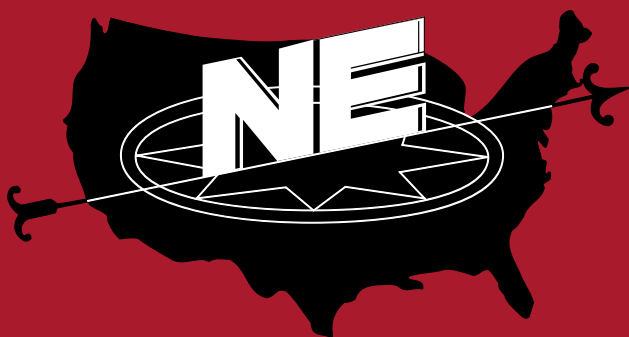


NORTHEAST INVESTORS TRUST

A NO LOAD FUND



Semi-Annual Report
For the Period Ending
March 31, 2023

Table of Contents

Letter to Shareholders	1
Historical Information	2
Summary of Net Assets	5
Schedule of Investments	6
Financial Statements	10
Financial Highlights	13
Notes to Financial Statements	14
Statement Regarding Liquidity Risk Management Program ..	22
Trustees & Officers	23

[THIS PAGE INTENTIONALLY LEFT BLANK]

Dear Fellow Shareholders:

Dear Fellow Shareholders,

During the first half of fiscal year 2023, Northeast Investors Trust (The “Trust”) posted a total return of 6.3% which compared with the total return of the ICE BAML US High Yield Index of 7.9%. While we never like to trail the index, we do note that we had weathered the impact of rising interest rates in fiscal 2022 extremely well on a relative basis, and our underperformance during this very recent falling interest rate period has been only a modest offset in comparison.

Absolute performance was helped by the bounce in markets which was in turn was triggered by lower interest rates. Relative performance was restrained by the relatively lower effective sensitivity of our portfolio to movements in interest rates. Credit problems remained historically low in both the market and our portfolio.

Looking forward, we find ourselves more optimistic than consensus on the trajectory of the economy, but more cautious about the likely trajectory of interest rates. In general, we note that economic conditions in the last year have been better than most would have expected given the war in Ukraine; the level of inflation; and the need of the Federal Reserve to raise interest rates from its historically low levels. We expect the economy to continue to exceed expectations in this way.

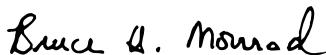
However, from our perch in the high yield market with the additional focus on bottom-up/company analysis, we also are concerned that inflation may prove stickier than is currently priced into markets. Specifically, we worry that commodity pricing in key energy markets may be poised to rise and that economic activity will generally benefit from a period of inventory destocking that has characterized recent months. If so, then the bond markets might be overly aggressive in pricing in interest rate cuts as soon as the second half of this calendar year.

Of course, a lot of this turns on policy-makers’ being able to navigate the regional bank crisis which flared up in March. While there is always the chance of a policy mistake, we believe that the banking system is fundamentally well-capitalized and therefore that solutions lay within the policy-makers’ abilities.

We are therefore relatively pleased with how the portfolio is currently positioned and continue to like shorter-duration bonds within the high yield universe. With the yield curve inverted — *i.e.*, shorter-term bonds yield more than longer-term bonds — we believe that the risk-reward profile is more attractive.

As always, we remain significant holders of the Trust and so there is a continued mutuality of interest in our effort to secure a high but prudently-targeted level of income.

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 Per Share
	Full Shares Outstanding	Net Asset Value Per Share	Total Net Assets	From Net Income	From Capital Gain	
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
2021	41,954,648	3.75	156,933,091	0.22	0.0000	3.78
2022	39,967,484	3.38	134,814,295	0.20	0.0000	3.62
2023 (a)	39,453,439	3.49	137,486,334	0.10	0.0000	3.45

(a) Six months ended March 31, 2023

Average Annual Total Return (unaudited)

One year ended March 31, 2023	1.19%
Five years ended March 31, 2023	0.12%
Ten years ended March 31, 2023	0.15%

SEC Yield (unaudited)*

Yield calculated as of March 31, 2023: 5.42%

* 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 9/30/2022</i>	<i>Ending Account Value 3/31/2023</i>	<i>Expenses Paid During Period 9/30/2022 - 3/31/2023*</i>
Actual Return 6.28%	2.40%	\$1,000.00	\$1,062.80	\$12.36
Hypothetical (5% return before expenses)	2.40%	\$1,000.00	\$1,012.98	\$12.03

* 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 (182), 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 on 3/31/2023, 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. 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)

3/31/2023 - 3/31/2024	6%
3/31/2024 - 3/31/2028	71%
3/31/2028 - 3/31/2033	23%
3/31/2033 - 3/31/2038	0%
Over 3/31/2038	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). Form N-PORT is primarily designed for use by the SEC. 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 its website at www.northeastinvestors.com and on the SEC's website at 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 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.

