

**SEEKING  
TOTAL  
RETURN**

# **FOXBY CORP.**

**DECEMBER 31, 2016  
ANNUAL REPORT**

[WWW.FOXBYCORP.COM](http://WWW.FOXBYCORP.COM)

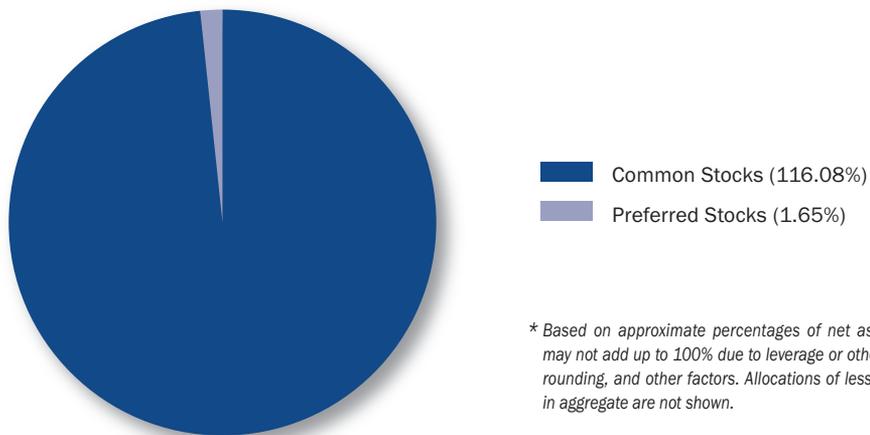


<b>TOP TEN HOLDINGS</b>		December 31, 2016
1	Berkshire Hathaway, Inc. Class B	
2	Alphabet Inc. Class A	
3	Franklin Resources, Inc.	
4	Cisco Systems, Inc.	
5	Wal-Mart Stores, Inc.	
6	The Greenbrier Companies, Inc.	
7	Capella Education Company	
8	United Therapeutics Corporation	
9	Ubiquiti Networks, Inc.	
10	Genther Incorporated	
<p>Top ten holdings comprise approximately 35% of total assets.</p>		

<b>TOP TEN INDUSTRIES</b>		December 31, 2016
1	Investment Advice	
2	Fire, Marine & Casualty Insurance	
3	Information Retrieval Services	
4	Biological Products, Except Diagnostic Substances	
5	Retail - Miscellaneous Shopping Goods Stores	
6	Computer Communications Equipment	
7	Retail - Variety	
8	Railroad Equipment	
9	Retail - Home Furniture, Furnishings & Equipment Stores	
10	Services - Educational Services	

Top ten holdings and industries are shown for informational purposes only and are subject to change. The above portfolio information should not be considered as a recommendation to purchase or sell a particular security and is not indicative of future portfolio characteristics. There is no assurance that any securities will remain in or out of the Fund.

Holdings by Security Type on December 31, 2016\*



\* Based on approximate percentages of net assets and may not add up to 100% due to leverage or other assets, rounding, and other factors. Allocations of less than 1% in aggregate are not shown.

### Dear Fellow Shareholders:

It is a pleasure to welcome our new shareholders who find the total return investment objective of Foxby Corp. (the "Fund") attractive and to submit this 2016 Annual Report. In seeking its objective, the Fund may invest in equity and fixed income securities of both new and seasoned U.S. and foreign issuers, including securities convertible into common stock and debt securities, closed end funds, exchange traded funds, and mutual funds, and the Fund may also invest defensively, for example, in money market instruments. The Fund uses a flexible strategy in the selection of securities and is not limited by an issuer's location, industry, or market capitalization. The Fund also may employ aggressive and speculative investment techniques, such as selling securities short and borrowing money for investment purposes, an approach known as "leverage." A potential benefit of its closed end structure, the Fund may invest without limit in illiquid investments such as private placements and private companies.

### Economic and Market Report

At the December 2016 meeting of the Federal Open Market Committee (FOMC) of the Federal Reserve Bank (the "Fed"), the Fed staff's review of the economic situation suggested that real gross domestic product (GDP) was "expanding at a moderate pace over the second half of the year." The staff viewed labor market conditions as having strengthened in recent months, citing, among other things, an unemployment rate declining to 4.6% in November. Regarding inflation, the staff noted that "consumer price inflation increased further above its pace early in the year but was still running below the Committee's longer-run objective of 2%, restrained in part by earlier declines in energy prices and in prices of non-energy imports." In fact, over the 12 months through December 2016, the Consumer Price Index for All Urban Consumers was up 2.1% before seasonal adjustment and, on an unadjusted basis, the Producer Price Index for final demand climbed 1.6% over the same period, the largest rise since November 2014. Interestingly, it was also noted that starts for both new single-family homes and multifamily units rose substantially in October and consumer sentiment moved higher in November and early December.

In conjunction with the FOMC meeting, the Fed's board members and bank presidents submitted their projections for future real GDP growth, unemployment, and similar measures. They projected real growth in GDP in a range of 1.7 - 2.4% for 2017, and 1.7 - 2.3% for 2018, and an unemployment rate in a range of 4.4 - 4.7% for 2017 and 4.2 - 4.7% for 2018.

Addressing the financial situation, the Fed staff noted that asset price movements appeared to be driven largely by expectations of more expansionary fiscal policy in the aftermath of U.S. elections. Over the year, nominal Treasury yields increased and broad U.S. equity price indexes rose, particularly after the U.S. elections. Financial stocks outperformed, while beneficiaries of lower interest rates, such as utilities, underperformed. The Fed staff also noted that "available reports suggested that earnings for firms in the S&P 500 index increased in the third quarter on a seasonally adjusted basis, and the improvement in earnings was broad based across sectors."

In summary, the U.S. economy appears to be strengthening, and consumer sentiment improving, which suggests to us that investors might anticipate both strong markets and heightened market volatility from unanticipated disappointments, warranting caution over the course of 2017.

### Investment Strategy and Returns

In view of these economic and market developments, the Fund's strategy in 2016 was to focus on quality companies deemed by Midas Management Corporation (the "Investment Manager") to be undervalued. Generally, the Fund purchased and held equity securities in seeking to achieve its total return investment objective and sold investments that appeared to have appreciated to levels reflecting less potential for total return. In 2016, the Fund's net investment loss, net realized gain on investments, and unrealized appreciation on investments were, respectively, \$(4,420), \$486,944, and \$254,740, which contributed significantly to the Fund's net asset value return of 11.69%. Profitable sales in the period were made of, among others, shares of The Procter & Gamble Company in the consumer products sector and Myriad Genetics, Inc. in the in vitro and in vivo diagnostic substances sector and losses were taken on, among others, Ameriprise Financial, Inc. in the investment advice sector which, with other profits and losses realized, resulted in net realized gain on investments. Although no particular investment was responsible for the majority of the unrealized appreciation or depreciation of investments over the period, investments held in the retail sector, including Bed Bath & Beyond Inc. and Express Scripts Holding Company, were significant contributors to unrealized depreciation during the period. At the same time, the Fund benefited from unrealized appreciation from its holdings of Dick's Sporting Goods, Inc. in the sporting goods stores sector and The Greenbrier Companies, Inc. in the railroad equipment sector.

