

DREYFUS STRATEGIC MUNICIPALS INC
Form N-CSRS
May 28, 2014

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 811-5245

Dreyfus Strategic Municipals, Inc.
(Exact name of Registrant as specified in charter)

c/o The Dreyfus Corporation

200 Park Avenue

New York, New York 10166
(Address of principal executive offices) (Zip code)

John Pak, Esq.

200 Park Avenue

New York, New York 10166
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 922-6000

Date of fiscal year end: 9/30

Date of reporting period: 3/31/14



FORM N-CSR

Item 1. Reports to Stockholders.

Dreyfus Strategic Municipals, Inc.

SEMIANNUAL REPORT March 31, 2014

Dreyfus Strategic Municipals, Inc.

Protecting Your Privacy

Our Pledge to You

THE FUND IS COMMITTED TO YOUR PRIVACY. On this page, you will find the Fund's policies and practices for collecting, disclosing, and safeguarding "nonpublic personal information," which may include financial or other customer information. These policies apply to individuals who purchase Fund shares for personal, family, or household purposes, or have done so in the past. This notification replaces all previous statements of the Fund's consumer privacy policy, and may be amended at any time. We'll keep you informed of changes as required by law.

YOUR ACCOUNT IS PROVIDED IN A SECURE ENVIRONMENT. The Fund maintains physical, electronic and procedural safeguards that comply with federal regulations to guard nonpublic personal information. The Fund's agents and service providers have limited access to customer information based on their role in servicing your account.

THE FUND COLLECTS INFORMATION IN ORDER TO SERVICE AND ADMINISTER YOUR ACCOUNT.

The Fund collects a variety of nonpublic personal information, which may include:

- Information we receive from you, such as your name, address, and social security number.
- Information about your transactions with us, such as the purchase or sale of Fund shares.
- Information we receive from agents and service providers, such as proxy voting information.

THE FUND DOES NOT SHARE NONPUBLIC PERSONAL INFORMATION WITH ANYONE, EXCEPT AS PERMITTED BY LAW.

Thank you for this opportunity to serve you.

The views expressed in this report reflect those of the portfolio manager only through the end of the period covered and do not necessarily represent the views of Dreyfus or any other person in the Dreyfus organization. Any such views are subject to change at any time based upon market or other conditions and Dreyfus disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Dreyfus fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Dreyfus fund.

Not FDIC-Insured • Not Bank-Guaranteed • May Lose Value

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Dreyfus
Strategic Municipals, Inc.

The Fund

A LETTER FROM THE PRESIDENT

Dear Shareholder:

This semiannual report for Dreyfus Strategic Municipals, Inc. covers the six-month period from October 1, 2013, through March 31, 2014. For information about how the fund performed during the reporting period, as well as general market perspectives, we provide a Discussion of Fund Performance on the pages that follow.

Municipal bonds generally stabilized over the past six months in the wake of previously heightened volatility, enabling them to post positive total returns, on average, for the reporting period. Investors generally took the Federal Reserve Board's gradual shift to a more moderately accommodative monetary policy in stride, investor demand rebounded while the supply of newly issued securities ebbed, and most states and municipalities saw improved credit conditions in the recovering U.S. economy.

We remain cautiously optimistic regarding the municipal bond market's prospects over the months ahead. We expect the domestic economy to continue to strengthen over the next year, which could support higher tax revenues for most states and municipalities. We also anticipate rising demand for a limited supply of securities as more income-oriented investors seek the tax advantages of municipal bonds. However, municipal bonds could prove sensitive to rising long-term interest rates as the economic recovery gains additional traction. As always, we encourage you to discuss our observations with your financial advisor to assess their potential impact on your investments.

Thank you for your continued confidence and support.

