

# Balanced Portfolio

Schedule of Investments as of September 30, 2011  
(unaudited)

Shares	Common Stock (61.0%)	Value	Shares	Common Stock (61.0%)	Value
<b>Consumer Discretionary (6.5%)</b>			<b>Consumer Discretionary (6.5%) - continued</b>		
1,200	Abercrombie & Fitch Company	\$73,872	800	Snap-On, Inc.	\$35,520
4,900	Amazon.com, Inc. <sup>a</sup>	1,059,527	9,700	Staples, Inc.	129,010
1,600	Apollo Group, Inc. <sup>a</sup>	63,376	10,200	Starbucks Corporation	380,358
700	AutoNation, Inc. <sup>a</sup>	22,946	2,600	Starwood Hotels & Resorts Worldwide, Inc.	100,932
400	AutoZone, Inc. <sup>a</sup>	127,676	9,200	Target Corporation	451,168
3,400	Bed Bath & Beyond, Inc. <sup>a</sup>	194,854	1,800	Tiffany & Company <sup>b</sup>	109,476
4,075	Best Buy Company, Inc.	94,947	4,380	Time Warner Cable, Inc.	274,495
900	Big Lots, Inc. <sup>a</sup>	31,347	14,316	Time Warner, Inc.	429,050
3,000	Cablevision Systems Corporation	47,190	5,300	TJX Companies, Inc.	293,991
3,200	CarMax, Inc. <sup>a</sup>	76,320	1,700	Urban Outfitters, Inc. <sup>a</sup>	37,944
6,300	Carnival Corporation	190,890	1,200	VF Corporation	145,824
9,262	CBS Corporation	188,760	7,962	Viacom, Inc.	308,448
500	Chipotle Mexican Grill, Inc. <sup>a</sup>	151,475	25,387	Walt Disney Company	765,672
3,900	Coach, Inc.	202,137	120	Washington Post Company	39,236
37,665	Comcast Corporation	787,198	958	Whirlpool Corporation	47,814
3,900	D.R. Horton, Inc.	35,256	2,332	Wyndham Worldwide Corporation	66,485
1,900	Darden Restaurants, Inc.	81,225	1,100	Wynn Resorts, Ltd.	126,588
800	DeVry, Inc.	29,568	6,320	Yum! Brands, Inc.	312,145
10,100	DIRECTV <sup>a</sup>	426,725	<b>Total Consumer Discretionary</b>		
3,700	Discovery Communications, Inc. <sup>a</sup>	139,194	<b>15,139,059</b>		
2,700	Expedia, Inc.	69,525	<b>Consumer Staples (7.1%)</b>		
1,700	Family Dollar Stores, Inc.	86,462	28,400	Altria Group, Inc.	761,404
52,088	Ford Motor Company <sup>a</sup>	503,691	9,241	Archer-Daniels-Midland Company	229,269
2,200	Fortune Brands, Inc.	118,976	5,900	Avon Products, Inc.	115,640
3,300	Gannett Company, Inc.	31,449	1,425	Brown-Forman Corporation	99,949
4,800	Gap, Inc.	77,952	2,500	Campbell Soup Company	80,925
2,200	Genuine Parts Company	111,760	1,900	Clorox Company	126,027
3,400	Goodyear Tire & Rubber Company <sup>a</sup>	34,306	31,500	Coca-Cola Company	2,128,140
4,100	H&R Block, Inc.	54,571	4,400	Coca-Cola Enterprises, Inc.	109,472
3,300	Harley-Davidson, Inc.	113,289	6,600	Colgate-Palmolive Company	585,288
1,000	Harman International Industries, Inc.	28,580	5,700	ConAgra Foods, Inc.	138,054
1,700	Hasbro, Inc.	55,437	2,500	Constellation Brands, Inc. <sup>a</sup>	45,000
21,400	Home Depot, Inc.	703,418	6,000	Costco Wholesale Corporation	492,720
4,000	International Game Technology	58,120	18,405	CVS Caremark Corporation	618,040
6,589	Interpublic Group of Companies, Inc.	47,441	2,500	Dean Foods Company <sup>a</sup>	22,175
2,000	J.C. Penney Company, Inc.	53,560	2,900	Dr. Pepper Snapple Group, Inc.	112,462
9,400	Johnson Controls, Inc.	247,878	1,600	Estee Lauder Companies, Inc.	140,544
3,800	Kohl's Corporation	186,580	8,800	General Mills, Inc.	338,536
2,000	Leggett & Platt, Inc.	39,580	4,450	H.J. Heinz Company	224,636
2,200	Lennar Corporation	29,788	2,200	Hershey Company	130,328
3,462	Limited Brands, Inc.	133,322	2,000	Hormel Foods Corporation	54,040
17,300	Lowe's Companies, Inc.	334,582	1,655	J.M. Smucker Company	120,633
5,800	Macy's, Inc.	152,656	3,500	Kellogg Company	186,165
3,863	Marriott International, Inc.	105,228	5,380	Kimberly-Clark Corporation	382,034
4,725	Mattel, Inc.	122,330	24,160	Kraft Foods, Inc.	811,293
14,100	McDonald's Corporation	1,238,262	8,400	Kroger Company	184,464
4,100	McGraw-Hill Companies, Inc.	168,100	1,900	Lorillard, Inc.	210,330
800	Netflix, Inc. <sup>a</sup>	90,528	1,900	McCormick & Company, Inc.	87,704
3,926	Newell Rubbermaid, Inc.	46,602	2,722	Mead Johnson Nutrition Company	187,355
31,300	News Corporation	484,211	2,200	Molson Coors Brewing Company	87,142
5,200	NIKE, Inc.	444,652	21,697	PepsiCo, Inc.	1,343,044
2,300	Nordstrom, Inc.	105,064	24,100	Philip Morris International, Inc.	1,503,358
3,900	Omnicom Group, Inc.	143,676	37,679	Procter & Gamble Company	2,380,559
1,900	O'Reilly Automotive, Inc. <sup>a</sup>	126,597	4,700	Reynolds American, Inc.	176,156
600	Priceline.com, Inc. <sup>a</sup>	269,676	4,800	Safeway, Inc.	79,824
4,537	Pulte Group, Inc. <sup>a</sup>	17,921	8,100	Sara Lee Corporation	132,435
900	Ralph Lauren Corporation	116,730	2,869	SUPERVALU, Inc. <sup>b</sup>	19,108
1,600	Ross Stores, Inc.	125,904	8,200	Sysco Corporation	212,380
1,400	Scripps Networks Interactive	52,038			
580	Sears Holdings Corporation <sup>a,b</sup>	33,362			
1,300	Sherwin-Williams Company	96,616			

The accompanying Notes to Schedule of Investments are an integral part of this schedule.

