

Edgar Filing: HYPERION BROOKFIELD STRATEGIC MORTGAGE INCOME FUND, INC. - Form N-Q

HYPERION BROOKFIELD STRATEGIC MORTGAGE INCOME FUND, INC.

Form N-Q

October 26, 2007

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**  
**FORM N-Q**  
**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANY**  
**Investment Company Act file number 811-21102**  
**The Hyperion Brookfield Strategic Mortgage Income Fund, Inc.**

(Exact name of registrant as specified in charter)

Three World Financial Center, 200 Vesey Street, 10th Floor, New York, NY 10281-1010

(Address of principal executive offices) (Zip code)

Thomas F. Doodian, Three World Financial Center, 200 Vesey Street, New York, NY 10281-1010

(Name and address of agent for service)

Registrant's telephone number, including area code: 212-549-8400

Date of fiscal year end: November 30, 2007

Date of reporting period: August 31, 2007

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (Sections 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. Section 3507.

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## THE HYPERION BROOKFIELD STRATEGIC MORTGAGE INCOME FUND, INC.

**Portfolio of Investments (Unaudited)**

August 31, 2007

**Item 1. Schedule of Investments**

|   | <b>Interest<br/>Rate</b> | <b>Maturity</b> | <b>Principal<br/>Amount<br/>(000s)</b> | <b>Value</b> |
|---|--------------------------|-----------------|--|--------------|
| <b>U.S. GOVERNMENT &amp; AGENCY<br/>OBLIGATIONS - 59.2%</b>         |                          |                 |  |              |
| <b>U.S. Government Agency Pass-Through<br/>Certificates - 45.1%</b> |                          |                 |  |              |
| Federal Home Loan Mortgage Corporation                              |                          |                 |  |              |
| Pool C69047   | 7.00%                    | 06/01/32        | \$ 921                                 | \$ 949,476   |
| Pool G01466   | 9.50                     | 12/01/22        | 871                                    | 945,071      |
| Pool 555559   | 10.00                    | 03/01/21        | 806                                    | 891,603      |
|   |                          |                 |  | 2,786,150    |
| Federal National Mortgage Association                               |                          |                 |  |              |
| TBA   | 5.50                     | 04/01/33        | 10,000                                 | 9,765,620    |
| Pool 694391   | 5.50                     | 03/01/33        | 3,283                                  | 3,215,345    |
| Pool 753914   | 5.50                     | 12/01/33        | 6,428                                  | 6,296,039    |
| Pool 754355   | 6.00                     | 12/01/33        | 2,653                                  | 2,659,898    |
| Pool 761836   | 6.00                     | 06/01/33        | 2,408                                  | 2,417,358    |
| Pool 763643   | 6.00                     | 01/01/34        | 5,587                                  | 5,594,174    |
| Pool 255413   | 6.50                     | 10/01/34        | 6,162                                  | 6,276,381    |
| Pool 795367   | 6.50                     | 09/01/34        | 2,013                                  | 2,050,452    |
| Pool 809989   | 6.50                     | 03/01/35        | 2,642                                  | 2,685,893    |
| Pool 650131   | 7.00                     | 07/01/32        | 1,184                                  | 1,227,693    |
| Pool 819251   | 7.50                     | 05/01/35        | 1,766                                  | 1,828,457    |
| Pool 887431   | 7.50                     | 08/01/36        | 1,098                                  | 1,130,816    |
| Pool 398800   | 8.00                     | 06/01/12        | 399                                    | 413,039      |
| Pool 827854   | 8.00                     | 10/01/29        | 1,689                                  | 1,787,466    |
| Pool 636449   | 8.50                     | 04/01/32        | 1,454                                  | 1,561,617    |
| Pool 823757   | 8.50                     | 10/01/29        | 2,596                                  | 2,787,564    |
| Pool 458132   | 9.47                     | 03/15/31        | 1,198                                  | 1,311,432    |
|   |                          |                 |  | 53,009,244   |
| <b>Total U.S. Government Agency Pass-Through<br/>Certificates</b>   |                          |                 |  |              |
| (Cost - \$56,607,570)   |                          |                 |  | 55,795,394   |
| <b>U.S. Treasury Obligations - 14.1%</b>                            |                          |                 |  |              |
| United States Treasury Notes  | 4.50                     | 02/15/16        | 3,000@                                 | 3,001,173    |

