

**Equity Income Plus Portfolio**  
Schedule of Investments as of September 30, 2011  
(unaudited)

Shares	Common Stock (81.2%)	Value
<b>Consumer Discretionary (7.0%)</b>		
7,000	Arbitron, Inc.	\$231,560
10,300	Best Buy Company, Inc.	239,990
14,600	Bridgpoint Education, Inc. <sup>a</sup>	254,624
3,800	Carnival plc ADR	117,002
5,200	Coach, Inc.	269,516
11,500	Comcast Corporation	240,350
5,900	DIRECTV <sup>a</sup>	249,275
43,100	Gap, Inc.	699,944
8,700	ITT Educational Services, Inc. <sup>a</sup>	500,946
3,000	McDonald's Corporation	263,460
7,200	McGraw-Hill Companies, Inc.	295,200
1,200	Netflix, Inc. <sup>a</sup>	135,792
6,100	PetSmart, Inc.	260,165
4,600	Polaris Industries, Inc.	229,862
600	Starwood Hotels & Resorts Worldwide, Inc.	23,292
2,800	Strayer Education, Inc.	214,676
5,600	Target Corporation	274,624
4,900	Tim Hortons, Inc.	226,870
4,600	TJX Companies, Inc.	255,162
4,000	Toyota Motor Corporation ADR	273,040
5,100	Yum! Brands, Inc.	251,889
<b>Total Consumer Discretionary</b>		<b>5,507,239</b>

<b>Consumer Staples (9.0%)</b>		
4,000	Anheuser-Busch InBev NV ADR	211,920
9,700	Coca-Cola Company	655,332
4,300	Colgate-Palmolive Company	381,324
8,100	Companhia de Bebidas das Americas ADR	248,265
7,200	CVS Caremark Corporation	241,776
6,600	Dr. Pepper Snapple Group, Inc.	255,948
9,700	Herbalife, Ltd.	519,920
5,300	Mead Johnson Nutrition Company	364,799
4,100	PepsiCo, Inc.	253,790
21,600	Philip Morris International, Inc.	1,347,408
10,900	Procter & Gamble Company	688,662
8,100	Unilever plc ADR	252,639
6,900	Walgreen Company	226,941
27,300	Wal-Mart Stores, Inc.	1,416,870
<b>Total Consumer Staples</b>		<b>7,065,594</b>

<b>Energy (10.8%)</b>		
4,900	BP plc ADR	176,743
5,200	Cenovus Energy, Inc.	159,692
15,000	Chevron Corporation	1,387,800
700	CNOOC, Ltd. ADR	112,210
22,000	ConocoPhillips	1,393,040
3,600	Core Laboratories NV	323,388
8,600	CVR Energy, Inc. <sup>a</sup>	181,804
7,200	Enbridge, Inc.	229,896
19,600	Exxon Mobil Corporation	1,423,548
9,700	Marathon Oil Corporation	209,326
5,000	National Oilwell Varco, Inc.	256,100
8,600	Occidental Petroleum Corporation	614,900
5,900	Penn West Petroleum, Ltd.	87,143
2,300	PetroChina Company, Ltd. ADR	277,127
10,800	Petroleo Brasileiro SA PREF ADR	223,776
4,600	Royal Dutch Shell plc ADR	285,430
3,400	Royal Dutch Shell plc ADR, Class A	209,168

Shares	Common Stock (81.2%)	Value
<b>Energy (10.8%) - continued</b>		
4,700	Suncor Energy, Inc. ADR	\$119,568
4,400	Total SA ADR	193,028
15,000	Valero Energy Corporation	266,700
15,800	W&T Offshore, Inc.	217,408
13,900	Western Refining, Inc. <sup>a</sup>	173,194
<b>Total Energy</b>		<b>8,520,989</b>

