Calamos Global Dynamic Income Fund
Form N-CSR
December 29, 2008

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: 811-22047

EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER:	Calamos Global Dynamic Income Fund
ADDRESS OF PRINCIPAL EXECUTIVE OFFICES:	2020 Calamos Court, Naperville, Illinois 60563-2787
NAME AND ADDRESS OF AGENT FOR SERVICE:	John P. Calamos, Sr., President Calamos Advisors LLC 2020 Calamos Court Naperville, Illinois 60563-2787

REGISTRANT S TELEPHONE NUMBER, INCLUDING AREA CODE: (630) 245-7200
DATE OF FISCAL YEAR END: October 31, 2008
DATE OF REPORTING PERIOD: November 1, 2007 through October 31, 2008

ITEM 1. REPORTS TO SHAREHOLDERS

Include a copy of the report transmitted to stockholders pursuant to Rule 30e-1 under the Act (17 CFR 270. 30e-1).

Managing Your Calamos Funds Investments

Calamos Investments offers several convenient means to monitor, manage and feel confident about your Calamos investment choice.

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PERSONAL ASSISTANCE

800.582.6959 Dial this toll-free number to speak with a knowledgeable Client Services Representative who can help answer questions or address issues concerning your Calamos Fund

YOUR FINANCIAL ADVISOR

We encourage you to talk to your financial advisor to determine how Calamos Investments can benefit your investment portfolio based on your financial goals, risk tolerance, time horizon and income needs

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Visit **www.calamos.com** for timely fund performance, detailed fund profiles, fund news and insightful market commentary.

Letter to Shareholders

About the Fund

CHW utilizes a blend of securities to produce a stream of income paid out on a monthly basis.

The Fund s dynamic asset allocation approach and broad investment universe including equities and higher-yielding convertible and corporate bonds provides enhanced opportunities for income and total return.

Invests in U.S. and non-U.S. markets.

Dear Fellow Shareholders:

Enclosed is your annual report for the year ended October 31, 2008. We appreciate the opportunity to correspond with you. I encourage you to carefully review this report, which includes an assessment of market conditions and fund commentary from our investment team. The report also includes a listing of portfolio holdings, financial data and highlights, as well as detailed information about the performance and allocations of Calamos Global Dynamic Income Fund (CHW).

As we discuss in the Economic and Market Review, the annual period was characterized by unprecedented market events and volatility, including a global credit crisis, the freezing of the auction rate preferred securities (ARPS) market and, more recently, a panicked sell-off driven by deleveraging activity. Poor policy decisions, such as a lack of hedge fund regulations, have also contributed. In this environment of extreme pessimism, good investments have been sold off alongside bad, across the global markets. Closed-end funds have not been immune, as investors have sought to exit the market at any cost. Moreover, because they trade on securities exchanges, closed-end funds offer relatively high liquidity, and therefore, a more ready source of cash.

Despite these challenges, the Fund continued to provide a competitive income stream. The Fund s monthly distribution was $0.1100 per share throughout the period. The Fund s current annualized distribution rate was 15.12%, based on a closing market price of $6.35 on October 31, 2008. Due to broader conditions in the troubled global markets most notably, less robust opportunities for capital gains we announced a reduction in the November 2008 distribution to $0.0800, subsequent to the end of the reporting period. Even so, we believe that the Fund s distribution remains competitive and appropriate for the current market environment.

CHW continues to utilize leverage strategies to enhance the long-term yield and dividend potential of the Fund. This reflects our belief that leverage strategies can be accretive to common shareholders. The leverage strategies used within the Fund are compliant with the Investment Company Act of 1940, as well as the Fund s prospectus.

Although each economic and market downturn is unique, we believe that past experience provides us with the perspective and knowledge required to navigate these current difficulties. I began my investment career in the 1970s a period which was also marked by unprecedented market and economic conditions. Yet, there were opportunities for long-term investors. I believe the same is true today. Additionally, it s important to remember that the U.S. and global economies have demonstrated incredible resilience in the face of significant past challenges.

All of us at Calamos Investments recognize how difficult this period is for our shareholders. Managing your assets is a responsibility that we take very seriously. We assure you that we are carefully evaluating market and economic events on an ongoing basis; and we are rigorously tracking every security in which the Fund is invested. We are seeking to capitalize on the market s extreme pessimism by selectively investing in securities with good distributions and very attractive price tags.

With a broad investable universe that includes higher-yielding convertible and corporate securities as well as equities, we believe the Fund is well positioned to provide an attractive income stream. We continue to find long-term opportunities across asset

Letter to Shareholders

classes. Due in large part to hedge-fund deleveraging, the convertible market has reached a level of undervaluation that we have not seen in our more than 30 years of investing, presenting what we see as a rare opportunity for long-term investors. We have also seen a number of opportunities emerge in the high-yield market and equity markets, as emotion has caused investors to overlook longer-term considerations.

Also, in keeping with our dedication to all of the Fund s shareholders, we did refinance the majority of our ARPS financing in the Fund. We continue to work diligently to secure refinancing for all outstanding ARPS, in such a way that accounts for the best interests of all Fund shareholders both investors in the preferred share class and the common shareholders who hold the majority of Fund assets. Please see page 7, ARPS Update for additional information.

If you have any questions about your portfolio, please speak to your financial advisor or contact us at 800.582.6959, Monday through Friday from 8:00 a.m. to 6:00 p.m., Central Time. I also encourage you to visit our website at calamos.com on a regular basis for updated commentary and more information about the Fund. You will also find a section of our website dedicated to our ARPS-related activities.

As always, and especially during these difficult markets, we thank you for your continued confidence. We are honored by the opportunity to serve you and to help you achieve your long-term investment goals.

Sincerely,

John P. Calamos, Sr.
Chairman, CEO and Co-CIO
Calamos Advisors LLC

This report is for informational purposes only and should not be considered investment advice.

Economic and Market Review

For the latest market and
economic outlook, please visit
our website at www.calamos.com
and select the
Fund Investors link.

The year ended October 31, 2008, proved to be one of the most challenging periods since the Great Depression. In the United States, stocks dropped 36.10% as measured by the S&P 500 Index[1]. International markets fared worse with a 46.34% loss in the MSCI EAFE® Index[2]. The Credit Suisse High Yield Index[3], representative of the high-yield bond market, fell 24.59%. Convertible securities, which blend characteristics of stocks and bonds, had a disappointing loss of 35.36%, based on the Merrill Lynch All U.S. Convertibles Ex. Mandatory Index[4]. The investment-grade bond markets had a muted return; the Barclays Capital (formerly Lehman Brothers) U.S. Aggregate Index[5] rose 0.30%.

