Moderate Allocation Portfolio

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

Shares	Mutual Funds (70.8%)	Value
Equity Mutual Funds (35.6%)		
6,860,853	Thrivent Real Estate Securities Portfolio	$93,757,669
4,491,902	Thrivent Partner Small Cap Growth Portfolio[a]	48,524,218
4,235,223	Thrivent Partner Small Cap Value Portfolio	66,347,726
3,596,908	Thrivent Small Cap Stock Portfolio[a]	36,748,530
2,934,279	Thrivent Mid Cap Growth Portfolio II	24,565,782
5,853,149	Thrivent Partner Mid Cap Value Portfolio	66,079,707
11,623,612	Thrivent Mid Cap Stock Portfolio	117,407,779
26,331,012	Thrivent Partner Worldwide Allocation Portfolio	196,650,527
17,546,838	Thrivent Partner International Stock Portfolio	156,421,283
22,248,154	Thrivent Large Cap Growth Portfolio II	128,469,739
25,642,869	Thrivent Large Cap Value Portfolio	234,355,306
20,069,137	Thrivent Large Cap Stock Portfolio	146,017,018
2,930,787	Thrivent Equity Income Plus Portfolio	23,523,376
	Total Equity Mutual Funds	**1,338,868,660**
Fixed Income Mutual Funds (35.2%)		
34,557,335	Thrivent High Yield Portfolio	153,752,494
58,229,910	Thrivent Income Portfolio	579,789,395
60,586,354	Thrivent Limited Maturity Bond Portfolio	589,190,178
	Total Fixed Income Mutual Funds	**1,322,732,067**
	Total Mutual Funds (cost $2,994,292,482)	**2,661,600,727**

Shares	Common Stock (10.7%)	Value
Consumer Discretionary (1.1%)		
16,000	Aeon Company, Ltd.	216,426
12,150	Amazon.com, Inc.[a]	2,627,195
2,300	Aryzta AG	99,872
12,780	Autoliv, Inc.	619,830
3,000	Bayerische Motoren Werke AG	140,724
2,900	Beiersdorf AG	155,179
45,600	Big Lots, Inc.[a]	1,588,248
24,188	Buffalo Wild Wings, Inc.[a]	1,446,442
17,820	CBS Corporation	363,172
12,100	Charter Communications, Inc.[a]	566,764
5,000	Daito Trust Construction Company, Ltd.	458,396
75,632	Discovery Communications, Inc.[a]	2,845,276
9,505	Dollar Tree, Inc.[a]	713,921
58,500	Fiat SPA	315,840
95,826	Foot Locker, Inc.	1,925,144
85,339	Ford Motor Company[a]	825,228
17,730	Harley-Davidson, Inc.	608,671
2,000	Jardine Cycle & Carriage, Ltd.	63,552
1,700	Kabel Deutschland Holding AG[a]	91,146
65,110	Las Vegas Sands Corporation[a]	2,496,317
7,100	Lawson, Inc.	401,897
27,000	Lifestyle International Holdings, Ltd.	68,498
42,790	Lowe's Companies, Inc.	827,559

Shares	Common Stock (10.7%)	Value
Consumer Discretionary (1.1%) - continued		
46,002	Macy's, Inc.	$1,210,773
22,400	Mediaset SPA	70,549
27,350	Omnicom Group, Inc.	1,007,574
13,200	OPAP SA	133,137
6,091	Panera Bread Company[a]	633,099
192,872	Pier 1 Imports, Inc.[a]	1,886,288
5,100	Priceline.com, Inc.[a]	2,292,246
5,600	ProSiebenSat.1 Media AG	98,468
41,553	PVH Corporation	2,420,047
10,000	Sekisui Chemical Company, Ltd.	84,073
47,089	Signet Jewelers, Ltd.[a]	1,591,608
127,000	SJM Holdings, Ltd.	224,356
24,930	Time Warner Cable, Inc.	1,562,363
21,930	Viacom, Inc.	849,568
7,200	Vivendi SA	146,593
600	Volkswagen AG	73,926
21,000	Williams-Sonoma, Inc.	646,590
3,100	WMS Industries, Inc.[a]	54,529
45,600	Wynn Macau, Ltd.	107,835
141,700	Yum! Brands, Inc.	6,998,563
	Total Consumer Discretionary	**41,557,482**
Consumer Staples (1.0%)		
39,900	Altria Group, Inc.	1,069,719
58,195	Anheuser-Busch InBev NV ADR	3,083,171
4,600	British American Tobacco plc	194,228
1,900	Casino Guichard Perrachon SA	148,307
54,068	Corn Products International, Inc.	2,121,628
66,062	CVS Caremark Corporation	2,218,362
23,610	Diageo plc ADR	1,792,707
28,745	Diamond Foods, Inc.	2,293,564
377,000	Golden Agri-Resources, Ltd.	174,448
1,900	Heineken Holding NV	73,326
3,400	Henkel AG & Company KGaA	180,787
38,408	Herbalife, Ltd.	2,058,669
6,100	Imperial Tobacco Group plc	205,850
6,100	Kao Corporation	169,911
65,362	Kraft Foods, Inc.	2,194,856
31,200	Marks and Spencer Group plc	151,923
1,800	Nestle SA	99,095
140,870	Philip Morris International, Inc.	8,787,471
14,961	TreeHouse Foods, Inc.[a]	925,188
214,600	Walgreen Company	7,058,194
23,380	Wal-Mart Stores, Inc.	1,213,422
	Total Consumer Staples	**36,214,826**
Energy (1.0%)		
29,813	Alpha Natural Resources, Inc.[a]	527,392
23,600	Anadarko Petroleum Corporation	1,487,980
34,195	Apache Corporation	2,743,807
90,099	Arch Coal, Inc.	1,313,644
43,069	Baker Hughes, Inc.	1,988,065
26,510	Chevron Corporation	2,452,705
38,560	ConocoPhillips	2,441,619
110,213	ENSCO International plc ADR	4,455,912
38,900	Helix Energy Solutions Group, Inc.[a]	509,590
65	INPEX Holdings, Inc.	399,171
72,925	James River Coal Company[a]	464,532
289,400	Marathon Oil Corporation	6,245,252
12,283	National Oilwell Varco, Inc.	629,135
9,630	Occidental Petroleum Corporation	688,545