The Fund's market return for 2016, including the reinvestment of dividends, was 13.21%. Generally, the Fund's total return on a market value basis will be higher than total return on a net asset value basis in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods. For comparison, in the same period, the S&P 500 Index total return was 11.96%. The index is unmanaged and does not reflect fees and expenses, nor is it available for direct investment. At December 31, 2016, the Fund's portfolio included over 50 securities of different issuers, with the top ten amounting to approximately 35% of total assets. At that time, the Fund's investments totaled approximately \$8.3 million, reflecting the use of about \$1.2 million of leverage on net assets of about \$7.1 million. As the Fund pursues its primary investment objective of seeking high current income, with capital appreciation as a secondary objective, these holdings and allocations are subject to change at any time.

#### Dividend Distribution

Foxby Corp. paid a dividend distribution of \$0.01 per share on December 30, 2016 to shareholders of record as of December 30, 2016. Based on the Fund's results for the year, the distribution was comprised of approximately 18%, 0%, and 82% from net investment income, capital gains, and return of capital, respectively. If, for any distribution, the sum of previously undistributed net investment income and net realized capital gains is less than the amount of the distribution, the difference is treated as a return of capital (tax-free for a shareholder up to the amount of its tax basis in its shares of the Fund). The amount treated as a tax-free return of capital will reduce a shareholder's adjusted basis in its shares, thereby increasing the shareholder's potential gain or reducing its potential loss on the subsequent sale of those shares. The foregoing is for informational purposes only and does not, nor does anything else herein, constitute tax advice. Shareholders should consult with their own tax advisor or attorney with regard to their personal tax situation.

The Fund's distributions are not tied to its investment income and net realized capital gains, if any, and do not represent yield or investment return. The amounts and sources of distributions reported above are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes may be subject to changes based on tax regulations. In early 2017, the Fund intends to send a Form 1099-DIV for the calendar year concerning the tax treat-

ment of the dividend distribution that was paid to shareholders of record during the 12 months ended December 31, 2016.

#### Fund Website

The Fund's website, [www.FoxbyCorp.com](http://www.FoxbyCorp.com), provides investors with investment information, news, and other material about the Fund. The website also has links to SEC filings, performance data, and daily net asset value reporting. You are invited to use this excellent resource to learn more about the Fund.

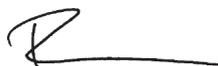
#### Portfolio Management Change

Since March 1, 2016, Thomas B. Winmill has acted as the sole portfolio manager of the Fund. Effective March 1, 2017, William M. Winmill will become co-portfolio manager of the Fund. Since 2016 William has served as Assistant Vice President of the Fund and the other investment companies in the Fund Complex, Assistant Vice President and Investment Analyst of the Investment Manager and Bexil Advisers LLC (registered investment advisers, collectively, the "Advisers"), and Vice President or Assistant Vice President of Bexil Corporation, Global Self Storage, Inc., Tuxis Corporation, Winmill & Co. Incorporated, and certain of their subsidiaries. From 2014 to 2016, he served these companies as Compliance Assistant and Accounting Assistant, after graduating from Bowdoin College in 2014. He is a member of the Investment Policy Committee of each of the Advisers. He is the son of Thomas B. Winmill and nephew of Mark C. Winmill.

#### Long Term Strategies

Our current view of financial conditions continues to suggest that Foxby Corp. may benefit during the current year from its flexible portfolio approach, investing opportunistically in a variety of markets, and employing aggressive and speculative investment techniques as deemed appropriate. We thank you for investing in the Fund and share your enthusiasm for the Fund, as evidenced by the fact that affiliates of the Investment Manager own approximately 24% of the Fund's shares. We look forward to serving your investment needs over the years ahead.

Sincerely,



Thomas B. Winmill  
President and Portfolio Manager

Shares	Common Stocks (116.08%)	Value
	<b>Biological Products, Except Diagnostic Substances (4.54%)</b>	
500	Biogen Inc. <sup>(a)</sup>	\$ 141,790
2,500	Gilead Sciences, Inc. <sup>(a)</sup>	179,025
		<u>320,815</u>
	<b>Cable and Other Pay Television Services (0.52%)</b>	
350	The Walt Disney Company <sup>(a)</sup>	36,477
	<b>Cigarettes (1.29%)</b>	
1,000	Philip Morris International, Inc.	91,490
	<b>Commercial Banks (1.32%)</b>	
14,800	Lloyds Banking Group plc ADR	45,880
8,600	The Royal Bank of Scotland Group plc ADR <sup>(c)</sup>	47,558
		<u>93,438</u>
	<b>Computer Communications Equipment (3.85%)</b>	
9,000	Cisco Systems, Inc. <sup>(a)</sup>	271,980
	<b>Computer and Computer Software Stores (1.34%)</b>	
3,750	GameStop Corp.	94,725
	<b>Drilling Oil &amp; Gas Wells (2.50%)</b>	
12,000	Transocean Ltd.	176,880
	<b>Electronic &amp; Other Electrical Equipment (0.79%)</b>	
1,000	Emerson Electric Co. <sup>(a)</sup>	55,750
	<b>Electronic Computers (1.97%)</b>	
1,200	Apple Inc. <sup>(b)</sup>	138,984
	<b>Finance Services (1.05%)</b>	
1,000	American Express Company <sup>(a)</sup>	74,080
	<b>Fire, Marine &amp; Casualty Insurance (8.07%)</b>	
3,500	Berkshire Hathaway, Inc. Class B <sup>(a) (c)</sup>	570,430
	<b>Hotels and Motels (2.05%)</b>	
1,900	Wyndham Worldwide Corporation <sup>(b)</sup>	145,103
	<b>Industrial Organic Chemicals (1.97%)</b>	
10,000	FutureFuel Corp. <sup>(a) (b)</sup>	139,000
	<b>Industrial Trucks, Tractors, Trailers, and Stackers (2.08%)</b>	
2,300	PACCAR Inc. <sup>(a) (b)</sup>	146,970
	<b>Information Retrieval Services (5.61%)</b>	
500	Alphabet Inc. Class A <sup>(a) (c)</sup>	396,225

See notes to financial statements.

Shares	Common Stocks (continued)	Value
	<b>Investment Advice (13.18%)</b>	
900	Affiliated Managers Group, Inc.	\$ 130,770
700	Diamond Hill Investment Group, Inc. <sup>(a)</sup>	147,266
5,000	Federated Investors, Inc. <sup>(b)</sup>	141,400
9,000	Franklin Resources, Inc. <sup>(a)</sup>	356,220
3,000	Hennessy Advisors, Inc. <sup>(a)</sup>	95,250
2,000	Invesco Ltd.	60,680
		<u>931,586</u>
	<b>Leather &amp; Leather Products (0.97%)</b>	
1,600	Michael Kors Holdings Limited <sup>(b) (c)</sup>	68,768
	<b>Motor Vehicles &amp; Passenger Car Bodies (2.10%)</b>	
4,250	General Motors Company	148,070
	<b>Motor Vehicle Parts and Accessories (2.63%)</b>	
5,500	Gentherm Incorporated <sup>(a) (b)</sup>	186,175
	<b>Ordnance &amp; Accessories (2.50%)</b>	
3,350	Sturm, Ruger & Company, Inc. <sup>(a) (b)</sup>	176,545
	<b>Other Chemical Products (2.49%)</b>	
1,500	Praxair, Inc.	175,785
	<b>Other Real Estate Operators (1.89%)</b>	
5,000	Marcus & Millichap, Inc. <sup>(b)</sup>	133,600
	<b>Pharmaceutical Preparations (2.79%)</b>	
1,375	United Therapeutics Corporation <sup>(a) (b) (c)</sup>	197,216
	<b>Poultry Slaughtering and Processing (1.34%)</b>	
5,000	Pilgrims Pride Corporation <sup>(b)</sup>	94,950
	<b>Radio &amp; TV Broadcasting &amp; Communications Equipment (2.74%)</b>	
3,350	Ubiquiti Networks, Inc. <sup>(a) (b) (c)</sup>	193,630
	<b>Railroad Equipment (3.44%)</b>	
5,850	The Greenbrier Companies, Inc. <sup>(a)</sup>	243,068
	<b>Retail Consulting and Investment (0.01%)</b>	
72,728	Amerivon Holdings LLC <sup>(c) (d)</sup>	727
	<b>Retail - Auto Dealers &amp; Gasoline Stations (1.58%)</b>	
2,300	AutoNation, Inc. <sup>(a) (b) (c)</sup>	111,895
	<b>Retail - Drug Stores and Proprietary Stores (2.43%)</b>	
2,500	Express Scripts Holding Company <sup>(a) (c)</sup>	171,975

See notes to financial statements.

