



| REF #            | Current Value <sup>2</sup> | Face/ Outstanding | Amortized Cost (\$) | Market (\$)      | Unrealized Gain/Loss (\$) | Book Yield <sup>3</sup> | Description                                |
|------------------|----------------------------|-------------------|---------------------|------------------|---------------------------|-------------------------|--|
| <b>Portfolio</b> |                            |                   |                     |                  |                           |                         |  |
| 126380AY0        | 2.78                       | 316,526           | 316,525             | 8,806            | -307,719                  | (4)                     | Credit Suisse CMO 5.82242% 11/25/2036      |
| 29216MAT7        | 15.38                      | 17,500,000        | 8,261,565           | 2,691,325        | -5,570,240                | 6.40                    | Employees Retirement System 0% 7/1/2028    |
| 29216MAV2        | 13.55                      | 19,890,000        | 8,278,290           | 2,695,692        | -5,582,599                | 6.40                    | Employees Retirement System 0% 7/1/2030    |
| 29216MAW0        | 12.63                      | 12,000,000        | 4,655,746           | 1,515,960        | -3,139,786                | 6.45                    | Employees Retirement System 0% 7/1/2031    |
| 29216MAX8        | 11.85                      | 18,200,000        | 6,626,894           | 2,157,428        | -4,469,466                | 6.45                    | Employees Retirement System 0% 7/1/2032    |
| 29216MAY6        | 11.12                      | 19,485,000        | 6,658,308           | 2,167,317        | -4,490,992                | 6.45                    | Employees Retirement System 0% 7/1/2033    |
| 29216MAZ3        | 10.44                      | 22,010,000        | 7,058,413           | 2,297,624        | -4,760,789                | 6.45                    | Employees Retirement System 0% 7/1/2034    |
| 29216MBL3        | 40.46                      | 850,000           | 262,369             | 343,885          | 81,516                    | 23.45                   | Employees Retirement System 6.15% 7/1/2028 |
| 29216MAC4        | 40.39                      | 1,750,000         | 534,722             | 706,843          | 172,121                   | 20.66                   | Employees Retirement System 6.15% 7/1/2038 |
| 29216MAK6        | 40.39                      | 210,000           | 64,145              | 84,821           | 20,677                    | 20.73                   | Employees Retirement System 6.2% 7/1/2039  |
| 29216MAM2        | 40.39                      | 375,000           | 373,299             | 151,444          | -221,855                  | 6.24                    | Employees Retirement System 6.2% 7/1/2042  |
| 29216MBB5        | 40.40                      | 11,100,000        | 11,053,420          | 4,484,289        | -6,569,131                | 6.34                    | Employees Retirement System 6.3% 7/1/2036  |
| 29216MBC3        | 40.39                      | 840,000           | 836,475             | 339,293          | -497,182                  | 6.34                    | Employees Retirement System 6.3% 7/1/2037  |
| 29216MBE9        | 40.39                      | 5,700,000         | 5,674,637           | 2,302,059        | -3,372,578                | 6.34                    | Employees Retirement System 6.3% 7/1/2039  |
| 29216MAN0        | 40.38                      | 5,275,000         | 5,275,000           | 2,129,834        | -3,145,166                | 6.45                    | Employees Retirement System 6.45% 7/1/2055 |
| 29216MAE0        | 40.37                      | 10,475,000        | 10,475,000          | 4,229,072        | -6,245,928                | 6.45                    | Employees Retirement System 6.45% 7/1/2058 |
| 29216MBF6        | 40.38                      | 10,450,000        | 10,348,988          | 4,219,292        | -6,129,696                | 6.62                    | Employees Retirement System 6.55% 7/1/2055 |
| 29216MBG4        | 40.38                      | 2,000,000         | 1,980,623           | 807,500          | -1,173,123                | 6.62                    | Employees Retirement System 6.55% 7/1/2056 |
| 29216MBH2        | 40.38                      | 5,700,000         | 5,644,658           | 2,301,432        | -3,343,226                | 6.62                    | Employees Retirement System 6.55% 7/1/2057 |
| 3133EGPQ2        | 100.07                     | 1,950,000         | 1,949,025           | 1,951,279        | 2,254                     | 2.77                    | FFCB 2.77% 7/28/2036                       |
| 3133EGEA9        | 100.33                     | 3,000,000         | 3,000,000           | 3,009,795        | 9,795                     | 3.03                    | FFCB 3.03% 6/9/2036                        |
| 3130A8X73        | 100.00                     | 900,000           | 900,000             | 900,033          | 33                        | 2.70                    | FHLB 2.7% 8/10/2035                        |
