

FOXBY CORP.
Form N-CSR
March 09, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-09261

Foxby Corp.
(Exact name of registrant as specified in charter)

11 Hanover Square, New York, NY 10005
(Address of principal executive offices) (Zipcode)

John F. Ramirez, Esq.
11 Hanover Square
New York, NY 10005
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-212-785-0900
Date of fiscal year end: 12/31

Date of reporting period: 1/1/15 - 12/31/15

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policy making roles.

A registrant is required to disclose the information specified by Form N-CSR and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a current valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under clearance requirements of 44 U.S.C. sec. 3507.

Edgar Filing: FOXBY CORP. - Form N-CSR

FOXBY CORP.

SEEKING TOTAL RETURN

2015
DECEMBER 31
ANNUAL REPORT

WWW.FOXBYCORP.COM

PORTFOLIO ANALYSIS

December 31, 2015

December 31, 2015

TOP TEN
HOLDINGS

- 1 Berkshire Hathaway, Inc.
Class B
- 2 Daimler AG
- 3 Alphabet Inc. Class A
- 4 McDonald's Corp.
- 5 Franklin Resources, Inc.
- 6 Wells Fargo & Company
- 7 The Procter & Gamble
Company
- 8 Myriad Genetics, Inc.
- 9 Cisco Systems, Inc.
- 10 Wal-Mart Stores, Inc.

Top ten holdings comprise
approximately 44% of total
assets.

Holdings are subject to change. The above portfolio information should not be considered as a recommendation to purchase or sell a particular security and there is no assurance that any securities will remain in or out of the Fund.

December 31, 2015

TOP TEN
INDUSTRIES

- 1 Motor Vehicles &
Passenger Car Bodies
- 2 Exchange Traded Funds
- 3 Fire, Marine & Casualty
Insurance
- 4 Investment Advice
- 5 Retail - Eating Places
- 6 Information Retrieval
Services
- 7 National Commercial
Banks
- 8 Soap, Detergents,
Cleaning Preparations,
Perfumes, Cosmetics
- 9 Closed End Funds
- 10 In Vitro & In Vivo
Diagnostic Substances

TO OUR SHAREHOLDERS

December 31, 2015

Dear Fellow Shareholders:

It is a pleasure to welcome our new shareholders who find Foxby Corp.'s total return investment objective attractive and to submit this 2015 Annual Report. In seeking its objective, the Fund may invest in equity and fixed income securities of both new and seasoned U.S. and foreign issuers, including securities convertible into common stock and debt securities, closed end funds, exchange traded funds, and mutual funds, and the Fund may also invest defensively, for example, in high grade money market instruments. The Fund uses a flexible strategy in the selection of securities and is not limited by the issuer's location, industry, or market capitalization. Foxby Corp. also may employ aggressive and speculative investment techniques, such as selling securities short and borrowing money for investment purposes, an approach known as "leverage." A potential benefit of its closed end structure, the Fund may invest without limit in illiquid investments such as private placements and private companies.

Economic and Market Report

At the December 2015 meeting of the Federal Open Market Committee (FOMC) of the Federal Reserve Bank (the "Fed"), the staff's review of the economic situation suggested that real gross domestic product (GDP) was "was increasing at a moderate pace." The staff viewed labor market conditions as having improved in recent months, citing an unemployment rate of 5.0% in October and November. Regarding inflation, the staff noted that "consumer price inflation continued to run below the FOMC's longer-run objective of 2%, restrained in part by declines in both energy prices and the prices of non-energy imported goods." In fact, over the 12 months through November 2015, the Consumer Price Index for All Urban Consumers was up only 0.5% before seasonal adjustment and, on an unadjusted basis, the Producer Price Index for final demand actually declined 1.1% for the 12 months ended in November, the tenth straight 12 month decline. Interestingly, compensation per hour in the business sector was noted as strong, while the employment cost index rose moderately, and average hourly earnings for all employees improved.

Estimating the change in real U.S. GDP 2015 at approximately 2.0 – 2.2%, the Fed's board members and bank presidents recently projected a 2016 change in a range of 2.0 – 2.7%, and 1.8 – 2.5% for 2017. According to the World Bank, global growth decelerated to 2.4% in 2015 from 2.6% in 2014, in part due to lower commodity prices and subdued global trade. Nevertheless, the bank projects growth to strengthen to 2.9% in 2016 and 3.1% in 2017-18, assuming, among other things, a stabilization of commodity prices. Risks to the world economy recently identified by the World Bank include a "disorderly" slowdown in major

emerging market economies, financial market turmoil, and heightened geopolitical tensions.