As the past decade demonstrates, the stock market is fraught with swings driven by fear and greed. Just eight years ago, we experienced the incredible excess optimism priced into technology and telecommunications stocks. Today, we are experiencing the polar opposite in the markets extreme pessimism. Over the long run, the stock market reflects the strength of the economy, which has proven remarkably resilient in the face of world wars, terrorism, natural disasters, bank crises, inflation and other problems. We believe that maintaining patience and staying invested over the long-term will prove to be the most prudent and fruitful course of action.

The January 2008 plunge in the equity markets made it clear that investors were anxious about instability among Wall Street s biggest banks and brokers and had further concerns regarding the possibility of a broader slowdown. In March, Bear Stearns, teetering on bankruptcy, was acquired by JPMorgan Chase in a government-coordinated deal. Soon after, the Fed cut its benchmark fed funds rate by 75 basis points to support the markets. Congress provided liquidity on the order of $200 to $300 billion to mortgage insurers Fannie Mae and Freddie Mac.

In April and May, investors appeared to believe that the bad news had run its course and stocks began to recover. It proved to be a short-lived spring, however, and the market reversed course in June and July as earnings reports reflected dour outlooks on the economy and uneasiness over the unfolding credit crunch. The ill wind, which had stirred up trouble throughout 2008, accelerated into a full-blown shock wave in the final two months of the period. The fall season took on a second meaning as major financial institutions toppled, forcing unprecedented government intervention. In September, the government took over Fannie Mae and Freddie Mac, Lehman Brothers filed for bankruptcy protection, and insurer AIG had to be bailed out. A $700 billion rescue package for financial companies did little to calm investors, and markets continued to decline precipitously throughout October. Despite all this negative news, it s our belief that once the sell-off frenzy ends and the dust settles, we will be presented with a highly attractive investment landscape where equity valuations are the best they have been since 1990.

In addition to equities, the fund invests in convertibles and high-yield bonds, which merit attention here.

Economic and Market Review

Convertible bonds fixed-income characteristics typically provide a floor that can cushion losses as the underlying stock declines. During the latter part of the period, however, this fixed-income value was largely ignored in the market place. In recent years, convertible arbitrage hedge funds have used leverage to deliver market performance, borrowing through prime brokers such as the now defunct Bear Stearns, Lehman Brothers and others. As the cost of borrowing and poor performance dramatically increased, it appears many hedge funds could not maintain their leverage and were forced to liquidate portfolios. At the same time, the market makers and the prime brokers also began deleveraging. In the past, the convertible arbitrage community along with traditional market makers would provide liquidity in the convertible market, reducing the spreads. In this way, the convertible market generally benefited. The recent forced liquidation made convertibles uncharacteristically vulnerable to the panic of the stock market. This past October, in fact, the decline in convertible prices closely matched plunging stock prices. As a result, convertible securities finished the period significantly undervalued. In the past, valuations have reverted back over a period of several quarters to just a few months, so we see an excellent investment opportunity in the convertible market for investors who have an investment horizon beyond the current crisis.

High-yield corporate bonds also struggled. Here again, we believe the beaten-down valuations are largely attributable to forced selling in the financial industry and hedge fund arena. The investment banks and hedge funds are liquidity providers, and during normal times act as efficiency capital to allow markets to function smoothly. Because these liquidity providers are themselves under extreme duress, the entire financial industry is suffering from too much debt and a crisis in capital access and liquidity. There is an abundance of sellers, but buyers are only stepping in at very distressed prices because most have limited capital and, in many cases, are net sellers. We believe this environment offers buyers a long-term opportunity to earn a high return on capital as corporate-bond issuers are forced to pay substantially higher yields. In fact, we have been able to find higher-yielding investments that we believe are well-managed and well-positioned to benefit from long-term secular growth themes.

As the broad market struggled, closed-end funds faced added challenges due to the conditions in the credit markets, specifically the auction rate preferred securities (ARPS) market. Like many other closed-end funds, the Fund had used ARPS as a way to leverage portfolios and potentially increase returns for common shareholders. During the period, the credit crunch which originated in the subprime mortgage sector cascaded across other areas of the credit market, including the ARPS market. However, unlike many other segments of the credit market, the problems in the closed-end fund ARPS market were liquidity-based, and not driven by problematic credit quality or fundamentals.

The events of the past year understandably bring up comparisons to the Great Depression. However, there are significant differences between conditions today and those of the 1930s. The Great Depression started with tight monetary policy, a 33% decline in industrial production and trade tariffs that ground the economy to a halt all before the banking crisis even hit. Today, the economy is more diversified and benefits from additional safety nets and insurance that did not exist during the 1930s. The Fed and world central bankers seem to be coordinating globally to fend off a deflationary scenario, with liquidity injections occurring on a consistent basis. We would expect additional injections of liquidity in the near future.

While a slow-growth economy may be with us for the near future, we think odds are that the economy eventually will adjust to this financial crisis as in the past. The credit markets need a sign that a bottom has been established in the mortgage-debt market; then, some confidence will be restored. As always, we hold the view that investing is a long-term proposition. Short-term investors view the current environment through a lens of fear. From our long-term perspective, we see bargains cropping up all over the financial markets.

[1] The S&P 500 Index is an unmanaged index generally considered representative of the U.S. stock market. Source: Lipper, Inc.

[2] The MSCI EAFE® Index measures developed market equity performance (excluding the U.S. and Canada). Source: Lipper, Inc.

[3] The Credit Suisse High Yield Index is an unmanaged index of high yield debt securities. Source: Mellon Analytical Solutions, LLC.

[4] The Merrill Lynch All U.S. Convertibles Ex. Mandatory Index represents the U.S. convertibles market excluding mandatory convertibles. The index includes 660 issues with a total value of $227 billion. Source: Mellon Analytical Solutions, LLC.

[5] The Barclays Capital (formerly Lehman Brothers) U.S. Aggregate Index is considered generally representative of the investment-grade bond market. Source: Lipper, Inc.

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Investment Team Discussion

The Calamos Investment Management Team, led by Co-Chief Investment Officers John P. Calamos, Sr. and Nick P. Calamos, CFA, discusses the Fund s performance, strategy and positioning during the one-year period ended October 31, 2008.

TOTAL RETURN*
Common Shares Inception 6/27/07

	1 Year	Since Inception**
On Share Price	-45.14%	-41.07%
On NAV	-43.35%	-31.55%

*Total return measures net investment income and capital gain or loss from portfolio investments, assuming reinvestment of income and capital gains distributions.
**Annualized since inception

Performance Overview

The underlying portfolio (as represented by net asset value, or NAV) of Calamos Global Dynamic Income Fund (CHW) declined 43.35% for the one-year period ended October 31, 2008. The MSCI World® Index[1] fell 41.51% and the Merrill Lynch Global Broad Market Index[2] retreated 2.52%. On a market price basis, the Fund declined 45.14% assuming reinvestment of distributions.

