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Guggenheim Credit Allocation Fund
Form N-CSR
August 09, 2018

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 811-22715

Guggenheim Credit Allocation Fund

(Exact name of registrant as specified in charter)

227 West Monroe Street, Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Amy J. Lee

227 West Monroe Street, Chicago, IL 60606

(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 827-0100

Date of fiscal year end: May 31

Date of reporting period: June 1, 2017 – May 31, 2018

Item 1. Reports to Stockholders.

The registrant's annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the "Investment Company Act"), is as follows:

GUGGENHEIMINVESTMENTS.COM/GGM

... YOUR LINK TO THE LATEST, MOST UP-TO-DATE INFORMATION ABOUT GUGGENHEIM CREDIT ALLOCATION FUND

The shareholder report you are reading right now is just the beginning of the story.

Online at guggenheiminvestments.com/ggm, you will find:

- Daily, weekly and monthly data on share prices, distributions and more
- Portfolio overviews and performance analyses
- Announcements, press releases and special notices
- Fund and adviser contact information

Guggenheim Partners Investment Management, LLC and Guggenheim Funds Investment Advisors, LLC are constantly updating and expanding shareholder information services on the Fund's website in an ongoing effort to provide you with the most current information about how your Fund's assets are managed and the results of our efforts. It is just one more small way we are working to keep you better informed about your investment in the Fund.

(Unaudited) May 31, 2018

DEAR SHAREHOLDER

We thank you for your investment in the Guggenheim Credit Allocation Fund (the "Fund"). This report covers the Fund's performance for the 12-month period ended May 31, 2018.

The Fund's investment objective is to seek total return through a combination of current income and capital appreciation.

Under normal market conditions, the Fund invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in fixed income securities, debt securities, loans and investments with economic characteristics similar to fixed-income securities, debt securities and loans (collectively, "credit securities"). The Fund seeks to achieve its investment objective by investing in a portfolio of credit securities selected from a variety of sectors and credit qualities. The Fund may invest in credit securities of any duration or maturity. Credit securities in which the Fund may invest may pay fixed or variable rates of interest. The Fund may invest without limitation in securities of non-U.S. issuers, including issuers in emerging markets.

All Fund returns cited—whether based on net asset value ("NAV") or market price—assume the reinvestment of all distributions. For the 12-month period ended May 31, 2018, the Fund provided a total return based on market price of 7.99% and a total return based on NAV of 4.68%. As of May 31, 2018, the Fund's market price of \$22.70 represented a premium of 5.73% to its NAV of \$21.47.

Past performance is not a guarantee of future results. All NAV returns include the deduction of management fees, operating expenses, and all other Fund expenses. The market price of the Fund's shares fluctuates from time to time, and may be higher or lower than the Fund's NAV.

From June 2017 through May 2018, the Fund paid a monthly distribution of \$0.1813. The May distribution represents an annualized distribution rate of 9.58% based on the Fund's closing market price of \$22.70 on May 31, 2018. There is no guarantee of any future distribution or that the current returns and distribution rate will be maintained. The Fund's distribution rate is not constant and the amount of distributions, when declared by the Fund's Board of Trustees, is subject to change based on the performance of the Fund. Please see Note 2(f) on page 40 for more information on distributions for the period.

Guggenheim Funds Investment Advisors, LLC (the "Adviser") serves as the investment adviser to the Fund.

Guggenheim Partners Investment Management, LLC ("GPIM" or the "Sub-Adviser") serves as the Fund's investment sub-adviser and is responsible for the management of the Fund's portfolio of investments. Each of the Adviser and the Sub-Adviser is an affiliate of Guggenheim Partners, LLC ("Guggenheim"), a global diversified financial services firm. We encourage shareholders to consider the opportunity to reinvest their distributions from the Fund through the Dividend Reinvestment Plan ("DRIP"), which is described in detail on page 66 of this report. When shares trade at a discount to NAV, the DRIP takes advantage of the discount by reinvesting the monthly distribution in common shares of the Fund purchased in the market at a price less than NAV. Conversely, when the market price of the Fund's common shares is at a premium above NAV, the DRIP

DEAR SHAREHOLDER (Unaudited) continued May 31, 2018

reinvests participants' distributions in newly-issued common shares at the greater of NAV per share or 95% of the market price per share. The DRIP provides a cost-effective means to accumulate additional shares and enjoy the benefits of compounding returns over time. Since the Fund endeavors to maintain a stable monthly distribution, the DRIP effectively provides an income averaging technique, which causes shareholders to accumulate a larger number of Fund shares when the market price is depressed than when the price is higher.

