

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

Guggenheim Credit Allocation Fund  
Form N-Q  
April 29, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-22715

Guggenheim Credit Allocation Fund  
(Exact name of registrant as specified in charter)

227 West Monroe Street, Chicago, IL 60606  
(Address of principal executive offices) (Zip code)

Amy J. Lee

227 West Monroe Street, Chicago, IL 60606  
(Name and address of agent for service)

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

Date of fiscal year end: May 31

Date of reporting period: December 1, 2015 – February 29, 2016

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

Item 1. Schedule of Investments.  
Attached hereto.

Guggenheim Credit Allocation Fund  
SCHEDULE OF INVESTMENTS (Unaudited)

February 29, 2016

|  | Shares    |    | Value            |
|--|-----------|----|------------------|
| <b>COMMON STOCKS† - 0.3%</b>   |           |    |                  |
| <b>Industrial - 0.3%</b>   |           |    |                  |
| Project Silverback Holdings*,†††,1   | 228       | \$ | 257,287          |
| Project Silverback Holdings*,†††,1,6   | 94,522    |    | 82,234           |
| Ursa Insulation B.V.*,†††,1  | 5,282     |    | 1                |
| <b>Total Industrial</b>  |           |    | <b>339,525</b>   |
| <b>Basic Materials - 0.0%**</b>  |           |    |                  |
| Mirabela Nickel Ltd.*,†††,1  | 4,839,202 |    | 345              |
| *,1  | —         |    | —                |
| <b>Total Common Stocks</b>   |           |    | <b>339,867</b>   |
| (Cost \$2,060,958)   |           |    |                  |
| <b>PREFERRED STOCKS† - 3.4%</b>  |           |    |                  |
| <b>Financial - 1.7%</b>  |           |    |                  |
| Bank of America Corp., Series X  |           |    |                  |
| 6.25% <sup>2,3</sup>   | 1,150,000 |    | 1,112,625        |
| Citigroup, Inc., Series M  |           |    |                  |
| 6.30% <sup>2,3</sup>   | 1,100,000 |    | 1,028,500        |
| <b>Total Financial</b>   |           |    | <b>2,141,125</b> |
| <b>Transportation - 1.7%</b>   |           |    |                  |
| Seaspan Corp.  |           |    |                  |
| 6.38%  | 88,000    |    | 2,072,400        |
| —  | —         |    | —                |
| <b>Total Preferred Stocks</b>  |           |    | <b>4,213,525</b> |
| (Cost \$4,432,101)   |           |    |                  |
| <b>SHORT TERM INVESTMENTS† - 1.2%</b>  |           |    |                  |
| Dreyfus Treasury Prime Cash Management Institutional Shares, 0.00% <sup>10</sup> |           |    |                  |
| (Cost \$1,481,973)   | 1,481,973 |    | 1,481,973        |
|  |           |    |                  |
|  | Face      |    | Value            |
|  | Amount~   |    |                  |
| <b>CORPORATE BONDS†† - 67.4%</b>   |           |    |                  |
| <b>Consumer, Non-cyclical - 11.7%</b>  |           |    |                  |
| Vector Group Ltd.  |           |    |                  |
| 7.75% due 02/15/21   | 2,331,000 |    | 2,482,515        |
| Opal Acquisition, Inc.   |           |    |                  |
| 8.88% due 12/15/214  | 2,950,000 |    | 2,197,750        |
| ADT Corp.  |           |    |                  |
| 6.25% due 10/15/21   | 2,200,000 |    | 2,145,000        |
| Midas Intermediate Holdco II LLC / Midas Intermediate Holdco II Finance, Inc.    |           |    |                  |
| 7.88% due 10/01/224  | 2,200,000 |    | 1,980,000        |

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

|  |             |            |
|--|-------------|------------|
| Bumble Bee Holdings, Inc.  |             |            |
| 9.00% due 12/15/174,6  | 1,950,000   | 1,979,250  |
| KeHE Distributors LLC / KeHE Finance Corp.   |             |            |
| 7.63% due 08/15/214  | 1,400,000   | 1,414,000  |
| Central Garden & Pet Co.   |             |            |
| 6.13% due 11/15/23   | 1,150,000   | 1,173,000  |
| Kinetic Concepts Incorporated / KCI USA Inc  |             |            |
| 7.88% due 02/15/214  | 850,000     | 875,500    |
|  | Face        |            |
|  | Amount~     | Value      |
| CORPORATE BONDS†† - 67.4% (continued)  |             |            |
| Consumer, Non-cyclical - 11.7% (continued)   |             |            |
| R&R Ice Cream plc  |             |            |
| 8.25% due 05/15/209  | 200,000 AUD | \$ 142,638 |
| Total Consumer, Non-cyclical   |             | 14,389,653 |
| Energy - 9.7%  |             |            |
| ContourGlobal Power Holdings S.A.  |             |            |
| 7.13% due 06/01/194  | 3,300,000   | 3,002,999  |
| CONSOL Energy, Inc.  |             |            |
| 8.00% due 04/01/23   | 2,500,000   | 1,675,000  |
| Keane Group Holdings LLC   |             |            |
| 8.50% due 08/08/19†††,1  | 1,550,000   | 1,057,875  |
| Crestwood Midstream Partners Limited Partnership / Crestwood Midstream Finance Corp. |             |            |
| 6.00% due 12/15/20   | 1,200,000   | 867,000    |
| Comstock Resources, Inc.   |             |            |
| 10.00% due 03/15/204,6   | 2,225,000   | 806,563    |
| FTS International, Inc.  |             |            |
| 8.14% due 06/15/202,4,6  | 1,100,000   | 672,299    |
| 6.25% due 05/01/22   | 1,175,000   | 123,375    |
| Atlas Energy Holdings Operating Company LLC / Atlas Resource Finance Corp.           |             |            |
| 7.75% due 01/15/21   | 2,051,000   | 287,140    |
| 9.25% due 08/15/21   | 1,975,000   | 276,500    |
| Gibson Energy, Inc.  |             |            |
| 6.75% due 07/15/214  | 650,000     | 552,500    |
| SandRidge Energy, Inc.   |             |            |
| 8.75% due 06/01/204,6  | 2,725,000   | 524,835    |
| Ultra Resources, Inc.  |             |            |
| 4.66% due 10/12/22†††,6  | 700,000     | 427,105    |
| QEP Resources, Inc.  |             |            |
| 6.88% due 03/01/21   | 450,000     | 324,000    |
| EP Energy LLC / Everest Acquisition Finance, Inc.                                    |             |            |
| 9.38% due 05/01/20   | 650,000     | 190,125    |
| 6.38% due 06/15/23   | 400,000     | 108,000    |
| Whiting Petroleum Corp.  |             |            |
| 5.75% due 03/15/21   | 550,000     | 257,125    |
| BreitBurn Energy Partners Limited Partnership / BreitBurn Finance Corp.              |             |            |
| 7.88% due 04/15/226  | 2,200,000   | 220,000    |
| TerraForm Power Operating LLC  |             |            |
| 6.13% due 06/15/254  | 250,000     | 183,750    |
| Schahin II Finance Company SPV Ltd.  |             |            |