Summary of Net Assets
March 31, 2023 (unaudited)

	Value	% of Net Assets
Corporate Bonds & Notes		
Auto Manufacturers	\$ 1,961,806	1.43%
Building Products	8,659,660	6.30%
Coal	1,604,900	1.17%
Drug Stores	483,098	0.35%
Energy / Natural Resources	15,284,616	11.12%
Food Processing	6,599,688	4.80%
Homebuilders	10,068,749	7.32%
Industrial Servicing / Manufacturing	6,969,324	5.07%
Metals & Mining	4,515,498	3.28%
Oil & Gas Drilling	7,390,724	5.38%
Pipeline	4,862,680	3.54%
Real Estate	3,953,303	2.87%
Retail Food Chains	5,884,890	4.28%
Retail General	5,117,775	3.72%
Technology	9,310,760	6.77%
Tobacco	12,663,523	9.21%
Wireless Telecom	4,628,500	3.37%
Total Corporate Bonds & Notes	\$ 109,959,494	79.98%
Common Stock		
Chemicals	\$ 3,134,867	2.28%
Coal	0	0.00%
Electrical Utility	0	0.00%
Energy / Natural Resources	645,630	0.47%
Food Processing	3,480,004	2.53%
Metals & Mining	6,182,927	4.50%
Oil & Gas Drilling	1,545,278	1.12%
Packaging & Container	110,484	0.08%
Transportation	121,332	0.09%
Total Common Stock	\$ 15,220,522	11.07%
Total Preferred Stock	10,230,000	7.44%
Total GDP-Linked Bonds	276,468	0.20%
Repurchase Agreement	1,658,419	1.21%
Total Investments	\$ 137,344,903	99.90%
Receivables	1,951,143	1.42%
Total Assets	\$ 139,296,046	101.32%
Liabilities	(1,809,712)	-1.32%
Total Net Assets	\$ 137,486,334	100.00%

Schedule of Investments
March 31, 2023 (unaudited)

Corporate Bonds & Notes — 79.98%

<i>Name of Issuer</i>	<i>Principal</i>	<i>Value</i>
-----------------------	------------------	--------------

Auto Manufacturers — 1.43%

Ford Motor Credit Co. LLC, 3.37%, 11/17/23	\$ 2,000,000	\$ 1,961,806
--	--------------	--------------

Building Products — 6.30%

Builders Firstsource, Inc., 4.25%, 2/01/32 (c)	5,000,000	4,360,430
Louisiana Pacific Corp., 3.625%, 3/15/29 (c)	5,000,000	4,299,230
		8,659,660

Coal — 1.17%

Westmoreland Mining Holdings LLC, PIK 15%, 3/15/29 (d)	2,292,714	1,604,900
--	-----------	-----------

Drug Stores — 0.35%

Rite Aid Corp., 8%, 11/15/26 (c)	1,012,000	483,098
----------------------------------	-----------	---------

Energy/Natural Resources — 11.12%

Buckeye Partners LP, 4.35%, 10/15/24	5,000,000	4,892,575
CNX Resources, Inc., 7.25%, 3/14/27 (c)	919,000	914,581
Comstock Resources, Inc., 6.75%, 3/01/29 (c)	5,000,000	4,575,200
Range Resources Corp., 4.875%, 5/15/25	5,000,000	4,902,260
		15,284,616

Food Processing — 4.80%

B&G Foods, Inc., 5.25%, 4/01/25	1,750,000	1,629,688
Pilgrims Pride Corp., 5.875%, 9/30/27 (c)	5,000,000	4,970,000
		6,599,688

Homebuilders — 7.32%

KB Home, 7.25%, 7/15/30	5,000,000	5,071,185
Toll Brothers, Inc., 4.375%, 4/15/23	5,000,000	4,997,564
		10,068,749

