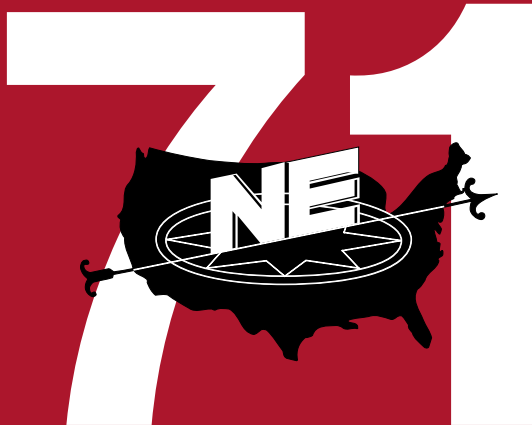


# NORTHEAST INVESTORS TRUST

A NO LOAD FUND



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Annual Report

For the Year Ending

September 30, 2020

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### **Important information about access to shareholder reports**

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission (“SEC”), paper copies of the Trust’s shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports from the Trust or your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be posted to the Trust’s website ([www.northeastinvestors.com/downloads/](http://www.northeastinvestors.com/downloads/)) and you will be notified by mail each time a report is posted and you will be provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. To receive your shareholder reports or other communications electronically, please contact the Trust or your financial intermediary if you do not invest directly with the Trust.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact them to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Trust, you can call 800-225-6704 to inform the Trust that you wish to continue receiving paper copies of your shareholder reports.

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## Dear Fellow Shareholders:

During Fiscal Year 2020, Northeast Investors Trust recorded a total return of -4.69%, which compares to the 2.30% return of the ICE Bank of America/Merrill Lynch High Yield Index. We are disappointed with these results.

Out-of-index securities, mostly emanating from former bond positions, remained a challenge for the Trust and were the primary reason for the divergence. The price action of distressed securities has been a wide-spread issue for the credit markets, albeit one that does not manifest itself in the high yield indices or ETFs, which are typically governed by non-discretionary rules that mandate the immediate removal or sale of such securities from the relevant portfolios.

On the other hand, the performance of the fixed income securities in the portfolio largely met expectations during the fiscal year, particularly on a risk-adjusted basis. Notwithstanding Covid, we have seen very few credit problems in the securities purchased in recent years.

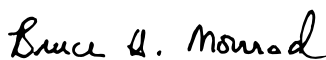
On a tactical note, we increasingly removed portfolio risk during the first half of the fiscal year, positioning nearly 20% of the Trust's assets in so-called "yield-to-call" bonds. These safer bonds' prices remained essentially unchanged during the considerable market weakness in March, and thus the proceeds from their sale were available to take advantage of the broader market sell-off. We are pleased that nearly every security so purchased has risen approximately 10 points since the date of purchase, providing excellent returns. While Covid itself was an unpredictable development, we had felt that the best risk-adjusted value in the high yield market was at the shorter end of the maturity spectrum and that positioning was very helpful.

Looking forward, there are numerous uncertainties facing the markets, starting with Covid and extending to the political realm. Interest rates remain low and high yield spreads over comparable Treasury instruments have also narrowed. Still, we are hopeful that there remain attractive income opportunities, and we have positioned the portfolio with an eclectic overweight of bonds that ETFs would not typically purchase and that we think are attractive because of generally higher relative yields.

Because we have focused our purchases in recent years on "BB" bonds, which are toward the higher quality end of the high yield market, we have recently witnessed fewer credit issues from those purchases. We are endeavoring to reduce our relative exposure to distressed securities, which as we mentioned above remains a very challenging end of the credit markets.

In closing, we are very sorry to report the passing of Trustee Ernest Monrad, who joined Northeast in 1960 and during the next 60 years served as Trustee, Portfolio Manager and also Chairman of the Trustees. Ernie was devoted to Northeast and to our knowledge never sold a share during his lifetime. The Trust benefitted from his dedication, wisdom and thoughtful judgment. He will be missed.

Sincerely,



Bruce H. Monrad

## Historical Information (unaudited)

Fiscal Year Ended Sept. 30	At End of Fiscal Year		Distribution Per Share During Fiscal Year			Average Monthly Net Asset Value
	Full Shares Outstanding	Net Asset Value Per Share	Total Net Assets	From Net Income	From Capital Gain	
2011	84,950,722	\$5.52	\$468,925,715	\$0.44	\$0.0000	\$6.15
2012	99,735,587	6.03	601,338,130	0.41	0.0000	5.86
2013	135,886,143	6.44	875,171,812	0.37	0.0000	6.31
2014	83,921,225	6.48	543,360,576	0.47	0.0000	6.57
2015	69,240,411	4.86	335,875,302	0.43	0.0000	5.63
2016	70,765,064	4.58	323,791,971	0.32	0.0000	4.34
2017	63,155,485	4.82	303,915,087	0.30	0.0000	4.70
2018	56,897,420	4.53	257,206,545	0.26	0.0000	4.64
2019	48,736,225	4.14	201,345,500	0.20	0.0000	4.32
2020	44,482,113	3.72	165,376,082	0.23	0.0000	3.85

## Average Annual Total Return (unaudited)

One year ended September 30, 2020	-4.69%
Five years ended September 30, 2020	0.58%
Ten years ended September 30, 2020	1.61%

## SEC Yield (unaudited)\*

**Yield calculated as of September 30, 2020: 6.11%**

\* The 30-Day SEC yield is derived using a formula specified by the U.S. Securities and Exchange Commission. The Statement of Additional Information contains additional information regarding the computation of the SEC yield.

## About Your Fund's Expenses (unaudited)

	<i>Annualized Expense Ratio</i>	<i>Beginning Account Value 3/31/2020</i>	<i>Ending Account Value 9/30/2020</i>	<i>Expenses Paid During Period 3/31/2020 - 9/30/2020*</i>
Actual Return 9.81%	1.66%	\$1,000.00	\$1,098.14	\$8.85
Hypothetical (5% return before expenses)	1.66%	\$1,000.00	\$1,016.75	\$8.39

\* Expenses are equal to the Trust's annualized prior six month expense ratio, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (183), and divided by the days in the year (365) to reflect the half-year period.

