

# **FOXBY CORP.**

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## **ANNUAL REPORT December 31, 2010**

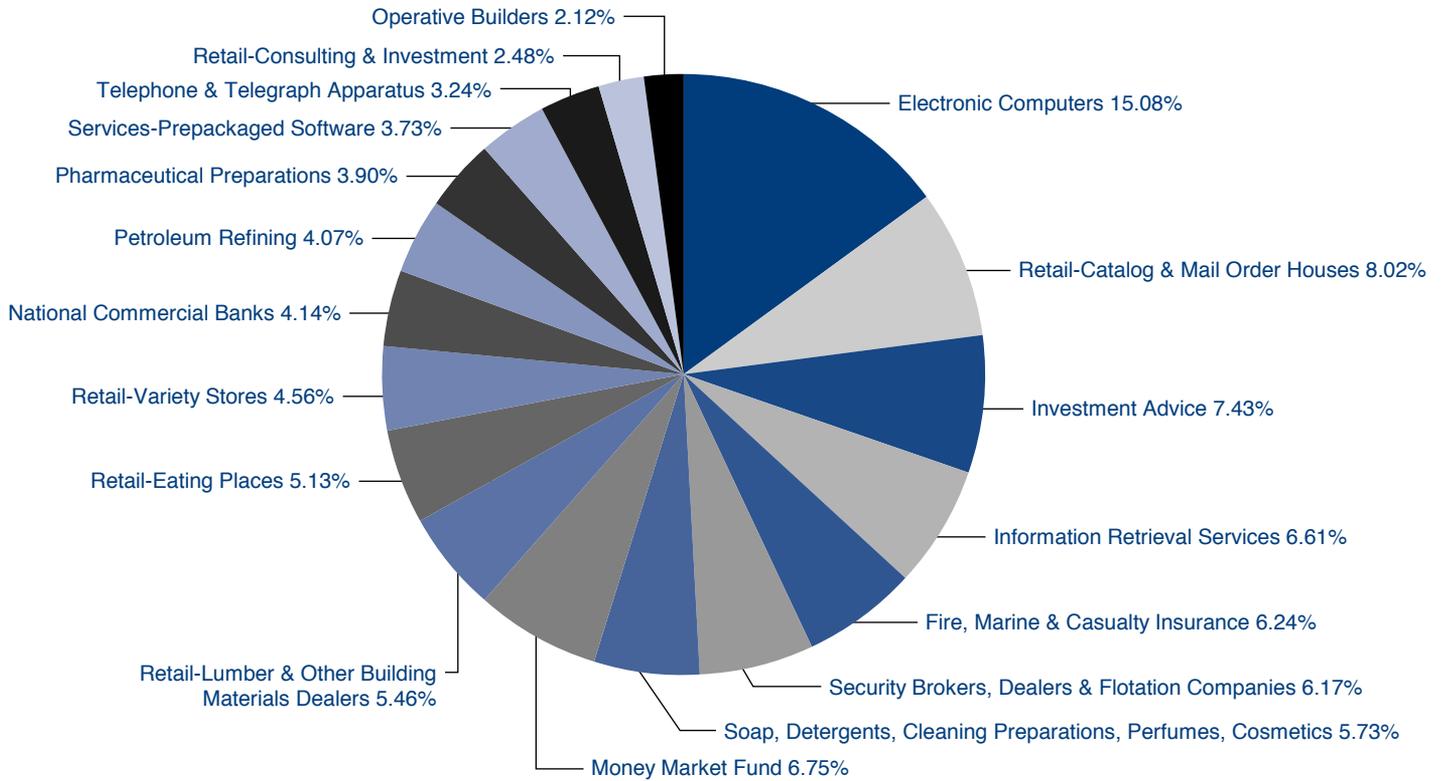
**Ticker:**

**FXBY**

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

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

## INVESTMENTS BY INDUSTRY\*



\* Investments by industry use approximate percentages of net assets and may not add up to 100% due to leverage or other assets, rounding, and other factors. Industry percentages of less than 0.01% are not shown.

11 Hanover Square, New York, NY 10005  
www.foxbycorp.com

January 25, 2011

Dear Shareholders:

It is a pleasure to welcome our new Foxby Corp. shareholders who find the Fund's flexible total return investment approach attractive and to submit this Foxby Corp. 2010 Annual Report for all shareholders. As a closed end fund seeking total return, the Fund may invest in equity and fixed income securities of both new and seasoned U.S. and foreign issuers, including securities convertible into common stock and debt securities, closed end funds, and mutual funds. The Fund uses a flexible strategy in the selection of securities and is not limited by the issuer's location, industry, or market capitalization. A potential benefit of its closed end structure, the Fund may invest without limit in illiquid investments such as private placements and private companies. The Fund may employ aggressive and speculative investment techniques, such as selling securities short, transacting in futures, options, and other derivatives, and borrowing money for investment purposes, an approach known as "leverage." The Fund may also invest defensively in, for example, high grade money market instruments.

