

# **FOXBY CORP.**

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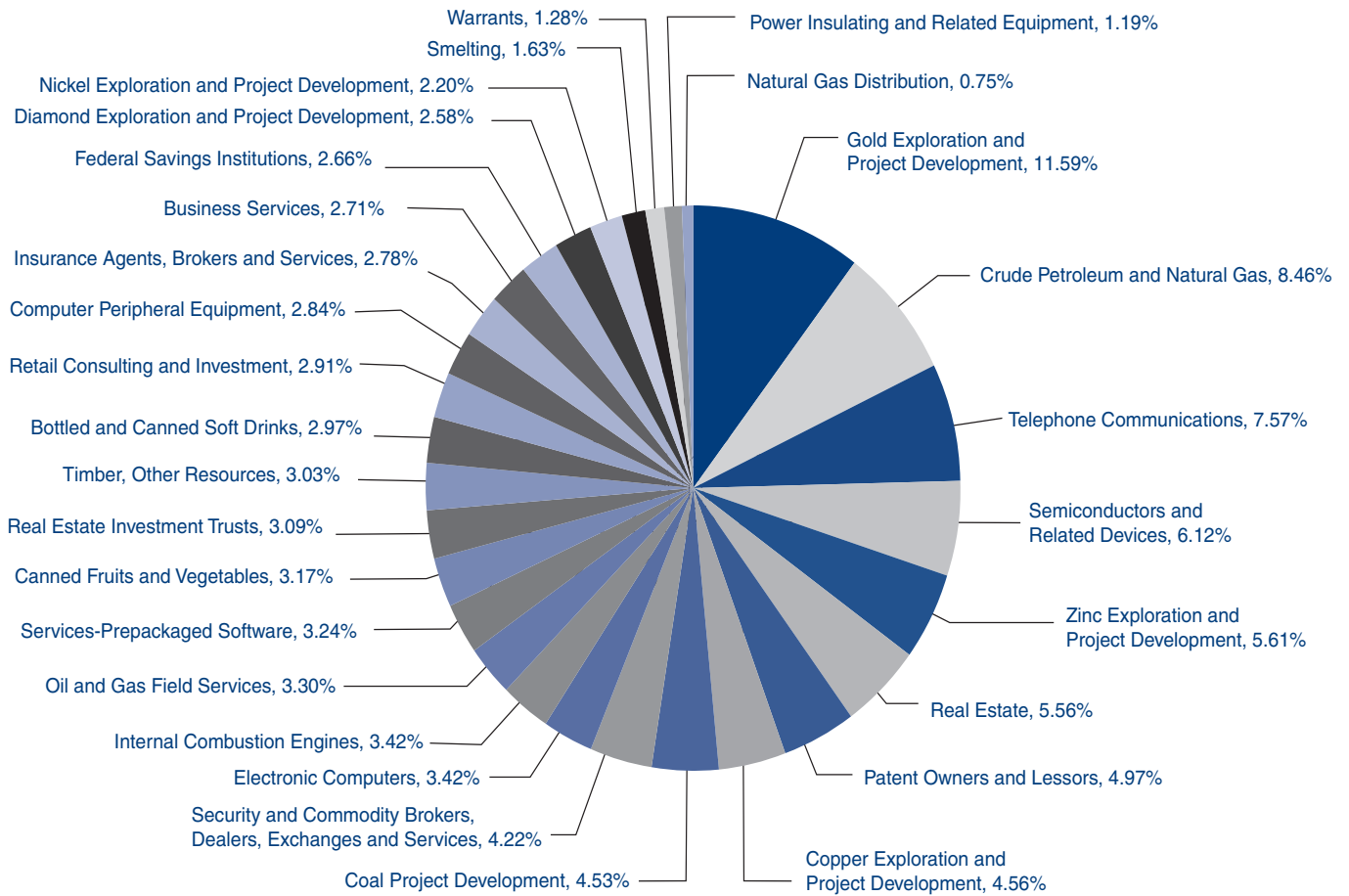
## **ANNUAL REPORT December 31, 2007**

**American Stock  
Exchange Symbol:**

**FXX**

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

## INVESTMENTS BY INDUSTRY\*



## PORTFOLIO ANALYSIS\*

U.S. Equities	58%
Foreign Equities	57%
	115%

\* 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 17, 2008

Fellow Shareholders:

We are pleased to submit this 2007 Annual Report for Foxby Corp. and to welcome our new shareholders who find the Fund's flexible total return investment approach attractive. As a non-diversified, 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, and closed end funds. The Fund may invest in any one closed end fund limited to 3% of the closed end fund's total outstanding stock. The Fund also may own shares of open end funds (mutual funds) as a result of a restructuring of a closed end fund, or for short term liquidity. The Fund also 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 "leveraging," and may 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.

## Market Report

The second half of 2007 has seen the financial markets in the United States and in a number of other developed countries under pressure. According to the Federal Reserve Chairman Ben S. Bernanke, economic turmoil in the housing and other industry sectors has negatively affected investor sentiment. As investors attempt to grapple with new economic data and market commentary on future earnings, asset values, and consumer demand, financial markets have seen sharp monthly, weekly, and even daily swings.

To help address the significant strains in short term money markets, the Federal Reserve has taken a range of steps. Notably, on August 17, the Federal Reserve Board cut the discount rate – the rate at which it lends directly to banks by one half a percent. Also, the Federal Reserve's Open Market Committee cut its target for the federal funds rate by one half a percent at its September meeting and by one quarter of a percent each at the October and December meetings. Chairman Bernanke has stated that the "Fed" took these actions to help offset tightening credit and the housing slump, although he also noted that in light of recent changes in the outlook for economic growth, additional rate cuts may be necessary.

Whether the current pause in the economy will become a full fledged recession is not clear. Recent reports indicated that U.S. wholesalers' inventories rose higher in November than expected, while sales surged by the most in two years. These trends suggest that the retail economy is strengthening. At the same time, the U.S. unemployment rate recently rose to 5%, a level which is often associated with the advent of recessions. Some economists are forecasting the unemployment rate to rise in 2008 to 5.1% by June and 5.2% by December. Meanwhile, U.S. inflation rose to a two-year high of 4.3% in November, and 2008 inflation expectations appear to be increasing, although modestly, as suggested by a recent Dow Jones survey of forecasts.

In Europe, the European Central Bank (ECB) President Jean-Claude Trichet has implied that the threat of higher inflation is a concern. Both the ECB and the Bank of England kept their interest-rate targets stable, at 4% and 5.5%, respectively, probably in part as a result of inflation concerns. Yet, euro-zone consumer price inflation in December, while at a 6 ½ year high, was only 3.1%. Economic strength inside the euro-zone is

uneven: Germany's trade surplus hit a record of €19.3 billion in November, according to data from the Federal Statistics Office, or Destatis. By contrast, France's trade deficit widened in November, to €4.79 billion from €3.6 billion in October as exports dipped and imports rose.