Shares	Common Stocks (continued)	Value
3,600	<b>Retail - Family Clothing Stores (1.14%)</b> The GAP, Inc. <sup>(b)</sup>	\$ 80,784
2,500	<b>Retail - Home Furniture, Furnishings &amp; Equipment Stores (3.15%)</b> Bed, Bath & Beyond <sup>(b)</sup>	101,600
2,500	Williams-Sonoma, Inc. <sup>(b)</sup>	120,975
		<u>222,575</u>
2,439	<b>Retail - Miscellaneous Shopping Goods Stores (3.94%)</b> Dick's Sporting Goods <sup>(a) (b)</sup>	129,511
4,000	Hibbett Sports, Inc. <sup>(a) (c)</sup>	149,200
		<u>278,711</u>
3,800	<b>Retail - Variety Stores (3.72%)</b> Wal-Mart Stores, Inc. <sup>(a)</sup>	262,656
1,900	<b>Security &amp; Commodity Brokers, Dealers, Exchanges &amp; Services (2.02%)</b> T. Rowe Price Group, Inc. <sup>(b)</sup>	142,994
3,300	<b>Security Brokers, Dealers, and Flotation Companies (1.44%)</b> GAMCO Investors, Inc.	101,937
850	<b>Services - Advertising Agencies (1.02%)</b> Omnicom Group Inc. <sup>(b)</sup>	72,344
7,000	<b>Services - Business Services (2.15%)</b> The Western Union Company <sup>(a) (b)</sup>	152,040
1,300	<b>Services - Computer Processing &amp; Data Preparation (1.97%)</b> DST Systems, Inc. <sup>(a)</sup>	139,295
2,500	<b>Services - Educational Services (3.10%)</b> Capella Education Company <sup>(a)</sup>	219,500
3,300	<b>Services - Help Supply Services (2.28%)</b> Robert Half International Inc. <sup>(b)</sup>	160,974
1,300	<b>Services - Medical Laboratories (2.36%)</b> Laboratory Corporation of America Holdings <sup>(a) (c)</sup>	166,894
11,069	<b>Services - Prepackaged Software (0.64%)</b> GlobalSCAPE, Inc. <sup>(a)</sup>	45,051
19,000	<b>Textile Goods (2.51%)</b> Iconix Brand Group, Inc. <sup>(a) (b) (c)</sup>	177,460
1,900	<b>Transportation Equipment (2.22%)</b> Polaris Industries Inc. <sup>(a)</sup>	156,541
365	<b>Wholesale - Drugs Proprietaries &amp; Druggists' Sundries (0.72%)</b> McKesson Corporation <sup>(a)</sup>	51,264

See notes to financial statements.

Shares	Common Stocks (concluded)	Value
2,000	Wholesale - Electronic Parts & Equipment (1.35%) Avnet, Inc. <sup>(a)</sup>	\$ 95,220
1,000	Wholesale - Industrial Machinery & Equipment (1.31%) MSC Industrial Direct Co., Inc. <sup>(a)</sup>	92,390
	Total common stocks (Cost \$7,056,651)	8,204,967
207,852	Preferred Stocks (1.65%) Retail Consulting and Investment (1.65%) Amerivon Holdings LLC <sup>(d)</sup> (Cost \$521,137)	116,397
21,051	Money Market Fund (0.30%) State Street Institutional U.S. Government Money Market Fund, Administration Class shares, 7 day annualized yield 0.17% (Cost \$21,051)	21,051
	Total investments (Cost \$7,598,839) (118.03%)	8,342,415
	Liabilities in excess of other assets (-18.03%)	(1,274,250)
	Net assets (100.00%)	\$ 7,068,165

(a) All or a portion of this security has been pledged as collateral to secure the Fund's obligations under the Liquidity Agreement.

As of December 31, 2016, the aggregate value of securities pledged as collateral was \$199,150.

(b) All or a portion of this security is on loan as of December 31, 2016, and is a component of the Fund's leverage under the Liquidity Agreement. The aggregate value of the securities on loan was \$1,130,248.

(c) Non-income producing.

(d) Illiquid and/or restricted security that has been fair valued.

See notes to financial statements.

December 31, 2016

**Assets**

Investments at value (cost \$7,598,839)	\$ 8,342,415
Dividends receivable	31,970
Foreign withholding tax reclaims	1,872
Other assets	<u>1,195</u>
Total assets	<u>8,377,452</u>

**Liabilities**

Liquidity agreement borrowing	1,255,000
Payables	
Accrued expenses	42,363
Investment management fee	7,571
Directors	3,005
Administrative services	<u>1,348</u>
Total liabilities	<u>1,309,287</u>

**Net Assets**\$ 7,068,165**Net Asset Value Per Share**

(applicable to 2,610,050 shares outstanding; 500,000,000 shares of \$.01 par value authorized)

\$ 2.71**Net Assets Consist of**

Paid in capital	\$ 7,604,371
Accumulated undistributed net investment income	97,272
Accumulated net realized loss on investments	(1,376,928)
Net unrealized appreciation on investments	<u>743,450</u>
	<u>\$ 7,068,165</u>

See notes to financial statements.

Year Ended  
December 31, 2016**Investment Income**

Dividends (net of \$5,351 foreign tax expense)

\$ 183,385

Total investment income

183,385**Expenses**

Investment management

68,074

Bookkeeping and pricing

28,165

Audit

27,450

Interest and fees on bank borrowings

14,705

Directors

11,397

Administrative services

10,230

Shareholder communications

10,032

Custody

4,750

Transfer agent

4,400

Legal

4,220

Insurance

2,337

Registration

1,575

Other

470

Total expenses

187,805

Net investment loss

(4,420)**Realized and Unrealized Gain (Loss)**

Net realized gain on

Investments

485,454

Foreign currencies

1,490

Unrealized appreciation (depreciation) on

Investments

254,844

Translation of assets and liabilities in foreign currencies

(104)

Net realized and unrealized gain

741,684

Net increase in net assets resulting from operations

\$ 737,264

See notes to financial statements.

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operations</b>		
Net investment income (loss)	\$ (4,420)	\$ 43,299
Net realized gain	486,944	498,267
Unrealized appreciation (depreciation)	<u>254,740</u>	<u>(1,128,082)</u>
Net increase (decrease) in net assets resulting from operations	<u>737,264</u>	<u>(586,516)</u>
<b>Distributions to Shareholders</b>		
Net investment income	(4,700)	(27,115)
Return of capital	<u>(21,401)</u>	<u>(25,086)</u>
Total distributions	<u>(26,101)</u>	<u>(52,201)</u>
Total increase (decrease) in net assets	711,163	(638,717)
<b>Net Assets</b>		
Beginning of period	<u>6,357,002</u>	<u>6,995,719</u>
End of period	<u>\$ 7,068,165</u>	<u>\$ 6,357,002</u>
End of period net assets include undistributed net investment income	<u>\$ 97,272</u>	<u>\$ 120,467</u>

See notes to financial statements.

