

PORTFOLIO OF INVESTMENTS**August 31, 2019 (Unaudited)**

<u>Shares/\$ Par</u>	<u>Value</u>
Preferred Stock & Hybrid Preferred Securities^s — 78.5%	
Banking — 41.0%	
Bank of America Corporation:	
\$ 3,600,000	5.875% to 03/15/28 then 3ML + 2.931%, Series FF \$ 3,917,160 ^{*(1)(2)}
\$ 400,000	6.30% to 03/10/26 then 3ML + 4.553%, Series DD 451,842 ^{*(2)}
\$ 1,050,000	BB&T Corporation, 4.80% to 09/01/24 then T5Y + 3.003% 1,059,187 ^{*(1)(2)}
12,900	Capital One Financial Corporation, 6.00%, Series H 344,752 ^{*(2)}
Citigroup, Inc.:	
\$ 266,000	5.875% to 03/27/20 then 3ML + 4.059%, Series O 268,419 ^{*(2)}
\$ 460,000	5.95% to 05/15/25 then 3ML + 3.905%, Series P 492,593 ^{*(2)}
113,670	6.875% to 11/15/23 then 3ML + 4.13%, Series K 3,182,760 ^{*(1)(2)}
119,778	7.125% to 09/30/23 then 3ML + 4.04%, Series J 3,432,837 ^{*(1)(2)}
Citizens Financial Group, Inc.:	
35,000	6.35% to 04/06/24 then 3ML + 3.642%, Series D 978,218 ^{*(1)(2)}
\$ 1,000,000	6.375% to 04/06/24 then 3ML + 3.157%, Series C 1,046,520 ^{*(1)(2)(3)}
CoBank ACB:	
16,300	6.125%, Series G, 144A**** 1,654,450 ^{*(2)}
10,000	6.20% to 01/01/25 then 3ML + 3.744%, Series H, 144A**** 1,071,000 ^{*(2)}
10,000	6.25% to 10/01/22 then 3ML + 4.557%, Series F, 144A**** 1,060,000 ^{*(1)(2)}
\$ 447,000	6.25% to 10/01/26 then 3ML + 4.66%, Series I, 144A**** 481,642 ^{*(2)}
Fifth Third Bancorp:	
51,230	6.00%, Series A 1,383,978 ^{*(1)(2)}
244,994	6.625% to 12/31/23 then 3ML + 3.71%, Series I 6,920,150 ^{*(1)(2)}
First Horizon National Corporation:	
795	First Tennessee Bank, 3ML + 0.85%, min 3.75%, 3.75% ⁽⁴⁾ , 144A**** 588,300 ^{*(2)}
1	FT Real Estate Securities Company, 9.50% 03/31/31, 144A**** 1,305,000
Goldman Sachs Group:	
\$ 2,100,000	5.00% to 11/10/22 then 3ML + 2.874%, Series P 2,080,879 ^{*(1)(2)(3)}
\$ 600,000	5.50% to 08/10/24 then T5Y + 3.623%, Series Q 629,232 ^{*(2)}
\$ 142,000	3ML + 3.884%, 6.065% ⁽⁴⁾ , Series L 142,355 ^{*(2)}
50,000	6.375% to 05/10/24 then 3ML + 3.55%, Series K 1,386,155 ^{*(1)(2)}
HSBC Holdings PLC:	
\$ 800,000	HSBC Capital Funding LP, 10.176% to 06/30/30 then 3ML + 4.98%, 144A**** 1,291,224 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾
Huntington Bancshares, Inc.:	
106,000	6.25%, Series D 2,818,752 ^{*(1)(2)}
\$ 1,000,000	5.70% to 04/15/23 then 3ML + 2.88%, Series E 1,011,965 ^{*(1)(2)(3)}
JPMorgan Chase & Company:	
\$ 500,000	5.00% to 08/01/24 then SOFRRATE + 3.38%, Series FF 519,375 ^{*(2)}
\$ 2,869,000	3ML + 3.47%, 5.7358% ⁽⁴⁾ , Series I 2,888,280 ^{*(1)(2)(3)}
\$ 4,715,000	6.75% to 02/01/24 then 3ML + 3.78%, Series S 5,254,702 ^{*(1)(2)}
90,400	KeyCorp, 6.125% to 12/15/26 then 3ML + 3.892%, Series E 2,567,559 ^{*(1)(2)}
\$ 1,660,000	Lloyds TSB Bank PLC, 12.00% to 12/16/24 then 3ML + 11.756%, 144A**** 2,004,657 ⁽²⁾⁽⁵⁾
\$ 2,790,000	M&T Bank Corporation, 6.45% to 02/15/24 then 3ML + 3.61%, Series E 3,029,145 ^{*(1)(2)}
15,000	Merchants Bancorp, 6.00% to 10/01/24 then 3ML + 4.569%, Series B 389,175 ^{*(2)}