Inflation, in fact, is appearing worldwide. Two reasons given for the current rate of inflation are increasing prices for oil and agricultural products. Moreover, the UN Food and Agricultural Organization and U.S. Department of Agriculture reported that food prices are rising at their fastest rate in nearly 25 years. The USDA also recently predicted that global corn stocks will fall to a 33-year low of just 7.5 weeks of consumption, and that global wheat stocks will plunge to 9.3 weeks, their lowest level in at least 47 years.

### **Total Return Allocation - Fund Scores Solid Gains**

In view of these challenging market conditions, the Fund's overall strategy over 2007 was to increase its holdings of foreign and smaller company stocks, while maintaining leverage. The Fund portfolio's holdings of commodity based businesses were re-aligned towards precious metals, coal, copper, and food. Technology investment was also increased. During the period, portfolio companies involved with energy and China outperformed, while certain smaller cap turnaround investments underperformed and were sold. Taking advantage of its closed end structure, the Fund also enjoyed good returns on some of its less liquid investments in private placements and a private company that went public during the period.

For the full year 2007, the Fund had a market total return of 23.67% on a net asset value total return of 19.09%. In the same period, the Standard & Poor's 500 returned 5.49%, according to Morningstar. These are satisfying results for our total return investment process, which we believe provides an attractive strategy for the Fund over the long term. Our current view of financial conditions suggests that the Fund may benefit during 2008 from our flexible portfolio approach, investing opportunistically in a variety of markets, and employing aggressive and speculative investment techniques as deemed appropriate.

At December 31, 2007, the Fund's top ten holdings comprised approximately 48% of net assets. As a percent of net assets, investments in U.S. equities accounted for about 58% and foreign equities about 57%, reflecting 15% leverage. 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, 2006, the Fund was invested 63% in U.S. equities and 50% in foreign equities, reflecting 13% leverage.

On October 31, 2007, the Fund's net asset value was \$4.10, its highest level in more than 5 years. The Fund continues to make progress at offsetting losses sustained during prior market downturns. In 2007, the Fund had net realized gains which reduced the accumulated loss carryforward from \$6.03 per share on December 31, 2006 to \$5.65 per share on December 31, 2007. The Fund is also considering ways to reduce expenses and its regulatory burdens, so as to give greater focus on its investment objective.

We thank you for investing with Foxby and share your enthusiasm for the Fund, as evidenced by the fact that affiliates of the 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  
Portfolio Manager

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**TOP TEN HOLDINGS**  
(at December 31, 2007)

- |                              |                              |
|------------------------------|------------------------------|
| 1. China Mobile Ltd.         | 6. EnCana Corp.              |
| 2. Mansfield Minerals Inc.   | 7. T. Rowe Price Group, Inc. |
| 3. Cheung Kong Holdings Ltd. | 8. Chesapeake Energy Corp.   |
| 4. SurModics, Inc.           | 9. Dell Inc.                 |
| 5. Nord Resources Corp.      | 10. Cummins Inc.             |

Top ten holdings comprise approximately 48% of total net assets. This portfolio information should not be considered as a recommendation to purchase or sell a particular security and there is no assurance that any securities will remain in or out of the Fund.

**SCHEDULE OF PORTFOLIO INVESTMENTS - DECEMBER 31, 2007**

<u>Shares</u>		<u>Value</u>
	<b>COMMON STOCKS (104.72%)</b>	
	<b>Bottled and Canned Soft Drinks (2.97%)</b>	
6,000	Hansen Natural Corp. <sup>(1)</sup> .....	\$ 265,740
	<b>Business Services (2.71%)</b>	
7,000	Akamai Technologies, Inc. <sup>(1)</sup> .....	242,200
	<b>Canned Fruits and Vegetables (3.17%)</b>	
30,000	Del Monte Foods Company* .....	283,800
	<b>Coal Project Development (2.71%)</b>	
80,000	QGX Ltd. <sup>(1)</sup> .....	242,351
	<b>Computer Peripheral Equipment (2.84%)</b>	
9,500	Riverbed Technology, Inc. <sup>(1)</sup> .....	254,030
	<b>Copper Exploration and Project Development (4.56%)</b>	
438,000	Nord Resources Corp. <sup>(1)</sup> .....	408,435
	<b>Crude Petroleum and Natural Gas (8.46%)</b>	
9,600	Chesapeake Energy Corp.* .....	376,320
5,600	EnCana Corp.* .....	380,576
		<u>756,896</u>
	<b>Diamond Exploration and Project Development (2.58%)</b>	
175,000	Etruscan Diamonds Ltd. <sup>(1)(2)</sup> .....	230,496
	<b>Electronic Computers (3.42%)</b>	
12,500	Dell, Inc. <sup>(1)</sup> * .....	306,375
	<b>Federal Savings Institutions (2.66%)</b>	
17,500	Washington Mutual, Inc.....	238,175
	<b>Gold Exploration and Project Development (11.59%)</b>	
99,000	Etruscan Resources Inc. <sup>(1)</sup> .....	220,669
141,000	Mansfield Minerals, Inc. <sup>(1)</sup> .....	504,286
17,166	Q2 Gold Resources, Inc. <sup>(1)(2)</sup> .....	-
110,000	Reunion Gold Corp. <sup>(1)</sup> .....	127,609
140,000	Victoria Resource Corp. <sup>(1)(2)</sup> .....	184,468
		<u>1,037,032</u>
	<b>Insurance Agents, Brokers and Services (2.78%)</b>	
10,600	Brown & Brown, Inc.* .....	249,100
75,000	Safety Intelligence Systems Corp. <sup>(1)(2)</sup> .....	-
		<u>249,100</u>
	<b>Internal Combustion Engines (3.42%)</b>	
2,400	Cummins Inc. ....	305,688

**SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2007**

<u>Shares</u>		<u>Value</u>
	<b>COMMON STOCKS - continued</b>	
	<b>Natural Gas Distribution (.75%)</b>	
15,000	MetroGAS S.A. ADR <sup>(1)</sup> .....	\$ 66,750
	<b>Nickel Exploration and Project Development (2.20%)</b>	
25,000	Skye Resources, Inc. <sup>(1)</sup> .....	196,935
	<b>Oil and Gas Field Services (3.30%)</b>	
4,300	Weatherford International Ltd. <sup>(1)</sup> .....	294,980
	<b>Patent Owners and Lessors (4.97%)</b>	
8,200	SurModics, Inc. <sup>(1)*</sup> .....	445,014
	<b>Power Insulating and Related Equipment (1.19%)</b>	
4,000	NGK Insulators, Ltd. ....	106,200
	<b>Real Estate (5.56%)</b>	
26,900	Cheung Kong Holdings Limited ADR* .....	497,470
	<b>Real Estate Investment Trusts (3.09%)</b>	
7,200	Digital Realty Trust, Inc. ....	276,264
	<b>Security and Commodity Brokers, Dealers, Exchanges and Services (4.22%)</b>	
6,200	T. Rowe Price Group, Inc.* .....	377,456
	<b>Semiconductors and Related Devices (6.12%)</b>	
9,900	Intel Corporation* .....	263,934
8,500	Texas Instruments Inc. ....	283,900
		<u>547,834</u>
	<b>Services - Prepackaged Software (3.24%)</b>	
8,100	Trend Micro Incorporated ADR <sup>(1)*</sup> .....	290,024
	<b>Telephone Communications (7.57%)</b>	
7,800	China Mobile Ltd. ADR.* .....	677,586
	<b>Timber, Other Resources (3.03%)</b>	
136,700	MagIndustries Corp. <sup>(1)</sup> .....	270,768
	<b>Zinc Exploration and Project Development (5.61%)</b>	
396,000	Farallon Resources Ltd. <sup>(1)</sup> .....	278,845
75,000	Strategic Resource Acquisition Corp. <sup>(1)</sup> .....	223,024
		<u>501,869</u>
	Total common stocks (cost: \$7,930,494) (104.72%) .....	<u>9,369,468</u>
	<b>PREFERRED STOCKS (3.45%)</b>	
	<b>Coal Project Development (1.82%)</b>	
200,000	Phoenix Coal Corp. <sup>(1)(2)</sup> .....	162,500
	<b>Smelting (1.63%)</b>	
945	China Silicon Corp. <sup>(1)(2)</sup> .....	146,191
	Total preferred stocks (cost: \$474,910) (3.45%) .....	<u>308,691</u>

See notes to financial statements.

**SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2007**

<u>Principal Amount</u>		<u>Value</u>
	<b>CORPORATE BONDS AND NOTES (2.91%)</b>	
	<b>Retail Consulting and Investment</b>	
400,304	Amerivon Holdings LLC 4%, due 2010 (cost: \$400,304) (2.91%) <sup>(2)</sup> .....	\$ 260,198
	<b>WARRANTS (1.28%) <sup>(1)</sup></b>	
<u>Units</u>		
4	Amerivon Holdings LLC, expiring 5/31/10 <sup>(2)</sup> .....	-
23,626	China Silicon Corp., expiring 7/18/10 <sup>(2)</sup> .....	-
198,000	Farallon Resources Ltd., expiring 8/21/08 <sup>(2)</sup> .....	-
100,000	IAMGOLD Corp., expiring 8/12/08 .....	71,935
219,000	Nord Resources Corp., expiring 6/05/12 <sup>(2)</sup> .....	-
70,000	Victoria Resource Corp., expiring 5/07/09 <sup>(2)</sup> .....	<u>42,199</u>
	Total warrants (cost: \$129,310) (1.28%) .....	<u>114,134</u>
	Total investments (cost: \$8,935,018) (112.36%) .....	10,052,491
	Liabilities in excess of other assets (-12.36%) .....	<u>(1,105,771)</u>
	<b>Net assets (100.00%) .....</b>	<b><u><u>\$8,946,720</u></u></b>

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

<sup>(2)</sup> Illiquid and/or restricted security that has been fair valued (Note 4).  
ADR means "American Depositary Receipt."

\* Pledged as collateral on bank credit facility.

**STATEMENT OF ASSETS AND LIABILITIES**

December 31, 2007

**ASSETS**

Investments at value (cost: \$8,935,018) .....	\$10,052,491
Receivable for investments sold .....	667,370
Dividends and interest receivable .....	8,370
Other assets .....	<u>4,626</u>
Total assets .....	<u>10,732,857</u>

**LIABILITIES**

Bank credit facility .....	1,720,706
Accrued expenses and other liabilities.....	59,489
Investment management fee payable.....	3,768
Administrative services payable .....	<u>2,174</u>
Total liabilities .....	<u>1,786,137</u>

**NET ASSETS** ..... \$8,946,720**NET ASSET VALUE PER SHARE**

(applicable to 2,610,050 shares outstanding: 500,000,000 shares of \$.01 par value authorized) .....	<u>\$3.43</u>
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At December 31, 2007, net assets consisted of:

Paid-in capital .....	22,688,121
Accumulated investment loss .....	(113,296)
Accumulated net realized loss on investments .....	(14,745,578)
Net unrealized appreciation on investments and foreign currencies.....	<u>1,117,473</u>
	<u>\$8,946,720</u>

**STATEMENT OF OPERATIONS**

Year Ended December 31, 2007

**INVESTMENT INCOME**

Dividends (net of \$1,260 of foreign tax expense) .....	\$ 80,318
Dividends from affiliate .....	27
Interest.....	<u>4,306</u>
Total investment income .....	<u>84,651</u>

**EXPENSES**

Interest and fees on bank credit facility .....	50,314
Investment management.....	42,682
Legal .....	38,430
Bookkeeping and pricing .....	24,150
Administrative services .....	21,650
Printing and postage.....	18,960
Audit .....	17,280
Transfer agent .....	8,183
Custodian .....	4,556
Exchange listing .....	4,235
Directors .....	2,650
Insurance.....	2,466
Other.....	<u>1,076</u>
Total expenses .....	236,632
Expense reductions.....	<u>(199)</u>
Net expenses .....	<u>236,433</u>
Net investment loss .....	<u>(151,782)</u>

**REALIZED AND UNREALIZED GAIN (LOSS)  
ON INVESTMENTS AND FOREIGN CURRENCIES**

Net realized gain:	
Sale of investments .....	877,212
Foreign currencies .....	80,579
Short sales.....	23,798
Unrealized appreciation on:	
Translation of assets and liabilities in foreign currencies .....	323,828
Investments .....	<u>263,997</u>
Net realized and unrealized gain on investments and foreign currencies.....	<u>1,569,414</u>
Net increase in net assets resulting from operations .....	<u>\$1,417,632</u>

