

**QUARTERLY STATEMENT**  
**OF THE**  
**PENN INSURANCE AND ANNUITY**  
**COMPANY**

**Of**  
**Wilmington**  
**in the state of DE**

**to the Insurance Department**  
**of the State of**

For the Period Ended  
June 30, 2017

**2017**



# QUARTERLY STATEMENT

As of June 30, 2017  
of the Condition and Affairs of the

## PENN INSURANCE AND ANNUITY COMPANY

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

### OFFICERS

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

### OTHER

### DIRECTORS OR TRUSTEES

Eileen Claire McDonnell	David Michael O'Malley	Susan Twine Deakins	Gregory Joseph Driscoll
Thomas Henry Harris			

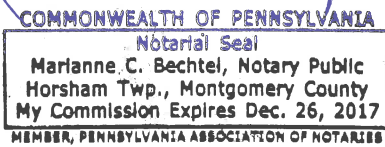
State of..... Pennsylvania  
County of..... Montgomery

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

<u>Eileen C. McDonnell</u> (Signature) Eileen Claire McDonnell 1. (Printed Name) Chairman & CEO (Title)	<u>Susan T. Deakins</u> (Signature) Susan Twine Deakins 2. (Printed Name) Executive VP & Chief Financial Officer (Title)	<u>Franklin Luther Best Jr.</u> (Signature) Franklin Luther Best Jr. 3. (Printed Name) Secretary & Counsel (Title)
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Subscribed and sworn to before me  
This 3rd day of August 2017  
Marianne C. Bechtel

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



**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	2,892,210,051		2,892,210,051	2,600,530,973
2. Stocks:				
2.1 Preferred stocks.....	20,991,096		20,991,096	19,022,292
2.2 Common stocks.....	162,083,737	102,018,150	60,065,587	56,461,645
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....8,978,415), cash equivalents (\$.....0) and short-term investments (\$.....66,196,855).....	75,175,270		75,175,270	82,419,898
6. Contract loans (including \$.....0 premium notes).....	490,654,820		490,654,820	475,086,291
7. Derivatives.....	40,870,502		40,870,502	
8. Other invested assets.....	180,211,415	3,526,313	176,685,102	164,107,861
9. Receivables for securities.....	1,052,078		1,052,078	130,601
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	3,863,248,969	105,544,463	3,757,704,506	3,397,759,561
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	49,516,464		49,516,464	48,944,166
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	82,078,146		82,078,146	60,933,150
16.2 Funds held by or deposited with reinsured companies.....	738,178,650		738,178,650	707,301,978
16.3 Other amounts receivable under reinsurance contracts.....	34,306,517		34,306,517	41,535,341
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	1,691,041		1,691,041	
18.2 Net deferred tax asset.....	91,272,036	38,966,542	52,305,494	48,792,469
19. Guaranty funds receivable or on deposit.....	92,320		92,320	97,471
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	2,866,039		2,866,039	4,058,543
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	7,544,819	1,198,074	6,346,745	8,038,953
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	4,870,795,001	145,709,079	4,725,085,922	4,317,461,632
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	55,847,612		55,847,612	54,357,078
28. Total (Lines 26 and 27).....	4,926,642,613	145,709,079	4,780,933,534	4,371,818,710

**DETAILS OF WRITE-INS**

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. State Deposits.....	2,936,000		2,936,000	2,936,000
2502. Suspense Accounts.....	2,037,383	1,198,074	839,309	2,892,105
2503. Agent Receivables.....	2,571,436		2,571,436	2,210,848
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	7,544,819	1,198,074	6,346,745	8,038,953

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$.....2,896,857,325 less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	2,896,857,325	2,597,633,144
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....		
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve).....	108,750,626	109,531,951
4. Contract claims:		
4.1 Life.....	16,375,419	11,054,063
4.2 Accident and health.....		
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid.....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums.....	35,463,798	27,505,715
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....		
9.3 Other amounts payable on reinsurance, including \$.....14,000,754 assumed and \$.....24,455,815 ceded.....	38,456,569	44,949,756
9.4 Interest Maintenance Reserve.....	10,426,941	9,013,056
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....		
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued.....		
13. Transfers to Separate Accounts due or accrued (net) (including \$.....(93) accrued for expense allowances recognized in reserves, net of reinsured allowances).....	93	90
14. Taxes, licenses and fees due or accrued, excluding federal income taxes.....	(385,351)	666,426
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		8,673,394
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....		
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....	9,663,400	15,659,423
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve.....	36,106,202	28,905,064
24.02 Reinsurance in unauthorized and certified (\$.....0) companies.....	2,624,048	873,317
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....	6,460,704	11,413,732
24.05 Drafts outstanding.....	4,650,338	2,494,500
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....	1,099,668,581	1,051,698,583
24.08 Derivatives.....		
24.09 Payable for securities.....	11,323,137	3,118,659
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	47,642,838	351,322
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	4,324,084,668	3,923,542,196
27. From Separate Accounts statement.....	55,847,612	54,357,078
28. Total liabilities (Lines 26 and 27).....	4,379,932,280	3,977,899,274
29. Common capital stock.....	2,500,000	2,500,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other-than-special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus.....	319,661,695	319,661,695
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	78,839,559	71,757,741
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	398,501,254	391,419,436
38. Totals of Lines 29, 30 and 37.....	401,001,254	393,919,436
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	4,780,933,534	4,371,818,710

**DETAILS OF WRITE-INS**

2501. Interest on Unpaid Death Claims.....	115,057	51,252
2502. Low Income Housing Tax Credits Payable.....	287,781	300,070
2503. Derivative Collateral Payable.....	47,240,000	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	47,642,838	351,322
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0

## SUMMARY OF OPERATIONS

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts.....	309,825,052	174,513,260	427,335,171
2. Considerations for supplementary contracts with life contingencies.....	230,731		
3. Net investment income.....	89,688,778	79,063,875	163,364,817
4. Amortization of Interest Maintenance Reserve (IMR).....	(405,224)	(286,519)	(1,913,399)
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....			
6. Commissions and expense allowances on reinsurance ceded.....	2,697,589	2,799,305	5,784,721
7. Reserve adjustments on reinsurance ceded.....			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....	396,900	386,235	781,355
8.2 Charges and fees for deposit-type contracts.....			
8.3 Aggregate write-ins for miscellaneous income.....	101,021,989	16,909,801	72,279,620
9. Totals (Lines 1 to 8.3).....	503,455,815	273,385,957	667,632,286
10. Death benefits.....	26,823,971	25,503,746	45,890,225
11. Matured endowments (excluding guaranteed annual pure endowments).....			
12. Annuity benefits.....	6,466,283	6,052,112	11,745,011
13. Disability benefits and benefits under accident and health contracts.....	262,347	250,535	511,986
14. Coupons, guaranteed annual pure endowments and similar benefits.....			
15. Surrender benefits and withdrawals for life contracts.....	39,655,164	29,493,618	72,032,114
16. Group conversions.....			
17. Interest and adjustments on contract or deposit-type contract funds.....	1,125,980	1,022,676	2,121,936
18. Payments on supplementary contracts with life contingencies.....	119,937	108,734	216,435
19. Increase in aggregate reserves for life and accident and health contracts.....	299,324,156	121,258,917	348,963,949
20. Totals (Lines 10 to 19).....	373,777,838	183,690,338	481,481,656
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	18,866,270	5,923,400	21,824,314
22. Commissions and expense allowances on reinsurance assumed.....	25,530,396	39,641,553	75,295,056
23. General insurance expenses.....	37,835,130	10,725,406	37,061,016
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	3,848,577	2,129,880	6,089,769
25. Increase in loading on deferred and uncollected premiums.....			
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	(3,119,227)	(2,743,161)	(4,965,103)
27. Aggregate write-ins for deductions.....	28,813,133	25,560,979	51,834,817
28. Totals (Lines 20 to 27).....	485,552,117	264,928,395	668,621,525
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	17,903,698	8,457,562	(989,239)
30. Dividends to policyholders.....			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	17,903,698	8,457,562	(989,239)
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	9,933,789	3,083,095	3,044,383
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....	7,969,909	5,374,467	(4,033,622)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....1,167,003 (excluding taxes of \$.....1,909,141 transferred to the IMR).....	1,584,600	476,938	(157,086)
35. Net income (Line 33 plus Line 34).....	9,554,509	5,851,405	(4,190,708)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year.....	393,919,436	363,062,750	363,062,750
37. Net income (Line 35).....	9,554,509	5,851,405	(4,190,708)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....1,358,879.....	12,544,056	(1,704,025)	12,929,106
39. Change in net unrealized foreign exchange capital gain (loss).....	216,483	66,197	(80,182)
40. Change in net deferred income tax.....	7,138,801	2,097,065	8,291,952
41. Change in nonadmitted assets.....	(13,420,159)	764,188	(8,408,437)
42. Change in liability for reinsurance in unauthorized and certified companies.....	(1,750,731)	547,898	(325,419)
43. Change in reserve on account of change in valuation basis, (increase) or decrease.....			
44. Change in asset valuation reserve.....	(7,201,139)	(3,007,662)	(7,359,626)
45. Change in treasury stock.....			
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....			
47. Other changes in surplus in Separate Accounts Statement.....			
48. Change in surplus notes.....			
49. Cumulative effect of changes in accounting principles.....			
50. Capital changes:			
50.1 Paid in.....			30,000,000
50.2 Transferred from surplus (Stock Dividend).....			
50.3 Transferred to surplus.....			
51. Surplus adjustment:			
51.1 Paid in.....			
51.2 Transferred to capital (Stock Dividend).....			
51.3 Transferred from capital.....			
51.4 Change in surplus as a result of reinsurance.....			
52. Dividends to stockholders.....			
53. Aggregate write-ins for gains and losses in surplus.....	0	0	0
54. Net change in capital and surplus (Lines 37 through 53).....	7,081,820	4,615,066	30,856,686
55. Capital and surplus as of statement date (Lines 36 + 54).....	401,001,256	367,677,816	393,919,436

### DETAILS OF WRITE-INS

08.301. Reinsurance Recoverable on Index Credits.....	81,887,626	19,866	37,883,944
08.302. Misc Income.....		6	8
08.303. Net Investment Income Assumed On Funds Withheld.....	19,134,363	16,889,929	34,395,669
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	101,021,989	16,909,801	72,279,620
2701. Other Expenses.....			
2702. Net Investment Income On Funds Withheld.....	27,950,554	24,781,390	50,231,597
2703. Interest on LLC Note.....	862,579	779,589	1,603,220
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	28,813,133	25,560,979	51,834,817
5301. ....			
5302. ....			
5303. ....			
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	0	0	0

# PENN INSURANCE AND ANNUITY COMPANY

## CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	315,897,236	169,555,563	429,363,877
2. Net investment income.....	101,466,825	85,769,487	171,319,860
3. Miscellaneous income.....	98,018,725	17,056,744	74,350,807
4. Total (Lines 1 through 3).....	515,382,786	272,381,794	675,034,545
5. Benefit and loss related payments.....	104,871,028	67,554,195	208,613,695
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	(3,119,230)	(2,740,694)	(5,083,542)
7. Commissions, expenses paid and aggregate write-ins for deductions.....	53,203,127	72,670,014	177,725,734
8. Dividends paid to policyholders.....	.....	.....	.....
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	23,374,368	350,000	(1,139,717)
10. Total (Lines 5 through 9).....	178,329,294	137,833,515	380,116,170
11. Net cash from operations (Line 4 minus Line 10).....	337,053,492	134,548,279	294,918,375
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	131,007,250	101,218,299	274,704,113
12.2 Stocks.....	27,404,369	13,241,022	46,976,050
12.3 Mortgage loans.....	.....	.....	.....
12.4 Real estate.....	.....	.....	.....
12.5 Other invested assets.....	4,256,579	3,150,647	7,466,754
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	.....	.....	9,239
12.7 Miscellaneous proceeds.....	8,204,478	.....	.....
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	170,872,676	117,609,968	329,156,156
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	431,115,826	275,057,251	650,470,635
13.2 Stocks.....	29,290,805	39,702,890	74,861,887
13.3 Mortgage loans.....	.....	.....	.....
13.4 Real estate.....	.....	.....	.....
13.5 Other invested assets.....	14,788,864	9,464,581	23,058,478
13.6 Miscellaneous applications.....	41,956,768	12,445,019	2,998,077
13.7 Total investments acquired (Lines 13.1 to 13.6).....	517,152,263	336,669,741	751,389,077
14. Net increase or (decrease) in contract loans and premium notes.....	15,502,085	14,638,670	20,900,045
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(361,781,672)	(233,698,443)	(443,132,966)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	.....	.....	.....
16.2 Capital and paid in surplus, less treasury stock.....	.....	.....	30,000,000
16.3 Borrowed funds.....	.....	.....	.....
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(864,920)	100,646,098	102,678,663
16.5 Dividends to stockholders.....	.....	.....	.....
16.6 Other cash provided (applied).....	18,348,472	5,832,479	66,174,628
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	17,483,552	106,478,577	198,853,291
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(7,244,628)	7,328,413	50,638,700
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	82,419,898	31,781,198	31,781,198
19.2 End of period (Line 18 plus Line 19.1).....	75,175,270	39,109,611	82,419,898
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>			
20.0001 Capitalized Interest.....	(879,337)	(1,030,030)	(1,926,675)
20.0002 Stock Distribution.....	.....	(1,420,426)	(4,595,225)
20.0003 Premium Paid by Benefit.....	(447,348)	(183,017)	(297,015)
20.0004 Premium Paid by Policy Loan.....	(66,444)	(38,752)	(43,408)
20.0005 Premium Paid by Waiver.....	(262,347)	.....	(511,986)

**EXHIBIT 1**

**DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life.....			
2. Ordinary life insurance.....	172,810,989	103,290,311	269,054,768
3. Ordinary individual annuities.....	25,996,839	231,989	13,606,894
4. Credit life (group and individual).....			
5. Group life insurance.....	181,709	189,431	373,451
6. Group annuities.....		100,000,000	
7. A&H - group.....			
8. A&H - credit (group and individual).....			
9. A&H - other.....			
10. Aggregate of all other lines of business.....	0	0	0
11. Subtotal.....	198,989,537	203,711,731	283,035,113
12. Deposit-type contracts.....			
13. Total.....	198,989,537	203,711,731	283,035,113

**DETAILS OF WRITE-INS**

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

**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

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

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

	SSAP #	F/S Page	F/S Line #	2017	2016
<b>NET INCOME</b>					
(1) PENN INSURANCE AND ANNUITY COMPANY state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	\$ 9,554,509	\$ (4,190,708)
(2) State Prescribed Practice that is an increase/(decrease) from NAIC SAP					
(3) State Permitted Practice that is an increase/(decrease) from NAIC SAP					
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 9,554,509	\$ (4,190,708)
<b>SURPLUS</b>					
(5) PENN INSURANCE AND ANNUITY COMPANY state basis (Page 3, line 38, Columns 1 & 2)	XXX	XXX	XXX	\$ 401,001,254	\$ 393,919,436
(6) State Prescribed Practice that is an increase/(decrease) from NAIC SAP					
Nonadmit of PIA Reinsurance Company of Delaware I	97	2	2	(102,018,150)	(91,858,351)
(7) State Permitted Practice that is an increase/(decrease) from NAIC SAP					
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 503,019,404	\$ 485,777,787

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

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

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

**C. Accounting Policy**

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

In addition, the Company uses the following accounting policies:

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

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

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



**NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

Additionally, the Company owns 100% of PIA Re I.

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

(9) All derivatives are carried at fair value except those designated as hedge accounting. Derivatives used in hedging transactions that meet the criteria of a highly effective hedge are reported at cost or in a manner that is consistent with the assets hedged. Derivatives with a positive fair value are reported in other invested assets. Derivatives with a negative fair value are reported in other liabilities.

(10) Not applicable

(11) Not applicable

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

(13) Not applicable

D. Going Concern

Not applicable

**Note 2 – Accounting Changes and Corrections of Errors**

No significant changes

**Note 3 – Business Combinations and Goodwill**

No significant change.

**Note 4 – Discontinued Operations**

The Company did not have any discontinued operations through June 30, 2017.

**NOTES TO FINANCIAL STATEMENTS****Note 5 – Investments****D. Loan-Backed Securities**

- (1) Prepayment assumptions are obtained from broker dealer survey values or internal estimates.
- (2) There were no other than temporary impairments recognized on loan-backed securities for the period ended June 30, 2017.
- (3) Recognized OTTI securities

There were no securities through June 30, 2017 in which the Company recognized the non-interest portion of other than temporary impairments.

