# Invesco U.S. Government Fund

Quarterly Schedule of Portfolio Holdings
November 30, 2016

# Schedule of Investments

*November 30, 2016*
*(Unaudited)*

| | Principal Amount | Value |
|---|---|---|
| **U.S. Treasury Securities–41.12%** | | |
| **U.S. Treasury Bills–0.21%** | | |
| 0.59%, 05/11/2017[(a)(b)] | $ 1,450,000 | $ 1,446,336 |
| **U.S. Treasury Notes–32.16%** | | |
| 1.13%, 06/15/2018 | 6,000,000 | 6,007,854 |
| 1.00%, 08/15/2018 | 6,300,000 | 6,291,753 |
| 1.38%, 09/30/2018 | 4,000,000 | 4,019,140 |
| 1.38%, 12/31/2018 | 4,300,000 | 4,320,829 |
| 1.00%, 03/15/2019 | 8,500,000 | 8,463,314 |
| 1.63%, 06/30/2019 | 11,000,000 | 11,093,456 |
| 0.75%, 07/15/2019 | 15,000,000 | 14,784,075 |
| 1.63%, 07/31/2019 | 15,700,000 | 15,825,113 |
| 3.38%, 11/15/2019 | 1,700,000 | 1,797,419 |
| 1.00%, 11/30/2019 | 4,000,000 | 3,953,280 |
| 3.63%, 02/15/2020 | 7,800,000 | 8,320,861 |
| 1.38%, 02/29/2020 | 7,500,000 | 7,469,385 |
| 3.50%, 05/15/2020 | 3,500,000 | 3,726,884 |
| 1.38%, 08/31/2020 | 13,500,000 | 13,362,894 |
| 2.00%, 09/30/2020 | 4,900,000 | 4,961,152 |
| 1.75%, 12/31/2020 | 7,800,000 | 7,804,267 |
| 1.38%, 01/31/2021 | 4,000,000 | 3,938,752 |
| 1.25%, 03/31/2021 | 13,500,000 | 13,197,573 |
| 3.13%, 05/15/2021 | 9,700,000 | 10,244,674 |
| 1.13%, 06/30/2021 | 4,000,000 | 3,875,704 |
| 2.13%, 06/30/2021 | 9,000,000 | 9,114,084 |
| 1.13%, 07/31/2021 | 7,200,000 | 6,967,966 |
| 2.13%, 08/15/2021 | 3,700,000 | 3,741,988 |
| 2.00%, 10/31/2021 | 2,500,000 | 2,511,327 |
| 2.00%, 11/15/2021 | 100,000 | 100,469 |
| 2.13%, 12/31/2021 | 3,000,000 | 3,028,944 |
| 1.75%, 05/15/2022 | 1,750,000 | 1,727,271 |
| 2.00%, 07/31/2022 | 9,000,000 | 8,980,488 |
| 1.75%, 09/30/2022 | 7,000,000 | 6,877,773 |
| 2.13%, 12/31/2022 | 12,000,000 | 12,010,548 |
| 1.50%, 02/28/2023 | 4,500,000 | 4,332,478 |
| 1.63%, 04/30/2023 | 4,000,000 | 3,873,592 |
| 1.63%, 10/31/2023 | 1,700,000 | 1,638,807 |
| 2.38%, 08/15/2024 | 5,000,000 | 5,030,955 |
| 2.25%, 11/15/2025 | 700,000 | 692,945 |
| | | 224,088,014 |
| **U.S. Treasury Inflation-Indexed Notes–2.41%[(c)]** | | |
| 0.13%, 04/15/2020 | 2,937,980 | 2,963,784 |
| 0.63%, 01/15/2026 | 11,706,885 | 11,860,093 |
| 0.13%, 07/15/2026 | 2,014,240 | 1,956,006 |
| | | 16,779,883 |
| **U.S. Treasury Bonds–6.34%** | | |
| 7.88%, 02/15/2021 | 6,500,000 | 8,115,224 |
| 3.50%, 02/15/2039 | 2,500,000 | 2,747,120 |
| 4.25%, 05/15/2039 | 2,900,000 | 3,537,887 |
| 4.63%, 02/15/2040 | 2,800,000 | 3,595,539 |
| 4.75%, 02/15/2041 | 2,000,000 | 2,618,828 |
| 3.38%, 05/15/2044 | 11,900,000 | 12,677,915 |