|  |           |          |         |            |
|--|-----------|----------|---------|------------|
| United States Treasury Notes   | 4.50      | 05/15/17 | 14,500@ | 14,438,824 |
| <b>Total U.S. Treasury Obligations</b><br>(Cost - \$17,127,230)                |           |          |         | 17,439,997 |
| <b>Total U.S. Government &amp; Agency Obligations</b><br>(Cost - \$73,734,800) |           |          |         | 73,235,391 |
| <b>ASSET-BACKED SECURITIES - 8.0%</b>  |           |          |         |            |
| <b>Housing Related Asset-Backed Securities - 6.5%</b>                          |           |          |         |            |
| Asset Backed Funding Certificates  |           |          |         |            |
| Series 2005-AQ1, Class B1* (b)   | 5.75/6.25 | 06/25/35 | 993     | 669,497    |
| Series 2005-AQ1, Class B2* (b)   | 5.75/6.25 | 06/25/35 | 1,050   | 689,409    |
|  |           |          |         | 1,358,906  |
| First Franklin Mortgage Loan Asset Backed Certificates                         |           |          |         |            |
| Series 2004-FFH2C, Class B1* (a)<br>Green Tree Financial Corp.                 | 8.82      | 06/25/34 | 525     | 131,303    |
| Series 1995-6, Class M1 (d)<br>Mid-State Trust                                 | 8.10      | 09/15/26 | 4,325   | 4,283,649  |
| Series 2004-1, Class M2<br>Structured Asset Investment Loan Trust              | 8.11      | 08/15/37 | 1,218   | 1,226,784  |
| Series 2004-4, Class B* (b) (d)  | 5.00/5.50 | 04/25/34 | 496     | 30,443     |
| Series 2004-8, Class B1(a) (d)   | 7.82      | 09/25/34 | 1,000   | 996,386    |
|  |           |          |         | 1,026,829  |
| <b>Total Housing Related Asset-Backed Securities</b><br>(Cost - \$9,628,399)   |           |          |         | 8,027,471  |

