

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

Guggenheim Credit Allocation Fund
Form N-Q
October 31, 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: June 1, 2016 – August 31, 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) August 31, 2016

| | Shares | Value |
|--|-----------|-----------|
| COMMON STOCKS - 1.0% | | |
| Technology - 0.7% | | |
| Aspect Software Parent, Inc. ^{*,†††,1} | 38,349 | \$900,104 |
| Qlik Technologies, Inc. A ^{*,†††,1} | 56 | 55,840 |
| Qlik Technologies, Inc. ^{*,†††,1} | 3,600 | 3,600 |
| Qlik Technologies, Inc. B ^{*,†††,1} | 13,812 | 564 |
| Total Technology | | 960,108 |
| Industrial - 0.3% | | |
| Project Silverback Holdings – Class A ^{†††,1} | 228 | 271,184 |
| Project Silverback Holdings – Class B ^{†††,1,2} | 94,522 | 100,761 |
| Ursa Insulation B.V. ^{*,†††,1} | 5,282 | – |
| Total Industrial | | 371,945 |
| Consumer, Non-cyclical - 0.0%** | | |
| Targus Group International Equity, Inc ^{*,†††,1} | 33,098 | 48,323 |
| Basic Materials - 0.0%** | | |
| Mirabela Nickel Ltd. ^{*,†††,1} | 4,839,202 | 364 |
| Total Common Stocks (Cost \$3,256,867) | | 1,380,740 |
| PREFERRED STOCKS [†] - 1.6% | | |
| Financial - 1.6% | | |
| Bank of America Corp., Series X 6.25% ^{*3,4} | 1,150,000 | 1,207,500 |
| Citigroup, Inc., Series M 6.30% ^{*,3,4} | 1,100,000 | 1,138,500 |
| Total Financial | | 2,346,000 |
| Total Preferred Stocks (Cost \$2,232,177) | | 2,346,000 |
| EXCHANGE-TRADED FUNDS [†] - 1.9% | | |
| SPDR Barclays High Yield Bond ETF ² | 76,000 | 2,777,040 |
| Total Exchange-Traded Funds (Cost \$2,726,127) | | 2,777,040 |
| SHORT-TERM INVESTMENTS [†] - 0.2% | | |
| Dreyfus Treasury Prime Cash Management Institutional Shares 0.18% ⁵ | 291,146 | 291,146 |
| Total Short-Term Investments (Cost \$291,146) | | 291,146 |

Face
Amount ~ Value

| | | |
|-------------------------------------|-----------|--------------|
| CORPORATE BONDS ^{†‡} 80.3% | | |
| Communications - 14.9% | | |
| DISH DBS Corp. | | |
| 5.88% due 11/15/24 | 2,300,000 | \$ 2,268,375 |
| 7.75% due 07/01/26 ⁶ | 850,000 | 906,942 |
| SFR Group S.A. | | |

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

| | | |
|-----------------------------------|-----------|-----------|
| 7.38% due 05/01/26 ⁶ | 2,600,000 | 2,684,499 |
| Sprint Communications, Inc. | | |
| 9.00% due 11/15/18 ⁶ | 2,200,000 | 2,422,750 |
| 6.00% due 11/15/22 | 150,000 | 135,750 |
| 7.00% due 03/01/20 ^{2,6} | 50,000 | 53,625 |
| MDC Partners, Inc. | | |
| 6.50% due 05/01/24 ⁶ | 2,075,000 | 1,971,250 |

| | Face Amount | ~ | Value |
|---|------------------|----|------------|
| CORPORATE BONDS ^{††} 80.3% (continued) | | | |
| Communications - 14.9% (continued) | | | |
| CSC Holdings LLC | | | |
| 5.25% due 06/01/24 | 1,350,000 | \$ | 1,313,712 |
| 6.75% due 11/15/21 | 400,000 | | 427,000 |
| Avaya, Inc. | | | |
| 7.00% due 04/01/19 ^{2,6} | 2,200,000 | | 1,639,000 |
| Interoute Finco plc | | | |
| 7.38% due 10/15/20 ² | 1,300,000 EUR | | 1,576,878 |
| McGraw-Hill Global Education Holdings LLC / McGraw-Hill Global Education Finance | | | |
| 7.88% due 05/15/24 ^{2,6} | 950,000 | | 1,016,500 |
| EIG Investors Corp. | | | |
| 10.88% due 02/01/24 ^{†††} | 1,100,000 | | 992,316 |
| TIBCO Software, Inc. | | | |
| 11.38% due 12/01/21 ⁶ | 1,000,000 | | 890,000 |
| Sprint Corp. | | | |
| 7.25% due 09/15/21 ² | 400,000 | | 395,500 |
| 7.88% due 09/15/23 ² | 300,000 | | 291,597 |
| 7.63% due 02/15/25 | 100,000 | | 94,938 |
| Comcast Corp. | | | |
| 3.20% due 07/15/36 | 700,000 | | 698,744 |
| Inmarsat Finance plc | | | |
| 4.88% due 05/15/22 ^{2,6} | 600,000 | | 585,120 |
| Midcontinent Communications & Midcontinent Finance Corp. | | | |
| 6.88% due 08/15/23 ⁶ | 500,000 | | 527,500 |
| SBA Communications Corp. | | | |
| 4.88% due 09/01/24 ⁶ | 450,000 | | 456,188 |
| Total Communications | | | 21,348,184 |
| Energy - 13.7% | | | |
| CONSOL Energy, Inc. | | | |
| 8.00% due 04/01/23 | 2,500,000 | | 2,437,500 |
| Comstock Resources, Inc. | | | |
| 10.00% due 03/15/20 ⁶ | 2,225,000 | | 2,046,999 |
| Keane Group Holdings LLC | | | |
| 12.00% due 08/08/19 ^{†††,1} | 1,530,000 | | 1,403,775 |
| Crestwood Midstream Partners Limited Partnership / Crestwood Midstream Finance Corp. | | | |
| 6.00% due 12/15/20 | 1,200,000 | | 1,182,000 |
| 6.13% due 03/01/22 ² | 150,000 | | 145,875 |