<b>Financials (19.9%)</b>		
26,500	Aegon NV ADR <sup>a</sup>	107,325
30,800	Aflac, Inc.	1,076,460
700	Agree Realty Corporation	15,246
400	Alexandria Real Estate Equities, Inc.	24,556
1,400	American Campus Communities, Inc.	52,094
14,300	Annaly Capital Management, Inc.	237,809
1,000	Ashford Hospitality Trust	7,020
1,600	AvalonBay Communities, Inc.	182,480
10,400	Aviva plc ADR	97,240
41,900	Bank of America Corporation	256,428
8,700	Barclays plc ADR	85,086
3,500	Berkshire Hathaway, Inc. <sup>a</sup>	248,640
1,900	BioMed Realty Trust, Inc.	31,483
2,000	Boston Properties, Inc.	178,200
1,300	Brandywine Realty Trust	10,413
800	BRE Properties, Inc.	33,872
1,500	Brookfield Office Properties, Inc.	20,655
1,000	Camden Property Trust	55,260
1,000	CBL & Associates Properties, Inc.	11,360
4,300	China Life Insurance Company, Ltd. ADR	152,693
8,800	Citigroup, Inc.	225,456
300	Corporate Office Properties Trust	6,534
4,900	Credit Suisse Group ADR	128,576
400	CubeSmart	3,412
2,200	DCT Industrial Trust, Inc.	9,658
800	DDR Corporation	8,720
2,000	DiamondRock Hospitality Company	13,980
1,200	Digital Realty Trust, Inc.	66,192
700	Duke Realty Corporation	7,350
700	DuPont Fabros Technology, Inc.	13,783
100	EastGroup Properties, Inc.	3,814
1,400	Education Realty Trust, Inc.	12,026
200	Entertainment Properties Trust	7,796
1,500	Equity One, Inc.	23,790
3,200	Equity Residential	165,984
600	Essex Property Trust, Inc.	72,024
1,500	Federal Realty Investment Trust	123,615
700	First Industrial Realty Trust, Inc. <sup>a</sup>	5,600
700	Forest City Enterprises, Inc. <sup>a</sup>	7,462
2,900	Franklin Resources, Inc.	277,356
2,700	Franklin Street Properties Corporation	30,537
1,000	Getty Realty Corporation	14,420
1,000	Glimcher Realty Trust	7,080
1,500	Government Properties Income Trust	32,265
2,900	HCP, Inc.	101,674
400	Health Care REIT, Inc.	18,720
1,100	Highwoods Properties, Inc.	31,086
400	Hospitality Properties Trust	8,492
7,800	Host Hotels & Resorts, Inc.	85,332
5,600	HSBC Holdings plc ADR	213,024

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<b>Financials (19.9%) - continued</b>		
17,800	ING Groep NV ADR <sup>a</sup>	\$125,490
18,750	iShares Dow Jones U.S. Real Estate Index Fund ETF	948,188
14,300	iShares MSCI EAFE Index Fund	682,825
9,500	Itau Unibanco Holding SA ADR	147,440
38,000	KeyCorp	225,340
600	Kilroy Realty Corporation	18,780
4,400	Kimco Realty Corporation	66,132
1,700	Kite Realty Group Trust	6,222
1,200	LaSalle Hotel Properties	23,040
800	Lexington Realty Trust	5,232
1,800	Liberty Property Trust	52,398
500	LTC Properties, Inc.	12,660
1,100	Macerich Company	46,893
1,000	Mack-Cali Realty Corporation	26,750
8,800	Manulife Financial Corporation	99,704
700	Medical Properties Trust, Inc.	6,265
35,000	Mitsubishi UFJ Financial Group, Inc. ADR	155,750
8,200	Moody's Corporation	249,690
15,600	Morgan Stanley	210,600
1,100	National Health Investors, Inc.	46,343
1,700	National Retail Properties, Inc.	45,679
700	Omega Healthcare Investors, Inc.	11,151
900	Post Properties, Inc.	31,266
400	Potlatch Corporation	12,608
10,300	Principal Financial Group, Inc.	233,501
4,278	Prologis, Inc.	103,741
400	PS Business Parks, Inc.	19,816
1,900	Public Storage, Inc.	211,565
500	Ramco-Gershenson Properties Trust	4,100
900	Rayonier, Inc. REIT	33,111
700	Realty Income Corporation	22,568
1,500	Regency Centers Corporation	52,995
143,000	Regions Financial Corporation	476,190
2,300	Senior Housing Property Trust	49,542
3,100	Simon Property Group, Inc.	340,938
1,100	SL Green Realty Corporation	63,965
100	Sovran Self Storage, Inc.	3,717
41,300	SPDR Dow Jones Wilshire International Real Estate ETF	1,323,665
13,750	Torchmark Corporation	479,325
3,200	Toronto-Dominion Bank	227,040
700	UDR, Inc.	15,498
400	Universal Health Realty Income Trust	13,444
300	Urstadt Biddle Properties, Inc.	4,791
26,500	Vanguard Dividend Appreciation Index Fund ETF	1,292,140
21,100	Vanguard FTSE All-World Ex-US Index Fund ETF	816,992
7,100	Vanguard MSCI Emerging Markets ETF	254,819
3,600	Vanguard REIT ETF	183,132
2,922	Ventas, Inc.	144,347
1,800	Vornado Realty Trust	134,316
200	Washington Real Estate Investment Trust	5,636
43,300	Wells Fargo & Company	1,044,396
1,800	Westpac Banking Corporation ADR	172,908
<b>Total Financials</b>		<b>15,594,722</b>

