

DWS MUNICIPAL INCOME TRUST
Form N-CSRS
August 03, 2018
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM N-CSRS

Investment Company Act file number: 811-05655

DWS Municipal Income Trust

(Exact Name of Registrant as Specified in Charter)

345 Park Avenue

New York, NY 10154-0004

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code: (212) 250-2500

Diane Kenneally

1 International Place

Boston, MA 02110

(Name and Address of Agent for Service)

Date of fiscal year end: 11/30

Date of reporting period: 5/31/2018

ITEM 1. REPORT TO STOCKHOLDERS

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May 31, 2018

Semiannual Report

to Shareholders

DWS Municipal Income Trust

(On July 2, 2018, Deutsche Municipal Income Trust was renamed DWS Municipal Income Trust)

Ticker Symbol: KTF

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The Fund's investment objective is to provide a high level of current income exempt from federal income tax.

Closed-end funds, unlike open-end funds, are not continuously offered. There is a one time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Shares of closed-end funds frequently trade at a discount to net asset value. The price of the Fund's shares is determined by a number of factors, several of which are beyond the control of the Fund. Therefore, the Fund cannot predict whether its shares will trade at, below or above net asset value.

Bond investments are subject to interest-rate, credit, liquidity and market risks to varying degrees. When interest rates rise, bond prices generally fall. Credit risk refers to the ability of an issuer to make timely payments of principal and interest. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. Leverage results in additional risks and can magnify the effect of any gains or losses. Although the Fund seeks income that is exempt from federal income taxes, a portion of the Fund's distributions may be subject to federal, state and local taxes, including the alternative minimum tax.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE NOT A DEPOSIT NOT
INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Table of Contents**Performance Summary****May 31, 2018 (Unaudited)**

Performance is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when sold, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit dws.com for the Fund's most recent month-end performance.

Fund specific data and performance are provided for informational purposes only and are not intended for trading purposes.

Average Annual Total Returns as of 5/31/18

Deutsche Municipal Income Trust	6-Month	1-Year	5-Year	10-Year
Based on Net Asset Value^(a)	0.25%	1.04%	3.62%	7.29%
Based on Market Price^(a)	2.97%	13.72%	1.85%	7.01%
Bloomberg Barclays Municipal Bond Index ^(b)	0.71%	1.11%	2.92%	4.30%
Morningstar Closed-End Municipal National Long Funds Category ^(c)	0.90%	2.23%	4.70%	6.39%

Total returns shown for periods less than one year are not annualized.

- (a) Total return based on net asset value reflects changes in the Fund's net asset value during each period. Total return based on market price reflects changes in market price. Each figure assumes that dividend and capital gain distributions, if any, were reinvested. These figures will differ depending upon the level of any discount from or premium to net asset value at which the Fund's shares traded during the period. Expenses of the Fund include management fee, interest expense and other fund expenses. Total returns shown take into account these fees and expenses. The expense ratio of the Fund for the six months ended May 31, 2018 was 2.15% (0.86% excluding interest expense).
- (b) The unmanaged, unleveraged Bloomberg Barclays Municipal Bond Index covers the U.S. dollar-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.
- (c) Morningstar's Closed-End Municipal National Long Funds category represents muni national long portfolios that invest in municipal bonds. Such bonds are issued by various state and local governments to fund public projects and are free from federal taxes. To lower risk, these funds spread their assets across many states and sectors. They focus on bonds with durations of seven years or more. This makes them more sensitive to interest rates, and thus riskier, than muni funds that focus on bonds with shorter maturities. Morningstar figures represent the average of the total returns based on net asset value reported by all of the closed-end funds designated by Morningstar, Inc. as falling into the Closed-End Municipal National Long Funds category. Category returns assume reinvestment of all distributions. It is not possible to invest directly in a Morningstar category.

Table of Contents**Net Asset Value and Market Price**

	As of 5/31/17	As of 11/30/17
Net Asset Value	\$ 12.18	\$ 12.50
Market Price	\$ 11.11	\$ 11.78
Premium (discount)	(8.78%)	(5.76%)

Prices and net asset value fluctuate and are not guaranteed.

Distribution Information

Six Months as of 5/31/18:

Income Dividends (common shareholders)	\$.32
Capital Gain Dividend (common shareholders)	\$.01
May Income Dividend (common shareholders)	\$.0525
Current Annualized Distribution Rate (based on Net Asset Value) as of 5/31/18	5.17%
Current Annualized Distribution Rate (based on Market Price) as of 5/31/18	5.67%
Tax Equivalent Distribution Rate (based on Net Asset Value) as of 5/31/18	8.74%
Tax Equivalent Distribution Rate (based on Market Price) as of 5/31/18	9.58%

Current annualized distribution rate is the latest monthly dividend shown as an annualized percentage of net asset value/market price on May 31, 2018. Distribution rate simply measures the level of dividends and is not a complete measure of performance. Tax equivalent distribution rate is based on the Fund's distribution rate and a marginal income tax rate of 40.8%. Distribution rates are historical, not guaranteed and will fluctuate. Distributions do not include return of capital or other non-income sources.

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Portfolio Management Team

Ashton P. Goodfield, CFA, Managing Director

Portfolio Manager of the Fund. Began managing the Fund in 2014.

Joined DWS in 1986.

Co-Head of Municipal Bonds.

BA, Duke University.

Michael J. Generazo, Director

Portfolio Manager of the Fund. Began managing the Fund in 2010.

Joined DWS in 1989.

BS, Pennsylvania State University; MS, Boston College.

Peter Aloisi, CFA, Vice President

Portfolio Manager of the Fund. Began managing the Fund in 2018.

Joined DWS in 2010 with five years of industry experience; previously, served as an Associate at Banc of America Securities.

BA and MBA, Boston College.

Portfolio Summary

(Unaudited)

Asset Allocation (As a % of Investment Portfolio)	5/31/18	11/30/17
Revenue Bonds	68%	70%
Escrow to Maturity/Prerefunded Bonds	17%	15%
General Obligation Bonds	10%	11%
Lease Obligations	5%	4%
	100%	100%
Quality	5/31/18	11/30/17

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AAA	5%	4%
AA	41%	42%
A	44%	44%
BBB	5%	6%
Not Rated	5%	4%
	100%	100%

The quality ratings represent the higher of Moody's Investors Service, Inc. (Moody's), Fitch Ratings, Inc. (Fitch) or Standard & Poor's Corporation (S&P) credit ratings. The ratings of Moody's, Fitch and S&P represent their opinions as to the quality of the securities they rate. Credit quality measures a bond issuer's ability to repay interest and principal in a timely manner. Ratings are relative and subjective and are not absolute standards of quality. Credit quality does not remove market risk and is subject to change.

