

AMGEN INC
Form 11-K
June 27, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 11-K

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2007

OR

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

Commission file number 000-12477

AMGEN RETIREMENT AND SAVINGS PLAN

(Full title of the plan)

AMGEN INC.

(Name of issuer of the securities held)

One Amgen Center Drive,
Thousand Oaks, California
(Address of principal executive offices)

91320-1799
(Zip Code)

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Amgen Retirement and Savings Plan

Financial Statements

and Supplemental Schedule

Years ended December 31, 2007 and 2006

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Report of Independent Registered Public Accounting Firm

Amgen Inc., as Named Fiduciary, and the Plan Participants

of the Amgen Retirement and Savings Plan

We have audited the accompanying Statements of Net Assets Available for Benefits of the Amgen Retirement and Savings Plan (the Plan) as of December 31, 2007 and 2006, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2007 and 2006, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental Schedule of Assets (Held at End of Year) as of December 31, 2007, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ ERNST & YOUNG LLP

Los Angeles, California

June 25, 2008

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Amgen Retirement and Savings Plan

Statements of Net Assets Available for Benefits

| | December 31, | |
|--|-------------------------|------------------|
| | 2007 | 2006 |
| Assets | | |
| Investments at fair value | \$ 2,066,663,116 | \$ 1,864,532,431 |
| Net assets available for benefits | \$ 2,066,663,116 | \$ 1,864,532,431 |

See accompanying notes.

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Amgen Retirement and Savings Plan

Statements of Changes in Net Assets Available for Benefits

| | Year ended December 31, | |
|---|-------------------------|------------------|
| | 2007 | 2006 |
| Additions to net assets: | | |
| Employer contributions | \$ 166,189,478 | \$ 143,016,851 |
| Participant contributions | 141,989,817 | 123,243,323 |
| Rollover contributions | 11,886,315 | 28,184,523 |
| Net realized/unrealized gains | 83,701,146 | 127,496,783 |
| Interest and dividend income | 11,672,697 | 5,375,913 |
| Transfer from Retirement and Savings Plan of Amgen Fremont Inc. | | 14,056,866 |
| Total additions | 415,439,453 | 441,374,259 |
| Deductions from net assets: | | |
| Benefits paid | 213,308,768 | 91,470,256 |
| Total deductions | 213,308,768 | 91,470,256 |
| Net increase | 202,130,685 | 349,904,003 |
| Net assets available for benefits at beginning of year | 1,864,532,431 | 1,514,628,428 |
| Net assets available for benefits at end of year | \$ 2,066,663,116 | \$ 1,864,532,431 |

See accompanying notes.

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Amgen Retirement and Savings Plan

Notes to Financial Statements

December 31, 2007

1. Description of the Plan

The following description of the Amgen Retirement and Savings Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established effective April 1, 1985, restated effective January 1, 2007 and subsequently amended October 16, 2007, as a defined contribution plan covering substantially all domestic employees of Amgen Inc. (the Company or Amgen) and participating subsidiaries. The Plan, as amended, is intended to qualify under sections 401(a) and 401(k) of the Internal Revenue Code of 1986 (the Code) and section 407(d)(3)(A) of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Effective January 1, 2007, participants may elect to contribute up to 30% of their eligible compensation in pre-tax elective contributions and/or after-tax Roth elective contributions, which are subject to certain limitations (as defined in the Plan). Prior to January 1, 2007, participants could only contribute pre-tax elective contributions. A participant's combined pre-tax elective contributions and after-tax Roth elective contributions could not exceed a maximum contribution of \$15,500 and \$15,000 during 2007 and 2006, respectively. Unless an employee has voluntarily enrolled in the Plan or has declined to participate in the Plan within the first 30 days of employment, all newly eligible participants are automatically enrolled in the Plan and contributions equal to 5% of their eligible compensation are withheld and contributed to the Plan as pre-tax elective contributions. Participants may elect to adjust, cease or resume their contributions at any time.

Participants may also contribute amounts representing certain distributions from other defined benefit or defined contribution plans qualified in the United States or certain individual retirement accounts (IRAs), referred to as rollover contributions (as defined in the Plan). Participants who are at least age 50 before the close of the Plan year can also make certain additional contributions, referred to as catch-up contributions, subject to Internal Revenue Service (IRS) and Plan limits (\$5,000 per Plan year in 2007 and 2006).

Each pay period, the Company makes a non-elective contribution for all eligible participants, whether or not they have elected to make contributions to the Plan, equal to 5% of each participant's eligible compensation (Core Contribution). In addition, the Company makes a contribution of 100% up to 5% of eligible compensation contributed by the participant (Matching Contribution).

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Amgen Retirement and Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Contributions (continued)

Also, the Company can, in its discretion, make a special non-elective contribution on behalf of each participant who is in their initial year of employment with the Company and who could not make the maximum participant contribution permitted under the Plan because in the same Plan year they previously made pre-tax salary deferrals under a prior unrelated employer's qualified plan.

Participants select the fund or funds in which their contributions, including Core Contributions and Matching Contributions (collectively Company Contributions), are to be invested, electing among various alternatives, including up to 50% of their contributions in Amgen Inc. common stock (Amgen stock). Participants may transfer amounts among the investment options at any time, subject to certain limitations of the U.S. Securities and Exchange Commission and certain fund limitations. Notwithstanding the foregoing, if 50% of the value of a participant's Plan account is invested in Amgen stock, no intrafund exchanges may be made into that fund.

Contributions from participants who had never made an investment election are defaulted into the appropriate Fidelity Freedom Fund for each participant. The determination of the appropriate Fidelity Freedom Fund is based on a participant's date of birth and estimated year of retirement. At any time following this default fund election, participants may elect to alter their investments among the various alternatives.

Vesting

Participants are immediately vested with respect to their individual contributions, Company Contributions, and earnings and losses (hereafter referred to as earnings) thereon.

Participant Accounts

Each participant's account is credited with the participant's contributions and an allocation of (a) Company Contributions and (b) Plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

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Amgen Retirement and Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Payments of Benefits

Upon termination of employment, including termination due to disability (as defined in the Plan), but excluding termination due to death, a participant may elect to receive an amount equal to the value of their account balance in (a) a single sum payment in cash, (b) a single sum distribution paid in a combination of cash and, to the extent a participant invests in Amgen stock, full shares of Amgen stock or (c) cash installments (as defined in the Plan). The number of shares of Amgen stock to be distributed is based on the quoted market value of the stock on the date the Plan is valued following participant notification. Upon a participant's termination of employment due to death before benefit payments begin, their account balance will be paid to the participant's beneficiary in a single sum payment in cash or combination of cash and Amgen stock, as described above. Upon a participant's death after benefit cash installment payments begin, if the beneficiary is the surviving spouse, undistributed amounts will either continue to be paid in cash installments or will be paid as a single sum payment in cash or combination of cash and Amgen stock. If the beneficiary is not the surviving spouse, undistributed amounts will be paid in a single sum payment in cash or combination of cash and Amgen stock.