<b>Shares</b>	<b>Common Stock (81.2%)</b>	<b>Value</b>
<b>Health Care (8.1%)</b>		
4,900	Abbott Laboratories	\$250,586
9,100	AmerisourceBergen Corporation	339,157
4,700	Amgen, Inc.	258,265
4,600	Baxter International, Inc.	258,244
12,400	Gilead Sciences, Inc. <sup>a</sup>	481,120
4,600	McKesson Corporation	334,420
38,300	Medtronic, Inc.	1,273,092
7,800	Merck & Company, Inc.	255,138
42,000	Momenta Pharmaceuticals, Inc. <sup>a</sup>	483,000
5,050	Novartis AG ADR	281,638
1,600	Novo Nordisk A/S ADR	159,232
78,600	Pfizer, Inc.	1,389,648
7,000	Sanofi ADR	229,600
8,600	UnitedHealth Group, Inc.	396,632
<b>Total Health Care</b>		<b>6,389,772</b>

<b>Shares</b>	<b>Common Stock (81.2%)</b>	<b>Value</b>
<b>Industrials (5.3%)</b>		
3,100	3M Company	222,549
8,050	ABB, Ltd. ADR <sup>a</sup>	137,494
5,600	Acacia Research <sup>a</sup>	201,544
2,800	Caterpillar, Inc.	206,752
15,800	General Electric Company	240,792
14,100	Joy Global, Inc.	879,558
8,400	KBR, Inc.	198,492
6,700	Lockheed Martin Corporation	486,688
6,600	Sauer-Danfoss, Inc. <sup>a</sup>	190,740
2,000	Siemens AG ADR	179,580
30,300	Southwest Airlines Company	243,612
15,900	Textron, Inc.	280,476
2,800	Union Pacific Corporation	228,676
3,400	United Technologies Corporation	239,224
7,500	Verisk Analytics, Inc. <sup>a</sup>	260,775
<b>Total Industrials</b>		<b>4,196,952</b>

<b>Shares</b>	<b>Common Stock (81.2%)</b>	<b>Value</b>
<b>Information Technology (10.4%)</b>		
7,100	Accenture plc	374,028
9,100	Altera Corporation	286,923
3,600	Apple, Inc. <sup>a</sup>	1,372,248
17,500	Cisco Systems, Inc.	271,075
17,100	Corning, Inc.	211,356
10,200	Hewlett-Packard Company	228,990
68,900	Intel Corporation	1,469,637
6,000	International Business Machines Corporation	1,050,180
48,600	Lender Processing Services, Inc.	665,334
56,300	Microsoft Corporation	1,401,307
19,500	Nokia OYJ ADR	110,370
12,000	Oracle Corporation	344,880
3,700	SAP AG ADR	187,294
18,000	Taiwan Semiconductor Manufacturing Company, Ltd. ADR	205,740
<b>Total Information Technology</b>		<b>8,179,362</b>

<b>Shares</b>	<b>Common Stock (81.2%)</b>	<b>Value</b>
<b>Materials (4.4%)</b>		
20,300	Alcoa, Inc.	194,271
3,600	Barrick Gold Corporation	167,940
4,500	BHP Billiton plc ADR	238,860
3,700	BHP Billiton, Ltd. ADR	245,828
1,900	CF Industries Holdings, Inc.	234,441
7,100	Domtar Corporation	484,007
7,700	Freeport-McMoRan Copper & Gold, Inc.	234,465

