

ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND
Form N-CSR
January 04, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number: 811-10573

ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND, INC.
(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105
(Address of principal executive offices) (Zip code)

Joseph J. Mantineo

AllianceBernstein L.P.

1345 Avenue of the Americas

New York, New York 10105

(Name and address of agent for service)

Registrant's telephone number, including area code: (800) 221-5672

Date of fiscal year end: October 31, 2018

Date of reporting period: October 31, 2018

ITEM 1. REPORTS TO STOCKHOLDERS.

OCT 10.31.18

ANNUAL REPORT

ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND (NYSE: AFB)

Beginning January 1, 2021, as permitted by new regulations adopted by the Securities and Exchange Commission, the Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website address to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically at any time by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor and your shares are held with our transfer agent, Computershare, you may log into your Investor Center account at www.computershare.com/investor and go to [Communication Preferences](#) . You may also call Computershare at (800) 219 4218.

You may elect to receive all future reports in paper form free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports; if you invest directly with the Fund, you can call Computershare at (800) 219 4218. Your election to receive reports in paper form will apply to all funds held in your account with your financial intermediary or, if you invest directly, to all AB Closed-end Funds you hold.

Investment Products Offered Are Not FDIC Insured May Lose Value Are Not Bank Guaranteed

You may obtain a description of the Fund's proxy voting policies and procedures, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Simply visit AB's website at www.abfunds.com, or go to the Securities and Exchange Commission's (the Commission) website at www.sec.gov, or call AB at (800) 227-4618.

The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year. The Fund's portfolio holdings reports are available on the Commission's website at www.sec.gov. The Fund's portfolio holdings reports may also be reviewed and copied at the Commission's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling (800) SEC 0330.

AllianceBernstein Investments, Inc. (ABI) is the distributor of the AB family of mutual funds. ABI is a member of FINRA and is an affiliate of AllianceBernstein L.P., the Adviser of the funds.

The [A/B] logo is a registered service mark of AllianceBernstein and AllianceBernstein® is a registered service mark used by permission of the owner, AllianceBernstein L.P.

FROM THE PRESIDENT

Dear Shareholder,

We are pleased to provide this report for AllianceBernstein National Municipal Income Fund (the Fund). Please review the discussion of Fund performance, the market conditions during the reporting period and the Fund's investment strategy.

As always, AB strives to keep clients ahead of what's next by:

+ Transforming uncommon insights into uncommon knowledge with a global research scope

+ Navigating markets with seasoned investment experience and sophisticated solutions

+ Providing thoughtful investment insights and actionable ideas

Whether you're an individual investor or a multi-billion-dollar institution, we put knowledge and experience to work for you.

AB's global research organization connects and collaborates across platforms and teams to deliver impactful insights and innovative products. Better insights lead to better opportunities anywhere in the world.

For additional information about AB's range of products and shareholder resources, please log on to www.abfunds.com.

Thank you for your investment in the AB Mutual Funds.

Sincerely,

Robert M. Keith

President and Chief Executive Officer, AB Mutual Funds

ANNUAL REPORT

December 19, 2018

This report provides management’s discussion of fund performance for AllianceBernstein National Municipal Income Fund for the annual reporting period ended October 31, 2018. The Fund is a closed-end fund and its shares are listed and traded on the New York Stock Exchange.

On November 9, 2018, the Fund announced that it had commenced a voluntary tender offer to purchase up to 100% of its outstanding auction preferred shares (APS) at a price per share equal to 98.75% of the liquidation preference of \$25,000 per share (or \$24,687.50 per share). Additional information regarding the tender offer may be found in Note J, Subsequent Events, of the Notes to Financial Statements.

The Fund seeks to provide high current income exempt from regular federal income tax by investing substantially all of its net assets in municipal securities that pay interest that is exempt from federal income tax.

RETURNS AS OF OCTOBER 31, 2018 (unaudited)

	6 Months	12 Months
ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND (NAV)	-0.21%	-3.05%
Bloomberg Barclays Municipal Bond Index	0.46%	-0.51%

The Fund’s market price per share on October 31, 2018 was \$11.97. The Fund’s NAV price per share on October 31, 2018 was \$13.86. For additional Financial Highlights, please see pages 46-47.