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

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$	4,037,000
	2. 12 Months or Longer	\$	3,077,000
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	181,128,000
	2. 12 Months or Longer	\$	47,529,000

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

**E. Repurchase Agreements and/or Securities Lending Transactions**

The Company did not have any repurchase agreements as of June 30, 2017.

**I. Working Capital Finance Investments**

The Company did not have any Working Capital Finance Investments at June 30, 2017.

**J. Offsetting and Netting of Assets and Liabilities**

The Company did not have any assets or liabilities that are offset and reported net in accordance with a valid right to offset as of June 30, 2017.

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

No significant changes

**Note 7 – Investment Income**

No significant changes

**Note 8 – Derivative Instruments**

Starting in 2017, the Company began purchasing equity options in the form of call spreads that qualify for hedge accounting. These have been designated as cash flow hedges of cash flows related to the annual return of the S&P 500 Index. These call spreads are used to hedge the increase in liability associated with indexed credits on IUL policies. As these are derivatives in a highly effective hedge, they are carried at cost in a manner consistent with the firm commitment being hedged. At termination, a realized gain amount, net of the cost basis, is recognized within benefits paid to policyholders and beneficiaries on the Statements of Operations, consistent with the change in liability associated with the account value. In the event that the hedge fails to qualify as being highly effective at any of the accounting measurement points, the hedge will be considered ineffective and the derivative will be marked to market and the associated change will be recognized as unrealized gain/(loss). At the time of exercise or expiration of the derivative, the associated realized gain or loss will flow through net investment gain/(loss) on the income statement.

**Note 9 – Income Taxes**

No significant changes

**Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

No significant changes

**Note 11 – Debt****B. FHLB (Federal Home Loan Bank) Agreements**

- (1) In December 2015, the Company became a member of the Federal Home Loan Bank of Pittsburgh (“FHLB-PGH”), which provides access to collateralized advances, collateralized funding agreements, and other FHLB-PGH products. Collateralized advances from

**NOTES TO FINANCIAL STATEMENTS**

the FHLB-PGH are classified in "Borrowed money." Collateralized funding agreements issued to the FHLB-PGH are classified as liabilities for deposit-type funds and are recorded within "Reserves and funds for payment of insurance and annuity benefits." These funding agreements have priority claim status above debt holders of the Company.

The Company's membership in FHLB-PGH requires the ownership of member stock, and borrowings from FHLB-PGH require the purchase of FHLB-PGH activity based stock in an amount equal to 4% of the outstanding borrowings. All FHLB-PGH stock purchased by the Company is classified as restricted general account investments within "Common stock - unaffiliated." The Company's borrowing capacity is determined by the lesser of the assets available to be pledged as collateral to FHLB-PGH or 10% of the Company's prior period admitted general account assets. The fair value of the qualifying assets pledged as collateral by the Company must be maintained at certain specified levels of the borrowed amount, which can vary, depending on the nature of the assets pledged. The Company's agreement allows for the substitution of assets and the advances are pre-payable. Current borrowings are subject to prepayment penalties.

## (2) FHLB Capital Stock

## a. Aggregate Totals

## 1. Current Period

	1 Total 2 + 3	2 General Account	3 Separate Accounts
(a) Membership Stock – Class A	\$	\$	\$
(b) Membership Stock – Class B	446,000	446,000	
(c) Activity Stock	4,000,000	4,000,000	
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)	\$ 4,446,000	\$ 4,446,000	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 395,400,000	XXX	XXX

## 2. Prior Year

	1 Total 2 + 3	2 General Account	3 Separate Accounts
(a) Membership Stock – Class A	\$	\$	\$
(b) Membership Stock – Class B			
(c) Activity Stock	322,700	322,700	
(d) Excess Stock	4,000,000	4,000,000	
(e) Aggregate Total (a+b+c+d)	\$ 4,322,700	\$ 4,322,700	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 272,189,000	XXX	XXX

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

Membership Stock	1 Current Period Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	\$	\$	\$	\$	\$	\$
2. Class B	\$ 446,000	\$	\$	\$	\$	\$ 446,000

## (3) Collateral Pledged to FHLB

## a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
Current Period Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	\$ 125,925,000	\$ 109,243,000	\$ 100,000,000
Current Period General Account Total Collateral Pledged	\$ 125,925,000	\$ 109,243,000	\$ 100,000,000
Current Period Separate Accounts Total Collateral Pledged	\$	\$	\$
Prior Year Total General and Separate Accounts Total Collateral Pledged	\$	\$	\$

## b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount of Borrowed at Time of Maximum Collateral
Current Period Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	\$ 125,925,000	\$ 109,243,000	\$ 100,000,000

**NOTES TO FINANCIAL STATEMENTS**

	1	2	3
	Fair Value	Carrying Value	Amount of Borrowed at Time of Maximum Collateral
Current Period General Account Total Collateral Pledged	\$ 125,925,000	\$ 109,243,000	\$ 100,000,000
Current Period Separate Accounts Total Collateral Pledged	\$	\$	\$
Prior Year Total General and Separate Accounts Total Collateral Pledged	\$ 123,523,000	\$ 102,975,000	\$ 100,000,000

## (4) Borrowing from FHLB

## a. Amount as of the Reporting Date

## 1. Current Period

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

## 2. Prior Year

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

## b. Maximum Amount During Reporting Period (Current Period)

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

## c. FHLB – Prepayment Obligations

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

**Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

The Company does not have such plans.

**Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

No significant changes

**Note 14 – Liabilities, Contingencies and Assessments**

## A. Contingent Commitments

The Company is not aware of any actions or allegations that should reasonably give rise to a material adverse impact to the Company's financial position or liquidity, the outcome of litigation cannot be foreseen with certainty.

**Note 15 – Leases**

The Company had no lease obligations as of June 30, 2017.

**Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

No significant changes

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## NOTES TO FINANCIAL STATEMENTS

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**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities****B. Transfer and Servicing of Financial Assets**

There have been no transfer or servicing of financial assets through June 30, 2017.

**C. Wash Sales**

- (1) In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investment portfolio.
- (2) The Company did not sell any NAIC designation 3 or below, or unrated of securities during the period ended June 30, 2017 and reacquired within 30 days of the sale date.

**Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Portion of Partially Insured Plans**

Not applicable

**Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

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

**Note 20 – Fair Value Measurements**

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

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

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

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

**BONDS**

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

**NOTES TO FINANCIAL STATEMENTS**

benchmark securities, bids, offers, reference data and industry and economic events. In circumstances where prices from pricing services are reviewed for reasonability but cannot be corroborated to observable market data as noted above, these security values are recorded in Level 3 in the Company's fair value hierarchy.

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

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

**EQUITY SECURITIES**

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

**CASH AND SHORT-TERM INVESTMENTS**

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

**SEPARATE ACCOUNT ASSETS**

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

A.

## (1) Fair Value Measurements at Reporting Date

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
Corporate Securities	\$	\$ 2,987,000	\$	\$ 2,987,000
Commercial Mortgage Backed Securities	\$	\$	\$ 586,000	\$ 586,000
Common Stock - Unaffiliated	\$ 55,620,000	\$	\$ 4,446,000	\$ 60,066,000
Separate Account Assets	\$	\$	\$	\$
Total	\$ 55,620,000	\$ 2,987,000	\$ 5,032,000	\$ 63,639,000
Liabilities at Fair Value				
	\$	\$	\$	\$
Total	\$	\$	\$	\$

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

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

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

There were no assets transferred in to Level 3 and 1 asset transferred out of Level 3 due to price change for the period ended June 30, 2017.

The tables below include a rollforward of the Statements of Admitted Assets, Liabilities and Surplus amounts for the period ended March 31, 2017 (including the change in fair value), for financial instruments classified by the Company within Level 3 of the valuation hierarchy.

	Beginning Balance at current period	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at current period
a. Assets										
Commercial Mortgage Backed	\$ 579,000	\$	\$	\$	\$ 7,000	\$	\$	\$	\$	\$ 586,000

**NOTES TO FINANCIAL STATEMENTS**

	Beginning Balance at current period	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at current period
<b>Securities</b>										
Redeemable Preferred Stock	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Common Stock - Unaffiliated	\$ 4,323,000	\$	\$	\$	\$	\$ 123,000	\$	\$	\$	\$ 4,446,000
<b>Total</b>	<b>\$ 4,902,000</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 7,000</b>	<b>\$ 123,000</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 5,032,000</b>
<b>b. Liabilities</b>										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

- (3) When a determination is made to classify a financial instrument within level 3, the determination is based upon the significance of the unobservable parameters to the overall fair value measurement. However, level 3 financial instruments typically include, in addition to the unobservable or level 3 components, observable components (that is, components that are actively quoted and can be validated to external sources); accordingly, the gains and losses in the table below include changes in fair value due in part to observable factors that are part of the valuation methodology.
- (4) The following summarizes the fair value, valuation techniques and significant unobservable inputs of the Level 3 fair value measurements that were developed as of June 30, 2017:

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Rate/ Range or /weighted avg.
<b>Assets:</b>				
Investments				
Commercial Mortgage Backed Securities	\$ 586,000	Matrix(1)	Not Available	N/A
Common stock, unaffiliated	4,446,000	Cost (2)	Not available	N/A
<b>Total investments</b>	<b>\$ 5,032,000</b>			

- (1) The Company utilizes comparable transactions in the market as well as other information available in Bloomberg and applies various spreads.
- (2) Fair value approximates carrying value. The par value of the FHLB capital stock is \$100 and is set by the FHLB. The capital stock is issued, redeemed and repurchased at par.

(5) Not applicable

B. Not applicable

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
<b>Financial Assets:</b>	\$	\$	\$	\$	\$	\$
Bonds	\$ 3,091,855,000	\$ 2,892,210,000	\$ 149,000	\$ 3,051,788,000	\$ 39,918,000	\$
Redeemable Preferred Stock	\$ 22,174,000	\$ 20,991,000	\$ 15,135,000	\$ 4,688,000	\$ 2,351,000	\$
Common Stock - Unaffiliated	\$ 60,066,000	\$ 60,066,000	\$ 55,620,000	\$	\$ 4,446,000	\$
Cash and Short-Term Investments	\$ 75,175,000	\$ 75,175,000	\$ 75,175,000	\$	\$	\$
Derivatives	\$ 48,659,000	\$ 40,871,000	\$	\$	\$	\$
Separate Account Assets	\$ 55,848,000	\$	\$	\$	\$	\$
Financial Liabilities	\$	\$	\$	\$	\$	\$
Investment-Type Contracts:	\$	\$	\$	\$	\$	\$
Individual Annuities	\$ 30,837,000	\$ 26,520,000	\$	\$	\$ 30,837,000	\$
Separate Account Liabilities	\$ 55,848,000	\$	\$	\$	\$	\$

D. Not Practicable to Estimate Fair Value

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

**Note 21 – Other Items**

No significant changes

**Note 22 – Events Subsequent**

The Company has evaluated events subsequent to June 30, 2017, and has determined that there were no significant events requiring recognition in the financial statements and no additional events requiring disclosure in the financial statements.

**Note 23 – Reinsurance**

No significant changes

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

The Company does not have any retrospectively rated contracts.

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## NOTES TO FINANCIAL STATEMENTS

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**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

Not applicable

**Note 26 – Intercompany Pooling Arrangements**

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

**Note 27 – Structured Settlements**

Not applicable

**Note 28 – Health Care Receivables**

Not applicable

**Note 29 – Participating policies**

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

**Note 30 – Premium Deficiency Reserves**

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

**Note 31 – Reserves for Life Contracts and Deposit-Type Contracts**

No significant changes

**Note 32 – Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics**

No significant changes

**Note 33 – Premium and Annuity Considerations Deferred and Uncollected**

No significant changes

**Note 34 – Separate Accounts**

No significant changes

**Note 35 – Loss/Claim Adjustment Expenses**

Not applicable



**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1 and 1A. Yes [X] No [ ]
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes [ ] No [X] N/A [ ]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2015
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/07/2016
- 6.4 By what department or departments?  
Delaware Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]
- 7.2 If yes, give full information:

- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No [ ]
- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Hornor, Townsend & Kent, Inc.	Horsham, PA	No	No	No	Yes
Janney Montgomery Scott, LLC	Philadelphia, PA	No	No	No	Yes
Penn Mutual Asset Management, LLC	Horsham, PA	No	No	No	Yes

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
  - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.

- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

**FINANCIAL**

## GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes  No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 2,778,456

## INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes  No
- 11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes  No
- 14.2 If yes, please complete the following:

- 14.21 Bonds
- 14.22 Preferred Stock
- 14.23 Common Stock
- 14.24 Short-Term Investments
- 14.25 Mortgage Loans on Real Estate
- 14.26 All Other
- 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)
- 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above

	1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
\$	0	\$ 0
	0	0
	91,858,351	102,018,150
	0	0
	0	0
	20,087,800	60,448,323
\$	111,946,151	\$ 162,466,473
\$	0	\$ 0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes  No
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No
- If no, attach a description with this statement.

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

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

17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes  No

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

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

- 17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes  No
- 17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such ["...that have access to the investment accounts", "handle securities"].

1 Name of Firm or Individual	2 Affiliation
Penn Mutual Asset Management, LLC	A

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes  No
- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes  No
- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107518	Penn Mutual Asset Management, LLC		SEC	DS

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes  No
- 18.2 If no, list exceptions:  
Documents submitted for private placement preferred stock and rejected by SVO. In contact with SVO to determine appropriate documents.

**GENERAL INTERROGATORIES (continued)**

**PART 2 - LIFE & HEALTH**

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

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

**SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
<b>Life Affiliates</b>								
82627 .....	06-0839705 .....	04/01/2017	Swiss Re Health & Life America, Inc.....	MO.....	YRT/I.....	Authorized.....	.....	.....

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

Current Year to Date - Allocated by States and Territories

			Direct Business Only				
			Life Contracts				
States, Etc.	Active Status	Life Insurance Premiums	Annuity Considerations	A&H Insurance Premiums, Including Policy Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1. Alabama.....	AL L	929,810	75,574			1,005,384	
2. Alaska.....	AK L	223,303				223,303	
3. Arizona.....	AZ L	3,065,670	383,600			3,449,270	
4. Arkansas.....	AR L	991,895	538,845			1,530,740	
5. California.....	CA L	13,182,343	2,735,892			15,918,235	
6. Colorado.....	CO L	1,400,796	76,328			1,477,124	
7. Connecticut.....	CT L	4,059,735	542,280			4,602,015	
8. Delaware.....	DE L	2,175,068	2,042,308			4,217,376	
9. District of Columbia.....	DC L	840,272				840,272	
10. Florida.....	FL L	9,858,053	3,921,531			13,779,584	
11. Georgia.....	GA L	1,101,530				1,101,530	
12. Hawaii.....	HI L	242,437				242,437	
13. Idaho.....	ID L	137,753				137,753	
14. Illinois.....	IL L	15,107,221	784,334			15,891,555	
15. Indiana.....	IN L	2,217,173	59,817			2,276,990	
16. Iowa.....	IA L	625,380				625,380	
17. Kansas.....	KS L	3,161,392	895,911			4,057,303	
18. Kentucky.....	KY L	1,413,385				1,413,385	
19. Louisiana.....	LA L	952,052	543,893			1,495,945	
20. Maine.....	ME L	136,807	293,237			430,044	
21. Maryland.....	MD L	1,311,960				1,311,960	
22. Massachusetts.....	MA L	4,873,002	539,814			5,412,816	
23. Michigan.....	MI L	10,017,372	328,162			10,345,534	
24. Minnesota.....	MN L	7,410,540				7,410,540	
25. Mississippi.....	MS L	2,438,218				2,438,218	
26. Missouri.....	MO L	1,685,550				1,685,550	
27. Montana.....	MT L	216,698				216,698	
28. Nebraska.....	NE L	188,647				188,647	
29. Nevada.....	NV L	1,201,296	36,565			1,237,861	
30. New Hampshire.....	NH N	35,749				35,749	
31. New Jersey.....	NJ L	11,868,672	1,512,519			13,381,191	
32. New Mexico.....	NM L	207,982				207,982	
33. New York.....	NY N	4,070,443				4,070,443	
34. North Carolina.....	NC L	3,964,704	529,114			4,493,818	
35. North Dakota.....	ND L	265,026				265,026	
36. Ohio.....	OH L	3,937,112	831,135			4,768,247	
37. Oklahoma.....	OK L	1,276,727	216,852			1,493,579	
38. Oregon.....	OR L	1,366,611				1,366,611	
39. Pennsylvania.....	PA L	14,071,335	5,720,788			19,792,123	
40. Rhode Island.....	RI L	364,274				364,274	
41. South Carolina.....	SC L	511,040				511,040	
42. South Dakota.....	SD L	10,607,006				10,607,006	
43. Tennessee.....	TN L	661,753	1,271,710			1,933,463	
44. Texas.....	TX L	13,214,208	313,466			13,527,674	
45. Utah.....	UT L	4,329,795	1,411,748			5,741,543	
46. Vermont.....	VT L	218,452				218,452	
47. Virginia.....	VA L	1,890,120	25,000			1,915,120	
48. Washington.....	WA L	3,479,438	219,070			3,698,508	
49. West Virginia.....	WV L	43,068	147,346			190,414	
50. Wisconsin.....	WI L	2,685,619				2,685,619	
51. Wyoming.....	WY L	939,761				939,761	
52. American Samoa.....	AS N					.0	
53. Guam.....	GU N					.0	
54. Puerto Rico.....	PR N					.0	
55. US Virgin Islands.....	VI N					.0	
56. Northern Mariana Islands.....	MP N					.0	
57. Canada.....	CAN N					.0	
58. Aggregate Other Alien.....	OT XXX	17,805	.0	.0	.0	17,805	.0
59. Subtotal.....	(a).49 XXX	171,192,058	25,996,839	0	0	197,188,897	0
90. Reporting entity contributions for employee benefit plans.....	XXX					.0	
91. Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX					.0	
92. Dividends or refunds applied to shorten endowment or premium paying period.....	XXX					.0	
93. Premium or annuity considerations waived under disability or other contract provisions.....	XXX	262,347				262,347	
94. Aggregate other amounts not allocable by State.....	XXX	1,800,639	.0	.0	.0	1,800,639	.0
95. Totals (Direct Business).....	XXX	173,255,044	25,996,839	0	0	199,251,883	0
96. Plus Reinsurance Assumed.....	XXX	149,114,155				149,114,155	
97. Totals (All Business).....	XXX	322,369,199	25,996,839	0	0	348,366,038	0
98. Less Reinsurance Ceded.....	XXX	38,278,640				38,278,640	
99. Totals (All Business) less Reinsurance Ceded.....	XXX	284,090,559	25,996,839	0	0	310,087,398	0

