

GLOBAL HIGH INCOME FUND INC
Form N-CSR
January 09, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-07540

Global High Income Fund Inc.

(Exact name of registrant as specified in charter)

1285 Avenue of the Americas, New York, New York 10019-6028

(Address of principal executive offices) (Zip code)

Mark F. Kemper, Esq.
UBS Global Asset Management
1285 Avenue of the Americas
New York, NY 10019-6028
(Name and address of agent for service)

Copy to:
Jack W. Murphy, Esq.
Dechert LLP
1900 K Street, N.W.
Washington, DC 20006

Registrant's telephone number, including area code: 212-821 3000

Date of fiscal year end: October 31

Date of reporting period: October 31, 2013

Item 1. Reports to Stockholders.

Closed-end funds

Annual Report

Global High Income Fund Inc.

Annual Report

October 31, 2013

Global High Income Fund Inc.:
Managed distribution policy key points to note

- The Fund has a managed distribution policy. Effective June 2012, the Fund makes regular monthly distributions at an annualized rate equal to 7% of the Fund's net asset value, as determined as of the last trading day during the first week of a month (usually a Friday, unless the NYSE is closed that day). (From August 2009 through the monthly distribution for May 2012, the annualized rate had been 8% (which, consistent with the policy, in any given month may have been comprised of a combination of net investment income, short- and/or long-term capital gains, and/or a return of capital)).
 - To the extent that the Fund's taxable income in any fiscal year exceeds the aggregate amount distributed based on a fixed percentage of its net asset value, the Fund would make an additional distribution in the amount of that excess near the end of the fiscal year. To the extent that the aggregate amount distributed by the Fund (based on a percentage of its net assets) exceeds its current and accumulated earnings and profits, the amount of that excess would constitute a return of capital or net realized capital gains for tax purposes. A return of capital may occur, for example, when some or all of the money that shareholders invested in the Fund is deemed to be paid back to shareholders. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with yield or income.
 - You should not draw any conclusions about the Fund's investment performance from the amount of the monthly distribution or from the terms of the Fund's managed distribution policy.
 - The Fund periodically issues notices and press releases estimating the source characteristics of its monthly distributions. The estimated amounts and sources reported in these materials are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for accounting and tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The Fund will send you a Form 1099-DIV (or your financial intermediary should provide you with similar information) for the calendar year that will tell you how to report these distributions for federal income tax purposes.
 - The Fund's Board may change or terminate the managed distribution policy at any time without prior notice to Fund shareholders; any such change or termination may have an adverse effect on the market price for the Fund's shares.
 - Further information regarding the Fund's managed distribution policy is contained in the section captioned "Distribution policy" towards the end of this report.
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Global High Income Fund Inc.

December 13, 2013

Dear Shareholder,

We present you with the annual report for Global High Income Fund (the Fund) for the 12 months ended October 31, 2013.

Portfolio performance

For the 12 months ended October 31, 2013, the Fund declined 4.81% on a net asset value basis and declined 11.11% on a market price basis. In comparison, the Fund's benchmark, the Global High Income Fund Index (the Index), declined 2.07%. Over the same period, the Fund's Lipper Emerging Markets Hard Currency Debt Funds peer group median declined 3.63% on a net asset value basis and declined 9.54% on a market price basis. (For more performance information, including a description of the Index, please refer to Performance at a glance on page 5.)

The Fund did not use structural leverage during the reporting period. This means, the Fund did not have preferred stock outstanding or borrow from banks for investment purposes, as some of its peers may have done. Leverage magnifies returns on both the upside and on the downside and creates a wider range of returns within the Fund's peer group.

The Fund generally traded at a discount to its net asset value (NAV), although the discount widened further during the second half of the reporting period. On the last trading day of the preceding fiscal year, which ended October 31, 2012, the Fund traded at a discount of 5.3%. At the close of the current fiscal period, October 31, 2013, the Fund traded at a discount of 12.1%. As of the same dates, the Lipper peer group reported median discounts of 5.1% and 10.9%, respectively.

Global High Income Fund Inc.

Investment goals:

Primarily, high level of current income; secondarily, capital appreciation

Portfolio management:

Portfolio management team, including Uwe Schillhorn
UBS Global Asset Management (Americas) Inc.

Commencement:

October 8, 1993

NYSE symbol:

GHI

Distribution payments:

Monthly

A fund trades at a premium when the market price at which its shares trade is more than its NAV per share. Alternatively, a fund trades at a discount when the market price at which its shares trade is less than its NAV per share. The market price is the price the market is willing to pay for shares of a fund at a given time, and may be influenced by a range of factors, including supply and demand and market conditions. NAV per share is determined by dividing the value of the Fund's securities, cash and other assets,

less all liabilities, by the total number of common shares outstanding.

Market commentary

Despite a strong finish, the emerging markets debt asset class generated weak results during the reporting period as a whole. The asset class rallied during the first two months of the 12-month period, driven by improving economic conditions in the US and signs that China's economy was stabilizing. Investor sentiment was also lifted by further monetary policy accommodation by the Federal Reserve Board (the Fed) and European Central Bank (ECB). The asset class then declined during the next three months as global growth moderated, US Treasury yields increased and commodity prices declined. A strong rally in April helped the asset class post a modest gain for the first half of the reporting period.

However, April's rally proved to be only a temporary respite, as the asset class sharply fell during three of the next four months, largely driven by indications from the Fed that it may begin tapering its asset purchase program sooner than previously expected. This caused Treasury yields to surge higher and many risk assets, including emerging markets debt and local emerging market currencies, to sizably underperform. Disappointing economic data from China and falling commodity prices further exacerbated weakening investor sentiment.

Global High Income Fund Inc.

At the end of the reporting period, particularly from mid-September through October, the asset class recovered some of its losses, as the Fed surprised the market by delaying its asset purchase tapering. This resulted in the decline of US Treasury yields and bolstered the demand for risk assets, including emerging markets debt and currencies.

During the 12 months ended October 31, 2013, US dollar-denominated emerging markets debt, as measured by the JP Morgan Emerging Markets Bond Index Global (EMBI Global), declined 2.58%. Local market investments (in other words, emerging markets debt denominated in the currency of the issuer) fell 1.60%, as measured by the JP Morgan Government Bond Index-Emerging Markets Global Diversified (GBI-EM Global Diversified).

Portfolio commentary

What worked

- **An overweight to Argentine US dollar-denominated debt was beneficial for performance.** After generating weak results during the first half of the reporting period, our overweight to Argentina was rewarded, as the period progressed. In particular, our decision to emphasize short duration Argentinean debt that was not tied to the longstanding dispute between holdouts from the country's 2001 sovereign default aided the Fund's performance.
- **The Fund's positioning in Indonesia, particularly our underweight to Indonesian local debt was additive for results.**
- **Active management of the Fund's exposure in local Turkish debt enhanced results.** We tactically adjusted the Fund's exposure during the reporting period, particularly eliminating our underweight position to Turkish local debt mid-summer on market weakness, followed by taking profits and closing out the overweight in October.
- **Although, overall, the US dollar-denominated emerging markets debt asset class declined during the reporting period, the Fund's overweight exposure to US dollar-denominated debt of Montenegro and Albania was beneficial for results.** As the spreads in those markets narrowed during the reporting period, and neither country is included in the GBI-EM Global Diversified, our positions modestly contributed to returns.

What didn't work

- **Overweights to certain local bonds were negative for performance.**

The largest detractor from the Fund's performance was an overweight to longer duration local Brazilian inflation-linked bonds. As yields of these bonds substantially increased, and the bonds don't mature until 2045, their prices went down significantly.

The Fund's overweights to Thai and Indian local debt were detrimental given their poor performance.

- **An overweight to Mongolia was not rewarded.** Demand was weak as coal prices, a key commodity in the country, declined in the summer of 2013.
- **The Fund's overweight to Sri Lanka hurt performance.** While fundamentals in the country were relatively stable, debt sold off during the second half of the reporting period given weak demand and poor liquidity.
- **Our overweight to local currencies detracted from performance.** Local currencies, as a whole, depreciated versus the

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US dollar during the reporting period. Among the Fund's weakest performers were its overweights to the Indian rupee and South African rand.

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Global High Income Fund Inc.

Portfolio adjustments

- **Several adjustments were made to the portfolio during the reporting period.**

The Fund's allocation to local currencies was reduced during the summer, although we remained overweight versus the Index.

We tactically adjusted the Fund's allocation to US dollar-denominated debt toward the end of August and early September by increasing our exposure in a number of countries, including Turkey, Indonesia and India, that had been hit hard during the sell-off earlier in the summer. This was beneficial, as their spreads¹ subsequently narrowed during the rally in September and October. We then took gains and reduced some of those positions late in September and October.

