

QUARTERLY STATEMENT
OF THE
PENN INSURANCE AND ANNUITY
COMPANY

Of
Wilmington
in the state of DE

to the Insurance Department
of the State of

For the Period Ended
March 31, 2016

2016



QUARTERLY STATEMENT

As of March 31, 2016
of the Condition and Affairs of the

PENN INSURANCE AND ANNUITY COMPANY

| | | |
|--|---|--|
| NAIC Group Code.....850, 850 (Current Period) (Prior Period) | NAIC Company Code..... 93262 | Employer's ID Number..... 23-2142731 |
| Organized under the Laws of Delaware Incorporated/Organized..... July 3, 1980 | State of Domicile or Port of Entry Delaware Commenced Business..... April 9, 1981 | Country of Domicile US |
| Statutory Home Office | 1209 Orange Street..... Wilmington DE US 19801 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i> | |
| Main Administrative Office | 600 Dresher Road..... Horsham PA US 19044 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i> | 215-956-8000 <i>(Area Code) (Telephone Number)</i> |
| Mail Address | Penn Insurance & Annuity Company..... Philadelphia PA US 19172 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i> | |
| Primary Location of Books and Records | 600 Dresher Road..... Horsham PA US 19044 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i> | 215-956-8000 <i>(Area Code) (Telephone Number)</i> |
| Internet Web Site Address | www.pennmutual.com | |
| Statutory Statement Contact | Bethanne Doyle Adamsky <i>(Name)</i> adamsky.bethanne@pennmutual.com <i>(E-Mail Address)</i> | 215-956-8120 <i>(Area Code) (Telephone Number) (Extension)</i> 215-956-8145 <i>(Fax Number)</i> |

OFFICERS

| Name | Title | Name | Title |
|------------------------------|----------------------------|-----------------------------|--|
| 1. Eileen Claire McDonnell # | Chairman & CEO | 2. Susan Twine Deakins | Executive VP & Chief Financial Officer |
| 3. Franklin Luther Best Jr. | Secretary & Counsel | 4. David Michael O'Malley # | President & Chief Operating Officer |
| Thomas Henry Harris | Executive VP, Distribution | Jay T Lewellen | VP & Chief Actuary |
| Bethanne Doyle Adamsky | Controller and Treasurer | | |

OTHER

DIRECTORS OR TRUSTEES

| | | | |
|-------------------------|------------------------|---------------------|-------------------------|
| Eileen Claire McDonnell | David Michael O'Malley | Susan Twine Deakins | Gregory Joseph Driscoll |
|-------------------------|------------------------|---------------------|-------------------------|

State of..... Pennsylvania
County of..... Montgomery

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 therefrom 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.

| | | |
|-------------------------|--|--------------------------|
| | | |
| (Signature) | (Signature) | (Signature) |
| Eileen Claire McDonnell | Susan Twine Deakins | Franklin Luther Best Jr. |
| 1. (Printed Name) | 2. (Printed Name) | 3. (Printed Name) |
| Chairman & CEO | Executive VP & Chief Financial Officer | Secretary & Counsel |
| (Title) | (Title) | (Title) |

Subscribed and sworn to before me
This 25th day of April, 2016

a. Is this an original filing? Yes [X] No []
b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Marianne C. Bechtel, Notary Public
Horsham Twp., Montgomery County
My Commission Expires Dec. 26, 2017
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

ASSETS

| | Current Statement Date | | | 4 December 31 Prior Year Net Admitted Assets |
|--|------------------------|----------------------------|--|---|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | |
| 1. Bonds..... | 2,387,071,397 | | 2,387,071,397 | 2,224,740,279 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks..... | 11,554,687 | | 11,554,687 | 11,554,687 |
| 2.2 Common stocks..... | 129,806,448 | 86,307,340 | 43,499,108 | 22,178,599 |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens..... | | | 0 | |
| 3.2 Other than first liens..... | | | 0 | |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances)..... | | | 0 | |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances)..... | | | 0 | |
| 4.3 Properties held for sale (less \$.....0 encumbrances)..... | | | 0 | |
| 5. Cash (\$.....4,892,241), cash equivalents (\$.....0) and short-term investments (\$.....6,713,346)..... | 11,605,587 | | 11,605,587 | 31,781,198 |
| 6. Contract loans (including \$.....0 premium notes)..... | 459,826,276 | | 459,826,276 | 454,142,838 |
| 7. Derivatives..... | | | 0 | |
| 8. Other invested assets..... | 159,881,457 | 3,564,901 | 156,316,556 | 158,192,621 |
| 9. Receivables for securities..... | 1,258,446 | | 1,258,446 | |
| 10. Securities lending reinvested collateral assets..... | | | 0 | |
| 11. Aggregate write-ins for invested assets..... | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11)..... | 3,161,004,298 | 89,872,241 | 3,071,132,057 | 2,902,590,222 |
| 13. Title plants less \$.....0 charged off (for Title insurers only)..... | | | 0 | |
| 14. Investment income due and accrued..... | 41,682,228 | | 41,682,228 | 45,075,941 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection..... | | | 0 | |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)..... | | | 0 | |
| 15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)..... | | | 0 | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers..... | 14,403,762 | | 14,403,762 | 25,827,866 |
| 16.2 Funds held by or deposited with reinsured companies..... | 664,316,095 | | 664,316,095 | 646,519,219 |
| 16.3 Other amounts receivable under reinsurance contracts..... | 40,916,116 | | 40,916,116 | 47,166,570 |
| 17. Amounts receivable relating to uninsured plans..... | | | 0 | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon..... | 652,821 | | 652,821 | 1,992,021 |
| 18.2 Net deferred tax asset..... | 79,356,505 | 34,309,663 | 45,046,842 | 41,959,673 |
| 19. Guaranty funds receivable or on deposit..... | 117,322 | | 117,322 | 121,046 |
| 20. Electronic data processing equipment and software..... | | | 0 | |
| 21. Furniture and equipment, including health care delivery assets (\$.....0)..... | | | 0 | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates..... | | | 0 | |
| 23. Receivables from parent, subsidiaries and affiliates..... | 214,598 | | 214,598 | 3,138,136 |
| 24. Health care (\$.....0) and other amounts receivable..... | | | 0 | |
| 25. Aggregate write-ins for other than invested assets..... | 7,287,513 | 316,746 | 6,970,767 | 10,007,230 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)..... | 4,009,951,258 | 124,498,650 | 3,885,452,608 | 3,724,397,924 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 54,546,848 | | 54,546,848 | 56,096,655 |
| 28. Total (Lines 26 and 27)..... | 4,064,498,106 | 124,498,650 | 3,939,999,456 | 3,780,494,579 |

DETAILS OF WRITE-INS

| | | | | |
|--|-----------|---------|-----------|------------|
| 1101..... | | | 0 | |
| 1102..... | | | 0 | |
| 1103..... | | | 0 | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page..... | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)..... | 0 | 0 | 0 | 0 |
| 2501. State Deposits..... | 2,936,000 | | 2,936,000 | 2,936,000 |
| 2502. Suspense Accounts..... | 4,292,988 | 316,746 | 3,976,242 | 7,011,491 |
| 2503. Agent Receivables..... | 58,525 | | 58,525 | 59,739 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0 | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... | 7,287,513 | 316,746 | 6,970,767 | 10,007,230 |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Statement Date | 2 December 31 Prior Year |
|--|--------------------------------|--------------------------------|
| 1. Aggregate reserve for life contracts \$.....2,408,950,776 less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve)..... | 2,408,950,776 | 2,248,841,861 |
| 2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve)..... | | |
| 3. Liability for deposit-type contracts (including \$.....0 Modco Reserve)..... | 6,507,017 | 6,532,665 |
| 4. Contract claims: | | |
| 4.1 Life..... | 10,416,324 | 12,253,925 |
| 4.2 Accident and health..... | | |
| 5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid..... | | |
| 6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts: | | |
| 6.1 Dividends apportioned for payment (including \$.....0 Modco)..... | | |
| 6.2 Dividends not yet apportioned (including \$.....0 Modco)..... | | |
| 6.3 Coupons and similar benefits (including \$.....0 Modco)..... | | |
| 7. Amount provisionally held for deferred dividend policies not included in Line 6..... | | |
| 8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums..... | 26,958,437 | 27,030,543 |
| 9. Contract liabilities not included elsewhere: | | |
| 9.1 Surrender values on canceled contracts..... | | |
| 9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act..... | | |
| 9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....40,529,482 ceded..... | 40,529,482 | 46,742,574 |
| 9.4 Interest Maintenance Reserve..... | 1,687,073 | 2,387,714 |
| 10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0..... | | |
| 11. Commissions and expense allowances payable on reinsurance assumed..... | | |
| 12. General expenses due or accrued..... | | |
| 13. Transfers to Separate Accounts due or accrued (net) (including \$.....(118,378) accrued for expense allowances recognized in reserves, net of reinsured allowances)..... | (118,378) | (118,348) |
| 14. Taxes, licenses and fees due or accrued, excluding federal income taxes..... | (529,845) | (385,316) |
| 15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses)..... | | |
| 15.2 Net deferred tax liability..... | | |
| 16. Unearned investment income..... | | |
| 17. Amounts withheld or retained by company as agent or trustee..... | | |
| 18. Amounts held for agents' account, including \$.....0 agents' credit balances..... | | |
| 19. Remittances and items not allocated..... | 7,194,750 | 16,205,835 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates..... | | |
| 21. Liability for benefits for employees and agents if not included above..... | | |
| 22. Borrowed money \$.....0 and interest thereon \$.....0..... | | |
| 23. Dividends to stockholders declared and unpaid..... | | |
| 24. Miscellaneous liabilities: | | |
| 24.01 Asset valuation reserve..... | 22,433,886 | 21,545,438 |
| 24.02 Reinsurance in unauthorized and certified (\$.....0) companies..... | | 547,898 |
| 24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers..... | | |
| 24.04 Payable to parent, subsidiaries and affiliates..... | 3,731,174 | 8,084,368 |
| 24.05 Drafts outstanding..... | 3,029,277 | 12,804,956 |
| 24.06 Liability for amounts held under uninsured plans..... | | |
| 24.07 Funds held under coinsurance..... | 977,193,550 | 952,240,114 |
| 24.08 Derivatives..... | | |
| 24.09 Payable for securities..... | 9,004,538 | 5,986,135 |
| 24.10 Payable for securities lending..... | | |
| 24.11 Capital notes \$.....0 and interest thereon \$.....0..... | | |
| 25. Aggregate write-ins for liabilities..... | 659,408 | 634,812 |
| 26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)..... | 3,517,647,469 | 3,361,335,174 |
| 27. From Separate Accounts statement..... | 54,546,848 | 56,096,655 |
| 28. Total liabilities (Lines 26 and 27)..... | 3,572,194,317 | 3,417,431,829 |
| 29. Common capital stock..... | 2,500,000 | 2,500,000 |
| 30. Preferred capital stock..... | | |
| 31. Aggregate write-ins for other-than-special surplus funds..... | 0 | 0 |
| 32. Surplus notes..... | | |
| 33. Gross paid in and contributed surplus..... | 289,661,695 | 289,661,695 |
| 34. Aggregate write-ins for special surplus funds..... | 0 | 0 |
| 35. Unassigned funds (surplus)..... | 75,643,444 | 70,901,055 |
| 36. Less treasury stock, at cost: | | |
| 36.10.000 shares common (value included in Line 29 \$.....0)..... | | |
| 36.20.000 shares preferred (value included in Line 30 \$.....0)..... | | |
| 37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement)..... | 365,305,139 | 360,562,750 |
| 38. Totals of Lines 29, 30 and 37..... | 367,805,139 | 363,062,750 |
| 39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)..... | 3,939,999,456 | 3,780,494,579 |

DETAILS OF WRITE-INS

| | | |
|--|---------|---------|
| 2501. Interest on Unpaid Death Claims..... | 67,270 | 42,676 |
| 2502. Low Income Housing Tax Credits Payable..... | 592,138 | 592,136 |
| 2503. | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... | 659,408 | 634,812 |
| 3101. | | |
| 3102. | | |
| 3103. | | |
| 3198. Summary of remaining write-ins for Line 31 from overflow page..... | 0 | 0 |
| 3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)..... | 0 | 0 |
| 3401. | | |
| 3402. | | |
| 3403. | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | 0 | 0 |
| 3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)..... | 0 | 0 |

SUMMARY OF OPERATIONS

| | 1 Current Year to Date | 2 Prior Year to Date | 3 Prior Year Ended December 31 |
|--|------------------------------|----------------------------|--------------------------------------|
| 1. Premiums and annuity considerations for life and accident and health contracts..... | 93,920,033 | 52,321,477 | 488,254,185 |
| 2. Considerations for supplementary contracts with life contingencies..... | | | 75,708 |
| 3. Net investment income..... | 39,297,305 | 30,962,092 | 138,277,155 |
| 4. Amortization of Interest Maintenance Reserve (IMR)..... | (140,001) | (142,402) | (1,320,592) |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses..... | | | |
| 6. Commissions and expense allowances on reinsurance ceded..... | 1,447,122 | 1,828,429 | 6,545,137 |
| 7. Reserve adjustments on reinsurance ceded..... | | | |
| 8. Miscellaneous Income: | | | |
| 8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts..... | 189,976 | 223,861 | 865,942 |
| 8.2 Charges and fees for deposit-type contracts..... | | | |
| 8.3 Aggregate write-ins for miscellaneous income..... | 8,304,068 | 30,901,099 | 92,209,551 |
| 9. Totals (Lines 1 to 8.3)..... | 143,018,503 | 116,094,556 | 724,907,086 |
| 10. Death benefits..... | 15,729,303 | 7,659,747 | 37,837,327 |
| 11. Matured endowments (excluding guaranteed annual pure endowments)..... | | | |
| 12. Annuity benefits..... | 3,175,375 | 3,121,529 | 14,857,857 |
| 13. Disability benefits and benefits under accident and health contracts..... | 125,246 | 120,211 | 493,863 |
| 14. Coupons, guaranteed annual pure endowments and similar benefits..... | | | |
| 15. Surrender benefits and withdrawals for life contracts..... | 18,180,149 | 12,807,527 | 56,410,890 |
| 16. Group conversions..... | | | |
| 17. Interest and adjustments on contract or deposit-type contract funds..... | 466,827 | 107,396 | 1,495,634 |
| 18. Payments on supplementary contracts with life contingencies..... | 54,843 | 64,523 | 383,570 |
| 19. Increase in aggregate reserves for life and accident and health contracts..... | 60,108,915 | 60,808,362 | 431,772,833 |
| 20. Totals (Lines 10 to 19)..... | 97,840,658 | 84,689,295 | 543,251,974 |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)..... | 2,884,333 | 2,299,685 | 12,453,931 |
| 22. Commissions and expense allowances on reinsurance assumed..... | 20,215,680 | 2,966,038 | 110,696,768 |
| 23. General insurance expenses..... | 5,218,806 | 3,887,555 | 26,167,683 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes..... | 1,200,708 | 1,443,133 | 6,085,881 |
| 25. Increase in loading on deferred and uncollected premiums..... | | | |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance..... | (1,711,138) | (1,188,293) | (7,237,836) |
| 27. Aggregate write-ins for deductions..... | 12,484,302 | 12,612,313 | 51,759,707 |
| 28. Totals (Lines 20 to 27)..... | 138,133,349 | 106,709,726 | 743,178,108 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)..... | 4,885,154 | 9,384,830 | (18,271,022) |
| 30. Dividends to policyholders..... | | | |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)..... | 4,885,154 | 9,384,830 | (18,271,022) |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains)..... | 1,578,509 | 2,773,261 | 14,337,157 |
| 33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)..... | 3,306,645 | 6,611,569 | (32,608,179) |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$....(47,894) (excluding taxes of \$....(287,203) transferred to the IMR)..... | (36,014) | (10,106) | (266,424) |
| 35. Net income (Line 33 plus Line 34)..... | 3,270,631 | 6,601,463 | (32,874,603) |
| CAPITAL AND SURPLUS ACCOUNT | | | |
| 36. Capital and surplus, December 31, prior year..... | 363,062,750 | 417,234,228 | 417,234,228 |
| 37. Net income (Line 35)..... | 3,270,631 | 6,601,463 | (32,874,603) |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of \$....(456,314)..... | 1,472,434 | 5,863,064 | 8,269,530 |
| 39. Change in net unrealized foreign exchange capital gain (loss)..... | 130,214 | (283,134) | (267,519) |
| 40. Change in net deferred income tax..... | 827,827 | 1,122,045 | 25,440,861 |
| 41. Change in nonadmitted assets..... | (618,167) | (5,112,458) | (14,810,427) |
| 42. Change in liability for reinsurance in unauthorized and certified companies..... | 547,898 | (182,659) | (262,657) |
| 43. Change in reserve on account of change in valuation basis, (increase) or decrease..... | | | |
| 44. Change in asset valuation reserve..... | (888,448) | (1,592,925) | (4,666,663) |
| 45. Change in treasury stock..... | | | |
| 46. Surplus (contributed to) withdrawn from Separate Accounts during period..... | | | |
| 47. Other changes in surplus in Separate Accounts Statement..... | | | |
| 48. Change in surplus notes..... | | | |
| 49. Cumulative effect of changes in accounting principles..... | | | |
| 50. Capital changes: | | | |
| 50.1 Paid in..... | | | |
| 50.2 Transferred from surplus (Stock Dividend)..... | | | |
| 50.3 Transferred to surplus..... | | | |
| 51. Surplus adjustment: | | | |
| 51.1 Paid in..... | | | |
| 51.2 Transferred to capital (Stock Dividend)..... | | | |
| 51.3 Transferred from capital..... | | | |
| 51.4 Change in surplus as a result of reinsurance..... | | | |
| 52. Dividends to stockholders..... | | (35,000,000) | (35,000,000) |
| 53. Aggregate write-ins for gains and losses in surplus..... | 0 | 0 | 0 |
| 54. Net change in capital and surplus (Lines 37 through 53)..... | 4,742,389 | (28,584,605) | (54,171,478) |
| 55. Capital and surplus as of statement date (Lines 36 + 54)..... | 367,805,139 | 388,649,623 | 363,062,750 |
| DETAILS OF WRITE-INS | | | |
| 08.301. Reinsurance Recoverable on Index Credits..... | | 22,237,400 | 56,684,520 |
| 08.302. Misc Income..... | 5 | 1 | |
| 08.303. Net Investment Income Assumed from PML..... | 8,304,063 | 8,663,698 | 35,525,031 |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page..... | 0 | 0 | 0 |
| 08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)..... | 8,304,068 | 30,901,099 | 92,209,551 |
| 2701. Other Expenses..... | | | 14,772,266 |
| 2702. Net Investment Income Funds On Withheld..... | 12,100,706 | 12,268,229 | 35,557,296 |
| 2703. Interest on LLC Note..... | 383,596 | 344,084 | 1,430,145 |
| 2798. Summary of remaining write-ins for Line 27 from overflow page..... | 0 | 0 | 0 |
| 2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)..... | 12,484,302 | 12,612,313 | 51,759,707 |
| 5301. | | | |
| 5302. | | | |
| 5303. | | | |
| 5398. Summary of remaining write-ins for Line 53 from overflow page..... | 0 | 0 | 0 |
| 5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above)..... | 0 | 0 | 0 |