**DETAILS OF WRITE-INS**

58001. Military APO/FPO.....	XXX	17,805				17,805	
58002.....	XXX					.0	
58003.....	XXX					.0	
58998. Summary of remaining write-ins for line 58 from overflow page.....	XXX	.0	.0	.0	.0	.0	.0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....	XXX	17,805	.0	.0	.0	17,805	.0
9401. Internal Replacements.....	XXX	1,800,639				1,800,639	
9402.....	XXX					.0	
9403.....	XXX					.0	
9498. Summary of remaining write-ins for line 94 from overflow page.....	XXX	.0	.0	.0	.0	.0	.0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX	1,800,639	.0	.0	.0	1,800,639	.0

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

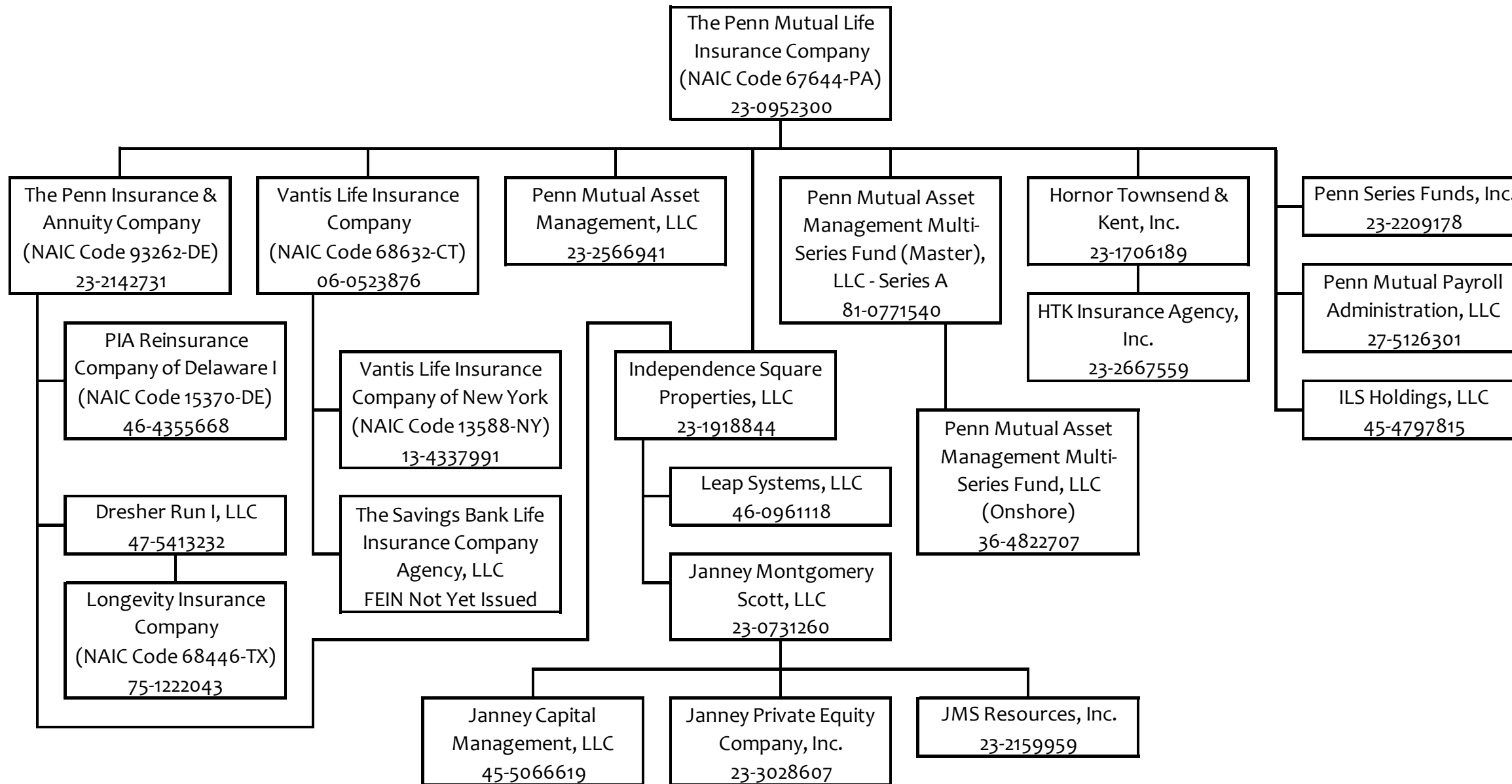
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 – ORGANIZATIONAL CHART

Q12



**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
<b>Members</b>															
850..	The Penn Mutual Life Insurance Company	67644..	23-0952300..				The Penn Mutual Life Insurance Company.....	PA.....	UDP.....					..N.....	
850..	The Penn Mutual Life Insurance Company	93262..	23-2142731..				The Penn Insurance and Annuity Company.....	DE.....	IA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..Y.....	
850..	The Penn Mutual Life Insurance Company	15370..	46-4355668..				PIA Reinsurance Company of Delaware I.....	DE.....	IA.....	The Penn Insurance and Annuity Company.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..Y.....	
850..	The Penn Mutual Life Insurance Company		23-1706189..		77131		Hornor Townsend & Kent, Inc.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..Y.....	
850..	The Penn Mutual Life Insurance Company		23-2667559..				HTK Insurance Agency, Inc.....	DE.....	DS.....	Hornor Townsend & Kent, Inc.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
850..	The Penn Mutual Life Insurance Company		23-1918844..				Independence Square Properties, LLC.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	..95.780	The Penn Mutual Life Insurance Company.....	..N.....	
850..	The Penn Mutual Life Insurance Company		23-2566941..				Penn Mutual Asset Management, LLC.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
850..	The Penn Mutual Life Insurance Company		23-2209178..				Penn Series Fund, Inc.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
0850	The Penn Mutual Life Insurance Company		27-5126301..				Penn Mutual Payroll Administration, LLC.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
0850	The Penn Mutual Life Insurance Company		45-4797815..				ILS Holdings, LLC.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
0850	The Penn Mutual Life Insurance Company		23-0731260..		200401		Janney Montgomery Scott, LLC.....	PA.....	DS.....	Independence Square Properties, LLC.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
0850	The Penn Mutual Life Insurance Company		46-0961118..				Leap Systems, LLC.....	PA.....	DS.....	Independence Square Properties, LLC.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
0850	The Penn Mutual Life Insurance Company		45-5066619..				Janney Capital Management, LLC.....	PA.....	DS.....	Janney Montgomery Scott, LLC.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
0850	The Penn Mutual Life Insurance Company		23-2159959..				JMS Resources, Inc.....	PA.....	DS.....	Janney Montgomery Scott, LLC.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
0850	The Penn Mutual Life Insurance Company		23-3028607..				Janney Private Equity Company, Inc.....	DE.....	DS.....	JMS Resources, Inc.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
0850	The Penn Mutual Life Insurance Company		47-5413232..				Dresher Run I, LLC.....	DE.....	NIA.....	The Penn Insurance and Annuity Company.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
0850	The Penn Mutual Life Insurance Company	68446..	75-1222043..				Longevity Insurance Company.....	TX.....	IA.....	Dresher Run I, LLC.....	Ownership.....	..100.000	The Penn Mutual Life Insurance Company.....	..N.....	
0850	The Penn Mutual Life Insurance Company		81-0771540..				Penn Mutual Asset Management Multi-Series Fund (Master), LLC - Series A	PA.....	OTH.....	The Penn Mutual Life Insurance Company.....	Influence.....		The Penn Mutual Life Insurance Company.....	..N.....	1.....
0850	The Penn Mutual Life Insurance Company		36-4822707..				Penn Mutual Asset Management Multi-Series Fund LLC (onshore)	PA.....	OTH.....	Penn Mutual Asset Management Multi-Series Fund (Master), LLC - Series A	Influence.....		The Penn Mutual Life Insurance Company.....	..N.....	1.....

Q13

## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
0850	The Penn Mutual Life Insurance Company	68632...	06-0523876..	.....	.....	.....	Vantis Life Insurance Company.....	CT.....	IA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....Y.....	.....
0850	The Penn Mutual Life Insurance Company	13588...	13-4337991..	.....	.....	.....	Vantis Life Insurance Company of New York.....	NY.....	IA.....	Vantis Life Insurance Company.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....N.....	.....
0850	The Penn Mutual Life Insurance Company	.....	.....	.....	.....	.....	The Savings Bank Life Insurance Company Agency, LLC	CT.....	DS.....	Vantis Life Insurance Company.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....N.....	.....

**Aster Explanation**

1	Entity over which The Penn Mutual Life Insurance Company has significant influence, but no ownership.
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Q13.1



# PENN INSURANCE AND ANNUITY COMPANY SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

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

**Explanations:**

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

**Bar Code:**



**PENN INSURANCE AND ANNUITY COMPANY**  
**Overflow Page for Write-Ins**

**NONE**

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

Real Estate

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

NONE

**SCHEDULE B - VERIFICATION**

Mortgage Loans

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

NONE

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	167,634,110	161,787,407
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		5,310,611
2.2 Additional investment made after acquisition.....	14,788,864	17,747,867
3. Capitalized deferred interest and other.....		(272,176)
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	3,432,421	(3,207,772)
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....	4,256,579	11,568,395
8. Deduct amortization of premium and depreciation.....	1,191,748	2,083,250
9. Total foreign exchange change in book/adjusted carrying value.....	216,483	(80,182)
10. Deduct current year's other-than-temporary impairment recognized.....	412,143	
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	180,211,408	167,634,110
12. Deduct total nonadmitted amounts.....	3,526,313	3,526,256
13. Statement value at end of current period (Line 11 minus Line 12).....	176,685,095	164,107,854

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	2,767,873,301	2,342,209,099
2. Cost of bonds and stocks acquired.....	465,433,337	731,854,423
3. Accrual of discount.....	1,584,121	11,450,311
4. Unrealized valuation increase (decrease).....	10,507,044	17,009,076
5. Total gain (loss) on disposals.....	6,068,161	11,026,935
6. Deduct consideration for bonds and stocks disposed of.....	162,558,988	322,065,955
7. Deduct amortization of premium.....	13,622,055	23,610,588
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	3,075,284,921	2,767,873,301
11. Deduct total nonadmitted amounts.....	102,018,150	91,858,351
12. Statement value at end of current period (Line 10 minus Line 11).....	2,973,266,771	2,676,014,950

### SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	1,831,096,503	201,846,007	115,404,666	(2,881,387)	1,831,096,503	1,914,656,457		1,744,941,630
2. NAIC 2 (a).....	818,672,471	72,147,722	23,443,180	(5,409,684)	818,672,471	861,967,329		731,914,188
3. NAIC 3 (a).....	85,020,569	2,000,000	4,422,567	2,380,985	85,020,569	84,978,987		87,948,013
4. NAIC 4 (a).....	35,569,648		3,850,289	(83,923)	35,569,648	31,635,436		34,047,448
5. NAIC 5 (a).....	6,582,554			(982,591)	6,582,554	5,599,963		6,003,202
6. NAIC 6 (a).....	3,050,050			(62,550)	3,050,050	2,987,500		4,430,781
7. Total Bonds.....	2,779,991,795	275,993,729	147,120,702	(7,039,150)	2,779,991,795	2,901,825,672	0	2,609,285,262
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	2,515,000				2,515,000	2,515,000		2,515,000
9. NAIC 2.....	10,124,987	2,000,000			10,124,987	12,124,987		10,124,987
10. NAIC 3.....	4,000,000				4,000,000	4,000,000		4,000,000
11. NAIC 4.....	2,400,000				2,400,000	2,400,000		2,382,305
12. NAIC 5.....						0		
13. NAIC 6.....						0		
14. Total Preferred Stock.....	19,039,987	2,000,000	0	0	19,039,987	21,039,987	0	19,022,292
15. Total Bonds and Preferred Stock.....	2,799,031,782	277,993,729	147,120,702	(7,039,150)	2,799,031,782	2,922,865,659	0	2,628,307,554

QSI02

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$.....2,500,000; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**PENN INSURANCE AND ANNUITY COMPANY**  
**SCHEDULE DA - PART 1**

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	.....66,196,854	.....XXX.....	.....66,183,954	.....294,092	.....