Industrial Servicing / Manufacturing — 5.07%

Clean Harbors, Inc., 4.875%, 7/15/27 (c)	500,000	482,074
Fortress Transportation and Infrastructure Investors LLC, 9.75%, 8/01/27 (c)	5,500,000	5,802,995
Fortress Transportation and Infrastructure Investors LLC, 5.5%, 5/01/28 (c)	750,000	684,255
		6,969,324

Metals & Mining — 3.28%

Allegheny Technologies, Inc., 6.95%, 12/15/25	4,500,000	4,515,498
---	-----------	-----------

Oil & Gas Drilling — 5.38%

Parker Drilling Co., 13% (11% cash, 2% PIK), 9/26/25 (d)	2,685,688	2,631,974
Tidewater, Inc., 8.5%, 11/16/26	4,700,000	4,758,750
		7,390,724

Corporate Bonds & Notes — (continued)

<i>Name of Issuer</i>	<i>Principal</i>	<i>Value</i>
Pipeline — 3.54%		
NuStar Energy LP, 5.75%, 10/01/25	\$ 5,000,000	\$ 4,862,680
Real Estate — 2.87%		
Five Point Operating Co. LP, 7.875%, 11/15/25 (c)	4,395,000	3,953,303
Retail Food Chains — 4.28%		
Brinker International, Inc., 5%, 10/01/24 (c)	6,000,000	5,884,890
Retail General — 3.72%		
G-III Apparel Group LTD, 7.875%, 8/15/25 (c)	5,430,000	5,117,775
Technology — 6.77%		
Iron Mountain, Inc., 4.5%, 2/15/31 (c)	1,000,000	859,330
Iron Mountain, Inc., 5.625%, 7/15/32 (c)	4,000,000	3,654,160
Western Digital Corp., 4.75%, 2/15/26	5,000,000	<u>4,797,270</u>
		9,310,760
Tobacco — 9.21%		
Pyxus Holdings, Inc., 8.5%, 12/31/27 (c)	10,845,675	7,591,973
Vector Group LTD, 10.5%, 11/01/26 (c)	5,000,000	<u>5,071,550</u>
		12,663,523
Wireless Telecom — 3.37%		
Altice France SA, 8.125%, 2/01/27 (c)	5,000,000	4,628,500
Total Corporate Bonds & Notes — (cost—\$114,791,759)		<u>\$109,959,494</u>

GDP-Linked Bonds — 0.20%

<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	\$ 276,468
Total GDP-Linked Bonds — (cost—\$1,423,421)		<u>\$ 276,468</u>

Common Stock — 11.07%

<i>Name of issuer</i>	<i>Number of Shares</i>	<i>Value</i>
Chemicals — 2.28%		
Ingevity Corp. (e)	602	\$ 43,055
NL Industries, Inc.	510,200	<u>3,091,812</u>
		3,134,867
Coal — 0.00%		
Westmoreland Mining Holding, LLC, Class A Units (d) (e)	22,606	0

Electrical Utility — 0.00%

Homer City Holdings, LLC (d) (e)	221,338	0
--	---------	---

Common Stock — (continued)

<i>Name of issuer</i>	<i>Number of Shares</i>	<i>Value</i>
Energy / Natural Resources — 0.47%		
SilverBow Resources, Inc. (e)	5,058	\$ 115,575
Talos Energy, Inc. (e)	35,718	<u>530,055</u>
		645,630
Food Processing — 2.53%		
Viskase Cos., Inc. (e)	3,052,635	3,480,004
Metals & Mining — 4.50%		
American Gilsonite (b) (d) (e)	1,597,765	5,495,353
Metals Recovery Holdings, LLC (b) (d) (e)	21,539	687,537
Ormet Corp. (e)	372,638	<u>37</u>
		6,182,927
Oil & Gas Drilling — 1.12%		
Key Energy Services, Inc. (e)	129	97
Parker Drilling Co. (e)	140,471	<u>1,545,181</u>
		1,545,278
Packaging & Container — 0.08%		
Westrock Co.	3,626	110,484
Transportation — 0.09%		
Getlink SA (France)	7,349	<u>121,332</u>
Total Common Stock — (cost—\$45,379,148)		\$ 15,220,522
Preferred Stock — 7.44%		
<i>Name of issuer</i>	<i>Number of Shares</i>	<i>Value</i>
Pipeline — 7.44%		
Crestwood Equity Partners LP PFD, 9.25%, Perpetual	1,100,000	\$ 10,230,000
Total Preferred Stock — (cost—\$10,441,640)		\$ 10,230,000