As a shareholder of the Trust, you incur ongoing costs, which include costs for portfolio management, administrative services and other fund expenses. The above example is intended to help you understand the ongoing costs (in dollars) of investing in the Trust and to compare these costs with those of similar mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period shown and held for the entire period.

### Actual Expenses:

The first line of the table above provides information about actual account values and actual expenses based on the Trust's actual returns. You may use the information in this line, together with your account balance, to estimate the expenses you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes:

The second line of the table above provides information about hypothetical account values and hypothetical expenses based on the Trust's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Trust's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Trust and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

## *Fixed Income Portfolio Composition (unaudited)*

### **Maturity Schedule (% of portfolio)**

Under 1 Year	4%
1-5 Years	77%
6-10 Years	19%
11-15 Years	0%
Over 15 Years	0%
<hr/>	
Total	100%

## *Quarterly Portfolio Holdings*

The Trust files its complete Schedule of Investments with the SEC on Form N-CSR (as of the end of the second and fourth quarters) and on Form N-PORT Part F (as of the end of the first and third quarters, previously filed under Form N-Q through 12/31/2019). Form N-PORT is primarily designed for use by the SEC and its staff to facilitate their oversight of the fund industry. Form N-CSR (Annual and Semi-Annual Reports) and N-PORT Part F are available without charge, upon request, by calling the Trust at 800-225-6704, on the website at [www.northeastinvestors.com](http://www.northeastinvestors.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov).

Shareholders may also access and review information and reports of the Trust, at the SEC's Public Reference Room in Washington, D.C. You can call the SEC at 1-202-942-8090 for information about the operation of the Public Reference Room. Reports and other information about the Trust are available on the SEC's website at <http://www.sec.gov> and copies may be obtained for a duplicating fee by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the Public Reference Center of the Securities and Exchange Commission, Washington, D.C. 20549-0102. The Trust's reference number as a registrant under the Investment Company Act of 1940 is 811-00576.

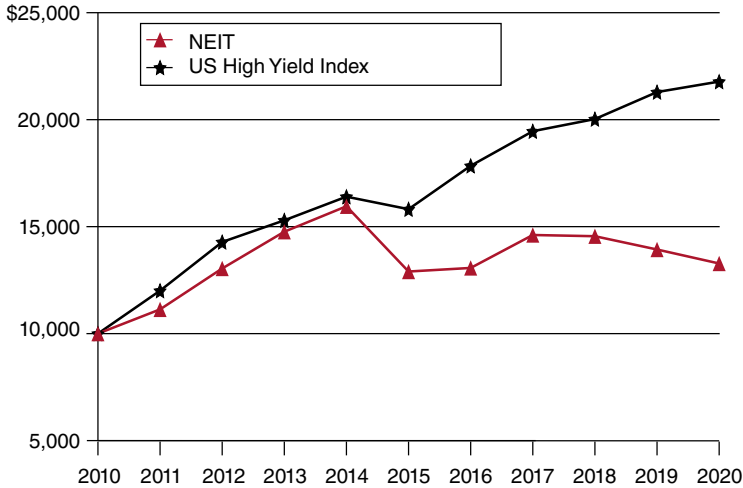


## Performance Graph – Ten Years (unaudited)

The following graph compares the cumulative total shareholder return on Northeast Investors Trust shares over the ten preceding fiscal years to the cumulative total share return on the ICE Bank of America Merrill Lynch US High Yield Index, (US High Yield Index) assuming an investment of \$10,000 in both at their closing prices on September 30, 2010 and reinvestment of dividends and capital gains.

The US High Yield Index is an unmanaged market value-weighted index comprised of all domestic and yankee high yield bonds, including deferred interest bonds and payment-in-kind securities. Issues included in the index have maturities of one year or more and have a credit rating lower than BBB-/Baa3, but are not in default. It is shown for comparative purposes only and reflects no deductions for fees, expenses or taxes.

Keep in mind that past performance does not guarantee future returns, and an investment in the Trust is not guaranteed.



Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>NEIT</b>	\$ 10,000	\$ 11,133	\$ 13,045	\$ 14,762	\$ 15,952	\$ 12,902	\$ 13,070	\$ 14,610	\$ 14,553	\$ 13,931	\$ 13,278
<b>US High Yield Index</b>	\$ 10,000	\$ 12,008	\$ 14,282	\$ 15,295	\$ 16,401	\$ 15,816	\$ 17,844	\$ 19,460	\$ 20,029	\$ 21,290	\$ 21,780

**Summary of Net Assets**  
**September 30, 2020 (Unaudited)**

	Value	% of Net Assets
<b>Corporate Bonds, Loans &amp; Notes</b>		
Auto Manufacturers	\$ 4,669,708	2.82%
Building Products	5,619,563	3.40%
Coal	660,680	0.40%
Communications	10,497,499	6.35%
Consumer Discretionary	7,987,305	4.83%
Drug Stores	1,733,725	1.05%
Electrical Components & Equipment	151,530	0.09%
Electrical Utility	4,448,036	2.69%
Energy / Natural Resources	15,301,181	9.25%
Financial Services	4,988,250	3.02%
Health Care Facility	6,075,000	3.67%
Homebuilders	5,031,250	3.04%
Industrial Servicing / Manufacturing	23,568,375	14.25%
Metals & Mining	10,977,437	6.64%
Oil & Gas Drilling	9,171,432	5.55%
Paper / Forest Products	37,500	0.02%
Technology	1,005,515	0.61%
Tobacco	19,193,824	11.61%
Wireless Telecom	4,982,725	3.01%
<b>Total Corporate Bonds, Loans &amp; Notes</b>	<b>\$ 136,100,535</b>	<b>82.30%</b>
<b>Common Stock</b>		
Coal	\$ 113,030	0.07%
Diversified Chemicals	2,198,113	1.33%
Electrical Utility	664,014	0.40%
Energy / Natural Resources	250,259	0.15%
Food Processing	2,442,108	1.48%
Metals & Mining	7,189,083	4.35%
Oil & Gas Drilling	422,155	0.25%
Packaging & Container	125,967	0.08%
Paper / Forest Products	291,662	0.17%
Retail Food Chain	1,088,182	0.66%
Transportation	99,946	0.06%
<b>Total Common Stock</b>	<b>\$ 14,884,519</b>	<b>9.00%</b>
<b>Total Preferred Stock</b>	<b>6,479,000</b>	<b>3.92%</b>
<b>Total Asset Backed Securities</b>	<b>112,779</b>	<b>0.07%</b>
<b>Total GDP-Linked Bonds</b>	<b>65,335</b>	<b>0.04%</b>
<b>Total Repurchase Agreement</b>	<b>5,949,202</b>	<b>3.59%</b>
<b>Total Investments</b>	<b>\$ 163,591,370</b>	<b>98.92%</b>
<b>Receivables</b>	<b>2,255,368</b>	<b>1.36%</b>
<b>Total Assets</b>	<b>\$ 165,846,738</b>	<b>100.28%</b>
<b>Liabilities</b>	<b>(470,656)</b>	<b>-0.28%</b>
<b>Total Net Assets</b>	<b>\$ 165,376,082</b>	<b>100.00%</b>