CASH FLOW

| | 1 Current Year to Date | 2 Prior Year To Date | 3 Prior Year Ended December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| CASH FROM OPERATIONS | | | |
| 1. Premiums collected net of reinsurance..... | 194,424,140 | 47,853,858 | 268,705,301 |
| 2. Net investment income..... | 44,240,423 | 34,899,317 | 133,877,019 |
| 3. Miscellaneous income..... | 5,125,091 | 28,344,689 | 86,591,600 |
| 4. Total (Lines 1 through 3)..... | 243,789,654 | 111,097,864 | 489,173,920 |
| 5. Benefit and loss related payments..... | 26,667,819 | 20,843,219 | 167,862,783 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | (1,711,108) | (1,184,033) | (7,242,456) |
| 7. Commissions, expenses paid and aggregate write-ins for deductions..... | 30,894,471 | 9,596,304 | 122,179,166 |
| 8. Dividends paid to policyholders..... | | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$....(444,362) tax on capital gains (losses)..... | (95,788) | 10,011,152 | (10,453,455) |
| 10. Total (Lines 5 through 9)..... | 55,755,394 | 39,266,642 | 272,346,038 |
| 11. Net cash from operations (Line 4 minus Line 10)..... | 188,034,260 | 71,831,222 | 216,827,882 |
| CASH FROM INVESTMENTS | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds..... | 25,276,808 | 64,289,356 | 208,221,306 |
| 12.2 Stocks..... | 254,636 | | 4,937,136 |
| 12.3 Mortgage loans..... | | | |
| 12.4 Real estate..... | | | |
| 12.5 Other invested assets..... | 1,659,476 | 1,175,919 | 6,344,153 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments..... | | | |
| 12.7 Miscellaneous proceeds..... | 3,018,403 | 845,137 | |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7)..... | 30,209,323 | 66,310,412 | 219,502,595 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds..... | 189,624,802 | 197,520,208 | 532,831,063 |
| 13.2 Stocks..... | 19,675,410 | 9,979,696 | 24,073,982 |
| 13.3 Mortgage loans..... | | | |
| 13.4 Real estate..... | | | |
| 13.5 Other invested assets..... | 3,727,255 | 5,305,702 | 37,371,621 |
| 13.6 Miscellaneous applications..... | 1,258,446 | | 213,783 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6)..... | 214,285,913 | 212,805,606 | 594,490,449 |
| 14. Net increase or (decrease) in contract loans and premium notes..... | 5,661,798 | 267,156 | 11,873,177 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)..... | (189,738,388) | (146,762,350) | (386,861,031) |
| CASH FROM FINANCING AND MISCELLANEOUS SOURCES | | | |
| 16. Cash provided (applied): | | | |
| 16.1 Surplus notes, capital notes..... | | | |
| 16.2 Capital and paid in surplus, less treasury stock..... | | | |
| 16.3 Borrowed funds..... | | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities..... | (72,465) | 200,187 | (456,048) |
| 16.5 Dividends to stockholders..... | | 35,000,000 | 35,000,000 |
| 16.6 Other cash provided (applied)..... | (18,399,018) | 75,232,228 | 175,222,214 |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)..... | (18,471,483) | 40,432,415 | 139,766,166 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)..... | (20,175,611) | (34,498,713) | (30,266,983) |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year..... | 31,781,198 | 62,048,181 | 62,048,181 |
| 19.2 End of period (Line 18 plus Line 19.1)..... | 11,605,587 | 27,549,469 | 31,781,198 |
| Note: Supplemental disclosures of cash flow information for non-cash transactions: | | | |
| 20.0001 Capitalized Interest..... | (513,244) | (521,321) | (2,042,302) |
| 20.0002 Non-Cash Reinsurance Settlement..... | | | (132,560,112) |
| 20.0003 Premium Paid by Benefit..... | (31,663) | | (842,171) |
| 20.0004 Premium Paid by Policy Loan..... | (21,640) | | (49,647) |
| 20.0005 Stock Distribution..... | (325,126) | | |

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

| | 1 Current Year To Date | 2 Prior Year To Date | 3 Prior Year Ended December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| 1. Industrial life..... | | | |
| 2. Ordinary life insurance..... | 58,479,808 | 63,354,902 | 246,527,780 |
| 3. Ordinary individual annuities..... | 110,356 | 25,489 | 145,065 |
| 4. Credit life (group and individual)..... | | | |
| 5. Group life insurance..... | 95,064 | 100,776 | 419,373 |
| 6. Group annuities..... | 100,000,000 | | |
| 7. A&H - group..... | | | |
| 8. A&H - credit (group and individual)..... | | | |
| 9. A&H - other..... | | | |
| 10. Aggregate of all other lines of business..... | 0 | 0 | 0 |
| 11. Subtotal..... | 158,685,228 | 63,481,167 | 247,092,218 |
| 12. Deposit-type contracts..... | | | |
| 13. Total..... | 158,685,228 | 63,481,167 | 247,092,218 |

DETAILS OF WRITE-INS

| | | | |
|--|---|---|---|
| 1001. | | | |
| 1002. | | | |
| 1003. | | | |
| 1098. Summary of remaining write-ins for Line 10 from overflow page..... | 0 | 0 | 0 |
| 1099. Total (Lines 1001 thru 1003 plus 1098) (Line 10 above)..... | 0 | 0 | 0 |

NOTES TO FINANCIAL STATEMENTS**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN****A. Accounting Practices**

The accompanying financial statements of The Penn Insurance and Annuity Company ("the Company") have been prepared in conformity with statutory accounting practices (SAP) prescribed or permitted by the Insurance Department of the State of Delaware. Insurance companies domiciled in Delaware are required to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' *Accounting Practices and Procedures* manual, subject to any deviations prescribed or permitted by the Delaware Insurance Commissioner.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Delaware is shown below:

| | State of Domicile | Current Period | Prior Year |
|--|-------------------|----------------|-----------------|
| NET INCOME | | | |
| (1) PENN INSURANCE AND ANNUITY COMPANY state basis (Page 4, Line 35, Columns 1 & 3) | DE | \$ 3,270,630 | \$ (32,874,603) |
| (2) State Prescribed Practices that increase/decrease NAIC SAP | | | |
| (3) State Permitted Practices that increase/decrease NAIC SAP | | | |
| (4) NAIC SAP (1 – 2 – 3 = 4) | DE | \$ 3,270,630 | \$ (32,874,603) |
| SURPLUS | | | |
| (5) PENN INSURANCE AND ANNUITY COMPANY state basis (Page 3, line 38, Columns 1 & 2) | DE | \$ 367,805,139 | \$ 363,062,750 |
| (6) State Prescribed Practices that increase/decrease NAIC SAP Nonadmit of PIA RE I | DE | (86,307,340) | (83,735,503) |
| (7) State Permitted Practices that increase/decrease NAIC SAP | | | |
| (8) NAIC SAP (5 – 6 – 7 = 8) | DE | \$ 454,112,479 | \$ 446,798,253 |

B. Use of Estimates in the Preparation of the Financial Statement

The preparation of financial statements requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Those estimates are inherently subject to change and actual results could differ from those estimates. Included among the material reported amounts and disclosures that require extensive use of estimates are:

- Carrying value of certain invested assets
- Liabilities for reserves and funds for the payment of insurance and annuity benefits
- Accounting for income taxes and valuation of deferred income tax assets and liabilities and unrecognized tax benefits
- Litigation and other contingencies

C. Accounting Policy

Premiums on products with life contingencies are recognized as revenue over the premium payment period of the related policies. Annuity premium on policies with life contingencies are recognized as revenue as they are received. Both premium and annuity considerations are recorded net of reinsurance premiums. Commissions and other costs related to issuance of new policies, and policy maintenance and settlement costs are charged to current operations when incurred. Surrender fee charges on certain life and annuity products are recorded as a reduction of benefits and expenses. Benefit payments are reported net of the amounts received from reinsurers.

In addition, the Company uses the following accounting policies:

(1) Short-term investments, which are carried at amortized cost and approximate fair value, consist primarily of money market funds and investments purchased with maturities of greater than three months and less than or equal to 12 months.

(2) Bonds with a NAIC designation of 1 to 5 are valued at amortized cost. All other bonds are valued at the lower of cost or market. Fair value is determined using an external pricing service or management's pricing model.

For fixed income securities that do not have a fixed schedule of payments, including asset-backed and mortgage-backed securities, the effect on amortization or accretion is revalued quarterly based on the current estimated cash flows, using the retrospective method, except for favorable changes in expected cash flows for structured securities where the possibility of non-interest loss is other than remote. In these cases, income is recognized on the prospective method over the remaining life of the securities. Under the retrospective method, the recalculated effective yield equates the present value of the actual and anticipated cash flows, including new prepayment assumptions, to the original cost of the investment. Prepayment assumptions are based on borrower constraints and economic incentives such as original term, age, and coupon of the loan as affected by the interest rate environment. The current carrying value is then increased or decreased to the amount that would have resulted had the revised yield been applied since inception, and investment income is correspondingly decreased or increased. Cash flow assumptions for structured securities are obtained from broker dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment.

The carrying values of fixed income, preferred and common stocks are written down when a decline is considered to be other-than-temporary. The Company considers an impairment to be other than temporary ("OTTI") if: (a) the Company's intent is to sell,

NOTES TO FINANCIAL STATEMENTS

(b) the Company will more likely than not be required to sell, (c) the Company does not have the intent and ability to hold the security for a period of time sufficient to recover the amortized cost basis, or (d) the Company does not expect to recover the entire amortized cost basis. The Company conducts a periodic management review of all securities with a market to book ratio below 80%, or otherwise designated by management. The Company also considers other qualitative and quantitative factors in determining the existence of other-than-temporary impairments including, but not limited to, unrealized loss trend analysis and significant short-term changes in value, default rates, delinquency rates, percentage of nonperforming loans, prepayments, and severities. If the impairment is other-than-temporary, the non-interest loss portion of the impairment is recorded through realized losses and the interest related portion of the loss would be disclosed in the notes to the financial statements.

The non-interest portion is determined based on the Company's "best estimate" of future cash flows discounted to a present value using the appropriate yield. The difference between the present value of the best estimate of cash flows and the amortized cost is the non-interest loss. The remaining difference between the amortized cost and the fair value is the interest loss.

(3) Common Stock of the Company's insurance affiliate, PIARe I is fully nonadmitted on the Statement of Admitted Assets, Liabilities, and Surplus. Dividends are recognized in net investment income on the ex-dividend date. Changes in the carrying value are recognized in unrealized gains or losses in surplus. The investment in capital stock of the Federal Home Loan Bank of Pittsburgh (FHLB-PGH) is carried at par, which approximates fair value. See the "Federal Home Loan Bank Borrowings" caption within this footnote for additional information on FHLB-PGH.

(4) Preferred stocks with a NAIC designation of 1 to 3 are valued at amortized cost. All other preferred stocks are valued at the lower of cost or market. Fair value is determined using an external pricing service or management's pricing model

(5) The Company has no investments in mortgage loans.

(6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or market. For loan and asset-backed securities of high credit quality, the impact of changes in expected cash flows are recognized on the retrospective adjustment method. For structured securities where the possibility of credit loss is other than remote, the impact of favorable changes in expected cash flows are recognized on the prospective method over the remaining life of the securities.

(7) Investments in subsidiaries are accounted for using the equity method. The Company's investments in Independence Square Properties LLC ("ISP") and Dresher Run, to the extent of the audited equity, are admitted assets, while the Company's investment in PIARe I is a nonadmitted asset.

(8) Alternative Assets consist of limited partnerships. The Company accounts for the value of its investments at their underlying GAAP equity. Dividends and income distributions from limited partnerships are recorded in investment income. Undistributed earnings are included in unrealized gains and losses and are reflected in surplus, net of deferred taxes. Distributions that are recorded as a return of capital reduce the carrying value of the limited partnership investment. Due to the timing of the valuation data received from the general partner, these investments are reported in accordance with the most recent valuations received which are primarily on a one quarter lag. Investments in low income housing tax credits ("LIHTC") are included in Other Invested Assets and are accounted for under the cost method. The delayed equity contributions for these investments are unconditional and legally binding and, therefore, have been recognized as a liability. LIHTC investments are reviewed for OTTI, which is accounted for as a realized loss.

(9) The Company does not have investments in derivatives.

(10) Not applicable

(11) Not applicable

(12) The Company has not modified its capitalization policy from the prior period.

(13) Not applicable

D. Going Concern

Not applicable

NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No significant changes

NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL

No significant change.

NOTE 4 – DISCONTINUED OPERATIONS

The Company did not have discontinued operations through March 31, 2016.

NOTE 5 – INVESTMENTS

D. Loan-Backed Securities

NOTES TO FINANCIAL STATEMENTS

- (1) Prepayment assumptions are obtained from broker dealer survey values or internal estimates.
- (2) There were no other than temporary impairments recognized on loan-backed securities for the period ended March 31, 2016.
- (3) Recognized OTTI securities

There were no securities through March 31, 2016 in which the Company recognized the non-interest portion of other than temporary impairments.

- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

| | | | | | |
|----|--|----|---------------------|----|-------------|
| a. | The aggregate amount of unrealized losses: | 1. | Less than 12 Months | \$ | 15,769,000 |
| | | 2. | 12 Months or Longer | \$ | 3,793,000 |
| b. | The aggregate related fair value of securities with unrealized losses: | 1. | Less than 12 Months | \$ | 286,510,000 |
| | | 2. | 12 Months or Longer | \$ | 96,555,000 |

- (5) The Company also considers other qualitative and quantitative factors in determining the existence of other-than-temporary impairments including, but not limited to, unrealized loss trend analysis and significant short-term changes in value. If the impairment is other-than-temporary, the non-interest loss portion of the impairment is recorded through realized losses and the interest related portion of the loss would be disclosed in the notes to the financial statements.

E. Repurchase Agreements and/or Securities Lending Transactions

The Company did not have any repurchase agreements through March 31, 2016.

I. Working Capital Finance Investments

The Company did not have any Working Capital Finance Investments at March 31, 2016.

J. Offsetting and Netting of Assets and Liabilities

The Company did not have any assets or liabilities that are offset and reported net in accordance with a valid right to offset as of March 31, 2016.

NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No significant changes

NOTE 7 – INVESTMENT INCOME

No significant changes

NOTE 8 – DERIVATIVE INSTRUMENTS

The Company does not have investments in derivatives.

NOTE 9 – INCOME TAXES

No significant changes

NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

No significant changes

NOTE 11 – DEBT**B. FHLB (Federal Home Loan Bank) Agreements**

- (1) In December 2015, the Company became a member of the Federal Home Loan Bank of Pittsburgh (“FHLB-PGH”), which provides access to collateralized advances, collateralized funding agreements, and other FHLB-PGH products. Collateralized advances from the FHLB-PGH are classified in “Borrowed money.” Collateralized funding agreements issued to the FHLB-PGH are classified as liabilities for deposit-type funds and are recorded within “Reserves and funds for payment of insurance and annuity benefits.” These funding agreements have priority claim status above debt holders of the Company.

The Company’s membership in FHLB-PGH requires the ownership of member stock, and borrowings from FHLB-PGH require the purchase of FHLB-PGH activity based stock in an amount equal to 4% of the outstanding borrowings. All FHLB-PGH stock purchased by the Company is classified as restricted general account investments within “Common stock - unaffiliated.” The Company’s borrowing capacity is determined by the lesser of the assets available to be pledged as collateral to FHLB-PGH or 10% of the Company’s prior period admitted general account assets. The fair value of the qualifying assets pledged as collateral by the

NOTES TO FINANCIAL STATEMENTS

Company must be maintained at certain specified levels of the borrowed amount, which can vary, depending on the nature of the assets pledged. The Company's agreement allows for the substitution of assets and the advances are pre-payable. Current borrowings are subject to prepayment penalties.

The Company's investment in the FHLB-PGH Class B Membership Capital Stock as of March 31, 2016 and December 31, 2015 was \$275,000 and \$275,000, respectively. The Company also invested \$4,000,000 and \$0 in FHLB-PGH Activity Stock as of March 31, 2016 and December 31, 2015, respectively. The Class B Membership Capital Stock held by the Company is subject to written notices of requests for redemption followed by a five year waiting period.