Year Ended  
December 31, 2016**Cash Flows From Operating Activities**

Net increase in net assets resulting from operations	\$ 737,264
Adjustments to reconcile increase in net assets resulting from operations to net cash provided by (used in) operating activities:	
Unrealized appreciation of investments	(254,740)
Net realized gain on sales of investments	(486,944)
Purchase of long term investments	(4,146,696)
Proceeds from sales of long term investments	4,137,647
Net purchases of short term investments	(20,656)
Increase in dividends receivable	(18,878)
Decrease in foreign withholding taxes reclaimed	945
Decrease in other assets	352
Increase in accrued expenses	6,054
Increase in investment management fee payable	1,812
Increase in administrative services payable	536
Increase in directors payable	30
	<u>(43,274)</u>
Net cash used in operating activities	(43,274)

**Cash Flows from Financing Activities**

Bank borrowings, net	69,375
Distributions to shareholders	(26,101)
	<u>43,274</u>
Net cash provided by financing activities	43,274

Net change in cash

-

**Cash**

Beginning of period

-

End of period

\$ -**Supplemental disclosure of cash flow information:**

Cash paid for interest on bank borrowings	\$ 7,083
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See notes to financial statements.

**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES** Foxby Corp. (the “Fund”), a Maryland corporation registered under the Investment Company Act of 1940, as amended (the “Act”), is a non-diversified, closed end management investment company whose shares are quoted over the counter under the ticker symbol FXBY. The Fund’s non-fundamental investment objective is total return which it may seek from growth of capital and from income in any security type and in any industry sector. The Fund retains Midas Management Corporation (the “Investment Manager”) as its Investment Manager.

The Fund is an investment company and accordingly follows the accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standard Codification Topic 946 “Financial Services – Investment Companies.” The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”), which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. Subsequent events, if any, through the date that the financial statements were issued have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the Fund:

**Valuation of Investments** – Portfolio securities are valued by various methods depending on the primary market or exchange on which they trade. Most equity securities for which the primary market is in the United States are usually valued at the official closing price, last sale price or, if no sale has occurred, at the closing bid price. Most equity securities for which the primary market is outside the United States are usually valued using the official closing price or the last sale price in the principal market in which they are traded. If the last sale price on the local exchange is unavailable, the last evaluated quote or closing bid price normally is used. In the event of an unexpected close of the primary market or exchange, a security may continue to trade on one or more other markets, and the price as reflected on those other trading venues may be more reflective of the security’s value than an earlier price from the primary market or exchange. Accordingly, the Fund may seek to use these additional sources of pricing data or information when prices from the primary market or exchange are unavailable, or are earlier and less representative of current market value. Certain debt securities may be priced through pricing services that may utilize a matrix pricing system which takes into consideration factors such as yields, prices, maturities, call features, and ratings on comparable securities or according to prices quoted by a securities dealer that offers pricing services. Open end investment companies are valued at their net asset value.

Foreign securities markets may be open on days when the U.S. markets are closed. For this reason, the value of any foreign securities owned by the Fund could change on a day when shareholders cannot buy or sell shares of the Fund. Securities for which market quotations are not readily available or reliable and other assets may be valued as determined in good faith by the Investment Manager under the direction of or pursuant to procedures approved by the Fund’s Board of Directors. Due to the inherent uncertainty of valuation, such fair value pricing values may differ from the values that would have been used had a readily available market for the assets existed. These differences in valuation could be material. A security’s valuation may differ depending on the method used for determining value. The use of fair value pricing by the Fund may cause the net asset value of its shares to differ from the net asset value that would be calculated using market prices. A fair value price is an estimate and there is no assurance that such price will be at or close to the price at which a security is next quoted or next trades.

**Foreign Currency Translation** – Securities denominated in foreign currencies are translated into U.S. dollars at prevailing exchange rates. Realized gain or loss on sales of such investments in local currency terms is reported separately from gain or loss attributable to a change in foreign exchange rates for those investments.

**Short Sales** – The Fund may sell a security short it does not own in anticipation of a decline in the market value of the security. When the Fund sells a security short, it must borrow the security sold short and deliver it to the broker/dealer through which it made the short sale. The Fund is liable for any dividends or interest paid on securities sold short. A gain, limited to the price at which the Fund sold the security short, or a loss, unlimited in size, normally is recognized upon the termination of the short sale. Securities sold short result in off balance sheet risk as the Fund’s ultimate obligation to satisfy the terms of a sale of securities sold short may exceed the amount recognized in the Statement of Assets and Liabilities.

**Derivatives** – The Fund may use derivatives for a variety of reasons, such as to attempt to protect against possible changes in the value of its portfolio holdings or to generate potential gain. Derivatives are financial instruments that derive their values from other securities or commodities, or that are based on indices. Derivative instruments are marked to market with the change in value reflected in unrealized appreciation or depreciation. Upon disposition, a realized gain or loss is recognized accordingly, except when taking delivery of a security underlying a contract. In these instances, the recognition of gain or loss is postponed until the disposal of the security underlying the contract. Risk may arise

as a result of the potential inability of the counterparties to meet the terms of their contracts. Derivative instruments include written options, purchased options, futures contracts, forward foreign currency exchange contracts, and swap agreements.

**Investments in Other Investment Companies** – The Fund may invest in shares of other investment companies such as closed end funds, exchange traded funds, and mutual funds (the “Acquired Funds”) in accordance with the Act and related rules. Shareholders in the Fund bear the pro rata portion of the fees and expenses of the Acquired Funds in addition to the Fund’s expenses. Expenses incurred by the Fund that are disclosed in the Statement of Operations do not include fees and expenses incurred by the Acquired Funds. The fees and expenses of an Acquired Fund are reflected in such fund’s total returns.

**Investment Transactions** – Investment transactions are accounted for on the trade date (the date the order to buy or sell is executed). Realized gains or losses are determined by specifically identifying the cost basis of the investment sold.

**Investment Income** – Dividend income is recorded on the ex-dividend date or in the case of certain foreign securities, as soon as practicable after the Fund is notified. Interest income is recorded on the accrual basis. Taxes withheld on foreign dividends have been provided for in accordance with the Fund’s understanding of the applicable country’s tax rules and rates.

**Expenses** – Expenses deemed by the Investment Manager to have been incurred solely by the Fund are charged to the Fund. Expenses deemed by the Investment Manager to have been incurred jointly by the Fund and one or more of the other investment companies for which the Investment Manager or its affiliates serve as investment manager or other related entities are allocated on the basis of relative net assets, except where a more appropriate allocation can be made fairly in the judgment of the Investment Manager.

**Expense Reduction Arrangement** – Through arrangements with the Fund’s custodian, credits realized as a result of uninvested cash balances are used to reduce custodian expenses. No credits were realized by the Fund during 2016 or 2015.

**Distributions to Shareholders** – Distributions to shareholders are determined in accordance with income tax regulations and are recorded on the ex-dividend date.

**Income Taxes** – No provision has been made for U.S. income taxes because the Fund’s current intention is to continue to qualify as a regulated investment company under the Internal Revenue Code (the “IRC”) and to distribute to its shareholders substantially all of its taxable income and net realized gains. Foreign securities held

by the Fund may be subject to foreign taxation. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. The Fund has reviewed its tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on federal, state, and local income tax returns for open tax years (2013-2015) or expected to be taken in the Fund’s 2016 tax returns.

