

Puerto Rico Investors Tax-Free Fund, Inc. II

Fund Portfolio <sup>(1)</sup>

As of August 31, 2016

REF #	Current Value <sup>(2)</sup>	Face/ Outstanding	Amortized Cost (\$)	Market (\$)	Unrealized Gain/Loss (\$)	Book Yield <sup>(3)</sup>	Description
<b>Portfolio</b>							
74527RJ9	23.13	5,635,000	5,635,000	1,303,094	-4,331,906	7.25	AFICA - Palmas del Mar 7.25% 12/20/2030
CM6832041	100.00	241,953	241,942	241,953	11	(4)	CMO-IMCT7D P1 5.475% 4/1/2024
31377JR67	107.90	101,432	101,999	109,447	7,448	(4)	COMMUN.END/FN378609 7.5% 6/1/2027
36208KYX1	100.78	30,967	30,967	31,209	242	(4)	COMMUN.END/GN453526 7.5% 9/15/2027
36209GD95	111.65	194,657	194,657	217,336	22,679	(4)	COMMUN.END/GN470928 7% 6/15/2028
36211KRR2	113.70	24,457	24,457	27,807	3,349	(4)	COMMUN.END/GN515390 7.5% 4/15/2030
126380AY0	3.17	21,101	21,066	669	-20,397	(4)	Credit Suisse CMO 5.82242% 11/25/2036
29216MAV2	13.70	3,715,000	1,554,488	508,844	-1,045,644	6.40	Employees Retirement System 0% 7/1/2030
29216MAW0	12.77	3,030,000	1,181,929	386,780	-795,149	6.45	Employees Retirement System 0% 7/1/2031
29216MAX8	11.96	3,230,000	1,182,447	386,437	-796,010	6.45	Employees Retirement System 0% 7/1/2032
29216MAY6	11.23	3,440,000	1,181,851	386,346	-795,504	6.45	Employees Retirement System 0% 7/1/2033
29216MAZ3	10.53	2,590,000	835,079	272,675	-562,404	6.45	Employees Retirement System 0% 7/1/2034
29216MBB5	40.39	1,195,000	1,189,859	482,672	-707,186	6.34	Employees Retirement System 6.3% 7/1/2036
29216MBC3	40.38	250,000	248,912	100,940	-147,972	6.34	Employees Retirement System 6.3% 7/1/2037
29216MBD1	40.39	945,000	940,842	381,648	-559,195	6.34	Employees Retirement System 6.3% 7/1/2038
29216MBF6	40.35	3,270,000	3,238,406	1,319,282	-1,919,124	6.62	Employees Retirement System 6.55% 7/1/2055
29216MBG4	40.33	2,070,000	2,049,953	834,810	-1,215,143	6.62	Employees Retirement System 6.55% 7/1/2056
29216MBH2	40.34	770,000	762,527	310,618	-451,909	6.62	Employees Retirement System 6.55% 7/1/2057
3133EFM46	100.14	600,000	600,000	600,836	836	3.12	FED FARM CREDIT BANK 3.12% DUE 03/14/2031
3130A7ST3	100.29	6,800,000	6,800,000	6,819,931	19,931	3.25	FED FARM CREDIT BANK 3.25% DUE 03/24/2031
3133EGA4J	100.13	200,000	199,803	200,268	464	2.90	FED FARM CREDIT BANK2.90% DUE 05/16/2031
3130A83E1	100.17	1,000,000	1,000,000	1,001,731	1,731	3.00	FED FARM CREDIT BANK3.00% DUE 05/23/2036
3130A8GX5	100.03	450,000	450,000	450,152	152	3.00	FEDERAL HOME LOAN BANK 3.00% DUE 06/16/2036
3130A8WQ2	99.83	3,700,000	3,700,000	3,693,747	-6,253	2.65	FEDERAL HOME LOAN BANKS 2.65% DUE 08/16/2032
3130A8TT0	100.05	2,000,000	2,000,000	2,000,974	974	2.79	FEDERAL HOME LOAN BANKS 2.79% DUE 08/08/2036
3128FGKV5	111.33	112,799	112,924	125,576	12,652	(4)	FGLMC D74808 7.5% 9/1/2026
3128FHG55	103.55	9,007	9,079	9,328	249	(4)	FGLMC D75620 7.5% 2/1/2023
3133XGAY0	147.40	5,010,000	5,737,133	7,384,960	1,647,827	4.37	FHLB 5.5% 7/15/2036
CM5687065	100.00	241,025	237,265	241,025	3,760	(4)	First Federal CMO 7.2% 10/25/2022
31371F5F5	100.26	22,211	22,211	22,270	59	(4)	FNMA 251146 7% 3/1/2027
31373TAK6	101.24	14,652	14,865	14,834	-31	(4)	FNMA 302510 8% 3/1/2023
31377BM69	101.18	2,032	2,032	2,056	24	(4)	FNMA 372181 7% 8/1/2027
31384GEL5	115.75	30,923	30,924	35,795	4,872	(4)	FNMA 523139 8% 4/1/2030