As of March 31, 2016 and December 31, 2015, the Company's borrowing capacity with the FHLB-PGH was \$317,794,000 and \$228,228,000, respectively.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Period

| | 1 Total 2 + 3 | 2 General Account | 3 Protected Cell Accounts |
|---|---------------------|-------------------------|---------------------------------|
| (a) Membership Stock – Class A | \$ | \$ | \$ |
| (b) Membership Stock – Class B | 274,600 | 274,600 | |
| (c) Activity Stock | 4,000,000 | 4,000,000 | |
| (d) Excess Stock | | | |
| (e) Aggregate Total (a+b+c+d) | \$ 4,274,600 | \$ 4,274,600 | \$ |
| (f) Actual or estimated borrowing capacity as determined by the insurer | \$ 317,793,540 | XXX | XXX |

2. Prior Year

| | 1 Total 2 + 3 | 2 General Account | 3 Protected Cell Accounts |
|---|---------------------|-------------------------|---------------------------------|
| (a) Membership Stock – Class A | \$ | \$ | \$ |
| (b) Membership Stock – Class B | 274,600 | 274,600 | |
| (c) Activity Stock | | | |
| (d) Excess Stock | | | |
| (e) Aggregate Total (a+b+c+d) | \$ 274,600 | \$ 274,600 | \$ |
| (f) Actual or estimated borrowing capacity as determined by the insurer | \$ 228,228,000 | XXX | XXX |

b. Membership Stock (Class A and B) Eligible for Redemption

| Membership Stock | 1 Current Period Total (2+3+4+5+6) | 2 Not Eligible for Redemption | Eligible for Redemption | | | |
|---------------------|--|-------------------------------------|-------------------------|---------------------------------|---------------------------|--------------|
| | | | 3 | 4 | 5 | 6 |
| | | | Less than 6 Months | 6 Months to Less Than 1 Year | 1 to Less Than 3 Years | 3 to 5 Years |
| 1. Class A | \$ | \$ | \$ | \$ | \$ | \$ |
| 2. Class B | \$ 274,600 | \$ | \$ | \$ | \$ | \$ 274,600 |

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

| | 1 Fair Value | 2 Carrying Value | 3 Aggregate Total Borrowing |
|---|-----------------|---------------------|--------------------------------|
| 1. Current Period Total General and Separate Accounts Total Collateral Pledged (Lines 2+3) | \$ 150,711,355 | \$ 132,659,086 | \$ 100,000,000 |
| 2. Current Period General Account Total Collateral Pledged | \$ 150,711,355 | \$ 132,659,086 | \$ 100,000,000 |
| 3. Current Period Separate Accounts Total Collateral Pledged | \$ | \$ | \$ |
| 4. Prior Year Total General and Separate Accounts Total Collateral Pledged | \$ | \$ | \$ |

b. Maximum Amount Pledged During Reporting Period

| | 1 Fair Value | 2 Carrying Value | 3 Amount Borrowed at Time of Maximum Collateral |
|---|-----------------|---------------------|---|
| 1. Current Period Total General and Separate Accounts Total Collateral Pledged (Lines 2+3) | \$ 150,711,355 | \$ 132,659,086 | \$ 100,000,000 |

NOTES TO FINANCIAL STATEMENTS

| | | | | | | |
|---|----|-------------|----|-------------|----|-------------|
| 2. Current Period General Account Total Collateral Pledged | \$ | 150,711,355 | \$ | 132,659,086 | \$ | 100,000,000 |
| 3. Current Period Separate Accounts Total Collateral Pledged | \$ | | \$ | | \$ | |
| 4. Prior Year Total General and Separate Accounts Total Collateral Pledged | \$ | | \$ | | \$ | |

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Period

| | 1 Total 2 + 3 | 2 General Account | 3 Protected Cell Account | 4 Funding Agreements Reserves Established |
|-----------------------------|---------------------|-------------------------|--------------------------------|---|
| (a) Debt | \$ | \$ | \$ | XXX |
| (b) Funding Agreements | 100,000,000 | 100,000,000 | | \$ 1 |
| (c) Other | | | | XXX |
| (d) Aggregate Total (a+b+c) | \$ 100,000,000 | \$ 100,000,000 | \$ | \$ 1 |

2. Prior Year

| | 1 Total 2 + 3 | 2 General Account | 3 Protected Cell Account | 4 Funding Agreements Reserves Established |
|-----------------------------|---------------------|-------------------------|--------------------------------|---|
| (a) Debt | \$ | \$ | \$ | XXX |
| (b) Funding Agreements | | | | \$ |
| (c) Other | | | | XXX |
| (d) Aggregate Total (a+b+c) | \$ | \$ | \$ | \$ |

b. Maximum Amount During Reporting Period (Current Period)

| | 1 Total 2 + 3 | 2 General Account | 3 Protected Cell Accounts |
|----------------------------------|---------------------|-------------------------|---------------------------------|
| 1. Debt | \$ | \$ | \$ |
| 2. Funding Agreements | 100,000,000 | 100,000,000 | |
| 3. Other | | | |
| 4. Aggregate Total (Lines 1+2+3) | \$ 100,000,000 | \$ 100,000,000 | \$ |

c. FHLB – Prepayment Obligations

| | Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO) |
|-----------------------|---|
| 1. Debt | |
| 2. Funding Agreements | NO |
| 3. Other | |

NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company does not have such plans.

NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

No significant changes

NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS

No significant change.

NOTE 15 – LEASES

The Company had no lease obligations as of March 31, 2016.

NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable

NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

B. Transfer and Servicing of Financial Assets

There have been no transfer or servicing of financial assets through March 31, 2016.

NOTES TO FINANCIAL STATEMENTS**C. Wash Sales**

- (1) In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investment portfolio.
- (2) The Company did not sell any NAIC designation 3 or below, or unrated of securities sold during the period ended March 31, 2016 and reacquired within 30 days of the sale date.

NOTE 18 – GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE PORTION OF PARTIALLY INSURED PLANS

Not applicable

NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

The Company does not have managing general agents or third party administrators that write premium.

NOTE 20 – FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on assumptions market participants would make in pricing an asset or liability. Inputs to valuation techniques to measure fair value are prioritized by establishing a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to prices derived from unobservable inputs. An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its fair value measurement. The Company has categorized its assets and liabilities into the three-level fair value hierarchy based upon the priority of the inputs. The following summarizes the types of assets and liabilities included within the three-level hierarchy:

- Level 1 Fair value is based on unadjusted quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date. These generally provide the most reliable evidence and are used to measure fair value whenever available. Active markets are defined as having the following for the measured asset/liability: i) many transactions, ii) current prices, iii) price quotes not varying substantially among market makers, iv) narrow bid/ask spreads and v) most information publicly available. Prices are obtained from readily available sources for market transactions involving identical assets and liabilities.
- Level 2 Fair value is based on significant inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability through corroboration with observable market data. Prices for assets classified as Level 2 are primarily provided by an independent pricing service using observable inputs. In circumstances where prices from pricing services are reviewed for reasonability but cannot be corroborated to observable market data as noted above, these security values are recorded in Level 3 in our fair value hierarchy.
- Level 3 Fair value is based on significant inputs that are unobservable for the asset or liability. These inputs reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability. These are typically less liquid fixed maturity securities with very limited trading activity. Prices are determined using valuation methodologies such as option pricing models, discounted cash flow models, market approach and other similar techniques. Prices may be based upon non-binding quotes from brokers or other market makers that are reviewed for reasonableness, based on the Company's understanding of the market but are not further corroborated with other additional observable market information.

The determination of fair value, which for certain assets and liabilities is dependent on the application of estimates and assumptions, can have a significant impact on the Company's results of operations. The following sections describe the valuation methodologies used to determine fair values as well as key estimates and assumptions surrounding certain assets and liabilities, measured at fair value on a recurring basis, that could have a significant impact on the Company's results of operations or involve the use of significant unobservable inputs.

The fair value process is monitored by an internal Valuation Group, which meets at least quarterly. The Valuation Group consists of financial and investment professionals and utilizes additional subject matter experts as applicable. The purpose of the Valuation Group is to monitor the Company's asset valuation policies and procedures by ensuring objective and reliable valuation practices and pricing of financial instruments, as well as addressing fair valuation issues, changes to valuation methodologies and pricing sources. To assess the continuing appropriateness of third party pricing service security valuations, the Valuation Group regularly monitors the prices and reviews price variance reports. In addition, the Company performs an initial and ongoing review of the third party pricing services methodologies, reviews inputs and assumptions used for a sample of securities on a periodic basis. Pricing challenges are raised on valuations considered not reflective of market and are monitored by the Valuation Group.

BONDS

The fair values of the Company's debt securities are generally based on quoted market prices or prices obtained from independent pricing services. In order to validate reasonability, prices are reviewed by internal investment professionals through comparison with directly observed recent market trades or color or by comparison of significant inputs used by the pricing service to the Company's observations of those inputs in the market. Consistent with the fair value hierarchy described above, securities with quoted market prices or corroborated valuations from pricing services are generally reflected within Level 2. Inputs considered to be standard for valuations by the independent pricing service include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data and industry and economic events. In circumstances where prices from pricing

NOTES TO FINANCIAL STATEMENTS

services are reviewed for reasonability but cannot be corroborated to observable market data as noted above, these security values are recorded in Level 3 in the Company's fair value hierarchy.

In circumstances where market data such as quoted market prices or vendor pricing is not available, internal estimates based on significant observable inputs are used to determine fair value. This category also includes fixed income securities priced internally. Inputs considered include: public debt, industrial comparables, underlying assets, credit ratings, yield curves, type of deal structure, collateral performance, loan characteristics and various indices, as applicable. Also included in Level 2 are private placement securities. Inputs considered are: public corporate bond spreads, industry sectors, average life, internal ratings, security structure, liquidity spreads, credit spreads and yield curves, as applicable. If the discounted cash flow model incorporates significant unobservable inputs, these securities would be reflected within Level 3 in the Company's fair value hierarchy.

In circumstances where significant observable inputs are not available, estimated fair value is calculated internally by using unobservable inputs. These inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset, and are therefore included in Level 3 in the Company's fair value hierarchy. Circumstances where observable market data is not available may include events such as market illiquidity and credit events related to the security.

EQUITY SECURITIES

Equity securities consist principally of investments in common and preferred stock of publicly traded companies. The fair values of most publicly traded equity securities are based on quoted market prices in active markets for identical assets and are classified within Level 1 in the Company's fair value hierarchy.

CASH AND SHORT-TERM INVESTMENTS

Short-term investments carried at Level 1 consist of money market funds and investments purchased with maturities of greater than three months and less than or equal to 12 months. These are carried at amortized cost and approximate fair value.

SEPARATE ACCOUNT ASSETS

Separate account assets primarily consist of mutual funds. The fair value of mutual funds is based upon quoted prices in an active market, resulting in classification in Level 1.

A.

(1) Fair Value Measurements at Reporting Date

| Assets at Fair Value | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|---------------|--------------|--------------|----------------|
| Corporate Securities | \$ | \$ 3,043,000 | \$ | \$ 3,043,000 |
| Common Stock - Unaffiliated | 39,224,000 | | 4,275,000 | 43,499,000 |
| Separate Account Assets | 54,547,000 | | | 54,547,000 |
| Total | \$ 93,771,000 | \$ 3,043,000 | \$ 4,275,000 | \$ 101,089,000 |

| Liabilities at Fair Value | Level 1 | Level 2 | Level 3 | Total |
|---------------------------|---------|---------|---------|-------|
| | \$ | \$ | \$ | \$ |
| Total | \$ | \$ | \$ | \$ |

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

The Company recognizes transfers into Level 3 as of the end of the period in which the circumstances leading to the transfer occurred. The Company recognizes transfers out of Level 3 at the beginning of a period in which the circumstances leading to the transfer occurred.

There were no gains or losses included in income that are attributable to unrealized capital gains or losses for Level 3 assets and liabilities still held at March 31, 2016 and December 31, 2015.

There were no assets transferred in or out of Level 3 for the periods ended March 31, 2016 and December 31, 2015.

| a. Assets | Beginning Balance at current period | 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 | Ending Balance at current period |
|-----------------------------|-------------------------------------|------------------------|--------------------------|---|--|--------------|-----------|-------|-------------|----------------------------------|
| Common Stock - Unaffiliated | \$ 275,000 | \$ | \$ | \$ | \$ | \$ 4,000,000 | \$ | \$ | \$ | \$ 4,275,000 |
| Total | \$ 275,000 | \$ | \$ | \$ | \$ | \$ 4,000,000 | \$ | \$ | \$ | \$ 4,275,000 |

| b. Liabilities | Beginning Balance at | Transfers Into | Transfers Out of Level | Total Gains and (Losses) | Total Gains and (Losses) | Purchases | Issuances | Sales | Settlements | Ending Balance at |
|----------------|----------------------|----------------|------------------------|--------------------------|--------------------------|-----------|-----------|-------|-------------|-------------------|
|----------------|----------------------|----------------|------------------------|--------------------------|--------------------------|-----------|-----------|-------|-------------|-------------------|

NOTES TO FINANCIAL STATEMENTS

| | current period | Level 3 | 3 | Included in Net Income | Included in Surplus | | | | | current period |
|-------|----------------|---------|----|---------------------------|------------------------|----|----|----|----|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Total | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

- (3) When a determination is made to classify a financial instrument within level 3, the determination is based upon the significance of the unobservable parameters to the overall fair value measurement. However, level 3 financial instruments typically include, in addition to the unobservable or level 3 components, observable components (that is, components that are actively quoted and can be validated to external sources); accordingly, the gains and losses in the table below include changes in fair value due in part to observable factors that are part of the valuation methodology. There were no assets transferred in or out of Level 3 for the period ended March 31, 2016.
- (4) The following summarizes the fair value, valuation techniques and significant unobservable inputs of the Level 3 fair value measurements that were developed as of March 31, 2016:

| | Fair Value | Valuation Technique | Significant Unobservable Inputs | Rate/ Range or /weighted avg. |
|----------------------------|-------------------|------------------------------|------------------------------------|----------------------------------|
| Assets: | | | | |
| Investments | | | | |
| Common stock, unaffiliated | \$ 275,000 | Set by issuer – FHLB-PGH (1) | Not available | N/A |
| Total investments | \$ 275,000 | | | |

(1) The par value of capital stock is \$100. The capital stock is issued, redeemed and repurchased at par

(5) Not applicable

B. Not applicable

C.

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Not Practicable (Carrying Value) |
|------------------------------------|----------------------|-----------------|------------|---------------|-------------|-------------------------------------|
| Financial Assets: | \$ | \$ | \$ | \$ | \$ | \$ |
| Bonds | 2,513,913,000 | 2,387,071,000 | 156,000 | 2,374,146,000 | 139,611,000 | |
| Preferred Stock | 12,067,000 | 11,555,000 | 12,067,000 | | | |
| Common Stock - Unaffiliated | 43,499,000 | 43,499,000 | 39,224,000 | | 4,275,000 | |
| Cash and Short-Term Investments | 11,606,000 | 11,606,000 | 8,946,000 | 2,660,000 | | |
| Separate Account Assets | 54,547,000 | 54,547,000 | 54,547,000 | | | |
| Financial Liabilities: | | | | | | |
| Investment Type Contracts | | | | | | |
| Individual Annuities | 25,153,000 | 24,484,000 | | | 25,153,000 | |
| Separate Account Liabilities | 54,547,000 | 54,547,000 | 54,547,000 | | | |

D. Not Practicable to Estimate Fair Value

| Type of Class or Financial Instrument | Carrying Value | Effective Interest Rate | Maturity Date | Explanation |
|---------------------------------------|----------------|----------------------------|---------------|-------------|
| | \$ | % | | |

NOTE 21 – OTHER ITEMS

No significant changes

NOTE 22 – EVENTS SUBSEQUENT

There have been no extraordinary events or transactions, which have a material effect on the financial condition of the Company.

NOTE 23 – REINSURANCE

No significant changes

NOTE 24 – RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

The Company does not have any retrospectively rated contracts.

NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Not applicable

NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS

The Company is not part of a group of affiliated insurers that utilizes a pooling arrangement.

NOTE 27 – STRUCTURED SETTLEMENTS

Not applicable

NOTES TO FINANCIAL STATEMENTS

NOTE 28 – HEALTH CARE RECEIVABLES

Not applicable

NOTE 29 – PARTICIPATING POLICIES

All policies and contracts issued by the Company are non-participating.

NOTE 30 – PREMIUM DEFICIENCY RESERVES

The Company does not have accident and health or property and casualty contracts.

NOTE 31 – RESERVES FOR LIFE CONTRACTS AND DEPOSIT-TYPE CONTRACTS

No significant changes

NOTE 32 – ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT LIABILITIES BY WITHDRAWAL CHARACTERISTICS

No significant changes

NOTE 33 – PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

No significant changes

NOTE 34 – SEPARATE ACCOUNTS

No significant changes

NOTE 35 – LOSS/CLAIM ADJUSTMENT EXPENSES

Not applicable

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? If yes, complete Schedule Y, Parts 1 and 1A. Yes [X] No []
- 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 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 Name of Entity | 2 NAIC Company Code | 3 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? If yes, attach an explanation. Yes [] No [X] N/A []

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015
- 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. 12/31/2010
- 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). 03/15/2012

6.4 By what department or departments?
Delaware Department of Insurance

- 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 [] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 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 with 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 [X] No []

8.4 If the 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 Affiliate Name | 2 Location (City, State) | 3 FRB | 4 OCC | 5 FDIC | 6 SEC |
|------------------------------|-----------------------------|----------|----------|-----------|----------|
| Hornor, Townsend & Kent, LLC | Horsham, PA | NO | NO | NO | YES |
| Janney Montgomery Scott, LLC | Philadelphia, PA | NO | NO | NO | YES |

- 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).