# Balanced Portfolio

Schedule of Investments as of September 30, 2011  
(unaudited)

Shares	Common Stock (61.0%)	Value	Shares	Common Stock (61.0%)	Value
<b>Consumer Staples (7.1%) - continued</b>			<b>Financials (8.3%) - continued</b>		
4,000	Tyson Foods, Inc.	\$69,440	3,340	Ameriprise Financial, Inc.	\$131,462
12,400	Walgreen Company	407,836	4,550	Aon Corporation	191,009
24,100	Wal-Mart Stores, Inc.	1,250,790	1,654	Apartment Investment & Management Company	36,586
2,200	Whole Foods Market, Inc.	143,682	1,200	Assurant, Inc.	42,960
	<b>Total Consumer Staples</b>	<b>16,528,381</b>	1,353	AvalonBay Communities, Inc.	154,310
<b>Energy (7.1%)</b>			139,054	Bank of America Corporation	851,010
3,137	Alpha Natural Resources, Inc. <sup>a</sup>	55,494	16,901	Bank of New York Mellon Corporation	314,190
6,736	Anadarko Petroleum Corporation	424,705	9,500	BB&T Corporation	202,635
5,268	Apache Corporation	422,704	24,050	Berkshire Hathaway, Inc. <sup>a</sup>	1,708,512
5,961	Baker Hughes, Inc.	275,160	1,400	BlackRock, Inc.	207,214
1,500	Cabot Oil & Gas Corporation	92,865	2,100	Boston Properties, Inc.	187,110
3,300	Cameron International Corporation <sup>a</sup>	137,082	6,265	Capital One Financial Corporation	248,282
9,000	Chesapeake Energy Corporation	229,950	4,400	CB Richard Ellis Group, Inc. <sup>a</sup>	59,224
27,474	Chevron Corporation	2,541,895	14,825	Charles Schwab Corporation	167,078
18,782	ConocoPhillips	1,189,276	4,000	Chubb Corporation	239,960
3,100	Consol Energy, Inc.	105,183	2,251	Cincinnati Financial Corporation <sup>b</sup>	59,269
5,600	Denbury Resources, Inc. <sup>a</sup>	64,400	40,038	Citigroup, Inc.	1,025,774
5,700	Devon Energy Corporation	316,008	900	CME Group, Inc.	221,760
1,000	Diamond Offshore Drilling, Inc. <sup>b</sup>	54,740	2,700	Comerica, Inc.	62,019
10,486	El Paso Corporation	183,295	7,495	Discover Financial Services	171,935
3,600	EOG Resources, Inc.	255,636	3,430	E*TRADE Financial Corporation <sup>a</sup>	31,247
2,100	EQT Corporation	112,056	4,100	Equity Residential	212,667
66,634	Exxon Mobil Corporation	4,839,627	1,200	Federated Investors, Inc. <sup>b</sup>	21,036
3,300	FMC Technologies, Inc. <sup>a</sup>	124,080	12,616	Fifth Third Bancorp	127,422
12,600	Halliburton Company	384,552	3,544	First Horizon National Corporation	21,122
1,500	Helmerich & Payne, Inc.	60,900	2,000	Franklin Resources, Inc.	191,280
4,200	Hess Corporation	220,332	6,700	Genworth Financial, Inc. <sup>a</sup>	38,458
9,722	Marathon Oil Corporation	209,801	6,900	Goldman Sachs Group, Inc.	652,395
4,961	Marathon Petroleum Corporation	134,245	6,200	Hartford Financial Services Group, Inc.	100,068
2,700	Murphy Oil Corporation	119,232	5,500	HCP, Inc.	192,830
4,000	Nabors Industries, Ltd. <sup>a</sup>	49,040	2,400	Health Care REIT, Inc.	112,320
5,800	National Oilwell Varco, Inc.	297,076	9,647	Host Hotels & Resorts, Inc.	105,538
1,900	Newfield Exploration Company <sup>a</sup>	75,411	7,200	Hudson City Bancorp, Inc.	40,752
3,400	Noble Corporation <sup>a</sup>	99,790	11,816	Huntington Bancshares, Inc.	56,717
2,500	Noble Energy, Inc.	177,000	1,100	IntercontinentalExchange, Inc. <sup>a</sup>	130,086
11,100	Occidental Petroleum Corporation	793,650	6,200	Invesco, Ltd.	96,162
3,800	Peabody Energy Corporation	128,744	53,424	J.P. Morgan Chase & Company	1,609,131
1,700	Pioneer Natural Resources Company	111,809	2,500	Janus Capital Group, Inc.	15,000
2,500	QEP Resources, Inc.	67,675	13,000	KeyCorp	77,090
2,200	Range Resources Corporation	128,612	5,600	Kimco Realty Corporation	84,168
1,800	Rowan Companies, Inc. <sup>a</sup>	54,342	1,800	Legg Mason, Inc.	46,278
18,425	Schlumberger, Ltd.	1,100,525	2,800	Leucadia National Corporation	63,504
4,700	Southwestern Energy Company <sup>a</sup>	156,651	4,311	Lincoln National Corporation	67,381
9,021	Spectra Energy Corporation	221,285	4,300	Loews Corporation	148,565
1,500	Sunoco, Inc.	46,515	1,800	M&T Bank Corporation	125,820
2,000	Tesoro Corporation <sup>a</sup>	38,940	7,500	Marsh & McLennan Companies, Inc.	199,050
7,900	Valero Energy Corporation	140,462	14,416	MetLife, Inc.	403,792
8,100	Williams Companies, Inc.	197,154	2,800	Moody's Corporation	85,260
	<b>Total Energy</b>	<b>16,437,899</b>	20,290	Morgan Stanley	273,915
<b>Financials (8.3%)</b>			1,800	NASDAQ OMX Group, Inc. <sup>a</sup>	41,652
4,700	ACE, Ltd.	284,820	3,400	Northern Trust Corporation	118,932
6,500	Aflac, Inc.	227,175	3,600	NYSE Euronext	83,664
7,096	Allstate Corporation	168,104	5,200	People's United Financial, Inc.	59,280
14,200	American Express Company	637,580	2,200	Plum Creek Timber Company, Inc.	76,362
5,920	American International Group, Inc. <sup>a</sup>	129,944	7,220	PNC Financial Services Group, Inc.	347,932
1,238	American International Group, Inc. Warrants, \$45.00, expires 1/20/2021 <sup>a,b</sup>	7,577			

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(unaudited)