## THE HYPERION BROOKFIELD STRATEGIC MORTGAGE INCOME FUND, INC.

**Portfolio of Investments (Unaudited)**

August 31, 2007

|   | <b>Interest<br/>Rate</b> | <b>Maturity</b> | <b>Principal<br/>Amount<br/>(000s)</b> | <b>Value</b> |
|---|--------------------------|-----------------|--|--------------|
| <b>ASSET-BACKED SECURITIES (continued)</b>                    |                          |                 |  |              |
| <b>Non-Housing Related Asset-Backed Securities -<br/>1.5%</b> |                          |                 |  |              |
| Airplanes Pass Through Trust                                  |                          |                 |  |              |
| Series 1R, Class A8   |                          |                 |  |              |
| (cost \$1,684,129)  |                          |                 |  |              |
|   | 5.70%                    | 03/15/19        | \$ 1,829                               | \$ 1,791,960 |
| <b>Total Asset-Backed Securities</b>                          |                          |                 |  |              |
| (Cost - \$11,312,528)   |                          |                 |  | 9,819,431    |
| <b>COMMERCIAL MORTGAGE BACKED<br/>SECURITIES - 25.6%</b>      |                          |                 |  |              |
| Banc America Commercial Mortgage, Inc.                        |                          |                 |  |              |
| Series 2007-2, Class L  |                          |                 |  |              |
|   | 5.37                     | 04/10/49        | 1,127                                  | 773,765      |
| Series 2007-2, Class K  |                          |                 |  |              |
|   | 5.70                     | 04/10/49        | 3,000                                  | 2,160,623    |
| Series 2006-1, Class J*                                       |                          |                 |  |              |
|   | 5.78                     | 09/10/45        | 1,000                                  | 754,853      |
|   |                          |                 |  | 3,689,241    |
| Bear Stearns Commercial Mortgage Securities                   |                          |                 |  |              |
| Series 2006-PWR13, Class K                                    |                          |                 |  |              |
|   | 5.26                     | 09/11/41        | 347                                    | 225,114      |
| Series 2006-PWR11, Class H*                                   |                          |                 |  |              |
|   | 5.63                     | 03/11/39        | 1,100                                  | 825,146      |
| Series 2006-PWR13, Class H                                    |                          |                 |  |              |
|   | 6.03                     | 09/11/41        | 2,450                                  | 1,895,528    |
| Series 1999-C1, Class D                                       |                          |                 |  |              |
|   | 6.53                     | 02/14/31        | 2,500                                  | 2,495,705    |
|   |                          |                 |  | 5,441,493    |
| CD 2006 CD2   |                          |                 |  |              |
| Series 2006-CD2, Class J*                                     |                          |                 |  |              |
|   | 5.48                     | 01/11/46        | 1,000                                  | 747,857      |
| Credit Suisse Mortgage Capital Certificates                   |                          |                 |  |              |
| Series 2006-C4, Class L*                                      |                          |                 |  |              |
|   | 5.15                     | 09/15/39        | 513                                    | 362,815      |
| Series 2006-C4, Class M*                                      |                          |                 |  |              |
|   | 5.15                     | 09/15/39        | 565                                    | 380,538      |
| Series 2006-C1, Class K*                                      |                          |                 |  |              |
|   | 5.55                     | 02/15/16        | 2,358                                  | 1,780,566    |
| Series 2006-C4, Class K*                                      |                          |                 |  |              |
|   | 6.30                     | 09/15/36        | 2,970                                  | 2,327,332    |
|   |                          |                 |  | 4,851,251    |

|  |      |          |       |            |
|--|------|----------|-------|------------|
| GE Capital Commercial Mortgage Corp.               |      |          |       |            |
| Series 2002-2A, Class G*                           | 6.04 | 08/11/36 | 3,000 | 2,956,161  |
| Series 2002-2A, Class H*                           | 6.31 | 08/11/36 | 2,000 | 2,011,765  |
|  |      |          |       | 4,967,926  |
| GMAC Commercial Mortgage Securities                |      |          |       |            |
| Series 2006-C1, Class G*                           | 5.61 | 11/10/45 | 2,500 | 2,081,298  |
| JP Morgan Chase Commercial Mortgage Securities     |      |          |       |            |
| Series 2003-LN1, Class G*                          | 5.43 | 10/15/37 | 1,600 | 1,460,256  |
| Series 2006-CIBC14, Class H*                       | 5.72 | 12/12/44 | 1,211 | 921,341    |
| Series 2007-LD11, Class K                          | 6.01 | 06/15/49 | 1,879 | 1,388,994  |
|  |      |          |       | 3,770,591  |
| Morgan Stanley Capital I                           |      |          |       |            |
| Series 2004-HQ4, Class G*                          | 5.53 | 09/14/14 | 1,000 | 933,530    |
| UBS 400 Atlantic Street Mortgage Trust             |      |          |       |            |
| Series 2002-C1A, Class B3*                         | 7.19 | 01/11/22 | 2,000 | 2,145,968  |
| Wachovia Bank Commercial Mortgage Trust            |      |          |       |            |
| Series 2007-C31A, Class L*                         | 5.13 | 04/15/47 | 1,788 | 1,338,441  |
| Series 2005-C16, Class H*                          | 5.36 | 10/15/41 | 2,000 | 1,655,350  |
|  |      |          |       | 2,993,791  |
| <b>Total Commercial Mortgage Backed Securities</b> |      |          |       |            |
| (Cost - \$36,014,341)                              |      |          |       | 31,622,946 |

**NON-AGENCY RESIDENTIAL MORTGAGE BACKED SECURITIES - 26.8%**

**Subordinated Collateralized Mortgage Obligations - 26.8%**

|                               |      |          |     |         |
|-------------------------------|------|----------|-----|---------|
| Banc of America Funding Corp. |      |          |     |         |
| Series 2005-2, Class B4       | 5.66 | 04/25/35 | 853 | 611,040 |
| Series 2005-2, Class B5       | 5.66 | 04/25/35 | 682 | 358,522 |
| Series 2005-2, Class B6       | 5.66 | 04/25/35 | 513 | 123,047 |