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

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
- 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: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

| | 1 Prior Year-End Book/Adjusted Carrying Value | 2 Current Quarter Book/Adjusted Carrying Value |
|---|---|--|
| 14.21 Bonds | \$ 0 | \$ 0 |
| 14.22 Preferred Stock | 0 | 0 |
| 14.23 Common Stock | 83,735,503 | 86,307,340 |
| 14.24 Short-Term Investments | 0 | 0 |
| 14.25 Mortgage Loans on Real Estate | 0 | 0 |
| 14.26 All Other | 8,895,014 | 20,059,774 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$ 92,630,517 | \$ 106,367,114 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$ 0 | \$ 0 |

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

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

- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.3 Total payable for securities lending reported on the liability page: \$ 0

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 No

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

| 1 Name of Custodian(s) | 2 Custodian Address |
|---------------------------|---|
| State Street Corporation | 2 World Financial Center 225 Liberty Street 24th Floor New York, NY 10281 |

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 Name(s) | 2 Location(s) | 3 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

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

| 1 Old Custodian | 2 New Custodian | 3 Date of Change | 4 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 Central Registration Depository | 2 Name(s) | 3 Address |
|--------------------------------------|------------------------------------|------------------------------------|
| 107518 | Penn Mutual Asset Management, Inc. | 600 Dresher Road Horsham, PA 19044 |

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes No

18.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - LIFE & HEALTH

1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:

| | Amount |
|--|----------------|
| 1.1 Long-term mortgages in good standing | |
| 1.11 Farm mortgages..... | \$..... |
| 1.12 Residential mortgages..... | \$..... |
| 1.13 Commercial mortgages..... | \$..... |
| 1.14 Total mortgages in good standing..... | \$.....0 |
| 1.2 Long-term mortgages in good standing with restructured terms | |
| 1.21 Total mortgages in good standing with restructured terms..... | \$..... |
| 1.3 Long-term mortgage loans upon which interest is overdue more than three months | |
| 1.31 Farm mortgages..... | \$..... |
| 1.32 Residential mortgages..... | \$..... |
| 1.33 Commercial mortgages..... | \$..... |
| 1.34 Total mortgages with interest overdue more than three months..... | \$.....0 |
| 1.4 Long-term mortgage loans in process of foreclosure | |
| 1.41 Farm mortgages..... | \$..... |
| 1.42 Residential mortgages..... | \$..... |
| 1.43 Commercial mortgages..... | \$..... |
| 1.44 Total mortgages in process of foreclosure..... | \$.....0 |
| 1.5 Total mortgage loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2) | \$.....0 |
| 1.6 Long-term mortgages foreclosed, properties transferred to real estate in current quarter | |
| 1.61 Farm mortgages..... | \$..... |
| 1.62 Residential mortgages..... | \$..... |
| 1.63 Commercial mortgages..... | \$..... |
| 1.64 Total mortgages foreclosed and transferred to real estate..... | \$.....0 |
| 2. Operating Percentages: | |
| 2.1 A&H loss percent..... | |
| 2.2 A&H cost containment percent..... | |
| 2.3 A&H expense percent excluding cost containment expenses..... | |
| 3.1 Do you act as a custodian for health savings accounts?..... | Yes [] No [X] |
| 3.2 If yes, please provide the amount of custodial funds held as of the reporting date..... | \$..... |
| 3.3 Do you act as an administrator for health savings accounts?..... | Yes [] No [X] |
| 3.4 If yes, please provide the balance of the funds administered as of the reporting date..... | \$..... |

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

| 1 NAIC Company Code | 2 ID Number | 3 Effective Date | 4 Name of Reinsurer | 5 Domiciliary Jurisdiction | 6 Type of Reinsurance Ceded | 7 Type of Reinsurer | 8 Certified Reinsurer Rating (1 through 6) | 9 Effective Date of Certified Reinsurer Rating |
|------------------------------|-------------------|------------------------|------------------------|----------------------------------|--------------------------------------|---------------------------|---|---|
|------------------------------|-------------------|------------------------|------------------------|----------------------------------|--------------------------------------|---------------------------|---|---|

NONE

PENN INSURANCE AND ANNUITY COMPANY SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

| States, Etc. | | 1 | | Direct Business Only | | | | | |
|--------------|---|---------------|-------------------------|------------------------|--|----------------------|---------------------------|------------------------|---|
| | | | | Life Contracts | | 4 | 5 | 6 | 7 |
| | | | | 2 | 3 | | | | |
| | | Active Status | Life Insurance Premiums | Annuity Considerations | A&H Insurance Premiums, Including Policy Membership and Other Fees | Other Considerations | Total Columns 2 through 5 | Deposit-Type Contracts | |
| 1. | Alabama..... | AL | L | 66,923 | | | | 66,923 | |
| 2. | Alaska..... | AK | L | 11,452 | | | | 11,452 | |
| 3. | Arizona..... | AZ | L | 1,379,446 | | | 5,000 | 1,384,446 | |
| 4. | Arkansas..... | AR | L | 257,099 | | | | 257,099 | |
| 5. | California..... | CA | L | 6,310,425 | | | | 6,310,425 | |
| 6. | Colorado..... | CO | L | 457,887 | | | | 457,887 | |
| 7. | Connecticut..... | CT | L | 825,907 | | | 2,500 | 828,407 | |
| 8. | Delaware..... | DE | L | 426,051 | | | | 426,051 | |
| 9. | District of Columbia..... | DC | L | 116,779 | | | | 116,779 | |
| 10. | Florida..... | FL | L | 3,561,228 | | | | 3,561,228 | |
| 11. | Georgia..... | GA | L | 267,649 | | | | 267,649 | |
| 12. | Hawaii..... | HI | L | 32,104 | | | | 32,104 | |
| 13. | Idaho..... | ID | L | 102,698 | | | | 102,698 | |
| 14. | Illinois..... | IL | L | 3,481,969 | | | | 3,481,969 | |
| 15. | Indiana..... | IN | L | 763,313 | | | | 763,313 | |
| 16. | Iowa..... | IA | L | 194,139 | | | | 194,139 | |
| 17. | Kansas..... | KS | L | 389,523 | | | 94,706 | 484,229 | |
| 18. | Kentucky..... | KY | L | 84,663 | | | | 84,663 | |
| 19. | Louisiana..... | LA | L | 261,585 | | | | 261,585 | |
| 20. | Maine..... | ME | L | 76,163 | | | | 76,163 | |
| 21. | Maryland..... | MD | L | 494,174 | | | | 494,174 | |
| 22. | Massachusetts..... | MA | L | 745,554 | | | | 745,554 | |
| 23. | Michigan..... | MI | L | 5,018,374 | | | | 5,018,374 | |
| 24. | Minnesota..... | MN | L | 3,233,675 | | | | 3,233,675 | |
| 25. | Mississippi..... | MS | L | 17,927 | | | | 17,927 | |
| 26. | Missouri..... | MO | L | 710,031 | | | | 710,031 | |
| 27. | Montana..... | MT | L | 30,430 | | | | 30,430 | |
| 28. | Nebraska..... | NE | L | 19,788 | | | | 19,788 | |
| 29. | Nevada..... | NV | L | 384,686 | | | | 384,686 | |
| 30. | New Hampshire..... | NH | N | 2,003 | | | | 2,003 | |
| 31. | New Jersey..... | NJ | L | 3,674,853 | | | | 3,674,853 | |
| 32. | New Mexico..... | NM | L | 67,575 | | | | 67,575 | |
| 33. | New York..... | NY | N | 2,776,515 | | | | 2,776,515 | |
| 34. | North Carolina..... | NC | L | 1,096,121 | | | | 1,096,121 | |
| 35. | North Dakota..... | ND | L | 6,978 | | | | 6,978 | |
| 36. | Ohio..... | OH | L | 1,190,094 | | | | 1,190,094 | |
| 37. | Oklahoma..... | OK | L | 281,705 | | | | 281,705 | |
| 38. | Oregon..... | OR | L | 319,486 | | | | 319,486 | |
| 39. | Pennsylvania..... | PA | L | 7,539,217 | | | 7,550 | 7,546,767 | |
| 40. | Rhode Island..... | RI | L | 122,838 | | | | 122,838 | |
| 41. | South Carolina..... | SC | L | 114,541 | | | | 114,541 | |
| 42. | South Dakota..... | SD | L | 9,715 | | | | 9,715 | |
| 43. | Tennessee..... | TN | L | 75,705 | | | | 75,705 | |
| 44. | Texas..... | TX | L | 6,483,585 | | | 600 | 6,484,185 | |
| 45. | Utah..... | UT | L | 937,399 | | | | 937,399 | |
| 46. | Vermont..... | VT | L | 69,981 | | | | 69,981 | |
| 47. | Virginia..... | VA | L | 623,511 | | | | 623,511 | |
| 48. | Washington..... | WA | L | 1,136,488 | | | | 1,136,488 | |
| 49. | West Virginia..... | WV | L | 11,525 | | | | 11,525 | |
| 50. | Wisconsin..... | WI | L | 1,447,812 | | | | 1,447,812 | |
| 51. | Wyoming..... | WY | L | 49,338 | | | | 49,338 | |
| 52. | American Samoa..... | AS | N | | | | | 0 | |
| 53. | Guam..... | GU | N | | | | | 0 | |
| 54. | Puerto Rico..... | PR | N | | | | | 0 | |
| 55. | US Virgin Islands..... | VI | N | | | | | 0 | |
| 56. | Northern Mariana Islands..... | MP | N | | | | | 0 | |
| 57. | Canada..... | CAN | N | | | | | 0 | |
| 58. | Aggregate Other Alien..... | OT | XXX | 600,693 | 0 | 0 | 0 | 600,693 | 0 |
| 59. | Subtotal..... | (a). 49 | XXX | 58,359,320 | 0 | 0 | 110,356 | 58,469,676 | 0 |
| 90. | Reporting entity contributions for employee benefit plans..... | XXX | | | | | | 0 | |
| 91. | Dividends or refunds applied to purchase paid-up additions and annuities..... | XXX | | | | | | 0 | |
| 92. | Dividends or refunds applied to shorten endowment or premium paying period..... | XXX | | | | | | 0 | |
| 93. | Premium or annuity considerations waived under disability or other contract provisions..... | XXX | | 125,246 | | | | 125,246 | |
| 94. | Aggregate other amounts not allocable by State..... | XXX | | 215,553 | 0 | 0 | 0 | 215,553 | 0 |
| 95. | Totals (Direct Business)..... | XXX | | 58,700,119 | 0 | 0 | 110,356 | 58,810,475 | 0 |
| 96. | Plus Reinsurance Assumed..... | XXX | | 72,572,292 | | | | 72,572,292 | |
| 97. | Totals (All Business)..... | XXX | | 131,272,411 | 0 | 0 | 110,356 | 131,382,767 | 0 |
| 98. | Less Reinsurance Ceded..... | XXX | | 37,337,487 | | | | 37,337,487 | |
| 99. | Totals (All Business) less Reinsurance Ceded..... | XXX | | 93,934,924 | 0 | 0 | 110,356 | 94,045,280 | 0 |

DETAILS OF WRITE-INS

| | | | | | | | | | |
|--------|--|-----|--|---------|---|---|---|---------|---|
| 58001. | Military APO/FPO..... | XXX | | 600,693 | | | | 600,693 | |
| 58002. | | XXX | | | | | | 0 | |
| 58003. | | XXX | | | | | | 0 | |
| 58998. | Summary of remaining write-ins for line 58 from overflow page..... | XXX | | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. | Total (Lines 58001 thru 58003 plus 58998) (Line 58 above)..... | XXX | | 600,693 | 0 | 0 | 0 | 600,693 | 0 |
| 9401. | Internal Replacements..... | XXX | | 215,553 | | | | 215,553 | |
| 9402. | | XXX | | | | | | 0 | |
| 9403. | | XXX | | | | | | 0 | |
| 9498. | Summary of remaining write-ins for line 94 from overflow page..... | XXX | | 0 | 0 | 0 | 0 | 0 | 0 |
| 9499. | Total (Lines 9401 thru 9403 plus 9498) (Line 94 above)..... | XXX | | 215,553 | 0 | 0 | 0 | 215,553 | 0 |

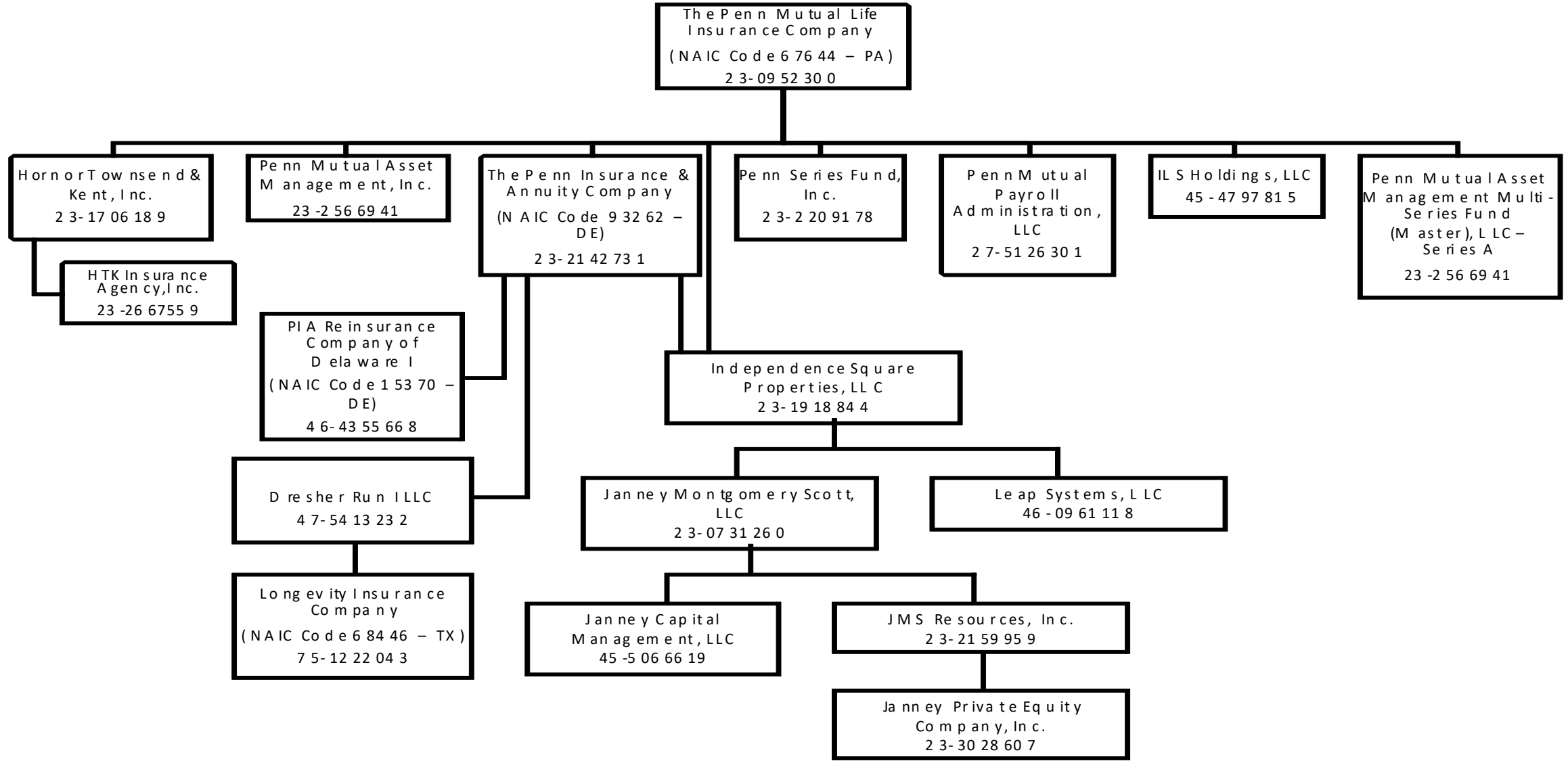
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(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 ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



