COMERICA INC /NEW/
Form 424B5
January 28, 2019
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-223083

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, preliminary prospectus supplement dated January 28, 2019

Prospectus supplement

(To Prospectus dated February 16, 2018)

$

Comerica Incorporated

% Senior Notes due

We are offering $ aggregate principal amount of our % senior notes due (the notes). We will pay interest on the notes on and of each year, beginning on , 2019. The notes will mature on , . The notes are redeemable, in whole or in part, at any time on and after , at 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date. See Description of the Notes Optional Redemption.

The notes will be our unsecured and unsubordinated obligations and will rank equally among themselves and with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes will not be guaranteed by any of our subsidiaries.

The notes will be issued only in registered book-entry form, in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The notes are not deposits or other obligations of a bank or savings association and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Investing in the notes involves risks. See Risk Factors beginning on page S-9 to read about factors you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per note	Total
Public offering price(1)	%	$
Underwriting discount	%	$
Proceeds to Comerica (before expenses)(1)	%	$

(1) Plus accrued and unpaid interest, if any, from , 2019 to the date of delivery.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company and its participants, including Clearstream Banking, S.A., and Euroclear Bank SA/NV, on or about , 2019, against payment in immediately available funds.

Joint Book-Running Managers

Morgan Stanley **J.P. Morgan**

Co-Managers

Comerica Securities **Sandler O Neill + Partners, L.P.**

The date of this prospectus supplement is , 2019

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus we have authorized. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. This prospectus supplement and the accompanying prospectus may only be used where it is legal to sell these securities. You should assume that the information in this prospectus supplement, the accompanying prospectus and any information we have incorporated herein and therein by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

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About this Prospectus Supplement

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of the notes. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading Where You Can Find More Information below.

All references in this prospectus supplement to Comerica, we, us, our or similar references mean Comerica Incorporated and its successors, but does not include our consolidated subsidiaries except where the context otherwise so requires.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement. If the information conflicts with any statement in a document which we have incorporated by reference, then you should only consider the statement in the more recent document.

Where You Can Find More Information

We file annual, quarterly, and current reports, proxy statements, and other information with the Securities and Exchange Commission (the SEC). Our SEC filings are available to the public over the Internet at the SEC s website at http://www.sec.gov and on the investor relations page of our website at http://www.comerica.com. Except for those SEC filings incorporated by reference in this prospectus supplement, none of the other information on our website is part of this prospectus supplement.

The SEC s rules allow us to incorporate by reference information into this prospectus supplement. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this prospectus supplement. Any information incorporated by reference in this prospectus supplement that we file with the SEC after the date of this prospectus supplement will automatically update and supersede information contained in this prospectus supplement. Our SEC file number is 001-10706.

We are incorporating by reference in this prospectus supplement the documents listed below and any future filings that we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) prior to the termination of this offering, excluding any portions of any such documents that are furnished but not filed for purposes of the Exchange Act:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (including the portions of our Proxy Statement on Schedule 14A, filed on March 13, 2018, incorporated by reference therein);

- our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2018, June 30, 2018 and September 30, 2018; and our Current Reports on Forms 8-K filed on January 24, 2018, February 8, 2018, April 26, 2018, July 24, 2018, July 31, 2018, October 18, 2018 and January 11, 2019.

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Upon written or oral request, we will provide at no cost to the requester a copy of any or all of the information that has been incorporated by reference in this prospectus supplement but not delivered with the prospectus supplement. You may request a copy of these filings, other than exhibits unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing or telephoning Comerica at the following address:

Investor Relations

Comerica Incorporated

Comerica Bank Tower

1717 Main Street

Dallas, Texas 75201

Telephone number: (214) 462-6831

You should rely only on the information incorporated by reference or provided in this prospectus supplement and the accompanying prospectus.