In summary, recent broad economic data appears moderately positive for the U.S. and the global economies, but adjustments called for from declining commodity prices, including oil, may bring financial market and political instability. Accordingly, investors may expect market volatility, investing risks, and potential total return opportunities, to arise over the course of 2016.

Investment Strategy and Returns

In view of these economic developments, the Fund's strategy in 2015 was to focus on quality companies deemed by the Investment Manager to be undervalued. Generally, the Fund purchased and held equity securities in seeking to

achieve its total return investment objective and sold investments that appeared to have appreciated to levels reflecting less potential for total return. In 2015, the Fund's net investment income, net realized gain on investments, and unrealized depreciation on investments were, respectively, \$43,299, \$498,267, and \$1,128,082, which contributed significantly to the Fund's net asset value return of (7.81)%, including the reinvestment of dividends. Profitable sales during the year of holdings of The Home Depot, Inc. in the home improvement sector were made and losses were taken on Rayonier Advanced Materials Inc. in the basic materials sector which, with other profits and losses realized, resulted in net realized gain on investments. Although no particular investment was responsible for the majority of the unrealized appreciation or depreciation of investments over the period, investments held in the retail and investment management sectors, including WalMart Stores, Inc. and Franklin Resources, Inc., respectively, were significant contributors to unrealized depreciation during the period. At the same time, the Fund benefited from unrealized appreciation of its holdings of Alphabet Inc. (formerly Google Inc.) in the technology sector and McDonald's Corporation in the restaurant sector.

The Fund's market return, also including the reinvestment of dividends, was (13.90)%. Generally, the Fund's total return on a market value basis will be lower than total return on a net asset value basis in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. For comparison, in the same period, the S&P 500 Index total return was 1.36%. The index is unmanaged and does not reflect fees and expenses, nor is it available for direct investment. At December 31, 2015, the Fund's portfolio included over 60 securities

TO OUR SHAREHOLDERS

December 31, 2015

of different issuers, with the top ten amounting to approximately 44% of total assets. At that time, the Fund's investments totaled approximately \$7.6 million, reflecting the use of about \$1.2 million of leverage on net assets of about \$6.4 million. As the Fund pursues its investment objective of seeking total return, these holdings and allocations are subject to change at any time.

Foxby Corp. paid a dividend distribution of \$0.02 per share on December 30, 2015 to shareholders of record as of December 15, 2015. Based on the Fund's results for the year, the distribution was comprised of \$27,115 and \$25,086 of net investment income and return of capital, respectively. The Fund's distributions do not represent yield or investment return, and the amounts and sources of distributions reported above are only estimates and may be subject to changes based on tax regulations.

Portfolio Management Change

Since May 15, 2012, the daily portfolio management of the Fund has been provided by the Investment Policy Committee of the Investment Manager, comprised of: Thomas B. Winmill, Chairman; John F. Ramirez, Director of Fixed Income; Heidi Keating, Vice President-Trading; and, Mark C. Winmill, Chief Investment Strategist. Effective March 1, 2016, Thomas Winmill assumes sole portfolio management responsibility for the Fund. Mr. Winmill currently serves as President, Chief Executive Officer, and a Trustee or Director of the Fund, Dividend and Income Fund, and Midas Series Trust. He is President, Chief Executive Officer, Director, and General Counsel of the investment manager and Bexil Advisers LLC (registered investment advisers, collectively, the "Advisers"), Bexil Corporation and its subsidiaries, and Winmill & Co. Incorporated and its subsidiaries. He is a Director and Vice President of Global Self Storage, Inc. and Vice President of Tuxis Corporation. He is Chairman of the Investment Policy Committee of each of the Advisers, which currently manages the Fund, Midas Magic, and Midas Perpetual Portfolio, and he is the portfolio manager of Dividend and Income Fund and Midas Fund.

Fund Website and Dividend Reinvestment Plan

The Fund's website, www.FoxbyCorp.com, provides investors with investment information, news, and other material about the

Fund. The website also has links to SEC filings, performance data, and daily net asset value reporting. You are invited to use this excellent resource to learn more about the Fund.

Unclaimed Share Accounts

Please be advised that abandoned or unclaimed property laws for certain states require financial organizations to transfer (escheat) unclaimed property (including Fund shares) to the state. Each state has its own definition of unclaimed property, and Fund shares could be considered "unclaimed property" due to account inactivity (e.g., no owner-generated activity for a certain period), returned mail (e.g., when mail sent to a shareholder is returned to the Fund's transfer agent as undeliverable), or a combination of both. If your Fund shares are categorized as unclaimed,

your financial advisor or the Fund's transfer agent will follow the applicable state's statutory requirements to contact you, but if unsuccessful, laws may require that the shares be escheated to the appropriate state. If this happens, you will have to contact the state to recover your property, which may involve time and expense. For more information on unclaimed property and how to maintain an active account, please contact your financial advisor or the Fund's transfer agent.