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

| | | |
|--|----------------|-----------|
| 6.25% due 04/01/23 ² Whiting Petroleum Corp. | 50,000 | 48,750 |
| 5.00% due 03/15/19 | 675,000 | 624,375 |
| 5.75% due 03/15/21 Halcon Resources Corp. | 550,000 | 492,938 |
| 8.63% due 02/01/20 ^{6,8} SandRidge Energy, Inc. | 1,175,000 | 1,116,250 |
| 8.75% due 06/01/20 ^{2,6,8} TerraForm Power Operating LLC | 2,725,000 | 1,069,563 |
| 5.88% due 02/01/23 ⁶ | 750,000 | 755,625 |
| 6.13% due 06/15/25 ⁶ CONTOURGLOBAL LP | 250,000 | 254,375 |
| 5.13% due 06/15/21 | 850,000 EUR | 1,009,704 |
| FTS International, Inc. 8.15% due 06/15/20 ^{3,6} | 1,100,000 | 896,500 |

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

Guggenheim Credit Allocation Fund
 SCHEDULE OF INVESTMENTS (Unaudited) August 31, 2016

| | Face Amount | Value ~ |
|--|----------------|------------|
| CORPORATE BONDS ^{†‡} 80.3% (continued) | | |
| Energy - 13.7% (continued) | | |
| BreitBurn Energy Partners Limited Partnership / BreitBurn Finance Corp. 7.88% due 04/15/22 ^{2,8} | 2,200,000 | \$ 858,000 |
| PDC Energy, Inc. 7.75% due 10/15/22 | 800,000 | 840,000 |
| Approach Resources, Inc. 7.00% due 06/15/21 | 1,100,000 | 816,750 |
| Atlas Resource Partners Holdings LLC / Atlas Resource Finance Corp. 7.75% due 01/15/21 ^{2,8} | 2,051,000 | 410,200 |
| 9.25% due 08/15/21 ^{2,8} | 1,975,000 | 395,000 |
| QEP Resources, Inc. 6.88% due 03/01/21 | 700,000 | 731,850 |
| Gibson Energy, Inc. 6.75% due 07/15/21 ⁶ | 650,000 | 659,750 |
| EP Energy LLC / Everest Acquisition Finance, Inc. 9.38% due 05/01/20 | 650,000 | 419,250 |
| 6.38% due 06/15/23 ² | 400,000 | 219,000 |
| Legacy Reserves Limited Partnership / Legacy Reserves Finance Corp. 6.63% due 12/01/21 ² | 750,000 | 367,500 |
| Summit Midstream Holdings LLC / Summit Midstream Finance Corp. 7.50% due 07/01/21 | 300,000 | 304,500 |
| DCP Midstream LLC 5.35% due 03/15/20 ^{2,6} | 100,000 | 101,500 |
| Schahin II Finance Company SPV Ltd. 5.88% due 09/25/22 ^{2,7,8} | 825,233 | 99,028 |
| Total Energy Financial - 12.5% | | 19,706,557 |
| Jefferies Finance LLC / JFIN Company-Issuer Corp. 7.38% due 04/01/20 ⁶ | 2,100,000 | 2,005,500 |
| 7.50% due 04/15/21 ⁶ | 1,100,000 | 1,040,875 |
| Lincoln Finance Ltd. 6.88% due 04/15/21 | 1,750,000 EUR | 2,144,679 |
| National Financial Partners Corp. 9.00% due 07/15/21 ⁶ | 2,000,000 | 2,065,000 |
| Kennedy-Wilson, Inc. 5.88% due 04/01/24 | 2,000,000 | 2,020,000 |
| Garfunkelux Holding Co. 3 S.A. 8.50% due 11/01/22 | 1,200,000 GBP | 1,621,562 |
| Majid AL Futtaim Holding 7.13% ⁴ | 1,500,000 | 1,603,125 |
| NewStar Financial, Inc. 7.25% due 05/01/20 | 1,125,000 | 1,102,500 |
| FBM Finance, Inc. 8.25% due 08/15/21 ⁶ | 1,000,000 | 1,047,500 |

