

FOXBY CORP.  
Form N-CSR  
March 10, 2009  
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**

**Foxyby Corp.**

(Exact name of registrant as specified in charter)

**11 Hanover Square, New York, NY 10005**

(Address of principal executive offices) (Zipcode)

**Thomas B. Winmill, President**

**11 Hanover Square**

**New York, NY 10005**

(Name and address of agent for service)

**Registrant's telephone number, including area code: 1-212-344-6310**

**Date of fiscal year end: 12/31**

**Date of reporting period: 1/1/08 - 12/31/08**

## Edgar Filing: FOXBY CORP. - Form N-CSR

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 270.30e-1). 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.

### **Item 1. Report to Shareholders.**

**INVESTMENTS BY INDUSTRY\***

**PORTFOLIO ANALYSIS\***

U.S. Equities	73%
Foreign Equities	28%
	101%

\* Investments by industry and portfolio analysis use approximate percentages of total net assets, and may not add up to 100% due to leverage or other assets, rounding, and other factors.

11 Hanover Square, New York, NY 10005

[www.foxbycorp.com](http://www.foxbycorp.com)

January 15, 2009

Fellow Shareholders:

We are pleased to submit this 2008 Annual Report for Foxby Corp. and to welcome our new shareholders who find the Fund's flexible total return investment approach attractive. As a closed end fund seeking total return, the Fund uses a flexible strategy in the selection of securities and is not limited by the issuer's location, industry, or market capitalization. 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, and mutual funds. The Fund may employ aggressive and speculative investment techniques, such as selling securities short, employing futures and options, derivatives, and borrowing money for investment purposes, an approach known as "leverage." The Fund may also invest defensively in high grade money market instruments. A benefit of its closed end structure, the Fund may invest without limit in illiquid investments such as private placements and private companies.

### **Foxy Corp. Now Trading Over the Counter**

#### **With A New Ticker Symbol: FXBY**

On October 24, 2008, Foxby Corp. announced it had taken steps to delist its common stock from the American Stock Exchange. Immediately upon delisting, the common stock began trading over the counter and is currently quoted under the symbol FXBY on the OTC Bulletin Board ("OTCBB") and on the Pink OTC Markets Inc. ("Pink Sheets"). The Fund expects that delisting will allow management to focus its resources on pursuing the Fund's investment objectives and position the Fund to enhance long term stockholder value.

### **Market Report**

2008 saw the global economy under enormous pressure. According to the U.S. Commerce Department U.S. factory orders dropped 5.1% in October, the largest decrease since 2000. Governments intervened worldwide to shore up businesses and boost markets, often becoming the lender of last resort. As many businesses continued to stumble, however, U.S. employers cut 533,000 jobs in November, the most in 34 years, taking the unemployment rate to a 15 year high of 6.7%, according to the U.S. Labor Department. The Labor Department also reported that claims for unemployment benefits recently climbed over 4 million, the highest level since 1982. Reflecting the worsening employment situation, the Mortgage Bankers Association claimed that a record of one in ten American homeowners with a mortgage were either at least a month behind on their payments or in foreclosure at the end of the third quarter. One bright spot was the retreat in commodity and energy prices in the second half of the year, dampening prior concerns of growing near term inflation. Consumer prices in November dropped 1.7% – the largest amount since 1947.

To combat the appearance of what could be a prolonged and severe recession in the United States, the Federal Reserve Open Market Committee (FOMC) lowered the key federal funds interest rate repeatedly over the 2008 year, culminating in the unprecedented December 16 decision to lower the rate to a range of between 0% and 0.25%. The FOMC cited deteriorating labor market conditions and declining consumer spending, business investment, and industrial production, as well as strained financial markets and tight credit conditions, with the outlook for weak economic activity.

Europe is in a severe recession, as demonstrated by a industrial production decline of 7.7% in the 12 months ending November 2008, according to a report by Eurostat, the Statistical Office of the European Communities. Japan, the world's second largest economy, is also back in recession. During its prior recession in the 1990's, the Japanese government intervened with a stimulus policy that incurred enormous debt to build roads, bridges, and other large infrastructure. According to *The Wall Street Journal*, Japan spent approximately 150 trillion yen since 1998 on this failed policy – which is what the United States, China, and several other nations are currently pursuing to reinvigorate their economies. Japan is now considering tax cuts, toll reductions, and tax rebates. China's growth, estimated at 13% in 2007 by its National Bureau of Statistic, is now forecasted to grow at only about 8% in 2009.

Looking ahead, we note that stocks appear to be “pricing in” much of the current dismal economic scene already and may represent good value should conditions stabilize. Indeed, better times may be in the offing now. For example, since peaking at over \$145 a barrel, crude oil prices have now fallen over \$100, providing substantial energy savings for many American consumers and businesses. We expect, however, inflation in the United States to resurface in the medium term. Also suggestive of future inflation is the Treasury Department's \$700 billion Troubled Asset Relief Plan and President-elect Obama's massive economic stimulus measure combining federal spending with tax cuts, believed to potentially reach \$1 trillion in size. We note that the U.S. federal budget deficit is expected to reach at least \$1.2 trillion in 2009.