Repurchase Agreement — 1.21%

<i>Name of Issuer</i>	<i>Principal</i>	<i>Value</i>
State Street Bank & Trust Co. 1.44% dated 3/31/2023, to be repurchased at \$1,658,618 on 4/03/2023 (f)		
Total Repurchase Agreement — (cost — \$1,658,419)	\$ 1,658,419	\$ <u>1,658,419</u>
Total Investments — 99.90% (cost—\$173,694,387)		\$ <u>137,344,903</u>
Net Other Assets and Liabilities — 0.10%		<u>141,431</u>
Net Assets — 100%		\$ <u>137,486,334</u>

- (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 March 31, 2023 was \$6,182,890 which represents 4.50% of total net assets.
- (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 \$63,333,344 which represents 46.07% 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 March 31, 2023 was \$10,419,764 which represents 7.58% of total net assets. Additional information on each holding is as follows:

<u>Security</u>	<u>Acquisition Date</u>	<u>Acquisition Cost</u>
American Gilsonite	1/2/17 - 8/26/21	\$ 9,640,360
Metals Recovery Holdings, LLC	9/30/2016 - 12/10/2019	\$ 3,294,709
Homer City Holdings, LLC	4/6/2017	\$ 588,216
Parker Drilling Co. 13% 9/26/25	3/27/2019	\$ 2,485,714
Westmoreland Mining Holdings LLC 15% 3/15/29	3/15/2019	\$ 2,445,129
Westmoreland Mining Holdings LLC Class A Units	3/15/2019	\$ 641,637

- (e) Non-income producing security.
- (f) Acquired on March 31, 2023. Collateralized by \$1,691,622 of US Treasury Bonds due 5/15/2042. The maturity value is \$1,658,618.

PIK Payment in Kind
 FRN Floating Rate Note - rates reflected are as of March 31, 2023
 PFD Preferred Security

Statement of Assets and Liabilities (unaudited)

March 31, 2023

Assets

Investments—at market value (cost \$172,035,968)	\$ 135,686,484
Repurchase Agreement - at market value (cost \$1,658,419)	1,658,419
Receivable for interest	1,951,018
Receivable for shares sold	125
Total Assets	\$ 139,296,046

Liabilities

Contingent liability (see Note-K)	\$ 794,500
Payable for trustee fees	869,956
Accrued expenses	133,628
Payable for shares repurchased	11,628
Total Liabilities	\$ 1,809,712

Net Assets \$ 137,486,334

Net Assets Consist of:

Capital, at a \$1.00 par value	\$ 39,453,439
Paid in surplus	421,068,625
Accumulated Net Investment Income	81,607
Accumulated Net Realized Gain / (Loss)	(286,767,853)
Net Unrealized Gain / (Loss)	(36,349,484)
Total distributable earnings / (loss)	(323,035,730)

Net Assets \$ 137,486,334

Net Asset Value, offering price and redemption price
per share (\$137,486,334/39,453,439 shares) \$3.49

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

Statement of Operations (unaudited)

Six Months Ended March 31, 2023

Investment Income

Interest	\$ 3,929,244
Dividends	537,842
Other Income	<u>61,175</u>
Total Income	\$ 4,528,261

Expenses

Administrative expenses and salaries	\$ 628,564
Trustee fees	337,768
Legal Fees	279,250
Computer and related expenses	109,650
Audit and related services	67,910
Commitment fees	37,917
Printing, postage and stationery fees	30,130
Custodian fees	30,030
Registration and filing fees	29,120
Insurance	19,110
Transfer Agent Fees	11,553
Telephone	5,460
Other expenses	<u>41,580</u>
Total Expenses	\$ 1,628,042

Net Investment Income \$ 2,900,219

Realized and Unrealized Gain (Loss) on Investments:

Net realized gain (loss) from investment transactions	\$ (3,605,225)
Change in unrealized appreciation (depreciation) of investments	<u>9,082,900</u>