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

| | | |
|---|----------------|------------|
| Capital One Financial Corp. 3.75% due 07/28/26 | 750,000 | 753,580 |
| | Face Amount | ~ Value |
| CORPORATE BONDS ^{†‡} 80.3% (continued) | | |
| Financial - 12.5% (continued) | | |
| GEO Group, Inc. | | |
| 6.00% due 04/15/26 ² | 575,000 | \$515,344 |
| 5.88% due 01/15/22 | 250,000 | 236,250 |
| Prosight Global Inc. | | |
| 7.50% due 11/26/20 ^{†††,2} | 650,000 | 665,266 |
| HUB International Ltd. | | |
| 9.25% due 02/15/21 ⁶ | 600,000 | 633,000 |
| Greystar Real Estate Partners LLC | | |
| 8.25% due 12/01/22 ^{2,6} | 450,000 | 477,000 |
| Lock AS | | |
| 7.00% due 08/15/21 | 50,000 EUR | 58,846 |
| Total Financial | | 17,990,027 |
| Industrial - 8.5% | | |
| LMI Aerospace, Inc. | | |
| 7.38% due 07/15/19 | 3,060,000 | 3,113,549 |
| Novelis, Inc. | | |
| 8.75% due 12/15/20 | 1,650,000 | 1,728,375 |
| 8.38% due 12/15/17 | 850,000 | 867,850 |
| StandardAero Aviation Holdings, Inc. | | |
| 10.00% due 07/15/23 ⁶ | 1,850,000 | 1,942,500 |
| Summit Materials LLC / Summit Materials Finance Corp. | | |
| 8.50% due 04/15/22 ⁶ | 1,000,000 | 1,092,500 |
| Ardagh Packaging Finance PLC | | |
| 6.75% due 05/15/24 | 600,000 EUR | 727,790 |
| Novelis Corp. | | |
| 6.25% due 08/15/24 ⁶ | 650,000 | 677,625 |
| Ardagh Packaging Finance plc / Ardagh Holdings USA, Inc. | | |
| 7.25% due 05/15/24 ⁶ | 450,000 | 478,688 |
| Princess Juliana International Airport Operating Company N.V. | | |
| 5.50% due 12/20/27 ^{†††2,6} | 416,993 | 412,698 |
| Mirabela Nickel Ltd. | | |
| 9.50% due 06/24/19 ^{†††,1,2} | 1,279,819 | 358,349 |
| 1.00% due 09/10/44 ^{†††} | 25,570 | – |
| TransDigm, Inc. | | |
| 6.38% due 06/15/26 ⁶ | 350,000 | 357,000 |
| Coveris Holdings S.A. | | |
| 7.88% due 11/01/19 ⁶ | 300,000 | 306,000 |
| CEVA Group plc | | |
| 6.50% due 03/19/21 ^{2,6} | 136,000 | 110,840 |
| Total Industrial | | 12,173,764 |
| Consumer, Non-cyclical - 8.4% | | |
| Midas Intermediate Holdco II LLC / Midas Intermediate Holdco II Finance, Inc. | | |
| 7.88% due 10/01/22 ⁶ | 2,651,000 | 2,704,019 |
| Vector Group Ltd. | | |

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

| | | |
|---------------------------------|-----------|-----------|
| 7.75% due 02/15/21 | 2,431,000 | 2,570,783 |
| Bumble Bee Holdings, Inc. | | |
| 9.00% due 12/15/17 ⁶ | 1,950,000 | 1,984,125 |

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

Guggenheim Credit Allocation Fund
 SCHEDULE OF INVESTMENTS (Unaudited) August 31, 2016

| | Face Amount | ~ Value |
|---|----------------|--------------|
| CORPORATE BONDS ^{††} 80.3% (continued) | | |
| Consumer, Non-cyclical - 8.4% (continued) | | |
| KeHE Distributors LLC / KeHE Finance Corp. 7.63% due 08/15/21 ^{2,6} | 1,400,000 | \$ 1,393,000 |
| Kinetic Concepts Incorporated / KCI USA Inc 7.88% due 02/15/21 ⁶ | 1,000,000 | 1,080,000 |
| Halyard Health, Inc. 6.25% due 10/15/22 | 925,000 | 945,813 |
| Opal Acquisition, Inc. 8.88% due 12/15/21 ⁶ | 945,000 | 793,800 |
| Post Holdings, Inc. 5.00% due 08/15/26 ⁶ | 450,000 | 448,875 |
| R&R Ice Cream plc 8.25% due 05/15/20 ⁷ | 200,000 AUD | 156,769 |
| Total Consumer, Non-cyclical | | 12,077,184 |
| Consumer, Cyclical - 6.8% | | |
| WMG Acquisition Corp. 6.75% due 04/15/22 ⁶ | 2,400,000 | 2,553,000 |
| Ferrellgas Limited Partnership / Ferrellgas Finance Corp. 6.50% due 05/01/21 | 1,750,000 | 1,649,375 |
| 6.75% due 01/15/22 | 700,000 | 656,250 |
| 6.75% due 06/15/23 ² | 50,000 | 45,125 |
| Nathan's Famous, Inc. 10.00% due 03/15/20 ⁶ | 1,300,000 | 1,417,000 |
| NPC International Incorporated / NPC Operating Company A Inc / NPC Operating Co B Inc 10.50% due 01/15/20 | 1,120,000 | 1,177,400 |
| L Brands, Inc. 6.75% due 07/01/36 | 650,000 | 698,425 |
| 6.88% due 11/01/35 | 250,000 | 273,125 |
| TVL Finance PLC 8.50% due 05/15/23 | 500,000 GBP | 701,553 |
| Carrols Restaurant Group, Inc. 8.00% due 05/01/22 ² | 400,000 | 435,000 |
| Men's Wearhouse, Inc. 7.00% due 07/01/22 | 200,000 | 176,500 |
| Total Consumer, Cyclical | | 9,782,753 |
| Technology - 6.6% | | |
| Epicor Software 9.25% due 06/21/23 ^{†††,1,2} | 3,000,000 | 2,877,000 |
| Infor US, Inc. 6.50% due 05/15/22 | 2,650,000 | 2,686,436 |
| Micron Technology, Inc. 7.50% due 09/15/23 ⁶ | 1,375,000 | 1,515,938 |