## **Economic Report**

U.S. economic activity has been increasing at a moderate rate, according to a recent report of the U.S. Federal Reserve Open Market Committee (FOMC). Specifically, the pace of consumer spending picked up in the fourth quarter, exports rose, and the recovery in some business spending appeared to be continuing. In contrast, the FOMC sees residential and nonresidential construction activity as still "depressed." Encouragingly, manufacturing production has shown recent gains, nonfarm businesses continued to add workers, while inflation expectations and trends are viewed by the FOMC as relatively benign. Unemployment levels, however, remain high.

In 2010 China, with the world's second largest economy, after the United States, is estimated to have had GDP growth of around 10% and appears set to enjoy another year of strong growth in 2011. Yet, China also has problems with rising inflation and is suspected to be suffering from widespread non-performing debt at local levels. Meanwhile, Japan also showed healthy, if not as dramatic, economic recovery, with 2010 GDP growth estimated at approximately 3%.

Europe appears to be recovering slowly, although painfully. According to Eurostat, the European Union's statistics agency, the 16 country euro area is estimated to have had relatively weak, although improving, 1.7% GDP growth in 2010. But, annual inflation rose to 2.2% in December 2010, while the unemployment rate stood at 10.1% in the preceding month. Giving cause for some optimism, however, in November 2010 compared with October 2010, industrial new orders were up by 2.1% in the euro area.

## **Investment Strategy and Outlook**

Given this comparatively benign economic environment, the Fund's strategy in 2010 included maintaining its focus on larger, quality companies with attractive valuations, and using fewer, but more concentrated, individual positions. The Fund holds predominantly blue chip and other well known companies in its portfolio, including the stocks of some of the strongest global companies in technology, insurance, and investment management. This reflects the Fund's strategy of focusing on quality companies with unique combinations of strength in operations, products, and finances, offering growth and value. The Fund's returns in

2010, however, were hindered by write-downs among its holdings of certain private companies in its portfolio, and the Fund's total return for the year ended December 31, 2010, based on net asset value, was 4.24%. Nevertheless, the Fund's total return for the year ended December 31, 2010, based on market price, was a positive 7.84%, as the market price discount to net asset value diminished over the period.

The outlook, according to the International Monetary Fund (IMF), is for global output to expand by about 4.5% in 2011. Interestingly, the IMF believes that the advanced economies' growth will slow to 2.5% from 3.0% last year, while emerging markets may see 6.5% growth, down from 7.1% in 2010. As economic and financial news continue to suggest investment potential, the Fund may seek to employ its flexible investment strategy to enhance returns or seek a defensive investment position. Recent market activity currently suggests a steady course, notwithstanding recent fluctuations, seeking both growth and value opportunities as they may arise. Our current view of financial conditions continues to suggest that the Fund may benefit during the current year by investing opportunistically and covering a variety of markets through its holdings of quality global businesses, and employing aggressive and speculative investment techniques as deemed appropriate.

At December 31, 2010, the Fund's top ten holdings comprised approximately 70% of its net assets. As the Fund pursues its total return objective through its flexible investment approach, these holdings and allocations are subject to substantial change at any time. We thank you for investing in the Fund and share your enthusiasm for the Fund, as evidenced by the fact that affiliates of CEF Advisers, Inc., the Fund's Investment Manager, own approximately 24% of the Fund's shares. We look forward to serving your investment needs over the years ahead.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bassett S. Winmill", with a long horizontal flourish extending to the right.

Bassett S. Winmill  
Chairman

**TOP TEN HOLDINGS**  
AT DECEMBER 31, 2010

- |                                     |                                 |
|-------------------------------------|---------------------------------|
| 1. Apple Inc.                       | 6. The Procter & Gamble Company |
| 2. Amazon.com, Inc.                 | 7. SSgA Money Market Fund       |
| 3. Franklin Resources, Inc.         | 8. The Home Depot, Inc.         |
| 4. Google Inc.                      | 9. McDonald's Corp.             |
| 5. Berkshire Hathaway, Inc. Class B | 10. Wal-Mart Stores, Inc.       |

Top ten holdings comprise approximately 70% of total net assets. Portfolio holdings are subject to change. This portfolio information should not be considered as a recommendation to purchase or sell a particular security.