**STATEMENTS OF CHANGES IN NET ASSETS**

Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>OPERATIONS</b>		
Net investment loss.....	\$ (151,782)	\$ (103,845)
Net realized gain from sale of investments and foreign currencies.....	981,589	1,377,726
Unrealized appreciation (depreciation) of investments and foreign currencies.....	587,825	(226,355)
Net increase in net assets resulting from operations.....	<u>1,417,632</u>	<u>1,047,526</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Distributions from ordinary income	<u>(52,057)</u>	<u>—</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Reinvestment of distributions to shareholders (7,203 and 0 shares, respectively) .....	<u>20,816</u>	<u>—</u>
Total change in net assets.....	<u>1,386,391</u>	<u>1,047,526</u>
<b>NET ASSETS</b>		
Beginning of year.....	7,560,329	6,512,803
End of year.....	<u>\$8,946,720</u>	<u>\$ 7,560,329</u>
End of period net assets included accumulated investment loss .....	\$ (113,296)	\$ (8,630)

**STATEMENT OF CASH FLOWS**

Year Ended December 31, 2007

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net increase in net assets resulting from operations.....	\$1,417,632
Adjustments to reconcile change in net assets resulting from operations to net cash provided by (used in) operating activities:	
Purchase of long term investments .....	(6,548,070)
Proceeds from sales of long term investments .....	6,563,568
Net realized gain on sales of investments and foreign currencies .....	(981,589)
Increase in receivable for securities sold.....	(667,370)
Net increase in unrealized appreciation of investments .....	(587,825)
Proceeds from short sale of investments .....	292,189
Buy to cover investments held short .....	(268,391)
Net sales of short term securities .....	35,350
Increase in other assets and liabilities .....	12,689
Net cash used in operating activities .....	<u>(731,817)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Draw of bank credit facility .....	762,491
Cash distributions paid.....	<u>(31,241)</u>
Net cash provided by financing activities .....	<u>731,250</u>
Net decrease in cash .....	(567)

**CASH**

Beginning of year .....	567
End of year .....	<u>\$ —</u>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid for interest .....	\$ 47,837
Non-cash financing activities not included herein consisted of reinvestment of distributions	\$ 20,816

## NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2007

### 1. Organization, Investment Objective, and Summary of Significant Accounting Policies

**Organization and Investment Objective** - Foxby Corp., a Maryland corporation registered under the Investment Company Act of 1940, as amended (the "Act"), is a non-diversified, closed end management investment company whose shares are listed on the American Stock Exchange. The Fund's non-fundamental investment objective is total return which it may seek from growth of capital and from income in any security type and in any industry sector. The Fund retains CEF Advisers, Inc. as its Investment Manager.

The following is a summary of the Fund's significant accounting policies.

**Security Valuation** - Securities traded on a national securities exchange are valued at the last reported sales price on the day the valuations are made. Securities traded primarily on the NASDAQ Stock Market ("NASDAQ") are normally valued by the Fund at the NASDAQ Official Closing Price ("NOCP") provided by NASDAQ each business day. The NOCP is the most recently reported price as of 4:00:02 p.m., Eastern time, unless that price is outside the range of the "inside" bid and asked prices (i.e., the bid and asked prices that dealers quote to each other when trading for their own accounts); in that case, NASDAQ will adjust the price to equal the inside bid or asked price, whichever is closer. Because of delays in reporting trades, the NOCP may not be based on the price of the last trade to occur before the market closes. Such securities that are not traded on a particular day, securities traded in the over-the-counter market that are not on NASDAQ, and foreign securities are valued at the mean between the current bid and asked prices. Certain of the securities in which the Fund invests are priced through pricing services that may utilize a matrix pricing system which takes into consideration factors such as yields, prices, maturities, call features, and ratings on comparable securities. Bonds may be valued according to prices quoted by a dealer in bonds that offers pricing services. Open end investment companies are valued at their net asset value. Securities for which quotations are not readily available or reliable and other assets may be valued as determined in good faith under the direction of and pursuant to procedures established by the Fund's Board of Directors.

**Foreign Currency Translation** - Securities denominated in foreign currencies are translated into U.S. dollars at prevailing exchange rates. Realized gain or loss on a sale of investments denominated in foreign currencies is reported separately from gain or loss attributable to the change in foreign exchange rates for those investments.

**Short Sales** - The Fund may sell a security it does not own in anticipation of a decline in the market value of the security. When the Fund sells a security short, it must borrow the security sold short and deliver it to the broker/dealer through which it made the short sale. A gain, limited to the price at which the Fund sold the security short, or a loss, unlimited in size, will be recognized upon the termination of a short sale.

**Futures Contracts** - The Fund may engage in transactions in futures contracts. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuation of the value of the contract. The daily change in the contract is included in unrealized appreciation/depreciation on investments and futures contracts. The Fund realizes a gain or loss when the contract is closed. Futures transactions sometimes may reduce returns or increase volatility. In addition, futures can be illiquid and highly sensitive to changes in their underlying security, interest rate or index, and as a result can be highly volatile. A small investment in certain futures could have a potentially large impact on the Fund's performance.

**Investment in Affiliated Money Market Fund** - The Board of Directors has authorized the Fund to invest daily available cash balances in Midas Dollar Reserves, Inc. ("MDR"). MDR is an open end investment company, registered under the Act. MDR operates as a money market fund and seeks maximum current income consistent with preservation of capital and maintenance of liquidity by investing exclusively in securities issued by the U.S. Government, its agencies and instrumentalities. Midas Management Corporation ("MMC") and Investor Service Center, Inc. ("ISC"), affiliates of the Investment Manager, act as the investment manager and distributor, respectively, of MDR. The Investment Manager, MMC, and ISC are wholly owned sub-

## NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2007 (CONTINUED)

sidiaries of Winmill & Co. Incorporated. As a shareholder, the Fund is subject to its proportional share of MDR's expenses, including its management and distribution fees. MMC and ISC voluntarily reimburse management and distribution fees, respectively, due from MDR. These voluntary reimbursements may be terminated at any time. Should ISC no longer voluntarily waive its distribution fee, the Investment Manager will waive a sufficient amount of its management fee to offset the cost of ISC's distribution fee.

**Investments in Other Investment Companies** - The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the Act) (the "Acquired Funds") in accordance with the Act and related rules. As a shareholder in the Fund, you would bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund's expenses. For the year ended December 31, 2007, the Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was less than one basis point.

**Security Transactions** - Investment transactions are accounted for on the trade date (the date the order to buy or sell is executed). Dividend income and distributions to shareholders are recorded on the ex-dividend date and interest income is recorded on the accrual basis. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

**Expenses** - Estimated expenses are accrued daily. Expenses directly attributable to the Fund are charged to the Fund. Expenses borne by the complex of related investment companies, which includes open end and closed end investment companies for which the Investment Manager and its affiliates serve as investment manager, that are not directly attributed to the Fund, are allocated among the Fund and the other investment companies in the complex on the basis of relative net assets, except where a more appropriate allocation of expenses to each investment company in the complex can otherwise be made fairly.