| | Principal Amount | Value |
|---|---|---|
| **U.S. Treasury Bonds–(continued)** | | |
| 3.00%, 05/15/2045 | $ 3,000,000 | $ 2,971,524 |
| 2.88%, 08/15/2045 | 4,100,000 | 3,959,222 |
| 2.50%, 05/15/2046 | 3,000,000 | 2,672,463 |
| 2.25%, 08/15/2046 | 1,500,000 | 1,263,399 |
| | | 44,159,121 |
| Total U.S. Treasury Securities (Cost $289,479,057) | | 286,473,354 |
| **U.S. Government Sponsored Agency Mortgage-Backed Securities–37.25%** | | |
| **Collateralized Mortgage Obligations–16.47%** | | |
| Fannie Mae REMICs, 5.00%, 04/25/2018 to 08/25/2019 | 992,761 | 1,012,536 |
| 4.00%, 07/25/2018 to 07/25/2040 | 3,335,476 | 3,492,783 |
| 2.25%, 02/25/2021 | 192,710 | 194,406 |
| 0.93%, 10/25/2025[(d)] | 1,469,798 | 1,468,081 |
| 2.50%, 03/25/2026 | 886,995 | 895,406 |
| 7.00%, 09/18/2027 | 952,290 | 1,051,909 |
| 6.50%, 03/25/2032 | 2,549,896 | 2,902,069 |
| 5.75%, 10/25/2035 | 772,642 | 850,086 |
| 0.88%, 05/25/2036[(d)] | 3,482,906 | 3,470,618 |
| 4.25%, 02/25/2037 | 1,094,751 | 1,140,056 |
| 1.03%, 03/25/2037[(d)] | 2,343,898 | 2,344,407 |
| 1.08%, 03/25/2037 to 03/25/2040[(d)] | 3,572,244 | 3,580,369 |
| 0.98%, 06/25/2038[(d)] | 5,026,827 | 5,031,357 |
| 6.58%, 06/25/2039[(d)] | 2,080,372 | 2,419,099 |
| 1.13%, 02/25/2041[(d)] | 3,511,073 | 3,531,802 |
| 1.10%, 11/25/2041[(d)] | 1,642,309 | 1,650,169 |
| Freddie Mac REMICs, 4.00%, 12/15/2017 | 58,996 | 59,592 |
| 4.50%, 07/15/2018 to 11/15/2039 | 1,020,254 | 1,053,739 |
| 3.00%, 10/15/2018 to 04/15/2026 | 1,268,619 | 1,292,868 |
| 5.00%, 01/15/2019 to 04/15/2019 | 289,355 | 293,827 |
| 1.04%, 12/15/2035 to 03/15/2040[(d)] | 5,965,590 | 5,991,309 |
| 0.84%, 03/15/2036 to 09/15/2044[(d)] | 18,625,542 | 18,630,533 |
| 0.88%, 11/15/2036[(d)] | 2,569,040 | 2,558,287 |
| 0.91%, 03/15/2037[(d)] | 1,979,843 | 1,977,639 |
| 0.94%, 05/15/2037 to 06/15/2037[(d)] | 6,314,339 | 6,328,273 |
| 0.89%, 03/15/2039[(d)] | 952,223 | 958,118 |
| 0.99%, 03/15/2039 to 02/15/2042[(d)] | 15,145,214 | 15,149,594 |
| 1.40%, 11/15/2039[(d)] | 465,460 | 474,158 |
| Freddie Mac STRIPS, 0.88%, 10/15/2037[(d)] | 5,474,759 | 5,449,042 |
| Ginnie Mae REMICs, 5.73%, 08/20/2034[(d)] | 1,475,418 | 1,648,420 |
| 4.00%, 02/20/2038 | 265,932 | 268,844 |
| 5.88%, 01/20/2039[(d)] | 4,525,354 | 5,072,375 |
| 1.34%, 09/16/2039[(d)] | 1,701,670 | 1,728,107 |
| 4.49%, 07/20/2041[(d)] | 1,019,642 | 1,082,546 |
| 2.05%, 09/20/2041[(d)] | 4,659,986 | 4,824,550 |
| 0.81%, 01/20/2042[(d)] | 1,397,536 | 1,394,631 |

**See accompanying notes which are an integral part of this schedule.**

| | Principal Amount | Value |
|---|---|---|
| **Collateralized Mortgage Obligations–(continued)** | | |
| Ginnie Mae REMICs, IO, | | |
| 1.60%, 09/20/2064[(d)] | $ 11,211,382 | $ 1,170,692 |
| 1.63%, 11/20/2064[(d)] | 7,212,412 | 583,758 |
| 1.69%, 12/20/2064[(d)] | 19,288,191 | 1,733,913 |
| | | 114,759,968 |
| **Federal Home Loan Mortgage Corp. (FHLMC)–7.26%** | | |
| Pass Through Ctfs., | | |
| 6.50%, 12/01/2016 to 12/01/2035 | 4,812,797 | 5,549,646 |
| 7.00%, 04/01/2017 to 03/01/2036 | 1,138,850 | 1,270,170 |
| 6.00%, 06/01/2017 to 07/01/2038 | 787,053 | 843,278 |
| 10.00%, 01/01/2019 to 04/01/2020 | 44,997 | 47,816 |
| 10.50%, 08/01/2019 to 01/01/2021 | 1,238 | 1,256 |
| 4.50%, 09/01/2020 to 01/01/2040 | 3,939,618 | 4,284,992 |
| 8.50%, 09/01/2020 to 08/01/2031 | 218,397 | 263,182 |
| 7.50%, 11/01/2020 to 05/01/2035 | 2,348,007 | 2,725,279 |
| 9.50%, 11/01/2020 to 04/01/2025 | 29,761 | 30,851 |
| 9.00%, 06/01/2021 to 04/01/2025 | 150,856 | 163,004 |
| 5.50%, 12/01/2022 to 01/01/2037 | 1,163,472 | 1,235,808 |
| 8.00%, 10/01/2023 to 02/01/2035 | 487,925 | 559,075 |
| 3.50%, 08/01/2026 | 2,312,340 | 2,436,511 |
| 3.00%, 05/01/2027 to 07/01/2027 | 3,491,146 | 3,605,970 |
| 7.05%, 05/20/2027 | 201,238 | 222,868 |
| 6.03%, 10/20/2030 | 404,317 | 460,137 |
| 5.00%, 07/01/2035 to 01/01/2040 | 2,080,754 | 2,303,672 |
| Pass Through Ctfs., ARM, | | |
| 3.03%, 09/01/2035[(d)] | 1,416,783 | 1,500,519 |
| 2.85%, 10/01/2036[(d)] | 2,095,699 | 2,215,284 |
| 3.34%, 10/01/2036[(d)] | 584,543 | 620,827 |
| 2.79%, 12/01/2036[(d)] | 410,878 | 432,389 |
| 2.54%, 05/01/2037[(d)] | 712,693 | 745,399 |
| 3.38%, 11/01/2037[(d)] | 2,606,351 | 2,708,599 |
| 2.93%, 01/01/2038[(d)] | 367,855 | 391,883 |
| 3.00%, 07/01/2038[(d)] | 2,664,599 | 2,835,030 |
| 2.57%, 06/01/2043[(d)] | 3,418,919 | 3,601,232 |
| 3.11%, 06/01/2044[(d)] | 1,070,367 | 1,097,137 |
| 2.91%, 02/01/2045[(d)] | 2,908,559 | 2,970,929 |
| 2.74%, 08/01/2045[(d)] | 2,327,226 | 2,371,373 |
| 3.16%, 09/01/2045[(d)] | 3,035,204 | 3,110,120 |
| | | 50,604,236 |
| **Federal National Mortgage Association (FNMA)–9.85%** | | |
| Pass Through Ctfs., | | |
| 5.00%, 01/01/2017 to 03/01/2039 | 2,467,351 | 2,665,951 |
| 6.00%, 03/01/2017 to 10/01/2038 | 4,257,886 | 4,877,675 |
| 6.50%, 04/01/2017 to 10/01/2038 | 3,941,215 | 4,491,302 |
| 7.50%, 04/01/2017 to 08/01/2037 | 3,699,343 | 4,368,732 |
| 7.00%, 06/01/2017 to 06/01/2036 | 4,669,837 | 5,337,507 |
| 8.00%, 12/01/2017 to 12/01/2036 | 2,940,813 | 3,474,651 |
| 4.50%, 04/01/2019 to 08/01/2039 | 3,401,205 | 3,666,185 |
| 10.00%, 12/20/2019 to 12/20/2021 | 28,060 | 28,551 |
| 5.50%, 03/01/2021 to 05/01/2035 | 5,218,620 | 5,968,672 |
| 9.50%, 08/01/2022 | 2,387 | 2,476 |
| 6.75%, 07/01/2024 | 350,649 | 397,426 |
| 8.50%, 01/01/2025 to 08/01/2037 | 942,469 | 1,099,583 |
| 9.87%, 04/20/2025 | 10,124 | 10,317 |
| 6.95%, 07/01/2025 to 10/01/2025 | 67,460 | 68,397 |
| 3.50%, 05/01/2027 to 06/01/2027 | 4,447,006 | 4,646,222 |