**SCHEDULE DA - VERIFICATION**

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.....70,765,120	.....21,558,076
2. Cost of short-term investments acquired.....	.....678,797,444	.....745,887,427
3. Accrual of discount.....	.....	.....12,900
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	.....13,381	.....9,239
6. Deduct consideration received on disposals.....	.....683,379,091	.....696,634,173
7. Deduct amortization of premium.....	.....	.....68,349
8. Total foreign exchange change in book/adjusted carrying value.....	.....	.....
9. Deduct current year's other-than-temporary impairment recognized.....	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.....66,196,854	.....70,765,120
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	.....66,196,854	.....70,765,120

**SCHEDULE DB - PART A - VERIFICATION**

Options, Caps, Floors, Collars, Swaps and Forwards

1. Book/adjusted carrying value, December 31, prior year (Line 9, prior year).....	_____
2. Cost paid/(consideration received) on additions.....	41,035,291
3. Unrealized valuation increase/(decrease).....	(164,789)
4. Total gain (loss) on termination recognized.....	_____
5. Considerations received/(paid) on terminations.....	_____
6. Amortization.....	_____
7. Adjustment to the book/adjusted carrying value of hedge item.....	_____
8. Total foreign exchange change in book/adjusted carrying value.....	_____
9. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8).....	40,870,502
10. Deduct nonadmitted assets.....	_____
11. Statement value at end of current period (Line 9 minus Line 10).....	<u>40,870,502</u>

**SCHEDULE DB - PART B - VERIFICATION**

Futures Contracts

1. Book/adjusted carrying value, December 31, prior year (Line 6, prior year).....	_____
2. Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change column).....	_____
3.1 Add:	
Change in variation margin on open contracts - Highly Effective Hedges:	
3.11 Section 1, Column 15, current year to date minus.....	_____
3.12 Section 1, Column 15, prior year.....	0
Change in variation margin on open contracts - All Other:	
3.13 Section 1, Column 18, current year to date minus.....	_____
3.14 Section 1, Column 18, prior year.....	0                      0
3.2 Add:	
Change in adjustment to basis of hedged item:	
3.21 Section 1, Column 17, current year to date minus.....	_____
3.22 Section 1, Column 17, prior year.....	<b>NONE</b> 0
Change in amount recognized:	
3.23 Section 1, Column 19, current year to date minus.....	_____
3.24 Section 1, Column 19, prior year.....	0                      0
3.3 Subtotal (Line 3.1 minus Line 3.2).....	0
4.1 Cumulative variation margin on terminated contracts during the year.....	_____
4.2 Less:	
4.21 Amount used to adjust basis of hedged item.....	_____
4.22 Amount recognized.....	0
4.3 Subtotal (Line 4.1 minus Line 4.2).....	0
5. Dispositions gains (losses) on contracts terminated in prior year:	
5.1 Total gain (loss) recognized for terminations in prior year.....	_____
5.2 Total gain (loss) adjusted into the hedged item(s) for the terminations in prior year.....	_____
6. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2).....	0
7. Deduct nonadmitted assets.....	_____
8. Statement value at end of current period (Line 6 minus Line 7).....	<u>0</u>

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

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

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

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

Book/Adjusted Carrying Value Check

1. Part A, Section 1, Column 14.....	40,870,503	
2. Part B, Section 1, Column 15 plus Part B, Section 1 Footnote - Total Ending Cash Balance.....		
3. Total (Line 1 plus Line 2).....		40,870,503
4. Part D, Section 1, Column 5.....	40,870,503	
5. Part D, Section 1, Column 6.....		
6. Total (Line 3 minus Line 4 minus Line 5).....		0

Fair Value Check

7. Part A, Section 1, Column 16.....	48,659,186	
8. Part B, Section 1, Column 13.....		
9. Total (Line 7 plus Line 8).....		48,659,186
10. Part D, Section 1, Column 8.....	48,659,186	
11. Part D, Section 1, Column 9.....		
12. Total (Line 9 minus Line 10 minus Line 11).....		0

Potential Exposure Check

13. Part A, Section 1, Column 21.....		
14. Part B, Section 1, Column 20.....		
15. Part D, Section 1, Column 11.....		
16. Total (Line 13 plus Line 14 minus Line 15).....		0



**Sch. E - Verification  
NONE**

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

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

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

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

## SCHEDULE BA - PART 2

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

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made after Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
<b>Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated</b>												
000000 00 0	Atlas Venture Fund X, L.P.	Cambridge	MA	Atlas Venture Partners		03/20/2015	1		282,178		1,715,292	1.200
000000 00 0	Battery Ventures XI Side Fund, L.P.	Waltham	MA	Battery Ventures		02/22/2016	1	91,000			2,304,750	1.167
000000 00 0	Bessemer Venture Partners IX Institutional L.P.	Larchmont	NY	Bessemer Venture Partners		02/28/2015	1	125,485			1,840,527	0.188
000000 00 0	Cross Creek Capital Partners III, L.P.	Salt Lake City	UT	Cross Creek Capital		08/29/2013		210,000			1,215,000	3.679
000000 00 0	Cross Creek Capital Partners IV, L.P.	Salt Lake City	UT	Cross Creek Capital		03/31/2016		56,000			1,204,000	1.400
000000 00 0	Frazier Life Sciences VIII, L.P.	Menlo Park	CA	Frazier Healthcare Partners		09/30/2015	1	306,000			1,804,500	1.333
000000 00 0	Jackson Square Ventures I, L.P.	Menlo Park	CA	Jackson Square Ventures		11/28/2011	1	80,537			463,861	1.611
000000 00 0	Lightspeed Venture Partners X, L.P.	Menlo Park	CA	Lightspeed Ventures		07/07/2014	1	60,000			690,000	0.480
000000 00 0	Lightspeed Venture Partners Select, L.P.	Menlo Park	CA	Lightspeed Ventures		03/24/2014	1	60,000			140,000	0.308
000000 00 0	Lightspeed Venture Partners Select II, L.P.	Menlo Park	CA	Lightspeed Ventures		03/10/2016	1	250,000			1,350,000	0.500
000000 00 0	Lightstone Ventures, L.P.	Boston	MA	Lightstone Ventures		10/22/2013	1	150,000			1,050,000	2.949
000000 00 0	Longitude Venture Partners II, L.P.	Menlo Park	CA	Longitude Capital Management Co., LLC		04/25/2013	1	146,276			643,580	1.039
000000 00 0	Menlo Special Opportunities Fund, L.P.	Menlo Park	CA	Menlo Ventures		03/31/2016	1	213,840			1,240,868	1.000
000000 00 0	New Leaf Ventures III, L.P.	New York	NY	New Leaf Venture Partners		11/30/2014	1	360,000			2,700,000	1.600
000000 00 0	Omega Fund IV, L.P.	Boston	MA	Omega Fund Management		06/20/2013		53,292			359,048	1.089
000000 00 0	Omega Fund V, L.P.	Boston	MA	Omega Fund Management		04/30/2015		35,451			3,625,617	1.600
000000 00 0	Point 406 Ventures II, L.P.	Boston	MA	.406 Ventures		12/13/2011	1	48,000			153,000	0.571
000000 00 0	Point 406 Ventures III, L.P.	Boston	MA	.406 Ventures		04/30/2015	1	164,000			3,284,000	2.286
000000 00 0	Shasta Ventures V, L.P.	Menlo Park	CA	Shasta Ventures Management		06/27/2016	1	200,000			1,700,000	0.667
000000 00 0	Sigma Prime Partners IX, L.P.	Menlo Park	CA	Sigma Partners		05/29/2012	1	205,842			572,989	2.941
000000 00 0	Trinity Ventures XI, L.P.	Menlo Park	CA	Trinity Ventures		04/04/2013	1	60,000			787,500	0.914
000000 00 0	Trinity Ventures XII, L.P.	Menlo Park	CA	Trinity Ventures		10/31/2015	1	220,000			1,490,000	0.500
000000 00 0	Upfront Opportunity Fund I, L.P.	Los Angeles	CA	Upfront Ventures		03/31/2015	1	4,204			624,935	4.000
000000 00 0	Upfront V, L.P.	Los Angeles	CA	Upfront Ventures		11/30/2014	1	189,573			1,524,220	1.071
000000 00 0	US Venture Partners XI, L.P.	Menlo Park	CA	US Venture Partners		05/20/2015	1	300,000			3,200,000	1.818
000000 00 0	Warburg Pincus Private Equity XI, LP	New York	NY	Warburg, Pincus LLC		05/24/2012	1	120,000			198,000	0.028
000000 00 0	Warburg Pincus Private Equity XII, LP	New York	NY	Warburg, Pincus LLC		12/21/2015	1	395,000			3,410,000	0.039
1599999	Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							0	4,386,678	0	39,291,687	XXX
<b>Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated</b>												
000000 00 0	ABRY Advanced Securities Fund II, L.P.	Boston	MA	ABRY Partners, LLC		05/04/2011	2	15,232			1,380,788	0.237
000000 00 0	ABRY Partners VII, L.P.	Boston	MA	ABRY Partners, LLC		08/10/2011	3	5,459			278,535	0.184
000000 00 0	ABRY Senior Equity V, L.P.	Boston	MA	ABRY Partners, LLC		12/01/2016	2	18,774			1,873,046	0.191
000000 00 0	Acon Equity Partners IV, L.P.	Washington	DC	Acon Investments		04/22/2016	3	234,115			4,320,339	0.865
000000 00 0	Ampersand 2014, L.P.	Boston	MA	Ampersand Venture Management		10/10/2014	3	330,000			1,560,000	0.300
000000 00 0	Avenue Europe Special Situations Fund III (U.S.), L.P.	New York	NY	Avenue Capital Group		06/05/2015	11	480,000			1,032,112	0.200
000000 00 0	Beacon Capital Strategic Partners VII, L.P.	Boston	MA	Beacon Capital Partners, LLC		10/20/2015		200,000			2,987,500	0.500
000000 00 0	BlueBay Direct Lending Fund I, LP	Guernsey	GBR	BlueBay Asset Management plc		06/25/2013		10,785			340,807	0.118
000000 00 0	Carlyle Strategic Partners IV, L.P.	Wilmington	DE	Carlyle Group, L.P.		03/31/2016	11	51,162			3,645,768	0.200
000000 00 0	Century Focused Fund III, L.P.	Boston	MA	Century Capital Management, LLC		12/22/2011	3	48,410			103,387	0.922
000000 00 0	Columbia Capital Equity Partners VI (QP), L.P.	Alexandria	VA	Columbia Capital		07/31/2015	3	207,858			1,890,611	0.600
000000 00 0	EnCap Energy Capital Fund VIII, L.P.	Houston	TX	EnCap Investments, L.P.		11/30/2010		54,459			251,383	0.083
000000 00 0	Frazier Growth Buyout VIII, L.P.	Seattle	WA	Frazier Healthcare Partners		09/30/2015	3	870,000			2,826,000	0.800
000000 00 0	Fulcrum Capital Partners V, LP	Toronto	ON	Fulcrum Capital Partners		06/11/2015	3	14,959			1,685,976	1.000
000000 00 0	Graham Partners IV, L.P.	Newtown Square	PA	Graham Partners		07/31/2015	3	(233,624)			3,658,182	0.800

QE03

### SCHEDULE BA - PART 2

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

1 CUSIP Identification	2 Name or Description	3 Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made after Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		City	State									
000000 00 0	Highbridge Specialty Loan Fund III LP.....	New York.....	NY.....	Highbridge Principal Strategies.....		05/06/2013.....			26,637		272,364	0.899
000000 00 0	MHR Institutional Partners IV, L.P.....	New York.....	NY.....	MHR Fund Management.....		06/27/2016.....	11		62,500		3,900,602	0.556
000000 00 0	NGP Natural Resources X, L.P.....	Irving.....	TX.....	NGP Energy Capital Management.....		01/27/2012.....			50,149		192,413	0.084
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated.....								0	2,446,875	0	32,199,813	XXX.....
4499999. Subtotal - Unaffiliated.....								0	6,833,553	0	71,491,500	XXX.....
4699999. Totals.....								0	6,833,553	0	71,491,500	XXX.....

### SCHEDULE BA - PART 3

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

QE03.1

1 CUSIP Identification	2 Name or Description	3 Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	9-14 Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income	
		City	State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization) / Accretion	11 Current Year's Other-Than-Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.							
<b>Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated</b>																				
000000 00 0	Warburg Pincus Private Equity XII, LP.....	New York.....	NY..	Return of Capital.....	12/21/2015	04/07/2017	13,500							13,500	13,500			0		
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated.....								13,500	0	0	0	0	0	13,500	13,500	0	0	0	0	
<b>Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated</b>																				
000000 00 0	ABRY Advanced Securities Fund II, L.P.....	Boston.....	MA..	Return of Capital.....	05/04/2011	06/29/2017	300,064							300,064	300,064			0		
000000 00 0	ABRY Partners VII, L.P.....	Boston.....	MA..	Return of Capital.....	08/10/2011	05/05/2017	514,206							514,206	514,206			0		
000000 00 0	Acon Equity Partners IV, L.P.....	Washington.....	DC..	Return of Capital.....	04/22/2016	06/05/2017	94,559							94,559	94,559			0		
000000 00 0	Avenue Europe Special Situations Fund II (U.S.), L.P...	New York.....	NY..	Return of Capital.....	10/04/2011	05/24/2017	67,989							67,989	67,989			0		
000000 00 0	Beacon Capital Strategic Partners VII, L.P.....	Boston.....	MA..	Return of Capital.....	10/20/2015	05/26/2017	693,747							693,747	693,747			0		
000000 00 0	BlueBay Direct Lending Fund I, LP.....	Guernsey.....	GBR	Return of Capital.....	06/25/2013	04/28/2017	196,132							196,132	196,132			0		
000000 00 0	Carlyle Strategic Partners IV, L.P.....	Wilmington.....	DE..	Return of Capital.....	03/31/2016	04/27/2017	56,502							56,502	56,502			0		
000000 00 0	EnCap Energy Capital Fund VIII, L.P.....	Houston.....	TX..	Return of Capital/OTTI.....	11/30/2010	06/30/2017	13,702			412,143		(412,143)		13,702	13,702			0		
000000 00 0	Highbridge Specialty Loan Fund III LP.....	New York.....	NY..	Return of Capital.....	05/06/2013	06/08/2017	265,052							265,052	265,052			0		
000000 00 0	MHR Institutional Partners IV, L.P.....	New York.....	NY..	Return of Capital.....	06/27/2016	06/27/2017	12,929							12,929	12,929			0		
000000 00 0	New Canaan Funding Mezzanine V, L.P.....	New Canaan.....	CT..	Return of Capital.....	08/05/2011	04/06/2017	899							899	899			0		
000000 00 0	NGP Natural Resources X, L.P.....	Irving.....	TX..	Return of Capital.....	01/27/2012	06/28/2017	826							826	826			0		
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated.....								2,216,607	0	0	412,143	0	(412,143)	0	2,216,607	2,216,607	0	0	0	0
4499999. Subtotal - Unaffiliated.....								2,230,107	0	0	412,143	0	(412,143)	0	2,230,107	2,230,107	0	0	0	0
4699999. Totals.....								2,230,107	0	0	412,143	0	(412,143)	0	2,230,107	2,230,107	0	0	0	0

**SCHEDULE D - PART 3**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Government</b>									
38378B M6 3	GNR 2012-120 Z		06/01/2017	CAPITALIZED INTEREST		47,761	47,761		1
0599999	Total - Bonds - U.S. Government					47,761	47,761	0	XXX
<b>Bonds - U.S. States, Territories and Possessions</b>									
658289 ZD 8	NC UNIV-TXB-B.BABS		06/14/2017	RAYMOND JAMES		3,152,596	2,805,000	36,629	1FE
915217 RY 1	UNIV VA-TXB		05/22/2017	SALOMON/CITIGROUP		4,432,093	3,180,000	46,004	1FE
92812Q V3 8	VA HSG AUTH-D		06/22/2017	RAYMOND JAMES		1,875,832	1,755,000	45,054	1FE
1799999	Total - Bonds - U.S. States, Territories & Possessions					9,460,521	7,740,000	127,687	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment</b>									
3136A8 N5 5	FNR 2012-117 DZ		06/01/2017	CAPITALIZED INTEREST		68,832	68,832		1
3136A8 SM 3	FNR 2012-102 AZ		06/01/2017	CAPITALIZED INTEREST		63,338	63,338		1
3136A8 XR 6	FNR 2012-94 LZ		06/01/2017	CAPITALIZED INTEREST		261,377	261,377		1
3136AT X2 5	FNA 2016-M10 X		05/04/2017	NOMURA		7,094,132		21,189	1FE
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments					7,487,679	393,547	21,189	XXX
<b>Bonds - Industrial and Miscellaneous</b>									
010392 EC 8	SO 5.7 02/15/33		06/01/2017	FTN FINANCIAL		1,190,180	1,000,000	17,575	1FE
034863 AR 1	AALLN 4 3/4 04/10/27		04/03/2017	SALOMON/CITIGROUP		2,000,000	2,000,000		3FE
037735 CG 0	APPALACHIAN POWER		05/04/2017	KEYBANC		5,261,230	4,245,000	24,825	2FE
066836 AB 3	BAPTIST HLTH SO FLOR INC		05/31/2017	BANK OF AMERICA		2,567,025	2,500,000	6,031	1FE
070101 AH 3	BASIN ELECTRIC POWER		05/02/2017	JEFFERIES & CO		5,201,858	5,250,000	6,234	1FE
07177M AN 3	BAXALTA INC		04/24/2017	SEELAUS		1,476,709	1,328,000	24,208	2FE
075887 BX 6	BDX 4.669 06/06/47		05/22/2017	SALOMON/CITIGROUP		1,000,000	1,000,000		2FE
077340 HP 5	BEL AIRE KS PUBLIC BLDG COMM REV		06/21/2017	US BANCORP/PIPER JAFFRAY		1,970,460	2,000,000		1FE
099724 AH 9	BWA 4 3/8 03/15/45		05/10/2017	STIFEL, NICOLAUS & CO		1,447,005	1,500,000	10,938	2FE
12515D AA 2	CD 2017-CD4 XB		05/01/2017	DEUTSCHE BANK		3,576,527		21,730	1FE
12532C BE 4	CFCRE 2017-C8 XA		05/19/2017	CANTOR FITZGERALD		2,496,973		6,939	1FE
12592U AQ 5	CSMLT 2015-1 A9		05/31/2017	JP MORGAN CHASE		5,565,796	5,433,358	2,113	1FE
12594X AM 6	CSMC 2017-HL1 A12		06/26/2017	CREDIT SUISSE/FIRST BOSTON		3,007,253	3,000,000	8,167	1FE
12636Y AB 8	CRH AMERICA FIN		05/04/2017	SALOMON/CITIGROUP		2,988,090	3,000,000		2FE
12637L AL 3	CSMLT 2015-2 A7		05/31/2017	JP MORGAN CHASE		3,498,524	3,415,277	1,328	1FE
161175 BD 5	CHARTER COMM OPT LLC		06/27/2017	BANK OF AMERICA		3,195,870	3,000,000	34,042	2FE
17252M AG 5	CINTAS CORPORATION		05/25/2017	SEELAUS		477,239	386,000	6,990	2FE
20030N BH 3	COMCAST CORP		05/16/2017	USB		2,094,040	2,000,000	29,278	1FE
21036P AT 5	CONSTELLATION BR		05/04/2017	BARCLAYS CAPITAL		2,524,125	2,500,000		2FE
26138E BA 6	DR PEPPER SNAPPLE GROUP		06/05/2017	JP MORGAN CHASE		2,099,380	2,000,000	7,500	2FE
28932M AD 7	ELM RD GENERATING STATION		04/12/2017	STIFEL, NICOLAUS & CO		1,121,494	1,003,000	11,368	1FE
29250R AW 6	ENBRIDGE ENERGY		05/04/2017	WELLS FARGO/WACHOVIA		3,406,380	3,000,000	11,750	2FE
29250R AX 4	ENBRIDGE ENERGY PARTNERS LP		04/28/2017	STIFEL, NICOLAUS & CO		1,538,400	1,200,000	4,425	2FE
29365T AD 6	ENTERGY LA LLC		05/18/2017	JP MORGAN CHASE		401,685	389,000	9,572	2FE
3133EH PG 2	FEDERAL FARM CREDIT BANK		06/22/2017	VARIOUS		12,340,000	12,340,000	579	1FE
3137B3 NC 8	FHMS K030 X3		05/08/2017	CREDIT SUISSE/FIRST BOSTON		9,389,024		37,763	1
3137B8 G6 8	FHMS K037 X3		05/11/2017	BANK OF AMERICA		6,051,352		46,367	1
3137BD CY 0	FHMS K039 X3		05/09/2017	BANK OF AMERICA		2,801,921		13,999	1
3137BL ME 5	FHMS KS03 X		06/07/2017	PERFORMANCE TRUST		4,064,351		23,621	1
3137BY PS 3	FHMS K726 X1		06/22/2017	GOLDMAN SACHS & CO		2,999,348		41,482	1FE
36249K AL 4	GSMS 2010-C1 D		05/04/2017	CREDIT SUISSE/FIRST BOSTON		3,416,657	3,277,000	4,491	1FM
459506 AE 1	INTL FLAVOR & FRAGRANCES		05/30/2017	UBS SECURITIES		1,021,890	1,000,000	1,701	2FE

