

GLOBAL HIGH INCOME FUND INC
Form N-CSRS
July 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.

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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: April 30, 2014

Item 1. Reports to Stockholders.

Closed-end Funds

Semiannual Report

Global High Income Fund Inc.

Semiannual Report

April 30, 2014

Global High Income Fund Inc.:

Managed distribution policy key points to note

The Fund has a managed distribution policy. Effective June 2014, the Fund makes regular monthly distributions at an annualized rate equal to 6% 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 June 2012 through the monthly distribution for May 2014, the annualized rate had been 7% (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.

Global High Income Fund Inc.

June 13, 2014

Dear shareholder,

We present you with the semiannual report for Global High Income Fund Inc. (the Fund) for the six months ended April 30, 2014.

Performance

For the six months ended April 30, 2014, the Fund declined 0.67% on a net asset value basis and gained 0.55% on a market price basis. In comparison, the Fund's benchmark, the Global High Income Fund Index (the Index), gained 0.90%. Over the same period, the Fund's Lipper Emerging Markets Hard Currency Debt Funds peer group median returned 2.31% on a net asset value basis and returned 3.28% on a market price basis. (For more performance information, including a description of the Index, please refer to Performance at a glance on page 4.)

The Fund did not use structural leverage during the reporting period. That is, 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.

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

The Fund traded at a discount to its net asset value (NAV), although the discount slightly narrowed during the reporting period. On the last trading day of the preceding fiscal year, which ended October 31, 2013, the Fund traded at a discount of 12.1%. At the close of the current reporting period, April 30, 2014, the Fund traded at a discount of 11.5%. As of the same dates, the Lipper peer group reported median discounts of 10.9% and 9.7%, respectively.

A fund trades at a discount when the market price at which its shares trade is less than its NAV per share. Alternatively, a fund trades at a premium when the market price at which its shares trade is more 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.

After the fiscal reporting period ended, the Fund issued a press release on May 21, 2014, announcing a reduction in the annualized rate for distributions pursuant to its managed distribution policy from 7% to 6%, effective beginning with the June 2014 monthly distribution. (Important features of this policy are described on the inside front cover of this report.)

This change was believed appropriate in light of the Fund's investment opportunities in the current market environment. Notably, global government bond yields remain at historically low levels. While emerging markets debt, issued both externally (that is, debt denominated in US dollars or other hard, developed country currencies) and domestically (that is, debt denominated in a local emerging markets currency), typically offers premiums (i.e., higher yields) to developed market debt, the yields paid by emerging markets debt remains low compared to historical levels. Also, opportunities to generate significant capital gains by such investments may be more limited over the shorter-term as emerging markets debt is expected to remain somewhat sensitive to changes in US Treasury yields, which are expected to increase; and local currency denominated debt has generally been more sensitive to local economic and geopolitical issues. While we maintain a positive long-term outlook for the emerging markets debt asset class, we have a cautious near-term outlook and expect to see continued periods of elevated volatility. Given prevailing market yields, it is believed that the new distribution rate is more appropriate and in line with the Fund's ongoing earnings potential as of this time.

Global High Income Fund Inc.

Market commentary

After a challenging start, the emerging markets debt asset class rallied and generated solid results during the six month reporting period as a whole. Risk aversion was elevated at times during the first half of the period amid rising US interest rates and concerns regarding global growth, the latter of which was partially triggered by weak economic data in China. In addition, there were political concerns in Turkey and Venezuela.

While there was no one catalyst, the asset class then began rallying in February. Given significant spread¹ widening in 2013 and January 2014, emerging market debt valuations were more attractive, and investors may have felt that negative economic and geopolitical news had been largely priced into the market. Despite a number of headline risks, including Russia's actions in Ukraine, the asset class continued to move higher in March and April.

During the six months ended April 30, 2014, US dollar-denominated emerging markets debt, as measured by the JP Morgan Emerging Markets Bond Index Global (EMBI Global), gained 3.30%. Local market investments (in other words, emerging markets debt denominated in the currency of the issuer) returned -1.48%, as measured by the JP Morgan Government Bond Index-Emerging Markets Global Diversified (GBI-EM Global Diversified).

Portfolio commentary

What worked

An underweight to Ukrainian debt was beneficial for results. Ukrainian debt performed poorly amid Russia's annexation of Crimea and uncertainties about future hostilities.

An overweight to Indonesian US dollar-denominated debt was additive for performance. Despite the country's high current account deficit, it outperformed the Index, supported by promising measures to trim its deficit.

An overweight to US dollar-denominated debt from Sri Lanka contributed to performance. Investor demand was solid overall given attractive yields. In addition, the government took a number of actions to support its economy.