| | Principal Amount | Value |
|---|---|---|
| **Federal National Mortgage Association (FNMA)–(continued)** | | |
| Pass Through Ctfs., ARM, | | |
| 2.85%, 10/01/2034[(d)] | $ 2,553,329 | $ 2,713,936 |
| 2.76%, 05/01/2035 to 02/01/2042[(d)] | 3,019,591 | 3,154,788 |
| 3.06%, 01/01/2037[(d)] | 5,971,719 | 6,348,812 |
| 2.29%, 06/01/2043[(d)] | 3,072,042 | 3,099,508 |
| 2.18%, 08/01/2043[(d)] | 2,530,058 | 2,565,297 |
| 2.16%, 06/01/2044[(d)] | 696,458 | 712,797 |
| 2.48%, 07/01/2044[(d)] | 2,809,532 | 2,835,425 |
| 2.83%, 11/01/2045[(d)] | 4,172,273 | 4,257,799 |
| 2.79%, 02/01/2046[(d)] | 1,816,242 | 1,851,490 |
| | | 68,643,499 |
| **Government National Mortgage Association (GNMA)–3.67%** | | |
| Pass Through Ctfs., | | |
| 8.00%, 02/15/2017 to 04/15/2036 | 1,257,862 | 1,441,292 |
| 9.50%, 08/15/2017 to 03/15/2023 | 19,511 | 21,225 |
| 6.50%, 09/15/2017 to 09/15/2034 | 2,221,350 | 2,503,842 |
| 10.00%, 12/15/2017 to 07/15/2024 | 48,668 | 49,772 |
| 9.00%, 05/15/2018 to 04/15/2021 | 13,247 | 13,394 |
| 7.00%, 07/15/2018 to 12/15/2036 | 1,003,130 | 1,076,807 |
| 6.95%, 07/20/2025 to 11/20/2026 | 284,673 | 300,535 |
| 7.50%, 03/15/2026 to 10/15/2035 | 1,574,164 | 1,865,437 |
| 6.00%, 12/15/2028 to 08/15/2033 | 1,007,914 | 1,163,817 |
| 8.50%, 07/15/2030 to 01/15/2037 | 137,188 | 152,877 |
| 6.10%, 12/20/2033 | 2,258,164 | 2,589,971 |
| 3.50%, 08/20/2042 to 10/20/2042 | 3,540,537 | 3,592,846 |
| 4.00%, 09/20/2045 | 9,993,151 | 10,762,647 |
| | | 25,534,462 |
| Total U.S. Government Sponsored Agency Mortgage-Backed Securities (Cost $257,012,337) | | 259,542,165 |
| **Bonds–12.13%** | | |
| **Collateralized Mortgage Obligations–11.75%** | | |
| Banc of America Commercial Mortgage Trust, IO, Series 2015-UBS7, Class XA, Variable Rate Pass Through Ctfs., 1.07%, 09/15/2048[(d)] | 19,545,652 | 1,134,486 |
| Barclays Bank Commercial Mortgage Securities Trust, Series 2015-RRI, Class D, Floating Rate Pass Through Ctfs., 3.44%, 05/15/2032[(d)(e)] | 3,070,000 | 3,065,046 |
| Bear Stearns ARM Trust, Series 2004-10, Class 12A1, Variable Rate Pass Through Ctfs., 3.21%, 01/25/2035[(d)] | 1,197,515 | 1,190,786 |
| Chase Mortgage Trust, Series 2016-1, Class M3, Variable Rate Pass Through Ctfs., 3.75%, 04/25/2045[(d)(e)] | 3,482,116 | 3,408,815 |
| Series 2016-2, Class M3, Variable Rate Pass Through Ctfs., 3.75%, 12/25/2045[(d)(e)] | 4,144,636 | 4,053,298 |