Throughout the period, the Fund provided common shareholders with monthly distributions of $0.1100 per share. Although the Fund did reduce its monthly distribution to $0.0800 for November 2008 due to unprecedented market conditions, the current annualized distribution rate (based on the $0.0800 monthly distribution) remains attractive at 15.12%, based on the Fund s closing market price of $6.35 on October 31, 2008. For the fiscal year, the Fund had no return of capital from a tax standpoint. Simply put, this means the Fund earned its distribution through the course of the period despite the challenging circumstances.

Many closed-end funds, including this Fund, are currently trading at a market price discount relative to the net asset value of the fund s portfolio. Market price often reflects investor sentiment, which may be influenced by general market sell-offs, concerns about interest rates, people fleeing to cash or any number of broad factors that are less related to the fund s portfolio. In other words, a closed-end fund s discounted market price does not necessarily reflect the value that the advisor has delivered in managing the underlying portfolio. A fund trading at a deep discount may be attractive to investors as it offers them an opportunity to own assets at a discounted price and realize a higher yield for new investments.

SINCE INCEPTION MARKET PRICE AND NAV HISTORY

DISTRIBUTION HISTORY
(LATEST 12 MONTHS)

Date Paid	Per share

October	$ 0.1100
September	0.1100
August	0.1100
July	0.1100
June	0.1100
May	0.1100
April	0.1100
March	0.1100
February	0.1100
January	0.1100
December	0.1100
November	0.1100

Monthly distributions are from net investment income, short-term capital gains and/or long-term capital gains. For more details please go to the Tax Center located at www.calamos.com.

The year ending October 31, 2008, proved to be one of the most challenging market environments in history. In the final months of the period, frozen credit markets, recessionary concerns, bank failures and deleveraging fuelled a widespread and severe retreat across asset classes. Stocks, bonds and convertible securities were all caught up in a ferocious downdraft. In this environment, closed-end funds including CHW fell sharply, with shares trading at significant discounts to net asset value. (For further analysis, please read the Economic and Market Review on page 3.)

The massive deleveraging of hedge funds has exerted significant pricing pressure on convertibles, which represent a significant allocation in this portfolio. We believe the current level of undervaluation within convertibles is extreme and may offer long-term investors compelling opportunities. We are diligently exploring ways to put the valuation opportunity to work.

ASSET ALLOCATION

Fund asset allocations are based on total investments and may vary over time.

QUALITY ALLOCATION

Weighted Average Credit Quality	A
AAA	16.1%
AA	2.5
A	2.4
BBB	8.7
BB	21.9
B	7.1
CCC or below	0.6
Not Rated	40.7

Data is based on a portion of portfolio holdings. Credit quality shown reflects the higher of the ratings of Standard & Poor s Corporation or Moody s Investors Service, Inc. Ratings are relative, subjective and not absolute standards of quality. Excludes equity securities, options, cash and short-term investments.

REGIONAL ALLOCATION

North America	50.1%
Europe	36.1
Asia Pacific	9.8
Latin America	1.7
Middle East / Africa	1.3
Caribbean	1.0

Region allocations are based on portfolio holdings.

Specific to the Fund, the convertible arbitrage and international long equity portions of the portfolio performed poorly and hampered relative returns for the period. Selection within the energy and consumer staples sectors also hurt performance.

The credit derivative sleeve of the portfolio performed well during the period as the short-term income component held its value better during the market s decline over the past 12 months. In addition, the ability to hedge credit risks proved helpful. The Fund also benefited from its significant underweight position to consumer discretionary as the sector performed poorly during the period.

ARPS Update

In May 2008, Calamos redeemed 85.7% of the Fund s outstanding auction rate preferred securities (ARPS) under a refinancing program. Since then, we have been committed to continuing efforts to gain access to additional debt financing and to pursue other forms of equity financing with the goal of refinancing the remaining outstanding ARPS across the Calamos closed-end funds. With respect to the potential of additional debt financing, utilization of any available debt financing is not currently an option because of the constraints imposed by the Investment Company Act of 1940, which requires coverage of 300% for debt leverage and 200% for equity leverage. As we have previously disclosed, we have submitted an application for exemptive relief to the SEC on behalf of the funds to provide for temporary decrease of coverage to 200% for debt leverage. If such an application is granted, the funds would have the flexibility to refinance the remaining ARPS with debt financing. We are continuously mindful of the need to find a total solution to the ARPS issue, while acting in the best interests of the funds and all shareholders. Please visit the ARPS Information Center on www.calamos.com for the latest developments.

Portfolio Positioning

Our focus remains on more stable, higher-quality and less-cyclical assets. We continue to find higher-yielding securities that we believe are well-positioned to benefit from long-term secular growth trends.

Our primary area of focus continues to be within the traditional growth sectors. Conversely, we are maintaining an underweight to the more regulated cyclical areas.

As mentioned, our broader opportunity set allows us to invest in high-yield debt, as well as convertible securities. Although convertibles sold off dramatically with hedge

Investment Team Discussion

fund deleveraging toward the end of the period, convertibles typically provide potential downside protection as well as equity participation. As equilibrium returns to the markets, we believe the use of convertibles will again enhance the risk/reward profile of the Fund. We believe the current level of undervaluation within the convertible market is extreme and we are positioned to take advantage of this opportunity to invest in higher-growth firms at prices that should be very attractive to long-term investors.

SECTOR ALLOCATION

Financials	30.1%
Information Technology	15.7
Health Care	12.1
Industrials	10.6
Energy	7.9
Consumer Discretionary	7.9
Consumer Staples	7.4
Telecommunication Services	3.5
Materials	3.3
Utilities	1.3

Sector allocations are based on managed assets and may vary over time.

COUNTRY ALLOCATIONS

United States	48.7%
Germany	10.1
United Kingdom	7.7
Switzerland	7.7
Japan	5.3
France	3.3
Australia	2.7
Canada	1.5
Israel	1.1
Other Combined	11.9

Country allocation is based on portfolio holdings and may vary over time.

It s important to remember that a convertible bond, on one level, functions as a short-term bond. As long as the issuing company s credit-worthiness is good and they are making their interest payments, the convertible will be redeemable at par when it matures. This bond-like feature provides a measure of stability. When you consider that convertible bonds are currently steeply discounted as a consequence of the historic sell-off and are, in many instances, trading at a fraction of their face value, they are especially attractive at this time.

Throughout the life of the Calamos closed-end funds, leverage has been accretive to the common shareholders. The cost of leverage has been less than the yield and dividend levels of the portfolios, allowing the funds to pay a higher distribution to shareholders. Because of the recent market volatility, we have engaged in moderate deleveraging of the Calamos closed-end funds to ensure compliance with the Investment Company Act of 1940 and the funds prospectuses.

[1] The MSCI World® Index (U.S. dollars) is a market capitalization weighted index composed of companies representative of the market structure of developed market countries in North America, Europe and the Asia/Pacific region. Source: Lipper, Inc.

[2] The Merrill Lynch Global Broad Market Index tracks the performance of fixed-income securities in developed markets. Source: Bloomberg.

