



December 31, 2018

**SEMI ANNUAL REPORT
TO SHAREHOLDERS
(Unaudited)**

Beginning January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the fund's shareholder reports like this one will no longer be sent by mail, unless a request is made specifically to Dupree Mutual Funds or your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on the Dupree Mutual Funds website (www.dupree-funds.com); you will be notified by mail and provided with a website link to access the report each time a report is posted. If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. If you prefer to receive shareholder reports and other communications electronically, you may update your mailing preferences with your financial intermediary, or enroll in e-delivery at www.dupree-funds.com (for accounts held directly with Dupree).

You may elect to receive paper copies of all future reports free of charge. If you invest through a financial intermediary, you may contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with Dupree, you may inform Dupree Mutual Funds that you wish to continue receiving paper copies of your shareholder reports by contacting us at (800) 866-0614. Your election to receive reports in paper will apply to all funds held with Dupree Mutual Funds or through your financial intermediary.

ABOUT DUPREE MUTUAL FUNDS

In 1941, Dupree & Company, Inc. began business in Harlan, Kentucky as a small securities brokerage firm specializing in tax-exempt municipal bonds.

Over the years the firm, which in 1963 moved its offices to Lexington, Kentucky, grew to become a regional leader in public finance, helping to structure complex and innovative municipal bond financing for some of the largest public projects in the Commonwealth of Kentucky.

In 1979, Dupree & Company began what is now Dupree Mutual Funds with the *Kentucky Tax-Free Income Series* and became the Fund's investment adviser. The Fund was one of the first single-state municipal bond funds in the country, and the first mutual fund to invest solely in Kentucky municipal bonds. Since then, several new offerings have been added to the Dupree Mutual Funds family:

Kentucky Tax-Free Short-to-Medium Series in 1987;
Intermediate Government Bond Series in 1992;
Tennessee Tax-Free Income Series in 1993;
Tennessee Tax-Free Short-to-Medium Series in 1994;
North Carolina Tax-Free Income Series in 1995;
North Carolina Tax-Free Short-to-Medium Series in 1995;
Alabama Tax-Free Income Series in 2000;
Mississippi Tax-Free Income Series in 2000; and
Taxable Municipal Bond Series in 2010.

Today, after more than 60 years in business, Dupree continues to be a pioneer in the industry. Our Kentucky, Tennessee, and Mississippi Series are currently the *ONLY 100% "no-load"* municipal bond funds available in those states. No-load means simply that shares of the funds are offered directly to investors with no front or back-end sales charges, as opposed to load funds, which are sold through brokerage firms or other institutions that typically carry sales charges.

At Dupree Mutual Funds, our goal is a simple one: to offer investors a high-quality, low-cost way to invest in municipal and government bonds while providing superior service to our shareholders. We encourage you to let us know how we're doing.

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Management's Discussion of Fund Performance: Six Months Ended December 31, 2018

(Unaudited)

The investment objective for our tax-exempt municipal bond funds is to provide a high level of tax-free income derived from state-specific municipal securities without incurring undue risk to principal. Similarly, the investment objectives for our government bond fund and taxable municipal bond fund are to provide a high level of taxable income derived from securities of the U.S. Government and its agencies and taxable municipal bonds, respectively, without incurring undue risk to principal. We do not try to anticipate market direction; instead, we attempt to buy high quality investment grade bonds at the best possible prices and yields and hold them in down markets as well as up markets.

Factors which may influence the performance of a state-specific tax-exempt municipal bond fund or a taxable municipal bond fund include, but are not limited to, movements in interest rates, a downgrade or upgrade of credit ratings assigned to bonds issued by state or local governments, changes in the credit ratings assigned to bond insurers, downturns or upturns in the specific economies of a given state, the rate at which bonds are called, and the rate at which revenues used to pay debt service on issued bonds are received by state and local governments. Similarly, the performance of a government bond fund may be influenced by a number of factors including, but not limited to, movements in interest rates, prevailing conditions in the U.S. Government securities markets, changes in an issuer's financial strength, changes in the credit rating assigned to an obligation, and the rate at which bonds are called.

During the six month period ended December 31, 2018 (the "reporting period"), the economy continued to grow at a moderate pace. Real gross domestic product (GDP) increased at an annual rate of 3.4 percent in the third quarter which was down slightly from the 4.2 percent growth rate recorded in the second quarter. The release of the advance estimate of fourth quarter real GDP has been delayed due to the government shutdown. Economic growth was driven by relatively strong household spending which was supported by ongoing gains in real disposable personal income and the effects of earlier increases in equity prices and home values.

The labor market continued to strengthen during the reporting period. The seasonally adjusted national unemployment rate was 3.9 percent in December. The labor market is now close to or at a full employment level. Wage growth has picked up some in recent months with average hourly earnings increasing at a 3.2 percent annual rate in December.

Key measures of inflation continued to run at or near the Federal Reserve's 2 percent inflation target during the reporting period. The Consumer Price Index (CPI) increased at an annual rate of 1.9 percent in December. The core CPI which excludes food and energy costs increased at an annual rate of 2.2 percent in December. Readings on survey-based measures of longer-run inflation expectations have continued to be subdued.

The Federal Reserve Board ("Fed") increased the federal funds target rate range by 25 basis points in December to 2.25 to 2.50 percent. The December rate increase represented the ninth rate hike during this tightening cycle. The minutes from the Fed's December meeting made it clear that future adjustments to the target range would be data-dependent and that "a relatively limited amount of additional tightening likely would be appropriate." The Fed noted that concerns over escalating trade tensions, global growth prospects, and corporate earnings growth sustainability are factors that might potentially affect the future path for monetary policy.

The yield curve continued to flatten throughout the reporting period. The spread between 2-year and 10-year Treasuries was 33 basis points at the beginning of the reporting period and 20 basis points at the end of the reporting period. Yields on benchmark 10-year AAA-rated municipal securities declined by approximately 22 basis points during the reporting period, whereas yields on 30-year benchmark AAA-rated municipal securities increased by approximately 8 basis points. Credit conditions in the municipal bond market remained relatively stable, and default rates of investment grade municipal bonds remained at very low levels.

Similar to the first half of the year, municipal bond prices declined (yields increased) during the third quarter, largely as a result of tax reform and rising interest rates. However, during the fourth quarter amid increased market turbulence and falling equity prices, municipal bond prices rebounded sharply. The strong year-end performance allowed municipal bonds to finish the reporting period and all of 2018 with modest positive total returns.

More than nine years after the end of the deepest recession since the 1930's, states and localities are reaping the benefits of the recovery. According to data compiled by the National Association of State Budget Officers, state general fund revenue increased by 6.4% in fiscal 2018 with 40 states collecting revenues that exceeded projections. States have enacted budgets for fiscal 2019 that, on average, increase general fund expenditures by 4.3 percent in fiscal 2019, with 44 states projecting positive spending growth. An improving economy and corresponding growth in state general fund revenues have allowed most states to strengthen their rainy day reserve funds.

Unfunded pension and healthcare obligations still present significant challenges for a number of states. The Commonwealth of Kentucky's unfunded pension obligations are among the worst in the country. Legislative changes to Kentucky's pension system

were recently found by the Kentucky Supreme Court to be procedurally deficient, so the legislature will have to revisit this issue during the 2019 Kentucky General Assembly Regular Session. Increased state Medicaid spending also continues to be a source of budget pressure for many states.

A discussion of the performance of each of our funds for the six month period ended December 31, 2018 follows:

During the reporting period, municipal bonds provided positive total returns with the Bloomberg Barclays Municipal Bond Index (“BBMBI”) returning 1.53 percent. Taxable municipal bonds also provided positive total returns with the Bloomberg Barclays Taxable Municipal Bond Index (“BBTMBI”) returning 1.65 percent. The Bloomberg Barclays U.S. Intermediate Government Bond Index (“BBIGBI”) provided a positive total return of 2.11 percent.

Bonds with maturities falling in the intermediate portion of the yield curve (7-15 years) outperformed bonds with shorter and longer maturities. During the fourth quarter, higher-rated bonds generally outperformed lower-rated bonds as increased market turbulence led to a flight to safety trade. Pre-refunded bonds provided some of the lowest returns during the reporting period. This was not surprising as escrowed bonds typically underperform during bond market rallies due to their short average duration. During the reporting period, all of our single-state municipal bond funds held substantially more pre-refunded bonds than the BBMBI.

The **Kentucky Tax-Free Income Series** provided a total return of 1.54 percent during the reporting period which was right in line with the BBMBI. The **Kentucky Tax-Free Short-to-Medium Series** provided a total return of 1.11 percent. The Kentucky Tax-Free Short-to-Medium Series had a shorter duration (3.84 years) than the BBMBI (6.19 years) which led to its slight underperformance during the reporting period.

The **Tennessee Tax-Free Income Series** provided a total return of 0.99 percent during the reporting period. The **Tennessee Tax-Free Short-to-Medium Series** provided a total return of 1.16 percent. Both the Tennessee Tax-Free Income Series and the Tennessee Tax-Free Short-to-Medium Series had shorter durations (4.34 years and 3.67 years respectively) than the BBMBI (6.19 years) which led to their slight underperformance during the reporting period.

The **North Carolina Tax-Free Income Series** provided a total return of 1.17 percent during the reporting period. The **North Carolina Tax-Free Short-to-Medium Series** provided a total return of 1.43 percent. Both the North Carolina Tax-Free Income Series and the North Carolina Tax-Free Short-to-Medium Series had shorter durations (4.49 years and 4.15 years respectively) than the BBMBI (6.19 years) which led to their slight underperformance during the reporting period.

The **Alabama Tax-Free Income Series** provided a total a total return of 0.94 percent during the reporting period. The Alabama Tax-Free Income Series had a shorter duration (4.77 years) than the BBMBI (6.19 years) and held substantially more pre-refunded bonds than the BBMBI (19.81 percent v. 5.97 percent respectively) which led to its underperformance during the reporting period.

The **Mississippi Tax-Free Income Series** provided a total return of 1.08 percent during the reporting period. The Mississippi Tax-Free Income Series had a shorter duration (4.45 years) than the BBMBI (6.19 years) and held substantially more pre-refunded bonds than the BBMBI (28.48 percent v. 5.97 percent respectively) which led to its underperformance during the reporting period.

The **Intermediate Government Bond Series** provided a total return of 1.59 percent during the reporting period compared to 2.11 percent for the BBIGBI. Longer-dated U.S. government securities generally outperformed shorter-dated U.S. government securities during the reporting period. The Intermediate Government Bond Series had a shorter duration (3.60 years) than the BBIGBI (3.75 years) which led to its slight underperformance.

The **Taxable Municipal Bond Series** provided a total return of 1.66 percent during the reporting period which was right in line with the BBTMBI which provided a total return of 1.65%.

It should be noted that none of the Bloomberg Barclays indices take into account any operating expenses or transaction costs. An investment cannot be made directly in an index.

Thank you for investing with Dupree Mutual Funds.

Total returns include changes in share price, reinvestment of dividends, and reinvestment of capital gains, if any. Performance data quoted represents past performance which is not a guarantee of future results. The opinions expressed herein are those of the funds’ portfolio management and are current as of December 31, 2018. Management’s opinions are not guarantees of performance or investment results and should not be taken as investment advice. You may lose money investing in the funds.

The illustrations below provide each Fund's sector allocation and summarize key information about each Fund's investments.

Unaudited

| <u>Kentucky Tax-Free Income Series</u> | |
|--|-------------------------------|
| CREDIT QUALITY* | % of Net Assets at Fair Value |
| Aaa/AAA | 0.51% |
| Aa/AA | 46.92% |
| A | 49.55% |
| Baa/BBB | 0.03% |
| B | 0.33% |
| Not Rated | 2.66% |
| | 100.00% |
| COMPOSITION | % of Net Assets |
| Miscellaneous Public Improvement | 28.20% |
| School Improvement | 13.85% |
| University Consolidated Education and Building Revenue | 11.60% |
| Municipal Utility Revenue | 11.03% |
| Turnpikes/Toll Road/Highway Revenue | 8.24% |
| Prerefunded | 7.08% |
| Refunding | 6.39% |
| Public Facilities | 6.12% |
| Hospital and Healthcare Revenue | 5.50% |
| Airport Revenue | 0.83% |
| Ad Valorem Property | 0.13% |
| State and Local Mortgage/Housing Revenue | 0.13% |
| Other Assets Less Liabilities | 0.90% |
| | 100.00% |

| <u>Kentucky Tax-Free Short-to-Medium Series</u> | |
|--|-------------------------------|
| CREDIT QUALITY* | % of Net Assets at Fair Value |
| Aaa/AAA | 0.33% |
| Aa/AA | 28.41% |
| A | 71.26% |
| | 100.00% |
| COMPOSITION | % of Net Assets |
| Miscellaneous Public Improvement | 22.31% |
| School Improvement | 20.59% |
| Public Facilities | 14.36% |
| Turnpikes/Toll Road/Highway Revenue | 11.44% |
| Refunding | 7.93% |
| Hospital and Healthcare Revenue | 6.08% |
| University Consolidated Education and Building Revenue | 5.79% |
| Municipal Utility Revenue | 5.06% |
| Prerefunded | 3.39% |
| Airport Revenue | 0.97% |
| Other Assets Less Liabilities | 2.08% |
| | 100.00% |

| <u>Alabama Tax-Free Income Series</u> | |
|--|-------------------------------|
| CREDIT QUALITY* | % of Net Assets at Fair Value |
| Aaa/AAA | 1.06% |
| Aa/AA | 85.58% |
| A | 5.73% |
| B | 1.94% |
| Not Rated | 5.69% |
| | 100.00% |
| COMPOSITION | % of Net Assets |
| Municipal Utility Revenue | 20.16% |
| School Improvement | 19.55% |
| Public Facilities | 16.87% |
| University Consolidated Education and Building Revenue | 12.56% |
| Prerefunded | 11.63% |
| Refunding | 7.46% |
| Miscellaneous Public Improvement | 6.62% |
| Hospital and Healthcare Revenue | 1.90% |
| Turnpikes/Toll Road/Highway Revenue | 1.04% |
| Other Assets Less Liabilities | 2.21% |
| | 100.00% |

| <u>Mississippi Tax-Free Income Series</u> | |
|--|-------------------------------|
| CREDIT QUALITY* | % of Net Assets at Fair Value |
| Aa/AA | 86.71% |
| A | 13.29% |
| | 100.00% |
| COMPOSITION | % of Net Assets |
| Prerefunded | 36.29% |
| University Consolidated Education and Building Revenue | 20.16% |
| Municipal Utility Revenue | 12.24% |
| Turnpikes/Toll Road/Highway Revenue | 8.47% |
| Public Facilities | 8.14% |
| Refunding | 4.72% |
| School Improvements | 4.66% |
| Miscellaneous Public Improvement | 1.23% |
| Hospital and Healthcare Revenue | 0.88% |
| Other Assets Less Liabilities | 3.21% |
| | 100.00% |

The illustrations below provide each Fund's sector allocation and summarize key information about each Fund's investments.

Unaudited

| North Carolina Tax-Free Income Series | |
|--|-------------------------------|
| CREDIT QUALITY* | % of Net Assets at Fair Value |
| Aaa/AAA | 3.29% |
| Aa/AA | 75.02% |
| A | 20.12% |
| Not Rated | 1.57% |
| | 100.00% |
| COMPOSITION | |
| | % of Net Assets |
| University Consolidated Education and Building Revenue | 18.66% |
| Hospital and Healthcare Revenue | 13.18% |
| Prerefunded | 13.10% |
| School Improvement | 11.76% |
| Municipal Utility Revenue | 10.77% |
| Refunding | 9.63% |
| Public Facilities | 6.92% |
| Airport Revenue | 5.08% |
| Miscellaneous Public Improvement | 4.59% |
| Turnpikes/Toll Road/Highway Revenue | 2.13% |
| Lease Revenue | 1.30% |
| Escrowed to Maturity | 0.79% |
| Other Assets Less Liabilities | 2.09% |
| | 100.00% |

| North Carolina Tax-Free Short-to-Medium Series | |
|--|-------------------------------|
| CREDIT QUALITY* | % of Net Assets at Fair Value |
| Aaa/AAA | 3.62% |
| Aa/AA | 72.87% |
| A | 23.00% |
| Not Rated | 0.51% |
| | 100.00% |
| COMPOSITION | |
| | % of Net Assets |
| Refunding | 24.75% |
| University Consolidated Education and Building Revenue | 16.24% |
| Municipal Utility Revenue | 15.95% |
| School Improvement | 9.66% |
| Public Facilities | 7.06% |
| Prerefunded | 6.32% |
| Hospital and Healthcare Revenue | 5.68% |
| Miscellaneous Public Improvement | 4.14% |
| Escrowed to Maturity | 2.67% |
| Turnpikes/Toll Road/Highway Revenue | 2.29% |
| Ad Valorem Property | 1.46% |
| Lease Revenue | 1.36% |
| Other Assets Less Liabilities | 2.42% |
| | 100.00% |

| Tennessee Tax-Free Income Series | |
|--|-------------------------------|
| CREDIT QUALITY* | % of Net Assets at Fair Value |
| Aaa/AAA | 3.92% |
| Aa/AA | 79.79% |
| A | 14.06% |
| Baa/BBB | 0.54% |
| Not Rated | 1.69% |
| | 100.00% |
| COMPOSITION | |
| | % of Net Assets |
| Municipal Utility Revenue | 34.51% |
| Public Facilities | 12.11% |
| Prerefunded | 11.66% |
| Hospital and Healthcare Revenue | 10.07% |
| University Consolidated Education and Building Revenue | 9.19% |
| Miscellaneous Public Improvement | 6.32% |
| School Improvement | 5.93% |
| Refunding | 5.85% |
| Airport Revenue | 2.46% |
| Industrial Revenue | 0.91% |
| State and Local Mortgage/Housing Revenue | 0.47% |
| Other Assets Less Liabilities | 0.52% |
| | 100.00% |

| Tennessee Tax-Free Short-to-Medium Series | |
|--|-------------------------------|
| CREDIT QUALITY* | % of Net Assets at Fair Value |
| Aa/AA | 76.88% |
| A | 17.18% |
| Baa/BBB | 3.67% |
| Not Rated | 2.27% |
| | 100.00% |
| COMPOSITION | |
| | % of Net Assets |
| Public Facilities | 21.70% |
| Refunding | 21.33% |
| Municipal Utility Revenue | 16.23% |
| School Improvement | 12.60% |
| University Consolidated Education and Building Revenue | 10.19% |
| Prerefunded | 8.54% |
| Hospital and Healthcare Revenue | 3.51% |
| Airport Revenue | 1.41% |
| Other Assets Less Liabilities | 4.49% |
| | 100.00% |

The illustrations below provide each Fund's sector allocation and summarize key information about each Fund's investments.

Unaudited

| <u>Intermediate Government Bond Series</u> | |
|--|-------------------------------|
| CREDIT QUALITY* | % of Net Assets at Fair Value |
| Aaa/AAA | 100.00% |
| COMPOSITION | |
| | % of Net Assets |
| Federal Farm Credit Bank | 62.98% |
| Federal Home Loan Bank | 35.26% |
| Other Assets Less Liabilities | 1.76% |
| | 100.00% |

| <u>Taxable Municipal Bond Series</u> | |
|--|-------------------------------|
| CREDIT QUALITY* | % of Net Assets at Fair Value |
| Aa/AA | 85.69% |
| A | 14.31% |
| | 100.00% |
| COMPOSITION | |
| | % of Net Assets |
| Public Facilities | 33.62% |
| Municipal Utility Revenue | 25.03% |
| School Improvement | 13.39% |
| Miscellaneous Public Improvements | 10.49% |
| Turnpikes/Toll Road/Highway Revenue | 6.10% |
| Hospital and Healthcare Revenue | 4.44% |
| Marina/Port Authority Revenue | 2.31% |
| University Consolidated Education and Building Revenue | 1.18% |
| Airport Revenue | 1.02% |
| Other Assets Less Liabilities | 2.42% |
| | 100.00% |

* Ratings by Moody's Investors Services, Inc. unless noted otherwise. See Schedules of Portfolio Investments for individual bond ratings.

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DUPREE MUTUAL FUNDS — ALABAMA TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Alabama Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|-------------------|
| MUNICIPAL UTILITY REVENUE BONDS | | | | | |
| 20.16% of Net Assets | | | | | |
| Auburn AL Waterworks Board Water Revenue | 5.000% | 09/01/2036 | Aa2 | \$ 250,000 | \$ 283,065 |
| Birmingham AL Waterworks | 5.000 | 01/01/2026 | Aa2 | 80,000 | 84,828 |
| Birmingham AL Waterworks | 4.000 | 01/01/2037 | Aa2 | 250,000 | 259,365 |
| Birmingham AL Waterworks** | 5.000 | 01/01/2038 | Aa2 | 550,000 | 598,311 |
| Birmingham AL Waterworks | 4.000 | 01/01/2038 | Aa2 | 205,000 | 212,099 |
| Birmingham AL Waterworks | 5.000 | 01/01/2040 | Aa2 | 150,000 | 165,236 |
| Chatom AL Industrial Board Gulf Opportunity Zone | 5.000 | 08/01/2037 | A3 | 150,000 | 156,306 |
| Cullman AL Utility Board Water Revenue | 4.750 | 09/01/2037 | A1 | 400,000 | 412,800 |
| Gadsden AL Waterworks & Sewer Board | 4.000 | 06/01/2034 | A1 | 120,000 | 124,652 |
| Jasper AL Waterworks and Sewer Board Utility Revenue | 5.000 | 06/01/2030 | A+* | 455,000 | 472,276 |
| Limestone County AL Water & Sewer Authority | 5.000 | 12/01/2033 | A* | 300,000 | 331,512 |
| Limestone County AL Water & Sewer Authority | 4.750 | 12/01/2033 | AA* | 290,000 | 322,927 |
| Limestone County AL Water & Sewer Authority | 5.000 | 12/01/2034 | A* | 250,000 | 275,940 |
| Limestone County AL Water & Sewer Authority | 4.750 | 12/01/2035 | AA* | 400,000 | 432,720 |
| Opelika AL Utilities Board | 4.000 | 06/01/2039 | Aa3 | 250,000 | 257,018 |
| Prattville AL Sewer Warrants | 4.000 | 11/01/2042 | AA-* | 375,000 | 383,396 |
| Tallassee AL Water Gas & Sewer Warrants | 5.125 | 05/01/2036 | A2 | 10,000 | 10,324 |
| West Morgan East Lawrence AL Water & Sewer | 4.750 | 08/15/2030 | AA* | 75,000 | 77,871 |
| West Morgan East Lawrence AL Water & Sewer | 4.850 | 08/15/2035 | AA* | 250,000 | 258,953 |
| | | | | | 5,119,599 |
| SCHOOL IMPROVEMENT BONDS | | | | | |
| 19.55% of Net Assets | | | | | |
| Alabaster AL Board of Education Special Tax Warrants** | 5.000 | 09/01/2039 | A1 | 600,000 | 664,721 |
| Decatur City AL Board of Education Special Tax | 5.000 | 02/01/2040 | Aa2 | 225,000 | 246,310 |
| Etowah County AL Board of Education Capital Outlay Tax | 5.000 | 09/01/2037 | A+* | 200,000 | 215,224 |
| Jasper AL Warrants | 5.000 | 03/01/2032 | A2 | 450,000 | 497,754 |
| Limestone County AL Board of Education | 5.000 | 07/01/2033 | AA* | 255,000 | 284,929 |
| Madison County AL Board of Education Capital Outlay** | 5.000 | 09/01/2031 | Aa3 | 660,000 | 745,437 |
| Marshall County AL Board of Education Special Tax School Warrants | 4.000 | 03/01/2033 | A2 | 250,000 | 263,365 |
| Morgan County AL Board of Education Capital Outlay Warrants | 5.000 | 03/01/2035 | AA-* | 405,000 | 438,619 |
| Opelika AL Warrants | 5.000 | 11/01/2031 | Aa2 | 150,000 | 162,074 |
| Shelby County AL Board of Education Capital Outlay Warrants** | 5.000 | 02/01/2031 | Aa2 | 615,000 | 651,420 |
| Sumter County AL Limited Obligation School Warrants | 5.100 | 02/01/2034 | NR | 100,000 | 100,077 |
| Sumter County AL Limited Obligation School Warrants | 5.200 | 02/01/2039 | NR | 95,000 | 95,061 |
| Troy AL Public Educational Building Authority | 5.250 | 12/01/2036 | A2 | 30,000 | 31,632 |
| Tuscaloosa County AL Board of Education Special Tax School Warrants | 5.000 | 02/01/2036 | Aa3 | 250,000 | 282,393 |
| Tuscaloosa County AL Board of Education Special Tax School Warrants | 5.000 | 02/01/2037 | Aa3 | 250,000 | 282,013 |
| | | | | | 4,961,029 |
| PUBLIC FACILITIES REVENUE BONDS | | | | | |
| 16.87% of Net Assets | | | | | |
| Anniston AL Public Building Authority | 5.000 | 03/01/2032 | A2 | 400,000 | 421,990 |
| Anniston AL Public Building Authority DHR Project | 5.250 | 05/01/2030 | AA-* | 50,000 | 52,160 |
| Anniston AL Public Building Authority DHR Project | 5.500 | 05/01/2033 | AA-* | 200,000 | 209,456 |
| Bessemer AL Public Educational Building Authority Revenue | 5.000 | 07/01/2030 | AA* | 250,000 | 260,613 |
| Birmingham Jefferson AL Civic Center Authority Revenue | 5.000 | 05/01/2037 | Aa2 | 400,000 | 455,604 |
| Birmingham Jefferson AL Civic Center Authority Revenue | 5.000 | 05/01/2038 | Aa2 | 250,000 | 283,890 |
| Boaz AL Warrants | 4.000 | 02/01/2037 | AA* | 250,000 | 260,045 |
| Bullock County AL Public Building Authority | 4.000 | 10/01/2038 | AA-* | 500,000 | 513,740 |
| Lowndes County AL Warrants | 5.250 | 02/01/2037 | A2 | 250,000 | 260,963 |
| Montgomery AL Warrants | 5.000 | 02/01/2030 | A1 | 300,000 | 309,789 |
| Montgomery County AL Public Building Authority | 5.000 | 03/01/2036 | Aa2 | 350,000 | 398,265 |
| Trussville AL Warrants** | 5.000 | 10/01/2039 | Aa2 | 775,000 | 855,027 |
| | | | | | 4,281,542 |

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

DUPREE MUTUAL FUNDS — ALABAMA TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Alabama Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|----------------------|
| UNIVERSITY CONSOLIDATED EDUCATION AND BUILDING REVENUE BONDS | | | | | |
| 12.56% of Net Assets | | | | | |
| AL Community College System Board of Trustees Revenue Gadsden | | | | | |
| State Community College | 5.000% | 06/01/2038 | A1 | \$ 325,000 | \$ 364,965 |
| Auburn University AL General Fee Revenue | 4.000 | 06/01/2036 | Aa2 | 380,000 | 399,152 |
| Troy University AL Facilities Revenue | 5.000 | 11/01/2028 | A1 | 250,000 | 283,883 |
| Troy University AL Facilities Revenue | 4.000 | 11/01/2032 | A1 | 300,000 | 317,145 |
| Troy University AL Facilities Revenue | 5.000 | 11/01/2037 | A1 | 200,000 | 225,044 |
| University AL Huntsville General Fee Revenue | 5.000 | 09/01/2038 | Aa3 | 435,000 | 493,803 |
| University of AL Birmingham | 5.000 | 10/01/2037 | Aa2 | 225,000 | 248,128 |
| University of AL General Fee Revenue University of AL Huntsville | 5.000 | 09/01/2037 | Aa3 | 250,000 | 285,070 |
| University of AL Huntsville | 5.000 | 09/01/2038 | Aa3 | 500,000 | 570,285 |
| | | | | | <u>3,187,475</u> |
| PREREFUNDED BONDS | | | | | |
| 11.63% of Net Assets | | | | | |
| AL State Public School & College Authority Refinancing | 5.000 | 05/01/2024 | Aa1 | 125,000 | 126,324 |
| Albertville AL Warrants | 5.000 | 02/01/2035 | AA* | 110,000 | 110,294 |
| Auburn University AL General Fee Revenue | 5.000 | 06/01/2036 | Aa2 | 150,000 | 161,115 |
| Birmingham AL Waterworks Board Water Revenue | 4.750 | 01/01/2036 | Aa2 | 215,000 | 227,360 |
| Fort Payne AL Waterworks Board Water Revenue | 4.750 | 07/01/2034 | AA-* | 100,000 | 101,457 |
| Morgan County AL Board of Education Capital Outlay Warrants | 5.000 | 03/01/2035 | NR | 155,000 | 171,566 |
| Morgan County AL Board of Education Capital Outlay Warrants | 5.000 | 03/01/2035 | NR | 490,000 | 542,371 |
| Opelika AL Water Board Revenue | 5.250 | 06/01/2036 | Aa3 | 70,000 | 73,382 |
| Opelika AL Water Board Revenue | 5.000 | 06/01/2037 | Aa3 | 250,000 | 257,123 |
| Phenix City AL Water & Sewer | 5.000 | 08/15/2034 | A3 | 75,000 | 76,458 |
| Tallassee AL Water Gas & Sewer Warrants | 5.125 | 05/01/2036 | A2 | 65,000 | 67,737 |
| Troy AL Public Educational Building Authority | 5.250 | 12/01/2036 | A2 | 195,000 | 207,121 |
| Trussville AL Warrants | 5.000 | 10/01/2039 | NR | 445,000 | 503,682 |
| Tuscaloosa AL Warrants | 5.000 | 10/15/2034 | Aa1 | 175,000 | 175,000 |
| Tuscaloosa AL Warrants | 5.125 | 01/01/2039 | Aa1 | 150,000 | 150,000 |
| | | | | | <u>2,950,990</u> |
| REFUNDING BONDS | | | | | |
| 7.46% of Net Assets | | | | | |
| Enterprise AL Warrants | 4.500 | 11/01/2032 | Aa3 | 115,000 | 122,184 |
| Montgomery AL Warrants | 5.000 | 06/15/2035 | A1 | 500,000 | 569,175 |
| Northport AL Warrants** | 5.000 | 08/01/2040 | AA-* | 735,000 | 808,845 |
| Tuscaloosa AL Warrants | 5.000 | 01/01/2032 | Aa1 | 350,000 | 391,759 |
| | | | | | <u>1,891,963</u> |
| MISCELLANEOUS PUBLIC IMPROVEMENT BONDS | | | | | |
| 6.62% of Net Assets | | | | | |
| AL Incentives Financing Authority Special Obligation | 5.000 | 09/01/2029 | A* | 125,000 | 127,551 |
| Birmingham AL Warrants | 4.000 | 12/01/2035 | Aa2 | 250,000 | 260,560 |
| Birmingham AL Warrants | 5.000 | 12/01/2037 | Aa2 | 250,000 | 286,550 |
| Jasper AL Warrants | 5.000 | 03/01/2031 | A2 | 250,000 | 276,785 |
| Madison AL Warrants | 5.000 | 04/01/2035 | Aa2 | 350,000 | 392,361 |
| Tuscaloosa AL Warrants | 5.000 | 07/01/2034 | Aa1 | 300,000 | 336,513 |
| | | | | | <u>1,680,320</u> |
| HOSPITAL AND HEALTHCARE REVENUE BONDS | | | | | |
| 1.90% of Net Assets | | | | | |
| Chilton County AL Health Care Authority Chilton County Hospital** | 5.000 | 11/01/2035 | B@ | 550,000 | 482,114 |
| TURNPIKES/TOLLROAD/HIGHWAY REVENUE BONDS | | | | | |
| 1.04% of Net Assets | | | | | |
| AL Federal Aid Highway Finance Authority | 4.000 | 06/01/2037 | Aa1 | 250,000 | 263,283 |
| Total Investments 97.79% of Net Assets (cost \$24,460,435) (See (a) below for further explanation) | | | | | <u>\$ 24,818,315</u> |
| Other assets in excess of liabilities 2.21% | | | | | <u>559,949</u> |
| Net Assets 100% | | | | | <u>\$ 25,378,264</u> |

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

DUPREE MUTUAL FUNDS — ALABAMA TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Alabama Municipal Bonds
December 31, 2018

UNAUDITED

- # Ratings by Moody's Investors Services, Inc. unless noted otherwise.
All ratings are as of the date indicated and do not reflect subsequent changes.
- * Rated by Standard & Poor's Corporation
- @ Rated by Fitch's Investors Service
- NR Not Rated
- ** Security is segregated — see footnote 1(D)

(a) Cost for federal income tax purposes is \$24,460,435 and net unrealized appreciation of investments is as follows:

| | | |
|-----------------------------|----|-----------------------|
| Unrealized appreciation | \$ | 586,246 |
| Unrealized depreciation | | <u>(228,366)</u> |
| Net unrealized appreciation | \$ | <u><u>357,880</u></u> |

Other Information

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's investments in securities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

| | <u>Valuation Inputs</u> | <u>Municipal Bonds</u> |
|---------|-------------------------------------|------------------------|
| Level 1 | Quoted Prices | \$ — |
| Level 2 | Other Significant Observable Inputs | 24,818,315 |
| Level 3 | Significant Unobservable Inputs | <u>—</u> |
| | | <u>\$ 24,818,315</u> |

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

ALABAMA TAX-FREE INCOME SERIES

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2018

UNAUDITED

ASSETS:

| | |
|---|-------------------|
| Investments in securities, at fair value (Cost: \$24,460,435) | \$24,818,315 |
| Cash | 374,392 |
| Receivable for fund shares sold | 15,226 |
| Interest receivable | 306,168 |
| Total assets | <u>25,514,101</u> |

LIABILITIES:

Payable for:

| | |
|-------------------------------|----------------|
| Distributions to shareholders | 96,819 |
| Fund shares redeemed | 8,261 |
| Investment advisory fee | 4,422 |
| Transfer agent fee | 6,979 |
| Insurance expense | 3,464 |
| Legal fees | 2,667 |
| Registration expense | 2,612 |
| Miscellaneous expense | 2,557 |
| Accrued expenses | <u>8,056</u> |
| Total liabilities | <u>135,837</u> |

NET ASSETS:

| | |
|------------------------------|---------------------|
| Capital | 25,116,617 |
| Total distributable earnings | 261,647 |
| Net assets at value | <u>\$25,378,264</u> |

NET ASSET VALUE, offering price and redemption price per share

(2,110,868 shares outstanding; unlimited number of shares authorized no par value)

\$ 12.02

STATEMENT OF OPERATIONS

For the six months ended December 31, 2018

Net investment income:

| | |
|--|-------------------|
| Interest income | \$ 447,074 |
| Expenses: | |
| Investment advisory fee | 63,119 |
| Transfer agent fee | 18,173 |
| Custodian expense | 5,366 |
| Pricing fees | 3,025 |
| Audit fees | 2,071 |
| Trustees fees | 1,507 |
| Professional fees | 1,349 |
| Other expenses | <u>10,122</u> |
| Total expenses | 104,732 |
| Fees waived by Adviser (Note 2) | (16,163) |
| Custodian expense reduction | <u>(191)</u> |
| Net expenses | <u>88,378</u> |
| Net investment income | <u>358,696</u> |
| Realized and unrealized loss on investments: | |
| Net realized loss | (32,361) |
| Net change in unrealized appreciation/depreciation | <u>(100,451)</u> |
| Net realized and unrealized loss on investments | <u>(132,812)</u> |
| Net increase in net assets resulting from operations | <u>\$ 225,884</u> |

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

ALABAMA TAX-FREE INCOME SERIES

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended December 31, 2018 and the year ended June 30, 2018

UNAUDITED

| | Six Months Ended 12/31/2018 | Year Ended 06/30/2018 ⁽¹⁾ |
|--|--------------------------------|---|
| Operations: | | |
| Net investment income | \$ 358,696 | \$ 772,453 |
| Net realized loss on investments | (32,361) | (29,010) |
| Net change in unrealized appreciation/depreciation | <u>(100,451)</u> | <u>(421,512)</u> |
| Net increase in net assets resulting from operations | 225,884 | 321,931 |
| Total distributions | (358,696) | (772,453) |
| Net fund share transactions (Note 4) | <u>256,071</u> | <u>(849,482)</u> |
| Total increase/(decrease) | 123,259 | (1,300,004) |
| Net assets: | | |
| Beginning of year | <u>25,255,005</u> | <u>26,555,009</u> |
| End of period | <u>\$25,378,264</u> | <u>\$25,255,005</u> |

⁽¹⁾ The presentation of Total distributions has been updated to reflect the changes prescribed in amendments to Regulation S-X, effective November 5, 2018. For the year ended June 30, 2018, distributions from net investment income were \$772,453. As of June 30, 2018, accumulated net investment income was \$0.