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Cautionary Statement Regarding Forward-Looking Statements

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Any statements in this report that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Words such as anticipates, believes, contemplates, feels, expects, estimates, seeks, strives, plans, intends, outlo target, mission, assume, achievable, potential, strategy, goal, aspiration, opportunity, initiative, remain, maintain, on track, trend, objective, looks forward, projects, models and variations of such wor expressions, or future or conditional verbs such as will, would, should, could, might, can, may or similar e as they relate to Comerica or its management, are intended to identify forward-looking statements. These forward-looking statements are predicated on the beliefs and assumptions of Comerica s management based on information known to Comerica s management as of the date such statements were made and do not purport to speak as of any other date. Forward-looking statements may include descriptions of plans and objectives of Comerica s management for future or past operations, products or services, including the GEAR Up initiative, and forecasts of Comerica s revenue, earnings or other measures of economic performance, including statements of profitability, business segments and subsidiaries as well as estimates of the economic benefits of the GEAR Up initiative, and estimates of credit trends and global stability. Such statements reflect the view of Comerica s management as of this date with respect to future events and are subject to risks and uncertainties. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, Comerica s actual results could differ materially from those discussed. Factors that could cause or contribute to such differences are changes in general economic, political or industry conditions; changes in monetary and fiscal policies; whether Comerica may achieve opportunities for revenue enhancements and efficiency improvements under the GEAR Up initiative, or changes in the scope or assumptions underlying the GEAR Up initiative; operational difficulties, failure of technology infrastructure or information security incidents; reliance on other companies to provide certain key components of business infrastructure; Comerica s ability to maintain adequate sources of funding and liquidity; the effects of more stringent capital or liquidity requirements; declines or other changes in the businesses or industries of Comerica s customers; unfavorable developments concerning credit quality; changes in regulation or oversight; changes in the financial markets, including fluctuations in interest rates and their impact on deposit pricing; transitions away from LIBOR towards new interest rate benchmarks; reductions in Comerica s credit rating; damage to Comerica s reputation; Comerica s ability to utilize technology to efficiently and effectively develop, market and deliver new products and services; competitive product and pricing pressures among financial institutions within Comerica s markets; the interdependence of financial service companies; the implementation of Comerica s strategies and business initiatives; changes in customer behavior; management s ability to maintain and expand customer relationships; the effectiveness of methods of reducing risk exposures; the effects of catastrophic events including, but not limited to, hurricanes, tornadoes, earthquakes, fires, droughts and floods; the effects of recent tax reform and potential legislative, administrative or judicial changes or interpretations related to these and other tax regulations; any future strategic acquisitions or divestitures; management s ability to retain key officers and employees; the impact of legal and regulatory proceedings or determinations; the effects of terrorist activities and other hostilities; changes in accounting standards; the critical nature of Comerica s accounting policies and the volatility of Comerica s stock price. Comerica cautions that the foregoing list of factors is not all-inclusive. For discussion of factors that may cause actual results to differ from expectations, please refer to Comerica s filings with the SEC. In particular, please refer to Item 1A. Risk Factors beginning on page 11 of Comerica s Annual Report on Form 10-K for the year ended December 31, 2017 and Item 1A. Risk Factors beginning on page 59 of Comerica s Quarterly Report on Form 10-Q for the quarter ended June 30, 2018. Forward-looking statements speak only as of the date they are made. Comerica does not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made, except as required by law. For any forward-looking statements made in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference, Comerica claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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Summary

The following summary should be read together with the information contained in other parts of this prospectus supplement and the accompanying prospectus, including the documents we incorporate by reference. This summary highlights selected information from this prospectus supplement, the accompanying prospectus and the documents incorporated by reference to help you understand the offering of the notes. You should read this prospectus supplement and the accompanying prospectus carefully to understand fully the terms of the notes as well as the other considerations that are important to you in making a decision about whether to invest in the notes. You should pay special attention to the Risk Factors section beginning on page S-9 of this prospectus supplement and the information set forth under the caption Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 and the other documents, we incorporate by reference, before you determine whether an investment in the notes is appropriate for you.

About Comerica Incorporated

Comerica is a financial services company incorporated under the laws of the State of Delaware and headquartered in Dallas, Texas. Based on total assets, as of September 30, 2018, it was among the 25 largest commercial financial holding companies in the United States. As of September 30, 2018, Comerica owned directly or indirectly all the outstanding common stock of two active banking subsidiaries and 33 nonbanking subsidiaries. At September 30, 2018, Comerica had total assets of approximately $71.4 billion, total deposits of approximately $56.0 billion, total loans of approximately $49.0 billion and shareholders equity of approximately $7.8 billion.

Comerica has strategically aligned its operations into three major business segments: the Business Bank, the Retail Bank, and Wealth Management. In addition to the three major business segments, Finance is also reported as a segment.

The Business Bank meets the needs of small and middle market businesses, multinational corporations and governmental entities by offering various products and services, including commercial loans and lines of credit, deposits, cash management, capital market products, international trade finance, letters of credit, foreign exchange management services and loan syndication services.