Table of Contents**Top Five State/Territory Allocations**

(As a % of Investment Portfolio)	5/31/18	11/30/17
Texas	11%	13%
Florida	11%	10%
New York	10%	8%
California	10%	12%
Nevada	6%	5%

Interest Rate Sensitivity

	5/31/18	11/30/17
Effective Maturity	5.2 years	5.4 years
Modified Duration	5.1 years	5.2 years

Leverage (As a % of Total Assets)

5/31/18	11/30/17
36%	36%

Effective maturity is the weighted average of the maturity date of bonds held by the Fund taking into consideration any available maturity shortening features.

Modified duration is an approximate measure of the Fund's sensitivity to movements in interest rates based on the current interest rate environment.

Leverage results in additional risks and can magnify the effect of any gains or losses to a greater extent than if leverage were not used.

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 7. A fact sheet is available on dws.com or upon request. Please see the Additional Information section on page 40 for contact information.

Table of Contents**Investment Portfolio**

as of May 31, 2018 (Unaudited)

	Principal Amount (\$)	Value (\$)
Municipal Bonds and Notes 131.8%		
Alabama 0.4%		
Alabama, UAB Medicine Finance Authority Revenue, Series B2, 5.0%, 9/1/2041	1,625,000	1,874,551
Arizona 1.3%		
Arizona, Salt Verde Financial Corp., Gas Revenue: 5.0%, 12/1/2037	1,050,000	1,257,921
5.5%, 12/1/2029	1,400,000	1,692,586
Phoenix, AZ, Civic Improvement Corp., Airport Revenue, Series A, Prerefunded, 5.0%, 7/1/2040	3,000,000	3,194,610
		6,145,117
California 15.8%		
California, Health Facilities Financing Authority Revenue, Catholic Healthcare West, Series A, Prerefunded, 6.0%, 7/1/2039	3,500,000	3,669,610
California, M-S-R Energy Authority, Series A, 7.0%, 11/1/2034, GTY: Citigroup, Inc.	3,180,000	4,535,411
California, South Bayside Waste Management Authority, Solid Waste Enterprise Revenue, Shoreway Environmental Center, Series A, 6.25%, 9/1/2029	5,345,000	5,638,280
California, State General Obligation: 5.0%, 11/1/2043	5,000,000	5,642,050
5.25%, 4/1/2035	4,295,000	4,762,897
5.5%, 3/1/2040	1,370,000	1,456,009
California, State General Obligations: 6.0%, 4/1/2038	6,465,000	6,694,314
Prerefunded, 6.0%, 4/1/2038	3,535,000	3,668,446
California, State Public Works Board, Lease Revenue, Capital Projects, Series I-1, Prerefunded, 6.375%, 11/1/2034	2,000,000	2,135,620
California, Statewide Communities Development Authority Revenue, American Baptist Homes of the West, 6.25%, 10/1/2039, GTY: American Baptist Homes of the Midwest	1,250,000	1,314,863
Long Beach, CA, Harbor Revenue, Series D, 5.0%, 5/15/2039	1,065,000	1,219,926
Los Angeles, CA, Department of Airports Revenue, Los Angeles International Airport: Series B, 5.0%, 5/15/2035	8,500,000	9,008,045
Series B, AMT, 5.0%, 5/15/2046	6,430,000	7,246,031
San Diego County, CA, Regional Airport Authority Revenue, Series B, AMT, 5.0%, 7/1/2043	7,000,000	7,661,290
San Diego, CA, Unified School District, Election 2012, Series C, 5.0%, 7/1/2035	5,000,000	5,643,100

The accompanying notes are an integral part of the financial statements.

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	Principal Amount (\$)	Value (\$)
San Francisco, CA, City & County Airports Commission, International Airport Revenue, Series B, AMT, 5.0%, 5/1/2046	5,000,000	5,646,650
		75,942,542
Colorado 3.4%		
Colorado, Regional Transportation District, Sales Tax Revenue, Series B, 4.0%, 11/1/2035	965,000	1,032,125
Colorado, State Board of Governors, University Enterprise System Revenue: Series E-1, 5.0%, 3/1/2040	4,230,000	4,775,755
Series E-1, Prerefunded, 5.0%, 3/1/2040	1,560,000	1,819,475
Colorado, State Health Facilities Authority Revenue, School Health Systems, Series A, 5.5%, 1/1/2035	5,450,000	6,225,698
Denver, CO, City & County Airport Revenue, Series A, AMT, 5.25%, 11/15/2043	2,400,000	2,640,336
		16,493,389
Connecticut 0.4%		
Connecticut, State Special Tax Obligation Revenue, Transportation Infrastructure Purpose, Series A, 5.0%, 1/1/2038	1,785,000	2,001,199
District of Columbia 1.9%		
District of Columbia, General Obligation: Series A, 5.0%, 6/1/2034	1,000,000	1,170,340
Series A, 5.0%, 6/1/2032	500,000	589,080
Series A, 5.0%, 6/1/2033	700,000	822,276
District of Columbia, Metropolitan Airport Authority Systems Revenue: Series A, AMT, 5.0%, 10/1/2038	800,000	880,240
Series A, AMT, 5.0%, 10/1/2043	3,400,000	3,712,970
District of Columbia, The PEW Charitable Trust, Series A, 1.05%*, 4/1/2038, LOC: PNC Bank NA	900,000	900,000
Metropolitan Washington, DC, Airports Authority Systems Revenue, AMT, 5.0%, 10/1/2047	1,000,000	1,138,040
		9,212,946
Florida 14.1%		
Florida, State Higher Educational Facilities, Financial Authority Revenue, Nova Southeastern University Project, 5.0%, 4/1/2034	1,350,000	1,504,116
Greater Orlando, FL, Aviation Authority Airport Facilities Revenue: Series A, AMT, 5.0%, 10/1/2042	1,490,000	1,691,835
Series A, AMT, 5.0%, 10/1/2047	965,000	1,091,579