**2. FEES AND TRANSACTIONS WITH RELATED PARTIES** The Fund has retained the Investment Manager pursuant to an investment management agreement. Under the terms of the investment management agreement, the Investment Manager receives a fee payable monthly for investment advisory services at an annual rate of 0.95% of the Fund’s Managed Assets. “Managed Assets” means the average weekly value of the Fund’s total assets minus the sum of the Fund’s liabilities, which liabilities exclude debt relating to leverage, short term debt, and the aggregate liquidation preference of any outstanding preferred stock.

Pursuant to the investment management agreement, the Fund reimburses the Investment Manager for providing at cost certain administrative services comprised of compliance and accounting services. For the year ended December 31, 2016, the Fund’s reimbursements of such costs were \$10,230, of which \$6,260 and \$3,970 was for compliance and accounting services, respectively.

Certain officers and directors of the Fund are officers and directors of the Investment Manager. As of December 31, 2016, affiliates of the Investment Manager owned approximately 24% of the Fund’s outstanding shares.

The Fund compensates each Director who is not an employee of the Investment Manager or its affiliates. These Directors receive fees for service as a Director from the Fund and the other investment companies for which the Investment Manager or its affiliates serve as investment manager. In addition, Director out-of-pocket expenses are allocated to each fund for which the Investment Manager or its affiliates serve as investment manager on the basis of relative net assets, except where a more appropriate allocation can be made fairly in the judgment of the Investment Manager.

**3. DISTRIBUTIONS TO SHAREHOLDERS AND DISTRIBUTABLE EARNINGS** For the year ended December 31, 2016, the Fund paid a distribution of \$26,101 comprised of \$4,700 and \$21,401 of net investment income and return of capital, respectively, and for the year ended December 31, 2015, the Fund paid a distribution of \$52,201 comprised of \$27,115 and \$25,086 of net investment income and return of capital, respectively.

As of December 31, 2016, the components of distributable earnings on a tax basis were as follows:

Capital loss carryover	\$ (1,369,670)
Unrealized appreciation	833,464
Post-October losses	-
	\$ (536,206)

Federal income tax regulations permit post-October net capital losses, if any, to be deferred and recognized on the tax return of the next succeeding taxable year.

Capital loss carryovers are calculated and reported as of a specific date. Results of transactions and other activity after that date may affect the amount of capital loss carryovers actually available for the Fund to utilize under the IRC and related regulations. Capital losses incurred in taxable years beginning after December 22, 2010 are allowed to be carried forward indefinitely and retain the character of the original loss. As a transition rule, post-enactment net capital losses are required to be utilized before pre-enactment net capital losses. As of December 31, 2016, the Fund has a net capital loss carryover of \$1,369,670, comprised of short term losses, of which \$567,830 and \$801,840 expire in 2017 and 2018, respectively.

GAAP requires certain components related to permanent differences of net assets to be classified differently for financial reporting than for tax reporting purposes. These differences have no effect on net assets or net asset value per share. These differences, which may result in distribution reclassifications, are primarily due to differences in partnership income, return of capital dividends, re-characterization of capital gain income, and timing of distributions. As of December 31, 2016, the Fund recorded the following financial reporting reclassifications to the net asset accounts to reflect those differences:

Accumulated Net Investment Income	Accumulated Net Realized Loss on Investments	Paid in Capital
\$7,326	\$(462)	\$(6,864)

**4. VALUE MEASUREMENTS** GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities including securities actively traded on a securities exchange.
- Level 2 – observable inputs other than quoted prices included in level 1 that are observable for the asset or liability which may

include quoted prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.

- Level 3 – unobservable inputs for the asset or liability including the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for investments categorized in level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing investments are not an indication of the risk associated with investing in those securities.

The following is a description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis:

**Equity securities (common and preferred stock)** – Most publicly traded equity securities are valued usually at the most recent official closing price, last sale price, evaluated quote, or closing bid price. To the extent these securities are actively traded and valuation adjustments are not applied, they may be categorized in level 1 of the fair value hierarchy. Equities on inactive markets or valued by reference to similar instruments may be categorized in level 2.

**Restricted and/or illiquid securities** – Restricted and/or illiquid securities for which quotations are not readily available or reliable may be valued with fair value pricing as determined in good faith by the Investment Manager under the direction of or pursuant to procedures approved by the Fund's Board of Directors. Restricted securities issued by publicly traded companies are generally valued at a discount to similar publicly traded securities. Restricted or illiquid securities issued by nonpublic entities may be valued by reference to comparable public entities or fundamental data relating to the issuer or both or similar inputs. Depending on the relative significance of valuation inputs, these instruments may be categorized in either level 2 or level 3 of the fair value hierarchy.

The following is a summary of the inputs used as of December 31, 2016 in valuing the Fund's assets. Refer to the Schedule of Portfolio Investments for detailed information on specific investments.

ASSETS	Level 1	Level 2	Level 3	Total
Investments, at value				
Common Stocks	\$ 8,204,240	\$ -	\$ 727	\$ 8,204,967
Preferred Stocks	-	-	116,397	116,397
Money Market Fund	21,051	-	-	21,051
Total investments, at value	\$ 8,225,291	\$ -	\$ 117,124	\$ 8,342,415

There were no securities transferred from level 1 on December 31, 2015 to level 3 at December 31, 2016.

The following is a reconciliation of level 3 assets:

	Common Stocks	Preferred Stocks	Total
Balance at December 31, 2015	\$ 727	\$ 111,159	\$ 111,886
Payment of in-kind dividends	-	-	-
Change in unrealized appreciation	-	5,238	5,238
Balance at December 31, 2016	\$ 727	\$ 116,397	\$ 117,124
Net change in unrealized appreciation attributable to assets still held as level 3 at December 31, 2016	\$ -	\$ 5,238	\$ 5,238

Except to the extent of the receipt of payment of in-kind dividends from level 3 preferred stocks as shown above, there were no transfers into or out of level 3 assets during the period. Unrealized gains (losses) are included in the related amounts on investments in the Statement of Operations.

The Investment Manager, under the direction of the Fund's Board of Directors, considers various valuation approaches for valuing assets categorized within level 3 of the fair value hierarchy. The factors used in determining the value of such assets may include, but are not limited to: the discount applied due to the private nature of the asset; the type of the security; the size of the asset; the initial cost of the security; the existence of any contractual restrictions on the security's disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer or analysts; an analysis of the company's or issuer's financial statements; or an evaluation of the forces that influence the issuer and the market in which the asset is purchased and sold. Significant changes in any of those inputs in isolation may result in a significantly lower or higher fair value measurement. The pricing of all fair value assets is regularly reported to the Fund's Board of Directors.

The following table presents additional information about valuation methodologies and inputs used for assets that are measured at fair value and categorized as level 3 as of December 31, 2016:

	Fair Value	Valuation Technique	Unobservable Input	Range
Common Stocks				
Retail - Consulting and Investment	\$ 727	Value of liquidation per share	Discount rate due to lack of marketability	80%
Preferred Stocks				
Retail - Consulting and Investment	\$ 116,397	Value of liquidation preference per share	Discount rate due to lack of marketability	80%

**5. INVESTMENT TRANSACTIONS** Purchases and proceeds from sales of investment securities, excluding short term securities, were \$4,146,696 and \$4,137,647, respectively, for the year ended December 31, 2016. As of December 31, 2016, for federal income tax purposes, subject to change, the aggregate cost of securities was \$7,508,824 and net unrealized appreciation was \$833,591, comprised of gross unrealized appreciation of \$1,558,242 and gross unrealized depreciation of \$724,651.