Q12

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|----------------|--|-------------------|--------------|--------------|------------|--|---|----------------------|----------------------------------|--|--|--|---|--------|
| Group Code | Group Name | NAIC Company Code | ID Number | Federal RSSD | CIK | Name of Securities Exchange if Publicly Traded (U.S. or International) | Names of Parent, Subsidiaries or Affiliates | Domiciliary Location | Relationship to Reporting Entity | Directly Controlled by (Name of Entity/Person) | Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other) | If Control is Ownership Provide Percentage | Ultimate Controlling Entity(ies)/Person(s) | * |
| Members | | | | | | | | | | | | | | |
| 0850..... | The Penn Mutual Life Insurance Company | 67644... | 23-0952300.. | | | | The Penn Mutual Life Insurance Company..... | PA..... | UDP..... | | | | | |
| 0850..... | The Penn Mutual Life Insurance Company | 93262... | 23-2142731.. | | | | The Penn Insurance and Annuity Company..... | DE..... | IA..... | The Penn Mutual Life Insurance Company..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | 15370... | 46-4355668.. | | | | PIA Reinsurance Company of Delaware I..... | DE..... | IA..... | The Penn Insurance and Annuity Company.... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 23-1706189.. | | 0000077131 | | Honor Townsend & Kent, Inc..... | PA..... | NIA..... | The Penn Mutual Life Insurance Company..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 23-2667559.. | | | | HTK Insurance Agency, Inc..... | DE..... | DS..... | Honor Townsend & Kent, Inc..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 23-1918844.. | | | | Independence Square Properties, LLC..... | PA..... | NIA..... | The Penn Mutual Life Insurance Company..... | Ownership..... | ...95.770 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 23-2566941.. | | | | Penn Mutual Asset Management, Inc..... | PA..... | NIA..... | The Penn Mutual Life Insurance Company..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 23-2209178.. | | | | Penn Series Fund, Inc..... | PA..... | NIA..... | The Penn Mutual Life Insurance Company..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 27-5126301.. | | | | Penn Mutual Payroll Administration, LLC..... | PA..... | NIA..... | The Penn Mutual Life Insurance Company..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 45-4797815.. | | | | ILS Holdings, LLC..... | PA..... | NIA..... | The Penn Mutual Life Insurance Company..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 23-0731260.. | | 0000200401 | | Janney Montgomery Scott, LLC..... | PA..... | DS..... | Independence Square Properties, LLC..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 46-0961118.. | | | | Leap Systems, LLC..... | PA..... | DS..... | Independence Square Properties, LLC..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 45-5066619.. | | | | Janney Capital Management, LLC..... | PA..... | DS..... | Janney Montgomery Scott, LLC..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 23-2159959.. | | | | JMS Resources, Inc..... | PA..... | DS..... | Janney Montgomery Scott, LLC..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 23-3028607.. | | | | Janney Private Equity Company, Inc..... | DE..... | DS..... | JMS Resources, Inc..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 47-5413232.. | | | | Dresher Run I, LLC..... | DE..... | NIA..... | The Penn Insurance and Annuity Company.... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | 68446... | 75-1222043.. | | | | Longevity Insurance Company..... | TX..... | DS..... | Dresher Run I, LLC..... | Ownership..... | ...100.000 | The Penn Mutual Life Insurance Company..... | |
| 0850..... | The Penn Mutual Life Insurance Company | | 23-2566941.. | | | | Penn Mutual Asset Management Multi-Series Fund (Master), LLC - Series A | PA..... | OTH..... | The Penn Mutual Life Insurance Company..... | Influence..... | | The Penn Mutual Life Insurance Company..... | 1..... |

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SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|------------|------------|-------------------|-----------|--------------|-----|--|---|----------------------|----------------------------------|--|--|--|--|----|
| Group Code | Group Name | NAIC Company Code | ID Number | Federal RSSD | CIK | Name of Securities Exchange if Publicly Traded (U.S. or International) | Names of Parent, Subsidiaries or Affiliates | Domiciliary Location | Relationship to Reporting Entity | Directly Controlled by (Name of Entity/Person) | Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other) | If Control is Ownership Provide Percentage | Ultimate Controlling Entity(ies)/Person(s) | * |

| Asterisk | Explanation |
|----------|---|
| 1 | Entity over which The Penn Mutual Life Insurance Company has significant influence, but no ownership. |

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? | NO |
| 2. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | NO |
| 3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC? | NO |
| 4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC? | NO |
| 5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC? | NO |
| 6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC? | YES |
| 7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC? | NO |

Explanations:

1. The data for this supplement is not required to be filed.
2. The data for this supplement is not required to be filed.
3. The data for this supplement is not required to be filed.
4. The data for this supplement is not required to be filed.
5. The data for this supplement is not required to be filed.
- 6.
7. The data for this supplement is not required to be filed.

Bar Code:



NONE

**PENN INSURANCE AND ANNUITY COMPANY
SCHEDULE A - VERIFICATION**

Real Estate

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

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

| | 1 Year to Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year..... | 161,787,407 | 129,086,578 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition..... | 86,684 | 4,914,603 |
| 2.2 Additional investment made after acquisition..... | 3,640,571 | 32,457,018 |
| 3. Capitalized deferred interest and other..... | | 21,267 |
| 4. Accrual of discount..... | | |
| 5. Unrealized valuation increase (decrease)..... | (3,382,607) | 3,887,238 |
| 6. Total gain (loss) on disposals..... | | 109,241 |
| 7. Deduct amounts received on disposals..... | 1,864,774 | 6,344,153 |
| 8. Deduct amortization of premium and depreciation..... | 516,040 | 2,076,866 |
| 9. Total foreign exchange change in book/adjusted carrying value..... | 130,214 | (267,519) |
| 10. Deduct current year's other-than-temporary impairment recognized..... | | |
| 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)..... | 159,881,455 | 161,787,407 |
| 12. Deduct total nonadmitted amounts..... | 3,564,901 | 3,594,785 |
| 13. Statement value at end of current period (Line 11 minus Line 12)..... | 156,316,554 | 158,192,622 |

SCHEDULE D - VERIFICATION

Bonds and Stocks

| | 1 Year to Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year..... | 2,342,209,099 | 1,868,253,446 |
| 2. Cost of bonds and stocks acquired..... | 210,138,582 | 691,507,459 |
| 3. Accrual of discount..... | 32,036 | 9,510,885 |
| 4. Unrealized valuation increase (decrease)..... | 4,398,727 | 3,578,312 |
| 5. Total gain (loss) on disposals..... | (1,115,965) | (3,714,234) |
| 6. Deduct consideration for bonds and stocks disposed of..... | 25,531,444 | 215,658,442 |
| 7. Deduct amortization of premium..... | 1,698,473 | 11,268,327 |
| 8. Total foreign exchange change in book/adjusted carrying value..... | | |
| 9. Deduct current year's other-than-temporary impairment recognized..... | | |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 2,528,432,562 | 2,342,209,099 |
| 11. Deduct total nonadmitted amounts..... | 86,307,340 | 83,735,503 |
| 12. Statement value at end of current period (Line 10 minus Line 11)..... | 2,442,125,222 | 2,258,473,596 |

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

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|---|-------------------------------------|-------------------------------------|---|---|--|---|---|
| NAIC Designation | Book/Adjusted Carrying Value Beginning of Current Quarter | Acquisitions During Current Quarter | Dispositions During Current Quarter | Non-Trading Activity During Current Quarter | Book/Adjusted Carrying Value End of First Quarter | Book/Adjusted Carrying Value End of Second Quarter | Book/Adjusted Carrying Value End of Third Quarter | Book/Adjusted Carrying Value December 31 Prior Year |
| BONDS | | | | | | | | |
| 1. NAIC 1 (a)..... | 1,484,246,967 | 309,954,885 | 192,955,143 | (2,855,921) | 1,598,390,788 | | | 1,484,246,967 |
| 2. NAIC 2 (a)..... | 635,620,351 | 33,590,874 | 2,979,829 | (13,069,176) | 653,162,220 | | | 635,620,351 |
| 3. NAIC 3 (a)..... | 93,363,249 | 2,347,707 | 67,066 | 10,302,147 | 105,946,037 | | | 93,363,249 |
| 4. NAIC 4 (a)..... | 25,907,305 | | | 2,949,367 | 28,856,672 | | | 25,907,305 |
| 5. NAIC 5 (a)..... | 3,982,218 | | 974,407 | 974,265 | 3,982,076 | | | 3,982,218 |
| 6. NAIC 6 (a)..... | 3,178,266 | | 3,066 | 271,750 | 3,446,950 | | | 3,178,266 |
| 7. Total Bonds..... | 2,246,298,356 | 345,893,466 | 196,979,511 | (1,427,568) | 2,393,784,743 | 0 | 0 | 2,246,298,356 |
| PREFERRED STOCK | | | | | | | | |
| 8. NAIC 1..... | | | | | 0 | | | |
| 9. NAIC 2..... | 11,554,687 | | | | 11,554,687 | | | 11,554,687 |
| 10. NAIC 3..... | | | | | 0 | | | |
| 11. NAIC 4..... | | | | | 0 | | | |
| 12. NAIC 5..... | | | | | 0 | | | |
| 13. NAIC 6..... | | | | | 0 | | | |
| 14. Total Preferred Stock..... | 11,554,687 | 0 | 0 | 0 | 11,554,687 | 0 | 0 | 11,554,687 |
| 15. Total Bonds and Preferred Stock..... | 2,257,853,043 | 345,893,466 | 196,979,511 | (1,427,568) | 2,405,339,430 | 0 | 0 | 2,257,853,043 |

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(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 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE DA - PART 1

Short-Term Investments

| | 1 Book/Adjusted Carrying Value | 2 Par Value | 3 Actual Cost | 4 Interest Collected Year To Date | 5 Paid for Accrued Interest Year To Date |
|--------------|--------------------------------------|----------------|---------------------|---|--|
| 9199999..... | 6,713,346 | .XXX..... | 6,737,496 | | 19,528 |

SCHEDULE DA - VERIFICATION

Short-Term Investments

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year..... | 21,558,076 | 52,285,272 |
| 2. Cost of short-term investments acquired..... | 155,755,421 | 448,993,142 |
| 3. Accrual of discount..... | | |
| 4. Unrealized valuation increase (decrease)..... | | |
| 5. Total gain (loss) on disposals..... | | |
| 6. Deduct consideration received on disposals..... | 170,576,000 | 479,720,338 |
| 7. Deduct amortization of premium..... | 24,150 | |
| 8. Total foreign exchange change in book/adjusted carrying value..... | | |
| 9. Deduct current year's other-than-temporary impairment recognized..... | | |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 6,713,347 | 21,558,076 |
| 11. Deduct total nonadmitted amounts..... | | |
| 12. Statement value at end of current period (Line 10 minus Line 11)..... | 6,713,347 | 21,558,076 |

**Sch. DB - Pt. A - Verification
NONE**

**Sch. DB - Pt. B - Verification
NONE**

**Sch. DB - Pt. C - Sn. 1
NONE**

**Sch. DB - Pt. C - Sn. 2
NONE**

**Sch. DB - Verification
NONE**

**Sch. E - Verification
NONE**

**Sch. A - Pt. 2
NONE**

**Sch. A - Pt. 3
NONE**

**Sch. B - Pt. 2
NONE**

**Sch. B - Pt. 3
NONE**

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

| 1 | 2 | Location | | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | |
|---|---|---------------------|----------|--|------------------|--------------------------|-------------------|------------------------------------|--|------------------------|--------------------------------------|-------------------------|----------|
| | | 3 | 4 | | | | | | | | | | |
| CUSIP Identification | Name or Description | City | State | Name of Vendor or General Partner | NAIC Designation | Date Originally Acquired | Type and Strategy | Actual Cost at Time of Acquisition | Additional Investment Made after Acquisition | Amount of Encumbrances | Commitment for Additional Investment | Percentage of Ownership | |
| Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated | | | | | | | | | | | | | |
| 000000 00 0 | Atlas Venture Partners X..... | Boston..... | MA..... | Atlas Venture Associates X, L.P..... | | 07/01/2015..... |1 | | 29,471 | | 2,775,032 | 1.200 | |
| 000000 00 0 | Battery Ventures X L.P..... | Waltham..... | MA..... | Battery Ventures..... | | 06/13/2013..... |1 | | 207,000 | | 831,693 | 0.500 | |
| 000000 00 0 | Bessemer Venture Partners IX..... | Menlo Park..... | CA..... | Bessemer Venture Partners..... | | 05/22/2015..... |1 | | 120,180 | | 2,459,429 | 0.200 | |
| 000000 00 0 | Cross Creek Capital Partners II L.P..... | Salt Lake City..... | UT..... | Cross Creek Capital Partners, LLC..... | | 02/03/2011..... |1 | | 135,000 | | 422,454 | 5.000 | |
| 000000 00 0 | Cross Creek Capital Partners III L.P..... | Salt Lake City..... | UT..... | Cross Creek Capital Partners, LLC..... | | 08/29/2013..... |1 | | 150,000 | | 1,845,000 | 3.700 | |
| 000000 00 0 | Frazier Life Science VIII, L.P..... | Seattle..... | WA..... | Frazier Healthcare Ventures..... | | 01/25/2016..... |1 | 30,000 | | | 2,970,000 | 1.300 | |
| 000000 00 0 | Jackson Square Ventures I, L.P..... | Menlo Park..... | CA..... | Jackson Square Ventures..... | | 11/28/2011..... |1 | | 72,483 | | 725,605 | 1.600 | |
| 000000 00 0 | Lightspeed Venture Partners IX, L.P..... | Grand Cayman..... | CYM..... | Lightspeed Venture Partners..... | | 03/12/2012..... |1 | | 90,000 | | 255,000 | 0.400 | |
| 000000 00 0 | Lightspeed Venture Partners X, L.P..... | Grand Cayman..... | CYM..... | Lightspeed Venture Partners..... | | 07/07/2014..... |1 | | 90,000 | | 1,440,000 | 0.500 | |
| 000000 00 0 | Lightspeed Venture Partners Select L.P..... | Grand Cayman..... | CYM..... | Lightspeed Venture Partners..... | | 03/24/2014..... |1 | | 50,000 | | 300,000 | 0.300 | |
| 000000 00 0 | Lightstone Ventures L.P..... | Boston..... | MA..... | Lightstone Ventures, LP..... | | 10/22/2013..... |1 | | 300,000 | | 1,500,000 | 2.900 | |
| 000000 00 0 | Longitude Venture Partners II, L.P..... | Menlo Park..... | CA..... | Longitude Capital Partners, LLC..... | | 04/25/2013..... |1 | | 261,039 | | 1,443,639 | 1.000 | |
| 000000 00 0 | Omega Fund IV, L.P..... | Boston..... | MA..... | Omega Fund Management..... | | 06/20/2013..... |1 | | 28,305 | | 563,569 | 1.100 | |
| 000000 00 0 | Omega Fund V, L.P..... | Boston..... | MA..... | Omega Fund Management..... | | 03/01/2016..... |1 | 56,684 | | | 3,943,316 | 1.600 | |
| 000000 00 0 | Point 406 Ventures II, L.P..... | Boston..... | MA..... | .406 Ventures Management, LLC..... | | 12/13/2011..... |1 | | 12,000 | | 323,000 | 0.600 | |
| 000000 00 0 | Point 406 Ventures III, L.P..... | Boston..... | MA..... | .406 Ventures Management, LLC..... | | 10/14/2015..... |1 | | 216,000 | | 3,704,000 | 2.300 | |
| 000000 00 0 | Shasta Ventures IV, L.P..... | Menlo Park..... | CA..... | Shasta Ventures IV GP, LLC..... | | 10/10/2014..... |1 | | 150,000 | | 1,150,000 | 1.100 | |
| 000000 00 0 | Summit Partners Growth Equity VIII-A, L.P..... | Boston..... | MA..... | Summit Partners..... | | 06/14/2012..... |1 | | 60,000 | | 520,000 | 0.100 | |
| 000000 00 0 | Upfront Opportunity Fund I..... | Los Angeles..... | CA..... | Upfront Ventures..... | | 03/19/2015..... |1 | | 389,697 | | 1,376,395 | 4.000 | |
| 000000 00 0 | Upfront V, L.P..... | Los Angeles..... | CA..... | Upfront Ventures..... | | 03/31/2015..... |1 | | 185,933 | | 2,310,410 | 1.100 | |
| 000000 00 0 | US Venture Partners XI, L.P..... | Menlo Park..... | CA..... | U.S. Venture Partners..... | | 06/05/2015..... |1 | | 250,000 | | 4,150,000 | 1.800 | |
| 000000 00 0 | Warburg Pincus Private Equity XI, L.P..... | New York..... | NY..... | Warburg Pincus Partners..... | | 05/24/2012..... |1 | | 30,000 | | 442,500 | | |
| 000000 00 0 | Warburg Pincus Private Equity XII, L.P..... | New York..... | NY..... | Warburg Pincus Partners..... | | 12/21/2015..... |1 | | 107,500 | | 4,815,000 | | |
| 1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated..... | | | | | | | | | 86,684 | 2,934,608 | 0 | 40,266,042 | XXX..... |
| Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Affiliated | | | | | | | | | | | | | |
| 000000 00 0 | Dresher Run LLC..... | Philadelphia..... | PA..... | | | | | | 48,004 | | | 100.000 | |
| 1699999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Affiliated..... | | | | | | | | | 0 | 48,004 | 0 | 0 | XXX..... |
| Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated | | | | | | | | | | | | | |
| 000000 00 0 | ABRY Advanced Securities Fund II..... | Boston..... | MA..... | ABRY ASF Investors II, L.P..... | | 05/04/2011..... |2 | | 15,921 | | 1,457,756 | 0.200 | |
| 000000 00 0 | ABRY Partners VII, L.P..... | Boston..... | MA..... | ABRY VII Capital Partners, L.P..... | | 08/10/2011..... |3 | | 13,258 | | 293,931 | 0.200 | |
| 000000 00 0 | Avenue Europe Special Situations Fund III, L.P..... | New York..... | NY..... | Avenue Europe Capital Partners III, LLC..... | | 06/19/2015..... |1 | | 200,000 | | 2,192,112 | 0.200 | |
| 000000 00 0 | Beacon CSP VII..... | Boston..... | MA..... | Beacon Capital Partners, LLC..... | | 10/20/2015..... |1 | | 150,000 | | 3,850,000 | 0.500 | |
| 000000 00 0 | Bluebay Direct Lending Fund I..... | Guernsey..... | GBR..... | Blue Bay Direct Lending Fund I GP, Ltd..... | | 06/25/2013..... |1 | | 6,415 | | 351,534 | 0.100 | |
| 000000 00 0 | EIF US Power Fund IV, L.P..... | Needham..... | MA..... | Ares Management LLC..... | | 11/28/2011..... |1 | | 116,734 | | 206,263 | 0.200 | |
| 000000 00 0 | EnCap Energy Capital Fund VIII, L.P..... | Houston..... | TX..... | EnCap Equity Fund VIII GP, L.P..... | | 11/30/2010..... |1 | | 65,932 | | 542,491 | 0.100 | |
| 000000 00 0 | Fulcrum Capital Partners V, L.P..... | Vancouver..... | BC..... | Fulcrum Capital Partners Inc..... | | 07/16/2015..... |3 | | 14,918 | | 2,297,747 | 1.000 | |
| 000000 00 0 | Highbridge Specialty Loan Fund III L.P..... | New York..... | NY..... | Highbridge Capital Management, LLC..... | | 05/06/2013..... |1 | | 27,902 | | 177,647 | 0.900 | |
| 000000 00 0 | NGP Natural Resources X, L.P..... | Irving..... | TX..... | NGP Energy Capital Management..... | | 01/27/2012..... |1 | | 35,982 | | 447,234 | 0.100 | |
| 000000 00 0 | Resolution Recovery Partners, L.P..... | New York..... | NY..... | Resolution Recovery Partners GP, LLC..... | | 02/03/2012..... |1 | | 10,897 | | 1,005,942 | 0.500 | |
| 2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated..... | | | | | | | | | 0 | 657,959 | 0 | 12,822,657 | XXX..... |
| 4499999. Subtotal - Unaffiliated..... | | | | | | | | | 86,684 | 3,592,567 | 0 | 53,088,699 | XXX..... |
| 4599999. Subtotal - Affiliated..... | | | | | | | | | 0 | 48,004 | 0 | 0 | XXX..... |
| 4699999. Totals..... | | | | | | | | | 86,684 | 3,640,571 | 0 | 53,088,699 | XXX..... |