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding:

| | Six Months Ended 12/31/2018 | Year ending June 30, | | | | |
|--|--------------------------------|----------------------|----------------|----------------|----------------|----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net asset value, beginning of year | <u>\$12.08</u> | <u>\$12.29</u> | <u>\$12.77</u> | <u>\$12.36</u> | <u>\$12.32</u> | <u>\$12.10</u> |
| Income from investment operations: | | | | | | |
| Net investment income | 0.17 | 0.36 | 0.37 | 0.39 | 0.41 | 0.42 |
| Net gains/(losses) on securities | <u>(0.06)</u> | <u>(0.21)</u> | <u>(0.48)</u> | <u>0.41</u> | <u>0.04</u> | <u>0.23</u> |
| Total from investment operations | 0.11 | 0.15 | (0.11) | 0.80 | 0.45 | 0.65 |
| Less distributions: | | | | | | |
| Distributions from net investment income | (0.17) | (0.36) | (0.37) | (0.39) | (0.41) | (0.42) |
| Distributions from capital gains | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>(0.01)</u> |
| Total distributions | <u>(0.17)</u> | <u>(0.36)</u> | <u>(0.37)</u> | <u>(0.39)</u> | <u>(0.41)</u> | <u>(0.43)</u> |
| Net asset value, end of period | <u>\$12.02</u> | <u>\$12.08</u> | <u>\$12.29</u> | <u>\$12.77</u> | <u>\$12.36</u> | <u>\$12.32</u> |
| Total return | 0.94%(b) | 1.24% | (0.82)% | 6.61% | 3.64% | 5.56% |
| Net assets, end of period (in thousands) | \$25,378 | \$25,255 | \$26,555 | \$29,378 | \$25,511 | \$23,358 |
| Ratio of net expenses to average net assets (a) | 0.71%(c) | 0.70% | 0.70% | 0.71% | 0.71% | 0.72% |
| Ratio of gross expenses to average net assets | 0.83%(c) | 0.82% | 0.78% | 0.78% | 0.79% | 0.81% |
| Ratio of net investment income to average net assets | 2.86%(c) | 2.96% | 3.00% | 3.14% | 3.26% | 3.48% |
| Portfolio turnover | 13.64%(b) | 13.83% | 6.95% | 5.37% | 9.65% | 10.48% |

(a) Percentages are after expense waivers and reductions by the Adviser and Custodian. The Adviser and Custodian have agreed not to seek recovery of these waivers and reductions.

(b) Not annualized

(c) Annualized

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

DUPREE MUTUAL FUNDS — KENTUCKY TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Kentucky Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|-------------------|
| MISCELLANEOUS PUBLIC IMPROVEMENT BONDS | | | | | |
| 28.20% of Net Assets | | | | | |
| KY Association of Counties | 4.000% | 02/01/2033 | AA-* | \$ 420,000 | \$ 441,588 |
| KY Association of Counties | 4.000 | 02/01/2034 | AA-* | 435,000 | 453,788 |
| KY Association of Counties | 4.000 | 02/01/2035 | AA-* | 690,000 | 721,009 |
| KY Association of Counties | 4.000 | 02/01/2035 | AA-* | 460,000 | 477,057 |
| KY Association of Counties | 4.000 | 02/01/2037 | AA-* | 745,000 | 771,991 |
| KY Association of Counties | 4.000 | 02/01/2038 | AA-* | 3,165,000 | 3,274,667 |
| KY Association of Counties | 4.000 | 02/01/2039 | AA-* | 1,000,000 | 1,028,390 |
| KY Bond Corporation Finance Program | 5.500 | 02/01/2031 | AA-* | 1,115,000 | 1,194,455 |
| KY State Association of Counties Finance Corporation | 5.000 | 02/01/2030 | AA-* | 100,000 | 104,316 |
| KY State Association of Counties Finance Corporation | 5.000 | 02/01/2032 | AA-* | 165,000 | 171,989 |
| KY State Association of Counties Finance Corporation | 5.000 | 02/01/2035 | AA-* | 120,000 | 124,684 |
| KY State Property & Building #76 | 5.500 | 08/01/2021 | A1 | 1,400,000 | 1,515,374 |
| KY State Property & Building #93 | 5.250 | 02/01/2028 | AA* | 1,195,000 | 1,198,442 |
| KY State Property & Building #93 | 5.250 | 02/01/2029 | AA* | 2,580,000 | 2,587,611 |
| KY State Property & Building #98 | 5.000 | 08/01/2021 | A1 | 2,505,000 | 2,616,297 |
| KY State Property & Building #100 | 5.000 | 08/01/2026 | A1 | 2,000,000 | 2,137,760 |
| KY State Property & Building #100 | 5.000 | 08/01/2027 | A1 | 1,710,000 | 1,827,340 |
| KY State Property & Building #100 | 5.000 | 08/01/2028 | A1 | 4,000,000 | 4,274,480 |
| KY State Property & Building #100 | 5.000 | 08/01/2029 | A1 | 2,500,000 | 2,671,550 |
| KY State Property & Building #100 | 5.000 | 08/01/2030 | A1 | 9,980,000 | 10,672,609 |
| KY State Property & Building #100 | 5.000 | 08/01/2031 | A1 | 5,100,000 | 5,420,892 |
| KY State Property & Building #105 | 4.750 | 04/01/2031 | A1 | 2,110,000 | 2,271,943 |
| KY State Property & Building #105 | 4.750 | 04/01/2032 | A1 | 2,205,000 | 2,370,574 |
| KY State Property & Building #105 | 4.750 | 04/01/2033 | A1 | 2,310,000 | 2,474,842 |
| KY State Property & Building #106 | 5.000 | 10/01/2028 | A1 | 2,030,000 | 2,246,297 |
| KY State Property & Building #106 | 5.000 | 10/01/2029 | A1 | 4,130,000 | 4,571,993 |
| KY State Property & Building #106 | 5.000 | 10/01/2030 | A1 | 7,165,000 | 7,864,591 |
| KY State Property & Building #106 | 5.000 | 10/01/2031 | A1 | 4,910,000 | 5,380,231 |
| KY State Property & Building #106 | 5.000 | 10/01/2032 | A1 | 6,275,000 | 6,861,336 |
| KY State Property & Building #106 | 5.000 | 10/01/2033 | A1 | 4,870,000 | 5,311,514 |
| KY State Property & Building #108 | 5.000 | 08/01/2026 | A1 | 955,000 | 1,086,647 |
| KY State Property & Building #108 | 5.000 | 08/01/2028 | A1 | 2,670,000 | 3,024,282 |
| KY State Property & Building #108 | 5.000 | 08/01/2030 | A1 | 5,000,000 | 5,625,050 |
| KY State Property & Building #108 | 5.000 | 08/01/2031 | A1 | 8,290,000 | 9,310,499 |
| KY State Property & Building #108 | 5.000 | 08/01/2032 | A1 | 8,820,000 | 9,883,251 |
| KY State Property & Building #108 | 5.000 | 08/01/2033 | A1 | 5,270,000 | 5,865,352 |
| KY State Property & Building #108 | 5.000 | 08/01/2034 | A1 | 4,900,000 | 5,456,640 |
| KY State Property & Building #110 | 5.000 | 08/01/2029 | A1 | 4,200,000 | 4,743,816 |
| KY State Property & Building #110 | 5.000 | 08/01/2032 | A1 | 1,515,000 | 1,695,709 |
| KY State Property & Building #110 | 5.000 | 08/01/2033 | A1 | 1,000,000 | 1,117,380 |
| KY State Property & Building #110 | 5.000 | 08/01/2034 | A1 | 1,900,000 | 2,114,643 |
| KY State Property & Building #110 | 5.000 | 08/01/2035 | A1 | 3,030,000 | 3,347,574 |
| KY State Property & Building #112 | 5.000 | 11/01/2028 | A1 | 2,500,000 | 2,850,400 |
| KY State Property & Building #112 | 5.000 | 02/01/2035 | A1 | 8,325,000 | 9,167,990 |
| KY State Property & Building #112 | 5.000 | 02/01/2036 | A1 | 7,920,000 | 8,685,389 |
| KY State Property & Building #115 | 5.000 | 04/01/2033 | A1 | 4,565,000 | 5,114,261 |
| KY State Property & Building #115 | 5.000 | 04/01/2034 | A1 | 13,975,000 | 15,592,467 |
| KY State Property & Building #115 | 5.000 | 04/01/2036 | A1 | 14,460,000 | 16,034,691 |
| KY State Property & Building #115 | 5.000 | 04/01/2037 | A1 | 5,000,000 | 5,544,500 |
| KY State Property & Building #117 | 5.000 | 05/01/2031 | A1 | 5,055,000 | 5,719,682 |
| KY State Property & Building #117 | 5.000 | 05/01/2032 | A1 | 3,680,000 | 4,146,661 |
| KY State Property & Building #117 | 5.000 | 05/01/2033 | A1 | 3,550,000 | 3,986,402 |
| KY State Property & Building #117 | 5.000 | 05/01/2034 | A1 | 5,825,000 | 6,514,098 |
| KY State Property & Building #117 | 5.000 | 05/01/2035 | A1 | 5,065,000 | 5,648,589 |
| KY State Property & Building #117 | 5.000 | 05/01/2036 | A1 | 5,275,000 | 5,854,458 |
| KY State Property & Building #119 | 5.000 | 05/01/2034 | A1 | 725,000 | 823,905 |

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

DUPREE MUTUAL FUNDS — KENTUCKY TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Kentucky Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|-------------------|
| KY State Property & Building #119 | 5.000% | 05/01/2035 | A1 | \$ 10,000,000 | \$ 11,261,400 |
| KY State Property & Building #119 | 5.000 | 05/01/2036 | A1 | 10,000,000 | 11,227,400 |
| Lexington Fayette Urban County Government | 5.000 | 01/01/2028 | Aa2 | 820,000 | 937,982 |
| Lexington Fayette Urban County Government | 5.000 | 01/01/2029 | Aa2 | 345,000 | 393,193 |
| Lexington Fayette Urban County Government | 5.000 | 01/01/2033 | Aa2 | 1,685,000 | 1,892,390 |
| Pendleton County KY Multi-County Lease Revenue | 6.400 | 03/01/2019 | B* | 3,000,000 | 3,007,620 |
| | | | | | 260,713,931 |

SCHOOL IMPROVEMENT BONDS

13.85% of Net Assets

| | | | | | |
|---|-------|------------|-----|------------|-------------|
| Bowling Green KY School District Finance Corporation | 4.000 | 08/01/2034 | A1 | 1,890,000 | 1,966,488 |
| Bowling Green KY School District Finance Corporation | 4.000 | 08/01/2035 | A1 | 2,215,000 | 2,295,626 |
| Bowling Green KY School District Finance Corporation | 4.000 | 08/01/2036 | A1 | 2,305,000 | 2,384,223 |
| Bowling Green KY School District Finance Corporation | 4.000 | 08/01/2037 | A1 | 2,395,000 | 2,469,269 |
| Bullitt County KY School District Finance Corporation | 4.000 | 10/01/2035 | A1 | 1,820,000 | 1,886,230 |
| Bullitt County KY School District Finance Corporation | 4.000 | 10/01/2036 | A1 | 2,985,000 | 3,081,326 |
| Bullitt County KY School District Finance Corporation | 4.000 | 10/01/2037 | A1 | 3,075,000 | 3,167,896 |
| Fayette County KY School District Finance Corporation | 5.000 | 08/01/2028 | Aa3 | 1,330,000 | 1,523,701 |
| Fayette County KY School District Finance Corporation | 5.000 | 10/01/2028 | Aa3 | 2,875,000 | 3,201,744 |
| Fayette County KY School District Finance Corporation | 5.000 | 10/01/2029 | Aa3 | 3,660,000 | 4,069,005 |
| Fayette County KY School District Finance Corporation | 5.000 | 06/01/2031 | Aa3 | 3,705,000 | 3,946,900 |
| Fayette County KY School District Finance Corporation | 4.750 | 11/01/2031 | Aa3 | 1,730,000 | 1,898,606 |
| Fayette County KY School District Finance Corporation | 5.000 | 08/01/2032 | Aa3 | 10,600,000 | 11,958,920 |
| Fayette County KY School District Finance Corporation | 5.000 | 10/01/2032 | Aa3 | 3,615,000 | 3,995,081 |
| Fayette County KY School District Finance Corporation | 5.000 | 10/01/2033 | Aa3 | 4,385,000 | 4,841,917 |
| Fayette County KY School District Finance Corporation | 5.000 | 08/01/2034 | Aa3 | 8,750,000 | 9,799,300 |
| Jefferson County KY School District Finance Corporation | 5.000 | 04/01/2030 | Aa3 | 975,000 | 1,104,334 |
| Jefferson County KY School District Finance Corporation | 5.000 | 04/01/2031 | Aa3 | 1,025,000 | 1,155,308 |
| Jefferson County KY School District Finance Corporation | 5.000 | 05/01/2032 | Aa3 | 4,230,000 | 4,714,547 |
| Jefferson County KY School District Finance Corporation | 5.000 | 05/01/2033 | Aa3 | 5,145,000 | 5,707,346 |
| Jefferson County KY School District Finance Corporation | 4.750 | 04/01/2034 | Aa3 | 1,165,000 | 1,270,642 |
| Jefferson County KY School District Finance Corporation | 5.000 | 05/01/2034 | Aa3 | 5,405,000 | 5,981,660 |
| Jefferson County KY School District Finance Corporation | 4.750 | 04/01/2035 | Aa3 | 1,220,000 | 1,327,018 |
| Jefferson County KY School District Finance Corporation | 4.250 | 10/01/2037 | Aa3 | 2,110,000 | 2,237,106 |
| Kenton County KY School District Finance Corporation | 4.000 | 04/01/2036 | A1 | 1,210,000 | 1,261,292 |
| Kenton County KY School District Finance Corporation | 4.000 | 04/01/2037 | A1 | 1,255,000 | 1,307,196 |
| Kenton County KY School District Finance Corporation | 4.000 | 04/01/2038 | A1 | 1,300,000 | 1,350,934 |
| Meade County KY School District Finance Corporation | 4.000 | 06/01/2036 | A1 | 2,215,000 | 2,304,375 |
| Meade County KY School District Finance Corporation | 4.000 | 06/01/2037 | A1 | 2,255,000 | 2,335,504 |
| Meade County KY School District Finance Corporation | 4.000 | 06/01/2038 | A1 | 2,400,000 | 2,477,736 |
| Morgan County KY School District Finance Corporation | 4.000 | 08/01/2029 | A1 | 960,000 | 1,032,154 |
| Oldham County KY School District Finance Corporation | 4.000 | 10/01/2034 | A1 | 1,560,000 | 1,630,808 |
| Scott County KY School District Finance Corporation | 4.500 | 01/01/2025 | A1 | 4,890,000 | 5,428,878 |
| Scott County KY School District Finance Corporation | 4.000 | 02/01/2029 | Aa3 | 5,040,000 | 5,554,030 |
| Scott County KY School District Finance Corporation | 4.000 | 06/01/2035 | Aa3 | 1,440,000 | 1,501,949 |
| Scott County KY School District Finance Corporation | 4.000 | 10/01/2035 | Aa3 | 2,235,000 | 2,322,500 |
| Scott County KY School District Finance Corporation | 4.000 | 06/01/2036 | Aa3 | 1,500,000 | 1,562,520 |
| Scott County KY School District Finance Corporation | 4.000 | 10/01/2037 | Aa3 | 2,415,000 | 2,496,241 |
| Shelby County KY School District Finance Corporation | 4.000 | 08/01/2037 | Aa3 | 6,240,000 | 6,441,864 |
| Shelby County KY School District Finance Corporation | 4.000 | 08/01/2038 | Aa3 | 3,000,000 | 3,086,970 |
| | | | | | 128,079,144 |

UNIVERSITY CONSOLIDATED EDUCATION AND BUILDING REVENUE BONDS

11.60% of Net Assets

| | | | | | |
|---|-------|------------|----|-----------|-----------|
| Boyle County Centre College | 5.000 | 06/01/2037 | A3 | 2,865,000 | 3,121,360 |
| KY Bond Development Corporation Centre College | 5.000 | 06/01/2038 | A3 | 1,340,000 | 1,449,706 |
| KY Bond Development Corporation Educational Facilities Centre College | 5.000 | 06/01/2035 | A3 | 2,165,000 | 2,374,377 |
| KY Bond Development Corporation Educational Facilities Centre College | 5.000 | 06/01/2036 | A3 | 2,835,000 | 3,090,377 |

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

**DUPREE MUTUAL FUNDS — KENTUCKY TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS**

UNAUDITED

**Kentucky Municipal Bonds
December 31, 2018**

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|-------------------|
| KY State Property & Building #114 | 5.000% | 10/01/2032 | Aa3 | \$ 2,795,000 | \$ 3,154,130 |
| KY State Property & Building #114 | 5.000 | 10/01/2033 | Aa3 | 2,940,000 | 3,307,000 |
| KY State Property & Building #114 | 5.000 | 10/01/2034 | Aa3 | 3,090,000 | 3,450,974 |
| KY State Property & Building #114 | 5.000 | 10/01/2035 | Aa3 | 1,945,000 | 2,170,795 |
| KY State Property & Building #116 | 5.000 | 10/01/2035 | Aa3 | 4,165,000 | 4,702,493 |
| KY State Property & Building #116 | 5.000 | 10/01/2036 | Aa3 | 2,725,000 | 3,065,625 |
| Murray State University | 5.000 | 03/01/2032 | A1 | 2,220,000 | 2,500,120 |
| University of Kentucky General Receipts | 5.000 | 04/01/2030 | Aa2 | 5,490,000 | 6,299,940 |
| University of Kentucky General Receipts | 5.000 | 04/01/2036 | Aa2 | 4,820,000 | 5,386,591 |
| University of Kentucky General Receipts | 4.000 | 10/01/2036 | Aa2 | 16,160,000 | 16,872,818 |
| University of Kentucky General Receipts | 5.000 | 04/01/2037 | Aa2 | 7,180,000 | 8,016,542 |
| University of Kentucky General Receipts | 5.000 | 04/01/2038 | Aa2 | 7,395,000 | 8,229,674 |
| University of Kentucky General Receipts | 4.000 | 10/01/2038 | Aa2 | 10,855,000 | 11,234,597 |
| University of Kentucky Higher Educational | 4.750 | 04/01/2034 | Aa2 | 5,435,000 | 6,031,980 |
| University of Louisville | 4.500 | 03/01/2035 | A1 | 5,600,000 | 6,051,696 |
| University of Louisville General Receipts | 5.000 | 09/01/2030 | A3 | 440,000 | 470,664 |
| University of Louisville General Receipts | 5.000 | 09/01/2031 | A3 | 2,580,000 | 2,762,561 |
| Western KY University | 5.000 | 05/01/2032 | A1 | 1,500,000 | 1,621,665 |
| Western KY University | 4.000 | 09/01/2034 | A1 | 575,000 | 597,695 |
| Western KY University | 4.000 | 09/01/2035 | A1 | 595,000 | 615,641 |
| Western KY University | 4.000 | 09/01/2036 | A1 | 620,000 | 638,978 |
| | | | | | 107,217,999 |

MUNICIPAL UTILITY REVENUE BONDS

11.03% of Net Assets

| | | | | | |
|--|-------|------------|-----|------------|------------|
| Cambell & Kenton County Sanitation District #1 | 4.000 | 08/01/2032 | Aa3 | 6,100,000 | 6,472,588 |
| Frankfort KY Electric & Water | 4.750 | 12/01/2034 | AA* | 695,000 | 760,469 |
| Frankfort KY Electric & Water | 4.750 | 12/01/2035 | AA* | 725,000 | 792,063 |
| Frankfort KY Electric & Water | 4.750 | 12/01/2036 | AA* | 760,000 | 828,149 |
| Frankfort KY Electric & Water | 4.750 | 12/01/2037 | AA* | 800,000 | 869,488 |
| Frankfort KY Electric & Water | 4.750 | 12/01/2038 | AA* | 835,000 | 905,649 |
| KY Rural Water Financing Corporation | 5.375 | 02/01/2020 | A+* | 130,000 | 130,161 |
| KY Rural Water Financing Corporation | 4.500 | 02/01/2023 | A+* | 1,085,000 | 1,180,155 |
| KY Rural Water Financing Corporation | 4.500 | 02/01/2024 | A+* | 880,000 | 953,594 |
| KY Rural Water Financing Corporation | 5.125 | 02/01/2035 | A+* | 525,000 | 541,569 |
| Louisville & Jefferson County Metropolitan Sewer | 5.000 | 05/15/2021 | Aa3 | 1,175,000 | 1,207,677 |
| Louisville & Jefferson County Metropolitan Sewer | 5.000 | 05/15/2023 | Aa3 | 1,020,000 | 1,047,826 |
| Louisville & Jefferson County Metropolitan Sewer | 4.000 | 05/15/2030 | Aa3 | 3,120,000 | 3,366,761 |
| Louisville & Jefferson County Metropolitan Sewer | 5.000 | 05/15/2031 | Aa3 | 2,465,000 | 2,731,614 |
| Louisville & Jefferson County Metropolitan Sewer | 4.000 | 05/15/2033 | Aa3 | 1,000,000 | 1,049,600 |
| Louisville & Jefferson County Metropolitan Sewer** | 5.000 | 05/15/2034 | Aa3 | 27,730,000 | 29,895,158 |
| Louisville & Jefferson County Metropolitan Sewer | 4.750 | 05/15/2034 | Aa3 | 2,230,000 | 2,452,487 |
| Louisville & Jefferson County Metropolitan Sewer | 5.000 | 05/15/2034 | Aa3 | 4,595,000 | 5,228,972 |
| Louisville & Jefferson County Metropolitan Sewer | 4.750 | 05/15/2035 | Aa3 | 2,245,000 | 2,463,888 |
| Louisville & Jefferson County Metropolitan Sewer | 5.000 | 05/15/2035 | Aa3 | 4,825,000 | 5,481,007 |
| Louisville & Jefferson County Metropolitan Sewer | 4.750 | 05/15/2036 | Aa3 | 2,795,000 | 3,061,195 |
| Louisville & Jefferson County Metropolitan Sewer | 4.000 | 05/15/2037 | Aa3 | 10,000,000 | 10,527,100 |
| Northern KY Water District | 5.000 | 02/01/2026 | Aa3 | 1,000,000 | 1,085,190 |
| Northern KY Water District | 5.000 | 02/01/2027 | Aa3 | 4,315,000 | 4,682,595 |
| Northern KY Water District | 5.000 | 02/01/2033 | Aa3 | 3,580,000 | 3,793,511 |
| Owensboro KY Electric Light & Power | 4.000 | 01/01/2031 | A3 | 245,000 | 259,982 |
| Owensboro KY Electric Light & Power | 4.000 | 01/01/2033 | A3 | 275,000 | 287,455 |
| Owensboro KY Electric Light & Power | 4.000 | 01/01/2034 | A3 | 305,000 | 316,209 |
| Owensboro KY Electric Light & Power | 4.000 | 01/01/2035 | A3 | 200,000 | 205,658 |
| Owensboro KY Electric Light & Power | 4.000 | 01/01/2036 | A3 | 325,000 | 333,284 |
| Owensboro KY Electric Light & Power | 4.000 | 01/01/2037 | A3 | 410,000 | 418,167 |
| Owensboro KY Water Revenue | 4.000 | 09/15/2034 | A1 | 2,075,000 | 2,188,876 |
| Owensboro KY Water Revenue | 4.000 | 09/15/2035 | A1 | 2,155,000 | 2,264,927 |
| Owensboro KY Water Revenue | 4.000 | 09/15/2037 | A1 | 1,950,000 | 2,035,956 |

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

DUPREE MUTUAL FUNDS — KENTUCKY TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Kentucky Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|-------------------|
| Owensboro KY Water Revenue | 4.000% | 09/15/2039 | A1 | \$ 2,125,000 | \$ 2,202,435 |
| | | | | | 102,021,415 |
| TURNPIKES/TOLLROAD/HIGHWAY REVENUE BONDS | | | | | |
| 8.24% of Net Assets | | | | | |
| KY Asset Liability Commission Federal Highway | 5.250 | 09/01/2019 | A2 | 1,765,000 | 1,804,060 |
| KY Asset Liability Commission Federal Highway | 5.000 | 09/01/2021 | A2 | 1,570,000 | 1,645,203 |
| KY Asset Liability Commission Federal Highway | 5.000 | 09/01/2022 | A2 | 3,500,000 | 3,668,245 |
| KY Asset Liability Commission Federal Highway | 5.250 | 09/01/2025 | A2 | 3,400,000 | 3,834,894 |
| KY Asset Liability Commission Federal Highway | 5.000 | 09/01/2027 | A2 | 9,760,000 | 11,204,284 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2029 | Aa3 | 5,165,000 | 5,524,019 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2029 | Aa3 | 7,235,000 | 7,890,853 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2029 | Aa3 | 4,000,000 | 4,588,680 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2030 | Aa3 | 1,845,000 | 1,974,187 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2030 | Aa3 | 1,465,000 | 1,596,249 |
| KY State Turnpike Economic Development Road Revenue** | 5.000 | 07/01/2031 | Aa3 | 9,350,000 | 10,187,667 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2032 | Aa3 | 1,315,000 | 1,492,525 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2032 | Aa3 | 1,765,000 | 2,033,845 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2032 | Aa3 | 8,755,000 | 9,520,975 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2033 | Aa3 | 5,000,000 | 5,515,450 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2034 | Aa3 | 2,370,000 | 2,674,355 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2036 | Aa3 | 400,000 | 453,532 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2037 | Aa3 | 500,000 | 565,325 |
| | | | | | 76,174,348 |
| PREREFUNDED BONDS | | | | | |
| 7.08% of Net Assets | | | | | |
| Bracken County KY Public Property | 5.000 | 08/01/2029 | A1 | 840,000 | 905,327 |
| Hardin County KY School District Finance Corporation | 5.000 | 05/01/2030 | A1 | 450,000 | 482,000 |
| Hardin County KY School District Finance Corporation | 5.000 | 05/01/2031 | A1 | 470,000 | 503,422 |
| KY Development Finance Authority — St. Elizabeth | 5.125 | 05/01/2029 | NR | 2,750,000 | 2,779,425 |
| KY Development Finance Authority — St. Elizabeth | 5.375 | 05/01/2034 | NR | 2,560,000 | 2,589,491 |
| KY Development Finance Authority — St. Elizabeth | 5.500 | 05/01/2039 | NR | 1,000,000 | 1,011,930 |
| KY Infrastructure Authority Wastewater and Drinking Water | 5.000 | 02/01/2027 | Aaa | 2,500,000 | 2,583,500 |
| KY Infrastructure Authority Wastewater and Drinking Water | 5.000 | 02/01/2028 | Aaa | 2,000,000 | 2,066,800 |
| KY State Association of Counties Finance Corporation | 5.000 | 02/01/2030 | NR | 525,000 | 549,334 |
| KY State Association of Counties Finance Corporation | 5.000 | 02/01/2032 | NR | 835,000 | 873,702 |
| KY State Association of Counties Finance Corporation | 5.000 | 02/01/2035 | NR | 875,000 | 915,556 |
| KY State Property & Building #96 | 5.000 | 11/01/2029 | A1 | 5,000,000 | 5,126,600 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2026 | Aa3 | 4,440,000 | 4,508,598 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2027 | Aa3 | 3,080,000 | 3,128,541 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2028 | Aa3 | 4,930,000 | 5,439,861 |
| KY State Turnpike Economic Development Road Revenue | 5.000 | 07/01/2029 | Aa3 | 8,035,000 | 8,161,632 |
| KY Turnpike Economic Development Road Revenue | 5.000 | 07/01/2024 | Aa3 | 1,500,000 | 1,655,130 |
| Louisville & Jefferson County Catholic Health Initiatives** | 5.000 | 12/01/2035 | NR | 11,290,000 | 12,430,514 |
| Louisville & Jefferson County Metropolitan Parking | 5.000 | 12/01/2022 | Aa3 | 625,000 | 642,806 |
| Louisville & Jefferson County Metropolitan Parking | 5.750 | 12/01/2034 | Aa3 | 2,750,000 | 2,848,258 |
| Louisville & Jefferson County Metropolitan Sewer | 5.000 | 05/15/2021 | NR | 1,690,000 | 1,736,103 |
| Louisville & Jefferson County Metropolitan Sewer | 5.000 | 05/15/2023 | NR | 1,480,000 | 1,520,374 |
| Wolfe County KY Public Property | 5.000 | 04/01/2030 | A1 | 2,855,000 | 2,965,175 |
| | | | | | 65,424,079 |
| REFUNDING BONDS | | | | | |
| 6.39% of Net Assets | | | | | |
| KY State Property & Building #80 | 5.250 | 05/01/2020 | A1 | 1,000,000 | 1,041,580 |
| KY State Property & Building #83 | 5.250 | 10/01/2020 | A1 | 24,220,000 | 25,497,605 |
| KY State Property & Building #84 | 5.000 | 08/01/2019 | A1 | 7,500,000 | 7,626,600 |
| KY State Property & Building #84 | 5.000 | 08/01/2021 | A1 | 310,000 | 331,920 |
| KY State Property & Building #84 | 5.000 | 08/01/2022 | A1 | 18,000,000 | 19,688,220 |
| KY State Property & Building #102 | 5.000 | 05/01/2024 | Aa3 | 405,000 | 444,423 |
| KY State Property & Building #104 | 5.000 | 11/01/2022 | A2 | 1,290,000 | 1,412,589 |

