Puerto Rico Investors Bond Fund I

2015 Annual Report

Dear Shareholder:

The Puerto Rico Investors Bond Fund I (the "Fund"), is pleased to present its Annual Report to Shareholders for the fiscal year ended on September 30, 2015.

PUERTO RICO INVESTORS BOND FUND I

The investment objective of the Puerto Rico Investors Bond Fund I is to achieve a high level of current income that, for Puerto Rico investors, is exempt from Federal and Puerto Rico income taxes, consistent with the preservation of capital for its shareholders.

FUND PERFORMANCE

For the twelve-month period ending in September 30, 2015, the Fund generated a total rate of return on investment of -13.08% and -23.31% based on the net asset value per share ("NAV") and market value per share, respectively. This was mainly due to the substantial decrease in the value of the Fund's NAV and its market price

The Fund's NAV as of September 30, 2015 was $3.48, compared to $4.60 at the end of the prior fiscal year. Meanwhile, the average dividend yield for the period, computed over the original investment of $10 per share, was 4.60%. At the end of the fiscal year, the market price of the shares was $2.75, representing a 21.0% discount to NAV. In contrast, the market price of the shares was $4.12 as of September 30, 2014, representing a 10.4% discount to NAV. The Fund's investment portfolio had weighted-average duration of 9.94 as of September 30, 2015.

The accompanying Figure 1 shows the breakdown of the investment portfolio as of September 30, 2015.

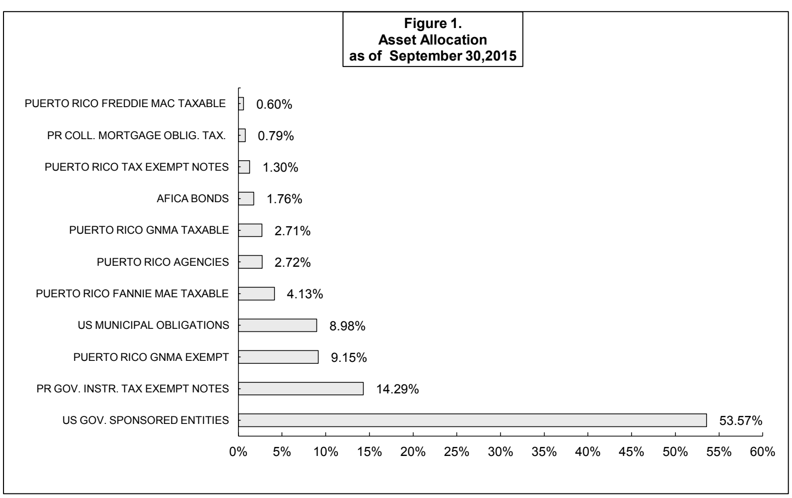

Figure 1. Asset Allocation as of September 30, 2015

SHARE REPURCHASE PROGRAM

On January 31, 2014, the Board of Directors approved the implementation of a share repurchase program for the acquisition of up to 25% of each Fund's total assets. The Repurchase Program is intended to provide additional liquidity to Fund shareholders.

Since the program's inception, the Fund has repurchased 12,258,866 shares of common stock in the open market with an NAV of $53,626,317, at a cost of $47,492,475, and which represent 22.13% of the total assets of the Fund as of January 31, 2014 (net of shares acquired for dividend reinvestment purposes and which remain outstanding).

For the fiscal year ended September 30, 2015, the Fund repurchased 3,120,837 shares of its common stock in the open market. The total shares repurchased for the year ended September 30, 2015 amount to $12,550,140 (at Net Asset Value) and $10,530,034 (at Cost).

INVESTMENT STRATEGY

The Fund's investment advisers strive to select investment assets that maximize risk/return relationships, while adhering to the Fund's investment objectives.

ECONOMIC OVERVIEW

Puerto Rico Economy

Historically, Puerto Rico’s economy has tended to track the U.S. mainland economy. Many of the important variables that affect economic growth, such as imports, exports, direct investments, transfer payments, the rate of inflation and tourism expenditures are directly related to the U.S. and to developments in its economy.

Since Puerto Rico is a U.S. dollar-based economy and its financial system is regulated by U.S. federal agencies, Puerto Rico’s interest rate levels, market tendencies and activities are direct functions of the prevailing conditions in the U.S. market place. The current downturn in Puerto Rico, however, started earlier and has lasted longer than the 2008-2009 U.S. downturn.

The Government Development Bank for Puerto Rico’s new Economic Activity Index (EAI) is an indicator of the general economic activity in Puerto Rico that is highly correlated with real GNP. For the government’s recently ended fiscal year (July 2014 through June 2015), the new EAI reflects a -1.6% contraction compared to the prior fiscal year. Meanwhile, General Fund Net Revenues trailed figures from the prior year by 0.8%.

Throughout the Fund’s fiscal year, Puerto Rico bonds experienced high price volatility while continuing to trade at distressed levels. As measured by the Standard and Poor’s Puerto Rico Municipal Bond Index, Puerto Rico bonds as a group fell 7.62% for the 12-month reporting period.

In January 2015, Puerto Rico enacted legislation to raise the tax on petroleum and its derivatives from $9.25 to $15.50 per barrel. The new revenues were expected to support a new bond deal of up to $2.95 billion to help improve the liquidity of the Government Development Bank. As of this writing, no bond deal has occurred.

On February 6, 2015, in a 75-page ruling, U.S. Federal District Court Judge Francisco Besosa determined that the Puerto Rico Recovery Act is pre-empted by Section 903(1) of the Federal Bankruptcy Code and is therefore void. The Recovery Act had been approved by Governor García Padilla in June 2014 as a mechanism for public corporations (i.e. PREPA, PRASA and PRHTA) to restructure their debt in the event of financial distress.

In late June 2015, Governor García Padilla surprised investors with his comments to The New York Times regarding the mathematical impossibility of Puerto Rico paying for all its $72 billion in debt obligations. At the same time, the Government Development Bank released the Krueger report, prepared by three former IMF officials, which discusses the necessity for a comprehensive restructuring of all Puerto Rico debt, including General Obligations.

The above events sparked a new sell-off in Puerto Rico bonds, amid increased speculation that the island will not be able to repay what it owes. Details on a potential restructuring are limited at this point, but the Governor has indicated he favors a negotiated debt moratorium across all Puerto Rico credits for a number of years as part of an effort to improve the island's finances and revive its economy.

In July 2015, the U.S. Court of Appeals for the First Circuit affirmed the decision that voids the Puerto Rico Recovery Act. In its ruling, however, the Court of Appeals also makes the case that Puerto Rico should be given access to Chapter 9 of the U.S. bankruptcy code, which deals with municipal bankruptcies. This ruling puts pressure on Congress to act on a bill, currently before a House committee, that seeks to change Chapter 9 to treat Puerto Rico like any other state for the purposes of bankruptcy.

On August 3rd, Puerto Rico missed most of a $58 million payment that was due on Public Finance Corporation bonds. This marks the first default ever for the island.

On September 9, a working group appointed by the Governor publicly released the Puerto Rico Fiscal and Economic Growth Plan. The Plan outlines the scale of the challenges facing Puerto Rico, with an estimated $28 billion fiscal gap over the next five years. In addition, it contains various recommended measures and reforms, which if fully implemented are expected to cut the fiscal gap in half by $14 billion. The Plan states that the other half of the fiscal gap likely will need to be filled through a renegotiation of the debt.

Over the next 12 months, the financial challenges and pressure will continue to mount on Puerto Rico. Despite attempts by the current administration to contain the crisis, including higher taxes, pension reform, and moderate spending cuts, the situation remains complicated. The credit outlook has deteriorated, as the prolonged economic recession combined with the lack of external financing have increased the risks of a financial shortfall. It appears a long and complicated process involving a multitude of parties across many different Puerto Rico issuers is in store.

The United States Economy

The U.S. economy showed great resilience throughout most of the Fund's fiscal year, shrugging off worries about slower global economic growth, plunging commodity prices and the Ebola scare.

The 2015 calendar year started inauspiciously, with an initial reading of -0.7% (since revised to +0.6%) for 1Q 2015 GDP. Most analysts, however, interpreted this softness as transitory, attributing it to the greater than anticipated effect on trade of the stronger U.S. dollar.

The 2Q and 3Q 2015 GDP figures were 3.9% and 2.1%, respectively. For the next 12 months, U.S. economic growth is expected to remain fairly modest near the 2.5% range.

Underlying U.S. economic statistics continued to improve during the Fund's fiscal year. Corporate profits remained healthy while home prices and sales volumes generally strengthened. For the period, New Home Sales went up 14.7% and Housing Starts rose 9.7%.

On the employment front, job growth has remained strong, with employers averaging 230,000 new jobs per month for the past 12 months (October 2014 through September 2015). Officially, the national unemployment rate fell to 5.1% in September 2015, compared to 5.9% the prior year. The 5.1% unemployment rate is at its lowest level since April 2008.

Influenced by a decline in commodity prices throughout the reporting period, inflation remained in check and continued below the 2% level, which is the Fed's longer-run goal. As measured by the core Consumer Price Index (excludes food and energy), consumer prices rose 1.9% in the 12 months ended in September 2015.

During the entirety of the Fund's fiscal year, the U.S. Federal Reserve maintained a highly accommodative monetary policy, keeping the target range for the Fed Funds rate between 0% and 0.25%.

As expected, in October 2014 the Federal Reserve concluded its asset purchase program of U.S. Treasuries and agency mortgage-backed securities. Many analysts had expected the gradual unwind of the stimulus to result in higher bond yields but it did not happen. In the first four months of the Fund's fiscal year (October 2014 to January 2015) intermediate and long-term yields drifted down, reaching multi-year lows at the end of January 2015. This happened as political turmoil in the Middle East and Eastern Europe kept flaring up, and prospects for global economic growth became more uncertain. At the same time, oil prices experienced a dramatic drop, creating a significant drag on inflation and making any upswing in inflation more improbable.

However, in the last eight months of the reporting period (February 2015 to September 2015), bond yields trended higher, reflecting the market's wide anticipation that the Fed will begin to raise the Fed Funds rate before the end of 2015. It would be the first increase since June 2006. The transition into tightening mode is largely being driven by stronger than expected employment data combined with increased expectations for steady U.S. economic growth. The timing and scope of the rate increases, however, remains "data dependent". At this time, it is worth noting that a rapid rise in rates seems less likely compared to a gradual increase in rates.

Compared to the beginning of the Fund's fiscal year, bond yields in general were slightly lower at the end of the fiscal year. The 30-year Treasury bond, for example, ended the period at 2.85%, a 34 basis point decrease in yield compared to the beginning of the reporting period. At the same time, the 10-year Treasury note went down 45 basis points, from 2.49% to 2.04%. On the short end of the curve, 2-year Treasuries yielded 0.63% at the end of the fiscal year, up from the 0.57% they were yielding at the beginning of the fiscal year.

In August 2015, near the end of the Fund's fiscal year, U.S. equity markets experienced their first correction since 2011. For the 12-month period, the Dow Jones Industrial, the S&P 500, and the NASDAQ posted returns of -2.11%, -0.61%, and 4.15% respectively.

