

NORTHEAST INVESTORS TRUST

A NO LOAD FUND



Financial Statements

For the Year Ending

September 30, 2025

**Financial Statements
Table of Contents**

Schedule of Investments	1
Financial Statements	5
Financial Highlights	8
Notes to Financial Statements	9
Report of Independent Registered Public Accounting Firm ..	18

[THIS PAGE INTENTIONALLY LEFT BLANK]

Schedule of Investments(a)
September 30, 2025

Corporate Bonds & Notes — 79.90%

<i>Name of Issuer</i>	<i>Principal</i>	<i>Value</i>
Aerospace / Defense — 7.74%		
Moog, Inc., 4.25%, 12/15/27 ^(c)	\$ 5,000,000	\$ 4,923,525
Spirit Aerosystems, Inc., 9.375%, 11/30/2029 ^(c)	5,000,000	<u>5,265,160</u>
		10,188,685
Airlines — 0.76%		
Delta Air Lines, Inc., 4.5%, 10/20/25 ^(c)	1,000,000	999,753
Building Products — 7.21%		
Builders Firstsource, Inc., 4.25%, 2/01/32 ^(c)	5,000,000	4,701,925
Louisiana Pacific Corp., 3.625%, 3/15/29 ^(c)	5,000,000	<u>4,787,500</u>
		9,489,425
Chemicals — 3.43%		
Chemours Co., 4.625%, 11/15/29 ^(c)	5,000,000	4,517,360
Coal — 0.20%		
Westmoreland Mining Holdings LLC, 8%, 11/4/30 ^(d)	678,590	264,650
Drug Stores — 0.00%		
Rite Aid Corp., PIK FRN (TSFR3M + 700), 8/30/31 ^{(b) (c) (g)} ...	56,272	0
Rite Aid Corp., PIK 15%, 8/30/31 ^{(b) (g)}	167,515	0
Rite Aid Corp., PIK 15%, 8/30/31 ^{(b) (g)}	121,937	<u>0</u>
		0
Energy/Natural Resources — 3.79%		
Comstock Resources, Inc., 6.75%, 3/01/29 ^(c)	5,000,000	4,992,555
Food & Beverage — 7.39%		
Darling Ingredients, Inc., 5.25%, 4/15/27 ^(c)	4,750,000	4,738,272
Performance Food Group, Inc., 5.5%, 10/15/27 ^(c)	5,000,000	<u>4,987,380</u>
		9,725,652
Homebuilders — 3.92%		
KB Home, 7.25%, 7/15/30	5,000,000	5,153,665
Industrial Servicing / Manufacturing — 4.82%		
Clean Harbors, Inc., 4.875%, 7/15/27 ^(c)	500,000	499,576
Fortress Transportation and Infrastructure Investors LLC, 5.5%, 5/01/28 ^(c)	750,000	750,428
XPO, Inc., 6.25%, 6/01/28 ^(c)	5,000,000	<u>5,094,915</u>
		6,344,919
Metals & Mining — 3.42%		
Allegheny Technologies, Inc., 6.95%, 12/15/25	4,500,000	4,499,640

Corporate Bonds & Notes — (continued)