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### SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
46644F AF 8	JPMBB 2015-C28 XA.....		06/21/2017.....	BREAN.....		4,740,765		75,760	1FE.....
46644V BS 4	JPMMT 2015-4 B3.....		06/12/2017.....	BROWNSTONE.....		2,950,956	2,950,956	4,160	2FE.....
50190D AL 0	LCCM 2017-LC26 XA.....		06/23/2017.....	WELLS FARGO/WACHOVIA.....		3,458,880		37,941	1FE.....
50190D AN 6	LCCM 2017-LC26 XB.....		06/23/2017.....	WELLS FARGO/WACHOVIA.....		2,558,394		19,823	1FE.....
574599 BM 7	MASCO CORP.....		06/12/2017.....	RBC/DAIN RAUSCHER.....		996,450	1,000,000		2FE.....
610202 BR 3	MONONGAHELA POWER CO.....		05/09/2017.....	JP MORGAN CHASE.....		2,998,740	3,000,000		2FE.....
629394 AA 5	NTC CAPITAL I.....		05/02/2017.....	IMPERIAL.....		3,125,675	3,370,000	3,142	2FE.....
62952E AB 3	NYU HOSPITALS CENTER.....		06/01/2017.....	RAYMOND JAMES.....		4,922,220	4,000,000	70,278	1FE.....
65473Q AZ 6	NI 5.8 02/01/42.....		05/08/2017.....	STIFEL, NICOLAUS & CO.....		3,506,730	3,000,000	48,333	2FE.....
65473Q BE 2	NISOURCE FINANCE CORP.....		05/11/2017.....	JP MORGAN CHASE.....		2,999,520	3,000,000		2FE.....
690742 AG 6	OWENS CORNING.....		06/21/2017.....	BANK OF AMERICA.....		1,981,280	2,000,000		2FE.....
69335G AA 3	PECO ENERGY CAP.....		04/04/2017.....	RAYMOND JAMES.....		999,500	1,000,000	17,889	2FE.....
714264 AK 4	PERNOD-RICHARD SA.....	D	06/30/2017.....	SEELAUS.....		3,755,408	3,173,000	75,228	2FE.....
745332 BY 1	PUGET SOUND ENERGY.....		05/03/2017.....	SEELAUS.....		2,536,875	2,750,000	83,640	2FE.....
74890E AG 2	RAITF 2017-FL7 C.....		06/13/2017.....	SALOMON/CITIGROUP.....		2,843,000	2,843,000		1FE.....
761713 BB 1	REYNOLDS AMERICAN INC.....		06/07/2017.....	GOLDMAN SACHS & CO.....		2,434,920	2,000,000	38,025	2FE.....
774341 AL 5	COL 4.35 04/15/47.....		05/30/2017.....	WELLS FARGO/WACHOVIA.....		1,040,140	1,000,000	6,283	2FE.....
784037 AA 1	SCFMT 2017-1A A.....		06/29/2017.....	GUGGENHEIM SECURITIES.....		2,199,778	2,200,000		1FE.....
824348 AX 4	SHERWIN-WILLIAMS CO.....		05/04/2017.....	VARIOUS.....		2,001,185	2,000,000		2FE.....
8426EP AC 2	SOUTHERN CO GAS.....		05/04/2017.....	BANK OF AMERICA.....		2,992,950	3,000,000		2FE.....
871829 AN 7	SYSCO CORP.....		04/27/2017.....	KEYBANC.....		2,074,163	1,618,000	13,399	2FE.....
871829 BF 3	SY 3 1/4 07/15/27.....		06/19/2017.....	GOLDMAN SACHS & CO.....		1,989,260	2,000,000		2FE.....
875127 AW 2	TAMPA ELECTRIC.....		04/04/2017.....	VARIOUS.....		2,730,101	2,246,000	54,143	1FE.....
90346W AB 9	US AIR 2013-1B.....		06/12/2017.....	VARIOUS.....		2,302,986	2,182,925	9,778	2FE.....
913017 CP 2	UNITED TECHNOLOGIES CORP.....		05/01/2017.....	SALOMON/CITIGROUP.....		2,991,720	3,000,000		1FE.....
97653B CB 5	WIN 2015-A B3.....		06/23/2017.....	KGS ALPHA.....		3,838,434	3,737,407	10,670	1FE.....
97654D CA 2	WIN 2015-5 B2.....		06/08/2017.....	BROWNSTONE.....		6,556,633	6,365,663	8,069	1FE.....
98956P AG 7	ZIMMER HOLDINGS.....		06/29/2017.....	CREDIT SUISSE/FIRST BOSTON.....		989,370	1,000,000	16,528	2FE.....
136375 BL 5	CANADIAN NATIONAL RAILROAD.....	A	05/23/2017.....	GOLDMAN SACHS & CO.....		4,599,595	3,500,000	69,878	1FE.....
00507U AH 4	WATSON PHARM INC.....	D	05/30/2017.....	BARCLAYS CAPITAL.....		1,065,310	1,000,000	22,499	2FE.....
70469X AE 4	PEAKS 2017-2A C.....	D	04/13/2017.....	GUGGENHEIM SECURITIES.....		2,550,000	2,550,000		1FE.....
50587K AB 7	LAFARGEHOLCIM FINANCE US.....		05/19/2017.....	STIFEL, NICOLAUS & CO.....		2,568,300	2,500,000	20,781	2FE.....
3899999	Total - Bonds - Industrial and Miscellaneous.....					191,490,024	141,753,586	1,121,263	XXX.....
8399997	Total - Bonds - Part 3.....					208,485,985	149,934,894	1,270,139	XXX.....
8399999	Total - Bonds.....					208,485,985	149,934,894	1,270,139	XXX.....
<b>Preferred Stocks - Industrial and Miscellaneous</b>									
78410V 20 0	EIX 5 PERP.....		06/19/2017.....	WELLS FARGO/WACHOVIA.....	80,000.000	2,000,000			P2LFE.....
8499999	Total - Preferred Stocks - Industrial and Miscellaneous.....					2,000,000	XXX	0	XXX.....
8999997	Total - Preferred Stocks - Part 3.....					2,000,000	XXX	0	XXX.....
8999999	Total - Preferred Stocks.....					2,000,000	XXX	0	XXX.....
<b>Common Stocks - Industrial and Miscellaneous</b>									
04010L 10 3	ARES CAPITAL CORP.....		05/30/2017.....	WELLS FARGO.....	347,000.000	5,750,989	XXX		L.....
16934Q 20 8	CHIMERA INVESTMENT CORP.....		05/30/2017.....	WELLS FARGO.....	229,000.000	4,196,622	XXX		L.....
19625W 10 4	COLONY NORTHSTAR INC CLASS A.....		01/11/2017.....	REORGANIZATION OF SECURITY.....	352,939.000	4,147,369	XXX		L.....
31338@ 10 6	FHLN OF PITTSBURGH.....		04/03/2017.....	DIRECT ISSUER.....	1,229.000	122,900	XXX		U.....
64828T 20 1	NEW RESIDENTIAL INVESTMENT.....		06/08/2017.....	WELLS FARGO.....	271,400.000	4,474,227	XXX		L.....

QE04.1

### SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
90187B 10 1	TWO HARBORS INVESTMENT CORP.....		06/01/2017.....	WELLS FARGO.....	200,000.000	2,010,371	XXX		L.....
9099999	Total - Common Stocks - Industrial and Miscellaneous.....					20,702,478	XXX	0	XXX.....
9799997	Total - Common Stocks - Part 3.....					20,702,478	XXX	0	XXX.....
9799999	Total - Common Stocks.....					20,702,478	XXX	0	XXX.....
9899999	Total - Preferred and Common Stocks.....					22,702,478	XXX	0	XXX.....
9999999	Total - Bonds, Preferred and Common Stocks.....					231,188,463	XXX	1,270,139	XXX.....

(a) For all common stock bearing NAIC market indicator "U" provide the number of such issues:.....1.

QE04.2

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Government</b>																					
30250W	AB 9		06/30/2017	MBS PAYDOWN		55,830	55,830	55,892	55,892				0		55,892		(62)	(62)	643	07/29/2047	1
36296Q	RJ 0		06/01/2017	MBS PAYDOWN		42,758	42,758	40,734	42,614		144		144		42,758			0	776	04/15/2039	1
38375U	SC 5		06/01/2017	INTEREST ONLY PAYMENT				110,946	97,202		(97,202)		(97,202)					0	6,776	11/20/2064	1
38378N	XK 4		06/01/2017	INTEREST ONLY PAYMENT				232,640	106,969		(106,969)		(106,969)					0	25,482	06/16/2048	1
38378X	PE 5		06/01/2017	INTEREST ONLY PAYMENT				70,858	55,130		(55,130)		(55,130)					0	4,329	01/16/2056	1
805649	AA 8		04/29/2017	SINKING FUND REDEMPTION		275,031	275,031	275,031	275,031				0		275,031			0	1,907	10/29/2021	1
0599999	Total - Bonds - U.S. Government					373,619	373,619	786,101	632,838	0	(259,157)	0	(259,157)	0	373,681	0	(62)	(62)	39,913	XXX	XXX
<b>Bonds - U.S. Political Subdivisions of States</b>																					
213185	BP 5		06/26/2017	RAMIREZ		5,991,200	5,000,000	4,940,450	4,944,286		1,268		1,268		4,945,554		1,045,646	1,045,646	196,311	11/15/2031	1FE
2499999	Total - Bonds - U.S. Political Subdivisions of States					5,991,200	5,000,000	4,940,450	4,944,286	0	1,268	0	1,268	0	4,945,554	0	1,045,646	1,045,646	196,311	XXX	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment</b>																					
3128PK	WJ 9		06/01/2017	MBS PAYDOWN		26,988	26,988	26,212	26,911		76		76		26,988			0	516	05/01/2023	1
3128PL	AW 2		06/01/2017	MBS PAYDOWN		16,880	16,880	16,760	16,863		18		18		16,880			0	345	06/01/2023	1
3136AT	X2 5		06/01/2017	VARIOUS				1,927			(1,927)		(1,927)					0	11	07/25/2028	1FE
31412B	DS 8		06/01/2017	MBS PAYDOWN		510	510	507	510				0		510			0	13	10/01/2047	1
31412M	2X 5		06/01/2017	MBS PAYDOWN		1,771	1,771	1,723	1,766		5		5		1,771			0	35	07/01/2023	1
31412T	AZ 6		06/01/2017	MBS PAYDOWN		514	514	500	513		1		1		514			0	10	05/01/2023	1
31412W	WB 8		06/01/2017	MBS PAYDOWN		38,296	38,296	37,943	38,140		155		155		38,296			0	1,147	05/01/2047	1
31412W	WC 6		06/01/2017	MBS PAYDOWN		647	647	641	647				0		647			0	16	05/01/2047	1
31412X	K4 5		06/01/2017	MBS PAYDOWN		853	853	846	852		1		1		853			0	21	06/01/2047	1
31414E	2V 5		06/01/2017	MBS PAYDOWN		21,291	21,291	21,167	21,277		14		14		21,291			0	422	07/01/2023	1
31414L	C4 8		06/01/2017	MBS PAYDOWN		572	572	556	570		2		2		572			0	10	04/01/2023	1
31414M	BH 8		06/01/2017	MBS PAYDOWN		1,770	1,770	1,721	1,764		6		6		1,770			0	31	03/01/2023	1
31414R	LG 8		06/01/2017	MBS PAYDOWN		58	58	56	58				0		58			0	1	03/01/2023	1
31414R	NV 3		06/01/2017	MBS PAYDOWN		175	175	170	175		1		1		175			0	3	04/01/2023	1
31414S	AA 1		06/01/2017	MBS PAYDOWN		1,753	1,753	1,705	1,747		6		6		1,753			0	33	04/01/2023	1
31414U	G3 6		06/01/2017	MBS PAYDOWN		1,317	1,317	1,281	1,314		3		3		1,317			0	26	03/01/2023	1
31415B	AE 9		06/01/2017	MBS PAYDOWN		106	106	103	106				0		106			0	2	06/01/2023	1
31415C	ND 5		06/01/2017	MBS PAYDOWN		778	778	757	776		2		2		778			0	14	05/01/2023	1
31415P	AE 8		06/01/2017	MBS PAYDOWN		457	457	444	456		1		1		457			0	9	06/01/2023	1
31415P	AR 9		06/01/2017	MBS PAYDOWN		1,519	1,519	1,477	1,511		8		8		1,519			0	29	06/01/2023	1
31415P	WA 2		06/01/2017	MBS PAYDOWN		623	623	606	622		1		1		623			0	12	07/01/2023	1
31415P	XP 8		06/01/2017	MBS PAYDOWN		317	317	308	316				0		317			0	6	07/01/2023	1
31415Q	BX 3		06/01/2017	MBS PAYDOWN		262	262	255	262				0		262			0	5	06/01/2023	1
31415Q	EX 5		06/01/2017	MBS PAYDOWN		132	132	128	131				0		132			0	2	07/01/2023	1
31415R	4B 7		06/01/2017	MBS PAYDOWN		507	507	493	506		1		1		507			0	10	06/01/2023	1
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments					118,096	118,096	118,286	117,793	0	(1,626)	0	(1,626)	0	118,096	0	0	0	2,729	XXX	XXX
<b>Bonds - Industrial and Miscellaneous</b>																					
00289L	AA 3		05/01/2017	SINKING FUND REDEMPTION		5,100	5,100	5,100	5,100				0		5,100			0	175	04/30/2043	2FE
021345	AA 1		06/30/2017	SINKING FUND REDEMPTION		100,596	100,596	100,897	100,593		2		2		100,596			0	3,521	06/30/2035	2FE
025816	BL 2		05/03/2017	WELLS FARGO/WACHOVIA		2,534,375	2,500,000	2,500,000	2,500,000				0		2,500,000		34,375	34,375	79,285	01/01/9999	3FE