<b>Shares</b>	<b>Common Stock (61.0%)</b>	<b>Value</b>	<b>Shares</b>	<b>Common Stock (61.0%)</b>	<b>Value</b>
<b>Financials (8.3%) - continued</b>			<b>Health Care (7.3%) - continued</b>		
4,400	Principal Financial Group, Inc.	\$99,748	107,055	Pfizer, Inc.	\$1,892,732
8,800	Progressive Corporation	156,288	2,200	Quest Diagnostics, Inc.	108,592
6,281	Prologis, Inc.	152,314	4,580	St. Jude Medical, Inc.	165,750
6,700	Prudential Financial, Inc.	313,962	4,600	Stryker Corporation	216,798
2,000	Public Storage, Inc.	222,700	6,450	Tenet Healthcare Corporation <sup>a</sup>	26,638
17,200	Regions Financial Corporation	57,276	5,300	Thermo Fisher Scientific, Inc. <sup>a</sup>	268,392
3,953	Simon Property Group, Inc.	434,751	14,700	UnitedHealth Group, Inc.	677,964
7,100	SLM Corporation	88,395	1,700	Varian Medical Systems, Inc. <sup>a</sup>	88,672
6,900	State Street Corporation	221,904	1,300	Waters Corporation <sup>a</sup>	98,137
7,300	SunTrust Banks, Inc.	131,035	1,800	Watson Pharmaceuticals, Inc. <sup>a</sup>	122,850
3,600	T. Rowe Price Group, Inc.	171,972	4,900	WellPoint, Inc.	319,872
1,500	Torchmark Corporation	52,290	2,690	Zimmer Holdings, Inc. <sup>a</sup>	143,915
5,825	Travelers Companies, Inc.	283,852	<b>Total Health Care</b>		<b>17,004,922</b>
26,321	U.S. Bancorp	619,596	<b>Industrials (6.3%)</b>		
4,258	Unum Group	89,248	9,700	3M Company	696,363
4,000	Ventas, Inc.	197,600	1,400	Avery Dennison Corporation	35,112
2,570	Vornado Realty Trust	191,773	10,128	Boeing Company	612,845
72,382	Wells Fargo & Company	1,745,854	2,300	C.H. Robinson Worldwide, Inc.	157,481
4,600	XL Group plc	86,480	8,800	Caterpillar, Inc.	649,792
2,500	Zions Bancorporation	35,175	1,600	Cintas Corporation	45,024
<b>Total Financials</b>		<b>19,146,588</b>	15,100	CSX Corporation	281,917
<b>Health Care (7.3%)</b>			2,600	Cummins, Inc.	212,316
21,300	Abbott Laboratories	1,089,282	7,900	Danaher Corporation	331,326
5,156	Aetna, Inc.	187,421	5,600	Deere & Company	361,592
4,200	Allergan, Inc.	345,996	2,600	Dover Corporation	121,160
3,700	AmerisourceBergen Corporation	137,899	600	Dun & Bradstreet Corporation	36,756
12,652	Amgen, Inc.	695,227	4,700	Eaton Corporation	166,850
7,700	Baxter International, Inc.	432,278	10,200	Emerson Electric Company	421,362
3,000	Becton, Dickinson and Company	219,960	1,700	Equifax, Inc.	52,258
3,230	Biogen Idec, Inc. <sup>a</sup>	300,875	3,000	Expeditors International of Washington, Inc.	121,650
20,950	Boston Scientific Corporation <sup>a</sup>	123,814	4,100	Fastenal Company <sup>b</sup>	136,448
23,405	Bristol-Myers Squibb Company	734,449	4,440	FedEx Corporation	300,499
1,200	C.R. Bard, Inc.	105,048	900	First Solar, Inc. <sup>a</sup>	56,889
4,775	Cardinal Health, Inc.	199,977	800	Flowserve Corporation	59,200
3,087	CareFusion Corporation <sup>a</sup>	73,934	2,400	Fluor Corporation	111,720
6,200	Celgene Corporation <sup>a</sup>	383,904	5,000	General Dynamics Corporation	284,450
1,100	Cephalon, Inc. <sup>a</sup>	88,770	145,400	General Electric Company	2,215,896
2,000	Cerner Corporation <sup>a</sup>	137,040	1,700	Goodrich Corporation	205,156
3,800	CIGNA Corporation	159,372	10,737	Honeywell International, Inc.	471,462
2,050	Coventry Health Care, Inc. <sup>a</sup>	59,061	6,700	Illinois Tool Works, Inc.	278,720
6,700	Covidien plc	295,470	4,500	Ingersoll-Rand plc	126,405
1,300	DaVita, Inc. <sup>a</sup>	81,471	2,800	Iron Mountain, Inc.	88,536
2,000	DENTSPLY International, Inc.	61,380	2,500	ITT Corporation	105,000
1,600	Edwards Lifesciences Corporation <sup>a</sup>	114,048	1,700	Jacobs Engineering Group, Inc. <sup>a</sup>	54,893
13,900	Eli Lilly and Company	513,883	1,500	Joy Global, Inc.	93,570
6,700	Express Scripts, Inc. <sup>a</sup>	248,369	1,400	L-3 Communications Holdings, Inc.	86,758
3,800	Forest Laboratories, Inc. <sup>a</sup>	117,002	3,700	Lockheed Martin Corporation	268,768
10,500	Gilead Sciences, Inc. <sup>a</sup>	407,400	4,900	Masco Corporation	34,888
2,330	Hospira, Inc. <sup>a</sup>	86,210	4,800	Norfolk Southern Corporation	292,896
2,300	Humana, Inc.	167,279	3,906	Northrop Grumman Corporation	203,737
500	Intuitive Surgical, Inc. <sup>a</sup>	182,140	4,950	PACCAR, Inc.	167,409
37,606	Johnson & Johnson	2,395,878	1,600	Pall Corporation	67,840
1,400	Laboratory Corporation of America Holdings <sup>a</sup>	110,670	2,150	Parker Hannifin Corporation	135,730
2,437	Life Technologies Corporation <sup>a</sup>	93,654	2,700	Pitney Bowes, Inc. <sup>b</sup>	50,760
3,480	McKesson Corporation	252,996	1,900	Precision Castparts Corporation	295,374
5,210	Medco Health Solutions, Inc. <sup>a</sup>	244,297	2,900	Quanta Services, Inc. <sup>a</sup>	54,491
14,400	Medtronic, Inc.	478,656	2,500	R.R. Donnelley & Sons Company	35,300
42,227	Merck & Company, Inc.	1,381,245	4,800	Raytheon Company	196,176
5,900	Mylan, Inc. <sup>a</sup>	100,300	4,405	Republic Services, Inc.	123,604
1,300	Patterson Companies, Inc.	37,219	2,000	Robert Half International, Inc.	42,440
1,600	PerkinElmer, Inc.	30,736	2,000	Rockwell Automation, Inc.	112,000

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# Balanced Portfolio

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Shares	Common Stock (61.0%)	Value
<b>Materials (2.1%) - continued</b>		
1,700	Sigma-Aldrich Corporation	\$105,043
1,200	Titanium Metals Corporation	17,976
1,900	United States Steel Corporation <sup>b</sup>	41,819
1,700	Vulcan Materials Company <sup>b</sup>	46,852
7,340	Weyerhaeuser Company	114,137
	<b>Total Materials</b>	<b>4,768,072</b>

<b>Telecommunications Services (2.0%)</b>		
5,500	American Tower Corporation <sup>a</sup>	295,900
81,279	AT&T, Inc.	2,318,077
8,394	CenturyLink, Inc.	278,009
13,610	Frontier Communications Corporation <sup>b</sup>	83,157
4,100	MetroPCS Communications, Inc. <sup>a</sup>	35,711
41,069	Sprint Nextel Corporation <sup>a</sup>	124,850
38,770	Verizon Communications, Inc.	1,426,736
7,017	Windstream Corporation <sup>b</sup>	81,818
	<b>Total Telecommunications Services</b>	<b>4,644,258</b>