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

Moderate Allocation Portfolio

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

Shares	Common Stock (10.7%)	Value
Energy (1.0%) - continued		
27,511	Oil States International, Inc.[a]	$1,400,860
146,732	Patriot Coal Corporation[a]	1,241,353
67,314	Peabody Energy Corporation	2,280,598
139,237	Petroleum Geo-Services ASA[a]	1,399,839
12,700	Royal Dutch Shell plc	395,140
2,571	Royal Dutch Shell plc, Class A	79,432
15,300	Southwestern Energy Company[a]	509,949
53,879	Swift Energy Company[a]	1,311,415
345,090	Weatherford International, Ltd.[a]	4,213,549
12,100	Whiting Petroleum Corporation[a]	424,468
	Total Energy	**39,603,952**
Financials (1.1%)		
30,300	ACE, Ltd.	1,836,180
20,100	Affiliated Managers Group, Inc.[a]	1,568,805
28,050	Aon Corporation	1,177,539
10,300	Atlantia SPA	148,100
57,700	Banco de Valencia SA[a]	59,385
24,300	Bank Leumi Le-Israel	74,445
13,900	BlackRock, Inc.	2,057,339
30,900	CaixaBank	135,378
30,900	CaixaBank Rights, 0.062 EUR, expires 10/14/2011[a]	2,525
21,590	Capital One Financial Corporation	855,612
6,000	Cheung Kong Holdings, Ltd.	65,044
20,379	Citigroup, Inc.	522,110
37,789	Duke Realty Corporation	396,784
13,900	Endurance Specialty Holdings, Ltd.	474,685
32,443	Equity One, Inc.	514,546
2,500	Eurazeo	105,002
18,100	EXOR SPA	354,276
7,100	Experian plc	79,699
8,980	Goldman Sachs Group, Inc.	849,059
33,463	HCC Insurance Holdings, Inc.	905,174
43,846	Host Hotels & Resorts, Inc.	479,675
4,008	IntercontinentalExchange, Inc.[a]	473,986
209,408	J.P. Morgan Chase & Company	6,307,369
41,000	Kerry Properties, Ltd.	130,866
77,210	KKR & Company, LP	802,984
13,207	Lazard, Ltd.	278,668
11,700	M&T Bank Corporation	817,830
22,590	MetLife, Inc.	632,746
11,300	Mitsui & Company, Ltd.	163,684
9,400	Mizrahi Tefahot Bank, Ltd.	77,214
1,300	Muenchener Rueckversicherungs-Gesellschaft AG	161,457
25,400	NASDAQ OMX Group, Inc.[a]	587,756
13,900	Northern Trust Corporation	486,222
144,100	Ocwen Financial Corporation[a]	1,903,561
1,004,295	Popular, Inc.[a]	1,506,442
49,422	Principal Financial Group, Inc.	1,120,397
19,800	Resolution, Ltd.	75,865
27,130	State Street Corporation	872,501
11,800	Sumitomo Mitsui Financial Group, Inc.	332,472
21,270	SVB Financial Group[a]	786,990
600	Swiss Life Holding[a]	65,802
76,382	Texas Capital Bancshares, Inc.[a]	1,745,329
26,820	U.S. Bancorp	631,343
33,000	United Overseas Land, Ltd.	104,003
81,450	Unum Group	1,707,192
11,890	Vanguard REIT ETF	604,844
31,834	W.R. Berkley Corporation	945,151