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

| | | |
|--|-----------|---------|
| 5.25% due 08/01/23 ⁶ | 1,000,000 | 967,500 |
| Cengage Learning, Inc. | | |
| 9.50% due 06/15/24 ⁶ | 975,000 | 996,938 |
| Aspect Software, Inc. | | |
| 3.00% due 05/25/23 ^{†††,1,11} | 380,626 | 313,471 |

| | Face Amount | ~ Value |
|--|----------------|-------------|
| CORPORATE BONDS ^{††} 80.3% (continued) | | |
| Technology - 6.6% (continued) | | |
| Diamond 1 Finance Corporation / Diamond 2 Finance Corp | | |
| 7.13% due 06/15/24 ⁶ | 150,000 | \$ 162,503 |
| Total Technology | | 9,519,786 |
| Basic Materials - 2.6% | | |
| Eldorado Gold Corp. | | |
| 6.13% due 12/15/20 ⁶ | 1,900,000 | 1,936,328 |
| GCP Applied Technologies, Inc. | | |
| 9.50% due 02/01/23 ⁶ | 875,000 | 1,001,875 |
| Constellium N.V. | | |
| 7.88% due 04/01/21 ⁶ | 750,000 | 811,875 |
| Total Basic Materials | | 3,750,078 |
| Utilities - 2.6% | | |
| Terraform Global Operating LLC | | |
| 9.75% due 08/15/22 ⁶ | 3,150,000 | 3,197,250 |
| LBC Tank Terminals Holding Netherlands BV | | |
| 6.88% due 05/15/23 ⁶ | 500,000 | 495,000 |
| Total Utilities | | 3,692,250 |
| Diversified - 2.2% | | |
| HRG Group, Inc. | | |
| 7.88% due 07/15/19 | 3,000,000 | 3,172,500 |
| Transportation - 1.5% | | |
| Seaspan Corp. | | |
| 6.38% due 04/30/19 ² | 81,500 | 2,089,660 |
| Total Corporate Bonds | | |
| (Cost \$120,523,101) | | 115,302,743 |
| SENIOR FLOATING RATE INTERESTS ^{††,3} 44.6% | | |
| Technology - 10.7% | | |
| Greenway Medical Technologies | | |
| 9.25% due 11/04/21 ² | 2,200,000 | 1,958,000 |
| 6.00% due 11/04/20 ² | 1,950,000 | 1,873,619 |
| TIBCO Software, Inc. | | |
| 6.50% due 12/04/20 ² | 2,659,500 | 2,591,895 |
| Project Alpha Intermediate Holding, Inc. | | |
| 9.25% due 08/22/22 ^{†††,1,2} | 2,500,000 | 2,451,711 |
| Advanced Computer Software | | |
| 10.50% due 01/31/23 ² | 1,600,000 | 1,472,000 |
| 6.50% due 03/18/22 ² | 888,750 | 844,313 |
| Sparta Holding Corp. | | |
| 6.50% due 07/28/20 ^{†††,1,2} | 1,719,102 | 1,707,911 |
| Aspect Software, Inc. | | |
| 10.50% due 05/25/20 ² | 1,312,566 | 1,276,470 |

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

| | | |
|--|---------------|------------|
| 7.68% due 05/25/18 ^{†††,1,2} | 403,333 | 392,858 |
| First Data Corp. | | |
| 4.27% due 07/08/22 ² | 650,000 | 651,788 |
| PowerSchool, Inc. | | |
| 3.71% due 07/31/22 ² | 150,000 | 150,000 |
| Total Technology | | 15,370,565 |
| Industrial - 9.2% | | |
| Ursa Insulation B.V. | | |
| 25.00% due 04/26/21 ^{†††,1,2} | 1,448,294 EUR | 1,688,410 |
| 7.75% due 04/26/20 ^{†††,1,2} | 1,511,071 EUR | 1,685,429 |
| Flakt Woods | | |
| 4.75% due 03/20/17 ² | 2,501,384 EUR | 2,734,209 |

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

Guggenheim Credit Allocation Fund
 SCHEDULE OF INVESTMENTS (Unaudited) August 31, 2016

| | Face Amount | ~ Value |
|--|----------------|--------------|
| SENIOR FLOATING RATE INTERESTS ^{††} 344.6% (continued) | | |
| Industrial - 9.2% (continued) | | |
| Doncasters Group Ltd. 9.50% due 10/09/20 ² | 1,351,724 | \$ 1,268,931 |
| HBC Hardware Holdings 6.75% due 03/30/20 ^{†††.2} | 982,500 | 962,850 |
| Bioplan USA, Inc. 5.75% due 09/23/21 ² | 965,113 | 873,428 |
| National Technical 7.00% due 06/11/21 ^{†††.1,2} | 877,207 | 855,277 |
| Ranpak 8.25% due 10/03/22 ² | 900,000 | 828,000 |
| NaNa Development Corp. 8.00% due 03/15/18 ² | 809,804 | 757,167 |
| Advanced Integration Tech 6.50% due 07/22/21 ² | 650,000 | 650,000 |
| SRS Distribution, Inc. 9.75% due 02/24/23 ² | 600,000 | 606,000 |
| Omnitracs, Inc. 8.75% due 05/25/21 ² | 150,000 | 137,000 |
| Wencor Group 1.47% due 06/19/19 ² | 126,923 | 118,603 |
| Total Industrial | | 13,165,304 |
| Consumer, Non-cyclical - 8.3% | | |
| Reddy Ice Holdings, Inc. 10.75% due 10/01/19 ² | 4,000,000 | 3,080,000 |
| CTI Foods Holding Co. LLC 8.25% due 06/28/21 ² | 3,430,000 | 3,035,550 |
| IHC Holding Corp. 7.00% due 04/30/21 ^{†††.1,2} | 1,237,500 | 1,223,072 |
| Arctic Glacier Holdings, Inc. 6.00% due 05/10/19 ² | 1,108,435 | 1,089,038 |
| Bauer Performance Sports 4.50% due 04/15/21 ² | 1,300,000 | 1,043,250 |
| American Seafoods Group LLC / American Seafoods Finance, Inc. 6.02% due 08/19/21 ² | 963,426 | 934,523 |
| Hanger, Inc. 11.50% due 08/01/19 ² | 925,000 | 906,500 |
| Pelican Products, Inc. 9.25% due 04/09/21 ² | 550,000 | 489,500 |
| Targus Group International, Inc. 15.00% due 12/31/19 ^{†††.1,2} | 141,772 | 198,239 |
| 13.75% due 06/07/16 ^{†††} | 383,461 | - |
| Total Consumer, Non-cyclical | | 11,999,672 |
| Consumer, Cyclical - 6.2% | | |