QE05

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
03235M AA 0	AMTRAK SERIES-2001.....		06/15/2017	MATURITY.....		827,083	827,083	827,083	827,083				0		827,083		0	0	39,286	06/15/2017	1.....
03764U AJ 2	APID 2013-16A B.....	D	06/19/2017	CALL at 100.000.....		5,000,000	5,000,000	4,943,750	4,953,943		46,057		46,057		5,000,000		0	0	128,339	01/19/2025	1FE.....
04248N AA 1	ARMY HAWAII FAMILY (MH).....		06/15/2017	SINKING FUND REDEMPTION.....		40,536	40,536	48,837	40,630		(94)		(94)		40,536		0	0	1,120	06/15/2050	1FE.....
045424 EX 2	ASC 1997-D4 B4.....		06/11/2017	MBS PAYDOWN.....		141,762	141,762	139,635	141,122		640		640		141,762		0	0	4,043	04/14/2029	1FM.....
05990K AC 0	BANC OF CALIFORNIA INC.....		05/11/2017	SANDLER ONEILL PARTNERS.....		1,503,750	1,500,000	1,496,250	1,496,791		117		117		1,496,908		6,842	6,842	46,156	04/15/2025	2FE.....
07383F YR 3	BSCMS 2004-PWR3 G.....		06/01/2017	MBS PAYDOWN.....		178,925	178,925	160,138	178,925		0		0		178,925		0	0	3,945	02/11/2041	1FM.....
12527E AK 4	CFCRE 2011-C1 E.....		06/30/2017	MBS PAYDOWN.....			12,630	10,672	11,515				0		11,515		(11,515)	(11,515)	389	04/15/2044	1FM.....
12532B AH 0	CFCRE 2016-C7 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				3,363	3,329		(3,329)		(3,329)				0	0	200	12/10/2054	1FE.....
12592K BD 5	COMM 2014-UBS5 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				11,593	8,196		(8,196)		(8,196)				0	0	749	09/10/2047	1FE.....
12592U AQ 5	CSMLT 2015-1 A9.....		06/26/2017	MBS PAYDOWN.....		33,836	33,836	34,661					0		33,836		0	0		05/25/2045	1FE.....
12594M BD 9	COMM 2016-COR1 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				6,720	6,524		(6,524)		(6,524)				0	0	417	10/10/2049	1FE.....
126281 BB 9	CSAIL 2015-C1 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				8,094	7,062		(7,062)		(7,062)				0	0	520	04/15/2050	1FE.....
12637L AL 3	CSMLT 2015-2 A7.....		06/26/2017	MBS PAYDOWN.....		75,214	75,214	77,047					0		75,214		0	0		08/25/2045	1FE.....
12649X BC 2	CSMC 2015-3 B2.....		06/01/2017	MBS PAYDOWN.....		27,531	27,531	27,858	27,558		(27)		(27)		27,531		0	0	452	03/25/2045	1FM.....
12677# AA 1	CVS CAREMARK CORP.....		06/15/2017	SINKING FUND REDEMPTION.....		5,062	5,062	5,062	5,062				0		5,062		0	0	118	01/15/2040	2.....
13057V AC 0	CRART 2015-4 A3.....		04/11/2017	JP MORGAN CHASE.....		5,015,820	5,000,000	5,044,336	5,025,042		(8,174)		(8,174)		5,016,868		(1,048)	(1,048)	34,567	01/15/2020	1FE.....
141781 BC 7	CARGILL INC.....		05/08/2017	TENDER OFFER.....		2,068,434	2,000,000	1,996,220	1,996,517		27		27		1,996,544		71,891	71,891	41,000	11/01/2042	1FE.....
16164A AC 9	CHASE 2016-2 M2.....		06/01/2017	MBS PAYDOWN.....		132,397	132,397	135,914	132,562		(165)		(165)		132,397		0	0	2,100	02/25/2044	1FE.....
17290K AB 4	CHAI 2015-PM2 B.....		06/15/2017	MBS PAYDOWN.....		415,766	415,766	413,809	414,785		981		981		415,766		0	0	7,885	03/15/2022	2FE.....
17291E BB 6	CGCMT 2016-P6 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				6,312	6,241		(6,241)		(6,241)				0	0	437	12/10/2049	1FE.....
17321L AE 9	CMLTI 2013-J1 B1.....		06/01/2017	MBS PAYDOWN.....		18,328	18,328	18,076	18,325		3		3		18,328		0	0	270	10/25/2043	1FM.....
17323E AN 3	CMLTI 2014-J2 B2.....		06/01/2017	MBS PAYDOWN.....		31,438	31,438	32,145	31,476		(38)		(38)		31,438		0	0	513	11/25/2044	1FM.....
17325D AJ 2	CGCMT 2016-P5 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				4,942	4,797		(4,797)		(4,797)				0	0	305	10/10/2049	1FE.....
209115 A* 5	CONSOLIDATED EDISON OF NY.....		06/30/2017	SINKING FUND REDEMPTION.....		11,109	11,109	11,109	11,109		0		0		11,109		0	0	484	07/01/2022	1.....
21079R AA 0	CONTINENTAL AIRLINES.....		04/19/2017	SINKING FUND REDEMPTION.....		176,662	176,662	190,574	177,021		(359)		(359)		176,662		0	0	6,097	04/19/2022	3FE.....
24735T AA 6	DELTA AIR 2012-1 B.....		05/07/2017	SINKING FUND REDEMPTION.....		70,292	70,292	74,333	70,550		(259)		(259)		70,292		0	0	2,416	05/07/2019	2FE.....
25470D AJ 8	DISCOVERY COMMUNICATIONS.....		06/22/2017	SUN TRUST.....		1,884,620	2,000,000	2,154,680	2,144,699		(1,456)		(1,456)		2,143,243		(258,623)	(258,623)	72,042	04/01/2043	2FE.....
25470D AK 5	DISCOVERY COMMUNICATIONS.....		06/21/2017	MORGAN STANLEY.....		1,955,040	2,000,000	1,998,300	1,998,552		75		75		1,998,627		(43,587)	(43,587)	53,858	03/15/2025	2FE.....
29429C AJ 4	CGCMT 2016-P3 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				2,292	2,133		(2,133)		(2,133)				0	0	140	04/15/2049	1FE.....
3137AB FW 6	FHMS K702 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				24,379	7,657		(7,657)		(7,657)				0	0	3,353	02/25/2018	1.....
3137AE V8 5	FHMS K703 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				18,266	7,518		(7,518)		(7,518)				0	0	2,740	05/25/2018	1.....
3137AJ MG 6	FHMS K016 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				23,699	17,167		(17,167)		(17,167)				0	0	1,836	10/25/2021	1FE.....
3137AT RX 2	FHMS K020 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				36,766	31,215		(31,215)		(31,215)				0	0	3,116	05/25/2022	1FE.....
3137AW QJ 7	FHMS K023 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				12,967	11,665		(11,665)		(11,665)				0	0	1,053	08/25/2022	1FE.....
3137B1 UH 3	FHMS K027 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				27,682	21,408		(21,408)		(21,408)				0	0	1,886	01/25/2023	1FE.....
3137B7 N2 1	FHMS K036 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				12,156	9,478		(9,478)		(9,478)				0	0	743	10/25/2023	1FE.....
3137B8 G5 0	FHMS K037 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				6,827	5,368		(5,368)		(5,368)				0	0	419	01/25/2024	1FE.....
3137BA HB 1	FHMS K715 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				29,028	26,701		(26,701)		(26,701)				0	0	3,387	01/25/2021	1FE.....
3137BB BE 9	FHMS K038 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				12,021	9,553		(9,553)		(9,553)				0	0	718	03/25/2024	1FE.....
3137BH XK 8	FHMS K045 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				6,367	6,119		(6,119)		(6,119)				0	0	400	01/25/2025	1FE.....
3137BL ME 5	FHMS KS03 X.....		06/30/2017	INTEREST ONLY PAYMENT.....				1,503			(1,503)		(1,503)				0	0		08/25/2025	1.....
3137BN GU 2	FHMS K054 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				3,904	3,631		(3,631)		(3,631)				0	0	218	01/25/2026	1FE.....

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### SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For rei gn	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than- Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
3137BS P9 8	FHMS K058 X1.....		06/01/2017	INTEREST ONLY PAYMENT.....				3,940	3,882		(3,882)		(3,882)						.216	08/25/2026	1FE.....
36186X AD 9	GMACN 2012 BLIS A.....		06/12/2017	SINKING FUND REDEMPTION.....		2,470	2,470	2,420	2,466		4		4		2,470				.53	07/10/2050	1FE.....
36251F AY 2	GSMS 2015-GC28 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				6,542	5,060		(5,060)		(5,060)						.415	02/10/2048	1FE.....
36298G AA 7	GSPA MONETIZATION TRUST.....		06/09/2017	SINKING FUND REDEMPTION.....		22,632	22,632	23,085	22,643		(11)		(11)		22,632				.606	10/09/2029	2FE.....
38143Y AC 7	GOLDMAN SACHS GRP.....		06/08/2017	TENDER OFFER.....		6,990,055	5,500,000	6,391,740	6,359,293		(11,503)		(11,503)		6,347,790		642,265	642,265	177,375	05/01/2036	2FE.....
437076 AV 4	HOME DEPOT INC.....		06/26/2017	SALOMON/CITIGROUP.....		6,697,600	5,000,000	4,976,400	4,978,371		201		201		4,978,572		1,719,028	1,719,028	221,472	04/01/2041	1FE.....
46625M ZE 2	JPMCC 2003-PM1A F.....		06/01/2017	MBS PAYDOWN.....		68,776	68,776	48,143	68,776						68,776				.1735	08/12/2040	1FM.....
46625Y DG 5	JPMCC 2004-CBX B.....		06/01/2017	MBS PAYDOWN.....		74,978	74,978	66,918	74,978						74,978				.1588	01/12/2037	1FM.....
46625Y NK 5	JPMCC 2005-LDP2 C.....		04/17/2017	CALL at 100.000.....		1,093,557	1,093,557	943,193	1,093,610		(53)		(53)		1,093,557				17,902	07/15/2042	1FM.....
46630J AE 9	JPMCC 2007-LDPX AM.....		06/01/2017	MBS PAYDOWN.....		3,155,698	3,155,698	2,548,719	3,129,521		26,177		26,177		3,155,698				.65563	01/15/2049	1FM.....
46639G AG 1	JPMMT 2013-1 B3.....		06/01/2017	MBS PAYDOWN.....		47,351	47,351	47,352	47,352						47,352		(1)	(1)	.691	03/25/2043	1FM.....
46644V BS 4	JPMMT 2015-4 B3.....		06/26/2017	MBS PAYDOWN.....		6,030	6,030	6,030	6,030						6,030					06/25/2045	2FE.....
46645L BA 4	JPMBB 2016-C1 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				3,832	3,466		(3,466)		(3,466)						.249	03/15/2049	1FE.....
46645U AV 9	JPMCC 2016-JP4 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				8,659	3,653		(8,614)		(8,614)						.480	12/15/2049	1FE.....
50543L AB 8	LAFI 2016-1A B1.....		06/15/2017	MBS PAYDOWN.....		70,312	70,312	70,310	70,159		154		154		70,312				1,711	01/15/2042	2FE.....
52108H 7E 8	LBUBS 2005-C5 F.....		06/11/2017	MBS PAYDOWN.....		368,294	368,294	369,445	369,195		(900)		(900)		368,294				.9659	09/15/2040	1FM.....
52465# AZ 8	LEGG MASON MTG CAP CORP.....		06/30/2017	SINKING FUND REDEMPTION.....		44,121	44,121	44,122	44,122						44,122		(2)	(2)	1,414	06/10/2021	1.....
52602E AD 4	LEND PROC SER/BLK KNIGHT.....		04/26/2017	CALL at 104.825.....		3,573,487	3,409,000	3,600,593	3,567,092		6,395		6,395		3,573,487				103,998	04/15/2023	2FE.....
54246# AA 5	LONG BEACH JUDICIAL PARTNERS.....		06/30/2017	SINKING FUND REDEMPTION.....		14,227	14,227	14,652	14,232		(4)		(4)		14,227				.489	12/31/2047	1FE.....
59010R AA 2	MRLN 2016-1 A.....		06/15/2017	MBS PAYDOWN.....		57,692	57,692	55,474	57,446		246		246		57,692				1,046	12/15/2032	1FE.....
59022H DX 7	MLMT 2004-KEY2 D.....		06/01/2017	MBS PAYDOWN.....		124,596	124,596	90,955	124,596						124,596				2,629	08/12/2039	1FM.....
606935 AL 8	MLCFC 2006-1 B.....		06/01/2017	MBS PAYDOWN.....		88,063	88,063	87,513	87,765		298		298		88,063				2,199	02/12/2039	1FM.....
61691E BB 0	MSC 2016-UB12 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				8,527	8,444		(8,444)		(8,444)						.566	12/15/2049	1FE.....
61691G AT 7	MSBAM 2016-C32 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				7,314	7,238		(7,238)		(7,238)						.451	12/15/2049	1FE.....
61745M W7 4	MSC 2005-T17 B.....		06/13/2017	MBS PAYDOWN.....		99,886	99,886	84,154	99,392		493		493		99,886				2,032	12/13/2041	1FM.....
61761A AA 6	MSBAM 2012-C5 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				392,389	308,820		(308,820)		(308,820)						37,103	08/15/2045	1FE.....
61766R BA 3	MSBAM 2016-C31 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				10,011	9,821		(9,821)		(9,821)						.627	10/15/2026	1FE.....
61767F BB 6	MSC 2016-UB11 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				11,425	10,846		(10,846)		(10,846)						.723	08/15/2049	1FE.....
64128X AC 4	NEUBERGER BERMAN GRP/FIN.....		04/26/2017	CALL at 100.000.....		2,058,760	2,000,000	2,090,000	2,076,650		(17,890)		(17,890)		2,058,760				66,319	03/15/2022	2FE.....
65536H BE 7	NHELI 2005-HE1 M3.....		06/26/2017	MBS PAYDOWN.....		664,399	664,399	446,809	648,189		16,211		16,211		664,399				4,786	09/25/2035	1FM.....
667294 BE 1	NORTHWEST AIR 07-1.....		05/01/2017	SINKING FUND REDEMPTION.....		137,477	137,477	153,704	138,829		(1,352)		(1,352)		137,477				4,830	11/01/2019	1FE.....
677071 AU 6	OHANA MILITARY COMM LLC (MH).....		04/01/2017	SINKING FUND REDEMPTION.....		20,845	20,845	20,521	20,844		1		1		20,845				.625	10/01/2051	1FE.....
69318F AB 4	PBF HOLDING CO.....		06/21/2017	CALL at 102.063.....		1,020,630	1,000,000	1,026,250	1,014,262		6,368		6,368		1,020,630				70,125	02/15/2020	4FE.....
75086# AA 3	RAINIER GSA PORTFOLIO LLC.....		06/15/2017	SINKING FUND REDEMPTION.....		43,757	43,757	43,757	43,757						43,757		(1)	(1)	.879	06/15/2036	1.....
75574Q AA 8	RCMT 2015-2 A.....		06/01/2017	MBS PAYDOWN.....		136,613	136,613	136,447	136,331		282		282		136,613				1,840	06/25/2055	1FM.....
761118 AW 8	RALI 2005-QS9 A3.....		06/30/2017	MBS PAYDOWN.....		25,195	35,390	23,007	24,255		940		940		25,195				.205	06/25/2041	1FM.....
774262 AF 6	ROCKW 2006-1A.....	D	05/02/2017	CALL at 100.000.....		1,404,404	1,404,404	1,318,384	1,338,314		66,090		66,090		1,404,404				22,657	08/01/2021	1F.....
78410F AA 4	SCFET 2016-1A A.....		06/20/2017	MBS PAYDOWN.....		1,504,874	1,504,874	1,515,926	1,506,605		(1,731)		(1,731)		1,504,874				19,502	11/20/2021	1FE.....
78419C AG 9	SGCMS 2016-C5 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				11,020	10,380		(10,380)		(10,380)						.699	10/10/2048	1FE.....
805564 GA 3	SAST 2000-2 MF2.....		06/30/2017	MBS PAYDOWN.....		47,580	127,648	103,395	47,372		207		207		47,580				2,640	07/25/2030	1FM.....
81745D AJ 0	SEMT 2013-9 B3.....		06/01/2017	MBS PAYDOWN.....		41,420	41,420	40,061	41,368		52		52		41,420				.604	07/25/2043	1FM.....
83416W AA 1	SOLAR STAR FUND.....		06/30/2017	SINKING FUND REDEMPTION.....		3,739	3,739	3,645	3,736		3		3		3,739				.100	06/30/2035	2FE.....