<i>Name of Issuer</i>	<i>Principal</i>	<i>Value</i>
Office Electronics - 3.79%		
Pitney Bowes, Inc., 6.875%, 3/15/27 ^(c)	\$ 5,000,000	\$ 4,993,770
Paper Product — 2.26%		
Graphic Packaging International, 4.75%, 7/15/27 ^(c)	3,000,000	2,977,194
Retail Food Chains — 0.91%		
Brinker International, Inc., 8.25%, 7/15/30 ^(c)	1,130,000	1,195,334
Retail General — 3.76%		
Under Armour, Inc., 3.25%, 6/15/26	5,000,000	4,941,740
Technology — 12.17%		
Fair Isaac Corp., 5.25%, 5/15/26 ^(c)	5,000,000	4,999,590
Iron Mountain, Inc., 4.5%, 2/15/31 ^(c)	1,000,000	954,526
Iron Mountain, Inc., 5.625%, 7/15/32 ^(c)	4,000,000	3,978,524
SS&C Technologies, Inc., 5.5%, 9/30/2027 ^(c)	5,000,000	4,993,915
Western Digital Corp., 4.75%, 2/15/26	1,087,000	1,086,414
		16,012,969
Tobacco — 7.43%		
Pyxus Holdings, Inc., 8.5%, 12/31/27 ^(c)	10,845,675	9,784,144
Wireless Telecom — 3.62%		
Altice France SA, 8.125%, 2/01/27 ^(c)	5,000,000	4,758,575
Wirelines — 3.28%		
Uniti Group LP, 10.5%, 2/15/28 ^(c)	4,099,000	4,317,067
Total Corporate Bonds & Notes — (cost —\$103,991,484) ..		<u>\$ 105,157,097</u>
GDP-Linked Bonds — 0.71%		
<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	\$ 930,157
Total GDP-Linked Bonds — (cost—\$1,423,421)		<u>\$ 930,157</u>

Common Stock — 18.08%

<i>Name of issuer</i>	<i>Number of Shares</i>	<i>Value</i>
Chemicals - 2.41%		
Ingevity Corp. ^(e)	602	\$ 33,224
NL Industries, Inc.	510,200	3,137,730
		<u>3,170,954</u>
Coal — 0.04%		
Westmet Group Holdings ^(d) ^(e)	22,614	45,228
Westmoreland Mining Holdings LLC, Class A Units ^(d) ^(e)	22,417	11,208
		<u>56,436</u>
Drug Stores — 0.00%		
Rite Aid Litigation Trust Interests ^(b) ^(d) ^(e)	53,022	0
Rite Aid Equity Interests ^(b) ^(d) ^(e)	778	0
Rite Aid Real Estate Cash Escrow ^(e)	856,000	0
Rite Aid Real Estate Cash Escrow ^(e)	155,702	0
		<u>0</u>
Electrical Utility — 8.41%		
Homer City Holdings, LLC ^(b) ^(d) ^(e)	221,338	11,066,900
Energy / Natural Resources — 0.26%		
Talos Energy, Inc. ^(e)	35,718	342,536
Food Processing — 3.48%		
Viskase Cos., Inc. ^(e)	3,052,635	4,578,953
Metals & Mining — 1.95%		
American Gilsonite ^(b) ^(d) ^(e)	1,597,765	2,561,217
Metals Recovery Holdings, LLC ^(b) ^(d) ^(e)	21,539	0
		<u>2,561,217</u>
Oil & Gas Drilling — 1.31%		
Key Energy Services, Inc. ^(e)	129	137
Nabors Industries LTD. ^(e)	42,311	1,729,251
		<u>1,729,388</u>
Packaging & Container — 0.12%		
Smurfit WestRock PLC	3,626	154,359
Transportation — 0.10%		
Getlink SA (France)	7,349	135,295
Total Common Stock — (cost—\$39,304,439)		<u>\$ 23,796,038</u>

Repurchase Agreement — 0.30%

<i>Name of Issuer</i>	<i>Principal</i>	<i>Value</i>
State Street Bank & Trust Co. 1.26% dated 9/30/25, to be repurchased at \$397,355 on 10/01/2025 ^(f)		
Total Repurchase Agreement — (cost — \$397,341)	\$ 397,341	\$ 397,341
Total Investments — 98.99% (cost—\$145,116,685)		\$ 130,280,633
Net Other Assets and Liabilities — 1.01%		1,331,849
Net Assets - 100%		\$ 131,612,482