Subsequent to termination of employment, a participant may also elect to maintain their vested account balance in the Plan, provided that their account balance is greater than \$1,000.

Certain restrictions apply to withdrawals from the Plan while a participant continues to be employed by the Company.

Participant Loans

Subject to Plan approval, participants can generally have outstanding up to two loans at any one time from their Plan account up to a combined maximum amount (as described in the Plan) equal to the lesser of (a) 50% of their vested account balance or (b) \$50,000. Loans made prior to July 1, 2003 bear interest at average borrowing rates of certain major banks. Loans made on or after July 1, 2003 bear interest at the prime rate plus one percentage point as published in The Wall Street Journal determined as of the last day of the preceding calendar quarter or such other rate as may be required by law. As of December 31, 2007, outstanding participant loans bear interest at rates ranging from 4.0% to 11.0%. Loans are generally payable in installments over periods ranging from one to five years, unless the loan is used to acquire a principal residence for which the term of the loan may be up to 20 years. Principal and interest payments are allocated to the participant's account.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. Upon termination, participants would receive distributions of their account balances.

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Amgen Retirement and Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Trustee

Fidelity Management Trust Company acts as the Plan's trustee.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation. Specifically, certain amounts previously reported in the Statement of Changes in Net Assets Available for Benefits for the Plan year ended December 31, 2006 as Interest and dividend income are now classified as Net realized/unrealized gains.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157). Under this standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date and expands disclosure about fair value measurements. SFAS 157, as it relates to financial assets and liabilities, is effective for the Plan beginning January 1, 2008. The impact on the Plan's financial statements is currently being assessed.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Investment Income and Losses

Dividend income is recognized on the ex-dividend date and interest income is recorded on an accrual basis. Unrealized gains and losses on investments are measured by the change in the difference between the fair value and cost of the securities held at the beginning (or date purchased if acquired during the Plan year) and the end of the year. Realized gains and losses from security transactions are recorded based on the weighted-average cost of securities sold.

Investment Valuation

Investments in mutual funds and Amgen stock are valued at current market values on the last business day of the Plan year determined through reference to public market information. Participant loans are valued at their outstanding balances, which approximate fair value.

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Amgen Retirement and Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The Plan invests in the McKinley International Growth Portfolio, Western Asset Core Plus Bond Portfolio and Copper Rock Small to Mid Capital Growth Portfolio, which are separately managed exclusively for the benefit of Plan participants. The separately managed portfolios have underlying investments in publicly traded common stocks of domestic and foreign entities traded in U.S. and non-U.S. markets, American Deposit Receipts or a variety of investment grade fixed income securities as directed under the individual investment management agreements. The Western Asset Core Plus Bond Portfolio may also invest in certain derivative instruments. The separately managed portfolios are valued at current market values.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Investments

The fair values of individual investments that represent 5% or more of the Plan's net assets are as follows:

| | December 31, | |
|---|----------------|----------------|
| | 2007 | 2006 |
| Fidelity Spartan U.S. Equity Index Fund Advantage Class | \$ 297,115,466 | \$ 309,169,601 |
| Fidelity Contra Fund | 224,916,288 | 176,405,779 |
| Neuberger Berman Genesis Fund Institutional Class | 153,183,499 | 119,639,343 |
| Amgen stock | 134,982,783 | 236,689,847 |
| McKinley International Growth Portfolio | 127,939,903 | 104,427,049 |
| Dreyfus Premier Emerging Markets Funds Class I | 122,535,587 | 81,566,769* |
| Fidelity Freedom 2030 Fund | 105,900,704 | 73,426,732* |
| Hotchkis and Wiley Mid-Cap Value Fund Class I | 83,931,013* | 101,168,082 |

* Less than 5% of Plan net assets.

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Amgen Retirement and Savings Plan

Notes to Financial Statements (continued)

3. Investments (continued)

During 2007 and 2006, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated / (depreciated) in fair value as follows:

| | December 31, | |
|-------------------------------|----------------------|-----------------------|
| | 2007 | 2006 |
| Mutual funds | \$ 131,007,419 | \$ 164,341,644 |
| Separately managed portfolios | 21,387,516 | (213,407) |
| Amgen stock | (68,693,789) | (36,631,454) |
| | \$ 83,701,146 | \$ 127,496,783 |

4. Income Tax Status

The Plan has received a determination letter from the IRS dated March 27, 2008, stating that the Plan is qualified, in form, under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Company believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt. If, at any time, it is determined that the Plan is not qualified and the related trust is not tax exempt, the Company has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code. Subsequent amendments have been structured and are intended to maintain the Plan's tax qualified status.

5. Services Provided by the Company

The Company has retained outside service providers to provide certain administrative and record keeping services for the Plan at no cost to the Plan participants. Participants, when applicable, are charged a fee for specific services, such as processing participant loans or for excessive trading. In addition, the Company has paid trustee fees and other related costs on behalf of the Plan.

6. Assets Transferred from Abgenix, Inc.

In connection with the acquisition of Abgenix, Inc., the Company assumed sponsorship of the Retirement and Savings Plan of Amgen Fremont Inc. (formerly the Abgenix 401(k) Retirement Plan) (the Abgenix Plan) on April 1, 2006. Each participant in the Abgenix Plan on June 30, 2006 became a participant in the Plan on July 1, 2006. Effective October 2, 2006, the Company merged the Abgenix Plan into the Plan and assets totaling \$14,056,866 held by the Abgenix Plan were transferred to the Plan.

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Supplemental Schedule

Amgen Retirement and Savings Plan

EIN: 95-3540776 Plan: #001

Schedule H, line 4i Schedule of Assets (Held at End of Year)