J. Charles Cardona
President

The Dreyfus Corporation
April 15, 2014

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DISCUSSION OF FUND PERFORMANCE

For the period of October 1, 2013, through March 31, 2014, as provided by Daniel Barton and Steven Harvey, Portfolio Managers

Fund and Market Performance Overview

For the six-month period ended March 31, 2014, Dreyfus Strategic Municipals, Inc. achieved a total return of 8.17% on a net-asset-value basis.¹ Over the same period, the fund provided aggregate income dividends of \$0.2940 per share, which reflects a distribution rate of 7.26%.²

Despite heightened volatility early in the reporting period, municipal bonds fared relatively well as investor demand rebounded, the supply of newly issued municipal securities declined, and credit conditions generally improved. The fund's emphasis on longer term and lower rated securities contributed to the positive performance.

The Fund's Investment Approach

The fund's investment objective is to maximize current income exempt from federal income tax to the extent consistent with the preservation of capital. Under normal market conditions, the fund invests at least 80% of its net assets in municipal obligations. Generally, the fund invests at least 50% of its net assets in municipal bonds considered investment grade or the unrated equivalent as determined by Dreyfus in the case of bonds, and in the two highest-rating categories or the unrated equivalent as determined by Dreyfus in the case of short-term obligations having or deemed to have maturities of less than one year.

To this end, portfolio construction focuses on income opportunities, through analysis of each bond's structure, including paying close attention to each bond's yield, maturity and early redemption features. When making new investments, we focus on identifying undervalued sectors and securities, and we minimize reliance on interest rate forecasting. We select municipal bonds based on fundamental credit analysis to estimate the relative value and attractiveness of various sectors and securities and to exploit pricing inefficiencies in the municipal bond market. We actively trade among various sectors, such as escrowed, general obligation and revenue, based on their apparent relative values. Leverage, which is utilized in the portfolio in order to generate

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DISCUSSION OF FUND PERFORMANCE *(continued)*

a higher level of current income exempt from regular federal income taxes, does amplify the fund's exposure to interest rate movements, and, potentially, gains or losses, especially those among the longest maturities.

Municipal Bonds Rebounded from Earlier Weakness

After struggling with rising long-term interest rates in a recovering U.S. economy, municipal bonds stabilized over the fourth quarter of 2013, and the first three months of 2014 witnessed a market recovery. Uncertainty regarding changes in U.S. monetary policy was largely resolved in December when the Federal Reserve Board (the "Fed") began to taper its quantitative easing program, helping buoy investor demand for fixed-income securities. Demand was particularly robust for higher yielding securities when investors sought to reinvest interest payments in municipal bonds with higher coupon rates. Demand from nontraditional investors, such as banks, also proved strong. Meanwhile, the supply of newly issued municipal bonds declined due to less refinancing activity in the rising interest rate environment.

The economic rebound resulted in better underlying credit conditions for most issuers, as improving tax revenues and reduced spending enabled many states to balance their budgets and replenish reserves. However, credit concerns lingered with regard to the fiscal problems of two major issuers: The City of Detroit filed for bankruptcy protection during the summer of 2013, and in September, municipal bonds issued by Puerto Rico lost value after media reports detailed the U.S. territory's economic challenges. The fund's holdings in Detroit's water and sewer revenue bonds detracted from returns. Additionally positions in general obligation and revenue bonds in Puerto Rico were negative for relative results.

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Lower Rated Securities Boosted Relative Performance

The fund's strong relative performance during the reporting period was fueled in part by overweighted positions in BBB-rated and high yield municipal bonds. Lower rated credits rebounded sharply as investor confidence returned to the municipal bond market, and the fund received especially good results from bonds backed by revenues from hospitals, industrial business districts, and the states' settlement of litigation with U.S. tobacco companies. The fund also benefited from a longer average duration, as a focus on longer maturities enabled it to participate more fully in gains at the longer end of the maturity spectrum.

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The fund's leveraging strategy magnified the positive impact of these strategies. During the reporting period, we replaced some of the auction-rate preferred securities issued to fund our leveraging strategy with tender option bonds.

Although disappointments proved relatively mild, even light exposure to Puerto Rico bonds weighed on relative performance. Higher quality essential-services revenue bonds also lagged market averages.

Staying Focused on Income

We believe that recently improved market trends have been driven, in part, by investors returning their focus to market and issuer fundamentals now that the Fed is tapering its quantitative easing program, and we expect this positive trend to continue. However, we remain watchful for stronger-than-expected economic data, which could drive longer term interest rates higher and cause yield differences to widen along the market's maturity spectrum. In the meantime, we have continued to emphasize income-oriented municipal bonds, including those with lower credit ratings and longer maturities.

