# QUARTERLY STATEMENT

OF THE

# NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION

OF

ARMONK

IN THE

STATE OF NEW YORK

TO THE

# INSURANCE DEPARTMENT

OF THE

STATE OF

_____

FOR THE PERIOD ENDED

June 30, 2014

PROPERTY AND CASUALTY

2014

PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

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# QUARTERLY STATEMENT

**AS OF JUNE 30, 2014**

OF THE CONDITION AND AFFAIRS OF THE

# National Public Finance Guarantee Corporation

NAIC Group Code 0528 , 0528 (Current Period) (Prior Period) NAIC Company Code 23825 Employer's ID Number 37-6025608

Organized under the Laws of New York State of Domicile or Port of Entry New York Country of Domicile United States

Incorporated December 28, 1959 Commenced Business March 9, 1960

Statutory Home Office 113 King Street Armonk, NY 10504-1610
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 113 King Street Armonk, NY 10504-1610 (914) 765-3333
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 113 King Street Armonk, NY 10504-1610
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 113 King Street Armonk, NY 10504-1610 (914) 765-3333
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.nationalpfg.com

Statutory Statement Contact Christopher Harris Young (914) 765-3333
(Name) (Area Code) (Telephone Number)
Christopher.Young@NationalPFG.com (914) 765-3665
(E-mail Address) (Fax Number)

## OFFICERS

| | | | |
|---|---|---|---|
| President and Chief Executive Officer | William Charles Fallon | Managing Director, Chief Financial Officer and Treasurer | Christopher Harris Young |
| Managing Director, Chief Compliance Officer, General Counsel and Secretary | Daniel Eugene McManus, Jr. | Managing Director, Chief Risk Officer and Assistant Secretary | Adam Thomas Bergonzi |

## DIRECTORS OR TRUSTEES

| | | |
|---|---|---|
| William Charles Fallon | Adam T. Bergonzi # | Trish K. Ferrari # |
| Douglas Charles Hamilton | Andrea Eileen Randolph | Joseph R. Schachinger # |
| Ram David Wertheim | | |

State of New York
County of Westchester

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions there from for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

| | | |
|---|---|---|
| William Charles Fallon<br>President and Chief Executive Officer | Daniel Eugene McManus, Jr.<br>Managing Director, Chief Compliance Officer, General Counsel and Secretary | Christopher Harris Young<br>Managing Director, Chief Financial Officer and Treasurer |

Subscribed and sworn to before me this
6th day of August, 2014

a. Is this an original filing? Yes [X] No [ ]

b. If no 1. State the amended number
2. Date filed
3. Number of pages attached

AMY R. GONCH
Notary Public, State of New York
No. 01GO5033021
Qualified in Westchester County
Commission Expires September 6, 2014

# ASSETS

| | Current Statement Date | | | 4 |
|---|---|---|---|---|
| | 1 | 2 | 3 | |
| | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | December 31 Prior Year Net Admitted Assets |
| 1. Bonds | 4,149,904,366 | | 4,149,904,366 | 4,056,685,939 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | | | 0 | 0 |
| 2.2 Common stocks | 124,217,717 | | 124,217,717 | 118,891,533 |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | | | 0 | 0 |
| 3.2 Other than first liens | | | 0 | 0 |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less $ encumbrances) | | | 0 | 0 |
| 4.2 Properties held for the production of income (less $ encumbrances) | | | 0 | 0 |
| 4.3 Properties held for sale (less $ encumbrances) | | | 0 | 0 |
| 5. Cash ($ 126,773,453 ), cash equivalents ($ 24,976,527 ) and short-term investments ($ 794,610,085 ) | 946,360,065 | | 946,360,065 | 1,044,692,086 |
| 6. Contract loans (including $ premium notes) | | | 0 | 0 |
| 7. Derivatives | | | 0 | 0 |
| 8. Other invested assets | 45,727,400 | | 45,727,400 | 45,477,909 |
| 9. Receivables for securities | 6,415,249 | 13 | 6,415,236 | 611,582 |
| 10. Securities lending reinvested collateral assets | | | 0 | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 5,272,624,797 | 13 | 5,272,624,784 | 5,266,359,049 |
| 13. Title plants less $ charged off (for Title insurers only) | | | 0 | 0 |
| 14. Investment income due and accrued | 27,690,133 | | 27,690,133 | 29,372,738 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | | | 0 | 0 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ earned but unbilled premiums) | | | 0 | 0 |
| 15.3 Accrued retrospective premiums | | | 0 | 0 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | | | 0 | 0 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 | 0 |
| 17. Amounts receivable relating to uninsured plans | | | 0 | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 44,344,812 | | 44,344,812 | 6,126,212 |
| 18.2 Net deferred tax asset | 470,064,682 | 445,002,977 | 25,061,705 | 25,703,690 |
| 19. Guaranty funds receivable or on deposit | | | 0 | 0 |
| 20. Electronic data processing equipment and software | 457,335 | 457,335 | 0 | 0 |
| 21. Furniture and equipment, including health care delivery assets ($ ) | 1,633,575 | 1,633,575 | 0 | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | 731,992 | | 731,992 | 12,126,469 |
| 24. Health care ($ ) and other amounts receivable | | | 0 | 0 |
| 25. Aggregate write-ins for other-than-invested assets | 627,098 | 66,304 | 560,794 | 78 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 5,818,174,424 | 447,160,204 | 5,371,014,220 | 5,339,688,236 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 | 0 |
| 28. Total (Lines 26 and 27) | 5,818,174,424 | 447,160,204 | 5,371,014,220 | 5,339,688,236 |
| **DETAILS OF WRITE-INS** | | | | |
| 1101. | | | 0 | 0 |
| 1102. | | | 0 | 0 |
| 1103. | | | 0 | 0 |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 | 0 |
| 2501. Other Assets | 560,794 | | 560,794 | 78 |
| 2502. Prepaid expenses | 66,304 | 66,304 | 0 | 0 |
| 2503. | | | 0 | 0 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 627,098 | 66,304 | 560,794 | 78 |

# LIABILITIES, SURPLUS AND OTHER FUNDS

| | | 1<br>Current Statement Date | 2<br>December 31, Prior Year |
|---|---|---|---|
| 1. | Losses (current accident year $ 42,231,088 ) | (59,042,967) | (108,250,639) |
| 2. | Reinsurance payable on paid losses and loss adjustment expenses | | 0 |
| 3. | Loss adjustment expenses | 34,865,801 | 21,512,083 |
| 4. | Commissions payable, contingent commissions and other similar charges | | 0 |
| 5. | Other expenses (excluding taxes, licenses and fees) | 4,678,005 | 9,916,645 |
| 6. | Taxes, licenses and fees (excluding federal and foreign income taxes) | 2,888 | 543 |
| 7.1 | Current federal and foreign income taxes (including $ on realized capital gains (losses)) | | 0 |
| 7.2 | Net deferred tax liability | | 0 |
| 8. | Borrowed money $ and interest thereon $ | | 0 |
| 9. | Unearned premiums (after deducting unearned premiums for ceded reinsurance of $ 4,808 and including warranty reserves of $ and accrued accident and health experience rating refunds including $ for medical loss ratio rebate per the Public Health Service Act) | 1,548,517,709 | 1,677,965,800 |
| 10. | Advance premium | | 0 |
| 11. | Dividends declared and unpaid: | | |
| | 11.1 Stockholders | | 0 |
| | 11.2 Policyholders | | 0 |
| 12. | Ceded reinsurance premiums payable (net of ceding commissions) | 39 | 53 |
| 13. | Funds held by company under reinsurance treaties | | 0 |
| 14. | Amounts withheld or retained by company for account of others | 3,628,407 | 3,240,117 |
| 15. | Remittances and items not allocated | | 0 |
| 16. | Provision for reinsurance (including $ certified) | | 0 |
| 17. | Net adjustments in assets and liabilities due to foreign exchange rates | | 0 |
| 18. | Drafts outstanding | | 0 |
| 19. | Payable to parent, subsidiaries and affiliates | 53,577 | 460,621 |
| 20. | Derivatives | | 0 |
| 21. | Payable for securities | 10,965,171 | 29,665,269 |
| 22. | Payable for securities lending | | 0 |
| 23. | Liability for amounts held under uninsured plans | | 0 |
| 24. | Capital notes $ and interest thereon $ | | 0 |
| 25. | Aggregate write-ins for liabilities | 1,620,527,442 | 1,619,045,856 |
| 26. | Total liabilities excluding protected cell liabilities (Lines 1 through 25) | 3,164,196,072 | 3,253,556,348 |
| 27. | Protected cell liabilities | | 0 |
| 28. | Total liabilities (Lines 26 and 27) | 3,164,196,072 | 3,253,556,348 |
| 29. | Aggregate write-ins for special surplus funds | 0 | 0 |
| 30. | Common capital stock | 15,000,000 | 15,000,000 |
| 31. | Preferred capital stock | | 0 |
| 32. | Aggregate write-ins for other than special surplus funds | 0 | 0 |
| 33. | Surplus notes | | 0 |
| 34. | Gross paid in and contributed surplus | 574,441,220 | 574,441,220 |
| 35. | Unassigned funds (surplus) | 1,617,376,928 | 1,496,690,668 |
| 36. | Less treasury stock, at cost: | | |
| | 36.1 shares common (value included in Line 30 $ ) | | 0 |
| | 36.2 shares preferred (value included in Line 31 $ ) | | 0 |
| 37. | Surplus as regards policyholders (Lines 29 to 35, less 36) | 2,206,818,148 | 2,086,131,888 |
| 38. | Totals (Page 2, Line 28, Col. 3) | 5,371,014,220 | 5,339,688,236 |
| | **DETAILS OF WRITE-INS** | | |
| 2501. | Contingency reserves | 1,148,077,947 | 1,172,026,008 |
| 2502. | Securities sold under agreement to repurchase | 472,370,444 | 446,914,001 |
| 2503. | Other Liabilities | 79,051 | 105,847 |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 |
| 2599. | Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 1,620,527,442 | 1,619,045,856 |
| 2901. | | | 0 |
| 2902. | | | 0 |
| 2903. | | | 0 |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 |
| 2999. | Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) | 0 | 0 |
| 3201. | | | 0 |
| 3202. | | | 0 |
| 3203. | | | 0 |
| 3298. | Summary of remaining write-ins for Line 32 from overflow page | 0 | 0 |
| 3299. | Totals (Lines 3201 through 3203 plus 3298) (Line 32 above) | 0 | 0 |

# STATEMENT OF INCOME

| | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>to Date | 3<br>Prior Year Ended<br>December 31 |
|---|---|---|---|
| **UNDERWRITING INCOME** | | | |
| 1. Premiums earned: | | | |
| 1.1 Direct (written $ 281 ) | 37,721,007 | 28,423 | 36,724,076 |
| 1.2 Assumed (written $ 1,294,865 ) | 93,022,411 | 182,498,316 | 338,086,200 |
| 1.3 Ceded (written $ 5 ) | 186 | 1,054 | 1,241 |
| 1.4 Net (written $ 1,295,141 ) | 130,743,232 | 182,525,685 | 374,809,035 |
| DEDUCTIONS: | | | |
| 2. Losses incurred (current accident year $ 42,231,088 ): | | | |
| 2.1 Direct | 7,525,540 | 0 | 12,395,413 |
| 2.2 Assumed | 48,878,454 | 59,734,590 | 26,871,331 |
| 2.3 Ceded | 439,028 | 0 | 0 |
| 2.4 Net | 55,964,966 | 59,734,590 | 39,266,744 |
| 3. Loss adjustment expenses incurred | 17,654,295 | 24,390,622 | 29,394,690 |
| 4. Other underwriting expenses incurred | 25,464,518 | 47,743,364 | 76,145,230 |
| 5. Aggregate write-ins for underwriting deductions | 0 | 0 | 0 |
| 6. Total underwriting deductions (Lines 2 through 5) | 99,083,779 | 131,868,576 | 144,806,664 |
| 7. Net income of protected cells | | 0 | 0 |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7) | 31,659,453 | 50,657,109 | 230,002,371 |
| **INVESTMENT INCOME** | | | |
| 9. Net investment income earned | 59,949,125 | 82,578,584 | 133,273,763 |
| 10. Net realized capital gains (losses) less capital gains tax of $ 4,765,238 | 8,849,728 | 21,893,392 | 28,723,501 |
| 11. Net investment gain (loss) (Lines 9 + 10) | 68,798,853 | 104,471,976 | 161,997,264 |
| **OTHER INCOME** | | | |
| 12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 0 amount charged off $ ) | | 0 | 0 |
| 13. Finance and service charges not included in premiums | | 0 | 0 |
| 14. Aggregate write-ins for miscellaneous income | (487) | 5,145 | 6,893 |
| 15. Total other income (Lines 12 through 14) | (487) | 5,145 | 6,893 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | 100,457,819 | 155,134,230 | 392,006,528 |
| 17. Dividends to policyholders | | 0 | 0 |
| 18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) | 100,457,819 | 155,134,230 | 392,006,528 |
| 19. Federal and foreign income taxes incurred | 7,880,049 | 37,873,221 | 136,057,446 |
| 20. Net income (Line 18 minus Line 19)(to Line 22) | 92,577,770 | 117,261,009 | 255,949,082 |
| **CAPITAL AND SURPLUS ACCOUNT** | | | |
| 21. Surplus as regards policyholders, December 31 prior year | 2,086,131,888 | 1,998,538,804 | 1,998,538,804 |
| 22. Net income (from Line 20) | 92,577,770 | 117,261,009 | 255,949,082 |
| 23. Net transfers (to) from Protected Cell accounts | | 0 | 0 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of $ 1,855,292 | 3,777,954 | (1,429,959) | (36,593,285) |
| 25. Change in net unrealized foreign exchange capital gain (loss) | | 0 | 0 |
| 26. Change in net deferred income tax | (30,779,975) | (14,598,888) | (5,053,424) |
| 27. Change in nonadmitted assets | 31,162,446 | 14,776,738 | 9,966,728 |
| 28. Change in provision for reinsurance | | 0 | 0 |
| 29. Change in surplus notes | | 0 | 0 |
| 30. Surplus (contributed to) withdrawn from protected cells | | 0 | 0 |
| 31. Cumulative effect of changes in accounting principles | | 0 | 0 |
| 32. Capital changes: | | | |
| 32.1 Paid in | | 0 | 0 |
| 32.2 Transferred from surplus (Stock Dividend) | | 0 | 0 |
| 32.3 Transferred to surplus | | 0 | 0 |
| 33. Surplus adjustments: | | | |
| 33.1 Paid in | | 0 | 0 |
| 33.2 Transferred to capital (Stock Dividend) | | 0 | 0 |
| 33.3 Transferred from capital | | 0 | 0 |
| 34. Net remittances from or (to) Home Office | | 0 | 0 |
| 35. Dividends to stockholders | | 0 | (213,730,135) |
| 36. Change in treasury stock | | 0 | 0 |
| 37. Aggregate write-ins for gains and losses in surplus | 23,948,065 | 22,753,644 | 77,054,118 |
| 38. Change in surplus as regards policyholders (Lines 22 through 37) | 120,686,260 | 138,762,544 | 87,593,084 |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38) | 2,206,818,148 | 2,137,301,348 | 2,086,131,888 |
| **DETAILS OF WRITE-INS** | | | |
| 0501. | | 0 | 0 |
| 0502. | | 0 | 0 |
| 0503. | | 0 | 0 |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | 0 | 0 | 0 |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | 0 | 0 | 0 |
| 1401. Miscellaneous (loss) income | (487) | 5,145 | 6,893 |
| 1402. | | 0 | 0 |
| 1403. | | 0 | 0 |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 | 0 |
| 1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | (487) | 5,145 | 6,893 |
| 3701. Allocation of surplus to contingency reserves | 23,948,065 | 22,753,644 | 77,054,118 |
| 3702. | | 0 | 0 |
| 3703. | | 0 | 0 |
| 3798. Summary of remaining write-ins for Line 37 from overflow page | 0 | 0 | 0 |
| 3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above) | 23,948,065 | 22,753,644 | 77,054,118 |

# CASH FLOW

| | 1<br>Current Year<br>To Date | 2<br>Prior Year<br>To Date | 3<br>Prior Year Ended<br>December 31 |
|---|---|---|---|
| **Cash from Operations** | | | |
| 1. Premiums collected net of reinsurance | 1,295,127 | 3,802,942 | 12,055,214 |
| 2. Net investment income | 70,920,343 | 63,606,350 | 118,577,549 |
| 3. Miscellaneous income | (487) | 5,145 | 6,893 |
| 4. Total (Lines 1 to 3) | 72,214,983 | 67,414,437 | 130,639,656 |
| 5. Benefit and loss related payments | 6,757,293 | (43,179,447) | 70,828,380 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 35,001,389 | 17,770,376 | 49,909,951 |
| 8. Dividends paid to policyholders | 0 | 0 | 0 |
| 9. Federal and foreign income taxes paid (recovered) net of $ 5,571,833 tax on capital gains (losses) | 50,863,887 | 79,720,503 | 108,151,741 |
| 10. Total (Lines 5 through 9) | 92,622,569 | 54,311,432 | 228,890,072 |
| 11. Net cash from operations (Line 4 minus Line 10) | (20,407,586) | 13,103,005 | (98,250,416) |
| **Cash from Investments** | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds | 499,045,025 | 722,953,646 | 1,028,922,755 |
| 12.2 Stocks | 0 | 0 | 0 |
| 12.3 Mortgage loans | 0 | 0 | 0 |
| 12.4 Real estate | 0 | 0 | 0 |
| 12.5 Other invested assets | 0 | 0 | 0 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 1,897 | 0 | 0 |
| 12.7 Miscellaneous proceeds | 0 | 1,597,588,440 | 1,602,328,122 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 499,046,922 | 2,320,542,086 | 2,631,250,877 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds | 587,881,425 | 803,446,343 | 2,089,485,706 |
| 13.2 Stocks | 0 | 0 | 0 |
| 13.3 Mortgage loans | 0 | 0 | 0 |
| 13.4 Real estate | 0 | 0 | 0 |
| 13.5 Other invested assets | 0 | 0 | 0 |
| 13.6 Miscellaneous applications | 24,503,765 | 0 | 0 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 612,385,190 | 803,446,343 | 2,089,485,706 |
| 14. Net increase (or decrease) in contract loans and premium notes | 0 | 0 | 0 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | (113,338,268) | 1,517,095,743 | 541,765,171 |
| **Cash from Financing and Miscellaneous Sources** | | | |
| 16. Cash provided (applied): | | | |
| 16.1 Surplus notes, capital notes | 0 | 0 | 0 |
| 16.2 Capital and paid in surplus, less treasury stock | 0 | 0 | 0 |
| 16.3 Borrowed funds | 0 | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | 0 | 0 |
| 16.5 Dividends to stockholders | 0 | 0 | 213,730,135 |
| 16.6 Other cash provided (applied) | 35,413,833 | (16,422,928) | (35,378,281) |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) | 35,413,833 | (16,422,928) | (249,108,416) |
| **RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS** | | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (98,332,021) | 1,513,775,820 | 194,406,339 |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year | 1,044,692,086 | 850,285,747 | 850,285,747 |
| 19.2 End of period (Line 18 plus Line 19.1) | 946,360,065 | 2,364,061,567 | 1,044,692,086 |

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Summary of Significant Accounting Policies

### A. Accounting Practices

The statutory financial statements of National Public Finance Guarantee Corporation ("National" or "the Company") are presented on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services ("NYSDFS"). The NYSDFS recognizes only statutory accounting practices prescribed or permitted by the State of New York for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New York Insurance Law ("NYIL"). The National Association of Insurance Commissioners ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of New York. The Superintendent of the NYSDFS has the right to permit other specific practices that deviate from prescribed practices.

Effective January 1, 2010, National was granted a permitted practice by the NYSDFS to reset its unassigned funds (surplus) to zero by netting its negative unassigned surplus of $1.6 billion against $2.2 billion gross paid-in and contributed surplus as summarized in the table below. Total policyholders' surplus was not impacted by this permitted practice.

| in thousands | | State of Domicile | 2014 | 2013 |
|---|---|---|---|---|
| **NET INCOME** | | | | |
| (1) | Net income, state basis | New York | $ 92,578 | $ 255,949 |
| (2) | Effect of state prescribed practices | New York | - | - |
| (3) | Effect of state permitted practices | New York | - | - |
| (4) | Net income, NAIC SAP basis (1-2-3=4) | New York | $ 92,578 | $ 255,949 |
| **SURPLUS** | | | | |
| (5) | Policyholders' surplus, state basis | New York | $ 2,206,818 | $ 2,086,132 |
| (6) | Effect of state prescribed practices | New York | - | - |
| (7) | Effect of state permitted practices | | | |
| | Gross paid-in and contributed surplus | New York | (1,623,146) | (1,623,146) |
| | Unassigned surplus | New York | 1,623,146 | 1,623,146 |
| (8) | Policyholders' surplus, NAIC SAP basis (5-6-7=8) | New York | $ 2,206,818 | $ 2,086,132 |

## 2. Accounting Changes and Correction of Errors

No significant change.

## 3. Business Combinations and Goodwill

Not applicable.

## 4. Discontinued Operations

Not applicable.

## 5. Investments

D. Loan-Backed Securities

(1) Prepayment assumptions for loan-backed and structured securities were obtained from an independent third-party data service or internal estimates. Fair value is based upon valuations adopted and approved by the NAIC's Securities Valuation Office ("SVO"). If the fair value of a security is not available from the SVO, an independent third-party source is used.

(2) National did not have any loan-backed or structured securities with a recognized other-than-temporary impairment as of June 30, 2014.

(3) Based on its evaluation, for the period ending June 30, 2014, National did not recognize an other-than-temporary impairment on any securities. National determined that the unrealized losses on securities in its portfolio were temporary in nature because its impairment analysis, including projected future cash flows, indicated that it would be able to recover the amortized cost of impaired assets. National also concluded that it has both the ability and intent to hold these securities until their fair values recover to an amount at least equal to amortized cost or to maturity.

## NOTES TO THE FINANCIAL STATEMENTS

(4) The following table sets forth the gross unrealized losses of the Company's loan-backed and structured securities as of June 30, 2014. The table has segregated loan-backed and structured securities that have been in a continuous unrealized loss position for less than twelve months from those that have been in a continuous unrealized loss position for twelve months or longer:

| In thousands | As of June 30, 2014 | |
|---|---|---|
| a. The aggregate amount of unrealized losses: | | |
| | 1. Less than 12 Months | $ (179) |
| | 2. 12 Months or Longer | $ (11,765) |
| b. The aggregate related fair value of securities with unrealized losses: | | |
| | 1. Less than 12 Months | $ 22,193 |
| | 2. 12 Months or Longer | $ 435,486 |

The table above excludes unrealized losses on NAIC rated 3 through 6 securities that were carried at fair value where the fair value of the securities was lower than amortized cost. The Company has recorded unrealized losses on these securities to bring the book adjusted/ carrying value to fair value. The total fair value and unrealized loss for these securities as of June 30, 2014, was $7 million and $0.6 million, respectively.

(5) National has evaluated whether the unrealized losses in its investment portfolios were other-than-temporary considering the circumstances that gave rise to the unrealized losses, along with National's ability and intent to hold these securities to maturity or until such time as to recover an amount equal to their amortized cost. For further details refer to "Note 1: Summary of Significant Accounting Policies" Section C (2) in the Notes to the Financial Statements included in National's Annual Statement for the year ended December 31, 2013.

E Repurchase Agreements and/or Securities Lending Transactions

(3) National did not engage in any securities lending transactions during the six months ended June 30, 2014.

Securities purchased under agreements to resell and securities sold under agreements to repurchase are accounted for as collateralized transactions and are recorded at book value. It is National's policy to take possession of securities borrowed or purchased under agreements to resell. Repurchase agreements with third parties are primarily entered into for cash management purposes, to invest or obtain cash on a short-term basis, and are only transacted with high quality dealer firms. National's investment guidelines require these repurchase agreements to be fully collateralized, with collateral valued at fair value and additional collateral delivered if there is a shortfall. Cash collateral received is invested in short-term investments and the offsetting collateral liability is included in aggregate write-ins for liabilities.

National maintains an intercompany repurchase agreement with MBIA Inc., which was approved by the NYSDFS. Under this agreement, National holds securities subject to agreements to resell and transfers securities subject to agreements to repurchase of equal amount. In the event that the value of the securities transferred by either party declines below the amount outstanding under the facility, a transfer of additional securities is required.

National held securities under agreements to resell of $472 million as of June 30, 2014. National also transferred securities under agreements to repurchase of $472 million as of June 30, 2014. These agreements reset on a quarterly basis. The interest income related to these agreements was $593 thousand for the six months ended June 30, 2014. The interest expense was $374 thousand for the six months ended June 30, 2014. There were no third-party repurchase agreement transactions outstanding as of June 30, 2014.

**6. Joint Ventures, Partnerships and Limited Liability Companies**

No significant change.

**7. Investment Income**

No significant change.

**8. Derivative Instruments**

Not applicable.

**9. Income Taxes**

As of June 30, 2014 National recorded a net deferred tax asset of $470 million of which $25 million is admitted under the provisions of Statements of Statutory Accounting Principles ("SSAP") No. 101 – Income taxes.

# NOTES TO THE FINANCIAL STATEMENTS

**10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

No significant change.

**11. Debt**

Not applicable.

**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefits Plans**

No significant change.

**13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

No significant change.

**14. Contingencies**

The following contingencies provide an update to those discussed in "Note 14: Contingencies" in the Notes to Financial Statements included in National's Annual Statement for the year December 31, 2013 and should be read in conjunction with the complete descriptions provided in the aforementioned note included in National's Annual Statement. In the normal course of operating its business, National may be involved in various legal proceedings. Additionally, MBIA Inc. may be involved in various legal proceedings that directly or indirectly impact National.

***Litigation***

*CQS ABS Master Fund Ltd., CQS Select ABS Master Fund Ltd., and CQS ABS Alpha Master Fund Ltd. v. MBIA Inc. et al.*; Civil Action No. 12-cv-6840 (R.S.) (S.D.N.Y.)

In May of 2014, the CQS plaintiffs and MBIA Inc. filed a Stipulation of Dismissal with prejudice resolving the litigation and the case has been closed on the court's docket. MBIA Inc. paid to CQS an immaterial amount to resolve the litigation.

*Ambac Bond Insurance Coverage Cases*, Coordinated Proceeding Case No. JCCP 4555 (Super. Ct. of Cal., County of San Francisco)

On March 26, 2014, the court granted in part the Bond Insurer defendants' motions for reimbursement of legal fees incurred in connection with the defendants' motion to strike pursuant to California's Anti-SLAPP statute, which dismissed the plaintiffs' claims under California's Cartwright Act. On July 7, 2014, the Bond Insurer defendants filed their opening appellate brief with respect to a portion of the plaintiffs' Unfair Competition Law claim.

*National Public Finance Guarantee Corp. et al. v City of Detroit, Michigan et al.*; Adv. Pro. No 13-05309-swr (Bkcy. E.D. MI)

In April of 2014, National reached a settlement with the City of Detroit regarding its enhanced Unlimited Tax General Obligation ("Detroit UTGOs"). Pursuant to the settlement, which remains subject to bankruptcy court approval, the City of Detroit has agreed to "reinstate" $288 million of Detroit UTGOs, of which approximately $69 million will be insured by National. At the time of the bankruptcy filing, there were $369 million of Detroit UTGOs outstanding, of which $88 million were insured by National. If approved, the reinstated Detroit UTGOs will benefit from a court order confirming their secured status. In addition, the Detroit UTGOs will receive additional security in the form of a fourth lien on Distributable State Aid from the State of Michigan.

*National Public Finance Guarantee Corp. et al. v. Harris County - Houston Sports Authority et al.;* Case No. 2013-05824 (Dist. Ct. of Harris County, 215 Judicial Dist.)

On April 15, 2014, the Texas First District Court of Appeals reversed the decision of the trial court dismissing the case on grounds of governmental immunity. National's claims against the Sports Authority have been remanded back to the trial court.

MBIA Inc. and National are defending against the aforementioned actions in which they are defendants and expect ultimately to prevail on the merits. There is no assurance, however, that they will prevail in these actions. Adverse rulings in these actions could have a material adverse effect on National's ability to implement its strategy and on its business, results of operations, cash flows and financial condition. At this stage of the litigation, there has not been a determination as to the amount, if any, of damages. Accordingly, National is not able to estimate any amount of loss or range of loss.

There are no other material lawsuits pending or, to the knowledge of National, threatened, to which National is a party.

**15. Leases**

A. In March of 2014, National entered into a lease agreement for its new headquarters at a property located in Purchase, New York as part of the National's cost reduction measures that included the plan to sell the Armonk, New York facility which is owned by National Real Estate Holdings of Armonk, LLC, a wholly owned subsidiary of National. The initial lease term expires in 2030 with the option to terminate the lease in 2025 upon the payment of a termination amount. At the end of the initial lease term, National has the option to extend the term of the lease for two additional terms of five years at a fixed annual rent based on the fair market rent at the time of any extension. The total future minimum lease payments over the initial lease term are $42 million. National will receive a lease incentive amount of $6 million from the property owner to fund certain leasehold improvements. The total future minimum lease payments include annual rent escalation amounts and a free rent period and exclude the lease incentive amount. The lease agreement has been classified as an operating lease, and operating rent expense is recognized on a straight-line basis beginning in the second quarter of 2014.

## NOTES TO THE FINANCIAL STATEMENTS

At June 30, 2014, the minimum aggregate rental commitments are as follows:

| | Year ending December 31 | Operating Lease |
|---|---|---|
| 1. | 2015 | $807,319 |
| 2. | 2016 | $2,436,122 |
| 3. | 2017 | $2,485,694 |
| 4. | 2018 | $2,542,348 |
| 5. | 2019 | $2,591,920 |
| 6. | Thereafter | $30,740,110 |

B. The Company has no other lease obligations.

**16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk**

No significant change.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

A. National did not engage in any transfers of receivables reported as sales transactions during the six months ended June 30, 2014.

B. National did not engage in any transfers and/or servicing of financial asset transactions during the six months ended June 30, 2014.

C. National did not engage in any wash sale transactions during the six months ended June 30, 2014.

**18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

Not applicable.

**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

Not applicable.

**20. Fair Value Measurements**

A. Inputs for Assets and Liabilities Measured at Fair Value

(1) Fair Value Measurements by Levels 1, 2 and 3

The estimated fair value amounts of financial instruments shown in the following tables have been determined by the Company using available market information and appropriate valuation methodologies. In certain instances, considerable judgment may be required to interpret market data in order to develop estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amount.

For assets and liabilities recorded on the balance sheet at fair value, SSAP No. 100 “Fair Value Measurements” establishes a disclosure hierarchy for inputs used in measuring fair value. Observable inputs are those the Company believes that market participants would use in pricing the asset or liability developed based on market data. Unobservable inputs are those that reflect the Company’s beliefs about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The fair value hierarchy is broken down into three levels based on the observability and reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Company can access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail any degree of judgment.