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

|   |         |         |
|---|---------|---------|
| 5.88% due 09/25/225,6,9   | 796,100 | 123,794 |
| IronGate Energy Services LLC  |         |         |
| 11.00% due 07/01/186,9  | 240,000 | 97,200  |
| Legacy Reserves Limited Partnership / Legacy Reserves Finance Corp. |         |         |
| 6.63% due 12/01/216   | 750,000 | 75,000  |

---

## Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

Guggenheim Credit Allocation Fund  
SCHEDULE OF INVESTMENTS (Unaudited)

February 29, 2016

|   | Face<br>Amount~ |    | Value      |
|---|-----------------|----|------------|
| <b>CORPORATE BONDS†† - 67.4% (continued)</b>                  |                 |    |            |
| Energy - 9.7% (continued)                                     |                 |    |            |
| Ultra Petroleum Corp.   |                 |    |            |
| 5.75% due 12/15/184,6   | 500,000         | \$ | 25,000     |
| Total Energy  |                 |    | 11,877,185 |
| Industrial - 8.7%   |                 |    |            |
| LMI Aerospace, Inc.   |                 |    |            |
| 7.38% due 07/15/19  | 3,110,000       |    | 2,900,075  |
| Novelis, Inc.   |                 |    |            |
| 8.75% due 12/15/20  | 1,650,000       |    | 1,530,375  |
| 8.38% due 12/15/17  | 850,000         |    | 845,750    |
| StandardAero Aviation Holdings, Inc.                          |                 |    |            |
| 10.00% due 07/15/234  | 1,400,000       |    | 1,302,000  |
| CEVA Group plc  |                 |    |            |
| 7.00% due 03/01/214   | 1,350,000       |    | 1,086,750  |
| Summit Materials LLC / Summit Materials Finance Corp.         |                 |    |            |
| 8.50% due 04/15/224   | 1,000,000       |    | 995,000    |
| CNH Industrial Capital LLC                                    |                 |    |            |
| 4.38% due 11/06/20  | 600,000         |    | 576,000    |
| Standard Industries, Inc.                                     |                 |    |            |
| 5.50% due 02/15/234   | 450,000         |    | 455,625    |
| Princess Juliana International Airport Operating Company N.V. |                 |    |            |
| 5.50% due 12/20/27†††,4,6                                     | 429,844         |    | 430,489    |
| Coveris Holdings S.A.   |                 |    |            |
| 7.88% due 11/01/194,6   | 450,000         |    | 357,750    |
| GCP Applied Technologies, Inc.                                |                 |    |            |
| 9.50% due 02/01/234   | 225,000         |    | 240,750    |
| Total Industrial  |                 |    | 10,720,564 |
| Financial - 7.9%  |                 |    |            |
| Jefferies Finance LLC / JFIN Company-Issuer Corp.             |                 |    |            |
| 7.38% due 04/01/204   | 2,100,000       |    | 1,617,000  |
| 7.50% due 04/15/214   | 1,100,000       |    | 825,000    |
| National Financial Partners Corp.                             |                 |    |            |
| 9.00% due 07/15/214   | 2,000,000       |    | 1,760,000  |
| Majid AL Futtaim Holding                                      |                 |    |            |
| 7.13% due 12/31/49  | 1,500,000       |    | 1,556,250  |
| NewStar Financial, Inc.                                       |                 |    |            |
| 7.25% due 05/01/206   | 1,125,000       |    | 1,001,250  |
| Prosight Global Inc.  |                 |    |            |
| 7.50% due 11/26/20†††,6                                       | 650,000         |    | 683,436    |
| Lock AS   |                 |    |            |
| 7.00% due 08/15/21  | 600,000 EUR     |    | 650,043    |
| HUB International Ltd.  |                 |    |            |

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

|   |               |           |              |
|---|---------------|-----------|--------------|
| 9.25% due 02/15/214   | 600,000       |           | 613,500      |
| Garfunkelux Holding Co. 3 S.A.  |               |           |              |
| 8.50% due 11/01/22  | 450,000 GBP   |           | 596,247      |
| Greystar Real Estate Partners LLC   |               |           |              |
| 8.25% due 12/01/224   | 400,000       |           | 413,000      |
| Total Financial   |               |           | 9,715,726    |
| Consumer, Cyclical - 7.7%   |               |           |              |
| WMG Acquisition Corp.   |               |           |              |
| 6.75% due 04/15/224   | 3,200,000     |           | 3,008,000    |
|   | Face          |           |              |
|   | Amount~       |           | Value        |
| CORPORATE BONDS†† - 67.4% (continued)   |               |           |              |
| Consumer, Cyclical - 7.7% (continued)   |               |           |              |
| Ferrellgas Limited Partnership / Ferrellgas Finance Corp.                             |               |           |              |
| 6.50% due 05/01/21  |               | 1,750,000 | \$ 1,338,750 |
| 6.75% due 01/15/22  | 350,000       |           | 252,000      |
| 6.75% due 06/15/234,6   | 50,000        |           | 35,875       |
| Hanesbrands, Inc.   |               |           |              |
| 6.38% due 12/15/20  | 1,400,000     |           | 1,449,000    |
| Nathan's Famous, Inc.   |               |           |              |
| 10.00% due 03/15/204  | 1,300,000     |           | 1,365,000    |
| NPC International Incorporated / NPC Operating Company A Inc / NPC Operating Co B Inc |               |           |              |
| 10.50% due 01/15/20   | 1,120,000     |           | 1,131,200    |
| Carrols Restaurant Group, Inc.  |               |           |              |
| 8.00% due 05/01/22  | 400,000       |           | 423,000      |
| L Brands, Inc.  |               |           |              |
| 6.88% due 11/01/354   | 250,000       |           | 265,625      |
| Men's Wearhouse, Inc.   |               |           |              |
| 7.00% due 07/01/226   | 200,000       |           | 149,000      |
| Total Consumer, Cyclical  |               |           | 9,417,450    |
| Communications - 8.0%   |               |           |              |
| Sprint Communications, Inc.   |               |           |              |
| 9.00% due 11/15/184   | 2,200,000     |           | 2,283,820    |
| 6.00% due 11/15/22  | 150,000       |           | 105,750      |
| 7.00% due 03/01/204,6   | 50,000        |           | 49,125       |
| DISH DBS Corp.  |               |           |              |
| 5.88% due 11/15/24  | 2,000,000     |           | 1,797,100    |
| Interoute Finco plc   |               |           |              |
| 7.38% due 10/15/20  | 1,500,000 EUR |           | 1,699,320    |
| Avaya, Inc.   |               |           |              |
| 7.00% due 04/01/194   | 2,200,000     |           | 1,353,000    |
| TIBCO Software, Inc.  |               |           |              |
| 11.38% due 12/01/214  | 1,000,000     |           | 817,500      |
| Sprint Corp.  |               |           |              |
| 7.88% due 09/15/23  | 600,000       |           | 444,000      |
| 7.63% due 02/15/25  | 100,000       |           | 71,500       |
| Midcontinent Communications & Midcontinent Finance Corp.                              |               |           |              |
| 6.88% due 08/15/234   | 500,000       |           | 508,750      |
| CSC Holdings LLC  |               |           |              |
| 6.75% due 11/15/21  | 400,000       |           | 406,000      |