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	Principal Amount (\$)	Value (\$)
Miami-Dade County, FL, Aviation Revenue:		
Series A, AMT, 5.0%, 10/1/2035	5,000,000	5,568,950
Series B, AMT, 5.0%, 10/1/2040	2,360,000	2,665,526
Series A, 5.5%, 10/1/2041	10,000,000	10,447,000
Miami-Dade County, FL, Aviation Revenue, Miami International Airport:		
Series A, AMT, Prerefunded, 5.25%, 10/1/2033, INS: AGC	8,500,000	8,596,220
Series A-1, 5.375%, 10/1/2035	2,000,000	2,142,160
Miami-Dade County, FL, Expressway Authority, Toll Systems Revenue, Series A, 5.0%, 7/1/2035, INS: AGMC	3,000,000	3,173,190
Miami-Dade County, FL, Health Facilities Authority Hospital Revenue, Nicklaus Children's Hospital, 5.0%, 8/1/2047	3,335,000	3,735,033
North Brevard County, FL, Hospital District Revenue, Parrish Medical Center Project:		
Prerefunded, 5.5%, 10/1/2028	5,290,000	5,356,554
Prerefunded, 5.75%, 10/1/2038	5,000,000	5,066,920
Orange County, FL, Health Facilities Authority Revenue, Orlando Health, Inc.:		
Series A, 5.0%, 10/1/2035	720,000	810,108
Series A, 5.0%, 10/1/2036	865,000	970,573
Orlando & Orange County, FL, Expressway Authority Revenue, Series A, Prerefunded, 5.0%, 7/1/2040	11,895,000	12,641,649
Tallahassee, FL, Health Facilities Revenue, Memorial Healthcare, Inc. Project, Series A, 5.0%, 12/1/2055	2,045,000	2,199,541
		67,660,954
Georgia 7.8%		
Atlanta, GA, Airport Revenue:		
Series A, 5.0%, 1/1/2035	1,030,000	1,076,844
Series C, AMT, 5.0%, 1/1/2037	1,690,000	1,818,592
Cobb County, GA, Kennestone Hospital Authority, Revenue Anticipation Certificates, Wellstar Health System, Series A, 5.0%, 4/1/2047	875,000	971,766
Fulton County, GA, Development Authority Hospital Revenue, Revenue Anticipation Certificates, Wellstar Health System, Series A, 5.0%, 4/1/2047	1,055,000	1,171,673
Gainesville & Hall County, GA, Hospital Authority, Northeast Georgia Healthcare:		
Series A, 5.5%, 2/15/2045	505,000	532,336
Series A, Prerefunded, 5.5%, 2/15/2045	1,630,000	1,726,659
Georgia, Glynn-Brunswick Memorial Hospital Authority, Anticipation Certificates, Southeast Georgia Health System Project, 5.0%, 8/1/2047	465,000	513,095
Georgia, Main Street Natural Gas, Inc., Gas Project Revenue:		
Series A, 5.0%, 3/15/2020, GTY: JPMorgan Chase & Co.	7,250,000	7,617,938
Series A, 5.5%, 9/15/2024, GTY: Merrill Lynch & Co., Inc.	5,000,000	5,797,300
Series A, 5.5%, 9/15/2028, GTY: Merrill Lynch & Co., Inc.	10,000,000	12,059,400

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	Principal Amount (\$)	Value (\$)
Georgia, Medical Center Hospital Authority Revenue, Anticipation Certificates, Columbus Regional Healthcare Systems, Prerefunded, 6.5%, 8/1/2038, INS: AGC	3,300,000	3,325,905
Georgia, Municipal Electric Authority Revenue, Project One, Series A, 5.0%, 1/1/2035	1,010,000	1,111,343
		37,722,851
Guam 0.1%		
Guam, International Airport Authority Revenue, Series C, AMT, 6.375%, 10/1/2043	535,000	613,731
Hawaii 1.5%		
Hawaii, State Airports Systems Revenue: Series A, 5.0%, 7/1/2039	4,200,000	4,442,466
Series A, AMT, 5.0%, 7/1/2041	1,490,000	1,661,559
Hawaii, State Department of Budget & Finance, Special Purpose Revenue, Hawaiian Electric Co., Inc., 6.5%, 7/1/2039	1,000,000	1,047,050
		7,151,075
Idaho 1.0%		
Idaho, Health Facilities Authority Revenue, St. Luke's Regional Medical Center: 5.0%, 7/1/2035, INS: AGMC	2,500,000	2,630,250
6.75%, 11/1/2037	2,135,000	2,177,657
		4,807,907
Illinois 8.1%		
Chicago, IL, Airport Revenue, O'Hare International Airport: Series A, Prerefunded, 5.75%, 1/1/2039	4,200,000	4,594,422
Series B, Prerefunded, 6.0%, 1/1/2041	9,000,000	9,901,350
Chicago, IL, Airport Revenue, O'Hare International Airport, Senior Lien, Series D, AMT, 5.0%, 1/1/2047	2,085,000	2,290,581
Chicago, IL, O'Hare International Airport Airport Revenue, Third Lien, Series A, 5.75%, 1/1/2039	800,000	868,192
Chicago, IL, O'Hare International Airport Special Facility Revenue, AMT, 5.0%, 7/1/2048	395,000	437,498
Illinois, Finance Authority Revenue, Advocate Health Care Network, Series D, Prerefunded, 6.5%, 11/1/2038	1,000,000	1,019,420
Illinois, Finance Authority Revenue, Memorial Health Systems, 5.5%, 4/1/2039	4,200,000	4,324,110
Illinois, Metropolitan Pier & Exposition Authority, Dedicated State Tax Revenue, Capital Appreciation-McCormick, Series A, Zero Coupon, 6/15/2036, INS: NATL	3,500,000	1,511,895
Illinois, Railsplitter Tobacco Settlement Authority, Prerefunded, 6.0%, 6/1/2028	915,000	1,021,048

