(acc) | 0.84% | 2,016,433.544 | 11.03 | 10.79 | 10.44 |
| Templeton U.S. Dollar Liquid Reserve A(dis) | 0.84% | 4,666,193.167 | 9.81 | 9.81 | 9.79 |
| Templeton U.S. Dollar Liquid Reserve B(dis) | 1.84% | 1,353,317.717 | 9.88 | 9.88 | 9.86 |
| Templeton U.S. Dollar Liquid Reserve C(acc) | 1.84% | 497,305.661 | 10.37 | 10.20 | 9.97 |
| Templeton U.S. Dollar Liquid Reserve – N(acc) | 1.74% | 2,196,809.752 | 10.85 | 10.66 | 10.41 |
| **Templeton U.S. Value Fund – USD** | | | | | |
| Templeton U.S. Value – A(acc) | 1.89% | 850,443.545 | 15.03 | 13.26 | 12.13 |
| Templeton U.S. Value – A(dis) – GBP | 1.94% | 641.026 | 7.67 | | |
| Templeton U.S. Value – B(acc) | 3.15% | 27,992.810 | 14.41 | 12.80 | 11.85 |
| Templeton U.S. Value – C(acc) | 2.50% | 18,375.599 | 14.70 | 13.01 | 11.97 |
| Templeton U.S. Value – I(acc) | 0.95% | 84,362.000 | 15.41 | 13.53 | 12.27 |
| Templeton U.S. Value – N(acc) | 2.64% | 88,133.864 | 14.66 | 12.99 | 11.97 |

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED DECEMBER 31, 2006

| | TOTAL (USD) | Franklin Aggressive Growth Fund (USD) | Franklin Asian Flex Cap Fund (USD) | Franklin Biotechnology Discovery Fund (USD) | Franklin European Growth Fund (EUR) |
|---|---|---|---|---|---|
| **NET ASSETS AT THE BEGINNING OF THE PERIOD** | 42,168,720,181 | 600,555,020 | 0 | 79,128,385 | 14,898,206 |
| Currency translation adjustment | 537,502,049 | 0 | 0 | 0 | 0 |
| | 42,706,222,230 | 600,555,020 | 0 | 79,128,385 | 14,898,206 |
| **INCOME** | | | | | |
| Dividends (net of withholding taxes) | 275,145,563 | 619,568 | 4,137 | 0 | 60,022 |
| Interest on bonds (net of withholding taxes) | 350,674,946 | 582,841 | 0 | 103,688 | 0 |
| Dividends on collateral (note 2 (k) and note 9) | 6,319,928 | 0 | 0 | 0 | 0 |
| Bank interest | 37,405,306 | 475 | 13,223 | 58 | 15,068 |
| Sundry income | 2,258,894 | 3,375 | 0 | 13,737 | 0 |
| **TOTAL INCOME** | 671,804,637 | 1,206,259 | 17,360 | 117,483 | 75,090 |
| **EXPENSES** | | | | | |
| Investment management fees (note 3) | 236,874,884 | 2,430,407 | 7,177 | 395,689 | 87,357 |
| Administration and transfer agency fees | 54,706,322 | 547,258 | 1,659 | 177,131 | 31,839 |
| Subscription tax (note 10) | 10,888,087 | 105,628 | 650 | 19,566 | 4,850 |
| Custodian fees | 13,840,805 | 27,923 | 506 | 4,232 | 4,994 |
| Audit, printing and publishing expenses | 4,227,999 | 49,181 | 126 | 7,840 | 1,384 |
| Bank charges | 294,833 | 12,517 | 0 | 83 | 0 |
| Class A(dis) and Class A(acc) shares' maintenance charges (note 13) | 83,850,128 | 1,035,805 | 2,326 | 163,552 | 33,072 |
| Class AX(acc) shares' maintenance charges (note 13) | 306,242 | 0 | 0 | 0 | 0 |
| Class B(dis) and Class B(acc) shares' maintenance and service charges (note 13) | 14,465,795 | 72,121 | 1,274 | 59,724 | 0 |
| Class C(dis) and Class C(acc) shares' maintenance and service charges (note 13) | 3,629,737 | 39 | 0 | 55 | 0 |
| Class N(dis) and Class N(acc) shares' distribution charges (note 13) | 15,197,427 | 50,688 | 0 | 42,984 | 26,483 |
| Other charges | 6,662,826 | 72,817 | 213 | 11,661 | 2,232 |
| Total expenses | 444,945,085 | 4,404,384 | 13,931 | 882,517 | 192,211 |
| Expenses reimbursement (note 16) | (3,341,637) | (402) | (214) | 0 | 0 |
| Net expenses | 441,603,448 | 4,403,982 | 13,717 | 882,517 | 192,211 |
| **NET PROFIT/(LOSS) FROM INVESTMENTS** | 230,201,189 | (3,197,723) | 3,643 | (765,034) | (117,121) |
| Net realised profit/(loss) on sale of investments | 985,185,915 | (9,333,003) | 10,947 | 4,532,232 | 1,078,718 |
| Net realised profit/(loss) on forward foreign exchange contracts | (13,747,381) | 0 | 0 | 0 | 0 |
| Net realised profit/(loss) on foreign exchange transactions | (5,177,917) | 32,866 | (6,399) | 10,293 | 935 |
| Capital gains tax paid | (677,929) | 0 | 0 | 0 | 0 |
| **NET REALISED PROFIT/(LOSS) FOR THE PERIOD** | 1,195,783,877 | (12,497,860) | 8,191 | 3,777,491 | 962,532 |
| Change in net unrealised appreciation/(depreciation) on: | | | | | |
| Investments | 4,649,736,539 | 24,365,792 | 333,222 | 5,140,830 | 1,849,519 |
| Forward foreign exchange contracts | (25,080,737) | 0 | 0 | 0 | 0 |
| Foreign exchange transactions | 1,326,583 | (57) | (803) | 0 | 389 |
| **NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS** | 5,821,766,263 | 11,867,875 | 340,610 | 8,918,321 | 2,812,440 |
| **MOVEMENT OF CAPITAL** | | | | | |
| Issue of shares | 13,894,195,642 | 180,208,886 | 7,954,652 | 8,721,705 | 8,942,366 |
| Redemption of shares | (10,107,719,555) | (349,492,657) | (2,174) | (17,841,937) | (3,346,748) |
| Equalisation (note 12) | 12,310,933 | 0 | 1,428 | 0 | 0 |
| | 3,798,787,020 | (169,283,771) | 7,953,906 | (9,120,232) | 5,595,618 |
| Dividends paid/accumulated | (497,548,466) | 0 | 0 | 0 | (57) |
| **NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL** | 3,301,238,554 | (169,283,771) | 7,953,906 | (9,120,232) | 5,595,561 |
| **NET ASSETS AT THE END OF THE PERIOD** | 51,829,227,047 | 443,139,124 | 8,294,516 | 78,926,474 | 23,306,207 |
| Portfolio Turnover Ratio (note 21) | | 251.66% | (57.35)% | 68.77% | 0.23% |

The accompanying notes form an integral

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED DECEMBER 31, 2006 (continued)

| Franklin European Small-Mid Cap Growth Fund (EUR) | Franklin Global Growth Fund (USD) | Franklin Global Real Estate (Euro) Fund (EUR) | Franklin Global Real Estate (USD) Fund (USD) | Franklin Global Small-Mid Cap Growth Fund (USD) | Franklin High Yield Fund (USD) | Franklin High Yield (Euro) Fund (EUR) |
|---|---|---|---|---|---|---|
| 43,356,265 | 32,801,342 | 48,376,874 | 28,915,199 | 17,498,174 | 2,725,724,124 | 204,572,004 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 43,356,265 | 32,801,342 | 48,376,874 | 28,915,199 | 17,498,174 | 2,725,724,124 | 204,572,004 |
| 252,603 | 161,936 | 1,013,420 | 600,266 | 57,731 | 1,555 | 0 |
| 0 | 0 | 0 | 0 | 0 | 105,951,714 | 9,004,965 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 82,607 | 28,893 | 19,237 | 6,006 | 23,034 | 2,469,832 | 214,246 |
| 1,046 | 0 | 0 | 0 | 355 | 538,130 | 148,137 |
| 336,256 | 190,829 | 1,032,657 | 606,272 | 81,120 | 108,961,231 | 9,367,348 |
| 335,734 | 150,184 | 263,414 | 154,676 | 80,964 | 11,365,771 | 942,862 |
| 90,141 | 42,608 | 66,335 | 41,859 | 29,470 | 3,123,175 | 278,812 |
| 17,726 | 8,053 | 10,668 | 6,193 | 3,988 | 706,739 | 53,897 |
| 7,749 | 4,993 | 4,784 | 2,534 | 1,992 | 109,893 | 17,813 |
| 4,854 | 3,055 | 4,518 | 2,873 | 1,508 | 275,418 | 20,338 |
| 0 | 0 | 2,220 | 0 | 0 | 0 | 10,915 |
| 116,497 | 71,503 | 75,245 | 37,806 | 29,730 | 5,247,771 | 220,375 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11,742 | 0 | 0 | 15,530 | 13,388 | 1,642,648 | 0 |
| 0 | 0 | 0 | 10,734 | 0 | 25,453 | 0 |
| 101,446 | 8,973 | 20,801 | 1,153 | 17,317 | 47,261 | 382,394 |
| 7,145 | 4,639 | 6,637 | 4,264 | 2,305 | 407,365 | 31,880 |
| 693,034 | 294,008 | 454,622 | 277,622 | 180,662 | 22,951,494 | 1,959,286 |
| (21) | 0 | 0 | (26) | 0 | (6,776) | 0 |
| 693,013 | 294,008 | 454,622 | 277,596 | 180,662 | 22,944,718 | 1,959,286 |
| (356,757) | (103,179) | 578,035 | 328,676 | (99,542) | 86,016,513 | 7,408,062 |
| 276,231 | 1,295,348 | 410,843 | 914,446 | 372,155 | (10,557,205) | (2,658,004) |
| 0 | 0 | 1,186,306 | (505,131) | 0 | 0 | (405,812) |
| (12,146) | 27,543 | (18,286) | 659 | (5,843) | (105) | (59,948) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (92,672) | 1,219,712 | 2,156,898 | 738,650 | 266,770 | 75,459,203 | 4,284,298 |
| 11,096,736 | 3,001,272 | 8,887,508 | 6,014,461 | 887,601 | 118,136,851 | 7,696,707 |
| 0 | 0 | (577,693) | (28,816) | 0 | 0 | 1,187,012 |
| (1,566) | 174 | (5,601) | 1,318 | (344) | 0 | (8,075) |
| 11,002,498 | 4,221,158 | 10,461,112 | 6,725,613 | 1,154,027 | 193,596,054 | 13,159,942 |
| 59,425,900 | 7,593,051 | 38,481,398 | 16,588,299 | 3,132,755 | 453,318,507 | 167,748,439 |
| (29,608,297) | (18,061,460) | (15,214,014) | (2,894,726) | (5,894,926) | (439,763,180) | (85,644,596) |
| 0 | 0 | 22,382 | 17,929 | 0 | 87,033 | 757,996 |
| 29,817,603 | (10,468,409) | 23,289,766 | 13,711,502 | (2,762,171) | 13,642,360 | 82,861,839 |
| (17,399) | 0 | (530,913) | (355,490) | 0 | (85,489,102) | (11,873,762) |
| 29,800,204 | (10,468,409) | 22,758,853 | 13,356,012 | (2,762,171) | (71,846,742) | 70,988,077 |
| 84,158,967 | 26,554,091 | 81,596,839 | 48,996,824 | 15,890,030 | 2,847,473,436 | 288,720,023 |
| (49.67)% | 44.93% | 175.32% | 216.62% | 23.16% | 39.32% | (40.06)% |

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# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED DECEMBER 31, 2006 (continued)

| | Franklin Income Fund (USD) | Franklin India Fund (USD) | Franklin Technology Fund (USD) | Franklin U.S. Equity Fund (USD) | Franklin U.S. Government Fund (USD) |
|---|---|---|---|---|---|
| **NET ASSETS AT THE BEGINNING OF THE PERIOD** | 732,325,251 | 106,395,612 | 138,547,133 | 305,658,602 | 1,397,468,928 |
| Currency translation adjustment | 0 | 0 | 0 | 0 | 0 |
| | 732,325,251 | 106,395,612 | 138,547,133 | 305,658,602 | 1,397,468,928 |
| **INCOME** | | | | | |
| Dividends (net of withholding taxes) | 5,235,588 | 779,926 | 137,654 | 1,907,294 | 0 |
| Interest on bonds (net of withholding taxes) | 14,399,416 | 0 | 388,948 | 0 | 40,814,592 |
| Dividends on collateral (note 2 (k) and note 9) | 0 | 0 | 0 | 0 | 0 |
| Bank interest | 789,161 | 139,627 | 234 | 322,117 | 2,066,848 |
| Sundry income | 121,764 | 0 | 3,711 | 0 | 0 |
| **TOTAL INCOME** | 20,545,929 | 919,553 | 530,547 | 2,229,411 | 42,881,440 |
| **EXPENSES** | | | | | |
| Investment management fees (note 3) | 3,285,818 | 692,756 | 741,091 | 1,524,330 | 4,615,797 |
| Administration and transfer agency fees | 929,119 | 188,824 | 179,862 | 379,553 | 1,708,248 |
| Subscription tax (note 10) | 196,494 | 35,437 | 37,732 | 76,139 | 334,073 |
| Custodian fees | 33,414 | 111,923 | 7,544 | 18,281 | 61,117 |
| Audit, printing and publishing expenses | 74,912 | 10,355 | 13,689 | 37,020 | 140,883 |
| Bank charges | 0 | 385 | 516 | 529 | 0 |
| Class A(dis) and Class A(acc) shares' maintenance charges (note 13) | 932,296 | 207,592 | 344,190 | 648,233 | 1,545,742 |
| Class AX(acc) shares' maintenance charges (note 13) | 0 | 0 | 0 | 0 | 38,165 |
| Class B(dis) and Class B(acc) shares' maintenance and service charges (note 13) | 2,196,259 | 90,202 | 10,661 | 170,048 | 1,113,438 |
| Class C(dis) and Class C(acc) shares' maintenance and service charges (note 13) | 556,211 | 67,673 | 44 | 19,893 | 95,872 |
| Class N(dis) and Class N(acc) shares' distribution charges (note 13) | 239,388 | 108,120 | 58,224 | 122,699 | 171,209 |
| Other charges | 110,672 | 17,830 | 20,257 | 138,540 | 208,332 |
| Total expenses | 8,554,583 | 1,531,097 | 1,413,810 | 3,135,265 | 10,032,876 |
| Expenses reimbursement (note 16) | 0 | (56,585) | 0 | (51) | (91,808) |
| Net expenses | 8,554,583 | 1,474,512 | 1,413,810 | 3,135,214 | 9,941,068 |
| **NET PROFIT/(LOSS) FROM INVESTMENTS** | 11,991,346 | (554,959) | (883,263) | (905,803) | 32,940,372 |
| Net realised profit/(loss) on sale of investments | 5,045,509 | 3,300,379 | 5,702,369 | 2,050,125 | (2,197,983) |
| Net realised profit/(loss) on forward foreign exchange contracts | 0 | 0 | 0 | 0 | 0 |
| Net realised profit/(loss) on foreign exchange transactions | 5,704 | 120,722 | 13,600 | 158,646 | 0 |
| Capital gains tax paid | 0 | (103,184) | 0 | 0 | 0 |
| **NET REALISED PROFIT/(LOSS) FOR THE PERIOD** | 17,042,559 | 2,762,958 | 4,832,706 | 1,302,968 | 30,742,389 |
| Change in net unrealised appreciation/(depreciation) on: | | | | | |
| Investments | 55,558,506 | 48,845,006 | 4,397,924 | 35,361,877 | 33,847,694 |
| Forward foreign exchange contracts | 0 | 0 | 0 | (3,036) | 0 |
| Foreign exchange transactions | 0 | (2,915,112) | (44,045) | (33,665) | 0 |
| **NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS** | 72,601,065 | 48,692,852 | 9,186,585 | 36,628,144 | 64,590,083 |
| **MOVEMENT OF CAPITAL** | | | | | |
| Issue of shares | 162,931,002 | 105,932,532 | 59,806,610 | 44,709,031 | 454,307,135 |
| Redemption of shares | (128,355,456) | (54,501,315) | (49,630,134) | (76,606,288) | (259,840,187) |
| Equalisation (note 12) | 32,605 | 15,622 | 0 | 0 | 903,618 |
| | 34,608,151 | 51,446,839 | 10,176,476 | (31,897,257) | 195,370,566 |
| Dividends paid/accumulated | (12,146,680) | (27,996) | 0 | (216,354) | (31,573,363) |
| **NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL** | 22,461,471 | 51,418,843 | 10,176,476 | (32,113,611) | 163,797,203 |
| **NET ASSETS AT THE END OF THE PERIOD** | 827,387,787 | 206,507,307 | 157,910,194 | 310,173,135 | 1,625,856,214 |
| Portfolio Turnover Ratio (note 21) | 31.14% | 146.12% | 163.14% | 58.24% | (0.01)% |

The accompanying notes form an integral

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED DECEMBER 31, 2006 (continued)

| Franklin U.S. Growth Fund (USD) | Franklin U.S. Small-Mid Cap Growth Fund (USD) | Franklin U.S. Total Return Fund (USD) | Franklin U.S. Ultra Short Bond Fund (USD) | Franklin Mutual Beacon Fund (USD) | Franklin Mutual European Fund (EUR) | Franklin Mutual Global Discovery Fund (USD) |
|---|---|---|---|---|---|---|
| 29,601,641 | 41,371,151 | 32,788,734 | 78,039,025 | 2,497,854,663 | 2,153,150,039 | 75,348,914 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29,601,641 | 41,371,151 | 32,788,734 | 78,039,025 | 2,497,854,663 | 2,153,150,039 | 75,348,914 |
| 101,769 | 78,307 | 410 | 0 | 15,896,111 | 9,384,236 | 621,926 |
| 56,667 | 31,859 | 1,303,341 | 2,236,139 | 8,089,239 | 2,490,824 | 506,281 |
| 0 | 0 | 0 | 0 | 185,596 | 1,383,648 | 28,147 |
| 53 | 51 | 374 | 0 | 251,668 | 2,384,849 | 112,418 |
| 0 | 1,027 | 0 | 0 | 502,232 | 163,922 | 37 |
| 158,489 | 111,244 | 1,304,125 | 2,236,139 | 24,924,846 | 15,807,479 | 1,268,809 |
| 151,284 | 206,132 | 189,959 | 260,640 | 12,842,659 | 11,782,322 | 610,221 |
| 33,339 | 66,091 | 64,421 | 99,827 | 3,000,517 | 2,705,095 | 159,552 |
| 7,617 | 10,470 | 13,150 | 19,753 | 619,232 | 576,960 | 30,167 |
| 1,288 | 1,778 | 3,097 | 2,208 | 252,994 | 453,191 | 3,609 |
| 2,822 | 3,649 | 3,727 | 7,619 | 241,456 | 211,964 | 8,206 |
| 19 | 23 | 242 | 0 | 1,233 | 408 | 147 |
| 72,886 | 92,944 | 60,842 | 33,486 | 4,244,304 | 4,347,630 | 149,381 |
| 0 | 0 | 0 | 74,760 | 0 | 0 | 0 |
| 1,333 | 15,993 | 9,147 | 70,644 | 1,529,252 | 484,368 | 48,324 |
| 1,344 | 450 | 8,063 | 14,897 | 473,889 | 148,223 | 86,737 |
| 1,890 | 12,838 | 34,163 | 66,828 | 2,104,251 | 2,178,284 | 73,868 |
| 4,238 | 5,944 | 5,578 | 11,160 | 425,480 | 361,023 | 13,067 |
| 278,060 | 416,312 | 392,389 | 661,822 | 25,735,267 | 23,249,468 | 1,183,279 |
| 0 | 0 | (49,896) | (55,509) | (78,537) | (71,037) | (1,775) |
| 278,060 | 416,312 | 342,493 | 606,313 | 25,656,730 | 23,178,431 | 1,181,504 |
| (119,571) | (305,068) | 961,632 | 1,629,826 | (731,884) | (7,370,952) | 87,305 |
| 6,025 | 614,938 | 497,903 | (158,415) | 64,282,545 | 31,557,838 | 1,358,577 |
| 0 | 0 | 0 | 0 | (17,966,901) | 0 | (870,878) |
| (35) | 0 | (6,787) | 236 | (200,509) | (38,058) | 50,846 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (113,581) | 309,870 | 1,452,748 | 1,471,647 | 45,383,251 | 24,148,828 | 625,850 |
| 2,195,740 | 1,946,023 | 800,070 | 106,740 | 249,234,686 | 277,129,602 | 15,983,769 |
| 0 | 0 | (19,066) | 0 | 10,917,475 | 0 | (344,309) |
| 0 | 0 | 1,027 | 0 | 1,349,887 | 183,802 | (179,440) |
| 2,082,159 | 2,255,893 | 2,234,779 | 1,578,387 | 306,885,299 | 301,462,232 | 16,085,870 |
| 1,088,767 | 6,842,474 | 39,765,700 | 27,255,222 | 935,012,812 | 896,540,709 | 132,117,515 |
| (1,226,538) | (8,948,665) | (5,045,692) | (23,154,341) | (698,648,722) | (622,356,707) | (24,133,796) |
| 0 | 0 | 103,399 | 5,148 | 130,669 | 187,834 | 60,392 |
| (137,771) | (2,106,191) | 34,823,407 | 4,106,029 | 236,494,759 | 274,371,836 | 108,044,111 |
| (123) | 0 | (948,859) | (1,578,330) | (18,029,747) | (39,426,221) | (1,160,386) |
| (137,894) | (2,106,191) | 33,874,548 | 2,527,699 | 218,465,012 | 234,945,615 | 106,883,725 |
| 31,545,906 | 41,520,853 | 68,898,061 | 82,145,111 | 3,023,204,974 | 2,689,557,886 | 198,318,509 |
| 62.08% | 69.42% | 522.68% | 35.53% | 15.60% | 12.98% | (62.52)% |

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## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED DECEMBER 31, 2006 (continued)

| | Franklin Templeton Global Growth & Value Fund (USD) | Franklin Templeton Japan Fund (JPY) | Templeton Absolute Return (Euro) Fund (EUR) | Templeton Asian Bond Fund (USD) |
|---|---|---|---|---|
| **NET ASSETS AT THE BEGINNING OF THE PERIOD** | 25,217,045 | 73,210,840,177 | 0 | 135,336,286 |
| Currency translation adjustment | 0 | 0 | 0 | 0 |
| | 25,217,045 | 73,210,840,177 | 0 | 135,336,286 |
| **INCOME** | | | | |
| Dividends (net of withholding taxes) | 151,724 | 273,439,251 | 0 | 0 |
| Interest on bonds (net of withholding taxes) | 0 | 0 | 68,347 | 5,179,440 |
| Dividends on collateral (note 2 (k) and note 9) | 0 | 0 | 0 | 0 |
| Bank interest | 79,501 | 0 | 19,571 | 559,703 |
| Sundry income | 0 | 0 | 0 | 0 |
| **TOTAL INCOME** | 231,225 | 273,439,251 | 87,918 | 5,739,143 |
| **EXPENSES** | | | | |
| Investment management fees (note 3) | 142,622 | 322,314,217 | 9,877 | 751,286 |
| Administration and transfer agency fees | 42,379 | 77,456,153 | 4,152 | 225,276 |
| Subscription tax (note 10) | 7,456 | 14,194,786 | 2,359 | 53,347 |
| Custodian fees | 3,984 | 21,235,192 | 537 | 47,733 |
| Audit, printing and publishing expenses | 2,412 | 6,730,999 | 128 | 13,200 |
| Bank charges | 0 | 2,356,374 | 0 | 1,480 |
| Class A(dis) and Class A(acc) shares' maintenance charges (note 13) | 54,626 | 119,140,996 | 5,261 | 216,281 |
| Class AX(acc) shares' maintenance charges (note 13) | 0 | 0 | 0 | 0 |
| Class B(dis) and Class B(acc) shares' maintenance and service charges (note 13) | 17,990 | 0 | 0 | 54,539 |
| Class C(dis) and Class C(acc) shares' maintenance and service charges (note 13) | 7,119 | 2,954,850 | 0 | 50,641 |
| Class N(dis) and Class N(acc) shares' distribution charges (note 13) | 20,734 | 68,199,798 | 0 | 32,735 |
| Other charges | 3,709 | 10,006,671 | 207 | 23,779 |
| Total expenses | 303,031 | 644,590,036 | 22,521 | 1,470,297 |
| Expenses reimbursement (note 16) | 0 | (1,443,734) | (308) | (28,142) |
| Net expenses | 303,031 | 643,146,302 | 22,213 | 1,442,155 |
| **NET PROFIT/(LOSS) FROM INVESTMENTS** | (71,806) | (369,707,051) | 65,705 | 4,296,988 |
| Net realised profit/(loss) on sale of investments | 247,105 | (480,707,040) | (44,044) | 1,368,492 |
| Net realised profit/(loss) on forward foreign exchange contracts | 0 | 0 | (1,532) | (39,347) |
| Net realised profit/(loss) on foreign exchange transactions | 2,644 | 2,703,532 | 13,461 | (128,085) |
| Capital gains tax paid | 0 | 0 | 0 | 0 |
| **NET REALISED PROFIT/(LOSS) FOR THE PERIOD** | 177,943 | (847,710,559) | 33,590 | 5,498,048 |
| Change in net unrealised appreciation/(depreciation) on: | | | | |
| Investments | 4,224,085 | 5,078,523,821 | 98,175 | 14,784,480 |
| Forward foreign exchange contracts | 0 | 0 | 40,879 | (638,597) |
| Foreign exchange transactions | 528 | (166,830) | 11,898 | 59,197 |
| **NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS** | 4,402,556 | 4,230,646,432 | 184,542 | 19,703,128 |
| **MOVEMENT OF CAPITAL** | | | | |
| Issue of shares | 6,224,253 | 14,552,124,311 | 23,389,279 | 202,925,221 |
| Redemption of shares | (3,333,304) | (34,863,537,023) | (35,879) | (17,175,458) |
| Equalisation (note 12) | 0 | 452,858 | 0 | 467,917 |
| | 2,890,949 | (20,310,959,854) | 23,353,400 | 186,217,680 |
| Dividends paid/accumulated | (32,991) | (7,585,376) | 0 | (3,976,633) |
| **NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL** | 2,857,958 | (20,318,545,230) | 23,353,400 | 182,241,047 |
| **NET ASSETS AT THE END OF THE PERIOD** | 32,477,559 | 57,122,941,379 | 23,537,942 | 337,280,461 |
| Portfolio Turnover Ratio (note 21) | 102.76% | 343.07% | (133.55)% | (75.05)% |

The accompanying notes form an integral

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED DECEMBER 31, 2006 (continued)

| Templeton Asian Growth Fund (USD) | Templeton BRIC Fund (USD) | Templeton China Fund (USD) | Templeton Eastern Europe Fund (EUR) | Templeton Emerging Markets Fund (USD) | Templeton Emerging Markets Bond Fund (USD) | Templeton Euro Liquid Reserve Fund (EUR) |
|---|---|---|---|---|---|---|
| 4,090,231,599 | 849,985,119 | 900,333,445 | 1,368,376,679 | 1,269,345,014 | 436,919,556 | 103,611,297 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4,090,231,599 | 849,985,119 | 900,333,445 | 1,368,376,679 | 1,269,345,014 | 436,919,556 | 103,611,297 |
| 69,938,795 | 14,515,825 | 14,817,287 | 7,823,242 | 18,918,388 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 16,998,348 | 873,133 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 921,121 | 970,347 | 1,281,945 | 563,631 | 750,425 | 880,730 | 365,011 |
| 0 | 0 | 0 | 0 | 6,521 | 0 | 616 |
| 70,859,916 | 15,486,172 | 16,099,232 | 8,386,873 | 19,675,334 | 17,879,078 | 1,238,760 |
| 29,105,423 | 8,343,804 | 7,908,992 | 11,722,172 | 10,791,037 | 2,626,760 | 162,757 |
| 4,931,039 | 1,270,972 | 1,142,484 | 1,776,749 | 1,758,745 | 631,633 | 129,674 |
| 1,026,858 | 274,866 | 259,650 | 354,390 | 342,987 | 137,330 | 3,788 |
| 2,448,684 | 462,101 | 328,681 | 1,855,016 | 755,464 | 282,621 | 6,928 |
| 396,490 | 81,369 | 84,671 | 141,197 | 121,490 | 43,384 | 8,429 |
| 20,060 | 4,375 | 0 | 52,412 | 20,670 | 237 | 889 |
| 8,809,907 | 1,975,637 | 2,346,723 | 3,042,749 | 2,722,228 | 1,091,170 | 32,418 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 910,756 | 0 | 614 | 1,322,435 | 425,399 | 0 |
| 422,582 | 371,903 | 8,906 | 50,611 | 144,336 | 53,069 | 0 |
| 945,016 | 396,968 | 179,389 | 777,837 | 359,567 | 99,931 | 82,716 |
| 586,672 | 125,557 | 125,208 | 274,870 | 203,471 | 64,308 | 12,546 |
| 48,692,731 | 14,218,308 | 12,384,704 | 20,048,617 | 18,542,430 | 5,455,842 | 440,145 |
| (226,392) | (300,681) | (2,421) | (135,616) | (5,687) | (4,510) | 0 |
| 48,466,339 | 13,917,627 | 12,382,283 | 19,913,001 | 18,536,743 | 5,451,332 | 440,145 |
| 22,393,577 | 1,568,545 | 3,716,949 | (11,526,128) | 1,138,591 | 12,427,746 | 798,615 |
| 41,118,531 | 40,196,512 | 30,467,618 | 175,033,050 | 64,809,188 | 6,985,476 | 0 |
| 0 | 0 | 0 | 0 | 0 | 55,376 | 0 |
| 377,234 | 73,674 | (62,785) | (3,416,664) | (364,724) | 76,734 | 0 |
| 0 | (574,745) | 0 | 0 | 0 | 0 | 0 |
| 63,889,342 | 41,263,986 | 34,121,782 | 160,090,258 | 65,583,055 | 19,545,332 | 798,615 |
| 975,268,934 | 218,933,126 | 231,403,352 | 87,602,578 | 186,467,416 | 34,728,148 | 66,413 |
| 0 | 0 | 0 | 0 | 0 | 1,775,088 | 0 |
| (684,103) | (2,004,298) | 7,451 | 96,557 | 150,115 | 56,177 | 0 |
| 1,038,474,173 | 258,192,814 | 265,532,585 | 247,789,393 | 252,200,586 | 56,104,745 | 865,028 |
| 1,092,468,353 | 512,809,104 | 503,287,503 | 347,333,111 | 209,130,562 | 288,307,313 | 41,337,653 |
| (800,837,792) | (334,199,358) | (430,111,997) | (415,230,916) | (253,073,218) | (97,705,286) | (78,654,229) |
| 1,132,653 | 240,107 | 337,098 | 1,685 | (72,505) | 1,125,980 | (162,577) |
| 292,763,214 | 178,849,853 | 73,512,604 | (67,896,120) | (44,015,161) | 191,728,007 | (37,479,153) |
| (51,503,594) | (3,714,565) | (5,909,838) | (785,517) | (6,460,296) | (10,855,502) | (1,059,883) |
| 241,259,620 | 175,135,288 | 67,602,766 | (68,681,637) | (50,475,457) | 180,872,505 | (38,539,036) |
| 5,369,965,392 | 1,283,313,221 | 1,233,468,796 | 1,547,484,435 | 1,471,070,143 | 673,896,806 | 65,937,289 |
| 3.29% | 82.04% | (19.01)% | 35.41% | 71.18% | (28.49)% | N/A |

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## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED DECEMBER 31, 2006 (continued)

| | Templeton Euroland Fund (EUR) | Templeton Euroland Bond Fund (EUR) | Templeton European Fund (EUR) | Templeton European Total Return Fund (EUR) | Templeton Global Fund (USD) |
|---|---|---|---|---|---|
| **NET ASSETS AT THE BEGINNING OF THE PERIOD** | 1,116,961,940 | 15,795,963 | 345,140,332 | 687,965,316 | 1,261,195,083 |
| Currency translation adjustment | 0 | 0 | 0 | 0 | 0 |
| | 1,116,961,940 | 15,795,963 | 345,140,332 | 687,965,316 | 1,261,195,083 |
| **INCOME** | | | | | |
| Dividends (net of withholding taxes) | 4,349,823 | 0 | 1,691,802 | 0 | 9,392,051 |
| Interest on bonds (net of withholding taxes) | 0 | 259,792 | 0 | 12,918,190 | 0 |
| Dividends on collateral (note 2 (k) and note 9) | 1,283,031 | 0 | 216,804 | 0 | 511,692 |
| Bank interest | 475,848 | 35,928 | 92,611 | 323,657 | 1,986,877 |
| Sundry income | 0 | 0 | 0 | 77,150 | 259,179 |
| **TOTAL INCOME** | 6,108,702 | 295,720 | 2,001,217 | 13,318,997 | 12,149,799 |
| **EXPENSES** | | | | | |
| Investment management fees (note 3) | 5,334,318 | 50,511 | 1,658,728 | 2,343,092 | 6,930,277 |
| Administration and transfer agency fees | 1,188,749 | 23,414 | 393,676 | 754,843 | 1,749,474 |
| Subscription tax (note 10) | 250,650 | 3,817 | 80,762 | 145,075 | 339,749 |
| Custodian fees | 296,263 | 3,374 | 110,057 | 232,167 | 237,605 |
| Audit, printing and publishing expenses | 112,250 | 1,446 | 35,314 | 67,890 | 135,710 |
| Bank charges | 21,793 | 0 | 8,731 | 6,634 | 7,748 |
| Class A(dis) and Class A(acc) shares' maintenance charges (note 13) | 2,244,102 | 17,597 | 727,119 | 587,166 | 2,766,634 |
| Class AX(acc) shares' maintenance charges (note 13) | 0 | 0 | 0 | 0 | 0 |
| Class B(dis) and Class B(acc) shares' maintenance and service charges (note 13) | 23 | 0 | 0 | 0 | 561,590 |
| Class C(dis) and Class C(acc) shares' maintenance and service charges (note 13) | 446 | 0 | 90 | 373 | 143,699 |
| Class N(dis) and Class N(acc) shares' distribution charges (note 13) | 336,804 | 15,928 | 154,178 | 901,110 | 445,484 |
| Other charges | 174,249 | 2,262 | 62,370 | 113,784 | 200,795 |
| Total expenses | 9,959,647 | 118,349 | 3,231,025 | 5,152,134 | 13,518,765 |
| Expenses reimbursement (note 16) | (14,308) | (39) | (3,227) | (1,062,401) | 0 |
| Net expenses | 9,945,339 | 118,310 | 3,227,798 | 4,089,733 | 13,518,765 |
| **NET PROFIT/(LOSS) FROM INVESTMENTS** | (3,836,637) | 177,410 | (1,226,581) | 9,229,264 | (1,368,966) |
| Net realised profit/(loss) on sale of investments | 63,957,396 | (22,826) | 13,749,057 | (10,846,535) | 32,805,662 |
| Net realised profit/(loss) on forward foreign exchange contracts | 0 | 0 | 0 | 230,793 | 0 |
| Net realised profit/(loss) on foreign exchange transactions | 161 | (2,212) | (19,662) | (672,954) | 309,741 |
| Capital gains tax paid | 0 | 0 | 0 | 0 | 0 |
| **NET REALISED PROFIT/(LOSS) FOR THE PERIOD** | 60,120,920 | 152,372 | 12,502,814 | (2,059,432) | 31,746,437 |
| Change in net unrealised appreciation/(depreciation) on: | | | | | |
| Investments | 92,469,629 | 113,146 | 27,386,098 | 23,606,141 | 194,566,593 |
| Forward foreign exchange contracts | 0 | (8,202) | 0 | 1,618,959 | 0 |
| Foreign exchange transactions | (1,197) | 5,243 | 19,603 | 312,921 | 31,168 |
| **NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS** | 152,589,352 | 262,559 | 39,908,515 | 23,478,589 | 226,344,198 |
| **MOVEMENT OF CAPITAL** | | | | | |
| Issue of shares | 229,821,019 | 6,555,434 | 83,526,240 | 132,707,761 | 363,678,022 |
| Redemption of shares | (395,891,058) | (4,218,277) | (125,325,314) | (215,936,094) | (188,598,426) |
| Equalisation (note 12) | 73,976 | 26,220 | 1,177 | (203,189) | 148,304 |
| | (165,996,063) | 2,363,377 | (41,797,897) | (83,431,522) | 175,227,900 |
| Dividends paid/accumulated | (7,270,993) | (327,182) | (4,074,713) | (8,926,748) | (12,087,809) |
| **NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL** | (173,267,056) | 2,036,195 | (45,872,610) | (92,358,270) | 163,140,091 |
| **NET ASSETS AT THE END OF THE PERIOD** | 1,096,284,236 | 18,094,717 | 339,176,237 | 619,085,635 | 1,650,679,372 |
| Portfolio Turnover Ratio (note 21) | (14.08)% | (76.65)% | (20.10)% | 57.45% | 31.52% |

The accompanying notes form an integral

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED DECEMBER 31, 2006 (continued)

| Templeton Global (Euro) Fund (EUR) | Templeton Global Balanced Fund (USD) | Templeton Global Bond Fund (USD) | Templeton Global Bond (Euro) Fund (EUR) | Templeton Global Equity Income Fund (USD) | Templeton Global Income Fund (USD) | Templeton Global Smaller Companies Fund (USD) |
|---:|---:|---:|---:|---:|---:|---:|
| 829,359,689 | 592,514,252 | 3,634,789,337 | 59,258,439 | 121,737,457 | 39,342,011 | 303,979,488 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 829,359,689 | 592,514,252 | 3,634,789,337 | 59,258,439 | 121,737,457 | 39,342,011 | 303,979,488 |
| 6,239,616 | 3,266,788 | 0 | 0 | 1,402,495 | 355,774 | 2,362,941 |
| 0 | 3,480,871 | 96,761,345 | 2,321,065 | 0 | 825,613 | 0 |
| 283,671 | 0 | 0 | 0 | 0 | 0 | 0 |
| 463,094 | 704,134 | 5,417,043 | 211,857 | 169,839 | 100,691 | 259,223 |
| 0 | 2,461 | 3,394 | 23,871 | 0 | 468 | 0 |
| 6,986,381 | 7,454,254 | 102,181,782 | 2,556,793 | 1,572,334 | 1,282,546 | 2,622,164 |
| 4,432,919 | 2,722,158 | 15,265,432 | 394,311 | 746,976 | 286,015 | 1,560,752 |
| 1,205,033 | 794,391 | 4,627,346 | 118,940 | 153,831 | 72,820 | 384,909 |
| 222,085 | 178,378 | 970,205 | 32,654 | 42,952 | 20,886 | 78,724 |
| 150,712 | 145,366 | 1,937,888 | 25,817 | 30,404 | 16,840 | 82,388 |
| 82,756 | 58,009 | 357,062 | 6,135 | 12,211 | 4,357 | 29,790 |
| 4,168 | 0 | 1,240 | 0 | 0 | 1,570 | 2,007 |
| 2,179,549 | 1,276,049 | 4,538,930 | 124,523 | 357,161 | 136,599 | 719,924 |
| 0 | 0 | 193,317 | 0 | 0 | 0 | 0 |
| 23 | 1,102,553 | 2,104,631 | 23 | 53,109 | 55,692 | 44 |
| 0 | 41,787 | 681,437 | 0 | 1,217 | 8,615 | 490 |
| 21,634 | 160,840 | 731,694 | 107,819 | 1,472 | 4,689 | 93,336 |
| 138,687 | 88,329 | 528,083 | 9,212 | 18,239 | 7,964 | 46,981 |
| 8,437,566 | 6,567,860 | 31,937,265 | 819,434 | 1,417,572 | 616,047 | 2,999,345 |
| (15) | 0 | (144,047) | (35,855) | (253,750) | (68,917) | (792) |
| 8,437,551 | 6,567,860 | 31,793,218 | 783,579 | 1,163,822 | 547,130 | 2,998,553 |
| (1,451,170) | 886,394 | 70,388,564 | 1,773,214 | 408,512 | 735,416 | (376,389) |
| 21,048,431 | 8,550,723 | 43,551,716 | (6,526) | 1,420,421 | (73,434) | 13,427,929 |
| 0 | 473,415 | 1,967,143 | 93,038 | 0 | 400,089 | 0 |
| 63,096 | (178,832) | (15,106) | (206,822) | (32,524) | (123,053) | 6,095 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19,660,357 | 9,731,700 | 115,892,317 | 1,652,904 | 1,796,409 | 939,018 | 13,057,635 |
| 83,147,412 | 65,520,952 | 216,674,953 | 4,004,338 | 19,783,790 | 9,189,672 | 39,232,155 |
| 49,163 | (1,166,217) | (31,963,326) | (2,119,950) | 0 | (396,962) | 0 |
| 28,230 | 268,911 | 3,047,288 | 27,226 | 9,513 | 28,189 | (122,392) |
| 102,885,162 | 74,355,346 | 303,651,232 | 3,564,518 | 21,589,712 | 9,759,917 | 52,167,398 |
| 125,109,489 | 229,315,004 | 1,922,957,776 | 166,449,356 | 147,526,414 | 98,384,084 | 91,461,045 |
| (87,290,631) | (79,217,643) | (855,208,560) | (18,919,210) | (60,583,603) | (16,150,561) | (88,139,817) |
| 14,401 | 90,786 | 2,126,470 | 1,883,569 | 74,323 | 572,073 | 14,285 |
| 37,833,259 | 150,188,147 | 1,069,875,686 | 149,413,715 | 87,017,134 | 82,805,596 | 3,335,513 |
| (7,649,724) | (4,319,909) | (68,051,802) | (1,772,585) | (2,324,847) | (917,327) | (249,050) |
| 30,183,535 | 145,868,238 | 1,001,823,884 | 147,641,130 | 84,692,287 | 81,888,269 | 3,086,463 |
| 962,428,386 | 812,737,836 | 4,940,264,453 | 210,464,087 | 228,019,456 | 130,990,197 | 359,233,349 |
| 77.12% | 14.53% | 18.38% | (86.69)% | (24.97)% | (31.46)% | (43.16)% |

part of these financial statements

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED DECEMBER 31, 2006 (continued)

| | Templeton Global Total Return Fund (USD) | Templeton Growth (Euro) Fund (EUR) | Templeton Japan Fund (USD) | Templeton Korea Fund (USD) |
|---|---|---|---|---|
| **NET ASSETS AT THE BEGINNING OF THE PERIOD** | 258,572,804 | 6,787,870,205 | 86,742,708 | 156,060,576 |
| Currency translation adjustment | 0 | 0 | 0 | 0 |
| | 258,572,804 | 6,787,870,205 | 86,742,708 | 156,060,576 |
| **INCOME** | | | | |
| Dividends (net of withholding taxes) | 105,844 | 42,986,517 | 393,702 | 173,178 |
| Interest on bonds (net of withholding taxes) | 11,382,097 | 1,040,942 | 0 | 0 |
| Dividends on collateral (note 2 (k) and note 9) | 0 | 1,503,354 | 0 | 0 |
| Bank interest | 5,276 | 7,026,483 | 40,418 | 73,052 |
| Sundry income | 4,250 | 213,843 | 0 | 0 |
| **TOTAL INCOME** | 11,497,467 | 52,771,139 | 434,120 | 246,230 |
| **EXPENSES** | | | | |
| Investment management fees (note 3) | 1,439,761 | 34,959,074 | 415,920 | 1,102,656 |
| Administration and transfer agency fees | 463,596 | 9,086,333 | 129,736 | 179,692 |
| Subscription tax (note 10) | 111,083 | 1,591,970 | 20,593 | 33,857 |
| Custodian fees | 136,767 | 1,045,456 | 24,334 | 74,599 |
| Audit, printing and publishing expenses | 27,032 | 678,777 | 7,943 | 13,662 |
| Bank charges | 1,647 | 24,220 | 2,693 | 2,907 |
| Class A(dis) and Class A(acc) shares' maintenance charges (note 13) | 383,236 | 15,170,882 | 191,333 | 330,214 |
| Class AX(acc) shares' maintenance charges (note 13) | 0 | 0 | 0 | 0 |
| Class B(dis) and Class B(acc) shares' maintenance and service charges (note 13) | 46,858 | 0 | 0 | 0 |
| Class C(dis) and Class C(acc) shares' maintenance and service charges (note 13) | 8,281 | 19 | 0 | 52 |
| Class N(dis) and Class N(acc) shares' distribution charges (note 13) | 397,349 | 281,511 | 33,253 | 28,674 |
| Other charges | 40,022 | 1,003,741 | 11,720 | 20,161 |
| Total expenses | 3,055,632 | 63,841,983 | 837,525 | 1,786,474 |
| Expenses reimbursement (note 16) | (188,925) | (5,432) | 0 | 0 |
| Net expenses | 2,866,707 | 63,836,551 | 837,525 | 1,786,474 |
| **NET PROFIT/(LOSS) FROM INVESTMENTS** | 8,630,760 | (11,065,412) | (403,405) | (1,540,244) |
| Net realised profit/(loss) on sale of investments | 1,499,520 | 158,713,402 | (3,243,341) | 9,722,800 |
| Net realised profit/(loss) on forward foreign exchange contracts | 1,283,111 | 0 | 0 | 0 |
| Net realised profit/(loss) on foreign exchange transactions | (506,814) | 931,860 | 140,470 | (34,860) |
| Capital gains tax paid | 0 | 0 | 0 | 0 |
| **NET REALISED PROFIT/(LOSS) FOR THE PERIOD** | 10,906,577 | 148,579,850 | (3,506,276) | 8,147,696 |
| Change in net unrealised appreciation/(depreciation) on: | | | | |
| Investments | 29,776,306 | 573,977,329 | 5,899,089 | 3,723,843 |
| Forward foreign exchange contracts | (3,464,003) | 0 | 0 | 0 |
| Foreign exchange transactions | 621,921 | 638,048 | (16,685) | (1,805) |
| **NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS** | 37,840,801 | 723,195,227 | 2,376,128 | 11,869,734 |
| **MOVEMENT OF CAPITAL** | | | | |
| Issue of shares | 474,210,461 | 845,010,695 | 31,598,539 | 58,718,859 |
| Redemption of shares | (92,110,979) | (656,446,651) | (36,619,097) | (91,475,641) |
| Equalisation (note 12) | 943,695 | 7,857 | 0 | 0 |
| | 383,043,177 | 188,571,901 | (5,020,558) | (32,756,782) |
| Dividends paid/accumulated | (8,253,143) | (33,063,058) | 0 | 0 |
| **NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL** | 374,790,034 | 155,508,843 | (5,020,558) | (32,756,782) |
| **NET ASSETS AT THE END OF THE PERIOD** | 671,203,639 | 7,666,574,275 | 84,098,278 | 135,173,528 |
| Portfolio Turnover Ratio (note 21) | (49.55)% | 36.46% | 317.65% | (104.09)% |

The accompanying notes form an integral

# STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED DECEMBER 31, 2006 (continued)

| Templeton Latin America Fund (USD) | Templeton Thailand Fund (USD) | Templeton U.S. Dollar Liquid Reserve Fund (USD) | Templeton U.S. Value Fund (USD) |
|---|---|---|---|
| 481,098,175 | 178,853,406 | 149,922,713 | 10,424,882 |
| 0 | 0 | 0 | 0 |
| 481,098,175 | 178,853,406 | 149,922,713 | 10,424,882 |
| 10,105,457 | 2,690,059 | 0 | 61,757 |
| 0 | 0 | 3,312,907 | 18,172 |
| 0 | 0 | 0 | 0 |
| 598,098 | 154,482 | 34 | 0 |
| 0 | 0 | 0 | 0 |
| 10,703,555 | 2,844,541 | 3,312,941 | 79,929 |
| 4,165,208 | 1,522,508 | 255,489 | 61,936 |
| 730,960 | 232,389 | 175,397 | 18,152 |
| 160,454 | 45,190 | 5,658 | 3,187 |
| 337,747 | 92,037 | 3,619 | 399 |
| 48,681 | 17,170 | 13,273 | 987 |
| 5,281 | 11,434 | 711 | 515 |
| 1,293,493 | 470,169 | 40,925 | 26,241 |
| 0 | 0 | 0 | 0 |
| 879 | 238 | 90,759 | 2,545 |
| 144 | 0 | 34,491 | 1,088 |
| 284,109 | 11,095 | 115,611 | 6,996 |
| 99,306 | 25,371 | 19,543 | 1,486 |
| 7,126,262 | 2,427,601 | 755,476 | 123,532 |
| (10,247) | 0 | 0 | (37) |
| 7,116,015 | 2,427,601 | 755,476 | 123,495 |
| 3,587,540 | 416,940 | 2,557,465 | (43,566) |
| 26,270,220 | 5,233,790 | 0 | 139,798 |
| 0 | 0 | 0 | 0 |
| (318,909) | (85,755) | 0 | 116 |
| 0 | 0 | 0 | 0 |
| 29,538,851 | 5,564,975 | 2,557,465 | 96,348 |
| 156,413,985 | 10,028,357 | 5,437 | 1,376,445 |
| 0 | 0 | 0 | 0 |
| 3,954 | (32,014) | 0 | 0 |
| 185,956,790 | 15,561,318 | 2,562,902 | 1,472,793 |
| 435,065,620 | 159,511,911 | 102,647,929 | 6,731,718 |
| (278,220,506) | (147,772,879) | (142,111,591) | (2,572,782) |
| 418,748 | 0 | (117,753) | 17 |
| 157,263,862 | 11,739,032 | (39,581,415) | 4,158,953 |
| (8,228,534) | (2,374,212) | (2,544,441) | (31) |
| 149,035,328 | 9,364,820 | (42,125,856) | 4,158,922 |
| 816,090,293 | 203,779,544 | 110,359,759 | 16,056,597 |
| (12.04)% | (82.63)% | N/A | (3.33)% |

part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS
# AT DECEMBER 31, 2006

**Note 1 — The Company**

Franklin Templeton Investment Funds ("FTIF" or the "Company") is a collective Investment undertaking persuant to Part 1 of the Luxembourg law of December 20, 2002 relating to collective investment undertakings, as amended, and qualifies as a société d'investissement à capital variable. The Company was incorporated in Luxembourg on November 6, 1990, for an undetermined period. At the date of this report, it offers shares in 54 sub-funds of the Company (the "Funds"). The Board of Directors of the Company may authorise the creation of additional Funds in the future with different investment objectives.

The Company aims to provide investors with a choice of funds investing in a wide range of transferable securities on a worldwide basis and featuring a diverse array of investment objectives, including capital growth and income. The overall objective of the Company is to seek to minimise investment exposure through diversification and to provide Shareholders with the benefit of a portfolio managed by Franklin Templeton Investments, according to its successful time-tested investment selection methods.

The following share classes were launched effective on September 1, 2006:

- Franklin Aggressive Growth Fund Class A(acc)EUR, Class A(dis)EUR, Class C(acc), Class I(acc)EUR, Class N(acc)EUR
- Franklin Biotechnology Discovery Fund Class C(acc)
- Franklin European Small Mid Cap Fund Class A(acc)USD, Class I(acc)USD
- Franklin Global Real Estate (Euro) Fund Class A(dis), Class I(dis)
- Franklin India Fund Class A(dis)EUR, Class I(dis)EUR
- Franklin Technology Fund Class A(acc)EUR, Class C(acc)
- Franklin U.S. Small-Mid Cap Growth Fund Class I(acc)
- Franklin U.S. Total Return Fund Class I(dis)
- Franklin Mutual Beacon Fund Class I(acc)EUR
- Franklin Mutual European Fund Class I(dis)
- Franklin Mutual Global Discovery Fund Class A(dis)EUR, Class I(dis)EUR
- Franklin Templeton Japan Fund Class A(dis)EUR
- Templeton Asian Bond Fund Class A(dis)EUR, Class I(dis)EUR
- Templeton Asian Growth Fund Class N(acc)EUR
- Templeton BRIC Fund Class A(dis)EUR
- Templeton China Fund Class A(dis)EUR, Class C(acc)
- Templeton Eastern Europe Fund Class B(acc)USD
- Templeton Emerging Markets Bond Fund Class I(dis)
- Templeton Euroland Fund Class B(acc)USD, Class C(acc)USD, Class I(dis)
- Templeton European Fund Class C(acc)USD
- Templeton European Total Return Fund Class I(dis)
- Templeton Global (Euro) Fund Class B(acc)USD
- Templeton Global Bond Fund Class I(dis)EUR, Class N(acc)EUR
- Templeton Global Bond (Euro) Fund Class B(acc)USD
- Templeton Global Smaller Companies Fund Class B(acc), Class C(dis)
- Templeton Global Total Return Fund Class A(acc)EUR, Class I(acc)EUR, Class I(dis)EUR, Class N(acc)EUR
- Templeton Growth (Euro) Fund Class C(acc)
- Templeton Korea Fund Class C(acc), Class I(acc)
- Templeton Latin America Fund Class A(dis)EUR, Class B(acc), Class C(acc)
- Templeton Thailand Fund Class B(acc)

The following share classes were launched effective on October 16, 2006:

- Franklin U.S. Government Fund Class I(acc)
- Templeton Growth (Euro) Fund Class A(dis)USD

The following funds were launched effective on November 15, 2006:

- Franklin Asian Flex Cap Fund
- Templeton Absolute Return (Euro) Fund

The following share classes were launched effective on November 23, 2006:

- Templeton Global Total Return Fund Class A(dis)GBP
- Templeton U.S. Value Fund Class A(dis)GBP

The following share classes were launched effective on December 13, 2006:

- Templeton Global (Euro) Fund Class I(acc)EUR-Hedge

For a full list of Funds and share classes offered as at December 31, 2006 please refer to note 13.

# NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 2 — Significant accounting policies**

(a) **General**

The financial statements are prepared in accordance with the regulations of the Grand-Duchy of Luxembourg relating to investment funds.

(b) **Investment in securities**

Securities which are listed on a stock exchange or traded on any other organised market are valued at the last available price on such exchange or market which is normally the principal market for each security, and those securities dealt in on an over-the-counter market are valued in a manner as near as possible to that for quoted securities.

Securities not listed on any stock exchange nor traded on any organised market are valued at the last available price, or if such price is not representative of their fair value, they are valued prudently and in good faith on the basis of their reasonably foreseeable sales prices. The Company does not own any restricted securities, all holdings being quoted on an official market, except where otherwise distinguished in each Fund's "Schedule of Investments" in the full version of the financial statements.

During the accounting period under review, gains and losses on investment securities sold were computed on the average cost basis for all Funds with the exception of the Franklin High Yield Fund, the Franklin Income Fund and the Franklin U.S. Government Fund which were computed on the first-in, first-out basis.

During the accounting period under review, discounts and premiums were amortised to income over the period to maturity, or date sold, if earlier.

For mortgage-backed and other similar holdings with scheduled debt paydowns, the Fund records estimates, based on its historical experience, for anticipated paydowns. Such estimates are recorded as a reduction or increase to the related holdings as disclosed on the Schedule of Investments and are included in the related unrealised appreciation/depreciation on investments shown on the "Statement of Operations and Changes in Net Assets".

(c) **Foreign exchange transactions**

Transactions expressed in currencies other than each Fund's currency are translated into each Fund's currency at the exchange rates applicable on the transaction dates.

Assets and liabilities designated in currencies other than each Fund's currency are translated into each Fund's currency at the appropriate exchange rates ruling at the period-end. Gains and losses on foreign exchange transactions are recognised in the "Statement of Operations and Changes in Net Assets" in determining the results for the accounting period.

(d) **Forward foreign exchange contracts**

Forward exchange contracts are valued at the forward rate applicable at the "Statement of Net Assets" date for the remaining period, until maturity. Gains or losses resulting from forward exchange contracts are recognised in the "Statement of Operations and Changes in Net Assets".

(e) **Income**

Dividends are credited to income on their ex-dividend date.

Interest income is accrued on a daily basis.

(f) **Formation expenses**

Formation expenses associated with the launch of the new Funds are expensed as incurred.

(g) **Futures contracts**

The Company may enter into financial futures contracts to gain exposure to market changes. A financial futures contract is an agreement between two parties to buy or sell a security for a set price on a future date. Required initial margin deposits of cash or securities are maintained by a broker in a segregated account. Subsequent payments, known as variation margin, are made or received by the Company depending on the fluctuations in the value of the underlying securities. Such variation margin is accounted for as unrealised gains or losses until the contract is closed, at which time the gains or losses are reclassified to realised gains or losses. Realised and unrealised gains and losses are included in the "Statement of Operations and Changes in Net Assets".

(h) **Option contracts**

Options are contracts entitling the holder to purchase or sell a specified number of shares or units of a particular security at a specified price at any time until the contract-stated expiration date. Options purchased are recorded as investments; options written (sold) are recorded as liabilities. When the exercise of an option results in a cash settlement, the difference between the premium (original option value) and the settlement proceeds is accounted for as a realised gain or loss. When securities are acquired or delivered upon exercise of an option, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed, the difference between the premium and the cost to close the position is accounted for as a realised gain or loss. When an option expires, the premium is accounted for as a realised gain or loss for options written or as a realised loss for options purchased. The risks include price movements in the underlying securities, the possibility there may be an illiquid options market, or the inability of the counterparties to fulfil their obligations under the contract.

(i) **Synthetic Equity Swaps**

Synthetic Equity Swaps are customised vehicles that allow investors to obtain the economic returns of cash investing without actually holding the underlying equity. There are various ways to package over-the-counter (OTC) equity exposure e.g. warrants, notes, options combinations and equity swaps.

An equity swap is a customised, negotiated contract between the investor and a swap dealer that provides the economic exposure to an underlying equity or equity-related security, basket of securities or index.

Under a swap agreement, two parties agree to exchange price or total return performance attributable to a single stock. For example, in a typical long side swap transaction, the investor receives the positive performance plus replicated dividends on the reference equity and pays any negative performance plus a LIBOR-based rate of interest.

# NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 2 — Significant accounting policies** (continued)

(j) **Interest Rate Swaps**

Interest Rate Swap contracts are used to hedge the risk of changes in interest rates and are agreements between two parties to exchange cash flows based on a notional principal amount. The net interest received or paid on interest rate swap agreements is accrued daily as interest income/expense. Interest rate swaps are marked to market daily based upon quotations from the market makers and the change, if any, is recorded as an unrealized gain or loss in the Statement of Operations. When the swap contract is terminated early, the fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value. Any outstanding interest accrual will be recorded as either a net receivable or net payable.

The risks of interest rate swaps include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

(k) **Credit Default Swaps**

A Credit Default Swap is a credit derivative transaction in which two parties enter into an agreement, whereby one party pays the other a fixed periodic payment for the specified life of the agreement. The other party makes no payments unless a credit event, relating to a predetermined reference asset, occurs. If such an event occurs, the party will then make a payment to the first party, and the swap will terminate. The value of the underlying securities shall be taken into account for the calculation of the investment and borrowing powers applicable to individual users.

Credit default swaps are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealized gain or loss in the Statement of Operations. Any payment received or paid to initiate a contract is recorded as a liability or asset in the Statement of Assets and Liabilities. When the swap contract is terminated early, the Fund records a realized gain or loss for any payments received or paid.

The risks of credit default swaps include unfavorable changes in interest rates, an illiquid secondary market and the possible inability of the counterparty to fulfill its obligations under the agreement, which may be in excess of the amount reflected in the Statement of Assets and Liabilities.

(l) **Mortgage Dollar Rolls**

In a mortgage dollar roll, a Fund sells mortgage-backed securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (name, type, coupon, and maturity) securities on a specified future date. During the period between the sale and repurchase, the Fund foregoes principal and interest paid on the mortgage-backed securities. The Fund is compensated by the difference between the current sales price and the lower forward price for the future purchase, as well as by the interest earned on the cash proceeds of the initial sale.

The difference between the current sales price and the lower forward price is treated as realized gain.

(m) **Securities Lending**

The Company may lend selected Fund's portfolio securities to specialised banks, credit institutions and other financial institutions of high standing, or through recognised clearing institutions such as Clearstream or Euroclear. The lending of securities will be made for periods not exceeding 30 calendar days provided, however, that this limit is not applicable where the Company has the right to terminate the lending contract at any time and obtain restitution of the securities lent. Loans will be secured continuously by collateral which must be "approximately equal to 105% of" the value of the global valuation of the securities lent. Lending transactions may not be carried out on more than 50% of the aggregate market value of the securities of each Fund's portfolio; provided, however, that this limit is not applicable where the Company has the right to terminate the lending contract at any time and obtain restitution of the securities lent. The dividends earned on the collateral are included in the "Statement of Operations and Changes in Net Assets". Any transaction expenses in connection with the loans are charged to the concerned Fund.

## NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 3 — Investment management fees**

The Investment Managers, as noted on pages 3 and 4, receive from the Company a monthly fee equivalent to a certain percentage per annum (as detailed below) of each Fund's average daily net assets during the year. The following percentages apply in respect of the different Funds as at December 31, 2006.

| | All classes except Class I | Class I |
|---|---|---|
| Franklin Aggressive Growth Fund | 1.00% | 0.70% |
| Franklin Asian Flex Cap Fund | 1.00% | 0.70% |
| Franklin Biotechnology Discovery Fund | 1.00% | 0.70% |
| Franklin European Growth Fund | 1.00% | 0.70% |
| Franklin European Small-Mid Cap Growth Fund | 1.00% | 0.70% |
| Franklin Global Growth Fund | 1.00% | |
| Franklin Global Real Estate (Euro) Fund | 1.00% | 0.70% |
| Franklin Global Real Estate (USD) Fund | 1.00% | 0.70% |
| Franklin Global Small-Mid Cap Growth Fund | 1.00% | |
| Franklin High Yield Fund | 0.80% | 0.60% |
| Franklin High Yield (Euro) Fund | 0.80% | 0.60% |
| Franklin Income Fund | 0.85% | 0.60% |
| Franklin India Fund | 1.00% | 0.70% |
| Franklin Technology Fund | 1.00% | |
| Franklin U.S. Equity Fund | 1.00% | 0.70% |
| Franklin U.S. Government Fund | 0.65% | 0.40% |
| Franklin U.S. Growth Fund | 1.00% | 0.70% |
| Franklin U.S. Ultra Short Bond Fund | 0.65% | 0.40% |
| Franklin U.S. Small-Mid Cap Growth Fund | 1.00% | 0.70% |
| Franklin U.S. Total Return Fund | 0.75% | 0.55% |
| Franklin Mutual Beacon Fund | 1.00% | 0.70% |
| Franklin Mutual European Fund | 1.00% | 0.70% |
| Franklin Mutual Global Discovery Fund | 1.00% | 0.70% |
| Franklin Templeton Global Growth and Value Fund | 1.00% | 0.70% |
| Franklin Templeton Japan Fund | 1.00% | 0.70% |
| Templeton Absolute Rate Return (Euro) Fund | 0.50% | 0.35% |
| Templeton Asian Bond Fund | 0.75% | 0.55% |
| Templeton Asian Growth Fund | 1.35% | 0.90% |
| Templeton BRIC Fund | 1.60% | 1.10% |
| Templeton China Fund | 1.60% | 1.10% |
| Templeton Eastern Europe Fund | 1.60% | 1.10% |
| Templeton Emerging Markets Fund | 1.60% | 1.10% |
| Templeton Emerging Markets Bond Fund | 1.00% | 0.70% |
| Templeton Euro Liquid Reserve Fund | 0.40% | |
| Templeton Euroland Fund | 1.00% | 0.70% |
| Templeton Euroland Bond Fund | 0.65% | 0.45% |
| Templeton European Fund | 1.00% | 0.70% |
| Templeton European Total Return Fund | 0.75% | 0.55% |
| Templeton Global Fund | 1.00% | 0.70% |
| Templeton Global (Euro) Fund | 1.00% | 0.70% |
| Templeton Global Balanced Fund | 0.80% | 0.60% |
| Templeton Global Bond Fund | 0.75% | 0.55% |
| Templeton Global Bond (Euro) Fund | 0.75% | 0.55% |
| Templeton Global Equity Income Fund | 1.00% | 0.70% |
| Templeton Global Income Fund | 0.85% | 0.60% |
| Templeton Global Smaller Companies Fund | 1.00% | 0.70% |
| Templeton Global Total Return Fund | 0.75% | 0.55% |
| Templeton Growth (Euro) Fund | 1.00% | 0.70% |
| Templeton Japan Fund | 1.00% | |
| Templeton Korea Fund | 1.60% | 1.25% |
| Templeton Latin America Fund | 1.40% | 0.95% |
| Templeton Thailand Fund | 1.60% | |
| Templeton U.S. Dollar Liquid Reserve Fund | 0.40% | |
| Templeton U.S. Value Fund | 1.00% | 0.70% |

# NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 4 — Forward foreign exchange contracts**

As at December 31, 2006, the Company had entered into the following outstanding contracts:

(a) Franklin Global Real Estate (Euro) Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) EUR |
|---|---|---|---|---|---|
| 2 | EUR | 10,701,369 | AUD | 18,099,943 | (62,836) |
| 2 | EUR | 7,642,488 | GBP | 5,153,705 | 20,850 |
| 2 | EUR | 6,436,595 | JPY | 991,480,058 | 85,375 |
| 1 | EUR | 923,149 | CAD | 1,410,008 | 7,601 |
| 1 | EUR | 1,422,575 | HKD | 14,634,444 | (1,993) |
| 1 | EUR | 2,532,572 | NOK | 20,671,486 | 21,732 |
| 1 | EUR | 123,325 | SEK | 1,118,883 | (535) |
| 1 | EUR | 7,901,171 | SGD | 16,085,046 | (48,458) |
| 1 | EUR | 32,093,728 | USD | 42,571,817 | (45,634) |
| 1 | EUR | 3,103,937 | ZAR | 28,984,563 | 7,333 |
| 1 | SGD | 1,254,973 | EUR | 618,000 | 2,239 |
| | | | | | (14,326) |

(b) Franklin Global Real Estate (USD) Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) USD |
|---|---|---|---|---|---|
| 2 | USD | 6,510,527 | AUD | 8,296,332 | (24,929) |
| 2 | USD | 4,734,864 | GBP | 2,405,082 | 23,535 |
| 1 | USD | 574,713 | CAD | 661,552 | 5,718 |
| 1 | USD | 1,371,338 | EUR | 1,032,323 | 3,923 |
| 1 | USD | 792,377 | HKD | 6,136,565 | 1,121 |
| 1 | USD | 3,481,138 | JPY | 403,533,470 | 57,110 |
| 1 | USD | 1,453,532 | NOK | 8,918,875 | 18,565 |
| 1 | USD | 4,534,421 | SGD | 6,945,826 | (12,665) |
| 1 | USD | 1,900,379 | ZAR | 13,334,961 | 13,275 |
| | | | | | 85,652 |

(c) Franklin High Yield (Euro) Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) EUR |
|---|---|---|---|---|---|
| 1 | EUR | 7,425,007 | GBP | 5,000,000 | 13,855 |
| 1 | EUR | 42,811,551 | USD | 55,000,000 | 1,189,185 |
| 1 | GBP | 200,000 | EUR | 295,421 | 1,025 |
| 1 | USD | 5,000,000 | EUR | 3,790,176 | (6,324) |
| | | | | | 1,197,741 |

(d) Franklin U.S. Equity Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit USD |
|---|---|---|---|---|---|
| 3 | EUR | 3,032,244 | USD | 4,007,845 | 6,248 |
| 2 | USD | 2,401,000 | EUR | 1,805,365 | 11,052 |
| | | | | | 17,300 |

(e) Franklin U.S. Total Return Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) USD |
|---|---|---|---|---|---|
| 5 | JPY | 79,707,450 | USD | 704,958 | (24,166) |
| 1 | KRW | 71,775,000 | USD | 75,000 | 2,403 |
| | | | | | (21,763) |

# NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 4 — Forward foreign exchange contracts** (continued)

As at December 31, 2006, the Company had entered into the following outstanding contracts:

(f) Franklin Mutual Beacon Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) USD |
|---|---|---|---|---|---|
| 20 | USD | 24,880,000 | KRW | 23,526,214,750 | (461,921) |
| 19 | USD | 39,048,998 | JPY | 4,477,367,252 | 1,037,668 |
| 18 | USD | 246,951,270 | EUR | 190,881,909 | (5,854,249) |
| 11 | USD | 53,886,665 | GBP | 28,286,828 | (1,517,885) |
| 9 | USD | 31,151,977 | CAD | 34,657,501 | 1,333,147 |
| 6 | USD | 5,541,463 | SGD | 8,689,918 | (133,108) |
| 6 | USD | 7,875,000 | TWD | 250,582,500 | 184,870 |
| 5 | USD | 25,382,488 | DKK | 149,475,431 | (1,108,251) |
| 4 | USD | 39,842,142 | NOK | 241,708,922 | 908,920 |
| 4 | USD | 46,561,914 | SEK | 316,844,369 | 133,143 |
| 3 | USD | 11,631,278 | CHF | 13,787,176 | 247,608 |
| | | | | | (5,230,057) |

(g) Franklin Mutual Global Discovery Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) USD |
|---|---|---|---|---|---|
| 20 | USD | 5,752,891 | KRW | 5,428,323,750 | (94,380) |
| 11 | USD | 34,929,693 | EUR | 27,203,005 | (1,032,074) |
| 11 | USD | 5,967,846 | JPY | 684,838,219 | 153,802 |
| 7 | USD | 586,933 | SGD | 920,982 | (14,475) |
| 5 | USD | 3,576,997 | CHF | 4,245,538 | 71,581 |
| 4 | USD | 3,333,957 | DKK | 19,616,260 | (142,529) |
| 4 | USD | 7,322,488 | GBP | 3,840,036 | (198,877) |
| 4 | USD | 10,284,592 | NOK | 62,408,125 | 234,744 |
| 2 | USD | 270,042 | AUD | 344,900 | (1,662) |
| 2 | USD | 703,258 | TWD | 22,332,500 | 17,895 |
| 1 | USD | 3,560,766 | SEK | 24,263,415 | 8,435 |
| | | | | | (997,541) |

(h) Templeton Absolute Return (Euro) Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) EUR |
|---|---|---|---|---|---|
| 21 | EUR | 12,916,217 | USD | 17,012,465 | 44,329 |
| 3 | CLP | 267,500,000 | USD | 507,997 | (4,222) |
| 3 | EUR | 1,339,458 | GBP | 905,200 | (1,503) |
| 3 | SEK | 4,120,000 | USD | 598,654 | 3,003 |
| 2 | EUR | 212,714 | MXN | 3,037,994 | (82) |
| 1 | INR | 13,500,000 | USD | 302,555 | 57 |
| 1 | JPY | 7,500,000 | USD | 64,284 | (702) |
| | | | | | 40,879 |

(i) Templeton Asian Bond Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) USD |
|---|---|---|---|---|---|
| 12 | INR | 469,990,700 | USD | 10,258,848 | 248,476 |
| 12 | JPY | 2,660,820,150 | USD | 23,861,174 | (1,042,762) |
| 2 | INR | 3,800,000 | NZD | 126,159 | (3,075) |
| 1 | JPY | 171,689,618 | EUR | 1,187,999 | (109,713) |
| 1 | SGD | 1,400,000 | USD | 897,263 | 17,496 |
| 1 | THB | 18,250,000 | USD | 485,889 | 22,680 |
| | | | | | (866,898) |

# NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 4 — Forward foreign exchange contracts** (continued)

As at December 31, 2006, the Company had entered into the following outstanding contracts:

(j) Templeton Emerging Markets Bond Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) USD |
|---|---|---|---|---|---|
| 6 | USD | 21,195,942 | MXN | 235,451,057 | (305,217) |
| 5 | RON | 20,954,442 | EUR | 5,823,780 | 398,764 |
| 4 | BRL | 12,977,150 | USD | 5,351,025 | 679,617 |
| 2 | THB | 538,999,738 | USD | 14,045,009 | 906,440 |
| 1 | PLN | 13,711,500 | USD | 4,500,000 | 233,158 |
| | | | | | 1,912,762 |

(k) Templeton Euroland Bond Fund

| Number of contracts | Purchases | | Sales | | Unrealised loss EUR |
|---|---|---|---|---|---|
| 3 | ISK | 24,000,000 | EUR | 251,440 | (8,202) |

(l) Templeton European Total Return Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit EUR |
|---|---|---|---|---|---|
| 6 | RON | 58,280,945 | EUR | 16,214,682 | 948,099 |
| 1 | EUR | 1,080,497 | USD | 1,400,000 | 22,938 |
| | | | | | 971,037 |

(m) Templeton Global (Euro) Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) EUR |
|---|---|---|---|---|---|
| 7 | EUR | 6,721,671 | GBP | 4,526,900 | 28,050.30 |
| 7 | EUR | 8,415,518 | USD | 11,116,900 | 24,221.45 |
| 3 | USD | 442,200 | EUR | 336,029 | (2,245.61) |
| 3 | GBP | 125,500 | EUR | 186,431 | (862.76) |
| | | | | | 49,163 |

(n) Templeton Global Balanced Fund

| Number of contracts | Purchases | | Sales | | Unrealised loss USD |
|---|---|---|---|---|---|
| 4 | CLP | 1,639,857,688 | MXN | 33,726,057 | (15,107) |
| 4 | INR | 269,325,000 | NZD | 9,088,513 | (320,773) |
| 3 | ISK | 275,000,000 | USD | 3,706,120 | (341) |
| | | | | | (336,221) |

(o) Templeton Global Bond Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) USD |
|---|---|---|---|---|---|
| 29 | JPY | 51,187,813,000 | USD | 463,904,114 | (28,613,886) |
| 13 | RON | 294,746,530 | EUR | 81,392,521 | 6,248,330 |
| 6 | INR | 2,519,011,081 | NZD | 85,658,521 | (3,463,041) |
| 5 | USD | 112,202,260 | JPY | 13,158,487,500 | 767,661 |
| 4 | CLP | 20,778,825,542 | MXN | 427,350,396 | (191,742) |
| 4 | JPY | 13,968,180,152 | EUR | 100,708,860 | (15,056,022) |
| 3 | BRL | 59,965,650 | USD | 24,825,484 | 3,041,224 |
| 3 | ISK | 3,509,900,000 | USD | 47,253,659 | 37,849 |
| 2 | INR | 788,646,000 | USD | 16,906,740 | 664,396 |
| 2 | RON | 36,870,875 | USD | 12,750,000 | 1,534,669 |
| 1 | SEK | 71,500,000 | USD | 10,001,399 | 474,285 |
| 1 | USD | 17,452,571 | SGD | 27,000,000 | (165,769) |
| | | | | | (34,722,044) |

# NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 4 — Forward foreign exchange contracts** (continued)

As at December 31, 2006, the Company had entered into the following outstanding contracts:

(p) Templeton Global Bond (Euro) Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) EUR |
|---|---|---|---|---|---|
| 15 | EUR | 9,835,724 | USD | 12,596,339 | 356,148 |
| 14 | EUR | 14,499,198 | IDR | 178,653,380,873 | (129,177) |
| 12 | EUR | 9,282,998 | NZD | 18,551,467 | (446,396) |
| 9 | EUR | 2,428,069 | AUD | 4,169,409 | (44,020) |
| 9 | EUR | 14,894,653 | PLN | 57,860,910 | (170,478) |
| 8 | EUR | 8,032,540 | MXN | 116,945,899 | (1,591) |
| 5 | EUR | 8,355,477 | SKK | 314,650,000 | (750,513) |
| 4 | EUR | 14,767,426 | BRL | 44,104,323 | (110,546) |
| 3 | ISK | 10,000,000 | EUR | 104,767 | (3,418) |
| 2 | EUR | 960,809 | PEN | 4,002,081 | 14,881 |
| 1 | EUR | 562,746 | CAD | 822,847 | 28,974 |
| 1 | EUR | 2,006,797 | CZK | 57,047,833 | (76,356) |
| 1 | EUR | 2,157,656 | KRW | 2,687,360,000 | (25,102) |
| 1 | JPY | 21,961,175 | EUR | 155,000 | (14,427) |
| | | | | | (1,372,019) |

(q) Templeton Global Income Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) USD |
|---|---|---|---|---|---|
| 5 | CAD | 2,455,000 | USD | 2,212,948 | (96,765) |
| 4 | NOK | 12,653,063 | USD | 2,011,894 | 29,900 |
| 3 | BRL | 781,500 | USD | 326,077 | 37,389 |
| 3 | INR | 22,800,000 | NZD | 765,119 | (24,240) |
| 3 | SGD | 1,970,000 | USD | 1,274,395 | 21,711 |
| 2 | KRW | 1,555,236,250 | USD | 1,677,800 | 3,540 |
| 2 | RON | 921,700 | EUR | 250,000 | 25,420 |
| 2 | SEK | 6,772,127 | USD | 967,721 | 30,104 |
| 1 | IDR | 1,310,000,000 | USD | 139,332 | 4,203 |
| 1 | ISK | 10,375,000 | USD | 139,806 | 99 |
| 1 | JPY | 11,094,639 | EUR | 78,535 | (9,964) |
| 1 | JPY | 10,865,000 | USD | 100,000 | (7,933) |
| 1 | MYR | 860,000 | USD | 240,559 | 5,669 |
| 1 | THB | 17,916,750 | USD | 490,333 | 6,251 |
| | | | | | 25,384 |

(r) Templeton Global Total Return Fund

| Number of contracts | Purchases | | Sales | | Unrealised profit/(loss) USD |
|---|---|---|---|---|---|
| 19 | JPY | 6,188,908,100 | USD | 55,474,218 | (2,581,379) |
| 8 | KRW | 6,506,150,000 | USD | 6,921,133 | 86,625 |
| 7 | CAD | 13,370,000 | USD | 11,812,979 | (270,620) |
| 6 | INR | 207,057,174 | NZD | 7,023,962 | (273,623) |
| 6 | RON | 28,433,025 | EUR | 7,863,109 | 597,465 |
| 6 | SGD | 12,353,090 | USD | 7,913,422 | 205,666 |
| 5 | CLP | 5,634,413,168 | MXN | 116,582,691 | (111,066) |
| 5 | IDR | 14,890,000,000 | USD | 1,569,992 | 60,938 |
| 3 | BRL | 4,945,125 | USD | 2,047,410 | 251,064 |
| 3 | ISK | 126,000,000 | USD | 1,698,077 | (156) |
| 3 | JPY | 962,814,298 | EUR | 6,877,998 | (936,899) |
| 3 | NOK | 46,005,000 | USD | 7,657,388 | (260,172) |
| 3 | PLN | 4,644,685 | USD | 1,499,886 | 104,690 |
| 2 | SEK | 35,660,200 | USD | 5,270,629 | (824) |
| 1 | INR | 88,255,000 | USD | 1,900,000 | 66,427 |
| 1 | RON | 5,332,920 | USD | 1,900,000 | 156,345 |
| 1 | SEK | 10,000,000 | EUR | 1,085,069 | 28,712 |
| 1 | SKK | 13,300,000 | USD | 468,805 | 42,252 |
| 1 | THB | 72,500,000 | USD | 1,878,238 | 133,276 |
| | | | | | (2,701,277) |

## NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 5 — Open positions on credit default swap contracts**

As at December 31, 2006 the Company had entered into the following outstanding contracts:

Franklin U.S. Total Return Fund

| Number of contracts | Description | Counter party | Buy/Sell protection | Trading currency | Market value USD | Unrealised profit USD |
|---|---|---|---|---|---|---|
| 1,500,000 | ABX HE A, Jul. 2045 | JP Morgan | Sell | USD | 260 | 1,651 |
| 900,000 | DJ CDX HY, Dec. 2011 (High Yield) | Credit Suisse First Boston | Sell | USD | 851 | 851 |
| | | | | | | 2,502 |

Templeton Absolute Return (Euro) Fund

| Number of contracts | Description | Counter party | Buy/Sell protection | Trading currency | Market value EUR | Unrealised loss EUR |
|---|---|---|---|---|---|---|
| (250,000) | Home Depot Inc., Dec. 2011 | Merill Lynch | Buy | USD | (80) | (80) |
| (5,000,000) | DJ CDX NA, Dec. 2011 | Credit Suisse First Boston | Buy | USD | (869) | (869) |
| | | | | | | (949) |

Templeton Global Total Return Fund

| Number of contracts | Description | Counter party | Buy/Sell protection | Trading currency | Market value USD | Unrealised loss USD |
|---|---|---|---|---|---|---|
| (2,000,000) | First Energy Corp., Mar. 2011 | JP Morgan | Buy | USD | (18,419) | (14,343) |

**Note 6 — Open positions on interest rate swap contracts**

As at December 31, 2006 the Company had entered into the following outstanding contracts:

Templeton Absolute Return (Euro) Fund

| Number of contracts | Description | Denomination | Trading currency | Market value EUR | Unrealised profit EUR |
|---|---|---|---|---|---|
| (5,000,000) | Credit Suisse First Boston, Fixed Dec. 2016 | Receive floating rate USD LIBOR 3 months; Pay fixed rate 4.9025% | USD | 84,478 | 84,478 |

**Note 7 — Open positions on futures contracts**

As at December 31, 2006 the Company had entered into the following outstanding contracts:

Franklin U.S. Total Return Fund

| Number of contracts | Description | Trading currency | Market value USD | Unrealised profit/(loss) USD |
|---|---|---|---|---|
| 15 | U.S. Treasury Bond, Mar. 2007 | USD | (30,117) | (30,117) |
| 3 | U.S. Treasury Note, Mar. 2007 | USD | (2,062) | (2,063) |
| (5) | U.S. Treasury Note, Mar. 2007 | USD | 5,664 | 5,664 |
| | | | | (26,516) |

Templeton Absolute Return (Euro) Fund

| Number of contracts | Description | Trading currency | Market value EUR | Unrealised profit EUR |
|---|---|---|---|---|
| (4) | U.S. Treasury Bond, Mar. 2007 | USD | 6,676 | 6,676 |
| (5) | Long Gilts, Mar. 2007 | GBP | 11,453 | 11,453 |
| (8) | U.S. Treasury Note, Mar. 2007 | USD | 8,238 | 8,238 |
| (10) | U.S. Treasury Note, Mar. 2007 | USD | 4,498 | 4,498 |
| (19) | Euro Bund, Mar. 2007 | EUR | 49,140 | 49,140 |
| | | | | 80,005 |

# NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 8 — Open positions on options contracts**

As at December 31, 2006 the Company had entered into the following outstanding contracts:

Franklin Mutual Beacon

| | Description | Trading currency | Number of contracts purchased/(sold) | Unrealised profit USD |
|---|---|---|---|---|
| Purchase | Kindred Healthcare Inc., 23.75 Calls , Jul. 2011 | USD | 184 | |
| | Kindred Healthcare Inc., 26 Calls, Jan. 2012 | USD | 56 | |
| | Kindred Healthcare Inc., 9.07 Calls, Jan. 2013 | USD | 42 | |
| | Abovenet Inc., 20.95 Calls, Sep. 2013 | USD | 40 | |
| | Kindred Healthcare Inc., 25.99 Calls, Jan. 2014 | USD | 28 | |
| | Kindred Healthcare Inc., 27.9 Calls, Jan. 2015 | USD | 11 | |
| Sale | Bausch & Lomb Inc., 55 Calls, Feb. 2007 | USD | (69) | 3,012 |
| | Bausch & Lomb Inc., 55 Calls, Jan. 2007 | USD | (210) | 14,583 |
| | | | | 17,595 |

**Note 9 — Securities lending**

The total market value of the securities lent on December 31, 2006 is USD 64,681,559 and the corresponding value of the collateral is USD 67,038,563.

The market value per sub-fund is as follows:

| | Market Value of loaned securities |
|---|---|
| Franklin Mutual Beacon Fund | 12,162,535 USD |
| Franklin Mutual European Fund | 38,524,699 USD |
| Franklin Mutual Global Discovery Fund | 407,911 USD |
| Templeton Global Fund | 13,586,414 USD |

**Note 10 — Taxation**

Under current laws and practice, the Company is not liable in the Grand-Duchy of Luxembourg to any taxes on income or on realised or unrealised capital gains.

The Company is liable in the Grand-Duchy of Luxembourg to a tax of 0.05% per annum, such tax being accrued monthly and paid quarterly, and calculated on the net asset value of each Fund at the end of each relevant quarter. This tax is not applicable for the portion of the assets of a Fund invested in other undertakings for collective investment that have already been subject to such tax. Class I shares may benefit from a reduced rate of 0.01% per annum if all shareholders of this Class of Shares are institutional investors.

Investment income received or capital gains realised by the Company may be subject to tax in the countries of origin. All liabilities in respect of taxes payable on unrealised capital gains on investments are provided for as soon as there is a reasonable certainty that a liability will crystallise.

No stamp duty or other tax is payable in the Grand Duchy of Luxembourg on the issue of shares in the Company.

The Company shall apply to the U.K. tax authorities for certification as a "distributing fund" within the meaning of schedule 27 of the U.K. Income and Corporation Taxes Act 1988 in respect of the distribution share classes offered by the Company and for the accounting period ending December 31, 2006.

**Note 11 — Statement of changes in the investment portfolio**

A list, specifying for each Fund total purchases and sales transacted during the year under review, may be obtained, upon request, at the registered office of the Company.

**Note 12 — Equalisation**

The Funds use an accounting practice known as equalisation, by which a portion of the proceeds from sales and costs of redemption of shares, equivalent on a per share basis to the amount of undistributed net investment income on the date of the transaction, is credited or charged to undistributed income. As a result, undistributed net investment income per share is unaffected by sales or redemptions of shares. However, the Board of Directors reserves the right not to apply equalisation in respect of accumulation shares available for the following Funds:

Franklin Biotechnology Discovery Fund
Franklin European Growth Fund
Franklin European Small-Mid Cap Growth Fund
Franklin Global Growth Fund
Franklin Global Small-Mid Cap Growth Fund
Franklin Technology Fund
Franklin U.S. Equity Fund
Franklin U.S. Growth Fund
Franklin U.S. Small-Mid Cap Growth Fund
Franklin Templeton Global Growth and Value Fund
Templeton Absolute Return (Euro) Fund
Templeton Japan Fund
Templeton Korea Fund
Templeton Thailand Fund

# NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 13 — Classes of shares: A(acc), A(dis), AX(acc), B(acc), B(dis), C(acc), C(dis), I(acc), I(dis), N(acc), N(dis), alternative currency class and alternative currency hedged class of shares**

Class A(acc) Shares: No distribution of dividends will be made in respect of Class A(acc) shares but the net income attributable will be reflected in the increased value of the shares. All other terms and conditions are the same as those which apply for Class A(dis) shares.

Class A(dis) Shares: are offered at the applicable net asset value, plus an initial sales charge of up to 6.50% of the total amount invested. In addition, a maintenance charge of up to 0.50% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor. A contingent deferred sales charge of 1% applies to certain redemptions on qualified investments of USD 1 million or more within 18 months after repurchase.

Class AX(acc) Shares: are offered at the applicable net asset value, plus an initial sales charge of up to 6.50% of the total amount invested. In addition, a maintenance charge of up to 0.50% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor. No distribution of dividends will be made in respect of Class AX(acc) shares but the net income attributable will be reflected in the increased value of the shares. A contingent deferred sales charge of 1% applies to certain redemptions on qualified investments of USD 1 million or more within 18 months after repurchase.

Class B(acc) Shares: No distribution of dividends will be made in respect of Class B(acc) shares but the net income attributable will be reflected in the increased value of the shares. All other terms and conditions are the same as those which apply for Class B(dis) shares.

Class B(dis) Shares: are not subject to an initial sales charge but are subject to a contingent deferred sales charge if an investor redeems shares within four years of purchase. In addition, a maintenance charge of up to 0.75% per annum of the applicable average net asset value and a servicing charge of up to 1.00% per annum of the applicable average net asset value are applied. These charges are accrued daily and are deducted and paid monthly to the Principal Distributor and/or other parties. Shares purchased from February 1, 2004 forward shall be automatically converted into Class A shares of the same fund eight years after their purchase as more fully disclosed in the Prospectus. Shares purchased by January 31, 2004 will be automatically converted into the same fund's Class A shares on January 31, 2012.

Class C(acc) Shares: No distribution of dividends will be made but the net income attributable will be reflected in the increased value of the shares. All other terms and conditions are the same as the those which apply for Class C(dis) Shares.

Class C(dis) Shares: are not subject to an initial sales charge but are subject to a contingent deferred sales charge of 1.00% if an investor redeems shares within one year of purchase. In addition, a maintenance and service charge of up to 1.10% per annum of the applicable average net asset value is deducted. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor and/or other party.

Class I(acc) Shares: No distribution of dividends will be made but the net income attributable will be reflected in the increased value of the shares. All other terms and conditions are the same as those which apply for Class I(dis) shares.

Class I(dis) Shares: are offered to institutional investors as more fully described in the current Prospectus and addendums of the Company. Purchases of Class I(dis) shares are not subject to an initial sales charge, nor a contingent deferred sales charge or any maintenance, distribution or servicing charges. Class I(dis) shares benefit from a reduced Investment Management fee (note 3).

Class N(acc) Shares: No distribution of dividends will be made but the net income attributable will be reflected in the increased value of the shares. All other terms and conditions are the same as these which apply for Class N(dis) shares.

Class N(dis) Shares: are subject to an initial sales charge of up to 3% of the total amount invested. In addition, a distribution charge of up to 1.25% per annum of the applicable average net asset value is accrued daily and is deducted and paid monthly to the Principal Distributor. Class N(dis) shares may be offered in certain limited circumstances as more fully described in the current prospectus and addendum of the Company.

| Franklin Templeton Investment Funds | Base Currency | Alternative Currency | Alternative Currency Hedged | A(acc) | A(dis) | AX(acc) | B(acc) | B(dis) | C(acc) | C(dis) | I(acc) | I(dis) | N(acc) | N(dis) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Franklin Aggressive Growth Fund | USD | | | √ | | | √ | | √ | | √ | | √ | |
| | | EUR | | √ | √ | | | | | | √ | | √ | |
| | | GBP | | | √ | | | | | | | | | |
| Franklin Asian Flex Cap Growth Fund | USD | | | √ | √ | | √ | | √ | | √ | √ | √ | |
| | | GBP | | | √ | | | | | | | | | |
| Franklin Biotechnology Discovery Fund | USD | | | √ | | | √ | | √ | | √ | | √ | |
| Franklin European Growth Fund | EUR | | | √ | | | | | | | √ | | √ | |
| Franklin European Small-Mid Cap Growth Fund | EUR | | | √ | | | | | | | √ | | √ | |
| | | USD | | √ | | | √ | | | | √ | | | |
| Franklin Global Growth Fund | USD | | | √ | | | | | | | | | √ | |
| Franklin Global Real Estate (Euro) Fund | EUR | | | √ | √ | | | | | | √ | √ | √ | |
| | | GBP | | | √ | | | | | | | | | |
| Franklin Global Real Estate (USD) Fund | USD | | | √ | √ | | | √ | | √ | √ | √ | √ | √ |
| Franklin Global Small-Mid Cap Growth Fund | USD | | | √ | | | √ | | | | | | √ | |
| Franklin High Yield Fund | USD | | | √ | √ | | | √ | √ | | | √ | √ | |
| Franklin High Yield (Euro) Fund | EUR | | | √ | √ | | | | | | √ | √ | √ | |
| Franklin Income Fund | USD | | | | √ | | | √ | √ | √ | √ | | √ | |
| Franklin India Fund | USD | | | √ | | | √ | | √ | | √ | | √ | |
| | | EUR | | √ | √ | | | | | | √ | √ | √ | |
| | | GBP | | | √ | | | | | | | | | |
| Franklin Technology Fund | USD | | | √ | | | √ | | √ | | | | √ | |
| | | EUR | | √ | | | | | | | | | √ | |
| Franklin U.S. Equity Fund | USD | | | √ | | | √ | | √ | | √ | | √ | |
| | | EUR | | √ | | | | | | | √ | | √ | |
| | | | EUR | √ | | | | | | | | | | |
| Franklin U.S. Government Fund | USD | | | | √ | √ | √ | √ | √ | | √ | √ | √ | √ |
| Franklin U.S. Growth Fund | USD | | | √ | | | √ | | √ | | √ | | √ | |

# NOTES TO THE FINANCIAL STATEMENTS
# AT DECEMBER 31, 2006 (continued)

**Note 13 — Classes of shares: A(acc), A(dis), AX(acc), B(acc), B(dis), C(acc), C(dis), I(acc), I(dis), N(acc), N(dis), alternative currency class and alternative currency hedged class of shares** (continued)

| Franklin Templeton Investment Funds | Base Currency | Alternative Currency | Alternative Currency Hedged | A(acc) | A(dis) | AX(acc) | B(acc) | B(dis) | C(acc) | C(dis) | I(acc) | I(dis) | N(acc) | N(dis) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Franklin U.S. Ultra Short Bond Fund | USD | | | | √ | √ | √ | √ | | √ | √ | | | √ |
| Franklin U.S. Small-Mid Cap Growth Fund | USD | | | √ | | | √ | | √ | | √ | | √ | |
| Franklin U.S. Total Return Fund | USD | | | √ | √ | | √ | √ | | √ | √ | √ | | √ |
| Franklin Mutual Beacon Fund | USD | | | √ | √ | | √ | | √ | | √ | | √ | |
| | | EUR | | √ | | | | | | | √ | | √ | |
| Franklin Mutual European Fund | EUR | | | √ | √ | | | | √ | | √ | √ | √ | |
| | | GBP | | | √ | | | | | | | | | |
| | | USD | | √ | | | √ | | √ | | | | √ | |
| Franklin Mutual Global Discovery Fund | USD | | | √ | | | √ | | √ | | √ | | √ | |
| | | EUR | | √ | √ | | | | | | √ | √ | √ | |
| | | GBP | | | √ | | | | | | | | | |
| Franklin Templeton Global Growth & Value Fund | USD | | | √ | | | √ | | √ | | √ | | √ | |
| Franklin Templeton Japan Fund | YEN | | | √ | | | | | | | | | | |
| | | EUR | | √ | √ | | | | | | √ | | √ | |
| | | GBP | | | √ | | | | | | | | | |
| | | USD | | √ | | | | | √ | | √ | | | |
| Templeton Absolute Return (Euro) Fund | EUR | | | √ | | | | | | | √ | | √ | |
| Templeton Asian Bond Fund | USD | | | √ | √ | | | √ | | √ | √ | | √ | √ |
| | | EUR | | √ | √ | | | | | | | √ | √ | |
| Templeton Asian Growth Fund | USD | | | √ | √ | | | | √ | | √ | | √ | |
| | | EUR | | √ | √ | | | | | | √ | | √ | |
| | | GBP | | | √ | | | | | | | | | |
| Templeton BRIC Fund | USD | | | √ | | | √ | | √ | | √ | | √ | |
| | | EUR | | √ | √ | | | | | | | | √ | |
| | | GBP | | | √ | | | | | | | | | |
| Templeton China Fund | USD | | | √ | | | | | √ | | √ | | √ | |
| | | EUR | | | √ | | | | | | | | | |
| | | GBP | | | √ | | | | | | | | | |
| Templeton Eastern Europe Fund | EUR | | | √ | √ | | | | √ | | √ | | √ | |
| | | GBP | | | √ | | | | | | | | | |
| | | USD | | √ | | | √ | | √ | | | | | |
| Templeton Emerging Markets Fund | USD | | | √ | √ | | √ | | √ | | √ | | √ | |
| | | EUR | | | | | | | | | | | √ | |
| Templeton Emerging Markets Bond Fund | USD | | | | √ | | | √ | √ | | √ | √ | √ | |
| | | EUR | | | √ | | | | | | | | | |
| Templeton Euro Liquid Reserve Fund | EUR | | | √ | √ | | | | | | | | √ | |
| Templeton Euroland Fund | EUR | | | √ | √ | | | | √ | | √ | √ | √ | |
| | | USD | | | | | √ | | √ | | | | | |
| Templeton Euroland Bond Fund | EUR | | | | √ | | | | | | √ | | √ | |
| Templeton European Fund | EUR | | | √ | √ | | | | √ | | √ | | √ | |
| | | USD | | √ | √ | | | | √ | | | | √ | |
| Templeton European Total Return Fund | EUR | | | √ | √ | | | | √ | | √ | √ | √ | |
| | | GBP | | | √ | | | | | | | | | |
| | | USD | | | √ | | | | | √ | | | | |
| Templeton Global Fund | USD | | | √ | √ | | √ | | √ | | √ | | √ | |
| Templeton Global (Euro) Fund | EUR | | | √ | √ | | | | | | √ | | √ | |
| | | USD | | | | | √ | | | | | | | |
| | | | EUR | | | | | | | | √ | | | |
| Templeton Global Balanced Fund | USD | | | √ | √ | | √ | | | √ | √ | | | |
| | | EUR | | √ | | | | | | | | | √ | |
| Templeton Global Bond Fund | USD | | | √ | √ | √ | | √ | | √ | √ | | √ | |
| | | EUR | | √ | √ | | | | | | √ | √ | √ | |
| | | GBP | | | √ | | | | | | | | | |
| Templeton Global Bond (Euro) Fund | EUR | | | √ | √ | | | | | | √ | | √ | |
| | | USD | | | | | √ | | | | | | | |
| Templeton Global Equity Income Fund | USD | | | √ | √ | | | √ | | √ | √ | | √ | |
| | | EUR | | √ | | | | | | | | | | |
| Templeton Global Income Fund | USD | | | √ | √ | | | √ | | √ | √ | | √ | |
| | | EUR | | √ | | | | | | | | | | |

# NOTES TO THE FINANCIAL STATEMENTS
# AT DECEMBER 31, 2006 (continued)

**Note 13 — Classes of shares: A(acc), A(dis), AX(acc), B(acc), B(dis), C(acc), C(dis), I(acc), I(dis), N(acc), N(dis), alternative currency class and alternative currency hedged class of shares** (continued)

| Franklin Templeton Investment Funds | Base Currency | Alternative Currency | Alternative Currency Hedged | A(acc) | A(dis) | AX(acc) | B(acc) | B(dis) | C(acc) | C(dis) | I(acc) | I(dis) | N(acc) | N(dis) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Templeton Global Smaller Companies Fund | USD | | | √ | √ | | √ | | | √ | √ | | √ | |
| | | EUR | | | | | | | √ | | | | | |
| Templeton Global Total Return Fund | USD | | | √ | √ | | √ | √ | | √ | √ | | √ | |
| | | CHF | | | | | | | | | | √ | | |
| | | EUR | | √ | √ | | | | | | √ | √ | √ | |
| | | GBP | | | √ | | | | | | | | | |
| Templeton Growth (Euro) Fund | EUR | | | √ | √ | | | | √ | | √ | √ | √ | |
| | | USD | | | √ | | | | | | | √ | | |
| Templeton Japan Fund | USD | | | √ | | | | | | | | | √ | |
| Templeton Korea Fund | USD | | | √ | | | | | √ | | √ | | √ | |
| Templeton Latin America Fund | USD | | | √ | √ | | √ | | √ | | √ | | √ | |
| | | EUR | | | √ | | | | | | | | | |
| | | GBP | | | √ | | | | | | | | | |
| Templeton Thailand Fund | USD | | | √ | | | √ | | | | | | √ | |
| Templeton U.S. Dollar Liquid Reserve Fund | USD | | | √ | √ | | | √ | √ | | | | √ | |
| Templeton U.S. Value Fund | USD | | | √ | | | √ | | √ | | √ | | √ | |
| | | GBP | | | √ | | | | | | | | | |

**Note 14 — Soft commission**

Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Investment Managers to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers.