To learn more about the Fund's performance and investment strategy, we encourage you to read the Questions & Answers section of this report, which begins on page 5. You'll find information on GPIM's investment philosophy, views on the economy and market environment, and detailed information about the factors that impacted the Fund's performance.

We appreciate your investment and look forward to serving your investment needs in the future. For the most up-to-date information on your investment, please visit the Fund's website at guggenheiminvestments.com/ggm.

Sincerely,

Guggenheim Funds Investment Advisors, LLC

Guggenheim Credit Allocation Fund

June 30, 2018

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QUESTIONS & ANSWERS (Unaudited) May 31, 2018

Guggenheim Credit Allocation Fund (the "Fund") is managed by a team of seasoned professionals at Guggenheim Partners Investment Management, LLC ("GPIM"). This team includes B. Scott Miner, Chairman of Guggenheim Investments and Global Chief Investment Officer; Anne B. Walsh, CFA, JD, Senior Managing Director and Chief Investment Officer, Fixed Income; Kevin H. Gundersen, Senior Managing Director and Portfolio Manager; Thomas J. Hauser, Senior Managing Director and Portfolio Manager; and Richard de Wet, Director and Portfolio Manager. In the following interview, the investment team discusses the market environment and the Fund's performance for the 12-month period ended May 31, 2018.

What is the Fund's investment objective and how is it pursued?

The Fund's investment objective is to seek total return through a combination of current income and capital appreciation.

Under normal market conditions, the Fund invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in fixed income securities, debt securities, loans and investments with economic characteristics similar to fixed-income securities (collectively, "credit securities"). Credit securities in which the Fund may invest consist of corporate bonds, loans and loan participations, asset-backed securities (all or a portion of which may consist of collateralized loan obligations), mortgage-backed securities (both residential mortgage-backed securities and commercial mortgage-backed securities), U.S. Government and agency securities, mezzanine and preferred securities, convertible securities, commercial paper, municipal securities and sovereign government and supranational debt securities. The Fund will seek to achieve its investment objective by investing in a portfolio of credit securities selected from a variety of sectors and credit qualities. The Fund may invest in credit securities that are rated below investment grade, or, if unrated, determined to be of comparable quality (also known as "high yield securities" or "junk bonds"). The Fund may invest in credit securities of any duration or maturity. Credit securities in which the Fund may invest may pay fixed or variable rates of interest. The Fund may invest without limitation in securities of non-U.S. issuers, including issuers in emerging markets.

The Fund may, but is not required to, use various derivatives transactions for hedging and risk management purposes, to facilitate portfolio management and to earn income or enhance total return. The Fund may use such transactions as a means to synthetically implement the Fund's investment strategies. In addition, as an alternative to holding investments directly, the Fund may also obtain investment exposure by investing in other investment companies. To the extent that the Fund invests in synthetic investments with economic characteristics similar to credit securities, the value of such investments will be counted as credit securities for purposes of the Fund's policy of investing at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in credit securities (the "80% Policy").

QUESTIONS & ANSWERS (Unaudited) continued May 31, 2018

The Fund may invest in open-end funds, closed-end funds and exchange-traded funds. For purposes of the Fund's 80% Policy, the Fund will include its investments in other investment companies that have a policy of investing at least 80% of their net assets, plus the amount of any borrowings for investment purposes, in one or more types of credit securities.

The Fund uses financial leverage (borrowing and reverse repurchase agreements) to finance the purchase of additional securities. Although financial leverage may create an opportunity for increased return for shareholders, it also results in additional risks and can magnify the effect of any losses. There is no assurance that the strategy will be successful. If income and gains on securities purchased with the financial leverage proceeds are greater than the cost of the financial leverage, common shareholders' return will be greater than if financial leverage had not been used.