INVESTMENT RESULTS

The table above shows the Fund’s performance compared to its benchmark, the Bloomberg Barclays Municipal Bond Index, for the six- and 12-month periods ended October 31, 2018.

The Fund underperformed the benchmark for both periods as security selection in the prepay energy sector detracted, relative to the benchmark. Leverage, achieved through the usage of auction rate preferred shares, tender option bonds (TOBs) and variable rate municipal term preferred shares, detracted from the Fund’s total return over both periods as yields increased. Leverage benefited the Fund’s income, as the spread between the Fund’s borrowing and investment rates remained positive. Security selection in the miscellaneous revenue sector contributed, as did yield-curve positioning in over 10-year duration municipals.

For the 12-month period, yield-curve positioning in six- to seven-year and seven- to 10-year duration municipals detracted. Security selection in the

not-for-profit health care and local general obligation (GO) bond sectors contributed.

During the six-month period, security selection in the tobacco securitization sector detracted. Yield-curve positioning in two- to three-year duration municipals detracted, while positioning in five- to six-year duration municipals contributed. Security selection in the state GO bond sector also contributed.

The Fund did not utilize derivatives during the six- or 12-month periods.

MARKET REVIEW AND INVESTMENT STRATEGY

Economic growth and inflation expectations continued to rise throughout the 12-month period. Forty-six states realized positive growth during the third quarter, while state and local tax collections were at all-time highs. The US Federal Reserve increased its federal funds target rate to 2.00%-2.25% at the end of September, the third rate increase in 2018. Performance of municipal issues was mixed during the 12-month period, reaching historically expensive valuations versus US Treasuries in July. However, municipals retreated to more normal levels versus US Treasuries toward the end of the reporting period.

The Fund's Senior Investment Management Team (the Team) maintained the Fund's modest overweight to municipal credit, finding this position attractive given the current strength of the US economy. The Team continues to focus on real after-tax return by investing in municipal bonds that generate income exempt from federal income taxes. The Team relies on an investment process that combines quantitative and fundamental research to build effective bond portfolios.

The Fund may purchase municipal securities that are insured under policies issued by certain insurance companies. Historically, insured municipal securities typically received a higher credit rating, which meant that the issuer of the securities paid a lower interest rate. As a result of declines in the credit quality and associated downgrades of most bond insurers, insurance has less value than it did in the past. The market now values insured municipal securities primarily based on the credit quality of the issuer of the security with little value given to the insurance feature. In purchasing such insured securities, the Adviser evaluates the risk and return of municipal securities through its own research. If an insurance company's rating is downgraded or the company becomes insolvent, the prices of municipal securities insured by the insurance company may decline. As of October 31, 2018, the Fund's percentages of investments in municipal bonds that are insured and in insured municipal bonds that have been pre-refunded or escrowed to maturity were 3.08% and 0.00%, respectively.

INVESTMENT POLICIES

The Fund will normally invest at least 80%, and normally substantially all, of its net assets in municipal securities paying interest that is exempt from regular federal income tax. The Fund also normally will invest at least 75% of its assets in investment-grade municipal securities or unrated municipal securities considered to be of comparable quality. The Fund may invest up to 25% of its net assets in municipal bonds rated below investment-grade and unrated municipal bonds considered to be of comparable quality as determined by the Adviser.

The Fund intends to invest primarily in municipal securities that pay interest that is not subject to the federal alternative minimum tax (AMT), but may invest without limit in municipal securities paying interest that is subject to the federal AMT. For more information regarding the Fund's risks, please see Disclosures and Risks on pages 9 and Note G Risks Involved in Investing in the Fund of the Notes to Financial Statements on pages 39-42.

DISCLOSURES AND RISKS

AllianceBernstein National Municipal Income Fund

Shareholder Information

Weekly comparative net asset value (NAV) and market price information about the Fund is published each Saturday in *Barron's* and in other newspapers in a table called *Closed-End Funds* . Daily NAVs and market price information, and additional information regarding the Fund, is available at www.abfunds.com and www.nyse.com. For additional shareholder information regarding this Fund, please see pages 51-52.