Net Increase (Decrease) in Net Assets Resulting from Operations . . \$ 8,377,894

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

Statements of Changes in Net Assets

	<i>Six Months Ended March 31, 2023 (unaudited)</i>	<i>Year Ended September 30, 2022</i>
Increase (Decrease) in Net Assets		
From Operations:		
Net investment income	\$ 2,900,219	\$ 5,261,469
Net realized gain (loss) from investment transactions	(3,605,225)	(22,569,152)
Change in unrealized appreciation (depreciation) of investments	<u>9,082,900</u>	<u>10,475,090</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	\$ 8,377,894	\$ (6,832,593)
Distributions to Shareholders from Operations . .	(3,935,247)	(8,268,898)
From Net Trust Share Transactions - (See Note - D)	<u>(1,770,608)</u>	<u>(7,017,305)</u>
Total Increase (Decrease) in Net Assets	\$ 2,672,039	\$ (22,118,796)
Net Assets:		
Beginning of Period	<u>134,814,295</u>	<u>156,933,091</u>
End of Period	<u><u>\$ 137,486,334</u></u>	<u><u>\$ 134,814,295</u></u>

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

Financial Highlights

Per Share Data	Six Months	Year Ended September 30,				
	Ended March 31, 2023 (unaudited)	2022	2021	2020	2019	2018
Net Asset Value:						
Beginning of Period	\$ 3.38	\$ 3.75	\$ 3.72	\$ 4.14	\$ 4.53	\$ 4.82
Income From Investment Operations:						
Net investment income [^]	0.07	0.13	0.17	0.20	0.21	0.20
Net realized and unrealized gain (loss) on investment	0.14	-0.30	0.08	-0.39	-0.40	-0.23
Total from investment operations	0.21	-0.17	0.25	-0.19	-0.19	-0.03
Less Distributions:						
Net investment income	-0.10	-0.20	-0.22	-0.23	-0.20	-0.26
Net Asset Value:						
End of Period	\$ 3.49	\$ 3.38	\$ 3.75	\$ 3.72	\$ 4.14	\$ 4.53
Total Return #	6.28%	-4.77%	6.85%	-4.69%	-4.27%	-0.39%
Ratios & Supplemental Data						
Net assets end of period (in thousands)	\$ 137,486	\$ 134,814	\$ 156,933	\$ 165,376	\$ 201,346	\$ 257,207
Ratio of operating expenses to average net assets *	2.40% [@]	2.74% [~]	1.83%	1.71%	1.56%	1.48%
Ratio of interest expense and commitment fee to average net assets	0.06% [@]	0.06%	0.06%	0.08%	0.09%	0.15%
Ratio of net investment income to average net assets	4.27% [@]	3.54%	4.37%	5.14%	4.91%	4.35%
Portfolio turnover rate	22.18%	44.56%	75.20%	43.75%	45.13%	42.69%

* Includes Interest Expense and Commitment Fee when applicable

[^] Calculated using the Average Share Method

Total Return reflects the rate that an investor earned on an investment in the Trust during each period, assuming reinvestment of all distributions.

[~] Includes contingent liability expense of 0.54%. Expense ratio excluding contingent liability expense is 2.20%.

[@] Annualized

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 (Earnings Before Interest, Taxes, Depreciation and Amortization (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 March 31, 2023 was \$6,182,890 which represents 4.50% 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 year as of September 30, 2022 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.

State Income Taxes: Because the Trust is 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.

Expenses: All expenses, including legal fees paid on behalf of the Trustees, are accrued for in the period in which the professional and other services are incurred.

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, where applicable, 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.

Notes to Financial Statements (continued)

Credit Risk: Investments in high-yield securities can involve greater degrees of credit and possibly 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.

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

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 six months ended March 31, 2023 the current Independent Trustees were not paid from the Trustee fees.

The total number of shares owned beneficially by the Trustees, officers and members of their immediate families on March 31, 2023 was 2,855,000 shares (7.24%).

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

The Trust sponsors a 401(K) profit sharing plan which is available to employees deemed eligible participants as defined by the plan documents. Annual safe harbor contributions are made during the year and are included in the administrative expenses and salaries on the Statement of Operations. No changes to the plan were made during the period.