The receipt of investment research and information and related services permits the Investment Managers to supplement their own research and analysis and makes available to them the views and information of individuals and research staffs of other firms.

Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid by the Investment Managers.

**Note 15 — Connected party transactions**

Certain directors of the Company are or may also be officers and/or directors of one or more of the various Investment Managers of the Funds, among others Franklin Advisers, Inc., Franklin Mutual Advisers L.L.C., Franklin Templeton Alternative Strategies, Inc., Franklin Templeton Investment Management Limited, Franklin Templeton Investments Corp., Franklin Templeton Investments Japan Limited, Templeton Asset Management Limited and Templeton Global Advisors Limited and the Registrar and Transfer, Corporate, Domiciliary and Administrative Agent, Franklin Templeton International Services S.A., and the Commission Payer, Lightning Finance Limited. All transactions with connected parties were entered into in the ordinary course of business and under normal commercial terms.

The investment management fees that are paid by the Company to the Investment Managers are detailed in note 3 to the financial statements.

There are no connected brokers in Franklin Templeton Investments, and no transactions were entered into with connected brokers during the period ended December 31, 2006.

The Company paid the following fees to Franklin Templeton International Services S.A. as the Registrar and Transfer, Corporate, Domiciliary and Administrative Agent for the period ended December 31, 2006:

| | | |
|---|---|---|
| > Administration and Transfer Agency Fees | USD | 49,885,130 |
| > Servicing charge | USD | 240,472 |

The Company paid the following fees to Templeton Global Advisors Limited as the Principal Distributor of the Funds for the period ended December 31, 2006:

| | | |
|---|---|---|
| > Maintenance and Distribution charge | USD | 101,429,617 |

The Company paid the following fees to Lightning Finance Limited/SG Constellation One, Inc. as the Commission Payer to the Funds for the period ended December 31, 2006:

| | | |
|---|---|---|
| > Servicing charge | USD | 9,880,009 |

# NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 16 — Expenses reimbursement**

For the period ended December 31, 2006, the following expenses will be reimbursed in the first instance by the Administrative Agent "Franklin Templeton International Services S.A." and in the event that the expense exceeds the Administration fee, they will be reimbursed by the Fund's Investment Manager as detailed on pages 3 and 4.

| Fund | Currency | Amount |
|---|---|---|
| Franklin Asian Flex Cap Fund | USD | 214 |
| Franklin Global Real Estate (USD) Fund | USD | 26 |
| Franklin India Fund | USD | 56,585 |
| Franklin U.S. Ultra Short Bond Fund | USD | 55,509 |
| Franklin U.S. Total Return Fund | USD | 49,895 |
| Franklin Mutual Global Discovery Fund | USD | 1,775 |
| Templeton Absolute Return (Euro) Fund | EUR | 308 |
| Templeton Asian Bond Fund | USD | 28,142 |
| Templeton BRIC Fund | USD | 300,681 |
| Templeton European Total Return Fund | EUR | 1,062,401 |
| Templeton Global Bond (Euro) Fund | EUR | 35,855 |
| Templeton Global Equity Income Fund | USD | 253,750 |
| Templeton Global Income Fund | USD | 68,917 |
| Templeton Global Total Return Fund | USD | 188,925 |
| Templeton U.S. Value Fund | USD | 37 |

| Fund* | Class | Currency | Amount |
|---|---|---|---|
| Franklin Aggressive Growth Fund | I(acc) | USD | 402 |
| Franklin European Small-Mid Cap Growth Fund | I(acc) | EUR | 21 |
| Franklin High Yield Fund | I(dis) | USD | 6,776 |
| Franklin Income Fund | I(acc) | USD | 7 |
| Franklin U.S. Equity Fund | I(acc) | USD | 51 |
| Franklin U.S. Government Fund | I(acc) | USD | 2,504 |
| Franklin U.S. Government Fund | I(dis) | USD | 89,305 |
| Franklin Mutual Beacon Fund | I(acc) | USD | 78,535 |
| Franklin Mutual European Fund | I(acc) | EUR | 71,036 |
| Franklin Templeton Japan Fund | I(acc) | JPY | 1,307,249 |
| Franklin Templeton Japan Fund | I(acc) | JPY | 136,485 |
| Templeton Asian Growth Fund | I(acc) | USD | 45,375 |
| Templeton Asian Growth Fund | I(acc) | USD | 181,017 |
| Templeton China Fund | I(acc) | USD | 2,421 |
| Templeton Eastern Europe Fund | I(acc) | EUR | 135,616 |
| Templeton Emerging Markets Fund | I(acc) | USD | 5,687 |
| Templeton Emerging Markets Bond Fund | I(acc) | USD | 4,509 |
| Templeton Euroland Fund | I(acc) | EUR | 14,308 |
| Templeton Euroland Bond Fund | I(acc) | EUR | 39 |
| Templeton European Fund | I(acc) | EUR | 3,227 |
| Templeton Global (Euro) Fund | I(acc) | EUR | 16 |
| Templeton Global Bond Fund | I(acc) | USD | 44,596 |
| Templeton Global Bond Fund | I(acc) | USD | 98,527 |
| Templeton Global Bond Fund | I(dis) | USD | 924 |
| Templeton Global Smaller Companies Fund | I(acc) | USD | 792 |
| Templeton Growth (Euro) Fund | I(acc) | EUR | 5,432 |
| Templeton Latin America Fund | I(acc) | USD | 10,247 |

* The reimbursement applies only to the class disclosed.

**Note 17 — Total expense ratio**

The Total Expense Ratio ("TER"), expressed as a percentage, represents how the total expenses of the Funds relate to the average net assets of the Funds for the period ended December 31, 2006. The total expenses comprise the investment management fees, the administration and transfer agency fees, the custodian fees and other expenses as summarised in the Statement of Operations and Changes in Net Assets.

# NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2006 (continued)

**Note 18 — Annual and interim dividends distributed for the period ended December 31, 2006**

Accumulated dividends have not been paid out and are reflected as an increase in the Issue of shares in the Statement of Operations and Changes in Net Assets.

| | A(dis) USD | A(dis) EUR | A(dis) GBP | B(dis) USD | C(dis) USD | I(dis) USD | I(dis) CHF | I(dis) EUR | N(dis) USD |
|---|---|---|---|---|---|---|---|---|---|
| **Franklin Global Real Estate (EURO) Fund** | | | | | | | | | |
| Jul-06 | – | – | 0.069 | – | – | – | – | – | – |
| Oct-06 | – | 0.023 | 0.018 | – | – | – | – | 0.024 | – |
| **Franklin Global Real Estate (USD) Fund** | | | | | | | | | |
| Jul-06 | 0.078 | – | – | 0.050 | 0.066 | 0.103 | – | – | 0.059 |
| Oct-06 | 0.023 | – | – | – | 0.010 | 0.047 | – | – | 0.009 |
| **Franklin High Yield Fund** | | | | | | | | | |
| Jul-06 | 0.037 | – | – | 0.030 | – | 0.066 | – | – | – |
| Aug-06 | 0.038 | – | – | 0.030 | – | 0.067 | – | – | – |
| Sep-06 | 0.038 | – | – | 0.030 | – | 0.067 | – | – | – |
| Oct-06 | 0.039 | – | – | 0.030 | – | 0.067 | – | – | – |
| Nov-06 | 0.037 | – | – | 0.029 | – | 0.066 | – | – | – |
| Dec-06 | 0.039 | – | – | 0.031 | – | 0.068 | – | – | – |
| **Franklin High Yield (Euro) Fund** | | | | | | | | | |
| Jul-06 | – | 0.480 | – | – | – | – | – | 0.635 | – |
| **Franklin Income Fund** | | | | | | | | | |
| Jul-06 | 0.042 | – | – | 0.024 | 0.055 | – | – | – | – |
| Aug-06 | 0.037 | – | – | 0.023 | 0.039 | – | – | – | – |
| Sep-06 | 0.040 | – | – | 0.030 | 0.032 | – | – | – | – |
| Oct-06 | 0.040 | – | – | 0.030 | 0.032 | – | – | – | – |
| Nov-06 | 0.035 | – | – | 0.015 | 0.055 | – | – | – | – |
| Dec-06 | 0.035 | – | – | 0.015 | 0.055 | – | – | – | – |
| **Franklin U.S. Government Fund** | | | | | | | | | |
| Jul-06 | 0.032 | – | – | 0.022 | – | 0.037 | – | – | 0.028 |
| Aug-06 | 0.032 | – | – | 0.022 | – | 0.037 | – | – | 0.028 |
| Sep-06 | 0.032 | – | – | 0.022 | – | 0.037 | – | – | 0.028 |
| Oct-06 | 0.032 | – | – | 0.022 | – | 0.037 | – | – | 0.028 |
| Nov-06 | 0.032 | – | – | 0.022 | – | 0.037 | – | – | 0.028 |
| Dec-06 | 0.032 | – | – | 0.022 | – | 0.037 | – | – | 0.028 |
| **Franklin U.S. Ultra Short Bond Fund** | | | | | | | | | |
| Jul-06 | 0.031 | – | – | 0.021 | 0.022 | – | – | – | 0.025 |
| Aug-06 | 0.032 | – | – | 0.022 | 0.024 | – | – | – | 0.026 |
| Sep-06 | 0.035 | – | – | 0.025 | 0.028 | – | – | – | 0.029 |
| Oct-06 | 0.040 | – | – | 0.031 | 0.032 | – | – | – | 0.035 |
| Nov-06 | 0.036 | – | – | 0.025 | 0.028 | – | – | – | 0.030 |
| Dec-06 | 0.036 | – | – | 0.026 | 0.028 | – | – | – | 0.030 |
| **Franklin U.S. Total Return Fund** | | | | | | | | | |
| Jul-06 | 0.036 | – | – | 0.024 | 0.026 | – | – | – | 0.030 |
| Aug-06 | 0.033 | – | – | 0.021 | 0.025 | – | – | – | 0.028 |
| Sep-06 | 0.035 | – | – | 0.022 | 0.025 | – | – | – | 0.028 |
| Oct-06 | 0.035 | – | – | 0.023 | 0.026 | 0.038 | – | – | 0.029 |
| Nov-06 | 0.031 | – | – | 0.019 | 0.023 | 0.036 | – | – | 0.026 |
| Dec-06 | 0.034 | – | – | 0.021 | 0.025 | 0.038 | – | – | 0.027 |
| **Franklin Mutual Beacon Fund** | | | | | | | | | |
| Jul-06 | 0.383 | – | – | – | – | – | – | – | – |
| **Franklin Mutual European Fund** | | | | | | | | | |
| Jul-06 | – | 0.341 | 0.208 | – | – | – | – | – | – |
| **Franklin Mutual Global Discovery Fund** | | | | | | | | | |
| Jul-06 | – | – | 0.143 | – | – | – | – | – | – |
| **Templeton Asian Bond Fund** | | | | | | | | | |
| Jul-06 | 0.049 | – | – | 0.035 | 0.041 | – | – | – | 0.042 |
| Aug-06 | 0.040 | – | – | 0.027 | 0.033 | – | – | – | 0.034 |
| Sep-06 | 0.039 | – | – | 0.025 | 0.031 | – | – | – | 0.032 |
| Oct-06 | 0.037 | 0.028 | – | 0.024 | 0.030 | – | – | 0.032 | 0.031 |
| Nov-06 | 0.034 | 0.027 | – | 0.020 | 0.026 | – | – | 0.032 | 0.027 |
| Dec-06 | 0.028 | 0.021 | – | 0.015 | 0.021 | – | – | 0.027 | 0.022 |

| | A(dis) USD | A(dis) EUR | A(dis) GBP | B(dis) USD | C(dis) USD | I(dis) USD | I(dis) CHF | I(dis) EUR | N(dis) USD |
|---|---|---|---|---|---|---|---|---|---|
| **Templeton Asian Growth Fund** | | | | | | | | | |
| Jul-06 | 0.184 | 0.119 | 0.083 | – | – | – | – | – | – |
| **Templeton BRIC Fund** | | | | | | | | | |
| Jul-06 | – | – | 0.056 | – | – | – | – | – | – |
| **Templeton China Fund** | | | | | | | | | |
| Jul-06 | – | – | 0.030 | – | – | – | – | – | – |
| **Templeton Eastern Europe Fund** | | | | | | | | | |
| Jul-06 | – | 0.136 | 0.098 | – | – | – | – | – | – |
| **Templeton Emerging Markets Fund** | | | | | | | | | |
| Jul-06 | 0.165 | – | – | – | – | – | – | – | – |
| **Templeton Emerging Markets Bond Fund** | | | | | | | | | |
| Jul-06 | 0.189 | 0.150 | – | 0.126 | – | – | – | – | – |
| Oct-06 | 0.192 | 0.149 | – | 0.128 | – | 0.055 | – | – | – |
| **Templeton Euro Liquid Reserve Fund** | | | | | | | | | |
| Jul-06 | – | 0.056 | – | – | – | – | – | – | – |
| **Templeton Euroland Fund** | | | | | | | | | |
| Jul-06 | – | 0.187 | – | – | – | – | – | – | – |
| **Templeton Euroland Bond Fund** | | | | | | | | | |
| Jul-06 | – | 0.217 | – | – | – | – | – | – | – |
| **Templeton European Fund** | | | | | | | | | |
| Jul-06 | 0.280 | 0.290 | – | – | – | – | – | – | – |
| **Templeton European Total Return Fund** | | | | | | | | | |
| Jul-06 | 0.029 | 0.023 | 0.017 | – | 0.016 | – | – | – | – |
| Aug-06 | 0.034 | 0.026 | 0.017 | – | 0.019 | – | – | – | – |
| Sep-06 | 0.032 | 0.025 | 0.017 | – | 0.018 | – | – | – | – |
| Oct-06 | 0.034 | 0.027 | 0.018 | – | 0.020 | – | – | 0.029 | – |
| Nov-06 | 0.032 | 0.026 | 0.017 | – | 0.019 | – | – | 0.028 | – |
| Dec-06 | 0.034 | 0.025 | 0.017 | – | 0.018 | – | – | 0.028 | – |
| **Templeton Global Fund** | | | | | | | | | |
| Jul-06 | 0.266 | – | – | – | – | – | – | – | – |
| **Templeton Global (Euro) Fund** | | | | | | | | | |
| Jul-06 | – | 0.130 | – | – | – | – | – | – | – |
| **Templeton Global Balanced Fund** | | | | | | | | | |
| Jul-06 | 0.135 | – | – | – | 0.063 | – | – | – | – |
| Oct-06 | 0.023 | – | – | – | – | – | – | – | – |
| **Templeton Global Bond Fund** | | | | | | | | | |
| Jul-06 | 0.035 | 0.028 | 0.020 | 0.020 | 0.019 | – | – | – | – |
| Aug-06 | 0.040 | 0.031 | 0.021 | 0.024 | 0.024 | – | – | – | – |
| Sep-06 | 0.039 | 0.030 | 0.020 | 0.022 | 0.023 | – | – | – | – |
| Oct-06 | 0.038 | 0.031 | 0.021 | 0.022 | 0.022 | – | – | 0.028 | – |
| Nov-06 | 0.039 | 0.031 | 0.021 | 0.023 | 0.022 | – | – | 0.030 | – |
| Dec-06 | 0.045 | 0.033 | 0.023 | 0.029 | 0.027 | – | – | 0.033 | – |
| **Templeton Global Bond (Euro) Fund** | | | | | | | | | |
| Jul-06 | – | 0.321 | – | – | – | – | – | – | – |
| **Templeton Global Equity Income Fund** | | | | | | | | | |
| Jul-06 | 0.155 | – | – | 0.093 | 0.109 | – | – | – | – |
| Oct-06 | 0.077 | – | – | 0.017 | 0.031 | – | – | – | – |

# NOTES TO THE FINANCIAL STATEMENTS
# AT DECEMBER 31, 2006 (continued)

**Note 18 — Annual and interim dividends distributed for the period ended December 31, 2006** (continued)

Accumulated dividends have not been paid out and are reflected as an increase in the Issue of shares in the Statement of Operations and Changes in Net Assets.

| | A(dis) USD | A(dis) EUR | A(dis) GBP | B(dis) USD | C(dis) USD | I(dis) USD | I(dis) CHF | I(dis) EUR | N(dis) USD |
|---|---|---|---|---|---|---|---|---|---|
| **Templeton Global Income Fund** | | | | | | | | | |
| Jul-06 | 0.163 | – | – | 0.152 | 0.167 | – | – | – | – |
| Oct-06 | 0.071 | – | – | 0.035 | 0.053 | – | – | – | – |
| **Templeton Global Smaller Companies Fund** | | | | | | | | | |
| Jul-06 | 0.025 | – | – | – | – | – | – | – | – |
| **Templeton Global Total Return Fund** | | | | | | | | | |
| Jul-06 | 0.043 | 0.034 | – | 0.030 | 0.033 | – | 0.058 | – | – |
| Aug-06 | 0.047 | 0.036 | – | 0.032 | 0.037 | – | 0.062 | – | – |
| Sep-06 | 0.046 | 0.036 | – | 0.031 | 0.036 | – | 0.061 | – | – |
| Oct-06 | 0.041 | 0.033 | – | 0.027 | 0.032 | – | 0.057 | 0.034 | – |
| Nov-06 | 0.041 | 0.032 | – | 0.026 | 0.031 | – | 0.057 | 0.035 | – |
| Dec-06 | 0.054 | 0.041 | 0.008 | 0.039 | 0.043 | – | 0.070 | 0.044 | – |

| | A(dis) USD | A(dis) EUR | A(dis) GBP | B(dis) USD | C(dis) USD | I(dis) USD | I(dis) CHF | I(dis) EUR | N(dis) USD |
|---|---|---|---|---|---|---|---|---|---|
| **Templeton Growth (Euro) Fund** | | | | | | | | | |
| Jul-06 | – | 0.045 | – | – | – | 0.128 | – | 0.142 | – |
| **Templeton Latin America Fund** | | | | | | | | | |
| Jul-06 | 0.753 | – | 0.266 | – | – | – | – | – | – |
| **Templeton U.S. Dollar Liquid Reserve Fund** | | | | | | | | | |
| Jul-06 | 0.033 | – | – | 0.025 | – | – | – | – | – |
| Aug-06 | 0.036 | – | – | 0.027 | – | – | – | – | – |
| Sep-06 | 0.037 | – | – | 0.030 | – | – | – | – | – |
| Oct-06 | 0.035 | – | – | 0.027 | – | – | – | – | – |
| Nov-06 | 0.037 | – | – | 0.028 | – | – | – | – | – |
| Dec-06 | 0.035 | – | – | 0.028 | – | – | – | – | – |

**Note 19 — Time deposits and cash repos**

As at December 31, 2006, the Company had the following cash on time deposit and repos held with highly rated financial institutions:

**Time Deposits**

| | Currency | Amount |
|---|---|---|
| Franklin Asian Flex Cap Fund | USD | 800,000 |
| Franklin European Growth Fund | EUR | 1,005,000 |
| Franklin European Small-Mid Cap Growth Fund | EUR | 2,695,000 |
| Franklin Global Growth Fund | USD | 725,000 |
| Franklin Global Real Estate (Euro) Fund | EUR | 3,530,000 |
| Franklin Global Real Estate (USD) Fund | USD | 340,000 |
| Franklin Global Small-Mid Cap Growth Fund | USD | 245,000 |
| Franklin High Yield (Euro) Fund | EUR | 21,810,000 |
| Franklin India Fund | USD | 9,520,000 |
| Franklin Mutual European Fund | EUR | 174,470,661 |
| Franklin Templeton Global Growth And Value Fund | USD | 1,165,000 |
| Templeton Absolute Return (Euro) Fund | EUR | 6,205,000 |
| Templeton Asian Bond Fund | USD | 70,240,000 |
| Templeton Asian Growth Fund | USD | 86,585,000 |
| Templeton BRIC Fund | USD | 49,360,000 |
| Templeton China Fund | USD | 51,925,000 |
| Templeton Eastern Europe Fund | EUR | 78,140,000 |
| Templeton Emerging Markets Bond Fund | USD | 95,155,000 |
| Templeton Emerging Markets Fund | USD | 17,780,000 |
| Templeton Euro Liquid Reserve Fund | EUR | 15,780,000 |
| Templeton Euroland Bond Fund | EUR | 1,395,000 |
| Templeton Euroland Fund | EUR | 17,095,000 |
| Templeton European Fund | EUR | 3,600,000 |
| Templeton European Total Return Fund | EUR | 28,375,000 |
| Templeton Global Fund | USD | 76,690,000 |
| Templeton Global (Euro) Fund | EUR | 52,665,000 |
| Templeton Global Balanced Fund | USD | 33,215,000 |
| Templeton Global Bond Fund | USD | 221,425,000 |
| Templeton Global Bond (Euro) Fund | EUR | 46,190,000 |
| Templeton Global Equity Income Fund | USD | 13,010,000 |
| Templeton Global Income Fund | USD | 5,520,000 |
| Templeton Global Smaller Companies Fund | USD | 16,710,000 |
| Templeton Growth (Euro) Fund | EUR | 325,312,379 |
| Templeton Japan Fund | USD | 440,000 |
| Templeton Latin America Fund | USD | 26,110,000 |
| Templeton Thailand Fund | USD | 11,880,000 |

**Cash repos**

| | | |
|---|---|---|
| Franklin High Yield Fund | USD | 46,245,000 |
| Franklin Income Fund | USD | 30,390,000 |
| Franklin U.S. Equity Fund | USD | 11,050,000 |
| Franklin U.S. Government Fund | USD | 65,805,000 |

**Note 20 — Audited and unaudited semi-annual reports**

The abridged audited annual reports will be distributed to all June 30 registered shareholders. The audited annual report is available, free of charge, upon request from the registered office of the company. The abridged unaudited semi-annual reports will be available on the following Franklin Templeton web-site, www.franklintempleton.lu, and only distributed to registered shareholders in those countries where local regulation requires. The unaudited semi-annual report is available, free of charge, upon request from the registered office of the company.

**Note 21 — Portfolio Turnover Ratio**

The portfolio turnover ratio, expressed as a percentage, is equal to the total of purchases and sales of securities netted against the absolute value of subscriptions and redemptions, over average net assets of the fund for the period. It is effectively a measure of how frequently a fund buys or sells securities.

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 90,680 | Precision Castparts Corp. | USA | USD | 7,098,430 | 1.60 |
| | **Air Freight & Couriers** | | | | |
| 219,310 | C.H. Robinson Worldwide Inc. | USA | USD | 8,967,586 | 2.02 |
| | **Apparel & Accessories** | | | | |
| 128,910 | Coach Inc. | USA | USD | 5,537,974 | 1.25 |
| | **Apparel Retail** | | | | |
| 184,650 | American Eagle Outfitters Inc. | USA | USD | 5,762,927 | 1.30 |
| 142,074 | Zumiez Inc. | USA | USD | 4,196,866 | 0.95 |
| 93,200 | The Men’s Wearhouse Inc. | USA | USD | 3,565,832 | 0.80 |
| | | | | 13,525,625 | 3.05 |
| | **Application Software** | | | | |
| 162,320 | Adobe Systems Inc. | USA | USD | 6,674,598 | 1.50 |
| 157,680 | Salesforce.com Inc. | USA | USD | 5,747,436 | 1.30 |
| 111,300 | Autodesk Inc. | USA | USD | 4,503,198 | 1.02 |
| | | | | 16,925,232 | 3.82 |
| | **Biotechnology** | | | | |
| 202,780 | Celgene Corp. | USA | USD | 11,665,933 | 2.63 |
| 132,190 | Gilead Sciences Inc. | USA | USD | 8,583,097 | 1.94 |
| 148,810 | Myriad Genetics Inc. | USA | USD | 4,657,753 | 1.05 |
| 55,200 | Genentech Inc. | USA | USD | 4,478,376 | 1.01 |
| | | | | 29,385,159 | 6.63 |
| | **Computer & Electronics Retail** | | | | |
| 160,300 | Best Buy Co., Inc. | USA | USD | 7,885,157 | 1.78 |
| | **Computer Storage & Peripherals** | | | | |
| 294,440 | Network Appliance Inc. | USA | USD | 11,565,603 | 2.61 |
| 122,310 | Apple Computer Inc. | USA | USD | 10,376,780 | 2.34 |
| 177,850 | Rackable Systems Inc. | USA | USD | 5,508,015 | 1.25 |
| 88,700 | Isilon Systems Inc. | USA | USD | 2,448,120 | 0.55 |
| | | | | 29,898,518 | 6.75 |
| | **Construction & Farm Machinery** | | | | |
| 59,170 | Gardner Denver Inc. | USA | USD | 2,207,633 | 0.50 |
| 45,100 | Trinity Industries Inc. | USA | USD | 1,587,520 | 0.36 |
| | | | | 3,795,153 | 0.86 |
| | **Data Processing Services** | | | | |
| 289,680 | Paychex Inc. | USA | USD | 11,453,947 | 2.58 |
| 162,530 | Global Payments Inc. | USA | USD | 7,525,139 | 1.70 |
| | | | | 18,979,086 | 4.28 |
| | **Department Stores** | | | | |
| 78,580 | Kohl’s Corp. | USA | USD | 5,377,229 | 1.21 |
| | **Diversified Commercial Services** | | | | |
| 75,500 | Corporate Executive Board Co. | USA | USD | 6,621,350 | 1.49 |
| 75,560 | SEI Investments Co. | USA | USD | 4,500,353 | 1.02 |
| 248,140 | Concur Technologies Inc. | USA | USD | 3,980,166 | 0.90 |
| | | | | 15,101,869 | 3.41 |
| | **Diversified Financial Services** | | | | |
| 64,210 | The Goldman Sachs Group Inc. | USA | USD | 12,800,264 | 2.89 |
| 61,380 | BlackRock Inc. | USA | USD | 9,323,622 | 2.11 |
| 12,880 | Chicago Mercantile Exchange Holdings Inc. | USA | USD | 6,565,580 | 1.48 |
| 188,170 | optionsXpress Holdings Inc. | USA | USD | 4,269,577 | 0.96 |
| | | | | 32,959,043 | 7.44 |
| | **Diversified Metals & Mining** | | | | |
| 78,020 | Peabody Energy Corp. | USA | USD | 3,152,788 | 0.71 |
| | **Health Care Distributors & Services** | | | | |
| 63,810 | Stericycle Inc. | USA | USD | 4,817,655 | 1.09 |
| 110,531 | MWI Veterinary Supply Inc. | USA | USD | 3,570,151 | 0.81 |
| 123,770 | Allscripts Healthcare Solutions Inc. | USA | USD | 3,340,552 | 0.75 |
| 56,440 | Covance Inc. | USA | USD | 3,324,881 | 0.75 |
| | | | | 15,053,239 | 3.40 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Health Care Equipment** | | | | |
| 126,000 | Medtronic Inc. | USA | USD | 6,742,260 | 1.52 |
| 57,830 | IDEXX Laboratories Inc. | USA | USD | 4,585,919 | 1.04 |
| 119,600 | Immucor Inc. | USA | USD | 3,495,908 | 0.79 |
| | | | | 14,824,087 | 3.35 |
| | **Health Care Facilities** | | | | |
| 70,910 | Psychiatric Solutions Inc. | USA | USD | 2,660,543 | 0.60 |
| | **Home Improvement Retail** | | | | |
| 130,160 | Fastenal Co. | USA | USD | 4,670,141 | 1.05 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 71,860 | Starwood Hotels & Resorts Worldwide Inc. | USA | USD | 4,491,250 | 1.01 |
| | **Internet Software & Services** | | | | |
| 28,900 | Google Inc., A | USA | USD | 13,307,872 | 3.00 |
| 169,300 | DealerTrack Holdings Inc. | USA | USD | 4,980,806 | 1.13 |
| 83,320 | Akamai Technologies Inc. | USA | USD | 4,425,958 | 1.00 |
| 182,870 | Internap Network Services Corp. | USA | USD | 3,633,627 | 0.82 |
| | | | | 26,348,263 | 5.95 |
| | **IT Consulting & Services** | | | | |
| 138,250 | Cognizant Technology Solutions Corp., A | USA | USD | 10,667,370 | 2.41 |
| 249,860 | Amdocs Ltd. | USA | USD | 9,682,075 | 2.18 |
| | | | | 20,349,445 | 4.59 |
| | **Leisure Products** | | | | |
| 68,400 | Dick's Sporting Goods Inc. | USA | USD | 3,350,916 | 0.76 |
| | **Managed Health Care** | | | | |
| 39,400 | WellCare Health Plans Inc. | USA | USD | 2,714,660 | 0.61 |
| | **Networking Equipment** | | | | |
| 555,400 | Cisco Systems Inc. | USA | USD | 15,179,082 | 3.43 |
| 257,920 | Juniper Networks Inc. | USA | USD | 4,885,005 | 1.10 |
| | | | | 20,064,087 | 4.53 |
| | **Oil & Gas Equipment & Services** | | | | |
| 123,910 | Schlumberger Ltd. | USA | USD | 7,826,156 | 1.77 |
| 77,340 | FMC Technologies Inc. | USA | USD | 4,766,464 | 1.07 |
| | | | | 12,592,620 | 2.84 |
| | **Pharmaceuticals** | | | | |
| 39,100 | Allergan Inc. | USA | USD | 4,681,834 | 1.06 |
| | **Restaurants** | | | | |
| 145,580 | Starbucks Corp. | USA | USD | 5,156,444 | 1.16 |
| 61,090 | Panera Bread Co. | USA | USD | 3,415,542 | 0.77 |
| | | | | 8,571,986 | 1.93 |
| | **Semiconductor Equipment** | | | | |
| 293,260 | ASML Holding NV, N.Y. shs | NLD | USD | 7,222,994 | 1.63 |
| | **Semiconductors** | | | | |
| 234,480 | Microchip Technology Inc. | USA | USD | 7,667,496 | 1.73 |
| 196,640 | Broadcom Corp., A | USA | USD | 6,353,438 | 1.44 |
| 150,670 | NVIDIA Corp. | USA | USD | 5,576,297 | 1.26 |
| 59,300 | Hittite Microwave Corp. | USA | USD | 1,916,576 | 0.43 |
| | | | | 21,513,807 | 4.86 |
| | **Telecommunications Equipment** | | | | |
| 140,100 | Garmin Ltd. | CYM | USD | 7,797,966 | 1.76 |
| 170,400 | QUALCOMM Inc. | USA | USD | 6,439,416 | 1.45 |
| 126,110 | Trimble Navigation Ltd. | USA | USD | 6,397,560 | 1.44 |
| 118,310 | Harris Corp. | USA | USD | 5,425,697 | 1.23 |
| 16,700 | Research In Motion Ltd. | CAN | USD | 2,133,926 | 0.48 |
| | | | | 28,194,565 | 6.36 |
| | **Trading Companies & Distributors** | | | | |
| 42,890 | WESCO International Inc. | USA | USD | 2,522,361 | 0.57 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Wireless Telecommunication Services** | | | | |
| 213,550 | NII Holdings Inc. | USA | USD | 13,761,162 | 3.10 |
| 222,270 | SBA Communications Corp. | USA | USD | 6,112,425 | 1.38 |
| | | | | 19,873,587 | 4.48 |
| | **TOTAL SHARES** | | | 418,289,234 | 94.39 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 418,289,234 | 94.39 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Leisure Products** | | | | |
| 166,900 | Force Protection Inc., 144A | USA | USD | 2,404,491 | 0.54 |
| | **Pharmaceuticals** | | | | |
| 150,400 | Roche Holding AG, ADR | CHE | USD | 13,484,223 | 3.05 |
| | **Telecommunications Equipment** | | | | |
| 908,283 | Dilithium Networks Inc. | USA | USD | 2,116,299 | 0.48 |
| | **TOTAL SHARES** | | | 18,005,013 | 4.07 |
| | **BONDS** | | | | |
| | **Securities Maturing Within One Year** | | | | |
| 8,180,000 | U.S. Treasury Bill, 0.00%, 01/25/07 | USA | USD | 8,156,793 | 1.84 |
| | **TOTAL BONDS** | | | 8,156,793 | 1.84 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 26,161,806 | 5.91 |
| | **TOTAL INVESTMENTS** | | | 444,451,040 | 100.30 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Advertising** | | | | |
| 1,891 | Focus Media Holding Ltd., ADR | CHN | USD | 125,544 | 1.51 |
| 339 | Cheil Communications Inc. | KOR | KRW | 84,203 | 1.02 |
| | | | | 209,747 | 2.53 |
| | **Aerospace & Defence** | | | | |
| 67,000 | Singapore Technologies Engineering Ltd. | SGP | SGD | 134,572 | 1.62 |
| | **Airlines** | | | | |
| 1,333 | Korean Air Lines Co., Ltd. | KOR | KRW | 50,812 | 0.61 |
| | **Apparel Retail** | | | | |
| 9,500 | Esprit Holdings Ltd. | HKG | HKD | 106,062 | 1.28 |
| | **Automobile Manufacturers** | | | | |
| 226,000 | Dongfeng Motor Corp., H | CHN | HKD | 109,526 | 1.32 |
| 4,095 | Maruti Udyog Ltd. | IND | INR | 86,082 | 1.04 |
| | | | | 195,608 | 2.36 |
| | **Banks** | | | | |
| 13,000 | United Overseas Bank Ltd. | SGP | SGD | 164,466 | 1.98 |
| 66,000 | China Merchants Bank Co., Ltd. | CHN | HKD | 139,820 | 1.69 |
| 1,563 | Kookmin Bank | KOR | KRW | 125,880 | 1.52 |
| 28,000 | Bangkok Bank Public Co., Ltd., fgn. | THA | THB | 90,832 | 1.09 |
| 4,266 | ICICI Bank Ltd. | IND | INR | 86,103 | 1.04 |
| 136,100 | PT Bank Rakyat Indonesia | IDN | IDR | 77,936 | 0.94 |
| | | | | 685,037 | 8.26 |
| | **Commodity Chemicals** | | | | |
| 7,922 | Asian Paints Ltd. | IND | INR | 131,728 | 1.59 |
| | **Computer Storage & Peripherals** | | | | |
| 15,590 | Hon Hai Precision Industry Co., Ltd., GDR, Reg S | TWN | USD | 223,717 | 2.70 |
| 40,000 | Acer Inc. | TWN | TWD | 83,474 | 1.01 |
| 5,000 | Foxconn Technology Co., Ltd. | TWN | TWD | 59,920 | 0.72 |
| | | | | 367,111 | 4.43 |
| | **Construction & Engineering** | | | | |
| 152,000 | China Overseas Land & Investment Ltd. | HKG | HKD | 203,991 | 2.46 |
| | **Construction & Farm Machinery** | | | | |
| 4,680 | Tata Motors Ltd. | IND | INR | 95,504 | 1.15 |
| 2,470 | Daewoo Shipbuilding & Marine Engineering Co., Ltd. | KOR | KRW | 77,553 | 0.94 |
| 99,000 | PT United Tractors | IDN | IDR | 72,102 | 0.87 |
| 527 | Hyundai Heavy Industries Co., Ltd. | KOR | KRW | 71,400 | 0.86 |
| | | | | 316,559 | 3.82 |
| | **Construction Materials** | | | | |
| 2,325 | Grasim Industries Ltd. | IND | INR | 146,994 | 1.77 |
| | **Department Stores** | | | | |
| 181 | Shinsegae Co., Ltd. | KOR | KRW | 112,882 | 1.36 |
| 16,000 | Parkson Retail Group Ltd. | CHN | HKD | 79,186 | 0.96 |
| | | | | 192,068 | 2.32 |
| | **Diversified Commercial Services** | | | | |
| 414,000 | China Travel International Investment Hong Kong Ltd. | CHN | HKD | 135,177 | 1.63 |
| 39,000 | FU JI Food & Catering Services | CHN | HKD | 100,769 | 1.21 |
| 58,000 | Travelsky Technology Ltd., H | CHN | HKD | 88,426 | 1.07 |
| 924 | Hana Tour Service Inc. | KOR | KRW | 70,443 | 0.85 |
| | | | | 394,815 | 4.76 |
| | **Diversified Financial Services** | | | | |
| 22,000 | Singapore Exchange Ltd. | SGP | SGD | 81,776 | 0.99 |
| 8,811 | Kotak Mahindra Bank Ltd. | IND | INR | 79,771 | 0.96 |
| 1,520 | Shinhan Financial Group Co., Ltd. | KOR | KRW | 77,635 | 0.94 |
| 10,715 | India Infoline Ltd. | IND | INR | 74,178 | 0.89 |
| | | | | 313,360 | 3.78 |
| | **Electrical Components & Equipment** | | | | |
| 3,142 | Siemens India Ltd. | IND | INR | 80,799 | 0.97 |
| 804 | ABB Ltd., India | IND | INR | 67,642 | 0.82 |
| | | | | 148,441 | 1.79 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Environmental Services** | | | | |
| 54,000 | Sino-Environment Technology Group Ltd. | SGP | SGD | 91,206 | 1.10 |
| | **Food Distributors** | | | | |
| 132,000 | Tingyi (Cayman Islands) Holding Corp. | CHN | HKD | 128,960 | 1.55 |
| 112,000 | Synear Food Holdings Ltd. | CHN | SGD | 109,557 | 1.32 |
| | | | | 238,517 | 2.87 |
| | **General Merchandise Stores** | | | | |
| 19,800 | Dairy Farm International Holdings Ltd. | HKG | USD | 67,320 | 0.81 |
| 257,200 | CP 7-Eleven Private Co., Ltd. | THA | THB | 45,346 | 0.55 |
| | | | | 112,666 | 1.36 |
| | **Health Care Equipment** | | | | |
| 1,776 | Cochlear Ltd. | AUS | AUD | 81,315 | 0.98 |
| | **Household Appliances** | | | | |
| 41,000 | Techtronic Industries Co., Ltd. | HKG | HKD | 53,127 | 0.64 |
| | **Household Products** | | | | |
| 185 | Amorepacific Corp. | KOR | KRW | 115,376 | 1.39 |
| | **Industrial Machinery** | | | | |
| 6,000 | Keppel Corp., Ltd. | SGP | SGD | 68,864 | 0.83 |
| 68,000 | Fong's Industries Co., Ltd. | HKG | HKD | 45,892 | 0.55 |
| | | | | 114,756 | 1.38 |
| | **Integrated Oil & Gas** | | | | |
| 174,000 | China Petroleum and Chemical Corp., H | CHN | HKD | 161,046 | 1.94 |
| | **Integrated Telecommunication Services** | | | | |
| 9,521 | Bharti Airtel Ltd. | IND | INR | 135,720 | 1.64 |
| 112,000 | PT Telekomunikasi Indonesia, B | IDN | IDR | 125,780 | 1.52 |
| 11,494 | Reliance Communication Ltd. | IND | INR | 122,795 | 1.48 |
| 25,000 | Telekom Malaysia Bhd. | MYS | MYR | 69,051 | 0.83 |
| 1,040 | Philippine Long Distance Telephone Co. | PHL | PHP | 54,067 | 0.65 |
| | | | | 507,413 | 6.12 |
| | **IT Consulting & Services** | | | | |
| 3,055 | Infosys Technologies Ltd. | IND | INR | 155,157 | 1.87 |
| | **Marine** | | | | |
| 127,000 | China COSCO Holdings Co., Ltd. | CHN | HKD | 82,771 | 1.00 |
| | **Meat, Poultry & Fish** | | | | |
| 112,000 | China Yurun Food Group Ltd. | CHN | HKD | 103,230 | 1.24 |
| 36,000 | China Mengniu Dairy Co., Ltd. | CHN | HKD | 94,637 | 1.14 |
| | | | | 197,867 | 2.38 |
| | **Movies & Entertainment** | | | | |
| 18,566 | Zee Telefilms Ltd. | IND | INR | 123,458 | 1.49 |
| | **Pharmaceuticals** | | | | |
| 3,484 | Dr. Reddy's Laboratories Ltd. | IND | INR | 64,065 | 0.77 |
| | **Property & Casualty Insurance** | | | | |
| 647 | Samsung Fire & Marine Insurance Co., Ltd. | KOR | KRW | 112,356 | 1.35 |
| 12,280 | Meritz Fire & Marine Insurance Co., Ltd. | KOR | KRW | 83,847 | 1.01 |
| | | | | 196,203 | 2.36 |
| | **Real Estate Management & Development** | | | | |
| 37,000 | Hang Lung Properties Ltd. | HKG | HKD | 92,748 | 1.12 |
| 18,000 | Keppel Land Ltd. | SGP | SGD | 80,994 | 0.97 |
| | | | | 173,742 | 2.09 |
| | **Semiconductor Equipment** | | | | |
| 69,000 | STATS ChipPAC Ltd. | SGP | SGD | 52,646 | 0.63 |
| | **Semiconductors** | | | | |
| 19,089 | Taiwan Semiconductor Manufacturing Co., Ltd., ADR | TWN | USD | 208,643 | 2.52 |
| 238 | Samsung Electronics Co., Ltd. | KOR | KRW | 156,875 | 1.89 |
| | | | | 365,518 | 4.41 |
| | **Steel** | | | | |
| 2,509 | Sesa Goa Ltd. | IND | INR | 80,229 | 0.97 |
| | **Tobacco** | | | | |
| 4,200 | British American Tobacco Malaysia Bhd. | MYS | MYR | 51,459 | 0.62 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Trucking** | | | | |
| 78,000 | ComfortDelGro Corp., Ltd. | SGP | SGD | 81,894 | 0.99 |
| | **Wireless Telecommunication Services** | | | | |
| 11,000 | China Mobile Ltd. | CHN | HKD | 95,023 | 1.15 |
| | **TOTAL SHARES** | | | 6,792,359 | 81.89 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 6,792,359 | 81.89 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Broadcasting & Cable TV** | | | | |
| 3,111 | Zee News Ltd. | IND | INR | 0 | 0.00 |
| | **Networking Equipment** | | | | |
| 3,441 | Wire And Wireless India Ltd. | IND | INR | 11,615 | 0.14 |
| | **TOTAL SHARES** | | | 11,615 | 0.14 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 11,615 | 0.14 |
| | **TOTAL INVESTMENTS** | | | 6,803,974 | 82.03 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Biotechnology** | | | | |
| 121,800 | Celgene Corp. | USA | USD | 7,007,154 | 8.88 |
| 68,300 | Genentech Inc. | USA | USD | 5,541,179 | 7.02 |
| 83,000 | Gilead Sciences Inc. | USA | USD | 5,389,190 | 6.83 |
| 142,075 | MedImmune Inc. | USA | USD | 4,598,968 | 5.83 |
| 64,400 | Amgen Inc. | USA | USD | 4,399,164 | 5.57 |
| 83,280 | Biogen Idec Inc. | USA | USD | 4,096,543 | 5.19 |
| 60,400 | Genzyme Corp. | USA | USD | 3,719,432 | 4.71 |
| 110,700 | PDL BioPharma Inc. | USA | USD | 2,229,498 | 2.82 |
| 28,200 | Invitrogen Corp. | USA | USD | 1,595,838 | 2.02 |
| 50,000 | The Medicines Co. | USA | USD | 1,586,000 | 2.01 |
| 116,700 | Keryx Biopharmaceuticals Inc. | USA | USD | 1,552,110 | 1.97 |
| 48,600 | Myriad Genetics Inc. | USA | USD | 1,521,180 | 1.93 |
| 38,200 | Vertex Pharmaceuticals Inc. | USA | USD | 1,429,444 | 1.81 |
| 145,000 | Indevus Pharmaceuticals Inc. | USA | USD | 1,029,500 | 1.30 |
| 166,500 | Kosan Biosciences Inc. | USA | USD | 924,075 | 1.17 |
| 66,700 | Human Genome Sciences Inc. | USA | USD | 829,748 | 1.05 |
| 11,500 | Cephalon Inc. | USA | USD | 809,715 | 1.03 |
| 26,200 | Theravance Inc. | USA | USD | 809,318 | 1.03 |
| 23,600 | Affymax Inc. | USA | USD | 803,344 | 1.02 |
| 104,400 | Adolor Corp. | USA | USD | 785,088 | 0.99 |
| 53,000 | Medarex Inc. | USA | USD | 783,870 | 0.99 |
| 52,800 | ViroPharma Inc. | USA | USD | 772,992 | 0.98 |
| 60,100 | Trimeris Inc. | USA | USD | 763,871 | 0.97 |
| 30,000 | Gentium SpA, ADR | ITA | USD | 610,500 | 0.77 |
| 18,700 | InterMune Inc. | USA | USD | 575,025 | 0.73 |
| 29,400 | Mannkind Corp. | USA | USD | 484,806 | 0.61 |
| 36,900 | Onyx Pharmaceuticals Inc. | USA | USD | 390,402 | 0.49 |
| 33,900 | Cardiome Pharma Corp. | CAN | USD | 377,985 | 0.48 |
| 40,200 | Exelixis Inc. | USA | USD | 361,800 | 0.46 |
| 590,700 | ConjuChem Biotechnologies Inc. | CAN | CAD | 359,920 | 0.46 |
| 14,300 | Xenoport Inc. | USA | USD | 351,065 | 0.44 |
| 123,100 | Advanced Life Sciences Holdings Inc. | USA | USD | 334,832 | 0.42 |
| 105,700 | Dyax Corp. | USA | USD | 320,271 | 0.41 |
| 45,000 | Ista Pharmaceuticals Inc. | USA | USD | 319,050 | 0.40 |
| 221,800 | Vion Pharmaceuticals Inc. | USA | USD | 299,430 | 0.38 |
| 20,200 | Cadence Pharmaceuticals Inc. | USA | USD | 248,864 | 0.31 |
| 43,500 | ARIAD Pharmaceuticals Inc. | USA | USD | 223,590 | 0.28 |
| 106,500 | Critical Therapeutics Inc. | USA | USD | 217,260 | 0.28 |
| 12,000 | Momenta Pharmaceutical Inc. | USA | USD | 188,760 | 0.24 |
| 46,800 | Panacos Pharmaceuticals Inc. | USA | USD | 187,668 | 0.24 |
| 73,500 | Cytogen Corp. | USA | USD | 171,255 | 0.22 |
| 40,100 | Aeterna Zentaris Inc. | CAN | USD | 162,405 | 0.21 |
| 38,700 | Ambrilla Biopharma Inc. | CAN | CAD | 132,183 | 0.17 |
| 91,200 | Medicure Inc. | CAN | CAD | 110,356 | 0.14 |
| 8,336 | Atrium Biotechnologies Inc. | CAN | CAD | 108,023 | 0.14 |
| | | | | 59,512,671 | 75.40 |
| | **Health Care Equipment** | | | | |
| 19,900 | Advanced Magnetics Inc. | USA | USD | 1,188,428 | 1.51 |
| 48,900 | Penwest Pharmaceuticals Co. | USA | USD | 812,718 | 1.03 |
| 33,900 | Molecular Devices Corp. | USA | USD | 714,273 | 0.91 |
| 84,000 | Cypress Bioscience Inc. | USA | USD | 651,000 | 0.82 |
| 31,600 | Nektar Therapeutics | USA | USD | 480,636 | 0.61 |
| 26,200 | Applera Corp., Celera Genomics Group | USA | USD | 366,538 | 0.46 |
| | | | | 4,213,593 | 5.34 |
| | **Pharmaceuticals** | | | | |
| 56,900 | Sepracor Inc. | USA | USD | 3,503,902 | 4.44 |
| 69,068 | POZEN Inc. | USA | USD | 1,173,465 | 1.49 |
| 167,400 | Inspire Pharmaceuticals Inc. | USA | USD | 1,062,990 | 1.35 |
| 31,400 | Endo Pharmaceuticals Holdings Inc. | USA | USD | 866,012 | 1.10 |
| 25,900 | Teva Pharmaceutical Industries Ltd., ADR | ISR | USD | 804,972 | 1.02 |
| 30,700 | Pharmion Corp. | USA | USD | 790,218 | 1.00 |
| 184,700 | VIVUS Inc. | USA | USD | 668,614 | 0.85 |
| 52,600 | Coley Pharmaceutical Group Inc. | USA | USD | 509,694 | 0.64 |
| 28,400 | Somaxon Pharmaceuticals Inc. | USA | USD | 402,996 | 0.51 |
| 1,258,100 | Avexa Ltd. | AUS | AUD | 297,943 | 0.38 |
| 43,800 | Labopharm Inc. | CAN | CAD | 256,354 | 0.32 |
| 49,500 | Iomai Corp. | USA | USD | 246,510 | 0.31 |
| 14,000 | AtheroGenics Inc. | USA | USD | 138,740 | 0.17 |
| | | | | 10,722,410 | 13.58 |
| | **TOTAL SHARES** | | | 74,448,674 | 94.32 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 74,448,674 | 94.32 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Biotechnology** | | | | |
| 31,000 | VaxGen Inc. | USA | USD | 58,900 | 0.08 |
| | **TOTAL SHARES** | | | 58,900 | 0.08 |
| | **BONDS** | | | | |
| | **Securities Maturing Within One Year** | | | | |
| 1,900,000 | U.S. Treasury Bill, 0.00%, 01/25/07 | USA | USD | 1,894,610 | 2.40 |
| 1,000,000 | U.S. Treasury Bill, 0.00%, 02/01/07 | USA | USD | 996,230 | 1.26 |
| 640,000 | U.S. Treasury Bill, 0.00%, 01/11/07 | USA | USD | 639,368 | 0.81 |
| | | | | 3,530,208 | 4.47 |
| | **TOTAL BONDS** | | | 3,530,208 | 4.47 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 3,589,108 | 4.55 |
| | **TOTAL INVESTMENTS** | | | 78,037,782 | 98.87 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Advertising** | | | | |
| 25,900 | WPP Group PLC | GBR | GBP | 265,316 | 1.14 |
| | **Aerospace & Defence** | | | | |
| 9,300 | MTU Aero Engines Holding AG | DEU | EUR | 332,010 | 1.42 |
| | **Agricultural Products** | | | | |
| 14,600 | IAWS Group PLC | IRL | EUR | 283,240 | 1.21 |
| | **Apparel & Accessories** | | | | |
| 1,600 | Puma AG Rudolf Dassler Sport | DEU | EUR | 473,632 | 2.03 |
| | **Application Software** | | | | |
| 5,600 | SAP AG | DEU | EUR | 225,904 | 0.97 |
| | **Banks** | | | | |
| 51,800 | Anglo Irish Bancorp PLC | IRL | EUR | 810,670 | 3.48 |
| 15,600 | National Bank of Greece SA | GRC | EUR | 544,440 | 2.34 |
| 5,600 | KBC Groep NV | BEL | EUR | 520,240 | 2.23 |
| 8,000 | Erste Bank der Oesterreichischen Sparkassen AG | AUT | EUR | 464,800 | 1.99 |
| 8,600 | Credit Suisse Group | CHE | CHF | 455,784 | 1.96 |
| 15,600 | Piraeus Bank SA | GRC | EUR | 380,952 | 1.63 |
| 15,600 | HBOS PLC | GBR | GBP | 262,213 | 1.13 |
| | | | | 3,439,099 | 14.76 |
| | **Brewers** | | | | |
| 39,000 | Diageo PLC | GBR | GBP | 580,317 | 2.49 |
| 11,400 | Inbev | BEL | EUR | 569,316 | 2.44 |
| | | | | 1,149,633 | 4.93 |
| | **Broadcasting & Cable TV** | | | | |
| 7,200 | Modern Times Group AB | SWE | SEK | 358,251 | 1.54 |
| | **Construction & Engineering** | | | | |
| 6,000 | Kone OYJ, B | FIN | EUR | 257,640 | 1.11 |
| | **Consumer Finance** | | | | |
| 7,800 | Banca Italease | ITA | EUR | 344,526 | 1.48 |
| | **Department Stores** | | | | |
| 21,100 | Next PLC | GBR | GBP | 563,449 | 2.42 |
| | **Diversified Commercial Services** | | | | |
| 26,500 | Tele Atlas NV | NLD | EUR | 423,735 | 1.82 |
| 400 | Societe Generale de Surveillance Holdings SA | CHE | CHF | 337,696 | 1.45 |
| 19,600 | Dignity PLC | GBR | GBP | 190,603 | 0.81 |
| | | | | 952,034 | 4.08 |
| | **Diversified Financial Services** | | | | |
| 94,700 | Man Group PLC | GBR | GBP | 734,419 | 3.15 |
| 15,500 | UBS AG | CHE | CHF | 713,548 | 3.06 |
| 10,600 | ING Groep NV | NLD | EUR | 356,054 | 1.53 |
| 23,500 | Azimut Holding SpA | ITA | EUR | 238,290 | 1.02 |
| | | | | 2,042,311 | 8.76 |
| | **Electrical Components & Equipment** | | | | |
| 4,300 | Nexans SA | FRA | EUR | 417,100 | 1.79 |
| 9,200 | EVS Broadcast Equipment SA | BEL | EUR | 402,960 | 1.73 |
| 23,300 | RHJ International | BEL | EUR | 377,460 | 1.62 |
| | | | | 1,197,520 | 5.14 |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 3,400 | Syngenta AG | CHE | CHF | 479,178 | 2.06 |
| | **Food Distributors** | | | | |
| 14,600 | Koninklijke Numico NV | NLD | EUR | 594,950 | 2.55 |
| | **General Merchandise Stores** | | | | |
| 79,600 | Tesco PLC | GBR | GBP | 477,674 | 2.05 |
| | **Health Care Equipment** | | | | |
| 8,300 | Essilor International SA | FRA | EUR | 676,035 | 2.90 |
| 31,500 | Getinge AB, B | SWE | SEK | 534,641 | 2.29 |
| 2,200 | Nobel Biocare Holding AG | CHE | CHF | 492,712 | 2.12 |
| 62,200 | Smith & Nephew PLC | GBR | GBP | 491,833 | 2.11 |
| 22,000 | Elekta AB, B | SWE | SEK | 350,898 | 1.51 |
| 1,300 | Straumann Holding AG | CHE | CHF | 238,414 | 1.02 |
| 37,200 | Amplifon SpA | ITA | EUR | 238,266 | 1.02 |
| | | | | 3,022,799 | 12.97 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Household Products** | | | | |
| 13,400 | Reckitt Benckiser PLC | GBR | GBP | 463,987 | 1.99 |
| | **Integrated Oil & Gas** | | | | |
| 30,000 | BG Group PLC | GBR | GBP | 308,428 | 1.32 |
| | **Integrated Telecommunication Services** | | | | |
| 49,700 | Telenor ASA | NOR | NOK | 707,947 | 3.04 |
| | **Marine** | | | | |
| 5,400 | Kuehne & Nagel International AG | CHE | CHF | 297,604 | 1.28 |
| | **Multi-Line Insurance** | | | | |
| 46,300 | Lancashire Holdings Ltd. | BMU | GBP | 229,933 | 0.99 |
| | **Networking Equipment** | | | | |
| 50,000 | SES Global, IDR | LUX | EUR | 672,500 | 2.88 |
| | **Office Services & Supplies** | | | | |
| 3,300 | Neopost SA | FRA | EUR | 313,995 | 1.35 |
| | **Oil & Gas Equipment & Services** | | | | |
| 22,800 | SBM Offshore NV | NLD | EUR | 593,940 | 2.55 |
| 28,100 | Saipem SpA | ITA | EUR | 554,694 | 2.38 |
| | | | | 1,148,634 | 4.93 |
| | **Pharmaceuticals** | | | | |
| 5,200 | Roche Holding AG | CHE | CHF | 706,352 | 3.03 |
| | **Semiconductor Equipment** | | | | |
| 14,300 | ASM International NV | NLD | EUR | 228,514 | 0.98 |
| | **Wireless Telecommunication Services** | | | | |
| 31,100 | Cosmote Mobile Telecommunications SA | GRC | EUR | 696,640 | 2.99 |
| | **TOTAL SHARES** | | | 22,233,700 | 95.40 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 22,233,700 | 95.40 |
| | **TOTAL INVESTMENTS** | | | 22,233,700 | 95.40 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Advertising** | | | | |
| 110,392 | United Internet AG | DEU | EUR | 1,381,004 | 1.64 |
| | **Aerospace & Defence** | | | | |
| 38,350 | MTU Aero Engines Holding AG | DEU | EUR | 1,369,095 | 1.62 |
| 18,824 | Zodiac SA | FRA | EUR | 958,142 | 1.14 |
| | | | | 2,327,237 | 2.76 |
| | **Agricultural Products** | | | | |
| 54,280 | IAWS Group PLC | IRL | EUR | 1,053,032 | 1.25 |
| | **Banks** | | | | |
| 60,097 | Banco Pastor SA | ESP | EUR | 886,431 | 1.05 |
| 120 | Piraeus Bank SA | GRC | EUR | 2,930 | 0.01 |
| | | | | 889,361 | 1.06 |
| | **Broadcasting & Cable TV** | | | | |
| 34,990 | Modern Times Group AB | SWE | SEK | 1,741,003 | 2.07 |
| | **Casinos & Gaming** | | | | |
| 403,180 | IG Group Holdings PLC | GBR | GBP | 1,743,562 | 2.07 |
| | **Commodity Chemicals** | | | | |
| 306,322 | Whatman PLC | GBR | GBP | 1,205,406 | 1.43 |
| | **Construction & Engineering** | | | | |
| 86,288 | Kingspan Group PLC | IRL | EUR | 1,734,389 | 2.06 |
| 68,890 | Koninklijke BAM Groep NV | NLD | EUR | 1,011,994 | 1.20 |
| 22,500 | Kone OYJ, B | FIN | EUR | 966,150 | 1.15 |
| | | | | 3,712,533 | 4.41 |
| | **Construction & Farm Machinery** | | | | |
| 41,320 | Wartsila Corp., B | FIN | EUR | 1,686,269 | 2.00 |
| | **Construction Materials** | | | | |
| 13,310 | Rockwool International AS, B | DNK | DKK | 1,559,955 | 1.85 |
| | **Consumer Electronics** | | | | |
| 285,070 | Raymarine PLC | GBR | GBP | 1,994,036 | 2.37 |
| 9,210 | Bang & Olufsen AS, B | DNK | DKK | 899,112 | 1.07 |
| | | | | 2,893,148 | 3.44 |
| | **Consumer Finance** | | | | |
| 239,920 | Helphire Group PLC | GBR | GBP | 1,389,912 | 1.65 |
| 30,757 | Banca Italease | ITA | EUR | 1,358,537 | 1.62 |
| | | | | 2,748,449 | 3.27 |
| | **Diversified Commercial Services** | | | | |
| 31,320 | Techem AG | DEU | EUR | 1,736,694 | 2.06 |
| 59,875 | Homeserve PLC | GBR | GBP | 1,678,832 | 2.00 |
| 97,150 | Tele Atlas NV | NLD | EUR | 1,553,429 | 1.85 |
| 3,490 | Kuoni Reisen Holding AG, B | CHE | CHF | 1,414,618 | 1.68 |
| 1,500 | Societe Generale de Surveillance Holdings SA | CHE | CHF | 1,266,360 | 1.50 |
| 141,940 | Transcom WorldWide SA, B | SWE | SEK | 1,239,866 | 1.47 |
| 31,720 | CTS Eventim AG | DEU | EUR | 930,348 | 1.11 |
| 70,140 | Dignity PLC | GBR | GBP | 682,085 | 0.81 |
| | | | | 10,502,232 | 12.48 |
| | **Diversified Financial Services** | | | | |
| 149,662 | Azimut Holding SpA | ITA | EUR | 1,517,573 | 1.80 |
| | **Electrical Components & Equipment** | | | | |
| 18,735 | Nexans SA | FRA | EUR | 1,817,295 | 2.16 |
| 82,581 | Gamesa Corp., Tecnologica SA | ESP | EUR | 1,721,814 | 2.05 |
| 32,990 | EVS Broadcast Equipment SA | BEL | EUR | 1,444,962 | 1.72 |
| 77,600 | RHJ International | BEL | EUR | 1,257,120 | 1.49 |
| 25,142 | Solarworld AG | DEU | EUR | 1,195,502 | 1.42 |
| | | | | 7,436,693 | 8.84 |
| | **Environmental Services** | | | | |
| 8,720 | Seche Environnement | FRA | EUR | 1,185,048 | 1.41 |
| | **Forest Products** | | | | |
| 68,807 | Pfleiderer AG | DEU | EUR | 1,394,718 | 1.66 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Health Care Equipment** | | | | |
| 28,690 | Phonak Holding AG | CHE | CHF | 1,730,089 | 2.06 |
| 85,053 | Elekta AB, B | SWE | SEK | 1,356,590 | 1.61 |
| 217,540 | Gyrus Group PLC | GBR | GBP | 1,212,657 | 1.44 |
| 163,336 | Amplifon SpA | ITA | EUR | 1,046,167 | 1.24 |
| 4,450 | Straumann Holding AG | CHE | CHF | 816,109 | 0.97 |
| | | | | 6,161,612 | 7.32 |
| | **Industrial Conglomerates** | | | | |
| 44,400 | Hexagon AB, B | SWE | SEK | 1,435,991 | 1.71 |
| 11,210 | Wincor Nixdorf AG | DEU | EUR | 1,312,243 | 1.56 |
| | | | | 2,748,234 | 3.27 |
| | **Industrial Machinery** | | | | |
| 11,265 | Andritz AG | AUT | EUR | 1,850,840 | 2.20 |
| 114,214 | Charter PLC | GBR | GBP | 1,535,138 | 1.82 |
| 5,750 | Vallourec SA | FRA | EUR | 1,266,725 | 1.51 |
| | | | | 4,652,703 | 5.53 |
| | **Insurance Brokers** | | | | |
| 32,000 | April Group | FRA | EUR | 1,164,480 | 1.38 |
| | **Leisure Products** | | | | |
| 116,188 | Jumbo SA | GRC | EUR | 1,926,397 | 2.29 |
| | **Marine** | | | | |
| 19,000 | Kuehne & Nagel International AG | CHE | CHF | 1,047,125 | 1.24 |
| | **Multi-Line Insurance** | | | | |
| 162,360 | Lancashire Holdings Ltd. | BMU | GBP | 806,305 | 0.96 |
| | **Networking Equipment** | | | | |
| 64,500 | Option NV | BEL | EUR | 664,350 | 0.79 |
| | **Office Electronics** | | | | |
| 33,480 | Gemalto NV | FRA | EUR | 631,768 | 0.75 |
| | **Office Services & Supplies** | | | | |
| 12,014 | Neopost SA | FRA | EUR | 1,143,132 | 1.36 |
| | **Oil & Gas Equipment & Services** | | | | |
| 116,390 | Acergy SA | NOR | NOK | 1,696,791 | 2.02 |
| 44,576 | SBM Offshore NV | NLD | EUR | 1,161,205 | 1.38 |
| 18,680 | Technip SA | FRA | EUR | 971,360 | 1.15 |
| | | | | 3,829,356 | 4.55 |
| | **Pharmaceuticals** | | | | |
| 68,700 | Meda AB, A | SWE | SEK | 2,104,164 | 2.50 |
| | **Publishing & Printing** | | | | |
| 193,220 | Informa PLC | GBR | GBP | 1,709,867 | 2.03 |
| | **Real Estate Management & Development** | | | | |
| 37,610 | Foncia Groupe | FRA | EUR | 1,391,570 | 1.65 |
| | **Speciality Chemicals** | | | | |
| 1,117,020 | Elementis PLC | GBR | GBP | 1,396,146 | 1.66 |
| | **Steel** | | | | |
| 231,702 | Tubacex SA | ESP | EUR | 1,144,608 | 1.36 |
| | **Telecommunications Equipment** | | | | |
| 86,017 | Tandberg Television ASA | NOR | NOK | 817,189 | 0.97 |
| | **Textiles** | | | | |
| 26,360 | Koninklijke Ten Cate NV | NLD | EUR | 611,816 | 0.73 |
| | **Trucking** | | | | |
| 11,820 | DSV AS, B | DNK | DKK | 1,635,761 | 1.94 |
| | **Tyres & Rubber** | | | | |
| 56,710 | Nokian Renkaat OYJ | FIN | EUR | 880,139 | 1.05 |
| | **TOTAL SHARES** | | | 81,443,945 | 96.77 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 81,443,945 | 96.77 |
| | **TOTAL INVESTMENTS** | | | 81,443,945 | 96.77 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Apparel & Accessories** | | | | |
| 2,000 | Puma AG Rudolf Dassler Sport | DEU | EUR | 781,522 | 2.94 |
| 11,000 | Coach Inc. | USA | USD | 472,560 | 1.78 |
| | | | | 1,254,082 | 4.72 |
| | **Apparel Retail** | | | | |
| 70,000 | Esprit Holdings Ltd. | HKG | HKD | 781,512 | 2.94 |
| | **Application Software** | | | | |
| 17,000 | NAVTEQ | USA | USD | 594,490 | 2.24 |
| 8,000 | SAP AG | DEU | EUR | 426,007 | 1.60 |
| 80,000 | The Sage Group PLC | GBR | GBP | 424,570 | 1.60 |
| 7,000 | Cognos Inc. | CAN | USD | 297,220 | 1.12 |
| | | | | 1,742,287 | 6.56 |
| | **Banks** | | | | |
| 6,000 | KBC Groep NV | BEL | EUR | 735,796 | 2.77 |
| 35,000 | Anglo Irish Bancorp PLC | IRL | EUR | 723,057 | 2.72 |
| 10,000 | Credit Suisse Group | CHE | CHF | 699,602 | 2.64 |
| 12,000 | National Bank of Greece SA | GRC | EUR | 552,837 | 2.08 |
| 15,000 | Piraeus Bank SA | GRC | EUR | 483,534 | 1.82 |
| 15,000 | St. George Bank Ltd. | AUS | AUD | 390,753 | 1.47 |
| 12,000 | Banco Bilbao Vizcaya Argentaria SA | ESP | EUR | 288,933 | 1.09 |
| | | | | 3,874,512 | 14.59 |
| | **Biotechnology** | | | | |
| 9,000 | Celgene Corp. | USA | USD | 517,770 | 1.95 |
| 10,000 | CSL Ltd. | AUS | AUD | 516,031 | 1.94 |
| | | | | 1,033,801 | 3.89 |
| | **Brewers** | | | | |
| 8,000 | Inbev | BEL | EUR | 527,386 | 1.99 |
| | **Casinos & Gaming** | | | | |
| 10,000 | International Game Technology | USA | USD | 462,000 | 1.74 |
| | **Construction Materials** | | | | |
| 10,000 | Cemex SAB de CV, CPO, ADR | MEX | USD | 338,800 | 1.28 |
| | **Consumer Finance** | | | | |
| 8,000 | Countrywide Financial Corp. | USA | USD | 339,600 | 1.28 |
| | **Department Stores** | | | | |
| 13,000 | Next PLC | GBR | GBP | 458,254 | 1.73 |
| | **Diversified Financial Services** | | | | |
| 80,000 | Man Group PLC | GBR | GBP | 818,982 | 3.08 |
| 10,000 | Macquarie Bank Ltd. | AUS | AUD | 623,073 | 2.35 |
| 7,000 | AllianceBernstein Holding LP | USA | USD | 562,800 | 2.12 |
| 8,000 | UBS AG | CHE | CHF | 486,152 | 1.83 |
| | | | | 2,491,007 | 9.38 |
| | **Diversified Metals & Mining** | | | | |
| 10,000 | Cameco Corp. | CAN | USD | 404,500 | 1.52 |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 3,000 | Syngenta AG | CHE | CHF | 558,122 | 2.10 |
| | **Food Distributors** | | | | |
| 6,000 | Koninklijke Numico NV | NLD | EUR | 322,752 | 1.21 |
| | **General Merchandise Stores** | | | | |
| 65,000 | Tesco PLC | GBR | GBP | 514,899 | 1.94 |
| | **Health Care Distributors & Services** | | | | |
| 40,000 | Sonic Healthcare Ltd. | AUS | AUD | 469,851 | 1.77 |
| | **Health Care Equipment** | | | | |
| 7,000 | Zimmer Holdings Inc. | USA | USD | 548,660 | 2.07 |
| 12,000 | Getinge AB, B | SWE | SEK | 268,858 | 1.01 |
| | | | | 817,518 | 3.08 |
| | **Household Products** | | | | |
| 15,000 | Reckitt Benckiser PLC | GBR | GBP | 685,618 | 2.58 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Industrial Machinery** | | | | |
| 6,000 | Danaher Corp. | USA | USD | 434,640 | 1.64 |
| 25,000 | OSG Corp. | JPN | JPY | 409,543 | 1.54 |
| | | | | 844,183 | 3.18 |
| | **Integrated Telecommunication Services** | | | | |
| 40,000 | Telenor ASA | NOR | NOK | 752,133 | 2.83 |
| 15,000 | American Tower Corp., A | USA | USD | 559,200 | 2.11 |
| | | | | 1,311,333 | 4.94 |
| | **Leisure Products** | | | | |
| 8,000 | Nitori Co., Ltd. | JPN | JPY | 347,461 | 1.31 |
| | **Marine** | | | | |
| 450,000 | Noble Group Ltd. | HKG | SGD | 322,802 | 1.22 |
| | **Networking Equipment** | | | | |
| 6,000 | Cisco Systems Inc. | USA | USD | 163,980 | 0.62 |
| | **Oil & Gas Equipment & Services** | | | | |
| 30,000 | Saipem SpA | ITA | EUR | 781,734 | 2.95 |
| 15,000 | SBM Offshore NV | NLD | EUR | 515,809 | 1.94 |
| 8,000 | Schlumberger Ltd. | USA | USD | 505,280 | 1.90 |
| | | | | 1,802,823 | 6.79 |
| | **Pharmaceuticals** | | | | |
| 3,000 | Roche Holding AG | CHE | CHF | 537,935 | 2.02 |
| 8,000 | Teva Pharmaceutical Industries Ltd., ADR | ISR | USD | 248,640 | 0.94 |
| | | | | 786,575 | 2.96 |
| | **Property & Casualty Insurance** | | | | |
| 15,000 | QBE Insurance Group Ltd. | AUS | AUD | 341,613 | 1.29 |
| | **Real Estate Management & Development** | | | | |
| 65,000 | Sun Hung Kai Properties Ltd. | HKG | HKD | 746,579 | 2.81 |
| 25,000 | Mitsui Fudosan Co., Ltd. | JPN | JPY | 610,115 | 2.30 |
| 65,000 | Hongkong Land Holdings Ltd. | HKG | USD | 258,700 | 0.97 |
| | | | | 1,615,394 | 6.08 |
| | **Telecommunications Equipment** | | | | |
| 10,000 | QUALCOMM Inc. | USA | USD | 377,900 | 1.42 |
| | **Trading Companies & Distributors** | | | | |
| 80,000 | Li & Fung Ltd. | HKG | HKD | 248,870 | 0.94 |
| | **Wireless Telecommunication Services** | | | | |
| 12,000 | America Movil SA de CV, L, ADR | MEX | USD | 542,640 | 2.04 |
| | **TOTAL SHARES** | | | 25,782,075 | 97.09 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 25,782,075 | 97.09 |
| | **TOTAL INVESTMENTS** | | | 25,782,075 | 97.09 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Real Estate Investment Trusts** | | | | |
| 261,427 | Westfield Group | AUS | AUD | 3,281,479 | 4.02 |
| 5,187,600 | Allco Commercial Real Estate Investment Trust | SGP | SGD | 2,844,654 | 3.49 |
| 102,800 | Digital Realty Trust Inc. | USA | USD | 2,665,690 | 3.27 |
| 59,900 | Archstone-Smith Trust | USA | USD | 2,641,399 | 3.24 |
| 26,800 | AvalonBay Communities Inc. | USA | USD | 2,640,309 | 3.24 |
| 34,400 | Simon Property Group Inc. | USA | USD | 2,639,579 | 3.23 |
| 13,040 | Unibail | FRA | EUR | 2,413,704 | 2.96 |
| 240 | Nippon Building Fund Inc. | JPN | JPY | 2,413,255 | 2.96 |
| 58,400 | General Growth Properties Inc. | USA | USD | 2,310,694 | 2.83 |
| 3,586,900 | Macquarie MEAG Prime REIT | SGP | SGD | 2,073,219 | 2.54 |
| 83,800 | Nationwide Health Properties Inc. | USA | USD | 1,918,440 | 2.35 |
| 121,000 | Jer Investors Trust Inc. | USA | USD | 1,894,678 | 2.32 |
| 51,500 | iStar Financial Inc. | USA | USD | 1,865,634 | 2.29 |
| 61,100 | Maguire Properties Inc. | USA | USD | 1,851,445 | 2.27 |
| 82,100 | BioMed Realty Trust Inc. | USA | USD | 1,778,766 | 2.18 |
| 205 | Japan Real Estate Investment Co. | JPN | JPY | 1,669,932 | 2.05 |
| 50,500 | Ventas Inc. | USA | USD | 1,618,999 | 1.98 |
| 450,200 | Mirvac Group | AUS | AUD | 1,504,957 | 1.84 |
| 124,000 | Equity Inns Inc. | USA | USD | 1,499,216 | 1.84 |
| 242 | Japan Retail Fund Investment Corp. | JPN | JPY | 1,493,902 | 1.83 |
| 172,300 | Hersha Hospitality Trust | USA | USD | 1,480,158 | 1.81 |
| 695,400 | Insight Foundation Property Trust Ltd. | GBR | GBP | 1,428,843 | 1.75 |
| 284,435 | Stockland | AUS | AUD | 1,408,381 | 1.73 |
| 4,621,700 | GZI REIT | HKG | HKD | 1,381,712 | 1.69 |
| 146,100 | Ashford Hospitality Trust | USA | USD | 1,377,936 | 1.69 |
| 1,466,437 | Macquarie Office Trust | AUS | AUD | 1,350,489 | 1.65 |
| 99,700 | OMEGA Healthcare Investors Inc. | USA | USD | 1,338,346 | 1.64 |
| 2,064,700 | Mapletree Logistics Trust | SGP | SGD | 1,213,791 | 1.49 |
| 270 | Nippon Residential Investment Corp. | JPN | JPY | 1,116,894 | 1.37 |
| 1,042,500 | DB RREEF Trust | AUS | AUD | 1,106,576 | 1.36 |
| 11,000 | SL Green Realty Corp. | USA | USD | 1,106,458 | 1.36 |
| 27,100 | LaSalle Hotel Properties | USA | USD | 941,279 | 1.15 |
| 20,900 | Taubman Centers Inc. | USA | USD | 805,253 | 0.99 |
| 112 | Nomura Real Estate Office Fund Inc. | JPN | JPY | 776,926 | 0.95 |
| 54,200 | Highland Hospitality Corp. | USA | USD | 585,091 | 0.72 |
| 28,300 | Highwoods Properties Inc., 8.00%, pfd., B | USA | USD | 542,182 | 0.66 |
| 28,400 | Maguire Properties Inc., 7.625%, pfd., A | USA | USD | 532,050 | 0.65 |
| 660,679 | Galileo Shopping America Trust | AUS | AUD | 485,962 | 0.59 |
| 541,878 | Macquarie ProLogis Trust | AUS | AUD | 406,679 | 0.50 |
| 444,800 | Commonwealth Property Office Fund | AUS | AUD | 391,011 | 0.48 |
| 399,100 | Valad Property Group | AUS | AUD | 378,284 | 0.46 |
| 71 | Orix Jreit Inc. | JPN | JPY | 360,124 | 0.44 |
| 182,842 | Emira Property Fund | ZAF | ZAR | 196,638 | 0.24 |
| 58 | MID REIT Inc. | JPN | JPY | 190,095 | 0.23 |
| 8,600 | Strategic Hotels & Resorts Inc., 8.25%, pfd., C | USA | USD | 167,759 | 0.21 |
| 23 | Premier Investment Co. | JPN | JPY | 110,951 | 0.14 |
| 9 | Mori Trust Sogo REIT Inc. | JPN | JPY | 64,150 | 0.08 |
| | | | | 64,263,969 | 78.76 |
| | **Real Estate Management & Development** | | | | |
| 71,700 | Land Securities Group PLC | GBR | GBP | 2,470,975 | 3.03 |
| 96,710 | British Land Co., PLC | GBR | GBP | 2,460,568 | 3.02 |
| 1,644,178 | Growthpoint Properties Ltd. | ZAF | ZAR | 2,194,749 | 2.69 |
| 82,200 | Hammerson PLC | GBR | GBP | 1,926,765 | 2.36 |
| 743,300 | Macquarie Airports | AUS | AUD | 1,600,197 | 1.96 |
| 193,252 | Versacold Income Fund | CAN | CAD | 1,129,469 | 1.38 |
| 92,800 | Hyprop Investments Ltd. | ZAF | ZAR | 386,169 | 0.47 |
| 111,989 | ApexHi Properties Ltd., B | ZAF | ZAR | 217,154 | 0.27 |
| 130,641 | ApexHi Properties Ltd., A | ZAF | ZAR | 208,277 | 0.26 |
| 71,985 | ApexHi Properties Ltd., C | ZAF | ZAR | 34,234 | 0.04 |
| | | | | 12,628,557 | 15.48 |
| | **TOTAL SHARES** | | | 76,892,526 | 94.24 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 76,892,526 | 94.24 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Diversified Financial Services** | | | | |
| 371,000 | Capitaretail China Trust, Reg S | CHN | SGD | 384,887 | 0.47 |
| | **Real Estate Management & Development** | | | | |
| 366,100 | Norwegian Property ASA | NOR | NOK | 2,890,976 | 3.54 |
| | **TOTAL SHARES** | | | 3,275,863 | 4.01 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 3,275,863 | 4.01 |
| | **TOTAL INVESTMENTS** | | | 80,168,389 | 98.25 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Real Estate Investment Trusts** | | | | |
| 123,048 | Westfield Group | AUS | AUD | 2,038,844 | 4.16 |
| 2,270,000 | Allco Commercial Real Estate Investment Trust | SGP | SGD | 1,643,158 | 3.35 |
| 15,900 | Simon Property Group Inc. | USA | USD | 1,610,511 | 3.29 |
| 12,200 | AvalonBay Communities Inc. | USA | USD | 1,586,610 | 3.24 |
| 27,200 | Archstone-Smith Trust | USA | USD | 1,583,312 | 3.23 |
| 45,100 | Digital Realty Trust Inc. | USA | USD | 1,543,773 | 3.15 |
| 5,900 | Unibail | FRA | EUR | 1,441,613 | 2.94 |
| 1,837,800 | Macquarie MEAG Prime REIT | SGP | SGD | 1,402,215 | 2.86 |
| 25,600 | General Growth Properties Inc. | USA | USD | 1,337,088 | 2.73 |
| 57,800 | Jer Investors Trust Inc. | USA | USD | 1,194,726 | 2.44 |
| 86 | Nippon Building Fund Inc. | JPN | JPY | 1,141,513 | 2.33 |
| 28,400 | Maguire Properties Inc. | USA | USD | 1,136,000 | 2.32 |
| 23,700 | iStar Financial Inc. | USA | USD | 1,133,334 | 2.31 |
| 105 | Japan Real Estate Investment Co. | JPN | JPY | 1,129,080 | 2.30 |
| 39,200 | BioMed Realty Trust Inc. | USA | USD | 1,121,120 | 2.29 |
| 36,100 | Nationwide Health Properties Inc. | USA | USD | 1,090,942 | 2.23 |
| 22,900 | Ventas Inc. | USA | USD | 969,128 | 1.98 |
| 58,300 | Equity Inns Inc. | USA | USD | 930,468 | 1.90 |
| 81,900 | Hersha Hospitality Trust | USA | USD | 928,746 | 1.90 |
| 341,850 | Insight Foundation Property Trust Ltd. | GBR | GBP | 927,205 | 1.89 |
| 73,000 | Ashford Hospitality Trust | USA | USD | 908,850 | 1.85 |
| 110 | Japan Retail Fund Investment Corp. | JPN | JPY | 896,375 | 1.83 |
| 199,500 | Mirvac Group | AUS | AUD | 880,343 | 1.80 |
| 126,048 | Stockland | AUS | AUD | 823,879 | 1.68 |
| 648,068 | Macquarie Office Trust | AUS | AUD | 787,841 | 1.61 |
| 1,935,700 | GZI REIT | HKG | HKD | 763,914 | 1.56 |
| 130 | Nippon Residential Investment Corp. | JPN | JPY | 709,875 | 1.45 |
| 38,900 | OMEGA Healthcare Investors Inc. | USA | USD | 689,308 | 1.41 |
| 879,000 | Mapletree Logistics Trust | SGP | SGD | 682,128 | 1.39 |
| 5,100 | SL Green Realty Corp. | USA | USD | 677,178 | 1.38 |
| 450,800 | DB RREEF Trust | AUS | AUD | 631,654 | 1.29 |
| 13,300 | LaSalle Hotel Properties | USA | USD | 609,805 | 1.24 |
| 9,400 | Taubman Centers Inc. | USA | USD | 478,084 | 0.98 |
| 47 | Nomura Real Estate Office Fund Inc. | JPN | JPY | 430,378 | 0.88 |
| 26,700 | Highland Hospitality Corp. | USA | USD | 380,475 | 0.78 |
| 390,205 | Galileo Shopping America Trust | AUS | AUD | 378,874 | 0.77 |
| 282,100 | Valad Property Group | AUS | AUD | 352,963 | 0.72 |
| 13,800 | Maguire Properties Inc., 7.625%, pfd., A | USA | USD | 341,274 | 0.70 |
| 12,900 | Highwoods Properties Inc., 8.00%, pfd., B | USA | USD | 326,241 | 0.67 |
| 312,259 | Macquarie ProLogis Trust | AUS | AUD | 309,354 | 0.63 |
| 208,700 | Commonwealth Property Office Fund | AUS | AUD | 242,179 | 0.49 |
| 27 | Premier Investment Co. | JPN | JPY | 171,933 | 0.35 |
| 20 | Orix Jreit Inc. | JPN | JPY | 133,910 | 0.27 |
| 85,713 | Emira Property Fund | ZAF | ZAR | 121,683 | 0.25 |
| 27 | MID REIT Inc. | JPN | JPY | 116,814 | 0.24 |
| 4,200 | Strategic Hotels & Resorts Inc., 8.25%, pfd., C | USA | USD | 108,150 | 0.22 |
| | | | | 38,842,848 | 79.28 |
| | **Real Estate Management & Development** | | | | |
| 32,380 | Land Securities Group PLC | GBR | GBP | 1,473,046 | 3.01 |
| 43,680 | British Land Co., PLC | GBR | GBP | 1,467,023 | 2.99 |
| 766,461 | Growthpoint Properties Ltd. | ZAF | ZAR | 1,350,568 | 2.76 |
| 39,280 | Hammerson PLC | GBR | GBP | 1,215,399 | 2.48 |
| 325,200 | Macquarie Airports | AUS | AUD | 924,166 | 1.89 |
| 89,988 | Versacold Income Fund | CAN | CAD | 694,265 | 1.42 |
| 44,063 | Hyprop Investments Ltd. | ZAF | ZAR | 242,044 | 0.49 |
| 45,000 | ApexHi Properties Ltd., B | ZAF | ZAR | 115,185 | 0.23 |
| 51,000 | ApexHi Properties Ltd., A | ZAF | ZAR | 107,330 | 0.22 |
| 33,390 | ApexHi Properties Ltd., C | ZAF | ZAR | 20,962 | 0.04 |
| | | | | 7,609,988 | 15.53 |
| | **TOTAL SHARES** | | | 46,452,836 | 94.81 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 46,452,836 | 94.81 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Diversified Financial Services** | | | | |
| 168,000 | Capitaretail China Trust, Reg S | CHN | SGD | 230,070 | 0.47 |
| | **Real Estate Management & Development** | | | | |
| 169,300 | Norwegian Property ASA | NOR | NOK | 1,764,786 | 3.60 |
| | **TOTAL SHARES** | | | 1,994,856 | 4.07 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 1,994,856 | 4.07 |
| | **TOTAL INVESTMENTS** | | | 48,447,692 | 98.88 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Advertising** | | | | |
| 7,000 | Asatsu-DK Inc. | JPN | JPY | 222,288 | 1.40 |
| 3,300 | Hakuhodo DY Holdings Inc. | JPN | JPY | 214,298 | 1.35 |
| | | | | 436,586 | 2.75 |
| | **Aerospace & Defence** | | | | |
| 4,400 | MTU Aero Engines Holding AG | DEU | EUR | 207,353 | 1.31 |
| 4,200 | Teledyne Technologies Inc. | USA | USD | 168,546 | 1.06 |
| | | | | 375,899 | 2.37 |
| | **Agricultural Products** | | | | |
| 8,200 | IAWS Group PLC | IRL | EUR | 209,993 | 1.32 |
| | **Air Freight & Couriers** | | | | |
| 8,400 | Hub Group Inc., A | USA | USD | 231,420 | 1.46 |
| | **Apparel & Accessories** | | | | |
| 357,900 | Prime Success International Group Ltd. | HKG | HKD | 332,635 | 2.09 |
| 6,600 | The Warnaco Group Inc. | USA | USD | 167,508 | 1.06 |
| | | | | 500,143 | 3.15 |
| | **Application Software** | | | | |
| 18,700 | Nuance Communications Inc. | USA | USD | 214,302 | 1.35 |
| | **Banks** | | | | |
| 8,450 | Piraeus Bank SA | GRC | EUR | 272,391 | 1.72 |
| 12,700 | First Security Group Inc. | USA | USD | 146,431 | 0.92 |
| | | | | 418,822 | 2.64 |
| | **Biotechnology** | | | | |
| 9,400 | Medarex Inc. | USA | USD | 139,026 | 0.87 |
| | **Broadcasting & Cable TV** | | | | |
| 2,700 | Modern Times Group AB | SWE | SEK | 177,341 | 1.12 |
| | **Casinos & Gaming** | | | | |
| 4,950 | Shuffle Master Inc. | USA | USD | 129,690 | 0.82 |
| | **Construction & Engineering** | | | | |
| 4,100 | Arcadis NV | NLD | EUR | 252,750 | 1.59 |
| 5,100 | Samsung Engineering Co., Ltd. | KOR | KRW | 237,177 | 1.49 |
| 8,500 | Chiyoda Corp. | JPN | JPY | 166,380 | 1.05 |
| | | | | 656,307 | 4.13 |
| | **Consumer Electronics** | | | | |
| 32,350 | Raymarine PLC | GBR | GBP | 298,708 | 1.88 |
| | **Diversified Commercial Services** | | | | |
| 14,800 | Tele Atlas NV | NLD | EUR | 312,392 | 1.97 |
| 2,690 | Eurofins Scientific | FRA | EUR | 192,105 | 1.21 |
| 11,600 | Park24 Co., Ltd. | JPN | JPY | 148,612 | 0.93 |
| 11,400 | Dignity PLC | GBR | GBP | 146,342 | 0.92 |
| | | | | 799,451 | 5.03 |
| | **Diversified Financial Services** | | | | |
| 2,600 | IntercontinentalExchange Inc. | USA | USD | 280,540 | 1.76 |
| 15,000 | MarketAxess Holdings Inc. | USA | USD | 203,550 | 1.28 |
| 1,800 | Affiliated Managers Group Inc. | USA | USD | 189,234 | 1.19 |
| 3,000 | GFI Group Inc. | USA | USD | 186,780 | 1.18 |
| 2,400 | Greenhill & Co., Inc. | USA | USD | 177,120 | 1.11 |
| 3,000 | National Financial Partners Corp. | USA | USD | 131,910 | 0.83 |
| 1,800 | Investment Technology Group Inc. | USA | USD | 77,184 | 0.49 |
| | | | | 1,246,318 | 7.84 |
| | **Diversified Metals & Mining** | | | | |
| 1,500 | Sumitomo Titanium Corp. | JPN | JPY | 167,724 | 1.05 |
| | **Drug Retail** | | | | |
| 5,100 | Seijo Corp. | JPN | JPY | 122,964 | 0.77 |
| | **Electrical Components & Equipment** | | | | |
| 2,300 | Nexans SA | FRA | EUR | 294,503 | 1.85 |
| 9,800 | Gamesa Corp., Tecnologica SA | ESP | EUR | 269,726 | 1.70 |
| 12,600 | RHJ International | BEL | EUR | 269,449 | 1.70 |
| 3,000 | EVS Broadcast Equipment SA | BEL | EUR | 173,454 | 1.09 |
| 2,680 | Solarworld AG | DEU | EUR | 168,219 | 1.06 |
| | | | | 1,175,351 | 7.40 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Electronic Equipment & Instruments** | | | | |
| 4,800 | Iriso Electronics Co., Ltd. | JPN | JPY | 181,056 | 1.14 |
| | **Environmental Services** | | | | |
| 5,000 | Clean Harbors Inc. | USA | USD | 242,050 | 1.52 |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 4,000 | Central Garden & Pet Co. | USA | USD | 193,680 | 1.22 |
| | **Food Distributors** | | | | |
| 6,000 | United Natural Foods Inc. | USA | USD | 215,520 | 1.36 |
| 4,200 | Unicharm Petcare Corp. | JPN | JPY | 152,779 | 0.96 |
| | | | | 368,299 | 2.32 |
| | **Forest Products** | | | | |
| 6,962 | Pfleiderer AG | DEU | EUR | 186,285 | 1.17 |
| | **Health Care Distributors & Services** | | | | |
| 8,100 | Horizon Health Corp. | USA | USD | 158,517 | 1.00 |
| 2,800 | Healthways Inc. | USA | USD | 133,588 | 0.84 |
| | | | | 292,105 | 1.84 |
| | **Health Care Equipment** | | | | |
| 23,020 | Amplifon SpA | ITA | EUR | 194,632 | 1.23 |
| 22,190 | Gyrus Group PLC | GBR | GBP | 163,285 | 1.03 |
| 7,500 | Elekta AB, B | SWE | SEK | 157,910 | 0.99 |
| 610 | Straumann Holding AG | CHE | CHF | 147,676 | 0.93 |
| | | | | 663,503 | 4.18 |
| | **Health Care Facilities** | | | | |
| 127,000 | Parkway Holdings Ltd. | SGP | SGD | 260,054 | 1.64 |
| 3,800 | Sunrise Senior Living Inc. | USA | USD | 116,736 | 0.73 |
| | | | | 376,790 | 2.37 |
| | **Home Furnishings** | | | | |
| 5,900 | Jarden Corp. | USA | USD | 205,261 | 1.29 |
| 220,000 | Peace Mark (Holdings) Ltd. | HKG | HKD | 196,551 | 1.24 |
| | | | | 401,812 | 2.53 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 5,500 | Vail Resorts Inc. | USA | USD | 246,510 | 1.55 |
| | **Household Products** | | | | |
| 4,300 | Milbon Co., Ltd. | JPN | JPY | 119,931 | 0.75 |
| | **Industrial Conglomerates** | | | | |
| 24,600 | The Japan Steel Works Ltd. | JPN | JPY | 192,195 | 1.21 |
| | **Industrial Machinery** | | | | |
| 13,600 | Charter PLC | GBR | GBP | 241,300 | 1.52 |
| 7,900 | OSG Corp. | JPN | JPY | 129,416 | 0.82 |
| 12,000 | CKD Corp. | JPN | JPY | 125,509 | 0.79 |
| 13,200 | Toshiba Machine Co., Ltd. | JPN | JPY | 121,316 | 0.76 |
| | | | | 617,541 | 3.89 |
| | **Integrated Oil & Gas** | | | | |
| 9,200 | Western Refining Inc. | USA | USD | 234,232 | 1.47 |
| | **Leisure Products** | | | | |
| 5,400 | MarineMax Inc. | USA | USD | 140,022 | 0.88 |
| | **Marine** | | | | |
| 2,300 | Kuehne & Nagel International AG | CHE | CHF | 167,326 | 1.05 |
| | **Movies & Entertainment** | | | | |
| 20,300 | Lions Gate Entertainment Corp. | USA | USD | 217,819 | 1.37 |
| | **Multi-Line Insurance** | | | | |
| 24,100 | Lancashire Holdings Ltd. | BMU | GBP | 157,989 | 0.99 |
| 5,100 | Max Re Capital Ltd. | USA | USD | 126,582 | 0.80 |
| | | | | 284,571 | 1.79 |
| | **Networking Equipment** | | | | |
| 500 | SKY Perfect Communications Inc. | JPN | JPY | 305,792 | 1.92 |
| 7,600 | Option NV | BEL | EUR | 103,334 | 0.65 |
| | | | | 409,126 | 2.57 |
| | **Office Electronics** | | | | |
| 5,800 | Horiba Ltd. | JPN | JPY | 214,391 | 1.35 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Office Services & Supplies** | | | | |
| 1,310 | Neopost SA | FRA | EUR | 164,540 | 1.04 |
| | **Oil & Gas Drilling** | | | | |
| 11,600 | EXCO Resources Inc. | USA | USD | 196,156 | 1.23 |
| 10,780 | Petrohawk Energy Corp. | USA | USD | 123,970 | 0.78 |
| | | | | 320,126 | 2.01 |
| | **Oil & Gas Equipment & Services** | | | | |
| 6,900 | SBM Offshore NV | NLD | EUR | 237,272 | 1.49 |
| | **Publishing & Printing** | | | | |
| 19,300 | Informa PLC | GBR | GBP | 225,454 | 1.42 |
| | **Restaurants** | | | | |
| 8,400 | Ruth's Chris Steak House Inc. | USA | USD | 153,552 | 0.97 |
| | **Semiconductors** | | | | |
| 9,500 | Trident Microsystems Inc. | USA | USD | 172,710 | 1.09 |
| | **Steel** | | | | |
| 32,670 | Tubacex SA | ESP | EUR | 213,043 | 1.34 |
| | **Telecommunications Equipment** | | | | |
| 12,600 | Arris Group Inc. | USA | USD | 157,626 | 0.99 |
| 11,170 | Tandberg Television ASA | NOR | NOK | 140,082 | 0.88 |
| | | | | 297,708 | 1.87 |
| | **Textiles** | | | | |
| 6,080 | Koninklijke Ten Cate NV | NLD | EUR | 186,281 | 1.17 |
| 10,000 | Seiren Co., Ltd. | JPN | JPY | 119,965 | 0.76 |
| | | | | 306,246 | 1.93 |
| | **Tyres & Rubber** | | | | |
| 6,600 | Nippon Seiki Co., Ltd. | JPN | JPY | 154,694 | 0.97 |
| 9,500 | Teikoku Piston Ring Co., Ltd. | JPN | JPY | 88,827 | 0.56 |
| | | | | 243,521 | 1.53 |
| | **TOTAL SHARES** | | | 15,383,461 | 96.81 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 15,383,461 | 96.81 |
| | **TOTAL INVESTMENTS** | | | 15,383,461 | 96.81 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Integrated Telecommunication Services** | | | | |
| 44,415 | Sprint Nextel Corp. | USA | USD | 838,999 | 0.03 |
| | **TOTAL SHARES** | | | 838,999 | 0.03 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 838,999 | 0.03 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Industrial Conglomerates** | | | | |
| 420,333 | VS Holdings Inc. | USA | USD | 0 | 0.00 |
| | **Office Services & Supplies** | | | | |
| 40,422 | Goss Holdings Inc., B | USA | USD | 0 | 0.00 |
| | **Tyres & Rubber** | | | | |
| 1,342,566 | Cambridge Industries Liquidating Trust Interest | USA | USD | 1,477 | 0.00 |
| | **TOTAL SHARES** | | | 1,477 | 0.00 |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 65,000,000 | General Motors Acceptance Corp., 6.875%, 08/28/12 | USA | USD | 66,821,105 | 2.35 |
| 50,000,000 | El Paso Corp., 7.75%, 01/15/32 | USA | USD | 55,000,000 | 1.93 |
| 40,100,000 | LIN Television Corp., 6.50%, 05/15/13 | USA | USD | 38,395,750 | 1.35 |
| 35,900,000 | CCH II LLC, 10.25%, 09/15/10 | USA | USD | 37,739,875 | 1.33 |
| 34,800,000 | NXP BV, 144A, 7.875%, 10/15/14 | NLD | USD | 36,148,500 | 1.27 |
| 33,000,000 | Case New Holland Inc., 9.25%, 08/01/11 | USA | USD | 35,103,750 | 1.23 |
| 35,000,000 | EchoStar DBS Corp., 6.375%, 10/01/11 | USA | USD | 34,868,750 | 1.22 |
| 33,300,000 | Fresenius Medical Care Capital Trust II, 7.875%, 02/01/08 | DEU | USD | 33,966,000 | 1.19 |
| 30,000,000 | Ford Motor Credit Co., 9.875%, 08/10/11 | USA | USD | 32,115,390 | 1.13 |
| 30,000,000 | Reynolds American Inc., 7.625%, 06/01/16 | USA | USD | 31,936,020 | 1.12 |
| 30,000,000 | Nalco Co., 8.875%, 11/15/13 | USA | USD | 31,912,500 | 1.12 |
| 30,000,000 | Crown Americas Inc., 7.75%, 11/15/15 | USA | USD | 31,275,000 | 1.10 |
| 30,000,000 | Qwest Communications International Inc., 7.50%, 02/15/14 | USA | USD | 31,050,000 | 1.09 |
| 31,500,000 | Nortek Inc., 8.50%, 09/01/14 | USA | USD | 31,027,500 | 1.09 |
| 30,000,000 | Centennial Communications Corp., 8.125%, 02/01/14 | USA | USD | 30,937,500 | 1.09 |
| 30,000,000 | Vanguard Health Holding Co., II LLC, 9.00%, 10/01/14 | USA | USD | 30,525,000 | 1.07 |
| 30,300,000 | Owens-Illinois Inc., 7.80%, 05/15/18 | USA | USD | 30,337,875 | 1.07 |
| 29,000,000 | Michaels Stores Inc., 10.00%, 11/01/14 | USA | USD | 30,305,000 | 1.06 |
| 27,800,000 | Midwest Generation LLC, 8.75%, 05/01/34 | USA | USD | 30,302,000 | 1.06 |
| 31,000,000 | JSG Funding PLC, 7.75%, 04/01/15 | IRL | USD | 29,915,000 | 1.05 |
| 29,000,000 | IDEARC Inc., 8.00%, 11/15/16 | USA | USD | 29,580,000 | 1.04 |
| 30,000,000 | Ford Motor Credit Co., 5.625%, 10/01/08 | USA | USD | 29,471,910 | 1.03 |
| 28,000,000 | CanWest Media Inc., 8.00%, 09/15/12 | CAN | USD | 29,365,000 | 1.03 |
| 29,000,000 | Freescale Semiconductor Inc., 8.875%, 12/15/14 | USA | USD | 29,036,250 | 1.02 |
| 30,000,000 | MGM MIRAGE Inc., 6.625%, 07/15/15 | USA | USD | 28,725,000 | 1.01 |
| 27,000,000 | Dynegy Holdings Inc., 8.375%, 05/01/16 | USA | USD | 28,485,000 | 1.00 |
| 28,000,000 | United Rentals North America Inc., 7.75%, 11/15/13 | USA | USD | 28,245,000 | 0.99 |
| 26,600,000 | RBS Global & Rexnord Corp., 11.75%, 08/01/16 | USA | USD | 27,930,000 | 0.98 |
| 26,175,000 | Iron Mountain Inc., 8.75%, 07/15/18 | USA | USD | 27,876,375 | 0.98 |
| 25,025,000 | BCP Crystal Holdings Corp., 9.625%, 06/15/14 | USA | USD | 27,777,750 | 0.98 |
| 29,800,000 | Inmarsat Finance II PLC, senior note, 0.00%, 11/15/12 | GBR | USD | 27,602,250 | 0.97 |
| 21,000,000 | Aquila Inc., 14.875%, 07/01/12 | USA | USD | 27,510,000 | 0.97 |
| 27,800,000 | Mariner Energy Inc., 7.50%, 04/15/13 | USA | USD | 27,105,000 | 0.95 |
| 24,700,000 | Dobson Cellular Systems Inc., 9.875%, 11/01/12 | USA | USD | 27,046,500 | 0.95 |
| 26,000,000 | Peabody Energy Corp., 6.875%, 03/15/13 | USA | USD | 26,780,000 | 0.94 |
| 30,000,000 | Abitibi-Consolidated Co. of Canada, 8.375%, 04/01/15 | CAN | USD | 26,100,000 | 0.92 |
| 24,500,000 | Buckeye Technologies Inc., 8.50%, 10/01/13 | USA | USD | 25,970,000 | 0.91 |
| 25,000,000 | Allied Waste North America Inc., 7.875%, 04/15/13 | USA | USD | 25,906,250 | 0.91 |
| 27,000,000 | Dole Foods Co., 7.25%, 06/15/10 | USA | USD | 25,852,500 | 0.91 |
| 25,000,000 | DaVita Inc., 7.25%, 03/15/15 | USA | USD | 25,625,000 | 0.90 |
| 29,000,000 | Spectrum Brands Inc., 7.375%, 02/01/15 | USA | USD | 25,230,000 | 0.89 |
| 23,400,000 | HCA Inc., 9.125%, 11/15/14 | USA | USD | 25,067,250 | 0.88 |
| 27,000,000 | Tenet Healthcare Corp., 7.375%, 02/01/13 | USA | USD | 24,941,250 | 0.88 |
| 25,600,000 | Chesapeake Energy Corp., 6.25%, 01/15/18 | USA | USD | 24,768,000 | 0.87 |
| 25,375,000 | Pogo Producing Co., 6.875%, 10/01/17 | USA | USD | 24,360,000 | 0.86 |
| 23,400,000 | Smithfield Foods Inc., 7.75%, 05/15/13 | USA | USD | 24,336,000 | 0.85 |
| 22,650,000 | Mirant North America LLC, 7.375%, 12/31/13 | USA | USD | 23,103,000 | 0.81 |
| 23,300,000 | Great Lakes Dredge & Dock Co., 7.75%, 12/15/13 | USA | USD | 22,834,000 | 0.80 |
| 20,500,000 | Millicom International Cellular SA, 10.00%, 12/01/13 | LUX | USD | 22,447,500 | 0.79 |
| 22,225,000 | DIRECTV Holdings LLC, 6.375%, 06/15/15 | USA | USD | 21,419,344 | 0.75 |
| 21,100,000 | Speedway Motorsports Inc., 6.75%, 06/01/13 | USA | USD | 21,205,500 | 0.74 |
| 20,700,000 | Lamar Media Corp., 7.25%, 01/01/13 | USA | USD | 21,191,625 | 0.74 |
| 21,000,000 | Host Marriott LP, 6.75%, 06/01/16 | USA | USD | 21,131,250 | 0.74 |
| 18,900,000 | Windstream Corp., 8.625%, 08/01/16 | USA | USD | 20,790,000 | 0.73 |
| 20,800,000 | JohnsonDiversey Holdings Inc., senior disc. note, 0.00%, 05/15/13 | USA | USD | 20,176,000 | 0.71 |
| 19,300,000 | Graphic Packaging International Corp., 8.50%, 08/15/11 | USA | USD | 20,072,000 | 0.70 |
| 19,300,000 | Pride International Inc., 7.35%, 07/15/14 | USA | USD | 20,023,750 | 0.70 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Corporate Bonds** (continued) | | | | |
| 23,575,000 | HCA Inc., 6.50%, 02/15/16 | USA | USD | 19,979,812 | 0.70 |
| 20,000,000 | Chesapeake Energy Corp., 6.625%, 01/15/16 | USA | USD | 19,975,000 | 0.70 |
| 22,000,000 | Station Casinos Inc., 6.875%, 03/01/16 | USA | USD | 19,855,000 | 0.70 |
| 17,500,000 | Intelsat Bermuda Ltd., 8.625%, 01/15/15 | BMU | USD | 18,287,500 | 0.64 |
| 17,400,000 | MetroPCS Wireless Inc., 9.25%, 11/01/14 | USA | USD | 18,270,000 | 0.64 |
| 17,200,000 | JohnsonDiversey Inc., 9.625%, 05/15/12 | USA | USD | 18,103,000 | 0.64 |
| 20,000,000 | Harrah's Operating Co. Inc., 6.50%, 06/01/16 | USA | USD | 17,937,320 | 0.63 |
| 17,700,000 | NRG Energy Inc., 7.375%, 02/01/16 | USA | USD | 17,832,750 | 0.63 |
| 16,600,000 | Pinnacle Entertainment Inc., 8.75%, 10/01/13 | USA | USD | 17,679,000 | 0.62 |
| 17,400,000 | CSC Holdings Inc., 7.625%, 07/15/18 | USA | USD | 17,030,250 | 0.60 |
| 16,900,000 | Mohegan Tribal Gaming, 6.875%, 02/15/15 | USA | USD | 17,026,750 | 0.60 |
| 15,500,000 | Rogers Wireless Inc., 7.50%, 03/15/15 | CAN | USD | 16,895,000 | 0.59 |
| 16,200,000 | Dex Media Inc., B, 8.00%, 11/15/13 | USA | USD | 16,767,000 | 0.59 |
| 15,139,000 | Dex Media West LLC, 9.875%, 08/15/13 | USA | USD | 16,577,205 | 0.58 |
| 16,000,000 | NRG Energy Inc., 7.375%, 01/15/17 | USA | USD | 16,080,000 | 0.56 |
| 15,400,000 | Atlas Pipeline Partners LP, 8.125%, 12/15/15 | USA | USD | 15,900,500 | 0.56 |
| 15,900,000 | KB Home, 7.25%, 06/15/18 | USA | USD | 15,607,710 | 0.55 |
| 15,000,000 | Visant Holding Corp., 8.75%, 12/01/13 | USA | USD | 15,525,000 | 0.55 |
| 14,000,000 | Lyondell Chemical Co., 10.50%, 06/01/13 | USA | USD | 15,470,000 | 0.54 |
| 15,100,000 | Host Marriott LP, 7.00%, 08/15/12 | USA | USD | 15,402,000 | 0.54 |
| 15,900,000 | Vought Aircraft Industries Inc., 8.00%, 07/15/11 | USA | USD | 15,383,250 | 0.54 |
| 14,800,000 | Radio One Inc., 8.875%, 07/01/11 | USA | USD | 15,355,000 | 0.54 |
| 15,000,000 | Jostens IH Corp., 7.625%, 10/01/12 | USA | USD | 15,262,500 | 0.54 |
| 15,000,000 | Navios Maritime Holdings, 9.50%, 12/15/14 | MH | USD | 15,150,000 | 0.53 |
| 14,100,000 | SunGard Data Systems Inc., 10.25%, 08/15/15 | USA | USD | 15,122,250 | 0.53 |
| 14,500,000 | Williams Partners LP, 144A, 7.25%, 02/01/17 | USA | USD | 14,862,500 | 0.52 |
| 15,000,000 | Sanmina-SCI Corp., 8.125%, 03/01/16 | USA | USD | 14,587,500 | 0.51 |
| 14,000,000 | Corrections Corp. of America, 7.50%, 05/01/11 | USA | USD | 14,490,000 | 0.51 |
| 15,000,000 | Liberty Media Corp., 5.70%, 05/15/13 | USA | USD | 14,207,055 | 0.50 |
| 15,000,000 | Massey Energy Co., 6.875%, 12/15/13 | USA | USD | 14,175,000 | 0.50 |
| 14,000,000 | L-3 Communications Corp., 6.375%, 10/15/15 | USA | USD | 13,930,000 | 0.49 |
| 13,000,000 | NewPage Corp., 10.00%, 05/01/12 | USA | USD | 13,780,000 | 0.48 |
| 12,580,000 | Rogers Wireless Inc., 7.25%, 12/15/12 | CAN | USD | 13,397,700 | 0.47 |
| 12,415,000 | Panamsat Corp., 9.00%, 08/15/14 | USA | USD | 13,175,419 | 0.46 |
| 12,900,000 | Royal Caribbean Cruises Ltd., 7.25%, 03/15/18 | USA | USD | 13,102,349 | 0.46 |
| 11,900,000 | MDP Acquisitions PLC, 9.625%, 10/01/12 | IRL | USD | 12,673,500 | 0.44 |
| 12,000,000 | SunGard Data Systems Inc., 9.125%, 08/15/13 | USA | USD | 12,660,000 | 0.44 |
| 11,800,000 | American Cellular Corp., 10.00%, 08/01/11 | USA | USD | 12,537,500 | 0.44 |
| 12,200,000 | Intelsat Bermuda Ltd., 8.25%, 01/15/13 | BMU | USD | 12,444,000 | 0.44 |
| 11,700,000 | Tennessee Gas Pipeline Co., 7.00%, 10/15/28 | USA | USD | 12,412,273 | 0.44 |
| 12,500,000 | Cablevision Systems Corp., 8.00%, 04/15/12 | USA | USD | 12,343,750 | 0.43 |
| 11,489,000 | DIRECTV Holdings LLC, 8.375%, 03/15/13 | USA | USD | 12,006,005 | 0.42 |
| 12,375,000 | KB Home, 6.25%, 06/15/15 | USA | USD | 11,621,870 | 0.41 |
| 12,000,000 | William Lyon Homes, 10.75%, 04/01/13 | USA | USD | 11,490,000 | 0.40 |
| 10,900,000 | Lyondell Chemical Co., 8.00%, 09/15/14 | USA | USD | 11,363,250 | 0.40 |
| 13,500,000 | William Lyon Homes Inc., 7.50%, 02/15/14 | USA | USD | 11,306,250 | 0.40 |
| 10,000,000 | Pokagon Gaming Authority, 10.375%, 06/15/14 | USA | USD | 11,000,000 | 0.39 |
| 10,200,000 | Quebecor Media Inc., 7.75%, 03/15/16 | CAN | USD | 10,467,750 | 0.37 |
| 10,600,000 | L-3 Communications Corp., 6.125%, 01/15/14 | USA | USD | 10,414,500 | 0.37 |
| 10,000,000 | Foundation PA Coal Co., 7.25%, 08/01/14 | USA | USD | 10,225,000 | 0.36 |
| 11,000,000 | Tenet Healthcare Corp., 6.50%, 06/01/12 | USA | USD | 10,010,000 | 0.35 |
| 9,825,000 | Huntsman International LLC, 7.875%, 11/15/14 | USA | USD | 9,947,813 | 0.35 |
| 10,000,000 | L-3 Communications Corp., 5.875%, 01/15/15 | USA | USD | 9,700,000 | 0.34 |
| 10,000,000 | MGM MIRAGE Inc., 6.875%, 04/01/16 | USA | USD | 9,650,000 | 0.34 |
| 9,100,000 | Lyondell Chemical Co., 8.25%, 09/15/16 | USA | USD | 9,600,500 | 0.34 |
| 9,000,000 | Rural Cellular Corp., 8.25%, 03/15/12 | USA | USD | 9,416,250 | 0.33 |
| 9,000,000 | L-3 Communications Corp., 7.625%, 06/15/12 | USA | USD | 9,360,000 | 0.33 |
| 9,000,000 | Rogers Cable Inc., 6.75%, 03/15/15 | CAN | USD | 9,318,024 | 0.33 |
| 9,025,000 | Bombardier Inc., 8.00%, 11/15/14 | CAN | USD | 9,295,750 | 0.33 |
| 9,200,000 | NRG Energy Inc., 7.25%, 02/01/14 | USA | USD | 9,292,000 | 0.33 |
| 9,000,000 | Royal Caribbean Cruises Ltd., 6.875%, 12/01/13 | USA | USD | 9,167,814 | 0.32 |
| 8,700,000 | NTL Cable PLC, 8.75%, 04/15/14 | GBR | USD | 9,145,875 | 0.32 |
| 9,700,000 | Sanmina-SCI Corp., 6.75%, 03/01/13 | USA | USD | 8,972,500 | 0.31 |
| 8,200,000 | Pinnacle Entertainment Inc., 8.25%, 03/15/12 | USA | USD | 8,323,000 | 0.29 |
| 8,000,000 | Corrections Corp. of America, 6.75%, 01/31/14 | USA | USD | 8,120,000 | 0.29 |
| 8,000,000 | Smithfield Foods Inc., 7.00%, 08/01/11 | USA | USD | 8,120,000 | 0.29 |
| 7,773,000 | CCH I LLC, 11.00%, 10/01/15 | USA | USD | 8,015,906 | 0.28 |
| 7,334,000 | TRW Automotive Inc., 9.375%, 02/15/13 | USA | USD | 7,902,385 | 0.28 |
| 7,600,000 | Radio One Inc., 6.375%, 02/15/13 | USA | USD | 7,144,000 | 0.25 |
| 7,000,000 | Boyd Gaming Corp., 6.75%, 04/15/14 | USA | USD | 7,017,500 | 0.25 |
| 6,500,000 | Equistar Chemicals LP, 10.625%, 05/01/11 | USA | USD | 6,955,000 | 0.24 |
| 6,700,000 | Freescale Semiconductor Inc., 10.125%, 12/15/16 | USA | USD | 6,741,875 | 0.24 |
| 6,000,000 | Advanstar Communications, 12.00%, 02/15/11 | USA | USD | 6,300,000 | 0.22 |
| 6,200,000 | Lamar Media Corp., 6.625%, 08/15/15 | USA | USD | 6,176,750 | 0.22 |
| 6,000,000 | Rite Aid Corp., 7.50%, 01/15/15 | USA | USD | 5,970,000 | 0.21 |
| 6,400,000 | Dex Media Inc., senior disc. note, 0.00%, 11/15/13 | USA | USD | 5,744,000 | 0.20 |
| 5,300,000 | Rental Service Corp., 9.50%, 12/01/14 | USA | USD | 5,498,750 | 0.19 |
| 5,000,000 | Royal Caribbean Cruises Ltd., 8.75%, 02/02/11 | USA | USD | 5,489,755 | 0.19 |
| 5,000,000 | Beazer Homes USA Inc., 8.125%, 06/15/16 | USA | USD | 5,325,000 | 0.19 |
| 5,000,000 | Owens-Illinois Inc., 7.50%, 05/15/10 | USA | USD | 5,043,750 | 0.18 |
| 4,700,000 | Universal Compression Inc., 7.25%, 05/15/10 | USA | USD | 4,747,000 | 0.17 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Corporate Bonds** (continued) | | | | |
| 4,700,000 | Station Casinos Inc., 6.00%, 04/01/12 | USA | USD | 4,482,625 | 0.16 |
| 4,400,000 | Host Hotels & Resorts LP, 6.875%, 11/01/14 | USA | USD | 4,477,000 | 0.16 |
| 3,600,000 | Station Casinos Inc., 6.50%, 02/01/14 | USA | USD | 3,217,500 | 0.11 |
| 3,000,000 | Fresenius Medical Care Capital Trust, 7.875%, 06/15/11 | USA | USD | 3,157,500 | 0.11 |
| 1,700,000 | Peabody Energy Corp., 7.375%, 11/01/16 | USA | USD | 1,819,000 | 0.06 |
| 1,733,089 | Goss Graphic Systems Inc., 12.25%, 11/19/05 * | USA | USD | 0 | 0.00 |
| | | | | 2,640,580,559 | 92.74 |
| | **Securities Maturing Within One Year** | | | | |
| 1,900,000 | Key Plastics Inc., 10.25%, 03/15/07 * | USA | USD | 12,540 | 0.00 |
| | **TOTAL BONDS** | | | 2,640,593,099 | 92.74 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 2,640,594,576 | 92.74 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 40,000,000 | Allegheny Energy Supply, 8.25%, 04/15/12 | USA | USD | 44,100,000 | 1.55 |
| 27,000,000 | Rainbow National Services LLC, 10.375%, 09/01/14 | USA | USD | 30,138,750 | 1.06 |
| 17,600,000 | Novelis Inc., senior note, 144A, 7.25%, 02/15/15 | CAN | USD | 17,116,000 | 0.60 |
| 11,700,000 | Invensys PLC, 9.875%, 03/15/11 | GBR | USD | 12,606,750 | 0.44 |
| 12,150,000 | Basell AF SCA, 8.375%, 08/15/15 | DEU | USD | 12,544,875 | 0.44 |
| | | | | 116,506,375 | 4.09 |
| | **TOTAL BONDS** | | | 116,506,375 | 4.09 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 116,506,375 | 4.09 |
| | **TOTAL INVESTMENTS** | | | 2,757,939,950 | 96.86 |