QE05.2

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

QE05.3

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
83416W AB 9	TOPAZ SOLAR.....		06/30/2017	SINKING FUND REDEMPTION.....		18,874	18,874	18,874	18,874				0		18,874		0	0	746	06/30/2035	2FE.....
86212U AB 2	STR 2013-1A A2.....		06/20/2017	MBS PAYDOWN.....		22,897	22,897	22,889	22,841		56		56		22,897		0	446	03/20/2043	1FE.....	
86213A AB 5	STR 2013-3A A2.....		06/20/2017	MBS PAYDOWN.....		4,275	4,275	4,430	4,281		(6)		(6)		4,275		0	93	11/20/2043	1FE.....	
86213B AB 3	STR 2014-1A A2.....		06/20/2017	MBS PAYDOWN.....		1,250	1,250	1,249	1,247		3		3		1,250		0	26	04/20/2044	1FE.....	
88033G CP 3	THC 7 1/2 01/01/22.....		05/25/2017	BARCLAYS CAPITAL.....		217,500	200,000	200,000	200,000				0		200,000		17,500	17,500	7,500	01/01/2022	4FE.....
90345K AB 6	US AIRWAYS 2010-1B PTT.....		04/22/2017	MATURITY.....		673,245	673,245	723,738	680,403		(7,158)		(7,158)		673,245		0	28,613	04/22/2017	3FE.....	
90346W AB 9	US AIR 2013-1B.....		05/24/2017	SINKING FUND REDEMPTION.....		35,066	35,066	34,277	34,953		113		113		35,066		0	942	11/15/2021	2FE.....	
90932P AB 4	UNITED AIR 2014-1 B PTT.....		04/11/2017	SINKING FUND REDEMPTION.....		127,764	127,764	127,501	127,617		147		147		127,764		0	3,034	04/11/2022	2FE.....	
91474@ AA 2	UNIVERSITY OF MICHIGAN.....		06/15/2017	SINKING FUND REDEMPTION.....		15,752	15,752	15,752	15,752				0		15,752		0	232	06/15/2039	1.....	
92553P AU 6	VIACOM INC.....		06/26/2017	DEUTSCHE BANK.....		4,384,480	4,000,000	3,974,120	3,975,203		195		195		3,975,398		409,082	409,082	193,700	09/01/2043	2FE.....
92930R AF 9	WFRBS 2012-C9 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				13,975	11,296		(11,296)		(11,296)				0	1,334	11/15/2045	1FE.....	
92936T AF 9	WFRBS 2012-C7 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				136,897	108,859		(108,859)		(108,859)				0	11,553	06/15/2045	1FE.....	
949834 AA 3	WFMB 2007-14 1A1.....		06/30/2017	MBS PAYDOWN.....		69,745	83,247	76,492	68,938		808		808		69,745		0	2,164	10/25/2037	1FM.....	
94988X AX 4	WFCM 2014-LC16 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				9,517			(9,517)		(9,517)				0	732	08/15/2050	1FE.....	
94989D AZ 2	WFCM 2015-C27 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				8,450	6,758		(6,758)		(6,758)				0	488	02/15/2048	1FE.....	
94989V AG 4	WFCM 2015-NXS3 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				9,714	8,148		(8,148)		(8,148)				0	667	09/15/2057	1FE.....	
94989Y BC 6	WFCM 2016-C32 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				7,221	6,500		(6,500)		(6,500)				0	451	01/15/2059	1FE.....	
95000J AY 4	WFCM 2016-LC25 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				8,648	8,560		(8,560)		(8,560)				0	592	12/15/2059	1FE.....	
95000M BS 9	WFCM 2016-C36 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				9,756	9,580		(9,580)		(9,580)				0	604	11/15/2059	1FE.....	
95000P AH 7	WFCM 2016-C37 XA.....		06/01/2017	INTEREST ONLY PAYMENT.....				9,865	9,741		(9,741)		(9,741)				0	704	12/15/2049	1FE.....	
97655J AH 5	WIN 2016-1 1A8.....		06/01/2017	MBS PAYDOWN.....		410,295	410,295	418,244	411,244		(949)		(949)		410,295		0	6,324	01/20/2046	1FM.....	
98212B AG 8	WPX ENERGY INC.....		06/26/2017	SALOMON/CITIGROUP.....		1,075,000	1,000,000	1,000,000	1,000,000				0		1,000,000		75,000	75,000	75,167	08/01/2023	4FE.....
98956P AC 6	ZIMMER HOLDINGS.....		06/29/2017	CREDIT SUISSE/FIRST BOSTON.....		852,269	830,000	831,826	830,975		(97)		(97)		830,879		21,390	21,390	16,730	11/30/2021	2FE.....
G0620B AC 2	ATLSS 2014-1 B.....		06/15/2017	MBS PAYDOWN.....		136,855	136,855	136,855	136,855				0		136,855		0	3,628	12/15/2039	2FE.....	
00164N AA 9	ALM 2015-12A D.....	D	06/20/2017	CALL at 100.000.....		3,000,000	3,000,000	2,736,900	2,772,190		227,810		227,810		3,000,000		0	133,349	04/16/2027	1F.....	
05330K AA 3	AUTO METRO PR.....	D	06/30/2017	SINKING FUND REDEMPTION.....		20,000	20,000	19,262	19,262				0		19,262		738	738	675	06/30/2035	3FE.....
398435 AC 1	GRIFOLS WORLDWIDE OP LTD.....	D	04/24/2017	TENDER OFFER.....		523,867	500,000	500,000	500,000				0		500,000		23,867	23,867	13,125	04/01/2022	4FE.....
67590N AE 4	OCT20 2014-1A C.....	D	05/12/2017	CALL at 100.000.....		5,000,000	5,000,000	4,905,500	4,920,591		79,409		79,409		5,000,000		0	93,646	08/12/2026	1FE.....	
71647N AF 6	PETROBAS GLOBAL FINANCE.....	D	06/26/2017	BARCLAYS CAPITAL.....		1,415,250	1,500,000	1,053,750	1,107,221		22,438		22,438		1,129,659		285,591	285,591	39,922	05/20/2023	4FE.....
77426N AA 1	ROCKW 2007-1A A1LA.....	D	05/01/2017	CALL at 100.000.....		806,055	806,055	780,866	778,631		27,424		27,424		806,055		0	4,899	08/01/2024	1FE.....	
85430X AE 8	STAMC 2007-1A B1L.....	D	05/30/2017	CALL at 100.000.....		6,000,000	6,000,000	5,891,250	5,929,137		70,863		70,863		6,000,000		0	103,548	02/27/2021	1FE.....	
EF6935 10 2	MITCHELLS & BUTLER.....	D	06/15/2017	MBS PAYDOWN.....		89,133	89,133	74,598	88,351		782		782		89,133		0	675	12/15/2030	1FE.....	
3899999	Total - Bonds - Industrial and Miscellaneous.....					76,862,766	73,147,224	73,324,566	73,941,861	0	(202,949)	0	(202,949)	0	73,869,973	0	2,992,792	2,992,792	2,145,810	XXX	XXX
<b>Bonds - Hybrid Securities</b>																					
20035A AA 2	COMED FIN III.....		04/04/2017	RAYMOND JAMES.....		1,047,500	1,000,000	1,055,160	1,053,938		(540)		(540)		1,053,398		(5,898)	(5,898)	35,631	03/15/2033	3F.....
4899999	Total - Bonds - Hybrid Securities.....					1,047,500	1,000,000	1,055,160	1,053,938	0	(540)	0	(540)	0	1,053,398	0	(5,898)	(5,898)	35,631	XXX	XXX
8399997	Total - Bonds - Part 4.....					84,393,181	79,638,939	80,224,563	80,690,716	0	(463,004)	0	(463,004)	0	80,360,702	0	4,032,478	4,032,478	2,420,394	XXX	XXX
8399999	Total - Bonds.....					84,393,181	79,638,939	80,224,563	80,690,716	0	(463,004)	0	(463,004)	0	80,360,702	0	4,032,478	4,032,478	2,420,394	XXX	XXX
<b>Common Stocks - Industrial and Miscellaneous</b>																					
00123Q 10 4	AMERICAN CAPITAL AGENCY.....		05/30/2017	WELLS FARGO.....		79,000,000	1,614,184	XXX	1,511,736				0		1,511,736		102,448	102,448	56,880	XXX	L.....
035710 40 9	ANNALY CAPITAL MANAGEMENT INC.....		05/31/2017	WELLS FARGO.....		50,000,000	594,667	XXX	515,375				0		515,375		79,292	79,292	21,021	XXX	L.....
09257W 10 0	BLACKSTONE MORTGAGE TRU CL-A.....		05/31/2017	WELLS FARGO.....		72,000,000	2,242,210	XXX	1,964,398				(200,642)		1,964,398		277,813	277,813	89,280	XXX	L.....

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
46131B 10 0	INVESCO MORTGAGE CAPITAL.....		05/31/2017	WELLS FARGO.....	37,000.000	596,094	XXX	523,332	540,200	(16,868)			(16,868)		523,332		72,762	72,762	29,600	XXX	L.....
617477 10 4	MORGAN STANLEY EMERGING MARK.....		06/29/2017	WELLS FARGO.....	42,650.000	345,274	XXX	335,331	305,801	29,531			29,531		335,331		9,943	9,943	14,512	XXX	L.....
64828T 20 1	NEW RESIDENTAL INVESTMENT.....		05/30/2017	WELLS FARGO.....	105,425.000	1,724,445	XXX	1,382,632	1,657,281	(274,649)			(274,649)		1,382,632		341,813	341,813	80,172	XXX	L.....
66704R 80 3	NORTHSTAR REALTY FINANCE COMMON STK		01/11/2017	FREE DELIVER OF SECURITIES..	320,971.500	4,147,369	XXX	4,147,369	4,862,718	(715,349)			(715,349)		4,147,369			0	14,264	XXX	L.....
72201Y 10 1	PIMCO DYNAMIC INCOME FUND.....		05/11/2017	VARIOUS.....	27,701.000	811,898	XXX	806,219	767,318	38,901			38,901		806,219		5,680	5,680	36,648	XXX	L.....
85571B 10 5	STARWOOD PROPERTY TRUST.....		05/30/2017	WELLS FARGO.....	100,000.000	2,205,187	XXX	1,977,955	2,195,000	(217,045)			(217,045)		1,977,955		227,233	227,233	96,000	XXX	L.....
9099999	Total - Common Stocks - Industrial and Miscellaneous.....					14,281,328	XXX	13,164,347	12,493,358	(1,356,121)	0	0	(1,356,121)	0	13,164,347	0	1,116,984	1,116,984	438,377	XXX	XXX
9799997	Total - Common Stocks - Part 4.....					14,281,328	XXX	13,164,347	12,493,358	(1,356,121)	0	0	(1,356,121)	0	13,164,347	0	1,116,984	1,116,984	438,377	XXX	XXX
9799999	Total - Common Stocks.....					14,281,328	XXX	13,164,347	12,493,358	(1,356,121)	0	0	(1,356,121)	0	13,164,347	0	1,116,984	1,116,984	438,377	XXX	XXX
9899999	Total - Preferred and Common Stocks.....					14,281,328	XXX	13,164,347	12,493,358	(1,356,121)	0	0	(1,356,121)	0	13,164,347	0	1,116,984	1,116,984	438,377	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks.....					98,674,509	XXX	93,388,910	93,184,074	(1,356,121)	(463,004)	0	(1,819,125)	0	93,525,049	0	5,149,462	5,149,462	2,858,771	XXX	XXX

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

**SCHEDULE DB - PART A - SECTION 1**

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)
<b>Purchased Options - Hedging Effective - Call Options and Warrants</b>																						
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Wells Fargo Bank, N.A. KB1H1DSPRFMYMUCUFXT09	01/04/2017	01/02/2018	11,079	25,014,499	2303 / 2461		748,054		748,054		1,181,179							96/96
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Goldman Sachs International Canadian Imperial Bank of Commerce W22LROWP2IHZNBB6K528	01/05/2017	01/04/2018	10,616	24,106,282	2316 / 2475		670,188		670,188		1,103,261							98/98
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Bank of Commerce 2IG19DL77OX0HC3ZE78	01/09/2017	01/05/2018	8,727	19,833,591	2318 / 2477		562,433		562,433		893,402							96/97
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	SunTrust Bank... IYDOJBGJWY9T8XKCSX06	01/11/2017	01/08/2018	11,561	26,230,753	2314 / 2473		743,372		743,372		1,181,669							96/96
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Wells Fargo Bank, N.A. Canadian Imperial Bank of Commerce KB1H1DSPRFMYMUCUFXT09	01/17/2017	01/12/2018	6,957	15,814,026	2319 / 2478		447,613		447,613		714,098							96/96
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Bank of Commerce 2IG19DL77OX0HC3ZE78	01/18/2017	01/16/2018	11,951	27,103,553	2313 / 2472		780,520		780,520		1,238,433							93/94
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Goldman Sachs International Canadian Imperial Bank of Commerce W22LROWP2IHZNBB6K528	01/23/2017	01/19/2018	9,256	20,994,367	2314 / 2472		585,905		585,905		958,517							94/95
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Bank of Commerce 2IG19DL77OX0HC3ZE78	01/24/2017	01/22/2018	11,764	26,647,813	2311 / 2469		779,659		779,659		1,218,026							95/96
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Wells Fargo Bank, N.A. Canadian Imperial Bank of Commerce KB1H1DSPRFMYMUCUFXT09	01/30/2017	01/24/2018	9,289	21,287,230	2337 / 2498		564,493		564,493		917,149							96/97
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Bank of Commerce Canadian Imperial Bank of Commerce 2IG19DL77OX0HC3ZE78	01/31/2017	01/29/2018	8,999	20,525,819	2327 / 2486		563,675		563,675		900,757							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Bank of Commerce 2IG19DL77OX0HC3ZE78	02/03/2017	02/01/2018	12,499	28,495,470	2325 / 2485		856,994		856,994		1,262,842							97/97
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Barclays Bank... G5GSEF7VJP5I7OUK5573	02/07/2017	02/05/2018	12,115	27,783,814	2339 / 2500		787,233		787,233		1,183,286							97/97
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Wells Fargo Bank, N.A. KB1H1DSPRFMYMUCUFXT09	02/10/2017	02/08/2018	7,773	17,874,608	2346 / 2507		524,056		524,056		746,081							94/95
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	SunTrust Bank... IYDOJBGJWY9T8XKCSX06	02/15/2017	02/12/2018	10,099	23,522,995	2376 / 2539		699,356		699,356		859,986							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Wells Fargo Bank, N.A. Canadian Imperial Bank of Commerce KB1H1DSPRFMYMUCUFXT09	02/21/2017	02/16/2018	7,747	18,197,393	2396 / 2560		531,289		531,289		632,743							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Bank of Commerce 2IG19DL77OX0HC3ZE78	02/22/2017	02/20/2018	9,743	23,045,897	2413 / 2578		636,608		636,608		744,918							96/95
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Barclays Bank... G5GSEF7VJP5I7OUK5573	02/28/2017	02/26/2018	13,375	31,661,568	2415 / 2580		885,291		885,291		1,021,381							94/94
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Goldman Sachs International W22LROWP2IHZNBB6K528	03/01/2017	02/28/2018	8,476	20,034,213	2411 / 2576		627,563		627,563		658,652							95/94
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Goldman Sachs International W22LROWP2IHZNBB6K528	03/03/2017	03/01/2018	7,957	19,031,155	2440 / 2607		511,874		511,874		539,343							94/93
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Barclays Bank... G5GSEF7VJP5I7OUK5573	03/07/2017	03/05/2018	11,542	27,449,877	2426 / 2592		751,384		751,384		848,642							93/92
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Wells Fargo Bank, N.A. Canadian Imperial Bank of Commerce KB1H1DSPRFMYMUCUFXT09	03/09/2017	03/08/2018	12,034	28,450,662	2411 / 2577		832,151		832,151		946,133							98/98
Call Spread	Embedded option within IUL products	N/A	Equity/ Index	Bank of Commerce 2IG19DL77OX0HC3ZE78	03/15/2017	03/12/2018	11,327	26,844,310	2417 / 2583		780,260		780,260		870,691							95/95