Shares	Common Stock (10.7%)	Value
Financials (1.1%) - continued		
180,090	Wells Fargo & Company	$4,343,771
25,000	Wheelock and Company, Ltd.	73,968
130,883	Zions Bancorporation	1,841,524
	Total Financials	**42,243,299**
Health Care (1.8%)		
146,200	Abbott Laboratories	7,476,668
6,100	Alexion Pharmaceuticals, Inc.[a]	390,766
112,200	Align Technology, Inc.[a]	1,702,074
14,000	AstraZeneca plc	621,285
157,210	Baxter International, Inc.	8,825,769
16,871	C.R. Bard, Inc.	1,476,887
45,597	Covance, Inc.[a]	2,072,384
19,648	Coventry Health Care, Inc.[a]	566,059
33,690	Covidien plc	1,485,729
204,800	Eli Lilly and Company	7,571,456
88,724	Health Net, Inc.[a]	2,103,646
23,790	Johnson & Johnson	1,515,661
53,342	McKesson Corporation	3,877,964
218,100	Medtronic, Inc.	7,249,644
231,972	Mylan, Inc.[a]	3,943,524
1,400	Novartis AG	78,206
169,522	Pfizer, Inc.	2,997,149
82,541	PSS World Medical, Inc.[a]	1,625,232
700	Roche Holding AG	113,059
96,539	Thermo Fisher Scientific, Inc.[a]	4,888,735
21,100	Thoratec Corporation[a]	688,704
53,880	United Therapeutics Corporation[a]	2,019,961
32,186	UnitedHealth Group, Inc.	1,484,418
7,410	Varian Medical Systems, Inc.[a]	386,506
9,939	Vertex Pharmaceuticals, Inc.[a]	442,683
6,200	Waters Corporation[a]	468,038
25,752	Zimmer Holdings, Inc.[a]	1,377,732
	Total Health Care	**67,449,939**
Industrials (0.9%)		
20	A P Moller - Maersk AS	117,483
12,000	Abertis Infraestructuras SA	184,550
54,300	Boeing Company	3,285,693
33,500	Caterpillar, Inc.	2,473,640
41,000	Cathay Pacific Airways, Ltd.	66,913
46	Central Japan Railway Company	401,433
14,987	Chicago Bridge and Iron Company	429,078
20,497	CSX Corporation	382,679
78,140	Deluxe Corporation	1,453,404
25,000	Deutsche Lufthansa AG	324,109
2,300	Eiffage SA	70,945
75,481	EMCOR Group, Inc.[a]	1,534,529
11,882	Expeditors International of Washington, Inc.	481,815
21,399	Fluor Corporation	996,123
2,200	Fraport AG	129,545
72,490	FTI Consulting, Inc.[a]	2,668,357
55,100	GATX Corporation	1,707,549
145,290	General Electric Company	2,214,220
45,890	Harsco Corporation	889,807
22,122	Honeywell International, Inc.	971,377
59,700	International Consolidated Airlines Group SA[a]	140,540
276,683	Manitowoc Company, Inc.	1,856,543
9,300	Manpower, Inc.	312,666
16,500	Orient Overseas International, Ltd.	65,920

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

Moderate Allocation Portfolio

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

Shares	Common Stock (10.7%)	Value
Industrials (0.9%) - continued		
29,458	Oshkosh Corporation[a]	$463,669
18,601	Parker Hannifin Corporation	1,174,281
47,100	Qantas Airways, Ltd.[a]	63,134
16,700	Republic Services, Inc.	468,602
2,100	Safran SA	64,242
72,627	Shaw Group, Inc.[a]	1,578,911
35,609	SPX Corporation	1,613,444
31,645	Teledyne Technologies, Inc.[a]	1,546,175
60,800	Textron, Inc.	1,072,512
277,900	Thomas Cook Group plc	171,255
14,200	Tyco International, Ltd.	578,650
20,327	United Technologies Corporation	1,430,208
29,630	WESCO International, Inc.[a]	994,086
	Total Industrials	**34,378,087**
Information Technology (3.0%)		
61,700	Akamai Technologies, Inc.[a]	1,226,596
51,300	Alcatel-Lucent[a]	148,745
10,900	Alliance Data Systems Corporation[a]	1,010,430
25,905	Apple, Inc.[a]	9,874,468
177,100	Atmel Corporation[a]	1,429,197
8,400	Baidu.com, Inc. ADR[a]	898,044
284,161	Broadcom Corporation[a]	9,459,720
436,297	Brocade Communications[a]	1,884,803
59,320	Cisco Systems, Inc.	918,867
29,826	Cognizant Technology Solutions Corporation[a]	1,870,090
528,400	Corning, Inc.	6,531,024
59,974	eBay, Inc.[a]	1,768,633
180,650	EMC Corporation[a]	3,791,844
27,605	F5 Networks, Inc.[a]	1,961,335
12,758	Google, Inc.[a]	6,562,460
10,071	International Business Machines Corporation	1,762,727
27,824	Juniper Networks, Inc.[a]	480,242
15,900	Lam Research Corporation[a]	603,882
23,263	MasterCard, Inc.	7,378,093
342,996	Microsoft Corporation	8,537,170
188,355	Monster Worldwide, Inc.[a]	1,352,389
28,200	Nokia Oyj	159,464
26	NTT Data Corporation	80,248
129,292	NVIDIA Corporation[a]	1,616,150
44,752	NXP Semiconductors NV[a]	631,898
455,270	Oracle Corporation	13,084,460
62,566	Plantronics, Inc.	1,780,003
67,813	Plexus Corporation[a]	1,533,930
76,350	QUALCOMM, Inc.	3,712,901
104,091	Quest Software, Inc.[a]	1,652,965
19,165	Red Hat, Inc.[a]	809,913
13,561	Salesforce.com, Inc.[a]	1,549,751
97,400	SuccessFactors, Inc.[a]	2,239,226
42,200	Telefonaktiebolaget LM Ericsson	405,202
221,634	Teradyne, Inc.[a]	2,440,190
70,500	Texas Instruments, Inc.	1,878,825
121,680	TIBCO Software, Inc.[a]	2,724,415
42,400	ValueClick, Inc.[a]	659,744
62,700	VeriFone Systems, Inc.[a]	2,195,754
22,176	VMware, Inc.[a]	1,782,507
58,618	Xilinx, Inc.	1,608,478
	Total Information Technology	**111,996,783**
Materials (0.4%)		
11,804	Albemarle Corporation	476,882