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observerable, either directly or indirectly. Level 2 assets include debt securities with quoted prices that are traded less frequently than exchange-traded instruments, securities which are priced using observable inputs.

- Level 3 - Valuations based on inputs that are unobservable and supported by little or no market activity and that are significant to the overall fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques where significant inputs are unobservable, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

## NOTES TO THE FINANCIAL STATEMENTS

The following fair value hierarchy tables present information about National's assets reported on the balance sheets at fair value as of June 30, 2014 and December 31, 2013, respectively:

| | Fair Value Measurements at Reporting Date Using | | | |
|---|---|---|---|---|
| **In thousands** | **(Level 1)** | **(Level 2)** | **(Level 3)** | **Balance as of June 30, 2014** |
| a. Assets at fair value: | | | | |
| Bonds | | | | |
| U.S. Government Agency | $ - | $ 1,948 | $ - | $ 1,948 |
| U.S. Special Revenue and Special Assessment Obligations | - | 850 | - | 850 |
| Hybrid Securities | - | 1,014 | - | 1,014 |
| Industrial and Miscellaneous | - | 5,833 | 2,628 | 8,461 |
| Total Bonds | $ - | $ 9,645 | $ 2,628 | $ 12,273 |
| Investment in unaffiliated common stock | | 124,218 | - | 124,218 |
| Total assets at fair value | $ - | $ 133,863 | $ 2,628 | $ 136,491 |

| | Fair Value Measurements at Reporting Date Using | | | |
|---|---|---|---|---|
| **In thousands** | **(Level 1)** | **(Level 2)** | **(Level 3)** | **Balance as of December 31, 2013** |
| a. Assets at fair value | | | | |
| Bonds | | | | |
| U.S. Governments | $ - | $ 4,832 | $ - | $ 4,832 |
| Special Revenue and Special Assessment Obligations | - | 955 | - | $ 955 |
| Industrial and Miscellaneous | - | 5,601 | 2,929 | 8,530 |
| Total Bonds | $ - | $ 11,388 | $ 2,929 | $ 14,317 |
| Investment in unaffiliated common stock | | 118,892 | - | 118,892 |
| Total assets at fair value | $ - | $ 130,280 | $ 2,929 | $ 133,209 |

b. There were no liabilities measured at fair value as of June 30, 2014 and December 31, 2013.

(2) Roll Forward of Level 3 Items

Level 3 assets were $2.6 million as of June 30, 2014, and $2.9 million as of December 31, 2013, which represented approximately 2% of totals assets measured at fair value as of June 30, 2014 and December 31, 2013. As of June 30, 2014 and December 31, 2013, fixed-maturity securities at fair value primarily consist of residential mortgage backed securities, commercial mortgage backed securities, other asset-backed and issuer obligation fixed-maturity securities.

## NOTES TO THE FINANCIAL STATEMENTS

The following tables present information about changes in Level 3 assets reported on the balance sheet at fair value for the six months ended June 30, 2014 and for the year ended December 31, 2013. Gains and losses reported in these tables may include changes in fair value that are attributable to both observable and unobservable inputs.

**Fair Value Measurements in Level 3 of the Fair Value Hierarchy for the six months ended June 30, 2014**

| In thousands | Balance at 12/31/2013 | Transfers into Level 3 | Transfers out of Level 3 | Total gains and (losses) included in Net Income | Total gains and (losses) included in Surplus | Purchases | Issuances | Sales | Settlements | Balance at 06/30/2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Assets: | | | | | | | | | | |
| Fixed-maturity investments: | | | | | | | | | | |
| Industrial and miscellaneous | $ 2,929 | $ 939 | $ - | $ 75 | $ (29) | $ - | $ - | $ (1,270) | $ (16) | $ 2,628 |
| Total assets | $ 2,929 | $ 939 | $ - | $ 75 | $ (29) | $ - | $ - | $ (1,270) | $ (16) | $ 2,628 |

**Fair Value Measurements in Level 3 of the Fair Value Hierarchy for the year ended December 31, 2013**

| In thousands | Balance at 12/31/2012 | Transfers into Level 3 | Transfers out of Level 3 | Total gains and (losses) included in Net Income | Total gains and (losses) included in Surplus | Purchases | Issuances | Sales | Settlements | Balance at 12/31/2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| Assets: | | | | | | | | | | |
| Fixed-maturity investments: | | | | | | | | | | |
| Industrial and miscellaneous | $ 16,424 | $ 2,053 | $ (11,553) | $ - | $ 108 | $ - | $ - | $ - | $ (4,103) | $ 2,929 |
| Hybrid securities | 1,713 | - | (1,713) | - | - | - | - | - | - | - |
| Total assets | $ 18,137 | $ 2,053 | $ (13,266) | $ - | $ 108 | $ - | $ - | $ - | $ (4,103) | $ 2,929 |

(3) Policy on Transfers into and Out of Level 3

For the six months ended June 30, 2014 there was one transfer into Level 3 for $0.9 million and no transfers out of Level 3. For the year ended December 31, 2013 transfers into Level 3 were $2.1 million and transfers out of Level 3 were $13.3 million. These transfers were principally for securities where inputs, which are significant to their valuation, became unobservable or observable during the year. All Level 1, 2 and 3 designations are made at the end of each accounting period.

Unrealized gains and losses included in surplus pertaining to Level 3 assets for six months ended June 30, 2014 was a loss of $29 thousand. The realized gains and losses included in earnings pertaining to Level 3 assets for the six months ended June 30, 2014 was a gain of $75 thousand. Unrealized gains and losses included in surplus pertaining to Level 3 assets for the year ended December 31, 2013 was a gain of $108 thousand. There were no realized gains and losses included in earnings pertaining to Level 3 assets for the year ended December 31, 2013.

(4) Inputs and Techniques Used for Level 2 and Level 3 Fair Value

***Valuation Techniques***

Valuation techniques for financial instruments measured at fair value are described below. These determinations were based on available market information and valuation methodologies. Considerable judgment is required to interpret market data to develop estimates and therefore, estimates may not necessarily be indicative of the amount the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. The Company's assets recorded at fair value have been categorized according to the fair value hierarchy based on the lowest level input that is significant to the fair value measurement in its entirety.

Fixed-maturity securities and Short-term investments - Fixed-maturity securities and short-term investments with an NAIC designation of 1 and 2 are carried at amortized cost while fixed-maturity securities and short-term investments with an NAIC designation of 3 through 6 are carried at the lower of amortized cost or fair value.

Fair value of fixed-maturity securities and short-term investments with an NAIC designation of 1 and 2 are generally provided by the NAIC SVO published market prices. If NAIC SVO published market prices are not available, the fair value is determined using an independent third-party pricing service which maximizes observable inputs, including price quotations of recent trades of same or similar securities. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves, bond or single name credit default swap ("CDS") spreads and diversity scores as key inputs. These bonds are generally categorized in Level 2 of the fair value hierarchy; in instances where significant inputs are unobservable, they are categorized in Level 3 of the hierarchy.

Common stock –The fair value of common stock is based upon quoted market prices, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

Cash and cash equivalents, Accrued investment income, Receivable for securities and Payable for securities - The carrying amounts of these items approximate fair value due to the short-term nature and creditworthiness of these instruments.

## NOTES TO THE FINANCIAL STATEMENTS

Securities purchased under agreements to resell - The fair value of securities purchased under agreements to resell are determined based on the fair value of the underlying securities received that back the repurchase agreements.

Other invested assets - Other investments are surplus notes recorded at book value within "Other invested assets" on the Balance Sheet.

Receivable from and Payable to affiliates – The carrying amounts of these items approximates fair value due to the short-term nature and creditworthiness of these instruments.

Securities sold under agreements to repurchase - The fair value of securities sold under agreements to repurchase are determined based on the underlying securities provided that backs the repurchase.

Financial Guarantees - The fair value of financial guarantees, net of reinsurance is determined using discounted cash flow techniques based on inputs that include (i) assumptions of expected losses on financial guarantee policies where loss reserves have not been recognized, (ii) amount of losses expected on financial guarantee policies where loss reserves have been established, net of expected recoveries, (iii) the cost of capital reserves required to support the financial guarantee liability, (iv) operating expenses, and (v) discount rates. The CDS spread and recovery rates of a similar municipal bond insurance company are used as the discount rate for National, as National does not have a published CDS spread and recovery rate.

The carrying value of National's financial guarantees consists of unearned premiums, losses and loss adjustment expenses ("LAE") as reported on National's Statement of Liabilities, Surplus and Other Funds.

***Description of Level 3 Securities***

For the six months ended June 30, 2014, fixed-maturity securities carried at fair value primarily consist of a portfolio of other loan-backed and structured securities.

(5) Derivative Fair Value

National has not entered into any transactions classified as derivative instruments.

B. Other Fair Values Disclosure

Not applicable

C. Fair Value for All financial Instruments by Levels 1, 2, and 3

The table below reflects the fair value and admitted values of all admitted assets and liabilities as of June 30, 2014, that are financial instruments excluding those accounted for under the equity method. The fair values are also categorized into Levels 1, 2 and 3 of the fair value hierarchy as described above in Note 20A.

**In thousands**

| Type of Financial Instrument | Fair Value | Admitted Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Bonds | $ 4,203,161 | $ 4,149,904 | $ 354,152 | $ 3,825,426 | $ 23,583 |
| Common stock | 124,218 | 124,218 | - | 124,218 | - |
| Cash, cash equivalents and short-term investments | 474,360 | 474,360 | 152,784 | 321,576 | - |
| Securities purchased under agreement to resell | 472,000 | 472,000 | - | 472,000 | - |
| Other invested assets | 10,271 | 10,262 | - | 10,271 | - |
| Receivable for securities | 6,415 | 6,415 | 6,415 | - | - |
| Investment income due and accrued | 27,690 | 27,690 | 27,690 | - | - |
| Receivable from parent, subsidiaries and affiliates | 732 | 732 | 732 | - | - |
| Total Assets | $ 5,318,847 | $ 5,265,581 | $ 541,773 | $ 4,753,491 | $ 23,583 |
| **Liabilities:** | | | | | |
| Securities sold under agreements to repurchase | $ 472,000 | $ 472,000 | $ - | $ 472,000 | $ - |
| Payable for securities | 10,965 | 10,965 | 10,965 | - | - |
| Payable to parent, subsidiaries and affiliates | 54 | 54 | 54 | - | - |
| Premium tax payable | 3 | 3 | 3 | - | - |
| Total Liabilities | $ 483,022 | $ 483,022 | $ 11,022 | $ 472,000 | $ - |
| **Financial Guarantees:** | | | | | |
| Net of reinsurance | $ 3,041,108 | $ 1,524,341 | $ - | $ - | $ 3,041,108 |

D. Financial Instruments for Which it is Not Practical to Estimate Fair Values

Not Applicable.

NOTES TO THE FINANCIAL STATEMENTS

## 21. Other Items

C. Other Disclosures

(1) Credit Ratings

National's ability to write new business and compete with other financial guarantors is largely dependent on the financial strength ratings assigned to National by major rating agencies. During the first six months of 2014, Standard & Poor's Financial Services LLC upgraded National to a rating of AA- with a stable outlook, Moody's Investors Service, Inc. ("Moody's") upgraded National to a rating of A3 with a stable outlook, and subsequent to June 30, 2014, Moody's affirmed National's A3 rating and changed the outlook to negative. In addition, Kroll Bond Rating Agency assigned National a AA+ insurer financial strength rating with a stable outlook.

(2) Risk Limits and Uncertainties

National's financial statements include estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The outcome of certain significant risks and uncertainties could cause National to revise its estimates and assumptions or could cause actual results to differ from the Company's estimates. While National believes it continues to have sufficient capital and liquidity to meet all of its expected obligations, if one or more possible adverse outcomes were to be realized, its financial position, results of operations and cash flows, and its statutory capital, could be materially and adversely affected. The discussion below highlights the significant risks and uncertainties that could have a material effect on National's financial statements and business objectives in future periods.

*U.S. Public Finance Market Conditions*

The majority of National's new business is expected to be in the general obligation, tax-backed and revenue bond sectors. In addition to the new issue market, there are attractive opportunities in the secondary market with respect to bonds issued in recent years which were not insured upon issuance and which currently meet National's underwriting criteria. Nonetheless, as a result of intense competition and the diminished use of financial guarantee insurance in the municipal finance market, among other factors, there can be no assurance that National will be able to write business that generates attractive returns. Financial guarantee insurance competes in nearly all instances with the issuer's alternative of foregoing insurance and paying a higher interest rate. If the interest savings from insurance are not greater than the cost, the issuer will generally choose to issue bonds without insurance.

Prevailing interest rate levels can affect demand for financial guarantee insurance. Higher interest rates and higher levels of issuance of new municipal debt would present new business opportunities for National in the U.S. public finance market. Lower interest rates are typically accompanied by narrower spreads between insured and uninsured obligations. This is, in part, due to the fact that investors may choose to forego insurance to increase the yield on their investment. Therefore, the purchase of insurance during periods of relatively narrower interest rate spreads will generally provide lower cost savings to the issuer than during periods of relatively wider spreads.

National's insured portfolio continued to perform satisfactorily on the whole; however portions of the obligations that National insures were issued by a few of the state and local governments and territories that remain under extreme financial and budgetary stress. In addition, a few of these local governments have filed for protection under the United States Bankruptcy Code or have entered into state statutory proceedings established to assist municipalities in managing through periods of severe fiscal stress. This could lead to an increase in defaults by such entities on the payment of their obligations and losses or impairments on a greater number of National's insured transactions. National monitors and analyzes each situation closely, and the overall extent and duration of this stress is uncertain.

G. Subprime Exposure Related Risk Exposure

(1) National invests in residential mortgage-backed securities that could potentially be adversely affected by subprime mortgage exposure.

(2) National does not have direct exposure through investments in subprime mortgage loans.

(3) National has direct risk exposure through investments in subprime-mortgage securities as of June 30, 2014. The following table presents the risk exposure as of June 30, 2014:

| | In thousands | Actual Cost | Book/Adjusted Carrying Value (excluding interest) | Fair Value | Other Than Temporary Impairment Losses Recognized |
|---|---|---|---|---|---|
| (a) | Residential mortgage-backed securities | $ 3,590 | $ 3,744 | $ 4,407 | $ - |
| (b) | Commercial mortgage-backed securities | - | - | - | - |
| (c) | Collaterized debt obligations | - | - | - | - |
| (d) | Structured securities | - | - | - | - |
| (e) | Equity investments in SCA's | - | - | - | - |
| (f) | Other assets | - | - | - | - |
| (g) | Total | $ 3,590 | $ 3,744 | $ 4,407 | $ - |

## 22. Events Subsequent

Subsequent events have been considered through August 6, 2014, the date upon which the statutory financial statements were available to be issued.

# NOTES TO THE FINANCIAL STATEMENTS

**23. Reinsurance**

No significant change.

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

Not applicable.

**25. Changes in Incurred Losses and Loss Adjustment Expenses**

Total net Loss and LAE was $74 million during the six months ended June 30, 2014. Total loss and LAE reserves were in a contra-liability position of $24 million as of June 30, 2014.

**26. Intercompany Pooling Arrangements**

Not applicable.

**27. Structured Settlements**

Not applicable.

**28. Health Care Receivables**

Not applicable.

**29. Participating Policies**

Not applicable.

**30. Premium Deficiency Reserves**

No significant change.

**31. High Deductibles**

No significant change.

**32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

Loss reserves are discounted on a non-tabular basis by applying a discount rate equal to the yield-to-maturity of National's fixed-income investment portfolio, excluding cash, cash equivalents and other investments not intended to defease long-term liabilities. National does not discount LAE reserves. The discount rate used at June 30, 2014 and December 31, 2013 was 3.14%. The amount of non-tabular discount as of June 30, 2014 was a negative $379 million compared with a negative $75 million as of December 31, 2013.

**33. Asbestos/Environmental Reserves**

Not applicable.

**34. Subscriber Savings Accounts**

Not applicable.

**35. Multiple Peril Crop Insurance**

Not applicable.

**36. Financial Guaranty Insurance**

A. There were no significant changes to premiums receivable, premiums expected to be collected and expected premiums earned as of June 30, 2014.

(3) Claim Liability:

a. Changes in the loss reserve attributable to the accretion of the claim liability discount, changes in discount rates, changes in the timing and amounts of estimated payments and recoveries and changes in assumptions are recorded in "Losses incurred" in National's Statement of Income. LAE reserves are expected to be settled within a one year period and are not discounted. Changes in LAE reserves are recorded in "Loss adjustment expenses incurred" in National's Statement of Income. As of June 30, 2014 and December 31, 2013, the rate used to discount the claim liability was 3.14%.

## NOTES TO THE FINANCIAL STATEMENTS

b. The following table presents changes in National's loss and LAE reserve as of June 30, 2014:

| Components (In thousands) | Amount |
|---|---|
| (1) Accretion of the discount | $ (1,748) |
| (2) Changes in amount and timing of payments | (957) |
| (3) New reserves for defaults of insured contracts | 65,266 |
| (4) Changes in deficiency reserves | - |
| (5) Change in incurred but not reported claims | - |
| (6) Total | $ 62,561 |

B. National's Portfolio Surveillance Division ("PSD") monitors National's outstanding insured obligations with the objective of minimizing losses. PSD meets this objective by identifying issuers that, because of deterioration in credit quality or changes in the economic, regulatory or political environment, are at a heightened risk of defaulting on debt service of obligations insured by National. In such cases, PSD works with the issuer, trustee, bond counsel, servicer, underwriter and other interested parties in an attempt to alleviate or remedy the problem and avoid defaults on debt service payments. PSD works closely with National's Risk Management personnel and the applicable business unit to analyze insured obligation performance and credit risk parameters, both before and after an obligation is insured.

Refer to "Note 10: Loss and Loss Adjustment Expense Reserves" in the notes to the Statutory-basis financial statements included in National's Audited Statutory Statements for additional information about National's monitoring of outstanding insured obligations and for a summary of its reserving process.

The following table provides information about the financial guarantees and related claim liability included in each of National's surveillance categories as June 30, 2014:

| | | Surveillance Categories | | | | |
|---|---|---|---|---|---|---|
| | | A | B | C | D | |
| In millions | | Caution List Low | Caution List Medium | Caution List High | Classified List | Total |
| 1. | Number of policies | 70 | 98 | 3 | 55 | 226 |
| 2. | Remaining weighted-average contract period (in years) | 12.1 | 16.4 | 11.0 | 10.5 | 12.2 |
| | Insured contractual payments outstanding:[1] | | | | | |
| | 3a. Principal | $ 3,398 | $ 985 | $ 24 | $ 2,196 | $ 6,603 |
| | 3b. Interest | 2,728 | 805 | 15 | 1,677 | 5,225 |
| | 3c. Total | $ 6,126 | $ 1,790 | $ 39 | $ 3,873 | $ 11,828 |
| 4. | Gross Claim Liability | $ - | $ - | $ - | $ 151 | $ 151 |
| | Less: | | | | | |
| | 5a. Gross Potential Recoveries | - | - | - | 554 | 554 |
| | 5b. Discount, net [2] | - | - | - | (379) | (379) |
| 6. | Net claim liability | $ - | $ - | $ - | $ (24) | $ (24) |
| 7. | Unearned premium revenue | $ 34 | $ 21 | $ - | $ 45 | $ 100 |

(1) Represents contractual principal and interest due by the issuer of the obligations insured by National.

(2) Represents discount related to Gross Claim Liability and Gross Potential Recoveries.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES
## GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]

2.2 If yes, date of change: .....

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

.....

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---|---|---|
| | | |

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [X] NA [ ]

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2011

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ..... 12/31/2011

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ..... 06/28/2013

6.4 By what department or departments?

New York State Department of Financial Services.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] NA [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [ ] NA [X]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]

7.2 If yes, give full information:

.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

| 1<br>Affiliate Name | 2<br>Location<br>(City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---|---|---|---|---|---|
| | | | | | |

# GENERAL INTERROGATORIES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

.....

9.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

## FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... $ 37,905

## INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]

11.2 If yes, give full and complete information relating thereto:

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... $ .....

13. Amount of real estate and mortgages held in short-term investments: ..... $ .....

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [X] No [ ]

14.2 If yes, please complete the following:

| | | 1<br>Prior Year-End<br>Book/Adjusted<br>Carrying Value | 2<br>Current Quarter<br>Book/Adjusted<br>Carrying Value |
|---|---|---|---|
| 14.21 | Bonds | $ 110,885,630 | $ 111,140,993 |
| 14.22 | Preferred Stock | $ | $ |
| 14.23 | Common Stock | $ | $ |
| 14.24 | Short-Term Investments | $ | $ |
| 14.25 | Mortgage Loans on Real Estate | $ | $ |
| 14.26 | All Other | $ 35,132,793 | $ 35,465,205 |
| 14.27 | Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | $ 146,018,423 | $ 146,606,198 |
| 14.28 | Total Investment in Parent included in Lines 14.21 to 14.26 above | $ | $ |

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]

If no, attach a description with this statement.

# GENERAL INTERROGATORIES

16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $.....

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $.....

16.3 Total payable for securities lending reported on the liability page $.....

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? ..... Yes [X] No [ ]

17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

| 1<br>Name of Custodian(s) | 2<br>Custodian Address |
|---|---|
| J.P. Morgan Chase Bank | 1 Chase Manhattan Plaza, New York, NY 10005 |

17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

| 1<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|---|---|---|
| | | |

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [ ] No [X]

17.4 If yes, give full and complete information relating thereto:

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|---|---|---|---|
| | | | |

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

| 1<br>Central Registration Depository | 2<br>Name(s) | 3<br>Address |
|---|---|---|
| 107200 | Cutwater Investors Services Corp. | 113 King Street, Armonk, NY 10504 |

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? ..... Yes [X] No [ ]

18.2 If no, list exceptions:

.....

# GENERAL INTERROGATORIES
## PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? ..... Yes [ ] No [ ] NA [X]

   If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? ..... Yes [ ] No [X]

   If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]

3.2 If yes, give full and complete information thereto.

.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? ..... Yes [X] No [ ]

4.2 If yes, complete the following schedule:

| | | | TOTAL DISCOUNT | | | | DISCOUNT TAKEN DURING PERIOD | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 1<br>Line of Business | 2<br>Maximum Interest | 3<br>Discount Rate | 4<br>Unpaid Losses | 5<br>Unpaid LAE | 6<br>IBNR | 7<br>TOTAL | 8<br>Unpaid Losses | 9<br>Unpaid LAE | 10<br>IBNR | 11<br>TOTAL |
| Financial Guaranty | | 3.140 | (379,071,375) | | | (379,071,375) | (304,044,674) | | | (304,044,674) |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | TOTAL | (379,071,375) | 0 | 0 | (379,071,375) | (304,044,674) | 0 | 0 | (304,044,674) |

5. Operating Percentages:

   5.1 A&H loss percent ..... %

   5.2 A&H cost containment percent ..... %

   5.3 A&H expense percent excluding cost containment expenses ..... %

6.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date ..... $

6.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date ..... $

# SCHEDULE F - CEDED REINSURANCE

**Showing All New Reinsurance Treaties - Current Year to Date**

| 1<br>NAIC<br>Company Code | 2<br>ID Number | 3<br>Name of Reinsurer | 4<br>Domiciliary Jurisdiction | 5<br>Type of Reinsurer | 6<br>Certified<br>Reinsurer Rating<br>(1 through 6) | 7<br>Effective Date<br>of Certified<br>Reinsurer Rating |
|---|---|---|---|---|---|---|
| | | NONE | | | | |

# SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

**Current Year to Date - Allocated by States and Territories**

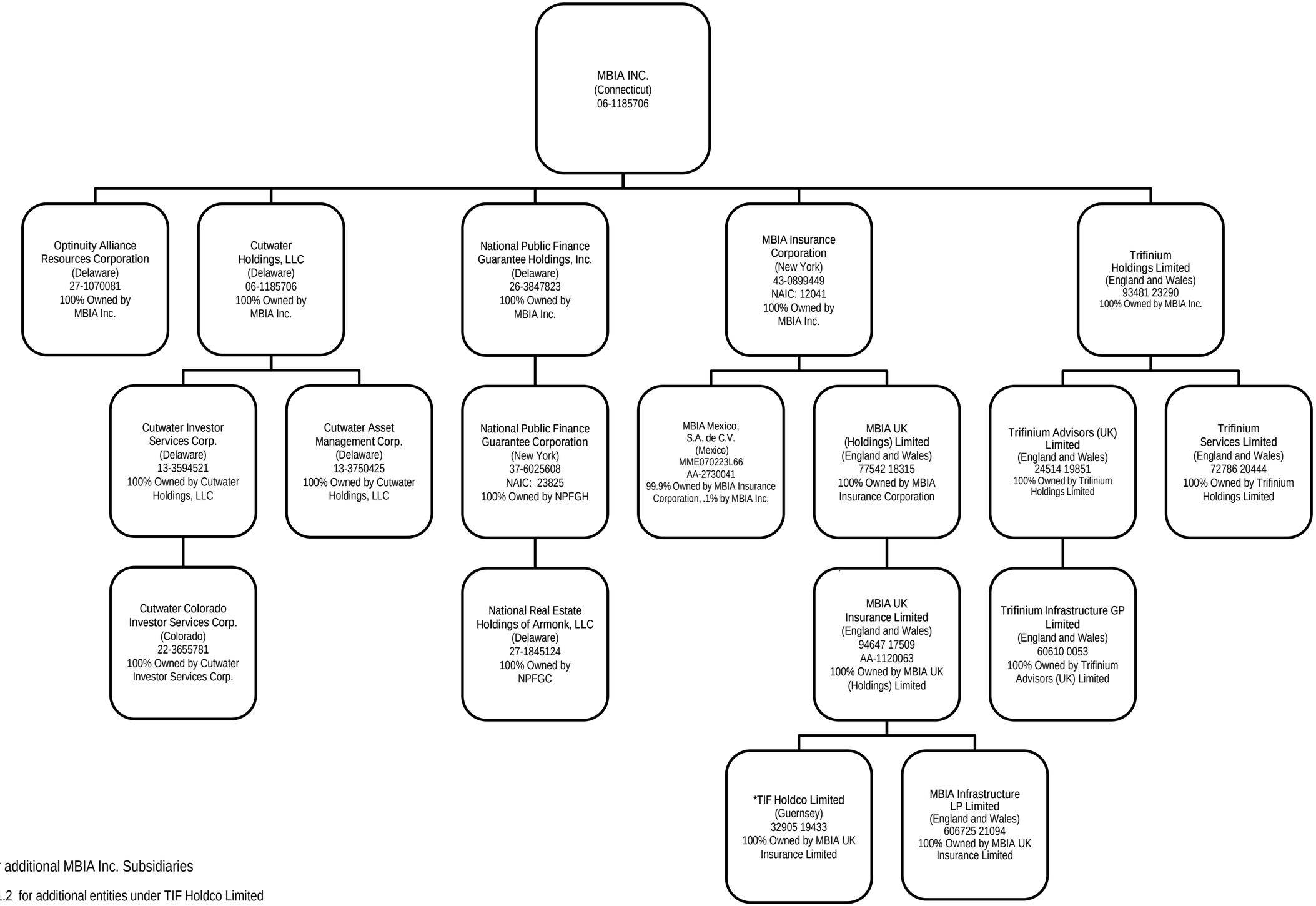
| States, etc. | 1 Active Status | Direct Premiums Written 2 Current Year To Date | 3 Prior Year To Date | Direct Losses Paid (Deducting Salvage) 4 Current Year To Date | 5 Prior Year To Date | Direct Losses Unpaid 6 Current Year To Date | 7 Prior Year To Date |
|---|---|---|---|---|---|---|---|
| 1. Alabama AL | L | | 0 | | 0 | | 0 |
| 2. Alaska AK | L | | 0 | | 0 | | 0 |
| 3. Arizona AZ | L | | 0 | | 0 | | 0 |
| 4. Arkansas AR | L | | 0 | | 0 | | 0 |
| 5. California CA | L | | 0 | 546,096 | 0 | 9,595,233 | 0 |
| 6. Colorado CO | L | | 0 | | 0 | | 0 |
| 7. Connecticut CT | L | | 0 | | 0 | | 0 |
| 8. Delaware DE | L | | 0 | | 0 | | 0 |
| 9. Dist. Columbia DC | L | | 0 | | 0 | | 0 |
| 10. Florida FL | L | | 0 | | 0 | | 0 |
| 11. Georgia GA | L | | 0 | | 0 | | 0 |
| 12. Hawaii HI | L | | 0 | | 0 | | 0 |
| 13. Idaho ID | L | | 0 | | 0 | | 0 |
| 14. Illinois IL | L | | 0 | | 0 | | 0 |
| 15. Indiana IN | L | | 0 | | 0 | | 0 |
| 16. Iowa IA | L | | 0 | | 0 | | 0 |
| 17. Kansas KS | L | | 0 | | 0 | | 0 |
| 18. Kentucky KY | L | | 0 | | 0 | | 0 |
| 19. Louisiana LA | L | | 0 | | 0 | | 0 |
| 20. Maine ME | L | | 0 | | 0 | | 0 |
| 21. Maryland MD | L | | 0 | | 0 | | 0 |
| 22. Massachusetts MA | L | | 0 | | 0 | | 0 |
| 23. Michigan MI | L | | 0 | | 0 | | 0 |
| 24. Minnesota MN | L | | 0 | | 0 | | 0 |
| 25. Mississippi MS | L | | 0 | | 0 | | 0 |
| 26. Missouri MO | L | | 0 | | 0 | | 0 |
| 27. Montana MT | L | | 0 | | 0 | | 0 |
| 28. Nebraska NE | L | | 0 | | 0 | | 0 |
| 29. Nevada NV | L | | 0 | | 0 | | 0 |
| 30. New Hampshire NH | L | | 0 | | 0 | | 0 |
| 31. New Jersey NJ | L | | 0 | | 0 | | 0 |
| 32. New Mexico NM | L | | 0 | | 0 | | 0 |
| 33. New York NY | L | 281 | 364 | | 0 | | 0 |
| 34. No. Carolina NC | L | | 0 | | 0 | | 0 |
| 35. No. Dakota ND | L | | 0 | | 0 | | 0 |
| 36. Ohio OH | L | | 0 | | 0 | | 0 |
| 37. Oklahoma OK | L | | 0 | | 0 | | 0 |
| 38. Oregon OR | L | | 0 | | 0 | | 0 |
| 39. Pennsylvania PA | L | | 0 | 0 | 0 | 1,737,380 | 0 |
| 40. Rhode Island RI | L | | 0 | | 0 | | 0 |
| 41. So. Carolina SC | L | | 0 | | 0 | | 0 |
| 42. So. Dakota SD | L | | 0 | | 0 | | 0 |
| 43. Tennessee TN | L | | 0 | | 0 | | 0 |
| 44. Texas TX | L | | 0 | | 0 | | 0 |
| 45. Utah UT | L | | 0 | | 0 | | 0 |
| 46. Vermont VT | L | | 0 | | 0 | | 0 |
| 47. Virginia VA | L | | 0 | | 0 | | 0 |
| 48. Washington WA | L | | 0 | | 0 | | 0 |
| 49. West Virginia WV | L | | 0 | | 0 | | 0 |
| 50. Wisconsin WI | L | | 0 | | 0 | | 0 |
| 51. Wyoming WY | L | | 0 | | 0 | | 0 |
| 52. American Samoa AS | N | | 0 | | 0 | | 0 |
| 53. Guam GU | N | | 0 | | 0 | | 0 |
| 54. Puerto Rico PR | L | | 0 | 0 | 0 | 7,215,787 | 0 |
| 55. U.S. Virgin Islands VI | L | | 0 | | 0 | | 0 |
| 56. Northern Mariana Islands MP | N | | 0 | | 0 | | 0 |
| 57. Canada CAN | N | | 0 | | 0 | | 0 |
| 58. Aggregate Other Alien OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Totals | (a) 53 | 281 | 364 | 546,096 | 0 | 18,548,400 | 0 |
| **DETAILS OF WRITE-INS** | | | | | | | |
| 58001. | XXX | | | | | | |
| 58002. | XXX | | | | | | |
| 58003. | XXX | | | | | | |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | XXX | 0 | 0 | 0 | 0 | 0 | 0 |