31384WPD6	117.02	34,755	34,755	40,671	5,916	(4)	FNMA 536020 8.5% 5/1/2030
31384WQA1	102.74	8,349	8,349	8,578	229	(4)	FNMA 536049 7.5% 10/1/2030
31387NLN5	114.91	263,115	263,116	302,357	39,241	(4)	FNMA 589033 6.5% 8/1/2031
31389JEW0	114.91	100,967	100,967	116,025	15,058	(4)	FNMA 626649 6.5% 3/1/2032
31389KGL9	118.25	108,074	108,074	127,802	19,728	(4)	FNMA 627603 6.5% 11/1/2031
36206BBJ9	100.35	15,391	15,634	15,446	-188	(4)	GNMA PI 406041 7.5% 1/15/2025
36206BBP5	100.36	25,283	25,682	25,373	-309	(4)	GNMA PI 406046 7.5% 1/15/2025
36211CU34	104.71	41,121	41,121	43,060	1,938	(4)	GNMA PI 509202 8% 9/15/2029
36211KTZ7	103.36	19,951	19,951	20,621	670	(4)	GNMA PI 515468 8% 8/15/2030
36212CR52	102.45	6,644	6,644	6,806	163	(4)	GNMA PI 529808 8% 2/15/2031
36213AKG8	112.88	45,014	45,014	50,813	5,800	(4)	GNMA PI 548495 7% 5/15/2031
36213J5P6	115.64	100,000	101,328	115,641	14,313	(4)	GNMA S/N 556254 6.5% 8/15/2031
745160QF1	61.76	2,090,000	2,085,501	1,290,868	-794,633	6.12	PR Aqueduct & Sewer Authority SER-A 6.10% 07/01/34
74529JFH3	35.84	660,000	359,297	236,537	-122,760	6.23	PR Sales Tax Financing 0% 8/1/2026
74529JFJ9	33.69	700,000	358,393	235,795	-122,598	6.23	PR Sales Tax Financing 0% 8/1/2027
74529JBC8	29.71	4,940,000	2,231,578	1,467,773	-763,805	6.25	PR Sales Tax Financing 0% 8/1/2029
74529JFK6	26.25	890,000	356,521	233,643	-122,878	6.23	PR Sales Tax Financing 0% 8/1/2031
74529JBD6	26.25	3,020,000	1,206,259	792,810	-413,449	6.25	PR Sales Tax Financing 0% 8/1/2031
74529JFN0	22.01	1,075,000	358,233	236,586	-121,647	6.23	PR Sales Tax Financing 0% 8/1/2034
74529JFP5	20.60	1,140,000	357,289	234,783	-122,506	6.23	PR Sales Tax Financing 0% 8/1/2035
74529JBF1	71.40	5,765,000	5,761,316	4,116,325	-1,644,990	5.73	PR Sales Tax Financing 6.05% 8/1/2038
74529JBH7	71.40	1,270,000	1,269,316	906,767	-362,549	6.10	PR Sales Tax Financing 6.05% 8/1/2039
74529JFV2	71.40	4,480,000	4,480,000	3,198,765	-1,281,235	6.13	PR Sales Tax Financing 6.13% 8/1/2037
74529JFW0	71.39	3,935,000	3,935,000	2,809,236	-1,125,764	6.13	PR Sales Tax Financing 6.13% 8/1/2038
13063BFV9	120.24	1,170,000	1,170,461	1,406,831	236,370	7.46	US Muni - California State 7.95% 3/1/2036
167486PG8	92.04	1,615,000	1,651,766	1,486,462	-165,304	5.26	US Muni - Chicago, IL GO Taxable Ref. Ser B 5.432% 1/01/2042
452152KL4	107.10	<u>1,100,000</u>	<u>1,101,424</u>	<u>1,178,045</u>	<u>76,621</u>	5.23	US Muni - Illinois St 5.25% 1/1/2025
Total		85,565,882	68,985,605	50,610,470	-18,375,134		

**Leverage**

REPO:

PR Muni Collateral	0
Non PR Muni Collateral	<u>22,468,500</u>
Total REPO	22,468,500 WAC 0.79 / WAM 12 days

Total Leverage 22,468,500

**Portfolio Holdings - Summary**<sup>1, 6</sup>**PR Obligations**

Mortgage-Backed Securities	
GNMA, FNMA, FGLMC, CMO	3.86%
AFICA	
Palmas del Mar	2.57%
PR Sales Tax Financing	28.59%
Employees Retirement System	10.61%
PRASA	2.55%
<b>PR Obligations</b>	<b>48.18%</b>

**US Obligations**

Federal Home Loan Bank	28.71%
Federal Farm Credit Bank	15.06%
Build America Bonds	2.78%
US Municipals	5.26%
<b>US Obligations</b>	<b>51.82%</b>

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

AAA	47.63%
AA	2.78%
A	0.00%
BBB	5.26%
<BBB	44.33%
	<u>100.00%</u>

(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.