December 31, 2007

| Identity of Issue | Description of Investment | Current Value |
|--|-------------------------------|----------------|
| Fidelity Spartan U.S. Equity Index Fund Advantage Class* | Mutual fund 5,724,768 shares | \$ 297,115,466 |
| Fidelity Contra Fund* | Mutual fund 3,076,409 shares | 224,916,288 |
| Neuberger Berman Genesis Fund Institutional Class | Mutual fund 3,247,477 shares | 153,183,499 |
| Amgen Inc.* | Common stock 2,906,606 shares | 134,982,783 |
| McKinley International Growth Portfolio: | | |
| Bayer AG | Common stock 46,800 shares | \$ 4,258,800 |
| Nintendo Co., Ltd. | Common stock 6,650 shares | 3,939,460 |
| China Mobile Ltd. | Common stock 219,500 shares | 3,813,593 |
| Unilever NV | Common stock 99,780 shares | 3,662,316 |
| Vodafone Group PLC | Common stock 977,900 shares | 3,649,523 |
| Nokia Corporation | Common stock 92,010 shares | 3,532,264 |
| Siemens AG | Common stock 22,100 shares | 3,477,656 |
| QBE Insurance Group Ltd. | Common stock 113,000 shares | 3,299,883 |
| Akzo Nobel NV | Common stock 39,950 shares | 3,194,423 |
| Vinci SA | Common stock 40,850 shares | 3,019,575 |
| Japan Steel Works, Ltd. | Common stock 203,160 shares | 3,000,534 |
| Syngenta AG | Common stock 11,200 shares | 2,836,960 |
| Diageo PLC | Common stock 129,450 shares | 2,777,673 |
| Sony Corporation | Common stock 51,000 shares | 2,769,300 |
| Teva Pharmaceutical Industries Ltd. | Common stock 59,320 shares | 2,757,194 |
| Research In Motion Ltd. | Common stock 23,290 shares | 2,641,086 |
| Amec PLC | Common stock 152,850 shares | 2,546,441 |
| Japan Tobacco Inc. | Common stock 418 shares | 2,503,914 |
| Gas Natural SDG, SA | Common stock 41,400 shares | 2,417,975 |
| Fiat S.p.A. | Common stock 93,200 shares | 2,406,805 |
| Fresenius Med Care AG & Co. | Common stock 44,250 shares | 2,369,383 |
| Smith & Nephew PLC | Common stock 205,100 shares | 2,355,368 |
| Mitsubishi Corporation | Common stock 81,900 shares | 2,247,357 |
| America Movil, SAB | Common stock 35,450 shares | 2,176,276 |
| Sun Hung Kai Properties Ltd. | Common stock 102,300 shares | 2,172,716 |
| Iberdrola, SA | Common stock 139,472 shares | 2,116,873 |
| AP Moeller - Maersk Group S/A | Common stock 189 shares | 2,012,271 |
| Reliance Inds-Spons GDR 144A | Common stock 13,440 shares | 1,985,760 |
| London Stock Exchange Group PLC | Common stock 49,590 shares | 1,949,867 |
| Sasol Ltd. | Common stock 39,150 shares | 1,934,418 |
| Daimler AG | Common stock 19,790 shares | 1,892,518 |
| Rogers Communications Inc. | Common stock 41,000 shares | 1,856,565 |
| Roche Holding Ag-Genusss | Common stock 10,760 shares | 1,837,808 |

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Schedule H, line 4i Schedule of Assets (Held at End of Year) (continued)

| Identity of Issue | Description of Investment | Current Value |
|---|--|--------------------|
| Marfin Poplar Bank | Common stock 138,050 shares | 1,833,379 |
| BHP Billiton PLC | Common stock 58,090 shares | 1,784,333 |
| Nestle SA | Common stock 3,860 shares | 1,767,880 |
| IFIL Investments S.p.A. | Common stock 187,550 shares | 1,766,254 |
| Firstgroup PLC | Common stock 108,950 shares | 1,764,209 |
| Newcrest Mining Ltd. | Common stock 60,710 shares | 1,760,122 |
| Geophysique-Veritas | Common stock 6,165 shares | 1,754,454 |
| Richemont Company | Common stock 24,020 shares | 1,646,831 |
| Shire PLC | Common stock 71,050 shares | 1,632,966 |
| Tele2 AB | Common stock 79,200 shares | 1,586,254 |
| Cez Group AS | Common stock 20,350 shares | 1,525,158 |
| China Life Insurance Co., Ltd. | Common stock 292,450 shares | 1,491,495 |
| Vestas Wind Systems A/S | Common stock 13,650 shares | 1,474,679 |
| Anglo American PLC | Common stock 23,387 shares | 1,431,167 |
| ArcelorMittal SA | Common stock 18,300 shares | 1,416,006 |
| E.ON AG | Common stock 6,400 shares | 1,364,364 |
| BAE Sytems PLC | Common stock 137,000 shares | 1,355,548 |
| SGL Group | Common stock 24,500 shares | 1,323,661 |
| SABMiller PLC | Common stock 46,910 shares | 1,319,756 |
| Autonomy Corp PLC | Common stock 73,120 shares | 1,284,262 |
| Ibiden Co., Ltd. | Common stock 18,100 shares | 1,257,903 |
| Yamada Denki Co., Ltd. | Common stock 10,690 shares | 1,224,152 |
| Hongkong Land Holdings Ltd. | Common stock 208,000 shares | 1,027,520 |
| Daelim Industrial Co., Ltd. | Common stock 5,290 shares | 1,011,548 |
| Hong Kong Exchange & Clearing Ltd. | Common stock 3,100 shares | 879,455 |
| Eastern Platinum Ltd. | Common stock 276,450 shares | 798,562 |
| Lenovo Group Ltd. | Common stock 592,000 shares | 532,239 |
| McKinley Short Term Investment Fund* | Money market portfolio | 513,191 |
| Total McKinley International Growth Portfolio | | 127,939,903 |
| Dreyfus Premier Emerging Markets Fund Class I | Mutual fund 6,154,474 shares | 122,535,587 |
| Fidelity Freedom 2030 Fund* | Mutual fund 6,410,454 shares | 105,900,704 |
| Fidelity Retirement Money Market Portfolio* | Money Market Portfolio | 101,324,366 |
| Fidelity OTC Portfiolo* | Mutual fund 1,750,116 shares | 91,303,554 |
| Hotchkis and Wiley Mid-Cap Value Fund Class I | Mutual fund 4,096,194 shares | 83,931,013 |
| Fidelity Freedom 2020 Fund* | Mutual fund 4,935,571 shares | 78,031,380 |
| Fidelity Equity-Income Fund* | Mutual fund 1,312,592 shares | 72,402,559 |
| American Funds The Growth Fund of America Class R5 | Mutual fund 2,119,369 shares | 72,058,533 |
| Fidelity Freedom 2040 Fund* | Mutual fund 7,159,222 shares | 69,659,229 |
| Morgan Stanley - International Equity Portfolio Class A | Mutual fund 3,579,397 shares | 67,722,197 |
| Western Asset Core Plus Bond Portfolio: | | |
| US Treasury Note/Bond 4.75% Due 05/31/2012 | Government Security 4,900,000 units | 5,171,416 |
| Freddie Mac Gold Pool 5.50% Due 01/01/2038 | Res. Mort. Backed Security 2,100,000 units | 2,096,073 |
| US Treasury Inflation Indexed Bonds 2.38% Due | | |
| 01/15/2027 | Government Security 1,530,000 units | 1,676,794 |