**See accompanying notes which are an integral part of this schedule.**

| | Principal Amount | Value |
|---|---|---|
| **Collateralized Mortgage Obligations–(continued)** | | |
| Commercial Mortgage Trust, Series 2013-THL, Class A2, Floating Rate Pass Through Ctfs., 1.58%, 06/08/2030[d][e] | $ 6,675,000 | $ 6,691,718 |
| Series 2015-CR23, Class CMB, Variable Rate Pass Through Ctfs., 3.81%, 05/10/2048[d][e] | 5,390,000 | 5,376,717 |
| Series 2015-CR24, Class B, Variable Rate Pass Through Ctfs., 4.52%, 08/10/2048[d] | 6,800,000 | 7,106,142 |
| Credit Suisse Mortgage Capital Trust, Series 2015-TOWN, Class B, Floating Rate Pass Through Ctfs., 2.44%, 03/15/2017[d][e] | 8,100,000 | 7,968,536 |
| La Hipotecaria El Salvadorian Mortgage Trust (El Salvador), Series 2013-1A, Class A, Pass Through Ctfs., 3.50%, 10/25/2041[e] | 8,341,867 | 8,738,106 |
| La Hipotecaria Panamanian Mortgage Trust (El Salvador), Series 2010-1GA, Class A, Floating Rate Pass Through Ctfs., 2.50%, 09/08/2039[d][e] | 12,270,495 | 12,699,962 |
| LSTAR Commercial Mortgage Trust, Series 2014-2, Class A2, Pass Through Ctfs., 2.77%, 01/20/2041[e] | 5,079,503 | 5,083,881 |
| Morgan Stanley Capital I Trust, Series 2015-XLF2, Class AFSD, Floating Rate Pass Through Ctfs., 4.20%, 08/15/2026[d][e] | 3,600,000 | 3,614,564 |
| Towd Point Mortgage Trust, Series 2015-1, Class AES, Pass Through Ctfs., 3.00%, 10/25/2053[e] | 4,609,716 | 4,668,943 |
| Wells Fargo Commercial Mortgage Trust, Series 2015-C28, Class B, Variable Rate Pass Through Ctfs., 4.27%, 05/15/2048[d] | 7,100,000 | 7,085,944 |
| | | 81,886,944 |
| **Sovereign Debt–0.38%** | | |
| Israel Government Agency for International Development (AID) Bond, Unsec. Gtd. Global Bonds, 5.13%, 11/01/2024 | 2,200,000 | 2,610,981 |
| Total Bonds (Cost $78,027,261) | | 84,497,925 |
| **U.S. Government Sponsored Agency Securities–3.54%** | | |
| **Federal Agricultural Mortgage Corp. (FAMC)–0.88%** | | |
| Series 2007-1, Sec. Gtd. Notes, 5.13%, 04/19/2017[e] | 6,000,000 | 6,099,138 |
| **Federal Farm Credit Bank (FFCB)–0.74%** | | |
| Unsec. Medium-Term Notes, 5.75%, 12/07/2028 | 4,000,000 | 5,177,964 |
| **Tennessee Valley Authority (TVA)–1.92%** | | |
| Sr. Unsec. Global Bonds, 4.88%, 12/15/2016 | $ 11,377,000 | $ 11,396,932 |
| Sr. Unsec. Global Notes, 1.88%, 08/15/2022 | 2,000,000 | 1,969,080 |
| | | 13,366,012 |
| Total U.S. Government Sponsored Agency Securities (Cost $26,316,954) | | 24,643,114 |
| **Certificates of Deposit–3.45%** | | |
| Credit Agricole Corporate and Investment Bank (France), 1.22%, 08/01/2017[d] | 12,000,000 | 12,003,054 |
| Rabobank Nederland (Netherlands), 1.18%, 11/06/2017[d] | 12,000,000 | 12,005,856 |
| Total Certificates of Deposit (Cost $24,000,000) | | 24,008,910 |
| **Corporate Notes–2.20%** | | |
| **Private Export Funding Corp.–2.20%** | | |
| Series BB, Sec. Gtd. Notes, 4.30%, 12/15/2021 | 4,800,000 | 5,307,720 |
| Series FF, Sec. Gtd. Notes, 1.38%, 02/15/2017 | 5,000,000 | 5,007,130 |
| Series HH, Sr. Sec. Gtd. Notes, 1.45%, 08/15/2019 | 5,000,000 | 4,993,305 |
| Total Corporate Notes (Cost $14,794,548) | | 15,308,155 |
| | **Shares** | |
| **Money Market Funds–0.01%** | | |
| Government & Agency Portfolio – Institutional Class, 0.29% (Cost $66,590) [f] | 66,590 | 66,590 |
| **Options Purchased–0.03%** (Cost $359,900)[g] | | 243,519 |
| TOTAL INVESTMENTS–99.73% (Cost $690,056,647) | | 694,783,732 |
| OTHER ASSETS LESS LIABILITIES–0.27% | | 1,873,729 |
| NET ASSETS–100.00% | | $ 696,657,461 |

Investment Abbreviations:

| | |
|---|---|
| ARM | — Adjustable Rate Mortgage |
| Ctfs. | — Certificates |
| Gtd. | — Guaranteed |
| IO | — Interest Only |
| REMICs | — Real Estate Mortgage Investment Conduits |
| Sec. | — Secured |
| Sr. | — Senior |
| STRIPS | — Separately Traded Registered Interest and Principal Securities |
| Unsec. | — Unsecured |

**See accompanying notes which are an integral part of this schedule.**

Notes to Schedule of Investments:

[a] Security traded on a discount basis. The interest rate shown represents the discount rate at the time of purchase by the Fund.

[b] All or a portion of the value was pledged as collateral to cover margin requirements for open futures contracts. See Note 1F and Note 3.

[c] Principal amount of security and interest payments are adjusted for inflation. See Note 1E.

[d] Interest or dividend rate is redetermined periodically. Rate shown is the rate in effect on November 30, 2016.

[e] Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"). The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at November 30, 2016 was $71,468,724, which represented 10.26% of the Fund's Net Assets.

[f] The money market fund and the Fund are affiliated by having the same investment adviser. The rate shown is the 7-day SEC standardized yield as of November 30, 2016.