The Retail Bank includes a full range of personal financial services, consisting of consumer lending, consumer deposit gathering and mortgage loan origination. This business segment offers a variety of consumer products, including deposit accounts, installment loans, credit cards, student loans, home equity lines of credit and residential mortgage loans.

Wealth Management offers products and services consisting of fiduciary services, private banking, retirement services, investment management and advisory services, investment banking and brokerage services. This business segment also offers the sale of annuity products, as well as life, disability and long-term care insurance products.

Finance includes Comerica s securities portfolio and asset and liability management activities. This segment is responsible for managing Comerica s funding, liquidity and capital needs, performing interest sensitivity analysis and executing various strategies to manage Comerica s exposure to liquidity, interest rate risk and foreign exchange risk.

Comerica operates in three primary geographic markets Texas, California, and Michigan, as well as in Arizona and Florida, with select businesses operating in several other states, and in Canada and Mexico.

Comerica has two active banking subsidiaries, Comerica Bank and Comerica Bank & Trust, National Association. Comerica has consolidated most of its banking business into Comerica Bank, which is chartered by

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the State of Texas, and at the state level is supervised and regulated by the Texas Department of Banking. Comerica Bank is a member of the Federal Reserve System and supervised and regulated by the Federal Reserve Bank of Dallas, and has branches in Texas, Michigan, California, Florida and Arizona. Comerica Bank & Trust, National Association is chartered under federal law and is subject to supervision and regulation by the Office of the Comptroller of the Currency. Comerica Bank & Trust, National Association is also a member of the Federal Reserve System. The deposits of Comerica Bank and Comerica Bank & Trust, National Association are insured by the Deposit Insurance Fund of the FDIC to the extent provided by law. Comerica is a bank holding company under the Bank Holding Company Act of 1956, as amended, and has elected to become a financial holding company under the provisions of the Gramm-Leach-Bliley Act. Accordingly, Comerica is subject to supervision and regulation at the federal level by the Board of Governors of the Federal Reserve System.

Comerica s principal executive office is located at Comerica Bank Tower, 1717 Main Street, Dallas, Texas 75201, and its telephone number is (214) 462-6831.

Recent Developments

Unaudited Financial Results as of and for the Quarter Ended December 31, 2018

On January 16, 2019, Comerica announced its unaudited financial results for the three months ended December 31, 2018 that included the information set forth below.

Comerica reported fourth quarter earnings of $310 million, or $1.88 per diluted share, which included the impact of restructuring charges of $11 million, net of tax, or $0.07 per diluted share.

Average total loans increased $248 million, compared to the third quarter 2018, to $48.8 billion, primarily reflecting increases in National Dealer Services and Energy, partially offset by a decrease in Mortgage Banker Finance. The increase in National Dealer Services and decrease in Mortgage Banker Finance were due to typical seasonality factors. Loan yields increased 16 basis points, primarily reflecting an increase in short-term rates, partially offset by a decrease in loan fees and the impact of other loan dynamics.

Average total deposits decreased $364 million, compared to the third quarter 2018, to $55.7 billion, primarily reflecting decreases in Corporate Banking, Retail Banking and Technology and Life Sciences, partially offset by increases in general Middle Market and Wealth Management. Noninterest-bearing deposits decreased $593 million, partially offset by a $229 million increase in interest-bearing deposits reflecting more efficient cash management by customers. Interest-bearing deposit costs increased 11 basis points due to continued focus on relationship-based deposit pricing as short-term interest rates increased.

Net interest income increased $15 million to $614 million. This included a net benefit from higher interest rates of $18 million from managing loan and deposit pricing in a rising rate environment. Net interest margin increased 10 basis points to 3.70 percent mostly due to the increase in interest rates.

The provision for credit losses was $16 million. Net credit-related charge-offs decreased to $11 million, or 0.09 percent of average loans in the fourth quarter 2018. The allowance for loan losses increased $7 million to $671 million, or 1.34 percent of total loans.

Noninterest income increased $16 million from the third quarter 2018 to $250 million. Third quarter 2018 noninterest income was impacted by a $20 million loss related to repositioning of the securities portfolio. Fourth quarter 2018 noninterest income also reflected a $10 million decrease in deferred compensation asset returns (offset in noninterest expenses), partially offset by a $3 million increase in card fees and smaller increases in other categories.

