

Puerto Rico Tax-Free Target Maturity Fund II, Inc.

Fund Portfolio ⁽¹⁾
As of August 31, 2016

REF #	Current Value ⁽²⁾	Face/ Outstanding	Amortized Cost (\$)	Market (\$)	Unrealized Gain/Loss (\$)	Book Yield ⁽³⁾	Description
Portfolio							
3128FR6A3	111.63	157,998	160,557	176,375	15,818	(4)	COMMUN.END/FGD82665 7.5% 3/1/2027
31377JR67	107.90	55,927	55,927	60,346	4,420	(4)	COMMUN.END/FN378609 7.5% 6/1/2027
31378GUM3	105.80	95,280	95,280	100,802	5,522	(4)	COMMUN.END/FN398488 7% 9/1/2027
312988CY2	106.57	4,864	4,864	5,184	320	(4)	FGLMC B70087 7% 3/1/2023
3128FQRG9	100.34	8,456	8,545	8,484	-61	(4)	FGLMC D81387 7.5% 7/1/2027
3128E3AK0	113.81	263,857	263,857	300,296	36,439	(4)	FGLMC D96310 6% 10/1/2023
31377BM69	101.18	29,595	29,595	29,946	350	(4)	FNMA 372181 7% 8/1/2027
31378CKM3	100.25	3,977	3,977	3,987	10	(4)	FNMA 394600 7.5% 8/1/2027
31378KSU9	100.30	9,517	9,517	9,546	28	(4)	FNMA 401131 7.5% 6/1/2026
31387SKU9	105.66	82,178	82,178	86,829	4,651	(4)	FNMA 592607 7% 11/1/2024
36201UUL6	104.10	61,979	61,979	64,519	2,539	(4)	GNMA P/I 593787 6.5% 12/15/2023
36201UUX0	112.57	274,734	274,858	309,255	34,396	(4)	GNMA P/I 593798 5% 1/15/2024
36202TBL9	112.69	207,337	207,337	233,655	26,318	(4)	GNMA P/I 608543 5% 2/15/2024
36202TDX1	112.75	291,626	288,710	328,818	40,109	(4)	GNMA P/I 608618 5% 6/15/2024
36291SEK2	113.81	390,974	390,974	444,958	53,984	(4)	GNMA P/I 636538 5.5% 6/15/2025
36291SEL0	112.49	186,140	186,140	209,383	23,243	(4)	GNMA P/I 636539 5.5% 6/15/2027
36291SEM8	112.49	140,944	140,944	158,543	17,599	(4)	GNMA P/I 636540 5.5% 6/15/2028
36291SFC9	115.43	278,270	278,270	321,220	42,950	(4)	GNMA P/I 636563 5.5% 7/15/2025
36291SFJ4	111.27	102,380	102,380	113,915	11,535	(4)	GNMA P/I 636569 5% 7/15/2025
36291SFL9	114.57	267,308	267,308	306,258	38,950	(4)	GNMA P/I 636571 6% 7/15/2023
36291SF47	112.70	322,798	322,798	363,787	40,989	(4)	GNMA P/I 636587 5% 9/15/2025
362207C91	110.89	115,761	115,761	128,369	12,608	(4)	GNMA S/N 298996 7% 9/15/2027
36224L4R5	110.39	82,578	83,922	91,159	7,236	(4)	GNMA S/N 332132 7.5% 2/15/2023
36224PJ25	110.39	89,240	90,693	98,513	7,820	(4)	GNMA S/N 334281 7.5% 2/15/2023
36203AAT3	110.39	67,884	68,979	74,938	5,958	(4)	GNMA S/N 343018 7.5% 1/15/2023
36205U5Z9	110.89	94,285	94,285	104,554	10,269	(4)	GNMA S/N 401464 7% 10/15/2024
36205U6E5	110.89	143,919	144,754	159,593	14,839	(4)	GNMA S/N 401469 7% 12/15/2024
36206QGW2	110.39	72,554	74,012	80,093	6,081	(4)	GNMA S/N 417913 7.5% 9/15/2025
36206YVM0	110.89	123,046	126,319	136,447	10,128	(4)	GNMA S/N 425520 7% 1/15/2026
36206YV57	115.64	114,554	116,853	132,471	15,619	(4)	GNMA S/N 425536 6.5% 4/15/2026
36206YXG1	115.64	50,000	50,564	57,821	7,256	(4)	GNMA S/N 425579 6.5% 6/15/2026
36206YXG1	115.64	49,296	50,749	57,006	6,258	(4)	GNMA S/N 425579 6.5% 6/15/2026