*Schedule of Investments (a)*  
*September 30, 2020*

**Asset Backed Securities — 0.07%**

<i>Name of Issuer</i>	<i>Principal</i>	<i>Value</i>
<b>Airline Lease — 0.07%</b>		
Aircraft Fin Trust, 0.63238%, FRN (1 month LIBOR + 0.48%), 5/15/24 (b) .....	\$ 15,037,253	\$ 112,779
<b>Total Asset Backed Securities — (cost -\$6,541,205) .....</b>		<b>\$ 112,779</b>

**Corporate Bonds, Loans & Notes — 82.30%**

<i>Name of Issuer</i>	<i>Principal</i>	<i>Value</i>
<b>Auto Manufacturers — 2.82%</b>		
Ford Motor Credit Co LLC, 3.219%, 1/09/22 .....	\$ 1,425,000	\$ 1,423,148
Ford Motor Credit Co LLC, 3.35%, 11/01/22 .....	3,296,000	3,246,560
		4,669,708

**Building Products — 3.40%**

BMC East LLC, 5.5%, 10/01/24 (c) .....	5,000,000	5,137,500
Builders Firstsource, 6.75%, 6/01/27 (c) .....	450,000	482,063
		5,619,563

**Coal — 0.40%**

Westmoreland Mining Holdings LLC TL, PIK 15%, 3/15/29 (d) ..	1,651,701	660,680
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**Communications — 6.35%**

Centurylink, Inc., 7.5%, 4/01/24 .....	5,000,000	5,598,000
Expedia Media Group, Inc., 7%, 5/01/25 (c) .....	4,530,000	4,899,499
		10,497,499

**Consumer Discretionary — 4.83%**

Foot Locker, Inc., 8.5%, 01/15/22 .....	7,500,000	7,987,305
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**Drug Stores — 1.05%**

Rite Aid Corp., 7.5%, 7/01/25 (c) .....	734,000	722,990
Rite Aid Corp., 8%, 11/15/26 (c) .....	1,012,000	1,010,735
		1,733,725

**Electrical Components & Equipment — 0.09%**

Advanced Lighting Technologies, PIK, FRN 18% (3 month LIBOR +17%) 9/30/23 (b) (c) (e) .....	7,933,505	151,530
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**Electrical Utility — 2.69%**

AES Corp., 5.5%, 4/15/25 .....	4,314,000	4,448,036
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**Energy/Natural Resources — 9.25%**

American Eagle Energy Corp., 11%, 9/01/19 (b) (c) (e) (f) .....	15,500,000	75,950
CNX Resources, Inc., 7.25%, 3/14/27 (c) .....	10,000,000	10,200,000
RAAM Global Energy Co., 12.5%, 10/01/15 (e) (f) .....	23,000,000	110,400
Range Resources Corp., 4.875%, 5/15/25 .....	5,000,000	4,513,000
Talos Production LLC, 11%, 4/03/22 .....	422,980	401,831
		15,301,181

## Corporate Bonds, Loans & Notes — (continued)

<i>Name of Issuer</i>	<i>Principal</i>	<i>Value</i>
<b>Financial Services — 3.02%</b>		
Synovus Financial Corp., 5.75%, 12/15/25 .....	\$ 5,000,000	\$ 4,988,250
<b>Health Care Facility — 3.67%</b>		
Centene Corp., 4.75%, 5/15/22 .....	6,000,000	6,075,000
<b>Homebuilders — 3.04%</b>		
PulteGroup, Inc., 4.25%, 3/01/21 .....	5,000,000	5,031,250
<b>Industrial Servicing / Manufacturing — 14.25%</b>		
Clean Harbors, Inc., 4.875%, 7/15/27 (c) .....	500,000	518,750
Fortress Transportation and Infrastructure Investors LLC, 6.75%, 3/15/22 (c) .....	6,500,000	6,402,500
Fortress Transportation and Infrastructure Investors LLC, 9.75%, 8/01/27 (c) .....	500,000	533,125
Mueller Industries, Inc., 6%, 3/01/27 .....	6,089,000	6,089,000
XPO Logistics, Inc., 6.5%, 6/15/22 (c) .....	10,000,000	10,025,000
		23,568,375
<b>Metals &amp; Mining — 6.64%</b>		
Allegheny Technologies, Inc., 6.95%, 12/15/25 .....	4,500,000	4,466,250
American Gilsonite Co., PIK 17%, 12/31/21 (c) .....	9,111,865	6,511,187
		10,977,437
<b>Oil &amp; Gas Drilling — 5.55%</b>		
Parker Drilling Co. TL, 13% (11% cash, 2% PIK), 3/26/24 (d) ..	2,553,047	2,284,694
Tidewater, Inc., 8%, 8/01/22 .....	7,027,284	6,886,738
		9,171,432
<b>Paper/Forest Products — 0.02%</b>		
Cenveo Corp., 8.5%, 9/15/22 (c) (e) .....	25,000,000	37,500
<b>Technology — 0.61%</b>		
Iron Mountain, Inc., 4.5%, 2/15/31 (c) .....	1,000,000	1,005,515
<b>Tobacco — 11.61%</b>		
Pyxus Holdings Inc., 10%, 8/24/24 .....	10,845,675	9,218,824
Vector Group LTD, 6.125%, 2/01/25 (c) .....	10,000,000	9,975,000
		19,193,824
<b>Wireless Telecom — 3.01%</b>		
Frontier Communications, 8%, 4/01/27 (c) .....	5,000,000	4,982,725
<b>Total Corporate Bonds, Loans &amp; Notes —</b>		
(cost—\$205,743,031) .....		\$ 136,100,535
<b>GDP-Linked Bonds — 0.04%</b>		
<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 (e) .....	\$ 34,386,574	\$ 65,335
<b>Total GDP-Linked Bonds — (cost—\$1,423,421) .....</b>		<b>\$ 65,335</b>