<b>Utilities (2.4%)</b>		
9,000	AES Corporation <sup>a</sup>	87,840
3,300	Ameren Corporation	98,241
6,640	American Electric Power Company, Inc.	252,453
5,924	CenterPoint Energy, Inc.	116,229
3,400	CMS Energy Corporation	67,286
4,100	Consolidated Edison, Inc.	233,782
2,800	Constellation Energy Group, Inc.	106,568
7,730	Dominion Resources, Inc.	392,452
2,400	DTE Energy Company	117,648
18,242	Duke Energy Corporation	364,658
4,400	Edison International, Inc.	168,300
2,400	Entergy Corporation	159,096
9,074	Exelon Corporation	386,643
5,667	FirstEnergy Corporation	254,505
1,107	Integrus Energy Group, Inc.	53,822
5,700	NextEra Energy, Inc.	307,914
700	Nicor, Inc.	38,507
3,934	NiSource, Inc.	84,109
2,500	Northeast Utilities	84,125
3,300	NRG Energy, Inc. <sup>a</sup>	69,993
1,500	ONEOK, Inc.	99,060
3,100	Pepco Holdings, Inc.	58,652
5,500	PG&E Corporation	232,705
1,500	Pinnacle West Capital Corporation	64,410
7,900	PPL Corporation	225,466
3,991	Progress Energy, Inc.	206,415
6,900	Public Service Enterprise Group, Inc.	230,253
1,500	SCANA Corporation	60,675
3,387	Sempra Energy	174,430
11,700	Southern Company	495,729
2,900	TECO Energy, Inc.	49,677
3,300	Wisconsin Energy Corporation	103,257
6,710	Xcel Energy, Inc.	165,670
	<b>Total Utilities</b>	<b>5,610,570</b>

<b>Total Common Stock</b>	<b>141,377,582</b>
<b>(cost \$136,559,896)</b>	

Principal Amount	Long-Term Fixed Income (39.1%)	Value
<b>Asset-Backed Securities (1.6%)</b>		
	Countrywide Asset-Backed Certificates	
\$323,322	5.549%, 8/25/2021 <sup>c</sup>	\$281,958
483,333	Countrywide Home Loans, Inc. 6.085%, 6/25/2021 <sup>c</sup>	320,777
	Credit Based Asset Servicing and Securitization, LLC	
313,218	5.501%, 12/25/2036	222,048
	First Horizon ABS Trust	
466,697	0.365%, 10/25/2026 <sup>c,d</sup>	337,362
825,472	0.395%, 10/25/2034 <sup>c,d</sup>	514,320
	GMAC Mortgage Corporation Loan Trust	
1,274,036	0.415%, 8/25/2035 <sup>c,d</sup>	789,079
776,407	0.415%, 12/25/2036 <sup>c,d</sup>	475,598
	IndyMac Seconds Asset-Backed Trust	
394,617	0.405%, 10/25/2036 <sup>c,d</sup>	73,585
	Wachovia Asset Securitization, Inc.	
961,439	0.375%, 7/25/2037 <sup>c,d,e</sup>	683,023
	<b>Total Asset-Backed Securities</b>	<b>3,697,750</b>

<b>Basic Materials (0.1%)</b>		
	Alcoa, Inc.	
250,000	5.400%, 4/15/2021	242,256
	<b>Total Basic Materials</b>	<b>242,256</b>

<b>Capital Goods (0.3%)</b>		
	Boeing Capital Corporation	
225,000	2.125%, 8/15/2016	227,672
	Danaher Corporation	
225,000	2.300%, 6/23/2016	230,494
	United Technologies Corporation	
225,000	6.050%, 6/1/2036	285,280
	<b>Total Capital Goods</b>	<b>743,446</b>

<b>Collateralized Mortgage Obligations (0.4%)</b>		
	Bear Stearns Mortgage Funding Trust	
210,320	0.514%, 8/25/2036 <sup>d</sup>	59,620
	Merrill Lynch Mortgage Investors, Inc.	
830,376	2.618%, 6/25/2035	682,512
	Thornburg Mortgage Securities Trust	
324,469	0.345%, 11/25/2046 <sup>d</sup>	322,866
	<b>Total Collateralized Mortgage Obligations</b>	<b>1,064,998</b>

<b>Commercial Mortgage-Backed Securities (3.4%)</b>		
	Banc of America Commercial Mortgage, Inc.	
600,000	5.801%, 6/10/2049	630,975
	Bear Stearns Commercial Mortgage Securities, Inc.	
1,692,872	0.379%, 3/15/2022 <sup>d,e</sup>	1,654,641
	Commercial Mortgage Pass-Through Certificates	
2,000,000	0.359%, 12/15/2020 <sup>d,e</sup>	1,894,102
750,000	5.306%, 12/10/2046	787,162

The accompanying Notes to Schedule of Investments are an integral part of this schedule.

# Balanced Portfolio

Schedule of Investments as of September 30, 2011  
(unaudited)

Principal Amount	Long-Term Fixed Income (39.1%)	Value
<b>Commercial Mortgage-Backed Securities (3.4%) - continued</b>		
	Credit Suisse Mortgage Capital Certificates	
\$907,183	0.399%, 10/15/2021 <sup>d,f</sup>	\$839,301
700,000	5.467%, 9/15/2039	719,980
	General Electric Commercial Mortgage Corporation	
134,893	4.641%, 3/10/2040	137,891
	GS Mortgage Securities Corporation II	
1,000,000	1.317%, 3/6/2020 <sup>d,f</sup>	993,160
	Morgan Stanley Capital I	
225,000	3.224%, 7/15/2049 <sup>g</sup>	228,022
<b>Total Commercial Mortgage-Backed Securities</b>		<b>7,885,234</b>

## Communications Services (0.8%)

	AT&T, Inc.	
200,000	6.400%, 5/15/2038	232,127
	CBS Corporation	
200,000	7.875%, 9/1/2023	252,595
	Cox Communications, Inc.	
115,000	6.450%, 12/1/2036 <sup>f</sup>	131,497
	Crown Castle Towers, LLC	
250,000	4.174%, 8/15/2017 <sup>f</sup>	257,881
	News America, Inc.	
225,000	6.400%, 12/15/2035	243,648
	Telecom Italia Capital SA	
550,000	5.250%, 11/15/2013	537,611
	Time Warner Cable, Inc.	
200,000	7.300%, 7/1/2038	243,307
<b>Total Communications Services</b>		<b>1,898,666</b>

## Consumer Cyclical (0.7%)

	Harley-Davidson Financial Services, Inc.	
250,000	3.875%, 3/15/2016 <sup>f</sup>	257,270
	University of Southern California	
150,000	5.250%, 10/1/2111	168,415
	Wal-Mart Stores, Inc.	
450,000	7.550%, 2/15/2030	642,296
	Walt Disney Company	
500,000	5.625%, 9/15/2016	587,546
<b>Total Consumer Cyclical</b>		<b>1,655,527</b>

## Consumer Non-Cyclical (1.0%)

	AmerisourceBergen Corporation	
300,000	4.875%, 11/15/2019	336,368
	Boston Scientific Corporation	
225,000	7.000%, 11/15/2035	263,061
	Colgate-Palmolive Company	
250,000	1.250%, 5/1/2014	252,871
	GlaxoSmithKline Capital, Inc.	
200,000	6.375%, 5/15/2038	268,114
	Kellogg Company	
400,000	4.250%, 3/6/2013	418,078
	Philip Morris International, Inc.	
200,000	6.375%, 5/16/2038	257,825
	Wyeth	
450,000	6.000%, 2/15/2036	554,607
<b>Total Consumer Non-Cyclical</b>		<b>2,350,924</b>