QE03

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

| 1 | 2 | Location | | 5 | 6 | 7 | 8 | Changes in Book/Adjusted Carrying Value | | | | | | 15 | 16 | 17 | 18 | 19 | 20 |
|--|---|------------|-------|---|--------------------------|---------------|--|--|---|---|---|--|--|--|---------------|--|----------------------------------|-------------------------------|-------------------|
| | | 3 | 4 | | | | | 9 | 10 | 11 | 12 | 13 | 14 | | | | | | |
| CUSIP Identification | Name or Description | City | State | Name of Purchaser or Nature of Disposal | Date Originally Acquired | Disposal Date | Book/Adjusted Carrying Value Less Encumbrances, Prior Year | Unrealized Valuation Increase (Decrease) | Current Year's (Depreciation) or (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Capitalized Deferred Interest and Other | Total Change in B./A.C.V. (9+10-11+12) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value Less Encumbrances on Disposal | Consideration | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Investment Income |
| Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated | | | | | | | | | | | | | | | | | | | |
| 000000 00 0 | Battery Ventures X L.P. | Waltham | MA | Return of Capital | 06/13/2013 | 02/29/2016 | 56,829 | | | | | 0 | | 56,829 | 56,829 | | | 0 | |
| 000000 00 0 | Shasta Ventures IV, L.P. | Menlo Park | CA | Return of Capital | 10/10/2014 | 03/07/2016 | 205,298 | | | | | 0 | | 205,298 | 205,298 | | | 0 | |
| 1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated | | | | | | | 262,127 | 0 | 0 | 0 | 0 | 0 | 0 | 262,127 | 262,127 | 0 | 0 | 0 | 0 |
| Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated | | | | | | | | | | | | | | | | | | | |
| G0676@ 10 4 | Avenue Europe Special Situations Fund II, L.P. | New York | NY | Return of Capital | 10/04/2011 | 02/08/2016 | 311,848 | | | | | 0 | | 311,848 | 311,848 | | | 0 | |
| 000000 00 0 | Avenue Europe Special Situations Fund III, L.P. | New York | NY | Return of Capital | 06/19/2015 | 01/25/2016 | 592,112 | | | | | 0 | | 592,112 | 592,112 | | | 0 | |
| 000000 00 0 | Bluebay Direct Lending Fund I | Guernsey | GBR | Return of Capital | 06/25/2013 | 03/21/2016 | 189,401 | | | | | 0 | | 189,401 | 189,401 | | | 0 | |
| 000000 00 0 | EnCap Energy Capital Fund VIII, L.P. | Houston | TX | Return of Capital | 11/30/2010 | 03/22/2016 | 34,147 | | | | | 0 | | 34,147 | 34,147 | | | 0 | |
| 000000 00 0 | Highbridge Specialty Loan Fund III L.P. | New York | NY | Return of Capital | 05/06/2013 | 02/19/2016 | 85,526 | | | | | 0 | | 85,526 | 85,526 | | | 0 | |
| 000000 00 0 | New Canaan Funding Mezzanine V, L.P. | New Canaan | CT | Return of Capital | 08/05/2011 | 02/19/2016 | 206,389 | | | | | 0 | | 206,389 | 206,389 | | | 0 | |
| 000000 00 0 | NGP Natural Resources X, L.P. | Irving | TX | Return of Capital | 01/27/2012 | 03/23/2016 | 183,224 | | | | | 0 | | 183,224 | 183,224 | | | 0 | |
| 2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated | | | | | | | 1,602,647 | 0 | 0 | 0 | 0 | 0 | 0 | 1,602,647 | 1,602,647 | 0 | 0 | 0 | 0 |
| 4499999. Subtotal - Unaffiliated | | | | | | | 1,864,774 | 0 | 0 | 0 | 0 | 0 | 0 | 1,864,774 | 1,864,774 | 0 | 0 | 0 | 0 |
| 4699999. Totals | | | | | | | 1,864,774 | 0 | 0 | 0 | 0 | 0 | 0 | 1,864,774 | 1,864,774 | 0 | 0 | 0 | 0 |

QE03.1

SCHEDULE D - PART 3

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

| 1 | 2 | | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 |
|--|---------------------------------|--|---------|----------------|---------------------------------|--|---------------------------|-------------|------------|---|--|
| CUSIP Identification | Description | | Foreign | Date Acquired | Name of Vendor | | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends | NAIC Designation or Market Indicator (a) |
| Bonds - U.S. Government | | | | | | | | | | | |
| 38378B A2 5 | GNR 2012-95 Z..... | | | 03/01/2016.... | CAPITALIZED INTEREST..... | | | 20,586 | 20,586 | | 1..... |
| 38378B G9 4 | GNR 2012-109 Z..... | | | 03/01/2016.... | CAPITALIZED INTEREST..... | | | 67,191 | 67,191 | | 1..... |
| 38378B M6 3 | GNR 2012-120 Z..... | | | 03/01/2016.... | CAPITALIZED INTEREST..... | | | 47,951 | 47,951 | | 1..... |
| 0599999. Total Bonds - U.S. Government..... | | | | | | | | 135,728 | 135,728 | 0 | XXX |
| Bonds - U.S. States, Territories and Possessions | | | | | | | | | | | |
| 20772G F4 5 | CONNECTICUT STATE-SER A..... | | | 01/12/2016.... | RAYMOND JAMES..... | | | 1,781,666 | 1,495,000 | 29,153 | 1FE..... |
| 736679 LD 1 | PORTLAND CAB-TXB-C..... | | | 01/20/2016.... | WELLS FARGO/WACHOVIA..... | | | 3,913,740 | 6,000,000 | | 1FE..... |
| 875124 GY 9 | TAMPA BAY WTR AUTH UTILITY..... | | | 01/13/2016.... | RAYMOND JAMES..... | | | 5,178,084 | 5,150,000 | | 1FE..... |
| 91428L FT 8 | UNIV HI-TXB-B1-BABS..... | | | 03/02/2016.... | JP MORGAN CHASE..... | | | 2,817,275 | 2,500,000 | 65,368 | 1FE..... |
| 1799999. Total Bonds - U.S. States, Territories and Possessions..... | | | | | | | | 13,690,765 | 15,145,000 | 94,521 | XXX |
| Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | | | | | | | |
| 594712 PP 0 | MI UNIV-TXB-GEN-A-BAB..... | | | 02/01/2016.... | CANTOR FITZGERALD..... | | | 5,454,248 | 4,550,000 | 127,138 | 1FE..... |
| 69647R BJ 2 | PALM BAY REF SPL OBL FL..... | | | 02/16/2016.... | RAYMOND JAMES..... | | | 1,157,760 | 1,000,000 | 24,208 | 1FE..... |
| 2499999. Total Bonds - U.S. Political Subdivisions of States, Territories and Possessions..... | | | | | | | | 6,612,008 | 5,550,000 | 151,346 | XXX |
| Bonds - U.S. Special Revenue and Special Assessment | | | | | | | | | | | |
| 3136A8 N5 5 | FNR 2012-117 DZ..... | | | 03/01/2016.... | CAPITALIZED INTEREST..... | | | 66,302 | 66,302 | | 1..... |
| 3136A8 SM 3 | FNR 2012-102 AZ..... | | | 03/01/2016.... | CAPITALIZED INTEREST..... | | | 61,009 | 61,009 | | 1..... |
| 3136A8 XR 6 | FNR 2012-94 LZ..... | | | 03/01/2016.... | CAPITALIZED INTEREST..... | | | 250,204 | 250,204 | | 1..... |
| 3199999. Total Bonds - U.S. Special Revenue and Special Assessment..... | | | | | | | | 377,515 | 377,515 | 0 | XXX |
| Bonds - Industrial and Miscellaneous | | | | | | | | | | | |
| 00206R AE 2 | AT&T INC..... | | | 01/25/2016.... | MORGAN STANLEY..... | | | 7,787,500 | 10,000,000 | | 2FE..... |
| 02376Y AA 5 | AMERICAN AIRLINES..... | | | 01/12/2016.... | GOLDMAN SACHS & CO..... | | | 5,000,000 | 5,000,000 | | 2FE..... |
| 12591V AK 7 | COMM 2014-CR16 C..... | | | 03/01/2016.... | CANTOR FITZGERALD..... | | | 2,803,565 | 3,006,000 | 1,229 | 1FE..... |
| 12649X BC 2 | CSMC 2015-3 B2..... | | | 01/29/2016.... | GUGGENHEIM SECURITIES..... | | | 4,632,006 | 4,577,646 | 1,004 | 1FE..... |
| 13057V AC 0 | CRART 2015-4 A3..... | | | 02/09/2016.... | WELLS FARGO/WACHOVIA..... | | | 5,044,336 | 5,000,000 | 7,650 | 1FE..... |
| 15189Y AD 8 | CENTERPOINT ENERGY..... | | | 01/14/2016.... | KEYBANC..... | | | 1,096,600 | 1,000,000 | 29,340 | 2FE..... |
| 17321L AE 9 | CMLTI 2013-J1 B1..... | | | 02/23/2016.... | WELLS FARGO/WACHOVIA..... | | | 2,027,829 | 2,056,100 | 5,082 | 1FE..... |
| 22822R AR 1 | CROWN CASTLE TOWER..... | | | 02/05/2016.... | SUN TRUST..... | | | 10,510,439 | 9,571,000 | 30,540 | 1FE..... |
| 25468P DB 9 | WALT DISNEY COMPANY..... | | | 01/15/2016.... | CREDIT SUISSE/FIRST BOSTON..... | | | 5,096,700 | 5,000,000 | 28,646 | 1FE..... |
| 25746U AN 9 | DOMINION RESOURCES INC..... | | | 03/01/2016.... | SUSQUEHANNA INTL..... | | | 3,242,450 | 2,793,000 | 82,603 | 2FE..... |
| 29429C AJ 4 | CGCMT 2016-P3 XA..... | | | 03/31/2016.... | SALOMON/CITIGROUP..... | | | 3,055,538 | | 14,614 | 1FE..... |
| 30262D AL 5 | FREM 2011-K13 B..... | | | 02/02/2016.... | CANTOR FITZGERALD..... | | | 10,714,453 | 10,000,000 | 5,292 | 1FE..... |
| 30292P AE 8 | FREM 2015-K45 B..... | | | 02/01/2016.... | BANK OF AMERICA..... | | | 2,581,992 | 3,000,000 | 928 | 1F..... |
| 30294D AN 3 | FREM 2016-K52 B..... | | | 01/27/2016.... | BARCLAYS CAPITAL..... | | | 3,374,492 | 4,000,000 | 3,921 | 1F..... |
| 3137AT RX 2 | FHMS K020 X1..... | | | 02/04/2016.... | BANK OF AMERICA..... | | | 6,862,551 | | 33,203 | 1FE..... |
| 3137AW QJ 7 | FHMS K023 X1..... | | | 01/25/2016.... | BANK OF AMERICA..... | | | 2,437,471 | | 38,492 | 1FE..... |
| 35562T AF 9 | FREM 2011-K701 C..... | | | 02/09/2016.... | WELLS FARGO/WACHOVIA..... | | | 2,347,707 | 2,300,000 | 3,117 | 3F..... |
| 36249K AL 4 | GSMS 2010-C1 D..... | | | 02/26/2016.... | BANK OF AMERICA..... | | | 2,067,970 | 2,005,000 | 338 | 1FE..... |
| 437076 BA 9 | HOME DEPOT INC..... | | | 02/03/2016.... | SALOMON/CITIGROUP..... | | | 5,031,800 | 5,000,000 | 74,083 | 1FE..... |

QE04

SCHEDULE D - PART 3

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

| 1 | 2 | | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 |
|--|--|--|---------|----------------|---------------------------------|--|---------------------------|-------------|-------------|---|--|
| CUSIP Identification | Description | | Foreign | Date Acquired | Name of Vendor | | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends | NAIC Designation or Market Indicator (a) |
| 46645L BA 4 | JPMBB 2016-C1 XA..... | | | 02/25/2016.... | JP MORGAN CHASE..... | | | 2,973,694 | | 19,554 | 1FE..... |
| 585055 BT 2 | MEDTRONIC INC..... | | | 01/20/2016.... | JEFFERIES & CO..... | | | 5,110,750 | 5,000,000 | 78,993 | 1FE..... |
| 594918 BL 7 | MICROSOFT CORP..... | | | 01/22/2016.... | SALOMON/CITIGROUP..... | | | 2,703,241 | 2,637,000 | 27,381 | 1FE..... |
| 61761A AA 6 | MSBAM 2012-C5 XA..... | | | 02/02/2016.... | MORGAN STANLEY..... | | | 5,294,680 | | 15,894 | 1FE..... |
| 63939N AD 5 | NAVSL 2016-AA B..... | | | 01/28/2016.... | JP MORGAN CHASE..... | | | 4,123,921 | 5,000,000 | | 1FE..... |
| 65473Q AW 3 | NISOURCE FIN CP..... | | | 02/19/2016.... | KEYBANC..... | | | 2,385,040 | 2,000,000 | 23,958 | 2FE..... |
| 665772 CE 7 | NORTHERN ST PR-M..... | | | 03/01/2016.... | KEYBANC..... | | | 2,448,480 | 2,000,000 | 36,558 | 1FE..... |
| 68268G AA 6 | OMFIT 2016-1A A..... | | | 02/03/2016.... | BARCLAYS CAPITAL..... | | | 1,999,485 | 2,000,000 | | 1FE..... |
| 780082 AD 5 | ROYAL BANK OF CANADA..... | | | 01/22/2016.... | RBC/DAIN RAUSCHER..... | | | 1,995,720 | 2,000,000 | | 1FE..... |
| 808513 AE 5 | CHARLES SCHWAB CORP..... | | | 01/27/2016.... | JEFFERIES & CO..... | | | 2,277,500 | 2,000,000 | | 2FE..... |
| 83609F AA 5 | SNDPT 2015-1A E..... | | | 03/18/2016.... | SALOMON/CITIGROUP..... | | | 1,553,750 | 2,000,000 | 22,372 | 1F..... |
| 837004 BV 1 | SCG 6 5/8 02/01/32..... | | | 03/31/2016.... | KEYBANC..... | | | 1,302,754 | 1,030,000 | 12,131 | 1FE..... |
| 85590A AR 5 | STARWOOD HOTELS..... | | | 01/25/2016.... | MORGAN STANLEY..... | | | 2,092,355 | 2,304,000 | 33,696 | 2FE..... |
| 887317 AW 5 | TIME WARNER INC..... | | | 01/12/2016.... | ROBERT W BAIRD..... | | | 2,918,880 | 3,000,000 | | 2FE..... |
| 907818 EB 0 | UNION PACIFIC CORP..... | | | 01/14/2016.... | SALOMON/CITIGROUP..... | | | 2,655,388 | 2,902,000 | 45,979 | 1FE..... |
| 92826C AF 9 | VISA INC..... | | | 01/15/2016.... | BARCLAYS CAPITAL..... | | | 5,088,050 | 5,000,000 | 22,097 | 1FE..... |
| 92930R AF 9 | WFRBS 2012-C9 XA..... | | | 01/07/2016.... | BARCLAYS CAPITAL..... | | | 2,175,874 | | 15,508 | 1FE..... |
| 92936T AF 9 | WFRBS 2012-C7 XA..... | | | 01/04/2016.... | CREDIT SUISSE/FIRST BOSTON..... | | | 2,154,483 | | 7,590 | 1FE..... |
| 94989Y BC 6 | WFCM 2016-C32 XA..... | | | 02/05/2016.... | WELLS FARGO/WACHOVIA..... | | | 3,498,825 | | 24,259 | 1FE..... |
| 94989Y BF 9 | WFCM 2016-C32 C..... | | | 02/03/2016.... | WELLS FARGO/WACHOVIA..... | | | 3,087,371 | 3,500,000 | 7,802 | 1FE..... |
| 97655J AH 5 | WIN 2016-1 1A8..... | | | 02/02/2016.... | WELLS FARGO/WACHOVIA..... | | | 10,193,750 | 10,000,000 | 38,889 | 1FE..... |
| EJ5246 28 9 | GENERAL ELECTRIC COMPANY..... | | | 01/04/2016.... | STIFEL, NICOLAUS & CO..... | | | 1,836,750 | 1,860,000 | 37,278 | 1FE..... |
| 377372 AB 3 | GLAXOSMITHKLINE..... | | | 01/12/2016.... | BNP PARIBAS..... | | | 2,325,840 | 2,000,000 | 26,875 | 1FE..... |
| 49638T AN 3 | KING 2006-3A C2..... | | F..... | 02/22/2016.... | WELLS FARGO/WACHOVIA..... | | | 1,806,750 | 1,800,000 | 358 | 2FE..... |
| 87974M AL 4 | TELOS 2016-7A D..... | | F..... | 03/18/2016.... | SOCIETY GENERALE..... | | | 4,619,500 | 5,000,000 | | 1F..... |
| 91086Q BG 2 | MEX-GLOBAL BOND..... | | F..... | 01/13/2016.... | SALOMON/CITIGROUP..... | | | 4,983,800 | 5,000,000 | | 2FE..... |
| 3899999. Total Bonds - Industrial and Miscellaneous..... | | | | | | | | 169,322,030 | 142,341,746 | 857,254 | XXX |
| 8399997. Total Bonds - Part 3..... | | | | | | | | 190,138,046 | 163,549,989 | 1,103,121 | XXX |
| 8399999. Total Bonds..... | | | | | | | | 190,138,046 | 163,549,989 | 1,103,121 | XXX |
| Common Stocks - Industrial and Miscellaneous | | | | | | | | | | | |
| 02503X 10 5 | AMERICAN CAPITAL AGENCY..... | | | 02/11/2016.... | WELLS FARGO..... | | 319,100.000 | 5,626,412 | XXX | | L..... |
| 035710 40 9 | ANNALY CAPITAL MANAGEMENT INC..... | | | 02/11/2016.... | WELLS FARGO..... | | 578,100.000 | 5,615,139 | XXX | | L..... |
| 112792 10 6 | BROOKFIELD MORTGAGE..... | | | 02/04/2016.... | WELLS FARGO..... | | 26,280.000 | 385,792 | XXX | | L..... |
| 41902R 10 3 | HATTERAS FINANCIAL CORP..... | | | 03/07/2016.... | WELLS FARGO..... | | 35,000.000 | 497,504 | XXX | | L..... |
| 444444 44 2 | FHLN OF PITTSBURGH..... | | | 03/31/2016.... | DIRECT ISSUER..... | | 40,000.000 | 4,000,000 | XXX | | L..... |
| 46131B 10 0 | INVENCO MORTGAGE CAPITAL..... | | | 03/08/2016.... | WELLS FARGO..... | | 40,000.000 | 488,132 | XXX | | L..... |
| 66704R 80 3 | NORTHSTAR REALTY FINANCE COMMON STK..... | | | 03/07/2016.... | WELLS FARGO..... | | 265,000.000 | 3,062,431 | XXX | | L..... |
| 79466L 30 2 | SALESFORCE.COM..... | | | 03/07/2016.... | DISTRIBUTION..... | | 4,599.000 | 325,126 | XXX | | L..... |
| 9099999. Total Common Stocks - Industrial and Miscellaneous..... | | | | | | | | 20,000,536 | XXX | .0 | XXX |
| 9799997. Total Common Stocks - Part 3..... | | | | | | | | 20,000,536 | XXX | .0 | XXX |