Long Term Strategies

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

Sincerely,

Thomas B. Winmill
Chairman, Investment Policy Committee

SCHEDULE OF PORTFOLIO INVESTMENTS

December 31,
2015

Financial
Statements

Shares	Common Stocks (104.81%)	Value
	Cigarettes (1.38%)	
1,000	Philip Morris International, Inc.	\$ 87,910
	Computer Communications Equipment (3.85%)	
9,000	Cisco Systems, Inc. ^(a)	244,395
	Computer and Computer Software Stores (1.65%)	
3,750	GameStop Corp.	105,150
	Computer & Office Equipment (0.87%)	
400	International Business Machines Corporation ^(a)	55,048
	Electronic & Other Electrical Equipment (0.75%)	
1,000	Emerson Electric Co.	47,830
	Electronic Computers (1.99%)	
1,200	Apple Inc. ^{(a) (b)}	126,312
	Finance Services (1.09%)	
1,000	American Express Company ^(a)	69,550
	Fire, Marine & Casualty Insurance (8.13%)	
3,500	Berkshire Hathaway, Inc. Class B ^{(a) (b)}	462,140
1,000	W.R. Berkley Corporation	54,750
		516,890
	Information Retrieval Services (6.12%)	
500	Alphabet Inc. Class A ^{(a) (b)}	389,005
	Investment Advice (7.77%)	
900	Ameriprise Financial, Inc. ^(a)	95,778
9,000	Franklin Resources, Inc. ^(a)	331,380
2,000	Invesco Ltd.	66,960
		494,118
	In Vitro & In Vivo Diagnostic Substances (4.07%)	
6,000	Myriad Genetics, Inc. ^(b)	258,960
	Leather & Leather Products (1.01%)	
1,600	Michael Kors Holdings Limited ^(b)	64,096

Edgar Filing: FOXBY CORP. - Form N-CSR

Men's & Boys' Furnishings, Work Clothing, & Allied Garments (1.75%)
1,000 Ralph Lauren Corp.
Miscellaneous Homefurnishings Stores (1.90%)
2,500 Bed Bath & Beyond Inc. ^(b)
See notes to financial statements.

	111,480
	120,625

FOXBY CORP.

Annual Report 2015 4

SCHEDULE OF PORTFOLIO INVESTMENTS

December 31,
2015Financial
Statements

Shares	Common Stocks(continued)	Value
	Motor Vehicles & Passenger Car Bodies (8.60%)	
4,800	Daimler AG	\$ 401,520
4,250	General Motors Company ^(a)	144,543
		546,063
	National Commercial Banks (5.13%)	
6,000	Wells Fargo & Company ^(a)	326,160
	Office Furniture (1.41%)	
9,150	Kimball International Inc. Class B	89,396
	Paperboard Containers & Boxes (0.70%)	
1,000	REXAM PLC	44,720
	Petroleum Refining (1.23%)	
1,000	Exxon Mobil Corp.	77,950
	Pharmaceutical Preparations (0.67%)	
1,000	Sanofi ADR	42,650
	Printed Circuit Boards (1.62%)	
9,375	Kimball Electronics, Inc. ^(b)	103,031
	Railroad Equipment (2.00%)	
3,900	The Greenbrier Companies, Inc.	127,218
	Real Estate (0.96%)	
5,000	NorthStar Asset Management Group Inc.	60,700
	Real Estate Investment Trusts (1.03%)	
2,000	Tanger Factory Outlet Centers, Inc.	65,400
	Retail Consulting and Investment (0.01%)	
72,728	Amerivon Holdings LLC ^(c)	727
	Retail - Drug Stores and Proprietary Stores (3.44%)	
2,500	Express Scripts Holding Company ^{(a) (b)}	218,525
	Retail - Eating Places (6.80%)	
3,000	McDonald's Corp. ^(a)	354,420
400	Panera Bread Company ^{(a) (b)}	77,912
		432,332
	Retail - Family Clothing Stores (1.40%)	


Edgar Filing: FOXBY CORP. - Form N-CSR

3,600	The GAP, Inc. ^(a)	88,920
	Retail - Miscellaneous Shopping Goods Stores (1.90%)	
4,000	Hibbett Sports, Inc. ^(b)	120,960
See notes to financial statements.		

5 Annual Report 2015 FOXBY CORP.

SCHEDULE OF PORTFOLIO INVESTMENTS

December 31,
2015



Financial
Statements