Benchmark Disclosure

The Bloomberg Barclays Municipal Bond Index is unmanaged and does not reflect fees and expenses associated with the active management of a mutual fund portfolio. The Bloomberg Barclays Municipal Bond Index represents the performance of the long-term tax-exempt bond market consisting of investment-grade bonds. In addition, the Index does not reflect the use of leverage, whereas the Fund utilizes leverage. An investor cannot invest directly in an index, and its results are not indicative of the performance for any specific investment, including the Fund.

A Word About Risk

Among the risks of investing in the Fund are changes in the general level of interest rates or changes in bond credit quality ratings. Changes in interest rates have a greater effect on bonds with longer maturities than on those with shorter maturities. Please note, as interest rates rise, existing bond prices fall and can cause the value of your investment in the Fund to decline. While the Fund invests principally in bonds and other fixed-income securities, in order to achieve its investment objectives, the Fund may at times use certain types of investment derivatives, such as options, futures, forwards and swaps. These instruments involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. At the discretion of the Fund's Adviser, the Fund may invest up to 25% of its net assets in municipal bonds that are rated below investment-grade (i.e., junk bonds). These securities involve greater volatility and risk than higher-quality fixed-income securities.

Financing and Related Transactions; Leverage and Other Risks: The Fund utilizes leverage to seek to enhance the yield and NAV attributable to its common stock. These objectives may not be achieved in all interest-rate environments. Leverage creates certain risks for holders of common stock, including the likelihood of greater volatility of the NAV and market price of the common stock. If income from the securities purchased from the funds made available by leverage is not sufficient to cover the cost of leverage, the Fund's return will be less than if leverage had not been used.

DISCLOSURES AND RISKS (continued)

As a result, the amounts available for distribution to common stockholders as dividends and other distributions will be reduced. During periods of rising short-term interest rates, the interest paid on the preferred shares or floaters in TOB transactions would increase, which may adversely affect the Fund's income and distribution to common stockholders. A decline in distributions would adversely affect the Fund's yield and possibly the market value of its shares. If rising short-term rates coincide with a period of rising long-term rates, the value of the long-term municipal bonds purchased with the proceeds of leverage would decline, adversely affecting the NAV attributable to the Fund's common stock and possibly the market value of the shares.

The Fund's outstanding auction preferred stock and Variable Rate MuniFund Term Preferred Shares result in leverage. The Fund may also use other types of financial leverage, including TOB transactions, either in combination with, or in lieu of, the preferred shares. In a TOB transaction, the Fund may transfer a highly rated fixed-rate municipal security into a special purpose vehicle (typically, a trust). The Fund receives cash and a residual interest security (sometimes referred to as an inverse floater) issued by the trust in return. The trust simultaneously issues securities, which pay an interest rate that is reset each week based on an index of high-grade short-term seven-day demand notes. These securities, sometimes referred to as floaters, are bought by third parties, including tax-exempt money market funds, and can be tendered by these holders to a liquidity provider at par, unless certain events occur. The Fund continues to earn all the interest from the transferred bond less the amount of interest paid on the floaters and the expenses of the trust, which include payments to the trustee and the liquidity provider and organizational costs. The Fund also uses the cash received from the transaction for investment purposes or to retire other forms of leverage. Under certain circumstances, the trust may be terminated and collapsed, either by the Fund or upon the occurrence of certain events, such as a downgrade in the credit quality of the underlying bond, or in the event holders of the floaters tender their securities to the liquidity provider. See Note H to the financial statements for more information about TOB transactions.

The use of derivative instruments by the Fund, such as forwards, futures, options and swaps, may also result in a form of leverage.

Because the advisory fees received by the Adviser are based on the total net assets of the Fund (including assets supported by the proceeds of the Fund's outstanding preferred shares), the Adviser has a financial incentive for the Fund to keep its preferred shares outstanding, which may create a conflict of interest between the Adviser and the common shareholders of the Fund.