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Schedule H, line 4i Schedule of Assets (Held at End of Year) (continued)

| Identity of Issue | Description of Investment | Current Value |
|---|--|---------------|
| Freddie Mac Gold Pool 6.00% Due 12/01/2037 | Res. Mort. Backed Security 1,600,000 units | 1,623,931 |
| Freddie Mac Gold Pool 5.50% Due 11/01/2037 | Res. Mort. Backed Security 1,100,000 units | 1,097,943 |
| Fannie Mae Pool 6.00% Due 07/01/2037 | Res. Mort. Backed Security 996,437 units | 1,012,275 |
| CDX North America High Yield 7.63% Due 06/29/2012 | Corporate Debt 1,000,000 units | 968,750 |
| Freddie Mac Gold Pool 6.00% Due 01/01/2038 | Res. Mort. Backed Security 600,000 units | 608,974 |
| Freddie Mac Non Gold Pool 5.62% Due 05/01/2037 | Res. Mort. Backed Security 519,682 units | 525,026 |
| Freddie Mac Non Gold Pool 5.90% Due 08/01/2037 | Res. Mort. Backed Security 508,321 units | 514,307 |
| RAAC Series 3.73% Due 02/25/2046 | Res. Mort. Backed Security 538,035 units | 510,061 |
| Freddie Mac Non Gold Pool 5.79% Due 04/01/2037 | Res. Mort. Backed Security 499,803 units | 505,783 |
| Thornburg Mortgage Securities Trust 3.55% Due 01/25/2036 | Res. Mort. Backed Security 516,408 units | 499,536 |
| Wells Fargo Mortgage Backed Securities Trust 3.54% Due 09/25/2034 | Res. Mort. Backed Security 500,000 units | 493,764 |
| Fannie Mae Pool 5.50% Due 11/01/2036 | Res. Mort. Backed Security 494,167 units | 493,667 |
| US Treasury Inflation Indexed Bonds 2.63% Due 07/15/2017 | Government Security 450,000 units | 489,915 |
| Energy Future Holdings Corp 11.25% Due 11/01/2017 | Corporate Debt 480,000 units | 483,600 |
| Bear Stearns Structured Products Inc 5.73% Due 09/27/2037 | Res. Mort. Backed Security 490,218 units | 480,353 |
| Bear Stearns Structured Products Inc 4.38% Due 03/25/2037 | Res. Mort. Backed Security 470,654 units | 470,952 |
| Countrywide Alternative Loan Trust 3.57% Due 09/25/2046 | Res. Mort. Backed Security 512,433 units | 470,124 |
| Bayview Commercial Asset Trust 3.70% Due 11/25/2035 | Comm. Mort. Backed Security 487,594 units | 470,040 |
| Countrywide Alternative Loan Trust 4.13% Due 12/20/2046 | Res. Mort. Backed Security 488,329 units | 459,184 |
| Merrill Lynch First Franklin Mortgage Loan Trust 4.88% Due 10/25/2037 | Res. Mort. Backed Security 466,942 units | 456,873 |
| Countrywide Alternative Loan Trust 3.69% Due 08/25/2035 | Res. Mort. Backed Security 483,962 units | 453,681 |
| Credit Suisse Mortgage Capital Certificates 5.47% Due 09/15/2039 | Comm. Mort. Backed Security 450,000 units | 453,516 |
| Structured Asset Mortgage Investments Inc 3.56% Due 09/25/2037 | Res. Mort. Backed Security 475,616 units | 451,234 |

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Schedule H, line 4i Schedule of Assets (Held at End of Year) (continued)

| Identity of Issue | Description of Investment | Current Value |
|---|---|----------------------|
| Bear Stearns Structured Products Inc 5.85% Due 10/25/2008 | Res. Mort. Backed Security 448,278 units | 444,849 |
| WaMu Alternative Mortgage Pass-Through Certificates 5.50% Due 05/25/2047 | Res. Mort. Backed Security 459,710 units | 438,385 |
| Harborview Mortgage Loan Trust 4.38% Due 11/25/2047 | Res. Mort. Backed Security 440,629 units | 435,402 |
| Residential Accredited Loans Inc 5.54% Due 12/26/2034 | Res. Mort. Backed Security 437,197 units | 434,763 |
| WaMu Alternative Mortgage Pass-Through Certificates 5.50% Due 05/25/2047 | Res. Mort. Backed Security 459,711 units | 434,077 |
| WaMu Mortgage Pass Through Certificates 5.47% Due 07/25/2047 | Res. Mort. Backed Security 469,749 units | 433,747 |
| Mastr Specialized Loan Trust 3.73% Due 05/25/2037 | Res. Mort. Backed Security 436,042 units | 427,266 |
| American Home Mortgage Investment Trust 3.61% Due 03/25/2047 | Res. Mort. Backed Security 445,965 units | 425,346 |
| Indymac Index Mortgage Loan Trust 3.68% Due 08/25/2035 | Res. Mort. Backed Security 445,264 units | 421,866 |
| Mastr Adjustable Rate Mortgages Trust 3.58% Due 05/25/2047 | Res. Mort. Backed Security 442,294 units | 418,941 |
| Wells Fargo Mortgage Backed Securities Trust 5.24% Due 04/25/2036 | Res. Mort. Backed Security 417,494 units | 416,552 |
| GMAC Mortgage Corp Loan Trust 4.13% Due 02/25/2031 | Asset Backed Security 421,041 units | 405,552 |
| Drive Auto Receivables Trust 5.33% Due 04/15/2014 | Asset Backed Security 400,000 units | 402,358 |
| Structured Asset Securities Corp 3.68% Due 04/25/2031 | Res. Mort. Backed Security 447,624 units | 398,315 |
| WaMu Mortgage Pass Through Certificates 5.65% Due 11/25/2036 | Res. Mort. Backed Security 392,466 units | 391,518 |
| Terwin Mortgage Trust 3.46% Due 10/25/2037 | Res. Mort. Backed Security 404,613 units | 391,443 |
| Anadarko Petroleum Corp 6.45% Due 09/15/2036 | Corporate Debt Security 380,000 units | 386,968 |
| Countrywide Alternative Loan Trust 3.57% Due 08/25/2046 | Res. Mort. Backed Security 402,892 units | 380,100 |
| Mastr Specialized Loan Trust 3.68% Due 01/25/2036 | Res. Mort. Backed Security 394,350 units | 374,755 |
| American Home Mortgage Assets 3.57% Due 09/25/2046 | Res. Mort. Backed Security 396,006 units | 369,434 |
| WaMu Mortgage Pass Through Certificates 3.72% Due 01/25/2045 | Res. Mort. Backed Security 381,930 units | 362,412 |
| Morgan Stanley Capital I 5.69% Due 04/15/2049 | Comm. Mort. Backed Security 340,000 units | 346,555 |
| Comcast Corp 6.50% Due 01/15/2017 | Corporate Debt 330,000 units | 344,075 |
| Truman Capital Mortgage Loan Trust 3.64% Due 03/25/2036 | Res. Mort. Backed Security 380,319 units | 330,878 |