Conversely, if the income or gains from the securities purchased with the proceeds of financial leverage are less than the cost of financial leverage, common shareholders' return will be less than if financial leverage had not been used. What were the significant events affecting the economy and market environment over the 12-month period ended May 31, 2018?

The U.S. economy remains strong. Real Gross Domestic Product ("GDP") growth came in at a robust 4.1% in the second quarter of 2018. Possible tax cuts and federal spending increases are still in the pipeline, which should help the economy grow well above potential in the coming months. The good news is that this will support corporate earnings in the near term.

The concern is that above-potential economic growth drives above-potential job creation, which may push the unemployment rate below its sustainable rate. Payroll growth has averaged 202,000 over the last six months and 197,000 over the last year, roughly double the rate that would be necessary to maintain a stable unemployment rate given U.S. demographics. The unemployment rate could fall below 3.5%—at least a full percentage point below its estimated natural rate—before the cycle ends.

Alongside a tighter labor market comes faster wage and price inflation. Inflation has rebounded from last year's slump, with the U.S. Federal Reserve's (the "Fed") preferred core inflation measure having accelerated from 0.9% in August to 2.0% in April on a six-month annualized basis. Because inflation often lags GDP, inflation could begin to speed up, with added tailwinds coming from import tariffs and higher energy prices.

With lawmakers agreeing to fiscal stimulus at a time when the labor market is already beyond full employment, the Fed continues to tighten monetary policy. With the market expecting up to two more rate hikes in 2018, the Fed is attempting to engineer a soft landing by taking policy into restrictive territory.

The combination of rate hikes and Treasury supply congestion in the front end of the yield curve underpins our expectation for further bear flattening (when short-term interest rates increase at a faster rate than long-term interest rates), which reflects rising recession risk.

QUESTIONS & ANSWERS (Unaudited) continued May 31, 2018

How did the Fund perform for the twelve months ended May 31, 2018?

All Fund returns cited—whether based on net asset value ("NAV") or market price—assume the reinvestment of all distributions. For the 12-month period ended May 31, 2018, the Fund provided a total return based on market price of 7.99% and a total return based on NAV of 4.68%. As of May 31, 2018, the Fund's market price of \$22.70 represented a premium of 5.73% to its NAV of \$21.47. As of May 31, 2017, the Fund's market price of \$23.18 represented a premium of 2.48% to its NAV of \$22.62.

Past performance is not a guarantee of future results. All NAV returns include the deduction of management fees, operating expenses, and all other Fund expenses. The market price of the Fund's shares fluctuates from time to time, and may be higher or lower than the Fund's NAV.

What were the distributions over the period?

From June 2017 through May 2018, the Fund paid a monthly distribution of \$0.1813. The May distribution represents an annualized distribution rate of 9.58% based on the Fund's closing market price of \$22.70 on May 31, 2018.

There is no guarantee of any future distribution or that the current returns and distribution rate will be maintained. The Fund's distribution rate is not constant and the amount of distributions, when declared by the Fund's Board of Trustees, is subject to change based on the performance of the Fund. Please see Note 2(f) on page 40 for more information on distributions for the period.

Why did the Fund accrue excise tax during the period?

As a registered investment company, the Fund is subject to a 4% excise tax that is imposed if the Fund does not distribute by the end of any calendar year at least the sum of (i) 98% of its ordinary income (not taking into account any capital gain or loss) for the calendar year and (ii) 98.2% of its capital gain in excess of its capital loss (adjusted for certain ordinary losses) for a one-year period generally ending on October 31 of the calendar year (unless an election is made to use the fund's fiscal year). The Fund generally intends to distribute income and capital gains in the manner necessary to minimize (but not necessarily eliminate) the imposition of such excise tax. While the Fund's income and capital gains can vary significantly from year to year, the Fund seeks to maintain more stable monthly distributions over time. The Fund may retain income or capital gains and pay excise tax when it is determined that doing so is in the best interest of shareholders. Management, in consultation with the Fund's Board of Trustees, evaluates the costs of the excise tax relative to the benefits of retaining income and capital gains, including that such undistributed amounts (net of the excise tax paid) remain available for investment by the Fund and are available to supplement future distributions, which may facilitate the payment of more stable monthly distributions year over year.