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

# SCHEDULE Y – INFORMATION CONCERNING ACTIVITY OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 – ORGANIZATIONAL CHART

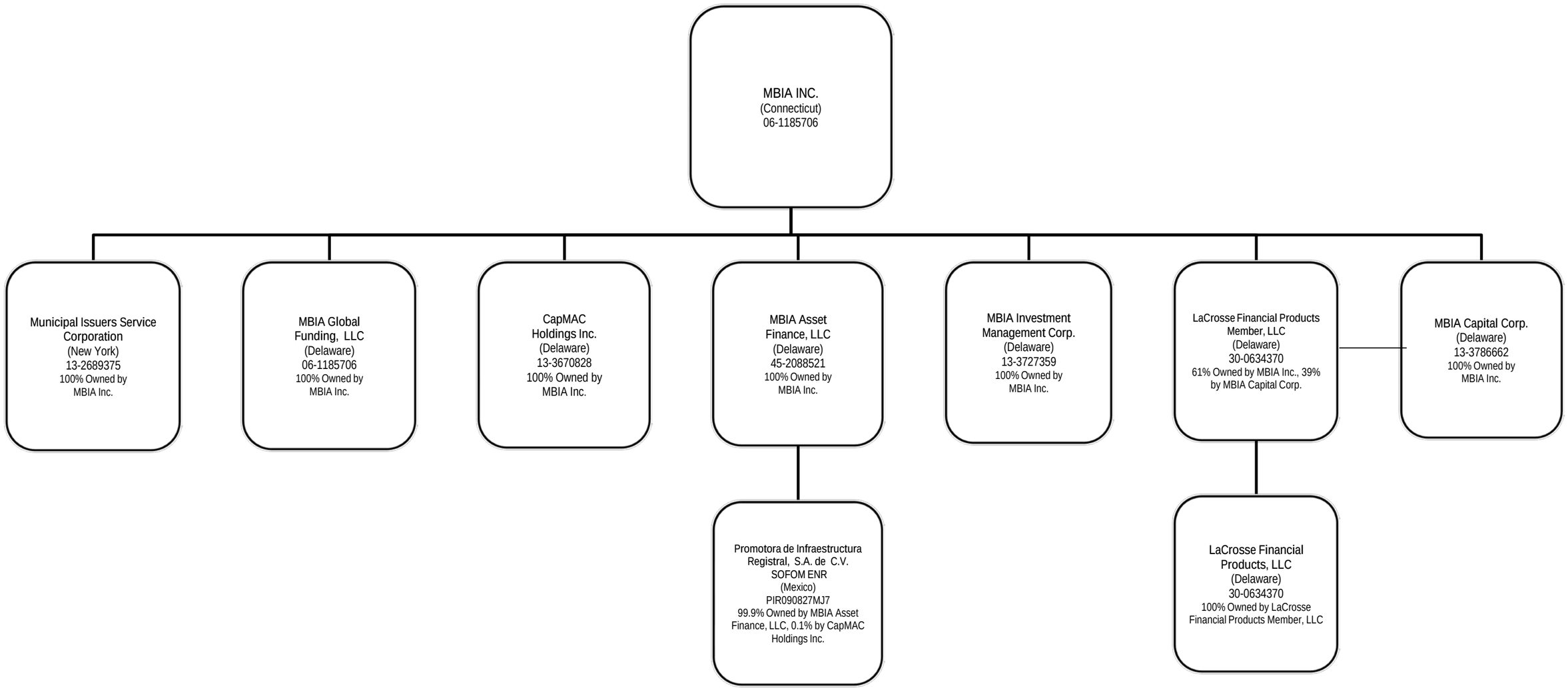



•See 11.1 for additional MBIA Inc. Subsidiaries

• See page 11.2 for additional entities under TIF Holdco Limited

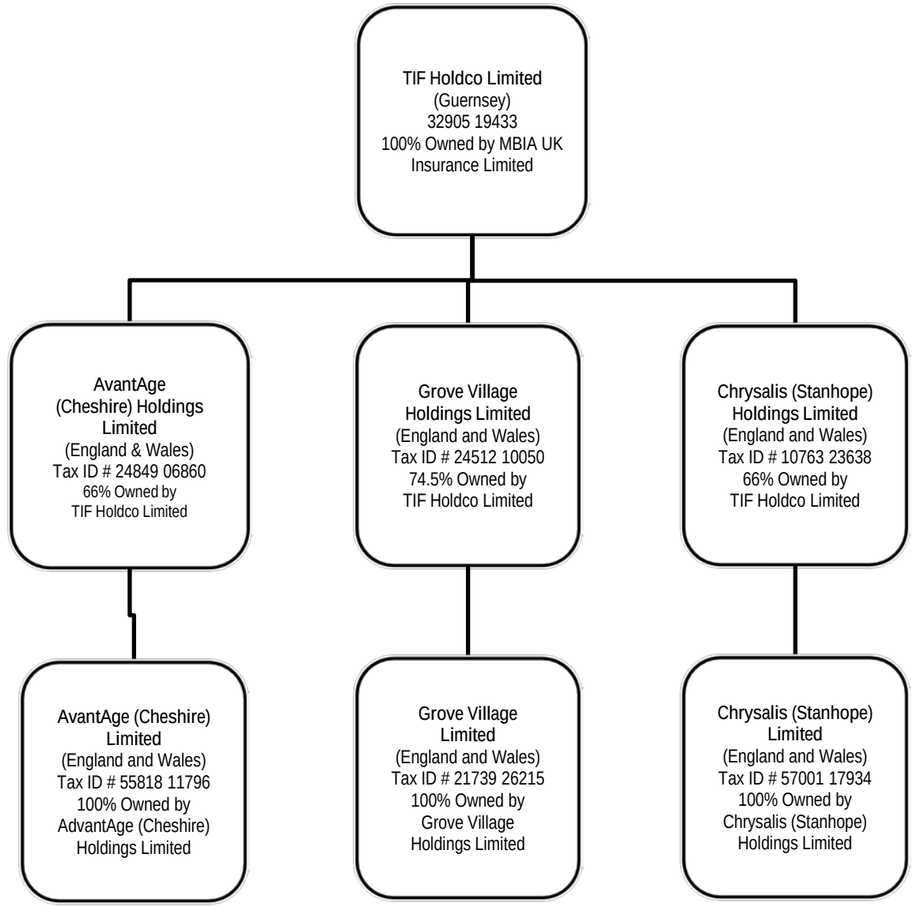
# SCHEDULE Y – INFORMATION CONCERNING ACTIVITY OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 – ORGANIZATIONAL CHART



# SCHEDULE Y – INFORMATION CONCERNING ACTIVITY OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 – ORGANIZATIONAL CHART



# SCHEDULE Y
# PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| 1<br>Group Code | 2<br>Group Name | 3<br>NAIC Company Code | 4<br>Federal ID Number | 5<br>Federal RSSD | 6<br>CIK | 7<br>Name of Securities Exchange if Publicly Traded (U.S. or International) | 8<br>Name of Parent Subsidiaries or Affiliates | 9<br>Domiciliary Location | 10<br>Relationship to Reporting Entity | 11<br>Directly Controlled by (Name of Entity/Person) | 12<br>Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other) | 13<br>If Control is Ownership Provide Percentage | 14<br>Ultimate Controlling Entity(ies)/ Person(s) | 15<br>* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 00528 | MBIA | | 06-1185706 | | 0000814585 | NYSE | MBIA INC. | CT | UIP | | | 0.0 | | 0 |
| 00528 | MBIA | | 27-1070081 | | | | Optinuity Alliance Resources Corporation | DE | NIA | MBIA INC. | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | 06-1185706 | | | | Cutwater Holdings, LLC | DE | NIA | MBIA INC. | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | 13-3594521 | | 0001088357 | | Cutwater Investor Services Corp. | DE | NIA | Cutwater Holdings, LLC | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | 22-3655781 | | | | Cutwater Colorado Investor Services Corp. | CO | NIA | Cutwater Investor Services Corp. | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | 13-3750425 | | 0000931369 | | Cutwater Asset Management Corp. | DE | NIA | Cutwater Holdings, LLC | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | 26-3847823 | | | | National Public Finance Guarantee Holdings, Inc. | DE | UDP | MBIA INC. | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | 23825 | 37-6025608 | | | | National Public Finance Guarantee Corporation | NY | RE | National Public Finance Guarantee Holdings, Inc. | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | 27-1845124 | | | | National Real Estate Holdings of Armonk, LLC | DE | DS | National Public Finance Guarantee Corporation | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | 12041 | 43-0899449 | | 0001360541 | | MBIA Insurance Corporation | NY | IA | MBIA INC. | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | AA-2730041 | | | | MBIA Mexico S.A. de C.V. | MEX | IA | MBIA Insurance Corporation | Ownership | 99.9 | MBIA INC. | 0 |
| 00528 | MBIA | | AA-2730041 | | | | MBIA Mexico S.A. de C.V. | MEX | IA | MBIA INC. | Ownership | 0.1 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | MBIA UK (Holdings) Limited | GBR | NIA | MBIA Insurance Corporation | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | AA-1120063 | | | | MBIA UK Insurance Limited | GBR | IA | MBIA UK (Holdings) Limited | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | MBIA Infrastructure LP Limited | GBR | NIA | MBIA UK Insurance Limited | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | Trifinium Holdings Limited | GBR | NIA | MBIA INC. | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | Trifinium Advisors (UK) Limited | GBR | NIA | Trifinium Holdings Limited | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | Trifinium Infrastructure GP Limited | GBR | NIA | Trifinium Advisors (UK) Limited | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | TIF Holdco Limited | GGY | NIA | MBIA UK Insurance Limited | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | AvantAge (Cheshire) Holdings Limited | GBR | NIA | TIF Holdco Limited | Ownership | 66.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | AvantAge (Cheshire) Limited | GBR | NIA | AvantAge (Cheshire) Holdings Limited | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | Grove Village Holdings Limited | GBR | NIA | TIF Holdco Limited | Ownership | 74.5 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | Grove Village Limited | GBR | NIA | Grove Village Holdings Limited | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | Chrysalis (Stanhope) Holdings Limited | GBR | NIA | TIF Holdco Limited | Ownership | 66.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | Chrysalis (Stanhope) Limited | GBR | NIA | Chrysalis (Stanhope) Holdings Limited | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | Trifinium Services Limited | GBR | NIA | Trifinium Holdings Limited | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | 13-2689375 | | | | Municipal Issuers Service Corporation | NY | NIA | MBIA INC. | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | 06-1185706 | | 0001252950 | | MBIA Global Funding, LLC | DE | NIA | MBIA INC. | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | 13-3670828 | | 0000889906 | | CapMAC Holdings Inc. | DE | NIA | MBIA INC. | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | 45-2088521 | | | | MBIA Asset Finance, LLC | DE | NIA | MBIA INC. | Ownership | 100.0 | MBIA INC. | 0 |
| 00528 | MBIA | | | | | | Promotora de Infraestructura Registral, S.A. de C.V. SOFOM ENR | MEX | NIA | MBIA Asset Finance, LLC | Ownership | 99.9 | MBIA INC. | 0 |

# SCHEDULE Y
# PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| 1<br>Group Code | 2<br>Group Name | 3<br>NAIC Company Code | 4<br>Federal ID Number | 5<br>Federal RSSD | 6<br>CIK | 7<br>Name of Securities Exchange if Publicly Traded (U.S. or International) | 8<br>Name of Parent Subsidiaries or Affiliates | 9<br>Domiciliary Location | 10<br>Relationship to Reporting Entity | 11<br>Directly Controlled by (Name of Entity/Person) | 12<br>Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other) | 13<br>If Control is Ownership Provide Percentage | 14<br>Ultimate Controlling Entity(ies)/ Person(s) | 15<br>* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 00528 | MBIA | | | | | | Promotora de Infraestructura Registral, S.A. de C.V. SOFOM ENR | MEX | NIA | CapMAC Holdings Inc | Ownership | 0.1 | MBIA INC | 0 |
| 00528 | MBIA | 00000 | 13-3727359 | | | | MBIA Investment Management Corp | DE | NIA | MBIA INC | Ownership | 100.0 | MBIA INC | 0 |
| 00528 | MBIA | 00000 | 30-0634370 | | | | LaCrosse Financial Products Member, LLC | DE | NIA | MBIA INC | Ownership | 61.0 | MBIA INC | 0 |
| 00528 | MBIA | 00000 | 30-0634370 | | | | LaCrosse Financial Products Member, LLC | DE | NIA | MBIA Capital Corp | Ownership | 39.0 | MBIA INC | 0 |
| 00528 | MBIA | 00000 | 30-0634370 | | | | LaCrosse Financial Products, LLC | DE | NIA | LaCrosse Financial Products Member, LLC | Ownership | 100.0 | MBIA INC | 0 |
| 00528 | MBIA | 00000 | 13-3786662 | | | | MBIA Capital Corp | DE | NIA | MBIA INC | Ownership | 100.0 | MBIA INC | 0 |

| Asterisk | Explanation |
|---|---|
| | |

# PART 1 - LOSS EXPERIENCE

| | Line of Business | Current Year to Date 1 Direct Premiums Earned | 2 Direct Losses Incurred | 3 Direct Loss Percentage | 4 Prior Year to Date Direct Loss Percentage |
|---|---|---|---|---|---|
| 1. | Fire | | | 0.0 | 0.0 |
| 2. | Allied lines | | | 0.0 | 0.0 |
| 3. | Farmowners multiple peril | | | 0.0 | 0.0 |
| 4. | Homeowners multiple peril | | | 0.0 | 0.0 |
| 5. | Commercial multiple peril | | | 0.0 | 0.0 |
| 6. | Mortgage guaranty | | | 0.0 | 0.0 |
| 8. | Ocean marine | | | 0.0 | 0.0 |
| 9. | Inland marine | | | 0.0 | 0.0 |
| 10. | Financial guaranty | 37,721,007 | 7,525,540 | 20.0 | 0.0 |
| 11.1 | Medical professional liability -occurrence | | | 0.0 | 0.0 |
| 11.2 | Medical professional liability -claims made | | | 0.0 | 0.0 |
| 12. | Earthquake | | | 0.0 | 0.0 |
| 13. | Group accident and health | | | 0.0 | 0.0 |
| 14. | Credit accident and health | | | 0.0 | 0.0 |
| 15. | Other accident and health | | | 0.0 | 0.0 |
| 16. | Workers' compensation | | | 0.0 | 0.0 |
| 17.1 | Other liability occurrence | | | 0.0 | 0.0 |
| 17.2 | Other liability-claims made | | | 0.0 | 0.0 |
| 17.3 | Excess Workers' Compensation | | | 0.0 | 0.0 |
| 18.1 | Products liability-occurrence | | | 0.0 | 0.0 |
| 18.2 | Products liability-claims made | | | 0.0 | 0.0 |
| 19.1,19.2 | Private passenger auto liability | | | 0.0 | 0.0 |
| 19.3,19.4 | Commercial auto liability | | | 0.0 | 0.0 |
| 21. | Auto physical damage | | | 0.0 | 0.0 |
| 22. | Aircraft (all perils) | | | 0.0 | 0.0 |
| 23. | Fidelity | | | 0.0 | 0.0 |
| 24. | Surety | | | 0.0 | 0.0 |
| 26. | Burglary and theft | | | 0.0 | 0.0 |
| 27. | Boiler and machinery | | | 0.0 | 0.0 |
| 28. | Credit | | | 0.0 | 0.0 |
| 29. | International | | | 0.0 | 0.0 |
| 30. | Warranty | | | 0.0 | 0.0 |
| 31. | Reinsurance - Nonproportional Assumed Property | XXX | XXX | XXX | XXX |
| 32. | Reinsurance - Nonproportional Assumed Liability | XXX | XXX | XXX | XXX |
| 33. | Reinsurance - Nonproportional Assumed Financial Lines | XXX | XXX | XXX | XXX |
| 34. | Aggregate write-ins for other lines of business | 0 | 0 | 0.0 | 0.0 |
| 35. | TOTALS | 37,721,007 | 7,525,540 | 20.0 | 0.0 |
| | **DETAILS OF WRITE-INS** | | | | |
| 3401. | | | | 0.0 | 0.0 |
| 3402. | | | | 0.0 | 0.0 |
| 3403. | | | | 0.0 | 0.0 |
| 3498. | Sum. of remaining write-ins for Line 34 from overflow page | 0 | 0 | 0.0 | 0.0 |
| 3499. | Totals (Lines 3401 through 3403 plus 3498) (Line 34) | 0 | 0 | 0.0 | 0.0 |

# PART 2 - DIRECT PREMIUMS WRITTEN

| | Line of Business | 1 Current Quarter | 2 Current Year to Date | 3 Prior Year Year to Date |
|---|---|---|---|---|
| 1. | Fire | 0 | | 0 |
| 2. | Allied lines | 0 | | 0 |
| 3. | Farmowners multiple peril | 0 | | 0 |
| 4. | Homeowners multiple peril | 0 | | 0 |
| 5. | Commercial multiple peril | 0 | | 0 |
| 6. | Mortgage guaranty | 0 | | 0 |
| 8. | Ocean marine | 0 | | 0 |
| 9. | Inland marine | 0 | | 0 |
| 10. | Financial guaranty | 138 | 281 | 364 |
| 11.1 | Medical professional liability-occurrence | 0 | | 0 |
| 11.2 | Medical professional liability-claims made | 0 | | 0 |
| 12. | Earthquake | 0 | | 0 |
| 13. | Group accident and health | 0 | | 0 |
| 14. | Credit accident and health | 0 | | 0 |
| 15. | Other accident and health | 0 | | 0 |
| 16. | Workers' compensation | 0 | | 0 |
| 17.1 | Other liability occurrence | 0 | | 0 |
| 17.2 | Other liability-claims made | 0 | | 0 |
| 17.3 | Excess Workers' Compensation | 0 | | 0 |
| 18.1 | Products liability-occurrence | 0 | | 0 |
| 18.2 | Products liability-claims made | 0 | | 0 |
| 19.1,19.2 | Private passenger auto liability | 0 | | 0 |
| 19.3,19.4 | Commercial auto liability | 0 | | 0 |
| 21. | Auto physical damage | 0 | | 0 |
| 22. | Aircraft (all perils) | 0 | | 0 |
| 23. | Fidelity | 0 | | 0 |
| 24. | Surety | 0 | | 0 |
| 26. | Burglary and theft | 0 | | 0 |
| 27. | Boiler and machinery | 0 | | 0 |
| 28. | Credit | 0 | | 0 |
| 29. | International | 0 | | 0 |
| 30. | Warranty | 0 | | 0 |
| 31. | Reinsurance - Nonproportional Assumed Property | XXX | XXX | XXX |
| 32. | Reinsurance - Nonproportional Assumed Liability | XXX | XXX | XXX |
| 33. | Reinsurance - Nonproportional Assumed Financial Lines | XXX | XXX | XXX |
| 34. | Aggregate write-ins for other lines of business | 0 | 0 | 0 |
| 35. | TOTALS | 138 | 281 | 364 |
| | **DETAILS OF WRITE-INS** | | | |
| 3401. | | 0 | | 0 |
| 3402. | | 0 | | 0 |
| 3403. | | 0 | | 0 |
| 3498. | Sum. of remaining write-ins for Line 34 from overflow page | 0 | 0 | 0 |
| 3499. | Totals (Lines 3401 through 3403 plus 3498) (Line 34) | 0 | 0 | 0 |

# PART 3 (000 omitted)

## LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

| Years in Which Losses Occurred | 1<br>Prior Year-End Known Case Loss and LAE Reserves | 2<br>Prior Year-End IBNR Loss and LAE Reserves | 3<br>Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2) | 4<br>2014 Loss and LAE Payments on Claims Reported as of Prior Year-End | 5<br>2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End | 6<br>Total 2014 Loss and LAE Payments (Cols. 4 + 5) | 7<br>Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End | 8<br>Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End | 9<br>Q.S. Date IBNR Loss and LAE Reserves | 10<br>Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9) | 11<br>Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1) | 12<br>Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2) | 13<br>Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. 2011 + Prior | (152,041) | | (152,041) | (2,746) | | (2,746) | (127,968) | | | (127,968) | 21,328 | 0 | 21,328 |
| 2. 2012 | 7,214 | | 7,214 | (1,269) | | (1,269) | 8,445 | | | 8,445 | (38) | 0 | (38) |
| 3. Subtotals 2012 + prior | (144,827) | 0 | (144,827) | (4,014) | 0 | (4,014) | (119,523) | 0 | 0 | (119,523) | 21,290 | 0 | 21,290 |
| 4. 2013 | 56,433 | 1,656 | 58,089 | 14,245 | | 14,245 | 31,752 | | | 31,752 | (10,435) | (1,656) | (12,091) |
| 5. Subtotals 2013 + prior | (88,395) | 1,656 | (86,739) | 10,231 | 0 | 10,231 | (87,770) | 0 | 0 | (87,770) | 10,855 | (1,656) | 9,199 |
| 6. 2014 | XXX | XXX | XXX | XXX | 827 | 827 | XXX | 61,937 | 1,656 | 63,593 | XXX | XXX | XXX |
| 7. Totals | (88,395) | 1,656 | (86,739) | 10,231 | 827 | 11,058 | (87,770) | 61,937 | 1,656 | (24,177) | 10,855 | (1,656) | 9,199 |
| 8. Prior Year-End Surplus As Regards Policy-holders | 2,086,132 | | | | | | | | | | Col. 11, Line 7 As % of Col. 1, Line 7 | Col. 12, Line 7 As % of Col. 2, Line 7 | Col. 13, Line 7 As % of Col. 3, Line 7 |
| | | | | | | | | | | | 1. (12.3) | 2. (100.0) | 3. (10.6) |
| | | | | | | | | | | | | | Col. 13, Line 7 Line 8 |
| | | | | | | | | | | | | | 4. 0.4 |

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

| | | Response |
|---|---|---|
| 1. | Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? | SEE EXPLANATION |
| 2. | Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement? | NO |
| 3. | Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | NO |
| 4. | Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | NO |

**Explanation:**

1. National Public Finance Guarantee Corporation is not a U.S. branch of an Alien insurer.

2.

3.

4.

**Bar Code:**

2.


3.


4.

# OVERFLOW PAGE FOR WRITE-INS

# SCHEDULE A – VERIFICATION

**Real Estate**

NONE

| | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 0 | 0 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | 0 |
| 2.2 Additional investment made after acquisition | | 0 |
| 3. Current year change in encumbrances | | 0 |
| 4. Total gain (loss) on disposals | | 0 |
| 5. Deduct amounts received on disposals | | 0 |
| 6. Total foreign exchange change in book/adjusted carrying value | | 0 |
| 7. Deduct current year's other-than-temporary impairment recognized | | 0 |
| 8. Deduct current year's depreciation | | 0 |
| 9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) | 0 | 0 |
| 10. Deduct total nonadmitted amounts | 0 | 0 |
| 11. Statement value at end of current period (Line 9 minus Line 10) | 0 | 0 |

# SCHEDULE B – VERIFICATION

**Mortgage Loans**

NONE

| | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|
| 1. Book value/recorded investment excluding accrued interest, December 31 of prior year | 0 | 0 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | 0 |
| 2.2 Additional investment made after acquisition | | 0 |
| 3. Capitalized deferred interest and other | | 0 |
| 4. Accrual of discount | | 0 |
| 5. Unrealized valuation increase (decrease) | | 0 |
| 6. Total gain (loss) on disposals | | 0 |
| 7. Deduct amounts received on disposals | | 0 |
| 8. Deduct amortization of premium and mortgage interest points and commitment fees | | 0 |
| 9. Total foreign exchange change in book value/recorded investment excluding accrued interest | | 0 |
| 10. Deduct current year's other-than-temporary impairment recognized | | 0 |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | 0 | 0 |
| 12. Total valuation allowance | | 0 |
| 13. Subtotal (Line 11 plus Line 12) | 0 | 0 |
| 14. Deduct total nonadmitted amounts | 0 | 0 |
| 15. Statement value at end of current period (Line 13 minus Line 14) | 0 | 0 |

# SCHEDULE BA – VERIFICATION

**Other Long-Term Invested Assets**

| | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 45,477,909 | 77,219,031 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | 0 |
| 2.2 Additional investment made after acquisition | | 0 |
| 3. Capitalized deferred interest and other | | 0 |
| 4. Accrual of discount | | 0 |
| 5. Unrealized valuation increase (decrease) | 332,412 | (31,580,572) |
| 6. Total gain (loss) on disposals | | 0 |
| 7. Deduct amounts received on disposals | | 0 |
| 8. Deduct amortization of premium and depreciation | 82,921 | 160,550 |
| 9. Total foreign exchange change in book/adjusted carrying value | | 0 |
| 10. Deduct current year's other-than-temporary impairment recognized | | 0 |
| 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | 45,727,400 | 45,477,909 |
| 12. Deduct total nonadmitted amounts | 0 | 0 |
| 13. Statement value at end of current period (Line 11 minus Line 12) | 45,727,400 | 45,477,909 |

# SCHEDULE D – VERIFICATION

**Bonds and Stocks**

| | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 4,175,577,472 | 3,050,754,809 |
| 2. Cost of bonds and stocks acquired | 587,881,425 | 2,203,417,425 |
| 3. Accrual of discount | 1,917,744 | 3,213,127 |
| 4. Unrealized valuation increase (decrease) | 5,300,834 | (7,711,864) |
| 5. Total gain (loss) on disposals | 13,613,069 | 39,060,272 |
| 6. Deduct consideration for bonds and stocks disposed of | 499,045,025 | 1,089,709,773 |
| 7. Deduct amortization of premium | 11,123,437 | 23,446,524 |
| 8. Total foreign exchange change in book/adjusted carrying value | | 0 |
| 9. Deduct current year's other-than-temporary impairment recognized | | 0 |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 4,274,122,082 | 4,175,577,472 |
| 11. Deduct total nonadmitted amounts | 0 | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 4,274,122,082 | 4,175,577,472 |

# SCHEDULE D - PART 1B

**Showing the Acquisitions, Dispositions and Non-Trading Activity**
**During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation**

| NAIC Designation | 1<br>Book/Adjusted Carrying Value Beginning of Current Quarter | 2<br>Acquisitions During Current Quarter | 3<br>Dispositions During Current Quarter | 4<br>Non-Trading Activity During Current Quarter | 5<br>Book/Adjusted Carrying Value End of First Quarter | 6<br>Book/Adjusted Carrying Value End of Second Quarter | 7<br>Book/Adjusted Carrying Value End of Third Quarter | 8<br>Book/Adjusted Carrying Value December 31 Prior Year |
|---|---|---|---|---|---|---|---|---|
| **BONDS** | | | | | | | | |
| 1. NAIC 1 (a) | 4,825,919,375 | 1,009,692,386 | 1,124,370,566 | (18,483,913) | 4,825,919,375 | 4,692,757,282 | 0 | 4,367,704,720 |
| 2. NAIC 2 (a) | 107,162,785 | 18,519,554 | 9,404,361 | (2,113,081) | 107,162,785 | 114,164,897 | 0 | 109,241,957 |
| 3. NAIC 3 (a) | 127,617,956 | 2,021,250 | 1,391,393 | 8,023,706 | 127,617,956 | 136,271,519 | 0 | 122,865,901 |
| 4. NAIC 4 (a) | 3,681,873 | | 1,668,744 | 2,324 | 3,681,873 | 2,015,453 | 0 | 3,942,919 |
| 5. NAIC 5 (a) | 3,629,382 | | 261,628 | 5,229 | 3,629,382 | 3,372,983 | 0 | 3,592,596 |
| 6. NAIC 6 (a) | 3,727,501 | 9,336,994 | 96,848 | 7,941,196 | 3,727,501 | 20,908,843 | 0 | 453,072,290 |
| 7. Total Bonds | 5,071,738,872 | 1,039,570,184 | 1,137,193,540 | (4,624,539) | 5,071,738,872 | 4,969,490,977 | 0 | 5,060,420,383 |
| **PREFERRED STOCK** | | | | | | | | |
| 8. NAIC 1 | 0 | | | | 0 | 0 | 0 | 0 |
| 9. NAIC 2 | 0 | | | | 0 | 0 | 0 | 0 |
| 10. NAIC 3 | 0 | | | | 0 | 0 | 0 | 0 |
| 11. NAIC 4 | 0 | | | | 0 | 0 | 0 | 0 |
| 12. NAIC 5 | 0 | | | | 0 | 0 | 0 | 0 |
| 13. NAIC 6 | 0 | | | | 0 | 0 | 0 | 0 |
| 14. Total Preferred Stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Total Bonds & Preferred Stock | 5,071,738,872 | 1,039,570,184 | 1,137,193,540 | (4,624,539) | 5,071,738,872 | 4,969,490,977 | 0 | 5,060,420,383 |

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $ 793,575,803 ; NAIC 2 $ ..... ;
NAIC 3 $ ..... ; NAIC 4 $ ..... ; NAIC 5 $ ..... ; NAIC 6 $ .....