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Schedule H, line 4i Schedule of Assets (Held at End of Year) (continued)

| Identity of Issue | Description of Investment | Current Value |
|---|---|---------------|
| Fannie Mae Discount Notes 0.00% Due 03/17/2008 | Res. Mort. Backed Security 328,000 units | 325,192 |
| JPMorgan Chase & Co 5.15% Due 10/01/2015 | Corporate Debt 310,000 units | 298,993 |
| Wachovia Corp 5.63% Due 10/15/2016 | Corporate Debt 280,000 units | 276,071 |
| Bayview Commercial Asset Trust 3.77% Due 01/25/2036 | Comm. Mort. Backed Security 286,941 units | 270,442 |
| Bundesrepublik Deutschland 3.75% Due 01/04/2015 | Government Security 190,000 units | 269,051 |
| HSBC Finance Corp 4.63% Due 09/15/2010 | Corporate Debt 250,000 units | 248,667 |
| Citigroup Inc 4.13% Due 02/22/2010 | Corporate Debt 250,000 units | 246,342 |
| Countrywide Alternative Loan Trust 3.65% Due 08/25/2035 | Res. Mort. Backed Security 260,113 units | 244,577 |
| Lehman XS Trust 3.48% Due 05/25/2046 | Res. Mort. Backed Security 263,074 units | 243,390 |
| US Treasury Inflation Indexed Bonds 2.38% Due 01/15/2017 | Government Security 220,000 units | 240,773 |
| Gaz Capital SA 6.51% Due 03/07/2022 | Corporate Debt 240,000 units | 233,292 |
| Thornburg Mortgage Securities Trust 3.62% Due 07/25/2045 | Res. Mort. Backed Security 228,475 units | 228,334 |
| Pemex Project Funding Master Trust 6.63% Due 06/15/2035 | Corporate Debt 210,000 units | 218,925 |
| GMAC LLC 8.00% Due 11/01/2031 | Corporate Debt 260,000 units | 216,450 |
| Thornburg Mortgage Securities Trust 6.23% Due 09/25/2037 | Res. Mort. Backed Security 203,899 units | 204,607 |
| Wells Fargo Mortgage Backed Securities Trust 3.78% Due 05/25/2033 | Res. Mort. Backed Security 201,936 units | 199,855 |
| TuranAlem Finance BV 8.25% Due 01/22/2037 | Corporate Debt Security 240,000 units | 196,966 |
| Thornburg Mortgage Securities Trust 6.22% Due 09/25/2037 | Res. Mort. Backed Security 196,587 units | 194,824 |
| Freddie Mac Gold Pool 6.00% Due 10/01/2037 | Res. Mort. Backed Security 189,039 units | 191,867 |
| General Electric Capital Corp 6.38% Due 11/15/2067 | Corporate Debt 180,000 units | 185,847 |
| Freddie Mac 8.38% Due 12/31/2049 | Corporate Debt 7,000 units | 183,050 |
| ConocoPhillips Holding Co 6.95% Due 04/15/2029 | Corporate Debt 160,000 units | 182,735 |
| Williams Cos Inc 7.50% Due 01/15/2031 | Corporate Debt 160,000 units | 169,600 |
| Freddie Mac Gold Pool 5.50% Due 11/01/2035 | Res. Mort. Backed Security 167,413 units | 167,100 |
| Lehman XS Trust 4.99% Due 06/25/2037 | Res. Mort. Backed Security 175,223 units | 165,120 |
| AES Corp 8.00% Due 10/15/2017 | Corporate Debt 160,000 units | 164,400 |
| Vale Overseas Ltd 6.88% Due 11/21/2036 | Corporate Debt 160,000 units | 161,858 |
| Countrywide Financial Corp 5.10% Due 03/24/2009 | Corporate Debt 210,000 units | 161,763 |

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Schedule H, line 4i Schedule of Assets (Held at End of Year) (continued)

| Identity of Issue | Description of Investment | Current Value |
|---|--|---------------|
| Bear Stearns Alt-A Trust 5.44% Due 05/25/2035 | Res. Mort. Backed Security 162,167 units | 161,718 |
| Securitized Asset Backed Receivables LLC Trust 3.61% Due 02/25/2037 | Res. Mort. Backed Security 183,648 units | 161,524 |
| Thornburg Mortgage Securities Trust 3.60% Due 07/25/2045 | Res. Mort. Backed Security 156,837 units | 157,364 |
| Duke Energy Carolinas LLC 5.63% Due 11/30/2012 | Corporate Debt 150,000 units | 155,683 |
| Morgan Stanley 5.63% Due 01/09/2012 | Corporate Debt 150,000 units | 152,587 |
| US Treasury Note/Bond 5.00% Due 05/15/2037 | Government Security 140,000 units | 152,381 |
| Structured Asset Mortgage Investments Inc 3.59% Due 08/25/2036 | Res. Mort. Backed Security 157,516 units | 151,462 |
| US Treasury Inflation Indexed Bonds 2.00% Due 01/15/2026 | Government Security 140,000 units | 146,824 |
| Lehman Brothers Holdings Inc 6.75% Due 12/28/2017 | Corporate Debt 130,000 units | 133,991 |
| Lehman Brothers Holdings Inc 6.50% Due 07/19/2017 | Corporate Debt 130,000 units | 131,541 |
| Federal National Mortgage Association 8.25% Due 12/31/2049 | Corporate Debt 5,000 units | 126,250 |
| Russia Government International Bond 7.50% Due 03/31/2030 | Government Security 108,900 units | 124,282 |
| Electronic Data Systems Corp 7.13% Due 10/15/2009 | Corporate Debt 120,000 units | 123,879 |
| Hess Corp 7.30% Due 08/15/2031 | Corporate Debt 110,000 units | 123,560 |
| Dominion Resources Inc/VA 5.70% Due 09/17/2012 | Corporate Debt 120,000 units | 123,224 |
| Daimler Finance North America LLC 5.88% Due 03/15/2011 | Corporate Debt 120,000 units | 121,764 |
| CS First Boston Mortgage Securities Corp 4.03% Due 11/25/2031 | Res. Mort. Backed Security 122,396 units | 121,100 |
| XTO Energy Inc 7.50% Due 04/15/2012 | Corporate Debt 110,000 units | 120,246 |
| Goldman Sachs Group LP 4.50% Due 06/15/2010 | Corporate Debt 120,000 units | 119,605 |
| ICICI Bank Ltd 6.38% Due 04/30/2022 | Corporate Debt 130,000 units | 116,268 |
| RSHB Capital SA for OJSC Russian Agricultural Bank 6.30% Due 05/15/2017 | Corporate Debt 120,000 units | 113,550 |
| CVS Pass-Through Trust 6.94% Due 01/10/2030 | Corporate Debt 110,000 units | 110,326 |
| SunTrust Capital VIII 6.10% Due 12/01/2066 | Corporate Debt 130,000 units | 108,189 |
| Intergas Finance BV 6.38% Due 05/14/2017 | Corporate Debt 120,000 units | 107,525 |
| American Express Co 6.80% Due 09/01/2066 | Corporate Debt 100,000 units | 101,396 |
| Delta Air Lines Inc 6.82% Due 08/10/2022 | Corporate Debt 100,000 units | 100,773 |
| Pacific Gas & Electric Co 6.05% Due 03/01/2034 | Corporate Debt 100,000 units | 99,834 |