## SCHEDULE OF PORTFOLIO INVESTMENTS - DECEMBER 31, 2010

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
	<b>COMMON STOCKS (91.63%)</b>		
	<b>Diamond Exploration &amp; Project Development (0%)</b>		
185,937	Etruscan Diamonds Ltd. <sup>(a)(b)</sup> .....	\$ 320,129	\$ 0
	<b>Electronic Computers (15.08%)</b>		
2,100	Apple Inc. <sup>(a)</sup> .....	430,978	677,376
	<b>Fire, Marine &amp; Casualty Insurance (6.24%)</b>		
3,500	Berkshire Hathaway, Inc., Class B <sup>(a)</sup> .....	296,368	280,385
	<b>Information Retrieval Services (6.61%)</b>		
500	Google Inc. - Class A <sup>(a)</sup> .....	231,910	296,985
	<b>Insurance Agents, Brokers &amp; Services (0%)</b>		
75,000	Safety Intelligence Systems Corp. <sup>(a)(b)</sup> .....	225,000	0
	<b>Investment Advice (7.43%)</b>		
3,000	Franklin Resources, Inc. <sup>(c)</sup> .....	303,381	333,630
	<b>National Commercial Banks (4.14%)</b>		
6,000	Wells Fargo & Company .....	163,265	185,940
	<b>Operative Builders (2.12%)</b>		
5,000	Toll Brothers, Inc. <sup>(a)(c)</sup> .....	116,698	95,000
	<b>Petroleum Refining (4.07%)</b>		
2,500	Exxon Mobil Corp. ....	171,549	182,800
	<b>Pharmaceutical Preparations (3.90%)</b>		
10,000	Pfizer Inc. ....	159,275	175,100
	<b>Retail - Catalog &amp; Mail Order Houses (8.02%)</b>		
2,000	Amazon.com, Inc. <sup>(a)</sup> .....	170,440	360,000
	<b>Retail - Consulting &amp; Investment (0%)</b>		
72,728	Amerivon Holdings LLC <sup>(a)(b)</sup> .....	0	0
	<b>Retail - Eating Places (5.13%)</b>		
3,000	McDonald's Corp. ....	167,748	230,280
	<b>Retail - Lumber &amp; Other Building Materials Dealers (5.46%)</b>		
7,000	The Home Depot, Inc. <sup>(c)</sup> .....	191,873	245,420
	<b>Retail - Variety Stores (4.56%)</b>		
3,800	Wal-Mart Stores, Inc. <sup>(c)</sup> .....	196,260	204,934

## SCHEDULE OF PORTFOLIO INVESTMENTS - DECEMBER 31, 2010

Shares		Cost	Value
<b>COMMON STOCKS (continued)</b>			
<b>Security Brokers, Dealers &amp; Flotation Companies (6.17%)</b>			
1,000	The Goldman Sachs Group, Inc.....	\$ 184,940	\$ 168,160
4,000	Morgan Stanley .....	<u>120,560</u>	<u>108,840</u>
		305,500	277,000
<b>Services - Prepackaged Software (3.73%)</b>			
6,000	Microsoft Corp. ....	141,020	167,520
<b>Smelting (0%)</b>			
82,111	China Silicon Corp. <sup>(a) (b)</sup> .....	56,882	0
<b>Soap, Detergents, Cleaning Preparations, Perfumes, Cosmetics (5.73%)</b>			
4,000	The Procter & Gamble Company .....	234,390	257,320
<b>Telephone &amp; Telegraph Apparatus (3.24%)</b>			
2,500	Research In Motion Limited <sup>(a) (c)</sup> .....	<u>182,820</u>	<u>145,325</u>
	Total common stocks .....	<u>4,065,486</u>	<u>4,115,015</u>
<b>PREFERRED STOCKS (2.48%)</b>			
<b>Retail - Consulting &amp; Investment (2.48%)</b>			
162,249	Amerivon Holdings LLC <sup>(a) (b)</sup> .....	446,183	111,546
<b>Smelting (0%)</b>			
945	China Silicon Corp. <sup>(a) (b)</sup> .....	<u>224,910</u>	<u>0</u>
	Total preferred stocks .....	<u>671,093</u>	<u>111,546</u>
<b>Units</b>			
<b>WARRANTS (0%) <sup>(a)</sup></b>			
219,000	Nord Resources Corp., expiring 6/05/12 <sup>(b)</sup> .....	<u>0</u>	<u>0</u>
<b>Shares</b>			
<b>MONEY MARKET FUND (6.75%)</b>			
303,162	SSgA Money Market Fund, 7 day annualized yield 0.01% .....	<u>303,162</u>	<u>303,162</u>
<b>SECURITIES HELD AS COLLATERAL ON LOANED SECURITIES (22.77%)</b>			
1,022,878	State Street Navigator Securities Lending Prime Portfolio .....	<u>1,022,878</u>	<u>1,022,878</u>
	Total investments (123.63%) .....	<u>\$6,062,619</u>	5,552,601
	Liabilities in excess of other assets (-23.63%) .....		<u>(1,061,323)</u>
	Net assets (100.00%) .....		<u>\$4,491,278</u>
	<sup>(a)</sup> Non-income producing.		
	<sup>(b)</sup> Illiquid and/or restricted security that has been fair valued.		
	<sup>(c)</sup> All or a portion of this security was on loan.		