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

DUPREE MUTUAL FUNDS — KENTUCKY TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Kentucky Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|-------------------|
| KY State Property & Building #108 | 5.000% | 08/01/2025 | A1 | \$ 2,690,000 | \$ 3,069,532 |
| | | | | | 59,112,469 |
| PUBLIC FACILITIES REVENUE BONDS | | | | | |
| 6.12% of Net Assets | | | | | |
| Bracken County KY Public Property | 5.000 | 08/01/2030 | A1 | 1,110,000 | 1,196,624 |
| Franklin County KY Public Properties Justice Center | 5.000 | 04/01/2029 | A1 | 2,630,000 | 2,808,682 |
| KY Bond Development | 5.000 | 09/01/2035 | A2 | 1,275,000 | 1,447,444 |
| KY Bond Development | 5.000 | 09/01/2036 | A2 | 2,000,000 | 2,261,680 |
| KY Bond Development | 5.000 | 09/01/2037 | A2 | 3,725,000 | 4,195,989 |
| KY State Certificate of Participation | 4.000 | 04/15/2030 | A1 | 1,500,000 | 1,585,815 |
| KY State Certificate of Participation | 4.000 | 04/15/2031 | A1 | 1,000,000 | 1,053,930 |
| KY State Certificate of Participation | 5.000 | 06/15/2034 | A1 | 1,640,000 | 1,818,990 |
| KY State Certificate of Participation | 5.000 | 04/15/2038 | A1 | 5,000,000 | 5,548,250 |
| KY State Certificate of Participation | 5.000 | 06/15/2038 | A1 | 7,535,000 | 8,269,587 |
| Laurel County General Obligation | 4.000 | 05/01/2031 | A2 | 1,295,000 | 1,384,886 |
| Laurel County General Obligation | 4.000 | 05/01/2034 | A2 | 1,440,000 | 1,513,944 |
| Laurel County General Obligation | 4.000 | 05/01/2035 | A2 | 1,495,000 | 1,561,767 |
| Laurel County General Obligation | 4.000 | 05/01/2036 | A2 | 1,555,000 | 1,618,708 |
| Laurel County General Obligation | 4.000 | 05/01/2037 | A2 | 1,620,000 | 1,676,862 |
| Laurel County General Obligation | 4.000 | 05/01/2038 | A2 | 1,680,000 | 1,735,289 |
| Louisville & Jefferson County Visitors & Convention Commission | 4.000 | 06/01/2034 | A2 | 1,450,000 | 1,497,923 |
| Marshall County Library | 4.000 | 06/01/2038 | Aa3 | 1,060,000 | 1,107,774 |
| Owensboro KY Public Property | 4.500 | 04/01/2034 | A2 | 1,165,000 | 1,204,762 |
| River City, Inc. Parking Authority | 4.750 | 06/01/2027 | Aa3 | 750,000 | 819,480 |
| River City, Inc. Parking Authority | 4.750 | 06/01/2028 | Aa3 | 940,000 | 1,024,205 |
| River City, Inc. Parking Authority | 4.750 | 06/01/2029 | Aa3 | 1,160,000 | 1,262,393 |
| River City, Inc. Parking Authority | 4.750 | 06/01/2029 | Aa3 | 980,000 | 1,066,505 |
| River City, Inc. Parking Authority | 4.750 | 06/01/2030 | Aa3 | 1,025,000 | 1,111,018 |
| River City, Inc. Parking Authority | 4.750 | 06/01/2031 | Aa3 | 1,270,000 | 1,373,835 |
| River City, Inc. Parking Authority | 5.000 | 06/01/2031 | Aa3 | 1,080,000 | 1,188,421 |
| River City, Inc. Parking Authority | 5.000 | 06/01/2032 | Aa3 | 1,130,000 | 1,239,972 |
| River City, Inc. Parking Authority | 5.000 | 06/01/2033 | Aa3 | 1,395,000 | 1,527,706 |
| Warren County KY Downtown Economic Development Authority | 5.000 | 06/01/2038 | AA-* | 2,345,000 | 2,512,292 |
| | | | | | 56,614,733 |
| HOSPITAL AND HEALTHCARE REVENUE BONDS | | | | | |
| 5.50% of Net Assets | | | | | |
| KY Development Corporation Hospital Facilities — St. Elizabeth | 4.000 | 05/01/2032 | AA* | 1,810,000 | 1,902,708 |
| KY Development Corporation Hospital Facilities — St. Elizabeth | 4.000 | 05/01/2035 | AA* | 1,390,000 | 1,440,026 |
| KY Development Corporation Hospital Facilities — St. Elizabeth | 4.000 | 05/01/2036 | AA* | 1,200,000 | 1,239,252 |
| KY Development Corporation Hospital Facilities — St. Elizabeth | 5.000 | 05/01/2039 | AA* | 7,185,000 | 7,984,403 |
| Lexington Fayette Urban County Government | 5.250 | 06/01/2032 | A1 | 1,500,000 | 1,603,155 |
| Lexington Fayette Urban County Government Healthcare | 5.250 | 06/01/2028 | A1 | 1,000,000 | 1,069,670 |
| Lexington Fayette Urban County Government Public Facilities | 5.000 | 06/01/2033 | A1 | 5,260,000 | 5,554,981 |
| Louisville & Jefferson County Norton Healthcare | 5.500 | 10/01/2033 | A-* | 2,000,000 | 2,233,800 |
| Louisville & Jefferson County Norton Healthcare | 5.000 | 10/01/2033 | A-* | 8,110,000 | 9,022,213 |
| Louisville & Jefferson County Norton Healthcare | 4.000 | 10/01/2035 | A-* | 3,850,000 | 3,875,333 |
| Louisville & Jefferson County Norton Healthcare | 4.000 | 10/01/2036 | A-* | 7,005,000 | 7,013,896 |
| Warren County KY Community Hospital | 5.000 | 04/01/2035 | A+* | 1,025,000 | 1,105,760 |
| Warren County KY Hospital | 5.000 | 04/01/2028 | A+* | 6,225,000 | 6,830,070 |
| | | | | | 50,875,267 |
| AIRPORT REVENUE BONDS | | | | | |
| .83% of Net Assets | | | | | |
| Lexington Fayette Urban County Airport Board | 5.000 | 07/01/2028 | Aa2 | 1,170,000 | 1,276,891 |
| Lexington Fayette Urban County Airport Board | 5.000 | 07/01/2030 | Aa2 | 1,250,000 | 1,359,800 |
| Lexington Fayette Urban County Airport Board | 5.000 | 07/01/2032 | Aa2 | 1,430,000 | 1,551,593 |
| Lexington Fayette Urban County Airport Board | 5.000 | 07/01/2033 | Aa2 | 1,520,000 | 1,647,118 |
| Lexington Fayette Urban County Airport Board | 5.000 | 07/01/2038 | Aa2 | 1,720,000 | 1,851,270 |
| | | | | | 7,686,672 |

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

DUPREE MUTUAL FUNDS — KENTUCKY TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Kentucky Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|-----------------------|
| AD VALOREM PROPERTY BONDS | | | | | |
| .13% of Net Assets | | | | | |
| Warren County General Obligation | 4.000% | 06/01/2035 | Aa1 | \$ 1,175,000 | \$ 1,236,758 |
| STATE AND LOCAL MORTGAGE/HOUSING REVENUE BONDS | | | | | |
| .13% of Net Assets | | | | | |
| Greater KY Housing Assistance Corporation-Chenoweth Woods | 6.100 | 01/01/2024 | Baa2 | 235,000 | 235,268 |
| KY Housing Corporation Country Place Apartments | 4.750 | 04/20/2031 | AA+* | 935,000 | 958,609 |
| | | | | | <u>1,193,877</u> |
| Total Investments 99.10% of Net Assets (cost \$898,800,684) (See (a) below for further explanation) | | | | | <u>\$ 916,350,692</u> |
| Other assets in excess of liabilities .90% | | | | | <u>8,335,927</u> |
| Net Assets 100% | | | | | <u>\$ 924,686,619</u> |

Ratings by Moody's Investors Services, Inc. unless noted otherwise.
All ratings are as of the date indicated and do not reflect subsequent changes.

* Rated by Standard & Poor's Corporation

@ Rated by Fitch's Investors Service

NR Not Rated

** Security is segregated — see footnote I(D)

(a) Cost for federal income tax purposes is \$898,800,684 and net unrealized appreciation of investments is as follows:

| | |
|-----------------------------|----------------------|
| Unrealized appreciation | \$ 20,767,221 |
| Unrealized depreciation | <u>(3,217,213)</u> |
| Net unrealized appreciation | <u>\$ 17,550,008</u> |

Other Information

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's investments in securities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

| | Valuation Inputs | Municipal Bonds |
|---------|-------------------------------------|------------------------|
| Level 1 | Quoted Prices | \$ — |
| Level 2 | Other Significant Observable Inputs | 916,350,692 |
| Level 3 | Significant Unobservable Inputs | <u>—</u> |
| | | <u>\$ 916,350,692</u> |

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

KENTUCKY TAX-FREE INCOME SERIES

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2018

UNAUDITED

ASSETS:

| | |
|--|-------------------|
| Investments in securities, at fair value (Cost: \$898,800,684) | \$916,350,692 |
| Cash | 2,249,406 |
| Receivable for fund shares sold | 101,496 |
| Interest receivable | <u>11,642,815</u> |
| Total assets | 930,344,409 |

LIABILITIES:

Payable for:

| | |
|-------------------------------|------------------|
| Distributions to shareholders | 3,383,819 |
| Fund shares redeemed | 1,677,181 |
| Investment advisory fee | 297,904 |
| Transfer agent fee | 94,144 |
| Legal fees | 65,085 |
| Trustees fees | 44,061 |
| Registration expense | 21,116 |
| Audit fees | 19,517 |
| Custodian expense | 19,238 |
| Miscellaneous expense | 18,394 |
| Accrued expenses | <u>17,331</u> |
| Total liabilities | <u>5,657,790</u> |

NET ASSETS:

| | |
|------------------------------|----------------------|
| Capital | 907,428,943 |
| Total distributable earnings | <u>17,257,676</u> |
| Net assets at value | <u>\$924,686,619</u> |

NET ASSET VALUE, offering price and redemption price per share

(121,818,785 shares outstanding; unlimited number of shares authorized no par value)

\$ 7.59

STATEMENT OF OPERATIONS

For the six months ended December 31, 2018

Net investment income:

| | |
|--|---------------------|
| Interest income | <u>\$16,535,415</u> |
| Expenses: | |
| Investment advisory fee | 1,791,627 |
| Transfer agent fee | 568,443 |
| Custodian expense | 49,768 |
| Professional fees | 142,113 |
| Trustees fees | 56,545 |
| Other expenses | <u>89,581</u> |
| Total expenses | 2,698,077 |
| Custodian expense reduction | <u>(1,768)</u> |
| Net expenses | <u>2,696,309</u> |
| Net investment income | <u>13,839,106</u> |
| Realized and unrealized gain/(loss) on investments: | |
| Net realized loss | (294,083) |
| Net change in unrealized appreciation/depreciation | <u>21,439</u> |
| Net realized and unrealized loss on investments | <u>(272,644)</u> |
| Net increase in net assets resulting from operations | <u>\$13,566,462</u> |

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

KENTUCKY TAX-FREE INCOME SERIES

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended December 31, 2018 and the year ended June 30, 2018

UNAUDITED

| | Six Months Ended 12/31/2018 | Year Ended 06/30/2018 ⁽¹⁾ |
|--|--------------------------------|---|
| Operations: | | |
| Net investment income | \$ 13,839,106 | \$ 29,271,364 |
| Net realized loss on investments | (294,083) | 1,741,513 |
| Net change in unrealized appreciation/depreciation | <u>21,439</u> | <u>(21,246,045)</u> |
| Net increase in net assets resulting from operations | 13,566,462 | 9,766,832 |
| Total distributions | (15,447,780) | (29,440,381) |
| Net fund share transactions (Note 4) | <u>(27,765,405)</u> | <u>(16,206,584)</u> |
| Total decrease | (29,646,723) | (35,880,133) |
| Net assets: | | |
| Beginning of year | <u>954,333,342</u> | <u>990,213,475</u> |
| End of period | <u>\$924,686,619</u> | <u>\$954,333,342</u> |

¹ The presentation of Total distributions has been updated to reflect the changes prescribed in amendments to Regulation S-X, effective November 5, 2018. For the year ended June 30, 2018, distributions from net investment income were \$29,267,208 and distributions from capital gains were \$173,173. As of June 30, 2018, accumulated net investment income was \$1,630.

FINANCIAL HIGHLIGHTS

| Selected data for a share outstanding: | Six Months Ended | For the years ended June 30, | | | | |
|--|------------------|------------------------------|----------------|----------------|----------------|---------------|
| | 12/31/2018 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net asset value, beginning of year | <u>\$7.60</u> | <u>\$7.76</u> | <u>\$8.06</u> | <u>\$7.83</u> | <u>\$7.89</u> | <u>\$7.74</u> |
| Income from investment operations: | | | | | | |
| Net investment income | 0.11 | 0.23 | 0.24 | 0.25 | 0.26 | 0.27 |
| Net gains/(losses) on securities | <u>0.00</u> | <u>(0.16)</u> | <u>(0.30)</u> | <u>0.23</u> | <u>(0.06)</u> | <u>0.16</u> |
| Total from investment operations | 0.11 | 0.07 | (0.06) | 0.48 | 0.20 | 0.43 |
| Less distributions: | | | | | | |
| Distributions from net investment income | (0.11) | (0.23) | (0.24) | (0.25) | (0.26) | (0.27) |
| Distributions from capital gains | <u>(0.01)</u> | <u>0.00(b)</u> | <u>0.00(b)</u> | <u>0.00(b)</u> | <u>0.00(b)</u> | <u>(0.01)</u> |
| Total distributions | <u>(0.12)</u> | <u>(0.23)</u> | <u>(0.24)</u> | <u>(0.25)</u> | <u>(0.26)</u> | <u>(0.28)</u> |
| Net asset value, end of period | <u>\$7.59</u> | <u>\$7.60</u> | <u>\$7.76</u> | <u>\$8.06</u> | <u>\$7.83</u> | <u>\$7.89</u> |
| Total return | 1.54%(c) | 0.93% | (0.70)% | 6.25% | 2.60% | 5.65% |
| Net assets, end of period (in thousands) | \$924,687 | \$954,333 | \$990,213 | \$1,023,745 | \$989,630 | \$969,549 |
| Ratio of net expenses to average net assets (a) | 0.58%(d) | 0.56% | 0.55% | 0.55% | 0.55% | 0.57% |
| Ratio of gross expenses to average net assets | 0.58%(d) | 0.56% | 0.55% | 0.55% | 0.55% | 0.57% |
| Ratio of net investment income to average net assets | 2.96%(d) | 2.98% | 3.05% | 3.15% | 3.29% | 3.45% |
| Portfolio turnover | 5.73%(c) | 16.81% | 10.44% | 11.53% | 7.80% | 9.43% |

(a) Percentages are after custodian reduction for which no recovery will be sought.

(b) Rounds to less than \$0.01.

(c) Not annualized

(d) Annualized

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

DUPREE MUTUAL FUNDS — KENTUCKY TAX-FREE SHORT-TO-MEDIUM SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Kentucky Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|-------------------|
| MISCELLANEOUS PUBLIC IMPROVEMENT BONDS | | | | | |
| 22.31% of Net Assets | | | | | |
| KY State Property & Building #93 | 5.250% | 02/01/2021 | AA* | \$ 25,000 | \$ 25,071 |
| KY State Property & Building #100 | 5.000 | 08/01/2024 | A1 | 750,000 | 801,660 |
| KY State Property & Building #100 | 5.000 | 08/01/2025 | A1 | 500,000 | 534,310 |
| KY State Property & Building #106 | 5.000 | 10/01/2021 | A1 | 750,000 | 805,095 |
| KY State Property & Building #106 | 5.000 | 10/01/2023 | A1 | 540,000 | 599,578 |
| KY State Property & Building #106 | 5.000 | 10/01/2024 | A1 | 750,000 | 836,355 |
| KY State Property & Building #106 | 5.000 | 10/01/2025 | A1 | 2,365,000 | 2,631,534 |
| KY State Property & Building #106** | 5.000 | 10/01/2026 | A1 | 1,000,000 | 1,110,330 |
| KY State Property & Building #108 | 5.000 | 08/01/2023 | A1 | 2,000,000 | 2,216,120 |
| KY State Property & Building #108 | 5.000 | 08/01/2023 | A1 | 875,000 | 969,553 |
| KY State Property & Building #108 | 5.000 | 08/01/2028 | A1 | 755,000 | 855,181 |
| KY State Property & Building #110 | 5.000 | 08/01/2023 | A1 | 1,750,000 | 1,939,105 |
| | | | | | 13,323,892 |
| SCHOOL IMPROVEMENT BONDS | | | | | |
| 20.59% of Net Assets | | | | | |
| Barren County KY School District Finance Corporation** | 5.000 | 08/01/2022 | A1 | 1,055,000 | 1,158,147 |
| Barren County KY School District Finance Corporation | 5.000 | 08/01/2023 | A1 | 500,000 | 561,870 |
| Bowling Green KY Independent School District Finance Corporation | 5.000 | 08/01/2027 | A1 | 695,000 | 799,313 |
| Bullitt County KY School District Finance Corporation | 5.000 | 09/01/2022 | A1 | 300,000 | 328,983 |
| Fayette County KY School District Finance Corporation** | 4.000 | 06/01/2022 | Aa3 | 1,000,000 | 1,044,530 |
| Fayette County KY School District Finance Corporation | 5.000 | 06/01/2023 | Aa3 | 500,000 | 558,610 |
| Fayette County KY School District Finance Corporation** | 5.000 | 08/01/2023 | Aa3 | 1,000,000 | 1,119,110 |
| Hardin County KY School District | 5.000 | 03/01/2023 | A1 | 770,000 | 853,422 |
| Jefferson County KY School District Finance Corporation** | 4.000 | 12/01/2023 | Aa3 | 1,000,000 | 1,084,890 |
| Jessamine County KY School District Finance Corporation | 5.000 | 02/01/2023 | A1 | 575,000 | 636,588 |
| Johnson County KY School District Finance Corporation | 3.000 | 12/01/2019 | A1 | 85,000 | 86,273 |
| Laurel County KY School District Finance Corporation | 4.000 | 06/01/2022 | A1 | 890,000 | 938,532 |
| Laurel County KY School District Finance Corporation | 4.000 | 06/01/2024 | A1 | 465,000 | 496,471 |
| Pike County School District Finance Corporation | 5.000 | 08/01/2024 | A1 | 250,000 | 283,493 |
| Pike County School District Finance Corporation | 5.000 | 02/01/2025 | A1 | 900,000 | 1,029,500 |
| Pike County School District Finance Corporation | 5.000 | 08/01/2025 | A1 | 200,000 | 230,436 |
| Pike County School District Finance Corporation | 4.000 | 02/01/2028 | A1 | 295,000 | 317,399 |
| Warren County KY School District Finance Corporation | 4.000 | 06/01/2022 | A1 | 725,000 | 766,978 |
| | | | | | 12,294,545 |
| PUBLIC FACILITIES REVENUE BONDS | | | | | |
| 14.36% of Net Assets | | | | | |
| KY State Certificate of Participation** | 4.000 | 06/15/2022 | A1 | 1,000,000 | 1,057,520 |
| KY State Certificate of Participation | 4.000 | 06/15/2023 | A1 | 940,000 | 1,006,062 |
| KY State Certificate of Participation | 4.000 | 06/15/2024 | A1 | 300,000 | 323,448 |
| KY State Property & Building #109** | 5.000 | 10/01/2022 | A1 | 1,000,000 | 1,093,050 |
| Laurel County KY Justice Center | 5.000 | 03/01/2023 | A1 | 600,000 | 660,732 |
| Lexington Fayette Urban County Government — Court Facilities | 5.000 | 10/01/2024 | A1 | 700,000 | 795,165 |
| Livingston County KY Public Properties | 5.000 | 08/01/2022 | A1 | 500,000 | 544,730 |
| Livingston County KY Public Properties | 5.000 | 08/01/2023 | A1 | 525,000 | 582,456 |
| Livingston County KY Public Properties | 5.000 | 08/01/2024 | A1 | 555,000 | 626,257 |
| River City Parking Authority | 5.000 | 12/01/2024 | Aa3 | 340,000 | 389,086 |
| Todd County KY Public Properties Court House | 3.250 | 06/01/2019 | A1 | 100,000 | 100,460 |
| Warren County KY Justice Center Expansion Corporation** | 5.000 | 09/01/2023 | A1 | 1,250,000 | 1,395,563 |
| | | | | | 8,574,529 |
| TURNPIKES/TOLLROAD/HIGHWAY REVENUE BONDS | | | | | |
| 11.44% of Net Assets | | | | | |
| KY Asset Liability Commission Federal Highway | 5.000 | 09/01/2024 | A2 | 500,000 | 568,760 |
| KY Asset Liability Commission Federal Highway | 5.250 | 09/01/2025 | A2 | 675,000 | 761,339 |
| KY Asset Liability Commission Federal Highway | 5.000 | 09/01/2026 | A2 | 2,015,000 | 2,286,400 |
| KY Asset Liability Project Notes | 4.000 | 09/01/2023 | A2 | 250,000 | 268,355 |

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

DUPREE MUTUAL FUNDS — KENTUCKY TAX-FREE SHORT-TO-MEDIUM SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Kentucky Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|-------------------|
| KY State Turnpike Authority Economic Development | 5.000% | 07/01/2024 | Aa3 | \$ 1,175,000 | \$ 1,338,020 |
| KY State Turnpike Authority Economic Development | 5.000 | 07/01/2026 | Aa3 | 1,385,000 | 1,605,063 |
| | | | | | 6,827,937 |
| REFUNDING BONDS | | | | | |
| 7.93% of Net Assets | | | | | |
| KY State Property & Building #83 | 5.000 | 10/01/2019 | A1 | 1,750,000 | 1,787,380 |
| KY State Property & Building #84** | 5.000 | 08/01/2019 | A1 | 1,000,000 | 1,016,880 |
| KY State Property & Building #104** | 5.000 | 11/01/2021 | A2 | 1,000,000 | 1,075,900 |
| KY State Property & Building #108 | 5.000 | 08/01/2022 | A1 | 200,000 | 217,964 |
| KY State Property & Building #112 | 5.000 | 11/01/2026 | A1 | 555,000 | 638,222 |
| | | | | | 4,736,346 |
| HOSPITAL AND HEALTHCARE REVENUE BONDS | | | | | |
| 6.08% of Net Assets | | | | | |
| Lexington-Fayette Urban County Government | 5.000 | 06/01/2024 | A1 | 2,800,000 | 2,977,352 |
| Warren County Hospital | 4.000 | 04/01/2020 | A+* | 105,000 | 106,547 |
| Warren County Hospital | 5.000 | 04/01/2023 | A+* | 500,000 | 545,650 |
| | | | | | 3,629,549 |
| UNIVERSITY CONSOLIDATED EDUCATION AND BUILDING REVENUE BONDS | | | | | |
| 5.79% of Net Assets | | | | | |
| University of Kentucky General Receipts | 4.000 | 04/01/2028 | Aa2 | 750,000 | 805,005 |
| University of Louisville | 5.000 | 03/01/2024 | A1 | 350,000 | 394,867 |
| University of Louisville** | 5.000 | 03/01/2024 | A1 | 2,000,000 | 2,256,380 |
| | | | | | 3,456,252 |
| MUNICIPAL UTILITY REVENUE BONDS | | | | | |
| 5.06% of Net Assets | | | | | |
| Campbell & Kenton Counties Sanitation District #1 | 4.000 | 08/01/2031 | Aa3 | 1,000,000 | 1,067,360 |
| Frankfort Electric & Water | 4.000 | 12/01/2023 | AA* | 440,000 | 474,580 |
| KY Rural Water Finance Corporation | 4.500 | 08/01/2021 | A+* | 100,000 | 100,108 |
| Lexington Fayette Urban County Government | 4.000 | 09/01/2027 | Aa2 | 435,000 | 470,461 |
| Northern KY Water | 5.000 | 02/01/2026 | Aa3 | 815,000 | 910,192 |
| | | | | | 3,022,701 |
| PREREFUNDED BONDS | | | | | |
| 3.39% of Net Assets | | | | | |
| KY Infrastructure Authority Wastewater & Drinking Water | 5.000 | 02/01/2025 | Aaa | 175,000 | 191,335 |
| KY Turnpike Economic Development Road Revenue** | 5.000 | 07/01/2024 | Aa3 | 1,000,000 | 1,075,090 |
| KY Turnpike Economic Development Road Revenue | 5.000 | 07/01/2023 | Aa3 | 600,000 | 662,051 |
| KY Turnpike Economic Development Road Revenue | 5.000 | 07/01/2024 | Aa3 | 85,000 | 93,791 |
| | | | | | 2,022,267 |
| AIRPORT REVENUE BONDS | | | | | |
| 0.97% of Net Assets | | | | | |
| Kenton County Airport | 5.000 | 01/01/2026 | A2 | 500,000 | 579,120 |
| Total Investments 97.92% of Net Assets (cost \$58,263,360) (See (a) below for further explanation) | | | | | \$ 58,467,138 |
| Other assets in excess of liabilities 2.08% | | | | | 1,240,621 |
| Net Assets 100% | | | | | \$ 59,707,759 |

- # Ratings by Moody's Investors Services, Inc. unless noted otherwise.
All ratings are as of the date indicated and do not reflect subsequent changes.
* Rated by Standard & Poor's Corporation
@ Rated by Fitch's Investors Service
NR Not Rated
** Security is segregated — see footnote 1(D)

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

DUPREE MUTUAL FUNDS — KENTUCKY TAX-FREE SHORT-TO-MEDIUM SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Kentucky Municipal Bonds
December 31, 2018

UNAUDITED

(a) Cost for federal income tax purposes is \$58,263,360 and net unrealized appreciation of investments is as follows:

| | | |
|-----------------------------|----|------------------|
| Unrealized appreciation | \$ | 389,781 |
| Unrealized depreciation | | <u>(186,003)</u> |
| Net unrealized appreciation | \$ | <u>203,778</u> |

Other Information

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's investments in securities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

| | <u>Valuation Inputs</u> | <u>Municipal Bonds</u> |
|---------|-------------------------------------|------------------------|
| Level 1 | Quoted Prices | \$ — |
| Level 2 | Other Significant Observable Inputs | 58,467,138 |
| Level 3 | Significant Unobservable Inputs | <u>—</u> |
| | | <u>\$ 58,467,138</u> |

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

KENTUCKY TAX-FREE SHORT-TO-MEDIUM SERIES

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2018

UNAUDITED

ASSETS:

| | |
|---|-------------------|
| Investments in securities, at fair value (Cost: \$58,263,360) | \$58,467,138 |
| Cash | 660,023 |
| Receivable for fund shares sold | 3,000 |
| Interest receivable | 793,584 |
| Total assets | <u>59,923,745</u> |

LIABILITIES:

Payable for:

| | |
|-------------------------------|----------------|
| Distributions to shareholders | 38,168 |
| Fund shares redeemed | 114,253 |
| Investment advisory fee | 22,168 |
| Transfer agent fee | 7,639 |
| Postage expense | 5,852 |
| Legal fees | 5,478 |
| Audit fees | 5,086 |
| Custodian expense | 3,835 |
| Printing expense | 3,389 |
| Registration expense | 3,232 |
| Trustees fees | 1,655 |
| Accrued expenses | 5,231 |
| Total liabilities | <u>215,986</u> |

NET ASSETS:

| | |
|----------------------------|---------------------|
| Capital | 59,778,806 |
| Total distributable losses | (71,047) |
| Net assets at value | <u>\$59,707,759</u> |

NET ASSET VALUE, offering price and redemption price per share

(11,412,925 shares outstanding; unlimited number of shares authorized no par value) \$ 5.23

STATEMENT OF OPERATIONS

For the six months ended December 31, 2018

Net investment income:

| | |
|--|------------------|
| Interest income | \$783,750 |
| Expenses: | |
| Investment advisory fee | 156,098 |
| Transfer agent fee | 40,488 |
| Professional fees | 12,222 |
| Custodian expense | 7,873 |
| Pricing fees | 4,259 |
| Trustees fees | 3,763 |
| Other expenses | 12,566 |
| Total expenses | 237,269 |
| Fees waived by Adviser (Note 2) | (18,058) |
| Custodian expense reduction | (280) |
| Net expenses | <u>218,931</u> |
| Net investment income | <u>564,819</u> |
| Realized and unrealized gain/(loss) on investments: | |
| Net realized loss | (64,279) |
| Net change in unrealized appreciation/depreciation | 207,682 |
| Net realized and unrealized gain on investments | <u>143,403</u> |
| Net increase in net assets resulting from operations | <u>\$708,222</u> |

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

KENTUCKY TAX-FREE SHORT-TO-MEDIUM SERIES

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended December 31, 2018 and the year ended June 30, 2018

UNAUDITED

| | Six Months Ended 12/31/2018 | Year Ended 06/30/2018 ⁽¹⁾ |
|---|--------------------------------|---|
| Operations: | | |
| Net investment income | \$ 564,819 | \$ 1,191,167 |
| Net realized loss on investments | (64,279) | (25,756) |
| Net change in unrealized appreciation/depreciation | <u>207,682</u> | <u>(1,476,700)</u> |
| Net increase/(decrease) in net assets resulting from operations | 708,222 | (311,289) |
| Total distributions | (564,819) | (1,191,167) |
| Net fund share transactions (Note 4) | <u>(3,081,436)</u> | <u>(8,024,017)</u> |
| Total decrease | (2,938,033) | (9,526,473) |
| Net assets: | | |
| Beginning of year | <u>62,645,792</u> | <u>72,172,265</u> |
| End of period | <u>\$59,707,759</u> | <u>\$62,645,792</u> |

⁽¹⁾ The presentation of Total distributions has been updated to reflect the changes prescribed in amendments to Regulation S-X, effective November 5, 2018. For the year ended June 30, 2018, distributions from net investment income were \$1,191,167. As of June 30, 2018, accumulated net investment income was \$0.

Selected data for a share outstanding:

| | Six Months Ended 12/31/2018 | For the years ended June 30, | | | | |
|--|--------------------------------|------------------------------|---------------|---------------|---------------|---------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net asset value, beginning of year | <u>\$5.22</u> | <u>\$5.33</u> | <u>\$5.45</u> | <u>\$5.35</u> | <u>\$5.44</u> | <u>\$5.43</u> |
| Income from investment operations: | | | | | | |
| Net investment income | 0.05 | 0.09 | 0.10 | 0.11 | 0.12 | 0.12 |
| Net gains/(losses) on securities | <u>0.01</u> | <u>(0.11)</u> | <u>(0.12)</u> | <u>0.10</u> | <u>(0.09)</u> | <u>0.01</u> |
| Total from investment operations | 0.06 | (0.02) | (0.02) | 0.21 | 0.03 | 0.13 |
| Less distributions: | | | | | | |
| Distributions from net investment income | <u>(0.05)</u> | <u>(0.09)</u> | <u>(0.10)</u> | <u>(0.11)</u> | <u>(0.12)</u> | <u>(0.12)</u> |
| Net asset value, end of period | <u>\$5.23</u> | <u>\$5.22</u> | <u>\$5.33</u> | <u>\$5.45</u> | <u>\$5.35</u> | <u>\$5.44</u> |
| Total return | 1.11%(b) | (0.32)% | (0.44)% | 3.88% | 0.50% | 2.35% |
| Net assets, end of period (in thousands) | \$59,708 | \$62,646 | \$72,172 | \$85,169 | \$80,055 | \$82,218 |
| Ratio of net expenses to average net assets (a) | 0.71%(c) | 0.70% | 0.71% | 0.72% | 0.73% | 0.74% |
| Ratio of gross expenses to average net assets | 0.77%(c) | 0.75% | 0.73% | 0.72% | 0.73% | 0.74% |
| Ratio of net investment income to average net assets | 1.82%(c) | 1.76% | 1.79% | 1.96% | 2.17% | 2.14% |
| Portfolio turnover | 4.68%(b) | 4.69% | 14.84% | 26.49% | 20.19% | 9.06% |

(a) Percentages are after expense waivers and reductions by the Adviser and Custodian. The Adviser and Custodian have agreed not to seek recovery of these waivers and reductions.