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

|                             |           |           |
|-----------------------------|-----------|-----------|
| Numericable-SFR S.A.        |           |           |
| 6.00% due 05/15/224         | 250,000   | 247,500   |
| Total Communications        |           | 9,783,365 |
| Technology - 5.4%           |           |           |
| Epicor Software             |           |           |
| 9.25% due 06/21/23†††,1,6   | 3,000,000 | 2,800,500 |
| Infor US, Inc.              |           |           |
| 6.50% due 05/15/224         | 2,650,000 | 2,298,875 |
| Audatex North America, Inc. |           |           |
| 6.13% due 11/01/234         | 1,000,000 | 1,010,000 |
| Aspect Software, Inc.       |           |           |
| 10.63% due 05/15/17†††,1,5  | 1,100,000 | 581,394   |
| Total Technology            |           | 6,690,769 |
| Basic Materials - 3.6%      |           |           |
| Eldorado Gold Corp.         |           |           |
| 6.13% due 12/15/204         | 2,100,000 | 1,756,125 |

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

Guggenheim Credit Allocation Fund  
SCHEDULE OF INVESTMENTS (Unaudited)

February 29, 2016

|   | Face<br>Amount~ |    | Value      |
|---|-----------------|----|------------|
| <b>CORPORATE BONDS†† - 67.4% (continued)</b>    |                 |    |            |
| Basic Materials - 3.6% (continued)              |                 |    |            |
| TPC Group, Inc.                                 |                 |    |            |
| 8.75% due 12/15/204                             | 2,025,000       | \$ | 1,275,750  |
| Unifrax I LLC/Unifrax Holding Co.               |                 |    |            |
| 7.50% due 02/15/199                             | 1,401,000       |    | 1,078,770  |
| Mirabela Nickel Ltd.                            |                 |    |            |
| 9.50% due 06/24/19†††,1,6                       | 1,221,786       |    | 342,100    |
| 1.00% due 09/10/44†††,1                         | 25,570          |    | -          |
| Total Basic Materials                           |                 |    | 4,452,745  |
| Diversified - 2.5%                              |                 |    |            |
| HRG Group, Inc.                                 |                 |    |            |
| 7.88% due 07/15/19                              | 3,000,000       |    | 3,127,500  |
| Utilities - 2.2%                                |                 |    |            |
| Terraform Global Operating LLC                  |                 |    |            |
| 9.75% due 08/15/224                             | 3,150,000       |    | 2,260,125  |
| LBC Tank Terminals Holding Netherlands BV       |                 |    |            |
| 6.88% due 05/15/234                             | 500,000         |    | 466,250    |
| Total Utilities                                 |                 |    | 2,726,375  |
| Total Corporate Bonds<br>(Cost \$105,593,390)   |                 |    | 82,901,332 |
| <b>SENIOR FLOATING RATE INTERESTS†† - 57.8%</b> |                 |    |            |
| Industrial - 15.7%                              |                 |    |            |
| Ursa Insulation B.V.                            |                 |    |            |
| 7.75% due 04/26/20†††,1,6                       | 1,511,071 EUR   |    | 1,643,809  |
| 7.75% due 04/26/21†††,1,6                       | 1,144,366 EUR   |    | 1,410,462  |
| 25.00% due 04/26/21†††,1,6                      | 150,240 EUR     |    | 176,055    |
| Flakt Woods                                     |                 |    |            |
| 4.75% due 03/20/17†††,1,6                       | 2,501,384 EUR   |    | 2,693,026  |
| Mitchell International, Inc.                    |                 |    |            |
| 8.50% due 10/11/216                             | 2,350,000       |    | 1,891,749  |
| NVA Holdings, Inc.                              |                 |    |            |
| 8.00% due 08/12/226                             | 1,650,000       |    | 1,513,875  |
| AlliedBarton Security Services LLC              |                 |    |            |
| 8.00% due 08/13/216                             | 1,452,055       |    | 1,270,548  |
| Doncasters Group Ltd.                           |                 |    |            |
| 9.50% due 10/09/206                             | 1,351,724       |    | 1,209,793  |
| HBC Hardware Holdings                           |                 |    |            |
| 6.75% due 03/30/20†††,6                         | 987,500         |    | 962,813    |
| Camp Systems International                      |                 |    |            |
| 8.25% due 11/29/196                             | 1,000,000       |    | 900,000    |
| NaNa Development Corp.                          |                 |    |            |
| 8.00% due 03/15/186                             | 1,041,176       |    | 885,000    |



Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

|   |           |    |            |
|---|-----------|----|------------|
| National Technical  |           |    |            |
| 7.00% due 06/12/21†††,1,6                                     | 884,965   |    | 876,657    |
| Bioplan USA, Inc.   |           |    |            |
| 5.75% due 09/23/216   | 970,000   |    | 809,950    |
| Wencor Group  |           |    |            |
| 7.75% due 06/19/226   | 900,000   |    | 630,000    |
| 1.66% due 06/19/196   | 192,308   |    | 177,433    |
| Ranpak  |           |    |            |
| 8.25% due 10/03/226   | 900,000   |    | 720,000    |
| API Technologies Corp.  |           |    |            |
| 10.00% due 02/06/18†††,1,6                                    | 550,045   |    | 547,299    |
| Hillman Group, Inc.   |           |    |            |
| 2.65% due 06/28/196   | 488,571   |    | 452,921    |
|   | Face      |    |            |
|   | Amount~   |    | Value      |
| <b>SENIOR FLOATING RATE INTERESTS†† - 57.8% (continued)</b>   |           |    |            |
| Industrial - 15.7% (continued)                                |           |    |            |
| LSFP Cypress  |           |    |            |
| 7.25% due 10/09/226   | 450,000   | \$ | 424,877    |
| Omnitracs, Inc.   |           |    |            |
| 8.75% due 05/25/216   | 150,000   |    | 137,250    |
| Total Industrial  |           |    | 19,333,517 |
| Consumer, Non-cyclical - 10.5%                                |           |    |            |
| CTI Foods Holding Co. LLC                                     |           |    |            |
| 8.25% due 06/28/216   | 3,430,000 |    | 3,052,701  |
| Reddy Ice Holdings, Inc.                                      |           |    |            |
| 10.75% due 10/01/196  | 4,000,000 |    | 2,610,001  |
| Taxware Holdings  |           |    |            |
| 7.50% due 04/01/22†††,1,6                                     | 1,691,500 |    | 1,710,463  |
| AdvancePierre Foods, Inc.                                     |           |    |            |
| 9.50% due 10/10/176   | 1,332,000 |    | 1,313,126  |
| IHC Holding Corp.   |           |    |            |
| 7.00% due 04/30/21†††,1,6                                     | 1,243,750 |    | 1,227,682  |
| Arctic Glacier Holdings, Inc.                                 |           |    |            |
| 6.00% due 05/10/196   | 1,114,128 |    | 1,058,421  |
| American Seafoods Group LLC / American Seafoods Finance, Inc. |           |    |            |
| 6.00% due 08/19/216   | 987,500   |    | 955,406    |
| 1.14% due 08/19/216   | 75,000    |    | 70,217     |
| Pelican Products, Inc.  |           |    |            |
| 9.25% due 04/09/216   | 550,000   |    | 495,000    |
| Targus Group International, Inc.                              |           |    |            |
| 13.75% due 05/24/166  | 382,484   |    | 219,928    |
| 15.00% due 12/31/19†††,1,6                                    | 99,295    |    | 99,295     |
| Targus International LLC                                      |           |    |            |
| 15.00% due 12/31/19†††,1,6                                    | 33,098    |    | 33,098     |
| Total Consumer, Non-cyclical                                  |           |    | 12,845,338 |
| Technology - 9.2%   |           |    |            |
| Greenway Medical Technologies                                 |           |    |            |
| 9.25% due 11/04/216   | 2,200,000 |    | 1,650,000  |
| 6.00% due 11/04/206   | 1,960,000 |    | 1,577,800  |