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Noninterest expenses decreased $4 million from the third quarter 2018 to $448 million. Excluding restructuring charges, noninterest expenses decreased $6 million due to decreases of $5 million in FDIC insurance expense and $4 million in salaries and benefits expense, partially offset by small increases in other categories. The decrease in salaries and benefits expense was primarily due to a $10 million decline in deferred compensation expense (offset in noninterest income), partially offset by an increase in technology-related labor costs.

Restructuring charges were $14 million and $12 million in fourth and third quarter 2018, respectively. The fourth quarter 2018 charges were the final charges of the GEAR Up Initiatives.

Comerica s provision for income taxes increased $27 million to $90 million in fourth quarter 2018, reflecting discrete tax benefit items of $23 million in third quarter 2018 and higher pre-tax earnings.

In the fourth quarter 2018, Comerica returned a total of $599 million to shareholders, including dividends and the repurchase of $500 million of common stock under the equity repurchase program. Comerica s estimated common equity Tier 1 capital ratio decreased 56 basis points to 11.12%.

The fourth quarter results included above are preliminary and unaudited and may be revised as a result of management s further review of our results. During the course of the preparation of our consolidated annual financial statements and related notes, we may identify items that would require us to make adjustments to the financial information presented above.

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The Offering

The following summary contains basic information about the notes and is not intended to be complete. It may not contain all the information that is important to you. For a more complete description of the notes, you should read the section of this prospectus supplement entitled Description of the Notes and the section in the accompanying prospectus entitled Description of Debt Securities.

Issuer	Comerica Incorporated, a Delaware corporation.
Securities offered	$ million aggregate principal amount of % senior notes due .
Issue date	, 2019.
Maturity	The notes will mature on , .
Interest Rates	The notes will bear interest from , 2019 at the rate of % per annum, payable in cash semiannually in arrears.
Interest	We will pay interest on the notes on and of each year, beginning on , 2019.
Ranking	The notes will be our unsecured and unsubordinated obligations and will rank:

- senior in right of payment to any of our existing and future indebtedness that is expressly subordinated in right of payment to the notes;
- equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated;
- effectively subordinated to any secured indebtedness, to the extent of the value of the assets securing such indebtedness; and

structurally subordinated to all existing and future liabilities, including claims with respect to deposit liabilities and trade payables, of our subsidiaries.

As of September 30, 2018, our subsidiaries had, in the aggregate, outstanding debt and other liabilities, including deposits, of approximately $63.8 billion. All of such debt and other liabilities would rank structurally senior to the notes in case of liquidation or otherwise. As of September 30, 2018, Comerica Incorporated (parent company only) had an aggregate of approximately $1.2 billion of outstanding senior debt, all of which would be equal in right of payment with the notes, approximately $250 million of outstanding subordinated debt and no secured debt.

The indenture does not limit the amount of additional indebtedness we or our subsidiaries may incur.

Optional Redemption	At any time on and after , (days prior to the maturity date of the notes), we may redeem some or all of the notes at

our option, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest on the notes being redeemed to, but not including, the redemption date. See Description of the Notes Optional Redemption.

No Guarantees	The notes are not guaranteed by any of our subsidiaries. As a result, the notes will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries as discussed above under Ranking.
Further Issuances	We may from time to time, without notice to or the consent of the holders of the notes, create and issue additional debt securities having the same terms (other than the original issuance date and, in some cases, the public offering price, the initial interest accrual date and the initial interest payment date) as and ranking equally and ratably with the notes offered by this prospectus supplement. If issued, any additional debt securities will become part of the same series as the notes offered by this prospectus supplement.
Use of Proceeds	We intend to use the proceeds for general corporate purposes, which may include working capital, investments in or advances to our existing or future subsidiaries, and repurchases, maturities and redemptions of our other outstanding securities, including the recently announced repurchase of our common stock. Pending such use, we intend to use the net proceeds to make short-term investments. See the section entitled Use of Proceeds.
Listing	The notes will not be listed on any securities exchange.
Denomination and Form	We will issue the notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company (DTC). Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, S.A. and Euroclear Bank SA/NV, will hold interests on behalf of their participants through their respective U.S. depositaries, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the indenture. The notes will be issued only in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

Conflicts of Interest	Comerica Securities, Inc., one of the underwriters in this offering, is our affiliate. The distribution arrangements for this offering comply with the requirements of Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121, regarding a FINRA member firm s participation in the distribution of securities of an affiliate. In

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	accordance with Rule 5121, no FINRA member firm that has a conflict of interest under Rule 5121 may make sales in this offering to any discretionary account without the prior approval of the customer.
Governing Law	The indenture and the notes are governed by and will be construed in accordance with the laws of the State of New York.
Trustee	The Bank of New York Mellon Trust Company, N.A. will act as trustee for the notes.