* These Corporate Bonds are currently in default

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 8,000,000 | Lighthouse International Co., 8.00%, 04/30/14 | LUX | EUR | 8,790,000 | 3.04 |
| 7,150,000 | Basell AF SCA, 8.375%, 08/15/15 | DEU | EUR | 7,704,125 | 2.67 |
| 7,050,000 | Johnsondiversey Inc., 9.625%, 05/15/12 | USA | EUR | 7,402,500 | 2.56 |
| 6,350,000 | Wind Acquisition Fin SA, Reg S, 9.75%, 12/01/15 | ITA | EUR | 7,321,550 | 2.54 |
| 6,550,000 | UPC Holding BV, 7.75%, 01/15/14 | NLD | EUR | 6,599,125 | 2.29 |
| 6,000,000 | Chesapeake Energy Corp., 6.25%, 01/15/17 | USA | EUR | 6,165,000 | 2.14 |
| 6,050,000 | Owens-Brockway Glass Container Inc., 6.75%, 12/01/14 | USA | EUR | 6,095,375 | 2.11 |
| 5,500,000 | SGL Carbon Luxembourg SA, 8.50%, 02/01/12 | LUX | EUR | 5,953,750 | 2.06 |
| 5,000,000 | Nordic Telephone Co. Holdings, Reg S, 8.25%, 05/01/16 | DNK | EUR | 5,525,000 | 1.91 |
| 5,000,000 | Central European Distribution Corp., 8.00%, 07/25/12 | USA | EUR | 5,412,500 | 1.88 |
| 5,050,000 | Culligan Finance Corp. BV, 8.00%, 10/01/14 | NLD | EUR | 5,403,500 | 1.87 |
| 5,000,000 | Clondalkin Industries BV, 8.00%, 03/15/14 | NLD | EUR | 5,276,750 | 1.83 |
| 5,500,000 | TUI AG, Reg S, 5.125%, 12/10/12 | DEU | EUR | 5,225,000 | 1.81 |
| 4,250,000 | NTL Cable PLC, 8.75%, 04/15/14 | GBR | EUR | 4,574,062 | 1.58 |
| 3,900,000 | Safilo Capital International SA, 9.625%, 05/15/13 | LUX | EUR | 4,307,634 | 1.49 |
| 3,250,000 | Victoria Acquisition III BV, 7.875%, 10/01/14 | NLD | EUR | 3,615,625 | 1.25 |
| 3,550,000 | Polypore Inc., 8.75%, 05/15/12 | USA | EUR | 3,541,125 | 1.23 |
| 3,200,000 | Central European Media Enterprises Ltd., 8.25%, 05/15/12 | BMU | EUR | 3,508,000 | 1.22 |
| 3,250,000 | Ineos Vinyls Finance PLC, 9.125%, 12/01/11 | GBR | EUR | 3,477,500 | 1.20 |
| 2,150,000 | Heating Finance, 7.875%, 03/31/14 | GBR | GBP | 3,077,979 | 1.07 |
| 1,869,600 | Huntsman International LLC, 10.125%, 07/01/09 | USA | EUR | 1,906,992 | 0.66 |
| 1,500,000 | Elektrownia Turow BV, 9.75%, 03/14/11 | POL | EUR | 1,698,628 | 0.59 |
| 600,000 | Brake Brothers Finance PLC, 12.00%, 12/15/11 | GBR | GBP | 983,588 | 0.34 |
| 396,000 | TRW Automotive Inc., 10.125%, 02/15/13 | USA | EUR | 439,065 | 0.15 |
| 250,000 | Colt Telecom Group PLC, 7.625%, 12/15/09 | GBR | EUR | 254,688 | 0.09 |
| 190,000 | TRW Automotive Inc., 11.75%, 02/15/13 | USA | EUR | 214,938 | 0.07 |
| | | | | 114,473,999 | 39.65 |
| | **TOTAL BONDS** | | | 114,473,999 | 39.65 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 114,473,999 | 39.65 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 8,500,000 | Ford Motor Credit Co., 5.75%, 01/12/09 | USA | EUR | 8,508,500 | 2.95 |
| 7,550,000 | Nalco Co., 9.00%, 11/15/13 | USA | EUR | 8,286,125 | 2.87 |
| 8,000,000 | General Motors Acceptance Corp., 5.375%, 06/06/11 | USA | EUR | 8,080,000 | 2.80 |
| 7,525,000 | Bombardier Inc., 7.25%, 11/15/16 | CAN | EUR | 7,683,778 | 2.66 |
| 6,500,000 | Alcatel SA, 6.375%, 04/07/14 | FRA | EUR | 6,922,240 | 2.40 |
| 6,000,000 | JSG Funding PLC, 7.75%, 04/01/15 | IRL | EUR | 6,090,000 | 2.11 |
| 6,000,000 | Huntsman International LLC, 6.875%, 11/13/13 | USA | EUR | 5,997,300 | 2.08 |
| 5,050,000 | Rockwood Specialties Group Inc., 7.625%, 11/15/14 | USA | EUR | 5,390,875 | 1.87 |
| 5,000,000 | Vac Finanzierung GMBH, Reg S, 9.25%, 04/15/16 | DEU | EUR | 5,350,000 | 1.85 |
| 5,000,000 | Codere Finance SA, 8.25%, 06/15/15 | LUX | EUR | 5,312,500 | 1.84 |
| 5,000,000 | Ono Finance PLC, 8.00%, 05/16/14 | GBR | EUR | 5,181,250 | 1.79 |
| 5,000,000 | Sensata Technologies BV, 9.00%, 05/01/16 | NLD | EUR | 5,037,500 | 1.75 |
| 5,000,000 | Rhodia SA, FRN, 6.2419%, 10/15/13† | FRA | EUR | 5,006,700 | 1.73 |
| 5,000,000 | Mecachrome International Inc., Reg S, 9.00%, 05/15/14 | CAN | EUR | 4,912,500 | 1.70 |
| 5,000,000 | Kronos International Inc., 6.50%, 04/15/13 | DEU | EUR | 4,850,000 | 1.68 |
| 4,450,000 | Hellas Telecom III, 8.50%, 10/15/13 | LUX | EUR | 4,806,000 | 1.66 |
| 4,000,000 | Kloeckner Pentaplast SA, 9.375%, 02/15/12 | LUX | EUR | 4,220,000 | 1.46 |
| 3,526,250 | BCP Crystal U.S. Holdings Corp., 10.375%, 06/15/14 | USA | EUR | 4,081,634 | 1.41 |
| 4,000,000 | Fresenius Medical Care Capital Trust, 7.875%, 06/15/11 | USA | USD | 3,189,273 | 1.10 |
| 3,300,000 | Dex Media West LLC, 9.875%, 08/15/13 | USA | USD | 2,737,396 | 0.95 |
| 3,000,000 | El Paso Corp., 7.875%, 06/15/12 | USA | USD | 2,448,771 | 0.85 |
| 3,000,000 | SunGard Data Systems Inc., 10.25%, 08/15/15 | USA | USD | 2,437,408 | 0.84 |
| 3,000,000 | Reynolds American Inc., 7.625%, 06/01/16 | USA | USD | 2,419,304 | 0.84 |
| 3,000,000 | R.H. Donnelley Corp., 8.875%, 01/15/16 | USA | USD | 2,397,637 | 0.83 |
| 3,000,000 | Royal Caribbean Cruises Ltd., 7.25%, 03/15/18 | USA | USD | 2,308,290 | 0.80 |
| 3,000,000 | MGM MIRAGE Inc., 6.875%, 04/01/16 | USA | USD | 2,193,099 | 0.76 |
| 2,500,000 | Case New Holland Inc., 9.25%, 08/01/11 | USA | USD | 2,014,602 | 0.70 |
| 2,400,000 | NXP BV, 144A, 7.875%, 10/15/14 | NLD | USD | 1,888,565 | 0.65 |
| 2,500,000 | Host Marriott LP, 6.375%, 03/15/15 | USA | USD | 1,877,296 | 0.65 |
| 1,500,000 | Huntsman International LLC, 0.00%, 01/01/15 | USA | EUR | 1,578,750 | 0.55 |
| 2,000,000 | NRG Energy Inc., 7.375%, 01/15/17 | USA | USD | 1,522,670 | 0.53 |
| 2,000,000 | Freescale Semiconductor Inc., 144A, 8.875%, 12/15/14 | USA | USD | 1,516,988 | 0.53 |
| 2,000,000 | L-3 Communications Corp., 5.875%, 01/15/15 | USA | USD | 1,469,641 | 0.51 |
| 1,500,000 | CCH II LLC, 10.25%, 09/15/10 | USA | USD | 1,194,557 | 0.41 |
| 1,500,000 | EchoStar DBS Corp., 7.125%, 02/01/16 | USA | USD | 1,142,002 | 0.40 |
| 1,000,000 | Fresenius Medical Care Capital Trust, 7.375%, 06/15/11 | USA | EUR | 1,106,250 | 0.38 |
| 1,000,000 | Hellas II, Reg S, FRN, 9.704%, 01/15/15† | LUX | EUR | 1,003,100 | 0.35 |
| 1,200,000 | MetroPCS Wireless Inc., 9.25%, 11/01/14 | USA | USD | 954,509 | 0.33 |
| 1,100,000 | HCA Inc., 144A, 9.125%, 11/15/14 | USA | USD | 892,675 | 0.31 |
| 1,100,000 | Peabody Energy Corp., 7.375%, 11/01/16 | USA | USD | 891,633 | 0.31 |
| 1,000,000 | KB Home, 7.25%, 06/15/18 | USA | USD | 743,621 | 0.26 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Corporate Bonds** (continued) | | | | |
| 1,000,000 | KB Home, 6.25%, 06/15/15 | USA | USD | 711,444 | 0.25 |
| 700,000 | CCH I Holdings LLC, 13.50%, 01/15/14 | USA | USD | 523,654 | 0.18 |
| 800,000 | HCA Inc., 6.50%, 02/15/16 | USA | USD | 513,617 | 0.18 |
| 600,000 | Host Hotels & Resorts LP, 6.875%, 11/01/14 | USA | USD | 462,483 | 0.16 |
| 200,000 | L-3 Communication Corp., 6.125%, 07/15/13 | USA | USD | 149,237 | 0.05 |
| 200,000 | L-3 Communications Corp., 6.125%, 01/15/14 | USA | USD | 148,858 | 0.05 |
| 250,000 | Kpnqwest BV, 7.125%, 06/01/09 * | NLD | EUR | 11,250 | 0.00 |
| | | | | 148,165,482 | 51.32 |
| | **Securities Maturing Within One Year** | | | | |
| 2,200,000 | Equitable Life Finance, Reg S, 8.00%, 08/06/07 | GBR | GBP | 3,280,112 | 1.13 |
| | **TOTAL BONDS** | | | 151,445,594 | 52.45 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 151,445,594 | 52.45 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 2,000,000 | Novelis Inc., senior note, 144A, 7.25%, 02/15/15 | CAN | USD | 1,473,429 | 0.51 |
| | **TOTAL BONDS** | | | 1,473,429 | 0.51 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 1,473,429 | 0.51 |
| | **TOTAL INVESTMENTS** | | | 267,393,022 | 92.61 |

* These Corporate Bonds are currently in default
† Floating Rates are indicated as at December 31, 2006

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Banks** | | | | |
| 280,000 | Bank of America Corp. | USA | USD | 14,949,200 | 1.81 |
| 68,400 | Washington Mutual Inc. | USA | USD | 3,111,516 | 0.37 |
| | | | | 18,060,716 | 2.18 |
| | **Diversified Chemicals** | | | | |
| 91,400 | The Dow Chemical Co. | USA | USD | 3,650,516 | 0.44 |
| | **Diversified Financial Services** | | | | |
| 300,000 | Canadian Oil Sands Trust | CAN | CAD | 8,395,623 | 1.01 |
| 260,000 | E*TRADE Financial Corp., 6.125%, cvt., pfd. | USA | USD | 7,589,400 | 0.92 |
| 150,000 | JPMorgan Chase & Co. | USA | USD | 7,245,000 | 0.88 |
| | | | | 23,230,023 | 2.81 |
| | **Diversified Metals & Mining** | | | | |
| 100,000 | Barrick Gold Corp. | CAN | USD | 3,070,000 | 0.37 |
| | **Electric Utilities** | | | | |
| 300,000 | FirstEnergy Corp. | USA | USD | 18,090,000 | 2.19 |
| 500,000 | Duke Energy Corp. | USA | USD | 16,605,000 | 2.01 |
| 225,000 | Public Service Enterprise Group Inc. | USA | USD | 14,935,500 | 1.80 |
| 400,000 | The Southern Co. | USA | USD | 14,744,000 | 1.78 |
| 250,000 | Pinnacle West Capital Corp. | USA | USD | 12,672,500 | 1.53 |
| 200,000 | Ameren Corp. | USA | USD | 10,746,000 | 1.30 |
| 250,000 | American Electric Power Co., Inc. | USA | USD | 10,645,000 | 1.29 |
| 200,000 | PG&E Corp. | USA | USD | 9,466,000 | 1.14 |
| 110,000 | Dominion Resources Inc. | USA | USD | 9,222,400 | 1.11 |
| 300,000 | Puget Energy Inc. | USA | USD | 7,608,000 | 0.92 |
| 82,200 | Entergy Corp. | USA | USD | 7,588,704 | 0.92 |
| 150,000 | DTE Energy Co. | USA | USD | 7,261,500 | 0.88 |
| 125,000 | Progress Energy Inc. | USA | USD | 6,135,000 | 0.74 |
| 100,000 | TXU Corp. | USA | USD | 5,421,000 | 0.66 |
| 100,000 | Consolidated Edison Inc. | USA | USD | 4,807,000 | 0.58 |
| 250,000 | CenterPoint Energy Inc. | USA | USD | 4,145,000 | 0.50 |
| 65,000 | Energy East Corp. | USA | USD | 1,612,000 | 0.19 |
| | | | | 161,704,604 | 19.54 |
| | **Industrial Machinery** | | | | |
| 150,000 | General Electric Co. | USA | USD | 5,581,500 | 0.68 |
| 50,000 | 3M Co. | USA | USD | 3,896,500 | 0.47 |
| | | | | 9,478,000 | 1.15 |
| | **Integrated Oil & Gas** | | | | |
| 150,000 | Chevron Corp. | USA | USD | 11,029,500 | 1.33 |
| 59,200 | Royal Dutch Shell PLC, A, ADR | GBR | USD | 4,190,768 | 0.51 |
| 50,000 | BP PLC, ADR | GBR | USD | 3,355,000 | 0.41 |
| | | | | 18,575,268 | 2.25 |
| | **Integrated Telecommunication Services** | | | | |
| 400,000 | AT&T Inc. | USA | USD | 14,300,000 | 1.73 |
| 200,000 | BellSouth Corp. | USA | USD | 9,422,000 | 1.14 |
| 200,000 | Verizon Communications Inc. | USA | USD | 7,448,000 | 0.90 |
| | | | | 31,170,000 | 3.77 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 100,000 | Atmos Energy Corp. | USA | USD | 3,191,000 | 0.38 |
| 25,000 | AGL Resources Inc. | USA | USD | 972,750 | 0.12 |
| | | | | 4,163,750 | 0.50 |
| | **Pharmaceuticals** | | | | |
| 850,000 | Pfizer Inc. | USA | USD | 22,015,000 | 2.66 |
| 223,100 | Merck & Co., Inc. | USA | USD | 9,727,160 | 1.18 |
| 150,000 | Schering-Plough Corp., 6.00%, cvt., pfd. | USA | USD | 8,533,500 | 1.03 |
| 100,000 | Johnson & Johnson | USA | USD | 6,602,000 | 0.80 |
| 121,300 | Eli Lilly and Co. | USA | USD | 6,319,730 | 0.76 |
| 200,000 | Bristol-Myers Squibb Co. | USA | USD | 5,264,000 | 0.64 |
| | | | | 58,461,390 | 7.07 |
| | **Semiconductors** | | | | |
| 100,000 | Intel Corp. | USA | USD | 2,025,000 | 0.24 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Speciality Chemicals** | | | | |
| 450,000 | Lyondell Chemical Co. | USA | USD | 11,506,500 | 1.39 |
| | **TOTAL SHARES** | | | 345,095,767 | 41.71 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 345,095,767 | 41.71 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Aluminium** | | | | |
| 100,000 | Lehman Brothers Holdings Inc. into Alcoa Inc., 7.00%, cvt., pfd | USA | USD | 3,052,250 | 0.37 |
| | **Cash Equivalents** | | | | |
| 150,000 | Citigroup Funding Into Texas Instrument Inc. | USA | USD | 4,362,030 | 0.53 |
| | **Diversified Chemicals** | | | | |
| 25,000 | Huntsman Corp., 5.00%, cvt., pfd. | USA | USD | 1,046,875 | 0.13 |
| | **Diversified Metals & Mining** | | | | |
| 100,000 | Morgan Stanley into Newmont Mining Corp., 8.50%, cvt., pfd., 144A | USA | USD | 4,381,500 | 0.53 |
| 100,000 | Goldman Sachs Group Inc. into Peabody Energy Corp. | USA | USD | 3,938,800 | 0.48 |
| | | | | 8,320,300 | 1.01 |
| | **Gas Utilities** | | | | |
| 10,000 | El Paso Corp., 4.99%, cvt., pfd. | USA | USD | 13,272,264 | 1.60 |
| | **General Merchandise Stores** | | | | |
| 20,000 | Wachovia Bank into Target Corp., 6.40%, cvt., pfd. | USA | USD | 1,026,600 | 0.12 |
| | **Home Improvement Retail** | | | | |
| 85,000 | Wachovia Bank into The Home Depot Inc., 7.25%, cvt., pfd., 144A | USA | USD | 3,184,100 | 0.38 |
| | **Networking Equipment** | | | | |
| 100,000 | Lehman Brothers Holdings Inc. into Cisco Systems Inc., 8.50%, cvt., pfd. | USA | USD | 1,999,205 | 0.24 |
| | **Oil & Gas Drilling** | | | | |
| 22,000 | Chesapeake Energy Corp., 6.25%, cvt., pfd. | USA | USD | 5,518,502 | 0.67 |
| | **Real Estate Investment Trusts** | | | | |
| 50,000 | Lexington Corporate Properties Trust, 6.50%, cvt., pfd. | USA | USD | 2,380,000 | 0.29 |
| | **TOTAL SHARES** | | | 44,162,126 | 5.34 |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 20,000,000 | General Motors Acceptance Corp., 6.875%, 09/15/11 | USA | USD | 20,534,380 | 2.48 |
| 20,000,000 | Tenet Healthcare Corp., 6.375%, 12/01/11 | USA | USD | 18,400,000 | 2.22 |
| 16,494,107 | CCH I LLC, 11.00%, 10/01/15 | USA | USD | 17,009,548 | 2.06 |
| 15,000,000 | Ford Motor Credit Co., 7.375%, 02/01/11 | USA | USD | 14,862,000 | 1.80 |
| 10,870,000 | Dynegy Holdings Inc., 6.875%, 04/01/11 | USA | USD | 10,924,350 | 1.32 |
| 10,800,000 | Cablevision Systems Corp., 8.00%, 04/15/12 | USA | USD | 10,665,000 | 1.29 |
| 10,000,000 | Ford Motor Credit Co., 7.875%, 06/15/10 | USA | USD | 10,090,560 | 1.22 |
| 9,600,000 | E*TRADE Financial Corp., 7.375%, 09/15/13 | USA | USD | 10,032,000 | 1.21 |
| 10,000,000 | Sabine Pass LNG LP, 7.50%, 11/30/16 | USA | USD | 9,987,500 | 1.21 |
| 10,000,000 | Nortel Networks Corp., 4.25%, 09/01/08 | CAN | USD | 9,687,790 | 1.17 |
| 9,700,000 | L-3 Communications Corp., 6.375%, 10/15/15 | USA | USD | 9,651,500 | 1.17 |
| 10,000,000 | TXU Corp., 5.55%, 11/15/14 | USA | USD | 9,543,410 | 1.15 |
| 9,000,000 | Qwest Capital Funding Inc., 7.00%, 08/03/09 | USA | USD | 9,202,500 | 1.11 |
| 7,500,000 | General Motors Acceptance Corp., 6.875%, 08/28/12 | USA | USD | 7,710,127 | 0.93 |
| 8,000,000 | Allied Waste North America Inc., 6.125%, 02/15/14 | USA | USD | 7,640,000 | 0.92 |
| 8,000,000 | Sanmina-SCI Corp., 6.75%, 03/01/13 | USA | USD | 7,400,000 | 0.89 |
| 7,000,000 | Qwest Capital Funding Inc., 7.25%, 02/15/11 | USA | USD | 7,183,750 | 0.87 |
| 7,500,000 | Clear Channel Communications Inc., 5.75%, 01/15/13 | USA | USD | 6,677,715 | 0.81 |
| 6,500,000 | Allied Waste North America Inc., 6.50%, 11/15/10 | USA | USD | 6,548,750 | 0.79 |
| 9,348,000 | Calpine Corp., cvt., senior note, 6.00%, 09/30/14 * | USA | USD | 6,496,860 | 0.79 |
| 6,000,000 | JohnsonDiversey Holdings Inc., senior disc. note, 0.00%, 05/15/13 | USA | USD | 5,820,000 | 0.70 |
| 5,000,000 | El Paso Corp., 7.75%, 01/15/32 | USA | USD | 5,500,000 | 0.67 |
| 5,000,000 | General Motors Acceptance Corp., 7.75%, 01/19/10 | USA | USD | 5,236,855 | 0.63 |
| 5,100,000 | El Paso Corp., 6.75%, 05/15/09 | USA | USD | 5,233,875 | 0.63 |
| 5,000,000 | General Motors Acceptance Corp., 6.75%, 12/01/14 | USA | USD | 5,143,495 | 0.62 |
| 5,000,000 | Case New Holland Inc., 6.00%, 06/01/09 | USA | USD | 5,000,000 | 0.60 |
| 5,000,000 | Liberty Media Corp., 5.70%, 05/15/13 | USA | USD | 4,735,685 | 0.57 |
| 4,500,000 | El Paso Production Holding Co., 7.75%, 06/01/13 | USA | USD | 4,730,625 | 0.57 |
| 5,000,000 | TXU Corp., 6.55%, 11/15/34 | USA | USD | 4,701,140 | 0.57 |
| 5,000,000 | General Motors Corp., senior deb., 8.375%, 07/15/33 | USA | USD | 4,650,000 | 0.56 |
| 5,000,000 | Tenet Healthcare Corp., 7.375%, 02/01/13 | USA | USD | 4,618,750 | 0.56 |
| 4,500,000 | Sesi LLC, 6.875%, 06/01/14 | USA | USD | 4,500,000 | 0.54 |
| 4,296,000 | Stone Container Corp., 9.75%, 02/01/11 | USA | USD | 4,451,730 | 0.54 |
| 4,000,000 | Ford Motor Co., cvt., senior note, 4.25%, 12/15/36 | USA | USD | 4,295,000 | 0.52 |
| 4,500,000 | Dex Media Inc., 9.00, 0.00%, 11/15/08 | USA | USD | 4,038,750 | 0.49 |
| 3,700,000 | Freescale Semiconductor Inc., 8.875%, 12/15/14 | USA | USD | 3,704,625 | 0.45 |
| 3,800,000 | KB Home, 5.75%, 02/01/14 | USA | USD | 3,515,950 | 0.43 |
| 3,500,000 | Allied Waste North America Inc., 7.375%, 04/15/14 | USA | USD | 3,500,000 | 0.42 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Corporate Bonds** (continued) | | | | |
| 3,000,000 | SunGard Data Systems Inc., 10.25%, 08/15/15 | USA | USD | 3,217,500 | 0.39 |
| 3,000,000 | SunGard Data Systems Inc., 9.125%, 08/15/13 | USA | USD | 3,165,000 | 0.38 |
| 3,000,000 | NXP BV, 144A, 9.50%, 10/15/15 | NLD | USD | 3,090,000 | 0.37 |
| 3,000,000 | Host Marriott LP, 7.125%, 11/01/13 | USA | USD | 3,082,500 | 0.37 |
| 3,000,000 | MGM MIRAGE Inc., 7.625%, 01/15/17 | USA | USD | 3,022,500 | 0.37 |
| 2,700,000 | HCA Inc., 9.25%, 11/15/16 | USA | USD | 2,899,125 | 0.35 |
| 3,000,000 | Massey Energy Co., 6.875%, 12/15/13 | USA | USD | 2,835,000 | 0.34 |
| 2,900,000 | R.H. Donnelley Corp., 6.875%, 01/15/13 | USA | USD | 2,794,875 | 0.34 |
| 2,750,000 | Seagate Technology HDD Holdings, 6.375%, 10/01/11 | USA | USD | 2,763,750 | 0.33 |
| 2,600,000 | MetroPCS Wireless Inc., 9.25%, 11/01/14 | USA | USD | 2,730,000 | 0.33 |
| 2,600,000 | XM Satellite Radio Inc., 9.75%, 05/01/14 | USA | USD | 2,613,000 | 0.32 |
| 2,600,000 | Allied Waste North America Inc., 7.125%, 05/15/16 | USA | USD | 2,587,000 | 0.31 |
| 3,000,000 | Harrah's Operating Co., Inc., 5.625%, 06/01/15 | USA | USD | 2,577,072 | 0.31 |
| 2,500,000 | Pogo Producing Co., 7.875%, 05/01/13 | USA | USD | 2,550,000 | 0.31 |
| 2,500,000 | Hexion U.S. Finance Corp., 9.75%, 11/15/14 | USA | USD | 2,546,875 | 0.31 |
| 2,700,000 | Lucent Technologies Inc., 6.45%, 03/15/29 | USA | USD | 2,504,250 | 0.30 |
| 2,300,000 | Nalco Co., 8.875%, 11/15/13 | USA | USD | 2,446,625 | 0.30 |
| 2,500,000 | Flextronics International Ltd., 6.25%, 11/15/14 | SGP | USD | 2,425,000 | 0.29 |
| 2,500,000 | Dex Media Inc., senior disc. note, 0.00%, 11/15/13 | USA | USD | 2,243,750 | 0.27 |
| 2,100,000 | MGM MIRAGE Inc., 6.75%, 04/01/13 | USA | USD | 2,063,250 | 0.25 |
| 2,000,000 | Dole Food Co., Inc., 8.625%, 05/01/09 | USA | USD | 1,997,500 | 0.24 |
| 2,000,000 | Host Marriott LP, 6.375%, 03/15/15 | USA | USD | 1,982,500 | 0.24 |
| 1,500,000 | Aquila Inc., 14.875%, 07/01/12 | USA | USD | 1,965,000 | 0.24 |
| 1,700,000 | Peabody Energy Corp., 7.375%, 11/01/16 | USA | USD | 1,819,000 | 0.22 |
| 1,800,000 | D.R. Horton Inc., 5.625%, 01/15/16 | USA | USD | 1,715,458 | 0.21 |
| 1,700,000 | Chesapeake Energy Corp., 6.25%, 01/15/18 | USA | USD | 1,644,750 | 0.20 |
| 1,500,000 | K Hovnanian Enterprises Inc., 7.50%, 05/15/16 | USA | USD | 1,515,000 | 0.18 |
| 1,500,000 | Newfield Exploration Co., 6.625%, 04/15/16 | USA | USD | 1,500,000 | 0.18 |
| 1,300,000 | Viacom Inc., 6.25%, 04/30/16 | USA | USD | 1,293,248 | 0.16 |
| 1,000,000 | Rental Service Corp., 9.50%, 12/01/14 | USA | USD | 1,037,500 | 0.13 |
| 1,000,000 | KB Home, 6.375%, 08/15/11 | USA | USD | 988,943 | 0.12 |
| 900,000 | DaVita Inc., 6.625%, 03/15/13 | USA | USD | 906,750 | 0.11 |
| 800,000 | Enzon Pharmaceuticals Inc., cvt., 144A, 4.00%, 06/01/13 | USA | USD | 879,000 | 0.11 |
| | | | | 367,025,941 | 44.36 |
| | **Government Bonds** | | | | |
| 18,434,546 | FNMA, 5.50%, 12/01/35 | USA | USD | 18,229,756 | 2.20 |
| 6,836,251 | GNMA, SF, 5.00%, 03/15/34 | USA | USD | 6,655,185 | 0.81 |
| | | | | 24,884,941 | 3.01 |
| | **Securities Maturing Within One Year** | | | | |
| 725,188 | American Airlines Inc., 9.71%, 01/02/07 | USA | USD | 725,191 | 0.08 |
| | **TOTAL BONDS** | | | 392,636,073 | 47.45 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 436,798,199 | 52.79 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Oil & Gas Drilling** | | | | |
| 50,000 | Chesapeake Energy Corp., 5.00%, cvt., pfd., 144A, 12/31/49 | USA | USD | 5,128,450 | 0.62 |
| | **TOTAL SHARES** | | | 5,128,450 | 0.62 |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 5,500,000 | Novelis Inc., senior note, 144A, 7.25%, 02/15/15 | CAN | USD | 5,348,750 | 0.65 |
| 576,000 | Invensys PLC, 9.875%, 03/15/11 | GBR | USD | 620,640 | 0.07 |
| | | | | 5,969,390 | 0.72 |
| | **TOTAL BONDS** | | | 5,969,390 | 0.72 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 11,097,840 | 1.34 |
| | **TOTAL INVESTMENTS** | | | 792,991,806 | 95.84 |

* These Corporate Bonds are currently in default

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 76,721 | Bharat Electronics Ltd. | IND | INR | 2,335,543 | 1.13 |
| | **Automobile Manufacturers** | | | | |
| 209,635 | Maruti Udyog Ltd. | IND | INR | 4,406,778 | 2.13 |
| 44,198 | Bajaj Auto Ltd. | IND | INR | 2,623,777 | 1.27 |
| 761,708 | TVS Motor Co., Ltd. | IND | INR | 1,507,358 | 0.73 |
| | | | | 8,537,913 | 4.13 |
| | **Banks** | | | | |
| 550,630 | ICICI Bank Ltd. | IND | INR | 11,113,702 | 5.38 |
| | **Broadcasting & Cable TV** | | | | |
| 228,589 | Television Eighteen India Ltd. | IND | INR | 2,993,187 | 1.45 |
| | **Commodity Chemicals** | | | | |
| 274,711 | Asian Paints Ltd. | IND | INR | 4,567,931 | 2.21 |
| 160,954 | Kansai Nerolac Paints Ltd. | IND | INR | 2,973,535 | 1.44 |
| | | | | 7,541,466 | 3.65 |
| | **Construction & Engineering** | | | | |
| 543,201 | Gammon India Ltd. | IND | INR | 5,165,427 | 2.50 |
| 299,646 | Jaiprakash Associates Ltd. | IND | INR | 4,933,987 | 2.39 |
| 530,013 | Hindustan Construction Ltd. | IND | INR | 1,766,109 | 0.86 |
| 80,602 | Gammon India Ltd., GDR | IND | USD | 751,211 | 0.36 |
| | | | | 12,616,734 | 6.11 |
| | **Construction & Farm Machinery** | | | | |
| 305,577 | Tata Motors Ltd. | IND | INR | 6,235,877 | 3.02 |
| 620,091 | Cummins India Ltd. | IND | INR | 3,901,309 | 1.89 |
| 75,331 | Larsen & Toubro Ltd. | IND | INR | 2,463,989 | 1.19 |
| | | | | 12,601,175 | 6.10 |
| | **Construction Materials** | | | | |
| 170,931 | Grasim Industries Ltd. | IND | INR | 10,806,838 | 5.23 |
| 982,894 | Gujarat Ambuja Cements Ltd. | IND | INR | 3,148,202 | 1.53 |
| 32,000 | Shree Cements Ltd. | IND | INR | 1,057,200 | 0.51 |
| | | | | 15,012,240 | 7.27 |
| | **Consumer Finance** | | | | |
| 195,931 | Housing Development Finance Corp., Ltd. | IND | INR | 7,215,226 | 3.49 |
| 3,469,255 | Infrastructure Development Finance Co., Ltd. | IND | INR | 6,094,690 | 2.95 |
| | | | | 13,309,916 | 6.44 |
| | **Diversified Financial Services** | | | | |
| 568,447 | Kotak Mahindra Bank Ltd. | IND | INR | 5,146,497 | 2.49 |
| 678,993 | India Infoline Ltd. | IND | INR | 4,700,543 | 2.28 |
| 250,000 | Kotak Mahindra Bank Ltd., GDR | IND | USD | 2,245,000 | 1.09 |
| | | | | 12,092,040 | 5.86 |
| | **Electrical Components & Equipment** | | | | |
| 98,120 | ABB Ltd., India | IND | INR | 8,255,069 | 4.00 |
| 266,446 | Siemens India Ltd. | IND | INR | 6,851,857 | 3.32 |
| | | | | 15,106,926 | 7.32 |
| | **Integrated Oil & Gas** | | | | |
| 245,065 | Reliance Industries Ltd. | IND | INR | 7,056,972 | 3.42 |
| | **Integrated Telecommunication Services** | | | | |
| 658,261 | Bharti Airtel Ltd. | IND | INR | 9,383,372 | 4.54 |
| 561,954 | Reliance Communication Ltd. | IND | INR | 6,003,602 | 2.91 |
| | | | | 15,386,974 | 7.45 |
| | **IT Consulting & Services** | | | | |
| 256,253 | Infosys Technologies Ltd. | IND | INR | 13,014,504 | 6.30 |
| 234,055 | Tata Consultancy Services Ltd. | IND | INR | 6,465,362 | 3.13 |
| 187,017 | Satyam Computer Services Ltd. | IND | INR | 2,051,612 | 1.00 |
| | | | | 21,531,478 | 10.43 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Movies & Entertainment** | | | | |
| 571,135 | Zee Telefilms Ltd. | IND | INR | 3,797,857 | 1.84 |
| | **Packaged Foods** | | | | |
| 242,411 | Nestle India Ltd. | IND | INR | 6,244,769 | 3.02 |
| | **Pharmaceuticals** | | | | |
| 339,543 | Dr. Reddy's Laboratories Ltd. | IND | INR | 6,243,620 | 3.02 |
| 252,805 | Lupin Laboratories Ltd. | IND | INR | 3,507,408 | 1.70 |
| 483,305 | Cipla Ltd. | IND | INR | 2,746,562 | 1.33 |
| 133,988 | Aurobindo Pharmaceuticals Ltd. | IND | INR | 2,141,712 | 1.04 |
| 144,681 | Merck Ltd. | IND | INR | 1,463,536 | 0.71 |
| 300,490 | Matrix Laboratories Ltd. | IND | INR | 1,422,925 | 0.69 |
| | | | | 17,525,763 | 8.49 |
| | **Publishing & Printing** | | | | |
| 145,000 | Deccan Chronicle Holdings Ltd. | IND | INR | 2,511,164 | 1.22 |
| | **Steel** | | | | |
| 4,470 | Sesa Goa Ltd. | IND | INR | 142,936 | 0.07 |
| | **Textiles** | | | | |
| 87,746 | Aditya Birla Nuvo Ltd. | IND | INR | 2,481,313 | 1.20 |
| | **Tyres & Rubber** | | | | |
| 61,754 | Motor Industries Co., Ltd. | IND | INR | 4,899,795 | 2.37 |
| | **TOTAL SHARES** | | | 194,839,863 | 94.35 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 194,839,863 | 94.35 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Broadcasting & Cable TV** | | | | |
| 112,602 | Zee News Ltd. | IND | INR | 0 | 0.00 |
| | **Consumer Finance** | | | | |
| 195,933 | Network 18 Fincap Pte., Ltd. | IND | INR | 1,237,917 | 0.60 |
| | **Networking Equipment** | | | | |
| 124,533 | Wire And Wireless India Ltd. | IND | INR | 420,363 | 0.21 |
| | **Real Estate Management & Development** | | | | |
| 2,139 | Sobha Developers Ltd., Reg S | IND | INR | 48,278 | 0.02 |
| | **TOTAL SHARES** | | | 1,706,558 | 0.83 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 1,706,558 | 0.83 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **RIGHTS** | | | | |
| | **Textiles** | | | | |
| 10,323 | Aditya Birla Nuvo Ltd., rts. | IND | INR | 106,354 | 0.05 |
| | **TOTAL RIGHTS** | | | 106,354 | 0.05 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 106,354 | 0.05 |
| | **TOTAL INVESTMENTS** | | | 196,652,775 | 95.23 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 29,800 | ESCO Technologies Inc. | USA | USD | 1,354,112 | 0.86 |
| | **Application Software** | | | | |
| 102,900 | Microsoft Corp. | USA | USD | 3,072,594 | 1.95 |
| 72,000 | Adobe Systems Inc. | USA | USD | 2,960,640 | 1.87 |
| 65,600 | Autodesk Inc. | USA | USD | 2,654,176 | 1.68 |
| 46,200 | SAP AG, ADR | DEU | USD | 2,453,220 | 1.55 |
| 137,800 | Oracle Corp. | USA | USD | 2,361,892 | 1.50 |
| 162,000 | Nuance Communications Inc. | USA | USD | 1,856,520 | 1.18 |
| 36,500 | ANSYS Inc. | USA | USD | 1,587,385 | 1.00 |
| 32,000 | Salesforce.com Inc. | USA | USD | 1,166,400 | 0.74 |
| 27,000 | NAVTEQ | USA | USD | 944,190 | 0.60 |
| | | | | 19,057,017 | 12.07 |
| | **Broadcasting & Cable TV** | | | | |
| 119,900 | XM Satellite Radio Holdings Inc., A | USA | USD | 1,732,555 | 1.10 |
| | **Computer Storage & Peripherals** | | | | |
| 39,600 | Apple Computer Inc. | USA | USD | 3,359,664 | 2.13 |
| 69,200 | Network Appliance Inc. | USA | USD | 2,718,176 | 1.72 |
| 96,000 | Seagate Technology | USA | USD | 2,544,000 | 1.61 |
| 63,400 | Rackable Systems Inc. | USA | USD | 1,963,498 | 1.24 |
| 41,000 | Isilon Systems Inc. | USA | USD | 1,131,600 | 0.72 |
| | | | | 11,716,938 | 7.42 |
| | **Data Processing Services** | | | | |
| 84,500 | Paychex Inc. | USA | USD | 3,341,130 | 2.12 |
| 125,900 | First Data Corp. | USA | USD | 3,212,968 | 2.03 |
| 76,700 | NeuStar Inc., A | USA | USD | 2,488,148 | 1.57 |
| 36,700 | Global Payments Inc. | USA | USD | 1,699,210 | 1.08 |
| | | | | 10,741,456 | 6.80 |
| | **Diversified Commercial Services** | | | | |
| 53,200 | eBay Inc. | USA | USD | 1,599,724 | 1.01 |
| | **Health Care Equipment** | | | | |
| 37,200 | Thermo Fisher Scientific Inc. | USA | USD | 1,684,788 | 1.07 |
| 15,900 | Intuitive Surgical Inc. | USA | USD | 1,524,810 | 0.96 |
| | | | | 3,209,598 | 2.03 |
| | **Integrated Telecommunication Services** | | | | |
| 120,200 | American Tower Corp., A | USA | USD | 4,481,056 | 2.84 |
| 105,300 | Bharti Airtel Ltd. | IND | INR | 1,501,029 | 0.95 |
| | | | | 5,982,085 | 3.79 |
| | **Internet Software & Services** | | | | |
| 8,500 | Google Inc., A | USA | USD | 3,914,080 | 2.48 |
| 142,200 | VeriSign Inc. | USA | USD | 3,419,910 | 2.17 |
| 34,300 | Equinix Inc. | USA | USD | 2,593,766 | 1.64 |
| 94,170 | Yahoo! Inc. | USA | USD | 2,405,102 | 1.52 |
| 45,000 | Akamai Technologies Inc. | USA | USD | 2,390,400 | 1.51 |
| 112,800 | Internap Network Services Corp. | USA | USD | 2,241,336 | 1.42 |
| 57,500 | WebEx Communications Inc. | USA | USD | 2,006,175 | 1.27 |
| 35,600 | WebSideStory Inc. | USA | USD | 450,696 | 0.29 |
| | | | | 19,421,465 | 12.30 |
| | **IT Consulting & Services** | | | | |
| 38,000 | Cognizant Technology Solutions Corp., A | USA | USD | 2,932,080 | 1.86 |
| 68,600 | Amdocs Ltd. | USA | USD | 2,658,250 | 1.68 |
| | | | | 5,590,330 | 3.54 |
| | **Leisure Products** | | | | |
| 133,566 | Activision Inc. | USA | USD | 2,302,678 | 1.46 |
| 8,200 | Nintendo Co., Ltd. | JPN | JPY | 2,128,618 | 1.35 |
| | | | | 4,431,296 | 2.81 |
| | **Networking Equipment** | | | | |
| 204,700 | Cisco Systems Inc. | USA | USD | 5,594,451 | 3.54 |
| 157,900 | Juniper Networks Inc. | USA | USD | 2,990,626 | 1.90 |
| 273,600 | Ixia | USA | USD | 2,626,560 | 1.66 |
| 116,000 | QLogic Corp. | USA | USD | 2,542,720 | 1.61 |
| | | | | 13,754,357 | 8.71 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Office Electronics** | | | | |
| 92,700 | Agilent Technologies Inc. | USA | USD | 3,230,595 | 2.04 |
| 64,900 | Tektronix Inc. | USA | USD | 1,893,133 | 1.20 |
| 26,800 | Rockwell Automation Inc. | USA | USD | 1,636,944 | 1.04 |
| 13,200 | SunPower Corp., A | USA | USD | 490,644 | 0.31 |
| | | | | 7,251,316 | 4.59 |
| | **Oil & Gas Equipment & Services** | | | | |
| 30,700 | FMC Technologies Inc. | USA | USD | 1,892,041 | 1.20 |
| | **Pharmaceuticals** | | | | |
| 14,400 | Roche Holding AG | CHE | CHF | 2,582,085 | 1.64 |
| | **Semiconductor Equipment** | | | | |
| 47,200 | FormFactor Inc. | USA | USD | 1,758,200 | 1.11 |
| 34,500 | KLA-Tencor Corp. | USA | USD | 1,716,375 | 1.09 |
| | | | | 3,474,575 | 2.20 |
| | **Semiconductors** | | | | |
| 212,370 | Microsemi Corp. | USA | USD | 4,173,070 | 2.64 |
| 121,900 | Microchip Technology Inc. | USA | USD | 3,986,130 | 2.53 |
| 84,450 | Broadcom Corp., A | USA | USD | 2,728,580 | 1.73 |
| 68,800 | Silicon Laboratories Inc. | USA | USD | 2,383,920 | 1.51 |
| 96,900 | Netlogic Microsystems Inc. | USA | USD | 2,101,761 | 1.33 |
| 102,600 | Marvell Technology Group Ltd. | BMU | USD | 1,968,894 | 1.25 |
| 46,600 | NVIDIA Corp. | USA | USD | 1,724,666 | 1.09 |
| 59,800 | Texas Instruments Inc. | USA | USD | 1,722,240 | 1.09 |
| 19,200 | Hittite Microwave Corp. | USA | USD | 620,544 | 0.39 |
| | | | | 21,409,805 | 13.56 |
| | **Telecommunications Equipment** | | | | |
| 107,000 | QUALCOMM Inc. | USA | USD | 4,043,530 | 2.56 |
| 82,200 | Harris Corp. | USA | USD | 3,769,692 | 2.39 |
| 150,500 | Corning Inc. | USA | USD | 2,815,855 | 1.78 |
| 132,000 | Nokia Corp., ADR | FIN | USD | 2,682,240 | 1.70 |
| 42,400 | Garmin Ltd. | CYM | USD | 2,359,984 | 1.49 |
| 13,100 | Research In Motion Ltd. | CAN | USD | 1,673,918 | 1.06 |
| | | | | 17,345,219 | 10.98 |
| | **Wireless Telecommunication Services** | | | | |
| 39,300 | NII Holdings Inc. | USA | USD | 2,532,492 | 1.60 |
| | **TOTAL SHARES** | | | 155,078,466 | 98.21 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 155,078,466 | 98.21 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Securities Maturing Within One Year** | | | | |
| 1,150,000 | U.S. Treasury Bill, 0.00%, 01/25/07 | USA | USD | 1,146,737 | 0.72 |
| | **TOTAL BONDS** | | | 1,146,737 | 0.72 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 1,146,737 | 0.72 |
| | **TOTAL INVESTMENTS** | | | 156,225,203 | 98.93 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 99,000 | FLIR Systems Inc. | USA | USD | 3,151,170 | 1.02 |
| 15,400 | The Boeing Co. | USA | USD | 1,368,136 | 0.44 |
| | | | | 4,519,306 | 1.46 |
| | **Agricultural Products** | | | | |
| 52,600 | Bunge Ltd. | USA | USD | 3,814,026 | 1.23 |
| | **Air Freight & Couriers** | | | | |
| 26,100 | United Parcel Service Inc., B | USA | USD | 1,956,978 | 0.63 |
| 14,700 | FedEx Corp. | USA | USD | 1,596,714 | 0.52 |
| | | | | 3,553,692 | 1.15 |
| | **Airlines** | | | | |
| 198,500 | Southwest Airlines Co. | USA | USD | 3,041,020 | 0.98 |
| | **Application Software** | | | | |
| 232,700 | Microsoft Corp. | USA | USD | 6,948,422 | 2.24 |
| 18,400 | Adobe Systems Inc. | USA | USD | 756,608 | 0.24 |
| | | | | 7,705,030 | 2.48 |
| | **Banks** | | | | |
| 151,100 | Bank of America Corp. | USA | USD | 8,067,229 | 2.60 |
| 54,400 | Washington Mutual Inc. | USA | USD | 2,474,656 | 0.80 |
| 44,300 | Wells Fargo & Co. | USA | USD | 1,575,308 | 0.51 |
| 26,500 | Wachovia Corp. | USA | USD | 1,509,175 | 0.48 |
| | | | | 13,626,368 | 4.39 |
| | **Biotechnology** | | | | |
| 42,850 | Amgen Inc. | USA | USD | 2,927,083 | 0.94 |
| 22,900 | Genentech Inc. | USA | USD | 1,857,877 | 0.60 |
| 80,500 | PDL BioPharma Inc. | USA | USD | 1,621,270 | 0.52 |
| | | | | 6,406,230 | 2.06 |
| | **Brewers** | | | | |
| 83,400 | Anheuser-Busch Cos., Inc. | USA | USD | 4,103,280 | 1.32 |
| | **Computer Storage & Peripherals** | | | | |
| 123,100 | Dell Inc. | USA | USD | 3,088,579 | 1.00 |
| 11,000 | Apple Computer Inc. | USA | USD | 933,240 | 0.30 |
| | | | | 4,021,819 | 1.30 |
| | **Consumer Finance** | | | | |
| 175,748 | CapitalSource Inc. | USA | USD | 4,799,678 | 1.55 |
| 35,400 | Capital One Financial Corp. | USA | USD | 2,719,428 | 0.88 |
| 37,500 | Fannie Mae | USA | USD | 2,227,125 | 0.72 |
| 28,800 | SLM Corp. | USA | USD | 1,404,576 | 0.45 |
| 18,300 | Freddie Mac | USA | USD | 1,242,570 | 0.40 |
| | | | | 12,393,377 | 4.00 |
| | **Diversified Commercial Services** | | | | |
| 56,700 | eBay Inc. | USA | USD | 1,704,969 | 0.55 |
| | **Diversified Financial Services** | | | | |
| 158,900 | Citigroup Inc. | USA | USD | 8,850,730 | 2.85 |
| 62,500 | JPMorgan Chase & Co. | USA | USD | 3,018,750 | 0.97 |
| 11,900 | The Goldman Sachs Group Inc. | USA | USD | 2,372,265 | 0.77 |
| 15,200 | Merrill Lynch & Co., Inc. | USA | USD | 1,415,120 | 0.46 |
| | | | | 15,656,865 | 5.05 |
| | **Diversified Metals & Mining** | | | | |
| 98,400 | Peabody Energy Corp. | USA | USD | 3,976,344 | 1.28 |
| | **Drug Retail** | | | | |
| 127,000 | CVS Corp. | USA | USD | 3,925,570 | 1.27 |
| 56,900 | Walgreen Co. | USA | USD | 2,611,141 | 0.84 |
| | | | | 6,536,711 | 2.11 |
| | **Electric Utilities** | | | | |
| 114,600 | TXU Corp. | USA | USD | 6,212,466 | 2.00 |
| 49,500 | Public Service Enterprise Group Inc. | USA | USD | 3,285,810 | 1.06 |
| 40,700 | FirstEnergy Corp. | USA | USD | 2,454,210 | 0.79 |
| 29,100 | Dominion Resources Inc. | USA | USD | 2,439,744 | 0.79 |
| 18,100 | Exelon Corp. | USA | USD | 1,120,209 | 0.36 |
| | | | | 15,512,439 | 5.00 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **General Merchandise Stores** | | | | |
| 40,000 | Target Corp. | USA | USD | 2,282,000 | 0.74 |
| 48,600 | Wal-Mart Stores Inc. | USA | USD | 2,244,348 | 0.72 |
| | | | | 4,526,348 | 1.46 |
| | **Health Care Distributors & Services** | | | | |
| 59,700 | Express Scripts Inc. | USA | USD | 4,274,520 | 1.38 |
| 68,600 | Omnicare Inc. | USA | USD | 2,650,018 | 0.85 |
| | | | | 6,924,538 | 2.23 |
| | **Health Care Equipment** | | | | |
| 48,900 | Medtronic Inc. | USA | USD | 2,616,639 | 0.84 |
| 27,000 | Zimmer Holdings Inc. | USA | USD | 2,116,260 | 0.68 |
| 38,300 | Waters Corp. | USA | USD | 1,875,551 | 0.61 |
| 65,400 | Boston Scientific Corp. | USA | USD | 1,123,572 | 0.36 |
| | | | | 7,732,022 | 2.49 |
| | **Health Care Facilities** | | | | |
| 61,800 | LifePoint Hospitals Inc. | USA | USD | 2,082,660 | 0.67 |
| | **Home Improvement Retail** | | | | |
| 118,200 | The Home Depot Inc. | USA | USD | 4,746,912 | 1.53 |
| 74,300 | Lowe's Cos., Inc. | USA | USD | 2,314,445 | 0.75 |
| | | | | 7,061,357 | 2.28 |
| | **Homebuilding** | | | | |
| 26,100 | M.D.C. Holdings Inc. | USA | USD | 1,489,005 | 0.48 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 110,400 | Carnival Corp. | USA | USD | 5,415,120 | 1.75 |
| | **Household Products** | | | | |
| 89,400 | The Procter & Gamble Co. | USA | USD | 5,745,738 | 1.85 |
| | **Industrial Machinery** | | | | |
| 80,800 | 3M Co. | USA | USD | 6,296,744 | 2.03 |
| 153,400 | General Electric Co. | USA | USD | 5,708,014 | 1.84 |
| 157,600 | Tyco International Ltd. | USA | USD | 4,791,040 | 1.54 |
| 44,600 | United Technologies Corp. | USA | USD | 2,788,392 | 0.90 |
| | | | | 19,584,190 | 6.31 |
| | **Insurance Brokers** | | | | |
| 116,100 | Marsh & McLennan Cos., Inc. | USA | USD | 3,559,626 | 1.15 |
| | **Integrated Oil & Gas** | | | | |
| 107,500 | Exxon Mobil Corp. | USA | USD | 8,237,725 | 2.66 |
| 50,600 | ConocoPhillips | USA | USD | 3,640,670 | 1.17 |
| 48,000 | Chevron Corp. | USA | USD | 3,529,440 | 1.14 |
| | | | | 15,407,835 | 4.97 |
| | **Integrated Telecommunication Services** | | | | |
| 83,400 | BellSouth Corp. | USA | USD | 3,928,974 | 1.27 |
| 54,800 | Alltel Corp. | USA | USD | 3,314,304 | 1.07 |
| 123,600 | Sprint Nextel Corp. | USA | USD | 2,334,804 | 0.75 |
| 41,700 | Verizon Communications Inc. | USA | USD | 1,552,908 | 0.50 |
| | | | | 11,130,990 | 3.59 |
| | **IT Consulting & Services** | | | | |
| 55,500 | International Business Machines Corp. | USA | USD | 5,391,825 | 1.74 |
| | **Leisure Products** | | | | |
| 33,200 | Electronic Arts Inc. | USA | USD | 1,671,952 | 0.54 |
| | **Life & Health Insurance** | | | | |
| 57,400 | AFLAC Inc. | USA | USD | 2,640,400 | 0.85 |
| | **Managed Health Care** | | | | |
| 40,600 | WellPoint Inc. | USA | USD | 3,194,814 | 1.03 |
| | **Movies & Entertainment** | | | | |
| 63,800 | The Walt Disney Co. | USA | USD | 2,186,426 | 0.70 |
| 35,200 | Viacom Inc., B | USA | USD | 1,444,256 | 0.47 |
| | | | | 3,630,682 | 1.17 |
| | **Multi-Line Insurance** | | | | |
| 78,300 | American International Group Inc. | USA | USD | 5,610,978 | 1.81 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Networking Equipment** | | | | |
| 183,700 | Cisco Systems Inc. | USA | USD | 5,020,521 | 1.62 |
| 204,300 | Juniper Networks Inc. | USA | USD | 3,869,442 | 1.25 |
| | | | | 8,889,963 | 2.87 |
| | **Oil & Gas Drilling** | | | | |
| 60,400 | Devon Energy Corp. | USA | USD | 4,051,632 | 1.31 |
| 58,700 | Chesapeake Energy Corp. | USA | USD | 1,705,235 | 0.55 |
| 51,400 | Nabors Industries Ltd. | BMU | USD | 1,530,692 | 0.49 |
| | | | | 7,287,559 | 2.35 |
| | **Pharmaceuticals** | | | | |
| 280,750 | Pfizer Inc. | USA | USD | 7,271,425 | 2.34 |
| 107,500 | Johnson & Johnson | USA | USD | 7,097,150 | 2.29 |
| 107,400 | Schering-Plough Corp. | USA | USD | 2,538,936 | 0.82 |
| | | | | 16,907,511 | 5.45 |
| | **Publishing & Printing** | | | | |
| 79,000 | Gannett Co., Inc. | USA | USD | 4,776,340 | 1.54 |
| | **Semiconductor Equipment** | | | | |
| 181,300 | Applied Materials Inc. | USA | USD | 3,344,985 | 1.08 |
| 53,000 | KLA-Tencor Corp. | USA | USD | 2,636,750 | 0.85 |
| | | | | 5,981,735 | 1.93 |
| | **Semiconductors** | | | | |
| 348,100 | Intel Corp. | USA | USD | 7,049,025 | 2.27 |
| 131,300 | Texas Instruments Inc. | USA | USD | 3,781,440 | 1.22 |
| 159,000 | Microsemi Corp. | USA | USD | 3,124,350 | 1.01 |
| | | | | 13,954,815 | 4.50 |
| | **Soft Drinks** | | | | |
| 40,200 | The Coca-Cola Co. | USA | USD | 1,939,650 | 0.62 |
| | **Speciality Chemicals** | | | | |
| 60,100 | Lyondell Chemical Co. | USA | USD | 1,536,757 | 0.50 |
| | **Telecommunications Equipment** | | | | |
| 208,300 | Nokia Corp., ADR | FIN | USD | 4,232,656 | 1.36 |
| 59,800 | QUALCOMM Inc. | USA | USD | 2,259,842 | 0.73 |
| | | | | 6,492,498 | 2.09 |
| | **Tobacco** | | | | |
| 59,100 | Altria Group Inc. | USA | USD | 5,071,962 | 1.63 |
| | **Tyres & Rubber** | | | | |
| 26,400 | Johnson Controls Inc. | USA | USD | 2,268,288 | 0.73 |
| | **TOTAL SHARES** | | | 294,478,634 | 94.94 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 294,478,634 | 94.94 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Diversified Chemicals** | | | | |
| 604,800 | Solutia Inc. | USA | USD | 450,576 | 0.15 |
| | **Pharmaceuticals** | | | | |
| 52,400 | Roche Holding AG, ADR | CHE | USD | 4,697,961 | 1.51 |
| | **Semiconductors** | | | | |
| 82,800 | Power Integrations Inc. | USA | USD | 1,941,660 | 0.63 |
| | **TOTAL SHARES** | | | 7,090,197 | 2.29 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 7,090,197 | 2.29 |
| | **TOTAL INVESTMENTS** | | | 301,568,831 | 97.23 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Government Bonds** | | | | |
| 360,730,943 | GNMA, 5.50%, 11/15/28 – 12/15/36 | USA | USD | 359,380,734 | 22.12 |
| 281,092,915 | GNMA, 6.00%, 10/15/23 – 09/15/36 | USA | USD | 285,219,033 | 17.54 |
| 259,973,137 | GNMA II, 5.50%, 05/20/34 – 06/20/36 | USA | USD | 258,210,511 | 15.88 |
| 195,348,056 | GNMA II, 5.00%, 10/20/32 – 03/20/36 | USA | USD | 189,441,021 | 11.65 |
| 143,161,464 | GNMA, 5.00%, 07/15/33 – 11/15/36 | USA | USD | 139,378,826 | 8.57 |
| 115,894,068 | GNMA II, 6.00%, 06/20/34 – 04/20/36 | USA | USD | 117,274,575 | 7.21 |
| 82,700,736 | GNMA, 6.50%, 07/15/23 – 09/15/36 | USA | USD | 84,966,884 | 5.23 |
| 40,712,781 | GNMA II, 6.50%, 09/20/26 – 06/20/36 | USA | USD | 41,667,696 | 2.56 |
| 32,517,367 | GNMA, 7.00%, 08/15/09 – 09/15/32 | USA | USD | 33,581,291 | 2.07 |
| 25,558,075 | GNMA II, 7.00%, 05/20/26 – 03/20/33 | USA | USD | 26,318,526 | 1.62 |
| 11,281,307 | GNMA, 8.00%, 11/15/16 – 03/15/31 | USA | USD | 11,944,172 | 0.73 |
| 9,685,018 | GNMA II, 4.50%, 05/20/33 – 10/20/34 | USA | USD | 9,085,564 | 0.56 |
| 8,120,341 | GNMA, 7.50%, 02/15/17 – 12/15/31 | USA | USD | 8,477,080 | 0.52 |
| 7,378,112 | GNMA II, 7.50%, 09/20/16 – 09/20/32 | USA | USD | 7,674,936 | 0.47 |
| 6,601,710 | GNMA, 8.50%, 04/15/16 – 06/15/28 | USA | USD | 7,064,045 | 0.43 |
| 3,668,174 | GNMA II, 8.00%, 03/20/17 – 07/20/31 | USA | USD | 3,873,119 | 0.24 |
| 2,502,711 | GNMA, 9.00%, 03/15/10 – 03/15/25 | USA | USD | 2,696,797 | 0.17 |
| 1,590,295 | GNMA, 10.00%, 10/15/11 – 03/15/25 | USA | USD | 1,764,756 | 0.11 |
| 843,197 | GNMA, 9.50%, 05/15/16 – 12/15/25 | USA | USD | 918,200 | 0.06 |
| 621,156 | GNMA II, 8.50%, 11/20/21 – 05/20/29 | USA | USD | 666,130 | 0.04 |
| 329,908 | GNMA II, 9.50%, 12/20/15 – 07/20/25 | USA | USD | 357,491 | 0.02 |
| 188,428 | GNMA, 8.625%, 10/15/18 | USA | USD | 200,246 | 0.01 |
| 126,948 | GNMA, 10.50%, 12/15/17 – 04/15/25 | USA | USD | 141,615 | 0.01 |
| 114,626 | GNMA, 11.00%, 07/15/14 – 04/15/21 | USA | USD | 127,315 | 0.01 |
| 113,380 | GNMA II, 9.00%, 10/20/16 | USA | USD | 120,968 | 0.01 |
| 75,662 | GNMA, 8.30%, 07/15/17 | USA | USD | 80,591 | 0.00 |
| 64,126 | GNMA, 7.95%, 01/15/21 | USA | USD | 67,851 | 0.00 |
| 47,260 | GNMA, 8.25%, 04/15/17 | USA | USD | 50,280 | 0.00 |
| 36,174 | GNMA, 7.80%, 02/15/20 | USA | USD | 38,139 | 0.00 |
| 9,802 | GNMA, 11.50%, 07/15/15 | USA | USD | 10,996 | 0.00 |
| 9,000 | GNMA, 7.75%, 03/15/27 | USA | USD | 9,478 | 0.00 |
| | | | | 1,590,808,866 | 97.84 |
| | **TOTAL BONDS** | | | 1,590,808,866 | 97.84 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 1,590,808,866 | 97.84 |
| | **TOTAL INVESTMENTS** | | | 1,590,808,866 | 97.84 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 3,950 | The Boeing Co. | USA | USD | 350,918 | 1.11 |
| | **Agricultural Products** | | | | |
| 10,590 | Bunge Ltd. | USA | USD | 767,881 | 2.43 |
| | **Air Freight & Couriers** | | | | |
| 3,070 | FedEx Corp. | USA | USD | 333,463 | 1.06 |
| 6,410 | C.H. Robinson Worldwide Inc. | USA | USD | 262,105 | 0.83 |
| 6,160 | Expeditors International of Washington Inc. | USA | USD | 249,480 | 0.79 |
| | | | | 845,048 | 2.68 |
| | **Airlines** | | | | |
| 19,460 | Southwest Airlines Co. | USA | USD | 298,127 | 0.94 |
| | **Application Software** | | | | |
| 22,020 | Microsoft Corp. | USA | USD | 657,517 | 2.09 |
| 11,610 | SAP AG, ADR | DEU | USD | 616,491 | 1.95 |
| 10,810 | Adobe Systems Inc. | USA | USD | 444,507 | 1.41 |
| | | | | 1,718,515 | 5.45 |
| | **Banks** | | | | |
| 10,540 | Wells Fargo & Co. | USA | USD | 374,803 | 1.19 |
| 5,270 | Washington Mutual Inc. | USA | USD | 239,732 | 0.76 |
| | | | | 614,535 | 1.95 |
| | **Biotechnology** | | | | |
| 6,720 | Celgene Corp. | USA | USD | 386,601 | 1.22 |
| 2,760 | Genentech Inc. | USA | USD | 223,919 | 0.71 |
| 2,570 | Amgen Inc. | USA | USD | 175,557 | 0.56 |
| | | | | 786,077 | 2.49 |
| | **Broadcasting & Cable TV** | | | | |
| 13,580 | XM Satellite Radio Holdings Inc., A | USA | USD | 196,231 | 0.62 |
| | **Casinos & Gaming** | | | | |
| 17,610 | International Game Technology | USA | USD | 813,582 | 2.58 |
| | **Computer Storage & Peripherals** | | | | |
| 12,420 | Dell Inc. | USA | USD | 311,618 | 0.99 |
| 7,590 | Network Appliance Inc. | USA | USD | 298,135 | 0.94 |
| | | | | 609,753 | 1.93 |
| | **Consumer Electronics** | | | | |
| 4,420 | Harman International Industries Inc. | USA | USD | 441,602 | 1.40 |
| | **Consumer Finance** | | | | |
| 8,250 | SLM Corp. | USA | USD | 402,352 | 1.28 |
| 4,280 | Capital One Financial Corp. | USA | USD | 328,790 | 1.04 |
| | | | | 731,142 | 2.32 |
| | **Data Processing Services** | | | | |
| 10,340 | Paychex Inc. | USA | USD | 408,844 | 1.30 |
| | **Diversified Financial Services** | | | | |
| 10,250 | Citigroup Inc. | USA | USD | 570,925 | 1.81 |
| 16,010 | E*TRADE Financial Corp. | USA | USD | 358,944 | 1.14 |
| 2,080 | BlackRock Inc. | USA | USD | 315,952 | 1.00 |
| | | | | 1,245,821 | 3.95 |
| | **Diversified Metals & Mining** | | | | |
| 8,100 | Peabody Energy Corp. | USA | USD | 327,321 | 1.04 |
| | **Drug Retail** | | | | |
| 14,660 | CVS Corp. | USA | USD | 453,141 | 1.44 |
| | **Electric Utilities** | | | | |
| 6,660 | Public Service Enterprise Group Inc. | USA | USD | 442,091 | 1.40 |
| 34,210 | International Power PLC | GBR | GBP | 255,754 | 0.81 |
| | | | | 697,845 | 2.21 |
| | **Food Distributors** | | | | |
| 6,580 | Wm. Wrigley Jr. Co. | USA | USD | 340,318 | 1.08 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **General Merchandise Stores** | | | | |
| 11,790 | Wal-Mart Stores Inc. | USA | USD | 544,462 | 1.73 |
| 3,760 | Target Corp. | USA | USD | 214,508 | 0.68 |
| | | | | 758,970 | 2.41 |
| | **Health Care Distributors & Services** | | | | |
| 12,300 | IMS Health Inc. | USA | USD | 338,004 | 1.07 |
| | **Health Care Equipment** | | | | |
| 7,470 | Varian Medical Systems Inc. | USA | USD | 355,348 | 1.13 |
| | **Home Improvement Retail** | | | | |
| 14,460 | Lowe's Cos., Inc. | USA | USD | 450,429 | 1.43 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 12,220 | Carnival Corp. | USA | USD | 599,391 | 1.90 |
| 3,560 | Starwood Hotels & Resorts Worldwide Inc. | USA | USD | 222,500 | 0.71 |
| | | | | 821,891 | 2.61 |
| | **Household Products** | | | | |
| 6,980 | The Procter & Gamble Co. | USA | USD | 448,605 | 1.42 |
| | **Industrial Machinery** | | | | |
| 9,730 | United Technologies Corp. | USA | USD | 608,319 | 1.93 |
| 6,920 | 3M Co. | USA | USD | 539,276 | 1.71 |
| 13,610 | Tyco International Ltd. | USA | USD | 413,744 | 1.31 |
| 5,340 | Danaher Corp. | USA | USD | 386,830 | 1.23 |
| | | | | 1,948,169 | 6.18 |
| | **Insurance Brokers** | | | | |
| 12,500 | Brown & Brown Inc. | USA | USD | 352,625 | 1.12 |
| | **Integrated Oil & Gas** | | | | |
| 6,340 | ConocoPhillips | USA | USD | 456,163 | 1.45 |
| | **Integrated Telecommunication Services** | | | | |
| 15,950 | American Tower Corp., A | USA | USD | 594,616 | 1.88 |
| 7,970 | Alltel Corp. | USA | USD | 482,025 | 1.53 |
| | | | | 1,076,641 | 3.41 |
| | **Internet Software & Services** | | | | |
| 570 | Google Inc., A | USA | USD | 262,474 | 0.83 |
| | **Leisure Products** | | | | |
| 8,390 | Electronic Arts Inc. | USA | USD | 422,520 | 1.34 |
| 4,270 | Staples Inc. | USA | USD | 114,009 | 0.36 |
| | | | | 536,529 | 1.70 |
| | **Life & Health Insurance** | | | | |
| 8,910 | AFLAC Inc. | USA | USD | 409,860 | 1.30 |
| | **Managed Health Care** | | | | |
| 5,410 | WellPoint Inc. | USA | USD | 425,713 | 1.35 |
| | **Movies & Entertainment** | | | | |
| 10,212 | The Walt Disney Co. | USA | USD | 349,965 | 1.11 |
| | **Networking Equipment** | | | | |
| 31,660 | Cisco Systems Inc. | USA | USD | 865,268 | 2.74 |
| 11,580 | Juniper Networks Inc. | USA | USD | 219,325 | 0.70 |
| | | | | 1,084,593 | 3.44 |
| | **Office Electronics** | | | | |
| 9,200 | Agilent Technologies Inc. | USA | USD | 320,620 | 1.02 |
| | **Oil & Gas Drilling** | | | | |
| 5,710 | Devon Energy Corp. | USA | USD | 383,027 | 1.21 |
| | **Oil & Gas Equipment & Services** | | | | |
| 7,430 | Halliburton Co. | USA | USD | 230,701 | 0.73 |
| 3,720 | National-Oilwell Varco Inc. | USA | USD | 227,590 | 0.72 |
| | | | | 458,291 | 1.45 |
| | **Pharmaceuticals** | | | | |
| 6,565 | Johnson & Johnson | USA | USD | 433,421 | 1.37 |
| 16,810 | Schering-Plough Corp. | USA | USD | 397,389 | 1.26 |
| 7,350 | Wyeth | USA | USD | 374,262 | 1.19 |
| 5,090 | Teva Pharmaceutical Industries Ltd., ADR | ISR | USD | 158,197 | 0.50 |
| | | | | 1,363,269 | 4.32 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Property & Casualty Insurance** | | | | |
| 182 | Berkshire Hathaway Inc., B | USA | USD | 667,212 | 2.11 |
| | **Semiconductor Equipment** | | | | |
| 8,780 | KLA-Tencor Corp. | USA | USD | 436,805 | 1.38 |
| | **Semiconductors** | | | | |
| 16,700 | Intel Corp. | USA | USD | 338,175 | 1.07 |
| | **Soft Drinks** | | | | |
| 5,500 | PepsiCo Inc. | USA | USD | 344,025 | 1.09 |
| | **Telecommunications Equipment** | | | | |
| 12,720 | QUALCOMM Inc. | USA | USD | 480,689 | 1.52 |
| 18,510 | Nokia Corp., ADR | FIN | USD | 376,123 | 1.19 |
| 6,920 | Harris Corp. | USA | USD | 317,351 | 1.01 |
| | | | | 1,174,163 | 3.72 |
| | **Wireless Telecommunication Services** | | | | |
| 9,900 | America Movil SA de CV, L, ADR | MEX | USD | 447,678 | 1.42 |
| 14,100 | Rogers Communications Inc., B | CAN | CAD | 419,884 | 1.33 |
| 3,600 | Rogers Communications Inc., B | CAN | USD | 214,560 | 0.68 |
| | | | | 1,082,122 | 3.43 |
| | **TOTAL SHARES** | | | 28,290,389 | 89.68 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 28,290,389 | 89.68 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Pharmaceuticals** | | | | |
| 8,490 | Roche Holding AG, ADR | CHE | USD | 761,177 | 2.41 |
| | **TOTAL SHARES** | | | 761,177 | 2.41 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 761,177 | 2.41 |
| | **TOTAL INVESTMENTS** | | | 29,051,566 | 92.09 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 8,800 | Precision Castparts Corp. | USA | USD | 688,864 | 1.66 |
| 14,370 | Embraer-Empresa Brasileira de Aeronautica SA, ADR | BRA | USD | 595,349 | 1.43 |
| 16,900 | FLIR Systems Inc. | USA | USD | 537,927 | 1.30 |
| 7,050 | Rockwell Collins Inc. | USA | USD | 446,195 | 1.07 |
| | | | | 2,268,335 | 5.46 |
| | **Agricultural Products** | | | | |
| 9,600 | Bunge Ltd. | USA | USD | 696,096 | 1.68 |
| | **Air Freight & Couriers** | | | | |
| 8,900 | C.H. Robinson Worldwide Inc. | USA | USD | 363,921 | 0.88 |
| 6,800 | Expeditors International of Washington Inc. | USA | USD | 275,400 | 0.66 |
| | | | | 639,321 | 1.54 |
| | **Airlines** | | | | |
| 18,600 | JetBlue Airways Corp. | USA | USD | 264,120 | 0.64 |
| | **Apparel & Accessories** | | | | |
| 15,820 | Wolverine World Wide Inc. | USA | USD | 451,186 | 1.09 |
| | **Apparel Retail** | | | | |
| 6,900 | Ross Stores Inc. | USA | USD | 202,170 | 0.49 |
| | **Application Software** | | | | |
| 9,850 | Hyperion Solutions Corp. | USA | USD | 354,009 | 0.85 |
| 27,100 | Nuance Communications Inc. | USA | USD | 310,566 | 0.75 |
| | | | | 664,575 | 1.60 |
| | **Banks** | | | | |
| 3,100 | East West Bancorp Inc. | USA | USD | 109,802 | 0.26 |
| | **Biotechnology** | | | | |
| 9,700 | PDL BioPharma Inc. | USA | USD | 195,358 | 0.47 |
| 5,700 | The Medicines Co. | USA | USD | 180,804 | 0.44 |
| 8,100 | Keryx Biopharmaceuticals Inc. | USA | USD | 107,730 | 0.26 |
| 8,000 | Onyx Pharmaceuticals Inc. | USA | USD | 84,640 | 0.20 |
| 10,500 | Adolor Corp. | USA | USD | 78,960 | 0.19 |
| 1,100 | Telik Inc. | USA | USD | 4,873 | 0.01 |
| | | | | 652,365 | 1.57 |
| | **Broadcasting & Cable TV** | | | | |
| 36,100 | XM Satellite Radio Holdings Inc., A | USA | USD | 521,645 | 1.26 |
| | **Computer Storage & Peripherals** | | | | |
| 19,700 | Logitech International SA | CHE | USD | 563,223 | 1.36 |
| 7,600 | Network Appliance Inc. | USA | USD | 298,528 | 0.72 |
| | | | | 861,751 | 2.08 |
| | **Construction & Farm Machinery** | | | | |
| 11,000 | Terex Corp. | USA | USD | 710,380 | 1.71 |
| 14,500 | Trinity Industries Inc. | USA | USD | 510,400 | 1.23 |
| 1,900 | Oshkosh Truck Corp. | USA | USD | 91,998 | 0.22 |
| | | | | 1,312,778 | 3.16 |
| | **Consumer Electronics** | | | | |
| 6,000 | Harman International Industries Inc. | USA | USD | 599,460 | 1.44 |
| | **Consumer Finance** | | | | |
| 17,598 | CapitalSource Inc. | USA | USD | 480,601 | 1.16 |
| | **Data Processing Services** | | | | |
| 9,900 | Global Payments Inc. | USA | USD | 458,370 | 1.11 |
| 7,200 | Alliance Data Systems Corp. | USA | USD | 449,784 | 1.08 |
| 10,600 | NeuStar Inc., A | USA | USD | 343,864 | 0.83 |
| | | | | 1,252,018 | 3.02 |
| | **Diversified Commercial Services** | | | | |
| 10,500 | Robert Half International Inc. | USA | USD | 389,760 | 0.94 |
| 5,200 | SEI Investments Co. | USA | USD | 309,712 | 0.75 |
| 5,800 | Laureate Education Inc. | USA | USD | 282,054 | 0.68 |
| 3,200 | CDI Corp. | USA | USD | 79,680 | 0.19 |
| | | | | 1,061,206 | 2.56 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Diversified Financial Services** | | | | |
| 6,300 | Affiliated Managers Group Inc. | USA | USD | 662,319 | 1.59 |
| 8,500 | Nuveen Investments Inc., A | USA | USD | 440,980 | 1.06 |
| 19,400 | E*TRADE Financial Corp. | USA | USD | 434,948 | 1.05 |
| 12,800 | Federated Investors Inc., B | USA | USD | 432,384 | 1.04 |
| 9,691 | optionsXpress Holdings Inc. | USA | USD | 219,889 | 0.53 |
| 2,900 | Calamos Asset Management Inc., A | USA | USD | 77,807 | 0.19 |
| | | | | 2,268,327 | 5.46 |
| | **Electronic Equipment & Instruments** | | | | |
| 10,400 | Jabil Circuit Inc. | USA | USD | 255,320 | 0.62 |
| | **Health Care Distributors & Services** | | | | |
| 17,900 | Allscripts Healthcare Solutions Inc. | USA | USD | 483,121 | 1.16 |
| 6,400 | Express Scripts Inc. | USA | USD | 458,240 | 1.10 |
| 12,900 | VCA Antech Inc. | USA | USD | 415,251 | 1.00 |
| 10,800 | Pharmaceutical Product Development Inc. | USA | USD | 347,976 | 0.84 |
| 4,600 | Cerner Corp. | USA | USD | 209,300 | 0.51 |
| 4,000 | Henry Schein Inc. | USA | USD | 195,920 | 0.47 |
| | | | | 2,109,808 | 5.08 |
| | **Health Care Equipment** | | | | |
| 11,500 | Waters Corp. | USA | USD | 563,155 | 1.36 |
| 11,700 | Varian Medical Systems Inc. | USA | USD | 556,569 | 1.34 |
| 5,900 | C. R. Bard Inc. | USA | USD | 489,523 | 1.18 |
| 18,700 | American Medical Systems Holdings Inc. | USA | USD | 346,324 | 0.83 |
| 3,100 | Intuitive Surgical Inc. | USA | USD | 297,290 | 0.72 |
| 5,600 | Adams Respiratory Therapeutics Inc. | USA | USD | 228,536 | 0.55 |
| 7,000 | Cytyc Corp. | USA | USD | 198,100 | 0.48 |
| 2,100 | Digene Corp. | USA | USD | 100,632 | 0.24 |
| 4,100 | Wright Medical Group Inc. | USA | USD | 95,448 | 0.23 |
| 4,500 | Stereotaxis Inc. | USA | USD | 46,440 | 0.11 |
| | | | | 2,922,017 | 7.04 |
| | **Health Care Facilities** | | | | |
| 10,000 | Community Health Systems Inc. | USA | USD | 365,200 | 0.88 |
| 5,300 | United Surgical Partners International Inc. | USA | USD | 150,255 | 0.36 |
| | | | | 515,455 | 1.24 |
| | **Home Improvement Retail** | | | | |
| 6,980 | Fastenal Co. | USA | USD | 250,442 | 0.60 |
| | **Homebuilding** | | | | |
| 320 | NVR Inc. | USA | USD | 206,400 | 0.50 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 9,700 | Hilton Hotels Corp. | USA | USD | 338,530 | 0.81 |
| 7,000 | Orient-Express Hotels Ltd., A | USA | USD | 331,240 | 0.80 |
| | | | | 669,770 | 1.61 |
| | **Industrial Conglomerates** | | | | |
| 5,200 | Mettler-Toledo International Inc. | CHE | USD | 410,020 | 0.99 |
| 5,900 | Spirit Aerosystems Holdings Inc. | USA | USD | 197,473 | 0.47 |
| | | | | 607,493 | 1.46 |
| | **Industrial Machinery** | | | | |
| 4,090 | Kennametal Inc. | USA | USD | 240,696 | 0.58 |
| 2,900 | RTI International Metals Inc. | USA | USD | 226,838 | 0.55 |
| | | | | 467,534 | 1.13 |
| | **Integrated Oil & Gas** | | | | |
| 5,100 | Murphy Oil Corp. | USA | USD | 259,335 | 0.62 |
| | **Integrated Telecommunication Services** | | | | |
| 11,000 | Crown Castle International Corp. | USA | USD | 355,300 | 0.86 |
| | **Internet Software & Services** | | | | |
| 9,300 | Akamai Technologies Inc. | USA | USD | 494,016 | 1.19 |
| 8,300 | Internap Network Services Corp. | USA | USD | 164,921 | 0.40 |
| 1,400 | Equinix Inc. | USA | USD | 105,868 | 0.25 |
| | | | | 764,805 | 1.84 |
| | **IT Consulting & Services** | | | | |
| 17,100 | Amdocs Ltd. | USA | USD | 662,625 | 1.59 |
| 7,900 | Cognizant Technology Solutions Corp., A | USA | USD | 609,564 | 1.47 |
| | | | | 1,272,189 | 3.06 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Leisure Products** | | | | |
| 14,600 | Scientific Games Corp., A | USA | USD | 441,358 | 1.06 |
| 24,566 | Activision Inc. | USA | USD | 423,518 | 1.02 |
| 7,650 | Advance Auto Parts Inc. | USA | USD | 272,034 | 0.66 |
| 7,800 | PETSMART Inc. | USA | USD | 225,108 | 0.54 |
| 3,600 | Tractor Supply Co. | USA | USD | 160,956 | 0.39 |
| | | | | 1,522,974 | 3.67 |
| | **Managed Health Care** | | | | |
| 5,750 | Coventry Health Care Inc. | USA | USD | 287,788 | 0.69 |
| | **Networking Equipment** | | | | |
| 6,200 | F5 Networks Inc. | USA | USD | 460,102 | 1.11 |
| 20,900 | Juniper Networks Inc. | USA | USD | 395,846 | 0.95 |
| | | | | 855,948 | 2.06 |
| | **Office Electronics** | | | | |
| 26,300 | Tektronix Inc. | USA | USD | 767,171 | 1.85 |
| 2,040 | Coherent Inc. | USA | USD | 64,403 | 0.15 |
| 1,200 | Varian Inc. | USA | USD | 53,748 | 0.13 |
| | | | | 885,322 | 2.13 |
| | **Office Services & Supplies** | | | | |
| 6,100 | Herman Miller Inc. | USA | USD | 221,796 | 0.53 |
| | **Oil & Gas Drilling** | | | | |
| 12,200 | Newfield Exploration Co. | USA | USD | 560,590 | 1.35 |
| 11,200 | Rowan Cos., Inc. | USA | USD | 371,840 | 0.90 |
| 8,000 | Southwestern Energy Co. | USA | USD | 280,400 | 0.67 |
| 10,800 | Mariner Energy Inc. | USA | USD | 211,680 | 0.51 |
| | | | | 1,424,510 | 3.43 |
| | **Oil & Gas Equipment & Services** | | | | |
| 12,900 | Helix Energy Solutions Group Inc. | USA | USD | 404,673 | 0.97 |
| 1,600 | FMC Technologies Inc. | USA | USD | 98,608 | 0.24 |
| | | | | 503,281 | 1.21 |
| | **Pharmaceuticals** | | | | |
| 14,500 | Endo Pharmaceuticals Holdings Inc. | USA | USD | 399,910 | 0.96 |
| | **Real Estate Management & Development** | | | | |
| 1,300 | Jones Lang LaSalle Inc. | USA | USD | 119,821 | 0.29 |
| | **Restaurants** | | | | |
| 4,500 | Panera Bread Co. | USA | USD | 251,595 | 0.61 |
| 4,600 | BJ's Restaurants Inc. | USA | USD | 92,966 | 0.22 |
| | | | | 344,561 | 0.83 |
| | **Semiconductor Equipment** | | | | |
| 10,900 | FormFactor Inc. | USA | USD | 406,025 | 0.98 |
| 5,800 | Lam Research Corp. | USA | USD | 293,596 | 0.71 |
| | | | | 699,621 | 1.69 |
| | **Semiconductors** | | | | |
| 32,300 | Microsemi Corp. | USA | USD | 634,695 | 1.53 |
| 15,300 | Silicon Laboratories Inc. | USA | USD | 530,145 | 1.28 |
| 15,900 | Microchip Technology Inc. | USA | USD | 519,930 | 1.25 |
| 13,200 | Intersil Corp., A | USA | USD | 315,744 | 0.76 |
| 19,900 | Integrated Device Technology Inc. | USA | USD | 308,052 | 0.74 |
| | | | | 2,308,566 | 5.56 |
| | **Speciality Chemicals** | | | | |
| 7,100 | US BioEnergy Corp. | USA | USD | 120,700 | 0.29 |
| | **Telecommunications Equipment** | | | | |
| 18,200 | Harris Corp. | USA | USD | 834,652 | 2.01 |
| 13,581 | Trimble Navigation Ltd. | USA | USD | 688,964 | 1.66 |
| 7,500 | Garmin Ltd. | CYM | USD | 417,450 | 1.01 |
| | | | | 1,941,066 | 4.68 |
| | **Trading Companies & Distributors** | | | | |
| 7,400 | WESCO International Inc. | USA | USD | 435,194 | 1.05 |
| | **Trucking** | | | | |
| 14,300 | J.B. Hunt Transport Services Inc. | USA | USD | 297,011 | 0.72 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Tyres & Rubber** | | | | |
| 9,300 | Tenneco Inc. | USA | USD | 229,896 | 0.55 |
| | **Wireless Telecommunication Services** | | | | |
| 11,600 | NII Holdings Inc. | USA | USD | 747,504 | 1.80 |
| 13,800 | SBA Communications Corp. | USA | USD | 379,500 | 0.91 |
| | | | | 1,127,004 | 2.71 |
| | **TOTAL SHARES** | | | 38,686,593 | 93.18 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 38,686,593 | 93.18 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Leisure Products** | | | | |
| 25,400 | Force Protection Inc., 144A | USA | USD | 365,932 | 0.88 |
| | **TOTAL SHARES** | | | 365,932 | 0.88 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 365,932 | 0.88 |
| | **TOTAL INVESTMENTS** | | | 39,052,525 | 94.06 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **BONDS** | | | | |
| | **Government/Agency Bonds** | | | | |
| 1,615,000 | Government of Poland, 6.00%, 05/24/09 | POL | PLN | 573,381 | 0.83 |
| 96,900 | Government of Argentina, FRN, 5.59%, 08/03/12† | ARG | USD | 68,913 | 0.10 |
| 52,000 | Government of the Philippines, 9.00%, 02/15/13 | PHL | USD | 60,320 | 0.09 |
| 140,000 | Government of Sweden, 5.50%, 10/08/12 | SWE | SEK | 22,169 | 0.03 |
| | | | | 724,783 | 1.05 |
| | **Securities Maturing Within One Year** | | | | |
| 1,675,000 | Government of Sweden, 8.00%, 08/15/07 | SWE | SEK | 251,230 | 0.37 |
| 895,000 | Government of Norway, 6.75%, 01/15/07 | NOR | NOK | 143,673 | 0.21 |
| 6,000,000 | European Investment Bank, 2.125%, 09/20/07 | JPN | JPY | 50,959 | 0.07 |
| 3,000,000 | KfW Bankengruppe, 8.25%, 09/20/07 | DEU | ISK | 40,599 | 0.06 |
| | | | | 486,461 | 0.71 |
| | **TOTAL BONDS** | | | 1,211,244 | 1.76 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 1,211,244 | 1.76 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| 150 | Chesapeake Energy Corp., 6.25%, cvt., pfd. | USA | USD | 37,626 | 0.06 |
| | **TOTAL SHARES** | | | 37,626 | 0.06 |
| | **BONDS** | | | | |
| | **Asset-Backed Securities** | | | | |
| 1,507,000 | GS Mortgage Securities Corp. II, 5.553%, 04/10/38 | USA | USD | 1,531,126 | 2.22 |
| 1,500,000 | Citigroup/Deutsche Bank Commerical Mortgage Trust, 5.617%, 10/15/48 | USA | USD | 1,529,003 | 2.22 |
| 1,342,465 | Residential Funding Mortgage Securities I, 5.43%, 02/25/36 | USA | USD | 1,343,553 | 1.95 |
| 1,082,427 | GSAMP Trust, 5.42%, 05/25/36 | USA | USD | 1,083,170 | 1.57 |
| 969,700 | Ownit Mortgage Loan Asset-Backed Certificate, 5.4338%, 09/25/37 | USA | USD | 970,320 | 1.41 |
| 788,405 | First Franklin Mortgage Loan Asset-Backed Certificate, 5.73%, 10/25/34 | USA | USD | 789,318 | 1.15 |
| 750,000 | Citigroup/Deutsche Bank Commercial Mortgage Trust, 5.3997%, 07/15/44 | USA | USD | 748,754 | 1.09 |
| 704,227 | Novastar Home Equity Loan, FRN, 5.1094%, 10/25/35† | USA | USD | 704,803 | 1.02 |
| 600,000 | Morgan Stanley Capital I, 5.4343%, 06/15/38 | USA | USD | 604,872 | 0.88 |
| 600,000 | Greenwich Capital Commercial Funding Corp., 5.317%, 06/10/36 | USA | USD | 599,777 | 0.87 |
| 588,233 | GSAMP Trust, 5.59%, 12/25/34 | USA | USD | 588,831 | 0.85 |
| 581,622 | Structured Asset Investment Loan Trust, 5.44%, 07/25/35 | USA | USD | 582,014 | 0.84 |
| 566,945 | JP Morgan Chase Commercial Mortgage Sec Corp., 5.5584%, 06/12/41 | USA | USD | 574,356 | 0.83 |
| 514,552 | Fremont Home Loan Trust, 5.38%, 04/25/36 | USA | USD | 514,910 | 0.75 |
| 500,000 | Residential Funding Mortgage Securities II, 4.70%, 08/25/34 | USA | USD | 494,139 | 0.72 |
| 480,999 | Ace Securities Corp., 5.44%, 08/25/35 | USA | USD | 481,348 | 0.70 |
| 431,551 | Long Beach Mortgage Loan Trust, 5.43%, 02/25/36 | USA | USD | 431,878 | 0.63 |
| 406,907 | Indymac Residential Asset-Backed Trust, 5.42%, 03/25/36 | USA | USD | 407,220 | 0.59 |
| 232,913 | Chase Funding Mortgage Loan Asset-Backed Certificates, 3.34%, 05/25/26 | USA | USD | 229,267 | 0.33 |
| 216,209 | First Franklin Mortgage Loan Asset-Backed Certificates, 5.6725%, 01/25/35 | USA | USD | 216,691 | 0.31 |
| 195,587 | Countrywide Asset-Backed Certificates, 3.22%, 12/25/34 | USA | USD | 196,254 | 0.29 |
| 187,103 | FNMA, G93-33, K, 7.00%, 09/25/23 | USA | USD | 194,882 | 0.28 |
| 190,800 | Residential Asset Securities Corp., 4.213%, 04/25/32 | USA | USD | 186,884 | 0.27 |
| 189,402 | GE Capital Commercial Mortgage Corp., 4.819%, 01/10/38 | USA | USD | 185,161 | 0.27 |
| 135,718 | Popular ABS Mortgage Pass-Through Trust, 3.856%, 09/25/34 | USA | USD | 134,780 | 0.20 |
| 115,248 | Residential Asset Securities Corp., 5.59%, 05/25/33 | USA | USD | 115,466 | 0.17 |
| 86,673 | Countrywide Asset-Backed Certificates, 3.12%, 06/25/35 | USA | USD | 86,739 | 0.13 |
| 83,653 | JP Morgan Chase Commercial Mortgage Sec Corp., 5.115%, 07/15/41 | USA | USD | 82,478 | 0.12 |
| 82,036 | Fremont Home Loan Trust, FRN, 5.0981%, 03/25/35† | USA | USD | 82,134 | 0.12 |
| 78,371 | First Franklin Mortgage Loan Asset-Backed Certificates, 5.6825%, 10/25/34 | USA | USD | 78,439 | 0.11 |
| 70,323 | Structured Asset Securities Corp., 4.13%, 02/25/34 | USA | USD | 69,326 | 0.10 |
| 50,000 | Countrywide Asset-Backed Certificates, 4.649%, 10/25/32 | USA | USD | 49,398 | 0.07 |
| 30,969 | Ameriquest Mortgage Securities Inc., 4.272%, 07/25/33 | USA | USD | 30,773 | 0.04 |
| 28,000 | Countrywide Asset-Backed Certificates, 4.774%, 08/25/32 | USA | USD | 27,787 | 0.04 |
| 10,498 | New Century Home Equity Loan Trust, 3.56%, 11/25/33 | USA | USD | 10,459 | 0.02 |
| 9,237 | Chase Funding Mortgage Loan Asset-Backed Certificates, 5.6225%, 07/25/33 | USA | USD | 9,262 | 0.01 |
| | | | | 15,965,572 | 23.17 |
| | **Corporate Bonds** | | | | |
| 600,000 | Gaz Capital SA, 144A, 6.212%, 11/22/16 | LUX | USD | 605,700 | 0.88 |
| 500,000 | Verizon New York Inc., 6.875%, 04/01/12 | USA | USD | 518,926 | 0.75 |
| 500,000 | WellPoint Inc., 5.00%, 01/15/11 | USA | USD | 494,343 | 0.72 |
| 400,000 | Metlife Inc, FRN, 6.40%, 12/15/66† | USA | USD | 403,182 | 0.59 |
| 400,000 | HSBC Finance Corp., 5.50%, 01/19/16 | USA | USD | 402,597 | 0.58 |
| 400,000 | Prudential Financial Inc., 5.70%, 12/14/36 | USA | USD | 390,724 | 0.57 |
| 350,000 | WEA Finance WCI Finance., 5.70%, 10/01/16 | AUS | USD | 351,966 | 0.51 |
| 300,000 | Tyson Foods Inc., 8.25%, 10/01/11 | USA | USD | 325,686 | 0.47 |
| 300,000 | SABMiller PLC, 6.50%, 07/01/16 | ZAF | USD | 313,492 | 0.46 |
| 300,000 | Embarq Corp., 7.082%, 06/01/16 | USA | USD | 305,927 | 0.44 |
| 300,000 | Colonial Realty LP, 5.50%, 10/01/15 | USA | USD | 293,053 | 0.43 |
| 250,000 | Wachovia Capital Trust III, 5.80%, 03/15/11 | USA | USD | 252,296 | 0.37 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Corporate Bonds** (continued) | | | | |
| 200,000 | News America Inc., 7.25%, 05/18/18 | USA | USD | 219,795 | 0.32 |
| 200,000 | Weyerhaeuser Co., 7.375%, 03/15/32 | USA | USD | 209,374 | 0.30 |
| 200,000 | General Electric Capital Corp., 5.45%, 01/15/13 | USA | USD | 202,171 | 0.29 |
| 200,000 | Vale Overseas Ltd., 6.25%, 01/23/17 | BRA | USD | 201,909 | 0.29 |
| 200,000 | Time Warner Inc., 5.875%, 11/15/16 | USA | USD | 199,865 | 0.29 |
| 200,000 | Bunge Ltd. Finance Corp., 5.875%, 05/15/13 | USA | USD | 198,923 | 0.29 |
| 200,000 | EOP Operating LP, 4.75%, 03/15/14 | USA | USD | 198,425 | 0.29 |
| 200,000 | The Goldman Sachs Group Inc., 5.125%, 01/15/15 | USA | USD | 195,733 | 0.28 |
| 200,000 | Citigroup Inc., 5.00%, 09/15/14 | USA | USD | 195,587 | 0.28 |
| 200,000 | Morgan Stanley, 4.75%, 04/01/14 | USA | USD | 191,513 | 0.28 |
| 250,000 | Peru Enhanced Pass-Thru, 0.00%, 05/31/18 | PER | USD | 166,250 | 0.24 |
| 150,000 | Ford Motor Credit Co., 9.875%, 08/10/11 | USA | USD | 160,577 | 0.23 |
| 150,000 | USB Capital IX, 6.189%, 04/15/11 | USA | USD | 153,336 | 0.22 |
| 150,000 | Genworth Financial Inc., 6.15%, 11/15/66 | USA | USD | 150,063 | 0.22 |
| 150,000 | Viacom Inc., 6.25%, 04/30/16 | USA | USD | 149,221 | 0.22 |
| 150,000 | Oracle Corp., 5.25%, 01/15/16 | USA | USD | 147,095 | 0.21 |
| 150,000 | XTO Energy Inc., 6.10%, 04/01/36 | USA | USD | 146,879 | 0.21 |
| 150,000 | Harrah's Operating Co. Inc., 6.50%, 06/01/16 | USA | USD | 134,530 | 0.20 |
| 14,000,000 | KfW Bankengruppe, FRN, 0.2325%, 08/08/11† | DEU | JPY | 117,676 | 0.17 |
| 100,000 | BCP Crystal Holdings Corp., 9.625%, 06/15/14 | USA | USD | 111,000 | 0.16 |
| 110,000 | Cleveland Electric Illuminating Co., 5.65%, 12/15/13 | USA | USD | 109,790 | 0.16 |
| 100,000 | Dex Media West LLC, 9.875%, 08/15/13 | USA | USD | 109,500 | 0.16 |
| 100,000 | HCA Inc., 144A, 9.125%, 11/15/14 | USA | USD | 107,125 | 0.16 |
| 100,000 | Beazer Homes USA Inc., 8.125%, 06/15/16 | USA | USD | 106,500 | 0.15 |
| 100,000 | Reynolds American Inc., 7.625%, 06/01/16 | USA | USD | 106,453 | 0.15 |
| 100,000 | Nalco Co., 8.875%, 11/15/13 | USA | USD | 106,375 | 0.15 |
| 100,000 | Kaupthing Bank, 7.125%, 05/19/16 | ISL | USD | 106,250 | 0.15 |
| 100,000 | Washington Mutual Financial Corp., 6.875%, 05/15/11 | USA | USD | 106,236 | 0.15 |
| 100,000 | Glitnir Banki HF, 7.451%, 09/14/16 | ISL | USD | 105,567 | 0.15 |
| 100,000 | SunGard Data Systems Inc., 9.125%, 08/15/13 | USA | USD | 105,500 | 0.15 |
| 100,000 | CCH II LLC, 10.25%, 09/15/10 | USA | USD | 105,125 | 0.15 |
| 100,000 | Telecom Italia Capital, 7.20%, 07/18/36 | ITA | USD | 104,970 | 0.15 |
| 100,000 | Kroger Co., 6.80%, 04/01/11 | USA | USD | 104,751 | 0.15 |
| 100,000 | RBS Global & Rexnord Corp., 9.50%, 08/01/14 | USA | USD | 104,500 | 0.15 |
| 100,000 | Michaels Stores Inc., 10.00%, 11/01/14 | USA | USD | 104,500 | 0.15 |
| 100,000 | Lyondell Chemical Co., 8.00%, 09/15/14 | USA | USD | 104,250 | 0.15 |
| 100,000 | NXP BV, 144A, 7.875%, 10/15/14 | NLD | USD | 103,875 | 0.15 |
| 100,000 | National Grid PLC, 6.30%, 08/01/16 | GBR | USD | 103,754 | 0.15 |
| 100,000 | Rental Service Corp., 9.50%, 12/01/14 | USA | USD | 103,750 | 0.15 |
| 100,000 | Lazard Group LLC, 7.125%, 05/15/15 | USA | USD | 103,744 | 0.15 |
| 100,000 | General Motors Acceptance Corp., 6.875%, 08/28/12 | USA | USD | 102,802 | 0.15 |
| 100,000 | Wells Fargo Bank National Assn., 5.75%, 05/16/16 | USA | USD | 102,601 | 0.15 |
| 100,000 | Headwaters Inc., cvt., senior sub. note, 2.875%, 06/01/16 | USA | USD | 102,500 | 0.15 |
| 100,000 | DaVita Inc., 7.25%, 03/15/15 | USA | USD | 102,500 | 0.15 |
| 100,000 | Tenet Healthcare Corp., 9.875%, 07/01/14 | USA | USD | 102,250 | 0.15 |
| 100,000 | Intelsat Bermuda Ltd., 8.25%, 01/15/13 | BMU | USD | 102,000 | 0.15 |
| 100,000 | Waste Management Inc., 6.50%, 11/15/08 | USA | USD | 101,924 | 0.15 |
| 100,000 | Landsbanki Islands HF, 6.10%, 08/25/11 | ISL | USD | 101,769 | 0.15 |
| 100,000 | Host Hotels & Resorts LP, 6.875%, 11/01/14 | USA | USD | 101,750 | 0.15 |
| 100,000 | Station Casinos Inc., 7.75%, 08/15/16 | USA | USD | 101,250 | 0.15 |
| 100,000 | Pacific Gas and Electric Co., 6.05%, 03/01/34 | USA | USD | 101,194 | 0.15 |
| 100,000 | RPM International Inc., 6.25%, 12/15/13 | USA | USD | 101,036 | 0.15 |
| 100,000 | Comcast Corp., 6.50%, 11/15/35 | USA | USD | 101,035 | 0.15 |
| 100,000 | NRG Energy Inc., 7.375%, 02/01/16 | USA | USD | 100,750 | 0.15 |
| 100,000 | AT&T Inc., FRN, 4.5423%, 11/14/08† | USA | USD | 100,344 | 0.15 |
| 100,000 | Washington Mutual Bank, 5.65%, 08/15/14 | USA | USD | 100,292 | 0.15 |
| 100,000 | Freescale Semiconductor Inc., 144A, 8.875%, 12/15/14 | USA | USD | 100,125 | 0.15 |
| 100,000 | Ford Motor Credit Co., 6.625%, 06/16/08 | USA | USD | 99,966 | 0.15 |
| 100,000 | L-3 Communications Corp., 6.375%, 10/15/15 | USA | USD | 99,500 | 0.14 |
| 100,000 | Commercial Vehicle Group Inc., 8.00%, 07/01/13 | USA | USD | 98,250 | 0.14 |
| 100,000 | Owens-Brockway Glass Container Inc., 6.75%, 12/01/14 | USA | USD | 97,500 | 0.14 |
| 100,000 | JPMorgan Chase & Co., 4.875%, 03/15/14 | USA | USD | 97,178 | 0.14 |
| 100,000 | Dominion Resources Inc., 5.15%, 07/15/15 | USA | USD | 97,026 | 0.14 |
| 100,000 | Markwest Energy Partners LP, 6.875%, 11/01/14 | USA | USD | 97,000 | 0.14 |
| 100,000 | Chesapeake Energy Corp., 6.25%, 01/15/18 | USA | USD | 96,750 | 0.14 |
| 100,000 | MGM MIRAGE Inc., 6.625%, 07/15/15 | USA | USD | 95,750 | 0.14 |
| 100,000 | TXU Corp., 5.55%, 11/15/14 | USA | USD | 95,434 | 0.14 |
| 100,000 | Limited Brands Inc., 5.25%, 11/01/14 | USA | USD | 95,161 | 0.14 |
| 100,000 | Union Pacific Corp., 3.625%, 06/01/10 | USA | USD | 94,434 | 0.14 |
| 100,000 | Telecom Italia Capital, 4.95%, 09/30/14 | ITA | USD | 92,807 | 0.13 |
| 42,000 | Carnival Corp., cvt., senior deb., 2.00%, 04/15/21 | USA | USD | 53,970 | 0.08 |
| 58,000 | Intel Corp., cvt., sub. deb., 2.95%, 12/15/35 | USA | USD | 53,049 | 0.08 |
| | | | | 13,310,226 | 19.32 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Government/Agency Bonds** | | | | |
| 6,000,000 | FNMA, 3.25%, 08/15/08 | USA | USD | 5,833,884 | 8.47 |
| 3,700,000 | FHLB, 4.875%, 11/18/11 | USA | USD | 3,689,251 | 5.35 |
| 3,015,000 | FNMA, 5.00%, 01/15/35 | USA | USD | 2,911,359 | 4.23 |
| 2,750,000 | FNMA, 5.50%, 01/15/36 | USA | USD | 2,718,205 | 3.95 |
| 2,600,000 | FNMA, 6.00%, 01/01/29 | USA | USD | 2,617,875 | 3.80 |
| 1,700,000 | U.S. Treasury Bond, 6.25%, 08/15/23 | USA | USD | 1,957,259 | 2.84 |
| 1,300,000 | U.S. Treasury Bond, 4.50%, 02/15/36 | USA | USD | 1,236,828 | 1.80 |
| 950,000 | FNMA, 6.50%, 01/01/32 | USA | USD | 968,109 | 1.41 |
| 873,800 | FNMA, 5.50%, 11/01/35 | USA | USD | 864,093 | 1.25 |
| 816,309 | FNMA, 4.324%, 09/01/34 | USA | USD | 823,040 | 1.19 |
| 800,000 | U.S. Treasury Note, 4.625%, 10/31/11 | USA | USD | 797,344 | 1.16 |
| 600,000 | U.S. Treasury Bond, 7.125%, 02/15/23 | USA | USD | 747,094 | 1.08 |
| 631,957 | U.S. Treasury Note, 2.50%, 07/15/16 | USA | USD | 636,944 | 0.92 |
| 648,822 | U.S. Treasury Bond, 2.00%, 07/15/14 | USA | USD | 629,941 | 0.91 |
| 613,809 | FNMA, 5.00%, 04/01/36 | USA | USD | 592,773 | 0.86 |
| 566,840 | U.S. Treasury Note, 3.00%, 07/15/12 | USA | USD | 583,514 | 0.85 |
| 600,000 | FNMA, 4.50%, 01/15/22 | USA | USD | 578,813 | 0.84 |
| 500,000 | U.S. Treasury Bond, 6.00%, 02/15/26 | USA | USD | 567,227 | 0.82 |
| 570,711 | FNMA, 5.50%, 03/01/36 | USA | USD | 564,371 | 0.82 |
| 500,000 | FHLMC, 3.875%, 06/15/08 | USA | USD | 491,747 | 0.71 |
| 486,689 | FNMA, 5.50%, 11/01/35 | USA | USD | 481,282 | 0.70 |
| 400,000 | FNMA, 6.625%, 09/15/09 | USA | USD | 416,754 | 0.60 |
| 406,218 | FNMA, 5.295%, 11/01/32 | USA | USD | 406,868 | 0.59 |
| 387,635 | FNMA, 6.00%, 05/01/36 | USA | USD | 390,380 | 0.57 |
| 377,986 | FHLMC, 5.50%, 09/01/35 | USA | USD | 374,005 | 0.54 |
| 2,765,000,000 | Government of Indonesia, 12.80%, 06/15/21 | IDN | IDR | 367,396 | 0.53 |
| 377,538 | FHLMC, 5.00%, 01/01/34 | USA | USD | 364,324 | 0.53 |
| 343,153 | FNMA, ARM, 4.368%, 02/01/34 | USA | USD | 340,702 | 0.49 |
| 340,130 | FNMA, 5.50%, 04/01/35 | USA | USD | 336,352 | 0.49 |
| 313,464 | U.S. Treasury Note, 1.875%, 07/15/15 | USA | USD | 300,497 | 0.44 |
| 286,300 | GNMA, SF, 5.00%, 05/15/34 | USA | USD | 278,717 | 0.40 |
| 260,639 | FNMA, 5.00%, 10/01/34 | USA | USD | 252,205 | 0.37 |
| 200,000 | FNMA, 6.625%, 11/15/30 | USA | USD | 239,433 | 0.35 |
| 830,000 | Government of Malaysia, 4.305%, 02/27/09 | MYS | MYR | 238,559 | 0.35 |
| 236,230 | FNMA, 4.08%, 12/01/34 | USA | USD | 236,627 | 0.34 |
| 231,908 | FHLMC, ARM, 4.775%, 09/01/32 | USA | USD | 231,982 | 0.34 |
| 195,000,000 | Korea Treasury Note, 4.50%, 09/09/08 | KOR | KRW | 208,141 | 0.30 |
| 204,790 | U.S. Treasury Note, Index Linked, 2.375%, 04/15/11 | USA | USD | 204,038 | 0.30 |
| 214,564 | U.S. Treasury Note, 0.875%, 04/15/10 | USA | USD | 203,484 | 0.30 |
| 190,000,000 | Korea Treasury Note, 4.25%, 09/10/08 | KOR | KRW | 202,020 | 0.29 |
| 1,500,000,000 | Government of Indonesia, 12.90%, 06/15/22 | IDN | IDR | 201,270 | 0.29 |
| 190,575 | FNMA, 6.50%, 01/01/36 | USA | USD | 194,267 | 0.28 |
| 176,155 | FNMA, 7.50%, 02/01/30 | USA | USD | 183,575 | 0.27 |
| 189,819 | FHLMC, 5.00%, 04/01/34 | USA | USD | 183,407 | 0.27 |
| 168,797 | FHLMC, 7.00%, 05/01/32 | USA | USD | 173,618 | 0.25 |
| 175,000 | FNMA, 5.00%, 01/01/19 | USA | USD | 172,047 | 0.25 |
| 400 | Nota Do Tesouro Nacional, 9.7618%, 01/01/14 | BRA | BRL | 166,262 | 0.24 |
| 166,775 | FNMA, 5.00%, 01/01/20 | USA | USD | 164,186 | 0.24 |
| 145,371 | FHLMC, 5.50%, 01/01/35 | USA | USD | 143,962 | 0.21 |
| 1,020,000,000 | Government of Indonesia, 14.275%, 12/15/13 | IDN | IDR | 138,925 | 0.20 |
| 121,028 | FNMA, 5.00%, 04/01/20 | USA | USD | 119,021 | 0.17 |
| 119,812 | FNMA, 4.649%, 12/01/34 | USA | USD | 118,653 | 0.17 |
| 114,765 | FHLMC, 5.50%, 08/01/33 | USA | USD | 113,703 | 0.16 |
| 110,592 | FNMA, 5.00%, 05/01/18 | USA | USD | 108,999 | 0.16 |
| 250,000 | Government of Peru, 8.60%, 08/12/17 | PER | PEN | 92,364 | 0.13 |
| 92,884 | FHLMC, 4.50%, 09/01/18 | USA | USD | 89,766 | 0.13 |
| 735,000,000 | Government of Indonesia, 11.50%, 09/15/19 | IDN | IDR | 88,087 | 0.13 |
| 86,223 | GNMA, 3.75%, 08/20/20 | USA | USD | 87,348 | 0.13 |
| 700,000,000 | Government of Indonesia, 13.15%, 03/15/10 | IDN | IDR | 86,688 | 0.13 |
| 85,712 | FNMA, 5.50%, 09/01/19 | USA | USD | 85,902 | 0.12 |
| 200 | Nota Do Tesouro Nacional, 9.7618%, 01/01/12 | BRA | BRL | 85,449 | 0.12 |
| 84,391 | FHLMC, 4.50%, 03/01/20 | USA | USD | 81,373 | 0.12 |
| 83,955 | FHLMC, 4.50%, 04/01/20 | USA | USD | 80,952 | 0.12 |
| 80,193 | GNMA, ARM, 3.50%, 09/20/29 | USA | USD | 80,354 | 0.12 |
| 78,706 | FNMA, 6.00%, 10/01/34 | USA | USD | 79,320 | 0.12 |
| 79,994 | FNMA, 5.00%, 01/01/20 | USA | USD | 78,752 | 0.11 |
| 75,967 | GNMA, SF, 5.50%, 06/15/34 | USA | USD | 75,672 | 0.11 |
| 150 | Nota Do Tesouro Nacional, 9.762%, 01/01/10 | BRA | BRL | 66,230 | 0.10 |
| 67,167 | FNMA, 4.50%, 04/01/19 | USA | USD | 64,895 | 0.09 |
| 63,929 | FHLMC, 4.50%, 01/01/19 | USA | USD | 61,783 | 0.09 |
| 52,800 | GNMA II, SF, 7.00%, 04/20/32 | USA | USD | 54,375 | 0.08 |
| 53,674 | FHLMC, 5.00%, 03/01/19 | USA | USD | 52,810 | 0.08 |
| 1,700,000 | Bank of Thailand Bond, 5.50%, 08/10/08 | THA | THB | 48,110 | 0.07 |
| 48,859 | FNMA, 4.50%, 04/01/19 | USA | USD | 47,206 | 0.07 |
| 33,868 | GNMA, 6.50%, 09/15/32 | USA | USD | 34,807 | 0.05 |
| 255,000,000 | Government of Indonesia, 14.25%, 06/15/13 | IDN | IDR | 34,592 | 0.05 |
| 33,742 | FHLMC, 6.00%, 08/01/17 | USA | USD | 34,237 | 0.05 |
| 29,341 | GNMA, SF, 6.50%, 11/15/32 | USA | USD | 30,154 | 0.04 |
| 1,030,000 | Bank of Thailand Bond, 5.00%, 01/12/08 | THA | THB | 29,063 | 0.04 |
| 27,766 | GNMA, SF, 6.00%, 03/15/33 | USA | USD | 28,202 | 0.04 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Government/Agency Bonds** (continued) | | | | |
| 26,736 | FHLMC, 5.50%, 06/01/18 | USA | USD | 26,790 | 0.04 |
| 75,000 | Government of Poland, 5.75%, 06/24/08 | POL | PLN | 26,280 | 0.04 |
| 70,000 | Government of Poland, 5.75%, 09/23/22 | POL | PLN | 25,164 | 0.04 |
| 20,557 | GNMA, SF, 5.00%, 03/15/34 | USA | USD | 20,013 | 0.03 |
| 19,683 | GNMA, SF, 5.50%, 07/15/33 | USA | USD | 19,617 | 0.03 |
| 17,193 | FHLMC, 4.50%, 11/01/18 | USA | USD | 16,616 | 0.02 |
| 2,000 | Government of Malaysia, 7.50%, 07/15/11 | MYS | USD | 2,179 | 0.00 |
| | | | | 39,880,482 | 57.88 |
| | **Securities Maturing Within One Year** | | | | |
| 2,565,000 | Swedish Treasury Bill, 0.00%, 12/19/07 | SWE | SEK | 362,271 | 0.53 |
| 1,125,000 | Government of Malaysia, 8.60%, 12/01/07 | MYS | MYR | 333,320 | 0.48 |
| 190,000,000 | Korea Treasury Note, 3.75%, 09/10/07 | KOR | KRW | 202,703 | 0.30 |
| 200,000 | International Lease Finance Corp., 5.75%, 02/15/07 | USA | USD | 200,070 | 0.29 |
| 850,000 | Norwegian Treasury Bill, 0.00%, 09/19/07 | NOR | NOK | 132,568 | 0.19 |
| 800,000 | Egypt Treasury Bill, 0.00%, 09/18/07 | EGY | EGP | 131,012 | 0.19 |
| 750,000 | Norwegian Treasury Bill, 0.00%, 03/21/07 | NOR | NOK | 119,081 | 0.17 |
| 4,290,000 | Thailand Treasury Bill, 0.00%, 12/06/07 | THA | THB | 115,762 | 0.17 |
| 100,000 | Marathon Oil Corp., 5.375%, 06/01/07 | USA | USD | 99,973 | 0.15 |
| 100,000 | U.S. Treasury Bill, 0.00%, 02/22/07 | USA | USD | 99,331 | 0.14 |
| 150,000 | Government of Singapore, 2.625%, 10/01/07 | SGP | SGD | 97,525 | 0.14 |
| 3,580,000 | Thailand Treasury Bill, 0.00%, 10/04/07 | THA | THB | 97,391 | 0.14 |
| 130,000 | Government of Singapore, 4.00%, 03/01/07 | SGP | SGD | 84,862 | 0.12 |
| 475,000 | Egypt Treasury Bill, 0.00%, 02/20/07 | EGY | EGP | 82,021 | 0.12 |
| 2,715,000 | Thailand Treasury Bill, 0.00%, 08/16/07 | THA | THB | 74,344 | 0.11 |
| 65,000,000 | Korea Treasury Note, 4.75%, 03/03/07 | KOR | KRW | 69,869 | 0.10 |
| 2,500,000 | Thailand Treasury Bill, 0.00%, 07/19/07 | THA | THB | 68,712 | 0.10 |
| 70,000 | Canada Treasury Bill, 0.00%, 05/17/07 | CAN | CAD | 59,121 | 0.09 |
| 2,600,000 | Inter-American Development Bank, 9.00%, 01/04/07 | ISL | ISK | 36,607 | 0.05 |
| 1,220,000 | Thailand Treasury Bill, 0.00%, 09/06/07 | THA | THB | 33,313 | 0.05 |
| 860,000 | Government of Thailand, 5.60%, 07/07/07 | THA | THB | 24,345 | 0.04 |
| 25,000 | Government of Malaysia, 6.90%, 03/15/07 | MYS | MYR | 7,131 | 0.01 |
| 25,000 | Government of Malaysia, 3.135%, 12/17/07 | MYS | MYR | 7,061 | 0.01 |
| | | | | 2,538,393 | 3.69 |
| | **TOTAL BONDS** | | | 71,694,673 | 104.06 |
| | **DERIVATIVES** | | | | |
| | **Credit Default Swap** | | | | |
| 900,000 | DJ CDX HY, Dec. 11 (High Yield) | USA | USD | 851 | 0.00 |
| 1,500,000 | ABX HE A, Jul. 45 | USA | USD | 260 | 0.00 |
| | **Total Credit Default Swap** | | | 1,111 | 0.00 |
| | **Futures** | | | | |
| (5) | U.S. Treasury Note, Mar. 07 Future | USA | USD | 5,664 | 0.01 |
| 3 | U.S. Treasury Note, Mar. 07 Future | USA | USD | (2,062) | 0.00 |
| 15 | U.S. Treasury Bond, Mar. 07 Future | USA | USD | (30,117) | (0.05) |
| | **Total Futures** | | | (26,515) | (0.04) |
| | **TOTAL DERIVATIVES** | | | (25,404) | (0.04) |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 71,706,895 | 104.08 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Asset-Backed Securities** | | | | |
| 600,000 | Susquehanna Auto Lease Trust, 4.43%, 06/16/08 | USA | USD | 596,239 | 0.86 |
| 216,663 | Legacy Benefits Insurance Settlements LLC, 5.35%, 02/10/39 | USA | USD | 204,154 | 0.30 |
| | | | | 800,393 | 1.16 |
| | **Corporate Bonds** | | | | |
| 100,000 | Novelis Inc., senior note, 144A, 8.25%, 02/15/15 | CAN | USD | 97,250 | 0.14 |
| 57,000 | Ras Laffan Liquefied Natural Gas Co., Ltd., 144A, 3.437%, 09/15/09 | QAT | USD | 55,572 | 0.08 |
| | | | | 152,822 | 0.22 |
| | **TOTAL BONDS** | | | 953,215 | 1.38 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 953,215 | 1.38 |
| | **TOTAL INVESTMENTS** | | | 73,871,354 | 107.22 |