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

|                             |               |            |
|-----------------------------|---------------|------------|
| TIBCO Software, Inc.        |               |            |
| 6.50% due 12/04/206         | 2,673,000     | 2,352,240  |
| Advanced Computer Software  |               |            |
| 10.50% due 01/31/236        | 1,600,000     | 1,504,000  |
| 6.50% due 03/18/226         | 893,250       | 839,655    |
| Sparta Holding Corp.        |               |            |
| 6.50% due 07/28/20†††,1,6   | 1,719,102     | 1,706,467  |
| Aspect Software, Inc.       |               |            |
| 9.25% due 05/09/166         | 1,832,901     | 1,663,358  |
| Total Technology            |               | 11,293,520 |
| Consumer, Cyclical - 7.5%   |               |            |
| Sky Bet Cyan Blue HoldCo    |               |            |
| 6.50% due 02/25/226         | 1,500,000 GBP | 2,074,923  |
| ABRA Auto Body              |               |            |
| 8.25% due 09/19/226         | 2,350,000     | 2,068,000  |
| Sears Holdings Corp.        |               |            |
| 5.50% due 06/30/186         | 1,974,747     | 1,815,543  |
| PETCO Animal Supplies, Inc. |               |            |
| 5.75% due 01/26/236         | 1,300,000     | 1,272,794  |

---

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

Guggenheim Credit Allocation Fund  
SCHEDULE OF INVESTMENTS (Unaudited)

February 29, 2016

|   | Face<br>Amount~ |    | Value     |
|---|-----------------|----|-----------|
| <b>SENIOR FLOATING RATE INTERESTS†† - 57.8% (continued)</b> |                 |    |           |
| Consumer, Cyclical - 7.5% (continued)                       |                 |    |           |
| DLK Acquisitions BV   |                 |    |           |
| 8.50% due 08/28/196   | 400,000 EUR     | \$ | 434,324   |
| 4.03% due 02/28/196   | 250,000 EUR     |    | 264,191   |
| BBB Industries, LLC   |                 |    |           |
| 3.05% due 11/04/196   | 722,857         |    | 648,923   |
| Transfirst  |                 |    |           |
| 9.00% due 11/11/226   | 600,000         |    | 597,750   |
| Advantage Sales & Marketing, Inc.                           |                 |    |           |
| 0.86% due 07/21/196   | 90,000          |    | 82,111    |
| Total Consumer, Cyclical                                    |                 |    | 9,258,559 |
| Communications - 7.2%                                       |                 |    |           |
| Cengage Learning Acquisitions, Inc.                         |                 |    |           |
| 7.00% due 03/31/206   | 3,607,817       |    | 3,460,510 |
| GOGO LLC  |                 |    |           |
| 11.25% due 03/21/186  | 1,974,674       |    | 1,964,801 |
| 7.50% due 03/21/186   | 603,523         |    | 573,347   |
| Anaren, Inc.  |                 |    |           |
| 9.25% due 08/18/216   | 2,200,000       |    | 2,007,500 |
| Proquest LLC  |                 |    |           |
| 10.00% due 12/15/226  | 850,000         |    | 823,438   |
| Total Communications  |                 |    | 8,829,596 |
| Utilities - 2.6%  |                 |    |           |
| Panda Temple II Power                                       |                 |    |           |
| 7.25% due 04/03/196   | 3,000,000       |    | 2,475,000 |
| Stonewall (Green Energy)                                    |                 |    |           |
| 6.50% due 11/12/216   | 450,000         |    | 402,750   |
| Panda Sherman   |                 |    |           |
| 9.00% due 09/14/186   | 400,000         |    | 343,000   |
| Total Utilities   |                 |    | 3,220,750 |
| Energy - 2.2%   |                 |    |           |
| Invenergy Thermal   |                 |    |           |
| 6.50% due 10/19/226   | 2,493,750       |    | 2,294,250 |
| Cactus Wellhead   |                 |    |           |
| 7.00% due 07/31/206   | 1,382,500       |    | 414,750   |
| Total Energy  |                 |    | 2,709,000 |
| Financial - 1.2%  |                 |    |           |
| Expert Global Solutions, Inc.                               |                 |    |           |
| 8.50% due 04/03/186   | 1,020,404       |    | 998,292   |
| Integro Parent, Inc.  |                 |    |           |
| 6.75% due 10/31/226   | 550,000         |    | 523,385   |
| Total Financial   |                 |    | 1,521,677 |

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

Transportation - 0.9%

|                                    |         |         |
|------------------------------------|---------|---------|
| Ceva Group Plc (United Kingdom)    |         |         |
| 6.50% due 03/19/216                | 330,889 | 254,785 |
| 1.88% due 03/19/19†††,1,6          | 140,000 | 122,584 |
| Ceva Logistics US Holdings         |         |         |
| 6.50% due 03/19/216                | 472,871 | 364,111 |
| Ceva Logistics Holdings BV (Dutch) |         |         |
| 6.50% due 03/19/216                | 342,831 | 263,980 |

|   | Face<br>Amount~ |    | Value             |
|---|-----------------|----|-------------------|
| <b>SENIOR FLOATING RATE INTERESTS†† - 57.8% (continued)</b> |                 |    |                   |
| Transportation - 0.9% (continued)                           |                 |    |                   |
| Ceva Logistics Canada, ULC                                  |                 |    |                   |
| 6.50% due 03/19/216   | 59,109          | \$ | 45,514            |
| <b>Total Transportation</b>                                 |                 |    | <b>1,050,974</b>  |
| Basic Materials - 0.8%                                      |                 |    |                   |
| Ennis Flint Road Infrastructure                             |                 |    |                   |
| 7.75% due 09/30/216   | 960,000         |    | 892,801           |
| Noranda Aluminum Acquisition Corp.                          |                 |    |                   |
| 5.75% due 02/28/196   | 394,872         |    | 93,387            |
| 9.00% due 11/08/16†††,1,6                                   | 47,803          |    | 46,017            |
| <b>Total Basic Materials</b>                                |                 |    | <b>1,032,205</b>  |
| <b>Total Senior Floating Rate Interests</b>                 |                 |    | <b>71,095,136</b> |
| (Cost \$80,453,947)   |                 |    |                   |