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Schedule H, line 4i Schedule of Assets (Held at End of Year) (continued)

| Identity of Issue | Description of Investment | Current Value |
|--|---|---------------|
| Banc of America Commercial Mortgage Inc 5.35% Due 09/10/2047 | Comm. Mort. Backed Security 100,000 units | 99,571 |
| GMAC Commercial Mortgage Securities Inc 5.24% Due 11/10/2045 | Comm. Mort. Backed Security 100,000 units | 99,324 |
| TNK-BP Finance SA 7.88% Due 03/13/2018 | Corporate Debt 100,000 units | 98,750 |
| Glitnir Banki HF 6.38% Due 09/25/2012 | Corporate Debt 100,000 units | 98,097 |
| Bear Stearns Alt-A Trust 5.12% Due 11/25/2034 | Res. Mort. Backed Security 100,496 units | 96,943 |
| Koninklijke KPN NV 8.00% Due 10/01/2010 | Corporate Debt 90,000 units | 96,522 |
| Weyerhaeuser Co 6.75% Due 03/15/2012 | Corporate Debt 90,000 units | 94,513 |
| Travelers Cos Inc 6.25% Due 03/15/2067 | Corporate Debt 100,000 units | 93,779 |
| Wells Fargo Capital X 5.95% Due 12/15/2086 | Corporate Debt 100,000 units | 93,327 |
| Bank of America Corp 5.38% Due 08/15/2011 | Corporate Debt 90,000 units | 91,786 |
| GSAMP Trust 3.58% Due 01/25/2047 | Asset Backed Security 100,000 units | 85,871 |
| Shinsei Finance Cayman Ltd 6.42% Due 01/29/2049 | Corporate Debt 100,000 units | 84,901 |
| Energy Future Holdings Corp 10.88% Due 11/01/2017 | Corporate Debt 80,000 units | 80,600 |
| Wyeth 5.95% Due 04/01/2037 | Corporate Debt 80,000 units | 80,212 |
| Telecom Italia Capital SA 5.25% Due 10/01/2015 | Corporate Debt 80,000 units | 77,940 |
| ACLC Franchise Loan Receivables Trust 6.40% Due 03/15/2020 | Asset Backed Security 76,727 units | 76,727 |
| Deutsche Telekom International Finance BV 5.75% Due 03/23/2016 | Corporate Debt 75,000 units | 75,070 |
| Federal National Mortgage Association 6.00% Due 04/18/2036 | Government Security 70,000 units | 75,064 |
| Residential Capital LLC 7.50% Due 02/22/2011 | Corporate Debt 120,000 units | 74,700 |
| Time Warner Entertainment Co LP 8.38% Due 07/15/2033 | Corporate Debt 60,000 units | 72,276 |
| Kinder Morgan Energy Partners LP 6.00% Due 02/01/2017 | Corporate Debt 70,000 units | 69,996 |
| Time Warner Inc 5.88% Due 11/15/2016 | Corporate Debt 70,000 units | 69,570 |
| Resona Preferred Global Securities Cayman Ltd 7.19% Due 12/29/2049 | Corporate Debt 70,000 units | 69,457 |
| Aiful Corp 6.00% Due 12/12/2011 | Corporate Debt 70,000 units | 67,416 |
| US Treasury Inflation Indexed Bonds 3.88% Due 04/15/2029 | Government Security 40,000 units | 67,265 |
| Indymac INDA Mortgage Loan Trust 6.27% Due 11/01/2037 | Res. Mort. Backed Security 66,805 units | 67,007 |
| HCA Inc/DE 9.63% Due 11/15/2016 | Corporate Debt 60,000 units | 63,600 |
| Lehman XS Trust 3.45% Due 08/25/2046 | Res. Mort. Backed Security 59,052 units | 57,942 |

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Schedule H, line 4i Schedule of Assets (Held at End of Year) (continued)

| Identity of Issue | Description of Investment | Current Value |
|---|---|---------------|
| Energy Future Holdings Corp 6.55% Due 11/15/2034 | Corporate Debt 80,000 units | 57,897 |
| General Motors Corp 8.38% Due 07/15/2033 | Corporate Debt 70,000 units | 56,500 |
| Verizon Global Funding Corp 7.38% Due 09/01/2012 | Corporate Debt 50,000 units | 55,205 |
| Realogy Corp 12.38% Due 04/15/2015 | Corporate Debt 80,000 units | 52,000 |
| Canadian Government Bond 4.00% Due 12/01/2031 | Government Security 36,590 units | 51,426 |
| FMC Finance III SA 6.88% Due 07/15/2017 | Corporate Debt 50,000 units | 50,000 |
| America Movil SAB de CV 5.63% Due 11/15/2017 | Corporate Debt 50,000 units | 48,855 |
| Time Warner Inc 6.50% Due 11/15/2036 | Corporate Debt 50,000 units | 48,650 |
| Energy Future Holdings Corp 5.55% Due 11/15/2014 | Corporate Debt 60,000 units | 46,200 |
| Ford Motor Co 7.45% Due 07/16/2031 | Corporate Debt 60,000 units | 44,550 |
| Northwest Airlines Corp/Old 7.58% Due 09/01/2020 | Corporate Debt 42,653 units | 42,653 |
| Wells Fargo & Co 5.30% Due 08/26/2011 | Corporate Debt 40,000 units | 40,814 |
| OPTI Canada Inc 7.88% Due 12/15/2014 | Corporate Debt 40,000 units | 39,152 |
| NRG Energy Inc 7.38% Due 02/01/2016 | Corporate Debt 40,000 units | 39,100 |
| Reynolds American Inc 6.75% Due 06/15/2017 | Corporate Debt 35,000 units | 35,648 |
| Countrywide Financial Corp 6.25% Due 05/15/2016 | Corporate Debt 60,000 units | 34,534 |
| ACE Securities Corp 3.52% Due 02/25/2036 | Asset Backed Security 38,076 units | 33,569 |
| Fannie Mae Discount Notes 0.00% Due 03/19/2008 | Res. Mort. Backed Security 32,000 units | 31,719 |
| Kinder Morgan Energy Partners LP 6.95% Due 01/15/2038 | Corporate Debt 30,000 units | 31,485 |
| Windstream Corp 8.63% Due 08/01/2016 | Corporate Debt 30,000 units | 31,200 |
| Countrywide Alternative Loan Trust 3.64% Due 07/25/2035 | Res. Mort. Backed Security 32,616 units | 30,889 |
| Sungard Data Systems Inc 10.25% Due 08/15/2015 | Corporate Debt 30,000 units | 30,788 |
| AES Corp 7.75% Due 10/15/2015 | Corporate Debt 30,000 units | 30,750 |
| Lehman Brothers Holdings Inc 6.20% Due 09/26/2014 | Corporate Debt 30,000 units | 30,554 |
| Community Health Systems Inc 8.88% Due 07/15/2015 | Corporate Debt 30,000 units | 30,525 |
| Pacific Gas & Electric Co 5.63% Due 11/30/2017 | Corporate Debt 30,000 units | 30,091 |
| Steel Dynamics Inc 7.38% Due 11/01/2012 | Corporate Debt 30,000 units | 30,075 |
| Graham Packaging Co Inc 8.50% Due 10/15/2012 | Corporate Debt 30,000 units | 28,500 |
| Idearc Inc 8.00% Due 11/15/2016 | Corporate Debt 30,000 units | 27,525 |
| Dynegy Holdings Inc 7.75% Due 06/01/2019 | Corporate Debt 30,000 units | 27,450 |