(b) Not annualized

(c) Annualized

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

DUPREE MUTUAL FUNDS — MISSISSIPPI TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Mississippi Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|-------------------|
| PREREFUNDED BONDS | | | | | |
| 36.29% of Net Assets | | | | | |
| Alcorn State University Educational Building | 5.125% | 09/01/2034 | Aa2 | \$ 95,000 | \$ 97,075 |
| Jackson State University Educational Building | 5.000 | 03/01/2034 | Aa2 | 175,000 | 181,433 |
| MS Development Bank Special Obligation Canton | 5.750 | 10/01/2031 | A2 | 370,000 | 406,830 |
| MS Development Bank Special Obligation Department of Corrections | 5.250 | 08/01/2027 | AA-* | 50,000 | 52,648 |
| MS Development Bank Special Obligation Department of Corrections | 5.250 | 08/01/2027 | AA-* | 305,000 | 321,202 |
| MS Development Bank Special Obligation Hinds College | 5.000 | 10/01/2026 | A1 | 85,000 | 87,021 |
| MS Development Bank Special Obligation Hinds College | 5.125 | 10/01/2028 | A1 | 100,000 | 102,471 |
| MS Development Bank Special Obligation Hinds College | 5.375 | 10/01/2033 | A1 | 60,000 | 61,594 |
| MS Development Bank Special Obligation Hinds College | 5.000 | 04/01/2036 | A2 | 250,000 | 267,555 |
| MS Development Bank Special Obligation Jones County Junior College** | 5.000 | 03/01/2033 | AA* | 25,000 | 25,135 |
| MS Development Bank Special Obligation Jones County Junior College | 5.125 | 03/01/2039 | AA* | 45,000 | 45,252 |
| MS Development Bank Special Obligation Jones County Rest Home | 5.250 | 04/01/2028 | A2 | 120,000 | 128,947 |
| MS Development Bank Special Obligation Lowndes County | 5.125 | 12/01/2027 | AA* | 135,000 | 143,181 |
| MS Development Bank Special Obligation Marshall County | 5.000 | 01/01/2028 | Aa3 | 200,000 | 218,120 |
| MS State Capital Improvement Projects | 5.000 | 10/01/2029 | Aa2 | 145,000 | 157,066 |
| MS State Capital Improvement Projects | 5.000 | 10/01/2036 | Aa2 | 280,000 | 303,299 |
| MS State University Educational Building Corporation Revenue | 5.250 | 08/01/2033 | Aa2 | 50,000 | 51,005 |
| MS State University Educational Building Corporation Revenue | 5.000 | 08/01/2036 | Aa2 | 175,000 | 188,886 |
| MS State University Educational Building Corporation Revenue** | 5.250 | 08/01/2038 | Aa2 | 300,000 | 342,774 |
| Southern Mississippi Educational Building Corporation | 5.000 | 03/01/2038 | Aa2 | 600,000 | 673,390 |
| University of Mississippi Educational Building Corporation | 5.000 | 10/01/2028 | Aa2 | 200,000 | 216,586 |
| | | | | | 4,071,470 |
| UNIVERSITY CONSOLIDATED EDUCATION AND BUILDING REVENUE BONDS | | | | | |
| 20.16% of Net Assets | | | | | |
| Jackson State University Educational Building | 5.000 | 03/01/2034 | Aa2 | 440,000 | 493,662 |
| Mississippi State University Educational Building | 5.000 | 11/01/2032 | Aa2 | 125,000 | 142,826 |
| MS Development Bank Special Obligation Gulf Coast Community Project** | 4.000 | 12/01/2034 | AA-* | 300,000 | 313,242 |
| MS Development Bank Special Obligation Pearl River Community College | 5.000 | 10/01/2033 | AA-* | 125,000 | 143,260 |
| MS State University Educational Building Corporation Revenue | 5.000 | 08/01/2033 | Aa2 | 225,000 | 260,300 |
| MS State University Educational Building Corporation Revenue | 4.000 | 08/01/2036 | Aa2 | 250,000 | 261,460 |
| University of Mississippi Educational Building Corporation | 5.000 | 10/01/2031 | Aa2 | 205,000 | 236,062 |
| University Southern MS Educational Building Corporation | 5.000 | 09/01/2033 | Aa2 | 360,000 | 411,088 |
| | | | | | 2,261,900 |
| MUNICIPAL UTILITY REVENUE BONDS | | | | | |
| 12.24% of Net Assets | | | | | |
| MS Development Bank Special Obligation Hattiesburg Water & Sewer | 4.750 | 12/01/2038 | AA* | 700,000 | 752,611 |
| MS Development Bank Special Obligation Jackson Water & Sewer | 4.500 | 09/01/2034 | A2 | 100,000 | 102,700 |
| MS Development Bank Special Obligation Jackson Water & Sewer | 6.875 | 12/01/2040 | A3 | 250,000 | 294,595 |
| MS Development Bank Special Obligation Tupelo | 5.000 | 05/01/2033 | Aa2 | 150,000 | 168,875 |
| MS Development Bank Special Obligation West Jackson County Utility District | 5.000 | 12/01/2033 | A* | 50,000 | 54,491 |
| | | | | | 1,373,272 |
| TURNPIKES/TOLLROAD/HIGHWAY REVENUE BONDS | | | | | |
| 8.47% of Net Assets | | | | | |
| MS Development Bank Desoto County Highway | 5.000 | 01/01/2030 | Aa3 | 100,000 | 109,340 |
| MS Development Bank Special Obligation Highway Construction | 5.000 | 01/01/2025 | Aa3 | 200,000 | 228,058 |
| MS Development Bank Special Obligation Highway Construction | 5.000 | 01/01/2029 | Aa3 | 300,000 | 344,463 |
| MS Development Bank Special Obligation Highway Construction | 4.000 | 01/01/2030 | Aa3 | 175,000 | 184,940 |
| MS Development Bank Special Obligation Marshall County | 5.000 | 01/01/2030 | Aa3 | 75,000 | 84,011 |
| | | | | | 950,812 |

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

DUPREE MUTUAL FUNDS — MISSISSIPPI TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Mississippi Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|----------------------|
| PUBLIC FACILITIES REVENUE BONDS | | | | | |
| 8.14% of Net Assets | | | | | |
| MS Development Bank Special Obligation Brandon Public Improvement** | 4.000% | 08/01/2033 | AA* | \$ 300,000 | \$ 317,490 |
| MS Development Bank Special Obligation Brandon Public Improvement | 5.000 | 11/01/2033 | Aa3 | 150,000 | 168,671 |
| MS Development Bank Special Obligation Brandon Public Improvement | 4.000 | 08/01/2035 | AA* | 150,000 | 157,401 |
| MS Development Bank Special Obligation Hinds County | 4.000 | 11/01/2035 | Aa3 | 100,000 | 103,459 |
| MS Development Bank Special Obligation Meridian Arts Center | 5.000 | 03/01/2034 | A2 | 150,000 | 166,643 |
| | | | | | <u>913,664</u> |
| REFUNDING BONDS | | | | | |
| 4.72% of Net Assets | | | | | |
| MS State Refunding | 5.250 | 11/01/2019 | Aa2 | 50,000 | 51,411 |
| MS State Refunding | 5.000 | 10/01/2033 | Aa2 | 150,000 | 174,941 |
| MS State Refunding | 4.000 | 10/01/2036 | Aa2 | 290,000 | 303,061 |
| | | | | | <u>529,413</u> |
| SCHOOL IMPROVEMENT BONDS | | | | | |
| 4.66% of Net Assets | | | | | |
| MS Development Bank Special Obligation Canton School District | 5.000 | 12/01/2033 | A1 | 100,000 | 113,073 |
| MS Development Bank Special Obligation Jackson Schools | 5.000 | 04/01/2028 | A+* | 375,000 | 409,395 |
| | | | | | <u>522,468</u> |
| MISCELLANEOUS PUBLIC IMPROVEMENT BONDS | | | | | |
| 1.23% of Net Assets | | | | | |
| Mississippi State Gaming Tax Revenue | 5.000 | 10/15/2035 | A3 | 125,000 | 138,225 |
| HOSPITAL AND HEALTHCARE REVENUE BONDS | | | | | |
| .88% of Net Assets | | | | | |
| Medical Center Educational Building Corporation MS Revenue | 5.500% | 12/01/2023 | Aa2 | 90,000 | 98,874 |
| Total Investments 96.79% of Net Assets (cost \$10,564,839) (See (a) below for further explanation) | | | | | <u>\$ 10,860,098</u> |
| Other assets in excess of liabilities 3.21% | | | | | <u>360,115</u> |
| Net Assets 100% | | | | | <u>\$ 11,220,213</u> |

- # Ratings by Moody's Investors Services, Inc. unless noted otherwise.
- All ratings are as of the date indicated and do not reflect subsequent changes.
- * Rated by Standard & Poor's Corporation
- @ Rated by Fitch's Investors Service
- NR Not Rated
- ** Security is segregated — see footnote I(D)

(a) Cost for federal income tax purposes is \$10,564,839 and net unrealized appreciation of investments is as follows:

| | | |
|-----------------------------|----|-----------------|
| Unrealized appreciation | \$ | 321,357 |
| Unrealized depreciation | | <u>(26,098)</u> |
| Net unrealized appreciation | \$ | <u>295,259</u> |

Other Information

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's investments in securities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

| | Valuation Inputs | Municipal Bonds |
|---------|-------------------------------------|------------------------|
| Level 1 | Quoted Prices | \$ — |
| Level 2 | Other Significant Observable Inputs | 10,860,098 |
| Level 3 | Significant Unobservable Inputs | <u>—</u> |
| | | <u>\$ 10,860,098</u> |

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

MISSISSIPPI TAX-FREE INCOME SERIES

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2018

UNAUDITED

ASSETS:

| | |
|---|-------------------|
| Investments in securities, at fair value (Cost: \$10,564,839) | \$10,860,098 |
| Cash | 286,696 |
| Interest receivable | 140,723 |
| Total assets | <u>11,287,517</u> |

LIABILITIES:

Payable for:

| | |
|-------------------------------|---------------|
| Distributions to shareholders | 48,858 |
| Investment advisory fee | 2,083 |
| Transfer agent fee | 3,058 |
| Custodian expense | 3,356 |
| Professional fees | 2,983 |
| Insurance expense | 704 |
| Pricing fees | 854 |
| Trustees fees | 679 |
| Accrued expenses | <u>4,729</u> |
| Total liabilities | <u>67,304</u> |

NET ASSETS:

| | |
|------------------------------|---------------------|
| Capital | 10,925,011 |
| Total distributable earnings | 295,202 |
| Net assets at value | <u>\$11,220,213</u> |

NET ASSET VALUE, offering price and redemption price per share

(944,618 shares outstanding; unlimited number of shares authorized; no par value) \$ 11.88

STATEMENT OF OPERATIONS

For the six months ended December 31, 2018

Net investment income:

| | |
|--|------------------|
| Interest income | <u>\$194,255</u> |
| Expenses: | |
| Investment advisory fee | 27,807 |
| Transfer agent fee | 8,342 |
| Professional fees | 5,055 |
| Custodian expense | 3,848 |
| Registration expense | 3,717 |
| Pricing fees | 2,016 |
| Trustees fees | 673 |
| Other expenses | <u>1,570</u> |
| Total expenses | 53,028 |
| Fees waived by Adviser (Note 2) | (13,907) |
| Custodian expense reduction | <u>(137)</u> |
| Net expenses | <u>38,984</u> |
| Net investment income | <u>155,271</u> |
| Realized and unrealized gain/(loss) on investments: | |
| Net realized gain | 3,941 |
| Net change in unrealized appreciation/depreciation | <u>(47,079)</u> |
| Net realized and unrealized loss on investments | <u>(43,138)</u> |
| Net increase in net assets resulting from operations | <u>\$112,133</u> |

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

MISSISSIPPI TAX-FREE INCOME SERIES

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended December 31, 2018 and the year ended June 30, 2018

UNAUDITED

| | Six Months Ended 12/31/2018 | Year Ended 06/30/2018 ⁽¹⁾ |
|--|--------------------------------|---|
| Operations: | | |
| Net investment income | \$ 155,271 | \$ 326,244 |
| Net realized gain on investments | 3,941 | 2,307 |
| Net change in unrealized appreciation/depreciation | <u>(47,079)</u> | <u>(202,768)</u> |
| Net increase in net assets resulting from operations | 112,133 | 125,783 |
| Total distributions | (155,471) | (334,465) |
| Net fund share transactions (Note 4) | <u>(351,531)</u> | <u>(624,288)</u> |
| Total decrease | (394,869) | (832,970) |
| Net assets: | | |
| Beginning of year | <u>11,615,082</u> | <u>12,448,052</u> |
| End of period | <u>\$11,220,213</u> | <u>\$11,615,082</u> |

¹ The presentation of Total distributions has been updated to reflect the changes prescribed in amendments to Regulation S-X, effective November 5, 2018. For the year ended June 30, 2018, distributions from net investment income were \$326,227 and distributions from capital gains were \$8,238. As of June 30, 2018, accumulated net investment income was \$9.

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding:

| | Six Months Ended 12/31/2018 | For the years ended June 30, | | | | |
|--|--------------------------------|------------------------------|----------------|----------------|----------------|----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net asset value, beginning of year | <u>\$11.92</u> | <u>\$12.14</u> | <u>\$12.55</u> | <u>\$12.03</u> | <u>\$11.95</u> | <u>\$11.65</u> |
| Income from investment operations: | | | | | | |
| Net investment income | 0.17 | 0.33 | 0.34 | 0.36 | 0.37 | 0.38 |
| Net gains/(losses) on securities | <u>(0.04)</u> | <u>(0.22)</u> | <u>(0.41)</u> | <u>0.52</u> | <u>0.08</u> | <u>0.31</u> |
| Total from investment operations | 0.13 | 0.11 | (0.07) | 0.88 | 0.45 | 0.69 |
| Less distributions: | | | | | | |
| Distributions from net investment income | (0.17) | (0.33) | (0.34) | (0.36) | (0.37) | (0.38) |
| Distributions from capital gains | <u>0.00(b)</u> | <u>0.00(b)</u> | <u>0.00(b)</u> | <u>0.00</u> | <u>0.00</u> | <u>(0.01)</u> |
| Total distributions | <u>(0.17)</u> | <u>(0.33)</u> | <u>(0.34)</u> | <u>(0.36)</u> | <u>(0.37)</u> | <u>(0.39)</u> |
| Net asset value, end of period | <u>\$11.88</u> | <u>\$11.92</u> | <u>\$12.14</u> | <u>\$12.55</u> | <u>\$12.03</u> | <u>\$11.95</u> |
| Total return | 1.08%(c) | 0.99% | (0.48)% | 7.49% | 3.80% | 6.08% |
| Net assets, end of period (in thousands) | \$11,220 | \$11,615 | \$12,448 | \$11,505 | \$10,916 | \$10,450 |
| Ratio of net expenses to average net assets (a) | 0.71%(d) | 0.70% | 0.70% | 0.70% | 0.69% | 0.69% |
| Ratio of gross expenses to average net assets | 0.96%(d) | 0.92% | 0.85% | 0.88% | 0.86% | 0.90% |
| Ratio of net investment income to average net assets | 2.81%(d) | 2.75% | 2.80% | 2.97% | 3.07% | 3.26% |
| Portfolio turnover | 1.31%(c) | 7.26% | 14.06% | 3.26% | 6.47% | 1.96% |

(a) Percentages are after expense waivers and reductions by the Adviser and Custodian. The Adviser and Custodian have agreed not to seek recovery of these waivers and reductions.

(b) Rounds to less than \$0.01.

(c) Not annualized

(d) Annualized

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

DUPREE MUTUAL FUNDS — NORTH CAROLINA TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
North Carolina Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|-------------------|
| UNIVERSITY CONSOLIDATED EDUCATION AND BUILDING REVENUE BONDS | | | | | |
| 18.66% of Net Assets | | | | | |
| Appalachian NC State University | 4.000% | 05/01/2033 | A1 | \$ 500,000 | \$ 521,765 |
| Appalachian NC State University | 5.000 | 05/01/2036 | A1 | 1,000,000 | 1,133,840 |
| Iredell County NC Community College | 5.000 | 04/01/2026 | Aa1 | 225,000 | 225,477 |
| Iredell County NC Community College | 5.000 | 04/01/2027 | Aa1 | 325,000 | 325,683 |
| NC State Capital Facilities Davidson College | 5.000 | 03/01/2032 | AA+* | 310,000 | 337,296 |
| NC State Capital Facilities Duke University | 5.000 | 10/01/2041 | Aa1 | 2,000,000 | 2,242,680 |
| NC State Capital Facilities Finance Agency Davidson College | 4.750 | 03/01/2035 | AA+* | 1,000,000 | 1,068,060 |
| NC State University at Raleigh | 5.000 | 10/01/2042 | Aa1 | 750,000 | 830,978 |
| Scotland County NC | 5.000 | 12/01/2033 | A* | 250,000 | 290,558 |
| University of NC at Charlotte Board of Governors | 4.000 | 10/01/2037 | Aa3 | 750,000 | 783,780 |
| University of NC at Charlotte Board of Governors | 5.000 | 10/01/2042 | Aa3 | 250,000 | 283,483 |
| University of NC Charlotte | 5.000 | 04/01/2035 | Aa3 | 595,000 | 667,429 |
| University of NC Charlotte | 4.000 | 10/01/2035 | Aa3 | 250,000 | 264,365 |
| University of NC Charlotte | 4.000 | 10/01/2036 | Aa3 | 250,000 | 262,613 |
| University of NC Charlotte | 5.000 | 04/01/2038 | Aa3 | 1,000,000 | 1,116,510 |
| University of NC Charlotte | 5.000 | 04/01/2040 | Aa3 | 2,650,000 | 2,980,426 |
| University of NC Charlotte | 5.000 | 04/01/2043 | Aa3 | 1,500,000 | 1,663,875 |
| University of NC Greensboro | 5.000 | 04/01/2033 | Aa3 | 900,000 | 1,012,851 |
| University of NC Greensboro | 4.000 | 04/01/2035 | Aa3 | 750,000 | 795,218 |
| University of NC Greensboro | 4.000 | 04/01/2036 | Aa3 | 500,000 | 526,870 |
| University of NC Greensboro | 5.000 | 04/01/2038 | Aa3 | 425,000 | 490,599 |
| University of NC Greensboro | 5.000 | 04/01/2039 | Aa3 | 2,870,000 | 3,186,530 |
| University of NC Wilmington Limited Obligation | 5.000 | 06/01/2033 | A1 | 550,000 | 620,257 |
| University of NC Wilmington Limited Obligation | 4.000 | 06/01/2034 | A1 | 500,000 | 526,890 |
| University of North Carolina | 5.000 | 10/01/2033 | A1 | 30,000 | 30,042 |
| Western Carolina University | 5.000 | 10/01/2035 | Aa3 | 1,000,000 | 1,165,730 |
| Western Carolina University | 5.000 | 10/01/2045 | Aa3 | 825,000 | 921,905 |
| | | | | | 24,275,710 |
| HOSPITAL AND HEALTHCARE REVENUE BONDS | | | | | |
| 13.18% of Net Assets | | | | | |
| Charlotte Mecklenburg NC Hospital Healthcare System | 5.250 | 01/15/2039 | Aa3 | 750,000 | 750,975 |
| Charlotte Mecklenburg NC Hospital Healthcare System | 5.000 | 01/15/2039 | Aa3 | 1,500,000 | 1,613,895 |
| Charlotte Medlenburg NC Hospital Authority Atrium Health | 5.000 | 01/15/2036 | Aa3 | 590,000 | 678,376 |
| NC State Medical Care Commission Duke University Health | 5.000 | 06/01/2035 | Aa2 | 500,000 | 545,310 |
| NC State Medical Care Commission Health Care Facilities Mission Health** | 5.000 | 10/01/2036 | Aa3 | 3,045,000 | 3,139,730 |
| NC State Medical Care Commission Health Care Facilities Rex Hospital | 5.000 | 07/01/2030 | A2 | 500,000 | 521,225 |
| NC State Medical Care Commission Health Care Facilities Rex Hospital | 5.000 | 07/01/2033 | A2 | 750,000 | 838,928 |
| NC State Medical Care Commission Health Care Facilities Vidant Health | 5.000 | 06/01/2036 | A1 | 1,000,000 | 1,072,870 |
| NC State Medical Care Commission Health Care Facilities Vidant Health | 5.000 | 06/01/2040 | A1 | 1,385,000 | 1,510,079 |
| NC State Medical Care Commission Health Care Facilities Wake Medical | 5.000 | 10/01/2031 | A2 | 1,000,000 | 1,095,690 |
| NC State Medical Care Commission Health Care Facilities Wake Medical | 5.000 | 10/01/2038 | A2 | 200,000 | 216,218 |
| NC State Medical Care Commission Hospital Revenue NC Baptist Hospital | 5.250 | 06/01/2029 | A2 | 645,000 | 674,586 |
| NC State Medical Care Commission Hospital Revenue NC Baptist Hospital | 4.750 | 06/01/2030 | A2 | 405,000 | 419,953 |
| NC State Medical Care Commission Hospital Revenue NC Baptist Hospital | 5.000 | 06/01/2034 | A2 | 1,225,000 | 1,276,940 |
| NC State Medical Care Commission Wake Forest Baptist Hospital | 5.000 | 12/01/2033 | A2 | 1,000,000 | 1,092,700 |
| New Hanover County NC Hospital Revenue New Hanover Regional Medical Center | 5.000 | 10/01/2034 | A1 | 1,500,000 | 1,696,005 |
| | | | | | 17,143,480 |

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

DUPREE MUTUAL FUNDS — NORTH CAROLINA TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
North Carolina Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|-------------------|
| PREREFUNDED BONDS | | | | | |
| 13.10% of Net Assets | | | | | |
| Cabarrus County NC Certificates of Participation | 5.000% | 01/01/2029 | Aa2 | \$ 750,000 | \$ 750,000 |
| Jacksonville Public Facilities Corporation Limited Obligation | 5.000 | 04/01/2031 | Aa3 | 265,000 | 290,941 |
| Jacksonville Public Facilities Corporation Limited Obligation | 5.000 | 04/01/2032 | Aa3 | 100,000 | 109,789 |
| Johnston County NC Installment Financing Contract | 5.000 | 10/15/2027 | Aa2 | 570,000 | 601,538 |
| Mecklenburg County NC Certificates of Participation | 5.000 | 02/01/2028 | Aa1 | 415,000 | 416,129 |
| Moore County NC** | 5.000 | 06/01/2031 | Aa3 | 2,750,000 | 2,872,100 |
| Nash County NC Limited Obligation** | 5.000 | 10/01/2030 | Aa3 | 1,640,000 | 1,727,051 |
| NC Capital Facilities Financial Agency Education Duke University | 5.000 | 10/01/2038 | Aa1 | 500,000 | 503,980 |
| NC Eastern Municipal Power Agency | 6.000 | 01/01/2025 | Baa2 | 1,150,000 | 1,404,505 |
| NC Eastern Municipal Power Agency | 6.000 | 01/01/2026 | NR | 275,000 | 308,242 |
| NC State Medical Care Commission Health Care Facilities | 5.000 | 06/01/2034 | NR | 1,670,000 | 1,692,128 |
| Orange County NC Public Facilities Company Limited Obligation | 4.750 | 10/01/2032 | Aa1 | 750,000 | 827,280 |
| Pitt County NC Limited Obligation | 5.000 | 04/01/2035 | Aa2 | 105,000 | 109,132 |
| University of NC Charlotte | 5.000 | 04/01/2031 | Aa3 | 750,000 | 823,418 |
| University of NC Greensboro | 5.000 | 04/01/2031 | Aa3 | 500,000 | 549,275 |
| University of NC Greensboro | 5.000 | 04/01/2036 | Aa3 | 500,000 | 549,275 |
| University of NC System Pool Revenue | 5.000 | 10/01/2034 | Aa2 | 1,950,000 | 1,995,182 |
| Wake County NC Limited Obligation | 5.000 | 06/01/2032 | Aa1 | 1,500,000 | 1,520,115 |
| | | | | | 17,050,080 |
| SCHOOL IMPROVEMENT BONDS | | | | | |
| 11.76% of Net Assets | | | | | |
| Brunswick County NC Limited Obligation | 5.000 | 06/01/2030 | Aa3 | 250,000 | 285,563 |
| Brunswick County NC Limited Obligation | 5.000 | 06/01/2031 | Aa3 | 250,000 | 284,770 |
| Cabarrus County NC | 4.000 | 06/01/2034 | Aa2 | 795,000 | 846,421 |
| Cabarrus County NC Limited Obligation | 5.000 | 04/01/2035 | Aa2 | 1,435,000 | 1,636,747 |
| Cabarrus County NC Limited Obligation | 4.000 | 06/01/2035 | Aa2 | 1,500,000 | 1,586,760 |
| Davidson County NC Limited Obligation | 5.000 | 06/01/2032 | Aa3 | 500,000 | 577,540 |
| Duplin County NC Limited Obligation | 5.000 | 04/01/2032 | A2 | 750,000 | 851,760 |
| Duplin County NC Limited Obligation | 5.000 | 04/01/2034 | A2 | 865,000 | 976,334 |
| Henderson County NC Limited Obligation | 4.000 | 06/01/2034 | Aa3 | 200,000 | 214,092 |
| Onslow County NC Limited Obligation | 5.000 | 06/01/2033 | Aa3 | 500,000 | 568,905 |
| Pitt County NC Limited Obligation | 4.000 | 04/01/2031 | Aa2 | 500,000 | 538,630 |
| Pitt County NC Limited Obligation | 4.000 | 04/01/2034 | Aa2 | 550,000 | 579,194 |
| Sampson County NC Limited Obligation | 5.000 | 12/01/2033 | A1 | 1,975,000 | 2,245,121 |
| Sampson County NC Limited Obligation | 5.000 | 09/01/2040 | A1 | 750,000 | 844,185 |
| Scotland County NC | 4.500 | 12/01/2036 | A* | 1,170,000 | 1,285,818 |
| Wayne County NC | 4.000 | 06/01/2034 | Aa3 | 1,500,000 | 1,587,900 |
| Wilkes County NC Limited Obligation | 5.000 | 06/01/2031 | A1 | 350,000 | 396,907 |
| | | | | | 15,306,647 |
| MUNICIPAL UTILITY REVENUE BONDS | | | | | |
| 10.77% of Net Assets | | | | | |
| Brunswick County NC Enterprise System Revenue | 5.000 | 04/01/2031 | Aa3 | 500,000 | 568,175 |
| Buncombe County NC Metropolitan Sewer District | 5.000 | 07/01/2039 | Aaa | 550,000 | 616,644 |
| Cary NC Combined Enterprise System Revenue | 4.000 | 12/01/2042 | Aaa | 750,000 | 779,078 |
| Concord NC Utilities System Revenue | 4.500 | 12/01/2034 | Aa2 | 1,000,000 | 1,099,760 |
| Fuquay-Varina NC Combined Utilities Revenue | 5.000 | 04/01/2040 | Aa2 | 1,000,000 | 1,125,240 |
| Gastonia NC Combined Utilities System Revenue | 5.000 | 05/01/2034 | Aa2 | 570,000 | 644,767 |
| Gastonia NC Combined Utilities System Revenue | 5.000 | 05/01/2035 | Aa2 | 250,000 | 282,018 |
| High Point NC Combined Enterprise | 5.000 | 11/01/2039 | Aa2 | 750,000 | 843,788 |
| Martin County NC Limited Obligation Water and Sewer District | 4.750 | 06/01/2034 | A2 | 1,150,000 | 1,247,497 |
| Mooresville NC Limited Obligation** | 5.000 | 11/01/2031 | AA-* | 1,250,000 | 1,419,412 |
| NC Municipal Power Agency #1 Catawba Electric Revenue | 5.000 | 01/01/2030 | A* | 500,000 | 576,875 |
| NC Municipal Power Agency #1 Catawba Electric Revenue | 4.750 | 01/01/2030 | A2 | 80,000 | 80,070 |
| NC Municipal Power Agency #1 Catawba Electric Revenue | 5.000 | 01/01/2030 | A2 | 730,000 | 731,351 |
| NC Municipal Power Agency #1 Catawba Electric Revenue | 5.000 | 01/01/2031 | A2 | 500,000 | 538,315 |
| NC Municipal Power Agency #1 Catawba Electric Revenue | 5.000 | 01/01/2032 | A* | 500,000 | 568,465 |

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

DUPREE MUTUAL FUNDS — NORTH CAROLINA TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
North Carolina Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|-------------------|
| Sampson County NC Water & Sewer District | 5.000% | 06/01/2037 | A1 | \$ 920,000 | \$ 1,034,080 |
| Wake County NC Industrial Facilities & Pollution Control Duke Energy | 4.000 | 06/01/2041 | Aa3 | 1,160,000 | 1,183,511 |
| Wilmington NC Storm Water Fee Revenue | 5.000 | 06/01/2028 | AA+* | 115,000 | 115,423 |
| Wilmington NC Storm Water Revenue | 5.000 | 06/01/2035 | Aa2 | 500,000 | 566,380 |
| | | | | | 14,020,849 |
| REFUNDING BONDS | | | | | |
| 9.63% of Net Assets | | | | | |
| Buncombe County NC Limited Obligation** | 5.000 | 06/01/2035 | Aa1 | 1,000,000 | 1,130,250 |
| Charlotte NC Certificates of Participation | 5.000 | 06/01/2026 | Aa1 | 1,455,000 | 1,457,954 |
| Charlotte NC Certificates of Participation | 5.000 | 06/01/2027 | Aa1 | 775,000 | 776,566 |
| Charlotte NC Certificates of Participation | 5.000 | 06/01/2033 | Aa1 | 840,000 | 932,476 |
| Charlotte NC Certificates of Participation | 5.000 | 06/01/2034 | Aa1 | 750,000 | 847,215 |
| Chatham County NC | 5.000 | 11/01/2032 | Aa2 | 825,000 | 950,433 |
| Dare County NC Limited Obligation Refunding | 5.000 | 06/01/2029 | Aa3 | 100,000 | 109,269 |
| Durham Capital Financing Corporation Limited Obligation | 5.000 | 06/01/2034 | Aa1 | 500,000 | 555,045 |
| Monroe NC Limited Obligation | 4.000 | 03/01/2033 | Aa3 | 255,000 | 267,464 |
| Monroe NC Limited Obligation** | 5.000 | 03/01/2039 | Aa3 | 1,250,000 | 1,395,575 |
| New Hanover County NC Limited Obligation | 5.000 | 12/01/2027 | Aa1 | 505,000 | 560,383 |
| Pitt County NC Certificates of Participation | 5.000 | 04/01/2027 | Aa2 | 500,000 | 546,790 |
| Rockingham County NC Limited Obligation | 5.000 | 04/01/2027 | Aa3 | 250,000 | 287,195 |
| Rockingham County NC Limited Obligation | 4.500 | 04/01/2032 | Aa3 | 500,000 | 546,905 |
| Sampson County NC Limited Obligation | 4.000 | 09/01/2036 | A1 | 1,000,000 | 1,039,340 |
| Sampson County NC Limited Obligation | 4.000 | 09/01/2037 | A1 | 500,000 | 516,265 |
| Thomasville NC Combined Enterprise System Revenue | 4.750 | 05/01/2028 | A1 | 435,000 | 467,403 |
| Union County NC Limited Obligation Refunding | 5.000 | 12/01/2024 | Aa1 | 125,000 | 144,691 |
| | | | | | 12,531,219 |
| PUBLIC FACILITIES REVENUE BONDS | | | | | |
| 6.92% of Net Assets | | | | | |
| Charlotte NC Certificates of Participation | 4.000 | 12/01/2034 | Aa1 | 290,000 | 304,471 |
| Charlotte NC Certificates of Participation Convention Facilities | 5.000 | 06/01/2034 | Aa2 | 900,000 | 911,997 |
| Durham NC Limited Obligation | 4.000 | 04/01/2036 | Aa1 | 1,000,000 | 1,055,370 |
| Forsyth County NC Limited Tax | 5.000 | 04/01/2031 | Aa1 | 335,000 | 366,018 |
| Henderson County NC Limited Obligation | 5.000 | 10/01/2030 | Aa3 | 250,000 | 286,583 |
| Henderson County NC Limited Obligation | 5.000 | 10/01/2031 | Aa3 | 500,000 | 570,840 |
| Kannapolis NC Limited Obligation | 5.000 | 04/01/2032 | A1 | 500,000 | 559,035 |
| Onslow County NC Limited Obligation | 5.000 | 06/01/2032 | Aa3 | 500,000 | 570,170 |
| Raleigh NC Limited Obligation | 5.000 | 10/01/2034 | Aa1 | 1,420,000 | 1,604,101 |
| Raleigh NC Limited Obligation | 5.000 | 10/01/2038 | Aa1 | 500,000 | 553,040 |
| Thomasville NC Revenue | 4.000 | 05/01/2036 | Aa3 | 500,000 | 517,320 |
| Watauga NC Public Facilities Corporation Limited Obligation | 5.000 | 06/01/2027 | Aa3 | 750,000 | 821,078 |
| Winston Salem NC Limited Obligation | 5.000 | 06/01/2031 | Aa1 | 800,000 | 889,496 |
| | | | | | 9,009,519 |
| AIRPORT REVENUE BONDS | | | | | |
| 5.08% of Net Assets | | | | | |
| Charlotte NC Airport Revenue | 5.000 | 07/01/2036 | Aa3 | 250,000 | 288,690 |
| Charlotte NC Airport Revenue | 4.000 | 07/01/2036 | Aa3 | 500,000 | 528,800 |
| Charlotte NC Airport Revenue | 5.000 | 07/01/2037 | Aa3 | 700,000 | 806,057 |
| Charlotte NC Airport Revenue | 5.000 | 07/01/2042 | Aa3 | 1,325,000 | 1,506,552 |
| Charlotte NC Douglas International Airport | 5.000 | 07/01/2030 | Aa3 | 1,095,000 | 1,242,080 |
| Raleigh Durham NC Airport | 5.000 | 05/01/2029 | Aa3 | 235,000 | 243,845 |
| Raleigh Durham NC Airport | 5.000 | 05/01/2032 | Aa3 | 440,000 | 458,339 |
| Raleigh Durham NC Airport | 5.000 | 05/01/2036 | Aa3 | 1,480,000 | 1,538,282 |
| | | | | | 6,612,645 |
| MISCELLANEOUS PUBLIC IMPROVEMENT BONDS | | | | | |
| 4.59% of Net Assets | | | | | |
| Buncombe County NC Limited Obligation | 5.000 | 06/01/2030 | Aa1 | 250,000 | 273,865 |
| Buncombe County NC Limited Obligation | 5.000 | 06/01/2032 | Aa1 | 250,000 | 272,743 |