PUERTO RICO CREDIT UPDATE

On October 21, the Government Development Bank announced it ended weeks of negotiations with a group of creditors without reaching an agreement regarding a voluntary debt exchange offer.

On October 22, in a congressional hearing before a Senate panel, Governor García Padilla warned that Puerto Rico may completely run out of liquidity before year end. Antonio Weiss, a top Treasury official who also spoke at the hearing, urged Congress to take action, outlining a series of measures that the Obama administration proposes to help Puerto Rico, including giving bankruptcy protection that would allow Puerto Rico to restructure all of its debt.

In the coming weeks, we expect Puerto Rico to get more and more attention from the Federal Government, as the possibility of a Government shutdown and/or more defaults looms for Puerto Rico.

OUTLOOK

The U.S. economic outlook indicates continued modest growth. For Puerto Rico, the fiscal situation and the Island's credit ratings remain as big concerns. The combined scenario foreshadows a challenging investment environment for the management of the Fund. Notwithstanding, Banco Popular and UBS Puerto Rico remain committed to providing professional asset management services to the Fund in order to seek profitable opportunities for the benefit of its shareholders.

Enrique Vila del Corral, CPA
Chairman of the Board and President

THE BENEFITS AND RISKS OF LEVERAGING

The Puerto Rico Investors Bond Fund I is permitted to use leverage in an amount not to exceed 50% of the Fund's total assets. In addition, the Fund may also borrow for temporary or emergency purposes in an amount of up to an additional 5% of its total assets. The Fund obtains leverage by borrowing, using its investment portfolio as well as securities otherwise obtained as collateral.

Leverage can produce additional income when the income derived from investments financed with borrowed funds exceeds the cost of such funds. In such an event, the Fund's net income will be greater than it would be without leverage.

If, on the other hand, the income derived from securities purchased with borrowed funds is not sufficient to cover the cost of such funds, the Fund's net income will be less than it would be without leverage.

Leverage often increases the risk for shareholders of Common Stock. In addition leverage may have a negative impact on net asset value. Leverage could also increase market price volatility, interest rate and market risk. On the other hand, adding leverage to the Fund could result in higher net income.

GLOSSARY OF MUTUAL FUND TERMS

Bond - Security issued by a government or corporation to those from whom it has borrowed money. A bond usually promises to pay interest income to the bondholder at regular intervals and to repay the entire amount borrowed at maturity date.

Realized Gain (Loss) - The profit (loss) from the sale of securities. Realized gains are paid to fund shareholders on a per share basis. When a gain distribution is made, the fund's net asset value drops by the amount of the distribution because the distribution is no longer considered part of the fund's assets.

Dividend - A per share distribution of the income earned from the fund's portfolio holdings. When a dividend distribution is made, the fund's net asset value drops by the amount of the distribution because the distribution is no longer considered part of the fund's assets.

Interest Rate Swap - An agreement to exchange one interest rate stream for another. No principal changes hands.

Investment Adviser - An investment professional who is responsible for managing a portfolio's assets prudently and making appropriate investment decisions, such as which securities to buy, hold and sell, based on the investment objectives of the portfolio.

Leverage - Vehicle used by the Fund to increase the amounts available for investment through the issuance of commercial paper or repurchase agreements transactions.

Long-Term - An investment with a maturity greater than one year.

Mutual Fund - A company which combines the investment money of many people whose financial goals are similar, and invests that money in a variety of securities. A mutual fund allows the smaller investor the benefits of diversification, professional management and constant supervision usually available only to large investors.

Net Asset Value (NAV) Per Share - The NAV per share is determined by subtracting a fund's total liabilities from its total assets, and dividing that amount by the number of fund shares outstanding.

Offering Price - The offering price of a share of a mutual fund is the price at which the share is sold to the public.

Repurchase Agreements - Transactions in which the Fund sells securities to a bank or dealer, and agrees to repurchase them at a mutually agreed date and price.

Short-Term - An investment with a maturity of one year or less.

Total Investment Return - The change in value of a fund investment over a specified period of time, taking into account the change in a fund's market price and the reinvestment of all fund distributions.

Turnover Ratio - The turnover ratio represents the fund's level of trading activity. A fund divides the lesser of purchases or sales (expressed in dollars and excluding all securities with maturities of less than one year) by the fund's average monthly assets.

Yield - The annualized rate of income as measured against the current net asset value of fund shares.

Financial Highlights

The following table includes selected data for a share outstanding throughout each period and other performance information.

			For the year ended September 30, 2015	For the year ended September 30, 2014	For the year ended September 30, 2013	For the year ended September 30, 2012	For the year ended September 30, 2011
Increase (Decrease) in Net Asset Value:							
Per Unit Operating Performance:		Net asset value, beginning of period	$4.60	$4.36	$7.87	$7.47	$7.17
	(a)	Net investment income	0.46	0.51	0.66	0.67	0.68
		Net realized (loss) gain and change in unrealized (depreciation) appreciation on investments and derivatives	(1.24)	0.06	(3.56)	0.36	0.24
		Total from investment operations	(0.78)	0.57	(2.90)	1.03	0.92
		Less: dividends from net investment income applicable to common unitholders	(0.46)	(0.50)	(0.61)	(0.63)	(0.62)
		Discount on repurchase of common units	0.12	0.17	-	-	-
		Net asset value, end of year	$3.48	$4.60	$4.36	$7.87	$7.47
	(i)	Market value, end of year	$2.75	$4.12	$4.32	$9.05	$8.69
Total Investment Return: (h)	(b)	Based on market value per unit	(23.31%)	7.51%	(47.87%)	12.86%	18.81%
	(g)	Based on net asset value per unit	(13.08%)	18.92% (j)	(39.49%) (j)	14.17%	13.95%
Ratios: (c)	(d) (f)	Expenses to average net assets applicable to common unitholders - net of waived fees	1.62%	1.56%	1.78%	1.67%	1.60%
	(e) (f)	Operating expenses to average net assets applicable to common unitholders - net of waived fees	1.21%	1.05%	1.35%	1.24%	1.19%
		Interest and leverage related expenses to average net assets applicable to common unitholders	0.41%	0.51%	0.43%	0.43%	0.41%
	(f)	Net investment income to average net assets applicable to common unitholders - net of waived fees	11.01%	11.52%	9.15%	8.64%	9.84%
Supplemental Data:		Net assets applicable to common units, end of period (in thousands)	$51,578	$82,451	$117,692	$204,244	$185,599
		Portfolio turnover	0.00%	1.25%	13.98%	31.41%	21.45%
		Portfolio turnover excluding the proceeds from calls and maturities of portfolio securities and the proceeds from mortgage-backed securities paydowns	0.00%	1.25%	13.98%	2.67%	7.92%

(a) Based on weekly average outstanding common units of 16,612,415, 24,321,432, 26,540,635, 25,416,243, and 24,388,047 for the years ended September 30, 2015, 2014, 2013, 2012, and 2011, respectively.
(b) The return is calculated based on beginning and end of period market values provided by UBS Financial Services of Puerto Rico, a dealer of the Fund's units and an affiliated party.
(c) Based on average net assets applicable to common unitholders of $69,615,839, $106,628,709, $191,203,176, $197,253,259, and $168,211,298 for the years ended September 30, 2015, 2014, 2013, 2012, and 2011, respectively.
(d) "Expenses" include both operating and interest and leverage related expenses.
(e) "Operating expenses" represents total expenses excluding interest and leverage related expenses.
(f) The effect of the expenses waived for the years ended September 30, 2015, 2014, 2013, 2012, and 2011, was to decrease the expense ratios, thus increasing the net investment income ratios to average net assets applicable to common unitholders by 0.59%, 0.53%, 0.20%, 0.25%, and 0.30%, respectively.
(g) Calculations are based on beginning and end of period net asset values.
(h) Dividends are assumed to be reinvested at the per share net asset value as defined in the dividend reinvestment plan.
(i) End of period market values are provided by UBS Financial Services Incorporated of Puerto Rico, a dealer of the Fund's units and an affiliated party. The market values shown may reflect limited trading in the units of the Fund in an over-the-counter market.
(j) The Total return based on NAV per share ratios for the years ended September 30, 2014 and 2013 have been revised to correct an error in the amounts previously reported. Please refer to Note 13 for additional details.