## THE HYPERION BROOKFIELD STRATEGIC MORTGAGE INCOME FUND, INC.

**Portfolio of Investments (Unaudited)**

August 31, 2007

|  | <b>Interest<br/>Rate</b> | <b>Maturity</b> | <b>Principal<br/>Amount<br/>(000s)</b> | <b>Value</b> |
|--|--------------------------|-----------------|--|--------------|
| <b>NON-AGENCY RESIDENTIAL MORTGAGE<br/>BACKED SECURITIES (continued)</b> |                          |                 |  | \$ 1,092,609 |
| Bank of America Alternative Loan Trust                                   |                          |                 |  |              |
| Series 2004-3, Class 30B4  | 5.50%                    | 04/25/34        | \$ 973                                 | 426,437      |
| Series 2004-3, Class 30B5  | 5.50                     | 04/25/34        | 683                                    | 170,537      |
|  |                          |                 |  | 596,974      |
| Bank of America Mortgage Securities, Inc.                                |                          |                 |  |              |
| Series 2004-A, Class B4  | 4.05                     | 02/25/34        | 1,677                                  | 1,441,726    |
| Series 2003-10, Class 1B4  | 5.50                     | 01/25/34        | 542                                    | 408,625      |
| Series 2002-10, Class 1B3  | 6.00                     | 11/25/32        | 1,401                                  | 1,345,051    |
|  |                          |                 |  | 3,195,402    |
| Cendant Mortgage Corp.   |                          |                 |  |              |
| Series 2002-4, Class B1  | 6.50                     | 07/25/32        | 2,492                                  | 2,482,622    |
| Series 2002-4, Class B2  | 6.50                     | 07/25/32        | 997                                    | 993,049      |
| Series 2002-4, Class B3  | 6.50                     | 07/25/32        | 581                                    | 559,848      |
| Series 2002-4, Class B4  | 6.50                     | 07/25/32        | 333                                    | 318,805      |
| Series 2002-4, Class B5  | 6.50                     | 07/25/32        | 250                                    | 244,569      |
| Series 2002-4, Class B6*   | 6.50                     | 07/25/32        | 333                                    | 266,198      |
|  |                          |                 |  | 4,865,091    |
| Countrywide Home Loans   |                          |                 |  |              |
| Series 2007-11, Class B2   | 6.00                     | 08/25/37        | 500                                    | 396,576      |
| First Horizon Alternative Mortgage Securities                            |                          |                 |  |              |
| Series 2005-AA6, Class B4  | 5.43                     | 08/25/35        | 845                                    | 551,810      |
| Series 2005-AA6, Class B5  | 5.43                     | 08/25/35        | 796                                    | 436,160      |
| Series 2005-AA6, Class B6  | 5.43                     | 08/25/35        | 476                                    | 52,307       |
|  |                          |                 |  | 1,040,277    |