**Common Stock — 9.00%**

<i>Name of issuer</i>	<i>Number of Shares</i>	<i>Value</i>
<b>Coal — 0.07%</b>		
Westmoreland Mining Holding LLC, Class A Units (d) (e) . . . . .	22,606	\$ 113,030
<b>Diversified Chemicals — 1.33%</b>		
Ingevity Corp. (e) . . . . .	602	29,763
NL Industries, Inc. . . . .	510,200	2,168,350
		2,198,113
<b>Electrical Components &amp; Equipment — 0.00%</b>		
Advanced Lighting Technologies PFD (b) (e) . . . . .	104,947	—
<b>Electrical Utility — 0.40%</b>		
Homer City Holdings, LLC (d) (e) . . . . .	221,338	664,014
<b>Energy / Natural Resources — 0.15%</b>		
SilverBow Resources, Inc. (e) . . . . .	5,058	19,878
Talos Energy, Inc. (e) . . . . .	35,718	230,381
		250,259
<b>Food Processing — 1.48%</b>		
Viskase Cos., Inc. (e) . . . . .	3,052,635	2,442,108
<b>Metals &amp; Mining — 4.35%</b>		
American Gilsonite (b) (d) (e) . . . . .	15,980	276,294
American Zinc Recycling, LLC (b) (d) (e) . . . . .	21,539	6,911,336
Ormet Corp. (e) . . . . .	372,638	1,453
		7,189,083
<b>Oil &amp; Gas Drilling — 0.25%</b>		
Key Energy Services, Inc. (e) . . . . .	129	742
Parker Drilling Co. (e) . . . . .	140,471	421,413
		422,155
<b>Packaging &amp; Container — 0.08%</b>		
Westrock Co. . . . .	3,626	125,967
<b>Paper/Forest Products — 0.17%</b>		
Cenveo Enterprises, Inc. (d) (e) . . . . .	20,833	291,662
<b>Retail Food Chain — 0.66%</b>		
Romacorp, Inc. (b) (d) (e) . . . . .	82,220	1,088,182
<b>Transportation — 0.06%</b>		
Getlink SA . . . . .	7,349	99,946
<b>Total Common Stock — (cost—\$52,370,160) . . . . .</b>		<b>\$ 14,884,519</b>
<b>Preferred Stock — 3.92%</b>		
<b>Pipeline — 3.92%</b>		
Crestwood Equity Partners LP PFD, 9.25%, Perpetual . . . . .	1,100,000	\$ 6,479,000
<b>Total Preferred Stock — (cost—\$10,441,640) . . . . .</b>		<b>\$ 6,479,000</b>

## Warrants — 0.00%

<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 (b) (e) .....	2,006	\$ —
<b>Total Warrants — (cost—\$0) .....</b>		<b>\$ —</b>
<b>Repurchase Agreement — 3.59%</b>	<i>Principal</i>	<i>Value</i>

State Street Bank & Trust Co. 0.00% dated 9/30/2020, to be repurchased at \$5,949,202 on 10/01/2020 (g)

**Total Repurchase Agreement — (cost—\$5,949,202) .....**      \$ 5,949,202      \$ 5,949,202

**Total Investments — 98.92%** (cost—\$282,468,659) .....

\$163,591,370

**Net Other Assets and Liabilities — 1.08%** .....

1,784,712

**Net Assets — 100%** .....

\$165,376,082

- (a) Portions of the portfolio are pledged to collateralize short term borrowings.
- (b) 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 September 30, 2020 was \$8,616,071 which represents 5.21% of total net assets (See Note-I).
- (c) 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 \$62,671,569 which represents 37.90% of total net assets. These securities are generally deemed liquid.
- (d) 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 September 30, 2020 was \$12,289,892 which represents 7.43% of total net assets. Additional information on each holding is as follows:

<b>Security</b>	<b>Acquisition Date</b>	<b>Acquisition Cost</b>
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
Parker Drilling Co. Term Loan	3/27/2019	\$ 2,982,857
Romacorp, Inc.	11/15/2006	\$ 4,118,756
Westmoreland Mining Holdings Co. Term Loan	3/15/2019	\$ 2,445,129
Westmoreland Mining Holdings Co. Class A Units	3/15/2019	\$ 641,637

- (e) Non-income producing security.
- (f) Security is in principal default.
- (g) Acquired on September 30, 2020. Collateralized by \$6,068,270 of US Treasury Notes due 5/15/2040. The maturity value is \$5,949,202.