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENTS

Face Amount			Issuer	Coupon	Maturity Date	Fair Value
Puerto Rico Agencies - 5.01% of net assets applicable to common units, total cost of $4,233,855						
$605,000	@	(7)	Puerto Rico Highway and Transportation Authority - Revenue Bonds Series K	5.00%	07/01/30	$218,042
540,000	@		Puerto Rico Commonwealth Aqueduct and Sewer Authority Series A	6.10%	07/01/34	358,506
3,455,000	@		Puerto Rico Convention Center District Authority - Hotel Occupancy Tax Revenue Bonds (Series A)	5.00%	07/01/26	1,956,602
85,000	@		Puerto Rico Commonwealth Industrial Development	0.00%	07/01/18	51,000
4,685,000						2,584,150
AFICA Bonds - 3.24% of net assets applicable to common units, total cost of $2,790,000						
2,790,000	(1)	@	Palmas del Mar Country Club Project	7.25%	12/20/30	1,670,568
Principal Outstanding Amount						
Puerto Rico GNMA Taxable - 5.00% of net assets applicable to common units, total cost of $2,400,686						
101,605	(2)	#	GNMA P/I (Pool 470963)	7.50%	10/15/28	109,523
55,157	(2)		GNMA P/I (Pool 470956)	7.00%	12/15/28	56,686
36,885	(2)		GNMA P/I (Pool 487365)	7.00%	12/15/28	41,457
197,588	(2)	#	GNMA P/I (Pool 487379)	7.00%	01/15/29	220,398
116,235	(2)	#	GNMA P/I (Pool 494960)	7.00%	01/15/29	124,511
141,354	(2)		GNMA P/I (Pool 494961)	7.00%	01/15/29	159,111
76,397	(2)		GNMA P/I (Pool 487410)	7.00%	02/15/29	79,964
77,157	(2)		GNMA P/I (Pool 487411)	7.00%	02/15/29	80,812
28,447	(2)		GNMA P/I (Pool 494963)	7.00%	02/15/29	28,549
32,518	(2)		GNMA P/I (Pool 494964)	7.00%	02/15/29	32,835
100,506	(2)	#	GNMA P/I (Pool 494983)	7.00%	02/15/29	107,154
72,584	(2)		GNMA P/I (Pool 494985)	7.00%	02/15/29	75,822
37,943	(2)		GNMA P/I (Pool 500593)	7.00%	02/15/29	38,470
63,097	(2)		GNMA P/I (Pool 494992)	7.50%	02/15/29	65,219
89,697	(2)	#	GNMA P/I (Pool 487434)	7.00%	03/15/29	94,968
82,984	(2)		GNMA P/I (Pool 494982)	7.00%	03/15/29	87,198
63,676	(2)		GNMA P/I (Pool 494986)	7.00%	03/15/29	65,060
193,579	(2)	#	GNMA P/I (Pool 494988)	7.00%	03/15/29	218,333
45,837	(2)		GNMA P/I (Pool 494989)	7.00%	03/15/29	46,830
109,612	(2)	#	GNMA P/I (Pool 494990)	7.00%	03/15/29	117,410
33,772	(2)		GNMA P/I (Pool 495004)	7.00%	03/15/29	34,141
47,395	(2)		GNMA P/I (Pool 495016)	7.00%	04/15/29	48,497
32,794	(2)		GNMA P/I (Pool 495020)	7.00%	04/15/29	33,123
85,582	(2)		GNMA P/I (Pool 495027)	7.00%	04/15/29	89,261
11,316	(2)		GNMA P/I (Pool 487490)	7.00%	05/15/29	11,356
111,770	(2)	#	GNMA P/I (Pool 487491)	7.00%	05/15/29	119,794
62,223	(2)		GNMA P/I (Pool 487496)	7.00%	05/15/29	64,099
148,868	(2)		GNMA P/I (Pool 487503)	7.00%	05/15/29	167,815
126,824	(2)	#	GNMA P/I (Pool 487505)	7.00%	05/15/29	142,752
16,372	(2)		GNMA P/I (Pool 515468)	8.00%	08/15/30	16,971
2,399,774						2,578,119
Puerto Rico GNMA Exempt - 16.85% of net assets applicable to common units, total cost of $7,928,523						
131,698	(2)		GNMA SERIAL (Pool 401471 U.61-100)	7.50%	12/15/24	143,675
193,985	(2)		GNMA SERIAL (Pool 425498 U.61-100)	7.50%	12/15/24	211,626
144,944	(2)		GNMA SERIAL (Pool 425497 U.61-100)	7.50%	01/15/25	158,125
62,097	(2)		GNMA SERIAL (Pool 397416 U.61-100)	7.50%	05/15/25	67,744
89,244	(2)		GNMA SERIAL (Pool 397428 U.61-100)	7.50%	07/15/25	97,360
269,614	(2)		GNMA SERIAL (Pool 407856 U.61-100)	7.50%	08/15/25	294,133
65,927	(2)		GNMA SERIAL (Pool 431906 U.1-100)	7.00%	09/15/25	72,664
90,676	(2)		GNMA SERIAL (Pool 411897 U.61-100)	7.50%	09/15/25	98,922
184,811	(2)		GNMA SERIAL (Pool 417909 U.61-100)	7.50%	09/15/25	201,618
127,437	(2)		GNMA SERIAL (Pool 407872 U.61-100)	7.50%	11/15/25	139,026
107,161	(2)		GNMA SERIAL (Pool 407874 U.61-100)	7.50%	11/15/25	116,906
121,138	(2)		GNMA SERIAL (Pool 425505 U.61-100)	7.50%	11/15/25	132,154
147,469	(2)		GNMA SERIAL (Pool 425508 U.61-100)	7.50%	11/15/25	160,880
72,141	(2)		GNMA SERIAL (Pool 417928 U.61-100)	7.50%	12/15/25	78,702
154,185	(2)		GNMA SERIAL (Pool 420135 U.76-100)	7.00%	06/15/26	169,941
257,099	(2)		GNMA SERIAL (Pool 437566 U.76-100)	7.00%	08/15/26	283,372
316,414	(2)		GNMA SERIAL (Pool 437598 U.84-100)	7.00%	10/15/26	348,748
133,579	(2)		GNMA SERIAL (Pool 437629 U.76-100)	7.50%	01/15/27	145,727
234,653	(2)		GNMA SERIAL (Pool 448422 U.1-100)	7.00%	02/15/27	258,632
184,719	(2)		GNMA SERIAL (Pool 437628 U.76-100)	7.50%	02/15/27	201,517
243,655	(2)		GNMA SERIAL (Pool 449304 U.1-100)	7.00%	04/15/27	268,554
157,746	(2)		GNMA SERIAL (Pool 449306 U.1-100)	7.00%	05/15/27	173,866
194,341	(2)		GNMA SERIAL (Pool 449307 U.11-100)	7.00%	06/15/27	214,201
181,273	(2)		GNMA SERIAL (Pool 449320 U.76-100)	7.00%	06/15/27	199,797
248,279	(2)		GNMA SERIAL (Pool 449322 U.76-100)	7.00%	07/15/27	273,651
245,526	(2)		GNMA SERIAL (Pool 449324 U.76-100)	7.50%	07/15/27	267,854
50,000	(2)		GNMA SERIAL (Pool 495079 U.71-79)	6.00%	10/15/29	55,765
98,791	(2)		GNMA SERIAL (Pool 495082 U.81-97 & 100)	6.00%	10/15/29	110,183
87,940	(2)		GNMA SERIAL (Pool 515517 U.79-100)	6.50%	11/15/30	97,366
95,885	(2)		GNMA SERIAL (Pool 515537 U.87-100)	6.50%	12/15/30	106,163
118,281	(2)		GNMA SERIAL (Pool 529775 U.88-100)	6.50%	01/15/31	130,960
290,552	(2)		GNMA SERIAL (Pool 528557 U.67-100)	7.00%	01/15/31	320,244
91,207	(2)		GNMA SERIAL (Pool 529903 U.73-100)	6.50%	06/15/31	100,983
38,078	(2)		GNMA SERIAL (Pool 529904 U.88-100)	6.50%	06/15/31	42,160
88,164	(2)		GNMA SERIAL (Pool 529911 U.82-100)	6.50%	06/15/31	97,614
171,840	(2)		GNMA SERIAL (Pool 529933 U.70-100)	6.50%	07/15/31	190,260
346,869	(2)		GNMA SERIAL (Pool 529936 U.61-100)	6.50%	07/15/31	384,050
386,826	(2)		GNMA SERIAL (Pool 529937 U.62-100)	6.50%	07/15/31	428,290
444,869	(2)		GNMA SERIAL (Pool 554086 U.84-100)	6.50%	01/15/32	492,555
273,339	(2)		GNMA SERIAL (Pool 568320 U.91-100)	6.50%	01/15/32	302,638
251,064	(2)		GNMA SERIAL (Pool 568337 U.83-100)	6.50%	08/15/32	277,975
700,768	(2)		GNMA SERIAL (Pool 528153 U.68-100)	5.50%	04/15/34	775,007
7,894,284						8,691,608

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENTS **(continued)**

Principal Outstanding Amount		Issuer	Coupon	Maturity Date	Fair Value
Puerto Rico Collateralized Mortgage Obligations Taxable - 1.45% of net assets applicable to common units, total cost of $1,071,406					
1,071,406	(6)	Doral Fixed Rate Conventional Mortgage (Pool 2004-A)	6.69%	04/01/34	$749,984
Puerto Rico Freddie Mac Taxable - 1.09% of net assets applicable to common units, total cost of $502,821					
3,396	(3)	FGLMC (Pool C22503)	7.00%	01/01/29	3,407
80,508	(3)	FGLMC (Pool C32273)	7.00%	10/01/29	84,450
418,915	(3) #	FGLMC (Pool A50498)	6.00%	07/01/36	476,169
502,819					564,026
Puerto Rico Fannie Mae Taxable - 7.60% of net assets applicable to common units, total cost of $3,494,889					
19,851	(5)	FNMA (Pool 441414)	7.00%	09/01/28	20,280
24,115	(5)	FNMA (Pool 445573)	7.00%	10/01/28	24,191
120,291	(5)	FNMA (Pool 445580)	7.00%	11/01/28	134,204
221,198	# (5)	FNMA (Pool 445589)	6.50%	12/01/28	252,699
18,232	(5)	FNMA (Pool 445590)	7.00%	12/01/28	20,492
88,547	(5)	FNMA (Pool 483685)	7.50%	12/01/28	100,350
102,902	# (5)	FNMA (Pool 445598)	7.00%	01/01/29	114,339
172,674	# (5)	FNMA (Pool 488054)	7.00%	03/01/29	194,151
178,220	# (5)	FNMA (Pool 488057)	7.00%	03/01/29	200,447
154,095	# (5)	FNMA (Pool 488064)	7.00%	03/01/29	173,063
35,228	(5)	FNMA (Pool 488060)	7.50%	03/01/29	35,671
37,389	(5)	FNMA (Pool 504166)	7.00%	09/01/29	37,867
48,574	(5)	FNMA (Pool 504165)	8.00%	09/01/29	49,974
212,704	# (5)	FNMA (Pool 504170)	8.00%	09/01/29	247,828
52,412	(5)	FNMA (Pool 536020)	8.50%	05/01/30	62,190
20,121	(5)	FNMA (Pool 536024)	8.50%	05/01/30	23,829
23,320	(5)	FNMA (Pool 536042)	8.00%	09/01/30	27,329
103,987	(5)	FNMA (Pool 573429)	7.00%	03/01/31	117,989
1,861,029	# (5)	FNMA (Pool 849999)	5.00%	01/01/36	2,085,405
3,494,889					3,922,298
Puerto Rico Tax Exempt Notes - 2.40% of net assets applicable to common units, total cost of $1,437,707					
95,749	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 487557)	7.00%	07/15/29	101,993
79,401	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 487559)	7.00%	07/15/29	83,255
40,886	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 508624)	7.00%	07/15/29	41,549
42,907	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 508630)	7.00%	07/15/29	43,702
51,430	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 508631)	7.00%	07/15/29	53,289
93,950	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 508642)	7.00%	08/15/29	99,906
102,325	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 514581)	7.00%	08/15/29	109,551
21,662	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 514582)	7.00%	08/15/29	22,256
53,127	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 514603)	7.00%	09/15/29	55,051
112,449	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 514604)	7.00%	09/15/29	119,062
34,121	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 514605)	7.00%	09/15/29	34,504
111,419	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 509243)	7.50%	10/15/29	117,855
35,209	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 509244)	7.50%	10/15/29	37,049
63,058	(4)	Community Endowment, Inc. (Collateralized by GNMA Pool 514632)	7.50%	10/15/29	65,182
500,000	@	Government Development Bank Note	4.70%	05/01/16	253,750
1,437,693					1,237,954