Use of derivatives

- **The Fund continued to utilize a number of instruments to manage its overall currency exposure.** Currency forwards and currency options were among the most commonly utilized derivative instruments. (A currency forward is an agreement between two parties to exchange a certain amount in currencies at a certain rate at a future date.) During the reporting period, the Fund's overall currency management strategy detracted from results.
- **The Fund used various types of credit-related instruments to manage its credit risk across emerging markets.** Credit default swaps (a type of credit derivative), credit linked notes (notes structured to provide exposure to an underlying bond or asset) and, to a lesser extent, total return swaps were utilized to adjust the Fund's exposure to the debt of certain emerging markets countries. Whereas credit default swaps were generally used to adjust the Fund's US dollar-denominated debt exposure, the other instruments were employed almost exclusively to gain access to various local markets. The overall management of US dollar-denominated assets, including derivatives, modestly contributed to performance while local market exposure generally detracted from results.
- **The Fund engaged in interest rate related derivative instruments, including but not limited to, futures and swaps.** Credit linked notes also played a role in adjusting the Fund's exposure to local yields. Overall, duration and yield curve management provided mixed results during the reporting period.

Outlook

We have a neutral near-term outlook for the emerging markets asset class. Current account deficits in some developing countries, such as India, Turkey and Indonesia, have risen in recent months and pressured their currencies. This pressure could lead to slightly higher inflation in those countries, as well as in South Africa and Brazil, given their weaker currencies. Finally, uncertainties regarding the timing and magnitude of the Fed's tapering could result in periods of heightened volatility.

However, we maintain our positive long-term outlook for the emerging markets asset class. While economic expansions of emerging market countries have decelerated somewhat, growth in developing countries should remain higher than in their developed country counterparts. In addition, emerging markets debt-to-gross domestic product ratios and fiscal budgets are relatively more attractive. We also believe that supply/demand technicals should be supportive and lead to spread tightening over time.

¹ Spread is the difference between the yields paid on a government bond (such as US Treasuries) and a security of a different quality, but with the same or similar maturity. When spreads widen, it implies the market is factoring in greater risk of default for the lower rated security; conversely, when spreads tighten, the market is factoring in less risk. Such movements in spreads generally result in changes in market prices for such securities.

Global High Income Fund Inc.

We thank you for your continued support and welcome any comments or questions you may have. For additional information regarding your fund, please contact your financial advisor, or visit us at www.ubs.com/globalam-us.

Sincerely,

Mark E. Carver
President
Global High Income Fund Inc.
Managing Director
UBS Global Asset Management
(Americas) Inc.

Uwe Schillhorn, CFA
Portfolio Management Team Member
Global High Income Fund Inc.
Managing Director
UBS Global Asset Management
(Americas) Inc.

This letter is intended to assist shareholders in understanding how the Fund performed during the 12 months ended October 31, 2013. The views and opinions in the letter were current as of December 13, 2013. They are not guarantees of future performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and we reserve the right to change our views about individual securities, sectors and markets at any time. As a result, the views expressed should not be relied upon as a forecast of the Fund's future investment intent. We encourage you to consult your financial advisor regarding your personal investment program.

Investing in the Fund entails specific risks, such as interest rate, credit and the risks associated with investing in the securities of non-US issuers, including those located in emerging market countries. The value of the Fund's investments in foreign securities may fall due to adverse political, social and economic developments abroad and due to decreases in foreign currency values relative to the US dollar. Further detailed information regarding the Fund, including a discussion of principal objectives, principal investment strategies and principal risks, may be found in the fund overview located at <http://www.ubs.com/closedendfundsinfo>. You may also request copies of the fund overview by calling the Closed-End Funds Desk at 888-793 8637.

Global High Income Fund Inc.

Performance at a glance (unaudited)

Average annual total returns for periods ended 10/31/13

| | 1 year | 5 years | 10 years |
|---|----------|---------|----------|
| Net asset value returns | | | |
| Global High Income Fund Inc. | (4.81)% | 12.98% | 8.52% |
| Lipper Emerging Markets Hard Currency Debt Funds | (3.63) | 14.97 | 9.14 |
| Market price returns | | | |
| Global High Income Fund Inc. | (11.11)% | 14.65% | 6.19% |
| Lipper Emerging Markets Hard Currency Debt Funds | (9.54) | 18.15 | 8.57 |
| Index returns | | | |
| Global High Income Fund Index ¹ | (2.07)% | 12.74% | 9.06% |
| J.P. Morgan Emerging Markets Bond Index Global (EMBI Global) ² | (2.58) | 14.15 | 8.94 |

Past performance does not predict future performance. The return and value of an investment will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. The Fund's net asset value (NAV) returns assume, for illustration only, that dividends and other distributions, if any, were reinvested at the NAV on the payable dates. The Fund's market price returns assume that all dividends and other distributions, if any, were reinvested at prices obtained under the Fund's Dividend Reinvestment Plan. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and other distributions, if any, or on the sale of Fund shares.

¹ The Global High Income Fund Index is an unmanaged index compiled by UBS Global Asset Management (Americas) Inc. constructed as follows: from the Fund's inception until 12/31/93: 100% J.P. Morgan Emerging Markets Bond Index (EMBI); from 01/01/94 to 11/05/06: 100% J.P. Morgan Emerging Markets Bond Index Global (EMBI Global); from 11/06/06 to 03/31/08: 70% J.P. Morgan Emerging Markets Bond Index Global (EMBI Global) and 30% J.P. Morgan Government Bond Index-Emerging Markets Diversified (GBI-EM Diversified); from 04/01/08 to 05/31/08: 50% J.P. Morgan Emerging Markets Bond Index Global (EMBI Global) and 50% J.P. Morgan Government Bond Index-Emerging Markets Diversified (GBI-EM Diversified); from 06/01/08 to present: 50% J.P. Morgan Emerging Markets Bond Index Global (EMBI Global) and 50% J.P. Morgan Government Bond Index-Emerging Markets Global Diversified (GBI-EM Global Diversified). Investors should note that indices do not reflect the deduction of fees and expenses.

² The J.P. Morgan Emerging Markets Bond Index Global (EMBI Global) is an unmanaged index which is designed to track total returns for US dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans and Eurobonds. Investors should note that indices do not reflect the deduction of fees and expenses.

Lipper peer group data calculated by Lipper Inc.; used with permission. The Lipper median is the return of the fund that places in the middle of the peer group. Lipper classifies the Fund in its Emerging Markets Hard Currency Debt Funds category, which includes both leveraged and non-leveraged closed-end funds that seek either current income or total return by investing primarily in emerging market debt securities.

Any Fund performance information reflects the deduction of the Fund's fees and expenses, as indicated in shareholder reports, such as investment advisory and administration fees, custody fees, exchange listing fees, etc. It does not reflect any transaction charges that a shareholder may incur when (s)he buys or sells shares (e.g., a shareholder's brokerage commissions).

Investing in the Fund entails specific risks, such as interest rate risk and the risks associated with investing in the securities of issuers in emerging market countries. The value of the Fund's investments in foreign securities may fall due to adverse political, social and economic developments abroad and due to decreases in foreign currency values relative to the US dollar. Investments in emerging market issuers may decline in value because of unfavorable government actions, greater risks of political instability or the absence of accurate information about emerging market issuers. Further detailed information regarding the Fund, including a discussion of principal objectives, principal investment strategies and principal risks, may be found in the fund overview located at <http://www.ubs.com/closedendfundsinfo>. You may also request copies of the fund overview by calling the Closed-End Funds Desk at 888-793 8637.

Global High Income Fund Inc.

Portfolio statistics (unaudited)

| Characteristics ¹ | 10/31/13 | 04/30/13 | 10/31/12 |
|---|----------|----------|----------|
| Net asset value | \$11.93 | \$13.62 | \$13.45 |
| Market price | \$10.49 | \$12.94 | \$12.74 |
| 12-month dividends/distributions | \$0.9034 | \$0.9457 | \$0.9889 |
| Monthly dividend/distribution at period-end | \$0.0686 | \$0.0785 | \$0.0792 |
| Net assets (mm) | \$257.6 | \$294.0 | \$290.4 |
| Weighted average maturity (yrs.) | 10.4 | 10.7 | 11.2 |
| Duration (yrs.) ² | 6.0 | 6.9 | 7.2 |

| Currency exposure ³ | 10/31/13 | 04/30/13 | 10/31/12 |
|--------------------------------|---------------|---------------|---------------|
| US dollar denominated | 53.4% | 48.4% | 53.4% |
| Foreign denominated | 46.6 | 51.6 | 46.6 |
| Total | 100.0% | 100.0% | 100.0% |

| Top ten countries (bond holdings) ⁴ | 10/31/13 | 04/30/13 | 10/31/12 |
|--|--------------|--------------|--------------|
| Brazil | 12.0% | 13.4% | 12.1% |
| Turkey | 7.9 | 7.3 | 7.7 |
| Indonesia | 6.7 | 6.3 | 7.2 |
| Russia | 6.6 | 5.9 | 6.1 |
| Venezuela | 5.1 | 5.8 | 5.5 |
| Mexico | 4.8 | 5.3 | 5.3 |
| Poland | 3.7 | 4.6 | 5.0 |
| India | 3.6 | 4.2 | 4.9 |
| Malaysia | 3.6 | 4.0 | 3.4 |
| Thailand | 3.4 | 3.5 | 2.8 |
| | 57.4% | 60.3% | 60.0% |

| Credit quality ⁵ | 10/31/13 | 04/30/13 | 10/31/12 |
|-------------------------------|---------------|---------------|---------------|
| AA | 0.9% | 0.8% | 2.6% |
| A | 16.7 | 9.5 | 7.9 |
| BBB | 18.4 | 18.6 | 19.6 |
| BB | 10.7 | 11.3 | 13.8 |
| B | 10.7 | 11.1 | 10.4 |
| Non-rated | 35.7 | 46.2 | 39.7 |
| Cash equivalents | 4.2 | 0.3 | 3.8 |
| Other assets less liabilities | 2.7 | 2.2 | 2.2 |
| Total | 100.0% | 100.0% | 100.0% |

¹ Prices and other characteristics will vary over time.