PORTFOLIO OF INVESTMENTS (Continued)

August 31, 2019 (Unaudited)

<u>Shares/\$ Par</u>		<u>Value</u>
Preferred Stock & Hybrid Preferred Securities — (Continued)		
Banking — (Continued)		
	Morgan Stanley:	
77,800	5.85% to 04/15/27 then 3ML + 3.491%, Series K	\$ 2,106,824 ^{*(1)(2)}
154,665	6.875% to 01/15/24 then 3ML + 3.94%, Series F	4,339,900 ^{*(1)(2)}
80,516	7.125% to 10/15/23 then 3ML + 4.32%, Series E	2,299,159 ^{*(1)(2)}
174,600	New York Community Bancorp, Inc., 6.375% to 03/17/27 then 3ML + 3.821%, Series A . .	4,917,574 ^{*(1)(2)}
17,600	People's United Financial, Inc., 5.625% to 12/15/26 then 3ML + 4.02%, Series A . .	485,672 ^{*(2)}
	PNC Financial Services Group, Inc.:	
272,457	6.125% to 05/01/22 then 3ML + 4.067%, Series P	7,495,973 ^{*(1)(2)}
\$ 625,000	6.75% to 08/01/21 then 3ML + 3.678%, Series O	673,219 ^{*(1)(2)(3)}
	Regions Financial Corporation:	
119,500	5.70% to 08/15/29 then 3ML + 3.148%, Series C	3,305,669 ^{*(1)(2)}
50,000	6.375% to 09/15/24 then 3ML + 3.536%, Series B	1,385,125 ^{*(1)(2)}
	Sovereign Bancorp:	
1,750	Sovereign REIT, 12.00%, Series A, 144A****	1,907,876 ⁽²⁾
	State Street Corporation:	
\$ 250,000	5.625% to 12/15/23 then 3ML + 2.539%, Series H	256,630 ^{*(2)}
92,900	5.90% to 03/15/24 then 3ML + 3.108%, Series D	2,501,100 ^{*(1)(2)}
8,494	Sterling Bancorp, 6.50%, Series A	237,790 ^{*(2)}
39,827	Synovus Financial Corporation, 5.875% to 07/01/24 then T5Y + 4.127%, Series E . .	1,056,312 ^{*(2)}
10,000	Texas Capital Bancshares Inc., 6.50%, Series A	261,000 ^{*(2)}
15,000	TriState Capital Holdings, Inc., 6.375% to 07/01/26 then 3ML + 4.088%, Series B . .	402,975 ^{*(2)}
30,000	Valley National Bancorp, 5.50% to 09/30/22 then 3ML + 3.578%, Series B	775,650 ^{*(2)}
	Wells Fargo & Company:	
15,000	5.625%, Series Y	400,380 ^{*(2)}
241	7.50%, Series L	350,862 ^{*(2)}
60,300	5.85% to 09/15/23 then 3ML + 3.09%, Series Q	1,592,752 ^{*(1)(2)}
\$ 2,075,000	5.875% to 06/15/25 then 3ML + 3.99%, Series U	2,290,063 ^{*(1)(2)(3)}
\$ 1,095,000	3ML + 3.77%, 6.1803% ⁽⁴⁾ , Series K	1,104,581 ^{*(1)(2)(3)}
35,900	6.625% to 03/15/24 then 3ML + 3.69%, Series R	1,002,148 ^{*(1)(2)}
\$ 1,225,000	Zions Bancorporation, 7.20% to 09/15/23 then 3ML + 4.44%, Series J	1,323,876 ^{*(1)(2)}
		98,125,373
Financial Services — 1.3%		
\$ 460,000	AerCap Global Aviation Trust, 6.50% to 06/15/25 then 3ML + 4.30%, 06/15/45, 144A****	492,775 ⁽⁵⁾
\$ 476,000	E*TRADE Financial Corporation, 5.30% to 03/15/23 then 3ML + 3.16%, Series B . .	471,580 ^{*(2)}
	General Motors Financial Company:	
\$ 453,000	5.75% to 09/30/27 then 3ML + 3.598%, Series A	421,979 ^{*(2)}
\$ 775,000	6.50% to 09/30/28 then 3ML + 3.436%, Series B	762,197 ^{*(2)}