**ASSET BACKED SECURITIES†† - 14.8%**

|  |           |  |           |
|--|-----------|--|-----------|
| Collateralized Loan Obligations - 9.5%         |           |  |           |
| Newstar Commercial Loan Funding LLC            |           |  |           |
| 2013-1A, 5.87% due 09/20/232,4,6               | 1,500,000 |  | 1,424,873 |
| THL Credit Wind River 2014-1 CLO Ltd.          |           |  |           |
| 2014-1A, 5.57% due 04/18/262,4,6               | 1,500,000 |  | 925,626   |
| COA Summit CLO Limited                         |           |  |           |
| 2014-1AC, 4.47% due 04/20/232,4,6              | 1,000,000 |  | 870,337   |
| Monroe Capital CLO 2014-1 Ltd.                 |           |  |           |
| 2014-1A, 5.35% due 10/22/262,4,6               | 1,000,000 |  | 868,525   |
| CIFIC 2014-1X E                                |           |  |           |
| 5.12% due 04/18/256                            | 1,340,000 |  | 819,641   |
| Ares Enhanced Loan Investment Strategy IR Ltd. |           |  |           |
| 2013-IRAR, 5.62% due 07/23/252,4,6             | 830,000   |  | 671,578   |
| NewStar Arlington Senior Loan Program LLC      |           |  |           |
| 2014-1A, 4.87% due 07/25/252,4                 | 750,000   |  | 637,633   |
| Denali Capital CLO X Ltd.                      |           |  |           |
| 2013-1A, 6.37% due 04/28/252,4,6               | 1,000,000 |  | 620,511   |
| Cerberus Onshore II CLO-2 LLC                  |           |  |           |
| 2014-1A, 4.43% due 10/15/232,4,6               | 500,000   |  | 476,605   |
| Highbridge Loan Management Ltd.                |           |  |           |
| 2014-1A, 4.82% due 09/20/222,4,6               | 500,000   |  | 468,411   |
| Cerberus Onshore II CLO LLC                    |           |  |           |
| 2014-1A, 4.62% due 10/15/232,4,6               | 500,000   |  | 462,081   |
| Fortress Credit Opportunities VI CLO Ltd.      |           |  |           |
| 2015-6A, 5.49% due 10/10/262,4,6               | 500,000   |  | 456,127   |

Treman Park CLO Ltd.

2015-1A, due 04/20/274,6,7

500,000

454,991

---

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

Guggenheim Credit Allocation Fund  
SCHEDULE OF INVESTMENTS (Unaudited)

February 29, 2016

|  | Face<br>Amount~ |    | Value      |
|--|-----------------|----|------------|
| ASSET BACKED SECURITIES†† - 14.8% (continued)      |                 |    |            |
| Collateralized Loan Obligations - 9.5% (continued) |                 |    |            |
| NXT Capital CLO 2013-1 LLC                         |                 |    |            |
| 2013-1A, 4.77% due 04/25/24,4,6                    | 500,000         | \$ | 451,479    |
| Fortress Credit Opportunities V CLO Ltd.           |                 |    |            |
| 2014-5A, 5.52% due 10/15/26,4,6                    | 500,000         |    | 448,891    |
| Cent CLO 16, LP                                    |                 |    |            |
| 2014-16A, 4.87% due 08/01/24,4,6                   | 500,000         |    | 446,267    |
| Dryden 41 Senior Loan Fund                         |                 |    |            |
| 2015-41A, due 01/15/28,4,6,7                       | 600,000         |    | 397,700    |
| TCW Global Project Fund II Ltd.                    |                 |    |            |
| 2004-1A, 2.57% due 06/24/16,4,6                    | 466,033         |    | 387,972    |
| Babson CLO Limited                                 |                 |    |            |
| 2012-2A, due 05/15/23,4,6,7                        | 1,000,000       |    | 371,394    |
| Total Collateralized Loan Obligations              |                 |    | 11,660,642 |
| Transportation - 3.1%                              |                 |    |            |
| AASET  |                 |    |            |
| 2014-1, 7.38% due 12/15/29,2                       | 910,256         |    | 901,154    |
| 2014-1 C, 10.00% due 12/15/29†††                   | 457,839         |    | 458,000    |
| Emerald Aviation Finance Ltd.                      |                 |    |            |
| 2013-1, 6.35% due 10/15/38,4,6,8                   | 1,201,624       |    | 1,218,145  |
| Castlelake Aircraft Securitization Trust           |                 |    |            |
| 2014-1, 7.50% due 02/15/29,4                       | 443,826         |    | 438,289    |
|  | Face<br>Amount~ |    | Value      |
| ASSET BACKED SECURITIES†† - 14.8% (continued)      |                 |    |            |
| Transportation - 3.1% (continued)                  |                 |    |            |
| Turbine Engines Securitization Ltd.                |                 |    |            |
| 2013-1A, 6.38% due 12/13/48,6,9                    | 350,710         | \$ | 345,508    |
| Rise Ltd.  |                 |    |            |
| 2014-1AB, 6.50% due 02/12/39†††,6                  | 437,500         |    | 434,219    |
| Total Transportation                               |                 |    | 3,795,315  |
| Collateralized Debt Obligations - 1.8%             |                 |    |            |
| Anchorage Credit Funding 1 Ltd.                    |                 |    |            |
| 2015-1A, 6.30% due 07/28/30,6,9                    | 1,000,000       |    | 1,028,757  |
| RAIT CRE CDO I Ltd.                                |                 |    |            |
| 2006-1X, 0.75% due 11/20/46,6                      | 798,176         |    | 715,162    |
| FDF I Ltd.   |                 |    |            |
| 2015-1A, 6.88% due 11/12/30†††,4,6                 | 500,000         |    | 501,035    |
| Total Collateralized Debt Obligations              |                 |    | 2,244,954  |
| Financial - 0.4%                                   |                 |    |            |
| NCBJ 2015-1 A                                      |                 |    |            |

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

|   |         |                |
|---|---------|----------------|
| 5.88% due 07/08/22†††,6   | 500,000 | 509,230        |
| <b>Total Asset Backed Securities</b>  |         |                |
| (Cost \$19,815,102)   |         | 18,210,141     |
| <b>MORTGAGE BACKED SECURITIES†† - 0.2%</b>  |         |                |
| <b>Residential Mortgage Backed Securities - 0.2%</b>                                  |         |                |
| <b>Washington Mutual Mortgage Pass-Through Certificates WMALT Series 2006-8 Trust</b> |         |                |
| 2006-8, 4.65% due 10/25/366,8   | 491,294 | 290,116        |
| <b>Total Mortgage Backed Securities</b>   |         |                |
| (Cost \$345,900)  |         | 290,116        |
| <b>Total Investments - 145.1%</b>   |         |                |
| (Cost \$214,183,371)  |         | \$ 178,532,090 |
| <b>Other Assets &amp; Liabilities, net - (45.1)%</b>                                  |         | (55,454,048)   |
| <b>Total Net Assets - 100.0%</b>  |         | \$ 123,078,042 |

~ The face amount is denominated in U.S. Dollars, unless otherwise noted.