Shares	Common Stock (10.7%)	Value
Materials (0.4%) - continued		
2,000	Arkema	$115,819
4,000	Bayer AG	220,737
12,000	BHP Billiton plc	320,553
5,500	BHP Billiton, Ltd.	182,103
51,060	Dow Chemical Company	1,146,808
27,294	E.I. du Pont de Nemours and Company	1,090,941
270,330	Freeport-McMoRan Copper & Gold, Inc.	8,231,548
4,900	Henkel AG & Company KGaA	214,756
18,700	ITOCHU Corporation	178,694
30,000	Marubeni Corporation	167,519
2,216	Rio Tinto, Ltd.	129,796
13,437	Sigma-Aldrich Corporation	830,272
16,322	Silgan Holdings, Inc.	599,670
46,430	Steel Dynamics, Inc.	460,586
24,000	Tosoh Corporation	75,205
56,000	Ube Industries, Ltd.	186,102
2,200	Voestalpine AG	63,597
1,464	Yara International ASA	55,853
	Total Materials	**14,747,441**
Telecommunications Services (0.1%)		
6,700	Deutsche Telekom AG	78,644
13,200	Hellenic Telecommunications Organization SA	56,111
26	KDDI Corporation	178,993
6,200	Koninklijke (Royal) KPN NV	81,661
57,536	NII Holdings, Inc.[a]	1,550,595
4,300	Nippon Telegraph & Telephone Corporation	206,005
92	NTT DoCoMo, Inc.	167,629
200	Swisscom AG	81,366
70,400	Telecom Corporation of New Zealand, Ltd.	139,936
58,300	Telstra Corporation, Ltd.	173,625
46,466	Verizon Communications, Inc.	1,709,949
	Total Telecommunications Services	**4,424,514**
Utilities (0.3%)		
67,200	A2A SPA	83,595
30,500	CMS Energy Corporation	603,595
4,100	Enagas SA	75,352
30,900	Enel SPA	136,400
47,750	Exelon Corporation	2,034,627
9,300	Gas Natural SDG SA	158,149
18,800	National Grid plc	186,335
75,740	NiSource, Inc.	1,619,321
41,173	NV Energy, Inc.	605,655
111,200	PNM Resources, Inc.	1,827,016
1,700	Red Electrica Corporacion SA	77,468
50,061	Southwest Gas Corporation	1,810,706
80,500	SP AusNet	72,290
8,057	SSE plc	161,673
19,442	UGI Corporation	510,741
	Total Utilities	**9,962,923**
	Total Common Stock (cost $454,894,820)	**402,579,246**

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

Moderate Allocation Portfolio

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

Principal Amount	Long-Term Fixed Income (9.5%)	Value
Asset-Backed Securities (0.5%)		
	Citigroup Mortgage Loan Trust, Inc.	
$4,473,288	0.385%, 8/25/2036[b]	$3,383,215
	GSAMP Trust	
4,075,597	0.415%, 2/25/2036[b]	3,215,833
	J.P. Morgan Mortgage Acquisition Corporation	
5,300,000	5.461%, 10/25/2036	4,032,595
	Morgan Stanley Capital, Inc.	
4,499,414	0.385%, 2/25/2037[b]	2,697,493
	Renaissance Home Equity Loan Trust	
6,500,000	6.011%, 5/25/2036	2,927,009
3,989,931	5.580%, 11/25/2036	2,386,413
	Total Asset-Backed Securities	**18,642,558**
Basic Materials (0.3%)		
	ArcelorMittal	
3,500,000	7.000%, 10/15/2039	3,121,552
	Arch Coal, Inc.	
740,000	7.000%, 6/15/2019[c]	703,000
	Dow Chemical Company	
3,500,000	4.250%, 11/15/2020	3,518,802
	FMG Resources Property, Ltd.	
740,000	7.000%, 11/1/2015[c]	688,200
	Georgia-Pacific, LLC	
660,000	8.000%, 1/15/2024	774,829
	Novelis, Inc.	
740,000	8.375%, 12/15/2017	732,600
	Total Basic Materials	**9,538,983**
Capital Goods (0.1%)		
	Case New Holland, Inc.	
730,000	7.875%, 12/1/2017	777,450
	Danaher Corporation	
1,400,000	0.603%, 6/21/2013[b]	1,402,730
	Total Capital Goods	**2,180,180**
Collateralized Mortgage Obligations (1.0%)		
	Citigroup Mortgage Loan Trust, Inc.	
1,738,156	5.500%, 11/25/2035	1,487,733
	CitiMortgage Alternative Loan Trust	
5,898,635	5.750%, 4/25/2037	4,102,217
	Countrywide Alternative Loan Trust	
2,491,849	6.000%, 4/25/2036	1,804,727
1,185,949	6.000%, 1/25/2037	811,900
6,831,166	5.500%, 5/25/2037	4,933,864
5,922,111	7.000%, 10/25/2037	4,118,058
	Countrywide Home Loans, Inc.	
3,368,891	5.750%, 4/25/2037	2,880,031
	Deutsche Alt-A Securities, Inc.	
1,140,820	5.500%, 10/25/2021	1,039,201
2,173,534	6.000%, 10/25/2021	1,811,228
	GSR Mortgage Loan Trust	
3,205,306	0.425%, 8/25/2046[b]	2,695,833
	HomeBanc Mortgage Trust	
2,574,514	2.203%, 4/25/2037	1,461,284
	J.P. Morgan Mortgage Trust	
1,791,497	2.783%, 6/25/2036	1,520,494