An overweight to Indian US dollar-denominated debt enhanced the Fund's results. India's US dollar-denominated debt outperformed the Index as sentiment for the country improved leading up to its national elections and expectations for meaningful reforms.

An overweight to local currency debt from Bangladesh was rewarded given its strong results.

What didn't work

An underweight to Argentinian US dollar-denominated debt was negative for performance. We moved from an overweight to an underweight position in late 2013/early 2014, given our concerns regarding the fundamentals and political backdrop in Argentina. After generating weak results during the first half of the reporting period, our underweight was not rewarded, as its US dollar denominated debt rallied as the period progressed.

An overweight to US dollar-denominated debt from Venezuela was not rewarded. Despite performing well during the second half of the reporting period, this was not enough to offset weakness from November 2013 through January 2014.

An overweight to Brazilian local debt was a headwind for the Fund's performance. Brazilian local debt generated poor results during the first part of the reporting period. It later stabilized as demand improved, given attractive yields and expectations for more modest inflation.

Small overweights in Russian debt and the Russian ruble detracted from results. While we continue to have a favorable view of the country overall, these positions performed poorly as investment sentiment weakened given Russia's actions in Ukraine.

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.

Portfolio adjustments

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

In March, we increased the Fund's allocation to Russia, while paring its exposure to Ukraine, as we found the former to be more attractively valued. Russia remains a large part of the Index (9.4% as of April 30, 2014) and, while we continue to maintain a constructive view on its debt given strong credit metrics, we are closely monitoring developments in Ukraine.

In January, we reduced the Fund's exposure to Brazilian local debt and kept our exposure to the Brazilian real at neutral.

As discussed, we moderated the Fund's allocation to Argentina in late 2013/early 2014, moving from an overweight to an underweight position.

Use of derivatives

The Fund continued to utilize a number of instruments to manage its overall currency exposure. Currency forwards 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) and credit linked notes (notes structured to provide exposure to an underlying bond or asset) 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, slightly detracted from performance while local market exposure (i.e., credit linked notes) generally contributed to results.

The Fund engaged in transactions involving interest rate related derivative instruments, including, but not limited to, futures and swaps. Total return swaps also played a role in adjusting the Fund's exposure to local yields. Overall, duration and yield curve management did not meaningfully impact performance during the reporting period.

Outlook

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As noted earlier, we maintain a cautious near-term outlook for the emerging markets asset class. Improving growth in developing countries could have a positive impact on emerging market exports. However, this has yet to occur. In addition, valuations in the asset class have become less attractive given spread widening in recent months.

While certain geopolitical issues have been priced into the market, in our view, we expect to see continued periods of elevated volatility. That being said, the potential impact of higher rates in the US could be somewhat more muted in 2014 versus last year, as the Federal Reserve has telegraphed its intention to taper its asset purchases. Within the asset class, we currently feel US dollar-denominated debt should outperform local debt for the year as a whole.

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
Vice President & 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 six months ended April 30, 2014. The views and opinions in the letter were current as of June 13, 2014. 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.

Global High Income Fund Inc.

Performance at a glance (unaudited)

Average annual total returns for periods ended 04/30/2014

Net asset value returns	6 months	1 year	5 years	10 years
Global High Income Fund Inc.	(0.67)%	(9.84)%	9.03%	8.25%
Lipper Emerging Markets Hard Currency Debt Funds	2.31	(5.00)	11.13	9.37
Market price returns				
Global High Income Fund Inc.	0.55%	(15.16)%	10.86%	6.23%
Lipper Emerging Markets Hard Currency Debt Funds	3.28	(10.50)	14.11	10.00
Index returns				
Global High Income Fund Index ¹	0.90%	(5.87)%	9.53%	8.95%
J.P. Morgan Emerging Markets Bond Index Global (EMBI Global) ²	3.30	(2.28)	10.72	9.09

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 for the period of less than one year have not been annualized. 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)