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Bond funds are subject generally to interest rate, credit, liquidity, and market risks, to varying degrees. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes, and rate increases can cause price declines. High yield bonds are subject to increased credit risk and are considered speculative in terms of the issuer's perceived ability to continue making interest payments on a timely basis and to repay principal upon maturity. The use of leverage may magnify the fund's gains or losses. For derivatives with a leveraging component, adverse changes in the value or level of the underlying asset can result in a loss that is much greater than the original investment in the derivative.

1 Total return includes reinvestment of dividends and any capital gains paid, based upon net asset value per share. Past performance is no guarantee of future results. Market price per share, net asset value per share, and investment return fluctuate. Income may be subject to state and local taxes, and some income may be subject to the federal alternative minimum tax (AMT) for certain investors. Capital gains, if any, are fully taxable. Return figure provided reflects the absorption of certain fund expenses by The Dreyfus Corporation pursuant to an agreement in effect until November 30, 2014, at which time it may be extended, modified, or terminated. Had these expenses not been absorbed, the fund's return would have been lower.

2 Annualized distribution rate per share is based upon dividends per share paid from net investment income during the period, annualized divided by the market price per share at the end of the period, adjusted for any capital gain distributions.

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STATEMENT OF INVESTMENTS

March 31, 2014 (Unaudited)

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Long-Term Municipal Investments—153.7%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Alabama—1.3%				
Jefferson County, Limited Obligation School Warrants	5.25	1/1/17	4,520,000	4,544,815
Jefferson County, Limited Obligation School Warrants	5.00	1/1/24	2,000,000	1,987,960
Alaska—1.6%				
Northern Tobacco Securitization Corporation of Alaska, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/46	12,190,000	8,505,938
Arizona—4.5%				
Arizona Housing Finance Authority, SFMR (Mortgage-Backed Securities Program) (Collateralized: FHLMC, FNMA and GNMA)	5.55	12/1/41	1,615,000	1,667,471
Barclays Capital Municipal Trust Receipts (Series 21 W) Recourse (Salt River Project Agricultural Improvement and Power District, Salt River Project Electric System Revenue)	5.00	1/1/38	17,207,871 a,b	18,496,384
Pima County Industrial Development Authority, Education Revenue (American Charter Schools Foundation Project)	5.63	7/1/38	3,410,000	2,926,019
Salt Verde Financial Corporation, Senior Gas Revenue	5.00	12/1/37	500,000	528,625
California—17.9%				
Alameda Corridor Transportation Authority, Senior Lien Revenue	5.00	10/1/20	1,730,000	2,016,453
Barclays Capital Municipal Trust Receipts (Series 80 W) Recourse (Los Angeles Department of Airports, Senior Revenue (Los				

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Angeles International Airport)) California,	5.00	5/15/31	5,247,500 a,b	5,783,998
GO (Various Purpose)	5.75	4/1/31	10,800,000	12,497,868

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Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
California (continued)				
California,				
GO (Various Purpose)	6.50	4/1/33	10,000,000	12,202,900
California,				
GO (Various Purpose)	6.00	11/1/35	7,500,000	8,853,375
California Statewide Communities Development Authority, Revenue (Bentley School)	7.00	7/1/40	2,090,000	2,284,788
California Statewide Communities Development Authority, Student Housing Revenue (CHF-Irvine, LLC-UCI East Campus Apartments, Phase II)	5.75	5/15/32	2,000,000	2,076,980
JPMorgan Chase Putters/Drivers Trust (Series 3851) Non-recourse (California Educational Facilities Authority, Revenue (University of Southern California))	5.25	10/1/16	10,100,000 a,b	11,294,628
JPMorgan Chase Putters/Drivers Trust (Series 4361) Non-recourse (Los Angeles Department of Water and Power, Water System Revenue)	5.00	7/1/20	5,000,000 a,b	5,375,400
RIB Floater Trust (Barclays Bank PLC) (Series 23 U) Recourse (The Regents of the University of California, General Revenue)	5.00	5/15/38	10,000,000 a,b	10,913,300
Sacramento County, Airport System Subordinate and Passenger Facility Charges Grant Revenue	6.00	7/1/35	6,250,000	7,091,438
San Buenaventura,				