**Expense Reduction Arrangement** - Through arrangements with the Fund's custodian and cash management bank, credits realized as a result of uninvested cash balances were used to reduce custody expenses by \$199 during the period.

**Income Taxes** - No provision has been made for U.S. income taxes because the Fund's current intention is to continue to qualify as a regulated investment company under the Internal Revenue Code and to distribute to its shareholders substantially all of its taxable income and net realized gains. Foreign securities held by the Fund may be subject to foreign taxation. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests.

**Use of Estimates** - In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Indemnifications** - The Fund indemnifies its officers and directors for certain liabilities that might arise from their performance of their duties for the Fund. Additionally, in the normal course of business the Fund enters into contracts that contain a variety of representations and warranties and which may provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as it involves future claims that may be made against the Fund under circumstances that have not occurred.

## 2. Fees and Transactions with Related Parties

The Fund retains the Investment Manager pursuant to an Investment Management Agreement ("IMA"). Under the terms of the IMA, the Investment Manager receives a management fee, payable monthly, based on the average daily net assets of the Fund at the annual rate of 1/2 of 1% per annum. Certain officers and directors of the Fund are officers and directors of the Investment Manager. Pursuant to the IMA, the Fund reim-

## NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2007 (CONTINUED)

burses the Investment Manager for providing at cost certain administrative services comprised of compliance and accounting services.

For the year ended December 31, 2007, the Fund incurred total administrative cost of \$21,650, comprised of \$12,320 and \$9,330 for compliance and accounting services, respectively. Of the 2,610,050 shares of Fund common stock outstanding at December 31, 2007, ISC owned 24.5%.

### **Affiliated Issuer**

The term "Affiliate," as defined under the Act, includes companies in which there is a direct or indirect (a) ownership of, control of, or voting power over 5% or more of the outstanding voting shares or (b) control of or common control under another company or persons. Transactions with affiliates for the year ended December 31, 2007 were as follows:

Name of Issuer	Number of Shares Held			December 31, 2007	Value December 31, 2007	Dividend Income	Realized Gains/ (Losses)
	December 31, 2006	Gross Additions	Gross Reductions				
Midas Dollar Reserves, Inc.	-	54,256	54,256	-	-	\$27	\$ -

### **3. Distributable Earnings**

At December 31, 2007, the Fund had a net capital loss carryover of \$14,745,578, of which \$6,938,573, \$6,343,522, \$414,304, \$837,334, and \$211,845 expires in 2008, 2009, 2010, 2011, and 2013, respectively, that may be used to offset future realized capital gains for federal income tax purposes.

As of December 31, 2007, the components of distributable earnings on a tax basis were as follows:

Capital loss carryover	\$(14,745,578)
Post-October net capital losses	(6,177)
Unrealized appreciation	1,010,354
	<u>\$(13,741,401)</u>

Federal income tax regulations permit post-October net capital losses to be deferred and recognized on the tax return of the next succeeding taxable year. The difference between book basis and tax basis unrealized appreciation is attributable primarily to the income from passive foreign investment companies.

Accounting principles generally accepted in the United States of America require certain components of net assets to be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended December 31, 2007, permanent differences between book and tax accounting have been reclassified by decreasing accumulated investment loss by \$99,173, increasing accumulated net realized loss on investments by \$35,350 and decreasing paid-in capital by \$63,823.

### **4. Investment Transactions**

Purchases and sales of investment securities excluding short term investments, aggregated \$6,548,070 and \$6,563,568, respectively, for the year ended December 31, 2007. At December 31, 2007, for federal income tax purposes the aggregate cost of securities was \$9,042,137 and net unrealized appreciation was \$1,010,354, comprised of gross unrealized appreciation of \$1,833,083 and gross unrealized depreciation of \$822,729.

## NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2007 (CONTINUED)

### **Illiquid and Restricted Securities**

The Fund owns securities which have a limited trading market and/or certain restrictions on trading and, therefore, may be illiquid and/or restricted. Such securities have been valued at fair value in accordance with the procedures described in Note 1. Due to the inherent uncertainty of valuation, these values may differ from the values that would have been used had a ready market for these securities existed and these differences could be material. Illiquid and/or restricted securities owned at December 31, 2007, were as follows:

Security	Acquisition Date	Cost	Value
Victoria Resource Corp.	10/17/07	\$ 100,554	\$ 184,468
Victoria Resources Corp. warrants, expiring 5/7/09	10/17/07	-	42,199
Amerivon Holdings LLC 4% Participating Promissory Notes, due 5/31/10	9/20/07	400,304	260,198
Amerivon Holdings LLC warrants expiring 5/31/10	9/20/07	-	-
Phoenix Coal Corp.	7/24/07	250,000	162,500
China Silicon Corp.	7/18/07	224,910	146,191
China Silicon Corp. warrants expiring 7/18/10	7/18/07	-	-
Q2 Gold Resources Corp.	7/06/07	-	-
Nord Resources Corp. warrants expiring 6/5/12	5/14/07	-	-
Etruscan Diamonds Ltd.	2/28/07	298,482	230,496
Farallon Resources Ltd. warrants expiring 8/21/08	12/12/06	-	-
Safety Intelligence Systems Corp.	9/05/02	225,000	-
		<u>\$1,499,250</u>	<u>\$1,026,052</u>
Percent of net assets		<u>16.8%</u>	<u>11.5%</u>

### **5. Bank Credit Facility**

The Fund, Global Income Fund, Inc., Midas Fund, Inc., and Midas Special Fund, Inc. (the "Borrowers") have entered into a committed secured line of credit facility with State Street Bank & Trust Company ("Bank"), the Fund's custodian. Global Income Fund, Inc. is a closed end investment company managed by the Investment Manager, and Midas Fund, Inc. and Midas Special Fund, Inc. are open end investment companies managed by an affiliate of the Investment Manager. The aggregate amount of the credit facility is \$25,000,000. The borrowing of each Borrower is collateralized by the underlying investments of such Borrower. The Bank will make revolving loans to a Borrower not to exceed in the aggregate outstanding at any time with respect to any one Borrower, the least of \$25,000,000, the maximum amount permitted pursuant to each Borrower's investment policies, or as permitted under the Act. The commitment fee on this facility is 0.10% per annum on the unused portion of the commitment, based on a 360-day year. All loans under this facility will be available at the Borrower's option of (i) overnight Federal funds or (ii) LIBOR (30, 60, 90 days), each as in effect from time to time, plus 0.75% per annum, calculated on the basis of actual days elapsed for a 360-day year. For the year ended December 31, 2007, the Fund's average daily interest rate under the credit facility was 5.78% based on its balances outstanding during the period and the Fund's weighted average amount outstanding during the period was \$862,308. At December 31, 2007, the Fund had \$1,720,706 outstanding under the credit facility, collateralized by investment securities with a value of \$4,147,655.