**STATEMENT OF ASSETS AND LIABILITIES**

December 31, 2010

**ASSETS**

Investments at value (cost: \$6,062,619).....	\$5,552,601
Receivables:	
Dividends .....	1,904
Income from securities loaned .....	108
Other assets .....	761
Total assets .....	<u>5,555,374</u>

**LIABILITIES**

Collateral on securities loaned, at value .....	1,022,878
Accrued expenses .....	37,670
Investment management fee payable.....	1,790
Administrative services payable .....	1,758
Total liabilities .....	<u>1,064,096</u>

**NET ASSETS** ..... \$4,491,278**NET ASSET VALUE PER SHARE**

(applicable to 2,610,050	
shares outstanding: 500,000,000	
shares of \$.01 par value authorized) .....	<u>\$1.72</u>

**NET ASSETS CONSIST OF**

Paid in capital .....	\$8,843,414
Accumulated net realized loss on	
investments .....	(3,842,118)
Net unrealized depreciation	
on investments and foreign currencies.....	<u>(510,018)</u>
	<u>\$4,491,278</u>

**STATEMENT OF OPERATIONS**

Year Ended December 31, 2010

**INVESTMENT INCOME**

Dividends .....	\$ 72,511
Interest.....	4,371
Income from securities loaned .....	1,354
Total investment income .....	<u>78,236</u>

**EXPENSES**

Investment management.....	20,838
Bookkeeping and pricing .....	19,427
Auditing .....	17,380
Administrative services .....	11,065
Shareholder communications .....	8,815
Legal .....	8,392
Other .....	2,549
Custodian .....	2,465
Directors .....	1,105
Transfer agent .....	2,172
Interest and fees on bank credit facility .....	1,093
Total expenses .....	<u>95,301</u>
Net investment loss .....	<u>(17,065)</u>

**REALIZED AND UNREALIZED GAIN (LOSS)**

Net realized gain (loss) on	
Investments .....	(885,415)
Foreign currencies .....	94,329
Unrealized appreciation (depreciation) on	
Investments .....	1,123,737
Translation of assets and liabilities	
in foreign currencies .....	<u>(126,274)</u>
Net realized and unrealized gain .....	<u>206,377</u>
Net increase in net assets resulting	
from operations .....	<u>\$ 189,312</u>

**STATEMENTS OF CHANGES IN NET ASSETS**

Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>OPERATIONS</b>		
Net investment income (loss) .....	\$ (17,065)	\$ 3,417
Net realized loss .....	(791,086)	(125,465)
Unrealized appreciation.....	997,463	1,127,263
Net increase in net assets resulting from operations.....	<u>189,312</u>	<u>1,005,215</u>
Total change in net assets.....	189,312	1,005,215
<b>NET ASSETS</b>		
Beginning of year.....	<u>4,301,966</u>	<u>3,296,751</u>
End of year .....	<u>\$4,491,278</u>	<u>\$4,301,966</u>
Undistributed net investment income included in net assets.....	<u>\$ -</u>	<u>\$ -</u>

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## NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010

### 1. Organization and Significant Accounting Policies

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 quoted over the counter under the ticker symbol FXBY. 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** – Portfolio securities are valued by various methods depending on the primary market or exchange on which they trade. Most equity securities for which the primary market is the United States are valued at the official closing price, last sale price or, if no sale has occurred, at the closing bid price. Most equity securities for which the primary market is outside the United States are valued using the official closing price or the last sale price in the principal market in which they are traded. If the last sale price on the local exchange is unavailable, the last evaluated quote or closing bid price normally is used. 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 bond dealer that offers pricing services. Open end investment companies are valued at their net asset value. Foreign securities markets may be open on days when the U.S. markets are closed. For this reason, the value of any foreign securities owned by the Fund could change on a day when stockholders cannot buy or sell shares of the Fund. Securities for which quotations are not readily available or reliable and other assets may be valued as determined in good faith by the Investment Manager under the direction of or pursuant to procedures established by the Fund's Board of Directors. Due to the inherent uncertainty of valuation, these values may differ from the values that would have been used had a readily available market for the securities existed. These differences in valuation could be material. A security's valuation may differ depending on the method used for determining value. The use of fair value pricing by the Fund may cause the net asset value of its shares to differ from the net asset value that would be calculated using market prices.