[g] The table below details options purchased:

**Open Over-The-Counter Interest Rate Swaptions Purchased**

| Description | Type of Contract | Counterparty | Exercise Rate | Pay/Receive Exercise Rate | Floating Rate Index | Expiration Date | Notional Value | Value |
|---|---|---|---|---|---|---|---|---|
| 30 Year Interest Rate Swap | Call | Deutsche Bank Securities Inc. | 1.67% | Receive | 3 Month USD LIBOR | 05/16/2017 | $ 6,100,000 | $ 31,797 |
| 30 Year Interest Rate Swap | Put | Deutsche Bank Securities Inc. | 2.67 | Pay | 3 Month USD LIBOR | 05/16/2017 | 6,100,000 | 211,722 |
| Total Options Purchased—Interest Rate Risk (Cost $359,900) | | | | | | | | $ 243,519 |

Abbreviations:

LIBOR — London Interbank Offered Rate

USD — U.S. Dollar

**See accompanying notes which are an integral part of this schedule.**

## Notes to Quarterly Schedule of Portfolio Holdings

*November 30, 2016*
*(Unaudited)*

**NOTE 1 -- Significant Accounting Policies**

**A. Security Valuations –** Securities, including restricted securities, are valued according to the following policy.

Debt obligations (including convertible securities) and unlisted equities are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to specific securities, dividend rate (for unlisted equities), yield (for debt obligations), quality, type of issue, coupon rate (for debt obligations), maturity (for debt obligations), individual trading characteristics and other market data. Debt obligations are subject to interest rate and credit risks. In addition, all debt obligations involve some risk of default with respect to interest and/or principal payments.

A security listed or traded on an exchange (except convertible securities) is valued at its last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded, or lacking any sales or official closing price on a particular day, the security may be valued at the closing bid price on that day. Securities traded in the over-the-counter market are valued based on prices furnished by independent pricing services or market makers. When such securities are valued by an independent pricing service they may be considered fair valued. Futures contracts are valued at the final settlement price set by an exchange on which they are principally traded. Listed options are valued at the mean between the last bid and asked prices from the exchange on which they are principally traded. Options not listed on an exchange are valued by an independent source at the mean between the last bid and asked prices. For purposes of determining net asset value ("NAV") per share, futures and option contracts generally are valued 15 minutes after the close of the customary trading session of the New York Stock Exchange (“NYSE”).

Investments in open-end and closed-end registered investment companies that do not trade on an exchange are valued at the end-of-day net asset value per share. Investments in open-end and closed-end registered investment companies that trade on an exchange are valued at the last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded.

Foreign securities' (including foreign exchange contracts) prices are converted into U.S. dollar amounts using the applicable exchange rates as of the close of the NYSE. If market quotations are available and reliable for foreign exchange-traded equity securities, the securities will be valued at the market quotations. Because trading hours for certain foreign securities end before the close of the NYSE, closing market quotations may become unreliable. If between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that the Adviser determines are significant and make the closing price unreliable, the Fund may fair value the security. If the event is likely to have affected the closing price of the security, the security will be valued at fair value in good faith using procedures approved by the Board of Trustees. Adjustments to closing prices to reflect fair value may also be based on a screening process of an independent pricing service to indicate the degree of certainty, based on historical data, that the closing price in the principal market where a foreign security trades is not the current value as of the close of the NYSE. Foreign securities' prices meeting the approved degree of certainty that the price is not reflective of current value will be priced at the indication of fair value from the independent pricing service. Multiple factors may be considered by the independent pricing service in determining adjustments to reflect fair value and may include information relating to sector indices, American Depositary Receipts and domestic and foreign index futures. Foreign securities may have additional risks including exchange rate changes, potential for sharply devalued currencies and high inflation, political and economic upheaval, the relative lack of issuer information, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Securities for which market prices are not provided by any of the above methods may be valued based upon quotes furnished by independent sources. The last bid price may be used to value equity securities. The mean between the last bid and asked prices is used to value debt obligations, including corporate loans.

Securities for which market quotations are not readily available or became unreliable are valued at fair value as determined in good faith by or under the supervision of the Trust’s officers following procedures approved by the Board of Trustees. Issuer specific events, market trends, bid/asked quotes of brokers and information providers and other market data may be reviewed in the course of making a good faith determination of a security’s fair value.

The Fund may invest in securities that are subject to interest rate risk, meaning the risk that the prices will generally fall as interest rates rise and, conversely, the prices will generally rise as interest rates fall. Specific securities differ in their sensitivity to

**A. Security Valuations – (continued)**

changes in interest rates depending on their individual characteristics. Changes in interest rates may result in increased market volatility, which may affect the value and/or liquidity of certain Fund investments.

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer's assets, general economic conditions, interest rates, investor perceptions and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

**B. Securities Transactions and Investment Income –** Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income (net of withholding tax, if any) is recorded on the accrual basis from settlement date. Paydown gains and losses on mortgage and asset-backed securities are recorded as adjustments to interest income. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date. Bond premiums and discounts are amortized and/or accreted for financial reporting purposes.

The Fund may periodically participate in litigation related to Fund investments. As such, the Fund may receive proceeds from litigation settlements. Any proceeds received are included in the Statement of Operations as realized gain (loss) for investments no longer held and as unrealized gain (loss) for investments still held.

Brokerage commissions and mark ups are considered transaction costs and are recorded as an increase to the cost basis of securities purchased and/or a reduction of proceeds on a sale of securities. Such transaction costs are included in the determination of net realized and unrealized gain (loss) from investment securities reported in the Statement of Operations and the Statement of Changes in Net Assets and the net realized and unrealized gains (losses) on securities per share in the Financial Highlights. Transaction costs are included in the calculation of the Fund's net asset value and, accordingly, they reduce the Fund’s total returns. These transaction costs are not considered operating expenses and are not reflected in net investment income reported in the Statement of Operations and the Statement of Changes in Net Assets, or the net investment income per share and the ratios of expenses and net investment income reported in the Financial Highlights, nor are they limited by any expense limitation arrangements between the Fund and the investment adviser.

The Fund allocates realized and unrealized capital gains and losses to a class based on the relative net assets of each class. The Fund allocates income to a class based on the relative value of the settled shares of each class.

**C. Country Determination –** For the purposes of making investment selection decisions and presentation in the Schedule of Investments, the investment adviser may determine the country in which an issuer is located and/or credit risk exposure based on various factors. These factors include the laws of the country under which the issuer is organized, where the issuer maintains a principal office, the country in which the issuer derives 50% or more of its total revenues and the country that has the primary market for the issuer’s securities, as well as other criteria. Among the other criteria that may be evaluated for making this determination are the country in which the issuer maintains 50% or more of its assets, the type of security, financial guarantees and enhancements, the nature of the collateral and the sponsor organization. Country of issuer and/or credit risk exposure has been determined to be the United States of America, unless otherwise noted.