Principal Amount	Long-Term Fixed Income (9.5%)	Value
Collateralized Mortgage Obligations (1.0%) - continued		
$537,405	2.814%, 10/25/2036	$419,257
	MASTR Alternative Loans Trust	
1,326,416	6.500%, 7/25/2034	1,402,000
	Merrill Lynch Alternative Note Asset Trust	
1,376,404	6.000%, 3/25/2037	1,069,068
	Sequoia Mortgage Trust	
2,160,411	5.383%, 9/20/2046	710,269
	WaMu Mortgage Pass Through Certificates	
555,005	5.837%, 9/25/2036	449,016
2,019,718	5.932%, 10/25/2036	1,751,445
3,377,854	5.181%, 11/25/2036	2,660,476
	Total Collateralized Mortgage Obligations	**37,128,101**
Commercial Mortgage-Backed Securities (1.3%)		
	Banc of America Commercial Mortgage, Inc.	
7,200,000	5.821%, 4/10/2049	7,695,864
4,975,000	5.801%, 6/10/2049	5,231,839
	Bear Stearns Commercial Mortgage Securities, Inc.	
3,500,000	5.331%, 2/11/2044	3,610,593
	Citigroup/Deutsche Bank Commercial Mortgage	
3,000,000	5.322%, 12/11/2049	3,092,403
	Credit Suisse First Boston Mortgage Securities	
7,200,000	5.542%, 1/15/2049	7,625,779
	Credit Suisse Mortgage Capital Certificates	
8,875,000	5.509%, 9/15/2039	7,072,461
	Government National Mortgage Association	
592,982	2.164%, 3/16/2033	603,592
537,746	3.214%, 1/16/2040	562,963
	Greenwich Capital Commercial Funding Corporation	
4,650,000	5.867%, 12/10/2049	3,746,863
	J.P. Morgan Chase Commercial Mortgage Securities Corporation	
3,650,000	5.932%, 2/12/2049	3,189,246
	Morgan Stanley Capital, Inc.	
2,650,000	5.406%, 3/15/2044	2,293,700
	Wachovia Bank Commercial Mortgage Trust	
5,400,000	5.603%, 10/15/2048	4,800,454
	Total Commercial Mortgage-Backed Securities	**49,525,757**
Communications Services (0.4%)		
	CBS Corporation	
1,750,000	7.875%, 7/30/2030	2,209,284
1,750,000	5.900%, 10/15/2040	1,837,797
	CCO Holdings, LLC	
710,000	7.000%, 1/15/2019	688,700
	Clear Channel Worldwide Holdings, Inc.	
740,000	9.250%, 12/15/2017	756,650

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

Moderate Allocation Portfolio

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

Principal Amount	Long-Term Fixed Income (9.5%)	Value
Communications Services (0.4%) - continued		
	Cox Communications, Inc.	
$3,500,000	6.950%, 6/1/2038[c]	$4,261,523
	Dish DBS Corporation	
730,000	6.750%, 6/1/2021[c]	697,150
	EH Holding Corporation	
740,000	6.500%, 6/15/2019[c]	712,250
	Frontier Communications Corporation	
740,000	8.250%, 4/15/2017	717,800
	Intelsat Luxembourg SA	
730,000	11.500%, 2/4/2017[c]	627,800
	NII Capital Corporation	
730,000	7.625%, 4/1/2021	724,525
	Virgin Media Finance plc	
670,000	9.500%, 8/15/2016	723,600
	Total Communications Services	**13,957,079**
Consumer Cyclical (0.2%)		
	Chrysler Group, LLC	
695,000	8.000%, 6/15/2019[c]	542,100
	Ford Motor Credit Company, LLC	
740,000	5.750%, 2/1/2021	732,229
	Home Depot, Inc.	
3,500,000	5.875%, 12/16/2036	4,074,672
	MGM Resorts International	
630,000	11.125%, 11/15/2017	691,425
	Rite Aid Corporation	
740,000	7.500%, 3/1/2017	706,700
	Starwood Hotels & Resorts Worldwide, Inc.	
740,000	6.750%, 5/15/2018	793,650
	Toys R Us Property Company II, LLC	
740,000	8.500%, 12/1/2017	721,500
	West Corporation	
410,000	7.875%, 1/15/2019	385,400
	WMG Acquisition Corporation	
740,000	11.500%, 10/1/2018[c]	680,800
	Total Consumer Cyclical	**9,328,476**
Consumer Non-Cyclical (0.7%)		
	Altria Group, Inc.	
3,500,000	9.950%, 11/10/2038	4,987,790
	Anheuser-Busch Companies, Inc.	
1,750,000	6.450%, 9/1/2037	2,284,919
	Anheuser-Busch InBev Worldwide, Inc.	
2,450,000	0.609%, 7/14/2014[b]	2,450,598
1,750,000	8.200%, 1/15/2039	2,642,253
	Community Health Systems, Inc.	
740,000	8.875%, 7/15/2015	727,050
	HCA, Inc.	
410,000	7.250%, 9/15/2020	414,100
730,000	7.500%, 2/15/2022	673,425
	JBS USA, LLC/JBS USA Finance, Inc.	
620,000	11.625%, 5/1/2014	663,400
	Kraft Foods, Inc.	
1,750,000	5.375%, 2/10/2020	1,980,512
1,750,000	7.000%, 8/11/2037	2,254,555
	Mylan, Inc.	
670,000	7.875%, 7/15/2020[c]	700,150