Characteristics¹	04/30/14		10/31/13		04/30/13
Net asset value	\$ 11.44		\$ 11.93		\$ 13.62
Market price	\$ 10.13		\$ 10.49		\$ 12.94
12-month dividends/distributions	\$ 0.8259		\$ 0.9034		\$ 0.9457
Monthly dividend/distribution at period-end	\$ 0.0666		\$ 0.0686		\$ 0.0785
Net assets (mm)	\$ 247.0		\$ 257.6		\$ 294.0
Weighted average maturity (yrs.)	8.6		10.4		10.7
Duration (yrs.) ²	5.8		6.0		6.9
Currency breakdown³	04/30/14		10/31/13		04/30/13
US dollar denominated	57.5%		53.4%		48.4%
Foreign denominated	42.5		46.6		51.6
Total	100.0%		100.0%		100.0%
Top ten countries⁴	04/30/14		10/31/13		04/30/13
(bond holdings)					
Brazil	10.8%	Brazil	12.0%	Brazil	13.4%
Turkey	8.5	Turkey	7.9	Russia	7.3
Russia	6.7	Indonesia	6.7	Turkey	6.3
Indonesia	5.8	Russia	6.6	Indonesia	5.9
Venezuela	5.4	Venezuela	5.1	Mexico	5.8
Mexico	5.3	Mexico	4.8	Venezuela	5.3
India	4.6	Poland	3.7	India	4.6
Malaysia	4.4	India	3.6	South Africa	4.2
Poland	4.0	Malaysia	3.6	Malaysia	4.0
South Africa	3.9	Thailand	3.4	Sri Lanka	3.5
	59.4%		57.4%		60.3%
Credit quality⁵	04/30/14		10/31/13		04/30/13
AA	0.9%		0.9%		0.8%
A	12.3		16.7		9.5
BBB	25.9		18.4		18.6
BB	10.5		10.7		11.3
B	12.3		10.7		11.1
Non-rated	28.6		35.7		46.2
Cash equivalents	6.9		4.2		0.3
Other assets less liabilities	2.6		2.7		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 Breakdown represents a percentage of market value as of dates indicated. Forward foreign currency contracts are reflected at unrealized appreciation/depreciation; this may not align with the risk exposure described in the portfolio commentary section of the preceding shareholder letter which reflects forward foreign currency contracts based on contract notional amount. As of the most recent period end, April 30, 2014, the Fund maintained a risk exposure to non-US dollar currencies equal to approximately 55% of the Fund.
- 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 any references to credit quality made in the commentary above may 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 April 30, 2014

Bonds

Corporate bonds

Banks	7.76%
Building products	0.08
Capital markets	0.30
Chemicals	0.10
Construction materials	0.16
Diversified financial services	2.80
Electric utilities	1.95
Electrical equipment	1.17
Energy equipment & services	0.08
Food & staples retailing	0.09
Metals & mining	0.81
Oil, gas & consumable fuels	6.99
Road & rail	1.36
Specialty retail	0.26

Total corporate bonds **23.91**

Non-US government obligations	61.35
Structured notes	5.20

Total bonds **90.46**

Short-term investment	6.94
Options purchased	0.02

Total investments **97.42**

Cash and other assets, less liabilities	2.58
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Net assets 100.00%

Global High Income Fund Inc.

Portfolio of investments April 30, 2014

(unaudited)

	Face amount	Value
Bonds: 90.46%		
Corporate bonds: 23.91%		
Brazil: 2.60%		
Banco do Brasil SA, 5.875%, due 01/26/22 ¹	\$ 1,900,000	\$ 1,938,000
Caixa Economica Federal, 2.375%, due 11/06/17 ¹	200,000	191,980
Centrais Eletricas Brasileiras SA, 5.750%, due 10/27/21 ¹	500,000	502,500
5.750%, due 10/27/21 ²	2,200,000	2,211,000
State of Minas Gerais, 5.333%, due 02/15/28 ¹	1,600,000	1,576,000
		6,419,480
China: 0.24%		
China Lesso Group Holdings Ltd., 7.875%, due 05/13/16 ²	200,000	207,000
China Shanshui Cement Group Ltd., 10.500%, due 04/27/17 ²	360,000	387,900
		594,900
Costa Rica: 0.20%		
Banco Nacional de Costa Rica, 6.250%, due 11/01/23 ¹	500,000	503,500
Croatia: 0.09%		
Agrokor DD, 8.875%, due 02/01/20 ¹	200,000	221,742
Czech Republic: 0.22%		
EP Energy AS, 5.875%, due 11/01/19 ¹	EUR 350,000	539,685
Hungary: 0.13%		
Magyar Export-Import Bank RT, 5.500%, due 02/12/18 ²	\$ 300,000	317,499
India: 0.95%		
Canara Bank, 6.365%, due 11/28/21 ³	650,000	643,500
ICICI Bank Ltd., 6.375%, due 04/30/22 ^{2,3}	1,700,000	1,704,250
		2,347,750
Indonesia: 1.15%		
Majapahit Holding BV, 7.250%, due 06/28/17 ¹	100,000	112,500
Pertamina Persero PT, 4.300%, due 05/20/23 ¹	200,000	182,000
5.625%, due 05/20/43 ¹	1,000,000	856,250
		Value
	Face	