#### **Total Return Allocation**

In view of these challenging market conditions, the Fund's overall strategy in 2008 was to increase its diversification of industries, reducing both exposure to resource companies and leverage. The Fund's portfolio was realigned to emphasize companies with announced stock buybacks. During the period, portfolio companies involved with technology and mergers outperformed, while resource and financial company investments underperformed. The Fund's short selling of certain stocks helped returns, although transactions in futures on stock indexes reduced Fund returns. Valuation of the Fund's holdings of private companies were revised downward in line with the reduction of market multiples and their own weakening prospects. For the 2008 year, the Fund had a market total return of (81.42)% and a net asset value total return of (63.27)%. In the same period, the Standard & Poor's 500 returned (37.00)%, according to Morningstar. Our current view of financial conditions suggests that the Fund may benefit during 2009 from its flexible portfolio approach, investing opportunistically in a variety of markets, and employing aggressive and speculative investment techniques as deemed appropriate.

At December 31, 2008, the Fund's top ten holdings comprised approximately 59% of its net assets. As a percent of net assets, investments in U.S. equities accounted for about 73% and foreign equities about 28%. As the Fund pursues its total return objective through this flexible approach, these holdings and allocations are subject to substantial change at any time. By way of illustration, at December 31, 2007, as a percent of net assets, investments in U.S. equities accounted for about 58% and foreign equities about 57%, reflecting approximately 15% leverage.

We thank you for investing with Foxby and share your enthusiasm for the Fund, as evidenced by the fact that affiliates of CEF Advisers, Inc., the Fund's Investment Manager, own approximately 24.5% of the Fund's shares. We look forward to serving your investment needs over the years ahead.

Sincerely,

Thomas B. Winmill  
President and Portfolio Manager

**TOP TEN HOLDINGS**

(at December 31, 2008)

1. Trend Micro, Inc.
2. Brown & Brown, Inc.
3. T. Rowe Price Group, Inc.
4. Del Monte Foods Company
5. Amerivon Holdings
6. Franklin Resources, Inc.
7. Berkshire Hathaway, Inc. Cl. B
8. Aspen Insurance Holdings Ltd.

9. Intel Corp.

10. UnitedHealth Group, Inc.

Top ten holdings comprise approximately 59% of total net assets. Portfolio holdings are subject to change. This portfolio information should not be considered as a recommendation to purchase or sell a particular security.

## SCHEDULE OF PORTFOLIO INVESTMENTS - DECEMBER 31, 2008

Shares		Value
<b>COMMON STOCKS (89.49%)</b>		
<b>Canned Fruits and Vegetables (6.50%)</b>		
30,000	Del Monte Foods Company <sup>(3)</sup>	\$ 214,200
<b>Computer Storage Devices (1.28%)</b>		
9,500	Seagate Technology	42,085
<b>Copper Exploration and Project Development (2.92%)</b>		
438,000	Nord Resources Corp. <sup>(1)</sup>	96,360
<b>Diamond Exploration and Project Development (1.94%)</b>		
185,937	Etruscan Diamonds Ltd. <sup>(1) (2)</sup>	64,018
<b>Drugs, Proprietaries, and Sundries (6.13%)</b>		
2,000	AmerisourceBergen Corp.	71,320
3,000	Herbalife Ltd.	65,040
1,700	McKesson Corp.	65,841
		202,201
<b>Electronic Computers (5.64%)</b>		
12,500	Dell, Inc. <sup>(1)(3)</sup>	128,000
1,600	Hewlett-Packard Company	58,064
		186,064
<b>Fire, Marine &amp; Casualty Insurance (5.56%)</b>		
57	Berkshire Hathaway, Inc., Class B <sup>(1) (3)</sup>	183,198
<b>General Medical &amp; Surgical Hospitals (1.71%)</b>		
1,500	Universal Health Services, Inc.	56,355
<b>Gold Exploration and Project Development (1.26%)</b>		
99,000	Etruscan Resources Inc. <sup>(1)</sup>	41,701
17,166	Q2 Gold Resources, Inc. <sup>(1) (2)</sup>	—
		41,701
<b>Hospital and Medical Service Plans (4.03%)</b>		
5,000	UnitedHealth Group Inc. <sup>(3)</sup>	133,000
<b>Insurance Agents, Brokers and Services (6.72%)</b>		
10,600	Brown & Brown, Inc.	221,540
75,000	Safety Intelligence Systems Corp. <sup>(1) (2)</sup>	—
		221,540
<b>Investment Advice (5.80%)</b>		
3,000	Franklin Resources Inc.	191,340
<b>Natural Gas Distribution (.37%)</b>		
12,713	MetroGAS S.A. ADR <sup>(1)</sup>	12,077



**Power Insulating and Related Equipment (1.29%)**

4,000 NGK Insulators, Ltd.<sup>(3)</sup>

42,600

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See notes to financial statements.