Principal Amount	Long-Term Fixed Income (9.5%)	Value
Consumer Non-Cyclical (0.7%) - continued		
	Reynolds Group Holdings, Ltd.	
$730,000	6.875%, 2/15/2021[c]	$657,000
	Tenet Healthcare Corporation	
440,000	8.875%, 7/1/2019	465,300
	UnitedHealth Group, Inc.	
1,750,000	6.875%, 2/15/2038	2,289,707
1,750,000	5.700%, 10/15/2040	1,998,292
	Total Consumer Non-Cyclical	**25,189,051**
Energy (0.2%)		
	Chesapeake Energy Corporation	
670,000	9.500%, 2/15/2015	755,425
	Linn Energy, LLC	
730,000	7.750%, 2/1/2021	730,000
	Newfield Exploration Company	
470,000	5.750%, 1/30/2022	464,713
	Pioneer Natural Resources Company	
525,000	7.500%, 1/15/2020	589,295
	Plains Exploration & Production Company	
730,000	7.625%, 6/1/2018	748,250
	SandRidge Energy, Inc.	
740,000	8.000%, 6/1/2018[c]	695,600
	Weatherford International, Ltd.	
3,500,000	6.750%, 9/15/2040	3,732,666
	Total Energy	**7,715,949**
Financials (1.0%)		
	Achmea Hypotheekbank NV	
610,000	3.200%, 11/3/2014[c]	644,890
	Ally Financial, Inc.	
740,000	8.000%, 3/15/2020	684,959
	AXA SA	
3,500,000	6.379%, 12/29/2049[c,d]	2,397,500
	Bank of Nova Scotia	
600,000	1.450%, 7/26/2013[c]	605,969
	BBVA International Preferred SA Unipersonal	
1,750,000	5.919%, 12/29/2049[d]	1,187,127
	Canadian Imperial Bank of Commerce	
610,000	2.600%, 7/2/2015[c]	635,379
	Cie de Financement Foncier	
600,000	2.250%, 3/7/2014[c]	597,565
	Dexia Credit Local SA	
600,000	2.750%, 4/29/2014[c]	590,820
	General Electric Capital Corporation	
3,500,000	6.750%, 3/15/2032	3,995,499
	HCP, Inc.	
3,500,000	6.750%, 2/1/2041	3,753,285
	Health Care REIT, Inc.	
1,400,000	6.500%, 3/15/2041	1,328,095
	Icahn Enterprises, LP	
770,000	8.000%, 1/15/2018	767,112
	International Bank for Reconstruction & Development	
600,000	2.375%, 5/26/2015	632,749
	International Lease Finance Corporation	
740,000	5.750%, 5/15/2016	657,722

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

Moderate Allocation Portfolio

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

Principal Amount	Long-Term Fixed Income (9.5%)	Value
Financials (1.0%) - continued		
	MetLife Capital Trust IV	
$3,500,000	7.875%, 12/15/2037[c]	$3,447,500
	Prudential Financial, Inc.	
3,500,000	6.200%, 11/15/2040	3,595,518
	QBE Capital Funding III, Ltd.	
3,600,000	7.250%, 5/24/2041[c]	3,254,072
	Reinsurance Group of America, Inc.	
1,750,000	6.750%, 12/15/2065	1,526,887
	Royal Bank of Canada	
550,000	3.125%, 4/14/2015[c]	583,530
	Stoneheath RE	
1,800,000	6.868%, 12/29/2049[d]	1,368,000
	Toronto-Dominion Bank	
610,000	2.200%, 7/29/2015[c]	628,997
	XL Group plc	
3,500,000	6.250%, 5/15/2027	3,587,605
1,750,000	6.500%, 12/29/2049[d]	1,373,750
	Total Financials	**37,844,530**
Foreign Government (<0.1%)		
	Bank Nederlandse Gemeenten NV	
850,000	4.375%, 2/16/2021[c]	957,488
	Kommunalbanken AS	
600,000	2.750%, 5/5/2015[c]	634,773
	Kreditanstalt fuer Wiederaufbau	
295,000	0.240%, 6/17/2013[b]	294,845
	Total Foreign Government	**1,887,106**
Mortgage-Backed Securities (1.6%)		
	Federal National Mortgage Association Conventional 15-Yr. Pass Through	
24,100,000	3.000%, 10/1/2026[e]	24,826,759
7,600,000	5.000%, 10/1/2041[e]	8,174,750
	Federal National Mortgage Association Conventional 30-Yr. Pass Through	
24,650,000	4.500%, 10/1/2041[e]	26,148,252
	Total Mortgage-Backed Securities	**59,149,761**
Technology (<0.1%)		
	Freescale Semiconductor, Inc.	
700,000	9.250%, 4/15/2018[c]	719,250
	Seagate HDD Cayman	
710,000	7.750%, 12/15/2018[c]	695,800
	Total Technology	**1,415,050**
Transportation (<0.1%)		
	Hertz Corporation	
740,000	6.750%, 4/15/2019	671,550
	Total Transportation	**671,550**
U.S. Government and Agencies (2.0%)		
	FDIC Structured Sale Guaranteed Notes	
240,000	Zero Coupon, 1/7/2012[c]	239,616
240,000	Zero Coupon, 1/7/2014[c]	235,452
	Federal Agricultural Mortgage Corporation	
600,000	2.125%, 9/15/2015	626,627