- (a) Portions of the portfolio may be pledged to collateralize short term borrowings when utilized.
- (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, 2025 was \$13,628,117 which represents 10.35% 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 \$89,210,988 which represents 67.78% of total net assets. These securities are generally deemed liquid.
- (d) All or a portion of 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, 2025 was \$13,949,203 which represents 10.60% 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	\$ 1,999,343
Homer City Holdings, LLC	4/6/2017	\$ 588,216
Rite Aid Litigation Trust Interests	8/30/2024	\$ 26,511
Rite Aid Equity Interests	8/30/2024	\$ 155,600
Westmoreland Mining Holdings LLC, 8% 11/4/30	5/4/2023	\$ 611,587
Westmoreland Mining Holdings LLC, Class A Units	3/15/2019 - 5/4/2023	\$ 861,283
Westmet Group Holdings	5/4/2023	\$ 135,685

- (e) Non-income producing security.
- (f) Acquired on September 30, 2025. Collateralized by \$405,288 of US Treasury Notes due 7/15/34. The maturity value is \$397,355.
- (g) Non-income producing security due to default or bankruptcy filing.

PIK Payment in Kind

FRN Floating Rate Note - rates reflected are as of September 30, 2025

Statement of Assets and Liabilities

September 30, 2025

Assets

Investments—at market value (cost \$144,719,344)	\$ 129,883,292
Repurchase agreement - at market value (cost \$397,341)	397,341
Receivable for interest	1,772,825
Misc. Receivable (see Note-N).	112,792
Receivable for shares sold	86
Total Assets	\$ 132,166,336

Liabilities

Accrued expenses	172,569
Payable for trustee fees	164,791
Contingent Liability (see Note-K)	161,005
Payable for shares repurchased	55,489
Total Liabilities	\$ 553,854
Net Assets	\$ 131,612,482

Net Assets Consist of:

Capital, at a \$1.00 par value	\$ 33,985,171
Paid in surplus	406,752,402
Total Distributable Earnings / (Loss)	(309,125,091)
Net Assets	\$ 131,612,482
Net Asset Value , offering price and redemption price per share (\$131,612,482/33,985,171 shares)	<u>\$3.88</u>

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

Statement of Operations

Year Ended September 30, 2025

Investment Income

Interest	\$ 7,950,825
Dividends	295,588
Other Income	<u>29,194</u>
Total Income	\$ <u>8,275,607</u>

Expenses

Administrative expenses and salaries	\$ 1,087,383
Trustee fees	641,536
Computer and software related expenses	258,400
Audit and related services	80,300
Commitment fees	60,785
Custodian fees	60,225
Registration and filing fees	58,400
Legal fees	49,200
Printing, postage and stationery fees	41,900
Insurance	36,500
Sub-Transfer Agent fees	31,550
Telephone	12,950
Interest fees	887
Other expenses	<u>83,300</u>
Total Expenses	\$ <u>2,503,316</u>

Net Investment Income **\$ 5,772,291**

Realized and Unrealized Gain (Loss) on Investments:

Net realized gain (loss) from investment transactions	\$ (71,838)
Change in unrealized appreciation (depreciation) of investments	<u>8,007,341</u>

Net Increase (Decrease) in Net Assets Resulting from Operations . . **\$ 13,707,794**

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

Statements of Changes in Net Assets

	<i>Year Ended</i> <i>September 30, 2025</i>	<i>Year Ended</i> <i>September 30, 2024</i>
Increase (Decrease) in Net Assets		
From Operations:		
Net investment income	\$ 5,772,291	\$ 7,024,277
Net realized gain (loss) from investment transactions	(71,838)	(2,745,809)
Change in unrealized appreciation (depreciation) of investments	<u>8,007,341</u>	<u>8,307,592</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	\$ 13,707,794	\$ 12,586,060
Distributions to Shareholders from Operations ..	(6,497,690)	(6,636,183)
From Net Trust Share		
Transactions - (See Note-D)	(7,343,945)	(9,569,344)
Total Increase (Decrease) in Net Assets	\$ (133,841)	\$ (3,619,467)
Net Assets:		
Beginning of Period	<u>131,746,323</u>	<u>135,365,790</u>
End of Period	<u>\$ 131,612,482</u>	<u>\$ 131,746,323</u>