\* Non-income producing security.

\*\* Less than 0.1%

† Value determined based on Level 1 inputs, unless otherwise noted — See Note 2.

†† Value determined based on Level 2 inputs, unless otherwise noted — See Note 2.

††† Value determined based on Level 3 inputs — See Note 2.

- 1 Security was fair valued by the Valuation Committee at February 29, 2016. The total market value of fair valued securities amounts to \$17,414,650, (cost \$21,988,386) or 14.1% of total net assets.
- 2 Variable rate security. Rate indicated is rate effective at February 29, 2016.
- 3 Perpetual maturity.
- 4 Security is a 144A or Section 4(a)(2) security. The total market value of 144A or Section 4(a)(2) securities is \$56,311,100 (cost \$67,389,916), or 45.8% of total net assets. These securities have been determined to be liquid under guidelines established by the Board of Trustees.
- 5 Security is in default of interest and/or principal obligations.
- 6 All or a portion of these securities have been physically segregated or earmarked in connection with borrowings, reverse repurchase agreements and unfunded loan commitments. As of February 29, 2016, the total market value of the segregated or earmarked securities was \$95,920,713.
- 7 Security has no stated coupon. However, it is expected to receive residual cash flow payments on defined deal dates.
- 8 Security is a step up/step down bond. The coupon increases or decreases at regular intervals until the bond reaches full maturity.
- 9 Security is a 144A or Section 4(a)(2) security. These securities are considered illiquid and restricted under guidelines established by the Board of Trustees. The total market value of 144A or Section 4(a)(2) securities is \$2,816,667 (cost \$3,924,595), or 2.3% of total net assets.
- 10 Rate indicated is the 7-day yield as of February 29, 2016.

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

Guggenheim Credit Allocation Fund  
SCHEDULE OF INVESTMENTS (Unaudited)

February 29, 2016

|     |                                |
|-----|--------------------------------|
| AUD | Australian Dollar              |
| BV  | Limited Liability Company      |
| CDO | Collateralized Debt Obligation |
| CLO | Collateralized Loan Obligation |
| EUR | Euro                           |
| GBP | Great Britain Pound            |
| LLC | Limited Liability Company      |
| LP  | Limited Partnership            |
| NV  | Publicly Traded Company        |
| plc | Public Limited Company         |
| SA  | Corporation                    |

See Sector Classification in the Supplemental Information section.

The following tables summarize the inputs used to value the Fund's investments at February 29, 2016:

|  | Level 1<br>Quoted<br>Prices | Level 2<br>Significant<br>Observable<br>Inputs | Level 3<br>Significant<br>Unobservable<br>Inputs | Total                 |
|--|-----------------------------|--|--|-----------------------|
| <b>Assets:</b>                                 |                             |  |  |                       |
| Common Stocks                                  | \$ -                        | \$ -   | \$ 339,867                                       | \$ 339,867            |
| Preferred Stocks                               | 4,213,525                   | -  | -  | 4,213,525             |
| Short Term Investments                         | 1,481,973                   | -  | -  | 1,481,973             |
| Corporate Bonds                                | -                           | 76,578,433                                     | 6,322,899  | 82,901,332            |
| Senior Floating Rate Interests                 | -                           | 57,839,409                                     | 13,255,727                                       | 71,095,136            |
| Asset Backed Securities                        | -                           | 16,307,657                                     | 1,902,484  | 18,210,141            |
| Mortgage Backed Securities                     | -                           | 290,116  | -  | 290,116               |
| Forward Foreign Currency<br>Exchange Contracts | -                           | 332,181 *                                      | -  | 332,181               |
| <b>Total Assets</b>                            | <b>\$ 5,695,498</b>         | <b>\$ 151,347,796</b>                          | <b>\$ 21,820,977</b>                             | <b>\$ 178,864,271</b> |
| <b>Liabilities:</b>                            |                             |  |  |                       |
| Unfunded Commitments                           | \$ -                        | \$ 1,098,927                                   | \$ -   | \$ 1,098,927          |
| <b>Total Liabilities</b>                       | <b>\$ -</b>                 | <b>\$ 1,098,927</b>                            | <b>\$ -</b>                                      | <b>\$ 1,098,927</b>   |

\*Other financial instruments may include forward foreign currency exchange contracts, which are reported as unrealized gain/loss at period end.

The following is a summary of significant unobservable inputs used in the fair valuation of assets and liabilities categorized within Level 3 of the fair value hierarchy:

| Category | Ending Balance at<br>2/29/2016 | Valuation Technique | Unobservable Inputs |
|----------|--------------------------------|---------------------|---------------------|
|----------|--------------------------------|---------------------|---------------------|



Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

|                                |              |  |                     |
|--------------------------------|--------------|--|---------------------|
|                                |              | Option adjusted spread<br>off the month end<br>broker quote over the 3 |                     |
| Asset Backed Securities        | \$ 1,393,254 | month LIBOR  | Indicative Quote    |
| Asset Backed Securities        | 509,230      | Traded Price   | Indicative Quote    |
|                                |              | Option adjusted spread<br>off the month end<br>broker quote over the 3 |                     |
| Corporate Bonds                | 1,541,030    | month LIBOR  | Indicative Quote    |
| Corporate Bonds                | 4,439,769    | Enterprise Value   | Valuation Multiple* |
| Corporate Bonds                | 342,100      | Modeled Price  | Liquidation Value   |
| Common Stocks                  | 339,522      | Enterprise Value   | Valuation Multiple* |
| Common Stocks                  | 345          | Modeled Price  | Liquidation Value   |
|                                |              | Option adjusted spread<br>off the month end<br>broker quote over the 3 |                     |
| Senior Floating Rate Interests | 962,813      | month LIBOR  | Indicative Quote    |
| Senior Floating Rate Interests | 12,292,914   | Enterprise Value   | Valuation Multiple* |

\*Valuation multiples utilized ranged from 6.7 to 12.6.

Significant changes in an indicative quote or valuation multiple would generally result in significant changes in the fair value of the security.

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

Guggenheim Credit Allocation Fund  
SCHEDULE OF INVESTMENTS (Unaudited)

February 29, 2016

Transfers between investment levels may occur as the markets fluctuate and/or the availability of data used in an investment's valuation changes. Transfers between valuation levels, if any, are in comparison to the valuation levels at the end of the previous fiscal year, and are effective using the fair value as of the end of the current period.

As of February 29, 2016, the Fund had securities with a total value of \$5,331,999 transferred from Level 2 to Level 3 and a security with a value of \$345 transferred from Level 1 to Level 3 due to lack of multiple vendor prices.