Flaherty & Crumrine Preferred and Income Fund Incorporated
PORTFOLIO OF INVESTMENTS (Continued)
August 31, 2019 (Unaudited)

Shares/\$ Par	Value
Preferred Stock & Hybrid Preferred Securities — (Continued)	
Financial Services — (Continued)	
10,000	National Rural Utilities Cooperative Finance Corporation, 5.50% 05/15/64 \$ 279,625
21,500	Stifel Financial Corp., 6.25%, Series B 586,198 ^{*(2)}
	3,014,354
Insurance — 18.5%	
Allstate Corporation:	
52,800	5.10%, Series H 1,379,928 ^{*(1)(2)}
61,363	6.625%, Series E 1,563,529 ^{*(1)(2)}
\$ 1,610,000	American International Group, Inc., 8.175% to 05/15/38 then 3ML + 4.195%, 05/15/58 2,159,847 ⁽¹⁾⁽³⁾
\$ 300,000	Aon Corporation, 8.205% 01/01/27 375,270 ⁽¹⁾⁽³⁾
Arch Capital Group, Ltd.:	
12,000	5.25%, Series E 300,780 ^{** (2)(5)}
10,500	5.45%, Series F 268,433 ^{** (2)(5)}
89,000	Athene Holding Ltd., 6.35% to 06/30/29 then 3ML + 4.253%, Series A 2,523,595 ^{** (1)(2)(5)}
\$ 1,423,000	AXA SA, 6.379% to 12/14/36 then 3ML + 2.256%, 144A ^{****} 1,654,728 ^{** (1)(2)(3)(5)}
21,450	Axis Capital Holdings Ltd., 5.50%, Series E 548,155 ^{** (2)(5)}
Chubb Ltd.:	
\$ 975,000	Ace Capital Trust II, 9.70% 04/01/30 1,434,128 ⁽¹⁾⁽³⁾
139,279	Delphi Financial Group, 3ML + 3.19%, 5.3481% ⁽⁴⁾ 05/15/37 3,168,597 ⁽¹⁾⁽³⁾
45,000	Enstar Group Ltd., 7.00% to 09/01/28 then 3ML + 4.015%, Series D 1,207,463 ^{** (1)(2)(5)}
\$ 885,000	Everest Reinsurance Holdings, 3ML + 2.385%, 4.5431% ⁽⁴⁾ 05/15/37 806,762 ⁽¹⁾⁽³⁾
4,589	Hartford Financial Services Group, Inc., 7.875% to 04/15/22 then 3ML + 5.596%, 04/15/42 133,701
\$ 3,736,000	Liberty Mutual Group, 7.80% 03/15/37, 144A ^{****} 4,731,999 ⁽¹⁾⁽³⁾
MetLife, Inc.:	
\$ 3,600,000	9.25% 04/08/38, 144A ^{****} 5,117,742 ⁽¹⁾⁽³⁾
\$ 3,096,000	10.75% 08/01/39 4,990,334 ⁽¹⁾⁽³⁾
PartnerRe Ltd.:	
22,777	5.875%, Series I 595,732 ^{** (1)(2)(5)}
5,600	6.50%, Series G 151,284 ^{** (2)(5)}
81,529	7.25%, Series H 2,212,697 ^{** (1)(2)(5)}
\$ 402,000	Prudential Financial, Inc., 5.625% to 06/15/23 then 3ML + 3.92%, 06/15/43 431,533
18,200	RenaissanceRe Holdings Ltd., 5.75%, Series F 481,275 ^{** (2)(5)}
Unum Group:	
\$ 5,160,000	Provident Financing Trust I, 7.405% 03/15/38 5,877,730 ⁽¹⁾
25,000	Voya Financial, Inc., 5.35% to 09/15/29 then T5Y + 3.21%, Series B 685,313 ^{*(2)}
XL Group Limited:	
\$ 1,400,000	Catlin Insurance Company Ltd., 3ML + 2.975%, 5.2775% ⁽⁴⁾ , 144A ^{****} 1,395,128 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾
	44,195,683