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Summary Consolidated Financial Information

The following table presents summary consolidated financial and other data as of and for the periods presented. The summary financial data as of December 31, 2017 and 2016 and for each of the years in the three-year period ended December 31, 2017 are derived from our audited consolidated financial statements and related notes, which are incorporated by reference into this prospectus supplement and the accompanying prospectus. The summary financial data for prior years is derived from our audited consolidated financial statements which are not incorporated by reference into this prospectus supplement and accompanying prospectus. The summary financial data as of September 30, 2018 and 2017 and for the three-month periods ended September 30, 2018 and 2017 are derived from our unaudited consolidated financial statements and related notes, which are incorporated by reference into this prospectus supplement and the accompanying prospectus. Such unaudited financial statements have been prepared on the same basis as our annual consolidated financial statements and include all adjustments, consisting of only normal recurring adjustments, necessary for the fair presentation of the data in all material respects. The results for any interim period are not necessarily indicative of the results of operations to be expected for a full fiscal year.

	As of or for the three months ended September 30,		As of or for the year ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
				(in millions)			
Income statement data:							
Net interest income	$ 599	$ 546	$ 2,061	$ 1,797	$ 1,689	$ 1,655	$ 1,672
Provision for loan losses	0	24	74	248	147	27	46
Noninterest income	234	275	1,107	1,051	1,035	857	874
Noninterest expenses	452	463	1,860	1,930	1,827	1,615	1,714
Income (loss) from continuing operations before income taxes	381	334	1,234	670	750	870	786
Provision (benefit) for income taxes	63	108	491	193	229	277	245
Net income from continuing operation	318	226	743	477	521	593	541
Income from discontinued operations, net of tax	0	0	0	0	0	0	0
Net income	318	226	743	477	521	593	541
Preferred stock dividends	0	0	0	0	0	0	0
Income allocated to participating securities	2	2	5	4	6	7	8
Net income (loss) attributable to common shares	$ 316	$ 224	$ 738	$ 473	$ 515	$ 586	$ 533
Balance sheet data:							
Total assets	$ 71,448	$ 72,017	$ 71,567	$ 72,978	$ 71,877	$ 69,186	$ 65,224
Total investment securities	11,862	12,342	12,204	12,369	12,500	10,051	9,307
Total loans	49,010	49,209	49,173	49,088	49,084	48,593	45,470

Total earning assets	65,902	66,496	65,880	67,518	66,687	63,788	60,200
Total deposits	56,006	57,819	57,903	58,985	59,853	57,486	53,292
Total medium- and long-term debt	6,418	4,637	4,622	5,160	3,058	2,675	3,543
Total common shareholders equity	7,786	8,034	7,963	7,796	7,560	7,402	7,150
Total shareholders equity	7,786	8,034	7,963	7,796	7,560	7,402	7,150

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	As of or for the three months ended September 30,		As of or for the year ended December 31,			
	201820172017		2016	2015	2014	2013
				(in millions)		

Minimum
Tax)

640

Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2010B,

10/20 at 100.00
AA+
637,728

5.000%, 10/01/35 – AGM Insured

500

North Sumter County Utility Dependent District, Florida, Utility Revenue Bonds, Series 2010,

10/20 at 100.00
AA+
503,380

5.375%, 10/01/40

645

Tolomato Community Development District, Florida, Special Assessment Bonds, Series 2006,

5/14 at 101.00
N/R
487,891

5.400%, 5/01/37

4,245

Total Florida

4,112,826

Georgia – 0.9%

500

Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2009B, 5.250%, 11/01/34 –

11/19 at 100.00
AA+

515,665

AGM Insured

300

Main Street Natural Gas Inc., Georgia, Gas Project Revenue Bonds, Series 2007B, 5.000%, 3/15/22

No Opt. Call
A
294,171
800

Total Georgia

809,836

Illinois – 10.4%

740

Chicago, Illinois, Tax Increment Allocation Bonds, Irving/Cicero Redevelopment Project, Series

1/12 at 100.00
N/R
741,251

1998, 7.000%, 1/01/14

1,500

Illinois Development Finance Authority, Pollution Control Revenue Refunding Bonds – CIPS Debt,