Summary of Fair Value Level 3 Activity

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value for the period ended February 29, 2016:

Level 3 - Fair Value measurement using significant unobservable inputs

|  | Senior Floating<br>Rate Interests | Asset-Backed<br>Securities | Corporate<br>Bonds | Common<br>Stocks | Total          |
|--|-----------------------------------|----------------------------|--------------------|------------------|----------------|
| Assets:  |                                   |                            |                    |                  |                |
| Beginning Balance  | \$ 10,253,395                     | \$-                        | \$ 3,868,867       | \$ 229,590       | \$ 14,351,852  |
| Purchases  | 4,296,495                         | 1,454,174                  | -                  | 285,121          | 6,035,790      |
| Paydowns Received  | (616,794 )                        | -                          | (30,000 )          | -                | (646,794 )     |
| Payment-in-kind<br>Distributions   |                                   |                            |                    |                  |                |
| Received   | (14,099 )                         | -                          | (108,294 )         | -                | (122,393 )     |
| Total change in unrealized<br>gains<br>or losses included in<br>earnings   | 278,498                           | 14,091                     | (1,220,057 )       | (175,189 )       | (1,102,657 )   |
| Sales  | (2,027,165 )                      | -                          | -                  | -                | (2,027,165 )   |
| Transfers into Level 3   | 1,085,397                         | 434,219                    | 3,812,383          | 345              | 5,332,344      |
| Ending Balance   | \$ 13,255,727                     | \$ 1,902,484               | \$ 6,322,899       | \$ 339,867       | \$ 21,820,977  |
| Net change in unrealized<br>appreciation (depreciation)<br>for investments in securities<br>still held at February 29,<br>2016 | \$(92,519 )                       | \$ 14,091                  | \$(1,220,057 )     | \$(175,189 )     | \$(1,473,674 ) |

At February 29, 2016, the Fund had the following unfunded loan commitments which could be extended at the option of the borrower:

| Borrower                      | Maturity Date | Face Amount  | Value      |
|-------------------------------|---------------|--------------|------------|
| Acosta, Inc.                  | 9/26/2019     | \$ 2,000,000 | \$ 190,191 |
| Advantage Sales and Marketing | 7/25/2019     | 900,000      | 71,003     |
| American Seafood              | 8/19/2021     | 375,000      | 50,887     |
| American Stock Transfer       | 6/26/2018     | 400,000      | 24,752     |
| BBB Industries, LLC           | 10/17/2019    | 377,143      | 38,575     |
| CEVA Group, PLC               | 3/19/2019     | 360,000      | 44,784     |
| Eyemart Express               | 12/18/2019    | 1,000,000    | 92,223     |
| Hillman Group, Inc.           | 6/13/2019     | 385,714      | 30,021     |

Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

|                              |            |               |              |
|------------------------------|------------|---------------|--------------|
| IntraWest Holdings, S.A.R    | 12/10/2018 | 1,100,00      | 24,391       |
| Learning Care Group          | 5/5/2019   | 500,000       | 45,209       |
| Lincoln Finance Limited      | 12/31/2015 | 2,000,000-    |              |
| McGraw-Hill Global Education | 3/22/2018  | 1,000,000     | 55,896       |
| National Financial Partners  | 7/1/2018   | 1,500,000     | 98,535       |
| National Technical           | 6/12/2021  | 160,588       | 1,507        |
| Noranda Aluminum             | 11/8/2016  | 33,611        | 2,510        |
| Phillips Medsize Corp.       | 6/14/2019  | 1,100,000     | 86,223       |
| PowerSchool, Inc.            | 7/29/2021  | 450,000       | 50,779       |
| ProMach Group, Inc.          | 10/22/2019 | 650,000       | 57,074       |
| Signode Industrial Group     | 5/1/2019   | 1,400,000     | 110,567      |
| Wencor Jazz Acquisition      | 6/19/2019  | 330,769       | 23,800       |
|                              |            | \$ 16,022,825 | \$ 1,098,927 |

---

Guggenheim Credit Allocation Fund  
SCHEDULE OF INVESTMENTS (Unaudited)

February 29, 2016

At February 29, 2016, the following forward foreign currency exchange contracts were outstanding:

| Contracts to Sell   |           | Counterparty                | Settlement Date | Settlement Value | Value at 2/29/16 | Net Unrealized Appreciation (Depreciation) |
|---|-----------|-----------------------------|-----------------|------------------|------------------|--|
| AUD   | 210,000   |                             |                 |                  |                  |  |
| for USD   | 150,398   | The Bank of New York Mellon | 03/09/2016      | \$ 150,398       | \$ 149,818       | \$ 580                                     |
| EUR   | 8,300,000 |                             |                 |                  |                  |  |
| for USD   | 9,230,762 | The Bank of New York Mellon | 03/09/2016      | 9,230,762        | 9,032,484        | 198,278                                    |
| GBP   | 1,967,000 |                             |                 |                  |                  |  |
| for USD   | 2,871,462 | The Bank of New York Mellon | 03/09/2016      | 2,871,462        | 2,738,139        | 133,323                                    |
| Total unrealized appreciation for forward foreign currency exchange contracts |           |                             |                 |                  |                  | \$ 332,181                                 |

NOTES TO SCHEDULE OF INVESTMENTS (Unaudited)

---

For information on the Guggenheim Credit Allocation Fund's (the "Fund") policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent semiannual or annual shareholder report.

1. Significant Accounting Policies

The Fund operates as an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946 Financial Services – Investment Companies.

The following significant accounting policies are in conformity with U.S. generally accepted accounting principles ("GAAP") and are consistently followed by the Fund. This requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. All time references are based on Eastern Time.

The Board of Trustees of the Fund (the "Board") has adopted policies and procedures for the valuation of the Fund's investments (the "Valuation Procedures"). Pursuant to the Valuation Procedures, the Board has delegated to a valuation committee, consisting of representatives from Guggenheim's investment management, fund administration, legal and compliance departments (the "Valuation Committee"), the day-to-day responsibility for implementing the Valuation Procedures, including, under most circumstances, the responsibility for determining the fair value of the Fund's securities or other assets.

Valuations of the Fund's securities are supplied primarily by pricing services appointed pursuant to the processes set forth in the Valuation Procedures. The Valuation Committee convenes monthly, or more frequently as needed and will review the valuation of all assets which have been fair valued for reasonableness. The Fund's officers, through the Valuation Committee and consistent with the monitoring and review responsibilities set forth in the Valuation Procedures, regularly review procedures used by, and valuations provided by, the pricing services.

If the pricing service cannot or does not provide a valuation for a particular investment or such valuation is deemed unreliable, such investment is fair valued by the Valuation Committee.

Equity securities listed on an exchange (New York Stock Exchange ("NYSE") or American Stock Exchange) are valued at the last quoted sales price as of the close of business on the NYSE, usually 4:00 p.m. on the valuation date. Equity securities listed on the NASDAQ market system are valued at the NASDAQ Official Closing Price on the valuation date, which may not necessarily represent the last sale price. If there has been no sale on such exchange or NASDAQ on such day, the security is valued at the mean of the most recent bid and asked prices on such day.

Open-end investment companies ("Mutual Funds") are valued at their NAV as of the close of business on the valuation date. Exchange Traded Funds ("ETFs") and closed-end investment companies are valued at the last quoted sales price.

Debt securities with a maturity of greater than 60 days at acquisition are valued at prices that reflect broker/dealer supplied valuations or are obtained from independent pricing services, which may consider the trade activity, treasury spreads, yields or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities. Short-term debt securities with a maturity of 60 days or less at acquisition and repurchase agreements are valued at amortized cost, provided such amount approximates market value.