QE06

## SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5		6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange	Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528	03/20/2017	03/19/2018	9,425	22,445,732	2429 / 2596		628,271		628,271		690,882							96/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528	03/22/2017	03/21/2018	12,361	29,178,808	2408 / 2573		794,318		794,318		989,388							97/96
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Barclays Bank	G5GSEF7VJP5I7OUK5573	03/27/2017	03/26/2018	7,387	17,330,493	2393 / 2557		488,059		488,059		623,063							93/93
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528	03/29/2017	03/28/2018	13,593	31,958,910	2398 / 2563		923,150		923,150		1,136,927							96/96
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528	04/04/2017	04/02/2018	13,861	32,695,881	2406 / 2571		915,441		915,441		1,128,207							95/94
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Barclays Bank	G5GSEF7VJP5I7OUK5573	04/10/2017	04/04/2018	10,306	24,288,666	2404 / 2569		693,697		693,697		841,229							96/96
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce Canadian Imperial	2IG19DL77OX0HC3ZE78	04/12/2017	04/09/2018	9,261	21,823,176	2404 / 2569		594,927		594,927		761,449							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce	2IG19DL77OX0HC3ZE78	04/18/2017	04/16/2018	13,675	32,077,605	2393 / 2557		895,849		895,849		1,163,847							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	SunTrust Bank	IYDOJBGJWY9T8XKCSX06	04/21/2017	04/20/2018	7,472	17,534,798	2394 / 2558		497,262		497,262		617,178							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce	2IG19DL77OX0HC3ZE78	04/25/2017	04/23/2018	12,524	29,590,956	2410 / 2575		891,834		891,834		1,019,658							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528	05/01/2017	04/30/2018	14,565	34,753,692	2434 / 2625		1,038,048		1,038,048		1,191,911							95/94
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A.	KB1H1DSPRFMYMCFXT09	05/02/2017	05/01/2018	7,859	18,769,885	2436 / 2603		511,228		511,228		591,614							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Barclays Bank	G5GSEF7VJP5I7OUK5573	05/08/2017	05/07/2018	8,319	19,902,625	2440 / 2608		553,796		553,796		619,440							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A.	KB1H1DSPRFMYMCFXT09	05/09/2017	05/07/2018	9,786	23,480,333	2447 / 2639		704,494		704,494		772,790							94/93
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce	2IG19DL77OX0HC3ZE78	05/15/2017	05/09/2018	8,891	21,295,634	2443 / 2611		605,744		605,744		656,653							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528	05/16/2017	05/14/2018	9,569	22,987,800	2450 / 2619		634,042		634,042		686,149							93/93
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528	05/22/2017	05/17/2018	12,256	29,110,819	2423 / 2613		947,144		947,144		1,052,711							90/89
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528	05/23/2017	05/21/2018	9,356	22,398,451	2442 / 2657		735,756		735,756		802,364							97/96
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce	2IG19DL77OX0HC3ZE78	05/26/2017	05/24/2018	6,549	15,754,012	2454 / 2676		535,708		535,708		550,854							96/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A.	KB1H1DSPRFMYMCFXT09	05/31/2017	05/29/2018	10,434	25,181,207	2462 / 2682		819,486		819,486		849,146							96/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528	06/06/2017	06/04/2018	14,377	34,993,618	2483 / 2653		967,572		967,572		915,040							95/94
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A.	KB1H1DSPRFMYMCFXT09	06/09/2017	06/07/2018	7,007	17,043,056	2481 / 2651		501,071		501,071		457,676							94/93

QE06.1

## SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International Canadian Imperial Bank of Commerce	W22LROWP2IHZNBB6K528...	06/13/2017 06/12/2018	10,683	25,959,370	2479 / 2649...		742,789		742,789		698,870							95/95.....
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Bank of Commerce Canadian Imperial Bank of Commerce	2IG19DL77OX0HC3ZE78.....	06/16/2017 06/14/2018	7,887	19,217,306	2485 / 2656...		532,215		532,215		516,351							96/95.....
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Bank of Commerce	2IG19DL77OX0HC3ZE78.....	06/20/2017 06/18/2018	8,934	21,841,397	2494 / 2665...		612,515		612,515		562,970							94/94.....
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/23/2017 06/21/2018	10,203	24,850,121	2484 / 2655...		715,434		715,434		662,451							97/96.....
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Barclays Bank.....	G5GSEF7VJP5I7OUK5573.....	06/27/2017 06/25/2018	8,883	21,664,749	2488 / 2658...		605,021		605,021		572,501							93/92.....
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/29/2017 06/28/2018	9,203	22,415,287	2484 / 2704...		696,115		696,115		687,130							96/95.....
0019999. Total-Purchased Options-Hedging Effective-Call Options and Warrants.....										0	34,650,955	0	34,650,955	XX	42,439,638	0	0	0	0	0	XXX	XXX
0079999. Total-Purchased Options-Hedging Effective.....										0	34,650,955	0	34,650,955	XX	42,439,638	0	0	0	0	0	XXX	XXX

**Purchased Options - Hedging Other - Call Options and Warrants**

QE06.2

Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Barclays Bank.....	G5GSEF7VJP5I7OUK5573.....	05/31/2017 05/01/2018	7,859	18,769,885	2603 / 2658...		109,162		74,692		74,692	(34,469)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Barclays Bank.....	G5GSEF7VJP5I7OUK5573.....	05/31/2017 05/07/2018	8,319	19,902,625	2608 / 2659...		106,816		128,150		128,150	21,334						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Barclays Bank.....	G5GSEF7VJP5I7OUK5573.....	05/31/2017 05/07/2018	9,786	23,480,333	2639 / 2672...		71,536		116,143		116,143	44,608						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Barclays Bank.....	G5GSEF7VJP5I7OUK5573.....	05/31/2017 05/09/2018	8,891	21,295,634	2611 / 2664...		116,650		68,318		68,318	(48,332)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Barclays Bank.....	G5GSEF7VJP5I7OUK5573.....	05/31/2017 05/14/2018	9,569	22,987,800	2619 / 2677...		130,043		106,987		106,987	(23,055)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Barclays Bank.....	G5GSEF7VJP5I7OUK5573.....	05/31/2017 05/17/2018	12,256	29,110,819	2613 / 2635...		74,884		109,216		109,216	34,332						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017 03/01/2018	7,957	19,031,155	2607 / 2659...		72,966		69,236		69,236	(3,730)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017 03/05/2018	11,542	27,449,877	2592 / 2649...		132,848		128,240		128,240	(4,609)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017 03/08/2018	12,034	28,450,662	2577 / 2627...		143,325		141,317		141,317	(2,008)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017 03/12/2018	11,327	26,844,310	2583 / 2635...		134,791		132,347		132,347	(2,444)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017 03/19/2018	9,425	22,445,732	2596 / 2645...		99,057		96,597		96,597	(2,459)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017 03/21/2018	12,361	29,178,882	2573 / 2624...		162,300		162,040		162,040	(260)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017 03/26/2018	7,387	17,330,493	2557 / 2610...		113,686		115,304		115,304	1,618						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017 03/28/2018	13,593	31,958,910	2563 / 2613...		223,677		195,576		195,576	(28,100)						

## SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5		6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange	Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017	04/02/2018	...13,861	...32,695,881	2571 / 2626...		...207,083		...206,097		...206,097	.....(987)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017	04/04/2018	...10,306	...24,288,666	2569 / 2619...		...145,418		...145,480		...145,480	.....62						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017	04/09/2018	...9,261	...21,823,176	2569 / 2620...		...134,007		...134,248		...134,248	.....241						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017	04/16/2018	...13,675	...32,077,605	2557 / 2607...		...213,467		...216,613		...216,613	.....3,147						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017	04/20/2018	...7,472	...17,534,798	2558 / 2608...		...117,609		...119,500		...119,500	.....1,891						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017	04/23/2018	...12,524	...29,590,956	2575 / 2626...		...182,850		...183,633		...183,633	.....782						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	05/31/2017	04/30/2018	...14,565	...34,753,692	2625 / 2653...		...110,566		...91,165		...91,165	.....(19,401)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/01/2017	01/29/2018	...8,999	...20,525,819	2486 / 2536...		...217,062		...189,618		...189,618	.....(27,444)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/01/2017	01/24/2018	...9,289	...21,287,230	2498 / 2549...		...187,452		...181,331		...181,331	.....(6,121)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/01/2017	01/22/2018	...11,764	...26,647,813	2469 / 2520...		...275,395		...274,085		...274,085	.....(1,311)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/01/2017	01/19/2018	...9,256	...20,994,367	2472 / 2523...		...212,795		...210,990		...210,990	.....(1,806)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/01/2017	01/16/2018	...11,951	...27,103,553	2472 / 2524...		...278,100		...275,260		...275,260	.....(2,839)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/01/2017	01/12/2018	...6,957	...15,814,026	2478 / 2526...		...145,819		...143,552		...143,552	.....(2,267)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/01/2017	01/08/2018	...11,561	...26,230,753	2473 / 2523...		...256,885		...253,451		...253,451	.....(3,434)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/01/2017	01/05/2018	...8,727	...19,833,591	2477 / 2526...		...185,885		...182,494		...182,494	.....(3,391)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/01/2017	01/04/2018	...10,616	...24,106,282	2475 / 2525...		...232,172		...228,139		...228,139	.....(4,033)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International	W22LROWP2IHZNBB6K528...	06/01/2017	01/02/2018	...11,079	...25,014,499	2461 / 2511...		...260,135		...259,157		...259,157	.....(977)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Wells Fargo Bank, N.A.	KB1H1DSPRFMYMCUFXT09	06/01/2017	02/28/2018	...8,476	...20,034,213	2576 / 2626...		...108,747		...100,729		...100,729	.....(8,019)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Wells Fargo Bank, N.A.	KB1H1DSPRFMYMCUFXT09	06/01/2017	02/26/2018	...13,375	...31,661,568	2580 / 2632...		...170,531		...156,613		...156,613	.....(13,918)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Wells Fargo Bank, N.A.	KB1H1DSPRFMYMCUFXT09	06/01/2017	02/20/2018	...9,743	...23,045,897	2578 / 2628...		...119,352		...109,228		...109,228	.....(10,124)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Wells Fargo Bank, N.A.	KB1H1DSPRFMYMCUFXT09	06/01/2017	02/16/2018	...7,747	...18,197,393	2560 / 2611...		...108,535		...101,792		...101,792	.....(6,744)						
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Wells Fargo Bank, N.A.	KB1H1DSPRFMYMCUFXT09	06/01/2017	02/12/2018	...10,099	...23,522,995	2539 / 2589...		...161,180		...154,871		...154,871	.....(6,309)						

QE06.3

## SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)	
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Wells Fargo Bank, N.A. KB1H1DSPRFMYMCUFXT09.	06/01/2017	02/08/2018	...7,773	...17,874,635	2507 / 2559....	.....	.....154,527	.....	.....152,599	...	.....152,599	.....(1,928)	.....	.....	.....	.....	.....	.....	.....
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Wells Fargo Bank, N.A. KB1H1DSPRFMYMCUFXT09.	06/01/2017	02/05/2018	...12,115	...27,783,814	2500 / 2549....	.....	.....238,544	.....	.....236,365	...	.....236,365	.....(2,180)	.....	.....	.....	.....	.....	.....	.....
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Wells Fargo Bank, N.A. KB1H1DSPRFMYMCUFXT09.	.....	02/01/2018	...12,499	...28,495,470	2485 / 2535....	.....	.....268,479	.....	.....268,375	...	.....268,375	.....(104)	.....	.....	.....	.....	.....	.....	.....
0089999. Total-Purchased Options-Hedging Other-Call Options and Warrants.....														XX	.....6,219,548	.....(164,789)	.....0	.....0	.....0	.....0	XXX	XXX	
0149999. Total-Purchased Options-Hedging Other.....														XX	.....6,219,548	.....(164,789)	.....0	.....0	.....0	.....0	XXX	XXX	
0369999. Total-Purchased Options-Call Options and Warrants.....														XX	.....40,870,503	.....(164,789)	.....0	.....0	.....0	.....0	XXX	XXX	
0429999. Total-Purchased Options.....														XX	.....48,659,186	.....(164,789)	.....0	.....0	.....0	.....0	XXX	XXX	
1399999. Total-Hedging Effective.....														XX	.....42,439,638	.....0	.....0	.....0	.....0	.....0	XXX	XXX	
1409999. Total-Hedging Other.....														XX	.....6,219,548	.....(164,789)	.....0	.....0	.....0	.....0	XXX	XXX	
1449999. TOTAL.....														XX	.....48,659,186	.....(164,789)	.....0	.....0	.....0	.....0	XXX	XXX	

QE06.4



**SCHEDULE DB - PART B - SECTION 1**

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22
														15	16	17					
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-end (b)	Value of One (1) Point

**NONE**

QE07

**SCHEDULE DB - PART D - SECTION 1**  
Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1 Description of Exchange, Counterparty or Central Clearinghouse	2 Master Agreement (Y or N)	3 Credit Support Annex (Y or N)	4 Fair Value of Acceptable Collateral	Book Adjusted Carrying Value			Fair Value			11 Potential Exposure	12 Off-Balance Sheet Exposure
				5 Contracts with Book/Adjusted Carrying Value > 0	6 Contracts with Book/Adjusted Carrying Value < 0	7 Exposure Net of Collateral	8 Contracts with Fair Value > 0	9 Contracts with Fair Value < 0	10 Exposure Net of Collateral		
<b>NAIC 1 Designation</b>											
Barclays Bank.....	G5GSEF7VJP5I7OUK5573...	Y.....	Y.....	6,110,000	5,367,987	0	6,313,048		203,048		0
Canadian Imperial Bank of Commerce.....	2IGI19DL77OX0HC3ZE78....	Y.....	Y.....	12,180,000	9,628,941	0	12,360,851		180,851		0
Goldman Sachs International.....	W22LROWP2IHZNBB6K528.	Y.....	Y.....	17,280,000	16,469,078	0	18,237,273		957,273		0
Wells Fargo Bank, N.A.....	KB1H1DSPRFMYMCFXT09	Y.....	Y.....	8,980,000	7,464,507	0	9,089,181		109,181		0
0299999. Total NAIC 1 Designation.....				44,550,000	38,930,513	0	46,000,353	0	1,450,353	0	0
<b>NAIC 2 Designation</b>											
SunTrust Bank.....	IYDOJBGJWY9T8XKCSX06.	Y.....	Y.....	2,690,000	1,939,990	0	2,658,833		0		0
0399999. Total NAIC 2 Designation.....				2,690,000	1,939,990	0	2,658,833	0	0	0	0
0999999. Gross Totals.....				47,240,000	40,870,503	0	48,659,186	0	1,450,353	0	0
1. Offset per SSAP No. 64.....											
2. Net after right of offset per SSAP No. 64.....					40,870,503	0					

QE08

**SCHEDULE DB - PART D - SECTION 2**

Collateral for Derivative Instruments Open as of Current Statement Date

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
<b>Collateral Pledged to Reporting Entity</b>								
Barclays Bank.....	G5GSEF7VJP517OUK5573....	Cash.....		6,110,000	6,110,000	XXX		V.....
Canadian Imperial Bank of Commerce.....	2IG19DL77OX0HC3ZE78.....	Cash.....		12,180,000	12,180,000	XXX		V.....
Goldman Sachs International.....	W22LROWP2IHZNBB6K528...	Cash.....		17,280,000	17,280,000	XXX		V.....
SunTrust Bank.....	IYDOJBGJWY9T8XKCSX06...	Cash.....		2,690,000	2,690,000	XXX		V.....
Wells Fargo Bank, N.A.....	KB1H1DSPRFMYMCFXT09...	Cash.....		8,980,000	8,980,000	XXX		V.....
0299999. Totals.....				47,240,000	47,240,000	XXX	XXX	XXX

QE09

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

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

**PENN INSURANCE AND ANNUITY COMPANY**  
**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
State Street.....	New York, NY.....				3,636,499	5,631,659	7,718,293	XXX
FHLB.....	Pittsburgh, PA.....				802,631	201,352	350,791	XXX
JP Morgan Chase.....	Springfield, IL.....				62,981	63,824	62,736	XXX
Northern Trust Bank.....	Chicago, IL.....				41,485	47,791	41,377	XXX
PNC Bank.....	Philadelphia, PA.....				(98,937)	(410,543)	805,219	XXX
0199999. Total Open Depositories.....	XXX	XXX	0	0	4,444,659	5,534,083	8,978,416	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	0	0	4,444,659	5,534,083	8,978,416	XXX
0599999. Total Cash.....	XXX	XXX	0	0	4,444,659	5,534,083	8,978,416	XXX

### **SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
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**NONE**

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