**D. Dollar Rolls and Forward Commitment Transactions** - The Fund may enter into dollar roll transactions to enhance the Fund’s performance. The Fund executes its dollar roll transactions in the *to be announced* (“TBA”) market whereby the Fund makes a forward commitment to purchase a security and, instead of accepting delivery, the position is offset by the sale of the security with a simultaneous agreement to repurchase at a future date.

The Fund accounts for dollar roll transactions as purchases and sales and realizes gains and losses on these transactions. These transactions increase the Fund’s portfolio turnover rate. The Fund will segregate liquid assets in an amount equal to its dollar roll commitments. Dollar roll transactions are considered borrowings under the 1940 Act.

Dollar roll transactions involve the risk that a Counterparty to the transaction may fail to complete the transaction. If this occurs, the Fund may lose the opportunity to purchase or sell the security at the agreed upon price. Dollar roll transactions also involve the risk that the value of the securities retained by the Fund may decline below the price of the securities that the Fund has sold but is obligated to purchase under the agreement.

**E. Treasury Inflation-Protected Securities** - The Fund may invest in Treasury Inflation-Protected Securities (“TIPS”). TIPS are fixed income securities whose principal value is periodically adjusted to the rate of inflation. The principal value of TIPS will be adjusted upward or downward, and any increase or decrease in the principal amount of TIPS will be included as interest income in the Statement of Operations, even though investors do not receive their principal until maturity.

**F. Futures Contracts –** The Fund may enter into futures contracts to manage exposure to interest rate, equity and market price movements and/or currency risks. A futures contract is an agreement between two parties (“Counterparties”) to purchase or sell a specified underlying security, currency or commodity (or delivery of a cash settlement price, in the case of an index future) for a fixed price at a future date. The Fund currently invests only in exchange-traded futures and they are standardized as to maturity date and underlying financial instrument. Initial margin deposits required upon entering into futures contracts are satisfied by the

**F. Futures Contracts – (continued)**
segregation of specific securities or cash as collateral at the futures commission merchant (broker). During the period the futures contracts are open, changes in the value of the contracts are recognized as unrealized gains or losses by recalculating the value of the contracts on a daily basis. Subsequent or variation margin payments are received or made depending upon whether unrealized gains or losses are incurred. These amounts are reflected as receivables or payables on the Statement of Assets and Liabilities. When the contracts are closed or expire, the Fund recognizes a realized gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the Fund's basis in the contract. The net realized gain (loss) and the change in unrealized gain (loss) on futures contracts held during the period is included on the Statement of Operations. The primary risks associated with futures contracts are market risk and the absence of a liquid secondary market. If the Fund were unable to liquidate a futures contract and/or enter into an offsetting closing transaction, the Fund would continue to be subject to market risk with respect to the value of the contracts and continue to be required to maintain the margin deposits on the futures contracts. Futures contracts have minimal Counterparty risk since the exchange's clearinghouse, as Counterparty to all exchange-traded futures, guarantees the futures against default. Risks may exceed amounts recognized in the Statement of Assets and Liabilities.

**G. Call Options Purchased and Written** – The Fund may write covered call options and/or buy call options. A covered call option gives the purchaser of such option the right to buy, and the writer the obligation to sell, the underlying security or foreign currency at the stated exercise price during the option period. Options written by the Fund normally will have expiration dates between three and nine months from the date written. The exercise price of a call option may be below, equal to, or above the current market value of the underlying security at the time the option is written.

Additionally, the Fund may enter into an option on a swap agreement, also called a "swaption". A swaption is an option that gives the buyer the right, but not the obligation, to enter into a swap on a future date in exchange for paying a market-based premium. A receiver swaption gives the owner the right to receive the total return of a specified asset, reference rate or index. Swaptions also include options that allow an existing swap to be terminated or extended by one of the Counterparties.

When the Fund writes a covered call option, an amount equal to the premium received by the Fund is recorded as an asset and an equivalent liability in the Statement of Assets and Liabilities. The amount of the liability is subsequently "marked-to-market" to reflect the current market value of the option written. If a written covered call option expires on the stipulated expiration date, or if the Fund enters into a closing purchase transaction, the Fund realizes a gain (or a loss if the closing purchase transaction exceeds the premium received when the option was written) without regard to any unrealized gain or loss on the underlying security, and the liability related to such option is extinguished. If a written covered call option is exercised, the Fund realizes a gain or a loss from the sale of the underlying security and the proceeds of the sale are increased by the premium originally received. Realized and unrealized gains and losses on these contracts are included in the Statement of Operations. A risk in writing a covered call option is that the Fund gives up the opportunity for profit if the market price of the security increases and the option is exercised.

When the Fund buys a call option, an amount equal to the premium paid by the Fund is recorded as an investment on the Statement of Assets and Liabilities. The amount of the investment is subsequently "marked-to-market" to reflect the current value of the option purchased. Realized and unrealized gains and losses on these contracts are included in the Statement of Operations. A risk in buying an option is that the Fund pays a premium whether or not the option is exercised. In addition, there can be no assurance that a liquid secondary market will exist for any option purchased.

**H. Put Options Purchased and Written** – The Fund may purchase and write put options including options on securities indexes, or foreign currency and/or futures contracts. By purchasing a put option, the Fund obtains the right (but not the obligation) to sell the option's underlying instrument at a fixed strike price. In return for this right, the Fund pays an option premium. The option's underlying instrument may be a security, securities index, or a futures contract.

Additionally, the Fund may enter into an option on a swap agreement, also called a "swaption". A swaption is an option that gives the buyer the right, but not the obligation, to enter into a swap on a future date in exchange for paying a market-based premium. A receiver swaption gives the owner the right to receive the total return of a specified asset, reference rate or index. Swaptions also include options that allow an existing swap to be terminated or extended by one of the Counterparties.

