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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS
FOR REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-576

Northeast Investors Trust

(Exact name of registrant as specified in charter)

**125 High Street
Boston, MA 02110**

(Address of principal executive offices) (Zip code)

**David Randall
125 High Street
Boston, MA 02110**

(Name and address of agent for service)

Registrant's telephone number, including area code: 800-225-6704

**Date of fiscal year end: September 30
Date of reporting period: December 31, 2018**

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 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 Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments.

Schedule of Investments (a)
December 31, 2018 (unaudited)

Asset Backed Securities — 0.56%

<i>Name of Issuer</i>	<i>Principal</i>	<i>Value</i>
Airline Lease — 0.56%		
Aircraft Fin Trust, FRN 2.9351% (1 month LIBOR + 0.48%), 5/15/24	\$16,859,760	\$ 1,264,482
Total Asset Backed Securities — (cost -\$7,333,996)		<u>\$ 1,264,482</u>

Corporate Bonds & Notes — 76.48%

<i>Name of Issuer</i>	<i>Principal</i>	<i>Value</i>
Cable and Satellite — 4.78%		
CSC Holding LLC, 10.125%, 1/15/23 (b)	\$10,000,000	\$10,762,500
Coal — 0.51%		
Westmoreland Coal Co., 8.75%, 01/01/22 (b)	3,000,000	1,155,000
Consumer Finance — 4.49%		
Credit Acceptance Corp., 6.125%, 2/15/21	10,130,000	10,104,675
Drug Stores — 0.70%		
Rite Aid Corp., 6.125%, 4/01/23 (b)	2,000,000	1,580,000
Electrical Components & Equipment — 1.34%		
Advanced Lighting Technologies PIK, FRN 19.40825% (3 month LIBOR + 17%) 9/30/23 (b) (c)	5,706,682	3,018,094
Electrical Utility 3.62%		
DPL, Inc., 7.25%, 10/15/21	7,800,000	8,150,064
Energy/Natural Resources — 0.31%		
American Eagle Energy Corp., 11%, 9/01/19 (b) (d)	15,500,000	174,375
RAAM Global Energy Co., 12.5%, 10/01/15 (d) (e)	23,000,000	115,000
Talos Production LLC, 11%, 4/03/22 (b)	422,980	406,061
		<u>695,436</u>
Hardware — 3.68%		
NCR Corp., 4.625%, 2/15/21	8,498,000	8,285,550
Homebuilders — 9.93%		
Brookfield Residential Properties, Inc., 6.125%, 7/01/22 (b)	7,211,000	6,814,395
Taylor Morrison Communities, Inc., 5.25%, 4/15/21 (b)	5,422,000	5,367,780
Tousa, Inc., 9%, 7/01/10 (d) (e)	14,111,000	141,110
Tousa, Inc., 8.25%, 4/1/11 (d) (e)	12,250,000	122,500
William Lyons Homes, Inc., 7%, 8/15/22	10,000,000	9,900,000
		<u>22,345,785</u>
Industrial Servicing / Manufacturing — 6.18%		
Clean Harbors, Inc., 5.125%, 6/01/21	4,010,000	3,999,975
XPO Logistics, Inc., 6.5%, 6/15/22 (b)	10,000,000	9,912,500
		<u>13,912,475</u>