PIK Payment in Kind  
FRN Floating Rate Note - rates reflected are as of September 30, 2020  
PFD Preferred Security  
TL Term Loan

# Statement of Assets and Liabilities

September 30, 2020

## Assets

Investments—at market value (cost \$276,519,457) . . . .	\$ 157,642,168
Repurchase Agreement - at market value (cost \$5,949,202) . . . . .	5,949,202
Receivable for interest . . . . .	2,255,008
Receivable for shares sold . . . . .	360
<b>Total Assets</b> . . . . .	<u>165,846,738</u>

## Liabilities

Accrued expenses . . . . .	252,291
Payable for trustee fees . . . . .	206,829
Payable for shares repurchased . . . . .	11,536
<b>Total Liabilities</b> . . . . .	<u>470,656</u>

**Net Assets** . . . . . \$ 165,376,082

### Net Assets Consist of:

Capital, at a \$1.00 par value . . . . .	\$ 44,482,113
Paid in surplus . . . . .	434,268,675
Accumulated net investment income . . . . .	1,966,400
Accumulated net realized gain / (loss) . . . . .	(196,463,817)
Net unrealized gain / (loss) . . . . .	(118,877,289)
Total distributable earnings / (loss) . . . . .	<u>(313,374,706)</u>

**Net Assets** . . . . . \$ 165,376,082

**Net Asset Value**, offering price and redemption price  
per share (\$165,376,082/44,482,113 shares) . . . . . \$3.72

The accompanying notes are an integral part of the financial statements.

## Statement of Operations

Year Ended September 30, 2020

### Investment Income

Interest . . . . .	\$ 8,644,781
PIK Interest . . . . .	1,782,702
Dividends . . . . .	994,886
Other Income . . . . .	<u>747,374</u>
<b>Total Income . . . . .</b>	<b>12,169,743</b>

### Expenses

Administrative expenses and salaries . . . . .	\$ 1,372,539
Trustee fees . . . . .	855,204
Computer and related expenses . . . . .	215,150
Audit and audit-related fees . . . . .	133,100
Commitment fees . . . . .	103,933
Custodian fees . . . . .	60,050
Printing, postage and stationery fees . . . . .	54,350
Registration and filing fees . . . . .	44,600
Interest expense . . . . .	39,865
Insurance . . . . .	35,430
Transfer Agent Fees . . . . .	20,345
Legal Fees . . . . .	19,754
Telephone . . . . .	12,640
Other expenses . . . . .	<u>65,520</u>
<b>Total Expenses . . . . .</b>	<b><u>3,032,480</u></b>
<b>Net Investment Income . . . . .</b>	<b><u>9,137,263</u></b>
<b>Realized and Unrealized Gain (Loss) on Investments:</b>	
Net realized gain (loss) from investment transactions . . . . .	246,881
Change in unrealized appreciation (depreciation) of investments . . . . .	<u>(18,097,571)</u>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations . .</b>	<b><u>\$ (8,713,427)</u></b>

The accompanying notes are an integral part of the financial statements.



## Statements of Changes in Net Assets

	<i>Year Ended</i> <i>September 30, 2020</i>	<i>Year Ended</i> <i>September 30, 2019</i>
<b>Increase (Decrease) in Net Assets</b>		
<b>From Operations:</b>		
Net investment income .....	\$ 9,137,263	\$ 10,959,819
Net realized gain (loss) from investment transactions .....	246,881	(18,328,963)
Change in unrealized appreciation (depreciation) of investments .....	<u>(18,097,571)</u>	<u>(2,392,284)</u>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations .....</b>	<u>(8,713,427)</u>	<u>(9,761,428)</u>
<b>Distributions to Shareholders from Operations ..</b>	(10,630,057)	(10,272,771)
<b>From Net Trust Share</b>		
Transactions — (See Note D) .....	<u>(16,625,934)</u>	<u>(35,826,846)</u>
<b>Total Increase (Decrease) in Net Assets .....</b>	<u>(35,969,418)</u>	<u>(55,861,045)</u>
<b>Net Assets:</b>		
Beginning of Period .....	<u>201,345,500</u>	<u>257,206,545</u>
End of Period .....	<u>\$ 165,376,082</u>	<u>\$ 201,345,500</u>

The accompanying notes are an integral part of the financial statements.

## Financial Highlights

Per Share Data	Year Ended September 30,				
	2020	2019	2018	2017	2016
<b>Net Asset Value:</b>					
Beginning of Period	\$ 4.14	\$ 4.53	\$ 4.82	\$ 4.58	\$ 4.86
<b>Income From Investment Operations:</b>					
Net investment income <sup>^</sup>	0.20	0.21	0.20	0.28	0.33
Net realized and unrealized gain (loss) on investment	<u>-0.39</u>	<u>-0.40</u>	<u>-0.23</u>	<u>0.26</u>	<u>-0.29</u>
Total from investment operations	<u>-0.19</u>	<u>-0.19</u>	<u>-0.03</u>	<u>0.54</u>	<u>0.04</u>
<b>Less Distributions:</b>					
Net investment income	<u>-0.23</u>	<u>-0.20</u>	<u>-0.26</u>	<u>-0.30</u>	<u>-0.32</u>
<b>Net Asset Value:</b>					
End of Period	<u>\$ 3.72</u>	<u>\$ 4.14</u>	<u>\$ 4.53</u>	<u>\$ 4.82</u>	<u>\$ 4.58</u>
<b>Total Return<sup>#</sup></b>	-4.69%	-4.27%	-0.39%	11.78%	1.30%
<b>Ratios &amp; Supplemental Data</b>					
Net assets end of period (in thousands)	\$165,376	\$201,346	\$257,207	\$303,915	\$323,792
Ratio of operating expenses to average net assets <sup>*</sup>	1.71%	1.56%	1.48%	1.52%	1.60%
Ratio of interest expense and commitment fee to average net assets	0.08%	0.09%	0.15%	0.13%	0.29%
Ratio of net investment income to average net assets	5.14%	4.91%	4.35%	5.98%	7.66%
Portfolio turnover rate	43.75%	45.13%	42.69%	61.33%	3.52%

\* Includes Interest Expense when applicable

<sup>^</sup> Calculated using the Average Share Method

<sup>#</sup> Total Return reflects the rate that an investor would have earned on an investment in the Trust during each period, assuming reinvestment of all distributions.

The accompanying notes are an integral part of the financial statements.