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

Financial Highlights

Per Share Data	2025	Year Ended September 30,			2021
		2024	2023	2022	
Net Asset Value:					
Beginning of Period	\$ 3.67	\$ 3.51	\$ 3.38	\$ 3.75	\$ 3.72
Income From Investment Operations:					
Net investment income [^]	0.16	0.19	0.16	0.13	0.17
Net realized and unrealized gain (loss) on investment	0.24	0.15	0.16	-0.30	0.08
Total from investment operations	0.40	0.34	0.32	-0.17	0.25
Less Distributions:					
Net investment income	-0.19	-0.18	-0.19	-0.20	-0.22
Net Asset Value:					
End of Period	\$ 3.88	\$ 3.67	\$ 3.51	\$ 3.38	\$ 3.75
Total Return #	11.13%	9.91%	9.69%	-4.77%	6.85%
Ratios & Supplemental Data					
Net assets end of period (in thousands)	\$ 131,612	\$ 131,746	\$135,366	\$ 134,814	\$156,933
Ratio of operating expenses to average net assets *	1.94%	2.14%	2.26%	2.74%	1.83%
Ratio of interest expense and commitment fee to average net assets	0.05%	0.06%	0.06%	0.06%	0.06%
Ratio of net investment income to average net assets	4.46%	5.27%	4.60%	3.54%	4.37%
Portfolio turnover rate	40.96%	27.83%	26.41%	44.56%	75.20%

* 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.

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. Repurchase agreements are valued at contract value.

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 reviewed 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 Valuation Designee 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 by the Trust’s Board of Trustees on a quarterly basis as part of their oversight responsibilities. 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, 2025 was \$13,628,117 which represents 10.35% 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, 2025 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 may also carry additional risk of default as they are generally issued by companies that do not have the 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 and excluding any borrowing from the bank) 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, 2025 the total Trustee fee was \$641,536 from which the Independent Trustees were aggregately paid \$40,000.

The total number of shares owned beneficially by the Trustees, officers and members of their immediate families on September 30, 2025 was 2,715,092 shares (7.99%).

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.

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 September 30, 2025, there were unlimited shares of beneficial interest authorized with a par value of \$1. Transactions in shares of beneficial interest were as follows:

	Year Ended September 30, 2025		Year Ended September 30, 2024	
Shares Sold	861,393	\$ 3,248,927	380,042	\$ 1,368,052
Shares issued to shareholders in reinvestment of distributions from net investment income	<u>1,243,282</u>	<u>4,577,868</u>	<u>1,293,926</u>	<u>4,633,020</u>
	<u>2,104,675</u>	<u>\$ 7,826,795</u>	<u>1,673,968</u>	<u>\$ 6,001,072</u>
Shares redeemed	<u>(4,106,075)</u>	<u>(15,170,740)</u>	<u>(4,328,184)</u>	<u>(15,570,416)</u>
Net Increase (Decrease)	<u>(2,001,400)</u>	<u>\$ (7,343,945)</u>	<u>(2,654,216)</u>	<u>\$ (9,569,344)</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 \$49,460,763 and \$58,764,745 respectively, for the year ended September 30, 2025.

Notes to Financial Statements (continued)

Note F—Line of Credit

State Street Bank and Trust Company has made available to the Trust a line of credit pursuant to a loan agreement for temporary or extraordinary purposes. 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 September 30, 2025, the Trust had an unused line of credit amounting to \$20,000,000. 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 17, 2026. Portions of the Trust's portfolio are pledged to collateralize these short-term borrowings.

The line of credit details for the year ended September 30, 2025 were as follows:

Maximum available credit	\$ 20,000,000
Largest amount outstanding on an individual day	\$ 3,300,000
Average balance when in use	\$ 2,950,000
Credit facility outstanding	\$ 0
Average interest rate when in use	5.41%

For the year ended September 30, 2025 the total interest expense was \$887.