Put options may be used by the Fund to hedge securities it owns by locking in a minimum price at which the Fund can sell. If security prices fall, the put option could be exercised to offset all or a portion of the Fund's resulting losses. At the same time, because the maximum the Fund has at risk is the cost of the option, purchasing put options does not eliminate the potential for the Fund to profit from an increase in the value of the underlying portfolio securities. The Fund may write put options to earn additional income in the form of option premiums if it expects the price of the underlying instrument to remain stable or rise during the option period so that the option will not be exercised. The risk in this strategy is that the price of the underlying securities may decline by an amount greater than the premium received. Put options written are reported as a liability in the Statement of Assets and Liabilities. Realized and unrealized gains and losses on these contracts are included in the Statement of

**H. Put Options Purchased and Written – (continued)**

Operations as Net realized gain from Investment securities. A risk in buying an option is that the Fund pays a premium whether or not the option is exercised. In addition, there can be no assurance that a liquid secondary market will exist for any option purchased.

**I. Swap Agreements** – The Fund may enter into various swap transactions, including interest rate, total return, index, currency and credit default swap contracts ("CDS") for investment purposes or to manage interest rate, currency or credit risk. Such transactions are agreements between Counterparties. These agreements may contain among other conditions, events of default and termination events, and various covenants and representations such as provisions that require the Fund to maintain a pre-determined level of net assets, and/or provide limits regarding the decline of the Fund's NAV over specific periods of time. If the Fund were to trigger such provisions and have open derivative positions at that time, the Counterparty may be able to terminate such agreement and request immediate payment in an amount equal to the net liability positions, if any.

Interest rate, total return, index, and currency swap agreements are two-party contracts entered into primarily to exchange the returns (or differentials in rates of returns) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a notional amount, i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate or return of an underlying asset, in a particular foreign currency, or in a "basket" of securities representing a particular index.

A CDS is an agreement between Counterparties to exchange the credit risk of an issuer. A buyer of a CDS is said to buy protection by paying a fixed payment over the life of the agreement and in some situations an upfront payment to the seller of the CDS. If a defined credit event occurs (such as payment default or bankruptcy), the Fund as a protection buyer would cease paying its fixed payment, the Fund would deliver eligible bonds issued by the reference entity to the seller, and the seller would pay the full notional value, or the "par value", of the referenced obligation to the Fund. A seller of a CDS is said to sell protection and thus would receive a fixed payment over the life of the agreement and an upfront payment, if applicable. If a credit event occurs, the Fund as a protection seller would cease to receive the fixed payment stream, the Fund would pay the buyer "par value" or the full notional value of the referenced obligation, and the Fund would receive the eligible bonds issued by the reference entity. In turn, these bonds may be sold in order to realize a recovery value. Alternatively, the seller of the CDS and its Counterparty may agree to net the notional amount and the market value of the bonds and make a cash payment equal to the difference to the buyer of protection. If no credit event occurs, the Fund receives the fixed payment over the life of the agreement. As the seller, the Fund would effectively add leverage to its portfolio because, in addition to its total net assets, the Fund would be subject to investment exposure on the notional amount of the CDS. In connection with these agreements, cash and securities may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default under the swap agreement or bankruptcy/insolvency of a party to the swap agreement. If a Counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Fund may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. The Fund may obtain only limited recovery or may obtain no recovery in such circumstances. The Fund's maximum risk of loss from Counterparty risk, either as the protection seller or as the protection buyer, is the value of the contract. The risk may be mitigated by having a master netting arrangement between the Fund and the Counterparty and by the designation of collateral by the Counterparty to cover the Fund's exposure to the Counterparty.

Implied credit spreads represent the current level at which protection could be bought or sold given the terms of the existing CDS contract and serve as an indicator of the current status of the payment/performance risk of the CDS. An implied spread that has widened or increased since entry into the initial contract may indicate a deteriorating credit profile and increased risk of default for the reference entity. A declining or narrowing spread may indicate an improving credit profile or decreased risk of default for the reference entity. Alternatively, credit spreads may increase or decrease reflecting the general tolerance for risk in the credit markets.

An interest rate swap is an agreement between Counterparties pursuant to which the parties exchange a floating rate payment for a fixed rate payment based on a specified notional amount.

Changes in the value of swap agreements are recognized as unrealized gains (losses) in the Statement of Operations by "marking to market" on a daily basis to reflect the value of the swap agreement at the end of each trading day. Payments received or paid at the beginning of the agreement are reflected as such on the Statement of Assets and Liabilities and may be referred to as upfront payments. The Fund accrues for the fixed payment stream and amortizes upfront payments, if any, on swap agreements on a daily basis with the net amount, recorded as a component of realized gain (loss) on the Statement of Operations. A liquidation payment received or made at the termination of a swap agreement is recorded as realized gain (loss) on the Statement of Operations. The Fund segregates cash or liquid securities having a value at least equal to the amount of the potential obligation of a Fund under any swap transaction. Cash held as collateral is recorded as deposits with brokers on the Statement of Assets and Liabilities. Entering into these agreements involves, to varying degrees, lack of liquidity and elements of credit, market, and

**I. Swap Agreements – (continued)**

Counterparty risk in excess of amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that a swap is difficult to sell or liquidate; the Counterparty does not honor its obligations under the agreement and unfavorable interest rates and market fluctuations. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Fund's ability to terminate existing swap agreements or to realize amounts to be received under such agreements. A short position in a security poses more risk than holding the same security long. As there is no limit on how much the price of the security can increase, the Fund's exposure is unlimited.

**J. Other Risks** – The Fund may invest in obligations issued by agencies and instrumentalities of the U.S. Government that may vary in the level of support they receive from the government. The government may choose not to provide financial support to government sponsored agencies or instrumentalities if it is not legally obligated to do so. In this case, if the issuer defaulted, the Fund may not be able to recover its investment in such issuer from the U.S. Government. Many securities purchased by the Fund are not guaranteed by the U.S. Government.