QE04.1

SCHEDULE D - PART 3

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|----------------------|---|---------|---------------|----------------|---------------------------|-------------|-----------|---|--|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends | NAIC Designation or Market Indicator (a) |
| 9799999 | Total Common Stocks..... | | | | | 20,000,536 | XXX | 0 | XXX |
| 9899999 | Total Preferred and Common Stocks..... | | | | | 20,000,536 | XXX | 0 | XXX |
| 9999999 | Total Bonds, Preferred and Common Stocks..... | | | | | 210,138,582 | XXX | 1,103,121 | XXX |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

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 Identification | Description | Forfeiture | 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 Designation or Market Indicator (a) |
| Bonds - U.S. Government | | | | | | | | | | | | | | | | | | | | | |
| 30250W | AB 9 | | 03/31/2016 | MBS PAYDOWN | | 88,467 | 88,467 | 88,089 | 88,089 | | | | .0 | | 88,089 | | 378 | 378 | .515 | 07/29/2047 | 1 |
| 36220T | AB 7 | | 02/29/2016 | MBS PAYDOWN | | 2,282 | 2,282 | 2,420 | 2,360 | (78) | | | (78) | | 2,282 | | .0 | .0 | .422 | 04/15/2020 | 1 |
| 36296Q | RJ 0 | | 03/01/2016 | MBS PAYDOWN | | 87,300 | 87,300 | 83,167 | 87,172 | 128 | | | 128 | | 87,300 | | .0 | .0 | .539 | 04/15/2039 | 1 |
| 38375U | SC 5 | | 03/01/2016 | INTEREST ONLY PAYMENT | | | | 63,392 | 60,534 | (60,534) | | | (60,534) | | | | .0 | .0 | .926 | 11/20/2064 | 1 |
| 38378N | XK 4 | | 03/01/2016 | INTEREST ONLY PAYMENT | | | | 28,575 | 19,575 | (19,575) | | | (19,575) | | | | .0 | .0 | .617 | 06/16/2048 | 1 |
| 38378X | PE 5 | | 03/01/2016 | INTEREST ONLY PAYMENT | | | | 10,229 | 9,208 | (9,208) | | | (9,208) | | | | .0 | .0 | .196 | 01/16/2056 | 1 |
| 805649 | AA 8 | | 01/29/2016 | SINKING FUND REDEMPTION | | 262,007 | 262,007 | 262,007 | 262,007 | | | | .0 | | 262,007 | | .0 | .0 | 1,817 | 10/29/2021 | 1 |
| 0599999 Total Bonds - U.S. Government | | | | | | 440,056 | 440,056 | 537,879 | 528,945 | .0 | (89,267) | .0 | (89,267) | .0 | 439,678 | .0 | 378 | 378 | 5,032 | XXX | XXX |
| Bonds - U.S. Special Revenue and Special Assessment | | | | | | | | | | | | | | | | | | | | | |
| 3128PK | WJ 9 | | 03/01/2016 | MBS PAYDOWN | | 35,176 | 35,176 | 34,164 | 35,149 | | 26 | | 26 | | 35,176 | | .0 | .0 | .272 | 05/01/2023 | 1 |
| 3128PL | AW 2 | | 03/01/2016 | MBS PAYDOWN | | 18,362 | 18,362 | 18,231 | 18,358 | | 3 | | 3 | | 18,362 | | .0 | .0 | .153 | 06/01/2023 | 1 |
| 31412B | DS 8 | | 03/01/2016 | MBS PAYDOWN | | 727 | 727 | 723 | 727 | | | | .0 | | 727 | | .0 | .0 | .7 | 10/01/2047 | 1 |
| 31412M | 2X 5 | | 03/01/2016 | MBS PAYDOWN | | 1,658 | 1,658 | 1,613 | 1,658 | | 1 | | 1 | | 1,658 | | .0 | .0 | .12 | 07/01/2023 | 1 |
| 31412T | AZ 6 | | 03/01/2016 | MBS PAYDOWN | | 5,651 | 5,651 | 5,496 | 5,647 | | 5 | | 5 | | 5,651 | | .0 | .0 | .60 | 05/01/2023 | 1 |
| 31412W | WB 8 | | 03/01/2016 | MBS PAYDOWN | | 398 | 398 | 394 | 398 | | | | .0 | | 398 | | .0 | .0 | .4 | 05/01/2047 | 1 |
| 31412W | WC 6 | | 03/01/2016 | MBS PAYDOWN | | 98,898 | 98,898 | 97,987 | 98,897 | | 1 | | 1 | | 98,898 | | .0 | .0 | .498 | 05/01/2047 | 1 |
| 31412X | K4 5 | | 03/01/2016 | MBS PAYDOWN | | 43,727 | 43,727 | 43,358 | 43,726 | | | | .0 | | 43,727 | | .0 | .0 | .437 | 06/01/2047 | 1 |
| 31414E | 2V 5 | | 03/01/2016 | MBS PAYDOWN | | 18,218 | 18,218 | 18,112 | 18,217 | | 1 | | 1 | | 18,218 | | .0 | .0 | .151 | 07/01/2023 | 1 |
| 31414L | C4 8 | | 03/01/2016 | MBS PAYDOWN | | 914 | 914 | 889 | 914 | | | | .0 | | 914 | | .0 | .0 | .6 | 04/01/2023 | 1 |
| 31414M | BH 8 | | 03/01/2016 | MBS PAYDOWN | | 4,179 | 4,179 | 4,064 | 4,177 | | 2 | | 2 | | 4,179 | | .0 | .0 | .28 | 03/01/2023 | 1 |
| 31414R | LG 8 | | 03/01/2016 | MBS PAYDOWN | | 211 | 211 | 205 | 211 | | | | .0 | | 211 | | .0 | .0 | .2 | 03/01/2023 | 1 |
| 31414R | NV 3 | | 03/01/2016 | MBS PAYDOWN | | 526 | 526 | 511 | 525 | | | | .0 | | 526 | | .0 | .0 | .4 | 04/01/2023 | 1 |
| 31414S | AA 1 | | 03/01/2016 | MBS PAYDOWN | | 1,865 | 1,865 | 1,813 | 1,864 | | 1 | | 1 | | 1,865 | | .0 | .0 | .14 | 04/01/2023 | 1 |
| 31414U | G3 6 | | 03/01/2016 | MBS PAYDOWN | | 1,076 | 1,076 | 1,046 | 1,075 | | | | .0 | | 1,076 | | .0 | .0 | .8 | 03/01/2023 | 1 |
| 31415B | AE 9 | | 03/01/2016 | MBS PAYDOWN | | 250 | 250 | 243 | 250 | | | | .0 | | 250 | | .0 | .0 | .2 | 06/01/2023 | 1 |
| 31415C | ND 5 | | 03/01/2016 | MBS PAYDOWN | | 652 | 652 | 634 | 652 | | | | .0 | | 652 | | .0 | .0 | .5 | 05/01/2023 | 1 |
| 31415P | AE 8 | | 03/01/2016 | MBS PAYDOWN | | 678 | 678 | 659 | 677 | | | | .0 | | 678 | | .0 | .0 | .5 | 06/01/2023 | 1 |
| 31415P | AR 9 | | 03/01/2016 | MBS PAYDOWN | | 3,146 | 3,146 | 3,060 | 3,145 | | 1 | | 1 | | 3,146 | | .0 | .0 | .24 | 06/01/2023 | 1 |
| 31415P | WA 2 | | 03/01/2016 | MBS PAYDOWN | | 585 | 585 | 569 | 585 | | | | .0 | | 585 | | .0 | .0 | .4 | 07/01/2023 | 1 |
| 31415P | XP 8 | | 03/01/2016 | MBS PAYDOWN | | 594 | 594 | 577 | 593 | | | | .0 | | 594 | | .0 | .0 | .4 | 07/01/2023 | 1 |
| 31415Q | BX 3 | | 03/01/2016 | MBS PAYDOWN | | 357 | 357 | 348 | 357 | | | | .0 | | 357 | | .0 | .0 | .3 | 06/01/2023 | 1 |
| 31415Q | EB 5 | | 03/01/2016 | MBS PAYDOWN | | 738 | 738 | 718 | 738 | | 1 | | 1 | | 738 | | .0 | .0 | .6 | 07/01/2023 | 1 |
| 31415R | 4B 7 | | 03/01/2016 | MBS PAYDOWN | | 477 | 477 | 464 | 477 | | | | .0 | | 477 | | .0 | .0 | .4 | 06/01/2023 | 1 |
| 3199999 Total Bonds - U.S. Special Revenue and Special Assessment | | | | | | 239,063 | 239,063 | 235,878 | 239,017 | .0 | 42 | .0 | 42 | .0 | 239,063 | .0 | .0 | .0 | 1,713 | XXX | XXX |
| Bonds - Industrial and Miscellaneous | | | | | | | | | | | | | | | | | | | | | |

QE05

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 Identification | Description | Forfeiture | 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 Designation or Market Indicator (a) |
| 009090 | AB 7 AIR CANADA 2015-1B PTT..... | A | 03/15/2016.. | SINKING FUND REDEMPTION..... | | 29,941 | 29,941 | 29,941 | 29,941 | | | | 0 | | 29,941 | | | 0 | 580 | 03/15/2023... | 2FE..... |
| 023766 | AD 0 AM AIRLINE 13-1 B..... | | 01/15/2016.. | SINKING FUND REDEMPTION..... | | 28,821 | 28,821 | 29,109 | 28,821 | | | | 0 | | 28,821 | | | 0 | 811 | 01/15/2021... | 3FE..... |
| 02376T | AC 2 AM AIRLINE 13-2 B..... | | 01/15/2016.. | SINKING FUND REDEMPTION..... | | 38,245 | 38,245 | 38,627 | 38,245 | | | | 0 | | 38,245 | | | 0 | 1,071 | 07/15/2020... | 3FE..... |
| 045424 | EX 2 ASC 1997-D4 B4..... | | 03/16/2016.. | MBS PAYDOWN..... | | 157,929 | 157,929 | 155,560 | 157,441 | | 487 | | 487 | | 157,929 | | | 0 | 2,007 | 04/14/2029... | 1FM..... |
| 05947U | ZK 7 BACM 2004-6 E..... | | 01/01/2016.. | MBS PAYDOWN..... | | 107,102 | 107,102 | 77,114 | 107,102 | | | | 0 | | 107,102 | | | 0 | 1,817 | 12/10/2042... | 1FM..... |
| 064159 | DG 8 BNS 4.3 01/21/26..... | A | 01/21/2016.. | CALL at 100.000..... | | 12,000,000 | 12,000,000 | 12,032,400 | 12,032,400 | | (32,400) | | (32,400) | | 12,000,000 | | | 0 | 258,000 | 01/21/2026... | 1FE..... |
| 07383F | JL 3 BSCMS 2002-TOP6 G..... | | 03/15/2016.. | MBS PAYDOWN..... | | 375,807 | 375,807 | 304,404 | 369,768 | | 6,039 | | 6,039 | | 375,807 | | | 0 | 3,692 | 10/15/2036... | 1FM..... |
| 12592K | BD 5 COMM 2014-UBS5 XA..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 9,971 | 8,321 | | (8,321) | | (8,321) | | | | | 0 | 284 | 09/10/2047... | 1FE..... |
| 126175 | AM 0 COMM 2003-LB1A H..... | | 03/01/2016.. | MBS PAYDOWN..... | | 80,934 | 80,934 | 72,840 | 80,889 | | 45 | | 45 | | 80,934 | | | 0 | 655 | 06/10/2038... | 1FM..... |
| 126281 | BB 9 CSAIL 2015-C1 XA..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 3,092 | 2,807 | | (2,807) | | (2,807) | | | | | 0 | 80 | 04/15/2050... | 1FE..... |
| 12649X | BC 2 CSMC 2015-3 B2..... | | 03/25/2016.. | MBS PAYDOWN..... | | 16,963 | 16,963 | 17,165 | | | | | 0 | 16,963 | | | 0 | 56 | 03/25/2045... | 1FE..... | |
| 12677# | AA 1 CVS CAREMARK CORP..... | | 03/15/2016.. | SINKING FUND REDEMPTION..... | | 4,949 | 4,949 | 4,949 | 4,949 | | | | 0 | 4,949 | | | 0 | 45 | 01/15/2040... | 2..... | |
| 173067 | EH 8 CGCMT 2004-C2 B..... | | 03/01/2016.. | MBS PAYDOWN..... | | 45,467 | 45,467 | 43,989 | 45,467 | | | | 0 | 45,467 | | | 0 | 334 | 10/15/2041... | 1FM..... | |
| 17321L | AE 9 CMLTI 2013-J1 B1..... | | 03/01/2016.. | MBS PAYDOWN..... | | 5,649 | 5,649 | 5,571 | | | 1 | | 1 | 5,649 | | | 0 | 17 | 10/25/2043... | 1FE..... | |
| 17323E | AN 3 CMLTI 2014-J2 B2..... | | 03/01/2016.. | MBS PAYDOWN..... | | 27,843 | 27,843 | 28,470 | 27,850 | | (7) | | (7) | 27,843 | | | 0 | 184 | 11/25/2044... | 1FM..... | |
| 20047P | AL 1 COMM 2005-LP5 D..... | | 03/01/2016.. | MBS PAYDOWN..... | | 725,316 | 725,316 | 652,784 | 725,316 | | | | 0 | 725,316 | | | 0 | 3,495 | 05/10/2043... | 1FM..... | |
| 205887 | BS 0 CONAGRA INC..... | | 02/17/2016.. | TENDER OFFER..... | | 1,933,846 | 1,980,000 | 1,977,129 | 1,977,268 | | 7 | | 7 | 1,977,275 | | (43,429) | (43,429) | 51,662 | 01/25/2043... | 2FE..... | |
| 247367 | BJ 3 DELTA AIR 2007 1B..... | | 02/10/2016.. | SINKING FUND REDEMPTION..... | | 54,908 | 54,908 | 61,908 | 54,966 | | (58) | | (58) | 54,908 | | | 0 | 2,202 | 08/10/2022... | 2FE..... | |
| 247916 | AC 3 DNR 6 3/8 08/15/21..... | | 03/10/2016.. | JP MORGAN CHASE..... | | 641,250 | 1,500,000 | 956,250 | 961,580 | | 12,827 | | 12,827 | 974,407 | | (333,157) | (333,157) | 55,781 | 08/15/2021... | 5FE..... | |
| 257375 | AJ 4 DOMINION GAS HLDGS LLC..... | | 03/01/2016.. | SUSQUEHANNA INTL..... | | 4,214,684 | 4,450,000 | 4,976,524 | 4,968,025 | | (1,707) | | (1,707) | 4,966,319 | | (751,635) | (751,635) | 44,920 | 12/15/2044... | 1FE..... | |
| 26827E | AE 5 ECAF 2015-1A B1..... | R | 03/15/2016.. | MBS PAYDOWN..... | | 126,782 | 126,782 | 126,782 | 126,782 | | | | 0 | 126,782 | | | 0 | 1,396 | 07/15/2040... | 2FE..... | |
| 268617 | AC 1 EMAC 1998-1 A3..... | | 03/15/2016.. | MBS PAYDOWN..... | | 4,208 | 4,208 | 2,780 | 3,066 | | | | 0 | 3,066 | | 1,142 | 1,142 | 47 | 01/15/2025... | 6*..... | |
| 3137AB | FW 6 FHMS K702 X1..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 23,433 | 14,691 | | (14,691) | | (14,691) | | | | 0 | 1,364 | 02/25/2018... | 1..... | |
| 3137AE | V8 5 FHMS K703 X1..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 17,235 | 12,732 | | (12,732) | | (12,732) | | | | 0 | 1,145 | 05/25/2018... | 1..... | |
| 3137AJ | MG 6 FHMS K016 X1..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 20,584 | 18,197 | | (18,197) | | (18,197) | | | | 0 | 678 | 10/25/2021... | 1FE..... | |
| 3137AT | RX 2 FHMS K020 X1..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 21,497 | | | (21,497) | | (21,497) | | | | 0 | 191 | 05/25/2022... | 1FE..... | |
| 3137AW | QJ 7 FHMS K023 X1..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 6,732 | | | (6,732) | | (6,732) | | | | 0 | 167 | 08/25/2022... | 1FE..... | |
| 3137B1 | UH 3 FHMS K027 X1..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 23,974 | 21,922 | | (21,922) | | (21,922) | | | | 0 | 721 | 01/25/2023... | 1FE..... | |
| 3137B7 | N2 1 FHMS K036 X1..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 41,831 | 37,651 | | (37,651) | | (37,651) | | | | 0 | 1,496 | 10/25/2023... | 1FE..... | |
| 3137B8 | G5 0 FHMS K037 X1..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 5,506 | 4,972 | | (4,972) | | (4,972) | | | | 0 | 146 | 01/25/2024... | 1FE..... | |
| 3137BB | BE 9 FHMS K038 X1..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 7,929 | 7,193 | | (7,193) | | (7,193) | | | | 0 | 206 | 03/25/2024... | 1FE..... | |
| 31503A | AA 2 FERMACA ENTERPRISES S RL..... | F | 03/30/2016.. | SINKING FUND REDEMPTION..... | | 24,587 | 24,587 | 24,587 | 24,587 | | | | 0 | 24,587 | | | 0 | 784 | 03/30/2038... | 2FE..... | |
| 36251F | AY 2 GSMS 2015-GC28 XA..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 5,204 | 4,657 | | (4,657) | | (4,657) | | | | 0 | 144 | 02/10/2048... | 1FE..... | |
| 36298G | AA 7 GSPA MONETIZATION TRUST..... | | 03/09/2016.. | SINKING FUND REDEMPTION..... | | 19,098 | 19,098 | 19,480 | 19,100 | | (2) | | (2) | 19,098 | | | 0 | 205 | 10/09/2029... | 2FE..... | |
| 46625M | 3R 8 JPMCC 2004-C2 D..... | | 02/16/2016.. | VARIOUS..... | | 48,518 | 48,518 | 47,381 | 48,518 | | | | 0 | 48,518 | | | 0 | 323 | 05/15/2041... | 1FM..... | |