10/11 at 100.00
BBB–
1,499,970

Series 1993C-2, 5.950%, 8/15/26

500

Illinois Development Finance Authority, Revenue Bonds, Chicago Charter School Foundation,

12/12 at 100.00
N/R (4)
536,765

Series 2002A, 6.125%, 12/01/22 (Pre-refunded 12/01/12)

1,000

Illinois Finance Authority, Revenue Bonds, Children's Memorial Hospital, Tender Option Bond

No Opt. Call
AA+
1,029,160

Trust 1098, 19.002%, 8/15/15 – AGC Insured (IF) (5)

250

Illinois Finance Authority, Revenue Bonds, Palos Community Hospital, Series 2010C,

5/20 at 100.00
N/R
242,133

5.125%, 5/15/35

250

Illinois Finance Authority, Revenue Bonds, Rush University Medical Center Obligated Group,

No Opt. Call
A2
265,905

Series 2009C, 6.375%, 11/01/29

500

Illinois Finance Authority, Revenue Bonds, Silver Cross Hospital and Medical Centers, Series

8/19 at 100.00
BBB
522,125

2009, 7.000%, 8/15/44

250

Illinois FInance Authority, Revenue Bonds, Southern Illinois Healthcare Enterprises, Inc.,

3/20 at 100.00
AA+
254,048

Series 2005 Remarketed, 5.250%, 3/01/30 – AGM Insured

600

Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2002,

5/12 at 100.00
Aaa
625,332

5.500%, 5/15/32 (Pre-refunded 5/15/12)

1,000

Illinois Health Facilities Authority, Revenue Refunding Bonds, Elmhurst Memorial Healthcare,

1/13 at 100.00
Baa1
1,006,470

Series 2002, 5.500%, 1/01/22

250

Lombard Public Facilities Corporation, Illinois, Second Tier Conference Center and Hotel
1/16 at 100.00
B–
176,230

Revenue Bonds, Series 2005B, 5.250%, 1/01/36

1,305

North Chicago, Illinois, General Obligation Bonds, Series 2005B, 5.000%, 11/01/25 – FGIC Insured
11/15 at 100.00
BBB
1,346,499
800

Railsplitter Tobacco Settlement Authority, Illinois, Tobacco Settlement Revenue Bonds, Series
No Opt. Call
A–
826,328

2010, 6.000%, 6/01/28

8,945

Total Illinois

9,072,216

Indiana – 4.0%

525

Indiana Finance Authority, Educational Facilities Revenue Bonds, Drexel Foundation For
10/19 at 100.00
BBB–
527,520

Educational Excellence, Inc., Series 2009A, 7.000%, 10/01/39

2,000

Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Riverview Hospital,
8/12 at 101.00

Baa1 (4)
2,133,280

Series 2002, 6.125%, 8/01/31 (Pre-refunded 8/01/12)

250

Indianapolis, Indiana, Multifamily Housing Revenue Bonds, GMF-Berkley Commons Apartments,

7/20 at 100.00
A+
248,288

Series 2010A, 6.000%, 7/01/40

500

Vigo County Hospital Authority, Indiana, Hospital Revenue Bonds, Union Hospital, Inc., Series

9/21 at 100.00
N/R
531,980

2011, 8.000%, 9/01/41

3,275

Total Indiana

3,441,068

Iowa – 0.9%

835

Iowa Higher Education Loan Authority, Private College Facility Revenue Bonds, University of

10/21 at 100.00
BBB–
824,454

Dubuque Project, Refunding Series 2011, 5.625%, 10/01/26

Kansas – 0.5%

500

Overland Park Development Corporation, Kansas, Second Tier Revenue Bonds, Overland Park

1/17 at 100.00
Baa3
464,825

Convention Center, Series 2007B, 5.125%, 1/01/22 – AMBAC Insured

Kentucky – 2.8%

500

Kentucky Economic Development Finance Authority, Hospital Facilities Revenue Bonds, Owensboro

No Opt. Call

Baa2

514,145

Medical Health System, Series 2010A, 6.500%, 3/01/45

440

Kentucky Housing Corporation, Housing Revenue Bonds, Series 2010C, 4.625%, 7/01/33

1/20 at 100.00

AAA

437,884

1,500

Louisville-Jefferson County Metropolitan Government, Kentucky, Health Facilities Revenue

2/18 at 100.00

A–

1,509,165

Bonds, Jewish Hospital & Saint Mary's HealthCare Inc. Project, Series 2008, 6.125%, 2/01/37