Schedule of Investments

OCTOBER 31, 2008

PRINCIPAL AMOUNT		VALUE
CORPORATE BONDS (23.9%)		
	Consumer Discretionary (3.5%)	
2,000,000	Boyd Gaming Corp. 7.125%, 02/01/16	$ 1,250,000
2,000,000	D.R. Horton, Inc. 9.750%, 09/15/10	1,780,000
2,000,000	DISH Network Corp. 7.125%, 02/01/16	1,615,000
2,000,000	General Motors Corp. 7.200%, 01/15/11	815,000
2,000,000	Hanesbrands, Inc. 6.508%, 12/15/14	1,367,500
2,000,000	Jarden Corp. 7.500%, 05/01/17	1,500,000
2,000,000	Liberty Media Corp. 8.500%, 07/15/29	1,128,768
2,000,000	MGM Mirage 7.500%, 06/01/16	1,190,000
2,000,000	Pulte Homes, Inc. 7.875%, 08/01/11	1,750,000
2,210,000	Royal Caribbean Cruises, Ltd. 7.500%, 10/15/27	1,381,250
2,000,000	The Interpublic Group of Companies, Inc. 6.250%, 11/15/14	1,340,000
		15,117,518
	Consumer Staples (1.2%)	
1,000,000	Alliance One International, Inc. 8.500%, 05/15/12	775,000
1,000,000	Del Monte Foods Company 8.625%, 12/15/12	910,000
2,000,000	NBTY, Inc. 7.125%, 10/01/15	1,510,000

2,000,000	Pilgrim s Pride Corp.**	
	7.625%, 05/01/15	690,000
2,000,000	Smithfield Foods, Inc.	
	7.750%, 07/01/17	1,270,000
		5,155,000
	Energy (1.4%)	
2,000,000	Complete Production Services, Inc.	
	8.000%, 12/15/16	1,370,000
2,000,000	Dresser-Rand Group, Inc.	
	7.375%, 11/01/14	1,610,000
2,000,000	Superior Energy Services, Inc.	
	6.875%, 06/01/14	1,690,000
2,000,000	Williams Companies, Inc.	
	7.750%, 06/15/31	1,513,386
		6,183,386
	Financials (10.7%)	
20,000,000	Federal Home Loan Mortgage Corp.<>	
	4.625%, 12/19/08	20,050,300
24,000,000	Federal National Mortgage Association<>	
	3.250%, 02/15/09	24,045,024
2,000,000	Ford Motor Credit Company, LLC	
	9.875%, 08/10/11	1,260,996
	Leucadia National Corp.	
1,000,000	7.000%, 08/15/13	885,000
880,000	8.125%, 09/15/15	783,200
		47,024,520
	Health Care (0.8%)	
2,000,000	Bio-Rad Laboratories, Inc.	
	7.500%, 08/15/13	1,770,000
2,000,000	HCA, Inc.	
	9.125%, 11/15/14	1,725,000
		3,495,000
	Industrials (3.3%)	
1,000,000	Belden, Inc.	
	7.000%, 03/15/17	770,000
2,000,000	Deluxe Corp.	
	7.375%, 06/01/15	1,340,000
2,000,000	General Cable Corp.	
	7.125%, 04/01/17	1,320,000
1,000,000	Interline Brands, Inc.	
	8.125%, 06/15/14	775,000
2,000,000	Manitowoc Company, Inc.	
	7.125%, 11/01/13	1,630,000

6,000,000	Siemens, AG	
	5.750%, 10/17/16	5,393,346
2,000,000	SPX Corp.*	
	7.625%, 12/15/14	1,682,500
2,000,000	Terex Corp.	
	7.375%, 01/15/14	1,560,000
		14,470,846
	Information Technology (1.0%)	
2,000,000	Amkor Technology, Inc.	
	9.250%, 06/01/16	1,200,000
2,000,000	SunGard Data Systems, Inc.	
	9.125%, 08/15/13	1,670,000
2,000,000	Xerox Corp.	
	8.000%, 02/01/27	1,490,144
		4,360,144
	Materials (0.7%)	
2,000,000	Century Aluminum Company	
	7.500%, 08/15/14	1,290,000
2,305,000	Terra Industries, Inc.	
	7.000%, 02/01/17	1,970,775
		3,260,775

See accompanying Notes to Schedule of Investments

Schedule of Investments

OCTOBER 31, 2008

PRINCIPAL AMOUNT		VALUE
	Telecommunication Services (1.3%)	
2,000,000	Frontier Communications Corp. 9.000%, 08/15/31	$ 1,090,000
2,000,000	Leap Wireless International, Inc. 9.375%, 11/01/14	1,635,000
2,000,000	Qwest Communications International, Inc. 7.750%, 02/15/31	1,290,000
2,000,000	Windstream Corp. 8.625%, 08/01/16	1,520,000
		5,535,000
	TOTAL CORPORATE BONDS (Cost $125,936,320)	104,602,189
CONVERTIBLE BONDS (14.9%)		
	Consumer Discretionary (2.2%)	
1,650,000 EUR	Adidas, AG* 2.500%, 10/08/18	2,360,625
1,800,000	Central European Media Enterprises, Ltd.* 3.500%, 03/15/13	805,500
3,500,000	Ford Motor Company 4.250%, 12/15/36	988,750
4,250,000	General Motors Corp. - Class C 6.250%, 07/15/33	1,079,500
5,000,000	Interpublic Group of Companies, Inc. 4.250%, 03/15/23	3,468,750
1,200,000 EUR	Intralot, SA* 2.250%, 12/20/13	954,623
		9,657,748
	Consumer Staples (0.2%)	
1,500,000	Smithfield Foods, Inc. 4.000%, 06/30/13	990,000

	Energy (2.4%)	
3,200,000	Carrizo Oil & Gas, Inc.	
	4.375%, 06/01/28	1,720,000
3,000,000	Grey Wolf, Inc.	
	3.833%, 04/01/24	3,192,900
3,500,000	Petroleum Geo-Services ASA*	
	2.700%, 12/03/12	1,540,000
4,300,000	SeaDrill, Ltd.*	
	3.625%, 11/08/12	2,021,000
3,500,000	Subsea 7, Inc.*	
	2.800%, 06/06/11	2,047,500
		10,521,400
	Financials (1.7%)	
3,000,000	Affiliated Managers Group, Inc.*	
	3.950%, 08/15/38	1,950,000
2,000,000	American Equity Investment Life Holding Company	
	5.250%, 12/06/24	1,142,500
2,000,000	Banco Espirito Santo, SA	
	1.250%, 02/26/11	1,610,000
3,000,000	Health Care REIT, Inc.	
	4.750%, 07/15/27	2,733,750
		7,436,250
	Health Care (4.1%)	
700,000	Five Star Quality Care, Inc.	
	3.750%, 10/15/26	316,750
3,300,000	HLTH Corp.	
	3.125%, 09/01/25	2,487,375
5,000,000	Millipore Corp.	
	3.750%, 06/01/26	3,887,500
6,500,000	Shire, PLC*	
	2.750%, 05/09/14	4,606,713
6,200,000	Teva Pharmaceutical Industries, Ltd.	
	1.750%, 02/01/26	6,502,250
		17,800,588
	Industrials (1.4%)	
1,800,000 EUR	MTU Aero Engines Holdings, AG*	
	2.750%, 02/01/12	1,827,748
3,000,000	School Specialty, Inc.	
	3.750%, 11/30/26	2,171,250
2,000,000	Waste Connections, Inc.	
	3.750%, 04/01/26	2,065,000
		6,063,998