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Revenue (Community Memorial Health System)	7.50	12/1/41	2,000,000	2,255,940
San Francisco City and County Redevelopment Agency Community Facilities District Number 6, Special Tax Revenue (Mission Bay South Public Improvements)	5.00	8/1/23	1,000,000	1,118,370

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STATEMENT OF INVESTMENTS (Unaudited) (continued)

Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
California (continued)				
Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds (San Diego County Tobacco Asset Securitization Corporation)	5.00	6/1/37	7,300,000	5,575,813
Tuolumne Wind Project Authority, Revenue (Tuolumne Company Project)	5.88	1/1/29	3,500,000	4,026,645
Colorado—5.4%				
Beacon Point Metropolitan District, GO Colorado Educational and Cultural Facilities Authority, Charter School Revenue (American Academy Project)	8.00	12/1/40	3,500,000	4,013,520
JPMorgan Chase Putters/Drivers Trust (Series 4386) Non-recourse (Board of Governors of the Colorado State University, System Enterprise Revenue)	5.00	3/1/20	7,500,000	8,054,400
RIB Floater Trust (Barclays Bank PLC) (Series 25 U-1) Recourse (Colorado Springs, Utilities System Improvement Revenue)	5.00	11/15/43	9,750,000	10,573,924

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Southlands Metropolitan District				
Number 1, GO (Prerefunded)	7.13	12/1/14	2,000,000 ^c	2,093,000
The Plaza Metropolitan District				
Number 1, Revenue	5.00	12/1/17	1,170,000	1,248,647
District of Columbia—4.2%				
RIB Floater Trust (Barclays Bank PLC) (Series 15 U) Recourse (District of Columbia, Income Tax Secured Revenue)	5.00	12/1/35	19,997,609 ^{a,b}	21,979,109
Florida—5.7%				
Clearwater, Water and Sewer Revenue	5.25	12/1/39	5,000,000	5,343,900
Greater Orlando Aviation Authority, Airport Facilities Revenue	6.25	10/1/20	8,000,000	9,570,080

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Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Florida (continued)				
Mid-Bay Bridge Authority, Springing Lien Revenue	7.25	10/1/34	6,000,000	6,839,760
Saint Johns County Industrial Development Authority, Revenue (Presbyterian Retirement Communities Project)	6.00	8/1/45	6,500,000	6,848,595
Village Community Development District Number 10, Special Assessment Revenue	6.00	5/1/44	1,000,000	1,024,740
Georgia—6.5%				
Atlanta, Water and Wastewater Revenue	6.00	11/1/27	6,000,000	7,127,100
Atlanta, Water and Wastewater Revenue (Insured; Assured Guaranty Municipal Corp.)	5.25	11/1/34	4,000,000	4,311,080
Brooks County Development Authority, Senior Health and Housing Facilities Revenue				

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(Presbyterian Home, Quitman, Inc.)				
(Collateralized; GNMA)	5.70	1/20/39	4,445,000	4,584,084
Georgia Higher Education				
Facilities Authority, Revenue				
(USG Real Estate Foundation I, LLC Project) (Insured; Assured				
Guaranty Corp.)	5.63	6/15/38	6,000,000	6,649,200
RIB Floater Trust (Barclays Bank PLC) (Series 20 U) Recourse				
(Private Colleges and Universities Authority, Revenue (Emory University))	5.00	10/1/43	10,000,000 ^{a,b}	10,903,600
Hawaii—9%				
Hawaii Department of Budget and Finance, Special Purpose Revenue (Hawai'i Pacific Health Obligated Group)	5.75	7/1/40	4,415,000	4,739,767
Idaho—1.0%				
Power County Industrial Development Corporation, SWDR (FMC Corporation Project)	6.45	8/1/32	5,000,000	5,006,200

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STATEMENT OF INVESTMENTS (Unaudited) (continued)

Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Illinois—5.6%				
Chicago, General Airport Senior Lien Revenue (Chicago O'Hare International Airport)	5.00	1/1/24	5,550,000	6,080,913
Chicago, General Airport Third Lien Revenue (Chicago O'Hare International Airport)	5.63	1/1/35	5,000,000	5,400,950
Chicago, GO JPMorgan Chase Putters/Drivers	5.00	1/1/24	2,500,000	2,683,125

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Trust (Series 4360) Non-recourse (Greater Chicago Metropolitan Water Reclamation District, GO Capital Improvement Bonds)	5.00	12/1/19	7,500,000 a,b	8,075,250
Railsplitter Tobacco Settlement Authority, Tobacco Settlement Revenue	6.00	6/1/28	5,050,000	5,807,601
University of Illinois Board of Trustees, Auxiliary Facilities System Revenue (University of Illinois)	5.00	4/1/44	1,000,000	1,051,840
Indiana— .3%				
Indiana Finance Authority, Revenue (Marquette Project)	5.00	3/1/39	1,400,000	1,361,080
Iowa— 1.7%				
Iowa Finance Authority, Midwestern Disaster Area Revenue (Iowa Fertilizer Company Project)	5.25	12/1/25	7,375,000	7,186,274
Tobacco Settlement Authority of Iowa, Tobacco Settlement Asset-Backed Bonds	5.60	6/1/34	2,000,000	1,702,540
Kentucky— .5%				
Louisville/Jefferson County Metro Government, Health Facilities Revenue (Jewish Hospital and Saint Mary's HealthCare, Inc. Project) (Prerefunded)	6.13	2/1/18	2,300,000 c	2,747,074

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Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Louisiana— 1.7%				
Lakeshore Villages Master Community Development District, Special Assessment Revenue	5.25	7/1/17	2,979,000 d	1,177,301
Louisiana Local Government Environmental Facilities and Community Development				

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Authority, Revenue (Westlake Chemical Corporation Projects)	6.75	11/1/32	7,000,000	7,750,960
Maine—0.7%				
Maine Health and Higher Educational Facilities Authority, Revenue (MaineGeneral Medical Center Issue)	7.50	7/1/32	3,000,000	3,412,020
Maryland—1.9%				
JPMorgan Chase Putters/Drivers Trust (Series 4422) Non-recourse (Mayor and City Council of Baltimore, Project Revenue (Water Projects))	5.00	7/1/21	9,000,000 a,b	9,784,575
Massachusetts—11.1%				
Barclays Capital Municipal Trust Receipts (Series 15 W) Recourse (Massachusetts Health and Educational Facilities Authority, Revenue (Massachusetts Institute of Technology Issue))	5.00	7/1/38	13,110,000 a,b	14,400,024
JPMorgan Chase Putters/Drivers Trust (Series 3840) Non-recourse (Massachusetts Development Finance Agency, Revenue (Harvard University Issue))	5.25	2/1/34	10,000,000 a,b	11,417,900
JPMorgan Chase Putters/Drivers Trust (Series 3898) Non-recourse (Massachusetts, Consolidated Loan)	5.00	4/1/19	8,600,000 a,b	9,970,066
JPMorgan Chase Putters/Drivers Trust (Series 4420) Non-recourse (Massachusetts School Building Authority, Senior Dedicated Sales Tax Revenue)	5.00	5/15/21	10,000,000 a,b	10,865,100

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STATEMENT OF INVESTMENTS (Unaudited) (continued)

Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
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Massachusetts (continued)				
Massachusetts Educational Financing Authority, Education				
Loan Revenue (Issue K)	5.25	7/1/29	5,000,000	5,061,350
Massachusetts Health and Educational Facilities Authority, Revenue (Suffolk University Issue)				
	6.25	7/1/30	5,650,000	6,341,390
Michigan—8.2%				
Charyl Stockwell Academy, COP				
	5.90	10/1/35	2,580,000	2,371,330
Detroit, Sewage Disposal System Senior Lien Revenue (Insured; Assured Guaranty Municipal Corp.)				
	7.00	7/1/27	2,500,000	2,666,475
Detroit, Sewage Disposal System Senior Lien Revenue (Insured; Assured Guaranty Municipal Corp.)				
	7.50	7/1/33	5,700,000	6,074,148
Detroit, Water Supply System Senior Lien Revenue				
	5.00	7/1/31	3,000,000	2,867,790
Detroit, Water Supply System Senior Lien Revenue				
	5.25	7/1/41	2,000,000	1,895,900
Kent Hospital Finance Authority, Revenue (Metropolitan Hospital Project)				
	6.00	7/1/35	2,930,000	3,052,708
Michigan Hospital Finance Authority, HR (Henry Ford Health System)				
	5.63	11/15/29	5,000,000	5,281,500
Michigan Strategic Fund, SWDR (Genesee Power Station Project)				
	7.50	1/1/21	8,800,000	8,289,776
Royal Oak Hospital Finance Authority, HR (William Beaumont Hospital Obligated Group)				
	8.25	9/1/39	5,500,000	6,686,295
Wayne County Airport Authority, Airport Revenue (Detroit Metropolitan Wayne County Airport) (Insured; National Public Finance Guarantee Corp.)				
	5.00	12/1/34	3,435,000	3,442,660

Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Minnesota—1.9%				
Dakota County Community Development Agency, SFMR (Mortgage-Backed Securities Program) (Collateralized: FHLMC, FNMA and GNMA)	5.15	12/1/38	258,259	266,862
Dakota County Community Development Agency, SFMR (Mortgage-Backed Securities Program) (Collateralized: FHLMC, FNMA and GNMA)	5.30	12/1/39	432,114	436,314
Minneapolis, Health Care System Revenue (Fairview Health Services) (Insured; Assured Guaranty Corp.)	6.50	11/15/38	5,000,000	5,814,950
Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue (HealthEast Project)	5.15	11/15/20	3,310,000	3,430,418
Mississippi—2.9%				
Mississippi Business Finance Corporation, PCR (System Energy Resources, Inc. Project)	5.88	4/1/22	9,310,000	9,312,234
Mississippi Development Bank, Special Obligation Revenue (Magnolia Regional Health Center Project)	6.50	10/1/31	5,000,000	5,570,050
Missouri—4%				
Missouri Development Finance Board, Infrastructure Facilities Revenue (Independence, Crackerneck Creek Project)	5.00	3/1/28	2,000,000	2,020,100
New Jersey—3.3%				
New Jersey Economic Development				

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Authority, Cigarette Tax Revenue (Prerefunded)	5.75	6/15/14	1,000,000 ^C	1,011,580
New Jersey Economic Development Authority, Special Facility Revenue (Continental Airlines, Inc. Project)	5.25	9/15/29	2,000,000	2,003,060

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STATEMENT OF INVESTMENTS (Unaudited) (continued)

Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
New Jersey (continued)				
New Jersey Higher Education Student Assistance Authority, Senior Student Loan Revenue	5.00	12/1/18	2,500,000	2,771,225
New Jersey Higher Education Student Assistance Authority, Student Loan Revenue (Insured; Assured Guaranty Corp.)	6.13	6/1/30	5,000,000	5,331,600
Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds	4.63	6/1/26	2,000,000	1,755,320
Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/41	5,500,000	4,170,430
New Mexico—1.5%				
Farmington, PCR (Public Service Company of New Mexico San Juan Project)	5.90	6/1/40	7,000,000	7,463,960
New Mexico Mortgage Finance Authority, Single Family Mortgage Program Revenue (Collateralized: FHLMC, FNMA and GNMA)	6.15	7/1/35	415,000	435,003
New York—9.5%				

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Barclays Capital Municipal Trust Receipts (Series 7 B) Recourse (New York City Transitional Finance Authority, Future Tax Secured Subordinate Revenue)	5.50	11/1/27	5,000,000 a,b	5,874,100
Barclays Capital Municipal Trust Receipts (Series 29 W) Recourse (New York City Municipal Water Finance Authority, Water and Sewer System General Resolution Revenue)	5.00	6/15/39	20,000,000 a,b	21,178,000