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	Principal Amount (\$)	Value (\$)
Illinois, State Finance Authority Revenue, Advocate Health Care Network, Series B, Prerefunded, 5.375%, 4/1/2044	2,500,000	2,574,475
Illinois, State Finance Authority Revenue, Ascension Health Credit Group, Series A, 5.0%, 11/15/2032	730,000	793,182
Illinois, State Finance Authority Revenue, OSF Healthcare Systems: Series A, 5.0%, 5/15/2041	1,580,000	1,678,023
Series A, 5.0%, 11/15/2045	1,745,000	1,908,088
Illinois, State Finance Authority Revenue, University of Chicago, Series A, 5.0%, 10/1/2038	4,445,000	5,043,919
Springfield, IL, Electric Revenue, Senior Lien, 5.0%, 3/1/2040, INS: AGMC	970,000	1,061,529
		39,027,732
Indiana 2.3%		
Indiana, Finance Authority Hospital Revenue, Deaconess Hospital Obligation, Series A, Prerefunded, 6.75%, 3/1/2039	1,745,000	1,810,280
Indiana, State Finance Authority Revenue, Community Foundation of Northwest Indiana, 5.0%, 3/1/2041	5,000,000	5,353,050
Indiana, State Municipal Power Agency Revenue, Series A, 5.0%, 1/1/2042	3,230,000	3,677,743
		10,841,073
Kentucky 1.0%		
Kentucky, Economic Development Finance Authority, Louisville Arena Project Revenue, Series A-1, Prerefunded, 6.0%, 12/1/2042, INS: AGC	4,000,000	4,000,000
Kentucky, State Economic Development Finance Authority, Owensboro Health, Inc. Obligated Group: Series A, 5.0%, 6/1/2045	320,000	343,219
Series A, 5.25%, 6/1/2041	480,000	529,517
		4,872,736
Louisiana 2.9%		
Louisiana, New Orleans Aviation Board, General Airport North Terminal, Series B, AMT, 5.0%, 1/1/2048	710,000	791,068
Louisiana, Public Facilities Authority Revenue, Ochsner Clinic Foundation Project, 5.0%, 5/15/2047	6,000,000	6,645,900
Louisiana, Public Facilities Authority, Hospital Revenue, Lafayette General Medical Center, 5.5%, 11/1/2040	3,000,000	3,164,310
Louisiana, State Local Government Environmental Facilities & Community Development Authority Revenue, Westlake Chemical Corp. Project, 3.5%, 11/1/2032	3,540,000	3,508,246
		14,109,524

The accompanying notes are an integral part of the financial statements.

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	Principal Amount (\$)	Value (\$)
Maryland 2.8%		
Maryland, State Health & Higher Educational Facilities Authority Revenue, Adventist Healthcare Obligated Group, Series A, 5.5%, 1/1/2046	745,000	839,242
Maryland, State Health & Higher Educational Facilities Authority Revenue, Anne Arundel Health Systems, Series A, Prerefunded, 6.75%, 7/1/2039	1,100,000	1,157,332
Maryland, State Health & Higher Educational Facilities Authority Revenue, Medstar Health Obligated Group, Series A, 5.0%, 5/15/2045	10,000,000	11,217,000
		13,213,574
Massachusetts 1.4%		
Massachusetts, State Development Finance Agency Revenue, Northeastern University, Series A, 5.25%, 3/1/2037	2,500,000	2,804,350
Massachusetts, State Development Finance Agency Revenue, Suffolk University: Series A, 5.75%, 7/1/2039	1,200,000	1,240,044
Series A, Prerefunded, 5.75%, 7/1/2039	2,370,000	2,472,289
		6,516,683
Michigan 4.2%		
Detroit, MI, Water & Sewerage Department, Sewerage Disposal System Revenue, Series A, 5.25%, 7/1/2039	1,120,000	1,204,381
Michigan, State Building Authority Revenue, Series I-A, 5.375%, 10/15/2041	7,500,000	8,252,475
Michigan, State Building Authority Revenue, Facilities Program: Series I, 5.0%, 4/15/2038	1,930,000	2,179,201
Series H, 5.125%, 10/15/2033	2,495,000	2,600,713
Series I, 6.0%, 10/15/2038	35,000	35,542
Series I, Prerefunded, 6.0%, 10/15/2038	965,000	980,566
Michigan, State Finance Authority Revenue, Trinity Health Corp., 5.0%, 12/1/2035	665,000	725,402
Royal Oak, MI, Hospital Finance Authority Revenue, William Beaumont Hospital, Prerefunded, 8.25%, 9/1/2039	1,800,000	1,828,800
Wayne County, MI, Airport Authority Revenue, Series F, AMT, 5.0%, 12/1/2034	2,000,000	2,221,240
		20,028,320
Minnesota 1.3%		
Minneapolis, MN, Health Care Systems Revenue, Fairview Health Services, Series A, Prerefunded, 6.75%, 11/15/2032	1,140,000	1,166,038
Rochester, MN, Health Care Facilities Revenue, Mayo Clinic, Series B, 5.0%, 11/15/2036	4,200,000	5,301,072
		6,467,110

The accompanying notes are an integral part of the financial statements.

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	Principal Amount (\$)	Value (\$)
Mississippi 0.3%		
Warren County, MS, Gulf Opportunity Zone, International Paper Co., Series A, 6.5%, 9/1/2032	1,525,000	1,542,934
Missouri 0.7%		
Missouri, State Health & Educational Facilities Authority Revenue, Medical Research, Lutheran Senior Services, Series A, 5.0%, 2/1/2046	335,000	361,941
St. Louis County, MO, Industrial Development Authority, Senior Living Facilities, Friendship Village, 5.0%, 9/1/2048	1,060,000	1,151,404
St. Louis, MO, Airport Revenue, Series C, 5.0%, 7/1/2047, INS: AGMC	1,500,000	1,723,905
		3,237,250
Nebraska 0.3%		
Douglas County, NE, Hospital Authority No.2, Health Facilities, Children's Hospital Obligated Group, 5.0%, 11/15/2047	1,330,000	1,492,952
Nevada 3.0%		
Clark County, NV, Airport Revenue, Series B, 5.125%, 7/1/2036	4,305,000	4,508,368
Clark County, NV, General Obligation, Series A, 5.0%, 5/1/2048	4,165,000	4,836,606
Las Vegas Valley, NV, Water District, Series B, 5.0%, 6/1/2037	4,830,000	5,287,933
		14,632,907
New Jersey 3.0%		
New Jersey, Hospital & Healthcare Revenue, General Hospital Center at Passaic, ETM, 6.75%, 7/1/2019, INS: AGMC	2,195,000	2,254,375
New Jersey, State Economic Development Authority Revenue, Series BBB, 5.5%, 6/15/2030	2,690,000	3,079,512
New Jersey, State Economic Development Authority Revenue, The Goethals Bridge Replacement Project, AMT, 5.125%, 7/1/2042, INS: AGMC	1,250,000	1,371,275
New Jersey, State Economic Development Authority, Motor Vehicle Surcharge Revenue, Series A, 5.0%, 7/1/2033	295,000	319,594
New Jersey, State Economic Development Authority, State Government Buildings Project:		
Series A, 5.0%, 6/15/2042	345,000	370,696
Series A, 5.0%, 6/15/2047	385,000	412,104
New Jersey, State Transportation Trust Fund Authority, Transportation Systems, Series A, 6.0%, 12/15/2038	1,955,000	1,993,963
New Jersey, State Turnpike Authority Revenue:		
Series B, 5.0%, 1/1/2040	1,065,000	1,228,648
Series E, Prerefunded, 5.25%, 1/1/2040	1,750,000	1,786,697

The accompanying notes are an integral part of the financial statements.