**Foreign Currency Translation** – Securities denominated in foreign currencies are translated into U.S. dollars at prevailing exchange rates. Realized gain or loss on sales of such investments in local currency terms 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. The Fund is liable for any dividends or interest paid on securities sold short. 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. Securities sold short result in off balance sheet risk as the Fund's ultimate obligation to satisfy the terms of the sale of securities sold short may exceed the amount recognized in the Statement of Assets and Liabilities.

**Derivatives** – The Fund may use derivatives for a variety of reasons, such as to attempt to protect against possible changes in the value of their portfolio holdings or to generate potential gain. Derivatives are financial instruments that derive their values from other securities or commodities, or that are based on indices. Derivative instruments are marked to market with the change in value reflected in unrealized appreciation or depreciation. Upon disposition, a realized gain or loss is recognized accordingly, except when taking delivery of a security underlying a contract. In these instances, the recognition of gain or loss is postponed until the disposal of the security underlying the contract. Risk may arise as a result of the potential inability of the counterparties to meet the terms of their contracts. Derivative instruments include written option, purchased options, futures contracts, forward foreign currency exchange contracts, and swap agreements. In 2010, the Fund did not invest in any derivative instruments.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Investments in Other Investment Companies** – The Fund may invest 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. Shareholders in the Fund bear the pro rata portion of the fees and expenses of the Acquired Funds in addition to the Fund’s expenses. Expenses incurred by the Fund that are disclosed in the Statement of Operations do not include fees and expenses incurred by the Acquired Funds. The fees and expenses of the Acquired Funds are included in the Fund’s total returns.

**Investment Transactions** – Investment transactions are accounted for on the trade date (the date the order to buy or sell is executed). Realized gains or losses are determined by specifically identifying the cost basis of the security sold.

**Investment Income** – Dividend income is recorded on the ex-dividend date or in the case of certain foreign securities, as soon as the Fund is notified. Interest income is recorded on the accrual basis. Taxes withheld 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 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 are used to reduce custodian expenses. No credits were realized by the Fund during the period.

**Distributions to Shareholders** – Distributions to shareholders are determined in accordance with income tax regulations and recorded on the ex-dividend date.

**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. The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. The Fund has reviewed its tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on federal, state, and local income tax returns for open tax years (2007 – 2009) or expected to be taken in the Fund’s 2010 tax returns.

**Use of Estimates** – In preparing financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”), management makes estimates and assumptions that affect the reported amounts of assets and liabilities as of 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 from 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Recently Issued Accounting Standards Updates** – In January 2010, the Financial Accounting Standard Board released Accounting Standards Update (“ASU”) No. 2010-06, Improving Disclosures about Fair Value Measurements. Among the new disclosures and clarifications of existing disclosures the ASU requires the Fund to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and to describe the reasons for the transfers. Significance shall be judged with respect to total earnings and total assets or total liabilities. The ASU requires the Level 3 roll forward reconciliation of beginning and ending balances to be prepared on a gross basis, in particular separately presenting information about purchases, sales, issuances, and settlements. The ASU also requires disclosure of the reasons for significant transfers in and out of Level 3. The Fund adopted the ASU on January 1, 2010, except for the Level 3 gross basis roll forward reconciliation which is effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years.

### 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%. Certain officers and directors of the Fund are officers and directors of the Investment Manager. Pursuant to the IMA, the Fund reimburses the Investment Manager for providing at cost certain administrative services comprised of compliance and accounting services. For the year ended December 31, 2010, the Fund incurred total administrative cost of \$11,065, comprised of \$6,797 and \$4,268 for compliance and accounting services, respectively.

### 3. Distributions to Shareholders and Distributable Earnings

As of December 31, 2010, the components of distributable earnings on a tax basis were as follows:

Capital loss carryover	\$(3,842,118)
Unrealized depreciation	<u>(510,018)</u>
	<u><u>\$(4,352,136)</u></u>

Federal income tax regulations permit post-October net capital losses, if any, to be deferred and recognized on the tax return of the next succeeding taxable year.

GAAP requires 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, 2010, permanent differences between book and tax accounting have been reclassified by decreasing accumulated investment loss by \$17,065, decreasing accumulated net realized loss on investments by \$413,970 and decreasing paid in capital by \$431,035.

At December 31, 2010, the Fund had a net capital loss carryover of \$3,842,118, of which \$837,334, \$211,845, \$1,033,623, \$964,048 and \$795,268 expires in 2011, 2013, 2016, 2017, and 2018, respectively, that may be used to offset future realized capital gains for federal income tax purposes.

### 4. Fair Value Measurements

The Fund uses a three level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund’s own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The Fund’s investment in its entirety is assigned a level based upon the inputs which are significant to the overall valuation. The inputs or methodology used for valuing investments are not an indication of the risk associated with investing in those securities.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The hierarchy of inputs is summarized below.