2,440

Total Kentucky

2,461,194

Louisiana – 1.7%

500

Louisiana Local Government Enrvironmental Facilities and Community Development Authority,

1/19 at 100.00

AA+

520,635

Revenue Refunding Bonds, City of Shreveport Airport System Project, Series 2008A, 5.750%,

1/01/28 – AGM Insured

Louisiana Public Facilities Authority, Extended Care Facilities Revenue Bonds, Comm-Care

Corporation Project, Series 1994:

80

11.000%, 2/01/14 (ETM)

No Opt. Call
N/R (4)
91,630
750

11.000%, 2/01/14 (ETM)

No Opt. Call
N/R (4)
859,028
1,330

Total Louisiana

1,471,293

Maryland – 2.5%

1,000

Maryland Economic Development Corporation, Economic Development Revenue Bonds, Transportation

6/20 at 100.00
Baa3
986,250

Facilities Project, Series 2010A, 5.750%, 6/01/35

1,000

Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995,

9/11 at 100.00
N/R
1,002,170

7.400%, 9/01/19 (Alternative Minimum Tax)

210

Maryland Health and HIgher Edcuational Facilities Authority, Revenue Bonds, Patterson Park

7/20 at 100.00
BBB–
197,150

Public Charter School Issue, Series 2010, 6.000%, 7/01/40

2,210

Total Maryland

2,185,570

Massachusetts – 0.5%

155

Massachusetts Development Finance Agency, Resource Recovery Revenue Bonds, Ogden Haverhill

12/11 at 100.00
A–
155,440

Associates, Series 1999A, 6.700%, 12/01/14 (Alternative Minimum Tax)

270

Massachusetts Industrial Finance Agency, Resource Recovery Revenue Refunding Bonds, Ogden

12/11 at 100.00
A–
270,076

Haverhill Project, Series 1998A, 5.450%, 12/01/12 (Alternative Minimum Tax)

425

Total Massachusetts

425,516

Michigan – 2.4%

1,000

Delta County Economic Development Corporation, Michigan, Environmental Improvement Revenue

4/12 at 100.00
AAA
1,043,700

Refunding Bonds, MeadWestvaco Corporation – Escanaba Paper Company, Series 2002B, 6.450%,

4/15/23 (Pre-refunded 4/15/12) (Alternative Minimum Tax)

1,000

Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series

No Opt. Call
Aa3
1,010,090

2011-II-A, 5.375%, 10/15/36

2,000

Total Michigan

2,053,790

Mississippi – 0.6%

500

Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System

10/11 at 100.00
BBB
500,650

Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22

Missouri – 6.1%

265

Hanley Road Corridor Transportation Development District, Brentwood and Maplewood, Missouri,

10/19 at 100.00
A–
268,575

Transportation Sales Revenue Bonds, Refunding Series 2009A, 5.875%, 10/01/36

4,450

Missouri Environmental Improvement and Energy Resources Authority, Water Facility Revenue

12/16 at 100.00
AA+
4,037,129

Bonds, Missouri-American Water Company, Series 2006, 4.600%, 12/01/36 – AMBAC Insured

(Alternative Minimum Tax) (UB)

500

Missouri Health and Educational Facilities Authority, Revenue Bonds, Rockhurst University,

10/18 at 103.00
BBB
517,655

Series 1999, 6.000%, 10/01/25

500

Missouri Health and Educational Facilities Authority, Revenue Bonds, Rockhurst University,

10/18 at 103.00
BBB
519,890

Series 2011A, 5.250%, 10/01/20

5,715

Total Missouri

5,343,249

Montana – 1.4%

1,200

Montana Board of Investments, Exempt Facility Revenue Bonds, Stillwater Mining Company, Series

7/12 at 100.00

B+

1,204,848

2000, 8.000%, 7/01/20 (Alternative Minimum Tax)

Nebraska – 1.6%

400

Nebraska Educational Finance Authority, Revenue Bonds, Clarkson College Project, Refunding

5/21 at 100.00

Aa3

410,392

Series 2011, 5.050%, 9/01/30

1,000

Washington County, Nebraska, Wastewater Facilities Revenue Bonds, Cargill Inc., Series 2002,

11/12 at 101.00

A

1,022,580

5.900%, 11/01/27 (Alternative Minimum Tax)