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

| | | |
|---------------------------------|---------------|-----------|
| ABRA Auto Body | | |
| 8.25% due 09/19/22 ² | 1,600,000 | 1,472,000 |
| 8.25% due 09/19/22 ² | 750,000 | 690,000 |
| Sky Bet Cyan Blue HoldCo | | |
| 6.25% due 02/25/22 ² | 1,500,000 GBP | 1,975,583 |
| The Bay Club Co. | | |
| 7.50% due 08/24/22 | 1,650,000 | 1,600,500 |
| 7.50% due 08/24/17 | 350,000 | 343,000 |
| Sears Holdings Corp. | | |
| 5.50% due 06/30/18 ² | 1,964,646 | 1,903,251 |

Face
Amount ~ Value

SENIOR FLOATING RATE INTERESTS^{††‡} 44.6% (continued)

Consumer, Cyclical - 6.2% (continued)

DLK Acquisitions BV

8.50% due 08/28/19² 400,000 EUR \$ 441,805

3.75% due 02/28/19² 250,000 EUR 278,380

Advantage Sales & Marketing, Inc.

1.88% due 07/25/19² 225,000 208,208

Total Consumer, Cyclical

8,912,727

Communications - 3.5%

Cengage Learning Acquisitions, Inc.

5.25% due 06/07/23² 2,305,368 2,301,056

Anaren, Inc.

9.25% due 01/22/21² 2,200,000 1,958,000

Proquest LLC

10.00% due 12/15/22² 850,000 823,438

Total Communications

5,082,494

Energy - 3.5%

Invenergy Thermal

6.50% due 10/19/22² 2,481,250 2,375,797

Cactus Wellhead

7.00% due 07/31/20² 1,373,424 1,036,935

Callon Petroleum Co.

8.50% due 10/08/21 900,000 905,247

Exgen Texas Power LLC

5.75% due 09/18/21² 842,219 675,881

Total Energy

4,993,860

Utilities - 2.2%

Panda Temple II Power

7.25% due 04/03/19² 2,985,000 2,716,350

Stonewall (Green Energy)

6.50% due 11/13/21² 450,000 424,125

Total Utilities

3,140,475

Financial - 0.6%

Integro Parent, Inc.

6.75% due 10/31/22² 547,407 533,722

Acrisure LLC

6.50% due 05/19/22² 205,085 205,470

Acrisure, LLC

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

| | | |
|---------------------------------------|---------|---------|
| 6.50% due 05/19/22 ² | 136,102 | 134,100 |
| Total Financial | | 873,292 |
| Basic Materials - 0.2% | | |
| PQ Corp. | | |
| 5.75% due 11/04/22 ² | 250,000 | 251,518 |
| Noranda Aluminum Acquisition Corp. | | |
| 5.75% due 02/28/19 ² | 110,402 | 11,040 |
| Total Basic Materials | | 262,558 |
| Transportation - 0.2% | | |
| Ceva Group Plc (United Kingdom) | | |
| 1.50% due 03/19/19 ^{†††,1,2} | 110,000 | 98,576 |
| 6.50% due 03/19/21 ² | 81,247 | 64,727 |
| Ceva Logistics US Holdings | | |
| 6.50% due 03/19/21 ² | 36,272 | 28,897 |
| Ceva Logistics Holdings BV (Dutch) | | |
| 6.50% due 03/19/21 ² | 26,162 | 20,843 |

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

Guggenheim Credit Allocation Fund
 SCHEDULE OF INVESTMENTS (Unaudited) August 31, 2016