Principal Amount	Long-Term Fixed Income (39.1%)	Value
<b>Energy (0.6%)</b>		
	BP Capital Markets plc	
\$250,000	4.742%, 3/11/2021	\$274,379
	Cameron International Corporation	
100,000	4.500%, 6/1/2021	104,965
	Energy Transfer Partners, LP	
300,000	6.700%, 7/1/2018	335,791
	Kinder Morgan Energy Partners, LP	
200,000	4.150%, 3/1/2022 <sup>b</sup>	197,525
	Petrobras International Finance Company	
175,000	5.375%, 1/27/2021	176,925
	Petro-Canada	
200,000	6.800%, 5/15/2038	241,865
<b>Total Energy</b>		<b>1,331,450</b>

## Financials (3.3%)

	BAC Capital Trust XI	
225,000	6.625%, 5/23/2036	169,246
	Barclays Bank plc	
200,000	5.000%, 9/22/2016	200,449
	Bear Stearns Companies, LLC	
250,000	4.650%, 7/2/2018	262,218
	BNP Paribas SA	
900,000	5.186%, 6/29/2049 <sup>d,h</sup>	621,000
	Capital One Financial Corporation	
225,000	2.125%, 7/15/2014	222,758
	Chubb Corporation	
400,000	6.500%, 5/15/2038	495,952
	Citigroup, Inc.	
250,000	1.176%, 4/1/2014 <sup>d</sup>	239,319
	Cooperative Centrale Raiffeisen-Boerenleenbank BA	
150,000	4.750%, 1/15/2020 <sup>f</sup>	164,179
	Danske Bank AS	
250,000	3.875%, 4/14/2016 <sup>f</sup>	241,697
	Fifth Third Bancorp	
175,000	3.625%, 1/25/2016	177,907
	FUEL Trust	
100,000	4.207%, 4/15/2016 <sup>f</sup>	99,628
	General Electric Capital Corporation	
200,000	3.984%, 6/15/2016 <sup>f</sup>	195,828
	General Electric Capital Corporation	
225,000	5.875%, 1/14/2038	230,618
	HCP, Inc.	
175,000	3.750%, 2/1/2016	172,944
	Health Care REIT, Inc.	
300,000	6.125%, 4/15/2020	312,870
	HSBC Holdings plc	
200,000	6.800%, 6/1/2038	199,976
	ING Bank NV	
250,000	4.000%, 3/15/2016 <sup>f</sup>	251,534
	J.P. Morgan Chase & Company	
250,000	3.450%, 3/1/2016	251,031
	Landwirtschaftliche Rentenbank	
750,000	1.875%, 9/17/2018	746,502
	Lloyds TSB Bank plc	
150,000	5.800%, 1/13/2020 <sup>f</sup>	142,628
	Marsh & McLennan Companies, Inc.	
225,000	4.800%, 7/15/2021	235,903

The accompanying Notes to Schedule of Investments are an integral part of this schedule.



# Balanced Portfolio

Schedule of Investments as of September 30, 2011  
(unaudited)

Principal Amount	Long-Term Fixed Income (39.1%)	Value	Principal Amount	Long-Term Fixed Income (39.1%)	Value
<b>Mortgage-Backed Securities (10.9%) - continued</b>			<b>Mortgage-Backed Securities (10.9%) - continued</b>		
\$610	7.500%, 12/1/2026	\$708	\$1,172	7.000%, 11/15/2027	\$1,362
857	7.500%, 2/1/2027	995	22,603	7.000%, 11/15/2027	26,270
3,480	7.000%, 3/1/2027	3,989	65,172	7.000%, 7/15/2028	75,896
4,660	7.500%, 5/1/2027	5,423	16,010	7.500%, 7/15/2028	18,751
7,843	6.500%, 7/1/2027	8,884	42,910	6.500%, 9/15/2028	49,622
1,150	7.500%, 8/1/2027	1,338	49,098	6.000%, 12/15/2028	55,176
26,197	8.000%, 9/1/2027	30,580	26,996	6.500%, 1/15/2029	31,219
5,154	7.000%, 10/1/2027	5,919	180,988	6.500%, 3/15/2029	209,300
3,853	8.000%, 12/1/2027	4,498	27,202	6.500%, 4/15/2029	31,457
10,584	6.500%, 2/1/2028	11,989	18,279	7.000%, 4/15/2029	21,324
5,850	7.000%, 2/1/2028	6,719	50,360	6.000%, 6/15/2029	56,594
59,866	6.500%, 7/1/2028	67,814	42,353	7.000%, 6/15/2029	49,409
29,278	7.000%, 8/1/2028	33,683	10,524	8.000%, 5/15/2030	12,516
15,733	6.500%, 11/1/2028	17,822	32,217	7.000%, 9/15/2031	37,773
32,745	6.500%, 11/1/2028	37,092	39,418	6.500%, 2/15/2032	45,585
1,936	7.000%, 11/1/2028	2,227	<b>Total Mortgage-Backed Securities</b>		
49,469	6.000%, 12/1/2028	54,945	<b>25,118,433</b>		
22,881	7.000%, 12/1/2028	26,324	<b>Technology (0.4%)</b>		
26,209	6.000%, 3/1/2029	29,110	Hewlett-Packard Company		
31,078	6.500%, 6/1/2029	35,204	100,000	4.300%, 6/1/2021	100,956
35,477	6.000%, 7/1/2029	39,404	International Business Machines Corporation		
2,001	6.500%, 7/1/2029	2,267	500,000	7.500%, 6/15/2013	553,653
40,309	7.500%, 8/1/2029	47,078	200,000	4.500%, 5/15/2021	200,023
25,130	6.000%, 11/1/2029	27,912	<b>Total Technology</b>		
27,407	7.000%, 11/1/2029	31,551	<b>854,632</b>		
15,289	7.000%, 11/1/2029	17,601	<b>Transportation (0.1%)</b>		
12,200	8.500%, 4/1/2030	14,364	Delta Air Lines, Inc.		
8,401	7.500%, 8/1/2030	9,826	147,852	4.950%, 11/23/2019 <sup>b</sup>	145,264
65,918	6.500%, 7/1/2031	74,339	<b>Total Transportation</b>		
27,546	6.500%, 10/1/2031	31,066	<b>145,264</b>		
32,653	6.500%, 12/1/2031	36,825	<b>U.S. Government and Agencies (12.8%)</b>		
40,642	6.500%, 5/1/2032	45,732	Federal Home Loan Mortgage Corporation		
222,308	6.500%, 7/1/2032	250,154	2,000,000	0.375%, 10/30/2013	1,996,904
6,650,000	4.500%, 10/1/2041 <sup>s</sup>	7,054,194	1,500,000	5.125%, 11/17/2017	1,804,976
3,500,000	5.500%, 10/1/2041 <sup>s</sup>	3,798,046	Federal National Mortgage Association		
Government National Mortgage Association 15-Yr. Pass Through			1,500,000	5.625%, 4/17/2028	1,949,072
756	7.000%, 4/15/2012	779	Resolution Funding Corporation		
17,070	6.000%, 7/15/2014	18,642	1,000,000	8.625%, 1/15/2021	1,499,783
Government National Mortgage Association 30-Yr. Pass Through			150,000	5.250%, 9/15/2039	192,130
4,407	9.500%, 1/15/2025	5,353	U.S. Treasury Bonds		
2,604	7.500%, 8/15/2025	3,036	1,900,000	4.375%, 5/15/2041	2,454,572
12,156	7.000%, 1/15/2026	14,096	U.S. Treasury Notes		
10,149	7.000%, 1/15/2026	11,768	1,000,000	0.375%, 8/31/2012	1,001,836
10,686	7.000%, 4/15/2026	12,392	5,000,000	0.125%, 8/31/2013	4,987,695
12,518	6.000%, 5/15/2026	14,041	5,250,000	2.375%, 8/31/2014	5,544,903
12,745	7.000%, 6/15/2026	14,779	1,400,000	1.250%, 10/31/2015	1,429,641
6,688	8.500%, 6/15/2026	8,054	900,000	2.000%, 1/31/2016	946,265
2,419	8.500%, 7/15/2026	2,913	1,000,000	2.625%, 2/29/2016	1,078,516
11,182	8.000%, 9/15/2026	13,199	1,500,000	3.000%, 2/28/2017	1,652,578
3,560	7.500%, 10/15/2026	4,153	1,000,000	2.250%, 11/30/2017	1,059,531
2,036	8.000%, 11/15/2026	2,403	300,000	2.750%, 2/28/2018	326,930
1,595	8.500%, 11/15/2026	1,921	1,000,000	2.375%, 6/30/2018	1,063,750
2,128	9.000%, 12/15/2026	2,572	750,000	1.500%, 8/31/2018	753,633
15,130	7.500%, 4/15/2027	17,687	<b>Total U.S. Government and Agencies</b>		
5,136	8.000%, 6/20/2027	6,060	<b>29,742,715</b>		
480	8.000%, 8/15/2027	568			
54,981	6.500%, 10/15/2027	63,582			
16,633	7.000%, 10/15/2027	19,332			