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	Principal Amount (\$)	Value (\$)
New Jersey, Tobacco Settlement Financing Corp.:		
Series A, 5.0%, 6/1/2046	875,000	961,616
Series A, 5.25%, 6/1/2046	440,000	495,748
		14,274,228
New York 11.2%		
New York, Metropolitan Transportation Authority, Dedicated Tax Fund, Climate Board Certified Green Bond:		
Series B-2, 5.0%, 11/15/2033	3,735,000	4,419,700
Series B-2, 5.0%, 11/15/2034	3,250,000	3,825,120
New York, Metropolitan Transportation Authority Revenue:		
Series C, 5.0%, 11/15/2038	6,000,000	6,565,140
Series D, 5.0%, 11/15/2038	1,090,000	1,202,248
Series C, 5.0%, 11/15/2042	5,000,000	5,483,000
Series A-1, 5.25%, 11/15/2039	4,000,000	4,524,240
New York, State Dormitory Authority, Personal Income Tax Revenue:		
Series A, 5.0%, 2/15/2038	1,475,000	1,700,513
Series A, 5.0%, 2/15/2039	1,050,000	1,209,663
New York, State Environmental Facilities Corp., State Clean Water & Drinking Revolving Funds, New York City Municipal Water Finance Authority Projects, 5.0%, 6/15/2036	2,000,000	2,168,800
New York, State Liberty Development Corp. Revenue, World Trade Center Port Authority Construction, 5.25%, 12/15/2043	8,000,000	8,778,720
New York, Transportation Development Corp., Special Facilities Revenue, Delta Air Lines Inc., Laguardia Airport C&D Redevelopment:		
AMT, 5.0%, 1/1/2033	410,000	463,579
AMT, 5.0%, 1/1/2034	410,000	462,504
AMT, 5.0%, 1/1/2036	410,000	462,148
New York, TSASC, Inc., Series A, 5.0%, 6/1/2041	150,000	163,125
New York, Utility Debt Securitization Authority, Restructuring Revenue:		
Series TE, 5.0%, 12/15/2034	800,000	904,904
Series TE, 5.0%, 12/15/2035	1,000,000	1,129,480
New York City, NY, Municipal Water Finance Authority, Water & Sewer Systems Revenue, Second General Resolution, Series EE, 5.375%, 6/15/2043	3,750,000	4,068,525
New York City, NY, Transitional Finance Authority, Building Aid Revenue, Fiscal 2018, Series S-1, 5.0%, 7/15/2035	700,000	813,316
Port Authority of New York & New Jersey, One Hundred Eighty-Fourth: 5.0%, 9/1/2036	205,000	232,790
5.0%, 9/1/2039	510,000	577,254

The accompanying notes are an integral part of the financial statements.

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	Principal Amount (\$)	Value (\$)
Port Authority of New York & New Jersey, One Hundred Ninety-Third: AMT, 5.0%, 10/15/2034	1,620,000	1,817,802
AMT, 5.0%, 10/15/2035	800,000	896,008
Port Authority of New York & New Jersey, Two Hundred Seven, AMT, 5.0%, 9/15/2048	1,875,000	2,141,194
		54,009,773
North Carolina 1.3%		
New Hanover County, NC, Hospital Revenue, New Hanover Regional Medical Centre:		
5.0%, 10/1/2042	1,040,000	1,179,089
5.0%, 10/1/2047	960,000	1,074,490
North Carolina, Medical Care Commission, Health Care Facilities Revenue, University Health System, Series D, Prerefunded, 6.25%, 12/1/2033	3,000,000	3,066,990
North Carolina, State Medical Care Commission, Health Systems Revenue, Catholic Health East, 1.03%*, 11/15/2028	1,145,000	1,145,000
		6,465,569
North Dakota 0.8%		
Fargo, ND, Sanford Health Systems Revenue, 6.25%, 11/1/2031	3,240,000	3,691,429
Ohio 4.6%		
Chillicothe, OH, Hospital Facilities Revenue, Adena Health System Obligated Group Project, 5.0%, 12/1/2047	1,785,000	1,982,903
Franklin County, OH, Trinity Health Corp. Revenue, Series 2017, 5.0%, 12/1/2046	2,950,000	3,342,350
Lucas County, OH, Hospital Revenue, Promedica Healthcare, Series A, Prerefunded, 6.5%, 11/15/2037	1,500,000	1,719,960
Ohio, Akron, Bath & Copley Joint Township Hospital District Revenue, 5.25%, 11/15/2046	2,320,000	2,554,042
Ohio, State Hospital Facility Revenue, Cleveland Clinic Health: Series A, Prerefunded, 5.5%, 1/1/2039	5,000,000	5,110,500
Series B, Prerefunded, 5.5%, 1/1/2039	3,500,000	3,577,350
Ohio, State Turnpike Commission, Junior Lien, Infrastructure Projects, Series A-1, 5.25%, 2/15/2039	3,520,000	3,895,337
		22,182,442
Pennsylvania 8.3%		
Allegheny County, PA, Hospital Development Authority Revenue, University of Pittsburgh Medical, 5.625%, 8/15/2039	1,700,000	1,772,080
Franklin County, PA, Industrial Development Authority Revenue, Chambersburg Hospital Project, 5.375%, 7/1/2042	7,000,000	7,420,420

The accompanying notes are an integral part of the financial statements.