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

DUPREE MUTUAL FUNDS — NORTH CAROLINA TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
North Carolina Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|-----------------------|
| Buncombe County NC Limited Obligation | 5.000% | 06/01/2033 | Aa1 | \$ 600,000 | \$ 682,308 |
| Buncombe County NC Limited Obligation | 5.000 | 06/01/2034 | Aa1 | 1,100,000 | 1,236,708 |
| Buncombe County NC Limited Obligation | 5.000 | 06/01/2034 | Aa1 | 365,000 | 413,457 |
| Charlotte NC Certificates of Participation | 5.000 | 12/01/2029 | Aa1 | 340,000 | 369,257 |
| Johnston County NC Limited Obligation | 4.750 | 06/01/2033 | Aa2 | 500,000 | 543,915 |
| Rocky Mount NC Special Obligation | 4.500 | 05/01/2032 | Aa3 | 1,500,000 | 1,643,970 |
| Winston Salem NC Limited Obligation | 4.500 | 06/01/2034 | Aa1 | 500,000 | 540,345 |
| | | | | | <u>5,976,568</u> |
| TURNPIKES/TOLLROAD/HIGHWAY REVENUE BONDS | | | | | |
| 2.13% of Net Assets | | | | | |
| NC State Grant Anticipation Revenue Vehicle Garvee | 5.000 | 03/01/2030 | A2 | 200,000 | 226,692 |
| NC State Turnpike Authority Monroe Connector System | 5.000 | 07/01/2029 | Aa1 | 500,000 | 537,795 |
| NC State Turnpike Authority Monroe Connector System | 5.000 | 07/01/2031 | Aa1 | 1,385,000 | 1,489,000 |
| NC State Turnpike Authority Triangle Expressway | 4.000 | 01/01/2039 | Aa1 | 500,000 | 519,550 |
| | | | | | <u>2,773,037</u> |
| LEASE REVENUE BONDS | | | | | |
| 1.30% of Net Assets | | | | | |
| Buncombe County NC Limited Obligation | 5.000 | 06/01/2032 | Aa1 | 1,500,000 | 1,694,520 |
| ESCROWED TO MATURITY BONDS | | | | | |
| .79% of Net Assets | | | | | |
| NC Eastern Municipal Power Agency | 6.000 | 01/01/2022 | A3 | 915,000 | 1,023,327 |
| Total Investments 97.91% of Net Assets (cost \$125,601,509) (See (a) below for further explanation) | | | | | <u>\$ 127,417,601</u> |
| Other assets in excess of liabilities 2.09% | | | | | <u>2,713,257</u> |
| Net Assets 100% | | | | | <u>\$ 130,130,858</u> |

- # Ratings by Moody's Investors Services, Inc. unless noted otherwise.
All ratings are as of the date indicated and do not reflect subsequent changes.
- * Rated by Standard & Poor's Corporation
- @ Rated by Fitch's Investors Service
- NR Not Rated
- ** Security is segregated — see footnote 1(D)

(a) Cost for federal income tax purposes is \$125,601,509 and net unrealized appreciation of investments is as follows:

| | |
|-----------------------------|---------------------|
| Unrealized appreciation | \$ 2,495,947 |
| Unrealized depreciation | (679,855) |
| Net unrealized appreciation | <u>\$ 1,816,092</u> |

Other Information

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's investments in securities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

| | Valuation Inputs | Municipal Bonds |
|---------|-------------------------------------|------------------------|
| Level 1 | Quoted Prices | \$ — |
| Level 2 | Other Significant Observable Inputs | 127,417,601 |
| Level 3 | Significant Unobservable Inputs | — |
| | | <u>\$ 127,417,601</u> |

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

NORTH CAROLINA TAX-FREE INCOME SERIES

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2018

UNAUDITED

ASSETS:

| | |
|--|------------------|
| Investments in securities, at fair value (Cost: \$125,601,509) | \$127,417,601 |
| Cash | 2,265,827 |
| Interest receivable | <u>1,258,152</u> |
| Total assets | 130,941,580 |

LIABILITIES:

Payable for:

| | |
|-------------------------------|----------------|
| Distributions to shareholders | 342,939 |
| Fund shares redeemed | 358,824 |
| Investment advisory fee | 52,545 |
| Transfer agent fee | 24,174 |
| Printing expense | 5,798 |
| Postage expense | 5,106 |
| Legal fees | 6,051 |
| Miscellaneous expense | 4,572 |
| Trustees fees | 2,044 |
| Registration expense | 3,600 |
| Accrued expenses | <u>5,069</u> |
| Total liabilities | <u>810,722</u> |

NET ASSETS:

| | |
|------------------------------|----------------------|
| Capital | 129,751,337 |
| Total distributable earnings | <u>379,521</u> |
| Net assets at value | <u>\$130,130,858</u> |

NET ASSET VALUE, offering price and redemption price per share

(11,495,790 shares outstanding; unlimited number of shares authorized; no par value) \$ 11.32

STATEMENT OF OPERATIONS

For the six months ended December 31, 2018

Net investment income:

| | |
|--|--------------------|
| Interest income | <u>\$2,156,151</u> |
| Expenses: | |
| Investment advisory fee | 313,681 |
| Transfer agent fee | 79,951 |
| Professional fees | 17,421 |
| Trustees fees | 7,676 |
| Custodian expense | 11,657 |
| Other expenses | <u>24,819</u> |
| Total expenses | 455,205 |
| Fees waived by Adviser (Note 2) | (6,227) |
| Custodian expense reduction | <u>(414)</u> |
| Net expenses | <u>448,564</u> |
| Net investment income | <u>1,707,587</u> |
| Realized and unrealized loss on investments: | |
| Net realized loss | (91,388) |
| Net change in unrealized appreciation/depreciation | <u>(191,745)</u> |
| Net realized and unrealized loss on investments | <u>(283,133)</u> |
| Net increase in net assets resulting from operations | <u>\$1,424,454</u> |

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

NORTH CAROLINA TAX-FREE INCOME SERIES

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended December 31, 2018 and the year ended June 30, 2018

UNAUDITED

| | Six Months Ended 12/31/2018 | Year Ended 06/30/2018 ⁽¹⁾ |
|--|--------------------------------|---|
| Operations: | | |
| Net investment income | \$ 1,707,587 | \$ 3,636,859 |
| Net realized loss on investments | (91,388) | (114,148) |
| Net change in unrealized appreciation/depreciation | <u>(191,745)</u> | <u>(1,805,316)</u> |
| Net increase in net assets resulting from operations | 1,424,454 | 1,717,395 |
| Total distributions | (1,707,587) | (3,636,670) |
| Net fund share transactions (Note 4) | <u>(764,254)</u> | <u>(6,174,592)</u> |
| Total decrease | (1,047,387) | (8,093,867) |
| Net assets: | | |
| Beginning of year | <u>131,178,245</u> | <u>139,272,112</u> |
| End of period | <u>\$130,130,858</u> | <u>\$131,178,245</u> |

⁽¹⁾ The presentation of Total distributions has been updated to reflect the changes prescribed in amendments to Regulation S-X, effective November 5, 2018. For the year ended June 30, 2018, distributions from net investment income were \$3,636,670. As of June 30, 2018, accumulated net investment income was \$0.

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding:

| | Six Months Ended 12/31/2018 | For the years ended June 30, | | | | |
|--|--------------------------------|------------------------------|----------------|----------------|----------------|----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net asset value, beginning of year | <u>\$11.34</u> | <u>\$11.50</u> | <u>\$12.02</u> | <u>\$11.53</u> | <u>\$11.54</u> | <u>\$11.31</u> |
| Income from investment operations: | | | | | | |
| Net investment income | 0.15 | 0.31 | 0.32 | 0.34 | 0.36 | 0.37 |
| Net gains/(losses) on securities | <u>(0.02)</u> | <u>(0.16)</u> | <u>(0.52)</u> | <u>0.49</u> | <u>(0.01)</u> | <u>0.24</u> |
| Total from investment operations | 0.13 | 0.15 | (0.20) | 0.83 | 0.35 | 0.61 |
| Less distributions: | | | | | | |
| Distributions from net investment income | (0.15) | (0.31) | (0.32) | (0.34) | (0.36) | (0.37) |
| Distributions from capital gains | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>(0.01)</u> |
| Total distributions | <u>(0.15)</u> | <u>(0.31)</u> | <u>(0.32)</u> | <u>(0.34)</u> | <u>(0.36)</u> | <u>(0.38)</u> |
| Net asset value, end of period | <u>\$11.32</u> | <u>\$11.34</u> | <u>\$11.50</u> | <u>\$12.02</u> | <u>\$11.53</u> | <u>\$11.54</u> |
| Total return | 1.17%(b) | 1.27% | (1.68)% | 7.28% | 3.00% | 5.57% |
| Net assets, end of period (in thousands) | \$130,131 | \$131,178 | \$139,272 | \$150,347 | \$123,717 | \$98,879 |
| Ratio of net expenses to average net assets (a) | 0.71%(c) | 0.70% | 0.69% | 0.70% | 0.71% | 0.72% |
| Ratio of gross expenses to average net assets | 0.72%(c) | 0.71% | 0.69% | 0.70% | 0.71% | 0.72% |
| Ratio of net investment income to average net assets | 2.69%(c) | 2.66% | 2.73% | 2.87% | 3.04% | 3.29% |
| Portfolio turnover | 5.14%(b) | 11.76% | 11.50% | 6.09% | 4.56% | 9.73% |

(a) Percentages are after expense waivers and reductions by the Adviser and Custodian. The Adviser and Custodian have agreed not to seek recovery of these waivers and reductions.

(b) Not annualized

(c) Annualized

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

DUPREE MUTUAL FUNDS — NORTH CAROLINA TAX-FREE SHORT-TO-MEDIUM SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
North Carolina Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|-------------------|
| REFUNDING BONDS | | | | | |
| 24.75% of Net Assets | | | | | |
| Bertie County Limited Obligation** | 4.000% | 06/01/2022 | A1 | \$ 200,000 | \$ 211,715 |
| Cabarrus County NC Certificates of Participation | 5.000 | 04/01/2021 | AA* | 150,000 | 155,922 |
| Charlotte NC Certificates of Participation | 4.000 | 06/01/2022 | Aa1 | 125,000 | 133,429 |
| Charlotte NC Certificates of Participation | 5.000 | 06/01/2023 | Aa1 | 625,000 | 703,593 |
| Charlotte NC Certificates of Participation | 5.000 | 12/01/2024 | Aa2 | 250,000 | 289,683 |
| Charlotte NC Certificates of Participation | 4.000 | 06/01/2025 | Aa1 | 300,000 | 322,864 |
| Charlotte NC Certificates of Participation | 5.000 | 12/01/2025 | Aa2 | 100,000 | 117,662 |
| Cumberland County NC Certificates of Participation | 3.500 | 12/01/2020 | Aa2 | 185,000 | 187,675 |
| Dare County NC Limited Obligation | 4.000 | 06/01/2019 | Aa3 | 100,000 | 100,903 |
| Dare County NC Limited Obligation | 5.000 | 06/01/2024 | Aa3 | 335,000 | 367,328 |
| Durham NC Refunding | 5.000 | 09/01/2022 | Aaa | 125,000 | 138,706 |
| Jacksonville Public Facilities Corp Limited Obligation | 5.000 | 04/01/2025 | Aa3 | 100,000 | 116,200 |
| Pender County NC Limited Obligation | 3.000 | 06/01/2019 | Aa3 | 220,000 | 221,078 |
| Raleigh NC Limited Obligation Refunding | 5.000 | 10/01/2023 | Aa2 | 250,000 | 283,330 |
| Richmond County NC Limited Obligation Refunding | 4.000 | 04/01/2019 | A1 | 225,000 | 226,154 |
| Rockingham County NC Limited Obligation** | 5.000 | 04/01/2023 | Aa3 | 250,000 | 279,648 |
| Rockingham County NC Limited Obligation | 4.000 | 04/01/2024 | Aa3 | 105,000 | 113,561 |
| Sampson County NC Limited Obligation | 5.000 | 12/01/2023 | A1 | 165,000 | 186,744 |
| Sampson County NC Limited Obligation | 5.000 | 09/01/2024 | A1 | 125,000 | 143,404 |
| Sampson County NC Limited Obligation | 5.000 | 09/01/2025 | A1 | 125,000 | 145,494 |
| Sampson County NC Limited Obligation | 5.000 | 09/01/2026 | A1 | 210,000 | 247,055 |
| Warren County NC Limited Obligation** | 5.000 | 06/01/2023 | A1 | 100,000 | 111,722 |
| | | | | | 4,803,870 |
| UNIVERSITY CONSOLIDATED EDUCATION AND BUILDING REVENUE BONDS | | | | | |
| 16.24% of Net Assets | | | | | |
| East Carolina University | 5.000 | 10/01/2027 | Aa2 | 250,000 | 294,465 |
| Pitt County NC Limited Obligation | 5.000 | 04/01/2027 | Aa2 | 495,000 | 585,506 |
| University of NC Charlotte | 5.000 | 10/01/2025 | Aa3 | 110,000 | 128,767 |
| University of NC Charlotte | 5.000 | 04/01/2028 | Aa3 | 250,000 | 287,350 |
| University of NC Greensboro | 5.000 | 04/01/2025 | A+* | 10,000 | 10,654 |
| University of NC Greensboro | 5.000 | 04/01/2026 | Aa3 | 250,000 | 296,113 |
| University of NC Greensboro | 5.000 | 04/01/2026 | Aa3 | 400,000 | 474,076 |
| University of NC Wilmington | 4.000 | 06/01/2029 | A1 | 750,000 | 811,455 |
| Western Carolina University | 5.000 | 10/01/2025 | Aa3 | 225,000 | 264,310 |
| | | | | | 3,152,696 |
| MUNICIPAL UTILITY REVENUE BONDS | | | | | |
| 15.95% of Net Assets | | | | | |
| Brunswick County NC EnterpriseSystem Revenue** | 5.000 | 04/01/2027 | Aa3 | 600,000 | 692,274 |
| Cary NC Combined Enterprise Systems | 4.000 | 12/01/2028 | Aaa | 250,000 | 273,845 |
| Columbus County NC Limited Obligation | 5.000 | 06/01/2023 | A1 | 355,000 | 396,137 |
| Gastonia NC Combined Utilities System | 4.000 | 05/01/2023 | Aa2 | 150,000 | 162,131 |
| Monroe NC Certificates of Participation | 4.000 | 03/01/2019 | Aa3 | 100,000 | 100,348 |
| Monroe NC Limited Obligation | 5.000 | 03/01/2028 | Aa3 | 195,000 | 226,660 |
| Monroe NC Limited Obligation | 5.000 | 03/01/2029 | Aa3 | 195,000 | 225,966 |
| Mooreville NC Limited Obligation | 5.000 | 11/01/2021 | AA-* | 350,000 | 378,371 |
| NC Municipal Power Agency #1 Catawba Electric | 5.000 | 01/01/2021 | A2 | 205,000 | 205,400 |
| NC Municipal Power Agency #1 Catawba Electric | 5.000 | 01/01/2028 | A* | 125,000 | 144,174 |
| Union County NC Enterprise System Revenue | 4.000 | 12/01/2022 | Aa1 | 100,000 | 105,930 |
| Warren County NC Limited Obligation | 5.000 | 06/01/2027 | A1 | 160,000 | 183,779 |
| | | | | | 3,095,015 |
| SCHOOL IMPROVEMENT BONDS | | | | | |
| 9.66% of Net Assets | | | | | |
| Cabarrus County NC Limited Obligation | 5.000 | 04/01/2024 | Aa2 | 350,000 | 400,568 |
| Cabarrus County NC Limited Obligation | 5.000 | 06/01/2025 | Aa2 | 200,000 | 233,730 |
| Onslow County NC Limited Obligation | 5.000 | 06/01/2023 | Aa3 | 250,000 | 280,425 |
| Randolph County NC Limited Obligation | 5.000 | 10/01/2025 | Aa3 | 250,000 | 292,140 |

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

DUPREE MUTUAL FUNDS — NORTH CAROLINA TAX-FREE SHORT-TO-MEDIUM SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
North Carolina Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|----------------------|
| Scotland County NC | 5.000% | 12/01/2025 | A* | \$ 270,000 | \$ 313,929 |
| Scotland County NC | 5.000 | 12/01/2027 | A* | 140,000 | 166,461 |
| Wilkes County NC Limited Obligation | 5.000 | 06/01/2024 | A1 | 165,000 | 188,014 |
| | | | | | <u>1,875,267</u> |
| PUBLIC FACILITIES REVENUE BONDS | | | | | |
| 7.06% of Net Assets | | | | | |
| Buncombe County NC Limited Obligation** | 5.000 | 06/01/2028 | Aa1 | 500,000 | 576,875 |
| Charlotte NC Certificates of Participation | 4.000 | 12/01/2022 | Aa1 | 170,000 | 179,931 |
| Monroe NC Limited Obligation | 5.000 | 04/01/2026 | AA* | 265,000 | 312,713 |
| Watauga NC Public Facilities Corporation Limited Obligation | 5.000 | 06/01/2023 | Aa3 | 275,000 | 300,490 |
| | | | | | <u>1,370,009</u> |
| PREREFUNDED BONDS | | | | | |
| 6.32% of Net Assets | | | | | |
| Durham County NC Certificates of Participation | 5.000 | 06/01/2020 | Aa1 | 260,000 | 263,388 |
| Durham County NC Certificates of Participation | 5.000 | 06/01/2021 | Aa1 | 240,000 | 243,126 |
| Moore County NC | 5.000 | 06/01/2021 | Aa3 | 200,000 | 208,880 |
| NC Medical Care Duke University Health Systems | 3.000 | 06/01/2019 | Aa2 | 150,000 | 150,779 |
| NC State Capital Improvement Obligation | 5.000 | 05/01/2022 | Aa1 | 155,000 | 156,626 |
| NC State Capital Improvement Obligation | 4.000 | 05/01/2025 | Aa1 | 105,000 | 108,014 |
| University of NC Greensboro | 5.000 | 04/01/2025 | NR | 90,000 | 96,073 |
| | | | | | <u>1,226,886</u> |
| HOSPITAL AND HEALTHCARE REVENUE BONDS | | | | | |
| 5.68% of Net Assets | | | | | |
| Charlotte-Mecklenburg NC Hospital Authority Health Care System | 5.000 | 01/15/2028 | Aa3 | 225,000 | 260,154 |
| NC Medical Care Duke University | 5.000 | 06/01/2026 | Aa2 | 165,000 | 181,497 |
| NC State Medical Care Commission Health Care Facilities | 4.000 | 06/01/2024 | A1 | 180,000 | 195,977 |
| North Carolina State Medical Care Commission Mission Health | 5.000 | 10/01/2024 | Aa3 | 250,000 | 260,365 |
| North Carolina State Medical Care Commission Vidant Health | 5.000 | 06/01/2028 | A1 | 180,000 | 204,692 |
| | | | | | <u>1,102,685</u> |
| MISCELLANEOUS PUBLIC IMPROVEMENT BONDS | | | | | |
| 4.14% of Net Assets | | | | | |
| Johnston County NC Limited Obligation | 4.000 | 06/01/2019 | Aa2 | 150,000 | 151,398 |
| NC State Capital Improvement Obligation** | 5.000 | 05/01/2021 | Aa1 | 350,000 | 364,682 |
| Salisbury NC Certificates of Participation | 5.000 | 03/01/2019 | A3 | 145,000 | 145,712 |
| Winston Salem NC Limited Obligation | 5.000 | 06/01/2023 | Aa1 | 125,000 | 140,775 |
| | | | | | <u>802,567</u> |
| ESCROWED TO MATURITY BONDS | | | | | |
| 2.67% of Net Assets | | | | | |
| NC Eastern Municipal Power Agency | 5.000 | 01/01/2021 | AAA@ | 125,000 | 132,773 |
| NC Eastern Municipal Power Agency | 6.000 | 01/01/2022 | AAA@ | 125,000 | 139,799 |
| NC Eastern Municipal Power Agency | 6.000 | 01/01/2022 | A3 | 220,000 | 246,046 |
| | | | | | <u>518,618</u> |
| TURNPIKES/TOLLROAD/HIGHWAY REVENUE BONDS | | | | | |
| 2.29% of Net Assets | | | | | |
| NC State Grant Anticipation Revenue Vehicle | 5.000 | 03/01/2025 | A2 | 265,000 | 307,066 |
| NC State Grant Anticipation Revenue Vehicle | 5.000 | 03/01/2029 | A2 | 120,000 | 136,601 |
| | | | | | <u>443,667</u> |
| AD VALOREM PROPERTY BONDS | | | | | |
| 1.46% of Net Assets | | | | | |
| Smithville Township NC** | 5.000 | 06/01/2024 | A1 | 250,000 | 283,915 |
| LEASE REVENUE BONDS | | | | | |
| 1.36% of Net Assets | | | | | |
| Edgecombe County NC Limited Obligation** | 4.000 | 06/01/2022 | A2 | 250,000 | 263,295 |
| Total Investments 97.58% of Net Assets (cost \$18,896,854) (See (a) below for further explanation) | | | | | <u>\$ 18,938,490</u> |
| Other assets in excess of liabilities 2.42% | | | | | <u>469,187</u> |
| Net Assets 100% | | | | | <u>\$ 19,407,677</u> |

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

DUPREE MUTUAL FUNDS — NORTH CAROLINA TAX-FREE SHORT-TO-MEDIUM SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
North Carolina Municipal Bonds
December 31, 2018

UNAUDITED

- # Ratings by Moody's Investors Services, Inc. unless noted otherwise.
All ratings are as of the date indicated and do not reflect subsequent changes.
- * Rated by Standard & Poor's Corporation
- @ Rated by Fitch's Investors Service
- NR Not Rated
- ** Security is segregated — see footnote 1(D)

(a) Cost for federal income tax purposes is \$18,896,854 and net unrealized depreciation of investments is as follows:

| | | |
|-----------------------------|----|------------------|
| Unrealized appreciation | \$ | 147,114 |
| Unrealized depreciation | | <u>(105,478)</u> |
| Net unrealized appreciation | \$ | <u>41,636</u> |

Other Information

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's investments in securities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

| | <u>Valuation Inputs</u> | <u>Municipal Bonds</u> |
|---------|-------------------------------------|------------------------|
| Level 1 | Quoted Prices | \$ — |
| Level 2 | Other Significant Observable Inputs | 18,938,490 |
| Level 3 | Significant Unobservable Inputs | <u>—</u> |
| | | <u>\$ 18,938,490</u> |

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

NORTH CAROLINA TAX-FREE SHORT-TO-MEDIUM SERIES

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2018

UNAUDITED

ASSETS:

| | |
|---|-------------------|
| Investments in securities, at fair value (Cost: \$18,896,854) | \$18,938,490 |
| Cash | 352,951 |
| Interest receivable | 156,050 |
| Total assets | <u>19,447,491</u> |

LIABILITIES:

Payable for:

| | |
|-------------------------------|---------------|
| Distributions to shareholders | 6,731 |
| Fund shares redeemed | 3,514 |
| Investment advisory fee | 5,439 |
| Transfer agent fee | 2,488 |
| Professional fees | 5,696 |
| Pricing fees | 2,553 |
| Insurance expense | 2,712 |
| Printing expense | 2,061 |
| Trustees fees | 1,274 |
| Accrued expenses | <u>7,346</u> |
| Total liabilities | <u>39,814</u> |

NET ASSETS:

| | |
|----------------------------|---------------------|
| Capital | 19,474,402 |
| Total distributable losses | <u>(66,725)</u> |
| Net assets at value | <u>\$19,407,677</u> |

NET ASSET VALUE, offering price and redemption price per share

(1,812,876 shares outstanding; unlimited number of shares authorized; no par value) \$ 10.71

STATEMENT OF OPERATIONS

For the six months ended December 31, 2018

Net investment income:

| | |
|--|------------------|
| Interest income | \$244,392 |
| Expenses: | |
| Investment advisory fee | 55,057 |
| Transfer agent fee | 16,223 |
| Professional fees | 6,565 |
| Custodian expense | 4,708 |
| Pricing fees | 3,025 |
| Registration expense | 3,383 |
| Trustees fees | 1,337 |
| Other expenses | <u>4,212</u> |
| Total expenses | 94,510 |
| Fees waived by Adviser (Note 2) | (17,114) |
| Custodian expense reduction | <u>(167)</u> |
| Net expenses | <u>77,229</u> |
| Net investment income | <u>167,163</u> |
| Realized and unrealized gain/(loss) on investments: | |
| Net realized loss | (89,107) |
| Net change in unrealized appreciation/depreciation | <u>207,416</u> |
| Net realized and unrealized gain on investments | <u>118,309</u> |
| Net increase in net assets resulting from operations | <u>\$285,472</u> |

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

NORTH CAROLINA TAX-FREE SHORT-TO-MEDIUM SERIES

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended December 31, 2018 and the year ended June 30, 2018

UNAUDITED

| | Six Months Ended 12/31/2018 | Year Ended 06/30/2018 ⁽¹⁾ |
|---|--------------------------------|---|
| Operations: | | |
| Net investment income | \$ 167,163 | \$ 328,323 |
| Net realized gain/(loss) on investments | (89,107) | 4,174 |
| Net change in unrealized appreciation/depreciation | <u>207,416</u> | <u>(419,673)</u> |
| Net increase/(decrease) in net assets resulting from operations | 285,472 | (87,176) |
| Total distributions | (167,163) | (328,323) |
| Net fund share transactions (Note 4) | <u>(2,977,559)</u> | <u>752,612</u> |
| Total increase/(decrease) | (2,859,250) | 337,113 |
| Net assets: | | |
| Beginning of year | <u>22,266,927</u> | <u>21,929,814</u> |
| End of period | <u>\$19,407,677</u> | <u>\$22,266,927</u> |

⁽¹⁾ The presentation of Total distributions has been updated to reflect the changes prescribed in amendments to Regulation S-X, effective November 5, 2018. For the year ended June 30, 2018, distributions from net investment income were \$328,323. As of June 30, 2018, accumulated net investment income was \$0.

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding:

| | Six Months Ended 12/31/2018 | For the years ended June 30, | | | | |
|--|--------------------------------|------------------------------|----------------|----------------|----------------|----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net asset value, beginning of year | <u>\$10.64</u> | <u>\$10.85</u> | <u>\$11.05</u> | <u>\$10.94</u> | <u>\$11.06</u> | <u>\$11.00</u> |
| Income from investment operations: | | | | | | |
| Net investment income | 0.08 | 0.16 | 0.16 | 0.17 | 0.19 | 0.20 |
| Net gains/(losses) on securities | <u>0.07</u> | <u>(0.21)</u> | <u>(0.20)</u> | <u>0.11</u> | <u>(0.12)</u> | <u>0.08</u> |
| Total from investment operations | 0.15 | (0.05) | (0.04) | 0.28 | 0.07 | 0.28 |
| Less distributions: | | | | | | |
| Distributions from net investment income | (0.08) | (0.16) | (0.16) | (0.17) | (0.19) | (0.20) |
| Distributions from capital gains | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>(0.02)</u> |
| Total distributions | <u>(0.08)</u> | <u>(0.16)</u> | <u>(0.16)</u> | <u>(0.17)</u> | <u>(0.19)</u> | <u>(0.22)</u> |
| Net asset value, end of period | <u>\$10.71</u> | <u>\$10.64</u> | <u>\$10.85</u> | <u>\$11.05</u> | <u>\$10.94</u> | <u>\$11.06</u> |
| Total return | 1.43%(b) | (0.45)% | (0.33)% | 2.59% | 0.60% | 2.53% |
| Net assets, end of period (in thousands) | \$19,408 | \$22,267 | \$21,930 | \$25,134 | \$24,463 | \$25,952 |
| Ratio of net expenses to average net assets (a) | 0.71%(c) | 0.70% | 0.73% | 0.83% | 0.83% | 0.81% |
| Ratio of gross expenses to average net assets | 0.86%(c) | 0.86% | 0.82% | 0.83% | 0.83% | 0.81% |
| Ratio of net investment income to average net assets | 1.53%(c) | 1.50% | 1.49% | 1.56% | 1.69% | 1.80% |
| Portfolio turnover | 2.78%(b) | 21.80% | 11.15% | 24.05% | 9.79% | 7.10% |

(a) Percentages are after expense waivers and reductions by the Adviser and Custodian. The Adviser and Custodian have agreed not to seek recovery of these waivers and reductions.