### Note A—Organization

Northeast Investors Trust (the “Trust”), a diversified open-end management investment company (a Massachusetts Trust), is registered with the SEC under the Investment Company Act of 1940, as amended. The primary objective of the Trust is the production of income. The Trust follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 Financial Services — Investment Companies including FASB Accounting Standard update (“ASU”) 2013-08.

### Note B—Significant Accounting Policies

**Valuation of Investments:** The value of equity securities or equity-like securities such as warrants for which market quotations are readily available, shall be determined on the basis of the last quoted sale prices taken from the primary market or exchange on which they are traded. A bid price may be used instead of last quoted sale price if it more closely reflects the fair value of the security as of the close of regular trading on the New York Stock Exchange. Fixed income securities, including securities convertible into equity, shall be valued on the basis of evaluated prices furnished by independent pricing services or from quotations received from dealers who make markets in such securities. The evaluations provided by the pricing services are based on analysis of market data and other factors such as last sale, dealer bids, yields, quality ratings, coupon rate, maturity, type of issue, trading characteristics and other relevant bond market data.

Securities for which market quotations are not readily available (including certain restricted securities and private placements, if any) are valued at their fair value as determined in good faith under consistently applied procedures approved by the Board of Trustees. Methodologies and factors used to fair value securities may include, but are not limited to, the analysis of current debt to cash flow, information of any recent sales, quotations or evaluated prices from broker-dealers, information obtained from the issuer or analysts and the nature of the existing market for securities with characteristics similar to such obligations. Valuations may also be derived following a review of pertinent data (EBITDA, Revenue, etc.) from company financial statements, relevant market valuation multiples for comparable companies in comparable industries, recent transactions, and management assumptions.

The Trust may use fair value pricing for foreign securities if a material event occurs that may affect the price of a security after the close of the foreign market or exchange (or on days the foreign market is closed) but before the Trust prices its portfolio, generally at 4:00 P.M. ET. Fair value pricing may also be used for securities acquired as a result of corporate restructurings or reorganizations as reliable market quotations for such issues may not be readily available. For securities valued in good faith, the value of an investment used to determine the Trust’s net asset value may differ from published or quoted prices for the same investment. The valuations for these good faith securities are monitored and reviewed in accordance with the methodologies described above by the Trust’s Pricing Committee on an ongoing basis as information becomes available, but are evaluated at least quarterly. The good faith security valuations and fair value methodologies are reviewed and approved by the Trust’s Board of Trustees on a quarterly basis. There can be no assurance that the Trust could obtain the fair value assigned to an investment if it were to sell the investment at the same time which the Trust determines its net asset value per share. The market value of securities valued in good faith on September 30, 2020 was \$8,616,071, which represents 5.21% of net assets.

**Federal Income Taxes:** It is the Trust's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute each year substantially all of its investment company taxable income and capital gains to its shareholders. Accordingly, no federal tax provisions are required. Income distributions, if any, are declared and paid quarterly for the Trust. Capital gains distributions, if any, are declared and paid annually.

The Trust has reviewed the tax positions for the open tax years as of September 30, 2020 and has determined that no provision for income tax is required in the Trust's financial statements. The Trust's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service. The Trust recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense on the Statement of Operations.

The characterization of distributions to shareholders for financial reporting purposes is determined in accordance with income tax rules. Therefore, the source of the Trust's distributions may be shown in the accompanying financial statements as either from net investment income or net realized gain on investment transactions, or from paid in capital, depending on the type of book/ tax differences that may exist.

**State Income Taxes:** Because the Trust has been organized by an Agreement and Declaration of Trust executed under the laws of the Commonwealth of Massachusetts, it is not subject to state income or excise taxes.

**Net Asset Value:** In determining the net asset value per share, rounding adjustments are made for fractions of a cent to the next higher cent.

**Distributions and Income:** Income and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles in the United States of America. These differences are primarily due to differing treatments for capital loss carryforwards and losses deferred due to wash sales. Permanent book and tax differences relating to shareholder distributions will result in reclassifications to paid in surplus. The Trust's distributions and dividend income are recorded on the ex-dividend date. Interest income, which includes accretion of market discount and amortization of premium, is accrued as earned. Certain securities held by the Trust pay interest in the form of cash or additional securities (known as Payment-in-kind or PIK); interest on such securities is recorded on the accrual basis.

**Security Transactions:** Security transactions are accounted for as of trade date. Realized gains and losses on securities sold are determined on the basis of identified cost.

**Use of Estimates and Basis of Accounting:** The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Credit Risk:** Investments in high-yield securities involve greater degrees of credit and market risks than investments in higher-rated securities. Bonds which are rated as less than investment grade tend to be more susceptible to real or perceived adverse economic conditions.

**LIBOR Transition Risk:** The Trust may invest in fixed income securities that are based on the London Interbank Offered Rate (LIBOR). LIBOR transition risk is the risk that the transition from LIBOR to alternative interest rate benchmarks is not orderly or timely.

**Payment-In-Kind (PIK) Risk:** Investments in PIK bonds may offer a higher interest rate than other securities however, these bonds also carry additional risk of default as they are generally issued by companies that do not have the cash flow available to make routine cash interest payments to the lenders.

**Repurchase Agreement Risk:** In the event of default or bankruptcy by either party to the agreement, realization and/or retention of the collateral may be subject to legal proceedings.

**New Accounting Pronouncements:** In March 2017, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU), ASU 2017-08, which amends the amortization period for certain callable debt securities that are held at a premium. The amendment requires the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount. The ASU is effective for annual periods beginning after December 15, 2018. The Trust adopted the ASU and applied the standard on a retrospective basis with an effective date of October 1, 2019. The Trust recognized a cumulative effect adjustment that decreased cost and increased the unrealized appreciation of the investments by \$327,219. This change had no impact on total distributable earnings (loss) or the net asset value of the Trust.

#### **Note C—Trustees' Compensation**

Trustees' compensation was computed at the rate of 1/8 of 1% of the net assets (before deduction of accrued Trustees' compensation) at the close of each quarter, from which the Trustees paid certain expenses specified in the Declaration of Trust. For the year ended September 30, 2020 the current Independent Trustees were aggregately paid \$120,000 from the Trustee fees.