Typically loans are valued using information provided by an independent third party pricing service which uses broker quotes in a non-active market.

Generally, trading in foreign securities markets is substantially completed each day at various times prior to the close of the NYSE. The values of foreign securities are determined as of the close of such foreign markets or the close of the NYSE, if earlier. All investments quoted in foreign currency are valued in U.S. dollars on the basis of the foreign currency exchange rates prevailing at the close of U.S. business at 4:00 p.m. Investments in foreign securities may involve risks not present in domestic investments. The Valuation Committee will determine the

---

current value of such foreign securities by taking into consideration certain factors which may include those discussed above, as well as the following factors, among others: the value of the securities traded on other foreign markets, ADR trading, closed-end fund trading, foreign currency exchange activity, and the trading prices of financial products that are tied to foreign securities such as World Equity Benchmark Securities. In addition, under the Valuation Procedures, the Valuation Committee and the Guggenheim Funds Investment Advisors, LLC (“GFIA or the “Adviser”) are authorized to use prices and other information supplied by a third party pricing vendor in valuing foreign securities.

Investments for which market quotations are not readily available are fair valued as determined in good faith by the Adviser, subject to review by the Valuation Committee, pursuant to methods established or ratified by the Board. Valuations in accordance with these methods are intended to reflect each security’s (or asset’s) “fair value.” Each such determination is based on a consideration of all relevant factors, which are likely to vary from one pricing context to another. Examples of such factors may include, but are not limited to: (i) the type of security, (ii) the initial cost of the security, (iii) the existence of any contractual restrictions on the security’s disposition, (iv) the price and extent of public trading in similar securities of the issuer or of comparable companies, (v) quotations or evaluated prices from broker-dealers and/or pricing services, (vi) information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange traded securities), (vii) an analysis of the company’s financial statements, and (viii) an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold (e.g. the existence of pending merger activity, public offerings or tender offers that might affect the value of the security).

## 2. Fair Value Measurement

In accordance with GAAP, fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. GAAP establishes a three-tier fair value hierarchy based on the types of inputs used to value assets and liabilities and requires corresponding disclosure. The hierarchy and the corresponding inputs are summarized below:

Level 1 — quoted prices in active markets for identical assets or liabilities.

Level 2 — significant other observable inputs (for example quoted prices for securities that are similar based on characteristics such as interest rates, prepayment speeds, credit risk, etc.).

Level 3 — significant unobservable inputs based on the best information available under the circumstances, to the extent observable inputs are not available, which may include assumptions.

The types of inputs available depend on a variety of factors, such as the type of security and the characteristics of the markets in which it trades, if any. Fair valuation determinations that rely on fewer or no observable inputs require greater judgment. Accordingly, fair value determinations for Level 3 securities require the greatest amount of judgment.

Independent pricing services are used to value a majority of the Fund’s investments. When values are not available from a pricing service, they will be determined under the valuation policies that have been reviewed and approved by the Board. In any event, values are determined using a variety of sources and techniques, including: market prices; broker quotes; and models which derive prices based on inputs such as prices of securities with comparable maturities and characteristics or based on inputs such as anticipated cash flows or collateral, spread over Treasuries, and other information and analysis. A significant portion of the Funds’ assets and liabilities are categorized as Level 2 or Level 3, as indicated in this report.

Indicative quotes from broker-dealers, adjusted for fluctuations in criteria such as credit spreads and interest rates, may be also used to value the Fund’s assets and liabilities, i.e. prices provided by a broker-dealer or other market

## Edgar Filing: Guggenheim Credit Allocation Fund - Form N-Q

participant who has not committed to trade at that price. Although indicative quotes are typically received from established market participants, the Fund may not have the transparency to view the underlying inputs which support the market quotations.

Certain fixed income securities are valued by obtaining a monthly indicative quote from a broker-dealer, adjusted for fluctuations in criteria such as credit spreads and interest rates.

---



The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The suitability of the techniques and sources employed to determine fair valuation are regularly monitored and subject to change.

3. Federal Income Taxes

At February 29, 2016, the cost of investments and accumulated unrealized appreciation/depreciation on investments for federal income tax purposes were as follows:

| Cost of Investments for Tax Purposes | Gross Tax Unrealized Appreciation | Gross Tax Unrealized Depreciation | Net Tax Unrealized Depreciation on Investments |
|--------------------------------------|-----------------------------------|-----------------------------------|--|
| \$214,386,456                        | \$1,075,356                       | (\$36,929,722)                    | (\$35,854,366)                                 |

The net tax unrealized appreciation on unfunded commitments is \$548,203.

4. Restricted Securities

The securities below are considered illiquid and restricted under guidelines established by the Board:

| Restricted Securities  | Acquisition Date | Cost        | Value       |
|--|------------------|-------------|-------------|
| Anchorage Credit Funding 1 Ltd.<br>2015-1A, 6.30% due 07/28/30     | 05/07/15         | \$1,000,000 | \$1,028,757 |
| IronGate Energy Services LLC<br>11.00% due 07/01/18                | 07/10/13         | 230,054     | 97,200      |
| R&R Ice Cream plc<br>8.25% due 05/15/20                            | 06/19/14         | 187,926     | 142,638     |
| Schahin II Finance CO SPV Ltd<br>5.88% due 09/25/22                | 01/08/14         | 756,445     | 123,794     |
| Turbine Engines Securitization Ltd, 2013-1A,<br>6.38% due 12/13/48 | 11/27/13         | 344,464     | 345,508     |
| Unifrax I LLC/Unifrax Holding Co., 7.50% due 02/15/19              | 08/13/13         | 1,405,706   | 1,078,770   |
|  |                  | \$3,924,595 | \$2,816,667 |

SUPPLEMENTAL INFORMATION (Unaudited)

---

Sector Classification

Information in the “Schedule of Investments” is categorized by sectors using sector-level classifications used by Bloomberg Industry Classification System, a widely recognized industry classification system provider. In the Fund’s registration statement, the Fund has investment policies relating to concentration in specific industries. For purposes of these investment policies, the Fund usually classifies industries based on industry-level classifications used by widely recognized industry classification system providers such as Bloomberg Industry Classification System, Global Industry Classification Standards and Barclays Global Classification Scheme.

---

Item 2. Controls and Procedures.

- (a) The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) as of a date within 90 days of the filing date of this report and have concluded, based on such evaluation, that the registrant's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the registrant in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There was no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940, as amended) that occurred during the registrant's last fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting.

Item 3. Exhibits.

A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940, as amended (17 CFR 270.30a-2(a)), is attached hereto.

---

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Guggenheim Credit Allocation Fund

By: /s/ Donald C. Cacciapaglia  
Donald C. Cacciapaglia  
President and Chief Executive Officer

Date: April 29, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Donald C. Cacciapaglia  
Donald C. Cacciapaglia  
President and Chief Executive Officer

Date: April 29, 2016

By: /s/ John L. Sullivan  
John L. Sullivan  
Chief Financial Officer, Chief Accounting Officer & Treasurer

Date: April 29, 2016