# SCHEDULE DA - PART 1

**Short-Term Investments**

| | 1<br>Book/Adjusted Carrying Value | 2<br>Par Value | 3<br>Actual Cost | 4<br>Interest Collected Year To Date | 5<br>Paid for Accrued Interest Year To Date |
|---|---|---|---|---|---|
| 9199999 | 794,610,085 | XXX | 794,405,415 | 42,459 | 39,666 |

# SCHEDULE DA - VERIFICATION

**Short-Term Investments**

| | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 853,767,913 | 590,536,275 |
| 2. Cost of short-term investments acquired | 1,280,266,734 | 3,302,266,727 |
| 3. Accrual of discount | 348,961 | 174,071 |
| 4. Unrealized valuation increase (decrease) | | 0 |
| 5. Total gain (loss) on disposals | 1,897 | 0 |
| 6. Deduct consideration received on disposals | 1,339,653,791 | 3,039,000,000 |
| 7. Deduct amortization of premium | 121,629 | 209,160 |
| 8. Total foreign exchange change in book/adjusted carrying value | | 0 |
| 9. Deduct current year's other-than-temporary impairment recognized | | 0 |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 794,610,085 | 853,767,913 |
| 11. Deduct total nonadmitted amounts | | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 794,610,085 | 853,767,913 |

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

# SCHEDULE E - VERIFICATION

**(Cash Equivalents)**

| | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 149,966,531 | 0 |
| 2. Cost of cash equivalents acquired | 134,945,878 | 26,039,727,862 |
| 3. Accrual of discount | 64,118 | 184,669 |
| 4. Unrealized valuation increase (decrease) | | 0 |
| 5. Total gain (loss) on disposals | | 0 |
| 6. Deduct consideration received on disposals | 260,000,000 | 25,889,946,000 |
| 7. Deduct amortization of premium | | 0 |
| 8. Total foreign exchange change in book/adjusted carrying value | | 0 |
| 9. Deduct current year's other than temporary impairment recognized | | 0 |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 24,976,527 | 149,966,531 |
| 11. Deduct total nonadmitted amounts | | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 24,976,527 | 149,966,531 |

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

# SCHEDULE D - PART 3

**Show All Long-Term Bonds and Stock Acquired During the Current Quarter**

| 1<br>CUSIP Identification | 2<br>Description | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number of Shares of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued Interest and Dividends | 10<br>NAIC Designation or Market Indicator [a] |
|---|---|---|---|---|---|---|---|---|---|
| Bonds - U.S. Governments | | | | | | | | | |
| 36176X-FN-4 | Ginnie Mae I Pool GNSF 778973 3.500% 0 | | 05/12/2014 | Wachovia-Wells Fargo Sec | | 23,484,067 | 22,751,746 | 42,028 | 1 |
| 36176X-FN-4 | Ginnie Mae I Pool GNSF 778973 3.500% 0 | | 05/12/2014 | Wachovia-Wells Fargo Sec | | 287,973 | 278,993 | 515 | 1FE |
| 912810-FE-3 | United States Treasury T 5 1/2 08/15/28 | | 04/16/2014 | Credit Suisse First Boston LLC | | 742,446 | 575,000 | 5,766 | 1 |
| 912810-FP-8 | United States Treasury T 5 3/8 02/15/31 | | 05/14/2014 | Banc of America Securities LLC | | 1,032,709 | 790,000 | 10,909 | 1 |
| 912810-QY-7 | United States Treasury T 2.75 11/15/42 | | 06/25/2014 | Banc of America Securities LLC | | 3,034,983 | 3,420,000 | 11,756 | 1 |
| 912810-RE-0 | United States Treasury T 3.625 02/15/44 | | 06/26/2014 | Various | | 2,923,977 | 2,795,000 | 36,894 | 1 |
| 912810-RE-0 | United States Treasury T 3.625 02/15/44 | | 06/26/2014 | Various | | 2,660,633 | 2,550,000 | 28,317 | 1FE |
| 912810-RG-5 | United States Treasury T 3.375 05/15/44 | | 05/30/2014 | Credit Suisse First Boston LLC | | 504,023 | 500,000 | 825 | 1 |
| 912828-UE-8 | United States Treasury T .75 12/31/17 | | 04/16/2014 | Wachovia-Wells Fargo Sec | | 491,680 | 500,000 | 1,160 | 1 |
| 912828-VZ-0 | United States Treasury T 2 09/30/20 2 | | 04/16/2014 | Deutsche Bank | | 472,013 | 475,000 | 571 | 1 |
| 912828-WB-2 | United States Treasury T .25 10/31/15 | | 05/30/2014 | Wachovia-Wells Fargo Sec | | 50,046,875 | 50,000,000 | 11,209 | 1 |
| 912828-WB-2 | United States Treasury T .25 10/31/15 | | 05/30/2014 | Banc of America Securities LLC | | 50,048,828 | 50,000,000 | 11,209 | 1FE |
| 912828-WE-6 | United States Treasury T 2.75 11/15/23 | | 04/16/2014 | Banc of America Securities LLC | | 455,256 | 450,000 | 5,401 | 1 |
| 912828-WJ-5 | United States Treasury T 2.50 05/15/24 | | 06/19/2014 | Banc of America Securities LLC | | 1,156,035 | 1,165,000 | 3,166 | 1 |
| 912828-WM-8 | United States Treasury T .375 05/31/16 | | 05/30/2014 | Various | | 1,700,012 | 1,700,000 | 35 | 1 |
| 912828-WQ-9 | United States Treasury T .50 06/30/16 | | 06/25/2014 | Wachovia-Wells Fargo Sec | | 825,387 | 825,000 | | 1 |
| 40052V-AC-8 | Grupo Bimbo SAB de CV BIMBOA 3.875 06/27 | F | 06/27/2014 | HSBC Securities Inc | | 1,550,541 | 1,555,000 | 229 | 2FE |
| 40052V-AD-6 | Grupo Bimbo SAB de CV BIMBOA 4.875 06/27 | F | 06/24/2014 | HSBC Securities Inc | | 599,051 | 610,000 | | 2FE |
| 0599999 - Bonds - U.S. Governments | | | | | | 142,016,489 | 140,940,739 | 169,990 | XXX |
| Bonds - All Other Governments | | | | | | | | | |
| 903724-AK-8 | Ukraine Aid AID 1.844 05/16/19 1.844% | F | 05/14/2014 | J.P. Morgan Securities, Inc | | 1,950,000 | 1,950,000 | | 6* |
| 91086Q-AZ-1 | Mexico Govt International Bond MEX 5.75 | F | 06/20/2014 | Morgan Stanley & Co., Inc | | 754,000 | 725,000 | 8,453 | 2FE |
| 1099999 - Bonds - All Other Governments | | | | | | 2,704,000 | 2,675,000 | 8,453 | XXX |
| Bonds - U.S. States, Territories and Possessions | | | | | | | | | |
| 93974C-PH-7 | State of Washington Municipals 4.636% | | 05/28/2014 | Janney Montgomery Scott Inc | | 6,262,190 | 5,500,000 | 85,702 | 1FE |
| 1799999 - Bonds - U.S. States, Territories and Possessions | | | | | | 6,262,190 | 5,500,000 | 85,702 | XXX |
| Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | | | | | |
| 414018-5L-1 | Harris County Flood Control Di General O | | 05/09/2014 | Depfa 1st Alb-Jefferies(Persh) | | 4,500,000 | 4,500,000 | | 1FE |
| 456560-WD-9 | City of Industry CA General Obligation | | 05/15/2014 | Stifel-Hanifen Stifel,Nicolaus | | 5,630,735 | 5,675,000 | | 1FE |
| 456560-WF-4 | City of Industry CA General Obligation | | 06/05/2014 | Morgan Stanley & Co., Inc | | 5,231,199 | 5,360,000 | 5,360 | 1FE |
| 797355-W7-5 | San Diego Unified School Distr School Di | | 04/02/2014 | Goldman Sachs | | 263,860 | 1,000,000 | | 1FE |
| 2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | | 15,625,794 | 16,535,000 | 5,360 | XXX |
| Bonds - U.S. Special Revenue | | | | | | | | | |
| 3128M8-NA-8 | Freddie Mac Gold Pool FGFO G06385 5.50 | | 05/27/2014 | Nomura Securities Intl Inc | | 1,690,292 | 1,519,150 | 6,731 | 1 |
| 3128M8-NA-8 | Freddie Mac Gold Pool FGFO G06385 5.50 | | 05/27/2014 | Nomura Securities Intl Inc | | 54,393 | 48,886 | 217 | 1FE |
| 3137B9-BZ-7 | FHLMC Multifamily Structure PT FHMS KF03 | | 04/09/2014 | J.P. Morgan Securities, Inc | | 6,312,897 | 6,312,897 | | 1 |
| 3137B9-BZ-7 | FHLMC Multifamily Structure PT FHMS KF03 | | 04/09/2014 | J.P. Morgan Securities, Inc | | 7,103 | 7,103 | | 1FE |
| 3138EH-BD-3 | Fannie Mae Pool FNCL AL0935 4.000% 05 | | 05/23/2014 | BNP Paribas/NY | | 1,468,463 | 1,390,055 | 1,699 | 1 |
| 3138WA-WV-5 | Fannie Mae Pool FNCL AS1559 4.000% 01 | | 06/20/2014 | Wachovia-Wells Fargo Sec | | 2,077,182 | 1,967,436 | 2,842 | 1 |
| 3138WQ-AZ-5 | Fannie Mae Pool FNCL AT2723 3.000% 05 | | 06/20/2014 | Wachovia-Wells Fargo Sec | | 2,582,601 | 2,639,095 | 2,859 | 1 |
| 3138XU-F8-0 | Fannie Mae Pool FNCL AW4690 4.000% 05/ | | 05/02/2014 | Wachovia-Wells Fargo Sec | | 14,191,741 | 13,532,054 | 16,539 | 1 |
| 3138XU-F8-0 | Fannie Mae Pool FNCL AW4690 4.000% 05/ | | 05/02/2014 | Wachovia-Wells Fargo Sec | | 21,978 | 20,956 | 26 | 1FE |
| 31417F-3F-3 | Fannie Mae Pool FNCL AB8897 3.000% 04/ | | 05/23/2014 | Various | | 22,383,339 | 22,732,524 | 20,838 | 1 |
| 31418A-X6-0 | Fannie Mae Pool FNCL MA1600 3.500% 10/ | | 05/29/2014 | Wachovia-Wells Fargo Sec | | 1,206,072 | 1,167,755 | 1,249 | 1 |
| 595679-DB-4 | Middle Bucks Area Voc-Tech Sch Prerefund | | 06/25/2014 | Conversion | | 2,270,990 | 2,265,000 | 40,896 | 1FE |
| 595679-DC-2 | Middle Bucks Area Voc-Tech Sch Unrefunde | | 06/25/2014 | Conversion | | 125,331 | 125,000 | 2,257 | 1FE |
| 92818A-XN-1 | Virginia Resources Auth Unrefunded- Wate | | 05/01/2014 | Conversion | | 85,126 | 85,000 | 2,125 | 6* |
| 92818G-VE-0 | Virginia Resources Auth Prerefunded- Wat | | 06/05/2014 | Conversion | | 3,409,088 | 3,405,000 | 16,079 | 6* |
| 92818G-VF-7 | Virginia Resources Auth Unrefunded- Wate | | 06/05/2014 | Conversion | | 75,090 | 75,000 | 354 | 6* |
| 3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | 57,961,686 | 57,292,911 | 114,711 | XXX |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | |
| 00206R-AZ-5 | AT&T Inc T 3.875 08/15/21 3.875% 08/15 | | 04/30/2014 | Salomon SmBarney (Citigroup) | | 5,293,585 | 5,048,000 | 43,469 | 1FE |
| 00206R-CG-5 | AT&T Inc T 4.80 06/15/44 4.800% 06/15/ | | 06/03/2014 | Morgan Stanley & Co., Inc | | 757,234 | 760,000 | | 1FE |
| 00214J-AA-8 | ARI Fleet Lease Trust ARIFL 2014-A A1 | | 04/01/2014 | J.P. Morgan Securities, Inc | | 7,000,000 | 7,000,000 | | 1FE |
| 00214J-AE-0 | ARI Fleet Lease Trust ARIFL 2014-A A3 | | 04/01/2014 | J.P. Morgan Securities, Inc | | 1,199,666 | 1,200,000 | | 1FE |
| 02666Q-J7-9 | American Honda Finance HNDA 3.80 09/20/2 | | 06/03/2014 | Goldman Sachs | | 10,613,500 | 10,000,000 | 80,222 | 1FE |
| 037833-AR-1 | Apple Inc AAPL 2.85 05/06/21 2.850% 05 | | 04/29/2014 | Goldman Sachs | | 4,987,700 | 5,000,000 | | 1FE |
| 04650N-AB-0 | AT&T Inc T 5.35 09/01/40 5.350% 09/01/ | | 06/26/2014 | J.P. Morgan Securities, Inc | | 636,109 | 580,000 | 10,343 | 1FE |

# SCHEDULE D - PART 3

**Show All Long-Term Bonds and Stock Acquired During the Current Quarter**

| 1<br>CUSIP Identification | 2<br>Description | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number of Shares of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued Interest and Dividends | 10<br>NAIC Designation or Market Indicator [a] |
|---|---|---|---|---|---|---|---|---|---|
| 06406H-CU-1 | Bank of New York Mellon Corp BK 2.20 05/ | | 05/02/2014 | Deutsche Bank | | 7,984,480 | 8,000,000 | | 1FE |
| 06406H-CV-9 | Bank of New York Mellon Corp BK 3.40 05/ | | 05/02/2014 | Deutsche Bank | | 5,747,068 | 5,750,000 | | 1FE |
| 12505N-AA-2 | CCG Receivables Trust CCG 2014-1 A1 0 | | 05/06/2014 | J.P. Morgan Securities, Inc | | 5,400,000 | 5,400,000 | | 1FE |
| 12505N-AB-0 | CCG Receivables Trust CCG 2014-1 A2 1 | | 05/06/2014 | J.P. Morgan Securities, Inc | | 1,349,882 | 1,350,000 | | 1FE |
| 13033L-YS-0 | California Hlth Fac Fin Auth Medical 5 | | 05/19/2014 | Wachovia-Wells Fargo Sec | | 162,170 | 150,000 | 2,021 | 1FE |
| 14912L-6B-2 | Caterpillar Finance Service CAT 2.10 06/ | | 06/02/2014 | Various | | 8,013,620 | 8,000,000 | | 1FE |
| 151020-AM-6 | Celgene Corp CELG 4.625 05/15/44 4.625 | | 05/06/2014 | Banc of America Securities LLC | | 757,310 | 760,000 | | 2FE |
| 172967-GT-2 | Citigroup Inc C 3.50 05/15/23 3.500% 0 | | 04/03/2014 | Salomon SmBarney (Citigroup) | | 772,302 | 815,000 | 11,331 | 2FE |
| 172967-HS-3 | Citigroup Inc C 5.30 05/06/44 5.300% 0 | | 04/29/2014 | Salomon SmBarney (Citigroup) | | 1,135,246 | 1,140,000 | | 2FE |
| 17305E-FN-0 | Citibank Credit Card Iss Trst CCCIT 2014 | | 06/26/2014 | Salomon SmBarney (Citigroup) | | 1,098,367 | 1,100,000 | 3,678 | 1FE |
| 24422E-RE-1 | John Deere Capital Corp DE 3.90 07/12/21 | | 05/29/2014 | Goldman Sachs | | 5,407,800 | 5,000,000 | 76,375 | 1FE |
| 24422E-RH-4 | John Deere Capital Corp DE 3.15 10/15/21 | | 05/01/2014 | Salomon SmBarney (Citigroup) | | 5,822,731 | 5,720,000 | 10,511 | 1FE |
| 250847-EF-3 | Detroit Edison Co DTE 3.45 10/01/20 3 | | 04/30/2014 | Salomon SmBarney (Citigroup) | | 2,630,656 | 2,510,000 | 8,178 | 1FE |
| 25468P-DA-1 | Walt Disney Co DIS 1.85 05/30/19 1.850 | | 05/28/2014 | Salomon SmBarney (Citigroup) | | 4,995,000 | 5,000,000 | | 1FE |
| 25468P-DC-7 | Walt Disney Co DIS 0 05/30/19 0.537% 0 | | 05/28/2014 | Salomon SmBarney (Citigroup) | | 8,000,000 | 8,000,000 | | 1FE |
| 263534-CB-3 | El du Pont de Nemours & Co DD 3.625 01/1 | | 05/21/2014 | Goldman Sachs | | 10,608,700 | 10,000,000 | 132,917 | 1FE |
| 29157T-AA-4 | Emory University EMORYU 5.625 09/01/19 | | 05/22/2014 | Wachovia-Wells Fargo Sec | | 5,671,824 | 4,800,000 | 65,250 | 1FE |
| 292480-AE-0 | Enable Midstream Partners LP ENBL 5.0 05 | | 05/19/2014 | Greenwich Capital-RBS | | 1,134,841 | 1,135,000 | | 2FE |
| 302570-AY-2 | NextEra Energy Capital Hldings NEE 7.3 0 | | 05/22/2014 | Wachovia-Wells Fargo Sec | | 696,094 | 625,000 | 11,026 | 2FE |
| 341081-FK-8 | Florida Power & Light Co NEE 3.25 06/01/ | | 05/12/2014 | Deutsche Bank | | 3,994,840 | 4,000,000 | | 1FE |
| 34530M-AA-7 | Ford Credit Auto Owner Trust FORDR 2014- | | 05/06/2014 | Banc of America Securities LLC | | 549,863 | 550,000 | | 1FE |
| 34530M-AB-5 | Ford Credit Auto Owner Trust FORDR 2014- | | 05/06/2014 | Banc of America Securities LLC | | 499,910 | 500,000 | | 6* |
| 345397-WR-0 | Ford Motor Credit Co LLC F 1.724 12/06/1 | | 06/03/2014 | Credit Agricole Securities | | 1,000,000 | 1,000,000 | | 2FE |
| 38141E-C3-1 | Goldman Sachs Group Inc GS 4.80 07/08/44 | | 06/30/2014 | Goldman Sachs | | 358,243 | 360,000 | | 2FE |
| 42809H-AF-4 | Hess Corp HES 3.50 07/15/24 3.500% 07/ | | 06/19/2014 | Morgan Stanley & Co., Inc | | 993,270 | 1,000,000 | | 2FE |
| 43284A-AA-2 | Hilton Grand Vacation Trust HGVT 2014-AA | | 06/10/2014 | Deutsche Bank | | 789,893 | 790,000 | | 1FE |
| 478373-AE-3 | Johnson Controls Inc JCI 4.95 07/02/64 | | 06/10/2014 | Banc of America Securities LLC | | 758,434 | 760,000 | | 2FE |
| 48127F-AA-1 | JPMorgan Chase & Co JPM 5.0 Perpetual | | 06/04/2014 | J.P. Morgan Securities, Inc | | 1,000,000 | 1,000,000 | | 2FE |
| 59447P-YU-9 | Michigan Fin Auth Utilities 5.000% 07/ | | 06/26/2014 | Salomon SmBarney (Citigroup) | | 516,895 | 500,000 | | 1FE |
| 61166W-AQ-4 | Monsanto Co MON 4.7 07/15/64 4.700% 07 | | 06/26/2014 | Salomon SmBarney (Citigroup) | | 2,650,470 | 2,675,000 | | 1FE |
| 63307A-2A-2 | National Bank of Canada NACN 1.50 06/26/ | G | 06/18/2014 | Goldman Sachs | | 27,822,300 | 27,500,000 | 202,813 | 1FE |
| 649710-7G-2 | NYC Trans Fin Ftr Tax Sec Rev General | | 05/23/2014 | J.P. Morgan Securities, Inc | | 4,795,857 | 4,670,000 | 11,805 | 1FE |
| 74153W-CD-9 | Pricoa Global Funding I PRU 2.2 5/16/19 | | 05/13/2014 | Salomon SmBarney (Citigroup) | | 2,000,000 | 2,000,000 | | 1FE |
| 742718-DS-5 | Procter & Gamble Co PG 1.80 11/15/15 1 | | 06/12/2014 | Barclays Capital | | 20,009,575 | 19,618,000 | 31,389 | 1FE |
| 74456Q-BG-0 | Public Service Electric & Gas PEG 1.80 0 | | 05/28/2014 | Morgan Stanley & Co., Inc | | 2,994,570 | 3,000,000 | | 1FE |
| 759468-AC-5 | Reliance Holdings USA Inc RILIN 5.4 02/1 | | 06/10/2014 | Nomura Securities Intl Inc | | 564,097 | 525,000 | 9,371 | 2FE |
| 81632A-AA-1 | Selene Non-Preforming Loan LLC SNPL 2014 | | 05/23/2014 | Wachovia-Wells Fargo Sec | | 500,000 | 500,000 | | 6* |
| 837004-CH-1 | South Carolina Electric & Gas SCG 4.50 0 | | 05/20/2014 | Wachovia-Wells Fargo Sec | | 751,929 | 760,000 | | 1FE |
| 84860Y-AA-6 | Spirit Master Funding LLC SPMF 2014-2A A | | 05/20/2014 | Conversion | | 1,196,767 | 1,145,322 | | 1FE |
| 89236T-BJ-3 | Toyota Motor Credit Corp TOYOTA 2.75 05/ | | 05/13/2014 | Salomon SmBarney (Citigroup) | | 5,000,000 | 5,000,000 | | 1FE |
| 903280-AD-7 | USAA Capital Corp USAACA 2.125 06/03/19 | | 05/05/2014 | Banc of America Securities LLC | | 4,999,750 | 5,000,000 | | 1FE |
| 91412G-EZ-4 | University of California Higher Educatio | | 04/10/2014 | Salomon SmBarney (Citigroup) | | 3,000,000 | 3,000,000 | | 1FE |
| 91481C-AA-8 | University of Pennsylvania UPENN 4.675 0 | | 06/27/2014 | Morgan Stanley & Co., Inc | | 590,873 | 594,000 | 9,305 | 1FE |
| 064159-EX-0 | Bank of Nova Scotia BNS 2.05 06/05/19 | A | 05/29/2014 | Salomon SmBarney (Citigroup) | | 6,998,040 | 7,000,000 | | 1FE |
| 055299-AL-5 | BBVA US Senior SAU BBVASM 4.664 10/09/15 | F | 05/22/2014 | Credit Agricole Securities | | 367,682 | 350,000 | 2,222 | 2FE |
| 11042B-AA-0 | British Airways PLC IAGLN 5.625 06/20/20 | F | 05/12/2014 | Various | | 3,203,438 | 3,000,000 | 23,047 | 2FE |
| 40049J-BA-4 | Grupo Televisa SAB TELVIS 5.0 05/13/45 | F | 05/08/2014 | HSBC Securities Inc | | 704,698 | 730,000 | | 2FE |
| 806854-AD-7 | Schlumberger Investment SA SLB 2.40 08/0 | F | 05/02/2014 | Goldman Sachs | | 4,954,887 | 5,216,000 | 33,382 | 1FE |
| 87938W-AP-8 | Telefonica Emisiones SAU TELEFO 5.462 02 | F | 04/16/2014 | Nomura Securities Intl Inc | | 752,095 | 670,000 | 6,709 | 2FE |
| 3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | 212,194,261 | 208,256,322 | 785,364 | XXX |
| Bonds - Hybrid Securities | | | | | | | | | |
| 61761J-QK-8 | Morgan Stanley MS 5.45 Perpetual 5.450 | | 05/02/2014 | Morgan Stanley & Co., Inc | | 1,021,250 | 1,000,000 | 1,211 | 3FE |
| 949746-PM-7 | Wells Fargo & Co WFC 7.98 Perpetual 7 | | 04/16/2014 | Wachovia-Wells Fargo Sec | | 519,838 | 455,000 | 3,732 | 2FE |
| 949746-RF-0 | Wells Fargo & Co WFC 5.606 01/15/44 5 | | 05/13/2014 | Wachovia-Wells Fargo Sec | | 1,357,607 | 1,210,000 | 31,470 | 1FE |
| 4899999 - Bonds - Hybrid Securities | | | | | | 2,898,695 | 2,665,000 | 36,413 | XXX |
| Bonds - Parent, Subsidiaries and Affiliates | | | | | | | | | |
| 8399997 - Subtotals - Bonds - Part 3 | | | | | | 439,663,115 | 433,864,972 | 1,205,993 | XXX |
| 8399999 - Subtotals - Bonds | | | | | | 439,663,115 | 433,864,972 | 1,205,993 | XXX |