Metals & Mining — 9.52%		
American Gilsonite Co., PIK 17%, 12/31/21 (b)	6,879,762	7,292,547
Freeport-McMoran, Inc., 3.1%, 3/15/20	10,000,000	9,775,000
International Wire Group, Inc., 10.75%, 8/01/21 (b)	4,880,000	4,343,200
		<u>21,410,747</u>
Miscellaneous Manufacturing — 6.41%		
Gibraltar Industries, Inc., 6.25%, 2/01/21	14,401,000	14,426,922
Oil & Gas Drilling — 7.24%		
Parker Drilling Co., 7.5%, 8/01/20 (d)	7,250,000	3,915,000
Tidewater, Inc., 8%, 8/01/22	12,500,000	12,375,000
		<u>16,290,000</u>
Paper/Forest Products — 4.32%		
Cenveo Corp., 8.5%, 9/15/22 (b)	25,000,000	375,000
Neenah, Inc., 5.25%, 5/15/21 (b)	9,474,000	9,355,575
		<u>9,730,575</u>
Pipeline — 4.62%		
Targa Resources Partners, 4.125%, 11/15/19	10,479,000	10,387,309
Telecom Equipment — 0.39%		
Nortel Networks LTD, 10.75%, 7/15/16 (d) (e)	23,850,000	872,910
Tobacco — 8.44%		
Pyxus International, Inc., 8.5%, 4/15/21 (b)	10,620,000	10,487,250
Vector Group LTD, 6.125%, 2/01/25 (b)	10,000,000	8,500,000
		<u>18,987,250</u>
Total Corporate Bonds & Notes — (cost - \$245,612,144)		<u>\$172,115,292</u>

GDP-Linked Bonds — 0.63%

<i>Name of issuer</i>	<i>Principal</i>	<i>Value</i>
Republic of Argentina GDP Linked Security, FRN (based on the performance of Argentina's GDP), 12/15/35 (d)	\$34,386,574	\$ 1,413,288
Total GDP-Linked Bonds — (cost - \$1,423,421)		<u>\$ 1,413,288</u>

Common & Preferred Stock — 18.77%

<i>Name of issuer</i>	<i>Number of Shares</i>	<i>Value</i>
Diversified Chemicals — 0.82%		
Ingevity Corp. (d)	602	\$ 50,381
NL Industries, Inc. (d)	510,200	1,790,802
		<u>1,841,183</u>
Electrical Components & Equipment — 0.00%		
Advanced Lighting Technologies PFD (c) (d)	104,947	—
Electrical Utility — 0.79%		
Homer City Holdings, LLC (d) (f)	221,338	1,770,704

Energy / Natural Resources — 0.31%		
SilverBow Resources, Inc. (d)	5,058	119,571
Talos Energy, Inc. (d)	35,718	582,918
		<u>702,489</u>
Food Processing — 3.86%		
Viskase Cos., Inc. (d)	3,052,635	8,700,010
Metals & Mining — 7.31%		
American Gilsonite (d) (f)	15,980	8,389,500
American Zinc Recycling, LLC (d) (f)	14,659	8,062,450
Ormet Corp. (d)	372,638	745
		<u>16,452,695</u>
Oil & Gas Drilling — 0.01%		
Key Energy Services, Inc. (d)	6,453	13,358
Packaging & Container — 0.06%		
Westrock Co.	3,626	136,918
Paper/Forest Products — 0.24%		
Cenveo Enterprises, Inc. (d) (f)	20,833	541,658
Pipeline — 4.40%		
Crestwood Equity Partners LP PFD	1,100,000	9,900,000
Retail Food Chain — 0.93%		
Romacorp, Inc. (c) (d) (f)	82,220	2,084,277
Transportation — 0.04%		
Getlink SA	7,349	98,697
Total Common & Preferred Stock — (cost - \$58,695,288)		<u>\$ 42,241,989</u>

Warrants — 0.02%

<i>Name of issuer</i>	<i>Number of Shares</i>	<i>Value</i>
Advanced Lighting Technologies, DTD 10/04/17 @ \$123.27 expiration 10/04/27 (c) (d)	2,006	\$ —
Jack Cooper Enterprises, Inc., DTD 12/30/17 @ \$0.01 expiration 12/30/27 (d)	16,500	\$ 49,500
Total Warrants — (cost - \$255,833)		<u>\$ 49,500</u>
Repurchase Agreement — 2.39%		
State Street Bank & Trust Co. 0.65% dated 12/31/2018, to be repurchased at \$5,364,806 on 1/02/2019 (g)		
Total Repurchase Agreement — (cost - \$5,381,612)	\$ 5,381,612	\$ 5,381,612
Total Investments — 98.85% (cost - \$318,702,294)		<u>\$222,466,163</u>
Net Other Assets and Liabilities — 1.15%		<u>\$ 2,589,742</u>
Net Assets — 100%		<u>\$225,055,905</u>