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	amount	
6.000%, due 05/03/42 ¹	\$ 1,700,000	\$ 1,507,900
6.500%, due 05/27/41 ²	200,000	190,000
		2,848,650
Ireland: 0.09%		
Metalloinvest Finance Ltd., 5.625%, due 04/17/20 ²	250,000	223,125
Kazakhstan: 0.82%		
Development Bank of Kazakhstan JSC, 5.500%, due 12/20/15 ¹	264,000	274,230
Kazakhstan Temir Zholy Finance BV, 6.950%, due 07/10/42 ¹	750,000	764,063
6.950%, due 07/10/42 ²	350,000	356,562
KazMunayGas National Co., 5.750%, due 04/30/43 ¹	700,000	633,500
		2,028,355
Luxembourg: 0.17%		
Evraz Group SA, 6.500%, due 04/22/20 ²	250,000	205,000
TMK OAO Via TMK Capital SA, 6.750%, due 04/03/20 ²	250,000	213,125
		418,125
Malaysia: 1.77%		
Malayan Banking Bhd, 3.250%, due 09/20/22 ^{2,3}	4,400,000	4,375,976
Mexico: 1.75%		
Comision Federal de Electricidad, 4.875%, due 01/15/24 ²	1,450,000	1,497,125
5.750%, due 02/14/42 ¹	500,000	497,500
Petroleos Mexicanos, 6.625%, due 06/15/35	2,050,000	2,316,500
		4,311,125
Morocco: 0.10%		
OCP SA, 6.875%, due 04/25/44 ¹	250,000	250,000
Netherlands: 0.37%		
Petrobras Global Finance BV, 2.366%, due 01/15/19 ³	470,000	465,182
3.113%, due 03/17/20 ³	450,000	453,938
		919,120
Peru: 0.17%		
Fondo MIVIVIENDA SA, 3.500%, due 01/31/23 ¹	450,000	415,125

Global High Income Fund Inc.

Portfolio of investments April 30, 2014

(unaudited)

	Face amount	Value
Bonds (continued)		
Corporate bonds (concluded)		
Philippines: 1.17%		
Power Sector Assets & Liabilities Management Corp., 9.625%, due 05/15/28	\$ 2,000,000	\$ 2,890,000
Russia: 2.93%		
RSHB Capital SA for OJSC Russian Agricultural Bank, 5.298%, due 12/27/17 ²	1,000,000	947,500
8.700%, due 03/17/16	RUB 10,000,000	263,267
SB Capital SA, 5.717%, due 06/16/21 ²	\$ 330,000	318,038
VEB Finance Ltd., 5.942%, due 11/21/23 ¹	500,000	445,000
6.025%, due 07/05/22 ¹	200,000	181,000
6.025%, due 07/05/22 ²	1,400,000	1,267,000
6.800%, due 11/22/25 ¹	1,000,000	911,250
6.800%, due 11/22/25 ²	2,550,000	2,323,687
6.902%, due 07/09/20 ¹	200,000	193,750
6.902%, due 07/09/20 ²	400,000	387,500
		7,237,992
Singapore: 0.36%		
Oversea-Chinese Banking Corp. Ltd., 3.150%, due 03/11/23 ^{2,3}	900,000	893,053
South Africa: 1.16%		
Edcon Pty Ltd., 9.500%, due 03/01/18 ¹	350,000	346,500
9.500%, due 03/01/18 ²	300,000	294,143
Transnet Ltd., Series 2, 10.000%, due 03/30/29	ZAR 12,000,000	1,052,197
Transnet SOC Ltd., 9.500%, due 05/13/21 ¹	12,660,000	1,181,885
		2,874,725
Sri Lanka: 0.77%		
National Savings Bank, 8.875%, due 09/18/18 ¹	\$ 900,000	1,000,125
8.875%, due 09/18/18 ²	800,000	889,000
		1,889,125
Turkey: 2.61%		
Export Credit Bank of Turkey, 5.375%, due 11/04/16 ¹	700,000	735,000
5.875%, due 04/24/19 ¹	400,000	419,500