² Duration is a measure of price sensitivity of a fixed income investment or portfolio (expressed as % change in price) to a 1 percentage point (i.e., 100 basis points) change in interest rates, accounting for optionality in bonds such as prepayment risk and call/put features.

³ Exposure represents a percentage of market value as of the dates indicated.

⁴ Weightings represent percentage of net assets as of the dates indicated. The Fund's portfolio is actively managed, and its composition will vary over time.

⁵ Weightings represent percentages of net assets as of the dates indicated. The Fund's portfolio is actively managed and its composition will vary over time. Credit quality ratings shown are based on those assigned by Standard & Poor's Financial Services LLC, a part of McGraw-Hill Financial (S&P), to individual portfolio holdings. S&P is an independent ratings agency. Ratings reflected represent S&P individual debt issue credit ratings. While S&P may provide a credit rating for a bond issuer (e.g., a specific company or country); certain issues, such as some sovereign debt, may not be covered or rated and therefore are reflected as non-rated for the purposes of this table. Credit ratings range from AAA, being the highest, to D, being the lowest, based on S&P's measures; ratings of BBB or higher are considered to be investment grade quality. Unrated securities do not necessarily indicate low quality. Further information regarding S&P's rating methodology may be found on its website at www.standardandpoors.com. Please note that references to credit quality made in the commentary above reflect ratings based on multiple providers (not just S&P) and thus may not align with the data represented in this table.

Global High Income Fund Inc.

Industry diversification (unaudited)*As a percentage of net assets**As of October 31, 2013*

| | |
|---|----------------|
| Bonds | |
| Corporate bonds | |
| Building products | 0.08% |
| Capital markets | 0.16 |
| Commercial banks | 6.44 |
| Construction materials | 0.15 |
| Diversified financial services | 2.53 |
| Electric utilities | 1.25 |
| Electrical equipment | 1.33 |
| Food & staples retailing | 0.08 |
| Machinery | 0.45 |
| Metals & mining | 0.66 |
| Oil, gas & consumable fuels | 4.47 |
| Paper & forest products | 0.21 |
| Road & rail | 0.87 |
| Specialty retail | 0.25 |
| Total corporate bonds | 18.93 |
| Non-US government obligations | 67.10 |
| Convertible bond | 1.38 |
| Structured notes | 5.63 |
| Total bonds | 93.04 |
| Short-term investment | 4.22 |
| Options purchased | 0.03 |
| Total investments | 97.29 |
| Cash and other assets, less liabilities | 2.71 |
| Net assets | 100.00% |

Global High Income Fund Inc.

Portfolio of investments October 31, 2013

| | Face amount | Value |
|---|--|--|
| Bonds 93.04% | | |
| Corporate bonds 18.93% | | |
| Argentina 0.05% | | |
| WPE International Cooperatief UA, 10.375%, due 09/30/20 ¹ | \$ 200,000 | \$ 134,000 |
| Brazil 2.44% | | |
| Banco do Brasil SA, 5.875%, due 01/26/22 ² | 1,900,000 | 1,897,625 |
| Caixa Economica Federal, 2.375%, due 11/06/17 ² | 200,000 | 189,250 |
| Centrais Eletricas Brasileiras SA, 5.750%, due 10/27/21 ¹ 5.750%, due 10/27/21 ² | 2,200,000 500,000 | 2,156,000 490,000 |
| State of Minas Gerais, 5.333%, due 02/15/28 ² | 1,600,000 | 1,560,000 |
| | | 6,292,875 |
| China 0.68% | | |
| China Automation Group Ltd., 7.750%, due 04/20/16 | 1,150,000 | 1,158,625 |
| China Liansu Group Holdings Ltd., 7.875%, due 05/13/16 ¹ | 200,000 | 211,000 |
| China Shanshui Cement Group Ltd., 10.500%, due 04/27/17 ¹ | 360,000 | 390,600 |
| | | 1,760,225 |
| Costa Rica 0.19% | | |
| Banco Nacional de Costa Rica, 6.250%, due 11/01/23 ² | 500,000 | 497,500 |
| Croatia 0.09% | | |
| Agrokor DD, 8.875%, due 02/01/20 ² | 200,000 | 217,020 |
| Czech Republic 0.20% | | |
| EP Energy AS, 5.875%, due 11/01/19 ² | EUR 350,000 | 515,007 |
| India 0.12% | | |
| Indian Oil Corp., Ltd., 5.625%, due 08/02/21 ¹ | \$ 300,000 | 301,464 |
| Indonesia 1.10% | | |
| Majapahit Holding BV, 7.250%, due 06/28/17 ² | 100,000 | 112,750 |
| Pertamina Persero PT, 4.300%, due 05/20/23 ² 5.625%, due 05/20/43 ² 6.000%, due 05/03/42 ² 6.500%, due 05/27/41 ¹ | 200,000 1,000,000 1,700,000 200,000 | 183,000 847,500 1,504,500 188,000 |
| | | 2,835,750 |
| Kazakhstan 0.80% | | |
| Development Bank of Kazakhstan JSC, 5.500%, due 12/20/15 ² | 264,000 | 278,520 |
| Kazakhstan Temir Zholy Finance BV, 6.950%, due 07/10/42 ¹ 6.950%, due 07/10/42 ² | 350,000 750,000 | 366,625 785,625 |
| KazMunayGas National Co., | | |

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| | | |
|---|-----------|-----------|
| 5.750%, due 04/30/43 ² | 700,000 | 637,000 |
| | | 2,067,770 |
| Malaysia 1.69% | | |
| Malayan Banking Bhd, 3.250%, due 09/20/22 ^{1,3} | 4,400,000 | 4,361,852 |
| Mexico 1.26% | | |
| Comision Federal de Electricidad, 5.750%, due 02/14/42 ² | 500,000 | 471,250 |
| Grupo Papelero Scribe SA, 8.875%, due 04/07/20 ¹ | 550,000 | 544,500 |
| Pemex Project Funding Master Trust, 6.625%, due 06/15/35 | 2,050,000 | 2,224,250 |
| | | 3,240,000 |
| Peru 0.53% | | |
| Banco de Credito del Peru, 5.375%, due 09/16/20 ¹ | 900,000 | 950,400 |
| Fondo MIVIVIENDA SA, 3.500%, due 01/31/23 ² | 450,000 | 412,875 |
| | | 1,363,275 |
| Philippines 1.33% | | |
| Power Sector Assets & Liabilities Management Corp., 9.625%, due 05/15/28 | 2,360,000 | 3,416,100 |
| Russia 2.03% | | |
| RSHB Capital SA for OJSC Russian Agricultural Bank, 7.125%, due 01/14/14 ² | 300,000 | 303,186 |
| SB Capital SA, 5.180%, due 06/28/19 ¹ | 550,000 | 583,605 |
| 5.717%, due 06/16/21 ¹ | 330,000 | 353,001 |
| VEB Finance Ltd., 6.025%, due 07/05/22 ¹ | 1,400,000 | 1,485,750 |
| 6.025%, due 07/05/22 ² | 200,000 | 212,250 |
| 6.800%, due 11/22/25 ¹ | 900,000 | 981,000 |
| 6.800%, due 11/22/25 ² | 1,000,000 | 1,090,000 |
| 6.902%, due 07/09/20 ² | 200,000 | 225,000 |
| | | 5,233,792 |

Global High Income Fund Inc.