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities including securities actively traded on a securities exchange.

Level 2 - observable inputs other than quoted prices included in level 1 that are observable for the asset or liability which may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.

Level 3 - unobservable inputs for the asset or liability including the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability.

The following is a summary of the inputs used as of December 31, 2010 in valuing the Fund's assets carried at fair value. Refer to the Schedule of Portfolio Investments for detailed information on specific investments.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Common stocks				
Diamond Exploration & Project Development	\$ —	\$ —	\$ 0	\$ 0
Electronic Computers	677,376	—	—	677,376
Fire, Marine & Casualty Insurance	280,385	—	—	280,385
Information Retrieval Services	296,985	—	—	296,985
Insurance Agents, Brokers & Services	—	—	0	0
Investment Advice	333,630	—	—	333,630
National Commercial Banks	185,940	—	—	185,940
Operative Builders	95,000	—	—	95,000
Petroleum Refining	182,800	—	—	182,800
Pharmaceutical Preparations	175,100	—	—	175,100
Retail - Catalog & Mail Order Houses	360,000	—	—	360,000
Retail - Consulting & Investment	—	—	0	0
Retail - Eating Places	230,280	—	—	230,280
Retail - Lumber & Other Building Materials Dealers	245,420	—	—	245,420
Retail - Variety Stores	204,934	—	—	204,934
Security Brokers, Dealers & Flotation Companies	277,000	—	—	277,000
Services - Prepackaged Software	167,520	—	—	167,520
Smelting	—	—	0	0
Soap, Detergents, Cleaning Preparations, Perfumes, Cosmetics	257,320	—	—	257,320
Telephone & Telegraph Apparatus	145,325	—	—	145,325
Preferred stocks				
Retail - Consulting & Investment	—	—	111,546	111,546
Smelting	—	—	0	0
Warrants	—	—	0	0
Money market fund	303,162	—	—	303,162
Securities held as collateral on loaned securities	1,022,878	—	—	1,022,878
Total investments	\$5,441,055	\$ —	\$111,546	\$5,552,601

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

There were no transfers between Level 1 and Level 2 during the year ended December 31, 2010.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Common Stocks	Preferred Stocks	Corporate Bonds and Notes	Warrants	Total
Balance, December 31, 2009	\$ 0	\$ 56,228	\$108,368	\$ 0	\$164,596
Cost of purchases	17,153	4,020	8,692	-	29,865
Proceeds from sales	(1)	-	-	-	(1)
Realized gain	1	-	-	-	1
Change in unrealized depreciation	(17,153)	(59,248)	(6,514)	-	(82,915)
Conversion*	0	110,546	(110,546)	-	-
Transfers in or out of Level 3	-	-	-	-	-
Balance, December 31, 2010	<u>\$ 0</u>	<u>\$111,546</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$111,546</u>

\*At March 31, 2010, the Amerivon Holdings LLC 4% notes and the warrants associated with the notes were converted at no cost to 160,787 shares of Amerivon Holdings LLC Series A preferred shares and 72,728 common equity units, respectively.

### 5. Investment Transactions

Purchases and sales of securities, excluding short term investments, aggregated \$177,358 and \$291,897, respectively, for the year ended December 31, 2010. At December 31, 2010, for federal income tax purposes the aggregate cost of securities was \$6,062,619 and net unrealized depreciation was \$510,018, comprised of gross unrealized appreciation of \$755,216 and gross unrealized depreciation of \$1,265,234.

### 6. Illiquid and Restricted Securities

The Fund owns securities which have a limited trading market and/or certain restrictions on trading and, therefore, may be considered 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 readily available market for the securities existed. These differences in valuation could be material. Illiquid and/or restricted securities owned at December 31, 2010 were as follows:

Security	Acquisition Date	Cost	Value
China Silicon Corp. common shares	2008-2010	\$ 56,882	\$ 0
Amerivon Holdings LLC preferred shares	9/20/07	446,183	111,546
Amerivon Holdings LLC common equity units	9/20/07	0	0
China Silicon Corp. preferred shares	7/18/07	224,910	0
Nord Resources Corp. warrants expiring 6/5/12	5/14/07	0	0
Etruscan Diamonds Ltd.	2/28/07	320,129	0
Safety Intelligence Systems Corp.	9/05/02	225,000	0
		<u>\$1,273,104</u>	<u>\$111,546</u>
Percent of net assets		<u>28%</u>	<u>2%</u>

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

### **7. 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, which is subject to annual renewal, with State Street Bank and Trust Company ("SSB"), 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 \$10,000,000. The borrowing of each Borrower is collateralized by the underlying investments of such Borrower. SSB 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 \$10,000,000, the maximum amount permitted pursuant to each Borrower's investment policies, or as permitted under the Act. The commitment fee on this facility is 0.15% 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 1.50% per annum, calculated on the basis of actual days elapsed for a 360 day year. During the year ended December 31, 2010, the Fund did not borrow from the credit facility.