† Floating Rates are indicated as at December 31, 2006

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Asset-Backed Securities** | | | | |
| 2,871,077 | Novastar Home Equity Loan, FRN, 5.1094%, 10/25/35† | USA | USD | 2,873,428 | 3.50 |
| 2,000,000 | Ownit Mortgage Loan Asset-Backed Certificate, 5.4338%, 09/25/37 | USA | USD | 2,001,278 | 2.44 |
| 1,909,234 | Bear Stearns Asset-Backed Securities Inc., 5.64%, 10/25/34 | USA | USD | 1,911,420 | 2.33 |
| 1,800,037 | Home Equity Asset Trust, 5.2013%, 12/25/35 | USA | USD | 1,801,468 | 2.19 |
| 1,794,900 | Asset-Backed Securities Corp. Home Equity Loan Trust, 5.85%, 10/25/34 | USA | USD | 1,799,247 | 2.19 |
| 1,745,204 | Residential Funding Mortgage Securities I, 5.43%, 02/25/36 | USA | USD | 1,746,619 | 2.13 |
| 1,726,204 | Long Beach Mortgage Loan Trust, 5.43%, 02/25/36 | USA | USD | 1,727,513 | 2.10 |
| 1,627,628 | Indymac Residential Asset-Backed Trust, 5.42%, 03/25/36 | USA | USD | 1,628,880 | 1.98 |
| 1,626,960 | Ixis Real Estate Catital Trust, 5.46%, 02/25/36 | USA | USD | 1,628,214 | 1.98 |
| 1,500,000 | Fremont Home Loan Trust, 5.52%, 01/25/36 | USA | USD | 1,501,423 | 1.83 |
| 1,455,709 | Chase Funding Mortgage Loan Asset-Backed Certificates, 3.34%, 05/25/26 | USA | USD | 1,432,917 | 1.75 |
| 1,425,840 | CS First Boston Mortgage Securities Corp., 6.3725%, 02/25/31 | USA | USD | 1,427,572 | 1.74 |
| 1,415,017 | Fremont Home Loan Trust, 5.38%, 04/25/36 | USA | USD | 1,416,001 | 1.72 |
| 1,223,467 | Accredited Mortgage Loan Trust, FRN, 5.5625%, 09/25/35† | USA | USD | 1,225,312 | 1.49 |
| 1,212,556 | Long Beach Mortgage Loan Trust, 5.41%, 04/25/36 | USA | USD | 1,213,475 | 1.48 |
| 1,211,713 | Structured Asset Investment Loan Trust, 5.44%, 07/25/35 | USA | USD | 1,212,529 | 1.48 |
| 1,191,035 | First Franklin Mortgate Loan Asset-Backed Certificate, 5.63%, 01/25/35 | USA | USD | 1,193,671 | 1.45 |
| 1,147,054 | GSAMP Trust, 5.59%, 12/25/34 | USA | USD | 1,148,221 | 1.40 |
| 1,108,242 | Bear Stearns Asset-Backed Securities Inc., 5.52%, 09/25/34 | USA | USD | 1,109,710 | 1.35 |
| 1,045,526 | GSAMP Trust, 5.42%, 05/25/36 | USA | USD | 1,046,244 | 1.27 |
| 986,664 | Ace Securities Corp., 5.44%, 08/25/35 | USA | USD | 987,380 | 1.20 |
| 961,450 | Residential Asset Mortgage Products Inc., 5.66%, 10/25/34 | USA | USD | 964,633 | 1.18 |
| 938,047 | Park Place Securities Inc., FRN, 5.765%, 09/25/34 | USA | USD | 939,186 | 1.14 |
| 936,201 | Popular ABS Mortgage Pass-Through Trust, 5.57%, 09/25/34 | USA | USD | 937,191 | 1.14 |
| 911,409 | Structured Asset Investment Loan Trust, 5.44%, 09/25/35 | USA | USD | 912,063 | 1.11 |
| 887,708 | Master Asset-Backed Securities Trust, 5.46%, 02/25/36 | USA | USD | 888,379 | 1.08 |
| 788,405 | First Franklin Mortgage Loan Asset-Backed Certificate, 5.73%, 10/25/34 | USA | USD | 789,318 | 0.96 |
| 756,914 | Securitized Asset-Backed Receivables LLC, 5.83%, 02/25/34 | USA | USD | 759,121 | 0.92 |
| 673,220 | Amortizing Residential Collateral Trust, 3.03%, 01/25/32 | USA | USD | 675,701 | 0.82 |
| 611,657 | Park Place Securities Inc., 5.70%, 09/25/34 | USA | USD | 613,016 | 0.75 |
| 608,992 | Advanta Mortgage Loan Trust, 4.76%, 06/25/30 | USA | USD | 609,645 | 0.74 |
| 540,921 | Structured Asset Investment Loan Trust, 5.4513%, 11/25/33 | USA | USD | 541,607 | 0.66 |
| 527,034 | Accredited Mortgage Loan Trust, 5.42%, 09/25/35 | USA | USD | 527,411 | 0.64 |
| 517,206 | Asset-Backed Securities Corp. Home Equity Loan Trust, 5.73%, 10/25/34 | USA | USD | 518,291 | 0.63 |
| 500,366 | Argent Securities Inc., 5.64%, 03/25/34 | USA | USD | 501,168 | 0.61 |
| 435,495 | Countrywide Asset-Backed Certificates, 5.52%, 05/25/36 | USA | USD | 435,988 | 0.53 |
| 419,199 | Structured Asset Investment Loan Trust, 5.40%, 01/25/36 | USA | USD | 419,529 | 0.51 |
| 418,224 | Nomura Home Equity Loan Inc., FRN, 5.4044%, 02/25/36† | USA | USD | 418,574 | 0.51 |
| 384,753 | Popular ABS Mortgage Pass-Through Trust, 5.41%, 04/25/35 | USA | USD | 385,038 | 0.47 |
| 378,270 | Bear Stearns Asset-Backed Securities Inc., 5.56%, 02/25/35 | USA | USD | 378,643 | 0.46 |
| 359,689 | Encore Credit Receivables Trust, 4.20%, 01/25/36 | USA | USD | 359,950 | 0.44 |
| 326,685 | Aegis Asset-Backed Securities Trust, 5.45%, 12/25/35 | USA | USD | 326,941 | 0.40 |
| 285,184 | Morgan Stanley ABS Capital, 1.90%, 09/25/33 | USA | USD | 285,532 | 0.35 |
| 265,449 | GMAC Mortgage Corp. Loan Trust, 2.88%, 10/25/33 | USA | USD | 262,832 | 0.32 |
| 255,873 | Master Asset-Backed Securities Trust, 2.73%, 12/25/34 | USA | USD | 256,104 | 0.31 |
| 246,962 | Morgan Stanley ABS Capital, 4.17%, 08/25/34 | USA | USD | 247,706 | 0.30 |
| 241,128 | GSAMP Trust, 5.66%, 10/25/34 | USA | USD | 241,385 | 0.29 |
| 227,362 | Residential Asset Securities Corp., 3.73%, 04/25/32 | USA | USD | 227,551 | 0.28 |
| 198,737 | First Franklin Mortgage Loan Asset-Backed Certificates, 5.4225%, 11/25/35 | USA | USD | 198,891 | 0.24 |
| 190,334 | GSAMP Trust, 5.44%, 08/25/35 | USA | USD | 190,468 | 0.23 |
| 186,602 | Residential Funding Mortgage Security I, 4.00%, 12/25/17 | USA | USD | 181,325 | 0.22 |
| 156,182 | SLM Student Loan Trust, FRN, 3.52%, 12/15/15† | USA | USD | 156,327 | 0.19 |
| 146,986 | Morgan Stanley ABS Capital, 1.76%, 06/25/34 | USA | USD | 147,143 | 0.18 |
| 146,398 | First Plus Home Loan Trust, 6.92%, 12/10/24 | USA | USD | 146,243 | 0.18 |
| 145,801 | New Century Home Equity Loan Trust, 3.56%, 11/25/33 | USA | USD | 145,260 | 0.18 |
| 100,649 | Ameriquest Mortgage Securities Inc., 4.272%, 07/25/33 | USA | USD | 100,012 | 0.12 |
| 96,995 | Residential Funding Mortgage Securities I, 3.15%, 07/25/18 | USA | USD | 95,847 | 0.12 |
| 73,971 | First Plus Home Loan Trust, 6.95%, 01/10/24 | USA | USD | 75,011 | 0.09 |
| 69,197 | Asset-Backed Securities Corp. Home Equity Loan Trust, 5.7125%, 04/25/34 | USA | USD | 69,197 | 0.09 |
| 35,747 | Countrywide Asset-Backed Certificates, 5.69%, 02/25/33 | USA | USD | 35,791 | 0.04 |
| 27,357 | Long Beach Mortgage Loan Trust, FRN, 3.11%, 11/25/32† | USA | USD | 27,387 | 0.03 |
| 17,414 | Long Beach Mortgage Loan Trust, 5.68%, 10/25/34 | USA | USD | 17,430 | 0.02 |
| 10,916 | Residential Asset Securities Corp., 5.82%, 05/25/32 | USA | USD | 10,925 | 0.01 |
| 10,459 | Structured Asset Investment Loan Trust, 8.57%, 04/25/33 | USA | USD | 10,479 | 0.01 |
| 6,332 | Countrywide Asset-Backed Certificates, 1.32%, 04/25/34 | USA | USD | 6,336 | 0.01 |
| 4,672 | Countrywide Asset-Backed Certificates, 5.63%, 09/25/33 | USA | USD | 4,675 | 0.01 |
| 2,095 | New Century Home Equity Loan Trust, FRN, 2.93%, 07/25/30† | USA | USD | 2,097 | 0.00 |
| | | | | 48,075,869 | 58.52 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Government/Agency Bonds** | | | | |
| 5,966,319 | FNMA, 4.137%, 08/01/33 | USA | USD | 6,015,164 | 7.32 |
| 2,117,501 | FHLMC, ARM, 3.926%, 07/01/24 | USA | USD | 2,133,031 | 2.60 |
| 1,408,462 | FNMA, ARM, 3.564%, 01/01/27 | USA | USD | 1,427,187 | 1.74 |
| 1,156,575 | FHLMC, ARM, 3.926%, 04/01/25 | USA | USD | 1,165,057 | 1.42 |
| 1,078,384 | FHLMC, ARM, 5.258%, 04/01/32 | USA | USD | 1,092,834 | 1.33 |
| 896,006 | FNMA, 5.473%, 01/01/35 | USA | USD | 907,014 | 1.10 |
| 796,907 | FNMA, ARM, 3.762%, 09/01/35 | USA | USD | 801,041 | 0.97 |
| 658,967 | FHLMC, 4.653%, 11/01/20 | USA | USD | 662,181 | 0.81 |
| 563,281 | FNMA, ARM, 3.196%, 11/01/32 | USA | USD | 572,111 | 0.70 |
| 563,654 | FNMA, 3.899%, 03/01/39 | USA | USD | 569,601 | 0.69 |
| 508,976 | FHLMC, ARM, 3.168%, 12/01/23 | USA | USD | 518,231 | 0.63 |
| 470,279 | FHLMC, ARM, 3.657%, 10/01/23 | USA | USD | 481,930 | 0.59 |
| 463,838 | FHLMC, ARM, 4.829%, 03/01/24 | USA | USD | 467,832 | 0.57 |
| 452,335 | FNMA, ARM, 3.021%, 07/01/20 | USA | USD | 451,756 | 0.55 |
| 433,410 | FHLMC, 5.289%, 06/01/23 | USA | USD | 435,738 | 0.53 |
| 419,872 | FHLMC, 5.449%, 11/01/31 | USA | USD | 426,040 | 0.52 |
| 397,487 | FHLMC, ARM, 5.31%, 06/01/25 | USA | USD | 399,742 | 0.49 |
| 377,196 | FHLMC, 4.624%, 12/01/30 | USA | USD | 386,826 | 0.47 |
| 372,426 | FNMA, ARM, 3.196%, 10/01/32 | USA | USD | 378,264 | 0.46 |
| 363,008 | FNMA, ARM, 3.846%, 03/01/19 | USA | USD | 364,901 | 0.44 |
| 344,656 | GNMA, ARM, 4.00%, 07/20/32 | USA | USD | 344,937 | 0.42 |
| 341,629 | GNMA, ARM, 4.00%, 08/20/29 | USA | USD | 342,315 | 0.42 |
| 326,253 | FHLMC, 5.374%, 07/01/21 | USA | USD | 333,860 | 0.41 |
| 315,186 | GNMA, ARM, 5.50%, 11/20/29 | USA | USD | 319,959 | 0.39 |
| 305,549 | FHLMC, 4.555%, 01/01/32 | USA | USD | 309,283 | 0.38 |
| 283,679 | FNMA, ARM, 5.156%, 08/01/32 | USA | USD | 288,409 | 0.35 |
| 280,260 | GNMA, ARM, 6.375%, 04/20/28 | USA | USD | 282,805 | 0.34 |
| 271,553 | FNMA, ARM, 5.469%, 09/01/32 | USA | USD | 271,836 | 0.33 |
| 263,196 | FNMA, ARM, 5.001%, 11/01/30 | USA | USD | 265,695 | 0.32 |
| 255,647 | GNMA, ARM, 4.625%, 12/20/23 | USA | USD | 258,709 | 0.31 |
| 250,163 | GNMA, ARM, 4.625%, 11/20/24 | USA | USD | 253,513 | 0.31 |
| 250,824 | FNMA, ARM, 3.128%, 04/01/32 | USA | USD | 251,469 | 0.31 |
| 246,054 | FHLMC, ARM, 6.797%, 12/01/30 | USA | USD | 248,413 | 0.30 |
| 240,412 | FNMA, ARM, 5.35%, 06/01/32 | USA | USD | 244,846 | 0.30 |
| 223,772 | FNMA, ARM, 3.477%, 12/01/28 | USA | USD | 226,841 | 0.28 |
| 208,480 | FNMA, ARM, 5.82%, 02/01/31 | USA | USD | 212,668 | 0.26 |
| 202,036 | FHLMC, 6.138%, 12/01/31 | USA | USD | 207,644 | 0.25 |
| 197,325 | FNMA, ARM, 3.568%, 02/01/25 | USA | USD | 201,512 | 0.25 |
| 177,338 | FHLMC, 5.089%, 02/01/21 | USA | USD | 181,366 | 0.22 |
| 172,727 | FHLMC, ARM, 3.30%, 04/01/24 | USA | USD | 174,371 | 0.21 |
| 168,959 | FNMA, ARM, 3.314%, 04/01/33 | USA | USD | 171,197 | 0.21 |
| 168,964 | GNMA, ARM, 4.625%, 12/20/24 | USA | USD | 171,169 | 0.21 |
| 167,171 | FNMA, ARM, 4.79%, 10/01/27 | USA | USD | 169,338 | 0.21 |
| 161,992 | FNMA, 4.125%, 10/01/28 | USA | USD | 165,331 | 0.20 |
| 147,635 | FNMA, 3.606%, 03/01/31 | USA | USD | 150,935 | 0.18 |
| 115,280 | FNMA, ARM, 7.203%, 04/01/30 | USA | USD | 116,594 | 0.14 |
| 112,455 | FNMA, ARM, 5.076%, 12/01/31 | USA | USD | 113,567 | 0.14 |
| 108,230 | FHLMC, ARM, 5.70%, 06/01/31 | USA | USD | 110,046 | 0.13 |
| 106,876 | GNMA, ARM, 4.50%, 02/20/21 | USA | USD | 107,562 | 0.13 |
| 80,238 | FNMA, ARM, 5.664%, 07/01/31 | USA | USD | 81,591 | 0.10 |
| 71,274 | FNMA, ARM, 5.496%, 11/01/31 | USA | USD | 71,470 | 0.09 |
| 62,098 | FHLMC, ARM, 5.935%, 07/01/31 | USA | USD | 62,444 | 0.08 |
| 51,143 | FNMA, ARM, 5.991%, 09/01/31 | USA | USD | 51,377 | 0.06 |
| 17,275 | FNMA, ARM, 5.335%, 11/01/33 | USA | USD | 17,552 | 0.02 |
| 12,051 | FHLMC, ARM, 5.927%, 07/01/31 | USA | USD | 12,278 | 0.01 |
| | | | | 26,449,383 | 32.20 |
| | **TOTAL BONDS** | | | 74,525,252 | 90.72 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 74,525,252 | 90.72 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Asset-Backed Securities** | | | | |
| 1,390,625 | Ensec Home Finance Pool Ltd., FRN, 3.29%, 05/15/14† | USA | USD | 1,393,341 | 1.70 |
| 902,017 | Structured Asset Securities Corp., 4.80%, 05/25/31 | USA | USD | 905,168 | 1.10 |
| | | | | 2,298,509 | 2.80 |
| | **Securities Maturing Within One Year** | | | | |
| 243,121 | Susquehanna Auto Lease Trust, 4.08%, 07/16/07 | USA | USD | 243,115 | 0.30 |
| | **TOTAL BONDS** | | | 2,541,624 | 3.10 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 2,541,624 | 3.10 |
| | **TOTAL INVESTMENTS** | | | 77,066,876 | 93.82 |

† Floating Rates are indicated as at December 31, 2006

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 112,900 | GenCorp Inc. | USA | USD | 1,582,858 | 0.05 |
| | **Airlines** | | | | |
| 105,467 | ACE Aviation Holdings Inc., A | CAN | CAD | 3,420,380 | 0.11 |
| | **Application Software** | | | | |
| 1,015,150 | Microsoft Corp. | USA | USD | 30,312,379 | 1.00 |
| | **Automobile Manufacturers** | | | | |
| 195,090 | General Motors Corp. | USA | USD | 5,993,165 | 0.20 |
| | **Banks** | | | | |
| 718,738 | Wachovia Corp. | USA | USD | 40,932,129 | 1.35 |
| 645,340 | Washington Mutual Inc. | USA | USD | 29,356,517 | 0.97 |
| 2,088,849 | Hudson City Bancorp Inc. | USA | USD | 28,993,224 | 0.96 |
| 957,380 | Svenska Handelsbanken AB, A | SWE | SEK | 28,925,978 | 0.96 |
| 3,393,512 | Banca Intesa SpA | ITA | EUR | 26,205,691 | 0.87 |
| 697,697 | Swedbank AB, A | SWE | SEK | 25,306,181 | 0.84 |
| 2,118 | Sumitomo Mitsui Financial Group Inc. | JPN | JPY | 21,707,565 | 0.72 |
| 112,471 | Societe Generale, A | FRA | EUR | 19,092,899 | 0.63 |
| 163,800 | BNP Paribas SA | FRA | EUR | 17,870,928 | 0.59 |
| 1,410 | Mitsubishi UFJ Financial Group Inc. | JPN | JPY | 17,412,526 | 0.58 |
| 19,356,960 | Chinatrust Financial Holding Co., Ltd. | TWN | TWD | 16,187,729 | 0.53 |
| 403,760 | U.S. Bancorp | USA | USD | 14,612,074 | 0.48 |
| 304,730 | Danske Bank AS | DNK | DKK | 13,539,480 | 0.45 |
| 426,709 | Sovereign Bancorp Inc. | USA | USD | 10,834,142 | 0.36 |
| 133,900 | UnionBanCal Corp. | USA | USD | 8,201,375 | 0.27 |
| | | | | 319,178,438 | 10.56 |
| | **Brewers** | | | | |
| 195,393 | Carlsberg AS, B | DNK | DKK | 19,403,716 | 0.64 |
| 24,300 | Pernod Ricard SA | FRA | EUR | 5,581,435 | 0.19 |
| 59,590 | Brown-Forman Corp., B | USA | USD | 3,947,242 | 0.13 |
| 10,900 | Carlsberg AS, A | DNK | DKK | 1,003,328 | 0.03 |
| | | | | 29,935,721 | 0.99 |
| | **Broadcasting & Cable TV** | | | | |
| 797,900 | Clear Channel Communications Inc. | USA | USD | 28,357,366 | 0.94 |
| 301,708 | Mediaset SpA | ITA | EUR | 3,580,444 | 0.12 |
| | | | | 31,937,810 | 1.06 |
| | **Casinos & Gaming** | | | | |
| 206,296 | Trump Entertainment Resorts Inc. | USA | USD | 3,762,839 | 0.12 |
| | **Computer Storage & Peripherals** | | | | |
| 916,780 | Dell Inc. | USA | USD | 23,002,010 | 0.76 |
| | **Construction & Engineering** | | | | |
| 276,000 | Kone OYJ, B | FIN | EUR | 15,644,493 | 0.52 |
| | **Construction & Farm Machinery** | | | | |
| 109,400 | NACCO Industries Inc., A | USA | USD | 14,944,040 | 0.49 |
| | **Consumer Finance** | | | | |
| 369,760 | Countrywide Financial Corp. | USA | USD | 15,696,312 | 0.52 |
| 256,069 | Takefuji Corp. | JPN | JPY | 10,132,188 | 0.33 |
| 147,423 | Avis Budget Group Inc. | USA | USD | 3,197,605 | 0.11 |
| 27,200 | Capital One Financial Corp. | USA | USD | 2,089,504 | 0.07 |
| | | | | 31,115,609 | 1.03 |
| | **Diversified Chemicals** | | | | |
| 154,026 | Arkema | FRA | EUR | 7,915,326 | 0.26 |
| 25,118 | Koninklijke DSM NV | NLD | EUR | 1,241,067 | 0.04 |
| | | | | 9,156,393 | 0.30 |
| | **Diversified Commercial Services** | | | | |
| 559,510 | H&R Block Inc. | USA | USD | 12,891,110 | 0.43 |
| 1,341,900 | Integrated Alarm Services Group Inc. | USA | USD | 4,361,175 | 0.14 |
| | | | | 17,252,285 | 0.57 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Diversified Financial Services** | | | | |
| 803,973 | Fortis | BEL | EUR | 34,290,102 | 1.13 |
| 551,180 | Citigroup Inc. | USA | USD | 30,700,726 | 1.02 |
| 204,570 | Legg Mason Inc. | USA | USD | 19,444,379 | 0.64 |
| 96,145 | The Bear Stearns Cos., Inc. | USA | USD | 15,650,483 | 0.52 |
| 127,100 | Prudential Financial Inc. | USA | USD | 10,912,806 | 0.36 |
| 524,707 | Conseco Inc. | USA | USD | 10,483,646 | 0.35 |
| 51,866 | Leucadia National Corp. | USA | USD | 1,462,621 | 0.05 |
| | | | | 122,944,763 | 4.07 |
| | **Diversified Metals & Mining** | | | | |
| 419,678 | Anglo American PLC | ZAF | GBP | 20,472,939 | 0.68 |
| 1,221,600 | Gammon Lake Resources Inc. | CAN | CAD | 19,908,332 | 0.66 |
| 2,363,300 | International Royalty Corp. | CAN | CAD | 12,047,202 | 0.40 |
| 501,390 | Massey Energy Co. | USA | USD | 11,647,290 | 0.38 |
| | | | | 64,075,763 | 2.12 |
| | **Electric Utilities** | | | | |
| 200,618 | RWE AG | DEU | EUR | 22,102,359 | 0.73 |
| 39,610 | E.ON AG | DEU | EUR | 5,400,743 | 0.18 |
| 43,443 | Suez SA | FRA | EUR | 2,249,720 | 0.07 |
| | | | | 29,752,822 | 0.98 |
| | **Electrical Components & Equipment** | | | | |
| 211,000 | American Power Conversion Corp. | USA | USD | 6,454,490 | 0.21 |
| | **Environmental Services** | | | | |
| 272,642 | Insun ENT Co., Ltd. | KOR | KRW | 3,239,456 | 0.11 |
| 38,474 | Republic Services Inc. | USA | USD | 1,564,738 | 0.05 |
| | | | | 4,804,194 | 0.16 |
| | **Food Distributors** | | | | |
| 857,325 | Orkla ASA | NOR | NOK | 48,533,537 | 1.61 |
| 1,654,028 | Cadbury Schweppes PLC | GBR | GBP | 17,702,039 | 0.59 |
| 459,300 | CSM NV | NLD | EUR | 17,685,740 | 0.58 |
| 60,400 | Farmer Brothers Co. | USA | USD | 1,289,540 | 0.04 |
| | | | | 85,210,856 | 2.82 |
| | **Forest Products** | | | | |
| 948,970 | Weyerhaeuser Co. | USA | USD | 67,044,730 | 2.22 |
| | **General Merchandise Stores** | | | | |
| 371,156 | Carrefour SA | FRA | EUR | 22,508,048 | 0.74 |
| 728,594 | Kroger Co. | USA | USD | 16,808,664 | 0.56 |
| | | | | 39,316,712 | 1.30 |
| | **Health Care Distributors & Services** | | | | |
| 114,100 | Express Scripts Inc. | USA | USD | 8,169,560 | 0.27 |
| 261,236 | MDS Inc. | CAN | CAD | 4,768,496 | 0.16 |
| | | | | 12,938,056 | 0.43 |
| | **Health Care Equipment** | | | | |
| 1,089,357 | Boston Scientific Corp. | USA | USD | 18,715,153 | 0.62 |
| 296,018 | Hillenbrand Industries Inc. | USA | USD | 16,852,305 | 0.56 |
| 246,360 | Bausch & Lomb Inc. | USA | USD | 12,825,502 | 0.42 |
| | | | | 48,392,960 | 1.60 |
| | **Health Care Facilities** | | | | |
| 86,778 | Kindred Healthcare Inc. | USA | USD | 2,081,587 | 0.07 |
| | **Home Improvement Retail** | | | | |
| 29,100 | The Home Depot Inc. | USA | USD | 1,168,656 | 0.04 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 294,846 | Wyndham Worldwide Corp. | USA | USD | 9,440,969 | 0.31 |
| | **Industrial Conglomerates** | | | | |
| 72,880 | Armstrong World Industries Inc. | USA | USD | 3,089,369 | 0.10 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Industrial Machinery** | | | | |
| 1,792,690 | Tyco International Ltd. | USA | USD | 54,497,776 | 1.80 |
| 163,188 | Siemens AG | DEU | EUR | 16,285,473 | 0.54 |
| 1,086,518 | Keppel Corp., Ltd. | SGP | SGD | 12,470,388 | 0.41 |
| 246,079 | Koninklijke Philips Electronics NV | NLD | EUR | 9,280,581 | 0.31 |
| | | | | 92,534,218 | 3.06 |
| | **Integrated Oil & Gas** | | | | |
| 80,800 | Total SA, B | FRA | EUR | 5,828,971 | 0.19 |
| 158,800 | BP PLC | GBR | GBP | 1,764,845 | 0.06 |
| 3,300 | BP PLC, ADR | GBR | USD | 221,430 | 0.01 |
| | | | | 7,815,246 | 0.26 |
| | **Integrated Telecommunication Services** | | | | |
| 1,544,552 | Verizon Communications Inc. | USA | USD | 57,519,116 | 1.90 |
| 1,386,330 | Sprint Nextel Corp. | USA | USD | 26,187,774 | 0.87 |
| 276,400 | Belgacom | BEL | EUR | 12,175,438 | 0.40 |
| 453,802 | NTL Inc. | GBR | USD | 11,453,962 | 0.38 |
| 211,471 | Embarq Corp. | USA | USD | 11,114,916 | 0.37 |
| 341,105 | Chunghwa Telecom Co., Ltd., ADR | TWN | USD | 6,730,002 | 0.22 |
| | | | | 125,181,208 | 4.14 |
| | **IT Consulting & Services** | | | | |
| 267,800 | International Business Machines Corp. | USA | USD | 26,016,770 | 0.86 |
| | **Leisure Products** | | | | |
| 872,830 | Mattel Inc. | USA | USD | 19,778,328 | 0.65 |
| | **Managed Health Care** | | | | |
| 172,600 | Caremark Rx Inc. | USA | USD | 9,857,186 | 0.32 |
| 223,190 | Aetna Inc. | USA | USD | 9,637,344 | 0.32 |
| | | | | 19,494,530 | 0.64 |
| | **Marine** | | | | |
| 1,481 | A P Moller – Maersk AS | DNK | DKK | 13,946,966 | 0.46 |
| | **Metal & Glass Containers** | | | | |
| 449,500 | Temple-Inland Inc. | USA | USD | 20,690,485 | 0.68 |
| | **Movies & Entertainment** | | | | |
| 2,140,550 | News Corp., A | USA | USD | 45,979,014 | 1.52 |
| 1,868,510 | Time Warner Inc. | USA | USD | 40,696,148 | 1.35 |
| 667,400 | Viacom Inc., B | USA | USD | 27,383,422 | 0.90 |
| 227,316 | Liberty Media Holding Corp., A | USA | USD | 22,272,421 | 0.74 |
| | | | | 136,331,005 | 4.51 |
| | **Multi-Line Insurance** | | | | |
| 274,700 | Hartford Financial Services Group Inc. | USA | USD | 25,632,257 | 0.85 |
| 356,450 | American International Group Inc. | USA | USD | 25,543,207 | 0.85 |
| 6,154 | Zurich Financial Services AG | CHE | CHF | 1,656,487 | 0.05 |
| | | | | 52,831,951 | 1.75 |
| | **Networking Equipment** | | | | |
| 550,100 | Comcast Corp., A | USA | USD | 23,038,188 | 0.76 |
| 571,700 | Cablevision Systems Corp., A | USA | USD | 16,282,016 | 0.54 |
| 57,704 | EchoStar Communications Corp., A | USA | USD | 2,194,483 | 0.07 |
| | | | | 41,514,687 | 1.37 |
| | **Office Electronics** | | | | |
| 27,600 | Symbol Technologies Inc. | USA | USD | 412,344 | 0.01 |
| | **Oil & Gas Drilling** | | | | |
| 964,300 | Seadrill Ltd. | BMU | NOK | 16,276,313 | 0.54 |
| 266,940 | Pogo Producing Co. | USA | USD | 12,930,573 | 0.43 |
| 1,361 | Basic Energy Services Inc. | USA | USD | 33,549 | 0.00 |
| | | | | 29,240,435 | 0.97 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 30,245 | NorthWestern Corp. | USA | USD | 1,070,068 | 0.04 |
| | **Packaged Foods** | | | | |
| 68,375 | Nestle SA | CHE | CHF | 24,296,397 | 0.80 |
| 150,500 | Groupe Danone | FRA | EUR | 22,807,031 | 0.76 |
| | | | | 47,103,428 | 1.56 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Paper Products** | | | | |
| 1,166,989 | Potlatch Corp. | USA | USD | 51,137,458 | 1.69 |
| 1,486,770 | International Paper Co. | USA | USD | 50,698,857 | 1.68 |
| | | | | 101,836,315 | 3.37 |
| | **Pharmaceuticals** | | | | |
| 1,631,263 | Pfizer Inc. | USA | USD | 42,249,712 | 1.40 |
| 85,780 | Sanofi-Aventis | FRA | EUR | 7,920,710 | 0.26 |
| 349,390 | Valeant Pharmaceuticals International | USA | USD | 6,023,483 | 0.20 |
| | | | | 56,193,905 | 1.86 |
| | **Property & Casualty Insurance** | | | | |
| 37,876 | Berkshire Hathaway Inc., B | USA | USD | 138,853,416 | 4.60 |
| 65,330 | White Mountains Insurance Group Ltd. | USA | USD | 37,854,162 | 1.25 |
| 451,280 | The St. Paul Travelers Cos., Inc. | USA | USD | 24,229,223 | 0.80 |
| 743,758 | Old Republic International Corp. | USA | USD | 17,314,686 | 0.57 |
| 86 | Berkshire Hathaway Inc., A | USA | USD | 9,459,140 | 0.31 |
| 16,038 | Alleghany Corp. | USA | USD | 5,831,417 | 0.19 |
| 76,300 | Montpelier Re Holdings Ltd. | BMU | USD | 1,419,943 | 0.05 |
| | | | | 234,961,987 | 7.77 |
| | **Publishing & Printing** | | | | |
| 11,102 | Washington Post Co., B | USA | USD | 8,277,651 | 0.28 |
| 191,774 | Sun-Time Media Group Inc., A | USA | USD | 941,611 | 0.03 |
| | | | | 9,219,262 | 0.31 |
| | **Real Estate Investment Trusts** | | | | |
| 448,700 | Jer Investors Trust Inc. | USA | USD | 9,274,629 | 0.31 |
| 173,376 | iStar Financial Inc. | USA | USD | 8,290,840 | 0.27 |
| 3,204,484 | Link REIT | HKG | HKD | 6,590,919 | 0.22 |
| 62,200 | Reckson Associates Realty Corp. | USA | USD | 2,836,320 | 0.09 |
| | | | | 26,992,708 | 0.89 |
| | **Real Estate Management & Development** | | | | |
| 395,957 | Realogy Corp. | USA | USD | 12,005,416 | 0.40 |
| 135,100 | The St. Joe Co. | USA | USD | 7,237,307 | 0.24 |
| | | | | 19,242,723 | 0.64 |
| | **Soft Drinks** | | | | |
| 1,090,130 | Coca-Cola Enterprises Inc. | USA | USD | 22,260,455 | 0.74 |
| | **Speciality Chemicals** | | | | |
| 130,000 | Linde AG | DEU | EUR | 13,474,542 | 0.45 |
| | **Steel** | | | | |
| 342,695 | Mittal Steel Co., NV | NLD | EUR | 14,466,937 | 0.48 |
| 77,990 | United States Steel Corp. | USA | USD | 5,704,189 | 0.19 |
| | | | | 20,171,126 | 0.67 |
| | **Tobacco** | | | | |
| 778,680 | Reynolds American Inc. | USA | USD | 50,980,179 | 1.69 |
| 572,907 | Altria Group Inc. | USA | USD | 49,166,879 | 1.63 |
| 1,718,325 | British American Tobacco PLC | GBR | GBP | 48,087,014 | 1.59 |
| 769,780 | KT&G Corp. | KOR | KRW | 46,766,204 | 1.55 |
| 667,910 | Altadis SA | ESP | EUR | 34,958,396 | 1.16 |
| 733,812 | Imperial Tobacco Group PLC | GBR | GBP | 28,884,918 | 0.95 |
| 1,353 | Japan Tobacco Inc. | JPN | JPY | 6,535,683 | 0.21 |
| 10,200 | British American Tobacco PLC, ADR | GBR | USD | 577,932 | 0.02 |
| | | | | 265,957,205 | 8.80 |
| | **TOTAL SHARES** | | | 2,438,226,244 | 80.65 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **WARRANTS** | | | | |
| | **Oil & Gas Refining & Marketing** | | | | |
| 3,196 | Northwestern Corp., wts. | USA | USD | 36,402 | 0.00 |
| | **TOTAL WARRANTS** | | | 36,402 | 0.00 |
| | **DERIVATIVES** | | | | |
| | **Options** | | | | |
| 184 | Kindred Healthcare Inc., 23.75 Calls | USA | USD | 44 | 0.00 |
| 56 | Kindred Healthcare Inc., 26 Calls | USA | USD | 0 | 0.00 |
| | **Total Options** | | | 44 | 0.00 |
| | **TOTAL DERIVATIVES** | | | 44 | 0.00 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 2,438,262,690 | 80.65 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Airlines** | | | | |
| 75,158 | ACE Aviation Holdings Inc., A | CAN | CAD | 2,437,435 | 0.08 |
| | **Building Products** | | | | |
| 235,448 | Owens Corning Inc. | USA | USD | 6,687,900 | 0.22 |
| | **Consumer Finance** | | | | |
| 3,415,192 | Cerberus FIM Investors Rescap LLC | USA | USD | 3,459,863 | 0.12 |
| 1,610,185 | Cerberus FIM Investors Insurance LLC | USA | USD | 1,631,246 | 0.05 |
| 1,545,858 | Cerberus FIM Investors Auto Finance LLC | USA | USD | 1,566,078 | 0.05 |
| 337,986 | Cerberus FIM Investors Commercial Mortgage LLC | USA | USD | 342,407 | 0.01 |
| 197,529 | Cerberus FIM Investors Commercial Finance LLC | USA | USD | 200,113 | 0.01 |
| 83 | Comdisco Holding Co., Inc. | USA | USD | 979 | 0.00 |
| | | | | 7,200,686 | 0.24 |
| | **Industrial Conglomerates** | | | | |
| 6,506 | Anchor Resources LLC | USA | USD | 0 | 0.00 |
| | **Integrated Telecommunication Services** | | | | |
| 28,426 | AboveNet Inc. | USA | USD | 870,972 | 0.03 |
| 7,169 | PTV Inc., 10.00%, pfd., A | GBR | USD | 26,884 | 0.00 |
| | | | | 897,856 | 0.03 |
| | **Life & Health Insurance** | | | | |
| 136,000 | Symetra Financial | USA | USD | 16,076,560 | 0.53 |
| | **Railroads** | | | | |
| 614,325 | Florida East Coast Industries Inc. | USA | USD | 34,783,082 | 1.15 |
| | **Semiconductors** | | | | |
| 13,670 | DecisionOne Corp. | USA | USD | 9,747 | 0.00 |
| | **Steel** | | | | |
| 8,792 | Esmark Inc., 8.00%, cvt., pfd., A | USA | USD | 9,469,072 | 0.32 |
| 2,415 | Esmark Inc. | USA | USD | 1,795,311 | 0.06 |
| | | | | 11,264,383 | 0.38 |
| | **Tyres & Rubber** | | | | |
| 3,254,867 | International Automotive Components Group LLC | LUX | USD | 3,254,867 | 0.11 |
| 765,729 | International Automotive Components Group Brazil LLC | BRA | USD | 3,154,803 | 0.10 |
| | | | | 6,409,670 | 0.21 |
| | **TOTAL SHARES** | | | 85,767,319 | 2.84 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 10,245,575 | Cerberus FIM Investors Rescap LLC, 12.00%, 11/22/13 | USA | USD | 10,245,575 | 0.34 |
| 4,830,557 | Cerberus FIM Investors Insurance LLC, 12.00%, 11/22/13 | USA | USD | 4,830,557 | 0.16 |
| 4,612,460 | Cerberus FIM Investors Auto Finance LLC, 12.00%, 11/22/13 | USA | USD | 4,612,460 | 0.15 |
| 4,269,088 | Trump Entertainment Resorts Inc., 8.50%, 05/20/15 | USA | USD | 4,269,088 | 0.14 |
| 3,993,000 | Adelphia Communications Corp., 8.125%, 07/15/03 * | USA | USD | 3,683,542 | 0.12 |
| 3,893,000 | Dana Corp., 5.85%, 01/15/15 * | USA | USD | 2,802,960 | 0.09 |
| 1,839,000 | Adelphia Communications Corp., 7.75%, 01/15/09 * | USA | USD | 1,696,477 | 0.06 |
| 1,669,000 | Adelphia Communications Corp., 9.25%, 10/01/02 * | USA | USD | 1,527,135 | 0.05 |
| 1,302,000 | Century Communications Corp., 0.00%, 03/15/03 * | USA | USD | 1,389,885 | 0.05 |
| 1,425,000 | Adelphia Communications Corp., 10.25%, 06/15/11 * | USA | USD | 1,360,875 | 0.05 |
| 1,281,000 | Adelphia Communications Corp., 9.375%, 11/15/09 * | USA | USD | 1,220,152 | 0.04 |
| 1,013,957 | Cerberus FIM Investors Commercial Mortgage LLC, 12.00%, 11/22/13 | USA | USD | 1,013,957 | 0.03 |
| 987,000 | Adelphia Communications Corp., 10.25%, 11/01/06 * | USA | USD | 900,637 | 0.03 |
| 828,000 | Adelphia Communications Corp., 10.875%, 10/01/10 * | USA | USD | 763,830 | 0.03 |
| 706,000 | Adelphia Communications Corp., 8.375%, 02/01/08 * | USA | USD | 651,285 | 0.02 |
| 929,000 | Century Communications Corp., B, 0.00%, 01/15/08 * | USA | USD | 647,977 | 0.02 |
| 865,000 | Dana Corp., 7.00%, 03/01/29 * | USA | USD | 640,100 | 0.02 |
| 592,587 | Cerberus FIM Investors Commercial Finance LLC, 12.00%, 11/22/13 | USA | USD | 592,587 | 0.02 |
| 460,000 | Adelphia Communications Corp., 7.875%, 05/01/09 * | USA | USD | 417,450 | 0.01 |
| 350,000 | Adelphia Communications Corp., 10.50%, 07/15/04 * | USA | USD | 327,250 | 0.01 |
| 261,000 | Adelphia Communications Corp., 9.875%, 03/01/05 * | USA | USD | 240,773 | 0.01 |
| 214,000 | Adelphia Communications Corp., 7.50%, 01/15/04 * | USA | USD | 197,415 | 0.01 |
| 142,000 | Century Communications Corp., 9.50%, 03/01/05 * | USA | USD | 172,530 | 0.01 |
| 97,000 | Dana Corp., 6.50%, 03/01/09 * | USA | USD | 73,235 | 0.00 |
| 590,000 | NorthWestern Corp., Escrow Account, 8.75%, 03/15/12 | USA | USD | 62,316 | 0.00 |
| 2,634,000 | Armstrong World Industries Inc., 6.35%, 08/15/03 * | USA | USD | 32,925 | 0.00 |
| 316,000 | NorthWestern Corp., Escrow Account, 6.95%, 11/15/28 | USA | USD | 32,785 | 0.00 |
| 1,561,500 | Armstrong World Industries Inc., Escrow Account, 0.00%, 02/20/49 * | USA | USD | 19,519 | 0.00 |
| 15,911 | DecisionOne Corp., 12.00%, 04/15/10 | USA | USD | 15,911 | 0.00 |
| 30,000 | Dow Corning Corp., Escrow Account, 9.375% | USA | USD | 11,625 | 0.00 |
| 738,000 | Armstrong World Industries Inc., 9.75%, 04/15/08 * | USA | USD | 9,225 | 0.00 |
| 582,300 | Armstrong World Industries Inc., 0.00%, 10/29/03 * | USA | USD | 7,279 | 0.00 |
| 434,000 | Armstrong World Industries Inc., 7.45%, 05/15/29 * | USA | USD | 5,425 | 0.00 |
| 241,000 | Armstrong World Industries Inc., 6.50%, 08/15/05 * | USA | USD | 3,013 | 0.00 |
| 8,900 | Northwestern Corp., Escrow Account, pfd., 8.45% | USA | USD | 56 | 0.00 |
| 1,135,000 | Abovenet Inc., Escrow Account, 10.00%, 11/15/08 | USA | USD | 0 | 0.00 |
| 542,000 | Abovenet Inc., Escrow Account, 10.00%, 12/15/09 | USA | USD | 0 | 0.00 |
| 1,311,000 | Abovenet Inc., Escrow Account, 10.00%, 12/15/09 | USA | USD | 0 | 0.00 |
| 700,000 | Comdisco Holding Co., Inc., 6.13%, 08/01/01 | USA | USD | 0 | 0.00 |
| 57,000 | Comdisco Holding Co., Inc., 6.65%, 11/13/01 | USA | USD | 0 | 0.00 |
| 67,000 | Comdisco Holding Co., Inc., 7.23%, 08/16/01 | USA | USD | 0 | 0.00 |
| 436,000 | Comdisco Holding Co., Inc., 6.375%, 11/30/01 | USA | USD | 0 | 0.00 |
| 187,000 | Comdisco Holding Co., Inc., Escrow Account, 0.00% | USA | USD | 0 | 0.00 |
| 252,220 | Comdisco Holding Co., Inc., 364 DAY REVOLVER, 0.00%, 12/04/01 | USA | USD | 0 | 0.00 |
| 675,000 | Comdisco Holding Co., Inc., 6.00%, 01/30/02 | USA | USD | 0 | 0.00 |
| 999,000 | Comdisco Holding Co., Inc., 5.95%, 04/30/02 | USA | USD | 0 | 0.00 |
| 127,000 | Comdisco Holding Co., Inc., 9.50%, 08/15/03 | USA | USD | 0 | 0.00 |
| 2,365,399 | Global Crossing Holdings Ltd., 0.00%, 02/20/49 | USA | USD | 0 | 0.00 |
| 470,000 | Global Crossing Holdings Ltd., 9.50%, 11/15/09 | USA | USD | 0 | 0.00 |
| 285,000 | Global Crossing Holdings Ltd., 9.625%, 05/15/08 | USA | USD | 0 | 0.00 |
| 555,000 | Global Crossing Holdings Ltd., 9.125%, 11/16/06 | USA | USD | 0 | 0.00 |
| 90,000 | Global Crossing Holdings Ltd., 6.00%, 02/20/49 | USA | USD | 0 | 0.00 |
| 80,000 | Global Crossing Holdings Ltd., 7.25%, 02/20/49 | USA | USD | 0 | 0.00 |
| 890,000 | Marconi Corp., Escrow account, 2.364%, 05/21/09 | GBR | USD | 0 | 0.00 |
| 1,015,000 | Marconi Corp., Escrow Account, 8.375%, 09/15/30 | GBR | USD | 0 | 0.00 |
| 70,000 | Marconi Corp., Escrow Account, 5.625%, 03/30/05 | GBR | USD | 0 | 0.00 |
| 572,000 | Marconi Corp., Escrow Account, 6.375%, 03/20/10 | GBR | USD | 0 | 0.00 |
| 2,980,153 | Owens Corning, Revolver, 0.00%, 06/26/02 | USA | USD | 0 | 0.00 |
| | | | | 44,477,811 | 1.47 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Securities Maturing Within One Year** | | | | |
| 93,592,000 | FHLB, 0.00%, 01/02/07 | USA | USD | 93,592,000 | 3.10 |
| 75,000,000 | FHLB, 0.00%, 01/03/07 | USA | USD | 75,000,000 | 2.48 |
| 25,000,000 | FHLB, 0.00%, 01/05/07 | USA | USD | 24,992,900 | 0.83 |
| 15,000,000 | U.S. Treasury Bill, 0.00%, 05/03/07 | USA | USD | 14,756,145 | 0.49 |
| 13,000,000 | FHLB, 0.00%, 02/28/07 | USA | USD | 12,896,767 | 0.43 |
| 10,000,000 | FHLB, 0.00%, 01/08/07 | USA | USD | 9,992,900 | 0.33 |
| 10,000,000 | FHLB, 0.00%, 01/10/07 | USA | USD | 9,990,050 | 0.33 |
| 10,000,000 | FHLB, 0.00%, 01/16/07 | USA | USD | 9,981,530 | 0.33 |
| 10,000,000 | FHLB, 0.00%, 01/17/07 | USA | USD | 9,980,110 | 0.33 |
| 10,000,000 | FHLB, 0.00%, 03/30/07 | USA | USD | 9,878,290 | 0.33 |
| 10,000,000 | FHLB, 0.00%, 04/17/07 | USA | USD | 9,853,100 | 0.33 |
| 8,000,000 | FHLB, 0.00%, 04/04/07 | USA | USD | 7,897,168 | 0.26 |
| 7,000,000 | FHLB, 0.00%, 03/16/07 | USA | USD | 6,928,670 | 0.23 |
| 6,000,000 | FHLB, 0.00%, 02/09/07 | USA | USD | 5,968,518 | 0.20 |
| 6,000,000 | FHLB, 0.00%, 03/09/07 | USA | USD | 5,944,806 | 0.20 |
| 5,000,000 | FHLB, 0.00%, 06/04/07 | USA | USD | 4,999,785 | 0.17 |
| 5,000,000 | FHLB, 5.22%, 11/14/07 | USA | USD | 4,996,650 | 0.17 |
| 5,000,000 | FHLB, 0.00%, 01/12/07 | USA | USD | 4,993,605 | 0.17 |
| 5,000,000 | FHLB, 0.00%, 01/31/07 | USA | USD | 4,980,110 | 0.16 |
| 5,000,000 | FHLB, 0.00%, 02/23/07 | USA | USD | 4,963,840 | 0.16 |
| 5,000,000 | FHLB, 0.00%, 03/23/07 | USA | USD | 4,944,095 | 0.16 |
| 5,000,000 | FHLB, 0.00%, 04/12/07 | USA | USD | 4,930,080 | 0.16 |
| 4,690,000 | FHLB, 0.00%, 05/29/07 | USA | USD | 4,593,663 | 0.15 |
| 4,000,000 | FHLB, 0.00%, 02/02/07 | USA | USD | 3,982,984 | 0.13 |
| 3,430,000 | FHLB, 0.00%, 04/10/07 | USA | USD | 3,383,006 | 0.11 |
| 584,000 | Century Communications Corp., 8.75%, 10/01/07 * | USA | USD | 684,740 | 0.02 |
| 141,000 | Adelphia Communications Corp., 9.875%, 03/01/07 * | USA | USD | 130,072 | 0.00 |
| 72,000 | Century Communications Corp., 8.875%, 01/15/07 * | USA | USD | 86,760 | 0.00 |
| 60,000 | Century Communications Corp., 8.375%, 12/15/07 * | USA | USD | 72,300 | 0.00 |
| 1,461,000 | Abovenet Inc., Escrow Account, 14.00%, 03/05/07 | USA | USD | 0 | 0.00 |
| | | | | 355,394,644 | 11.76 |
| | **TOTAL BONDS** | | | 399,872,455 | 13.23 |
| | **WARRANTS** | | | | |
| | **Integrated Telecommunication Services** | | | | |
| 1,353 | AboveNet Inc., wts., 09/08/10 | USA | USD | 38,966 | 0.00 |
| 1,149 | AboveNet Inc., wts., 09/08/08 | USA | USD | 36,768 | 0.00 |
| | | | | 75,734 | 0.00 |
| | **TOTAL WARRANTS** | | | 75,734 | 0.00 |
| | **DERIVATIVES** | | | | |
| | **Options** | | | | |
| 40 | Abovenet Inc., 20.95 Calls | USA | USD | 1,082 | 0.00 |
| 42 | Kindred Healthcare Inc., 9.07 Calls | USA | USD | 626 | 0.00 |
| 28 | Kindred Healthcare Inc., 25.99 Calls | USA | USD | 0 | 0.00 |
| 11 | Kindred Healthcare Inc., 27.9 Calls | USA | USD | 0 | 0.00 |
| (210) | Bausch & Lomb Inc., 55 Calls | USA | USD | (5,250) | 0.00 |
| (69) | Bausch & Lomb Inc., 55 Calls | USA | USD | (8,970) | 0.00 |
| | **Total Options** | | | (12,512) | 0.00 |
| | **TOTAL DERIVATIVES** | | | (12,512) | 0.00 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 485,702,996 | 16.07 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Insurance Brokers** | | | | |
| 2,600 | Olympus Re Holdings Ltd. | USA | USD | 2,600 | 0.00 |
| | **TOTAL SHARES** | | | 2,600 | 0.00 |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 380,000 | ACE Aviation Holdings Inc., cvt., 144A, 4.25%, 06/01/35 | CAN | CAD | 327,317 | 0.01 |
| | **TOTAL BONDS** | | | 327,317 | 0.01 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 329,917 | 0.01 |
| | **TOTAL INVESTMENTS** | | | 2,924,295,603 | 96.73 |