The accompanying Notes to Schedule of Investments are an integral part of this schedule.

# Balanced Portfolio

Schedule of Investments as of September 30, 2011  
(unaudited)

<b>Principal Amount</b>	<b>Long-Term Fixed Income (39.1%)</b>	<b>Value</b>
<b>U.S. Municipals (0.1%)</b>		
	Chicago Metropolitan Water Reclamation District General Obligation Bonds (Build America Bonds)	
\$150,000	5.720%, 12/1/2038	\$182,302
	<b>Total U.S. Municipals</b>	<b>182,302</b>
<b>Utilities (0.8%)</b>		
	Commonwealth Edison Company	
225,000	5.900%, 3/15/2036	269,524
	Oncor Electric Delivery Company	
425,000	6.375%, 1/15/2015	485,904
	ONEOK Partners, LP	
225,000	6.650%, 10/1/2036	261,614
	Progress Energy, Inc.	
300,000	7.000%, 10/30/2031	384,412
	Southern California Edison Company	
225,000	5.000%, 1/15/2014	244,320
	Xcel Energy, Inc.	
225,000	6.500%, 7/1/2036	287,746
	<b>Total Utilities</b>	<b>1,933,520</b>
	<b>Total Long-Term Fixed Income (cost \$90,132,755)</b>	<b>90,610,799</b>
<b>Collateral Held for Securities</b>		
<b>Shares</b>	<b>Loaned (0.9%)</b>	<b>Value</b>
2,028,242	Thrivent Financial Securities Lending Trust	2,028,242
	<b>Total Collateral Held for Securities Loaned (cost \$2,028,242)</b>	<b>2,028,242</b>
<b>Short-Term Investments (8.9%)<sup>l</sup></b>		
	Federal Home Loan Bank Discount Notes	
15,000,000	0.025%, 11/18/2011 <sup>l</sup>	14,999,500
	Federal Home Loan Mortgage Corporation Discount Notes	
5,000,000	0.035%, 11/14/2011 <sup>l</sup>	4,999,786
	Federal National Mortgage Association Discount Notes	
650,000	0.105%, 2/22/2012 <sup>i,k</sup>	649,732
	<b>Total Short-Term Investments (at amortized cost)</b>	<b>20,649,018</b>
	<b>Total Investments (cost \$249,369,911) 109.9%</b>	<b>\$254,665,641</b>
	<b>Other Assets and Liabilities, Net (9.9%)</b>	<b>(23,017,646)</b>
	<b>Total Net Assets 100.0%</b>	<b>\$231,647,995</b>

- a Non-income producing security.  
b All or a portion of the security is on loan.  
c All or a portion of the security is insured or guaranteed.

- d Denotes variable rate securities. Variable rate securities are securities whose yields vary with a designated market index or market rate. The rate shown is as of September 30, 2011.  
e Denotes restricted securities. Restricted securities are investment securities which have been deemed illiquid and cannot be offered for public sale without first being registered under the Securities Act of 1933. The following table indicates the acquisition date and cost of restricted securities Balanced Portfolio owned as of September 30, 2011.

<b>Security</b>	<b>Acquisition Date</b>	<b>Amortized Cost</b>
Bear Stearns Commercial Mortgage Securities, Inc.	3/30/2007	\$1,692,872
Commercial Mortgage Pass-Through Certificates Preferred Term Securities XXIII, Ltd.	10/18/2006	\$2,000,000
Wachovia Asset Securitization, Inc.	9/14/2006	\$1,085,624
	3/16/2007	\$961,439

- f Denotes securities sold under Rule 144A of the Securities Act of 1933, which exempts them from registration. These securities have been deemed liquid and may be resold to other dealers in the program or to other qualified institutional buyers. As of September 30, 2011, the value of these investments was \$5,020,964 or 2.2% of total net assets.  
g Denotes investments purchased on a when-issued or delayed delivery basis.  
h Denotes perpetual securities. Perpetual securities pay an indefinite stream of interest, but may be called by the issuer at an earlier date.  
i The interest rate shown reflects the yield, coupon rate or the discount rate at the date of purchase.  
j Denotes investments that benefit from credit enhancement or liquidity support provided by a third party bank, institution or government.  
k At September 30, 2011, \$649,731 of investments were held on deposit with the counterparty and pledged as the initial margin deposit for open futures contracts.

#### Definitions:

REIT - Real Estate Investment Trust is a company that buys, develops, manages and/or sells real estate assets.

#### Unrealized Appreciation (Depreciation)

Gross unrealized appreciation and depreciation of investments, based on cost for federal income tax purposes, were as follows:

Gross unrealized appreciation	\$ 53,127,615
Gross unrealized depreciation	(47,831,885)
Net unrealized appreciation (depreciation)	\$ 5,295,730

Cost for federal income tax purposes \$ 249,369,911

**Balanced Portfolio**  
Schedule of Investments as of September 30, 2011  
(unaudited)

**Fair Valuation Measurements**

The following table is a summary of the inputs used, as of September 30, 2011, in valuing Balanced Portfolio's assets carried at fair value.