(b) Not annualized

(c) Annualized

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

DUPREE MUTUAL FUNDS — TENNESSEE TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Tennessee Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|-------------------|
| MUNICIPAL UTILITY REVENUE BONDS | | | | | |
| 34.51% of Net Assets | | | | | |
| Bristol TN Electric Revenue | 5.000% | 09/01/2038 | AA-* | \$ 1,525,000 | \$ 1,678,475 |
| Chattanooga TN Electric Revenue | 5.000 | 09/01/2035 | AA+* | 250,000 | 285,185 |
| Chattanooga TN Electric Revenue | 5.000 | 09/01/2040 | AA+* | 2,325,000 | 2,626,460 |
| Citizens Gas Utility District TN Gas Revenue | 5.000 | 05/01/2029 | A* | 110,000 | 111,065 |
| Clarksville TN Electric System Revenue | 4.000 | 09/01/2034 | Aa2 | 500,000 | 533,560 |
| Clarksville TN Water Sewer & Gas Revenue | 5.000 | 02/01/2034 | Aa2 | 500,000 | 572,985 |
| Clarksville TN Water Sewer & Gas Revenue | 5.000 | 02/01/2036 | Aa2 | 500,000 | 569,530 |
| Clarksville TN Water Sewer & Gas Revenue | 4.000 | 02/01/2036 | Aa2 | 1,475,000 | 1,564,960 |
| Clarksville TN Water Sewer & Gas Revenue | 4.000 | 02/01/2038 | Aa2 | 820,000 | 864,059 |
| Clarksville TN Water Sewer & Gas Revenue | 5.000 | 02/01/2041 | Aa2 | 500,000 | 565,420 |
| Columbia TN Waterworks Revenue | 5.000 | 12/01/2032 | Aa3 | 885,000 | 958,800 |
| Franklin TN Water & Sewer Revenue and Tax Authority | 5.000 | 04/01/2024 | Aaa | 750,000 | 862,793 |
| Franklin TN Water & Sewer System Revenue | 4.000 | 02/01/2036 | Aa3 | 250,000 | 262,140 |
| Hallsdale-Powell TN Utility District Knox County Water & Sewer | 4.000 | 04/01/2035 | AA* | 315,000 | 331,594 |
| Hallsdale-Powell TN Utility District Knox County Water & Sewer | 4.000 | 04/01/2038 | AA* | 1,000,000 | 1,042,150 |
| Harpeth Valley TN Utilities District | 5.000 | 09/01/2034 | AA* | 500,000 | 562,830 |
| Harpeth Valley TN Utilities District | 5.000 | 09/01/2040 | AA* | 1,000,000 | 1,092,910 |
| Knox Chapman TN Utility District | 4.500 | 01/01/2027 | AA-* | 1,000,000 | 1,082,820 |
| Knox Chapman TN Utility District | 5.000 | 01/01/2031 | AA-* | 250,000 | 283,135 |
| Knox Chapman TN Utility District | 5.000 | 01/01/2033 | AA-* | 250,000 | 281,508 |
| Memphis TN Electric System Revenue | 5.000 | 12/01/2031 | Aa2 | 225,000 | 255,886 |
| Memphis TN Electric System Revenue | 5.000 | 12/01/2034 | Aa2 | 1,250,000 | 1,416,450 |
| Memphis TN Gas System Revenue | 4.000 | 12/01/2034 | Aa1 | 775,000 | 813,611 |
| Memphis TN Gas System Revenue | 4.000 | 12/01/2036 | Aa1 | 800,000 | 832,880 |
| Memphis TN Gas System Revenue** | 4.000 | 12/01/2037 | Aa1 | 1,310,000 | 1,361,811 |
| Metropolitan Government Nashville & Davidson County Electric | 5.000 | 05/15/2033 | AA+* | 500,000 | 571,295 |
| Metropolitan Government Nashville & Davidson County Electric | 5.000 | 05/15/2036 | AA+* | 500,000 | 558,990 |
| Metropolitan Government Nashville & Davidson County Electric** | 5.000 | 05/15/2036 | AA+* | 3,085,000 | 3,299,808 |
| Metropolitan Government Nashville & Davidson County Electric | 5.000 | 05/15/2039 | AA+* | 500,000 | 555,550 |
| Metropolitan Government Nashville & Davidson County Water & Sewer** | 5.000 | 07/01/2030 | Aa3 | 3,250,000 | 3,637,855 |
| Metropolitan Government Nashville & Davidson County Water & Sewer | 5.000 | 07/01/2031 | Aa3 | 500,000 | 557,625 |
| Metropolitan Government Nashville & Davidson County Water & Sewer | 5.000 | 07/01/2033 | Aa3 | 575,000 | 638,670 |
| Metropolitan Government Nashville & Davidson County Water & Sewer | 5.000 | 07/01/2037 | Aa3 | 250,000 | 288,690 |
| Metropolitan Government Nashville & Davidson County Water & Sewer** | 5.000 | 07/01/2040 | Aa3 | 2,265,000 | 2,485,360 |
| South Blount County TN Utility District Waterworks | 5.000 | 12/01/2028 | A2 | 765,000 | 786,221 |
| Watauga River Regional Water Authority TN Waterworks | 4.000 | 07/01/2037 | A* | 270,000 | 286,791 |
| | | | | | 34,479,872 |
| PUBLIC FACILITIES REVENUE BONDS | | | | | |
| 12.11% of Net Assets | | | | | |
| Memphis Shelby County Sports Authority | 5.250 | 11/01/2026 | Aa3 | 500,000 | 513,685 |
| Memphis Shelby County Sports Authority | 5.250 | 11/01/2027 | Aa3 | 750,000 | 770,468 |
| Memphis Shelby County TN Industrial Development Board | 5.000 | 11/01/2030 | Aa3 | 1,250,000 | 1,440,275 |
| Memphis TN Refunding General Improvement | 5.000 | 04/01/2031 | Aa2 | 800,000 | 899,472 |
| Metropolitan Government Nashville & Davidson County Convention Center | 5.000 | 07/01/2026 | A1 | 630,000 | 657,789 |
| Metropolitan Government Nashville & Davidson County Sports Authority | 5.000 | 08/01/2031 | Aa3 | 1,500,000 | 1,667,595 |
| Metropolitan Government Nashville & Davidson County Sports Authority | 5.000 | 08/01/2038 | Aa3 | 755,000 | 831,081 |
| Pigeon Forge Industrial Development Board | 5.000 | 06/01/2024 | AA* | 600,000 | 642,690 |
| Pigeon Forge Industrial Development Board | 5.000 | 06/01/2027 | AA* | 1,400,000 | 1,498,588 |
| Pigeon Forge Industrial Development Board** | 5.000 | 06/01/2029 | AA* | 2,120,000 | 2,267,213 |
| Pigeon Forge Industrial Development Board | 5.000 | 06/01/2034 | AA* | 850,000 | 906,321 |
| | | | | | 12,095,177 |

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

DUPREE MUTUAL FUNDS — TENNESSEE TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Tennessee Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|-------------------|
| PREREFUNDED BONDS | | | | | |
| 11.66% of Net Assets | | | | | |
| Blount County TN Public Building Authority Local Government | 5.000% | 06/01/2025 | Aa2 | \$ 100,000 | \$ 101,320 |
| Blount County TN Public Building Authority Local Government | 5.000 | 06/01/2027 | Aa2 | 1,000,000 | 1,013,200 |
| Blount County TN Public Building Authority Local Government | 4.750 | 06/01/2031 | Aa2 | 750,000 | 759,128 |
| Citizens Gas Utility District TN Gas Revenue | 5.000 | 05/01/2029 | NR | 140,000 | 141,497 |
| Clarksville TN Electric Systems Revenue | 5.000 | 09/01/2032 | Aa2 | 480,000 | 505,094 |
| Clarksville TN Electric Systems Revenue | 5.000 | 09/01/2033 | Aa2 | 2,000,000 | 2,104,560 |
| Clarksville TN Water Sewer & Gas Revenue | 5.000 | 02/01/2033 | Aa2 | 500,000 | 559,360 |
| Clarksville TN Water Sewer & Gas Revenue | 5.000 | 02/01/2038 | Aa2 | 1,000,000 | 1,118,720 |
| Gallatin TN Water & Sewer Revenue | 5.000 | 01/01/2032 | AA* | 235,000 | 265,729 |
| Johnson City TN Health & Educational Facilities Escrowed | 5.125 | 07/01/2025 | NR | 70,000 | 70,211 |
| Knox Chapman TN Utility District | 5.250 | 01/01/2036 | AA-* | 700,000 | 746,949 |
| Manchester TN | 5.000 | 06/01/2038 | A2 | 20,000 | 20,879 |
| Metropolitan Government Nashville & Davidson County Vanderbilt University | 5.000 | 10/01/2034 | NR | 210,000 | 214,834 |
| Metropolitan Government Nashville & Davidson County Vanderbilt University | 5.000 | 10/01/2034 | Aa1 | 790,000 | 809,205 |
| Shelby County TN Health Education & Housing Facilities Board Rhodes College | 5.000 | 08/01/2030 | A1 | 500,000 | 538,755 |
| South Blount County TN Utility District Waterworks | 5.000 | 12/01/2028 | A2 | 360,000 | 369,986 |
| TN State School Board Authority Higher Education Facilities | 5.000 | 05/01/2034 | Aa1 | 500,000 | 505,245 |
| Watauga River Tn Regional Water Authority Waterworks | 5.000 | 07/01/2034 | A* | 500,000 | 550,285 |
| West Wilson Utility District TN Waterworks | 5.000 | 06/01/2033 | NR | 1,170,000 | 1,255,538 |
| | | | | | <u>11,650,495</u> |
| HOSPITAL AND HEALTHCARE REVENUE BONDS | | | | | |
| 10.07% of Net Assets | | | | | |
| Chattanooga TN Health Educational and Housing Facilities Board | 5.000 | 01/01/2033 | Baa1 | 500,000 | 532,575 |
| Jackson TN Hospital Jackson Madison County Hospital | 5.000 | 04/01/2036 | A2 | 995,000 | 1,079,824 |
| Metropolitan Government Nashville & Davidson County TN Health | 5.000 | 07/01/2035 | A3 | 2,500,000 | 2,755,900 |
| Metropolitan Government Nashville & Davidson County TN Health | 5.000 | 07/01/2040 | A3 | 950,000 | 1,026,371 |
| Rutherford County TN Health & Educational Facilities Ascension Health | 5.000 | 11/15/2040 | Aa2 | 1,500,000 | 1,537,095 |
| Shelby County TN Health Education & Housing Facilities | 5.000 | 05/01/2027 | A1 | 750,000 | 814,095 |
| Shelby County TN Health Education & Housing Facilities | 5.000 | 05/01/2036 | A1 | 1,535,000 | 1,740,444 |
| Shelby County TN Health Education & Housing Facilities — LeBonheur | 5.000 | 05/01/2035 | A1 | 500,000 | 569,670 |
| | | | | | <u>10,055,974</u> |
| UNIVERSITY CONSOLIDATED EDUCATION AND BUILDING REVENUE BONDS | | | | | |
| 9.19% of Net Assets | | | | | |
| Franklin County TN Health & Education Facilities Board Revenue | 5.000 | 09/01/2030 | A+* | 200,000 | 218,288 |
| Metropolitan Government Nashville & Davidson County Vanderbilt University | 5.000 | 10/01/2028 | Aa1 | 1,150,000 | 1,269,621 |
| Shelby County TN Health Education & Housing Facilities Board Rhodes College | 4.000 | 08/01/2036 | A1 | 920,000 | 971,649 |
| Shelby County TN Health Education & Housing Facilities Board Rhodes College | 4.000 | 08/01/2037 | A1 | 1,030,000 | 1,082,860 |
| Shelby County TN Health Education & Housing Facilities Board Rhodes College | 5.000 | 08/01/2040 | A1 | 650,000 | 731,673 |
| TN State School Bond Authority | 5.000 | 11/01/2043 | Aa1 | 1,000,000 | 1,088,900 |
| TN State School Bond Authority Higher Educational Facilities | 5.000 | 11/01/2037 | Aa1 | 1,400,000 | 1,570,254 |
| TN State School Bond Authority Higher Educational Facilities | 5.000 | 11/01/2040 | Aa1 | 2,000,000 | 2,249,340 |
| | | | | | <u>9,182,585</u> |
| MISCELLANEOUS PUBLIC IMPROVEMENT BONDS | | | | | |
| 6.32% of Net Assets | | | | | |
| Memphis Shelby County TN Port Authority Community Development | 5.000 | 04/01/2035 | Aa3 | 625,000 | 664,894 |
| Memphis TN | 4.000 | 06/01/2041 | Aa2 | 250,000 | 256,780 |
| Memphis TN Refunding and General Impact General Obligation | 5.000 | 05/01/2036 | Aa2 | 850,000 | 907,630 |
| Metropolitan Government Nashville & Davidson County TN | 4.000 | 07/01/2033 | Aa2 | 1,470,000 | 1,570,460 |
| Metropolitan Government Nashville & Davidson County TN | 4.000 | 07/01/2034 | Aa2 | 500,000 | 529,945 |

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

DUPREE MUTUAL FUNDS — TENNESSEE TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Tennessee Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|----------------------|
| Springfield TN Public Improvement | 4.500% | 03/01/2024 | Aa3 | \$ 565,000 | \$ 618,816 |
| TN State Series A | 5.000 | 02/01/2036 | Aaa | 1,500,000 | 1,764,330 |
| | | | | | <u>6,312,855</u> |
| SCHOOL IMPROVEMENT BONDS | | | | | |
| 5.93% of Net Assets | | | | | |
| Montgomery County TN | 4.000 | 04/01/2036 | AA+* | 260,000 | 274,968 |
| Montgomery County TN | 4.000 | 04/01/2037 | AA+* | 1,920,000 | 2,019,130 |
| Rhea County TN** | 5.000 | 04/01/2029 | A1 | 1,385,000 | 1,502,310 |
| Shelby County TN | 5.000 | 04/01/2037 | Aa1 | 500,000 | 579,310 |
| Wilson County TN | 4.000 | 04/01/2039 | AA+* | 1,495,000 | 1,551,166 |
| | | | | | <u>5,926,884</u> |
| REFUNDING BONDS | | | | | |
| 5.85% of Net Assets | | | | | |
| Blount County TN | 5.000 | 06/01/2037 | Aa2 | 1,200,000 | 1,366,200 |
| Manchester TN | 5.000 | 06/01/2038 | A2 | 80,000 | 83,061 |
| Memphis TN General Improvement | 5.000 | 04/01/2034 | Aa2 | 500,000 | 559,295 |
| Memphis TN General Improvement | 5.000 | 04/01/2039 | Aa2 | 250,000 | 277,700 |
| Memphis TN Refunding | 5.000 | 04/01/2030 | Aa2 | 1,000,000 | 1,128,550 |
| Memphis TN Refunding | 5.000 | 04/01/2033 | Aa2 | 250,000 | 279,258 |
| Memphis TN Refunding | 5.000 | 04/01/2035 | Aa2 | 250,000 | 278,868 |
| Memphis TN Refunding | 5.000 | 04/01/2040 | Aa2 | 500,000 | 554,625 |
| Shelby County TN Refunding Series A | 5.000 | 03/01/2026 | Aa1 | 1,200,000 | 1,315,715 |
| | | | | | <u>5,843,272</u> |
| AIRPORT REVENUE BONDS | | | | | |
| 2.46% of Net Assets | | | | | |
| Metropolitan Nashville Airport Authority | 5.000 | 07/01/2034 | A1 | 800,000 | 895,856 |
| Metropolitan Nashville Airport Authority | 5.000 | 07/01/2035 | A1 | 250,000 | 279,173 |
| Metropolitan Nashville Airport Authority | 5.000 | 07/01/2040 | A1 | 1,160,000 | 1,282,380 |
| | | | | | <u>2,457,409</u> |
| INDUSTRIAL REVENUE BONDS | | | | | |
| .91% of Net Assets | | | | | |
| Industrial Development Board TN Blount County | 5.000 | 06/01/2027 | Aa3 | 850,000 | 907,358 |
| STATE AND LOCAL MORTGAGE/HOUSING BONDS | | | | | |
| 0.47% of Net Assets | | | | | |
| TN Housing Development Agency Housing Finance Program | 4.850 | 01/01/2025 | Aa2 | 455,000 | 470,648 |
| Total Investments 99.48% of Net Assets (cost \$97,476,269) (See (a) below for further explanation) | | | | | <u>\$ 99,382,529</u> |
| Other assets in excess of liabilities 0.52% | | | | | <u>523,086</u> |
| Net Assets 100% | | | | | <u>\$ 99,905,615</u> |

- # Ratings by Moody's Investors Services, Inc. unless noted otherwise.
All ratings are as of the date indicated and do not reflect subsequent changes.
- * Rated by Standard & Poor's Corporation
- @ Rated by Fitch's Investors Service
- NR Not Rated
- ** Security is segregated — see footnote 1(D)

(a) Cost for federal income tax purposes is \$97,476,269 and net unrealized appreciation of investments is as follows:

| | | |
|-----------------------------|----|------------------|
| Unrealized appreciation | \$ | 2,427,584 |
| Unrealized depreciation | | (521,324) |
| Net unrealized appreciation | \$ | <u>1,906,260</u> |

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

DUPREE MUTUAL FUNDS — TENNESSEE TAX-FREE INCOME SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Tennessee Municipal Bonds
December 31, 2018

UNAUDITED

Other Information

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's investments in securities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

| | <u>Valuation Inputs</u> | <u>Municipal Bonds</u> |
|---------|-------------------------------------|------------------------|
| Level 1 | Quoted Prices | \$ — |
| Level 2 | Other Significant Observable Inputs | 99,382,529 |
| Level 3 | Significant Unobservable Inputs | — |
| | | <u>\$ 99,382,529</u> |

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

TENNESSEE TAX-FREE INCOME SERIES

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2018

UNAUDITED

ASSETS:

| | |
|---|------------------|
| Investments in securities, at fair value (Cost: \$97,476,269) | \$ 99,382,529 |
| Cash | 429,824 |
| Interest receivable | <u>1,264,181</u> |
| Total assets | 101,076,534 |

LIABILITIES:

Payable for:

| | |
|-------------------------------|------------------|
| Distributions to shareholders | 251,443 |
| Fund shares redeemed | 814,708 |
| Investment advisory fee | 43,897 |
| Transfer agent fee | 11,117 |
| Insurance expense | 11,738 |
| Registration expense | 5,735 |
| Audit fees | 6,917 |
| Legal fees | 9,808 |
| Pricing expense | 2,285 |
| Printing expense | 2,270 |
| Accrued expenses | <u>11,001</u> |
| Total liabilities | <u>1,170,919</u> |

NET ASSETS:

| | |
|------------------------------|----------------------|
| Capital | 98,452,020 |
| Total distributable earnings | <u>1,453,595</u> |
| Net assets at value | <u>\$ 99,905,615</u> |

NET ASSET VALUE, offering price and redemption price per share

(8,917,098 shares outstanding; unlimited number of shares authorized; no par value) \$ 11.20

STATEMENT OF OPERATIONS

For the six months ended December 31, 2018

Net investment income:

| | |
|--|--------------------|
| Interest income | <u>\$1,764,484</u> |
| Expenses: | |
| Investment advisory fee | 261,497 |
| Transfer agent fee | 66,036 |
| Professional fees | 14,446 |
| Custodian expense | 9,619 |
| Trustees fees | 6,367 |
| Other expenses | <u>12,783</u> |
| Total expenses | 370,748 |
| Fees waived by Adviser (Note 2) | (2,219) |
| Custodian expense reduction | <u>(342)</u> |
| Net expenses | <u>368,187</u> |
| Net investment income | <u>1,396,297</u> |
| Realized and unrealized gain/(loss) on investments: | |
| Net realized loss | (171,188) |
| Net change in unrealized appreciation/depreciation | <u>(245,395)</u> |
| Net realized and unrealized loss on investments | <u>(416,583)</u> |
| Net increase in net assets resulting from operations | <u>\$ 979,714</u> |

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

TENNESSEE TAX-FREE INCOME SERIES

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended December 31, 2018 and the year ended June 30, 2018

UNAUDITED

| | Six Months Ended 12/31/2018 | Year Ended 06/30/2018 ⁽¹⁾ |
|--|--------------------------------|---|
| Operations: | | |
| Net investment income | \$ 1,396,297 | \$ 2,996,040 |
| Net realized loss on investments | (171,188) | (3,281) |
| Net change in unrealized appreciation/depreciation | <u>(245,395)</u> | <u>(1,977,898)</u> |
| Net increase in net assets resulting from operations | 979,714 | 1,014,861 |
| Total distributions | (1,396,297) | (2,996,040) |
| Net fund share transactions (Note 4) | <u>(7,799,295)</u> | <u>1,843,070</u> |
| Total decrease | (8,215,878) | (138,109) |
| Net assets: | | |
| Beginning of year | <u>108,121,493</u> | <u>108,259,602</u> |
| End of period | <u>\$ 99,905,615</u> | <u>\$108,121,493</u> |

⁽¹⁾ The presentation of Total distributions has been updated to reflect the changes prescribed in amendments to Regulation S-X, effective November 5, 2018. For the year ended June 30, 2018, distributions from net investment income were \$2,996,040. As of June 30, 2018, accumulated net investment income was \$0.

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding:

| | Six Months Ended 12/31/2018 | For the years ended June 30, | | | | |
|--|--------------------------------|------------------------------|----------------|----------------|----------------|----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net asset value, beginning of year | <u>\$11.24</u> | <u>\$11.44</u> | <u>\$11.89</u> | <u>\$11.51</u> | <u>\$11.55</u> | <u>\$11.27</u> |
| Income from investment operations: | | | | | | |
| Net investment income | 0.15 | 0.31 | 0.33 | 0.34 | 0.36 | 0.37 |
| Net gains/(losses) on securities | <u>(0.04)</u> | <u>(0.20)</u> | <u>(0.45)</u> | <u>0.38</u> | <u>(0.04)</u> | <u>0.28</u> |
| Total from investment operations | 0.11 | 0.11 | (0.12) | 0.72 | 0.32 | 0.65 |
| Less distributions: | | | | | | |
| Distributions from net investment income | <u>(0.15)</u> | <u>(0.31)</u> | <u>(0.33)</u> | <u>(0.34)</u> | <u>(0.36)</u> | <u>(0.37)</u> |
| Net asset value, end of period | <u>\$11.20</u> | <u>\$11.24</u> | <u>\$11.44</u> | <u>\$11.89</u> | <u>\$11.51</u> | <u>\$11.55</u> |
| Total return | 0.99%(b) | 0.94% | (1.03)% | 6.40% | 2.77% | 5.86% |
| Net assets, end of period (in thousands) | \$99,906 | \$108,121 | \$108,260 | \$116,831 | \$109,672 | \$104,894 |
| Ratio of net expenses to average net assets (a) | 0.71%(c) | 0.70% | 0.70% | 0.71% | 0.70% | 0.71% |
| Ratio of gross expenses to average net assets | 0.71%(c) | 0.71% | 0.71% | 0.71% | 0.70% | 0.71% |
| Ratio of net investment income to average net assets | 2.68%(c) | 2.70% | 2.82% | 2.96% | 3.08% | 3.25% |
| Portfolio turnover | 0.79%(b) | 15.77% | 9.27% | 9.67% | 7.01% | 14.44% |

(a) Percentages are after expense waivers and reductions by the Adviser and Custodian. The Adviser and Custodian have agreed not to seek recovery of these waivers and reductions.

(b) Not annualized

(c) Annualized

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

DUPREE MUTUAL FUNDS — TENNESSEE TAX-FREE SHORT-TO-MEDIUM SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Tennessee Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|-------------------|
| PUBLIC FACILITIES REVENUE BONDS | | | | | |
| 21.70% of Net Assets | | | | | |
| Memphis TN Center City Revenue Finance Corporation Sports Facility | 4.000% | 02/01/2021 | Aa3 | \$ 100,000 | \$ 103,956 |
| Memphis TN Center City Revenue Finance Corporation Sports Facility | 4.000 | 02/01/2022 | Aa3 | 220,000 | 232,010 |
| Memphis-Shelby County TN Industrial Development Board | 5.000 | 11/01/2024 | Aa3 | 250,000 | 288,118 |
| Metropolitan Government Nashville & Davidson County TN Sports Authority | 5.000 | 07/01/2023 | Aa3 | 125,000 | 140,603 |
| Metropolitan Government Nashville & Davidson County TN Sports Authority | 5.250 | 08/01/2024 | Aa3 | 190,000 | 214,952 |
| Metropolitan Government Nashville & Davidson County TN Sports Authority | 5.250 | 08/01/2025 | Aa3 | 195,000 | 220,520 |
| Metropolitan Government Nashville & Davidson County TN Sports Authority | 5.250 | 08/01/2026 | Aa3 | 100,000 | 113,273 |
| Pigeon Forge Industrial Development Board | 5.000 | 06/01/2024 | AA* | 175,000 | 187,451 |
| Pigeon Forge Public Facilities** | 5.000 | 06/01/2023 | AA* | 150,000 | 160,710 |
| | | | | | <u>1,661,593</u> |
| REFUNDING BONDS | | | | | |
| 21.33% of Net Assets | | | | | |
| Maryville TN | 5.000 | 06/01/2026 | Aa3 | 350,000 | 415,667 |
| Memphis TN General Improvement** | 5.000 | 11/01/2023 | Aa2 | 350,000 | 397,618 |
| Metropolitan Government Nashville & Davidson County TN | 5.000 | 07/01/2021 | Aa2 | 175,000 | 183,358 |
| Metropolitan Government Nashville & Davidson County TN | 4.000 | 07/01/2023 | Aa2 | 110,000 | 113,433 |
| Metropolitan Government Nashville & Davidson County TN | 4.000 | 07/01/2024 | Aa2 | 80,000 | 85,466 |
| Putnam County TN | 4.000 | 04/01/2025 | Aa2 | 300,000 | 332,472 |
| Unicoi County TN Refunding | 5.250 | 04/01/2019 | A1 | 105,000 | 105,885 |
| | | | | | <u>1,633,899</u> |
| MUNICIPAL UTILITY REVENUE BONDS | | | | | |
| 16.23% of Net Assets | | | | | |
| Chattanooga TN Electric Revenue** | 5.000 | 09/01/2023 | AA+* | 250,000 | 283,490 |
| Hallsdale-Powell TN Utility District | 4.000 | 04/01/2028 | AA* | 255,000 | 280,212 |
| Maryville TN | 4.000 | 06/01/2029 | Aa3 | 250,000 | 273,997 |
| Metropolitan Government Nashville & Davidson County TN Water & Sewer | 5.000 | 07/01/2026 | Aa3 | 100,000 | 112,436 |
| Springfield TN | 5.000 | 06/01/2027 | Aa3 | 245,000 | 293,280 |
| | | | | | <u>1,243,415</u> |
| SCHOOL IMPROVEMENT BONDS | | | | | |
| 12.60% of Net Assets | | | | | |
| Lincoln County TN | 5.250 | 04/01/2019 | Aa3 | 200,000 | 201,720 |
| Rhea County TN | 4.000 | 04/01/2025 | A1 | 250,000 | 262,507 |
| Robertson County TN School and Public Improvement | 4.000 | 06/01/2019 | AA* | 100,000 | 100,920 |
| Sumner County TN | 5.000 | 12/01/2025 | AA+* | 100,000 | 115,633 |
| White County TN | 4.000 | 06/01/2027 | AA-* | 260,000 | 284,599 |
| | | | | | <u>965,379</u> |
| UNIVERSITY CONSOLIDATED EDUCATION AND BUILDING REVENUE BONDS | | | | | |
| 10.19% of Net Assets | | | | | |
| Franklin County TN Health & Educational Facilities Board | 4.000 | 09/01/2019 | A+* | 150,000 | 152,054 |
| Franklin County TN Health & Educational Facilities Board | 4.000 | 09/01/2024 | A+* | 135,000 | 142,682 |
| Shelby County TN Health Educational & Housing Facilities Rhodes College | 5.000 | 08/01/2022 | A1 | 120,000 | 131,776 |
| Shelby County TN Health Educational & Housing Facilities Rhodes College | 4.000 | 08/01/2025 | A1 | 100,000 | 110,072 |
| Shelby County TN Health Educational & Housing Facilities Rhodes College | 4.000 | 08/01/2027 | A1 | 225,000 | 244,225 |
| | | | | | <u>780,809</u> |
| PREREFUNDED BONDS | | | | | |
| 8.54% of Net Assets | | | | | |
| Blount County TN Public Building Authority | 4.000 | 06/01/2020 | Aa2 | 150,000 | 151,380 |
| Blount County TN Public Building Authority | 5.000 | 06/01/2021 | Aa2 | 175,000 | 177,399 |

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

DUPREE MUTUAL FUNDS — TENNESSEE TAX-FREE SHORT-TO-MEDIUM SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Tennessee Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|---------------------|
| Memphis TN Center City Revenue Finance Corporation | 5.250% | 11/01/2025 | Aa3 | \$ 100,000 | \$ 109,195 |
| Memphis TN General Obligation | 5.000 | 05/01/2020 | Aa2 | 50,000 | 50,531 |
| Metropolitan Government Nashville & Davidson County TN | 4.000 | 07/01/2023 | NR | 140,000 | 144,474 |
| Metropolitan Government Nashville & Davidson County TN | 4.000 | 07/01/2024 | NR | 20,000 | 21,395 |
| | | | | | <u>654,374</u> |
| HOSPITAL AND HEALTHCARE REVENUE BONDS | | | | | |
| 3.51% of Net Assets | | | | | |
| Shelby County TN Health Educational & Housing Facilities | 4.250 | 09/01/2020 | BBB+* | 265,000 | <u>268,691</u> |
| AIRPORT REVENUE BONDS | | | | | |
| 1.41% of Net Assets | | | | | |
| Metropolitan Nashville Airport Authority | 4.000 | 07/01/2023 | A1 | 100,000 | <u>107,716</u> |
| Total Investments 95.51% of Net Assets (cost \$7,260,160) (See (a) below for further explanation) | | | | | <u>\$ 7,315,876</u> |
| Other assets in excess of liabilities 4.49% | | | | | <u>343,688</u> |
| Net Assets 100% | | | | | <u>\$ 7,659,564</u> |

- # Ratings by Moody's Investors Services, Inc. unless noted otherwise.
All ratings are as of the date indicated and do not reflect subsequent changes.
- * Rated by Standard & Poor's Corporation
- @ Rated by Fitch's Investors Service
- NR Not Rated
- ** Security is segregated — see footnote 1(D)

(a) Cost for federal income tax purposes is \$7,260,160 and net unrealized appreciation of investments is as follows:

| | |
|-----------------------------|------------------|
| Unrealized appreciation | \$ 65,939 |
| Unrealized depreciation | <u>(10,223)</u> |
| Net unrealized appreciation | <u>\$ 55,716</u> |

Other Information

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's investments in securities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

| | Valuation Inputs | Municipal Bonds |
|---------|-------------------------------------|------------------------|
| Level 1 | Quoted Prices | \$ — |
| Level 2 | Other Significant Observable Inputs | 7,315,876 |
| Level 3 | Significant Unobservable Inputs | <u>—</u> |
| | | <u>\$ 7,315,876</u> |

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

TENNESSEE TAX-FREE SHORT-TO-MEDIUM SERIES

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2018

UNAUDITED

ASSETS:

| | |
|--|---------------|
| Investments in securities, at fair value (Cost: \$7,260,160) | \$7,315,876 |
| Cash | 282,214 |
| Interest receivable | <u>80,882</u> |
| Total assets | 7,678,972 |

LIABILITIES:

Payable for:

| | |
|-------------------------------|---------------|
| Distributions to shareholders | 2,768 |
| Fund shares redeemed | 1,522 |
| Investment advisory fee | 1,041 |
| Audit expense | 1,184 |
| Custodian expense | 1,835 |
| Insurance expense | 275 |
| Pricing fees | 1,667 |
| Printing expense | 1,508 |
| Transfer agent fee | 1,128 |
| Trustees fees | 737 |
| Accrued expenses | <u>5,743</u> |
| Total liabilities | <u>19,408</u> |

NET ASSETS:

| | |
|----------------------------|--------------------|
| Capital | 7,876,909 |
| Total distributable losses | <u>(217,345)</u> |
| Net assets at value | <u>\$7,659,564</u> |

NET ASSET VALUE, offering price and redemption price per share

(725,166 shares outstanding; unlimited number of shares authorized; no par value) \$ 10.56

STATEMENT OF OPERATIONS

For the six months ended December 31, 2018

Net investment income:

| | |
|--|------------------|
| Interest income | \$ 99,533 |
| Expenses: | |
| Investment advisory fee | 22,177 |
| Transfer agent fee | 6,653 |
| Professional fees | 4,797 |
| Custodian expense | 3,992 |
| Registration fees | 3,468 |
| Pricing fees | 2,269 |
| Trustees fees | 560 |
| Other expenses | <u>1,912</u> |
| Total expenses | 45,828 |
| Fees waived by Adviser (Note 2) | (14,333) |
| Custodian expense reduction | <u>(142)</u> |
| Net expenses | <u>31,353</u> |
| Net investment income | <u>68,180</u> |
| Realized and unrealized gain/(loss) on investments: | |
| Net realized loss | (42,393) |
| Net change in unrealized appreciation/depreciation | <u>62,945</u> |
| Net realized and unrealized gain on investments | <u>20,552</u> |
| Net increase in net assets resulting from operations | <u>\$ 88,732</u> |

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

TENNESSEE TAX-FREE SHORT-TO-MEDIUM SERIES

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended December 31, 2018 and the year ended June 30, 2018

UNAUDITED

| | Six Months Ended 12/31/2018 | Year Ended 06/30/2018 ⁽¹⁾ |
|---|--------------------------------|---|
| Operations: | | |
| Net investment income | \$ 68,180 | \$ 153,033 |
| Net realized loss on investments | (42,393) | (2,248) |
| Net change in unrealized appreciation/depreciation | <u>62,945</u> | <u>(163,422)</u> |
| Net increase/(decrease) in net assets resulting from operations | 88,732 | (12,637) |
| Total distributions | (68,180) | (153,033) |
| Net fund share transactions (Note 4) | <u>(2,363,774)</u> | <u>(330,072)</u> |
| Total decrease | (2,343,222) | (495,742) |
| Net assets: | | |
| Beginning of year | <u>10,002,786</u> | <u>10,498,528</u> |
| End of period | <u>\$ 7,659,564</u> | <u>\$10,002,786</u> |

(1) The presentation of Total distributions has been updated to reflect the changes prescribed in amendments to Regulation S-X, effective November 5, 2018. For the year ended June 30, 2018, distributions from net investment income were \$153,033. As of June 30, 2018, accumulated net investment income was \$0.