| | Face Amount | ~ Value |
|--|----------------|------------|
| SENIOR FLOATING RATE INTERESTS ^{††} 44.6% (continued) | | |
| Transportation - 0.2% (continued) | | |
| Ceva Logistics Canada, ULC 6.50% due 03/19/21 ² | 4,523 | \$3,604 |
| Total Transportation | | 216,647 |
| Total Senior Floating Rate Interests (Cost \$68,933,664) | | 64,017,594 |
| ASSET-BACKED SECURITIES ^{††} 11.8% | | |
| Collateralized Loan Obligations - 7.6% | | |
| Newstar Commercial Loan Funding LLC 2013-1A, 5.95% due 09/20/23 ^{2,3,6} | 1,500,000 | 1,362,657 |
| THL Credit Wind River 2014-1 CLO Ltd. 2014-1A, 5.63% due 04/18/26 ^{2,3,6} | 1,500,000 | 1,316,493 |
| CIFC Funding Ltd. 2014-1A, 5.18% due 04/18/25 ^{3,6} | 1,340,000 | 1,105,844 |
| Monroe Capital CLO 2014-1 Ltd. 2014-1A, 5.43% due 10/22/26 ^{2,3,6} | 1,000,000 | 929,016 |
| Eaton Vance CLO Ltd. 2014-1A, 5.71% due 07/15/26 ^{3,6} | 1,000,000 | 792,595 |
| Denali Capital CLO X Ltd. 2013-1A, 6.47% due 04/28/25 ^{2,3,6} | 1,000,000 | 782,785 |
| Ares Enhanced Loan Investment Strategy IR Ltd. 2013-IRAR, 5.71% due 07/23/25 ^{2,3,6} | 830,000 | 724,600 |
| NewStar Arlington Senior Loan Program LLC 2014-1A, 4.96% due 07/25/25 ^{2,3,6} | 750,000 | 690,784 |
| Cerberus Onshore II CLO-2 LLC 2014-1A, 4.78% due 10/15/23 ^{2,3,6} | 500,000 | 493,804 |
| Dryden 41 Senior Loan Fund 2015-41A, 0.00% due 01/15/28 ^{2,6,9} | 600,000 | 479,078 |
| Fortress Credit Opportunities V CLO Ltd. 2014-5A, 5.56% due 10/15/26 ^{2,3,6} | 500,000 | 473,915 |
| Fortress Credit Opportunities VI CLO Ltd. 2015-6A, 5.66% due 10/10/26 ^{2,3,6} | 500,000 | 466,358 |
| NXT Capital CLO 2013-1 LLC 2013-1A, 4.86% due 04/25/24 ^{2,3,6} | 500,000 | 460,580 |
| Babson CLO Ltd. 2012-2A, 0.00% due 05/15/23 ^{2,6,9} | 1,000,000 | 450,677 |
| | Face Amount | ~ Value |
| ASSET-BACKED SECURITIES ^{††} 11.8% (continued) | | |
| Collateralized Loan Obligations - 7.6% (continued) | | |
| Treman Park CLO Ltd. 2015-1A, 0.00% due 04/20/27 ^{2,6,9} | \$500,000 | \$446,686 |
| Total Collateralized Loan Obligations | | 10,975,872 |

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

| | | |
|--|-----------|------------|
| Transportation - 2.7% | | |
| Emerald Aviation Finance Ltd. | | |
| 2013-1, 6.35% due 10/15/38 ^{2,6,10} | 1,157,662 | 1,159,397 |
| Apollo Aviation Securitization Equity Trust | | |
| 2014-1, 7.50% due 12/15/29 ³ | 871,795 | 864,821 |
| 2016-1A, 9.20% due 03/17/36 ^{2,6,10} | 458,350 | 462,934 |
| 2014-1 C, 10.00% due 12/15/29 | 402,165 | 401,360 |
| Rise Ltd. | | |
| 2014-1AB, 6.50% due 02/12/39 ^{††.2} | 421,875 | 414,570 |
| Turbine Engines Securitization Ltd. | | |
| 2013-1A, 6.38% due 12/13/48 ^{2,7} | 344,747 | 315,067 |
| Castlelake Aircraft Securitization Trust | | |
| 2014-1, 7.50% due 02/15/29 ⁶ | 303,655 | 300,922 |
| Total Transportation | | 3,919,071 |
| Collateralized Debt Obligations - 1.1% | | |
| Anchorage Credit Funding 1 Ltd. | | |
| 2015-1A, 6.30% due 07/28/30 ⁷ | 1,000,000 | 1,000,128 |
| FDF I Ltd. | | |
| 2015-1A, 6.88% due 11/12/30 ^{2,6} | 500,000 | 500,860 |
| Total Collateralized Debt Obligations | | 1,500,988 |
| Financial - 0.4% | | |
| NCBJ 2015-1 A | | |
| 5.88% due 07/08/22 ^{†††.1,2} | 500,000 | 500,000 |
| Total Asset-Backed Securities (Cost \$17,155,598) | | 16,895,931 |

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

Guggenheim Credit Allocation Fund

SCHEDULE OF INVESTMENTS (Unaudited) August 31, 2016

| | Face Amount | ~ Value |
|--|----------------|--------------------------------|
| MORTGAGE BACKED SECURITIES ^{††} 0.8% | | |
| Collateralized Mortgage Obligations - 0.8% | | |
| GS Mortgage Securities Corporation Trust | | |
| 2016-ICE2, 9.01% due 02/15/33 ^{3,6} | 1,200,000 | \$1,199,859 |
| Total Mortgage Backed Securities (Cost \$1,200,000) | | 1,199,859 |
| Total Investments - 142.2% (Cost \$216,318,680) | | \$204,211,053 (60,587,054) |
| Other Assets & Liabilities, net - (42.2)% | | \$143,623,999 |
| Total Net Assets - 100.0% | | |

~ 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 — 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 August 31, 2016. The total market value of fair valued securities amounts to \$18,187,718 (cost \$20,403,789) or 12.7% of total net assets.

All or a portion of these securities have been physically segregated or earmarked in connection with reverse repurchase agreements and unfunded loan commitments. As of August 31, 2016, the total market value of segregated or earmarked securities was \$89,537,429.

3 Variable rate security. Rate indicated is rate effective at August 31, 2016.

4 Perpetual maturity.

5 Rate indicated is the 7 day yield as of August 31, 2016.

6 Security is a 144A or Section 4(a)(2) security. The total market value of 144A or Section 4(a)(2) securities is \$70,191,341 (cost \$70,762,850), or 48.9% of total net assets. These securities have been determined to be liquid under guidelines established by the Board of Trustees.