36207BC73	110.39	60,474	62,811	66,758	3,947	(4)	GNMA S/N 426794 7.5% 3/15/2026
36207BDJ6	110.39	58,091	58,091	64,127	6,036	(4)	GNMA S/N 426805 7.5% 8/15/2026
36208D6A8	110.89	112,515	112,515	124,769	12,254	(4)	GNMA S/N 448265 7% 4/15/2027
36208EDV2	110.39	160,459	163,958	177,132	13,174	(4)	GNMA S/N 448416 7.5% 2/15/2027
36208FET3	110.89	70,943	72,912	78,669	5,758	(4)	GNMA S/N 449346 7% 8/15/2027
36208FEU0	110.89	317,244	326,048	351,795	25,747	(4)	GNMA S/N 449347 7% 8/15/2027
36208FEV8	110.89	167,294	171,937	185,514	13,577	(4)	GNMA S/N 449348 7% 8/15/2027
36208KYJ2	110.89	116,034	116,039	128,671	12,632	(4)	GNMA S/N 453513 7% 8/15/2027
36208KYM5	110.89	139,070	142,821	154,216	11,396	(4)	GNMA S/N 453516 7% 8/15/2027
36208KYQ6	110.89	161,419	165,772	178,999	13,227	(4)	GNMA S/N 453519 7% 8/15/2027
36208KYU7	110.89	283,817	283,817	314,728	30,911	(4)	GNMA S/N 453523 7% 8/15/2027
36213J5P6	115.64	500,000	500,000	578,205	78,205	(4)	GNMA S/N 556254 6.5% 8/15/2031
CM6876089	103.82	246,212	246,212	255,608	9,395	(4)	LEHMAN BROS CMO 5.5% 10/24/2023
CM5476071	105.11	3,161	3,161	3,323	162	(4)	LEHMAN BROS CMO 6.25% 3/24/2023
74527PBV4	91.47	370,000	318,701	338,454	19,753	5.35	PR Housing (Insured) 0% 7/1/2019
74527PBW2	89.90	3,060,000	2,576,983	2,750,909	173,927	5.22	PR HOUSING FINANCE AGENCY 0% 1/1/2020
74527PBY8	86.19	1,000,000	799,063	861,870	62,807	5.25	PR HOUSING FINANCE AGENCY 0% 1/1/2021
74527PBX0	88.08	1,470,000	1,204,362	1,294,703	90,340	5.27	PR HOUSING FINANCE AGENCY 0% 7/1/2020
74526LBC6	95.05	542,044	542,044	515,213	-26,831	2.96	PR HOUSING FINANCE AGENCY 2.955% 6/29/2026
74526LBG7	98.60	328,861	328,861	324,250	-4,611	3.96	PR HOUSING FINANCE AGENCY 3.955% 6/29/2026
74526LBL6	100.96	<u>598,817</u>	<u>598,817</u>	<u>604,547</u>	<u>5,731</u>	4.96	PR HOUSING FINANCE AGENCY 4.955% 9/29/2026
Total		14,005,709	13,047,811	14,109,528	1,061,717		

Leverage

REPO:

PR Muni Collateral	2,700,000
Non PR Muni Collateral	<u>3,050,000</u>
Total REPO	5,750,000 WAC 0.80 / WAM 15 days

Puerto Rico Tax-Free Target Maturity Fund II, Inc.

Fund Portfolio ⁽¹⁾

As of August 31, 2016

Swaps		Current Value ⁽²⁾	To be received Rate at 8/31/2016	Type	To be paid Rate at 8/31/2016	Type	Maturity Date
Counterparty	Notional						
Barclays	2,400,000	2,396,566	0.51%	1 Month Libor	4.23%	Fixed	9/15/2016

Portfolio Holdings - Summary^{1, 6}

PR Obligations

Mortgage-Backed Securities

GNMA, FNMA, FGLMC, CMO

52.59%

PR Housing Finance

47.41%

PR Obligations

100.00%

Credit Quality^{5, 6}

AAA 100.00%

AA 0.00%

A 0.00%

BBB 0.00%

<BBB 0.00%

100.00%

(1) As of August 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 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 August 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.