**K. Collateral** – To the extent the Fund has designated or segregated a security as collateral and that security is subsequently sold, it is the Fund's practice to replace such collateral no later than the next business day.

**NOTE 2 -- Additional Valuation Information**

Generally Accepted Accounting Principles ("GAAP") defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods, giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3), generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment's assigned level:

Level 1 – Prices are determined using quoted prices in an active market for identical assets.

Level 2 – Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, loss severities, default rates, discount rates, volatilities and others.

Level 3 – Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

The following is a summary of the tiered valuation input levels, as of November 30, 2016. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| U.S. Dollar Denominated Bonds & Notes | $ — | $ 17,919,136 | $ — | $ 17,919,136 |
| Collateralized Mortgage Obligations | — | 81,886,944 | — | 81,886,944 |
| U.S. Government Sponsored Agency Mortgage-Backed Securities | — | 259,542,165 | — | 259,542,165 |
| U.S. Government Sponsored Agency Securities | — | 24,643,114 | — | 24,643,114 |
| U.S. Treasury Securities | — | 286,473,354 | — | 286,473,354 |
| Certificates of Deposit | — | 24,008,910 | — | 24,008,910 |
| Money Market Funds | 66,590 | — | — | 66,590 |
| Options Purchased | — | 243,519 | — | 243,519 |
| | 66,590 | 694,717,142 | — | 694,783,732 |
| Futures Contracts* | 63,447 | — | — | 63,447 |
| Total Investments | $ 130,037 | $ 694,717,142 | $ — | $ 694,847,179 |

* Unrealized appreciation.

**NOTE 3 -- Derivative Investments**

The Fund may enter into an International Swaps and Derivatives Association Master Agreement ("ISDA Master Agreement") under which a Fund may trade OTC derivatives. An OTC transaction entered into under an ISDA Master Agreement typically involves a collateral posting arrangement, payment netting provisions and close-out netting provisions. These netting provisions allow for reduction of credit risk through netting of contractual obligations. The enforceability of the netting provisions of the ISDA Master Agreement depends on the governing law of the ISDA Master Agreement, among other factors.

For financial reporting purposes, the Fund does not offset OTC derivative assets or liabilities that are subject to ISDA Master Agreements in the Statement of Assets and Liabilities.

**Value of Derivative Investments at Period-End**

The table below summarizes the value of the Fund's derivative investments, detailed by primary risk exposure, held as of November 30, 2016:

| | Value |
|---|---|
| **Derivative Assets** | **Interest Rate Risk** |
| Unrealized appreciation on futures contracts—Exchange-Traded[a] | $ 206,567 |
| Options purchased, at value—OTC[b] | 243,519 |
| Total Derivative Assets | 450,086 |
| Derivatives not subject to master netting agreements | (206,567) |
| Total Derivative Assets subject to master netting agreements | $ 243,519 |

| | Value |
|---|---|
| **Derivative Liabilities** | **Interest Rate Risk** |
| Unrealized depreciation on futures contracts—Exchange-Traded[a] | $ (143,120) |
| Total Derivative Liabilities | (143,120) |
| Derivatives not subject to master netting agreements | 143,120 |
| Total Derivative Liabilities subject to master netting agreements | $ — |

[a] Includes cumulative appreciation (depreciation) on futures contracts.

[b] Options purchased, at value as reported in the Schedule of Investments.

**Effect of Derivative Investments for the nine months ended November 30, 2016**

The table below summarizes the gains (losses) on derivative investments, detailed by primary risk exposure, recognized in earnings during the period:

| | Location of Gain (Loss) on Statement of Operations |
|---|---|
| | **Interest Rate Risk** |
| **Realized Gain (Loss):** | |
| Futures contracts | $ (3,031,166) |
| Options purchased[a] | (160,000) |
| **Change in Net Unrealized Appreciation (Depreciation):** | |
| Futures contracts | 759,381 |
| Options purchased[a] | (116,381) |
| Total | $ (2,548,166) |

[a] Options purchased are included in the net realized gain (loss) from investment securities and the change in net unrealized appreciation (depreciation) of investment securities.

The table below summarizes the average notional value of futures contracts and options purchased outstanding during the period.

| | Futures Contracts | Options Purchased |
|---|---|---|
| Average notional value | $ 137,106,967 | $ 18,377,778 |

**Open Futures Contracts**

| Futures Contracts | Type of Contract | Number of Contracts | Expiration Month | Notional Value | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|
| U.S. Treasury 2 Year Notes | Short | 60 | March-2017 | $ (13,008,750) | $ (2,940) |
| U.S. Treasury 5 Year Notes | Long | 105 | March-2017 | 12,373,594 | (20,250) |
| U.S. Treasury 10 Year Notes | Long | 218 | March-2017 | 27,144,406 | (109,519) |
| U.S. Treasury 10 Year Ultra Bonds | Short | 25 | March-2017 | (3,360,938) | (10,411) |
| U.S. Treasury Long Bonds | Short | 89 | March-2017 | (13,464,031) | 55,413 |
| U.S. Treasury Ultra Bonds | Long | 211 | March-2017 | 34,056,719 | 151,154 |
| Total Futures Contracts—Interest Rate Risk | | | | | $ 63,447 |

**NOTE 4 -- Investment Securities**

The aggregate amount of investment securities (other than short-term securities, U.S. Treasury obligations and money market funds, if any) purchased and sold by the Fund during the nine months ended November 30, 2016 was $52,315,139 and $100,754,537, respectively. During the same period, purchases and sales of long-term U.S. Treasury obligations were $101,140,922 and $115,937,268, respectively. Cost of investments on a tax basis includes the adjustments for financial reporting purposes as of the most recently completed federal income tax reporting period-end.

**Unrealized Appreciation (Depreciation) of Investment Securities on a Tax Basis**

| | |
|---|---|
| Aggregate unrealized appreciation of investment securities | $ 11,623,649 |
| Aggregate unrealized (depreciation) of investment securities | (12,117,720) |
| Net unrealized appreciation (depreciation) of investment securities | $ (494,071) |

Cost of investments for tax purposes is $695,277,803.