# SCHEDULE D - PART 3

**Show All Long-Term Bonds and Stock Acquired During the Current Quarter**

| 1<br>CUSIP Identification | 2<br>Description | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number of Shares of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued Interest and Dividends | 10<br>NAIC Designation or Market Indicator [a] |
|---|---|---|---|---|---|---|---|---|---|
| Preferred Stocks - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | |
| Preferred Stocks - Parent, Subsidiaries and Affiliates | | | | | | | | | |
| Common Stocks - Industrial and Miscellaneous | | | | | | | | | |
| Common Stocks - Parent, Subsidiaries and Affiliates | | | | | | | | | |
| Common Stocks - Mutual Funds | | | | | | | | | |
| Common Stocks - Money Market Mutual Funds | | | | | | | | | |
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| 9999999 Totals | | | | | | 439,663,115 | XXX | 1,205,993 | XXX |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| Bonds - U.S. Governments | | | | | | | | | | | | | | | | | | | | | |
| 36176X-FN-4 | Ginnie Mae I Pool GNSF 778973 3.500% 0 | | 06/01/2014 | Paydown | | 278,993 | 278,993 | 287,973 | | | (8,980) | | (8,980) | | 278,993 | | | 0 | 814 | 03/15/2042 | 1FE |
| 36178D-7F-2 | Ginnie Mae II Pool GNSF AA6294 3.000% | | 06/01/2014 | Paydown | | 486,926 | 486,926 | 488,524 | 488,515 | | (1,589) | | (1,589) | | 486,926 | | | 0 | 5,933 | 04/15/2043 | 1 |
| 36178D-LQ-2 | Ginnie Mae I Pool GNSF AA5735 3.500% 1 | | 06/01/2014 | Paydown | | 871,299 | 871,299 | 951,895 | 950,395 | | (79,096) | | (79,096) | | 871,299 | | | 0 | 13,051 | 10/15/2042 | 1 |
| 36179M-AG-5 | Ginnie Mae II Pool G2SF MA0007 3.000% | | 06/01/2014 | Paydown | | 740,750 | 740,750 | 790,635 | 788,070 | | (47,320) | | (47,320) | | 740,750 | | | 0 | 9,303 | 04/20/2027 | 1 |
| 36179M-NG-1 | Ginnie Mae II Pool G2SF MA0391 3.000% | | 06/01/2014 | Paydown | | 72,427 | 72,427 | 73,426 | 73,423 | | (996) | | (996) | | 72,427 | | | 0 | 922 | 09/20/2042 | 1 |
| 36179M-QP-8 | Ginnie Mae II Pool G2SF MA0462 3.500% | | 06/01/2014 | Paydown | | 674,935 | 674,934 | 734,518 | 733,359 | | (58,425) | | (58,425) | | 674,935 | | | 0 | 9,133 | 10/20/2042 | 1 |
| 36179N-BB-3 | Ginnie Mae II Pool G2SF MA0934 3.500% | | 06/01/2014 | Paydown | | 14,604 | 14,604 | 14,988 | | | (383) | | (383) | | 14,604 | | | 0 | 88 | 04/20/2043 | 1 |
| 36179N-Q7-6 | Ginnie Mae II Pool G2SF MA1378 5.000% | | 06/01/2014 | Paydown | | 1,695,231 | 1,695,231 | 1,848,332 | | | (153,101) | | (153,101) | | 1,695,231 | | | 0 | 28,801 | 10/20/2043 | 1 |
| 36180H-VL-9 | Ginnie Mae II Pool G2SF AD6019 3.500% | | 06/01/2014 | Paydown | | 123,042 | 123,042 | 126,382 | 126,350 | | (3,308) | | (3,308) | | 123,042 | | | 0 | 1,993 | 04/20/2043 | 1 |
| 36202E-7H-6 | Ginnie Mae II Pool G2SF 4496 5.000% 07 | | 06/01/2014 | Paydown | | 14,946 | 14,946 | 16,628 | 16,597 | | (1,651) | | (1,651) | | 14,946 | | | 0 | 310 | 07/20/2039 | 1 |
| 36202E-PN-3 | Ginnie Mae II Pool G2SF 4029 6.500% 09 | | 06/01/2014 | Paydown | | 264,249 | 264,249 | 286,174 | 285,273 | | (21,024) | | (21,024) | | 264,249 | | | 0 | 6,655 | 09/20/2037 | 1 |
| 36202E-Q2-8 | Ginnie Mae II Pool G2SF 4073 6.000% 01 | | 06/01/2014 | Paydown | | 40,003 | 40,003 | 43,979 | 43,855 | | (3,851) | | (3,851) | | 40,003 | | | 0 | 1,041 | 01/20/2038 | 1 |
| 36202F-AW-6 | Ginnie Mae II Pool G2SF 4521 5.500% 08 | | 06/01/2014 | Paydown | | 243,669 | 243,669 | 258,898 | 258,224 | | (14,555) | | (14,555) | | 243,669 | | | 0 | 5,607 | 08/20/2039 | 1 |
| 36202F-DW-3 | Ginnie Mae II Pool G2SF 4617 4.500% 01 | | 05/21/2014 | Barclays Capital | | 625,046 | 573,766 | 629,170 | 627,476 | | (2,258) | | (2,258) | | 625,218 | | (171) | (171) | 12,049 | 01/20/2040 | 1 |
| 36202F-DW-3 | Ginnie Mae II Pool G2SF 4617 4.500% 01 | | 06/01/2014 | Paydown | | 27,450 | 27,450 | 30,101 | 30,020 | | (2,570) | | (2,570) | | 27,450 | | | 0 | 2,676 | 01/20/2040 | 1 |
| 36202F-FU-5 | Ginnie Mae II Pool G2SF 4679 5.000% 04 | | 06/01/2014 | Paydown | | 44,588 | 44,588 | 48,907 | 48,773 | | (4,185) | | (4,185) | | 44,588 | | | 0 | 938 | 04/20/2040 | 1 |
| 36202F-GY-6 | Ginnie Mae II Pool G2SF 4715 5.000% 06 | | 06/01/2014 | Paydown | | 20,000 | 20,000 | 21,281 | 21,230 | | (1,230) | | (1,230) | | 20,000 | | | 0 | 424 | 06/20/2040 | 1 |
| 36202F-LN-4 | Ginnie Mae II Pool G2SF 4833 4.000% 10 | | 06/01/2014 | Paydown | | 356,003 | 356,003 | 390,045 | 389,344 | | (33,342) | | (33,342) | | 356,003 | | | 0 | 5,993 | 10/20/2040 | 1 |
| 36202F-X9-2 | Ginnie Mae II Pool G2SF 5204 4.500% 10 | | 06/01/2014 | Paydown | | 24,788 | 24,788 | 26,968 | 26,907 | | (2,119) | | (2,119) | | 24,788 | | | 0 | 473 | 10/20/2041 | 1 |
| 36209F-DN-6 | Ginnie Mae I Pool GNSF 470009 4.000% 0 | | 06/01/2014 | Paydown | | 203,971 | 203,971 | 227,686 | 227,135 | | (23,164) | | (23,164) | | 203,971 | | | 0 | 3,462 | 09/15/2041 | 1 |
| 36209R-2Q-5 | Ginnie Mae I Pool GNSF 479683 4.000% 1 | | 06/01/2014 | Paydown | | 27,854 | 27,854 | 29,791 | 29,735 | | (1,881) | | (1,881) | | 27,854 | | | 0 | 439 | 10/15/2041 | 1 |
| 3620A3-ZP-2 | Ginnie Mae I Pool GNSF 718150 4.500% 0 | | 06/01/2014 | Paydown | | 218,800 | 218,800 | 231,005 | 230,462 | | (11,661) | | (11,661) | | 218,800 | | | 0 | 4,121 | 02/15/2040 | 1 |
| 3620A9-VP-3 | Ginnie Mae I Pool GNSF 723422 4.500% 1 | | 06/01/2014 | Paydown | | 39,749 | 39,749 | 43,307 | 43,180 | | (3,432) | | (3,432) | | 39,749 | | | 0 | 753 | 11/15/2039 | 1 |
| 3620AC-2A-1 | Ginnie Mae I Pool GNSF 726269 4.500% 0 | | 06/01/2014 | Paydown | | 42,573 | 42,573 | 44,476 | 44,369 | | (1,796) | | (1,796) | | 42,573 | | | 0 | 819 | 09/15/2039 | 1 |
| 3620AM-EE-8 | Ginnie Mae I Pool GNSF 733733 5.000% 0 | | 05/21/2014 | Wachovia-Wells Fargo Sec | | 532,131 | 484,031 | 521,354 | 519,829 | | (2,353) | | (2,353) | | 517,476 | | 14,655 | 14,655 | 11,294 | 06/15/2040 | 1 |
| 3620AM-EE-8 | Ginnie Mae I Pool GNSF 733733 5.000% 0 | | 06/01/2014 | Paydown | | 24,108 | 24,108 | 25,967 | 25,891 | | (1,783) | | (1,783) | | 24,108 | | | 0 | 2,541 | 06/15/2040 | 1 |
| 3620AM-JF-0 | Ginnie Mae I Pool GNSF 733862 4.500% 0 | | 06/01/2014 | Paydown | | 379,150 | 379,150 | 405,631 | 404,474 | | (25,324) | | (25,324) | | 379,150 | | | 0 | 7,111 | 08/15/2040 | 1 |
| 3620AR-UP-4 | Ginnie Mae I Pool GNSF 737790 4.000% 1 | | 06/01/2014 | Paydown | | 19,605 | 19,605 | 21,210 | 21,157 | | (1,553) | | (1,553) | | 19,605 | | | 0 | 331 | 12/15/2040 | 1 |
| 3622A2-EM-0 | Ginnie Mae I Pool GNJO 783740 2.500% | | 06/01/2014 | Paydown | | 31,361 | 31,361 | 32,802 | 32,749 | | (1,388) | | (1,388) | | 31,361 | | | 0 | 338 | 12/15/2027 | 1 |
| 36241K-EV-6 | Ginnie Mae I Pool GNSF 781948 6.500% 0 | | 06/01/2014 | Paydown | | 148,178 | 148,178 | 155,434 | 154,882 | | (6,704) | | (6,704) | | 148,178 | | | 0 | 3,649 | 05/15/2035 | 1 |
| 36241K-NP-9 | Ginnie Mae I Pool GNSF 782198 6.000% 1 | | 06/01/2014 | Paydown | | 212,529 | 212,529 | 220,170 | 219,849 | | (7,320) | | (7,320) | | 212,529 | | | 0 | 4,516 | 10/15/2037 | 1 |
| 36290R-RZ-8 | Ginnie Mae I Pool GNSF 615304 5.000% 0 | | 06/01/2014 | Paydown | | 56,316 | 56,316 | 57,854 | 57,696 | | (1,380) | | (1,380) | | 56,316 | | | 0 | 1,104 | 07/15/2033 | 1 |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 36291A-RE-1 | Ginnie Mae I Pool GNSF 622485 6.000% 1 | | 06/01/2014 | Paydown | | 112,986 | 112,986 | 117,187 | 116,835 | | (3,849) | | (3,849) | | 112,986 | | | 0 | 3,162 | 10/15/2033 | 1 |
| 36292L-D5-0 | Ginnie Mae I Pool GNSF 651824 5.500% 0 | | 06/01/2014 | Paydown | | 211,342 | 211,342 | 217,715 | 217,383 | | (6,040) | | (6,040) | | 211,342 | | | 0 | 4,853 | 05/15/2036 | 1 |
| 36295Q-C3-2 | Ginnie Mae I Pool GNSF 676990 4.500% 0 | | 06/01/2014 | Paydown | | 555,613 | 555,613 | 603,491 | 601,979 | | (46,367) | | (46,367) | | 555,613 | | | 0 | 9,711 | 06/15/2040 | 1 |
| 36295Q-PB-0 | Ginnie Mae I Pool GNSF 677318 6.000% 0 | | 06/01/2014 | Paydown | | 17,753 | 17,753 | 19,539 | 19,478 | | (1,725) | | (1,725) | | 17,753 | | | 0 | 436 | 09/15/2038 | 1 |
| 36295Y-WZ-2 | Ginnie Mae I Pool GNSF 684764 5.000% 0 | | 06/01/2014 | Paydown | | 945,160 | 945,160 | 1,018,263 | 1,016,260 | | (71,099) | | (71,099) | | 945,160 | | | 0 | 18,256 | 04/15/2038 | 1 |
| 36296Q-3D-9 | Ginnie Mae I Pool GNSF 698396 4.500% 0 | | 06/01/2014 | Paydown | | 56,054 | 56,054 | 60,727 | 60,615 | | (4,561) | | (4,561) | | 56,054 | | | 0 | 1,041 | 07/15/2039 | 1 |
| 36296U-3A-6 | Ginnie Mae I Pool GNSF 701993 4.500% 0 | | 06/01/2014 | Paydown | | 89,527 | 89,527 | 97,471 | 53,770 | | (7,880) | | (7,880) | | 89,527 | | | 0 | 1,445 | 02/15/2039 | 1 |
| 36297F-WP-3 | Ginnie Mae I Pool GNSF 710854 5.000% 0 | | 06/01/2014 | Paydown | | 21,704 | 21,704 | 23,548 | 23,456 | | (1,753) | | (1,753) | | 21,704 | | | 0 | 443 | 09/15/2039 | 1 |
| 38374M-VJ-5 | Government National Mtg Assoc GNR 2005-9 | | 06/01/2014 | Paydown | | 161,592 | 161,592 | 167,249 | 163,655 | | (2,063) | | (2,063) | | 161,592 | | | 0 | 3,235 | 01/20/2032 | 1 |
| 38377Y-G9-5 | Government National Mtg Assoc GNR 2011-1 | | 06/16/2014 | Paydown | | 41,241 | 41,241 | 41,602 | 41,611 | | (371) | | (371) | | 41,241 | | | 0 | 100 | 10/16/2041 | 1 |
| 38378G-JX-7 | Government National Mtg Assoc GNR 2012-1 | | 06/01/2014 | Paydown | | 37,810 | 37,810 | 38,837 | 38,774 | | (963) | | (963) | | 37,810 | | | 0 | 315 | 10/16/2042 | 1 |
| 912810-FE-3 | United States Treasury T 5 1/2 08/15/28 | | 06/30/2014 | Barclays Capital | | 1,302,578 | 1,000,000 | 1,288,903 | | | (3,461) | | (3,461) | | 1,285,442 | | 17,136 | 17,136 | 20,245 | 08/15/2028 | 1 |
| 912810-QX-9 | United States Treasury T 2.75 08/15/42 | | 06/26/2014 | Salomon SmBarney (Citigroup) | | 714,125 | 800,000 | 773,875 | 774,474 | | 282 | | 282 | | 774,756 | | (60,631) | (60,631) | 19,022 | 08/15/2042 | 1 |
| 912810-RC-4 | United States Treasury T 3.625 08/15/43 | | 06/10/2014 | Various | | 2,381,933 | 2,310,000 | 2,204,310 | 2,204,553 | | 820 | | 820 | | 2,205,373 | | 176,560 | 176,560 | 64,983 | 08/15/2043 | 1 |
| 912810-RE-0 | United States Treasury T 3.625 02/15/44 | | 06/26/2014 | Salomon SmBarney (Citigroup) | | 2,681,883 | 2,550,000 | 2,660,633 | | | (93) | | (93) | | 2,660,540 | | 21,343 | 21,343 | 33,706 | 02/15/2044 | 1FE |
| 912810-RG-5 | United States Treasury T 3.375 05/15/44 | | 06/30/2014 | Salomon SmBarney (Citigroup) | | 501,543 | 500,000 | 504,023 | | | (5) | | (5) | | 504,018 | | (2,475) | (2,475) | 2,109 | 05/15/2044 | 1 |
| 912828-NW-6 | United States Treasury T 1.875 08/31/17 | | 06/24/2014 | Various | | 2,210,217 | 2,150,000 | 2,215,846 | 2,211,584 | | (6,972) | | (6,972) | | 2,204,613 | | 5,604 | 5,604 | 30,461 | 08/31/2017 | 1 |
| 912828-VA-5 | United States Treasury T 1.125 04/30/20 | | 06/27/2014 | HSBC Securities Inc | | 983,520 | 1,025,000 | 1,012,188 | 1,013,269 | | 887 | | 887 | | 1,014,156 | | (30,637) | (30,637) | 7,677 | 04/30/2020 | 1 |
| 912828-VK-3 | United States Treasury T 1.375 06/30/18 | | 06/26/2014 | Various | | 2,612,358 | 2,610,000 | 2,589,311 | 2,590,466 | | 2,040 | | 2,040 | | 2,592,506 | | 19,852 | 19,852 | 17,544 | 06/30/2018 | 1 |
| 912828-WB-2 | United States Treasury T .25 10/31/15 | | 06/18/2014 | Various | | 50,011,719 | 50,000,000 | 50,048,828 | | | (1,333) | | (1,333) | | 50,047,495 | | (35,776) | (35,776) | 15,965 | 10/31/2015 | 1FE |
| 912828-WE-6 | United States Treasury T 2.75 11/15/23 | | 06/19/2014 | Greenwich Capital-RBS | | 679,500 | 670,000 | 663,562 | | | 266 | | 266 | | 663,827 | | 15,673 | 15,673 | 11,215 | 11/15/2023 | 1 |
| 0599999 - Bonds - U.S. Governments | | | | | | 74,885,432 | 74,321,675 | 75,452,619 | 18,067,381 | 0 | (683,962) | 0 | (683,962) | 0 | 74,744,299 | 0 | 141,133 | 141,133 | 412,606 | XXX | XXX |
| Bonds - All Other Governments | | | | | | | | | | | | | | | | | | | | | |
| Bonds - U.S. States, Territories and Possessions | | | | | | | | | | | | | | | | | | | | | |
| 452151-A2-9 | State of Illinois General Obligation 5 | | 04/30/2014 | Wachovia-Wells Fargo Sec | | 4,874,263 | 4,725,000 | 4,776,266 | 4,746,596 | | (2,397) | | (2,397) | | 4,744,199 | | 130,063 | 130,063 | 101,063 | 06/01/2030 | 1FE |
| 56052A-WW-2 | Sate of Maine General Obligation 5.000 | | 05/21/2014 | J.P. Morgan Securities, Inc | | 4,518,000 | 4,000,000 | 4,830,840 | 4,497,264 | | (57,883) | | (57,883) | | 4,439,381 | | 78,619 | 78,619 | 97,778 | 06/01/2017 | 1FE |
| 574193-BQ-0 | State of Maryland General Obligation 5 | | 05/09/2014 | Janney Montgomery Scott Inc | | 2,931,950 | 2,500,000 | 2,898,500 | 2,787,884 | | (17,737) | | (17,737) | | 2,770,147 | | 161,803 | 161,803 | 98,264 | 08/01/2023 | 1FE |
| 57582N-S8-9 | Commonwealth of Massachusetts General Ob | | 06/20/2014 | UBS/WAR | | 588,308 | 570,000 | 646,950 | 585,798 | | (6,492) | | (6,492) | | 579,306 | | 9,003 | 9,003 | 23,275 | 03/01/2017 | 1FE |
| 57582N-XJ-9 | Commonwealth of Massachusetts General Ob | | 05/27/2014 | TD Securities (USA) LLC | | 3,923,904 | 3,200,000 | 3,931,552 | 3,772,966 | | (28,450) | | (28,450) | | 3,744,515 | | 179,389 | 179,389 | 139,533 | 08/01/2021 | 1FE |
| 658256-H4-7 | State of North Carolina General Obligati | | 05/08/2014 | J.P. Morgan Securities, Inc | | 3,471,870 | 3,000,000 | 3,657,180 | 3,432,093 | | (35,426) | | (35,426) | | 3,396,666 | | 75,204 | 75,204 | 80,000 | 05/01/2018 | 1FE |
| 677520-PR-3 | State of Ohio General Obligation 5.000 | | 06/20/2014 | Southwest Securities | | 225,393 | 205,000 | 223,965 | 212,172 | | (1,231) | | (1,231) | | 210,941 | | 14,452 | 14,452 | 7,972 | 09/15/2016 | 1FE |
| 677521-LY-0 | State of Ohio School District 5.000% 0 | | 05/07/2014 | Raymond James & Associates | | 3,679,987 | 3,060,000 | 3,567,838 | 3,460,290 | | (16,856) | | (16,856) | | 3,443,434 | | 236,552 | 236,552 | 100,725 | 09/15/2021 | 1FE |
| 76222R-JW-3 | State of Rhode Island General 5.500% 0 | | 05/08/2014 | Janney Montgomery Scott Inc | | 4,136,764 | 3,525,000 | 4,023,999 | 3,923,769 | | (16,818) | | (16,818) | | 3,906,950 | | 229,813 | 229,813 | 151,869 | 08/01/2027 | 1FE |
| 76222R-KF-8 | State of Rhode Island General 5.000% 0 | | 05/08/2014 | Janney Montgomery Scott Inc | | 5,054,380 | 4,280,000 | 5,071,115 | 4,883,786 | | (30,979) | | (30,979) | | 4,852,807 | | 201,574 | 201,574 | 167,633 | 08/01/2020 | 1FE |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 882722-Y5-4 | State of Texas General Obligation 5.00 | | 05/08/2014 | Janney Montgomery Scott Inc | | 4,493,228 | 4,025,000 | 4,215,455 | 4,172,637 | | (8,682) | | (8,682) | | 4,163,955 | | 329,274 | 329,274 | 157,646 | 08/01/2035 | 1FE |
| 93974B-Q3-9 | State of Washington General Obligation | | 04/28/2014 | UBS/WAR | | 4,398,640 | 4,000,000 | 4,035,160 | 4,016,542 | | (1,464) | | (1,464) | | 4,015,078 | | 383,562 | 383,562 | 166,667 | 07/01/2032 | 1FE |
| 1799999 - Bonds - U.S. States, Territories and Possessions | | | | | | 42,296,687 | 37,090,000 | 41,878,820 | 40,491,797 | 0 | (224,415) | 0 | (224,415) | 0 | 40,267,379 | 0 | 2,029,308 | 2,029,308 | 1,292,425 | XXX | XXX |
| Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | | | | | | | | | | | | | | | | | |
| 03588E-7J-6 | Anne Arundel Cnty MD General Obligation | | 04/30/2014 | Barclays Capital | | 4,273,643 | 3,585,000 | 4,403,922 | 4,195,503 | | (31,610) | | (31,610) | | 4,163,893 | | 109,750 | 109,750 | 106,554 | 04/01/2020 | 1FE |
| 03588E-7K-3 | Anne Arundel Cnty MD General Obligation | | 04/30/2014 | Barclays Capital | | 4,263,146 | 3,545,000 | 4,370,772 | 4,185,937 | | (28,107) | | (28,107) | | 4,157,830 | | 105,316 | 105,316 | 105,365 | 04/01/2021 | 1FE |
| 167560-PT-2 | Metro Wtr Rec Dist of Grtr Ch Water 5 | | 05/13/2014 | Janney Montgomery Scott Inc | | 5,827,700 | 5,000,000 | 5,907,300 | 5,624,579 | | (45,187) | | (45,187) | | 5,579,392 | | 248,308 | 248,308 | 114,583 | 12/01/2018 | 1FE |
| 215777-JF-1 | Cook Cnty Sch #225 Northfield School Di | | 05/27/2014 | Blair, William & Co | | 2,320,559 | 2,050,000 | 2,147,560 | 2,101,336 | | (4,398) | | (4,398) | | 2,096,937 | | 223,622 | 223,622 | 50,965 | 12/01/2026 | 1FE |
| 228129-7B-2 | Crowley Ind Sch Dist School District- Pr | | 05/29/2014 | US Bank | | 2,749,916 | 2,605,000 | 2,626,896 | | | (3,203) | | (3,203) | | 2,623,692 | | 126,224 | 126,224 | 44,140 | 08/01/2026 | 1FE |
| 228129-7R-7 | Crowley Ind Sch Dist School District- Un | | 05/22/2014 | Loop Capital Mkts (Ridge Cl) | | 4,728,989 | 4,505,000 | 4,542,866 | | | (5,171) | | (5,171) | | 4,537,695 | | 191,293 | 191,293 | 73,206 | 08/01/2026 | 1FE |
| 263021-DN-4 | DuPage Cnty Sch# 41 Glen Ellyn School Di | | 06/02/2014 | Salomon SmBarney (Citigroup) | | 1,028,239 | 1,030,000 | 841,314 | 992,777 | | 14,535 | | 14,535 | | 1,007,312 | | 20,927 | 20,927 | | 02/01/2015 | 1FE |
| 263021-DP-9 | DuPage Cnty Sch# 41 Glen Ellyn School Di | | 05/28/2014 | Janney Montgomery Scott Inc | | 1,041,999 | 1,050,000 | 817,719 | 974,240 | | 14,800 | | 14,800 | | 989,040 | | 52,959 | 52,959 | | 02/01/2016 | 1FE |
| 378280-RM-5 | City of Glendale AZ General Obligation | | 04/08/2014 | UBS/WAR | | 779,623 | 710,000 | 752,302 | 726,907 | | (1,259) | | (1,259) | | 725,649 | | 53,974 | 53,974 | 27,611 | 07/01/2019 | 2FE |
| 442402-6M-0 | Houston Ind Sch Dist School District 5 | | 05/21/2014 | Cantor, Fitzgerald & Co | | 5,159,950 | 5,000,000 | 5,067,050 | 5,014,016 | | (4,990) | | (4,990) | | 5,009,026 | | 150,924 | 150,924 | 195,833 | 02/15/2032 | 1FE |
| 59333F-EF-3 | Miami-Dade Cnty FL General Obligation | | 05/16/2014 | Barclays Capital | | 8,828,820 | 8,400,000 | 8,662,668 | 8,468,700 | | (17,422) | | (17,422) | | 8,451,278 | | 377,542 | 377,542 | 373,333 | 07/01/2024 | 1FE |
| 59333F-EG-1 | Miami-Dade Cnty FL General Obligation | | 05/16/2014 | Barclays Capital | | 11,099,088 | 10,560,000 | 10,796,122 | 10,622,025 | | (15,717) | | (15,717) | | 10,606,308 | | 492,780 | 492,780 | 469,333 | 07/01/2025 | 1FE |
| 659154-5N-4 | North East Ind Sch Dist/TX School Distri | | 05/22/2014 | Loop Capital Mkts (Ridge Cl) | | 5,011,331 | 4,785,000 | 4,896,012 | 4,815,317 | | (7,625) | | (7,625) | | 4,807,692 | | 203,638 | 203,638 | 197,381 | 02/01/2029 | 1FE |
| 76541V-GW-1 | City of Richmond VA General Obligation | | 06/04/2014 | Vining Sparks IBG, LP | | 1,576,809 | 1,375,000 | 1,514,343 | 1,461,654 | | (6,244) | | (6,244) | | 1,455,410 | | 121,399 | 121,399 | 61,875 | 07/15/2027 | 1FE |
| 2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | | 58,689,812 | 54,200,000 | 57,346,846 | 49,182,991 | 0 | (141,598) | 0 | (141,598) | 0 | 56,211,154 | 0 | 2,478,656 | 2,478,656 | 1,820,179 | XXX | XXX |
| Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | | | | | | | | | | | | | | | | |
| 02765U-AQ-7 | American Muni Power Inc Power 5.250% 0 | | 06/04/2014 | Vining Sparks IBG, LP | | 2,232,798 | 1,970,000 | 2,121,198 | 2,068,814 | | (9,792) | | (9,792) | | 2,059,022 | | 173,776 | 173,776 | 84,464 | 02/15/2022 | 1FE |
| 161045-KG-3 | Charlotte NC Wtr & Swr Sys Rev Water 5 | | 05/27/2014 | US Bank | | 5,978,200 | 5,000,000 | 6,037,000 | 5,780,678 | | (46,242) | | (46,242) | | 5,734,436 | | 243,764 | 243,764 | 228,472 | 07/01/2021 | 1FE |
| 161045-LP-2 | Charlotte NC Wtr & Swr Sys Rev Water 5 | | 05/08/2014 | Raymond James & Associates | | 4,064,053 | 3,350,000 | 4,187,098 | 4,011,775 | | (28,111) | | (28,111) | | 3,983,665 | | 80,388 | 80,388 | 75,375 | 12/01/2021 | 1FE |
| 172311-HH-8 | Cincinnati OH Wtr Sys Rev Water 5.000% | | 05/27/2014 | Barclays Capital | | 1,410,125 | 1,250,000 | 1,301,000 | 1,291,100 | | (1,806) | | (1,806) | | 1,289,295 | | 120,830 | 120,830 | 31,076 | 12/01/2036 | 1FE |
| 20774L-6B-6 | Connecticut Hlth & Edu Fac Aut Higher Ed | | 04/30/2014 | Salomon SmBarney (Citigroup) | | 10,446,400 | 10,000,000 | 10,240,200 | 10,063,043 | | (14,151) | | (14,151) | | 10,048,892 | | 397,508 | 397,508 | 422,222 | 07/01/2035 | 1FE |
| 20774U-PP-4 | Connecticut Hlth & Edu Fac Aut Higher Ed | | 05/19/2014 | UBS/WAR | | 4,227,409 | 3,950,000 | 4,025,327 | 3,978,558 | | (4,269) | | (4,269) | | 3,974,288 | | 253,120 | 253,120 | 176,104 | 07/01/2042 | 1FE |
| 235416-Z8-0 | Dallas WtrWrks & Swr Sys Rev Water 5.0 | | 05/27/2014 | Wachovia-Wells Fargo Sec | | 5,743,229 | 5,150,000 | 5,585,845 | 5,461,267 | | (16,799) | | (16,799) | | 5,444,467 | | 298,761 | 298,761 | 170,951 | 10/01/2039 | 1FE |
| 31283H-2M-6 | Freddie Mac Gold Pool FGLMC G01680 6.0 | | 06/01/2014 | Paydown | | 57,388 | 57,388 | 59,748 | 59,575 | | (2,187) | | (2,187) | | 57,388 | | 0 | 0 | 1,620 | 03/01/2034 | 1 |
| 3128E5-PA-1 | Freddie Mac Gold Pool FGTW D98517 4.50 | | 06/01/2014 | Paydown | | 9,090 | 9,090 | 9,458 | 9,432 | | (342) | | (342) | | 9,090 | | 0 | 0 | 192 | 01/01/2031 | 1 |
| 3128E6-AF-4 | Freddie Mac Gold Pool FGTW D99006 3.50 | | 06/01/2014 | Paydown | | 709,344 | 709,344 | 761,215 | 759,424 | | (50,079) | | (50,079) | | 709,344 | | 0 | 0 | 10,381 | 03/01/2032 | 1 |
| 3128LX-AY-6 | Freddie Mac Gold Pool FGLMC G01823 6.0 | | 06/01/2014 | Paydown | | 131,257 | 131,256 | 136,489 | 136,158 | | (4,902) | | (4,902) | | 131,257 | | 0 | 0 | 3,124 | 05/01/2035 | 1 |
| 3128M5-NP-1 | Freddie Mac Gold Pool FGLMC G03698 6.0 | | 06/01/2014 | Paydown | | 25,608 | 25,608 | 28,183 | 28,108 | | (2,500) | | (2,500) | | 25,608 | | 0 | 0 | 635 | 12/01/2037 | 1 |
| 3128M5-WA-4 | Freddie Mac Gold Pool FGLMC G03941 6.0 | | 06/01/2014 | Paydown | | 199,692 | 199,692 | 206,924 | 206,638 | | (6,945) | | (6,945) | | 199,692 | | 0 | 0 | 4,718 | 02/01/2038 | 1 |
| 3128M6-NS-3 | Freddie Mac Gold Pool FGLMC G04601 5.5 | | 05/27/2014 | J.P. Morgan Securities, Inc | | 109,664 | 98,519 | 105,370 | 105,155 | | 25 | | 25 | | 105,180 | | 4,485 | 4,485 | 2,423 | 07/01/2038 | 1 |
| 3128M6-NS-3 | Freddie Mac Gold Pool FGLMC G04601 5.5 | | 06/01/2014 | Paydown | | 9,013 | 9,013 | 9,640 | 9,620 | | (607) | | (607) | | 9,013 | | 0 | 0 | 656 | 07/01/2038 | 1 |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 3128M7-AZ-9 | Freddie Mac Gold Pool FGLMC G05124 6.0 | | 06/01/2014 | Paydown | | 65,097 | 65,097 | 75,248 | 75,082 | | (9,985) | | (9,985) | | 65,097 | | | 0 | 1,598 | 12/01/2038 | 1 |
| 3128M7-XY-7 | Freddie Mac Gold Pool FGLMC G05795 4.5 | | 06/01/2014 | Paydown | | 614,688 | 614,687 | 682,783 | 681,082 | | (66,395) | | (66,395) | | 614,688 | | | 0 | 11,102 | 02/01/2040 | 1 |
| 3128M7-Y5-9 | Freddie Mac Gold Pool FGLMC G05832 5.0 | | 06/01/2014 | Paydown | | 34,474 | 34,474 | 35,998 | 35,944 | | (1,470) | | (1,470) | | 34,474 | | | 0 | 766 | 03/01/2040 | 1 |
| 3128M8-A4-6 | Freddie Mac Gold Pool FGLMC G06027 5.5 | | 05/27/2014 | J.P. Morgan Securities, Inc. | | 301,796 | 271,125 | 291,417 | 290,657 | | 80 | | 80 | | 290,738 | | 11,058 | 11,058 | 6,669 | 04/01/2038 | 1 |
| 3128M8-A4-6 | Freddie Mac Gold Pool FGLMC G06027 5.5 | | 06/01/2014 | Paydown | | 28,775 | 28,775 | 30,929 | 30,848 | | (2,073) | | (2,073) | | 28,775 | | | 0 | 1,899 | 04/01/2038 | 1 |
| 3128M8-NA-8 | Freddie Mac Gold Pool FGF0 G06385 5.50 | | 06/01/2014 | Paydown | | 48,886 | 48,886 | 54,393 | | | (5,507) | | (5,507) | | 48,886 | | | 0 | 224 | 08/01/2040 | 1FE |
| 3128M9-JV-5 | Freddie Mac Gold Pool FGLMC G07176 3.5 | | 06/01/2014 | Paydown | | 10,922 | 10,922 | 11,653 | 11,637 | | (715) | | (715) | | 10,922 | | | 0 | 160 | 10/01/2042 | 1 |
| 3128MJ-AR-1 | Freddie Mac Gold Pool FGLMC G08015 5.5 | | 06/01/2014 | Paydown | | 156,970 | 156,970 | 161,469 | 161,156 | | (4,187) | | (4,187) | | 156,970 | | | 0 | 3,460 | 10/01/2034 | 1 |
| 3128MJ-EZ-9 | Freddie Mac Gold Pool FGLMC G08151 6.0 | | 06/01/2014 | Paydown | | 148,403 | 148,403 | 153,833 | 153,591 | | (5,188) | | (5,188) | | 148,403 | | | 0 | 3,422 | 09/01/2036 | 1 |
| 3128MJ-MK-3 | Freddie Mac Gold Pool FGLMC G08361 4.5 | | 06/01/2014 | Paydown | | 41,042 | 41,042 | 43,690 | 43,609 | | (2,567) | | (2,567) | | 41,042 | | | 0 | 769 | 08/01/2039 | 1 |
| 3128NC-XF-6 | Freddie Mac Non Gold Pool FH 1G0678 5 | | 06/01/2014 | Paydown | | 3,117 | 3,117 | 3,235 | 3,232 | | (115) | | (115) | | 3,117 | | | 0 | 73 | 01/01/2036 | 1 |
| 3128P7-QT-3 | Freddie Mac Gold Pool FGTW C91366 4.50 | | 06/01/2014 | Paydown | | 13,445 | 13,445 | 13,981 | 13,945 | | (500) | | (500) | | 13,445 | | | 0 | 247 | 04/01/2031 | 1 |
| 3128P7-S2-0 | Freddie Mac Gold Pool FGTW C91437 3.50 | | 06/01/2014 | Paydown | | 39,078 | 39,078 | 41,361 | 41,297 | | (2,219) | | (2,219) | | 39,078 | | | 0 | 572 | 04/01/2032 | 1 |
| 3128PR-4M-8 | Freddie Mac Gold Pool FGCI J12628 4.50 | | 05/21/2014 | G.X. Clarke & Company | | 863,713 | 801,125 | 849,193 | 842,351 | | (759) | | (759) | | 841,592 | | 22,121 | 22,121 | 17,625 | 07/01/2025 | 1 |
| 3128PR-4M-8 | Freddie Mac Gold Pool FGCI J12628 4.50 | | 05/01/2014 | Paydown | | 38,604 | 38,604 | 40,920 | 40,590 | | (1,987) | | (1,987) | | 38,604 | | | 0 | 645 | 07/01/2025 | 1 |
| 3128UH-JA-4 | Freddie Mac Non Gold Pool FH 1B8906 3 | | 06/01/2014 | Paydown | | 18,486 | 18,486 | 19,324 | 19,310 | | (824) | | (824) | | 18,486 | | | 0 | 267 | 10/01/2041 | 1 |
| 31292H-U2-8 | Freddie Mac Gold Pool FGLMC C01501 5.5 | | 06/01/2014 | Paydown | | 58,204 | 58,204 | 59,945 | 59,803 | | (1,599) | | (1,599) | | 58,204 | | | 0 | 1,336 | 03/01/2033 | 1 |
| 31292K-2Y-2 | Freddie Mac Gold Pool FGLMC C03491 5.0 | | 06/01/2014 | Paydown | | 32,988 | 32,988 | 34,616 | 34,556 | | (1,568) | | (1,568) | | 32,988 | | | 0 | 718 | 08/01/2040 | 1 |
| 31292R-7M-8 | Freddie Mac Gold Pool FGLMC C09000 3.5 | | 06/01/2014 | Paydown | | 222,080 | 222,080 | 234,225 | 233,925 | | (11,845) | | (11,845) | | 222,080 | | | 0 | 3,234 | 06/01/2042 | 1 |
| 312935-HY-8 | Freddie Mac Gold Pool FGLMC A88347 4.0 | | 05/28/2014 | G.X. Clarke & Company | | 646,697 | 610,091 | 629,633 | 628,987 | | (42) | | (42) | | 628,945 | | 17,752 | 17,752 | 10,914 | 09/01/2039 | 1 |
| 312935-HY-8 | Freddie Mac Gold Pool FGLMC A88347 4.0 | | 06/01/2014 | Paydown | | 21,975 | 21,975 | 22,679 | 22,656 | | (681) | | (681) | | 21,975 | | | 0 | 2,400 | 09/01/2039 | 1 |
| 312941-7F-8 | Freddie Mac Gold Pool FGLMC A93594 4.5 | | 06/01/2014 | Paydown | | 3,042 | 3,042 | 3,176 | 3,171 | | (129) | | (129) | | 3,042 | | | 0 | 57 | 08/01/2040 | 1 |
| 312941-NJ-2 | Freddie Mac Gold Pool FGLMC A93093 4.5 | | 05/21/2014 | Banc of America Securities LLC | | 623,964 | 574,090 | 605,187 | 603,849 | | (1,617) | | (1,617) | | 602,232 | | 21,732 | 21,732 | 11,554 | 07/01/2040 | 1 |
| 312941-NJ-2 | Freddie Mac Gold Pool FGLMC A93093 4.5 | | 06/01/2014 | Paydown | | 20,021 | 20,021 | 21,105 | 21,059 | | (1,038) | | (1,038) | | 20,021 | | | 0 | 2,525 | 07/01/2040 | 1 |
| 312945-ZD-3 | Freddie Mac Gold Pool FGLMC A97040 4.0 | | 05/28/2014 | G.X. Clarke & Company | | 521,449 | 492,078 | 488,849 | 488,928 | | 12 | | 12 | | 488,939 | | 32,510 | 32,510 | 8,803 | 02/01/2041 | 1 |
| 312945-ZD-3 | Freddie Mac Gold Pool FGLMC A97040 4.0 | | 06/01/2014 | Paydown | | 15,633 | 15,633 | 15,530 | 15,532 | | 100 | | 100 | | 15,633 | | | 0 | 1,903 | 02/01/2041 | 1 |
| 31294K-JC-0 | Freddie Mac Gold Pool FGCI E01159 6.50 | | 06/01/2014 | Paydown | | 81,508 | 81,508 | 85,281 | 83,350 | | (1,843) | | (1,843) | | 81,508 | | | 0 | 2,098 | 06/01/2017 | 1 |
| 31294K-L8-6 | Freddie Mac Gold Pool FGCI E01251 5.50 | | 06/01/2014 | Paydown | | 62,347 | 62,347 | 64,888 | 63,666 | | (1,319) | | (1,319) | | 62,347 | | | 0 | 1,339 | 11/01/2017 | 1 |
| 31294K-P4-1 | Freddie Mac Gold Pool FGCI E01343 5.00 | | 06/01/2014 | Paydown | | 75,929 | 75,929 | 78,595 | 77,384 | | (1,455) | | (1,455) | | 75,929 | | | 0 | 1,503 | 04/01/2018 | 1 |
| 31294K-Q7-3 | Freddie Mac Gold Pool FGCI E01378 5.00 | | 06/01/2014 | Paydown | | 85,955 | 85,955 | 88,940 | 87,614 | | (1,659) | | (1,659) | | 85,955 | | | 0 | 1,668 | 05/01/2018 | 1 |
| 31296Q-G8-0 | Freddie Mac Gold Pool FGCI B10223 5.50 | | 06/01/2014 | Paydown | | 77,240 | 77,240 | 80,249 | 78,978 | | (1,739) | | (1,739) | | 77,240 | | | 0 | 1,635 | 10/01/2018 | 1 |
| 31296Q-RV-4 | Freddie Mac Gold Pool FGLMC A15900 5.5 | | 06/01/2014 | Paydown | | 8,044 | 8,044 | 8,284 | 8,267 | | (223) | | (223) | | 8,044 | | | 0 | 178 | 11/01/2033 | 1 |
| 31296R-U3-0 | Freddie Mac Gold Pool FGLMC A16902 6.5 | | 06/01/2014 | Paydown | | 4,252 | 4,252 | 4,480 | 4,465 | | (213) | | (213) | | 4,252 | | | 0 | 109 | 12/01/2033 | 1 |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 31297B-CH-3 | Freddie Mac Gold Pool FGLMC A23672 6.0 | | 06/01/2014 | Paydown | | 12,235 | 12,235 | 12,723 | 12,689 | | (454) | | (454) | | 12,235 | | | 0 | 287 | 06/01/2034 | 1 |
| 31297G-B3-4 | Freddie Mac Gold Pool FGLMC A28158 6.0 | | 06/01/2014 | Paydown | | 250,173 | 250,173 | 260,146 | 259,467 | | (9,294) | | (9,294) | | 250,173 | | | 0 | 6,126 | 11/01/2034 | 1 |
| 31297H-LQ-0 | Freddie Mac Gold Pool FGLMC A29335 5.5 | | 06/01/2014 | Paydown | | 112,833 | 112,833 | 115,961 | 115,739 | | (2,906) | | (2,906) | | 112,833 | | | 0 | 2,608 | 01/01/2035 | 1 |
| 31297K-WH-1 | Freddie Mac Gold Pool FGLMC A30648 5.5 | | 06/01/2014 | Paydown | | 28,956 | 28,956 | 29,786 | 29,722 | | (766) | | (766) | | 28,956 | | | 0 | 620 | 12/01/2034 | 1 |
| 31307C-F9-4 | Freddie Mac Gold Pool FGCI J23792 2.50 | | 06/01/2014 | Paydown | | 295,292 | 295,292 | 307,842 | 307,226 | | (11,934) | | (11,934) | | 295,292 | | | 0 | 3,283 | 05/01/2023 | 1 |
| 3132L5-B4-4 | Freddie Mac Gold Pool FGLMC V80059 3 | | 06/01/2014 | Paydown | | 23,323 | 23,323 | 23,483 | 23,481 | | (158) | | (158) | | 23,323 | | | 0 | 291 | 05/01/2043 | 1 |
| 3133TL-4A-3 | Freddie Mac Remics FHR 2155 PT 6.000% | | 06/01/2014 | Paydown | | 21,826 | 21,826 | 22,787 | 22,807 | | (981) | | (981) | | 21,826 | | | 0 | 542 | 05/15/2029 | 1 |
| 3134G3-KS-8 | Mortgage-link Amortizing Notes MLAN 2012 | | 06/15/2014 | Paydown | | 782,384 | 782,384 | 795,539 | 492,413 | | (12,402) | | (12,402) | | 782,384 | | | 0 | 6,209 | 01/15/2022 | 1 |
| 31358H-HV-0 | Fannie Mae Remics FNR 1991-85 Z 8.000% | | 06/01/2014 | Paydown | | 6,543 | 6,543 | 7,043 | 6,881 | | (338) | | (338) | | 6,543 | | | 0 | 206 | 06/25/2021 | 1FE |
| 313603-2H-4 | Fannie Mae Remics FNR 1990-35 E 9.500% | | 06/01/2014 | Paydown | | 398 | 398 | 437 | 432 | | (34) | | (34) | | 398 | | | 0 | 16 | 04/25/2020 | 1FE |
| 3136A3-V6-5 | Fannie Mae Remics FNR 2012-3 VA 4.000% | | 06/01/2014 | Paydown | | 130,062 | 130,062 | 138,882 | 138,551 | | (8,489) | | (8,489) | | 130,062 | | | 0 | 2,169 | 04/25/2023 | 1 |
| 3136A7-DM-1 | Fannie Mae Remics FNR 2012-68 DC 3.00 | | 06/01/2014 | Paydown | | 27,342 | 27,342 | 28,966 | 28,761 | | (1,419) | | (1,419) | | 27,342 | | | 0 | 342 | 06/25/2032 | 1 |
| 31371L-2M-0 | Fannie Mae Pool FNCL 255580 5.500% 02/ | | 06/01/2014 | Paydown | | 50,747 | 50,747 | 54,759 | 54,543 | | (3,796) | | (3,796) | | 50,747 | | | 0 | 1,110 | 02/01/2035 | 1 |
| 31371M-KF-3 | Fannie Mae Pool FNCT 255994 5.500% 11/ | | 06/01/2014 | Paydown | | 399,690 | 399,690 | 433,413 | 428,957 | | (29,267) | | (29,267) | | 399,690 | | | 0 | 8,907 | 11/01/2025 | 1 |
| 31371M-Y9-2 | Fannie Mae Pool FNCL 256436 6.000% 10/ | | 06/01/2014 | Paydown | | 209,977 | 209,977 | 217,382 | 217,035 | | (7,059) | | (7,059) | | 209,977 | | | 0 | 5,365 | 10/01/2036 | 1 |
| 31371N-BD-6 | Fannie Mae Pool FNCL 256636 5.500% 03/ | | 06/01/2014 | Paydown | | 375,638 | 375,638 | 401,375 | 400,515 | | (24,877) | | (24,877) | | 375,638 | | | 0 | 8,465 | 03/01/2037 | 1 |
| 31376K-QN-9 | Fannie Mae Pool FNCI 357861 5.500% 06/ | | 06/01/2014 | Paydown | | 76,700 | 76,700 | 79,497 | 78,547 | | (1,846) | | (1,846) | | 76,700 | | | 0 | 1,617 | 06/01/2020 | 1 |
| 3137A8-NM-6 | Freddie Mac Remics FHR 3830 FG 0.542% | | 06/15/2014 | Paydown | | 361,482 | 361,482 | 363,571 | 363,624 | | (2,142) | | (2,142) | | 361,482 | | | 0 | 813 | 03/15/2041 | 1 |
| 3137AJ-YV-0 | Freddie Mac Remics FHR 3977 AB 3.000% | | 06/01/2014 | Paydown | | 208,823 | 208,823 | 216,850 | 215,994 | | (7,170) | | (7,170) | | 208,823 | | | 0 | 2,670 | 09/15/2029 | 1 |
| 3137AM-TY-3 | Freddie Mac Remics FHR 4010 NA 4.000% | | 06/01/2014 | Paydown | | 19,983 | 19,983 | 21,484 | 21,282 | | (1,299) | | (1,299) | | 19,983 | | | 0 | 340 | 12/15/2041 | 1 |
| 3137AY-3R-0 | Freddie Mac Remics FHR 4150 FY 0.452% | | 04/15/2014 | Nomura Securities Intl Inc | | 1,396,385 | 1,405,610 | 1,406,049 | 1,406,008 | | (13) | | (13) | | 1,405,995 | | (9,610) | (9,610) | 2,257 | 08/15/2041 | 1 |
| 3137AY-3R-0 | Freddie Mac Remics FHR 4150 FY 0.452% | | 04/15/2014 | Paydown | | 12,949 | 12,949 | 12,953 | 12,953 | | (4) | | (4) | | 12,949 | | | 0 | 20 | 08/15/2041 | 1 |
| 3137B5-J7-9 | FHLMC Multifamily Structure PT FHMS KF02 | | 06/25/2014 | Paydown | | 1,191,961 | 1,191,961 | 1,191,961 | 1,191,961 | | | | 0 | | 1,191,961 | | | 0 | 2,796 | 07/25/2020 | 1 |
| 3137B9-BZ-7 | FHLMC Multifamily Structure PT FHMS KF03 | | 06/25/2014 | Paydown | | 7,103 | 7,103 | 7,103 | | | | | 0 | | 7,103 | | | 0 | 4 | 01/25/2021 | 1FE |
| 3138A2-VM-8 | Fannie Mae Pool FNCI AH1519 3.500% 12/ | | 06/01/2014 | Paydown | | 11,778 | 11,778 | 11,881 | 11,868 | | (90) | | (90) | | 11,778 | | | 0 | 174 | 12/01/2025 | 1 |
| 3138A4-A2-1 | Fannie Mae Pool FNCL AH2724 4.000% 01/ | | 06/01/2014 | Paydown | | 260,835 | 260,835 | 280,275 | 279,872 | | (19,037) | | (19,037) | | 260,835 | | | 0 | 4,226 | 01/01/2041 | 1 |
| 3138AB-NX-3 | Fannie Mae Pool FNCL AH9405 4.500% 04/ | | 06/01/2014 | Paydown | | 5,780 | 5,780 | 5,992 | 5,984 | | (204) | | (204) | | 5,780 | | | 0 | 107 | 04/01/2041 | 1 |
| 3138AT-E9-7 | Fannie Mae Pool FNCL AJ1959 4.500% 10/ | | 06/01/2014 | Paydown | | 6,950 | 6,950 | 7,465 | 7,459 | | (509) | | (509) | | 6,950 | | | 0 | 131 | 10/01/2041 | 1 |
| 3138AW-NM-1 | Fannie Mae Pool FNCL AJ4895 4.000% 01 | | 06/01/2014 | Paydown | | 346,922 | 346,922 | 377,440 | 376,726 | | (29,804) | | (29,804) | | 346,922 | | | 0 | 5,493 | 01/01/2042 | 1 |
| 3138E2-FK-6 | Fannie Mae Pool FNCL AJ9169 4.000% 01/ | | 06/01/2014 | Paydown | | 29,862 | 29,862 | 31,598 | 31,543 | | (1,681) | | (1,681) | | 29,862 | | | 0 | 499 | 01/01/2042 | 1 |
| 3138E2-MD-4 | Fannie Mae Pool FNCI AJ9355 3.000% 01/ | | 06/01/2014 | Paydown | | 17,918 | 17,918 | 18,646 | 18,586 | | (668) | | (668) | | 17,918 | | | 0 | 224 | 01/01/2027 | 1 |
| 3138E4-5C-1 | Fannie Mae Pool FNCL AK0842 4.000% 01/ | | 06/01/2014 | Paydown | | 524,534 | 524,534 | 547,401 | 547,220 | | (22,686) | | (22,686) | | 524,534 | | | 0 | 8,083 | 01/01/2042 | 1 |
| 3138EG-SD-7 | Fannie Mae Pool FNCL AL0515 6.000% 07/ | | 06/01/2014 | Paydown | | 33,822 | 33,822 | 39,551 | 39,442 | | (5,619) | | (5,619) | | 33,822 | | | 0 | 849 | 07/01/2040 | 1 |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 3138EH-AX-0 | Fannie Mae Pool FNCL AL0921 4.500% 06 | | 06/01/2014 | Paydown | | 182,276 | 182,276 | 196,744 | 196,422 | | (14,146) | | (14,146) | | 182,276 | | | 0 | 3,321 | 06/01/2038 | 1 |
| 3138EJ-E3-8 | Fannie Mae Pool FNCI AL1953 4.500% 01/ | | 06/01/2014 | Paydown | | 976,868 | 976,868 | 1,036,168 | 1,034,988 | | (58,120) | | (58,120) | | 976,868 | | | 0 | 18,402 | 01/01/2027 | 1 |
| 3138EJ-HL-5 | Fannie Mae Pool FNCL AL2034 4.500% 04 | | 06/01/2014 | Paydown | | 442,699 | 442,699 | 478,426 | 477,997 | | (35,298) | | (35,298) | | 442,699 | | | 0 | 7,587 | 04/01/2042 | 1 |
| 3138EJ-VH-8 | Fannie Mae Pool FNCL AL2415 3.500% 08/ | | 06/01/2014 | Paydown | | 790,808 | 790,808 | 842,087 | 840,995 | | (50,187) | | (50,187) | | 790,808 | | | 0 | 10,546 | 08/01/2042 | 1 |
| 3138EK-GA-7 | Fannie Mae Pool FNCL AL2892 3.500% 12/ | | 06/01/2014 | Paydown | | 10,397 | 10,397 | 10,786 | 10,781 | | (385) | | (385) | | 10,397 | | | 0 | 152 | 12/01/2042 | 1 |
| 3138EK-YF-6 | Fannie Mae Pool FNCL AL3409 3.500% 03 | | 06/01/2014 | Paydown | | 51,688 | 51,688 | 51,930 | 51,927 | | (238) | | (238) | | 51,688 | | | 0 | 859 | 03/01/2043 | 1 |
| 3138EL-BR-3 | Fannie Mae Pool FNCL AL3647 4.000% 12/ | | 06/01/2014 | Paydown | | 25,659 | 25,659 | 26,998 | 26,984 | | (1,325) | | (1,325) | | 25,659 | | | 0 | 427 | 12/01/2042 | 1 |
| 3138EL-FQ-1 | Fannie Mae Pool FNCL AL3774 5.000% 10/ | | 06/01/2014 | Paydown | | 800,403 | 800,403 | 874,690 | 873,960 | | (73,557) | | (73,557) | | 800,403 | | | 0 | 17,337 | 10/01/2041 | 1 |
| 3138EL-VQ-3 | Fannie Mae Pool FNCL AL4222 4.000% 03/ | | 06/01/2014 | Paydown | | 855,652 | 855,652 | 899,236 | 898,892 | | (43,240) | | (43,240) | | 855,652 | | | 0 | 14,955 | 03/01/2043 | 1 |
| 3138LY-RN-9 | Fannie Mae Pool FNCL A07692 3.500% 07/ | | 06/01/2014 | Paydown | | 600,107 | 600,107 | 636,488 | 635,548 | | (35,441) | | (35,441) | | 600,107 | | | 0 | 9,552 | 07/01/2042 | 1 |
| 3138M1-3S-5 | Fannie Mae Pool FNCL A09808 3.500% 09/ | | 06/01/2014 | Paydown | | 796,912 | 796,912 | 853,941 | 852,835 | | (55,922) | | (55,922) | | 796,912 | | | 0 | 9,404 | 09/01/2042 | 1 |
| 3138MH-LF-8 | Fannie Mae Pool FNCL AQ2125 3.000% 11/ | | 06/01/2014 | Paydown | | 418,827 | 418,827 | 439,572 | 439,071 | | (20,244) | | (20,244) | | 418,827 | | | 0 | 4,030 | 11/01/2042 | 1 |
| 3138MK-PM-2 | Fannie Mae Pool FNCT AQ4027 3.000% 11/ | | 06/01/2014 | Paydown | | 180,389 | 180,389 | 189,408 | 189,103 | | (8,714) | | (8,714) | | 180,389 | | | 0 | 2,259 | 11/01/2032 | 1 |
| 3138W7-CQ-5 | Fannie Mae Pool FNCL AR9078 3.000% 02/ | | 06/01/2014 | Paydown | | 6,677 | 6,677 | 6,413 | 6,416 | | 261 | | 261 | | 6,677 | | | 0 | 84 | 02/01/2043 | 1 |
| 3138W9-2S-8 | Fannie Mae Pool FNCL AS0784 4.000% 10/ | | 06/01/2014 | Paydown | | 413,484 | 413,484 | 432,575 | 432,438 | | (18,954) | | (18,954) | | 413,484 | | | 0 | 6,734 | 10/01/2043 | 1 |
| 3138W9-6G-0 | Fannie Mae Pool FNCL AS0870 4.500% 10/ | | 06/01/2014 | Paydown | | 611,082 | 611,082 | 657,677 | 657,234 | | (46,152) | | (46,152) | | 611,082 | | | 0 | 11,023 | 10/01/2043 | 1 |
| 3138W9-AU-4 | Fannie Mae Pool FNCL AS0018 3.000% 07/ | | 05/22/2014 | Wachovia-Wells Fargo Sec | | 1,033 | 1,050 | 1,023 | 1,023 | | | | 0 | | 1,023 | | 10 | 10 | 15 | 07/01/2043 | 1 |
| 3138W9-AU-4 | Fannie Mae Pool FNCL AS0018 3.000% 07/ | | 05/01/2014 | Paydown | | 6 | 6 | 6 | 6 | | | | 0 | | 6 | | | 0 | | 07/01/2043 | 1 |
| 3138W9-CH-1 | Fannie Mae Pool FNCT AS0071 3.000% 08/ | | 06/01/2014 | Paydown | | 37,078 | 37,078 | 36,670 | 36,675 | | 403 | | 403 | | 37,078 | | | 0 | 468 | 08/01/2033 | 1 |
| 3138W9-HJ-2 | Fannie Mae Pool FNCL AS0232 4.000% 08/ | | 06/01/2014 | Paydown | | 324,860 | 324,860 | 341,356 | 341,226 | | (16,366) | | (16,366) | | 324,860 | | | 0 | 5,893 | 08/01/2043 | 1 |
| 3138W9-TG-5 | Fannie Mae Pool FNCL AS0550 4.000% 09/ | | 06/01/2014 | Paydown | | 208,645 | 208,645 | 218,197 | 218,100 | | (9,454) | | (9,454) | | 208,645 | | | 0 | 3,487 | 09/01/2043 | 1 |
| 3138WA-GP-6 | Fannie Mae Pool FNCL AS1105 4.000% 11/ | | 06/01/2014 | Paydown | | 99,465 | 99,465 | 104,501 | 104,450 | | (4,985) | | (4,985) | | 99,465 | | | 0 | 1,674 | 11/01/2043 | 1 |
| 3138WA-HW-0 | Fannie Mae Pool FNCN AS1144 2.500% 11/ | | 06/01/2014 | Paydown | | 578,058 | 578,058 | 592,599 | 592,458 | | (14,400) | | (14,400) | | 578,058 | | | 0 | 6,110 | 11/01/2023 | 1 |
| 3138X0-MN-5 | Fannie Mae Pool FNCL AU1264 3.000% 07/ | | 06/02/2014 | G.X. Clarke & Company | | 922,674 | 934,797 | 925,605 | 925,666 | | 20 | | 20 | | 925,685 | | (3,012) | (3,012) | 14,879 | 07/01/2043 | 1 |
| 3138X0-MN-5 | Fannie Mae Pool FNCL AU1264 3.000% 07/ | | 06/01/2014 | Paydown | | 34,178 | 34,178 | 34,035 | 34,035 | | 143 | | 143 | | 34,178 | | | 0 | 417 | 07/01/2043 | 1 |
| 3138X0-ZX-9 | Fannie Mae Pool FNCI AU1657 2.500% 07/ | | 06/01/2014 | Paydown | | 37,450 | 37,450 | 37,485 | 37,482 | | (33) | | (33) | | 37,450 | | | 0 | 406 | 07/01/2028 | 1 |
| 3138X0-ZZ-4 | Fannie Mae Pool FNCI AU1659 2.500% 07/ | | 06/01/2014 | Paydown | | 15,304 | 15,304 | 15,359 | | | (55) | | (55) | | 15,304 | | | 0 | 70 | 07/01/2028 | 1 |
| 3138X2-RR-7 | Fannie Mae Pool FNCL AU3195 3.000% 08/ | | 06/01/2014 | Paydown | | 10,055 | 10,055 | 9,652 | 9,656 | | 399 | | 399 | | 10,055 | | | 0 | 126 | 08/01/2043 | 1 |
| 3138X6-KA-2 | Fannie Mae Pool FNCL AU6588 3.500% 01/ | | 06/01/2014 | Paydown | | 15,911 | 15,911 | 16,023 | | | (112) | | (112) | | 15,911 | | | 0 | 212 | 01/01/2044 | 1 |
| 3138XU-F8-0 | Fannie Mae Pool FNCL AW4690 4.000% 05/ | | 06/01/2014 | Paydown | | 20,956 | 20,956 | 21,978 | | | (1,022) | | (1,022) | | 20,956 | | | 0 | 70 | 05/01/2044 | 1FE |