Face
amount

Value

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Turkiye Halk Bankasi AS, 3.875%, due 02/05/20 ²	\$ 2,150,000	\$ 1,991,438
4.875%, due 07/19/17 ¹	800,000	817,000
Turkiye Vakiflar Bankasi Tao, 3.750%, due 04/15/18 ²	1,300,000	1,254,500
5.000%, due 10/31/18 ²	800,000	805,616
5.750%, due 04/24/17 ²	400,000	417,500
		6,440,554
Ukraine: 0.44%		
Nak Naftogaz Ukraine, 9.500%, due 09/30/14	1,220,000	1,098,000
United Arab Emirates: 0.74%		
IPIC GMTN Ltd., 5.500%, due 03/01/22 ²	1,620,000	1,830,600
Venezuela: 2.91%		
Petroleos de Venezuela SA, 5.250%, due 04/12/17 ²	530,000	431,897
6.000%, due 11/15/26 ²	860,000	506,325
8.500%, due 11/02/17 ¹	1,500,000	1,356,600
8.500%, due 11/02/17 ²	780,000	705,432
9.000%, due 11/17/21 ²	2,860,000	2,364,934
9.750%, due 05/17/35 ²	2,350,000	1,818,312
		7,183,500
Total corporate bonds (cost \$58,829,030)		59,071,706
Non-US government obligations: 61.35%		
Albania: 1.06%		
Republic of Albania, 7.500%, due 11/04/15	EUR 1,800,000	2,623,640
Argentina: 0.42%		
Republic of Argentina, 0.000%, due 12/15/35 ⁴	\$ 501,737	34,369
0.000%, due 12/15/35 ⁴	520,000	36,660
7.000%, due 10/03/15 Series 1, 8.750%, due 06/02/17	165,000	159,715
	872,897	816,264
		1,047,008
Belarus: 1.91%		
Republic of Belarus, 8.750%, due 08/03/15 ²	4,550,000	4,572,750
8.950%, due 01/26/18 ²	150,000	151,125
		4,723,875
Brazil: 8.19%		
Federative Republic of Brazil, 5.625%, due 01/07/41	750,000	789,375
6.000%, due 08/15/50 ⁵	BRL 1,585,000	1,584,731

Global High Income Fund Inc.

Portfolio of investments April 30, 2014

(unaudited)

	Face amount	Value
Bonds (continued)		
Non-US government obligations (continued)		
Brazil (concluded)		
Notas do Tesouro Nacional, Series B, 6.000%, due 08/15/16 ⁵	BRL 4,100,000	\$ 4,478,588
6.000%, due 05/15/45 ⁵	9,250,000	9,285,647
6.000%, due 08/15/22 ⁵	900,000	961,577
Series F, 10.000%, due 01/01/17	1,280,000	544,894
10.000%, due 01/01/21	6,428,000	2,578,739
		20,223,551
China: 0.21%		
China Government Bond, 2.480%, due 12/01/20	CNY 3,500,000	515,251
Colombia: 3.15%		
Republic of Colombia, 2.625%, due 03/15/23	\$ 580,000	532,150
4.375%, due 07/12/21	350,000	371,525
4.375%, due 03/21/23	COP 395,000,000	183,687
6.125%, due 01/18/41	\$ 150,000	172,500
7.375%, due 09/18/37	575,000	753,250
7.750%, due 04/14/21	COP 1,530,000,000	886,545
8.125%, due 05/21/24	\$ 250,000	330,875
9.850%, due 06/28/27	COP 4,930,000,000	3,333,052
12.000%, due 10/22/15	2,130,000,000	1,210,184
		7,773,768
Costa Rica: 0.08%		
Republic of Costa Rica, 7.000%, due 04/04/44 ¹	\$ 200,000	199,000
Dominican Republic: 0.09%		
Republic of Dominica, 7.500%, due 05/06/21 ¹	200,000	222,500
El Salvador: 0.42%		
Republic of El Salvador, 7.750%, due 01/24/23 ²	320,000	356,800
8.250%, due 04/10/32 ²	615,000	684,187
		1,040,987
Gabon: 0.24%		
Gabonese Republic, 6.375%, due 12/12/24 ¹	550,000	584,375
Ghana: 0.47%		
Republic of Ghana, 7.875%, due 08/07/23 ²	700,000	651,875

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		500,000	514,500 1,166,375
		Face amount	Value
Honduras: 0.09%			
Republic of Honduras, 8.750%, due 12/16/20 ¹	\$	200,000	\$ 218,000
Hungary: 2.25%			
Government of Hungary, 5.375%, due 02/21/23		550,000	574,035
5.750%, due 11/22/23		800,000	853,760
6.500%, due 06/24/19	HUF	90,000,000	445,122
6.750%, due 02/24/17		70,000,000	344,110
7.500%, due 11/12/20		150,000,000	778,625
7.625%, due 03/29/41	\$	900,000	1,084,500
Hungarian Development Bank, 5.875%, due 05/31/16	EUR	1,000,000	1,478,610 5,558,762
Indonesia: 4.66%			
Indonesia Treasury Bond, 9.500%, due 07/15/23	IDR	29,400,000,000	2,752,714
11.750%, due 08/15/23		4,600,000,000	487,393
12.000%, due 09/15/26		12,215,000,000	1,347,068
Republic of Indonesia, 3.375%, due 04/15/23 ²	\$	900,000	812,250
3.750%, due 04/25/22 ²		430,000	406,888
4.875%, due 05/05/21 ¹		1,080,000	1,112,400
5.875%, due 03/13/20 ²		1,200,000	1,314,000
6.625%, due 02/17/37 ²		920,000	993,600
7.750%, due 01/17/38 ²		1,235,000	1,491,262
8.500%, due 10/12/35 ²		400,000	516,500
11.625%, due 03/04/19 ²		200,000	270,000
			11,504,075
Latvia: 0.11%			
Republic of Latvia, 5.250%, due 02/22/17 ²		250,000	271,788
Lithuania: 0.47%			
Republic of Lithuania, 6.125%, due 03/09/21 ¹		250,000	287,500
6.125%, due 03/09/21 ²		450,000	517,500
6.625%, due 02/01/22 ¹		300,000	358,003
			1,163,003
Malaysia: 2.63%			
Malaysia Government Bond, 3.197%, due 10/15/15	MYR	4,100,000	1,257,120
3.580%, due 09/28/18		2,600,000	794,053
4.012%, due 09/15/17		9,200,000	2,859,663
4.262%, due 09/15/16		5,100,000	1,594,111
			6,504,947