DISCLOSURES AND RISKS (continued)

Tax Risk: There is no guarantee that the income on the Fund's municipal securities will be exempt from regular federal income and state income taxes. Unfavorable legislation, adverse interpretations by federal or state authorities, litigation or noncompliant conduct by the issuer of a municipal security could affect the tax-exempt status of municipal securities. If the Internal Revenue Service or a state authority determines that an issuer of a municipal security has not complied with applicable requirements, interest from the security could become subject to regular federal income tax and/or state personal income tax, possibly retroactively to the date the security was issued, the value of the security could decline significantly, and a portion of the distributions to Fund shareholders could be recharacterized as taxable. Recent federal legislation included reductions in tax rates for individuals, with relatively larger reductions in tax rates for corporations. These tax rate reductions may reduce the demand for municipal bonds which could reduce the value of municipal bonds held by the Fund.

Market Risk: The value of the Fund's assets will fluctuate as the bond market fluctuates. The value of the Fund's investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.

Municipal Market Risk: This is the risk that special factors may adversely affect the value of the municipal securities and have a significant effect on the yield of value of the Fund's investments in municipal securities. These factors include economic conditions, political or legislative changes, uncertainties related to the tax status of municipal securities, or the rights of investors in these securities. To the extent that the Fund invests more of its assets in a particular state's municipal securities, the Fund may be vulnerable to events adversely affecting that state, including economic, political and regulatory occurrences, court decisions, terrorism and catastrophic natural disasters, such as hurricanes or earthquakes. The Fund's investment in certain municipal securities with principal and interest payments that are made from the revenues of a specific project or facility, and not general tax revenues, may have increased risks. Factors affecting the project or facility, such as local business or economic conditions, could have a significant effect on the project's ability to make payments of principal and interest on these securities.

Credit Risk: An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase,

DISCLOSURES AND RISKS (continued)

which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

Interest-Rate Risk: Changes in interest rates will affect the value of investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tends to fall and this decrease in value may not be offset by higher income from new investments. The Fund may be subject to heightened interest-rate risk due to rising rates as the current period of historically low interest rates may be ending. Interest-rate risk is generally greater for fixed-income securities with longer maturities or durations.

Inflation Risk: This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the Fund's assets can decline as can the value of the Fund's distributions. This risk is significantly greater for fixed-income securities with longer maturities.

Derivatives Risk: The Fund may enter into derivative transactions such as forwards, options, futures and swaps. Derivatives may be illiquid, difficult to price, and leveraged so that small changes may produce disproportionate losses for the Fund, and may be subject to counterparty risk to a greater degree than more traditional investments. Derivatives may result in significant losses, including losses that are far greater than the value of the derivatives reflected on the statement of assets and liabilities.

Liquidity Risk: Liquidity risk occurs when certain investments become difficult to purchase or sell. Difficulty in selling less liquid securities may result in sales at disadvantageous prices affecting the value of your investment in the Fund. Causes of liquidity risk may include low trading volumes and large positions of Fund shares. Over recent years liquidity risk has also increased because the capacity of dealers in the secondary market for fixed-income securities to make markets in these securities has decreased, even as the overall bond market has grown significantly, due to, among other things, structural changes, additional regulatory requirements and capital and risk restraints that have led to reduced inventories. Liquidity risk may be higher in a rising interest-rate environment, when the value and liquidity of fixed-income securities generally decline. Municipal securities may have more liquidity risk than other fixed-income securities because they trade less frequently and the market for municipal securities is generally smaller than many other markets.

Duration Risk: Duration is a measure that relates the expected price volatility of a fixed-income security to changes in interest rates. The duration of a fixed-income security may be shorter than or equal to full maturity of a

DISCLOSURES AND RISKS (continued)

fixed-income security. Fixed-income securities with longer durations have more risk and will decrease in price as interest rates rise.

Management Risk: The Fund is subject to management risk because it is an actively managed investment fund. The Adviser will apply its investment techniques and risk analyses in making investment decisions, but there is no guarantee that its techniques will produce the intended results.

These risks are fully discussed in the Fund's prospectus. As with all investments, you may lose money by investing in the Fund.