Portfolio of investments October 31, 2013

| | Face amount | Value |
|---|----------------|------------------------|
| Bonds (continued) | | |
| Corporate bonds (concluded) | | |
| Singapore 0.35% | | |
| Oversea-Chinese Banking Corp. Ltd., 3.150%, due 03/11/23 ^{1,3} | \$ 900,000 | \$ 906,894 |
| South Africa 0.68% | | |
| Edcon Pty Ltd., 9.500%, due 03/01/18 ¹ | 300,000 | 301,818 |
| 9.500%, due 03/01/18 ² | 350,000 | 352,121 |
| Transnet Ltd., Series 2, 10.000%, due 03/30/29 | ZAR 12,000,000 | 1,089,506 1,743,445 |
| Sri Lanka 0.37% | | |
| National Savings Bank, 8.875%, due 09/18/18 ² | \$ 900,000 | 951,750 |
| Turkey 1.52% | | |
| Export Credit Bank of Turkey, 5.375%, due 11/04/16 ² | 700,000 | 729,750 |
| 5.875%, due 04/24/19 ² | 400,000 | 418,500 |
| Turkiye Halk Bankasi AS, 3.875%, due 02/05/20 ¹ | 2,150,000 | 1,961,875 |
| 4.875%, due 07/19/17 ² | 800,000 | 812,000 3,922,125 |
| Ukraine 1.11% | | |
| Biz Finance PLC, 11.000%, due 02/03/14 ⁴ | UAH 15,000,000 | 1,694,708 |
| Nak Naftogaz Ukraine, 9.500%, due 09/30/14 | \$ 1,220,000 | 1,160,525 2,855,233 |
| United Arab Emirates 0.70% | | |
| IPIC GMTN Ltd., 5.500%, due 03/01/22 ¹ | 1,620,000 | 1,798,200 |
| Venezuela 1.69% | | |
| Petroleos de Venezuela SA, 5.250%, due 04/12/17 ¹ | 530,000 | 424,000 |
| 8.500%, due 11/02/17 ¹ | 780,000 | 700,440 |
| 8.500%, due 11/02/17 ² | 1,500,000 | 1,347,000 |
| 9.000%, due 11/17/21 ¹ | 120,000 | 97,744 |
| 9.750%, due 05/17/35 ¹ | 2,350,000 | 1,780,125 4,349,309 |
| Total corporate bonds (cost \$48,551,225) | | 48,763,586 |
| Non-US government obligations 67.10% | | |
| Albania 0.99% | | |
| Republic of Albania, 7.500%, due 11/04/15 | EUR 1,800,000 | 2,561,699 |
| Argentina 2.26% | | |
| Republic of Argentina, 0.00%, due 12/15/35 ⁵ | 2,200,000 | 249,419 |
| 0.00%, due 12/15/35 ⁵ | \$ 14,290,000 | 1,257,520 |
| 0.00%, due 12/15/35 ⁵ | 15,601,737 | 1,357,351 |
| 7.000%, due 10/03/15 Series X, | 1,000,000 | 943,556 |
| 7.000%, due 04/17/17 Series 1, | 1,450,000 | 1,263,353 |
| 8.750%, due 06/02/17 | 872,897 | 759,420 |

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| | | | |
|--|-----|---------------|------------|
| | | | 5,830,619 |
| Belarus 1.83% | | | |
| Republic of Belarus, | | | |
| 8.750%, due 08/03/15 ¹ | | 4,550,000 | 4,561,375 |
| 8.950%, due 01/26/18 ¹ | | 150,000 | 148,875 |
| | | | 4,710,250 |
| Brazil 9.56% | | | |
| Federative Republic of Brazil, | | | |
| 5.625%, due 01/07/41 | | 750,000 | 761,250 |
| 6.000%, due 08/15/50 ⁶ | BRL | 2,585,000 | 2,746,208 |
| Letras do Tesouro Nacional, | | | |
| 6.891%, due 04/01/14 ⁷ | | 8,650,000 | 3,712,019 |
| Notas do Tesouro Nacional, | | | |
| Series B, | | | |
| 6.000%, due 08/15/16 ⁶ | | 4,100,000 | 4,341,664 |
| 6.000%, due 05/15/45 ⁶ | | 9,250,000 | 9,874,251 |
| Series F, | | | |
| 10.000%, due 01/01/17 | | 1,280,000 | 548,858 |
| 10.000%, due 01/01/21 | | 6,428,000 | 2,651,168 |
| | | | 24,635,418 |
| Chile 0.17% | | | |
| Bonos del Banco Central de Chile en Pesos, | | | |
| 6.000%, due 02/01/21 | CLP | 140,000,000 | 292,212 |
| 6.000%, due 03/01/22 | | 70,000,000 | 146,236 |
| | | | 438,448 |
| China 0.21% | | | |
| China Government Bond, | | | |
| 2.480%, due 12/01/20 | CNY | 3,500,000 | 540,009 |
| Colombia 2.15% | | | |
| Republic of Colombia, | | | |
| 2.625%, due 03/15/23 | \$ | 350,000 | 315,000 |
| 4.375%, due 07/12/21 | | 600,000 | 633,000 |
| 4.375%, due 03/21/23 | COP | 395,000,000 | 189,225 |
| 6.125%, due 01/18/41 | \$ | 150,000 | 167,625 |
| 7.375%, due 09/18/37 | | 575,000 | 734,562 |
| 7.750%, due 04/14/21 | COP | 1,530,000,000 | 919,615 |
| 8.125%, due 05/21/24 | \$ | 250,000 | 330,000 |
| 9.850%, due 06/28/27 | COP | 3,200,000,000 | 2,240,838 |
| | | | 5,529,865 |

Global High Income Fund Inc.

Portfolio of investments October 31, 2013

| | Face amount | Value |
|---|--------------------|------------|
| Bonds (continued) | | |
| Non-US government obligations (continued) | | |
| Croatia 0.21% | | |
| Republic of Croatia, 6.250%, due 04/27/17 ² | \$ 500,000 | \$ 534,375 |
| Dominican Republic 0.09% | | |
| Republic of Dominica, 7.500%, due 05/06/21 ² | 200,000 | 222,000 |
| El Salvador 0.41% | | |
| Republic of El Salvador, 7.750%, due 01/24/23 ¹ | 320,000 | 356,800 |
| 8.250%, due 04/10/32 ¹ | 615,000 | 694,950 |
| | | 1,051,750 |
| Hungary 1.88% | | |
| Government of Hungary, 5.375%, due 02/21/23 | 550,000 | 546,117 |
| 6.500%, due 06/24/19 | HUF 90,000,000 | 445,664 |
| 6.750%, due 02/24/17 | 70,000,000 | 344,566 |
| 7.500%, due 11/12/20 | 150,000,000 | 781,977 |
| 7.625%, due 03/29/41 | \$ 900,000 | 1,015,254 |
| Hungarian Development Bank, 5.875%, due 05/31/16 | EUR 1,200,000 | 1,708,891 |
| | | 4,842,469 |
| Indonesia 5.61% | | |
| Indonesia Treasury Bond, 9.500%, due 07/15/23 | IDR 29,400,000,000 | 2,940,013 |
| 11.750%, due 08/15/23 | 4,600,000,000 | 522,233 |
| 12.000%, due 09/15/26 | 12,215,000,000 | 1,445,623 |
| Republic of Indonesia, 3.375%, due 04/15/23 ¹ | \$ 900,000 | 810,000 |
| 3.750%, due 04/25/22 ¹ | 430,000 | 406,350 |
| 4.875%, due 05/05/21 ² | 1,080,000 | 1,120,500 |
| 5.875%, due 03/13/20 ¹ | 2,340,000 | 2,562,300 |
| 6.625%, due 02/17/37 ¹ | 920,000 | 1,002,800 |
| 7.750%, due 01/17/38 ¹ | 2,335,000 | 2,842,863 |
| 8.500%, due 10/12/35 ¹ | 400,000 | 519,000 |
| 11.625%, due 03/04/19 ¹ | 200,000 | 273,500 |
| | | 14,445,182 |
| Latvia 0.11% | | |
| Republic of Latvia, 5.250%, due 02/22/17 ¹ | 250,000 | 271,948 |
| Lithuania 0.45% | | |
| Republic of Lithuania, 6.125%, due 03/09/21 ¹ | 450,000 | 513,468 |
| 6.125%, due 03/09/21 ² | 250,000 | 285,260 |
| 6.625%, due 02/01/22 ² | 300,000 | 354,963 |
| | | 1,153,691 |
| Malaysia 1.89% | | |
| Malaysia Government Bond, 3.197%, due 10/15/15 | MYR 4,100,000 | 1,303,131 |
| 3.580%, due 09/28/18 | 2,600,000 | 828,271 |
| 3.892%, due 03/15/27 | 1,400,000 | 441,112 |
| 4.262%, due 09/15/16 | 5,100,000 | 1,664,605 |
| 4.392%, due 04/15/26 | 1,900,000 | 631,768 |
| | | 4,868,887 |
| Mexico 3.56% | | |

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| | | | |
|---|-----|--|--|
| Mexican Bonos, Series M, 7.750%, due 11/13/42 10.000%, due 11/20/36 | MXN | 4,800,000 2,000,000 | 386,378 200,352 |
| Mexican Udibonos, 2.500%, due 12/10/20 ⁶ 4.000%, due 11/15/40 ⁶ | | 15,977,414 33,452,711 | 1,264,031 2,694,631 |
| United Mexican States, 4.750%, due 03/08/44 6.050%, due 01/11/40 Series A, 6.750%, due 09/27/34 7.500%, due 04/08/33 | \$ | 1,100,000 2,030,000 450,000 600,000 | 1,023,000 2,278,675 546,750 789,000 |
| | | | 9,182,817 |
| Mongolia 1.39% | | | |
| Development Bank of Mongolia LLC, 5.750%, due 03/21/17 ¹ | | 1,500,000 | 1,443,750 |
| Mongolia Government International Bond, 4.125%, due 01/05/18 ² 5.125%, due 12/05/22 ² | | 300,000 2,100,000 | 280,875 1,855,875 |
| | | | 3,580,500 |
| Montenegro 0.86% | | | |
| Republic of Montenegro, 7.875%, due 09/14/15 | EUR | 1,550,000 | 2,218,240 |
| Nigeria 2.44% | | | |
| Nigeria Treasury Bills, 10.217%, due 01/09/14 ⁷ 10.217%, due 01/23/14 ⁷ 10.565%, due 11/21/13 ⁷ 10.587%, due 04/10/14 ⁷ 11.005%, due 03/06/14 ⁷ 12.941%, due 11/07/13 ⁷ | NGN | 33,000,000 33,000,000 180,000,000 225,000,000 100,000,000 144,500,000 | 203,143 202,352 1,127,831 1,343,743 604,571 907,993 |
| Republic of Nigeria, 15.100%, due 04/27/17 | | 280,000,000 | 1,896,550 |
| | | | 6,286,183 |
| Pakistan 0.06% | | | |
| Islamic Republic of Pakistan, 7.875%, due 03/31/36 ¹ | \$ | 200,000 | 165,000 |
| Peru 2.57% | | | |
| Republic of Peru, 5.625%, due 11/18/50 6.900%, due 08/12/37 ¹ 6.950%, due 08/12/31 ² 7.840%, due 08/12/20 ¹ Series 7, 8.200%, due 08/12/26 | PEN | 1,750,000 1,750,000 1,750,000 6,700,000 1,442,000 | 1,841,875 672,548 672,763 2,798,447 644,068 |
| | | | 6,629,701 |
| Philippines 1.17% | | | |
| Republic of the Philippines, 9.125%, due 09/04/16 | PHP | 110,000,000 | 3,013,234 |

Global High Income Fund Inc.