7 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 \$2,563,308 (cost \$3,285,136), or 1.8% of total net assets – See Note 4.

8 Security is in default of interest and/or principal obligations.

9 Security has no stated coupon. However, it is expected to receive residual cash flow payments on defined deal dates.

10 Security is a step up/step down bond. The coupon increases or decreases at regular intervals until the bond reaches full maturity. Rate indicated is effective as of August 31, 2016.

11 Payment-in-kind security

AUD Australian Dollar

B.V. Limited Liability Company

CDO Collateralized Debt Obligation

CLO Collateralized Loan Obligation

EUR Euro

GBP Great Britain Pound

LLC Limited Liability Company

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

N.V. Publicly Traded Company
 Plc Public Limited Company
 S.A. Corporation
 ULC Unlimited Liability Company

See Sector
 Classification
 in
 Supplemental
 Information
 section.

The following table summarizes the inputs used to value the Fund's investments at August 31, 2016 (See Note 2 in the Notes to Schedule of Investments):

| Description | Level 1 Quoted Prices | Level 2 Significant Observable Inputs | Level 3 Significant Unobservable Inputs | Total |
|---|-----------------------------|--|--|----------------------|
| Assets: | | | | |
| Common Stocks | \$— | \$— | \$ 1,380,740 | \$ 1,380,740 |
| Preferred Stocks | 2,346,000 | — | — | 2,346,000 |
| Exchange-Traded Funds | 2,777,040 | — | — | 2,777,040 |
| Short Term Investments | 291,146 | — | — | 291,146 |
| Corporate Bonds | — | 108,279,868 | 7,022,875 | 115,302,743 |
| Senior Floating Rate Interests | — | 52,753,261 | 11,264,333 | 64,017,594 |
| Asset-Backed Securities | — | 15,981,361 | 914,570 | 16,895,931 |
| Mortgage Backed Securities | — | 1,199,859 | — | 1,199,859 |
| Forward Foreign Currency Exchange Contracts | — | 3,727 | * — | 3,727 |
| Total Assets | \$5,414,186 | \$ 178,218,076 | \$ 20,582,518 | \$204,214,780 |
| Liabilities: | | | | |
| Forward Foreign Currency Exchange Contracts | \$— | \$ 105,628 | * \$— | \$ 105,628 |
| Unfunded Commitments | — | 972,630 | — | 972,630 |
| Total Liabilities | \$— | \$ 1,078,958 | | \$ 1,078,958 |

*Represents the unrealized gain/loss at period end.

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

Guggenheim Credit Allocation Fund
SCHEDULE OF INVESTMENTS (Unaudited) August 31, 2016

If not referenced in the table, please refer to the Schedule of Investments for a breakdown of investment type by industry category.

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

| Category | Ending Balance as of 8/31/2016 | Valuation Technique | Unobservable Inputs | Input Range |
|--------------------------------|--------------------------------|--|--|--------------|
| Asset Backed Securities | \$ 414,570 | Option adjusted spread off the month end broker quote over the 3 month LIBOR | Indicative Quote | - |
| Asset Backed Securities | 500,000 | Option adjusted spread | Indicative Quote for Comparable Security | - |
| Corporate Bonds | 2,070,280 | Option adjusted spread off the month end broker quote over the 3 month LIBOR | Indicative Quote | - |
| Corporate Bonds | 313,471 | Enterprise Value | Valuation Multiple* | 8.0x |
| Corporate Bonds | 4,280,775 | Model Price | Market Comparable Yields | 8.9% - 15.5% |
| Corporate Bonds | 358,349 | Model Price | Liquidation Value | - |
| Common Stocks | 1,320,372 | Enterprise Value | Valuation Multiple* | 5.5x - 15.2x |
| Common Stocks | 60,004 | Model Price | Purchase Price | - |
| Common Stocks | 364 | Model Price | Liquidation Value | - |
| Senior Floating Rate Interests | 962,850 | Option adjusted spread off the month end broker quote over the 3 month LIBOR | Indicative Quote | - |
| Senior Floating Rate Interests | 591,097 | Enterprise Value | Valuation Multiple* | 8.0x |
| Senior Floating Rate Interests | 4,258,198 | Model Price | Purchase Price | - |
| Senior Floating Rate Interests | 3,373,839 | Model Price | Recovery Value | - |
| Senior Floating Rate Interests | 2,078,349 | Model Price | Market Comparable Yields | 5.7% - 5.9% |

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

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

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 August 31, 2016, the Fund had securities with a total value of \$992,316 transferred from Level 2 to Level 3 due to lack of availability of market price information at the period end. The Fund had securities with a total value of \$3,135,569 transferred from Level 3 to Level 2 due to availability of market price information at the period end.