|   |       |          |       |           |
|---|-------|----------|-------|-----------|
| First Horizon Mortgage Pass-Through Trust       |       |          |       |           |
| Series 2005-4, Class B4*                        | 5.45  | 07/25/35 | 413   | 253,971   |
| Series 2005-5, Class B4*                        | 5.46  | 10/25/35 | 709   | 432,208   |
| Series 2005-5, Class B5*                        | 5.46  | 10/25/35 | 532   | 243,774   |
| Series 2005-5, Class B6*                        | 5.46  | 10/25/35 | 533   | 133,229   |
|   |       |          |       | 1,063,182 |
| G3 Mortgage Reinsurance Ltd.                    |       |          |       |           |
| Series 1, Class E* (d)                          | 25.32 | 05/25/08 | 4,068 | 4,207,047 |
| Harborview Mortgage Loan Trust                  |       |          |       |           |
| Series 2005-14, Class B4*                       | 5.64  | 12/19/35 | 393   | 272,376   |
| Series 2005-1, Class B4* (a)                    | 7.07  | 03/19/35 | 551   | 489,821   |
| Series 2005-1, Class B5* (a)                    | 7.07  | 03/19/35 | 801   | 507,450   |
| Series 2005-1, Class B6* (a)                    | 7.07  | 03/19/35 | 928   | 176,263   |
| Series 2005-2, Class B4* (a)                    | 7.07  | 05/19/35 | 1,338 | 989,032   |
|   |       |          |       | 2,434,942 |
| JP Morgan Mortgage Trust                        |       |          |       |           |
| Series 2003-A1, Class B4                        | 4.47  | 10/25/33 | 532   | 436,443   |
| Series 2006-A6, Class B5                        | 6.03  | 10/25/36 | 914   | 684,972   |
| Series 2006-A6, Class B6                        | 6.03  | 10/25/36 | 1,143 | 365,909   |
|   |       |          |       | 1,487,324 |
| RAAC Series                                     |       |          |       |           |
| Series 2005-SP1, Class M3                       | 5.51  | 09/25/34 | 313   | 245,392   |
| Residential Funding Mortgage Securities I, Inc. |       |          |       |           |
| Series 2004-S1, Class B2                        | 5.25  | 02/25/34 | 439   | 259,726   |
| Series 2003-S7, Class B2                        | 5.50  | 05/25/33 | 512   | 204,606   |
| Series 2003-S7, Class B3                        | 5.50  | 05/25/33 | 310   | 195,305   |
| Series 2006-SA1, Class B2*                      | 5.67  | 02/25/36 | 823   | 487,374   |
| Series 2006-SA1, Class B3*                      | 5.67  | 02/25/36 | 685   | 137,094   |
|   |       |          |       | 1,284,105 |



## THE HYPERION BROOKFIELD STRATEGIC MORTGAGE INCOME FUND, INC.

**Portfolio of Investments (Unaudited)**

August 31, 2007

|  | <b>Interest<br/>Rate</b> | <b>Maturity</b> | <b>Principal<br/>Amount<br/>(000s)</b> | <b>Value</b> |
|--|--------------------------|-----------------|--|--------------|
| <b>NON-AGENCY RESIDENTIAL MORTGAGE<br/>BACKED SECURITIES (continued)</b> |                          |                 |  |              |
| Resix Finance Limited Credit-Linked Note                                 |                          |                 |  |              |
| Series 2005-C, Class B7*   | 8.45%                    | 09/10/37        | \$ 1,945                               | \$ 1,835,007 |
| Series 2004-C, Class B7*   | 8.85                     | 09/10/36        | 958                                    | 910,961      |
| Series 2006-C, Class B9*   | 9.76                     | 07/15/38        | 1,497                                  | 1,403,929    |
| Series 2004-B, Class B8*   | 10.10                    | 02/10/36        | 774                                    | 729,154      |
| Series 2003-CB1, Class B8*   | 12.10                    | 06/10/35        | 925                                    | 936,104      |
| Series 2004-B, Class B9*   | 13.60                    | 02/10/36        | 1,185                                  | 1,175,598    |
| Series 2004-A, Class B10*  | 16.85                    | 02/10/36        | 473                                    | 470,009      |
|  |                          |                 |  | 7,460,762    |
| Structured Asset Securities Corporation                                  |                          |                 |  |              |
| Series 2005-6, Class B5  | 5.34                     | 05/25/35        | 485                                    | 326,150      |
| Series 2005-6, Class B6  | 5.34                     | 05/25/35        | 485                                    | 226,937      |
| Series 2005-6, Class B7  | 5.34                     | 05/25/35        | 337                                    | 45,551       |
|  |                          |                 |  | 598,638      |
| Washington Mutual Mortgage Securities Corp.                              |                          |                 |  |              |
| Series 2002-AR12, Class B4   | 4.65                     | 10/25/32        | 595                                    | 594,681      |
| Series 2002-AR12, Class B5   | 4.65                     | 10/25/32        | 447                                    | 436,908      |
| Series 2002-AR12, Class B6   | 4.65                     | 10/25/32        | 610                                    | 426,962      |
| Series 2005-AR2, Class B10* (a)  | 6.52                     | 01/25/45        | 1,548                                  | 1,365,935    |
|  |                          |                 |  | 2,824,486    |
| Wells Fargo Mortgage Backed Securities Trust                             |                          |                 |  |              |
| Series 2002, Class B5  | 6.00                     | 06/25/32        | 345                                    | 331,944      |
| <b>Total Subordinated Collateralized Mortgage<br/>Obligations</b>        |                          |                 |  |              |
| (Cost - \$36,820,354)  |                          |                 |  | 33,124,751   |
|  |                          |                 |  | 33,124,751   |