* These Corporate Bonds are currently in default

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Advertising** | | | | |
| 679,229 | JC Decaux SA | FRA | EUR | 14,725,685 | 0.55 |
| | **Agricultural Products** | | | | |
| 10,763,473 | Pan Fish ASA | NOR | NOK | 7,453,473 | 0.28 |
| | **Air Freight & Couriers** | | | | |
| 17,801 | Geodis SA | FRA | EUR | 2,768,056 | 0.10 |
| | **Automobile Manufacturers** | | | | |
| 162,625 | Renault SA | FRA | EUR | 14,798,875 | 0.55 |
| | **Banks** | | | | |
| 615,827 | BNP Paribas SA | FRA | EUR | 50,898,101 | 1.89 |
| 1,744,270 | Swedbank AB, A | SWE | SEK | 47,927,315 | 1.78 |
| 1,905,830 | Svenska Handelsbanken AB, A | SWE | SEK | 43,621,189 | 1.62 |
| 6,706,882 | Banca Intesa SpA | ITA | EUR | 39,235,260 | 1.46 |
| 285,042 | Societe Generale, A | FRA | EUR | 36,656,401 | 1.37 |
| 908,040 | Danske Bank AS | DNK | DKK | 30,563,381 | 1.14 |
| 191,680 | KBC Groep NV | BEL | EUR | 17,807,072 | 0.66 |
| 900,000 | SNS Reaal Groep NV | NLD | EUR | 14,787,000 | 0.55 |
| 138,800 | Natixis | FRA | EUR | 2,953,664 | 0.11 |
| 19,142 | Postal Savings Bank | GRC | EUR | 341,876 | 0.01 |
| | | | | 284,791,259 | 10.59 |
| | **Brewers** | | | | |
| 199,117 | Pernod Ricard SA | FRA | EUR | 34,646,358 | 1.29 |
| 283,691 | Carlsberg AS, B | DNK | DKK | 21,341,803 | 0.79 |
| 8,100 | Carlsberg AS, A | DNK | DKK | 564,821 | 0.02 |
| | | | | 56,552,982 | 2.10 |
| | **Broadcasting & Cable TV** | | | | |
| 2,350,466 | Mediaset SpA | ITA | EUR | 21,130,689 | 0.79 |
| | **Building Products** | | | | |
| 1,177,060 | Schindler Holding AG | CHE | CHF | 56,088,916 | 2.08 |
| 299,580 | Schindler Holding AG, Reg D | CHE | CHF | 14,154,440 | 0.53 |
| | | | | 70,243,356 | 2.61 |
| | **Casinos & Gaming** | | | | |
| 1,919,553 | Ladbrokes PLC | GBR | GBP | 11,924,903 | 0.44 |
| | **Commodity Chemicals** | | | | |
| 29,653 | Sika AG | CHE | CHF | 34,841,491 | 1.30 |
| | **Construction & Engineering** | | | | |
| 494,400 | Kone OYJ, B | FIN | EUR | 21,229,536 | 0.79 |
| | **Construction & Farm Machinery** | | | | |
| 443,176 | Jungheinrich AG, pfd. | DEU | EUR | 10,215,207 | 0.38 |
| | **Department Stores** | | | | |
| 10,770 | Jelmoli Holding AG | CHE | CHF | 18,312,149 | 0.68 |
| | **Diversified Chemicals** | | | | |
| 1,199,750 | Koninklijke DSM NV | NLD | EUR | 44,906,643 | 1.67 |
| 418,223 | Arkema | FRA | EUR | 16,281,421 | 0.61 |
| | | | | 61,188,064 | 2.28 |
| | **Diversified Commercial Services** | | | | |
| 312,490 | Techem AG | DEU | EUR | 17,327,570 | 0.64 |
| | **Diversified Financial Services** | | | | |
| 1,709,744 | Fortis | BEL | EUR | 55,241,829 | 2.05 |
| 265,242 | Deutsche Boerse AG | DEU | EUR | 36,980,040 | 1.37 |
| 619,130 | Hypo Real Estate Holding AG | DEU | EUR | 29,513,927 | 1.10 |
| 689,527 | Aareal Bank AG | DEU | EUR | 24,298,931 | 0.90 |
| 198,265 | Almancora Comm VA | BEL | EUR | 21,412,620 | 0.80 |
| 188,735 | Euronext NV | NLD | EUR | 16,891,783 | 0.63 |
| 759,674 | D. Carnegie & Co., AB | SWE | SEK | 12,389,742 | 0.46 |
| | | | | 196,728,872 | 7.31 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Diversified Metals & Mining** | | | | |
| 1,800,209 | Anglo American PLC | ZAF | GBP | 66,526,790 | 2.47 |
| 4,041,574 | African Platinum PLC | GBR | GBP | 2,083,556 | 0.08 |
| | | | | 68,610,346 | 2.55 |
| | **Electric Utilities** | | | | |
| 713,868 | RWE AG | DEU | EUR | 59,579,423 | 2.21 |
| 505,014 | E.ON AG | DEU | EUR | 52,162,896 | 1.94 |
| 1,313,178 | Suez SA | FRA | EUR | 51,515,973 | 1.92 |
| | | | | 163,258,292 | 6.07 |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 692,141 | K+S AG | DEU | EUR | 56,928,597 | 2.12 |
| | **Food Distributors** | | | | |
| 1,496,095 | Orkla ASA | NOR | NOK | 64,160,135 | 2.38 |
| 1,160,667 | CSM NV | NLD | EUR | 33,856,657 | 1.26 |
| 4,023,888 | Cadbury Schweppes PLC | GBR | GBP | 32,623,906 | 1.21 |
| 1,230,351 | RHM PLC | GBR | GBP | 6,917,802 | 0.26 |
| | | | | 137,558,500 | 5.11 |
| | **General Merchandise Stores** | | | | |
| 1,015,290 | Carrefour SA | FRA | EUR | 46,642,423 | 1.73 |
| | **Health Care Facilities** | | | | |
| 741,769 | Rhoen-Klinikum AG | DEU | EUR | 26,844,620 | 1.00 |
| | **Home Furnishings** | | | | |
| 436,309 | Hunter Douglas NV | NLD | EUR | 26,571,218 | 0.99 |
| | **Industrial Machinery** | | | | |
| 773,343 | Siemens AG | DEU | EUR | 58,464,731 | 2.17 |
| 1,555,084 | Koninklijke Philips Electronics NV | NLD | EUR | 44,428,750 | 1.65 |
| 2,997,998 | AB SKF, B | SWE | SEK | 41,933,861 | 1.56 |
| 784,500 | Norsk Hydro ASA | NOR | NOK | 18,441,885 | 0.69 |
| | | | | 163,269,227 | 6.07 |
| | **Integrated Oil & Gas** | | | | |
| 811,124 | Total SA, B | FRA | EUR | 44,327,926 | 1.65 |
| 658,065 | Royal Dutch Shell PLC, A | GBR | EUR | 17,583,497 | 0.66 |
| 423,198 | Eni SpA | ITA | EUR | 10,783,085 | 0.40 |
| 1,162,067 | BP PLC | GBR | GBP | 9,783,561 | 0.36 |
| | | | | 82,478,069 | 3.07 |
| | **Integrated Telecommunication Services** | | | | |
| 2,754,403 | Koninklijke (Royal) KPN NV | NLD | EUR | 29,664,920 | 1.10 |
| 875,494 | Belgacom | BEL | EUR | 29,215,235 | 1.09 |
| 1,298,420 | NTL Inc. | GBR | USD | 24,826,425 | 0.92 |
| | | | | 83,706,580 | 3.11 |
| | **IT Consulting & Services** | | | | |
| 1,591,650 | OMX AB | SWE | SEK | 22,174,872 | 0.82 |
| | **Marine** | | | | |
| 4,564 | A P Moller – Maersk AS | DNK | DKK | 32,559,667 | 1.21 |
| 2,530,517 | Bergesen Worldwide Offshore Ltd. | NOR | NOK | 8,054,562 | 0.30 |
| | | | | 40,614,229 | 1.51 |
| | **Meat, Poultry & Fish** | | | | |
| 508,027 | Leroy Seafood Group ASA | NOR | NOK | 6,789,079 | 0.25 |
| | **Movies & Entertainment** | | | | |
| 1,296,300 | Time Warner Inc. | USA | USD | 21,388,141 | 0.80 |
| | **Multi-Line Insurance** | | | | |
| 33,166 | Zurich Financial Services AG | CHE | CHF | 6,762,904 | 0.25 |
| | **Oil & Gas Drilling** | | | | |
| 1,651,598 | Aker Drilling ASA | NOR | NOK | 7,704,899 | 0.28 |
| 583,570 | Seadrill Ltd. | BMU | NOK | 7,461,849 | 0.28 |
| | | | | 15,166,748 | 0.56 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Oil & Gas Equipment & Services** | | | | |
| 492,825 | Petroleum Geo-Services ASA | NOR | NOK | 8,771,255 | 0.33 |
| 199,296 | Bourbon SA | FRA | EUR | 8,296,693 | 0.31 |
| 2,578,240 | Deep Sea Supply PLC | NOR | NOK | 5,919,930 | 0.22 |
| 135,566 | Fugro NV | NLD | EUR | 4,907,489 | 0.18 |
| 17,641 | Compagnie Generale de Geophysique SA | FRA | EUR | 2,896,652 | 0.11 |
| | | | | 30,792,019 | 1.15 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 26,658 | Gaz de France | FRA | EUR | 929,031 | 0.03 |
| | **Packaged Foods** | | | | |
| 200,321 | Nestle SA | CHE | CHF | 53,923,822 | 2.00 |
| 385,554 | Groupe Danone | FRA | EUR | 44,261,599 | 1.65 |
| 1,651,803 | Rieber & Son ASA | NOR | NOK | 11,237,706 | 0.42 |
| | | | | 109,423,127 | 4.07 |
| | **Paper Products** | | | | |
| 529,373 | Ahlstrom OYJ, A | FIN | EUR | 11,990,298 | 0.45 |
| | **Pharmaceuticals** | | | | |
| 532,860 | Sanofi-Aventis | FRA | EUR | 37,273,557 | 1.39 |
| | **Property & Casualty Insurance** | | | | |
| 760 | White Mountains Insurance Group Ltd. | USA | USD | 333,599 | 0.01 |
| | **Publishing & Printing** | | | | |
| 2,461,980 | Talentum OYJ | FIN | EUR | 8,099,914 | 0.30 |
| 86,940 | Sun-Time Media Group Inc., A | USA | USD | 323,378 | 0.01 |
| | | | | 8,423,292 | 0.31 |
| | **Real Estate Investment Trusts** | | | | |
| 909,443 | Eurocastle Investment Ltd. | GNS | EUR | 35,104,500 | 1.31 |
| | **Real Estate Management & Development** | | | | |
| 797,090 | Patrizia Immobilien AG | DEU | EUR | 18,014,234 | 0.67 |
| | **Speciality Chemicals** | | | | |
| 798,338 | Linde AG | DEU | EUR | 62,685,500 | 2.33 |
| | **Steel** | | | | |
| 497,283 | Mittal Steel Co., NV | NLD | EUR | 15,903,111 | 0.59 |
| 345,527 | Mittal Steel Co., NV | NLD | EUR | 11,046,498 | 0.41 |
| | | | | 26,949,609 | 1.00 |
| | **Tobacco** | | | | |
| 2,619,610 | Imperial Tobacco Group PLC | GBR | GBP | 78,114,671 | 2.90 |
| 2,961,084 | British American Tobacco PLC | GBR | GBP | 62,774,443 | 2.33 |
| 1,286,241 | Altadis SA | ESP | EUR | 50,999,456 | 1.90 |
| | | | | 191,888,570 | 7.13 |
| | **Trading Companies & Distributors** | | | | |
| 316,323 | Compania de Distribucion Integral Logista SA | ESP | EUR | 15,468,195 | 0.58 |
| 181,599 | Kloeckner & Co., AG | DEU | EUR | 5,989,135 | 0.22 |
| | | | | 21,457,330 | 0.80 |
| | **TOTAL SHARES** | | | 2,368,260,678 | 88.05 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 2,368,260,678 | 88.05 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Integrated Telecommunication Services** | | | | |
| 4,604 | PTV Inc., 10.00%, pfd., A | GBR | USD | 13,079 | 0.00 |
| | **Life & Health Insurance** | | | | |
| 23,879 | Augsburg Re AG | CHE | USD | 0 | 0.00 |
| | **Oil & Gas Equipment & Services** | | | | |
| 17,418,099 | Euro Wagon LP | JER | EUR | 17,418,099 | 0.65 |
| | **Real Estate Management & Development** | | | | |
| 2,100 | Canary Wharf Group PLC | GBR | GBP | 10,842 | 0.00 |
| | **TOTAL SHARES** | | | 17,442,020 | 0.65 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 274,604 | Augsburg Re AG, 0.00%, 11/17/06 | CHE | USD | 2,080 | 0.00 |
| 555,000 | Marconi Corp., Escrow account, 2.364%, 05/21/09 | GBR | USD | 0 | 0.00 |
| 690,000 | Marconi Corp., Escrow Account, 8.375%, 09/15/30 | GBR | USD | 0 | 0.00 |
| 45,000 | Marconi Corp., Escrow Account, 5.625%, 03/30/05 | GBR | USD | 0 | 0.00 |
| 375,000 | Marconi Corp., Escrow Account, 6.375%, 03/20/10 | GBR | USD | 0 | 0.00 |
| 1,571,000 | Marconi Corp., Escrow Account, 0.00%, 02/20/49 | GBR | USD | 0 | 0.00 |
| 423,900 | Marconi Corp., Escrow Account, 0.00%, 02/20/49 | GBR | GBP | 0 | 0.00 |
| | | | | 2,080 | 0.00 |
| | **Securities Maturing Within One Year** | | | | |
| 20,000,000 | German Treasury Bill, 0.00%, 02/14/07 | DEU | EUR | 19,932,888 | 0.74 |
| 20,000,000 | German Treasury Bill, 0.00%, 03/14/07 | DEU | EUR | 19,865,200 | 0.74 |
| 20,000,000 | German Treasury Bill, 0.00%, 04/18/07 | DEU | EUR | 19,795,300 | 0.73 |
| 22,000,000 | HBOS Treasury Services, 0.00%, 01/16/07 | GBR | USD | 16,631,921 | 0.62 |
| 15,000,000 | German Treasury Bill, 0.00%, 01/17/07 | DEU | EUR | 14,980,200 | 0.56 |
| | | | | 91,205,509 | 3.39 |
| | **TOTAL BONDS** | | | 91,207,589 | 3.39 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 108,649,609 | 4.04 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Industrial Machinery** | | | | |
| 2,050,000 | Globe Specialty Metals Inc., 144A | USA | USD | 7,771,070 | 0.29 |
| | **TOTAL SHARES** | | | 7,771,070 | 0.29 |
| | **WARRANTS** | | | | |
| | **Industrial Machinery** | | | | |
| 4,100,000 | Globe Specialty Metals Inc., wts., 144A, 10/03/09 | USA | USD | 1,677,209 | 0.06 |
| | **TOTAL WARRANTS** | | | 1,677,209 | 0.06 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 9,448,279 | 0.35 |
| | **TOTAL INVESTMENTS** | | | 2,486,358,566 | 92.44 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Advertising** | | | | |
| 43,150 | JC Decaux SA | FRA | EUR | 1,234,896 | 0.62 |
| | **Agricultural Products** | | | | |
| 4,947,595 | Pan Fish ASA | NOR | NOK | 4,522,627 | 2.28 |
| 74,560 | Cermaq ASA | NOR | NOK | 1,088,100 | 0.55 |
| | | | | 5,610,727 | 2.83 |
| | **Air Freight & Couriers** | | | | |
| 1,047 | Geodis SA | FRA | EUR | 214,915 | 0.11 |
| | **Application Software** | | | | |
| 45,100 | Microsoft Corp. | USA | USD | 1,346,686 | 0.68 |
| | **Automobile Manufacturers** | | | | |
| 2,764 | Renault SA | FRA | EUR | 332,024 | 0.17 |
| | **Banks** | | | | |
| 247 | Sumitomo Mitsui Financial Group Inc. | JPN | JPY | 2,531,524 | 1.28 |
| 14,446 | Societe Generale, A | FRA | EUR | 2,452,330 | 1.24 |
| 51,910 | Swedbank AB, A | SWE | SEK | 1,882,829 | 0.95 |
| 223,284 | Banca Intesa SpA | ITA | EUR | 1,724,264 | 0.87 |
| 55,890 | Svenska Handelsbanken AB, A | SWE | SEK | 1,688,643 | 0.85 |
| 128 | Mitsubishi UFJ Financial Group Inc. | JPN | JPY | 1,580,712 | 0.80 |
| 1,635,120 | Chinatrust Financial Holding Co., Ltd. | TWN | TWD | 1,367,409 | 0.69 |
| 12,260 | BNP Paribas SA | FRA | EUR | 1,337,592 | 0.67 |
| 29,670 | Danske Bank AS | DNK | DKK | 1,318,270 | 0.67 |
| 14,985 | Natixis | FRA | EUR | 420,939 | 0.21 |
| 8,625 | Bank of Ireland | IRL | EUR | 199,245 | 0.10 |
| 3,949 | Washington Mutual Inc. | USA | USD | 179,640 | 0.09 |
| 3,395 | First Community Bancorp | USA | USD | 177,457 | 0.09 |
| 1,150 | Wachovia Corp. | USA | USD | 65,492 | 0.03 |
| 924 | Sovereign Bancorp Inc. | USA | USD | 23,460 | 0.01 |
| | | | | 16,949,806 | 8.55 |
| | **Brewers** | | | | |
| 27,870 | Carlsberg AS, B | DNK | DKK | 2,767,661 | 1.40 |
| 11,822 | Pernod Ricard SA | FRA | EUR | 2,715,380 | 1.37 |
| | | | | 5,483,041 | 2.77 |
| | **Broadcasting & Cable TV** | | | | |
| 14,442 | Clear Channel Communications Inc. | USA | USD | 513,269 | 0.26 |
| 42,997 | Mediaset SpA | ITA | EUR | 510,256 | 0.26 |
| | | | | 1,023,525 | 0.52 |
| | **Building Products** | | | | |
| 13,450 | Schindler Holding AG | CHE | CHF | 846,040 | 0.43 |
| 5,400 | Schindler Holding AG, Reg D | CHE | CHF | 336,794 | 0.17 |
| | | | | 1,182,834 | 0.60 |
| | **Casinos & Gaming** | | | | |
| 11,108 | Ladbrokes PLC | GBR | GBP | 91,092 | 0.05 |
| | **Commodity Chemicals** | | | | |
| 880 | Sika AG | CHE | CHF | 1,364,901 | 0.69 |
| | **Computer Storage & Peripherals** | | | | |
| 18,680 | Dell Inc. | USA | USD | 468,681 | 0.24 |
| | **Construction & Engineering** | | | | |
| 774 | Kone OYJ, B | FIN | EUR | 43,873 | 0.02 |
| | **Construction & Farm Machinery** | | | | |
| 26,960 | Hanjin Heavy Industries Co., Ltd. | KOR | KRW | 878,374 | 0.44 |
| | **Construction Materials** | | | | |
| 2,404 | KCC Corp. | KOR | KRW | 748,342 | 0.38 |
| 8,081 | Hanil Cement Co., Ltd. | KOR | KRW | 716,863 | 0.36 |
| 2,910 | Ciments Francais SA | FRA | EUR | 558,916 | 0.28 |
| 27,520 | Rinker Group Ltd. | AUS | AUD | 392,123 | 0.20 |
| | | | | 2,416,244 | 1.22 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Consumer Finance** | | | | |
| 24,937 | Takefuji Corp. | JPN | JPY | 986,712 | 0.50 |
| 23,750 | Aiful Corp. | JPN | JPY | 668,396 | 0.33 |
| 400 | Countrywide Financial Corp. | USA | USD | 16,980 | 0.01 |
| | | | | 1,672,088 | 0.84 |
| | **Department Stores** | | | | |
| 145 | Jelmoli Holding AG | CHE | CHF | 325,448 | 0.16 |
| | **Diversified Chemicals** | | | | |
| 3,859 | Arkema | FRA | EUR | 198,312 | 0.10 |
| | **Diversified Commercial Services** | | | | |
| 19,770 | H&R Block Inc. | USA | USD | 455,501 | 0.23 |
| | **Diversified Financial Services** | | | | |
| 48,495 | Fortis | BEL | EUR | 2,068,351 | 1.04 |
| 15,980 | Legg Mason Inc. | USA | USD | 1,518,899 | 0.77 |
| 23,408 | Hypo Real Estate Holding AG | DEU | EUR | 1,472,990 | 0.74 |
| 7,029 | Deutsche Boerse AG | DEU | EUR | 1,293,627 | 0.65 |
| 10,094 | Euronext NV | NLD | EUR | 1,192,550 | 0.60 |
| 42,500 | Conseco Inc. | USA | USD | 849,150 | 0.43 |
| 6,320 | Citigroup Inc. | USA | USD | 352,024 | 0.18 |
| | | | | 8,747,591 | 4.41 |
| | **Diversified Metals & Mining** | | | | |
| 20,810 | Anglo American PLC | ZAF | GBP | 1,015,164 | 0.51 |
| | **Electric Utilities** | | | | |
| 16,856 | RWE AG | DEU | EUR | 1,857,049 | 0.93 |
| 10,300 | E.ON AG | DEU | EUR | 1,404,384 | 0.71 |
| 24,858 | Suez SA | FRA | EUR | 1,287,285 | 0.65 |
| | | | | 4,548,718 | 2.29 |
| | **Electrical Components & Equipment** | | | | |
| 12,400 | American Power Conversion Corp. | USA | USD | 379,316 | 0.19 |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 19,163 | K+S AG | DEU | EUR | 2,080,606 | 1.05 |
| | **Food Distributors** | | | | |
| 84,400 | Orkla ASA | NOR | NOK | 4,777,920 | 2.41 |
| 63,074 | CSM NV | NLD | EUR | 2,428,719 | 1.22 |
| 150,267 | Cadbury Schweppes PLC | GBR | GBP | 1,608,215 | 0.81 |
| 183,283 | RHM PLC | GBR | GBP | 1,360,353 | 0.69 |
| 942 | Lotte Confectionary Co., Ltd. | KOR | KRW | 1,225,613 | 0.62 |
| 2,578 | Nong Shim Co., Ltd. | KOR | KRW | 790,032 | 0.40 |
| | | | | 12,190,852 | 6.15 |
| | **Forest Products** | | | | |
| 19,703 | Weyerhaeuser Co. | USA | USD | 1,392,017 | 0.70 |
| | **Gas Utilities** | | | | |
| 67,000 | Mpf Corp., Ltd. | NOR | NOK | 311,598 | 0.16 |
| | **General Merchandise Stores** | | | | |
| 48,370 | Carrefour SA | FRA | EUR | 2,933,306 | 1.48 |
| 116,576 | Jardine Strategic Holdings Ltd. | HKG | USD | 1,550,461 | 0.78 |
| 65,200 | Jardine Matheson Holdings Ltd. | HKG | USD | 1,395,280 | 0.70 |
| | | | | 5,879,047 | 2.96 |
| | **Health Care Equipment** | | | | |
| 15,220 | Bausch & Lomb Inc. | USA | USD | 792,353 | 0.40 |
| 8,033 | Boston Scientific Corp. | USA | USD | 138,007 | 0.07 |
| | | | | 930,360 | 0.47 |
| | **Health Care Facilities** | | | | |
| 36,100 | Rhoen-Klinikum AG | DEU | EUR | 1,724,591 | 0.87 |
| | **Household Products** | | | | |
| 1,245 | Amorepacific Corp. | KOR | KRW | 776,452 | 0.39 |
| | **Industrial Conglomerates** | | | | |
| 2,924 | Armstrong World Industries Inc. | USA | USD | 123,956 | 0.06 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Industrial Machinery** | | | | |
| 14,611 | Siemens AG | DEU | EUR | 1,458,116 | 0.74 |
| 117,000 | Keppel Corp., Ltd. | SGP | SGD | 1,342,854 | 0.68 |
| 109,417 | Swire Pacific Ltd., A | HKG | HKD | 1,175,166 | 0.59 |
| 30,920 | Tyco International Ltd. | USA | USD | 939,968 | 0.47 |
| 14,281 | Koninklijke Philips Electronics NV | NLD | EUR | 538,591 | 0.27 |
| 260,000 | Swire Pacific Ltd., B | HKG | HKD | 530,752 | 0.27 |
| | | | | 5,985,447 | 3.02 |
| | **Integrated Oil & Gas** | | | | |
| 32,490 | Royal Dutch Shell PLC, A | GBR | EUR | 1,145,979 | 0.58 |
| 6,950 | Total SA, B | FRA | EUR | 501,378 | 0.25 |
| 42,990 | BP PLC | GBR | GBP | 477,775 | 0.24 |
| 11,285 | Eni SpA | ITA | EUR | 379,569 | 0.19 |
| | | | | 2,504,701 | 1.26 |
| | **Integrated Telecommunication Services** | | | | |
| 78,920 | NTL Inc. | GBR | USD | 1,991,941 | 1.00 |
| 47,777 | Chunghwa Telecom Co., Ltd., ADR | TWN | USD | 942,640 | 0.47 |
| 33,190 | Koninklijke (Royal) KPN NV | NLD | EUR | 471,860 | 0.24 |
| 9,270 | Belgacom | BEL | EUR | 408,344 | 0.21 |
| 8,400 | Verizon Communications Inc. | USA | USD | 312,816 | 0.16 |
| | | | | 4,127,601 | 2.08 |
| | **IT Consulting & Services** | | | | |
| 27,660 | OMX AB | SWE | SEK | 508,693 | 0.26 |
| 1,663 | International Business Machines Corp. | USA | USD | 161,561 | 0.08 |
| | | | | 670,254 | 0.34 |
| | **Managed Health Care** | | | | |
| 4,260 | Aetna Inc. | USA | USD | 183,947 | 0.09 |
| | **Marine** | | | | |
| 267,373 | Bergesen Worldwide Offshore Ltd. | NOR | NOK | 1,123,416 | 0.57 |
| | **Metal & Glass Containers** | | | | |
| 4,861 | Temple-Inland Inc. | USA | USD | 223,752 | 0.11 |
| | **Movies & Entertainment** | | | | |
| 98,270 | Time Warner Inc. | USA | USD | 2,140,321 | 1.08 |
| 34,650 | News Corp., A | USA | USD | 744,282 | 0.38 |
| 13,575 | Viacom Inc., B | USA | USD | 556,982 | 0.28 |
| 3,091 | Liberty Media Holding Corp., A | USA | USD | 302,856 | 0.15 |
| 8,940 | CJ CGV Co., Ltd. | KOR | KRW | 205,716 | 0.10 |
| | | | | 3,950,157 | 1.99 |
| | **Multi-Line Insurance** | | | | |
| 8,203 | Hartford Financial Services Group Inc. | USA | USD | 765,422 | 0.39 |
| 2,428 | Zurich Financial Services AG | CHE | CHF | 653,550 | 0.33 |
| 3,880 | American International Group Inc. | USA | USD | 278,041 | 0.14 |
| | | | | 1,697,013 | 0.86 |
| | **Networking Equipment** | | | | |
| 3,340 | Comcast Corp., A | USA | USD | 139,879 | 0.07 |
| | **Office Electronics** | | | | |
| 1,500 | Symbol Technologies Inc. | USA | USD | 22,410 | 0.01 |
| | **Office Services & Supplies** | | | | |
| 3,410 | Fursys Inc. | KOR | KRW | 103,767 | 0.05 |
| | **Oil & Gas Drilling** | | | | |
| 148,170 | Seadrill Ltd. | BMU | NOK | 2,500,945 | 1.26 |
| 229,087 | Aker Drilling ASA | NOR | NOK | 1,410,761 | 0.71 |
| | | | | 3,911,706 | 1.97 |
| | **Oil & Gas Equipment & Services** | | | | |
| 42,102 | Petroleum Geo-Services ASA | NOR | NOK | 989,150 | 0.50 |
| 12,379 | Bourbon SA | FRA | EUR | 680,271 | 0.34 |
| 221,573 | Deep Sea Supply PLC | NOR | NOK | 671,584 | 0.34 |
| 1,736 | Compagnie Generale de Geophysique SA | FRA | EUR | 376,282 | 0.19 |
| | | | | 2,717,287 | 1.37 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 518 | Gaz de France | FRA | EUR | 23,830 | 0.01 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Packaged Foods** | | | | |
| 12,869 | Groupe Danone | FRA | EUR | 1,950,191 | 0.98 |
| 4,189 | Nestle SA | CHE | CHF | 1,488,521 | 0.75 |
| 17,325 | Rieber & Son ASA | NOR | NOK | 155,590 | 0.08 |
| | | | | 3,594,302 | 1.81 |
| | **Paper Products** | | | | |
| 10,006 | Potlatch Corp. | USA | USD | 438,463 | 0.22 |
| | **Pharmaceuticals** | | | | |
| 15,930 | Sanofi-Aventis | FRA | EUR | 1,470,936 | 0.74 |
| 54,065 | Pfizer Inc. | USA | USD | 1,400,284 | 0.71 |
| 3,640 | Merck & Co., Inc. | USA | USD | 158,704 | 0.08 |
| | | | | 3,029,924 | 1.53 |
| | **Property & Casualty Insurance** | | | | |
| 633 | Berkshire Hathaway Inc., B | USA | USD | 2,320,578 | 1.17 |
| 19,230 | The St. Paul Travelers Cos., Inc. | USA | USD | 1,032,459 | 0.52 |
| 210 | White Mountains Insurance Group Ltd. | USA | USD | 121,680 | 0.06 |
| 610 | Montpelier Re Holdings Ltd. | BMU | USD | 11,352 | 0.01 |
| | | | | 3,486,069 | 1.76 |
| | **Publishing & Printing** | | | | |
| 11,697 | Daekyo Co., Ltd. | KOR | KRW | 1,169,700 | 0.59 |
| | **Real Estate Investment Trusts** | | | | |
| 1,067,867 | Link REIT | HKG | HKD | 2,196,367 | 1.11 |
| 3,024 | iStar Financial Inc. | USA | USD | 144,608 | 0.07 |
| | | | | 2,340,975 | 1.18 |
| | **Real Estate Management & Development** | | | | |
| 240,809 | Great Eagle Holdings Ltd. | HKG | HKD | 693,408 | 0.35 |
| | **Soft Drinks** | | | | |
| 14,640 | Fomento Economico Mexicano SA de CV, ADR | MEX | USD | 1,694,726 | 0.86 |
| 952 | Lotte Chilsung Beverage Co., Ltd. | KOR | KRW | 1,433,118 | 0.72 |
| 8,982 | Coca-Cola Enterprises Inc. | USA | USD | 183,413 | 0.09 |
| | | | | 3,311,257 | 1.67 |
| | **Speciality Chemicals** | | | | |
| 27,504 | Linde AG | DEU | EUR | 2,850,799 | 1.44 |
| | **Steel** | | | | |
| 12,868 | Mittal Steel Co., NV | NLD | EUR | 543,225 | 0.27 |
| 10,120 | Mittal Steel Co., NV | NLD | EUR | 427,084 | 0.22 |
| 5,235 | United States Steel Corp. | USA | USD | 382,888 | 0.19 |
| | | | | 1,353,197 | 0.68 |
| | **Tobacco** | | | | |
| 158,233 | British American Tobacco PLC | GBR | GBP | 4,428,122 | 2.23 |
| 69,862 | KT&G Corp. | KOR | KRW | 4,244,304 | 2.14 |
| 96,200 | Imperial Tobacco Group PLC | GBR | GBP | 3,786,705 | 1.91 |
| 51,007 | Altadis SA | ESP | EUR | 2,669,705 | 1.35 |
| 520 | Japan Tobacco Inc. | JPN | JPY | 2,511,866 | 1.27 |
| 22,310 | Altria Group Inc. | USA | USD | 1,914,644 | 0.96 |
| 318,448 | ITC Ltd. | IND | INR | 1,270,111 | 0.64 |
| | | | | 20,825,457 | 10.50 |
| | **Trading Companies & Distributors** | | | | |
| 13,637 | Kloeckner & Co., AG | DEU | EUR | 593,690 | 0.30 |
| 8,048 | Compania de Distribucion Integral Logista SA | ESP | EUR | 519,502 | 0.26 |
| | | | | 1,113,192 | 0.56 |
| | TOTAL SHARES | | | 152,985,146 | 77.14 |
| | TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | 152,985,146 | 77.14 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Building Products** | | | | |
| 7,023 | Owens Corning Inc. | USA | USD | 199,488 | 0.10 |
| | **Consumer Finance** | | | | |
| 81,815 | Cerberus FIM Investors Rescap LLC | USA | USD | 82,885 | 0.04 |
| 38,574 | Cerberus FIM Investors Insurance LLC | USA | USD | 39,079 | 0.02 |
| 37,033 | Cerberus FIM Investors Auto Finance LLC | USA | USD | 37,517 | 0.02 |
| 8,097 | Cerberus FIM Investors Commercial Mortgage LLC | USA | USD | 8,203 | 0.01 |
| 4,732 | Cerberus FIM Investors Commercial Finance LLC | USA | USD | 4,794 | 0.00 |
| | | | | 172,478 | 0.09 |
| | **TOTAL SHARES** | | | 371,966 | 0.19 |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 245,444 | Cerberus FIM Investors Rescap LLC, 12.00%, 11/22/13 | USA | USD | 245,444 | 0.12 |
| 200,000 | Trump Entertainment Resorts Inc., 8.50%, 05/20/15 | USA | USD | 200,000 | 0.10 |
| 218,000 | Dana Corp., 5.85%, 01/15/15 * | USA | USD | 156,960 | 0.08 |
| 115,721 | Cerberus FIM Investors Insurance LLC, 12.00%, 11/22/13 | USA | USD | 115,721 | 0.06 |
| 110,496 | Cerberus FIM Investors Auto Finance LLC, 12.00%, 11/22/13 | USA | USD | 110,496 | 0.06 |
| 24,290 | Cerberus FIM Investors Commercial Mortgage LLC, 12.00%, 11/22/13 | USA | USD | 24,290 | 0.01 |
| 14,196 | Cerberus FIM Investors Commercial Finance LLC, 12.00%, 11/22/13 | USA | USD | 14,196 | 0.01 |
| 6,000 | Dana Corp., 6.50%, 03/01/09 * | USA | USD | 4,530 | 0.00 |
| 5,000 | Dana Corp., 7.00%, 03/01/29 * | USA | USD | 3,700 | 0.00 |
| 247,000 | Armstrong World Industries Inc., 0.00%, 08/15/03 * | USA | USD | 3,088 | 0.00 |
| | | | | 878,425 | 0.44 |
| | **Securities Maturing Within One Year** | | | | |
| 5,000,000 | FHLB, 0.00%, 01/02/07 | USA | USD | 5,000,000 | 2.52 |
| 5,000,000 | U.S. Treasury Bill, 0.00%, 03/01/07 | USA | USD | 4,961,730 | 2.50 |
| 3,000,000 | U.S. Treasury Bill, 0.00%, 02/15/07 | USA | USD | 2,982,819 | 1.50 |
| 3,000,000 | U.S. Treasury Bill, 0.00%, 02/22/07 | USA | USD | 2,979,936 | 1.50 |
| 3,000,000 | U.S. Treasury Bill, 0.00%, 03/22/07 | USA | USD | 2,968,410 | 1.50 |
| 3,000,000 | U.S. Treasury Bill, 0.00%, 03/29/07 | USA | USD | 2,965,470 | 1.50 |
| 2,000,000 | U.S. Treasury Bill, 0.00%, 01/18/07 | USA | USD | 1,996,116 | 1.01 |
| | | | | 23,854,481 | 12.03 |
| | **TOTAL BONDS** | | | 24,732,906 | 12.47 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 25,104,872 | 12.66 |
| | **TOTAL INVESTMENTS** | | | 178,090,018 | 89.80 |

* These Corporate Bonds are currently in default

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Advertising** | | | | |
| 15,180 | Yell Group PLC | GBR | GBP | 169,448 | 0.52 |
| | **Aerospace & Defence** | | | | |
| 29,240 | BAE Systems PLC | GBR | GBP | 243,794 | 0.75 |
| 2,100 | Embraer-Empresa Brasileira de Aeronautica SA, ADR | BRA | USD | 87,003 | 0.27 |
| | | | | 330,797 | 1.02 |
| | **Air Freight & Couriers** | | | | |
| 8,700 | Deutsche Post AG | DEU | EUR | 262,994 | 0.81 |
| 1,800 | United Parcel Service Inc., B | USA | USD | 134,964 | 0.42 |
| | | | | 397,958 | 1.23 |
| | **Airlines** | | | | |
| 27,198 | Qantas Airways Ltd. | AUS | AUD | 112,074 | 0.35 |
| | **Aluminium** | | | | |
| 940 | Alcan Inc. | CAN | CAD | 45,804 | 0.14 |
| | **Apparel & Accessories** | | | | |
| 1,200 | Puma AG Rudolf Dassler Sport | DEU | EUR | 468,913 | 1.44 |
| 6,500 | Coach Inc. | USA | USD | 279,240 | 0.86 |
| | | | | 748,153 | 2.30 |
| | **Apparel Retail** | | | | |
| 35,000 | Esprit Holdings Ltd. | HKG | HKD | 390,756 | 1.20 |
| | **Application Software** | | | | |
| 6,000 | SAP AG | DEU | EUR | 319,505 | 0.98 |
| 50,000 | The Sage Group PLC | GBR | GBP | 265,356 | 0.82 |
| 6,000 | NAVTEQ | USA | USD | 209,820 | 0.65 |
| 4,000 | Cognos Inc. | CAN | USD | 169,840 | 0.52 |
| | | | | 964,521 | 2.97 |
| | **Automobile Manufacturers** | | | | |
| 3,470 | Bayerische Motoren Werke AG | DEU | EUR | 199,713 | 0.61 |
| | **Banks** | | | | |
| 20,000 | Anglo Irish Bancorp PLC | IRL | EUR | 413,176 | 1.27 |
| 7,000 | National Bank of Greece SA | GRC | EUR | 322,488 | 0.99 |
| 2,500 | KBC Groep NV | BEL | EUR | 306,582 | 0.95 |
| 19,290 | Nordea Bank AB, FDR | SWE | EUR | 298,435 | 0.92 |
| 9,710 | Standard Chartered PLC | GBR | GBP | 283,712 | 0.87 |
| 7,230 | Royal Bank of Scotland Group PLC | GBR | GBP | 282,186 | 0.87 |
| 4,000 | Credit Suisse Group | CHE | CHF | 279,841 | 0.86 |
| 8,000 | Piraeus Bank SA | GRC | EUR | 257,885 | 0.80 |
| 2,930 | Kookmin Bank | KOR | KRW | 235,975 | 0.73 |
| 9,000 | St. George Bank Ltd. | AUS | AUD | 234,452 | 0.72 |
| 7,200 | Banco Bilbao Vizcaya Argentaria SA | ESP | EUR | 173,360 | 0.53 |
| 26,600 | Bank of East Asia Ltd. | HKG | HKD | 150,624 | 0.46 |
| 7,652 | Banco Santander Central Hispano SA | ESP | EUR | 142,829 | 0.44 |
| 7,130 | HSBC Holdings PLC | GBR | HKD | 130,700 | 0.40 |
| 7 | Mitsubishi UFJ Financial Group Inc. | JPN | JPY | 86,445 | 0.27 |
| | | | | 3,598,690 | 11.08 |
| | **Biotechnology** | | | | |
| 6,500 | CSL Ltd. | AUS | AUD | 335,420 | 1.03 |
| 5,500 | Celgene Corp. | USA | USD | 316,415 | 0.97 |
| 1,540 | Millipore Corp. | USA | USD | 102,564 | 0.32 |
| | | | | 754,399 | 2.32 |
| | **Brewers** | | | | |
| 5,000 | Inbev | BEL | EUR | 329,616 | 1.02 |
| | **Broadcasting & Cable TV** | | | | |
| 7,719 | Mediaset SpA | ITA | EUR | 91,603 | 0.28 |
| | **Casinos & Gaming** | | | | |
| 5,000 | International Game Technology | USA | USD | 231,000 | 0.71 |
| | **Computer Storage & Peripherals** | | | | |
| 6,110 | Seagate Technology | USA | USD | 161,915 | 0.50 |
| 3,072 | Compal Electronics Inc., GDR | TWN | USD | 14,008 | 0.04 |
| | | | | 175,923 | 0.54 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Construction Materials** | | | | |
| 8,000 | Cemex SAB de CV, CPO, ADR | MEX | USD | 271,040 | 0.83 |
| | **Consumer Electronics** | | | | |
| 4,590 | Thomson SA | FRA | EUR | 89,734 | 0.28 |
| 1,800 | Fujifilm Holdings Corp. | JPN | JPY | 73,945 | 0.23 |
| 1,700 | Sony Corp. | JPN | JPY | 72,836 | 0.22 |
| | | | | 236,515 | 0.73 |
| | **Consumer Finance** | | | | |
| 4,500 | Countrywide Financial Corp. | USA | USD | 191,025 | 0.59 |
| | **Department Stores** | | | | |
| 9,000 | Next PLC | GBR | GBP | 317,253 | 0.98 |
| | **Diversified Chemicals** | | | | |
| 1,330 | BASF AG | DEU | EUR | 130,077 | 0.40 |
| 2,670 | The Dow Chemical Co. | USA | USD | 106,640 | 0.33 |
| | | | | 236,717 | 0.73 |
| | **Diversified Commercial Services** | | | | |
| 1,640 | Adecco SA | CHE | CHF | 112,043 | 0.34 |
| 5,700 | Securitas AB, B | SWE | SEK | 88,397 | 0.27 |
| 5,700 | Securitas Systems AB, B | SWE | SEK | 23,045 | 0.07 |
| 5,700 | Securitas Direct AB, B | SWE | SEK | 18,054 | 0.06 |
| 600 | Vedior NV | NLD | EUR | 12,443 | 0.04 |
| | | | | 253,982 | 0.78 |
| | **Diversified Financial Services** | | | | |
| 40,000 | Man Group PLC | GBR | GBP | 409,491 | 1.26 |
| 4,000 | AllianceBernstein Holding LP | USA | USD | 321,600 | 0.99 |
| 6,880 | ING Groep NV | NLD | EUR | 305,063 | 0.94 |
| 4,000 | Macquarie Bank Ltd. | AUS | AUD | 249,229 | 0.77 |
| 4,000 | UBS AG | CHE | CHF | 243,076 | 0.75 |
| | | | | 1,528,459 | 4.71 |
| | **Diversified Metals & Mining** | | | | |
| 6,000 | Cameco Corp. | CAN | USD | 242,700 | 0.75 |
| | **Electric Utilities** | | | | |
| 2,220 | E.ON AG | DEU | EUR | 302,692 | 0.93 |
| 18,481 | National Grid PLC | GBR | GBP | 266,918 | 0.82 |
| 3,810 | Suez SA | FRA | EUR | 197,303 | 0.61 |
| | | | | 766,913 | 2.36 |
| | **Electrical Components & Equipment** | | | | |
| 2,756 | Vestas Wind Systems AS | DNK | DKK | 116,476 | 0.36 |
| 29,720 | BYD Co., Ltd., H | CHN | HKD | 113,850 | 0.35 |
| | | | | 230,326 | 0.71 |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 1,500 | Syngenta AG | CHE | CHF | 279,061 | 0.86 |
| | **Food Distributors** | | | | |
| 6,000 | Koninklijke Numico NV | NLD | EUR | 322,752 | 1.00 |
| 16,750 | Cadbury Schweppes PLC | GBR | GBP | 179,265 | 0.55 |
| | | | | 502,017 | 1.55 |
| | **General Merchandise Stores** | | | | |
| 3,210 | Target Corp. | USA | USD | 183,131 | 0.56 |
| | **Health Care Distributors & Services** | | | | |
| 25,000 | Sonic Healthcare Ltd. | AUS | AUD | 293,657 | 0.91 |
| 2,400 | Celesio AG | DEU | EUR | 127,707 | 0.39 |
| | | | | 421,364 | 1.30 |
| | **Health Care Equipment** | | | | |
| 3,000 | Essilor International SA | FRA | EUR | 322,554 | 0.99 |
| 3,500 | Zimmer Holdings Inc. | USA | USD | 274,330 | 0.85 |
| 5,000 | Cochlear Ltd. | AUS | AUD | 228,926 | 0.71 |
| 8,000 | Getinge AB, B | SWE | SEK | 179,239 | 0.55 |
| 3,060 | Boston Scientific Corp. | USA | USD | 52,571 | 0.16 |
| | | | | 1,057,620 | 3.26 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Health Care Facilities** | | | | |
| 15,440 | Tenet Healthcare Corp. | USA | USD | 107,617 | 0.33 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 1,980 | Accor SA | FRA | EUR | 153,424 | 0.47 |
| | **Household Products** | | | | |
| 10,000 | Reckitt Benckiser PLC | GBR | GBP | 457,079 | 1.41 |
| | **Industrial Machinery** | | | | |
| 5,000 | Danaher Corp. | USA | USD | 362,200 | 1.12 |
| 9,530 | Atlas Copco AB, A | SWE | SEK | 319,930 | 0.99 |
| 2,520 | Siemens AG | DEU | EUR | 251,485 | 0.77 |
| 6,570 | Koninklijke Philips Electronics NV | NLD | EUR | 247,780 | 0.76 |
| 10,000 | OSG Corp. | JPN | JPY | 163,817 | 0.50 |
| 8,400 | Smiths Group PLC | GBR | GBP | 163,103 | 0.50 |
| 3,360 | Tyco International Ltd. | USA | USD | 102,144 | 0.32 |
| | | | | 1,610,459 | 4.96 |
| | **Integrated Oil & Gas** | | | | |
| 7,784 | Royal Dutch Shell PLC, B | GBR | GBP | 272,864 | 0.84 |
| 6,044 | Eni SpA | ITA | EUR | 203,289 | 0.63 |
| 17,540 | BP PLC | GBR | GBP | 194,933 | 0.60 |
| | | | | 671,086 | 2.07 |
| | **Integrated Telecommunication Services** | | | | |
| 49,690 | Telenor ASA | NOR | NOK | 934,337 | 2.88 |
| 15,000 | American Tower Corp., A | USA | USD | 559,200 | 1.72 |
| 20,720 | Portugal Telecom SGPS SA | PRT | EUR | 269,138 | 0.83 |
| 12,200 | Telefonica SA | ESP | EUR | 259,606 | 0.80 |
| 7,970 | France Telecom SA | FRA | EUR | 220,411 | 0.68 |
| 7,400 | Telefonos de Mexico SA de CV, L, ADR | MEX | USD | 209,124 | 0.64 |
| 4,770 | AT&T Inc. | USA | USD | 170,528 | 0.53 |
| 6,011 | BCE Inc. | CAN | CAD | 161,978 | 0.50 |
| 43,000 | Singapore Telecommunications Ltd. | SGP | SGD | 91,976 | 0.28 |
| 4,029 | Chunghwa Telecom Co., Ltd., ADR | TWN | USD | 79,492 | 0.24 |
| 4,890 | Tele Norte Leste Participacoes SA, ADR, pfd. | BRA | USD | 72,959 | 0.22 |
| 1,360 | KT Corp., ADR | KOR | USD | 34,476 | 0.11 |
| | | | | 3,063,225 | 9.43 |
| | **Internet Software & Services** | | | | |
| 7,030 | Check Point Software Technologies Ltd. | ISR | USD | 154,098 | 0.47 |
| | **Leisure Products** | | | | |
| 4,000 | Nitori Co., Ltd. | JPN | JPY | 173,730 | 0.53 |
| | **Marine** | | | | |
| 250,000 | Noble Group Ltd. | HKG | SGD | 179,334 | 0.55 |
| | **Movies & Entertainment** | | | | |
| 6,360 | Time Warner Inc. | USA | USD | 138,521 | 0.43 |
| 2,730 | Viacom Inc., B | USA | USD | 112,012 | 0.34 |
| 4,690 | News Corp., A | USA | USD | 100,741 | 0.31 |
| | | | | 351,274 | 1.08 |
| | **Multi-Line Insurance** | | | | |
| 1,280 | Muenchener Rueckversicherungs-Gesellschaft AG | DEU | EUR | 221,346 | 0.68 |
| 5,243 | AXA SA | FRA | EUR | 212,268 | 0.65 |
| 2,070 | American International Group Inc. | USA | USD | 148,336 | 0.46 |
| | | | | 581,950 | 1.79 |
| | **Networking Equipment** | | | | |
| 8,000 | Cisco Systems Inc. | USA | USD | 218,640 | 0.67 |
| 6,740 | The DIRECTV Group Inc. | USA | USD | 168,096 | 0.52 |
| | | | | 386,736 | 1.19 |
| | **Oil & Gas Equipment & Services** | | | | |
| 14,270 | SBM Offshore NV | NLD | EUR | 490,707 | 1.51 |
| 16,000 | Saipem SpA | ITA | EUR | 416,924 | 1.28 |
| 4,000 | Schlumberger Ltd. | USA | USD | 252,640 | 0.78 |
| | | | | 1,160,271 | 3.57 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Packaged Foods** | | | | |
| 8,963 | Unilever PLC | GBR | GBP | 250,652 | 0.77 |
| 587 | Nestle SA | CHE | CHF | 208,585 | 0.64 |
| | | | | 459,237 | 1.41 |
| | **Paper Products** | | | | |
| 11,830 | Stora Enso OYJ, R | FIN | EUR | 187,394 | 0.58 |
| 7,150 | Norske Skogindustrier ASA | NOR | NOK | 123,264 | 0.38 |
| 2,810 | International Paper Co. | USA | USD | 95,821 | 0.29 |
| | | | | 406,479 | 1.25 |
| | **Pharmaceuticals** | | | | |
| 1,800 | Roche Holding AG | CHE | CHF | 322,761 | 0.99 |
| 14,690 | Shire PLC | GBR | GBP | 304,655 | 0.94 |
| 3,182 | Sanofi-Aventis | FRA | EUR | 293,818 | 0.91 |
| 10,400 | GlaxoSmithKline PLC | GBR | GBP | 273,730 | 0.84 |
| 8,060 | Pfizer Inc. | USA | USD | 208,754 | 0.64 |
| 5,000 | Teva Pharmaceutical Industries Ltd., ADR | ISR | USD | 155,400 | 0.48 |
| 2,650 | Abbott Laboratories | USA | USD | 129,081 | 0.40 |
| 3,860 | Bristol-Myers Squibb Co. | USA | USD | 101,595 | 0.31 |
| 700 | Takeda Pharmaceutical Co., Ltd. | JPN | JPY | 48,045 | 0.15 |
| | | | | 1,837,839 | 5.66 |
| | **Property & Casualty Insurance** | | | | |
| 9,000 | QBE Insurance Group Ltd. | AUS | AUD | 204,968 | 0.63 |
| 2,067 | Swiss Reinsurance Co. | CHE | CHF | 175,734 | 0.54 |
| 2,160 | ACE Ltd. | BMU | USD | 130,831 | 0.40 |
| 5,000 | Sompo Japan Insurance Inc. | JPN | JPY | 61,117 | 0.19 |
| | | | | 572,650 | 1.76 |
| | **Publishing & Printing** | | | | |
| 8,400 | Pearson PLC | GBR | GBP | 126,913 | 0.39 |
| | **Real Estate Management & Development** | | | | |
| 15,000 | Mitsui Fudosan Co., Ltd. | JPN | JPY | 366,069 | 1.13 |
| 30,000 | Sun Hung Kai Properties Ltd. | HKG | HKD | 344,575 | 1.06 |
| 40,000 | Hongkong Land Holdings Ltd. | HKG | USD | 159,200 | 0.49 |
| | | | | 869,844 | 2.68 |
| | **Restaurants** | | | | |
| 39,800 | Compass Group PLC | GBR | GBP | 226,033 | 0.70 |
| | **Semiconductor Equipment** | | | | |
| 1,590 | Synopsys Inc. | USA | USD | 42,501 | 0.13 |
| | **Semiconductors** | | | | |
| 546 | Samsung Electronics Co., Ltd. | KOR | KRW | 359,890 | 1.11 |
| 9,900 | Infineon Technologies AG | DEU | EUR | 139,310 | 0.43 |
| | | | | 499,200 | 1.54 |
| | **Speciality Chemicals** | | | | |
| 1,640 | Lonza Group AG | CHE | CHF | 141,719 | 0.44 |
| | **Telecommunications Equipment** | | | | |
| 6,000 | QUALCOMM Inc. | USA | USD | 226,740 | 0.70 |
| | **Trading Companies & Distributors** | | | | |
| 40,000 | Li & Fung Ltd. | HKG | HKD | 124,435 | 0.38 |
| | **Tyres & Rubber** | | | | |
| 3,420 | Compagnie Generale des Etablissements Michelin, B | FRA | EUR | 327,306 | 1.01 |
| | **Wireless Telecommunication Services** | | | | |
| 8,000 | America Movil SA de CV, L, ADR | MEX | USD | 361,760 | 1.11 |
| 12,000 | Cosmote Mobile Telecommunications SA | GRC | EUR | 354,829 | 1.09 |
| 80,193 | Vodafone Group PLC | GBR | GBP | 222,220 | 0.69 |
| 2,660 | SK Telecom Co., Ltd., ADR | KOR | USD | 70,437 | 0.22 |
| | | | | 1,009,246 | 3.11 |
| | **TOTAL SHARES** | | | 31,179,003 | 96.00 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 31,179,003 | 96.00 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Computer Storage & Peripherals** | | | | |
| 2,173 | Compal Electronics Inc., GDR, Reg S | TWN | USD | 9,909 | 0.03 |
| | **TOTAL SHARES** | | | 9,909 | 0.03 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 9,909 | 0.03 |
| | **TOTAL INVESTMENTS** | | | 31,188,912 | 96.03 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — JPY)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Advertising** | | | | |
| 301 | So-net M3 Inc. | JPN | JPY | 114,681,000 | 0.20 |
| | **Apparel & Accessories** | | | | |
| 48,000 | Tokyo Style Co., Ltd. | JPN | JPY | 61,776,000 | 0.11 |
| 350,000 | Atsugi Co., Ltd. | JPN | JPY | 59,150,000 | 0.10 |
| | | | | 120,926,000 | 0.21 |
| | **Apparel Retail** | | | | |
| 32,200 | Fast Retailing Co., Ltd. | JPN | JPY | 365,792,000 | 0.64 |
| | **Application Software** | | | | |
| 60,800 | Sumisho Computer Systems Corp. | JPN | JPY | 165,680,000 | 0.29 |
| 18,000 | OBIC Business Consultants Ltd. | JPN | JPY | 146,880,000 | 0.26 |
| | | | | 312,560,000 | 0.55 |
| | **Automobile Manufacturers** | | | | |
| 509,000 | Toyota Motor Corp. | JPN | JPY | 4,051,640,000 | 7.09 |
| 262,200 | Honda Motor Co., Ltd. | JPN | JPY | 1,232,340,000 | 2.16 |
| 449,000 | Daihatsu Motor Co., Ltd. | JPN | JPY | 539,249,000 | 0.95 |
| 280,000 | Nissan Motor Co., Ltd. | JPN | JPY | 401,240,000 | 0.70 |
| 464,000 | Mazda Motor Corp. | JPN | JPY | 377,232,000 | 0.66 |
| 35,000 | Yamaha Motor Co., Ltd. | JPN | JPY | 130,900,000 | 0.23 |
| | | | | 6,732,601,000 | 11.79 |
| | **Banks** | | | | |
| 1,797 | Mitsubishi UFJ Financial Group Inc. | JPN | JPY | 2,641,590,000 | 4.62 |
| 1,458 | Sumitomo Mitsui Financial Group Inc. | JPN | JPY | 1,778,760,000 | 3.11 |
| 259,000 | Sumitomo Trust and Banking Co., Ltd. | JPN | JPY | 323,232,000 | 0.57 |
| | | | | 4,743,582,000 | 8.30 |
| | **Catalog Retail** | | | | |
| 423 | DeNA Co., Ltd. | JPN | JPY | 164,970,000 | 0.29 |
| 50,200 | ASKUL Corp. | JPN | JPY | 116,213,000 | 0.20 |
| | | | | 281,183,000 | 0.49 |
| | **Commodity Chemicals** | | | | |
| 100,000 | Toyo Ink Manufacturing Co., Ltd. | JPN | JPY | 48,100,000 | 0.08 |
| | **Computer Storage & Peripherals** | | | | |
| 670,000 | Fujitsu Ltd. | JPN | JPY | 625,780,000 | 1.09 |
| 528 | Wacom Co., Ltd. | JPN | JPY | 187,968,000 | 0.33 |
| | | | | 813,748,000 | 1.42 |
| | **Construction & Engineering** | | | | |
| 89,000 | Kinden Corp. | JPN | JPY | 85,707,000 | 0.15 |
| 82,000 | Taihei Dengyo Kaisha Ltd. | JPN | JPY | 67,240,000 | 0.12 |
| 35,700 | Chudenko Corp. | JPN | JPY | 66,437,700 | 0.11 |
| 72,000 | Nippo Corp. | JPN | JPY | 63,360,000 | 0.11 |
| | | | | 282,744,700 | 0.49 |
| | **Construction & Farm Machinery** | | | | |
| 201,300 | Komatsu Ltd. | JPN | JPY | 486,139,500 | 0.85 |
| 205,000 | Nippon Sharyo Ltd. | JPN | JPY | 60,885,000 | 0.11 |
| | | | | 547,024,500 | 0.96 |
| | **Consumer Electronics** | | | | |
| 179,700 | Fujifilm Holdings Corp. | JPN | JPY | 878,733,000 | 1.54 |
| 73,500 | Sony Corp. | JPN | JPY | 374,850,000 | 0.66 |
| 110,000 | Nikon Corp. | JPN | JPY | 287,100,000 | 0.50 |
| | | | | 1,540,683,000 | 2.70 |
| | **Department Stores** | | | | |
| 327,000 | Daimaru Inc. | JPN | JPY | 527,451,000 | 0.92 |
| | **Diversified Commercial Services** | | | | |
| 56,800 | Benesse Corp. | JPN | JPY | 257,304,000 | 0.45 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — JPY)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Diversified Financial Services** | | | | |
| 2,360 | Mizuho Financial Group Inc. | JPN | JPY | 2,006,000,000 | 3.51 |
| 343,200 | Nomura Holdings Inc. | JPN | JPY | 770,484,000 | 1.35 |
| 382,000 | Daiwa Securities Group Inc. | JPN | JPY | 509,970,000 | 0.89 |
| | | | | 3,286,454,000 | 5.75 |
| | **Diversified Metals & Mining** | | | | |
| 22,900 | Sumitomo Titanium Corp. | JPN | JPY | 304,799,000 | 0.53 |
| 112,000 | Sumitomo Metal Mining Co., Ltd. | JPN | JPY | 171,024,000 | 0.30 |
| | | | | 475,823,000 | 0.83 |
| | **Electric Utilities** | | | | |
| 268,400 | Kansai Electric Power Co., Inc. | JPN | JPY | 861,564,000 | 1.51 |
| 234,700 | Chubu Electric Power Co., Inc. | JPN | JPY | 835,532,000 | 1.46 |
| | | | | 1,697,096,000 | 2.97 |
| | **Electrical Components & Equipment** | | | | |
| 154,000 | Sumitomo Electric Industries Ltd. | JPN | JPY | 286,440,000 | 0.50 |
| | **Electronic Equipment & Instruments** | | | | |
| 95,800 | Murata Manufacturing Co., Ltd. | JPN | JPY | 771,190,000 | 1.35 |
| 50,900 | Sumco Corp. | JPN | JPY | 512,054,000 | 0.90 |
| 62,200 | Hoya Corp. | JPN | JPY | 288,608,000 | 0.50 |
| | | | | 1,571,852,000 | 2.75 |
| | **Health Care Equipment** | | | | |
| 61,100 | Terumo Corp. | JPN | JPY | 285,948,000 | 0.50 |
| 82,400 | Topcon Corp. | JPN | JPY | 194,876,000 | 0.34 |
| | | | | 480,824,000 | 0.84 |
| | **Industrial Conglomerates** | | | | |
| 95,000 | Takuma Co., Ltd. | JPN | JPY | 66,120,000 | 0.12 |
| | **Industrial Machinery** | | | | |
| 1,209,000 | Ishikawajima-Harima Heavy Industries Co., Ltd. | JPN | JPY | 487,227,000 | 0.85 |
| 1,034,000 | Kawasaki Heavy Industries Ltd. | JPN | JPY | 462,198,000 | 0.81 |
| 120,000 | NSK Ltd. | JPN | JPY | 140,760,000 | 0.25 |
| | | | | 1,090,185,000 | 1.91 |
| | **Integrated Telecommunication Services** | | | | |
| 1,126 | Nippon Telegraph & Telephone Corp. | JPN | JPY | 659,836,000 | 1.15 |
| | **Internet Software & Services** | | | | |
| 2,419 | Yahoo Japan Corp. | JPN | JPY | 114,660,600 | 0.20 |
| | **IT Consulting & Services** | | | | |
| 71,000 | Nomura Research Institute Ltd. | JPN | JPY | 1,225,460,000 | 2.15 |
| 97,900 | Itochu Techno-Science Corp. | JPN | JPY | 619,707,000 | 1.08 |
| 841 | NTT Data Corp. | JPN | JPY | 501,236,000 | 0.88 |
| 23,000 | Otsuka Corp. | JPN | JPY | 278,300,000 | 0.49 |
| 81,000 | Softbank Corp. | JPN | JPY | 187,515,000 | 0.33 |
| 66,800 | Intec Holdings Ltd. | JPN | JPY | 110,954,800 | 0.19 |
| | | | | 2,923,172,800 | 5.12 |
| | **Leisure Products** | | | | |
| 67,200 | Nintendo Co., Ltd. | JPN | JPY | 2,076,480,000 | 3.64 |
| 134,300 | Capcom Co., Ltd. | JPN | JPY | 288,073,500 | 0.50 |
| 489 | Shinwa Art Auction Co., Ltd. | JPN | JPY | 109,047,000 | 0.19 |
| | | | | 2,473,600,500 | 4.33 |
| | **Life & Health Insurance** | | | | |
| 25,800 | T&D Holdings Inc. | JPN | JPY | 203,046,000 | 0.36 |
| | **Marine** | | | | |
| 711,000 | Mitsui O.S.K. Lines Ltd. | JPN | JPY | 834,714,000 | 1.46 |
| 335,000 | Nippon Yusen Kabushiki Kaisha | JPN | JPY | 291,450,000 | 0.51 |
| | | | | 1,126,164,000 | 1.97 |
| | **Metal & Glass Containers** | | | | |
| 95,000 | Toyo Seikan Kaisha Ltd. | JPN | JPY | 187,245,000 | 0.33 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — JPY)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Office Electronics** | | | | |
| 209,800 | CANON Inc. | JPN | JPY | 1,405,660,000 | 2.46 |
| 420,500 | Konica Minolta Holdings Ltd. | JPN | JPY | 706,440,000 | 1.24 |
| 435,000 | Mitsubishi Electric Corp. | JPN | JPY | 472,410,000 | 0.83 |
| 124,000 | Ricoh Co., Ltd. | JPN | JPY | 301,320,000 | 0.53 |
| 388,000 | Toshiba Corp. | JPN | JPY | 300,700,000 | 0.53 |
| 24,100 | Kyocera Corp. | JPN | JPY | 270,402,000 | 0.47 |
| 8,800 | Keyence Corp. | JPN | JPY | 259,512,000 | 0.45 |
| 97,000 | Matsushita Electric Industrial Co., Ltd. | JPN | JPY | 230,375,000 | 0.40 |
| | | | | 3,946,819,000 | 6.91 |
| | **Oil & Gas Drilling** | | | | |
| 548 | INPEX Holdings Inc. | JPN | JPY | 535,944,000 | 0.94 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 626,000 | Osaka Gas Co., Ltd. | JPN | JPY | 277,318,000 | 0.49 |
| | **Pharmaceuticals** | | | | |
| 113,200 | Takeda Pharmaceutical Co., Ltd. | JPN | JPY | 924,844,000 | 1.62 |
| 210,000 | Shionogi & Co., Ltd. | JPN | JPY | 491,400,000 | 0.86 |
| | | | | 1,416,244,000 | 2.48 |
| | **Property & Casualty Insurance** | | | | |
| 230,800 | Millea Holdings Inc. | JPN | JPY | 969,360,000 | 1.70 |
| | **Railroads** | | | | |
| 345,000 | TOKYU Corp. | JPN | JPY | 262,890,000 | 0.46 |
| | **Real Estate Management & Development** | | | | |
| 353,000 | Mitsubishi Estate Co., Ltd. | JPN | JPY | 1,087,240,000 | 1.90 |
| 205,000 | Mitsui Fudosan Co., Ltd. | JPN | JPY | 595,525,000 | 1.04 |
| 99,000 | Sumitomo Realty & Development Co., Ltd. | JPN | JPY | 378,180,000 | 0.66 |
| 237,000 | Tokyo Tatemono Co., Ltd. | JPN | JPY | 314,262,000 | 0.55 |
| 830 | NTT Urban Development Corp. | JPN | JPY | 190,900,000 | 0.33 |
| 44,600 | Nomura Real Estate Holdings Inc. | JPN | JPY | 175,278,000 | 0.31 |
| 11,500 | Tokyu Livable Inc. | JPN | JPY | 100,280,000 | 0.18 |
| | | | | 2,841,665,000 | 4.97 |
| | **Semiconductor Equipment** | | | | |
| 36,900 | Advantest Corp. | JPN | JPY | 251,658,000 | 0.44 |
| 55,400 | Shinko Electric Industries Co., Ltd. | JPN | JPY | 172,294,000 | 0.30 |
| 19,600 | Disco Corp. | JPN | JPY | 164,052,000 | 0.29 |
| | | | | 588,004,000 | 1.03 |
| | **Semiconductors** | | | | |
| 145,100 | Elpida Memory Inc. | JPN | JPY | 948,954,000 | 1.66 |
| | **Speciality Chemicals** | | | | |
| 182,000 | Shin-Etsu Chemical Co., Ltd. | JPN | JPY | 1,450,540,000 | 2.54 |
| 215,000 | Tosoh Corp. | JPN | JPY | 113,090,000 | 0.20 |
| | | | | 1,563,630,000 | 2.74 |
| | **Steel** | | | | |
| 2,107,000 | Nippon Steel Corp. | JPN | JPY | 1,441,188,000 | 2.52 |
| 169,000 | JFE Holdings Inc. | JPN | JPY | 1,035,970,000 | 1.81 |
| 1,090,000 | Sumitomo Metal Industries Ltd. | JPN | JPY | 563,530,000 | 0.99 |
| 304,000 | Pacific Metals Co., Ltd. | JPN | JPY | 354,768,000 | 0.62 |
| 695,000 | Kobe Steel Ltd. | JPN | JPY | 283,560,000 | 0.50 |
| 100,000 | Yodogawa Steel Works Ltd. | JPN | JPY | 66,400,000 | 0.12 |
| | | | | 3,745,416,000 | 6.56 |
| | **Telecommunications Equipment** | | | | |
| 100,000 | Hitachi Kokusai Electric Inc. | JPN | JPY | 148,800,000 | 0.26 |
| | **Tobacco** | | | | |
| 1,576 | Japan Tobacco Inc. | JPN | JPY | 906,200,000 | 1.59 |
| | **Trading Companies & Distributors** | | | | |
| 453,000 | Mitsui & Co., Ltd. | JPN | JPY | 806,340,000 | 1.41 |
| 347,500 | Mitsubishi Corp. | JPN | JPY | 778,400,000 | 1.36 |
| | | | | 1,584,740,000 | 2.77 |
| | **Trucking** | | | | |
| 100,000 | Seino Transportation Co., Ltd. | JPN | JPY | 111,800,000 | 0.20 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — JPY)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Tyres & Rubber** | | | | |
| 173,800 | Bridgestone Corp. | JPN | JPY | 461,439,000 | 0.81 |
| 92,900 | Denso Corp. | JPN | JPY | 438,488,000 | 0.77 |
| 173,000 | Koito Manufacturing Co., Ltd. | JPN | JPY | 310,189,000 | 0.54 |
| 50,000 | Toyoda Gosei Co., Ltd. | JPN | JPY | 137,750,000 | 0.24 |
| 45,800 | Nifco Inc. | JPN | JPY | 125,034,000 | 0.22 |
| 200,000 | Toyo Tire & Rubber Co., Ltd | JPN | JPY | 115,400,000 | 0.20 |
| 65,000 | Mitsuba Corp. | JPN | JPY | 60,970,000 | 0.11 |
| | | | | 1,649,270,000 | 2.89 |
| | **Wireless Telecommunication Services** | | | | |
| 1,344 | KDDI Corp. | JPN | JPY | 1,084,608,000 | 1.90 |
| | **TOTAL SHARES** | | | 55,912,561,100 | 97.88 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 55,912,561,100 | 97.88 |
| | **TOTAL INVESTMENTS** | | | 55,912,561,100 | 97.88 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 790,000 | Kazakhstan Temir Zholy, 6.50%, 05/11/11 | NLD | USD | 606,476 | 2.58 |
| 270,000 | BSKYB Finance UK Ltd., 5.75%, 10/20/17 | GBR | GBP | 391,467 | 1.66 |
| 334,000 | Elektrownia Turow BV, 9.75%, 03/14/11 | POL | EUR | 378,228 | 1.61 |
| 380,000 | BES Finance Ltd., 4.50%, 03/16/15 | CYM | EUR | 367,918 | 1.56 |
| 370,000 | Hannover Finance SA, 5.00%, 06/01/15 | LUX | EUR | 362,982 | 1.54 |
| 250,000 | Telecom Italia SpA, 5.625%, 12/29/15 | ITA | GBP | 351,661 | 1.49 |
| 175,000 | Central European Distribution Corp., 8.00%, 07/25/12 | USA | EUR | 189,437 | 0.81 |
| | | | | 2,648,169 | 11.25 |
| | **Government Bonds** | | | | |
| 1,340,000 | Government of Poland, 6.25%, 10/24/15 | POL | PLN | 375,410 | 1.59 |
| | **Securities Maturing Within One Year** | | | | |
| 25,000,000 | KfW Bankengruppe, 8.25%, 09/20/07 | DEU | ISK | 256,299 | 1.09 |
| | **TOTAL BONDS** | | | 3,279,878 | 13.93 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 3,279,878 | 13.93 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 610,000 | Genworth Financial Inc., 6.15%, 11/15/66 | USA | USD | 462,297 | 1.96 |
| 480,000 | Kazakhstan Temir Zholy, 7.00%, 05/11/16 | KAZ | USD | 383,015 | 1.63 |
| 380,000 | Gaz Captial (GAZPROM), 5.136%, 03/22/17 | LUX | EUR | 377,615 | 1.60 |
| 480,000 | Vale Overseas Ltd., 6.25%, 01/23/17 | BRA | USD | 367,094 | 1.56 |
| 455,000 | Lincoln National Corp., FRN, 7.00%, 05/17/66† | USA | USD | 365,956 | 1.56 |
| 475,000 | iStar Financial Inc., 5.95%, 10/15/13 | USA | USD | 362,147 | 1.54 |
| 475,000 | WEA Finance WCI Finance, 5.70%, 10/01/16 | AUS | USD | 361,856 | 1.54 |
| 475,000 | Dominion Resources Inc., 6.30%, 09/30/66 | USA | USD | 361,849 | 1.54 |
| 450,000 | Glitnir Banki HF, 7.451%, 09/14/16 | ISL | USD | 359,873 | 1.53 |
| 340,000 | HT1 Funding GMBH, 6.352%, 06/30/17 | DEU | EUR | 359,774 | 1.53 |
| 450,000 | SABMiller PLC, 6.50%, 07/01/16 | ZAF | USD | 356,227 | 1.51 |
| 500,000 | Bunge Ltd. Finance Corp., 5.10%, 07/15/15 | USA | USD | 353,334 | 1.50 |
| 455,000 | Embarq Corp., 7.082%, 06/01/16 | USA | USD | 351,494 | 1.49 |
| 350,000 | BBVA Intl Pref Uniperson, 4.952%, 09/20/16 | ESP | EUR | 348,145 | 1.48 |
| 360,000 | Ford Motor Credit Co., 8.625%, 11/01/10 | USA | USD | 280,949 | 1.19 |
| 200,000 | Hellas II, Reg S, FRN, 9.704%, 01/15/15† | LUX | EUR | 200,620 | 0.85 |
| 200,000 | City Of Moscow, 5.064%, 10/20/16 | DEU | EUR | 199,758 | 0.85 |
| 190,000 | Bombardier Inc., 7.25%, 11/15/16 | CAN | EUR | 194,009 | 0.82 |
| 235,000 | Lyondell Chemical Co., 8.25%, 09/15/16 | USA | USD | 187,815 | 0.80 |
| 240,000 | Host Marriott LP, 7.125%, 11/01/13 | USA | USD | 186,811 | 0.79 |
| 240,000 | DaVita Inc., 7.25%, 03/15/15 | USA | USD | 186,357 | 0.79 |
| 245,000 | Freescale Semiconductor Inc., 8.875%, 12/15/14 | USA | USD | 185,831 | 0.79 |
| 230,000 | Beazer Homes USA Inc., 8.125%, 06/15/16 | USA | USD | 185,561 | 0.79 |
| 230,000 | Nalco Co., 8.875%, 11/15/13 | USA | USD | 185,343 | 0.79 |
| 245,000 | Chesapeake Energy Corp., 6.375%, 06/15/15 | USA | USD | 184,671 | 0.78 |
| 240,000 | NRG Energy Inc., 7.375%, 02/01/16 | USA | USD | 183,175 | 0.78 |
| 235,000 | General Motors Acceptance Corp., 6.75%, 12/01/14 | USA | USD | 183,133 | 0.78 |
| 225,000 | SunGard Data Systems Inc., 10.25%, 08/15/15 | USA | USD | 182,806 | 0.78 |
| 230,000 | Intelsat Bermuda Ltd., 8.625%, 01/15/15 | BMU | USD | 182,076 | 0.77 |
| 245,000 | Owens-Brockway Glass Container Inc., 6.75%, 12/01/14 | USA | USD | 180,959 | 0.77 |
| 225,000 | R.H. Donnelley Corp., 8.875%, 01/15/16 | USA | USD | 179,823 | 0.76 |
| 260,000 | Station Casinos Inc., 6.875%, 03/01/16 | USA | USD | 177,758 | 0.76 |
| 200,000 | Peru Enhanced Pass-Thru, 0.00%, 05/31/18 | PER | USD | 100,754 | 0.43 |
| 100,000 | Sensata Technologies BV, 9.00%, 05/01/16 | NLD | EUR | 100,750 | 0.43 |
| 100,000 | XTO Energy Inc., 5.65%, 04/01/16 | USA | USD | 75,023 | 0.32 |
| | | | | 8,894,658 | 37.79 |
| | **Government Bonds** | | | | |
| 5,000,000 | FHLMC, 4.50%, 01/01/19 | USA | USD | 3,650,430 | 15.51 |
| 1,205,766 | U.S. Treasury Note, 2.50%, 07/15/16 | USA | USD | 920,632 | 3.91 |
| 1,540,000 | Government of Singapore, 2.375%, 10/01/09 | SGP | SGD | 748,835 | 3.18 |
| 3,642,000 | Government of Norway, 5.50%, 05/15/09 | NOR | NOK | 453,625 | 1.93 |
| 520,000,000 | Government of Korea, 4.25%, 03/10/08 | KOR | KRW | 420,099 | 1.78 |
| 900,000 | Government of Turkey, Strip, 0.00%, 07/16/08 | TUR | TRY | 356,765 | 1.52 |
| 28,587 | Mexican Udibonos, 4.50%, 12/18/14 | MEX | MXN | 214,383 | 0.91 |
| 600 | Nota Do Tesouro Nacional, 9.7618%, 01/01/12 | BRA | BRL | 194,195 | 0.82 |
| 15,000,000 | Government of Japan, FRN, 1.20%, 03/20/21† | JPN | JPY | 95,776 | 0.41 |
| (4,190,000) | FNMA, 5.00%, 01/15/35 | USA | USD | (3,065,012) | (13.02) |
| (5,643,000) | FNMA, 5.50%, 01/15/36 | USA | USD | (4,225,412) | (17.95) |
| | | | | (235,684) | (1.00) |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Securities Maturing Within One Year** | | | | |
| 3,000,000 | Egypt Certificate of Deposit, 0.00%, 09/12/07 | EGY | EGP | 370,706 | 1.57 |
| 950,000 | Government of Malaysia, 8.60%, 12/01/07 | MYS | MYR | 213,227 | 0.91 |
| 100,000 | German Treasury Bill, 0.00%, 02/14/07 | DEU | EUR | 99,664 | 0.42 |
| 750,000 | Egypt Treasury Bill, 0.00%, 05/01/07 | EGY | EGP | 96,315 | 0.41 |
| | | | | 779,912 | 3.31 |
| | **TOTAL BONDS** | | | 9,438,886 | 40.10 |
| | **DERIVATIVES** | | | | |
| | **Credit Default Swap** | | | | |
| (250,000) | Home Depot Inc., Dec. 11 Future | USA | USD | (80) | 0.00 |
| (5,000,000) | DJ CDX NA, Dec. 11 Future | USA | USD | (869) | 0.00 |
| | **Total Credit Default Swap** | | | **(949)** | **0.00** |
| | **Futures** | | | | |
| (19) | Euro Bund Future, Mar. 07 Future | DEU | EUR | 49,140 | 0.21 |
| (5) | Long Gilt Futures, Mar. 07 Future | GBR | GBP | 11,453 | 0.05 |
| (8) | U.S. Treasury Note, Mar. 07 Future | USA | USD | 8,238 | 0.03 |
| (4) | U.S. Treasury Bond, Mar. 07 Future | USA | USD | 6,676 | 0.03 |
| (10) | U.S. Treasury Note, Mar. 07 Future | USA | USD | 4,498 | 0.02 |
| | **Total Futures** | | | 80,005 | 0.34 |
| | **Interest Rate Swap** | | | | |
| (5,000,000) | Credit Suisse First Boston, Fixed Dec. 16 Future | USA | USD | 84,478 | 0.36 |
| | **TOTAL DERIVATIVES** | | | 163,534 | 0.70 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 9,602,420 | 40.80 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Telecommunications Equipment** | | | | |
| 587 | Centaur Funding Corp., 9.08%, pfd., B, 144A | USA | USD | 519,998 | 2.21 |
| | **TOTAL SHARES** | | | 519,998 | 2.21 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 519,998 | 2.21 |
| | **TOTAL INVESTMENTS** | | | 13,402,296 | 56.94 |