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding:

| | Six Months Ended 12/31/2018 | For the years ended June 30, | | | | |
|---|--------------------------------|------------------------------|----------------|----------------|----------------|----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net asset value, beginning of year | <u>\$10.52</u> | <u>\$10.70</u> | <u>\$10.93</u> | <u>\$10.74</u> | <u>\$10.81</u> | <u>\$10.75</u> |
| Income from investment operations: | | | | | | |
| Net investment income | 0.08 | 0.16 | 0.17 | 0.16 | 0.18 | 0.19 |
| Net gains/(losses) on securities both realized and unrealized | <u>0.04</u> | <u>(0.18)</u> | <u>(0.23)</u> | <u>0.19</u> | <u>(0.07)</u> | <u>0.06</u> |
| Total from investment operations | 0.12 | (0.02) | (0.06) | 0.35 | 0.11 | 0.25 |
| Less distributions: | | | | | | |
| Distributions from net investment income | <u>(0.08)</u> | <u>(0.16)</u> | <u>(0.17)</u> | <u>(0.16)</u> | <u>(0.18)</u> | <u>(0.19)</u> |
| Net asset value, end of period | <u>\$10.56</u> | <u>\$10.52</u> | <u>\$10.70</u> | <u>\$10.93</u> | <u>\$10.74</u> | <u>\$10.81</u> |
| Total return | 1.16%(b) | (0.17)% | (0.54)% | 3.28% | 0.99% | 2.36% |
| Net assets, end of period (in thousands) | \$7,660 | \$10,003 | \$10,499 | \$11,340 | \$11,033 | \$10,785 |
| Ratio of net expenses to average net assets (a) | 0.71%(c) | 0.70% | 0.75% | 0.86% | 0.85% | 0.86% |
| Ratio of gross expenses to average net assets | 1.04%(c) | 0.98% | 0.88% | 0.86% | 0.85% | 0.86% |
| Ratio of net investment income to average net assets | 1.55%(c) | 1.53% | 1.59% | 1.47% | 1.64% | 1.78% |
| Portfolio turnover | 0.00%(b) | 22.75% | 10.95% | 7.37% | 14.32% | 11.38% |

(a) Percentages are after expense waivers and reductions by the Adviser and Custodian. The Adviser and Custodian have agreed not to seek recovery of these waivers and reductions.

(b) Not annualized

(c) Annualized

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

DUPREE MUTUAL FUNDS — INTERMEDIATE GOVERNMENT BOND SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
U.S. Government Securities and Agencies
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|----------------------|
| FEDERAL FARM CREDIT | | | | | |
| 62.98% of Net Assets | | | | | |
| Federal Farm Credit Bank | 5.050% | 12/21/2021 | Aaa | \$ 370,000 | \$ 395,574 |
| Federal Farm Credit Bank** | 5.250 | 05/10/2022 | Aaa | 2,000,000 | 2,165,963 |
| Federal Farm Credit Bank** | 5.840 | 07/20/2022 | Aaa | 2,650,000 | 2,933,452 |
| Federal Farm Credit Bank** | 5.250 | 10/25/2022 | Aaa | 1,500,000 | 1,640,078 |
| Federal Farm Credit Bank | 5.125 | 11/28/2022 | Aaa | 2,000,000 | 2,179,396 |
| | | | | | <u>9,314,463</u> |
| FEDERAL HOME LOAN BANK | | | | | |
| 35.26% of Net Assets | | | | | |
| Federal Home Loan Bank | 5.000 | 12/10/2021 | Aaa | 500,000 | 534,761 |
| Federal Home Loan Bank | 5.750 | 06/10/2022 | Aaa | 2,000,000 | 2,205,922 |
| Federal Home Loan Bank | 5.365 | 09/09/2024 | Aaa | 1,750,000 | 1,982,687 |
| Federal Home Loan Bank | 2.970 | 08/02/2027 | Aaa | 500,000 | 490,688 |
| | | | | | <u>5,214,058</u> |
| Total Investments 98.24% of Net Assets (cost \$14,228,543) (See (a) below for further explanation) | | | | | <u>\$ 14,528,521</u> |
| Other assets in excess of liabilities 1.76% | | | | | <u>259,543</u> |
| Net Assets 100% | | | | | <u>\$ 14,788,064</u> |

- # Ratings by Moody's Investors Services, Inc. unless noted otherwise.
All ratings are as of the date indicated and do not reflect subsequent changes.
- * Rated by Standard & Poor's Corporation
- @ Rated by Fitch's Investors Service
- NR Not Rated
- ** Security is segregated — see footnote 1(D)

(a) Cost for federal income tax purposes is \$14,228,543 and net unrealized appreciation of investments is as follows:

| | | |
|-----------------------------|----|----------------|
| Unrealized appreciation | \$ | 308,524 |
| Unrealized depreciation | | <u>(8,546)</u> |
| Net unrealized appreciation | \$ | <u>299,978</u> |

Other Information

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's investments in securities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

| | Valuation Inputs | Government Agencies |
|---------|-------------------------------------|----------------------------|
| Level 1 | Quoted Prices | — |
| Level 2 | Other Significant Observable Inputs | \$ 14,528,521 |
| Level 3 | Significant Unobservable Inputs | — |
| | | <u>\$ 14,528,521</u> |

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

INTERMEDIATE GOVERNMENT BOND SERIES

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2018

UNAUDITED

ASSETS:

| | |
|---|-------------------|
| Investments in securities, at fair value (Cost: \$14,228,543) | \$14,528,521 |
| Cash | 128,464 |
| Interest receivable | 153,538 |
| Total assets | <u>14,810,523</u> |

LIABILITIES:

Payable for:

| | |
|-------------------------------|---------------|
| Distributions to shareholders | 6,599 |
| Fund shares redeemed | 373 |
| Investment advisory fee | 2,425 |
| Transfer agent fee | 1,872 |
| Custodian expense | 2,885 |
| Miscellaneous expense | 2,310 |
| Printing expense | 1,430 |
| Trustees fees | 611 |
| Accrued expenses | 3,954 |
| Total liabilities | <u>22,459</u> |

NET ASSETS:

| | |
|------------------------------|---------------------|
| Capital | 14,640,803 |
| Total distributable earnings | 147,261 |
| Net assets at value | <u>\$14,788,064</u> |

NET ASSET VALUE, offering price and redemption price per share

(1,493,545 shares outstanding; unlimited number of shares authorized; no par value) \$ 9.90

STATEMENT OF OPERATIONS

For the six months ended December 31, 2018

Net investment income:

| | |
|--|------------------|
| Interest income | <u>\$239,985</u> |
| Expenses: | |
| Investment advisory fee | 14,983 |
| Transfer agent fee | 11,237 |
| Custodian expense | 4,711 |
| Printing expense | 4,232 |
| Compliance fees | 3,680 |
| Registration expense | 3,291 |
| Pricing fees | 2,521 |
| Trustees fees | 896 |
| Other expenses | 5,519 |
| Total expenses | 51,070 |
| Fees waived by Adviser (Note 2) | (109) |
| Custodian expense reduction | (167) |
| Net expenses | <u>50,794</u> |
| Net investment income | <u>189,191</u> |
| Realized and unrealized gain on investments: | |
| Net realized gain | 291 |
| Net change in unrealized appreciation/depreciation | 38,302 |
| Net realized and unrealized gain on investments | <u>38,593</u> |
| Net increase in net assets resulting from operations | <u>\$227,784</u> |

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

INTERMEDIATE GOVERNMENT BOND SERIES

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended December 31, 2018 and the year ended June 30, 2018

UNAUDITED

| | Six Months Ended 12/31/2018 | Year Ended 06/30/2018 ⁽¹⁾ |
|---|--------------------------------|---|
| Operations: | | |
| Net investment income | \$ 189,191 | \$ 392,788 |
| Net realized gain on investments | 291 | 6,059 |
| Net change in unrealized appreciation/depreciation | <u>38,302</u> | <u>(551,580)</u> |
| Net increase/(decrease) in net assets resulting from operations | 227,784 | (152,733) |
| Total distributions | (189,191) | (392,788) |
| Net fund share transactions (Note 4) | <u>(283,687)</u> | <u>(27,766)</u> |
| Total decrease | (245,094) | (573,287) |
| Net assets: | | |
| Beginning of year | <u>15,033,158</u> | <u>15,606,445</u> |
| End of period | <u>\$14,788,064</u> | <u>\$15,033,158</u> |

⁽¹⁾ The presentation of Total distributions has been updated to reflect the changes prescribed in amendments to Regulation S-X, effective November 5, 2018. For the year ended June 30, 2018, distributions from net investment income were \$392,788. As of June 30, 2018, accumulated net investment income was \$0.

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding:

| | Six Months Ended 12/31/2018 | For the years ended June 30, | | | | |
|--|--------------------------------|------------------------------|----------------|----------------|----------------|----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net asset value, beginning of year | <u>\$9.87</u> | <u>\$10.23</u> | <u>\$10.70</u> | <u>\$10.29</u> | <u>\$10.25</u> | <u>\$10.05</u> |
| Income from investment operations: | | | | | | |
| Net investment income | 0.12 | 0.25 | 0.26 | 0.26 | 0.26 | 0.28 |
| Net gains/(losses) on securities | <u>0.03</u> | <u>(0.36)</u> | <u>(0.47)</u> | <u>0.41</u> | <u>0.04</u> | <u>0.20</u> |
| Total from investment operations | 0.15 | (0.11) | (0.21) | 0.67 | 0.30 | 0.48 |
| Less distributions: | | | | | | |
| Distributions from net investment income | <u>(0.12)</u> | <u>(0.25)</u> | <u>(0.26)</u> | <u>(0.26)</u> | <u>(0.26)</u> | <u>(0.28)</u> |
| Net asset value, end of period | <u>\$9.90</u> | <u>\$9.87</u> | <u>\$10.23</u> | <u>\$10.70</u> | <u>\$10.29</u> | <u>\$10.25</u> |
| Total return | 1.59%(b) | (1.05)% | (1.99)% | 6.57% | 2.96% | 4.89% |
| Net assets, end of period (in thousands) | \$14,788 | \$15,033 | \$15,606 | \$17,476 | \$18,728 | \$21,224 |
| Ratio of net expenses to average net assets (a) | 0.68%(c) | 0.61% | 0.58% | 0.53% | 0.51% | 0.56% |
| Ratio of gross expenses to average net assets | 0.69%(c) | 0.61% | 0.58% | 0.53% | 0.51% | 0.56% |
| Ratio of net investment income to average net assets | 2.55%(c) | 2.53% | 2.49% | 2.47% | 2.54% | 2.81% |
| Portfolio turnover | 0.00%(b) | 1.99% | 0.00% | 0.00% | 2.44% | 15.33% |

(a) Percentages are after expenses waived by Adviser and Custodian reduction. No recovery of these waivers and reductions will be sought.

(b) Not annualized

(c) Annualized

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

DUPREE MUTUAL FUNDS — TAXABLE MUNICIPAL BOND SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Taxable Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|---|---------------|----------------------|----------------|------------------|-------------------|
| PUBLIC FACILITIES REVENUE BONDS | | | | | |
| 33.62% of Net Assets | | | | | |
| Buncombe County NC Limited Obligation Build America | 6.800% | 06/01/2030 | Aa1 | \$ 250,000 | \$ 262,253 |
| Decatur GA Urban Redevelopment Agency Revenue Build America | 6.920 | 01/01/2038 | Aa1 | 150,000 | 159,587 |
| Evanston IL Taxable Corporate Purpose Bonds | 4.250 | 12/01/2038 | Aa2 | 275,000 | 275,415 |
| Franklin County OH Convention Facilities Authority | 6.640 | 12/01/2042 | Aa2 | 240,000 | 326,479 |
| Franklin County OH Convention Facilities Build America | 6.540 | 12/01/2036 | Aa2 | 155,000 | 200,572 |
| Grand Junction CO Certificates of Participation Build America | 7.500 | 12/01/2030 | A+* | 425,000 | 458,448 |
| Metropolitan Government Nashville & Davidson County TN | 7.431 | 07/01/2043 | A1 | 190,000 | 257,830 |
| Pennington County SD Certificates of Participation Build America | 7.200 | 06/01/2037 | Aa1 | 750,000 | 808,220 |
| Pompano Beach FL Certificates of Participation | 5.579 | 01/01/2040 | A1 | 225,000 | 234,997 |
| Rhode Island Convention Center | 6.060 | 05/15/2035 | Aa3 | 70,000 | 81,750 |
| Sarasota County FL Capital Improvement Revenue Build America | 7.016 | 10/01/2040 | AA+* | 710,000 | 757,087 |
| | | | | | <u>3,822,638</u> |
| MUNICIPAL UTILITY REVENUE BONDS | | | | | |
| 25.03% of Net Assets | | | | | |
| Altoona PA Water Authority Sewer Revenue Build America | 7.064 | 12/01/2040 | AA* | 425,000 | 448,778 |
| Davie FL Water & Sewer Revenue Build America | 6.849 | 10/01/2040 | A1 | 40,000 | 42,420 |
| FL State Utility Revenue | 6.548 | 10/01/2040 | A2 | 60,000 | 63,589 |
| Heber UT Light & Power Build America | 7.000 | 12/15/2030 | A2 | 375,000 | 403,871 |
| Metropolitan Government Nashville & Davidson County TN Recovery Zone | 6.693 | 07/01/2041 | Aa3 | 200,000 | 275,006 |
| OK State Municipal Power Authority | 6.310 | 01/01/2040 | A2 | 95,000 | 115,132 |
| Pigeon Forge TN Build America Recovery Zone | 7.125 | 06/01/2040 | AA* | 300,000 | 364,119 |
| Sedalia MO Certificates of Participation Build America** | 7.300 | 06/01/2035 | AA* | 500,000 | 520,445 |
| West Knox Utilities District Knox County TN Water and Sewer** | 6.900 | 06/01/2040 | AA+* | 400,000 | 447,112 |
| Williamsport PA Municipal Water Authority Build America | 6.100 | 01/01/2040 | A2 | 60,000 | 62,270 |
| York County VA Sewer Revenue Build America | 6.607 | 06/01/2040 | Aa3 | 100,000 | 104,226 |
| | | | | | <u>2,846,968</u> |
| SCHOOL IMPROVEMENT BONDS | | | | | |
| 13.39% of Net Assets | | | | | |
| Armstrong School District PA Build America** | 7.000 | 03/15/2041 | AA* | 750,000 | 810,008 |
| CO State Building Excellent Schools Today Certificates of Participation** | 7.017 | 03/15/2031 | Aa2 | 400,000 | 435,544 |
| Jefferson County TN Build America Bonds | 6.625 | 06/01/2040 | Aa3 | 250,000 | 277,385 |
| | | | | | <u>1,522,937</u> |
| MISCELLANEOUS PUBLIC IMPROVEMENT BONDS | | | | | |
| 10.49% of Net Assets | | | | | |
| KY State Property & Buildings Build America** | 5.921 | 11/01/2030 | A1 | 250,000 | 289,023 |
| Leeds AL Taxable Warrants | 4.125 | 05/01/2039 | AA* | 125,000 | 125,265 |
| Lincoln AL Build America Recovery Zone | 6.800 | 06/01/2040 | AA* | 425,000 | 447,223 |
| Scottsboro AL Build America Bonds | 6.400 | 11/01/2040 | A2 | 250,000 | 264,535 |
| Utah County UT Excise Tax Revenue | 7.130 | 12/01/2039 | AA-* | 65,000 | 67,221 |
| | | | | | <u>1,193,267</u> |
| TURNPIKES/TOLLROAD/HIGHWAY REVENUE BONDS | | | | | |
| 6.10% of Net Assets | | | | | |
| FL State Turnpike Authority Turnpike Revenue Build America | 6.800 | 07/01/2039 | Aa2 | 300,000 | 305,931 |
| Washoe County NV Highway Revenue | 7.969 | 02/01/2040 | Aa3 | 280,000 | 388,464 |
| | | | | | <u>694,395</u> |
| HOSPITAL AND HEALTHCARE REVENUE BONDS | | | | | |
| 4.44% of Net Assets | | | | | |
| Midland County TX Hospital District | 6.440 | 05/15/2039 | Aa3 | 185,000 | 238,062 |
| University NC Chapel Hill Hospital Revenue Build America | 6.329 | 02/01/2031 | Aa3 | 250,000 | 267,307 |
| | | | | | <u>505,369</u> |
| MARINA/PORT AUTHORITY REVENUE BONDS | | | | | |
| 2.31% of Net Assets | | | | | |
| Miami Dade County FL Special Obligation | 7.500 | 04/01/2040 | Aa3 | 200,000 | 263,068 |

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

DUPREE MUTUAL FUNDS — TAXABLE MUNICIPAL BOND SERIES
SCHEDULE OF PORTFOLIO INVESTMENTS
Taxable Municipal Bonds
December 31, 2018

UNAUDITED

| Bond Description | Coupon | Maturity Date | Rating# | Par Value | Fair Value |
|--|---------------|----------------------|----------------|------------------|-------------------|
| UNIVERSITY CONSOLIDATED EDUCATION AND BUILDING REVENUE BONDS | | | | | |
| 1.18% of Net Assets | | | | | |
| Mesa State College CO Auxiliary Facilities Build America | 6.746% | 05/15/2042 | Aa2 | \$ 100,000 | \$ 134,389 |
| AIRPORT REVENUE BONDS | | | | | |
| 1.02% of Net Assets | | | | | |
| Tri-Cities TN Airport Authority Revenue | 3.625 | 05/01/2038 | Aa2 | 125,000 | 116,486 |
| Total Investments 97.58% of Net Assets (cost \$10,318,263) (See (a) below for further explanation) | | | | | \$ 11,099,517 |
| Other assets in excess of liabilities 2.42% | | | | | 275,627 |
| Net Assets 100% | | | | | \$ 11,375,144 |

- # Ratings by Moody's Investors Services, Inc. unless noted otherwise.
All ratings are as of the date indicated and do not reflect subsequent changes.
- * Rated by Standard & Poor's Corporation
- @ Rated by Fitch's Investors Service
- NR Not Rated
- ** Security is segregated — see footnote 1(D)

(a) Cost for federal income tax purposes is \$10,318,263 and net unrealized appreciation of investments is as follows:

| | |
|-----------------------------|------------|
| Unrealized appreciation | \$ 789,553 |
| Unrealized depreciation | (8,299) |
| Net unrealized appreciation | \$ 781,254 |

Other Information

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's investments in securities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

| | Valuation Inputs | Taxable Municipal Bonds |
|---------|-------------------------------------|--------------------------------|
| Level 1 | Quoted Prices | \$ — |
| Level 2 | Other Significant Observable Inputs | 11,099,517 |
| Level 3 | Significant Unobservable Inputs | — |
| | | \$ 11,099,517 |

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

TAXABLE MUNICIPAL BOND SERIES

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2018

UNAUDITED

ASSETS:

| | |
|---|----------------|
| Investments in securities, at fair value (Cost: \$10,318,263) | \$11,099,517 |
| Cash | 162,638 |
| Interest receivable | <u>135,918</u> |
| Total assets | 11,398,073 |

LIABILITIES:

Payable for:

| | |
|-------------------------------|---------------|
| Distributions to shareholders | 13,864 |
| Fund shares redeemed | 921 |
| Investment advisory fee | 2,339 |
| Transfer agent fee | 1,381 |
| Miscellaneous expense | 1,193 |
| Trustees fees | 711 |
| Audit fees | 494 |
| Accrued expenses | <u>2,026</u> |
| Total liabilities | <u>22,929</u> |

NET ASSETS:

| | |
|------------------------------|---------------------|
| Capital | 10,633,114 |
| Total distributable earnings | <u>742,030</u> |
| Net assets at value | <u>\$11,375,144</u> |

NET ASSET VALUE, offering price and redemption price per share

(1,121,182 shares outstanding; unlimited number of shares authorized; no par value) \$ 10.15

STATEMENT OF OPERATIONS

For the six months ended December 31, 2018

Net investment income:

| | |
|--|------------------|
| Interest income | <u>\$319,927</u> |
| Expenses: | |
| Investment advisory fee | 27,945 |
| Transfer agent fee | 8,383 |
| Custodian expense | 4,506 |
| Professional fees | 2,354 |
| Registration expense | 2,828 |
| Trustees fees | 659 |
| Miscellaneous expense | 256 |
| Other expenses | <u>4,989</u> |
| Total expenses | 51,920 |
| Fees waived by Adviser (Note 2) | (12,635) |
| Custodian expense reduction | <u>(160)</u> |
| Net expenses | <u>39,125</u> |
| Net investment income | <u>280,802</u> |
| Realized and unrealized loss on investments: | |
| Net realized loss | (3,812) |
| Net change in unrealized appreciation/depreciation | <u>(90,289)</u> |
| Net realized and unrealized loss on investments | <u>(94,101)</u> |
| Net increase in net assets resulting from operations | <u>\$186,701</u> |

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

TAXABLE MUNICIPAL BOND SERIES

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended December 31, 2018 and the year ended June 30, 2018

UNAUDITED

| | Six Months Ended 12/31/2018 | Year Ended 06/30/2018 ⁽¹⁾ |
|--|--------------------------------|---|
| Operations: | | |
| Net investment income | \$ 280,802 | \$ 540,471 |
| Net realized gain/(loss) on investments | (3,812) | 4,037 |
| Net change in unrealized appreciation/depreciation | <u>(90,289)</u> | <u>(261,258)</u> |
| Net increase in net assets resulting from operations | 186,701 | 283,250 |
| Total distributions | (280,802) | (540,471) |
| Net fund share transactions (Note 4) | <u>512,079</u> | <u>177,432</u> |
| Total increase/(decrease) | 417,978 | (79,789) |
| Net assets: | | |
| Beginning of year | <u>10,957,166</u> | <u>11,036,955</u> |
| End of period | <u>\$11,375,144</u> | <u>\$10,957,166</u> |

⁽¹⁾ The presentation of Total distributions has been updated to reflect the changes prescribed in amendments to Regulation S-X, effective November 5, 2018. For the year ended June 30, 2018, distributions from net investment income were \$540,471. As of June 30, 2018, accumulated net investment income was \$0.

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding:

| | Six Months Ended 12/31/2018 | For the years ended June 30, | | | | |
|--|--------------------------------|------------------------------|----------------|----------------|----------------|----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net asset value, beginning of period | <u>\$10.24</u> | <u>\$10.48</u> | <u>\$10.98</u> | <u>\$10.53</u> | <u>\$10.57</u> | <u>\$10.45</u> |
| Income from investment operations: | | | | | | |
| Net investment income | 0.26 | 0.51 | 0.47 | 0.50 | 0.52 | 0.51 |
| Net gains/(losses) on securities | <u>(0.09)</u> | <u>(0.24)</u> | <u>(0.43)</u> | <u>0.45</u> | <u>(0.04)</u> | <u>0.18</u> |
| Total from investment operations | 0.17 | 0.27 | 0.04 | 0.95 | 0.48 | 0.69 |
| Less distributions: | | | | | | |
| Distributions from net investment income | (0.26) | (0.51) | (0.47) | (0.50) | (0.52) | (0.51) |
| Distributions from capital gains | <u>0.00</u> | <u>0.00</u> | <u>(0.07)</u> | <u>0.00</u> | <u>0.00</u> | <u>(0.06)</u> |
| Total distributions | <u>(0.26)</u> | <u>(0.51)</u> | <u>(0.54)</u> | <u>(0.50)</u> | <u>(0.52)</u> | <u>(0.57)</u> |
| Net asset value, end of period | <u>\$10.15</u> | <u>\$10.24</u> | <u>\$10.48</u> | <u>\$10.98</u> | <u>\$10.53</u> | <u>\$10.57</u> |
| Total return | 1.66%(b) | 2.66% | 0.78% | 9.29% | 4.49% | 6.90% |
| Net assets, end of period (in thousands) | \$11,375 | \$10,957 | \$11,037 | \$12,180 | \$11,303 | \$12,369 |
| Ratio of net expenses to average net assets (a) | 0.71%(c) | 0.70% | 0.62% | 0.86% | 0.83% | 0.89% |
| Ratio of gross expenses to average net assets | 0.93%(c) | 0.92% | 0.74% | 0.86% | 0.83% | 0.89% |
| Ratio of net investment income to average net assets | 5.06%(c) | 4.95% | 4.79% | 4.71% | 4.80% | 4.95% |
| Portfolio turnover | 1.82%(b) | 4.31% | 11.04% | 10.55% | 8.45% | 9.71% |

(a) Percentages are after expense waivers and reductions by the Adviser and Custodian. The Adviser and Custodian have agreed not to seek recovery of these waivers and reductions.

(b) Not annualized

(c) Annualized

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

1. Organization and Significant Accounting Policies

Dupree Mutual Funds is registered under the Investment Company Act of 1940, as amended, as a no-load, open-end investment company. The Declaration of Trust of Dupree Mutual Funds (the “Trust”) permits the Trustees to create an unlimited number of series of investment portfolios (each a “Fund” and collectively, the “Funds”) and with respect to each series to issue an unlimited number of full or fractional shares of a single class. The Trust currently offers ten series:

- Alabama Tax-Free Income Series
- Kentucky Tax-Free Income Series
- Kentucky Tax-Free Short-to-Medium Series
- Mississippi Tax-Free Income Series
- North Carolina Tax-Free Income Series
- North Carolina Tax-Free Short-to-Medium Series
- Tennessee Tax-Free Income Series
- Tennessee Tax-Free Short-to-Medium Series
- Intermediate Government Bond Series
- Taxable Municipal Bond Series

The investment strategy of the eight state tax-free funds is to maintain 100% of their investments in their respective states of Alabama, Kentucky, Mississippi, North Carolina, or Tennessee municipal securities.

The Intermediate Government Bond Series’ investment strategy is to invest only in obligations of the U.S. Treasury and Agencies of the U.S. Government. The Intermediate Government Bond Series will buy bonds and notes that will maintain an average maturity of no more than ten years.

The Taxable Municipal Bond Series’ investment strategy is to invest in taxable municipal bonds of investment grade quality.

The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of their financial statements. The policies are in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”). The Trust operates as an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946 Financial Services — Investment Companies including FASB Accounting Standard Update ASU 2013-08.

A. Security Valuation

Securities held by the Intermediate Government Bond Series are valued using market quotations as provided by an independent pricing service. Securities held by the nine municipal bond funds are valued as determined in good faith in accordance with consistently applied procedures established by and under the general supervision of the Board of Trustees (the “Board”). These procedures involve the use of matrix pricing models which take into consideration price quotations or appraisals for these securities, yield, stability, risk, quality, coupon rate, maturity, type of issue, trading characteristics, special circumstances of a security or trading market, and any other factors or market data considered relevant in determining the value. The procedures also include weekly verification of market quotations provided by two independent pricing services. A bond valuation that is not supported by a valuation source requires management to fair value the security in consultation with the Board’s Valuation Committee. The Board has adopted policies and procedures for the valuation of the Trust’s investments (the “Valuation Procedures”). Pursuant to the Valuation Procedures, the Valuation Committee, consisting of all of the Trustees, has the day-to-day responsibility for implementing the Valuation Procedure including, under most circumstances, the responsibility for determining the fair value of the Trust’s securities or other assets. The Valuation Committee convenes as needed and reviews the valuation of all assets which have been fair valued for reasonableness. Shares of open-end mutual funds in which the Funds invest, if any, are valued at their respective net asset values as reported by the underlying funds.

1. Organization and Significant Accounting Policies, continued

The Funds have adopted the provisions of FASB ASC 820, “Fair Value Measurements and Disclosures.” ASC 820 establishes a hierarchy that prioritizes the inputs to valuation techniques giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements) when market prices are not readily available or reliable. The three levels of the hierarchy under ASC 820 are as follows:

| | |
|----------|--|
| Level 1: | Unadjusted quoted prices in active markets for identical securities. |
| Level 2: | Prices determined using other significant observable inputs. Observable inputs, either directly or indirectly, are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others. |
| Level 3: | Price determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, where there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Funds’ own assumptions about the factors market participants would use in pricing a security, and would be based on the best information available. |

The aggregate value by input level, as of December 31, 2018, for the Funds’ investments is included at the end of the Funds’ Schedules of Portfolio Investments. The Funds recognize transfers at the end of the reporting period. There were no transfers in and out of level 1, 2 or 3 during the year ended December 31, 2018.

B. Investment Transactions

Security transactions are accounted for on a trade date basis. Realized gains and losses on securities sold are determined on an identified cost basis.

C. Investment Income

Interest income, which includes the amortization of premiums and the accretion of discounts, is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized to interest income over the lives of the respective securities using the effective interest method.

D. When-Issued and Extended Settlement Securities

The Funds may purchase securities with delivery or payment to occur at a later date. At the time the Funds enter into a commitment to purchase a security, the transaction is recorded and the value of the security is reflected in the net asset value. The value of the security may vary with market fluctuations. No interest accrues to the Funds until the security is delivered and payment takes place. At the time the Funds enter this type of transaction, they are required to segregate cash or other liquid assets equal to the value of the securities purchased. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

E. Federal Income Taxes

It is each Fund’s policy to qualify as a regulated investment company by complying with the requirements of the Internal Revenue Code (the “code”) applicable to regulated investment companies, including the distribution of all or substantially all taxable and tax-exempt income to their shareholders. The Funds have met the requirements of the code applicable to regulated investment companies for the six months ended December 31, 2018. Therefore, no federal income tax provision is required. Management has analyzed the Funds’ tax positions for all open tax years and all major jurisdictions, and has concluded that as of December 31, 2018, no provision for income taxes is required in the financial statements. Therefore, no additional tax expense, including any interest and penalties, was recorded in the current year and no adjustments were made to prior periods. To the extent the Funds recognize interest and penalties, they are included in interest expense and other expenses, respectively, in the Statement of Operations. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last three tax year ends and the interim tax period since then).

F. Distributions

Substantially all of the net investment income of the Funds is declared as a dividend to shareholders of record as of the close of business each day. Any net realized long term capital gains are distributed annually to shareholders. Distributions

1. Organization and Significant Accounting Policies, continued

are payable in cash or in additional shares at the net asset value on the payable date. Distributions are determined in accordance with income tax regulations, which may differ from U.S. GAAP.

Distributions are payable:

Monthly for: Kentucky Tax-Free Short-to-Medium Series
North Carolina Tax-Free Short-to-Medium Series
Tennessee Tax-Free Short-to-Medium Series
Intermediate Government Bond Series
Taxable Municipal Bond Series

Quarterly for: Alabama Tax-Free Income Series
Kentucky Tax-Free Income Series
Mississippi Tax-Free Income Series
North Carolina Tax-Free Income Series
Tennessee Tax-Free Income Series

G. Estimates

The preparation of these financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual amounts could differ from those estimates.

H. Recent Accounting Pronouncements

In August 2018, the U.S. Securities and Exchange Commission approved amendments to eliminate, update or modify certain disclosure requirements required of registered investment companies. In part, these amendments amend Regulation S-X and require presentation of distributable earnings on the Statement of Assets and Liabilities in total rather than disclosing the three components of distributable earnings (undistributed net investment income, undistributed realized gain and net unrealized appreciation (depreciation) on investments). An additional amendment to Regulation S-X amends the requirement to state separately on the Statement of Changes in Net Assets distributions to shareholders from net investment income, net realized gain and other sources and rather disclose distributions to shareholders in total, except for return of capital, which should be disclosed separately. These updates have been incorporated in the Funds' financial statements and have no impact on each of the Fund's net assets or results of operations.

I. Subsequent Events

Subsequent events occurring after December 31, 2018 have been evaluated by the Funds' adviser for potential impact to this report through the date the financial statements were issued. The Funds' adviser has determined that there were no material subsequent events that require recognition or disclosure in the Funds' financial statements.