	Information Technology (1.8%)	
2,850,000 EUR	Cap Gemini, SA*	
	1.000%, 01/01/12	1,311,320
5,500,000	Intel Corp.	
	2.950%, 12/15/35	3,953,125
4,000,000	Mentor Graphics Corp.	
	6.250%, 03/01/26	2,780,000
		8,044,445
	Materials (0.5%)	
3,000,000	Sino-Forest Corp.*	
	5.000%, 08/01/13	2,332,500
	Telecommunication Services (0.3%)	
1,350,000	NII Holdings, Inc.	
	2.750%, 08/15/25	1,096,875
	Utilities (0.3%)	
1,700,000 EUR	International Power, PLC*	
	3.250%, 07/20/13	1,293,459
	TOTAL CONVERTIBLE BONDS	
	(Cost $105,353,146)	65,237,263

NUMBER OF SHARES		VALUE
CONVERTIBLE PREFERRED STOCKS (5.8%)		
	Consumer Staples (0.5%)	
5,500	Bunge, Ltd.	
	5.125%	2,145,000

See accompanying Notes to Schedule of Investments

Schedule of Investments

OCTOBER 31, 2008

NUMBER OF SHARES		VALUE
	Financials (1.7%)	
9,500	Alleghany Corp.	
	5.750%	$ 2,371,537
1,800	Bank of America Corp.	
	7.250%	1,260,000
38,400	Citigroup, Inc.	
	6.500%	1,288,800
185,000	MetLife, Inc.	
	6.375%	1,603,950
2,000	SLM Corp.	
	7.250%	1,029,000
		7,553,287
	Health Care (1.8%)	
52 EUR	Bayer, AG*	
	6.625%	3,873,866
4,000	Mylan Laboratories, Inc.	
	6.500%	2,278,640
11,000	Schering-Plough Corp.<>	
	6.000%	1,482,580
		7,635,086
	Industrials (0.3%)	
40,000	Avery Dennison Corp.	
	7.875%	1,361,200
	Materials (1.2%)	
21,000	Freeport-McMoRan Copper & Gold, Inc.<>	
	6.750%	1,024,380
490 CHF	Givaudan, SA*	
	5.375%	3,129,763
38,000	Vale Capital, Ltd. (Companhia Vale do Rio Doce)Δ	
	5.500%	1,073,500

NUMBER OF UNITS		VALUE
		5,227,643
	Utilities (0.3%)	
30,000	Entergy Corp. 7.625%	1,411,200
	TOTAL CONVERTIBLE PREFERRED STOCKS (Cost $45,720,604)	25,333,416

NUMBER OF UNITS		VALUE
STRUCTURED EQUITY-LINKED SECURITIES (18.1%)		
	Consumer Discretionary (6.3%)	
265,200	Credit Suisse Group (Coach, Inc.)* 15.000%, 11/14/08	5,441,904
132,000	Deutsche Bank, AG (Amazon.com, Inc.)* 12.000%, 02/06/09	7,504,200
373,000	Deutsche Bank, AG (Royal Caribbean Cruises, Ltd.)* 12.000%, 03/27/09	5,534,201
151,000	Goldman Sachs Group, Inc. (Apollo Group, Inc.)* 12.000%, 02/02/09	8,984,500
		27,464,805
	Energy (2.3%)	
188,400	Credit Suisse Group (Chesapeake Energy Corp.)* 12.000%, 12/05/08	4,206,972
68,805	JPMorgan Chase & Company (Transocean, Inc.)* 12.000%, 12/01/08	5,659,899
		9,866,871
	Information Technology (8.4%)	
264,175	Bank of America Corp. (Infosys Technologies, Ltd.)* 12.000%, 02/09/09	7,922,608
425,000	Deutsche Bank, AG (Dell Inc.)* 12.000%, 02/13/09	5,792,750
365,000	Deutsche Bank, AG (eBay, Inc.)* 12.000%, 01/16/09	6,088,200
381,710	Goldman Sachs Group, Inc. (Nokia Corp.)* 12.000%, 02/12/09	5,603,503
450,200	JPMorgan Chase & Company (Intel Corp.)* 12.000%, 12/01/08	7,207,702
505,051	JPMorgan Chase & Company (NVIDIA Corp.)* 15.000%, 11/14/08	4,338,388

		36,953,151
	Telecommunication Services (1.1%)	
156,800	Wachovia Corp. (America Móvil, SAB de CV)* 12.000%, 11/14/08	4,831,008
	TOTAL STRUCTURED EQUITY-LINKED SECURITIES (Cost $130,691,100)	79,115,835

NUMBER OF SHARES		VALUE
COMMON STOCKS (86.0%)		
	Consumer Discretionary (6.0%)	
41,000 EUR	Adidas, AG	1,424,189
18,750	Amazon.com, Inc.#<>	1,073,250
15,000	Apollo Group, Inc. - Class A#<>	1,042,650
145,000 GBP	British Sky Broadcasting Group, PLC	882,378
38,500	Carnival Corp.<>	977,900
30,000	CBS Corp.<>	291,300
31,500 CHF	Compagnie Financière Richemont, SA	662,214
340,000 MXN	Grupo Televisa, SA	1,181,908
400,000 AUD	Harvey Norman Holdings, Ltd.	690,435
61,000 EUR	Industria de Diseno Textil, SA	2,061,949