† Floating Rates are indicated as at December 31, 2006

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 1,200,000 | Sumitomo Mitsui Banking, Reg S, 4.375%, 10/15/15 | JPN | EUR | 1,521,456 | 0.45 |
| 95,000 | PCCW-HKTC Capital Ltd., 6.00%, 07/15/13 | HKG | USD | 95,832 | 0.03 |
| 95,000 | General Electric Capital Corp., 6.50%, 09/28/15 | USA | NZD | 64,371 | 0.02 |
| | | | | 1,681,659 | 0.50 |
| | **Government Bonds** | | | | |
| 360,000 | Government of the Philippines, 8.875%, 03/17/15 | PHL | USD | 425,484 | 0.13 |
| 200,000 | Government of Indonesia, Reg S, 7.50%, 01/15/16 | IDN | USD | 220,700 | 0.06 |
| 25,000 | Government of the Philippines, 9.00%, 02/15/13 | PHL | USD | 29,000 | 0.01 |
| | | | | 675,184 | 0.20 |
| | **Securities Maturing Within One Year** | | | | |
| 1,575,000 | Queensland Treasury Corp., 8.00%, 09/14/07 | AUS | AUD | 1,257,777 | 0.37 |
| | **TOTAL BONDS** | | | 3,614,620 | 1.07 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 3,614,620 | 1.07 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 500,000,000 | KfW Bankengruppe, FRN, 0.2325%, 08/08/11 | DEU | JPY | 4,202,709 | 1.24 |
| 40,000,000 | Toyota Leasing Thailand Co., Ltd., 5.70%, 08/02/08 | THA | THB | 1,134,469 | 0.34 |
| 8,500,000,000 | PT Hanjaya Mandala Sampoerna Tbk, 10.75%, 10/26/09 | IDN | IDR | 942,986 | 0.28 |
| 165,000 | Hutchison Whampoa International Ltd., 7.45%, 11/24/33 | USA | USD | 190,513 | 0.06 |
| | | | | 6,470,677 | 1.92 |
| | **Government Bonds** | | | | |
| 25,353,000,000 | Korea Treasury Note, 4.25%, 09/10/08 | KOR | KRW | 26,956,932 | 7.99 |
| 192,088,000,000 | Government of Indonesia, 11.00%, 11/15/20 | IDN | IDR | 22,613,348 | 6.71 |
| 102,800,000,000 | Government of Indonesia, 12.90%, 06/15/22 | IDN | IDR | 13,793,725 | 4.09 |
| 101,509,000,000 | Government of Indonesia, 12.80%, 06/15/21 | IDN | IDR | 13,487,876 | 4.00 |
| 35,280,000 | Government of Malaysia, 6.45%, 07/01/08 | MYS | MYR | 10,418,094 | 3.09 |
| 4,500,000,000 | Korea Treasury Note, 4.75%, 03/12/08 | KOR | KRW | 4,824,232 | 1.43 |
| 38,000,000,000 | Government of Indonesia, 11.50%, 09/15/19 | IDN | IDR | 4,554,175 | 1.35 |
| 4,150,000 | New South Wales Treasury Corp., 8.00%, 03/01/08 | AUS | AUD | 3,333,045 | 0.99 |
| 27,175,000,000 | Government of Indonesia, 9.50%, 06/15/15 | IDN | IDR | 2,915,462 | 0.86 |
| 2,700,000,000 | Government of Korea, 4.25%, 03/10/08 | KOR | KRW | 2,879,402 | 0.85 |
| 86,000,000 | Bank of Thailand Bond, 5.50%, 06/15/08 | THA | THB | 2,441,465 | 0.72 |
| 15,000,000,000 | Government of Indonesia, 11.00%, 09/15/25 | IDN | IDR | 1,762,105 | 0.52 |
| 9,350,000,000 | Government of Indonesia, 15.00%, 07/15/18 | IDN | IDR | 1,367,685 | 0.41 |
| 9,500,000,000 | Government of Indonesia, 12.00%, 09/15/26 | IDN | IDR | 1,201,562 | 0.36 |
| 425,000 | Government of Indonesia, Reg S, 6.875%, 03/09/17 | IDN | USD | 452,792 | 0.13 |
| 2,830,000,000 | Government of Indonesia, 11.75%, 08/15/23 | IDN | IDR | 340,017 | 0.10 |
| 1,261,000,000 | Government of Indonesia, 10.00%, 07/15/17 | IDN | IDR | 140,563 | 0.04 |
| 425,000 | Government of Malaysia, 4.305%, 02/27/09 | MYS | MYR | 122,154 | 0.04 |
| 4,010,000 | Bank of Thailand Bond, 5.50%, 08/10/08 | THA | THB | 113,484 | 0.03 |
| 100,000 | Government of Vietnam, 6.875%, 01/15/16 | VND | USD | 108,060 | 0.03 |
| 2,430,000 | Bank of Thailand Bond, 5.00%, 01/12/08 | THA | THB | 68,566 | 0.02 |
| 90,000 | Government of New Zealand, 6.50%, 04/15/13 | NZL | NZD | 64,669 | 0.02 |
| 90,000 | Government of New Zealand, 6.00%, 04/15/15 | NZL | NZD | 63,559 | 0.02 |
| 125,000,000 | Government of Indonesia, 14.25%, 06/15/13 | IDN | IDR | 16,957 | 0.01 |
| | | | | 114,039,929 | 33.81 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Securities Maturing Within One Year** | | | | |
| 73,770,000 | Government of Malaysia, 8.60%, 12/01/07 | MYS | MYR | 21,856,902 | 6.48 |
| 20,195,000,000 | Korea Treasury Note, 3.75%, 09/10/07 | KOR | KRW | 21,545,199 | 6.39 |
| 24,150,000 | Government of Singapore, 2.625%, 10/01/07 | SGP | SGD | 15,701,587 | 4.66 |
| 44,800,000 | Government of Malaysia, 3.135%, 12/17/07 | MYS | MYR | 12,652,402 | 3.75 |
| 361,000,000 | Thailand Treasury Bill, 0.00%, 05/03/07 | THA | THB | 10,023,271 | 2.97 |
| 353,860,000 | Thailand Treasury Bill, 0.00%, 09/06/07 | THA | THB | 9,662,472 | 2.86 |
| 305,000,000 | Thailand Treasury Bill, 0.00%, 11/08/07 | THA | THB | 8,258,633 | 2.45 |
| 215,665,000 | Thailand Treasury Bill, 0.00%, 08/16/07 | THA | THB | 5,905,447 | 1.75 |
| 5,400,000,000 | Korea Treasury Note, 4.75%, 03/03/07 | KOR | KRW | 5,804,498 | 1.72 |
| 178,000,000 | Thailand Treasury Bill, 0.00%, 05/17/07 | THA | THB | 4,934,314 | 1.46 |
| 171,000,000 | Thailand Treasury Bill, 0.00%, 01/18/07 | THA | THB | 4,806,677 | 1.43 |
| 9,055,000 | Government of Malaysia, 6.90%, 03/15/07 | MYS | MYR | 2,582,936 | 0.77 |
| 3,833,000 | Government of Singapore, 1.75%, 02/01/07 | SGP | SGD | 2,496,710 | 0.74 |
| 85,100,000 | Thailand Treasury Bill, 0.00%, 01/04/07 | THA | THB | 2,396,648 | 0.71 |
| 84,875,000 | Thailand Treasury Bill, 0.00%, 10/04/07 | THA | THB | 2,308,944 | 0.68 |
| 3,170,000 | Government of Singapore, 4.00%, 03/01/07 | SGP | SGD | 2,069,324 | 0.61 |
| 58,000,000 | Thailand Treasury Bill, 0.00%, 04/19/07 | THA | THB | 1,613,369 | 0.48 |
| 52,500,000 | Thailand Treasury Bill, 0.00%, 03/22/07 | THA | THB | 1,466,021 | 0.43 |
| 40,000,000 | Thailand Treasury Bill, 0.00%, 04/05/07 | THA | THB | 1,114,732 | 0.33 |
| 26,500,000 | Thailand Treasury Bill, 0.00%, 07/19/07 | THA | THB | 728,348 | 0.22 |
| 21,400,000 | Thailand Treasury Bill, 0.00%, 02/22/07 | THA | THB | 599,725 | 0.18 |
| 20,000,000 | Thailand Treasury Bill, 0.00%, 03/08/07 | THA | THB | 558,359 | 0.17 |
| 13,000,000 | Thailand Treasury Bill, 0.00%, 06/07/07 | THA | THB | 359,290 | 0.11 |
| 10,110,000 | Thailand Treasury Bill, 0.00%, 12/06/07 | THA | THB | 272,810 | 0.08 |
| 6,505,000 | Thailand Treasury Bill, 0.00%, 08/02/07 | THA | THB | 178,547 | 0.05 |
| 2,020,000 | Government of Thailand, 5.60%, 07/07/07 | THA | THB | 57,182 | 0.02 |
| | | | | 139,954,347 | 41.50 |
| | **TOTAL BONDS** | | | 260,464,953 | 77.23 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 260,464,953 | 77.23 |
| | **TOTAL INVESTMENTS** | | | 264,079,573 | 78.30 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aluminium** | | | | |
| 346,428,000 | Aluminum Corp. of China Ltd., H | CHN | HKD | 320,636,779 | 5.97 |
| 6,991,995 | National Aluminium Co., Ltd. | IND | INR | 33,917,872 | 0.63 |
| 4,021,700 | Hindalco Industries Inc. | IND | INR | 15,871,653 | 0.30 |
| 5,460,205 | Hindalco Industries Ltd. | IND | INR | 15,168,268 | 0.28 |
| | | | | 385,594,572 | 7.18 |
| | **Apparel & Accessories** | | | | |
| 11,919,989 | Tainan Enterprises Co., Ltd. | TWN | TWD | 20,485,480 | 0.38 |
| 132,274,000 | Tack Fat Group International Ltd. | HKG | HKD | 18,023,877 | 0.34 |
| 46,713,182 | Victory City International Holdings Ltd. | BMU | HKD | 16,873,828 | 0.31 |
| | | | | 55,383,185 | 1.03 |
| | **Automobile Manufacturers** | | | | |
| 405,053,000 | Denway Motors Ltd. | CHN | HKD | 164,017,527 | 3.05 |
| 51,053,500 | PT Astra International Tbk | IDN | IDR | 89,124,362 | 1.66 |
| 46,762,817 | Chongqing Changan Automobile Co., Ltd., B | CHN | HKD | 39,494,252 | 0.74 |
| 165,008,000 | Brilliance China Automotive Holdings Ltd. | CHN | HKD | 27,999,275 | 0.52 |
| | | | | 320,635,416 | 5.97 |
| | **Banks** | | | | |
| 122,570,900 | Siam Commercial Bank Public Co., Ltd., fgn. | THA | THB | 200,539,131 | 3.74 |
| 83,741,700 | Kasikornbank Public Co., Ltd., fgn. | THA | THB | 147,640,515 | 2.75 |
| 95,481,290 | PT Bank Danamon Indonesia Tbk | IDN | IDR | 71,662,724 | 1.33 |
| 543,937,500 | PT Bank Pan Indonesia Tbk, fgn. | IDN | IDR | 35,079,085 | 0.65 |
| 642,461 | Hana Financial Group Inc. | KOR | KRW | 33,781,014 | 0.63 |
| | | | | 488,702,469 | 9.10 |
| | **Brewers** | | | | |
| 12,689,266 | San Miguel Corp., B | PHL | PHP | 20,049,299 | 0.38 |
| 1,492,573 | Kook Soon Dang Brewery Co., Ltd. | KOR | KRW | 9,838,142 | 0.18 |
| | | | | 29,887,441 | 0.56 |
| | **Broadcasting & Cable TV** | | | | |
| 38,362,900 | BEC World Public Co., Ltd., fgn. | THA | THB | 22,833,771 | 0.42 |
| | **Casinos & Gaming** | | | | |
| 5,611,771 | Kangwon Land Inc. | KOR | KRW | 121,890,080 | 2.27 |
| 15,503,800 | Tanjong PLC | MYS | MYR | 63,244,963 | 1.18 |
| | | | | 185,135,043 | 3.45 |
| | **Computer Storage & Peripherals** | | | | |
| 226,764,700 | Cal-Comp Electronics (Thailand) Public Co., Ltd., fgn. | THA | THB | 28,273,624 | 0.53 |
| 9,325,170 | Lite-On Technology Corp. | TWN | TWD | 12,606,222 | 0.23 |
| 9,720,482 | Compal Electronics Inc. | TWN | TWD | 8,665,951 | 0.16 |
| | | | | 49,545,797 | 0.92 |
| | **Construction & Engineering** | | | | |
| 5,153,220 | Hyundai Development Co. | KOR | KRW | 314,734,297 | 5.86 |
| 533,500 | Daelim Industrial Co. | KOR | KRW | 43,597,849 | 0.81 |
| | | | | 358,332,146 | 6.67 |
| | **Construction & Farm Machinery** | | | | |
| 16,818,676 | China International Marine Containers (Group) Co., Ltd., B | CHN | HKD | 35,197,682 | 0.66 |
| | **Construction Materials** | | | | |
| 27,882,586 | Siam Cement Public Co., Ltd., fgn. | THA | THB | 199,779,319 | 3.72 |
| | **Consumer Electronics** | | | | |
| 674,675 | Haatz Inc. | KOR | KRW | 2,423,026 | 0.04 |
| | **Consumer Finance** | | | | |
| 3,693,200 | LG Card Co., Ltd. | KOR | KRW | 245,816,215 | 4.58 |
| 56,429,000 | Thanachart Capital Public Co., Ltd., fgn. | THA | THB | 22,125,898 | 0.41 |
| 23,227,200 | Kiatnakin Bank Public Co., Ltd., fgn. | THA | THB | 19,001,095 | 0.35 |
| 22,766,300 | TISCO Bank Public Co., Ltd., fgn. | THA | THB | 14,192,813 | 0.27 |
| | | | | 301,136,021 | 5.61 |
| | **Department Stores** | | | | |
| 8,857,100 | Robinson Department Store Public Co., Ltd., fgn. | THA | THB | 2,798,294 | 0.05 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Diversified Financial Services** | | | | |
| 18,591,000 | Mega Financial Holding Co., Ltd. | TWN | TWD | 13,664,399 | 0.25 |
| | **Diversified Metals & Mining** | | | | |
| 44,966,000 | Yanzhou Coal Mining Co., Ltd., H | CHN | HKD | 36,300,429 | 0.68 |
| | **Electric Utilities** | | | | |
| 38,408,000 | Datang International Power Generation Co., Ltd., H | CHN | HKD | 39,992,133 | 0.74 |
| 49,462,424 | Guangdong Electric Power Development Co., Ltd., B | CHN | HKD | 30,456,414 | 0.57 |
| | | | | 70,448,547 | 1.31 |
| | **Electronic Equipment & Instruments** | | | | |
| 1,523,320 | Jahwa Electronics Co., Ltd. | KOR | KRW | 13,595,221 | 0.25 |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 25,816,000 | Lee & Man Holdings Ltd. | HKG | HKD | 6,006,692 | 0.11 |
| | **General Merchandise Stores** | | | | |
| 20,291,134 | Dairy Farm International Holdings Ltd. | HKG | USD | 68,989,856 | 1.28 |
| | **Home Furnishings** | | | | |
| 15,002,500 | Fancy Wood Industries Public Co., Ltd., fgn. | THA | THB | 922,580 | 0.02 |
| | **Homebuilding** | | | | |
| 250,150,810 | Land and Houses Public Co., Ltd., fgn. | THA | THB | 48,689,438 | 0.91 |
| | **Household Products** | | | | |
| 301,630 | ABLE C&C | KOR | KRW | 2,448,717 | 0.05 |
| | **Integrated Oil & Gas** | | | | |
| 344,100,000 | PetroChina Co., Ltd., H | CHN | HKD | 487,454,542 | 9.08 |
| 463,296,000 | China Petroleum and Chemical Corp., H | CHN | HKD | 428,804,072 | 7.98 |
| 4,224,355 | SK Corp. | KOR | KRW | 331,589,156 | 6.17 |
| 38,597,500 | PTT Public Co., Ltd., fgn. | THA | THB | 228,645,275 | 4.26 |
| 406,097 | Indian Oil Corp., Ltd. | IND | INR | 4,142,898 | 0.08 |
| | | | | 1,480,635,943 | 27.57 |
| | **Integrated Telecommunication Services** | | | | |
| 13,156,462 | Pakistan Telecommunications Corp., A | PAK | PKR | 9,587,617 | 0.18 |
| | **Meat, Poultry & Fish** | | | | |
| 79,785,000 | People's Food Holdings Ltd. | CHN | SGD | 65,037,171 | 1.21 |
| 9,066,100 | Thai Union Frozen Products Ltd., fgn. | THA | THB | 6,969,005 | 0.13 |
| | | | | 72,006,176 | 1.34 |
| | **Movies & Entertainment** | | | | |
| 36,760,600 | GMM Grammy Public Co., Ltd., fgn. | THA | THB | 7,362,490 | 0.14 |
| | **Office Electronics** | | | | |
| 41,691,200 | Delta Electronics (Thailand) Public Co., Ltd., fgn. | THA | THB | 20,345,776 | 0.38 |
| 946,778 | Intelligent Digital Integrated Security Co., Ltd. | KOR | KRW | 13,539,943 | 0.25 |
| | | | | 33,885,719 | 0.63 |
| | **Oil & Gas Drilling** | | | | |
| 8,743,209 | Oil & Natural Gas Corp., Ltd. | IND | INR | 172,436,337 | 3.21 |
| 14,312,700 | PTT Exploration and Production Public Co., Ltd., fgn. | THA | THB | 39,324,597 | 0.73 |
| | | | | 211,760,934 | 3.94 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 7,142,811 | Gail India Ltd. | IND | INR | 42,348,458 | 0.79 |
| | **Real Estate Management & Development** | | | | |
| 62,789,900 | Amata Corp. Public Co., Ltd., fgn. | THA | THB | 21,963,181 | 0.41 |
| 99,083,700 | Sansiri PLC, fgn. | THA | THB | 8,944,086 | 0.17 |
| | | | | 30,907,267 | 0.58 |
| | **Semiconductors** | | | | |
| 5,032,240 | MediaTek Inc. | TWN | TWD | 52,044,342 | 0.97 |
| 11,037,197 | Faraday Technology Corp. | TWN | TWD | 26,691,150 | 0.50 |
| 9,429,608 | Taiwan Semiconductor Manufacturing Co., Ltd. | TWN | TWD | 19,533,483 | 0.36 |
| | | | | 98,268,975 | 1.83 |
| | **Speciality Chemicals** | | | | |
| 33,708,600 | Aromatics (Thailand) Public Co., Ltd., fgn. | THA | THB | 30,665,793 | 0.57 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Steel** | | | | |
| 41,768,700 | Tycoons Worldwide Groups (Thailand) Public Co., Ltd., | THA | THB | 7,835,313 | 0.15 |
| | **Telecommunications Equipment** | | | | |
| 8,547,000 | VTech Holdings Ltd. | HKG | HKD | 52,737,896 | 0.98 |
| | **Textiles** | | | | |
| 6,892,422 | Luthai Textile Co., Ltd., B | CHN | HKD | 6,193,225 | 0.12 |
| | **Tobacco** | | | | |
| 4,058,000 | Shanghai Industrial Holdings Ltd. | CHN | HKD | 8,638,538 | 0.16 |
| | **Trading Companies & Distributors** | | | | |
| 4,846,330 | Youngone Corp. | KOR | KRW | 27,201,981 | 0.51 |
| 11,077,000 | Sime Darby Bhd. | MYS | MYR | 22,593,315 | 0.42 |
| | | | | 49,795,296 | 0.93 |
| | **Trucking** | | | | |
| 4,690,908 | Chiwan Wharf Holdings Ltd., B | CHN | HKD | 9,328,570 | 0.17 |
| | **Wireless Telecommunication Services** | | | | |
| 72,174,400 | Maxis Communications Bhd. | MYS | MYR | 208,549,258 | 3.89 |
| 98,407,190 | Taiwan Mobile Co., Ltd. | TWN | TWD | 102,076,508 | 1.90 |
| 175,245 | SK Telecom Co., Ltd. | KOR | KRW | 41,926,895 | 0.78 |
| 31,130,000 | SmarTone Telecommunications Holdings Ltd. | HKG | HKD | 32,253,884 | 0.60 |
| | | | | 384,806,545 | 7.17 |
| | **TOTAL SHARES** | | | 5,235,214,816 | 97.49 |
| | **WARRANTS** | | | | |
| | **Banks** | | | | |
| 108,787,500 | PT Bank Pan Indonesia Tbk, wts., 07/10/09 | IDN | IDR | 2,600,691 | 0.05 |
| | **Computer Storage & Peripherals** | | | | |
| 41,524,620 | Cal-Comp Electronics (Thailand) Public Co., Ltd., fgn. | THA | THB | 960,513 | 0.02 |
| | **TOTAL WARRANTS** | | | 3,561,204 | 0.07 |
| | **RIGHTS** | | | | |
| | **Integrated Telecommunication Services** | | | | |
| 452,362 | True Corp. Public Co., Ltd., fgn., rts., 03/28/08 | THA | THB | 0 | 0.00 |
| | **TOTAL RIGHTS** | | | 0 | 0.00 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 5,238,776,020 | 97.56 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Health Care Equipment** | | | | |
| 9,196,054 | Microlife Corp. | TWN | TWD | 12,276,457 | 0.23 |
| | **TOTAL SHARES** | | | 12,276,457 | 0.23 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 12,276,457 | 0.23 |
| | **TOTAL INVESTMENTS** | | | 5,251,052,477 | 97.79 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Air Freight & Couriers** | | | | |
| 39,054,000 | Sinotrans Ltd., H | CHN | HKD | 14,107,163 | 1.10 |
| | **Aluminium** | | | | |
| 20,806,000 | Aluminum Corp. of China Ltd., H | CHN | HKD | 19,257,014 | 1.50 |
| 1,618,100 | Hindalco Industries Inc. | IND | INR | 6,385,837 | 0.50 |
| | | | | 25,642,851 | 2.00 |
| | **Automobile Manufacturers** | | | | |
| 937,528 | Hero Honda Motors Ltd. | IND | INR | 16,201,393 | 1.26 |
| 28,520,000 | Denway Motors Ltd. | CHN | HKD | 11,548,562 | 0.90 |
| 7,968,403 | Chongqing Changan Automobile Co., Ltd., B | CHN | HKD | 6,729,837 | 0.53 |
| | | | | 34,479,792 | 2.69 |
| | **Banks** | | | | |
| 578,200 | Unibanco – Uniao de Bancos Brasileiros SA, GDR, pfd. | BRA | USD | 53,749,472 | 4.19 |
| 1,054,800 | Banco Bradesco SA, ADR, pfd. | BRA | USD | 42,561,180 | 3.32 |
| 825,000 | ICICI Bank Ltd. | IND | INR | 16,651,479 | 1.30 |
| 17,221,000 | China Construction Bank Corp., H | CHN | HKD | 10,958,003 | 0.85 |
| 13,461,000 | Industrial and Commercial Bank of China, H | CHN | HKD | 8,357,807 | 0.65 |
| 429,000 | Union Bank of India Ltd. | IND | INR | 1,192,720 | 0.09 |
| | | | | 133,470,661 | 10.40 |
| | **Brewers** | | | | |
| 23,600,809 | Companhia de Bebidas das Americas (AmBev) | BRA | BRL | 10,416,833 | 0.81 |
| | **Construction & Engineering** | | | | |
| 1,578,000 | Hopewell Holdings Ltd. | HKG | HKD | 5,537,803 | 0.43 |
| | **Construction & Farm Machinery** | | | | |
| 6,224,000 | Ashok Leyland Ltd. | IND | INR | 6,412,349 | 0.50 |
| 2,117,284 | Marcopolo SA, pfd. | BRA | BRL | 5,896,485 | 0.46 |
| 202,400 | Tata Motors Ltd. | IND | INR | 4,130,355 | 0.32 |
| 5,000 | Jiangling Motors Corp., Ltd., B | CHN | HKD | 5,798 | 0.00 |
| | | | | 16,444,987 | 1.28 |
| | **Construction Materials** | | | | |
| 768,000 | Cheung Kong Infrastructure Holdings Ltd. | HKG | HKD | 2,384,219 | 0.19 |
| | **Diversified Financial Services** | | | | |
| 5,993,000 | Mega Financial Holding Co., Ltd. | TWN | TWD | 4,404,860 | 0.34 |
| 72,800 | Bradespar SA, pfd. | BRA | BRL | 3,441,516 | 0.27 |
| 1,000 | Tata Investment Corp., Ltd. | IND | INR | 8,635 | 0.00 |
| | | | | 7,855,011 | 0.61 |
| | **Diversified Metals & Mining** | | | | |
| 2,554,550 | Companhia Vale do Rio Doce, ADR, pfd., A | BRA | USD | 67,056,937 | 5.22 |
| 7,272,000 | Yanzhou Coal Mining Co., Ltd., H | CHN | HKD | 5,870,585 | 0.46 |
| | | | | 72,927,522 | 5.68 |
| | **Electric Utilities** | | | | |
| 768,000 | Energias do Brasil SA | BRA | BRL | 11,862,392 | 0.92 |
| 390,800,941 | AES Tiete SA | BRA | BRL | 11,340,818 | 0.88 |
| 16,908,166 | Guangdong Electric Power Development Co., Ltd., B | CHN | HKD | 10,411,178 | 0.81 |
| 135,650 | Companhia Energetica de Minas Gerais, ADR, pfd. | BRA | USD | 6,538,330 | 0.51 |
| 6,106,000 | Datang International Power Generation Co., Ltd., H | CHN | HKD | 6,357,841 | 0.50 |
| 387,700 | CPFL Energia SA | BRA | BRL | 5,443,951 | 0.43 |
| 827,936 | Gujarat Industries Power Co., Ltd. | IND | INR | 1,205,823 | 0.09 |
| | | | | 53,160,333 | 4.14 |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 1,502,000 | Tata Chemicals Ltd. | IND | INR | 7,338,912 | 0.57 |
| | **Industrial Machinery** | | | | |
| 773,000 | Investimentos Itau SA, pfd. | BRA | BRL | 3,950,929 | 0.31 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Integrated Oil & Gas** | | | | |
| 962,700 | Petroleo Brasileiro SA, ADR, pfd. | BRA | USD | 89,300,052 | 6.96 |
| 28,994,000 | PetroChina Co., Ltd., H | CHN | HKD | 41,073,110 | 3.20 |
| 37,214,000 | China Petroleum and Chemical Corp., H | CHN | HKD | 34,443,455 | 2.68 |
| 254,900 | LUKOIL, ADR | RUS | USD | 22,252,770 | 1.74 |
| 391,800 | Reliance Industries Ltd. | IND | INR | 11,282,401 | 0.88 |
| 717,044 | Hindustan Petroleum Corp., Ltd. | IND | INR | 4,525,106 | 0.35 |
| 355,900 | Indian Oil Corp., Ltd. | IND | INR | 3,630,801 | 0.28 |
| | | | | 206,507,695 | 16.09 |
| | **Integrated Telecommunication Services** | | | | |
| 111,094,000 | China Telecom Corp., Ltd., H | CHN | HKD | 60,837,038 | 4.74 |
| 934,000 | Reliance Communication Ltd. | IND | INR | 9,978,334 | 0.78 |
| 226,900 | Tele Norte Leste Participacoes SA | BRA | BRL | 5,915,436 | 0.46 |
| | | | | 76,730,808 | 5.98 |
| | **IT Consulting & Services** | | | | |
| 1,492,300 | Satyam Computer Services Ltd. | IND | INR | 16,370,817 | 1.28 |
| 777,007 | Datasul SA | BRA | BRL | 7,164,539 | 0.56 |
| 1,546,234 | HCL Infosystems Ltd. | IND | INR | 5,579,972 | 0.43 |
| | | | | 29,115,328 | 2.27 |
| | **Marine** | | | | |
| 3,049,000 | Shipping Corp. of India Ltd. | IND | INR | 11,172,410 | 0.87 |
| | **Oil & Gas Drilling** | | | | |
| 30,876,000 | CNOOC Ltd. | CHN | HKD | 29,331,436 | 2.29 |
| 1,284,435 | Oil & Natural Gas Corp., Ltd. | IND | INR | 25,332,034 | 1.97 |
| | | | | 54,663,470 | 4.26 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 1,951,740 | Gail India Ltd. | IND | INR | 11,571,520 | 0.90 |
| | **Paper Products** | | | | |
| 10,448,400 | Shandong Chenming Paper Holdings Ltd., B | CHN | HKD | 5,976,923 | 0.47 |
| | **Property & Casualty Insurance** | | | | |
| 6,026,000 | PICC Property and Casualty Co., Ltd., H | CHN | HKD | 3,090,793 | 0.24 |
| | **Real Estate Management & Development** | | | | |
| 3,594,171 | Ishaan Real Estate PLC | GBR | GBP | 7,390,576 | 0.58 |
| | **Steel** | | | | |
| 522,088 | Sesa Goa Ltd. | IND | INR | 16,694,626 | 1.30 |
| 449,469 | OAO TMK, GDR | RUS | USD | 15,281,946 | 1.19 |
| 5,966,000 | Steel Authority of India Ltd. | IND | INR | 12,063,180 | 0.94 |
| 415,000 | Tata Steel Ltd. | IND | INR | 4,537,108 | 0.35 |
| 174,000 | Evraz Group SA, GDR, Reg S | RUS | USD | 4,410,900 | 0.35 |
| | | | | 52,987,760 | 4.13 |
| | **Telecommunications Equipment** | | | | |
| 410,000 | Comstar United Telesystems, GDR | RUS | USD | 3,403,000 | 0.27 |
| 421,000 | VTech Holdings Ltd. | HKG | HKD | 2,597,713 | 0.20 |
| | | | | 6,000,713 | 0.47 |
| | **Textiles** | | | | |
| 1,886,000 | Weiqiao Textile Co., Ltd., H | CHN | HKD | 2,540,802 | 0.20 |
| | **Tobacco** | | | | |
| 4,777,000 | Shanghai Industrial Holdings Ltd. | CHN | HKD | 10,169,122 | 0.79 |
| 151,711 | Souza Cruz SA | BRA | BRL | 2,701,897 | 0.21 |
| | | | | 12,871,019 | 1.00 |
| | **Trading Companies & Distributors** | | | | |
| 2,010,000 | Citic Pacific Ltd. | CHN | HKD | 6,937,583 | 0.54 |
| | **Trucking** | | | | |
| 2,400,647 | Chiwan Wharf Holdings Ltd., B | CHN | HKD | 4,774,044 | 0.37 |
| 1,402,000 | Cosco Pacific Ltd. | CHN | HKD | 3,290,915 | 0.26 |
| | | | | 8,064,959 | 0.63 |
| | **Tyres & Rubber** | | | | |
| 7,120,000 | Norstar Founders Group Ltd. | CHN | HKD | 2,379,694 | 0.18 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Wireless Telecommunication Services** | | | | |
| 268,000 | Mobile Telesystems, ADR | RUS | USD | 13,450,920 | 1.05 |
| 1,344,000 | China Mobile Ltd. | CHN | HKD | 11,610,112 | 0.90 |
| | | | | 25,061,032 | 1.95 |
| | **TOTAL SHARES** | | | 910,780,101 | 70.97 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 910,780,101 | 70.97 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Banks** | | | | |
| 233,441 | Banco Nossa Caixa SA | BRA | BRL | 5,244,637 | 0.41 |
| | **Diversified Metals & Mining** | | | | |
| 241,700 | Mining and Metallurgical Co., Norilsk Nickel, ADR | RUS | USD | 37,946,900 | 2.95 |
| 15,101 | ZAO Polyus Gold Company, ADR | RUS | USD | 733,574 | 0.06 |
| 402,000 | China Coal Energy Co., Reg S, H | CHN | HKD | 260,967 | 0.02 |
| | | | | 38,941,441 | 3.03 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 192,000 | Shanghai Jin Jiang International Hotels (Group) Co., H | CHN | HKD | 92,061 | 0.01 |
| | **Integrated Oil & Gas** | | | | |
| 2,425,530 | Gazprom, ADR | RUS | USD | 111,574,380 | 8.69 |
| 464,250 | LUKOIL, ADR | RUS | USD | 40,621,875 | 3.17 |
| | | | | 152,196,255 | 11.86 |
| | **Real Estate Investment Trusts** | | | | |
| 770,500 | Hirco PLC | IND | GBP | 6,488,307 | 0.50 |
| | **Steel** | | | | |
| 875,000 | Evraz Group SA, GDR, Reg S | RUS | USD | 22,181,250 | 1.73 |
| | **TOTAL SHARES** | | | 225,143,951 | 17.54 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 225,143,951 | 17.54 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Banks** | | | | |
| 2,310 | Sberbank RF | RUS | USD | 7,969,500 | 0.62 |
| | **Diversified Metals & Mining** | | | | |
| 236,400 | ZAO Polyus Gold Co. | RUS | USD | 11,654,520 | 0.91 |
| | **Electric Utilities** | | | | |
| 34,756,500 | Unified Energy Systems | RUS | USD | 37,537,020 | 2.92 |
| | **Integrated Oil & Gas** | | | | |
| 7,876,000 | TNK-BP | RUS | USD | 20,438,220 | 1.59 |
| 9,260 | JSC Salavatnefteorgsintez | RUS | USD | 579,907 | 0.05 |
| | | | | 21,018,127 | 1.64 |
| | **Integrated Telecommunication Services** | | | | |
| 564,500 | VolgaTelecom | RUS | USD | 3,415,225 | 0.27 |
| | **Pharmaceuticals** | | | | |
| 108,904 | Veropharm | RUS | USD | 3,457,702 | 0.27 |
| | **Real Estate Management & Development** | | | | |
| 16,000 | OAO Open Investments | RUS | USD | 3,576,000 | 0.28 |
| | **Steel** | | | | |
| 764,876 | OAO TMK | RUS | USD | 6,348,471 | 0.49 |
| | **Wireless Telecommunication Services** | | | | |
| 639,000 | Mobile TeleSystems | RUS | USD | 5,495,400 | 0.43 |
| | **TOTAL SHARES** | | | 100,471,965 | 7.83 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 100,471,965 | 7.83 |
| | **TOTAL INVESTMENTS** | | | 1,236,396,017 | 96.34 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Agricultural Products** | | | | |
| 3,112,000 | Xiwang Sugar Holdings Co., Ltd. | CHN | HKD | 1,604,175 | 0.13 |
| | **Air Freight & Couriers** | | | | |
| 38,175,000 | Shenzhen International Holdings Ltd. | CHN | HKD | 2,257,380 | 0.18 |
| 1,858,000 | Sinotrans Ltd., H | CHN | HKD | 671,151 | 0.06 |
| | | | | 2,928,531 | 0.24 |
| | **Airport Services** | | | | |
| 5,340,000 | Hainan Meilan International Airport Co., Ltd., H | CHN | HKD | 3,095,891 | 0.25 |
| | **Aluminium** | | | | |
| 6,078,000 | Aluminum Corp. of China Ltd., H | CHN | HKD | 5,625,499 | 0.46 |
| | **Apparel & Accessories** | | | | |
| 15,336,000 | Tack Fat Group International Ltd. | HKG | HKD | 2,089,709 | 0.17 |
| | **Automobile Manufacturers** | | | | |
| 7,824,141 | Chongqing Changan Automobile Co., Ltd., B | CHN | HKD | 6,607,998 | 0.53 |
| 6,667,535 | China Motor Corp. | TWN | TWD | 6,138,593 | 0.50 |
| 9,298,000 | Brilliance China Automotive Holdings Ltd. | CHN | HKD | 1,577,725 | 0.13 |
| | | | | 14,324,316 | 1.16 |
| | **Banks** | | | | |
| 2,308,085 | HSBC Holdings PLC | GBR | HKD | 42,309,625 | 3.43 |
| 68,043,000 | Bank of China Ltd., H | CHN | HKD | 37,349,018 | 3.03 |
| 45,377,000 | China Construction Bank Corp., H | CHN | HKD | 28,874,125 | 2.34 |
| 32,788,000 | Industrial and Commercial Bank of China, H | CHN | HKD | 20,357,756 | 1.65 |
| 18,874,549 | Chinatrust Financial Holding Co., Ltd. | TWN | TWD | 15,784,302 | 1.28 |
| 2,204,000 | China Merchants Bank Co., Ltd., H | CHN | HKD | 4,669,137 | 0.38 |
| | | | | 149,343,963 | 12.11 |
| | **Commercial Printing** | | | | |
| 5,262,000 | Next Media Ltd. | HKG | HKD | 1,961,628 | 0.16 |
| | **Commodity Chemicals** | | | | |
| 1,972,000 | Xinyi Glass Holding Co., Ltd. | CHN | HKD | 839,079 | 0.07 |
| | **Computer Storage & Peripherals** | | | | |
| 12,257,037 | Asustek Computer Inc. | TWN | TWD | 33,553,098 | 2.72 |
| 6,101,050 | Acer Inc. | TWN | TWD | 12,731,975 | 1.03 |
| 4,731,170 | Lite-On Technology Corp. | TWN | TWD | 6,395,827 | 0.52 |
| 6,497,750 | LITE-ON IT Corp. | TWN | TWD | 6,231,539 | 0.51 |
| | | | | 58,912,439 | 4.78 |
| | **Construction & Engineering** | | | | |
| 9,529,000 | Hopewell Holdings Ltd. | HKG | HKD | 33,440,890 | 2.71 |
| | **Construction & Farm Machinery** | | | | |
| 12,635,746 | China International Marine Containers (Group) Co., Ltd., B | CHN | HKD | 26,443,756 | 2.14 |
| 62,800 | Jiangling Motors Corp., Ltd., B | CHN | HKD | 72,817 | 0.01 |
| | | | | 26,516,573 | 2.15 |
| | **Construction Materials** | | | | |
| 9,943,000 | Cheung Kong Infrastructure Holdings Ltd. | HKG | HKD | 30,867,569 | 2.50 |
| | **Distributors** | | | | |
| 14,146,190 | Synnex Technology International Corp. | TWN | TWD | 17,886,237 | 1.45 |
| | **Diversified Commercial Services** | | | | |
| 2,738,000 | Travelsky Technology Ltd., H | CHN | HKD | 4,174,322 | 0.34 |
| | **Diversified Financial Services** | | | | |
| 30,658,000 | Mega Financial Holding Co., Ltd. | TWN | TWD | 22,533,654 | 1.83 |
| | **Diversified Metals & Mining** | | | | |
| 16,212,000 | China Shenhua Energy Co., Ltd., H | CHN | HKD | 39,013,085 | 3.16 |
| 7,812,000 | Yanzhou Coal Mining Co., Ltd., H | CHN | HKD | 6,306,519 | 0.51 |
| | | | | 45,319,604 | 3.67 |
| | **Electric Utilities** | | | | |
| 16,026,000 | Datang International Power Generation Co., Ltd., H | CHN | HKD | 16,686,990 | 1.36 |
| 21,667,576 | Guangdong Electric Power Development Co., Ltd., B | CHN | HKD | 13,341,778 | 1.08 |
| 33,316,000 | Huadian Power International Corp., Ltd., H | CHN | HKD | 13,105,154 | 1.06 |
| 8,576,000 | Huaneng Power International Inc., H | CHN | HKD | 7,661,917 | 0.62 |
| | | | | 50,795,839 | 4.12 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Electrical Components & Equipment** | | | | |
| 3,493,000 | BYD Co., Ltd., H | CHN | HKD | 13,380,819 | 1.09 |
| 8,332,615 | Phoenixtec Power Co., Ltd. | TWN | TWD | 9,180,325 | 0.74 |
| | | | | 22,561,144 | 1.83 |
| | **Electronic Equipment & Instruments** | | | | |
| 10,182,000 | Yageo Corp. | TWN | TWD | 4,749,621 | 0.38 |
| | **General Merchandise Stores** | | | | |
| 8,371,472 | Dairy Farm International Holdings Ltd. | HKG | USD | 28,463,005 | 2.31 |
| 5,747,872 | President Chain Store Corp. | TWN | TWD | 13,882,385 | 1.12 |
| | | | | 42,345,390 | 3.43 |
| | **Home Furnishings** | | | | |
| 2,089,000 | Samson Holding Ltd. | CHN | HKD | 1,154,715 | 0.09 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 1,196,780 | Hongkong and Shanghai Hotels Ltd. | HKG | HKD | 2,021,518 | 0.16 |
| | **Industrial Machinery** | | | | |
| 9,128,000 | China Resources Enterprise Ltd. | CHN | HKD | 26,225,333 | 2.12 |
| 6,128,000 | Yungtay Engineering Co., Ltd. | TWN | TWD | 3,921,093 | 0.32 |
| | | | | 30,146,426 | 2.44 |
| | **Integrated Oil & Gas** | | | | |
| 65,808,000 | PetroChina Co., Ltd., H | CHN | HKD | 93,224,087 | 7.56 |
| 86,736,000 | China Petroleum and Chemical Corp., H | CHN | HKD | 80,278,591 | 6.51 |
| | | | | 173,502,678 | 14.07 |
| | **Integrated Telecommunication Services** | | | | |
| 80,590,000 | China Telecom Corp., Ltd., H | CHN | HKD | 44,132,508 | 3.58 |
| | **Internet Software & Services** | | | | |
| 1,800 | Sohu.com Inc. | CHN | USD | 43,200 | 0.00 |
| | **Life & Health Insurance** | | | | |
| 5,296,000 | China Life Insurance Co., Ltd., H | CHN | HKD | 18,075,085 | 1.47 |
| | **Meat, Poultry & Fish** | | | | |
| 5,355,000 | People's Food Holdings Ltd. | CHN | SGD | 4,365,157 | 0.35 |
| | **Networking Equipment** | | | | |
| 4,420,893 | D-Link Corp. | TWN | TWD | 5,793,222 | 0.47 |
| | **Office Electronics** | | | | |
| 2,546,789 | Delta Electronics Inc. | TWN | TWD | 8,206,624 | 0.67 |
| 5,526,000 | AU Optronics Corp. | TWN | TWD | 7,682,302 | 0.62 |
| 867,093 | Advantech Co., Ltd. | TWN | TWD | 3,113,392 | 0.25 |
| 6,167,417 | Kinpo Electronics Inc. | TWN | TWD | 2,451,068 | 0.20 |
| 1,502,000 | Yorkey Optical International Cayman Ltd. | HKG | HKD | 473,046 | 0.04 |
| | | | | 21,926,432 | 1.78 |
| | **Oil & Gas Drilling** | | | | |
| 45,389,000 | CNOOC Ltd. | CHN | HKD | 43,118,427 | 3.50 |
| | **Packaged Foods** | | | | |
| 3,470,060 | Uni-President Enterprises Corp. | TWN | TWD | 3,461,008 | 0.28 |
| | **Paper Products** | | | | |
| 3,433,000 | Nine Dragons Paper Holdings Ltd. | CHN | HKD | 5,913,526 | 0.48 |
| 8,976,400 | Shandong Chenming Paper Holdings Ltd., B | CHN | HKD | 5,134,877 | 0.42 |
| | | | | 11,048,403 | 0.90 |
| | **Pharmaceuticals** | | | | |
| 1,528,000 | Tong Ren Tang Technologies Co., Ltd., H | CHN | HKD | 2,439,567 | 0.20 |
| | **Railroads** | | | | |
| 1,800,000 | MTR Corp., Ltd. | HKG | HKD | 4,525,944 | 0.37 |
| | **Real Estate Management & Development** | | | | |
| 2,030,000 | Cheung Kong (Holdings) Ltd. | HKG | HKD | 24,986,342 | 2.02 |
| 695,000 | Hang Lung Group Ltd. | HKG | HKD | 2,112,923 | 0.17 |
| 1,125,000 | Henderson Investment Ltd. | HKG | HKD | 2,076,705 | 0.17 |
| | | | | 29,175,970 | 2.36 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Semiconductors** | | | | |
| 15,994,931 | Taiwan Semiconductor Manufacturing Co., Ltd. | TWN | TWD | 33,133,584 | 2.69 |
| 3,817,800 | Realtek Semiconductor Corp. | TWN | TWD | 6,572,920 | 0.53 |
| 5,126,333 | Sunplus Technology Co., Ltd. | TWN | TWD | 6,253,544 | 0.51 |
| 991,468 | Faraday Technology Corp. | TWN | TWD | 2,397,658 | 0.19 |
| | | | | 48,357,706 | 3.92 |
| | **Speciality Chemicals** | | | | |
| 173,800 | LG Corp. | KOR | KRW | 5,578,419 | 0.45 |
| | **Steel** | | | | |
| 2,348,000 | China Oriental Group Co., Ltd. | CHN | HKD | 543,298 | 0.04 |
| | **Tobacco** | | | | |
| 7,207,000 | Shanghai Industrial Holdings Ltd. | CHN | HKD | 15,342,026 | 1.24 |
| | **Trading Companies & Distributors** | | | | |
| 3,533,000 | Citic Pacific Ltd. | CHN | HKD | 12,194,269 | 0.99 |
| 2,714,901 | Test-Rite International Co., Ltd. | TWN | TWD | 1,587,199 | 0.13 |
| | | | | 13,781,468 | 1.12 |
| | **Trucking** | | | | |
| 2,090,000 | Cosco Pacific Ltd. | CHN | HKD | 4,905,857 | 0.40 |
| | **Tyres & Rubber** | | | | |
| 13,709,676 | Cheng Shin Rubber Industry Co., Ltd. | TWN | TWD | 13,568,730 | 1.10 |
| 16,158,000 | Norstar Founders Group Ltd. | CHN | HKD | 5,400,436 | 0.44 |
| 1,456,052 | Weifu High-Technology Co., Ltd., B | CHN | HKD | 1,347,650 | 0.11 |
| | | | | 20,316,816 | 1.65 |
| | **Wireless Telecommunication Services** | | | | |
| 12,636,000 | China Mobile Ltd. | CHN | HKD | 109,155,782 | 8.85 |
| 9,450,939 | Taiwan Mobile Co., Ltd. | TWN | TWD | 9,803,337 | 0.79 |
| | | | | 118,959,119 | 9.64 |
| | **TOTAL SHARES** | | | 1,164,631,042 | 94.42 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 1,164,631,042 | 94.42 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Diversified Metals & Mining** | | | | |
| 1,516,000 | China Coal Energy Co., Reg S, H | CHN | HKD | 984,143 | 0.08 |
| 480,000 | Zhaojin Mining Industry Co., Ltd., H, Reg S | HKG | HKD | 957,637 | 0.07 |
| | | | | 1,941,780 | 0.15 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 450,000 | Shanghai Jin Jiang International Hotels (Group) Co., H | CHN | HKD | 215,769 | 0.02 |
| | **Trucking** | | | | |
| 987,000 | China Communications Construction Co., Ltd., H, Reg S | CHN | HKD | 975,689 | 0.08 |
| | **TOTAL SHARES** | | | 3,133,238 | 0.25 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 3,133,238 | 0.25 |
| | **TOTAL INVESTMENTS** | | | 1,167,764,280 | 94.67 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Banks** | | | | |
| 2,686,510 | OTP Bank Ltd. | HUN | HUF | 93,505,376 | 6.04 |
| 378,602 | ING Bank Slaski SA | POL | PLN | 75,868,562 | 4.90 |
| 16,400,000 | Akbank T.A.S. | TUR | TRY | 75,481,768 | 4.88 |
| 19,259,600 | Turkiye Vakiflar Bankasi T.A.O. | TUR | TRY | 68,543,878 | 4.43 |
| 19,565,735 | Turkiye Is Bankasi (Isbank), C | TUR | TRY | 68,062,718 | 4.40 |
| | | | | 381,462,302 | 24.65 |
| | **Biotechnology** | | | | |
| 91,064,000 | Bioton SA | POL | PLN | 51,798,948 | 3.35 |
| | **Brewers** | | | | |
| 183,170 | Anadolu Efes Biracilik Ve Malt Sanayii AS | TUR | TRY | 4,288,764 | 0.28 |
| | **Building Products** | | | | |
| 1,634,100 | Wienerberger AG | AUT | EUR | 73,534,500 | 4.75 |
| | **Consumer Finance** | | | | |
| 8,094,499 | Provident Financial PLC | GBR | GBP | 84,239,845 | 5.44 |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 2,005,286 | Ciech SA | POL | PLN | 33,696,122 | 2.18 |
| | **Health Care Equipment** | | | | |
| 250,000 | HTL-Strefa SA | POL | PLN | 6,444,878 | 0.42 |
| | **Household Products** | | | | |
| 1,219,030 | Oriflame Cosmetics SA, SDR | SWE | SEK | 38,010,755 | 2.46 |
| | **Integrated Oil & Gas** | | | | |
| 1,686,270 | OMV AG | AUT | EUR | 72,492,747 | 4.68 |
| 5,684,000 | Polski Koncern Naftowy Orlen SA | POL | PLN | 70,744,092 | 4.57 |
| 237,900 | LUKOIL, ADR | RUS | USD | 15,733,246 | 1.02 |
| 920,000 | Tupras-Turkiye Petrol Rafineleri AS | TUR | TRY | 11,915,244 | 0.77 |
| | | | | 170,885,329 | 11.04 |
| | **Integrated Telecommunication Services** | | | | |
| 18,317,510 | Magyar Telekom PLC | HUN | HUF | 77,088,957 | 4.98 |
| | **IT Consulting & Services** | | | | |
| 836,797 | Techmex SA | POL | PLN | 5,144,144 | 0.33 |
| | **Oil & Gas Equipment & Services** | | | | |
| 49,491 | C.A.T. oil AG | AUT | EUR | 992,295 | 0.06 |
| | **Pharmaceuticals** | | | | |
| 765,968 | EGIS Nyrt. | HUN | HUF | 79,873,102 | 5.16 |
| 309,786 | Richter Gedeon Nyrt. | HUN | HUF | 53,529,313 | 3.46 |
| | | | | 133,402,415 | 8.62 |
| | **Publishing & Printing** | | | | |
| 5,658,505 | Dogan Yayin Holding AS | TUR | TRY | 15,081,024 | 0.98 |
| | **Speciality Chemicals** | | | | |
| 12,424,257 | Petkim Petrokimya Holding AS | TUR | TRY | 33,910,982 | 2.19 |
| | **TOTAL SHARES** | | | 1,109,981,260 | 71.73 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 1,109,981,260 | 71.73 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Diversified Metals & Mining** | | | | |
| 386,000 | Mining and Metallurgical Co., Norilsk Nickel, ADR | RUS | USD | 45,908,869 | 2.96 |
| 1,012,209 | ZAO Polyus Gold Company, ADR | RUS | USD | 37,249,291 | 2.41 |
| | | | | 83,158,160 | 5.37 |
| | **Integrated Oil & Gas** | | | | |
| 1,927,440 | LUKOIL, ADR | RUS | USD | 127,761,076 | 8.26 |
| 3,207,925 | Gazprom, ADR | RUS | USD | 111,787,097 | 7.22 |
| | | | | 239,548,173 | 15.48 |
| | **Steel** | | | | |
| 636,000 | Evraz Group SA, GDR, Reg S | RUS | USD | 12,213,629 | 0.79 |
| | **TOTAL SHARES** | | | 334,919,962 | 21.64 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 334,919,962 | 21.64 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Integrated Oil & Gas** | | | | |
| 2,141,500 | Gazprom | RUS | USD | 18,656,302 | 1.20 |
| | **Steel** | | | | |
| 1,888,324 | OAO TMK | RUS | USD | 11,873,103 | 0.77 |
| | **TOTAL SHARES** | | | 30,529,405 | 1.97 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 30,529,405 | 1.97 |
| | **TOTAL INVESTMENTS** | | | 1,475,430,627 | 95.34 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Airlines** | | | | |
| 1,899,000 | Turk Hava Yollari Anonim Ortakligi | TUR | TRY | 8,183,610 | 0.56 |
| 3,522,700 | Thai Airways International Public Co., Ltd., fgn. | THA | THB | 4,422,007 | 0.30 |
| | | | | 12,605,617 | 0.86 |
| | **Aluminium** | | | | |
| 24,570,000 | Aluminum Corp. of China Ltd., H | CHN | HKD | 22,740,788 | 1.55 |
| | **Apparel Retail** | | | | |
| 2,231,081 | Edgars Consolidated Stores Ltd. | ZAF | ZAR | 12,417,973 | 0.84 |
| | **Automobile Manufacturers** | | | | |
| 17,212,094 | Denway Motors Ltd. | CHN | HKD | 6,969,668 | 0.47 |
| 2,330,500 | PT Astra International Tbk | IDN | IDR | 4,068,366 | 0.28 |
| 718,405 | KOC Holding AS | TUR | TRY | 2,791,401 | 0.19 |
| | | | | 13,829,435 | 0.94 |
| | **Banks** | | | | |
| 6,718,210 | Akbank T.A.S. | TUR | TRY | 40,817,101 | 2.77 |
| 5,035,436 | Turkiye Vakiflar Bankasi T.A.O. | TUR | TRY | 23,656,411 | 1.61 |
| 442,391 | Hana Financial Group Inc. | KOR | KRW | 23,261,204 | 1.58 |
| 529,936 | Banco Bradesco SA, ADR, pfd. | BRA | USD | 21,382,918 | 1.45 |
| 997,440 | HSBC Holdings PLC | GBR | HKD | 18,284,124 | 1.24 |
| 190,700 | Unibanco – Uniao de Bancos Brasileiros SA, GDR, pfd. | BRA | USD | 17,727,472 | 1.21 |
| 911,981 | Nedbank Group Ltd. | ZAF | ZAR | 17,371,067 | 1.18 |
| 277,060 | OTP Bank Ltd. | HUN | HUF | 12,729,528 | 0.87 |
| 5,857,600 | Kasikornbank Public Co., Ltd., fgn. | THA | THB | 10,327,221 | 0.70 |
| 3,606,000 | Siam Commercial Bank Public Co., Ltd., fgn. | THA | THB | 5,899,803 | 0.40 |
| 344,729 | Standard Bank Group Ltd. | ZAF | ZAR | 4,648,031 | 0.32 |
| 172,700 | Banco Latinoamericano de Exportaciones SA, E | PAN | USD | 2,928,992 | 0.20 |
| | | | | 199,033,872 | 13.53 |
| | **Brewers** | | | | |
| 3,795,471 | San Miguel Corp., B | PHL | PHP | 5,996,922 | 0.41 |
| 30,080 | Hite Brewery Co., Ltd. | KOR | KRW | 3,865,118 | 0.26 |
| 15,171,000 | Thai Beverages Co., Ltd., fgn. | THA | SGD | 2,671,212 | 0.18 |
| 17,735 | Anadolu Efes Biracilik Ve Malt Sanayii AS | TUR | TRY | 548,150 | 0.04 |
| | | | | 13,081,402 | 0.89 |
| | **Building Products** | | | | |
| 124,592 | Wienerberger AG | AUT | EUR | 7,401,045 | 0.50 |
| | **Casinos & Gaming** | | | | |
| 1,142,533 | Kangwon Land Inc. | KOR | KRW | 24,816,308 | 1.69 |
| | **Computer Storage & Peripherals** | | | | |
| 5,770,400 | Asustek Computer Inc. | TWN | TWD | 15,796,216 | 1.07 |
| 8,985,153 | Lite-On Technology Corp. | TWN | TWD | 12,146,570 | 0.83 |
| | | | | 27,942,786 | 1.90 |
| | **Construction & Engineering** | | | | |
| 233,980 | Hyundai Development Co. | KOR | KRW | 14,290,392 | 0.97 |
| 794,000 | Hopewell Holdings Ltd. | HKG | HKD | 2,786,448 | 0.19 |
| | | | | 17,076,840 | 1.16 |
| | **Construction Materials** | | | | |
| 1,438,301 | Siam Cement Public Co., Ltd., fgn. | THA | THB | 10,305,457 | 0.70 |
| 330,000 | Cheung Kong Infrastructure Holdings Ltd. | HKG | HKD | 1,024,469 | 0.07 |
| | | | | 11,329,926 | 0.77 |
| | **Consumer Electronics** | | | | |
| 2,000,052 | Arcelik AS, Br. | TUR | TRY | 11,798,258 | 0.80 |
| | **Consumer Finance** | | | | |
| 324,220 | LG Card Co., Ltd. | KOR | KRW | 21,579,804 | 1.47 |
| 973,760 | Provident Financial PLC | GBR | GBP | 13,377,344 | 0.91 |
| | | | | 34,957,148 | 2.38 |
| | **Department Stores** | | | | |
| 32,960 | Lotte Shopping Co., Ltd. | KOR | KRW | 13,680,172 | 0.93 |
| | **Distributors** | | | | |
| 4,603,939 | Synnex Technology International Corp. | TWN | TWD | 5,821,154 | 0.40 |
| | **Diversified Chemicals** | | | | |
| 9,040 | Samsung Fine Chemicals Co., Ltd. | KOR | KRW | 226,486 | 0.01 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Diversified Commercial Services** | | | | |
| 1,826,000 | Travelsky Technology Ltd., H | CHN | HKD | 2,783,898 | 0.19 |
| | **Diversified Financial Services** | | | | |
| 11,382,490 | Old Mutual PLC | ZAF | GBP | 38,841,888 | 2.64 |
| 23,468,103 | Mega Financial Holding Co., Ltd. | TWN | TWD | 17,249,074 | 1.17 |
| 299,000 | Shinhan Financial Group Co., Ltd. | KOR | KRW | 15,271,505 | 1.04 |
| 243,950 | GS Holdings Corp. | KOR | KRW | 7,895,586 | 0.54 |
| | | | | 79,258,053 | 5.39 |
| | **Diversified Metals & Mining** | | | | |
| 1,142,600 | Companhia Vale do Rio Doce, ADR, pfd., A | BRA | USD | 29,993,250 | 2.04 |
| 587,870 | Anglo American PLC | ZAF | ZAR | 28,685,791 | 1.95 |
| 749,500 | China Shenhua Energy Co., Ltd., H | CHN | HKD | 1,803,621 | 0.12 |
| 2,444,000 | China Coal Energy Co., H | CHN | HKD | 1,586,575 | 0.11 |
| 52,300 | Compania de Minas Buenaventura SA, ADR | PER | USD | 1,467,538 | 0.10 |
| | | | | 63,536,775 | 4.32 |
| | **Electric Utilities** | | | | |
| 374,553,800 | Centrais Eletricas Brasileiras SA | BRA | BRL | 8,956,683 | 0.61 |
| 370,573 | CPFL Energia SA | BRA | BRL | 5,203,459 | 0.35 |
| | | | | 14,160,142 | 0.96 |
| | **Electronic Equipment & Instruments** | | | | |
| 6,523,000 | Yageo Corp. | TWN | TWD | 3,042,799 | 0.21 |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 46,828 | Tata Chemicals Ltd. | IND | INR | 228,806 | 0.02 |
| | **Food Distributors** | | | | |
| 563,628 | Grupo Bimbo SA de CV, A | MEX | MXN | 2,817,423 | 0.19 |
| | **General Merchandise Stores** | | | | |
| 3,819,490 | President Chain Store Corp. | TWN | TWD | 9,224,915 | 0.62 |
| 731,266 | Massmart Holdings Ltd. | ZAF | ZAR | 7,324,398 | 0.50 |
| 295,909 | Dairy Farm International Holdings Ltd. | HKG | USD | 1,006,091 | 0.07 |
| 47,828 | Migros Turk TAS | TUR | TRY | 618,334 | 0.04 |
| | | | | 18,173,738 | 1.23 |
| | **Household Products** | | | | |
| 3,121,503 | Kimberly Clark de Mexico SAB de CV, A | MEX | MXN | 14,418,829 | 0.98 |
| 320,030 | Oriflame Cosmetics SA, SDR | SWE | SEK | 13,172,650 | 0.89 |
| | | | | 27,591,479 | 1.87 |
| | **Industrial Machinery** | | | | |
| 1,734,508 | Remgro Ltd. | ZAF | ZAR | 44,053,472 | 2.99 |
| 2,734,025 | Fraser and Neave Ltd. | SGP | SGD | 8,023,158 | 0.55 |
| | | | | 52,076,630 | 3.54 |
| | **Integrated Oil & Gas** | | | | |
| 37,096,000 | PetroChina Co., Ltd., H | CHN | HKD | 52,550,461 | 3.57 |
| 527,016 | Petroleo Brasileiro SA, ADR, pfd. | BRA | USD | 48,886,004 | 3.32 |
| 1,318,522 | Tupras-Turkiye Petrol Rafineleri AS | TUR | TRY | 22,542,022 | 1.53 |
| 161,805 | MOL Magyar Olaj-es Gazipari Rt. | HUN | HUF | 18,351,692 | 1.25 |
| 17,976,000 | China Petroleum and Chemical Corp., H | CHN | HKD | 16,637,705 | 1.13 |
| 207,360 | SK Corp. | KOR | KRW | 16,276,645 | 1.11 |
| 152,283 | LUKOIL, ADR | RUS | USD | 13,294,306 | 0.90 |
| 589,124 | Polski Koncern Naftowy Orlen SA | POL | PLN | 9,679,060 | 0.66 |
| 590,925 | Indian Oil Corp., Ltd. | IND | INR | 6,028,467 | 0.41 |
| 794,000 | PTT Public Co., Ltd., fgn. | THA | THB | 4,703,526 | 0.32 |
| 75,140 | OMV AG | AUT | EUR | 4,264,116 | 0.29 |
| 73,108 | Grupa Lotos SA | POL | PLN | 1,241,423 | 0.09 |
| | | | | 214,455,427 | 14.58 |
| | **Integrated Telecommunication Services** | | | | |
| 2,687,700 | Magyar Telekom PLC | HUN | HUF | 14,931,275 | 1.01 |
| 428,362 | Telefonos de Mexico SA de CV, L, ADR | MEX | USD | 12,105,510 | 0.82 |
| 4,575,720 | Chunghwa Telecom Co., Ltd. | TWN | TWD | 8,509,702 | 0.58 |
| 5,028,360 | Pakistan Telecommunications Corp., A | PAK | PKR | 3,664,358 | 0.25 |
| | | | | 39,210,845 | 2.66 |
| | **Leisure Products** | | | | |
| 772,360 | JD Group Ltd. | ZAF | ZAR | 8,766,362 | 0.60 |
| | **Networking Equipment** | | | | |
| 4,850,298 | D-Link Corp. | TWN | TWD | 6,355,922 | 0.43 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Oil & Gas Drilling** | | | | |
| 30,410,000 | CNOOC Ltd. | CHN | HKD | 28,888,747 | 1.96 |
| 708,132 | Oil & Natural Gas Corp., Ltd. | IND | INR | 13,966,004 | 0.95 |
| | | | | 42,854,751 | 2.91 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 592,750 | Gail India Ltd. | IND | INR | 3,514,309 | 0.24 |
| | **Pharmaceuticals** | | | | |
| 31,676 | Richter Gedeon Nyrt. | HUN | HUF | 7,225,212 | 0.49 |
| 185,930 | Teva Pharmaceutical Industries Ltd., ADR | ISR | USD | 5,778,704 | 0.39 |
| | | | | 13,003,916 | 0.88 |
| | **Railroads** | | | | |
| 2,082,917 | MTR Corp., Ltd. | HKG | HKD | 5,237,315 | 0.36 |
| | **Real Estate Management & Development** | | | | |
| 559,700 | Cheung Kong (Holdings) Ltd. | HKG | HKD | 6,889,091 | 0.47 |
| | **Semiconductors** | | | | |
| 98,729 | Samsung Electronics Co., Ltd. | KOR | KRW | 65,076,212 | 4.43 |
| 17,383,812 | Taiwan Semiconductor Manufacturing Co., Ltd. | TWN | TWD | 36,010,658 | 2.45 |
| 8,555,122 | Realtek Semiconductor Corp. | TWN | TWD | 14,728,935 | 1.00 |
| 8,801,347 | Sunplus Technology Co., Ltd. | TWN | TWD | 10,736,644 | 0.73 |
| 16,612,000 | United Microelectronics Corp. | TWN | TWD | 10,323,554 | 0.70 |
| 5,274,463 | Siliconware Precision Industries Co. | TWN | TWD | 8,287,632 | 0.56 |
| 701,030 | MediaTek Inc. | TWN | TWD | 7,250,180 | 0.49 |
| | | | | 152,413,815 | 10.36 |
| | **Speciality Chemicals** | | | | |
| 83,000 | LG Corp. | KOR | KRW | 2,664,032 | 0.18 |
| | **Steel** | | | | |
| 12,250 | Novolipetsk Steel, GDR, Reg S | RUS | USD | 280,280 | 0.02 |
| | **Tobacco** | | | | |
| 539,895 | Souza Cruz SA | BRA | BRL | 9,615,261 | 0.66 |
| 3,467,000 | Shanghai Industrial Holdings Ltd. | CHN | HKD | 7,380,436 | 0.50 |
| 6,322 | Philip Morris CR AS | CZE | CZK | 3,289,200 | 0.22 |
| | | | | 20,284,897 | 1.38 |
| | **Trading Companies & Distributors** | | | | |
| 2,967,200 | Sime Darby Bhd. | MYS | MYR | 6,052,079 | 0.41 |
| 901,365 | Citic Pacific Ltd. | CHN | HKD | 3,111,092 | 0.21 |
| | | | | 9,163,171 | 0.62 |
| | **Trucking** | | | | |
| 598,601 | Imperial Holdings Ltd. | ZAF | ZAR | 14,006,004 | 0.95 |
| 4,123,000 | ComfortDelGro Corp., Ltd. | SGP | SGD | 4,328,820 | 0.30 |
| | | | | 18,334,824 | 1.25 |
| | **Wireless Telecommunication Services** | | | | |
| 1,648,700 | MTN Group Ltd. | ZAF | ZAR | 20,065,505 | 1.37 |
| 3,316,818 | Turkcell Iletisim Hizmetleri AS | TUR | TRY | 16,753,973 | 1.14 |
| 63,910 | SK Telecom Co., Ltd. | KOR | KRW | 15,290,296 | 1.04 |
| 1,717,260 | China Mobile Ltd. | CHN | HKD | 14,834,509 | 1.01 |
| 4,745,000 | Maxis Communications Bhd. | MYS | MYR | 13,710,765 | 0.93 |
| 12,931,624 | Taiwan Mobile Co., Ltd. | TWN | TWD | 13,413,807 | 0.91 |
| 124,280 | Mobile Telesystems, ADR | RUS | USD | 6,237,613 | 0.42 |
| | | | | 100,306,468 | 6.82 |
| | **TOTAL SHARES** | | | 1,336,164,378 | 90.83 |
| | **RIGHTS** | | | | |
| | **Integrated Telecommunication Services** | | | | |
| 576,530 | True Corp. Public Co., Ltd., fgn., rts. | THA | THB | 0 | 0.00 |
| | **TOTAL RIGHTS** | | | 0 | 0.00 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 1,336,164,378 | 90.83 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Diversified Financial Services** | | | | |
| 500 | Franklin India Bluechip Offshore Fund | IND | USD | 13,690 | 0.00 |
| | **Diversified Metals & Mining** | | | | |
| 963,000 | China Coal Energy Co., Reg S, H | CHN | HKD | 625,152 | 0.04 |
| | **Integrated Oil & Gas** | | | | |
| 804,465 | Gazprom, ADR | RUS | USD | 37,005,390 | 2.52 |
| 193,850 | LUKOIL, ADR | RUS | USD | 16,961,875 | 1.15 |
| | | | | 53,967,265 | 3.67 |
| | **Pharmaceuticals** | | | | |
| 274,056 | Taro Pharmaceutical Industries Ltd. | ISR | USD | 2,740,560 | 0.19 |
| | **Steel** | | | | |
| 54,400 | Evraz Group SA, GDR, 144A | RUS | USD | 1,379,040 | 0.09 |
| | **TOTAL SHARES** | | | 58,725,707 | 3.99 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 58,725,707 | 3.99 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Diversified Metals & Mining** | | | | |
| 117,245 | Mining and Metallurgical Co. Norilsk Nickel | RUS | USD | 18,407,465 | 1.25 |
| 45,683 | ZAO Polyus Gold Co. | RUS | USD | 2,252,172 | 0.16 |
| | | | | 20,659,637 | 1.41 |
| | **Electric Utilities** | | | | |
| 19,213,600 | Unified Energy Systems | RUS | USD | 20,750,688 | 1.41 |
| | **Integrated Oil & Gas** | | | | |
| 538,670 | Gazprom | RUS | USD | 6,194,705 | 0.42 |
| 1,490,000 | TNK-BP | RUS | USD | 3,866,550 | 0.26 |
| | | | | 10,061,255 | 0.68 |
| | **Steel** | | | | |
| 163,902 | OAO TMK | RUS | USD | 1,360,386 | 0.09 |
| 74,500 | Novolipetsk Steel (NLMK) | RUS | USD | 175,075 | 0.01 |
| | | | | 1,535,461 | 0.10 |
| | **TOTAL SHARES** | | | 53,007,041 | 3.60 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 53,007,041 | 3.60 |
| | **TOTAL INVESTMENTS** | | | 1,447,897,126 | 98.42 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **BONDS** | | | | |
| | **Government Bonds** | | | | |
| 91,253,000 | Government of Argentina, FRN, 5.59%, 08/03/12† | ARG | USD | 64,896,878 | 9.63 |
| 11,150,000 | Government of Russia, 12.75%, 06/24/28 | RUS | USD | 20,177,040 | 2.99 |
| 16,495,000 | Government of Peru, 7.35%, 07/21/25 | PER | USD | 18,568,422 | 2.76 |
| 11,300,000 | Government of the Philippines, 9.00%, 02/15/13 | PHL | USD | 13,108,000 | 1.95 |
| 6,300,000 | Government of Indonesia, Reg S, 7.50%, 01/15/16 | IDN | USD | 6,952,050 | 1.03 |
| 17,620,000 | Government of Poland, 6.25%, 10/24/15 | POL | PLN | 6,516,238 | 0.97 |
| 3,975,000 | Government of the Philippines, 9.125%, 02/22/10 | PHL | EUR | 5,909,657 | 0.88 |
| 5,450,000 | Government of the Ukraine, 7.65%, 06/11/13 | UKR | USD | 5,872,375 | 0.87 |
| 16,040,000 | Government of Poland, 6.00%, 05/24/09 | POL | PLN | 5,694,755 | 0.84 |
| 3,625,000 | Government of Russia, 11.00%, 07/24/18 | RUS | USD | 5,245,013 | 0.78 |
| 5,135,000 | Government of Venezuela, FRN, 2.63%, 04/20/11† | VEN | USD | 5,129,865 | 0.76 |
| 3,350,000 | Government of the Philippines, 8.875%, 03/17/15 | PHL | USD | 3,959,365 | 0.59 |
| 2,529,000 | Government of Venezuela, 9.25%, 09/15/27 | VEN | USD | 3,230,165 | 0.48 |
| 1,780,000 | Republic of El Salvador, Reg S, 7.65%, 06/15/35 | SVC | USD | 2,029,200 | 0.30 |
| 625,000 | Government of Ukraine, FRN, 5.33%, 08/05/09† | UKR | USD | 664,625 | 0.10 |
| | | | | 167,953,648 | 24.93 |
| | **Securities Maturing Within One Year** | | | | |
| 10,441,000 | Government of Russia, Reg S, 7.50, 5.00%, 03/31/07 | RUS | USD | 11,812,133 | 1.75 |
| 4,400,000 | Government of Poland, 8.50%, 05/12/07 | POL | PLN | 1,539,086 | 0.23 |
| | | | | 13,351,219 | 1.98 |
| | **TOTAL BONDS** | | | 181,304,867 | 26.91 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 181,304,867 | 26.91 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 4,500,000 | Peru Enhanced Pass-Thru, 0.00%, 05/31/18 | PER | USD | 2,992,500 | 0.44 |
| 2,172,398 | Sphynx Capital Markets, 10.00%, 05/28/08 | CI | EUR | 2,858,641 | 0.43 |
| 1,600,000 | Vale Overseas Ltd., 6.25%, 01/23/17 | BRA | USD | 1,615,273 | 0.24 |
| | | | | 7,466,414 | 1.11 |
| | **Government Bonds** | | | | |
| 74,540,000 | Government of Iraq, Reg S, 5.80%, 01/15/28 | IQ | USD | 48,637,350 | 7.22 |
| 100,795 | Nota Do Tesouro Nacional, 9.7618%, 01/01/12 | BRA | BRL | 43,064,210 | 6.39 |
| 27,642,000 | Government of Brazil, 8.00%, 01/15/18 | BRA | USD | 30,737,904 | 4.56 |
| 191,650,000,000 | Government of Indonesia, 11.00%, 11/15/20 | IDN | IDR | 22,561,785 | 3.35 |
| 1,275,000 | Government of Mexico, 8.00%, 12/17/15 | MEX | MXN | 12,228,032 | 1.81 |
| 9,480,000,000 | Korea Treasury Note, 4.75%, 03/12/08 | KOR | KRW | 10,163,049 | 1.51 |
| 882,000 | Government of Mexico, 10.00%, 12/05/24 | MEX | MXN | 10,136,336 | 1.50 |
| 33,500,000 | Government of Malaysia, 6.45%, 07/01/08 | MYS | MYR | 9,892,465 | 1.47 |
| 23,500 | Nota Do Tesouro Nacional, 9.7618%, 01/01/14 | BRA | BRL | 9,767,866 | 1.45 |
| 17,115,000,000 | Government of Colombia, 12.00%, 10/22/15 | COL | COP | 9,070,459 | 1.35 |
| 23,945,000 | Government of Peru, 8.60%, 08/12/17 | PER | PEN | 8,846,586 | 1.31 |
| 22,800,000 | Government of Poland, 5.75%, 09/23/22 | POL | PLN | 8,196,314 | 1.22 |
| 50,000,000 | Government of Argentina, FRN, 0.00%, 12/15/35† | ARG | USD | 6,875,000 | 1.02 |
| 14,500 | Nota Do Tesouro Nacional, 9.762%, 01/01/10 | BRA | BRL | 6,402,234 | 0.95 |
| 45,955,000,000 | Government of Indonesia, 14.275%, 12/15/13 | IDN | IDR | 6,259,108 | 0.93 |
| 17,275,000 | Government of Peru, 7.84%, 08/12/20 | PER | PEN | 6,166,995 | 0.92 |
| 42,728,000,000 | Government of Indonesia, 14.25%, 06/15/13 | IDN | IDR | 5,796,203 | 0.86 |
| 50,265,000,000 | Government of Indonesia, 10.75%, 05/15/16 | IDN | IDR | 5,725,983 | 0.85 |
| 40,675,000,000 | Government of Indonesia, 12.00%, 09/15/26 | IDN | IDR | 5,144,582 | 0.76 |
| 4,575,000 | Government of Indonesia, Reg S, 6.875%, 03/09/17 | IDN | USD | 4,874,178 | 0.72 |
| 11,500,000 | Peru Bond Soberano, 9.91%, 05/05/15 | PER | PEN | 4,471,733 | 0.66 |
| 36,670,000,000 | Government of Indonesia, 11.00%, 10/15/14 | IDN | IDR | 4,337,324 | 0.64 |
| 30,000,000,000 | Government of Indonesia, 12.90%, 06/15/22 | IDN | IDR | 4,025,406 | 0.60 |
| 4,900 | Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15 | BRA | BRL | 3,307,526 | 0.49 |
| 4,500 | Nota Do Tesouro Nacional, Index Linked, 6.00%, 11/15/09 | BRA | BRL | 3,239,312 | 0.48 |
| 80,100,000 | Government of Slovakia, 4.90%, 02/11/14 | SSS | SKK | 3,191,561 | 0.47 |
| 3,476,785 | Government of Bosnia & Herzegovina, Strip, 0.00%, 12/11/17 | BIH | EUR | 3,178,249 | 0.47 |
| 10,900,000 | Government of Malaysia, 4.305%, 02/27/09 | MYS | MYR | 3,132,882 | 0.47 |
| 2,700,000,000 | Korea Treasury Note, 4.25%, 09/10/08 | KOR | KRW | 2,870,813 | 0.43 |
| 20,000,000,000 | Government of Indonesia, 11.50%, 09/15/19 | IDN | IDR | 2,396,934 | 0.36 |
| 19,585,000,000 | Government of Indonesia, 10.00%, 07/15/17 | IDN | IDR | 2,183,128 | 0.32 |
| 19,300,000,000 | Government of Indonesia, 9.50%, 06/15/15 | IDN | IDR | 2,070,595 | 0.31 |
| 5,100,000 | Government of Poland, 5.75%, 06/24/08 | POL | PLN | 1,787,011 | 0.27 |
| 1,266,428 | Government of Bosnia & Herzegovina, 3.00%, 12/11/17 | BIH | EUR | 1,446,063 | 0.21 |
| 905,000 | Goverment of Panama, 9.375%, 04/01/29 | PAN | USD | 1,214,962 | 0.18 |
| 27,000,000 | Government of Thailand, 4.125%, 02/12/08 | THA | THB | 754,864 | 0.11 |
| 18,700,000 | Government of Slovakia, 4.80%, 04/14/09 | SSS | SKK | 724,586 | 0.11 |
| 13,700,000 | Government of Slovakia, 5.30%, 05/12/19 | SSS | SKK | 576,596 | 0.09 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Government Bonds** (continued) | | | | |
| 250,000,000 | Korea Treasury Note, 4.50%, 09/09/08 | KOR | KRW | 266,848 | 0.04 |
| 1,833,000,000 | Government of Indonesia, 10.00%, 10/15/11 | IDN | IDR | 203,698 | 0.03 |
| 1,400,000,000 | Government of Indonesia, 11.00%, 12/15/12 | IDN | IDR | 165,500 | 0.02 |
| 3,000,000 | Government of Thailand, 8.50%, 12/08/08 | THA | THB | 90,045 | 0.01 |
| 165,000 | Bank of Thailand Bond, 5.50%, 08/10/08 | THA | THB | 4,670 | 0.00 |
| | | | | 316,186,945 | 46.92 |
| | **Securities Maturing Within One Year** | | | | |
| 5,100,000,000 | Korea Treasury Note, 3.75%, 09/10/07 | KOR | KRW | 5,440,976 | 0.81 |
| 29,425,000 | Egypt Treasury Bill, 0.00%, 03/06/07 | EGY | EGP | 5,070,966 | 0.75 |
| 27,700,000 | Egypt Treasury Bill, 0.00%, 02/20/07 | EGY | EGP | 4,783,129 | 0.71 |
| 23,250,000 | Egypt Treasury Bill, 0.00%, 03/20/07 | EGY | EGP | 3,992,344 | 0.59 |
| 22,725,000 | Egypt Treasury Bill, 0.00%, 11/13/07 | EGY | EGP | 3,663,302 | 0.54 |
| 126,940,000 | Thailand Treasury Bill, 0.00%, 02/22/07 | THA | THB | 3,557,431 | 0.53 |
| 16,000,000 | Egypt Treasury Bill, 0.00%, 03/27/07 | EGY | EGP | 2,742,377 | 0.41 |
| 15,250,000 | Egypt Treasury Bill, 0.00%, 01/16/07 | EGY | EGP | 2,661,223 | 0.39 |
| 15,000,000 | Egypt Treasury Bill, 0.00%, 10/09/07 | EGY | EGP | 2,438,974 | 0.36 |
| 14,500,000 | Egypt Treasury Bill, 0.00%, 06/26/07 | EGY | EGP | 2,426,759 | 0.36 |
| 7,800,000 | Government of Malaysia, 3.135%, 12/17/07 | MYS | MYR | 2,202,874 | 0.33 |
| 12,125,000 | Egypt Treasury Bill, 0.00%, 11/06/07 | EGY | EGP | 1,958,030 | 0.29 |
| 9,300,000 | Egypt Treasury Bill, 0.00%, 11/20/07 | EGY | EGP | 1,496,526 | 0.22 |
| 46,220,000 | Thailand Treasury Bill, 0.00%, 04/19/07 | THA | THB | 1,285,688 | 0.19 |
| 6,400,000 | Egypt Treasury Bill, 0.00%, 01/30/07 | EGY | EGP | 1,112,863 | 0.16 |
| 5,375,000 | Egypt Treasury Bill, 0.00%, 10/23/07 | EGY | EGP | 870,858 | 0.13 |
| 30,000,000 | Government of Thailand, 5.60%, 07/07/07 | THA | THB | 849,240 | 0.13 |
| 1,995,000 | Government of Malaysia, 8.60%, 12/01/07 | MYS | MYR | 591,087 | 0.09 |
| 2,000,000 | Egypt Certificate of Deposit, 0.00%, 09/12/07 | EGY | EGP | 326,233 | 0.05 |
| 1,375,000 | Egypt Treasury Bill, 0.00%, 07/31/07 | EGY | EGP | 227,575 | 0.03 |
| 1,200,000 | Egypt Treasury Bill, 0.00%, 07/24/07 | EGY | EGP | 198,920 | 0.03 |
| 7,100,000 | Thailand Treasury Bill, 0.00%, 03/08/07 | THA | THB | 198,217 | 0.03 |
| 700,000 | Egypt Treasury Bill, 0.00%, 06/19/07 | EGY | EGP | 117,102 | 0.02 |
| 400,000 | Government of Malaysia, 6.90%, 03/15/07 | MYS | MYR | 114,100 | 0.02 |
| 675,000 | Egypt Treasury Bill, 0.00%, 08/28/07 | EGY | EGP | 110,913 | 0.02 |
| 650,000 | Egypt Treasury Bill, 0.00%, 09/25/07 | EGY | EGP | 106,067 | 0.01 |
| 50,000 | Egypt Treasury Bill, 0.00%, 07/17/07 | EGY | EGP | 8,323 | 0.00 |
| | | | | 48,552,097 | 7.20 |
| | **TOTAL BONDS** | | | 372,205,456 | 55.23 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 372,205,456 | 55.23 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **RIGHTS** | | | | |
| | **Banks** | | | | |
| 1,000,000 | Republic of Uruguay, rts., 02/19/21 | URY | USD | 100 | 0.00 |
| | **TOTAL RIGHTS** | | | 100 | 0.00 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 100 | 0.00 |
| | **TOTAL INVESTMENTS** | | | 553,510,423 | 82.14 |

† Floating Rates are indicated as at December 31, 2006

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Securities Maturing Within One Year** | | | | |
| 10,000,000 | Finland Treasury Bill, 0.00%, 01/09/07 | FIN | EUR | 9,994,075 | 15.16 |
| 10,000,000 | French Treasury Bill, 0.00%, 01/18/07 | FRA | EUR | 9,978,933 | 15.13 |
| 10,000,000 | Dutch Treasury Bill, 0.00%, 01/31/07 | NLD | EUR | 9,973,500 | 15.13 |
| 10,000,000 | German Treasury Bill, 0.00%, 02/14/07 | DEU | EUR | 9,966,444 | 15.11 |
| 10,000,000 | French Treasury Bill, 0.00%, 03/15/07 | FRA | EUR | 9,931,250 | 15.06 |
| | | | | 49,844,202 | 75.59 |
| | **TOTAL BONDS** | | | 49,844,202 | 75.59 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 49,844,202 | 75.59 |
| | **TOTAL INVESTMENTS** | | | 49,844,202 | 75.59 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 547,300 | European Aeronautic Defense and Space Co. | NLD | EUR | 14,284,530 | 1.30 |
| | **Air Freight & Couriers** | | | | |
| 932,190 | Deutsche Post AG | DEU | EUR | 21,347,151 | 1.95 |
| | **Apparel & Accessories** | | | | |
| 204,660 | Adidas AG | DEU | EUR | 7,742,288 | 0.71 |
| | **Automobile Manufacturers** | | | | |
| 458,400 | Peugeot SA | FRA | EUR | 23,011,680 | 2.10 |
| 478,000 | Bayerische Motoren Werke AG | DEU | EUR | 20,840,800 | 1.90 |
| | | | | 43,852,480 | 4.00 |
| | **Banks** | | | | |
| 1,892,600 | Banco Santander Central Hispano SA | ESP | EUR | 26,761,364 | 2.44 |
| 3,598,500 | UniCredito Italiano SpA | ITA | EUR | 23,894,040 | 2.18 |
| 3,635,500 | Banca Intesa SpA | ITA | EUR | 21,267,675 | 1.94 |
| 226,620 | BNP Paribas SA | FRA | EUR | 18,730,143 | 1.71 |
| 166,215 | Deutsche Bank AG | DEU | EUR | 16,884,120 | 1.54 |
| | | | | 107,537,342 | 9.81 |
| | **Construction & Engineering** | | | | |
| 328,600 | Grupo Ferrovial SA | ESP | EUR | 24,299,970 | 2.22 |
| 215,746 | Vinci SA | FRA | EUR | 20,884,213 | 1.90 |
| 248,770 | Imtech NV | NLD | EUR | 11,975,788 | 1.09 |
| 1,409,755 | Jenoptik AG | DEU | EUR | 10,516,772 | 0.96 |
| | | | | 67,676,743 | 6.17 |
| | **Construction & Farm Machinery** | | | | |
| 302,300 | Vossloh AG | DEU | EUR | 17,158,548 | 1.57 |
| | **Consumer Electronics** | | | | |
| 1,400,500 | Thomson SA | FRA | EUR | 20,741,405 | 1.89 |
| | **Diversified Chemicals** | | | | |
| 257,535 | BASF AG | DEU | EUR | 19,080,768 | 1.74 |
| | **Diversified Commercial Services** | | | | |
| 1,405,800 | Vedior NV | NLD | EUR | 22,085,118 | 2.01 |
| | **Diversified Financial Services** | | | | |
| 787,530 | ING Groep NV | NLD | EUR | 26,453,133 | 2.41 |
| 105,098 | Rodamco Europe NV | NLD | EUR | 10,593,878 | 0.97 |
| | | | | 37,047,011 | 3.38 |
| | **Electric Utilities** | | | | |
| 621,188 | Suez SA | FRA | EUR | 24,369,205 | 2.22 |
| 610,504 | Iberdrola SA, Br. | ESP | EUR | 20,219,893 | 1.84 |
| 129,225 | E.ON AG | DEU | EUR | 13,347,650 | 1.22 |
| | | | | 57,936,748 | 5.28 |
| | **Health Care Distributors & Services** | | | | |
| 442,826 | Celesio AG | DEU | EUR | 17,850,316 | 1.63 |
| 141,926 | OPG Groep NV | NLD | EUR | 12,631,414 | 1.15 |
| | | | | 30,481,730 | 2.78 |
| | **Home Furnishings** | | | | |
| 285,513 | Societe BIC SA | FRA | EUR | 15,060,811 | 1.37 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 1,164,500 | TUI AG | DEU | EUR | 17,688,755 | 1.62 |
| 286,213 | Accor SA | FRA | EUR | 16,800,703 | 1.53 |
| 433,000 | Sol Melia SA | ESP | EUR | 6,499,330 | 0.59 |
| | | | | 40,988,788 | 3.74 |
| | **Industrial Machinery** | | | | |
| 890,360 | Koninklijke Philips Electronics NV | NLD | EUR | 25,437,585 | 2.32 |
| 314,300 | Siemens AG | DEU | EUR | 23,761,080 | 2.17 |
| 627,718 | MG Technologies AG | DEU | EUR | 10,664,929 | 0.97 |
| | | | | 59,863,594 | 5.46 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Integrated Oil & Gas** | | | | |
| 873,000 | Eni SpA | ITA | EUR | 22,244,040 | 2.03 |
| 393,600 | Total SA, B | FRA | EUR | 21,510,240 | 1.96 |
| 630,000 | Repsol YPF SA | ESP | EUR | 16,506,000 | 1.51 |
| | | | | 60,260,280 | 5.50 |
| | **Integrated Telecommunication Services** | | | | |
| 1,906,547 | Telefonica SA | ESP | EUR | 30,733,538 | 2.81 |
| 1,315,058 | France Telecom SA | FRA | EUR | 27,550,465 | 2.51 |
| 805,370 | Belgacom | BEL | EUR | 26,875,197 | 2.45 |
| 2,464,534 | Portugal Telecom SGPS SA | PRT | EUR | 24,251,014 | 2.21 |
| | | | | 109,410,214 | 9.98 |
| | **IT Consulting & Services** | | | | |
| 2,527,700 | Thiel Logistik AG | LUX | EUR | 7,507,269 | 0.68 |
| | **Leisure Products** | | | | |
| 986,120 | Amer Sports OYJ | FIN | EUR | 16,448,481 | 1.50 |
| | **Multi-Line Insurance** | | | | |
| 982,331 | AXA SA | FRA | EUR | 30,128,092 | 2.75 |
| 213,700 | Muenchener Rueckversicherungs-Gesellschaft AG | DEU | EUR | 27,994,700 | 2.56 |
| 347,800 | Sampo OYJ, A | FIN | EUR | 7,053,384 | 0.64 |
| | | | | 65,176,176 | 5.95 |
| | **Office Electronics** | | | | |
| 1,177,742 | Agfa Gevaert NV | BEL | EUR | 22,801,085 | 2.08 |
| | **Oil & Gas Equipment & Services** | | | | |
| 391,736 | SBM Offshore NV | NLD | EUR | 10,204,723 | 0.93 |
| | **Packaged Foods** | | | | |
| 1,048,937 | Unilever NV | NLD | EUR | 21,712,996 | 1.98 |
| | **Paper Products** | | | | |
| 1,200,381 | UPM-Kymmene OYJ | FIN | EUR | 22,951,285 | 2.10 |
| 1,755,005 | Stora Enso OYJ, R | FIN | EUR | 21,060,060 | 1.92 |
| 1,995,014 | M-real OYJ, B | FIN | EUR | 9,556,117 | 0.87 |
| | | | | 53,567,462 | 4.89 |
| | **Pharmaceuticals** | | | | |
| 272,785 | Sanofi-Aventis | FRA | EUR | 19,081,311 | 1.74 |
| | **Publishing & Printing** | | | | |
| 1,734,700 | Reed Elsevier NV | NLD | EUR | 22,412,324 | 2.04 |
| 825,950 | Telegraaf Media Groep NV | NLD | EUR | 16,395,107 | 1.50 |
| | | | | 38,807,431 | 3.54 |
| | **Semiconductors** | | | | |
| 2,322,700 | Infineon Technologies AG | DEU | EUR | 24,759,982 | 2.26 |
| | **Tyres & Rubber** | | | | |
| 416,900 | Compagnie Generale des Etablissements Michelin, B | FRA | EUR | 30,225,250 | 2.76 |
| 536,165 | Valeo SA | FRA | EUR | 16,905,282 | 1.54 |
| | | | | 47,130,532 | 4.30 |
| | **TOTAL SHARES** | | | 1,079,752,997 | 98.49 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 1,079,752,997 | 98.49 |
| | **TOTAL INVESTMENTS** | | | 1,079,752,997 | 98.49 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **BONDS** | | | | |
| | **Government Bonds** | | | | |
| 1,520,000 | Government of Finland, 5.00%, 04/25/09 | FIN | EUR | 1,556,860 | 8.60 |
| 640,000 | Government of Austria, 4.65%, 01/15/18 | AUT | EUR | 675,930 | 3.73 |
| 633,000 | Government of the Hellenic Republic, 5.35%, 05/18/11 | GRC | EUR | 665,378 | 3.68 |
| 510,000 | Government of France, 4.00%, 04/25/13 | FRA | EUR | 511,415 | 2.83 |
| 490,000 | Government of Germany, 5.00%, 07/04/11 | DEU | EUR | 511,025 | 2.82 |
| 370,000 | Government of Finland, 5.375%, 07/04/13 | FIN | EUR | 400,062 | 2.21 |
| 340,000 | Government of France, 4.75%, 10/25/12 | FRA | EUR | 353,893 | 1.96 |
| 280,000 | Government of the Hellenic Republic, 6.50%, 10/22/19 | GRC | EUR | 339,867 | 1.88 |
| 1,260,000 | Government of Poland, 6.00%, 05/24/09 | POL | PLN | 338,884 | 1.87 |
| 300,000 | Government of Spain, 5.50%, 07/30/17 | ESP | EUR | 337,815 | 1.87 |
| 320,000 | Government of Spain, 5.00%, 07/30/12 | ESP | EUR | 336,304 | 1.86 |
| 200,000 | Government of the Netherlands, 7.50%, 01/15/23 | NLD | EUR | 280,020 | 1.55 |
| 260,000 | Government of Portugal, 5.375%, 06/23/08 | PRT | EUR | 265,213 | 1.47 |
| 250,000 | Government of the Netherlands, 3.75%, 07/15/09 | NLD | EUR | 249,150 | 1.38 |
| 235,000 | Government of Belgium, 7.50%, 07/29/08 | BEL | EUR | 247,549 | 1.37 |
| 210,000 | Government of Ireland, 4.60%, 04/18/16 | IRL | EUR | 220,138 | 1.22 |
| 720,000 | Government of Poland, 6.25%, 10/24/15 | POL | PLN | 201,713 | 1.11 |
| 170,000 | Government of Ireland, 5.00%, 04/18/13 | IRL | EUR | 179,943 | 0.99 |
| 160,000 | Government of Austria, 5.00%, 07/15/12 | AUT | EUR | 168,205 | 0.93 |
| 140,000 | Government of the Netherlands, 5.50%, 01/15/28 | NLD | EUR | 167,146 | 0.92 |
| 60,000 | Government of Germany, 4.50%, 01/04/13 | DEU | EUR | 61,779 | 0.34 |
| | | | | 8,068,289 | 44.59 |
| | **Securities Maturing Within One Year** | | | | |
| 690,000 | Government of Ireland, 4.25%, 10/18/07 | IRL | EUR | 691,807 | 3.82 |
| 650,000 | Government of Spain, 4.25%, 10/31/07 | ESP | EUR | 651,917 | 3.60 |
| 4,075,000 | Government of Sweden, 8.00%, 08/15/07 | SWE | SEK | 463,015 | 2.56 |
| 2,975,000 | Government of Norway, 6.75%, 01/15/07 | NOR | NOK | 361,782 | 2.00 |
| 299,000 | Government of Finland, 5.00%, 07/04/07 | FIN | EUR | 300,622 | 1.66 |
| 230,000 | Government of the Netherlands, 5.75%, 02/15/07 | NLD | EUR | 230,543 | 1.28 |
| 200,000 | Government of Italy, 4.50%, 03/01/07 | ITA | EUR | 200,272 | 1.11 |
| 310,000 | Government of Poland, 8.50%, 05/12/07 | POL | PLN | 82,145 | 0.45 |
| 60,000 | Government of the Hellenic Republic, 4.65%, 04/19/07 | GRC | EUR | 60,149 | 0.33 |
| 4,000,000 | KfW Bankengruppe, 8.25%, 09/20/07 | DEU | ISK | 41,008 | 0.23 |
| 12,043 | Government of the Ukraine, 10.00%, 03/15/07 | UKR | EUR | 12,167 | 0.07 |
| | | | | 3,095,427 | 17.11 |
| | **TOTAL BONDS** | | | 11,163,716 | 61.70 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 11,163,716 | 61.70 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Government Bonds** | | | | |
| 1,150,000 | Government of Austria, 6.25%, 07/15/27 | AUT | EUR | 1,482,373 | 8.19 |
| 665,000 | Government of France, 6.00%, 10/25/25 | FRA | EUR | 830,186 | 4.59 |
| 560,000 | Government of Germany, 6.25%, 01/04/24 | DEU | EUR | 708,400 | 3.91 |
| 2,230,000 | Government of Poland, 5.75%, 09/23/22 | POL | PLN | 607,293 | 3.36 |
| 360,000 | Government of Germany, 3.75%, 01/04/15 | DEU | EUR | 354,978 | 1.96 |
| 300,000 | Government of Poland, 5.75%, 06/24/08 | POL | PLN | 79,632 | 0.44 |
| 1,100,000 | Government of Slovakia, 4.80%, 04/14/09 | SSS | SKK | 32,289 | 0.18 |
| 800,000 | Government of Slovakia, 5.30%, 05/12/19 | SSS | SKK | 25,506 | 0.14 |
| 400,000 | Government of Slovakia, 4.90%, 02/11/14 | SSS | SKK | 12,074 | 0.07 |
| | | | | 4,132,731 | 22.84 |
| | **Securities Maturing Within One Year** | | | | |
| 255,000 | Swedish Treasury Bill, 0.00%, 12/19/07 | SWE | SEK | 27,283 | 0.15 |
| 900,000 | Government of Slovakia, Strip, 0.00%, 01/14/07 | SSS | SKK | 26,086 | 0.14 |
| | | | | 53,369 | 0.29 |
| | **TOTAL BONDS** | | | 4,186,100 | 23.13 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 4,186,100 | 23.13 |
| | **TOTAL INVESTMENTS** | | | 15,349,816 | 84.83 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 722,400 | BAE Systems PLC | GBR | GBP | 4,562,809 | 1.34 |
| 156,700 | European Aeronautic Defense and Space Co. | NLD | EUR | 4,089,870 | 1.21 |
| 440,997 | Rolls-Royce Group PLC | GBR | GBP | 2,929,349 | 0.86 |
| | | | | 11,582,028 | 3.41 |
| | **Air Freight & Couriers** | | | | |
| 280,400 | Deutsche Post AG | DEU | EUR | 6,421,160 | 1.89 |
| | **Application Software** | | | | |
| 4,125,166 | iSOFT Group PLC | GBR | GBP | 3,457,720 | 1.02 |
| | **Automobile Manufacturers** | | | | |
| 159,700 | Bayerische Motoren Werke AG | DEU | EUR | 6,962,920 | 2.05 |
| 89,000 | Peugeot SA | FRA | EUR | 4,467,800 | 1.32 |
| | | | | 11,430,720 | 3.37 |
| | **Banks** | | | | |
| 1,091,500 | UniCredito Italiano SpA | ITA | EUR | 7,247,560 | 2.14 |
| 363,800 | HSBC Holdings PLC | GBR | GBP | 5,024,725 | 1.48 |
| 168,600 | Royal Bank of Scotland Group PLC | GBR | GBP | 4,984,995 | 1.47 |
| 360,300 | Nordea Bank AB | SWE | SEK | 4,203,003 | 1.24 |
| 250,212 | Banco Santander Central Hispano SA | ESP | EUR | 3,537,998 | 1.04 |
| | | | | 24,998,281 | 7.37 |
| | **Construction & Engineering** | | | | |
| 34,563 | Vinci SA | FRA | EUR | 3,345,699 | 0.99 |
| 269,720 | Jenoptik AG | DEU | EUR | 2,012,111 | 0.59 |
| 23,200 | Grupo Ferrovial SA | ESP | EUR | 1,715,640 | 0.51 |
| | | | | 7,073,450 | 2.09 |
| | **Consumer Electronics** | | | | |
| 236,700 | Thomson SA | FRA | EUR | 3,505,527 | 1.03 |
| | **Consumer Finance** | | | | |
| 5,068,031 | Avis Europe PLC | GBR | GBP | 6,146,487 | 1.81 |
| | **Diversified Chemicals** | | | | |
| 1,145 | BASF AG | DEU | EUR | 84,833 | 0.03 |
| | **Diversified Commercial Services** | | | | |
| 1,572,500 | Group 4 Securicor PLC | GBR | GBP | 4,385,796 | 1.29 |
| 237,900 | Vedior NV | NLD | EUR | 3,737,409 | 1.10 |
| 1,354,200 | Rentokil Initial PLC | GBR | GBP | 3,334,962 | 0.98 |
| 149,100 | Securitas AB, B | SWE | SEK | 1,751,659 | 0.52 |
| 206,900 | Securitas Systems AB, B | SWE | SEK | 633,699 | 0.19 |
| | | | | 13,843,525 | 4.08 |
| | **Diversified Financial Services** | | | | |
| 209,600 | ING Groep NV | NLD | EUR | 7,040,464 | 2.08 |
| 104,300 | UBS AG | CHE | CHF | 4,801,486 | 1.41 |
| 1,363,600 | Old Mutual PLC | ZAF | GBP | 3,525,005 | 1.04 |
| | | | | 15,366,955 | 4.53 |
| | **Drug Retail** | | | | |
| 480,037 | Alliance Boots PLC | GBR | GBP | 5,967,860 | 1.76 |
| | **Electric Utilities** | | | | |
| 79,700 | Suez SA | FRA | EUR | 3,126,631 | 0.92 |
| 277,514 | National Grid PLC | GBR | GBP | 3,036,315 | 0.90 |
| | | | | 6,162,946 | 1.82 |
| | **General Merchandise Stores** | | | | |
| 2,039,100 | William Morrison Supermarkets PLC | GBR | GBP | 7,698,856 | 2.27 |
| | **Health Care Distributors & Services** | | | | |
| 76,000 | OPG Groep NV | NLD | EUR | 6,764,000 | 1.99 |
| 114,400 | Celesio AG | DEU | EUR | 4,611,464 | 1.36 |
| | | | | 11,375,464 | 3.35 |
| | **Home Furnishings** | | | | |
| 33,474 | Societe BIC SA | FRA | EUR | 1,765,753 | 0.52 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Hotels, Resorts & Cruiselines** | | | | |
| 207,100 | TUI AG | DEU | EUR | 3,145,849 | 0.93 |
| 32,305 | Accor SA | FRA | EUR | 1,896,303 | 0.56 |
| | | | | 5,042,152 | 1.49 |
| | **Industrial Conglomerates** | | | | |
| 964,140 | Bodycote International PLC | GBR | GBP | 3,264,757 | 0.96 |
| | **Industrial Machinery** | | | | |
| 91,400 | Siemens AG | DEU | EUR | 6,909,840 | 2.04 |
| 226,400 | Koninklijke Philips Electronics NV | NLD | EUR | 6,468,248 | 1.91 |
| 2,840,900 | FKI PLC | GBR | GBP | 4,351,569 | 1.28 |
| 89,100 | Atlas Copco AB, A | SWE | SEK | 2,265,941 | 0.67 |
| 148,100 | Smiths Group PLC | GBR | GBP | 2,178,451 | 0.64 |
| | | | | 22,174,049 | 6.54 |
| | **Integrated Oil & Gas** | | | | |
| 179,940 | Eni SpA | ITA | EUR | 4,584,871 | 1.35 |
| 140,784 | Royal Dutch Shell PLC, A | GBR | EUR | 3,761,749 | 1.11 |
| 427,906 | BP PLC | GBR | GBP | 3,602,584 | 1.06 |
| 120,100 | Repsol YPF SA | ESP | EUR | 3,146,620 | 0.93 |
| 44,600 | Total SA, B | FRA | EUR | 2,437,390 | 0.72 |
| | | | | 17,533,214 | 5.17 |
| | **Integrated Telecommunication Services** | | | | |
| 610,600 | Telenor ASA | NOR | NOK | 8,697,632 | 2.56 |
| 391,106 | Telefonica SA | ESP | EUR | 6,304,629 | 1.86 |
| 266,040 | France Telecom SA | FRA | EUR | 5,573,538 | 1.64 |
| 158,300 | Belgacom | BEL | EUR | 5,282,471 | 1.56 |
| 381,648 | Portugal Telecom SGPS SA | PRT | EUR | 3,755,416 | 1.11 |
| | | | | 29,613,686 | 8.73 |
| | **IT Consulting & Services** | | | | |
| 504,150 | Thiel Logistik AG | LUX | EUR | 1,497,326 | 0.44 |
| | **Life & Health Insurance** | | | | |
| 783,000 | Standard Life Assurance Co. | GBR | GBP | 3,435,472 | 1.01 |
| | **Multi-Line Insurance** | | | | |
| 233,517 | AXA SA | FRA | EUR | 7,161,966 | 2.11 |
| 42,900 | Muenchener Rueckversicherungs-Gesellschaft AG | DEU | EUR | 5,619,900 | 1.66 |
| 435,800 | Aviva PLC | GBR | GBP | 5,314,458 | 1.57 |
| | | | | 18,096,324 | 5.34 |
| | **Networking Equipment** | | | | |
| 713,500 | British Sky Broadcasting Group PLC | GBR | GBP | 5,525,409 | 1.63 |
| | **Office Electronics** | | | | |
| 319,930 | Agfa Gevaert NV | BEL | EUR | 6,193,845 | 1.83 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 608,200 | Centrica PLC | GBR | GBP | 3,198,619 | 0.94 |
| | **Packaged Foods** | | | | |
| 7,300 | Nestle SA | CHE | CHF | 1,965,066 | 0.58 |
| | **Paper Products** | | | | |
| 350,703 | UPM-Kymmene OYJ | FIN | EUR | 6,705,441 | 1.98 |
| 395,742 | Norske Skogindustrier ASA | NOR | NOK | 5,168,351 | 1.52 |
| 299,078 | Stora Enso OYJ, R | FIN | EUR | 3,588,936 | 1.06 |
| | | | | 15,462,728 | 4.56 |
| | **Pharmaceuticals** | | | | |
| 89,666 | Sanofi-Aventis | FRA | EUR | 6,272,137 | 1.85 |
| 307,054 | GlaxoSmithKline PLC | GBR | GBP | 6,122,290 | 1.80 |
| | | | | 12,394,427 | 3.65 |
| | **Property & Casualty Insurance** | | | | |
| 29,547 | Swiss Reinsurance Co. | CHE | CHF | 1,903,003 | 0.56 |
| | **Publishing & Printing** | | | | |
| 476,603 | Reed Elsevier NV | NLD | EUR | 6,157,711 | 1.82 |
| 536,700 | Pearson PLC | GBR | GBP | 6,142,815 | 1.81 |
| 305,900 | Telegraaf Media Groep NV | NLD | EUR | 6,072,115 | 1.79 |
| | | | | 18,372,641 | 5.42 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Restaurants** | | | | |
| 1,727,700 | Compass Group PLC | GBR | GBP | 7,433,036 | 2.19 |
| | **Semiconductors** | | | | |
| 375,100 | Infineon Technologies AG | DEU | EUR | 3,998,566 | 1.18 |
| | **Speciality Chemicals** | | | | |
| 62,000 | Lonza Group AG | CHE | CHF | 4,058,694 | 1.20 |
| | **Trading Companies & Distributors** | | | | |
| 984,800 | Electrocomponents PLC | GBR | GBP | 4,284,360 | 1.26 |
| | **Tyres & Rubber** | | | | |
| 82,110 | Compagnie Generale des Etablissements Michelin, B | FRA | EUR | 5,952,975 | 1.76 |
| 113,072 | Valeo SA | FRA | EUR | 3,565,160 | 1.05 |
| 495,700 | GKN PLC | GBR | GBP | 2,044,390 | 0.60 |
| | | | | 11,562,525 | 3.41 |
| | **Wireless Telecommunication Services** | | | | |
| 1,728,087 | Vodafone Group PLC | GBR | GBP | 3,627,621 | 1.07 |
| | **TOTAL SHARES** | | | 337,519,085 | 99.51 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 337,519,085 | 99.51 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 22,897,019 | Rolls-Royce Group PLC, B | GBR | GBP | 34,478 | 0.01 |
| | **TOTAL SHARES** | | | 34,478 | 0.01 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 34,478 | 0.01 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Tyres & Rubber** | | | | |
| 271,500 | TI Automotive Ltd. | GBR | GBP | 0 | 0.00 |
| | **TOTAL SHARES** | | | 0 | 0.00 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 0 | 0.00 |
| | **TOTAL INVESTMENTS** | | | 337,553,563 | 99.52 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 6,800,000 | BES Finance Ltd., 4.50%, 03/16/15 | CYM | EUR | 6,583,794 | 1.06 |
| 5,200,000 | Telecom Italia Finance SA, 7.75%, 01/24/33 | NLD | EUR | 6,199,622 | 1.00 |
| 5,000,000 | Abbey National PLC, 7.125%, 09/28/10 | GBR | EUR | 5,465,205 | 0.88 |
| 5,000,000 | Standard Chartered Bank, 5.375%, 05/06/09 | GBR | EUR | 5,118,950 | 0.83 |
| 5,200,000 | Sumitomo Mitsui Banking, Reg S, 4.375%, 10/15/15 | JPN | EUR | 4,994,491 | 0.81 |
| 5,000,000 | Cadbury Schweppes Investments, 4.25%, 06/30/09 | GBR | EUR | 4,985,500 | 0.81 |
| 5,000,000 | Daimler Chrysler NA Holdings, 4.125%, 09/08/09 | USA | EUR | 4,957,895 | 0.80 |
| 5,000,000 | RZB Finance (Jersey) IV, 5.169%, 05/16/16 | JER | EUR | 4,921,840 | 0.80 |
| 5,000,000 | Citigroup Inc., FRN, 3.625%, 11/30/17† | USA | EUR | 4,814,525 | 0.78 |
| 4,000,000 | Elektrownia Turow BV, 9.75%, 03/14/11 | POL | EUR | 4,529,676 | 0.73 |
| 4,100,000 | Hannover Finance SA, 5.00%, 06/01/15 | LUX | EUR | 4,022,235 | 0.65 |
| 4,200,000 | Allianz Finance II BV, 4.375%, 02/17/17 | NLD | EUR | 3,966,648 | 0.64 |
| 3,900,000 | Anglian Water Services Financing PLC, 4.625%, 10/07/13 | GBR | EUR | 3,947,014 | 0.64 |
| 2,900,000 | Johnsondiversey Inc., 9.625%, 05/15/12 | USA | EUR | 3,045,000 | 0.49 |
| 2,400,000 | Wind Acquisition Fin SA, Reg S, 9.75%, 12/01/15 | ITA | EUR | 2,767,200 | 0.45 |
| 2,500,000 | Chesapeake Energy Corp., 6.25%, 01/15/17 | USA | EUR | 2,568,750 | 0.42 |
| 2,150,000 | NTL Cable PLC, 8.75%, 04/15/14 | GBR | EUR | 2,313,937 | 0.37 |
| 2,000,000 | BAT International Finance PLC, 5.125%, 07/09/13 | GBR | EUR | 2,061,014 | 0.33 |
| 1,500,000 | Owens-Brockway Glass Container Inc., 6.75%, 12/01/14 | USA | EUR | 1,511,250 | 0.25 |
| 1,000,000 | France Telecom SA, 7.00%, 12/23/09 | FRA | EUR | 1,075,950 | 0.17 |
| 1,000,000 | UPC Holding BV, 7.75%, 01/15/14 | NLD | EUR | 1,007,500 | 0.16 |
| 850,000 | Victoria Acquisition III BV, 7.875%, 10/01/14 | NLD | EUR | 945,625 | 0.15 |
| 850,000 | Lighthouse International Co., 8.00%, 04/30/14 | LUX | EUR | 933,938 | 0.15 |
| 800,000 | Bina-Istra, 8.00%, 12/15/22 | HRV | EUR | 888,480 | 0.14 |
| 750,000 | Basell AF SCA, 8.375%, 08/15/15 | DEU | EUR | 808,125 | 0.13 |
| 715,000 | Invensys PLC, Reg S, 9.875%, 03/15/11 | GBR | EUR | 793,650 | 0.13 |
| 729,600 | Huntsman International LLC, 10.125%, 07/01/09 | USA | EUR | 744,192 | 0.12 |
| 227,500 | Safilo Capital International SA, 9.625%, 05/15/13 | LUX | EUR | 251,279 | 0.04 |
| | | | | 86,223,285 | 13.93 |
| | **Government Bonds** | | | | |
| 55,731,897 | Government of France, 3.00%, 07/25/12 | FRA | EUR | 59,423,968 | 9.60 |
| 20,000,000 | Government of Germany, 3.00%, 04/11/08 | DEU | EUR | 19,788,600 | 3.19 |
| 20,000,000 | Government of the Netherlands, 2.50%, 01/15/08 | NLD | EUR | 19,702,400 | 3.18 |
| 50,150,000 | Government of Poland, 6.25%, 10/24/15 | POL | PLN | 14,049,848 | 2.27 |
| 13,387,317 | Government of France, 3.00%, 07/25/09 | FRA | EUR | 13,744,598 | 2.22 |
| 35,460,000 | Government of Poland, 6.00%, 05/24/09 | POL | PLN | 9,537,160 | 1.54 |
| 5,500,000 | Government of France, 4.75%, 02/19/13 | FRA | EUR | 5,647,510 | 0.91 |
| 20,000,000 | Government of Sweden, 5.25%, 03/15/11 | SWE | SEK | 2,333,057 | 0.38 |
| 220,000 | Government of Russia, 12.75%, 06/24/28 | RUS | USD | 301,588 | 0.05 |
| 50,000 | Government of Russia, 11.00%, 07/24/18 | RUS | USD | 54,805 | 0.01 |
| | | | | 144,583,534 | 23.35 |
| | **Securities Maturing Within One Year** | | | | |
| 269,275,000 | Government of Norway, 6.75%, 01/15/07 | NOR | NOK | 32,745,885 | 5.29 |
| 158,745,000 | Government of Sweden, 8.00%, 08/15/07 | SWE | SEK | 18,037,118 | 2.92 |
| 400,000,000 | Toyota Motor Credit Corp., 8.75%, 06/20/07 | USA | ISK | 4,155,400 | 0.67 |
| 400,000,000 | KfW Bankengruppe, 8.25%, 09/20/07 | DEU | ISK | 4,100,791 | 0.66 |
| 1,230,000 | Government of Russia, Reg S, 7.50, 5.00%, 03/31/07 | RUS | USD | 1,054,147 | 0.17 |
| | | | | 60,093,341 | 9.71 |
| | **TOTAL BONDS** | | | 290,900,160 | 46.99 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 290,900,160 | 46.99 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 11,500,000 | Olivetti International Finance, 6.575%, 07/30/09 | NLD | EUR | 12,085,925 | 1.95 |
| 11,400,000 | HT1 Funding GMBH, 6.352%, 06/30/17 | DEU | EUR | 12,063,024 | 1.95 |
| 10,000,000 | Suez SA, 5.875%, 10/13/09 | FRA | EUR | 10,428,900 | 1.68 |
| 10,000,000 | Norinchukin Finance, 4.25%, 09/28/16 | CYM | EUR | 9,920,000 | 1.60 |
| 10,000,000 | Bank of England Euro Note, 2.50%, 01/28/08 | GBR | EUR | 9,859,310 | 1.59 |
| 8,800,000 | Anglo Irish Cap 2 UK Lp, 5.219%, 09/29/16 | GBR | EUR | 8,800,572 | 1.42 |
| 6,500,000 | BBVA Intl Pref Uniperson, 4.952%, 09/20/16 | ESP | EUR | 6,465,550 | 1.04 |
| 6,000,000 | Bayer AG, 4.50%, 05/23/13 | DEU | EUR | 6,002,700 | 0.97 |
| 5,000,000 | Renault SA, 6.125%, 06/26/09 | FRA | EUR | 5,208,500 | 0.84 |
| 5,100,000 | ENBW International Finance BV, 4.875%, 01/16/25 | NLD | EUR | 5,160,863 | 0.83 |
| 5,000,000 | Bat International Finance PLC, 4.875%, 02/25/09 | GBR | EUR | 5,065,025 | 0.82 |
| 4,900,000 | Caisse Nationale des Caisses, 5.25%, 07/30/14 | FRA | EUR | 5,050,626 | 0.82 |
| 5,000,000 | Vodafone Group PLC, 4.25%, 05/27/09 | GBR | EUR | 5,006,100 | 0.81 |
| 4,300,000 | Bertelsmann AG, 4.75%, 09/26/16 | DEU | EUR | 4,276,039 | 0.69 |
| 4,000,000 | Society Lloyds, FRN, 5.625%, 11/17/24† | GBR | EUR | 4,188,240 | 0.68 |
| 3,300,000 | Ford Motor Credit Co., 5.75%, 01/12/09 | USA | EUR | 3,303,300 | 0.53 |
| 3,100,000 | Imperial Tobacco Finance Plc, 4.375%, 11/22/13 | GBR | EUR | 3,050,385 | 0.49 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Corporate Bonds** (continued) | | | | |
| 3,000,000 | Rhodia SA, FRN, 6.2419%, 10/15/13† | FRA | EUR | 3,004,020 | 0.49 |
| 2,800,000 | General Motors Acceptance Corp., 5.375%, 06/06/11 | USA | EUR | 2,828,000 | 0.46 |
| 2,550,000 | Rockwood Specialties Group Inc., 7.625%, 11/15/14 | USA | EUR | 2,722,125 | 0.44 |
| 2,500,000 | Hellas Telecom III, 8.50%, 10/15/13 | LUX | EUR | 2,700,000 | 0.44 |
| 2,600,000 | JSG Funding PLC, 7.75%, 04/01/15 | IRL | EUR | 2,639,000 | 0.43 |
| 2,300,000 | Nalco Co., 9.00%, 11/15/13 | USA | EUR | 2,524,250 | 0.41 |
| 1,885,000 | BCP Crystal U.S. Holdings Corp., 10.375%, 06/15/14 | USA | EUR | 2,181,888 | 0.35 |
| 2,000,000 | Bombardier Inc., 7.25%, 11/15/16 | CAN | EUR | 2,042,200 | 0.33 |
| 2,000,000 | Kronos International Inc., 6.50%, 04/15/13 | DEU | EUR | 1,940,000 | 0.31 |
| 1,500,000 | Huntsman International LLC, 6.875%, 11/13/13 | USA | EUR | 1,499,325 | 0.24 |
| 1,000,000 | Fresenius Medical Care Capital Trust, 7.375%, 06/15/11 | USA | EUR | 1,106,250 | 0.18 |
| 650,000 | Codere Finance SA, 8.25%, 06/15/15 | LUX | EUR | 690,625 | 0.11 |
| 500,000 | Mecachrome International Inc., Reg S, 9.00%, 05/15/14 | CAN | EUR | 491,250 | 0.08 |
| | | | | 142,303,992 | 22.98 |
| | **Government Bonds** | | | | |
| 30,000,000 | Government of France, 3.75%, 04/25/21 | FRA | EUR | 28,983,000 | 4.68 |
| 20,000,000 | Government of Germany, 3.50%, 01/04/16 | DEU | EUR | 19,327,000 | 3.12 |
| 18,000,000 | Government of the Netherlands, 4.00%, 01/15/37 | NLD | EUR | 17,706,600 | 2.86 |
| 53,160,000 | Government of Poland, 5.75%, 09/23/22 | POL | PLN | 14,476,993 | 2.34 |
| 343,200,000 | Government of Slovakia, 4.80%, 04/14/09 | SSS | SKK | 10,074,084 | 1.63 |
| 7,340,000 | Government of France, 4.75%, 04/25/35 | FRA | EUR | 8,104,094 | 1.31 |
| 7,550,000 | Government of Germany, 3.75%, 01/04/15 | DEU | EUR | 7,444,677 | 1.20 |
| 170,600,000 | Government of Slovakia, 5.30%, 05/12/19 | SSS | SKK | 5,439,256 | 0.88 |
| 133,200,000 | Government of Slovakia, 4.90%, 02/11/14 | SSS | SKK | 4,020,542 | 0.65 |
| | | | | 115,576,246 | 18.67 |
| | **Securities Maturing Within One Year** | | | | |
| 400,000,000 | Deutsche Bank AG, 11.25%, 09/07/07 | DEU | ISK | 4,185,734 | 0.68 |
| 400,000,000 | European Investment Bank, 8.00%, 07/12/07 | ISL | ISK | 4,116,193 | 0.66 |
| | | | | 8,301,927 | 1.34 |
| | **TOTAL BONDS** | | | 266,182,165 | 42.99 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 266,182,165 | 42.99 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 2,000,000 | Victoria Acquisition III BV, 7.875%, 10/01/14 | NLD | EUR | 2,225,000 | 0.36 |
| 1,800,000 | Lighthouse International Co., SA, 8.00%, 04/30/14 | ITA | EUR | 1,977,750 | 0.32 |
| 1,800,000 | Culligan Finance Corp., BV, 8.00%, 10/01/14 | NLD | EUR | 1,926,000 | 0.31 |
| 1,700,000 | SGL Carbon Luxembourg SA, 8.50%, 02/01/12 | LUX | EUR | 1,840,250 | 0.30 |
| 1,500,000 | Basell AF SCA, 8.375%, 08/15/15 | DEU | EUR | 1,616,250 | 0.26 |
| 1,500,000 | Clondalkin Industries, 8.00%, 03/15/14 | IRL | EUR | 1,588,125 | 0.26 |
| 1,400,000 | Codere Finance SA, 8.25%, 06/15/15 | ESP | EUR | 1,487,500 | 0.24 |
| 1,300,000 | Central European Distribution Corp., 8.00%, 07/25/12 | USA | EUR | 1,407,250 | 0.23 |
| 1,137,500 | Safilo Capital International SA, 9.625%, 05/15/13 | LUX | EUR | 1,259,781 | 0.20 |
| 1,138,000 | Invensys PLC, 9.875%, 03/15/11 | GBR | EUR | 1,257,490 | 0.20 |
| 1,000,000 | Huntsman International LLC, 8.25%, 01/01/15 | USA | EUR | 1,052,500 | 0.17 |
| 800,000 | UPC Holding BV, 7.75%, 01/15/14 | NLD | EUR | 806,000 | 0.13 |
| | | | | 18,443,896 | 2.98 |
| | **TOTAL BONDS** | | | 18,443,896 | 2.98 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 18,443,896 | 2.98 |
| | **TOTAL INVESTMENTS** | | | 575,526,221 | 92.96 |