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, 2025 and 2024 were \$6,497,690 and \$6,636,183, 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, 2025, the components of accumulated earnings (losses) on a tax basis were as follows:

Undistributed Net Investment Income	\$ 1,784,875
Total Capital Loss Carryforward	(290,691,204)
Timing Differences	(152,586)
Net Unrealized gains (losses) - net	<u>(20,066,176)</u>
Total distributable earnings (losses) - net	<u>\$ (309,125,091)</u>

As of September 30, 2025, the Trust had short term capital loss carryforward of \$2,834,923 and long term capital loss carryforward of \$287,856,281, both of which do not expire.

Notes to Financial Statements (continued)

Timing differences are related to certain expense accruals.

At September 30, 2025 the Trust's aggregate security unrealized gains and losses based on cost for U.S. federal income tax purposes was as follows:

Tax cost	\$ 150,346,809
Gross unrealized gain	7,556,300
Gross unrealized loss	<u>(27,622,476)</u>
Net unrealized security gain (loss)	<u>\$ (20,066,176)</u>

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

Reclassification of Capital Accounts: U.S. GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended September 30, 2025, the following adjustments were made:

Distributable (Accumulated) Earnings (Losses)	Paid-in Capital
\$ 3,120	\$ (3,120)

These differences were primarily due to expenses.

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, 2025 based on the inputs used to value them:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total as of 9/30/2025</u>
Corporate Bonds & Notes	\$ —	\$ 105,157,097	\$ 0	\$ 105,157,097
Common Stock	5,397,237	4,714,248	13,684,553	23,796,038
GDP Linked Bonds	—	930,157	—	930,157
Repurchase Agreement	—	397,341	—	397,341
	<u>\$ 5,397,237</u>	<u>\$ 111,198,843</u>	<u>\$ 13,684,553</u>	<u>\$ 130,280,633</u>

Transfers between hierarchy levels may occur due to market fluctuation, changes in valuation techniques and/or changes in the availability of market data used in the determination of an investment's valuation. The Trust recognizes transfers between the levels at the end of each period. For the period ended September 30, 2025 there were no transfers among levels.

At September 30, 2025, the reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value, is as follows:

	<u>Corporate Bonds & Notes</u>	<u>Common Stock</u>	<u>Total as of 9/30/2025</u>
Beginning Balance @ 9/30/2024	\$ 227,238	\$ 5,907,539	\$ 6,134,777
Purchases / PIK Interest	23,902	—	23,902
Sales	(39,444)	—	(39,444)
Realized Gain(Loss)	—	—	—
Net Change in Unrealized			
Appreciation/(Depreciation)	(211,696)	7,777,014	7,565,318
Transfers into Level 3 from Level 2	—	—	—
Transfers out of Level 3 from Level 2	\$ —	\$ —	\$ —
Ending Balance @ 9/30/2025	<u>\$ —</u>	<u>\$ 13,684,553</u>	<u>\$ 13,684,553</u>
			Change in Unrealized Gain / (Loss) for Positions Still Held at September 30, 2025
Corporate Bonds & Notes			\$ (211,696)
Common Stock			<u>7,777,014</u>
Total			<u>7,565,318</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 September 30, 2025:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Technique</u>	<u>Inputs</u>	<u>Range</u>	<u>Increase in Input ⁽¹⁾</u>
Corporate Bonds & Notes					
Drug Stores	\$ 0	Market Approach ⁽⁴⁾	Recovery Rate	N/A	Increase
Drug Stores	0	Market Approach ⁽⁴⁾	Recovery Rate	N/A	Increase
Drug Stores	0	Market Approach ⁽⁴⁾	Recovery Rate	N/A	Increase
Common Stock					
Coal	\$ 45,228	Third Party Vendor ⁽²⁾	Broker Quote	\$2.00 - \$2.75	Increase
Coal	11,208	Third Party Vendor ⁽²⁾	Broker Quote	\$0.50 - \$1.00	Increase
Drug Stores	0	Market Approach ⁽⁴⁾	Recovery Rate	N/A	Increase
Drug Stores	0	Market Approach ⁽⁴⁾	Recovery Rate	N/A	Increase
Electrical Utility	11,066,900	Market Transaction ⁽²⁾	Recent Transaction	\$50	Increase
Metals and Mining	2,561,217	Market Comparable ⁽³⁾	Forward EBITDA Multiple	6.7x - 10.6x	Increase
Metals and Mining	<u>0</u>	Market Approach ⁽⁴⁾	Recovery Rate	N/A	Increase
	<u>\$ 13,684,553</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⁾ 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.