PORTFOLIO OF INVESTMENTS (Continued)**August 31, 2019 (Unaudited)**

<u>Shares/\$ Par</u>		<u>Value</u>
Preferred Stock & Hybrid Preferred Securities — (Continued)		
Utilities — 8.3%		
42,000	Algonquin Power & Utilities Corporation, 6.20% to 07/01/24 then 3ML + 4.01%, 07/01/79, Series 2019-A	\$ 1,163,925 ⁽⁵⁾
\$ 670,000	CenterPoint Energy, Inc., 6.125% to 09/01/23 then 3ML + 3.27%, Series A	702,304 ^{*(2)}
	Commonwealth Edison:	
\$ 3,127,000	COMED Financing III, 6.35% 03/15/33	3,468,073 ⁽¹⁾⁽³⁾
114,700	Dominion Energy, Inc., 5.25% 07/30/76, Series A	3,051,307 ⁽¹⁾⁽³⁾
10,000	DTE Energy Company, 6.00% 12/15/76, Series F	278,495
20,500	Duke Energy Corporation, 5.75%, Series A	570,976 ^{*(2)}
\$ 2,180,000	Emera, Inc., 6.75% to 06/15/26 then 3ML + 5.44%, 06/15/76, Series 2016A	2,374,064 ⁽¹⁾⁽³⁾⁽⁵⁾
25,000	Indianapolis Power & Light Company, 5.65%	2,586,713 ^{*(2)}
80,000	Integrus Energy Group, Inc., 6.00% to 08/01/23 then 3ML + 3.22%, 08/01/73	2,172,000 ⁽¹⁾
	NiSource, Inc.:	
\$ 325,000	5.65% to 06/15/23 then T5Y + 2.843%, Series A	323,549 ^{*(2)}
30,000	6.50% to 03/15/24 then T5Y + 3.632%, Series B	828,375 ^{*(1)(2)}
	PECO Energy:	
\$ 500,000	PECO Energy Capital Trust III, 7.38% 04/06/28, Series D	580,236 ⁽¹⁾⁽³⁾
	PPL Corp:	
44,960	PPL Capital Funding, Inc., 5.90% 04/30/73, Series B	1,149,402 ⁽¹⁾⁽³⁾
	Southern California Edison:	
20,000	SCE Trust V, 5.45% to 03/15/26 then 3ML + 3.79%, Series K	497,900 ^{*(2)}
		<u>19,747,319</u>
Energy — 5.4%		
	DCP Midstream LP:	
\$ 1,140,000	7.375% to 12/15/22 then 3ML + 5.148%, Series A	1,093,283 ⁽¹⁾⁽²⁾⁽³⁾
3,700	7.875% to 06/15/23 then 3ML + 4.919%, Series B	88,961 ⁽²⁾
\$ 1,120,000	Enbridge, Inc., 6.00% to 01/15/27 then 3ML + 3.89%, 01/15/77	1,174,298 ⁽¹⁾⁽³⁾⁽⁵⁾
	Energy Transfer LP:	
	Energy Transfer Operating LP:	
123,855	7.375% to 05/15/23 then 3ML + 4.53%, Series C	2,985,215 ⁽¹⁾⁽²⁾⁽³⁾
117,000	7.60% to 05/15/24 then 3ML + 5.161%, Series E	2,929,973 ⁽¹⁾⁽²⁾⁽³⁾
1,500	7.625% to 08/15/23 then 3ML + 4.738%, Series D	36,938 ⁽²⁾
\$ 500,000	Enterprise Products Operating L.P., 5.25% to 08/16/27 then 3ML + 3.033%, 08/16/77, Series E	494,510
33,700	NuStar Logistics LP, 3ML + 6.734%, 9.0374% ⁽⁴⁾ 01/15/43	874,852 ⁽¹⁾⁽³⁾
	Transcanada Pipelines, Ltd.:	
\$ 1,000,000	5.30% to 03/15/27 then 3ML + 3.208%, 03/15/77, Series 2017-A	994,020 ⁽¹⁾⁽³⁾⁽⁵⁾
\$ 2,150,000	5.875% to 08/15/26 then 3ML + 4.64%, 08/15/76, Series 2016-A	2,271,518 ⁽¹⁾⁽³⁾⁽⁵⁾
		<u>12,943,568</u>
Communication — 0.3%		
\$ 700,000	Vodafone Group PLC, 7.00% to 04/04/29 then SW5 + 4.873%, 04/04/79	800,065 ⁽⁵⁾
		<u>800,065</u>