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	Principal Amount (\$)	Value (\$)
Pennsylvania, Commonwealth Financing Authority:		
Series A, 5.0%, 6/1/2035	1,560,000	1,757,558
Series A, 5.0%, 7/1/2043	460,000	511,318
Pennsylvania, Commonwealth Financing Authority, Tobacco Master Settlement Payment Revenue Bonds:		
5.0%, 6/1/2034	750,000	851,618
5.0%, 6/1/2035	375,000	424,110
Pennsylvania, Geisinger Authority Health System Revenue, Series A-1, 5.0%, 2/15/2045	6,355,000	7,170,855
Pennsylvania, State Turnpike Commission Revenue:		
Series A, 5.0%, 12/1/2038	2,030,000	2,253,950
Series A-1, 5.0%, 12/1/2040	5,000,000	5,583,050
Series B-1, 5.0%, 6/1/2042	2,000,000	2,211,840
Series C, 5.0%, 12/1/2043	4,000,000	4,368,400
Philadelphia, School District, Series B, 5.0%, 9/1/2043	1,500,000	1,682,565
Philadelphia, PA, Airport Revenue:		
Series A, 5.0%, 6/15/2035	2,835,000	2,979,046
Series B, AMT, 5.0%, 7/1/2047	915,000	1,026,950
		40,013,760
Rhode Island 0.4%		
Rhode Island, Health & Educational Building Corp., Higher Education Facility Revenue, University of Rhode Island, Series A, Prerefunded, 6.25%, 9/15/2034	2,000,000	2,026,480
South Carolina 4.7%		
Charleston County, SC, Airport District, Airport System Revenue, Series A, AMT, 5.875%, 7/1/2032	6,560,000	7,497,949
Greenwood County, SC, Hospital Revenue, Self Regional Healthcare, Series B, 5.0%, 10/1/2031	1,000,000	1,086,810
South Carolina, State Ports Authority Revenue, Prerefunded, 5.25%, 7/1/2040	2,550,000	2,725,669
South Carolina, State Public Service Authority Revenue, Series E, 5.25%, 12/1/2055	4,000,000	4,358,720
South Carolina, State Public Service Authority Revenue, Santee Cooper, Series A, 5.75%, 12/1/2043	6,220,000	6,916,951
		22,586,099
Tennessee 0.9%		
Jackson, TN, Hospital Revenue, Jackson-Madison Project, 5.625%, 4/1/2038	1,080,000	1,083,359
Tennessee, Health & Educational Facilities Board Hospital Revenue, Ballad Health Obligation Group:		
Series A, 5.0%, 7/1/2037 (a)	1,200,000	1,369,128
Series A, 5.0%, 7/1/2044 (a)	1,600,000	1,787,760
		4,240,247

The accompanying notes are an integral part of the financial statements.

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	Principal Amount (\$)	Value (\$)
Texas 15.4%		
Central Texas, Regional Mobility Authority Revenue, Senior Lien, Series A, 5.0%, 1/1/2040	1,155,000	1,266,504
Harris County, TX, Health Facilities Development Corp., Hospital Revenue, Memorial Hermann Healthcare System, Series B, Prerefunded, 7.25%, 12/1/2035	1,000,000	1,027,460
Harris County, TX, Houston Port Authority, Series A, AMT, 6.25%, 10/1/2029	3,000,000	3,045,420
North Texas, Tollway Authority Revenue: Series B, 5.0%, 1/1/2040	2,060,000	2,245,894
First Tier, Prerefunded, 6.0%, 1/1/2043	5,000,000	5,507,400
North Texas, Tollway Authority Revenue, Special Project Systems, Series D, Prerefunded, 5.0%, 9/1/2032	2,000,000	2,190,000
Texas, Houston Airport System Revenue, Series A, AMT, 5.0%, 7/1/2041	2,250,000	2,567,250
Texas, Dallas/Fort Worth International Airport Revenue: Series H, AMT, 5.0%, 11/1/2042	5,425,000	5,792,055
Series F, 5.25%, 11/1/2033	3,500,000	3,976,385
Series A, 5.25%, 11/1/2038	4,000,000	4,292,360
Texas, Grand Parkway Transportation Corp., System Toll Revenue: Series B, 5.0%, 4/1/2053	3,500,000	3,840,200
Series B, 5.25%, 10/1/2051	5,000,000	5,630,900
Texas, Municipal Gas Acquisition & Supply Corp. I, Gas Supply Revenue: Series B, 3-month USD-LIBOR + 0.700%, 2.123%** , 12/15/2026, GTY: Merrill Lynch & Co., Inc.	1,500,000	1,487,310
Series D, 6.25%, 12/15/2026 , GTY: Merrill Lynch & Co., Inc.	5,000,000	5,853,050
Texas, SA Energy Acquisition Public Facility Corp., Gas Supply Revenue: 5.5%, 8/1/2021, GTY: The Goldman Sachs Group, Inc.	1,155,000	1,268,040
5.5%, 8/1/2025, GTY: The Goldman Sachs Group, Inc.	7,250,000	8,460,315
Texas, Southwest Higher Education Authority, Inc., Southern Methodist University Project, Prerefunded, 5.0%, 10/1/2035	1,600,000	1,712,624
Texas, State Municipal Gas Acquisition & Supply Corp. III Gas Supply Revenue: 5.0%, 12/15/2030, GTY: Macquarie Group Ltd.	250,000	272,580
5.0%, 12/15/2031, GTY: Macquarie Group Ltd.	3,165,000	3,445,261
5.0%, 12/15/2032, GTY: Macquarie Group Ltd.	2,000,000	2,175,320
Texas, State Transportation Commission, Turnpike Systems Revenue, Series C, 5.0%, 8/15/2034	1,235,000	1,351,745
West Harris County, TX, Regional Water Authority, Water Systems Revenue, 5.0%, 12/15/2035	6,500,000	6,776,380
		74,184,453

The accompanying notes are an integral part of the financial statements.