2. Investment Advisory Fee and Other Transactions with Affiliates

Subject to the direction of the Trustees, Dupree & Company, Inc. (the "Adviser") is responsible for the management of the Funds' portfolios. Under the terms of the Investment Advisory Agreements, the Funds (except the Intermediate Government Bond Series) have agreed to pay to the Adviser as compensation for all services rendered, facilities furnished and expenses paid or assumed by it under the Agreements, a fee at the annual rate of .50 of 1% of the first \$100,000,000 average daily net assets of each Fund determined separately; .45 of 1% of the average daily net assets between \$100,000,001 and \$150,000,000 of each Fund determined separately; .40 of 1% of the average daily net assets between \$150,000,001 and \$500,000,000 of each Fund determined separately; .35 of 1% of the average daily net assets between \$500,000,001 and \$750,000,000; and .30 of 1% of the average daily net assets between \$750,000,001 and \$1,000,000,000; and .25 of 1% of the average daily net assets in excess of \$1,000,000,000. The Intermediate Government Bond Series has agreed to pay to the Adviser, as compensation for all services rendered, facilities furnished and expenses paid or assumed by it under the Agreement, a fee at the annual rate of .20 of 1% of average daily net assets.

2. Investment Advisory Fee and Other Transactions with Affiliates, continued

The Adviser may voluntarily waive investment advisory fees payable to it under the Investment Advisory Agreement with each Fund, and assume and pay other operating expenses. The Adviser will not seek to recoup any waived fees or other operating expenses it has assumed.

For the six months ended December 31, 2018, fees voluntarily waived by the Adviser were as follows:

| | <u>Fees waived by Adviser</u> |
|--|-------------------------------|
| Alabama Tax-Free Income Series | \$16,163 |
| Kentucky Tax-Free Short-to-Medium Series | 18,058 |
| Mississippi Tax-Free Income Series | 13,907 |
| North Carolina Tax-Free Income Series | 6,227 |
| North Carolina Tax-Free Short-to-Medium Series | 17,114 |
| Tennessee Tax-Free Income Series | 2,219 |
| Tennessee Tax-Free Short-to-Medium Series | 14,333 |
| Government Bond Series | 109 |
| Taxable Municipal Bond Series | 12,635 |

In addition, each Fund has entered into a Shareholder Service Agreement with Dupree & Company, Inc., the Funds' transfer agent. The agreement provides for a fee computed on the average daily net asset value at the annual rate of 0.15% of 1% on the first \$20,000,000 of average net assets and 0.12% of 1% of all amounts in excess of \$20,000,000 of average net assets for each Fund.

For the six months ended December 31, 2018, each member of the Board of Trustees receives a fee of \$28,000 per year which is paid in quarterly installments plus \$2,000 for each Audit Committee meeting attended. In addition, all Trustees are reimbursed by the Funds for all reasonable out-of-pocket expenses incurred by them in performing their duties. The fees are allocated on an average monthly net asset basis for each Fund. The Trustees fees for each Fund are disclosed on the Funds' Statement of Operations.

3. Purchases and Sales of Securities

During the six months ended December 31, 2018, the cost of purchases and the proceeds from sales/calls and maturities of securities (excluding short-term securities and U.S. government obligations, except for the Intermediate Government Bond Series which are all U.S. government obligations) for each Fund were as follows:

| | <u>Purchases</u> | <u>Sales/Calls</u> |
|--|------------------|--------------------|
| Alabama Tax-Free Income Series | \$ 3,719,335 | \$ 3,371,097 |
| Kentucky Tax-Free Income Series | 53,104,497 | 72,509,147 |
| Kentucky Tax-Free Short-to-Medium Series | 2,832,657 | 5,374,964 |
| Mississippi Tax-Free Income Series | 143,160 | 566,417 |
| North Carolina Tax-Free Income Series | 6,501,652 | 7,570,909 |
| North Carolina Tax-Free Short-to-Medium Series | 594,899 | 3,519,295 |
| Tennessee Tax-Free Income Series | 809,363 | 7,624,327 |
| Tennessee Tax-Free Short-to-Medium Series | -0- | 2,214,402 |
| Intermediate Government Bond Series | -0- | 103,700 |
| Taxable Municipal Bond Series | 858,958 | 194,694 |

4. Capital Shares

As of December 31, 2018 and June 30, 2018, there were an unlimited number of shares of beneficial interest authorized. Transactions in capital shares were as follows:

| ALABAMA TAX-FREE INCOME SERIES | Six months Ended December 31, 2018 | | Year Ended June 30, 2018 | |
|--------------------------------|---------------------------------------|--------------|--------------------------|--------------|
| | SHARES | AMOUNT | SHARES | AMOUNT |
| Shares sold | 114,136 | \$ 1,370,352 | 203,698 | \$ 2,490,882 |
| Shares reinvested | 13,498 | 161,702 | 28,412 | 346,706 |
| Shares redeemed | (107,136) | (1,275,983) | (302,328) | (3,687,070) |
| Net increase/(decrease) | 20,498 | \$ 256,071 | (70,218) | \$ (849,482) |

| KENTUCKY TAX-FREE INCOME SERIES | Six months Ended December 31, 2018 | | Year Ended June 30, 2018 | |
|---------------------------------|---------------------------------------|----------------|--------------------------|-----------------|
| | SHARES | AMOUNT | SHARES | AMOUNT |
| Shares sold | 3,603,947 | \$ 27,237,716 | 11,068,186 | \$ 85,263,618 |
| Shares reinvested | 1,186,794 | 8,975,982 | 2,186,355 | 16,796,593 |
| Shares redeemed | (8,501,621) | (63,979,103) | (15,389,728) | (118,266,795) |
| Net decrease | (3,710,880) | \$(27,765,405) | (2,135,187) | \$ (16,206,584) |

| KENTUCKY TAX-FREE SHORT-TO-MEDIUM SERIES | Six months Ended December 31, 2018 | | Year Ended June 30, 2018 | |
|---|---------------------------------------|----------------|--------------------------|----------------|
| | SHARES | AMOUNT | SHARES | AMOUNT |
| Shares sold | 945,073 | \$ 4,925,595 | 1,626,804 | \$ 8,586,503 |
| Shares reinvested | 63,754 | 331,522 | 129,950 | 684,462 |
| Shares redeemed | (1,604,662) | (8,338,553) | (3,279,554) | (17,294,982) |
| Net decrease | (595,835) | \$ (3,081,436) | (1,522,800) | \$ (8,024,017) |

| MISSISSIPPI TAX-FREE INCOME SERIES | Six months Ended December 31, 2018 | | Year Ended June 30, 2018 | |
|------------------------------------|---------------------------------------|--------------|--------------------------|--------------|
| | SHARES | AMOUNT | SHARES | AMOUNT |
| Shares sold | 29,763 | \$ 352,463 | 60,629 | \$ 732,057 |
| Shares reinvested | 4,739 | 56,083 | 9,811 | 118,270 |
| Shares redeemed | (64,039) | (760,077) | (121,842) | (1,474,615) |
| Net decrease | (29,537) | \$ (351,531) | (51,402) | \$ (624,288) |

| NORTH CAROLINA TAX-FREE INCOME SERIES | Six months Ended December 31, 2018 | | Year Ended June 30, 2018 | |
|--|---------------------------------------|---------------|--------------------------|----------------|
| | SHARES | AMOUNT | SHARES | AMOUNT |
| Shares sold | 980,229 | \$ 11,028,119 | 1,494,438 | \$ 17,165,926 |
| Shares reinvested | 89,588 | 1,010,064 | 191,938 | 2,200,493 |
| Shares redeemed | (1,137,764) | (12,802,437) | (2,231,268) | (25,541,011) |
| Net decrease | (67,947) | \$ (764,254) | (544,892) | \$ (6,174,592) |

4. Capital Shares, continued

| NORTH CAROLINA TAX-FREE SHORT-TO-MEDIUM SERIES | Six months Ended December 31, 2018 | | Year Ended June 30, 2018 | |
|---|---------------------------------------|----------------|--------------------------|--------------|
| | SHARES | AMOUNT | SHARES | AMOUNT |
| Shares sold | 200,914 | \$ 2,127,320 | 423,974 | \$ 4,549,033 |
| Shares reinvested | 11,000 | 116,821 | 22,728 | 244,094 |
| Shares redeemed | (491,697) | (5,221,699) | (375,401) | (4,040,515) |
| Net increase/(decrease) | (279,783) | \$ (2,977,558) | 71,301 | \$ 752,612 |

| TENNESSEE TAX-FREE INCOME SERIES | Six months Ended December 31, 2018 | | Year Ended June 30, 2018 | |
|----------------------------------|---------------------------------------|----------------|--------------------------|---------------|
| | SHARES | AMOUNT | SHARES | AMOUNT |
| Shares sold | 279,967 | \$ 3,126,488 | 1,244,483 | \$ 14,188,162 |
| Shares reinvested | 78,919 | 881,090 | 177,266 | 2,014,239 |
| Shares redeemed | (1,057,470) | (11,806,873) | (1,268,235) | (14,359,331) |
| Net increase/(decrease) | (698,584) | \$ (7,799,295) | 153,514 | \$ 1,843,070 |

| TENNESSEE TAX-FREE SHORT-TO-MEDIUM SERIES | Six months Ended December 31, 2018 | | Year Ended June 30, 2018 | |
|--|---------------------------------------|----------------|--------------------------|--------------|
| | SHARES | AMOUNT | SHARES | AMOUNT |
| Shares sold | 5,548 | \$ 58,491 | 80,706 | \$ 853,806 |
| Shares reinvested | 4,875 | 51,148 | 11,325 | 120,143 |
| Shares redeemed | (235,918) | (2,473,413) | (122,644) | (1,304,021) |
| Net decrease | (225,495) | \$ (2,363,774) | (30,613) | \$ (330,072) |

| INTERMEDIATE GOVERNMENT BOND SERIES | Six months Ended December 31, 2018 | | Year Ended June 30, 2018 | |
|-------------------------------------|---------------------------------------|--------------|--------------------------|--------------|
| | SHARES | AMOUNT | SHARES | AMOUNT |
| Shares sold | 23,572 | \$ 230,652 | 192,308 | \$ 1,943,028 |
| Shares reinvested | 15,218 | 149,438 | 31,493 | 316,610 |
| Shares redeemed | (67,775) | (663,777) | (227,258) | (2,287,404) |
| Net decrease | (28,985) | \$ (283,687) | (3,457) | \$ (27,766) |

| TAXABLE MUNICIPAL BOND SERIES | Six months Ended December 31, 2018 | | Year Ended June 30, 2018 | |
|-------------------------------|---------------------------------------|--------------|--------------------------|--------------|
| | SHARES | AMOUNT | SHARES | AMOUNT |
| Shares sold | 105,640 | \$ 1,068,546 | 108,828 | \$ 1,127,845 |
| Shares reinvested | 19,674 | 199,004 | 36,890 | 382,777 |
| Shares redeemed | (74,654) | (755,471) | (128,361) | (1,333,190) |
| Net increase | 50,660 | \$ 512,079 | 17,357 | \$ 177,432 |

5. Concentration of Credit Risk

The Alabama Tax-Free Income Series, Kentucky Tax-Free Income Series, Kentucky Tax-Free Short-to-Medium Series, Mississippi Tax-Free Income Series, North Carolina Tax-Free Income Series, North Carolina Tax-Free Short-to-Medium Series, Tennessee Tax-Free Income Series, and Tennessee Tax-Free Short-to-Medium Series each invest solely in debt obligations issued by the states of Alabama, Kentucky, Mississippi, North Carolina, and Tennessee, respectively, and their respective

DUPREE MUTUAL FUNDS
NOTES TO FINANCIAL STATEMENTS
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UNAUDITED

5. Concentration of Credit Risk, continued

political subdivisions, agencies and public authorities to obtain funds for various public purposes. Each of these state-specific Funds is more susceptible to economic and political factors adversely affecting issuers of their states' respective municipal securities than a fund that is not concentrated in these issuers to the same extent.

6. Federal Income Taxes

At June 30, 2018, the Funds' capital loss carry-forwards expire as follows:

| | <u>No Expiration</u> | | <u>Total</u> |
|--|----------------------|------------------|--------------|
| | <u>Short-term</u> | <u>Long-term</u> | |
| Alabama Tax Free Income Series | \$ 35,043 | \$ 28,829 | \$ 63,872 |
| Kentucky Tax-Free Short-to-Medium Series | 210,547 | — | 210,547 |
| North Carolina Tax-Free Income Series | 1,232,968 | 112,215 | 1,345,183 |
| North Carolina Tax-Free Short-to-Medium Series | 19,255 | — | 19,255 |
| Tennessee Tax-Free Income Series | 278,197 | 3,280 | 281,477 |
| Tennessee Tax-Free Short-to-Medium Series | — | 230,668 | 230,668 |
| Intermediate Government Bond Series | 120,261 | 32,747 | 153,008 |
| Taxable Municipal Bond Series | 35,412 | — | 35,412 |

During the year ended June 30, 2018, the following Funds utilized capital loss carry-forwards as follows:

| | <u>Amount</u> |
|--|---------------|
| North Carolina Tax-Free Short-to-Medium Series | \$4,174 |
| Intermediate Government Bond Series | 6,059 |

During the year ended June 30, 2018, the following Funds had capital losses expire:

| | <u>Amount</u> |
|----------------------------------|---------------|
| Tennessee Tax-Free Income Series | \$371,142 |

Capital losses incurred after October 31 ("Post-October" losses) within the taxable year are deemed to arise on the first business day of the Fund's next taxable year. The following Funds incurred and will elect to defer net capital losses during the fiscal year 2018 as follows:

| | <u>Post October Losses</u> |
|------------------------------------|----------------------------|
| Mississippi Tax-Free Income Series | \$(3,807) |

During the year ended June 30, 2018, as a result of permanent book to tax differences, the Funds incurred differences that affected undistributed (accumulated) net investment income (loss), accumulated net realized gain (loss) on investments and aggregate paid in capital by the amounts in the table below. The differences are due to expiration of capital loss carryforwards and sales of market discount bonds. Net assets were not affected by these reclassifications.

| | <u>Accumulated Net Realized Gain/(Loss)</u> | <u>Paid In Capital</u> | <u>Accumulated Net Investment Income/(Loss)</u> |
|---------------------------------------|---|------------------------|---|
| Alabama Tax-Free Income Series | \$ 181 | \$ — | \$ (181) |
| Kentucky Tax-Free Income Series | 48,307 | — | (48,307) |
| North Carolina Tax-Free Income Series | 1,933 | — | (1,933) |
| Tennessee Tax-Free Income Series | 371,142 | (371,142) | — |

DUPREE MUTUAL FUNDS
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

UNAUDITED

6. Federal Income Taxes, continued

The tax character of distributions paid for the six months ended December 31, 2018 and the year ended June 30, 2018 were as follows:

| | Six months ended December 31, 2018 | | | Year ended June 30, 2018 | | |
|--|------------------------------------|-----------------|------------------------|--------------------------|-----------------|------------------------|
| | Tax Exempt Income | Ordinary Income | Long-Term Capital Gain | Tax Exempt Income | Ordinary Income | Long-Term Capital Gain |
| Alabama Tax-Free Income Series | \$ 358,696 | \$ — | \$ — | \$ 772,453 | \$ — | \$ — |
| Kentucky Tax-Free Income Series | 13,838,985 | — | 1,608,795 | 29,267,208 | — | 173,173 |
| Kentucky Tax-Free Short-to-Medium Series | 564,819 | — | — | 1,191,167 | — | — |
| Mississippi Tax-Free Income Series | 155,200 | — | 271 | 326,227 | — | 8,238 |
| North Carolina Tax-Free Income Series | 1,707,587 | — | — | 3,636,670 | — | — |
| North Carolina Tax-Free Short-to-Medium Series | 167,163 | — | — | 328,323 | — | — |
| Tennessee Tax-Free Income Series | 1,396,297 | — | — | 2,996,040 | — | — |
| Tennessee Tax-Free Short-to-Medium Series | 68,180 | — | — | 153,033 | — | — |
| Intermediate Government Bond Series | — | 189,191 | — | — | 392,788 | — |
| Taxable Municipal Bond Series | — | 280,802 | — | — | 540,471 | — |

At June 30, 2018, the Funds' components of distributable earnings (accumulated losses) on a tax basis were as follows:

| | Undistributed Ordinary Income | Undistributed Tax Exempt Income | Undistributed Net Long-term Capital Gain | Net Unrealized Appreciation/Depreciation on Investments |
|---|-------------------------------|---------------------------------|--|---|
| Alabama Tax-Free Income | \$ — | \$ 102,846 | \$ — | \$ 458,331 |
| Kentucky Tax-Free Income | — | 2,989,558 | 1,608,795 | 17,530,199 |
| Kentucky Tax-Free Short-to-Medium | — | 37,698 | — | (3,904) |
| Mississippi Tax-Free Income | — | 50,324 | — | 342,347 |
| North Carolina Tax-Free Income | — | 339,682 | — | 2,007,837 |
| North Carolina Tax-Free Short-to-Medium | — | 8,050 | — | (165,779) |
| Tennessee Tax-Free Income | — | 266,698 | — | 2,151,655 |
| Tennessee Tax-Free Short-to-Medium | — | 3,103 | — | (7,229) |
| Intermediate Government Bond | 6,224 | — | — | 261,676 |
| Taxable Municipal Bond Series | 13,234 | — | — | 871,543 |

| | Accumulated Capital and Other Losses | Other Temporary Differences | Total Accumulated Earnings/(Losses) |
|---|--------------------------------------|-----------------------------|-------------------------------------|
| Alabama Tax-Free Income | \$ (63,872) | \$ (102,846) | \$ 394,459 |
| Kentucky Tax-Free Income | — | (2,989,558) | 19,138,994 |
| Kentucky Tax-Free Short-to-Medium | (210,547) | (37,698) | (214,451) |
| Mississippi Tax-Free Income | (3,807) | (50,324) | 338,540 |
| North Carolina Tax-Free Income | (1,345,183) | (339,682) | 662,654 |
| North Carolina Tax-Free Short-to-Medium | (19,255) | (8,050) | (185,034) |
| Tennessee Tax-Free Income | (281,477) | (266,698) | 1,870,178 |
| Tennessee Tax-Free Short-to-Medium | (230,668) | (3,103) | (237,897) |
| Intermediate Government Bond | (153,008) | (6,224) | 108,668 |
| Taxable Municipal Bond Series | (35,412) | (13,234) | 836,131 |

7. Contingencies and Commitments

The Funds indemnify the Trust’s officers and Trustees for certain liabilities that might arise from their performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts that contain a variety of representations and warranties and which may provide for indemnification. The Funds’ maximum exposure under these arrangements is unknown, as this would involve predicting future claims that may be made against the Funds, if any. However, based on experience, the Funds believe the risk of loss is remote.

8. Line of Credit Agreement and Custodian Agreement

Under the terms of an agreement with the Funds’ custodian, principal amounts up to 5% of a Fund’s net assets are available on a committed line of credit. The principal amounts borrowed are due on demand. The agreement expires on August 31, 2019, but may be renewed annually. Interest is payable based on the published prime rate of the bank. Securities with a minimum value of three times the loan proceeds will be assigned as collateral until the balance of the note and unpaid interest is paid in full and terminated.

At December 31, 2018, the Funds had an aggregate unused line of credit amount of \$25,000,000. During the six months ended December 31, 2018, the average interest rate on borrowings was 5.14% and the daily weighted average borrowings for each Fund with borrowings were as follows:

| | <u>Weighted average borrowings</u> |
|--|---|
| Kentucky Tax Free Income Series | \$29,117 |
| Kentucky Tax-Free Short-to-Medium Series | 3,311 |
| Mississippi Tax-Free Income Series | 1,028 |
| North Carolina Tax-Free Income Series | 61,928 |
| North Carolina Tax-Free Short-to-Medium Series | 8,328 |
| Tennessee Tax-Free Income Series | 27,817 |
| Tennessee Short-to-Medium Tax-Free Series | 2,744 |
| Intermediate Government Bond Series | 89 |
| Taxable Municipal Bond Series | 933 |

There were no borrowings outstanding as of December 31, 2018.

The Funds have a contractual agreement with the custodian whereby the Funds compensate the custodian for custodial services incurred exceeding the credits realized as a result of uninvested cash balances. Credits realized as a result of uninvested cash balances are used to reduce each Fund’s expenses. During the six months, these credits reduced each Fund’s expenses by the amount shown on the Statement of Operations as “Custodian expense reduction.”

**DUPREE MUTUAL FUNDS
OTHER UNAUDITED INFORMATION
December 31, 2018**

UNAUDITED

Trustee and officer information

The following table sets forth information as to the Trustees and officers:

| Name, Address and Age | Position(s) Held with Funds | Term of Office and Length of Time Served | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Trustee | Other Directorships Held in publicly traded companies |
|---|--|---|---|---|--|
| Officers: | | | | | |
| Allen E. Grimes, III 125 South Mill Street Lexington, KY 40507 Age: 56 | President | Annual Term; 12 years of service as Executive Vice President, first term as President | President, Dupree & Company, Inc. | N/A | N/A |
| Michelle M. Dragoo 125 South Mill Street Lexington, KY 40507 Age: 57 | Vice President, Secretary, Treasurer | Annual Term; 20 years of service as Vice President, 18 years of service as Secretary, Treasurer | Vice President, Secretary, Treasurer of Dupree & Company, Inc. | N/A | N/A |
| Huston B. Combs 125 South Mill Street Lexington, KY 40507 Age: 42 | Vice President | First Term | Dupree & Company, Inc. (2017 to present); Gess Mattingly & Atchison, P.S.C. (law firm) (2003-2017) | N/A | N/A |
| Vincent H. Harrison 125 South Mill Street Lexington, KY 40507 Age: 47 | Assistant Secretary, Assistant Treasurer | Annual Term; 3 years of service | Vice President Dupree & Company, Inc. | N/A | N/A |
| Martin Dean Ultimus Fund Solutions 225 Pictoria Drive Suite 450 Cincinnati, OH 45246 Age: 55 | Compliance Officer | Annual Term; 1 year of service | Vice President, Director of Fund Compliance Ultimus Fund Solutions, LLC (January 2016-present); Senior Vice President, Huntington Asset Services (July 2013-December 2015); Director of Fund Accounting and Fund Administration Product | N/A | N/A |
| Trustees: | | | | | |
| C. Timothy Cone 201 West Short Street Lexington, KY 40507 Age: 74 | Trustee, Chairman | Annual Term; 16 years of service | Of Counsel (2016 to present) prior, President, Gess, Mattingly & Atchison, P.S.C. (law firm) | 10 | N/A |
| James C. Baughman, Jr. 1999 Richmond Road Suite 2A Lexington, KY 40502 Age: 56 | Trustee Chair, Nominating Committee | Annual Term 11 Years of Service | President, CJN Advisors, LLC (2013 – present; business consulting); President, Blue Horse Entries, LLC (2014 to present; online business support services for equestrian events) | 10 | Advisory Board, Community Trust Bank |
| William A. Combs, Jr.* 111 Woodland Ave., #510 Lexington, KY 40502 Age: 78 | Trustee | Annual Term; 29 years of service as Trustee | Officer, Director: Mercedes-Benz of Cincinnati, Ohio; Mercedes-Benz of West Chester, Ohio (until 2016) | 10 | N/A |
| Ann Rosenstein Giles 343 Waller Avenue Suite 100 Lexington, KY 40504 Age: 66 | Trustee Chair, Valuation Committee | Annual Term; 7 years of service | AJ Marketing Partners (self-employed marketing consultant) | 10 | N/A |
| Marc A. Mathews 2104 Lakeside Drive Lexington, KY 40502 Age: 60 | Trustee Chair, Audit Committee | Annual Term; 7 years of service | Vice President for Finance and Business, Transylvania University | 10 | Director, Bank of the Bluegrass |

* As of July 3, 2017 William A. Combs, Jr. is an affiliated person of Dupree & Company, Inc., the Trust’s investment adviser, and is considered an “interested person” of the Trust within the meaning of section 2(a)(1a) of the 1940 Act.

Trustee and officer information, continued

As of December 31, 2018, none of the Trustees or members of their immediate family held any beneficial interest in the Trust's Investment Adviser. Further, the Trust does not have an underwriter.

The Statement of Additional Information ("SAI") includes additional information about Trustees and officers and is available upon request without charge. Please call (800) 866-0614 to request the SAI.

Proxy Voting Information

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities and information regarding how the Funds voted those proxies during the most recent twelve months ended June 30, 2018, is available without charge upon request by calling (800) 866-0614, or on the Securities and Exchange Commission's website at <http://www.sec.gov>. For the six months ended December 31, 2018, the Funds exercised no proxy votes due to the fact that the debt instruments in which the Funds invest carry no voting rights.

Quarterly Portfolio Disclosure

The Trust files with the Securities and Exchange Commission a complete listing of portfolio holdings for each Fund as of the end of the first and third quarters of each fiscal year on Form N-Q. The complete listing (i) is available on the commission's website and (ii) will be made available to shareholders upon request by calling (800) 866-0614. Information on the operation of the SEC's Office of Investor Education and Advocacy (previously referred to as "SEC Public Reference Room") may be obtained by calling 1-800-SEC-0330.

Renewal of Advisory Agreements:

In connection with a meeting held on August 28, 2018, the Board, including a majority of the Trustees who are not "interested persons," as that term is defined in the Investment Company Act of 1940, as amended, discussed the renewal of the investment advisory agreements (the "Advisory Agreements") between Dupree & Co. (the "Adviser") and the Trust with respect to each of the Funds. In considering the renewal of the Advisory Agreements, the Board received materials specifically relating to each Fund and its respective Advisory Agreement.

The Board relied upon the advice of independent legal counsel and their own business judgment in determining the material factors to be considered in evaluating the Advisory Agreements and the weight to be given to each such factor. The Board's conclusions were based on an evaluation of all the information provided and were not the result of any one factor. Moreover, each Trustee may have afforded different weight to the various factors in reaching conclusions with respect to the Advisory Agreements.

Nature, Quality and Extent of Services. The Board reviewed the Adviser's experience and the capabilities of its personnel. The Board reviewed personnel changes at the Adviser. The Board discussed the Adviser's compliance program and its business continuity and disaster recovery plans. Taking into account the personnel involved in servicing each of the Funds, as well as the materials and services described above, the Board expressed satisfaction with the quality of the services received from the Adviser.

Performance. The Board reviewed the performance of each Fund for the last 10 years, comparing the performance to various indices, peer groups and Morningstar categories. The Board and the Adviser discussed the methodology used to select the peer groups. The Board reviewed performance for each of the Funds over the 1-Year, 5-Year and 10-Year and Since Inception (if applicable) periods, relative to applicable benchmarks and peer groups. The Board concluded that Fund performance was satisfactory.

Fees and Expenses. The Board reviewed the range of advisory fees paid by the Funds to the Adviser and the total operating expenses of each Fund. The Board turned its attention to materials previously provided by the Adviser that compared the investment advisory fees assessed to the Funds with each Fund's peer group and the appropriate Morningstar category averages. The Board noted that the advisory fees for the Kentucky Tax-Free Income Series and the Intermediate Government Bond Series were below the peer group and Morningstar category averages. The Board also noted that the advisory fee for the other Funds were higher than the peer group and Morningstar category averages, but were within the range of fees charged by the peer groups and Morningstar category. The Adviser stated that the slightly higher fees were due to the smaller size of the Funds as compared to the size of the funds comprising

Renewal of Advisory Agreements, continued

the peer group and Morningstar categories. Turning to total operating expenses, the Board observed that the average expense ratios for Alabama Tax-Free Income Series, Kentucky Tax-Free Income Series, Kentucky Tax-Free Short-to-Medium Series, Mississippi Tax-Free Income Series, North Carolina Tax-Free Income Series and Tennessee Tax-Free Income Series were equal to or lower than the average expense ratios of the peer group and Morningstar category averages. The expense ratios of the remaining Funds were in line with the peer group and Morningstar category averages and within the range of net expenses. After considering the comparative data as described above, the Board concluded that the advisory fees and expense ratios were reasonable.

Economies of Scale. In reviewing the costs of the services to be provided and the profits to be realized by the Adviser, the Board reviewed the Adviser's unaudited income statement and balance sheet for the seven-months ended July 31, 2018, as well as the net profit margins realized on each Fund. The Adviser discussed the allocation of revenues and expenses, specifically noting that 100% of marketing expenses are allocated to the Adviser. The Board noted that the existing Investment Advisory Agreements provide for breakpoints at specified asset levels.

Profitability. Finally, the Board discussed the transfer agency fees earned by the Adviser for services provided to the Funds pursuant to the Transfer Agent and Dividend Disbursing Agent Services Agreement. The Adviser stated that the transfer agency fees earned by the Adviser reflected its service to the Funds' direct shareholders and the coordination of trading and settlement issues for all shareholders. The Board discussed the level and quality of services provided to shareholders by the Adviser. The Board also discussed the net profit margins realized by the Adviser on each Fund under the Transfer Agent and Dividend Disbursing Agent Services Agreement. After further discussion, the Board concluded the level of profit realized by the Adviser in connection with its advisory services provided to the Funds was not excessive.

Conclusion. Having requested and received such information from the Adviser as the Board believed to be reasonably necessary to evaluate the terms of the Advisory Agreements, and as assisted by the advice of independent counsel, the Board concluded that the advisory fee structure was reasonable and that renewal of the Advisory Agreements was in the best interests of the shareholders of the Funds.

Schedule of Shareholder Expenses

As a shareholder of the Funds, you incur transaction costs including investment advisory fees and other Fund expenses. The following examples are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During the Six Months Ended December 31, 2018” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses which is not the Funds’ actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

| | Net Expense Ratio Annualized December 31, 2018 | Beginning Account Value July 1, 2018* | Ending Account Value December 31, 2018** | Expenses Paid During the Six Months Ended December 31, 2018 |
|---|--|---------------------------------------|--|---|
| Alabama Tax-Free Income Series | | | | |
| Actual | .71% | \$1,000.00 | \$1,004.74 | \$3.57 |
| Hypothetical | .71 | 1,000.00 | 1,025.21 | 3.60 |
| Kentucky Tax-Free Income Series | | | | |
| Actual | .58 | 1,000.00 | 1,007.76 | 2.92 |
| Hypothetical | .58 | 1,000.00 | 1,025.21 | 2.95 |
| Kentucky Tax-Free Short-to-Medium Series | | | | |
| Actual | .71 | 1,000.00 | 1,005.60 | 3.58 |
| Hypothetical | .71 | 1,000.00 | 1,025.21 | 3.61 |
| Mississippi Tax-Free Income Series | | | | |
| Actual | .71 | 1,000.00 | 1,005.44 | 3.57 |
| Hypothetical | .71 | 1,000.00 | 1,025.21 | 3.61 |
| North Carolina Tax-Free Income Series | | | | |
| Actual | .71 | 1,000.00 | 1,011.24 | 3.58 |
| Hypothetical | .71 | 1,000.00 | 1,003.57 | 3.57 |
| North Carolina Tax-Free Short-to-Medium Series | | | | |
| Actual | .71 | 1,000.00 | 1,007.21 | 3.58 |
| Hypothetical | .71 | 1,000.00 | 1,025.21 | 3.61 |
| Tennessee Tax-Free Income Series | | | | |
| Actual | .71 | 1,000.00 | 1,004.99 | 3.57 |
| Hypothetical | .71 | 1,000.00 | 1,025.21 | 3.58 |
| Tennessee Tax-Free Short-to-Medium Series | | | | |
| Actual | .71 | 1,000.00 | 1,005.85 | 3.61 |
| Hypothetical | .71 | 1,000.00 | 1,025.21 | 3.64 |

DUPREE MUTUAL FUNDS
OTHER UNAUDITED INFORMATION
December 31, 2018

UNAUDITED

Schedule of Shareholder Expenses, continued

| | Net Expense Ratio Annualized December 31, 2018 | Beginning Account Value July 1, 2018* | Ending Account Value December 31, 2018** | Expenses Paid During the Six Months Ended December 31, 2018 |
|--|---|--|---|--|
| Intermediate Government Bond Series | | | | |
| Actual | .68% | \$1,000.00 | \$1,008.02 | \$3.46 |
| Hypothetical | .68 | 1,000.00 | 1,025.21 | 3.49 |
| Taxable Municipal Bond Series | | | | |
| Actual | .71 | 1,000.00 | 1,008.37 | 3.57 |
| Hypothetical | .71 | 1,000.00 | 1,025.21 | 3.60 |

* The example is based on an investment of \$1,000 invested at the beginning of the period.

** Expenses are equal to the Funds' annualized expense ratio, multiplied by the average account value over the period multiplied by [184/365] (to reflect one-half year period).

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