| 3130A8TT0        | 100.10                     | 1,700,000         | 1,700,000           | 1,701,676        | 1,676                     | 2.79                    | FHLB 2.79% 8/8/2036                        |
| 3130A8TU7        | 100.08                     | 1,360,000         | 1,360,000           | 1,361,081        | 1,081                     | 2.89                    | FHLB 2.89% 8/9/2041                        |
| 3130A83E1        | 100.23                     | 3,875,000         | 3,862,685           | 3,883,916        | 21,231                    | 3.02                    | FHLB 3% 5/23/2036                          |
| 3130A84S9        | 100.35                     | 10,420,000        | 10,386,857          | 10,456,407       | 69,550                    | 3.02                    | FHLB 3% 6/2/2036                           |
| 3130A8UB7        | 100.02                     | 1,950,000         | 1,949,513           | 1,950,411        | 899                       | 3.00                    | FHLB 3% 8/23/2041                          |
| 3130A8SV1        | 100.36                     | 5,700,000         | 5,694,323           | 5,720,355        | 26,032                    | 3.19                    | FHLB 3.18% 6/6/2041                        |
| 313382UL5        | 100.01                     | 6,500,000         | 6,491,511           | 6,500,676        | 9,165                     | 3.31                    | FHLB 3.3% 05/07/2032                       |
| 3133805N3        | 100.00                     | 1,715,328         | 1,713,890           | 1,715,366        | 1,477                     | 3.31                    | FHLB 3.3% 8/8/2035                         |
| 313380H59        | 100.01                     | 12,195,000        | 12,184,600          | 12,195,720       | 11,119                    | 3.31                    | FHLB 3.3% 9/7/2032                         |
| 74526QYY2        | 67.03                      | 280,000           | 181,718             | 187,678          | 5,960                     | 10.80                   | PR Electric Power Authority 5.25% 7/1/2027 |
| 74526QVD1        | 66.98                      | 2,475,000         | 1,579,435           | 1,657,730        | 78,295                    | 9.62                    | PR Electric Power Authority 5.25% 7/1/2033 |
| 74526QA69        | 67.29                      | 900,000           | 623,776             | 605,574          | -18,202                   | 10.44                   | PR Electric Power Authority 6.75% 7/1/2036 |
| 74529JHY4        | 10.14                      | 19,550,000        | 4,844,972           | 1,983,152        | -2,861,820                | 7.48                    | PR Sales Tax Financing 0% 8/1/2035         |
| 74529JKK0        | 48.84                      | 1,550,000         | 645,294             | 757,020          | 111,726                   | 13.84                   | PR Sales Tax Financing 5.375% 8/1/2039     |
| 74529JHN8        | 51.00                      | 490,000           | 208,582             | 249,915          | 41,333                    | 14.61                   | PR Sales Tax Financing 6% 8/1/2042         |
| 74529JB3         | 68.73                      | 8,000,000         | 8,000,000           | 5,498,480        | -2,501,520                | 6.35                    | PR Sales Tax Financing 6.35% 5/1/2057      |
| 74529JBL8        | 68.74                      | 8,380,000         | 8,380,000           | 5,759,993        | -2,620,007                | 6.35                    | PR Sales Tax Financing 6.35% 7/1/2057      |
| 74529JAE5        | 68.74                      | 3,400,000         | 3,400,000           | 2,337,058        | -1,062,942                | 6.35                    | PR Sales Tax Financing 6.35% 8/1/2057      |
| 74529JHP3        | 51.00                      | 425,000           | 179,724             | 216,759          | 37,035                    | 15.69                   | PR Sales Tax Financing 6.5% 8/1/2044       |
| 913580205        | 18.32                      | 400,000           | 10,000,000          | 7,326,400        | -2,673,600                | 7.15                    | Universal Pref 7.15%                       |
| 452152KL4        | 107.307                    | 2000000           | 2002610.77          | 2146140          | 143529.23                 | 5.23                    | US Muni - Illinois St 5.25% 1/1/2025       |
| 452152KM2        | 104.82                     | 1,500,000         | 1,502,127           | 1,572,315        | 70,188                    | 5.33                    | US Muni - Illinois St 5.35% 1/1/2026       |
| 452152GB1        | 114.06                     | <u>4,370,000</u>  | <u>4,370,000</u>    | <u>4,984,335</u> | <u>614,335</u>            | 7.10                    | US Muni - Illinois St 7.1% 7/1/2035        |
| Total            |                            | 269,111,855       | 191,489,718         | 122,263,178      | -69,226,540               |                         |  |