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Shares	Common Stock (81.2%)	Value
<b>Materials (4.4%) - continued</b>		
8,100	LyondellBasell Industries NV	\$197,883
16,100	Mosaic Company	788,417
1,400	POSCO ADR	106,414
3,900	Rio Tinto plc ADR	171,912
9,500	Vale SA SP PREFERRED ADR	199,500
2,800	Walter Energy, Inc.	168,028
	<b>Total Materials</b>	<b>3,431,966</b>

Shares	Telecommunications Services (3.2%)	Value
8,700	America Movil SAB de CV ADR	192,096
22,500	AT&T, Inc.	641,700
6,300	China Mobile, Ltd. ADR	306,873
9,000	Nippon Telegraph & Telephone Corporation ADR	215,550
13,000	NTT DOCOMO, INC. ADR	237,380
9,200	Telefonica SA ADR	175,904
15,100	Verizon Communications, Inc.	555,680
6,300	Vodafone Group plc ADR	161,595
	<b>Total Telecommunications Services</b>	<b>2,486,778</b>

Shares	Utilities (3.1%)	Value
21,600	Ameren Corporation	643,032
6,500	Entergy Corporation	430,885
4,100	National Grid plc ADR	203,360
11,700	Northeast Utilities	393,705
42,100	Questar Corporation	745,591
	<b>Total Utilities</b>	<b>2,416,573</b>

**Total Common Stock (cost \$72,680,844) 63,789,947**

Principal Amount	Long-Term Fixed Income (6.5%)	Value
<b>Consumer Cyclical (0.5%)</b>		
400,000	CVS Caremark Corporation 6.302%, 6/1/2037	387,000
	<b>Total Consumer Cyclical</b>	<b>387,000</b>

Shares	Energy (1.0%)	Value
350,000	Enbridge Energy Partners, LP 8.050%, 10/1/2037	361,381
425,000	Enterprise Products Operating, LLC 7.034%, 1/15/2068	430,844
	<b>Total Energy</b>	<b>792,225</b>

Shares	Financials (4.6%)	Value
500,000	Aegon NV 3.169%, 7/29/2049 <sup>b,c</sup>	232,925
150,000	American International Group, Inc. 8.175%, 5/15/2058	132,375
350,000	BAC Capital Trust VI 5.625%, 3/8/2035	250,622
175,000	BBVA International Preferred SA Unipersonal 5.919%, 12/29/2049 <sup>c</sup>	118,713
350,000	ING Capital Funding Trust III 3.969%, 12/29/2049 <sup>b,c</sup>	261,764
175,000	J.P. Morgan Chase & Company 7.900%, 4/29/2049 <sup>c</sup>	180,252

Principal Amount	Long-Term Fixed Income (6.5%)	Value
<b>Financials (4.6%) - continued</b>		
\$350,000	Liberty Mutual Group, Inc. 10.750%, 6/15/2058 <sup>d</sup>	\$416,500
400,000	MetLife Capital Trust IV 7.875%, 12/15/2037 <sup>d</sup>	394,000
425,000	Reinsurance Group of America, Inc. 6.750%, 12/15/2065	370,815
250,000	Wachovia Capital Trust III 5.570%, 3/15/2042 <sup>b,c</sup>	205,000
275,000	Wells Fargo Capital XIII 7.700%, 12/29/2049 <sup>c</sup>	275,000
475,000	XL Group plc 6.500%, 12/29/2049 <sup>c</sup>	372,875
400,000	ZFS Finance USA Trust II 6.450%, 12/15/2065 <sup>d</sup>	352,000
	<b>Total Financials</b>	<b>3,562,841</b>

Shares	Utilities (0.4%)	Value
375,000	Dominion Resources, Inc. 2.669%, 9/30/2066 <sup>b</sup>	333,750
	<b>Total Utilities</b>	<b>333,750</b>