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

⁽⁴⁾ A market approach using the value of the underlying assets of a company.

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 September 30, 2025 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—Contingent Liability

A lawsuit filed by former Trustee Robert B. Minturn ("Minturn") against the then serving Trustees (the "Defendant Trustees") sought a portion of past Trustee fees. The court dismissed Minturn's action against the Trust. A partial summary judgment against the Defendant Trustees was granted by the court and upheld on appeal in favor of Minturn. Consistent with an opinion provided by special independent counsel, the Trustees expect to consider the Trust's indemnification obligations in relation to the estate of Ernest Monrad, a Defendant Trustee, which represents an accrued contingent liability of \$161,005.

Note L—Indemnification

Under the Trust's Declaration of Trust, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust.

In addition, in the normal course of business, the Trust enters into contracts that provide general indemnifications to other parties. The Trust's maximum exposure under these contractual 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 from these third party service contracts with indemnification clauses to be minimal.

Note M—Segment Reporting

The Trust adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures ("ASU 2023-07") which impacted financial statement disclosures only and did not affect the Trust's financial position or the results of its operations. An operating segment is defined in Topic 280 as a component of a public entity that engages in business activities from which it may recognize revenues and incur expenses, has operating results that are regularly reviewed by the public entity's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and has discrete financial information available. The CODMs, responsible for oversight, are the Trust's Chairman and Chief Financial Officer. The Trust operates as a single operating segment and its income, expenses, assets, changes in net assets resulting from operations and performance are regularly monitored and assessed by the CODMs using the information presented in the financial statements and financial highlights.

NOTE N – Employee Retention Credit (“ERC”)

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) signed into law on March 27, 2020 and the subsequent extension of the CARES Act, the Trust believes that it is eligible for a refundable employee retention credit. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the U.S. Government, which extend and slightly expand the qualified wage caps on these credits through December 31, 2021. Based on these additional provisions, the tax credit is now equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to \$10,000 of qualified wages per quarter. During the fiscal year ended September 30, 2025, the company recorded \$169,960 related to the CARES Employee Retention Credit (“ERC”), of which \$146,993 was reflected as a reduction of Salary Expenses and \$22,967 was reflected as Other Income on the Statement of Operations. The Trust recorded a receivable of \$112,792 on the Statement of Assets and Liabilities, which was subsequently collected on November 6, 2025.

**To the Shareholders and the Board of Trustees of Northeast Investors Trust
Boston, Massachusetts**

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Northeast Investors Trust, including the schedule of investments, as of September 30, 2025, the related statement 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 financial highlights for each of the three years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of Northeast Investors Trust as of September 30, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The financial highlights for each of the 2 years in the period ended September 30, 2022 have been audited by other auditors, whose report dated November 29, 2022 expressed an unqualified opinion on such financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audit. 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 Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the Fund’s auditor since 2023.

We conducted our audit 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 Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit 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 Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit 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 audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of September 30, 2025 by correspondence with the custodian, transfer agent and private companies. We believe that our audit provides a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

**Philadelphia, Pennsylvania
November 26, 2025**

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

Trustees

Bruce H. Monrad
Geoffrey Wyatt

Richard Reubenstone

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

Independent Registered Public Accounting Firm

Tait, Weller & Baker LLP
2 Liberty Place
50 South 16th Street – Suite 2900
Philadelphia, PA 19102

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

The share price for Northeast Investors Trust is made available at www.northeastinvestors.com or by calling 800-225-6704.