See accompanying Notes to Schedule of Investments

Schedule of Investments

OCTOBER 31, 2008

NUMBER OF SHARES		**VALUE**
39,000 JPY	Makita Corp.	$ 707,163
72,000	News Corp. - Class B<>	764,640
38,000	Nike, Inc. - Class B<>	2,189,940
140,000 JPY	Nikon Corp.	1,973,040
54,500 EUR	Paddy Power, PLC	929,326
83,000 JPY	Panasonic Corp.	1,336,610
9,000 EUR	Porsche Automobil Holding, SE	786,574
110,000 JPY	Suzuki Motor Corp.	1,614,174
85,000 CHF	Swatch Group, AG	2,433,990
8,000	Target Corp.	320,960
31,000 JPY	Toyota Motor Corp.	1,210,578
67,500	Walt Disney Company<>	1,748,250
		26,303,418
	Consumer Staples (9.2%)	
96,000 JPY	Asahi Breweries, Ltd.	1,584,597
40,000	Avon Products, Inc.	993,200
53,000 EUR	Beiersdorf, AG	2,765,787
19,257 GBP	British American Tobacco, PLC	528,206
37,500	Coca-Cola Company	1,652,250
32,000	CVS Caremark Corp.<>	980,800
240,000 GBP	Diageo, PLC	3,662,526
53,000 EUR	InBev, NV	2,137,655
160 JPY	Japan Tobacco, Inc.	567,628
12,000	Kimberly-Clark Corp.<>	735,480
225,000 CHF	Nestlé, SA	8,749,573
23,000	PepsiCo, Inc.<>	1,311,230
40,000	Philip Morris International, Inc.	1,738,800
45,000	Procter & Gamble Company	2,904,300
52,000 GBP	Reckitt Benckiser Group, PLC	2,199,592
30,750	Sysco Corp.	805,650
53,000 GBP	Unilever, PLC	1,190,690
900,000 MXN	Wal-Mart de Mexico, SA de CV	2,415,854
42,000	Wal-Mart Stores, Inc.<>	2,344,020

46,000	Walgreen Company<>	1,171,160
		40,438,998
	Energy (8.0%)	
782,000 GBP	BP, PLC	6,374,464
26,000	Chevron Corp.<>	1,939,600
40,000	ConocoPhillips<>	2,080,800
12,500	Devon Energy Corp.<>	1,010,750
95,000 EUR	ENI S.p.A.	2,267,473
82,500	Exxon Mobil Corp.	6,114,900
46,500	Halliburton Company<>	920,235
31,000	Marathon Oil Corp.<>	902,100
24,000	Noble Corp.	773,040
15,000	Occidental Petroleum Corp.<>	833,100
57,500 NOK	Petroleum Geo-Services ASA#	286,316
82,300 GBP	Royal Dutch Shell, PLC	2,261,173
22,000	Schlumberger, Ltd.<>	1,136,300
124,000 NOK	SeaDrill, Ltd.	1,193,872
80,000 NOK	Subsea 7, Inc.#	635,906
40,000 CAD	Suncor Energy, Inc.	960,757
74,000 EUR	TOTAL, SA	4,070,992
16,500	Transocean, Inc.#<>	1,358,445
		35,120,223
	Financials (12.5%)	
27,500	Aflac, Inc.<>	1,217,700
80,000	American International Group, Inc.#<>	152,800
24,000	Aon Corp.<>	1,015,200
95,000 AUD	Australian Stock Exchange, Ltd.	1,907,602
200,000 EUR	Banco Santander, SA	2,163,031
105,000	Bank of America Corp.<>	2,537,850
41,000	Bank of New York Mellon Corp.<>	1,336,600
18,700 EUR	BNP Paribas	1,350,164
153,000	Citigroup, Inc.	2,088,450
62,500 AUD	Commonwealth Bank of Australia	1,708,488
29,000 EUR	Deutsche Börse, AG	2,267,966
197,000 EUR	EFG Eurobank Ergasias	2,141,320
12,000	Franklin Resources, Inc.<>	816,000
19,000	Hartford Financial Services Group, Inc.<>	196,080
100,000 HKD	Hong Kong Exchanges and Clearing, Ltd.	1,014,082
91,500	JPMorgan Chase & Company	3,774,375
80,000 CHF	Julius Baer Holding, AG - Class B	3,128,819
99,000	Manulife Financial Corp.	1,988,910
360 JPY	Mizuho Financial Group, Inc.	879,049
47,000 EUR	Piraeus Bank, SA	596,224
98,000 CAD	Power Financial Corp.	2,453,049
25,500		

- the conversion or exchange price or prices or the ratio or ratios or method of determining the conversion or exchange prices or ratios;
- the conversion or exchange period;
- provisions regarding our ability or the ability of the holder to convert or exchange the debt securities;
- events requiring adjustment to the conversion or exchange price; and
- provisions affecting conversion or exchange in the event of our redemption of the debt securities.

Events of Default and Waiver

An event of default with respect to debt securities of a series issued will occur if:

- we fail to pay interest on any outstanding debt securities of that series when it is due and payable and that failure continues for 30 days;
- we fail to pay principal of, or premium, if any, on any outstanding debt securities of that series when it is due and payable;
- we fail to perform or we breach any covenant or warranty in the indenture with respect to any outstanding debt securities of that series and that failure continues for 90 days after we receive written notice of that default;
- certain events of bankruptcy, insolvency or reorganization occur with respect to us; or
- any other event occurs that is designated as an event of default with respect to the particular series of debt securities when that particular series of debt securities is established.

(Section 7.01)

An event of default with respect to a particular series of debt securities issued under the indenture does not necessarily constitute an event of default with respect to any other series of debt securities issued under the indenture. If an event of default with respect to any series of outstanding debt securities occurs and is continuing, the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of that series may declare the principal amount of the outstanding debt securities of that series to be immediately due and payable. (Section 7.02) The holders of a majority in aggregate principal amount of the outstanding debt securities of a series may waive an event of default resulting in acceleration of the debt securities of that series and rescind and annul that acceleration, but only if all other events of default with respect to the debt securities of that series have been remedied or waived and all payments due with respect to the debt securities of that series, other than those due as a result of acceleration, have been made. (Section 7.02) If an event of default occurs and is continuing with respect to the debt securities of a series, the trustee may, in its discretion, and will, at the written request of holders of not less than a majority in aggregate principal amount of the outstanding debt securities of that series and upon reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request and subject to certain other conditions set forth in the indenture, proceed to protect the rights of the holders of the debt securities of that series. (Section 7.03; Section 7.12) The holders of a majority in aggregate principal amount of the debt securities of that series may waive any past default under the indenture and its consequences except a default in the payment of principal of, premium, if any, or interest on, those debt securities and any covenant or provision of the indenture that cannot be waived without the consent of each holder of debt securities of that series. Upon such a waiver, the default and any event of default arising out of the default will be deemed cured for all purposes of the debt securities of that series. (Section 7.13)

The indenture provides that upon the occurrence of an event of default described in the first two bullet points in the first paragraph under Events of Default and Waiver with respect to debt securities of a series, we will, upon the trustee s demand, pay to the trustee for the benefit of the holders of the outstanding debt securities of that series, the whole amount then due and payable on the debt securities of that series for principal, premium, if any, and interest. The indenture also provides that if we fail to pay such amount forthwith upon such demand, the trustee may, among other things, institute a judicial proceeding for the collection of those amounts. (Section 7.03)

The indenture also provides that, notwithstanding any other provision of the indenture, the holder of any debt securities of a series will have the right to institute suit for the enforcement of any payment of principal of, and interest on, the debt securities of that series or any redemption price or repurchase price when due and that that right will not be impaired without the consent of that holder. (Section 7.08)