# Leverage

## REPO:

|                        |                                   |
|------------------------|-----------------------------------|
| PR Muni Collateral     | 0                                 |
| Non PR Muni Collateral | 47,859,806                        |
| Total REPO             | 47,859,806 WAC 0.78 / WAM 22 days |

TSO: 0 WAC 0 / WAM 0 days

Total Leverage 47,859,806

| Swaps        |            |                            |                                   |               |                               |       |               |
|--------------|------------|----------------------------|-----------------------------------|---------------|-------------------------------|-------|---------------|
| Counterparty | Notional   | Current Value <sup>2</sup> | To be received Rate at 01/21/2017 | Type          | To be paid Rate at 01/21/2017 | Type  | Maturity Date |
| JP Morgan    | 11,890,000 | 11,851,906                 | 1st reset 12/21/16                | 1-Month LIBOR | 0.72%                         | Fixed | 21-Dec-19     |
|              | 11,890,000 | 11,851,906                 |                                   |               |                               |       |               |

## Portfolio Holdings - Summary <sup>1, 6</sup>

### PR Obligations

|                                |       |
|--------------------------------|-------|
| Mortgage-Backed Securities     |       |
| CMO, COMM END, FNMA, GNMA, FGI | 0.01% |

|                  |       |
|------------------|-------|
| Preferred Stocks |       |
| Universal        | 5.99% |

|                             |        |
|-----------------------------|--------|
| Employees Retirement System | 29.14% |
| PR Sales Tax Financing      | 13.74% |
| PREPA                       | 2.00%  |

**PR Obligations 50.89%**

### US Obligations

|                          |        |
|--------------------------|--------|
| Federal Home Loan Bank   | 39.54% |
| Federal Farm Credit Bank | 2.46%  |
| Build America Bonds      | 4.08%  |
| US Municipals            | 3.04%  |

**US Obligations 49.11%**

## Credit Quality <sup>5, 6</sup>

|      |         |
|------|---------|
| AAA  | 42.00%  |
| AA   | 0.00%   |
| A    | 7.12%   |
| BBB  | 0.00%   |
| <BBB | 50.89%  |
|      | 100.00% |

(1) As of July 31, 2016. The Fund is actively managed, and its composition will vary over time. The data contained in this report has not been audited and is reported on a trade date basis. Other reports including compliance with applicable ratios are reported on a settlement date basis.

(2) Securities are valued by the Fund using values supplied by independent third party pricing services or two broker dealers. In arriving at their valuation, pricing sources and broker dealers may use a grid matrix of securities values as well as the evaluation of their staff. Certain Puerto Rico obligations have a limited number of market participants and thus, might not have readily ascertainable market and may have periods of illiquidity.

(3) Yield of the security at purchase. The yield is computed to maturity or the call date, whichever is lower.

(4) For mortgage backed securities the yield depends on the prepayment of the underlying mortgages and the premium or discount, if any, at the time of purchase. For a full discussion of the prepayment risk of investing in mortgage backed securities please refer to the Fund's prospectus.

(5) As of July 31, 2016, using the S&P equivalent ratings scale. The Fund's investment portfolio is actively managed, and its composition (including the portfolio statistics and characteristics) will vary over time. Credit quality percentages include only fixed income securities and vary over time, as new investments held by the Fund are reassessed. To the extent that the Fund's maximum investment threshold in below investment-grade (below "BBB" rating) securities is exceeded, Fund management may determine to continue to hold such lower-rated securities, provided any new investment proceeds are directed to acquire investment securities which satisfy the Fund's minimum credit rating requirements.

(6) Percentages may not total 100% due to rounding.