Face Amount		Issuer	Coupon	Maturity Date	Fair Value
Puerto Rico Government Instrumentalities Tax Exempt Notes - 26.33% of net assets applicable to common units, total cost of $35,771,525					
$7,895,000	@ (7) (8)	Employees Retirement System - Senior Pension Funding Bonds (Series B)	0.00%	07/01/30	793,605
6,445,000	@ (7) (8)	Employees Retirement System - Senior Pension Funding Bonds (Series B)	0.00%	07/01/31	603,316
6,865,000	@ (7) (8)	Employees Retirement System - Senior Pension Funding Bonds (Series B)	0.00%	07/01/32	602,404
7,320,000	@ (7) (8)	Employees Retirement System - Senior Pension Funding Bonds (Series B)	0.00%	07/01/33	602,582
8,255,000	@ (7) (8)	Employees Retirement System - Senior Pension Funding Bonds (Series B)	0.00%	07/01/34	636,461
1,405,000	@ (7) (8)	Employees Retirement System - Senior Pension Funding Bonds (Series A)	6.15%	07/01/38	421,584
85,000	@ (7) (8)	Employees Retirement System - Senior Pension Funding Bonds (Series B)	6.30%	07/01/38	26,568
735,000	@ (7) (8)	Employees Retirement System - Senior Pension Funding Bonds (Series A)	6.20%	07/01/40	229,724
410,000	@ (7)	Puerto Rico Sales Tax Financing Corp Appreciation Bonds 2008 (Series A)	0.00%	08/01/24	116,264
7,655,000	@ (7)	Puerto Rico Sales Tax Financing Corp Appreciation Bonds 2008 (Series A)	0.00%	08/01/25	1,960,523
7,640,000	@ (7)	Puerto Rico Sales Tax Financing Corp Appreciation Bonds 2008 (Series A)	0.00%	08/01/26	1,819,924
8,645,000	@ (7)	Puerto Rico Sales Tax Financing Corp Appreciation Bonds 2008 (Series A)	0.00%	08/01/27	1,927,057
9,885,000	@ (7)	Puerto Rico Sales Tax Financing Corp Appreciation Bonds 2007 (Series B)	0.00%	08/01/29	1,951,398
14,105,000	@ (7)	Puerto Rico Sales Tax Financing Corp Appreciation Bonds 2008 (Series A)	0.00%	08/01/35	1,886,685
87,345,000					13,578,095

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENTS (concluded)

Face Amount			Issuer	Coupon	Maturity Date	Fair Value
US Government Sponsored Entities - 98.70% of net assets applicable to common units, total cost of $45,764,388						
$6,675,000		#	Federal Farm Credit Bank	5.13%	11/28/22	$8,077,954
1,650,000		#	Federal Farm Credit Bank	5.20%	02/06/26	2,005,045
4,600,000	@	#	Federal Home Loan Bank Bonds	3.30%	05/07/32	4,504,651
2,745,000	@	#	Federal Home Loan Bank Bonds	3.20%	12/28/32	2,628,178
3,350,000		#	Federal Home Loan Bank Bonds	3.30%	01/18/33	3,211,176
23,040,000		#	Federal Home Loan Bank Bonds	5.50%	07/15/36	30,478,119
42,060,000						50,905,123
US Municipal Obligations - 16.55% of net assets applicable to common units, total cost of $7,243,568						
6,450,000	@		State of California - Various Purpose General Obligation Bonds	7.95%	03/01/36	7,775,089
530,000	@	#	State of California - Various Purpose General Obligation Bonds	7.63%	03/01/40	761,536
6,980,000						8,536,625
			Total investments (184.22% of net assets applicable to common units)			95,018,550
			Liabilities minus other assets (-84.22% of net assets applicable to common units)			(43,440,827)
			Net assets attributable to common units - 100%			$51,577,723

(1) AFICA - Puerto Rico Industrial, Tourism, Medical, Educational, and Environmental Pollution Control Facilities Financing Authority. Revenue bonds are payable solely from cash flows generated by the underlying project, which do not constitute an indebtness of the Commonwealth of PR or any of its political subdivisions, other than AFICA.
(2) Puerto Rico GNMA - Represents mortgage-backed obligations guaranteed by the Government National Mortgage Association. They are subject to principal paydowns as a result of prepayments or refinancing of the underlying mortgage instruments. As a result, the average life may be substantially less than the original maturity.
(3) Puerto Rico Freddie Mac Taxable - Represents mortgage-backed obligations guaranteed by the Federal Home Loan Mortgage Corporation. They are subject to principal paydowns as a result of prepayments or refinancing of the underlying mortgage instruments. As a result, the average life may be substantially less than the original maturity.
(4) Community Endowment - These obligations are collateralized by mortgage-backed securities and the only source of repayment is the collateral. They are subject to principal paydowns as a result of prepayments or refinancing of the underlying mortgage instruments. As a result, the average life may be substantially less than the original maturity.
(5) Puerto Rico Fannie Mae Taxable- Represents mortgage-backed obligations guaranteed by the Federal National Mortgage Association. They are subject to principal paydowns as a result of prepayments or refinancing of the underlying mortgage instruments. As a result, the average life may be substantially less than the original maturity.
(6) Investment in a participation certificate of a group of conventional residential mortgages. The pool has mortgage loans with payment in arrears that have been advanced by the servicer pursuant to a guarantee of timely payment of principal and interest. They are subject to principal paydowns as a result of prepayments or refinancing of the underlying mortgage instruments. As a result, the average life may be substantially less than the original maturity.
(7) Revenue Bonds - issued by agencies and payable from revenues and other sources of income of the agency as specified in the applicable prospectus. These obligations are not an obligation of the Commonwealth of Puerto Rico.
(8) These bonds are limited, non-recourse obligations of the Employees Retirement System payable solely from, and secured solely by, employer contributions made after the date of issuance of the bonds.
\# A portion or all of the security has been pledged as collateral for securities sold under agreements to repurchase.
@ Security may be called before its maturity date.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ASSETS AND LIABILITIES

Assets:	Investments in securities:		
	Securities pledged as collateral under repurchase agreements, at fair value (cost - $41,703,370)	$46,500,025	
	Other securities, at fair value (cost - $70,935,998)	48,518,525	$95,018,550
	Cash		144,168
	Interest receivable		725,056
	Receivable for repurchase agreement		45,000
	Other assets		82,753
	Total assets		96,015,527
Liabilities:	Securities sold under agreements to repurchase		43,829,042
	Payables:		
	Dividend payable	493,411	
	Interest	7,425	
	Investment advisory fees	23,616	
	Administration fees	11,808	536,260
	Accrued expenses and other liabilities		72,502
	Total liabilities		44,437,804
Net Assets Applicable to Common Units:			$51,577,723
Net Assets Consist of:	Common Units:		
	Balance applicable to 14,802,342 units of fractional undivided interest outstanding		$186,729,951
	Undistributed net investment income		4,843,043
	Accumulated net realized loss on investments		(122,374,453)
	Unrealized net depreciation on investments		(17,620,818)
	Net assets applicable to common units		$51,577,723
	Net asset value applicable to common units - per unit; 14,802,342 units outstanding		$3.48

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS

		For the year ended September 30, 2015
Investment income:	Interest	$8,785,150
Expenses:	Interest and leverage related expenses	284,412
	Investment advisory fees	809,699
	Administration, custodian, and transfer agent fees	202,425
	Professional fees	89,242
	Directors' fees and expenses	28,889
	Insurance expense	95,426
	Printing and shareholder reports	8,594
	Other	9,407
	Total expenses	1,528,094
	Waived investment advisory fees	(404,796)
	Net expenses after fees waived by investment advisers	1,123,298
Net investment income:		$7,661,852
Realized Gain (Loss) & Unrealized Appreciation (Depreciation) on Investments:	Net realized loss on investments	(25,825,440)
	Unrealized appreciation on investments	5,411,317
	Total net loss on investments	(20,414,123)
	Net decrease in net assets resulting from operations	($12,752,271)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

Increase (Decrease) in Net Assets:		For the year ended September 30, 2015	For the year ended September 30, 2014
Operations:	Net investment income	$7,661,852	$12,286,639
	Net realized loss on investments	(25,825,440)	(38,236,487)
	Net realized loss on derivatives	-	(8,254,960)
	Unrealized appreciation on investments	5,411,317	39,375,111
	Change in net value on derivatives	-	8,152,519
	Net (decrease) increase in net assets resulting from operations	(12,752,271)	13,322,822
Dividends to Common Unitholders from:	Net investment income	(7,597,926)	(11,832,946)
Units Transactions:	Reinvestment of dividends on common units	7,399	230,700
	Repurchase of common units	(10,530,034)	(36,962,441)
	Decrease in net assets derived from common units transactions	(10,522,635)	(36,731,741)
Net Assets:	Net decrease in net assets attributable to common units	(30,872,832)	(35,241,865)
	Balance at beginning of the year	82,450,555	117,692,420
	Balance at end of the year	$51,577,723	$82,450,555

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash		For the year ended September 30, 2015
Cash Provided by Operating Activities:	Net decrease in net assets resulting from operations	($12,752,271)
	Adjusted by:	
	Sales of portfolio securities	36,304,624
	Maturities and calls of portfolio securities	140,000
	Proceeds from mortgage-backed securities paydowns	2,462,652
	Net realized loss on paydowns	2,807
	Net realized loss on investments	25,825,440
	Unrealized appreciation on investments	(5,411,317)
	Accretion of discounts on investments	(3,542,445)
	Amortization of premiums on investments	208,362
	Decrease in interest and dividends receivable	227,622
	Increase in other assets	(9,957)
	Decrease in interest payable	(2,830)
	Decrease in investment advisory fees payable	(17,861)
	Decrease in administration fees payable	(8,931)
	Increase in accrued expenses and other liabilities	10,720
	Total cash provided by operating activities	43,436,615
Cash Used in Financing Activities:	Short-term repayments; net of issuances of $32,551,932	(5,429,200)
	Repo related repayments; net of issuances of $2,570,041,567	(19,580,958)
	Dividends to common unitholders paid in cash	(7,806,505)
	Repurchase of common units	(10,530,034)
	Total cash used in financing activities	(43,346,697)
Cash:	Net increase in cash	89,918
	Cash at beginning of year	54,250
	Cash at end of year	$144,168
Cash Flow Information:	Cash paid for interest and leverage related expenses	$287,242
	Non-cash activities:	
	Dividends reinvested by common unitholders	$7,399

The accompanying notes are an integral part of these financial statements.

Note 1 - Reporting Entity and Significant Accounting Policies:

The Puerto Rico Investors Bond Fund I (the "Fund"), an investment trust organized under the laws of the Commonwealth of Puerto Rico, is a non-diversified investment company registered under the Puerto Rico Investment Companies Act, as amended. The Fund was created pursuant to an agreement and deed of trust entered into by and between Popular Securities, LLC ("Popular Securities") and UBS Financial Services Incorporated of Puerto Rico ("UBS Puerto Rico") as settlers, and their affiliates, Banco Popular de Puerto Rico ("Banco Popular") and UBS Trust Company of Puerto Rico, as trustees (the "Trustees").

The Fund's investment objective is to achieve a high level of tax-advantaged current income consistent with the preservation of capital.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The following is a summary of the Fund's significant accounting policies:

(*a) Cash and Cash Equivalents* – Cash and cash equivalents consist of demand deposits and funds invested in short-term investments with original maturities of 90 days or less. Cash and cash equivalents are valued at amortized cost, which approximates fair value. At September 30, 2015, there were no cash equivalents held by the Fund.

(b) Valuation of Investments - Investments included in the Fund's financial statements have been stated at fair values as determined by Banco Popular de Puerto Rico, as the Fund's administrator, with the assistance of the Co-Advisers (Refer to Note 3), on the basis of valuations provided by dealers or by pricing services, which are approved by the Fund's management and the Board of Directors, in accordance with the valuation methods set forth in the Governing Documents and related policies and procedures. See Note 2 for further discussions regarding fair value disclosures.