Flaherty & Crumrine Preferred and Income Fund Incorporated
PORTFOLIO OF INVESTMENTS (Continued)
August 31, 2019 (Unaudited)

<u>Shares/\$ Par</u>		<u>Value</u>
Preferred Stock & Hybrid Preferred Securities — (Continued)		
Real Estate Investment Trust (REIT) — 0.3%		
3,440	Annaly Capital Management, Inc., 6.95% to 09/30/22 then 3ML + 4.993%, Series F . . . \$	88,494 ⁽²⁾
5,500	National Retail Properties, Inc.: 5.20%, Series F	139,123 ⁽²⁾
8,590	5.70%, Series E	216,597 ⁽¹⁾⁽²⁾
7,760	PS Business Parks, Inc., 5.20%, Series W	199,082 ⁽²⁾
		<u>643,296</u>
Miscellaneous Industries — 3.4%		
\$ 400,000	BHP Billiton Limited: BHP Billiton Finance U.S.A., Ltd., 6.75% to 10/19/25 then SW5 + 5.093%, 10/19/75, 144A****	469,088 ⁽⁵⁾
\$ 413,000	General Electric Company, 5.00% to 01/21/21 then 3ML + 3.33%, Series D Land O' Lakes, Inc.:	375,425 ⁽¹⁾⁽²⁾
\$ 260,000	7.25%, Series B, 144A****	253,825 ⁽²⁾
\$ 3,900,000	8.00%, Series A, 144A****	4,012,125 ⁽¹⁾⁽²⁾
34,700	Ocean Spray Cranberries, Inc., 6.25%, 144A****	3,053,600 ⁽²⁾
		<u>8,164,063</u>
	Total Preferred Stock & Hybrid Preferred Securities (Cost \$171,916,028)	<u>187,633,721</u>
Contingent Capital Securities† — 15.6%		
Banking — 13.7%		
\$ 2,400,000	Banco Bilbao Vizcaya Argentaria SA: 6.125% to 11/16/27 then SW5 + 3.87%	2,261,160 ⁽¹⁾⁽²⁾⁽⁵⁾
\$ 800,000	6.50% to 03/05/25 then T5Y + 5.192%, Series 9	811,600 ⁽²⁾⁽⁵⁾
\$ 530,000	Banco Mercantil del Norte SA, 7.625% to 01/06/28 then T10Y + 5.353%, 144A**** . . Barclays Bank PLC:	532,147 ⁽²⁾⁽⁵⁾
\$ 590,000	7.75% to 09/15/23 then SW5 + 4.842%	602,959 ⁽¹⁾⁽²⁾⁽⁵⁾
\$ 2,802,000	7.875% to 03/15/22 then SW5 + 6.772%, 144A****	2,921,225 ⁽²⁾⁽⁵⁾
\$ 1,600,000	8.00% to 06/15/24 then T5Y + 5.672%	1,665,224 ⁽¹⁾⁽²⁾⁽⁵⁾
\$ 420,000	BNP Paribas: 7.00% to 08/16/28 then SW5 + 3.98%, 144A****	457,128 ⁽²⁾⁽⁵⁾
\$ 5,315,000	7.375% to 08/19/25 then SW5 + 5.15%, 144A****	5,910,838 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾
\$ 1,500,000	7.625% to 03/30/21 then SW5 + 6.314%, 144A****	1,586,775 ⁽²⁾⁽⁵⁾
\$ 290,000	Credit Agricole SA, 7.875% to 01/23/24 then SW5 + 4.898%, 144A****	321,407 ⁽²⁾⁽⁵⁾
\$ 1,100,000	Credit Suisse Group AG: 6.375% to 08/21/26 then T5Y + 4.822%, 144A****	1,139,050 ⁽²⁾⁽⁵⁾
\$ 800,000	7.25% to 09/12/25 then SW5 + 4.332%, 144A****	852,316 ⁽²⁾⁽⁵⁾
\$ 800,000	7.50% to 07/17/23 then SW5 + 4.60%, 144A****	852,652 ⁽²⁾⁽⁵⁾
\$ 350,000	HSBC Holdings PLC: 6.00% to 05/22/27 then ISDA5 + 3.746%	351,407 ⁽²⁾⁽⁵⁾
\$ 3,710,000	6.50% to 03/23/28 then ISDA5 + 3.606%	3,816,106 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾
\$ 200,000	Lloyds Banking Group PLC, 7.50% to 09/27/25 then SW5 + 4.496%	207,171 ⁽²⁾⁽⁵⁾