Portfolio of investments October 31, 2013

| | | Face amount | Value |
|--|-----|----------------|--------------|
| Bonds (concluded) | | | |
| Non-US government obligations (concluded) | | | |
| Poland 3.72% | | | |
| Republic of Poland, | | | |
| 4.000%, due 10/25/23 | PLN | 5,200,000 | \$ 1,661,096 |
| 5.000%, due 03/23/22 | \$ | 650,000 | 704,652 |
| 5.500%, due 10/25/19 | PLN | 6,000,000 | 2,132,514 |
| 5.750%, due 09/23/22 | | 14,000,000 | 5,087,313 |
| | | | 9,585,575 |
| Romania 0.64% | | | |
| Romanian Government | | | |
| International Bond, | | | |
| 4.375%, due 08/22/23 ² | \$ | 200,000 | 195,500 |
| 5.750%, due 01/27/16 | RON | 3,150,000 | 1,002,145 |
| 6.750%, due 02/07/22 ¹ | \$ | 100,000 | 115,500 |
| 6.750%, due 02/07/22 ² | | 300,000 | 346,500 |
| | | | 1,659,645 |
| Russia 4.55% | | | |
| Russian Federation, | | | |
| 5.625%, due 04/04/42 ¹ | | 200,000 | 208,000 |
| 5.625%, due 04/04/42 ² | | 1,000,000 | 1,040,000 |
| 7.000%, due 01/25/23 | RUB | 25,100,000 | 777,907 |
| 7.050%, due 01/19/28 | | 55,000,000 | 1,644,934 |
| 7.500%, due 03/31/30 ^{1,8} | \$ | 32,890 | 39,139 |
| 7.500%, due 03/31/30 ^{2,8} | | 572,000 | 680,680 |
| 7.600%, due 04/14/21 | RUB | 155,000,000 | 5,023,744 |
| 8.150%, due 02/03/27 | | 69,500,000 | 2,295,419 |
| | | | 11,709,823 |
| South Africa 2.05% | | | |
| Republic of South Africa, | | | |
| 5.500%, due 03/09/20 | \$ | 100,000 | 108,125 |
| 5.875%, due 09/16/25 | | 1,500,000 | 1,593,750 |
| 7.000%, due 02/28/31 | ZAR | 14,000,000 | 1,187,388 |
| 7.750%, due 02/28/23 | | 23,650,000 | 2,380,122 |
| | | | 5,269,385 |
| Sri Lanka 1.90% | | | |
| Republic of Sri Lanka, | | | |
| 5.875%, due 07/25/22 ¹ | \$ | 400,000 | 388,500 |
| 6.250%, due 10/04/20 ¹ | | 1,200,000 | 1,218,000 |
| 6.250%, due 10/04/20 ² | | 550,000 | 558,250 |
| 6.250%, due 07/27/21 ¹ | | 1,100,000 | 1,108,250 |
| 6.250%, due 07/27/21 ² | | 1,000,000 | 1,007,500 |
| 7.400%, due 01/22/15 ¹ | | 600,000 | 626,250 |
| | | | 4,906,750 |
| Thailand 3.43% | | | |
| Thailand Government Bond, | | | |
| 1.200%, due 07/14/21 ^{1,6} | THB | 157,466,855 | 4,719,715 |
| 3.580%, due 12/17/27 | | 31,000,000 | 938,731 |
| 3.775%, due 06/25/32 | | 58,000,000 | 1,702,852 |
| 3.875%, due 06/13/19 | | 45,000,000 | 1,471,015 |
| | | | 8,832,313 |
| Turkey 6.37% | | | |
| Republic of Turkey, | | | |
| 4.875%, due 04/16/43 | \$ | 800,000 | 691,000 |
| 5.125%, due 03/25/22 | | 1,450,000 | 1,482,625 |
| 5.625%, due 03/30/21 | | 1,000,000 | 1,065,000 |
| 6.000%, due 01/14/41 | | 900,000 | 901,125 |

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| | | | |
|-----------------------|-----|------------|-------------------|
| 6.250%, due 09/26/22 | | 1,300,000 | 1,428,375 |
| 6.750%, due 05/30/40 | | 750,000 | 816,563 |
| 6.875%, due 03/17/36 | | 250,000 | 275,000 |
| 7.100%, due 03/08/23 | TRY | 3,250,000 | 1,457,980 |
| 7.250%, due 03/05/38 | \$ | 250,000 | 287,500 |
| 7.500%, due 11/07/19 | | 200,000 | 235,000 |
| 8.000%, due 02/14/34 | | 350,000 | 433,125 |
| 8.500%, due 09/14/22 | TRY | 1,500,000 | 738,139 |
| 10.500%, due 01/15/20 | | 12,100,000 | 6,587,188 |
| | | | 16,398,620 |

Ukraine 0.82%

| | | | |
|---|----|-----------|------------------|
| Financing of Infrastructural Projects State Enterprise, 8.375%, due 11/03/17 ² | \$ | 1,150,000 | 1,003,375 |
| Government of Ukraine, 7.500%, due 04/17/23 ² | | 400,000 | 352,500 |
| 7.800%, due 11/28/22 ¹ | | 250,000 | 221,875 |
| 9.250%, due 07/24/17 ² | | 550,000 | 532,125 |
| | | | 2,109,875 |

Uruguay 0.07%

| | | | |
|---|--|---------|----------------|
| Oriental Republic of Uruguay, 4.500%, due 08/14/24 | | 116,000 | 119,480 |
| 6.875%, due 09/28/25 | | 60,000 | 71,700 |
| | | | 191,180 |

Venezuela 3.44%

| | | | |
|---|--|-----------|------------------|
| Republic of Venezuela, 6.000%, due 12/09/20 ¹ | | 500,000 | 363,750 |
| 7.000%, due 03/31/38 ¹ | | 3,250,000 | 2,153,125 |
| 7.650%, due 04/21/25 | | 2,850,000 | 2,066,250 |
| 7.750%, due 10/13/19 ¹ | | 150,000 | 122,250 |
| 8.250%, due 10/13/24 ¹ | | 2,000,000 | 1,515,000 |
| 9.250%, due 09/15/27 | | 500,000 | 410,000 |
| 9.250%, due 05/07/28 ¹ | | 280,000 | 219,800 |
| 9.375%, due 01/13/34 | | 2,550,000 | 2,008,125 |
| | | | 8,858,300 |

Vietnam 0.10%

| | | | |
|---|--|---------|---------|
| Socialist Republic of Vietnam, 6.875%, due 01/15/16 ¹ | | 250,000 | 270,312 |
|---|--|---------|---------|

Zambia 0.14%

| | | | |
|--|--|---------|---------|
| Republic of Zambia, 5.375%, due 09/20/22 ² | | 400,000 | 361,500 |
|--|--|---------|---------|

Total Non-US government obligations

(cost \$174,848,752) **172,865,563**

Global High Income Fund Inc.