Principal Amount	Long-Term Fixed Income (9.5%)	Value
U.S. Government and Agencies (2.0%) - continued		
	Federal Home Loan Banks	
$3,500,000	5.000%, 11/17/2017	$4,214,133
	Federal Home Loan Mortgage Corporation	
3,640,000	0.750%, 3/28/2013	3,661,079
1,200,000	2.500%, 1/7/2014	1,255,126
1,675,000	4.875%, 6/13/2018	2,003,169
	Federal National Mortgage Association	
2,250,000	1.250%, 2/27/2014	2,289,627
910,000	4.375%, 10/15/2015	1,032,131
2,400,000	1.250%, 9/28/2016	2,395,507
680,000	6.250%, 5/15/2029	964,227
	Tennessee Valley Authority	
520,000	5.250%, 9/15/2039	666,053
	U.S. Treasury Bonds	
1,020,000	4.375%, 5/15/2041	1,317,718
	U.S. Treasury Bonds, TIPS	
182,915	2.125%, 2/15/2040	232,088
	U.S. Treasury Notes	
5,580,000	0.750%, 6/15/2014	5,634,059
12,950,000	2.500%, 4/30/2015	13,831,209
1,225,000	2.000%, 1/31/2016	1,287,972
1,785,000	2.625%, 2/29/2016	1,925,151
4,350,000	3.250%, 3/31/2017	4,852,969
11,235,000	3.125%, 5/15/2021	12,469,951
1,250,000	7.625%, 2/15/2025	2,013,281
2,975,000	4.375%, 5/15/2040	3,829,390
	U.S. Treasury Notes, TIPS	
788,826	3.375%, 1/15/2012	795,420
1,020,921	2.000%, 1/15/2014	1,083,771
828,198	1.625%, 1/15/2015	891,219
901,737	0.500%, 4/15/2015	938,299
727,129	2.500%, 7/15/2016	835,687
942,876	2.625%, 7/15/2017	1,111,046
748,736	1.125%, 1/15/2021	817,234
203,747	2.375%, 1/15/2025	251,675
	Total U.S. Government and Agencies	**73,700,886**
Utilities (0.2%)		
	AES Corporation	
730,000	7.375%, 7/1/2021[c]	689,850
	Dominion Resources, Inc.	
1,750,000	2.669%, 9/30/2066[b]	1,557,500
	Energy Transfer Partners, LP	
968,000	6.625%, 10/15/2036	994,971
1,750,000	7.500%, 7/1/2038	1,899,737
	Markwest Energy Partners, LP/Markwest Energy Finance Corporation	
740,000	6.500%, 8/15/2021	758,500
	Southern Union Company	
3,500,000	7.200%, 11/1/2066	2,957,500
	Total Utilities	**8,858,058**
	Total Long-Term Fixed Income (cost $356,267,840)	**356,733,075**

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

Moderate Allocation Portfolio

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

Principal Amount	Short-Term Investments (10.6%)[f]	Value
	Federal Home Loan Bank Discount Notes	
5,000,000	0.010%, 10/11/2011[g]	$4,999,986
90,000,000	0.010%, 10/26/2011[g]	89,999,375
15,000,000	0.010%, 11/4/2011[g]	14,999,858
41,000,000	0.030%, 11/14/2011[g]	40,998,497
85,000,000	0.023%, 11/16/2011[g]	84,997,489
15,000,000	0.024%, 11/18/2011[g]	14,999,533
43,365,000	0.020%, 11/23/2011[g]	43,363,723
	Federal Home Loan Mortgage Corporation Discount Notes	
17,781,000	0.010%, 10/24/2011[g]	17,780,887
20,000,000	0.022%, 11/28/2011[g]	19,999,291
10,000,000	0.020%, 12/27/2011[g]	9,999,517
	Federal National Mortgage Association Discount Notes	
5,000,000	0.020%, 11/10/2011[g]	4,999,889
4,000,000	0.020%, 12/21/2011[g]	3,999,820
7,647,000	0.020%, 12/28/2011[g]	7,646,626
32,150,000	0.099%, 2/22/2012[g,h]	32,137,453
	U.S. Treasury Bills	
7,600,000	0.045%, 2/9/2012[h]	7,598,763
	Total Short-Term Investments (at amortized cost)	**398,520,707**
	Total Investments (cost $4,203,975,849) 101.6%	**$3,819,433,755**
	Other Assets and Liabilities, Net (1.6%)	**(61,907,328)**
	Total Net Assets 100.0%	**$3,757,526,427**

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 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 $28,524,024 or 0.8% of total net assets.
d Denotes perpetual securities. Perpetual securities pay an indefinite stream of interest, but may be called by the issuer at an earlier date.
e Denotes investments purchased on a when-issued or delayed delivery basis.
f The interest rate shown reflects the yield, coupon rate or the discount rate at the date of purchase.
g Denotes investments that benefit from credit enhancement or liquidity support provided by a third party bank, institution or government.
h At September 30, 2011, $39,736,216 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.
- TIPS - Treasury Inflation Protected Security.
- 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	$ 42,714,964
Gross unrealized depreciation	(427,257,058)
Net unrealized appreciation (depreciation)	$ (384,542,094)
Cost for federal income tax purposes	$ 4,203,975,849

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

Moderate Allocation 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 Moderate Allocation Portfolio's assets carried at fair value.