Note D—Shares of Beneficial Interest

At March 31, 2023, there were unlimited shares of beneficial interest authorized with a par value of \$1. Transactions in shares of beneficial interest were as follows:

	<i>Six Months Ended</i> <i>March 31, 2023</i>		<i>Year Ended</i> <i>September 30, 2022</i>	
Shares Sold	583,601	\$ 2,000,469	3,074,688	\$ 11,194,908
Shares issued to shareholders in reinvestment of distributions from net investment income	<u>768,814</u>	<u>2,644,740</u>	<u>1,521,443</u>	<u>5,489,477</u>
	<u>1,352,415</u>	<u>\$ 4,645,209</u>	<u>4,596,131</u>	<u>\$ 16,684,385</u>
Shares redeemed	<u>(1,866,460)</u>	<u>(6,415,817)</u>	<u>(6,583,295)</u>	<u>(23,701,690)</u>
Net Increase (Decrease)	<u>(514,045)</u>	<u>\$ (1,770,608)</u>	<u>(1,987,164)</u>	<u>\$ (7,017,305)</u>

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 \$27,637,875 and \$30,240,377 respectively, for the six months ended March 31, 2023.

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 daily Simple SOFR Rate during the period in which such loan is outstanding. At March 31, 2023 the Trust had an unused line of credit amounting to \$25,000,000. The Trust pays a commitment fee of 0.30% on the unused portion of the line of credit. The line of credit may be terminated at the bank's option at its annual renewal date, on March 19, 2024. Portions of the Trust's portfolio are pledged to collateralize these short-term borrowings.

The Trust did not utilize the line of credit during the six months ended March 31, 2023.

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 six months ended March 31, 2023 and year ended September 30, 2022 were \$3,935,247 and \$8,268,898, respectively, 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, 2022 the components of accumulated earnings (losses) on a tax basis were as follows:

Undistributed Net Investment Income	\$ 1,415,325
Total Capital Loss Carryforward	(279,972,303)
Timing Differences	(794,500)
Net Unrealized gains (losses) - net	<u>(48,126,899)</u>
Total distributable earnings (losses) - net	<u>\$ (327,478,377)</u>

At March 31, 2023 the Trust's aggregate security unrealized gains and losses based on cost for U.S. federal income tax purposes was as follows:

Tax cost	\$ 178,242,194
Gross unrealized gain	5,212,102
Gross unrealized loss	<u>(46,109,393)</u>
Net unrealized security gain (loss)	<u>\$ (40,897,291)</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.

The following table summarized the Trust's investment as of March 31, 2023 based on the inputs used to value them:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total as of</u> <u>3/31/2023</u>
Corporate Bonds & Notes	\$ —	\$ 109,959,494	\$ —	\$ 109,959,494
Common Stock	5,436,296	3,601,336	6,182,890	15,220,522
Preferred Stock	10,230,000	—	—	10,230,000
GDP Linked Bond	—	276,468	—	276,468
Repurchase Agreement	—	1,658,419	—	1,658,419
	<u>\$ 15,666,296</u>	<u>\$ 115,495,717</u>	<u>\$ 6,182,890</u>	<u>\$ 137,344,903</u>

Notes to Financial Statements (continued)

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 six months ended March 31, 2023, there were no transfers among levels.

At March 31, 2023, the reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value, is as follows:

	Common Stock Totals as of 3/31/2023
Beginning Balance @ 9/30/22	\$ 6,872,445
Purchases	—
Sales	(792,895)
Realized Gain(Loss)	(2,128,910)
Net Change in Unrealized Appreciation/(Depreciation)	2,232,250
Transfers into Level 3	—
Transfers out of Level 3	—
Ending Balance @ 3/31/2023	<u>\$ 6,182,890</u>
	Change in Unrealized Gain / (Loss) for Positions Still Held at March 31, 2023
Common Stock	<u>\$ 2,232,250</u>
Totals	<u>\$ 2,232,250</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.

Notes to Financial Statements (continued)

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 March 31, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs</u>	<u>Range</u>	<u>Increase to Valuation from an Increase in Input⁽¹⁾</u>
Common Stock					
Metals and Mining	\$ 5,495,353	Market Comparable ⁽²⁾	Forward EBITDA Multiple	7.8x - 10.9x	Increase
Metals and Mining	<u>687,537</u>	Market Transaction ⁽³⁾	N/A	N/A	N/A
		Market Comparable ⁽²⁾	Forward EBITDA Multiple	4.6x - 8.5x	Increase
	<u>\$ 6,182,890</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 companies and transactions of comparable companies.

⁽³⁾ Certain of the Trust's Level 3 investments have been valued using unadjusted inputs that have not been internally developed by the Trust including third-party transactions and quotations.

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.

Note J—Subsequent Events

Management has evaluated whether any other events or transactions occurred subsequent to March 31, 2023 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 other than disclosed in Note K below.