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Schedule H, line 4i Schedule of Assets (Held at End of Year) (continued)

| Identity of Issue | Description of Investment | Current Value |
|---|---|---------------|
| Countrywide Home Loans Inc 4.13% Due 09/15/2009 | Corporate Debt 30,000 units | 22,006 |
| Kinder Morgan Energy Partners LP 7.13% Due 03/15/2012 | Corporate Debt 20,000 units | 21,379 |
| Wisconsin Power & Light Co 6.38% Due 08/15/2037 | Corporate Debt 20,000 units | 20,714 |
| KeyBank NA 5.50% Due 09/17/2012 | Corporate Debt 20,000 units | 20,332 |
| American International Group Inc 5.85% Due 01/16/2018 | Corporate Debt 20,000 units | 20,131 |
| Visteon Corp 8.25% Due 08/01/2010 | Corporate Debt 20,000 units | 17,750 |
| Bear Stearns Asset Backed Securities Trust 3.83% Due 12/25/2033 | Res. Mort. Backed Security 18,834 units | 17,302 |
| Countrywide Financial Corp 5.21% Due 12/19/2008 | Corporate Debt 20,000 units | 16,355 |
| Swaption 2 Yr x 2 Yr Receiver (CALL) 4.81% Due 11/06/2009 | Other Investment 990,000 units | 16,336 |
| CCH I LLC / CCH I Capital Corp 11.00% Due 10/01/2015 | Corporate Debt 20,000 units | 16,300 |
| Swaption 2 Yr x 2 Yr Receiver (CALL) 4.7% Due 11/02/2009 | Other Investment 960,000 units | 14,757 |
| Residential Capital LLC 7.62% Due 05/22/2009 | Corporate Debt 20,000 units | 14,200 |
| RH Donnelley Corp 8.88% Due 10/15/2017 | Corporate Debt 15,000 units | 13,913 |
| Fannie Mae 5.50% Due 01/01/2023 | Res. Mort. Backed Security 12,722 units | 12,885 |
| Interest Rate Swap Fixed 5.00% Due 03/19/2018 | Other Investment 12,627 units | 12,820 |
| XTO Energy Inc 6.25% Due 08/01/2017 | Corporate Debt 10,000 units | 10,491 |
| Hertz Corp 10.50% Due 01/01/2016 | Corporate Debt 10,000 units | 10,350 |
| News America Inc 6.65% Due 11/15/2037 | Corporate Debt 10,000 units | 10,315 |
| Hertz Corp 8.88% Due 01/01/2014 | Corporate Debt 10,000 units | 10,125 |
| Terex Corp 8.00% Due 11/15/2017 | Corporate Debt 10,000 units | 10,100 |
| WellPoint Inc 5.88% Due 06/15/2017 | Corporate Debt 10,000 units | 10,068 |
| OPTI Canada Inc 8.25% Due 12/15/2014 | Corporate Debt 10,000 units | 9,888 |
| Cengage Learning Acquisitions Inc 10.50% Due 01/15/2015 | Corporate Debt 10,000 units | 9,600 |
| Tenet Healthcare Corp 9.88% Due 07/01/2014 | Corporate Debt 10,000 units | 9,550 |
| Federal National Mortgage Association 7.00% Due 12/29/2049 | Corporate Debt 200 units | 9,500 |
| Lehman Brothers Holdings Capital Trust V 5.86% Due 11/29/2049 | Corporate Debt 10,000 units | 8,913 |
| Goldman Sachs Capital II 5.79% Due 12/29/2049 | Corporate Debt 10,000 units | 8,903 |
| BAC Capital Trust XIV 5.63% Due 12/31/2049 | Corporate Debt 10,000 units | 8,874 |

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Schedule H, line 4i Schedule of Assets (Held at End of Year) (continued)

| Identity of Issue | Description of Investment | Current Value |
|--|--|-------------------|
| Countrywide Home Loans Inc 5.63% Due 07/15/2009 | Corporate Debt 10,000 units | 7,629 |
| Fannie Mae 5.50% Due 01/01/2038 | Res. Mort. Backed Security 7,146 units | 7,138 |
| Residential Capital LLC 6.60% Due 04/17/2009 | Corporate Debt 10,000 units | 7,100 |
| Freeport-McMoRan Copper & Gold Inc 8.38% Due 04/01/2017 | Corporate Debt 5,000 units | 5,350 |
| NRG Energy Inc 7.25% Due 02/01/2014 | Corporate Debt 5,000 units | 4,875 |
| Residential Asset Mortgage Products Inc 4.06% Due 03/25/2033 | Res. Mort. Backed Security 4,659 units | 4,204 |
| General Motors Corp 6.25% Due 07/15/2033 | Corporate Debt 200 units | 3,922 |
| Fannie Mae 6.00% Due 01/01/2038 | Res. Mort. Backed Security 1,968 units | 1,999 |
| Interest Rate Swap 4.4% Fixed 4.40% Due 05/31/2012 | Other Investment 1,739 units | 1,739 |
| Interest Rate Swap Fixed 4.00% Due 12/15/2009 | Other Investment 1,612 units | 1,601 |
| Interest Rate Swap Fixed 4.40% Due 05/31/2012 | Other Investment 1,565 units | 1,565 |
| Ginnie Mae 6.50% Due 01/01/2038 | Res. Mort. Backed Security 1,207 units | 1,246 |
| Fannie Mae 5.00% Due 01/01/2023 | Res. Mort. Backed Security 237 units | 237 |
| IMM EURO\$ FUT OPT 94.00% Due 03/17/2008 | Other Investment 5 units | 31 |
| IMM EURO\$ FUT OPT 93.88% Due 03/17/2008 | Other Investment 5 units | 31 |
| Western Asset Short Term Investment Fund* | Money market portfolio | 5,229,449 |
| Total Western Asset Core Plus Bond Portfolio | | 51,218,769 |
| Copper Rock Small to Mid Capital Growth Portfolio: | | |
| FTI Consulting, Inc. | Common stock 28,795 shares | 1,774,924 |
| GameStop Corp, CL A | Common stock 20,205 shares | 1,254,933 |
| IShares Russell 2000 Growth Index | Common stock 14,350 shares | 1,201,956 |
| MF Global Ltd. | Common stock 37,170 shares | 1,169,740 |
| Itron, Inc. | Common stock 12,154 shares | 1,166,419 |
| Psychiatric Solutions, Inc. | Common stock 30,290 shares | 984,425 |
| Activision, Inc. | Common stock 30,405 shares | 903,029 |
| Strayer Education, Inc. | Common stock 5,235 shares | 892,986 |
| Lifecell Corporation | Common stock 19,360 shares | 834,610 |
| DealerTrack Holdings, Inc. | Common stock 24,480 shares | 819,346 |
| Huron Consulting Group Inc. | Common stock 9,815 shares | 791,383 |
| BE Aerospace, Inc. | Common stock 14,927 shares | 789,638 |
| Shire Ltd. | Common stock 11,225 shares | 773,964 |
| Illumina, Inc. | Common stock 12,855 shares | 761,787 |