Portfolio of investments October 31, 2013

| | Face amount | Value |
|--|--------------------|--------------------|
| Convertible bond 1.38% | | |
| China 1.38% | | |
| China Petroleum & Chemical Corp., 19.109%, due 04/24/14 ⁶ (cost \$3,264,360) | HKD 23,000,000 | \$ 3,565,845 |
| Structured notes 5.63% | | |
| Bangladesh 0.75% | | |
| Standard Chartered Bank, 11.700%, due 06/05/18 ² (linked to People's Republic of Bangladesh Bonds, 11.700%, due 06/05/18) | \$ 1,985,909 | 1,932,691 |
| Ghana 0.34% | | |
| Citigroup Funding Inc., 23.000%, due 08/23/17 ² (linked to Ghana Government Bonds, 23.000%, due 08/21/17) | 1,750,000 | 864,595 |
| India 3.50% | | |
| Standard Chartered Bank, 8.130%, due 09/23/22 ² (linked to Indian Government Bonds, 8.130%, due 09/23/22) | 3,235,610 | 2,647,541 |
| Standard Chartered Bank, 8.130%, due 09/23/22 ² (linked to Indian Government Bonds, 8.130%, due 09/23/22) | 5,918,535 | 4,905,742 |
| Standard Chartered Bank, 8.130%, due 09/23/22 ² (linked to Indian Government Bonds, 8.130%, due 09/23/22) | 1,792,460 | 1,479,510 |
| | | 9,032,793 |
| Sri Lanka 0.58% | | |
| Citigroup Funding Inc., 8.500%, due 02/06/18 ² (linked to Sri Lanka Government Bonds, 8.500%, due 02/01/18) | LKR 218,000,000 | 1,505,965 |
| Vietnam 0.46% | | |
| Citigroup Funding Inc., 9.400%, due 07/03/15 ² (linked to Socialist Republic of Vietnam Bonds, 9.400%, due 07/03/15) | VND 24,000,000,000 | 1,175,465 |
| Total structured notes (cost \$16,622,220) | | 14,511,509 |
| Total bonds (cost \$243,286,557) | | 239,706,503 |

Shares

Short-term investment 4.22%**Investment company 4.22%**UBS Cash Management Prime
Relationship Fund⁹

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(cost \$10,870,206)

10,870,206

10,870,206

| | Face amount covered by contracts | |
|--|--|-----------------------|
| Options Purchased* 0.03% | | |
| Put Options 0.03% | | |
| Foreign Exchange Option, Buy AUD/BRL, strike @ BRL 2.0000, expires November 2013 | AUD | 1,920,000 |
| | | 178 |
| Foreign Exchange Option, Buy EUR/BRL, strike @ BRL 2.8000, expires June 2014 | EUR | 5,240,000 |
| | | 17,407 |
| Foreign Exchange Option, Buy EUR/PLN, strike @ PLN 4.0000, expires January 2014 | | 3,000,000 |
| | | 1,888 |
| Foreign Exchange Option, Buy USD/BRL, strike @ BRL 1.9000, expires April 2014 | \$ | 9,860,000 |
| | | 364 |
| Foreign Exchange Option, Buy USD/BRL, strike @ BRL 2.0300, expires June 2014 | | 4,090,000 |
| | | 4,323 |
| Foreign Exchange Option, Buy USD/BRL, strike @ BRL 2.0300, expires June 2014 | | 2,720,000 |
| | | 2,905 |
| Foreign Exchange Option, Buy USD/TRY, strike @ TRY 1.9200, expires June 2014 | | 7,480,000 |
| | | 36,310 |
| Total options purchased (cost \$466,544) | | 63,375 |
| Total investments 97.29% (cost \$254,623,307) | | 250,640,084 |
| Cash and other assets, less liabilities 2.71% | | 6,996,619 |
| Net assets 100.00% | | \$ 257,636,703 |

Global High Income Fund Inc.

Portfolio of investments October 31, 2013

Notes to portfolio of investments

Aggregate cost for federal income tax purposes was \$256,270,432; and net unrealized depreciation consisted of:

| | |
|--|----------------|
| Gross unrealized appreciation | \$ 10,956,734 |
| Gross unrealized depreciation | (16,587,082) |
| Net unrealized depreciation of investments | \$ (5,630,348) |

For a listing of defined portfolio acronyms, counterparty abbreviations and currency abbreviations that are used throughout the Portfolio of investments as well as the tables that follow, please refer to page 19. Portfolio footnotes begin on page 18.

Forward foreign currency contracts

| Counterparty | Contracts to deliver | In exchange for | Maturity date | Unrealized appreciation/ (depreciation) |
|--------------|----------------------|--------------------|---------------|---|
| BB | EUR 7,310,000 | USD 9,904,392 | 01/10/14 | \$ (21,720) |
| BB | MYR 9,002,000 | USD 2,696,340 | 12/18/13 | (147,600) |
| BB | TWD 1,122,128 | USD 37,987 | 12/18/13 | (245) |
| BB | USD 224,380 | BRL 543,000 | 06/10/14 | 6,178 |
| BB | USD 4,637,582 | BRL 10,583,000 | 06/10/14 | (144,031) |
| CSI | BRL 27,988,994 | USD 11,450,720 | 12/18/13 | (914,017) |
| CSI | PEN 5,150,000 | USD 1,812,742 | 12/18/13 | (34,641) |
| CSI | PHP 125,232,000 | USD 2,907,976 | 12/18/13 | 7,588 |
| CSI | USD 2,076,556 | CNY 12,830,000 | 12/18/13 | 24,651 |
| CSI | USD 7,746,014 | MXN 104,825,000 | 12/18/13 | 259,743 |
| CSI | USD 7,358,187 | RUB 250,067,999 | 12/18/13 | 375,513 |
| CSI | USD 6,513,670 | ZAR 68,260,000 | 12/18/13 | 240,358 |
| DB | BRL 2,507,000 | USD 1,092,232 | 12/18/13 | (15,289) |
| DB | CLP 109,617,000 | USD 212,510 | 12/18/13 | (125) |
| DB | IDR 12,102,050,000 | USD 1,087,531 | 12/18/13 | 22,091 |
| DB | INR 144,110,000 | USD 2,073,227 | 12/18/13 | (247,613) |
| DB | PLN 2,955,000 | USD 906,803 | 12/18/13 | (49,813) |
| DB | UAH 9,913,000 | USD 1,071,668 | 02/03/14 | (118,745) |
| DB | USD 2,105,228 | BRL 4,627,000 | 12/18/13 | (61,152) |
| DB | USD 1,297,527 | COP 2,536,340,000 | 12/18/13 | 37,603 |
| DB | USD 5,662,936 | HUF 1,314,197,499 | 12/18/13 | 355,634 |
| DB | USD 1,110,280 | IDR 12,102,050,000 | 12/18/13 | (44,840) |
| DB | USD 4,690,797 | IDR 57,141,886,958 | 12/18/13 | 339,861 |
| DB | USD 89,933 | KRW 98,674,200 | 12/18/13 | 2,789 |
| DB | USD 10,794,765 | MYR 35,782,487 | 12/18/13 | 509,752 |
| DB | USD 2,532,798 | PHP 112,051,000 | 12/18/13 | 62,316 |
| DB | USD 5,395,014 | PLN 17,400,000 | 12/18/13 | 237,854 |
| DB | USD 624,879 | THB 20,258,590 | 12/18/13 | 24,159 |
| DB | USD 2,758,299 | TRY 5,799,324 | 12/18/13 | 124,253 |
| DB | USD 1,426,484 | ZAR 14,300,000 | 12/18/13 | (11,561) |
| GSI | BRL 11,126,000 | USD 4,613,726 | 06/10/14 | (110,383) |
| GSI | INR 136,830,000 | USD 1,993,154 | 12/18/13 | (210,445) |
| GSI | UAH 2,238,000 | USD 226,289 | 02/03/14 | (42,463) |
| GSI | USD 175,172 | RON 600,000 | 12/18/13 | 8,086 |
| JPMCB | USD 526,632 | EUR 385,000 | 01/10/14 | (3,848) |
| JPMCB | USD 1,197,007 | TRY 2,400,000 | 12/18/13 | (4,088) |

| | |
|--|-------------------|
| Net unrealized appreciation on forward foreign currency contracts | \$ 455,810 |
|--|-------------------|

Global High Income Fund Inc.

Portfolio of investments October 31, 2013

Futures contracts

| | Expiration date | Cost/ (proceeds) | Value | Unrealized appreciation/ (depreciation) |
|---|-----------------|---------------------|--------------|---|
| US Treasury futures buy contracts: | | | | |
| 5 Year US Treasury Notes, 15 contracts (USD) | December 2013 | \$ 1,792,870 | \$ 1,825,313 | \$ 32,443 |
| 10 Year US Treasury Notes, 30 contracts (USD) | December 2013 | 3,718,667 | 3,820,781 | 102,114 |
| US Treasury futures sell contracts: | | | | |
| US Long Bond, 45 contracts (USD) | December 2013 | (5,865,563) | (6,066,563) | (201,000) |
| Net unrealized depreciation on futures contracts | | | | \$ (66,443) |

Options written

| | Expiration date | Premiums received | Value |
|--|-----------------|-------------------|-------------------|
| Put options | | | |
| Foreign Exchange Option, Sell AUD/BRL, AUD 1,920,000 face amount covered by contracts, strike @ BRL 1.9000 | November 2013 | \$ 13,476 | \$ (21) |
| Foreign Exchange Option, Sell EUR/BRL, EUR 5,230,000 face amount covered by contracts, strike @ BRL 2.6000 | June 2014 | 44,540 | (1,748) |
| Foreign Exchange Option, Sell EUR/PLN, EUR 3,000,000 face amount covered by contracts, strike @ PLN 3.9000 | January 2014 | 12,506 | (175) |
| Foreign Exchange Option, Sell USD/BRL, USD 9,860,000 face amount covered by contracts, strike @ BRL 1.8000 | April 2014 | 26,166 | (19) |
| Foreign Exchange Option, Sell USD/BRL, USD 8,180,000 face amount covered by contracts, strike @ BRL 1.9600 | June 2014 | 36,851 | (2,618) |
| Foreign Exchange Option, Sell USD/BRL, USD 5,440,000 face amount covered by contracts, strike @ BRL 1.9600 | June 2014 | 26,937 | (1,777) |
| Foreign Exchange Option, Sell USD/TRY, USD 3,740,000 face amount covered by contracts, strike @ TRY 1.9800 | June 2014 | 118,184 | (42,866) |
| Total options written | | \$278,660 | \$(49,224) |

Written debt options activity for the year ended October 31, 2013 was as follows:

| | Number of contracts | Premiums received |
|---|---------------------|-------------------|
| Options outstanding at October 31, 2012 | | \$ |
| Options written | 368 | 6,656 |
| Options terminated in closing purchase transactions | (368) | (6,656) |
| Options expired prior to exercise | | |
| Options outstanding at October 31, 2013 | | \$ |

Foreign exchange written option activity for the year ended October 31, 2013 was as follows:

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| | Premiums received |
|--|------------------------------|
| Foreign exchange options outstanding at October 31, 2012 | \$ 43,987 |
| Foreign exchange options written | 2,973,732 |
| Foreign exchange options terminated in closing purchase transactions | (2,715,974) |
| Foreign exchange options expired prior to exercise | (23,085) |
| Foreign exchange options outstanding at October 31, 2013 | \$ 278,660 |

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Global High Income Fund Inc.