Global High Income Fund Inc.

Portfolio of investments April 30, 2014

(unaudited)

	Face amount	Value
Bonds (continued)		
Non-US government obligations (continued)		
Mexico: 3.51%		
Mexican Bonos, Series M, 7.750%, due 11/13/42	MXN 4,800,000	\$ 386,535
10.000%, due 11/20/36	2,000,000	199,542
Mexican Udibonos, 2.500%, due 12/10/20 ⁵	16,469,933	1,294,481
4.000%, due 11/15/40 ⁵	34,483,922	2,791,744
United Mexican States, 4.750%, due 03/08/44	\$ 1,100,000	1,072,500
5.550%, due 01/21/45	800,000	874,000
6.050%, due 01/11/40	1,600,000	1,856,000
Series A, 6.750%, due 09/27/34	150,000	187,500
		8,662,302
Mongolia: 1.40%		
Development Bank of Mongolia LLC, 5.750%, due 03/21/17 ²	1,500,000	1,413,750
Mongolia Government International Bond, 4.125%, due 01/05/18 ¹	300,000	279,000
5.125%, due 12/05/22 ¹	2,100,000	1,769,250
		3,462,000
Montenegro: 0.91%		
Republic of Montenegro, 7.875%, due 09/14/15	EUR 1,550,000	2,258,213
Nigeria: 1.01%		
Nigeria Treasury Bills, 13.885%, due 04/09/15 ⁶	NGN 43,000,000	239,676
Republic of Nigeria, 5.125%, due 07/12/18 ²	\$ 200,000	205,500
6.375%, due 07/12/23 ²	200,000	210,300
15.100%, due 04/27/17	NGN 280,000,000	1,832,174
		2,487,650
Pakistan: 0.08%		
Islamic Republic of Pakistan, 7.125%, due 03/31/16 ²	\$ 100,000	102,250
7.875%, due 03/31/36 ²	100,000	86,250
		188,500
Peru: 2.34%		
Republic of Peru, 5.625%, due 11/18/50	1,150,000	1,262,125

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6.900%, due 08/12/37 ²	PEN	1,250,000	446,688
6.950%, due 08/12/31 ¹		1,750,000	640,436
		Face amount	Value
7.840%, due 08/12/20 ²	PEN	7,150,000	\$ 2,837,647
Series 7,			
8.200%, due 08/12/26		1,442,000	604,439
			5,791,335
Philippines: 1.10%			
Republic of the Philippines, 3.900%, due 11/26/22	PHP	20,000,000	428,443
4.950%, due 01/15/21		43,000,000	998,318
4.950%, due 01/15/21		35,000,000	812,584
9.500%, due 02/02/30	\$	300,000	469,125
			2,708,470
Poland: 4.01%			
Republic of Poland, 4.750%, due 04/25/17	PLN	16,500,000	5,700,461
5.000%, due 04/25/16		5,300,000	1,820,116
5.000%, due 03/23/22	\$	200,000	217,720
5.500%, due 10/25/19	PLN	6,000,000	2,170,198
			9,908,495
Romania: 0.85%			
Romanian Government International Bond,			
4.375%, due 08/22/23 ¹	\$	200,000	203,000
5.750%, due 01/27/16	RON	3,150,000	1,021,043
6.125%, due 01/22/44 ¹	\$	800,000	882,000
			2,106,043
Russia: 3.80%			
Russian Federation, 5.625%, due 04/04/42 ¹		1,000,000	916,250
5.625%, due 04/04/42 ²		200,000	183,250
7.000%, due 01/25/23	RUB	25,100,000	608,473
7.050%, due 01/19/28		55,000,000	1,265,317
7.500%, due 03/31/30 ^{1,7}	\$	548,000	611,020
7.500%, due 03/31/30 ^{2,7}		31,510	35,134
7.600%, due 04/14/21	RUB	155,000,000	3,987,187
8.150%, due 02/03/27		69,500,000	1,776,020
			9,382,651
South Africa: 2.71%			
Republic of South Africa, 5.500%, due 03/09/20	\$	100,000	109,125
5.875%, due 09/16/25		1,500,000	1,646,250
7.000%, due 02/28/31	ZAR	14,000,000	1,108,026
7.750%, due 02/28/23		20,950,000	1,920,335
10.500%, due 12/21/26		11,050,000	1,216,408
13.500%, due 09/15/15		6,800,000	701,559
			6,701,703