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Schedule H, line 4i Schedule of Assets (Held at End of Year) (continued)

| Identity of Issue | Description of Investment | Current Value |
|---|----------------------------------|----------------------|
| Chicago Bridge & Iron Company N.V. | Common stock 12,550 shares | 758,522 |
| SBA Communications Corp CL A | Common stock 21,870 shares | 740,081 |
| Dresser-Rand Group, Inc. | Common stock 18,710 shares | 730,626 |
| Alexion Pharmaceuticals, Inc. | Common stock 9,100 shares | 682,773 |
| ATP Oil & Gas Corp | Common stock 12,890 shares | 651,461 |
| Amag Pharmaceuticals, Inc. | Common stock 10,820 shares | 650,607 |
| Priceline.com Inc. | Common stock 5,610 shares | 644,365 |
| Arena Resources, Inc. | Common stock 15,088 shares | 629,320 |
| Nuance Communications, Inc. | Common stock 32,220 shares | 601,870 |
| Advisory Board Co. | Common stock 9,345 shares | 599,856 |
| VistaPrint Ltd. | Common stock 13,200 shares | 565,620 |
| New Oriental Education & Technology Group | Common stock 7,010 shares | 564,936 |
| FCStone Group, Inc. | Common stock 11,972 shares | 551,071 |
| SandRidge Energy, Inc. | Common stock 15,270 shares | 547,582 |
| NYMEX Holdings, Inc. | Common stock 4,095 shares | 547,133 |
| Quanta Services, Inc. | Common stock 20,808 shares | 546,002 |
| Spirit AeroSystems Holdings Inc. Cl A | Common stock 15,040 shares | 518,880 |
| Capella Education Co. | Common stock 7,877 shares | 515,628 |
| GFI Group Inc. | Common stock 5,205 shares | 498,223 |
| Intuitive Surgical, Inc. | Common stock 1,510 shares | 489,995 |
| ITT Educational Services Inc. | Common stock 5,740 shares | 489,450 |
| GSI Commerce Inc. | Common stock 24,105 shares | 470,048 |
| AAR Corp | Common stock 12,170 shares | 462,825 |
| Pinnacle Entertainment, Inc. | Common stock 19,507 shares | 459,585 |
| Triumph Group, Inc. | Common stock 5,475 shares | 450,866 |
| Riverbed Technology, Inc. | Common stock 16,481 shares | 440,702 |
| Ultimate Software Group Inc. | Common stock 13,955 shares | 439,164 |
| Focus Media Holding Ltd. | Common stock 7,630 shares | 433,460 |
| Blue Nile, Inc. | Common stock 6,340 shares | 431,500 |
| Parallel Petroleum Corporation | Common stock 24,410 shares | 430,348 |
| National CineMedia, LLC. | Common stock 16,988 shares | 428,267 |
| Aruba Networks, Inc. | Common stock 28,642 shares | 427,052 |
| Cal Dive International, Inc. | Common stock 32,085 shares | 424,805 |
| Aegean Marine Petroleum Network Inc. | Common stock 10,700 shares | 410,773 |
| Taser International, Inc. | Common stock 28,145 shares | 405,007 |
| Equinix, Inc. | Common stock 3,980 shares | 402,259 |
| Ladish Co., Inc. | Common stock 9,188 shares | 396,830 |
| Theravance, Inc. | Common stock 20,295 shares | 395,752 |
| Time Warner Telecom Inc. CL A | Common stock 17,730 shares | 359,742 |
| Urban Outfitters, Inc. | Common stock 13,160 shares | 358,741 |
| Gymboree Corporation | Common stock 11,410 shares | 347,549 |
| Conceptus, Inc. | Common stock 17,494 shares | 336,585 |
| Syntel, Inc. | Common stock 8,725 shares | 336,087 |
| Omniture, Inc. | Common stock 10,025 shares | 333,732 |
| Commvault Systems, Inc. | Common stock 14,995 shares | 317,594 |

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Schedule H, line 4i Schedule of Assets (Held at End of Year) (continued)

| Identity of Issue | Description of Investment | Current Value |
|---|-----------------------------------|------------------|
| Cbeyond, Inc. | Common stock 8,036 shares | 313,324 |
| Synopsys, Inc. | Common stock 10,600 shares | 274,858 |
| Chipotle Mexican Grill, Inc. | Common stock 2,200 shares | 270,710 |
| Tessera Technologies, Inc. | Common stock 6,500 shares | 270,400 |
| Cogo Group, Inc. | Common stock 15,535 shares | 250,269 |
| Anadigics, Inc. | Common stock 21,520 shares | 248,986 |
| Giant Interactive Group, Inc. | Common stock 18,770 shares | 243,635 |
| Airmedia Group Inc. | Common stock 10,165 shares | 227,493 |
| Cavium Networks, Inc. | Common stock 9,621 shares | 221,475 |
| Atheros Communications, Inc. | Common stock 7,225 shares | 220,651 |
| Guess?, Inc. | Common stock 5,150 shares | 195,134 |
| Affiliated Managers Group, Inc. | Common stock 1,635 shares | 192,047 |
| Copper Rock Short Term Investment Fund* | Money market portfolio | 611,992 |
| Total Copper Rock Small to Mid Capital Growth Portfolio | | 39,883,388 |
| Vanguard REIT Index Fund Institutional Shares | Mutual fund 2,882,912 shares | 38,919,310 |
| PIMCO High Yield Fund Institutional Class | Mutual fund 3,255,878 shares | 31,061,077 |
| Fidelity Short-Term Bond Fund* | Mutual fund 3,417,151 shares | 29,387,501 |
| Fidelity Freedom 2010 Fund* | Mutual fund 1,403,006 shares | 20,792,542 |
| Fidelity Managed Income Portfolio II Class 1* | Mutual fund 10,056,579 shares | 10,056,579 |
| Fidelity Freedom 2050 Fund* | Mutual fund 652,814 shares | 7,461,667 |
| Fidelity Freedom 2000 Fund* | Mutual fund 165,444 shares | 2,046,548 |
| Fidelity Freedom Income Fund* | Mutual fund 176,900 shares | 2,025,505 |
| Participant loans* | Interest rates from 4.0% to 11.0% | 30,803,169 |
| | | \$ 2,066,663,116 |

*Indicates party-in-interest.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Amgen Retirement and Savings Plan

(Name of Plan)

Date: June 27, 2008

By: /s/ ROBERT A. BRADWAY
Robert A. Bradway

Executive Vice President

and Chief Financial Officer

Amgen Inc.

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AMGEN RETIREMENT AND SAVINGS PLAN

INDEX TO EXHIBIT

Consent of Independent Registered Public Accounting Firm

Exhibit 23.1

23