Portfolio of investments October 31, 2013

Currency swap agreements⁴

| Counterparty | | Pay contracts | | Receive contracts | | Termination date | | Pay rate ¹⁰ | | Receive rate ¹⁰ | | Upfront payments | | Value | | Unrealized appreciation |
|--------------|--|-----------------|--|-------------------|--|------------------|--|------------------------|--|----------------------------|--|------------------|--|-------------|--|-------------------------|
| BB | | INR 308,000,000 | | USD 5,966,670 | | 12/05/16 | | 4.500% | | 6 month USD LIBOR | | \$ | | \$1,142,749 | | \$1,142,749 |
| BB | | PHP 85,653,500 | | USD 2,085,803 | | 12/18/15 | | 1.300 | | 6 month USD LIBOR | | \$ | | 79,149 | | 79,149 |
| | | | | | | | | | | | | \$ | | \$1,221,898 | | \$1,221,898 |

Interest rate swap agreements

| Counterparty | | Notional amount | | Termination date | | Payments made by the Fund ¹⁰ | | Payments received by the Fund ¹⁰ | | Upfront payments | | Value | | Unrealized appreciation/ (depreciation) |
|--------------|--|-------------------|--|------------------|--|---|--|---|--|------------------|--|------------|--|---|
| BB | | KRW 3,250,000,000 | | 08/19/16 | | 3.530% | | 3 month CD KSDA | | \$ | | \$(62,431) | | \$(62,431) |
| CITI | | KRW 2,900,000,000 | | 08/26/16 | | 3.410 | | 3 month CD KSDA | | | | (46,008) | | (46,008) |
| CITI | | MYR 1,950,000 | | 08/24/15 | | 3 month KLIBOR | | 3.505% | | | | 2,317 | | 2,317 |
| DB | | MYR 7,650,000 | | 08/24/15 | | 3 month KLIBOR | | 3.500 | | | | 8,853 | | 8,853 |
| DB | | TWD 85,000,000 | | 08/22/16 | | 1.325 | | 3 month TWCPBA | | | | (24,080) | | (24,080) |
| DB | | ZAR 12,700,000 | | 05/31/23 | | 3 month JIBAR | | 7.480 | | | | (31,832) | | (31,832) |
| GSI | | TWD 85,500,000 | | 08/26/16 | | 1.280 | | 3 month TWCPBA | | | | (20,164) | | (20,164) |
| MLI | | MXN 7,200,000 | | 11/16/28 | | 28 day MXIBTIIE | | 8.830 | | | | 83,256 | | 83,256 |
| MLI | | MXN 7,000,000 | | 11/21/28 | | 28 day MXIBTIIE | | 8.610 | | | | 69,174 | | 69,174 |
| MLI | | ZAR 35,000,000 | | 06/04/18 | | 3 month JIBAR | | 6.400 | | | | (63,349) | | (63,349) |
| | | | | | | | | | | \$ | | \$(84,264) | | \$(84,264) |

Global High Income Fund Inc.

Portfolio of investments October 31, 2013

Credit default swaps on credit indices buy protection¹

| Counterparty | Referenced Index ¹² | Notional amount | Termination date | Payments made by the Fund ¹⁰ | Upfront payments received | Value | Unrealized appreciation |
|--------------|--------------------------------|-----------------|------------------|---|---------------------------|--------------------|-------------------------|
| BB | CDX.EM Series 18 Index | USD 2,350,000 | 12/20/17 | 5.000% | \$ 282,470 | \$(216,768) | \$ 65,702 |
| DB | CDX.EM.Series 17 Index | USD 1,900,000 | 06/20/17 | 5.000 | 207,100 | (159,456) | 47,644 |
| GSI | CDX.EM.Series 18 Index | USD 4,050,000 | 12/20/17 | 5.000 | 470,775 | (373,580) | 97,195 |
| MLI | CDX.EM.Series 18 Index | USD 1,100,000 | 12/20/17 | 5.000 | 128,700 | (101,466) | 27,234 |
| | | | | | \$ 1,089,045 | \$(851,270) | \$ 237,775 |

Credit default swaps on sovereign issues sell protection⁸

| Counterparty | Referenced Obligation ¹² | Notional amount | Termination date | Payments received by the Fund ¹⁰ | Upfront payments received | Value | Unrealized appreciation | Credit spread |
|--------------|--|-----------------|------------------|---|---------------------------|--------------------|-------------------------|---------------|
| BB | Federal Republic of Brazil bond, 12.250%, due 03/06/30 | USD 180,000 | 06/20/22 | 1.000% | \$ 14,775 | \$(14,536) | \$ 239 | 2.108% |
| BB | Federation of Russia bond, 2.250%, due 03/31/30 | USD 2,900,000 | 12/20/22 | 1.000 | 277,973 | (237,094) | 40,879 | 2.071 |
| CSI | United Mexican States bond, 7.500%, due 04/08/33 | USD 1,000,000 | 02/20/14 | 4.170 | | 20,651 | 20,651 | 0.244 |
| DB | Federal Republic of Brazil bond, 12.250%, due 03/06/30 | USD 800,000 | 06/20/22 | 1.000 | 64,908 | (64,602) | 306 | 2.108 |
| | | | | | \$357,656 | \$(295,581) | \$62,075 | |

Global High Income Fund Inc.

Portfolio of investments October 31, 2013

The following is a summary of the fair valuations according to the inputs used as of October 31, 2013 in valuing the Fund's investments:

| Description | Unadjusted quoted prices in active markets for identical investments (Level 1) | Other significant observable inputs (Level 2) | Unobservable inputs (Level 3) | Total |
|---|--|---|--|-----------------------|
| Corporate bonds | \$ | \$ 48,763,586 | \$ | \$ 48,763,586 |
| Non-US government obligations | | 172,865,563 | | 172,865,563 |
| Convertible bond | | 3,565,845 | | 3,565,845 |
| Structured notes | | 14,511,509 | | 14,511,509 |
| Short-term investment | | 10,870,206 | | 10,870,206 |
| Options purchased | | 63,375 | | 63,375 |
| Forward foreign currency contracts, net | | 455,810 | | 455,810 |
| Futures contracts, net | (66,443) | | | (66,443) |
| Options written | | (49,224) | | (49,224) |
| Swap agreements, net | | (9,217) | | (9,217) |
| Total | \$ (66,443) | \$ 251,037,453 | \$ | \$ 250,971,010 |

At October 31, 2013, there were no transfers between Level 1 and Level 2.

Level 3 rollforward disclosure

The following is a rollforward of the Fund's investments that were valued using unobservable inputs for the period:

| Assets | Corporate bonds |
|--|--------------------|
| Beginning balance | \$ 440 |
| Purchases | |
| Issuances | |
| Sales | 0 |
| Accrued discounts (premiums) | |
| Total realized loss | (4,243,962) |
| Change in net unrealized appreciation/depreciation | 4,243,522 |
| Transfers into Level 3 | |
| Transfers out of Level 3 | |
| Ending balance | \$ |

Global High Income Fund Inc.

Portfolio of investments October 31, 2013

Portfolio footnotes

* Non-income producing security.

¹ Security exempt from registration pursuant to Regulation S under the Securities Act of 1933. Regulation S applies to securities offerings that are made outside of the United States and do not involve direct selling efforts in the United States. At October 31, 2013, the value of these securities amounted to \$54,312,333 or 21.08% of net assets.

² Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities are considered liquid, unless noted otherwise, and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At October 31, 2013, the value of these securities amounted to \$42,957,029 or 16.67% of net assets.

³ Variable or floating rate security The interest rate shown is the current rate as of October 31, 2013 and changes periodically.

⁴ Security is illiquid. At October 31, 2013, the value of this security and other illiquid derivative instruments amounted to \$2,916,606 or 1.13% of net assets.

⁵ Security pays, when required, a floating rate that is determined annually based on the Argentina GDP.

⁶ Debt security whose principal and/or interest payments are adjusted for inflation, unlike debt securities that make fixed principal and interest payments. The interest rate paid by the securities is fixed, while the principal value rises or falls based on changes in an index. Thus, if inflation occurs, the principal and interest payments on the securities are adjusted accordingly to protect investors from inflationary loss. During a deflationary period, the principal and interest payments decrease, although the securities' principal amounts will not drop below their face amounts at maturity. In exchange for the inflation protection, the securities generally pay lower interest rates than typical government securities from the issuer's country. Only if inflation occurs will securities offer a higher real yield than a conventional security of the same maturity.