The trustee is required, within 90 days after the occurrence of a default with respect to the debt securities of a series, to give to the holders of the debt securities of that series notice of all uncured defaults known to it. However, except in the case of default in the payment of principal or interest on any of the debt securities of that series, the trustee will be protected in withholding that notice if the trustee in good faith determines that the withholding of that notice is in the interest of the holders of the debt securities of that series. The term default, for the purpose of this provision only, means the occurrence of any event that is or would become, after notice or the passage of time or both, an event of default with respect to that series. (Section 8.02)

We are required to file annually with the trustee a written statement as to the existence or non-existence of defaults under the indenture or any series of debt securities. (Section 5.05)

Legal Defeasance and Covenant Defeasance

We may, at our option and at any time, elect to have all of the obligations discharged with respect to the outstanding debt securities or as to any series thereof, except for:

- the rights of holders of debt securities to receive payments of principal and interest from the trust referred to below when those payments are due;

- our obligations respecting the debt securities concerning issuing temporary notes, registration of transfers of debt securities, mutilated, destroyed, lost or stolen debt securities, the maintenance of an office or agency for payment and money for debt security payments being held in trust;

the rights, powers, trusts, duties and immunities of the trustee and our obligations in connection therewith; and

the provisions of the indenture relating to such a discharge of obligations.

We refer to a discharge of this type as defeasance. (Section 11.02)

In addition, other than our covenant to pay the amounts due and owing with respect to a series of debt securities, we may elect to have our obligations as the issuer of a series of debt securities released with respect to

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covenants relating to that series of debt securities. Thereafter, any failure to comply with those obligations will not constitute a default or event of default with respect to the debt securities of that series. If such a release of our covenants occurs, our failure to perform or our breach of the covenants or warranties defeased will no longer constitute an event of default with respect to those debt securities. (Section 11.03)

To exercise either of the rights we describe above, certain conditions must be met, including:

- we must irrevocably deposit with the trustee, in trust for the debt security holders benefit, moneys in the currency in which the securities are denominated, securities issued by a government, governmental agency or central bank of the country in whose currency the securities are denominated, or a combination of cash and such securities, in amounts sufficient to pay the principal of and interest on all of the then outstanding debt securities to be affected by the defeasance at their stated maturity;

- the trustee must receive an opinion of counsel confirming that the holders of the outstanding debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of that defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if that defeasance had not occurred, which opinion, only in the case of the type of defeasance described first above, will be based on a ruling of the Internal Revenue Service or a change in federal income tax law to that effect occurring after the date of the indenture;

- no default or event of default exists on the date of such deposit, subject to certain exceptions; and

- the trustee must receive an opinion of counsel to the effect that, after the 91st day following the deposit, the trust funds will not be part of any estate formed by the bankruptcy or reorganization of the party depositing those funds with the trustee or subject to the automatic stay under the United States Bankruptcy Code or, in the case of covenant defeasance, will be subject to a first priority lien in favor of the trustee for the benefit of the holders.

(Section 11.04)

Satisfaction and Discharge

If we so request, the indenture will cease to be of further effect, other than as to certain rights of registration of transfer or exchange of the notes, as provided for in the indenture, and the trustee, at our expense, will execute proper instruments acknowledging satisfaction and discharge of the indenture and the debt securities when:

- either all the debt securities previously authenticated and delivered under the indenture, other than destroyed, lost or stolen securities that have been replaced or paid and notes that have been subject to defeasance, have been delivered to the trustee for cancellation; or

- all of the securities issued under the indenture not previously delivered to the trustee for cancellation have become due and payable, will become due and payable at their stated maturity within 60 days or will become due and payable at redemption within 60 days under arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in our name and expense; and in each of the foregoing cases, we have irrevocably deposited or caused to be deposited with the trustee cash in U.S. dollars, certain United States government securities or a combination thereof, in trust for the purpose and in an amount sufficient to pay and discharge the entire indebtedness arising under the debt securities issued pursuant to the indenture not previously delivered to the trustee for cancellation, for principal and premium, if any, on and interest on these securities to the date of such deposit (in the case of notes that have become due and payable) or to the stated maturity of these securities or redemption date, as the case may be; and

we have paid or caused to be paid all sums payable under the indenture by us; and

no default or event of default then exists; and

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we have delivered to the trustee an officers certificate and an opinion of counsel, each stating that all conditions precedent provided in the indenture relating to the satisfaction and discharge of the indenture and the securities issued under the indenture have been complied with.

(Section 11.08)

Modification of the Indenture

The indenture provides that, with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of each affected series, modifications and alterations of the indenture may be made which affect the rights of the holders of such debt securities. However, no such modification or alteration may be made without the consent of the holder of each debt security affected if the modification or alteration would, among other things:

change the maturity of the principal of, or of any installment of interest on, any such debt security, or reduce the principal amount of any such debt security, or change the method of calculation of interest or the currency of payment of principal or interest on, or reduce the minimum rate of interest thereon, or impair the right to institute suit for the enforcement of any such payment on or with respect to any such debt security, or

reduce the above-stated percentage in principal amount of outstanding debt securities required to modify or alter the indenture.

(Section 9.02)

The trustee and we, without the consent of the holders of the debt securities, may execute a supplemental indenture to, among other things:

evidence the succession of another corporation to us and the successor s assumption to our respective covenants with respect to the debt securities and the indenture;

add to our covenants further restrictions or conditions that our board of directors and the trustee consider to be for the protection of holders of all or any series of the debt securities and to make the occurrence of a default in any of those additional covenants, restrictions or conditions a default or an event of default under the indenture subject to certain limitations;

cure ambiguities or correct or supplement any provision contained in the indenture or any supplemental indenture that may be defective or inconsistent with another provision;

add additional events of default with respect to all or any series of the debt securities;

add to, change or eliminate any provision of the indenture provided that the addition, change or elimination will not affect any outstanding debt securities;

provide for the issuance of debt securities whether or not then outstanding under the indenture in coupon form and to provide for exchangeability of the coupon form securities with other debt securities issued under the indenture in fully registered form;

establish new series of debt securities and the form or terms of such series of debt securities and to provide for the issuance of securities of any series so established; and

evidence and provide for the acceptance of appointment of a successor trustee and to change the indenture as necessary to have more than one trustee under the indenture.

(Section 9.01)

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Amalgamation, Consolidation, Merger or Sale of Assets

The indenture provides that we may, without the consent of the holders of any of the outstanding debt securities of any series, amalgamate, consolidate with, merge into or transfer our assets substantially as an entirety to any person, provided that:

- any successor to us assumes our obligations on the debt securities and under the indenture;
- any successor to us must be an entity incorporated or organized under the laws of the United States;
- after giving effect thereto, no event of default, as defined in the indenture, shall have occurred and be continuing; and
- certain other conditions under the indenture are met.