Summary of Fair Value of 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 August 31, 2016:

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

Guggenheim Credit Allocation Fund
SCHEDULE OF INVESTMENTS (Unaudited) August 31, 2016

LEVEL 3 – Fair Value measurement using significant unobservable inputs

| | Senior Floating Rate Interests | Asset-Backed Securities | Corporate Bonds | Common Stocks | Total |
|---|---|----------------------------|--------------------|------------------|---------------|
| Assets: | | | | | |
| Beginning Balance | \$ 11,180,172 | \$ 1,351,858 | \$ 5,956,415 | \$ 1,484,363 | \$ 19,972,808 |
| Purchases | 3,077,333 | - | - | 60,004 | 3,137,337 |
| Paydowns Received | (113,038) | (35,211) | (16,470) | - | (164,719) |
| Payment-in-kind Distributions Received | 5,159 | - | 16,140 | - | 21,299 |
| Realized Gain/Loss | (598) | - | - | - | (598) |
| Total change in unrealized gains or losses included in earnings | (14,486) | (717) | 74,474 | (163,627) | (104,356) |
| Sales | (136,000) | - | - | - | (136,000) |
| Transfers into Level 3 | - | - | 992,316 | - | 992,316 |
| Transfers out of Level 3 | (2,734,209) | (401,360) | - | - | (3,135,569) |
| Ending Balance | \$ 11,264,333 | \$ 914,570 | \$ 7,022,875 | \$ 1,380,740 | \$ 20,582,518 |
| Net change in unrealized appreciation (depreciation) for investments in securities still held as of August 31, 2016 | \$ 11,385 | \$ (717) | \$ 74,474 | \$ (163,627) | \$ (78,485) |

As of August 31, 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. | 09/26/2019 | \$ 2,000,000 | \$ 163,374 |
| Acrisure LLC | 05/19/2022 | 208,814 | 3,070 |
| Advantage Sales and Marketing | 07/21/2019 | 675,000 | 50,375 |
| American Seafood | 08/04/2021 | 450,000 | 55,398 |
| American Stock Transfer | 06/11/2018 | 400,000 | 19,285 |
| Aspect Software | 05/25/2018 | 146,667 | - |
| BBB Industries, LLC | 10/17/2019 | 1,100,000 | 96,897 |
| CEVA Group, PLC | 03/19/2019 | 390,000 | 40,503 |
| Eyemart Express | 12/16/2019 | 1,000,000 | 79,980 |
| Hillman Group, Inc. | 06/13/2019 | 900,000 | 55,602 |
| IntraWest Holdings, S.A.R | 12/10/2018 | 1,100,00 | 19,969 |
| Learning Care Group | 05/05/2021 | 500,000 | 40,812 |
| National Financial Partners | 07/01/2018 | 1,500,000 | 77,280 |
| National Technical | 06/11/2021 | 160,588 | 1,364 |
| Phillips Medsize Corp. | 06/13/2019 | 1,100,000 | 71,397 |
| PowerSchool, Inc. | 07/29/2021 | 300,000 | 30,702 |
| ProMach Group, Inc. | 10/22/2019 | 650,000 | 49,184 |

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

| | | | |
|--------------------------|------------|---------------|------------|
| Signode Industrial Group | 05/01/2019 | 1,400,000 | 92,983 |
| Wencor Jazz Acquisition | 06/19/2019 | 373,077 | 24,455 |
| | | \$ 14,354,146 | \$ 972,630 |

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

Guggenheim Credit Allocation Fund

SCHEDULE OF INVESTMENTS (Unaudited) August 31, 2016

As of August 31, 2016, the following forward foreign currency exchange contracts were outstanding:

| Contracts to Sell | Counterparty | Settlement Date | Settlement Value | Value as of 8/31/16 | Net Unrealized Appreciation (Depreciation) |
|---|-----------------------------|-----------------|------------------|---------------------|--|
| AUD 213,000 for USD 163,089 | The Bank of New York Mellon | 09/13/2016 | \$ 163,089 | \$ 160,060 | \$ 3,029 |
| EUR 12,257,000 for USD 13,605,956 | The Bank of New York Mellon | 09/13/2016 | 13,605,956 | 13,679,550 | (73,594) |
| GBP 3,277,000 for USD 4,276,061 | The Bank of New York Mellon | 09/13/2016 | 4,276,061 | 4,304,514 | (28,453) |
| GBP 53,000 for USD 70,316 | The Bank of New York Mellon | 09/13/2016 | 70,316 | 69,618 | 698 \$ (98,320) |
| Contracts to Buy | Counterparty | Settlement Date | Settlement Value | Value as of 8/31/16 | Net Unrealized (Depreciation) |
| EUR 92,000 for USD 103,631 | The Bank of New York Mellon | 09/13/2016 | \$ 103,631 | \$ 102,678 | \$ (953) |
| EUR 153,000 for USD 172,714 | The Bank of New York Mellon | 09/13/2016 | 172,714 | 170,757 | (1,957) |
| EUR 804,000 for USD 897,984 | The Bank of New York Mellon | 09/13/2016 | 897,984 | 897,313 | (671) \$ (3,581) |
| Total unrealized depreciation for forward foreign currency exchange contracts | | | | | \$ (101,901) |

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 sale 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 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

As of August 31, 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 |
|--------------------------------------|-----------------------------------|-----------------------------------|--|
| \$216,547,357 | \$5,688,789 | (\$18,025,093) | (\$12,336,304) |

The net tax unrealized appreciation on unfunded commitments is \$718,287.

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. 2015-1A, 6.30% due 07/28/30 | 05/07/15 | \$1,000,000 | \$1,000,128 |
| EIG Investors Corp. 10.88% due 02/01/24 | 05/17/16 | 974,535 | 992,316 |
| R&R Ice Cream plc 8.25% due 05/15/20 | 06/16/14 | 187,926 | 156,769 |
| Schahin II Finance CO SPV Ltd 5.88% due 09/25/22 | 01/08/14 | 783,911 | 99,028 |
| Turbine Engines Securitization Ltd, 2013-1A, 6.38% due 12/13/48 | 12/12/13 | 338,764 | 315,067 |
| | | \$3,285,136 | \$2,563,308 |

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: October 31, 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: October 31, 2016

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

Date: October 31, 2016