⁷ Rate shown reflects annualized yield at October 31, 2013 on zero coupon bond.

⁸ Step bond Coupon rate increases in increments to maturity. Rate disclosed is as of October 31, 2013. Maturity date disclosed is the ultimate maturity date.

⁹ The table below details the Fund's investments in a fund advised by the same advisor as the Fund. The advisor does not earn a management fee from the affiliated UBS Relationship Fund.

| Security description | Value 10/31/12 | Purchases during the year ended 10/31/13 | Sales during the year ended 10/31/13 | Value 10/31/13 | Net income earned from affiliate for the year ended 10/31/13 |
|---|-------------------|---|---|-------------------|--|
| UBS Cash Management Prime Relationship Fund | \$11,067,701 | \$83,203,120 | \$83,400,615 | \$10,870,206 | \$9,683 |

¹⁰ Payments made or received are based on the notional amount.

¹¹ If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the underlying securities comprising the referenced index.

¹² Payments from/to the counterparty will be received/made upon the occurrence of bankruptcy and/or restructuring event with respect to the referenced index/obligation.

¹³ If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation.

¹⁴ Credit spreads, represented in absolute terms, utilized in determining the market value as of period end serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default or other credit event occurring for the credit derivative. The credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. A credit spread identified as Defaulted indicates a credit event has occurred for the referenced entity. Credit spreads are unaudited.

Global High Income Fund Inc.

Portfolio of investments October 31, 2013

Portfolio acronyms

| | | | |
|---------|---|----------|-------------------------------------|
| CD KSDA | Korean Securities Dealer Association 91-day Certificate of Deposit Rate | KLIBOR | Korea Interbank Offered Rate |
| GDP | Gross Domestic Product | LIBOR | London Interbank Offered Rate |
| JIBAR | Johannesburg Interbank Agreed Rate | MXIBTIIE | Mexico Interbank TIIE 28 Day Rate |
| JSC | Joint stock company | OJSC | Open joint stock company |
| | | TWCPBA | Taiwan Secondary Markets Bills Rate |

Counterparty abbreviations

| | | | |
|------|-----------------------------|-------|-----------------------------|
| BB | Barclays Bank PLC | GSI | Goldman Sachs International |
| CITI | Citibank NA | JPMCB | JPMorgan Chase Bank |
| CSI | Credit Suisse International | MLI | Merrill Lynch International |
| DB | Deutsche Bank AG | | |

Currency abbreviations

| | | | |
|-----|-------------------|-----|----------------------|
| AUD | Australian Dollar | NGN | Nigerian Naira |
| BRL | Brazilian Real | PEN | Peruvian Nuevo Sol |
| CLP | Chilean Peso | PHP | Philippine Peso |
| CNY | Chinese Yuan | PLN | Polish Zloty |
| COP | Colombian Peso | RON | Romanian Leu |
| EUR | Euro | RUB | Russian Ruble |
| HKD | Hong Kong Dollar | THB | Thai Baht |
| HUF | Hungarian Forint | TRY | Turkish Lira |
| IDR | Indonesian Rupiah | TWD | New Taiwan Dollar |
| INR | Indian Rupee | UAH | Ukrainian Hryvnia |
| KRW | Korean Won | USD | United States Dollar |
| LKR | Sri Lanka Rupee | VND | Vietnamese Dong |
| MXN | Mexican Peso | ZAR | South African Rand |
| MYR | Malaysian Ringgit | | |

See accompanying notes to financial statements

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Global High Income Fund Inc.

Statement of assets and liabilities October 31, 2013

| | |
|--|----------------|
| Assets: | |
| Investments in securities of unaffiliated issuers, at value (cost \$243,753,101) | \$ 239,769,878 |
| Investment in securities of an affiliated issuer, at value (cost \$10,870,206) | 10,870,206 |
| Total investments, at value (cost \$254,623,307) | 250,640,084 |
| Foreign currency, at value (cost \$1,188,137) | 1,182,112 |
| Interest receivable | 3,649,943 |
| Receivable for investments sold | 2,437,140 |
| Foreign tax reclaims receivable | 10,145 |
| Due from broker | 130,149 |
| Cash collateral for futures contracts | 73,605 |
| Cash collateral for swap agreements | 910,000 |
| Outstanding swap agreements, at value ¹ | 1,406,149 |
| Unrealized appreciation on forward foreign currency contracts | 2,638,429 |
| Other assets | 4,778 |
| Total assets | 263,082,534 |
| Liabilities: | |
| Unrealized depreciation on forward foreign currency contracts | 2,182,619 |
| Outstanding swap agreements, at value ¹ | 1,415,366 |
| Payable for investments purchased | 1,145,610 |
| Payable for investment advisory and administration fees | 235,387 |
| Deferred capital gain country tax | 164,210 |
| Variation margin on futures contracts | 66,443 |
| Options written, at value (premiums received \$278,660) | 49,224 |
| Due to custodian | 47,956 |
| Directors' fees payable | 2,460 |
| Accrued expenses and other liabilities | 136,556 |
| Total liabilities | 5,445,831 |
| Net assets: | |
| Capital stock \$0.001 par value; 100,000,000 shares authorized; 21,591,836 shares issued and outstanding | \$ 266,985,247 |
| Distributions in excess of net investment income | (4,273,121) |
| Accumulated net realized loss | (2,981,971) |
| Net unrealized depreciation | (2,093,452) |
| Net assets | \$ 257,636,703 |
| Net asset value per share | \$ 11.93 |

¹ Net upfront payments received by the Fund on outstanding swap agreements amounted to \$1,446,701.

Global High Income Fund Inc.

Statement of operations

| | For the year ended October 31, 2013 |
|---|---|
| Investment income: | |
| Interest income, net of foreign withholding taxes of \$235,049 | \$ 18,262,139 |
| Affiliated income | 9,683 |
| Total income | 18,271,822 |
| Expenses: | |
| Investment advisory and administration fees | 3,471,430 |
| Custody and accounting fees | 311,520 |
| Professional fees | 123,537 |
| Reports and notices to shareholders | 57,560 |
| Listing fees | 23,739 |
| Transfer agency fees | 22,367 |
| Directors' fees | 15,896 |
| Insurance expense | 6,449 |
| Other expenses | 41,556 |
| Total expenses | 4,074,054 |
| Less: Fee waivers by investment advisor and administrator | (494,108) |
| Net expenses | 3,579,946 |
| Net investment income | 14,691,876 |
| Realized and unrealized gains (losses) from investment activities: | |
| Net realized loss on: | |
| Investments | (6,606,093) |
| Futures contracts | (120,422) |
| Options written | (121,184) |
| Swap agreements | (952,510) |
| Forward foreign currency contracts | (1,226,018) |
| Foreign currency transactions | (56,053) |
| Change in net unrealized appreciation/depreciation on: | |
| Investments (net of deferred capital gain country tax liability of \$159,876) | (19,533,843) |
| Futures contracts | (119,234) |
| Options written | 197,236 |
| Swap agreements | 1,346,783 |
| Forward foreign currency contracts | (735,115) |
| Translation of other assets and liabilities denominated in foreign currency | 10,273 |
| Net realized and unrealized loss from investment activities | (27,916,180) |
| Net decrease in net assets resulting from operations | \$ (13,224,304) |

See accompanying notes to financial statements

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Global High Income Fund Inc.
Statement of changes in net assets

| | For the years ended October 31, | |
|---|---------------------------------|----------------|
| | 2013 | 2012 |
| From operations: | | |
| Net investment income | \$ 14,691,876 | \$ 17,115,420 |
| Net realized gain (loss) | (9,082,280) | 7,037,450 |
| Change in net unrealized appreciation/depreciation | (18,833,900) | 6,767,688 |
| Net increase (decrease) in net assets resulting from operations | (13,224,304) | 30,920,558 |
| Dividends and distributions to shareholders from: | | |
| Net investment income | (5,652,589) | (15,338,633) |
| Return of capital | (13,853,476) | |
| Net realized gains | | (6,013,534) |
| Total dividends and distributions to shareholders | (19,506,065) | (21,352,167) |
| Net increase (decrease) in net assets | (32,730,369) | 9,568,391 |
| Net assets: | | |
| Beginning of year | 290,367,072 | 280,798,681 |
| End of year | \$257,636,703 | \$290,367,072 |
| Distributions in excess of net investment income | \$ (4,273,121) | \$ (6,963,691) |

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See accompanying notes to financial statements

Global High Income Fund Inc.

Financial highlights

Selected data for a share of common stock outstanding throughout each year is presented below:

| | For the years ended October 31, | | | | |
|--|---------------------------------|---------|---------|---------|--------|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| Net asset value, beginning of year | \$13.45 | \$13.00 | \$14.16 | \$12.90 | \$9.82 |
| Net investment income ¹ | 0.68 | 0.79 | 0.63 | 0.77 | 0.76 |
| Net realized and unrealized gains (losses) | (1.30) | 0.65 | (0.39) | 1.55 | |