**6. ILLIQUID AND RESTRICTED SECURITIES** The Fund owns securities which have a limited trading market and/or certain restrictions on trading and, therefore, may be considered illiquid and/or restricted. Such securities have been valued using fair value pricing. Due to the inherent uncertainty of valuation, fair value pricing values may differ from the values that would have been used had a readily available market for the securities existed. These differences in valuation could be material. Illiquid and/or restricted securities owned as of December 31, 2016 were as follows:

	Acquisition Date	Cost	Value
Amerivon Holdings LLC preferred shares	9/20/07	\$ 521,137	\$ 116,397
Amerivon Holdings LLC common equity units	9/20/07	0	727
<b>Total</b>		<b>\$ 521,137</b>	<b>\$ 117,124</b>
<b>Percent of net assets</b>		<b>7%</b>	<b>2%</b>

**7. LIQUIDITY AGREEMENT** Effective July 28, 2016, the Fund entered into a Liquidity Agreement (“LA”) with State Street Bank and Trust Company (“SSB”), the Fund’s custodian and securities lending agent. The LA allows the Fund to draw up to \$2 million (maximum liquidity commitment) and includes a securities lending authorization by the Fund to SSB to engage in agency securities lending and reverse repurchase activity.

Interest is charged on the drawn amount at the rate of one-month LIBOR (London Interbank Offered Rate) plus 1.20% per annum, and is payable monthly. A non-usage fee is charged on the difference between the maximum liquidity commitment and the drawn amount at the rate of one-month LIBOR plus 0.07% per annum, and is payable monthly.

Generally, the Fund pledges its assets as collateral to secure its obligations under the LA and makes these assets available for securities lending and repurchase transactions initiated by SSB, although the Fund retains the risks and rewards of the ownership of assets pledged. Under the terms of the LA, the Fund may enter into securities lending transactions initiated by SSB, acting as the Fund’s authorized securities lending agent. All securities lent through SSB are required to be secured with cash collateral received from the securities lending counterparty in amounts at least equal to 100% of the initial market value of the securities lent. Cash collateral received by SSB, in its role as securities lending agent for the Fund, is credited against the amounts drawn under the LA. Any amounts credited against the LA are considered leverage and would be subject to various limitations in the LA and the Act, or both. Upon return of loaned securities, SSB will return collateral to the securities lending counterparty and may

fund the amount of collateral returned through securities lending, repurchase, and/or other lending activities provided under the LA. Amounts paid by securities lending counterparties for loaned securities are retained by SSB.

In the event of a securities lending counterparty default, SSB indemnifies the Fund for certain losses that may arise in connection with the default. SSB uses the collateral received from the securities lending counterparty to purchase replacement securities of the same issue, type, class and series of the loaned securities. If the value of the collateral is less than the purchase cost of the replacement securities, SSB is responsible for satisfying the shortfall but only to the extent that the shortfall is not due to any decrease in the value of the collateral. Although the risk of the loss of the securities lent is mitigated by receiving collateral from the securities lending counterparty and through SSB indemnification, the Fund could experience a delay in recovering securities or could experience a lower than expected return if the securities lending counterparty fails to return the securities on a timely basis.

The Fund or SSB may terminate the LA with 179 days’ prior written notice to the other party absent a default or facility termination event. If certain asset coverage and collateral requirements, minimum net assets or other covenants are not met, the LA could be deemed in default and result in termination.

Prior to July 28, 2016, the Fund had a Committed Facility Agreement (“CFA”) with BNP Paribas Prime Brokerage, Inc. (“BNP”) that allowed it to adjust its credit facility up to \$2,500,000 subject to BNP’s approval, and a Lending Agreement, as defined below. The Lending Agreement with BNP allowed BNP to may make loans to the Fund from time to time in its sole discretion and in amounts

determined by BNP in its sole discretion. Borrowings under the CFA and the Lending Agreement (collectively, the “Lending Agreements”) were secured by assets of the Fund (the “pledged collateral”) that were held in a segregated account with the Fund’s custodian. Interest was charged at the 1 month LIBOR plus 0.95% on the amount borrowed and 0.50% on the undrawn balance. Because the Fund adjusted the facility amount each day to equal borrowing drawn that day, the annualized rate charge on undrawn facility amounts provided for by the CFA had not been incurred. The Lending Agreements provided for BNP to borrow a portion of the pledged collateral (the “Lent Securities”) in an amount not to exceed the outstanding borrowings owed by the Fund to BNP. The Lending Agreements allowed BNP to re-register the Lent Securities in its own name or in another name other than the Fund’s and pledge, re-pledge, sell, lend or otherwise transfer or use the Lent Securities with all attendant rights of ownership. The Fund could designate any security within the pledged collateral as ineligible to be a Lent Security, provided there were eligible securities within the pledged collateral in an amount equal to the outstanding borrowing owed by the Fund. BNP remitted payment to the Fund equal to the amount of all dividends, interest, or other distributions earned or made by the Lent Securities. The Fund earned securities lending income consisting of payments received from BNP for lending certain securities, less any rebates paid to borrowers and lending agent fees associated with the loan. There were no Lent Securities during the period ended July 28, 2016 for the Fund.

The outstanding loan balance and the value of assets pledged as collateral as of December 31, 2016 were \$1,255,000 and \$199,150, respectively, and the weighted average interest rate and average daily amount outstanding under the LA and CFA combined for the year ended December 31, 2016 were 1.54% and \$590,629, respectively. The maximum amount outstanding during the year ended December 31, 2016 was \$1,410,000.

**8. FOREIGN SECURITIES RISK** Investments in the securities of foreign issuers involve special risks which include changes in foreign exchange rates and the possibility of future adverse political and economic developments which could adversely affect the value of such securities. Moreover, securities of foreign issuers and traded in foreign markets may be less liquid and their prices more volatile than those of U.S. issuers and markets.

In June 2016, the United Kingdom (UK) voted to leave the European Union (EU) following a referendum referred to as “Brexit.” It is expected that the UK will exit the EU within two years; however,

the exact time frame for the UK’s exit is unknown. There is still considerable uncertainty relating to the potential consequences of the withdrawal, including how the financial markets will react. In light of the uncertainties surrounding the impact of the Brexit on the broader global economy, the negative impact could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on Europe for their business activities and revenues, which could have an adverse effect on the value of the Fund’s investments.

**9. LEVERAGE RISK** The Fund utilizes its LA to increase its assets available for investment. When the Fund leverages its assets, shareholders bear the fees associated with the LA and have potential to benefit or be disadvantaged from the use of leverage. The Investment Manager’s fee is also increased in dollar terms from the use of leverage. Consequently, the Fund and the Investment Manager may have differing interests in determining whether to leverage the Fund’s assets. Leverage creates risks that may adversely affect the return for shareholders, including: the likelihood of greater volatility of net asset value and market price of Fund shares; fluctuations in the interest rate paid for the use of the LA; increased operating costs, which may reduce the Fund’s total return; the potential for a decline in the value of an investment acquired through leverage, while the Fund’s obligations under such leverage remains fixed; and the Fund is more likely to have to sell securities in a volatile market in order to meet asset coverage or other debt compliance requirements. There can be no assurance that the Fund’s use of leverage will be successful.

To the extent the income or capital appreciation derived from securities purchased with funds received from leverage exceeds the cost of leverage, the Fund’s return will be greater than if leverage had not been used; conversely, returns would be lower if the cost of the leverage exceeds the income or capital appreciation derived.