What influenced the Fund's performance?

During the period, the Fund saw positive performance primarily attributable to the tightening of credit spreads, particularly among the portfolio's investments in high yield corporate bonds and senior bank loans, which together comprise most of the Fund. The mix between bonds and loans varies according to the relative valuation of the two asset classes and availability of attractively priced assets.

QUESTIONS & ANSWERS (Unaudited) continued May 31, 2018

The Bloomberg Barclays U.S. Corporate High Yield Index returned 2.35% for the 12-month period, while the Credit Suisse Leveraged Loan Index returned 4.50%. In the high yield market, the biggest gains in the period came from CCC bonds (+5.06%) which outperformed BB bonds (+1.00%) and B bonds (+2.40%). Similarly, in the bank loan market, CCC loans (+6.75%) outperformed BB loans (+3.95%) and B loans (+4.84%).

Fund performance for the period was primarily a result of a stable and consistent credit selection process, as GPIM's bottom-up, fundamental approach seeks the construction of portfolios that produce solid yield while at the same being defensively positioned. The Fund's investments in the capital goods and utility sector contributed to outperformance, driven by strong security selection. Exposure to bank loans and asset-backed securities ("ABS") also positively contributed to performance.

The Fund invests in non-U.S. dollar-denominated assets when the risk-return profile is favorable. Non-U.S. dollar-denominated assets comprise less than 5% of the Fund.

The Fund entered currency forward contracts to hedge exchange rate risk. Over the course of the year, the U.S. dollar depreciated versus foreign currencies, which resulted in a negative impact on the forward contracts and detracted from performance. This was offset by appreciation of the foreign-currency assets in U.S. dollar terms.

How is the Fund positioned for the coming months?

The Fund is well positioned across its three primary asset class exposures, with the heaviest allocation to high yield bonds, followed by bank loans and ABS. Spreads on high-yield corporate bonds and bank loans were driven towards cycle lows during the period and have since bounced off the lows. We remain vigilant to ensure that we are being adequately compensated for the level of risk taken.

The Fund continues to avoid highly levered industries and companies with heavy capital expenditure needs that can impair cash flow generation. GPIM is conscious that the securities in the Fund will need to survive another downturn. We continue to focus on more defensive credits with consistent cash flow and sustainable debt profiles. Among the high yield allocation, the Fund's exposure to B credits is its largest, and the Fund has incrementally added to B-rated exposure.

The Fund maintains a sizeable exposure to BB credits as well and our research indicates that BB rated bonds have performed well versus other fixed income securities when the Federal Reserve tightens monetary policy. At the end of the period, the Fund was positioned up in quality.

Any other comments about the Fund?

GPIM expects the economy to remain on solid footing driven by growing consumer sentiment coupled with improving corporate fundamentals and low default rates. However, it appears the majority of this has already been priced into spreads, and we remain focused on credit selection. With a sizeable portion of the Fund exposed to floating rate assets in the form of bank loans and ABS, the prospect of higher interest rates makes this basket of assets more attractive. Both stand to benefit from higher interest rates, as their coupons reset at a higher rate. The combination of rising LIBOR rates and spread

QUESTIONS & ANSWERS (Unaudited) continued May 31, 2018

tightening could cause loan coupons to approach those of high yield bonds, as they have converged in each of the past three tightening cycles.

What is the Fund's duration?

The portfolio has consistently maintained a defensive stance to interest rate volatility with an underweight to duration. A sizable allocation to bank loans that are senior in the capital structure relative to most high yield bonds reduced volatility in returns. We believe credit selection will be increasingly important into 2018 and expect the Fund to perform well in this type of environment.

The effective duration for the Fund as of May 31, 2018, was below three years. GPIM's view is that we are unlikely to see rates move in a sudden and aggressive upward trajectory, as the Fed is providing ample guidance about the future path of interest rates. The Fund may invest in credit securities of any duration or maturity and is not required to maintain any particular maturity or duration for its portfolio as a whole. It typically maintains a leverage-adjusted average portfolio duration of one to four years. However, average portfolio duration is adjusted based on market conditions.

Discuss the impact of leverage for the period.