† Floating Rates are indicated as at December 31, 2006

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 911,326 | BAE Systems PLC | GBR | GBP | 7,598,339 | 0.46 |
| | **Air Freight & Couriers** | | | | |
| 895,889 | Deutsche Post AG | DEU | EUR | 27,081,957 | 1.64 |
| | **Airlines** | | | | |
| 1,982,194 | Qantas Airways Ltd. | AUS | AUD | 8,167,963 | 0.49 |
| | **Application Software** | | | | |
| 743,000 | Microsoft Corp. | USA | USD | 22,185,980 | 1.34 |
| | **Automobile Manufacturers** | | | | |
| 322,200 | Peugeot SA | FRA | EUR | 21,351,069 | 1.29 |
| 366,100 | Bayerische Motoren Werke AG | DEU | EUR | 21,070,584 | 1.28 |
| 232,200 | Harley-Davidson Inc. | USA | USD | 16,363,134 | 0.99 |
| | | | | 58,784,787 | 3.56 |
| | **Banks** | | | | |
| 3,116,700 | UniCredito Italiano SpA | ITA | EUR | 27,318,285 | 1.66 |
| 467,800 | Hana Financial Group Inc. | KOR | KRW | 24,597,226 | 1.49 |
| 579,900 | Royal Bank of Scotland Group PLC | GBR | GBP | 22,633,446 | 1.37 |
| 543,400 | The Bank of New York Co., Inc. | USA | USD | 21,393,658 | 1.30 |
| 1,365,849 | Nordea Bank AB | SWE | SEK | 21,032,384 | 1.27 |
| 1,123,600 | HSBC Holdings PLC | GBR | HKD | 20,596,770 | 1.25 |
| 377,700 | Bank of America Corp. | USA | USD | 20,165,403 | 1.22 |
| 1,185 | Mitsubishi UFJ Financial Group Inc. | JPN | JPY | 14,633,931 | 0.89 |
| 152,592 | U.S. Bancorp | USA | USD | 5,522,304 | 0.33 |
| | | | | 177,893,407 | 10.78 |
| | **Commodity Chemicals** | | | | |
| 272,841 | Akzo Nobel NV | NLD | EUR | 16,643,167 | 1.01 |
| | **Computer Storage & Peripherals** | | | | |
| 630,100 | Seagate Technology | USA | USD | 16,697,650 | 1.01 |
| | **Consumer Electronics** | | | | |
| 288,900 | Sony Corp. | JPN | JPY | 12,377,788 | 0.75 |
| | **Diversified Chemicals** | | | | |
| 163,291 | The Dow Chemical Co. | USA | USD | 6,521,842 | 0.40 |
| | **Diversified Commercial Services** | | | | |
| 464,900 | H&R Block Inc. | USA | USD | 10,711,296 | 0.65 |
| 669,100 | Securitas AB, B | SWE | SEK | 10,376,558 | 0.63 |
| 420,000 | Vedior NV | NLD | EUR | 8,709,954 | 0.53 |
| 2,653,800 | Rentokil Initial PLC | GBR | GBP | 8,627,134 | 0.52 |
| 669,100 | Securitas Systems AB, B | SWE | SEK | 2,705,230 | 0.16 |
| 669,100 | Securitas Direct AB, B | SWE | SEK | 2,119,259 | 0.13 |
| | | | | 43,249,431 | 2.62 |
| | **Diversified Financial Services** | | | | |
| 547,088 | ING Groep NV | NLD | EUR | 24,258,143 | 1.47 |
| 6,736,871 | Old Mutual PLC | ZAF | GBP | 22,989,064 | 1.39 |
| 211,820 | UBS AG | CHE | CHF | 12,872,078 | 0.78 |
| | | | | 60,119,285 | 3.64 |
| | **Drug Retail** | | | | |
| 1,572,960 | Alliance Boots PLC | GBR | GBP | 25,813,802 | 1.56 |
| | **Electric Utilities** | | | | |
| 135,640 | E.ON AG | DEU | EUR | 18,494,237 | 1.12 |
| 1,222,044 | National Grid PLC | GBR | GBP | 17,649,773 | 1.07 |
| 311,089 | Iberdrola SA, Br. | ESP | EUR | 13,600,828 | 0.83 |
| 191,500 | Korea Electric Power Corp., ADR | KOR | USD | 4,348,965 | 0.26 |
| | | | | 54,093,803 | 3.28 |
| | **General Merchandise Stores** | | | | |
| 5,083,500 | William Morrison Supermarkets PLC | GBR | GBP | 25,336,165 | 1.53 |
| | **Health Care Equipment** | | | | |
| 932,547 | Boston Scientific Corp. | USA | USD | 16,021,158 | 0.97 |
| 450,800 | Olympus Corp. | JPN | JPY | 14,163,834 | 0.86 |
| | | | | 30,184,992 | 1.83 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Home Furnishings** | | | | |
| 8,902 | Societe BIC SA | FRA | EUR | 619,870 | 0.04 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 297,900 | Carnival Corp. | USA | USD | 14,611,995 | 0.89 |
| | **Industrial Machinery** | | | | |
| 215,300 | Siemens AG | DEU | EUR | 21,486,030 | 1.30 |
| 523,565 | Koninklijke Philips Electronics NV | NLD | EUR | 19,745,640 | 1.20 |
| 479,300 | Tyco International Ltd. | USA | USD | 14,570,720 | 0.88 |
| 503,575 | Smiths Group PLC | GBR | GBP | 9,777,935 | 0.59 |
| 917,400 | Hutchison Whampoa Ltd. | HKG | HKD | 9,322,416 | 0.57 |
| 675,300 | Swire Pacific Ltd., A | HKG | HKD | 7,252,889 | 0.44 |
| | | | | 82,155,630 | 4.98 |
| | **Insurance Brokers** | | | | |
| 549,900 | Willis Group Holdings Ltd. | USA | USD | 21,836,529 | 1.32 |
| | **Integrated Oil & Gas** | | | | |
| 2,051,456 | BP PLC | GBR | GBP | 22,799,134 | 1.38 |
| 484,725 | Royal Dutch Shell PLC, B | GBR | GBP | 16,991,774 | 1.03 |
| 212,800 | Chevron Corp. | USA | USD | 15,647,184 | 0.95 |
| 435,427 | Eni SpA | ITA | EUR | 14,645,531 | 0.89 |
| 192,400 | Total SA, B | FRA | EUR | 13,879,876 | 0.84 |
| 347,980 | Repsol YPF SA | ESP | EUR | 12,034,996 | 0.73 |
| | | | | 95,998,495 | 5.82 |
| | **Integrated Telecommunication Services** | | | | |
| 1,934,200 | Telenor ASA | NOR | NOK | 36,369,387 | 2.20 |
| 8,721,000 | Singapore Telecommunications Ltd. | SGP | SGD | 18,653,937 | 1.13 |
| 813,809 | Telefonica SA | ESP | EUR | 17,317,209 | 1.05 |
| 600,020 | France Telecom SA | FRA | EUR | 16,593,581 | 1.00 |
| 1,000,200 | Portugal Telecom SGPS SA | PRT | EUR | 12,991,889 | 0.79 |
| 243,900 | KT Corp., ADR | KOR | USD | 6,182,865 | 0.37 |
| 217,728 | BCE Inc. | CAN | CAD | 5,867,118 | 0.36 |
| | | | | 113,975,986 | 6.90 |
| | **Internet Software & Services** | | | | |
| 212,600 | Check Point Software Technologies Ltd. | ISR | USD | 4,660,192 | 0.28 |
| | **IT Consulting & Services** | | | | |
| 442,300 | Accenture Ltd., A | USA | USD | 16,334,139 | 0.99 |
| 269,900 | Electronic Data Systems Corp. | USA | USD | 7,435,745 | 0.45 |
| | | | | 23,769,884 | 1.44 |
| | **Leisure Products** | | | | |
| 110,400 | Nintendo Co., Ltd. | JPN | JPY | 28,658,462 | 1.74 |
| | **Life & Health Insurance** | | | | |
| 339,100 | Torchmark Corp. | USA | USD | 21,621,016 | 1.31 |
| | **Movies & Entertainment** | | | | |
| 1,193,338 | Time Warner Inc. | USA | USD | 25,990,902 | 1.57 |
| 521,100 | Viacom Inc., B | USA | USD | 21,380,733 | 1.30 |
| | | | | 47,371,635 | 2.87 |
| | **Multi-Line Insurance** | | | | |
| 149,300 | Muenchener Rueckversicherungs-Gesellschaft AG | DEU | EUR | 25,817,933 | 1.56 |
| 307,466 | American International Group Inc. | USA | USD | 22,033,013 | 1.34 |
| 1,324,300 | Aviva PLC | GBR | GBP | 21,318,099 | 1.29 |
| 286,408 | AXA SA | FRA | EUR | 11,595,495 | 0.70 |
| | | | | 80,764,540 | 4.89 |
| | **Networking Equipment** | | | | |
| 1,101,600 | The DIRECTV Group Inc. | USA | USD | 27,473,904 | 1.67 |
| 1,797,400 | Avaya Inc. | USA | USD | 25,127,652 | 1.52 |
| 1,580,300 | British Sky Broadcasting Group PLC | GBR | GBP | 16,154,753 | 0.98 |
| | | | | 68,756,309 | 4.17 |
| | **Office Electronics** | | | | |
| 616,900 | Agfa Gevaert NV | BEL | EUR | 15,765,599 | 0.95 |
| | **Office Services & Supplies** | | | | |
| 314,800 | Pitney Bowes Inc. | USA | USD | 14,540,612 | 0.88 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Oil & Gas Refining & Marketing** | | | | |
| 2,629,800 | Centrica PLC | GBR | GBP | 18,256,992 | 1.11 |
| | **Packaged Foods** | | | | |
| 20,100 | Nestle SA | CHE | CHF | 7,142,341 | 0.43 |
| 181,755 | Unilever PLC | GBR | GBP | 5,082,822 | 0.31 |
| | | | | 12,225,163 | 0.74 |
| | **Paper Products** | | | | |
| 864,900 | UPM-Kymmene OYJ | FIN | EUR | 21,829,518 | 1.32 |
| 919,000 | Stora Enso OYJ, R | FIN | EUR | 14,557,511 | 0.88 |
| 832,700 | Norske Skogindustrier ASA | NOR | NOK | 14,355,515 | 0.87 |
| 401,560 | International Paper Co. | USA | USD | 13,693,196 | 0.83 |
| | | | | 64,435,740 | 3.90 |
| | **Pharmaceuticals** | | | | |
| 977,393 | GlaxoSmithKline PLC | GBR | GBP | 25,725,200 | 1.56 |
| 558,000 | Merck & Co., Inc. | USA | USD | 24,328,800 | 1.48 |
| 817,600 | Pfizer Inc. | USA | USD | 21,175,840 | 1.28 |
| 529,260 | Bristol-Myers Squibb Co. | USA | USD | 13,930,123 | 0.84 |
| 105,654 | Sanofi-Aventis | FRA | EUR | 9,755,826 | 0.59 |
| | | | | 94,915,789 | 5.75 |
| | **Property & Casualty Insurance** | | | | |
| 185,461 | Swiss Reinsurance Co. | CHE | CHF | 15,767,724 | 0.96 |
| 62,700 | XL Capital Ltd., A | BMU | USD | 4,515,654 | 0.27 |
| | | | | 20,283,378 | 1.23 |
| | **Publishing & Printing** | | | | |
| 1,220,000 | Reed Elsevier NV | NLD | EUR | 20,807,155 | 1.26 |
| 598,633 | Wolters Kluwer NV | NLD | EUR | 17,219,013 | 1.04 |
| 687,800 | Pearson PLC | GBR | GBP | 10,391,742 | 0.63 |
| | | | | 48,417,910 | 2.93 |
| | **Real Estate Management & Development** | | | | |
| 1,620,600 | Cheung Kong (Holdings) Ltd. | HKG | HKD | 19,947,224 | 1.21 |
| | **Restaurants** | | | | |
| 2,882,479 | Compass Group PLC | GBR | GBP | 16,370,216 | 0.99 |
| | **Semiconductors** | | | | |
| 2,000 | Samsung Electronics Co., Ltd. | KOR | KRW | 1,318,280 | 0.08 |
| | **Trading Companies & Distributors** | | | | |
| 3,852,100 | Electrocomponents PLC | GBR | GBP | 22,122,074 | 1.34 |
| | **Wireless Telecommunication Services** | | | | |
| 9,631,441 | Vodafone Group PLC | GBR | GBP | 26,689,349 | 1.62 |
| | **TOTAL SHARES** | | | 1,572,839,227 | 95.28 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 1,572,839,227 | 95.28 |
| | **TOTAL INVESTMENTS** | | | 1,572,839,227 | 95.28 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 1,910,700 | BAE Systems PLC | GBR | GBP | 12,068,327 | 1.25 |
| | **Air Freight & Couriers** | | | | |
| 581,200 | Deutsche Post AG | DEU | EUR | 13,309,480 | 1.38 |
| | **Application Software** | | | | |
| 636,550 | Microsoft Corp. | USA | USD | 14,398,988 | 1.50 |
| | **Automobile Manufacturers** | | | | |
| 290,100 | Bayerische Motoren Werke AG | DEU | EUR | 12,648,360 | 1.32 |
| 182,600 | Peugeot SA | FRA | EUR | 9,166,520 | 0.95 |
| 162,558 | Harley-Davidson Inc. | USA | USD | 8,678,052 | 0.90 |
| | | | | 30,492,932 | 3.17 |
| | **Banks** | | | | |
| 516,700 | Royal Bank of Scotland Group PLC | GBR | GBP | 15,277,267 | 1.59 |
| 963,600 | HSBC Holdings PLC | GBR | HKD | 13,381,162 | 1.39 |
| 1,412 | Mitsubishi UFJ Financial Group Inc. | JPN | JPY | 13,209,519 | 1.37 |
| 320,000 | Bank of America Corp. | USA | USD | 12,942,541 | 1.35 |
| 981,600 | Nordea Bank AB | SWE | SEK | 11,450,646 | 1.19 |
| 383,500 | The Bank of New York Co., Inc. | USA | USD | 11,437,745 | 1.19 |
| 1,440,000 | UniCredito Italiano SpA | ITA | EUR | 9,561,600 | 0.99 |
| | | | | 87,260,480 | 9.07 |
| | **Computer Storage & Peripherals** | | | | |
| 645,800 | Seagate Technology | USA | USD | 12,964,434 | 1.35 |
| | **Consumer Electronics** | | | | |
| 729,279 | Thomson SA | FRA | EUR | 10,800,622 | 1.12 |
| 232,100 | Sony Corp. | JPN | JPY | 7,533,213 | 0.78 |
| | | | | 18,333,835 | 1.90 |
| | **Diversified Commercial Services** | | | | |
| 4,360,282 | Group 4 Securicor PLC | GBR | GBP | 12,161,085 | 1.26 |
| 374,435 | H&R Block Inc. | USA | USD | 6,535,346 | 0.68 |
| 153,771 | Vedior NV | NLD | EUR | 2,415,742 | 0.25 |
| | | | | 21,112,173 | 2.19 |
| | **Diversified Financial Services** | | | | |
| 552,500 | ING Groep NV | NLD | EUR | 18,558,475 | 1.93 |
| 3,678,403 | Old Mutual PLC | ZAF | GBP | 9,508,938 | 0.99 |
| | | | | 28,067,413 | 2.92 |
| | **Diversified Metals & Mining** | | | | |
| 1,710,000 | China Coal Energy Co. | CHN | HKD | 840,940 | 0.09 |
| | **Drug Retail** | | | | |
| 726,017 | Alliance Boots PLC | GBR | GBP | 9,025,904 | 0.94 |
| | **Electric Utilities** | | | | |
| 983,100 | National Grid PLC | GBR | GBP | 10,756,219 | 1.12 |
| 85,494 | Electricite de France | FRA | EUR | 4,719,269 | 0.49 |
| | | | | 15,475,488 | 1.61 |
| | **General Merchandise Stores** | | | | |
| 3,209,100 | William Morrison Supermarkets PLC | GBR | GBP | 12,116,326 | 1.26 |
| 140,600 | George Weston Ltd. | CAN | CAD | 6,910,312 | 0.72 |
| | | | | 19,026,638 | 1.98 |
| | **Health Care Equipment** | | | | |
| 640,000 | Boston Scientific Corp. | USA | USD | 8,329,382 | 0.86 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 358,664 | Carnival Corp. | USA | USD | 13,327,124 | 1.38 |
| | **Industrial Machinery** | | | | |
| 197,200 | Siemens AG | DEU | EUR | 14,908,320 | 1.55 |
| 999,200 | Smiths Group PLC | GBR | GBP | 14,697,554 | 1.53 |
| 506,668 | Tyco International Ltd. | USA | USD | 11,668,276 | 1.21 |
| 383,849 | Koninklijke Philips Electronics NV | NLD | EUR | 10,966,566 | 1.14 |
| 336,961 | General Electric Co. | USA | USD | 9,498,367 | 0.99 |
| 1,152,000 | Hutchison Whampoa Ltd. | HKG | HKD | 8,868,126 | 0.92 |
| | | | | 70,607,209 | 7.34 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Insurance Brokers** | | | | |
| 300,600 | Willis Group Holdings Ltd. | USA | USD | 9,042,708 | 0.94 |
| | **Integrated Oil & Gas** | | | | |
| 1,824,800 | BP PLC | GBR | GBP | 15,363,178 | 1.60 |
| 511,200 | Eni SpA | ITA | EUR | 13,025,376 | 1.35 |
| 485,468 | Royal Dutch Shell PLC, B | GBR | GBP | 12,891,800 | 1.34 |
| 180,600 | Chevron Corp. | USA | USD | 10,059,860 | 1.04 |
| 274,666 | Repsol YPF SA | ESP | EUR | 7,196,249 | 0.75 |
| | | | | 58,536,463 | 6.08 |
| | **Integrated Telecommunication Services** | | | | |
| 722,888 | France Telecom SA | FRA | EUR | 15,144,504 | 1.57 |
| 988,119 | Telenor ASA | NOR | NOK | 14,075,165 | 1.46 |
| 998,300 | Tele Norte Leste Participacoes SA, ADR, pfd. | BRA | USD | 11,283,388 | 1.17 |
| 640,652 | Telefonica SA | ESP | EUR | 10,327,310 | 1.07 |
| 482,779 | BCE Inc. | CAN | CAD | 9,855,270 | 1.03 |
| 885,400 | Portugal Telecom SGPS SA | PRT | EUR | 8,712,336 | 0.91 |
| 3,641,000 | Singapore Telecommunications Ltd. | SGP | SGD | 5,899,763 | 0.61 |
| | | | | 75,297,736 | 7.82 |
| | **Internet Software & Services** | | | | |
| 747,600 | Check Point Software Technologies Ltd. | ISR | USD | 12,414,221 | 1.29 |
| | **IT Consulting & Services** | | | | |
| 375,200 | Accenture Ltd., A | USA | USD | 10,496,676 | 1.09 |
| | **Life & Health Insurance** | | | | |
| 243,100 | Torchmark Corp. | USA | USD | 11,742,022 | 1.22 |
| | **Metal & Glass Containers** | | | | |
| 1,694,100 | Rexam PLC | GBR | GBP | 13,207,228 | 1.37 |
| | **Movies & Entertainment** | | | | |
| 825,002 | News Corp., A | USA | USD | 13,424,525 | 1.40 |
| 406,200 | Viacom Inc., B | USA | USD | 12,625,572 | 1.31 |
| | | | | 26,050,097 | 2.71 |
| | **Multi-Line Insurance** | | | | |
| 1,167,500 | Aviva PLC | GBR | GBP | 14,237,332 | 1.48 |
| 96,922 | Muenchener Rueckversicherungs-Gesellschaft AG | DEU | EUR | 12,696,782 | 1.32 |
| 209,320 | American International Group Inc. | USA | USD | 11,363,109 | 1.18 |
| 344,250 | AXA SA | FRA | EUR | 10,558,148 | 1.10 |
| | | | | 48,855,371 | 5.08 |
| | **Networking Equipment** | | | | |
| 1,516,000 | British Sky Broadcasting Group PLC | GBR | GBP | 11,740,041 | 1.22 |
| 531,002 | The DIRECTV Group Inc. | USA | USD | 10,032,340 | 1.04 |
| 923,553 | Avaya Inc. | USA | USD | 9,780,896 | 1.02 |
| | | | | 31,553,277 | 3.28 |
| | **Office Electronics** | | | | |
| 464,800 | Agfa Gevaert NV | BEL | EUR | 8,998,528 | 0.93 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 2,407,500 | Centrica PLC | GBR | GBP | 12,661,421 | 1.32 |
| | **Packaged Foods** | | | | |
| 35,300 | Nestle SA | CHE | CHF | 9,502,303 | 0.99 |
| | **Paper Products** | | | | |
| 739,500 | UPM-Kymmene OYJ | FIN | EUR | 14,139,240 | 1.47 |
| 869,726 | Norske Skogindustrier ASA | NOR | NOK | 11,358,535 | 1.18 |
| 714,000 | Stora Enso OYJ, R | FIN | EUR | 8,568,000 | 0.89 |
| | | | | 34,065,775 | 3.54 |
| | **Pharmaceuticals** | | | | |
| 214,034 | Sanofi-Aventis | FRA | EUR | 14,971,678 | 1.56 |
| 417,500 | Merck & Co., Inc. | USA | USD | 13,789,630 | 1.43 |
| 667,500 | GlaxoSmithKline PLC | GBR | GBP | 13,309,154 | 1.38 |
| 672,100 | Pfizer Inc. | USA | USD | 13,186,918 | 1.37 |
| 473,659 | Watson Pharmaceuticals Inc. | USA | USD | 9,340,059 | 0.97 |
| 458,500 | Bristol-Myers Squibb Co. | USA | USD | 9,141,866 | 0.95 |
| | | | | 73,739,305 | 7.66 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Property & Casualty Insurance** | | | | |
| 150,776 | Swiss Reinsurance Co. | CHE | CHF | 9,710,872 | 1.01 |
| 195,700 | ACE Ltd. | BMU | USD | 8,979,622 | 0.93 |
| | | | | 18,690,494 | 1.94 |
| | **Publishing & Printing** | | | | |
| 1,080,400 | Reed Elsevier NV | NLD | EUR | 13,958,768 | 1.45 |
| 555,900 | Pearson PLC | GBR | GBP | 6,362,569 | 0.66 |
| | | | | 20,321,337 | 2.11 |
| | **Real Estate Management & Development** | | | | |
| 976,000 | Cheung Kong (Holdings) Ltd. | HKG | HKD | 9,100,518 | 0.95 |
| | **Restaurants** | | | | |
| 2,875,630 | Compass Group PLC | GBR | GBP | 12,371,744 | 1.28 |
| | **Semiconductors** | | | | |
| 14,900 | Samsung Electronics Co., Ltd. | KOR | KRW | 7,440,008 | 0.77 |
| | **Trading Companies & Distributors** | | | | |
| 2,206,518 | Electrocomponents PLC | GBR | GBP | 9,599,429 | 1.00 |
| | **Wireless Telecommunication Services** | | | | |
| 6,660,325 | Vodafone Group PLC | GBR | GBP | 13,981,436 | 1.45 |
| 1,620,000 | Advanced Info Service Public Co., Ltd., fgn. | THA | THB | 2,700,244 | 0.28 |
| | | | | 16,681,680 | 1.73 |
| | TOTAL SHARES | | | 905,009,088 | 94.03 |
| | TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | 905,009,088 | 94.03 |
| | TOTAL INVESTMENTS | | | 905,009,088 | 94.03 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 459,144 | Rolls-Royce Group PLC | GBR | GBP | 4,026,009 | 0.50 |
| 364,850 | BAE Systems PLC | GBR | GBP | 3,042,001 | 0.37 |
| | | | | 7,068,010 | 0.87 |
| | **Air Freight & Couriers** | | | | |
| 351,022 | Deutsche Post AG | DEU | EUR | 10,611,094 | 1.30 |
| | **Application Software** | | | | |
| 383,900 | Microsoft Corp. | USA | USD | 11,463,254 | 1.41 |
| | **Automobile Manufacturers** | | | | |
| 192,900 | Bayerische Motoren Werke AG | DEU | EUR | 11,102,201 | 1.37 |
| 117,100 | Harley-Davidson Inc. | USA | USD | 8,252,037 | 1.02 |
| 115,900 | Peugeot SA | FRA | EUR | 7,680,288 | 0.94 |
| | | | | 27,034,526 | 3.33 |
| | **Banks** | | | | |
| 263,000 | Royal Bank of Scotland Group PLC | GBR | GBP | 10,264,867 | 1.26 |
| 512,573 | HSBC Holdings PLC | GBR | HKD | 9,396,002 | 1.16 |
| 248,850 | National Australia Bank Ltd. | AUS | AUD | 7,936,264 | 0.98 |
| 468,040 | Nordea Bank AB | SWE | SEK | 7,207,237 | 0.89 |
| 562 | Mitsubishi UFJ Financial Group Inc. | JPN | JPY | 6,940,312 | 0.85 |
| 763,900 | UniCredito Italiano SpA | ITA | EUR | 6,695,684 | 0.82 |
| | | | | 48,440,366 | 5.96 |
| | **Biotechnology** | | | | |
| 9,200 | CK Life Sciences International (Holdings) Inc. | HKG | HKD | 851 | 0.00 |
| | **Commercial Printing** | | | | |
| 58,750 | R. R. Donnelley & Sons Co. | USA | USD | 2,087,975 | 0.26 |
| | **Commodity Chemicals** | | | | |
| 88,950 | Akzo Nobel NV | NLD | EUR | 5,425,906 | 0.67 |
| | **Consumer Electronics** | | | | |
| 199,700 | Fujifilm Holdings Corp. | JPN | JPY | 8,203,747 | 1.01 |
| | **Diversified Chemicals** | | | | |
| 32,380 | The Dow Chemical Co. | USA | USD | 1,293,257 | 0.16 |
| | **Diversified Commercial Services** | | | | |
| 205,900 | H&R Block Inc. | USA | USD | 4,743,936 | 0.58 |
| 201,600 | Vedior NV | NLD | EUR | 4,180,778 | 0.52 |
| 858,281 | Rentokil Initial PLC | GBR | GBP | 2,790,152 | 0.34 |
| | | | | 11,714,866 | 1.44 |
| | **Diversified Financial Services** | | | | |
| 210,452 | ING Groep NV | NLD | EUR | 9,331,542 | 1.15 |
| 2,067,287 | Old Mutual PLC | ZAF | GBP | 7,054,461 | 0.87 |
| 73,080 | Morgan Stanley | USA | USD | 5,950,905 | 0.73 |
| 72,480 | UBS AG | CHE | CHF | 4,404,533 | 0.54 |
| 358,130 | Amvescap PLC | GBR | GBP | 4,180,009 | 0.51 |
| | | | | 30,921,450 | 3.80 |
| | **Electric Utilities** | | | | |
| 221,283 | National Grid PLC | GBR | GBP | 3,195,953 | 0.39 |
| 40,650 | Iberdrola SA, Br. | ESP | EUR | 1,777,220 | 0.22 |
| 25,470 | Korea Electric Power Corp. | KOR | KRW | 1,161,213 | 0.14 |
| | | | | 6,134,386 | 0.75 |
| | **General Merchandise Stores** | | | | |
| 78,189 | Target Corp. | USA | USD | 4,460,682 | 0.55 |
| 144,380 | Kroger Co. | USA | USD | 3,330,847 | 0.41 |
| | | | | 7,791,529 | 0.96 |
| | **Health Care Equipment** | | | | |
| 466,718 | Boston Scientific Corp. | USA | USD | 8,018,215 | 0.99 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 139,400 | Carnival Corp. | USA | USD | 6,837,570 | 0.84 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Industrial Machinery** | | | | |
| 75,800 | Siemens AG | DEU | EUR | 7,564,520 | 0.93 |
| 197,500 | Tyco International Ltd. | USA | USD | 6,004,000 | 0.74 |
| 216,412 | Smiths Group PLC | GBR | GBP | 4,202,080 | 0.52 |
| 206,000 | Swire Pacific Ltd., A | HKG | HKD | 2,212,491 | 0.27 |
| 52,580 | Koninklijke Philips Electronics NV | NLD | EUR | 1,982,993 | 0.24 |
| | | | | 21,966,084 | 2.70 |
| | **Insurance Brokers** | | | | |
| 156,700 | Willis Group Holdings Ltd. | USA | USD | 6,222,557 | 0.77 |
| 76,600 | Aon Corp. | USA | USD | 2,707,044 | 0.33 |
| | | | | 8,929,601 | 1.10 |
| | **Integrated Oil & Gas** | | | | |
| 926,401 | BP PLC | GBR | GBP | 10,295,683 | 1.27 |
| 186,032 | Royal Dutch Shell PLC, B | GBR | GBP | 6,521,251 | 0.80 |
| 170,510 | Eni SpA | ITA | EUR | 5,735,082 | 0.70 |
| | | | | 22,552,016 | 2.77 |
| | **Integrated Telecommunication Services** | | | | |
| 4,124,000 | Singapore Telecommunications Ltd. | SGP | SGD | 8,821,103 | 1.09 |
| 273,896 | France Telecom SA | FRA | EUR | 7,574,607 | 0.93 |
| 262,206 | Telefonica SA | ESP | EUR | 5,579,535 | 0.69 |
| 169,470 | KT Corp., ADR | KOR | USD | 4,296,064 | 0.53 |
| 125,040 | Telefonos de Mexico SA de CV, L, ADR | MEX | USD | 3,533,630 | 0.43 |
| 93,190 | AT&T Inc. | USA | USD | 3,331,543 | 0.41 |
| | | | | 33,136,482 | 4.08 |
| | **Internet Software & Services** | | | | |
| 58,410 | Check Point Software Technologies Ltd. | ISR | USD | 1,280,347 | 0.16 |
| | **Life & Health Insurance** | | | | |
| 98,100 | Torchmark Corp. | USA | USD | 6,254,856 | 0.77 |
| | **Movies & Entertainment** | | | | |
| 305,747 | Viacom Inc., B | USA | USD | 12,544,799 | 1.54 |
| 527,700 | News Corp., A | USA | USD | 11,334,996 | 1.40 |
| | | | | 23,879,795 | 2.94 |
| | **Multi-Line Insurance** | | | | |
| 225,574 | AXA SA | FRA | EUR | 9,132,574 | 1.12 |
| 560,700 | Aviva PLC | GBR | GBP | 9,025,944 | 1.11 |
| 39,200 | Muenchener Rueckversicherungs-Gesellschaft AG | DEU | EUR | 6,778,720 | 0.84 |
| 89,300 | American International Group Inc. | USA | USD | 6,399,238 | 0.79 |
| | | | | 31,336,476 | 3.86 |
| | **Networking Equipment** | | | | |
| 887,180 | British Sky Broadcasting Group PLC | GBR | GBP | 9,069,274 | 1.11 |
| 296,280 | The DIRECTV Group Inc. | USA | USD | 7,389,223 | 0.91 |
| | | | | 16,458,497 | 2.02 |
| | **Office Electronics** | | | | |
| 218,100 | Agfa Gevaert NV | BEL | EUR | 5,573,800 | 0.69 |
| | **Office Services & Supplies** | | | | |
| 146,500 | Pitney Bowes Inc. | USA | USD | 6,766,835 | 0.83 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 1,498,200 | Centrica PLC | GBR | GBP | 10,401,029 | 1.28 |
| | **Packaged Foods** | | | | |
| 21,190 | Nestle SA | CHE | CHF | 7,529,662 | 0.93 |
| | **Paper Products** | | | | |
| 313,420 | UPM-Kymmene OYJ | FIN | EUR | 7,910,519 | 0.97 |
| 435,810 | Stora Enso OYJ, R | FIN | EUR | 6,903,491 | 0.85 |
| 377,584 | Norske Skogindustrier ASA | NOR | NOK | 6,509,443 | 0.80 |
| | | | | 21,323,453 | 2.62 |
| | **Pharmaceuticals** | | | | |
| 113,100 | Takeda Pharmaceutical Co., Ltd. | JPN | JPY | 7,762,650 | 0.95 |
| 146,700 | Merck & Co., Inc. | USA | USD | 6,396,120 | 0.79 |
| 214,870 | Bristol-Myers Squibb Co. | USA | USD | 5,655,378 | 0.70 |
| 209,500 | Pfizer Inc. | USA | USD | 5,426,050 | 0.67 |
| 143,190 | GlaxoSmithKline PLC | GBR | GBP | 3,768,793 | 0.46 |
| 1 | Mylan Laboratories Inc. | USA | USD | 10 | 0.00 |
| | | | | 29,009,001 | 3.57 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Property & Casualty Insurance** | | | | |
| 74,870 | Swiss Reinsurance Co. | CHE | CHF | 6,365,379 | 0.78 |
| 90,590 | ACE Ltd. | BMU | USD | 5,487,036 | 0.68 |
| 58,750 | XL Capital Ltd., A | BMU | USD | 4,231,175 | 0.52 |
| | | | | 16,083,590 | 1.98 |
| | **Publishing & Printing** | | | | |
| 251,168 | Wolters Kluwer NV | NLD | EUR | 7,224,568 | 0.89 |
| | **Real Estate Management & Development** | | | | |
| 608,000 | Cheung Kong (Holdings) Ltd. | HKG | HKD | 7,483,594 | 0.92 |
| | **Restaurants** | | | | |
| 1,023,260 | Compass Group PLC | GBR | GBP | 5,811,313 | 0.71 |
| | **Semiconductor Equipment** | | | | |
| 295,200 | Cadence Design Systems Inc. | USA | USD | 5,287,032 | 0.65 |
| | **Semiconductors** | | | | |
| 7,380 | Samsung Electronics Co., Ltd. | KOR | KRW | 4,864,452 | 0.60 |
| | **Trading Companies & Distributors** | | | | |
| 1,936,000 | Electrocomponents PLC | GBR | GBP | 11,118,179 | 1.37 |
| | **Tyres & Rubber** | | | | |
| 63,200 | Compagnie Generale des Etablissements Michelin, B | FRA | EUR | 6,048,469 | 0.74 |
| 654,880 | GKN PLC | GBR | GBP | 3,565,306 | 0.44 |
| | | | | 9,613,775 | 1.18 |
| | **Wireless Telecommunication Services** | | | | |
| 3,181,207 | Vodafone Group PLC | GBR | GBP | 8,815,331 | 1.09 |
| 2,152,200 | Advanced Info Service Public Co., Ltd., fgn. | THA | THB | 4,735,447 | 0.58 |
| 7,080 | SK Telecom Co., Ltd. | KOR | KRW | 1,693,871 | 0.21 |
| | | | | 15,244,649 | 1.88 |
| | **TOTAL SHARES** | | | 522,176,088 | 64.25 |
| | **BONDS** | | | | |
| | **Government Bonds** | | | | |
| 60,000,000 | Government of Sweden, 6.50%, 05/05/08 | SWE | SEK | 9,078,118 | 1.12 |
| 18,110,000 | Government of Poland, 6.00%, 05/24/09 | POL | PLN | 6,429,677 | 0.79 |
| 410,000,000 | European Investment Bank, FRN, 0.3325%, 09/21/11† | JPN | JPY | 3,444,779 | 0.42 |
| 7,900,000 | Government of Poland, 6.25%, 10/24/15 | POL | PLN | 2,921,582 | 0.36 |
| 1,938,000 | Government of France, 4.00%, 10/25/09 | FRA | EUR | 2,565,243 | 0.31 |
| 830,000 | Government of Mexico, 7.50%, 03/08/10 | MEX | EUR | 1,196,769 | 0.15 |
| 835,000 | Government of Italy, 5.00%, 05/01/08 | ITA | EUR | 1,118,334 | 0.14 |
| 781,000 | Government of Belgium, 7.50%, 07/29/08 | BEL | EUR | 1,086,012 | 0.13 |
| 720,000 | Government of the Philippines, 9.125%, 02/22/10 | PHL | EUR | 1,070,429 | 0.13 |
| 680,000 | Government of France, 5.00%, 04/25/12 | FRA | EUR | 942,465 | 0.12 |
| 5,300,000 | Government of Sweden, 5.00%, 01/28/09 | SWE | SEK | 793,004 | 0.10 |
| 560,000 | Government of Spain, 6.00%, 01/31/08 | ESP | EUR | 755,429 | 0.09 |
| 550,000 | Government of the Philippines, 9.00%, 02/15/13 | PHL | USD | 638,000 | 0.08 |
| 450,000 | Government of the Netherlands, 5.00%, 07/15/12 | NLD | EUR | 624,674 | 0.08 |
| 420,000 | Government of Spain, 5.15%, 07/30/09 | ESP | EUR | 570,984 | 0.07 |
| | | | | 33,235,499 | 4.09 |
| | **Securities Maturing Within One Year** | | | | |
| 70,655,000 | Government of Sweden, 8.00%, 08/15/07 | SWE | SEK | 10,597,425 | 1.30 |
| 61,045,000 | Government of Norway, 6.75%, 01/15/07 | NOR | NOK | 9,799,438 | 1.21 |
| 970,000,000 | FNMA, 2.125%, 10/09/07 | USA | JPY | 8,246,642 | 1.02 |
| 470,000,000 | European Investment Bank, 2.125%, 09/20/07 | JPN | JPY | 3,991,788 | 0.49 |
| 5,300,000 | Government of Poland, 8.50%, 05/12/07 | POL | PLN | 1,853,899 | 0.23 |
| 1,248,000 | Government of Germany, 6.00%, 07/04/07 | DEU | EUR | 1,664,588 | 0.21 |
| 570,000 | French Treasury Note, 4.75%, 07/12/07 | FRA | EUR | 756,341 | 0.09 |
| 440,000 | Government of Spain, 4.25%, 10/31/07 | ESP | EUR | 582,535 | 0.07 |
| 200,000 | Queensland Treasury Corp., 8.00%, 09/14/07 | AUS | AUD | 159,718 | 0.02 |
| 18,672 | Government of the Ukraine, 10.00%, 03/15/07 | UKR | EUR | 24,901 | 0.00 |
| | | | | 37,677,275 | 4.64 |
| | **TOTAL BONDS** | | | 70,912,774 | 8.73 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 593,088,862 | 72.98 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 16,850,584 | Rolls-Royce Group PLC, B | GBR | GBP | 33,494 | 0.00 |
| | **TOTAL SHARES** | | | 33,494 | 0.00 |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 2,900,000,000 | KfW Bankengruppe, FRN, 0.2325%, 08/08/11† | DEU | JPY | 24,375,714 | 3.00 |
| | **Government Bonds** | | | | |
| 24,700,000 | Government of Poland, 5.75%, 09/23/22 | POL | PLN | 8,879,341 | 1.09 |
| 8,038,000 | Government of New Zealand, 7.00%, 07/15/09 | NZL | NZD | 5,713,072 | 0.70 |
| 18,700,000 | Government of Malaysia, 4.305%, 02/27/09 | MYS | MYR | 5,374,761 | 0.66 |
| 126,300,000 | Government of Slovakia, 4.80%, 04/14/09 | SSS | SKK | 4,893,865 | 0.60 |
| 4,200,000,000 | Korea Treasury Note, 4.75%, 03/12/08 | KOR | KRW | 4,502,617 | 0.55 |
| 4,100,000,000 | Korea Treasury Note, 4.50%, 09/09/08 | KOR | KRW | 4,376,303 | 0.54 |
| 11,500,000 | Government of Malaysia, 6.45%, 07/01/08 | MYS | MYR | 3,395,921 | 0.42 |
| 292,000 | Government of Mexico, 10.00%, 12/05/24 | MEX | MXN | 3,355,794 | 0.41 |
| 3,511,000 | New South Wales Treasury Corp., 8.00%, 03/01/08 | AUS | AUD | 2,819,837 | 0.35 |
| 5,900,000 | Government of Poland, 5.75%, 06/24/08 | POL | PLN | 2,067,327 | 0.26 |
| 25,800,000 | Government of Slovakia, 5.30%, 05/12/19 | SSS | SKK | 1,085,852 | 0.13 |
| 5,150,000,000 | Government of Indonesia, 12.80%, 06/15/21 | IDN | IDR | 684,299 | 0.09 |
| 2,481,000,000 | Government of Indonesia, 14.275%, 12/15/13 | IDN | IDR | 337,914 | 0.04 |
| 11,100,000 | Bank of Thailand Bond, 5.50%, 08/10/08 | THA | THB | 314,133 | 0.04 |
| 6,720,000 | Bank of Thailand Bond, 5.00%, 01/12/08 | THA | THB | 189,615 | 0.02 |
| 144,000 | Government of Canada, 6.00%, 06/01/11 | CAN | CAD | 133,561 | 0.02 |
| 3,300,000 | Government of Slovakia, 4.90%, 02/11/14 | SSS | SKK | 131,487 | 0.02 |
| | | | | 48,255,699 | 5.94 |
| | **Securities Maturing Within One Year** | | | | |
| 22,050,000 | Government of Canada, 4.50%, 09/01/07 | CAN | CAD | 18,961,959 | 2.33 |
| 11,500,000,000 | Korea Treasury Note, 6.90%, 01/16/07 | KOR | KRW | 12,373,907 | 1.52 |
| 9,500,000,000 | Korea Treasury Note, 3.75%, 09/10/07 | KOR | KRW | 10,135,152 | 1.25 |
| 59,625,000 | Egypt Treasury Bill, 0.00%, 11/06/07 | EGY | EGP | 9,628,663 | 1.19 |
| 9,000,000 | Government of Singapore, 4.00%, 03/01/07 | SGP | SGD | 5,875,052 | 0.72 |
| 160,000,000 | Thailand Treasury Bill, 0.00%, 09/06/07 | THA | THB | 4,368,947 | 0.54 |
| 26,375,000 | Egypt Treasury Bill, 0.00%, 10/23/07 | EGY | EGP | 4,273,282 | 0.53 |
| 24,000,000 | Norwegian Treasury Bill, 0.00%, 09/19/07 | NOR | NOK | 3,743,109 | 0.46 |
| 136,490,000 | Thailand Treasury Bill, 0.00%, 10/04/07 | THA | THB | 3,713,081 | 0.46 |
| 25,900,000 | Swedish Treasury Bill, 0.00%, 09/19/07 | SWE | SEK | 3,691,911 | 0.45 |
| 21,900,000 | Norwegian Treasury Bill, 0.00%, 06/20/07 | NOR | NOK | 3,452,211 | 0.43 |
| 86,000,000 | Government of Slovakia, Strip, 0.00%, 01/14/07 | SSS | SKK | 3,290,431 | 0.41 |
| 110,000,000 | Thailand Treasury Bill, 0.00%, 05/03/07 | THA | THB | 3,054,182 | 0.38 |
| 3,474,000 | Government of Singapore, 2.625%, 10/01/07 | SGP | SGD | 2,258,688 | 0.28 |
| 59,000,000 | Thailand Treasury Bill, 0.00%, 03/08/07 | THA | THB | 1,647,159 | 0.20 |
| 8,100,000 | Egypt Treasury Bill, 0.00%, 02/20/07 | EGY | EGP | 1,398,677 | 0.17 |
| 7,750,000 | Egypt Treasury Bill, 0.00%, 11/20/07 | EGY | EGP | 1,247,105 | 0.15 |
| 28,010,000 | Thailand Treasury Bill, 0.00%, 12/06/07 | THA | THB | 755,825 | 0.09 |
| 27,000,000 | Thailand Treasury Bill, 0.00%, 04/05/07 | THA | THB | 752,444 | 0.09 |
| 27,000,000 | Thailand Treasury Bill, 0.00%, 06/07/07 | THA | THB | 746,217 | 0.09 |
| 4,985,000 | Swedish Treasury Bill, 0.00%, 12/19/07 | SWE | SEK | 704,063 | 0.09 |
| 23,015,000 | Thailand Treasury Bill, 0.00%, 02/22/07 | THA | THB | 644,984 | 0.08 |
| 1,150,000 | Egypt Treasury Bill, 0.00%, 07/31/07 | EGY | EGP | 190,335 | 0.02 |
| 6,000,000 | Thailand Treasury Bill, 0.00%, 07/19/07 | THA | THB | 164,909 | 0.02 |
| 5,600,000 | Government of Thailand, 5.60%, 07/07/07 | THA | THB | 158,525 | 0.02 |
| 575,000 | Egypt Treasury Bill, 0.00%, 06/19/07 | EGY | EGP | 96,191 | 0.01 |
| 575,000 | Egypt Treasury Bill, 0.00%, 08/28/07 | EGY | EGP | 94,481 | 0.01 |
| 550,000 | Egypt Treasury Bill, 0.00%, 09/25/07 | EGY | EGP | 89,749 | 0.01 |
| 1,250,000 | Thailand Treasury Bill, 0.00%, 08/16/07 | THA | THB | 34,228 | 0.00 |
| | | | | 97,545,467 | 12.00 |
| | **TOTAL BONDS** | | | 170,176,880 | 20.94 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 170,210,374 | 20.94 |
| | **TOTAL INVESTMENTS** | | | 763,299,236 | 93.92 |

† Floating Rates are indicated as at December 31, 2006

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **BONDS** | | | | |
| | **Government Bonds** | | | | |
| 17,400,000,000 | European Investment Bank, FRN, 0.205%, 09/21/11† | JPN | JPY | 146,193,036 | 2.96 |
| 197,633,000 | Government of Argentina, FRN, 5.59%, 08/03/12† | ARG | USD | 140,551,704 | 2.84 |
| 366,733,000 | Government of Poland, 6.00%, 05/24/09 | POL | PLN | 130,202,910 | 2.63 |
| 39,965,000 | Government of Peru, 7.35%, 07/21/25 | PER | USD | 44,988,600 | 0.91 |
| 13,940,000 | Government of the Philippines, 9.125%, 02/22/10 | PHL | EUR | 20,724,685 | 0.42 |
| 13,960,000 | Government of Austria, 4.65%, 01/15/18 | AUT | EUR | 19,462,439 | 0.39 |
| 11,400,000 | Government of France, 4.25%, 04/25/19 | FRA | EUR | 15,371,120 | 0.31 |
| 17,500,000 | Inter-American Development Bank, 6.00%, 12/15/17 | NZL | NZD | 11,737,246 | 0.24 |
| 8,100,000 | Government of Finland, 4.25%, 07/04/15 | FIN | EUR | 10,921,436 | 0.22 |
| 6,980,000 | Government of Finland, 5.00%, 04/25/09 | FIN | EUR | 9,437,387 | 0.19 |
| 4,850,000 | Government of the Hellenic Republic, 6.50%, 10/22/19 | GRC | EUR | 7,771,106 | 0.16 |
| 180,900,000 | Government of Slovakia, 4.95%, 03/05/08 | SSS | SKK | 6,958,045 | 0.14 |
| 42,870,000 | Government of Sweden, 6.50%, 05/05/08 | SWE | SEK | 6,486,315 | 0.13 |
| 4,100,000 | Government of Mexico, 7.50%, 03/08/10 | MEX | EUR | 5,911,751 | 0.12 |
| 4,356,000 | Government of the Netherlands, 3.75%, 07/15/09 | NLD | EUR | 5,730,587 | 0.12 |
| 4,700,000 | Government of the Philippines, 9.00%, 02/15/13 | PHL | USD | 5,452,000 | 0.11 |
| 3,200,000 | Government of Ireland, 4.60%, 04/18/16 | IRL | EUR | 4,428,077 | 0.09 |
| 2,800,000 | Government of the Netherlands, 5.00%, 07/15/12 | NLD | EUR | 3,886,861 | 0.08 |
| 2,340,000 | Government of Spain, 5.00%, 07/30/12 | ESP | EUR | 3,246,297 | 0.07 |
| 2,200,000 | Government of the Hellenic Republic, 6.00%, 05/19/10 | GRC | EUR | 3,083,874 | 0.06 |
| 2,000,000 | Government of Ireland, 5.00%, 04/18/13 | IRL | EUR | 2,794,519 | 0.06 |
| 1,820,000 | Government of France, 5.00%, 04/25/12 | FRA | EUR | 2,522,478 | 0.05 |
| 1,780,000 | Government of Germany, 3.75%, 01/04/09 | DEU | EUR | 2,344,449 | 0.05 |
| 1,295,000 | Government of Belgium, 7.50%, 07/29/08 | BEL | EUR | 1,800,750 | 0.04 |
| 830,000 | Government of France, 4.75%, 10/25/12 | FRA | EUR | 1,140,412 | 0.02 |
| 800,000 | Government of the Hellenic Republic, 4.60%, 05/20/13 | GRC | EUR | 1,085,430 | 0.02 |
| 720,000 | Government of the Netherlands, 4.25%, 07/15/13 | NLD | EUR | 966,974 | 0.02 |
| | | | | 615,200,488 | 12.45 |
| | **Securities Maturing Within One Year** | | | | |
| 2,463,100,000 | Government of Sweden, 8.00%, 08/15/07 | SWE | SEK | 369,436,239 | 7.48 |
| 941,725,000 | Government of Norway, 6.75%, 01/15/07 | NOR | NOK | 151,173,322 | 3.06 |
| 75,010,000 | Queensland Treasury Corp., 8.00%, 09/14/07 | AUS | AUD | 59,902,132 | 1.21 |
| 44,200,000 | Government of Finland, 5.00%, 07/04/07 | FIN | EUR | 58,662,735 | 1.19 |
| 130,950,000 | Government of Poland, 8.50%, 05/12/07 | POL | PLN | 45,805,302 | 0.93 |
| 2,610,000,000 | KfW Bankengruppe, 8.25%, 09/20/07 | DEU | ISK | 35,321,449 | 0.71 |
| 5,048,000 | Government of the Netherlands, 5.75%, 02/15/07 | NLD | EUR | 6,679,338 | 0.14 |
| 700,000 | Government of Spain, 4.25%, 10/31/07 | ESP | EUR | 926,761 | 0.02 |
| 168,048 | Government of the Ukraine, 10.00%, 03/15/07 | UKR | EUR | 224,106 | 0.00 |
| | | | | 728,131,384 | 14.74 |
| | **TOTAL BONDS** | | | 1,343,331,872 | 27.19 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 1,343,331,872 | 27.19 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 6,070,000,000 | KfW Bankengruppe, FRN, 0.2325%, 08/08/11† | DEU | JPY | 51,020,891 | 1.04 |
| | **Government Bonds** | | | | |
| 416,575,000 | Government of Poland, 5.75%, 09/23/22 | POL | PLN | 149,753,497 | 3.03 |
| 114,820,000,000 | Korea Treasury Note, 4.75%, 03/12/08 | KOR | KRW | 123,092,965 | 2.49 |
| 274,560 | Nota Do Tesouro Nacional, 9.7618%, 01/01/12 | BRA | BRL | 117,304,524 | 2.37 |
| 162,895,000 | Government of Iraq, Reg S, 5.80%, 01/15/28 | IQ | USD | 106,288,988 | 2.15 |
| 59,720,000,000 | Korea Treasury Note, 4.25%, 09/10/08 | KOR | KRW | 63,498,126 | 1.29 |
| 188,350,000 | Government of Malaysia, 6.45%, 07/01/08 | MYS | MYR | 55,619,275 | 1.13 |
| 149,550,000 | Government of Peru, 7.84%, 08/12/20 | PER | PEN | 53,387,796 | 1.08 |
| 143,905,000 | Government of Peru, 8.60%, 08/12/17 | PER | PEN | 53,166,336 | 1.08 |
| 383,525,000,000 | Government of Indonesia, 14.25%, 06/15/13 | IDN | IDR | 52,026,509 | 1.05 |
| 419,150,000,000 | Government of Indonesia, 11.50%, 09/15/19 | IDN | IDR | 50,233,744 | 1.02 |
| 114,000 | Nota Do Tesouro Nacional, 9.7618%, 01/01/14 | BRA | BRL | 47,384,540 | 0.96 |
| 326,065,000,000 | Government of Indonesia, 14.275%, 12/15/13 | IDN | IDR | 44,410,314 | 0.90 |
| 373,200,000,000 | Government of Indonesia, 11.00%, 11/15/20 | IDN | IDR | 43,934,559 | 0.89 |
| 3,700,000 | Government of Mexico, 10.00%, 12/05/24 | MEX | MXN | 42,522,043 | 0.86 |
| 995,700,000 | Government of Slovakia, 5.30%, 05/12/19 | SSS | SKK | 41,906,299 | 0.85 |
| 265,225,000 | Government of Argentina, FRN, 0.00%, 12/15/35† | ARG | USD | 36,468,438 | 0.74 |
| 80,000 | Nota Do Tesouro Nacional, 9.762%, 01/01/10 | BRA | BRL | 35,322,669 | 0.72 |
| 905,200,000 | Government of Slovakia, 4.80%, 04/14/09 | SSS | SKK | 35,074,637 | 0.71 |
| 120,050,000 | Government of Malaysia, 4.305%, 02/27/09 | MYS | MYR | 34,504,819 | 0.70 |
| 28,525,000,000 | Korea Treasury Note, 4.50%, 09/09/08 | KOR | KRW | 30,447,325 | 0.62 |
| 37,690,000 | Government of New Zealand, 6.50%, 04/15/13 | NZL | NZD | 27,081,933 | 0.55 |
| 199,579,000,000 | Government of Indonesia, 12.80%, 06/15/21 | IDN | IDR | 26,518,800 | 0.54 |
| 634,000,000 | Government of Slovakia, 4.90%, 02/11/14 | SSS | SKK | 25,261,548 | 0.51 |
| 36,100 | Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15 | BRA | BRL | 24,367,690 | 0.49 |
| 33,800 | Nota Do Tesouro Nacional, Index Linked, 6.00%, 11/15/09 | BRA | BRL | 24,330,830 | 0.49 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Government Bonds** (continued) | | | | |
| 156,950,000,000 | Government of Indonesia, 12.90%, 06/15/22 | IDN | IDR | 21,059,582 | 0.43 |
| 29,450,000 | Province of Manitoba, 6.375%, 09/01/15 | CAN | NZD | 20,200,742 | 0.41 |
| 91,075,000 | Government of Argentina, FRN, 0.00%, 12/15/35† | ARG | EUR | 15,869,508 | 0.32 |
| 93,000,000 | Egypt Treasury Bill, 0.00%, 01/01/08 | EGY | EGP | 14,811,731 | 0.30 |
| 129,750,000,000 | Government of Indonesia, 10.75%, 05/15/16 | IDN | IDR | 14,780,588 | 0.30 |
| 125,650,000,000 | Government of Indonesia, 10.00%, 10/15/11 | IDN | IDR | 13,963,283 | 0.28 |
| 8,100,000 | Government of Germany, 6.25%, 01/04/24 | DEU | EUR | 13,525,892 | 0.27 |
| 110,310,000,000 | Government of Indonesia, 11.00%, 10/15/14 | IDN | IDR | 13,047,456 | 0.26 |
| 103,000,000,000 | Government of Indonesia, 12.00%, 09/15/26 | IDN | IDR | 13,027,461 | 0.26 |
| 15,755,000 | New South Wales Treasury Corp., 8.00%, 03/01/08 | AUS | AUD | 12,653,525 | 0.26 |
| 107,500,000,000 | Government of Indonesia, 11.00%, 09/15/25 | IDN | IDR | 12,628,423 | 0.26 |
| 6,400,000 | Government of Austria, 6.25%, 07/15/27 | AUT | EUR | 10,890,053 | 0.22 |
| 92,300,000,000 | Government of Indonesia, 10.00%, 07/15/17 | IDN | IDR | 10,288,626 | 0.21 |
| 6,050,000 | Government of France, 6.00%, 10/25/25 | FRA | EUR | 9,970,100 | 0.20 |
| 113,500,000 | Government of Slovakia, 5.00%, 01/22/13 | SSS | SKK | 4,544,081 | 0.09 |
| 94,000,000 | Government of Slovakia, 7.50%, 03/13/12 | SSS | SKK | 4,145,840 | 0.08 |
| 127,100,000 | Bank of Thailand Bond, 5.50%, 08/10/08 | THA | THB | 3,596,962 | 0.07 |
| 24,640,000,000 | Government of Indonesia, 13.15%, 01/15/12 | IDN | IDR | 3,080,988 | 0.06 |
| 24,750,000,000 | Government of Indonesia, 9.50%, 06/15/15 | IDN | IDR | 2,655,296 | 0.05 |
| 60,000,000 | Government of Slovakia, 8.50%, 08/17/10 | SSS | SKK | 2,622,610 | 0.05 |
| 20,275,000,000 | Government of Indonesia, 11.75%, 08/15/23 | IDN | IDR | 2,435,984 | 0.05 |
| 76,940,000 | Bank of Thailand Bond, 5.00%, 01/12/08 | THA | THB | 2,170,978 | 0.04 |
| 1,693,000 | Government of Canada, 6.00%, 06/01/08 | CAN | CAD | 1,490,857 | 0.03 |
| 49,000,000 | Government of Thailand, 4.125%, 02/12/08 | THA | THB | 1,369,939 | 0.03 |
| 23,000,000 | Government of Slovakia, 4.90%, 02/05/10 | SSS | SKK | 898,870 | 0.02 |
| 1,850,000,000 | Government of Indonesia, 15.00%, 07/15/18 | IDN | IDR | 270,612 | 0.01 |
| 6,000,000 | Government of Thailand, 8.50%, 12/08/08 | THA | THB | 180,090 | 0.00 |
| | | | | 1,570,088,281 | 31.78 |
| | **Securities Maturing Within One Year** | | | | |
| 321,130,000 | Government of Canada, 4.50%, 09/01/07 | CAN | CAD | 276,156,643 | 5.59 |
| 137,350,000,000 | Korea Treasury Note, 3.75%, 09/10/07 | KOR | KRW | 146,532,960 | 2.97 |
| 766,100,000 | Norwegian Treasury Bill, 0.00%, 09/19/07 | NOR | NOK | 119,483,146 | 2.42 |
| 103,300,000,000 | Korea Treasury Note, 4.75%, 03/03/07 | KOR | KRW | 111,037,893 | 2.25 |
| 572,800,000 | Swedish Treasury Bill, 0.00%, 12/19/07 | SWE | SEK | 80,900,133 | 1.64 |
| 268,110,000 | Government of Malaysia, 3.135%, 12/17/07 | MYS | MYR | 75,719,543 | 1.53 |
| 106,395,000 | Government of Singapore, 4.00%, 03/01/07 | SGP | SGD | 69,452,910 | 1.41 |
| 2,132,047,000 | Thailand Treasury Bill, 0.00%, 02/22/07 | THA | THB | 59,749,568 | 1.21 |
| 1,456,300,000 | Government of Slovakia, Strip, 0.00%, 01/14/07 | SSS | SKK | 55,719,244 | 1.13 |
| 325,000,000 | Egypt Certificate of Deposit, 0.00%, 09/12/07 | EGY | EGP | 53,012,913 | 1.07 |
| 72,500,000 | Government of Singapore, 2.625%, 10/01/07 | SGP | SGD | 47,137,269 | 0.95 |
| 55,000,000 | Government of Canada, 2.75%, 12/01/07 | CAN | CAD | 46,620,081 | 0.94 |
| 131,570,000 | Government of Malaysia, 8.60%, 12/01/07 | MYS | MYR | 38,982,141 | 0.79 |
| 29,900,000,000 | Korea Treasury Note, 6.90%, 01/16/07 | KOR | KRW | 32,172,158 | 0.65 |
| 922,455,000 | Thailand Treasury Bill, 0.00%, 03/08/07 | THA | THB | 25,753,057 | 0.52 |
| 874,360,000 | Thailand Treasury Bill, 0.00%, 01/04/07 | THA | THB | 24,624,358 | 0.50 |
| 874,450,000 | Thailand Treasury Bill, 0.00%, 05/03/07 | THA | THB | 24,279,361 | 0.49 |
| 138,700,000 | Egypt Treasury Bill, 0.00%, 11/20/07 | EGY | EGP | 22,319,158 | 0.45 |
| 773,600,000 | Thailand Treasury Bill, 0.00%, 10/04/07 | THA | THB | 21,045,054 | 0.43 |
| 119,000,000 | Egypt Treasury Bill, 0.00%, 03/27/07 | EGY | EGP | 20,396,428 | 0.41 |
| 115,000,000 | Egypt Treasury Bill, 0.00%, 06/26/07 | EGY | EGP | 19,246,706 | 0.39 |
| 684,260,000 | Thailand Treasury Bill, 0.00%, 04/05/07 | THA | THB | 19,069,167 | 0.39 |
| 110,600,000 | Egypt Treasury Bill, 0.00%, 03/06/07 | EGY | EGP | 19,060,284 | 0.39 |
| 64,750,000 | Government of Malaysia, 6.90%, 03/15/07 | MYS | MYR | 18,469,919 | 0.37 |
| 102,000,000 | Egypt Treasury Bill, 0.00%, 04/17/07 | EGY | EGP | 17,387,997 | 0.35 |
| 599,035,000 | Thailand Treasury Bill, 0.00%, 05/17/07 | THA | THB | 16,605,768 | 0.34 |
| 590,000,000 | Thailand Treasury Bill, 0.00%, 04/19/07 | THA | THB | 16,411,853 | 0.33 |
| 92,900,000 | Egypt Treasury Bill, 0.00%, 11/13/07 | EGY | EGP | 14,975,610 | 0.30 |
| 91,400,000 | Egypt Treasury Bill, 0.00%, 11/06/07 | EGY | EGP | 14,759,913 | 0.30 |
| 88,400,000 | Egypt Treasury Bill, 0.00%, 07/31/07 | EGY | EGP | 14,630,976 | 0.30 |
| 16,500,000 | Province of Ontario, 6.125%, 09/12/07 | CAN | CAD | 14,324,733 | 0.29 |
| 473,890,000 | Thailand Treasury Bill, 0.00%, 09/06/07 | THA | THB | 12,940,002 | 0.26 |
| 444,830,000 | Thailand Treasury Bill, 0.00%, 08/16/07 | THA | THB | 12,180,557 | 0.25 |
| 425,000,000 | Thailand Treasury Bill, 0.00%, 11/08/07 | THA | THB | 11,507,932 | 0.23 |
| 65,000,000 | Egypt Treasury Bill, 0.00%, 10/09/07 | EGY | EGP | 10,568,886 | 0.21 |
| 641,100,000 | Inter-American Development Bank, 9.00%, 01/04/07 | ISL | ISK | 9,026,399 | 0.18 |
| 310,000,000 | Thailand Treasury Bill, 0.00%, 01/18/07 | THA | THB | 8,713,859 | 0.18 |
| 320,580,000 | Thailand Treasury Bill, 0.00%, 12/06/07 | THA | THB | 8,650,569 | 0.18 |
| 47,500,000 | Egypt Treasury Bill, 0.00%, 01/16/07 | EGY | EGP | 8,289,057 | 0.17 |
| 288,541,000 | Thailand Treasury Bill, 0.00%, 08/02/07 | THA | THB | 7,919,753 | 0.16 |
| 55,000,000 | Sweden Treasury Bill, 0.00%, 06/20/07 | SWE | SEK | 7,908,498 | 0.16 |
| 44,600,000 | Egypt Treasury Bill, 0.00%, 02/20/07 | EGY | EGP | 7,701,355 | 0.16 |
| 42,700,000 | Egypt Treasury Bill, 0.00%, 01/30/07 | EGY | EGP | 7,424,884 | 0.15 |
| 40,625,000 | Egypt Treasury Bill, 0.00%, 10/23/07 | EGY | EGP | 6,582,069 | 0.13 |
| 30,000,000 | Egypt Treasury Bill, 0.00%, 09/04/07 | EGY | EGP | 4,921,851 | 0.10 |
| 154,120,000 | Government of Thailand, 5.60%, 07/07/07 | THA | THB | 4,362,828 | 0.09 |
| 26,100,000 | Norwegian Treasury Bill, 0.00%, 03/21/07 | NOR | NOK | 4,144,017 | 0.08 |
| 104,000,000 | Thailand Treasury Bill, 0.00%, 06/07/07 | THA | THB | 2,874,316 | 0.06 |
| 2,500,000,000 | Government of Korea, 5.77%, 10/09/07 | KOR | KRW | 2,704,468 | 0.05 |
| 10,450,000 | Egypt Treasury Bill, 0.00%, 06/19/07 | EGY | EGP | 1,748,161 | 0.04 |
| 10,450,000 | Egypt Treasury Bill, 0.00%, 08/28/07 | EGY | EGP | 1,717,094 | 0.03 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Securities Maturing Within One Year** (continued) | | | | |
| 10,000,000 | Egypt Treasury Bill, 0.00%, 07/24/07 | EGY | EGP | 1,657,668 | 0.03 |
| 9,750,000 | Egypt Treasury Bill, 0.00%, 09/25/07 | EGY | EGP | 1,591,010 | 0.03 |
| 75,000 | Egypt Treasury Bill, 0.00%, 07/17/07 | EGY | EGP | 12,484 | 0.00 |
| | | | | 1,681,184,661 | 34.03 |
| | **TOTAL BONDS** | | | 3,302,293,833 | 66.85 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 3,302,293,833 | 66.85 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Government Bonds** | | | | |
| 3,500,000 | Government of Mexico, 144A, 7.50%, 03/08/10 | MEX | EUR | 5,046,617 | 0.10 |
| | **TOTAL BONDS** | | | 5,046,617 | 0.10 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 5,046,617 | 0.10 |
| | **TOTAL INVESTMENTS** | | | 4,650,672,322 | 94.14 |

† Floating Rates are indicated as at December 31, 2006

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **BONDS** | | | | |
| | **Government Bonds** | | | | |
| 14,240,000 | Government of Argentina, FRN, 5.59%, 08/03/12† | ARG | USD | 7,671,782 | 3.65 |
| 18,230,000 | Government of Poland, 6.00%, 05/24/09 | POL | PLN | 4,903,058 | 2.33 |
| 4,800,000 | Inter-American Development Bank, 6.00%, 12/15/17 | NZL | NZD | 2,438,816 | 1.16 |
| 2,170,000 | Government of Austria, 4.65%, 01/15/18 | AUT | EUR | 2,291,824 | 1.09 |
| 1,600,000 | Government of the Hellenic Republic, 5.90%, 10/22/22 | GRC | EUR | 1,878,496 | 0.89 |
| 3,500,000 | Inter-American Development Bank, G, 6.25%, 06/22/16 | NZL | NZD | 1,819,593 | 0.86 |
| 1,430,000 | Government of the Hellenic Republic, 6.50%, 10/22/19 | GRC | EUR | 1,735,748 | 0.82 |
| 1,720,000 | Government of France, 4.00%, 04/25/13 | FRA | EUR | 1,724,773 | 0.82 |
| 1,150,000 | Government of Spain, 5.50%, 07/30/17 | ESP | EUR | 1,294,957 | 0.62 |
| 1,220,000 | Government of Germany, 3.75%, 07/04/13 | DEU | EUR | 1,206,580 | 0.57 |
| 1,060,000 | Government of the Netherlands, 4.25%, 07/15/13 | NLD | EUR | 1,078,444 | 0.51 |
| 1,050,000 | Government of France, 4.25%, 04/25/19 | FRA | EUR | 1,072,506 | 0.51 |
| 850,000 | Government of Finland, 5.375%, 07/04/13 | FIN | EUR | 919,062 | 0.44 |
| 2,720,000 | Government of Poland, 6.25%, 10/24/15 | POL | PLN | 762,026 | 0.36 |
| 3,880,000 | Government of Sweden, 6.50%, 05/05/08 | SWE | SEK | 444,719 | 0.21 |
| 352,000 | Government of France, 4.00%, 10/25/09 | FRA | EUR | 352,961 | 0.17 |
| 230,000 | Government of Italy, 5.00%, 02/01/12 | ITA | EUR | 240,408 | 0.11 |
| 190,000 | Government of the Philippines, 9.125%, 02/22/10 | PHL | EUR | 213,988 | 0.10 |
| 200,000 | Government of Ireland, 4.60%, 04/18/16 | IRL | EUR | 209,655 | 0.10 |
| 100,000 | Government of Mexico, 7.50%, 03/08/10 | MEX | EUR | 109,230 | 0.05 |
| 80,000 | Government of Ireland, 5.00%, 04/18/13 | IRL | EUR | 84,679 | 0.04 |
| 70,000 | Government of Finland, 5.00%, 04/25/09 | FIN | EUR | 71,698 | 0.03 |
| 60,000 | Government of Spain, 5.00%, 07/30/12 | ESP | EUR | 63,057 | 0.03 |
| 60,000 | Government of Mexico, 5.375%, 06/10/13 | MEX | EUR | 62,937 | 0.03 |
| 58,000 | Government of Germany, 3.00%, 04/11/08 | DEU | EUR | 57,387 | 0.03 |
| 40,000 | Government of Russia, 12.75%, 06/24/28 | RUS | USD | 54,834 | 0.03 |
| 50,000 | Government of Austria, 5.00%, 07/15/12 | AUT | EUR | 52,564 | 0.03 |
| 50,000 | Government of the Hellenic Republic, 6.30%, 01/29/09 | GRC | EUR | 52,265 | 0.03 |
| 50,000 | Government of the Hellenic Republic, 4.60%, 05/20/13 | GRC | EUR | 51,392 | 0.02 |
| 40,000 | Government of South Africa, 5.25%, 05/16/13 | ZAF | EUR | 41,366 | 0.02 |
| 38,000 | Government of Spain, 6.00%, 01/31/08 | ESP | EUR | 38,833 | 0.02 |
| 34,000 | Government of Italy, 3.50%, 01/15/08 | ITA | EUR | 33,886 | 0.02 |
| 20,000 | Government of Bulgaria, 7.50%, 01/15/13 | BGR | EUR | 23,362 | 0.01 |
| | | | | 33,056,886 | 15.71 |
| | **Securities Maturing Within One Year** | | | | |
| 9,800,000 | Government of Ireland, 4.25%, 10/18/07 | IRL | EUR | 9,825,666 | 4.67 |
| 9,650,000 | Government of Finland, 5.00%, 07/04/07 | FIN | EUR | 9,702,351 | 4.61 |
| 3,000,000 | Queensland Treasury Corp., 8.00%, 09/14/07 | AUS | AUD | 1,814,906 | 0.86 |
| 1,528,000 | Government of the Netherlands, 5.75%, 02/15/07 | NLD | EUR | 1,531,606 | 0.73 |
| 860,000 | Government of Italy, 4.50%, 03/01/07 | ITA | EUR | 861,170 | 0.41 |
| 247,000 | Government of Russia, Reg S, 7.50, 5.00%, 03/31/07 | RUS | USD | 211,686 | 0.10 |
| 1,430,000 | Government of Sweden, 8.00%, 08/15/07 | SWE | SEK | 162,481 | 0.08 |
| 1,160,000 | Government of Norway, 6.75%, 01/15/07 | NOR | NOK | 141,065 | 0.06 |
| 500,000 | Government of Poland, 8.50%, 05/12/07 | POL | PLN | 132,492 | 0.06 |
| 40,145 | Government of the Ukraine, 10.00%, 03/15/07 | UKR | EUR | 40,556 | 0.02 |
| | | | | 24,423,979 | 11.60 |
| | **TOTAL BONDS** | | | 57,480,865 | 27.31 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 57,480,865 | 27.31 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 2,350,000 | KfW Bankengruppe, 6.375%, 02/17/15 | DEU | NZD | 1,223,337 | 0.58 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Government Bonds** | | | | |
| 38,460,000 | Government of Poland, 5.75%, 09/23/22 | POL | PLN | 10,473,762 | 4.98 |
| 31,350 | Nota Do Tesouro Nacional, 9.7618%, 01/01/12 | BRA | BRL | 10,146,697 | 4.82 |
| 93,623,000,000 | Government of Indonesia, 12.80%, 06/15/21 | IDN | IDR | 9,423,913 | 4.48 |
| 7,350,000 | Government of France, 6.00%, 10/25/25 | FRA | EUR | 9,175,740 | 4.36 |
| 20,500 | Nota Do Tesouro Nacional, 9.7618%, 01/01/14 | BRA | BRL | 6,454,986 | 3.07 |
| 638,000 | Government of Mexico, 10.00%, 12/05/24 | MEX | MXN | 5,554,471 | 2.64 |
| 3,350,000 | Government of Germany, 6.25%, 01/04/24 | DEU | EUR | 4,237,750 | 2.01 |
| 6,800,000 | Government of Iraq, Reg S, 5.80%, 01/15/28 | IQ | USD | 3,361,236 | 1.60 |
| 112,000,000 | Government of Slovakia, 4.80%, 04/14/09 | SSS | SKK | 3,287,580 | 1.56 |
| 95,000,000 | Government of Slovakia, 5.30%, 05/12/19 | SSS | SKK | 3,028,894 | 1.44 |
| 400,000 | Government of Mexico, 8.00%, 12/17/15 | MEX | MXN | 2,906,137 | 1.38 |
| 76,000,000 | Government of Slovakia, 5.00%, 01/22/13 | SSS | SKK | 2,305,013 | 1.09 |
| 60,000,000 | Government of Czechoslovakia, 3.80%, 04/11/15 | CZE | CZK | 2,187,560 | 1.04 |
| 4,000,000 | Government of New Zealand, 6.00%, 04/15/15 | NZL | NZD | 2,139,953 | 1.02 |
| 20,000,000,000 | Government of Indonesia, 11.00%, 09/15/25 | IDN | IDR | 1,779,838 | 0.85 |
| 17,300,000,000 | Government of Indonesia, 12.90%, 06/15/22 | IDN | IDR | 1,758,509 | 0.84 |
| 11,980,000 | Government of Argentina, FRN, 0.00%, 12/15/35† | ARG | EUR | 1,581,360 | 0.75 |
| 11,410,000,000 | Government of Indonesia, 14.275%, 12/15/13 | IDN | IDR | 1,177,267 | 0.56 |
| 1,040,000 | Government of Belgium, 5.50%, 09/28/17 | BEL | EUR | 1,172,860 | 0.56 |
| 1,980,000 | Government of New Zealand, 6.00%, 11/15/11 | NZL | NZD | 1,041,451 | 0.49 |
| 3,740,000 | Government of Peru, 7.84%, 08/12/20 | PER | PEN | 1,011,432 | 0.48 |
| 1,760,000 | Government of New Zealand, 6.50%, 04/15/13 | NZL | NZD | 958,023 | 0.45 |
| 900,000 | Government of Ireland, 4.50%, 04/18/20 | IRL | EUR | 943,965 | 0.45 |
| 8,390,000,000 | Government of Indonesia, 14.25%, 06/15/13 | IDN | IDR | 862,189 | 0.41 |
| 22,500,000 | Government of Slovakia, 4.90%, 02/11/14 | SSS | SKK | 679,145 | 0.32 |
| 7,550,000,000 | Government of Indonesia, 11.00%, 11/15/20 | IDN | IDR | 673,320 | 0.32 |
| 6,400,000,000 | Government of Indonesia, 10.00%, 07/15/17 | IDN | IDR | 540,437 | 0.26 |
| 663,000 | Government of Canada, 6.00%, 06/01/08 | CAN | CAD | 442,285 | 0.21 |
| 705,000 | New South Wales Treasury Corp., 8.00%, 03/01/08 | AUS | AUD | 428,935 | 0.20 |
| 3,775,000,000 | Government of Indonesia, 11.75%, 08/15/23 | IDN | IDR | 343,590 | 0.16 |
| 3,500,000,000 | Government of Indonesia, 13.15%, 01/15/12 | IDN | IDR | 331,533 | 0.16 |
| 350,000 | Queensland Treasury Corp., 6.00%, 06/14/11 | AUS | AUD | 207,666 | 0.10 |
| 6,000,000 | Government of Slovakia, 7.50%, 03/13/12 | SSS | SKK | 200,468 | 0.10 |
| 590,000 | Government of Peru, 8.60%, 08/12/17 | PER | PEN | 165,129 | 0.08 |
| 127,823 | Government of Bosnia & Herzegovina, Strip, 0.00%, 12/11/17 | BIH | EUR | 88,517 | 0.04 |
| 85,000,000 | Korea Treasury Note, 4.50%, 09/09/08 | KOR | KRW | 68,731 | 0.03 |
| 240,000 | Government of Poland, 5.75%, 06/24/08 | POL | PLN | 63,706 | 0.03 |
| 25,000,000 | Korea Treasury Note, 4.25%, 09/10/08 | KOR | KRW | 20,137 | 0.01 |
| | | | | 91,224,185 | 43.35 |
| | **Securities Maturing Within One Year** | | | | |
| 6,630,000 | Government of Spain, 3.00%, 07/30/07 | ESP | EUR | 6,599,369 | 3.13 |
| 2,600,000,000 | Korea Treasury Note, 4.75%, 03/03/07 | KOR | KRW | 2,117,161 | 1.01 |
| 5,350,000 | Norwegian Treasury Bill, 0.00%, 09/19/07 | NOR | NOK | 632,098 | 0.30 |
| 185,000 | Government of Canada, 4.50%, 09/01/07 | CAN | CAD | 120,519 | 0.06 |
| 2,200,000 | Government of Slovakia, Strip, 0.00%, 01/14/07 | SSS | SKK | 63,766 | 0.03 |
| 835,000 | Thailand Treasury Bill, 0.00%, 02/22/07 | THA | THB | 17,727 | 0.01 |
| 835,000 | Thailand Treasury Bill, 0.00%, 10/04/07 | THA | THB | 17,208 | 0.01 |
| 225,000 | Thailand Treasury Bill, 0.00%, 03/08/07 | THA | THB | 4,759 | 0.00 |
| 160,000 | Thailand Treasury Bill, 0.00%, 09/06/07 | THA | THB | 3,310 | 0.00 |
| 155,000 | Thailand Treasury Bill, 0.00%, 08/16/07 | THA | THB | 3,215 | 0.00 |
| | | | | 9,579,132 | 4.55 |
| | **TOTAL BONDS** | | | 102,026,654 | 48.48 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 102,026,654 | 48.48 |
| | **TOTAL INVESTMENTS** | | | 159,507,519 | 75.79 |

† Floating Rates are indicated as at December 31, 2006

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Apparel & Accessories** | | | | |
| 1,175,400 | Yue Yuen Industrial Holdings Ltd. | HKG | HKD | 3,732,076 | 1.64 |
| | **Automobile Manufacturers** | | | | |
| 89,202 | Peugeot SA | FRA | EUR | 5,911,105 | 2.59 |
| 71,998 | Bayerische Motoren Werke AG | DEU | EUR | 4,143,786 | 1.82 |
| | | | | 10,054,891 | 4.41 |
| | **Banks** | | | | |
| 166,087 | Royal Bank of Scotland Group PLC | GBR | GBP | 6,482,361 | 2.84 |
| 267,563 | HSBC Holdings PLC | GBR | GBP | 4,878,272 | 2.14 |
| 89,737 | Bank of America Corp. | USA | USD | 4,791,058 | 2.10 |
| 245,689 | Nordea Bank AB | SWE | SEK | 3,783,306 | 1.66 |
| 419,554 | Banca Intesa SpA | ITA | EUR | 3,239,919 | 1.42 |
| 98,301 | National Australia Bank Ltd. | AUS | AUD | 3,134,992 | 1.38 |
| 340,761 | UniCredito Italiano SpA | ITA | EUR | 2,986,815 | 1.31 |
| | | | | 29,296,723 | 12.85 |
| | **Computer Storage & Peripherals** | | | | |
| 2,058,767 | Compal Electronics Inc. | TWN | TWD | 1,835,421 | 0.81 |
| | **Diversified Commercial Services** | | | | |
| 82,800 | Vedior NV | NLD | EUR | 1,717,105 | 0.75 |
| | **Diversified Financial Services** | | | | |
| 131,417 | JPMorgan Chase & Co. | USA | USD | 6,347,441 | 2.79 |
| 134,903 | ING Groep NV | NLD | EUR | 5,981,664 | 2.62 |
| 1,505,389 | Old Mutual PLC | ZAF | GBP | 5,137,026 | 2.25 |
| 256,387 | Lloyds TSB Group PLC | GBR | GBP | 2,869,475 | 1.26 |
| | | | | 20,335,606 | 8.92 |
| | **Drug Retail** | | | | |
| 324,409 | Alliance Boots PLC | GBR | GBP | 5,323,867 | 2.34 |
| | **Electric Utilities** | | | | |
| 13,155 | E.ON AG | DEU | EUR | 1,793,657 | 0.78 |
| 113,540 | National Grid PLC | GBR | GBP | 1,639,839 | 0.72 |
| 34,868 | Iberdrola SA, Br. | ESP | EUR | 1,524,431 | 0.67 |
| | | | | 4,957,927 | 2.17 |
| | **Electronic Equipment & Instruments** | | | | |
| 497,000 | Venture Corp., Ltd. | SGP | SGD | 4,375,428 | 1.92 |
| | **Food Distributors** | | | | |
| 491,534 | Cadbury Schweppes PLC | GBR | GBP | 5,260,585 | 2.31 |
| | **Industrial Machinery** | | | | |
| 50,457 | Siemens AG | DEU | EUR | 5,035,395 | 2.21 |
| 155,781 | Smiths Group PLC | GBR | GBP | 3,024,806 | 1.33 |
| 213,200 | Hutchison Whampoa Ltd. | HKG | HKD | 2,166,491 | 0.95 |
| | | | | 10,226,692 | 4.49 |
| | **Integrated Oil & Gas** | | | | |
| 347,846 | BP PLC | GBR | GBP | 3,865,834 | 1.69 |
| 45,043 | Chevron Corp. | USA | USD | 3,312,012 | 1.45 |
| 97,455 | Eni SpA | ITA | EUR | 3,277,886 | 1.44 |
| 63,267 | Royal Dutch Shell PLC, A | GBR | EUR | 2,231,537 | 0.98 |
| | | | | 12,687,269 | 5.56 |
| | **Integrated Telecommunication Services** | | | | |
| 190,986 | France Telecom SA | FRA | EUR | 5,281,727 | 2.31 |
| 154,641 | BCE Inc. | CAN | CAD | 4,167,112 | 1.83 |
| 257,540 | Chunghwa Telecom Co., Ltd. | TWN | TWD | 478,960 | 0.21 |
| | | | | 9,927,799 | 4.35 |
| | **Multi-Line Insurance** | | | | |
| 25,393 | Muenchener Rueckversicherungs-Gesellschaft AG | DEU | EUR | 4,391,124 | 1.93 |
| | **Office Electronics** | | | | |
| 183,320 | Agfa Gevaert NV | BEL | EUR | 4,684,956 | 2.05 |
| | **Office Services & Supplies** | | | | |
| 98,998 | Pitney Bowes Inc. | USA | USD | 4,572,718 | 2.01 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Oil & Gas Refining & Marketing** | | | | |
| 556,321 | Centrica PLC | GBR | GBP | 3,862,175 | 1.69 |
| | **Packaged Foods** | | | | |
| 12,000 | Nestle SA | CHE | CHF | 4,264,084 | 1.87 |
| 82,059 | Unilever NV | NLD | EUR | 2,242,265 | 0.98 |
| | | | | 6,506,349 | 2.85 |
| | **Paper Products** | | | | |
| 365,212 | Norske Skogindustrier ASA | NOR | NOK | 6,296,153 | 2.76 |
| 144,946 | UPM-Kymmene OYJ | FIN | EUR | 3,658,344 | 1.61 |
| 411,399 | M-real OYJ, B | FIN | EUR | 2,601,292 | 1.14 |
| 151,383 | Stora Enso OYJ, R | FIN | EUR | 2,397,997 | 1.05 |
| | | | | 14,953,786 | 6.56 |
| | **Pharmaceuticals** | | | | |
| 183,590 | Pfizer Inc. | USA | USD | 4,754,981 | 2.08 |
| 174,816 | GlaxoSmithKline PLC | GBR | GBP | 4,601,196 | 2.02 |
| 93,970 | Merck & Co., Inc. | USA | USD | 4,097,092 | 1.80 |
| 150,459 | Bristol-Myers Squibb Co. | USA | USD | 3,960,081 | 1.74 |
| | | | | 17,413,350 | 7.64 |
| | **Property & Casualty Insurance** | | | | |
| 52,954 | XL Capital Ltd., A | BMU | USD | 3,813,747 | 1.67 |
| | **Publishing & Printing** | | | | |
| 304,935 | Pearson PLC | GBR | GBP | 4,607,162 | 2.02 |
| | **Real Estate Management & Development** | | | | |
| 1,245,500 | Hang Lung Group Ltd. | HKG | HKD | 3,786,541 | 1.66 |
| 42,800 | Cheung Kong (Holdings) Ltd. | HKG | HKD | 526,806 | 0.23 |
| | | | | 4,313,347 | 1.89 |
| | **Restaurants** | | | | |
| 936,884 | Compass Group PLC | GBR | GBP | 5,320,765 | 2.33 |
| | **Trading Companies & Distributors** | | | | |
| 988,885 | Electrocomponents PLC | GBR | GBP | 5,679,029 | 2.49 |
| | **Tyres & Rubber** | | | | |
| 100,909 | Valeo SA | FRA | EUR | 4,199,951 | 1.84 |
| 749,732 | GKN PLC | GBR | GBP | 4,081,700 | 1.79 |
| | | | | 8,281,651 | 3.63 |
| | **Wireless Telecommunication Services** | | | | |
| 1,569,957 | Vodafone Group PLC | GBR | GBP | 4,350,453 | 1.91 |
| | **TOTAL SHARES** | | | 212,482,001 | 93.19 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 212,482,001 | 93.19 |
| | **TOTAL INVESTMENTS** | | | 212,482,001 | 93.19 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Air Freight & Couriers** | | | | |
| 82,280 | Deutsche Post AG | DEU | EUR | 2,487,254 | 1.90 |
| | **Airlines** | | | | |
| 408,242 | Qantas Airways Ltd. | AUS | AUD | 1,682,230 | 1.28 |
| | **Apparel & Accessories** | | | | |
| 405,500 | Yue Yuen Industrial Holdings Ltd. | HKG | HKD | 1,287,525 | 0.98 |
| | **Automobile Manufacturers** | | | | |
| 26,950 | Peugeot SA | FRA | EUR | 1,785,882 | 1.36 |
| 20,120 | Bayerische Motoren Werke AG | DEU | EUR | 1,157,990 | 0.89 |
| | | | | 2,943,872 | 2.25 |
| | **Banks** | | | | |
| 64,470 | Royal Bank of Scotland Group PLC | GBR | GBP | 2,516,258 | 1.92 |
| 42,820 | Bank of America Corp. | USA | USD | 2,286,160 | 1.74 |
| 51,147 | National Australia Bank Ltd. | AUS | AUD | 1,631,168 | 1.25 |
| 80,670 | Nordea Bank AB | SWE | SEK | 1,242,218 | 0.95 |
| 72,980 | UniCredito Italiano SpA | ITA | EUR | 639,679 | 0.49 |
| 22,970 | HSBC Holdings PLC | GBR | GBP | 418,795 | 0.32 |
| | | | | 8,734,278 | 6.67 |
| | **Computer Storage & Peripherals** | | | | |
| 456,017 | Compal Electronics Inc. | TWN | TWD | 406,546 | 0.31 |
| | **Diversified Commercial Services** | | | | |
| 49,300 | Vedior NV | NLD | EUR | 1,022,383 | 0.78 |
| | **Diversified Financial Services** | | | | |
| 48,440 | ING Groep NV | NLD | EUR | 2,147,852 | 1.64 |
| 41,690 | JPMorgan Chase & Co. | USA | USD | 2,013,627 | 1.54 |
| 421,810 | Old Mutual PLC | ZAF | GBP | 1,439,395 | 1.10 |
| | | | | 5,600,874 | 4.28 |
| | **Drug Retail** | | | | |
| 103,513 | Alliance Boots PLC | GBR | GBP | 1,698,749 | 1.30 |
| | **Electric Utilities** | | | | |
| 6,560 | E.ON AG | DEU | EUR | 894,443 | 0.68 |
| 10,172 | Iberdrola SA, Br. | ESP | EUR | 444,720 | 0.34 |
| 21,371 | National Grid PLC | GBR | GBP | 308,658 | 0.24 |
| | | | | 1,647,821 | 1.26 |
| | **Electronic Equipment & Instruments** | | | | |
| 82,000 | Venture Corp., Ltd. | SGP | SGD | 721,902 | 0.55 |
| | **Industrial Machinery** | | | | |
| 113,000 | Hutchison Whampoa Ltd. | HKG | HKD | 1,148,281 | 0.88 |
| | **Integrated Oil & Gas** | | | | |
| 220,990 | BP PLC | GBR | GBP | 2,456,002 | 1.88 |
| 28,160 | Chevron Corp. | USA | USD | 2,070,605 | 1.58 |
| 26,502 | Eni SpA | ITA | EUR | 891,391 | 0.68 |
| | | | | 5,417,998 | 4.14 |
| | **Integrated Telecommunication Services** | | | | |
| 71,510 | France Telecom SA | FRA | EUR | 1,977,612 | 1.51 |
| 601,000 | Singapore Telecommunications Ltd. | SGP | SGD | 1,285,520 | 0.98 |
| 45,137 | BCE Inc. | CAN | CAD | 1,216,307 | 0.93 |
| 99,080 | Chunghwa Telecom Co., Ltd. | TWN | TWD | 184,264 | 0.14 |
| | | | | 4,663,703 | 3.56 |
| | **Life & Health Insurance** | | | | |
| 248,810 | Standard Life Assurance Co. | GBR | GBP | 1,441,063 | 1.10 |
| | **Multi-Line Insurance** | | | | |
| 51,130 | AXA SA | FRA | EUR | 2,070,046 | 1.58 |
| 9,940 | Muenchener Rueckversicherungs-Gesellschaft AG | DEU | EUR | 1,718,890 | 1.31 |
| 89,380 | Aviva PLC | GBR | GBP | 1,438,806 | 1.10 |
| | | | | 5,227,742 | 3.99 |
| | **Office Electronics** | | | | |
| 77,170 | Agfa Gevaert NV | BEL | EUR | 1,972,169 | 1.51 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Office Services & Supplies** | | | | |
| 35,220 | Pitney Bowes Inc. | USA | USD | 1,626,812 | 1.24 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 260,230 | Centrica PLC | GBR | GBP | 1,806,608 | 1.38 |
| | **Packaged Foods** | | | | |
| 21,510 | Unilever NV | NLD | EUR | 587,761 | 0.45 |
| | **Paper Products** | | | | |
| 69,660 | UPM-Kymmene OYJ | FIN | EUR | 1,758,174 | 1.34 |
| 86,301 | Norske Skogindustrier ASA | NOR | NOK | 1,487,805 | 1.14 |
| 215,890 | M-real OYJ, B | FIN | EUR | 1,365,081 | 1.04 |
| 83,630 | Stora Enso OYJ, R | FIN | EUR | 1,324,749 | 1.01 |
| | | | | 5,935,809 | 4.53 |
| | **Pharmaceuticals** | | | | |
| 75,450 | GlaxoSmithKline PLC | GBR | GBP | 1,985,860 | 1.51 |
| 51,090 | Bristol-Myers Squibb Co. | USA | USD | 1,344,689 | 1.03 |
| 25,840 | Merck & Co., Inc. | USA | USD | 1,126,624 | 0.86 |
| 23,300 | Pfizer Inc. | USA | USD | 603,470 | 0.46 |
| | | | | 5,060,643 | 3.86 |
| | **Property & Casualty Insurance** | | | | |
| 14,080 | XL Capital Ltd., A | BMU | USD | 1,014,042 | 0.77 |
| | **Publishing & Printing** | | | | |
| 85,890 | Pearson PLC | GBR | GBP | 1,297,684 | 0.99 |
| | **Real Estate Management & Development** | | | | |
| 482,000 | Hang Lung Group Ltd. | HKG | HKD | 1,465,366 | 1.12 |
| | **Restaurants** | | | | |
| 339,590 | Compass Group PLC | GBR | GBP | 1,928,604 | 1.47 |
| | **Trading Companies & Distributors** | | | | |
| 261,020 | Electrocomponents PLC | GBR | GBP | 1,499,001 | 1.14 |
| | **Tyres & Rubber** | | | | |
| 20,229 | Valeo SA | FRA | EUR | 841,955 | 0.64 |
| | **Wireless Telecommunication Services** | | | | |
| 1,064,220 | Vodafone Group PLC | GBR | GBP | 2,949,023 | 2.25 |
| | **TOTAL SHARES** | | | 74,117,698 | 56.58 |
| | **BONDS** | | | | |
| | **Government Bonds** | | | | |
| 3,760,000 | Government of Argentina, FRN, 5.59%, 08/03/12† | ARG | USD | 2,674,019 | 2.04 |
| 7,300,000 | Government of Sweden, 6.50%, 05/05/08 | SWE | SEK | 1,104,504 | 0.84 |
| 2,495,000 | Government of Poland, 6.25%, 10/24/15 | POL | PLN | 922,702 | 0.70 |
| 1,300,000 | Government of Poland, 6.00%, 05/24/09 | POL | PLN | 461,545 | 0.35 |
| 260,000 | Government of the Philippines, 8.875%, 03/17/15 | PHL | USD | 307,294 | 0.24 |
| 200,000 | Government of Peru, 7.35%, 07/21/25 | PER | USD | 225,140 | 0.17 |
| 25,000 | Government of Ireland, 4.60%, 04/18/16 | IRL | EUR | 34,594 | 0.03 |
| 20,000 | Government of the Hellenic Republic, 5.90%, 10/22/22 | GRC | EUR | 30,997 | 0.02 |
| 25,000 | Republic of El Salvador, Reg S, 7.65%, 06/15/35 | SVC | USD | 28,500 | 0.02 |
| 15,000 | Government of Mexico, 7.50%, 03/08/10 | MEX | EUR | 21,629 | 0.02 |
| 15,000 | Government of Austria, 5.00%, 07/15/12 | AUT | EUR | 20,816 | 0.02 |
| 10,000 | Government of the Hellenic Republic, 4.60%, 05/20/13 | GRC | EUR | 13,568 | 0.01 |
| 5,000 | Government of Finland, 5.375%, 07/04/13 | FIN | EUR | 7,137 | 0.01 |
| 5,000 | Government of Ireland, 5.00%, 04/18/13 | IRL | EUR | 6,986 | 0.01 |
| | | | | 5,859,431 | 4.48 |
| | **Securities Maturing Within One Year** | | | | |
| 2,840,000 | Queensland Treasury Corp., 8.00%, 09/14/07 | AUS | AUD | 2,267,992 | 1.73 |
| 14,600,000 | Government of Sweden, 8.00%, 08/15/07 | SWE | SEK | 2,189,829 | 1.67 |
| 2,030,000 | Government of Norway, 6.75%, 01/15/07 | NOR | NOK | 325,872 | 0.25 |
| 14,500,000 | KfW Bankengruppe, 8.25%, 09/20/07 | DEU | ISK | 196,230 | 0.15 |
| | | | | 4,979,923 | 3.80 |
| | **TOTAL BONDS** | | | 10,839,354 | 8.28 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 84,957,052 | 64.86 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 125,000,000 | KfW Bankengruppe, FRN, 0.2325%, 08/08/11† | DEU | JPY | 1,050,677 | 0.80 |
| 125,000 | Ford Motor Credit Co., 5.625%, 10/01/08 | USA | USD | 122,800 | 0.09 |
| 100,000 | Dobson Cellular Systems Inc., 9.875%, 11/01/12 | USA | USD | 109,500 | 0.08 |
| 100,000 | Nalco Co., 8.875%, 11/15/13 | USA | USD | 106,375 | 0.08 |
| 100,000 | SunGard Data Systems Inc., 9.125%, 08/15/13 | USA | USD | 105,500 | 0.08 |
| 100,000 | CCH II LLC, 10.25%, 09/15/10 | USA | USD | 105,125 | 0.08 |
| 100,000 | Michaels Stores Inc., 10.00%, 11/01/14 | USA | USD | 104,500 | 0.08 |
| 100,000 | RBS Global & Rexnord Corp., 9.50%, 08/01/14 | USA | USD | 104,500 | 0.08 |
| 100,000 | Lyondell Chemical Co., 8.00%, 09/15/14 | USA | USD | 104,250 | 0.08 |
| 100,000 | General Motors Acceptance Corp., 6.875%, 08/28/12 | USA | USD | 102,802 | 0.08 |
| 100,000 | Host Marriott LP, 7.00%, 08/15/12 | USA | USD | 102,000 | 0.08 |
| 100,000 | Intelsat Bermuda Ltd., 8.25%, 01/15/13 | BMU | USD | 102,000 | 0.08 |
| 100,000 | Vale Overseas Ltd., 6.25%, 01/23/17 | BRA | USD | 100,955 | 0.08 |
| 100,000 | Landsbanki Islands HF, 144A, FRN, 6.07%, 08/25/09† | ISL | USD | 100,814 | 0.08 |
| 100,000 | NRG Energy Inc., 7.375%, 02/01/16 | USA | USD | 100,750 | 0.08 |
| 100,000 | Owens-Brockway Glass Container Inc., 6.75%, 12/01/14 | USA | USD | 97,500 | 0.07 |
| 100,000 | L-3 Communications Corp., 5.875%, 01/15/15 | USA | USD | 97,000 | 0.07 |
| 100,000 | Chesapeake Energy Corp., 6.25%, 01/15/18 | USA | USD | 96,750 | 0.07 |
| 100,000 | Inmarsat Finance II PLC, senior note, 0.00%, 11/15/12 | GBR | USD | 92,625 | 0.07 |
| 100,000 | Tenet Healthcare Corp., 6.375%, 12/01/11 | USA | USD | 92,000 | 0.07 |
| 100,000 | Station Casinos Inc., 6.875%, 03/01/16 | USA | USD | 90,250 | 0.07 |
| 75,000 | BCP Crystal Holdings Corp., 9.625%, 06/15/14 | USA | USD | 83,250 | 0.06 |
| 75,000 | Windstream Corp., 8.625%, 08/01/16 | USA | USD | 82,500 | 0.06 |
| 75,000 | El Paso Corp., 7.875%, 06/15/12 | USA | USD | 80,812 | 0.06 |
| 75,000 | HCA Inc., 9.125%, 11/15/14 | USA | USD | 80,344 | 0.06 |
| 75,000 | Reynolds American Inc., 7.625%, 06/01/16 | USA | USD | 79,840 | 0.06 |
| 75,000 | AMC Entertainment Inc., 9.875%, 02/01/12 | USA | USD | 79,125 | 0.06 |
| 75,000 | GSC Holdings Corp., 8.00%, 10/01/12 | USA | USD | 78,750 | 0.06 |
| 75,000 | Graphic Packaging International Corp., 8.50%, 08/15/11 | USA | USD | 78,000 | 0.06 |
| 75,000 | NXP BV, 144A, 7.875%, 10/15/14 | NLD | USD | 77,906 | 0.06 |
| 75,000 | Quebecor Media Inc., 7.75%, 03/15/16 | CAN | USD | 76,969 | 0.06 |
| 75,000 | Case New Holland Inc., 7.125%, 03/01/14 | USA | USD | 76,500 | 0.06 |
| 75,000 | Solectron Global Finance Ltd., 8.00%, 03/15/16 | USA | USD | 76,312 | 0.06 |
| 75,000 | Royal Caribbean Cruises Ltd., 7.25%, 03/15/18 | USA | USD | 76,176 | 0.06 |
| 75,000 | Smithfield Foods Inc., 7.00%, 08/01/11 | USA | USD | 76,125 | 0.06 |
| 75,000 | Nortek Inc., 8.50%, 09/01/14 | USA | USD | 73,875 | 0.06 |
| 75,000 | Markwest Energy Partners LP, 6.875%, 11/01/14 | USA | USD | 72,750 | 0.06 |
| 75,000 | LIN Television Corp., 6.50%, 05/15/13 | USA | USD | 71,812 | 0.05 |
| 75,000 | TXU Corp., 5.55%, 11/15/14 | USA | USD | 71,576 | 0.05 |
| 50,000 | Dex Media West LLC, 9.875%, 08/15/13 | USA | USD | 54,750 | 0.04 |
| 50,000 | R.H. Donnelley Corp., 8.875%, 01/15/16 | USA | USD | 52,750 | 0.04 |
| 50,000 | JohnsonDiversey Inc., 9.625%, 05/15/12 | USA | USD | 52,625 | 0.04 |
| 50,000 | Fresenius Medical Care Capital Trust, 7.875%, 06/15/11 | USA | USD | 52,625 | 0.04 |
| 50,000 | Crown Americas Inc., 7.75%, 11/15/15 | USA | USD | 52,125 | 0.04 |
| 50,000 | Rental Service Corp., 9.50%, 12/01/14 | USA | USD | 51,875 | 0.04 |
| 50,000 | Bombardier Inc., 8.00%, 11/15/14 | CAN | USD | 51,500 | 0.04 |
| 50,000 | DaVita Inc., 7.25%, 03/15/15 | USA | USD | 51,250 | 0.04 |
| 50,000 | Pogo Producing Co., 7.875%, 05/01/13 | USA | USD | 51,000 | 0.04 |
| 50,000 | Vanguard Health Holding Co., II LLC, 9.00%, 10/01/14 | USA | USD | 50,875 | 0.04 |
| 50,000 | Jostens IH Corp., 7.625%, 10/01/12 | USA | USD | 50,875 | 0.04 |
| 50,000 | Freescale Semiconductor Inc., 8.875%, 12/15/14 | USA | USD | 50,063 | 0.04 |
| 50,000 | JSG Funding PLC, 7.75%, 04/01/15 | IRL | USD | 48,250 | 0.04 |
| 50,000 | MGM MIRAGE Inc., 6.625%, 07/15/15 | USA | USD | 47,875 | 0.04 |
| 50,000 | KB Home, 6.25%, 06/15/15 | USA | USD | 46,957 | 0.04 |
| 50,000 | Abitibi-Consolidated Co. of Canada, 8.375%, 04/01/15 | CAN | USD | 43,500 | 0.03 |
| | | | | 5,290,190 | 4.04 |
| | **Government Bonds** | | | | |
| 5,710 | Nota Do Tesouro Nacional, 9.7618%, 01/01/12 | BRA | BRL | 2,439,572 | 1.86 |
| 8,150,000 | Government of Malaysia, 6.45%, 07/01/08 | MYS | MYR | 2,406,674 | 1.84 |
| 2,100,000 | Government of Iraq, Reg S, 5.80%, 01/15/28 | IQ | USD | 1,370,250 | 1.05 |
| 1,090,000,000 | Korea Treasury Note, 4.25%, 09/10/08 | KOR | KRW | 1,158,958 | 0.88 |
| 2,595,000 | Government of Peru, 8.60%, 08/12/17 | PER | PEN | 958,734 | 0.73 |
| 790,000,000 | Korea Treasury Note, 4.75%, 03/12/08 | KOR | KRW | 846,921 | 0.65 |
| 5,000,000 | Egypt Treasury Bill, 0.00%, 01/01/08 | EGY | EGP | 796,330 | 0.61 |
| 6,950,000,000 | Government of Indonesia, 9.50%, 06/15/15 | IDN | IDR | 745,629 | 0.57 |
| 1,600 | Nota Do Tesouro Nacional, 9.7618%, 01/01/14 | BRA | BRL | 665,046 | 0.51 |
| 22,400,000 | Bank of Thailand Bond, 5.50%, 06/15/08 | THA | THB | 635,916 | 0.48 |
| 5,000,000,000 | Government of Indonesia, 11.00%, 09/15/25 | IDN | IDR | 587,368 | 0.45 |
| 800 | Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15 | BRA | BRL | 540,004 | 0.41 |
| 1,495,000 | Government of Poland, 5.75%, 09/23/22 | POL | PLN | 537,434 | 0.41 |
| 1,200 | Nota Do Tesouro Nacional, 9.762%, 01/01/10 | BRA | BRL | 529,840 | 0.40 |
| 700 | Nota Do Tesouro Nacional, Index Linked, 6.00%, 11/15/09 | BRA | BRL | 503,893 | 0.38 |
| 650,000 | Government of New Zealand, 6.00%, 04/15/15 | NZL | NZD | 459,037 | 0.35 |
| 10,900,000 | Government of Slovakia, 4.90%, 02/11/14 | SSS | SKK | 434,307 | 0.33 |
| 3,800,000,000 | Government of Indonesia, 10.75%, 05/15/16 | IDN | IDR | 432,880 | 0.33 |
| 1,200,000 | Government of Peru, 7.84%, 08/12/20 | PER | PEN | 428,388 | 0.33 |
| 3,150,000,000 | Government of Indonesia, 14.25%, 06/15/13 | IDN | IDR | 427,309 | 0.33 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Government Bonds** (continued) | | | | |
| 3,800,000,000 | Government of Indonesia, 10.00%, 07/15/17 | IDN | IDR | 423,584 | 0.32 |
| 2,400,000,000 | Government of Indonesia, 14.275%, 12/15/13 | IDN | IDR | 326,882 | 0.25 |
| 2,640,000,000 | Government of Indonesia, 11.00%, 11/15/20 | IDN | IDR | 310,791 | 0.24 |
| 2,174,000,000 | Government of Indonesia, 12.80%, 06/15/21 | IDN | IDR | 288,867 | 0.22 |
| 2,070,000 | Government of Argentina, FRN, 0.00%, 12/15/35† | ARG | USD | 284,625 | 0.22 |
| 725,000 | Peru Bond Soberano, 9.91%, 05/05/15 | PER | PEN | 281,914 | 0.21 |
| 5,300,000 | Government of Slovakia, 5.30%, 05/12/19 | SSS | SKK | 223,063 | 0.17 |
| 1,750,000,000 | Government of Indonesia, 11.00%, 10/15/14 | IDN | IDR | 206,990 | 0.16 |
| 360,000,000 | Government of Colombia, 12.00%, 10/22/15 | COL | COP | 190,790 | 0.14 |
| 1,600,000,000 | Government of Indonesia, 10.00%, 10/15/11 | IDN | IDR | 177,805 | 0.14 |
| 965,000 | Government of Argentina, FRN, 0.00%, 12/15/35† | ARG | EUR | 168,148 | 0.13 |
| 945,000,000 | Government of Indonesia, 11.75%, 08/15/23 | IDN | IDR | 113,539 | 0.09 |
| 400,000,000 | Government of Indonesia, 12.00%, 09/15/26 | IDN | IDR | 50,592 | 0.04 |
| | | | | 19,952,080 | 15.23 |
| | **Securities Maturing Within One Year** | | | | |
| 13,100,000 | Norwegian Treasury Bill, 0.00%, 09/19/07 | NOR | NOK | 2,043,114 | 1.56 |
| 10,000,000 | Egypt Treasury Bill, 0.00%, 10/09/07 | EGY | EGP | 1,625,982 | 1.24 |
| 5,000,000 | Government of Malaysia, 8.60%, 12/01/07 | MYS | MYR | 1,481,422 | 1.13 |
| 9,800,000 | Swedish Treasury Bill, 0.00%, 09/19/07 | SWE | SEK | 1,396,939 | 1.07 |
| 40,000,000 | Thailand Treasury Bill, 0.00%, 11/08/07 | THA | THB | 1,083,100 | 0.83 |
| 1,200,000 | Government of Canada, 4.50%, 09/01/07 | CAN | CAD | 1,031,943 | 0.79 |
| 36,100,000 | Thailand Treasury Bill, 0.00%, 09/06/07 | THA | THB | 985,744 | 0.75 |
| 4,000,000 | Egypt Certificate of Deposit, 0.00%, 09/12/07 | EGY | EGP | 652,467 | 0.50 |
| 2,900,000 | Egypt Treasury Bill, 0.00%, 11/06/07 | EGY | EGP | 468,312 | 0.36 |
| 2,225,000 | Egypt Treasury Bill, 0.00%, 11/13/07 | EGY | EGP | 358,673 | 0.27 |
| 24,700,000 | Toyota Motor Credit Corp., 12.50%, 11/19/07 | USA | ISK | 347,243 | 0.27 |
| 1,825,000 | Egypt Treasury Bill, 0.00%, 11/20/07 | EGY | EGP | 293,673 | 0.22 |
| 1,700,000 | Norwegian Treasury Bill, 0.00%, 06/20/07 | NOR | NOK | 267,980 | 0.20 |
| 8,000,000 | Government of Thailand, 5.60%, 07/07/07 | THA | THB | 226,464 | 0.17 |
| 200,000,000 | Korea Treasury Note, 4.75%, 03/03/07 | KOR | KRW | 214,981 | 0.16 |
| 1,300,000 | Egypt Treasury Bill, 0.00%, 10/23/07 | EGY | EGP | 210,626 | 0.16 |
| 1,000,000 | Egypt Treasury Bill, 0.00%, 06/26/07 | EGY | EGP | 167,363 | 0.13 |
| 8,500,000 | Inter-American Development Bank, 9.00%, 01/04/07 | ISL | ISK | 119,676 | 0.09 |
| 275,000 | Egypt Treasury Bill, 0.00%, 07/31/07 | EGY | EGP | 45,515 | 0.03 |
| 125,000 | Egypt Treasury Bill, 0.00%, 06/19/07 | EGY | EGP | 20,911 | 0.02 |
| 125,000 | Egypt Treasury Bill, 0.00%, 08/28/07 | EGY | EGP | 20,539 | 0.02 |
| 125,000 | Egypt Treasury Bill, 0.00%, 09/25/07 | EGY | EGP | 20,398 | 0.02 |
| | | | | 13,083,065 | 9.99 |
| | **TOTAL BONDS** | | | 38,325,335 | 29.26 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 38,325,335 | 29.26 |
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 75,000 | Novelis Inc., senior note, 144A, 7.25%, 02/15/15 | CAN | USD | 72,937 | 0.06 |
| 50,000 | Wind Acquisition Finance SA, 10.75%, 12/01/15 | ITA | USD | 57,125 | 0.04 |
| | | | | 130,062 | 0.10 |
| | **TOTAL BONDS** | | | 130,062 | 0.10 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 130,062 | 0.10 |
| | **TOTAL INVESTMENTS** | | | 123,412,449 | 94.22 |