### **6. Recently Issued Accounting Standards**

The Fund adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109, Accounting for Income Taxes" ("FIN 48"), on June 29, 2007. FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. FIN 48 requires an evaluation of tax

## NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2007 (CONCLUDED)

positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax position not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Management has analyzed the Fund's tax positions taken on federal, state, and local income tax returns for all open tax years (tax years ended December 31, 2004 - 2007) and has concluded that no provision from income tax is required in the Fund's financial statements.

The FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"), in September 2006, which is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value, and expands the required financial statement disclosures about fair value measurements. Management is currently evaluating the impact of adopting FAS 157.

### FINANCIAL HIGHLIGHTS

	Years Ended December 31,				
	2007	2006	2005	2004	2003
<b>Per Share Operating Performance</b>					
(for a share outstanding throughout each period)					
Net asset value, beginning of period	\$2.90	\$2.50	\$2.57	\$2.75	\$2.59
Income from investment operations:					
Net investment loss	(.06)	(.04)	(.17)	(.11)	(.10)
Net realized and unrealized gain (loss) on investments	.61	.44	.10	(.07)	.26
Total from investment operations	.55	.40	(.07)	(.18)	.16
Less distributions to shareholders:					
Dividends from net investment income .....	(.02)	-	-	-	-
Net asset value, end of period.....	<u>\$3.43</u>	<u>\$2.90</u>	<u>\$2.50</u>	<u>\$2.57</u>	<u>\$2.75</u>
Market value, end of period .....	<u>\$2.96</u>	<u>\$2.41</u>	<u>\$2.05</u>	<u>\$2.40</u>	<u>\$2.07</u>
<b>Total Return (a)</b>					
Based on net asset value .....	<u>19.09%</u>	<u>16.00%</u>	<u>(2.72)%</u>	<u>(6.55)%</u>	<u>6.18%</u>
Based on market price.....	<u>23.67%</u>	<u>17.56%</u>	<u>(7.66)%</u>	<u>(7.50)%</u>	<u>15.94%</u>
<b>Ratios/Supplemental Data</b>					
Net assets, end of period (000's omitted)	\$8,947	\$7,560	\$6,513	\$6,699	\$7,151
Ratio of total expenses to average net assets .....	2.77%	2.34%	7.76%	5.27%	4.39%
Ratio of net expenses to average net assets .....	2.77%	2.33%	7.76%	5.27%	4.39%
Ratio of net expenses excluding loan interest and fees to average net assets .....	2.18%	1.90%	7.54%	5.19%	4.39%
Ratio of net investment loss to average net assets .....	(1.78)%	(1.44)%	(6.78)%	(4.31)%	(3.91)%
Portfolio turnover rate .....	69.86%	110.67%	26.92%	164.08%	75.39%

(a) Total return on market value basis is calculated assuming a purchase of common stock on the opening of the first day and sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the Fund's Dividend Reinvestment Plan. Generally, total return on net asset value basis will be higher than total return on market value basis in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total return on net asset value basis will be lower than total return on market value basis in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods. Total return calculated for a period of less than one year is not annualized. The calculation does not reflect brokerage commissions, if any.

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of Foxby Corp.:

We have audited the accompanying statement of assets and liabilities of Foxby Corp. (the "Fund"), including the schedule of investments as of December 31, 2007, the related statements of operations and of cash flows for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2007 by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Foxby Corp. as of December 31, 2007, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for the five years presented, in conformity with accounting principles generally accepted in the United States of America.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania  
February , 2008

## **PRIVACY POLICY**

The Fund recognizes the importance of protecting the personal and financial information of its shareholders. We consider each shareholder's personal information to be private and confidential. This describes the practices followed by us to protect our shareholders' privacy. We may obtain information about you from the following sources: (1) information we receive from you on forms and other information you provide to us whether in writing, by telephone, electronically or by any other means; and (2) information regarding your transactions with us, our corporate affiliates, or others. We do not sell shareholder personal information to third parties. We will collect and use shareholder personal information only to service shareholder accounts. This information may be used by us in connection with providing services or financial products requested by shareholders. We will not disclose shareholder personal information to any non-affiliated third party except as permitted by law. We take steps to safeguard shareholder information. We restrict access to non-public personal information about you to those employees and service providers who need to know that information to provide products or services to you. Together with our service providers, we maintain physical, electronic, and procedural safeguards to guard your non-public personal information. Even if you are no longer a shareholder, our Privacy Policy will continue to apply to you. We reserve the right to modify, remove, or add portions of this Privacy Policy at any time.

### **DIVIDEND REINVESTMENT PLAN Terms and Conditions of the 2008 Restated Dividend Reinvestment Plan**

1. Each shareholder (the "Shareholder") holding shares of common stock (the "Shares") of Foxby Corp. (the "Fund") will automatically be a participant in the Dividend Reinvestment Plan (the "Plan"), unless the Shareholder specifically elects to receive all dividends and capital gains in cash paid by check mailed directly to the Shareholder by American Stock Transfer & Trust Company, 59 Maiden Lane, New York, New York 10038, 1-800-278-4353, as agent under the Plan (the "Agent"). The Agent will open an account for each Shareholder under the Plan in the same name in which such Shareholder's shares of Common Stock are registered.

2. Whenever the Fund declares a capital gain distribution or an income dividend payable in Shares or cash, participating Shareholders will take the distribution or dividend entirely in Shares and the Agent will automatically receive the Shares, including fractions, for the Shareholder's account in accordance with the following:

Whenever the Market Price (as defined in Section 3 below) per Share is equal to or exceeds the net asset value per Share at the time Shares are valued for the purpose of determining the number of Shares equivalent to the cash dividend or capital gain distribution (the "Valuation Date"), participants will be issued additional Shares equal to the amount of such dividend divided by the greater of the Fund's net asset value per Share or 95% of the Fund's Market Price per Share. Whenever the Market Price per Share is less than such net asset value on the Valuation Date, participants will be issued additional Shares equal to the amount of such dividend divided by the Market Price. The Valuation Date is the day before the dividend or distribution payment date or, if that day is not an American Stock Exchange trading day, the next trading day. If the Fund should declare a dividend or capital gain distribution payable only in cash, the Agent will, as purchasing agent for the participating Shareholders, buy Shares in the open market, on the American Stock Exchange (the "Exchange") or elsewhere, for such Shareholders' accounts after the payment date, except that the Agent will endeavor to terminate purchases in the open market and cause the Fund to issue the remaining Shares if, following the commencement of the purchases, the market value of the Shares exceeds the net asset value. These remaining Shares will be issued by the Fund at a price equal to the Market Price.