QE05.1

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 Identification | Description | For e i g n | 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 Designation or Market Indicator (a) |
| 46625M ZE 2 | JPMCC 2003-PM1A F..... | | 03/01/2016.. | MBS PAYDOWN..... | | 67,927 | 67,927 | 47,549 | 67,927 | | | | 0 | | 67,927 | | | 0 | 1,525 | 08/12/2040... | 1FM..... |
| 46629P AC 2 | JPMCC 2006-LDP9 A3..... | | 03/01/2016.. | MBS PAYDOWN..... | | 299,691 | 299,691 | 293,709 | 299,682 | | 9 | | 9 | | 299,691 | | | 0 | 1,483 | 05/15/2047... | 1FM..... |
| 46639G AG 1 | JPMCC 2013-1 B3..... | | 03/01/2016.. | MBS PAYDOWN..... | | 43,801 | 43,801 | 43,802 | 43,802 | | | | 0 | | 43,802 | | | (1) | 258 | 03/25/2043... | 1FM..... |
| 52465# AZ 8 | LEGG MASON MTG CAP CORP..... | | 03/08/2016.. | SINKING FUND REDEMPTION..... | | 30,470 | 30,470 | 30,471 | 30,471 | | | | 0 | | 30,471 | | | (1) | 385 | 06/10/2021... | 1..... |
| 59022H DX 7 | MLMT 2004-KEY2 D..... | | 03/01/2016.. | MBS PAYDOWN..... | | 83,443 | 83,443 | 60,914 | 83,443 | | | | 0 | | 83,443 | | | 0 | 899 | 08/12/2039... | 1FM..... |
| 59524E AB 8 | MIDATLANTIC MILITARY CO..... | | 02/01/2016.. | SINKING FUND REDEMPTION..... | | 27,490 | 27,490 | 24,448 | 27,486 | | 4 | | 4 | | 27,490 | | | 0 | 720 | 08/01/2050... | 1FE..... |
| 61750W AX 1 | MSC 2006-IQ12 A4..... | | 03/01/2016.. | MBS PAYDOWN..... | | 154,250 | 154,250 | 117,278 | 153,999 | | 251 | | 251 | | 154,250 | | | 0 | 1,033 | 12/15/2043... | 1FM..... |
| 61761A AA 6 | MSBAM 2012-C5 XA..... | | 03/15/2016.. | INTEREST ONLY PAYMENT..... | | | | 10,888 | | | (10,888) | | (10,888) | | | | | 0 | 238 | 08/15/2045... | 1FE..... |
| 75086# AA 3 | RAINIER GSA PORTFOLIO LLC..... | | 03/15/2016.. | SINKING FUND REDEMPTION..... | | 38,244 | 38,244 | 38,244 | 38,244 | | | | 0 | | 38,244 | | | 0 | 308 | 06/15/2036... | 1..... |
| 75574Q AA 8 | RCMT 2015-2 A..... | | 03/25/2016.. | VARIOUS..... | | 108,663 | 108,663 | 108,527 | 108,636 | | 27 | | 27 | | 108,663 | | | 0 | 531 | 06/25/2055... | 1FE..... |
| 761118 AW 8 | RALI 2005-QS9 A3..... | | 03/25/2016.. | MBS PAYDOWN..... | | 61,463 | 61,463 | 39,956 | 60,820 | | 642 | | 642 | | 61,463 | | | 0 | 98 | 06/25/2041... | 1FM..... |
| 785778 FK 2 | SACO 2005-4 M1..... | | 03/25/2016.. | MBS PAYDOWN..... | | 194,603 | 194,603 | 158,601 | 190,213 | | 4,390 | | 4,390 | | 194,603 | | | 0 | 402 | 06/25/2035... | 1FM..... |
| 797426 AG 8 | SAN DIEGO FAMILY HOUSING..... | | 01/04/2016.. | CALL at 100.000..... | | 50,000 | 50,000 | 48,187 | 48,319 | | 1,681 | | 1,681 | | 50,000 | | | 0 | 1,485 | 07/01/2048... | 1FE..... |
| 805564 GA 3 | SAST 2000-2 MF2..... | | 03/01/2016.. | MBS PAYDOWN..... | | 220,633 | 220,633 | 178,713 | 220,294 | | 339 | | 339 | | 220,633 | | | 0 | 1,938 | 07/25/2030... | 1FM..... |
| 81745D AJ 0 | SEMT 2013-9 B3..... | | 03/01/2016.. | MBS PAYDOWN..... | | 38,771 | 38,771 | 37,499 | 38,769 | | 2 | | 2 | | 38,771 | | | 0 | 226 | 07/25/2043... | 1FM..... |
| 86212U AB 2 | STR 2013-1A A2..... | | 03/20/2016.. | MBS PAYDOWN..... | | 21,587 | 21,587 | 21,580 | 21,552 | | 36 | | 36 | | 21,587 | | | 0 | 168 | 03/20/2043... | 1FE..... |
| 86213A AB 5 | STR 2013-3A A2..... | | 03/20/2016.. | MBS PAYDOWN..... | | 4,016 | 4,016 | 4,162 | 4,017 | | (1) | | (1) | | 4,016 | | | 0 | 35 | 11/20/2043... | 1FE..... |
| 86213B AB 3 | STR 2014-1A A2..... | | 03/20/2016.. | MBS PAYDOWN..... | | 1,250 | 1,250 | 1,249 | 1,248 | | 2 | | 2 | | 1,250 | | | 0 | 10 | 04/20/2044... | 1FE..... |
| 909287 AA 2 | UAL 2007 TRUST..... | | 01/02/2016.. | SINKING FUND REDEMPTION..... | | 72,660 | 72,660 | 78,732 | 72,660 | | | | 0 | | 72,660 | | | 0 | 2,411 | 07/02/2022... | 2FE..... |
| 909317 BF 5 | UAL 2009-2B..... | | 01/15/2016.. | MATURITY..... | | 487,378 | 487,378 | 543,427 | 488,587 | | (1,209) | | (1,209) | | 487,378 | | | 0 | 30,843 | 01/15/2016... | 2FE..... |
| 91474@ AA 2 | UNIVERSITY OF MICHIGAN..... | | 03/15/2016.. | SINKING FUND REDEMPTION..... | | 15,073 | 15,073 | 15,073 | 15,073 | | | | 0 | | 15,073 | | | 0 | 89 | 06/15/2039... | 1..... |
| 92930R AF 9 | WFRBS 2012-C9 XA..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 22,039 | | | (22,039) | | (22,039) | | | | | 0 | 758 | 11/15/2045... | 1FE..... |
| 92936T AF 9 | WFRBS 2012-C7 XA..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 42,292 | 31,068 | | (42,292) | | (42,292) | | | | | 0 | 1,383 | 06/15/2045... | 1FE..... |
| 949834 AA 3 | WFMS 2007-14 1A1..... | | 03/01/2016.. | MBS PAYDOWN..... | | 89,285 | 89,285 | 82,039 | 89,138 | | 147 | | 147 | | 89,285 | | | 0 | 842 | 10/25/2037... | 1FM..... |
| 94989D AZ 2 | WFCM 2015-C27 XA..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 5,629 | 5,117 | | (5,117) | | (5,117) | | | | | 0 | 142 | 02/15/2048... | 1FE..... |
| 94989V AG 4 | WFCM 2015-NXS3 XA..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 7,227 | 6,981 | | (6,981) | | (6,981) | | | | | 0 | 213 | 09/15/2057... | 1FE..... |
| 94989Y BC 6 | WFCM 2016-C32 XA..... | | 03/01/2016.. | INTEREST ONLY PAYMENT..... | | | | 2,504 | | | (2,504) | | (2,504) | | | | | 0 | 31 | 01/15/2059... | 1FE..... |
| 97655J AH 5 | WIN 2016-1 1A8..... | | 03/01/2016.. | MBS PAYDOWN..... | | 183,437 | 183,437 | 186,991 | | | (24) | | (24) | | 183,437 | | | 0 | 898 | 01/20/2046... | 1FE..... |
| BCC28G EW 7 | ATLSS 2014-1 B..... | | 03/15/2016.. | MBS PAYDOWN..... | | 187,200 | 187,200 | 187,200 | 187,200 | | | | 0 | | 187,200 | | | 0 | 2,490 | 12/15/2039... | 2FE..... |
| 57064H AA 3 | MPLT 2015-OD4 A..... | E | 03/17/2016.. | MBS PAYDOWN..... | | 1,051,195 | 1,051,195 | 1,046,447 | 1,047,118 | | 4,076 | | 4,076 | | 1,051,195 | | | 0 | 5,899 | 12/18/2017... | 1FE..... |
| 77426N AA 1 | ROCKW 2007-1A A1LA..... | F | 02/01/2016.. | MBS PAYDOWN..... | | 267,724 | 267,724 | 259,358 | 267,041 | | 684 | | 684 | | 267,724 | | | 0 | 392 | 08/01/2024... | 1FE..... |
| EF6935 10 2 | MITCHELLS & BUTLER..... | F | 03/15/2016.. | MBS PAYDOWN..... | | 84,588 | 84,588 | 70,794 | 84,419 | | 170 | | 170 | | 84,588 | | | 0 | 206 | 12/15/2030... | 1FE..... |
| 3899999 | Total Bonds - Industrial and Miscellaneous..... | | | | | 24,597,689 | 25,737,909 | 25,688,261 | 25,698,548 | 0 | (254,735) | 0 | (254,735) | 0 | 25,724,770 | 0 | (1,127,081) | (1,127,081) | 495,045 | XXX | XXX |
| 8399997 | Total Bonds - Part 4..... | | | | | 25,276,808 | 26,417,028 | 26,462,018 | 26,466,510 | 0 | (343,960) | 0 | (343,960) | 0 | 26,403,511 | 0 | (1,126,703) | (1,126,703) | 501,790 | XXX | XXX |
| 8399999 | Total Bonds..... | | | | | 25,276,808 | 26,417,028 | 26,462,018 | 26,466,510 | 0 | (343,960) | 0 | (343,960) | 0 | 26,403,511 | 0 | (1,126,703) | (1,126,703) | 501,790 | XXX | XXX |

QE05.2

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 Identification | Description | Forfeiture | 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 Designation or Market Indicator (a) |
| Common Stocks - Industrial and Miscellaneous | | | | | | | | | | | | | | | | | | | | | |
| 79466L 30 2 | SALESFORCE.COM..... | | 03/30/2016.. | VARIOUS..... | 3,450,000 | 254,636 | XXX | 243,898 | | | | | 0 | | 243,898 | | 10,738 | 10,738 | | XXX | L..... |
| 9099999 | Total Common Stocks - Industrial and Miscellaneous..... | | | | 254,636 | 254,636 | XXX | 243,898 | 0 | 0 | 0 | 0 | 0 | 0 | 243,898 | 0 | 10,738 | 10,738 | 0 | XXX | XXX |
| 9799997 | Total Common Stocks - Part 4..... | | | | 254,636 | 254,636 | XXX | 243,898 | 0 | 0 | 0 | 0 | 0 | 0 | 243,898 | 0 | 10,738 | 10,738 | 0 | XXX | XXX |
| 9799999 | Total Common Stocks..... | | | | 254,636 | 254,636 | XXX | 243,898 | 0 | 0 | 0 | 0 | 0 | 0 | 243,898 | 0 | 10,738 | 10,738 | 0 | XXX | XXX |
| 9899999 | Total Preferred and Common Stocks..... | | | | 254,636 | 254,636 | XXX | 243,898 | 0 | 0 | 0 | 0 | 0 | 0 | 243,898 | 0 | 10,738 | 10,738 | 0 | XXX | XXX |
| 9999999 | Total Bonds, Preferred and Common Stocks..... | | | | 25,531,444 | 25,531,444 | XXX | 26,705,916 | 26,466,510 | 0 | (343,960) | 0 | (343,960) | 0 | 26,647,409 | 0 | (1,115,965) | (1,115,965) | 501,790 | XXX | XXX |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

QE05.3

**Sch. DB - Pt. A - Sn. 1
NONE**

**Sch. DB - Pt. B - Sn. 1
NONE**

**Sch. DB - Pt. D - Sn. 1
NONE**

**Sch. DB - Pt. D - Sn. 2
NONE**

**Sch. DL - Pt. 1
NONE**

**Sch. DL - Pt. 2
NONE**

Statement as of March 31, 2016 of the **PENN INSURANCE AND ANNUITY COMPANY**
SCHEDULE E - PART 1 - CASH

Month End Depository Balances

| 1 Depository | 2 Code | 3 Rate of Interest | 4 Amount of Interest Received During Current Quarter | 5 Amount of Interest Accrued at Current Statement Date | Book Balance at End of Each Month During Current Quarter | | | 9 * |
|---------------------------------------|-----------------------|-----------------------|---|---|--|-------------------|------------------|--------|
| | | | | | 6 First Month | 7 Second Month | 8 Third Month | |
| Open Depositories | | | | | | | | |
| State Street..... | New York, NY..... | | | | 1,990,825 | 3,117,529 | 4,448,504 | XXX |
| FHLB..... | Pittsburgh, PA..... | | | | 1,000 | 1,000 | 1,000 | XXX |
| JP Morgan Chase..... | Springfield, IL..... | | | | 65,785 | 88,522 | 73,038 | XXX |
| Northern Trust Bank..... | Chicago, IL..... | | | | 46,176 | 48,465 | 50,631 | XXX |
| PNC Bank..... | Philadelphia, PA..... | | | | (95,904,983) | 3,709,653 | 319,068 | XXX |
| 0199999. Total Open Depositories..... | XXX | XXX | 0 | 0 | (93,801,197) | 6,965,170 | 4,892,241 | XXX |
| 0399999. Total Cash on Deposit..... | XXX | XXX | 0 | 0 | (93,801,197) | 6,965,170 | 4,892,241 | XXX |
| 0599999. Total Cash..... | XXX | XXX | 0 | 0 | (93,801,197) | 6,965,170 | 4,892,241 | XXX |

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1 Description | 2 Code | 3 Date Acquired | 4 Rate of Interest | 5 Maturity Date | 6 Book/Adjusted Carrying Value | 7 Amount of Interest Due & Accrued | 8 Amount Received During Year |
|------------------|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|
|------------------|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|

NONE

QE13