(c) Taxation - The Fund has elected to be treated as a registered investment company under the Puerto Rico Internal Revenue Code of 2011, as amended, and the regulations and administrative pronouncements promulgated thereunder. As a registered investment company, the Fund will be treated as a conduit or pass-through entity that will be disregarded for Puerto Rico income tax purposes. Accordingly, the income earned by the Fund is not subject to Puerto Rico income tax at the Fund level, if it distributes to its shareholders at least 90% of its taxable net investment income for the taxable year, among other requirements. The Fund has never been subject to taxation.

In addition, the fixed income and equity investments of the Fund are exempt from Puerto Rico personal property taxes. The Fund is exempt from United States income taxes, except for dividends received from United States sources, which are subject to a 10% United States withholding tax, if certain requirements are met. Dividend income is recorded net of taxes. In the opinion of the Fund's legal counsel, the Fund is not required to file a U.S. federal income tax return.

GAAP requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax return to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are recorded as a tax benefit or expense in the current year. Management has analyzed the Fund's tax positions taken on its Puerto Rico income tax returns for all open tax years (the current and prior three tax years) and has concluded that no liability should be recorded related to uncertain tax positions taken on returns filed for open tax years. On an ongoing basis, management will monitor the Fund's tax position to determine if adjustments to this conclusion are necessary.

The balance of undistributed net investment income and of accumulated net realized loss on investments and derivatives reflect the reclassification of permanent differences and of temporary differences between book and tax balances that become permanent. As a result of these reclassifications, the amounts shown in the Statement of Assets and Liabilities reflect the amounts for tax purposes, except for remaining temporary differences, if any (See Note 12).

(d) Statement of Cash Flows – The Fund invests in securities and distributes dividends from net investment income, which are paid in cash or are reinvested at the discretion of common unitholders. These activities are reported in the Statement of Changes in Net Assets. Additional information on cash receipts and payments is presented in the Statement of Cash Flows. Accounting practices that do not affect the reporting of activities on a cash basis include carrying investments at value and amortizing premiums or discounts on debt obligations.

(e) Dividends and Distributions to Unitholders - Dividends from net investment income are declared and paid monthly. The Fund may at times pay out less than the entire amount of net investment income earned in any particular period and may at times pay out such accumulated undistributed income earned in other periods in order to permit a more stable level of distribution. The Fund records dividends to its unitholders on the ex-dividend date. The Fund does not expect to make distributions of net realized capital gains, if and when available, although the Fund's Board of Directors reserves the right to do so in its sole discretion.

(f) Derivatives Instruments - In order to attempt to hedge various portfolio positions, to manage its cost of funds or to enhance its return, the Fund may invest in certain instruments which are considered derivatives. Derivative instruments, because of their increased volatility and potential leveraging effect, may adversely affect the Fund. The use of these instruments for income enhancement purposes subjects the Fund to risks of losses which would not be offset by gains on other portfolio assets or acquisitions. There is no assurance that the Investment Adviser will employ any hedging strategy, and even where such derivatives instruments are used for hedging purposes, there can be no assurance that the hedging transactions will be successful or will not result in losses.

Specifically, the Fund may enter into interest rate swap agreements that involve an agreement between two parties to exchange fixed- and variable-rate interest rate payments that are calculated based on a specified amount of principal (the "notional principal amount") for a specified period of time. The Fund usually enters into interest rate swaps on a net basis, (*i.e.*, the two payment streams are netted out), with the Fund receiving or paying, as the case may be, only the net amount of the two payments.

The Fund utilizes interest rate swaps as the predominant derivative hedging and income strategy. For income, the Fund generally enters into floating rate swaps where it receives a fixed rate payment and pays a floating rate based on LIBOR. The positive income received from the swap is subject to risk should LIBOR increase during the term of the swap. These swaps may also include an option for the counterparty to cancel the swap that results in a higher rate coupon for the Fund.

To attempt to protect the interest rate cost of its leverage program, the Fund generally enters into fixed to floating rate swaps. The Fund pays a fixed cost for a predetermined number of years and receives, in exchange, a floating rate payment based on LIBOR. If LIBOR increases, the floating rate increases thus offsetting the corresponding increase in the Fund's leverage cost. If, on the other hand, LIBOR decreases, the floating rate payment will decrease reducing the benefit of lower interest rates on the leverage program. The Fund will also grant the counterparty an option to cancel the swap before its contractual termination if such option results in a more advantageous fixed rate cost for the Fund. Subject to market conditions, the Fund will also enter into floating to fixed rate swaps. These swaps may have the effect of neutralizing the negative cost of the original fixed to floating rate swaps. If LIBOR decreases the floating rate payment made by the Fund decreases, offsetting the decrease in the floating rate payment received by the Fund in the original fixed rate swap. On the other hand, if LIBOR increases the floating rate payment on the neutralizing swap will increase offsetting the benefit of the increase in the floating rate received from the fixed rate swap. The Fund will also grant the counterparty an option to cancel the swap before its contractual obligation if such option results in a higher fixed rate payment to the Fund.

These types of transactions subject the Fund to the risk that a counterparty will default on its obligation to the Fund. The Fund attempts to control such risk by entering into these transactions only with banks and recognized securities dealers believed by the Fund's Investment Adviser to present minimal risk in accordance with the guidelines of the Board of Directors. These types of transactions are also subject to market risk as interest rates and market prices fluctuate. Risks may exceed related amounts recognized in the Statement of Assets and Liabilities. The credit exposure may change as the fair value of the instrument changes. The Fund's management enters into these transactions in an attempt to improve its funding costs rather than speculate on interest rate changes. The Fund may enter into additional transactions as market conditions change.

GAAP requires disclosure surrounding the various inputs that are used in determining the fair value of the Fund's interest rate swaps. These swaps are classified as Level 2 as fair value is measured using a combination of observable market data inputs and calculated inputs from market data. The market data includes LIBOR rates, yield curves, and volatility. For callable and range swaps, the parameters are developed from market observed volatility and yield curve.

The Fund is a party to ISDA (International Swap and Derivatives Association, Inc.) Master Agreements ("Master Agreements") with certain counterparties that govern over the counter derivative contracts entered into from time to time. The Master Agreements may contain provisions regarding, among other things, the parties' general obligations, representations, agreements, collateral requirements, events of default, and early termination. Generally, collateral can be in the form of cash or debt securities issued by the U.S. Government or related agencies or other securities as agreed to by the Fund and the applicable counterparty. Collateral requirements are determined based on the Fund's net position with each such counterparty. Termination events applicable to the Fund may occur in certain instances specified in the Master Agreements, which may include, among other things, a specified decline in the Fund's net asset value or the termination of the Fund's Investment Advisers. In each case, upon occurrence, the counterparty may elect to terminate early and cause settlement of all or some of the derivative contracts outstanding, including the payment of any losses and costs resulting from such early termination, as reasonably determined by the terminating party. Any decision by one or more of the Fund's counterparties to elect early termination could impact the Fund's future derivative activity.

The Fund's derivative instruments generally contain provisions that require the Fund to maintain minimum net asset value levels. If the Fund's net assets value were to decline below certain specified net asset value levels, the counterparties may declare an early termination event on any or all transactions with the Fund. To the extent such termination results in a net liability to the Fund, the collateral held by any such counterparty may be liquidated and netted against the amounts owed by the Fund to such counterparty. There were no derivatives outstanding during the year ended September 30, 2015.

The credit components of the swaps are managed through various mechanisms. Counterparties must have a minimum credit rating (the higher of S&P, Moody's, and/or Fitch), currently A, or credit support from another entity. The swaps are executed pursuant to signed Master ISDA Agreements that may include a Credit Support Annex (CSA). The economic terms of each swap transaction are documented in a written confirmation. In the event the counterparty is downgraded below A, the swap must either be transferred to another A or better counterparty or the credit exposure must be collateralized with eligible collateral as defined in the CSA.

Changes in the value of swap agreements are reported separately in the Statement of Assets and Liabilities and as a change in net value on derivatives in the Statement of Operations.

The Fund records periodic payments on unwind transactions to or collections from derivatives as a component of net realized gain or loss on derivatives in the Statement of Operations. For purposes of dividend distributions, the Fund's periodic swap payments are included as a component of net investment income. For the fiscal year ended September 30, 2015, no payments or collections to/from swap counterparties were made as there were no positions outstanding during the year.

(g) Securities Sold under Agreements to Repurchase - Under these agreements, the Fund sells securities, receives cash in exchange and agrees to repurchase the securities at a mutually agreed date and price. Ordinarily, those counterparties with which the Fund enters into these agreements require delivery of collateral, nevertheless, the Fund retains ownership of the collateral through the agreement that requires the repurchase and return of such collateral. These transactions are treated as financings and recorded as liabilities. Therefore, no gain or loss is recognized on the transaction and the securities pledged as collateral remain recorded as assets of the Fund. These agreements involve the risk that the market value of the securities purchased with the proceeds from the sale of securities received by the Fund, may decline below the price of the securities that the Fund is obligated to repurchase and that the value of the collateral posted by the Fund increases in value and the counterparty does not return it. Because the Fund borrows under repurchase agreements based on the estimated fair value of the pledged assets, the Fund's ongoing ability to borrow under its repurchase facilities may be limited and its lenders may initiate margin calls in the event of adverse changes in the market. A decrease in market value of the pledged assets may require the Fund to post additional collateral or otherwise sell assets at a time when it may not be in the best interest of the Fund to do so (See Note 6).

(h) Short-term notes - The Fund has a short-term notes payable program as a funding vehicle to increase the amount available for investments. The short-term notes are issued from time to time in denominations of $25,000 maturing in periods of up to 270 days and over 270 days, respectively. The notes are collateralized by the pledge of certain securities of the Fund. The pledged securities are held by Banco Popular de Puerto Rico (the Custodian), as collateral agent, for the benefit of the holders of the notes. There were no short-term notes outstanding at September 30, 2015 (See Note 7).

(i) Paydowns – Realized gains and losses on mortgage-backed securities paydowns are recorded as an adjustment to interest income as required by GAAP. For the year ended September 30, 2015, the Fund decreased interest income in the amount of $2,807 related to net realized loss on mortgage-backed securities paydowns. The Fund declares and pays monthly dividends from net investment income. For purposes of dividend distributions, net investment income excludes the effect of mortgage-backed securities paydowns gains and losses (See Note 12).

(j) Use of Estimates in the Preparation of Financial Statements - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(k) Other - Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Realized gains and losses on security transactions are determined based on the identified cost method. Premiums and discounts on securities purchased are amortized over the life or the expected life of the respective securities using the effective interest method. Interest and dividend income on preferred equity securities are accrued daily except when collection is not expected. Dividend income on common equity securities is recorded on the ex-dividend date.

NOTES TO FINANCIAL STATEMENTS

(l) Recent Accounting Pronouncements – During fiscal year 2015, the following pronouncements were issued by the Financial Accounting Standards Board (FASB):

Accounting Standards Update No. 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent): This standard removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. It also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The standard is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. The Fund does not believe this would have a material effect on the financial statements.

Note 2 – Fair Value Measurements:

Under GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability.

GAAP establishes a fair value hierarchy that prioritizes the inputs and valuation techniques used to measure fair value into three levels in order to increase consistency and comparability in fair value measurements and disclosures. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for the fair value measurement are observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect the Fund's estimates about assumptions that market participants would use in pricing the asset or liability based on the best information available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. Valuation on these instruments does not need a significant degree of judgment since valuations are based on quoted prices that are readily available in an active market.