- (a) Portions of the portfolio may be pledged to collateralize short term borrowings.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the period end, the value of these securities amounted to \$79,544,277 which represents 35.34% of total net assets. These securities are generally deemed liquid.
- (c) Security is valued at fair value as determined in good faith under consistently applied procedures approved by the Board of Trustees. The aggregate market value of good faith securities as of December 31, 2018 was \$5,102,371 which represents 2.27% of total net assets.
- (d) Non-income producing security.
- (e) Security is in principal default.
- (f) All or a portion the security is restricted. The Trust may acquire restricted securities which are subject to legal or contractual restrictions on resale and may be illiquid. The aggregate market value of restricted securities as of December 31, 2018 was \$20,848,589 which represents 9.26% of total net assets. Additional information on each holding is as follows:

Security	Acquisition Date	Acquisition Cost
American Gilsonite	1/13/2014	\$ 5,273,400
American Zinc Recycling, LLC	7/19/2012 - 9/30/2016	\$ 8,474,521
Cenveo Enterprises, Inc.	9/11/2018	\$ 607,500
Homer City Holdings, LLC	4/6/2017	\$ 588,216
Romacorp, Inc.	11/15/2006	\$ 4,118,756

- (g) Acquired on December 31, 2018. Collateralized by \$5,472,198 of US Treasury Notes due through 2/15/2047. The maturity value is \$5,381,806.

PIK Payment in Kind

FRN Floating Rate Note—rates reflected are as of December 31, 2018

PFD Preferred Security

Investment Valuation

Accounting Standards Codification ASC 820, Fair Value Measurements and Disclosures (ASC 820) defines fair value as the price that would be received to sell an investment in an orderly transaction between two market participants at the measurement date. ASC 820 establishes a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Trust's own market assumptions (unobservable inputs). The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities and the determination of the significance of certain inputs to the fair value measurement requires judgments and considers factors that may be specific to each security. The various inputs that may be used to determine the value of the Trust's investments are summarized in the following fair value hierarchy:

Level 1—Unadjusted quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs based on data obtained from various pricing sources (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3—Significant unobservable inputs including the Trust's own assumptions used to determine the fair value of investments. Factors considered in making such determinations may include, but are not limited to, information obtained directly from the company or analysts and the analysis of the company's financial statements or other documents.

The following table summarized the Trust's investment as of December 31, 2018, based on the inputs used to value them.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total as of 12/31/2018</u>
Corporate Bonds & Notes	\$ —	\$169,097,198	\$3,018,094	\$172,115,292
Common and PFD Stock	\$13,136,351	\$ 27,021,361	\$2,084,277	\$ 42,241,989
Asset Backed Security	\$ —	\$ 1,264,482	\$ —	\$ 1,264,482
GDP Linked Bonds	\$ —	\$ 1,413,288	\$ —	\$ 1,413,288
Warrants	\$ —	\$ 49,500	\$ —	\$ 49,500
Repurchase Agreement	\$ —	\$ 5,381,612	\$ —	\$ 5,381,612
	<u>\$13,136,351</u>	<u>\$204,227,441</u>	<u>\$5,102,371</u>	<u>\$222,466,163</u>

Transfers between hierarchy levels may occur due to market fluctuation, changes in valuation techniques and/or changes in the availability of market data used in the determination of an investment's valuation. The Trust recognizes transfers between the levels at the end of each period. For the three month period ended December 31, 2018, there was one transfer from Level 1 to Level 2 due to a lack of observable trading activities on December 31, 2018 for \$8,700,010. There were no other transfers during the period.