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**SCHEDULE OF PORTFOLIO INVESTMENTS - DECEMBER 31, 2008**

Shares		Value
<b>COMMON STOCKS - continued</b>		
<b>Reinsurance Carriers (5.00%)</b>		
6,800	Aspen Insurance Holdings Ltd. <sup>(3)</sup>	\$ 164,900
<b>Security and Commodity Brokers, Dealers, Exchanges and Services (8.09%)</b>		
17,000	BGC Partners, Inc.	46,920
6,200	T. Rowe Price Group, Inc.	219,728
		266,648
<b>Semiconductors and Related Devices (8.40%)</b>		
9,900	Intel Corporation <sup>(3)</sup>	145,134
8,500	Texas Instruments Inc. <sup>(3)</sup>	131,920
		277,054
<b>Services - Prepackaged Software (12.27%)</b>		
1,600	DST Systems, Inc. <sup>(1)</sup>	60,768
13,000	TIBCO Software Inc. <sup>(1)</sup>	67,470
8,100	Trend Micro Incorporated ADR <sup>(1)(3)</sup>	276,106
		404,344
<b>Smelting (0.33%)</b>		
9,093	China Silicon Corp. <sup>(1)(2)</sup>	10,821
<b>Telephone Communications, Excluding Radio (1.83%)</b>		
9,000	Telecom Corporation of New Zealand Ltd.	60,300
<b>Timber, Other Resources (2.42%)</b>		
371,530	MagIndustries Corp. <sup>(1)</sup>	79,753
Total common stocks (cost: \$5,267,494)		2,950,559
<b>PREFERRED STOCKS (3.41%)</b>		
<b>Smelting</b>		
945	China Silicon Corp. <sup>(1)(2)</sup> (cost: \$224,910)	112,455
<b>Principal Amount</b>		
<b>CORPORATE BONDS AND NOTES (6.32%)</b>		
<b>Retail Consulting and Investment</b>		
416,558	Amerivon Holdings LLC 4%, due 2010 (cost: \$416,558) <sup>(2)</sup>	208,279

See notes to financial statements.

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**SCHEDULE OF PORTFOLIO INVESTMENTS - DECEMBER 31, 2008**

Units		Value
<b>WARRANTS (0.09%) <sup>(1)</sup></b>		
4	Amerivon Holdings LLC, expiring 5/31/10 <sup>(2)</sup>	\$ —
23,626	China Silicon Corp., expiring 7/18/10 <sup>(2)</sup>	—
111,110	Davie Yards Inc., expiring 2/20/10	2,925
219,000	Nord Resources Corp., expiring 6/05/12 <sup>(2)</sup>	—
70,000	Victoria Gold Corp., expiring 5/07/09 <sup>(2)</sup>	—
Total warrants (cost: \$0)		2,925
<b>Shares</b>		
<b>MONEY MARKET FUND (1.84%)</b>		
60,534	SSgA Money Market Fund, 1.23% <sup>(4)</sup> (cost: \$60,534)	60,534
Total investments (cost: \$5,969,496) (101.15%)		3,334,752
Liabilities in excess of other assets (-1.15%)		(38,001)
<b>Net assets (100.00%)</b>		<b>\$ 3,296,751</b>

<sup>(1)</sup> Non-income producing.

<sup>(2)</sup> Illiquid and/or restricted security that has been fair valued.

<sup>(3)</sup> Fully or partially pledged as collateral on bank credit facility.

<sup>(4)</sup> Rate represents the 7 day annualized yield at December 31, 2008. ADR means "American Depository Receipt."

**STATEMENT OF ASSETS AND LIABILITIES**

December 31, 2008

**ASSETS**

Investments at value (cost: \$5,969,496)	\$ 3,334,752
Dividends receivable	6,548
Interest receivable	4,189
Other assets	1,399
<b>Total assets</b>	<b>3,346,888</b>

**LIABILITIES**

Accrued expenses	47,341
Administrative services payable	1,485
Investment management fee payable	1,311
<b>Total liabilities</b>	<b>50,137</b>

**NET ASSETS** \$ 3,296,751

**NET ASSET VALUE PER SHARE**

(applicable to 2,610,050 shares outstanding: 500,000,000 shares of \$.01 par value authorized) \$ 1.26

**NET ASSETS CONSIST OF**

Paid in capital	\$ 15,621,502
Accumulated investment loss	(6,948)
Accumulated net realized loss on investments	(9,683,059)
Net unrealized depreciation on investments and foreign currencies	(2,634,744)
	<b>\$ 3,296,751</b>

**STATEMENT OF OPERATIONS**

Year Ended December 31, 2008

**INVESTMENT INCOME**

Dividends (net of \$1,033 of foreign tax expense)	\$ 110,371
Interest	23,241
Securities lending income	3,267
Dividends from affiliate	35
<b>Total investment income</b>	<b>136,914</b>

**EXPENSES**

Legal	62,200
Investment management	33,499
Shareholder communications	32,222

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Interest and fees on bank credit facility	27,139
Bookkeeping and pricing	25,220
Administrative services	22,343
Auditing	20,130
Transfer agent	8,221
Custodian	7,068