The total number of shares owned beneficially by the Trustees, officers and members of their immediate families on September 30, 2020 was 3,801,354 shares (8.55%).

**Administrative Expenses & Salaries:** Northeast Investors Trust incurs salary and administrative expenses which include such expenses for personnel performing transfer agent and dividend disbursement related functions and other administrative functions of the Trust.

## Notes to Financial Statements (continued)

### Note D—Shares of Beneficial Interest

At September 30, 2020, there were unlimited shares of beneficial interest authorized with a par value of \$1. Transactions in shares of beneficial interest were as follows:

	<i>Year Ended</i> <i>September 30, 2020</i>		<i>Year Ended</i> <i>September 30, 2019</i>	
Shares Sold .....	605,066	\$ 2,290,926	1,139,356	\$ 4,910,394
Shares issued to shareholders in reinvestment of distributions from net investment income .....	1,807,430	7,006,984	1,591,633	6,825,365
	2,412,496	\$ 9,297,910	2,730,989	\$ 11,735,759
Shares redeemed .....	(6,666,608)	(25,923,844)	(10,892,184)	(47,562,605)
Net Increase (Decrease) .....	(4,254,112)	\$ (16,625,934)	(8,161,195)	\$ (35,826,846)

### Note E—Purchases and Sales of Investments

The cost of purchases and the proceeds from sales and maturities of securities, other than short-term and government securities, aggregated \$73,889,845 and \$84,799,493 respectively, for the year ended September 30, 2020.

### Note F—Line of Credit

The Trust's line of credit, which does not require maintenance of compensating balances, is generally on a demand basis and is at a rate equal to the applicable margin (1.25%) plus the higher of (a) the Federal Funds Rate or (b) the one-month LIBOR Rate during the period in which such loan is outstanding. At September 30, 2020 the Trust had an unused line of credit amounting to \$40,000,000. The Trust pays a commitment fee of 0.20% on the unused portion of the line of credit when the loan balance is equal to or greater than \$24,000,000 and otherwise pays 0.25%. The line of credit may be terminated at the bank's option at its annual renewal date, on January 8, 2021. Portions of the Trust's portfolio are pledged to collateralize these short-term borrowings.

The following information relates to aggregate short-term borrowings during the year ended September 30, 2020:

Average amount outstanding (total of daily outstanding principal balances divided by the number of days with debt outstanding during the period)	\$ 4,187,292
Weighted average interest rate	2.08%

### Note G—Repurchase Agreement

The Trust invests its cash balances into repurchase agreements secured by U.S. Government obligations. Securities pledged as collateral for repurchase agreements are held by the Trust's custodian bank until maturity of the repurchase agreement. Provisions of the agreement ensure that the market value of the collateral is sufficient in the event of default. However, in the event of default or bankruptcy by the other party to the agreement, realization and/ or retention of the collateral may be subject to legal proceedings.

**Note H—Additional Tax Information**

The amount of distributions paid during the years ended September 30, 2020 and 2019 were \$10,630,057 and \$10,272,771, and were classified as ordinary income. Capital accounts within the financial statements are adjusted for permanent book-tax differences. These adjustments have no impact on net assets or the results of operations. Temporary book-tax differences will reverse in future periods.

As of September 30, 2020 the components of accumulated earnings (losses) on a tax basis were as follows:

Undistributed Net Investment Income .....	\$ 1,966,400
Total capital loss carryforward: .....	(196,498,011)
Net unrealized gains (losses) .....	<u>(118,843,095)</u>
Total net distributable earnings (losses) .....	<u>\$ (313,374,706)</u>

At September 30, 2020 the Trust's aggregate security unrealized gains and losses based on cost for U.S. federal income tax purposes was as follows:

Tax cost .....	\$ 282,434,465
Gross unrealized gains .....	6,314,736
Gross unrealized losses .....	<u>(125,157,831)</u>
Net unrealized gains / (losses) .....	<u>\$ 118,843,095</u>

The difference between book and tax basis cost of investments and net unrealized gains (losses) is primarily attributable to accretion and amortization differences.

**Note I—Fair Value Measurements**

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.

## Notes to Financial Statements (continued)

The following table summarized the Trust's investment as of September 30, 2020 based on the inputs used to value them:

	Level 1	Level 2	Level 3	Total as of 9/30/2020
Corporate Bonds, Loans & Notes . . . . .	\$ —	\$ 129,324,368	\$ 6,776,167	\$ 136,100,535
Common Stock . . . . .	2,997,947	2,542,054	9,344,518	14,884,519
Preferred Stock . . . . .	6,479,000	—	—	6,479,000
GDP Linked Security . . . . .	—	65,335	—	65,335
Asset Backed Security . . . . .	—	—	112,779	112,779
Warrants . . . . .	—	—	—	—
Repurchase Agreement . . . . .	—	5,949,202	—	5,949,202
	<u>\$ 9,476,947</u>	<u>\$ 137,880,959</u>	<u>\$ 16,233,464</u>	<u>\$ 163,591,370</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. For the year ended September 30, 2020, there were seven transfers from Level 2 to Level 3 due to an absence of observable inputs at the end of the period.