† Floating Rates are indicated as at December 31, 2006

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Air Freight & Couriers** | | | | |
| 12,882,000 | Sinotrans Ltd., H | CHN | HKD | 4,653,262 | 1.29 |
| | **Apparel Retail** | | | | |
| 2,242,000 | Giordano International Ltd. | HKG | HKD | 1,224,877 | 0.34 |
| | **Application Software** | | | | |
| 262,100 | Open Text Corp. | CAN | CAD | 5,380,332 | 1.50 |
| 3,148,672 | iSOFT Group PLC | GBR | GBP | 3,483,904 | 0.97 |
| | | | | 8,864,236 | 2.47 |
| | **Banks** | | | | |
| 6,223,000 | CITIC International Financial Holdings Ltd. | HKG | HKD | 5,583,713 | 1.55 |
| 298,830 | Bank of Pusan | KOR | KRW | 3,727,342 | 1.04 |
| 380,400 | Dah Sing Financial Group | HKG | HKD | 3,445,001 | 0.96 |
| 194,360 | Daegu Bank Co., Ltd. | KOR | KRW | 3,322,929 | 0.92 |
| 99,200 | Laurentian Bank of Canada | CAN | CAD | 2,575,241 | 0.72 |
| 3,373,700 | Bank of Ayudhya Public Co., Ltd. | THA | THB | 1,751,088 | 0.49 |
| 71,120 | Irwin Financial Corp. | USA | USD | 1,609,446 | 0.45 |
| | | | | 22,014,760 | 6.13 |
| | **Broadcasting & Cable TV** | | | | |
| 644,300 | Westwood One Inc. | USA | USD | 4,548,758 | 1.27 |
| | **Commercial Printing** | | | | |
| 369,200 | Quebecor World Inc. | CAN | CAD | 4,277,365 | 1.19 |
| | **Commodity Chemicals** | | | | |
| 231,000 | Bio-Treat Technology Ltd. | CHN | SGD | 91,138 | 0.03 |
| | **Computer & Electronics Retail** | | | | |
| 3,011,040 | Game Group PLC | GBR | GBP | 6,692,720 | 1.86 |
| 816,440 | Blockbuster Inc., A | USA | USD | 4,318,968 | 1.20 |
| | | | | 11,011,688 | 3.06 |
| | **Computer Storage & Peripherals** | | | | |
| 4,440,285 | KYE Systems Corp. | TWN | TWD | 5,069,161 | 1.41 |
| 3,362,000 | BenQ Corp. | TWN | TWD | 1,800,426 | 0.50 |
| | | | | 6,869,587 | 1.91 |
| | **Construction & Engineering** | | | | |
| 365,570 | Jenoptik AG | DEU | EUR | 3,599,977 | 1.00 |
| 53,364 | Imtech NV | NLD | EUR | 3,391,133 | 0.94 |
| 660,000 | Hopewell Holdings Ltd. | HKG | HKD | 2,316,191 | 0.65 |
| | | | | 9,307,301 | 2.59 |
| | **Construction & Farm Machinery** | | | | |
| 85,608 | Vossloh AG | DEU | EUR | 6,414,268 | 1.79 |
| | **Consumer Electronics** | | | | |
| 13,312,512 | Ngai Lik Industrial Holding Ltd. | HKG | HKD | 1,146,576 | 0.32 |
| | **Consumer Finance** | | | | |
| 3,172,301 | Avis Europe PLC | GBR | GBP | 5,078,698 | 1.41 |
| | **Data Processing Services** | | | | |
| 93,550 | Convergys Corp. | USA | USD | 2,224,619 | 0.62 |
| | **Distributors** | | | | |
| 795,560 | Premier Farnell PLC | GBR | GBP | 3,073,125 | 0.86 |
| | **Diversified Commercial Services** | | | | |
| 489,860 | Service Corp., International | USA | USD | 5,021,065 | 1.40 |
| 245,500 | Sohgo Security Services Co., Ltd. | JPN | JPY | 4,939,493 | 1.38 |
| 7,350 | Kuoni Reisen Holding AG, B | CHE | CHF | 3,932,707 | 1.10 |
| 277,860 | Corinthian Colleges Inc. | USA | USD | 3,787,232 | 1.05 |
| 167,165 | Central Parking Corp. | USA | USD | 3,008,970 | 0.84 |
| 144,890 | Vedior NV | NLD | EUR | 3,004,727 | 0.84 |
| 74,346 | Coinstar Inc. | USA | USD | 2,272,757 | 0.63 |
| 34,910 | Steiner Leisure Ltd. | BHS | USD | 1,588,405 | 0.44 |
| 51,500 | Meitec Corp. | JPN | JPY | 1,561,851 | 0.43 |
| | | | | 29,117,207 | 8.11 |
| | **Diversified Financial Services** | | | | |
| 127,080 | Vontobel Holding AG | CHE | CHF | 5,495,972 | 1.53 |
| 254,870 | D. Carnegie & Co., AB | SWE | SEK | 5,487,115 | 1.53 |
| | | | | 10,983,087 | 3.06 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Electric Utilities** | | | | |
| 6,077,600 | Glow Energy Public Co., Ltd., fgn. | THA | THB | 5,657,568 | 1.57 |
| | **Electrical Components & Equipment** | | | | |
| 66,626 | Vestas Wind Systems AS | DNK | DKK | 2,815,790 | 0.78 |
| 5,042,056 | AcBel Polytech Inc. | TWN | TWD | 1,980,614 | 0.55 |
| | | | | 4,796,404 | 1.33 |
| | **Electronic Equipment & Instruments** | | | | |
| 432,280 | Daeduck Electronics Co., Ltd. | KOR | KRW | 3,309,498 | 0.92 |
| 292,000 | Venture Corp., Ltd. | SGP | SGD | 2,570,674 | 0.72 |
| | | | | 5,880,172 | 1.64 |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 2,365,000 | Osim International Ltd. | SGP | SGD | 2,159,184 | 0.60 |
| | **Food Distributors** | | | | |
| 833,840 | RHM PLC | GBR | GBP | 6,188,882 | 1.72 |
| | **Health Care Distributors & Services** | | | | |
| 61,680 | OPG Groep NV | NLD | EUR | 7,246,440 | 2.02 |
| 165,741 | Generale de Sante | FRA | EUR | 6,782,378 | 1.89 |
| 394,220 | Dendrite International Inc. | USA | USD | 4,222,096 | 1.17 |
| 280,300 | Nichii Gakkan Co. | JPN | JPY | 4,153,814 | 1.16 |
| 163,300 | MDS Inc. | CAN | CAD | 2,980,812 | 0.83 |
| | | | | 25,385,540 | 7.07 |
| | **Homebuilding** | | | | |
| 341,767 | Bovis Homes Group PLC | GBR | GBP | 7,255,205 | 2.02 |
| | **Industrial Conglomerates** | | | | |
| 247,864 | Tredegar Corp. | USA | USD | 5,604,205 | 1.56 |
| 1,171,015 | Bodycote International PLC | GBR | GBP | 5,234,359 | 1.46 |
| 698,520 | Fiberweb PLC | GBR | GBP | 2,824,809 | 0.79 |
| 138,000 | Takuma Co., Ltd. | JPN | JPY | 806,889 | 0.22 |
| | | | | 14,470,262 | 4.03 |
| | **Industrial Machinery** | | | | |
| 207,220 | Draka Holding NV | NLD | EUR | 7,057,351 | 1.96 |
| 2,850,930 | FKI PLC | GBR | GBP | 5,764,570 | 1.61 |
| 28,044 | Aalberts Industries NV | NLD | EUR | 2,424,776 | 0.68 |
| 124,500 | ATS Automation Tooling Systems Inc. | CAN | CAD | 1,192,379 | 0.33 |
| | | | | 16,439,076 | 4.58 |
| | **Insurance Brokers** | | | | |
| 659,690 | Jardine Lloyd Thompson Group PLC | GBR | GBP | 5,432,455 | 1.51 |
| | **IT Consulting & Services** | | | | |
| 451,340 | BearingPoint Inc. | USA | USD | 3,552,046 | 0.99 |
| 805,650 | Thiel Logistik AG | LUX | EUR | 3,158,590 | 0.88 |
| | | | | 6,710,636 | 1.87 |
| | **Leisure Products** | | | | |
| 190,840 | Amer Sports OYJ | FIN | EUR | 4,201,998 | 1.17 |
| 234,070 | West Marine Inc. | USA | USD | 4,042,389 | 1.12 |
| 2,773,326 | Repco Corp., Ltd. | AUS | AUD | 3,732,694 | 1.04 |
| 2,165,000 | Giant Manufacturing Co., Ltd. | TWN | TWD | 3,554,626 | 0.99 |
| 3,379,542 | Fu Sheng Industrial Co., Ltd. | TWN | TWD | 3,308,497 | 0.92 |
| 518,130 | Pier 1 Imports Inc. | USA | USD | 3,082,874 | 0.86 |
| 208,800 | Sharper Image Corp. | USA | USD | 1,931,400 | 0.54 |
| | | | | 23,854,478 | 6.64 |
| | **Meat, Poultry & Fish** | | | | |
| 2,742,000 | People's Food Holdings Ltd. | CHN | SGD | 2,235,156 | 0.62 |
| | **Metal & Glass Containers** | | | | |
| 1,065,960 | DS Smith PLC | GBR | GBP | 4,091,544 | 1.14 |
| 141,240 | Huhtamaki OYJ | FIN | EUR | 2,774,285 | 0.77 |
| | | | | 6,865,829 | 1.91 |
| | **Multi- Utilities** | | | | |
| 3,700,000 | PNOC Energy Development Corp., Reg S | PHL | PHP | 365,851 | 0.10 |
| | **Networking Equipment** | | | | |
| 3,508,560 | D-Link Corp. | TWN | TWD | 4,597,683 | 1.28 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Office Electronics** | | | | |
| 268,610 | GSI Group Inc. | CAN | USD | 2,602,831 | 0.72 |
| | **Oil & Gas Equipment & Services** | | | | |
| 137,734 | SBM Offshore NV | NLD | EUR | 4,736,300 | 1.32 |
| 324,730 | Input/Output Inc. | USA | USD | 4,426,070 | 1.23 |
| | | | | 9,162,370 | 2.55 |
| | **Paper Products** | | | | |
| 692,000 | Domtar Inc. | CAN | CAD | 5,849,560 | 1.63 |
| 961,195 | PaperlinX Ltd. | AUS | AUD | 2,981,956 | 0.83 |
| 73,230 | Bowater Inc. | USA | USD | 1,647,675 | 0.46 |
| | | | | 10,479,191 | 2.92 |
| | **Pharmaceuticals** | | | | |
| 13,992,000 | China Pharmaceutical Group Ltd. | CHN | HKD | 1,978,520 | 0.55 |
| | **Property & Casualty Insurance** | | | | |
| 135,230 | Platinum Underwriter Holdings Ltd. | USA | USD | 4,184,016 | 1.16 |
| | **Publishing & Printing** | | | | |
| 8,196,440 | Future PLC | GBR | GBP | 7,303,431 | 2.03 |
| | **Speciality Chemicals** | | | | |
| 941,110 | Yule Catto & Company PLC | GBR | GBP | 4,294,243 | 1.20 |
| | **Telecommunications Equipment** | | | | |
| 2,196,000 | Huan Hsin Holdings Ltd. | SGP | SGD | 794,796 | 0.22 |
| | **Textiles** | | | | |
| 4,836,000 | Texwinca Holdings Ltd. | HKG | HKD | 3,350,757 | 0.93 |
| 7,766,000 | Fountain Set (Holdings) Ltd. | HKG | HKD | 2,166,332 | 0.61 |
| | | | | 5,517,089 | 1.54 |
| | **Trading Companies & Distributors** | | | | |
| 3,416,037 | Test-Rite International Co., Ltd. | TWN | TWD | 1,997,100 | 0.56 |
| | **Tyres & Rubber** | | | | |
| 190,220 | Lear Corp. | USA | USD | 5,617,196 | 1.56 |
| 383,481 | Halla Climate Control Corp. | KOR | KRW | 5,092,463 | 1.42 |
| 254,100 | Linamar Corp. | CAN | CAD | 3,031,101 | 0.84 |
| | | | | 13,740,760 | 3.82 |
| | **Wireless Telecommunication Services** | | | | |
| 892,600 | Total Access Communication Public Co., Ltd., fgn. | THA | USD | 3,838,180 | 1.07 |
| | **TOTAL SHARES** | | | 335,087,460 | 93.28 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 335,087,460 | 93.28 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Fertilizers & Agricultural Chemicals** | | | | |
| 2,726,000 | Moulin Global Eyecare Holdings Ltd. | HKG | HKD | 0 | 0.00 |
| | **Oil & Gas Equipment & Services** | | | | |
| 494,170 | Seitel Inc. | USA | USD | 1,766,657 | 0.49 |
| | **Oil & Gas Refining & Marketing** | | | | |
| 72,406 | Gail India Ltd., GDR, Reg S | IND | USD | 2,575,694 | 0.72 |
| | **TOTAL SHARES** | | | 4,342,351 | 1.21 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 4,342,351 | 1.21 |
| | **TOTAL INVESTMENTS** | | | 339,429,811 | 94.49 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Pharmaceuticals** | | | | |
| 124,400 | Schering-Plough Corp., 6.00%, cvt., pfd. | USA | USD | 7,077,116 | 1.05 |
| | **TOTAL SHARES** | | | 7,077,116 | 1.05 |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 2,200,000 | Sumitomo Mitsui Banking, Reg S, 4.375%, 10/15/15 | JPN | EUR | 2,789,336 | 0.42 |
| 3,350,000 | General Electric Capital Corp., 6.625%, 02/04/10 | USA | NZD | 2,301,311 | 0.34 |
| 2,190,000 | General Electric Capital Corp., 6.50%, 09/28/15 | USA | NZD | 1,483,921 | 0.22 |
| 500,000 | PCCW-HKTC Capital Ltd., Reg S, 7.75%, 11/15/11 | HKG | USD | 549,931 | 0.08 |
| 200,000 | NTL Cable PLC, 8.75%, 04/15/14 | GBR | EUR | 284,141 | 0.04 |
| 100,000 | Johnsondiversey Inc., 9.625%, 05/15/12 | USA | EUR | 138,605 | 0.02 |
| 100,000 | PCCW-HKTC Capital Ltd., 6.00%, 07/15/13 | HKG | USD | 100,876 | 0.02 |
| 45,600 | Huntsman International LLC, 10.125%, 07/01/09 | USA | EUR | 61,398 | 0.01 |
| | | | | 7,709,519 | 1.15 |
| | **Government Bonds** | | | | |
| 20,928,000 | Government of Argentina, FRN, 5.59%, 08/03/12† | ARG | USD | 14,883,476 | 2.22 |
| 4,280,000 | Government of Peru, 7.35%, 07/21/25 | PER | USD | 4,817,996 | 0.72 |
| 550,000,000 | European Investment Bank, FRN, 0.205%, 09/21/11† | JPN | JPY | 4,621,044 | 0.69 |
| 120,000,000 | Government of Slovakia, 4.95%, 03/05/08 | SSS | SKK | 4,615,619 | 0.69 |
| 10,820,000 | Government of Poland, 6.00%, 05/24/09 | POL | PLN | 3,841,474 | 0.57 |
| 1,035,000 | Government of the Philippines, 9.125%, 02/22/10 | PHL | EUR | 1,538,741 | 0.23 |
| 1,000,000 | Government of the Philippines, 9.00%, 02/15/13 | PHL | USD | 1,160,000 | 0.17 |
| 810,000 | Government of Austria, 4.65%, 01/15/18 | AUT | EUR | 1,129,268 | 0.17 |
| 600,000 | Government of the Netherlands, 5.50%, 01/15/28 | NLD | EUR | 945,604 | 0.14 |
| 470,000 | Government of Finland, 5.00%, 04/25/09 | FIN | EUR | 635,469 | 0.09 |
| 900,000 | Inter-American Development Bank, 6.00%, 12/15/17 | NZL | NZD | 603,630 | 0.09 |
| 500,000 | Government of Indonesia, Reg S, 7.50%, 01/15/16 | IDN | USD | 551,750 | 0.08 |
| 350,000 | Government of Finland, 5.375%, 07/04/13 | FIN | EUR | 499,556 | 0.07 |
| 430,000 | Republic of El Salvador, Reg S, 7.65%, 06/15/35 | SVC | USD | 490,200 | 0.07 |
| 200,000 | Government of the Hellenic Republic, 5.90%, 10/22/22 | GRC | EUR | 309,963 | 0.05 |
| 170,000 | Government of Mexico, 7.50%, 03/08/10 | MEX | EUR | 245,121 | 0.04 |
| 150,000 | Government of Austria, 5.00%, 07/15/12 | AUT | EUR | 208,162 | 0.03 |
| 130,000 | Government of Germany, 3.00%, 04/11/08 | DEU | EUR | 169,793 | 0.03 |
| 120,000 | Government of Ireland, 4.60%, 04/18/16 | IRL | EUR | 166,053 | 0.02 |
| 100,000 | Government of the Netherlands, 4.25%, 07/15/13 | NLD | EUR | 134,302 | 0.02 |
| 100,000 | Government of Germany, 3.75%, 07/04/13 | DEU | EUR | 130,553 | 0.02 |
| 80,000 | Government of the Hellenic Republic, 4.60%, 05/20/13 | GRC | EUR | 108,543 | 0.02 |
| 60,000 | Government of Ireland, 5.00%, 04/18/13 | IRL | EUR | 83,836 | 0.01 |
| | | | | 41,890,153 | 6.24 |
| | **Securities Maturing Within One Year** | | | | |
| 167,630,000 | Government of Sweden, 8.00%, 08/15/07 | SWE | SEK | 25,142,543 | 3.75 |
| 21,660,000 | Government of Poland, 8.50%, 05/12/07 | POL | PLN | 7,576,501 | 1.13 |
| 7,550,000 | Queensland Treasury Corp., 8.00%, 09/14/07 | AUS | AUD | 6,029,344 | 0.90 |
| 29,645,000 | Government of Norway, 6.75%, 01/15/07 | NOR | NOK | 4,758,856 | 0.71 |
| 186,000,000 | KfW Bankengruppe, 8.25%, 09/20/07 | DEU | ISK | 2,517,161 | 0.38 |
| 450,000 | Government of Portugal, 4.875%, 08/17/07 | PRT | EUR | 597,545 | 0.09 |
| 30,000,000 | Toyota Motor Credit Corp., 8.75%, 06/20/07 | USA | ISK | 411,400 | 0.06 |
| 125,102 | Government of the Ukraine, 10.00%, 03/15/07 | UKR | EUR | 166,834 | 0.02 |
| 120,000 | Government of Finland, 5.00%, 07/04/07 | FIN | EUR | 159,265 | 0.02 |
| | | | | 47,359,449 | 7.06 |
| | **TOTAL BONDS** | | | 96,959,121 | 14.45 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 104,036,237 | 15.50 |
| | **SHARES** | | | | |
| | **Diversified Chemicals** | | | | |
| 126,600 | Huntsman Corp., 5.00%, cvt., pfd. | USA | USD | 5,301,375 | 0.79 |
| | **Oil & Gas Drilling** | | | | |
| 3,400 | Chesapeake Energy Corp., 6.25%, cvt., pfd. | USA | USD | 852,859 | 0.12 |
| | **TOTAL SHARES** | | | 6,154,234 | 0.91 |
| | **BONDS** | | | | |
| | **Asset-Backed Securities** | | | | |
| 189,229 | Securitized Asset-Backed Receivables LLC, 5.83%, 02/25/34 | USA | USD | 189,780 | 0.03 |
| 93,088 | Morgan Stanley ABS Capital, 1.90%, 09/25/33 | USA | USD | 93,202 | 0.01 |
| | | | | 282,982 | 0.04 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Corporate Bonds** | | | | |
| 1,600,000,000 | KfW Bankengruppe, FRN, 0.2325%, 08/08/11† | DEU | JPY | 13,448,670 | 2.00 |
| 7,150,000 | Intel Corp., cvt., sub. deb., 2.95%, 12/15/35 | USA | USD | 6,539,640 | 0.97 |
| 2,700,000 | Best Buy Co. Inc., cvt., sub. deb., 2.25%, 01/15/22 | USA | USD | 3,013,875 | 0.45 |
| 2,150,000 | Carnival Corp., cvt., senior deb., 2.00%, 04/15/21 | USA | USD | 2,762,750 | 0.41 |
| 1,500,000 | Kaupthing Bank, 7.125%, 05/19/16 | ISL | USD | 1,593,747 | 0.24 |
| 1,500,000 | Landsbanki Islands HF, 144A, FRN, 6.07%, 08/25/09† | ISL | USD | 1,512,211 | 0.22 |
| 2,000,000 | Peru Enhanced Pass-Thru, 0.00%, 05/31/18 | PER | USD | 1,330,000 | 0.20 |
| 1,300,000 | Vale Overseas Ltd., 6.25%, 01/23/17 | BRA | USD | 1,312,410 | 0.20 |
| 914,694 | Sphynx Capital Markets, 10.00%, 05/28/08 | CI | EUR | 1,203,638 | 0.18 |
| 1,000,000 | Hutchison Whampoa International Ltd., 7.45%, 11/24/33 | USA | USD | 1,154,624 | 0.17 |
| 800,000 | Michaels Stores Inc., 10.00%, 11/01/14 | USA | USD | 836,000 | 0.12 |
| 875,000 | Temasek Financial I Ltd., 4.50%, 09/21/15 | SGP | USD | 831,995 | 0.12 |
| 800,000 | Freescale Semiconductor Inc., 8.875%, 12/15/14 | USA | USD | 801,000 | 0.12 |
| 800,000 | Sanmina-SCI Corp., 8.125%, 03/01/16 | USA | USD | 778,000 | 0.12 |
| 800,000 | Station Casinos Inc., 6.875%, 03/01/16 | USA | USD | 722,000 | 0.11 |
| 700,000 | NRG Energy Inc., 7.375%, 02/01/16 | USA | USD | 705,250 | 0.10 |
| 700,000 | Ford Motor Credit Co., 5.625%, 10/01/08 | USA | USD | 687,678 | 0.10 |
| 600,000 | Lyondell Chemical Co., 8.00%, 09/15/14 | USA | USD | 625,500 | 0.09 |
| 600,000 | Chesapeake Energy Corp., 6.25%, 01/15/18 | USA | USD | 580,500 | 0.09 |
| 500,000 | Dobson Cellular Systems Inc., 9.875%, 11/01/12 | USA | USD | 547,500 | 0.08 |
| 500,000 | Beazer Homes USA Inc., 8.125%, 06/15/16 | USA | USD | 532,500 | 0.08 |
| 500,000 | Reynolds American Inc., 7.625%, 06/01/16 | USA | USD | 532,267 | 0.08 |
| 500,000 | SunGard Data Systems Inc., 9.125%, 08/15/13 | USA | USD | 527,500 | 0.08 |
| 500,000 | JohnsonDiversey Inc., 9.625%, 05/15/12 | USA | USD | 526,250 | 0.08 |
| 500,000 | Intelsat Bermuda Ltd., 8.25%, 01/15/13 | BMU | USD | 510,000 | 0.08 |
| 500,000 | General Electric Capital Corp., 5.00%, 01/08/16 | USA | USD | 489,516 | 0.07 |
| 500,000 | Owens-Brockway Glass Container Inc., 6.75%, 12/01/14 | USA | USD | 487,500 | 0.07 |
| 500,000 | JSG Funding PLC, 7.75%, 04/01/15 | IRL | USD | 482,500 | 0.07 |
| 500,000 | Tenet Healthcare Corp., 6.375%, 12/01/11 | USA | USD | 460,000 | 0.07 |
| 400,000 | CanWest Media Inc., 8.00%, 09/15/12 | CAN | USD | 419,500 | 0.06 |
| 400,000 | General Motors Acceptance Corp., 6.875%, 08/28/12 | USA | USD | 411,207 | 0.06 |
| 410,000 | General Electric Capital Corp., 5.4738%, 10/21/10 | USA | USD | 410,916 | 0.06 |
| 400,000 | Solectron Global Finance Ltd., 8.00%, 03/15/16 | USA | USD | 407,000 | 0.06 |
| 400,000 | Royal Caribbean Cruises Ltd., 7.25%, 03/15/18 | USA | USD | 406,274 | 0.06 |
| 300,000 | Dex Media West LLC, 9.875%, 08/15/13 | USA | USD | 328,500 | 0.05 |
| 300,000 | HCA Inc., 9.125%, 11/15/14 | USA | USD | 321,375 | 0.05 |
| 300,000 | CCH II LLC, 10.25%, 09/15/10 | USA | USD | 315,375 | 0.05 |
| 300,000 | Copano Energy LLC, 8.125%, 03/01/16 | USA | USD | 312,000 | 0.05 |
| 300,000 | NXP BV, 144A, 7.875%, 10/15/14 | NLD | USD | 311,625 | 0.05 |
| 300,000 | Forest City Enterprises Inc., 7.625%, 06/01/15 | USA | USD | 307,500 | 0.05 |
| 300,000 | Nortek Inc., 8.50%, 09/01/14 | USA | USD | 295,500 | 0.04 |
| 200,000 | Nalco Co., 9.00%, 11/15/13 | USA | EUR | 289,751 | 0.04 |
| 300,000 | MGM MIRAGE Inc., 6.625%, 07/15/15 | USA | USD | 287,250 | 0.04 |
| 300,000 | TXU Corp., 5.55%, 11/15/14 | USA | USD | 286,302 | 0.04 |
| 300,000 | Radio One Inc., 6.375%, 02/15/13 | USA | USD | 282,000 | 0.04 |
| 200,000 | Bombardier Inc., 7.25%, 11/15/16 | CAN | EUR | 269,581 | 0.04 |
| 250,000 | El Paso Corp., 7.875%, 06/15/12 | USA | USD | 269,375 | 0.04 |
| 200,000 | JSG Funding PLC, 7.75%, 04/01/15 | IRL | EUR | 267,970 | 0.04 |
| 200,000 | Pinnacle Entertainment Inc., 8.75%, 10/01/13 | USA | USD | 213,000 | 0.03 |
| 200,000 | Case New Holland Inc., 9.25%, 08/01/11 | USA | USD | 212,750 | 0.03 |
| 200,000 | Nalco Co., 8.875%, 11/15/13 | USA | USD | 212,750 | 0.03 |
| 200,000 | AMC Entertainment Inc., 9.875%, 02/01/12 | USA | USD | 211,000 | 0.03 |
| 200,000 | R.H. Donnelley Corp., 8.875%, 01/15/16 | USA | USD | 211,000 | 0.03 |
| 200,000 | Smithfield Foods Inc., 8.00%, 10/15/09 | USA | USD | 210,000 | 0.03 |
| 200,000 | Crown Americas Inc., 7.75%, 11/15/15 | USA | USD | 208,500 | 0.03 |
| 200,000 | Qwest Communications International Inc., 7.50%, 02/15/14 | USA | USD | 207,000 | 0.03 |
| 200,000 | Host Marriott LP, 7.125%, 11/01/13 | USA | USD | 205,500 | 0.03 |
| 200,000 | Quebecor Media Inc., 7.75%, 03/15/16 | CAN | USD | 205,250 | 0.03 |
| 200,000 | DaVita Inc., 7.25%, 03/15/15 | USA | USD | 205,000 | 0.03 |
| 200,000 | Vanguard Health Holding Co., II LLC, 9.00%, 10/01/14 | USA | USD | 203,500 | 0.03 |
| 200,000 | Jostens IH Corp., 7.625%, 10/01/12 | USA | USD | 203,500 | 0.03 |
| 200,000 | United Rentals North America Inc., 7.75%, 11/15/13 | USA | USD | 201,750 | 0.03 |
| 200,000 | EchoStar DBS Corp., 6.375%, 10/01/11 | USA | USD | 199,250 | 0.03 |
| 200,000 | L-3 Communication Corp., 6.125%, 07/15/13 | USA | USD | 197,000 | 0.03 |
| 200,000 | Commercial Vehicle Group Inc., 8.00%, 07/01/13 | USA | USD | 196,500 | 0.03 |
| 200,000 | Allied Waste North America Inc., 5.75%, 02/15/11 | USA | USD | 194,500 | 0.03 |
| 200,000 | Markwest Energy Partners LP, 6.875%, 11/01/14 | USA | USD | 194,000 | 0.03 |
| 200,000 | LIN Television Corp., 6.50%, 05/15/13 | USA | USD | 191,500 | 0.03 |
| 200,000 | Massey Energy Co., 6.875%, 12/15/13 | USA | USD | 189,000 | 0.03 |
| 200,000 | Inmarsat Finance II PLC, senior note, 0.00%, 11/15/12 | GBR | USD | 185,250 | 0.03 |
| 200,000 | Abitibi-Consolidated Co. of Canada, 8.375%, 04/01/15 | CAN | USD | 174,000 | 0.03 |
| 150,000 | Rhodia SA, 10.25%, 06/01/10 | FRA | USD | 171,750 | 0.03 |
| 200,000 | HCA Inc., 6.50%, 02/15/16 | USA | USD | 169,500 | 0.02 |
| 150,000 | CSC Holdings Inc., 7.625%, 04/01/11 | USA | USD | 153,563 | 0.02 |
| 100,000 | Fresenius Medical Care Capital Trust, 7.375%, 06/15/11 | USA | EUR | 146,031 | 0.02 |
| 100,000 | Hellas Telecom III, 8.50%, 10/15/13 | LUX | EUR | 142,565 | 0.02 |
| 100,000 | Rockwood Specialties Group Inc., 7.625%, 11/15/14 | USA | EUR | 140,915 | 0.02 |
| 100,000 | Huntsman International LLC, 6.875%, 11/13/13 | USA | EUR | 131,946 | 0.02 |
| 100,000 | Mecachrome International Inc., Reg S, 9.00%, 05/15/14 | CAN | EUR | 129,695 | 0.02 |
| 100,000 | BCP Crystal Holdings Corp., 9.625%, 06/15/14 | USA | USD | 111,000 | 0.02 |
| 100,000 | Aquila Inc., 9.95%, 02/01/11 | USA | USD | 110,030 | 0.02 |
| 100,000 | Windstream Corp., 8.625%, 08/01/16 | USA | USD | 110,000 | 0.02 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Corporate Bonds** (continued) | | | | |
| 100,000 | Millicom International Cellular SA, 10.00%, 12/01/13 | LUX | USD | 109,500 | 0.02 |
| 100,000 | Midwest Generation LLC, 8.75%, 05/01/34 | USA | USD | 109,000 | 0.02 |
| 100,000 | Tyson Foods Inc., 8.25%, 10/01/11 | USA | USD | 108,562 | 0.02 |
| 100,000 | Iron Mountain Inc., 8.75%, 07/15/18 | USA | USD | 106,500 | 0.02 |
| 100,000 | Dynegy Holdings Inc., 8.375%, 05/01/16 | USA | USD | 105,500 | 0.02 |
| 100,000 | GSC Holdings Corp., 8.00%, 10/01/12 | USA | USD | 105,000 | 0.02 |
| 100,000 | Verso Paper Holdings LLC, 9.125%, 08/01/14 | USA | USD | 104,750 | 0.02 |
| 100,000 | RBS Global & Rexnord Corp., 9.50%, 08/01/14 | USA | USD | 104,500 | 0.02 |
| 100,000 | Graphic Packaging International Corp., 8.50%, 08/15/11 | USA | USD | 104,000 | 0.02 |
| 100,000 | Rental Service Corp., 9.50%, 12/01/14 | USA | USD | 103,750 | 0.02 |
| 100,000 | Credit Suisse First Boston USA Inc., 6.125%, 11/15/11 | USA | USD | 103,654 | 0.02 |
| 100,000 | DRS Technologies Inc., 7.625%, 02/01/18 | USA | USD | 103,500 | 0.02 |
| 100,000 | Peabody Energy Corp., 6.875%, 03/15/13 | USA | USD | 103,000 | 0.02 |
| 100,000 | Lamar Media Corp., 7.25%, 01/01/13 | USA | USD | 102,375 | 0.02 |
| 100,000 | Hanover Compressor Co., 7.50%, 04/15/13 | USA | USD | 101,500 | 0.01 |
| 100,000 | NRG Energy Inc., 7.375%, 01/15/17 | USA | USD | 100,500 | 0.01 |
| 100,000 | Wyeth, 4.375%, 03/01/08 | USA | USD | 98,978 | 0.01 |
| 100,000 | Raytheon Co., 4.85%, 01/15/11 | USA | USD | 98,466 | 0.01 |
| 100,000 | KB Home, 7.25%, 06/15/18 | USA | USD | 98,162 | 0.01 |
| 100,000 | Bunge Ltd. Finance Corp., 4.375%, 12/15/08 | USA | USD | 97,937 | 0.01 |
| 100,000 | Pogo Producing Co., 6.875%, 10/01/17 | USA | USD | 96,000 | 0.01 |
| 100,000 | Dole Foods Co., 7.25%, 06/15/10 | USA | USD | 95,750 | 0.01 |
| 100,000 | Liberty Media Corp., 5.70%, 05/15/13 | USA | USD | 94,714 | 0.01 |
| 100,000 | KB Home, 6.25%, 06/15/15 | USA | USD | 93,914 | 0.01 |
| 100,000 | Telecom Italia Capital, 4.95%, 09/30/14 | ITA | USD | 92,807 | 0.01 |
| 65,000 | DIRECTV Holdings LLC, 8.375%, 03/15/13 | USA | USD | 67,925 | 0.01 |
| | | | | 60,492,761 | 9.01 |
| | **Government Bonds** | | | | |
| 71,800 | Nota Do Tesouro Nacional, 9.7618%, 01/01/12 | BRA | BRL | 30,676,227 | 4.57 |
| 47,525,000 | Government of Poland, 5.75%, 09/23/22 | POL | PLN | 17,084,642 | 2.55 |
| 105,000,000 | Egypt Treasury Bill, 0.00%, 01/01/08 | EGY | EGP | 16,722,922 | 2.49 |
| 25,605,000 | Government of Iraq, Reg S, 5.80%, 01/15/28 | IQ | USD | 16,707,262 | 2.49 |
| 14,450,000,000 | Korea Treasury Note, 4.25%, 09/10/08 | KOR | KRW | 15,364,165 | 2.29 |
| 38,600,000 | Government of Poland, 5.75%, 06/24/08 | POL | PLN | 13,525,223 | 2.02 |
| 1,001,000 | Government of Mexico, 10.00%, 12/05/24 | MEX | MXN | 11,503,936 | 1.71 |
| 65,878,000,000 | Government of Indonesia, 12.80%, 06/15/21 | IDN | IDR | 8,753,454 | 1.30 |
| 217,600,000 | Government of Slovakia, 4.80%, 04/14/09 | SSS | SKK | 8,431,552 | 1.26 |
| 20,250 | Nota Do Tesouro Nacional, 9.7618%, 01/01/14 | BRA | BRL | 8,416,991 | 1.25 |
| 7,000,000,000 | Korea Treasury Note, 4.50%, 09/09/08 | KOR | KRW | 7,471,736 | 1.11 |
| 15,840,000 | Government of Peru, 8.60%, 08/12/17 | PER | PEN | 5,852,158 | 0.87 |
| 11,026,000,000 | Government of Colombia, 12.00%, 10/22/15 | COL | COP | 5,843,464 | 0.87 |
| 48,550,000,000 | Government of Indonesia, 11.50%, 09/15/19 | IDN | IDR | 5,818,557 | 0.87 |
| 19,400,000 | Government of Malaysia, 6.45%, 07/01/08 | MYS | MYR | 5,728,771 | 0.85 |
| 8,200 | Nota Do Tesouro Nacional, Index Linked, 6.00%, 05/15/15 | BRA | BRL | 5,535,043 | 0.83 |
| 40,019,000,000 | Government of Indonesia, 14.275%, 12/15/13 | IDN | IDR | 5,450,620 | 0.81 |
| 7,500 | Nota Do Tesouro Nacional, Index Linked, 6.00%, 11/15/09 | BRA | BRL | 5,398,853 | 0.81 |
| 37,459,000,000 | Government of Indonesia, 14.25%, 06/15/13 | IDN | IDR | 5,081,444 | 0.76 |
| 29,200,000 | Government of Argentina, FRN, 0.00%, 12/15/35† | ARG | USD | 4,015,000 | 0.60 |
| 32,360,000,000 | Government of Indonesia, 11.75%, 08/15/23 | IDN | IDR | 3,887,963 | 0.58 |
| 32,720,000,000 | Government of Indonesia, 11.00%, 11/15/20 | IDN | IDR | 3,851,926 | 0.57 |
| 31,550,000,000 | Government of Indonesia, 10.00%, 07/15/17 | IDN | IDR | 3,516,860 | 0.52 |
| 9,700,000 | Government of Peru, 7.84%, 08/12/20 | PER | PEN | 3,462,799 | 0.52 |
| 2,580,000 | Government of Peru, 8.75%, 11/21/33 | PER | USD | 3,405,600 | 0.51 |
| 6,800,000 | Peru Bond Soberano, 9.91%, 05/05/15 | PER | PEN | 2,644,155 | 0.39 |
| 5,000 | Nota Do Tesouro Nacional, 9.762%, 01/01/10 | BRA | BRL | 2,207,667 | 0.33 |
| 14,500,000,000 | Government of Indonesia, 12.90%, 06/15/22 | IDN | IDR | 1,945,613 | 0.29 |
| 37,300,000 | Government of Slovakia, 4.90%, 02/11/14 | SSS | SKK | 1,486,208 | 0.22 |
| 12,500,000,000 | Government of Indonesia, 11.00%, 09/15/25 | IDN | IDR | 1,468,421 | 0.22 |
| 6,815,000 | Government of Argentina, FRN, 0.00%, 12/15/35† | ARG | EUR | 1,187,491 | 0.18 |
| 1,000,000,000 | Korea Treasury Note, 4.75%, 03/12/08 | KOR | KRW | 1,072,052 | 0.16 |
| 25,300,000 | Government of Slovakia, 5.00%, 01/22/13 | SSS | SKK | 1,012,910 | 0.15 |
| 7,000,000,000 | Government of Indonesia, 10.75%, 05/15/16 | IDN | IDR | 797,411 | 0.12 |
| 5,780,000,000 | Government of Indonesia, 11.00%, 10/15/14 | IDN | IDR | 683,658 | 0.10 |
| 370,000 | Government of France, 6.00%, 10/25/25 | FRA | EUR | 609,742 | 0.09 |
| 9,400,000 | Government of Slovakia, 5.30%, 05/12/19 | SSS | SKK | 395,620 | 0.06 |
| 5,950,000 | Bank of Thailand Bond, 5.50%, 08/10/08 | THA | THB | 168,386 | 0.03 |
| 3,600,000 | Bank of Thailand Bond, 5.00%, 01/12/08 | THA | THB | 101,579 | 0.02 |
| 850,000,000 | Government of Indonesia, 10.00%, 10/15/11 | IDN | IDR | 94,459 | 0.01 |
| 100,000 | Government of Canada, 6.00%, 06/01/08 | CAN | CAD | 88,060 | 0.01 |
| 700,000,000 | Government of Indonesia, 11.00%, 12/15/12 | IDN | IDR | 82,750 | 0.01 |
| 2,000,000 | Government of Slovakia, 4.90%, 02/05/10 | SSS | SKK | 78,163 | 0.01 |
| 36,034 | GNMA, SF, 5.00%, 09/15/33 | USA | USD | 35,099 | 0.01 |
| 28,337 | GNMA, SF, 5.50%, 05/15/33 | USA | USD | 28,243 | 0.00 |
| 13,506 | GNMA, SF, 6.00%, 05/15/33 | USA | USD | 13,712 | 0.00 |
| 7,335 | GNMA, SF, 6.50%, 11/15/32 | USA | USD | 7,539 | 0.00 |
| | | | | 237,716,106 | 35.42 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Securities Maturing Within One Year** | | | | |
| 109,400,000 | Swedish Treasury Bill, 0.00%, 09/19/07 | SWE | SEK | 15,594,403 | 2.32 |
| 85,000,000 | Norwegian Treasury Bill, 0.00%, 09/19/07 | NOR | NOK | 13,256,843 | 1.98 |
| 69,000,000 | Egypt Certificate of Deposit, 0.00%, 09/12/07 | EGY | EGP | 11,255,049 | 1.68 |
| 37,690,000 | Government of Malaysia, 3.135%, 12/17/07 | MYS | MYR | 10,644,398 | 1.59 |
| 316,000,000 | Thailand Treasury Bill, 0.00%, 05/03/07 | THA | THB | 8,773,833 | 1.31 |
| 320,465,000 | Thailand Treasury Bill, 0.00%, 09/06/07 | THA | THB | 8,750,591 | 1.30 |
| 60,000,000 | Swedish Treasury Bill, 0.00%, 12/19/07 | SWE | SEK | 8,474,176 | 1.26 |
| 50,000,000 | Norwegian Treasury Bill, 0.00%, 06/20/07 | NOR | NOK | 7,881,760 | 1.17 |
| 6,500,000,000 | Korea Treasury Note, 3.75%, 09/10/07 | KOR | KRW | 6,934,578 | 1.03 |
| 8,030,000 | Government of Canada, 4.50%, 09/01/07 | CAN | CAD | 6,905,421 | 1.03 |
| 205,000,000 | Thailand Treasury Bill, 0.00%, 11/08/07 | THA | THB | 5,550,885 | 0.83 |
| 8,050,000 | Government of Singapore, 2.625%, 10/01/07 | SGP | SGD | 5,233,862 | 0.78 |
| 17,150,000 | Government of Malaysia, 8.60%, 12/01/07 | MYS | MYR | 5,081,278 | 0.76 |
| 25,000,000 | Egypt Treasury Bill, 0.00%, 09/18/07 | EGY | EGP | 4,094,112 | 0.61 |
| 131,800,000 | Thailand Treasury Bill, 0.00%, 02/22/07 | THA | THB | 3,693,630 | 0.55 |
| 215,000,000 | Toyota Motor Credit Corp., 12.50%, 11/19/07 | USA | ISK | 3,022,562 | 0.45 |
| 108,210,000 | Thailand Treasury Bill, 0.00%, 10/04/07 | THA | THB | 2,943,750 | 0.44 |
| 17,750,000 | Egypt Treasury Bill, 0.00%, 11/13/07 | EGY | EGP | 2,861,325 | 0.43 |
| 17,650,000 | Egypt Treasury Bill, 0.00%, 11/06/07 | EGY | EGP | 2,850,246 | 0.42 |
| 17,250,000 | Norwegian Treasury Bill, 0.00%, 03/21/07 | NOR | NOK | 2,738,862 | 0.41 |
| 2,525,000,000 | Korea Treasury Note, 4.75%, 03/03/07 | KOR | KRW | 2,714,140 | 0.40 |
| 14,100,000 | Egypt Treasury Bill, 0.00%, 04/17/07 | EGY | EGP | 2,403,635 | 0.36 |
| 13,500,000 | Egypt Treasury Bill, 0.00%, 03/27/07 | EGY | EGP | 2,313,881 | 0.35 |
| 59,300,000 | Government of Slovakia, Strip, 0.00%, 01/14/07 | SSS | SKK | 2,268,867 | 0.34 |
| 12,500,000 | Egypt Treasury Bill, 0.00%, 10/09/07 | EGY | EGP | 2,032,478 | 0.30 |
| 1,800,000,000 | Korea Treasury Note, 6.90%, 01/16/07 | KOR | KRW | 1,936,785 | 0.29 |
| 2,380,000 | Government of Singapore, 4.00%, 03/01/07 | SGP | SGD | 1,553,625 | 0.23 |
| 55,500,000 | Thailand Treasury Bill, 0.00%, 03/08/07 | THA | THB | 1,549,447 | 0.23 |
| 7,400,000 | Egypt Treasury Bill, 0.00%, 03/06/07 | EGY | EGP | 1,275,281 | 0.19 |
| 7,825,000 | Egypt Treasury Bill, 0.00%, 10/23/07 | EGY | EGP | 1,267,808 | 0.19 |
| 7,100,000 | Egypt Treasury Bill, 0.00%, 06/26/07 | EGY | EGP | 1,188,275 | 0.18 |
| 7,250,000 | Egypt Treasury Bill, 0.00%, 11/20/07 | EGY | EGP | 1,166,647 | 0.17 |
| 4,850,000 | Egypt Treasury Bill, 0.00%, 01/16/07 | EGY | EGP | 846,356 | 0.13 |
| 4,850,000 | Egypt Treasury Bill, 0.00%, 03/20/07 | EGY | EGP | 832,812 | 0.12 |
| 58,800,000 | Inter-American Development Bank, 9.00%, 01/04/07 | ISL | ISK | 827,878 | 0.12 |
| 4,500,000 | Egypt Treasury Bill, 0.00%, 09/04/07 | EGY | EGP | 738,278 | 0.11 |
| 3,000,000 | Egypt Treasury Bill, 0.00%, 02/20/07 | EGY | EGP | 518,028 | 0.08 |
| 2,800,000 | Egypt Treasury Bill, 0.00%, 01/30/07 | EGY | EGP | 486,878 | 0.07 |
| 15,010,000 | Thailand Treasury Bill, 0.00%, 12/06/07 | THA | THB | 405,032 | 0.06 |
| 1,150,000 | Government of Malaysia, 6.90%, 03/15/07 | MYS | MYR | 328,037 | 0.05 |
| 1,075,000 | Egypt Treasury Bill, 0.00%, 07/31/07 | EGY | EGP | 177,922 | 0.03 |
| 5,645,000 | Thailand Treasury Bill, 0.00%, 08/16/07 | THA | THB | 154,574 | 0.02 |
| 4,000,000 | Thailand Treasury Bill, 0.00%, 07/19/07 | THA | THB | 109,939 | 0.02 |
| 600,000 | Egypt Treasury Bill, 0.00%, 07/24/07 | EGY | EGP | 99,460 | 0.02 |
| 550,000 | Egypt Treasury Bill, 0.00%, 08/28/07 | EGY | EGP | 90,373 | 0.01 |
| 525,000 | Egypt Treasury Bill, 0.00%, 06/19/07 | EGY | EGP | 87,826 | 0.01 |
| 3,000,000 | Government of Thailand, 5.60%, 07/07/07 | THA | THB | 84,924 | 0.01 |
| 500,000 | Egypt Treasury Bill, 0.00%, 09/25/07 | EGY | EGP | 81,590 | 0.01 |
| 115,000 | Thailand Treasury Bill, 0.00%, 04/05/07 | THA | THB | 3,205 | 0.00 |
| | | | | 164,085,545 | 24.45 |
| | **TOTAL BONDS** | | | 462,577,394 | 68.92 |
| | **DERIVATIVES** | | | | |
| | **Credit Default Swap** | | | | |
| (2,000,000) | First Energy Corp., Mar. 11 Future | USA | USD | (18,419) | 0.00 |
| | **TOTAL DERIVATIVES** | | | (18,419) | 0.00 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 468,713,209 | 69.83 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Corporate Bonds** | | | | |
| 400,000 | Novelis Inc., senior note, 144A, 7.25%, 02/15/15 | CAN | USD | 389,000 | 0.06 |
| 200,000 | Lighthouse International Co., SA, 8.00%, 04/30/14 | ITA | EUR | 290,081 | 0.04 |
| 200,000 | Central European Media Enterprises Ltd., 8.25%, 05/15/12 | BMU | EUR | 289,421 | 0.04 |
| 200,000 | Wind Acquisition Finance SA, 10.75%, 12/01/15 | ITA | USD | 228,500 | 0.04 |
| 220,000 | Pemex Project Funding Master Trust, 2.7275%, 06/15/10 | MEX | USD | 226,380 | 0.03 |
| 200,000 | Allegheny Energy Supply, 8.25%, 04/15/12 | USA | USD | 220,500 | 0.03 |
| 130,000 | Safilo Capital International SA, 9.625%, 05/15/13 | LUX | EUR | 190,054 | 0.03 |
| 100,000 | Central European Distribution Corp., 8.00%, 07/25/12 | USA | EUR | 142,896 | 0.02 |
| 100,000 | Codere Finance SA, 8.25%, 06/15/15 | ESP | EUR | 140,256 | 0.02 |
| 100,000 | Huntsman International LLC, 8.25%, 01/01/15 | USA | EUR | 138,935 | 0.02 |
| 100,000 | Hutchison Whampoa International Ltd., 6.25%, 01/24/14 | HKG | USD | 103,870 | 0.02 |
| 57,000 | Ras Laffan Liquefied Natural Gas Co., Ltd., 144A, 3.437%, 09/15/09 | QAT | USD | 55,572 | 0.01 |
| | | | | 2,415,465 | 0.36 |
| | **TOTAL BONDS** | | | 2,415,465 | 0.36 |
| | **TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET** | | | 2,415,465 | 0.36 |
| | **TOTAL INVESTMENTS** | | | 575,164,911 | 85.69 |

† Floating Rates are indicated as at December 31, 2006

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Advertising** | | | | |
| 10,000,000 | Interpublic Group of Cos., Inc. | USA | USD | 92,723,765 | 1.21 |
| | **Aerospace & Defence** | | | | |
| 1,800,000 | Raytheon Co. | USA | USD | 71,997,276 | 0.94 |
| 4,000,000 | BAE Systems PLC | GBR | GBP | 25,264,724 | 0.33 |
| 1,733,261 | Rolls-Royce Group PLC | GBR | GBP | 11,513,291 | 0.15 |
| | | | | 108,775,291 | 1.42 |
| | **Air Freight & Couriers** | | | | |
| 3,452,897 | Deutsche Post AG | DEU | EUR | 79,071,341 | 1.03 |
| | **Apparel Retail** | | | | |
| 3,000,000 | Chico's FAS Inc. | USA | USD | 47,020,949 | 0.61 |
| | **Application Software** | | | | |
| 7,800,000 | Microsoft Corp. | USA | USD | 176,438,780 | 2.30 |
| 6,903,600 | Oracle Corp. | USA | USD | 89,638,809 | 1.17 |
| | | | | 266,077,589 | 3.47 |
| | **Automobile Manufacturers** | | | | |
| 2,918,100 | Bayerische Motoren Werke AG | DEU | EUR | 127,229,160 | 1.66 |
| 1,700,000 | Peugeot SA | FRA | EUR | 85,340,000 | 1.11 |
| 1,000,000 | Harley-Davidson Inc. | USA | USD | 53,384,344 | 0.70 |
| | | | | 265,953,504 | 3.47 |
| | **Banks** | | | | |
| 4,980,366 | Royal Bank of Scotland Group PLC | GBR | GBP | 147,254,464 | 1.92 |
| 12,000 | Mitsubishi UFJ Financial Group Inc. | JPN | JPY | 112,262,199 | 1.47 |
| 8,000,000 | HSBC Holdings PLC | GBR | HKD | 111,093,080 | 1.45 |
| 3,300,020 | The Bank of New York Co., Inc. | USA | USD | 98,421,873 | 1.28 |
| 10,320,250 | UniCredito Italiano SpA | ITA | EUR | 68,526,460 | 0.89 |
| 11,065,000 | Shinsei Bank Ltd. | JPN | JPY | 49,292,906 | 0.64 |
| 699,994 | Kookmin Bank | KOR | KRW | 42,707,370 | 0.56 |
| 2,400,000 | Banco Santander Central Hispano SA | ESP | EUR | 33,936,000 | 0.44 |
| 350,000 | Kookmin Bank, ADR | KOR | USD | 21,381,010 | 0.28 |
| | | | | 684,875,362 | 8.93 |
| | **Broadcasting & Cable TV** | | | | |
| 3,750,000 | Mediaset SpA | ITA | EUR | 33,712,500 | 0.44 |
| | **Building Products** | | | | |
| 1,323,000 | American Standard Cos., Inc. | USA | USD | 45,952,466 | 0.60 |
| | **Commercial Printing** | | | | |
| 3,987,608 | Quebecor World Inc. | CAN | CAD | 34,997,479 | 0.46 |
| | **Computer Storage & Peripherals** | | | | |
| 6,200,000 | Seagate Technology | USA | USD | 124,464,989 | 1.62 |
| | **Consumer Electronics** | | | | |
| 5,000,000 | Eastman Kodak Co. | USA | USD | 97,723,576 | 1.28 |
| 2,191,361 | Fujifilm Holdings Corp. | JPN | JPY | 68,195,819 | 0.89 |
| 1,000,000 | Sony Corp. | JPN | JPY | 32,456,758 | 0.42 |
| | | | | 198,376,153 | 2.59 |
| | **Diversified Commercial Services** | | | | |
| 3,000,000 | Expedia Inc. | USA | USD | 47,680,015 | 0.62 |
| 2,500,000 | H&R Block Inc. | USA | USD | 43,634,713 | 0.57 |
| 16,000,000 | Rentokil Initial PLC | GBR | GBP | 39,402,881 | 0.51 |
| | | | | 130,717,609 | 1.70 |
| | **Diversified Financial Services** | | | | |
| 1,593,718 | UBS AG | CHE | CHF | 73,367,349 | 0.96 |
| 1,321,012 | ING Groep NV | NLD | EUR | 44,372,793 | 0.58 |
| 2,000,076 | Nomura Holdings Inc. | JPN | JPY | 28,575,761 | 0.37 |
| | | | | 146,315,903 | 1.91 |
| | **Electric Utilities** | | | | |
| 6,643,197 | National Grid PLC | GBR | GBP | 72,684,041 | 0.95 |
| 1,500,000 | DTE Energy Co. | USA | USD | 55,009,283 | 0.72 |
| 8,000,000 | Hong Kong Electric Holdings Ltd. | HKG | HKD | 29,681,952 | 0.38 |
| | | | | 157,375,276 | 2.05 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Gas Utilities** | | | | |
| 8,750,000 | El Paso Corp. | USA | USD | 101,284,047 | 1.32 |
| | **Health Care Equipment** | | | | |
| 8,700,000 | Boston Scientific Corp. | USA | USD | 113,227,535 | 1.48 |
| | **Health Care Facilities** | | | | |
| 10,000,000 | Tenet Healthcare Corp. | USA | USD | 52,801,033 | 0.69 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 1,000,000 | Accor SA | FRA | EUR | 58,700,000 | 0.77 |
| | **Household Products** | | | | |
| 1,250,000 | Svenska Cellulosa AB, B | SWE | SEK | 49,411,616 | 0.64 |
| | **Industrial Machinery** | | | | |
| 7,500,000 | Tyco International Ltd. | USA | USD | 172,720,739 | 2.25 |
| 2,000,000 | Siemens AG | DEU | EUR | 151,200,000 | 1.97 |
| 2,700,000 | Koninklijke Philips Electronics NV | NLD | EUR | 77,139,000 | 1.01 |
| 7,000,426 | Hitachi Ltd. | JPN | JPY | 33,056,992 | 0.43 |
| 3,000,078 | Swire Pacific Ltd., A | HKG | HKD | 24,409,366 | 0.32 |
| 1,000,000 | Smiths Group PLC | GBR | GBP | 14,709,321 | 0.19 |
| | | | | 473,235,418 | 6.17 |
| | **Insurance Brokers** | | | | |
| 3,000,000 | Willis Group Holdings Ltd. | USA | USD | 90,246,586 | 1.18 |
| | **Integrated Oil & Gas** | | | | |
| 4,000,000 | Royal Dutch Shell PLC, B | GBR | GBP | 106,221,623 | 1.39 |
| 11,952,877 | BP PLC | GBR | GBP | 100,632,492 | 1.31 |
| 2,700,000 | Repsol YPF SA | ESP | EUR | 70,740,000 | 0.92 |
| 2,739,201 | Eni SpA | ITA | EUR | 69,794,842 | 0.91 |
| | | | | 347,388,957 | 4.53 |
| | **Integrated Telecommunication Services** | | | | |
| 5,000,000 | France Telecom SA | FRA | EUR | 104,750,000 | 1.37 |
| 3,287,042 | KT Corp., ADR | KOR | USD | 63,123,760 | 0.82 |
| 1,600,000 | Telefonos de Mexico SA de CV, L, ADR | MEX | USD | 34,253,250 | 0.45 |
| 1,600,000 | BCE Inc. | CAN | CAD | 32,661,803 | 0.42 |
| | | | | 234,788,813 | 3.06 |
| | **IT Consulting & Services** | | | | |
| 3,984,293 | Electronic Data Systems Corp. | USA | USD | 83,153,879 | 1.08 |
| 2,600,000 | Accenture Ltd., A | USA | USD | 72,738,157 | 0.95 |
| | | | | 155,892,036 | 2.03 |
| | **Leisure Products** | | | | |
| 100,000 | Nintendo Co., Ltd. | JPN | JPY | 19,664,977 | 0.26 |
| | **Life & Health Insurance** | | | | |
| 827,417 | Torchmark Corp. | USA | USD | 39,965,236 | 0.52 |
| 7,810,060 | Standard Life Assurance Co. | GBR | GBP | 34,267,233 | 0.45 |
| | | | | 74,232,469 | 0.97 |
| | **Movies & Entertainment** | | | | |
| 11,000,000 | News Corp., A | USA | USD | 178,993,229 | 2.34 |
| 7,498,300 | Time Warner Inc. | USA | USD | 123,717,270 | 1.61 |
| 3,800,000 | Viacom Inc., B | USA | USD | 118,112,198 | 1.54 |
| | | | | 420,822,697 | 5.49 |
| | **Multi-Line Insurance** | | | | |
| 2,750,000 | American International Group Inc. | USA | USD | 149,286,019 | 1.95 |
| 7,103,767 | Aviva PLC | GBR | GBP | 86,628,429 | 1.13 |
| 640,000 | Muenchener Rueckversicherungs-Gesellschaft AG | DEU | EUR | 83,840,000 | 1.09 |
| | | | | 319,754,448 | 4.17 |
| | **Networking Equipment** | | | | |
| 5,400,000 | The DIRECTV Group Inc. | USA | USD | 102,023,413 | 1.33 |
| 11,091,164 | British Sky Broadcasting Group PLC | GBR | GBP | 85,890,977 | 1.12 |
| 2,700,000 | Comcast Corp., A | USA | USD | 85,660,396 | 1.12 |
| | | | | 273,574,786 | 3.57 |
| | **Office Electronics** | | | | |
| 5,976,439 | Konica Minolta Holdings Ltd. | JPN | JPY | 63,897,922 | 0.83 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Packaged Foods** | | | | |
| 300,000 | Nestle SA | CHE | CHF | 80,756,118 | 1.05 |
| 3,054,714 | Unilever NV | NLD | EUR | 63,232,580 | 0.83 |
| | | | | 143,988,698 | 1.88 |
| | **Paper Products** | | | | |
| 3,600,000 | International Paper Co. | USA | USD | 92,996,482 | 1.21 |
| 4,000,000 | UPM-Kymmene OYJ | FIN | EUR | 76,480,000 | 1.00 |
| 5,600,000 | Stora Enso OYJ, R | FIN | EUR | 67,200,000 | 0.88 |
| 3,500,000 | Sappi Ltd. | ZAF | ZAR | 44,450,329 | 0.58 |
| | | | | 281,126,811 | 3.67 |
| | **Pharmaceuticals** | | | | |
| 4,382,722 | Merck & Co., Inc. | USA | USD | 144,757,160 | 1.89 |
| 6,200,000 | Pfizer Inc. | USA | USD | 121,646,913 | 1.59 |
| 5,478,402 | GlaxoSmithKline PLC | GBR | GBP | 109,232,803 | 1.42 |
| 4,000,000 | Bristol-Myers Squibb Co. | USA | USD | 79,754,559 | 1.04 |
| 1,350,010 | Takeda Pharmaceutical Co., Ltd. | JPN | JPY | 70,193,032 | 0.92 |
| 1,000,000 | Sanofi-Aventis | FRA | EUR | 69,950,000 | 0.91 |
| 1,600,000 | Abbott Laboratories | USA | USD | 59,040,191 | 0.77 |
| 1,245,092 | Novartis AG | CHE | CHF | 54,376,851 | 0.71 |
| | | | | 708,951,509 | 9.25 |
| | **Property & Casualty Insurance** | | | | |
| 1,376,471 | Swiss Reinsurance Co. | CHE | CHF | 88,652,933 | 1.16 |
| 1,200,000 | XL Capital Ltd., A | BMU | USD | 65,470,250 | 0.85 |
| 996,074 | ACE Ltd. | BMU | USD | 45,704,485 | 0.60 |
| | | | | 199,827,668 | 2.61 |
| | **Publishing & Printing** | | | | |
| 8,000,000 | Reed Elsevier NV | NLD | EUR | 103,360,000 | 1.35 |
| 6,700,000 | Pearson PLC | GBR | GBP | 76,685,039 | 1.00 |
| | | | | 180,045,039 | 2.35 |
| | **Real Estate Management & Development** | | | | |
| 2,403,848 | Cheung Kong (Holdings) Ltd. | HKG | HKD | 22,414,202 | 0.29 |
| | **Restaurants** | | | | |
| 21,420,790 | Compass Group PLC | GBR | GBP | 92,158,075 | 1.20 |
| | **Semiconductor Equipment** | | | | |
| 3,500,000 | Cadence Design Systems Inc. | USA | USD | 47,486,840 | 0.62 |
| | **Semiconductors** | | | | |
| 70,000 | Samsung Electronics Co., Ltd. | KOR | KRW | 34,953,060 | 0.45 |
| 2,221,000 | Infineon Technologies AG | DEU | EUR | 23,675,860 | 0.31 |
| | | | | 58,628,920 | 0.76 |
| | **Wireless Telecommunication Services** | | | | |
| 60,000,000 | Vodafone Group PLC | GBR | GBP | 125,952,735 | 1.64 |
| 1,992,147 | SK Telecom Co., Ltd., ADR | KOR | USD | 39,962,164 | 0.52 |
| 100,000 | SK Telecom Co., Ltd. | KOR | KRW | 18,124,111 | 0.24 |
| | | | | 184,039,010 | 2.40 |
| | **TOTAL SHARES** | | | 7,184,000,288 | 93.70 |
| | **BONDS** | | | | |
| | **Government Bonds** | | | | |
| 35,000,000 | Government of Germany, 5.00%, 07/04/11 | DEU | EUR | 36,501,780 | 0.48 |
| | **TOTAL BONDS** | | | 36,501,780 | 0.48 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 7,220,502,068 | 94.18 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Aerospace & Defence** | | | | |
| 63,610,678 | Rolls-Royce Group PLC, B | GBR | GBP | 95,785 | 0.00 |
| | **TOTAL SHARES** | | | 95,785 | 0.00 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — EUR)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **BONDS** | | | | |
| | **Securities Maturing Within One Year** | | | | |
| 50,000,000 | Bank Of Scotland, 3.42%, 01/09/07 | IRL | EUR | 50,000,000 | 0.65 |
| 50,000,000 | Dresdner Bank AG, 5.30%, 01/26/07 | USA | USD | 37,877,355 | 0.50 |
| | | | | 87,877,355 | 1.15 |
| | **TOTAL BONDS** | | | 87,877,355 | 1.15 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 87,973,140 | 1.15 |
| | **TOTAL INVESTMENTS** | | | 7,308,475,208 | 95.33 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Apparel Retail** | | | | |
| 3,000 | Fast Retailing Co., Ltd. | JPN | JPY | 286,303 | 0.34 |
| 4,420 | Honeys Co., Ltd. | JPN | JPY | 164,123 | 0.20 |
| | | | | 450,426 | 0.54 |
| | **Application Software** | | | | |
| 47,000 | Trend Micro Inc. | JPN | JPY | 1,377,998 | 1.64 |
| | **Automobile Manufacturers** | | | | |
| 97,000 | Toyota Motor Corp. | JPN | JPY | 6,486,495 | 7.71 |
| 130,000 | Nissan Motor Co., Ltd. | JPN | JPY | 1,565,002 | 1.86 |
| | | | | 8,051,497 | 9.57 |
| | **Banks** | | | | |
| 249 | Mitsubishi UFJ Financial Group Inc. | JPN | JPY | 3,074,978 | 3.66 |
| 117 | Sumitomo Mitsui Financial Group Inc. | JPN | JPY | 1,199,143 | 1.42 |
| 21,000 | The Chiba Bank Ltd. | JPN | JPY | 177,477 | 0.21 |
| | | | | 4,451,598 | 5.29 |
| | **Brewers** | | | | |
| 60,000 | Kirin Brewery Co., Ltd. | JPN | JPY | 943,084 | 1.12 |
| | **Building Products** | | | | |
| 318,000 | Nippon Sheet Glass Co. | JPN | JPY | 1,490,688 | 1.77 |
| | **Computer Storage & Peripherals** | | | | |
| 162,000 | Fujitsu Ltd. | JPN | JPY | 1,271,122 | 1.51 |
| | **Construction & Engineering** | | | | |
| 88,000 | Chiyoda Corp. | JPN | JPY | 1,722,519 | 2.05 |
| | **Construction & Farm Machinery** | | | | |
| 96,000 | Daihatsu Diesel Manufacturing Co., Ltd. | JPN | JPY | 583,895 | 0.69 |
| | **Consumer Finance** | | | | |
| 5,000 | Promise Co., Ltd. | JPN | JPY | 155,416 | 0.19 |
| | **Department Stores** | | | | |
| 57,000 | Takashimaya Co., Ltd. | JPN | JPY | 805,427 | 0.96 |
| 28,700 | Isetan Co., Ltd. | JPN | JPY | 518,377 | 0.61 |
| | | | | 1,323,804 | 1.57 |
| | **Diversified Commercial Services** | | | | |
| 31,000 | Secom Co., Ltd. | JPN | JPY | 1,606,838 | 1.91 |
| | **Diversified Financial Services** | | | | |
| 72,000 | Nomura Holdings Inc. | JPN | JPY | 1,357,920 | 1.61 |
| 142 | Mizuho Financial Group Inc. | JPN | JPY | 1,013,987 | 1.21 |
| | | | | 2,371,907 | 2.82 |
| | **Diversified Metals & Mining** | | | | |
| 62,000 | Sumitomo Metal Mining Co., Ltd. | JPN | JPY | 795,346 | 0.95 |
| 53,000 | Toho Zinc Co., Ltd. | JPN | JPY | 503,575 | 0.60 |
| | | | | 1,298,921 | 1.55 |
| | **Electrical Components & Equipment** | | | | |
| 233,000 | Furukawa Electric Co., Ltd. | JPN | JPY | 1,464,141 | 1.74 |
| | **Electronic Equipment & Instruments** | | | | |
| 17,400 | Murata Manufacturing Co., Ltd. | JPN | JPY | 1,176,713 | 1.40 |
| 13,500 | Sumco Corp. | JPN | JPY | 1,140,925 | 1.36 |
| | | | | 2,317,638 | 2.76 |
| | **Home Furnishings** | | | | |
| 28,300 | SHOEI Co., Ltd. | JPN | JPY | 563,456 | 0.67 |
| | **Homebuilding** | | | | |
| 20,600 | Joint Corp. | JPN | JPY | 792,607 | 0.94 |
| | **Industrial Conglomerates** | | | | |
| 80,000 | Organo Corp. | JPN | JPY | 825,303 | 0.98 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Industrial Machinery** | | | | |
| 123,000 | Sumitomo Heavy Industries Ltd. | JPN | JPY | 1,291,637 | 1.54 |
| 119,000 | NSK Ltd. | JPN | JPY | 1,172,655 | 1.39 |
| 7,900 | SMC Corp. | JPN | JPY | 1,120,276 | 1.33 |
| 55,800 | ARRK Corp. | JPN | JPY | 840,504 | 1.00 |
| 27,600 | THK Co., Ltd. | JPN | JPY | 711,824 | 0.85 |
| 39,700 | Neturen Co., Ltd. | JPN | JPY | 498,272 | 0.59 |
| | | | | 5,635,168 | 6.70 |
| | **IT Consulting & Services** | | | | |
| 220 | NTT Data Corp. | JPN | JPY | 1,101,525 | 1.31 |
| 54,000 | Softbank Corp. | JPN | JPY | 1,050,195 | 1.25 |
| 6,700 | Otsuka Corp. | JPN | JPY | 681,060 | 0.81 |
| | | | | 2,832,780 | 3.37 |
| | **Leisure Products** | | | | |
| 9,000 | Nintendo Co., Ltd. | JPN | JPY | 2,336,288 | 2.78 |
| 75,200 | Konami Corp. | JPN | JPY | 2,274,289 | 2.70 |
| 34,000 | Otsuka Kagu Ltd. | JPN | JPY | 1,039,694 | 1.24 |
| | | | | 5,650,271 | 6.72 |
| | **Office Electronics** | | | | |
| 47,000 | CANON Inc. | JPN | JPY | 2,645,440 | 3.15 |
| 225,000 | Toshiba Corp. | JPN | JPY | 1,464,905 | 1.74 |
| 45,300 | Omron Corp. | JPN | JPY | 1,286,294 | 1.53 |
| 13,000 | Kyocera Corp. | JPN | JPY | 1,225,354 | 1.46 |
| 4,500 | Keyence Corp. | JPN | JPY | 1,114,840 | 1.33 |
| 66,500 | Yokogawa Electric Corp. | JPN | JPY | 1,054,190 | 1.25 |
| 110,000 | Dainippon Screen Manufacturing Co., Ltd. | JPN | JPY | 987,861 | 1.17 |
| | | | | 9,778,884 | 11.63 |
| | **Office Services & Supplies** | | | | |
| 30,200 | Glory Ltd. | JPN | JPY | 531,516 | 0.63 |
| | **Oil & Gas Drilling** | | | | |
| 121 | INPEX Holdings Inc. | JPN | JPY | 994,145 | 1.18 |
| | **Pharmaceuticals** | | | | |
| 30,400 | Takeda Pharmaceutical Co., Ltd. | JPN | JPY | 2,086,512 | 2.48 |
| | **Property & Casualty Insurance** | | | | |
| 35,060 | Millea Holdings Inc. | JPN | JPY | 1,237,048 | 1.47 |
| | **Real Estate Management & Development** | | | | |
| 2,523 | K.K. DaVinci Advisors | JPN | JPY | 2,501,063 | 2.97 |
| 15,000 | Nomura Real Estate Holdings Inc. | JPN | JPY | 495,232 | 0.59 |
| | | | | 2,996,295 | 3.56 |
| | **Semiconductor Equipment** | | | | |
| 24,000 | Tokyo Electron Ltd. | JPN | JPY | 1,891,208 | 2.25 |
| 32,600 | Advantest Corp. | JPN | JPY | 1,867,787 | 2.22 |
| 28,100 | Micronics Japan Co., Ltd. | JPN | JPY | 1,038,686 | 1.23 |
| 14,000 | Tokyo Seimitsu Co., Ltd. | JPN | JPY | 660,982 | 0.79 |
| | | | | 5,458,663 | 6.49 |
| | **Semiconductors** | | | | |
| 34,400 | Elpida Memory Inc. | JPN | JPY | 1,889,999 | 2.25 |
| | **Steel** | | | | |
| 17,300 | JFE Holdings Inc. | JPN | JPY | 890,906 | 1.06 |
| 151,000 | Kobe Steel Ltd. | JPN | JPY | 517,562 | 0.62 |
| | | | | 1,408,468 | 1.68 |
| | **Tobacco** | | | | |
| 660 | Japan Tobacco Inc. | JPN | JPY | 3,188,138 | 3.79 |
| | **Trading Companies & Distributors** | | | | |
| 117,000 | Mitsui & Co., Ltd. | JPN | JPY | 1,749,570 | 2.08 |
| 59,000 | Sumitomo Corp. | JPN | JPY | 882,757 | 1.05 |
| | | | | 2,632,327 | 3.13 |
| | **Trucking** | | | | |
| 58,000 | Sankyu Inc. | JPN | JPY | 342,051 | 0.41 |
| | **Tyres & Rubber** | | | | |
| 39,000 | Denso Corp. | JPN | JPY | 1,546,436 | 1.84 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Wireless Telecommunication Services** | | | | |
| 1,313 | NTT DoCoMo Inc. | JPN | JPY | 2,073,710 | 2.47 |
| 49 | KDDI Corp. | JPN | JPY | 332,196 | 0.39 |
| | | | | 2,405,906 | 2.86 |
| | **TOTAL SHARES** | | | 83,677,465 | 99.50 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 83,677,465 | 99.50 |
| | **TOTAL INVESTMENTS** | | | 83,677,465 | 99.50 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Apparel Retail** | | | | |
| 67,130 | LG Fashion Corp. | KOR | KRW | 1,515,839 | 1.12 |
| | **Automobile Manufacturers** | | | | |
| 56,440 | Hyundai Motor Co., Ltd. | KOR | KRW | 4,090,383 | 3.02 |
| 271,670 | Kia Motors Corp. | KOR | KRW | 3,928,991 | 2.91 |
| | | | | 8,019,374 | 5.93 |
| | **Banks** | | | | |
| 60,903 | Hana Financial Group Inc. | KOR | KRW | 3,202,319 | 2.37 |
| | **Brewers** | | | | |
| 33,270 | Hite Brewery Co., Ltd. | KOR | KRW | 4,275,016 | 3.16 |
| 275,399 | Kook Soon Dang Brewery Co., Ltd. | KOR | KRW | 1,815,264 | 1.35 |
| | | | | 6,090,280 | 4.51 |
| | **Casinos & Gaming** | | | | |
| 308,740 | Kangwon Land Inc. | KOR | KRW | 6,705,966 | 4.96 |
| | **Construction & Engineering** | | | | |
| 222,000 | Daewoo Engineering & Construction Co., Ltd. | KOR | KRW | 4,559,355 | 3.37 |
| 47,090 | Daelim Industrial Co. | KOR | KRW | 3,848,215 | 2.85 |
| 27,730 | Samwhan Corp. | KOR | KRW | 715,613 | 0.53 |
| | | | | 9,123,183 | 6.75 |
| | **Construction & Farm Machinery** | | | | |
| 105,783 | Samsung Heavy Industries Co., Ltd. | KOR | KRW | 2,536,517 | 1.88 |
| | **Consumer Electronics** | | | | |
| 102,790 | LG Electronics Inc. | KOR | KRW | 6,078,979 | 4.50 |
| 572,449 | Haatz Inc. | KOR | KRW | 2,055,892 | 1.52 |
| | | | | 8,134,871 | 6.02 |
| | **Consumer Finance** | | | | |
| 60,360 | LG Card Co., Ltd. | KOR | KRW | 4,017,510 | 2.97 |
| | **Department Stores** | | | | |
| 15,400 | Lotte Shopping Co., Ltd. | KOR | KRW | 6,391,828 | 4.73 |
| | **Distributors** | | | | |
| 96,140 | LG.Philips LCD Co., Ltd. | KOR | KRW | 2,879,031 | 2.13 |
| | **Diversified Chemicals** | | | | |
| 173,790 | Samsung Fine Chemicals Co., Ltd. | KOR | KRW | 4,354,093 | 3.22 |
| | **Diversified Commercial Services** | | | | |
| 118,723 | YBM Sisa.com Inc. | KOR | KRW | 2,999,990 | 2.22 |
| | **Diversified Financial Services** | | | | |
| 217,000 | Shinhan Financial Group Co., Ltd. | KOR | KRW | 11,083,333 | 8.20 |
| 84,000 | GS Holdings Corp. | KOR | KRW | 2,718,710 | 2.01 |
| | | | | 13,802,043 | 10.21 |
| | **Electronic Equipment & Instruments** | | | | |
| 240,680 | Jahwa Electronics Co., Ltd. | KOR | KRW | 2,148,004 | 1.59 |
| | **Integrated Oil & Gas** | | | | |
| 159,360 | SK Corp. | KOR | KRW | 12,508,903 | 9.25 |
| | **Office Electronics** | | | | |
| 416,322 | iRevo Inc. | KOR | KRW | 1,112,430 | 0.82 |
| | **Publishing & Printing** | | | | |
| 71,690 | Daekyo Co., Ltd. | KOR | KRW | 7,169,000 | 5.30 |
| | **Semiconductors** | | | | |
| 19,820 | Samsung Electronics Co., Ltd. | KOR | KRW | 13,064,150 | 9.67 |
| | **Speciality Chemicals** | | | | |
| 77,190 | LG Petrochemical Co., Ltd. | KOR | KRW | 1,950,500 | 1.44 |
| 36,740 | LG Chem Ltd. | KOR | KRW | 1,702,682 | 1.26 |
| 40,000 | LG Corp. | KOR | KRW | 1,283,871 | 0.95 |
| | | | | 4,937,053 | 3.65 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Steel** | | | | |
| 12,190 | POSCO | KOR | KRW | 4,050,226 | 3.00 |
| | **Wireless Telecommunication Services** | | | | |
| 45,992 | SK Telecom Co., Ltd. | KOR | KRW | 11,003,462 | 8.14 |
| | **TOTAL SHARES** | | | 135,766,072 | 100.44 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 135,766,072 | 100.44 |
| | **TOTAL INVESTMENTS** | | | 135,766,072 | 100.44 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Airlines** | | | | |
| 789,000 | Tam SA, pfd. | BRA | BRL | 24,558,156 | 3.01 |
| | **Application Software** | | | | |
| 2,756,000 | La Polar SA | CHL | CLP | 14,107,448 | 1.73 |
| | **Banks** | | | | |
| 301,600 | Unibanco – Uniao de Bancos Brasileiros SA, GDR, pfd. | BRA | USD | 28,036,736 | 3.44 |
| 3,965,500 | Grupo Financiero Banorte SA de CV, O | MEX | MXN | 15,505,563 | 1.90 |
| 440,500 | Banco Latinoamericano de Exportaciones SA, E | PAN | USD | 7,470,880 | 0.91 |
| 539,125 | BBVA Banco Frances SA, ADR | ARG | USD | 5,121,688 | 0.63 |
| 110,100 | Banco Macro SA, ADR | ARG | USD | 3,436,221 | 0.42 |
| | | | | 59,571,088 | 7.30 |
| | **Brewers** | | | | |
| 31,841,495 | Companhia de Bebidas das Americas (AmBev) | BRA | BRL | 14,054,074 | 1.72 |
| | **Broadcasting & Cable TV** | | | | |
| 1,667,700 | Grupo Televisa SA | MEX | MXN | 9,035,707 | 1.11 |
| | **Construction & Farm Machinery** | | | | |
| 9,829,400 | Marcopolo SA, pfd. | BRA | BRL | 27,374,177 | 3.35 |
| | **Consumer Finance** | | | | |
| 1,206,800 | Localiza Rent a Car SA | BRA | BRL | 36,291,552 | 4.45 |
| | **Diversified Financial Services** | | | | |
| 6,202,000 | Investimentos Itau SA, pfd. | BRA | BRL | 31,699,433 | 3.89 |
| 526,923 | Bradespar SA, pfd. | BRA | BRL | 24,909,536 | 3.05 |
| | | | | 56,608,969 | 6.94 |
| | **Diversified Metals & Mining** | | | | |
| 1,196,850 | Companhia Vale do Rio Doce, ADR, pfd., A | BRA | USD | 31,417,313 | 3.85 |
| 411,100 | Compania de Minas Buenaventura SA, ADR | PER | USD | 11,535,466 | 1.41 |
| | | | | 42,952,779 | 5.26 |
| | **Electric Utilities** | | | | |
| 782,004,431 | AES Tiete SA | BRA | BRL | 22,693,318 | 2.78 |
| 1,250,000,000 | Companhia Energetica De Sao Paulo, pfd., B | BRA | BRL | 14,626,726 | 1.79 |
| 700,000 | Terna Participacoes SA | BRA | BRL | 7,896,092 | 0.97 |
| | | | | 45,216,136 | 5.54 |
| | **Electrical Components & Equipment** | | | | |
| 1,507,900 | Energias do Brasil SA | BRA | BRL | 23,290,756 | 2.85 |
| | **Food Distributors** | | | | |
| 5,829,700 | Grupo Bimbo SA de CV, A | MEX | MXN | 29,141,080 | 3.57 |
| 5,538,700 | Gruma SA | MEX | MXN | 20,200,854 | 2.48 |
| | | | | 49,341,934 | 6.05 |
| | **General Merchandise Stores** | | | | |
| 6,096,500 | Controladora Comercial Mexicana SA | MEX | MXN | 15,801,717 | 1.94 |
| | **Homebuilding** | | | | |
| 1,678,200 | Urbi, Desarrollos Urbanos, SA de CV | MEX | MXN | 6,058,624 | 0.74 |
| | **Household Products** | | | | |
| 2,974,030 | Kimberly Clark de Mexico SAB de CV, A | MEX | MXN | 13,737,622 | 1.68 |
| | **Industrial Machinery** | | | | |
| 3,670,368 | Alfa SAB de CV | MEX | MXN | 24,428,915 | 2.99 |
| | **Integrated Oil & Gas** | | | | |
| 843,210 | Petroleo Brasileiro SA, ADR, pfd. | BRA | USD | 78,216,160 | 9.58 |
| | **Integrated Telecommunication Services** | | | | |
| 437,434 | Telefonos de Mexico SA de CV, L, ADR | MEX | USD | 12,361,885 | 1.52 |
| | **Meat, Poultry & Fish** | | | | |
| 6,480,000 | Sadia SA, pfd. | BRA | BRL | 21,716,265 | 2.66 |
| 989,700 | Perdigao SA | BRA | BRL | 13,887,763 | 1.70 |
| | | | | 35,604,028 | 4.36 |
| | **Oil & Gas Equipment & Services** | | | | |
| 312,269 | Tenaris SA, ADR | ARG | USD | 15,579,100 | 1.91 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Soft Drinks** | | | | |
| 175,686 | Fomento Economico Mexicano SA de CV, ADR | MEX | USD | 20,337,411 | 2.49 |
| 2,930,733 | Embotelladoras Arca SA | MEX | MXN | 11,936,984 | 1.46 |
| 2,512,557 | Embotelladora Andina SA, pfd., A | CHL | CLP | 6,602,925 | 0.81 |
| | | | | 38,877,320 | 4.76 |
| | **Steel** | | | | |
| 1,443,291 | Metalurgica Gerdau SA, pfd. | BRA | BRL | 29,689,979 | 3.64 |
| 534,000 | Ternium SA, ADR | ARG | USD | 15,790,380 | 1.93 |
| 289,440 | Usinas Siderurgicas de Minas Gerais SA, pfd., A | BRA | BRL | 10,905,649 | 1.34 |
| | | | | 56,386,008 | 6.91 |
| | **Tobacco** | | | | |
| 611,800 | Souza Cruz SA | BRA | BRL | 10,895,853 | 1.34 |
| | **Wireless Telecommunication Services** | | | | |
| 712,800 | America Movil SA de CV, L, ADR | MEX | USD | 32,232,816 | 3.95 |
| | **TOTAL SHARES** | | | 742,582,824 | 90.99 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 742,582,824 | 90.99 |
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **SHARES** | | | | |
| | **Banks** | | | | |
| 750,600 | Banco Nossa Caixa SA | BRA | BRL | 16,863,468 | 2.07 |
| | **Electric Utilities** | | | | |
| 48,100,000 | AES Tiete SA | BRA | BRL | 1,395,835 | 0.17 |
| | **Water Utilities** | | | | |
| 525,000 | Inversiones Aguas Metropolitanas SA, ADR, Reg S | CHL | USD | 12,919,132 | 1.58 |
| | **TOTAL SHARES** | | | 31,178,435 | 3.82 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 31,178,435 | 3.82 |
| | **TOTAL INVESTMENTS** | | | 773,761,259 | 94.81 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | SHARES | | | | |
| | **Airlines** | | | | |
| 5,973,900 | Thai Airways International Public Co., Ltd., fgn. | THA | THB | 7,498,972 | 3.68 |
| | **Banks** | | | | |
| 5,540,660 | Bangkok Bank Public Co., Ltd., fgn. | THA | THB | 17,973,932 | 8.82 |
| 7,286,000 | Kasikornbank Public Co., Ltd., fgn. | THA | THB | 12,845,557 | 6.30 |
| 5,070,500 | Siam Commercial Bank Public Co., Ltd., fgn. | THA | THB | 8,295,881 | 4.07 |
| 91,847,646 | TMB Bank Public Co., Ltd., fgn. | THA | THB | 6,736,358 | 3.31 |
| 6,115,600 | Bank of Ayudhya Public Co., Ltd., fgn. | THA | THB | 3,191,498 | 1.57 |
| | | | | 49,043,226 | 24.07 |
| | **Brewers** | | | | |
| 12,514,000 | Thai Beverages Co., Ltd.,fgn. | THA | SGD | 2,203,384 | 1.08 |
| | **Broadcasting & Cable TV** | | | | |
| 8,639,670 | BEC World Public Co., Ltd., fgn. | THA | THB | 5,142,371 | 2.52 |
| | **Computer Storage & Peripherals** | | | | |
| 23,817,000 | Cal-Comp Electronics (Thailand) Public Co., Ltd., fgn. | THA | THB | 2,969,567 | 1.46 |
| | **Construction & Engineering** | | | | |
| 27,154,400 | Italian-Thai Development Public Co., Ltd., fgn. | THA | THB | 4,136,354 | 2.03 |
| | **Construction Materials** | | | | |
| 2,530,346 | Siam Cement Public Co., Ltd., fgn. | THA | THB | 18,129,982 | 8.90 |
| 301,900 | Siam City Cement Public Co., Ltd., fgn. | THA | THB | 2,163,120 | 1.06 |
| | | | | 20,293,102 | 9.96 |
| | **Consumer Finance** | | | | |
| 11,844,500 | Thanachart Capital Public Co., Ltd., fgn. | THA | THB | 4,644,247 | 2.28 |
| 6,413,300 | TISCO Bank Public Co., Ltd., fgn. | THA | THB | 3,998,136 | 1.96 |
| 2,455,200 | Kiatnakin Bank Public Co., Ltd., fgn. | THA | THB | 2,008,485 | 0.98 |
| | | | | 10,650,868 | 5.22 |
| | **Electric Utilities** | | | | |
| 353,300 | Electricity Generating Public Co., Ltd., fgn. | THA | THB | 951,767 | 0.47 |
| | **Electronic Equipment & Instruments** | | | | |
| 8,798,500 | Hana Microelectronics Public Co., Ltd., fgn. | THA | THB | 6,949,450 | 3.41 |
| | **General Merchandise Stores** | | | | |
| 1,496,811 | Siam Makro Public Co., Ltd., fgn. | THA | THB | 4,137,870 | 2.03 |
| | **Homebuilding** | | | | |
| 36,828,300 | Land and Houses Public Co., Ltd., fgn. | THA | THB | 7,168,273 | 3.52 |
| | **Hotels, Resorts & Cruiselines** | | | | |
| 2,710,913 | Minor International Public Co., Ltd., fgn. | THA | THB | 910,011 | 0.45 |
| 524,500 | Dusit Thani Public Co., Ltd., fgn. | THA | THB | 654,700 | 0.32 |
| | | | | 1,564,711 | 0.77 |
| | **Integrated Oil & Gas** | | | | |
| 3,300,100 | PTT Public Co., Ltd., fgn. | THA | THB | 19,549,253 | 9.59 |
| 5,634,000 | Rayong Refinery PCL, fgn. | THA | THB | 2,701,777 | 1.33 |
| | | | | 22,251,030 | 10.92 |
| | **Meat, Poultry & Fish** | | | | |
| 4,950,200 | Thai Union Frozen Products Ltd., fgn. | THA | THB | 3,805,161 | 1.87 |
| | **Movies & Entertainment** | | | | |
| 4,770,300 | GMM Grammy Public Co., Ltd., fgn. | THA | THB | 955,406 | 0.47 |
| | **Office Electronics** | | | | |
| 13,469,508 | Delta Electronics (Thailand) Public Co., Ltd., fgn. | THA | THB | 6,573,272 | 3.22 |
| | **Oil & Gas Drilling** | | | | |
| 3,993,900 | PTT Exploration and Production Public Co., Ltd., fgn. | THA | THB | 10,973,367 | 5.38 |
| | **Real Estate Management & Development** | | | | |
| 18,596,200 | Sansiri PLC, fgn. | THA | THB | 1,678,641 | 0.82 |
| | **Speciality Chemicals** | | | | |
| 3,589,500 | Aromatics (Thailand) Public Co., Ltd., fgn. | THA | THB | 3,265,483 | 1.60 |
| | **Telecommunications Equipment** | | | | |
| 4,179,500 | Shin Corp. Public Co., Ltd., fgn. | THA | THB | 3,112,519 | 1.53 |
| | **Trucking** | | | | |
| 2,305,500 | Airports of Thailand Public Co., Ltd., fgn. | THA | THB | 3,804,563 | 1.87 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Tyres & Rubber** | | | | |
| 2,874,400 | Aapico Hitech Public Co., Ltd., fgn | THA | THB | 1,370,306 | 0.67 |
| 790,000 | Thai Storage Battery Public Co., Ltd., fgn. | THA | THB | 1,091,961 | 0.54 |
| | | | | 2,462,267 | 1.21 |
| | **Wireless Telecommunication Services** | | | | |
| 4,120,200 | Advanced Info Service Public Co., Ltd., fgn. | THA | THB | 9,065,602 | 4.45 |
| 228,200 | Total Access Communication Public Co., Ltd., fgn. | THA | USD | 981,260 | 0.48 |
| | | | | 10,046,862 | 4.93 |
| | **TOTAL SHARES** | | | 191,638,486 | 94.04 |
| | **RIGHTS** | | | | |
| | **Integrated Telecommunication Services** | | | | |
| 1,209,303 | True Corp. Public Co., Ltd., fgn., rts., 03/28/08 | THA | THB | 0 | 0.00 |
| | **TOTAL RIGHTS** | | | 0 | 0.00 |
| | **TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING** | | | 191,638,486 | 94.04 |
| | **TOTAL INVESTMENTS** | | | 191,638,486 | 94.04 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET | | | | |
| | **BONDS** | | | | |
| | **Securities Maturing Within One Year** | | | | |
| 4,700,000 | General Electric Capital Corp., 0.00%, 01/17/07 | USA | USD | 4,689,698 | 4.25 |
| 4,000,000 | Svenska Handelsbanken Inc., 0.00%, 01/08/07 | USA | USD | 3,996,480 | 3.62 |
| 3,530,000 | Swedish National Housing Finance, 0.00%, 01/29/07 | USA | USD | 3,516,092 | 3.19 |
| 3,500,000 | Bank of America Corp., 0.00%, 01/17/07 | USA | USD | 3,492,286 | 3.17 |
| 3,000,000 | FHLB, 0.00%, 01/19/07 | USA | USD | 2,993,181 | 2.71 |
| 3,000,000 | Internationale Nederlanden U.S., 0.00%, 02/20/07 | USA | USD | 2,978,574 | 2.70 |
| 2,973,000 | Societe Generale NA Inc., 0.00%, 01/08/07 | USA | USD | 2,970,384 | 2.69 |
| 2,785,000 | Cregem North America Inc., 0.00%, 01/17/07 | USA | USD | 2,778,895 | 2.52 |
| 2,500,000 | Morgan Stanley Group Inc., 0.00%, 02/20/07 | USA | USD | 2,482,042 | 2.25 |
| 2,479,000 | FNMA, 0.00%, 02/02/07 | USA | USD | 2,468,454 | 2.24 |
| 2,000,000 | Citigroup Funding Inc., 0.00%, 01/24/07 | USA | USD | 1,993,572 | 1.81 |
| 2,000,000 | HBOS Treasury Services, 0.00%, 02/16/07 | GBR | USD | 1,986,876 | 1.80 |
| 1,700,000 | UBS AG Finance Delaware Inc., 0.00%, 01/05/07 | USA | USD | 1,699,252 | 1.54 |
| 1,500,000 | Westpac Capital Corp., 0.00%, 02/05/07 | USA | USD | 1,492,563 | 1.35 |
| 1,000,000 | HBOS Treasury Services, 0.00%, 02/12/07 | GBR | USD | 994,021 | 0.90 |
| 900,000 | UBS AG Finance Delaware Inc., 0.00%, 01/11/07 | USA | USD | 898,813 | 0.82 |
| 800,000 | Westpac Capital Corp., 0.00%, 01/18/07 | USA | USD | 798,130 | 0.72 |
| 800,000 | Bank Of America Corp., 0.00%, 02/01/07 | USA | USD | 796,480 | 0.72 |
| 690,000 | HBOS Treasury Services, 0.00%, 01/25/07 | GBR | USD | 687,682 | 0.62 |
| 650,000 | JP Morgan Chase Bank, 0.00%, 02/26/07 | USA | USD | 644,764 | 0.58 |
| 600,000 | Commonwealth Bank of Australia, 0.00%, 01/08/07 | USA | USD | 599,472 | 0.54 |
| | | | | 44,957,711 | 40.74 |
| | **TOTAL BONDS** | | | 44,957,711 | 40.74 |
| | **TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET** | | | 44,957,711 | 40.74 |
| | **TOTAL INVESTMENTS** | | | 44,957,711 | 40.74 |

# SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | |
| | **SHARES** | | | | |
| | **Advertising** | | | | |
| 36,680 | Interpublic Group of Cos., Inc. | USA | USD | 448,963 | 2.80 |
| | **Aerospace & Defence** | | | | |
| 2,500 | Raytheon Co. | USA | USD | 132,000 | 0.82 |
| 1,900 | Goodrich Corp. | USA | USD | 86,545 | 0.54 |
| | | | | 218,545 | 1.36 |
| | **Apparel & Accessories** | | | | |
| 6,200 | Kellwood Co. | USA | USD | 201,624 | 1.26 |
| | **Application Software** | | | | |
| 25,500 | Oracle Corp. | USA | USD | 437,070 | 2.72 |
| | **Banks** | | | | |
| 5,000 | Bank of America Corp. | USA | USD | 266,950 | 1.66 |
| 5,000 | The Bank of New York Co., Inc. | USA | USD | 196,850 | 1.23 |
| | | | | 463,800 | 2.89 |
| | **Broadcasting & Cable TV** | | | | |
| 47,600 | Westwood One Inc. | USA | USD | 336,056 | 2.09 |
| | **Commercial Printing** | | | | |
| 1,400 | R. R. Donnelley & Sons Co. | USA | USD | 49,756 | 0.31 |
| | **Data Processing Services** | | | | |
| 5,000 | Convergys Corp. | USA | USD | 118,900 | 0.74 |
| | **Distributors** | | | | |
| 12,300 | Arrow Electronics Inc. | USA | USD | 388,065 | 2.42 |
| 6,290 | Avnet Inc. | USA | USD | 160,584 | 1.00 |
| | | | | 548,649 | 3.42 |
| | **Diversified Chemicals** | | | | |
| 4,700 | The Dow Chemical Co. | USA | USD | 187,718 | 1.17 |
| | **Diversified Commercial Services** | | | | |
| 24,630 | Expedia Inc. | USA | USD | 516,737 | 3.22 |
| 26,700 | Service Corp., International | USA | USD | 273,675 | 1.70 |
| | | | | 790,412 | 4.92 |
| | **Diversified Financial Services** | | | | |
| 5,690 | Morgan Stanley | USA | USD | 463,337 | 2.89 |
| 4,830 | Merrill Lynch & Co., Inc. | USA | USD | 449,673 | 2.80 |
| 5,700 | JPMorgan Chase & Co. | USA | USD | 275,310 | 1.71 |
| | | | | 1,188,320 | 7.40 |
| | **Electronic Equipment & Instruments** | | | | |
| 87,520 | Solectron Corp. | USA | USD | 281,814 | 1.75 |
| | **Gas Utilities** | | | | |
| 22,200 | El Paso Corp. | USA | USD | 339,216 | 2.11 |
| | **General Merchandise Stores** | | | | |
| 7,000 | Kroger Co. | USA | USD | 161,490 | 1.01 |
| | **Health Care Distributors & Services** | | | | |
| 6,170 | Cardinal Health Inc. | USA | USD | 397,533 | 2.48 |
| | **Health Care Equipment** | | | | |
| 27,300 | Boston Scientific Corp. | USA | USD | 469,014 | 2.92 |
| 3,200 | Applera Corp. – Applied Biosystems Group | USA | USD | 117,408 | 0.73 |
| | | | | 586,422 | 3.65 |
| | **Health Care Facilities** | | | | |
| 22,150 | Health Management Associates Inc., A | USA | USD | 467,586 | 2.91 |
| 66,300 | Tenet Healthcare Corp. | USA | USD | 462,111 | 2.88 |
| | | | | 929,697 | 5.79 |
| | **Household Products** | | | | |
| 6,100 | Avon Products Inc. | USA | USD | 201,544 | 1.26 |
| | **Industrial Machinery** | | | | |
| 15,040 | Tyco International Ltd. | USA | USD | 457,216 | 2.85 |
| 5,400 | General Electric Co. | USA | USD | 200,934 | 1.25 |
| | | | | 658,150 | 4.10 |

## SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2006 (continued)

(Currency — USD)
All securities are ordinary unless otherwise stated

| Number of shares or face value | Description | Country code | Trading currency | Market value | % of net assets |
|---|---|---|---|---|---|
| | **Integrated Oil & Gas** | | | | |
| 3,550 | Chevron Corp. | USA | USD | 261,032 | 1.63 |
| | **Integrated Telecommunication Services** | | | | |
| 9,230 | AT&T Inc. | USA | USD | 329,973 | 2.05 |
| | **IT Consulting & Services** | | | | |
| 48,900 | BearingPoint Inc. | USA | USD | 384,843 | 2.40 |
| 6,800 | Electronic Data Systems Corp. | USA | USD | 187,340 | 1.16 |
| | | | | 572,183 | 3.56 |
| | **Leisure Products** | | | | |
| 54,800 | Pier 1 Imports Inc. | USA | USD | 326,060 | 2.03 |
| 2,500 | OfficeMax Inc. | USA | USD | 124,125 | 0.77 |
| | | | | 450,185 | 2.80 |
| | **Metal & Glass Containers** | | | | |
| 3,004 | Pactiv Corp. | USA | USD | 107,213 | 0.67 |
| | **Movies & Entertainment** | | | | |
| 12,100 | Viacom Inc., B | USA | USD | 496,463 | 3.09 |
| 19,760 | News Corp., A | USA | USD | 424,445 | 2.65 |
| | | | | 920,908 | 5.74 |
| | **Multi-Line Insurance** | | | | |
| 6,450 | American International Group Inc. | USA | USD | 462,207 | 2.88 |
| | **Networking Equipment** | | | | |
| 22,720 | Avaya Inc. | USA | USD | 317,626 | 1.98 |
| | **Oil & Gas Drilling** | | | | |
| 2,176 | Noble Corp. | USA | USD | 165,702 | 1.03 |
| | **Packaged Foods** | | | | |
| 5,000 | General Mills Inc. | USA | USD | 288,000 | 1.79 |
| 6,600 | Kraft Foods Inc., A | USA | USD | 235,620 | 1.47 |
| | | | | 523,620 | 3.26 |
| | **Pharmaceuticals** | | | | |
| 18,800 | Pfizer Inc. | USA | USD | 486,920 | 3.03 |
| 10,000 | Merck & Co., Inc. | USA | USD | 436,000 | 2.72 |
| 15,350 | Watson Pharmaceuticals Inc. | USA | USD | 399,560 | 2.49 |
| 14,100 | Bristol-Myers Squibb Co. | USA | USD | 371,112 | 2.31 |
| | | | | 1,693,592 | 10.55 |
| | **Semiconductor Equipment** | | | | |
| 8,400 | Cadence Design Systems Inc. | USA | USD | 150,444 | 0.94 |
| | **Telecommunications Equipment** | | | | |
| 28,700 | Tellabs Inc. | USA | USD | 294,462 | 1.83 |
| | **Trading Companies & Distributors** | | | | |
| 3,450 | Genuine Parts Co. | USA | USD | 163,634 | 1.02 |
| | **Tyres & Rubber** | | | | |
| 10,900 | Lear Corp. | USA | USD | 321,877 | 2.00 |
| | TOTAL SHARES | | | 15,280,337 | 95.17 |
| | TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | 15,280,337 | 95.17 |
| | TOTAL INVESTMENTS | | | 15,280,337 | 95.17 |

# FRANKLIN TEMPLETON INVESTMENTS OFFICE DIRECTORY

Further information regarding Franklin Templeton Investment Funds is available from the following Franklin Templeton Investments offices:

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## AFRICA

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