PORTFOLIO OF INVESTMENTS (Continued)**August 31, 2019 (Unaudited)**

<u>Shares/\$ Par</u>	<u>Value</u>
Contingent Capital Securities — (Continued)	
Banking — (Continued)	
\$ 540,000 Macquarie Bank Ltd., 6.125% to 03/08/27 then SW5 + 3.703%, 144A****	\$ 544,201**(2)(5)
\$ 400,000 Societe Generale SA: 6.75% to 04/06/28 then SW5 + 3.929%, 144A****	404,860**(2)(5)
\$ 4,000,000 7.375% to 09/13/21 then SW5 + 6.238%, 144A****	4,215,000**(1)(2)(5)
Standard Chartered PLC:	
\$ 1,815,000 7.50% to 04/02/22 then SW5 + 6.301%, 144A****	1,903,481**(1)(2)(3)(5)
\$ 1,250,000 7.75% to 04/02/23 then SW5 + 5.723%, 144A****	1,338,394**(1)(2)(3)(5)
	<u>32,695,101</u>
Insurance — 1.9%	
\$ 4,043,000 QBE Insurance Group Ltd., 7.50% to 11/24/23 then SW10 + 6.03%, 11/24/43, 144A****	4,519,144(1)(3)(5)
	<u>4,519,144</u>
Total Contingent Capital Securities	
(Cost \$35,802,263)	<u>37,214,245</u>
Corporate Debt Securities^s — 4.4%	
Banking — 1.7%	
131,238 Texas Capital Bancshares Inc., 6.50% 09/21/42, Sub Notes	3,437,123(1)
18,000 Zions Bancorporation, 6.95% to 09/15/23 then 3ML + 3.89%, 09/15/28, Sub Notes	516,487(1)
	<u>3,953,610</u>
Financial Services — 0.0%	
1,000 B. Riley Financial, Inc., 7.50% 05/31/27	25,535
	<u>25,535</u>
Insurance — 1.3%	
\$ 2,000,000 Liberty Mutual Insurance, 7.697% 10/15/97, 144A****	3,083,537(1)(3)
	<u>3,083,537</u>
Energy — 0.9%	
Energy Transfer LP:	
\$ 1,680,000 Energy Transfer Operating LP, 8.25% 11/15/29	2,203,650(1)(3)
	<u>2,203,650</u>
Communication — 0.5%	
Qwest Corporation:	
22,170 6.50% 09/01/56	554,139
28,330 6.75% 06/15/57	717,990
	<u>1,272,129</u>
Total Corporate Debt Securities	
(Cost \$8,748,677)	<u>10,538,461</u>