Level 2 – Quoted prices other than those included in Level 1 that are observable either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or that can be corroborated by observable market data for substantially the full term of the financial instrument.

Level 3 – Unobservable inputs are significant to the fair value measurement. Unobservable inputs reflect the Fund's own assumptions about assumptions that market participants would use in pricing the asset or liability.

The Fund maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing on those securities. Fair value is based upon quoted market prices when available. If listed price or quotes are not available, the Fund employs internally developed models that primarily use market-based inputs including yield curves, interest rates, volatilities, and credit curves, among others. Valuation adjustments are limited to those necessary to ensure that the financial instrument's fair value is adequately representative of the price that would be received or paid in the marketplace. These adjustments include amounts that reflect counterparty credit quality, constraints on liquidity, and unobservable parameters that are applied consistently.

NOTES TO FINANCIAL STATEMENTS

The estimated fair value may be subjective in nature and may involve uncertainties and matters of significant judgment for certain financial instruments. Changes in the underlying assumptions used in calculating fair value could significantly affect the results. In addition, the fair value estimates are based on outstanding balances without attempting to estimate the value of anticipated future business. Therefore, the estimated fair value may materially differ from the value that could actually be realized on a sale.

On November 8, 2013, the Board of Directors of the Fund delegated to the Valuation Committee, comprised of voting members of Popular Asset Management, a division of Banco Popular, and UBS Asset Managers of PR, a division of UBS Trust Company of PR, certain procedures and functions related to the valuation of portfolio securities for the purpose of determining the Net Asset Value of the Fund. The Valuation Committee is generally responsible for determining the fair value of the following types of portfolio securities:

- Portfolio instruments for which no price or value is available at the time the Fund's NAV is calculated on a particular day;
- Portfolio instruments for which the prices or values available do not, in the judgment of the Investment Advisers, represent the fair value of the portfolio instruments;
- A price of a portfolio instrument that has not changed for four consecutive weekly pricing periods, except for Puerto Rico taxable securities and U.S. portfolio instruments;
- Any PR taxable securities and the U.S. portfolio instruments whose value has not changed from the previous weekly pricing period.

Following is a description of the Fund's valuation methodologies used for assets and liabilities measured at fair value:

Mortgage and other asset-backed securities: Certain agency mortgage and other assets-backed securities ("MBS") are priced based on a bond's theoretical value derived from the prices of similar bonds; "similar" being defined by credit quality and market sector. Their fair value incorporates an option adjusted spread. GNMA Puerto Rico Serials are priced using a pricing matrix with quoted prices from local broker dealers, based on trade activity in local markets and is compared with data from exchange platforms where similar instruments regularly trade. The agency MBS and GNMA Puerto Rico Serials are classified as Level 2.

Collateralized Mortgage Obligations: Agency and private collateralized mortgage obligations ("CMOs") are priced based on a bond's theoretical value derived from the prices of similar bonds; "similar" being defined by credit quality and market sector. Their fair value incorporates an option adjusted spread. The option adjusted spread includes prepayment and volatility assumptions, ratings (whole loans collateral) and spread adjustments. CMOs include a significant adjustment based on assumptions important to market participants, such as credit risk, source of payment, etc. The Doral Participation Certificates are valued by the Valuation Committee based on the types of underlying mortgages and using a discounted cash flow technique. There is a lack of transparency of prices due to lack of trading activity. These securities are classified as Level 3.

Obligations of Puerto Rico, States, and political subdivisions: Obligations of Puerto Rico, States, and political subdivisions are segregated and the like characteristics divided into specific sectors. Market inputs used in the evaluation process include all or some of the following: trades, bid price or spread, quotes, benchmark curves including but not limited to Treasury benchmarks, LIBOR and swap curves, and discount and capital rates. These bonds are classified as Level 2.

NOTES TO FINANCIAL STATEMENTS

AFICA bonds: The fair value of AFICA bonds is based on quotes obtained from local brokers. AFICA bonds are segregated and the like characteristics divided into specific sectors. Market inputs used in the evaluation process include all or some of the following: trades, bid price or spread, quotes, benchmark curves including but not limited to Treasury benchmarks, LIBOR and swap curves, and discount and capital rates. These bonds are classified as Level 2.

Obligations of U.S. Government sponsored entities: The fair value of Obligations of U.S. Government sponsored entities is based on an active market and is based on quoted market prices for similar securities. U.S. agency structured notes are priced based on a bond's theoretical value from similar bonds defined by credit quality and market sector and for which the fair value incorporates an option adjusted spread in deriving their fair value. These securities are classified as Level 2.

Puerto Rico Tax Exempt Notes: Prices for these securities are obtained from broker quotes. These securities trade in over-the-counter markets. Quoted prices are based on recent trading activity for similar instruments and do not trade in highly liquid markets. Community Endowments are generally classified as Level 2 and the pricing is based on their collateral.

Equity Securities: Equity securities with quoted market prices obtained from an active exchange market are classified as Level 1. Equity securities with quoted market prices in a non active market are classified as Level 2.

Derivatives: The fair value of derivative instruments is based on observable market parameters and takes into consideration the credit risk component, when appropriate. The "Hull-White Interest Rate Tree" approach is used to value the option components of derivative instruments, and discounting of the cash flows is performed using US dollar LIBOR-based discount rates or yield curves that account for the industry sector and the credit rating of the counterparty and/or the Fund. Derivatives are mainly composed of interest rate swaps. As part of the determination of fair value of interest rate swaps a credit component is considered as required by GAAP. Interest rate swaps are classified as Level 2.

NOTES TO FINANCIAL STATEMENTS

The following is a summary of the levels within the fair value hierarchy in which the Fund invests based on inputs used to determine the fair value of such securities:

	Hierarchy			
	Level 1	Level 2	Level 3	Balance at 9/30/2015
Assets:				
Mortgage-Backed Securities:				
PR Freddie Mac Taxable	$ -	$ 564,026	$ -	$ 564,026
PR GNMA Taxable	-	2,578,119	-	2,578,119
PR GNMA Exempt	-	8,691,608	-	8,691,608
PR Fannie Mae Taxable	-	3,922,298	-	3,922,298
PR Collateralized Mortgage Obligations Taxable	-	-	749,984	749,984
AFICA Bonds	-	1,670,568	-	1,670,568
PR Agencies	-	2,584,150	-	2,584,150
PR Government Instrumentalities Tax Exempt Notes	-	13,578,095	-	13,578,095
PR Tax Exempt Notes	-	1,237,954	-	1,237,954
US Government Sponsored Entities	-	50,905,123	-	50,905,123
US Municipal Obligations	-	8,536,625	-	8,536,625
Total	$ -	$ 94,268,566	$ 749,984	$ 95,018,550

Temporary cash investments, if any, are valued at amortized cost, which approximates fair value.

The following is a reconciliation of assets for which Level 3 inputs were used in determining fair value:

	Balance as of 9/30/2014	Realized gain (loss)	Change in Unrealized (depreciation) /appreciation	Net amortization /accretion	Sales/Calls	Paydowns	Transfers in (out) to Level 3	Balance as of 9/30/2015
Doral Fixed Rate Conventional Mortgage (Pool 2004-A) – 6.69% due 4/1/34	$1,030,240	$ -	$(110,409)	$ -	$ -	$(169,847)	$ -	$ 749,984
Prime Mortgage Trust Series 2006-DR1 Class 2A1 – 5.50% due 5/25/35	2,351,541	(54,998)	(11,518)	44	(2,199,592)	(85,477)	-	-
Total	$3,381,781	$ (54,998)	$(121,927)	$ 44	$ (2,199,592)	$(255,324)	$ -	$ 749,984

Transfers to Level 3 reflect securities where there is a lack of transparency of prices due to lack of trading activity for these securities or comparable securities. As a result, significant unobservable inputs had to be used to determine the fair value of the security. The Fund’s policy is to recognize transfers in and transfers out as of the end of the reporting period of the event or change in circumstances that caused the transfer. There were no transfers in/out during the year ended September 30, 2015.

Quantitative Information about Level 3 Fair Value Measurements:

	Fair Value at September 30, 2015	Valuation Technique	Unobservable Inputs	Price
Doral Fixed Rate Conventional Mortgage (Pool 2004-A) – 6.69% due 4/1/34	$749,984	Discounted Cash Flow	See paragraph below	$70.00

At September 30, 2015, Doral Fixed Rate Conventional Mortgage (Pool 2004-A) was valued by the Valuation Committee based on discounted cash flows technique. Management values the current portion of the underlying collateral mortgages by estimating the price it would be sold in the Puerto Rico market using a Bloomberg Calculator. Four values are used in the calculator to arrive at a price: Prepayment Speed Assumption (PSA), 30 years seasoned mortgages with a weighted average maturity (WAM) of 15 years, servicing fees of 3/8 basis points, and yield of conventional mortgages provided by MIAC (Mortgage Industry Advisory Corporation). To estimate the price of the non-current portion of the collateral, management estimates scaled prices based on delinquency classification. The prices are determined based on management's professional judgment and market trade's evaluations. After 120 days delinquency management considers that the loans are non-performing and will have a price based on what management expects could be the lowest price they could be able to recover from the collateral in foreclosure. Management then increments the price in stages from worst case scenario to the price calculated for the current portion to arrive at a weighted average price for the security.

Changes in the unrealized gains and losses included in the Statement of Operations relating to investments classified as Level 3 that are still held at September 30, 2015, amounted to a net unrealized depreciation of $110,409.

Note 3 - Investment Advisory, Administrative, Custodian, Transfer Agency Arrangements, and Other Transactions with Affiliates:

Pursuant to separate Investment Advisory Agreements with UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico, and Banco Popular de Puerto Rico ("Banco Popular") (collectively, the "Investment Advisers"), the Fund receives advisory services in exchange for a fee. The investment advisory fee is calculated at an annual rate of .60% of the Fund's average weekly gross assets, as defined in the agreement. For the year ended September 30, 2015, the gross investment advisory fees amounted to $809,699. Total waived fees amounted to $404,796 for a net fee of $404,903.

Banco Popular provides administrative, custody, and transfer agency services pursuant to separate Administration, Custodian, and Transfer Agency Agreements. Under the terms of the Administration Agreement, Banco Popular provides facilities and personnel to the Fund for the performance of the administrator duties. The fees related to these services are calculated at an annual rate of .15% of the Fund's average weekly gross assets, as defined in the agreements. For the year ended September 30, 2015, the gross fees for such services amounted to $202,425.

The Fund is not registered under the U.S. Investment Company Act of 1940, as amended, and therefore is not subject to the restrictions contained therein regarding, among other things, transactions between the Fund, Banco Popular, and UBS Financial Services Incorporated of Puerto Rico ("UBS Puerto Rico") or their affiliates ("Affiliated Transactions"). In that regard, the Board of Directors of the Fund adopted a set of Procedures ("Procedures") for Affiliated Transactions in an effort to address potential conflicts of interest that may arise.