At September 30, 2020, the reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value, is as follows:

	Asset Backed Securities	Corporate Bonds, Loans & Notes	Common and PFD Stock	Totals as of 9/30/2020
Beginning Balance @ 9/30/19 . . . . .	\$ —	\$ 1,928,586	\$ 11,913,013	\$ 13,841,599
Purchases . . . . .	—	—	1,319,310	1,319,310
Sales . . . . .	—	—	—	—
Realized Gain(Loss) . . . . .	—	—	—	—
Net Change in Unrealized Appreciation/ (Depreciation) . . . . .	—	(1,777,056)	(4,956,511)	(6,733,567)
Transfers into Level 3 from Level 2 . . . . .	<u>112,779</u>	<u>6,624,637</u>	<u>1,068,706</u>	<u>7,806,122</u>
Ending Balance @ 09/30/2020 . . . . .	<u>\$ 112,779</u>	<u>\$ 6,776,167</u>	<u>\$ 9,344,518</u>	<u>\$ 16,233,464</u>

	Change in Unrealized Gain / (Loss) for Positions Still Held at September 30, 2020
Corporate Bonds, Loans & Notes . . . . .	\$ (1,777,056)
Common Stock . . . . .	<u>(4,956,511)</u>
Totals . . . . .	<u>\$ (6,733,567)</u>



## Notes to Financial Statements (continued)

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 September 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs</u>	<u>Range</u>	<u>Impact to Valuation from an Increase in Input<sup>(1)</sup></u>
<b><u>Asset Backed Security</u></b>					
Airline Lease		Discounted Cash Flow	Discount Rate	20%	Decrease
	\$ 112,779				
<b><u>Common Stock</u></b>					
Metals and Mining		Market Comparable <sup>(3)</sup>	Forward EBITDA Multiple	9x-15x	Increase
	276,294				
Metals and Mining		Market Comparable <sup>(3)</sup>	Forward EBITDA Multiple	10x-11.3x	Increase
	6,911,336				
	<u>\$ 7,376,359</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) A market approach using the underlying assets of the company.

(3) Earnings multiples are based on comparable companies and transactions of comparable companies.

The above table does not include 7 securities value at \$8,933,055 which were valued by inputs not derived by management such as third party vendor pricing series, broker quotes, acquisition analysis, and recovery analysis.

### Note J—Subsequent Events

Management has evaluated whether any other events or transactions occurred subsequent to September 30, 2020 and through the date of issuance of the Trust's financial statements and determined that there were no material events or transactions that would require recognition or disclosure in the Trust's financial statements.

### Note K—Other

In the normal course of business, the Trust enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. However, based on experience, the Trust expects the risk of loss to be minimal.

To the Shareholders and the Board of Trustees of Northeast Investors Trust

### **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Northeast Investors Trust (the Trust) as of September 30, 2020, the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the related notes to the financial statements (collectively, the financial statements), and the financial highlights for each of the five years in the period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Trust as of September 30, 2020, the results of its operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Trust's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Trust in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2020, by correspondence with the custodians and brokers or by other appropriate procedures, where replies were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ RSM US LLP

We have served as the auditor of one or more Northeast Investors Trust since 2016.

Boston, Massachusetts  
November 24, 2020

## Trustees & Officers

The Trustees of Northeast Investors Trust are Bruce H. Monrad, Peter J. Blampied, George P. Beal, and Charles R. Daugherty. Under Massachusetts Law, the Trustees are generally responsible for overseeing the operation and management of the Trust. The table below provides certain information about the Trust's Trustees and Officers. The mailing address for the Trustees and Officers of the Trust is 125 High Street, Suite 1802, Boston, MA 02110-2301.

The Trust's Statement of Additional Information (SAI) contains additional information about the Trustees. To request a free copy, call the Trust at 800-225-6704 or visit our website at [www.northeastinvestors.com](http://www.northeastinvestors.com).

<b>Name/Age/Service*</b>	<b>Position</b>	<b>Principal Occupation(s) / Other Directorships During the Past Five Years</b>
<b><i>Affiliated Trustees and Fund Officers</i></b>		
Bruce H. Monrad Age: 58 Years of Service: 27	Trustee and Chairman	Trustee and Chairman of Northeast Investors Trust
Gordon C Barrett Age: 63 Years of Service: 32	Executive Vice President and Chief Financial Officer	Chief Financial Officer of Northeast Investors Trust; President of Sippican Capital Advisors
David A. Randall Age: 53 Years of Service: 20	Chief Compliance Officer and Vice President of Operations	Officer of Northeast Investors Trust
<b><i>Independent Trustees</i></b>		
Peter J. Blampied Age: 78 Years of Service: 20	Trustee	Director of A.W. Perry, Inc.
George P. Beal Age: 67 Years of Service: 16	Trustee	Managing Partner, Boston Family Office, LLC; Director and Trustee of Breckenridge Capital Advisors
Charles R. Daugherty Age: 67 Years of Service: 16	Trustee	Managing Partner, Stanwich Advisors, LLC

\* The Trustees serve until their resignation or either the appointment or election of a successor, and the Officers serve at the pleasure of the Trustees.

## Trustees

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Peter J. Blampied  
Charles R. Daugherty

Bruce H. Monrad  
George P. Beal

## Officers

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Bruce H. Monrad, Chairman  
Gordon C. Barrett, Executive Vice President & Chief Financial Officer  
David A. Randall, Vice President of Operations & Chief Compliance Officer  
Chapin P. Mechem, Vice President  
Matthew D. Fratolillo, Vice President  
Joseph R. Morrison, Vice President  
Nancy A. Holler, Assistant Vice President

## Custodian

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State Street Bank & Trust Co.  
1 Iron Street  
Boston, Massachusetts 02110

## Legal Counsel

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Dechert LLP  
90 State House Square  
Hartford, CT 06103

## Transfer Agent

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Northeast Investors Trust  
125 High St.  
Boston, Massachusetts 02110

*This report is prepared for the information of the shareholders of Northeast Investors Trust and must not be given to others unless preceded or accompanied by a copy of the current Prospectus by which all offerings of the Trust shares are made. It should be noted in reading this report and the letter to shareholders that the record of past performance is not a representation as to the Trust's future performance, and that the Trust's investments are subject to market risks.*

*For a free copy of the Trust's proxy voting guidelines or information on how the Trust voted proxies during the most recent 12 month period ended on June 30 visit [www.northeastinvestors.com/media/proxyvotestrust.txt](http://www.northeastinvestors.com/media/proxyvotestrust.txt), call 1-800-225-6704 or visit the Securities and Exchange Commission (SEC)'s web site at [www.sec.gov](http://www.sec.gov).*

*Shares of the Trust are sold to investors at net asset value by*

**Northeast Investors Trust**  
125 High St.  
Boston, Massachusetts 02110  
(800) 225-6704

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