Flaherty & Crumrine Preferred and Income Fund Incorporated
PORTFOLIO OF INVESTMENTS (Continued)
August 31, 2019 (Unaudited)

Shares/\$ Par	Value
Money Market Fund — 1.0%	
BlackRock Liquidity Funds:	
2,345,203 T-Fund, Institutional Class	\$ 2,345,203
Total Money Market Fund	
(Cost \$2,345,203)	2,345,203
Total Investments (Cost \$218,812,171***)	99.5% 237,731,630
Other Assets And Liabilities (Net)	0.5% 1,299,593
Total Managed Assets	100.0%‡ \$ 239,031,223
Loan Principal Balance	(80,100,000)
Total Net Assets Available To Common Stock	<u>\$ 158,931,223</u>

§ Date shown is maturity date unless referencing the end of the fixed-rate period of a fixed-to-floating rate security.

* Securities eligible for the Dividends Received Deduction and distributing Qualified Dividend Income.

** Securities distributing Qualified Dividend Income only.

*** Aggregate cost of securities held.

**** Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional buyers. At August 31, 2019, these securities amounted to \$63,127,314 or 26.4% of total managed assets.

(1) All or a portion of this security is pledged as collateral for the Fund's loan. The total value of such securities was \$156,904,702 at August 31, 2019.

(2) Perpetual security with no stated maturity date.

(3) All or a portion of this security has been rehypothecated. The total value of such securities was \$71,620,487 at August 31, 2019.

(4) Represents the rate in effect as of the reporting date.

(5) Foreign Issuer.

† A Contingent Capital Security is a hybrid security with contractual loss-absorption characteristics.

‡ The percentage shown for each investment category is the total value of that category as a percentage of total managed assets.

ABBREVIATIONS:

3ML	— 3-Month ICE LIBOR USD A/360
ISDA5	— 5-year USD ICE Swap Semiannual 30/360
SOFRRATE	— Secured Overnight Funding Rate, Federal Reserve Bank of New York
SW5	— 5-year USD Swap Semiannual 30/360
SW10	— 10-year USD Swap Semiannual 30/360
T5Y	— Federal Reserve H.15 5-Yr Constant Maturity Treasury Semiannual yield
T10Y	— Federal Reserve H.15 10-Yr Constant Maturity Treasury Semiannual yield

FINANCIAL HIGHLIGHTS⁽¹⁾

For the period December 1, 2018 through August 31, 2019 (Unaudited)

For a Common Stock share outstanding throughout the period

PER SHARE OPERATING PERFORMANCE:

Net asset value, beginning of period	\$ 12.69
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INVESTMENT OPERATIONS:

Net investment income	0.64
Net realized and unrealized gain/(loss) on investments	1.50
Total from investment operations	2.14

DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:

From net investment income	(0.68)
Total distributions to Common Stock Shareholders	(0.68)
Net asset value, end of period	\$ 14.15
Market value, end of period	\$ 14.60
Common Stock shares outstanding, end of period	11,228,042

RATIOS TO AVERAGE NET ASSETS AVAILABLE TO COMMON STOCK SHAREHOLDERS:

Net investment income†	6.29%*
Operating expenses including interest expense	3.04%*
Operating expenses excluding interest expense	1.30%*

SUPPLEMENTAL DATA: ††

Portfolio turnover rate	12%**
Total managed assets, end of period (in 000's)	\$ 239,031
Ratio of operating expenses including interest expense to average total managed assets	1.99%*
Ratio of operating expenses excluding interest expense to average total managed assets	0.85%*

⁽¹⁾ These tables summarize the nine months ended August 31, 2019 and should be read in conjunction with the Fund's audited financial statements, including notes to the financial statements, in its Annual Report dated November 30, 2018.