**Total Long-Term Fixed Income (cost \$5,396,626) 5,075,816**

Shares	Preferred Stock (1.1%)	Value
<b>Financials (1.0%)</b>		
5,000	Bank of America Corporation <sup>c</sup>	110,450
9,500	Citigroup Capital XII, 8.500%	238,450
2,500	JPMorgan Chase Capital XXIX 300 SG Preferred Capital II, LLC, 6.302% <sup>c,d</sup>	282,469
3,000	U.S. Bancorp <sup>c</sup>	82,140
	<b>Total Financials</b>	<b>776,159</b>

Shares	Utilities (0.1%)	Value
2,870	Xcel Energy, Inc.	79,470
	<b>Total Utilities</b>	<b>79,470</b>

**Total Preferred Stock (cost \$883,882) 855,629**

Principal Amount	Short-Term Investments (9.9%) <sup>e</sup>	Value
3,000,000	Federal Home Loan Bank Discount Notes 0.020%, 11/18/2011 <sup>f</sup>	2,999,920
4,000,000	Federal National Mortgage Association Discount Notes 0.020%, 11/10/2011 <sup>f</sup>	3,999,911
800,000	0.104%, 2/22/2012 <sup>g,h</sup>	799,671
	<b>Total Short-Term Investments (at amortized cost)</b>	<b>7,799,502</b>
	<b>Total Investments (cost \$86,760,854) 98.7%</b>	<b>\$77,520,894</b>
	<b>Other Assets and Liabilities, Net 1.3%</b>	<b>1,003,633</b>
	<b>Total Net Assets 100.0%</b>	<b>\$78,524,527</b>

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- a Non-income producing security.
- b 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.
- c Denotes perpetual securities. Perpetual securities pay an indefinite stream of interest, but may be called by the issuer at an earlier date.
- d 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 \$1,444,969 or 1.8% of total net assets.
- e The interest rate shown reflects the yield, coupon rate or the discount rate at the date of purchase.
- f Denotes investments that benefit from credit enhancement or liquidity support provided by a third party bank, institution or government.
- g At September 30, 2011, \$799,671 of investments were held on deposit with the counterparty and pledged as the initial margin deposit for open futures contracts.

Definitions:

- ADR - American Depositary Receipt, which are certificates for an underlying foreign security's shares held by an issuing U.S. depository bank.
- REIT - Real Estate Investment Trust is a company that buys, develops, manages and/or sells real estate assets.
- ETF - Exchange Traded Fund.

**Unrealized Appreciation (Depreciation)**

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

Gross unrealized appreciation	\$ 2,031,802
Gross unrealized depreciation	<u>(11,271,762)</u>
Net unrealized appreciation (depreciation)	\$ (9,239,960)
Cost for federal income tax purposes	\$ 86,760,854

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**Fair Valuation Measurements**

The following table is a summary of the inputs used, as of September 30, 2011, in valuing Equity Income Plus 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	5,507,239	5,507,239	-	-
Consumer Staples	7,065,594	7,065,594	-	-
Energy	8,520,989	8,520,989	-	-
Financials	15,594,722	15,594,722	-	-
Health Care	6,389,772	6,389,772	-	-
Industrials	4,196,952	4,196,952	-	-
Information Technology	8,179,362	8,179,362	-	-
Materials	3,431,966	3,431,966	-	-
Telecommunications Services	2,486,778	2,486,778	-	-
Utilities	2,416,573	2,416,573	-	-
<b>Long-Term Fixed Income</b>				
Consumer Cyclical	387,000	-	387,000	-
Energy	792,225	-	792,225	-
Financials	3,562,841	-	3,562,841	-
Utilities	333,750	-	333,750	-
<b>Preferred Stock</b>				
Financials	776,159	493,690	282,469	-
Utilities	79,470	79,470	-	-
Short-Term Investments	7,799,502	-	7,799,502	-
<b>Total</b>	<b>\$77,520,894</b>	<b>\$64,363,107</b>	<b>\$13,157,787</b>	<b>\$-</b>

<b>Other Financial Instruments</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Liability Derivatives</b>				
Futures Contracts	462,676	462,676	-	-
<b>Total Liability Derivatives</b>	<b>\$462,676</b>	<b>\$462,676</b>	<b>\$-</b>	<b>\$-</b>

<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 Mini-Futures	144	December 2011	\$8,569,876	\$8,107,200	(\$462,676)
<b>Total Futures Contracts</b>					<b>(\$462,676)</b>

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## 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.