The Fund utilizes leverage as part of its investment strategy, to finance the purchase of additional securities that provide increased income and potentially greater appreciation potential to common shareholders than could be achieved from a portfolio that is not leveraged.

With the low cost of borrowing and stability in the fundamentals of American companies, the amount of leverage used by the Fund is highly accretive to income generation. The Fund currently employs leverage through borrowing and reverse repurchase agreements, under which the Fund temporarily transfers possession of portfolio securities and receives cash that can be used for additional investments.

As of May 31, 2018, the amount of leverage was approximately 31% of total managed assets (including the proceeds of leverage). While leverage increases the income of the Fund in yield terms, it also amplifies the effects of changing market prices in the portfolio and can cause the Fund's NAV to change to a greater degree than the market as a whole. This can create volatility in Fund pricing but should not affect the Fund's ability to pay dividends under normal circumstances.

QUESTIONS & ANSWERS (Unaudited) continued May 31, 2018

Index Definitions

Indices are unmanaged and reflect no expenses. It is not possible to invest directly in an index.

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including U.S. Treasuries, government-related and corporate securities, mortgage-backed securities or "MBS" (agency fixed-rate and hybrid adjustable-rate mortgage, or "ARM", pass-throughs), asset-backed securities ("ABS"), and commercial mortgage-backed securities ("CMBS") (agency and non-agency).

The Bloomberg Barclays U.S. Corporate High Yield Index measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB +/BB + or below.

The Credit Suisse Leveraged Loan Index is an index designed to mirror the investable universe of the \$US-denominated leveraged loan market.

Risks and Other Considerations

Investing involves risk, including the possible loss of principal and fluctuation of value.

The views expressed in this report reflect those of the portfolio managers only through the report period as stated on the cover. These views are expressed for informational purposes only and are subject to change at any time, based on market and other conditions, and may not come to pass. These views may differ from views of other investment professionals at Guggenheim and should not be construed as research, investment advice or a recommendation of any kind regarding the fund or any issuer or security, do not constitute a solicitation to buy or sell any security and should not be considered specific legal, investment or tax advice. The information provided does not take into account the specific objectives, financial situation or particular needs of any specific investor.

The views expressed in this report may also include forward looking statements that involve risk and uncertainty, and there is no guarantee that any predictions will come to pass. Actual results or events may differ materially from those projected, estimated, assumed or anticipated in any such forward looking statements. Important factors that could result in such differences, in addition to the other factors noted with such forward-looking statements, include general economic conditions such as inflation, recession and interest rates.

There can be no assurance that the Fund will achieve its investment objectives or that any investment strategies or techniques discussed herein will be effective. The value of the Fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value.

Performance data quoted represents past performance, which is no guarantee of future results and current performance may be lower or higher than the figures shown.

QUESTIONS & ANSWERS (Unaudited) continued May 31, 2018

Please see guggenheiminvestments.com/ggm for a detailed discussion of the Fund's risks and considerations.

This material is not intended as a recommendation or as investment advice of any kind, including in connection with rollovers, transfers, and distributions. Such material is not provided in a fiduciary capacity, may not be relied upon for or in connection with the making of investment decisions, and does not constitute a solicitation of an offer to buy or sell securities. All content has been provided for informational or educational purposes only and is not intended to be and should not be construed as legal or tax advice and/or a legal opinion. Always consult a financial, tax and/or legal professional regarding your specific situation.

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FUND SUMMARY (Unaudited) May 31, 2018

Fund Statistics

Share Price	\$22.70
Net Asset Value	\$21.47
Premium to NAV	5.73%
Net Assets (\$000)	\$158,234

AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIOD ENDED MAY 31, 2018

	One Year	Three Year	Since Inception (06/26/13)
Guggenheim Credit Allocation Fund			
NAV	4.68%	7.50%	7.30%
Market	7.99%	10.12%	7.66%

Performance data quoted represents past performance, which is no guarantee of future results and current performance may be lower or higher than the figures shown. All NAV returns include the deduction of management fees, operating expenses and all other Fund expenses. The deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares is not reflected in the total returns. For the most recent month-end performance figures, please visit guggenheiminvestments.com/ggm. The investment return and principal value of an investment will fluctuate with changes in market conditions and other factors so that an investor's shares, when sold, may be worth more or less than their original cost.