In a case where the Agent has terminated open market purchases and caused the issuance of remaining Shares by the Fund, the number of Shares received by the participant in respect of the cash dividend or distribution will be based on the weighted average of prices paid for Shares purchased in the open market and the price at which the Fund issues remaining Shares. To the extent that the Agent is unable to terminate purchases in the open market before the Agent has com-

pleted its purchases, or remaining Shares cannot be issued by the Fund because the Fund declared a dividend or distribution payable only in cash, and the market price exceeds the net asset value of the Shares, the average Share purchase price paid by the Agent may exceed the net asset value of the Shares, resulting in the acquisition of fewer Shares than if the dividend or capital gain distribution had been paid in Shares issued by the Fund.

The Agent will apply all cash received as a dividend or capital gain distribution to purchase shares of common stock on the open market as soon as practicable after the payment date of the dividend or capital gain distribution, but in no event later than 45 days after that date, except when

3. For all purposes of the Plan: (a) the Market Price of the Shares on a particular date shall be the average of the volume weighted average sale prices or, if no sale occurred then the mean between the closing bid and asked quotations, for the Shares on the Exchange on each of the five trading days the Shares traded ex-dividend on the Exchange immediately prior to such date, and (b) net asset value per share on a particular date shall be as determined by or on behalf of the Fund.

4. The open-market purchases provided for herein may be made on any securities exchange on which the Shares are traded, in the over-the-counter market or in negotiated transactions, and may be on such terms as to price, delivery and otherwise as the Agent shall determine. Funds held by the Agent uninvested will not bear interest, and it is understood that, in any event, the Agent shall have no liability in connection with any inability to purchase Shares within 45 days after the initial date of such purchase as herein provided, or with the timing of any purchases effected. The Agent shall have no responsibility as to the value of the Shares acquired for the Shareholder's account.

5. The Agent will hold Shares acquired pursuant to the Plan in noncertificated form in the Agent's name or that of its nominee. At no additional cost, a Shareholder participating in the Plan may send to the Agent for deposit into its Plan account those certificate shares of the Fund in its possession. These Shares will be combined with those unissued full and fractional Shares acquired under the Plan and held by the Agent. Shortly thereafter, such Shareholder will receive a statement showing its combined holdings. The Agent will forward to the Shareholder any proxy solicitation material and will vote any Shares so held for the Shareholder only in accordance with the proxy returned by the Shareholder to the Fund. Upon the Shareholder's written request, the Agent will deliver to him or her, without charge, a certificate or certificates for the full Shares.

6. The Agent will confirm to the Shareholder each acquisition for the Shareholder's account as soon as practicable but not later than 60 days after the date thereof. Although the Shareholder may from time to time have an individual fractional interest (computed to three decimal places) in a Share, no certificates for fractional Shares will be issued. However, dividends and distributions on fractional Shares will be credited to Shareholders' accounts. In the event of a termination of a Shareholder's account under the Plan, the Agent will adjust for any such undivided fractional interest in cash at the opening market value of the Shares at the time of termination.

7. Any stock dividends or split Shares distributed by the Fund on Shares held by the Agent for the Shareholder will be credited to the Shareholder's account. In the event that the Fund makes available to the Shareholder the right to purchase additional Shares or other securities, the Shares held for a Shareholder under the Plan will be added to other Shares held by the Shareholder in calculating the number of rights to be issued to such Shareholder. Transaction processing may either be curtailed or suspended until the completion of any stock dividend, stock split, or corporate action.

8. The Agent's service fee for handling capital gain distributions or income dividends will be paid by the Fund. The Shareholder will be charged a pro rata share of brokerage commissions on all open market purchases.

9. The Shareholder may terminate the account under the Plan by notifying the Agent. A termination will be effective immediately if notice is received by the Agent two days prior to any dividend or distribution payment date. If the request is received less than two days prior to the payment date, then that dividend will be invest-

ed, and all subsequent dividends will be paid in cash. Upon any termination the Agent will cause a certificate or certificates for the full Shares held for the Shareholder under the Plan and cash adjustment for any fraction to be delivered to the Shareholder.

10. These terms and conditions may be amended or supplemented by the Fund at any time or times but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to the Shareholder appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by the Shareholder unless, prior to the effective date thereof, the Agent receives written notice of the termination of such Shareholder's account under the Plan. Any such amendment may include an appointment by the Fund of a successor agent in its place and stead under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Agent. Upon any such appointment of an Agent for the purpose of receiving dividends and distributions, the Fund will be authorized to pay to such successor Agent all dividends and distributions payable on Shares held in the Shareholder's name or under the Plan for retention or application by such successor Agent as provided in these terms and conditions.

11. In the case of Shareholders, such as banks, brokers or nominees, which hold Shares for others who are the beneficial owners, the Agent will administer the Plan on the basis of the number of Shares certified from time to time by the Shareholders as representing the total amount registered in the Shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

12. The Agent shall at all times act in good faith and agree to use its best efforts within reasonable limits to insure the accuracy of all services performed under this agreement and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless the errors are caused by its negligence, bad faith or willful misconduct or that of its employees.

13. Neither the Fund or the Agent will be liable for any act performed in good faith or for any good faith omission to act, including without limitation, any claim of liability arising out of (i) failure to terminate a Shareholder's account, sell shares or purchase shares, (ii) the prices which shares are purchased or sold for the Shareholder's account, and (iii) the time such purchases or sales are made, including price fluctuation in market value after such purchases or sales.

## **PROXY VOTING**

The Fund's Proxy Voting Guidelines, as well as its voting record for the 12 months ended June 30, are available without charge by calling the Fund collect at 1-212-344-6310, on the SEC's website at [www.sec.gov](http://www.sec.gov), and on the Fund's website at [www.foxbycorp.com](http://www.foxbycorp.com).

## **QUARTERLY HOLDINGS**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov>. The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund makes the Forms N-Q available to shareholders on its website at [www.foxbycorp.com](http://www.foxbycorp.com).

## WWW.FOXBYCORP.COM

Visit us on the web at [www.foxbycorp.com](http://www.foxbycorp.com). The site provides information about the Fund including market performance, net asset value ("NAV"), dividends, press releases, and shareholder reports. For further information, please email us at [info@foxbycorp.com](mailto:info@foxbycorp.com). The Fund is a member of the Closed-End Fund Association ("CEFA"). Its website address is [www.cefa.com](http://www.cefa.com). CEFA is solely responsible for the content of its website.