It is anticipated that Affiliated Transactions will continue to take place in the future and that any Affiliated Transactions will be subject to the Procedures adopted by the Board of Directors.

NOTES TO FINANCIAL STATEMENTS

UBS Puerto Rico and Popular Securities, LLC, affiliates, are two of the Fund's dealers on the offering of the short-term notes. Selling fees amounting to $992 were paid to Popular Securities, LLC. during the year ended September 30, 2015. No selling fees were paid to UBS Puerto Rico for the year ended September 30, 2015.

Certain officers and directors of the Fund are also officers and directors of the Investment Advisers and/or their affiliates. The six independent directors of the Fund's Board are paid based upon an agreed fee of $1,000 per meeting. Three of the independent directors of the Fund also serve on the Fund's audit committee and are paid based upon an agreed fee of $1,000 per committee meeting. During the year ended September 30, 2015, the Directors met three times at an agreed fee of $111 per Director per meeting. For the year ended September 30, 2015, the compensation expense for the six independent directors of the Fund was $28,889.

The affiliates of the Fund may have lending, banking, brokerage, underwriting, or other business relationships with the issuers of the securities in which the Fund invests.

The total amount (in thousands) of other affiliated and unaffiliated transactions, listed by counterparty, during the year were as follows:

	Sales of Portfolio Securities	%	Securities Sold under Agreements to Repurchase	%
UBS Puerto Rico	$ 1,390	4%	$ 37,730	1%
Unaffiliated	34,915	96%	2,532,312	99%
Total	$ 36,305	100%	$ 2,570,042	100%

Note 4 - Unit Transactions:

Currently, the Fund's units are experiencing a period of limited liquidity and/or trading at a discount to its net asset value. Although the holders of the units do not have the right to redeem their units inasmuch as the Fund is closed-ended, the Fund may offer a repurchase of units in the open market, in an attempt to increase the liquidity of the units as well as reduce any market discount from its corresponding net asset value. There is no assurance that, if such action is undertaken, it will result in the improvement of the units' liquidity or reducing any such market discount. The Fund's policies require that repurchase of units from an affiliated party be effected in accordance with procedures to address any conflicts of interest which may arise.

On January 31, 2014, the Board of Directors authorized the repurchase by the Fund of outstanding units of Common Stock (the "Units") in open-market transactions to be repurchased of up to 25% of the Fund's total assets as of January 31, 2014, at unit prices equal to or at a discount of the corresponding net asset value ("NAV") per unit. As of September 30, 2015, 2.87% of total assets are still available to be repurchased.

For the year ended September 30, 2015, the total value of repurchase of common stock by the Fund was as follows:

Counterparty	Shares	Net Asset Value	Cost
Affiliates	2,615,105	$ 10,543,142	$ 8,843,327
Unaffiliated	505,732	2,006,998	1,686,707
Total	3,120,837	$ 12,550,140	$10,530,034

The units repurchased from affiliates include units held by clients in such affiliate.

The repurchase of units resulted in a NAV increase of $0.12.

Unit transactions for the years ended September 30, 2015 and 2014, were as follows:

	Dollar Amount 2015	Dollar Amount 2014
Common Units:		
Reinvestment of dividends on common units	$ 7,399	$ 230,700
Repurchase of common units	(10,530,034)	(36,962,441)
Decrease in net assets derived from common unit transactions	$ (10,522,635)	$ (36,731,741)

Common unit transactions for the years ended September 30, 2015 and 2014, were as follows:

	Units Amount 2015	Units Amount 2014
Common Units:		
Beginning balance	17,921,566	27,005,393
Units issued due to reinvestment of dividends at net asset value	1,613	54,202
Repurchase of common units	(3,120,837)	(9,138,029)
Ending balance	14,802,342	17,921,566

Note 5 - Investment Transactions:

The proceeds from sales, maturities/calls and paydowns of portfolio securities (in thousands), excluding short-term transactions, for the year ended September 30, 2015 were as follows:

	Sales	Maturities / Calls	Paydowns
AFICA Bonds	$ -	$ 140	$ -
PR Freddie Mac Taxable	-	-	19
PR FNMA Taxable	-	-	581
PR GNMA Exempt	-	-	1,088
PR GNMA Taxable	-	-	340
PR Collateralized Mortgage Obligations	2,199	-	-
PR Government General Obligations	1,085	-	255
PR Government Instrumentalities Tax Exempt Notes	19,607	-	-
PR Tax Exempt Notes	-	-	180
US Government Sponsored Entities	13,414	-	-
Total	$ 36,305	$ 140	$ 2,463

Note 6 - Securities Sold under Agreements to Repurchase:

Weighted average interest rate at end of year	0.64%
Maximum aggregate balance outstanding at any time during the year	$71,169,387
Average balance outstanding during the year	$60,290,811
Average interest rate during the year	0.41%

NOTES TO FINANCIAL STATEMENTS

At September 30, 2015, the interest rate on securities sold under agreements to repurchase ranged from 0.19% to 0.94% with maturities up to October 26, 2015. Some of the outstanding agreements to repurchase as of year end may be called by the counterparty before their maturity date.

At September 30, 2015, investment securities amounting to $46,500,025 are pledged as collateral for securities sold under agreements to repurchase. The counterparties have the right to sell or repledge the assets during the term of the repurchase agreement with the Fund. Interest payable on securities sold under agreements to repurchase amounted to $7,425 at September 30, 2015.

At September 30, 2015, the total value (in thousands) of securities sold to affiliates and non-affiliates under agreements to repurchase were as follows:

Counterparty	Amount	%
UBS Puerto Rico	$ 4,689	11%
Unaffiliated	39,140	89%
Total	$ 43,829	100%

U.S. GAAP requires an entity to disclose information about offsetting and related arrangements to enable users of that entity's financial statements to understand the effect of those arrangements on its financial position. The Fund is subject to master netting agreements or similar arrangements that allow for amounts owed between the Fund and a counterparty to be netted upon an early termination. The party that has the larger payable pays the excess of the larger amount over the smaller amount to the other party. The master netting agreements or similar arrangements do not apply to amounts owed to/from different counterparties.

The following table presents the Fund's repurchase agreements (in thousands) by counterparty and the related collateral pledged by the Fund at September 30, 2015:

Counterparty	Gross Amount of Securities Sold Under Repurchase Agreements	Securities Sold Under Repurchase Agreements Available for Offset	Net amount of Repurchase Agreements presented in the Statement of Assets and Liabilities	Collateral Posted (a)	Net Amount Due to Counterparty (not less than zero)
UBS Puerto Rico	$ 4,689	$ -	$ 4,689	$ 4,689	$ -
Goldman Sachs, NY	51,195	25,575	25,620	25,620	-
JP Morgan, NY	1,121	-	1,121	1,121	-
South Street Securities, NY	12,399	-	12,399	12,399	-
Total	$ 69,404	$ 25,575	$43,829	$43,829	$ -

(a) Collateral received or posted is limited to the net securities sold under repurchase agreements liability amounts.

Note 7 - Short-Term Notes:

Weighted average interest rate at end of year	N/A
Maximum aggregate balance outstanding at any time during the year	$7,512,000
Average balance outstanding during the year	$5,369,489
Average interest rate during the year	0.67%

There were no short-term notes outstanding at September 30, 2015.

Note 8 – Short-Term Financial Instruments:

The fair market value of short-term financial instruments, which include $43,829,042 of securities sold under agreements to repurchase, are substantially the same as the carrying amount reflected in the Statement of Assets and Liabilities, as these are reasonable estimates of fair value, given the relatively short period of time between origination of the instrument and their expected realization. There are no long-term financial instruments outstanding at September 30, 2015.

Note 9 – Credit Facility:

The Fund (the “Borrower”) has available with Banco Popular (an affiliate of the Investment Advisers) an uncommitted line of credit that is part of a credit facility extended to the Puerto Rico Investors Family of Funds and the Popular Family of Funds. The proceeds of the credit advances will be exclusively used by the Borrower for short term funding needs arising from failed repurchase agreement transactions or cash shortfalls due to the non-receipt by the Borrower of payments in the settlement process of transactions to which the Borrower is a party. The Fund can obtain credit advances not to exceed the lesser of $35,000,000 or ten percent (10%) of Banco Popular’s capital stock and surplus, provided that the aggregate sum of all outstanding balances under all credit facilities never exceeds $200,000,000. Interest on the unpaid balance of each credit advance accrues at a rate of 2.25% over the one week Libor Rate and will be payable on the dates set forth in each credit facility note. The Fund had no outstanding balance during the year ended September 30, 2015 and had the complete credit facility available for drawing, subject to the limitations described above.

Note 10 – Concentration of Credit Risk:

Concentrations of credit risk (whether on or off balance sheet) that arise from financial instruments exist for groups of customers or counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The major concentration of credit risk arises from the Fund's investment securities in relation to the location of issuers. For calculation of concentration, all securities guaranteed by the U.S. Government are excluded. At September 30, 2015, the Fund had investments with aggregate market value of $24,307,075 which were issued by entities located in the Commonwealth of Puerto Rico and are not guaranteed by the U.S. Government. In addition, at September 30, 2015, the Fund had investments with market values of $3,922,298, $3,916,244, and $9,661,851, respectively, which were each issued by one issuer located in Commonwealth of Puerto Rico and are not guaranteed by the Puerto Rico Government. Also, at September 30, 2015, the Fund had investments with aggregate market values amounting to $10,082,999, $40,822,124 and $8,536,625 which were issued by one issuer located in the United States of America and not guaranteed by the U.S. Government.

As stated in the Prospectus, the Fund will ordinarily invest at least 67% of its total assets in Puerto Rico obligations ("the 67% Investment Requirement"). Therefore, to the extent the securities are not guaranteed by the U.S. Government or any of its subdivisions, the Fund is more susceptible to factors adversely affecting issuers of Puerto Rico obligations than an investment company that is not concentrated in Puerto Rico obligations to such degree.

Note 11 - Investment and Other Requirements and Limitations:

The Fund is subject to certain requirements and limitations related to investments and leverage. Some of these requirements and limitations are imposed statutorily or by regulation while others are by procedures established by the Board of Directors. The most significant requirements and limitations are discussed below.

The Fund must initially invest at least 67% of its total assets in securities issued by the Commonwealth of Puerto Rico, its political subdivisions, agencies, and instrumentalities and in Puerto Rico mortgage-backed securities, equity, debt securities, and repurchase agreements issued by corporations or partnerships organized under the laws of the Commonwealth of Puerto Rico, or issued by U.S. or foreign corporations and partnerships doing business in Puerto Rico provided they comply with certain requirements. Up to 33% of its total assets may be invested in securities issued by the United States government, its political subdivisions, agencies, and instrumentalities and municipal securities issued in the United States.

From time to time, the Fund is permitted not to comply with the 67% Investment Requirement. According to the Commissioner's ruling, non-compliance may be allowed for a limited period of time due to market scarcity of allowable securities and certain other limited circumstances.

The Fund's leverage, measured in relation to total assets, may not exceed 50%. Should this ratio be exceeded, the Fund is precluded from further leverage transactions until the maximum 50% ratio is restored.