Portfolio Breakdown	% of Net Assets
Corporate Bonds	86.9%
Senior Floating Rate Interests	48.5%
Asset Backed Securities	5.6%
Exchange-Traded Funds	3.1%
Preferred Stocks	2.1%
Common Stocks	1.3%
Money Market Fund	1.0%
Total Investments	148.5%
Other Assets & Liabilities, net	(48.5%)
Net Assets	100.0%

FUND SUMMARY (Unaudited) continued May 31, 2018

Distributions to Shareholders &
Annualized Distribution Rate

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FUND SUMMARY (Unaudited) continued

May 31, 2018

Ten Largest Holdings	(% of Net Assets)
McGraw-Hill Global Education Holdings LLC / McGraw-Hill Global Education Finance, 7.87%	2.6%
CD&R Firefly Bidco Ltd., 4.50%	2.5%
Reddy Ice Holdings, Inc., 11.83% (3 Month USD LIBOR + 9.50%)	2.4%
Altice France S.A., 7.37%	2.4%
Eldorado Gold Corp., 6.12%	2.3%
MDC Partners, Inc., 6.50%	2.3%
EIG Investors Corp., 10.87%	2.3%
Nathan's Famous, Inc., 6.62%	2.2%
Great Lakes Dredge & Dock Corp., 8.00%	2.2%
American Midstream Partners LP / American Midstream Finance Corp., 8.50%	2.2%
Top Ten Total	23.4%

"Ten Largest Holdings" excludes any temporary cash or derivative investments.

Portfolio Composition by Quality Rating*

Rating	% of Total Investments
Fixed Income Instruments	
A	0.8%
BBB	2.5%
BB	23.8%
B	43.6%
CCC	17.2%
NR**	9.1%
Other Instruments	
Short-Term Investments	2.1%
Common Stocks	0.9%
Total Investments	100.0%

Source: BlackRock Solutions. Credit quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). All rated securities have been rated by Moody's, Standard & Poor's ("S&P"), or Fitch, which are all a Nationally Recognized Statistical Rating Organization ("NRSRO"). For purposes of this presentation, when ratings are available from more than one agency, the highest rating is used. Guggenheim Investments has converted Moody's and Fitch ratings to the equivalent S&P rating. Security ratings are determined at the time of purchase and may change thereafter.

** NR securities do not necessarily indicate low credit quality.

SCHEDULE OF INVESTMENTS

May 31, 2018

	Shares	Value
COMMON STOCKS [†] – 1.3%		
Energy – 0.7%		
SandRidge Energy, Inc.* ⁴	58,927	\$ 856,799
Approach Resources, Inc.*	48,823	146,957
Titan Energy LLC* ⁴	27,133	29,575
Comstock Resources, Inc.*	1	11
Total Energy		1,033,342
Utilities – 0.5%		
TexGen Power LLC* ^{††}	20,607	721,245
Technology – 0.1%		
Aspect Software Parent, Inc.* ^{†††,1,2}	57,610	141,720
Qlik Technologies, Inc. – Class A* ^{††,1}	56	57,049
Qlik Technologies, Inc. – Class B* ^{††,1}	13,812	1
Qlik Technologies, Inc.* ^{†††,1}	3,600	–
Total Technology		198,770
Consumer, Non-cyclical – 0.0%		
Targus Group International Equity, Inc.* ^{†††,1,2}	32,060	83,725
Industrial – 0.0%		
Ursa Insulation B.V.* ^{†††,1}	135,131,158	–
Financials – 0.0%		
Project Silverback Holdings B Escrow* ^{†††,1}	1,922	1,442
Total Common Stocks		
(Cost \$5,861,984)		2,038,524
PREFERRED STOCKS [†] – 2.1%		
Financial – 1.5%		
Bank of America Corp., Series X 6.25% ^{6,7}	1,150,000	1,196,253
Citigroup, Inc. Series M 6.30% ^{4,6,7}	1,100,000	1,122,000
		2,318,253
Industrial – 0.6%		
Seaspan Corp. 6.38% due 04/30/19 ⁴	34,770	886,287
Total Preferred Stocks		
(Cost \$3,101,720)		3,204,540
EXCHANGE-TRADED FUNDS [†] – 3.1%		
SPDR Bloomberg Barclays High Yield Bond ETF	84,000	2,992,080
iShares iBoxx \$ High Yield Corporate Bond ETF	22,750	1,942,395
Total Exchange-Traded Funds		
(Cost \$5,048,919)		4,934,475

See notes to financial statements.