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	Principal Amount (\$)	Value (\$)
Virginia 1.0%		
Stafford County, VA, Economic Development Authority, Hospital Facilities Revenue, Mary Washington Healthcare, 5.0%, 6/15/2036	400,000	442,272
Virginia, Small Business Financing Authority, Private Activity Revenue, Transform 66 P3 Project, AMT, 5.0%, 12/31/2052	2,645,000	2,905,744
Washington County, VA, Industrial Development Authority, Hospital Facility Revenue, Mountain States Health Alliance, Series C, Prerefunded, 7.75%, 7/1/2038	1,370,000	1,413,977
		4,761,993
Washington 2.8%		
Washington, Port of Seattle Revenue, Series C, AMT, 5.0%, 5/1/2042	1,935,000	2,198,238
Washington, State Health Care Facilities Authority, Catholic Health Initiatives, Series A, 5.0%, 2/1/2041	2,985,000	3,108,370
Washington, State Health Care Facilities Authority, Swedish Health Services, Series A, Prerefunded, 6.75%, 11/15/2041	1,825,000	2,075,244
Washington, State Health Care Facilities Authority, Virginia Mason Medical Center: 5.0%, 8/15/2034	275,000	309,026
5.0%, 8/15/2035	235,000	263,289
5.0%, 8/15/2036	155,000	173,141
Washington, State Motor Vehicle Tax-Senior 520 Corridor Program, Series C, 5.0%, 6/1/2031	5,000,000	5,404,700
		13,532,008
West Virginia 0.9%		
West Virginia, State Hospital Finance Authority, State University Health System Obligated Group, Series A, 5.0%, 6/1/2047	4,025,000	4,467,629
Wisconsin 0.5%		
Wisconsin, Health & Educational Facilities Authority, St John's Communities Inc., Project, Series A, 5.0%, 9/15/2045	95,000	98,880
Wisconsin, State Health & Educational Facilities Authority, St John's Communities Inc., Project, Series A, 5.0%, 9/15/2050	380,000	394,603
Wisconsin, State Health & Educational Facilities Authority Revenue, John's Communities Inc., Project, Series A, 5.0%, 9/15/2040	70,000	72,993
Wisconsin, State Health & Educational Facilities Authority Revenue, Prohealth Care, Inc. Obligation Group, Prerefunded, 6.625%, 2/15/2039	1,555,000	1,606,813
		2,173,289
Total Municipal Bonds and Notes (Cost \$589,835,259)		634,218,456

The accompanying notes are an integral part of the financial statements.

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	Principal Amount (\$)	Value (\$)
Underlying Municipal Bonds of Inverse Floaters (b) 24.9%		
Florida 2.4%		
Orange County, FL, School Board, Certificates of Participation, Series C, 5.0%, 8/1/2034 (c) <i>Trust: Florida, School Board, Series 2016-XM0182, 144A, 14.54%, 2/1/2024, Leverage Factor at purchase date: 4 to 1</i>	10,000,000	11,518,625
Massachusetts 6.9%		
Massachusetts, State General Obligation, Series E, 4.0%, 4/1/2038 (c) <i>Trust: Massachusetts, State General Obligation, Series 2016-XM0335, 144A, 10.75%, 4/1/2023, Leverage Factor at purchase date: 4 to 1</i>	10,000,000	10,393,250
Massachusetts, State Development Finance Agency Revenue, Harvard University, Series A, 4.0%, 7/15/2036 (c) <i>Trust: Massachusetts, State Development Finance Agency Revenue, Series 2016-XM0400, 144A, 10.75%, 7/15/2024, Leverage Factor at purchase date: 4 to 1</i>	10,000,000	10,752,500
Massachusetts, State Development Finance Agency Revenue, Partners Healthcare System, Inc., Series Q, 5.0%, 7/1/2035 (c) <i>Trust: Massachusetts, State Development Finance Agency Revenue, Series 2016-XM0137, 144A, 14.761%, 1/1/2024, Leverage Factor at purchase date: 4 to 1</i>	10,425,000	11,926,220
		33,071,970
Nevada 6.0%		
Clark County, NV, General Obligation, Limited Tax-Bond Bank, Prerefunded, 5.0%, 6/1/2028 (c)	9,447,355	9,447,355
Clark County, NV, General Obligation, Limited Tax-Bond Bank, Prerefunded, 5.0%, 6/1/2029 (c)	9,919,723	9,919,723
Clark County, NV, General Obligation, Limited Tax-Bond Bank, Prerefunded, 5.0%, 6/3/2030 (c) <i>Trust: Nevada, General Obligation, Series 2016-XM0280, 144A, 11.49%, 6/1/2018, Leverage Factor at purchase date: 3 to 1</i>	9,627,878	9,627,878
		28,994,956
New York 4.8%		
New York City, NY, Transitional Finance Authority, Building AID Revenue, Series S-4A, 5.0%, 7/15/2034, q (c) <i>Trust: New York, Transitional Finance Authority, Building AID Revenue, Series 2017-XM0620, 144A, 15.157%, 7/15/2034, Leverage Factor at purchase date: 4 to 1</i>	7,165,000	8,460,828

The accompanying notes are an integral part of the financial statements.

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	Principal Amount (\$)	Value (\$)
New York City, NY, Transitional Finance Authority, Building AID Revenue, Series S-4A, 5.0%, 7/15/2034, r (c) <i>Trust: New York, Transitional Finance Authority, Building AID Revenue, Series 2017-XM0620, 144A, 15.21%, 7/15/2038, Leverage Factor at purchase date: 4 to 1</i>	2,685,000	3,144,788
New York, State Urban Development Corp. Revenue, Personal Income Tax, Series C-3, 5.0%, 3/15/2040 (c) <i>Trust: New York, State Urban Development Corp. Revenue, Personal Income Tax, Series 2018-XM0580, 144A, 15.215%, 9/15/2025, Leverage Factor at purchase date: 4 to 1</i>	10,000,000	11,587,775
		23,193,391
Texas 2.4%		
Texas, State Transportation Commission- Highway Improvement, Series A, 5.0%, 4/1/2038 (c) <i>Trust: Texas, State Transportation Commission, Series 2016-XM0404, 144A, 14.75%, 4/1/2024, Leverage Factor at purchase date: 4 to 1</i>	10,000,000	11,460,325
Washington 2.4%		
Washington, State General Obligation, Series D, 5.0%, 2/1/2035 (c) <i>Trust: Washington, State General Obligation, Series 2017-XM0477, 144A, 14.75%, 8/1/2024, Leverage Factor at purchase date: 4 to 1</i>	10,000,000	11,620,050
Total Underlying Municipal Bonds of Inverse Floaters (Cost \$120,733,356)		119,859,317
	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$710,568,615)	156.7	754,077,773
Floating Rate Notes (b)	(16.5)	(79,524,956)
MTPS, at Liquidation Value	(41.3)	(198,750,000)
Other Assets and Liabilities, Net	1.1	5,515,280
Net Assets Applicable to Common Shareholders	100.0	481,318,097

* Variable rate demand notes are securities whose interest rates are reset periodically (usually daily mode or weekly mode) by remarketing agents based on current market levels, and are not directly set as a fixed spread to a reference rate. These securities may be redeemed at par by the holder at any time, and are shown at their current rates as of May 31, 2018. Maturity date reflects the earlier of demand date or stated maturity date.

The accompanying notes are an integral part of the financial statements.