### **8. Securities Lending**

The Fund may lend securities to qualified financial institutions. The Fund receives compensation in the form of fees, or retains a portion of the return on the investment of any cash received as collateral. The Fund receives as collateral cash deposits, U.S. government securities, or bank letters of credit valued at not less than 102% of the value of the securities on loan. Cash deposits are invested in a money market fund. The value of the loaned securities is determined based upon the most recent closing prices and any additional required collateral is delivered to the Fund on the next business day. Any increase or decrease in the value of the securities loaned that might occur and any interest earned or dividends declared on those securities during the term of the loan is retained by the Fund. As with other extensions of credit, the Fund bears the risk of delay on recovery or loss of rights in the collateral should the borrower of the securities default. The Fund has the right under the lending agreement to recover the securities from the borrower on demand. The value of loaned securities and related collateral outstanding at December 31, 2010 were \$1,003,402 and \$1,022,878, respectively.

### **9. Foreign Securities Risk**

Investing in securities of foreign issuers involves special risks which include changes in foreign exchange rates and the possibility of future adverse political and economic developments which could adversely affect the value of such securities. Moreover, securities in foreign issuers and markets may be less liquid and their prices more volatile than those of U.S. issuers and markets.

### **10. Capital Stock**

At December 31, 2010, there were 2,610,050 shares of \$.01 par value common stock outstanding and 500,000,000 shares authorized. There were no transactions in capital stock during the years ended December 31, 2010 and 2009. At December 31, 2010, an affiliate of the Investment Manager owned approximately 24.5% of the Fund's outstanding common stock.

### **11. Share Repurchase Program**

In accordance with Section 23(c) of the Act, the Fund may from time to time repurchase its shares in the open market at the discretion of the Board of Directors and upon such terms as the Directors shall determine. During the years ended December 31, 2010 and 2009, the Fund did not repurchase any of its shares.

## **NOTES TO FINANCIAL STATEMENTS (CONCLUDED)**

### **12. Other Information**

The Fund may at times raise cash for investment by issuing shares through one or more offerings, including rights offerings. Proceeds from any such offerings will be invested in accordance with the investment objective and policies of the Fund.

### **13. Subsequent Events**

The Fund has evaluated subsequent events through the date the financial statements were issued and has determined that no subsequent events have occurred that require additional disclosure in the financial statements.

## FINANCIAL HIGHLIGHTS

	Year Ended December 31,				
	2010	2009	2008	2007	2006
<b>Per Share Operating Performance</b>					
(for a share outstanding throughout each period)					
Net asset value, beginning of period.....	\$1.65	\$1.26	\$3.43	\$2.90	\$2.50
Income from investment operations:					
Net investment income (loss) <sup>(1)</sup> .....	(.01)	– <sup>(2)</sup>	(.04)	(.06)	(.04)
Net realized and unrealized gain (loss) on investments .....	.08	.39	(2.13)	.61	.44
Total from investment operations .....	<u>.07</u>	<u>.39</u>	<u>(2.17)</u>	<u>.55</u>	<u>.40</u>
Less distributions:					
Dividends from net investment income.....	–	–	–	(.02)	–
Net asset value, end of period .....	<u>\$1.72</u>	<u>\$1.65</u>	<u>\$1.26</u>	<u>\$3.43</u>	<u>\$2.90</u>
Market value, end of period .....	<u>\$1.10</u>	<u>\$1.02</u>	<u>\$ .55</u>	<u>\$2.96</u>	<u>\$2.41</u>
<b>Total Return <sup>(3)</sup></b>					
Based on net asset value .....	4.24%	30.95%	(63.27)%	19.09%	16.00%
Based on market price .....	7.84%	85.45%	(81.42)%	23.67%	17.56%
<b>Ratios/Supplemental Data</b>					
Net assets, end of period (000's omitted) ....	\$4,491	\$4,302	\$3,297	\$8,947	\$7,560
Ratio of total expenses to average net assets .....	2.28%	2.61%	3.76%	2.77%	2.34%
Ratio of net expenses to average net assets .....	2.28%	2.61%	3.76%	2.77%	2.33%
Ratio of net expenses excluding loan interest and fees to average net assets ....	2.25%	2.56%	3.35%	2.18%	1.90%
Ratio of net investment income (loss) to average net assets .....	(0.41)%	0.09%	(1.71)%	(1.78)%	(1.44)%
Portfolio turnover rate .....	4.49%	85.91%	78.13%	69.86%	110.67%

(1) The per share amounts were calculated using the average number of common shares outstanding during the period.