<b>Investments in Securities</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Common Stock</b>				
Consumer Discretionary	15,139,059	15,139,059	-	-
Consumer Staples	16,528,381	16,528,381	-	-
Energy	16,437,899	16,437,899	-	-
Financials	19,146,588	19,146,588	-	-
Health Care	17,004,922	17,004,922	-	-
Industrials	14,522,729	14,522,729	-	-
Information Technology	27,575,104	27,575,104	-	-
Materials	4,768,072	4,768,072	-	-
Telecommunications Services	4,644,258	4,644,258	-	-
Utilities	5,610,570	5,610,570	-	-
<b>Long-Term Fixed Income</b>				
Asset-Backed Securities	3,697,750	-	3,697,750	-
Basic Materials	242,256	-	242,256	-
Capital Goods	743,446	-	743,446	-
Collateralized Mortgage Obligations	1,064,998	-	1,064,998	-
Commercial Mortgage-Backed Securities	7,885,234	-	7,885,234	-
Communications Services	1,898,666	-	1,898,666	-
Consumer Cyclical	1,655,527	-	1,655,527	-
Consumer Non-Cyclical	2,350,924	-	2,350,924	-
Energy	1,331,450	-	1,331,450	-
Financials	7,693,960	-	7,162,004	531,956
Foreign Government	4,069,722	-	4,069,722	-
Mortgage-Backed Securities	25,118,433	-	25,118,433	-
Technology	854,632	-	854,632	-
Transportation	145,264	-	145,264	-
U.S. Government and Agencies	29,742,715	-	29,742,715	-
U.S. Municipals	182,302	-	182,302	-
Utilities	1,933,520	-	1,933,520	-
Collateral Held for Securities Loaned	2,028,242	2,028,242	-	-
Short-Term Investments	20,649,018	-	20,649,018	-
<b>Total</b>	<b>\$254,665,641</b>	<b>\$143,405,824</b>	<b>\$110,727,861</b>	<b>\$531,956</b>
<b>Other Financial Instruments</b>				
<b>Liability Derivatives</b>				
Futures Contracts	376,464	376,464	-	-
<b>Total Liability Derivatives</b>	<b>\$376,464</b>	<b>\$376,464</b>	<b>\$-</b>	<b>\$-</b>

The accompanying Notes to Schedule of Investments are an integral part of this schedule.

## Balanced Portfolio

Schedule of Investments as of September 30, 2011  
(unaudited)

The following table is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value for Balanced Portfolio.

<b>Investments in Securities</b>	<b>Value December 31, 2010</b>	<b>Realized Gain/ (Loss)</b>	<b>Change in Unrealized Appreciation/ (Depreciation)*</b>	<b>Purchases</b>	<b>Sales</b>	<b>Transfers Into Level 3</b>	<b>Transfers Out of Level 3</b>	<b>Value September 30, 2011</b>
Long-Term Fixed Income								
Asset-Backed Securities	821,946	-	(4,434)	-	(134,489)	-	(683,023)	-
Financials	615,298	-	3,029	-	(86,371)	-	-	531,956
<b>Total</b>	<b>\$1,437,244</b>	<b>\$-</b>	<b>(\$1,405)</b>	<b>\$-</b>	<b>(\$220,860)</b>	<b>\$-</b>	<b>(\$683,023)</b>	<b>\$531,956</b>

\* Includes the change in net unrealized appreciation/(depreciation) on level 3 securities held on September 30, 2011 of (\$37,997).

<b>Futures Contracts</b>	<b>Number of Contracts Long/(Short)</b>	<b>Expiration Date</b>	<b>Notional Principal Amount</b>	<b>Value</b>	<b>Unrealized Gain/(Loss)</b>
S&P 500 Index Futures	25	December 2011	\$7,413,964	\$7,037,500	(\$376,464)
<b>Total Futures Contracts</b>					<b>(\$376,464)</b>

### Investment in Affiliates

Affiliated issuers, as defined under the Investment Company Act of 1940, include those in which the Portfolio's holdings of an issuer represent 5% or more of the outstanding voting securities of an issuer, or any affiliated mutual fund.

A summary of transactions for the fiscal year to date, in Balanced Portfolio, is as follows:

<b>Portfolio</b>	<b>Value December 31, 2010</b>	<b>Gross Purchases</b>	<b>Gross Sales</b>	<b>Shares Held at September 30, 2011</b>	<b>Value September 30, 2011</b>	<b>Income Earned January 1, 2011 - September 30, 2011</b>
Thrivent Financial Securities Lending Trust	\$962,860	\$55,986,068	\$54,920,686	2,028,242	\$2,028,242	\$12,798
<b>Total Value and Income Earned</b>	<b>962,860</b>				<b>2,028,242</b>	<b>12,798</b>

# Notes to Schedule of Investments

As of September 30, 2011  
(unaudited)

## SIGNIFICANT ACCOUNTING POLICIES

**Valuation of Investments** – Securities traded on U.S. or foreign securities exchanges or included in a national market system are valued at the official closing price at the close of each business day unless otherwise stated below. Over-the-counter securities and listed securities for which no price is readily available are valued at the current bid price considered best to represent the value at that time. Security prices are based on quotes that are obtained from an independent pricing service approved by the Board of Directors. The pricing service, in determining values of fixed-income securities, takes into consideration such factors as current quotations by broker/dealers, coupon, maturity, quality, type of issue, trading characteristics, and other yield and risk factors it deems relevant in determining valuations. Securities which cannot be valued by the approved pricing service are valued using valuations obtained from dealers that make markets in the securities. Exchange listed options and futures contracts are valued at the last quoted sales price. Swaps are valued using pricing sources approved by the Board of Directors and the change in value, if any, is recorded as unrealized gains or losses. Mutual funds are valued at the net asset value at the close of each business day.

For all Portfolios, other than Money Market Portfolio, short-term securities with maturities of 60 days or less are valued at amortized cost. Securities held by Money Market Portfolio are valued on the basis of amortized cost (which approximates market value), whereby a portfolio security is valued at its cost initially and thereafter valued to reflect a constant amortization to maturity of any discount or premium. The market values of the securities held in Money Market Portfolio are determined once per week using prices supplied by the Portfolios' independent pricing service. Money Market Portfolio and the Portfolios' investment adviser follow procedures necessary to maintain a constant net asset value of \$1.00 per share.

All securities for which market values are not readily available or deemed unreliable are appraised at fair value as determined in good faith under the direction of the Board of Directors.

Generally Accepted Accounting Principles defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value requirements, which improve the consistency and comparability of fair value measurements used in financial reporting. Various inputs are summarized in three broad levels: Level 1 includes quoted prices in active markets for identical securities; Level 2 includes other significant observable inputs such as quoted prices for similar securities, interest rates, prepayment speeds and credit risk; and Level 3 includes significant unobservable inputs such as the Portfolio's own assumptions and broker evaluations in determining the fair value of investments.