SCHEDULE OF INVESTMENTS continued

May 31, 2018

	Shares	Value
MONEY MARKET FUND [†] – 1.0%		
Dreyfus Treasury Prime Cash Management - Institutional Shares 1.62% ³	1,647,954	\$ 1,647,954
Total Money Market Fund (Cost \$1,647,954)		1,647,954
	Face Amount~	
CORPORATE BONDS ^{†‡} 86.9%		
Financial – 18.6%		
Jefferies Finance LLC / JFIN Company-Issuer Corp.		
7.37% due 04/01/20 ^{4,5}	1,700,000	1,710,625
7.50% due 04/15/21 ^{4,5}	1,500,000	1,516,875
7.25% due 08/15/24 ⁵	875,000	861,875
6.87% due 04/15/22 ⁵	650,000	645,938
FBM Finance, Inc.		
8.25% due 08/15/21 ^{4,5}	2,928,000	3,065,030
HUB International Ltd.		
7.00% due 05/01/26 ^{4,5}	2,750,000	2,752,200
Lincoln Finance Ltd.		
6.87% due 04/15/21	EUR 1,750,000	2,116,367
7.38% due 04/15/21 ⁵	450,000	462,375
Fidelity & Guaranty Life Holdings, Inc.		
5.50% due 05/01/25 ^{4,5}	2,250,000	2,227,500
NFP Corp.		
6.87% due 07/15/25 ^{4,5}	1,940,000	1,915,750
LoanCore Capital Markets LLC / JLC Finance Corp.		
6.87% due 06/01/20 ^{4,5}	1,605,000	1,635,896
Majid AL Futtaim Holding		
7.12% ⁶	1,500,000	1,510,050
Hunt Companies, Inc.		
6.25% due 02/15/26 ^{4,5}	1,550,000	1,458,937
Quicken Loans, Inc.		
5.25% due 01/15/28 ^{4,5}	1,375,000	1,258,125
CyrusOne LP / CyrusOne Finance Corp.		
5.00% due 03/15/24 ⁴	1,104,000	1,105,380
GEO Group, Inc.		
6.00% due 04/15/26 ⁴	775,000	757,563
5.87% due 10/15/24	350,000	345,649
Greystar Real Estate Partners LLC		
5.75% due 12/01/25 ^{4,5}	1,000,000	975,000
American Equity Investment Life Holding Co.		
5.00% due 06/15/27 ⁴	750,000	735,387
CoreCivic, Inc.		
4.75% due 10/15/27	750,000	688,125
Prosight Global Inc.		
7.50% due 11/26/20 ^{†††,4}	650,000	681,621

See notes to financial statements.

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SCHEDULE OF INVESTMENTS continued