**Total Non-Agency Residential Mortgage Backed Securities**

(Cost - \$36,820,354)

**SHORT TERM INVESTMENTS - 2.5%**

|  |      |          |       |           |
|--|------|----------|-------|-----------|
| Federal Home Loan Bank Discount Notes(c) | 0.00 | 09/04/07 | 3,000 | 2,998,950 |
| United States Treasury Bill              | 4.75 | 09/20/07 | 100#  | 99,821    |

**Total Short Term Investments**

(Cost - \$3,098,711) 3,098,771

**Total Investments - 122.1%**

(Cost - \$160,980,734) 150,901,290

**Liabilities in Excess of Other Assets - (22.1)%** (27,278,047)

**NET ASSETS - 100.0%** \$ 123,623,243

@ **Portion or entire principal amount delivered as collateral for reverse repurchase agreements.**

**Variable Rate Security: Interest rate is the rate in effect as of August 31, 2007.**

\* **Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may only be resold in transactions exempt from**

**registration,  
normally to  
qualified  
institutional  
buyers.**

- (a) Security is a step up bond where coupon increases or steps up at a predetermined date. At that date these coupons increase to LIBOR plus a predetermined margin.**
  
- (b) Security is a step up bond where coupon increases or steps up at a predetermined date. Rates shown are current coupon and next coupon rate when security steps up.**
  
- (c) Zero Coupon Note - Interest rate represents current yield to maturity.**
  
- (d) Security valued in good faith pursuant to fair value procedures adopted by the Board of Directors. As of August 31, 2007, the total value of all**

**such securities  
was \$9,517,525  
or 7.7% of net  
assets.**

**# Portion or  
entire principal  
amount held as  
collateral for  
open future  
contracts.**

**TBA Settlement is  
on a delayed  
delivery or  
when-issued  
basis with a  
final maturity  
To Be  
Announced.**

**^ At August 31,  
2007, the  
aggregate cost  
of investments  
for income tax  
purposes was  
\$160,980,734.  
Net unrealized  
depreciation  
aggregated  
\$10,079,444 of  
which  
\$1,117,359  
related to  
appreciated  
investment  
securities and  
\$11,196,803  
related to  
depreciated  
investment  
securities.**

**Item 2. Controls and Procedures.**

(a) The Registrant's principal executive officer and principal financial officer have concluded that the Registrant's Disclosure Controls and Procedures are effective, based on their evaluation of such Disclosure Controls and Procedures as of a date within 90 days of the filing of this report on Form N-Q.

(b) As of the date of filing this Form N-Q, the Registrant's principal executive officer and principal financial officer are aware of no changes in the Registrant's internal control over financial reporting that occurred during the Registrant's last fiscal quarter that has materially affected or is reasonably likely to materially affect the Registrant's internal control over financial reporting.

**Item 3. Exhibits**

(a) Certifications for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act. Filed herewith.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**THE HYPERION BROOKFIELD STRATEGIC MORTGAGE INCOME FUND, INC.**

By: /s/ Clifford E. Lai

Clifford E. Lai  
Principal Executive Officer

Date: October 24, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Clifford E. Lai

Clifford E. Lai  
Principal Executive Officer

Date: October 24, 2007

By: /s/ Thomas F. Doodian

Thomas F. Doodian  
Treasurer and Principal Financial  
Officer

Date: October 24, 2007