1,400

Total Nebraska

1,432,972

New Jersey – 0.4%

500

Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds,

6/17 at 100.00
Baa3
344,940

Series 2007-1A, 4.750%, 6/01/34

New York – 5.0%

630

Brooklyn Areba Local Development Corporation, New York, Payment in Lieu of Taxes Revenue
No Opt. Call
BBB–
644,081

Bonds, Barclays Center Project, Series 2009, 6.250%, 7/15/40

1,000

Dormitory Authority of the State of New York, Revenue Bonds, Brooklyn Law School, Series
7/13 at 100.00
BBB+
1,076,290

2003A, 5.500%, 7/01/15 – RAAI Insured

265

Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air
12/20 at 100.00
BBB–
269,041

Terminal LLC Project, Eighth Series 2010, 6.000%, 12/01/42

2,245

Yates County Industrial Development Agency, New York, FHA-Insured Civic Facility Mortgage
2/12 at 100.50
N/R
2,327,100

Revenue Bonds, Soldiers and Sailors Memorial Hospital, Series 2000A, 6.000%, 2/01/41

4,140

Total New York

4,316,512

North Dakota – 0.5%

300

Fargo, North Dakota, Health System Revenue Bonds, Sanford Health, Refunding Series 2011,

11/21 at 100.00

AA–

324,270

6.250%, 11/01/31

Ohio – 2.0%

520

Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue

6/17 at 100.00

Baa3

384,925

Bonds, Senior Lien, Series 2007A-2, 5.875%, 6/01/47

1,000

Erie County, Ohio, Hospital Facilities Revenue Bonds, Firelands Regional Medical Center

8/16 at 100.00

A–

860,740

Project, Series 2006, 5.250%, 8/15/46

500

Montgomery County, Ohio, Health Care and Multifamily Housing Revenue Bonds, Saint Leonard,

4/20 at 100.00

BBB–

491,650

Refunding & improvement Series 2010, 6.375%, 4/01/30

2,020

Total Ohio

1,737,315

Pennsylvania – 0.5%

460

Cumberland County Municipal Authority Revenue Bonds, Pennsylvania, Diakon Lutheran Social

1/19 at 100.00

N/R
469,163

Ministries Project, Series 2009, 6.125%, 1/01/29

Puerto Rico – 0.8%

640

Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series
8/19 at 100.00
A+
670,618

2009A, 6.000%, 8/01/42

Rhode Island – 1.1%

1,000

Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds,
6/12 at 100.00
BBB
944,000

Series 2002A, 6.250%, 6/01/42

South Carolina – 3.8%

1,500

Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series
12/12 at 101.00
AA
1,609,485

2002, 5.500%, 12/01/13

475

Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 1991, 6.750%,
No Opt. Call
Baa1 (3)
615,263

1/01/19 – FGIC Insured (ETM)

1,105

South Carolina JOBS Economic Development Authority, Economic Development Revenue Bonds, Bon
11/12 at 100.00

A–
1,106,193

Secours Health System Inc., Series 2002B, 5.625%, 11/15/30

3,080

Total South Carolina

3,330,941

Tennessee – 3.5%

1,000

Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue
4/12 at 101.00
A1
1,039,650

Bonds, Baptist Health System of East Tennessee Inc., Series 2002, 6.375%, 4/15/22

Shelby County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue

Bonds, Methodist Healthcare, Series 2002:

375

6.500%, 9/01/26 (Pre-refunded 9/01/12)
9/12 at 100.00
AAA
399,206
625

6.500%, 9/01/26 (Pre-refunded 9/01/12)
9/12 at 100.00
AAA
665,344
1,000

Sullivan County Health Educational and Housing Facilities Board, Tennessee, Revenue Bonds,
9/16 at 100.00
BBB+
905,700

Wellmont Health System, Series 2006C, 5.250%, 9/01/36

500

Sumner County Health, Educational, and Housing Facilities Board, Tennessee, Revenue Refunding
11/17 at 100.00

N/R
37,445

Bonds, Sumner Regional Health System Inc., Series 2007, 5.500%, 11/01/37 (6) (7)

3,500

Total Tennessee

3,047,345

Texas – 10.8%

25

Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company,
No Opt. Call
CC
24,610

Series 2001C, 5.750%, 5/01/36 (Mandatory put 11/01/11) (Alternative Minimum Tax)

1,500

Cameron Education Finance Corporation, Texas, Charter School Revenue Bonds, Faith Family
8/16 at 100.00
BBB–
1,205,340

Academy Charter School, Series 2006A, 5.250%, 8/15/36 – ACA Insured

2,000