An Important Note About Historical Performance

The performance shown in this report represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. All fees and expenses related to the operation of the Fund have been deducted. Performance assumes reinvestment of distributions and does not account for taxes.

PORTFOLIO SUMMARY

October 31, 2018 (unaudited)

PORTFOLIO STATISTICS

Net Assets (\$mil): \$398.4

1 All data are as of October 31, 2018. The Fund's quality rating breakdown is expressed as a percentage of the Fund's total investments in municipal securities and may vary over time. The quality ratings are determined by using the S&P Global Ratings (S&P), Moody's Investors Services, Inc. (Moody's) and Fitch Ratings, Ltd. (Fitch). A measure of the quality and safety of a bond or portfolio, based on the issuer's financial condition. AAA is highest (best) and D is lowest (worst). If applicable, the Pre-refunded category includes bonds which are secured by US Government Securities and therefore have been deemed high-quality investment grade by the Adviser. If applicable, Not Applicable (N/A) includes non-creditworthy investments, such as equities, currency contracts, futures and options. If applicable, the Not Rated category includes bonds that are not rated by a Nationally Recognized Statistical Rating Organization. The Adviser evaluates the creditworthiness of non-rated securities based on a number of factors including, but not limited to, cash flows, enterprise value and economic environment.

PORTFOLIO OF INVESTMENTS

October 31, 2018

	Principal Amount (000)	U.S. \$ Value
MUNICIPAL OBLIGATIONS 164.3%		
Long-Term Municipal Bonds 164.3%		
Alabama 3.8%		
Jefferson County Board of Education/AL		
Series 2018		
5.00%, 2/01/46	\$ 10,000	\$ 10,790,100
State of Alabama Docks Department		
AGM Series 2017A		
5.00%, 10/01/34	2,000	2,175,240
AGM Series 2017C		
5.00%, 10/01/36	2,000	2,172,080
		15,137,420
Arizona 1.1%		
Salt Verde Financial Corp.		
(Citigroup, Inc.)		
Series 2007		
5.25%, 12/01/22-12/01/23	4,150	4,575,924
Arkansas 0.5%		
Pulaski County Public Facilities Board		
(Baptist Health Obligated Group)		
Series 2014		
5.00%, 12/01/42	2,000	2,123,580
California 21.5%		
Anaheim Public Financing Authority		
(City of Anaheim CA Lease)		
Series 2014A		
5.00%, 5/01/32-5/01/39	5,500	6,063,110
Bay Area Toll Authority		
Series 2013S		
5.00%, 4/01/32 (Pre-refunded/ETM)	5,720	6,431,110
California Econ Recovery		
Series 2009A		
5.25%, 7/01/21 (Pre-refunded/ETM)	4,860	4,975,279
California Pollution Control Financing Authority		
(Poseidon Resources Channelside LP)		
Series 2012		
5.00%, 7/01/37 ^(a)	3,075	3,181,856
California Statewide Communities Development Authority		
(Loma Linda University Medical Center Obligated Group)		
Series 2016A		
5.00%, 12/01/36 ^(a)	800	828,016

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
City of Los Angeles Department of Airports Series 2009A 5.25%, 5/15/29	\$ 5,700	\$ 5,795,760
County of San Bernardino CA COP Series 2009A 5.25%, 8/01/26	1,455	1,488,858
Los Angeles County Metropolitan Transportation Authority (Los Angeles County Metropolitan Transportation Authority Sales Tax) Series 2013B 5.00%, 7/01/34	1,770	1,961,957
Los Angeles Department of Water Series 2013B 5.00%, 7/01/32	3,840	4,258,214
Los Angeles Department of Water & Power Power System Revenue Series 2013A 5.00%, 7/01/30 (Pre-refunded/ETM) ^(b)	90	100,200
5.00%, 7/01/30	6,165	6,783,534
Series 2013B 5.00%, 7/01/30	10,000	11,117,100
San Bernardino County Transportation Authority Series 2015-2 5.00%, 3/01/32-3/01/34 ^(c)	11,340	12,587,337
State of California Series 2013 5.00%, 11/01/30	5,800	6,436,898
University of California Series 2012G 5.00%, 5/15/31 (Pre-refunded/ETM) ^(b)	3,175	3,497,453
5.00%, 5/15/31	3,825	4,171,048
Series 2013A 5.00%, 5/15/30 (Pre-refunded/ETM) ^(b)	2,480	2,796,498
5.00%, 5/15/30	2,875	3,171,010
		85,645,238
Colorado 1.9%		
City & County of Denver CO Airport System Revenue (Denver Intl Airport) Series 2013B 5.25%, 11/15/31	6,680	7,407,252
Connecticut 8.9%		
Connecticut State Health & Educational Facilities Authority (Sacred Heart University, Inc.) Series 2017I-1 5.00%, 7/01/42	2,410	2,586,701