The Fund may issue preferred stock, debt securities and other forms of leverage to the extent that immediately after their issuance the value of the Fund's total assets less all the Fund's liabilities and indebtedness which are not represented by preferred stock, debt securities, or other forms of leverage being issued or already outstanding is equal to or greater than 200% of the aggregate par value of all outstanding preferred stock (not including any accumulated dividends or other distributions attributable to such preferred stock) and the total amount outstanding of debt securities and other forms of leverage.

The Fund sought and obtained temporary waivers from the Puerto Rico Office of the Commissioner of Financial Institutions ("OCFI") with respect to its Puerto Rico asset investments and leverage limitations until January 31, 2016. These waivers provide temporary relief to the Fund from having to limit or otherwise change the strategy of its investment or leverage transactions. Management intends to continue to seek these waivers in the future, to the extent necessary. If further relief is not granted, the Fund would have to use proceeds derived from the sale, exchange, prepayment, maturity, or any voluntary or involuntary disposition of an asset to re-achieve compliance with the 67% investment requirement in Puerto Rico assets, and would not be able to renew leverage beyond its leverage limitations.

The Fund's investment objective is to provide investors in its Common Stock with current income, consistent with the preservation of capital. To achieve its investment objective, the Fund invests at least 67% of its total assets in a non-diversified portfolio of taxable and tax-exempt securities issued by Puerto Rico issuers and up to 33% in securities issued or guaranteed by the U.S. Government and its agencies and instrumentalities as well as other non-Puerto Rico issuers.

Based on the representations and opinion of the Investment Advisers and consistent with the Fund's investment objective, the OCFI has granted to the Fund, in a letter dated September 18, 2015, no-objection relief with respect to the Fund's investment-grade credit rating requirement for Puerto Rico municipal securities. This permits the Fund to continue to invest in Puerto Rico municipal securities that do not have an investment-grade credit rating notwithstanding that the current credit rating of such securities is below investment-grade, under certain conditions and at the discretion of the Investment Adviser. Such no-objection relief is effective through March 18, 2016 or such other later date which may be approved by the OCFI.

Note 12 - Reconciliation between Net Investment Income and Distributable Net Investment Income for Tax Purposes and Net Realized Loss on Investments and Net Realized Loss on Investments for Tax Purposes:

As a result of certain reclassifications made for financial statement presentation, the Fund's net investment income and net realized gain or loss on investments reflected in the financial statements differ from distributable net investment income and net realized loss on investments for tax purposes, respectively, as follows:

Net investment income	$ 7,661,852
Reclassification of realized loss on securities' paydowns	2,807
Distributable net investment income, for tax purposes	$ 7,664,659

Net realized loss on investments	$(25,825,440)
Reclassification of realized loss on securities' paydowns	(2,807)
Net realized loss on investments, for tax purposes	$(25,828,247)

The undistributed net investment income and accumulated net realized loss on investments and derivatives, (for tax purposes), at September 30, 2015 were as follows:

Undistributed net investment income, beginning of the year	$ 4,776,310
Distributable net investment income for the year	7,664,659
Dividends	(7,597,926)
Undistributed net investment income, end of the year	$ 4,843,043

Accumulated net realized loss on investments and derivatives, beginning of the year	$ (96,546,206)
Net realized loss on investments for the year	(25,828,247)
Accumulated net realized loss on investments and derivatives, end of year	$(122,374,453)

Note 13 – Revision of Financial Highlights:

During fiscal year 2015, management identified an error in the calculation of the total return based on NAV per share ratios for the years ended September 30, 2014 and 2013, reported in the financial highlights section of its previously issued financial statements. Fund management has concluded that the impact of these misstatements is not material to the Financial Statements, nonetheless it has revised the ratios previously reported, as follows:

	2013	2014
As previously reported	(38.43%)	21.80%
As revised calculation	(39.49%)	18.92%

Note 14 - Indemnification:

In the normal course of business, the Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these agreements is unknown. However, the Fund has not paid prior claims or losses pursuant to these contracts and expects the risk of losses to be remote.

Note 15 – Risks and Uncertainties:

The Fund is exposed to various types of risks, such as geographic concentration, industry concentration, non-diversification, interest rate, and credit risks, among others. This list is qualified in its entirety by reference to the more detailed information provided in the offering documentation for the securities issued by the Fund.

The Fund is exposed to certain risks resulting from the reduced geographic diversification of its portfolio. The Fund's assets are invested primarily in securities of Puerto Rico issuers. Consequently, the Fund in general is more susceptible to economic, political, regulatory, or other factors adversely affecting issuers in Puerto Rico than an investment company that is not so concentrated in Puerto Rico issuers.

A relatively high percentage of the Fund's assets may be invested in obligations of a limited number of Puerto Rico issuers. Consequently, the Fund's net asset value and its yield may increase or decrease more than that of a more diversified investment company as a result of changes in the market's assessment of the financial condition and prospects of such Puerto Rico issuers. The Fund may also be more susceptible to any single economic, political, or regulatory occurrence in Puerto Rico than a more widely diversified investment company.

Interest rate risk is the risk that interest rates will rise so that the value of existing fixed rate securities will fall. The current low long-term rates present the risk that interest rates may rise and that as a result the Fund's investments will decline in value. Also, the Fund's yield will tend to lag behind changes in prevailing short-term interest rates. In addition, during periods of rising interest rates, the average life of certain types of securities may be extended because of the right of the issuer to defer payments or make slower than expected principal payments. This may lock-in a below market interest rate, increase the security's duration (the estimated period until the security is paid in full), and reduce the value of the security. This is known as extension risk, which the Fund is also subject to. Conversely, during periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled in order to refinance at lower interest rates, forcing the Fund to reinvest in lower yielding securities. This is known as prepayment risk, which the Fund is also subject to.

Credit risk is the risk that debt securities in the Fund's portfolio will decline in price or fail to make dividend or interest payments when due because the issuer of the security experiences a decline in its financial condition. The risk is greater in the case of securities rated below investment grade, or rated in the lowest investment grade category.

The Fund may engage in repurchase agreements, which are transactions in which the Fund sells a security to a counterparty and agrees to buy it back at a specified time and price in a specified currency. Repurchase agreements involve the risk that the buyer of the securities sold by the Fund might be unable to deliver the securities when the Fund seeks to repurchase them and may be unable to replace the securities or only at a higher cost.

Mortgage-backed securities in which the Fund may invest have many of the risks of traditional debt securities but, in general, differ from investments in traditional debt securities in that, among other things, principal may be prepaid at any time due to prepayments by the obligors on the underlying obligations. As a result, the Fund may receive principal repayments on these securities earlier or later than anticipated by the Fund. In the event of prepayments that are received earlier than anticipated, the Fund may be required to reinvest such prepayments at rates that are lower than the anticipated yield of the prepaid obligation. The rate of prepayments is influenced by a variety of economic, geographic, demographic, and other factors, including, among others, prevailing mortgage interest rates, local and regional economic conditions, and home owner mobility. Since a substantial portion of the assets of the Fund may be invested in mortgage-backed securities at any time, the Fund may be subject to these risks and other risks related to such securities to a significant degree, which might cause the market value of the Fund's investments to fluctuate more than otherwise would be the case. Collateralized mortgage obligations or "CMOs" exhibit similar risks to those of mortgage-backed securities but also present certain special risks. CMO classes may be specially structured in a manner that provides a variety of investment characteristics, such as yield, effective maturity, and interest rate sensitivity. As market conditions change, however, particularly during periods of rapid or unanticipated changes in interest rates, the ability of a CMO class to provide the anticipated investment characteristics and performance may be significantly reduced. These changes may result in volatility in the market value, and in some instances, reduced liquidity of the CMO class.

The Fund may also invest in illiquid securities which are securities that cannot be sold within a reasonable period of time, not to exceed seven days, in the ordinary course of business at approximately the amount at which the Fund has valued the securities. There presently are a limited number of participants in the market for certain Puerto Rico securities or other securities or assets that the Fund may own. That and other factors may cause certain securities to have periods of illiquidity. Illiquid securities may trade at a discount from comparable, more liquid investments.

There may be few or no dealers making a market in certain securities owned by the Fund, particularly with respect to securities of Puerto Rico issuers including, but not limited to, investment companies. Dealers making a market in those securities may not be willing to provide quotations on a regular basis to the Investment Adviser. It may therefore be particularly difficult to value those securities.

In order to attempt to hedge various portfolio positions or to enhance its return, the Fund may invest a portion of its total assets in certain instruments which are or may be considered derivatives. Because of their increased volatility and potential leveraging effect (without being subject to the Fund's leverage limitations), derivative instruments may adversely affect the Fund. For example, investments in indexed securities, including, among other things, securities linked to an equities or commodities index and inverse floating rate securities, may subject the Fund to the risks associated with changes in the particular indices, which may include reduced or eliminated interest payments and losses of invested principal. Such investments, in effect, may also be leveraged, thereby magnifying the risk of loss.

Note 16 - Subsequent Events:

On October 29, 2015, the Board of Directors declared an ordinary net investment income dividend of $0.0333 per common unit, totaling $493,406 which was paid on November 10, 2015 to common unitholders of record as of October 30, 2015.

On November 30, 2015, the Board of Directors declared an ordinary net investment income dividend of $0.0333 per common unit, totaling $493,406 which was paid on December 10, 2015 to common unitholders of record as of November 30, 2015.

On November 30, 2015, Puerto Rico Governor, Alejandro García Padilla, signed executive order EO-12-046 ordering certain governmental agencies to remit to Hacienda certain revenues earmarked for the payment of their debt, as a result some Puerto Rico bonds could face financial difficulty and/or non-payment.

On December 31, 2015, the Board of Directors declared an ordinary net investment income dividend of $0.0308 per common unit, totaling $456,401 which was paid on January 11, 2016 to common unitholders of record as of December 31, 2015.

NOTES TO FINANCIAL STATEMENTS

On January 28, 2016, the Board of Directors declared an ordinary net investment income dividend of $0.0308 per common unit, totaling $455,947 which will be paid on February 10, 2016 to common unitholders of record as of January 29, 2016.

The Fund has performed an evaluation of events occurring subsequent to September 30, 2015 through February 1, 2016, which is the date the financial statements were available to be issued. Management has determined that there were no events occurring in this period that required disclosure in or adjustment to the accompanying financial statements other than those disclosed above.

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Independent Auditor's Report

To the Board of Directors and Stockholders of
Puerto Rico Investors Bond Fund I

We have audited the accompanying financial statements of the Puerto Rico Investors Bond Fund I (the "Fund"), which comprise the statement of assets and liabilities, including the schedule of investments, as of September 30, 2015 and the related statements of operations and of cash flows for the year then ended and 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 hereafter collectively referred to as "financial statements."

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Puerto Rico Investors Bond Fund I at September 30, 2015, and 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 each of the five years in the period then ended, in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

San Juan, Puerto Rico
February 1, 2016

CERTIFIED PUBLIC ACCOUNTANTS
(OF PUERTO RICO)
License No. LLP-216 Expires Dec. 1, 2016
Stamp E188907 of the P.R. Society of
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affixed to the file copy of this report

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