* Annualized.

** Not annualized.

† The net investment income ratio reflects income net of operating expenses, including interest expense.

†† Information presented under heading Supplemental Data includes loan principal balance.

FINANCIAL HIGHLIGHTS (Continued)
Per Share of Common Stock (Unaudited)

	Total Dividends Paid	Net Asset Value	NYSE Closing Price	Dividend Reinvestment Price⁽¹⁾
December 31, 2018.....	\$0.0780	\$12.39	\$11.55	\$11.77
January 31, 2019.....	0.0750	13.11	13.13	13.11
February 28, 2019.....	0.0750	13.22	13.29	13.22
March 29, 2019.....	0.0750	13.36	13.77	13.36
April 30, 2019.....	0.0750	13.61	13.26	13.34
May 31, 2019.....	0.0750	13.57	14.26	13.57
June 28, 2019.....	0.0750	13.78	14.73	13.99
July 31, 2019.....	0.0750	14.04	15.41	14.64
August 30, 2019.....	0.0750	14.15	14.60	14.15

⁽¹⁾ Whenever the net asset value per share of the Fund's Common Stock is less than or equal to the market price per share on the reinvestment date, new shares issued will be valued at the higher of net asset value or 95% of the then current market price. Otherwise, the reinvestment shares of Common Stock will be purchased in the open market.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

1. Aggregate Information for Federal Income Tax Purposes

At August 31, 2019, the aggregate cost of securities for federal income tax purposes was \$220,217,496, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$19,935,026 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$2,420,892.

2. Additional Accounting Standards

Fair Value Measurements: The Fund has analyzed all existing investments to determine the significance and character of all inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers in and out of levels are recognized at market value at the end of the period.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

A summary of the inputs used to value the Fund's investments as of August 31, 2019 is as follows:

	Total Value at August 31, 2019	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Preferred Stock & Hybrid Preferred Securities				
Banking	\$ 98,125,373	\$ 83,366,340	\$ 14,759,033	\$ —
Financial Services	3,014,354	2,521,579	492,775	—
Insurance	44,195,683	26,146,469	18,049,214	—
Utilities	19,747,319	10,940,297	8,807,022	—
Energy	12,943,568	12,943,568	—	—
Communication	800,065	800,065	—	—
Real Estate Investment Trust (REIT)	643,296	643,296	—	—
Miscellaneous Industries	8,164,063	844,513	7,319,550	—
Contingent Capital Securities				
Banking	32,695,101	32,162,954	532,147	—
Insurance	4,519,144	—	4,519,144	—
Corporate Debt Securities				
Banking	3,953,610	3,953,610	—	—
Financial Services	25,535	25,535	—	—
Insurance	3,083,537	—	3,083,537	—
Energy	2,203,650	—	2,203,650	—
Communication	1,272,129	1,272,129	—	—
Money Market Fund	2,345,203	2,345,203	—	—
Total Investments	\$ 237,731,630	\$177,965,558	\$ 59,766,072	\$ —

During the reporting period, there were no transfers into Level 1 from Level 2 or into Level 2 from Level 1. During the reporting period, there were no transfers into or out of Level 3.

The fair values of the Fund's investments are generally based on market information and quotes received from brokers or independent pricing services that are approved by the Board of Directors and are unaffiliated with the Adviser. To assess the continuing appropriateness of security valuations, management, in consultation with the Adviser, regularly compares current prices to prior prices, prices across comparable securities, actual sale prices for securities in the Fund's portfolio, and market information obtained by the Adviser as a function of being an active market participant.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

Securities with quotes that are based on actual trades or actionable bids and offers with a sufficient level of activity on or near the measurement date are classified as Level 1. Securities that are priced using quotes derived from implied values, indicative bids and offers, or a limited number of actual trades—or the same information for securities that are similar in many respects to those being valued—are classified as Level 2. If market information is not available for securities being valued, or materially-comparable securities, then those securities are classified as Level 3. In considering market information, management evaluates changes in liquidity, willingness of a broker to execute at the quoted price, the depth and consistency of prices from pricing services, and the existence of observable trades in the market.