In addition to the risks created by the Fund’s use of leverage, the Fund is subject to the risk that it would be unable to timely, or at all, obtain replacement financing if the LA is terminated. Were this to happen, the Fund would be required to de-leverage, selling securities at a potentially inopportune time and incurring tax consequences. Further, the Fund’s ability to generate income from the use of leverage would be adversely affected.

**10. CAPITAL STOCK** As of December 31, 2016, there were 2,610,050 shares of \$.01 par value common stock outstanding and 500,000,000 shares authorized. There were no transactions in capital stock during 2016 or 2015.

**11. SHARE REPURCHASE PROGRAM** In accordance with Section 23(c) of the Act, the Fund may from time to time repurchase its shares in the open market at the discretion of and upon such terms as determined by the Board of Directors. The Fund did not repurchase any of its shares during 2016 or 2015.

**12. CONTINGENCIES** The Fund indemnifies its officers and directors from certain liabilities that might arise from their performance of their duties for the Fund. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which may provide general in-

demnifications. The Fund's maximum exposure under these arrangements is unknown as it involves future claims that may be made against the Fund under circumstances that have not occurred.

**13. OTHER INFORMATION** The Fund may at times raise cash for investment by issuing shares through one or more offerings, including rights offerings. Proceeds from any such offerings will be invested in accordance with the investment objective and policies of the Fund.

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Per Share Operating Performance</b> (for a share outstanding throughout each period)					
Net asset value, beginning of period	\$2.44	\$2.68	\$2.66	\$2.09	\$1.79
Income from investment operations:					
Net investment income (loss) <sup>(1)</sup>	-*	0.02	0.02	0.02	(0.04)
Net realized and unrealized gain (loss) on investments	0.28	(0.24)	-*	0.57	0.35
Total from investment operations	0.28	(0.22)	0.02	0.59	0.31
Less distributions:					
Net investment income	-*	(0.01)	-	(0.02)	(0.01)
Return of capital	(0.01)	(0.01)	-	-	-*
Total distributions	(0.01)	(0.02)	-	(0.02)	(0.01)
Net asset value, end of period	\$2.71	\$2.44	\$2.68	\$2.66	\$2.09
Market value, end of period	\$1.79	\$1.59	\$1.87	\$1.95	\$1.45
<b>Total Return <sup>(2)</sup></b>					
Based on net asset value	11.69%	(7.81)%	0.75%	28.23%	17.53%
Based on market price	13.21%	(13.90)%	(4.10)%	35.50%	17.70%
<b>Ratios/Supplemental Data</b>					
Net assets at end of period (000s omitted)	\$7,068	\$6,357	\$6,996	\$6,945	\$5,442
Ratio of expenses to average net assets <sup>(3) (4)</sup>	2.91%	2.35%	1.92%	1.60%	4.57%
Ratio of net investment income (loss) to average net assets	(0.07)%	0.64%	0.75%	0.92%	(1.94)%
Portfolio turnover rate	58%	34%	53%	12%	15%
Average commission rate paid	\$0.0137	\$0.0167	\$0.0114	\$0.0170	\$0.0115

(1) The per share amounts were calculated using the average number of shares outstanding during the period.

(2) Total return on a market value basis is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan if in effect or, if there is no plan in effect, at the lower of the per share net asset value or the closing market price of the Fund's shares on the dividend/distribution date. Generally, total return on a net asset value basis will be higher than total return on a market value basis in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total return on a net asset value basis will be lower than total return on a market value basis in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods. The calculation does not reflect brokerage commissions, if any.

(3) Expenses incurred by the Fund in connection with a special meeting of shareholders held on September 12, 2012 increased the ratio of expenses to average net assets by 2.27% for the year ended December 31, 2012.

(4) The ratio of expenses excluding loan interest and fees on bank borrowings to average net assets was 2.68%, 2.29%, 1.86%, 1.60% and 4.57% for the years ended December 31, 2016, 2015, 2014, 2013 and 2012, respectively.

\* Less than \$0.005 per share.

See notes to financial statements.

To the Board of Directors and Shareholders of  
Foxby Corp.

We have audited the accompanying statement of assets and liabilities of Foxby Corp. (the "Fund"), including the schedule of portfolio investments as of December 31, 2016, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of

securities owned as of December 31, 2016, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Foxby Corp. as of December 31, 2016, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for the five years presented, in conformity with accounting principles generally accepted in the United States of America.

TAIT, WELLER & BAKER LLP  
Philadelphia, Pennsylvania  
February 27, 2017

The following table sets forth certain information concerning the directors currently serving on the Board of Directors of the Fund. The directors of each class shall serve for terms of five years and then carryover until their successors are elected and qualify.

INDEPENDENT DIRECTORS					
Name, Address <sup>(1)</sup> and Date of Birth	Position(s) Held with the Fund	Director Since	Principal Occupation(s) for the Past Five Years	Number of Portfolios in Fund Complex Overseen by Director <sup>(2)</sup>	Other Directorships Held by Director <sup>(3)</sup>
James E. Hunt December 14, 1930	Class I Director	2004	Retired. He is a former Limited Partner of Hunt Howe Partners LLC (executive recruiting consultants).	4	None
Bruce B. Huber, CLU, ChFC, MSFS February 7, 1930	Class II Director	2004	Retired. He is a former Financial Representative with New England Financial, specializing in financial, estate, and insurance matters. He is a member of the Board, emeritus, of the Millbrook School, and a member of the Endowment Board of the Community YMCA of Red Bank, NJ.	4	None
Peter K. Werner August 16, 1959	Class III Director	2002	Since 1996, he has taught, directed, and coached many programs at The Governor's Academy of Byfield, MA. Currently, he teaches economics and history at the Governor's Academy. Previously, he held the position of Vice President in the Fixed Income Departments of Lehman Brothers and First Boston. His responsibilities included trading sovereign debt instruments, currency arbitrage, syndication, medium term note trading, and money market trading.	4	None
INTERESTED DIRECTOR					
Thomas B. Winmill <sup>(4)</sup> PO Box 4 Walpole, NH 03608 June 25, 1959	Class IV Director	2002	He is President, Chief Executive Officer, Chairman, and a Trustee or Director of the Fund, Dividend and Income Fund, and Midas Series Trust. He is President, Chief Executive Officer, and General Counsel of the Investment Manager and Bexil Advisers LLC (registered investment advisers, collectively, the "Advisers"), Bexil Securities LLC and Midas Securities Group, Inc. (registered broker-dealers, collectively, the "Broker-Dealers"), Bexil Corporation (a holding company), ("Bexil") and Winmill & Co. Incorporated (a holding company) ("Winco"). He is a Director and Vice President of Global Self Storage, Inc. (a self storage REIT) ("SELF"). He is a Director of Bexil American Mortgage Inc. He is Vice President of Tuxis Corporation (a real estate company) ("Tuxis"). He is Chairman of the Investment Policy Committee of each of the Advisers (the "IPCs"), and he is a portfolio manager of the Fund, Dividend and Income Fund, Midas Fund, and Midas Magic. He is a member of the New York State Bar and the SEC Rules Committee of the Investment Company Institute. He is the brother of Mark C. Winmill.	4	Global Self Storage, Inc.
<p><i>(1) Unless otherwise noted, the address of record for the directors is 11 Hanover Square, New York, New York 10005. (2) The "Fund Complex" is comprised of the Fund, Dividend and Income Fund, and Midas Series Trust which are managed by the Investment Manager or its affiliates. (3) Refers to directorships and trusteeships held by a director in any company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or any company registered as an investment company under the Act, excluding those within the Fund Complex. (4) He is an "interested person" of the Fund as defined in the Act due to his affiliation with the Investment Manager.</i></p> <p><i>Messrs. Huber, Hunt, and Werner also serve on the Audit and Nominating Committees of the Board. Mr. Winmill serves on the Executive Committee of the Board. Each of the directors serves on the Continuing Directors Committee of the Board.</i></p>					

The executive officers, other than those who serve as directors, and their relevant biographical information are set forth below.