May 31, 2018

	Face Amount~	Value
CORPORATE BONDS ^{†‡} 86.9% (continued)		
Financial – 18.6% (continued)		
Assurant, Inc.		
6.99% due 03/27/48 ⁷	400,000	\$ 411,081
USIS Merger Sub, Inc.		
6.87% due 05/01/25 ⁵	400,000	403,000
iStar, Inc.		
5.25% due 09/15/22 ⁴	215,000	208,819
Total Financial		29,449,168
Communications – 17.7%		
Altice France S.A.		
7.37% due 05/01/26 ^{4,5}	3,850,000	3,744,125
6.00% due 05/15/22 ^{4,5}	1,000,000	996,250
McGraw-Hill Global Education Holdings LLC / McGraw-Hill Global Education Finance		
7.87% due 05/15/24 ^{4,5}	4,465,000	4,174,775
MDC Partners, Inc.		
6.50% due 05/01/24 ^{4,5}	4,085,000	3,615,225
EIG Investors Corp.		
10.87% due 02/01/24 ⁴	3,300,000	3,572,250
Cengage Learning, Inc.		
9.50% due 06/15/24 ^{4,5}	3,850,000	3,176,250
DISH DBS Corp.		
5.87% due 11/15/24 ⁴	2,300,000	1,911,185
7.75% due 07/01/26 ⁴	650,000	561,437
Sprint Communications, Inc.		
9.00% due 11/15/18 ^{4,5}	2,200,000	2,253,240
CSC Holdings LLC		
5.25% due 06/01/24 ⁴	1,350,000	1,276,020
6.75% due 11/15/21 ⁴	400,000	422,380
CCO Holdings LLC / CCO Holdings Capital Corp.		
5.00% due 02/01/28 ^{4,5}	1,050,000	971,250
Telenet Finance Lux Note		
5.50% due 03/01/28	1,000,000	970,172
Charter Communications Operating LLC		
4.20% due 03/15/28 ⁴	450,000	423,496
Total Communications		28,068,055
Consumer, Non-cyclical – 16.6%		
Great Lakes Dredge & Dock Corp.		
8.00% due 05/15/22	3,450,000	3,510,375
Midas Intermediate Holdco II LLC		
7.87% due 10/01/22 ^{4,5}	3,351,000	3,283,980
Beverages & More, Inc.		
11.50% due 06/15/22 ⁵	3,650,000	3,221,125
Albertsons Companies LLC / Safeway Inc. / New Albertson's Inc / Albertson's LLC		
6.62% due 06/15/24 ⁴	2,600,000	2,444,780

5.75% due 03/15/25

550,000 484,110

See notes to financial statements.

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SCHEDULE OF INVESTMENTS continued

May 31, 2018

	Face Amount~	Value
CORPORATE BONDS ^{†‡} 86.9% (continued)		
Consumer, Non-cyclical – 16.6% (continued)		
Vector Group Ltd.		
6.12% due 02/01/25 ^{4,5}	2,850,000	\$ 2,793,000
FAGE International S.A./ FAGE USA Dairy Industry, Inc.		
5.62% due 08/15/26 ^{4,5}	2,900,000	2,682,500
Flexi-Van Leasing, Inc.		
10.00% due 02/15/23 ⁵	2,024,000	1,912,680
Post Holdings, Inc.		
5.62% due 01/15/28 ^{4,5}	1,250,000	1,178,125
Valeant Pharmaceuticals International, Inc.		
6.50% due 03/15/22 ^{4,5}	650,000	675,480
5.50% due 11/01/25 ⁵	425,000	417,031
KeHE Distributors LLC / KeHE Finance Corp.		
7.62% due 08/15/21 ^{4,5}	1,075,000	1,042,750
Halyard Health, Inc.		
6.25% due 10/15/22 ⁴	925,000	951,593
Endo Finance LLC / Endo Finco, Inc.		
7.25% due 01/15/22 ^{4,5}	450,000	389,813
5.37% due 01/15/23 ⁵	425,000	315,435
Carriage Services, Inc.		
6.62% due 06/01/26 ⁵	500,000	504,375
Avantor, Inc.		
6.00% due 10/01/24 ^{4,5}	500,000	497,500
Total Consumer, Non-cyclical		26,304,652
Energy – 12.4%		
American Midstream Partners LP / American Midstream Finance Corp.		
8.50% due 12/15/21 ^{4,5}	3,565,000	3,475,875
Unit Corp.		
6.62% due 05/15/21 ⁴	3,000,000	3,007,500
Indigo Natural Resources LLC		
6.87% due 02/15/26 ^{4,5}	2,575,000	2,459,125
Exterran Energy Solutions LP / EES Finance Corp.		
8.12% due 05/01/25 ⁴	1,750,000	1,848,437
Moss Creek Resources Holdings, Inc.		
7.50% due 01/15/26 ^{4,5}	1,450,000	1,439,125
Parkland Fuel Corp.		
6.00% due 04/01/26 ^{4,5}	1,150,000	1,138,500
Comstock Resources, Inc.		
10.00% due 03/15/20	1,075,000	1,126,062
CNX Resources Corp.		
8.00% due 04/01/23	1,000,000	1,062,500
Covey Park Energy LLC / Covey Park Finance Corp.		
7.50% due 05/15/25 ^{4,5}	970,000	960,300