| 31390A-J8-4 | Fannie Mae Pool FNCL 640287 6.500% 07/ | | 06/01/2014 | Paydown | | 38,197 | 38,197 | 40,268 | 40,099 | | (1,902) | | (1,902) | | 38,197 | | | 0 | 974 | 07/01/2032 | 1 |
| 31390Y-C4-8 | Fannie Mae Pool FNCL 659891 6.500% 09/ | | 06/01/2014 | Paydown | | 8,709 | 8,709 | 9,181 | 9,142 | | (433) | | (433) | | 8,709 | | | 0 | 220 | 09/01/2032 | 1 |
| 313921-6F-0 | Fannie Mae Remics FNW 2001-W3 A 6.964% | | 06/01/2014 | Paydown | | 59,119 | 59,119 | 62,924 | 62,169 | | (3,050) | | (3,050) | | 59,119 | | | 0 | 1,696 | 09/25/2041 | 1 |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 31392C-MJ-0 | Fannie Mae Whole Loan FNW 2002-W1 1A4 | | 06/01/2014 | Paydown | | 41,506 | 41,506 | 39,659 | 39,679 | | 1,827 | | 1,827 | | 41,506 | | | 0 | 1,025 | 02/25/2042 | 1 |
| 31395A-SR-7 | Freddie Mac Remics FHR 2812 DA 5.500% | | 06/01/2014 | Paydown | | 84,323 | 84,323 | 87,921 | 84,712 | | (389) | | (389) | | 84,323 | | | 0 | 1,916 | 06/15/2023 | 1FE |
| 31398K-JL-5 | Freddie Mac Remics FHR 3584 FA 0.852% | | 06/15/2014 | Paydown | | 403,617 | 403,617 | 407,779 | 408,748 | | (5,131) | | (5,131) | | 403,617 | | | 0 | 1,477 | 12/15/2036 | 1 |
| 31398N-X2-5 | Fannie Mae Remics FNR 2010-123 FK 0.60 | | 04/15/2014 | Nomura Securities Intl Inc. | | 574,028 | 576,370 | 574,929 | 574,957 | | 18 | | 18 | | 574,975 | | (947) | (947) | 1,130 | 11/25/2040 | 1 |
| 31400A-QJ-0 | Fannie Mae Pool FNCL 681857 6.000% 03/ | | 06/01/2014 | Paydown | | 2,934 | 2,934 | 3,048 | 3,039 | | (105) | | (105) | | 2,934 | | | 0 | 71 | 03/01/2033 | 1 |
| 31400H-ZX-4 | Fannie Mae Pool FNCL 688458 6.000% 03/ | | 06/01/2014 | Paydown | | 1,986 | 1,986 | 2,066 | 2,061 | | (74) | | (74) | | 1,986 | | | 0 | 48 | 03/01/2033 | 1 |
| 31400Q-ZZ-9 | Fannie Mae Pool FNCL 694760 5.500% 04/ | | 06/01/2014 | Paydown | | 80,332 | 80,332 | 82,785 | 82,598 | | (2,266) | | (2,266) | | 80,332 | | | 0 | 1,939 | 04/01/2033 | 1 |
| 31400R-6W-6 | Fannie Mae Pool FNCL 695785 5.500% 04/ | | 06/01/2014 | Paydown | | 83,100 | 83,100 | 86,364 | 84,821 | | (1,721) | | (1,721) | | 83,100 | | | 0 | 1,742 | 04/01/2018 | 1 |
| 31401B-YH-2 | Fannie Mae Pool FNCL 703712 5.500% 02/ | | 06/01/2014 | Paydown | | 119,541 | 119,541 | 124,235 | 121,977 | | (2,436) | | (2,436) | | 119,541 | | | 0 | 2,749 | 02/01/2018 | 1 |
| 31401C-M6-7 | Fannie Mae Pool FNCL 704281 5.500% 05/ | | 06/01/2014 | Paydown | | 121,308 | 121,308 | 125,012 | 124,688 | | (3,380) | | (3,380) | | 121,308 | | | 0 | 2,222 | 05/01/2033 | 1 |
| 31402C-P6-3 | Fannie Mae Pool FNCL 725045 4.500% 11/ | | 06/01/2014 | Paydown | | 1,655,506 | 1,655,506 | 1,754,061 | 1,748,263 | | (92,757) | | (92,757) | | 1,655,506 | | | 0 | 30,852 | 11/01/2018 | 1 |
| 31402D-CV-0 | Fannie Mae Pool FNCL 725584 5.000% 07/ | | 06/01/2014 | Paydown | | 124,351 | 124,351 | 127,268 | 127,028 | | (2,677) | | (2,677) | | 124,351 | | | 0 | 2,448 | 07/01/2034 | 1 |
| 31402G-UD-3 | Fannie Mae Pool FNCL 728780 6.000% 07/ | | 06/01/2014 | Paydown | | 91,975 | 91,975 | 95,563 | 95,273 | | (3,299) | | (3,299) | | 91,975 | | | 0 | 2,593 | 07/01/2033 | 1 |
| 31403D-QC-6 | Fannie Mae Pool FNCL 745751 5.500% 09/ | | 06/01/2014 | Paydown | | 48,767 | 48,767 | 52,562 | 52,362 | | (3,595) | | (3,595) | | 48,767 | | | 0 | 1,121 | 09/01/2035 | 1 |
| 31403U-MG-3 | Fannie Mae Pool FNCL 758259 6.000% 12/ | | 06/01/2014 | Paydown | | 49,841 | 49,841 | 51,786 | 51,638 | | (1,797) | | (1,797) | | 49,841 | | | 0 | 1,460 | 12/01/2033 | 1 |
| 31404T-AK-9 | Fannie Mae Pool FNCL 777710 5.500% 06/ | | 06/01/2014 | Paydown | | 7,948 | 7,948 | 8,181 | 8,163 | | (214) | | (214) | | 7,948 | | | 0 | 182 | 06/01/2034 | 1 |
| 31405M-L6-2 | Fannie Mae Pool FNCL 793349 6.000% 08/ | | 06/01/2014 | Paydown | | 334,517 | 334,517 | 347,360 | 346,446 | | (11,929) | | (11,929) | | 334,517 | | | 0 | 8,692 | 08/01/2034 | 1 |
| 31405M-LV-7 | Fannie Mae Pool FNCL 793340 5.500% 08/ | | 06/01/2014 | Paydown | | 125,867 | 125,867 | 129,554 | 129,285 | | (3,418) | | (3,418) | | 125,867 | | | 0 | 2,925 | 08/01/2034 | 1 |
| 31405M-W7-8 | Fannie Mae Pool FNCL 793670 6.000% 09/ | | 06/01/2014 | Paydown | | 149,764 | 149,764 | 155,514 | 155,167 | | (5,403) | | (5,403) | | 149,764 | | | 0 | 2,811 | 09/01/2034 | 1 |
| 31405Q-UE-6 | Fannie Mae Pool FNCL 796281 5.500% 12/ | | 06/01/2014 | Paydown | | 26,682 | 26,682 | 27,464 | 27,411 | | (729) | | (729) | | 26,682 | | | 0 | 518 | 12/01/2034 | 1 |
| 31405V-QS-9 | Fannie Mae Pool FNCL 800665 6.000% 10/ | | 06/01/2014 | Paydown | | 13,185 | 13,185 | 13,691 | 13,660 | | (474) | | (474) | | 13,185 | | | 0 | 300 | 10/01/2034 | 1 |
| 31406D-D6-0 | Fannie Mae Pool FNCL 806625 6.000% 12/ | | 06/01/2014 | Paydown | | 398,040 | 398,040 | 413,322 | 412,317 | | (14,278) | | (14,278) | | 398,040 | | | 0 | 10,610 | 12/01/2034 | 1 |
| 31409G-TT-3 | Fannie Mae Pool FNCL 870962 6.000% 11/ | | 05/23/2014 | Salomon SmBarney (Citigroup) | | 431,216 | 381,132 | 417,519 | 416,105 | | (2,367) | | (2,367) | | 413,738 | | 17,478 | 17,478 | 10,227 | 11/01/2036 | 1 |
| 31409G-TT-3 | Fannie Mae Pool FNCL 870962 6.000% 11/ | | 06/01/2014 | Paydown | | 19,281 | 19,281 | 21,122 | 21,050 | | (1,769) | | (1,769) | | 19,281 | | | 0 | 2,374 | 11/01/2036 | 1 |
| 31410G-GC-1 | Fannie Mae Pool FNCI 888595 5.000% 01/ | | 06/01/2014 | Paydown | | 21,512 | 21,512 | 23,095 | 22,814 | | (1,302) | | (1,302) | | 21,512 | | | 0 | 446 | 01/01/2022 | 1 |
| 31410L-FU-1 | Fannie Mae Pool FNCI 890379 5.000% 12/ | | 06/01/2014 | Paydown | | 303,769 | 303,769 | 329,210 | 327,103 | | (23,334) | | (23,334) | | 303,769 | | | 0 | 6,238 | 12/01/2020 | 1 |
| 31410L-H5-4 | Fannie Mae Pool FNCI 890452 3.000% 07/ | | 06/01/2014 | Paydown | | 1,470,218 | 1,470,218 | 1,564,633 | 1,559,300 | | (89,082) | | (89,082) | | 1,470,218 | | | 0 | 16,634 | 07/01/2027 | 1 |
| 31412N-E6-9 | Fannie Mae Pool FNCL 929957 6.000% 09/ | | 06/01/2014 | Paydown | | 28,367 | 28,367 | 30,965 | 30,874 | | (2,507) | | (2,507) | | 28,367 | | | 0 | 651 | 09/01/2038 | 1 |
| 31412Q-NN-5 | Fannie Mae Pool FNCL 931997 5.000% 09/ | | 06/01/2014 | Paydown | | 25,599 | 25,599 | 26,970 | 26,917 | | (1,318) | | (1,318) | | 25,599 | | | 0 | 505 | 09/01/2039 | 1 |
| 31412Q-XG-9 | Fannie Mae Pool FNCL 932279 5.000% 12/ | | 06/01/2014 | Paydown | | 391,407 | 391,407 | 423,514 | 422,680 | | (31,273) | | (31,273) | | 391,407 | | | 0 | 8,107 | 12/01/2039 | 1 |
| 31412X-GY-4 | Fannie Mae Pool FNCL 937715 6.000% 06/ | | 06/01/2014 | Paydown | | 360,144 | 360,144 | 395,427 | 393,979 | | (33,835) | | (33,835) | | 360,144 | | | 0 | 9,051 | 06/01/2037 | 1 |
| 31415V-K9-5 | Fannie Mae Pool FNCL 990520 5.500% 09/ | | 06/01/2014 | Paydown | | 99,884 | 99,884 | 102,632 | 102,528 | | (2,644) | | (2,644) | | 99,884 | | | 0 | 2,153 | 09/01/2038 | 1 |
| 31416B-6Y-9 | Fannie Mae Pool FNCL 995587 5.500% 08/ | | 06/01/2014 | Paydown | | 8,471 | 8,471 | 9,158 | 9,130 | | (658) | | (658) | | 8,471 | | | 0 | 195 | 08/01/2037 | 1 |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 31416X-WN-6 | Fannie Mae Pool FNCI AB2452 4.000% 03/ | | 06/01/2014 | Paydown | | 19,819 | 19,819 | 20,522 | 20,440 | | (622) | | (622) | | 19,819 | | | 0 | 316 | 03/01/2026 | 1 |
| 31416Y-3T-3 | Fannie Mae Pool FNCL AB3509 4.000% 09/ | | 06/01/2014 | Paydown | | 21,273 | 21,273 | 22,187 | 22,156 | | (883) | | (883) | | 21,273 | | | 0 | 370 | 09/01/2041 | 1 |
| 31417A-TW-9 | Fannie Mae Pool FNCT AB4164 3.500% 01/ | | 06/01/2014 | Paydown | | 315,701 | 315,701 | 335,876 | 335,125 | | (19,424) | | (19,424) | | 315,701 | | | 0 | 5,050 | 01/01/2032 | 1 |
| 31417A-WQ-8 | Fannie Mae Pool FNCN AB4254 3.000% 01/ | | 06/01/2014 | Paydown | | 576,677 | 576,677 | 601,005 | 600,309 | | (23,633) | | (23,633) | | 576,677 | | | 0 | 7,507 | 01/01/2022 | 1 |
| 31417B-F4-4 | Fannie Mae Pool FNCL AB4686 3.500% 03 | | 06/01/2014 | Paydown | | 94,622 | 94,622 | 101,156 | 101,013 | | (6,391) | | (6,391) | | 94,622 | | | 0 | 1,338 | 03/01/2042 | 1 |
| 31417C-3C-7 | Fannie Mae Pool FNCI AB6194 2.500% 09/ | | 06/01/2014 | Paydown | | 1,127,498 | 1,127,498 | 1,181,318 | 1,178,376 | | (50,878) | | (50,878) | | 1,127,498 | | | 0 | 11,530 | 09/01/2027 | 1 |
| 31417C-T4-7 | Fannie Mae Pool FNCI AB5970 3.000% 08/ | | 06/01/2014 | Paydown | | 64,089 | 64,089 | 68,024 | 67,764 | | (3,675) | | (3,675) | | 64,089 | | | 0 | 855 | 08/01/2027 | 1 |
| 31417F-3F-3 | Fannie Mae Pool FNCL AB8897 3.000% 04/ | | 06/01/2014 | Paydown | | 16,710 | 16,710 | 16,318 | 16,320 | | 389 | | 389 | | 16,710 | | | 0 | 209 | 04/01/2043 | 1 |
| 31417F-QC-5 | Fannie Mae Pool FNCI AB8550 2.500% 03/ | | 06/01/2014 | Paydown | | 52,661 | 52,661 | 54,570 | 54,487 | | (1,826) | | (1,826) | | 52,661 | | | 0 | 560 | 03/01/2028 | 1 |
| 31417V-S2-0 | Fannie Mae Pool FNARM AC8636 3.645% 02 | | 06/01/2014 | Paydown | | 429,096 | 429,096 | 446,762 | 446,363 | | (17,268) | | (17,268) | | 429,096 | | | 0 | 6,879 | 02/01/2040 | 1 |
| 31417Y-SE-8 | Fannie Mae Pool FNCL MA0516 5.000% 09/ | | 06/01/2014 | Paydown | | 38,638 | 38,638 | 40,637 | 40,565 | | (1,927) | | (1,927) | | 38,638 | | | 0 | 831 | 09/01/2040 | 1 |
| 31417Y-UY-1 | Fannie Mae Pool FNCN MA0598 3.500% 12/ | | 06/10/2014 | Nomura Securities Intl Inc | | 361,301 | 341,706 | 356,869 | 353,785 | | (396) | | (396) | | 353,389 | | 7,912 | 7,912 | 6,511 | 12/01/2020 | 1 |
| 31417Y-UY-1 | Fannie Mae Pool FNCN MA0598 3.500% 12/ | | 06/01/2014 | Paydown | | 25,137 | 25,137 | 26,253 | 26,026 | | (889) | | (889) | | 25,137 | | | 0 | 363 | 12/01/2020 | 1 |
| 31417Y-ZF-7 | Fannie Mae Pool FNCN MA0741 4.000% 05/ | | 06/01/2014 | Paydown | | 144,463 | 144,463 | 155,162 | 154,341 | | (9,879) | | (9,879) | | 144,463 | | | 0 | 2,384 | 05/01/2021 | 1 |
| 31418A-B3-1 | Fannie Mae Pool FNCN MA0957 3.000% 01/ | | 06/01/2014 | Paydown | | 502,086 | 502,086 | 524,209 | 522,957 | | (20,871) | | (20,871) | | 502,086 | | | 0 | 6,256 | 01/01/2022 | 1 |
| 31418A-H7-6 | Fannie Mae Pool FNCN MA1153 3.000% 08/ | | 06/01/2014 | Paydown | | 310,731 | 310,731 | 325,297 | 324,529 | | (13,798) | | (13,798) | | 310,731 | | | 0 | 3,863 | 08/01/2022 | 1 |
| 31418A-YP-7 | Fannie Mae Pool FNCI MA1617 3.000% 10/ | | 06/01/2014 | Paydown | | 13,280 | 13,280 | 13,743 | 13,736 | | (456) | | (456) | | 13,280 | | | 0 | 163 | 10/01/2028 | 1 |
| 31418A-YW-2 | Fannie Mae Pool FNCI MA1624 3.500% 10/ | | 06/01/2014 | Paydown | | 41,041 | 41,041 | 43,413 | 43,389 | | (2,348) | | (2,348) | | 41,041 | | | 0 | 574 | 10/01/2028 | 1 |
| 31418A-ZS-0 | Fannie Mae Pool FNCT MA1652 3.500% 11/ | | 06/01/2014 | Paydown | | 567,906 | 567,906 | 587,782 | 587,570 | | (19,664) | | (19,664) | | 567,906 | | | 0 | 8,604 | 11/01/2033 | 1 |
| 31418Q-G8-0 | Fannie Mae Pool FNARM AD2922 3.584% 04 | | 04/15/2014 | Banc of America Securities LLC | | 194,215 | 184,090 | 192,662 | 192,483 | | 74 | | 74 | | 192,557 | | 1,658 | 1,658 | 2,605 | 04/01/2040 | 1 |
| 31418Q-G8-0 | Fannie Mae Pool FNARM AD2922 3.584% 04 | | 04/01/2014 | Paydown | | 577 | 577 | 604 | 603 | | (26) | | (26) | | 577 | | | 0 | 7 | 04/01/2040 | 1 |
| 31418R-HH-7 | Fannie Mae Pool FNCI AD3831 4.500% 04/ | | 06/01/2014 | Paydown | | 42,883 | 42,883 | 46,296 | 46,048 | | (3,165) | | (3,165) | | 42,883 | | | 0 | 785 | 04/01/2025 | 1 |
| 31419A-BH-9 | Fannie Mae Pool FNCI AE0039 4.000% 05/ | | 06/01/2014 | Paydown | | 32,384 | 32,384 | 33,912 | 33,709 | | (1,326) | | (1,326) | | 32,384 | | | 0 | 564 | 05/01/2025 | 1 |
| 31419A-GU-5 | Fannie Mae Pool FNCL AE0210 5.000% 08/ | | 06/01/2014 | Paydown | | 453,467 | 453,467 | 488,327 | 487,545 | | (34,079) | | (34,079) | | 453,467 | | | 0 | 8,755 | 08/01/2040 | 1 |
| 31419A-N5-2 | Fannie Mae Pool FNCL AE0411 4.500% 09/ | | 06/01/2014 | Paydown | | 87,679 | 87,679 | 94,487 | 94,299 | | (6,619) | | (6,619) | | 87,679 | | | 0 | 1,702 | 09/01/2040 | 1 |
| 31419A-R8-2 | Fannie Mae Pool FNCI AE0510 6.000% 01/ | | 06/01/2014 | Paydown | | 22,634 | 22,634 | 24,587 | 24,484 | | (1,850) | | (1,850) | | 22,634 | | | 0 | 546 | 01/01/2022 | 1 |
| 31419A-VD-6 | Fannie Mae Pool FNCL AE0611 5.000% 08/ | | 06/01/2014 | Paydown | | 546,456 | 546,456 | 606,566 | 605,379 | | (58,923) | | (58,923) | | 546,456 | | | 0 | 11,501 | 08/01/2040 | 1 |
| 31419A-VZ-7 | Fannie Mae Pool FNCL AE0631 4.500% 12/ | | 06/01/2014 | Paydown | | 6,108 | 6,108 | 6,729 | 6,715 | | (607) | | (607) | | 6,108 | | | 0 | 118 | 12/01/2040 | 1 |
| 31419A-ZA-8 | Fannie Mae Pool FNARM AE0736 3.637% 09 | | 06/01/2014 | Paydown | | 842,899 | 842,899 | 887,810 | 887,246 | | (44,347) | | (44,347) | | 842,899 | | | 0 | 14,681 | 09/01/2039 | 1 |
| 31419E-5A-3 | Fannie Mae Pool FNCL AE4440 4.000% 10/ | | 06/01/2014 | Paydown | | 800,583 | 800,583 | 859,626 | 858,739 | | (58,156) | | (58,156) | | 800,583 | | | 0 | 12,141 | 10/01/2040 | 1 |
| 442378-CX-1 | Houston Higher Educ Fin Corp Higher Educ | | 05/27/2014 | Morgan Stanley & Co., Inc. | | 1,098,330 | 1,000,000 | 1,036,170 | 1,014,204 | | (1,628) | | (1,628) | | 1,012,576 | | 85,754 | 85,754 | 27,083 | 05/15/2032 | 1FE |
| 442435-KN-2 | Houston TX Utility Sys Rev Water 5.000 | | 05/27/2014 | J.P. Morgan Securities, Inc. | | 2,204,420 | 2,000,000 | 1,983,020 | 1,985,075 | | 183 | | 183 | | 1,985,258 | | 219,162 | 219,162 | 54,167 | 11/15/2033 | 1FE |
| 462467-NU-1 | Iowa Finance Authority Single Family Hsg | | 06/01/2014 | Paydown | | 48,823 | 48,823 | 48,823 | 48,823 | | | | 0 | | 48,823 | | | 0 | 479 | 09/01/2040 | 1FE |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 495289-A2-6 | King Cnty WA Swr Rev Water 5.000% 01/0 | | 05/06/2014 | Raymond James & Associates | | 3,515,550 | 3,000,000 | 3,560,730 | 3,437,226 | | (20,324) | | (20,324) | | 3,416,902 | | 98,648 | 98,648 | 128,333 | 01/01/2022 | 1FE |
| 544525-KH-0 | Los Angeles Dept of Wtr & Pwr Water 5 | | 06/30/2014 | Various | | 7,754,504 | 7,200,000 | 7,506,792 | 7,369,194 | | (20,920) | | (20,920) | | 7,348,273 | | 406,231 | 406,231 | 246,111 | 07/01/2044 | 1FE |
| 575718-AA-9 | Massachusetts Inst of Tech MASSIN 5.6 07 | | 06/24/2014 | Morgan Stanley & Co., Inc. | | 622,210 | 500,000 | 497,905 | 497,962 | | | | 0 | | 497,962 | | 124,248 | 124,248 | 27,689 | 07/01/2111 | 1FE |
| 590545-KH-1 | City of Mesa AZ Utilities 5.000% 07/01 | | 05/19/2014 | Salomon SmBarney (Citigroup) | | 3,685,080 | 3,500,000 | 3,956,960 | 3,614,863 | | (29,583) | | (29,583) | | 3,585,280 | | 99,800 | 99,800 | 156,042 | 07/01/2015 | 1FE |
| 59333P-RQ-3 | Miami-Dade Wtr & Swr Sys Rev Airport 5 | | 05/19/2014 | Stifel-Hanifen Stifel,Nicolaus | | 5,570,300 | 5,000,000 | 4,510,500 | 4,598,798 | | 8,254 | | 8,254 | | 4,607,052 | | 963,248 | 963,248 | 168,438 | 10/01/2026 | 1FE |
| 595679-CJ-8 | Middle Bucks Area Voc-Tech Sch General | | 06/25/2014 | Conversion | | 2,396,321 | 2,390,000 | 2,413,852 | 2,398,094 | | (1,773) | | (1,773) | | 2,396,321 | | | 0 | 102,903 | 02/15/2025 | 1FE |
| 64970M-B7-7 | New York City Hsg Dev Corp Multifamily | | 06/04/2014 | Salomon SmBarney (Citigroup) | | 2,434,064 | 2,290,000 | 2,084,450 | 2,118,859 | | 3,579 | | 3,579 | | 2,122,438 | | 311,626 | 311,626 | 70,723 | 11/01/2027 | 1FE |
| 64970M-C9-2 | New York City Hsg Dev Corp Multifamily | | 06/04/2014 | Salomon SmBarney (Citigroup) | | 2,650,125 | 2,500,000 | 2,275,600 | 2,313,164 | | 3,907 | | 3,907 | | 2,317,072 | | 333,053 | 333,053 | 77,208 | 11/01/2027 | 1FE |
| 64972F-7Q-3 | New York Cty Muni Wtr Fin Auth Water 5 | | 05/13/2014 | Guggenheim Capital-Pershing | | 1,183,279 | 1,095,000 | 1,093,182 | 1,093,274 | | 9 | | 9 | | 1,093,282 | | 89,997 | 89,997 | 22,965 | 06/15/2045 | 1FE |
| 64983X-CD-4 | New York State Dormitory Auth Higher Edu | | 06/20/2014 | Mesirow Financial, Inc | | 220,144 | 200,000 | 238,118 | 213,343 | | (2,648) | | (2,648) | | 210,696 | | 9,448 | 9,448 | 7,028 | 05/15/2016 | 1FE |
| 64985H-FP-7 | New York State Environmental Facilities | | 06/25/2014 | Morgan Stanley & Co., Inc. | | 777,488 | 705,000 | 738,438 | | | (1,778) | | (1,778) | | 736,660 | | 40,828 | 40,828 | 22,031 | 05/15/2041 | 1FE |
| 67755C-W3-9 | Ohio State Building Auth Facilities 5 | | 05/07/2014 | Raymond James & Associates | | 4,153,570 | 3,515,000 | 3,983,690 | 3,890,252 | | (15,490) | | (15,490) | | 3,874,762 | | 278,808 | 278,808 | 107,891 | 10/01/2022 | 1FE |
| 70917N-7S-7 | Pennsylvania Hgh Educ Fac Auth Higher Ed | | 05/21/2014 | Loop Capital Mkts (Ridge Cl) | | 995,543 | 950,000 | 982,547 | 958,664 | | (2,232) | | (2,232) | | 956,432 | | 39,111 | 39,111 | 41,167 | 07/15/2026 | 1FE |
| 717893-PW-5 | Philadelphia PA Wtr & Swr Rev Water 5 | | 05/07/2014 | Salomon SmBarney (Citigroup) | | 3,621,275 | 3,500,000 | 3,341,975 | 3,457,475 | | 10,020 | | 10,020 | | 3,467,495 | | 153,780 | 153,780 | 151,181 | 07/01/2035 | 1FE |
| 73541T-AB-5 | City of Port St Lucie FL Medical 4.000 | | 05/01/2014 | Maturity | | 1,045,000 | 1,045,000 | 1,105,432 | 1,050,364 | | (5,364) | | (5,364) | | 1,045,000 | | | 0 | 20,900 | 05/01/2014 | 1FE |
| 74265L-A5-7 | Private Colleges & Uni Auth Higher Educa | | 06/25/2014 | Guggenheim Capital-Pershing | | 1,441,918 | 1,295,000 | 1,352,718 | | | (2,116) | | (2,116) | | 1,350,602 | | 91,315 | 91,315 | 56,656 | 10/01/2043 | 1FE |
| 79575D-XC-9 | Salt River Proj Agri & Pwr Dis Power 5 | | 04/30/2014 | Barclays Capital | | 2,974,211 | 2,655,000 | 2,749,491 | 2,714,785 | | (4,766) | | (4,766) | | 2,710,019 | | 264,192 | 264,192 | 112,100 | 01/01/2027 | 1FE |
| 796242-NB-7 | City of San Antonio TX Airport 5.250% | | 05/19/2014 | Barclays Capital | | 4,295,840 | 4,000,000 | 3,397,800 | 3,461,652 | | 6,042 | | 6,042 | | 3,467,695 | | 828,145 | 828,145 | 187,250 | 07/01/2032 | 1FE |
| 796253-X8-0 | City of San Antonio TX Utilities 5.000 | | 05/19/2014 | Barclays Capital | | 5,349,013 | 4,870,000 | 5,018,439 | 4,964,193 | | (6,524) | | (6,524) | | 4,957,669 | | 391,344 | 391,344 | 196,829 | 02/01/2034 | 1FE |
| 80585C-AP-3 | Scago Ed Fac Spartanburg # 5 Education | | 04/01/2014 | Maturity | | 2,525,000 | 2,525,000 | 2,883,702 | 2,543,352 | | (18,352) | | (18,352) | | 2,525,000 | | | 0 | 63,125 | 04/01/2014 | 1FE |
| 91412F-7W-1 | University of California Higher Educatio | | 05/19/2014 | UBS/WAR | | 5,544,350 | 5,000,000 | 5,178,600 | 5,100,076 | | (8,178) | | (8,178) | | 5,091,898 | | 452,452 | 452,452 | 129,861 | 05/15/2034 | 1FE |
| 915115-4A-4 | University of Texas Permanent Higher Edu | | 06/25/2014 | Morgan Stanley & Co., Inc. | | 371,250 | 330,000 | 348,464 | | | (642) | | (642) | | 347,822 | | 23,428 | 23,428 | 6,417 | 07/01/2041 | 1FE |
| 915137-3E-1 | University of Texas Sys Higher Education | | 05/07/2014 | Mesirow Financial, Inc | | 2,943,150 | 2,500,000 | 3,019,025 | 2,884,928 | | (21,423) | | (21,423) | | 2,863,505 | | 79,645 | 79,645 | 92,708 | 08/15/2021 | 1FE |
| 915217-VC-4 | University of Virginia Higher Education | | 06/25/2014 | BMO Capital Markets Inc | | 590,867 | 525,000 | 616,082 | 610,548 | | (3,943) | | (3,943) | | 606,606 | | (15,739) | (15,739) | 15,240 | 06/01/2043 | 1FE |
| 92813T-EE-6 | Virginia Housing Dev Auth Single Family | | 06/25/2014 | Paydown | | 96,287 | 96,287 | 96,287 | 96,287 | | | | 0 | | 96,287 | | | 0 | 1,335 | 08/25/2042 | 1FE |
| 92818A-LN-4 | Virginia Resources Auth General 5.000% | | 06/25/2014 | Guggenheim Capital-Pershing | | 2,165,749 | 1,935,000 | 2,027,996 | 2,026,408 | | (4,275) | | (4,275) | | 2,022,133 | | 143,616 | 143,616 | 64,231 | 11/01/2042 | 1FE |
| 92818A-XQ-4 | Virginia Resources Auth Prerefunded- Wat | | 06/05/2014 | Conversion | | 3,569,304 | 3,565,000 | 3,587,156 | 3,573,714 | | (4,410) | | (4,410) | | 3,569,304 | | | 0 | 107,683 | 11/01/2033 | 1FE |
| 3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | 148,453,491 | 138,637,068 | 145,271,048 | 140,324,783 | 0 | (1,931,585) | 0 | (1,931,585) | 0 | 141,250,054 | 0 | 7,203,434 | 7,203,434 | 4,262,877 | XXX | XXX |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | | | | | | | | |
| 00214J-AA-8 | ARI Fleet Lease Trust ARIFL 2014-A A1 | | 06/16/2014 | Paydown | | 2,068,728 | 2,068,728 | 2,068,728 | | | | | 0 | | 2,068,728 | | | 0 | 676 | 04/15/2015 | 1FE |
| 00441T-AD-5 | Ace Securities Corp ACE 2006-HE3 A2C 0 | | 06/25/2014 | Paydown | | 33,337 | 33,337 | 17,045 | 15,967 | | 17,370 | | 17,370 | | 33,337 | | | 0 | 49 | 06/25/2036 | 1FM |
| 00441Y-AC-6 | Ace Securities Corp ACE 2006-OP2 A2B 0 | | 06/25/2014 | Paydown | | 45,282 | 45,282 | 40,599 | 41,775 | | 3,507 | | 3,507 | | 45,282 | | | 0 | 54 | 08/25/2036 | 1FM |
| 02209S-AR-4 | Altria Group Inc MO 5.375 01/31/44 5.3 | | 06/23/2014 | J.P. Morgan Securities, Inc. | | 587,293 | 540,000 | 537,700 | 537,700 | | 132 | | 132 | | 537,831 | | 49,462 | 49,462 | 19,028 | 01/31/2044 | 2FE |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 02660Y-AL-6 | American Home Mortgage Inv Tr AHM 2006-2 | | 06/25/2014 | Paydown | | 42,174 | 42,174 | 19,822 | 20,091 | | 22,083 | | 22,083 | | 42,174 | | | 0 | 56 | 06/25/2046 | 1FM |
| 07388N-AX-4 | Bear Stearns Comm Mtg Sec BSCMS 2006-T24 | | 06/01/2014 | Paydown | | | | 11,470 | 11,414 | | (11,414) | | (11,414) | | | | | 0 | 2,373 | 10/12/2041 | 3FE |
| 079867-AQ-0 | BellSouth Telecommunications T 6.3 12/15 | | 06/15/2014 | Redemption 100.0000 | | 46,968 | 46,968 | 43,299 | 46,385 | | 583 | | 583 | | 46,968 | | | 0 | 1,479 | 12/15/2015 | 1FE |
| 09624S-AG-0 | Bluemountain CLO Ltd BLUEM 2007-3A A1B | E | 06/17/2014 | Paydown | | 169,092 | 169,092 | 160,680 | 165,413 | | 3,679 | | 3,679 | | 169,092 | | | 0 | 418 | 03/17/2021 | 1FE |
| 12505N-AA-2 | CCG Receivables Trust CCG 2014-1 A1 0 | | 06/16/2014 | Paydown | | 713,175 | 713,175 | 713,175 | | | | | 0 | | 713,175 | | | 0 | 177 | 05/14/2015 | 1FE |
| 126185-AA-5 | CPS Auto Trust CPS 2012-A A 2.780% 0 | | 06/15/2014 | Paydown | | 24,851 | 24,851 | 24,972 | 24,941 | | (90) | | (90) | | 24,851 | | | 0 | 287 | 06/17/2019 | 1FE |
| 12625F-AA-4 | Comm Mtg Pass Through Cert COMM 2013-CR7 | | 06/01/2014 | Paydown | | 189,697 | 189,697 | 189,519 | 189,546 | | 151 | | 151 | | 189,697 | | | 0 | 647 | 03/10/2046 | 1FM |
| 12629E-AF-2 | CSAB Mortgage Backed Trust CSAB 2007-1 1 | | 06/01/2014 | Paydown | | 7,935 | 7,935 | 6,314 | 6,762 | 1,354 | (181) | | 1,173 | | 7,935 | | | 0 | 237 | 05/25/2037 | 5FM |
| 126670-VY-1 | Countrywide Asset-Backed Cert CWL 2006-3 | | 06/30/2014 | Wachovia-Wells Fargo Sec | | 285,185 | 293,627 | 255,539 | 271,684 | | 4,144 | | 4,144 | | 275,828 | | 9,358 | 9,358 | 517 | 06/25/2036 | 1FE |
| 126670-VY-1 | Countrywide Asset-Backed Cert CWL 2006-3 | | 06/25/2014 | Paydown | | 28,982 | 28,982 | 25,223 | 26,816 | | 2,166 | | 2,166 | | 28,982 | | | 0 | 41 | 06/25/2036 | 1FM |
| 126673-KR-2 | Countrywide Home Eqt Loan Trst CWHEL 200 | | 06/16/2014 | Paydown | | 46,207 | 46,207 | 28,024 | 41,503 | | 4,704 | | 4,704 | | 46,207 | | | 0 | 87 | 02/15/2034 | 1FM |
| 12668F-AB-0 | Countrywide Home Eqt Loan Trst CWHEL 200 | | 06/16/2014 | Paydown | | 10,525 | 10,525 | 8,120 | 8,370 | | 2,156 | | 2,156 | | 10,525 | | | 0 | 13 | 01/15/2037 | 1FM |
| 13056R-AA-4 | California Republic Auto Rcvbl CRART 201 | | 06/15/2014 | Paydown | | 82,465 | 82,465 | 82,458 | 82,461 | | 5 | | 5 | | 82,465 | | | 0 | 403 | 08/15/2017 | 1FE |
| 14985M-AB-7 | CCG Receivables Trust 2013-1 CCG 2013-1 | | 06/14/2014 | Paydown | | 136,013 | 136,013 | 136,008 | 136,010 | | 3 | | 3 | | 136,013 | | | 0 | 576 | 08/14/2020 | 1FE |
| 161571-BQ-6 | Chase Issuance Trust CHAIT 2007-A2 A2 | | 04/04/2014 | Barclays Capital | | 1,755,417 | 1,765,000 | 1,750,400 | 1,751,125 | | 1,179 | | 1,179 | | 1,752,304 | | 3,112 | 3,112 | 1,171 | 04/15/2019 | 1FE |
| 172967-HC-8 | Citigroup Inc C 2.5 09/26/18 2.500% 09 | | 05/22/2014 | Nomura Securities Intl Inc | | 507,230 | 500,000 | 497,810 | 497,919 | | 170 | | 170 | | 498,089 | | 9,141 | 9,141 | 8,403 | 09/26/2018 | 1FE |
| 172973-5L-9 | Citicorp Mortgage Sec Inc CMSI 2006-1 4A | | 06/01/2014 | Paydown | | 26,840 | 26,840 | 26,840 | 26,840 | | | | 0 | | 26,840 | | | 0 | 559 | 02/25/2016 | 1FM |
| 17302X-AG-1 | Citgo Petroleum Corp CITPET 11 1/2 07/01 | | 05/08/2014 | Credit Agricole Securities | | 11,825 | 11,000 | 12,210 | 11,730 | | (98) | | (98) | | 11,631 | | 194 | 194 | 1,096 | 07/01/2017 | 3FE |
| 17305E-EE-1 | Citibank Credit Card Iss Trst CCCIT 2008 | | 05/12/2014 | Salomon SmBarney (Citigroup) | | 1,589,219 | 1,400,000 | 1,659,438 | 1,576,737 | | (15,443) | | (15,443) | | 1,561,295 | | 27,924 | 27,924 | 57,839 | 02/07/2020 | 1FE |
| 23242L-AB-9 | Countrywide Home Eqt Loan Trst CWHEL 200 | | 06/16/2014 | Paydown | | 13,737 | 13,737 | 10,806 | 11,133 | | 2,605 | | 2,605 | | 13,737 | | | 0 | 17 | 07/15/2036 | 1FM |
| 23306A-AA-8 | DBRR Trust DBRR 2012-EZ1 A 0.946% 09/2 | | 06/01/2014 | Paydown | | 210,102 | 210,102 | 210,344 | 210,097 | | 4 | | 4 | | 210,102 | | | 0 | 778 | 09/25/2045 | 1FE |
| 23336T-AB-9 | DT Auto Owner Trust DTAOT 2012-2A B 1 | | 06/15/2014 | Paydown | | 506,730 | 506,730 | 506,704 | 506,726 | | 4 | | 4 | | 506,730 | | | 0 | 3,864 | 04/17/2017 | 1FE |
| 25459H-AX-3 | DIRECTV Holdings LLC DTV 6.0 08/15/40 | | 05/06/2014 | Nomura Securities Intl Inc | | 531,720 | 485,000 | 532,656 | 531,846 | | (295) | | (295) | | 531,551 | | 169 | 169 | 21,340 | 08/15/2040 | 2FE |
| 25755T-AC-4 | Dominos Pizza Mstr Issuer LLC DPABS 2012 | | 04/25/2014 | Paydown | | 6,000 | 6,000 | 6,000 | 6,000 | | | | 0 | | 6,000 | | | 0 | 156 | 01/25/2042 | 2AM |
| 26884L-AB-5 | EQT Corp EQT 4 7/8 11/15/21 4.875% 11/ | | 05/27/2014 | Wachovia-Wells Fargo Sec | | 903,178 | 835,000 | 848,883 | 847,447 | | (568) | | (568) | | 846,879 | | 56,299 | 56,299 | 22,049 | 11/15/2021 | 2FE |
| 292480-AE-0 | Enable Midstream Partners LP ENBL 5.0 05 | | 06/03/2014 | Barclays Capital | | 1,126,635 | 1,135,000 | 1,134,841 | | | | | 0 | | 1,134,841 | | (8,206) | (8,206) | 1,419 | 05/15/2044 | 2FE |
| 29372E-AP-3 | Enterprise Fleet Financing Llc EFF 2012- | | 06/20/2014 | Paydown | | 125,641 | 125,641 | 125,630 | 125,637 | | 4 | | 4 | | 125,641 | | | 0 | 593 | 11/20/2017 | 1FE |
| 32051H-AD-5 | First Horizon Alt Mtg Sec FHAMS 2006-FA3 | | 06/25/2014 | Paydown | | 15,747 | 26,792 | 16,741 | 17,326 | | (1,579) | | (1,579) | | 15,747 | | | 0 | 73 | 07/25/2036 | 1FM |
| 34530H-AA-8 | Ford Credit Auto Owner Trust FORDO 2014- | | 06/16/2014 | Paydown | | 3,772,690 | 3,772,690 | 3,772,690 | | | | | 0 | | 3,772,690 | | | 0 | 2,627 | 01/15/2015 | 1FE |
| 34530J-AA-4 | Ford Credit Auto Lease Trust FORDL 2014- | | 06/16/2014 | Paydown | | 5,654,928 | 5,654,928 | 5,654,928 | | | | | 0 | | 5,654,928 | | | 0 | 1,616 | 04/15/2015 | 1FE |
| 36159G-AN-7 | Ge Business Loan Trust GEBL 2004-1 B 0 | | 06/16/2014 | Paydown | | 44,195 | 44,195 | 35,385 | 36,459 | | 7,736 | | 7,736 | | 44,195 | | | 0 | 158 | 05/15/2032 | 1FE |
| 36159G-BV-8 | Ge Business Loan Trust GEBL 2005-2A B | | 06/16/2014 | Paydown | | 29,833 | 29,833 | 20,053 | 21,234 | | 8,598 | | 8,598 | | 29,833 | | | 0 | 81 | 11/15/2033 | 1AM |
| 373334-JS-1 | Georgia Power Co SO 4 3/4 09/01/40 4.7 | | 05/19/2014 | Wachovia-Wells Fargo Sec | | 1,065,630 | 1,000,000 | 990,360 | 990,885 | | 67 | | 67 | | 990,953 | | 74,677 | 74,677 | 34,438 | 09/01/2040 | 1FE |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 40414L-AD-1 | HCP Inc HCP 5 3/8 02/01/21 5.375% 02/0 | | 05/29/2014 | Wachovia-Wells Fargo Sec | | 669,550 | 585,000 | 663,530 | 658,403 | | (4,018) | | (4,018) | | 654,385 | | 15,165 | 15,165 | 26,378 | 02/01/2021 | 2FE |
| 42809H-AD-9 | Hess Corp HES 5.6 02/15/41 5.600% 02/1 | | 06/30/2014 | Banc of America Securities LLC | | 415,951 | 360,000 | 374,213 | 374,168 | | (113) | | (113) | | 374,054 | | 41,897 | 41,897 | 17,808 | 02/15/2041 | 2FE |
| 43710X-AB-4 | Home Equity Loan Trust HELT 2007-FRE1 2A | | 06/30/2014 | Credit Suisse First Boston LLC | | 255,681 | 280,872 | 214,650 | 120,027 | | 843 | | 843 | | 120,870 | | 134,811 | 134,811 | 421 | 04/25/2037 | 1FE |
| 43710X-AB-4 | Home Equity Loan Trust HELT 2007-FRE1 2A | | 06/25/2014 | Paydown | | 24,159 | 24,159 | 18,463 | 10,324 | | 13,835 | | 13,835 | | 24,159 | | | 0 | 31 | 04/25/2037 | 1FM |
| 43813J-AA-3 | Honda Auto Rec Owner Trust HAROT 2014-1 | | 06/23/2014 | Paydown | | 5,401,074 | 5,401,074 | 5,401,074 | | | | | 0 | | 5,401,074 | | | 0 | 2,387 | 03/23/2015 | 1FE |
| 43814F-AA-0 | Honda Auto Rec Owner Trust HAROT 2013-4 | | 06/18/2014 | Paydown | | 8,543,381 | 8,543,381 | 8,543,381 | 7,464,014 | | 1,079,367 | | 1,079,367 | | 8,543,381 | | | 0 | 10,319 | 11/18/2014 | 1FE |
| 44890R-AA-9 | Hyundai Auto Receivables Trust HART 2014 | | 06/16/2014 | Paydown | | 2,322,101 | 2,322,101 | 2,322,101 | | | | | 0 | | 2,322,101 | | | 0 | 1,256 | 02/17/2015 | 1FE |
| 460690-AV-2 | Interpublic Group of Cos Inc IPG 6 1/4 1 | | 05/05/2014 | Call 103.1084 | | 515,542 | 500,000 | 545,000 | 514,745 | | (5,777) | | (5,777) | | 508,969 | | 6,573 | 6,573 | 14,757 | 11/15/2014 | 2FE |
| 46186N-AA-6 | Invitation Homes 2013-SFR1 Tr IHSFR 201 | | 06/17/2014 | Paydown | | 9,026 | 9,026 | 9,047 | 9,046 | | (20) | | (20) | | 9,026 | | | 0 | 53 | 12/17/2030 | 1FE |
| 46625Y-GW-7 | JP Morgan Chase Comm Mtg Sec JPMCC 2005- | | 06/01/2014 | Paydown | | | | 79,242 | 37,119 | 4,856 | (41,975) | | (37,119) | | | | | 0 | 16,085 | 03/15/2046 | 3FE |
| 46630L-AD-6 | JP Morgan Mtg Acquisition Corp JPMAC 200 | | 06/30/2014 | Salomon SmBarney (Citigroup) | | 488,000 | 475,518 | 441,162 | 458,672 | | 2,983 | | 2,983 | | 461,655 | | 26,345 | 26,345 | 13,073 | 11/25/2036 | 1FE |
| 46630L-AD-6 | JP Morgan Mtg Acquisition Corp JPMAC 200 | | 06/01/2014 | Paydown | | 23,614 | 23,614 | 21,908 | 22,777 | | 837 | | 837 | | 23,614 | | | 0 | 529 | 11/25/2036 | 1FM |
| 46630X-AD-0 | JP Morgan Mtg Acquisition Corp JPMAC 200 | | 06/25/2014 | Paydown | | 103,726 | 103,726 | 80,906 | 91,840 | | 11,886 | | 11,886 | | 103,726 | | | 0 | 134 | 03/25/2037 | 1FM |
| 49130T-LE-4 | Kentucky Hsg Corp Single Family Hsg 5 | | 06/03/2014 | Call 100.0000 | | 15,000 | 15,000 | 15,000 | 15,000 | | | | 0 | | 15,000 | | | 0 | 691 | 07/01/2025 | 1FE |
| 494550-AZ-9 | Kinder Morgan Energy Partners KMP 9 02/0 | | 06/10/2014 | Wells Fargo | | 505,715 | 395,000 | 504,537 | 471,002 | | (6,033) | | (6,033) | | 464,969 | | 40,745 | 40,745 | 30,810 | 02/01/2019 | 2FE |
| 50183U-AE-7 | LCM LP LCM 10-A E 5.976% 04/15/22 | E | 04/15/2014 | Paydown | | 1,000,000 | 1,000,000 | 1,003,000 | 979,600 | 23,126 | (2,726) | | 20,400 | | 1,000,000 | | | 0 | 30,289 | 04/15/2022 | 3AM |
| 539830-AZ-2 | Lockheed Martin Corp LMT 4.85 09/15/41 | | 05/08/2014 | Barclays Capital | | 622,225 | 575,000 | 570,854 | 571,010 | | 25 | | 25 | | 571,035 | | 51,190 | 51,190 | 18,437 | 09/15/2041 | 1FE |
| 54251P-AE-7 | Long Beach Mortgage Loan Trust LBMLT 200 | | 06/25/2014 | Paydown | | 19,564 | 19,564 | 7,935 | 8,321 | | 11,243 | | 11,243 | | 19,564 | | | 0 | 34 | 06/25/2036 | 1FM |
| 55292L-AA-2 | M&T Bank Auto Receivables Trus MTBAT 201 | | 05/15/2014 | Paydown | | 1,776,034 | 1,776,034 | 1,776,034 | 1,776,034 | | | | 0 | | 1,776,034 | | | 0 | 1,633 | 09/15/2014 | 1FE |
| 59024E-AC-1 | Merrill Lynch Mtg Investor Tst MLMI 2007 | | 05/27/2014 | Paydown | | 12,241 | 12,241 | 4,732 | 4,709 | | 7,533 | | 7,533 | | 12,241 | | | 0 | 13 | 02/25/2037 | 1FM |
| 61745M-4T-7 | Morgan Stanley Mortgage Loan MSM 2005-3A | | 06/01/2014 | Paydown | | 20,829 | 20,829 | 18,485 | 18,630 | | 2,199 | | 2,199 | | 20,829 | | | 0 | 475 | 07/25/2035 | 1FM |
| 61745M-N9-0 | Morgan Stanley Capital I MSC 2004-IQ8 B | | 06/01/2014 | Paydown | | 202,602 | 202,602 | 201,589 | 201,790 | | 812 | | 812 | | 202,602 | | | 0 | 4,949 | 06/15/2040 | 1FM |
| 61749B-AD-5 | Morgan Stanley ABS Capital I MSAC 2006-N | | 05/27/2014 | Paydown | | 11,680 | 11,680 | 10,177 | 11,256 | | 424 | | 424 | | 11,680 | | | 0 | 13 | 10/25/2036 | 1FM |
| 61749B-AD-5 | Morgan Stanley ABS Capital I MSAC 2006-N | | 04/25/2014 | Paydown | | 24,707 | 24,707 | 21,527 | 23,809 | | 898 | | 898 | | 24,707 | | | 0 | 22 | 10/25/2036 | 1FM |
| 61749B-AD-5 | Morgan Stanley ABS Capital I MSAC 2006-N | | 06/25/2014 | Paydown | | 22,144 | 22,144 | 19,294 | 21,340 | | 805 | | 805 | | 22,144 | | | 0 | 30 | 10/25/2036 | 1FM |
| 61757Y-AC-6 | Morgan Stanley Reremic Trust MSRR 2009-I | | 06/01/2014 | Paydown | | 73,279 | 73,279 | 60,638 | 70,884 | | 2,394 | | 2,394 | | 73,279 | | | 0 | | 07/17/2056 | 1AM |
| 64971Q-6R-9 | NYC Trans Fin Ftr Tax Sec Rev General | | 06/25/2014 | Loop Capital Mkts (Ridge Cl) | | 659,724 | 600,000 | 629,472 | | | (244) | | (244) | | 629,228 | | 30,496 | 30,496 | 19,917 | 05/01/2042 | 1FE |
| 65473Q-BD-4 | Nisource Finance Corp NI 5.65 02/01/45 | | 05/20/2014 | J.P. Morgan Securities, Inc. | | 741,266 | 660,000 | 655,651 | 655,651 | | | | 0 | | 655,651 | | 85,615 | 85,615 | 23,099 | 02/01/2045 | 2FE |
| 65537H-AA-5 | Nomura Cre CDO NMCRE 2007-2A A1A 0.477 | E | 05/21/2014 | Paydown | | 208,404 | 208,404 | 176,088 | 183,893 | | 24,511 | | 24,511 | | 208,404 | | | 0 | 510 | 05/21/2042 | 1AM |
| 686134-AA-5 | Ores NPL LLC ORES 2014-LV3 A 3.000% 0 | | 06/27/2014 | Paydown | | 96,848 | 96,956 | 96,956 | | | (108) | | (108) | | 96,848 | | | 0 | 347 | 03/27/2024 | 6* |
| 69352P-AE-3 | PPL Capital Funding Inc PPL 3.50 12/01/2 | | 05/02/2014 | Goldman Sachs | | 548,620 | 550,000 | 552,733 | 552,468 | | (86) | | (86) | | 552,382 | | (3,762) | (3,762) | 8,342 | 12/01/2022 | 2FE |
| 73328W-AC-5 | Porsche Innovative Lease Owner PILOT 201 | | 06/21/2014 | Paydown | | 135,752 | 135,752 | 135,729 | 135,744 | | 8 | | 8 | | 135,752 | | | 0 | 303 | 12/21/2015 | 1FE |
| 761118-AG-3 | Residential Accredit Loans Inc RALI 2005 | | 06/25/2014 | Paydown | | 6,923 | 359,857 | 36,566 | 21,067 | | (14,144) | | (14,144) | | 6,923 | | | 0 | 1,408 | 06/25/2035 | 1FM |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 76113J-AA-0 | Residential Fund Mtg Sec II RFMS2 2006-H | | 06/25/2014 | Paydown | | 15,102 | 15,102 | 11,342 | 11,938 | | 3,164 | | 3,164 | | 15,102 | | | 0 | 20 | 05/25/2036 | 1FM |
| 78402T-AE-6 | SBI Home Equity Loan Trust SBIHE 2006-1A | | 06/25/2014 | Paydown | | 265,596 | 265,596 | 256,300 | 258,217 | | 7,379 | | 7,379 | | 265,596 | | | 0 | 343 | 04/25/2035 | 1FM |
| 796038-AA-5 | Samson Investment Co SAIVST 9 3/4 02/15 | | 05/05/2014 | Deutsche Bank | | 263,125 | 250,000 | 251,875 | 252,527 | | 1,166 | | 1,166 | | 253,693 | | 9,432 | 9,432 | 19,207 | 02/15/2020 | 5FE |
| 81744F-HK-6 | Sequoia Mortgage Trust SEMT 2005-3 A1 | | 06/20/2014 | Paydown | | 6,605 | 6,605 | 6,093 | | | 512 | | 512 | | 6,605 | | | 0 | 7 | 05/20/2035 | 3 |
| 83546D-AA-6 | Sonic Capital LLC SONIC 2011-1A A2 5.4 | | 06/20/2014 | Paydown | | 2,803 | 2,803 | 2,803 | 2,803 | | | | 0 | | 2,803 | | | 0 | 63 | 05/20/2041 | 2AM |
| 84860R-AA-1 | Spirit Master Funding LLC SPMF 2006-1A | | 05/01/2014 | Paydown | | 6,536 | 6,536 | 6,867 | 6,688 | 155 | (307) | | (152) | | 6,536 | | | 0 | 141 | 03/20/2024 | 4AM |
| 84860R-AA-1 | Spirit Master Funding LLC SPMF 2006-1A | | 05/20/2014 | Conversion | | 1,196,767 | 1,145,322 | 1,203,393 | 1,172,008 | 27,095 | (2,336) | | 24,759 | | 1,196,767 | | | 0 | 30,969 | 03/20/2024 | 4AM |
| 84860Y-AA-6 | Spirit Master Funding LLC SPMF 2014-2A A | | 06/04/2014 | Morgan Stanley & Co., Inc. | | 1,270,356 | 1,144,102 | 1,195,492 | | | (333) | | (333) | | 1,195,160 | | 75,196 | 75,196 | 3,478 | 03/20/2042 | 1FE |
| 84860Y-AA-6 | Spirit Master Funding LLC SPMF 2014-2A A | | 06/01/2014 | Paydown | | 1,220 | 1,220 | 1,275 | | | (55) | | (55) | | 1,220 | | | 0 | 2 | 03/20/2042 | 1FE |
| 87407P-AA-8 | Tal Advantage LLC TAL 2013-1A A 2.83 | | 06/20/2014 | Paydown | | 12,500 | 12,500 | 12,498 | 12,499 | | 1 | | 1 | | 12,500 | | | 0 | 147 | 02/22/2038 | 1FE |
| 87407P-AC-4 | Tal Advantage LLC TAL 2013-1A B 3.960% | | 06/20/2014 | Paydown | | 50,000 | 50,000 | 49,984 | 49,986 | | 14 | | 14 | | 50,000 | | | 0 | 825 | 02/22/2038 | 2AM |
| 87407P-AJ-9 | Tal Advantage LLC TAL 2014-1A A 3.510% | | 06/20/2014 | Paydown | | 25,000 | 25,000 | 25,000 | | | | | 0 | | 25,000 | | | 0 | 202 | 02/22/2039 | 1FE |
| 91412G-RK-3 | University of California Higher Educatio | | 05/14/2014 | Wachovia-Wells Fargo Sec | | 2,523,248 | 2,275,000 | 2,315,017 | 2,314,316 | | (1,287) | | (1,287) | | 2,313,028 | | 210,220 | 210,220 | 58,139 | 05/15/2039 | 1FE |
| 92867Q-AA-9 | Volkswagen Auto Lease Trust VWALT 2014-A | | 06/20/2014 | Paydown | | 4,512,419 | 4,512,419 | 4,512,419 | | | | | 0 | | 4,512,419 | | | 0 | 2,482 | 02/20/2015 | 1FE |
| 92887F-AA-9 | Volvo Financial Equipment LLC VFET 2014- | | 06/16/2014 | Paydown | | 1,872,891 | 1,872,891 | 1,872,891 | | | | | 0 | | 1,872,891 | | | 0 | 720 | 03/16/2015 | 1FE |
| 92922F-5U-8 | WAMU Mtg Pass Through Cert WAMU 2005-AR1 | | 06/25/2014 | Paydown | | 8,734 | 8,734 | 7,022 | 6,643 | | 2,091 | | 2,091 | | 8,734 | | | 0 | 16 | 11/25/2045 | 1FM |
| 92922F-B8-0 | WAMU Mtg Pass Through Cert WAMU 2004-AR1 | | 06/25/2014 | Paydown | | 50,120 | 50,120 | 40,597 | 40,643 | | 9,476 | | 9,476 | | 50,120 | | | 0 | 134 | 11/25/2034 | 1FM |
| 380956-AC-6 | Goldcorp Inc GCN 2.125 03/15/18 2.125% | A | 05/23/2014 | Credit Agricole Securities | | 426,679 | 425,000 | 422,986 | 423,286 | | 161 | | 161 | | 423,447 | | 3,232 | 3,232 | 6,372 | 03/15/2018 | 2FE |
| 03938L-AX-2 | ArcelorMittal MTNA 6 1/4 02/25/22 6.75 | F | 06/25/2014 | Morgan Stanley & Co., Inc. | | 420,000 | 375,000 | 372,315 | 373,067 | | 90 | | 90 | | 373,157 | | 46,843 | 46,843 | 21,445 | 02/25/2022 | 3FE |
| 11042B-AA-0 | British Airways PLC IAGLN 5.625 06/20/20 | F | 06/20/2014 | Redemption 100.0000 | | 14,879 | 14,879 | 15,592 | 4,376 | | (713) | | (713) | | 14,879 | | | 0 | 271 | 06/20/2020 | 2FE |
| 13124T-AC-4 | Callidus Debt Partners Fnd Ltd CALD 5A A | F | 05/20/2014 | Paydown | | 210,566 | 210,566 | 200,354 | 206,409 | | 4,157 | | 4,157 | | 210,566 | | | 0 | 504 | 11/20/2020 | 1FE |
| 191241-AG-3 | Coca-Cola Femsa SAB CV KOF 2.375 11/26/1 | F | 06/27/2014 | BBV Securities Inc | | 631,875 | 625,000 | 626,065 | 626,045 | | (102) | | (102) | | 625,943 | | 5,932 | 5,932 | 8,906 | 11/26/2018 | 1FE |
| 344419-AB-2 | Fomento Economico Mex FEMSA 4.375 5/10/4 | F | 06/20/2014 | Morgan Stanley & Co., Inc. | | 667,319 | 725,000 | 714,154 | 714,267 | | 87 | | 87 | | 714,354 | | (47,035) | (47,035) | 19,824 | 05/10/2043 | 2FE |
| 37184V-AA-9 | Genesis Funding Ltd GNFL 2006-1A G1 0 | F | 05/27/2014 | Various | | 794,996 | 825,300 | 738,230 | 746,036 | | (709) | | (709) | | 745,327 | | 49,670 | 49,670 | 1,475 | 12/19/2032 | 1FE |
| 37184V-AA-9 | Genesis Funding Ltd GNFL 2006-1A G1 0 | F | 05/19/2014 | Paydown | | 30,087 | 30,085 | 26,913 | 27,197 | | 2,890 | | 2,890 | | 30,087 | | | 0 | 45 | 12/19/2032 | 1FE |
| 38239F-AC-3 | Goodman Funding Pty Ltd GMGAU 6 3/8 04/1 | F | 06/25/2014 | National Australia Bank | | 245,152 | 210,000 | 207,894 | 208,351 | | 90 | | 90 | | 208,441 | | 36,711 | 36,711 | 9,483 | 04/15/2021 | 2FE |
| 43474T-AA-1 | Holcim Ltd HOLNVX 6 12/30/19 6.000% 12 | F | 05/15/2014 | Goldman Sachs | | 398,823 | 345,000 | 376,585 | 368,296 | | (1,316) | | (1,316) | | 366,981 | | 31,843 | 31,843 | 8,050 | 12/30/2019 | 2FE |
| 63080T-AA-5 | Nara Cable Funding Ltd ONOSM 8 7/8 12/01 | F | 04/24/2014 | Various | | 540,806 | 500,000 | 455,625 | 463,598 | | 1,844 | | 1,844 | | 465,441 | | 75,365 | 75,365 | 18,190 | 12/01/2018 | 4FE |
| 85771P-AM-4 | Statoil ASA STLNO 0 05/15/18 0.514% 05 | F | 05/29/2014 | RBC Dominion Secs Corp | | 585,274 | 585,000 | 586,890 | 586,655 | | (157) | | (157) | | 586,498 | | (1,224) | (1,224) | 1,713 | 05/15/2018 | 1FE |
| 87938W-AN-3 | Telefonica Emisiones SAU TELEFO 3.992 02 | F | 04/16/2014 | Nomura Securities Intl Inc | | 646,611 | 615,000 | 640,221 | 632,826 | | (2,529) | | (2,529) | | 630,297 | | 16,314 | 16,314 | 16,776 | 02/16/2016 | 2FE |
| 87969N-AC-9 | Telstra Corp Ltd TLSAU 4.8 10/12/21 4 | F | 06/24/2014 | National Australia Bank | | 841,279 | 750,000 | 744,390 | 745,573 | | 236 | | 236 | | 745,805 | | 95,478 | 95,478 | 25,505 | 10/12/2021 | 1FE |
| 3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | 66,427,936 | 65,294,846 | 65,292,170 | 34,533,572 | 56,586 | 1,160,255 | 0 | 1,216,841 | 0 | 65,168,759 | 0 | 1,259,182 | 1,259,182 | 685,402 | XXX | XXX |
| Bonds - Hybrid Securities | | | | | | | | | | | | | | | | | | | | | |
| Bonds - Parent, Subsidiaries, and Affiliates | | | | | | | | | | | | | | | | | | | | | |

# SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identi-fication | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 8399997 - Subtotals - Bonds - Part 4 | | | | | | 390,753,358 | 369,543,589 | 385,241,503 | 282,600,524 | 56,586 | (1,821,305) | 0 | (1,764,719) | 0 | 377,641,645 | 0 | 13,111,713 | 13,111,713 | 8,473,489 | XXX | XXX |
| 8399999 - Subtotals - Bonds | | | | | | 390,753,358 | 369,543,589 | 385,241,503 | 282,600,524 | 56,586 | (1,821,305) | 0 | (1,764,719) | 0 | 377,641,645 | 0 | 13,111,713 | 13,111,713 | 8,473,489 | XXX | XXX |
| Preferred Stocks - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | | | | | | | | |
| Preferred Stocks - Parent, Subsidiaries, and Affiliates | | | | | | | | | | | | | | | | | | | | | |
| Common Stocks - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | | | | | | | | |
| Common Stocks - Parent, Subsidiaries, and Affiliates | | | | | | | | | | | | | | | | | | | | | |
| Common Stock - Mutual Funds | | | | | | | | | | | | | | | | | | | | | |
| Common Stocks - Money Market Mutual Funds | | | | | | | | | | | | | | | | | | | | | |
| 9999999 Totals | | | | | | 390,753,358 | XXX | 385,241,503 | 282,600,524 | 56,586 | (1,821,305) | 0 | (1,764,719) | 0 | 377,641,645 | 0 | 13,111,713 | 13,111,713 | 8,473,489 | XXX | XXX |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