Note K—Contingent Liability

A lawsuit filed by former Trustee Robert B. Minturn ("Minturn") against the current Trustees and another former Trustee (together with the current Trustees, the "Defendant Trustees") sought the portion of the Trustee fees that Minturn alleged he was owed pursuant to a contractual agreement among the Trustees. The current Trustees believed they acted in accordance with the agreement and their fiduciary duties and in the best interests of the Trust and its shareholders in taking the steps that were the subject of the lawsuit. Those steps included reducing and then suspending the payments that Minturn was receiving from the Trustees' fees paid by the Trust. The Trust was, but is no longer, a defendant to Minturn's action. A partial summary judgment was granted by the court in favor of Minturn in the amount of \$794,500, and the Defendant Trustees appealed this judgment. In March 2023, the appeals court affirmed the judgment. After reviewing and consistent with an opinion provided by special

independent counsel, a majority of the Trustees adopted, by a majority vote, a resolution that, among other things: (i) indemnification by the Trust of each of the Independent Trustees for the Judgment is necessary and proper if the Trustees lose their appellate case against Minturn; and (ii) that each Independent Trustee shall be indemnified to pay the Judgment. In April 2023, the Trust paid \$483,014 to Minturn, which represented indemnification payments on behalf of the Independent Trustees from the accrued contingent liability. In view of the appellate ruling, the Trustees expect to consider the Trust's indemnification obligations in relation to the estate of Ernest Monrad for which it has accrued a contingent liability.

Note L—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.

Statement Regarding Liquidity Risk Management Program (Unaudited)

Northeast Investors Trust (the “Trust”) adopted and implemented a written Liquidity Risk Management Program (the “LRMP”) pursuant to Rule 22e-4 under the Investment Company Act of 1940 (the “Liquidity Rule”). The LRMP is designed to reasonably assess and manage the Trust’s liquidity risk with respect to its ability to fund redemptions without significant dilution of remaining investors’ interests. The Board of Trustees designated the Trust’s Chief Compliance Officer (“CCO”) as the LRMP’s administrator. In assessing liquidity, the CCO considers a variety of factors, including the Trust’s investment strategy, the liquidity of its portfolio investments, cash flow projections, cash holdings and line of credit availability. The LRMP requires the CCO to report to the Board of Trustees, at least annually, on the operations of the program and its effectiveness in managing the Trust’s liquidity risk pursuant to the Liquidity Rule.

At a meeting of the Audit Committee of the Board of Trustees held on May 16, 2022, the CCO provided a written report to the Committee on the LRMP’s operations and its effectiveness for the period of May 2021-April 2022. The CCO’s report concluded that the LRMP remains reasonably designed to assess and manage the Trust’s liquidity risk. There were no liquidity events that impacted the Trust’s ability to meet redemptions.

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.

Name/Age/Service*	Position	Principal Occupation(s) / Other Directorships During the Past Five Years
<i>Affiliated Trustees and Fund Officers</i>		
Bruce H. Monrad Age: 61 Years of Service: 30	Trustee and Chairman	Trustee and Chairman of Northeast Investors Trust
Gordon C Barrett Age: 66 Years of Service: 35	Executive Vice President and Chief Financial Officer	Chief Financial Officer of Northeast Investors Trust; President of Sippican Capital Advisors
Chapin Mechem Age: 50 Years of Service: 21	Vice President and Co-Portfolio Manager	Officer of Northeast Investors Trust
David A. Randall Age: 56 Years of Service: 23	Chief Compliance Officer and Vice President of Operations	Officer of Northeast Investors Trust
<i>Independent Trustees</i>		
Peter J. Blampied Age: 80 Years of Service: 22	Trustee	Director of A.W. Perry, Inc.
George P. Beal Age: 69 Years of Service: 18	Trustee	Managing Partner, Boston Family Office, LLC; Director and Trustee of Breckinridge Capital Advisors
Charles R. Daugherty Age: 69 Years of Service: 18	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

Peter J. Blampied
Charles R. Daugherty

Bruce H. Monrad
George P. Beal

Officers

Bruce H. Monrad, Chairman
Gordon C. Barrett, Executive Vice President, Chief Financial Officer & Clerk
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

Custodian

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

Legal Counsel

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, MA 02111

Transfer Agent

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/downloads/, call 1-800-225-6704 or visit the Securities and Exchange Commission (SEC)'s web site at 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