**Fair Valuation of International Securities** – Because many foreign markets close before the U.S. markets, events may occur between the close of the foreign market and the close of

the U.S. markets that could have a material impact on the valuation of foreign securities. The Portfolios, under the supervision of the Board of Directors, evaluates the impacts of these events and may adjust the valuation of foreign securities to reflect the fair value as of the close of the U.S. markets. The Board of Directors has authorized the investment adviser to make fair valuation determinations pursuant to policies approved by the Board of Directors.

**Foreign Currency Forward Contracts** — In connection with purchases and sales of securities denominated in foreign currencies all Portfolios, except Money Market Portfolio, may enter into foreign currency forward contracts. Additionally, the Portfolios may enter into such contracts to hedge certain other foreign currency denominated investments. These contracts are recorded at value and the related realized and unrealized foreign exchange gains and losses are recorded. In the event that counterparties fail to settle these forward contracts, the Portfolios could be exposed to foreign currency fluctuations. Foreign currency contracts are valued daily and unrealized appreciation or depreciation is recorded daily as the difference between the contract exchange rate and the closing forward rate applied to the face amount of the contract. A realized gain or loss is recorded at the time a forward contract is closed. These contracts are over-the-counter and the Portfolio is exposed to counterparty risk equal to the discounted net amount of payments to the Portfolio. This risk is partially mitigated by the Portfolio's collateral posting requirements. As the foreign currency contract increases in value to the Portfolio, the Portfolio receives collateral from the counterparty.

**Options** — All Portfolios, with the exception of Money Market Portfolio, may buy put and call options and write put and covered call options. The Portfolios intend to use such derivative instruments as hedges to facilitate buying or selling securities or to provide protection against adverse movements in security prices or interest rates. The Portfolios may also enter into options contracts to protect against adverse foreign exchange rate fluctuations. Option contracts are valued daily and unrealized appreciation or depreciation is recorded. A Portfolio will realize a gain or loss upon expiration or closing of the option transaction. When an option is exercised, the proceeds upon sale for a written call option or the cost of a security for purchased put and call options is adjusted by the amount of premium received or paid.

Buying put options tends to decrease a Portfolio's exposure to the underlying security while buying call options tends to increase a Portfolio's exposure to the underlying security. The risk associated with purchasing put and call options is limited to the premium paid and has no significant counterparty risk as the exchange guarantees the contract against default. Writing put options tends to increase a Portfolio's exposure to the underlying security while writing call options tends to decrease a Portfolio's exposure to the underlying security. The writer of an option has no control over whether the underlying security may be bought or sold, and therefore bears the market risk of an

# Notes to Schedule of Investments

As of September 30, 2011  
(unaudited)

unfavorable change in the price of the underlying security. The counterparty risk for written options arises when the Portfolio has purchased an option, exercised that option, and the counterparty does not buy or sell the Portfolio's underlying asset as required. In the case where the Portfolio has sold an option, the Portfolio does not have counterparty risk. Counterparty risk on written options is partially mitigated by the Portfolio's collateral posting requirements. As the written option increases in value to the Portfolio, the Portfolio receives collateral from the counterparty.

**Futures Contracts** — Certain Portfolios may use futures contracts to manage the exposure to interest rate, market and currency fluctuations. Gains or losses on futures contracts can offset changes in the yield of securities. When a futures contract is opened, cash or other investments equal to the required "initial margin deposit" are held on deposit with and pledged to the broker. Additional securities held by the Portfolios may be earmarked to cover open futures contracts. The futures contract's daily change in value ("variation margin") is either paid to or received from the broker, and is recorded as an unrealized gain or loss. When the contract is closed, the realized gain or loss is recorded equal to the difference between the value of the contract when opened and the value of the contract when closed. Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin. Exchange-traded futures have no significant counterparty risk as the exchange guarantees the contracts against default.

**Swap Agreements** — Certain Portfolios enter into swap transactions, which involve swapping one or more investment characteristics of a security, or a basket of securities, with another party. Such transactions include market risk, risk of default by the other party to the transaction, risk of imperfect correlation and manager risk and may involve commissions or other costs. Swap transactions generally do not involve delivery of securities, other underlying assets or principal. Accordingly, the risk of loss with respect to swap transactions is generally limited to the net amount of payments that the Portfolio is contractually obligated to make, or in the case of the counterparty defaulting, the net amount of payments that the Portfolio is contractually entitled to receive. If there is a default by the counterparty, the Portfolio may have contractual remedies pursuant to the agreements related to the transaction. The contracts are valued daily and unrealized appreciation or depreciation is recorded. Swap agreements are valued at fair value of the contract as provided by an independent pricing service. The pricing service takes into account such factors as swap curves, default probabilities, recent trades, recovery rates and other factors it deems relevant in determining valuations. Periodic payments and receipts and payments received or made as a result of a credit event or termination of the contract are recognized as realized gains or losses. Collateral, in the form of cash or securities, may be required to be held with the Portfolio's custodian, or third party, in connection with these agreements. These swap agreements are over-the-counter and the Portfolio is exposed to counterparty risk, which is the

discounted net amount of payments owed to the Portfolio. This risk is partially mitigated by the Portfolio's collateral posting requirements. As the swap increases in value to the Portfolio, the Portfolio receives collateral from the counterparty.

**Credit Default Swaps** — A credit default swap is a swap agreement between two parties to exchange the credit risk of a particular issuer, basket of securities or reference entity. In a credit default swap transaction, a buyer pays periodic fees in return for payment by the seller which is contingent upon an adverse credit event occurring in the underlying issuer or reference entity. The seller collects periodic fees from the buyer and profits if the credit of the underlying issuer or reference entity remains stable or improves while the swap is outstanding, but the seller in a credit default swap contract would be required to pay the amount of credit loss, determined as specified in the agreement, to the buyer in the event of an adverse credit event in the reference entity. A buyer of a credit default swap is said to buy protection whereas a seller of a credit default swap is said to sell protection. The Portfolios may be either the protection seller or the protection buyer.

Certain Portfolios enter into credit default derivative contracts directly through credit default swaps (CDS) or through credit default swap indices (CDX Indices). CDX indices are static Portfolios of equally weighted credit default swaps referencing corporate bonds and/or loans designed to provide diversified credit exposure to these asset classes. Portfolios sell default protection and assume long-risk positions in individual credits or the indices. Index positions are entered into to gain exposure to the corporate bond and/or loan markets in a cost efficient and diversified structure. In the event that a position would default, by going into bankruptcy and failing to pay interest or principal on borrowed money, within any given CDX index held, the maximum potential amount of future payments required would be equal to the pro-rata share of that position within the index based on the notional amount of the index. In the event of a default under a CDS contract the maximum potential amount of future payments would be the notional amount. For CDS contracts, the default events could be bankruptcy and failing to pay interest or principal on borrowed money or a restructuring. A restructuring is a change in the underlying obligations which would include reduction in interest or principal, maturity extension and subordination to other obligations. Refer to the credit default swap tables located within the Portfolio's Schedule of Investments for additional information.

Additional information for the Portfolios' policy regarding valuation of investments and other significant accounting policies can be obtained by referring to the Portfolios' most recent annual or semiannual shareholder report.