# SCHEDULE E - PART 1 - CASH

**Month End Depository Balances**

| 1 | 2 | 3 | 4 | 5 | Book Balance at End of Each Month During Current Quarter | | | 9 |
|---|---|---|---|---|---|---|---|---|
| | | | | | 6 | 7 | 8 | |
| Depository | Code | Rate of Interest | Amount of Interest Received During Current Quarter | Amount of Interest Accrued at Current Statement Date | First Month | Second Month | Third Month | * |
| Open Depositories | | | | | | | | |
| J P Morgan Chase.....New York..... | | 0.200 | 11,210 | | 70,546,344 | 194,773,583 | 126,773,453 | XXX |
| 0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories | XXX | XXX | | | | | | XXX |
| 0199999 Total Open Depositories | XXX | XXX | 11,210 | 0 | 70,546,344 | 194,773,583 | 126,773,453 | XXX |
| 0399999 Total Cash on Deposit | XXX | XXX | 11,210 | 0 | 70,546,344 | 194,773,583 | 126,773,453 | XXX |
| 0499999 Cash in Company's Office | XXX | XXX | XXX | XXX | | | | XXX |
| **0599999 Total** | XXX | XXX | 11,210 | 0 | 70,546,344 | 194,773,583 | 126,773,453 | XXX |

# SCHEDULE E - PART 2 - CASH EQUIVALENTS

**Show Investments Owned End of Current Quarter**

| 1<br>Description | 2<br>Code | 3<br>Date Acquired | 4<br>Rate of Interest | 5<br>Maturity Date | 6<br>Book/Adjusted Carrying Value | 7<br>Amount of Interest Due & Accrued | 8<br>Amount Received During Year |
|---|---|---|---|---|---|---|---|
| Bonds: U.S. Governments - Issuer Obligations | | | | | | | |
| Bonds: U.S. Governments - Residential Mortgage-Backed Securities | | | | | | | |
| Bonds: U.S. Governments - Commercial Mortgage-Backed Securities | | | | | | | |
| Bonds: U.S. Governments - Other Loan-Backed and Structured Securities | | | | | | | |
| Bonds: All Other Governments - Issuer Obligations | | | | | | | |
| Bonds: All Other Governments - Residential Mortgage-Backed Securities | | | | | | | |
| Bonds: All Other Governments - Commercial Mortgage-Backed Securities | | | | | | | |
| Bonds: All Other Governments - Other Loan-Backed and Structured Securities | | | | | | | |
| Bonds: U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations | | | | | | | |
| Bonds: U.S. States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities | | | | | | | |
| Bonds: U.S. States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities | | | | | | | |
| Bonds: U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities | | | | | | | |
| Bonds: U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations | | | | | | | |
| Bonds: U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities | | | | | | | |
| Bonds: U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities | | | | | | | |
| Bonds: U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities | | | | | | | |
| U.S. Special Revenue and Special Assessment Obligations and all Non Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations | | | | | | | |
| U.S. Special Revenue and Special Assessment Obligations and all Non Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities | | | | | | | |
| U.S. Special Revenue and Special Assessment Obligations and all Non Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Commercial Mortgage-Backed Securities | | | | | | | |
| U.S. Special Revenue and Special Assessment Obligations and all Non Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Other Loan-Backed and Structured Securities | | | | | | | |
| Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | | |
| UBS Finance DE LLC CP 12/17/14 | | 06/25/2014 | 0.200 | 12/17/2014 | 24,976,527 | | 833 |
| 3299999 - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | 24,976,527 | 0 | 833 |
| Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities | | | | | | | |
| Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities | | | | | | | |
| Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities | | | | | | | |
| 3899999 - Industrial and Miscellaneous (Unaffiliated) - Subtotals | | | | | 24,976,527 | 0 | 833 |
| Hybrid Securities - Issuer Obligations | | | | | | | |
| Hybrid Securities - Residential Mortgage-Backed Securities | | | | | | | |
| Hybrid Securities - Commercial Mortgage-Backed Securities | | | | | | | |
| Hybrid Securities - Other Loan-Backed and Structured Securities | | | | | | | |
| Parent, Subsidiaries and Affiliates Bonds - Issuer Obligations | | | | | | | |
| Parent, Subsidiaries and Affiliates Bonds - Residential Mortgage-Backed Securities | | | | | | | |
| Parent, Subsidiaries and Affiliates Bonds - Commercial Mortgage-Backed Securities | | | | | | | |
| Parent, Subsidiaries and Affiliates Bonds - Other Loan-Backed and Structured Securities | | | | | | | |
| 7799999 - Total Bonds - Subtotals - Issuer Obligations | | | | | 24,976,527 | 0 | 833 |
| 8399999 - Total Bonds - Subtotals - Bonds | | | | | 24,976,527 | 0 | 833 |
| Sweep Accounts | | | | | | | |
| Other Cash Equivalents | | | | | | | |
| 8699999 Total Cash Equivalents | | | | | 24,976,527 | 0 | 833 |