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
State of Connecticut		
State of Connecticut Series 2013C 5.00%, 7/15/27	\$ 7,165	\$ 7,678,301
State of Connecticut Series 2013E 5.00%, 8/15/29	4,800	5,121,024
State of Connecticut Special Tax Revenue Series 2011A 5.00%, 12/01/28	5,000	5,289,000
State of Connecticut Series 2012 5.00%, 1/01/29	13,855	14,841,753
		35,516,779
District of Columbia 1.7%		
District of Columbia		
District of Columbia Series 2013A 5.00%, 6/01/29	5,000	5,517,200
Metropolitan Washington Airports Authority Series 2016A 5.00%, 10/01/35	1,000	1,091,320
		6,608,520
Florida 8.8%		
Alachua County Health Facilities Authority (Shands Teaching Hospital and Clinics Obligated Group)		
Alachua County Health Facilities Authority Series 2014A 5.00%, 12/01/44	4,560	4,801,315
Brevard County Health Facilities Authority (Health First, Inc. Obligated Group)		
Brevard County Health Facilities Authority Series 2014 5.00%, 4/01/33	1,000	1,074,390
City of Orlando FL Series 2014A 5.25%, 11/01/33 (Pre-refunded/ETM)	5,620	6,427,819
County of Miami-Dade FL Aviation Revenue Series 2014A 5.00%, 10/01/33	1,000	1,082,810
Florida Ports Financing Commission Series 2011A 5.00%, 10/01/25-10/01/27	4,205	4,497,331
Halifax Hospital Medical Center (Halifax Hospital Medical Center Obligated Group)		
Halifax Hospital Medical Center Series 2015 5.00%, 6/01/35	2,655	2,829,327
Miami Beach Health Facilities Authority (Mount Sinai Medical Center of Florida, Inc.)		
Miami Beach Health Facilities Authority Series 2014 5.00%, 11/15/39	9,250	9,590,863

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
Putnam County Development Authority/FL (Seminole Electric Cooperative, Inc.) Series 2018A 5.00%, 3/15/42	\$ 4,500	\$ 4,874,850
		35,178,705
Georgia 2.4%		
Augusta Development Authority (AU Health System Obligated Group) 5.00%, 7/01/36	4,170	4,461,274
City of Atlanta Department of Aviation (Hartsfield Jackson Atlanta Intl Airport) Series 2014B 5.00%, 1/01/31-1/01/32	4,675	5,159,449
		9,620,723
Hawaii 2.5%		
State of Hawaii Series 2015E 4.00%, 10/01/35	2,000	2,049,760
State of Hawaii Airports System Revenue Series 2010A 5.00%, 7/01/34	5,000	5,216,500
Series 2015A 5.00%, 7/01/45	2,500	2,707,150
		9,973,410
Illinois 10.2%		
Chicago Board of Education Series 2017C 5.00%, 12/01/34	1,945	1,967,562
Chicago O Hare International Airport Series 2016B 5.00%, 1/01/41	8,000	8,565,680
Series 2016C 5.00%, 1/01/38	2,350	2,526,814
Illinois Finance Authority (Illinois Institute of Technology) Series 2006A 5.00%, 4/01/31	1,250	1,207,325
Illinois Finance Authority (OSF Healthcare System Obligated Group) Series 2015A 5.00%, 11/15/45	4,500	4,779,225
Illinois State Toll Highway Authority Series 2015B 5.00%, 1/01/40	3,000	3,233,520