Global High Income Fund Inc.

Portfolio of investments April 30, 2014

(unaudited)

	Face amount	Value
Bonds (continued)		
Non-US government obligations (concluded)		
Sri Lanka: 0.91%		
Republic of Sri Lanka, 6.250%, due 10/04/20 ¹	\$ 550,000	\$ 573,375
6.250%, due 10/04/20 ²	1,000,000	1,042,500
7.400%, due 01/22/15 ²	600,000	620,250
		2,236,125
Thailand: 2.91%		
Thailand Government Bond,		
1.200%, due 07/14/21 ^{2,5}	THB 159,438,760	4,715,815
3.775%, due 06/25/32	10,000,000	293,603
3.875%, due 03/07/18	2,100,000	66,951
3.875%, due 06/13/19	62,100,000	1,992,481
5.125%, due 03/13/18	3,400,000	113,354
		7,182,204
Turkey: 5.88%		
Republic of Turkey, 5.125%, due 03/25/22	\$ 1,450,000	1,506,188
5.625%, due 03/30/21	1,000,000	1,072,500
6.000%, due 01/14/41	250,000	259,375
6.250%, due 09/26/22	1,300,000	1,446,250
6.750%, due 05/30/40	750,000	847,500
6.875%, due 03/17/36	250,000	285,625
7.100%, due 03/08/23	TRY 3,250,000	1,348,418
7.250%, due 03/05/38	\$ 250,000	298,125
7.500%, due 11/07/19	200,000	234,250
8.000%, due 02/14/34	350,000	446,250
8.500%, due 09/14/22	TRY 1,500,000	685,472
10.500%, due 01/15/20	12,100,000	6,093,214
		14,523,167
Ukraine: 0.39%		
Financing of Infrastructural Projects State Enterprise, 8.375%, due 11/03/17 ¹	\$ 1,150,000	956,800
Uruguay: 0.08%		
Oriental Republic of Uruguay,		
4.500%, due 08/14/24	116,000	119,480
6.875%, due 09/28/25	60,000	70,800
		190,280

Venezuela: 2.53%

Republic of Venezuela, 7.650%, due 04/21/25	2,850,000	2,101,875
7.750%, due 10/13/19 ²	150,000	121,875
8.250%, due 10/13/24 ²	2,000,000	1,535,000

	Face amount	Value
9.250%, due 09/15/27	\$ 500,000	\$ 412,500
9.250%, due 05/07/28 ²	280,000	221,900
9.375%, due 01/13/34	2,350,000	1,862,375
		6,255,525

Vietnam: 0.11%

Socialist Republic of Vietnam, 6.875%, due 01/15/16 ²	250,000	268,125
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Zambia: 0.37%

Republic of Zambia, 5.375%, due 09/20/22 ¹	400,000	352,000
8.500%, due 04/14/24 ¹	550,000	574,750
		926,750

Total Non-US government obligations

(cost \$155,129,740)		151,537,243
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Structured notes: 5.20%**Bangladesh: 0.82%**

Standard Chartered Bank, 11.700%, due 06/05/18 ¹ (linked to People's Republic of Bangladesh Bonds, 11.700%, due 06/05/18)	1,985,909	2,015,483
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Ghana: 0.23%

Citigroup Funding, Inc., 23.000%, due 08/23/17 ¹ (linked to Ghana Government Bonds, 23.000%, due 08/21/17)	1,750,000	571,519
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India: 3.67%

Standard Chartered Bank, 8.130%, due 09/23/22 ¹ (linked to Indian Government Bonds, 8.130%, due 09/23/22)	3,235,610	2,659,592
8.130%, due 09/23/22 ¹		

(linked to Indian Government Bonds, 8.130%, due 09/22/22)	5,918,535	4,928,072
8.130%, due 09/23/22 ¹ (linked to Indian Government Bonds, 8.130%, due 09/23/22)	1,792,460	1,486,243
		9,073,907

Global High Income Fund Inc.