## FUND INFORMATION

### Investment Manager

CEF Advisers, Inc.  
11 Hanover Square  
New York, NY 10005  
1-212-344-6310

### Stock Transfer Agent and Registrar

American Stock Transfer & Trust Co.  
59 Maiden Lane  
New York, NY 10038  
1-800-278-4353  
[www.amstock.com](http://www.amstock.com)

### Internet

[www.foxbycorp.com](http://www.foxbycorp.com)  
email: [info@foxbycorp.com](mailto:info@foxbycorp.com)

### Custodian

State Street Bank & Trust Co.  
801 Pennsylvania Avenue  
Kansas City, MO 64105

## RESULTS OF THE ANNUAL MEETING

The Fund's Annual Meeting was held on October 10, 2007 at the offices of the Fund at 11 Hanover Square, 12th Floor, New York, New York for the following purposes:

1. To elect to the Board of Directors the nominee Bassett S. Winmill, as a Class V Director, and until his successor is duly elected and qualifies.

Votes For  
1,851,471

Votes Withheld  
219,118

Other directors whose term of office continued after the meeting are, James E. Hunt (Class I), Bruce B. Huber (Class II), Peter K. Werner (Class III), and Thomas B. Winmill (Class IV).

The Fund's adjourned Annual Meeting was held on November 20, 2007 at the offices of the Fund at 11 Hanover Square, 12th Floor, New York, New York for the following purpose:

1. To approve a revised investment management agreement between the Fund and CEF Advisers, Inc.

Votes For  
1,395,336

Votes Against  
660,236

Abstain  
42,400

This report, including the financial statements herein, is transmitted to the shareholders of the Fund for their information. The financial information included herein is taken from the records of the Fund. This is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report. Pursuant to Section 23 of the Investment Company Act of 1940, notice is hereby given that the Fund may in the future, purchase shares of its common stock in the open market. These purchases may be made from time to time, at such times, and in such amounts, as may be deemed advantageous to the Fund, although nothing herein shall be considered a commitment to purchase such shares.

## DIRECTORS AND OFFICERS

The following table sets forth certain information concerning the Directors currently serving on the Board of the Fund. Unless otherwise noted, the address of record for the directors and officers is 11 Hanover Square, New York, New York 10005. Each Director who is deemed to be an “interested person” under the Act, is indicated by an asterisk.

<u>Name, Position(s) Held with Fund, Term of Office, Principal Occupation for Past Five Years, and Age</u>	<u>Director Since</u>	<u>Number of Portfolios in Investment Company Complex Overseen by Director</u>	<u>Other Public Company Directorships Held by Director*</u>
<b>Class I term expires 2008:</b>			
JAMES E. HUNT - He is a Limited Partner of Hunt, Howe Partners LLC executive recruiting consultants. He was born on December 14, 1930.	2004	5	0
<b>Class II term expires 2009:</b>			
BRUCE B. HUBER, CLU, ChFC, MSFS - Retired. He is a former Financial Representative with New England Financial, specializing in financial, estate and insurance matters. He is a member of the Board, emeritus, of the Millbrook School, and Chairman of the Endowment Board of the Community YMCA of Red Bank, NJ. He was born on February 7, 1930.	2004	5	0
<b>Class III term expires 2010:</b>			
PETER K. WERNER - Since 1996, he has been teaching, coaching and directing a number of programs at The Governor's Academy of Byfield, MA. Currently, he serves as chair of the History Department. Previously, he held the position of vice president in the the Fixed Income Departments of Lehman Brothers and First Boston. His responsibilities included trading sovereign debt instruments, currency arbitrage, syndication, medium term note trading, and money market trading. He was born on August 16, 1959.	2002	5	0
<b>Class IV term expires 2011:</b>			
THOMAS B. WINMILL* - He is President, Chief Executive Officer, and General Counsel of the Fund, the Investment Manager, as well as the other investment companies (collectively, the “Investment Company Complex”) advised by the Investment Manager and its affiliates, and of Winmill & Co. Incorporated and its affiliates (“WCI”). He is a member of the New York State Bar and the SEC Rules Committee of the Investment Company Institute. He is the son of Basset S. Winmill. He was born on June 25, 1959.	2002	5	0

<u>Name, Position(s) Held with Fund, Term of Office, Principal Occupation for Past Five Years, and Age</u>	<u>Director Since</u>	<u>Number of Portfolios in Investment Company Complex Overseen by Director</u>	<u>Other Public Company Directorships Held by Director*</u>
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**Class V term expires 2012:**

BASSETT S. WINMILL* – He is Chairman of the Board of the Fund, the Investment Manager, and WCI. He is a member of the New York Society of Security Analysts, the Association for Investment Management and Research, and the International Society of Financial Analysts. He is the father of Thomas B. Winmill. He was born on February 10, 1930.	2007	2	0
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\* He is an “interested person” of the Fund as defined in the Act due to his affiliation with the Investment Manager.

\*\* Refers to directorships held by a director in any company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or any company registered as an investment company under the Act.

Messrs. Huber, Hunt, and Werner also serve on the Audit and Nominating Committees of the Board. Mr. Thomas B. Winmill also serves on the Executive Committee of the Board.

The executive officers, other than those who serve as Directors, and their relevant biographical information are set forth below.

<u>Name and Age</u>	<u>Position(s) Held with Fund, Term of Office,<sup>(1)</sup> and Principal Occupation for the Past 5 Years</u>
Thomas O'Malley Born on July 22, 1958	Chief Accounting Officer, Chief Financial Officer, Treasurer and Vice President since 2005. He is also Chief Accounting Officer, Chief Financial Officer, and Vice President of the Investment Company Complex, the Investment Manager, and WCI. Previously, he served as Assistant Controller of Reich & Tang Asset Management, LLC, Reich & Tang Services, Inc., and Reich & Tang Distributors, Inc. He is a certified public accountant.
John F. Ramirez Born on April 29, 1977	Secretary and Chief Compliance Officer since 2005. He is also Secretary and Chief Compliance Officer of the Investment Company Complex, the Investment Manager, and WCI. He previously served as Compliance Administrator and Assistant Secretary of the Investment Company Complex, the Investment Manager, and WCI. He is a member of the Society of Corporate Secretaries and Governance Professionals and the Chief Compliance Officer Committee and the Compliance Advisory Committee of the Investment Company Institute.

(1) Officers hold their positions with the Fund until a successor has been duly elected and qualifies. Officers are generally elected annually at the December meeting of the Board of Directors. The officers were last elected on December 5, 2007.



# FOXBY CORP.

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11 Hanover Square  
New York, NY 10005

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