At December 31, 2018, the reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value, is as follows:

	<u>Corporate Bonds & Notes</u>	<u>Common and PFD Stock</u>	<u>Totals</u>
Beginning Balance @ 9/30/18	\$ 3,352,322	\$ 2,452,623	\$5,804,945
Purchases	\$ 275,183	\$ —	\$ 275,183
Sales	\$ —	\$ —	\$ —
Realized Gain(Loss)	\$ —	\$ —	\$ —
Net Change in Unrealized			
Appreciation/(Depreciation)	\$ (609,411)	\$ (368,346)	\$ (977,757)
Transfers into Level 3	\$ —	\$ —	\$ —
Transfers out of Level 3	\$ —	\$ —	\$ —
Ending Balance @ 12/31/2018	<u>\$ 3,018,094</u>	<u>\$ 2,084,277</u>	<u>\$5,102,371</u>

	Change in Unrealized Gain / (Loss) for Positions Still Held at December 31, 2018
Corporate Bonds & Notes	\$ (609,411)
Common & PFD Stock	\$ (368,346)
Totals	<u>\$ (977,757)</u>

The Financial Accounting Standard Board (FASB) issued guidance that a reporting entity should disclose quantitative information about the unobservable inputs used in the fair value determinations that are categorized in the Level 3 hierarchy. The guidance also required additional disclosure regarding the valuation process used and the sensitivity of the fair value measurements to changes in unobservable inputs and the interrelationships between those unobservable inputs within Level 3. The following table presents a summary of valuation techniques, inputs and quantitative information used in determining the fair value of the Trust's Level 3 securities as of December 31, 2018:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Technique</u>	<u>Valuation Inputs</u>	<u>Significant Unobservable Range</u>	<u>Increase in Input (1)</u>
<u>Corporate Bonds & Notes</u>					
Electrical Components & Equipment	\$3,018,094	Market Comparable (2)	EBITDA Multiple	7x	Increase
<u>Common & PFD Stock</u>					
Retail Food Chains	\$2,084,277	Market Comparable (2)	EBITDA Multiple	8x	Increase
	<u>\$5,102,371</u>				

- (1) This column represents the direction change in the fair value of the Level 3 securities that would result from an increase to the corresponding unobservable input. A decrease to the unobservable inputs would have the opposite effect. Significant increases and decreases of these inputs could result in significantly higher or lower fair value determinations.
- (2) Earnings multiples are based on comparable public companies.

Other Information**Income Tax Information**

At December 31, 2018 the cost of investment securities for income tax purposes was \$317,502,588. Net unrealized depreciation aggregated (\$95,036,425) of which \$8,493,580 related to appreciated investment securities and (\$103,530,005) related to depreciated investment securities.

For additional information on the Trust's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent semiannual or annual shareholder report.

Item 2. Controls and Procedures.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) 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.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) and Section 302 of the Sarbanes-Oxley Act of 2002 are filed herewith.

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.

(Registrant) Northeast Investors Trust

By (Signature and Title) /s/ Bruce H. Monrad
Bruce H. Monrad
President
(principal executive officer)

Date: March 1, 2019

By (Signature and Title) /s/ Gordon C. Barrett
Gordon C. Barrett
Treasurer
(principal financial officer)

Date: March 1, 2019

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.

(Registrant) Northeast Investors Trust

By (Signature and Title) /s/ Bruce H. Monrad
Bruce H. Monrad
President
(principal executive officer)

Date: March 1, 2019

By (Signature and Title) /s/ Gordon C. Barrett
Gordon C. Barrett
Treasurer
(principal financial officer)

Date: March 1, 2019

Certification Pursuant to Rule 30a-2(a) under the 1940 Act and
Section 302 of the Sarbanes-Oxley Act

I, Bruce H. Monrad, certify that:

1. I have reviewed this report on Form N-Q of Northeast Investors Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2019

/s/ Bruce H. Monrad
Bruce H. Monrad
President
(principal executive officer)

Certification Pursuant to Rule 30a-2(a) under the 1940 Act and
Section 302 of the Sarbanes-Oxley Act

I, Gordon C. Barrett, certify that:

1. I have reviewed this report on Form N-Q of Northeast Investors Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2019

/s/ Gordon C. Barrett
Gordon C. Barrett
Treasurer
(principal financial officer)