Portfolio of investments April 30, 2014

(unaudited)

	Face amount	Value
Bonds (concluded)		
Structured notes (concluded)		
Vietnam: 0.48%		
Citigroup Funding Inc., 9.400%, due 07/03/15 ¹ (linked to Socialist Republic of Vietnam Bonds, 9.400%, due 07/03/15)	VND 24,000,000,000	\$ 1,193,904
Total structured notes (cost \$15,031,865)		12,854,813
Total bonds (cost \$228,990,635)		223,463,762
Shares		
Short-term investment: 6.94%		
Investment company: 6.94%		
UBS Cash Management Prime Relationship Fund ⁸ (cost \$17,130,556)	17,130,556	17,130,556
	Number of contracts	Value
Options purchased: 0.02%		
Put options: 0.02%		
10 Year US Treasury Notes, strike @ USD 123.0000, expires May 2014	280	\$ 48,125
	Face amount	
		covered by contracts
Foreign Exchange Option, Buy EUR/BRL, strike @ BRL 2.8000, expires June 2014, counterparty: BB	EUR 5,240,000	186
Foreign Exchange Option, Buy USD/TRY, strike @ TRY 1.9200, expires June 2014, counterparty: BB	\$ 7,480,000	7
Total options purchased (cost \$339,810)		48,318
Total investments: 97.42% (cost \$246,461,001)		240,642,636
Cash and other assets, less liabilities: 2.58%		6,368,346

Net assets: 100.00%

\$ 247,010,982

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Global High Income Fund Inc.

Portfolio of investments April 30, 2014

(unaudited)

Notes to portfolio of investments

Aggregate cost for federal income tax purposes was substantially the same as for book purposes; and net unrealized depreciation consisted of:

Gross unrealized appreciation	\$ 10,760,176
Gross unrealized depreciation	(16,578,541)
Net unrealized depreciation of investments	\$ (5,818,365)

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 17. Portfolio footnotes begin on page 16.

Forward foreign currency contracts

Counterparty	Contracts to deliver	In exchange for	Maturity date	Unrealized appreciation/ (depreciation)
BB	COP 1,255,000,000	USD 645,908	06/18/14	\$ 856
BB	HUF 302,290,000	USD 1,347,719	06/18/14	(15,927)
BB	INR 61,890,000	USD 1,019,605	06/18/14	4,215
BB	MXN 21,570,000	USD 1,636,695	06/18/14	(5,489)
BB	USD 4,861,962	BRL 11,126,000	06/10/14	66,943
BB	USD 3,125,779	BRL 7,269,000	06/18/14	87,203
BB	USD 2,082,285	CNY 12,830,000	06/18/14	(37,074)
BB	USD 521,594	RUB 18,750,000	06/18/14	(2,027)
BB	USD 3,732,121	TRY 8,569,324	06/18/14	275,946
CSI	BRL 23,073,994	USD 9,642,642	06/18/14	(556,332)
CSI	COP 1,025,000,000	USD 515,594	06/18/14	(11,242)
CSI	USD 179,285	CLP 103,573,000	06/18/14	3,285
CSI	USD 5,243,659	IDR 60,903,586,958	06/18/14	(20,506)
CSI	USD 8,777,628	MXN 116,985,000	06/18/14	128,762
CSI	USD 2,991,622	RUB 111,407,999	06/18/14	95,520
CSI	USD 175,720	RUB 6,300,000	06/18/14	(1,146)
CSI	USD 5,972,311	ZAR 65,140,000	06/18/14	171,030
DB	INR 124,202,800	USD 2,001,657	06/18/14	(36,059)
DB	PEN 5,112,000	USD 1,791,798	06/18/14	(17,067)
DB	USD 31,827	COP 65,340,000	06/18/14	1,757
DB	USD 6,316,309	HUF 1,435,507,499	06/18/14	159,342

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DB	USD	5,868,962	MYR	19,380,487	06/18/14	44,720
DB	USD	743,792	PHP	33,210,300	06/18/14	529
DB	USD	3,218,890	THB	104,388,590	06/18/14	146
GSI	BRL	11,126,000	USD	4,613,726	06/10/14	(315,180)
GSI	COP	1,248,000,000	USD	623,688	06/18/14	(17,766)
GSI	TWD	1,122,128	USD	37,056	06/18/14	(149)
GSI	USD	716,169	KRW	769,309,200	06/18/14	26,408
GSI	USD	1,507,564	MXN	19,791,000	06/18/14	(821)
GSI	USD	2,578,296	PLN	7,895,000	06/18/14	21,220