EXECUTIVE OFFICERS			
Name, Address <sup>(1)</sup> and Date of Birth	Position(s) Held with the Fund	Officer Since <sup>(2)</sup>	Principal Occupation(s) for the Past Five Years
Russell Kamerman, Esq. July 8, 1982	Chief Compliance Officer, AML Officer, Associate General Counsel, Vice President, and Assistant Secretary	2014	Chief Compliance Officer, Anti-Money Laundering Officer, Associate General Counsel, Vice President and Assistant Secretary of the other investment companies in the Fund Complex, the Advisers, the Broker-Dealers, Bexil, SELF, Tuxis, and Winco. He is a member of the New York State Bar and the Chief Compliance Officer Committee and the Advertising Compliance Advisory Committee of the Investment Company Institute. Previously, he was an attorney in private practice focusing on regulatory, compliance, and other general corporate matters relating to the structure, formation, and operation of investment funds and investment advisers.
Heidi Keating March 28, 1959	Vice President	2002	Vice President of the other investment companies in the Fund Complex, the Advisers, Bexil, SELF, Tuxis, and Winco. She is a member of the IPCs.
Thomas O'Malley July 22, 1958	Chief Accounting Officer, Chief Financial Officer, Treasurer, and Vice President	2005	Chief Accounting Officer, Chief Financial Officer, Vice President, and Treasurer of the other investment companies in the Fund Complex, the Advisers, the Broker-Dealers, Bexil, SELF, Tuxis, and Winco. He is a certified public accountant.
John F. Ramirez, Esq. April 29, 1977	General Counsel, Chief Legal Officer, Vice President, and Secretary	2005	General Counsel, Chief Legal Officer, Vice President, and Secretary of the other investment companies in the Fund Complex, SELF, and Tuxis. He is Vice President, Senior Associate General Counsel, and Secretary of the Advisers, the Broker-Dealers, Bexil, and Winco. He is a member of the IPCs. He also is a member of the New York State Bar and the Investment Advisers Committee, Small Funds Committee, and Compliance Advisory Committee of the Investment Company Institute.
Mark C. Winmill November 26, 1957	Vice President	2012	Vice President of the other investment companies in the Fund Complex and the Advisers. He is a member of the IPCs. He is President, Chief Executive Officer, Chairman and a Director of SELF and Tuxis. He is Executive Vice President and a Director of Winco, Vice President of Bexil, and a principal of the Broker-Dealers. He is the brother of Thomas B. Winmill.
<i>(1) Unless otherwise noted, the address of record for the officers is 11 Hanover Square, New York, New York 10005. (2) Officers hold their positions with the Fund until a successor has been duly elected and qualifies. Officers are generally elected annually. The officers were last elected on December 14, 2016.</i>			

**Proxy Voting**

The Fund's Proxy Voting Guidelines, which describe the policies and procedures the Fund uses to determine how to vote proxies relating to portfolio securities, as well as its proxy voting record for the most recent 12 months ended June 30, are available without charge by calling the Fund collect at 1-212-785-0900, on the SEC's website at [www.sec.gov](http://www.sec.gov), and on the Fund's website at [www.FoxbyCorp.com](http://www.FoxbyCorp.com).

**Quarterly Schedule of Portfolio Holdings**

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund makes the Forms N-Q available on its website at [www.FoxbyCorp.com](http://www.FoxbyCorp.com).

**STOCK DATA AT DECEMBER 31, 2016**

Market Price per Share	\$1.79
Net Asset Value per Share	\$2.71
Market Price Discount to Net Asset Value	33.9%
Ticker Symbol	FXBY
CUSIP Number	351645106

**Cautionary Note Regarding Forward Looking Statements** - Certain information presented in this report may contain "forward looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Forward looking statements include, but are not limited to, statements concerning the Fund's plans, objectives, goals, strategies, future events, future performance, or intentions, and other information that is not historical information. In some cases, forward looking statements can be identified by terminology such as "believes," "expects," "estimates," "may," "will," "should," "anticipates" or "intends," or the negative of such terms or other comparable terminology, or by discussions of strategy. All forward looking statements by the Fund involve known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Fund, which may cause the Fund's actual results to be materially different from those expressed or implied by such statements. The Fund may also make additional forward looking statements from time to time. All such subsequent forward looking statements, whether written or oral, by the Fund or on its behalf, are also expressly qualified by these cautionary statements. All forward looking statements, including without limitation, the Fund's examination of historical trends and estimates are based upon the Fund's current expectations and various assumptions. The Fund's expectations, beliefs, and projections are expressed in good faith and it believes there is a reasonable basis for them, but there can be no assurance that the Fund's expectations, beliefs, and projections will result or be achieved. All forward looking statements apply only as of the date made. The Fund undertakes no obligation to publicly update or revise forward looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events. There is no assurance that the Fund's investment objectives will be attained.

Closed end funds are traded on the secondary market. The Fund's investment return and principal value will fluctuate so that an investor's shares may be worth more or less than the original cost. Shares of the Fund may trade above (a premium) or below (a discount) the net asset value (NAV) of the Fund's portfolio. The market price for a closed end fund is based on supply and demand which fluctuates daily based on many factors, such as economic conditions and global events, investor sentiment, and security-specific factors. The possibility of a market decline should be considered market risk.

Investment products, including shares of the Fund, are not federally or FDIC insured, are not deposits or obligations of, or guaranteed by, any financial institution and involve investment risk, including possible loss of principal and fluctuation in value. Consult with your tax advisor or attorney regarding specific tax issues.

Past performance is no guarantee of future results. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. You can obtain more information about the Fund by calling 212-785-0900.

**Fund Information** - This report, including the financial statements herein, is provided for informational purposes only. This is not a prospectus, circular, or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report. This report shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state, or an exemption therefrom.

**Section 23 Notice** - Pursuant to Section 23 of the Investment Company Act of 1940, as amended, notice is hereby given that the Fund may in the future purchase its own shares in the open market. These purchases may be made from time to time, at such times, and in such amounts, as may be deemed advantageous to the Fund, although nothing herein shall be considered a commitment to purchase such shares.

This report is for shareholder information. This is not a prospectus intended for use in the purchase or sale of Fund shares.

NOT FDIC INSURED    MAY LOSE VALUE    NOT BANK GUARANTEED

**FUND INFORMATION****Investment Manager**

Midas Management Corporation  
11 Hanover Square  
New York, NY 10005  
1-212-785-0900

**Stock Transfer Agent and Registrar**

Securities Transfer Corporation  
2901 N Dallas Parkway, Suite 380  
Plano, TX 75093  
[www.stctransfer.com](http://www.stctransfer.com)  
1-469-633-0101

**FOXBYCORP.COM**

Visit us on the web at [www.FoxbyCorp.com](http://www.FoxbyCorp.com). The site provides information about the Fund including market performance, net asset value, dividends, press releases, and shareholder reports. For further information, please email us at [info@FoxbyCorp.com](mailto:info@FoxbyCorp.com).





# FOXBY CORP.

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