(2) The amount of net investment income was less than \$.005 per share.

(3) Total return on a market value basis is calculated assuming a purchase of common stock on the opening of the first day and a 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 a net asset value basis will be higher than total return on a 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 a net asset value basis will be lower than total return on a 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. 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 portfolio investments as of December 31, 2010, the related statement of operations for the year then ended, the statements 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 audits.

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, 2010 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, 2010, the results of its operations 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 25, 2011

## 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.

Name, Position(s) Held with Fund, Term of Office <sup>(1)</sup> , Principal Occupation for Past Five Years, and Age	Director Since	Number of Portfolios in Investment Company Complex Overseen by Director <sup>(2)</sup>	Other Public Company Directorships Held by Director <sup>(3)</sup>
<b>Class I:</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	6	0
<b>Class II:</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	6	0
<b>Class III:</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 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	6	0
<b>Class IV:</b>			
THOMAS B. WINMILL, ESQ. <sup>(4)</sup> – He is President, Chief Executive Officer, and General Counsel of the Fund, the Investment Manager, the other investment companies in the Investment Company Complex, 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 Bassett S. Winmill. He was born on June 25, 1959.	2002	6	Eagle Bulk Shipping Inc.
<b>Class V:</b>			
BASSETT S. WINMILL <sup>(4)</sup> – He is Chairman of the Board of the Fund, the other investment company advised by the Investment Manager, and WCI. He is Chief Investment Strategist of the Investment Manager. 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

<sup>(1)</sup> Directors not elected annually shall be deemed to be continuing in office until after the time at which an annual meeting is required to be held under Maryland law, the Fund's Charter or Bylaws, the Act, or other applicable laws.

<sup>(2)</sup> The "Investment Company Complex" ("ICC") is comprised of the Fund, Dividend and Income Fund, Inc., Global Income Fund, Inc., Midas Fund, Inc., Midas Perpetual Portfolio, Inc., and Midas Special Fund, Inc. Global Income Fund, Inc. is advised by the Investment Manager. Dividend and Income Fund, Inc. and the Midas Funds are advised by affiliates of the Investment Manager.

<sup>(3)</sup> 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, excluding funds within the ICC.

<sup>(4)</sup> He is an "interested person" of the Fund as defined in the Act due to his affiliation with the Investment Manager.

Messrs. Huber, Hunt, and Werner also serve on the Audit and Nominating Committees of the Board. Mr. Thomas 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.

<b>Name and Age</b>	<b>Position(s) Held with Fund, Term of Office*, Principal Occupation for the Past 5 Years</b>
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, Treasurer, and Vice President of the ICC, the Investment Manager, and WCI. He is a certified public accountant.
John F. Ramirez, Esq. Born on April 29, 1977	Chief Compliance Officer, Vice President, and Secretary since 2005 and Associate General Counsel since 2009. He is also Chief Compliance Officer, Vice President, Associate General Counsel, and Secretary of the ICC, the Investment Manager, and WCI. He is a member of the the Chief Compliance Officer Committee and Compliance Advisory Committee of the Investment Company Institute, and the New York State Bar.

\* 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 8, 2010.

## **PROXY VOTING**

The Fund's Proxy Voting Guidelines, as well as its voting record for the most recent 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 SCHEDULE OF PORTFOLIO 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 [www.sec.gov](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).

## **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, dividends, press releases, and shareholder reports. For further information, please email us at [info@foxbycorp.com](mailto:info@foxbycorp.com).

## **FUND INFORMATION**

### **Investment Manager**

CEF Advisers, Inc.  
11 Hanover Square  
New York, NY 10005  
[www.cefadvisers.com](http://www.cefadvisers.com)  
1-212-344-6310

### **Stock Transfer Agent and Registrar**

IST Shareholder Services  
209 West Jackson Blvd., Suite 903  
Chicago, IL 60606  
[www.ilstk.com](http://www.ilstk.com)  
1-800-757-5755



**Cautionary Note Regarding Forward Looking Statements** - This report contains “forward looking statements” as defined under the U.S. federal securities laws. Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will” and similar expressions identify forward looking statements, which generally are not historical in nature. Forward looking statements are subject to certain risks and uncertainties that could cause actual results to materially differ from the Fund’s historical experience and its current expectations or projections indicated in any forward looking statements. These risks include, but are not limited to, changes in economic and political conditions; regulatory and legal changes; closed end fund industry risk; leverage risk; valuation risk; interest rate risk; tax risk; and other risks discussed in the Fund’s filings with the SEC. You should not place undue reliance on forward looking statements, which speak only as of the date they are made. The Fund undertakes no obligation to update or revise any forward looking statements made herein. There is no assurance that the Fund’s investment objectives will be attained.

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, as amended, 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.

# FOXBY CORP.

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