Investments in Securities	Total	Level 1	Level 2	Level 3
Mutual Funds				
Equity Mutual Funds	1,338,868,660	1,338,868,660	–	–
Fixed Income Mutual Funds	1,322,732,067	1,322,732,067	–	–
Common Stock				
Consumer Discretionary	41,557,482	38,607,015	2,950,467	–
Consumer Staples	36,214,826	34,816,951	1,397,875	–
Energy	39,603,952	37,330,370	2,273,582	–
Financials	42,243,299	40,034,114	2,209,185	–
Health Care	67,449,939	66,637,389	812,550	–
Industrials	34,378,087	32,578,018	1,800,069	–
Information Technology	111,996,783	111,203,124	793,659	–
Materials	14,747,441	12,836,707	1,910,734	–
Telecommunications Services	4,424,514	3,260,544	1,163,970	–
Utilities	9,962,923	9,011,661	951,262	–
Long-Term Fixed Income				
Asset-Backed Securities	18,642,558	–	18,642,558	–
Basic Materials	9,538,983	–	9,538,983	–
Capital Goods	2,180,180	–	2,180,180	–
Collateralized Mortgage Obligations	37,128,101	–	37,128,101	–
Commercial Mortgage-Backed Securities	49,525,757	–	49,525,757	–
Communications Services	13,957,079	–	13,957,079	–
Consumer Cyclical	9,328,476	–	9,328,476	–
Consumer Non-Cyclical	25,189,051	–	25,189,051	–
Energy	7,715,949	–	7,715,949	–
Financials	37,844,530	–	37,844,530	–
Foreign Government	1,887,106	–	1,887,106	–
Mortgage-Backed Securities	59,149,761	–	59,149,761	–
Technology	1,415,050	–	1,415,050	–
Transportation	671,550	–	671,550	–
U.S. Government and Agencies	73,700,886	–	73,700,886	–
Utilities	8,858,058	–	8,858,058	–
Short-Term Investments	398,520,707	–	398,520,707	–
Total	**$3,819,433,755**	**$3,047,916,620**	**$771,517,135**	**$–**

Other Financial Instruments	Total	Level 1	Level 2	Level 3
Asset Derivatives				
Futures Contracts	9,500,010	9,500,010	–	–
Total Asset Derivatives	**$9,500,010**	**$9,500,010**	**$–**	**$–**
Liability Derivatives				
Futures Contracts	27,647,671	27,647,671	–	–
Foreign Currency Forward Contracts	5	–	5	–
Total Liability Derivatives	**$27,647,676**	**$27,647,671**	**$5**	**$–**

Moderate Allocation Portfolio

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

Futures Contracts	Number of Contracts Long/(Short)	Expiration Date	Notional Principal Amount	Value	Unrealized Gain/(Loss)
2-Yr. U.S. Treasury Bond Futures	(295)	December 2011	($65,028,163)	($64,959,924)	$68,239
5-Yr. U.S. Treasury Bond Futures	(875)	December 2011	(107,068,623)	(107,173,833)	(105,210)
10-Yr. U.S. Treasury Bond Futures	(245)	December 2011	(31,765,034)	(31,872,969)	(107,935)
Mini MSCI EAFE Index Futures	868	December 2011	61,560,236	58,442,441	(3,117,795)
Russell 2000 Index Mini-Futures	(632)	December 2011	(44,529,266)	(40,542,800)	3,986,466
S&P 400 Index Mini-Futures	(774)	December 2011	(65,732,165)	(60,286,860)	5,445,305
S&P 500 Index Futures	1,446	December 2011	431,365,731	407,049,000	(24,316,731)
Total Futures Contracts					**($18,147,661)**

Foreign Currency Forward Contracts	Counterparty	Contracts to Deliver/Receive	Settlement Date	Value on Settlement Date	Value	Unrealized Gain/(Loss)
Sales						
British Pound	SSB	1,736	10/3/2011	$2,702	$2,707	($5)
Euro	SSB	128	10/3/2011	172	172	–
Hong Kong Dollar	SSB	1,000	10/3/2011	128	128	–
Total Sales				**$3,002**	**$3,007**	**($5)**
Net Unrealized Gain/(Loss) on Foreign Currency Forward Contracts						**($5)**

Counterparty

SSB - State Street Bank

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 Moderate Allocation Portfolio, is as follows:

Portfolio	Value December 31, 2010	Gross Purchases	Gross Sales	Shares Held at September 30, 2011	Value September 30, 2011	Income Earned January 1, 2011 - September 30, 2011
Real Estate Securities	$99,423,361	$–	$–	6,860,853	$93,757,669	$–
Partner Small Cap Growth	58,029,531	–	–	4,491,902	48,524,218	–
Partner Small Cap Value	80,564,038	172,838	–	4,235,223	66,347,726	172,838
Small Cap Stock	45,549,804	–	–	3,596,908	36,748,530	–
Mid Cap Growth II	28,136,866	1,049,270	–	2,934,279	24,565,782	29,038
Partner Mid Cap Value	78,175,286	169,486	–	5,853,149	66,079,707	169,486
Mid Cap Stock	142,366,059	64,932	–	11,623,612	117,407,779	64,932
Partner Worldwide Allocation	208,688,622	23,121,358	–	26,331,012	196,650,527	121,358
Partner International Stock	187,198,240	68,777	–	17,546,838	156,421,283	68,777
Large Cap Growth II	151,243,607	3,066,508	–	22,248,154	128,469,739	216,116
Large Cap Value	275,009,351	61,876	–	25,642,869	234,355,306	61,876
Large Cap Stock	170,579,507	20,161	–	20,069,137	146,017,018	20,161
Equity Income Plus	26,476,160	74,172	–	2,930,787	23,523,376	74,172
High Yield	148,465,627	33,007,405	15,317,998	34,557,335	153,752,494	8,927,159
Income	494,090,978	87,162,785	400,618	58,229,910	579,789,395	18,828,697
Limited Maturity Bond	511,433,385	83,066,930	429,233	60,586,354	589,190,178	9,852,316
Total Value and Income Earned	**2,705,430,422**				**2,661,600,727**	**38,606,926**

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 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.