Any such amalgamation, consolidation, merger or transfer of assets substantially as an entirety that meets the conditions described above would not constitute a default or event of default that would entitle holders of the debt securities or the trustee, on their behalf, to take any of the actions described above under Events of Default and Waiver. (Section 10.01; Section 10.02)

No Limitations on Additional Debt and Liens

The indenture does not contain any covenants or other provisions that would limit our right to incur additional indebtedness, enter into any sale and leaseback transaction or grant liens on our assets.

The Indenture Trustee

Bank One Trust Company, NA is the trustee under the indenture governing the debt securities and will also be the registrar and paying agent for each series of debt securities unless otherwise noted in the prospectus supplement. The trustee is a national banking association with its principal offices in Chicago, Illinois.

The trustee has two main roles under the indenture. First, the trustee can enforce your rights against us if any of the actions described above under Events of Default and Waiver occurs. Second, the trustee performs certain administrative duties related to the debt securities for us. The trustee is entitled, subject to the duty of the trustee during a default to act with the required standard of care, to be indemnified by the holders of the debt securities before proceeding to exercise any right or power under the indenture at the request of those holders. The indenture provides that the holders of a majority in principal amount of the debt securities may direct, with regard to that series, the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities, although the trustee may decline to act if that direction is contrary to law or if the trustee determines in good faith that the proceeding so directed would be illegal or would result in personal liability to it.

Bank One Trust Company, NA also serves as trustee under an indenture, dated as of July 5, 2001, between it, us and three of our finance subsidiaries. As of September 30, 2002, we had issued a total of $5.50 billion of our senior unsecured securities under that indenture. Bank One Trust Company, NA also serves as trustee under an indenture, dated as of April 1, 1991, between it and us, as supplemented through the date of this prospectus. As of May 31, 2001, we had issued a total of $17.46 billion of our senior unsecured securities under that indenture. Bank One Trust Company, NA also serves as trustee under an indenture, dated as of December 1, 1986, covering secured bonds issued in the aggregate principal amount of $137,082,000 by the owner trustees of approximately 24 SAM S Clubs store properties that are leased to one of our subsidiaries. Bank One Leasing Corporation, an affiliate of Bank One Trust Company, NA, established a business trust that purchased 15 Wal-Mart discount stores for $53,661,785 and leased the stores back to us for an initial term of 20 years in a transaction consummated on December 22, 1992. On November 10, 1994, a second business trust of which Bank One Leasing Corporation is a beneficiary purchased an additional 23 Wal-Mart discount stores for $128,842,500 and leased the stores back to us for an initial term of 20 years. Bank One Trust Company, NA also serves as

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trustee under an indenture, dated as of April 27, 2001, between Wal-Mart Canada Venture Corp., one of our subsidiaries, us, as guarantor, and it. On April 27, 2001, Wal-Mart Canada Venture Corp. issued a total of $325,000,000 of its senior unsecured debt securities under that indenture, which debt securities we have guaranteed.

We expect to maintain banking relationships in the ordinary course of business with Bank One, NA, an affiliate of Bank One Trust Company, NA.

TAX CONSEQUENCES TO HOLDERS

A prospectus supplement may describe the principal U.S. federal income tax consequences of acquiring, owning and disposing of debt securities of some series in certain circumstances, including the following:

- payment of the principal, interest and any premium in a currency other than the U. S. dollar;
- the issuance of any debt securities with original issue discount, as defined for U.S. federal income tax purposes;
- the issuance of any debt securities with an associated bond premium, as defined for U.S. federal income tax purposes; and
- the inclusion of any special terms in debt securities that may have a material effect for U.S. federal income tax purposes.

In addition, if the tax laws of foreign countries are material to a particular series of debt securities, a prospectus supplement may describe the principal income tax consequences of acquiring, owning and disposing of debt securities of some series in similar circumstances under those foreign tax laws.

PLAN OF DISTRIBUTION

General

We may sell the debt securities being offered hereby:

- directly to purchasers;
- through agents;

through dealers;

through underwriters; or

through a combination of any of those methods of sale.

We may effect the distribution of the debt securities from time to time in one or more transactions either:

at a fixed price or prices which may be changed;

at market prices prevailing at the time of sale;

at prices related to the prevailing market prices; or

at negotiated prices.

We may directly solicit offers to purchase the debt securities. Offers to purchase debt securities may also be solicited by agents designated by us from time to time. Any of those agents, who may be deemed to be an underwriter, as that term is defined in the Securities Act of 1933, as amended, involved in the offer or sale of the debt securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to that agent will be set forth in, the prospectus supplement.

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If a dealer is utilized in the sale of the debt securities in respect of which this prospectus is delivered, we will sell those debt securities to the dealer, as principal. The dealer, who may be deemed to be an underwriter, as that term is defined in the Securities Act of 1933, may then resell those debt securities to the public at varying prices to be determined by that dealer at the time of resale.

If we use an underwriter or underwriters in the sales, we will execute an underwriting agreement with those underwriters at the time of sale of the debt securities, and the name of the underwriters will be set forth in the prospectus supplement, which will be used by the underwriters, along with this prospectus, to make resales of the debt securities in respect of which this prospectus is delivered to the public. The compensation of any underwriters will also be set forth in the prospectus supplement.

Underwriters, dealers, agents and other persons may be entitled, under agreements that may be entered into with us, to indemnification by us against certain civil liabilities, including liabilities under the Securities Act of 1933, or to our contributing to payments those underwriters, dealers, agents and other persons are required to make.

Underwriters, dealers and agents may engage in transactions with, or perform services for, us or any of our subsidiaries in the ordinary course of business.

LEGAL MATTERS

The validity of the debt securities offered by this prospectus and any prospectus supplement will be passed upon for us by Hughes & Luce, L.L.P., our counsel.

EXPERTS

The consolidated financial statements of Wal-Mart Stores, Inc. and its subsidiaries incorporated by reference in Wal-Mart Stores, Inc. s Annual Report on Form 10-K for the fiscal year ended January 31, 2002, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon incorporated by reference therein and incorporated herein by reference. Such financial statements are, and audited financial statements to be included in subsequently filed documents will be, incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements, to the extent covered by their consents filed with the SEC, given on the authority of such firm as experts in accounting and auditing.

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current and only as of its date.

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Prospectus Supplement

Prospectus

$1,250,000,000

Wal-Mart Stores, Inc.

4.125% Notes Due 2011

PROSPECTUS SUPPLEMENT

Goldman, Sachs & Co.

Lehman Brothers

Credit Suisse First Boston

Deutsche Bank Securities

Morgan Stanley

Banc of America Securities LLC

Banc One Capital Markets, Inc.

Barclays Capital

Citigroup

JPMorgan

Merrill Lynch & Co.

The Williams Capital Group, L.P.