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** Variable or floating rate security. These securities are shown at their current rate as of May 31, 2018. For securities based on a published reference rate and spread, the reference rate and spread are indicated within the description above. Certain variable rate securities are not based on a published reference rate and spread but adjust periodically based on current market conditions, prepayment of underlying positions and/or other variables.

(a) When-issued security.

(b) Securities represent the underlying municipal obligations of inverse floating rate obligations held by the Fund. The Floating Rate Notes represents leverage to the Fund and is the amount owed to the floating rate note holders.

(c) Security forms part of the below inverse floater. The Fund accounts for these inverse floaters as a form of secured borrowing, by reflecting the value of the underlying bond in the investments of the Fund and the amount owed to the floating rate note holder as a liability.

144A: Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

AGC: Assured Guaranty Corp.

AGMC: Assured Guaranty Municipal Corp.

AMT: Subject to alternative minimum tax.

ETM: Bonds bearing the description ETM (escrow to maturity) are collateralized usually by U.S. Treasury securities which are held in escrow and used to pay principal and interest on bonds so designated.

GTY: Guaranty Agreement

INS: Insured

LIBOR: London Interbank Offered Rate

NATL: National Public Finance Guarantee Corp.

Prerefunded: Bonds which are prerefunded are collateralized usually by U.S. Treasury securities which are held in escrow and used to pay principal and interest on tax-exempt issues and to retire the bonds in full at the earliest refunding date.

Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

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The following is a summary of the inputs used as of May 31, 2018 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Municipal Investments (d)	\$	\$ 754,077,773	\$	\$ 754,077,773
Total	\$	\$ 754,077,773	\$	\$ 754,077,773

There have been no transfers between fair value measurement levels during the period ended May 31, 2018.

(d) See Investment Portfolio for additional detailed categorizations.

The accompanying notes are an integral part of the financial statements.

Table of Contents**Statement of Assets and Liabilities**

as of May 31, 2018 (Unaudited)

Assets

Investments in non-affiliated securities, at value (cost \$710,568,615)	\$ 754,077,773
Interest receivable	9,651,018
Other assets	4,588
Total assets	763,733,379

Liabilities

Cash overdraft	226,366
Payable for investments purchased when-issued securities	3,119,760
Payable for floating rate notes issued	79,524,956
Interest expense payable on preferred shares	407,437
Accrued management fee	310,697
Accrued Trustees fees	8,081
Other accrued expenses and payables	121,632
Series 2018 MTPS, net of deferred offering costs (liquidation value \$198,750,000, see page 32 for more details)	198,696,353
Total liabilities	282,415,282
Net assets applicable to common shareholders, at value	\$ 481,318,097

Net Assets Applicable to Common Shareholders Consist of

Undistributed net investment income	3,470,936
Net unrealized appreciation (depreciation) on investments	43,509,158
Accumulated net realized gain (loss)	531,737
Paid-in capital	433,806,266
Net assets applicable to common shareholders, at value	\$ 481,318,097

Net Asset Value

Net Asset Value per common share (\$481,318,097 ÷ 39,500,938 outstanding shares of beneficial interest, \$.01 par value, unlimited number of common shares authorized)	\$ 12.18
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The accompanying notes are an integral part of the financial statements.

Table of Contents**Statement of Operations**

for the six months ended May 31, 2018 (Unaudited)

Investment Income

Income:

Interest \$ 16,561,658

Total income 16,561,658

Expenses:

Management fee 1,878,202

Services to shareholders 16,476

Custodian fee 3,323

Professional fees 57,575

Reports to shareholders 35,752

Trustees fees and expenses 15,834

Interest expense on Series 2018 MTPS 2,374,167

Interest expense on floating rate notes 813,351

Stock Exchange listing fees 19,330

Other 58,210

Total expenses 5,272,220

Net investment income 11,289,438**Realized and Unrealized Gain (Loss)**

Net realized gain (loss) from investments (910,717)

Change in net unrealized appreciation (depreciation) on investments (10,093,947)

Net gain (loss) (11,004,664)**Net increase (decrease) in net assets resulting from operations \$ 284,774**

The accompanying notes are an integral part of the financial statements.

Table of Contents**Statement of Cash Flows**

for the six months ended May 31, 2018 (Unaudited)

Increase (Decrease) in Cash:**Cash Flows from Operating Activities**

Net increase (decrease) in net assets resulting from operations	\$ 284,774
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by operating activities:	
Purchases of long-term investments	(90,928,280)
Net amortization of premium/(accretion of discount)	1,361,186
Proceeds from sales and maturities of long-term investments	87,690,079
(Increase) decrease in interest receivable	287,141
(Increase) decrease in other assets	8,476
(Increase) decrease in receivable for investments sold	45,000
Increase (decrease) in payable for investments purchased when-issued securities	3,119,760
Increase (decrease) in other accrued expenses and payables	(54,340)
Change in unrealized (appreciation) depreciation on investments	10,093,947
Net realized (gain) loss from investments	910,717
Cash provided by (used in) operating activities	12,818,460

Cash Flows from Financing Activities

Net increase (decrease) in cash overdraft	45,627
(Increase) decrease in deferred offering cost on Series 2018 MTPS	(53,647)
Distributions paid (net of reinvestment of distributions)	(12,695,440)
Increase (decrease) in payable for floating rate notes issued	(115,000)
Cash provided by (used in) financing activities	(12,818,460)

Increase (decrease) in cash

Cash at beginning of period

Cash at end of period **\$****Supplemental disclosure**

Interest paid on preferred shares	\$ (2,269,785)
Interest expense and fees on floating rate notes issued	\$ (813,351)

The accompanying notes are an integral part of the financial statements.

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Statements of Changes in Net Assets

	Six Months Ended May 31, 2018 (Unaudited)	Year Ended November 30, 2017
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 11,289,438	\$ 25,930,343
Net realized gain (loss)	(910,717)	3,296,416
Change in net unrealized appreciation (depreciation)	(10,093,947)	2,777,220
Net increase (decrease) in net assets applicable to common shareholders	284,774	32,003,979
Distributions to common shareholders from:		
Net investment income	(12,442,809)	(30,579,600)
Net realized gains	(343,658)	(398,009)
Total distributions	(12,786,467)	(30,977,609)
Fund share transactions:		
Net proceeds from shares issued to common shareholders in reinvestment of distributions		1,322,220
Net increase (decrease) in net assets from Fund share transactions		1,322,220
Increase (decrease) in net assets		